

SERFF Tracking Number: HRLV-126763747 State: Arkansas
Filing Company: Harleysville Mutual Insurance Company State Tracking Number: EFT \$150
Company Tracking Number: DFJENCLEAVER051410-RR
TOI: 30.1 Dwelling Fire/Personal Liability Sub-TOI: 30.1000 Dwelling Fire/Personal Liability
Product Name: Dwelling Fire
Project Name/Number: DFJenClever051410-RR/Dwelling Fire

Filing at a Glance

Company: Harleysville Mutual Insurance Company

Product Name: Dwelling Fire SERFF Tr Num: HRLV-126763747 State: Arkansas
TOI: 30.1 Dwelling Fire/Personal Liability SERFF Status: Closed-Filed State Tr Num: EFT \$150
Sub-TOI: 30.1000 Dwelling Fire/Personal Liability Co Tr Num: DFJENCLEAVER051410-RR State Status: Fees verified and received
Liability
Filing Type: Rate/Rule Reviewer(s): Becky Harrington, Betty Montesi
Disposition Date: 08/16/2010
Authors: Tina Losinno, Robin Upchurch
Date Submitted: 08/11/2010 Disposition Status: Filed
Effective Date Requested (New): 09/30/2010 Effective Date (New): 09/30/2010
Effective Date Requested (Renewal): 09/30/2010 Effective Date (Renewal): 09/30/2010

State Filing Description:

General Information

Project Name: DFJenClever051410-RR Status of Filing in Domicile: Not Filed
Project Number: Dwelling Fire Domicile Status Comments:
Reference Organization: ISO Reference Number: DP-2008-RLA1
Reference Title: Loss Cost Advisory Org. Circular: DP-2008-120
Filing Status Changed: 08/16/2010
State Status Changed: 08/11/2010 Deemer Date:
Created By: Robin Upchurch Submitted By: Robin Upchurch
Corresponding Filing Tracking Number: HRLV-126763808
Filing Description:
Dear Honorable Bradford:

With this filing we submit for your review and approval the introduction of a new Dwelling Fire Program under Harleysville Mutual Insurance Company in the State of Arkansas.

As a subscriber to Insurance Services Office, we wish to use the 2002 platform rules and loss costs filed on our behalf by said organization subject to variations. Attached please find our manual which displays our company exceptions which we wish to use in affording coverage

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DP-Contents-1 & 2, Original Printing, September 2010
DP-1 thru DP-3, Original Printing, September 2010
DP-2-1, Original Printing, September 2010
DP-3-1 thru DP-3-10, Original Printing, September 2010
DP-4-1 thru DP-4-5, Original Printing, September 2010
DP-5-1 thru DP-5-10, Original Printing, September 2010
DP-E-1 and DP-E-2, Original Printing, September 2010
DP-T-1 thru DP-T-10, Original Printing, September 2010
F-1, Original Printing, September 2010
Index-1 & Index-2, Original Printing, September 2010

Statistical Agent: Insurance Services Office, 545 Washington Blvd, Jersey City NJ 07310-1686.

Rule of Application: Applicable to new business policies effective on or after September 30, 2010.

Your favorable approval will be appreciated.

Company and Contact

Filing Contact Information

Robin Upchurch, Senior State Filing Analyst Rupchurch@harleysvillegroup.com
355 Maple Avenue 215-256-5226 [Phone]
Harleysville, PA 19438-2297 215-256-5678 [FAX]

Filing Company Information

Harleysville Mutual Insurance Company CoCode: 14168 State of Domicile: Pennsylvania
355 Maple Avenue Group Code: 253 Company Type:
Harleysville, PA 19438 Group Name: State ID Number:
(215) 256-5000 ext. [Phone] FEIN Number: 23-0902325

Filing Fees

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

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COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Harleysville Mutual Insurance Company	\$150.00	08/11/2010	38698979

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Becky Harrington	08/16/2010	08/16/2010

Objection Letters and Response Letters

Objection Letters				Response Letters		
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
Pending Industry Response	Becky Harrington	08/11/2010	08/11/2010	Robin Upchurch	08/16/2010	08/16/2010

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Disposition

Disposition Date: 08/16/2010

Effective Date (New): 09/30/2010

Effective Date (Renewal): 09/30/2010

Status: Filed

Comment:

Rate data does NOT apply to filing.

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Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document (revised)	Form RF-2 Loss Costs Only (not for workers' compensation)	Filed	Yes
Supporting Document	Form RF-2 Loss Costs Only (not for workers' compensation)		Yes
Supporting Document	H-1 Homeowners Abstract		Yes
Supporting Document (revised)	HPCS-Homeowners Premium Comparison Survey	Filed	Yes
Supporting Document	HPCS-Homeowners Premium Comparison Survey		Yes
Supporting Document (revised)	NAIC loss cost data entry document	Filed	Yes
Supporting Document	NAIC loss cost data entry document		Yes
Supporting Document	Actuarial Exhibits	Filed	Yes
Rate	Complete Manual	Filed	Yes
Rate	Contents	Filed	Yes
Rate	Manual exception page	Filed	Yes
Rate	Manual exception page	Filed	Yes
Rate	Manual exception page	Filed	Yes
Rate (revised)	Manual exception page	Filed	Yes
Rate	Manual exception page		Yes
Rate	Manual exception page	Filed	Yes
Rate	Exception Pages	Filed	Yes
Rate	Territory pages	Filed	Yes
Rate	Forms Index	Filed	Yes
Rate	Index	Filed	Yes

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Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 08/11/2010

Submitted Date 08/11/2010

Respond By Date

Dear Robin Upchurch,

This will acknowledge receipt of the captioned filing.

Objection 1

No Objections

Comment: Please clarify why a complete manual and individual sections were submitted.

Some pages identify Dwelling Program 2002 and some Dwelling Program 89. Please explain.

Objection 2

- Form RF-2 Loss Costs Only (not for workers' compensation) (Supporting Document)
- NAIC loss cost data entry document (Supporting Document)

Comment: These forms are required by Regulation 23.

Objection 3

- HPCS-Homeowners Premium Comparison Survey (Supporting Document)

Comment: It appears from the manual pages that a DP-2 policy form will be written. Please complete the appropriate section of the HPCS. Remember to submit it in Excel spreadsheet format (xls) and do not alter the form in any way.

Objection 4

- Actuarial Exhibits (Supporting Document)

Comment: It was indicated that this program replaces the currently filed program. Please indicate the number of current policies in AR. Explain how current insureds will be treated.

Explain any rate differential between the two programs' loss cost multipliers.

Please feel free to contact me if you have questions.

In accordance with Regulation 23, Section 7.A., this filing may not be implemented until 20 days after the requested amendment(s) and/or information is received.

Sincerely,

Becky Harrington

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Response Letter

Response Letter Status Submitted to State
Response Letter Date 08/16/2010
Submitted Date 08/16/2010

Dear Becky Harrington,

Comments:

Thank you for your objection letter dated August 11, 2010 at this time we wish to address your concerns in the order recieved

Response 1

Comments: I have removed the complete manual attached and submit for review and approval individual sections, the complete manual was submitted in error this is not a requirement of AR. Also manual pages DP-4-1 thru DP-4-5 have been corrected to read Dwelling Program 2002.

Related Objection 1

Comment:

Please clarify why a complete manual and individual sections were submitted.

Some pages identify Dwelling Program 2002 and some Dwelling Program 89. Please explain.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

Rate/Rule Schedule Item Changes

Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing #
Manual exception page	DP-4-1 thru DP-4-5	New	
Previous Version			
Manual exception page	DP-4-1 thru DP-4-5	New	

Response 2

SERFF Tracking Number: HRLV-126763747 State: Arkansas
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Company Tracking Number: DFJENCLEAVER051410-RR
TOI: 30.1 Dwelling Fire/Personal Liability Sub-TOI: 30.1000 Dwelling Fire/Personal Liability
Product Name: Dwelling Fire
Project Name/Number: DFJenCleaver051410-RR/Dwelling Fire

Comments: Please see attached RF-2 & RF-1

Related Objection 1

Applies To:

- Form RF-2 Loss Costs Only (not for workers' compensation) (Supporting Document)
- NAIC loss cost data entry document (Supporting Document)

Comment:

These forms are required by Regulation 23.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: Form RF-2 Loss Costs Only (not for workers' compensation)

Comment:

Satisfied -Name: NAIC loss cost data entry document

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 3

Comments: Please see attached Homeowners premium Comparison Survey

Related Objection 1

Applies To:

- HPCS-Homeowners Premium Comparison Survey (Supporting Document)

Comment:

It appears from the manual pages that a DP-2 policy form will be written. Please complete the appropriate section of the HPCS. Remember to submit it in Excel spreadsheet format (xls) and do not alter the form in any way.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: HPCS-Homeowners Premium Comparison Survey

Comment:

No Form Schedule items changed.

SERFF Tracking Number: HRLV-126763747 State: Arkansas
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No Rate/Rule Schedule items changed.

Response 4

Comments: There are no current dwelling policies in Arkansas.

Related Objection 1

Applies To:

- Actuarial Exhibits (Supporting Document)

Comment:

It was indicated that this program replaces the currently filed program. Please indicate the number of current policies in AR. Explain how current insureds will be treated.

Explain any rate differential between the two programs' loss cost multipliers.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

With this response we look forward to your continued review and approval. Thank you

Sincerely,

Robin Upchurch, Tina Losinno

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Rate Information

Rate data applies to filing.

Filing Method: File & Use
Rate Change Type: Neutral
Overall Percentage of Last Rate Revision: 0.000%
Effective Date of Last Rate Revision:
Filing Method of Last Filing: File & Use

Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where required):	Minimum % Change (where required):
Harleysville Mutual Insurance Company	0.000%	0.000%	\$0	0	\$0	0.000%	0.000%

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Rate/Rule Schedule

Schedule Item	Exhibit Name:	Rule # or Page	Rate Action	Previous State Filing Attachments
Status:		#:		Number:
Filed 08/16/2010	Complete Manual		New	DP COMPLETE MANUAL.pdf
Filed 08/16/2010	Contents	DP-Contents-1 & New 2		DP CONTENTS.pdf
Filed 08/16/2010	Manual exception page	DP-1 thru DP-3	New	DP-1XX PGS.pdf
Filed 08/16/2010	Manual exception page	DP-2-1	New	DP-2XX PGS.pdf
Filed 08/16/2010	Manual exception page	DP-3-1 thru DP- 3-10	New	DP-3XX PGS.pdf AR DF Rate Pages (HMIC) DP-3-2.pdf AR DF Rate Pages (HMIC) DP-3-3.pdf AR DF Rate Pages (HMIC) DP-3-4.pdf AR DF Rate Pages (HMIC) DP-3-5.pdf AR DF Rate Pages (HMIC) DP-3-6.pdf AR DF Rate Pages (HMIC) DP-3-7.pdf
Filed 08/16/2010	Manual exception page	DP-4-1 thru DP- 4-5	New	DP-4XX PGS.pdf

SERFF Tracking Number: *HRLV-126763747* *State:* *Arkansas*
Filing Company: *Harleysville Mutual Insurance Company* *State Tracking Number:* *EFT \$150*
Company Tracking Number: *DFJENCLEAVER051410-RR*
TOI: *30.1 Dwelling Fire/Personal Liability* *Sub-TOI:* *30.1000 Dwelling Fire/Personal Liability*
Product Name: *Dwelling Fire*
Project Name/Number: *DFJenClever051410-RR/Dwelling Fire*

Filed 08/16/2010 Manual exception page	DP-5-1 thru DP- 5-10	New	DP-5XX PGS.pdf
Filed 08/16/2010 Exception Pages	DP-E-1 & 2	New	DP-E-X PGS - Additional Rules.pdf
Filed 08/16/2010 Territory pages	DP-T-1 thru 10	New	DP-T-XX Territory Pages.pdf
Filed 08/16/2010 Forms Index	F-1	New	PROPERTY FORMS PG.pdf
Filed 08/16/2010 Index	pages 1 & 2	New	INDEX.pdf

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106.	Construction Definitions	DP-1-3
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ARKANSAS (03)

101. FORMS, COVERAGES, MINIMUM LIMITS OF LIABILITY

A. Forms

The Dwelling policy program makes available the following policy forms:

1. Dwelling Property 1 Basic Form **DP 00 01**,
2. Dwelling Property 2 Broad Form **DP 00 02**, and
3. Dwelling Property 3 Special Form **DP 00 03**.

B. Coverages

1. Forms **DP 00 02** and **DP 00 03** provide the following coverages. These coverages are written as separate items in the policy or in separate policies:
 - a. Coverage A – Dwelling
 - b. Coverage B — Other Structure
 - c. Coverage C — Personal Property
 - d. Coverage D — Fair Rental Value
 - e. Coverage E — Additional Living Expense
2. Form **DP 00 01** provides Coverages A through D; Coverage E is available by endorsement.

C. Minimum Limits of Liability

The following coverages are subject to a minimum limit of liability:

Coverages	Minimum Limit
Coverage A – Dwelling	\$12,000 (Form DP 00 02) \$15,000 (Form DP 00 03)
Coverage C – Personal Property	\$4,000 without Coverage A (Forms DP 00 02 and DP 00 03)
There are no minimum limits for Form DP 00 01	

Table 101.C. Minimum Limits Of Liability

102. PERILS INSURED AGAINST

A. The following is a general description of the coverages provided by the individual Dwelling Policy forms. The policy shall be consulted for exact contract conditions.

Perils Insured Against	DP 00 01 Basic Form	DP 00 02 Broad Form	DP 00 03 Special Form
Fire or Lightning, Internal Explosion	Yes	Yes	Yes
Extended Coverage, meaning Windstorm or Hail, Explosion, Riot or civil commotion, Aircraft, Vehicles, Smoke or Volcanic Eruption	Optional*	Yes	Yes
Vandalism or Malicious Mischief	Optional**	Yes	Yes
Damage by burglars, Falling objects, Weight of ice, snow or sleet, Accidental discharge of water or steam, Sudden cracking of a steam or hot water heating system, Freezing, Sudden damage from artificial electric currents	No	Yes	Yes
Additional Risks with certain exceptions (Special Coverage)	No	No	Yes Cov. A & B only

* May only be written with the perils of Fire or Lightning, Internal Explosion.

** May only be written with Extended Coverage.

ARKANSAS (03)

103. ELIGIBILITY

A dwelling policy may be issued to provide insurance under:

- A. Coverage A – on a dwelling building:
 - 1. Used solely for residential purposes except that certain incidental occupancies or up to 5 roomers or boarders are permitted;
 - 2. Containing not more than four apartments; and
 - 3. Which may be in a townhouse or row house structure; or
 - 4. In the course of construction.
- B. Coverage A – on a mobile or trailer home
(Reserved for Future Use)
- C. Coverage B
 - 1. At the same location as the dwelling eligible for insurance under Coverage A;
 - 2. Not used for business purposes except a permitted incidental occupancy or when rented for use as a private garage;
 - 3. At a separate location when used in connection with the insured location but not for business purposes.
- D. Coverage C in:
 - 1. A dwelling eligible under Coverage A; or
 - 2. A dwelling with rental apartments, including furnishings, equipment and appliances in halls or utility rooms; or
 - 3. Any apartment, cooperative or condominium unit used as private living quarters of the insured or rented to others.
- E. Coverage D for the loss of the fair rental value of:
 - 1. A building eligible for insurance under Coverages A or B; or
 - 2. Private living quarters eligible under Coverage C.
- F. Coverage E for the additional living expenses incurred to maintain the insured's household.

104. PROTECTION CLASSIFICATION INFORMATION

The protection class listings in the Community Mitigation Classification Manual apply to risks insured under Dwelling Program policies.

- A. The protection class indicated applies in a municipality or classified area where a single class of fire protection is available throughout (8, 7, 6, etc.)
- B. In a classified area where two or more classifications are shown (e.g., 6/9), the classification is determined as follows:

DISTANCE TO FIRE STATION	CLASS
a. 5 road miles or less with hydrant within 1000 feet	*
b. 5 road miles or less with hydrant beyond 1000 feet	9
c. Over 5 road miles	10

* First protection class (e.g., 6/9 Use Class 6)

- C. Subscription-type fire departments are identified by a footnote in the Community Mitigation Classification Manual. Class 10 applies to properties which are not subscribers or which are located over 5 road miles from the nearest recognized fire station of the listed fire department.
- D. For information regarding class 8B, refer to the Community Mitigation Classification Manual.
- E. All other properties are Class 10.

ARKANSAS (03)

105. SEASONAL DWELLING DEFINITION

A seasonal dwelling is a dwelling with continuous unoccupancy of three or more consecutive months during any one year period.

106. CONSTRUCTION DEFINITIONS

A. Frame

Exterior wall of wood or other combustible construction, including wood iron-clad, stucco on wood or plaster on combustible supports or aluminum or plastic siding over frame.

B. Masonry Veneer

Exterior walls of combustible construction veneered with brick or stone.

C. Masonry

Exterior walls constructed of masonry materials such as adobe, brick, concrete, gypsum block, hollow concrete block, stone, tile or similar materials and floors and roof of combustible construction (disregarding floors resting directly on the ground).

D. Superior Construction

1. Non-Combustible

Exterior walls, floors and roof constructed of, and supported by metal, asbestos, gypsum, or other non-combustible materials.

2. Masonry Non-Combustible

Exterior walls constructed of masonry materials (as described in C. above) and floors and roof of metal or other non-combustible materials.

3. Fire Resistive

Exterior walls, floors and roof constructed of masonry or other fire resistive materials.

E. Mixed (Masonry/Frame)

A combination of both frame and masonry construction shall be classed and coded as frame when the exterior walls of frame construction (including gables) exceed 33 1/3% of the total exterior wall area; otherwise class and code as masonry.

107. SINGLE AND SEPARATE BUILDINGS DEFINITION

A. Single Building

All buildings or sections of buildings which are accessible through unprotected openings shall be considered as a single building.

B. Separate Building

1. Buildings which are separated by space shall be considered separate buildings.

2. Buildings or sections of buildings which are separated by:

a. A 6 inch reinforced concrete or an 8 inch masonry party wall; or

b. A documented minimum two hour non-combustible wall which has been laboratory tested for independent structural integrity under fire conditions;

which pierces or rises to the underside of the roof and which pierces or extends to the innerside of the exterior wall shall be considered separate buildings. Accessibility between buildings with independent walls or through masonry, party walls described above shall be protected by at least a Class A Fire Door installed in a masonry wall section.

201. POLICY PERIOD

The policy may be written for a period of:

- A. One year and may be extended for successive policy periods by extension certificate based upon the premiums, forms and endorsements then in effect for the company.

202. CHANGES OR CANCELLATIONS

If insurance is increased, cancelled or reduced, the additional or return premium shall be computed on a pro rata basis, subject to the minimum premium.

203. MANUAL PREMIUM REVISION

A manual premium revision shall be made in accordance with the following procedures:

- A. The effective date of such revision shall be as announced.
- B. The revision shall apply to any policy or endorsement in the manner outlined in the announcement of the revision.
- C. Unless otherwise provided at the time of the announcement of the premium revision, the revision shall not affect:
 1. In-force policy forms, endorsements or premiums, until the policy is renewed.
 2. In the case of a Deferred Premium Payment Plan, in-force policy premiums, until the anniversary following the effective date of the revision.

204. MULTIPLE LOCATIONS

(Reserved for Future Use)

205. MULTIPLE POLICIES

(Reserved for Future Use)

206. MINIMUM PREMIUM

- A. A minimum **annual** premium of \$100 shall be charged for each policy.
- B. The \$100 minimum premium may include all chargeable endorsements or coverages for Fire or Fire and Allied Lines if written at inception of the policy. When such endorsements or coverages are attached after inception of the policy, the charge for each applies in accordance with the minimum premium rule, if any, for the endorsement.
- C. The minimum annual premium shall not include charges for Theft or Earthquake Coverage, except when Earthquake is the only peril covered under the policy.

207. TRANSFER OR ASSIGNMENT

Subject to the consent of the company, all the rules of this manual and any necessary adjustments of premium, a policy may be endorsed to effect:

- A. Transfer to another location within the same state; or
- B. Assignment from one insured to another in the event of transfer of title of the dwelling.

208. WAIVER OF PREMIUM

When a policy is endorsed after the inception date, any additional premium of \$5.00 or less may be waived; any return premium of \$2.00 or less may be waived.

209. WHOLE DOLLAR PREMIUM RULE

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

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

210. REFER TO COMPANY

Whenever a risk is rated on a refer to company basis, each company is responsible for complying with regulatory or statutory rate filing requirements.

ARKANSAS (03)

301. BASE PREMIUM COMPUTATION

To compute the BASE PREMIUM, use the Key Loss Costs and Key Factors that are displayed in the rate pages.

A. Fire (All Forms), Extended Coverage (**DP 00 01**), Broad Form (**DP 00 02**) or Special Form (**DP 00 03**) For Coverage A – Dwelling/Coverage C – Personal Property

1. From the Key Loss Costs Table in this manual, select the Key Loss Cost for the classifications or coverages that apply to the risk.
2. From the Loss Cost Multiplier Table, multiply the Key Loss Cost by the Loss Cost Multiplier to obtain the final Key Premium
3. From the Key Factor Table in this manual, determine the Key Factor for the desired limit of liability. If the desired limit of liability is not shown in the table, interpolate as illustrated in paragraph B. of this rule.
4. Multiply the Key Premium by the Key Factor.
5. Multiply the result of Step 4 by the Seasonal Rating Factor and round to the nearest whole dollar to develop the **BASE PREMIUM** (\$.50 or more is rounded to the next higher whole dollar).

B. Interpolation Example

1. When the desired limit of liability is less than the highest limit shown, interpolate the Key Factors using the nearest limit above and below the desired limit, for example:
 - a. \$25,500 desired limit; the nearest limits are \$25,000 and \$26,000.
 - b. For \$25,000 the Key Factor is 1.082; for \$26,000 the Key Factor is 1.098. Figure the difference between the two Key Factors and divide by 10. This provides a factor per \$100.

$$\begin{array}{r} 1.098 \\ - 1.082 \\ \hline .016 \div 10 = .0016 \end{array}$$

- c. Multiply the factor per \$100 times five, and add 1.082: the Key Factor for \$25,000.

$$\begin{array}{r} .0016 \\ \times 5 \\ \hline .0080 + 1.082 = 1.090 \end{array}$$

- d. The result, 1.090, is the Key Factor for this example.
2. The factors shown in the interpolation example are for illustration only and are not necessarily the factors shown in the Key Factor Table of this manual.

302. VANDALISM & MALICIOUS MISCHIEF – DP 00 01

Develop the BASE PREMIUM by multiplying the same limit of liability selected for Extended Coverage by the Vandalism & Malicious Mischief rate. Determine the Vandalism & Malicious Mischief rate by multiplying the appropriate loss cost from the table below by the Loss Cost Multiplier shown on the rate pages.

Loss Costs Per \$1,000	
Not Seasonal or Vacant.....	\$ 0.06
Seasonal and Not Vacant.....	0.29
Vacant.....	4.66
In Course of Construction.....	0.06

303. ORDINANCE OR LAW COVERAGE

A. Applicability by Form

1. **DP 00 01**

Coverage is not automatically included in this form but may be added by endorsement. See B., below, for rating instructions.

ARKANSAS (03)

303. ORDINANCE OR LAW COVERAGE (continued)

2. DP 00 02 and DP 00 03

A limited amount of coverage is automatically included at each Described Location to pay for the increased costs necessary to comply with the enforcement of an ordinance or law. This amount is equal to 10% of the limit of liability that applies to:

- a. Coverage A or Unit-Owner Building Items if the insured is an owner of a Described Location; or
- b. Coverage B if the insured is an owner of a Described Location which is not insured for Coverage A or Unit-Owner Building Items; or
- c. Improvements, Alterations or Additions if the insured is a tenant of a Described Location.

This amount may be increased by endorsement. See B., below, for rating instructions.

B. New or Increased Coverage

1. Ordinance or Law Coverage

The policy may be endorsed to add (Form DP 00 01) or increase (Form DP 00 02/ DP 00 03) basic Ordinance or Law Coverage to accommodate the increased costs known or estimated by the insured for material and labor to repair or replace the damaged property and to demolish the undamaged portion of damaged property and clear the site of resulting debris according to the ordinance or law.

2. Endorsement

For Form DP 00 01, use Ordinance or Law Coverage Endorsement DP 04 74. For Form DP 00 02 or DP 00 03, use Ordinance or Law - Increased Amount of Coverage Endorsement DP 04 71.

3. Premium

a. Described Location including Coverage A

(1) Form DP 00 01

(a) Fire and Extended Coverage

The premium is computed by multiplying the BASE PREMIUM by the appropriate factor selected from the following:

Percentage of Coverage A Total Amount	Factor
10%	1.03
25%	1.08
50%	1.15
75%	1.23
100%	1.30
For each additional 25% increment, add:	.08

(b) Vandalism & Malicious Mischief

Multiply the rate per \$1,000 used to determine the Vandalism and Malicious Mischief BASE PREMIUM by the dollar amount of coverage added. Then multiply that result by .30.

(2) DP 00 02 or DP 00 03 – Fire, Broad or Special Forms

The premium is computed by multiplying the BASE PREMIUM by the appropriate factor selected from the following:

Percentage of Coverage A Increase in Amount	Total Amount	Factor
15%	25%	1.05
40%	50%	1.12
65%	75%	1.20
90%	100%	1.27
For each additional 25% increment, add:		.08

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303. ORDINANCE OR LAW COVERAGE (continued)

- b. Described Location not including Coverage A, but including Coverage B – Specific Structures, Unit-Owner Building Items and/or Improvements, Alterations and Additions.

See Rule 503. for rating instructions.

304. PERMITTED INCIDENTAL OCCUPANCIES

A. Coverage Description

1. One of the incidental occupancies described in Paragraph B. is permitted in a premises eligible for coverage under a Dwelling Policy if:
 - a. The policy provides insurance under Coverage A, B or C;
 - b. The incidental occupancy is operated by the insured who is the owner or a resident of the premises; and
 - c. There are no more than two persons at work in the incidental occupancy.
2. Use Permitted Incidental Occupancies Endorsement **DP 04 20**.

B. Permitted Incidental Occupancies

1. Offices, Schools or Studios, meaning offices for business or professional purposes, and private schools or studios for music, dance, photography and other instructional purposes.
2. Small Service Occupancies, meaning occupancies primarily for service rather than sales. For example: barber or beauty shop, tailor or dressmaker, telephone exchanges or shoe repair shops using handwork only.
3. Storage of merchandise if the value of the merchandise does not exceed \$10,000.

C. Amount of Insurance

The amounts of insurance for the contents of the incidental occupancy and merchandise in storage shall be stated as separate contents items in the policy declarations.

D. Premium Computation

Determine the Coverage C BASE PREMIUM under Rule 301., using the single Key Factor for the total amount of insurance for:

1. Household personal property,
2. Contents of the incidental occupancy, and
3. Merchandise in storage.

305. LOSS SETTLEMENT OPTIONS**A. Functional Replacement Cost Loss Settlement – Forms DP 00 02 And DP 00 03 Only****1. Introduction**

The policy provides building loss settlement on a replacement cost basis if, at the time of loss, the amount of insurance on the damaged building represents at least 80% of the full replacement cost of the building immediately before the loss.

2. Coverage Description

The policy may be endorsed to provide building loss settlement exclusively on a functional replacement cost basis if, at the time of loss, the amount of insurance on the damaged building is 80% or more of the functional replacement cost of the building immediately before the loss. Functional Replacement Cost means the amount which it would cost to repair or replace the damaged building with less costly common construction materials and methods which are functionally equivalent to obsolete, antique or custom construction materials and methods.

3. Premium Computation

Develop the Base Premium in accordance with Rule 301. for the amount of insurance selected for this option.

4. Endorsement

Use Functional Replacement Cost Loss Settlement Endorsement **DP 05 30**.

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305. LOSS SETTLEMENT OPTIONS (continued)

B. Actual Cash Value Loss Settlement – Forms DP 00 02 And DP 00 03 Only

1. Introduction

The policy provides building loss settlement on a replacement cost basis if, at the time of loss, the amount of insurance on the damaged building represents at least 80% of the full replacement cost of the building immediately before the loss.

2. Coverage Description

The policy may be endorsed to provide building loss settlement exclusively on an actual cash value basis if, on the inception date of the policy, the Coverage **A** limit of liability selected by the insured is less than 80% of the full replacement cost of the dwelling.

3. Premium Computation

The premium is computed by multiplying the Base Premium by the appropriate factor from the following table:

Coverage A Limit Of Liability Equals Less Than _____% Of Replacement Value	Factor
80%, but not less than 50%	1.05
Less than 50%	1.10

Table 305.B.3. Factors

4. Endorsement

Use Actual Cash Value Loss Settlement Endorsement **DP 04 76**.

