

SERFF Tracking Number: HNVX-G126916511 State: Arkansas  
First Filing Company: Hanover American Insurance Company, ... State Tracking Number: EFT \$150  
Company Tracking Number: AR55659CG00001  
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations  
Product Name: \*PLnon- PL non-group  
Project Name/Number: \*PLnon- PL non-group/AR55659CG00001

## Filing at a Glance

Companies: Hanover American Insurance Company, Massachusetts Bay Insurance Company

Product Name: \*PLnon- PL non-group SERFF Tr Num: HNVX-G126916511 State: Arkansas  
TOI: 04.0 Homeowners SERFF Status: Closed-Filed State Tr Num: EFT \$150  
Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations Co Tr Num: AR55659CG00001 State Status: Fees verified and received  
Filing Type: Rate/Rule Reviewer(s): Becky Harrington, Nancy Horton  
Author: SPI Hanover Disposition Date: 01/05/2011  
Date Submitted: 12/01/2010 Disposition Status: Filed  
Effective Date Requested (New): Effective Date (New):  
Effective Date Requested (Renewal): 02/10/2011 Effective Date (Renewal): 02/10/2011

State Filing Description:

## General Information

Project Name: \*PLnon- PL non-group Status of Filing in Domicile:  
Project Number: AR55659CG00001 Domicile Status Comments:  
Reference Organization: Reference Number:  
Reference Title: Advisory Org. Circular:  
Filing Status Changed: 01/05/2011 Deemer Date:  
State Status Changed: 12/02/2010 Submitted By: SPI Hanover  
Created By: SPI Hanover  
Corresponding Filing Tracking Number:  
Filing Description:  
Based on the data through the 3rd quarter of 2010, the overall indicated change is +16.3%. We propose to adjust homeowner base rates to achieve an overall increase of 7.0%.

If you have any questions in regards to this submission please feel free to contact this office.

## Company and Contact

### Filing Contact Information

SERFF Tracking Number: HNVX-G126916511 State: Arkansas  
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Mandi Al-Beik, Associate State Filing Analyst malbeik@hanover.com  
 440 Lincoln Street 508-855-2675 [Phone] 2675 [Ext]  
 Worcester, MA 01653 508-855-4786 [FAX]

**Filing Company Information**

Hanover American Insurance Company 440 Lincoln Street Worcester, MA 01653  (508) 853-7200 ext. [Phone] -----	CoCode: 36064 Group Code: 88 Group Name: The Hanover Insurance Group FEIN Number: 04-3063898	State of Domicile: New Hampshire Company Type: State ID Number:
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Massachusetts Bay Insurance Company 440 Lincoln Street Worcester, MA 06153  (508) 853-7200 ext. [Phone] -----	CoCode: 22306 Group Code: 88 Group Name: The Hanover Insurance Group FEIN Number: 04-2217600	State of Domicile: New Hampshire Company Type: State ID Number:
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**Filing Fees**

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

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Hanover American Insurance Company	\$150.00	12/01/2010	42485264
Massachusetts Bay Insurance Company	\$0.00	12/01/2010	

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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Filed	Becky Harrington	01/05/2011	01/05/2011

### Objection Letters and Response Letters

Objection Letters				Response Letters		
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
Pending Industry Response	Becky Harrington	01/03/2011	01/03/2011	SPI Hanover	01/04/2011	01/04/2011
Pending Industry Response	Becky Harrington	12/15/2010	12/15/2010	SPI Hanover	12/20/2010	12/20/2010
Pending Industry Response	Becky Harrington	12/02/2010	12/02/2010	SPI Hanover	12/13/2010	12/13/2010

SERFF Tracking Number: *HNXX-G126916511* State: *Arkansas*  
 First Filing Company: *Hanover American Insurance Company, ...* State Tracking Number: *EFT \$150*  
 Company Tracking Number: *AR55659CG00001*  
 TOI: *04.0 Homeowners* Sub-TOI: *04.0000 Homeowners Sub-TOI Combinations*  
 Product Name: *\*PLnon- PL non-group*  
 Project Name/Number: *\*PLnon- PL non-group/AR55659CG00001*

## Disposition

Disposition Date: 01/05/2011  
 Effective Date (New):  
 Effective Date (Renewal): 02/10/2011  
 Status: Filed  
 Comment:

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where required):	Minimum % Change (where required):
Hanover American Insurance Company	16.300%	7.000%	\$272,993	4,305	\$3,878,640	14.800%	0.000%
Massachusetts Bay Insurance Company	16.300%	6.900%	\$140,242	2,177	\$2,029,909	11.300%	0.000%

### Overall Rate Information for Multiple Company Filings

Overall Percentage Rate Indicated For This Filing	16.300%
Overall Percentage Rate Impact For This Filing	7.000%
Effect of Rate Filing-Written Premium Change For This Program	\$413,235
Effect of Rate Filing - Number of Policyholders Affected	6,482

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Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Form RF-2 Loss Costs Only (not for workers' compensation)		Yes
Supporting Document	H-1 Homeowners Abstract	Filed	Yes
Supporting Document	HPCS-Homeowners Premium Comparison Survey	Filed	Yes
Supporting Document	Side by Side	Filed	Yes
Supporting Document (revised)	Actuarial Support	Filed	Yes
Supporting Document	Actuarial Support		Yes
Supporting Document	Memorandum	Filed	Yes
Supporting Document (revised)	NAIC loss cost data entry document	Filed	Yes
Supporting Document	NAIC loss cost data entry document		Yes
Supporting Document	NAIC loss cost data entry document		Yes
Supporting Document	Response to Objection 01.03.2011	Filed	Yes
Rate	Arkansas Homeowners Manual	Filed	Yes
Rate	5. Rate Structure	Filed	Yes
Rate	5. Rate Structure	Filed	Yes
Rate	5. Rate Structure	Filed	Yes
Rate	5. Rate Structure	Filed	Yes
Rate	5. Rate Structure	Filed	Yes

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Product Name: \*PLnon- PL non-group  
Project Name/Number: \*PLnon- PL non-group/AR55659CG00001

## Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 01/03/2011

Submitted Date 01/03/2011

Respond By Date

Dear Mandi Al-Beik,

This will acknowledge receipt of the recent response.

Objection 1

- NAIC loss cost data entry document (Supporting Document)

Comment: I was unable to discern a revision to the RF-1. They still show 7.2% as the maximum change, while the rate schedule tab indicates 14.8% and 11.8% for Hanover American and Mass Bay respectively. Which is correct?

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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Product Name: \*PLnon- PL non-group  
Project Name/Number: \*PLnon- PL non-group/AR55659CG00001

## Response Letter

Response Letter Status Submitted to State  
Response Letter Date 01/04/2011  
Submitted Date 01/04/2011

Dear Becky Harrington,

### Comments:

Thank you for your objection letter on 01/03/2011.

### Response 1

Comments: Please see the attached response as well as the updated Rate Abstract. We have also submitted a Post Submission update which corrects the maximum change on the rate/rules schedule tab.

### Related Objection 1

Applies To:

- NAIC loss cost data entry document (Supporting Document)

Comment:

I was unable to discern a revision to the RF-1. They still show 7.2% as the maximum change, while the rate schedule tab indicates 14.8% and 11.8% for Hanover American and Mass Bay respectively. Which is correct?

### Changed Items:

#### Supporting Document Schedule Item Changes

Satisfied -Name: NAIC loss cost data entry document

Comment:

Satisfied -Name: Response to Objection 01.03.2011

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

If you have any further questions please feel free to contact me.

Sincerely,

SPI Hanover

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TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations  
Product Name: \*PLnon- PL non-group  
Project Name/Number: \*PLnon- PL non-group/AR55659CG00001

## Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 12/15/2010

Submitted Date 12/15/2010

Respond By Date

Dear Mandi Al-Beik,

This will acknowledge receipt of the recent response.

Objection 1

Comment: In preparing my summary for the Commissioner's review I noticed a discrepancy in the maximum rate change amounts on the RF-1 and the Rate Schedule tab. Please confirm which is correct.

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: HNVX-G126916511 State: Arkansas  
First Filing Company: Hanover American Insurance Company, ... State Tracking Number: EFT \$150  
Company Tracking Number: AR55659CG00001  
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations  
Product Name: \*PLnon- PL non-group  
Project Name/Number: \*PLnon- PL non-group/AR55659CG00001

## Response Letter

Response Letter Status Submitted to State  
Response Letter Date 12/20/2010  
Submitted Date 12/20/2010

Dear Becky Harrington,

### Comments:

Thank you for your objection letter on 12/15/2010.

### Response 1

Comments: In response to your objection, we have reviewed our filing and eliminated the discrepancy in the maximum rate change amounts on the RF-1. Please refer to the revised RF-1 for Massachusetts Bay Insurance Company.

### Related Objection 1

Comment:

In preparing my summary for the Commissioner's review I noticed a discrepancy in the maximum rate change amounts on the RF-1 and the Rate Schedule tab. Please confirm which is correct.

### Changed Items:

#### Supporting Document Schedule Item Changes

Satisfied -Name: NAIC loss cost data entry document

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

If you have any further questions please feel free to contact me.

Sincerely,

SPI Hanover

SERFF Tracking Number: HNVX-G126916511 State: Arkansas  
First Filing Company: Hanover American Insurance Company, ... State Tracking Number: EFT \$150  
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TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations  
Product Name: \*PLnon- PL non-group  
Project Name/Number: \*PLnon- PL non-group/AR55659CG00001

## Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 12/02/2010

Submitted Date 12/02/2010

Respond By Date

Dear Mandi Al-Beik,

This will acknowledge receipt of the captioned filing.

Objection 1

- Memorandum (Supporting Document)

Comment: Please use historical catastrophe data in your indications. Rates in Arkansas pursuant to ACA 23-67-201 et seq must be based upon actual AR data or countrywide data.

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: HNVX-G126916511 State: Arkansas  
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TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations  
Product Name: \*PLnon- PL non-group  
Project Name/Number: \*PLnon- PL non-group/AR55659CG00001

## Response Letter

Response Letter Status Submitted to State  
Response Letter Date 12/13/2010  
Submitted Date 12/13/2010

Dear Becky Harrington,

### Comments:

Thank you for your objection letter on 12/02/2010.

### Response 1

Comments: In response to your objection, we have adjusted the non-hurricane Cat load to rely upon our experience; the adjusted indication still supports our proposed rate increase.

Please refer to the adjusted Exhibit 1 for the overall indication, and adjusted Exhibit 2 for indication by coverages. Adjusted Exhibit 7 reflects our experience based Cat load.

### Related Objection 1

Applies To:

- Memorandum (Supporting Document)

Comment:

Please use historical catastrophe data in your indications. Rates in Arkansas pursuant to ACA 23-67-201 et seq must be based upon actual AR data or countrywide data.

### Changed Items:

#### Supporting Document Schedule Item Changes

Satisfied -Name: Actuarial Support

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

If you have any further questions please feel free to contact me.

Sincerely,  
SPI Hanover

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First Filing Company: Hanover American Insurance Company, ... State Tracking Number: EFT \$150  
Company Tracking Number: AR55659CG00001  
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Product Name: \*PLnon- PL non-group  
Project Name/Number: \*PLnon- PL non-group/AR55659CG00001

**Post Submission Update Request Processed On 01/05/2011**

**Status:** Allowed  
**Created By:** SPI Hanover  
**Processed By:** Becky Harrington  
**Comments:**

**Company Rate Information:**

<b>Company Name: Hanover American Insurance Company</b>		
<b>Field Name</b>	<b>Requested Change</b>	<b>Prior Value</b>
<b>Company Name: Massachusetts Bay Insurance Company</b>		
<b>Field Name</b>	<b>Requested Change</b>	<b>Prior Value</b>
Maximum %Change (where required)	11.300%	11.800%

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## Rate Information

Rate data applies to filing.

Filing Method: File and Use  
 Rate Change Type: Increase  
 Overall Percentage of Last Rate Revision: -0.500%  
 Effective Date of Last Rate Revision: 08/12/2010  
 Filing Method of Last Filing: File and Use

## Company Rate Information

Company Name:	Company Rate Change:	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):
Hanover American Insurance Company	N/A	16.300%	7.000%	\$272,993	4,305	\$3,878,640	14.800%	0.000%
Massachusetts Bay Insurance Company	N/A	16.300%	6.900%	\$140,242	2,177	\$2,029,909	11.300%	0.000%

## Overall Rate Information for Multiple Company Filings

Overall % Rate Indicated: 16.300%

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Product Name: \*PLnon- PL non-group  
Project Name/Number: \*PLnon- PL non-group/AR55659CG00001

**Overall Percentage Rate Impact For This Filing:** 7.000%  
**Effect of Rate Filing - Written Premium Change For This Program:** \$413,235  
**Effect of Rate Filing - Number of Policyholders Affected:** 6482

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 Product Name: \*PLnon- PL non-group  
 Project Name/Number: \*PLnon- PL non-group/AR55659CG00001

## Rate/Rule Schedule

Schedule Item	Exhibit Name:	Rule # or Page	Rate Action	Previous State Filing Attachments
Status:		#:		Number:
Filed 01/05/2011	Arkansas Homeowners Manual	1	Replacement	AR HO MB-HA 02 10 11 Clean - pg 1.PDF
Filed 01/05/2011	5. Rate Structure	AR-RS-1	Replacement	AR HO MB-HA 02 10 11 Clean - pg 10.PDF
Filed 01/05/2011	5. Rate Structure	AR-RS-2	Replacement	AR HO MB-HA 02 10 11 Clean - pg 11.PDF
Filed 01/05/2011	5. Rate Structure	AR-RS-3	Replacement	AR HO MB-HA 02 10 11 Clean - pg 12.PDF
Filed 01/05/2011	5. Rate Structure	AR-RS-4	Replacement	AR HO MB-HA 02 10 11 Clean - pg 13.PDF
Filed 01/05/2011	5. Rate Structure	AR-RS-5	Replacement	AR HO MB-HA 02 10 11 Clean - pg 14.PDF

**MASS BAY/HANOVER AMERICAN**

**ARKANSAS HOMEOWNERS**

**ANNOUNCEMENT OF REVISIONS**

MANUAL PAGES INCLUDED HEREWITH:

ENTIRE HOMEOWNERS MANUAL

Revised pages with this revision:

Rating Structure ..... AR-RS-1– AR-RS-5

SUMMARY OF CHANGE

- Revised HO-3 Base Rates

EFFECTIVE DATE: 02/10/2011Renewal

5. RATE STRUCTURE

HO-00-03  
 \$30,000 BASE RATES  
 \$250 DEDUCTIBLE COVERAGE

Terr	Prem. Group	Mass Bay Pref. HO-00-03	Han Am. Sup. HO-00-03
31	001	699	629
	002	778	700
	003	856	770
	004	933	840
	005	1291	1162
	006	1945	1751
	007	2799	2519
	008	973	876
	009	1049	944
	010	1520	1368
	011	3189	2870
37	012	731	658
	013	812	731
	014	894	805
	015	975	878
	016	1349	1214
	017	2032	1829
	018	2924	2632
	019	1016	914
	020	1096	986
	021	1587	1428
	022	3331	2998
42	023	755	680
	024	839	755
	025	924	832
	026	1007	906
	027	1393	1254
	028	2099	1889
	029	3020	2718
	030	1050	945
	031	1132	1019
	032	1640	1476
	033	3440	3096

Terr	Prem. Group	Mass Bay Pref. HO-00-03	Han Am. Sup. HO-00-03
49	034	552	497
	035	614	553
	036	676	608
	037	737	663
	038	1020	918
	039	1536	1382
	040	2211	1990
	041	768	691
	042	829	746
	043	1200	1080
	044	2518	2266
50	045	1003	903
	046	1115	1004
	047	1227	1104
	048	1338	1204
	049	1851	1666
	050	2789	2510
	051	4013	3612
	052	1395	1256
	053	1504	1354
	054	2179	1961
	055	4572	4115
51	056	1036	932
	057	1152	1037
	058	1268	1141
	059	1382	1244
	060	1913	1722
	061	2882	2594
	062	4147	3732
	063	1441	1297
	064	1554	1399
	065	2252	2027
	066	4724	4252

Note: HO-00-02 Form is no longer available for policies written effective 4/30/2007 or later

To determine the HO-00-02 base rates for policies with an original inception date prior to 4/30/2007, multiply HO-00-03 by .95.

5. RATE STRUCTURE

HO-00-03  
 \$30,000 BASE RATES  
 \$250 DEDUCTIBLE COVERAGE

Terr	Prem. Group	Mass Bay Pref. HO-00-03	Han Am. Sup. HO-00-03
52	089	636	572
	090	708	637
	091	779	701
	092	849	764
	093	1175	1058
	094	1770	1593
	095	2547	2292
	096	885	797
	097	955	860
	098	1383	1245
	099	2901	2611
53	100	669	602
	101	744	670
	102	819	737
	103	893	804
	104	1235	1112
	105	1861	1675
	106	2678	2410
	107	931	838
	108	1004	904
	109	1454	1309
	110	3050	2745
54	067	1114	1003
	068	1239	1115
	069	1364	1228
	070	1486	1337
	071	2057	1851
	072	3098	2788
	073	4459	4013
	074	1550	1395
	075	1671	1504
	076	2421	2179
	077	5079	4571

Terr	Prem. Group	Mass Bay Pref. HO-00-03	Han Am. Sup. HO-00-03
55	111	656	590
	112	729	656
	113	803	723
	114	875	788
	115	1211	1090
	116	1824	1642
	117	2625	2363
	118	912	821
	119	984	886
	120	1425	1283
	121	2990	2691
56	122	675	608
	123	751	676
	124	827	744
	125	901	811
	126	1247	1122
	127	1878	1690
	128	2703	2433
	129	939	845
	130	1013	912
	131	1467	1320
	132	3079	2771
61	155	734	661
	156	816	734
	157	898	808
	158	979	881
	159	1354	1219
	160	2040	1836
	161	2936	2642
	162	1021	919
	163	1100	990
	164	1594	1435
	165	3345	3011

Note: HO-00-02 Form is no longer available for policies written effective 4/30/2007 or later

To determine the HO-00-02 base rates for policies with an original inception date prior to 4/30/2007, multiply HO-00-03 by .95.

