

SERFF Tracking Number: ELEC-126740432 State: Arkansas
Filing Company: Electric Insurance Company State Tracking Number: EFT \$100
Company Tracking Number: AR-HR-10
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners Multi Peril
Project Name/Number: /

Filing at a Glance

Company: Electric Insurance Company
Product Name: Homeowners Multi Peril
TOI: 04.0 Homeowners
Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Filing Type: Rate/Rule

SERFF Tr Num: ELEC-126740432 State: Arkansas
SERFF Status: Closed-Filed State Tr Num: EFT \$100
Co Tr Num: AR-HR-10 State Status: Fees verified and received
Reviewer(s): Becky Harrington, Betty Montesi, Brittany Yielding
Author: Ursula Della Paolera Disposition Date: 09/10/2010
Date Submitted: 08/18/2010 Disposition Status: Filed
Effective Date (New): 10/20/2010 Effective Date (New): 10/20/2010
Effective Date Requested (Renewal): 10/20/2010 Effective Date (Renewal): 10/20/2010

State Filing Description:

General Information

Project Name: Status of Filing in Domicile:
Project Number: Domicile Status Comments:
Reference Organization: Reference Number:
Reference Title: Advisory Org. Circular:
Filing Status Changed: 09/10/2010
State Status Changed: 08/18/2010 Deemer Date:
Created By: Ursula Della Paolera Submitted By: Ursula Della Paolera
Corresponding Filing Tracking Number:

Filing Description:

Electric Insurance Company submits for your review, under the file and use provision, a revision to our Multi-Peril Homeowners program. We will be revising our base rates. The overall impact of this change will be 8.0%. We will implement these changes effective October 20, 2010 for new and renewal business. Please see the attached exhibits and manual pages for further details. For any questions or concerns, please contact me by phone at 1.800.227.2757 ext 5048, by fax at 978.236.5048 or by email at Ursula.DellaPaolera@ElectricInsurance.com.

Company and Contact

SERFF Tracking Number: ELEC-126740432 State: Arkansas
 Filing Company: Electric Insurance Company State Tracking Number: EFT \$100
 Company Tracking Number: AR-HR-10
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
 Product Name: Homeowners Multi Peril
 Project Name/Number: /

Filing Contact Information

Ursula Della Paolera, State Filing Specialist Ursula.DellaPaolera@electricinsurance.com
 75 Sam Fonzo Drive 800-227-2757 [Phone] 5048 [Ext]
 Beverly, MA 01915 978-236-5048 [FAX]

Filing Company Information

Electric Insurance Company CoCode: 21261 State of Domicile: Massachusetts
 75 Sam Fonzo Drive Group Code: 57 Company Type: Property &
 Beverly, MA 01915 Group Name: Electric Casualty
 (800) 227-2757 ext. [Phone] FEIN Number: 04-2422119 State ID Number:

Filing Fees

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

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Electric Insurance Company	\$100.00	08/18/2010	38846792

SERFF Tracking Number: ELEC-126740432

State: Arkansas

Filing Company: Electric Insurance Company

State Tracking Number: EFT \$100

Company Tracking Number: AR-HR-10

TOI: 04.0 Homeowners

Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations

Product Name: Homeowners Multi Peril

Project Name/Number: /

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Becky Harrington	09/10/2010	09/10/2010

Objection Letters and Response Letters

Objection Letters

Status	Created By	Created On	Date Submitted
Pending Industry Response	Becky Harrington	09/01/2010	09/01/2010
Pending Industry Response	Becky Harrington	08/18/2010	08/18/2010

Response Letters

Responded By	Created On	Date Submitted
Ursula Della Paolera	09/09/2010	09/09/2010
Ursula Della Paolera	09/01/2010	09/01/2010

SERFF Tracking Number: ELEC-126740432

State: Arkansas

Filing Company: Electric Insurance Company

State Tracking Number: EFT \$100

Company Tracking Number: AR-HR-10

TOI: 04.0 Homeowners

Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations

Product Name: Homeowners Multi Peril

Project Name/Number: /

Disposition

Disposition Date: 09/10/2010

Effective Date (New): 10/20/2010

Effective Date (Renewal): 10/20/2010

Status: Filed

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number: ELEC-126740432 State: Arkansas
 Filing Company: Electric Insurance Company State Tracking Number: EFT \$100
 Company Tracking Number: AR-HR-10
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
 Product Name: Homeowners Multi Peril
 Project Name/Number: /

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Form RF-2 Loss Costs Only (not for workers' compensation)		Yes
Supporting Document (revised)	H-1 Homeowners Abstract	Filed	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	cover letter/memo	Filed	Yes
Supporting Document (revised)	Exhibits	Filed	Yes
Supporting Document	Exhibits		Yes
Supporting Document	Response 9/9/2010	Filed	Yes
Rate	manual page	Filed	Yes

SERFF Tracking Number: ELEC-126740432 State: Arkansas
Filing Company: Electric Insurance Company State Tracking Number: EFT \$100
Company Tracking Number: AR-HR-10
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners Multi Peril
Project Name/Number: /

Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 09/01/2010

Submitted Date 09/01/2010

Respond By Date

Dear Ursula Della Paolera,

This will acknowledge receipt of the response dated 9/1/10.

Objection 1

- Exhibits (Supporting Document)

Comment: Please explain considerations given to investment income in compliance with ACA 23-67-209(d).

Objection 2

No Objections

Comment: Identify the major type of loss driving the loss ratio for 2010.

Objection 3

- NAIC loss cost data entry document (Supporting Document)

Comment: The maximum rate change was not provided. Please confirm the maximum increase for any one insured is 8.9%.

Please feel free to contact me if you have questions.

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

Sincerely,

Becky Harrington

SERFF Tracking Number: ELEC-126740432 State: Arkansas
Filing Company: Electric Insurance Company State Tracking Number: EFT \$100
Company Tracking Number: AR-HR-10
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners Multi Peril
Project Name/Number: /

Response Letter

Response Letter Status Submitted to State
Response Letter Date 09/09/2010
Submitted Date 09/09/2010

Dear Becky Harrington,

Comments:

Response 1

Comments: Please see the attached response.

Related Objection 1

Applies To:

- Exhibits (Supporting Document)

Comment:

Please explain considerations given to investment income in compliance with ACA 23-67-209(d).

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: Response 9/9/2010

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 2

Comments: Please see the attached response.

Related Objection 1

Comment:

Identify the major type of loss driving the loss ratio for 2010.