ARKANSAS (03)

RULE 301. BASE PREMIUM COMPUTATION

A. Fire (All Forms), Extended Coverage (DP 00 01), Broad Form (DP 00 02),
Or Special Form (DP 00 03) For Coverage A – Dwelling/Coverage C – Personal Property

LOSS COST MULTIPLIER TABLE

	Form DP 00 01, 02 & 03
All Territories	1.758

Owner-Occupied Key Loss Costs All Territories				
Fire – Coverage A – All Forms – Non-Seasonal And Seasonal				
Prot. Class	Const.*	Number of Families		
		1	2	3 Or 4
1	M	39.01	42.91	62.42
	F	52.75	58.03	84.40
2	M	39.56	43.52	63.30
	F	53.30	58.63	85.28
3	M	40.11	44.12	64.18
	F	53.85	59.24	86.16
4	M	40.66	44.73	65.06
	F	54.40	59.84	87.04
5	M	41.21	45.33	65.94
	F	54.95	60.45	87.92
6	M	41.76	45.94	66.82
	F	55.50	61.05	88.80
7	M	42.31	46.54	67.70
	F	65.94	72.53	105.50
8	M	49.46	54.41	79.14
	F	71.44	78.58	114.30
8B	M	60.99	67.09	97.58
	F	87.92	96.71	140.67
9	M	68.69	75.56	109.90
	F	98.91	108.80	158.26
10	M	87.92	96.71	140.67
	F	126.39	139.03	202.22

* M = Masonry. Masonry Veneer is rated as masonry.
* F = Frame; Aluminum or plastic siding over frame is rated as frame.

SEASONAL RATING FACTORS	
Seasonal	1.00
Non-Seasonal	1.00

Fire – Coverage A – All Forms Owner And Non-Owner-Occupied – Non-Seasonal And Seasonal			
Limit Of Liability (000's)	Key Factor	Limit Of Liability (000's)	Key Factor
1*	0.310	40	1.327
2	0.346	42	1.359
3	0.382	44	1.392
4	0.419	46	1.425
5	0.455	48	1.457
6	0.491	50	1.490
7	0.528	55	1.570
8	0.564	60	1.650
9	0.600	65	1.730
10	0.637	70	1.810
11	0.673	75	1.890
12	0.709	80	1.970
13	0.746	85	2.050
14	0.782	90	2.130
15	0.818	95	2.210
16	0.855	100	2.290
18	0.927	105	2.370
20	1.000	110	2.450
22	1.033	115	2.530
24	1.065	120	2.610
26	1.098	125	2.690
28	1.131	130	2.770
30	1.163	135	2.850
32	1.196	140	2.930
34	1.229	145	3.010
36	1.261	Each	
38	1.294	Add'l \$1K	0.016

*-Use this limit of liability to develop premiums for policy amounts less than \$1,000.

RULE 301. BASE PREMIUM COMPUTATION

A. Fire (All Forms), Extended Coverage (DP 00 01), Broad Form (DP 00 02),
 Or Special Form (DP 00 03) For Coverage A – Dwelling/Coverage C – Personal Property

LOSS COST MULTIPLIER TABLE

	Form DP 00 01, 02 & 03
All Territories	1.758

NON-Owner-Occupied Key Loss Costs				
All Territories				
Fire – Coverage A – All Forms – Non-Seasonal				
And Seasonal				
Prot. Class	Const.*	Number of Families		
		1	2	3 Or 4
1	M	48.76	53.64	78.02
	F	65.94	72.53	105.50
2	M	49.45	54.40	79.12
	F	66.63	73.29	106.61
3	M	50.14	55.15	80.22
	F	67.31	74.04	107.70
4	M	50.83	55.91	81.33
	F	68.00	74.80	108.80
5	M	51.51	56.66	82.42
	F	68.69	75.56	109.90
6	M	52.20	57.42	83.52
	F	69.38	76.32	111.01
7	M	52.89	58.18	84.62
	F	82.43	90.67	131.89
8	M	61.83	68.01	98.93
	F	89.30	98.23	142.88
8B	M	76.24	83.86	121.98
	F	109.90	120.89	175.84
9	M	85.86	94.45	137.38
	F	123.64	136.00	197.82
10	M	109.90	120.89	175.84
	F	157.99	173.79	252.78

* M = Masonry. Masonry Veneer is rated as masonry.
 * F = Frame; Aluminum or plastic siding over frame is rated as frame.

SEASONAL RATING FACTORS	
Seasonal	1.00
Non-Seasonal	1.00

Fire – Coverage A – All Forms			
Owner And Non-Owner-Occupied –			
Non-Seasonal And Seasonal			
Limit Of Liability (000's)	Key Factor	Limit Of Liability (000's)	Key Factor
1*	0.310	40	1.327
2	0.346	42	1.359
3	0.382	44	1.392
4	0.419	46	1.425
5	0.455	48	1.457
6	0.491	50	1.490
7	0.528	55	1.570
8	0.564	60	1.650
9	0.600	65	1.730
10	0.637	70	1.810
11	0.673	75	1.890
12	0.709	80	1.970
13	0.746	85	2.050
14	0.782	90	2.130
15	0.818	95	2.210
16	0.855	100	2.290
18	0.927	105	2.370
20	1.000	110	2.450
22	1.033	115	2.530
24	1.065	120	2.610
26	1.098	125	2.690
28	1.131	130	2.770
30	1.163	135	2.850
32	1.196	140	2.930
34	1.229	145	3.010
36	1.261	Each	
38	1.294	Add'l \$1K	0.016

*-Use this limit of liability to develop premiums for policy amounts less than \$1,000.

RULE 301. BASE PREMIUM COMPUTATION

A. Fire (All Forms), Extended Coverage (DP 00 01), Broad Form (DP 00 02),
 Or Special Form (DP 00 03) For Coverage A – Dwelling/Coverage C – Personal Property

LOSS COST MULTIPLIER TABLE

	Form DP 00 01, 02 & 03
All Territories	1.758

Owner-Occupied Key Loss Costs – All Territories					
Fire – Coverage C – All Forms – Non-Seasonal And Seasonal					
Prot. Class	Const.*	Number of Families			
		1	2	3 Or 4	5orMore
1	M	10.10	10.10	13.13	19.09
	F	13.65	13.65	17.75	25.81
2	M	10.24	10.24	13.31	19.36
	F	13.79	13.79	17.93	26.08
3	M	10.38	10.38	13.49	19.63
	F	13.94	13.94	18.12	26.35
4	M	10.52	10.52	13.68	19.90
	F	14.08	14.08	18.30	26.62
5	M	10.67	10.67	13.87	20.17
	F	14.22	14.22	18.49	26.89
6	M	10.81	10.81	14.05	20.44
	F	14.36	14.36	18.67	27.16
7	M	10.95	10.95	14.24	20.71
	F	17.06	17.06	22.18	32.27
8	M	12.80	12.80	16.64	24.20
	F	18.49	18.49	24.04	34.96
8B	M	15.78	15.78	20.51	29.85
	F	22.75	22.75	29.58	43.02
9	M	17.78	17.78	23.11	33.61
	F	25.60	25.60	33.28	48.40
10	M	22.75	22.75	29.58	43.02
	F	32.71	32.71	42.52	61.85

* M = Masonry. Masonry Veneer is rated as masonry.
 * F = Frame; Aluminum or plastic siding over frame is rated as frame.

SEASONAL RATING FACTORS	
Seasonal	1.00
Non-Seasonal	1.00

Fire – Coverage C – All Forms Owner And Non-Owner-Occupied – Non-Seasonal And Seasonal			
Limit Of Liability (000's)	Key Factor	Limit Of Liability (000's)	Key Factor
2	0.480	28	3.860
3	0.610	29	3.990
4	0.740	30	4.120
5	0.870	31	4.250
6	1.000	32	4.380
7	1.130	33	4.510
8	1.260	34	4.640
9	1.390	35	4.770
10	1.520	36	4.900
11	1.650	37	5.030
12	1.780	38	5.160
13	1.910	39	5.290
14	2.040	40	5.420
15	2.170	41	5.550
16	2.300	42	5.680
17	2.430	43	5.810
18	2.560	44	5.940
19	2.690	45	6.070
20	2.820	46	6.200
21	2.950	47	6.330
22	3.080	48	6.460
23	3.210	49	6.590
24	3.340	50	6.720
25	3.470	Each	
26	3.600	Add'l \$1K	0.130

*-Use this limit of liability to develop premiums for policy amounts less than \$1,000.

RULE 301. BASE PREMIUM COMPUTATION

A. Fire (All Forms), Extended Coverage (DP 00 01), Broad Form (DP 00 02),
 Or Special Form (DP 00 03) For Coverage A – Dwelling/Coverage C – Personal Property

LOSS COST MULTIPLIER TABLE

	Form DP 00 01, 02 & 03
All Territories	1.758

NON-Owner-Occupied Key Loss Costs – All Territories					
Fire – Coverage C – All Forms – Non-Seasonal And Seasonal					
Prot. Class	Const.*	Number of Families			
		1	2	3 Or 4	5orMore
1	M	10.10	10.10	13.13	19.09
	F	13.65	13.65	17.75	25.81
2	M	10.24	10.24	13.31	19.36
	F	13.79	13.79	17.93	26.08
3	M	10.38	10.38	13.49	19.63
	F	13.94	13.94	18.12	26.35
4	M	10.52	10.52	13.68	19.90
	F	14.08	14.08	18.30	26.62
5	M	10.67	10.67	13.87	20.17
	F	14.22	14.22	18.49	26.89
6	M	10.81	10.81	14.05	20.44
	F	14.36	14.36	18.67	27.16
7	M	10.95	10.95	14.24	20.71
	F	17.06	17.06	22.18	32.27
8	M	12.80	12.80	16.64	24.20
	F	18.49	18.49	24.04	34.96
8B	M	15.78	15.78	20.51	29.85
	F	22.75	22.75	29.58	43.02
9	M	17.78	17.78	23.11	33.61
	F	25.60	25.60	33.28	48.40
10	M	22.75	22.75	29.58	43.02
	F	32.71	32.71	42.52	61.85

* M = Masonry. Masonry Veneer is rated as masonry.
 * F = Frame; Aluminum or plastic siding over frame is rated as frame.

SEASONAL RATING FACTORS	
Seasonal	1.00
Non-Seasonal	1.00

Fire – Coverage C – All Forms Owner And Non-Owner-Occupied – Non-Seasonal And Seasonal			
Limit Of Liability (000's)	Key Factor	Limit Of Liability (000's)	Key Factor
1*	0.350	27	3.730
2	0.480	28	3.860
3	0.610	29	3.990
4	0.740	30	4.120
5	0.870	31	4.250
6	1.000	32	4.380
7	1.130	33	4.510
8	1.260	34	4.640
9	1.390	35	4.770
10	1.520	36	4.900
11	1.650	37	5.030
12	1.780	38	5.160
13	1.910	39	5.290
14	2.040	40	5.420
15	2.170	41	5.550
16	2.300	42	5.680
17	2.430	43	5.810
18	2.560	44	5.940
19	2.690	45	6.070
20	2.820	46	6.200
21	2.950	47	6.330
22	3.080	48	6.460
23	3.210	49	6.590
24	3.340	50	6.720
25	3.470	Each	
26	3.600	Add'l \$1K	0.130

*-Use this limit of liability to develop premiums for policy amounts less than \$1,000.

RULE 301. BASE PREMIUM COMPUTATION

A. Fire (All Forms), Extended Coverage (DP 00 01), Broad Form (DP 00 02),
 Or Special Form (DP 00 03) For Coverage A – Dwelling/Coverage C – Personal Property

LOSS COST MULTIPLIER TABLE

	Form DP 00 01, 02 & 03
All Territories	1.758

Extended Coverage, Broad and Special Forms - Coverage A Key Loss Costs			
Territories	Form		
	DP 00 01	DP 00 02	DP 00 03
All Terrs.	30.85	46.28	55.53

DP 00 02 and DP 00 03 loss costs include the charge for EC and V&MM perils.

EC – Coverage A – All Forms Owner And Non-Owner-Occupied – Non-Seasonal And Seasonal			
Limit Of Liability (000's)	Key Factor	Limit Of Liability (000's)	Key Factor
2	0.588	42	1.502
3	0.611	44	1.547
4	0.634	46	1.593
5	0.657	48	1.639
6	0.680	50	1.685
7	0.703	55	1.800
8	0.726	60	1.915
9	0.749	65	2.030
10	0.771	70	2.145
11	0.794	75	2.260
12	0.817	80	2.375
13	0.840	85	2.490
14	0.862	90	2.605
15	0.885	95	2.720
16	0.908	100	2.835
18	0.953	105	2.950
20	1.000	110	3.065
22	1.046	115	3.180
24	1.091	120	3.295
26	1.137	125	3.410
28	1.182	130	3.525
30	1.228	135	3.640
32	1.273	140	3.755
34	1.320	145	3.870
36	1.365	Each	
38	1.411	Add'l \$1K	0.023

*-Use this limit of liability to develop premiums for policy amounts less than \$1,000.

SEASONAL RATING FACTORS			
*** SEASONAL ***			
Territory	Form		
	DP 00 01	DP 00 02	DP 00 03
All	1.00	1.75	2.10

*** NON-SEASONAL ***			
Territory	Form		
	DP 00 01	DP 00 02	DP 00 03
All	1.00	1.50	1.80

RULE 301. BASE PREMIUM COMPUTATION

A. Fire (All Forms), Extended Coverage (DP 00 01), Broad Form (DP 00 02),
 Or Special Form (DP 00 03) For Coverage A – Dwelling/Coverage C – Personal Property

LOSS COST MULTIPLIER TABLE

	Form DP 00 01, 02 & 03
All Territories	1.758

Extended Coverage, Broad and Special Forms - Coverage C Key Loss Costs			
Territories	Form		
	DP 00 01	DP 00 02	DP 00 03
All Terrs.	2.56	5.89	5.89
DP 00 02 and DP 00 03 loss costs include the charge for EC and V&MM perils.			

SEASONAL RATING FACTORS			
*** SEASONAL ***			
Territory	Form		
	DP 00 01	DP 00 02	DP 00 03
All	1.00	2.75	2.75
*** NON-SEASONAL ***			
Territory	Form		
	DP 00 01	DP 00 02	DP 00 03
All	1.00	2.30	2.30

EC – Coverage C – All Forms Owner And Non-Owner-Occupied – Non-Seasonal And Seasonal			
Limit Of Liability (000's)	Key Factor	Limit Of Liability (000's)	Key Factor
2	0.330	28	4.680
3	0.500	29	4.850
4	0.670	30	5.020
5	0.830	31	5.190
6	1.000	32	5.360
7	1.170	33	5.530
8	1.340	34	5.700
9	1.500	35	5.870
10	1.670	36	6.040
11	1.840	37	6.210
12	2.000	38	6.380
13	2.170	39	6.550
14	2.330	40	6.720
15	2.500	41	6.890
16	2.670	42	7.060
17	2.840	43	7.230
18	3.000	44	7.400
19	3.170	45	7.570
20	3.340	46	7.740
21	3.510	47	7.910
22	3.670	48	8.080
23	3.840	49	8.250
24	4.000	50	8.420
25	4.170		
26	4.340	Each Add'l \$1K	0.017

*-Use this limit of liability to develop premiums for policy amounts less than \$1,000.

401. SUPERIOR CONSTRUCTION

- A. Introduction
Refer to the Construction Definition Rule in this manual for details.
- B. Extended Coverage Rating Classification
For Extended Coverage rating purposes a dwelling classified as:
1. Fire Resistive is considered Wind Resistive.
 2. Masonry Non-Combustible is considered Semi-Wind Resistive.
- C. Premium Computation:
Multiply the Masonry BASE PREMIUM by the appropriate factor noted below:

Classification	Fire	E.C., Broad & Special Forms
Fire Resistive & Masonry Non-Combustible	.50	.50
Non-Combustible	.50	1.00

402. COVERAGE C – PERSONAL PROPERTY IN BUILDINGS SUBJECT TO COMMERCIAL CLASS RATES OR SPECIFIC RATES

(Reserved for Future Use)

403. DWELLING UNDER CONSTRUCTION

- A. Coverage Description
Two methods are provided for insuring this exposure.
1. Named Insured is the Intended Occupant
A builder (contractor) may be designated as an additional insured. The policy may be cancelled upon completion of the dwelling.
Use Dwelling Under Construction Endorsement **DP 11 43**.
 2. Named Insured is Not the Intended Occupant
The policy shall specify building is in course of construction and permission is granted to complete.
For other coverage bases, refer to the Commercial Lines Manual.
- B. Premium Computation:
1. Multiply the Coverage A Owner-Occupied BASE PREMIUM by .65.
 2. Multiply the Coverage A Non-Owner-Occupied BASE PREMIUM by 1.00.

404. MOBILE OR TRAILER HOMES – DP 00 01 ONLY

(Reserved for Future Use)

405. TOWNHOUSE OR ROWHOUSE

A. Individual Family Units

Determine the total number of individual family units within a Fire Division. For example, a two family dwelling attached to a one family dwelling is considered **three** individual family units within a Fire Division if both dwellings are not separated by a fire wall. Four attached two family dwellings are considered **eight** individual family units within a Fire Division if they are not separated by fire walls. A policy may be issued for:

1. Coverage **A** when the dwelling contains one, two, three or four individual family units within a Fire Division.
2. Coverage **C** in a dwelling with one or more individual family units within a Fire Division.

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405. TOWNHOUSE OR ROWHOUSE (continued)

B. Premium Computation

Number Of Individual Family Units	Use Coverage A * Or C Base Premium
1, 2, 3 or 4	1, 2, 3 or 4 families
5 or more	5 or more families
* Refer to Commercial Lines Manual for Building Coverage when it contains five or more individual family units within a Fire Division	

406. DEDUCTIBLES (State exception)

All policies are subject to a deductible that applies to loss from all perils except Earthquake. A separate deductible type applies to Earthquake Coverage as described in Rule 509.

For Theft Coverage, the deductible amount may differ from the deductible amount that applies to Fire and Allied Lines perils.

Refer to the Earthquake and Theft Coverage rules for the applicable deductible provision.

A. Base Deductible – \$250

B. Optional Deductibles

1. All Perils Deductibles

Multiply the BASE PREMIUM for the Base Deductible by the appropriate factors selected from below:

Deductible	Fire	EC, V & MM, Broad & Special
\$100*	1.05	1.10
500	.97	.91
1,000	.95	.76
2,500	.88	.50
5,000	.82	.46
10,000	.79	.44
15,000	.78	.43
20,000	.77	.42

* The minimum additional charge for a \$100 deductible is \$25.

2. Windstorm Or Hail Deductibles

The following deductible options are used in conjunction with a deductible applicable to All Other Perils covered under Extended Coverage, Broad or Special Forms.

a. Percentage Deductibles

(1) Deductible Amounts

This option provides for higher windstorm percentage deductibles of 1%, 2% or 5% of the limit of liability that applies to Coverages **A, B, D** or **E**, whichever is greatest, is available when the dollar amount of the percentage deductible selected exceeds the amount of the All Other Perils deductible. This option is **not** available for policies covering only personal property.

(2) Endorsement

Use Windstorm Or Hail Percentage Deductible Endorsement **DP 03 12**.

(3) Declarations Instructions

Enter, on the policy declarations, the percentage amount that applies to Windstorm or Hail and the dollar amount that applies to all other perils. For example:

Deductible – Windstorm or Hail 2% of the Coverage A limit and \$250 for all other perils.

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406. DEDUCTIBLES (continued)

(4) Deductible Application

In the event of a Windstorm or Hail loss to covered property, the dollar amount is deducted from the total of the loss for all coverages. For example:

Coverage.	Limit Of Liability	1% Deductible	Amount Of Loss	
			Before Deductible	After Deductible
A	\$ 100,000	\$ 1,000	\$ 7,500	—
B	—	—	3,000	—
C	35,000	—	—	—
D	18,500	—	660	—
E	—	—	—	—
			\$ 11,160	\$ 10,160

Table 406.B.2.a.(4) Deductible Application

(5) Use Of Factors

The factors displayed in Paragraph (6) incorporate the factors for the All Perils Deductibles shown in B.1. above. Do NOT use the factors for the All Perils Deductibles when rating a policy with a higher Windstorm or Hail deductible.

(6) Deductible Factors

To compute the premium for this provision, multiply the Extended Coverage, Broad or Special Form Base Premium for the Base Deductible for each coverage insured under the policy by the appropriate factor listed below for the deductible amounts desired:

Coverage A, B, D Or E And Coverage Options For Buildings And Non-Building Structures			
All Other Perils Ded. Amt.	Windstorm or Hail Deductible Amounts		
	1%	2%	5%
\$ 100	.99	.92	.82
250	.93	.86	.77
500	.88	.81	.71
1,000	.72	.72	.63
2,500	.49	.49	.48
5,000	.46	.46	.46
10,000	.44	.44	.44
15,000	.43	.43	.43
20,000	.42	.42	.42

Table 406.B.2.a.(6)#1 Factors

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406. DEDUCTIBLES (continued)

Coverage C And Other Personal Property Coverage Options*	
All Other Perils Ded. Amt.	Windstorm or Hail 1%, 2% Or 5% Deductible
\$ 100	1.07
250	.99
500	.90
1,000	.72
2,500	.49
5,000	.46
10,000	.44
15,000	.43
20,000	.42

* Only use when policy also covers building or non-building structures.

Table 406.B.2.a(6)#2 Factors

b. Higher Fixed-Dollar Deductibles
(Reserved for Future Use)

407. AUTOMATIC INCREASE IN INSURANCE

A. Coverage Description

The policy may be endorsed to provide automatic annual increases in the Coverage A and B limits of liability.

B. Premium Computation

1. The premium is computed by applying the appropriate factor to the BASE PREMIUM as follows:

Amount of Annual Increase	Factor
4%	1.02
6%	1.03
8%	1.04
For Each additional 4% over 8%, add:	.02

C. Endorsement

Use Automatic Increase in Insurance Endorsement **DP 04 11**.

408. PROTECTIVE DEVICES

A. Protective Devices Factors

Approved and properly maintained installations of fire alarms and automatic sprinklers in the dwelling may be recognized for a reduced premium – computed by multiplying the Base Premium by the selected factors below:

Type of Installation*	Factor
Central Station Reporting Fire Alarm	.90
Fire Department Reporting Fire Alarm	.93
Local Fire Alarm	.95
Automatic Sprinklers in all areas including attics, bathrooms, closets, attached structures	.80
Automatic Sprinklers in all areas except attic, bathrooms, closets, and attached structure areas that are protected by a fire detector	.90

* Refer to company for eligibility, types of systems and devices, installation, and available credits.

B. Endorsement

Use Premises Alarm or Fire Protection System Endorsement **DP 04 70**.

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**409. ACTUAL CASH VALUE LOSS SETTLEMENT WINDSTORM OR HAIL LOSSES TO ROOF SURFACING – DP
00 02 and DP 00 03 AND DP 00 01 WITH DP 00 08**

Rule 409. does not apply.

410. BUILDING CODE EFFECTIVENESS GRADING

(Reserved for Future Use)

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**502. COVERAGE D – FAIR RENTAL VALUE
COVERAGE E – ADDITIONAL LIVING EXPENSE**

A. Introduction

Coverage is provided in the forms on a limited basis as follows:

1. **Form DP 00 01**

a. Coverage D

Up to 20% of the Cov. A limit is available. Use of this option reduces the Cov. A limit for the same loss.

b. Coverage E

Not automatically included in the form. It may be added as noted in Paragraph B.

2. **Form DP 00 02 or DP 00 03**

Coverage D and E combined – up to 20% of the Coverage A limit is available for Coverage D and Coverage E combined as additional insurance.

B. Coverage Description

Coverage may be increased or added as follows for all forms:

1. **Coverage D**

- a. The amount recoverable each month under this coverage shall be based on the lost rental income less any expenses that do not continue during untenability.
- b. Enter amount of increase in policy declarations at inception or in Change Endorsement **DP 12 10**, after policy inception.
- c. For **DP 00 01**, the amount recoverable each month is limited to a fraction of the total rental value amount insured under the policy. This fraction is equal to one divided by the number of months dwelling is rented per year.

Enter the fraction in the policy declarations or **DP 12 10**.

DP 00 01 Example:

\$6,000 = Rental Value Coverage in Form (10% of Cov. A limit of \$60,000)
 +2,000 = Add'l Insurance (Shown under Cov. D in policy declarations)
 \$ 8,000 = Total Rental Value Amount Insured

Scenario A – if dwelling is rented for entire year, then fraction = 1/12. \$8,000 x 1/12 = Up to \$666.66 available each month.

Scenario B – if dwelling is rented 8 months per year...fraction = 1/8. \$8,000 x 1/8 = Up to \$1,000 available each month.

2. **Coverage E**

- a. Enter initial limit (**DP 00 01**) or amount of increase (**DP 00 02** or **DP 00 03**) in policy declarations at inception or in Change Endorsement **DP 12 10** after policy inception.
- b. Always show "up to 25% per month" in the policy or endorsement declarations.
- c. Use Additional Living Expense Endorsement **DP 04 14**.

C. **Premium Computation:**1. **Policy includes Coverage A or Coverage C**

- a. Fire, Extended Coverage, Broad and Special Forms
Refer to Rule 500. Miscellaneous Rates
- b. Vandalism and Malicious Mischief (**DP 00 01**)
Refer to Rule 302. Vandalism and Malicious Mischief.

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502. COVERAGE D – FAIR RENTAL VALUE
COVERAGE E – ADDITIONAL LIVING EXPENSE (continued)

2. Policy does not include Coverage A or Coverage C
 - a. Fire, Extended Coverage, Broad and Special Forms
 - (1) One to Four Family Dwelling

Multiply the Coverage A Key Premium by the Coverage A Key Factor, for:

 - (a) The Coverage D limit, times .53; or
 - (b) The Coverage E limit, times 1.00.
 - b. Vandalism And Malicious Mischief (**DP 00 01**)

Refer to Rule 302. Vandalism and Malicious Mischief.

503. ORDINANCE OR LAW COVERAGE FOR COVERAGE B – SPECIFIC STRUCTURES, BUILDING ITEMS AND IMPROVEMENTS, ALTERATIONS AND ADDITIONS

(Reserved for Future Use)

504. IMPROVEMENTS, ALTERATIONS and ADDITIONS TENANT and CO-OP UNIT-OWNER – DP 00 01 or DP 00 02

A. Introduction

Named perils coverage is automatically provided in the forms for up to 10% of the Coverage C limit.

1. **DP 00 01**

Use of this option reduces the Coverage C limit for the same loss.

2. **DP 00 02**

This limit is additional insurance.

This limit may be increased for an additional premium.

B. Special Coverage

For Form **DP 00 02**, coverage may be extended to Special Coverage for an additional premium.

C. Stand Alone Coverage

(Reserved for Future Use)

D. Premium Computation:

1. Fire, Extended Coverage, Broad and Special Forms

- a. If the policy includes Cov. A, B, C, D or E, refer to Rule 500. Miscellaneous Rates.
- b. If the policy does not include Coverage A, B, C, D or E, multiply the Coverage A, 4 Family, Owner-Occupied Key Premium (for the territory, protection and construction applying to the described location) by the Coverage A Key Factor for the amount of insurance desired.

2. Vandalism and Malicious Mischief (**DP 00 01**)

Refer to Rule 302. Vandalism and Malicious Mischief.

E. Endorsement

1. Use Improvements, Alterations and Additions Endorsement **DP 04 31**.
2. Use Improvements, Alterations and Additions Endorsement **DP 04 31** and Special Coverage Endorsement **DP 04 65** for Special Coverage.

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505. BUILDING ITEMS – CONDO UNIT-OWNER – DP 00 01 or DP 00 02

A. Unit Owners Coverage including Standard Other Insurance and Service Agreement

1. Coverage Description

Building items are not covered in the forms.

Named Perils or Special Coverage is available for an additional premium.

2. Stand Alone Coverage

Coverage may be written without Coverage A, B, C, D or E.

3. Premium Computation:

a. Fire, Extended Coverage, Broad and Special Forms

1. If the policy includes Coverage A, B, C, D or E, refer to Rule 500. Miscellaneous Rates.

2. If the policy does not include Cov. A, B, C, D or E, multiply the Cov. A, Four Family, Owner-Occupied Key Premium (for the territory, protection and construction applying to the described location) by the Coverage A Key Factor for the amount of insurance desired.

b. Vandalism and Malicious Mischief (**DP 00 01**)

Refer to Rule 302. Vandalism and Malicious Mischief.

4. Endorsement

a. Use Form **DP 00 01** or **DP 00 02** and Unit-Owners Coverage Endorsement **DP 17 66**

b. Use Form **DP 00 02** and Unit-Owners Coverage Endorsement **DP 17 66** and Special Coverage Endorsement **DP 04 65**.

