

SERFF Tracking Number: METX-G126923125 State: Arkansas  
 First Filing Company: Metropolitan Property and Casualty Insurance Company, ... State Tracking Number: EFT \$250  
 Company Tracking Number: AR00092CG00234  
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations  
 Product Name: Tiering  
 Project Name/Number: /AR00092CG00234

## Filing at a Glance

Companies: Metropolitan Property and Casualty Insurance Company, Economy Premier Assurance Company

Product Name: Tiering	SERFF Tr Num: METX-G126923125	State: Arkansas
TOI: 04.0 Homeowners	SERFF Status: Closed-Filed	State Tr Num: EFT \$250
Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations	Co Tr Num: AR00092CG00234	State Status: Fees verified and received
Filing Type: Rate/Rule	Author: Richard Collard	Reviewer(s): Becky Harrington, Nancy Horton
	Date Submitted: 11/30/2010	Disposition Date: 01/03/2011
Effective Date Requested (New): 12/27/2010		Disposition Status: Filed
Effective Date Requested (Renewal): 01/31/2011		Effective Date (New):
		Effective Date (Renewal): 01/31/2011

State Filing Description:

## General Information

Project Name:	Status of Filing in Domicile:
Project Number: AR00092CG00234	Domicile Status Comments:
Reference Organization:	Reference Number:
Reference Title:	Advisory Org. Circular:
Filing Status Changed: 01/03/2011	Deemer Date:
State Status Changed: 12/06/2010	Submitted By: Richard Collard
Created By: Richard Collard	
Corresponding Filing Tracking Number:	
Filing Description:	
AR MPC EPAC Residential Property Program's Rate / Rule Revision. Please refer to the Explanatory Memorandum for details.	

## Company and Contact

### Filing Contact Information

Jacqueline Hattoy, Sr. State Filing Specialist    jhattoy@metlife.com

SERFF Tracking Number: METX-G126923125 State: Arkansas  
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 Company, ...  
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 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations  
 Product Name: Tiering  
 Project Name/Number: /AR00092CG00234

700 Quaker Lane 401-827-2949 [Phone]  
 Warwick, RI 02887 401-827-3929 [FAX]

**Filing Company Information**

Metropolitan Property and Casualty Insurance CoCode: 26298 State of Domicile: Rhode Island  
 Company  
 700 Quaker Lane Group Code: 241 Company Type: Property and  
 Casualty  
 Warwick, RI 02887 Group Name: Metropolitan Property State ID Number:  
 and Casualty Insurance Company  
 (401) 827-2000 ext. [Phone] FEIN Number: 13-2725441  
 -----

Economy Premier Assurance Company CoCode: 40649 State of Domicile: Illinois  
 700 Quaker Lane Group Code: 241 Company Type: Property and  
 Casualty  
 Warwick, RI 02887 Group Name: Metropolitan Property State ID Number:  
 and Casualty Insurance Company  
 (401) 827-2000 ext. [Phone] FEIN Number: 36-3105737  
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**Filing Fees**

Fee Required? Yes  
 Fee Amount: \$250.00  
 Retaliatory? No  
 Fee Explanation:  
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Metropolitan Property and Casualty Insurance Company	\$250.00	11/30/2010	42437591
Economy Premier Assurance Company	\$0.00	11/30/2010	

SERFF Tracking Number: METX-G126923125 State: Arkansas  
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 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations  
 Product Name: Tiering  
 Project Name/Number: /AR00092CG00234

## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Filed	Becky Harrington	01/03/2011	01/03/2011

### 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	12/15/2010	12/15/2010	Richard Collard	12/20/2010	12/20/2010
Pending Industry Response	Becky Harrington	12/06/2010	12/06/2010	Richard Collard	12/15/2010	12/15/2010

SERFF Tracking Number: METX-G126923125 State: Arkansas  
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 Product Name: Tiering  
 Project Name/Number: /AR00092CG00234

## Disposition

Disposition Date: 01/03/2011

Effective Date (New):

Effective Date (Renewal): 01/31/2011

Status: Filed

Comment:

Arkansas Code Annotated §23- 67-211(a)(1) requires every authorized insurer to file with the Commissioner all rates and supplementary rate information and all changes and amendments made by it for use in this State at least twenty (20) days before they become effective. Your filing is considered complete on 12/20/2010 and cannot be effective for 20 days after that date.

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):
Metropolitan Property and Casualty Insurance Company	35.700%	8.800%	\$417,399	4,389	\$4,637,766	20.000%	-18.300%
Economy Premier Assurance Company	%	0.100%	\$1,053	868	\$1,053,042	5.500%	0.000%

### Overall Rate Information for Multiple Company Filings

Overall Percentage Rate Indicated For This Filing

0.000%

SERFF Tracking Number: METX-G126923125 State: Arkansas  
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Company Tracking Number: AR00092CG00234  
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations  
Product Name: Tiering  
Project Name/Number: /AR00092CG00234

<b>Overall Percentage Rate Impact For This Filing</b>	7.400%
<b>Effect of Rate Filing-Written Premium Change For This Program</b>	\$418,452
<b>Effect of Rate Filing - Number of Policyholders Affected</b>	5,257

SERFF Tracking Number: METX-G126923125 State: Arkansas  
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 Company, ...  
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 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations  
 Product Name: Tiering  
 Project Name/Number: /AR00092CG00234

Schedule	Schedule Item	Schedule Item Status	Public Access
<b>Supporting Document</b>	Form RF-2 Loss Costs Only (not for workers' compensation)		Yes
<b>Supporting Document</b>	H-1 Homeowners Abstract	Filed	Yes
<b>Supporting Document</b>	HPCS-Homeowners Premium Comparison Survey	Filed	Yes
<b>Supporting Document</b>	NAIC loss cost data entry document	Filed	Yes
<b>Supporting Document</b>	Filing Introduction	Filed	Yes
<b>Supporting Document</b>	Filing Exhibits		Yes
<b>Supporting Document</b>	Objection Response Letter 121510, Exhibit 1 - GP Loss Experience - 121510, Map	Filed	Yes
<b>Supporting Document</b>	Objection Response Letter 122010, Filing Exhibits	Filed	Yes
<b>Rate</b>	Rating Steps and Rating Examples	Filed	Yes
<b>Rate</b>	Base Premiums	Filed	Yes
<b>Rate (revised)</b>	Base Premiums	Filed	Yes
<b>Rate</b>	Base Premiums		Yes
<b>Rate</b>	Rating Steps and Rating Examples	Filed	Yes
<b>Rate</b>	Base Premiums	Filed	Yes
<b>Rate</b>	Tier Assignment Rules - New Business	Filed	Yes
<b>Rate</b>	Tier Movement Rules - Renewal Business	Filed	Yes
<b>Rate (revised)</b>	Rule 9 - Premium Capping	Filed	Yes
<b>Rate</b>	Rule 9 - Premium Capping		Yes
<b>Rate</b>	Superior Home Discount	Filed	Yes
<b>Rate</b>	Territory Pages	Filed	Yes

SERFF Tracking Number: METX-G126923125 State: Arkansas  
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Company, ...  
Company Tracking Number: AR00092CG00234  
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations  
Product Name: Tiering  
Project Name/Number: /AR00092CG00234

## Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 12/15/2010

Submitted Date 12/15/2010

Respond By Date

Dear Jacqueline Hattoy,

This will acknowledge receipt of the recent response.

### Objection 1

- Objection Response Letter 121510, Exhibit 1 - GP Loss Experience - 121510, Map (Supporting Document)
- Rule 9 - Premium Capping, Rule Page 17 (Rate)

Comment: The Department prefers to address capping issues on a per filing basis, not by a blanket rule. Please amend the filing accordingly.

### Objection 2

- Objection Response Letter 121510, Exhibit 1 - GP Loss Experience - 121510, Map (Supporting Document)
- Rule 9 - Premium Capping, Rule Page 17 (Rate)

Comment: Company buy-outs or mergers causing transfers should be handled as the need arises with specific issues addressed. Insureds placed in Met companies from agency transfers due to non-company buy-outs or mergers simply because an agent chooses to change companies should be to the benefit of an insured and at the insured's option, not automatically rolled over causing dramatic rate increases. The Commissioner has taken a strong stance regarding these type of rules. Please withdraw the agent/mass marketing capping rule.

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: METX-G126923125 State: Arkansas  
First Filing Company: Metropolitan Property and Casualty Insurance State Tracking Number: EFT \$250  
Company, ...  
Company Tracking Number: AR00092CG00234  
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations  
Product Name: Tiering  
Project Name/Number: /AR00092CG00234

## Response Letter

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

Dear Becky Harrington,

### Comments:

We are responding to your Objection Letter dated 12/15/10.

### Response 1

Comments: Please find our response letter, filing exhibits, and revised rates and rule attached.

#### Related Objection 1

Applies To:

- Rule 9 - Premium Capping, Rule Page 17 (Rate)
- Objection Response Letter 121510, Exhibit 1 - GP Loss Experience - 121510, Map (Supporting Document)

Comment:

The Department prefers to address capping issues on a per filing basis, not by a blanket rule. Please amend the filing accordingly.

#### Related Objection 2

Applies To:

- Rule 9 - Premium Capping, Rule Page 17 (Rate)
- Objection Response Letter 121510, Exhibit 1 - GP Loss Experience - 121510, Map (Supporting Document)

Comment:

Company buy-outs or mergers causing transfers should be handled as the need arises with specific issues addressed. Insureds placed in Met companies from agency transfers due to non-company buy-outs or mergers simply because an agent chooses to change companies should be to the benefit of an insured and at the insured's option, not automatically rolled over causing dramatic rate increases. The Commissioner has taken a strong stance regarding these type of rules. Please withdraw the agent/mass marketing capping rule.

### Changed Items:

#### Supporting Document Schedule Item Changes

Satisfied -Name: Objection Response Letter 122010, Filing Exhibits

SERFF Tracking Number: METX-G126923125 State: Arkansas  
 First Filing Company: Metropolitan Property and Casualty Insurance State Tracking Number: EFT \$250  
 Company, ...  
 Company Tracking Number: AR00092CG00234  
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations  
 Product Name: Tiering  
 Project Name/Number: /AR00092CG00234

**Comment:**

No Form Schedule items changed.

**Rate/Rule Schedule Item Changes**

<b>Exhibit Name</b>	<b>Rule # or Page #</b>	<b>Rate Action</b>	<b>Previous State Filing #</b>
Base Premiums	Rate Pages 8-11	Replacement	
<b>Previous Version</b>			
Base Premiums	Rate Pages 8-11	Replacement	
Rule 9 - Premium Capping	Rule Page 17	New	
<b>Previous Version</b>			
Rule 9 - Premium Capping	Rule Page 17	New	

Thank you for your assistance.

Regards,  
Jackie Hattoy

Sincerely,  
Richard Collard

SERFF Tracking Number: METX-G126923125 State: Arkansas  
First Filing Company: Metropolitan Property and Casualty Insurance State Tracking Number: EFT \$250  
Company, ...  
Company Tracking Number: AR00092CG00234  
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations  
Product Name: Tiering  
Project Name/Number: /AR00092CG00234

## Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 12/06/2010

Submitted Date 12/06/2010

Respond By Date

Dear Jacqueline Hattoy,

This will acknowledge receipt of the captioned filing.

### Objection 1

- Filing Introduction (Supporting Document)

Comment: Please refresh my memory...explain the reference to "owner former dwelling fire" and "landlord's former dwelling fire". At what point will the reference no longer be need? Why was an indication not calculated for the two if it is still necessary to make separate references to them?

### Objection 2

- Filing Exhibits (Supporting Document)

Comment: Provide territory loss ratios to support the increase by territory for former dwelling fire.

### Objection 3

- Filing Introduction (Supporting Document)

Comment: Please be more specific regarding the changes to the NB and RB tiering rule changes. Provide additional supporting data for the changes.

### Objection 4

- Rule 9 - Premium Capping, Rule Page 17 (Rate)

Comment: Please describe the types of situations in which an agent's book of business transfer would qualify under this rule.

### Objection 5

- Rule 9 - Premium Capping, Rule Page 17 (Rate)

Comment: Please explain how many renewals are anticipated to achieve the filed rates.

### Objection 6

- Rule 9 - Premium Capping, Rule Page 17 (Rate)

Comment: Is the rate capping rule limited to this filing or is it intended to apply to subsequent filings?

*SERFF Tracking Number:* METX-G126923125 *State:* Arkansas  
*First Filing Company:* Metropolitan Property and Casualty Insurance *State Tracking Number:* EFT \$250  
*Company, ...*  
*Company Tracking Number:* AR00092CG00234  
*TOI:* 04.0 Homeowners *Sub-TOI:* 04.0000 Homeowners Sub-TOI Combinations  
*Product Name:* Tiering  
*Project Name/Number:* /AR00092CG00234

**Objection 7**

- Territory Pages, Rule Pages 86-90 (Rate)

Comment: Please provide a map or description of the zip codes included in each territory assignment. Are there multiple territories per county?

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: METX-G126923125 State: Arkansas  
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Company, ...  
Company Tracking Number: AR00092CG00234  
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations  
Product Name: Tiering  
Project Name/Number: /AR00092CG00234

## Response Letter

Response Letter Status Submitted to State  
Response Letter Date 12/15/2010  
Submitted Date 12/15/2010

Dear Becky Harrington,

### Comments:

We are responding to your Objection Letter dated 12/6/10.

### Response 1

Comments: Please find attached our Objection Response Letter and filing exhibits.

#### Related Objection 1

Applies To:

- Filing Introduction (Supporting Document)

Comment:

Please refresh my memory...explain the reference to "owner former dwelling fire" and "landlord's former dwelling fire". At what point will the reference no longer be need? Why was an indication not calculated for the two if it is still necessary to make separate references to them?

#### Related Objection 2

Applies To:

- Filing Exhibits (Supporting Document)

Comment:

Provide territory loss ratios to support the increase by territory for former dwelling fire.

#### Related Objection 3

Applies To:

- Filing Introduction (Supporting Document)

Comment:

Please be more specific regarding the changes to the NB and RB tiering rule changes. Provide additional supporting data for the changes.

#### Related Objection 4

Applies To:

SERFF Tracking Number: METX-G126923125 State: Arkansas  
First Filing Company: Metropolitan Property and Casualty Insurance State Tracking Number: EFT \$250  
Company, ...  
Company Tracking Number: AR00092CG00234  
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations  
Product Name: Tiering  
Project Name/Number: /AR00092CG00234

- Rule 9 - Premium Capping, Rule Page 17 (Rate)

Comment:

Please describe the types of situations in which an agent's book of business transfer would qualify under this rule.

#### **Related Objection 5**

Applies To:

- Rule 9 - Premium Capping, Rule Page 17 (Rate)

Comment:

Please explain how many renewals are anticipated to achieve the filed rates.

#### **Related Objection 6**

Applies To:

- Rule 9 - Premium Capping, Rule Page 17 (Rate)

Comment:

Is the rate capping rule limited to this filing or is it intended to apply to subsequent filings?

#### **Related Objection 7**

Applies To:

- Territory Pages, Rule Pages 86-90 (Rate)

Comment:

Please provide a map or description of the zip codes included in each territory assignment. Are there multiple territories per county?

#### **Changed Items:**

##### **Supporting Document Schedule Item Changes**

Satisfied -Name: Objection Response Letter 121510, Exhibit 1 - GP Loss Experience - 121510, Map

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Thank you for your assistance.

Regards,

Jackie

Sincerely,

*SERFF Tracking Number:* METX-G126923125 *State:* Arkansas  
*First Filing Company:* Metropolitan Property and Casualty Insurance *State Tracking Number:* EFT \$250  
Company, ...  
*Company Tracking Number:* AR00092CG00234  
*TOI:* 04.0 Homeowners *Sub-TOI:* 04.0000 Homeowners Sub-TOI Combinations  
*Product Name:* Tiering  
*Project Name/Number:* /AR00092CG00234  
Richard Collard

SERFF Tracking Number: METX-G126923125 State: Arkansas  
First Filing Company: Metropolitan Property and Casualty Insurance Company, ... State Tracking Number: EFT \$250  
Company Tracking Number: AR00092CG00234  
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations  
Product Name: Tiering  
Project Name/Number: /AR00092CG00234

**Post Submission Update Request Processed On 01/03/2011**

**Status:** Allowed  
**Created By:** Richard Collard  
**Processed By:** Becky Harrington  
**Comments:**

**Company Rate Information:**

**Company Name:** Metropolitan Property and Casualty Insurance Company

Field Name	Requested Change	Prior Value
Overall % Rate Impact	8.800%	9.000%

**Company Name:** Economy Premier Assurance Company

Field Name	Requested Change	Prior Value
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SERFF Tracking Number: METX-G126923125 State: Arkansas  
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 Company Tracking Number: AR00092CG00234  
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations  
 Product Name: Tiering  
 Project Name/Number: /AR00092CG00234

## Rate Information

Rate data applies to filing.

**Filing Method:** File and Use  
**Rate Change Type:** Increase  
**Overall Percentage of Last Rate Revision:** 8.800%  
**Effective Date of Last Rate Revision:** 11/30/2009  
**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):
Metropolitan Property and Casualty Insurance Company	N/A	35.700%	8.800%	\$417,399	4,389	\$4,637,766	44.900%	-18.300%
Economy Premier Assurance Company	N/A	%	0.100%	\$1,053	868	\$1,053,042	5.500%	0.000%

## Overall Rate Information for Multiple Company Filings

SERFF Tracking Number: METX-G126923125 State: Arkansas  
First Filing Company: Metropolitan Property and Casualty Insurance Company, ... State Tracking Number: EFT \$250  
Company Tracking Number: AR00092CG00234  
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations  
Product Name: Tiering  
Project Name/Number: /AR00092CG00234

**Overall % Rate Indicated:**

**Overall Percentage Rate Impact For This Filing:** 7.400%

**Effect of Rate Filing - Written Premium Change For This Program:** \$418,452

**Effect of Rate Filing - Number of Policyholders Affected:** 5257

SERFF Tracking Number: METX-G126923125 State: Arkansas  
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 Company Tracking Number: AR00092CG00234  
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations  
 Product Name: Tiering  
 Project Name/Number: /AR00092CG00234

## Rate/Rule Schedule

Schedule Item Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Attachments Number:
Filed 01/03/2011	Rating Steps and Rating Examples	Rate Pages 1-4	Replacement	AR_H_MPC_Rate Pages 1-4_122710.PDF
Filed 01/03/2011	Base Premiums	Rate Page 5	Replacement	AR_H_MPC_Rate Page 5_122710.PDF
Filed 01/03/2011	Base Premiums	Rate Pages 8-11	Replacement	AR_H_MPC_Rate Pages 8-11_rev 121710.PDF
Filed 01/03/2011	Rating Steps and Rating Examples	Rate Pages 12-15	Replacement	AR_H_MPC_Rate Pages 12-15_122710.PDF
Filed 01/03/2011	Base Premiums	Rate Page 16	Replacement	AR_H_MPC_Rate Page 16_122710.PDF
Filed 01/03/2011	Tier Assignment Rules - New Business	Rate Pages 21-28	Replacement	AR_H_MPC_Rate Pages_21-28 122710.PDF
Filed 01/03/2011	Tier Movement Rules - Renewal Business	Rate Page 29	Replacement	AR_H_MPC_Rate Page 29_122710.PDF
Filed 01/03/2011	Rule 9 - Premium Capping	Rule Page 17	New	AR Met P&C-EPAC-USF&G Residential Home Manual-Page

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Product Name: Tiering  
Project Name/Number: /AR00092CG00234

17-rev 121710.PDF

Filed 01/03/2011 Superior Home Rule Page 28 Replacement  
Discount

AR Met P&C-EPAC-  
USF&G RPP Page  
28.PDF

Filed 01/03/2011 Territory Pages Rule Pages 86- Replacement  
90

AR Met P&C-EPAC-  
USF&G RPP Territory  
Pages 86-90.PDF

**METROPOLITAN PROPERTY AND CASUALTY INSURANCE COMPANY  
ECONOMY PREMIER ASSURANCE COMPANY  
ARKANSAS RESIDENTIAL PROPERTY**

Homeowners, HO-2 Homeowners, Market Value, Ultra, Platinum Homeowners, GrandProtect Homeowners,  
Landlord's Rental Dwelling, GrandProtect Landlord Dwelling, Mobile Home, GrandProtect Mobile Home

**RATING STEPS**

- STEP 1 - Determine: Territory (See Territory Tab)  
Protection Class (See Protection Classes Tab)  
Construction Type (See Rate Page 4)  
Coverage A Amount (See Replacement Cost Tab)
- STEP 2 - Select the base premium based on the territory. Multiply by the protection class factor and round to the nearest dollar. A premium involving \$.50 or more shall be rounded to the next higher whole dollar.
- STEP 3 - Multiply the premium from STEP 2 by the construction factor. Round to the nearest dollar.
- STEP 4 - Multiply the premium from STEP 3 by the appropriate Coverage A amount factor displayed on the same rate page and round to the nearest dollar. A premium involving \$.50 or more shall be rounded to the next higher whole dollar. (See Rate Pages 3 and 4 for examples of determining amounts not shown.)
- STEP 5 - Refer to the Optional Coverages Tab for Discounts and Surcharges, Increased Limits, and Optional Coverages. Apply the following factors sequentially to the premium derived from STEP 4. Round to the nearest dollar after each step.
1. Superior Construction Factor (Not applicable to Mobile Home products. See Rate Pages)
  2. Seasonal or Sublease Surcharge (Not applicable to Landlord's Rental Dwelling)
  3. Deductible Factors
  4. Market Value Factor (Market Value products only. See Rate Pages)
  5. GrandProtect Factor
  6. Tier Factor
  7. Dwelling Under Construction (Extension of Coverages) - Coverage 43 (Not applicable to Landlords or Mobile Home products)
  8. Townhouse or Rowhouse (Not applicable to Mobile Home products)
  9. Age of Dwelling
  10. Multi-Family Rating
  11. Protective Device Discounts
  12. Age of Insured (Not applicable to Landlord's Rental Dwelling)
  13. Superior Home Discount (Available on Ultra & Platinum Home only)
  14. Replacement Cost on Contents - Coverage 3 (Included in Ultra, Platinum & GrandProtect Home rat
  15. Building Replacement Cost Options - Coverage 2 (Included in Ultra and GrandProtects, Not applica to Market Value Products)
  16. Causes of Loss to Property Options - Coverage 19
  17. Ordinance or Law Coverage - Coverage 15 (Not applicable to GrandProtect products)
  18. Roof Rating Factor (Not applicable to Mobile Home Products)
  19. Alternative Heating Source Surcharge
  20. Loss Experience Rating Plan
  21. MetRewards
- STEP 6 - Apply the flat dollar charges or credits for any other desired optional coverages (including the flat dollar charge for Platinum and GrandProtect). Round each charge or credit to the nearest dollar.
- STEP 7 - Apply Rate Cap Factor separately to the basic premium to each optional coverage, and the flat dollar premium for Platinum and GrandProtect. Round each result to the nearest dollar.
- STEP 8 - Apply Home Policy Plus separately to the basic premium to each optional coverage, and the flat dollar premium for Platinum and GrandProtect. Round each result to the nearest dollar.
- STEP 9 - Apply the Mass Merchandising Account Deviation separately to the basic premium each optional coverage, and the flat dollar premium for Platinum (if applicable). Round each result to the nearest dollar.

**See Rate Page 3 for sample Calculation**

**METROPOLITAN PROPERTY AND CASUALTY INSURANCE COMPANY  
ECONOMY PREMIER ASSURANCE COMPANY**

**ARKANSAS RESIDENTIAL PROPERTY**

Homeowners, HO-2 Homeowners, Market Value, Ultra, Platinum Homeowners, GrandProtect Homeowners,  
Landlord's Rental Dwelling, GrandProtect Landlord Dwelling, Mobile Home, GrandProtect Mobile Home

**RATING EXAMPLE**

**Sample Homeowners Calculation: Territory 11, PC 4, \$125,000 Coverage**

Homeowners \$500 Deductible Premium	=	\$1,092	(round to nearest whole dollar after each calculation)
Protection Class 4 Factor	x	1.100	
		\$1,201	
Construction Factor (Frame)	x	1.150	
		\$1,381	
Coverage A Amount Factor	x	0.920	
Subtotal		\$1,271	
Deductible Credit (\$1000 Deductible)			
\$1,271			
<u>    0.12</u>			
\$153 (subject to maximum)	-	\$153	
Subtotal		\$1,118	
Tier Factor (Tier 22)	x	0.74	
Subtotal		\$827	
Age of Dwelling (5 years)	x	0.85	
Subtotal		\$703	
Protective Device Discount (Combination Devices)	x	0.95	
Subtotal		\$668	
Age of Insured (under 55)	x	1.00	
Subtotal		\$668	
Replacement Cost on Contents (Coverage 3)	x	1.15	
Subtotal		\$768	
Roof Rating Factor (Asphalt Shingle)	x	1.00	
Subtotal		\$768	
Loss Experience Rating Plan (No Chargeable Losses)	x	1.00	
Subtotal		\$768	
MetRewards (New Business, 0 Claims in 60 months)	x	0.95	Home Policy Plus
		\$730	x 0.82 = \$599
\$300,000 Personal Liability (Coverage F)		\$20	x 0.82 = \$16
<b>TOTAL PREMIUM</b>			<b>\$615</b>

**METROPOLITAN PROPERTY AND CASUALTY INSURANCE COMPANY  
ECONOMY PREMIER ASSURANCE COMPANY**

**ARKANSAS RESIDENTIAL PROPERTY**

Homeowners, HO-2 Homeowners, Market Value, Ultra, Platinum Homeowners, GrandProtect Homeowners,  
Landlord's Rental Dwelling, GrandProtect Landlord Dwelling, Mobile Home, GrandProtect Mobile Home

**RATING EXAMPLE**

**INTERPOLATION** - If the desired Coverage A amount is less than the highest amount shown, interpolate premiums calculated for the nearest amount above and below the desired amount as shown below.

Example: \$112,000 policy amount; nearest amounts are \$110,000 and \$115,000.

STEPS	PROCEDURE	EXAMPLE	
1	Find the Cov. A amount factors for the amounts noted above.	Cov. A Amt. \$115,000 \$110,000	Factors 0.884 higher amount 0.866 lower amount
2	Calculate premium for higher amount.		\$1,381 base premium* x 0.884 factor \$1,221 prem. for higher amt.
3	Calculate premium for lower amount.		\$1,381 base premium* x 0.866 factor \$1,196 prem. for lower amt.
4	Subtract the lower amount from the desired amount. This is the additional coverage amount.	\$112,000 - \$110,000 \$2,000	desired amount lower amount add'l coverage amt.
5	Subtract the lower amount from the higher amount. This is the amount difference.	\$115,000 - \$110,000 \$5,000	higher amount lower amount amount difference
6	Subtract the premium for the lower amount from the premium for the higher amount. This is the premium difference.		\$1,221 prem. for higher amt. - \$1,196 prem. for lower amt. \$25 premium difference
7	Determine the premium for the additional amount by the following formula:  $\frac{\text{add'l amt.}}{\text{amt. diff.}} \times \text{premium difference} = \text{prem for add'l amt.}$	$\frac{2000}{5000} \times$	\$25 = \$10 prem for add'l amt. (to nearest \$)
8	Add the premium for the additional amount to the premium for the lower amount to obtain the premium for the desired Coverage A amount.		\$1,196 prem. for lower amt. + \$10 prem. for add'l amt. \$1,206 desired premium

\* Base premium determined after applying the protection class and construction type factors.

**METROPOLITAN PROPERTY AND CASUALTY INSURANCE COMPANY  
ECONOMY PREMIER ASSURANCE COMPANY**

**ARKANSAS RESIDENTIAL PROPERTY**

Homeowners, HO-2 Homeowners, Market Value, Ultra, Platinum Homeowners, GrandProtect Homeowners,  
Landlord's Rental Dwelling, GrandProtect Landlord Dwelling, Mobile Home, GrandProtect Mobile Home

**RATING EXAMPLE**

**EXTRAPOLATION** - If the desired Coverage A amount is more than the highest amount shown, extrapolate as shown below.

Example: \$1,320,000 Coverage A amount.