5. RATE STRUCTURE

HO-00-03  
 \$30,000 BASE RATES  
 \$250 DEDUCTIBLE COVERAGE

Terr	Prem. Group	Mass Bay Pref. HO-00-03	Han Am. Sup. HO-00-03
62	078	553	498
	079	615	554
	080	677	609
	081	738	664
	082	1021	919
	083	1538	1384
	084	2214	1993
	085	769	692
	086	830	747
	087	1202	1082
	088	2522	2270
63	133	656	590
	134	729	656
	135	803	723
	136	875	788
	137	1211	1090
	138	1824	1642
	139	2625	2363
	140	912	821
	141	984	886
	142	1425	1283
	143	2990	2691
64	144	1021	919
	145	1135	1022
	146	1249	1124
	147	1362	1226
	148	1884	1696
	149	2839	2555
	150	4085	3677
	151	1420	1278
	152	1531	1378
	153	2218	1996
	154	4654	4189

Terr	Prem. Group	Mass Bay Pref. HO-00-03	Han Am. Sup. HO-00-03
65	166	773	696
	167	859	773
	168	946	851
	169	1031	928
	170	1426	1283
	171	2148	1933
	172	3092	2783
	173	1075	968
	174	1159	1043
	175	1679	1511
	176	3522	3170
66	210	969	872
	211	1077	969
	212	1186	1067
	213	1292	1163
	214	1788	1609
	215	2694	2425
	216	3876	3488
	217	1347	1212
	218	1453	1308
	219	2105	1895
	220	4416	3974
67	232	759	683
	233	844	760
	234	928	835
	235	1012	911
	236	1400	1260
	237	2110	1899
	238	3036	2732
	239	1055	950
	240	1138	1024
	241	1648	1483
	242	3458	3112

Note: HO-00-02 Form is no longer available for policies written effective 4/30/2007 or later

To determine the HO-00-02 base rates for policies with an original inception date prior to 4/30/2007, multiply HO-00-03 by 95.

5. RATE STRUCTURE

HO-00-03  
 \$30,000 BASE RATES  
 \$250 DEDUCTIBLE COVERAGE

Terr	Prem. Group	Mass Bay Pref. HO-00-03	Han Am. Sup. HO-00-03
68	243	824	742
	244	916	824
	245	1008	907
	246	1099	989
	247	1521	1369
	248	2291	2062
	249	3297	2967
	250	1146	1031
	251	1236	1112
	252	1790	1611
	253	3756	3380
69	254	973	876
	255	1081	973
	256	1190	1071
	257	1297	1167
	258	1795	1616
	259	2705	2435
	260	3892	3503
	261	1353	1218
	262	1459	1313
	263	2113	1902
	264	4434	3991
70	276	688	619
	277	765	689
	278	842	758
	279	917	825
	280	1270	1143
	281	1913	1722
	282	2752	2477
	283	957	861
	284	1032	929
	285	1494	1345
	286	3135	2822

Terr	Prem. Group	Mass Bay Pref. HO-00-03	Han Am. Sup. HO-00-03
71	287	888	799
	288	987	888
	289	1087	978
	290	1184	1066
	291	1639	1475
	292	2469	2222
	293	3553	3198
	294	1235	1112
	295	1332	1199
	296	1929	1736
	297	4047	3642
72	221	774	697
	222	861	775
	223	948	853
	224	1033	930
	225	1429	1286
	226	2153	1938
	227	3098	2788
	228	1077	969
	229	1161	1045
	230	1682	1514
	231	3529	3176
73	265	716	644
	266	796	716
	267	876	788
	268	955	860
	269	1321	1189
	270	1991	1792
	271	2864	2578
	272	996	896
	273	1074	967
	274	1555	1400
	275	3263	2937

Note: HO-00-02 Form is no longer available for policies written effective 4/30/2007 or later

To determine the HO-00-02 base rates for policies with an original inception date prior to 4/30/2007, multiply HO-00-03 by .95.

5. RATE STRUCTURE

HO-00-03  
 \$30,000 BASE RATES  
 \$250 DEDUCTIBLE COVERAGE

Terr	Prem. Group	Mass Bay Pref. HO-00-03	Han Am. Sup. HO-00-03
74	177	881	793
	178	980	882
	179	1079	971
	180	1176	1058
	181	1627	1464
	182	2451	2206
	183	3528	3175
	184	1226	1103
	185	1322	1190
	186	1915	1724
	187	4019	3617
75	199	988	889
	200	1099	989
	201	1209	1088
	202	1318	1186
	203	1824	1642
	204	2748	2473
	205	3954	3559
	206	1374	1237
	207	1482	1334
	208	2147	1932
	209	4505	4055
76	188	804	724
	189	894	805
	190	984	886
	191	1072	965
	192	1484	1336
	193	2235	2012
	194	3216	2894
	195	1118	1006
	196	1206	1085
	197	1746	1571
	198	3664	3298

Note: HO-00-02 Form is no longer available for policies written effective 4/30/2007 or later

To determine the HO-00-02 base rates for policies with an original inception date prior to 4/30/2007, multiply HO-00-03 by 95.

SERFF Tracking Number: HNVX-G126916511 State: Arkansas  
 First Filing Company: Hanover American Insurance Company, ... State Tracking Number: EFT \$150  
 Company Tracking Number: AR55659CG00001  
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations  
 Product Name: \*PLnon- PL non-group  
 Project Name/Number: \*PLnon- PL non-group/AR55659CG00001

## Supporting Document Schedules

	<b>Item Status:</b>	<b>Status Date:</b>
<b>Bypassed - Item:</b> Form RF-2 Loss Costs Only (not for workers' compensation)		
<b>Bypass Reason:</b> N/A for this filing.		
<b>Comments:</b>		

	<b>Item Status:</b>	<b>Status Date:</b>
<b>Satisfied - Item:</b> H-1 Homeowners Abstract	Filed	01/05/2011
<b>Comments:</b>		
<b>Attachments:</b>		
ARKANSAS INSURANCE DEPARTMENT H-1_Han_Am Final 20110210.PDF		
ARKANSAS INSURANCE DEPARTMENT H-1_Mass_Bay Final 20110210.PDF		

	<b>Item Status:</b>	<b>Status Date:</b>
<b>Satisfied - Item:</b> HPCS-Homeowners Premium Comparison Survey	Filed	01/05/2011
<b>Comments:</b>		
<b>Attachments:</b>		
HPCS Hanover American Final 20110210.PDF		
HPCS Hanover American Final 20110210.XLS		
HPCS Mass Bay Final 20110210.PDF		
HPCS Mass Bay Final 20110210.XLS		

	<b>Item Status:</b>	<b>Status Date:</b>
<b>Satisfied - Item:</b> Side by Side	Filed	01/05/2011
<b>Comments:</b>		
<b>Attachments:</b>		
AR HO MB-HA 02 10 11 Draft - pg 1.PDF		
AR HO MB-HA 02 10 11 Draft - pg 10.PDF		

SERFF Tracking Number: HNVX-G126916511 State: Arkansas  
 First Filing Company: Hanover American Insurance Company, ... State Tracking Number: EFT \$150  
 Company Tracking Number: AR55659CG00001  
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations  
 Product Name: \*PLnon- PL non-group  
 Project Name/Number: \*PLnon- PL non-group/AR55659CG00001

AR HO MB-HA 02 10 11 Draft - pg 11.PDF  
 AR HO MB-HA 02 10 11 Draft - pg 12.PDF  
 AR HO MB-HA 02 10 11 Draft - pg 13.PDF  
 AR HO MB-HA 02 10 11 Draft - pg 14.PDF

	<b>Item Status:</b>	<b>Status Date:</b>
<b>Satisfied - Item:</b> Actuarial Support	Filed	01/05/2011
<b>Comments:</b>		
<b>Attachment:</b> Actuarial Support.PDF		

	<b>Item Status:</b>	<b>Status Date:</b>
<b>Satisfied - Item:</b> Memorandum	Filed	01/05/2011
<b>Comments:</b>		
<b>Attachment:</b> AR Home Memo 20110210.PDF		

	<b>Item Status:</b>	<b>Status Date:</b>
<b>Satisfied - Item:</b> NAIC loss cost data entry document	Filed	01/05/2011
<b>Comments:</b>		
<b>Attachments:</b> AR rate filing abstract HanAmer Final 20110210 - revised.PDF AR rate filing abstract MB Final 20110210 - revised.PDF		

	<b>Item Status:</b>	<b>Status Date:</b>
<b>Satisfied - Item:</b> Response to Objection 01.03.2011	Filed	01/05/2011
<b>Comments:</b>		
<b>Attachment:</b> Response ltr 01 03 11 (4).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 Hanover American Insurance Company  
NAIC # (including group #) 0088-36064

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

**Not applicable.**

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.

**For our companies already being used, a cost estimator has been required since 1985 on all new submissions. The Boeckh value guide is distributed to our agents; however we will accept cost estimators from other sources.**

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

**We require between 80 – 100% of the estimated replacement to be written. However, when guaranteed dwelling replacement cost is written the dwelling must be insured at 100% of the replacement cost.**

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

**Inflation guard endorsement 231-0600 is currently used on all policies. The endorsement tells the insured that the Company will increase coverage at each renewal as determined by an appraisal firm.**

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

a. Fire Extinguisher	0 %
b. Burglar Alarm	5 – 10 %
c. Smoke Alarm	2 %
d. Insured who has both homeowners and auto with your company	15 %
e. Deadbolt Locks	0 %
f. Window or Door Locks	0 %
g. Other (specify)	

Combination of fire extinguisher, smoke alarm, and deadbolt locks **5**

% Approved automatic sprinkler **5-10** % Non-Smoke discount **1** %

Loss Free Credit 3 years **5** % Loss Free Credit 4 years **5** % Loss Free

Credit 5+ years **10** % New home discount **3-25** % Deductible credits

**13-42** %

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.

**No**

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

Form	Premium Volume
HO - 3	\$3,605,528
HO - 6	\$10,018

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

N/A

Does the surcharge apply to conventional fire places?

N/A

If yes, state the surcharge

N/A

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

*Mandi Al-Beik*

Signature

Mandi Al-Beik

Printed Name

Associate State Filing Analyst

Title

508-855-2675

Telephone Number

malbeik@hanover.com

Email address

ARKANSAS INSURANCE DEPARTMENT

FORM H-1 HOMEOWNERS ABSTRACT

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

Company Name Massachusetts Bay Insurance Company  
NAIC # (including group #) 0088-22306

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

**Not applicable.**

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.

**For our companies already being used, a cost estimator has been required since 1985 on all new submissions. The Boeckh value guide is distributed to our agents; however we will accept cost estimators from other sources.**

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

**We require between 80 – 100% of the estimated replacement to be written. However, when guaranteed dwelling replacement cost is written the dwelling must be insured at 100% of the replacement cost.**

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

**Inflation guard endorsement 231-0600 is currently used on all policies. The endorsement tells the insured that the Company will increase coverage at each renewal as determined by an appraisal firm.**

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

a. Fire Extinguisher	0 %
b. Burglar Alarm	5 – 10 %
c. Smoke Alarm	2 %
d. Insured who has both homeowners and auto with your company	15 %
e. Deadbolt Locks	0 %
f. Window or Door Locks	0 %
g. Other (specify)	

Combination of fire extinguisher, smoke alarm, and deadbolt locks **5 %**  
Approved automatic sprinkler **5-10 %** Non-Smoke discount **1 %**  
Loss Free Credit 3 years **5 %** Loss Free Credit 4 years **5 %** Loss Free Credit 5+ years **10 %** New home discount **3-25 %** Deductible credits **13-42 %**

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.  
**No**

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

Form	Premium Volume
Dwelling	\$2,064,534
Condo	\$25,959
Tenant	

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

N/A

Does the surcharge apply to conventional fire places?

N/A

If yes, state the surcharge

N/A

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

*Mandi Al-Beik*

Signature

Mandi Al-Beik

Printed Name

Associate State Filing Analyst

Title

508-855-2675

Telephone Number

malbeik@hanover.com

Email address

NAIC Number: 36064  
 Company Name: Hanover American Insurance Company  
 Contact Person: Mandi Al-Beik  
 Telephone No.: 508-855-2675  
 Email Address: malbeik@hanover.com  
 Effective Date: February 10, 2011

**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	\$549.00	\$611.00	\$648.00	\$720.00	\$934.00	\$1,038.00	\$855.00	\$951.00	\$855.00	\$951.00	\$812.00	\$902.00	\$815.00	\$906.00	\$576.00	\$641.00	\$613.00	\$680.00
	\$120,000	\$629.00	\$699.00	\$742.00	\$824.00	\$1,069.00	\$1,206.00	\$979.00	\$1,092.00	\$979.00	\$1,092.00	\$929.00	\$1,033.00	\$934.00	\$1,037.00	\$660.00	\$734.00	\$701.00	\$779.00
	\$160,000	\$813.00	\$903.00	\$959.00	\$1,065.00	\$1,428.00	\$1,605.00	\$1,295.00	\$1,458.00	\$1,295.00	\$1,458.00	\$1,220.00	\$1,374.00	\$1,227.00	\$1,380.00	\$852.00	\$949.00	\$906.00	\$1,007.00
6	\$80,000	\$673.00	\$764.00	\$792.00	\$901.00	\$1,154.00	\$1,333.00	\$1,046.00	\$1,207.00	\$1,046.00	\$1,207.00	\$993.00	\$1,137.00	\$997.00	\$1,143.00	\$706.00	\$802.00	\$749.00	\$851.00
	\$120,000	\$771.00	\$875.00	\$907.00	\$1,032.00	\$1,344.00	\$1,549.00	\$1,217.00	\$1,406.00	\$1,217.00	\$1,406.00	\$1,147.00	\$1,325.00	\$1,152.00	\$1,332.00	\$808.00	\$918.00	\$858.00	\$974.00
	\$160,000	\$996.00	\$1,140.00	\$1,187.00	\$1,372.00	\$1,784.00	\$2,048.00	\$1,619.00	\$1,863.00	\$1,619.00	\$1,863.00	\$1,529.00	\$1,759.00	\$1,535.00	\$1,768.00	\$1,044.00	\$1,203.00	\$1,114.00	\$1,287.00
9	\$80,000	\$1,597.00	\$2,368.00	\$1,908.00	\$2,818.00	\$2,823.00	\$4,134.00	\$2,574.00	\$3,774.00	\$2,574.00	\$3,774.00	\$2,435.00	\$3,572.00	\$2,445.00	\$3,588.00	\$1,683.00	\$2,490.00	\$1,797.00	\$2,656.00
	\$120,000	\$1,851.00	\$2,735.00	\$2,208.00	\$3,249.00	\$3,255.00	\$4,756.00	\$2,970.00	\$4,344.00	\$2,970.00	\$4,344.00	\$2,811.00	\$4,113.00	\$2,823.00	\$4,131.00	\$1,949.00	\$2,874.00	\$2,081.00	\$3,064.00
	\$160,000	\$2,439.00	\$3,581.00	\$2,900.00	\$4,245.00	\$4,253.00	\$6,193.00	\$3,885.00	\$5,661.00	\$3,885.00	\$5,661.00	\$3,679.00	\$5,362.00	\$3,695.00	\$5,385.00	\$2,566.00	\$3,761.00	\$2,735.00	\$4,006.00

**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																		
	\$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																		
	\$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:**

<b>HO3 and HO4 only</b>	
Fire Extinguisher	0 %
Burglar Alarm	5-10 %
Smoke Alarm	2 %
Deadbolt Lock	0 %
Window Locks	0 %
\$1,000 Deductible	22 %
Other (specify)	
Non-Smoke	1 %
Maximum Credit Allowed	45 %

**EARTHQUAKE INSURANCE**

**IMPORTANT, homeowners insurance does NOT automatically cover losses from earthquakes. Ask your agent about this c**  
 ARE YOU CURRENTLY WRITING EARTHQUAKE COVERAGE IN ARKANSAS?  Yes (yes or no)  
 WHAT IS YOUR PERCENTAGE DEDUCTIBLE? 10 %  
 Zone  
 Highest Risk \$ 1.4  
 Lowest Risk \$ 1.02  
 Brick Frame  
 Highest Risk \$ 1.4 \$ 0.61  
 Lowest Risk \$ 1.02 \$ 0.37

NAIC Number: 22306  
 Company Name: Massachusetts Bay Insurance Company  
 Contact Person: Mandi Al-Beik  
 Telephone No.: 508-855-2675  
 Email Address: malbeik@hanover.com  
 Effective Date: February 10, 2011