B. Unit-Owners Coverage Including Modified Other Insurance And Service Agreement Condition

1. Introduction

Unit-Owners Coverage Endorsement **DP 17 66** provides that if there is other insurance in the name of a corporation or association of property owners covering the same property, payment for a covered loss under Unit-Owners Coverage Endorsement **DP 17 66** will be excess over the amount recoverable under such insurance. If the Association does not recover under its policy, for any reason, there is no payment to the insured unit-owner under Unit-Owners Coverage Endorsement **DP 17 66**.

2. Coverage Description

The policy may be endorsed to modify the Other Insurance and Service Agreement Condition to provide for payment of a covered loss in excess of the amount due from the other insurance whether the corporation or association of property owners can collect on it or not.

3. Premium Computation

Multiply the premium(s) developed in accordance with Paragraph **A.3.** by 1.25.

4. Endorsement

Use Unit-Owners Coverage – Modified Other Insurance And Service Agreement Condition Endorsement **DP 17 71** instead of Unit-Owners Coverage Endorsement **DP 17 66** noted in Paragraph **A.4.**

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506. LOSS ASSESSMENT PROPERTY COVERAGE – CO-OP OR CONDO UNIT-OWNER OR TENANT – FORM DP 00 01 or DP 00 02 DWELLING BUILDING OWNER – ALL FORMS

A. Coverage Description

1. Coverage for property loss assessment, for which the insured may be liable, is not included in the forms.
2. Coverage is available for an additional premium for all insured perils.
3. When coverage is desired for the peril of Earthquake, refer to Rule 509.C. for policy writing and rating instructions.

B. Stand Alone Coverage

(Reserved for Future Use)

C. Endorsement

Use Loss Assessment Property Coverage Endorsement **DP 04 63**

D. Premium Computation:

1. Fire, Extended Coverage, Broad and Special Forms

- a. If the policy includes Coverage A, B, C, D or E, refer to Rule 500. Miscellaneous Rates.
- b. If the policy does not include Coverage A, B, C, D or E, multiply the Coverage A, Four Family, Owner-Occupied Key Premium (for the territory, protection and construction applying to the described location) by the Coverage A Key Factor for the amount of insurance desired.

2. Vandalism and Malicious Mischief (**DP 00 01**)

Refer to Rule 302. Vandalism and Malicious Mischief.

507 FIRE DEPARTMENT SERVICE CHARGE

(Reserved for Future Use)

508. TREES, SHRUBS AND OTHER PLANTS

(Reserved for Future Use)

509. EARTHQUAKE COVERAGE

A. Earthquake Coverage

The policy may be endorsed to provide coverage against a loss resulting from the peril of Earthquake. This peril shall apply to all Property Coverages for the same limits provided in the policy. When added to the Fire policy, this peril shall apply to the same coverages and for the same limits that apply to the peril of Fire.

Use Earthquake Endorsement **DP 04 69**.

B. Earthquake Only Coverage

(Reserved for Future Use)

C. Loss Assessment Coverage

When this policy is extended to cover loss assessment resulting from loss by this peril, the limit of liability shall be based on the insured's proportionate interest in total value of all collectively owned buildings and structures of the corporation or association of property owners. Refer to the company for rates.

Use Loss Assessment Coverage for Earthquake Endorsement **DP 04 68**.

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509. EARTHQUAKE COVERAGE (continued)

D. Deductible

Deductible percentage amounts of 5%, 10%, 15%, 20% and 25% of the limit of liability for Coverage A and Coverage C are included in this rule.

Properties located in Earthquake Territories 21, 22, 23 and 24 **MUST** be written with a minimum Earthquake deductible of 15%.

Properties located in Earthquake Territories 25 and 26 **MUST** be written with a minimum Earthquake deductible of 10%.

In the event of an Earthquake loss to covered property, the dollar amount is deducted from the total of the loss for Coverages A, B and C.

Earthquake rates/loss costs are displayed for the 5% and 10% deductible in Rule 509. Credit factors for deductible percentage amounts of 15%, 20% and 25% are provided in Paragraph F. Premium for Higher Deductibles of this rule.

E. Premium for Base Deductible

Develop the premium as follows:

1. Determine whether Construction Table A, B and/or C applies for the appropriate deductible.
2. Determine the Earthquake territory according to the Zip Code of the residence premises from the State Territory Definitions Section in this manual.
3. Add the results of the following four steps:
 - a. Multiply the Coverage A limit by the loss cost for Coverage A in the table;
 - b. Multiply the Coverage C limit by the loss cost for Coverage C in the table; and
 - c. Multiply the sum of the Additional Coverage D and E limits by the loss cost for Coverages D and E in the table.
 - d. Multiply the loss cost by the Loss Cost Multiplier found on the rate pages.

5% Deductible – Loss Cost Per \$1,000				
Table A – Frame				
Territory	Coverage A	Coverage B	Coverage C	Coverages D And E
21	\$ 0.79	\$ 0.63	\$ 0.42	\$ 0.50
22	0.70	0.55	0.42	0.49
23	0.66	0.52	0.40	0.43
24	0.56	0.44	0.36	0.37
25	0.42	0.33	0.31	0.29
26	0.18	0.14	0.18	0.13
27	0.08	0.07	0.08	0.06
Table B – Masonry				
21	\$ 0.99	\$ 0.79	\$ 0.55	\$ 0.62
22	0.99	0.79	0.55	0.62
23	0.99	0.79	0.55	0.62
24	0.99	0.79	0.55	0.62
25	0.82	0.64	0.55	0.57
26	0.41	0.31	0.36	0.32
27	0.22	0.17	0.22	0.19

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509. EARTHQUAKE COVERAGE (continued)

Table C – Superior				
Territory	Coverage A	Coverage B	Coverage C	Coverages D And E
21	\$ 0.88	\$ 0.70	\$ 0.42	\$ 0.53
22	0.88	0.70	0.42	0.53
23	0.88	0.70	0.42	0.53
24	0.74	0.58	0.42	0.49
25	0.45	0.35	0.30	0.30
26	0.29	0.23	0.23	0.22
27	0.08	0.06	0.08	0.07
If exterior Masonry Veneer is covered, rate as Masonry; if not covered, rate as Frame.				

Table 509.E.#1 (LC) Premium for Based Deductible 5% Deductible

10% Deductible – Loss Cost Per \$1,000				
Table A – Frame				
Territory-	Coverage A	Coverage B	Coverage C	Coverages D And E
21	\$ 0.73	\$ 0.57	\$ 0.40	\$ 0.50
22	0.62	0.47	0.39	0.49
23	0.58	0.45	0.37	0.43
24	0.48	0.37	0.34	0.37
25	0.36	0.27	0.27	0.29
26	0.15	0.11	0.14	0.13
27	0.07	0.05	0.07	0.06
Table B – Masonry				
21	\$ 0.89	\$ 0.70	\$ 0.51	\$ 0.62
22	0.89	0.70	0.51	0.62
23	0.89	0.70	0.51	0.62
24	0.89	0.70	0.51	0.62
25	0.70	0.53	0.51	0.57
26	0.35	0.26	0.32	0.32
27	0.20	0.14	0.19	0.19
Table C – Superior				
21	\$ 0.78	\$ 0.61	\$ 0.41	\$ 0.53
22	0.78	0.61	0.41	0.53
23	0.78	0.61	0.41	0.53
24	0.66	0.51	0.38	0.49
25	0.38	0.29	0.27	0.30
26	0.25	0.19	0.20	0.22
27	0.07	0.06	0.07	0.07
* If exterior Masonry Veneer is covered, rate as Masonry; if not covered, rate as Frame.				

Table 509.E.#2 (LC) Premium for Based Deductible 10% Deductible

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509. EARTHQUAKE COVERAGE (continued)

4. For Building Or Non-building Structure Items – All Forms:

Multiply the loss costs for Coverage B in the table by the appropriate limit of liability for the following Other Building Coverage options, as applicable, and add to the applicable premium determined in Paragraph E.3.

- a. Coverage B – Specific Structures;
- b. Improvements, Alterations and Additions – Increased Limits;
- c. Building Items Coverage;

5. For Ordinance Or Law – Basic and Increased Limits – All Forms:

When the basic Ordinance or Law Coverage limit is added or increased, the earthquake premium is developed based on the added or increased limit of insurance.

- a. For Forms **DP 00 01**, **DP 00 02** and **DP 00 03**, multiply the rate determined in Paragraph E.3.a. by the appropriate factor selected from Rule 303.B.3.a.
- b. For Coverage B – Specific Structures, Improvements, Alterations and Additions and Building Items Coverage, the premium for this additional coverage is determined based on the dollar amount of added or increased coverage, represented by the increased percentage amount selected above the basic limit. The rate for each additional \$1,000 of insurance is determined as follows: multiply the loss costs for Coverage B in the table by .30 and add to the applicable premium determined in Paragraph E.

F. Premium for Higher Deductibles

Multiply the Base Premium determined in Paragraph E. by a factor from the following table:

Deductible Percentage	Factor		
	Frame	Masonry	Superior
15%	.80	.85	.75
20%	.65	.70	.60
25%	.50	.60	.45

510. THEFT COVERAGE

A. Introduction

A Fire policy insuring Coverages A or C may be extended, for an additional premium, to provide On and Off-Premises Coverage for the perils of Theft and Vandalism and Malicious Mischief (V. & M.M) resulting from theft.

1. Owner-Occupied Dwellings, Co-op or Condo Units; and Apartments Occupied by Tenant (Named Insured)

- a. Coverage Description
The policy may be extended to provide On-or Off-Premises Coverage.
- b. Minimum Limit of Liability
The minimum limit of liability is \$1,000 each for On- and Off-Premises Coverage.
- c. Off-Premises Coverage
Off-Premises Coverage is only available when On-Premises Coverage is purchased.
The limit of liability shall not be greater than that selected for On-Premises Coverage.
- d. Endorsement
Use Broad Theft Coverage Endorsement **DP 04 72**.

2. Non-Owner-Occupied Dwellings, Co-op or Condo Units; and Apartments Occupied by Tenant (Other than Named Insured)

- a. Coverage Description
The policy may be extended to provide On-Premises Coverage only.
- b. Limit of Liability
The minimum limit of liability is \$1,000.
- c. Endorsement
Use Limited Theft Coverage Endorsement **DP 04 73**.

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510. THEFT COVERAGE (continued)

B. Premium Computation:

Loss Costs for the Base Deductible are displayed below. Multiply these by the Loss Cost Multiplier shown on the rate pages when computing the premiums in step 1.a. below.

Compute the premiums separately for each premises in the manner and sequence that follow:

1. Theft and Vandalism and Malicious Mischief

a. Owner-Occupied Dwellings

Compute the premiums for the desired limit of liability separately for On and Off-Premises Coverage.

On-Premises Loss Cost per \$1,000
 Entire State 16.98

Off-Premises..... Loss Cost per \$1,000
 Entire State 7.92

b. Non-Owner-Occupied Dwellings, (On-Premises Only)

Multiply the On-Premises premium computed above by a factor of 1.50.

2. Burglar Alarm Discount (On-Premises Only)

a. Approved and properly maintained installations of burglar alarms in the dwelling may be recognized for a reduced premium – developed by applying the selected factors to the premiums computed in B.1.a. or B.1.b., above.

Type of Installation *	Factor
Central Station Reporting Burglar Alarm	.95
Police Station Reporting Burglar Alarm	.97
Local Burglar Alarm	.98

* Refer to company for eligibility, types of systems and devices, installation, and available credits.

b. Use Premises Alarm or Fire Protection System Endorsement **DP 04 70**

C. Deductibles

1. Base Deductible

\$250 Deductible

2. Optional Deductibles

To compute the premium for this provision, multiply the premium for the Base Deductible computed in Paragraph B.1. by the factor listed below:

Deductible*	Factor
\$ 100	1.20
500	.95
1,000	.80
2,500	.65

* Minimum annual additional premium charge is \$25 for the \$100 deductible.

511. SINKHOLE COLLAPSE COVERAGE

A. Coverage Description

The policy may be endorsed to provide Sinkhole Collapse Coverage.

B. Premium Computation

1. Multiply the appropriate loss cost per \$1,000 shown below by the Loss Cost Multiplier shown on the rate pages. Multiply this rate per \$1,000 by the:

- a. Coverage A, B and/or C amounts of Insurance;
- b. Improvements, Alterations and Additions – Increased Limits;

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511. SINKHOLE COLLAPSE COVERAGE (continued)

- c. Other Building or Structure Options (e.g., Bldg. Items Coverage);
- d. Other Personal Property Coverage Options (e.g., Merchandise in Storage);
- e. Ordinance or Law Coverage, basic amount and, if applicable, increased amount of coverage.

Loss Cost per \$1,000

Coverage A or B.....\$.17

Coverage C06

C. Use Sinkhole Collapse Endorsement **DP 04 99** .

512. WINDSTORM OR HAIL COVERAGE – AWNINGS, SIGNS AND OUTDOOR RADIO and TELEVISION EQUIPMENT

(Reserved for Future Use)

513. WATER BACK UP AND SUMP OVERFLOW

A. Coverage Description

The policy forms exclude coverage for loss resulting from water or water-borne material which backs up through sewers or drains or which overflows or is discharged from a sump, sump pump or related equipment.

B. Coverage Option

The policy may be endorsed to provide such coverage for a limit of liability of \$5,000 subject to a \$250 deductible. No other deductible option is available.

C. Premium Computation

Charge per location.....\$50

D. Endorsement

Use Water Back Up and Sump Discharge Or Overflow Endorsement **DP 04 95**.

514. ASSISTED LIVING CARE COVERAGE

(Reserved for Future Use)

515. MOTORIZED GOLF CART – PHYSICAL LOSS COVERAGE

(Reserved for Future Use)

516. GRAVEMARKERS

(Reserved for Future Use)

517. LIMITED FUNGI, WET OR DRY ROT, OR BACTERIA COVERAGE *(State exception)*

Rule 517. does not apply.

ADDITIONAL RULES

A1. SPECIAL STATE REQUIREMENTS *(State exception)*

A. Special Provisions Endorsement – DP 01 03.

Use this endorsement with all Dwelling Policies.

B. Water Exclusion Endorsement

Use Endorsement **DP 16 09** with all **DP 00 02** policies.

Use Endorsement **DP 16 10** with all **DP 00 01** and **DP 00 03** policies.

C. Amendment of Policy Provisions – Arkansas

Use Endorsement **F-4713** with all **DP 00 03** policies.

A2. TERRORISM OPTIONS – FEDERAL BACKSTOP *(State exception)*

A. The "Terrorism Risk Insurance Act" and accompanying regulations establish a program within the Department of the Treasury in which the Federal Government will share the risk of loss from terrorist attacks with the insurance industry. Federal participation will be triggered when the Secretary of the Treasury certifies an act of terrorism, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism committed by an individual(s), provided the terrorist act results in aggregate losses in excess of \$5 million. With respect to insured losses resulting from a certified act of terrorism, the Federal Government will reimburse individual insurers for 85% of that portion of the amount of such insured losses that exceeds the applicable insurer retention.

The insurer's retention is based on a specified percentage of the insurer's earned premium for the year preceding the loss. Insured losses covered by the program are capped at \$100 billion per year; this provision serves to limit insurers' liability for losses.

B. All insurers providing commercial property insurance are required to participate in the program to the extent of making available coverage for certified acts of terrorism in accordance with the terms and conditions of coverage which apply to other perils. Certain risks written under the Dwelling Policy Program may be considered commercial property exposures for the purposes of this act and hence eligible for participation in the program. The following may be considered commercial exposures:

1. 1-4 family rental dwellings owned for the business purpose of generating income for the property owner; or
2. Policies on which incidental business premium is more than 25% of total direct earned premium.

C. The following applies to those insurers offering Dwelling policies who choose to be eligible for federal reinsurance by making the disclosures needed for such eligibility.

An insurer must extend coverage to insureds for losses caused by certified acts of terrorism. The insurer must disclose to the policyholder the premium for losses covered and the federal share of compensation for such losses under the program at the time of offer, purchase and renewal of the policy. Insurers may disclose the premium information on the Declarations Page or elsewhere in the policy.

D. There are no terrorism exclusions in the Dwelling Policy Program. The following endorsements specify that coverage for certified acts of terrorism is subject to the cap on liability for losses and subject to underlying policy exclusions such as nuclear hazard. They differ based on how the insurer chooses to disclose the premium and federal share of compensation for such losses to the insured:

1. For insurers who choose to disclose the premium and federal share by endorsement, use Cap On Losses From Certified Acts Of Terrorism; Disclosure Pursuant To Terrorism Risk Insurance Act Endorsement **DP 05 38**.
2. For insurers who choose to disclose the premium and federal share on the Declarations, use Cap On Losses From Certified Acts Of Terrorism Endorsement **DP 05 37**.

A3. INSTALLMENT PAYMENT PLAN

See company Payment Plans Supplement.

A4. LOSS SURCHARGE PROGRAM

A policy surcharge will be added when a Dwelling Fire policy has experienced 1 or more losses (excluding Weather-related or Catastrophe losses) in a three year period. There are no dollar limit exceptions. The surcharge will be applied to the base premium as follows:

1 loss	\$ 80
2 losses	\$160
3 or more losses	\$350

A5. COMPANION CREDIT

When a DWELLING policy, Homeowner and Private Passenger Auto policy are issued to cover the same policyholder, a credit of 10% will be applied to the Dwelling policy premium, excluding Mine Subsidence Coverage.

Credit Eligibility:

1. Active status Homeowner and Auto policy numbers for the same policyholder must be included.
2. Credit is subject to the minimum policy premium.
3. No duplication of credit given in conjunction with any other multiple account credit.

1. TERRITORY ASSIGNMENT

- a. As ZIP code boundaries are changed by the United States Postal Service (USPS), a new ZIP code may be created. This new ZIP code may not yet be listed below. If this is the case, use the rating territory that corresponds to the ZIP code that formerly applied to the risk.
- b. Future USPS ZIP code changes will be reflected in ISO's territory definitions in accordance with the ISO ZIP Code Territory maintenance procedures on file with the Insurance Department. Manual pages will be updated on a regular basis to reflect future ZIP code changes

2. TERRITORY DEFINITIONS – (For all Coverages and Perils Other Than Earthquake)

A. Cities

City of	County of	Code
Little Rock	Pulaski	30
No. Little Rock	Pulaski	30

B. Other Than Cities

County of	Code	County of	Code
Arkansas	33	Independence	33
Ashley	33	Izard	33
Baxter	33	Jackson	33
Benton	33	Jefferson	32
Boone	33	Johnson	33
Bradley	33	Lafayette	33
Calhoun	33	Lawrence	33
Carroll	33	Lee	33
Chicot	33	Lincoln	33
Clark	33	Little River	33
Clay	33	Logan	33
Cleburne	33	Lonoke	33
Cleveland	33	Madison	33
Columbia	33	Marion	33
Conway	33	Miller	33
Craighead	33	Mississippi	33
Crawford	33	Monroe	33
Crittenden	33	Montgomery	33
Cross	33	Nevada	33
Dallas	33	Newton	33
Desha	33	Ouachita	33
Drew	33	Perry	33
Faulkner	33	Phillips	33
Franklin	33	Pike	33
Fulton	33	Poinsett	33
Garland	33	Polk	33
Grant	33	Pope	33
Greene	33	Prairie	33
Hempstead	33	Pulaski	31
Hot Spring	33	Randolph	33
Howard	33		

B. Other Than Cities (continued)

County of	Code
St. Francis	33
Saline	33
Scott	33
Searcy	33
Sebastian	33
Sevier	33
Sharp	33
Stone	33
Union	33
Van Buren	33
Washington	33
White	33
Woodruff	33
Yell	33

3. TERRITORY DEFINITIONS – EARTHQUAKE

Earthquake					
ZIP Codes/Territories In Numerical Order By ZIP Code					
ZIP Code	USPS ZIP Code Name	Earthquake Territory	ZIP Code	USPS ZIP Code Name	Earthquake Territory
71601	PINE BLUFF	26	71676	WILMOT	27
71602	WHITE HALL	27	71677	WINCHESTER	25
71603	PINE BLUFF	27	71678	YORKTOWN	26
71611	PINE BLUFF	26	71701	CAMDEN	27
71612	WHITE HALL	27	71711	CAMDEN	27
71613	PINE BLUFF	27	71720	BEARDEN	27
71630	ARKANSAS CITY	25	71721	BEIRNE	27
71631	BANKS	27	71722	BLUFF CITY	27
71635	CROSSETT	27	71724	CALION	27
71638	DERMOTT	26	71725	CARTHAGE	27
71639	DUMAS	25	71726	CHIDESTER	27
71640	EUDORA	27	71728	CURTIS	27
71642	FOUNTAIN HILL	27	71730	EL DORADO	27
71643	GOULD	25	71731	EL DORADO	27
71644	GRADY	25	71740	EMERSON	27
71646	HAMBURG	27	71742	FORDYCE	27
71647	HERMITAGE	27	71743	GURDON	27
71651	JERSEY	27	71744	HAMPTON	27
71652	KINGSLAND	27	71745	HARRELL	27
71653	LAKE VILLAGE	27	71747	HUTTIG	27
71654	MC GEHEE	26	71748	IVAN	27
71655	MONTICELLO	27	71749	JUNCTION CITY	27
71656	MONTICELLO	27	71750	LAWSON	27
71657	MONTICELLO	27	71751	LOUANN	27
71658	MONTROSE	27	71752	MC NEIL	27
71659	MOSCOW	26	71753	MAGNOLIA	27
71660	NEW EDINBURG	27	71754	MAGNOLIA	27
71661	PARKDALE	27	71758	MOUNT HOLLY	27
71662	PICKENS	25	71759	NORPHLET	27
71663	PORTLAND	27	71762	SMACKOVER	27
71665	RISON	27	71763	SPARKMAN	27

3. TERRITORY DEFINITIONS – EARTHQUAKE (continued)

Earthquake					
ZIP Codes/Territories In Numerical Order By ZIP Code					
ZIP Code	USPS ZIP Code Name	Earthquake Territory	ZIP Code	USPS ZIP Code Name	Earthquake Territory
71666	MC GEHEE	26	71764	STEPHENS	27
71667	STAR CITY	27	71765	STRONG	27
71670	TILLAR	26	71766	THORNTON	27
71671	WARREN	27	71768	URBANA	27
71674	WATSON	25	71770	WALDO	27
71675	WILMAR	27	71772	WHELEN SPRINGS	27
71801	HOPE	27	71903	HOT SPRINGS NATIONAL PARK	27
71802	HOPE	27	71909	HOT SPRINGS NATIONAL PARK	27
71820	ALLEENE	27	71910	HOT SPRINGS VILLAGE	27
71822	ASHDOWN	27	71913	HOT SPRINGS NATIONAL PARK	27
71823	BEN LOMOND	27	71914	HOT SPRINGS NATIONAL PARK	27
71825	BLEVINS	27	71920	ALPINE	27
71826	BRADLEY	27	71921	AMITY	27
71827	BUCKNER	27	71922	ANTOINE	27
71828	CALE	27	71923	ARKADELPHIA	27
71831	COLUMBUS	27	71929	BISMARCK	27
71832	DE QUEEN	27	71932	BOARD CAMP	27
71833	DIERKS	27	71933	BONNERDALE	27
71834	DODDRIDGE	27	71935	CADDO GAP	27
71835	EMMET	27	71937	COVE	27
71836	FOREMAN	27	71940	DELIGHT	27
71837	FOUKE	27	71941	DONALDSON	27
71838	FULTON	27	71942	FRIENDSHIP	27
71839	GARLAND CITY	27	71943	GLENWOOD	27
71840	GENOA	27	71944	GRANNIS	27
71841	GILLHAM	27	71945	HATFIELD	27
71842	HORATIO	27	71949	JESSIEVILLE	27
71845	LEWISVILLE	27	71950	KIRBY	27
71846	LOCKESBURG	27	71952	LANGLEY	27
71847	MC CASKILL	27	71953	MENA	27
71851	MINERAL SPRINGS	27	71956	MOUNTAIN PINE	27
71852	NASHVILLE	27	71957	MOUNT IDA	27
71853	OGDEN	27	71958	MURFREESBORO	27
71854	TEXARKANA	27	71959	NEWHOPE	27
71855	OZAN	27	71960	NORMAN	27
71857	PRESCOTT	27	71961	ODEN	27
71858	ROSSTON	27	71962	OKOLONA	27
71859	SARATOGA	27	71964	PEARCY	27
71860	STAMPS	27	71965	PENCIL BLUFF	27
71861	TAYLOR	27	71968	ROYAL	27
71862	WASHINGTON	27	71969	SIMS	27
71864	WILLISVILLE	27	71970	STORY	27
71865	WILTON	27	71971	UMPIRE	27
71866	WINTHROP	27	71972	VANDERVOORT	27

3. TERRITORY DEFINITIONS – EARTHQUAKE (continued)

ZIP Code	USPS ZIP Code Name	Earthquake Territory	ZIP Code	USPS ZIP Code Name	Earthquake Territory
71901	HOT SPRINGS NATIONAL PARK	27	71973	WICKES	27
71902	HOT SPRINGS NATIONAL PARK	27	71998	ARKADELPHIA	27
71999	ARKADELPHIA	27	72042	DE WITT	26
72001	ADONA	27	72043	DIAZ	24
72002	ALEXANDER	27	72044	EDGEMONT	27
72003	ALMYRA	26	72045	EL PASO	27
72004	ALTHEIMER	25	72046	ENGLAND	24
72005	AMAGON	24	72047	ENOLA	27
72006	AUGUSTA	24	72048	ETHEL	25
72007	AUSTIN	27	72051	FOX	27
72010	BALD KNOB	26	72052	GARNER	26
72011	BAUXITE	27	72053	COLLEGE STATION	26
72012	BEEBE	26	72055	GILLETT	26
72013	BEE BRANCH	27	72057	GRAPEVINE	27
72014	BEEDEVILLE	24	72058	GREENBRIER	27
72015	BENTON	27	72059	GREGORY	24
72016	BIGELOW	27	72060	GRIFFITHVILLE	25
72017	BISCOE	25	72061	GUY	27
72018	BENTON	27	72063	HATTIEVILLE	27
72019	BENTON	27	72064	HAZEN	25
72020	BRADFORD	26	72065	HENSLEY	27
72021	BRINKLEY	25	72066	HICKORY PLAINS	26
72022	BRYANT	27	72067	HIGDEN	27
72023	CABOT	26	72068	HIGGINSON	25
72024	CARLISLE	26	72069	HOLLY GROVE	25
72025	CASA	27	72070	HOUSTON	27
72026	CASSCOE	25	72072	HUMNOKE	24
72027	CENTER RIDGE	27	72073	HUMPHREY	24
72028	CHOCTAW	27	72074	HUNTER	25
72029	CLARENDON	25	72075	JACKSONPORT	24
72030	CLEVELAND	27	72076	JACKSONVILLE	26
72031	CLINTON	27	72078	JACKSONVILLE	26
72032	CONWAY	27	72079	JEFFERSON	27
72033	CONWAY	27	72080	JERUSALEM	27
72034	CONWAY	27	72081	JUDSONIA	26
72035	CONWAY	27	72082	KENSETT	25
72036	COTTON PLANT	25	72083	KEO	24
72037	COY	24	72084	LEOLA	27
72038	CROCKETTS BLUFF	26	72085	LETONA	26
72039	DAMASCUS	27	72086	LONOKE	26
72040	DES ARC	25	72087	LONSDALE	27
72041	DE VALLS BLUFF	25	72088	FAIRFIELD BAY	27

3. TERRITORY DEFINITIONS – EARTHQUAKE (continued)

ZIP Code	USPS ZIP Code Name	Earthquake Territory	ZIP Code	USPS ZIP Code Name	Earthquake Territory
72089	BRYANT	27	72141	SCOTLAND	27
72099	LITTLE ROCK AIR FORCE BASE	27	72142	SCOTT	24
72101	MC CRORY	24	72143	SEARCY	26
72102	MC RAE	26	72145	SEARCY	26
72103	MABELVALE	27	72149	SEARCY	26
72104	MALVERN	27	72150	SHERIDAN	27
72105	JONES MILL	27	72152	SHERRILL	25
72106	MAYFLOWER	27	72153	SHIRLEY	27
72107	MENIFEE	27	72156	SOLGOHACHIA	27
72108	MONROE	25	72157	SPRINGFIELD	27
72110	MORRILTON	27	72160	STUTTART	25
72111	MOUNT VERNON	27	72164	SWEET HOME	26
72112	NEWPORT	24	72165	THIDA	25
72113	MAUMELLE	26	72166	TICHNOR	26
72114	NORTH LITTLE ROCK	26	72167	TRASKWOOD	27
72115	NORTH LITTLE ROCK	26	72168	TUCKER	25
72116	NORTH LITTLE ROCK	27	72169	TUPELO	24
72117	NORTH LITTLE ROCK	25	72170	ULM	26
72118	NORTH LITTLE ROCK	27	72173	VILONIA	27
72119	NORTH LITTLE ROCK	26	72175	WABBASEKA	24
72120	SHERWOOD	27	72176	WARD	26
72121	PANGBURN	26	72178	WEST POINT	26
72122	PARON	27	72179	WILBURN	27
72123	PATTERSON	24	72180	WOODSON	27
72124	NORTH LITTLE ROCK	27	72181	WOOSTER	27
72125	PERRY	27	72182	WRIGHT	25
72126	PERRYVILLE	27	72183	WRIGHTSVILLE	26
72127	PLUMERVILLE	27	72189	MC CRORY	24
72128	POYEN	26	72190	NORTH LITTLE ROCK	27
72129	PRATTSVILLE	27	72198	NORTH LITTLE ROCK	26
72130	PRIM	27	72199	NORTH LITTLE ROCK	27
72131	QUITMAN	27	72201	LITTLE ROCK	27
72132	REDFIELD	27	72202	LITTLE ROCK	27
72133	REYDELL	25	72203	LITTLE ROCK	27
72134	ROE	25	72204	LITTLE ROCK	27
72135	ROLAND	27	72205	LITTLE ROCK	27
72136	ROMANCE	27	72206	LITTLE ROCK	26
72137	ROSE BUD	27	72207	LITTLE ROCK	27
72139	RUSSELL	26	72209	LITTLE ROCK	27
72140	SAINT CHARLES	25	72210	LITTLE ROCK	27