STEPS	PROCEDURE	EXAMPLE						
1	Find the Cov. A amt. factors for the highest amount and for each additional \$10,000.	<table> <tr> <td>Cov. A Amt.</td> <td>Factors</td> </tr> <tr> <td>\$1,000,000</td> <td>6.328 highest amount</td> </tr> <tr> <td>\$10,000</td> <td>0.070 each add'l \$10,000</td> </tr> </table>	Cov. A Amt.	Factors	\$1,000,000	6.328 highest amount	\$10,000	0.070 each add'l \$10,000
Cov. A Amt.	Factors							
\$1,000,000	6.328 highest amount							
\$10,000	0.070 each add'l \$10,000							
2	Calculate premium for highest amount shown.	<table> <tr> <td>\$1,381 base premium*</td> </tr> <tr> <td>x 6.328 factor</td> </tr> <tr> <td><u>\$8,739</u></td> </tr> </table>	\$1,381 base premium*	x 6.328 factor	<u>\$8,739</u>			
\$1,381 base premium*								
x 6.328 factor								
<u>\$8,739</u>								
3	Calculate premium for each additional \$10,000 (round to the nearest dollar)	<table> <tr> <td>\$1,381 base premium*</td> </tr> <tr> <td>x 0.070 factor</td> </tr> <tr> <td><u>\$97</u></td> </tr> </table>	\$1,381 base premium*	x 0.070 factor	<u>\$97</u>			
\$1,381 base premium*								
x 0.070 factor								
<u>\$97</u>								
4	Subtract the highest amount from the desired amount. This is the additional coverage amount.	<table> <tr> <td>\$1,320,000</td> <td>desired amount</td> </tr> <tr> <td>- <u>\$1,000,000</u></td> <td>highest amount</td> </tr> <tr> <td>\$320,000</td> <td>add'l cov. amt.</td> </tr> </table>	\$1,320,000	desired amount	- <u>\$1,000,000</u>	highest amount	\$320,000	add'l cov. amt.
\$1,320,000	desired amount							
- <u>\$1,000,000</u>	highest amount							
\$320,000	add'l cov. amt.							
5	Determine the premium for the additional amount by the following formula: $\frac{\text{add'l amt.}}{\$10,000} \times \text{Ea. Add'l } \$10,000 \text{ prem} = \text{Prem for add'l amt}$	<table> <tr> <td><math>\frac{\\$320,000}{\\$10,000}</math></td> <td>x</td> <td>\$97</td> <td>=</td> <td>\$3104 prem for add'l amount (to nearest \$)</td> </tr> </table>	$\frac{\$320,000}{\$10,000}$	x	\$97	=	\$3104 prem for add'l amount (to nearest \$)	
$\frac{\$320,000}{\$10,000}$	x	\$97	=	\$3104 prem for add'l amount (to nearest \$)				
6	Add the premium for the additional amount to the premium for the highest amount to obtain the premium for the desired policy amount.	<table> <tr> <td>\$8,739 prem. for highest amt.</td> </tr> <tr> <td>+ <u>\$3,104</u> prem. for add'l amt.</td> </tr> <tr> <td><u>\$11,843</u> desired premium</td> </tr> </table>	\$8,739 prem. for highest amt.	+ <u>\$3,104</u> prem. for add'l amt.	<u>\$11,843</u> desired premium			
\$8,739 prem. for highest amt.								
+ <u>\$3,104</u> prem. for add'l amt.								
<u>\$11,843</u> desired premium								

\* Base premium determined after applying the protection class and construction type factors.

**CONSTRUCTION DEFINITIONS**

- Masonry** A dwelling with walls of masonry or masonry veneer construction. A dwelling with exterior walls constructed of masonry materials such as adobe, brick, concrete, gypsum block, hollow concrete block, stone, tile or similar materials shall be considered masonry. A dwelling with exterior walls of combustible construction veneered with brick or stone shall be considered masonry veneer.
- Frame** A dwelling with walls of frame, or metal-sheathed or stucco frame construction, or with walls of metal or metal lath and plaster on combustible supports.
- Mixed** A dwelling shall be classed as frame construction when the wall area of frame construction (including gables) exceeds 33 1/3% of the total wall area.
- Superior** Non-Combustible - exterior walls, floors and roof constructed of and supported by metal, asbestos, gypsum, or other non-combustible materials.  
Masonry Non-Combustible - exterior walls constructed of masonry materials, and floors and roof of metal or other non-combustible materials.  
Fire Resistive - exterior walls, floors and roof constructed of masonry or other fire resistive material.
- Mobile Home** A Mobile Home is a factory-built single-family dwelling. It must display the HUD seal, certifying compliance with the National Manufactured Home Construction and Safety Code.

**METROPOLITAN PROPERTY AND CASUALTY INSURANCE COMPANY**

**ARKANSAS RESIDENTIAL PROPERTY**

Homeowners, HO-2 Homeowners, Market Value, Ultra, Platinum Homeowners, GrandProtect Homeowners,

Base Premiums - \$500 Deductible

**Base Premiums**

**Coverage A Factors**

Territory	Base Rate	Cov. A Amount	Homeowners & HO-2 Homeowners	Ultra*	Platinum Homeowners**	Cov. A Amount	Homeowners & HO-2 Homeowners	Ultra*	Platinum Homeowners**
11	1092	\$30,000	0.500	0.570	0.656	\$190,000	1.180	1.180	1.310
12	1361	\$40,000	0.541	0.617	0.710	\$200,000	1.225	1.225	1.348
13	1548	\$45,000	0.571	0.651	0.749	\$210,000	1.270	1.270	1.397
14	1516	\$50,000	0.600	0.684	0.787	\$220,000	1.315	1.315	1.447
15	1119	\$55,000	0.670	0.742	0.853	\$230,000	1.360	1.360	1.496
16	1338	\$60,000	0.740	0.796	0.915	\$240,000	1.405	1.405	1.546
17	1534	\$65,000	0.750	0.797	0.917	\$250,000	1.450	1.450	1.595
18	1247	\$70,000	0.760	0.798	0.918	\$260,000	1.512	1.512	1.663
19	1242	\$75,000	0.770	0.801	0.921	\$270,000	1.574	1.574	1.731
20	878	\$80,000	0.780	0.803	0.923	\$280,000	1.636	1.636	1.800
21	933	\$85,000	0.790	0.808	0.929	\$290,000	1.698	1.698	1.868
22	1043	\$90,000	0.800	0.812	0.934	\$300,000	1.759	1.759	1.935
23	1055	\$95,000	0.815	0.822	0.945	\$350,000	2.062	2.062	2.268
31	935	\$100,000	0.830	0.830	0.955	\$400,000	2.222	2.222	2.444
32	833	\$105,000	0.848	0.848	0.975	\$450,000	2.490	2.490	2.739
33	1213	\$110,000	0.866	0.866	0.996	\$500,000	2.823	2.823	3.105
34	1327	\$115,000	0.884	0.884	1.017	\$550,000	3.213	3.213	3.502
35	1438	\$120,000	0.902	0.902	1.037	\$600,000	3.602	3.602	3.890
36	1093	\$125,000	0.920	0.920	1.058	\$650,000	3.947	3.947	4.223
37	889	\$130,000	0.936	0.936	1.076	\$700,000	4.292	4.292	4.550
38	998	\$135,000	0.952	0.952	1.095	\$750,000	4.633	4.633	4.865
		\$140,000	0.968	0.968	1.113	\$800,000	4.974	4.974	5.223
		\$145,000	0.984	0.984	1.132	\$850,000	5.319	5.319	5.585
		\$150,000	1.000	1.000	1.150	\$900,000	5.664	5.664	5.947
		\$160,000	1.045	1.045	1.191	\$950,000	5.996	5.996	6.296
		\$170,000	1.090	1.090	1.232	\$1,000,000	6.328	6.328	6.644
		\$180,000	1.135	1.135	1.271	Ea. Add'l 10	0.070	0.070	0.074

**Protection Class Factors**

Protection Class	Factors
1	1.000
2	1.000
3	1.000
4	1.100
5	1.100
6	1.200
7	1.300
8	1.800
9	3.000
10	4.250

**Construction Factors**

Protection Class	Masonry/ Masonry Veneer	Frame
1	1.000	1.150
2	1.000	1.150
3	1.000	1.150
4	1.000	1.150
5	1.000	1.150
6	1.000	1.150
7	1.000	1.150
8	1.000	1.150
9	1.000	1.150
10	1.000	1.150

GrandProtect: Multiply the Platinum rate by 1.05.

Refer to Manual, Coverage 19B for HO-2 Homeowners Factor.

Superior Construction: Multiply Masonry Rate by .85.

Market Value: Multiply by 1.25 (NOT available on Ultra & Platinum Homeowners).

\* Ultra only available for existing Ultra renewal policies. Ultra is NOT available for new business.

\*\* Platinum Flat Dollar Charge: Add \$75.

GrandProtect Flat Dollar Charge: Add \$25 to the Platinum Flat Dollar Charge.

**METROPOLITAN PROPERTY AND CASUALTY INSURANCE COMPANY**

**ARKANSAS RESIDENTIAL PROPERTY**

Homeowners, HO-2 Homeowners (former Dwelling Fire business only)

Base Premiums - \$500 Deductible

**Base Premiums**

Territory	Base Rate
11	765
12	734
13	717
14	1516
15	739
16	748
17	741
18	797
19	738
20	754
21	770
22	1043
23	1055
31	768
32	833
33	1213
34	736
35	1438
36	1093
37	757
38	758

**Coverage A Factors**

Cov. A Amount	Homeowners & HO-2 Homeowners
\$30,000	0.376
\$40,000	0.429
\$45,000	0.456
\$50,000	0.482
\$55,000	0.508
\$60,000	0.534
\$65,000	0.560
\$70,000	0.586
\$75,000	0.612
\$80,000	0.638
\$85,000	0.664
\$90,000	0.689
\$95,000	0.715
\$100,000	0.741
\$105,000	0.767
\$110,000	0.793
\$115,000	0.819
\$120,000	0.845
\$125,000	0.871
\$130,000	0.897
\$135,000	0.923
\$140,000	0.949
\$145,000	0.975
\$150,000	1.000
\$160,000	1.052
\$170,000	1.104
\$180,000	1.156

Cov. A Amount	Homeowners & HO-2 Homeowners
\$190,000	1.208
\$200,000	1.259
\$210,000	1.311
\$220,000	1.363
\$230,000	1.415
\$240,000	1.467
\$250,000	1.518
\$260,000	1.570
\$270,000	1.622
\$280,000	1.674
\$290,000	1.726
\$300,000	1.777
\$350,000	2.037
\$400,000	2.297
\$450,000	2.557
\$500,000	2.817
\$550,000	3.077
\$600,000	3.337
\$650,000	3.597
\$700,000	3.857
\$750,000	4.117
\$800,000	4.377
\$850,000	4.637
\$900,000	4.897
\$950,000	5.157
\$1,000,000	5.417
Ea. Add'l 10	0.052

**Protection Class Factors**

Protection Class	Factors
1	1.000
2	1.000
3	1.000
4	1.100
5	1.100
6	1.200
7	1.300
8	1.800
9	3.000
10	4.250

**Construction Factors**

Protection Class	Masonry/ Masonry Veneer	Frame
1	1.000	1.150
2	1.000	1.150
3	1.000	1.150
4	1.000	1.150
5	1.000	1.150
6	1.000	1.150
7	1.000	1.150
8	1.000	1.150
9	1.000	1.150
10	1.000	1.150

Refer to Manual, Coverage 19B for HO-2 Homeowners Factor.

Superior Construction: Multiply Masonry Rate by .85.

\* Refers to all Dwelling Fire business with an application written date prior to May 31, 2004.

**METROPOLITAN PROPERTY AND CASUALTY INSURANCE COMPANY**

**ARKANSAS RESIDENTIAL PROPERTY**

**Landlord's Rental Dwelling, GrandProtect Landlord's Rental Dwelling**

Base Premiums - \$500 Deductible

**Base Premiums**

Territory	Base Rate
11	728
12	885
13	979
14	871
15	924
16	910
17	1014
18	806
19	1037
20	904
21	544
22	751
23	629
31	789
32	783
33	829
34	943
35	1049
36	819
37	545
38	757

**Coverage A Factors**

Cov. A Amount	Landlord's	Cov. A Amount	Landlord's
\$30,000	0.400	\$190,000	1.268
\$40,000	0.421	\$200,000	1.333
\$45,000	0.432	\$210,000	1.406
\$50,000	0.442	\$220,000	1.479
\$55,000	0.451	\$230,000	1.552
\$60,000	0.460	\$240,000	1.625
\$65,000	0.480	\$250,000	1.700
\$70,000	0.500	\$260,000	1.773
\$75,000	0.527	\$270,000	1.846
\$80,000	0.553	\$280,000	1.919
\$85,000	0.587	\$290,000	1.992
\$90,000	0.620	\$300,000	2.067
\$95,000	0.644	\$350,000	2.493
\$100,000	0.667	\$400,000	2.913
\$105,000	0.700	\$450,000	3.327
\$110,000	0.733	\$500,000	3.733
\$115,000	0.766	\$550,000	4.345
\$120,000	0.799	\$600,000	4.956
\$125,000	0.833	\$650,000	5.376
\$130,000	0.866	\$700,000	5.796
\$135,000	0.899	\$750,000	6.201
\$140,000	0.932	\$800,000	6.606
\$145,000	0.965	\$850,000	6.996
\$150,000	1.000	\$900,000	7.387
\$160,000	1.067	\$950,000	7.763
\$170,000	1.134	\$1,000,000	8.139
\$180,000	1.201	Ea. Add'l 10	0.075

**Protection Class Factors**

Protection Class	Factors
1	1.000
2	1.000
3	1.000
4	1.100
5	1.100
6	1.200
7	1.300
8	1.800
9	3.000
10	4.250

**Construction Factors**

Protection Class	Masonry/ Masonry Veneer	Frame
1	1.000	1.150
2	1.000	1.150
3	1.000	1.150
4	1.000	1.150
5	1.000	1.150
6	1.000	1.150
7	1.000	1.150
8	1.000	1.150
9	1.000	1.150
10	1.000	1.150

Refer to Manual, Coverage 19B for HO-2 Homeowners Factor.  
 Superior Construction: Multiply Masonry Rate by .85.  
 GrandProtect Landlord's Dwelling: Multiply by 1.25  
 GrandProtect Flat Dollar Charge: \$35

**METROPOLITAN PROPERTY AND CASUALTY INSURANCE COMPANY**

**ARKANSAS RESIDENTIAL PROPERTY**

Landlord's Rental Dwelling (former Dwelling Fire business only)

Base Premiums - \$500 Deductible

**Base Premiums**

**Coverage A Factors**

Territory	Base Rate
11	728
12	885
13	979
14	796
15	796
16	797
17	796
18	796
19	797
20	904
21	544
22	751
23	629
31	789
32	783
33	797
34	796
35	796
36	795
37	545
38	757

Cov. A Amount	Landlord's
\$30,000	0.376
\$40,000	0.429
\$45,000	0.456
\$50,000	0.482
\$55,000	0.508
\$60,000	0.534
\$65,000	0.560
\$70,000	0.586
\$75,000	0.612
\$80,000	0.638
\$85,000	0.664
\$90,000	0.689
\$95,000	0.715
\$100,000	0.741
\$105,000	0.767
\$110,000	0.793
\$115,000	0.819
\$120,000	0.845
\$125,000	0.871
\$130,000	0.897
\$135,000	0.923
\$140,000	0.949
\$145,000	0.975
\$150,000	1.000
\$160,000	1.052
\$170,000	1.104
\$180,000	1.156

Cov. A Amount	Landlord's
\$190,000	1.208
\$200,000	1.259
\$210,000	1.311
\$220,000	1.363
\$230,000	1.415
\$240,000	1.467
\$250,000	1.518
\$260,000	1.570
\$270,000	1.622
\$280,000	1.674
\$290,000	1.726
\$300,000	1.777
\$350,000	2.037
\$400,000	2.297
\$450,000	2.557
\$500,000	2.817
\$550,000	3.077
\$600,000	3.337
\$650,000	3.597
\$700,000	3.857
\$750,000	4.117
\$800,000	4.377
\$850,000	4.637
\$900,000	4.897
\$950,000	5.157
\$1,000,000	5.417
Ea. Add'l 10	0.052

**Protection Class Factors**

**Construction Factors**

Protection Class	Factors
1	1.000
2	1.000
3	1.000
4	1.100
5	1.100
6	1.200
7	1.300
8	1.800
9	3.000
10	4.250

Protection Class	Masonry/ Masonry Veneer	Frame
1	1.000	1.150
2	1.000	1.150
3	1.000	1.150
4	1.000	1.150
5	1.000	1.150
6	1.000	1.150
7	1.000	1.150
8	1.000	1.150
9	1.000	1.150
10	1.000	1.150

Refer to Manual, Coverage 19B for HO-2 Homeowners Factor.

Superior Construction: Multiply Masonry Rate by .85.

\* Refers to all Dwelling Fire business with an application written date prior to May 31, 2004.

**METROPOLITAN PROPERTY AND CASUALTY INSURANCE COMPANY**

**ARKANSAS RESIDENTIAL PROPERTY**

**Mobile Home, GrandProtect Mobile Home**

Base Premiums - \$500 Deductible

**Base Premiums**

Territory	Base Rate
11	431
12	431
13	431
14	431
15	431
16	431
17	431
18	431
19	431
20	431
21	431
22	431
23	431
31	431
32	431
33	431
34	431
35	431
36	431
37	431
38	431

**Coverage A Factors**

Cov. A Amount	Mobile Home
\$5,000	0.291
\$6,000	0.316
\$8,000	0.366
\$10,000	0.416
\$12,000	0.477
\$14,000	0.538
\$16,000	0.599
\$18,000	0.660
\$20,000	0.719
\$22,000	0.775
\$24,000	0.831
\$26,000	0.887
\$28,000	0.943
\$30,000	1.000
\$32,000	1.069
\$34,000	1.138
\$36,000	1.207
\$38,000	1.276
\$40,000	1.343
\$42,000	1.413
\$44,000	1.483
\$46,000	1.553
\$48,000	1.623
\$50,000	1.695
\$55,000	1.869
\$60,000	2.043
\$65,000	2.219
\$70,000	2.395
\$75,000	2.570
\$80,000	2.744
\$85,000	2.918
\$90,000	3.091
\$95,000	3.265
\$100,000	3.438
\$105,000	3.612
\$110,000	3.787
\$115,000	3.961
\$120,000	4.135
\$125,000	4.310
\$130,000	4.484
\$135,000	4.658
\$140,000	4.832
\$145,000	5.007
\$150,000	5.181
Ea. Add'l 5	0.174

**Protection Class Factors**

Protection Class	Factors
1	1.000
2	1.000
3	1.000
4	1.100
5	1.100
6	1.200
7	1.300
8	1.800
9	3.000
10	4.250

Refer to Manual, Coverage 19B for HO-2 Homeowners Factor.

GrandProtect Mobile Home: Multiply by 1.35

GrandProtect Flat Dollar Charge: \$35

**METROPOLITAN PROPERTY AND CASUALTY INSURANCE COMPANY  
ECONOMY PREMIER ASSURANCE COMPANY**

**ARKANSAS RESIDENTIAL PROPERTY**

Renters, Platinum Renters, Condominium, Platinum Condominium, Landlord's Condominium  
GrandProtect Renters, GrandProtect Condominium, GrandProtect Landlord's Condominium

**RATING STEPS**

- STEP 1 - Determine: Territory (See Territory Tab)  
Protection Class (See Protection Classes Tab)  
Coverage C Amount
- STEP 2 - Select the base premium based on the territory. Multiply by the protection class factor and round to the nearest dollar. A premium involving \$.50 or more shall be rounded to the next higher whole dollar.
- STEP 3 - Multiply the premium from STEP 2 by the occupancy (number of units) factor. Round to the nearest dollar.
- STEP 4 - Multiply the premium from STEP 3 by the appropriate product factor. Round to the nearest dollar.
- STEP 5 - Multiply the premium from STEP 4 by the appropriate Coverage C amount factor displayed on the same rate page and round to the nearest dollar. (See Rate Pages 14 and 15 for examples of determining amounts not shown.)
- STEP 6 - Refer to the Optional Coverages Tab for Discounts and Surcharges, Increased Limits, and Optional Coverages. Apply the following discounts sequentially to the premium derived from STEP 5. Round to the nearest dollar after each step.
1. Fire Resistive Construction Credit (See Rate Pages)
  2. Seasonal or Sublease Surcharge (Not applicable to Landlord's Condominium. See Rate Pages)
  3. Deductible Factors
  4. GrandProtect Factor
  5. Tier Factor
  6. Protective Device Discounts
  7. Age of Insured (Not available with Landlord's Condominium)
  8. Replacement Cost on Contents - Coverage 3 (Included in Platinum Condominium & Platinum Renters, GrandProtect Condominium, GrandProtect Renters, and GrandProtect Landlord's Condominium rates)
  9. Causes of Loss to Property Options - Coverage 19
  10. Ordinance or Law Coverage - Coverage 15
  11. Alternative Heating Source Surcharge
  12. Apply the Loss Experience Rating Plan. Round to the nearest dollar.
  13. Apply MetRewards. Round to the nearest dollar.
- STEP 7 - Apply the flat dollar charges or credits for any other desired optional coverages (including the flat dollar charge for Platinum). Round each charge or credit to the nearest dollar.
- STEP 8 - Apply Rate Cap Factor separately to the basic premium, each optional coverage, and the flat dollar premium for Platinum and GrandProtect. Round each result to the nearest dollar.
- STEP 9 - Apply Home Policy Plus separately to the basic premium, each optional coverage, and the flat dollar premium for Platinum and GrandProtect. Round each result to the nearest dollar.
- STEP 10 - Apply the Mass Merchandising Account Deviation separately to the basic premium, each optional coverage, and the flat dollar premium for Platinum and GrandProtect (if applicable). Round each result to the nearest dollar.

**See Rate Page 13 for sample Condominium Calculation**

**METROPOLITAN PROPERTY AND CASUALTY INSURANCE COMPANY  
ECONOMY PREMIER ASSURANCE COMPANY**

**ARKANSAS RESIDENTIAL PROPERTY**

Renters, Platinum Renters, Condominium, Platinum Condominium, Landlord's Condominium  
GrandProtect Renters, GrandProtect Condominium, GrandProtect Landlord's Condominium

**RATING EXAMPLE**

**Sample CONDOMINIUM Calculation: Territory 11, PC 4, \$30,000 Coverage**

\$500 Deductible Premium	=	\$207	
Protection Class 4 Factor	x	1.00	
		\$207	
Occupancy Factor (5 or more units)		1.00	
		\$207	
Condominium Factor		0.67	
		\$139	
Coverage C Amount Factor	x	1.570	
Subtotal		\$218	
Fire Resistive Construction	x	0.85	
Subtotal		\$185	(round to nearest whole dollar after each calculation)
Seasonal or Sublease Surcharge (Without Occupants)	x	1.25	
Subtotal		\$231	
Deductible Credit (\$1000 Deductible)			
		\$231	
	x	0.12	
		\$28 (subject to maximum)	
Subtotal	-	\$28	
		\$203	
Tier Factor (Tier 22)	x	0.74	
Subtotal		\$150	
Protective Device Discount (Combination Devices)	x	0.95	
Subtotal		\$143	
Age of Insured (Under 55)	x	1.00	
Subtotal		\$143	
Replacement Cost on Contents (Coverage 3)	x	1.25	
Subtotal		\$179	
Loss Experience Rating Plan (No Chargeable Losses)	x	1.00	
Subtotal		\$179	
MetRewards (New Business, 0 Claims in 60 months)	x	0.95	Home Policy Plus
Subtotal		\$170	x 0.82 = \$139
\$300,000 Personal Liability (Coverage F)		\$20	x 0.82 = + \$16
<b>TOTAL PREMIUM</b>			<b>\$155</b>

**METROPOLITAN PROPERTY AND CASUALTY INSURANCE COMPANY  
ECONOMY PREMIER ASSURANCE COMPANY**

**ARKANSAS RESIDENTIAL PROPERTY**

Renters, Platinum Renters, Condominium, Platinum Condominium, Landlord's Condominium  
GrandProtect Renters, GrandProtect Condominium, GrandProtect Landlord's Condominium

**RATING EXAMPLE**

**INTERPOLATION** - If the desired Coverage C amount is less than the highest amount shown, interpolate premiums calculated for the nearest amount above and below the desired amount as shown below.

Example: \$33,000 policy amount; nearest amounts are \$32,000 and \$34,000.

STEPS	PROCEDURE	EXAMPLE	
		Cov. C Amts.	Factors
1	Find the Cov. C amount factors for the amounts noted above.	\$34,000	1.722 higher amount
		\$32,000	1.646 lower amount
2	Calculate premium for higher amount.		\$139 base premium*
		x 1.722	factor
			\$239 prem. for higher amt.
3	Calculate premium for lower amount.		\$139 base premium*
		x 1.646	factor
			\$229 prem. for lower amt.
4	Subtract the lower amount from the desired amount. This is the additional coverage amount.	\$33,000	desired amount
		- \$32,000	lower amount
		\$1,000	add'l coverage amt.
5	Subtract the lower amount from the higher amount. This is the amount difference.	\$34,000	higher amount
		- \$32,000	lower amount
		\$2,000	amount difference
6	Subtract the premium for the lower amount from the premium for the higher amount. This is the premium difference.		\$239 prem. for higher amt.
		- \$229	prem. for lower amt.
			\$10 premium difference
7	Determine the premium for the additional amount by the following formula:  $\frac{\text{add'l amt.}}{\text{amt. diff.}} \times \text{premium difference} = \text{prem for add'l amt.}$	$\frac{1000}{2000} \times \$10 = \$5 \text{ prem for add'l amt. (to nearest \$)}$	
8	Add the premium for the additional amount to the premium for the lower amount to obtain the premium for the desired Coverage A amount.		\$229 prem. for lower amt.
		+ \$5	prem. for add'l amt.
			\$234 desired premium

\* Base premium determined after applying the protection class, occupancy, and form factors.

**METROPOLITAN PROPERTY AND CASUALTY INSURANCE COMPANY  
ECONOMY PREMIER ASSURANCE COMPANY**

**ARKANSAS RESIDENTIAL PROPERTY**

Renters, Platinum Renters, Condominium, Platinum Condominium, Landlord's Condominium  
GrandProtect Renters, GrandProtect Condominium, GrandProtect Landlord's Condominium

**RATING EXAMPLE**

**EXTRAPOLATION** - If the desired Coverage C amount is more than the highest amount shown, extrapolate as shown below.

Example: \$155,000 Coverage C amount.

STEPS	PROCEDURE	EXAMPLE	
1	Find the Cov. C amt. factors for the highest amount and for each additional \$1,000.	Cov. C Amt. \$150,000 \$1,000	Factors 5.580 highest amount 0.033 each add'l \$1,000
2	Calculate premium for highest amount shown.		\$139 base premium* x 5.580 factor \$776
3	Calculate premium for each additional \$1,000 (round to nearest dime)		\$139 base premium* x 0.033 factor \$4.60
4	Subtract the highest amount from the desired amount. This is the additional coverage amount.	\$155,000 - \$150,000 \$5,000	desired amount highest amount add'l cov. amt.
5	Determine the premium for the additional amount by the following formula: $\frac{\text{add'l amt.}}{\$1,000} \times \text{Ea. Add'l } \$1,000 \text{ prem} = \text{Prem for add'l amt}$	\$5,000 \$1,000	x \$4.60 = \$23 prem for add'l amount (to nearest \$)
6	Add the premium for the additional amount to the premium for the highest amount to obtain the premium for the desired policy amount.		\$776 prem. for highest amt. + \$23 prem. for add'l amt. \$799 desired premium

\* Base premium determined after applying the protection class, occupancy, and form factors.

**CONSTRUCTION DEFINITIONS**

**Masonry** A dwelling with walls of masonry or masonry veneer construction. A dwelling with exterior walls constructed of masonry materials such as adobe, brick, concrete, gypsum block, hollow concrete block, stone, tile or similar materials shall be considered masonry. A dwelling with exterior walls of combustible construction veneered with brick or stone shall be considered masonry veneer.

**Frame** A dwelling with walls of frame, or metal-sheathed or stucco frame construction, or with walls of metal or metal lath and plaster on combustible supports.

**Mixed** A dwelling shall be classed as frame construction when the wall area of frame construction (including gables) exceeds 33 1/3% of the total wall area.

**Fire Resistive** A dwelling with exterior walls and floors and roof constructed of masonry or other fire resistive material.