**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	\$611.00	\$679.00	\$720.00	\$800.00	\$1,037.00	\$1,166.00	\$950.00	\$1,057.00	\$950.00	\$1,057.00	\$902.00	\$1,003.00	\$906.00	\$1,006.00	\$640.00	\$712.00	\$680.00	\$756.00
	\$120,000	\$699.00	\$777.00	\$824.00	\$915.00	\$1,205.00	\$1,358.00	\$1,091.00	\$1,230.00	\$1,091.00	\$1,230.00	\$1,033.00	\$1,159.00	\$1,037.00	\$1,164.00	\$733.00	\$815.00	\$779.00	\$865.00
	\$160,000	\$903.00	\$1,004.00	\$1,065.00	\$1,200.00	\$1,603.00	\$1,801.00	\$1,456.00	\$1,637.00	\$1,456.00	\$1,637.00	\$1,374.00	\$1,545.00	\$1,380.00	\$1,551.00	\$948.00	\$1,054.00	\$1,007.00	\$1,125.00
6	\$80,000	\$748.00	\$849.00	\$881.00	\$1,001.00	\$1,299.00	\$1,499.00	\$1,176.00	\$1,359.00	\$1,176.00	\$1,359.00	\$1,109.00	\$1,281.00	\$1,113.00	\$1,288.00	\$784.00	\$891.00	\$832.00	\$946.00
	\$120,000	\$856.00	\$972.00	\$1,008.00	\$1,157.00	\$1,511.00	\$1,739.00	\$1,370.00	\$1,580.00	\$1,370.00	\$1,580.00	\$1,293.00	\$1,490.00	\$1,298.00	\$1,497.00	\$897.00	\$1,020.00	\$953.00	\$1,085.00
	\$160,000	\$1,111.00	\$1,284.00	\$1,338.00	\$1,542.00	\$1,999.00	\$2,294.00	\$1,817.00	\$2,088.00	\$1,817.00	\$2,088.00	\$1,717.00	\$1,972.00	\$1,724.00	\$1,982.00	\$1,173.00	\$1,355.00	\$1,255.00	\$1,448.00
9	\$80,000	\$1,792.00	\$2,649.00	\$2,138.00	\$3,148.00	\$3,155.00	\$4,611.00	\$2,878.00	\$4,211.00	\$2,878.00	\$4,211.00	\$2,723.00	\$3,987.00	\$2,734.00	\$4,004.00	\$1,887.00	\$2,785.00	\$2,014.00	\$2,969.00
	\$120,000	\$2,074.00	\$3,056.00	\$2,471.00	\$3,628.00	\$3,635.00	\$5,302.00	\$3,318.00	\$4,844.00	\$3,318.00	\$4,844.00	\$3,140.00	\$4,588.00	\$3,154.00	\$4,608.00	\$2,183.00	\$3,211.00	\$2,329.00	\$3,422.00
	\$160,000	\$2,727.00	\$3,995.00	\$3,240.00	\$4,735.00	\$4,744.00	\$6,899.00	\$4,334.00	\$6,307.00	\$4,334.00	\$6,307.00	\$4,105.00	\$5,976.00	\$4,122.00	\$6,001.00	\$2,868.00	\$4,196.00	\$3,057.00	\$4,469.00

**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																		
	\$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																		
	\$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	5-10 %	Window Locks	0 %
Smoke Alarm	2 %	\$1,000 Deductible	22 %
		Other (specify)	
		Non-Smoke	1 %

**EARTHQUAKE INSURANCE**

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

ARE YOU CURRENTLY WRITING EARTHQUAKE COVERAGE IN ARKANSAS? Yes (yes or no)

WHAT IS YOUR PERCENTAGE DEDUCTIBLE? 10 %

WHAT IS YOUR PRICE PER \$1,000 OF COVERAGE? Zone Highest Risk \$ 1.4 \$ 0.61

Maximum Credit Allowed	40%	Lowest Risk	\$ 1.02	\$ 0.37
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ANNOUNCEMENT OF REVISIONS

MANUAL PAGES INCLUDED HEREWITH:

ENTIRE HOMEOWNERS MANUAL

Revised pages with this revision:

Endorsement Table .....	1
Index .....	A
Rating Structure .....	AR-RS-1– AR-RS-5
Territory Pages .....	AR-T-2, AR-T-5
State Pages – Rating Rules .....	13, 25, 37

SUMMARY OF CHANGE

- Revised HO-3 Base Rates
- ~~Added 1 ZIP Code and fixed 1 ZIP Code~~
- ~~Revised Caps on Credits/Discounts~~
- ~~Revised Account Credit~~
- ~~Revised earthquake zone definitions~~
- ~~Added Limited Fungi, Wet or Dry Rot, or Bacteria rule and endorsements~~

EFFECTIVE DATE: 06/04/2010 02/10/2011 Renewal

5. RATE STRUCTURE

HO-00-03  
 \$30,000 BASE RATES  
 \$250 DEDUCTIBLE COVERAGE

Terr	Prem. Group	Mass Bay Pref. HO-00-03	Han Am. Sup. HO-00-03
31	001	699	629
	002	778	700
	003	856	770
	004	933	840
	005	1291	1162
	006	1945	1751
	007	2799	2519
	008	973	876
	009	1049	944
	010	1520	1368
	011	3189	2870
37	012	731	658
	013	812	731
	014	894	805
	015	975	878
	016	1349	1214
	017	2032	1829
	018	2924	2632
	019	1016	914
	020	1096	986
	021	1587	1428
	022	3331	2998
42	023	755	680
	024	839	755
	025	924	832
	026	1007	906
	027	1393	1254
	028	2099	1889
	029	3020	2718
	030	1050	945
	031	1132	1019
	032	1640	1476
	033	3440	3096

Terr	Prem. Group	Mass Bay Pref. HO-00-03	Han Am. Sup. HO-00-03
49	034	552	497
	035	614	553
	036	676	608
	037	737	663
	038	1020	918
	039	1536	1382
	040	2211	1990
	041	768	691
	042	829	746
	043	1200	1080
	044	2518	2266
50	045	1003	903
	046	1115	1004
	047	1227	1104
	048	1338	1204
	049	1851	1666
	050	2789	2510
	051	4013	3612
	052	1395	1256
	053	1504	1354
	054	2179	1961
	055	4572	4115
51	056	1036	932
	057	1152	1037
	058	1268	1141
	059	1382	1244
	060	1913	1722
	061	2882	2594
	062	4147	3732
	063	1441	1297
	064	1554	1399
	065	2252	2027
	066	4724	4252

Note: HO-00-02 Form is no longer available for policies written effective 4/30/2007 or later

To determine the HO-00-02 base rates for policies with an original inception date prior to 4/30/2007, multiply HO-00-03 by .95.

5. RATE STRUCTURE

HO-00-03  
 \$30,000 BASE RATES  
 \$250 DEDUCTIBLE COVERAGE

Terr	Prem. Group	Mass Bay Pref. HO-00-03	Han Am. Sup. HO-00-03
52	089	636	572
	090	708	637
	091	779	701
	092	849	764
	093	1175	1058
	094	1770	1593
	095	2547	2292
	096	885	797
	097	955	860
	098	1383	1245
	099	2901	2611
53	100	669	602
	101	744	670
	102	819	737
	103	893	804
	104	1235	1112
	105	1861	1675
	106	2678	2410
	107	931	838
	108	1004	904
	109	1454	1309
	110	3050	2745
54	067	1114	1003
	068	1239	1115
	069	1364	1228
	070	1486	1337
	071	2057	1851
	072	3098	2788
	073	4459	4013
	074	1550	1395
	075	1671	1504
	076	2421	2179
	077	5079	4571

Terr	Prem. Group	Mass Bay Pref. HO-00-03	Han Am. Sup. HO-00-03
55	111	656	590
	112	729	656
	113	803	723
	114	875	788
	115	1211	1090
	116	1824	1642
	117	2625	2363
	118	912	821
	119	984	886
	120	1425	1283
	121	2990	2691
56	122	675	608
	123	751	676
	124	827	744
	125	901	811
	126	1247	1122
	127	1878	1690
	128	2703	2433
	129	939	845
	130	1013	912
	131	1467	1320
	132	3079	2771
61	155	734	661
	156	816	734
	157	898	808
	158	979	881
	159	1354	1219
	160	2040	1836
	161	2936	2642
	162	1021	919
	163	1100	990
	164	1594	1435
	165	3345	3011

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5. RATE STRUCTURE

HO-00-03  
 \$30,000 BASE RATES  
 \$250 DEDUCTIBLE COVERAGE

Terr	Prem. Group	Mass Bay Pref. HO-00-03	Han Am. Sup. HO-00-03
62	078	553	498
	079	615	554
	080	677	609
	081	738	664
	082	1021	919
	083	1538	1384
	084	2214	1993
	085	769	692
	086	830	747
	087	1202	1082
	088	2522	2270
63	133	656	590
	134	729	656
	135	803	723
	136	875	788
	137	1211	1090
	138	1824	1642
	139	2625	2363
	140	912	821
	141	984	886
	142	1425	1283
	143	2990	2691
64	144	1021	919
	145	1135	1022
	146	1249	1124
	147	1362	1226
	148	1884	1696
	149	2839	2555
	150	4085	3677
	151	1420	1278
	152	1531	1378
	153	2218	1996
	154	4654	4189

Terr	Prem. Group	Mass Bay Pref. HO-00-03	Han Am. Sup. HO-00-03
65	166	773	696
	167	859	773
	168	946	851
	169	1031	928
	170	1426	1283
	171	2148	1933
	172	3092	2783
	173	1075	968
	174	1159	1043
	175	1679	1511
	176	3522	3170
66	210	969	872
	211	1077	969
	212	1186	1067
	213	1292	1163
	214	1788	1609
	215	2694	2425
	216	3876	3488
	217	1347	1212
	218	1453	1308
	219	2105	1895
	220	4416	3974
67	232	759	683
	233	844	760
	234	928	835
	235	1012	911
	236	1400	1260
	237	2110	1899
	238	3036	2732
	239	1055	950
	240	1138	1024
	241	1648	1483
	242	3458	3112

Note: HO-00-02 Form is no longer available for policies written effective 4/30/2007 or later

To determine the HO-00-02 base rates for policies with an original inception date prior to 4/30/2007, multiply HO-00-03 by 95.

5. RATE STRUCTURE

HO-00-03  
 \$30,000 BASE RATES  
 \$250 DEDUCTIBLE COVERAGE

Terr	Prem. Group	Mass Bay Pref. HO-00-03	Han Am. Sup. HO-00-03
68	243	824	742
	244	916	824
	245	1008	907
	246	1099	989
	247	1521	1369
	248	2291	2062
	249	3297	2967
	250	1146	1031
	251	1236	1112
	252	1790	1611
	253	3756	3380
69	254	973	876
	255	1081	973
	256	1190	1071
	257	1297	1167
	258	1795	1616
	259	2705	2435
	260	3892	3503
	261	1353	1218
	262	1459	1313
	263	2113	1902
	264	4434	3991
70	276	688	619
	277	765	689
	278	842	758
	279	917	825
	280	1270	1143
	281	1913	1722
	282	2752	2477
	283	957	861
	284	1032	929
	285	1494	1345
	286	3135	2822

Terr	Prem. Group	Mass Bay Pref. HO-00-03	Han Am. Sup. HO-00-03
71	287	888	799
	288	987	888
	289	1087	978
	290	1184	1066
	291	1639	1475
	292	2469	2222
	293	3553	3198
	294	1235	1112
	295	1332	1199
	296	1929	1736
	297	4047	3642
72	221	774	697
	222	861	775
	223	948	853
	224	1033	930
	225	1429	1286
	226	2153	1938
	227	3098	2788
	228	1077	969
	229	1161	1045
	230	1682	1514
	231	3529	3176
73	265	716	644
	266	796	716
	267	876	788
	268	955	860
	269	1321	1189
	270	1991	1792
	271	2864	2578
	272	996	896
	273	1074	967
	274	1555	1400
	275	3263	2937

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To determine the HO-00-02 base rates for policies with an original inception date prior to 4/30/2007, multiply HO-00-03 by .95.

5. RATE STRUCTURE

HO-00-03  
 \$30,000 BASE RATES  
 \$250 DEDUCTIBLE COVERAGE

Terr	Prem. Group	Mass Bay Pref. HO-00-03	Han Am. Sup. HO-00-03
74	177	881	793
	178	980	882
	179	1079	971
	180	1176	1058
	181	1627	1464
	182	2451	2206
	183	3528	3175
	184	1226	1103
	185	1322	1190
	186	1915	1724
	187	4019	3617
75	199	988	889
	200	1099	989
	201	1209	1088
	202	1318	1186
	203	1824	1642
	204	2748	2473
	205	3954	3559
	206	1374	1237
	207	1482	1334
	208	2147	1932
	209	4505	4055
76	188	804	724
	189	894	805
	190	984	886
	191	1072	965
	192	1484	1336
	193	2235	2012
	194	3216	2894
	195	1118	1006
	196	1206	1085
	197	1746	1571
	198	3664	3298

Note: HO-00-02 Form is no longer available for policies written effective 4/30/2007 or later

To determine the HO-00-02 base rates for policies with an original inception date prior to 4/30/2007, multiply HO-00-03 by 95.

**Arkansas**  
**Homeowners - All Companies Combined**  
**Rate Indication for Rates Effective 2/10/11 - Summary Exhibit**

	Selected Retrospective	Selected Prospective	Selected Retrospective	Selected Prospective	Underwriting Profit <u>Provision</u>	Non-CAT Target Loss & ALAE <u>Ratio</u>	Modeled Cats Loss & ALAE <u>Ratio</u>	<u>Indication</u>	Proposed Overall Rate <u>Change</u>
Homeowners	7.1%	4.0%	-2.5%	0.0%	6.3%	35.1%	18.8%	10.0%	7.1%
Condo	2.5%	4.5%	7.0%	2.0%	10.3%	31.1%	18.8%	2.1%	0.0%
<u>Tenant</u>	<u>1.0%</u>	<u>3.0%</u>	<u>2.0%</u>	<u>0.0%</u>	<u>10.3%</u>	<u>31.1%</u>	<u>18.8%</u>	<u>-4.9%</u>	<u>0.0%</u>
Condo and Tenant	1.6%	3.6%	3.9%	0.8%	10.3%	31.1%	18.8%	-2.2%	0.0%
Total	7.0%	4.0%	-2.4%	0.0%	6.4%	35.0%	18.8%	9.8%	7.0%

**Arkansas Homeowners - All Companies Combined**  
**Homeowners Form Rate Indication for Rates Effective 2/10/11**  
**Dollars in Thousands**

		Accident Year Ending:				
		09/30/2006	09/30/2007	09/30/2008	09/30/2009	09/30/2010
1a	Earned Premium	5,274	5,372	5,797	6,356	8,303
1b	Endorsement Premium	231	229	235	273	373
2	Current Rate Level Factor - Owners	1.306	1.244	1.197	1.153	1.088
3 = (1a-1b)-(2) + 1b	Premium at CRL	6,815	6,627	6,891	7,284	9,001
4a	Annual Premium Trend - Retrospective	-2.5%	-2.5%	-2.5%	-2.5%	-2.5%
5a	Premium Trend Factor - Retrospective	0.904	0.927	0.951	0.975	1.000
4b	Annual Premium Trend - Prospective	0.0%	0.0%	0.0%	0.0%	0.0%
5b	Premium Trend Factor - Prospective	1.001	1.001	1.001	1.001	1.001
6 = 3-5a-5b	Trended Premium	6,164	6,147	6,556	7,107	9,006
7	Incurred Loss Evaluated @ 9/30/10	7,501	2,180	5,596	6,736	3,731
8	Catastrophe Incurred Losses	4,872	583	3,805	4,329	379
9a = 7-8	Non-Cat Incurred Losses	2,629	1,597	1,790	2,407	3,352
9b	Non-Cat Non-Wind/Hail Incurred Losses	0	1,475	1,142	0	1,655
9c	Non-Cat Non-Wind/Hail Incurred Large Losses	0	692	0	0	487
9d=9c/(9b-9c)	Non-Cat Non-Wind/Hail Large to Small Ratio	-	0.883	-	-	0.417
9e	Non-Cat Non-Wind/Hail Normal Large to Small Ratio	0.413	0.413	0.413	0.413	0.413
9f	Non-Cat Non-Wind/Hail Excess Large to Small Ratio	1.032	1.032	1.032	1.032	1.032
9g=(9b-9c)x[1+min(9d,9e)]x9	Adjusted Non-Cat Non-Wind/Hail Incurred Losses	0	1,142	1,179	0	1,703
9=9a-9b+9d	Adjusted Non-Cat Incurred Losses	2,629	1,264	1,827	2,407	3,400
10	Loss Development Factor:	1.002	1.003	0.998	1.004	1.115
11 = 9-10	Est. Ultimate Incurred Loss Non-Cat	2,635	1,268	1,823	2,417	3,792
12a	Est. Annual Loss Trend - Retrospective	7.1%	7.1%	7.1%	7.1%	7.1%
13a	Loss Trend Factor - Retrospective	1.316	1.229	1.147	1.071	1.000
12b	Est. Annual Loss Trend - Prospective	4.0%	4.0%	4.0%	4.0%	4.0%
13b	Loss Trend Factor - Prospective	1.076	1.076	1.076	1.076	1.076
14 = 13a-12b-11	Trended Incurred Losses	3,732	1,677	2,251	2,786	4,082
15	ALAE (% of Loss)	2.1%	2.1%	2.1%	2.1%	2.1%
16 = (1.00 +15)-14	Trended Loss & ALAE	3,811	1,712	2,298	2,845	4,168
17 = 16÷6	Projected Loss & ALAE Ratio	61.8%	27.8%	35.1%	40.0%	46.3%
18	Accident Year Weights	10.0%	15.0%	20.0%	25.0%	30.0%
19 = Sum(18-17)	Projected (Formula Weighted) Loss&ALAE Ratio Excluding All Catastrophes					41.3%
20a	Hurricane Loss & ALAE Ratio					0.0%
20b	Other Catastrophes Loss & ALAE Ratio					18.8%
20c	Permissible Loss & ALAE Ratio Excluding All Catastrophes to yield a Combined Ratio of	93.7%				35.1%
21a	Cat Loss Annual Trend - Prospective					2.0%
21b	Cat Loss Ratio Trend Factor - Prospective					1.037
21c = 13b/5b	NonCat Loss Ratio Trend Factor - Prospective					1.076
22a = (1+(21b))*(20a)	Trended Hurricane Loss & ALAE Ratio					0.0%
22b = (1+(21b))*(20b)	Trended Other Catastrophes Loss & ALAE Ratio					19.5%
22c = (1+(21c))*(20c)	Trended Permissible Loss & ALAE Ratio Excluding All Catastrophes					37.8%
23a	Fixed Expense					14.1%
23b	Variable Expense(incl Profit)					32.0%
24a	Earned House Years	7,136	6,799	7,129	7,852	9,655
24b	Credibility					98.2%
25	Credibility-Adjusted Loss & ALAE Ratio Excluding All Catastrophes					41.2%
26 =	Indicated Rate Change					<b>10.0%</b>
(25+22a+22b+23a) / (1-23b)-1						

**Arkansas Homeowners - All Companies Combined**  
**Condominium Form Rate Indication for Rates Effective 2/10/11**  
**Dollars in Thousands**