3. TERRITORY DEFINITIONS – EARTHQUAKE (continued)

ZIP Code	USPS ZIP Code Name	Earthquake Territory	ZIP Code	USPS ZIP Code Name	Earthquake Territory
72211	LITTLE ROCK	27	72339	GILMORE	21
72212	LITTLE ROCK	27	72340	GOODWIN	25
72214	LITTLE ROCK	27	72341	HAYNES	24
72215	LITTLE ROCK	27	72342	HELENA	25
72216	LITTLE ROCK	26	72346	HETH	21
72217	LITTLE ROCK	27	72347	HICKORY RIDGE	24
72219	LITTLE ROCK	27	72348	HUGHES	22
72221	LITTLE ROCK	27	72350	JOINER	21
72222	LITTLE ROCK	27	72351	KEISER	21
72223	LITTLE ROCK	27	72352	LA GRANGE	25
72225	LITTLE ROCK	27	72353	LAMBROOK	26
72227	LITTLE ROCK	27	72354	LEPANTO	21
72231	LITTLE ROCK	25	72355	LEXA	25
72260	LITTLE ROCK	27	72358	LUXORA	21
72295	LITTLE ROCK	27	72359	MADISON	24
72301	WEST MEMPHIS	22	72360	MARIANNA	25
72303	WEST MEMPHIS	22	72364	MARION	22
72310	ARMOREL	21	72365	MARKED TREE	21
72311	AUBREY	25	72366	MARVELL	25
72312	BARTON	25	72367	MELLWOOD	26
72313	BASSETT	21	72368	MORO	25
72315	BLYTHEVILLE	21	72369	ONEIDA	26
72316	BLYTHEVILLE	21	72370	OSCEOLA	21
72319	GOSNELL	21	72372	PALESTINE	24
72320	BRICKEYS	23	72373	PARKIN	21
72321	BURDETTE	21	72374	POPLAR GROVE	25
72322	CALDWELL	24	72376	PROCTOR	22
72324	CHERRY VALLEY	23	72377	RIVERVALE	21
72325	CLARKEDALE	21	72379	SNOW LAKE	25
72326	COLT	24	72383	TURNER	25
72327	CRAWFORDSVILLE	21	72384	TURRELL	21
72328	CRUMROD	26	72386	TYRONZA	21
72329	DRIVER	21	72387	VANNDALE	24
72330	DYESS	21	72389	WABASH	26
72331	EARLE	21	72390	WEST HELENA	25
72332	EDMONDSON	22	72391	WEST RIDGE	21
72333	ELAINE	26	72392	WHEATLEY	25
72335	FORREST CITY	24	72394	WIDENER	23
72336	FORREST CITY	24	72395	WILSON	21
72338	FRENCHMANS BAYOU	21	72396	WYNNE	24

3. TERRITORY DEFINITIONS – EARTHQUAKE (continued)

ZIP Code	USPS ZIP Code Name	Earthquake Territory	ZIP Code	USPS ZIP Code Name	Earthquake Territory
72401	JONESBORO	23	72451	PARAGOULD	23
72402	JONESBORO	23	72453	PEACH ORCHARD	24
72403	JONESBORO	23	72454	PIGGOTT	23
72404	JONESBORO	23	72455	POCAHONTAS	26
72410	ALICIA	25	72456	POLLARD	24
72411	BAY	21	72457	PORTIA	25
72412	BEECH GROVE	24	72458	POWHATAN	26
72413	BIGGERS	24	72459	RAVENDEN	26
72414	BLACK OAK	21	72460	RAVENDEN SPRINGS	27
72415	BLACK ROCK	26	72461	RECTOR	23
72416	BONO	24	72462	REYNO	24
72417	BROOKLAND	23	72464	SAINT FRANCIS	22
72419	CARAWAY	21	72465	SEDGWICK	24
72421	CASH	24	72466	SMITHVILLE	26
72422	CORNING	24	72467	STATE UNIVERSITY	21
72424	DATTO	24	72469	STRAWBERRY	26
72425	DELAPLAINE	24	72470	SUCCESS	25
72426	DELL	21	72471	SWIFTON	25
72427	EGYPT	24	72472	TRUMANN	21
72428	ETOWAH	21	72473	TUCKERMAN	25
72429	FISHER	24	72474	WALCOTT	23
72430	GREENWAY	23	72475	WALDENBURG	24
72431	GRUBBS	24	72476	WALNUT RIDGE	25
72432	HARRISBURG	23	72478	WARM SPRINGS	26
72433	HOXIE	25	72479	WEINER	24
72434	IMBODEN	26	72482	WILLIFORD	27
72435	KNOBEL	24	72501	BATESVILLE	26
72436	LAFE	24	72503	BATESVILLE	26
72437	LAKE CITY	21	72512	HORSESHOE BEND	27
72438	LEACHVILLE	21	72513	ASH FLAT	27
72439	LIGHT	24	72515	BEXAR	27
72440	LYNN	26	72517	BROCKWELL	27
72441	MC DOUGAL	24	72519	CALICO ROCK	27
72442	MANILA	21	72520	CAMP	27
72443	MARMADUKE	23	72521	CAVE CITY	27
72444	MAYNARD	26	72522	CHARLOTTE	26
72445	MINTURN	25	72523	CONCORD	27
72447	MONETTE	21	72524	CORD	25
72449	O KEAN	25	72525	CHEROKEE VILLAGE	27
72450	PARAGOULD	23	72526	CUSHMAN	26

3. TERRITORY DEFINITIONS – EARTHQUAKE (continued)

ZIP Code	USPS ZIP Code Name	Earthquake Territory	ZIP Code	USPS ZIP Code Name	Earthquake Territory
72527	DESHA	26	72581	TUMBLING SHOALS	27
72528	DOLPH	27	72583	VIOLA	27
72529	CHEROKEE VILLAGE	27	72584	VIOLET HILL	27
72530	DRASCO	27	72585	WIDEMAN	27
72531	ELIZABETH	27	72587	WISEMAN	27
72532	EVENING SHADE	27	72601	HARRISON	27
72533	FIFTY SIX	27	72602	HARRISON	27
72534	FLORAL	27	72611	ALPENA	27
72536	FRANKLIN	27	72613	BEAVER	27
72537	GAMALIEL	27	72615	BERGMAN	27
72538	GEPP	27	72616	BERRYVILLE	27
72539	GLENCOE	27	72617	BIG FLAT	27
72540	GUION	27	72619	BULL SHOALS	27
72542	HARDY	27	72623	CLARKRIDGE	27
72543	HEBER SPRINGS	27	72624	COMPTON	27
72544	HENDERSON	27	72626	COTTER	27
72545	HEBER SPRINGS	27	72628	DEER	27
72546	IDA	27	72629	DENNARD	27
72550	LOCUST GROVE	27	72630	DIAMOND CITY	27
72553	MAGNESS	25	72631	EUREKA SPRINGS	27
72554	MAMMOTH SPRING	27	72632	EUREKA SPRINGS	27
72555	MARCELLA	27	72633	EVERTON	27
72556	MELBOURNE	27	72634	FLIPPIN	27
72560	MOUNTAIN VIEW	27	72635	GASSVILLE	27
72561	MOUNT PLEASANT	27	72636	GILBERT	27
72562	NEWARK	25	72638	GREEN FOREST	27
72564	OIL TROUGH	24	72639	HARRIET	27
72565	OXFORD	27	72640	HASTY	27
72566	PINEVILLE	27	72641	JASPER	27
72567	PLEASANT GROVE	27	72642	LAKEVIEW	27
72568	PLEASANT PLAINS	26	72644	LEAD HILL	27
72569	POUGHKEEPSIE	27	72645	LESLIE	27
72571	ROSIE	26	72648	MARBLE FALLS	27
72572	SAFFELL	26	72650	MARSHALL	27
72573	SAGE	27	72651	MIDWAY	27
72575	SALADO	26	72653	MOUNTAIN HOME	27
72576	SALEM	27	72654	MOUNTAIN HOME	27
72577	SIDNEY	27	72655	MOUNT JUDEA	27
72578	STURKIE	27	72657	TIMBO	27
72579	SULPHUR ROCK	26	72658	NORFORK	27

3. TERRITORY DEFINITIONS – EARTHQUAKE (continued)

ZIP Code	USPS ZIP Code Name	Earthquake Territory	ZIP Code	USPS ZIP Code Name	Earthquake Territory
72660	OAK GROVE	27	72736	GRAVETTE	27
72661	OAKLAND	27	72737	GREENLAND	27
72662	OMAHA	27	72738	HINDSVILLE	27
72663	ONIA	27	72739	HIWASSE	27
72666	PARTHENON	27	72740	HUNTSVILLE	27
72668	PEEL	27	72741	JOHNSON	27
72669	PINDALL	27	72742	KINGSTON	27
72670	PONCA	27	72744	LINCOLN	27
72672	PYATT	27	72745	LOWELL	27
72675	SAINT JOE	27	72747	MAYSVILLE	27
72677	SUMMIT	27	72749	MORROW	27
72679	TILLY	27	72751	PEA RIDGE	27
72680	TIMBO	27	72752	PETTIGREW	27
72682	VALLEY SPRINGS	27	72753	PRAIRIE GROVE	27
72683	VENDOR	27	72756	ROGERS	27
72685	WESTERN GROVE	27	72757	ROGERS	27
72686	WITTS SPRINGS	27	72758	ROGERS	27
72687	YELLVILLE	27	72760	SAINT PAUL	27
72701	FAYETTEVILLE	27	72761	SILOAM SPRINGS	27
72702	FAYETTEVILLE	27	72762	SPRINGDALE	27
72703	FAYETTEVILLE	27	72764	SPRINGDALE	27
72704	FAYETTEVILLE	27	72765	SPRINGDALE	27
72711	AVOCA	27	72766	SPRINGDALE	27
72712	BENTONVILLE	27	72768	SULPHUR SPRINGS	27
72714	BELLA VISTA	27	72769	SUMMERS	27
72715	BELLA VISTA	27	72770	TONTITOWN	27
72716	BENTONVILLE	27	72773	WESLEY	27
72717	CANEHILL	27	72774	WEST FORK	27
72718	CAVE SPRINGS	27	72776	WITTER	27
72719	CENTERTON	27	72801	RUSSELLVILLE	27
72721	COMBS	27	72802	RUSSELLVILLE	27
72722	DECATUR	27	72811	RUSSELLVILLE	27
72727	ELKINS	27	72812	RUSSELLVILLE	27
72728	ELM SPRINGS	27	72820	ALIX	27
72729	EVANSVILLE	27	72821	ALTUS	27
72730	FARMINGTON	27	72823	ATKINS	27
72732	GARFIELD	27	72824	BELLEVILLE	27
72733	GATEWAY	27	72826	BLUE MOUNTAIN	27
72734	GENTRY	27	72827	BLUFFTON	27
72735	GOSHEN	27	72828	BRIGGSVILLE	27

3. TERRITORY DEFINITIONS – EARTHQUAKE (continued)

ZIP Code	USPS ZIP Code Name	Earthquake Territory	ZIP Code	USPS ZIP Code Name	Earthquake Territory
72829	CENTERVILLE	27	72921	ALMA	27
72830	CLARKSVILLE	27	72923	BARLING	27
72832	COAL HILL	27	72926	BOLES	27
72833	DANVILLE	27	72927	BOONEVILLE	27
72834	DARDANELLE	27	72928	BRANCH	27
72835	DELAWARE	27	72930	CECIL	27
72837	DOVER	27	72932	CEDARVILLE	27
72838	GRAVELLY	27	72933	CHARLESTON	27
72839	HAGARVILLE	27	72934	CHESTER	27
72840	HARTMAN	27	72935	DYER	27
72841	HARVEY	27	72936	GREENWOOD	27
72842	HAVANA	27	72937	HACKETT	27
72843	HECTOR	27	72938	HARTFORD	27
72845	KNOXVILLE	27	72940	HUNTINGTON	27
72846	LAMAR	27	72941	LAVACA	27
72847	LONDON	27	72943	MAGAZINE	27
72851	NEW BLAINE	27	72944	MANSFIELD	27
72852	OARK	27	72945	MIDLAND	27
72853	OLA	27	72946	MOUNTAINBURG	27
72854	OZONE	27	72947	MULBERRY	27
72855	PARIS	27	72948	NATURAL DAM	27
72856	PELSOR	27	72949	OZARK	27
72857	PLAINVIEW	27	72950	PARKS	27
72858	POTTSVILLE	27	72951	RATCLIFF	27
72860	ROVER	27	72952	RUDY	27
72863	SCRANTON	27	72955	UNIONTOWN	27
72865	SUBIACO	27	72956	VAN BUREN	27
72901	FORT SMITH	27	72957	VAN BUREN	27
72902	FORT SMITH	27	72958	WALDRON	27
72903	FORT SMITH	27	72959	WINSLOW	27
72904	FORT SMITH	27			
72905	FORT SMITH	27			
72906	FORT SMITH	27			
72908	FORT SMITH	27			
72913	FORT SMITH	27			
72914	FORT SMITH	27			
72916	FORT SMITH	27			
72917	FORT SMITH	27			
72918	FORT SMITH	27			
72919	FORT SMITH	27			

ARKANSAS (03)

DWELLING PROPERTY FORMS IN EFFECT

Form/ Endt.	Edition Date	Form Title
DP 00 01	12-02	Dwelling Property 1-Basic Form
DP 00 02	12-02	Dwelling Property 2-Broad Form
DP 00 03	12-02	Dwelling Property 3-Special Form
DP 01 03	02-07	Special Provisions – Arkansas
DP 03 12	12-02	Windstorm or Hail Percentage Deductible
DP 04 11	12-02	Automatic Increase in Insurance
DP 04 14	12-02	Additional Living Expense-Form DP 00 01 Only
DP 04 20	12-02	Permitted Incidental Occupancies
DP 04 31	12-02	Improvements, Alterations & Additions
DP 04 41	12-02	Additional Insured-Described Location
DP 04 63	12-02	Loss Assessment Property Coverage
DP 04 65	12-02	Special Coverage
DP 04 68	12-02	Loss Assessment Coverage For Earthquake
DP 04 69	12-02	Earthquake
DP 04 70	12-02	Premises Alarm or Fire Protection System
DP 04 71	12-02	Ordinance or Law Coverage-Increased Amount of Coverage-Forms DP 00 02 & DP 00 03 Only
DP 04 72	12-02	Broad Theft Coverage
DP 04 73	12-02	Limited Theft Coverage
DP 04 74	12-02	Ordinance or Law Coverage-Form DP 00 01 Only
DP 04 76	12-02	Actual Cash Value Loss Settlement
DP 04 95	01-09	Water Back Up & Sump Discharge or Overflow
DP 04 99	12-02	Sinkhole Collapse
DP 05 30	12-02	Functional Replacement Cost Loss Settlement-Forms DP 00 02 & DP 00 03 Only
DP 05 37	06-08	Cap on Losses from Certified Acts of Terrorism
DP 05 38	06-08	Cap on Losses From Certified Acts of Terrorism; Disclosure Pursuant to Terrorism Risk Insurance Act
DP 11 43	12-02	Dwelling Under Construction
DP 12 10	12-02	Change Endorsement
DP 16 09	01-09	Water Exclusion Endorsement
DP 16 10	01-09	Water Exclusion Endorsement
DP 17 66	12-02	Unit-Owners Coverage
DP 17 71	12-02	Unit-Owners Coverage-Modified Other Insurance & Service Agreement Condition
IL N 016	09-03	Arkansas Fraud Statement
IL P 001	01-04	U.S. Treasury Department's Office of Foreign Assets Control ("OFAC") Advisory Notice to Policyholders
F 4713	09-10	Amendment of Policy Provisions – Arkansas

ARKANSAS (03)

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SERFF Tracking Number: HRLV-126763747 State: Arkansas
 Filing Company: Harleysville Mutual Insurance Company State Tracking Number: EFT \$150
 Company Tracking Number: DFJENCLEAVER051410-RR
 TOI: 30.1 Dwelling Fire/Personal Liability Sub-TOI: 30.1000 Dwelling Fire/Personal Liability
 Product Name: Dwelling Fire
 Project Name/Number: DFJenCleaver051410-RR/Dwelling Fire

Supporting Document Schedules

	Item Status:	Status Date:
Satisfied - Item: Form RF-2 Loss Costs Only (not for workers' compensation)	Filed	08/16/2010

Comments:

Attachment:

Form RF-2_AR HMIC DF_.pdf

	Item Status:	Status Date:
Satisfied - Item: HPCS-Homeowners Premium Comparison Survey	Filed	08/16/2010

Comments:

Attachment:

Harleysville Dwelling Survey FORM HPCS.xls

	Item Status:	Status Date:
Satisfied - Item: NAIC loss cost data entry document	Filed	08/16/2010

Comments:

Attachment:

FORM RF-1 Rate Filing Abstract_AR HMIC DF_.pdf

	Item Status:	Status Date:
Satisfied - Item: Actuarial Exhibits	Filed	08/16/2010

Comments:

Attachment:

Actuarial Exhibits - DF.pdf

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

CALCULATION OF COMPANY LOSS COST MULTIPLIER

This filing transmittal is part of Company Tracking #	HRLV-126763747
This filing corresponds to form filing number (Company tracking number of form filing, if applicable)	

Loss Cost Reference Filing ISO DP-2008-120 **Independent Rate Filing**
(Advisory Org, & Reference filing #)

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

1. Check one of the following:

<input type="checkbox"/>	The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable to future revisions of the advisory organization's prospective loss costs for this line of insurance. The insurer's rates will be the combination of the advisory organization's prospective loss costs and the insurer's loss cost multipliers and if utilized, expense constants specified in the attachments. The rates will apply to policies written on or after the effective date of the advisory organization's prospective loss costs. This authorization is effective until disapproved by the Commissioner, or until amended or withdrawn by the insurer. Note: Some states have statutes that prohibit this option for some lines of business.
<input checked="" type="checkbox"/>	The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable only to the above Advisory Organization Reference Filing.

2. Line, Subline, Coverage, Territory, Class, etc. combination to which this page applies: Dwelling Fire for all territories/classes.

3. Loss cost modification:

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

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

B. Loss Cost Modification Expressed as a Factor: (See Examples Below) 1.000
 Example 1: Loss cost Modification Factor: If your company's loss cost modification is -10%, a factor of .90 (1.000 - .100) should be used.
 Example 2: Loss cost Modification Factor: If your company's loss cost modification is =15%, a factor of 1.15 (1.000 + .150) should be used.

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

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

		Selected Provisions	
A.	Total Production Expense	30.9	%
B.	General Expense	3.1	%
C.	Taxes, Licenses & Fees	2.5	%
D.	Underwriting Profit & Contingencies (explain how investment income is taken into account)	6.6	%
E.	Other (explain)	0	%
F.	Total	43.1	%

5.	A. Expected Loss Ratio: ELR = 100% - 4F = A	56.9	%
	B. ELR in Decimal Form =	0.569	
6.	Company Formula Loss Cost Multiplier (3B/5B)	1.758	
7.	Company Selected Loss Cost Multiplier = (Attach explanation for any differences between 6 and 7)	1.758	
8.	Rate Level Change for the coverage(s) to which this page applies	New Co. Filing	

NAIC Number: 14168
 Company Name: Harleysville Mutual Insurance Company
 Contact Person: Robin Upchurch
 Telephone No.: 215-256-5226
 Email Address: rupchurch@harleysvillegroup.com
 Effective Date: July 28, 2010

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

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

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

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

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

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

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

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

Public Protection Class	Dwelling Value	Washington		Baxter		Craighead		St. Francis		Arkansas		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$80,000	\$399.00	\$445.00	\$399.00	\$445.00	\$399.00	\$445.00	\$399.00	\$445.00	\$399.00	\$445.00	\$399.00	\$445.00	\$399.00	\$445.00	\$399.00	\$445.00	\$399.00	\$445.00
	\$120,000	\$545.00	\$606.00	\$545.00	\$606.00	\$545.00	\$606.00	\$545.00	\$606.00	\$545.00	\$606.00	\$545.00	\$606.00	\$545.00	\$606.00	\$545.00	\$606.00	\$545.00	\$606.00
	\$160,000	\$690.00	\$766.00	\$690.00	\$766.00	\$690.00	\$766.00	\$690.00	\$766.00	\$690.00	\$766.00	\$690.00	\$766.00	\$690.00	\$766.00	\$690.00	\$766.00	\$690.00	\$766.00
6	\$80,000	\$404.00	\$450.00	\$404.00	\$450.00	\$404.00	\$450.00	\$404.00	\$450.00	\$404.00	\$450.00	\$404.00	\$450.00	\$404.00	\$450.00	\$404.00	\$450.00	\$404.00	\$450.00
	\$120,000	\$552.00	\$613.00	\$552.00	\$613.00	\$552.00	\$613.00	\$552.00	\$613.00	\$552.00	\$613.00	\$552.00	\$613.00	\$552.00	\$613.00	\$552.00	\$613.00	\$552.00	\$613.00
	\$160,000	\$699.00	\$776.00	\$699.00	\$776.00	\$699.00	\$776.00	\$699.00	\$776.00	\$699.00	\$776.00	\$699.00	\$776.00	\$699.00	\$776.00	\$699.00	\$776.00	\$699.00	\$776.00
9	\$80,000	\$495.00	\$596.00	\$495.00	\$596.00	\$495.00	\$596.00	\$495.00	\$596.00	\$495.00	\$596.00	\$495.00	\$596.00	\$495.00	\$596.00	\$495.00	\$596.00	\$495.00	\$596.00
	\$120,000	\$672.00	\$806.00	\$672.00	\$806.00	\$672.00	\$806.00	\$672.00	\$806.00	\$672.00	\$806.00	\$672.00	\$806.00	\$672.00	\$806.00	\$672.00	\$806.00	\$672.00	\$806.00
	\$160,000	\$849.00	\$1,016.00	\$849.00	\$1,016.00	\$849.00	\$1,016.00	\$849.00	\$1,016.00	\$849.00	\$1,016.00	\$849.00	\$1,016.00	\$849.00	\$1,016.00	\$849.00	\$1,016.00	\$849.00	\$1,016.00

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

HO3 and HO4 only

Fire Extinguisher	<input type="text"/>	%	Deadbolt Lock	<input type="text"/>	%
Burglar Alarm	<input type="text"/>	%	Window Locks	<input type="text"/>	%
Smoke Alarm	<input type="text"/>	%	\$1,000 Deductible	<input type="text"/>	%
			Other (specify)		

EARTHQUAKE INSURANCE

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

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

Zone Brick Frame

NAIC LOSS COST DATA ENTRY DOCUMENT

1.	This filing transmittal is part of Company Tracking #	HRLV-126763747
----	---	-----------------------

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

Company Name		Company NAIC Number	
3.	A.	Harleysville Mutual Insurance Company	B. 14168

Product Coding Matrix Line of Business (i.e., Type of Insurance)		Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)	
4.	A.	30.1 Dwelling Fire/Personal Liability	B. 30.1 Dwelling Fire/Personal Liability

5.			FOR LOSS COSTS ONLY				
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
COVERAGE (See Instructions)	Indicated % Rate Level Change	Requested % Rate Level Change	Expected Loss Ratio	Loss Cost Modification Factor	Selected Loss Cost Multiplier	Expense Constant (If Applicable)	Co. Current Loss Cost Multiplier
Dwelling Fire	N/A	N/A	0.569	1.000	1.758	N/A	N/A
TOTAL OVERALL EFFECT	N/A	N/A					

6.		5 Year History	Rate Change History				
Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
N/A							

7.	
Expense Constants	Selected Provisions
A. Total Production Expense	N/A
B. General Expense	
C. Taxes, License & Fees	
D. Underwriting Profit & Contingencies	
E. Other (explain)	
F. TOTAL	

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

**HARLEYSVILLE MUTUAL INSURANCE COMPANY
DWELLING FIRE
ARKANSAS**

Explanatory Memo

With this filing, Harleysville Mutual Insurance Company is replacing our current Dwelling Fire Program for use in Arkansas with this new Dwelling Fire Program which adopts 2002 ISO Dwelling Program. Our proposed rates are derived from ISO approved LC circulars LI-DP-2008-120. The proposed rates are to be effective on and after September 30, 2010.

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DF Expenses & LCM

DF ROR

ROR Memo

HARLEYSVILLE INSURANCE
DWELLING FIRE
ARKANASAS
LOSS COST MULTIPLIER

Page 1

<u>Expense Items</u>	<u>Expense</u>
Commissions	18.4%
Taxes	2.5%
Other Acquisitions	12.5%
General Expense	3.1%
ULAE	0.0%
Profit (12.5% IRR)	6.6%
Other Reins Expense	0.0%
<u>Cat Reins Expense</u>	<u>0.0%</u>
Expense Ratio	43.1%
ALAE (% of loss)	0.0%
Expense Loss Ratio	56.9%
LCM	1.758

HARLEYSVILLE INSURANCE
COUNTRYWIDE
Historical Expense Experience
FIRE AND ALLIED LINES
Selection for Plan Line of Business: DF

Page 2

2007	2008	2009	3 Yr Str Avg	2 Yr Str Avg	Selected
\$	%	\$	%	\$	%

Operations Group Information: CONSOLIDATED OPERATIONS

	\$(000)	%	\$(000)	%	\$(000)	%	18.4%	18.7%	18.4%
Written Premium (a)	21,427	---	23,349	---	26,541	---			
Earned Premium (b)	21,209	---	22,308	---	25,282	---			
CY Incurred Loss (g)	8,209	---	19,768	---	14,215	---			
Total Commission (a)	3,841	17.9%	4,321	18.5%	4,999	18.8%	18.4%	18.7%	18.4%
Taxes Inc'd (a)	497	2.3%	599	2.6%	671	2.5%	2.5%	2.5%	2.5%
Other Acq. (b)	2,616	12.3%	2,737	12.3%	3,261	12.9%	12.5%	12.6%	12.5%
Gen. Exp. (b)	683	3.2%	629	2.8%	843	3.3%	3.1%	3.1%	3.1%
AOE {ULAE} (b)	575	2.7%	744	3.3%	849	3.4%	3.1%	3.3%	3.1%
Dividends (b)	0	0.0%	0	0.0%	0	0.0%	0.0%	0.0%	0.0%
Total LAE (g)	772	9.4%	944	4.8%	1,638	11.5%	8.6%	8.2%	8.2%
DCCE {ALAE} (g)	197	2.4%	200	1.0%	790	5.6%	3.0%	3.3%	3.3%
AOE {ULAE} (g)	575	7.0%	744	3.8%	849	6.0%	5.6%	4.9%	4.9%

Profit Provision

The Profit Provision was derived by Harleysville's Internal Rate of Return (IRR) model targeting a 12.5% return.

6.6%

Notes:

Historical countrywide Information from IEE. Historical state information from Annual Statement Page 14 Data.

(a) Ratios expressed as a percent of Written Premium.

(b) Ratios expressed as a percent of Earned Premium.

(g) Ratios expressed as a percent of Incurred Losses.