**METROPOLITAN PROPERTY AND CASUALTY INSURANCE COMPANY**

**ARKANSAS RESIDENTIAL PROPERTY**

Renters, Platinum Renters, Condominium, Platinum Condominium, Landlord's Condominium  
GrandProtect Renters, GrandProtect Condominium, GrandProtect Landlord's Condominium

Base Premiums - \$500 Deductible

**Base Premiums**

**Protection Class Factors**

**Coverage C Factors**

Territory	Base Rate
11	207
12	207
13	215
14	207
15	207
16	207
17	207
18	210
19	215
20	207
21	211
22	207
23	207
31	207
32	215
33	207
34	207
35	207
36	210
37	210
38	207

Protection Class	Factor
1	1.000
2	1.000
3	1.000
4	1.000
5	1.100
6	1.100
7	1.250
8	1.250
9	1.600
10	1.900

Coverage C Amount	Factor	Coverage C Amount	Factor
\$10,000	0.770	\$48,000	2.214
\$11,000	0.816	\$50,000	2.280
\$12,000	0.862	\$55,000	2.445
\$13,000	0.908	\$60,000	2.610
\$14,000	0.954	\$65,000	2.775
\$15,000	1.000	\$70,000	2.940
\$16,000	1.042	\$75,000	3.105
\$17,000	1.084	\$80,000	3.270
\$18,000	1.126	\$85,000	3.435
\$19,000	1.168	\$90,000	3.600
\$20,000	1.210	\$95,000	3.765
\$22,000	1.282	\$100,000	3.930
\$24,000	1.354	\$105,000	4.095
\$26,000	1.426	\$110,000	4.260
\$28,000	1.498	\$115,000	4.425
\$30,000	1.570	\$120,000	4.590
\$32,000	1.646	\$125,000	4.755
\$34,000	1.722	\$130,000	4.920
\$36,000	1.798	\$135,000	5.085
\$38,000	1.874	\$140,000	5.250
\$40,000	1.950	\$145,000	5.415
\$42,000	2.016	\$150,000	5.580
\$44,000	2.082	Each Add'l	
\$46,000	2.148	\$1,000	0.033

**Occupancy Factors**

Occupancy	Factor
1-4 Units	0.85
5 or more	1.00

**Product Factors**

Form	Factor
Renters	1.00
Platinum Renters*	1.25
Condo	0.63
Platinum Condo*	0.79
Landlord's Condo	1.70

GrandProtect Renters and Condo: Multiply Platinum Renters and Condo by 1.05

GrandProtect Landlord's Condo: Multiply Landlord's Condo by 1.20

Fire Resistive Construction: Multiply by 0.85

\*Platinum Flat Amount: \$35

GrandProtect Renters and Condo Flat Amount: Add \$15 to the Platinum Flat Amount

GrandProtect Landlord's Condo Flat Amount: \$30

**METROPOLITAN PROPERTY AND CASUALTY INSURANCE COMPANY**

**ARKANSAS Residential Property Program**

**Tier Assignment Rules - New Business**

Excludes Act of God (Natural Cause) Claims<sup>1</sup>

Owner<sup>2</sup>      Renter<sup>3</sup>      Condo<sup>4</sup>

For each policy condition below, determine the corresponding tier point assignment.

1 If Personal Financial Management (PFM) is:

<u>PFM Score Level</u>			
00	0	0	0
01	-6	-12	-8
02	1	-1	4
03	2	0	5
04	16	14	15
09	0	0	0
1A	-11	-20	-12
1B	-4	-8	-5
2A	0	-3	1
2B	0	0	0
3A	4	2	7
3B	9	6	11
3D	2	0	5
4A	17	15	15
4B	25	24	19
4D	16	14	15
BD	-13	-23	-14
BH	-11	-20	-12
BL	-10	-17	-11
BP	-8	-15	-10
BT	-7	-13	-9
BW	-6	-11	-8
CD	-5	-10	-7
CH	-4	-9	-6
CL	-4	-8	-5
CP	-3	-7	-4
CT	-2	-6	-3
CW	-2	-5	-2
DD	-1	-4	-1
DG	-1	-4	0
DJ	-1	-3	0
DN	0	-3	1
DQ	0	-2	2
DT	1	-2	3
DW	1	-1	4
ED	2	-1	4
EG	2	0	5
EJ	3	0	6
EN	3	1	6
EQ	4	2	7
ET	5	2	8
EW	5	3	9
FD	6	4	9
FG	7	5	10
FJ	8	6	11
FN	9	7	11
FQ	11	8	12
FT	12	10	13
FW	13	11	13
GD	14	12	14
GH	16	14	15
GL	17	15	16
GP	19	17	16

**METROPOLITAN PROPERTY AND CASUALTY INSURANCE COMPANY**

**ARKANSAS Residential Property Program**

**Tier Assignment Rules - New Business**

Excludes Act of God (Natural Cause) Claims<sup>1</sup>

	<u>Owner<sup>2</sup></u>	<u>Renter<sup>3</sup></u>	<u>Condo<sup>4</sup></u>
GT	21	19	17
HD	22	20	18
HH	24	22	18
HL	26	24	19
HP	27	26	20
HT	29	28	21
HW	31	30	21
NF	0	0	0
NK	0	0	0
NN	0	0	0
NQ	0	0	0

**2 If Age of Home is:**

<u>Age of Home</u>			
0	-1	n/a	n/a
1	0	n/a	n/a
2	0	n/a	n/a
3	1	n/a	n/a
4	2	n/a	n/a
5	5	n/a	n/a
6	5	n/a	n/a
7	5	n/a	n/a
8	7	n/a	n/a
9	7	n/a	n/a
10	7	n/a	n/a
11-12	7	n/a	n/a
13-14	10	n/a	n/a
15-16	10	n/a	n/a
17-18	8	n/a	n/a
19-20	6	n/a	n/a
21-22	4	n/a	n/a
23-24	4	n/a	n/a
25-26	4	n/a	n/a
27-28	3	n/a	n/a
29-34	3	n/a	n/a
35-44	0	n/a	n/a
45-54	-1	n/a	n/a
55-64	0	n/a	n/a
65-74	0	n/a	n/a
75+	2	n/a	n/a

**3 If Age of Primary Insured is:**

<u>Age of Primary Insured</u>			
<= 19	3	-3	-4
20-24	3	-3	-4
25-29	3	-7	-6
30-34	3	-4	-5
35-39	1	5	-1
40-44	1	7	3
45-49	0	4	-2
50-54	0	0	0
55-59	-2	5	4
60-64	-2	10	4
65-69	-2	10	1
70-74	-2	0	3
75-79	-2	-5	5
80-84	-2	-5	4
85+	-2	5	6

**METROPOLITAN PROPERTY AND CASUALTY INSURANCE COMPANY**

**ARKANSAS Residential Property Program**

**Tier Assignment Rules - New Business**

Excludes Act of God (Natural Cause) Claims<sup>1</sup>

	Owner <sup>2</sup>	Renter <sup>3</sup>	Condo <sup>4</sup>
<b>4a</b> Water Claims >= \$500 in the past 3 years			
1st Water claim >= \$500 in past 3 years	10	6	0
each additional Water claim >= \$500 in past 3 years	10	6	0
<b>4b</b> Theft Claims >= \$500 in the past 3 years			
1st Theft claim >= \$500 in past 3 years	10	23	-4
each additional Theft claim >= \$500 in past 3 years	10	23	-4
<b>4c</b> Fire Claims >= \$500 in the past 3 years			
1st Fire claim >= \$500 in past 3 years	7	33	0
each additional Fire claim >= \$500 in past 3 years	7	33	0
<b>4d</b> Weather Claims >= \$500 in the past 3 years			
1st Weather claim >= \$500 in past 3 years	0	0	0
each additional Weather claim >= \$500 in past 3 years	0	0	0
<b>4e</b> Liability Claims >= \$500 in the past 3 years			
1st Liability claim >= \$500 in past 3 years	7	6	0
each additional Liability claim >= \$500 in past 3 years	7	6	0
<b>4f</b> 'Other' Claims >= \$500 in the past 3 years			
1st 'Other' claim >= \$500 in past 3 years	10	6	0
each additional 'Other' claim >= \$500 in past 3 years	10	6	0
<b>5</b> Presence of one or more Claims >= \$500 in the last 3 years,			
Age Home <4	2	n/a	n/a
Age Home 4-8	2	n/a	n/a
Age Home 9-18	0	n/a	n/a
Age Home 19-24	0	n/a	n/a
Age Home 25-44	0	n/a	n/a
Age Home 45+	2	n/a	n/a
<b>6a</b> If Age of Primary Insured <= 34			
Age Home < 4	0	n/a	n/a
Age Home 4-8	0	n/a	n/a
Age Home 9-18	0	n/a	n/a
Age Home 19-24	0	n/a	n/a
Age Home 25-44	0	n/a	n/a
Age Home 45+	0	n/a	n/a
<b>6b</b> If Age of Primary Insured 35-44			
Age Home < 4	0	n/a	n/a
Age Home 4-8	0	n/a	n/a
Age Home 9-18	0	n/a	n/a
Age Home 19-24	0	n/a	n/a
Age Home 25-44	2	n/a	n/a
Age Home 45+	2	n/a	n/a
<b>6c</b> If Age of Primary Insured 45-54			
Age Home < 4	0	n/a	n/a
Age Home 4-8	0	n/a	n/a
Age Home 9-18	0	n/a	n/a
Age Home 19-24	2	n/a	n/a
Age Home 25-44	2	n/a	n/a
Age Home 45+	2	n/a	n/a

**METROPOLITAN PROPERTY AND CASUALTY INSURANCE COMPANY**

**ARKANSAS Residential Property Program**

**Tier Assignment Rules - New Business**

Excludes Act of God (Natural Cause) Claims<sup>1</sup>

	Owner <sup>2</sup>	Renter <sup>3</sup>	Condo <sup>4</sup>
<b>6d</b> If Age of Primary Insured 55+			
Age Home < 4	0	n/a	n/a
Age Home 4-8	0	n/a	n/a
Age Home 9-18	0	n/a	n/a
Age Home 19-24	2	n/a	n/a
Age Home 25-44	2	n/a	n/a
Age Home 45+	2	n/a	n/a
<b>7a</b> If Age of Primary Insured <= 34			
PFM BD-CW (01, 1A, 1B)	-7	1	3
PFM DD-DW (02, 2A)	-7	1	0
PFM ED-FW (03, 3A, 3B, 3D)	-2	1	3
PFM GD-HW (04, 4A, 4B, 4D)	-2	0	9
PFM NF-NQ (00, 09, 2B)	0	0	0
<b>7b</b> If Age of Primary Insured 35-44			
PFM BD-CW (01, 1A, 1B)	-5	1	-2
PFM DD-DW (02, 2A)	-5	-6	3
PFM ED-FW (03, 3A, 3B, 3D)	0	-3	7
PFM GD-HW (04, 4A, 4B, 4D)	0	1	3
PFM NF-NQ (00, 09, 2B)	0	0	0
<b>7c</b> If Age of Primary Insured 45-54			
PFM BD-CW (01, 1A, 1B)	-5	-3	3
PFM DD-DW (02, 2A)	-5	-3	7
PFM ED-FW (03, 3A, 3B, 3D)	1	-3	7
PFM GD-HW (04, 4A, 4B, 4D)	1	5	9
PFM NF-NQ (00, 09, 2B)	0	0	0
<b>7d</b> If Age of Primary Insured 55+			
PFM BD-CW (01, 1A, 1B)	0	-3	0
PFM DD-DW (02, 2A)	0	-6	-2
PFM ED-FW (03, 3A, 3B, 3D)	4	5	-2
PFM GD-HW (04, 4A, 4B, 4D)	4	-6	-7
PFM NF-NQ (00, 09, 2B)	0	0	0
<b>8a</b> If Age of Home < 4			
Coverage A < \$140,000	0	n/a	n/a
\$140,000 <=Coverage A < \$230,000	-3	n/a	n/a
\$230,000 <=Coverage A < \$345,000	-6	n/a	n/a
\$345,000 <=Coverage A < \$430,000	-6	n/a	n/a
\$430,000 <=Coverage A < \$575,000	-4	n/a	n/a
Coverage A >= \$575,000	-2	n/a	n/a
<b>8b</b> If Age of Home 4-8			
Coverage A < \$140,000	0	n/a	n/a
\$140,000 <=Coverage A < \$230,000	-2	n/a	n/a
\$230,000 <=Coverage A < \$345,000	-3	n/a	n/a
\$345,000 <=Coverage A < \$430,000	-2	n/a	n/a
\$430,000 <=Coverage A < \$575,000	-2	n/a	n/a
Coverage A >= \$575,000	-2	n/a	n/a

**METROPOLITAN PROPERTY AND CASUALTY INSURANCE COMPANY**

**ARKANSAS Residential Property Program**

**Tier Assignment Rules - New Business**

Excludes Act of God (Natural Cause) Claims<sup>1</sup>

	Owner <sup>2</sup>	Renter <sup>3</sup>	Condo <sup>4</sup>
<b>8c</b> If Age of Home 9-18			
Coverage A < \$140,000	0	n/a	n/a
\$140,000 <=Coverage A < \$230,000	0	n/a	n/a
\$230,000 <=Coverage A < \$345,000	1	n/a	n/a
\$345,000 <=Coverage A < \$430,000	0	n/a	n/a
\$430,000 <=Coverage A < \$575,000	0	n/a	n/a
Coverage A >= \$575,000	0	n/a	n/a
<b>8d</b> If Age of Home 19-24			
Coverage A < \$140,000	0	n/a	n/a
\$140,000 <=Coverage A < \$230,000	0	n/a	n/a
\$230,000 <=Coverage A < \$345,000	1	n/a	n/a
\$345,000 <=Coverage A < \$430,000	0	n/a	n/a
\$430,000 <=Coverage A < \$575,000	0	n/a	n/a
Coverage A >= \$575,000	1	n/a	n/a
<b>8e</b> If Age of Home 25-44			
Coverage A < \$140,000	0	n/a	n/a
\$140,000 <=Coverage A < \$230,000	0	n/a	n/a
\$230,000 <=Coverage A < \$345,000	1	n/a	n/a
\$345,000 <=Coverage A < \$430,000	0	n/a	n/a
\$430,000 <=Coverage A < \$575,000	0	n/a	n/a
Coverage A >= \$575,000	1	n/a	n/a
<b>8f</b> If Age of Home 45+			
Coverage A < \$140,000	0	n/a	n/a
\$140,000 <=Coverage A < \$230,000	0	n/a	n/a
\$230,000 <=Coverage A < \$345,000	-1	n/a	n/a
\$345,000 <=Coverage A < \$430,000	0	n/a	n/a
\$430,000 <=Coverage A < \$575,000	0	n/a	n/a
Coverage A >= \$575,000	4	n/a	n/a
<b>9a</b> If Age of Primary Insured <= 34			
Owners:			
Coverage A < \$140,000	2	n/a	n/a
\$140,000 <=Coverage A < \$230,000	2	n/a	n/a
\$230,000 <=Coverage A < \$345,000	-1	n/a	n/a
\$345,000 <=Coverage A < \$430,000	-1	n/a	n/a
\$430,000 <=Coverage A < \$575,000	-2	n/a	n/a
Coverage A >= \$575,000	2	n/a	n/a
Renters:			
Coverage C < \$20,000	n/a	5	n/a
\$20,000 <=Coverage C < \$35,000	n/a	5	n/a
\$35,000 <=Coverage C < \$55,000	n/a	3	n/a
\$55,000 <=Coverage C < \$70,000	n/a	10	n/a
\$70,000 <=Coverage C < \$95,000	n/a	10	n/a
Coverage C >= \$95,000	n/a	10	n/a
Condo:			
Coverage C < \$20,000	n/a	n/a	8
\$20,000 <=Coverage C < \$35,000	n/a	n/a	3
\$35,000 <=Coverage C < \$55,000	n/a	n/a	3
\$55,000 <=Coverage C < \$70,000	n/a	n/a	8
\$70,000 <=Coverage C < \$95,000	n/a	n/a	8
Coverage C >= \$95,000	n/a	n/a	8

**METROPOLITAN PROPERTY AND CASUALTY INSURANCE COMPANY**

**ARKANSAS Residential Property Program**

**Tier Assignment Rules - New Business**

Excludes Act of God (Natural Cause) Claims<sup>1</sup>

	<u>Owner<sup>2</sup></u>	<u>Renter<sup>3</sup></u>	<u>Condo<sup>4</sup></u>
<b>9b</b> If Age of Primary Insured 35-44			
Owners:			
Coverage A < \$140,000	2	n/a	n/a
\$140,000 <=Coverage A < \$230,000	2	n/a	n/a
\$230,000 <=Coverage A < \$345,000	1	n/a	n/a
\$345,000 <=Coverage A < \$430,000	1	n/a	n/a
\$430,000 <=Coverage A < \$575,000	2	n/a	n/a
Coverage A >= \$575,000	2	n/a	n/a
Renters:			
Coverage C < \$20,000	n/a	3	n/a
\$20,000 <=Coverage C < \$35,000	n/a	-2	n/a
\$35,000 <=Coverage C < \$55,000	n/a	-2	n/a
\$55,000 <=Coverage C < \$70,000	n/a	3	n/a
\$70,000 <=Coverage C < \$95,000	n/a	-5	n/a
Coverage C >= \$95,000	n/a	10	n/a
Condo:			
Coverage C < \$20,000	n/a	n/a	3
\$20,000 <=Coverage C < \$35,000	n/a	n/a	-7
\$35,000 <=Coverage C < \$55,000	n/a	n/a	-3
\$55,000 <=Coverage C < \$70,000	n/a	n/a	3
\$70,000 <=Coverage C < \$95,000	n/a	n/a	3
Coverage C >= \$95,000	n/a	n/a	3
<b>9c</b> If Age of Primary Insured 45-54			
Owners:			
Coverage A < \$140,000	2	n/a	n/a
\$140,000 <=Coverage A < \$230,000	2	n/a	n/a
\$230,000 <=Coverage A < \$345,000	1	n/a	n/a
\$345,000 <=Coverage A < \$430,000	1	n/a	n/a
\$430,000 <=Coverage A < \$575,000	0	n/a	n/a
Coverage A >= \$575,000	0	n/a	n/a
Renters:			
Coverage C < \$20,000	n/a	-2	n/a
\$20,000 <=Coverage C < \$35,000	n/a	-5	n/a
\$35,000 <=Coverage C < \$55,000	n/a	3	n/a
\$55,000 <=Coverage C < \$70,000	n/a	-8	n/a
\$70,000 <=Coverage C < \$95,000	n/a	10	n/a
Coverage C >= \$95,000	n/a	3	n/a
Condo:			
Coverage C < \$20,000	n/a	n/a	-7
\$20,000 <=Coverage C < \$35,000	n/a	n/a	0
\$35,000 <=Coverage C < \$55,000	n/a	n/a	0
\$55,000 <=Coverage C < \$70,000	n/a	n/a	-3
\$70,000 <=Coverage C < \$95,000	n/a	n/a	3
Coverage C >= \$95,000	n/a	n/a	8
<b>9d</b> If Age of Primary Insured 55+			
Owners:			
Coverage A < \$140,000	0	n/a	n/a
\$140,000 <=Coverage A < \$230,000	0	n/a	n/a
\$230,000 <=Coverage A < \$345,000	1	n/a	n/a
\$345,000 <=Coverage A < \$430,000	1	n/a	n/a
\$430,000 <=Coverage A < \$575,000	0	n/a	n/a
Coverage A >= \$575,000	0	n/a	n/a
Renters:			

**METROPOLITAN PROPERTY AND CASUALTY INSURANCE COMPANY**

**ARKANSAS Residential Property Program**

**Tier Assignment Rules - New Business**

Excludes Act of God (Natural Cause) Claims<sup>1</sup>

	Owner <sup>2</sup>	Renter <sup>3</sup>	Condo <sup>4</sup>
Coverage C < \$20,000	n/a	-2	n/a
\$20,000 <=Coverage C < \$35,000	n/a	-2	n/a
\$35,000 <=Coverage C < \$55,000	n/a	0	n/a
\$55,000 <=Coverage C < \$70,000	n/a	-8	n/a
\$70,000 <=Coverage C < \$95,000	n/a	5	n/a
Coverage C >= \$95,000	n/a	10	n/a
Condo:			
Coverage C < \$20,000	n/a	n/a	0
\$20,000 <=Coverage C < \$35,000	n/a	n/a	-3
\$35,000 <=Coverage C < \$55,000	n/a	n/a	0
\$55,000 <=Coverage C < \$70,000	n/a	n/a	0
\$70,000 <=Coverage C < \$95,000	n/a	n/a	0
Coverage C >= \$95,000	n/a	n/a	3
<b>10</b> Presence of exactly 1 claim in the last 3 years, Peril = Fire, claim amount >=\$75,000 PFM BD-CW (01, 1A, 1B)	-2	n/a	n/a
<b>11a</b> If PFM BD-CW (01, 1A, 1B) and 1st claim >= \$500 in last 3 years each additional claim >= \$500 in last 3 years	0 1	0 0	5 5
<b>11b</b> If PFM DD-DW (02, 2A) and 1st claim >= \$500 in last 3 years each additional claim >= \$500 in last 3 years	2 1	0 0	5 5
<b>11c</b> If PFM ED-FW (03, 3A, 3B, 3D) and 1st claim >= \$500 in last 3 years each additional claim >= \$500 in last 3 years	2 1	0 0	12 12
<b>11d</b> If PFM GD-HW (04, 4A, 4B, 4D) and 1st claim >= \$500 in last 3 years each additional claim >= \$500 in last 3 years	3 1	0 0	12 12
<b>11e</b> If PFM NF-NQ (00, 09, 2B) and 1st claim >= \$500 in last 3 years each additional claim >= \$500 in last 3 years	0 0	0 0	0 0
<b>12</b> If no claims >= \$500 in the last 3 years, Age of Home >= 25, PFM BD-CW (01, 1A, 1B) and Electric and Plumbing Systems Updated	-2	n/a	n/a
<b>13</b> Presence of an Undesirable Animal	5	5	5
<b>14</b> Presence of Trampoline or Skateboard Ramp <sup>5</sup>	5	2	2
<b>15</b> Presence of Pool <sup>5</sup>			
Coverage A < \$180,000	4	0	0
\$180,000 <=Coverage A < \$310,000	3	0	0
\$310,000 <=Coverage A < \$490,000	2	0	0
Coverage A >= \$490,000	1	0	0
<b>16</b> Presence of Underground Oil Storage Tank	0	n/a	n/a
<b>17</b> If GrandProtect policy form, Coverage A >= \$300,000 PFM BD-FW (01, 1A, 1B, 02, 2A, 03, 3A, 3B, 3D)	-3	n/a	n/a

**METROPOLITAN PROPERTY AND CASUALTY INSURANCE COMPANY**

**ARKANSAS Residential Property Program**

**Tier Assignment Rules - New Business**

Excludes Act of God (Natural Cause) Claims<sup>1</sup>

Owner<sup>2</sup>      Renter<sup>3</sup>      Condo<sup>4</sup>

Tier assignment = Base Tier + the sum of points for the above conditions.

Base Tier:      26                      31                      30

Notes:

<sup>1</sup>The losses considered above exclude loss causes by Act of God (natural causes).

<sup>2</sup>"Owners" includes the following policy forms:

Homeowners, HO-2 Homeowners, Market Value, Ultra, Platinum Homeowners, GrandProtect Homeowners  
Landlord's Rental Dwelling, GrandProtect Landlord's Rental Dwelling, Mobile Home, GrandProtect Mobile Home

<sup>3</sup>"Renters" includes the following policy forms:

Renters, Platinum Renters, GrandProtect Renters

<sup>4</sup>"Condo" includes the following policy forms:

Condominium, Platinum Condominium, Landlord's Condominium  
GrandProtect Condominium, GrandProtect Landlord's Condominium

<sup>5</sup>Applies to all Owners, stand-alone units only for Renters and Condo (# of Units = 1)

**METROPOLITAN PROPERTY AND CASUALTY INSURANCE COMPANY  
ECONOMY PREMIER ASSURANCE COMPANY**

**ARKANSAS Residential Property Program**

**Tier Movement Rules - Renewal Business**

Excludes Act of God (Natural Cause) Claims

For each condition below, the policy tier assignment will be adjusted by the following points at each annual renewal:

	<u>Owner</u>	<u>Renter</u>	<u>Condo</u>
<b>1. Movement Based on "Activity"</b>			
a. Each Non-Act of God Water claim $\geq$ \$2500 in the past 12 months ending 2 months prior to the renewal date of the policy:	8	8	8
b. Each Non-Act of God Theft claim $\geq$ \$2500 in the past 12 months ending 2 months prior to the renewal date of the policy:	8	10	6
c. Each Non-Act of God Fire claim $\geq$ \$2500 in the past 12 months ending 2 months prior to the renewal date of the policy:	4	12	8
d. Each Non-Act of God Weather claim $\geq$ \$2500 in the past 12 months ending 2 months prior to the renewal date of the policy:	0	0	0
e. Each Non-Act of God Liability claim $\geq$ \$2500 in the past 12 months ending 2 months prior to the renewal date of the policy:	7	8	8
f. Each Other Non-Act of God claim $\geq$ \$2500 in the past 12 months ending 2 months prior to the renewal date of the policy:	9	8	8
<b>g. Each Non-Act of God claim <math>\geq</math> \$1,000 and <math>&lt;</math> \$2,500 in past 12 months ending 2 months prior to the renewal date of the policy</b>	1	2	1
<b>h. One or more Non-Act of God claim of any kind <math>\geq</math> \$1,000 in past 12 months Two or more Non-Act of God claims of any kind <math>\geq</math> \$1,000 in past 5 years ending 2 months prior to the renewal date of the policy</b>	6	7	6

**2. Movement Based on Absence of "Activity"**

The policy is eligible to move down 1 tier if the policy was claim-free in the 36 months ending 2 months prior to the renewal date of the policy as follows:

Tiers 27 - 99: at every fifth annual renewal date

**3. Movement Based on Credit Criteria**

If credit is re-ordered and the PFM level improves, the improvement may be reflected by a lower tier level.

If credit is re-ordered and the PFM level worsens, this may be reflected by a higher tier level, if accompanied by claims activity on the policy.

METROPOLITAN PROPERTY AND CASUALTY INSURANCE COMPANY  
ECONOMY PREMIER ASSURANCE COMPANY  
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**RULE 9 - RESERVED FOR FUTURE USE**

**SUPERIOR HOME DISCOUNT**

(Ultra, Platinum and GrandProtect Homeowners only)

A discount is available for homeowner policies satisfying the following criteria:

- i. Dwelling is single family and owner occupied.
- ii. Dwelling has been constructed within the past 20 years.
- iii. Coverage A amount is at least \$125,000.
- iv. Dwelling is insured to 100% of value and inflation protection is elected.
- v. A deductible of \$500 or greater applies.
- vi. Dwelling is rated as Protection Class 1-6.