Changed Items:

SERFF Tracking Number: ELEC-126740432 State: Arkansas
Filing Company: Electric Insurance Company State Tracking Number: EFT \$100
Company Tracking Number: AR-HR-10
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners Multi Peril
Project Name/Number: /

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 3

Comments: Please see the attached response.

Related Objection 1

Applies To:

- NAIC loss cost data entry document (Supporting Document)

Comment:

The maximum rate change was not provided. Please confirm the maximum increase for any one insured is 8.9%.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Sincerely,

Ursula Della Paolera

SERFF Tracking Number: ELEC-126740432 State: Arkansas
Filing Company: Electric Insurance Company State Tracking Number: EFT \$100
Company Tracking Number: AR-HR-10
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners Multi Peril
Project Name/Number: /

Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 08/18/2010

Submitted Date 08/18/2010

Respond By Date

Dear Ursula Della Paolera,

This will acknowledge receipt of the captioned filing.

Objection 1

- H-1 Homeowners Abstract (Supporting Document)
- HPCS-Homeowners Premium Comparison Survey (Supporting Document)
- NAIC loss cost data entry document (Supporting Document)

Comment: These forms are required by Regulation 23 for all homeowner rate filings. Please submit each form.

Objection 2

- Exhibits (Supporting Document)

Comment: All request for rate changes submitted to the Department must include supporting data as required by Arkansas Code Annotated § 23-67-209 and Rule 23, Section 7.A.2. Rate changes are not acceptable without sufficient justification.

Please feel free to contact me if you have questions.

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

Sincerely,

Becky Harrington

SERFF Tracking Number: ELEC-126740432 State: Arkansas
Filing Company: Electric Insurance Company State Tracking Number: EFT \$100
Company Tracking Number: AR-HR-10
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners Multi Peril
Project Name/Number: /

Response Letter

Response Letter Status Submitted to State
Response Letter Date 09/01/2010
Submitted Date 09/01/2010

Dear Becky Harrington,

Comments:

Response 1

Comments: Please see the attached response.

Related Objection 1

Applies To:

- H-1 Homeowners Abstract (Supporting Document)
- HPCS-Homeowners Premium Comparison Survey (Supporting Document)
- NAIC loss cost data entry document (Supporting Document)

Comment:

These forms are required by Regulation 23 for all homeowner rate filings. Please submit each form.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: H-1 Homeowners Abstract

Comment:

Satisfied -Name: HPCS-Homeowners Premium Comparison Survey

Comment:

Satisfied -Name: NAIC loss cost data entry document

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 2

Comments: Please see the attached response.

SERFF Tracking Number: ELEC-126740432 State: Arkansas
Filing Company: Electric Insurance Company State Tracking Number: EFT \$100
Company Tracking Number: AR-HR-10
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners Multi Peril
Project Name/Number: /

Related Objection 1

Applies To:

- Exhibits (Supporting Document)

Comment:

All request for rate changes submitted to the Department must include supporting data as required by Arkansas Code Annotated § 23-67-209 and Rule 23, Section 7.A.2. Rate changes are not acceptable without sufficient justification.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: Exhibits

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Sincerely,

Ursula Della Paolera

Rate/Rule Schedule

Schedule Item	Exhibit Name:	Rule # or Page	Rate Action	Previous State Filing Attachments
Status:		#:		Number:
Filed 09/10/2010	manual page		Replacement	manual pages.pdf

**Electric Insurance Company
Arkansas**

HO-00 Edition
\$250 Deductible

**301 BASE PREMIUM COMPUTATION
CLASSIFICATION AND KEY FACTOR TABLES**

A. 1. ALL FORMS EXCEPT HO 00 04 & 06

a. CLASSIFICATION TABLES

(1) FORM FACTORS

Form HO 00 02	0.95
Form HO 00 03	1.00
Form HO 00 05	1.30
Form HO 00 08	1.15

(2) PROTECTION - CONSTRUCTION FACTORS

Protection Class	Construction*	
	Frame	Masonry
1-6	1.00	0.90
7	1.10	0.90
8	1.40	1.15
9	1.90	1.50
10	2.10	1.90

B. BASE RATES BY TERRITORY

\$100,000 BASE TERRITORY	FORMS			
	2	3	5	8
30	\$562	\$592	\$770	\$681
31	\$616	\$648	\$842	\$745
32	\$686	\$722	\$939	\$830
33	\$450	\$474	\$616	\$545

Key Factors

Cov A		Cov A	
Amt	Factor	Amt	Factor
10,000	0.648	160,000	1.369
15,000	0.651	165,000	1.409
20,000	0.653	170,000	1.448
25,000	0.657	175,000	1.490
30,000	0.663	180,000	1.531
35,000	0.676	185,000	1.574
40,000	0.690	190,000	1.617
45,000	0.713	195,000	1.661
50,000	0.737	200,000	1.705
55,000	0.773	205,000	1.749
60,000	0.811	210,000	1.793
65,000	0.857	215,000	1.838
70,000	0.907	220,000	1.882
75,000	0.923	225,000	1.926
80,000	0.933	230,000	1.969
85,000	0.948	235,000	2.014
90,000	0.962	240,000	2.059
95,000	0.981	245,000	2.104
100,000	1.000	250,000	2.149
105,000	1.023	255,000	2.194
110,000	1.045	260,000	2.239
115,000	1.072	265,000	2.284
120,000	1.098	270,000	2.329
125,000	1.128	275,000	2.374
130,000	1.157	280,000	2.419
135,000	1.190	285,000	2.464
140,000	1.222	290,000	2.509
145,000	1.258	295,000	2.554
150,000	1.293	300,000	2.599
155,000	1.331		

FOOTNOTES:

*Masonry Veneer is rated as Masonry. Use Construction Code 2.
Aluminum or Plastic Siding over Frame is rated as frame.
Use Construction Code 5.
Policy amounts to the nearest \$1,000.

Each Add'l	
1,000	0.009

**Electric Insurance Company
Arkansas**

HO-00 Edition
\$250 Deductible

**301 BASE PREMIUM COMPUTATION
CLASSIFICATION AND KEY FACTOR TABLES
A. 2. ALL HO 00 04
a. CLASSIFICATION TABLE
PROTECTION - CONSTRUCTION FACTORS**

Protection Class	Construction*	
	Frame	Masonry
1-6	1.00	0.90
7	1.30	0.90
8	1.30	0.90
9	1.60	1.30
10	1.95	1.50

B. BASE RATES BY TERRITORY

\$20,000 BASE	
TERRITORY	BASE RATES
30	\$118
31	\$102
32	\$112
33	\$96

FOOTNOTES:

*Masonry Veneer is rated as Masonry. Use Construction Code 2.
Aluminum or Plastic Siding over Frame is rated as frame.
Use Construction Code 5.
Policy amounts to the nearest \$1,000.