HARLEYSVILLE INSURANCE
INTERNAL RATE OF RETURN MODEL
Investment and Operating Assumptions
Summary of Results

Line Of Business: Personal Fire
State: CW

Investment Assumptions

<u>Investment</u>	<u>Dist</u>	<u>Yield</u>
Cash / ST Inv	8.7%	1.50%
U.S. Gov't Bonds	5.6%	4.60%
Corporate Bonds	26.4%	8.50%
Tax-Exempt Bonds (Pre 8/86)	0.0%	2.60%
Tax-Exempt Bonds (Post 8/86)	52.4%	2.60%
Common Stock	6.2%	5.69%
Other Investments	0.7%	27.00%

Operating Requirements

Reserve to Surplus Ratio:	2.10
Target Rate of Return:	12.5%

Model Results

Target Rate of Return:	12.5%
Required Combined Ratio:	93.4%
Underwriting Profit Provision:	6.6%

HARLEYSVILLE INSURANCE
INTERNAL RATE OF RETURN MODEL
Underwriting Assumptions

Line Of Business: Personal Fire
State: CW

Underwriting Assumptions

Loss & ALAE Ratio:	63.1%																			
Dividends Payable:	0.0%																			
Year after policy inception:	<u>01</u>	<u>02</u>	<u>03</u>	<u>04</u>	<u>05</u>	<u>06</u>	<u>07</u>	<u>08</u>	<u>09</u>	<u>10</u>	<u>11</u>	<u>12</u>	<u>13</u>	<u>14</u>	<u>15</u>	<u>16</u>	<u>17</u>	<u>18</u>	<u>19</u>	<u>20</u>
Premium Patterns																				
Written	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Earned	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Collected	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Cumulative Loss & ALAE Payout Patterns																				
	Weight																			
Subline 1:	100.0%	76.2%	98.5%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Subline 2:	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Subline 3:	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Subline 4:	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Weighted Average:	76.2%	98.5%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Loss Reserve Discounting Factors:	0.9664	0.9612	0.9803	0.9803	0.9803	0.9803	0.9803	0.9803	0.9803	0.9803	0.9803	0.9803	0.9803	0.9803	0.9803	0.9803	0.9803	0.9803	0.9803	0.9803
Paid Expense Payout Pattern:	95.0%	5.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Paid ULAE Payout Pattern:	83.1%	16.2%	0.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Dividend Payout Pattern:	0.0%	97.5%	2.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Incurred Expense Ratios	<u>Variable</u>	<u>Fixed</u>	<u>Total</u>
Commissions	18.40%	0.00%	18.40%
Contingent Comm	0.00%	0.00%	0.00%
Taxes, Licenses, & Fees	2.50%	0.00%	2.50%
O/A & General	3.90%	11.70%	15.60%
Unallocated Loss Expense	0.10%	0.30%	0.40%
Residual Market	0.00%	0.00%	0.00%
Other U/W Expense	0.00%	0.00%	0.00%
Total	24.90%	12.00%	36.90%

HARLEYSVILLE INSURANCE
INTERNAL RATE OF RETURN MODEL

Determination of Equity Flows

Line Of Business: Personal Fire
 State: CW

Year after policy inception:	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19	20
Estimated Reserves (a)																				
Unearned Premium	1,096.74	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loss & LAE	NA	150.18	9.47	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Expenses	NA	10.05	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Policyholder Dividends	NA	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Reserves	1,096.74	160.23	9.50	0.00																
Required Beginning Surplus (b)	522.26	71.51	4.51	0.00																
Statutory Net Income																				
Adj Premiums Earned (c)	1,096.74	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net Investment Gain (d)	28.97	7.09	0.42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Losses and Loss Expenses (c)	631.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Underwriting Expenses (c)	393.09	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OPERATING GAIN	101.63	7.09	0.42	0.00																
Policyholder Dividends (c)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
NET INCOME BEFORE FIT	101.63	7.09	0.42	0.00																
Federal Income Tax (e)	34.21	0.42	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
NET INCOME	67.41	6.67	0.41	0.00																
Other Changes in Surplus (f)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Ending Surplus Before Dividends	589.67	78.19	4.92	0.00																
Stockholder Dividends Payable	518.16	73.68	4.92	0.00																
Ending Surplus	71.51	4.51	0.00																	
MODEL RESULTS																				
IRR on Dividends Payable		12.5%																		
Required Combined Ratio		93.4%																		
U/W Profit Provision		6.6%																		

- (a) Reserves at beginning of period. Calculation of reserves is determined from Pages 8 & 9.
 (b) Each years' required surplus is determined by the Reserve-to-Surplus ratio, shown on Page 3.
 (c) Determined on Pages 8 & 9.
 (d) Determined on Page 7.
 (e) Determined on Page 6.
 (f) This model assumes the only changes in surplus are due to investment and underwriting operations. Realized and Unrealized Capital Gains/Losses are not incorporated.
 (g) All surplus in excess of the required amount for the following year is returned to the stockholder.

HARLEYSVILLE INSURANCE
INTERNAL RATE OF RETURN MODEL
 Projected Federal Income Tax

Line Of Business: Personal Fire
 State: CW

Year after policy inception	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19	20
Calculation Of Regular Tax																				
Profit Before FIT (Statutory) (a)	101.63	7.09	0.42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Tax-Exempt Income																				
100% pre 8-7-86	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
85% post 8-7-86	6.05	2.68	0.16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
20% of Change in UPR	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Chg due to Disct Loss/LAE Rsrv (b)	5.04	(4.67)	(0.37)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Regular Taxable Income	100.62	(0.26)	(0.11)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Federal Taxes at 34%	34.21	(0.09)	(0.04)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Calculation Of Alternative Minimum Tax (AMT)																				
Regular Taxable Income	100.62	(0.26)	(0.11)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Tax-Exempt Income	7.12	3.16	0.19	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Adjusted Current Earnings	107.73	2.89	0.08	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
75% of Difference	5.34	2.37	0.14	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
AMT Taxable Income	105.96	2.10	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
AMT Income Tax at 20%	21.19	0.42	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Greater of AMT or Regular Tax (c)	34.21	0.42	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

(a) Determined on Page 5.
 (b) Determined on Page 8.
 (c) If AMT is negative, then regular tax is selected. If AMT is positive the selected tax is the maximum of the AMT and the Regular Tax.

HARLEYSVILLE INSURANCE
INTERNAL RATE OF RETURN MODEL
 Projected Investment Income

Line Of Business: Personal Fire
 State: CW

Year after policy inception:	<u>01</u>	<u>02</u>	<u>03</u>	<u>04</u>	<u>05</u>	<u>06</u>	<u>07</u>	<u>08</u>	<u>09</u>	<u>10</u>	<u>11</u>	<u>12</u>	<u>13</u>	<u>14</u>	<u>15</u>	<u>16</u>	<u>17</u>	<u>18</u>	<u>19</u>	<u>20</u>
Investment Income																				
Beginning of Period Invested Assets (a)																				
<u>Investment Portfolio</u>	<u>Yield</u>																			
Cash / ST Inv	1.50%	45.44	20.16	1.22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
U.S. Gov Bd	4.60%	29.25	12.98	0.78	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Corp Bonds	8.50%	137.88	61.18	3.70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Tax-Exempt Bd	2.60%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Tax-Exempt Bd	2.60%	273.66	121.43	7.34	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Common Stock	5.69%	32.38	14.37	0.87	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Inv	27.00%	3.66	1.62	0.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Invested Assets		522.26	231.74	14.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Curr Cash Flow (b)	4.54%	116.44	(75.37)	(4.75)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Investment Income (c)		28.97	7.09	0.42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cash Flow																				
Premiums Collected (d)		1,096.74	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loss and LAE Paid (d)		480.82	140.71	9.47	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Underwriting Expenses Paid (e)		383.04	10.02	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Policyholder Dividends Paid (d)		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Taxes Paid (f)		34.21	0.42	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net Investment Income Collected		28.97	7.09	0.42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Changes in Surplus (g)		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net Cash Flow From Operations		227.64	(144.06)	(9.08)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Stockholder Dividends Paid (g)		518.16	73.68	4.92	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net Cash Flow After Dividends		(290.51)	(217.74)	(14.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

- (a) Invested assets are determined by applying the distribution of assets shown on Page 3 to the sum of the surplus at the beginning of each year and the net cash flow after dividends from the previous year.
- (b) 50 % of the underwriting cash flow from the current year (excluding taxes paid, investment income, and stockholder dividends) is incorporated to estimate the average amount of invested assets throughout the year for which investment income is received. This procedure accounts for the transition of the surplus from the beginning of the year to the end of the year. This amount is applied to an investment yield equal to the weighted average of the current portfolio.
- (c) Investment income determined by multiplying the yield rate by the invested assets.
- (d) Determined on Page 8.
- (e) Determined on Page 9.
- (f) Determined on Page 6.
- (g) Other Changes in Surplus and Stockholder Dividends are shown on Page 5.

HARLEYSVILLE INSURANCE
INTERNAL RATE OF RETURN MODEL
 Premium, Loss, and Dividend Projections

Line Of Business: Personal Fire
 State: CW

Year after policy inception:	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19	20
Incurred and Paid Losses																				
Losses and ALAE Incurred (a):	631.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Weighted Average Payment Development:	76.2%	22.3%	1.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Losses and ALAE Paid:	480.82	140.71	9.47	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loss and ALAE Reserves:	150.18	9.47	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loss Reserve Discounting Factors (b):	0.9664	0.9612	0.9803	0.9803	0.9803	0.9803	0.9803	0.9803	0.9803	0.9803	0.9803	0.9803	0.9803	0.9803	0.9803	0.9803	0.9803	0.9803	0.9803	0.9803
Discounted Loss and ALAE Reserves:	145.14	9.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Change in Loss and ALAE Reserves:	150.18	(140.71)	(9.47)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Change in Disc Loss and ALAE Rsv:	145.14	(136.04)	(9.10)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Change due to Discounting:	5.04	(4.67)	(0.37)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Written, Earned, and Collected Premiums																				
	<u>Base</u>	<u>Adj (c)</u>																		
Written Premium	1,000	1,097																		
Written Premium																				
Percent Written	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$ - Base	1000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
\$ - Adjusted	1096.739	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Earned Premium																				
Percent Earned	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$ - Base	1000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
\$ - Adjusted	1096.739	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Collected Premium																				
% of Written Collected	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$ - Base	1000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
\$ - Adjusted	1096.739	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Policyholder Dividends																				
% Adj Earned Premium	0.0%																			
\$ Incurred	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
% Paid	0.0%	97.5%	2.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$ Paid	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

(a) Incurred Loss & ALAE ratio multiplied by the adjusted earned premium.
 (b) Discount factors are those distributed by the Internal Revenue Service.
 (c) The adjusted premium represents the amount of premium necessary to achieve the target rate of return. This premium is determined through an iterative process.

HARLEYSVILLE INSURANCE
INTERNAL RATE OF RETURN MODEL

Projected Expenses

Line Of Business: Personal Fire

State: CW

Year after policy inception:	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19	20
Underwriting Expenses Incurred																				
Variable (a)																				
Commissions	18.40%	201.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Contingent Comm	0.00%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Taxes/Lic/Fees	2.50%	27.42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
O/A & General	3.90%	42.77	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ULAE	0.10%	1.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Residual Market	0.00%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other U/W Expense	0.00%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Variable	24.90%	273.09	0.00																	
Fixed (b)																				
Taxes	0.00%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
O/A & General	11.70%	117.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ULAE	0.30%	3.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other U/W Expense	0.00%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Fixed	12.00%	120.00	0.00																	
Total Expenses Incurred		393.09	0.00																	
Underwriting Expenses Paid																				
U/W Expenses Payout	0.95	0.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ULAE Payout Pattern	0.83	0.16	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Variable																				
Commissions (c)	201.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Contingent Comm (d)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Taxes/Lic/Fees	26.05	1.37	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
O/A & General	40.63	2.14	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ULAE	0.91	0.18	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Residual Market (d)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other U/W Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Variable	269.39	3.69	0.01	0.00																
Fixed																				
Taxes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
O/A & General	111.15	5.85	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ULAE	2.49	0.48	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other U/W Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Fixed	113.64	6.33	0.02	0.00																
Total Expenses Paid	383.04	10.02	0.03	0.00																

- (a) Variable expenses are related to the adjusted premium.
- (b) Fixed expenses are related to the base premium.
- (c) Incurred Commissions are paid in proportion to the ratio of collected to written premiums .
- (d) Contingent Commissions and Residual Market costs are assumed to be paid in the year after such expenses are incurred.

THE HARLEYSVILLE INSURANCE COMPANIES
A National Network of Regional Insurers

Internal Rate of Return Model

Explanatory Memorandum for the Determination of Underwriting Profit Provision

The underwriting profit provision contained in this filing was developed from the Internal Rate of Return (IRR) Model displayed on the following pages. The IRR Model generates expected underwriting and investment results for the prospective period of the proposed rates. This provides a more appropriate reflection of anticipated profit than traditional methods that incorporate calendar year results containing contributions from prior policy years.

The model is designed to simulate the underwriting and investment operations of an insurance company writing a single policy. Given specific underwriting and investment assumptions as well as certain operating constraints, the model calculates equity flows between the company and its stockholders. The interest rate for which the present value of these equity flows equals zero is defined as the IRR. Through an iterative process, the model determines the premium necessary to achieve a target rate of return. The target rate of return is selected as the return necessary to attract capital to the operation. The combined ratio associated with the required premium and all underwriting expenses and policyholder dividends provides the necessary underwriting profit provision to be included in the proposed rates ($U/W \text{ profit provision} = 1 - \text{combined ratio}$).

The operating constraints incorporated into the model are determined by a combination of Harleysville's current operations and the practical limitations of the model. The predominant constraint is the determination of a surplus amount to be maintained during the period for which obligations from the policy exist. Surplus requirements for the beginning of each year are determined by a selected reserve to surplus ratio for all years where reserves include unearned premium reserves and loss and loss adjustment expense reserves. These ratios have been selected to reflect the relative risk of the line of business being evaluated. The surplus is then increased or decreased by the statutory net income after federal income tax. The difference between the ending surplus amount and the required surplus for the beginning of the following year is the amount returned to the stockholder. This model assumes that the stockholders' funds are unlimited and further investments are made if the surplus falls below required levels.

The underwriting results are based on statutory accounting principles and assumptions specific to the line of business being evaluated. The projected loss and allocated loss adjustment expense ratio, and other underwriting expenses are those developed in this filing for the prospective period. The loss, expense, and dividend payout patterns are based on historical analysis of the corresponding line of business. The model assumes premiums are earned and losses are incurred evenly over the term of the policy. Commissions are paid according to the collected premium patterns. Contingent commissions and residual market costs are assumed to be paid in the year following the year in which they are incurred

THE HARLEYSVILLE INSURANCE COMPANIES
A National Network of Regional Insurers

Internal Rate of Return Model

Explanatory Memorandum for the Determination of Underwriting Profit Provision

The investment results reflect current investment opportunities and company strategies. The current investment environment is the most accurate reflection of anticipated income generated from funds supplied by writing a policy today. The beginning surplus is distributed to various investment vehicles based on Harleysville's current investment strategy. The investment income earned in a particular year is based on an estimate of the average invested amount during the year and an assumed investment yield. The estimated invested amount is accomplished by incorporating 50% of the underwriting cash flow for the current year. A positive cash flow indicates additional surplus being invested during the year; whereas, a negative cash flow represents a depletion of surplus available for investment. The investment yields reflect those currently available in the market. The cash flow yield is an average based on the assumed investment distributions.

Current federal tax laws and the Alternative Minimum Tax are considered in developing the operating results.

SERFF Tracking Number: HRLV-126763747 State: Arkansas
 Filing Company: Harleysville Mutual Insurance Company State Tracking Number: EFT \$150
 Company Tracking Number: DFJENCLEAVER051410-RR
 TOI: 30.1 Dwelling Fire/Personal Liability Sub-TOI: 30.1000 Dwelling Fire/Personal Liability
 Product Name: Dwelling Fire
 Project Name/Number: DFJenClever051410-RR/Dwelling Fire

Superseded Schedule Items

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

Creation Date:	Schedule	Schedule Item Name	Replacement Creation Date	Attached Document(s)
08/11/2010	Rate and Rule	Manual exception page	08/16/2010	DP-4XX PGS.pdf (Superseded)
08/11/2010	Supporting Document	Form RF-2 Loss Costs Only (not for workers' compensation)	08/16/2010	
08/11/2010	Supporting Document	NAIC loss cost data entry document	08/16/2010	

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ARKANSAS (03)

101. FORMS, COVERAGES, MINIMUM LIMITS OF LIABILITY

A. Forms

The Dwelling policy program makes available the following policy forms:

1. Dwelling Property 1 Basic Form **DP 00 01**,
2. Dwelling Property 2 Broad Form **DP 00 02**, and
3. Dwelling Property 3 Special Form **DP 00 03**.

B. Coverages

1. Forms **DP 00 02** and **DP 00 03** provide the following coverages. These coverages are written as separate items in the policy or in separate policies:
 - a. Coverage A – Dwelling
 - b. Coverage B — Other Structure
 - c. Coverage C — Personal Property
 - d. Coverage D — Fair Rental Value
 - e. Coverage E — Additional Living Expense
2. Form **DP 00 01** provides Coverages A through D; Coverage E is available by endorsement.

C. Minimum Limits of Liability

The following coverages are subject to a minimum limit of liability:

Coverages	Minimum Limit
Coverage A – Dwelling	\$12,000 (Form DP 00 02) \$15,000 (Form DP 00 03)
Coverage C – Personal Property	\$4,000 without Coverage A (Forms DP 00 02 and DP 00 03)
There are no minimum limits for Form DP 00 01	

Table 101.C. Minimum Limits Of Liability

102. PERILS INSURED AGAINST

A. The following is a general description of the coverages provided by the individual Dwelling Policy forms. The policy shall be consulted for exact contract conditions.

Perils Insured Against	DP 00 01 Basic Form	DP 00 02 Broad Form	DP 00 03 Special Form
Fire or Lightning, Internal Explosion	Yes	Yes	Yes
Extended Coverage, meaning Windstorm or Hail, Explosion, Riot or civil commotion, Aircraft, Vehicles, Smoke or Volcanic Eruption	Optional*	Yes	Yes
Vandalism or Malicious Mischief	Optional**	Yes	Yes
Damage by burglars, Falling objects, Weight of ice, snow or sleet, Accidental discharge of water or steam, Sudden cracking of a steam or hot water heating system, Freezing, Sudden damage from artificial electric currents	No	Yes	Yes
Additional Risks with certain exceptions (Special Coverage)	No	No	Yes Cov. A & B only

* May only be written with the perils of Fire or Lightning, Internal Explosion.

** May only be written with Extended Coverage.

ARKANSAS (03)

103. ELIGIBILITY

A dwelling policy may be issued to provide insurance under:

- A. Coverage A – on a dwelling building:
 - 1. Used solely for residential purposes except that certain incidental occupancies or up to 5 roomers or boarders are permitted;
 - 2. Containing not more than four apartments; and
 - 3. Which may be in a townhouse or row house structure; or
 - 4. In the course of construction.
- B. Coverage A – on a mobile or trailer home
(Reserved for Future Use)
- C. Coverage B
 - 1. At the same location as the dwelling eligible for insurance under Coverage A;
 - 2. Not used for business purposes except a permitted incidental occupancy or when rented for use as a private garage;
 - 3. At a separate location when used in connection with the insured location but not for business purposes.
- D. Coverage C in:
 - 1. A dwelling eligible under Coverage A; or
 - 2. A dwelling with rental apartments, including furnishings, equipment and appliances in halls or utility rooms; or
 - 3. Any apartment, cooperative or condominium unit used as private living quarters of the insured or rented to others.
- E. Coverage D for the loss of the fair rental value of:
 - 1. A building eligible for insurance under Coverages A or B; or
 - 2. Private living quarters eligible under Coverage C.
- F. Coverage E for the additional living expenses incurred to maintain the insured's household.

104. PROTECTION CLASSIFICATION INFORMATION

The protection class listings in the Community Mitigation Classification Manual apply to risks insured under Dwelling Program policies.

- A. The protection class indicated applies in a municipality or classified area where a single class of fire protection is available throughout (8, 7, 6, etc.)
- B. In a classified area where two or more classifications are shown (e.g., 6/9), the classification is determined as follows:

DISTANCE TO FIRE STATION	CLASS
a. 5 road miles or less with hydrant within 1000 feet	*
b. 5 road miles or less with hydrant beyond 1000 feet	9
c. Over 5 road miles	10

* First protection class (e.g., 6/9 Use Class 6)

- C. Subscription-type fire departments are identified by a footnote in the Community Mitigation Classification Manual. Class 10 applies to properties which are not subscribers or which are located over 5 road miles from the nearest recognized fire station of the listed fire department.
- D. For information regarding class 8B, refer to the Community Mitigation Classification Manual.
- E. All other properties are Class 10.

ARKANSAS (03)

105. SEASONAL DWELLING DEFINITION

A seasonal dwelling is a dwelling with continuous unoccupancy of three or more consecutive months during any one year period.

106. CONSTRUCTION DEFINITIONS

A. Frame

Exterior wall of wood or other combustible construction, including wood iron-clad, stucco on wood or plaster on combustible supports or aluminum or plastic siding over frame.

B. Masonry Veneer

Exterior walls of combustible construction veneered with brick or stone.

C. Masonry

Exterior walls constructed of masonry materials such as adobe, brick, concrete, gypsum block, hollow concrete block, stone, tile or similar materials and floors and roof of combustible construction (disregarding floors resting directly on the ground).

D. Superior Construction

1. Non-Combustible

Exterior walls, floors and roof constructed of, and supported by metal, asbestos, gypsum, or other non-combustible materials.

2. Masonry Non-Combustible

Exterior walls constructed of masonry materials (as described in C. above) and floors and roof of metal or other non-combustible materials.

3. Fire Resistive

Exterior walls, floors and roof constructed of masonry or other fire resistive materials.

E. Mixed (Masonry/Frame)

A combination of both frame and masonry construction shall be classed and coded as frame when the exterior walls of frame construction (including gables) exceed 33 1/3% of the total exterior wall area; otherwise class and code as masonry.

107. SINGLE AND SEPARATE BUILDINGS DEFINITION

A. Single Building

All buildings or sections of buildings which are accessible through unprotected openings shall be considered as a single building.

B. Separate Building

1. Buildings which are separated by space shall be considered separate buildings.

2. Buildings or sections of buildings which are separated by:

a. A 6 inch reinforced concrete or an 8 inch masonry party wall; or

b. A documented minimum two hour non-combustible wall which has been laboratory tested for independent structural integrity under fire conditions;

which pierces or rises to the underside of the roof and which pierces or extends to the innerside of the exterior wall shall be considered separate buildings. Accessibility between buildings with independent walls or through masonry, party walls described above shall be protected by at least a Class A Fire Door installed in a masonry wall section.

201. POLICY PERIOD

The policy may be written for a period of:

- A. One year and may be extended for successive policy periods by extension certificate based upon the premiums, forms and endorsements then in effect for the company.

202. CHANGES OR CANCELLATIONS

If insurance is increased, cancelled or reduced, the additional or return premium shall be computed on a pro rata basis, subject to the minimum premium.

203. MANUAL PREMIUM REVISION

A manual premium revision shall be made in accordance with the following procedures:

- A. The effective date of such revision shall be as announced.
- B. The revision shall apply to any policy or endorsement in the manner outlined in the announcement of the revision.
- C. Unless otherwise provided at the time of the announcement of the premium revision, the revision shall not affect:
 1. In-force policy forms, endorsements or premiums, until the policy is renewed.
 2. In the case of a Deferred Premium Payment Plan, in-force policy premiums, until the anniversary following the effective date of the revision.

204. MULTIPLE LOCATIONS

(Reserved for Future Use)

205. MULTIPLE POLICIES

(Reserved for Future Use)

206. MINIMUM PREMIUM

- A. A minimum **annual** premium of \$100 shall be charged for each policy.
- B. The \$100 minimum premium may include all chargeable endorsements or coverages for Fire or Fire and Allied Lines if written at inception of the policy. When such endorsements or coverages are attached after inception of the policy, the charge for each applies in accordance with the minimum premium rule, if any, for the endorsement.
- C. The minimum annual premium shall not include charges for Theft or Earthquake Coverage, except when Earthquake is the only peril covered under the policy.

207. TRANSFER OR ASSIGNMENT

Subject to the consent of the company, all the rules of this manual and any necessary adjustments of premium, a policy may be endorsed to effect:

- A. Transfer to another location within the same state; or
- B. Assignment from one insured to another in the event of transfer of title of the dwelling.

208. WAIVER OF PREMIUM

When a policy is endorsed after the inception date, any additional premium of \$5.00 or less may be waived; any return premium of \$2.00 or less may be waived.

209. WHOLE DOLLAR PREMIUM RULE

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

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

210. REFER TO COMPANY

Whenever a risk is rated on a refer to company basis, each company is responsible for complying with regulatory or statutory rate filing requirements.

ARKANSAS (03)

301. BASE PREMIUM COMPUTATION

To compute the BASE PREMIUM, use the Key Loss Costs and Key Factors that are displayed in the rate pages.

A. Fire (All Forms), Extended Coverage (**DP 00 01**), Broad Form (**DP 00 02**) or Special Form (**DP 00 03**) For Coverage A – Dwelling/Coverage C – Personal Property

1. From the Key Loss Costs Table in this manual, select the Key Loss Cost for the classifications or coverages that apply to the risk.
2. From the Loss Cost Multiplier Table, multiply the Key Loss Cost by the Loss Cost Multiplier to obtain the final Key Premium
3. From the Key Factor Table in this manual, determine the Key Factor for the desired limit of liability. If the desired limit of liability is not shown in the table, interpolate as illustrated in paragraph B. of this rule.
4. Multiply the Key Premium by the Key Factor.
5. Multiply the result of Step 4 by the Seasonal Rating Factor and round to the nearest whole dollar to develop the **BASE PREMIUM** (\$.50 or more is rounded to the next higher whole dollar).

B. Interpolation Example

1. When the desired limit of liability is less than the highest limit shown, interpolate the Key Factors using the nearest limit above and below the desired limit, for example:
 - a. \$25,500 desired limit; the nearest limits are \$25,000 and \$26,000.
 - b. For \$25,000 the Key Factor is 1.082; for \$26,000 the Key Factor is 1.098. Figure the difference between the two Key Factors and divide by 10. This provides a factor per \$100.

$$\begin{array}{r} 1.098 \\ - 1.082 \\ \hline .016 \div 10 = .0016 \end{array}$$

- c. Multiply the factor per \$100 times five, and add 1.082: the Key Factor for \$25,000.

$$\begin{array}{r} .0016 \\ \times 5 \\ \hline .0080 + 1.082 = 1.090 \end{array}$$

- d. The result, 1.090, is the Key Factor for this example.
2. The factors shown in the interpolation example are for illustration only and are not necessarily the factors shown in the Key Factor Table of this manual.

302. VANDALISM & MALICIOUS MISCHIEF – DP 00 01

Develop the BASE PREMIUM by multiplying the same limit of liability selected for Extended Coverage by the Vandalism & Malicious Mischief rate. Determine the Vandalism & Malicious Mischief rate by multiplying the appropriate loss cost from the table below by the Loss Cost Multiplier shown on the rate pages.

Loss Costs Per \$1,000	
Not Seasonal or Vacant.....	\$ 0.06
Seasonal and Not Vacant.....	0.29
Vacant.....	4.66
In Course of Construction.....	0.06

303. ORDINANCE OR LAW COVERAGE

A. Applicability by Form

1. **DP 00 01**

Coverage is not automatically included in this form but may be added by endorsement. See B., below, for rating instructions.

ARKANSAS (03)

RULE 301. BASE PREMIUM COMPUTATION

A. Fire (All Forms), Extended Coverage (DP 00 01), Broad Form (DP 00 02),
Or Special Form (DP 00 03) For Coverage A – Dwelling/Coverage C – Personal Property

LOSS COST MULTIPLIER TABLE

	Form DP 00 01, 02 & 03
All Territories	1.758

Owner-Occupied Key Loss Costs All Territories				
Fire – Coverage A – All Forms – Non-Seasonal And Seasonal				
Prot. Class	Const.*	Number of Families		
		1	2	3 Or 4
1	M	39.01	42.91	62.42
	F	52.75	58.03	84.40
2	M	39.56	43.52	63.30
	F	53.30	58.63	85.28
3	M	40.11	44.12	64.18
	F	53.85	59.24	86.16
4	M	40.66	44.73	65.06
	F	54.40	59.84	87.04
5	M	41.21	45.33	65.94
	F	54.95	60.45	87.92
6	M	41.76	45.94	66.82
	F	55.50	61.05	88.80
7	M	42.31	46.54	67.70
	F	65.94	72.53	105.50
8	M	49.46	54.41	79.14
	F	71.44	78.58	114.30
8B	M	60.99	67.09	97.58
	F	87.92	96.71	140.67
9	M	68.69	75.56	109.90
	F	98.91	108.80	158.26
10	M	87.92	96.71	140.67
	F	126.39	139.03	202.22

* M = Masonry. Masonry Veneer is rated as masonry.
* F = Frame; Aluminum or plastic siding over frame is rated as frame.