Discount	
Percent	Factor
5%	0.95

METROPOLITAN PROPERTY AND CASUALTY INSURANCE COMPANY  
 ECONOMY PREMIER ASSURANCE COMPANY  
 ARKANSAS RESIDENTIAL PROPERTY MANUAL

**ARKANSAS MPC HOMEOWNERS TERRITORIES**

<b>Zip</b>	<b>TERR</b>	<b>Zip</b>	<b>TERR</b>	<b>Zip</b>	<b>TERR</b>	<b>Zip</b>	<b>TERR</b>
71601	14	71678	16	71822	16	71866	16
71602	14	71701	16	71823	11	71901	31
71603	14	71720	16	71825	16	71909	31
71630	17	71721	16	71826	16	71913	31
71631	16	71722	16	71827	16	71920	16
71635	17	71724	15	71828	16	71921	16
71638	17	71725	16	71831	16	71922	16
71639	17	71726	16	71832	11	71923	16
71640	17	71728	16	71833	16	71929	16
71642	17	71730	15	71834	16	71932	11
71643	16	71740	16	71835	16	71933	16
71644	16	71742	16	71836	16	71935	11
71646	17	71743	16	71837	16	71937	11
71647	16	71744	16	71838	16	71940	16
71651	16	71745	16	71839	16	71941	16
71652	16	71747	15	71840	16	71942	16
71653	17	71748	16	71841	11	71943	16
71654	17	71749	15	71842	11	71944	11
71655	16	71750	15	71845	16	71945	11
71658	17	71751	16	71846	11	71949	31
71659	14	71752	16	71847	16	71950	16
71660	16	71753	16	71851	16	71952	16
71661	17	71758	15	71852	16	71953	11
71662	17	71759	15	71853	16	71956	31
71663	17	71762	15	71854	16	71957	11
71665	16	71763	16	71855	16	71958	16
71666	17	71764	16	71857	16	71959	16
71667	16	71765	15	71858	16	71960	11
71670	16	71766	16	71859	16	71961	11
71671	16	71768	15	71860	16	71962	16
71674	17	71770	16	71861	16	71964	31
71675	16	71772	16	71862	16	71965	11
71676	17	71801	16	71864	16	71966	11
71677	16	71820	16	71865	16	71968	31

METROPOLITAN PROPERTY AND CASUALTY INSURANCE COMPANY  
 ECONOMY PREMIER ASSURANCE COMPANY  
 ARKANSAS RESIDENTIAL PROPERTY MANUAL

<b>Zip</b>	<b>TERR</b>	<b>Zip</b>	<b>TERR</b>	<b>Zip</b>	<b>TERR</b>	<b>Zip</b>	<b>TERR</b>
71969	11	72036	17	72079	14	72129	16
71970	11	72037	16	72080	32	72130	11
71971	16	72038	16	72081	34	72131	11
71972	11	72039	32	72082	34	72132	14
71973	11	72040	16	72083	16	72133	14
72001	11	72041	16	72084	16	72134	17
72002	19	72042	16	72085	34	72135	19
72003	16	72043	35	72086	16	72136	34
72004	14	72044	11	72087	31	72137	34
72005	35	72045	34	72088	11	72139	34
72006	17	72046	16	72099	19	72140	16
72007	18	72047	32	72101	17	72141	11
72010	34	72048	16	72102	34	72142	19
72011	20	72051	11	72103	19	72143	34
72012	34	72052	34	72104	16	72150	16
72013	11	72053	19	72105	16	72152	14
72014	35	72055	16	72106	32	72153	11
72015	20	72057	16	72107	32	72156	32
72016	11	72058	32	72108	17	72157	32
72017	16	72059	17	72110	32	72160	16
72019	20	72060	34	72111	32	72164	19
72020	34	72061	32	72112	35	72165	11
72021	17	72063	32	72113	36	72166	16
72022	20	72064	16	72114	19	72167	20
72023	18	72065	19	72116	36	72168	14
72024	16	72066	16	72117	36	72169	35
72025	11	72067	11	72118	36	72170	16
72026	16	72068	34	72120	36	72173	32
72027	32	72069	17	72121	34	72175	14
72028	11	72070	11	72122	20	72176	18
72029	17	72072	16	72123	17	72178	34
72030	32	72073	16	72125	11	72179	11
72031	11	72074	17	72126	11	72180	19
72032	32	72075	35	72127	32	72181	32
72034	32	72076	36	72128	16	72182	14

METROPOLITAN PROPERTY AND CASUALTY INSURANCE COMPANY  
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<b>Zip</b>	<b>TERR</b>	<b>Zip</b>	<b>TERR</b>	<b>Zip</b>	<b>TERR</b>	<b>Zip</b>	<b>TERR</b>
72183	19	72340	17	72392	17	72442	17
72201	19	72341	17	72394	17	72443	12
72202	19	72342	17	72395	17	72444	33
72204	19	72346	17	72396	17	72445	12
72205	19	72347	17	72401	13	72447	13
72206	19	72348	17	72404	13	72449	33
72207	18	72350	17	72410	12	72450	12
72209	19	72351	17	72411	13	72453	12
72210	19	72352	17	72412	12	72454	12
72211	18	72353	17	72413	33	72455	33
72212	18	72354	17	72414	13	72456	12
72223	18	72355	17	72415	12	72457	12
72227	18	72358	17	72416	13	72458	12
72301	17	72359	17	72417	13	72459	12
72310	17	72360	17	72419	13	72460	33
72311	17	72364	17	72421	13	72461	12
72312	17	72365	17	72422	12	72462	33
72313	17	72366	17	72424	12	72464	12
72315	17	72367	17	72425	12	72465	12
72320	17	72368	17	72426	17	72466	12
72321	17	72369	17	72427	13	72467	13
72322	17	72370	17	72428	17	72469	12
72324	17	72372	17	72429	17	72470	12
72325	17	72373	17	72430	12	72471	35
72326	17	72374	17	72431	35	72472	17
72327	17	72376	17	72432	17	72473	35
72328	17	72377	17	72433	12	72474	12
72329	17	72379	17	72434	12	72475	17
72330	17	72383	17	72435	12	72476	12
72331	17	72384	17	72436	12	72478	33
72332	17	72386	17	72437	13	72479	17
72333	17	72387	17	72438	17	72482	11
72335	17	72389	17	72439	12	72501	11
72338	17	72390	17	72440	12	72512	11
72339	17	72391	17	72441	12	72513	11

METROPOLITAN PROPERTY AND CASUALTY INSURANCE COMPANY  
 ECONOMY PREMIER ASSURANCE COMPANY  
 ARKANSAS RESIDENTIAL PROPERTY MANUAL

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72515	11	72565	11	72635	38	72701	37
72517	11	72566	11	72636	38	72703	37
72519	11	72567	11	72638	21	72704	37
72520	11	72568	11	72639	38	72711	21
72521	11	72569	11	72640	38	72712	21
72522	11	72571	11	72641	38	72714	21
72523	11	72572	12	72642	38	72715	21
72524	11	72573	11	72644	38	72717	37
72526	11	72575	11	72645	38	72718	21
72527	11	72576	11	72648	38	72719	21
72528	11	72577	11	72650	38	72721	38
72529	11	72578	11	72651	38	72722	21
72530	11	72579	11	72653	38	72727	37
72531	11	72581	11	72655	38	72728	37
72532	11	72583	11	72657	11	72729	37
72533	11	72584	11	72658	38	72730	37
72534	11	72585	11	72659	38	72732	21
72536	11	72587	11	72660	21	72733	21
72537	38	72601	38	72661	38	72734	21
72538	11	72611	38	72662	38	72735	37
72539	11	72613	21	72663	11	72736	21
72540	11	72615	38	72666	38	72737	37
72542	11	72616	21	72668	38	72738	38
72543	11	72617	38	72669	38	72739	21
72544	38	72619	38	72670	38	72740	38
72546	11	72623	38	72672	38	72741	37
72550	11	72624	38	72675	38	72742	38
72553	11	72626	38	72677	38	72744	37
72554	11	72628	38	72679	11	72745	21
72555	11	72629	11	72680	11	72747	21
72556	11	72630	38	72682	38	72749	37
72560	11	72631	21	72683	38	72751	21
72561	11	72632	21	72685	38	72752	38
72562	11	72633	38	72686	38	72753	37
72564	11	72634	38	72687	38	72756	21

METROPOLITAN PROPERTY AND CASUALTY INSURANCE COMPANY  
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<b>Zip</b>	<b>TERR</b>	<b>Zip</b>	<b>TERR</b>	<b>Zip</b>	<b>TERR</b>	<b>Zip</b>	<b>TERR</b>
72758	21	72847	11	72945	23		
72760	38	72851	11	72946	22		
72761	21	72852	11	72947	22		
72762	37	72853	11	72948	22		
72764	37	72854	11	72949	11		
72768	21	72855	11	72950	11		
72769	37	72856	11	72951	11		
72770	37	72857	11	72952	22		
72773	38	72858	11	72955	22		
72774	37	72860	11	72956	22		
72776	38	72863	11	72958	11		
72801	11	72865	11	72959	37		
72802	11	72901	23				
72820	11	72903	23				
72821	11	72904	23				
72823	11	72905	23				
72824	11	72908	23				
72826	11	72916	23				
72827	11	72921	22				
72828	11	72923	23				
72829	11	72926	11				
72830	11	72927	11				
72832	11	72928	11				
72833	11	72930	11				
72834	11	72932	22				
72835	11	72933	11				
72837	11	72934	22				
72838	11	72935	22				
72839	11	72936	23				
72840	11	72937	23				
72841	11	72938	23				
72842	11	72940	23				
72843	11	72941	23				
72845	11	72943	11				
72846	11	72944	11				

SERFF Tracking Number: METX-G126923125 State: Arkansas  
 First Filing Company: Metropolitan Property and Casualty Insurance State Tracking Number: EFT \$250  
 Company, ...  
 Company Tracking Number: AR00092CG00234  
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations  
 Product Name: Tiering  
 Project Name/Number: /AR00092CG00234

## Supporting Document Schedules

	Item Status:	Status Date:
<b>Bypassed - Item:</b> Form RF-2 Loss Costs Only (not for workers' compensation) <b>Bypass Reason:</b> n/a <b>Comments:</b>		
<b>Satisfied - Item:</b> H-1 Homeowners Abstract <b>Comments:</b> <b>Attachment:</b> AR_H_MPC_H-1 Abstract_122710.PDF	Filed	01/03/2011
<b>Satisfied - Item:</b> HPCS-Homeowners Premium Comparison Survey <b>Comments:</b> <b>Attachments:</b> AR_H_MPC_HCPS Survey_122710.PDF AR_H_MPC_HCPS Survey_122710.XLS	Filed	01/03/2011
<b>Satisfied - Item:</b> NAIC loss cost data entry document <b>Comments:</b> <b>Attachments:</b> AR_H_EPAC_RF-1 Abstract_122710.PDF AR_H_MPC_RF-1 Abstract_122710.PDF	Filed	01/03/2011

SERFF Tracking Number: METX-G126923125 State: Arkansas  
 First Filing Company: Metropolitan Property and Casualty Insurance State Tracking Number: EFT \$250  
 Company, ...  
 Company Tracking Number: AR00092CG00234  
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations  
 Product Name: Tiering  
 Project Name/Number: /AR00092CG00234

**Item Status:** Filed **Status Date:** 01/03/2011  
**Satisfied - Item:** Filing Introduction  
**Comments:**  
**Attachment:**  
 AR\_H\_MPC\_Introduction\_122710.PDF

**Item Status:** Filed **Status Date:** 01/03/2011  
**Satisfied - Item:** Filing Exhibits  
**Comments:**  
**Attachment:**  
 AR\_H\_MPC\_Filing Exhibits\_122710.PDF

**Item Status:** Filed **Status Date:** 01/03/2011  
**Satisfied - Item:** Objection Response Letter 121510,  
 Exhibit 1 - GP Loss Experience -  
 121510, Map  
**Comments:**  
**Attachments:**  
 AR\_H\_MPC\_Response Letter\_121310.PDF  
 AR\_H\_MPC\_Exhibit 1\_GP Loss Experience\_121410.PDF  
 AR\_H\_MPC\_Exhibit 1\_GP Loss Experience\_121410.XLS  
 AR\_H\_MPC\_Map\_121410.PDF  
 AR\_H\_MPC\_Map\_121410.XLS

**Item Status:** Filed **Status Date:** 01/03/2011  
**Satisfied - Item:** Objection Response Letter 122010,  
 Filing Exhibits  
**Comments:**  
**Attachments:**

*SERFF Tracking Number:* METX-G126923125                      *State:* Arkansas  
*First Filing Company:* Metropolitan Property and Casualty Insurance   *State Tracking Number:* EFT \$250  
Company, ...  
*Company Tracking Number:* AR00092CG00234  
*TOI:* 04.0 Homeowners                      *Sub-TOI:* 04.0000 Homeowners Sub-TOI Combinations  
*Product Name:* Tiering  
*Project Name/Number:* /AR00092CG00234

AR\_H\_MPC\_Response Letter\_121710.PDF  
AR\_H\_MPC\_Filing Exhibits rev 121710.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 Metropolitan Property and Casualty Insurance Company  
NAIC # (including group #) 241-26298

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.  
We use Marshall&Swift/Boeckh's (MSB) Total Component Estimating (TCE) calculation engine to determine the replacement cost of a customer's dwelling. We have used TCE since approximately 2002. The TCE engine assures us that current material and labor cost data is factored into the replacement cost calculation resulting in an accurate estimate. We utilize this method on a countrywide basis. MSB is a leader in the industry and is widely used by insurance companies.

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 the customer to maintain coverage equal to 100% of the replacement cost calculation estimate. The estimate is based on the dwelling information provided by the customer and calculated using MSB's TCE calculation engine.

4. If you use an Inflation Guard form or similar type of coverage, describe the coverage(s) and estimate the impact.  
Our endorsement reads as follows: "Inflation Protection – The limits of liability specified in the Declarations of this policy, or any amendments thereto, for Coverages A, B and C and Loss of Use are continuously adjusted in accordance with the applicable construction price index in use by us. This index will then be multiplied by the limit of liability for Coverages A, B and C and Loss of Use separately." The impact varies by geographic locations with a minimum annual impact of 3.1% and a maximum annual impact of 5.1%.

5. Specify the percentage given for credit or discounts for the following:
- |   |        |   |
|---|--------|---|
| a. Fire Extinguisher  | 0 – 5  | % |
| b. Burglar Alarm  | 5 – 10 | % |
| c. Smoke Alarm  | 0 – 10 | % |
| d. Insured who has both homeowners and auto with your company | 15     | % |
| e. Deadbolt Locks   | 0 – 5  | % |
| f. Window or Door Locks                                       | 0      | % |
| g. Other (specify)  |        |   |
| Full Automatic Sprinkler System                               | 10     | % |
| Partial Automatic Sprinkler System                            | 5      | % |
| Controlled Access Community or Building                       | 5      | % |

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. \*Annual Earned Premium as of 06/30/10

<u>Form</u>	<u>Premium Volume*</u>
HO-2 Homeowners	\$20,377
Homeowners	\$2,322,618
Ultra	\$182,974
Platinum Homeowners	\$376,311
Market Value	\$5,246
Renters	\$97,314
Platinum Renters	\$3,180
Condominium	\$14,412
Platinum Condominium	\$3,990
HO-2 Landlord's Rental Dwelling & Landlord's Rental Dwelling	\$152,212
Landlord's Rental Condominium	\$1,267
HO-2 Mobile Home	\$0
Mobile Home	\$3,577
GrandProtect Homeowners	\$993,311
GrandProtect Landlord's Dwelling	\$39,517
GrandProtect Renters	\$4,761
GrandProtect Condominium	\$16,439
GrandProtect Landlord's Condominium	\$1,540
GrandProtect Mobile Home	\$0

8. Do you write homeowner risks which have aluminium, steel or vinyl siding?  Yes  No
9. Is there a surcharge on risks with wood heat? Yes  
 If yes, state the surcharge 1.05  
 Does the surcharge apply to conventional fire places? No  
 If yes, state the surcharge \_\_\_\_\_

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

*Jacqueline A. Hattoy*

\_\_\_\_\_  
 Signature

Jacqueline A. Hattoy  
 Printed Name

Sr. State Filing Specialist  
 Title

401-827-2949  
 Telephone Number

jhattery@metlife.com  
 Email address

NAIC Number: 26298  
 Company Name: Metropolitan Property and Casualty Insurance Company  
 Contact Person: Jacqueline A. Hattoy  
 Telephone No.: 401-827-2949  
 Email Address: jhattoy@metlife.com  
 Effective Date: 12/27/2010

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

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

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

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

Public Protection Class	Dwelling Value	Washington		Baxter		Craighead		St. Francis		Desha		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$80,000	\$638	\$734	\$716	\$824	\$1,111	\$1,277	\$1,101	\$1,266	\$1,101	\$1,266	\$803	\$923	\$960	\$1,104	\$757	\$871	\$784	\$902
	\$120,000	\$738	\$848	\$828	\$952	\$1,285	\$1,477	\$1,273	\$1,464	\$1,273	\$1,464	\$929	\$1,068	\$1,110	\$1,277	\$875	\$1,007	\$907	\$1,043
	\$160,000	\$771	\$887	\$866	\$995	\$1,343	\$1,544	\$1,331	\$1,530	\$1,331	\$1,530	\$971	\$1,116	\$1,161	\$1,335	\$915	\$1,052	\$948	\$1,090
6	\$80,000	\$766	\$880	\$859	\$988	\$1,333	\$1,533	\$1,321	\$1,519	\$1,321	\$1,519	\$964	\$1,108	\$1,152	\$1,325	\$908	\$1,045	\$941	\$1,082
	\$120,000	\$885	\$1,018	\$994	\$1,143	\$1,542	\$1,773	\$1,528	\$1,757	\$1,528	\$1,757	\$1,114	\$1,281	\$1,332	\$1,532	\$1,051	\$1,208	\$1,088	\$1,252
	\$160,000	\$925	\$1,064	\$1,039	\$1,195	\$1,611	\$1,853	\$1,597	\$1,836	\$1,597	\$1,836	\$1,165	\$1,339	\$1,393	\$1,602	\$1,098	\$1,263	\$1,138	\$1,308
9	\$80,000	\$1,914	\$2,201	\$2,148	\$2,471	\$3,333	\$3,832	\$3,302	\$3,798	\$3,302	\$3,798	\$2,409	\$2,770	\$2,880	\$3,313	\$2,271	\$2,612	\$2,353	\$2,706
	\$120,000	\$2,213	\$2,545	\$2,485	\$2,857	\$3,854	\$4,432	\$3,819	\$4,392	\$3,819	\$4,392	\$2,786	\$3,204	\$3,331	\$3,831	\$2,626	\$3,020	\$2,721	\$3,129
	\$160,000	\$2,313	\$2,660	\$2,597	\$2,986	\$4,028	\$4,632	\$3,992	\$4,590	\$3,992	\$4,590	\$2,912	\$3,348	\$3,482	\$4,004	\$2,745	\$3,157	\$2,844	\$3,271

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	\$121	\$121	\$120	\$120	\$124	\$124	\$120	\$120	\$120	\$120	\$120	\$120	\$120	\$120	\$120	\$120	\$121	\$121
	\$15,000	\$158	\$158	\$155	\$155	\$161	\$161	\$155	\$155	\$155	\$155	\$155	\$155	\$155	\$155	\$155	\$155	\$158	\$158
	\$25,000	\$201	\$201	\$199	\$199	\$206	\$206	\$199	\$199	\$199	\$199	\$199	\$199	\$199	\$199	\$199	\$199	\$201	\$201
6	\$5,000	\$133	\$133	\$131	\$131	\$137	\$137	\$131	\$131	\$131	\$131	\$131	\$131	\$131	\$131	\$131	\$131	\$133	\$133
	\$15,000	\$173	\$173	\$171	\$171	\$177	\$177	\$171	\$171	\$171	\$171	\$171	\$171	\$171	\$171	\$171	\$171	\$173	\$173
	\$25,000	\$222	\$222	\$218	\$218	\$227	\$227	\$218	\$218	\$218	\$218	\$218	\$218	\$218	\$218	\$218	\$218	\$222	\$222
9	\$5,000	\$194	\$194	\$191	\$191	\$199	\$199	\$191	\$191	\$191	\$191	\$191	\$191	\$191	\$191	\$191	\$191	\$194	\$194
	\$15,000	\$252	\$252	\$248	\$248	\$258	\$258	\$248	\$248	\$248	\$248	\$248	\$248	\$248	\$248	\$248	\$248	\$252	\$252
	\$25,000	\$322	\$322	\$318	\$318	\$330	\$330	\$318	\$318	\$318	\$318	\$318	\$318	\$318	\$318	\$318	\$318	\$322	\$322

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	0-5 %	Deadbolt Lock	0-5 %
Burglar Alarm	5 %	Window Locks	n/a %
Smoke Alarm	0-5 %	\$1,000 Deductible	12 %
		Other (specify)	
		Fire Alarm Central	10 %
		Automatic Sprinkler system	10 %
		Controlled Access Commu	5 %
		Maximum Credit Allowed	20 %

**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?  
 10-15 %

WHAT IS YOUR PRICE PER \$1,000 OF COVERAGE?

Zone	Brick	Frame
Highest Risk	\$ 1.46	\$ 0.60
Lowest Risk	\$ 1.18	\$ 0.45

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

1.	This filing transmittal is part of Company Tracking #	HO AR00039CGR01
2.	If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number	

Company Name		Company NAIC Number	
3.	A. Economy Premier Assurance Company	B.	241-40649

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

5.

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	FOR LOSS COSTS ONLY				
			(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
Owners	n/a	0.1%					
Renters/Condo	n/a	0.0%					
TOTAL OVERALL EFFECT	n/a	0.1%					

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	10,422	0.0%	09/30/05	12,464	4,944	39.7%	74.5%
2006	9,734	0.0%	05/29/07	12,348	8,434	68.3%	51.9%
2007	8,797	0.1%	04/19/08	11,934	4,854	40.7%	40.7%
2008	7,620	0.0%	01/31/09	11,012	20,716	188.1%	62.9%
2009	6,169	0.0%	01/31/09	9,566	5,571	58.2%	43.9%

7.

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

8. \_\_\_\_\_ Apply Lost Cost Factors to Future filings? (Y or N)
9. 5.5% 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 #	
2.	If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number	

		Company Name	Company NAIC Number	
3.	A.	Metropolitan Property and Casualty Insurance Company	B.	241-26298

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

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	FOR LOSS COSTS ONLY				
			(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
Owners	36.6%	9.1%					
Renters/Condo	12.7%	7.5%					
Landlords	7.6%	3.5%					
Mobilehome	n/a	0.1%					
Owner Dwelling Fire	n/a	30.3%					
Landlord Dwelling Fire	n/a	15.0%					
TOTAL OVERALL EFFECT	35.7%	9.0%					

Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
2005	1,564	-4.3%	7/31/05	1,447	696	48.1%	86.0%
2006	2,492	0.0%	04/23/07	2,405	2,771	115.2%	48.4%
2007	3,411	+2.5%	03/15/08	3,485	645	18.5%	45.3%
2008	3,860	0.0%	11/21/08	3,982	6,016	151.1%	59.3%
2009	3,969	8.8%	11/30/09	4,159	2,765	66.5%	52.4%

Expense Constants	Selected Provisions
A. Total Production Expense	24.0%
B. General Expense	2.9%
C. Taxes, License & Fees	3.3%
D. Underwriting Profit & Contingencies	9.4%
E. Other (explain)	
F. TOTAL	39.6%

8.          Apply Lost Cost Factors to Future filings? (Y or N)
9. 44.9% \* Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): 21 – Owner Former Dwelling Fire
10. -18.3% \* Estimated Maximum Rate Decrease for any Insured (%). Territory (if applicable): 21 – Landlord Former Dwelling Fire

\* Subject to a 12% annual cap.

**METROPOLITAN PROPERTY AND CASUALTY INSURANCE COMPANY  
ECONOMY PREMIER ASSURANCE COMPANY**

**Arkansas Residential Property Program**

**Explanatory Memorandum**

The homeowners rates currently in use by Metropolitan Property and Casualty Insurance Company (MPC) and Economy Premier Assurance Company (EPAC) were filed with the Arkansas Department of Insurance, effective November 30, 2009 for both MPC and EPAC.

**Metropolitan Property And Casualty Insurance Company changes:**

	<u>Owners</u>	<u>Renters &amp; Condo</u>	<u>Landlords Rental Dwelling</u>	<u>Mobile Home</u>	<u>Owner Former Dwelling Fire</u>	<u>Landlord Former Dwelling Fire</u>	<u>Total</u>
Base Rates	9.1%	8.1%	4.8%	1.4%	32.0%	16.3%	9.2%
Superior Home Discount	1.3%	0.0%	0.0%	0.0%	0.0%	0.0%	1.1%
Group Account Deviation	-0.5%	-0.5%	-0.5%	-0.5%	-0.5%	-0.5%	-0.5%
Protection Class Factor	-0.8%	N/A	-0.8%	-0.8%	-0.8%	-0.8%	-0.8%
<b>Total</b>	<b>9.1%</b>	<b>7.5%</b>	<b>3.5%</b>	<b>0.1%</b>	<b>30.3%</b>	<b>15.0%</b>	<b>9.0%</b>

**1. Base Rates**

Base Rates are revised by territory and form

**2. Superior Home Discount**

Superior Home discount is revised from 10% to 5%.

**3. Protection Class Factors – Owners, Landlords, Mobile Home, Former Dwelling Fire**

Statewide protection class factors are proposed for all territories.

**4. Group Account Deviation**

Group Account Discounts are revised to 8.0% for all companies which currently have a discount of 5.0%.

**5. New and Renewal Business Tiering Rules**

NB tiering rules 8a, 8b, 8c, 8d, 8e, 8f, 9a, 9b, 9c, 9d, and 17 are modified. Countrywide changes are also made to the renewal business tier movement rules.

**6. Renewal Premium Capping will be introduced.**

Renewal Premium Capping is designed to mitigate rate disruption for existing customers by limiting the percentage increase or decrease at each renewal and spreading the balance of premium changes over successive policy terms. Policy renewal premium changes shall be capped at plus or minus 12% based on the application of a Rate Cap Factor.

**7. Agent Book Transfer Premium Capping will be introduced.**

Agent Book Transfer Premium Capping is a program that will help agents who are rolling books of business to MetLife Auto & Home. This program eases the impact of changes in customers' premiums by spreading the difference over successive policy terms. A policyholder's initial

premium will be at or near the premium they paid with their current carrier for the policy term just before the roll. The premium change is then capped at plus or minus 10% at each renewal until the customer is paying the current Met rates.

**8. ZIP Codes**

Several ZIP Codes have been added and deleted from the Territory Pages.

**Economy Premier Assurance Company Change:** (not open to NB)

**1. Superior Home Discount**

Superior Home discount is revised from 10% to 5%. The rate impact is 0.1%

**2. Renewal Business Tiering Rules**

Countrywide changes are also made to the renewal business tier movement rules.

**3. Renewal Premium Capping will be introduced.**

Renewal Premium Capping is designed to mitigate rate disruption for existing customers by limiting the percentage increase or decrease at each renewal and spreading the balance of premium changes over successive policy terms. Policy renewal premium changes shall be capped at plus or minus 12% based on the application of a Rate Cap Factor.