		<b>Accident Year Ending:</b>				
		<u>09/30/06</u>	<u>09/30/07</u>	<u>09/30/08</u>	<u>09/30/09</u>	<u>09/30/10</u>
1	Earned Premium	23	23	29	42	53
2	Current Rate Level Factor	0.984	0.952	0.992	0.996	0.992
3 = 1-2	Premium at CRL	23	22	29	42	53
4a	Annual Premium Trend - Retrospective	7.0%	7.0%	7.0%	7.0%	7.0%
5a	Premium Trend Factor - Retrospective	1.311	1.225	1.145	1.070	1.000
4b	Annual Premium Trend - Prospective	2.0%	2.0%	2.0%	2.0%	2.0%
5b	Premium Trend Factor - Prospective	1.038	1.038	1.038	1.038	1.038
6 = 3-5a-5b	Trended Premium	31	28	34	47	55
7	Incurred Loss Evaluated @ 9/30/10	4	23	0	5	18
8	Catastrophe Incurred Losses	0	0	0	0	0
9 = 7-8	Non-Cat Incurred Losses	4	23	0	5	18
10	Loss Development Factor:	1.000	1.000	0.998	0.994	1.088
11 = 9-10	Estim. Ultimate Incurred Loss Non-Cat	4	23	0	5	20
12a	Est. Annual Loss Trend - Retrospective	2.5%	2.5%	2.5%	2.5%	2.5%
13a	Loss Trend Factor - Retrospective	1.104	1.077	1.051	1.025	1.000
12b	Est. Annual Loss Trend - Prospective	4.5%	4.5%	4.5%	4.5%	4.5%
13b	Loss Trend Factor - Prospective	1.086	1.086	1.086	1.086	1.086
14 = 13a-12b-11	Trended Incurred Losses	5	27	0	6	21
15	ALAE (% of Loss)	2.1%	2.1%	2.1%	2.1%	2.1%
16 = (1.00 +15)-14	Trended Loss & ALAE	5	28	0	6	22
17 = 16÷6	Projected Loss & ALAE Ratio	15.8%	99.4%	0.0%	12.9%	39.7%
18	Accident Year Weights	10.0%	15.0%	20.0%	25.0%	30.0%
19 = Sum(18-17)	Projected (Formula Weighted) Loss&ALAE Ratio Excluding All Catastrophes					31.6%
20a	Hurricane Loss & ALAE Ratio					0.0%
20b	Other Catastrophes Loss & ALAE Ratio					18.8%
20c	Permissible Loss & ALAE Ratio Excluding All Catastrophes to yield a Combined Ratio of	89.7%				31.1%
21a	Cat Loss Annual Trend - Prospective					2.0%
21b	Cat Loss Ratio Trend Factor - Prospective					1.000
21c = 13b/5b	NonCat Loss Ratio Trend Factor - Prospective					1.047
22a = (1+(21b))*(20a)	Trended Hurricane Loss & ALAE Ratio					0.0%
22b = (1+(21b))*(20b)	Trended Other Catastrophes Loss & ALAE Ratio					18.8%
22c = (1+(21c))*(20c)	Trended Permissible Loss & ALAE Ratio Excluding All Catastrophes					32.6%
23a	Fixed Expense					14.1%
23b	Variable Expense(incl Profit)					36.0%
24a	Earned House Years	57	55	67	83	101
24b	Credibility					12.0%
25	Credibility-Adjusted Loss & ALAE Ratio Excluding All Catastrophes					32.5%
26 =	Indicated Rate Change					<b>2.1%</b>
(25+22a+22b+23a) / (1-23b)-1						

**Arkansas Homeowners - All Companies Combined**  
**Tenant Form Rate Indication for Rates Effective 2/10/11**  
**Dollars in Thousands**

		<b>Accident Year Ending:</b>				
		<u>09/30/06</u>	<u>09/30/07</u>	<u>09/30/08</u>	<u>09/30/09</u>	<u>09/30/10</u>
1	Earned Premium	62	59	62	63	85
2	Current Rate Level Factor	1.004	1.000	0.999	0.975	0.970
3 = 1-2	Premium at CRL	62	59	62	62	83
4a	Annual Premium Trend - Retrospective	2.0%	2.0%	2.0%	2.0%	2.0%
5a	Premium Trend Factor - Retrospective	1.082	1.061	1.040	1.020	1.000
4b	Annual Premium Trend - Prospective	0.0%	0.0%	0.0%	0.0%	0.0%
5b	Premium Trend Factor - Prospective	1.000	1.000	1.000	1.000	1.000
6 = 3-5a-5b	Trended Premium	68	63	65	63	83
7	Incurred Loss Evaluated @ 9/30/10	19	2	3	0	1
8	Catastrophe Incurred Losses	0	0	0	0	0
9 = 7-8	Non-Cat Incurred Losses	19	2	3	0	1
10	Loss Development Factor:	1.000	1.000	0.995	0.972	1.007
11 = 9-10	Estim. Ultimate Incurred Loss Non-Cat	19	2	3	0	1
12a	Est. Annual Loss Trend - Retrospective	1.0%	1.0%	1.0%	1.0%	1.0%
13a	Loss Trend Factor - Retrospective	1.041	1.030	1.020	1.010	1.000
12b	Est. Annual Loss Trend - Prospective	3.0%	3.0%	3.0%	3.0%	3.0%
13b	Loss Trend Factor - Prospective	1.057	1.057	1.057	1.057	1.057
14 = 13a-12b-11	Trended Incurred Losses	21	2	3	0	1
15	ALAE (% of Loss)	2.1%	2.1%	2.1%	2.1%	2.1%
16 = (1.00 +15)-14	Trended Loss & ALAE	22	3	3	0	1
17 = 16÷6	Projected Loss & ALAE Ratio	32.4%	4.0%	4.3%	0.0%	1.7%
18	Accident Year Weights	10.0%	15.0%	20.0%	25.0%	30.0%
19 = Sum(18-17)	Projected (Formula Weighted) Loss&ALAE Ratio Excluding All Catastrophes					5.2%
20a	Hurricane Loss & ALAE Ratio					0.0%
20b	Other Catastrophes Loss & ALAE Ratio					18.8%
20c	Permissible Loss & ALAE Ratio Excluding All Catastrophes to yield a Combined Ratio of	89.7%				31.1%
21a	Cat Loss Annual Trend - Prospective					2.0%
21b	Cat Loss Ratio Trend Factor - Prospective					1.038
21c = 13b/5b	NonCat Loss Ratio Trend Factor - Prospective					1.057
22a = (1+(21b))*(20a)	Trended Hurricane Loss & ALAE Ratio					0.0%
22b = (1+(21b))*(20b)	Trended Other Catastrophes Loss & ALAE Ratio					19.5%
22c = (1+(21c))*(20c)	Trended Permissible Loss & ALAE Ratio Excluding All Catastrophes					32.9%
23a	Fixed Expense					14.1%
23b	Variable Expense(incl Profit)					36.0%
24a	Earned House Years	206	194	188	186	254
24b	Credibility					20.3%
25	Credibility-Adjusted Loss & ALAE Ratio Excluding All Catastrophes					27.3%
26 =	Indicated Rate Change					<b>-4.9%</b>
(25+22a+22b+23a) / (1-23b)-1						

**HO Premium Trend Analysis (Average On-Level Premium Method)**  
**State AR**

<b>Earned Premium at Current Rate Level</b>			
AY-QTR Ending	OWN	CON	TEN
2006Q3	6,266,847	23,143	63,984
2006Q4	6,189,560	21,423	62,819
2007Q1	6,119,390	20,553	61,940
2007Q2	6,083,095	21,423	61,169
2007Q3	6,086,701	22,081	60,493
2007Q4	6,136,436	23,369	59,847
2008Q1	6,212,784	24,847	60,394
2008Q2	6,291,052	26,951	62,485
2008Q3	6,333,321	29,134	63,929
2008Q4	6,372,958	32,113	65,119
2009Q1	6,423,683	35,250	63,996
2009Q2	6,503,524	38,722	63,229
2009Q3	6,668,474	42,208	63,444
2009Q4	6,939,985	45,354	65,451
2010Q1	7,280,260	48,286	70,996
2010Q2	7,707,573	50,429	76,764
2010Q3	8,197,535	52,974	84,901

<b>Earned House Years</b>			
AY-QTR Ending	OWN	CON	TEN
2006Q3	7,136	57	206
2006Q4	7,013	54	202
2007Q1	6,905	52	198
2007Q2	6,831	53	196
2007Q3	6,799	55	194
2007Q4	6,832	58	192
2008Q1	6,904	61	190
2008Q2	7,006	65	190
2008Q3	7,129	67	188
2008Q4	7,263	70	186
2009Q1	7,421	74	183
2009Q2	7,605	77	183
2009Q3	7,852	83	186
2009Q4	8,200	87	196
2010Q1	8,604	92	212
2010Q2	9,095	96	230
2010Q3	9,655	101	254

<b>Average Earned Premium at Current Rate Level</b>			
AY-QTR Ending	OWN	CON	TEN
2006Q3	878	403	310
2006Q4	883	397	311
2007Q1	886	395	313
2007Q2	891	401	313
2007Q3	895	401	312
2007Q4	898	405	312
2008Q1	900	408	318
2008Q2	898	416	329
2008Q3	888	435	340
2008Q4	877	456	350
2009Q1	866	479	349
2009Q2	855	500	346
2009Q3	849	510	341
2009Q4	846	519	334
2010Q1	846	523	334
2010Q2	847	526	334
2010Q3	849	525	334

<b>Year Over Year</b>			
Latest 4 Quarters Ending	OWN	CON	TEN
2007Q3	1.9%	-0.4%	0.5%
2008Q3	-0.8%	8.2%	9.0%
2009Q3	-4.4%	17.3%	0.5%
2010Q3	0.0%	3.0%	-2.2%
Latest 4 Year	-0.8%	6.8%	1.9%
Latest 3 Year	-1.8%	9.4%	2.3%
Latest 2 Year	-2.2%	9.9%	-0.9%

<b>Fitted Annual Premium Trend*</b>			
4 Year Trend	-1.5%	9.3%	2.7%
3 Year Trend	-2.5%	11.6%	2.2%
2 Year Trend	-2.3%	9.8%	-2.1%
1 Year Trend	0.0%	2.9%	-1.7%

\* Log Fit

<b>Selected Trends</b>			
Retrospective	-2.5%	7%	2%
Prospective	0.0%	2%	0%

**Hanover Property and Casualty Insurance Companies**

AR

Homeowners - Owners Form + Sewer/Sump Endorsement, Data Net of Cats

Direct Case Incurred Losses (000)

Acc. Yr. Ending	Actual Data as of:									
	12 mos.	24 mos.	36 mos.	48 mos.	60 mos.	72 mos.	84 mos.	96 mos.	108 mos.	120 mos.
200109	1,024,441	1,009,938	1,019,136	1,018,136	1,019,297	1,019,297	1,019,297	1,019,297	1,019,297	1,019,297
200209	1,606,519	1,687,847	1,704,043	1,704,060	1,703,889	1,703,889	1,703,889	1,703,889	1,703,889	1,703,889
200309	1,777,532	2,236,704	2,215,728	2,213,028	2,216,450	2,220,205	2,220,205	2,220,205	2,220,205	2,220,205
200409	1,562,985	1,568,542	1,575,104	1,594,104	1,596,725	1,609,174	1,609,174			
200509	1,469,412	1,497,577	1,501,151	1,505,490	1,505,490	1,505,490				
200609	3,311,901	2,671,602	2,666,241	2,692,040	2,692,040					
200709	1,550,516	1,733,586	1,782,169	1,673,046						
200809	1,648,553	1,969,802	2,007,669							
200909	4,435,295	5,295,839								
201009	3,367,930									

Acc. Yr.	Link Ratios									
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-Ult.
200109	0.986	1.009	0.999	1.001	1.000	1.000	1.000	1.000	1.000	1.000
200209	1.051	1.010	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
200309	1.258	0.991	0.999	1.002	1.002	1.000	1.000			
200409	1.004	1.004	1.012	1.002	1.008	1.000				
200509	1.019	1.002	1.003	1.000	1.000					
200609	0.807	0.998	1.010	1.000						
200709	1.118	1.028	0.939							
200809	1.195	1.019								
200909	1.194									
201009										

Method	Average Link Ratios									
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-Ult.
3-yr	1.169	1.015	0.984	1.001	1.003	1.000	1.000	1.000	1.000	1.000
5-yr	1.067	1.010	0.992	1.001	1.002	1.000	1.000	1.000	1.000	1.000
all-yr	1.070	1.008	0.994	1.001	1.002	1.000	1.000	1.000	1.000	1.000
all-yr wtd.	1.070	1.007	0.995	1.001	1.002	1.000	1.000	1.000	1.000	1.000
5-yr x/ hi,low	1.110	1.009	1.004	1.001	1.001					
SELECTED	<b>1.110</b>	<b>1.007</b>	<b>0.995</b>	<b>1.001</b>	<b>1.002</b>	<b>1.000</b>	<b>1.000</b>	<b>1.000</b>	<b>1.000</b>	<b>1.000</b>
ULTIMATE	<b>1.115</b>	<b>1.004</b>	<b>0.998</b>	<b>1.003</b>	<b>1.002</b>	<b>1.000</b>	<b>1.000</b>	<b>1.000</b>	<b>1.000</b>	<b>1.000</b>





**ARKANSAS**  
**HOMEOWNERS - HAN OWNERS FORMS EX CATS**

Note: ISO does not exclude CATS from its HO-3 dat:

**FREQUENCY TREND**

4 Qtrs. Ending	Hanover Paid Feature Frequency	Industry Paid Feature Frequency	Percent Difference
6-06	7.83%	9.57%	-18.1%
9-06	8.34%	10.00%	-16.6%
12-06	4.93%	9.92%	-50.3%
3-07	2.74%	9.10%	-69.9%
6-07	2.58%	6.45%	-60.0%
9-07	1.88%	5.92%	-68.2%
12-07	4.96%	5.63%	-11.9%
3-08	5.21%	7.88%	-33.9%
6-08	5.62%	14.85%	-62.1%
9-08	6.17%	16.32%	-62.2%
12-08	6.00%	17.79%	-66.3%
3-09	6.44%	21.83%	-70.5%
6-09	7.59%	16.72%	-54.6%
9-09	8.56%	17.73%	-51.7%
12-09	9.55%	17.32%	-44.9%
3-10	9.29%	11.99%	-22.6%
6-10	8.93%	11.22%	-20.5%
9-10	7.92%		

EXPONENTIAL FIT ANNUAL RATE OF CHANGE		
Period	Hanover	Industry
4 Years	28.3%	21.6%
3 Years	43.2%	37.0%
2 Years	23.4%	-14.3%
Latest Year	-8.5%	-37.8%

**Selected Trends**  
 Retrospective 5.0%  
 Prospective 1.0%

**SEVERITY TREND**

4 Qtrs. Ending	Hanover Average Paid Severity	Industry Average Paid Severity	Percent Difference
6-06	4,303	5,690	-24.4%
9-06	4,746	5,675	-16.4%
12-06	6,328	5,793	9.2%
3-07	8,793	5,889	49.3%
6-07	9,022	6,066	48.7%
9-07	9,120	6,426	41.9%
12-07	5,216	6,530	-20.1%
3-08	5,225	5,904	-11.5%
6-08	4,333	6,176	-29.8%
9-08	4,689	6,338	-26.0%
12-08	4,753	6,453	-26.3%
3-09	5,426	5,703	-4.8%
6-09	6,180	5,571	10.9%
9-09	6,637	5,644	17.6%
12-09	6,833	5,627	21.4%
3-10	6,763	7,195	-6.0%
6-10	6,394	7,524	-15.0%
9-10	5,963		

EXPONENTIAL FIT ANNUAL RATE OF CHANGE		
Period	Hanover	Industry
4 Years	-1.6%	2.8%
3 Years	4.1%	1.8%
2 Years	17.3%	6.1%
Latest Year	-10.6%	40.1%

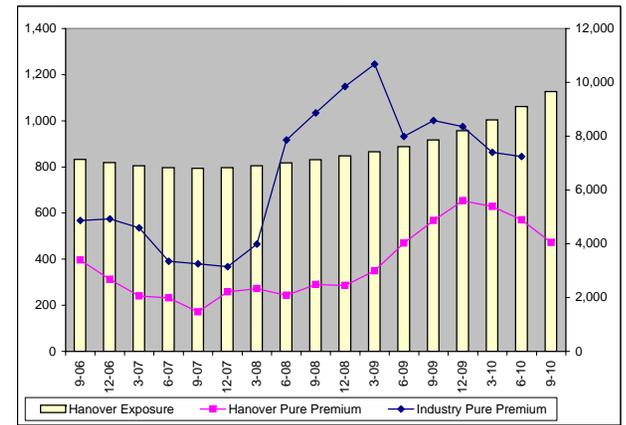
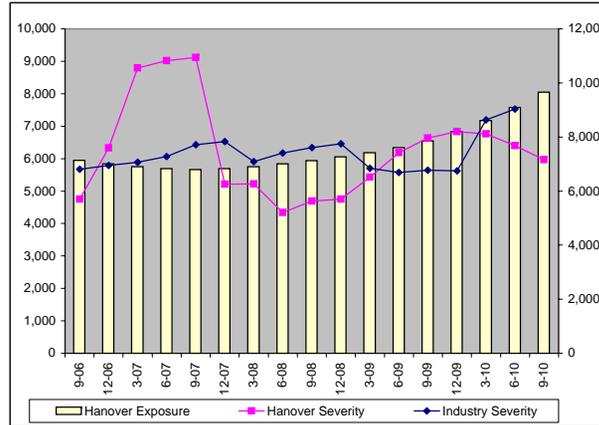
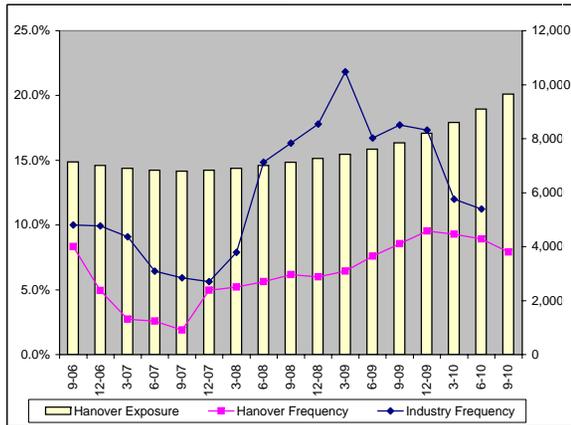
**Selected Trends**  
 Retrospective 2.0%  
 Prospective 3.0%