SEASONAL RATING FACTORS	
Seasonal	1.00
Non-Seasonal	1.00

Fire – Coverage A – All Forms Owner And Non-Owner-Occupied – Non-Seasonal And Seasonal			
Limit Of Liability (000's)	Key Factor	Limit Of Liability (000's)	Key Factor
1*	0.310	40	1.327
2	0.346	42	1.359
3	0.382	44	1.392
4	0.419	46	1.425
5	0.455	48	1.457
6	0.491	50	1.490
7	0.528	55	1.570
8	0.564	60	1.650
9	0.600	65	1.730
10	0.637	70	1.810
11	0.673	75	1.890
12	0.709	80	1.970
13	0.746	85	2.050
14	0.782	90	2.130
15	0.818	95	2.210
16	0.855	100	2.290
18	0.927	105	2.370
20	1.000	110	2.450
22	1.033	115	2.530
24	1.065	120	2.610
26	1.098	125	2.690
28	1.131	130	2.770
30	1.163	135	2.850
32	1.196	140	2.930
34	1.229	145	3.010
36	1.261	Each	
38	1.294	Add'l \$1K	0.016

*-Use this limit of liability to develop premiums for policy amounts less than \$1,000.

RULE 301. BASE PREMIUM COMPUTATION

A. Fire (All Forms), Extended Coverage (DP 00 01), Broad Form (DP 00 02),
 Or Special Form (DP 00 03) For Coverage A – Dwelling/Coverage C – Personal Property

LOSS COST MULTIPLIER TABLE

	Form DP 00 01, 02 & 03
All Territories	1.758

NON-Owner-Occupied Key Loss Costs				
All Territories				
Fire – Coverage A – All Forms – Non-Seasonal				
And Seasonal				
Prot. Class	Const.*	Number of Families		
		1	2	3 Or 4
1	M	48.76	53.64	78.02
	F	65.94	72.53	105.50
2	M	49.45	54.40	79.12
	F	66.63	73.29	106.61
3	M	50.14	55.15	80.22
	F	67.31	74.04	107.70
4	M	50.83	55.91	81.33
	F	68.00	74.80	108.80
5	M	51.51	56.66	82.42
	F	68.69	75.56	109.90
6	M	52.20	57.42	83.52
	F	69.38	76.32	111.01
7	M	52.89	58.18	84.62
	F	82.43	90.67	131.89
8	M	61.83	68.01	98.93
	F	89.30	98.23	142.88
8B	M	76.24	83.86	121.98
	F	109.90	120.89	175.84
9	M	85.86	94.45	137.38
	F	123.64	136.00	197.82
10	M	109.90	120.89	175.84
	F	157.99	173.79	252.78

* M = Masonry. Masonry Veneer is rated as masonry.
 * F = Frame; Aluminum or plastic siding over frame is rated as frame.

SEASONAL RATING FACTORS	
Seasonal	1.00
Non-Seasonal	1.00

Fire – Coverage A – All Forms			
Owner And Non-Owner-Occupied –			
Non-Seasonal And Seasonal			
Limit Of Liability (000's)	Key Factor	Limit Of Liability (000's)	Key Factor
1*	0.310	40	1.327
2	0.346	42	1.359
3	0.382	44	1.392
4	0.419	46	1.425
5	0.455	48	1.457
6	0.491	50	1.490
7	0.528	55	1.570
8	0.564	60	1.650
9	0.600	65	1.730
10	0.637	70	1.810
11	0.673	75	1.890
12	0.709	80	1.970
13	0.746	85	2.050
14	0.782	90	2.130
15	0.818	95	2.210
16	0.855	100	2.290
18	0.927	105	2.370
20	1.000	110	2.450
22	1.033	115	2.530
24	1.065	120	2.610
26	1.098	125	2.690
28	1.131	130	2.770
30	1.163	135	2.850
32	1.196	140	2.930
34	1.229	145	3.010
36	1.261	Each	
38	1.294	Add'l \$1K	0.016

*-Use this limit of liability to develop premiums for policy amounts less than \$1,000.

RULE 301. BASE PREMIUM COMPUTATION

A. Fire (All Forms), Extended Coverage (DP 00 01), Broad Form (DP 00 02),
 Or Special Form (DP 00 03) For Coverage A – Dwelling/Coverage C – Personal Property

LOSS COST MULTIPLIER TABLE

	Form DP 00 01, 02 & 03
All Territories	1.758

Owner-Occupied Key Loss Costs – All Territories					
Fire – Coverage C – All Forms – Non-Seasonal And Seasonal					
Prot. Class	Const.*	Number of Families			
		1	2	3 Or 4	5orMore
1	M	10.10	10.10	13.13	19.09
	F	13.65	13.65	17.75	25.81
2	M	10.24	10.24	13.31	19.36
	F	13.79	13.79	17.93	26.08
3	M	10.38	10.38	13.49	19.63
	F	13.94	13.94	18.12	26.35
4	M	10.52	10.52	13.68	19.90
	F	14.08	14.08	18.30	26.62
5	M	10.67	10.67	13.87	20.17
	F	14.22	14.22	18.49	26.89
6	M	10.81	10.81	14.05	20.44
	F	14.36	14.36	18.67	27.16
7	M	10.95	10.95	14.24	20.71
	F	17.06	17.06	22.18	32.27
8	M	12.80	12.80	16.64	24.20
	F	18.49	18.49	24.04	34.96
8B	M	15.78	15.78	20.51	29.85
	F	22.75	22.75	29.58	43.02
9	M	17.78	17.78	23.11	33.61
	F	25.60	25.60	33.28	48.40
10	M	22.75	22.75	29.58	43.02
	F	32.71	32.71	42.52	61.85

* M = Masonry. Masonry Veneer is rated as masonry.
 * F = Frame; Aluminum or plastic siding over frame is rated as frame.

SEASONAL RATING FACTORS	
Seasonal	1.00
Non-Seasonal	1.00

Fire – Coverage C – All Forms Owner And Non-Owner-Occupied – Non-Seasonal And Seasonal			
Limit Of Liability (000's)	Key Factor	Limit Of Liability (000's)	Key Factor
2	0.480	28	3.860
3	0.610	29	3.990
4	0.740	30	4.120
5	0.870	31	4.250
6	1.000	32	4.380
7	1.130	33	4.510
8	1.260	34	4.640
9	1.390	35	4.770
10	1.520	36	4.900
11	1.650	37	5.030
12	1.780	38	5.160
13	1.910	39	5.290
14	2.040	40	5.420
15	2.170	41	5.550
16	2.300	42	5.680
17	2.430	43	5.810
18	2.560	44	5.940
19	2.690	45	6.070
20	2.820	46	6.200
21	2.950	47	6.330
22	3.080	48	6.460
23	3.210	49	6.590
24	3.340	50	6.720
25	3.470	Each	
26	3.600	Add'l \$1K	0.130

*-Use this limit of liability to develop premiums for policy amounts less than \$1,000.

RULE 301. BASE PREMIUM COMPUTATION

A. Fire (All Forms), Extended Coverage (DP 00 01), Broad Form (DP 00 02),
 Or Special Form (DP 00 03) For Coverage A – Dwelling/Coverage C – Personal Property

LOSS COST MULTIPLIER TABLE

	Form DP 00 01, 02 & 03
All Territories	1.758

NON-Owner-Occupied Key Loss Costs – All Territories					
Fire – Coverage C – All Forms – Non-Seasonal And Seasonal					
Prot. Class	Const.*	Number of Families			
		1	2	3 Or 4	5orMore
1	M	10.10	10.10	13.13	19.09
	F	13.65	13.65	17.75	25.81
2	M	10.24	10.24	13.31	19.36
	F	13.79	13.79	17.93	26.08
3	M	10.38	10.38	13.49	19.63
	F	13.94	13.94	18.12	26.35
4	M	10.52	10.52	13.68	19.90
	F	14.08	14.08	18.30	26.62
5	M	10.67	10.67	13.87	20.17
	F	14.22	14.22	18.49	26.89
6	M	10.81	10.81	14.05	20.44
	F	14.36	14.36	18.67	27.16
7	M	10.95	10.95	14.24	20.71
	F	17.06	17.06	22.18	32.27
8	M	12.80	12.80	16.64	24.20
	F	18.49	18.49	24.04	34.96
8B	M	15.78	15.78	20.51	29.85
	F	22.75	22.75	29.58	43.02
9	M	17.78	17.78	23.11	33.61
	F	25.60	25.60	33.28	48.40
10	M	22.75	22.75	29.58	43.02
	F	32.71	32.71	42.52	61.85

* M = Masonry. Masonry Veneer is rated as masonry.
 * F = Frame; Aluminum or plastic siding over frame is rated as frame.

SEASONAL RATING FACTORS	
Seasonal	1.00
Non-Seasonal	1.00

Fire – Coverage C – All Forms Owner And Non-Owner-Occupied – Non-Seasonal And Seasonal			
Limit Of Liability (000's)	Key Factor	Limit Of Liability (000's)	Key Factor
1*	0.350	27	3.730
2	0.480	28	3.860
3	0.610	29	3.990
4	0.740	30	4.120
5	0.870	31	4.250
6	1.000	32	4.380
7	1.130	33	4.510
8	1.260	34	4.640
9	1.390	35	4.770
10	1.520	36	4.900
11	1.650	37	5.030
12	1.780	38	5.160
13	1.910	39	5.290
14	2.040	40	5.420
15	2.170	41	5.550
16	2.300	42	5.680
17	2.430	43	5.810
18	2.560	44	5.940
19	2.690	45	6.070
20	2.820	46	6.200
21	2.950	47	6.330
22	3.080	48	6.460
23	3.210	49	6.590
24	3.340	50	6.720
25	3.470	Each	
26	3.600	Add'l \$1K	0.130

*-Use this limit of liability to develop premiums for policy amounts less than \$1,000.

RULE 301. BASE PREMIUM COMPUTATION

A. Fire (All Forms), Extended Coverage (DP 00 01), Broad Form (DP 00 02),
 Or Special Form (DP 00 03) For Coverage A – Dwelling/Coverage C – Personal Property

LOSS COST MULTIPLIER TABLE

	Form DP 00 01, 02 & 03
All Territories	1.758

Extended Coverage, Broad and Special Forms - Coverage A Key Loss Costs			
Territories	Form		
	DP 00 01	DP 00 02	DP 00 03
All Terrs.	30.85	46.28	55.53

DP 00 02 and DP 00 03 loss costs include the charge for EC and V&MM perils.

EC – Coverage A – All Forms Owner And Non-Owner-Occupied – Non-Seasonal And Seasonal			
Limit Of Liability (000's)	Key Factor	Limit Of Liability (000's)	Key Factor
2	0.588	42	1.502
3	0.611	44	1.547
4	0.634	46	1.593
5	0.657	48	1.639
6	0.680	50	1.685
7	0.703	55	1.800
8	0.726	60	1.915
9	0.749	65	2.030
10	0.771	70	2.145
11	0.794	75	2.260
12	0.817	80	2.375
13	0.840	85	2.490
14	0.862	90	2.605
15	0.885	95	2.720
16	0.908	100	2.835
18	0.953	105	2.950
20	1.000	110	3.065
22	1.046	115	3.180
24	1.091	120	3.295
26	1.137	125	3.410
28	1.182	130	3.525
30	1.228	135	3.640
32	1.273	140	3.755
34	1.320	145	3.870
36	1.365	Each	
38	1.411	Add'l \$1K	0.023

*-Use this limit of liability to develop premiums for policy amounts less than \$1,000.

SEASONAL RATING FACTORS			
*** SEASONAL ***			
Territory	Form		
	DP 00 01	DP 00 02	DP 00 03
All	1.00	1.75	2.10

*** NON-SEASONAL ***			
Territory	Form		
	DP 00 01	DP 00 02	DP 00 03
All	1.00	1.50	1.80

RULE 301. BASE PREMIUM COMPUTATION

A. Fire (All Forms), Extended Coverage (DP 00 01), Broad Form (DP 00 02),
 Or Special Form (DP 00 03) For Coverage A – Dwelling/Coverage C – Personal Property

LOSS COST MULTIPLIER TABLE

	Form DP 00 01, 02 & 03
All Territories	1.758

Extended Coverage, Broad and Special Forms - Coverage C Key Loss Costs			
Territories	Form		
	DP 00 01	DP 00 02	DP 00 03
All Terrs.	2.56	5.89	5.89
DP 00 02 and DP 00 03 loss costs include the charge for EC and V&MM perils.			

SEASONAL RATING FACTORS			
*** SEASONAL ***			
Territory	Form		
	DP 00 01	DP 00 02	DP 00 03
All	1.00	2.75	2.75
*** NON-SEASONAL ***			
Territory	Form		
	DP 00 01	DP 00 02	DP 00 03
All	1.00	2.30	2.30

EC – Coverage C – All Forms Owner And Non-Owner-Occupied – Non-Seasonal And Seasonal			
Limit Of Liability (000's)	Key Factor	Limit Of Liability (000's)	Key Factor
2	0.330	28	4.680
3	0.500	29	4.850
4	0.670	30	5.020
5	0.830	31	5.190
6	1.000	32	5.360
7	1.170	33	5.530
8	1.340	34	5.700
9	1.500	35	5.870
10	1.670	36	6.040
11	1.840	37	6.210
12	2.000	38	6.380
13	2.170	39	6.550
14	2.330	40	6.720
15	2.500	41	6.890
16	2.670	42	7.060
17	2.840	43	7.230
18	3.000	44	7.400
19	3.170	45	7.570
20	3.340	46	7.740
21	3.510	47	7.910
22	3.670	48	8.080
23	3.840	49	8.250
24	4.000	50	8.420
25	4.170		
26	4.340	Each	
		Add'l \$1K	0.017

*-Use this limit of liability to develop premiums for policy amounts less than \$1,000.

ARKANSAS (03)

303. ORDINANCE OR LAW COVERAGE (continued)

2. DP 00 02 and DP 00 03

A limited amount of coverage is automatically included at each Described Location to pay for the increased costs necessary to comply with the enforcement of an ordinance or law. This amount is equal to 10% of the limit of liability that applies to:

- a. Coverage A or Unit-Owner Building Items if the insured is an owner of a Described Location; or
- b. Coverage B if the insured is an owner of a Described Location which is not insured for Coverage A or Unit-Owner Building Items; or
- c. Improvements, Alterations or Additions if the insured is a tenant of a Described Location.

This amount may be increased by endorsement. See B., below, for rating instructions.

B. New or Increased Coverage

1. Ordinance or Law Coverage

The policy may be endorsed to add (Form DP 00 01) or increase (Form DP 00 02/ DP 00 03) basic Ordinance or Law Coverage to accommodate the increased costs known or estimated by the insured for material and labor to repair or replace the damaged property and to demolish the undamaged portion of damaged property and clear the site of resulting debris according to the ordinance or law.

2. Endorsement

For Form DP 00 01, use Ordinance or Law Coverage Endorsement DP 04 74. For Form DP 00 02 or DP 00 03, use Ordinance or Law - Increased Amount of Coverage Endorsement DP 04 71.

3. Premium

a. Described Location including Coverage A

(1) Form DP 00 01

(a) Fire and Extended Coverage

The premium is computed by multiplying the BASE PREMIUM by the appropriate factor selected from the following:

Percentage of Coverage A Total Amount	Factor
10%	1.03
25%	1.08
50%	1.15
75%	1.23
100%	1.30
For each additional 25% increment, add:	.08

(b) Vandalism & Malicious Mischief

Multiply the rate per \$1,000 used to determine the Vandalism and Malicious Mischief BASE PREMIUM by the dollar amount of coverage added. Then multiply that result by .30.

(2) DP 00 02 or DP 00 03 – Fire, Broad or Special Forms

The premium is computed by multiplying the BASE PREMIUM by the appropriate factor selected from the following:

Percentage of Coverage A Increase in Amount	Total Amount	Factor
15%	25%	1.05
40%	50%	1.12
65%	75%	1.20
90%	100%	1.27
For each additional 25% increment, add:		.08

ARKANSAS (03)

303. ORDINANCE OR LAW COVERAGE (continued)

- b. Described Location not including Coverage A, but including Coverage B – Specific Structures, Unit-Owner Building Items and/or Improvements, Alterations and Additions.

See Rule 503. for rating instructions.

304. PERMITTED INCIDENTAL OCCUPANCIES

A. Coverage Description

1. One of the incidental occupancies described in Paragraph B. is permitted in a premises eligible for coverage under a Dwelling Policy if:
 - a. The policy provides insurance under Coverage A, B or C;
 - b. The incidental occupancy is operated by the insured who is the owner or a resident of the premises; and
 - c. There are no more than two persons at work in the incidental occupancy.
2. Use Permitted Incidental Occupancies Endorsement **DP 04 20**.

B. Permitted Incidental Occupancies

1. Offices, Schools or Studios, meaning offices for business or professional purposes, and private schools or studios for music, dance, photography and other instructional purposes.
2. Small Service Occupancies, meaning occupancies primarily for service rather than sales. For example: barber or beauty shop, tailor or dressmaker, telephone exchanges or shoe repair shops using handwork only.
3. Storage of merchandise if the value of the merchandise does not exceed \$10,000.

C. Amount of Insurance

The amounts of insurance for the contents of the incidental occupancy and merchandise in storage shall be stated as separate contents items in the policy declarations.

D. Premium Computation

Determine the Coverage C BASE PREMIUM under Rule 301., using the single Key Factor for the total amount of insurance for:

1. Household personal property,
2. Contents of the incidental occupancy, and
3. Merchandise in storage.

305. LOSS SETTLEMENT OPTIONS**A. Functional Replacement Cost Loss Settlement – Forms DP 00 02 And DP 00 03 Only****1. Introduction**

The policy provides building loss settlement on a replacement cost basis if, at the time of loss, the amount of insurance on the damaged building represents at least 80% of the full replacement cost of the building immediately before the loss.

2. Coverage Description

The policy may be endorsed to provide building loss settlement exclusively on a functional replacement cost basis if, at the time of loss, the amount of insurance on the damaged building is 80% or more of the functional replacement cost of the building immediately before the loss. Functional Replacement Cost means the amount which it would cost to repair or replace the damaged building with less costly common construction materials and methods which are functionally equivalent to obsolete, antique or custom construction materials and methods.

3. Premium Computation

Develop the Base Premium in accordance with Rule 301. for the amount of insurance selected for this option.

4. Endorsement

Use Functional Replacement Cost Loss Settlement Endorsement **DP 05 30**.

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305. LOSS SETTLEMENT OPTIONS (continued)

B. Actual Cash Value Loss Settlement – Forms DP 00 02 And DP 00 03 Only

1. Introduction

The policy provides building loss settlement on a replacement cost basis if, at the time of loss, the amount of insurance on the damaged building represents at least 80% of the full replacement cost of the building immediately before the loss.

2. Coverage Description

The policy may be endorsed to provide building loss settlement exclusively on an actual cash value basis if, on the inception date of the policy, the Coverage **A** limit of liability selected by the insured is less than 80% of the full replacement cost of the dwelling.

3. Premium Computation

The premium is computed by multiplying the Base Premium by the appropriate factor from the following table:

Coverage A Limit Of Liability Equals Less Than _____% Of Replacement Value	Factor
80%, but not less than 50%	1.05
Less than 50%	1.10

Table 305.B.3. Factors

4. Endorsement

Use Actual Cash Value Loss Settlement Endorsement **DP 04 76**.

401. SUPERIOR CONSTRUCTION

- A. Introduction
Refer to the Construction Definition Rule in this manual for details.
- B. Extended Coverage Rating Classification
For Extended Coverage rating purposes a dwelling classified as:
1. Fire Resistive is considered Wind Resistive.
 2. Masonry Non-Combustible is considered Semi-Wind Resistive.
- C. Premium Computation:
Multiply the Masonry BASE PREMIUM by the appropriate factor noted below:

Classification	Fire	E.C., Broad & Special Forms
Fire Resistive & Masonry Non-Combustible	.50	.50
Non-Combustible	.50	1.00

402. COVERAGE C – PERSONAL PROPERTY IN BUILDINGS SUBJECT TO COMMERCIAL CLASS RATES OR SPECIFIC RATES

(Reserved for Future Use)

403. DWELLING UNDER CONSTRUCTION

- A. Coverage Description
Two methods are provided for insuring this exposure.
1. Named Insured is the Intended Occupant
A builder (contractor) may be designated as an additional insured. The policy may be cancelled upon completion of the dwelling.
Use Dwelling Under Construction Endorsement **DP 11 43**.
 2. Named Insured is Not the Intended Occupant
The policy shall specify building is in course of construction and permission is granted to complete.
For other coverage bases, refer to the Commercial Lines Manual.
- B. Premium Computation:
1. Multiply the Coverage A Owner-Occupied BASE PREMIUM by .65.
 2. Multiply the Coverage A Non-Owner-Occupied BASE PREMIUM by 1.00.

404. MOBILE OR TRAILER HOMES – DP 00 01 ONLY

(Reserved for Future Use)

405. TOWNHOUSE OR ROWHOUSE

A. Individual Family Units

Determine the total number of individual family units within a Fire Division. For example, a two family dwelling attached to a one family dwelling is considered **three** individual family units within a Fire Division if both dwellings are not separated by a fire wall. Four attached two family dwellings are considered **eight** individual family units within a Fire Division if they are not separated by fire walls. A policy may be issued for:

1. Coverage **A** when the dwelling contains one, two, three or four individual family units within a Fire Division.
2. Coverage **C** in a dwelling with one or more individual family units within a Fire Division.

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405. TOWNHOUSE OR ROWHOUSE (continued)

B. Premium Computation

Number Of Individual Family Units	Use Coverage A * Or C Base Premium
1, 2, 3 or 4	1, 2, 3 or 4 families
5 or more	5 or more families
* Refer to Commercial Lines Manual for Building Coverage when it contains five or more individual family units within a Fire Division	

406. DEDUCTIBLES (State exception)

All policies are subject to a deductible that applies to loss from all perils except Earthquake. A separate deductible type applies to Earthquake Coverage as described in Rule 509.

For Theft Coverage, the deductible amount may differ from the deductible amount that applies to Fire and Allied Lines perils.

Refer to the Earthquake and Theft Coverage rules for the applicable deductible provision.

A. Base Deductible – \$250

B. Optional Deductibles

1. All Perils Deductibles

Multiply the BASE PREMIUM for the Base Deductible by the appropriate factors selected from below:

Deductible	Fire	EC, V & MM, Broad & Special
\$100*	1.05	1.10
500	.97	.91
1,000	.95	.76
2,500	.88	.50
5,000	.82	.46
10,000	.79	.44
15,000	.78	.43
20,000	.77	.42

* The minimum additional charge for a \$100 deductible is \$25.

2. Windstorm Or Hail Deductibles

The following deductible options are used in conjunction with a deductible applicable to All Other Perils covered under Extended Coverage, Broad or Special Forms.

a. Percentage Deductibles

(1) Deductible Amounts

This option provides for higher windstorm percentage deductibles of 1%, 2% or 5% of the limit of liability that applies to Coverages **A, B, D** or **E**, whichever is greatest, is available when the dollar amount of the percentage deductible selected exceeds the amount of the All Other Perils deductible. This option is **not** available for policies covering only personal property.

(2) Endorsement

Use Windstorm Or Hail Percentage Deductible Endorsement **DP 03 12**.

(3) Declarations Instructions

Enter, on the policy declarations, the percentage amount that applies to Windstorm or Hail and the dollar amount that applies to all other perils. For example:

Deductible – Windstorm or Hail 2% of the Coverage A limit and \$250 for all other perils.

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406. DEDUCTIBLES (continued)

(4) Deductible Application

In the event of a Windstorm or Hail loss to covered property, the dollar amount is deducted from the total of the loss for all coverages. For example:

Coverage.	Limit Of Liability	1% Deductible	Amount Of Loss	
			Before Deductible	After Deductible
A	\$ 100,000	\$ 1,000	\$ 7,500	—
B	—	—	3,000	—
C	35,000	—	—	—
D	18,500	—	660	—
E	—	—	—	—
			\$ 11,160	\$ 10,160

Table 406.B.2.a.(4) Deductible Application

(5) Use Of Factors

The factors displayed in Paragraph (6) incorporate the factors for the All Perils Deductibles shown in B.1. above. Do NOT use the factors for the All Perils Deductibles when rating a policy with a higher Windstorm or Hail deductible.

(6) Deductible Factors

To compute the premium for this provision, multiply the Extended Coverage, Broad or Special Form Base Premium for the Base Deductible for each coverage insured under the policy by the appropriate factor listed below for the deductible amounts desired:

Coverage A, B, D Or E And Coverage Options For Buildings And Non-Building Structures			
All Other Perils Ded. Amt.	Windstorm or Hail Deductible Amounts		
	1%	2%	5%
\$ 100	.99	.92	.82
250	.93	.86	.77
500	.88	.81	.71
1,000	.72	.72	.63
2,500	.49	.49	.48
5,000	.46	.46	.46
10,000	.44	.44	.44
15,000	.43	.43	.43
20,000	.42	.42	.42

Table 406.B.2.a.(6)#1 Factors

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406. DEDUCTIBLES (continued)

Coverage C And Other Personal Property Coverage Options*	
All Other Perils Ded. Amt.	Windstorm or Hail 1%, 2% Or 5% Deductible
\$ 100	1.07
250	.99
500	.90
1,000	.72
2,500	.49
5,000	.46
10,000	.44
15,000	.43
20,000	.42

* Only use when policy also covers building or non-building structures.

Table 406.B.2.a(6)#2 Factors

b. Higher Fixed-Dollar Deductibles
(Reserved for Future Use)

407. AUTOMATIC INCREASE IN INSURANCE

A. Coverage Description

The policy may be endorsed to provide automatic annual increases in the Coverage A and B limits of liability.

B. Premium Computation

1. The premium is computed by applying the appropriate factor to the BASE PREMIUM as follows:

Amount of Annual Increase	Factor
4%	1.02
6%	1.03
8%	1.04
For Each additional 4% over 8%, add:	.02

C. Endorsement

Use Automatic Increase in Insurance Endorsement **DP 04 11**.

408. PROTECTIVE DEVICES

A. Protective Devices Factors

Approved and properly maintained installations of fire alarms and automatic sprinklers in the dwelling may be recognized for a reduced premium – computed by multiplying the Base Premium by the selected factors below:

Type of Installation*	Factor
Central Station Reporting Fire Alarm	.90
Fire Department Reporting Fire Alarm	.93
Local Fire Alarm	.95
Automatic Sprinklers in all areas including attics, bathrooms, closets, attached structures	.80
Automatic Sprinklers in all areas except attic, bathrooms, closets, and attached structure areas that are protected by a fire detector	.90

* Refer to company for eligibility, types of systems and devices, installation, and available credits.

B. Endorsement

Use Premises Alarm or Fire Protection System Endorsement **DP 04 70**.

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**409. ACTUAL CASH VALUE LOSS SETTLEMENT WINDSTORM OR HAIL LOSSES TO ROOF SURFACING – DP
00 02 and DP 00 03 AND DP 00 01 WITH DP 00 08**

Rule 409. does not apply.

410. BUILDING CODE EFFECTIVENESS GRADING

(Reserved for Future Use)

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**502. COVERAGE D – FAIR RENTAL VALUE
COVERAGE E – ADDITIONAL LIVING EXPENSE**

A. Introduction

Coverage is provided in the forms on a limited basis as follows:

1. **Form DP 00 01**

a. Coverage D

Up to 20% of the Cov. A limit is available. Use of this option reduces the Cov. A limit for the same loss.

b. Coverage E

Not automatically included in the form. It may be added as noted in Paragraph B.

2. **Form DP 00 02 or DP 00 03**

Coverage D and E combined – up to 20% of the Coverage A limit is available for Coverage D and Coverage E combined as additional insurance.

B. Coverage Description

Coverage may be increased or added as follows for all forms:

1. **Coverage D**

- a. The amount recoverable each month under this coverage shall be based on the lost rental income less any expenses that do not continue during untenability.
- b. Enter amount of increase in policy declarations at inception or in Change Endorsement **DP 12 10**, after policy inception.
- c. For **DP 00 01**, the amount recoverable each month is limited to a fraction of the total rental value amount insured under the policy. This fraction is equal to one divided by the number of months dwelling is rented per year.

Enter the fraction in the policy declarations or **DP 12 10**.

DP 00 01 Example:

\$6,000 = Rental Value Coverage in Form (10% of Cov. A limit of \$60,000)
 +2,000 = Add'l Insurance (Shown under Cov. D in policy declarations)
 \$ 8,000 = Total Rental Value Amount Insured

Scenario A – if dwelling is rented for entire year, then fraction = 1/12. \$8,000 x 1/12 = Up to \$666.66 available each month.

Scenario B – if dwelling is rented 8 months per year...fraction = 1/8. \$8,000 x 1/8 = Up to \$1,000 available each month.

2. **Coverage E**

- a. Enter initial limit (**DP 00 01**) or amount of increase (**DP 00 02** or **DP 00 03**) in policy declarations at inception or in Change Endorsement **DP 12 10** after policy inception.
- b. Always show "up to 25% per month" in the policy or endorsement declarations.
- c. Use Additional Living Expense Endorsement **DP 04 14**.