**Metropolitan Property And Casualty Insurance Company**

**Homeowners Rate Change**

**Arkansas**

Policy Form	Premium Distribution	Average Rates		Base Rate	Rate Change Description		Total Change
		Present	Proposed		Discount/Surcharge	Optional Coverages	
VIP/HO-2	0.5%	\$941	\$1,027	9.2%	0.0%	0.0%	9.2%
Market Value	0.1%	\$872	\$949	8.9%	0.0%	0.0%	8.9%
Homeowners	53.5%	\$978	\$1,069	9.3%	0.0%	0.0%	9.3%
Ultra	4.2%	\$1,157	\$1,263	9.2%	0.0%	0.0%	9.2%
Platinum Homeowners	8.7%	\$1,467	\$1,605	9.4%	0.0%	0.0%	9.4%
GrandProtect Homeowners	22.9%	\$1,698	\$1,843	8.6%	0.0%	0.0%	8.6%
<b>Owners Forms Total</b>	89.9%	\$1,143	\$1,247	9.1%	0.0%	0.0%	9.1%
Renters	2.2%	\$310	\$333	8.1%	-0.5%	0.0%	7.5%
Condo	0.3%	\$411	\$442	8.0%	-0.5%	0.0%	7.5%
Platinum Renters	0.1%	\$533	\$574	8.2%	-0.5%	0.0%	7.7%
Platinum Condo	0.1%	\$646	\$694	8.0%	-0.5%	0.0%	7.5%
GrandProtect Renters	0.1%	\$621	\$668	8.1%	-0.5%	0.0%	7.6%
GrandProtect Condo	0.4%	\$691	\$743	8.0%	-0.5%	0.0%	7.5%
Landlords Condo	0.0%	\$635	\$683	8.2%	-0.5%	0.0%	7.6%
GrandProtect Landlords Condo	0.0%	\$804	\$864	8.1%	-0.5%	0.0%	7.5%
<b>Renters/Condo Forms Total</b>	3.2%	\$360	\$387	8.1%	-0.5%	0.0%	7.5%
<b>Total Owners, Renters/Condo</b>	93.1%	\$1,064	\$1,160	9.1%	0.0%	0.0%	9.0%
Landlord's Rental Dwelling	3.4%	\$593	\$613	4.8%	-1.3%	0.0%	3.5%
GrandProtect Landlords Rental Dwelling	0.9%	\$572	\$592	4.8%	-1.3%	0.0%	3.5%
<b>Landlords Rental Dwelling Total</b>	4.2%	\$588	\$609	4.8%	-1.3%	0.0%	3.5%
Mobile Home	0.1%	\$568	\$568	1.4%	-1.3%	0.0%	0.1%
<b>Mobile Home Total</b>	0.1%	\$568	\$568	1.4%	-1.3%	0.0%	0.1%
<b>Homeowners (former DF)</b>	0.6%	\$772	\$1,006	32.0%	-1.3%	0.0%	30.3%
<b>Landlords (former DF)</b>	1.9%	\$755	\$867	16.3%	-1.3%	0.0%	15.0%
<b>All Forms Total</b>	100.0%	\$1,020	\$1,113	9.2%	-0.1%	0.0%	9.0%

Metropolitan Property And Casualty Insurance Company

Homeowners Rate Change

Territory	Arkansas							Total
	Owners	<u>Renters &amp; Condo</u>	<u>Landlords Rental Dwelling</u>	Mobilehome	<u>Owners Former Dwelling Fire</u>	<u>Landlord Former Dwelling Fire</u>	<u>Total Owners, Renters/Condo</u>	
11	9.5%	7.3%	3.5%	0.1%	30.0%	7.9%	9.5%	9.5%
12	9.5%	7.3%	3.5%	0.1%	29.9%	31.4%	9.4%	9.6%
13	8.5%	7.5%	3.5%	0.1%	30.0%	45.1%	8.5%	8.4%
14	6.5%	7.3%	3.5%	0.1%	123.3%	29.1%	6.6%	6.9%
15	9.5%	7.3%	3.5%	0.1%	30.0%	36.9%	9.4%	14.4%
16	9.5%	7.3%	3.5%	0.1%	29.9%	34.7%	9.3%	13.7%
17	9.5%	7.3%	3.5%	0.1%	30.1%	30.0%	9.4%	9.9%
18	7.8%	7.7%	3.5%	0.1%	29.9%	19.5%	7.8%	7.8%
19	7.5%	7.5%	3.5%	0.1%	30.2%	29.9%	7.5%	8.9%
20	9.5%	7.3%	3.5%	0.1%	37.3%	34.0%	9.4%	9.6%
21	10.4%	7.7%	3.5%	0.1%	43.0%	-19.4%	10.3%	9.8%
22	9.5%	7.3%	3.5%	0.1%	64.2%	11.3%	9.5%	9.0%
23	8.5%	7.3%	3.5%	0.1%	54.0%	-6.6%	8.5%	8.2%
31	8.5%	7.3%	3.6%	0.1%	30.1%	16.9%	8.4%	8.7%
32	9.9%	7.5%	3.5%	0.1%	28.5%	16.0%	9.8%	9.6%
33	9.5%	7.3%	3.4%	0.1%	79.0%	22.8%	9.3%	12.9%
34	9.5%	7.3%	3.5%	0.1%	29.9%	39.8%	9.4%	10.5%
35	9.5%	7.3%	3.5%	0.1%	132.3%	30.0%	8.8%	19.3%
36	9.9%	7.7%	3.5%	0.1%	73.4%	21.6%	9.9%	9.9%
37	9.9%	7.7%	3.4%	0.1%	30.0%	-19.2%	9.8%	8.7%
38	8.5%	7.3%	3.5%	0.1%	30.0%	12.2%	8.5%	8.7%
Total	9.1%	7.5%	3.5%	0.1%	30.3%	15.0%	9.0%	9.0%

**Metropolitan Property And Casualty Insurance Company  
Arkansas  
OWNERS RATE LEVEL INDICATIONS**

Acc Year Ending	Exposures	Earned Premium	On-Level Factor	Premium Trend	Adjusted Earned Premium	Non-Cat Incurred Losses (w/ ALAE)	Loss Development	Loss Trend
							Projected to Ultimate	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
6/06	1,787	\$1,602,526	1.085	1.079	\$1,875,411	\$1,003,963	1.000	1.621
6/07	2,702	\$2,642,779	1.119	1.048	\$3,098,118	\$834,098	1.000	1.474
6/08	3,313	\$3,424,599	1.120	1.017	\$3,902,470	\$1,299,343	1.000	1.340
6/09	3,461	\$3,658,145	1.101	0.987	\$3,978,528	\$1,888,170	1.010	1.218
6/10	3,716	\$3,929,040	1.081	0.959	\$4,070,297	\$3,255,805	1.106	1.107
<b>Total</b>	14,979	\$15,257,089			\$16,924,824	\$8,281,379		

Acc Year Ending	Trended Developed	Hurricane Catastrophe Allowance	Catastrophe Allowance	ULAE Factor	Adjusted Incurred Losses (w/ LAE)	Reinsurance Allowance	Adjusted Loss Ratio	5 Year Weight
	Incurred Non-Cat Losses (w/ ALAE)							
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
6/06	\$1,627,699	0.0%	1.483	1.049	\$2,532,158	0.5%	135.5%	10%
6/07	\$1,229,364	0.0%	1.483	1.049	\$1,912,482	0.5%	62.2%	15%
6/08	\$1,740,984	0.0%	1.483	1.049	\$2,708,392	0.5%	69.9%	20%
6/09	\$2,322,955	0.0%	1.483	1.049	\$3,613,745	0.5%	91.3%	25%
6/10	\$3,987,305	0.0%	1.483	1.049	\$6,202,920	0.5%	152.9%	30%
<b>Total</b>	\$10,908,309				\$16,969,696			100.0%

Average Adjusted Loss Ratio	Credibility	Permissible Loss Ratio	Credibility Weighted Loss Ratio	Flat Expense Provision	Flat Expense Trend Factor	Indicated Change	Proposed Change
(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
105.6%	61.2%	61.8%	88.6%	13.3%	1.05	36.6%	9.1%

**Metropolitan Property And Casualty Insurance Company  
Arkansas  
RENTERS & CONDO RATE LEVEL INDICATIONS**

Acc Year Ending	Exposures	Earned Premium	On-Level Factor	Premium Trend	Adjusted Earned Premium	Non-Cat Incurred Losses (w/ ALAE)	Loss	
							Development Projected to Ultimate	Loss Trend
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
6/06	210	\$65,906	1.078	1.079	\$76,680	\$32,353	1.000	1.621
6/07	273	\$92,540	1.078	1.048	\$104,482	\$22,659	1.010	1.474
6/08	353	\$123,477	1.076	1.017	\$135,147	\$19,489	1.020	1.340
6/09	368	\$125,506	1.058	0.987	\$131,100	\$131,312	1.041	1.218
6/10	414	\$142,902	1.044	0.959	\$142,957	\$39,274	1.134	1.107
<b>Total</b>	1,618	\$550,330			\$590,366	\$245,088		

Acc Year Ending	Trended Developed Incurred Non-Cat Losses (w/ ALAE)	Hurricane Catastrophe Allowance	Catastrophe Allowance	ULAE Factor	Adjusted Incurred Losses (w/ LAE)	Reinsurance Allowance	Adjusted Loss	
							Ratio	5 Year Weight
(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	
6/06	\$52,453	0.0%	1.021	1.049	\$56,179	0.3%	73.6%	10%
6/07	\$33,731	0.0%	1.021	1.049	\$36,127	0.3%	34.9%	15%
6/08	\$26,638	0.0%	1.021	1.049	\$28,530	0.3%	21.4%	20%
6/09	\$166,428	0.0%	1.021	1.049	\$178,249	0.3%	136.3%	25%
6/10	\$49,324	0.0%	1.021	1.049	\$52,828	0.3%	37.3%	30%
<b>Total</b>	\$328,575				\$351,914			100.0%

Average Adjusted Loss Ratio	Credibility	Permissible Loss Ratio	Credibility Weighted Loss Ratio	Flat Expense Provision	Flat Expense Trend Factor	Indicated Change	Proposed Change
(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
62.1%	25.4%	32.9%	40.3%	42.2%	1.05	12.7%	7.5%

**Metropolitan Property And Casualty Insurance Company  
Arkansas  
LANDLORDS RENTAL DWELLING RATE LEVEL INDICATIONS**

Acc Year Ending	Exposures	Earned Premium	On-Level Factor	Premium Trend	Adjusted Earned Premium	Non-Cat Incurred Losses (w/ ALAE)	Loss Development	Loss Trend
							Projected to Ultimate	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
6/06	136	\$198,873	1.054	1.079	\$226,117	\$98,837	1.000	1.621
6/07	227	\$241,715	1.054	1.048	\$266,823	\$141,837	1.000	1.474
6/08	283	\$276,536	1.054	1.017	\$296,379	\$84,504	1.000	1.340
6/09	299	\$264,872	1.051	0.987	\$274,946	\$55,332	1.010	1.218
6/10	338	\$278,234	1.044	0.959	\$278,431	\$87,007	1.106	1.107
<b>Total</b>	1,284	\$1,260,230			\$1,342,695	\$467,516		

Acc Year Ending	Trended Developed	Hurricane Catastrophe Allowance	Catastrophe Allowance	ULAE Factor	Adjusted Incurred Losses (w/ LAE)	Reinsurance Allowance	Adjusted Loss	5 Year Weight
	Incurred Non-Cat Losses (w/ ALAE)						Ratio	
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
6/06	\$160,241	0.0%	1.483	1.049	\$249,282	0.0%	110.2%	10%
6/07	\$209,051	0.0%	1.483	1.049	\$325,213	0.0%	121.9%	15%
6/08	\$113,227	0.0%	1.483	1.049	\$176,144	0.0%	59.4%	20%
6/09	\$68,073	0.0%	1.483	1.049	\$105,898	0.0%	38.5%	25%
6/10	\$106,556	0.0%	1.483	1.049	\$165,765	0.0%	59.5%	30%
<b>Total</b>	\$657,148				\$1,022,303			100.0%

Average Adjusted Loss Ratio	Credibility	Permissible Loss Ratio	Credibility Weighted Loss Ratio	Flat Expense Provision	Flat Expense Trend Factor	Indicated Change	Proposed Change
(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
68.7%	22.7%	49.3%	53.7%	25.8%	1.05	7.6%	3.5%

**Metropolitan Property And Casualty Insurance Company  
Arkansas Homeowners Catastrophe Experience**

**Owners Forms (incl. LL and MH)**

**Undeveloped Incurred Losses & ALAE**

<b>Accident Year Ending</b>	<b>Total Cat</b>	<b>Non-Hurr Cat</b>	<b>Non-Cat</b>	<b>Total Ratio</b>	<b>Non-Hurr Ratio</b>
6/87	7,856	7,856	288,949	2.7%	2.7%
6/88	0	0	548,735	0.0%	0.0%
6/89	576,045	576,045	656,595	87.7%	87.7%
6/90	169,184	169,184	522,955	32.4%	32.4%
6/91	56,578	56,578	677,290	8.4%	8.4%
6/92	33,102	33,102	628,510	5.3%	5.3%
6/93	6,157	6,157	314,034	2.0%	2.0%
6/94	30,476	30,476	634,864	4.8%	4.8%
6/95	31,921	31,921	405,000	7.9%	7.9%
6/96	165,936	165,936	387,010	42.9%	42.9%
6/97	18,796	18,796	419,882	4.5%	4.5%
6/98	19,917	19,917	149,593	13.3%	13.3%
6/99	53,630	53,630	408,843	13.1%	13.1%
6/00	18,927	18,927	100,630	18.8%	18.8%
6/01	47,443	47,443	452,647	10.5%	10.5%
6/02	4,760	4,760	112,143	4.2%	4.2%
6/03	10,597	10,597	150,634	7.0%	7.0%
6/04	46,082	46,082	444,372	10.4%	10.4%
6/05	7,255	7,255	413,641	1.8%	1.8%
6/06	1,153,294	1,153,294	1,102,801	104.6%	104.6%
6/07	75,572	75,572	975,933	7.7%	7.7%
6/08	3,115,331	3,115,331	1,383,853	225.1%	225.1%
6/09	1,981,112	1,981,112	1,943,505	101.9%	101.9%
6/10	322,300	322,300	3,344,011	9.6%	9.6%
12 yr. Totals	6,836,303	6,836,303	10,833,013	63.1%	63.1%
14 yr. Totals	6,875,016	6,875,016	11,402,488	60.3%	60.3%
16 yr. Totals	7,072,873	7,072,873	12,194,498	58.0%	58.0%
18 yr. Totals	7,109,506	7,109,506	13,143,396	54.1%	54.1%
20 yr. Totals	7,199,186	7,199,186	14,449,196	49.8%	49.8%
22 yr. Totals	7,944,415	7,944,415	15,628,746	50.8%	50.8%
24 yr. Totals	7,952,271	7,952,271	16,466,430	48.3%	48.3%
			Selected:	48.3%	48.3%

**Metropolitan Property And Casualty Insurance Company  
Arkansas Homeowners Catastrophe Experience**

**Renters & Condo Forms (incl. LL Condo)**

**Undeveloped Incurred Losses & ALAE**

<b>Accident Year Ending</b>	<b>Total Cat</b>	<b>Non-Hurr Cat</b>	<b>Non-Cat</b>	<b>Total Ratio</b>	<b>Non-Hurr Ratio</b>
6/87	0	0	29,255	0.0%	0.0%
6/88	0	0	46,931	0.0%	0.0%
6/89	69	69	20,627	0.3%	0.3%
6/90	3,327	3,327	52,464	6.3%	6.3%
6/91	0	0	22,055	0.0%	0.0%
6/92	0	0	80,045	0.0%	0.0%
6/93	0	0	5,386	0.0%	0.0%
6/94	0	0	30,248	0.0%	0.0%
6/95	0	0	629	0.0%	0.0%
6/96	0	0	2,168	0.0%	0.0%
6/97	0	0	18,335	0.0%	0.0%
6/98	0	0	5,135	0.0%	0.0%
6/99	0	0	4,753	0.0%	0.0%
6/00	0	0	660	0.0%	0.0%
6/01	0	0	1,727	0.0%	0.0%
6/02	0	0	9,802	0.0%	0.0%
6/03	0	0	71,088	0.0%	0.0%
6/04	4,900	4,900	6,022	81.4%	81.4%
6/05	0	0	5,772	0.0%	0.0%
6/06	0	0	32,353	0.0%	0.0%
6/07	0	0	22,659	0.0%	0.0%
6/08	2,527	2,527	19,490	13.0%	13.0%
6/09	2,530	2,530	131,312	1.9%	1.9%
6/10	200	200	39,273	0.5%	0.5%
12 yr. Totals	10,157	10,157	344,911	2.9%	2.9%
14 yr. Totals	10,157	10,157	368,381	2.8%	2.8%
16 yr. Totals	10,157	10,157	371,178	2.7%	2.7%
18 yr. Totals	10,157	10,157	406,812	2.5%	2.5%
20 yr. Totals	10,157	10,157	508,912	2.0%	2.0%
22 yr. Totals	13,553	13,553	582,003	2.3%	2.3%
24 yr. Totals	13,553	13,553	658,189	2.1%	2.1%
			Selected:	2.1%	2.1%

Metropolitan Property And Casualty Insurance Company

OWNERS Loss Development (incl. LL and MH)

Countrywide, Incurred Losses (Excluding Catastrophes)

Accident Year Ending	Months of Development					
	<u>12</u>	<u>24</u>	<u>36</u>	<u>48</u>	<u>60</u>	<u>Over 60</u>
6/ 2001					308,660,802	309,503,417
6/ 2002				267,782,044	267,608,175	268,112,913
6/ 2003			214,288,258	215,383,207	215,783,693	215,489,891
6/ 2004		202,523,383	205,946,722	208,074,575	207,476,447	207,957,884
6/ 2005	180,067,895	199,073,099	201,049,458	201,194,960	201,440,456	201,837,260
6/ 2006	206,341,522	219,746,739	219,630,843	219,787,689	220,492,567	
6/ 2007	220,849,945	238,981,099	242,062,499	242,296,759		
6/ 2008	228,969,463	250,012,434	253,140,147			
6/ 2009	242,263,815	268,908,890				
6/ 2010	246,980,804					

Accident Year Ending	Development Factors				
	<u>12-24</u>	<u>24-36</u>	<u>36-48</u>	<u>48-60</u>	<u>Over 60</u>
6/ 2001					1.003
6/ 2002				0.999	1.002
6/ 2003			1.005	1.002	0.999
6/ 2004		1.017	1.010	0.997	1.002
6/ 2005	1.106	1.010	1.001	1.001	1.002
6/ 2006	1.065	0.999	1.001	1.003	
6/ 2007	1.082	1.013	1.001		
6/ 2008	1.092	1.013			
6/ 2009	1.110				
Countrywide Average	1.091	1.010	1.004	1.001	1.002
THREE YR AVG	1.095	1.008	1.001	1.001	1.001
AVG EX HI/LO	1.093	1.012	1.002	1.001	1.002
WEIGHTED AVG	1.091	1.010	1.003	1.001	1.002

	Selected Factors				
	<u>12-24</u>	<u>24-36</u>	<u>36-48</u>	<u>48-60</u>	<u>60-ULT</u>
<b>Countrywide Selected</b>	<b>1.095</b>	<b>1.010</b>	<b>1.000</b>	<b>1.000</b>	<b>1.000</b>
<b>Projected to Ultimate</b>	<b>1.106</b>	<b>1.010</b>	<b>1.000</b>	<b>1.000</b>	<b>1.000</b>

Metropolitan Property And Casualty Insurance Company

RENTERS & CONDO Loss Development (incl. LL Condo)

Countrywide, Incurred Losses (Excluding Catastrophes)

Accident Year <u>Ending</u>	<u>Months of Development</u>					
	<u>12</u>	<u>24</u>	<u>36</u>	<u>48</u>	<u>60</u>	<u>Over 60</u>
6/ 2001					14,809,035	14,648,512
6/ 2002				13,225,513	13,419,420	13,324,148
6/ 2003			11,212,816	11,375,896	11,385,647	11,389,385
6/ 2004		10,689,461	10,966,033	11,582,168	11,680,683	11,606,129
6/ 2005	10,200,328	11,511,685	12,051,422	12,181,159	12,001,433	11,955,551
6/ 2006	10,253,773	10,893,196	11,091,908	11,084,143	11,406,591	
6/ 2007	11,825,860	13,087,019	13,441,035	13,565,305		
6/ 2008	12,277,411	13,190,464	13,252,074			
6/ 2009	13,279,980	14,470,929				
6/ 2010	13,806,023					

Accident Year <u>Ending</u>	<u>Development Factors</u>				
	<u>12-24</u>	<u>24-36</u>	<u>36-48</u>	<u>48-60</u>	<u>Over 60</u>
6/ 2001					0.989
6/ 2002				1.015	0.993
6/ 2003			1.015	1.001	1.000
6/ 2004		1.026	1.056	1.009	0.994
6/ 2005	1.129	1.047	1.011	0.985	0.996
6/ 2006	1.062	1.018	0.999	1.029	
6/ 2007	1.107	1.027	1.009		
6/ 2008	1.074	1.005			
6/ 2009	1.090				
Countrywide Average	1.092	1.025	1.018	1.008	0.994
THREE YR AVG	1.090	1.017	1.006	1.008	0.997
AVG EX HI/LO	1.090	1.024	1.012	1.008	0.994
WEIGHTED AVG	1.092	1.024	1.017	1.007	0.994

	<u>Selected Factors</u>				
	<u>12-24</u>	<u>24-36</u>	<u>36-48</u>	<u>48-60</u>	<u>60-ULT</u>
<b>Countrywide Selected</b>	<b>1.090</b>	<b>1.020</b>	<b>1.010</b>	<b>1.010</b>	<b>1.000</b>
<b>Projected to Ultimate</b>	<b>1.134</b>	<b>1.041</b>	<b>1.020</b>	<b>1.010</b>	<b>1.000</b>

**Metropolitan Property And Casualty Insurance Company  
Arkansas - All Forms - NAll Fast Track Data**

**Calculation of Loss Trend Factors  
Using Non-Cat Pure Premium**

Period Ending	Avg. Pure Premium	Annual Change
Jun-06	352.43	N/A
Sep-06	370.48	N/A
Dec-06	356.85	N/A
Mar-07	338.32	N/A
Jun-07	363.38	1.031
Sep-07	357.22	0.964
Dec-07	370.49	1.038
Mar-08	384.06	1.135
Jun-08	416.59	1.146
Sep-08	467.07	1.307
Dec-08	509.06	1.374
Mar-09	530.14	1.380
Jun-09	538.77	1.293
Sep-09	552.32	1.183
Dec-09	533.70	1.048
Mar-10	552.42	1.042
2 points	14.8%	
6 points	5.3%	
8 points	14.8%	
12 points	20.8%	
16 points	16.3%	

Accident Year Ending	Avg. Pure Premium	Historical Trend Factor	Projected Trend Factor	Loss Trend Factor
Jun-06	352.43	1.464	1.107	1.621
Jun-07	338.32	1.331	1.107	1.474
Jun-08	384.06	1.210	1.107	1.340
Jun-09	530.14	1.100	1.107	1.218
Jun-10	552.42	1.000	1.107	1.107

Selected Historical Loss Trend:	10.0%
Selected Projected Loss Trend:	5.0%

**Metropolitan Property And Casualty Insurance Company  
Arkansas - All Forms**

**Calculation of Premium Trend Factors  
Using Average Earned Premium (On-Level)**

Period Ending	Avg Earn. Premium (On Level)	Annual Change
Sep-06	931.92	N/A
Dec-06	966.14	N/A
Mar-07	996.48	N/A
Jun-07	1023.32	N/A
Sep-07	1046.65	1.123
Dec-07	1063.06	1.100
Mar-08	1072.18	1.076
Jun-08	1078.78	1.054
Sep-08	1081.95	1.034
Dec-08	1084.44	1.020
Mar-09	1084.72	1.012
Jun-09	1083.54	1.004
Sep-09	1080.78	0.999
Dec-09	1074.09	0.990
Mar-10	1068.20	0.985
Jun-10	1062.25	0.980
2 points	-2.2%	
6 points	-1.7%	
8 points	-1.1%	
12 points	0.3%	
16 points	3.0%	

Accident Year Ending	Avg Earn. Premium (On Level)	Historical Trend Factor	Projected Trend Factor	Premium Trend Factor
Jun-06	903.37	1.126	0.959	1.079
Jun-07	1023.32	1.093	0.959	1.048
Jun-08	1078.78	1.061	0.959	1.017
Jun-09	1083.54	1.030	0.959	0.987
Jun-10	1062.25	1.000	0.959	0.959

Selected Historical Premium Trend:	3.0%
Selected Projected Premium Trend:	-2.0%

METROPOLITAN PROPERTY AND CASUALTY INSURANCE COMPANY

ARKANSAS Homeowners

Expense History and Selection

1. Variable Expenses - vary directly with premium.

	<u>2008</u> <u>(000's)</u>	<u>2009</u> <u>(000's)</u>	<u>Selection</u>
a. Direct Premiums Written	\$4,320	\$4,650	
b. Direct Commission & Brokerage	\$469 10.9%	\$622 13.4%	12.1%
c. Taxes, Licenses, and Fees	-----	-----	3.3%
d. Underwriting Profit Provision			9.4%
e. Statewide Variable Expense Provision (b + c + d)			24.9%

2. Flat Expenses - do not vary directly with losses or premiums. They are primarily policy issuance costs as well as Home Office and Service Office overhead. These expenses are considered as a flat cost per unit of exposure.

	<u>2008</u> <u>(000's)</u>	<u>2009</u> <u>(000's)</u>	<u>Selection</u>
a(1). Statewide Direct Premiums Earned	\$4,250	\$4,437	
a(2). Statewide Direct Premiums Earned	\$4,250	\$4,437	
b. Other Acquisition	\$515 12.1%	\$517 11.6%	0.1
c. General Expense	\$133 3.1%	\$122 2.8%	0.0
d. Guaranty Fund Assessment not recouped	\$0	\$0	N/A 0.0
e. Flat Expense Provision (b + c + d)			0.1

METROPOLITAN PROPERTY AND CASUALTY INSURANCE COMPANY

ARKANSAS Homeowners

Expense History and Selection

3. Loss Adjustment Expenses (LAE) - claim settlement expenses which can be broken down into two categories:

a. Allocated Loss Adjustment Expenses (ALAE)

These represent claim settlement expenses which can be associated with specific claims. They are included in the losses.

b. Unallocated Loss Adjustment Expenses (ULAE) \*

These represent claim settlement expenses which cannot be associated with specific claims. These expenses are considered to vary with losses. The following is a development of the factor to adjust losses and allocated loss adjustment expenses for ULAE.

	2008 (000's)	2009 (000's)	<u>Selection</u>
(1) Direct Losses Incurred	\$6,148	\$2,760	
(2) ALAE	\$497	\$65	
(3) Loss & ALAE [ (1) + (2) ]	\$6,644	\$2,825	
(4) ULAE [ (4) / (3) ]	\$275 4.1%	\$161 5.7%	
(5) ULAE Factor	1.041	1.057	1.049

4. Development of Statewide Permissible Loss Ratio

a. Variable Expense Provision ( 1.e. )	24.9%
b. Flat Expense Provision (2e.)	14.8%
c. Permissible Loss and LAE Ratio ( 100% - a - b )	60.3%
d. ULAE Factor (3.b.(5))	1.049
e. Permissible Loss and ALAE Ratio ( c / d )	57.5%

# METROPOLITAN PROPERTY AND CASUALTY INSURANCE COMPANY

## ARKANSAS Homeowners

### Profit Provision Summary

Insurance companies, like most companies, must compete for capital in the competitive market place. In order to compete for capital, an insurance company must provide a return on equity that is commensurate with the risk assumed. According to the Actuarial Standard of Practice No. 30 - Treatment of Profit and Contingency Provisions and the Cost of Capital in Property/Casualty Insurance Ratemaking, "Property/casualty insurance rates should provide for all expected costs, including an appropriate cost of capital associated with the specific risk transfer." Metropolitan reflects the cost of capital in the ratemaking process in the selection of the underwriting profit provision.

Metropolitan incorporates an Underwriting Profit Provision in the rate-making process using the Total Financial Needs Model. This model develops an underwriting profit provision such that the sum of underwriting profit, miscellaneous income (non-investment), investment income from insurance operations and investment income on capital, after income taxes, equals the target cost of capital. In the following model, Metropolitan calculates the underwriting profit which will ensure that the anticipated income from all sources produces net income after taxes that is commensurate with the risk assumed in the property-casualty insurance business.

Metropolitan targets a 18% return on equity based on the variability of industry property and casualty insurance results. After taking investment income and miscellaneous income into account, the selected underwriting profit provision of 9.4% achieves a 18% cost of capital.

It should be noted that Metropolitan includes Investment Income from Equity in the Profit Provision model. The assumed premium-to-equity ratio is 1.5 to 1.0. This represents a conservative and prudent pricing strategy.

#### 1. Assumptions

a. Premium		\$100
b. Premium-to-Equity Ratio		1.50
c. GAAP Equity		\$66.67
d. Return on Investment (Pre-Tax)		5.0%
e. Return on Investment (After-Tax)	[5% x (1 - Tax Rate on Investment Income)]	4.6%
f. Tax Rate on Underwriting Profit		35.0%

#### 2. Profit Provision Calculation

a. Investment Income From UPR and Loss Reserve		\$2.80
b. Investment Income From Equity		\$3.07
	[1.c. x 1.e.]	
c. Underwriting Profit (After Tax)		\$6.13
	[100 x 2.f. x (1 - 1.f.)]	
d. Overall Profit		\$12.00
	[a + b+ c]	
e. Expected Return on Equity		18.0%
f. Underwriting Profit Provision (Pre-Tax)		9.4%

Note: Target Homeowners Return is (as % of Equity)		18.0%
Target Homeowners Return is (as \$ Per \$100 of Premium)		\$12.00

**METROPOLITAN PROPERTY AND CASUALTY INSURANCE COMPANY**

**ARKANSAS**

**HOMEOWNERS**

**ESTIMATED INVESTMENT EARNINGS ON  
UNEARNED PREMIUM RESERVES AND ON LOSS RESERVES**

A. Unearned Premium Reserve		
1. Direct Earned Premium for Calendar Year 2009.		\$15,175,681
2. Mean Unearned Premium	(1) x 0.526	\$7,982,408
3. Deduction for Prepaid Expenses		
Commission and Brokerage Expense		12.1%
Taxes, Licenses, and Fees		3.3%
50% of Statewide Flat Expense		7.4%
Total		22.8%
4. (2) x (3) Total		\$1,821,586
5. Net Subject to Invest (2) - (4)		\$6,160,823
B. Delayed Remission of Premium (Agents' Balances)		
1. Direct Earned Premium (A-1)		\$15,175,681
2. Average Agents' Balances (Includes Outstanding Written Premium)		22.1%
3. Delayed Remission (1) x (2)		\$3,353,826
C. Loss Reserve		
1. Direct Earned Premium (A-1)		\$15,175,681
2. Expected Incurred Loss and Loss Adjustment Expense		\$9,158,523
(1) x 60.4% (permissible loss ratio)		
3. Expected Mean Loss Reserves		\$6,374,332
(2) x 0.696		
D. Net Subject to Investment	(A-5) - (B-3) + (C-3)	\$9,181,329
E. Average Rate of Return		5.0%
F. Investment Earnings on Net Subject to Investment	(D) x (E)	\$459,066
G. Average Rate of Return as a Percent of Direct Earned Premium	(F) / (A-1)	3.0%
H. Average Rate of Return as a Percent of Direct Earned Premium After Federal Income Taxes	(G) x (1 - 0.085)	2.8%

METROPOLITAN PROPERTY AND CASUALTY INSURANCE COMPANY

HOMEOWNERS INSURANCE  
ESTIMATED INVESTMENT EARNINGS ON  
UNEARNED PREMIUM RESERVES AND LOSS RESERVES

EXPLANATORY NOTES

Line A-1

Direct earned premiums are for the calendar year ending December 31, 2009.

