

SERFF Tracking Number: HRMN-127043984 State: Arkansas
First Filing Company: Horace Mann Insurance Company, ... State Tracking Number: EFT \$100
Company Tracking Number: AR RR H041511
TOI: 04.0 Homeowners Sub-TOI: 04.0003 Owner Occupied Homeowners
Product Name: AR Homeowners Rate and Rule Filing
Project Name/Number: AR RR H041511/AR RR H041511

Filing at a Glance

Companies: Horace Mann Insurance Company, Teachers Insurance Company

Product Name: AR Homeowners Rate and Rule SERFF Tr Num: HRMN-127043984 State: Arkansas

Filing

TOI: 04.0 Homeowners

SERFF Status: Closed-Filed

State Tr Num: EFT \$100

Sub-TOI: 04.0003 Owner Occupied

Co Tr Num: AR RR H041511

State Status: Fees verified and

Homeowners

received

Filing Type: Rate/Rule

Reviewer(s): Becky Harrington,
Nancy Horton

Author: Mindy Ballard

Disposition Date: 02/25/2011

Date Submitted: 02/22/2011

Disposition Status: Filed

Effective Date Requested (New): 04/15/2011

Effective Date (New): 04/15/2011

Effective Date Requested (Renewal): 04/15/2011

Effective Date (Renewal):

04/15/2011

State Filing Description:

General Information

Project Name: AR RR H041511

Status of Filing in Domicile: Not Filed

Project Number: AR RR H041511

Domicile Status Comments: N/A

Reference Organization: N/A

Reference Number: N/A

Reference Title: N/A

Advisory Org. Circular: N/A

Filing Status Changed: 02/25/2011

State Status Changed: 02/23/2011

Deemer Date:

Created By: Mindy Ballard

Submitted By: Mindy Ballard

Corresponding Filing Tracking Number: N/A

Filing Description:

February 22, 2011

Arkansas Insurance Department

Property & Casualty Division

1200 West Third Street

Little Rock, AR 72201-1904

Attention: Jay Bradford

SERFF Tracking Number: HRMN-127043984 State: Arkansas
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Commissioner of Insurance

Re: Horace Mann Insurance Company NAIC #300-22578 Fein #59-1027412
Teachers Insurance Company NAIC #300-22683 Fein #23-1742051
Homeowner Program
Rate and Rule Filing
Company Filing Number: AR RR H041511

Dear Commissioner Bradford,

Horace Mann Insurance Company and Teachers Insurance Company submit for your review the above noted homeowner rate and rule filing. The overall effect of this filing is +0.0%. It is the judgment of the Actuarial Department as well as of management that these rates are neither excessive, inadequate, nor unfairly discriminatory.

The effective date of this filing is April 15, 2011.

If I can be of further service or if additional information is needed, please do not hesitate to call me toll free at 877-272-0040 option 9, option 3. If you prefer e-mail, my address is melinda.ballard@horacemann.com. Thank you for your attention to this matter.

Sincerely,

Melinda Ballard
Implementation Analyst
Property and Casualty Division
Horace Mann Insurance Company
Teachers Insurance Company

Company and Contact

Filing Contact Information

Melinda Ballard, Implementation Analyst ballarm1@mail.horacemann.com
1 Horace Mann Plaza 217-789-2500 [Phone] 8505 [Ext]
Springfield, IL 62715 217-535-7171 [FAX]

Filing Company Information

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Horace Mann Insurance Company CoCode: 22578 State of Domicile: Illinois
 1 Horace Mann Plaza Group Code: 300 Company Type: Insurance
 Company
 Springfield, IL 62715 Group Name: State ID Number:
 (217) 789-2500 ext. [Phone] FEIN Number: 59-1027412

Teachers Insurance Company CoCode: 22683 State of Domicile: Illinois
 1 Horace Mann Plaza Group Code: 300 Company Type: Insurance
 Company
 Springfield, IL 62715 Group Name: State ID Number:
 (217) 789-2500 ext. [Phone] FEIN Number: 23-1742051

Filing Fees

Fee Required? Yes
 Fee Amount: \$100.00
 Retaliatory? No
 Fee Explanation: The filing fee for this filing is \$100.00.
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Horace Mann Insurance Company	\$100.00	02/22/2011	44922613
Teachers Insurance Company	\$0.00	02/22/2011	

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Becky Harrington	02/25/2011	02/25/2011

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	02/23/2011	02/23/2011	Mindy Ballard	02/24/2011	02/24/2011

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State: Arkansas
 State Tracking Number: EFT \$100
 Sub-TOI: 04.0003 Owner Occupied Homeowners

Disposition

Disposition Date: 02/25/2011
 Effective Date (New): 04/15/2011
 Effective Date (Renewal): 04/15/2011
 Status: Filed
 Comment:

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where required):	Minimum % Change (where required):
Horace Mann Insurance Company	24.300%	-0.100%	\$-87	67	\$105,705	18.200%	-22.500%
	Percent Change Approved:						
	Minimum:	%	Maximum:	%	Weighted Average:	%	
	Teachers Insurance Company	24.300%	0.000%	\$78	145	\$190,201	19.900%
	-		Minimum:	%	Maximum:	%	
	2						
	9						
	.						