Key Factors

Cov C		Cov C	
Amt	Factor	Amt	Factor
6,000	0.356	51,000	2.178
7,000	0.402	52,000	2.216
8,000	0.448	53,000	2.254
9,000	0.494	54,000	2.292
10,000	0.540	55,000	2.330
11,000	0.584	56,000	2.358
12,000	0.628	57,000	2.386
13,000	0.672	58,000	2.414
14,000	0.716	59,000	2.442
15,000	0.760	60,000	2.470
16,000	0.808	61,000	2.498
17,000	0.856	62,000	2.526
18,000	0.904	63,000	2.554
19,000	0.952	64,000	2.582
20,000	1.000	65,000	2.610
21,000	1.038	66,000	2.638
22,000	1.076	67,000	2.666
23,000	1.114	68,000	2.694
24,000	1.152	69,000	2.722
25,000	1.190	70,000	2.750
26,000	1.228	71,000	2.778
27,000	1.266	72,000	2.806
28,000	1.304	73,000	2.834
29,000	1.342	74,000	2.862
30,000	1.380	75,000	2.890
31,000	1.418	76,000	2.918
32,000	1.456	77,000	2.946
33,000	1.494	78,000	2.974
34,000	1.532	79,000	3.002
35,000	1.570	80,000	3.030
36,000	1.608	81,000	3.058
37,000	1.646	82,000	3.086
38,000	1.684	83,000	3.114
39,000	1.722	84,000	3.142
40,000	1.760	85,000	3.170
41,000	1.798	86,000	3.198
42,000	1.836	87,000	3.226
43,000	1.874	88,000	3.254
44,000	1.912	89,000	3.282
45,000	1.950		
46,000	1.988		
47,000	2.026		
48,000	2.064		
49,000	2.102		
50,000	2.140		
		Each Add'l	
		1,000	0.028

**Electric Insurance Company
Arkansas**

HO-00
Edition \$250
Deductible

**301 BASE PREMIUM COMPUTATION
CLASSIFICATION AND KEY FACTOR TABLES
A. 3. ALL HO 00 06
a. CLASSIFICATION TABLE
PROTECTION - CONSTRUCTION FACTORS**

Protection Class	Construction*	
	Frame	Masonry
1-6	1.00	0.90
7	1.30	0.90
8	1.30	0.90
9	1.60	1.30
10	1.95	1.50

B. BASE RATES BY TERRITORY

\$20,000 BASE	
TERRITORY	BASE RATES
30	\$122
31	\$108
32	\$109
33	\$100

Key Factors

Cov C		Cov C	
Amt	Factor	Amt	Factor
1,000	0.332	46,000	1.884
2,000	0.364	47,000	1.918
3,000	0.396	48,000	1.952
4,000	0.428	49,000	1.986
5,000	0.460	50,000	2.020
6,000	0.492	51,000	2.054
7,000	0.524	52,000	2.088
8,000	0.556	53,000	2.122
9,000	0.588	54,000	2.156
10,000	0.620	55,000	2.190
11,000	0.662	56,000	2.216
12,000	0.704	57,000	2.242
13,000	0.746	58,000	2.268
14,000	0.788	59,000	2.294
15,000	0.830	60,000	2.320
16,000	0.864	61,000	2.346
17,000	0.898	62,000	2.372
18,000	0.932	63,000	2.398
19,000	0.966	64,000	2.424
20,000	1.000	65,000	2.450
21,000	1.034	66,000	2.476
22,000	1.068	67,000	2.502
23,000	1.102	68,000	2.528
24,000	1.136	69,000	2.554
25,000	1.170	70,000	2.580
26,000	1.204	71,000	2.606
27,000	1.238	72,000	2.632
28,000	1.272	73,000	2.658
29,000	1.306	74,000	2.684
30,000	1.340	75,000	2.710
31,000	1.374	76,000	2.736
32,000	1.408	77,000	2.762
33,000	1.442	78,000	2.788
34,000	1.476	79,000	2.814
35,000	1.510	80,000	2.840
36,000	1.544	81,000	2.866
37,000	1.578	82,000	2.892
38,000	1.612	83,000	2.918
39,000	1.646	84,000	2.944
40,000	1.680	85,000	2.970
41,000	1.714	86,000	2.996
42,000	1.748	87,000	3.022
43,000	1.782	88,000	3.048
44,000	1.816	89,000	3.074
45,000	1.850		
Each Add'l			
		1,000	0.260

FOOTNOTES:

*Masonry Veneer is rated as Masonry. Use Construction Code 2.
Aluminum or Plastic Siding over Frame is rated as frame.
Use Construction Code 5.
Policy amounts to the nearest \$1,000.

SERFF Tracking Number: ELEC-126740432

State: Arkansas

Filing Company: Electric Insurance Company

State Tracking Number: EFT \$100

Company Tracking Number: AR-HR-10

TOI: 04.0 Homeowners

Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations

Product Name: Homeowners Multi Peril

Project Name/Number: /

Supporting Document Schedules

	Item Status:	Status Date:
Satisfied - Item: H-1 Homeowners Abstract	Filed	09/10/2010
Comments:		
Attachment: H-1_ed1-06.pdf		

	Item Status:	Status Date:
Satisfied - Item: HPCS-Homeowners Premium Comparison Survey	Filed	09/10/2010
Comments:		
Attachment: HO_Survey_FORM_HPCS.xls		

	Item Status:	Status Date:
Satisfied - Item: NAIC loss cost data entry document	Filed	09/10/2010
Comments:		
Attachment: industry_rates_loss_cost_data_entry 201006pdf.pdf		

	Item Status:	Status Date:
Satisfied - Item: cover letter/memo	Filed	09/10/2010
Comments:		
Attachments: Cover Letter.pdf Memo.pdf		

	Item Status:	Status Date:
--	---------------------	-------------------------

SERFF Tracking Number: ELEC-126740432

State: Arkansas

Filing Company: Electric Insurance Company

State Tracking Number: EFT \$100

Company Tracking Number: AR-HR-10

TOI: 04.0 Homeowners

Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations

Product Name: Homeowners Multi Peril

Project Name/Number: /

Satisfied - Item: Exhibits Filed 09/10/2010

Comments:

Attachments:

AR Home Exhibits - Filing.pdf

Copy of Self Service Home 201006.pdf

Item Status:

Status

Date:

Satisfied - Item: Response 9/9/2010 Filed 09/10/2010

Comments:

Attachment:

response.pdf

ARKANSAS INSURANCE DEPARTMENT

FORM H-1 HOMEOWNERS ABSTRACT

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

Company Name Electric Insurance Company
NAIC # (including group #) 057-21261

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

Home inspections are done at the time of new business. Inspections assess, in some cases, the replacement cost (ITV). Ordering criteria includes homes built prior to 1995 and any home with Coverage A under 125K. As for impact, we adjust approximately 17%.