**PURE PREMIUM TREND**

4 Qtrs. Ending	Hanover Average Pure Premium	Industry Average Pure Premium	Percent Difference
6-06	337	544	-38.1%
9-06	396	568	-30.3%
12-06	312	575	-45.7%
3-07	241	536	-55.1%
6-07	232	391	-40.6%
9-07	172	380	-54.9%
12-07	259	368	-29.6%
3-08	272	465	-41.5%
6-08	244	917	-73.4%
9-08	289	1,034	-72.0%
12-08	285	1,148	-75.1%
3-09	350	1,245	-71.9%
6-09	469	931	-49.7%
9-09	568	1,000	-43.2%
12-09	652	975	-33.1%
3-10	628	863	-27.2%
6-10	571	844	-32.4%
9-10	472		

EXPONENTIAL FIT ANNUAL RATE OF CHANGE		
Period	Hanover	Industry
4 Years	26.3%	25.1%
3 Years	49.1%	39.4%
2 Years	44.7%	-9.0%
Latest Year	-18.2%	-12.9%

**Selected Trends**  
 Retrospective 7.1%  
 Prospective 4.0%



**SOUTHERN  
HOMEOWNERS - CONDO FORM**

**FREQUENCY TREND**

4 Qtrs. Ending	Hanover Paid Feature Frequency	Industry Paid Feature Frequency	Percent Difference
6-06	10.10%	4.90%	106.3%
9-06	7.92%	4.88%	62.1%
12-06	5.65%	3.89%	45.3%
3-07	4.36%	3.59%	21.5%
6-07	4.44%	3.50%	26.7%
9-07	4.51%	3.45%	31.0%
12-07	3.51%	3.44%	2.2%
3-08	3.51%	3.39%	3.5%
6-08	3.55%	3.42%	3.7%
9-08	3.64%	3.63%	0.3%
12-08	4.71%	4.33%	8.8%
3-09	4.69%	4.54%	3.4%
6-09	4.92%	4.66%	5.6%
9-09	4.90%	4.54%	8.1%
12-09	4.12%	3.99%	3.3%
3-10	4.71%	3.93%	19.8%
6-10	4.65%	3.92%	18.6%
9-10	4.98%		

EXPONENTIAL FIT ANNUAL RATE OF CHANGE		
Period	Hanover	Industry
4 Years	-2.7%	0.5%
3 Years	9.8%	8.3%
2 Years	7.2%	4.2%
Latest Year	6.2%	-17.8%

**Selected Trends**  
Retrospective 2.5%  
Prospective 1.5%

**SEVERITY TREND**

4 Qtrs. Ending	Hanover Average Paid Severity	Industry Average Paid Severity	Percent Difference
6-06	3,850	4,190	-8.1%
9-06	4,285	4,021	6.6%
12-06	4,712	4,339	8.6%
3-07	3,747	4,218	-11.2%
6-07	3,309	4,197	-21.1%
9-07	3,419	4,237	-19.3%
12-07	3,952	4,243	-6.9%
3-08	4,198	4,297	-2.3%
6-08	4,643	4,251	9.2%
9-08	4,182	4,196	-0.3%
12-08	3,792	4,272	-11.2%
3-09	4,429	4,389	0.9%
6-09	4,281	4,422	-3.2%
9-09	4,118	4,562	-9.7%
12-09	3,924	4,677	-16.1%
3-10	3,269	4,737	-31.0%
6-10	3,326	4,782	-30.5%
9-10	4,051		

EXPONENTIAL FIT ANNUAL RATE OF CHANGE		
Period	Hanover	Industry
4 Years	-1.9%	3.3%
3 Years	-2.7%	4.6%
2 Years	-7.8%	7.3%
Latest Year	-7.6%	8.1%

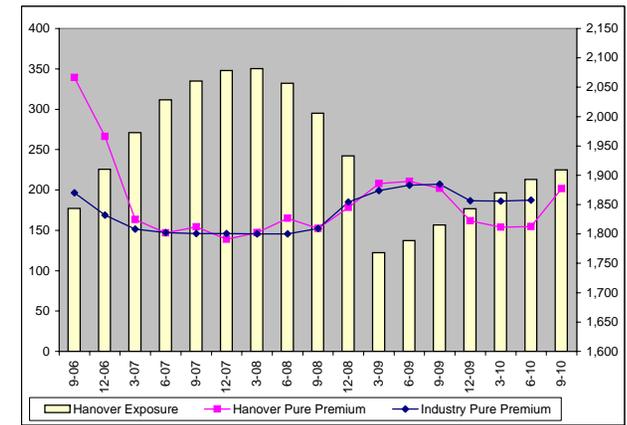
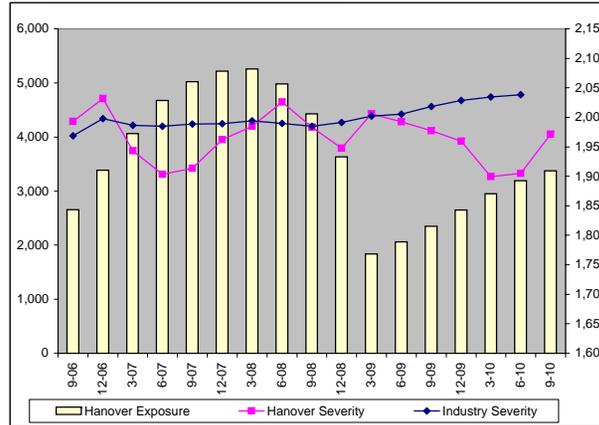
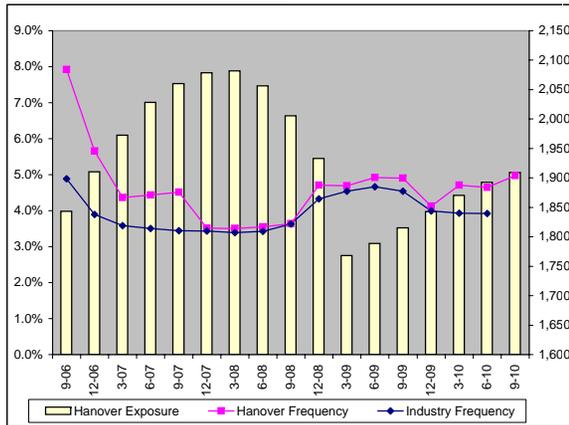
**Selected Trends**  
Retrospective 0.0%  
Prospective 3.0%

**PURE PREMIUM**

4 Qtrs. Ending	Hanover Average Pure Premium	Industry Average Pure Premium	Percent Difference
6-06	389	205	89.6%
9-06	339	196	72.8%
12-06	266	169	57.7%
3-07	163	151	7.9%
6-07	147	147	-0.1%
9-07	154	146	5.7%
12-07	139	146	-4.8%
3-08	147	146	1.1%
6-08	165	146	13.2%
9-08	152	152	-0.1%
12-08	178	185	-3.4%
3-09	208	199	4.3%
6-09	211	206	2.2%
9-09	202	207	-2.5%
12-09	162	187	-13.3%
3-10	154	186	-17.3%
6-10	155	188	-17.6%
9-10	202		

EXPONENTIAL FIT ANNUAL RATE OF CHANGE		
Period	Hanover	Industry
4 Years	-4.6%	3.9%
3 Years	6.8%	13.3%
2 Years	-1.1%	11.8%
Latest Year	-1.9%	-11.1%

**Selected Trends**  
Retrospective 2.5%  
Prospective 4.5%



**SOUTHERN  
HOMEOWNERS - TENANTS FORM**

**FREQUENCY TREND**

4 Qtrs. Ending	Hanover Paid Feature Frequency	Industry Paid Feature Frequency	Percent Difference
6-06	6.18%	3.52%	75.4%
9-06	4.60%	3.52%	30.9%
12-06	2.44%	2.63%	-7.3%
3-07	1.74%	2.44%	-28.6%
6-07	1.54%	2.47%	-37.5%
9-07	1.50%	2.45%	-38.8%
12-07	1.34%	2.49%	-46.3%
3-08	1.67%	2.45%	-31.7%
6-08	1.85%	2.44%	-24.0%
9-08	1.87%	2.65%	-29.5%
12-08	2.43%	3.10%	-21.7%
3-09	2.13%	3.11%	-31.6%
6-09	2.10%	3.12%	-32.8%
9-09	2.20%	2.91%	-24.5%
12-09	1.84%	2.51%	-26.7%
3-10	1.87%	2.53%	-26.0%
6-10	1.77%	2.49%	-29.0%
9-10	1.54%		

EXPONENTIAL FIT ANNUAL RATE OF CHANGE		
Period	Hanover	Industry
4 Years	-5.8%	-2.2%
3 Years	4.9%	3.2%
2 Years	-13.1%	-3.4%
Latest Year	-26.1%	-21.0%

**Selected Trends**  
Retrospective 1.0%  
Prospective 0.0%

**SEVERITY TREND**

4 Qtrs. Ending	Hanover Average Paid Severity	Industry Average Paid Severity	Percent Difference
6-06	3,983	3,807	4.6%
9-06	5,748	3,447	66.8%
12-06	6,188	3,559	73.9%
3-07	8,908	3,407	161.5%
6-07	8,587	3,305	159.8%
9-07	5,674	3,382	67.8%
12-07	6,047	3,336	81.3%
3-08	3,542	3,351	5.7%
6-08	2,787	3,416	-18.4%
9-08	2,676	3,232	-17.2%
12-08	2,624	3,246	-19.2%
3-09	2,512	3,269	-23.2%
6-09	2,302	3,235	-28.8%
9-09	2,481	3,454	-28.2%
12-09	2,537	3,579	-29.1%
3-10	2,399	3,588	-33.1%
6-10	2,377	3,675	-35.3%
9-10	3,263		

EXPONENTIAL FIT ANNUAL RATE OF CHANGE		
Period	Hanover	Industry
4 Years	-27.0%	-0.2%
3 Years	-19.9%	2.7%
2 Years	3.4%	5.9%
Latest Year	21.3%	12.4%

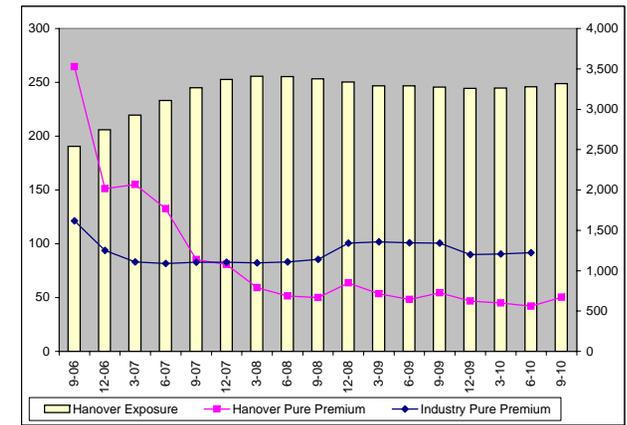
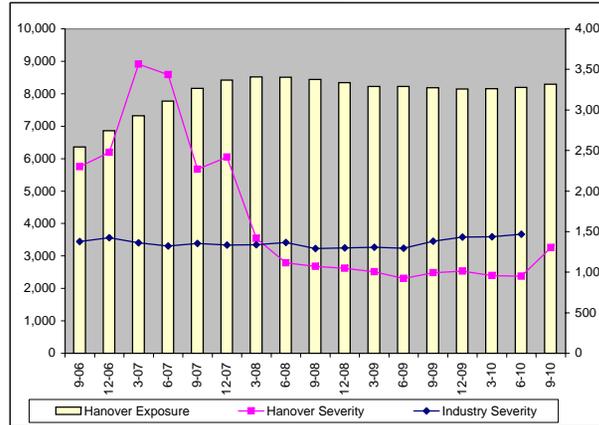
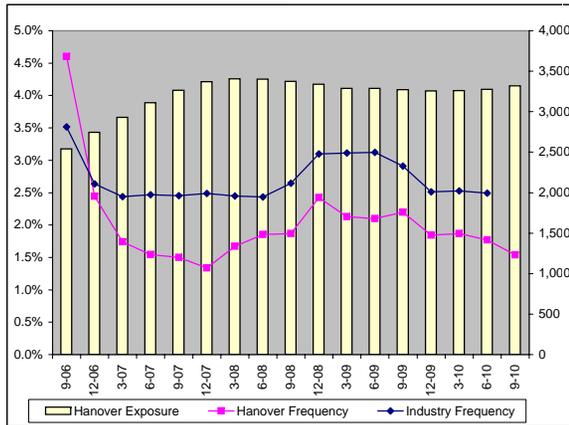
**Selected Trends**  
Retrospective 0.0%  
Prospective 3.0%

**PURE PREMIUM TREND**

4 Qtrs. Ending	Hanover Average Pure Premium	Industry Average Pure Premium	Percent Difference
6-06	246	134	83.5%
9-06	265	121	118.2%
12-06	151	94	61.2%
3-07	155	83	86.6%
6-07	133	82	62.5%
9-07	85	83	2.7%
12-07	81	83	-2.6%
3-08	59	82	-27.8%
6-08	52	83	-38.0%
9-08	50	86	-41.6%
12-08	64	101	-36.7%
3-09	53	102	-47.4%
6-09	48	101	-52.2%
9-09	55	101	-45.7%
12-09	47	90	-48.0%
3-10	45	91	-50.5%
6-10	42	92	-54.1%
9-10	50		

EXPONENTIAL FIT ANNUAL RATE OF CHANGE		
Period	Hanover	Industry
4 Years	-31.3%	-2.4%
3 Years	-16.0%	6.0%
2 Years	-10.2%	2.2%
Latest Year	-10.4%	-11.2%

**Selected Trends**  
Retrospective 1.0%  
Prospective 3.0%



### Arkansas Homeowners Development of Target Loss & ALAE Ratio

Owners Form							
	<u>2007</u>	<u>2008</u>	<u>2009</u>	Average	Selected Provision	% Fixed Expense	% Variable Expense
Commissions	14.8%	14.8%	14.8%	14.8%	14.8%	0%	100%
Contingent Commissions					2.5%	0%	100%
General & Other Acq.	11.7%	11.5%	13.7%	12.3%	10.5%	50%	50%
Taxes, Licenses, and Fees					3.2%	0%	100%
ULAE/Premium	5.5%	8.4%	7.8%	7.2%	7.0%	100%	0%
Profit and Contingency					5.8%	0%	100%
Other Fixed Expense Load					1.9%	100%	0%
Total Fixed Expense						14.1%	
Total Variable Expense							31.5%
Total Expenses					45.6%		
Target Loss & ALAE Ratio					54.4%		
ALAE/Loss	2.2%	2.1%	2.1%	2.1%	2.1%		

### Arkansas Homeowners Development of Target Loss & ALAE Ratio

Condo & Tenants Form							
	<u>2007</u>	<u>2008</u>	<u>2009</u>	Average	Selected Provision	% Fixed Expense	% Variable Expense
Commissions	14.8%	14.8%	14.8%	14.8%	14.8%	0%	100%
Contingent Commissions					2.5%	0%	100%
General & Other Acq.	11.7%	11.5%	13.7%	12.3%	10.5%	50%	50%
Taxes, Licenses, and Fees					3.2%	0%	100%
ULAE/Premium	5.5%	8.4%	7.8%	7.2%	7.0%	100%	0%
Profit and Contingency					9.4%	0%	100%
Other Fixed Expense Load					1.9%	100%	0%
Total Fixed Expense						14.1%	
Total Variable Expense							35.1%
Total Expenses					49.2%		
Target Loss & ALAE Ratio					50.8%		
ALAE/Loss	2.2%	2.1%	2.1%	2.1%	2.1%		

# The Hanover Insurance Group

## Arkansas Homeowners Cat Load and Reinsurance Provision (All Forms)

(1)	(2)	(3)
Full Term Written Premium at 12/2008	Reinsurance Margin	Reinsurance Margin Ratio to Premium
7,579,493	142,171	1.9%

(4)	(5)	(6)	(7)	(8)
AIR Long-Term Hurricane Gross Average Annual Loss	AIR Hurricane Cat Ratio	RMS Long-Term Hurricane Gross Average Annual Loss	RMS Hurricane Cat Ratio	Total Hurricane Cat Ratio
0	0.0%	0	0.0%	0.0%

(9)	(10)
Experience Other Wind Loss	Experience Other Wind Ratio
1,219,436	16.1%

(11)	(12)
Experience Winter Freeze Loss	Experience Winter Freeze Ratio
177,735	2.3%

(13)	(14)
Experience Earthquake Loss	Experience Earthquake Cat Ratio
0	0.0%

(15)
Total Non-Hurricane Cat Ratio
18.4%

### Notes:

$$(3) = (2) / (1)$$

$$(5) = (4) / (1)$$

$$(7) = (6) / (1)$$

$$(8) = .5 * (5) + .5 * (7)$$

$$(10) = (9) / (1)$$

$$(12) = (11) / (1)$$

$$(14) = (13) / (1)$$

$$(15) = (10) + (12) + (14)$$

**EXPLANATORY MEMORANDUM**  
ARKANSAS HOMEOWNERS  
Hanover American Insurance Company  
Mass Bay Insurance Company  
**Effective 02/10/2011 for Renewal Business**

**Overall Rate Change**

Based on the data through the 3<sup>rd</sup> quarter of 2010, the overall indicated change is +16.3% (*Exhibit 1*). We propose to adjust homeowner base rates to achieve an overall increase of 7.0%.