C. **Premium Computation:**1. **Policy includes Coverage A or Coverage C**

- a. Fire, Extended Coverage, Broad and Special Forms
Refer to Rule 500. Miscellaneous Rates
- b. Vandalism and Malicious Mischief (**DP 00 01**)
Refer to Rule 302. Vandalism and Malicious Mischief.

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502. COVERAGE D – FAIR RENTAL VALUE
COVERAGE E – ADDITIONAL LIVING EXPENSE (continued)

2. Policy does not include Coverage A or Coverage C
 - a. Fire, Extended Coverage, Broad and Special Forms
 - (1) One to Four Family Dwelling

Multiply the Coverage A Key Premium by the Coverage A Key Factor, for:

 - (a) The Coverage D limit, times .53; or
 - (b) The Coverage E limit, times 1.00.
 - b. Vandalism And Malicious Mischief (**DP 00 01**)

Refer to Rule 302. Vandalism and Malicious Mischief.

503. ORDINANCE OR LAW COVERAGE FOR COVERAGE B – SPECIFIC STRUCTURES, BUILDING ITEMS AND IMPROVEMENTS, ALTERATIONS AND ADDITIONS

(Reserved for Future Use)

504. IMPROVEMENTS, ALTERATIONS and ADDITIONS TENANT and CO-OP UNIT-OWNER – DP 00 01 or DP 00 02

A. Introduction

Named perils coverage is automatically provided in the forms for up to 10% of the Coverage C limit.

1. **DP 00 01**

Use of this option reduces the Coverage C limit for the same loss.

2. **DP 00 02**

This limit is additional insurance.

This limit may be increased for an additional premium.

B. Special Coverage

For Form **DP 00 02**, coverage may be extended to Special Coverage for an additional premium.

C. Stand Alone Coverage

(Reserved for Future Use)

D. Premium Computation:

1. Fire, Extended Coverage, Broad and Special Forms

- a. If the policy includes Cov. A, B, C, D or E, refer to Rule 500. Miscellaneous Rates.
- b. If the policy does not include Coverage A, B, C, D or E, multiply the Coverage A, 4 Family, Owner-Occupied Key Premium (for the territory, protection and construction applying to the described location) by the Coverage A Key Factor for the amount of insurance desired.

2. Vandalism and Malicious Mischief (**DP 00 01**)

Refer to Rule 302. Vandalism and Malicious Mischief.

E. Endorsement

1. Use Improvements, Alterations and Additions Endorsement **DP 04 31**.
2. Use Improvements, Alterations and Additions Endorsement **DP 04 31** and Special Coverage Endorsement **DP 04 65** for Special Coverage.

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505. BUILDING ITEMS – CONDO UNIT-OWNER – DP 00 01 or DP 00 02

A. Unit Owners Coverage including Standard Other Insurance and Service Agreement

1. Coverage Description

Building items are not covered in the forms.

Named Perils or Special Coverage is available for an additional premium.

2. Stand Alone Coverage

Coverage may be written without Coverage A, B, C, D or E.

3. Premium Computation:

a. Fire, Extended Coverage, Broad and Special Forms

1. If the policy includes Coverage A, B, C, D or E, refer to Rule 500. Miscellaneous Rates.

2. If the policy does not include Cov. A, B, C, D or E, multiply the Cov. A, Four Family, Owner-Occupied Key Premium (for the territory, protection and construction applying to the described location) by the Coverage A Key Factor for the amount of insurance desired.

b. Vandalism and Malicious Mischief (**DP 00 01**)

Refer to Rule 302. Vandalism and Malicious Mischief.

4. Endorsement

a. Use Form **DP 00 01** or **DP 00 02** and Unit-Owners Coverage Endorsement **DP 17 66**

b. Use Form **DP 00 02** and Unit-Owners Coverage Endorsement **DP 17 66** and Special Coverage Endorsement **DP 04 65**.

B. Unit-Owners Coverage Including Modified Other Insurance And Service Agreement Condition

1. Introduction

Unit-Owners Coverage Endorsement **DP 17 66** provides that if there is other insurance in the name of a corporation or association of property owners covering the same property, payment for a covered loss under Unit-Owners Coverage Endorsement **DP 17 66** will be excess over the amount recoverable under such insurance. If the Association does not recover under its policy, for any reason, there is no payment to the insured unit-owner under Unit-Owners Coverage Endorsement **DP 17 66**.

2. Coverage Description

The policy may be endorsed to modify the Other Insurance and Service Agreement Condition to provide for payment of a covered loss in excess of the amount due from the other insurance whether the corporation or association of property owners can collect on it or not.

3. Premium Computation

Multiply the premium(s) developed in accordance with Paragraph **A.3.** by 1.25.

4. Endorsement

Use Unit-Owners Coverage – Modified Other Insurance And Service Agreement Condition Endorsement **DP 17 71** instead of Unit-Owners Coverage Endorsement **DP 17 66** noted in Paragraph **A.4.**

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506. LOSS ASSESSMENT PROPERTY COVERAGE – CO-OP OR CONDO UNIT-OWNER OR TENANT – FORM DP 00 01 or DP 00 02 DWELLING BUILDING OWNER – ALL FORMS

A. Coverage Description

1. Coverage for property loss assessment, for which the insured may be liable, is not included in the forms.
2. Coverage is available for an additional premium for all insured perils.
3. When coverage is desired for the peril of Earthquake, refer to Rule 509.C. for policy writing and rating instructions.

B. Stand Alone Coverage

(Reserved for Future Use)

C. Endorsement

Use Loss Assessment Property Coverage Endorsement **DP 04 63**

D. Premium Computation:

1. Fire, Extended Coverage, Broad and Special Forms
 - a. If the policy includes Coverage A, B, C, D or E, refer to Rule 500. Miscellaneous Rates.
 - b. If the policy does not include Coverage A, B, C, D or E, multiply the Coverage A, Four Family, Owner-Occupied Key Premium (for the territory, protection and construction applying to the described location) by the Coverage A Key Factor for the amount of insurance desired.
2. Vandalism and Malicious Mischief (**DP 00 01**)
Refer to Rule 302. Vandalism and Malicious Mischief.

507 FIRE DEPARTMENT SERVICE CHARGE*(Reserved for Future Use)***508. TREES, SHRUBS AND OTHER PLANTS***(Reserved for Future Use)***509. EARTHQUAKE COVERAGE**

A. Earthquake Coverage

The policy may be endorsed to provide coverage against a loss resulting from the peril of Earthquake. This peril shall apply to all Property Coverages for the same limits provided in the policy. When added to the Fire policy, this peril shall apply to the same coverages and for the same limits that apply to the peril of Fire.

Use Earthquake Endorsement **DP 04 69**.

B. Earthquake Only Coverage

(Reserved for Future Use)

C. Loss Assessment Coverage

When this policy is extended to cover loss assessment resulting from loss by this peril, the limit of liability shall be based on the insured's proportionate interest in total value of all collectively owned buildings and structures of the corporation or association of property owners. Refer to the company for rates.

Use Loss Assessment Coverage for Earthquake Endorsement **DP 04 68**.

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509. EARTHQUAKE COVERAGE (continued)

D. Deductible

Deductible percentage amounts of 5%, 10%, 15%, 20% and 25% of the limit of liability for Coverage A and Coverage C are included in this rule.

Properties located in Earthquake Territories 21, 22, 23 and 24 **MUST** be written with a minimum Earthquake deductible of 15%.

Properties located in Earthquake Territories 25 and 26 **MUST** be written with a minimum Earthquake deductible of 10%.

In the event of an Earthquake loss to covered property, the dollar amount is deducted from the total of the loss for Coverages A, B and C.

Earthquake rates/loss costs are displayed for the 5% and 10% deductible in Rule 509. Credit factors for deductible percentage amounts of 15%, 20% and 25% are provided in Paragraph F. Premium for Higher Deductibles of this rule.

E. Premium for Base Deductible

Develop the premium as follows:

1. Determine whether Construction Table A, B and/or C applies for the appropriate deductible.
2. Determine the Earthquake territory according to the Zip Code of the residence premises from the State Territory Definitions Section in this manual.
3. Add the results of the following four steps:
 - a. Multiply the Coverage A limit by the loss cost for Coverage A in the table;
 - b. Multiply the Coverage C limit by the loss cost for Coverage C in the table; and
 - c. Multiply the sum of the Additional Coverage D and E limits by the loss cost for Coverages D and E in the table.
 - d. Multiply the loss cost by the Loss Cost Multiplier found on the rate pages.

5% Deductible – Loss Cost Per \$1,000				
Table A – Frame				
Territory	Coverage A	Coverage B	Coverage C	Coverages D And E
21	\$ 0.79	\$ 0.63	\$ 0.42	\$ 0.50
22	0.70	0.55	0.42	0.49
23	0.66	0.52	0.40	0.43
24	0.56	0.44	0.36	0.37
25	0.42	0.33	0.31	0.29
26	0.18	0.14	0.18	0.13
27	0.08	0.07	0.08	0.06
Table B – Masonry				
21	\$ 0.99	\$ 0.79	\$ 0.55	\$ 0.62
22	0.99	0.79	0.55	0.62
23	0.99	0.79	0.55	0.62
24	0.99	0.79	0.55	0.62
25	0.82	0.64	0.55	0.57
26	0.41	0.31	0.36	0.32
27	0.22	0.17	0.22	0.19

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509. EARTHQUAKE COVERAGE (continued)

Table C – Superior				
Territory	Coverage A	Coverage B	Coverage C	Coverages D And E
21	\$ 0.88	\$ 0.70	\$ 0.42	\$ 0.53
22	0.88	0.70	0.42	0.53
23	0.88	0.70	0.42	0.53
24	0.74	0.58	0.42	0.49
25	0.45	0.35	0.30	0.30
26	0.29	0.23	0.23	0.22
27	0.08	0.06	0.08	0.07
If exterior Masonry Veneer is covered, rate as Masonry; if not covered, rate as Frame.				

Table 509.E.#1 (LC) Premium for Based Deductible 5% Deductible

10% Deductible – Loss Cost Per \$1,000				
Table A – Frame				
Territory-	Coverage A	Coverage B	Coverage C	Coverages D And E
21	\$ 0.73	\$ 0.57	\$ 0.40	\$ 0.50
22	0.62	0.47	0.39	0.49
23	0.58	0.45	0.37	0.43
24	0.48	0.37	0.34	0.37
25	0.36	0.27	0.27	0.29
26	0.15	0.11	0.14	0.13
27	0.07	0.05	0.07	0.06
Table B – Masonry				
21	\$ 0.89	\$ 0.70	\$ 0.51	\$ 0.62
22	0.89	0.70	0.51	0.62
23	0.89	0.70	0.51	0.62
24	0.89	0.70	0.51	0.62
25	0.70	0.53	0.51	0.57
26	0.35	0.26	0.32	0.32
27	0.20	0.14	0.19	0.19
Table C – Superior				
21	\$ 0.78	\$ 0.61	\$ 0.41	\$ 0.53
22	0.78	0.61	0.41	0.53
23	0.78	0.61	0.41	0.53
24	0.66	0.51	0.38	0.49
25	0.38	0.29	0.27	0.30
26	0.25	0.19	0.20	0.22
27	0.07	0.06	0.07	0.07
* If exterior Masonry Veneer is covered, rate as Masonry; if not covered, rate as Frame.				

Table 509.E.#2 (LC) Premium for Based Deductible 10% Deductible

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509. EARTHQUAKE COVERAGE (continued)

4. For Building Or Non-building Structure Items – All Forms:

Multiply the loss costs for Coverage B in the table by the appropriate limit of liability for the following Other Building Coverage options, as applicable, and add to the applicable premium determined in Paragraph E.3.

- a. Coverage B – Specific Structures;
- b. Improvements, Alterations and Additions – Increased Limits;
- c. Building Items Coverage;

5. For Ordinance Or Law – Basic and Increased Limits – All Forms:

When the basic Ordinance or Law Coverage limit is added or increased, the earthquake premium is developed based on the added or increased limit of insurance.

- a. For Forms **DP 00 01**, **DP 00 02** and **DP 00 03**, multiply the rate determined in Paragraph E.3.a. by the appropriate factor selected from Rule 303.B.3.a.
- b. For Coverage B – Specific Structures, Improvements, Alterations and Additions and Building Items Coverage, the premium for this additional coverage is determined based on the dollar amount of added or increased coverage, represented by the increased percentage amount selected above the basic limit. The rate for each additional \$1,000 of insurance is determined as follows: multiply the loss costs for Coverage B in the table by .30 and add to the applicable premium determined in Paragraph E.

F. Premium for Higher Deductibles

Multiply the Base Premium determined in Paragraph E. by a factor from the following table:

Deductible Percentage	Factor		
	Frame	Masonry	Superior
15%	.80	.85	.75
20%	.65	.70	.60
25%	.50	.60	.45

510. THEFT COVERAGE

A. Introduction

A Fire policy insuring Coverages A or C may be extended, for an additional premium, to provide On and Off-Premises Coverage for the perils of Theft and Vandalism and Malicious Mischief (V. & M.M) resulting from theft.

1. Owner-Occupied Dwellings, Co-op or Condo Units; and Apartments Occupied by Tenant (Named Insured)

- a. Coverage Description
The policy may be extended to provide On-or Off-Premises Coverage.
- b. Minimum Limit of Liability
The minimum limit of liability is \$1,000 each for On- and Off-Premises Coverage.
- c. Off-Premises Coverage
Off-Premises Coverage is only available when On-Premises Coverage is purchased.
The limit of liability shall not be greater than that selected for On-Premises Coverage.
- d. Endorsement
Use Broad Theft Coverage Endorsement **DP 04 72**.

2. Non-Owner-Occupied Dwellings, Co-op or Condo Units; and Apartments Occupied by Tenant (Other than Named Insured)

- a. Coverage Description
The policy may be extended to provide On-Premises Coverage only.
- b. Limit of Liability
The minimum limit of liability is \$1,000.
- c. Endorsement
Use Limited Theft Coverage Endorsement **DP 04 73**.

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510. THEFT COVERAGE (continued)

B. Premium Computation:

Loss Costs for the Base Deductible are displayed below. Multiply these by the Loss Cost Multiplier shown on the rate pages when computing the premiums in step 1.a. below.

Compute the premiums separately for each premises in the manner and sequence that follow:

1. Theft and Vandalism and Malicious Mischief

a. Owner-Occupied Dwellings

Compute the premiums for the desired limit of liability separately for On and Off-Premises Coverage.

On-Premises Loss Cost per \$1,000
 Entire State 16.98

Off-Premises.....Loss Cost per \$1,000
 Entire State 7.92

b. Non-Owner-Occupied Dwellings, (On-Premises Only)

Multiply the On-Premises premium computed above by a factor of 1.50.

2. Burglar Alarm Discount (On-Premises Only)

a. Approved and properly maintained installations of burglar alarms in the dwelling may be recognized for a reduced premium – developed by applying the selected factors to the premiums computed in B.1.a. or B.1.b., above.

Type of Installation *	Factor
Central Station Reporting Burglar Alarm	.95
Police Station Reporting Burglar Alarm	.97
Local Burglar Alarm	.98

* Refer to company for eligibility, types of systems and devices, installation, and available credits.

b. Use Premises Alarm or Fire Protection System Endorsement **DP 04 70**

C. Deductibles

1. Base Deductible

\$250 Deductible

2. Optional Deductibles

To compute the premium for this provision, multiply the premium for the Base Deductible computed in Paragraph B.1. by the factor listed below:

Deductible*	Factor
\$ 100	1.20
500	.95
1,000	.80
2,500	.65

* Minimum annual additional premium charge is \$25 for the \$100 deductible.

511. SINKHOLE COLLAPSE COVERAGE

A. Coverage Description

The policy may be endorsed to provide Sinkhole Collapse Coverage.

B. Premium Computation

1. Multiply the appropriate loss cost per \$1,000 shown below by the Loss Cost Multiplier shown on the rate pages. Multiply this rate per \$1,000 by the:

- a. Coverage A, B and/or C amounts of Insurance;
- b. Improvements, Alterations and Additions – Increased Limits;

ARKANSAS (03)

511. SINKHOLE COLLAPSE COVERAGE (continued)

- c. Other Building or Structure Options (e.g., Bldg. Items Coverage);
- d. Other Personal Property Coverage Options (e.g., Merchandise in Storage);
- e. Ordinance or Law Coverage, basic amount and, if applicable, increased amount of coverage.

Loss Cost per \$1,000

Coverage A or B.....\$.17

Coverage C06

C. Use Sinkhole Collapse Endorsement **DP 04 99** .

512. WINDSTORM OR HAIL COVERAGE – AWNINGS, SIGNS AND OUTDOOR RADIO and TELEVISION EQUIPMENT

(Reserved for Future Use)

513. WATER BACK UP AND SUMP OVERFLOW

A. Coverage Description

The policy forms exclude coverage for loss resulting from water or water-borne material which backs up through sewers or drains or which overflows or is discharged from a sump, sump pump or related equipment.

B. Coverage Option

The policy may be endorsed to provide such coverage for a limit of liability of \$5,000 subject to a \$250 deductible. No other deductible option is available.

C. Premium Computation

Charge per location.....\$50

D. Endorsement

Use Water Back Up and Sump Discharge Or Overflow Endorsement **DP 04 95**.

514. ASSISTED LIVING CARE COVERAGE

(Reserved for Future Use)

515. MOTORIZED GOLF CART – PHYSICAL LOSS COVERAGE

(Reserved for Future Use)

516. GRAVEMARKERS

(Reserved for Future Use)

517. LIMITED FUNGI, WET OR DRY ROT, OR BACTERIA COVERAGE *(State exception)*

Rule 517. does not apply.

ADDITIONAL RULES

A1. SPECIAL STATE REQUIREMENTS *(State exception)*

A. Special Provisions Endorsement – DP 01 03.

Use this endorsement with all Dwelling Policies.

B. Water Exclusion Endorsement

Use Endorsement **DP 16 09** with all **DP 00 02** policies.

Use Endorsement **DP 16 10** with all **DP 00 01** and **DP 00 03** policies.

C. Amendment of Policy Provisions – Arkansas

Use Endorsement **F-4713** with all **DP 00 03** policies.

A2. TERRORISM OPTIONS – FEDERAL BACKSTOP *(State exception)*

A. The "Terrorism Risk Insurance Act" and accompanying regulations establish a program within the Department of the Treasury in which the Federal Government will share the risk of loss from terrorist attacks with the insurance industry. Federal participation will be triggered when the Secretary of the Treasury certifies an act of terrorism, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism committed by an individual(s), provided the terrorist act results in aggregate losses in excess of \$5 million. With respect to insured losses resulting from a certified act of terrorism, the Federal Government will reimburse individual insurers for 85% of that portion of the amount of such insured losses that exceeds the applicable insurer retention.

The insurer's retention is based on a specified percentage of the insurer's earned premium for the year preceding the loss. Insured losses covered by the program are capped at \$100 billion per year; this provision serves to limit insurers' liability for losses.

B. All insurers providing commercial property insurance are required to participate in the program to the extent of making available coverage for certified acts of terrorism in accordance with the terms and conditions of coverage which apply to other perils. Certain risks written under the Dwelling Policy Program may be considered commercial property exposures for the purposes of this act and hence eligible for participation in the program. The following may be considered commercial exposures:

1. 1-4 family rental dwellings owned for the business purpose of generating income for the property owner; or
2. Policies on which incidental business premium is more than 25% of total direct earned premium.

C. The following applies to those insurers offering Dwelling policies who choose to be eligible for federal reinsurance by making the disclosures needed for such eligibility.

An insurer must extend coverage to insureds for losses caused by certified acts of terrorism. The insurer must disclose to the policyholder the premium for losses covered and the federal share of compensation for such losses under the program at the time of offer, purchase and renewal of the policy. Insurers may disclose the premium information on the Declarations Page or elsewhere in the policy.

D. There are no terrorism exclusions in the Dwelling Policy Program. The following endorsements specify that coverage for certified acts of terrorism is subject to the cap on liability for losses and subject to underlying policy exclusions such as nuclear hazard. They differ based on how the insurer chooses to disclose the premium and federal share of compensation for such losses to the insured:

1. For insurers who choose to disclose the premium and federal share by endorsement, use Cap On Losses From Certified Acts Of Terrorism; Disclosure Pursuant To Terrorism Risk Insurance Act Endorsement **DP 05 38**.
2. For insurers who choose to disclose the premium and federal share on the Declarations, use Cap On Losses From Certified Acts Of Terrorism Endorsement **DP 05 37**.

A3. INSTALLMENT PAYMENT PLAN

See company Payment Plans Supplement.

A4. LOSS SURCHARGE PROGRAM

A policy surcharge will be added when a Dwelling Fire policy has experienced 1 or more losses (excluding Weather-related or Catastrophe losses) in a three year period. There are no dollar limit exceptions. The surcharge will be applied to the base premium as follows:

1 loss	\$ 80
2 losses	\$160
3 or more losses	\$350

A5. COMPANION CREDIT

When a DWELLING policy, Homeowner and Private Passenger Auto policy are issued to cover the same policyholder, a credit of 10% will be applied to the Dwelling policy premium, excluding Mine Subsidence Coverage.

Credit Eligibility:

1. Active status Homeowner and Auto policy numbers for the same policyholder must be included.
2. Credit is subject to the minimum policy premium.
3. No duplication of credit given in conjunction with any other multiple account credit.

1. TERRITORY ASSIGNMENT

- a. As ZIP code boundaries are changed by the United States Postal Service (USPS), a new ZIP code may be created. This new ZIP code may not yet be listed below. If this is the case, use the rating territory that corresponds to the ZIP code that formerly applied to the risk.
- b. Future USPS ZIP code changes will be reflected in ISO's territory definitions in accordance with the ISO ZIP Code Territory maintenance procedures on file with the Insurance Department. Manual pages will be updated on a regular basis to reflect future ZIP code changes

2. TERRITORY DEFINITIONS – (For all Coverages and Perils Other Than Earthquake)

A. Cities

City of	County of	Code
Little Rock	Pulaski	30
No. Little Rock	Pulaski	30

B. Other Than Cities

County of	Code	County of	Code
Arkansas	33	Independence	33
Ashley	33	Izard	33
Baxter	33	Jackson	33
Benton	33	Jefferson	32
Boone	33	Johnson	33
Bradley	33	Lafayette	33
Calhoun	33	Lawrence	33
Carroll	33	Lee	33
Chicot	33	Lincoln	33
Clark	33	Little River	33
Clay	33	Logan	33
Cleburne	33	Lonoke	33
Cleveland	33	Madison	33
Columbia	33	Marion	33
Conway	33	Miller	33
Craighead	33	Mississippi	33
Crawford	33	Monroe	33
Crittenden	33	Montgomery	33
Cross	33	Nevada	33
Dallas	33	Newton	33
Desha	33	Ouachita	33
Drew	33	Perry	33
Faulkner	33	Phillips	33
Franklin	33	Pike	33
Fulton	33	Poinsett	33
Garland	33	Polk	33
Grant	33	Pope	33
Greene	33	Prairie	33
Hempstead	33	Pulaski	31
Hot Spring	33	Randolph	33
Howard	33		

B. Other Than Cities (continued)

County of	Code
St. Francis	33
Saline	33
Scott	33
Searcy	33
Sebastian	33
Sevier	33
Sharp	33
Stone	33
Union	33
Van Buren	33
Washington	33
White	33
Woodruff	33
Yell	33

3. TERRITORY DEFINITIONS – EARTHQUAKE

Earthquake					
ZIP Codes/Territories In Numerical Order By ZIP Code					
ZIP Code	USPS ZIP Code Name	Earthquake Territory	ZIP Code	USPS ZIP Code Name	Earthquake Territory
71601	PINE BLUFF	26	71676	WILMOT	27
71602	WHITE HALL	27	71677	WINCHESTER	25
71603	PINE BLUFF	27	71678	YORKTOWN	26
71611	PINE BLUFF	26	71701	CAMDEN	27
71612	WHITE HALL	27	71711	CAMDEN	27
71613	PINE BLUFF	27	71720	BEARDEN	27
71630	ARKANSAS CITY	25	71721	BEIRNE	27
71631	BANKS	27	71722	BLUFF CITY	27
71635	CROSSETT	27	71724	CALION	27
71638	DERMOTT	26	71725	CARTHAGE	27
71639	DUMAS	25	71726	CHIDESTER	27
71640	EUDORA	27	71728	CURTIS	27
71642	FOUNTAIN HILL	27	71730	EL DORADO	27
71643	GOULD	25	71731	EL DORADO	27
71644	GRADY	25	71740	EMERSON	27
71646	HAMBURG	27	71742	FORDYCE	27
71647	HERMITAGE	27	71743	GURDON	27
71651	JERSEY	27	71744	HAMPTON	27
71652	KINGSLAND	27	71745	HARRELL	27
71653	LAKE VILLAGE	27	71747	HUTTIG	27
71654	MC GEHEE	26	71748	IVAN	27
71655	MONTICELLO	27	71749	JUNCTION CITY	27
71656	MONTICELLO	27	71750	LAWSON	27
71657	MONTICELLO	27	71751	LOUANN	27
71658	MONTROSE	27	71752	MC NEIL	27
71659	MOSCOW	26	71753	MAGNOLIA	27
71660	NEW EDINBURG	27	71754	MAGNOLIA	27
71661	PARKDALE	27	71758	MOUNT HOLLY	27
71662	PICKENS	25	71759	NORPHLET	27
71663	PORTLAND	27	71762	SMACKOVER	27
71665	RISON	27	71763	SPARKMAN	27

3. TERRITORY DEFINITIONS – EARTHQUAKE (continued)

Earthquake					
ZIP Codes/Territories In Numerical Order By ZIP Code					
ZIP Code	USPS ZIP Code Name	Earthquake Territory	ZIP Code	USPS ZIP Code Name	Earthquake Territory
71666	MC GEHEE	26	71764	STEPHENS	27
71667	STAR CITY	27	71765	STRONG	27
71670	TILLAR	26	71766	THORNTON	27
71671	WARREN	27	71768	URBANA	27
71674	WATSON	25	71770	WALDO	27
71675	WILMAR	27	71772	WHELEN SPRINGS	27
71801	HOPE	27	71903	HOT SPRINGS NATIONAL PARK	27
71802	HOPE	27	71909	HOT SPRINGS NATIONAL PARK	27
71820	ALLEENE	27	71910	HOT SPRINGS VILLAGE	27
71822	ASHDOWN	27	71913	HOT SPRINGS NATIONAL PARK	27
71823	BEN LOMOND	27	71914	HOT SPRINGS NATIONAL PARK	27
71825	BLEVINS	27	71920	ALPINE	27
71826	BRADLEY	27	71921	AMITY	27
71827	BUCKNER	27	71922	ANTOINE	27
71828	CALE	27	71923	ARKADELPHIA	27
71831	COLUMBUS	27	71929	BISMARCK	27
71832	DE QUEEN	27	71932	BOARD CAMP	27
71833	DIERKS	27	71933	BONNERDALE	27
71834	DODDRIDGE	27	71935	CADDO GAP	27
71835	EMMET	27	71937	COVE	27
71836	FOREMAN	27	71940	DELIGHT	27
71837	FOUKE	27	71941	DONALDSON	27
71838	FULTON	27	71942	FRIENDSHIP	27
71839	GARLAND CITY	27	71943	GLENWOOD	27
71840	GENOA	27	71944	GRANNIS	27
71841	GILLHAM	27	71945	HATFIELD	27
71842	HORATIO	27	71949	JESSIEVILLE	27
71845	LEWISVILLE	27	71950	KIRBY	27
71846	LOCKESBURG	27	71952	LANGLEY	27
71847	MC CASKILL	27	71953	MENA	27
71851	MINERAL SPRINGS	27	71956	MOUNTAIN PINE	27
71852	NASHVILLE	27	71957	MOUNT IDA	27
71853	OGDEN	27	71958	MURFREESBORO	27
71854	TEXARKANA	27	71959	NEWHOPE	27
71855	OZAN	27	71960	NORMAN	27
71857	PRESCOTT	27	71961	ODEN	27
71858	ROSSTON	27	71962	OKOLONA	27
71859	SARATOGA	27	71964	PEARCY	27
71860	STAMPS	27	71965	PENCIL BLUFF	27
71861	TAYLOR	27	71968	ROYAL	27
71862	WASHINGTON	27	71969	SIMS	27
71864	WILLISVILLE	27	71970	STORY	27
71865	WILTON	27	71971	UMPIRE	27
71866	WINTHROP	27	71972	VANDERVOORT	27