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

We have used Marshal Swift and Boeckh RCT applications for more than 10 years.

- 3. If you require a minimum relationship between the amount of insurance to be written and the replacement value of the dwelling (contents) in order to purchase insurance, describe the procedures that are used.

The minimum relationship between amount written and replacement value for the dwelling is 50%. If the home policy is endorsed with HO Plus or Smartchoice Endorsements, the minimum relationship changes to 75%. The system automatically calculates the amount of insurance written depending on the form and the endorsement.

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

2) We apply the residential inflation indexes provided by Marshal Swift and Boeckh on a quarterly basis.

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

Table with 2 columns: Item description and Percentage. Items include Fire Extinguisher (0%), Burglar Alarm (2%), Smoke Alarm (2%), Insured who has both homeowners and auto with your company (10%), Deadbolt Locks (0%), Window or Door Locks (0%), and Other (specify) (0%).

- 6. Are there any areas in the State of Arkansas in which your company will not write homeowners insurance? If so, state the areas and explain reason for not writing.

There are no areas where we will not write insurance.

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

Table with 2 columns: Form and Premium Volume. Rows include HO3 (48208), HO4 (119), and HO6 (385).

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

9. Is there a surcharge on risks with wood heat? No
If yes, state the surcharge _____
Does the surcharge apply to conventional fire places? _____
If yes, state the surcharge _____

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

Ursula Della Paolera

Signature

Ursula Della Paolera

Printed Name

State Filing Specialist

Title

800.227.2757 ext 5048

Telephone Number

Ursula.DellaPaolera@ElectricInsurance.com

Email address

NAIC Number: 21261
 Company Name: Electric Insurance Company
 Contact Person: Ursula Della Paolera
 Telephone No.: 800.227.2757 ext 5048
 Email Address: Ursula.DellaPaolera@ElectricInsurance.com
 Effective Date: 10/20/2010

**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	\$387.00	\$430.00	\$387.00	\$430.00	\$387.00	\$430.00	\$387.00	\$430.00	\$387.00	\$430.00	\$387.00	\$430.00	\$387.00	\$430.00	\$387.00	\$430.00	\$530.00	\$590.00
	\$120,000	\$461.00	\$511.00	\$461.00	\$511.00	\$461.00	\$511.00	\$461.00	\$511.00	\$461.00	\$511.00	\$461.00	\$511.00	\$461.00	\$511.00	\$461.00	\$511.00	\$630.00	\$701.00
	\$160,000	\$576.00	\$639.00	\$576.00	\$639.00	\$576.00	\$639.00	\$576.00	\$639.00	\$576.00	\$639.00	\$576.00	\$639.00	\$576.00	\$639.00	\$576.00	\$639.00	\$785.00	\$873.00
6	\$80,000	\$387.00	\$430.00	\$387.00	\$430.00	\$387.00	\$430.00	\$387.00	\$430.00	\$387.00	\$430.00	\$387.00	\$430.00	\$387.00	\$430.00	\$387.00	\$430.00	\$530.00	\$590.00
	\$120,000	\$461.00	\$511.00	\$461.00	\$511.00	\$461.00	\$511.00	\$461.00	\$511.00	\$461.00	\$511.00	\$461.00	\$511.00	\$461.00	\$511.00	\$461.00	\$511.00	\$630.00	\$701.00
	\$160,000	\$576.00	\$639.00	\$576.00	\$639.00	\$576.00	\$639.00	\$576.00	\$639.00	\$576.00	\$639.00	\$576.00	\$639.00	\$576.00	\$639.00	\$576.00	\$639.00	\$785.00	\$873.00
9	\$80,000	\$645.00	\$819.00	\$645.00	\$819.00	\$645.00	\$819.00	\$645.00	\$819.00	\$645.00	\$819.00	\$645.00	\$819.00	\$645.00	\$819.00	\$645.00	\$819.00	\$1,119.00	\$883.00
	\$120,000	\$781.00	\$974.00	\$781.00	\$974.00	\$781.00	\$974.00	\$781.00	\$974.00	\$781.00	\$974.00	\$781.00	\$974.00	\$781.00	\$974.00	\$781.00	\$974.00	\$1,331.00	\$1,051.00
	\$160,000	\$958.00	\$1,213.00	\$958.00	\$1,213.00	\$958.00	\$1,213.00	\$958.00	\$1,213.00	\$958.00	\$1,213.00	\$958.00	\$1,213.00	\$958.00	\$1,213.00	\$958.00	\$1,213.00	\$1,659.00	\$1,311.00

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

Public Protection Class	Property Value	Washington		Baxter		Craighead		St. Francis		Arkansas		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$5,000																		
	\$15,000	\$43.00	\$48.00	\$43.00	\$48.00	\$43.00	\$48.00	\$43.00	\$48.00	\$43.00	\$48.00	\$43.00	\$48.00	\$43.00	\$48.00	\$43.00	\$48.00	\$47.00	\$51.00
	\$25,000	\$60.00	\$68.00	\$60.00	\$68.00	\$60.00	\$68.00	\$60.00	\$68.00	\$60.00	\$68.00	\$60.00	\$68.00	\$60.00	\$68.00	\$60.00	\$68.00	\$65.00	\$73.00
6	\$5,000																		
	\$15,000	\$43.00	\$48.00	\$43.00	\$48.00	\$43.00	\$48.00	\$43.00	\$48.00	\$43.00	\$48.00	\$43.00	\$48.00	\$43.00	\$48.00	\$43.00	\$48.00	\$47.00	\$51.00
	\$25,000	\$60.00	\$68.00	\$60.00	\$68.00	\$60.00	\$68.00	\$60.00	\$68.00	\$60.00	\$68.00	\$60.00	\$68.00	\$60.00	\$68.00	\$60.00	\$68.00	\$65.00	\$73.00
9	\$5,000																		
	\$15,000	\$63.00	\$77.00	\$63.00	\$77.00	\$63.00	\$77.00	\$63.00	\$77.00	\$63.00	\$77.00	\$63.00	\$77.00	\$63.00	\$77.00	\$63.00	\$77.00	\$67.00	\$82.00
	\$25,000	\$88.00	\$109.00	\$88.00	\$109.00	\$88.00	\$109.00	\$88.00	\$109.00	\$88.00	\$109.00	\$88.00	\$109.00	\$88.00	\$109.00	\$88.00	\$109.00	\$94.00	\$115.00