The change by form is included in the chart below:

Form	Proposed Rate Effect
Owners (HO-2/HO-3)	+7.0%
Condo (HO-6)	0.0%
All Forms Combined	+7.0%

**Base Rate Change**

We are increasing base rates for owners by +7.2%. The rate impact associated with this change is +7.0%.

**Overall Indication Description**

**General Philosophy:** Hanover data, within the state of Arkansas, is used whenever possible. If Hanover data, within the state of Arkansas, is not available, then Arkansas industry or Hanover countrywide/regional data may be used in its place.

**Overall Indication:** The following is a detailed explanation of the indication calculation shown in Exhibit 1. The overall indicated rate increase is +16.3%.

**Description of Actuarial Calculations:**

**Data**

The underlying experience is that of the Hanover Insurance Companies. Experience for the most recently available five year review period is on a calendar/accident year basis, as reported under ISO's Personal Lines Statistical Plan (PLSP).

**On-Level Premiums**

Reported premiums are adjusted to current rate level by using the parallelogram method. During the five-year experience period, the following rate changes took place:

Rate Change History	
11/01/05	+6.0%

07/01/06	+2.0%
07/15/07	+5.0%
05/05/08	+3.0%
06/04/2009	+5.0%
01/16/2010	+7.2% (Hanover American and Mass Bay only)
06/04/2010	+3.0% (Hanover American and Mass Bay only)

### **Premium Trend**

The current rate level earned premium and average adjusted earned premium are developed for each of the past 5 accident years, shown in Exhibit 3. Earned house years are used as the exposure base. The fitted premium trend is an exponential fit of the average adjusted earned premium of the past 5 years.

### **Losses**

Actual incurred losses for accident years ending 9/30/06 to 9/30/10 as of 9/30/10 are shown in row 7 of Exhibit 2. Non-hurricane catastrophe losses are displayed and removed in rows 8 and 9 of Exhibit 2. A non-hurricane catastrophe load is added in later.

### **Loss Development**

Arkansas' data was used to select loss development factors and countrywide data is used to select condo and tenant loss development factors (Exhibit 4). Loss development factors are applied to generate the Estimated Ultimate Incurred Loss (row 11, Exhibit 2).

### **Loss Trend Selections**

Loss trend selections (Exhibit 5) were made after reviewing Arkansas, ISO industry and Hanover loss data.

### **Non-Hurricane Catastrophe Losses**

Based on most up to date catastrophe model information, a non-hurricane catastrophe load of 22.5%, which translates to a catastrophes loss and ALAE ratio of 22.9%, is established for Arkansas (row 20b, Exhibit 2). For a detailed calculation of the non-hurricane catastrophe load, please refer to Exhibit 7.

### **Five-Year Projected Loss and LAE ratio**

The 5-Year Projected Loss and LAE ratio results from using the standard 10%, 15%, 20%, 25%, and 30% weights by accident year (row 18, Exhibit 2).

### **Credibility**

We use classic credibility. The full credibility standard during the five-year experience period is 40,000 exposures for Owners; 25,000 exposures for Condo & Tenant.

### **Permissible Loss Ratio**

Exhibit 6 shows selected expense provisions. Prospective Arkansas Homeowners commission rates, General and Other Acquisition expenses, and ULAE/premium ratio were selected. Expected Arkansas Taxes, Licenses, & Fees were calculated based on ISO's expense circular.

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

1.	This filing transmittal is part of Company Tracking #	AR55659CG00001
2.	If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number	N/A

Company Name		Company NAIC Number	
3.	A. Hanover American Insurance Company	B.	0088-36064

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. 4.0000	B.	4.0000

5.

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	FOR LOSS COSTS ONLY			
			(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)
HO 2,3	16.5%	7.0%				
HO 4	N/A	N/A				
HO 6	-1.4%	0.0%				
TOTAL OVERALL EFFECT	16.3%	7.0%				

6. 5 Year History Rate Change History

Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
2005	1,466	5.2%	11/1/2005	\$943	\$220	23.4%	217.1%
2006	2,024	2.2%	7/1/2006	\$1,273	\$894	70.2%	95.0%
2007	2,830	4.0%	7/15/2007	\$1,895	\$859	45.3%	33.3%
2008	4,136	3.0%	5/05/2008	\$2,595	\$2,338	90.1%	138.5%
2009	4,750	5.0%	6/04/2009	\$3,695	\$3,706	100.3%	135.8%
201006	4,418	7.2%	1/16/2010	\$3,886	\$2,710	69.7%	140.7%
201006	4,418	2.7%	6/04/2010	\$3,886	\$2,710	69.7%	140.7%

7.

Expense Constants	Selected Provisions
A. Total Production Expense	17.3%
B. General Expense	10.5%
C. Taxes, License & Fees	3.2%
D. Underwriting Profit & Contingencies	5.9%
E. Other (explain)	0.0%
F. TOTAL	36.9%

8. N Apply Lost Cost Factors to Future filings? (Y or N)
9. 14.8% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): N/A
10. 0.0% Estimated Maximum Rate Decrease for any Insured (%). Territory (if applicable): N/A

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

1.	This filing transmittal is part of Company Tracking #	AR55659CG00001
2.	If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number	N/A

Company Name		Company NAIC Number	
3.	A. Massachusetts Bay Insurance Company	B.	0088-22306

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. 4.0000	B.	4.0000

5.

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	FOR LOSS COSTS ONLY			
			(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)
HO 2,3	16.5%	6.9%				
HO 4	N/A	N/A				
HO 6	-1.4%	0.0%				
TOTAL OVERALL EFFECT	16.3%	6.9%				

6. 5 Year History Rate Change History

Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
2005	4,630	5.7%	11/1/2005	\$3,249	\$926	28.5%	106.1%
2006	3,817	2.0%	7/1/2006	\$3,105	\$4,997	160.9%	69.2%
2007	3,373	4.8%	7/15/2007	\$2,751	\$883	32.1%	34.5%
2008	2,868	3.0%	5/05/2008	\$2,399	\$2,182	90.9%	55.8%
2009	2,265	5.0%	6/04/2009	\$2,265	\$2,198	97.0%	50.8%
201006	2,064	7.2%	1/16/2010	\$2,178	\$1,470	67.5%	49.8%
201006	2,064	3.4%	6/04/2010	\$2,178	\$1,470	67.5%	49.8%

7.

Expense Constants	Selected Provisions
A. Total Production Expense	17.3%
B. General Expense	10.5%
C. Taxes, License & Fees	3.2%
D. Underwriting Profit & Contingencies	5.9%
E. Other (explain)	0.0%
F. TOTAL	36.9%

8. N Apply Lost Cost Factors to Future filings? (Y or N)
9. 11.3% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): N/A
10. 0.0% Estimated Maximum Rate Decrease for any Insured (%). Territory (if applicable): N/A

# Arkansas Homeowners Cat Modeling Objection Response

## MB/HA Filing, 01/03/11 Objection

**Objection:** I was unable to discern a revision to the RF-1. They still show 7.2% as the maximum change, while the rate schedule tab indicates 14.8% and 11.8% for Hanover American and Mass Bay respectively. Which is correct?

**Response:**

In response to your objection, we have reviewed our documents and eliminated the discrepancy in the maximum rate change amounts on the RF-1 forms. The correct values are 14.8% and 11.3% for Hanover American and Mass Bay, respectively. Please refer to the revised RF-1 for Hanover American and Massachusetts Bay Insurance Company.

In reviewing our re-rating process to ensure the accuracy of these maximum amounts, we did correct one error. The impact of this was minimal but the rate schedule tab was revised accordingly.

Since we are proposing a base rate increase only, of 7.2% in total, the % increases above this amount warrant an explanation. The higher maximum rate increases are for policies that have hit the maximum credit amounts on file for this program – either the \$ deductible credit cap or the % credit cap in place for all other credits (non-deductible). As the base rates for these policies are increased, the discounts are not being increased at the same rate which is what amplifies the overall increase. The following is provided as an illustrative example.

	Prior	Proposed	% Increase
<b>Base Premium</b>	\$ 1,300	\$ 1,394	7.2%
<b>Discounts</b>	\$ (400)	\$ (400)	
<b>Total Premium</b>	\$ 900	\$ 994	10.4%

SERFF Tracking Number: HNVX-G126916511 State: Arkansas  
 First Filing Company: Hanover American Insurance Company, ... State Tracking Number: EFT \$150  
 Company Tracking Number: AR55659CG00001  
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations  
 Product Name: \*PLnon- PL non-group  
 Project Name/Number: \*PLnon- PL non-group/AR55659CG00001

## Superseded Schedule Items

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

Creation Date:	Schedule	Schedule Item Name	Replacement Creation Date	Attached Document(s)
12/01/2010	Supporting Document	Actuarial Support	12/13/2010	Actuarial Support.PDF (Superseded)
12/20/2010	Supporting Document	NAIC loss cost data entry document	01/04/2011	AR rate filing abstract HanAmer Final 20110210.PDF (Superseded) AR rate filing abstract MB Final 20110210 - revised.PDF (Superseded)
12/01/2010	Supporting Document	NAIC loss cost data entry document	12/20/2010	AR rate filing abstract HanAmer Final 20110210.PDF (Superseded) AR rate filing abstract MB Final 20110210.PDF (Superseded)

**Arkansas**  
**Homeowners - All Companies Combined**  
**Rate Indication for Rates Effective 2/10/11 - Summary Exhibit**

	Selected Retrospective	Selected Prospective	Selected Retrospective	Selected Prospective	Underwriting Profit <u>Provision</u>	Non-CAT Target Loss & ALAE <u>Ratio</u>	Modeled Cats Loss & ALAE <u>Ratio</u>	<u>Indication</u>
Homeowners	<u>Annual Loss Trend</u> 7.1%	<u>Annual Loss Trend</u> 4.0%	<u>Annual Premium Trend</u> -2.5%	<u>Annual Premium Trend</u> 0.0%	5.8%	31.5%	22.9%	16.5%
Condo	2.5%	4.5%	7.0%	2.0%	9.4%	27.8%	22.9%	2.5%
<u>Tenant</u>	<u>1.0%</u>	<u>3.0%</u>	<u>2.0%</u>	<u>0.0%</u>	<u>9.4%</u>	<u>27.8%</u>	<u>22.9%</u>	<u>-3.8%</u>
Condo and Tenant	1.6%	3.6%	3.9%	0.8%	9.4%	27.8%	22.9%	-1.4%
Total	7.0%	4.0%	-2.4%	0.0%	5.9%	31.4%	22.9%	16.3%

**Arkansas Homeowners - All Companies Combined**  
**Homeowners Form Rate Indication for Rates Effective 2/10/11**  
**Dollars in Thousands**

		Accident Year Ending:				
		<u>09/30/2006</u>	<u>09/30/2007</u>	<u>09/30/2008</u>	<u>09/30/2009</u>	<u>09/30/2010</u>
1a	Earned Premium	5,179	5,272	5,690	6,229	8,133
1b	Endorsement Premium	231	229	235	273	373
2	Current Rate Level Factor - Owners	1.306	1.244	1.197	1.153	1.088
3 = (1a-1b)-(2) + 1b	Premium at CRL	6,691	6,503	6,764	7,137	8,816
4a	Annual Premium Trend - Retrospective	-2.5%	-2.5%	-2.5%	-2.5%	-2.5%
5a	Premium Trend Factor - Retrospective	0.904	0.927	0.951	0.975	1.000
4b	Annual Premium Trend - Prospective	0.0%	0.0%	0.0%	0.0%	0.0%
5b	Premium Trend Factor - Prospective	1.001	1.001	1.001	1.001	1.001
6 = 3-5a-5b	Trended Premium	6,052	6,032	6,435	6,964	8,821
7	Incurred Loss Evaluated @ 9/30/10	7,501	2,180	5,596	6,736	3,731
8	Catastrophe Incurred Losses	4,872	583	3,805	4,329	379
9a = 7-8	Non-Cat Incurred Losses	2,629	1,597	1,790	2,407	3,352
9b	Non-Cat Non-Wind/Hail Incurred Losses	0	1,475	1,142	0	1,655
9c	Non-Cat Non-Wind/Hail Incurred Large Losses	0	692	0	0	487
9d=9c/(9b-9c)	Non-Cat Non-Wind/Hail Large to Small Ratio	-	0.883	-	-	0.417
9e	Non-Cat Non-Wind/Hail Normal Large to Small Ratio	0.413	0.413	0.413	0.413	0.413
9f	Non-Cat Non-Wind/Hail Excess Large to Small Ratio	1.032	1.032	1.032	1.032	1.032
9g=(9b-9c)x[1+min(9d,9e)]x9	Adjusted Non-Cat Non-Wind/Hail Incurred Losses	0	1,142	1,179	0	1,703
9=9a-9b+9d	Adjusted Non-Cat Incurred Losses	2,629	1,264	1,827	2,407	3,400
10	Loss Development Factor:	1.002	1.003	0.998	1.004	1.115
11 = 9-10	Est. Ultimate Incurred Loss Non-Cat	2,635	1,268	1,823	2,417	3,792
12a	Est. Annual Loss Trend - Retrospective	7.1%	7.1%	7.1%	7.1%	7.1%
13a	Loss Trend Factor - Retrospective	1.316	1.229	1.147	1.071	1.000
12b	Est. Annual Loss Trend - Prospective	4.0%	4.0%	4.0%	4.0%	4.0%
13b	Loss Trend Factor - Prospective	1.076	1.076	1.076	1.076	1.076
14 = 13a-12b-11	Trended Incurred Losses	3,732	1,677	2,251	2,786	4,082
15	ALAE (% of Loss)	2.1%	2.1%	2.1%	2.1%	2.1%
16 = (1.00 +15)-14	Trended Loss & ALAE	3,811	1,712	2,298	2,845	4,168
17 = 16÷6	Projected Loss & ALAE Ratio	63.0%	28.4%	35.7%	40.9%	47.2%
18	Accident Year Weights	10.0%	15.0%	20.0%	25.0%	30.0%
19 = Sum(18-17)	Projected (Formula Weighted) Loss&ALAE Ratio Excluding All Catastrophes					42.1%
20a	Hurricane Loss & ALAE Ratio					0.0%
20b	Other Catastrophes Loss & ALAE Ratio					22.9%
20c	Permissible Loss & ALAE Ratio Excluding All Catastrophes to yield a Combined Ratio of	94.2%				31.5%
21a	Cat Loss Annual Trend - Prospective					2.0%
21b	Cat Loss Ratio Trend Factor - Prospective					1.037
21c = 13b/5b	NonCat Loss Ratio Trend Factor - Prospective					1.076
22a = (1+(21b))*(20a)	Trended Hurricane Loss & ALAE Ratio					0.0%
22b = (1+(21b))*(20b)	Trended Other Catastrophes Loss & ALAE Ratio					23.8%
22c = (1+(21c))*(20c)	Trended Permissible Loss & ALAE Ratio Excluding All Catastrophes					33.8%
23a	Fixed Expense					14.1%
23b	Variable Expense(incl Profit)					31.5%
24a	Earned House Years	7,136	6,799	7,129	7,852	9,655
24b	Credibility					98.2%
25	Credibility-Adjusted Loss & ALAE Ratio Excluding All Catastrophes					41.9%
26 =	Indicated Rate Change					<b>16.5%</b>
(25+22a+22b+23a) / (1-23b)-1						

**Arkansas Homeowners - All Companies Combined**  
**Condominium Form Rate Indication for Rates Effective 2/10/11**  
**Dollars in Thousands**

		<b>Accident Year Ending:</b>				
		<u>09/30/06</u>	<u>09/30/07</u>	<u>09/30/08</u>	<u>09/30/09</u>	<u>09/30/10</u>
1	Earned Premium	23	23	29	42	53
2	Current Rate Level Factor	0.984	0.952	0.992	0.996	0.992
3 = 1-2	Premium at CRL	23	22	29	42	53
4a	Annual Premium Trend - Retrospective	7.0%	7.0%	7.0%	7.0%	7.0%
5a	Premium Trend Factor - Retrospective	1.311	1.225	1.145	1.070	1.000
4b	Annual Premium Trend - Prospective	2.0%	2.0%	2.0%	2.0%	2.0%
5b	Premium Trend Factor - Prospective	1.038	1.038	1.038	1.038	1.038
6 = 3-5a-5b	Trended Premium	31	28	34	47	55
7	Incurred Loss Evaluated @ 9/30/10	4	23	0	5	18
8	Catastrophe Incurred Losses	0	0	0	0	0
9 = 7-8	Non-Cat Incurred Losses	4	23	0	5	18
10	Loss Development Factor:	1.000	1.000	0.998	0.994	1.088
11 = 9-10	Estim. Ultimate Incurred Loss Non-Cat	4	23	0	5	20
12a	Est. Annual Loss Trend - Retrospective	2.5%	2.5%	2.5%	2.5%	2.5%
13a	Loss Trend Factor - Retrospective	1.104	1.077	1.051	1.025	1.000
12b	Est. Annual Loss Trend - Prospective	4.5%	4.5%	4.5%	4.5%	4.5%
13b	Loss Trend Factor - Prospective	1.086	1.086	1.086	1.086	1.086
14 = 13a-12b-11	Trended Incurred Losses	5	27	0	6	21
15	ALAE (% of Loss)	2.1%	2.1%	2.1%	2.1%	2.1%
16 = (1.00 +15)-14	Trended Loss & ALAE	5	28	0	6	22
17 = 16÷6	Projected Loss & ALAE Ratio	15.8%	99.4%	0.0%	12.9%	39.7%
18	Accident Year Weights	10.0%	15.0%	20.0%	25.0%	30.0%
19 = Sum(18-17)	Projected (Formula Weighted) Loss&ALAE Ratio Excluding All Catastrophes					31.6%
20a	Hurricane Loss & ALAE Ratio					0.0%
20b	Other Catastrophes Loss & ALAE Ratio					22.9%
20c	Permissible Loss & ALAE Ratio Excluding All Catastrophes to yield a Combined Ratio of	90.6%				27.8%
21a	Cat Loss Annual Trend - Prospective					2.0%
21b	Cat Loss Ratio Trend Factor - Prospective					1.000
21c = 13b/5b	NonCat Loss Ratio Trend Factor - Prospective					1.047
22a = (1+(21b))*(20a)	Trended Hurricane Loss & ALAE Ratio					0.0%
22b = (1+(21b))*(20b)	Trended Other Catastrophes Loss & ALAE Ratio					22.9%
22c = (1+(21c))*(20c)	Trended Permissible Loss & ALAE Ratio Excluding All Catastrophes					29.2%
23a	Fixed Expense					14.1%
23b	Variable Expense(incl Profit)					35.1%
24a	Earned House Years	57	55	67	83	101
24b	Credibility					12.0%
25	Credibility-Adjusted Loss & ALAE Ratio Excluding All Catastrophes					29.5%
26 =	Indicated Rate Change					<b>2.5%</b>
(25+22a+22b+23a) / (1-23b)-1						