Line A-2

The mean unearned premium reserve is determined by multiplying the direct earned premiums in line A-1 by the countrywide ratio of the mean unearned premium reserve to the direct earned premium for 2009 for Homeowners insurance.

IN THOUSANDS OF DOLLARS

1. Direct Earned Premium for Calendar Year 2009	\$851,834
2. Direct Unearned Premium Reserve as of 12/31/2008	\$443,681
3. Direct Unearned Premium Reserve as of 12/31/2009	\$452,833
4. Mean Unearned Premium Reserve [(2)+(3)]/2	\$448,257
5. Ratio (4) / (1)	0.526

Line A-3

Deduction for prepaid expenses:

Production costs and a large part of the other company expenses in connection with the writing and handling of Homeowners insurance policies, exclusive of claim adjustment expenses, are incurred when the policy is written and before the premium is paid. Therefore, the deduction for these expenses is determined by use of the provisions for expenses used in our ratemaking procedures as shown.

Line B-2

Delayed remission of premium:

This deduction is necessary because of delay in collection and remission of premium to the companies, which amounts to approximately 50 to 75 days after the effective dates of the policies. Therefore, funds for the unearned premium reserve required during the initial days of all policies must be taken from the company's surplus.

Agents' balances for premiums due less than 90 days are added to the agents balances charged off or uncollected premiums overdue for more than 90 days.

IN THOUSANDS OF DOLLARS

1. Homeowners Direct Earned Premium for Calendar Year 2009	\$851,834
2. Homeowners Direct Agents' Balances as of 12/31/2008	\$182,372
3. Homeowners Direct Agents' Balances as of 12/31/2009	\$184,989
4. Homeowners Direct Mean Agents' Balances [(2)+(3)]/2	\$183,681
5. Ratio [(4) / (1)]	0.216
6. All Lines Net Earned Premium for Calendar Year 2009	\$2,918,865
7. All Lines Agents' Balances Charged Off as of 12/31/2008	\$13,628
8. All Lines Agents' Balances Charged Off as of 12/31/2009	\$15,118
9. All Lines Mean Agents' Balances Charged Off [(7)+(8)]/2	\$14,373
10. Ratio [(9) / (6)]	0.005
11. Total [(5) + (10)]	0.221

METROPOLITAN PROPERTY AND CASUALTY INSURANCE COMPANY

HOMEOWNERS INSURANCE  
ESTIMATED INVESTMENT EARNINGS ON  
UNEARNED PREMIUM RESERVES AND LOSS RESERVES

EXPLANATORY NOTES

Line C-2

The expected loss and loss adjustment expense ratio reflects the expense provisions used in the filing.

Line C-3

The expected mean loss reserve is determined by multiplying the expected incurred losses in line C-2 by the average countrywide ratio of the mean loss and loss adjustment expense reserves to the incurred losses and loss adjustment expenses in 2008 and 2009.

IN THOUSANDS OF DOLLARS

1. Incurred Losses for Calendar Year 2005	\$683,225
2. Incurred Losses for Calendar Year 2006	\$457,064
3. Incurred Losses for Calendar Year 2007	\$439,071
4. Incurred Losses for Calendar Year 2008	\$572,785
5. Incurred Losses for Calendar Year 2009	\$508,462
6. Loss Reserves as of 12/31/2004	\$261,466
7. Loss Reserves as of 12/31/2005	\$425,976
8. Loss Reserves as of 12/31/2006	\$404,760
9. Loss Reserves as of 12/31/2007	\$358,606
10. Loss Reserves as of 12/31/2008	\$339,439
11. Loss Reserves as of 12/31/2009	\$280,614
12. Mean Loss Reserve: 2005 [(6)+(7)]/2	\$343,721
13. Mean Loss Reserve: 2006 [(7)+(8)]/2	\$415,368
14. Mean Loss Reserve: 2007 [(8)+(9)]/2	\$381,683
15. Mean Loss Reserve: 2008 [(9)+(10)]/2	\$349,023
16. Mean Loss Reserve: 2009 [(10)+(11)]/2	\$310,027
17. 2005 Ratio (12) / (1)	0.503
18. 2006 Ratio (13) / (2)	0.909
19. 2007 Ratio (14) / (3)	0.869
20. 2008 Ratio (15) / (4)	0.609
21. 2009 Ratio (16) / (5)	0.610
22. Average of 2005 through 2009 ratios (excluding high and low)	0.696
23. Selected Ratio	0.696

Line E

The rate of return is based on the ratio of net investment income earned and net realized capital gains (or losses) to mean cash and invested assets for 2009. For informational purposes, corresponding rates of return for the last five years are shown in the following chart.

IN THOUSANDS OF DOLLARS

<u>Year</u>	<u>Invested Assets</u>	<u>Mean Cash &amp; Invested Assets</u>	<u>Net Investment Income Earned</u>	<u>Rate of Return</u>	<u>Net Realized Capital Gains (or Losses)</u>	<u>Rate of Return</u>	<u>Total Rate of Return</u>
2004	\$4,213,697						5.2%
2005	\$4,272,769	\$4,243,233	\$227,103	5.4%	(\$6,801)	-0.2%	5.6%
2006	\$4,282,877	\$4,277,823	\$240,225	5.6%	\$935	0.0%	5.7%
2007	\$4,291,345	\$4,287,111	\$243,737	5.7%	(\$888)	0.0%	3.7%
2008	\$3,785,126	\$4,038,236	\$228,793	5.7%	(\$81,347)	-2.0%	4.3%
2009	\$3,757,136	\$3,771,131	\$205,484	5.4%	(\$42,505)	-1.1%	5.0%
				Selected Rate of Return:	5.50%		-0.5%

METROPOLITAN PROPERTY AND CASUALTY INSURANCE COMPANY

HOMEOWNERS INSURANCE  
ESTIMATED INVESTMENT EARNINGS ON  
UNEARNED PREMIUM RESERVES AND LOSS RESERVES

EXPLANATORY NOTES

Line H

The average rate of federal income tax was determined by applying current tax rates to the distribution of investment income earned for 2009.

	Investment Income Earned (IN THOUSANDS OF DOLLARS)	Federal Income <u>Tax Rate</u>
Bonds		
Taxable	\$23,179	35.0%
Non-Taxable	\$171,607	5.25%
Total	\$194,786	8.8%
Stocks		
Preferred	\$15,883	14.2% *
Common	\$658	14.2% *
All Other		
Mortgage Loans on Real Estate	\$0	
Real Estate	\$1,770	
Cash/Short-term Investments	\$36	
All Other	-\$2,845	
Total	-\$1,039	35.0%
Total	\$210,288	9.1%
Investment Deductions	\$4,666	35.0%
Net Investment Income Earned	\$205,622	8.5%

\* 85% of 70% of dividend income on stock is not subject to the full corporate income tax rate of 35%. The applicable tax rate is 14.2% (.35 x (1 - .70 x .85) = .142).

**Metropolitan Property And Casualty Insurance Company**

**Arkansas Homeowners**

**Calculation of Permissible Loss Ratios and Flat Expense Provisions**

<b>Policy Form</b>	<b>On Level Earned Premium</b>	<b>Earned Exposures</b>	<b>Average Earned Premium</b>	<b>Average Flat Expense</b>	<b>Flat Expense %</b>	<b>Variable Expense %</b>	<b>Permissible Loss Ratio</b>
	<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>	<b>(5)</b>	<b>(6)</b>	<b>(7)</b>
<b>Owners</b>	\$4,245,840	3,716	\$1,142.63	\$152.09	13.3%	24.9%	61.8%
<b>Renters &amp; Condo</b>	\$149,122	414	\$360.39	\$152.09	42.2%	24.9%	32.9%
<b>Landlords</b>	\$198,792	338	\$588.35	\$152.09	25.8%	24.9%	49.3%
<b>Total</b>	\$4,597,331	4,474	\$1,027.61	\$152.09	14.8%	24.9%	60.3%

**Metropolitan Property and Casualty Insurance Company**

**Residential Property**

**Arkansas**

**Summary of Mass Merchandising Account Deviation Changes  
Excluding Cat Losses**

<u>Account</u>	<u>Earned Exposures</u>	<u>Premium Distribution</u>	<u>On-Level Trended Earned Premium</u>	<u>Ultimate Incurred Losses</u>	<u>20062</u>	<u>20072</u>	<u>Loss Ratios 20082</u>	<u>20092</u>	<u>20102</u>	<u>Overall Loss Ratio</u>	<u>Relative Loss Ratio</u>	<u>Current Account Deviation</u>	<u>Proposed Account Deviation</u>	<u>Account Deviation Impact</u>
ALL CMPNYS	2,927	14.6%	2,307,021	1,825,833	106.6%	66.5%	51.0%	65.5%	106.2%	79.1%	106.3%	0.95	0.92	-3.2%
RETAIL	12,695	81.5%	12,906,063	9,670,516	99.4%	45.1%	50.4%	73.5%	110.7%	74.9%	100.6%	1.00	1.00	0.0%
J.B. HUNT TRANSPORT	423	1.7%	272,116	115,840	45.6%	0.7%	61.9%	15.3%	85.6%	42.6%	57.2%	0.90	0.90	0.0%
DIRECT BILL NON-DEV.	7	0.1%	9,963	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.00	1.00	0.0%
CLOSED/SPIN/TERM	364	1.7%	274,365	171,150	113.0%	9.2%	100.5%	25.0%	63.3%	62.4%	83.8%	1.00	1.00	0.0%
FORD MOTOR COMPANY	42	0.2%	36,128	284	0.0%	0.0%	3.5%	0.1%	0.0%	0.8%	1.1%	0.90	0.90	0.0%
EMERSON ELECTRIC CO.	19	0.1%	15,327	256	0.0%	0.0%	8.4%	0.0%	0.0%	1.7%	2.2%	0.90	0.90	0.0%
HEWLETT PACKARD	10	0.0%	5,257	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.90	0.90	0.0%
<b>Total:</b>	<b>16,487</b>	<b>1.00</b>	<b>15,826,239</b>	<b>11,783,879</b>	<b>98.9%</b>	<b>46.6%</b>	<b>51.4%</b>	<b>70.5%</b>	<b>108.7%</b>	<b>74.5%</b>		<b>0.99</b>	<b>0.99</b>	<b>-0.5%</b>

\* Data is for Accident Years Ending 6/2005 through 6/2010.

Losses are evaluated as of 06/30/2010, are developed, and exclude catastrophes.

The formula used to calculate the credibility factor was  $Z = \text{Square root } (E/K)$ , where E = Earned Exposures and the credibility constant K = 40,000 exposures

**Metropolitan Property and Casualty Insurance Company**

**Residential Property**

**Arkansas**

**Protection Class Factors**

Protection Class Level	3 Year Earned Exposures	Premium Distribution	3 Year Earned Premium	3 Year Incurred Loss	2008 Loss Ratio	2009 Loss Ratio	2010 Loss Ratio	3 Year Overall Loss Ratio	3 Year Relative Loss Ratio	Credibility	Credibility Weighted Indicated Change	StateWide Indicated PC Factor	StateWide Normalized Indicated PC Factor	Group A Terr* Current PC Factor	Group B Terr** Current PC Factor	StateWide Proposed PC Factor	StateWide Discount Impact
PC 2	5,217	40.0%	4,546,063	1,949,954	56.3%	46.6%	28.7%	42.9%	0.745	0.36	0.91	0.91	0.84	1.00	1.00	1.00	0.0%
PC 3	3,414	24.1%	2,734,772	1,907,411	33.1%	33.8%	140.5%	69.7%	1.212	0.29	1.06	1.06	0.98	1.00	1.00	1.00	0.0%
PC 4	1,692	12.0%	1,368,964	1,329,718	32.8%	114.7%	131.5%	97.1%	1.688	0.21	1.14	1.26	1.16	1.10	1.10	1.10	0.0%
PC 5	1,395	10.1%	1,149,188	837,816	14.1%	36.7%	158.4%	72.9%	1.267	0.19	1.05	1.15	1.07	1.10	1.10	1.10	0.0%
PC 6	1,285	9.3%	1,056,289	417,446	22.7%	62.8%	34.2%	39.5%	0.687	0.18	0.94	1.16	1.07	1.25	1.20	1.20	-1.9%
PC 7	288	2.4%	277,654	63,472	21.3%	16.2%	31.4%	22.9%	0.397	0.08	0.95	1.36	1.26	1.40	1.50	1.30	-8.9%
PC 8	84	1.1%	124,332	31,585	4.6%	53.5%	20.1%	25.4%	0.442	0.05	0.97	1.95	1.81	2.00	2.00	1.80	-10.0%
PC 9	38	0.9%	105,883	1,134	0.0%	0.0%	3.6%	1.1%	0.019	0.03	0.97	3.13	2.90	3.10	3.50	3.00	-6.8%
PC 10	0	0.0%	811	0	0.0%	0.0%	0.0%	0.0%	-	0.00	1.00	4.50	4.17	4.50	5.00	4.25	-5.6%
Total:	13,412	100.0%	11,363,956	6,538,536	37.8%	51.2%	80.5%	57.5%	1.000	0.58	1.00	1.08	1.00	1.13	1.06	1.08	-0.8%

\*Group A Terr include: 11, 12, 13, 14, 15, 16, 17, 22, 23, 31, 32, 34, 35, 38

\*\*Group B Terr include: 18, 19, 20, 21, 36, 37

Years Ending 6/2007 through 6/2010

The formula used to calculate the credibility factor was  $Z = \text{Square root}(E/K)$ , where E = Earned Exposures and the credibility constant K = 40000 exposures

**Metropolitan Property and Casualty Insurance Company**

**Residential Property**

**Arkansas**

**Superior Home Discount**

<u>Superior Home Discount Indicator</u>	<u>3 Year Earned Exposures</u>	<u>Premium Distribution</u>	<u>2006 Loss Ratio</u>	<u>2007 Loss Ratio</u>	<u>2008 Loss Ratio</u>	<u>2009 Loss Ratio</u>	<u>2010 Loss Ratio</u>	<u>3 Year Overall Loss Ratio</u>	<u>3 Year Relative Loss Ratio</u>	<u>Credibility</u>	<u>Credibility Weighted Indicated Change</u>	<u>Current Discount</u>	<u>Indicated Discount</u>	<u>Normalized Indicated Discount</u>	<u>Proposed Discount</u>	<u>Discount Impact</u>
No	8,518	76.0%	77.4%	46.2%	116.3%	101.5%	70.3%	94.9%	90.4%	0.46	0.96	1.00	0.96	1.00	1.00	0.0%
Yes	1,972	24.0%	126.2%	33.6%	144.3%	108.8%	157.8%	137.2%	130.6%	0.22	1.07	0.90	0.96	1.01	0.95	5.6%
Total:	10,490	100.0%	78.4%	45.7%	123.0%	103.2%	28.0%	105.0%		0.51	1.00	0.98	0.96	1.00	0.99	1.3%

Years Ending 6/2007 through 6/2010.

The formula used to calculate the credibility factor was  $Z = \text{Square root}(E/K)$ , where E = Earned Exposures and the credibility constant K =40,000 Exposures

**Economy Premier Assurance Company  
(former Economy and USF&G Programs)  
Residential Property**

**Arkansas**

**Superior Home Discount Analysis**

<u>Superior Home Discount Indicator</u>	<u>3 Year Earned Exposures</u>	<u>Premium Distribution</u>	<u>2006 Loss Ratio</u>	<u>2007 Loss Ratio</u>	<u>2008 Loss Ratio</u>	<u>2009 Loss Ratio</u>	<u>2010 Loss Ratio</u>	<u>3 Year Overall Loss Ratio</u>	<u>3 Year Relative Loss Ratio</u>	<u>Credibility Credibility</u>	<u>Credibility Weighted Indicated Change</u>	<u>Current Discount</u>	<u>Indicated Discount</u>	<u>Normalized Indicated Discount</u>	<u>Proposed Discount</u>	<u>Discount Impact</u>
No	2,903	98.2%	77.4%	46.2%	76.6%	77.6%	26.8%	62.4%	100.1%	0.27	1.00	1.00	1.00	1.00	1.00	0.0%
Yes	39	1.8%	126.2%	33.6%	74.7%	31.2%	65.2%	57.3%	91.9%	0.03	1.00	0.90	0.90	0.90	0.95	5.6%
Total:	2,941	1.00	78.4%	45.7%	76.6%	76.9%	27.5%	62.3%		0.27		1.00	1.00	1.00	1.00	0.1%

Years Ending 6/2007 through 6/2010.

The formula used to calculate the credibility factor was  $Z = \text{Square root}(E/K)$ , where E = Earned Exposures and the credibility constant K = 40,000 Exposures

**Metropolitan Property & Casualty Insurance Company  
Residential Property  
Arkansas**

**ZIP Code Additions**

<u>ZIP Code</u>	<u>Territory</u>
72043	35
72536	11

**ZIP Code Deletions**

<u>ZIP Code</u>	<u>Territory</u>
72403	13

December 14, 2010

Commissioner Jay Bradford  
Arkansas Insurance Department  
1200 West Third St.  
Little Rock, AR  
72201

ATTN: Becky Harrington

Re: Metropolitan Property and Casualty Insurance Company  
Economy Premier Assurance Company  
Residential Property Program  
METX-G126923125

Dear Ms. Harrington:

Below are the responses to your requests and questions dated December 6, 2010 regarding the above captioned filing.

**1. Please refresh my memory...explain the reference to "owner former dwelling fire" and "landlord's former dwelling fire". At what point will the reference no longer be need? Why was an indication not calculated for the two if it is still necessary to make separate references to them?**

Owner former dwelling fire and Landlord's former dwelling fire are policy forms that are only available to renewal business which currently has this form. This business receives the same coverage as the Homeowners HO-3 form and the Landlord's Rental Dwelling forms respectively, but due to concern of rate disruption our Residential Property Program was introduced in May of 2004 we did not increase the rates to match the HO-3 and Landlord's rates. Since we are introducing rate capping with this revision, now is a good time to change the rates to match the HO-3 and Landlord's rates. An indication is not calculated for the former dwelling fire forms because there is so little business and based on the coverage that these customers receive, they should be charged exactly what the HO-3 and Landlord's Rental Dwelling customers are charged. Subsequent filings will be necessary for the base rates and Coverage A factors to fully match the HO-3 and Landlord's Rental Dwelling rates at which point "former dwelling fire" rate pages will no longer be required.

**2. Provide territory loss ratios to support the increase by territory for former dwelling fire.**

There is very little business in the Owner Former Dwelling Fire and Landlord's Former Dwelling Fire policy forms and therefore little to no credibility in the territorial loss ratios. The rates for Former Dwelling Fire policies were raised to more closely match the rates for the Homeowners HO-3 and Landlord's Rental Dwelling policy forms. For territories where there is currently no business we brought the rates up to exactly match the HO-3 and Landlord's forms. For any territories where there is currently former dwelling fire business we propose to raise rates approximately 30% which will be subject to the 12% renewal premium cap in Rule 9 – Premium Capping.

**3. Please be more specific regarding the changes to the NB and RB tiering rule changes. Provide additional supporting data for the changes.**

Specifically, The coverage A and C amount ranges of NB tiering rules 8a, 8b, 8c, 8d, 8e, 8f, 9a, 9b, 9c, and 9d are modified to accommodate the effect of inflation on Coverage A and C ranges.

Rule 17 is changed to increase the negative tier point to -3 for the GrandProtect Owners Form. Please refer to Exhibit 1 for loss ratios for the GrandProtect form versus all other forms.

RB tier movement rules 1a-1h are revised to lessen the rate impact of claims on renewal business.

**4. Please describe the types of situations in which an agent's book of business transfer would qualify under this rule.**

This rule applies when writing blocks of business from a non-Metropolitan company into a Metropolitan rating program. There is no minimum or maximum premium requirement on the size of the book of business. At conversion to new business with Metropolitan, the policyholder's prior carrier rate shall apply, which equates to a 0% premium change. At each of the next two renewals the premium may increase or decrease by no more than 10%. The purpose of this capping program is to reduce the policyholder rate disruption that could result from the transfer of a large agent book of business to Metropolitan. Any policy had a chargeable accident or violation in the immediate previous term is not subject to premium capping.

**5. Please explain how many renewals are anticipated to achieve the filed rates.**

On average, two renewals are anticipated to achieve the filed rates.

**6. Is the rate capping rule limited to this filing or is it intended to apply to subsequent filings?**

The rate capping rule is intended to apply to all subsequent filings.

**7. Please provide a map or description of the zip codes included in each territory assignment. Are there multiple territories per county?**

Please refer to the attached map for Met P&C rating territories. The thick lines show territory boundaries and the thinner lines are county boundaries. The territorial definition is based on ZIP code. Mostly all the ZIP codes of a county belong to one territory, but there are some counties, such as Lonoke, which have two territories.

If you have any additional questions, please contact Jacqueline Hattoy at 401-827-2949 or by email at [jhattoy@metlife.com](mailto:jhattoy@metlife.com).

Sincerely,

Michael Li  
Sr. Pricing Analyst

**Metropolitan Property and Casualty Insurance Company**

**Residential Property Program**

**Arkansas**

**Exhibit 1 - GrandProtect vs Other Policy Type Loss Experience  
Excluding Cat Losses**

<u>Coverage A Amount</u>	<u>Policy Type</u>	<u>Premium Distribution</u>	<u>3 Year Earned Premium</u>	<u>3 Year Incurred Loss</u>	<u>3 Year Overall Loss Ratio</u>	<u>3 Year Relative Loss Ratio</u>
>= \$300,000	All Other	17.9%	1,974,303	1,892,761	95.9%	164.3%
< \$300,000	All Other	56.4%	6,239,723	3,253,080	52.1%	89.4%
>= \$300,000	GrandProtect	18.5%	2,041,804	800,325	39.2%	67.2%
< \$300,000	GrandProtect	7.3%	803,809	506,388	63.0%	108.0%
Total:		100.0%	11,059,639	6,452,554	58.3%	100.0%

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Data is for Accident Years Ending 6/2007 through 6/2010.



December 17, 2010

Commissioner Jay Bradford  
Arkansas Insurance Department  
1200 West Third St.  
Little Rock, AR  
72201

ATTN: Becky Harrington

Re: Metropolitan Property and Casualty Insurance Company  
Economy Premier Assurance Company  
Residential Property Program  
METX – G126923125

Dear Ms. Harrington:

Below are the responses to your requests and questions dated December 15, 2010 regarding the above captioned filing.

**1. The Department prefers to address capping issues on a per filing basis, not by a blanket rule. Please amend the filing accordingly.**

The Rate Manual Rule 9 – Premium Capping is removed from the filing.

**2. Company buy-outs or mergers causing transfers should be handled as the need arises with specific issues addressed. Insureds placed in Met companies from agency transfers due to non-company buy-outs or mergers simply because an agent chooses to change companies should be to the benefit of an insured and at the insured's option, not automatically rolled over causing dramatic rate increases. The Commissioner has taken a strong stance regarding these type of rules. Please withdraw the agent/mass marketing capping rule.**

The Rate Manual Rule 9 – Premium Capping is removed from the filing.

Please be advised that, due to the removal of Rule 9 - Premium Capping, the rate change for Former Dwelling Fire policy forms has been revised and capped at +20.0% in all territories in which there are active policies. As a result, the overall rate change has been reduced to 8.8%. Please refer to the updated rate manual, rate pages, and other attached supporting exhibits for the details.

If you have any additional questions, please contact Jacqueline Hattoy at 401-827-2949 or by email at [jhattoy@metlife.com](mailto:jhattoy@metlife.com).

Sincerely,

Michael Li  
Sr. Pricing Analyst

**Metropolitan Property And Casualty Insurance Company**

**Homeowners Rate Change**

**Arkansas**

Policy Form	Premium Distribution	Average Rates		Base Rate	Rate Change Description		Total Change
		Present	Proposed		Discount/ Surcharge	Optional Coverages	
VIP/HO-2	0.5%	\$941	\$1,027	9.2%	0.0%	0.0%	9.2%
Market Value	0.1%	\$872	\$949	8.9%	0.0%	0.0%	8.9%
Homeowners	53.5%	\$978	\$1,069	9.3%	0.0%	0.0%	9.3%
Ultra	4.2%	\$1,157	\$1,263	9.2%	0.0%	0.0%	9.2%
Platinum Homeowners	8.7%	\$1,467	\$1,605	9.4%	0.0%	0.0%	9.4%
GrandProtect Homeowners	22.9%	\$1,698	\$1,843	8.6%	0.0%	0.0%	8.6%
<b>Owners Forms Total</b>	89.9%	\$1,143	\$1,247	9.1%	0.0%	0.0%	9.1%
Renters	2.2%	\$310	\$333	8.1%	-0.5%	0.0%	7.5%
Condo	0.3%	\$411	\$442	8.0%	-0.5%	0.0%	7.5%
Platinum Renters	0.1%	\$533	\$574	8.2%	-0.5%	0.0%	7.7%
Platinum Condo	0.1%	\$646	\$694	8.0%	-0.5%	0.0%	7.5%
GrandProtect Renters	0.1%	\$621	\$668	8.1%	-0.5%	0.0%	7.6%
GrandProtect Condo	0.4%	\$691	\$743	8.0%	-0.5%	0.0%	7.5%
Landlords Condo	0.0%	\$635	\$683	8.2%	-0.5%	0.0%	7.6%
GrandProtect Landlords Condo	0.0%	\$804	\$864	8.1%	-0.5%	0.0%	7.5%
<b>Renters/Condo Forms Total</b>	3.2%	\$360	\$387	8.1%	-0.5%	0.0%	7.5%
<b>Total Owners, Renters/Condo</b>	93.1%	\$1,064	\$1,160	9.1%	0.0%	0.0%	9.0%
Landlord's Rental Dwelling	3.4%	\$593	\$613	4.8%	-1.3%	0.0%	3.5%
GrandProtect Landlords Rental Dwelling	0.9%	\$572	\$592	4.8%	-1.3%	0.0%	3.5%
<b>Landlords Rental Dwelling Total</b>	4.2%	\$588	\$609	4.8%	-1.3%	0.0%	3.5%
Mobile Home	0.1%	\$568	\$568	1.4%	-1.3%	0.0%	0.1%
<b>Mobile Home Total</b>	0.1%	\$568	\$568	1.4%	-1.3%	0.0%	0.1%
<b>Homeowners (former DF)</b>	0.6%	\$772	\$911	19.5%	-1.3%	0.0%	18.0%
<b>Landlords (former DF)</b>	1.9%	\$755	\$813	9.1%	-1.3%	0.0%	7.8%
<b>All Forms Total</b>	100.0%	\$1,020	\$1,110	9.0%	-0.1%	0.0%	8.8%

**Metropolitan Property And Casualty Insurance Company**

**Homeowners Rate Change**

<u>Territory</u>	<u>Arkansas</u>							<u>Total</u>
	<u>Owners</u>	<u>Renters &amp; Condo</u>	<u>Landlords Rental Dwelling</u>	<u>Mobilehome</u>	<u>Owners Former Dwelling Fire</u>	<u>Landlord Former Dwelling Fire</u>	<u>Total Owners, Renters/Condo</u>	
11	9.5%	7.3%	3.5%	0.1%	18.0%	7.9%	9.5%	9.4%
12	9.5%	7.3%	3.5%	0.1%	18.2%	31.4%	9.4%	9.4%
13	8.5%	7.5%	3.5%	0.1%	18.1%	45.1%	8.5%	8.3%
14	6.5%	7.3%	3.5%	0.1%	123.3%	18.0%	6.6%	6.7%
15	9.5%	7.3%	3.5%	0.1%	18.0%	18.0%	9.4%	10.9%
16	9.5%	7.3%	3.5%	0.1%	17.9%	17.9%	9.3%	10.8%
17	9.5%	7.3%	3.5%	0.1%	18.0%	18.0%	9.4%	9.5%
18	7.8%	7.7%	3.5%	0.1%	17.9%	18.0%	7.8%	7.8%
19	7.5%	7.5%	3.5%	0.1%	18.1%	17.9%	7.5%	8.1%
20	9.5%	7.3%	3.5%	0.1%	17.9%	34.0%	9.4%	9.4%
21	10.4%	7.7%	3.5%	0.1%	18.0%	-19.4%	10.3%	9.8%
22	9.5%	7.3%	3.5%	0.1%	64.2%	11.3%	9.5%	9.0%
23	8.5%	7.3%	3.5%	0.1%	54.0%	-6.6%	8.5%	8.2%
31	8.5%	7.3%	3.6%	0.1%	18.1%	16.9%	8.4%	8.6%
32	9.9%	7.5%	3.5%	0.1%	28.5%	16.0%	9.8%	9.6%
33	9.5%	7.3%	3.4%	0.1%	79.0%	17.9%	9.3%	11.6%
34	9.5%	7.3%	3.5%	0.1%	17.9%	18.0%	9.4%	9.7%
35	9.5%	7.3%	3.5%	0.1%	132.3%	18.0%	8.8%	13.4%
36	9.9%	7.7%	3.5%	0.1%	73.4%	18.0%	9.9%	9.9%
37	9.9%	7.7%	3.4%	0.1%	18.0%	-19.2%	9.8%	8.7%
38	8.5%	7.3%	3.5%	0.1%	18.0%	12.2%	8.5%	8.5%
Total	9.1%	7.5%	3.5%	0.1%	18.0%	7.8%	9.0%	8.8%