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

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

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

HO3 and HO4 only

Fire Extinguisher	0 %	Deadbolt Lock	0 %
Burglar Alarm	2 %	Window Locks	0 %
Smoke Alarm	2 %	\$1,000 Deductible	0 %
		Other (specify)	

EARTHQUAKE INSURANCE

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

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 (EFFECTIVE AUG. 16, 2004)

1.	This filing transmittal is part of Company Tracking #	AR-HR-10
----	---	----------

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. Electric Insurance Company	B.	21261

Product Coding Matrix Line of Business (i.e., Type of Insurance)		Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)	
4.	A. 04.0 Homeowners	B.	04.0000 Homeowners Sub-TOI Combinations

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	FOR LOSS COSTS ONLY			
			(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)
Homeowners - all coverages	19.8%	8.0%				
TOTAL OVERALL EFFECT						

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
Ending Mar 2006	59	-	-	36,215	44,502	122.9%	45.4%
Ending Mar 2007	56	-	-	36,173	17,203	47.6%	42.5%
Ending Mar 2008	58	-	-	41,542	14,274	34.4%	46.5%
Ending Mar 2009	59	-	-	44,142	3,982	9.0%	52.8%
Ending Mar 2010	60	-	-	46,563	347,809	747.0%	48.4%

7.	
Expense Constants	Selected Provisions
A. Total Production Expense	8.6%
B. General Expense	14.5%
C. Taxes, License & Fees	5.9%
D. Underwriting Profit & Contingencies	7.0%
E. Other (explain)	3.4%
F. TOTAL	39.3

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



August 10, 2010

Honorable Jay Bradford
Commissioner of Insurance
Arkansas Insurance Department
1200 West Third Street
Little Rock, Arkansas 72201-1904

RE: Electric Insurance Company (NAIC 057-21261)
Multi-Peril Homeowners – Rate/Rule Filing
Our File Number: AR-HR-10

Dear Commissioner Bradford,

Electric Insurance Company submits for your review, under the file and use provision, a revision to our Multi-Peril Homeowners program. We will be revising our base rates. The overall impact of this change will be 8.0%. We will implement these changes effective October 20, 2010 for new and renewal business. Please see the attached exhibits and manual pages for further details.

For any questions or concerns, please contact me by phone at 1.800.227.2757 ext 5048, by fax at 978.236.5048 or by email at Ursula.DellaPaolera@ElectricInsurance.com.

Sincerely,

A handwritten signature in cursive script that reads "Ursula Della Paolera".

Ursula Della Paolera
State Filing Specialist



**Electric Insurance Company
Homeowner's Multi-Peril
Explanatory Memorandum**

The following exhibits and explanatory notes present the latest review of Electric Insurance Company's homeowners multi-peril line of business for the state of Arkansas. We will be implementing a revision to our rates effective October 20, 2010 for new and renewal business.

The overall rate impact on our homeowners book of business is +8.0% (8.0% Dwelling Forms, 5.9% Condo Forms, 7.2% Renters Forms).

With this filing, we propose to:

- **Revise Base Rates for all forms:** The effect of these changes can be seen in Exhibits II - IV.

Electric Insurance Company
Arkansas Home Rate Filing
Overall Effect
Exhibit I

Dwelling - Forms 2, 3, 5		
<u>Component</u>	<u>Distribution</u>	<u>Effect</u>
Base Rates		9.0%
Basic Premium	89.8%	9.0%
Additive Premium	10.2%	0.0%
Total Effect Dwelling Forms		8.0%

Contents - Form 4		
<u>Component</u>	<u>Distribution</u>	<u>Effect</u>
Base Rates		7.9%
Basic Premium	91.6%	7.9%
Additive Premium	8.4%	0.0%
Total Effect Renters Forms		7.2%

Contents - Form 6		
<u>Component</u>	<u>Distribution</u>	<u>Effect</u>
Base Rates		7.5%
Basic Premium	78.2%	7.5%
Additive Premium	21.8%	0.0%
Total Effect Condo Forms		5.9%

Overall Effect		
	<u>Distribution</u>	<u>Effect</u>
Dwelling Forms	99.0%	8.0%
Renters Forms	0.2%	7.2%
Condo Forms	0.8%	5.9%
Total Effect All Forms		8.0%

Electric Insurance Company
Arkansas Home Rate Filing
Effect of Base Rate Change on Dwelling Forms
Exhibit II

Territory	Premium Distribution	Current Rate	Proposed Rate	Change
30	5.9%	544	592	8.8%
31	6.7%	595	648	8.9%
32	0.0%	663	722	8.9%
33	87.4%	435	474	9.0%
Total				9.0%

Electric Insurance Company
Arkansas Home Rate Filing
Effect of Base Rate Change on Renters Forms
Exhibit III

Territory	Premium Distribution	Current Rate	Proposed Rate	Change
30	0.0%	109	118	8.3%
31	0.0%	94	102	8.5%
32	0.0%	104	112	7.7%
33	100.0%	89	96	7.9%
Total				7.9%

Electric Insurance Company
Arkansas Home Rate Filing
Effect of Base Rate Change on Condo Forms
Exhibit IV

Territory	Premium Distribution	Current Rate	Proposed Rate	Change
30	0.0%	113	122	8.0%
31	0.0%	100	108	8.0%
32	0.0%	101	109	7.9%
33	100.0%	93	100	7.5%
Total				7.5%

ELECTRIC INSURANCE COMPANY
ARKANSAS HOMEOWNERS
OVERALL RATE LEVEL INDICATION SUMMARY
EXPERIENCE VALUED AS OF JUNE 30, 2010
PROPOSED EFFECTIVE JANUARY 1, 2011