**Arkansas Homeowners - All Companies Combined**  
**Tenant Form Rate Indication for Rates Effective 2/10/11**  
**Dollars in Thousands**

		Accident Year Ending:				
		<u>09/30/06</u>	<u>09/30/07</u>	<u>09/30/08</u>	<u>09/30/09</u>	<u>09/30/10</u>
1	Earned Premium	62	59	62	63	85
2	Current Rate Level Factor	1.004	1.000	0.999	0.975	0.970
3 = 1-2	Premium at CRL	62	59	62	62	83
4a	Annual Premium Trend - Retrospective	2.0%	2.0%	2.0%	2.0%	2.0%
5a	Premium Trend Factor - Retrospective	1.082	1.061	1.040	1.020	1.000
4b	Annual Premium Trend - Prospective	0.0%	0.0%	0.0%	0.0%	0.0%
5b	Premium Trend Factor - Prospective	1.000	1.000	1.000	1.000	1.000
6 = 3-5a-5b	Trended Premium	68	63	65	63	83
7	Incurred Loss Evaluated @ 9/30/10	19	2	3	0	1
8	Catastrophe Incurred Losses	0	0	0	0	0
9 = 7-8	Non-Cat Incurred Losses	19	2	3	0	1
10	Loss Development Factor:	1.000	1.000	0.995	0.972	1.007
11 = 9-10	Estim. Ultimate Incurred Loss Non-Cat	19	2	3	0	1
12a	Est. Annual Loss Trend - Retrospective	1.0%	1.0%	1.0%	1.0%	1.0%
13a	Loss Trend Factor - Retrospective	1.041	1.030	1.020	1.010	1.000
12b	Est. Annual Loss Trend - Prospective	3.0%	3.0%	3.0%	3.0%	3.0%
13b	Loss Trend Factor - Prospective	1.057	1.057	1.057	1.057	1.057
14 = 13a-12b-11	Trended Incurred Losses	21	2	3	0	1
15	ALAE (% of Loss)	2.1%	2.1%	2.1%	2.1%	2.1%
16 = (1.00 +15)-14	Trended Loss & ALAE	22	3	3	0	1
17 = 16÷6	Projected Loss & ALAE Ratio	32.4%	4.0%	4.3%	0.0%	1.7%
18	Accident Year Weights	10.0%	15.0%	20.0%	25.0%	30.0%
19 = Sum(18-17)	Projected (Formula Weighted) Loss&ALAE Ratio Excluding All Catastrophes					5.2%
20a	Hurricane Loss & ALAE Ratio					0.0%
20b	Other Catastrophes Loss & ALAE Ratio					22.9%
20c	Permissible Loss & ALAE Ratio Excluding All Catastrophes to yield a Combined Ratio of	90.6%				27.8%
21a	Cat Loss Annual Trend - Prospective					2.0%
21b	Cat Loss Ratio Trend Factor - Prospective					1.038
21c = 13b/5b	NonCat Loss Ratio Trend Factor - Prospective					1.057
22a = (1+(21b))*(20a)	Trended Hurricane Loss & ALAE Ratio					0.0%
22b = (1+(21b))*(20b)	Trended Other Catastrophes Loss & ALAE Ratio					23.8%
22c = (1+(21c))*(20c)	Trended Permissible Loss & ALAE Ratio Excluding All Catastrophes					29.4%
23a	Fixed Expense					14.1%
23b	Variable Expense(incl Profit)					35.1%
24a	Earned House Years	206	194	188	186	254
24b	Credibility					20.3%
25	Credibility-Adjusted Loss & ALAE Ratio Excluding All Catastrophes					24.5%
26 =	Indicated Rate Change					<b>-3.8%</b>
(25+22a+22b+23a) / (1-23b)-1						

**HO Premium Trend Analysis (Average On-Level Premium Method)**  
**State AR**

<b>Earned Premium at Current Rate Level</b>			
AY-QTR Ending	OWN	CON	TEN
2006Q3	6,266,847	23,143	63,984
2006Q4	6,189,560	21,423	62,819
2007Q1	6,119,390	20,553	61,940
2007Q2	6,083,095	21,423	61,169
2007Q3	6,086,701	22,081	60,493
2007Q4	6,136,436	23,369	59,847
2008Q1	6,212,784	24,847	60,394
2008Q2	6,291,052	26,951	62,485
2008Q3	6,333,321	29,134	63,929
2008Q4	6,372,958	32,113	65,119
2009Q1	6,423,683	35,250	63,996
2009Q2	6,503,524	38,722	63,229
2009Q3	6,668,474	42,208	63,444
2009Q4	6,939,985	45,354	65,451
2010Q1	7,280,260	48,286	70,996
2010Q2	7,707,573	50,429	76,764
2010Q3	8,197,535	52,974	84,901

<b>Earned House Years</b>			
AY-QTR Ending	OWN	CON	TEN
2006Q3	7,136	57	206
2006Q4	7,013	54	202
2007Q1	6,905	52	198
2007Q2	6,831	53	196
2007Q3	6,799	55	194
2007Q4	6,832	58	192
2008Q1	6,904	61	190
2008Q2	7,006	65	190
2008Q3	7,129	67	188
2008Q4	7,263	70	186
2009Q1	7,421	74	183
2009Q2	7,605	77	183
2009Q3	7,852	83	186
2009Q4	8,200	87	196
2010Q1	8,604	92	212
2010Q2	9,095	96	230
2010Q3	9,655	101	254

<b>Average Earned Premium at Current Rate Level</b>			
AY-QTR Ending	OWN	CON	TEN
2006Q3	878	403	310
2006Q4	883	397	311
2007Q1	886	395	313
2007Q2	891	401	313
2007Q3	895	401	312
2007Q4	898	405	312
2008Q1	900	408	318
2008Q2	898	416	329
2008Q3	888	435	340
2008Q4	877	456	350
2009Q1	866	479	349
2009Q2	855	500	346
2009Q3	849	510	341
2009Q4	846	519	334
2010Q1	846	523	334
2010Q2	847	526	334
2010Q3	849	525	334

<b>Year Over Year</b>			
Latest 4 Quarters Ending	OWN	CON	TEN
2007Q3	1.9%	-0.4%	0.5%
2008Q3	-0.8%	8.2%	9.0%
2009Q3	-4.4%	17.3%	0.5%
2010Q3	0.0%	3.0%	-2.2%
Latest 4 Year	-0.8%	6.8%	1.9%
Latest 3 Year	-1.8%	9.4%	2.3%
Latest 2 Year	-2.2%	9.9%	-0.9%

<b>Fitted Annual Premium Trend*</b>			
4 Year Trend	-1.5%	9.3%	2.7%
3 Year Trend	-2.5%	11.6%	2.2%
2 Year Trend	-2.3%	9.8%	-2.1%
1 Year Trend	0.0%	2.9%	-1.7%

\* Log Fit

<b>Selected Trends</b>			
Retrospective	-2.5%	7%	2%
Prospective	0.0%	2%	0%

**Hanover Property and Casualty Insurance Companies**

AR

Homeowners - Owners Form + Sewer/Sump Endorsement, Data Net of Cats

Direct Case Incurred Losses (000)

Acc. Yr. Ending	Actual Data as of:									
	12 mos.	24 mos.	36 mos.	48 mos.	60 mos.	72 mos.	84 mos.	96 mos.	108 mos.	120 mos.
200109	1,024,441	1,009,938	1,019,136	1,018,136	1,019,297	1,019,297	1,019,297	1,019,297	1,019,297	1,019,297
200209	1,606,519	1,687,847	1,704,043	1,704,060	1,703,889	1,703,889	1,703,889	1,703,889	1,703,889	1,703,889
200309	1,777,532	2,236,704	2,215,728	2,213,028	2,216,450	2,220,205	2,220,205	2,220,205	2,220,205	2,220,205
200409	1,562,985	1,568,542	1,575,104	1,594,104	1,596,725	1,609,174	1,609,174			
200509	1,469,412	1,497,577	1,501,151	1,505,490	1,505,490	1,505,490				
200609	3,311,901	2,671,602	2,666,241	2,692,040	2,692,040					
200709	1,550,516	1,733,586	1,782,169	1,673,046						
200809	1,648,553	1,969,802	2,007,669							
200909	4,435,295	5,295,839								
201009	3,367,930									

Acc. Yr.	Link Ratios									
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-Ult.
200109	0.986	1.009	0.999	1.001	1.000	1.000	1.000	1.000	1.000	1.000
200209	1.051	1.010	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
200309	1.258	0.991	0.999	1.002	1.002	1.000	1.000			
200409	1.004	1.004	1.012	1.002	1.008	1.000				
200509	1.019	1.002	1.003	1.000	1.000					
200609	0.807	0.998	1.010	1.000						
200709	1.118	1.028	0.939							
200809	1.195	1.019								
200909	1.194									
201009										

Method	Average Link Ratios									
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-Ult.
3-yr	1.169	1.015	0.984	1.001	1.003	1.000	1.000	1.000	1.000	1.000
5-yr	1.067	1.010	0.992	1.001	1.002	1.000	1.000	1.000	1.000	1.000
all-yr	1.070	1.008	0.994	1.001	1.002	1.000	1.000	1.000	1.000	1.000
all-yr wtd.	1.070	1.007	0.995	1.001	1.002	1.000	1.000	1.000	1.000	1.000
5-yr x/ hi,low	1.110	1.009	1.004	1.001	1.001					
SELECTED	<b>1.110</b>	<b>1.007</b>	<b>0.995</b>	<b>1.001</b>	<b>1.002</b>	<b>1.000</b>	<b>1.000</b>	<b>1.000</b>	<b>1.000</b>	<b>1.000</b>
ULTIMATE	<b>1.115</b>	<b>1.004</b>	<b>0.998</b>	<b>1.003</b>	<b>1.002</b>	<b>1.000</b>	<b>1.000</b>	<b>1.000</b>	<b>1.000</b>	<b>1.000</b>





**ARKANSAS**  
**HOMEOWNERS - HAN OWNERS FORMS EX CATS**

Note: ISO does not exclude CATS from its HO-3 dat:

**FREQUENCY TREND**

4 Qtrs. Ending	Hanover Paid Feature Frequency	Industry Paid Feature Frequency	Percent Difference
6-06	7.83%	9.57%	-18.1%
9-06	8.34%	10.00%	-16.6%
12-06	4.93%	9.92%	-50.3%
3-07	2.74%	9.10%	-69.9%
6-07	2.58%	6.45%	-60.0%
9-07	1.88%	5.92%	-68.2%
12-07	4.96%	5.63%	-11.9%
3-08	5.21%	7.88%	-33.9%
6-08	5.62%	14.85%	-62.1%
9-08	6.17%	16.32%	-62.2%
12-08	6.00%	17.79%	-66.3%
3-09	6.44%	21.83%	-70.5%
6-09	7.59%	16.72%	-54.6%
9-09	8.56%	17.73%	-51.7%
12-09	9.55%	17.32%	-44.9%
3-10	9.29%	11.99%	-22.6%
6-10	8.93%	11.22%	-20.5%
9-10	7.92%		

EXPONENTIAL FIT ANNUAL RATE OF CHANGE		
Period	Hanover	Industry
4 Years	28.3%	21.6%
3 Years	43.2%	37.0%
2 Years	23.4%	-14.3%
Latest Year	-8.5%	-37.8%

**Selected Trends**  
 Retrospective 5.0%  
 Prospective 1.0%

**SEVERITY TREND**

4 Qtrs. Ending	Hanover Average Paid Severity	Industry Average Paid Severity	Percent Difference
6-06	4,303	5,690	-24.4%
9-06	4,746	5,675	-16.4%
12-06	6,328	5,793	9.2%
3-07	8,793	5,889	49.3%
6-07	9,022	6,066	48.7%
9-07	9,120	6,426	41.9%
12-07	5,216	6,530	-20.1%
3-08	5,225	5,904	-11.5%
6-08	4,333	6,176	-29.8%
9-08	4,689	6,338	-26.0%
12-08	4,753	6,453	-26.3%
3-09	5,426	5,703	-4.8%
6-09	6,180	5,571	10.9%
9-09	6,637	5,644	17.6%
12-09	6,833	5,627	21.4%
3-10	6,763	7,195	-6.0%
6-10	6,394	7,524	-15.0%
9-10	5,963		

EXPONENTIAL FIT ANNUAL RATE OF CHANGE		
Period	Hanover	Industry
4 Years	-1.6%	2.8%
3 Years	4.1%	1.8%
2 Years	17.3%	6.1%
Latest Year	-10.6%	40.1%

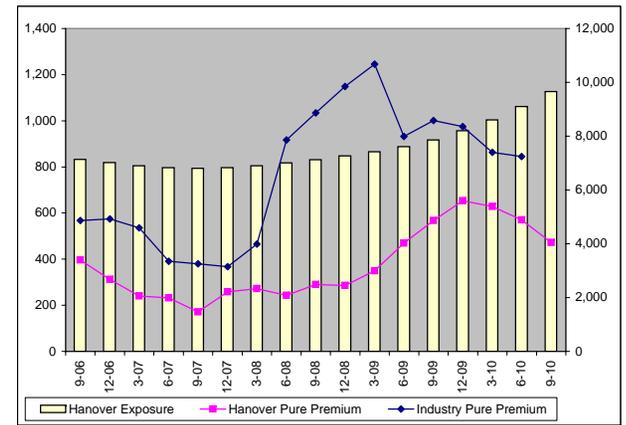
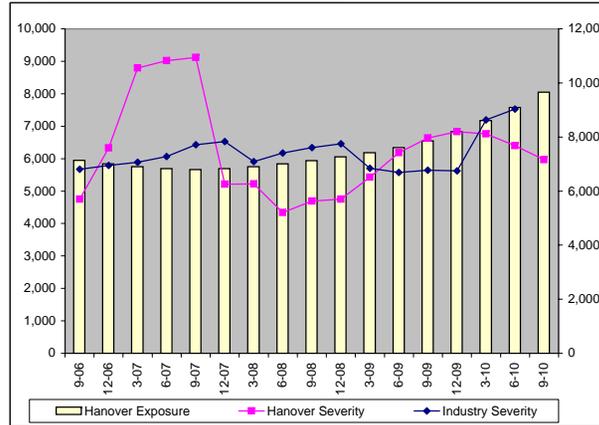
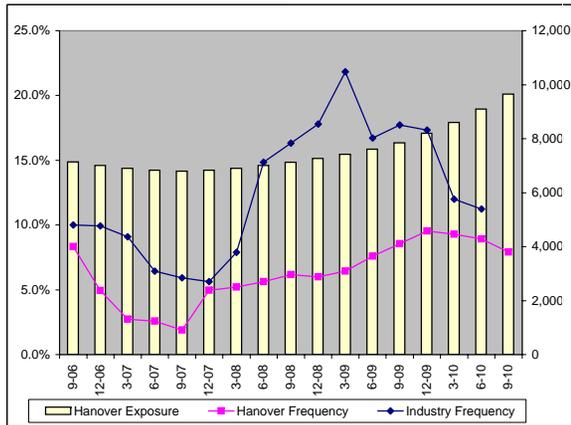
**Selected Trends**  
 Retrospective 2.0%  
 Prospective 3.0%

**PURE PREMIUM TREND**

4 Qtrs. Ending	Hanover Average Pure Premium	Industry Average Pure Premium	Percent Difference
6-06	337	544	-38.1%
9-06	396	568	-30.3%
12-06	312	575	-45.7%
3-07	241	536	-55.1%
6-07	232	391	-40.6%
9-07	172	380	-54.9%
12-07	259	368	-29.6%
3-08	272	465	-41.5%
6-08	244	917	-73.4%
9-08	289	1,034	-72.0%
12-08	285	1,148	-75.1%
3-09	350	1,245	-71.9%
6-09	469	931	-49.7%
9-09	568	1,000	-43.2%
12-09	652	975	-33.1%
3-10	628	863	-27.2%
6-10	571	844	-32.4%
9-10	472		

EXPONENTIAL FIT ANNUAL RATE OF CHANGE		
Period	Hanover	Industry
4 Years	26.3%	25.1%
3 Years	49.1%	39.4%
2 Years	44.7%	-9.0%
Latest Year	-18.2%	-12.9%

**Selected Trends**  
 Retrospective 7.1%  
 Prospective 4.0%



**SOUTHERN  
HOMEOWNERS - CONDO FORM**

**FREQUENCY TREND**

4 Qtrs. Ending	Hanover Paid Feature Frequency	Industry Paid Feature Frequency	Percent Difference
6-06	10.10%	4.90%	106.3%
9-06	7.92%	4.88%	62.1%
12-06	5.65%	3.89%	45.3%
3-07	4.36%	3.59%	21.5%
6-07	4.44%	3.50%	26.7%
9-07	4.51%	3.45%	31.0%
12-07	3.51%	3.44%	2.2%
3-08	3.51%	3.39%	3.5%
6-08	3.55%	3.42%	3.7%
9-08	3.64%	3.63%	0.3%
12-08	4.71%	4.33%	8.8%
3-09	4.69%	4.54%	3.4%
6-09	4.92%	4.66%	5.6%
9-09	4.90%	4.54%	8.1%
12-09	4.12%	3.99%	3.3%
3-10	4.71%	3.93%	19.8%
6-10	4.65%	3.92%	18.6%
9-10	4.98%		