**Metropolitan Property And Casualty Insurance Company  
Arkansas  
OWNERS RATE LEVEL INDICATIONS**

Acc Year Ending	Exposures	Earned Premium	On-Level Factor	Premium Trend	Adjusted Earned Premium	Non-Cat Incurred Losses (w/ ALAE)	Loss Development	Loss Trend
							Projected to Ultimate	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
6/06	1,787	\$1,602,526	1.085	1.079	\$1,875,411	\$1,003,963	1.000	1.621
6/07	2,702	\$2,642,779	1.119	1.048	\$3,098,118	\$834,098	1.000	1.474
6/08	3,313	\$3,424,599	1.120	1.017	\$3,902,470	\$1,299,343	1.000	1.340
6/09	3,461	\$3,658,145	1.101	0.987	\$3,978,528	\$1,888,170	1.010	1.218
6/10	3,716	\$3,929,040	1.081	0.959	\$4,070,297	\$3,255,805	1.106	1.107
<b>Total</b>	14,979	\$15,257,089			\$16,924,824	\$8,281,379		

Acc Year Ending	Trended Developed	Hurricane Catastrophe Allowance	Catastrophe Allowance	ULAE Factor	Adjusted Incurred Losses (w/ LAE)	Reinsurance Allowance	Adjusted Loss Ratio	5 Year Weight
	Incurred Non-Cat Losses (w/ ALAE)							
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
6/06	\$1,627,699	0.0%	1.483	1.049	\$2,532,158	0.5%	135.5%	10%
6/07	\$1,229,364	0.0%	1.483	1.049	\$1,912,482	0.5%	62.2%	15%
6/08	\$1,740,984	0.0%	1.483	1.049	\$2,708,392	0.5%	69.9%	20%
6/09	\$2,322,955	0.0%	1.483	1.049	\$3,613,745	0.5%	91.3%	25%
6/10	\$3,987,305	0.0%	1.483	1.049	\$6,202,920	0.5%	152.9%	30%
<b>Total</b>	\$10,908,309				\$16,969,696			100.0%

Average Adjusted Loss Ratio	Credibility	Permissible Loss Ratio	Credibility Weighted Loss Ratio	Flat Expense Provision	Flat Expense Trend Factor	Indicated Change	Proposed Change
(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
105.6%	61.2%	61.8%	88.6%	13.3%	1.05	36.6%	9.1%

**Metropolitan Property And Casualty Insurance Company  
Arkansas  
RENTERS & CONDO RATE LEVEL INDICATIONS**

Acc Year Ending	Exposures	Earned Premium	On-Level Factor	Premium Trend	Adjusted Earned Premium	Non-Cat Incurred Losses (w/ ALAE)	Loss Development	
							Projected to Ultimate	Loss Trend
							(7)	(8)
6/06	210	\$65,906	1.078	1.079	\$76,680	\$32,353	1.000	1.621
6/07	273	\$92,540	1.078	1.048	\$104,482	\$22,659	1.010	1.474
6/08	353	\$123,477	1.076	1.017	\$135,147	\$19,489	1.020	1.340
6/09	368	\$125,506	1.058	0.987	\$131,100	\$131,312	1.041	1.218
6/10	414	\$142,902	1.044	0.959	\$142,957	\$39,274	1.134	1.107
<b>Total</b>	1,618	\$550,330			\$590,366	\$245,088		

Acc Year Ending	Trended Developed Incurred Non-Cat Losses (w/ ALAE)	Hurricane Catastrophe Allowance	Catastrophe Allowance	ULAE Factor	Adjusted Incurred Losses (w/ LAE)	Reinsurance Allowance	Adjusted Loss	
							Ratio	5 Year Weight
							(15)	(16)
6/06	\$52,453	0.0%	1.021	1.049	\$56,179	0.3%	73.6%	10%
6/07	\$33,731	0.0%	1.021	1.049	\$36,127	0.3%	34.9%	15%
6/08	\$26,638	0.0%	1.021	1.049	\$28,530	0.3%	21.4%	20%
6/09	\$166,428	0.0%	1.021	1.049	\$178,249	0.3%	136.3%	25%
6/10	\$49,324	0.0%	1.021	1.049	\$52,828	0.3%	37.3%	30%
<b>Total</b>	\$328,575				\$351,914			100.0%

Average Adjusted Loss Ratio	Credibility	Permissible Loss Ratio	Credibility Weighted Loss Ratio	Flat Expense Provision	Flat Expense Trend Factor	Indicated Change	Proposed Change
(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
62.1%	25.4%	32.9%	40.3%	42.2%	1.05	12.7%	7.5%

**Metropolitan Property And Casualty Insurance Company  
Arkansas  
LANDLORDS RENTAL DWELLING RATE LEVEL INDICATIONS**

Acc Year Ending	Exposures	Earned Premium	On-Level Factor	Premium Trend	Adjusted Earned Premium	Non-Cat Incurred Losses (w/ ALAE)	Loss Development	Loss Trend
							Projected to Ultimate	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
6/06	136	\$198,873	1.054	1.079	\$226,117	\$98,837	1.000	1.621
6/07	227	\$241,715	1.054	1.048	\$266,823	\$141,837	1.000	1.474
6/08	283	\$276,536	1.054	1.017	\$296,379	\$84,504	1.000	1.340
6/09	299	\$264,872	1.051	0.987	\$274,946	\$55,332	1.010	1.218
6/10	338	\$278,234	1.044	0.959	\$278,431	\$87,007	1.106	1.107
<b>Total</b>	1,284	\$1,260,230			\$1,342,695	\$467,516		

Acc Year Ending	Trended Developed	Hurricane Catastrophe Allowance	Catastrophe Allowance	ULAE Factor	Adjusted Incurred Losses (w/ LAE)	Reinsurance Allowance	Adjusted Loss	5 Year Weight
	Incurred Non-Cat Losses (w/ ALAE)						Ratio	
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
6/06	\$160,241	0.0%	1.483	1.049	\$249,282	0.0%	110.2%	10%
6/07	\$209,051	0.0%	1.483	1.049	\$325,213	0.0%	121.9%	15%
6/08	\$113,227	0.0%	1.483	1.049	\$176,144	0.0%	59.4%	20%
6/09	\$68,073	0.0%	1.483	1.049	\$105,898	0.0%	38.5%	25%
6/10	\$106,556	0.0%	1.483	1.049	\$165,765	0.0%	59.5%	30%
<b>Total</b>	\$657,148				\$1,022,303			100.0%

Average Adjusted Loss Ratio	Credibility	Permissible Loss Ratio	Credibility Weighted Loss Ratio	Flat Expense Provision	Flat Expense Trend Factor	Indicated Change	Proposed Change
(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
68.7%	22.7%	49.3%	53.7%	25.8%	1.05	7.6%	3.5%

**Metropolitan Property And Casualty Insurance Company  
Arkansas Homeowners Catastrophe Experience**

**Owners Forms (incl. LL and MH)**

**Undeveloped Incurred Losses & ALAE**

<b>Accident Year Ending</b>	<b>Total Cat</b>	<b>Non-Hurr Cat</b>	<b>Non-Cat</b>	<b>Total Ratio</b>	<b>Non-Hurr Ratio</b>
6/87	7,856	7,856	288,949	2.7%	2.7%
6/88	0	0	548,735	0.0%	0.0%
6/89	576,045	576,045	656,595	87.7%	87.7%
6/90	169,184	169,184	522,955	32.4%	32.4%
6/91	56,578	56,578	677,290	8.4%	8.4%
6/92	33,102	33,102	628,510	5.3%	5.3%
6/93	6,157	6,157	314,034	2.0%	2.0%
6/94	30,476	30,476	634,864	4.8%	4.8%
6/95	31,921	31,921	405,000	7.9%	7.9%
6/96	165,936	165,936	387,010	42.9%	42.9%
6/97	18,796	18,796	419,882	4.5%	4.5%
6/98	19,917	19,917	149,593	13.3%	13.3%
6/99	53,630	53,630	408,843	13.1%	13.1%
6/00	18,927	18,927	100,630	18.8%	18.8%
6/01	47,443	47,443	452,647	10.5%	10.5%
6/02	4,760	4,760	112,143	4.2%	4.2%
6/03	10,597	10,597	150,634	7.0%	7.0%
6/04	46,082	46,082	444,372	10.4%	10.4%
6/05	7,255	7,255	413,641	1.8%	1.8%
6/06	1,153,294	1,153,294	1,102,801	104.6%	104.6%
6/07	75,572	75,572	975,933	7.7%	7.7%
6/08	3,115,331	3,115,331	1,383,853	225.1%	225.1%
6/09	1,981,112	1,981,112	1,943,505	101.9%	101.9%
6/10	322,300	322,300	3,344,011	9.6%	9.6%
12 yr. Totals	6,836,303	6,836,303	10,833,013	63.1%	63.1%
14 yr. Totals	6,875,016	6,875,016	11,402,488	60.3%	60.3%
16 yr. Totals	7,072,873	7,072,873	12,194,498	58.0%	58.0%
18 yr. Totals	7,109,506	7,109,506	13,143,396	54.1%	54.1%
20 yr. Totals	7,199,186	7,199,186	14,449,196	49.8%	49.8%
22 yr. Totals	7,944,415	7,944,415	15,628,746	50.8%	50.8%
24 yr. Totals	7,952,271	7,952,271	16,466,430	48.3%	48.3%
			Selected:	48.3%	48.3%

**Metropolitan Property And Casualty Insurance Company  
Arkansas Homeowners Catastrophe Experience**

**Renters & Condo Forms (incl. LL Condo)**

**Undeveloped Incurred Losses & ALAE**

<b>Accident Year Ending</b>	<b>Total Cat</b>	<b>Non-Hurr Cat</b>	<b>Non-Cat</b>	<b>Total Ratio</b>	<b>Non-Hurr Ratio</b>
6/87	0	0	29,255	0.0%	0.0%
6/88	0	0	46,931	0.0%	0.0%
6/89	69	69	20,627	0.3%	0.3%
6/90	3,327	3,327	52,464	6.3%	6.3%
6/91	0	0	22,055	0.0%	0.0%
6/92	0	0	80,045	0.0%	0.0%
6/93	0	0	5,386	0.0%	0.0%
6/94	0	0	30,248	0.0%	0.0%
6/95	0	0	629	0.0%	0.0%
6/96	0	0	2,168	0.0%	0.0%
6/97	0	0	18,335	0.0%	0.0%
6/98	0	0	5,135	0.0%	0.0%
6/99	0	0	4,753	0.0%	0.0%
6/00	0	0	660	0.0%	0.0%
6/01	0	0	1,727	0.0%	0.0%
6/02	0	0	9,802	0.0%	0.0%
6/03	0	0	71,088	0.0%	0.0%
6/04	4,900	4,900	6,022	81.4%	81.4%
6/05	0	0	5,772	0.0%	0.0%
6/06	0	0	32,353	0.0%	0.0%
6/07	0	0	22,659	0.0%	0.0%
6/08	2,527	2,527	19,490	13.0%	13.0%
6/09	2,530	2,530	131,312	1.9%	1.9%
6/10	200	200	39,273	0.5%	0.5%
12 yr. Totals	10,157	10,157	344,911	2.9%	2.9%
14 yr. Totals	10,157	10,157	368,381	2.8%	2.8%
16 yr. Totals	10,157	10,157	371,178	2.7%	2.7%
18 yr. Totals	10,157	10,157	406,812	2.5%	2.5%
20 yr. Totals	10,157	10,157	508,912	2.0%	2.0%
22 yr. Totals	13,553	13,553	582,003	2.3%	2.3%
24 yr. Totals	13,553	13,553	658,189	2.1%	2.1%
			Selected:	2.1%	2.1%

Metropolitan Property And Casualty Insurance Company

OWNERS Loss Development (incl. LL and MH)

Countrywide, Incurred Losses (Excluding Catastrophes)

Accident Year <u>Ending</u>	<u>Months of Development</u>					
	<u>12</u>	<u>24</u>	<u>36</u>	<u>48</u>	<u>60</u>	<u>Over 60</u>
6/ 2001					308,660,802	309,503,417
6/ 2002				267,782,044	267,608,175	268,112,913
6/ 2003			214,288,258	215,383,207	215,783,693	215,489,891
6/ 2004		202,523,383	205,946,722	208,074,575	207,476,447	207,957,884
6/ 2005	180,067,895	199,073,099	201,049,458	201,194,960	201,440,456	201,837,260
6/ 2006	206,341,522	219,746,739	219,630,843	219,787,689	220,492,567	
6/ 2007	220,849,945	238,981,099	242,062,499	242,296,759		
6/ 2008	228,969,463	250,012,434	253,140,147			
6/ 2009	242,263,815	268,908,890				
6/ 2010	246,980,804					

Accident Year <u>Ending</u>	<u>Development Factors</u>				
	<u>12-24</u>	<u>24-36</u>	<u>36-48</u>	<u>48-60</u>	<u>Over 60</u>
6/ 2001					1.003
6/ 2002				0.999	1.002
6/ 2003			1.005	1.002	0.999
6/ 2004		1.017	1.010	0.997	1.002
6/ 2005	1.106	1.010	1.001	1.001	1.002
6/ 2006	1.065	0.999	1.001	1.003	
6/ 2007	1.082	1.013	1.001		
6/ 2008	1.092	1.013			
6/ 2009	1.110				
Countrywide Average	1.091	1.010	1.004	1.001	1.002
THREE YR AVG	1.095	1.008	1.001	1.001	1.001
AVG EX HI/LO	1.093	1.012	1.002	1.001	1.002
WEIGHTED AVG	1.091	1.010	1.003	1.001	1.002

	<u>Selected Factors</u>				
	<u>12-24</u>	<u>24-36</u>	<u>36-48</u>	<u>48-60</u>	<u>60-ULT</u>
<b>Countrywide Selected</b>	<b>1.095</b>	<b>1.010</b>	<b>1.000</b>	<b>1.000</b>	<b>1.000</b>
<b>Projected to Ultimate</b>	<b>1.106</b>	<b>1.010</b>	<b>1.000</b>	<b>1.000</b>	<b>1.000</b>

Metropolitan Property And Casualty Insurance Company

RENTERS & CONDO Loss Development (incl. LL Condo)

Countrywide, Incurred Losses (Excluding Catastrophes)

Accident Year <u>Ending</u>	<u>Months of Development</u>					
	<u>12</u>	<u>24</u>	<u>36</u>	<u>48</u>	<u>60</u>	<u>Over 60</u>
6/ 2001					14,809,035	14,648,512
6/ 2002				13,225,513	13,419,420	13,324,148
6/ 2003			11,212,816	11,375,896	11,385,647	11,389,385
6/ 2004		10,689,461	10,966,033	11,582,168	11,680,683	11,606,129
6/ 2005	10,200,328	11,511,685	12,051,422	12,181,159	12,001,433	11,955,551
6/ 2006	10,253,773	10,893,196	11,091,908	11,084,143	11,406,591	
6/ 2007	11,825,860	13,087,019	13,441,035	13,565,305		
6/ 2008	12,277,411	13,190,464	13,252,074			
6/ 2009	13,279,980	14,470,929				
6/ 2010	13,806,023					

Accident Year <u>Ending</u>	<u>Development Factors</u>				
	<u>12-24</u>	<u>24-36</u>	<u>36-48</u>	<u>48-60</u>	<u>Over 60</u>
6/ 2001					0.989
6/ 2002				1.015	0.993
6/ 2003			1.015	1.001	1.000
6/ 2004		1.026	1.056	1.009	0.994
6/ 2005	1.129	1.047	1.011	0.985	0.996
6/ 2006	1.062	1.018	0.999	1.029	
6/ 2007	1.107	1.027	1.009		
6/ 2008	1.074	1.005			
6/ 2009	1.090				
Countrywide Average	1.092	1.025	1.018	1.008	0.994
THREE YR AVG	1.090	1.017	1.006	1.008	0.997
AVG EX HI/LO	1.090	1.024	1.012	1.008	0.994
WEIGHTED AVG	1.092	1.024	1.017	1.007	0.994

	<u>Selected Factors</u>				
	<u>12-24</u>	<u>24-36</u>	<u>36-48</u>	<u>48-60</u>	<u>60-ULT</u>
<b>Countrywide Selected</b>	<b>1.090</b>	<b>1.020</b>	<b>1.010</b>	<b>1.010</b>	<b>1.000</b>
<b>Projected to Ultimate</b>	<b>1.134</b>	<b>1.041</b>	<b>1.020</b>	<b>1.010</b>	<b>1.000</b>

**Metropolitan Property And Casualty Insurance Company  
Arkansas - All Forms - NAll Fast Track Data**

**Calculation of Loss Trend Factors  
Using Non-Cat Pure Premium**

Period Ending	Avg. Pure Premium	Annual Change
Jun-06	352.43	N/A
Sep-06	370.48	N/A
Dec-06	356.85	N/A
Mar-07	338.32	N/A
Jun-07	363.38	1.031
Sep-07	357.22	0.964
Dec-07	370.49	1.038
Mar-08	384.06	1.135
Jun-08	416.59	1.146
Sep-08	467.07	1.307
Dec-08	509.06	1.374
Mar-09	530.14	1.380
Jun-09	538.77	1.293
Sep-09	552.32	1.183
Dec-09	533.70	1.048
Mar-10	552.42	1.042
2 points	14.8%	
6 points	5.3%	
8 points	14.8%	
12 points	20.8%	
16 points	16.3%	

Accident Year Ending	Avg. Pure Premium	Historical Trend Factor	Projected Trend Factor	Loss Trend Factor
Jun-06	352.43	1.464	1.107	1.621
Jun-07	338.32	1.331	1.107	1.474
Jun-08	384.06	1.210	1.107	1.340
Jun-09	530.14	1.100	1.107	1.218
Jun-10	552.42	1.000	1.107	1.107

Selected Historical Loss Trend:	10.0%
Selected Projected Loss Trend:	5.0%

**Metropolitan Property And Casualty Insurance Company  
Arkansas - All Forms**

**Calculation of Premium Trend Factors  
Using Average Earned Premium (On-Level)**

Period Ending	Avg Earn. Premium (On Level)	Annual Change
Sep-06	931.92	N/A
Dec-06	966.14	N/A
Mar-07	996.48	N/A
Jun-07	1023.32	N/A
Sep-07	1046.65	1.123
Dec-07	1063.06	1.100
Mar-08	1072.18	1.076
Jun-08	1078.78	1.054
Sep-08	1081.95	1.034
Dec-08	1084.44	1.020
Mar-09	1084.72	1.012
Jun-09	1083.54	1.004
Sep-09	1080.78	0.999
Dec-09	1074.09	0.990
Mar-10	1068.20	0.985
Jun-10	1062.25	0.980
2 points	-2.2%	
6 points	-1.7%	
8 points	-1.1%	
12 points	0.3%	
16 points	3.0%	

Accident Year Ending	Avg Earn. Premium (On Level)	Historical Trend Factor	Projected Trend Factor	Premium Trend Factor
Jun-06	903.37	1.126	0.959	1.079
Jun-07	1023.32	1.093	0.959	1.048
Jun-08	1078.78	1.061	0.959	1.017
Jun-09	1083.54	1.030	0.959	0.987
Jun-10	1062.25	1.000	0.959	0.959

Selected Historical Premium Trend:	3.0%
Selected Projected Premium Trend:	-2.0%

METROPOLITAN PROPERTY AND CASUALTY INSURANCE COMPANY

ARKANSAS Homeowners

Expense History and Selection

1. Variable Expenses - vary directly with premium.

	<u>2008</u> <u>(000's)</u>	<u>2009</u> <u>(000's)</u>	<u>Selection</u>
a. Direct Premiums Written	\$4,320	\$4,650	
b. Direct Commission & Brokerage	\$469 10.9%	\$622 13.4%	12.1%
c. Taxes, Licenses, and Fees	-----	-----	3.3%
d. Underwriting Profit Provision			9.4%
e. Statewide Variable Expense Provision (b + c + d)			24.9%

2. Flat Expenses - do not vary directly with losses or premiums. They are primarily policy issuance costs as well as Home Office and Service Office overhead. These expenses are considered as a flat cost per unit of exposure.

	<u>2008</u> <u>(000's)</u>	<u>2009</u> <u>(000's)</u>	<u>Selection</u>
a(1). Statewide Direct Premiums Earned	\$4,250	\$4,437	
a(2). Statewide Direct Premiums Earned	\$4,250	\$4,437	
b. Other Acquisition	\$515 12.1%	\$517 11.6%	0.1
c. General Expense	\$133 3.1%	\$122 2.8%	0.0
d. Guaranty Fund Assessment not recouped	\$0	\$0	N/A 0.0
e. Flat Expense Provision (b + c + d)			0.1

METROPOLITAN PROPERTY AND CASUALTY INSURANCE COMPANY

ARKANSAS Homeowners

Expense History and Selection

3. Loss Adjustment Expenses (LAE) - claim settlement expenses which can be broken down into two categories:

a. Allocated Loss Adjustment Expenses (ALAE)

These represent claim settlement expenses which can be associated with specific claims. They are included in the losses.

b. Unallocated Loss Adjustment Expenses (ULAE) \*

These represent claim settlement expenses which cannot be associated with specific claims. These expenses are considered to vary with losses. The following is a development of the factor to adjust losses and allocated loss adjustment expenses for ULAE.

	2008 (000's)	2009 (000's)	<u>Selection</u>
(1) Direct Losses Incurred	\$6,148	\$2,760	
(2) ALAE	\$497	\$65	
(3) Loss & ALAE [ (1) + (2) ]	\$6,644	\$2,825	
(4) ULAE [ (4) / (3) ]	\$275 4.1%	\$161 5.7%	
(5) ULAE Factor	1.041	1.057	1.049

4. Development of Statewide Permissible Loss Ratio

a. Variable Expense Provision ( 1.e. )	24.9%
b. Flat Expense Provision (2e.)	14.8%
c. Permissible Loss and LAE Ratio ( 100% - a - b )	60.3%
d. ULAE Factor (3.b.(5))	1.049
e. Permissible Loss and ALAE Ratio ( c / d )	57.5%

# METROPOLITAN PROPERTY AND CASUALTY INSURANCE COMPANY

## ARKANSAS Homeowners

### Profit Provision Summary

Insurance companies, like most companies, must compete for capital in the competitive market place. In order to compete for capital, an insurance company must provide a return on equity that is commensurate with the risk assumed. According to the Actuarial Standard of Practice No. 30 - Treatment of Profit and Contingency Provisions and the Cost of Capital in Property/Casualty Insurance Ratemaking, "Property/casualty insurance rates should provide for all expected costs, including an appropriate cost of capital associated with the specific risk transfer." Metropolitan reflects the cost of capital in the ratemaking process in the selection of the underwriting profit provision.

Metropolitan incorporates an Underwriting Profit Provision in the rate-making process using the Total Financial Needs Model. This model develops an underwriting profit provision such that the sum of underwriting profit, miscellaneous income (non-investment), investment income from insurance operations and investment income on capital, after income taxes, equals the target cost of capital. In the following model, Metropolitan calculates the underwriting profit which will ensure that the anticipated income from all sources produces net income after taxes that is commensurate with the risk assumed in the property-casualty insurance business.

Metropolitan targets a 18% return on equity based on the variability of industry property and casualty insurance results. After taking investment income and miscellaneous income into account, the selected underwriting profit provision of 9.4% achieves a 18% cost of capital.

It should be noted that Metropolitan includes Investment Income from Equity in the Profit Provision model. The assumed premium-to-equity ratio is 1.5 to 1.0. This represents a conservative and prudent pricing strategy.

#### 1. Assumptions

a. Premium		\$100
b. Premium-to-Equity Ratio		1.50
c. GAAP Equity		\$66.67
d. Return on Investment (Pre-Tax)		5.0%
e. Return on Investment (After-Tax)	[5% x (1 - Tax Rate on Investment Income)]	4.6%
f. Tax Rate on Underwriting Profit		35.0%

#### 2. Profit Provision Calculation

a. Investment Income From UPR and Loss Reserve		\$2.80
b. Investment Income From Equity		\$3.07
	[1.c. x 1.e.]	
c. Underwriting Profit (After Tax)		\$6.13
	[100 x 2.f. x (1 - 1.f.)]	
d. Overall Profit		\$12.00
	[a + b+ c]	
e. Expected Return on Equity		18.0%
f. Underwriting Profit Provision (Pre-Tax)		9.4%

Note: Target Homeowners Return is (as % of Equity)		18.0%
Target Homeowners Return is (as \$ Per \$100 of Premium)		\$12.00

**METROPOLITAN PROPERTY AND CASUALTY INSURANCE COMPANY**

**ARKANSAS**

**HOMEOWNERS**

**ESTIMATED INVESTMENT EARNINGS ON  
UNEARNED PREMIUM RESERVES AND ON LOSS RESERVES**

A. Unearned Premium Reserve		
1. Direct Earned Premium for Calendar Year 2009.		\$15,175,681
2. Mean Unearned Premium	(1) x 0.526	\$7,982,408
3. Deduction for Prepaid Expenses		
Commission and Brokerage Expense		12.1%
Taxes, Licenses, and Fees		3.3%
50% of Statewide Flat Expense		7.4%
Total		22.8%
4. (2) x (3) Total		\$1,821,586
5. Net Subject to Invest (2) - (4)		\$6,160,823
B. Delayed Remission of Premium (Agents' Balances)		
1. Direct Earned Premium (A-1)		\$15,175,681
2. Average Agents' Balances (Includes Outstanding Written Premium)		22.1%
3. Delayed Remission (1) x (2)		\$3,353,826
C. Loss Reserve		
1. Direct Earned Premium (A-1)		\$15,175,681
2. Expected Incurred Loss and Loss Adjustment Expense		\$9,158,523
(1) x 60.4% (permissible loss ratio)		
3. Expected Mean Loss Reserves		\$6,374,332
(2) x 0.696		
D. Net Subject to Investment	(A-5) - (B-3) + (C-3)	\$9,181,329
E. Average Rate of Return		5.0%
F. Investment Earnings on Net Subject to Investment	(D) x (E)	\$459,066
G. Average Rate of Return as a Percent of Direct Earned Premium	(F) / (A-1)	3.0%
H. Average Rate of Return as a Percent of Direct Earned Premium After Federal Income Taxes	(G) x (1 - 0.085)	2.8%

METROPOLITAN PROPERTY AND CASUALTY INSURANCE COMPANY

HOMEOWNERS INSURANCE  
ESTIMATED INVESTMENT EARNINGS ON  
UNEARNED PREMIUM RESERVES AND LOSS RESERVES

EXPLANATORY NOTES

Line A-1

Direct earned premiums are for the calendar year ending December 31, 2009.

Line A-2

The mean unearned premium reserve is determined by multiplying the direct earned premiums in line A-1 by the countrywide ratio of the mean unearned premium reserve to the direct earned premium for 2009 for Homeowners insurance.

IN THOUSANDS OF DOLLARS

1. Direct Earned Premium for Calendar Year 2009	\$851,834
2. Direct Unearned Premium Reserve as of 12/31/2008	\$443,681
3. Direct Unearned Premium Reserve as of 12/31/2009	\$452,833
4. Mean Unearned Premium Reserve [(2)+(3)]/2	\$448,257
5. Ratio (4) / (1)	0.526

Line A-3

Deduction for prepaid expenses:

Production costs and a large part of the other company expenses in connection with the writing and handling of Homeowners insurance policies, exclusive of claim adjustment expenses, are incurred when the policy is written and before the premium is paid. Therefore, the deduction for these expenses is determined by use of the provisions for expenses used in our ratemaking procedures as shown.

Line B-2

Delayed remission of premium:

This deduction is necessary because of delay in collection and remission of premium to the companies, which amounts to approximately 50 to 75 days after the effective dates of the policies. Therefore, funds for the unearned premium reserve required during the initial days of all policies must be taken from the company's surplus.

Agents' balances for premiums due less than 90 days are added to the agents balances charged off or uncollected premiums overdue for more than 90 days.