<u>Coverage</u>	<u>Trended On-Level EP for Fiscal Accident Year Ending Mar 31, 2010</u>	<u>Full Credibility Rate Level Indication</u>	<u>Credibility Weighted Rate Level Indication</u>
Dwelling Forms (2, 3, 5, 8)	51,921	390.7%	20.0%
Contents Forms (4, 6)	868	-74.6%	5.9%
All Forms	52,789	383.1%	19.8%

ELECTRIC INSURANCE COMPANY
ARKANSAS HOMEOWNERS
RATE LEVEL INDICATIONS SUMMARY: DWELLING FORMS (2, 3, 5, 8)
EXPERIENCE VALUED AS OF JUNE 30, 2010
PROPOSED EFFECTIVE JANUARY 1, 2011

		Fiscal Accident Year					Total
		Ending Mar 31					
		2006	2007	2008	2009	2010	
[1]	Earned Premiums	35,709	35,621	40,807	43,290	45,756	201,182
[2]	Current Rate Level Factor	1.000	1.000	1.000	1.000	1.000	
[3]	Premium Trend Factor	1.534	1.423	1.319	1.223	1.135	
[4]	Trended Earned Premiums @ Current Rate Level = [1] x [2] x [3]	54,770	50,673	53,841	52,963	51,921	264,168
[5]	Reported Losses and Defense & Cost Containment Expenses Excluding Catastrophes (Valued as of June 30, 2010)	44,502	17,203	14,274	3,982	347,809	427,770
[6]	Non-Hurricane Catastrophic Losses and DCCE	0	0	0	75	24,227	24,302
[7]	Excess Wind and Water Losses and DCCE	41,136	12,666	8,045	1,686	2,274	65,806
[8]	Reported Loss and DCCE Excluding Catastrophic and Excess = [5] - [7]	3,366	4,538	6,229	2,296	345,535	361,964
[9]	Excess Wind and Water Load	1.199	1.199	1.199	1.199	1.199	
[10]	Development Factor to Ultimate Excluding Catastrophes	1.001	1.003	1.008	1.169	1.005	
[11]	Development Factor to Ultimate Catastrophes Only	1.000	1.006	1.026	1.074	1.105	
[12]	Loss and LAE Trend Factor Excluding Catastrophes	1.862	1.688	1.531	1.388	1.258	
[13]	Loss and LAE Trend Factor Catastrophes Only	1.777	1.620	1.477	1.347	1.228	
[14]	Ultimate Trended Catastrophe Loss and DCCE = [6] x [11] x [13]	0	0	0	108	32,864	32,973
[15]	Ultimate Trended Loss and DCCE = ([8] x [9] x [10] x [12]) + [14]	7,523	9,209	11,527	4,574	556,675	589,508
[16]	Factor for Adjusting and Other Expenses (EXHIBIT III)	1.141	1.141	1.141	1.141	1.141	
[17]	Developed, Trended Losses & LAE = [15] x [16]	8,580	10,504	13,148	5,217	634,936	672,385
[18]	Developed, Trended Loss & LAE Ratio at CRL = [17] / [4]	15.7%	20.7%	24.4%	9.9%	1222.9%	254.5%
[19]	Accident Year Weights	10%	15%	20%	25%	30%	
[20]	Weighted Average Loss & LAE Ratio = Average of [18], weighted by [19]						378.9%
[21]	Fixed Expense Ratio (EXHIBIT III)						20.7%
[22]	Experience Loss, LAE and Fixed Expense Ratio = [20] + [21]						399.6%
[23]	Target Loss, LAE and Fixed Expense Ratio (EXHIBIT III)						81.4%
[24]	Full Credibility Indicated Rate Need = [22] / [23] - 1						390.7%
[25]	Earned Exposure Years	56	52	53	54	55	270
[26]	Credibility of Loss and LAE Experience = Square Root of ([25] / 240000), subject to maximum of 100%						3.4%
[27]	Target Loss & LAE Ratio						60.7%
[28]	Trended Target Loss & LAE Ratio = [27] trended from Pre-2001 to 1/1/2011 according to net loss ratio trend (4.7% annually) and subject to a maximum trend period of 2 years.						66.6%
[29]	Credibility-Weighted Loss and LAE Ratio = ([20] x [26]) + ([28] x (100% - [26]))						77.0%
[30]	Aggregate Credibility-Weighted Loss, LAE and Fixed Expense Ratio = [21] + [29]						97.7%
[31]	Credibility-Weighted Indicated Rate Need = [30] / ([23] - 1)						20.0%

ELECTRIC INSURANCE COMPANY
ARKANSAS HOMEOWNERS
RATE LEVEL INDICATIONS SUMMARY: CONTENTS FORMS (4, 6)
EXPERIENCE VALUED AS OF JUNE 30, 2010
PROPOSED EFFECTIVE JANUARY 1, 2011