EXPONENTIAL FIT ANNUAL RATE OF CHANGE		
Period	Hanover	Industry
4 Years	-2.7%	0.5%
3 Years	9.8%	8.3%
2 Years	7.2%	4.2%
Latest Year	6.2%	-17.8%

**Selected Trends**  
Retrospective 2.5%  
Prospective 1.5%

**SEVERITY TREND**

4 Qtrs. Ending	Hanover Average Paid Severity	Industry Average Paid Severity	Percent Difference
6-06	3,850	4,190	-8.1%
9-06	4,285	4,021	6.6%
12-06	4,712	4,339	8.6%
3-07	3,747	4,218	-11.2%
6-07	3,309	4,197	-21.1%
9-07	3,419	4,237	-19.3%
12-07	3,952	4,243	-6.9%
3-08	4,198	4,297	-2.3%
6-08	4,643	4,251	9.2%
9-08	4,182	4,196	-0.3%
12-08	3,792	4,272	-11.2%
3-09	4,429	4,389	0.9%
6-09	4,281	4,422	-3.2%
9-09	4,118	4,562	-9.7%
12-09	3,924	4,677	-16.1%
3-10	3,269	4,737	-31.0%
6-10	3,326	4,782	-30.5%
9-10	4,051		

EXPONENTIAL FIT ANNUAL RATE OF CHANGE		
Period	Hanover	Industry
4 Years	-1.9%	3.3%
3 Years	-2.7%	4.6%
2 Years	-7.8%	7.3%
Latest Year	-7.6%	8.1%

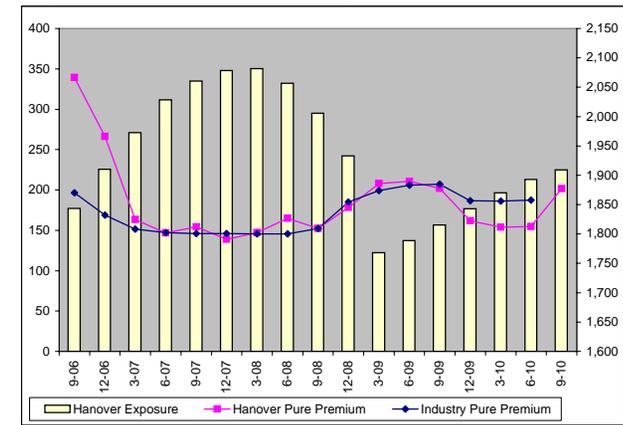
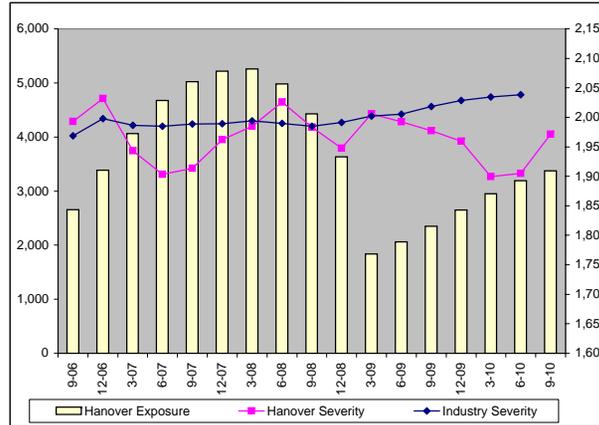
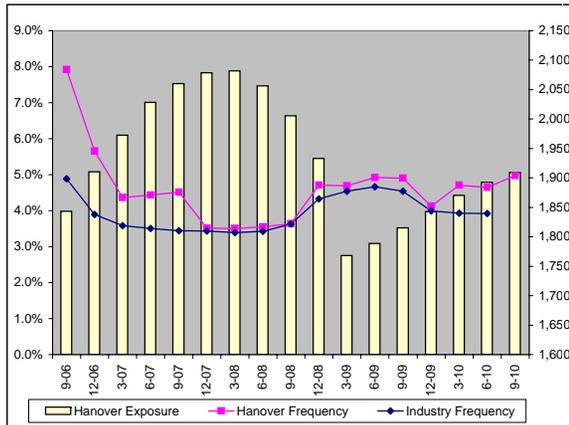
**Selected Trends**  
Retrospective 0.0%  
Prospective 3.0%

**PURE PREMIUM TREND**

4 Qtrs. Ending	Hanover Average Pure Premium	Industry Average Pure Premium	Percent Difference
6-06	389	205	89.6%
9-06	339	196	72.8%
12-06	266	169	57.7%
3-07	163	151	7.9%
6-07	147	147	-0.1%
9-07	154	146	5.7%
12-07	139	146	-4.8%
3-08	147	146	1.1%
6-08	165	146	13.2%
9-08	152	152	-0.1%
12-08	178	185	-3.4%
3-09	208	199	4.3%
6-09	211	206	2.2%
9-09	202	207	-2.5%
12-09	162	187	-13.3%
3-10	154	186	-17.3%
6-10	155	188	-17.6%
9-10	202		

EXPONENTIAL FIT ANNUAL RATE OF CHANGE		
Period	Hanover	Industry
4 Years	-4.6%	3.9%
3 Years	6.8%	13.3%
2 Years	-1.1%	11.8%
Latest Year	-1.9%	-11.1%

**Selected Trends**  
Retrospective 2.5%  
Prospective 4.5%



**SOUTHERN  
HOMEOWNERS - TENANTS FORM**

**FREQUENCY TREND**

4 Qtrs. Ending	Hanover Paid Feature Frequency	Industry Paid Feature Frequency	Percent Difference
6-06	6.18%	3.52%	75.4%
9-06	4.60%	3.52%	30.9%
12-06	2.44%	2.63%	-7.3%
3-07	1.74%	2.44%	-28.6%
6-07	1.54%	2.47%	-37.5%
9-07	1.50%	2.45%	-38.8%
12-07	1.34%	2.49%	-46.3%
3-08	1.67%	2.45%	-31.7%
6-08	1.85%	2.44%	-24.0%
9-08	1.87%	2.65%	-29.5%
12-08	2.43%	3.10%	-21.7%
3-09	2.13%	3.11%	-31.6%
6-09	2.10%	3.12%	-32.8%
9-09	2.20%	2.91%	-24.5%
12-09	1.84%	2.51%	-26.7%
3-10	1.87%	2.53%	-26.0%
6-10	1.77%	2.49%	-29.0%
9-10	1.54%		

EXPONENTIAL FIT ANNUAL RATE OF CHANGE		
Period	Hanover	Industry
4 Years	-5.8%	-2.2%
3 Years	4.9%	3.2%
2 Years	-13.1%	-3.4%
Latest Year	-26.1%	-21.0%

**Selected Trends**  
Retrospective 1.0%  
Prospective 0.0%

**SEVERITY TREND**

4 Qtrs. Ending	Hanover Average Paid Severity	Industry Average Paid Severity	Percent Difference
6-06	3,983	3,807	4.6%
9-06	5,748	3,447	66.8%
12-06	6,188	3,559	73.9%
3-07	8,908	3,407	161.5%
6-07	8,587	3,305	159.8%
9-07	5,674	3,382	67.8%
12-07	6,047	3,336	81.3%
3-08	3,542	3,351	5.7%
6-08	2,787	3,416	-18.4%
9-08	2,676	3,232	-17.2%
12-08	2,624	3,246	-19.2%
3-09	2,512	3,269	-23.2%
6-09	2,302	3,235	-28.8%
9-09	2,481	3,454	-28.2%
12-09	2,537	3,579	-29.1%
3-10	2,399	3,588	-33.1%
6-10	2,377	3,675	-35.3%
9-10	3,263		

EXPONENTIAL FIT ANNUAL RATE OF CHANGE		
Period	Hanover	Industry
4 Years	-27.0%	-0.2%
3 Years	-19.9%	2.7%
2 Years	3.4%	5.9%
Latest Year	21.3%	12.4%

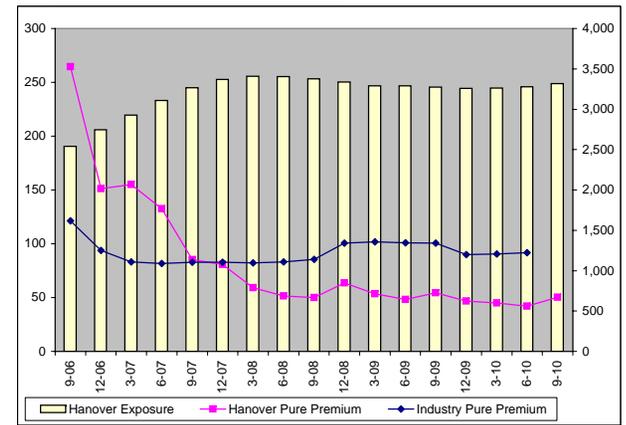
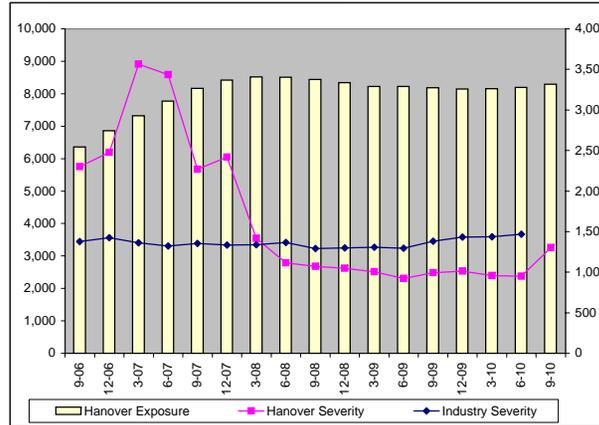
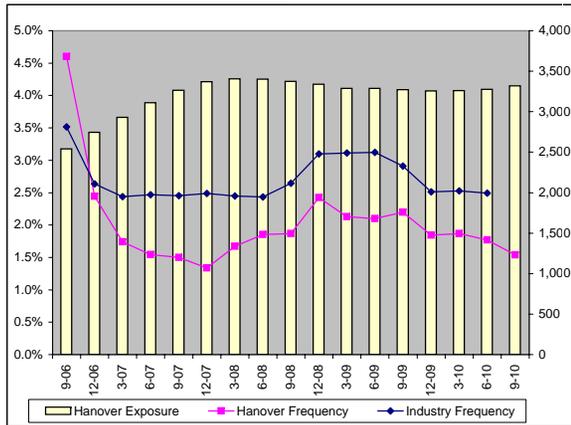
**Selected Trends**  
Retrospective 0.0%  
Prospective 3.0%

**PURE PREMIUM TREND**

4 Qtrs. Ending	Hanover Average Pure Premium	Industry Average Pure Premium	Percent Difference
6-06	246	134	83.5%
9-06	265	121	118.2%
12-06	151	94	61.2%
3-07	155	83	86.6%
6-07	133	82	62.5%
9-07	85	83	2.7%
12-07	81	83	-2.6%
3-08	59	82	-27.8%
6-08	52	83	-38.0%
9-08	50	86	-41.6%
12-08	64	101	-36.7%
3-09	53	102	-47.4%
6-09	48	101	-52.2%
9-09	55	101	-45.7%
12-09	47	90	-48.0%
3-10	45	91	-50.5%
6-10	42	92	-54.1%
9-10	50		

EXPONENTIAL FIT ANNUAL RATE OF CHANGE		
Period	Hanover	Industry
4 Years	-31.3%	-2.4%
3 Years	-16.0%	6.0%
2 Years	-10.2%	2.2%
Latest Year	-10.4%	-11.2%

**Selected Trends**  
Retrospective 1.0%  
Prospective 3.0%



## Arkansas Homeowners Development of Target Loss & ALAE Ratio

Owners Form							
	<u>2007</u>	<u>2008</u>	<u>2009</u>	Average	Selected Provision	% Fixed Expense	% Variable Expense
Commissions	14.8%	14.8%	14.8%	14.8%	14.8%	0%	100%
Contingent Commissions					2.5%	0%	100%
General & Other Acq.	11.7%	11.5%	13.7%	12.3%	10.5%	50%	50%
Taxes, Licenses, and Fees					3.2%	0%	100%
ULAE/Premium	5.5%	8.4%	7.8%	7.2%	7.0%	100%	0%
Profit and Contingency					5.8%	0%	100%
Other Fixed Expense Load					1.9%	100%	0%
Total Fixed Expense						14.1%	
Total Variable Expense							31.5%
Total Expenses					45.6%		
Target Loss & ALAE Ratio					54.4%		
ALAE/Loss	2.2%	2.1%	2.1%	2.1%	2.1%		

## Arkansas Homeowners Development of Target Loss & ALAE Ratio

Condo & Tenants Form							
	<u>2007</u>	<u>2008</u>	<u>2009</u>	Average	Selected Provision	% Fixed Expense	% Variable Expense
Commissions	14.8%	14.8%	14.8%	14.8%	14.8%	0%	100%
Contingent Commissions					2.5%	0%	100%
General & Other Acq.	11.7%	11.5%	13.7%	12.3%	10.5%	50%	50%
Taxes, Licenses, and Fees					3.2%	0%	100%
ULAE/Premium	5.5%	8.4%	7.8%	7.2%	7.0%	100%	0%
Profit and Contingency					9.4%	0%	100%
Other Fixed Expense Load					1.9%	100%	0%
Total Fixed Expense						14.1%	
Total Variable Expense							35.1%
Total Expenses					49.2%		
Target Loss & ALAE Ratio					50.8%		
ALAE/Loss	2.2%	2.1%	2.1%	2.1%	2.1%		

# The Hanover Insurance Group

## Arkansas Homeowners Cat Load and Reinsurance Provision (All Forms)

(1)	(2)	(3)
Full Term Written Premium at 12/2008	Reinsurance Margin	Reinsurance Margin Ratio to Premium
7,579,493	142,171	1.9%

(4)	(5)	(6)	(7)	(8)
AIR Long-Term Hurricane Gross Average Annual Loss	AIR Hurricane Cat Ratio	RMS Long-Term Hurricane Gross Average Annual Loss	RMS Hurricane Cat Ratio	Total Hurricane Cat Ratio
0	0.0%	0	0.0%	0.0%

(9)	(10)	(11)	(12)	(13)	(14)	(15)
AIR Other Wind Gross Average Annual Loss	AIR Other Wind Cat Ratio	RMS Other Wind Gross Average Annual Loss	RMS Other Wind Cat Ratio	Experience Other Wind Loss	Experience Other Wind Ratio	Total Other Wind Cat Ratio
2,178,813	28.7%	1,482,511	19.6%	1,219,436	16.1%	20.1%

(16)	(17)
Experience Winter Freeze Loss	Experience Winter Freeze Ratio
177,735	2.3%

(18)	(19)
Experience Earthquake Loss	Experience Total Earthquake Cat Ratio
0	0.0%

(20)
Total Non-Hurricane Cat Ratio
22.5%

### Notes:

$$(3) = (2) / (1)$$

$$(5) = (4) / (1)$$

$$(7) = (6) / (1)$$

$$(8) = .5*(5) + .5*(7)$$

$$(10) = (9) / (1)$$

$$(12) = (11) / (1)$$

$$(14) = (3) / (1)$$

$$(15) = .25*(10) + .25*(12) + .5*(14)$$

$$(17) = (16) / (1)$$

$$(19) = (18) / (1)$$

$$(20) = (15) + (17) + (19)$$

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

1.	This filing transmittal is part of Company Tracking #	AR55659CG00001
2.	If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number	N/A

Company Name		Company NAIC Number	
3.	A. Hanover American Insurance Company	B.	0088-36064

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. 4.0000	B.	4.0000

5.

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	FOR LOSS COSTS ONLY			
			(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)
HO 2,3	16.5%	7.2%				
HO 4	N/A	N/A				
HO 6	-1.4%	0.0%				
TOTAL OVERALL EFFECT	16.3%	7.0%				

6. 5 Year History Rate Change History

Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
2005	1,466	5.2%	11/1/2005	\$943	\$220	23.4%	217.1%
2006	2,024	2.2%	7/1/2006	\$1,273	\$894	70.2%	95.0%
2007	2,830	4.0%	7/15/2007	\$1,895	\$859	45.3%	33.3%
2008	4,136	3.0%	5/05/2008	\$2,595	\$2,338	90.1%	138.5%
2009	4,750	5.0%	6/04/2009	\$3,695	\$3,706	100.3%	135.8%
201006	4,418	2.7%	6/04/2010	\$3,886	\$2,710	69.7%	140.7%

7.

Expense Constants	Selected Provisions
A. Total Production Expense	17.3%
B. General Expense	10.5%
C. Taxes, License & Fees	3.2%
D. Underwriting Profit & Contingencies	5.9%
E. Other (explain)	0.0%
F. TOTAL	36.9%

8. N Apply Lost Cost Factors to Future filings? (Y or N)
9. 7.2% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): N/A
10. 0.0% Estimated Maximum Rate Decrease for any Insured (%). Territory (if applicable): N/A

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

1.	This filing transmittal is part of Company Tracking #	HO AR 09751-03R
2.	If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number	N/A

Company Name		Company NAIC Number	
3.	A. Massachusetts Bay Insurance Company	B.	0088-22306

Product Coding Matrix Line of Business (i.e., Type of Insurance)		Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)	
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2006	3,817	2.0%	7/1/2006	\$3,105	\$4,997	160.9%	69.2%
2007	3,373	4.8%	7/15/2007	\$2,751	\$883	32.1%	34.5%
2008	2,868	3.0%	5/05/2008	\$2,399	\$2,182	90.9%	55.8%
2009	2,265	5.0%	6/04/2009	\$2,265	\$2,198	97.0%	50.8%
201006	2,064	7.2%	1/16/2010	\$2,178	\$1,470	67.5%	49.8%
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