3. TERRITORY DEFINITIONS – EARTHQUAKE (continued)

ZIP Code	USPS ZIP Code Name	Earthquake Territory	ZIP Code	USPS ZIP Code Name	Earthquake Territory
71901	HOT SPRINGS NATIONAL PARK	27	71973	WICKES	27
71902	HOT SPRINGS NATIONAL PARK	27	71998	ARKADELPHIA	27
71999	ARKADELPHIA	27	72042	DE WITT	26
72001	ADONA	27	72043	DIAZ	24
72002	ALEXANDER	27	72044	EDGEMONT	27
72003	ALMYRA	26	72045	EL PASO	27
72004	ALTHEIMER	25	72046	ENGLAND	24
72005	AMAGON	24	72047	ENOLA	27
72006	AUGUSTA	24	72048	ETHEL	25
72007	AUSTIN	27	72051	FOX	27
72010	BALD KNOB	26	72052	GARNER	26
72011	BAUXITE	27	72053	COLLEGE STATION	26
72012	BEEBE	26	72055	GILLETT	26
72013	BEE BRANCH	27	72057	GRAPEVINE	27
72014	BEEDEVILLE	24	72058	GREENBRIER	27
72015	BENTON	27	72059	GREGORY	24
72016	BIGELOW	27	72060	GRIFFITHVILLE	25
72017	BISCOE	25	72061	GUY	27
72018	BENTON	27	72063	HATTIEVILLE	27
72019	BENTON	27	72064	HAZEN	25
72020	BRADFORD	26	72065	HENSLEY	27
72021	BRINKLEY	25	72066	HICKORY PLAINS	26
72022	BRYANT	27	72067	HIGDEN	27
72023	CABOT	26	72068	HIGGINSON	25
72024	CARLISLE	26	72069	HOLLY GROVE	25
72025	CASA	27	72070	HOUSTON	27
72026	CASSCOE	25	72072	HUMNOKE	24
72027	CENTER RIDGE	27	72073	HUMPHREY	24
72028	CHOCTAW	27	72074	HUNTER	25
72029	CLARENDON	25	72075	JACKSONPORT	24
72030	CLEVELAND	27	72076	JACKSONVILLE	26
72031	CLINTON	27	72078	JACKSONVILLE	26
72032	CONWAY	27	72079	JEFFERSON	27
72033	CONWAY	27	72080	JERUSALEM	27
72034	CONWAY	27	72081	JUDSONIA	26
72035	CONWAY	27	72082	KENSETT	25
72036	COTTON PLANT	25	72083	KEO	24
72037	COY	24	72084	LEOLA	27
72038	CROCKETTS BLUFF	26	72085	LETONA	26
72039	DAMASCUS	27	72086	LONOKE	26
72040	DES ARC	25	72087	LONSDALE	27
72041	DE VALLS BLUFF	25	72088	FAIRFIELD BAY	27

3. TERRITORY DEFINITIONS – EARTHQUAKE (continued)

ZIP Code	USPS ZIP Code Name	Earthquake Territory	ZIP Code	USPS ZIP Code Name	Earthquake Territory
72089	BRYANT	27	72141	SCOTLAND	27
72099	LITTLE ROCK AIR FORCE BASE	27	72142	SCOTT	24
72101	MC CRORY	24	72143	SEARCY	26
72102	MC RAE	26	72145	SEARCY	26
72103	MABELVALE	27	72149	SEARCY	26
72104	MALVERN	27	72150	SHERIDAN	27
72105	JONES MILL	27	72152	SHERRILL	25
72106	MAYFLOWER	27	72153	SHIRLEY	27
72107	MENIFEE	27	72156	SOLGOHACHIA	27
72108	MONROE	25	72157	SPRINGFIELD	27
72110	MORRILTON	27	72160	STUTT GART	25
72111	MOUNT VERNON	27	72164	SWEET HOME	26
72112	NEWPORT	24	72165	THIDA	25
72113	MAUMELLE	26	72166	TICHNOR	26
72114	NORTH LITTLE ROCK	26	72167	TRASKWOOD	27
72115	NORTH LITTLE ROCK	26	72168	TUCKER	25
72116	NORTH LITTLE ROCK	27	72169	TUPELO	24
72117	NORTH LITTLE ROCK	25	72170	ULM	26
72118	NORTH LITTLE ROCK	27	72173	VILONIA	27
72119	NORTH LITTLE ROCK	26	72175	WABBASEKA	24
72120	SHERWOOD	27	72176	WARD	26
72121	PANGBURN	26	72178	WEST POINT	26
72122	PARON	27	72179	WILBURN	27
72123	PATTERSON	24	72180	WOODSON	27
72124	NORTH LITTLE ROCK	27	72181	WOOSTER	27
72125	PERRY	27	72182	WRIGHT	25
72126	PERRYVILLE	27	72183	WRIGHTSVILLE	26
72127	PLUMERVILLE	27	72189	MC CRORY	24
72128	POYEN	26	72190	NORTH LITTLE ROCK	27
72129	PRATTSVILLE	27	72198	NORTH LITTLE ROCK	26
72130	PRIM	27	72199	NORTH LITTLE ROCK	27
72131	QUITMAN	27	72201	LITTLE ROCK	27
72132	REDFIELD	27	72202	LITTLE ROCK	27
72133	REYDELL	25	72203	LITTLE ROCK	27
72134	ROE	25	72204	LITTLE ROCK	27
72135	ROLAND	27	72205	LITTLE ROCK	27
72136	ROMANCE	27	72206	LITTLE ROCK	26
72137	ROSE BUD	27	72207	LITTLE ROCK	27
72139	RUSSELL	26	72209	LITTLE ROCK	27
72140	SAINT CHARLES	25	72210	LITTLE ROCK	27

3. TERRITORY DEFINITIONS – EARTHQUAKE (continued)

ZIP Code	USPS ZIP Code Name	Earthquake Territory	ZIP Code	USPS ZIP Code Name	Earthquake Territory
72211	LITTLE ROCK	27	72339	GILMORE	21
72212	LITTLE ROCK	27	72340	GOODWIN	25
72214	LITTLE ROCK	27	72341	HAYNES	24
72215	LITTLE ROCK	27	72342	HELENA	25
72216	LITTLE ROCK	26	72346	HETH	21
72217	LITTLE ROCK	27	72347	HICKORY RIDGE	24
72219	LITTLE ROCK	27	72348	HUGHES	22
72221	LITTLE ROCK	27	72350	JOINER	21
72222	LITTLE ROCK	27	72351	KEISER	21
72223	LITTLE ROCK	27	72352	LA GRANGE	25
72225	LITTLE ROCK	27	72353	LAMBROOK	26
72227	LITTLE ROCK	27	72354	LEPANTO	21
72231	LITTLE ROCK	25	72355	LEXA	25
72260	LITTLE ROCK	27	72358	LUXORA	21
72295	LITTLE ROCK	27	72359	MADISON	24
72301	WEST MEMPHIS	22	72360	MARIANNA	25
72303	WEST MEMPHIS	22	72364	MARION	22
72310	ARMOREL	21	72365	MARKED TREE	21
72311	AUBREY	25	72366	MARVELL	25
72312	BARTON	25	72367	MELLWOOD	26
72313	BASSETT	21	72368	MORO	25
72315	BLYTHEVILLE	21	72369	ONEIDA	26
72316	BLYTHEVILLE	21	72370	OSCEOLA	21
72319	GOSNELL	21	72372	PALESTINE	24
72320	BRICKEYS	23	72373	PARKIN	21
72321	BURDETTE	21	72374	POPLAR GROVE	25
72322	CALDWELL	24	72376	PROCTOR	22
72324	CHERRY VALLEY	23	72377	RIVERVALE	21
72325	CLARKEDALE	21	72379	SNOW LAKE	25
72326	COLT	24	72383	TURNER	25
72327	CRAWFORDSVILLE	21	72384	TURRELL	21
72328	CRUMROD	26	72386	TYRONZA	21
72329	DRIVER	21	72387	VANNDALE	24
72330	DYESS	21	72389	WABASH	26
72331	EARLE	21	72390	WEST HELENA	25
72332	EDMONDSON	22	72391	WEST RIDGE	21
72333	ELAINE	26	72392	WHEATLEY	25
72335	FORREST CITY	24	72394	WIDENER	23
72336	FORREST CITY	24	72395	WILSON	21
72338	FRENCHMANS BAYOU	21	72396	WYNNE	24

3. TERRITORY DEFINITIONS – EARTHQUAKE (continued)

ZIP Code	USPS ZIP Code Name	Earthquake Territory	ZIP Code	USPS ZIP Code Name	Earthquake Territory
72401	JONESBORO	23	72451	PARAGOULD	23
72402	JONESBORO	23	72453	PEACH ORCHARD	24
72403	JONESBORO	23	72454	PIGGOTT	23
72404	JONESBORO	23	72455	POCAHONTAS	26
72410	ALICIA	25	72456	POLLARD	24
72411	BAY	21	72457	PORTIA	25
72412	BEECH GROVE	24	72458	POWHATAN	26
72413	BIGGERS	24	72459	RAVENDEN	26
72414	BLACK OAK	21	72460	RAVENDEN SPRINGS	27
72415	BLACK ROCK	26	72461	RECTOR	23
72416	BONO	24	72462	REYNO	24
72417	BROOKLAND	23	72464	SAINT FRANCIS	22
72419	CARAWAY	21	72465	SEDGWICK	24
72421	CASH	24	72466	SMITHVILLE	26
72422	CORNING	24	72467	STATE UNIVERSITY	21
72424	DATTO	24	72469	STRAWBERRY	26
72425	DELAPLAINE	24	72470	SUCCESS	25
72426	DELL	21	72471	SWIFTON	25
72427	EGYPT	24	72472	TRUMANN	21
72428	ETOWAH	21	72473	TUCKERMAN	25
72429	FISHER	24	72474	WALCOTT	23
72430	GREENWAY	23	72475	WALDENBURG	24
72431	GRUBBS	24	72476	WALNUT RIDGE	25
72432	HARRISBURG	23	72478	WARM SPRINGS	26
72433	HOXIE	25	72479	WEINER	24
72434	IMBODEN	26	72482	WILLIFORD	27
72435	KNOBEL	24	72501	BATESVILLE	26
72436	LAFE	24	72503	BATESVILLE	26
72437	LAKE CITY	21	72512	HORSESHOE BEND	27
72438	LEACHVILLE	21	72513	ASH FLAT	27
72439	LIGHT	24	72515	BEXAR	27
72440	LYNN	26	72517	BROCKWELL	27
72441	MC DOUGAL	24	72519	CALICO ROCK	27
72442	MANILA	21	72520	CAMP	27
72443	MARMADUKE	23	72521	CAVE CITY	27
72444	MAYNARD	26	72522	CHARLOTTE	26
72445	MINTURN	25	72523	CONCORD	27
72447	MONETTE	21	72524	CORD	25
72449	O KEAN	25	72525	CHEROKEE VILLAGE	27
72450	PARAGOULD	23	72526	CUSHMAN	26

3. TERRITORY DEFINITIONS – EARTHQUAKE (continued)

ZIP Code	USPS ZIP Code Name	Earthquake Territory	ZIP Code	USPS ZIP Code Name	Earthquake Territory
72527	DESHA	26	72581	TUMBLING SHOALS	27
72528	DOLPH	27	72583	VIOLA	27
72529	CHEROKEE VILLAGE	27	72584	VIOLET HILL	27
72530	DRASCO	27	72585	WIDEMAN	27
72531	ELIZABETH	27	72587	WISEMAN	27
72532	EVENING SHADE	27	72601	HARRISON	27
72533	FIFTY SIX	27	72602	HARRISON	27
72534	FLORAL	27	72611	ALPENA	27
72536	FRANKLIN	27	72613	BEAVER	27
72537	GAMALIEL	27	72615	BERGMAN	27
72538	GEPP	27	72616	BERRYVILLE	27
72539	GLENCOE	27	72617	BIG FLAT	27
72540	GUION	27	72619	BULL SHOALS	27
72542	HARDY	27	72623	CLARKRIDGE	27
72543	HEBER SPRINGS	27	72624	COMPTON	27
72544	HENDERSON	27	72626	COTTER	27
72545	HEBER SPRINGS	27	72628	DEER	27
72546	IDA	27	72629	DENNARD	27
72550	LOCUST GROVE	27	72630	DIAMOND CITY	27
72553	MAGNESS	25	72631	EUREKA SPRINGS	27
72554	MAMMOTH SPRING	27	72632	EUREKA SPRINGS	27
72555	MARCELLA	27	72633	EVERTON	27
72556	MELBOURNE	27	72634	FLIPPIN	27
72560	MOUNTAIN VIEW	27	72635	GASSVILLE	27
72561	MOUNT PLEASANT	27	72636	GILBERT	27
72562	NEWARK	25	72638	GREEN FOREST	27
72564	OIL TROUGH	24	72639	HARRIET	27
72565	OXFORD	27	72640	HASTY	27
72566	PINEVILLE	27	72641	JASPER	27
72567	PLEASANT GROVE	27	72642	LAKEVIEW	27
72568	PLEASANT PLAINS	26	72644	LEAD HILL	27
72569	POUGHKEEPSIE	27	72645	LESLIE	27
72571	ROSIE	26	72648	MARBLE FALLS	27
72572	SAFFELL	26	72650	MARSHALL	27
72573	SAGE	27	72651	MIDWAY	27
72575	SALADO	26	72653	MOUNTAIN HOME	27
72576	SALEM	27	72654	MOUNTAIN HOME	27
72577	SIDNEY	27	72655	MOUNT JUDEA	27
72578	STURKIE	27	72657	TIMBO	27
72579	SULPHUR ROCK	26	72658	NORFORK	27

3. TERRITORY DEFINITIONS – EARTHQUAKE (continued)

ZIP Code	USPS ZIP Code Name	Earthquake Territory	ZIP Code	USPS ZIP Code Name	Earthquake Territory
72660	OAK GROVE	27	72736	GRAVETTE	27
72661	OAKLAND	27	72737	GREENLAND	27
72662	OMAHA	27	72738	HINDSVILLE	27
72663	ONIA	27	72739	HIWASSE	27
72666	PARTHENON	27	72740	HUNTSVILLE	27
72668	PEEL	27	72741	JOHNSON	27
72669	PINDALL	27	72742	KINGSTON	27
72670	PONCA	27	72744	LINCOLN	27
72672	PYATT	27	72745	LOWELL	27
72675	SAINT JOE	27	72747	MAYSVILLE	27
72677	SUMMIT	27	72749	MORROW	27
72679	TILLY	27	72751	PEA RIDGE	27
72680	TIMBO	27	72752	PETTIGREW	27
72682	VALLEY SPRINGS	27	72753	PRAIRIE GROVE	27
72683	VENDOR	27	72756	ROGERS	27
72685	WESTERN GROVE	27	72757	ROGERS	27
72686	WITTS SPRINGS	27	72758	ROGERS	27
72687	YELLVILLE	27	72760	SAINT PAUL	27
72701	FAYETTEVILLE	27	72761	SILOAM SPRINGS	27
72702	FAYETTEVILLE	27	72762	SPRINGDALE	27
72703	FAYETTEVILLE	27	72764	SPRINGDALE	27
72704	FAYETTEVILLE	27	72765	SPRINGDALE	27
72711	AVOCA	27	72766	SPRINGDALE	27
72712	BENTONVILLE	27	72768	SULPHUR SPRINGS	27
72714	BELLA VISTA	27	72769	SUMMERS	27
72715	BELLA VISTA	27	72770	TONTITOWN	27
72716	BENTONVILLE	27	72773	WESLEY	27
72717	CANEHILL	27	72774	WEST FORK	27
72718	CAVE SPRINGS	27	72776	WITTER	27
72719	CENTERTON	27	72801	RUSSELLVILLE	27
72721	COMBS	27	72802	RUSSELLVILLE	27
72722	DECATUR	27	72811	RUSSELLVILLE	27
72727	ELKINS	27	72812	RUSSELLVILLE	27
72728	ELM SPRINGS	27	72820	ALIX	27
72729	EVANSVILLE	27	72821	ALTUS	27
72730	FARMINGTON	27	72823	ATKINS	27
72732	GARFIELD	27	72824	BELLEVILLE	27
72733	GATEWAY	27	72826	BLUE MOUNTAIN	27
72734	GENTRY	27	72827	BLUFFTON	27
72735	GOSHEN	27	72828	BRIGGSVILLE	27

3. TERRITORY DEFINITIONS – EARTHQUAKE (continued)

ZIP Code	USPS ZIP Code Name	Earthquake Territory	ZIP Code	USPS ZIP Code Name	Earthquake Territory
72829	CENTERVILLE	27	72921	ALMA	27
72830	CLARKSVILLE	27	72923	BARLING	27
72832	COAL HILL	27	72926	BOLES	27
72833	DANVILLE	27	72927	BOONEVILLE	27
72834	DARDANELLE	27	72928	BRANCH	27
72835	DELAWARE	27	72930	CECIL	27
72837	DOVER	27	72932	CEDARVILLE	27
72838	GRAVELLY	27	72933	CHARLESTON	27
72839	HAGARVILLE	27	72934	CHESTER	27
72840	HARTMAN	27	72935	DYER	27
72841	HARVEY	27	72936	GREENWOOD	27
72842	HAVANA	27	72937	HACKETT	27
72843	HECTOR	27	72938	HARTFORD	27
72845	KNOXVILLE	27	72940	HUNTINGTON	27
72846	LAMAR	27	72941	LAVACA	27
72847	LONDON	27	72943	MAGAZINE	27
72851	NEW BLAINE	27	72944	MANSFIELD	27
72852	OARK	27	72945	MIDLAND	27
72853	OLA	27	72946	MOUNTAINBURG	27
72854	OZONE	27	72947	MULBERRY	27
72855	PARIS	27	72948	NATURAL DAM	27
72856	PELSOR	27	72949	OZARK	27
72857	PLAINVIEW	27	72950	PARKS	27
72858	POTTSVILLE	27	72951	RATCLIFF	27
72860	ROVER	27	72952	RUDY	27
72863	SCRANTON	27	72955	UNIONTOWN	27
72865	SUBIACO	27	72956	VAN BUREN	27
72901	FORT SMITH	27	72957	VAN BUREN	27
72902	FORT SMITH	27	72958	WALDRON	27
72903	FORT SMITH	27	72959	WINSLOW	27
72904	FORT SMITH	27			
72905	FORT SMITH	27			
72906	FORT SMITH	27			
72908	FORT SMITH	27			
72913	FORT SMITH	27			
72914	FORT SMITH	27			
72916	FORT SMITH	27			
72917	FORT SMITH	27			
72918	FORT SMITH	27			
72919	FORT SMITH	27			

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DWELLING PROPERTY FORMS IN EFFECT

Form/ Endt.	Edition Date	Form Title
DP 00 01	12-02	Dwelling Property 1-Basic Form
DP 00 02	12-02	Dwelling Property 2-Broad Form
DP 00 03	12-02	Dwelling Property 3-Special Form
DP 01 03	02-07	Special Provisions – Arkansas
DP 03 12	12-02	Windstorm or Hail Percentage Deductible
DP 04 11	12-02	Automatic Increase in Insurance
DP 04 14	12-02	Additional Living Expense-Form DP 00 01 Only
DP 04 20	12-02	Permitted Incidental Occupancies
DP 04 31	12-02	Improvements, Alterations & Additions
DP 04 41	12-02	Additional Insured-Described Location
DP 04 63	12-02	Loss Assessment Property Coverage
DP 04 65	12-02	Special Coverage
DP 04 68	12-02	Loss Assessment Coverage For Earthquake
DP 04 69	12-02	Earthquake
DP 04 70	12-02	Premises Alarm or Fire Protection System
DP 04 71	12-02	Ordinance or Law Coverage-Increased Amount of Coverage-Forms DP 00 02 & DP 00 03 Only
DP 04 72	12-02	Broad Theft Coverage
DP 04 73	12-02	Limited Theft Coverage
DP 04 74	12-02	Ordinance or Law Coverage-Form DP 00 01 Only
DP 04 76	12-02	Actual Cash Value Loss Settlement
DP 04 95	01-09	Water Back Up & Sump Discharge or Overflow
DP 04 99	12-02	Sinkhole Collapse
DP 05 30	12-02	Functional Replacement Cost Loss Settlement-Forms DP 00 02 & DP 00 03 Only
DP 05 37	06-08	Cap on Losses from Certified Acts of Terrorism
DP 05 38	06-08	Cap on Losses From Certified Acts of Terrorism; Disclosure Pursuant to Terrorism Risk Insurance Act
DP 11 43	12-02	Dwelling Under Construction
DP 12 10	12-02	Change Endorsement
DP 16 09	01-09	Water Exclusion Endorsement
DP 16 10	01-09	Water Exclusion Endorsement
DP 17 66	12-02	Unit-Owners Coverage
DP 17 71	12-02	Unit-Owners Coverage-Modified Other Insurance & Service Agreement Condition
IL N 016	09-03	Arkansas Fraud Statement
IL P 001	01-04	U.S. Treasury Department's Office of Foreign Assets Control ("OFAC") Advisory Notice to Policyholders
F 4713	09-10	Amendment of Policy Provisions – Arkansas

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407.	Automatic Increase in Insurance	DP-4-4
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	Liability.....	DL-3-1
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502.	Coverage E – Additional Living Expense.....	DP-5-2
101.	Coverages – Section I	DP-1-1
101.	Section II	DL-1-1
406.	Deductibles	DP-4-2
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	Liability	DL-E-1
517.	Limited Fungi, Wet Or Dry Rot, Or Bacteria Coverage	DP-5-10
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401. SUPERIOR CONSTRUCTION

- A. Introduction
Refer to the Construction Definition Rule in this manual for details.
- B. Extended Coverage Rating Classification
For Extended Coverage rating purposes a dwelling classified as:
1. Fire Resistive is considered Wind Resistive.
 2. Masonry Non-Combustible is considered Semi-Wind Resistive.
- C. Premium Computation:
Multiply the Masonry BASE PREMIUM by the appropriate factor noted below:

Classification	Fire	E.C., Broad & Special Forms
Fire Resistive & Masonry Non-Combustible	.50	.50
Non-Combustible	.50	1.00

402. COVERAGE C – PERSONAL PROPERTY IN BUILDINGS SUBJECT TO COMMERCIAL CLASS RATES OR SPECIFIC RATES

(Reserved for Future Use)

403. DWELLING UNDER CONSTRUCTION

- A. Coverage Description
Two methods are provided for insuring this exposure.
1. Named Insured is the Intended Occupant
A builder (contractor) may be designated as an additional insured. The policy may be cancelled upon completion of the dwelling.
Use Dwelling Under Construction Endorsement **DP 11 43**.
 2. Named Insured is Not the Intended Occupant
The policy shall specify building is in course of construction and permission is granted to complete.
For other coverage bases, refer to the Commercial Lines Manual.
- B. Premium Computation:
1. Multiply the Coverage A Owner-Occupied BASE PREMIUM by .65.
 2. Multiply the Coverage A Non-Owner-Occupied BASE PREMIUM by 1.00.

404. MOBILE OR TRAILER HOMES – DP 00 01 ONLY

(Reserved for Future Use)

405. TOWNHOUSE OR ROWHOUSE

A. Individual Family Units

Determine the total number of individual family units within a Fire Division. For example, a two family dwelling attached to a one family dwelling is considered **three** individual family units within a Fire Division if both dwellings are not separated by a fire wall. Four attached two family dwellings are considered **eight** individual family units within a Fire Division if they are not separated by fire walls. A policy may be issued for:

1. Coverage **A** when the dwelling contains one, two, three or four individual family units within a Fire Division.
2. Coverage **C** in a dwelling with one or more individual family units within a Fire Division.

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405. TOWNHOUSE OR ROWHOUSE (continued)

B. Premium Computation

Number Of Individual Family Units	Use Coverage A * Or C Base Premium
1, 2, 3 or 4	1, 2, 3 or 4 families
5 or more	5 or more families
* Refer to Commercial Lines Manual for Building Coverage when it contains five or more individual family units within a Fire Division	

406. DEDUCTIBLES (State exception)

All policies are subject to a deductible that applies to loss from all perils except Earthquake. A separate deductible type applies to Earthquake Coverage as described in Rule 509.

For Theft Coverage, the deductible amount may differ from the deductible amount that applies to Fire and Allied Lines perils.

Refer to the Earthquake and Theft Coverage rules for the applicable deductible provision.

A. Base Deductible – \$250

B. Optional Deductibles

1. All Perils Deductibles

Multiply the BASE PREMIUM for the Base Deductible by the appropriate factors selected from below:

Deductible	Fire	EC, V & MM, Broad & Special
\$100*	1.05	1.10
500	.97	.91
1,000	.95	.76
2,500	.88	.50
5,000	.82	.46
10,000	.79	.44
15,000	.78	.43
20,000	.77	.42

* The minimum additional charge for a \$100 deductible is \$25.

2. Windstorm Or Hail Deductibles

The following deductible options are used in conjunction with a deductible applicable to All Other Perils covered under Extended Coverage, Broad or Special Forms.

a. Percentage Deductibles

(1) Deductible Amounts

This option provides for higher windstorm percentage deductibles of 1%, 2% or 5% of the limit of liability that applies to Coverages **A, B, D** or **E**, whichever is greatest, is available when the dollar amount of the percentage deductible selected exceeds the amount of the All Other Perils deductible. This option is **not** available for policies covering only personal property.

(2) Endorsement

Use Windstorm Or Hail Percentage Deductible Endorsement **DP 03 12**.

(3) Declarations Instructions

Enter, on the policy declarations, the percentage amount that applies to Windstorm or Hail and the dollar amount that applies to all other perils. For example:

Deductible – Windstorm or Hail 2% of the Coverage A limit and \$250 for all other perils.

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406. DEDUCTIBLES (continued)

(4) Deductible Application

In the event of a Windstorm or Hail loss to covered property, the dollar amount is deducted from the total of the loss for all coverages. For example:

Coverage.	Limit Of Liability	1% Deductible	Amount Of Loss	
			Before Deductible	After Deductible
A	\$ 100,000	\$ 1,000	\$ 7,500	—
B	—	—	3,000	—
C	35,000	—	—	—
D	18,500	—	660	—
E	—	—	—	—
			\$ 11,160	\$ 10,160

Table 406.B.2.a.(4) Deductible Application

(5) Use Of Factors

The factors displayed in Paragraph (6) incorporate the factors for the All Perils Deductibles shown in B.1. above. Do NOT use the factors for the All Perils Deductibles when rating a policy with a higher Windstorm or Hail deductible.

(6) Deductible Factors

To compute the premium for this provision, multiply the Extended Coverage, Broad or Special Form Base Premium for the Base Deductible for each coverage insured under the policy by the appropriate factor listed below for the deductible amounts desired:

Coverage A, B, D Or E And Coverage Options For Buildings And Non-Building Structures			
All Other Perils Ded. Amt.	Windstorm or Hail Deductible Amounts		
	1%	2%	5%
\$ 100	.99	.92	.82
250	.93	.86	.77
500	.88	.81	.71
1,000	.72	.72	.63
2,500	.49	.49	.48
5,000	.46	.46	.46
10,000	.44	.44	.44
15,000	.43	.43	.43
20,000	.42	.42	.42

Table 406.B.2.a.(6)#1 Factors

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406. DEDUCTIBLES (continued)

Coverage C And Other Personal Property Coverage Options*	
All Other Perils Ded. Amt.	Windstorm or Hail 1%, 2% Or 5% Deductible
\$ 100	1.07
250	.99
500	.90
1,000	.72
2,500	.49
5,000	.46
10,000	.44
15,000	.43
20,000	.42

* Only use when policy also covers building or non-building structures.

Table 406.B.2.a(6)#2 Factors

b. Higher Fixed-Dollar Deductibles
(Reserved for Future Use)

407. AUTOMATIC INCREASE IN INSURANCE

A. Coverage Description

The policy may be endorsed to provide automatic annual increases in the Coverage A and B limits of liability.

B. Premium Computation

1. The premium is computed by applying the appropriate factor to the BASE PREMIUM as follows:

Amount of Annual Increase	Factor
4%	1.02
6%	1.03
8%	1.04
For Each additional 4% over 8%, add:	.02

C. Endorsement

Use Automatic Increase in Insurance Endorsement **DP 04 11**.

408. PROTECTIVE DEVICES

A. Protective Devices Factors

Approved and properly maintained installations of fire alarms and automatic sprinklers in the dwelling may be recognized for a reduced premium – computed by multiplying the Base Premium by the selected factors below:

Type of Installation*	Factor
Central Station Reporting Fire Alarm	.90
Fire Department Reporting Fire Alarm	.93
Local Fire Alarm	.95
Automatic Sprinklers in all areas including attics, bathrooms, closets, attached structures	.80
Automatic Sprinklers in all areas except attic, bathrooms, closets, and attached structure areas that are protected by a fire detector	.90

* Refer to company for eligibility, types of systems and devices, installation, and available credits.

B. Endorsement

Use Premises Alarm or Fire Protection System Endorsement **DP 04 70**.

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**409. ACTUAL CASH VALUE LOSS SETTLEMENT WINDSTORM OR HAIL LOSSES TO ROOF SURFACING – DP
00 02 and DP 00 03 AND DP 00 01 WITH DP 00 08**

Rule 409. does not apply.

410. BUILDING CODE EFFECTIVENESS GRADING

(Reserved for Future Use)