		Fiscal Accident Year					Total
		Ending Mar 31					
		2006	2007	2008	2009	2010	
[1]	Earned Premiums	506	552	734	852	807	3,452
[2]	Current Rate Level Factor	1.000	1.000	1.000	1.000	1.000	
[3]	Premium Trend Factor	1.451	1.346	1.249	1.159	1.076	
[4]	Trended Earned Premiums @ Current Rate Level = [1] x [2] x [3]	734	744	917	988	868	4,251
[5]	Reported Losses and Defense & Cost Containment Expenses Excluding Catastrophes (Valued as of June 30, 2010)	0	0	0	0	0	0
[6]	Non-Hurricane Catastrophic Losses and DCCE	0	0	0	0	0	0
[7]	Excess Wind and Water Losses and DCCE	0	0	0	0	0	0
[8]	Reported Loss and DCCE Excluding Catastrophic and Excess = [5] - [7]	0	0	0	0	0	0
[9]	Excess Wind and Water Load	1.199	1.199	1.199	1.199	1.199	
[10]	Development Factor to Ultimate Excluding Catastrophes	1.001	1.003	1.008	1.016	1.094	
[11]	Development Factor to Ultimate Catastrophes Only	1.000	1.006	1.026	1.074	1.105	
[12]	Loss and LAE Trend Factor Excluding Catastrophes	1.611	1.492	1.381	1.278	1.184	
[13]	Loss and LAE Trend Factor Catastrophes Only	1.389	1.318	1.251	1.187	1.126	
[14]	Ultimate Trended Catastrophe Loss and DCCE = [6] x [11] x [13]	0	0	0	0	0	0
[15]	Ultimate Trended Loss and DCCE = ([8] x [9] x [10] x [12]) + [14]	0	0	0	0	0	0
[16]	Factor for Adjusting and Other Expenses (EXHIBIT III)	1.141	1.141	1.141	1.141	1.141	
[17]	Developed, Trended Losses & LAE = [15] x [16]	0	0	0	0	0	0
[18]	Developed, Trended Loss & LAE Ratio at CRL = [17] / [4]	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
[19]	Accident Year Weights	10%	15%	20%	25%	30%	
[20]	Weighted Average Loss & LAE Ratio = Average of [18], weighted by [19]						0.0%
[21]	Fixed Expense Ratio (EXHIBIT III)						20.7%
[22]	Experience Loss, LAE and Fixed Expense Ratio = [20] + [21]						20.7%
[23]	Target Loss, LAE and Fixed Expense Ratio (EXHIBIT III)						81.4%
[24]	Full Credibility Indicated Rate Need = [22] / [23] - 1						-74.6%
[25]	Earned Exposure Years	3	4	4	5	5	21
[26]	Credibility of Loss and LAE Experience = Square Root of ([25] / 240000), subject to maximum of 100%						0.9%
[27]	Target Loss & LAE Ratio						60.7%
[28]	Trended Target Loss & LAE Ratio = [27] trended from Pre-2001 to 1/1/2011 according to net loss ratio trend (4.3% annually) and subject to a maximum trend period of 2 years.						66.1%
[29]	Credibility-Weighted Loss and LAE Ratio = ([20] x [26]) + ([28] x (100% - [26]))						65.5%
[30]	Aggregate Credibility-Weighted Loss, LAE and Fixed Expense Ratio = [21] + [29]						86.2%
[31]	Credibility-Weighted Indicated Rate Need = [30] / ([23] - 1)						5.9%



September 9, 2010

Honorable Jay Bradford
Commissioner of Insurance
Arkansas Insurance Department
1200 West Third Street
Little Rock, Arkansas 72201-1904

RE: Electric Insurance Company (NAIC 057-21261)
Multi-Peril Homeowners – Rate/Rule Filing
Our File Number: AR-HR-10

Dear Commissioner Bradford,

Thank you for reviewing this filing. Our objections are listed in bold with our responses below.

Please explain considerations given to investment income in compliance with ACA 23-67-209(d).

For our expense ratio, investment income, and profit margin analysis, we use a version of the Calendar Year Return on Equity model. Although we base our projections on three years of financial experience, the attached Exhibits III and IV display a full five years for your reference. State data is relied upon wherever available and countrywide data is used elsewhere.

Identify the major type of loss driving the loss ratio for 2010.

The high loss ratio is primarily driven by a \$315K fire loss in February 2010.

The maximum rate change was not provided. Please confirm the maximum increase for any one insured is 8.9%.

The maximum rate change is 9.1% for any individual policyholder.

For any questions or concerns, please contact me by phone at 1.800.227.2757 ext 5048, by fax at 978.236.5048 or by email at Ursula.DellaPaolera@ElectricInsurance.com.

Sincerely,

A handwritten signature in cursive script that reads "Ursula Della Paolera".

Ursula Della Paolera
State Filing Specialist

ELECTRIC INSURANCE COMPANY
ARKANSAS HOMEOWNERS
EXPENSE RATIO (\$000)
CALENDAR YEAR FINANCIAL DATA THROUGH DECEMBER 31, 2009

	2005		2006		2007		2008		2009		2007 - 2009		Selected Percent
	Amount	Percent	Amount	Percent									
Bases for Expenses													
[1] Direct Premiums Written (Arkansas)	39		39		45		46		51		141		
[2] Direct Premiums Written (Countrywide)	34,459		37,434		40,884		44,300		48,645		133,829		
[3] Direct Premiums Earned (Arkansas)	37		37		43		46		48		137		
[4] Direct Premiums Earned (Countrywide)	32,953		35,700		39,180		42,022		46,413		127,615		
[5] Direct Losses Incurred	26,389		20,776		16,772		25,333		31,701		73,806		
Primary Underwriting Expenses (IEE)													
[6] General Expenses (% of Direct Premiums Earned)	4,436	13.5%	5,528	15.5%	6,013	15.3%	6,386	15.2%	6,081	13.1%	18,480	14.5%	14.5%
[7] Other Acquisition Expenses (% of Direct Premiums Written)	3,315	9.6%	3,015	8.1%	3,019	7.4%	3,818	8.6%	4,616	9.5%	11,453	8.6%	8.6%
[8] Taxes, Licenses and Fees (Arkansas)	3	7.5%	3	6.9%	2	5.5%	3	5.9%	3	6.1%	8	5.9%	5.9%
[9] Taxes, Licenses and Fees (Countrywide) (% of Direct Premiums Written)	1,021	3.0%	1,148	3.1%	1,270	3.1%	1,077	2.4%	1,348	2.8%	3,695	2.8%	2.8%
[10] Commission & Brokerage Expenses (Arkansas)	0	0.0%	0	0.0%	0	0.0%	0	-0.2%	0	0.0%	0	-0.1%	0.0%
[11] Commission & Brokerage Expenses (Countrywide) (% of Direct Premiums Written)	268	0.8%	479	1.3%	850	2.1%	1,436	3.2%	1,847	3.8%	4,133	3.1%	
Other Underwriting Expenses													
[12] Catastrophe Reinsurance Risk Load (% of Direct Premiums Written)													0.6%
[13] Per-Risk Reinsurance Load (% of Direct Premiums Written)													2.8%
[14] Market Mechanism Expense Load (% of Direct Premiums Earned)													0.0%
Loss Adjustment Expenses													
[15] Defense & Cost Containment Expenses (% of Direct Losses Incurred)	7	0.0%	290	1.4%	465	2.8%	312	1.2%	666	2.1%	1,443	2.0%	2.0%
[16] Adjusting & Other Expenses (% of Direct Losses and DCEE Incurred)	2,774	10.5%	2,550	12.1%	2,253	13.1%	3,903	15.2%	4,423	13.7%	10,579	14.1%	14.1%
[17] Total Loss Adjustment Expenses = (1 + [15]) x (1 + [16]) - 1 (% of Direct Losses Incurred)	2,781	10.5%	2,840	13.7%	2,718	16.2%	4,215	16.6%	5,089	16.1%	12,022	16.3%	16.3%
Underwriting Expense Summary													
[18] Total Underwriting Expenses = [6] + [7] + [8] + [10] + [12] + [13] + [14]													32.3%
[19] Fixed Underwriting Expenses = ([6] + [7]) x 75% + [12] + [13] + [14]													20.7%
[20] Variable Underwriting Expenses (excluding Profit) = [18] - [19]													11.6%
[21] Underwriting Profit Provision (EXHIBIT IV)													7.0%
[22] Total Underwriting Expenses and Profit Provision = [18] + [21]													39.3%
[23] Variable Underwriting Expenses and Profit Provision = [20] + [21]													18.6%
Target Ratios													
[24] Target Combined Ratio = 100% - [21]													93.0%
[25] Target Loss, LAE and Fixed Expense Ratio = [24] - [20]													81.4%
[26] Target Loss and LAE Ratio = [25] - [19]													60.7%
[27] Target Pure Loss Ratio = [26] / (1 + [17])													52.2%