IN THOUSANDS OF DOLLARS

1. Homeowners Direct Earned Premium for Calendar Year 2009	\$851,834
2. Homeowners Direct Agents' Balances as of 12/31/2008	\$182,372
3. Homeowners Direct Agents' Balances as of 12/31/2009	\$184,989
4. Homeowners Direct Mean Agents' Balances [(2)+(3)]/2	\$183,681
5. Ratio [(4) / (1)]	0.216
6. All Lines Net Earned Premium for Calendar Year 2009	\$2,918,865
7. All Lines Agents' Balances Charged Off as of 12/31/2008	\$13,628
8. All Lines Agents' Balances Charged Off as of 12/31/2009	\$15,118
9. All Lines Mean Agents' Balances Charged Off [(7)+(8)]/2	\$14,373
10. Ratio [(9) / (6)]	0.005
11. Total [(5) + (10)]	0.221

METROPOLITAN PROPERTY AND CASUALTY INSURANCE COMPANY

HOMEOWNERS INSURANCE  
ESTIMATED INVESTMENT EARNINGS ON  
UNEARNED PREMIUM RESERVES AND LOSS RESERVES

EXPLANATORY NOTES

Line C-2

The expected loss and loss adjustment expense ratio reflects the expense provisions used in the filing.

Line C-3

The expected mean loss reserve is determined by multiplying the expected incurred losses in line C-2 by the average countrywide ratio of the mean loss and loss adjustment expense reserves to the incurred losses and loss adjustment expenses in 2008 and 2009.

IN THOUSANDS OF DOLLARS

1. Incurred Losses for Calendar Year 2005	\$683,225
2. Incurred Losses for Calendar Year 2006	\$457,064
3. Incurred Losses for Calendar Year 2007	\$439,071
4. Incurred Losses for Calendar Year 2008	\$572,785
5. Incurred Losses for Calendar Year 2009	\$508,462
6. Loss Reserves as of 12/31/2004	\$261,466
7. Loss Reserves as of 12/31/2005	\$425,976
8. Loss Reserves as of 12/31/2006	\$404,760
9. Loss Reserves as of 12/31/2007	\$358,606
10. Loss Reserves as of 12/31/2008	\$339,439
11. Loss Reserves as of 12/31/2009	\$280,614
12. Mean Loss Reserve: 2005 [(6)+(7)]/2	\$343,721
13. Mean Loss Reserve: 2006 [(7)+(8)]/2	\$415,368
14. Mean Loss Reserve: 2007 [(8)+(9)]/2	\$381,683
15. Mean Loss Reserve: 2008 [(9)+(10)]/2	\$349,023
16. Mean Loss Reserve: 2009 [(10)+(11)]/2	\$310,027
17. 2005 Ratio (12) / (1)	0.503
18. 2006 Ratio (13) / (2)	0.909
19. 2007 Ratio (14) / (3)	0.869
20. 2008 Ratio (15) / (4)	0.609
21. 2009 Ratio (16) / (5)	0.610
22. Average of 2005 through 2009 ratios (excluding high and low)	0.696
23. Selected Ratio	0.696

Line E

The rate of return is based on the ratio of net investment income earned and net realized capital gains (or losses) to mean cash and invested assets for 2009. For informational purposes, corresponding rates of return for the last five years are shown in the following chart.

IN THOUSANDS OF DOLLARS

<u>Year</u>	<u>Invested Assets</u>	<u>Mean Cash &amp; Invested Assets</u>	<u>Net Investment Income Earned</u>	<u>Rate of Return</u>	<u>Net Realized Capital Gains (or Losses)</u>	<u>Rate of Return</u>	<u>Total Rate of Return</u>
2004	\$4,213,697						5.2%
2005	\$4,272,769	\$4,243,233	\$227,103	5.4%	(\$6,801)	-0.2%	5.6%
2006	\$4,282,877	\$4,277,823	\$240,225	5.6%	\$935	0.0%	5.7%
2007	\$4,291,345	\$4,287,111	\$243,737	5.7%	(\$888)	0.0%	3.7%
2008	\$3,785,126	\$4,038,236	\$228,793	5.7%	(\$81,347)	-2.0%	4.3%
2009	\$3,757,136	\$3,771,131	\$205,484	5.4%	(\$42,505)	-1.1%	5.0%
				Selected Rate of Return:	5.50%	-0.5%	

METROPOLITAN PROPERTY AND CASUALTY INSURANCE COMPANY

HOMEOWNERS INSURANCE  
ESTIMATED INVESTMENT EARNINGS ON  
UNEARNED PREMIUM RESERVES AND LOSS RESERVES

EXPLANATORY NOTES

Line H

The average rate of federal income tax was determined by applying current tax rates to the distribution of investment income earned for 2009.

	Investment Income Earned (IN THOUSANDS OF DOLLARS)	Federal Income <u>Tax Rate</u>
Bonds		
Taxable	\$23,179	35.0%
Non-Taxable	\$171,607	5.25%
Total	\$194,786	8.8%
Stocks		
Preferred	\$15,883	14.2% *
Common	\$658	14.2% *
All Other		
Mortgage Loans on Real Estate	\$0	
Real Estate	\$1,770	
Cash/Short-term Investments	\$36	
All Other	-\$2,845	
Total	-\$1,039	35.0%
Total	\$210,288	9.1%
Investment Deductions	\$4,666	35.0%
Net Investment Income Earned	\$205,622	8.5%

\* 85% of 70% of dividend income on stock is not subject to the full corporate income tax rate of 35%. The applicable tax rate is 14.2% (.35 x (1 - .70 x .85) = .142).

**Metropolitan Property And Casualty Insurance Company**

**Arkansas Homeowners**

**Calculation of Permissible Loss Ratios and Flat Expense Provisions**

<b>Policy Form</b>	<b>On Level Earned Premium</b>	<b>Earned Exposures</b>	<b>Average Earned Premium</b>	<b>Average Flat Expense</b>	<b>Flat Expense %</b>	<b>Variable Expense %</b>	<b>Permissible Loss Ratio</b>
	<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>	<b>(5)</b>	<b>(6)</b>	<b>(7)</b>
<b>Owners</b>	\$4,245,840	3,716	\$1,142.63	\$152.09	13.3%	24.9%	61.8%
<b>Renters &amp; Condo</b>	\$149,122	414	\$360.39	\$152.09	42.2%	24.9%	32.9%
<b>Landlords</b>	\$198,792	338	\$588.35	\$152.09	25.8%	24.9%	49.3%
<b>Total</b>	\$4,597,331	4,474	\$1,027.61	\$152.09	14.8%	24.9%	60.3%

**Metropolitan Property and Casualty Insurance Company**

**Residential Property**

**Arkansas**

**Summary of Mass Merchandising Account Deviation Changes  
Excluding Cat Losses**

<u>Account</u>	<u>Earned Exposures</u>	<u>Premium Distribution</u>	<u>On-Level Trended Earned Premium</u>	<u>Ultimate Incurred Losses</u>	<u>20062</u>	<u>20072</u>	<u>Loss Ratios 20082</u>	<u>20092</u>	<u>20102</u>	<u>Overall Loss Ratio</u>	<u>Relative Loss Ratio</u>	<u>Current Account Deviation</u>	<u>Proposed Account Deviation</u>	<u>Account Deviation Impact</u>
ALL CMPNYS	2,927	14.6%	2,307,021	1,825,833	106.6%	66.5%	51.0%	65.5%	106.2%	79.1%	106.3%	0.95	0.92	-3.2%
RETAIL	12,695	81.5%	12,906,063	9,670,516	99.4%	45.1%	50.4%	73.5%	110.7%	74.9%	100.6%	1.00	1.00	0.0%
J.B. HUNT TRANSPORT	423	1.7%	272,116	115,840	45.6%	0.7%	61.9%	15.3%	85.6%	42.6%	57.2%	0.90	0.90	0.0%
DIRECT BILL NON-DEV.	7	0.1%	9,963	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.00	1.00	0.0%
CLOSED/SPIN/TERM	364	1.7%	274,365	171,150	113.0%	9.2%	100.5%	25.0%	63.3%	62.4%	83.8%	1.00	1.00	0.0%
FORD MOTOR COMPANY	42	0.2%	36,128	284	0.0%	0.0%	3.5%	0.1%	0.0%	0.8%	1.1%	0.90	0.90	0.0%
EMERSON ELECTRIC CO.	19	0.1%	15,327	256	0.0%	0.0%	8.4%	0.0%	0.0%	1.7%	2.2%	0.90	0.90	0.0%
HEWLETT PACKARD	10	0.0%	5,257	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.90	0.90	0.0%
Total:	16,487	1.00	15,826,239	11,783,879	98.9%	46.6%	51.4%	70.5%	108.7%	74.5%		0.99	0.99	-0.5%

\* Data is for Accident Years Ending 6/2005 through 6/2010.

Losses are evaluated as of 06/30/2010, are developed, and exclude catastrophes.

The formula used to calculate the credibility factor was  $Z = \text{Square root } (E/K)$ , where E = Earned Exposures and the credibility constant K = 40,000 exposures

**Metropolitan Property and Casualty Insurance Company**

**Residential Property**

**Arkansas**

**Protection Class Factors**

Protection Class Level	3 Year Earned Exposures	Premium Distribution	3 Year Earned Premium	3 Year Incurred Loss	2008 Loss Ratio	2009 Loss Ratio	2010 Loss Ratio	3 Year Overall Loss Ratio	3 Year Relative Loss Ratio	Credibility	Credibility Weighted Indicated Change	StateWide Indicated PC Factor	StateWide Normalized Indicated PC Factor	Group A Terr* Current PC Factor	Group B Terr** Current PC Factor	StateWide Proposed PC Factor	StateWide Discount Impact
PC 2	5,217	40.0%	4,546,063	1,949,954	56.3%	46.6%	28.7%	42.9%	0.745	0.36	0.91	0.91	0.84	1.00	1.00	1.00	0.0%
PC 3	3,414	24.1%	2,734,772	1,907,411	33.1%	33.8%	140.5%	69.7%	1.212	0.29	1.06	1.06	0.98	1.00	1.00	1.00	0.0%
PC 4	1,692	12.0%	1,368,964	1,329,718	32.8%	114.7%	131.5%	97.1%	1.688	0.21	1.14	1.26	1.16	1.10	1.10	1.10	0.0%
PC 5	1,395	10.1%	1,149,188	837,816	14.1%	36.7%	158.4%	72.9%	1.267	0.19	1.05	1.15	1.07	1.10	1.10	1.10	0.0%
PC 6	1,285	9.3%	1,056,289	417,446	22.7%	62.8%	34.2%	39.5%	0.687	0.18	0.94	1.16	1.07	1.25	1.20	1.20	-1.9%
PC 7	288	2.4%	277,654	63,472	21.3%	16.2%	31.4%	22.9%	0.397	0.08	0.95	1.36	1.26	1.40	1.50	1.30	-8.9%
PC 8	84	1.1%	124,332	31,585	4.6%	53.5%	20.1%	25.4%	0.442	0.05	0.97	1.95	1.81	2.00	2.00	1.80	-10.0%
PC 9	38	0.9%	105,883	1,134	0.0%	0.0%	3.6%	1.1%	0.019	0.03	0.97	3.13	2.90	3.10	3.50	3.00	-6.8%
PC 10	0	0.0%	811	0	0.0%	0.0%	0.0%	0.0%	-	0.00	1.00	4.50	4.17	4.50	5.00	4.25	-5.6%
Total:	13,412	100.0%	11,363,956	6,538,536	37.8%	51.2%	80.5%	57.5%	1.000	0.58	1.00	1.08	1.00	1.13	1.06	1.08	-0.8%

\*Group A Terr include: 11, 12, 13, 14, 15, 16, 17, 22, 23, 31, 32, 34, 35, 38

\*\*Group B Terr include: 18, 19, 20, 21, 36, 37

Years Ending 6/2007 through 6/2010

The formula used to calculate the credibility factor was  $Z = \text{Square root}(E/K)$ , where E = Earned Exposures and the credibility constant K = 40000 exposures

**Metropolitan Property and Casualty Insurance Company**

**Residential Property**

**Arkansas**

**Superior Home Discount**

<u>Superior Home Discount Indicator</u>	<u>3 Year Earned Exposures</u>	<u>Premium Distribution</u>	<u>2006 Loss Ratio</u>	<u>2007 Loss Ratio</u>	<u>2008 Loss Ratio</u>	<u>2009 Loss Ratio</u>	<u>2010 Loss Ratio</u>	<u>3 Year Overall Loss Ratio</u>	<u>3 Year Relative Loss Ratio</u>	<u>Credibility</u>	<u>Credibility Weighted Indicated Change</u>	<u>Current Discount</u>	<u>Indicated Discount</u>	<u>Normalized Indicated Discount</u>	<u>Proposed Discount</u>	<u>Discount Impact</u>
No	8,518	76.0%	77.4%	46.2%	116.3%	101.5%	70.3%	94.9%	90.4%	0.46	0.96	1.00	0.96	1.00	1.00	0.0%
Yes	1,972	24.0%	126.2%	33.6%	144.3%	108.8%	157.8%	137.2%	130.6%	0.22	1.07	0.90	0.96	1.01	0.95	5.6%
Total:	10,490	100.0%	78.4%	45.7%	123.0%	103.2%	28.0%	105.0%		0.51	1.00	0.98	0.96	1.00	0.99	1.3%

Years Ending 6/2007 through 6/2010.

The formula used to calculate the credibility factor was  $Z = \text{Square root}(E/K)$ , where E = Earned Exposures and the credibility constant K =40,000 Exposures

**Economy Premier Assurance Company  
(former Economy and USF&G Programs)  
Residential Property**

**Arkansas**

**Superior Home Discount Analysis**

<u>Superior Home Discount Indicator</u>	<u>3 Year Earned Exposures</u>	<u>Premium Distribution</u>	<u>2006 Loss Ratio</u>	<u>2007 Loss Ratio</u>	<u>2008 Loss Ratio</u>	<u>2009 Loss Ratio</u>	<u>2010 Loss Ratio</u>	<u>3 Year Overall Loss Ratio</u>	<u>3 Year Relative Loss Ratio</u>	<u>Credibility Credibility</u>	<u>Credibility Weighted Indicated Change</u>	<u>Current Discount</u>	<u>Indicated Discount</u>	<u>Normalized Indicated Discount</u>	<u>Proposed Discount</u>	<u>Discount Impact</u>
No	2,903	98.2%	77.4%	46.2%	76.6%	77.6%	26.8%	62.4%	100.1%	0.27	1.00	1.00	1.00	1.00	1.00	0.0%
Yes	39	1.8%	126.2%	33.6%	74.7%	31.2%	65.2%	57.3%	91.9%	0.03	1.00	0.90	0.90	0.90	0.95	5.6%
Total:	2,941	1.00	78.4%	45.7%	76.6%	76.9%	27.5%	62.3%		0.27		1.00	1.00	1.00	1.00	0.1%

Years Ending 6/2007 through 6/2010.

The formula used to calculate the credibility factor was  $Z = \text{Square root}(E/K)$ , where E = Earned Exposures and the credibility constant K = 40,000 Exposures

**Metropolitan Property & Casualty Insurance Company  
Residential Property  
Arkansas**

**ZIP Code Additions**

<u>ZIP Code</u>	<u>Territory</u>
72043	35
72536	11

**ZIP Code Deletions**

<u>ZIP Code</u>	<u>Territory</u>
72403	13

SERFF Tracking Number: METX-G126923125 State: Arkansas  
 First Filing Company: Metropolitan Property and Casualty Insurance State Tracking Number: EFT \$250  
 Company, ...  
 Company Tracking Number: AR00092CG00234  
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations  
 Product Name: Tiering  
 Project Name/Number: /AR00092CG00234

## Superseded Schedule Items

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

Creation Date:	Schedule	Schedule Item Name	Replacement Creation Date	Attached Document(s)
11/30/2010	Rate and Rule	Base Premiums	12/20/2010	AR_H_MPC_Rate Pages 8-11_122710.PDF (Superseded)
11/30/2010	Rate and Rule	Rule 9 - Premium Capping	12/20/2010	AR Met P&C-EPAC-USF&G RPP Page 17.PDF (Superseded)

**METROPOLITAN PROPERTY AND CASUALTY INSURANCE COMPANY**

**ARKANSAS RESIDENTIAL PROPERTY**

Homeowners, HO-2 Homeowners (former Dwelling Fire business only)

Base Premiums - \$500 Deductible

**Base Premiums**

Territory	Base Rate
11	843
12	807
13	789
14	1516
15	814
16	824
17	818
18	878
19	814
20	878
21	933
22	1043
23	1055
31	846
32	833
33	1213
34	811
35	1438
36	1093
37	834
38	835

**Coverage A Factors**

Cov. A Amount	Homeowners & HO-2 Homeowners
\$30,000	0.376
\$40,000	0.429
\$45,000	0.456
\$50,000	0.482
\$55,000	0.508
\$60,000	0.534
\$65,000	0.560
\$70,000	0.586
\$75,000	0.612
\$80,000	0.638
\$85,000	0.664
\$90,000	0.689
\$95,000	0.715
\$100,000	0.741
\$105,000	0.767
\$110,000	0.793
\$115,000	0.819
\$120,000	0.845
\$125,000	0.871
\$130,000	0.897
\$135,000	0.923
\$140,000	0.949
\$145,000	0.975
\$150,000	1.000
\$160,000	1.052
\$170,000	1.104
\$180,000	1.156

Cov. A Amount	Homeowners & HO-2 Homeowners
\$190,000	1.208
\$200,000	1.259
\$210,000	1.311
\$220,000	1.363
\$230,000	1.415
\$240,000	1.467
\$250,000	1.518
\$260,000	1.570
\$270,000	1.622
\$280,000	1.674
\$290,000	1.726
\$300,000	1.777
\$350,000	2.037
\$400,000	2.297
\$450,000	2.557
\$500,000	2.817
\$550,000	3.077
\$600,000	3.337
\$650,000	3.597
\$700,000	3.857
\$750,000	4.117
\$800,000	4.377
\$850,000	4.637
\$900,000	4.897
\$950,000	5.157
\$1,000,000	5.417
Ea. Add'l 10	0.052

**Protection Class Factors**

Protection Class	Factors
1	1.000
2	1.000
3	1.000
4	1.100
5	1.100
6	1.200
7	1.300
8	1.800
9	3.000
10	4.250

**Construction Factors**

Protection Class	Masonry/ Masonry Veneer	Frame
1	1.000	1.150
2	1.000	1.150
3	1.000	1.150
4	1.000	1.150
5	1.000	1.150
6	1.000	1.150
7	1.000	1.150
8	1.000	1.150
9	1.000	1.150
10	1.000	1.150

Refer to Manual, Coverage 19B for HO-2 Homeowners Factor.

Superior Construction: Multiply Masonry Rate by .85.

\* Refers to all Dwelling Fire business with an application written date prior to May 31, 2004.

**METROPOLITAN PROPERTY AND CASUALTY INSURANCE COMPANY**

**ARKANSAS RESIDENTIAL PROPERTY**

**Landlord's Rental Dwelling, GrandProtect Landlord's Rental Dwelling**

Base Premiums - \$500 Deductible

**Base Premiums**

Territory	Base Rate
11	728
12	885
13	979
14	871
15	924
16	910
17	1014
18	806
19	1037
20	904
21	544
22	751
23	629
31	789
32	783
33	829
34	943
35	1049
36	819
37	545
38	757

**Coverage A Factors**

Cov. A Amount	Landlord's	Cov. A Amount	Landlord's
\$30,000	0.400	\$190,000	1.268
\$40,000	0.421	\$200,000	1.333
\$45,000	0.432	\$210,000	1.406
\$50,000	0.442	\$220,000	1.479
\$55,000	0.451	\$230,000	1.552
\$60,000	0.460	\$240,000	1.625
\$65,000	0.480	\$250,000	1.700
\$70,000	0.500	\$260,000	1.773
\$75,000	0.527	\$270,000	1.846
\$80,000	0.553	\$280,000	1.919
\$85,000	0.587	\$290,000	1.992
\$90,000	0.620	\$300,000	2.067
\$95,000	0.644	\$350,000	2.493
\$100,000	0.667	\$400,000	2.913
\$105,000	0.700	\$450,000	3.327
\$110,000	0.733	\$500,000	3.733
\$115,000	0.766	\$550,000	4.345
\$120,000	0.799	\$600,000	4.956
\$125,000	0.833	\$650,000	5.376
\$130,000	0.866	\$700,000	5.796
\$135,000	0.899	\$750,000	6.201
\$140,000	0.932	\$800,000	6.606
\$145,000	0.965	\$850,000	6.996
\$150,000	1.000	\$900,000	7.387
\$160,000	1.067	\$950,000	7.763
\$170,000	1.134	\$1,000,000	8.139
\$180,000	1.201	Ea. Add'l 10	0.075

**Protection Class Factors**

Protection Class	Factors
1	1.000
2	1.000
3	1.000
4	1.100
5	1.100
6	1.200
7	1.300
8	1.800
9	3.000
10	4.250

**Construction Factors**

Protection Class	Masonry/ Masonry Veneer	Frame
1	1.000	1.150
2	1.000	1.150
3	1.000	1.150
4	1.000	1.150
5	1.000	1.150
6	1.000	1.150
7	1.000	1.150
8	1.000	1.150
9	1.000	1.150
10	1.000	1.150

Refer to Manual, Coverage 19B for HO-2 Homeowners Factor.  
 Superior Construction: Multiply Masonry Rate by .85.  
 GrandProtect Landlord's Dwelling: Multiply by 1.25  
 GrandProtect Flat Dollar Charge: \$35

**METROPOLITAN PROPERTY AND CASUALTY INSURANCE COMPANY**

**ARKANSAS RESIDENTIAL PROPERTY**

Landlord's Rental Dwelling (former Dwelling Fire business only)

Base Premiums - \$500 Deductible

**Base Premiums**

**Coverage A Factors**

Territory	Base Rate
11	728
12	885
13	979
14	871
15	924
16	910
17	877
18	806
19	878
20	904
21	544
22	751
23	629
31	789
32	783
33	830
34	943
35	877
36	819
37	545
38	757

Cov. A Amount	Landlord's
\$30,000	0.376
\$40,000	0.429
\$45,000	0.456
\$50,000	0.482
\$55,000	0.508
\$60,000	0.534
\$65,000	0.560
\$70,000	0.586
\$75,000	0.612
\$80,000	0.638
\$85,000	0.664
\$90,000	0.689
\$95,000	0.715
\$100,000	0.741
\$105,000	0.767
\$110,000	0.793
\$115,000	0.819
\$120,000	0.845
\$125,000	0.871
\$130,000	0.897
\$135,000	0.923
\$140,000	0.949
\$145,000	0.975
\$150,000	1.000
\$160,000	1.052
\$170,000	1.104
\$180,000	1.156

Cov. A Amount	Landlord's
\$190,000	1.208
\$200,000	1.259
\$210,000	1.311
\$220,000	1.363
\$230,000	1.415
\$240,000	1.467
\$250,000	1.518
\$260,000	1.570
\$270,000	1.622
\$280,000	1.674
\$290,000	1.726
\$300,000	1.777
\$350,000	2.037
\$400,000	2.297
\$450,000	2.557
\$500,000	2.817
\$550,000	3.077
\$600,000	3.337
\$650,000	3.597
\$700,000	3.857
\$750,000	4.117
\$800,000	4.377
\$850,000	4.637
\$900,000	4.897
\$950,000	5.157
\$1,000,000	5.417
Ea. Add'l 10	0.052

**Protection Class Factors**

**Construction Factors**

Protection Class	Factors
1	1.000
2	1.000
3	1.000
4	1.100
5	1.100
6	1.200
7	1.300
8	1.800
9	3.000
10	4.250

Protection Class	Masonry/ Masonry Veneer	Frame
1	1.000	1.150
2	1.000	1.150
3	1.000	1.150
4	1.000	1.150
5	1.000	1.150
6	1.000	1.150
7	1.000	1.150
8	1.000	1.150
9	1.000	1.150
10	1.000	1.150

Refer to Manual, Coverage 19B for HO-2 Homeowners Factor.

Superior Construction: Multiply Masonry Rate by .85.

\* Refers to all Dwelling Fire business with an application written date prior to May 31, 2004.

**METROPOLITAN PROPERTY AND CASUALTY INSURANCE COMPANY**

**ARKANSAS RESIDENTIAL PROPERTY**

**Mobile Home, GrandProtect Mobile Home**

Base Premiums - \$500 Deductible

**Base Premiums**

Territory	Base Rate
11	431
12	431
13	431
14	431
15	431
16	431
17	431
18	431
19	431
20	431
21	431
22	431
23	431
31	431
32	431
33	431
34	431
35	431
36	431
37	431
38	431

**Coverage A Factors**

Cov. A Amount	Mobile Home
\$5,000	0.291
\$6,000	0.316
\$8,000	0.366
\$10,000	0.416
\$12,000	0.477
\$14,000	0.538
\$16,000	0.599
\$18,000	0.660
\$20,000	0.719
\$22,000	0.775
\$24,000	0.831
\$26,000	0.887
\$28,000	0.943
\$30,000	1.000
\$32,000	1.069
\$34,000	1.138
\$36,000	1.207
\$38,000	1.276
\$40,000	1.343
\$42,000	1.413
\$44,000	1.483
\$46,000	1.553
\$48,000	1.623
\$50,000	1.695
\$55,000	1.869
\$60,000	2.043
\$65,000	2.219
\$70,000	2.395
\$75,000	2.570
\$80,000	2.744
\$85,000	2.918
\$90,000	3.091
\$95,000	3.265
\$100,000	3.438
\$105,000	3.612
\$110,000	3.787
\$115,000	3.961
\$120,000	4.135
\$125,000	4.310
\$130,000	4.484
\$135,000	4.658
\$140,000	4.832
\$145,000	5.007
\$150,000	5.181
Ea. Add'l 5	0.174

**Protection Class Factors**

Protection Class	Factors
1	1.000
2	1.000
3	1.000
4	1.100
5	1.100
6	1.200
7	1.300
8	1.800
9	3.000
10	4.250

Refer to Manual, Coverage 19B for HO-2 Homeowners Factor.

GrandProtect Mobile Home: Multiply by 1.35

GrandProtect Flat Dollar Charge: \$35

## **RULE 9 - PREMIUM CAPPING**

### **A. Renewal Premium Capping**

Policy renewal premium changes shall be capped at plus or minus 12% based on the application of a Rate Cap Factor.

The capped renewal premium shall be calculated as follows:

The expiring full term premium is compared to the uncapped new full term premium, and if the amount of premium increase/decrease is greater than the rate cap percent listed above, the Rate Cap Factor will be calculated by multiplying the expiring full term premium by one plus/minus the rate cap percent, dividing by the uncapped new full term premium and rounding to three decimal places. When the expiring full term premium is a capped premium, the comparison done above is to the capped premium.

The premium associated with a surcharge for experience modification or a policy tier adjustment shall not be included in the premiums used to calculate the Rate Cap Factor. State fees (if applicable) are also not included in the calculation.

The Rate Cap Factor shall apply to the policy premium for the entire policy term, and shall not be recalculated for midterm adjustments to the policy. The Rate Cap Factor will apply to the premium for all coverages on the policy.

### **B. Agent Book and Mass Merchandising Account Transfer Premium Capping**

The Agent Book and Mass Merchandising Account Transfer Premium Capping program is used in conjunction with writing blocks of business from a non-Metropolitan company into a Metropolitan rating program. The purpose of this capping program is to reduce the policyholder premium disruption that could result from the transfer of a large agent book of business to Metropolitan. Agent Book and Mass Merchandising Account Transfer Premium Capping is available only in Metropolitan Property and Casualty Insurance Company.

#### **1. The capped premium shall be determined as follows:**

For annual policies, at conversion to new business with Metropolitan, the policyholder's prior carrier rate shall apply, which equates to a 0% premium change, and then premium may increase or decrease by no more than 10% at each of the next two renewals.

After the specified number of renewals, the statewide general renewal premium cap will apply.

#### **2. The capped premium shall be calculated as follows:**

The expiring full term premium of the policyholder's former company is compared to the uncapped new full term Metropolitan premium, and if the amount of premium increase/decrease is greater than the rate cap percent listed above, the Rate Cap Factor will be calculated by multiplying the expiring full term premium by one plus/minus the rate cap percent, dividing by the uncapped new full term premium and rounding to three decimal places. If at subsequent renewals, the expiring full term premium is a capped premium, the comparison described above is to the prior term capped premium.

The Rate Cap Factor shall apply to the policy premium for the entire policy term, and shall not be recalculated for midterm adjustments to the policy. The Rate Cap Factor will apply to the premium for all coverages on the policy.

If the policyholder had a chargeable loss in their immediate previous policy term, the policy is not eligible for premium capping as a new business policy with Metropolitan.