Notes: 1. Countrywide data is from the Insurance Expense Exhibit, Part III - Allocation to Lines of Direct Business Written (Lines [2], [4], [5], [6], [7], [9], [11], [15], and [16]).
2. State-specific data is from Statutory Page 14 - Exhibit of Premiums and Losses (Lines [1], [3], [8] and [10]).
3. Catastrophe Reinsurance Risk Load (Line [12]) is derived from an analysis of modeled hurricane exposure as it relates to the current catastrophe reinsurance agreements and the annual Homeowners WP.
4. Per Risk Reinsurance Load (Line [13]) is derived from an analysis of large loss exposure, the current per-risk reinsurance policy, and the annual Homeowners WP.
5. Market Mechanism Expense Load (Line [14]) is estimated from expected annual buyout fees and similar expenses applicable in particular states.
6. All data above is for Annual Statement Line 4.

ELECTRIC INSURANCE COMPANY
ARKANSAS HOMEOWNERS
REQUIRED UNDERWRITING PROFIT PROVISION
FINANCIAL DATA THROUGH DECEMBER 31, 2009

	2005	2006	2007	2008	2009	Average 2007 - 2009
I. UNEARNED PREMIUM RESERVE						
[1] Calendar Year Direct Earned Premium	32,955,098	35,701,893	35,712,019	42,412,688	46,619,175	41,581,294
[2] Beginning Unearned Premium Reserve	16,688,166	18,194,480	19,929,073	21,988,394	23,524,787	
[3] Ending Unearned Premium Reserve	18,194,480	19,929,073	21,988,394	23,524,787	25,544,919	
[4] Mean Unearned Premium Reserve = Average of [2] and [3]	17,441,323	19,061,777	20,958,734	22,756,590	24,534,853	22,750,059
[5] Deduction for Prepaid Expenses:						
50% of General Expenses	6.7%	7.7%	7.7%	7.6%	6.6%	
Other Acquisition Expenses	9.6%	8.1%	7.4%	8.6%	9.5%	
Taxes, Licenses and Fees (Arkansas)	7.5%	6.9%	5.5%	5.9%	6.1%	
Commission & Brokerage Expenses (Arkansas)	0.0%	0.0%	0.0%	-0.2%	0.0%	
Total Prepaid Expenses	23.9%	22.7%	20.6%	22.0%	22.1%	
[6] Prepaid Expenses = [4] x [5]	4,166,825	4,326,078	4,318,411	5,002,920	5,421,702	4,914,344
[7] Agents' Balances	4,623,267	5,177,350	5,021,167	5,971,455	6,609,250	5,867,291
[8] Deduction for Federal Income Tax Payable						
[8a] Corporate Federal Income Tax Rate						35%
[8b] Deductible Portion of Tax Payable on UEPR						20%
Total Deduction = [4] x 35% x 20%						1,592,504
[9] Unearned Premium Reserve Subject to Investment Income = [4] - [6] - [7] - [8]						10,375,920
II. LOSS AND LAE RESERVES						
[10] Target Loss and LAE Ratio	60.7%	60.7%	60.7%	60.7%	60.7%	
[11] Expected Loss and Loss Adjustment Expenses = [1] x [10]	20,004,352	21,671,707	21,677,854	25,745,283	28,298,698	25,252,449
[12] Ratio of Investible Loss and LAE Reserves to Incurred Losses	21.5%	27.2%	18.1%	13.8%	12.5%	
[13] Loss and LAE Reserves Subject to Investment Income = [11] x [12]	4,293,765	5,885,961	3,923,454	3,544,559	3,532,241	3,668,471
III. UNDERWRITING PROFIT PROVISION						
[14] Reserves Subject to Investment Income = [9] + [13]						14,044,391
[15] Average Pre-Tax Investment Return on Assets						5.4%
[16] Investment Earnings on Net Reserves = [14] x [15]						754,106
[17] Average Pre-Tax Investment Return on Earned Premium = [16] / [1]						1.8%
[18] Effective Federal Income Tax Rate						21.7%
[19] Average After-Tax Investment Return on Earned Premium = [17] x (1 - [18])						1.4%
[20] Required After-Tax Rate of Return on Surplus						15.0%
[21] Expected After-Tax Return from Investing Surplus = [15] x (1 - [18])						4.2%
[22] Required After-Tax Return on Surplus from Insurance Operations = [20] - [21]						10.8%
[23] Leverage Ratio (Premium to Surplus)						1.8
[24] Required After-Tax Return on Premium from Insurance Operations = [22] / [23]						5.9%
[25] Required After-Tax Profit Provision (as % of Premium) = [24] - [19]						4.5%
[26] Required Pre-Tax Profit Provision (as % of Premium) = [25] / (1 - Corporate Federal Income Tax Rate)						7.0%
[27] Target Combined Ratio = 100% - [26]						93.0%

SERFF Tracking Number: ELEC-126740432 State: Arkansas
 Filing Company: Electric Insurance Company State Tracking Number: EFT \$100
 Company Tracking Number: AR-HR-10
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
 Product Name: Homeowners Multi Peril
 Project Name/Number: /

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)
07/27/2010	Supporting	H-1 Homeowners Abstract Document	09/01/2010	
07/27/2010	Supporting	HPCS-Homeowners Premium Comparison Survey Document	09/01/2010	
07/27/2010	Supporting	NAIC loss cost data entry document Document	09/01/2010	
08/16/2010	Supporting	Exhibits Document	09/01/2010	AR Home Exhibits - Filing.pdf