<i>SERFF Tracking Number:</i>	<i>HRMN-127043984</i>	<i>State:</i>	<i>Arkansas</i>
<i>First Filing Company:</i>	<i>Horace Mann Insurance Company, ...</i>	<i>State Tracking Number:</i>	<i>EFT \$100</i>
<i>Company Tracking Number:</i>	<i>AR RR H041511</i>		
<i>TOI:</i>	<i>04.0 Homeowners</i>	<i>Sub-TOI:</i>	<i>04.0003 Owner Occupied Homeowners</i>
<i>Product Name:</i>	<i>AR Homeowners Rate and Rule Filing</i>		
<i>Project Name/Number:</i>	<i>AR RR H041511/AR RR H041511</i>		

5
0
0
%

Overall Rate Information for Multiple Company Filings

Overall Percentage Rate Indicated For This Filing	24.300%
Overall Percentage Rate Impact For This Filing	0.000%
Effect of Rate Filing-Written Premium Change For This Program	\$-9
Effect of Rate Filing - Number of Policyholders Affected	212

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Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Form RF-2 Loss Costs Only (not for workers' compensation)		Yes
Supporting Document	H-1 Homeowners Abstract	Filed	Yes
Supporting Document	HPCS-Homeowners Premium Comparison Survey	Filed	Yes
Supporting Document	NAIC loss cost data entry document	Filed	Yes
Supporting Document	AR Homeowner Rate and Rule Filing	Filed	Yes
Supporting Document	Response to objection 1 of Objection Letter dated 2/23/2011	Filed	Yes
Supporting Document	Response to objection 2 of Objection Letter dated 2/23/2011	Filed	Yes
Supporting Document	Response to objection 3 of Objection Letter dated 2/23/2011	Filed	Yes
Rate	Homeowner Rules Manual	Filed	Yes
Rate	Homeowner Rules Manual	Filed	Yes
Rate	Homeowner Rules Manual	Filed	Yes
Rate	Homeowner Rules Manual	Filed	Yes
Rate	Homeowner Rules Manual	Filed	Yes
Rate	Homeowner Rules Manual	Filed	Yes
Rate	Homeowner State Rate Pages	Filed	Yes
Rate	Homeowner State Rate Pages	Filed	Yes
Rate	Homeowner State Rate Pages	Filed	Yes
Rate	Homeowner State Rate Pages	Filed	Yes
Rate	Homeowner State Rate Pages	Filed	Yes
Rate	Homeowner State Rate Pages	Filed	Yes
Rate	HMIC Premium Pages	Filed	Yes
Rate	TIC Premium Pages	Filed	Yes

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Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 02/23/2011

Submitted Date 02/23/2011

Respond By Date

Dear Melinda Ballard,

This will acknowledge receipt of the captioned filing.

Objection 1

- AR Homeowner Rate and Rule Filing (Supporting Document)

Comment: Arkansas is not allowing the use of wind models. Hurricane loads are also not allowed. Please revise your indications using actual AR losses.

Objection 2

- AR Homeowner Rate and Rule Filing (Supporting Document)

Comment: Please provide documentation supporting the EFT charge of \$9.

Objection 3

- AR Homeowner Rate and Rule Filing (Supporting Document)

Comment: Provide documentation supporting the underwriting profit provision. ACA 23-67-209

Objection 4

Comment: Please cap individual increases at no more than 10%.

Please feel free to contact me if you have questions.

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

Sincerely,

Becky Harrington

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Product Name: AR Homeowners Rate and Rule Filing
Project Name/Number: AR RR H041511/AR RR H041511

Response Letter

Response Letter Status Submitted to State
Response Letter Date 02/24/2011
Submitted Date 02/24/2011

Dear Becky Harrington,

Comments:

Attached please find our response to the objection letter dated 2/23/2011.

Response 1

Comments: Indications have been revised and are attached. The indicated need is now 24.3%.

Related Objection 1

Applies To:

- AR Homeowner Rate and Rule Filing (Supporting Document)

Comment:

Arkansas is not allowing the use of wind models. Hurricane loads are also not allowed. Please revise your indications using actualy AR losses.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: Response to objection 1 of Objection Letter dated 2/23/2011

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 2

Comments: Documentation supporting the EFT charge is attached.

Related Objection 1

Applies To:

- AR Homeowner Rate and Rule Filing (Supporting Document)

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Product Name: AR Homeowners Rate and Rule Filing
Project Name/Number: AR RR H041511/AR RR H041511

Comment:

Please provide documentation supporting the EFT charge of \$9.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: Response to objection 2 of Objection Letter dated 2/23/2011

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 3

Comments: Please review the attached exhibit for documentation supporting the underwriting profit provision. As illustrated by the exhibit, we have selected a profit provision lower than what is indicated. Furthermore, we are proposing a 0.0% overall rate effect as compared to our 24.7% indicated need.

Related Objection 1

Applies To:

- AR Homeowner Rate and Rule Filing (Supporting Document)

Comment:

Provide documentation supporting the underwriting profit provision. ACA 23-67-209

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: Response to objection 3 of Objection Letter dated 2/23/2011

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 4

SERFF Tracking Number: HRMN-127043984 *State:* Arkansas
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Product Name: AR Homeowners Rate and Rule Filing
Project Name/Number: AR RR H041511/AR RR H041511

Comments: In the planning this rate review we thought it imperative to be proactive and cap policyholder impact at +20%. Given that we have selected a profit provision less than our indicated profit provision and have targeted a 0.0% overall effect (given our 24.7% indicated need) we sincerely feel that capping policyholder impact at 20% is not excessive. Also, please note that only 51 policies are receiving an increase of over 10%.

Related Objection 1

Comment:

Please cap individual increases at no more than 10%.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

If you have any further questions, please contact me. Have a good evening.

Mindy Ballard
Implementation Analyst

Sincerely,
Mindy Ballard

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Rate Information

Rate data applies to filing.

Filing Method: File and Use
 Rate Change Type: Neutral
 Overall Percentage of Last Rate Revision: 11.900%
 Effective Date of Last Rate Revision: 04/15/2010
 Filing Method of Last Filing: File and Use

Company Rate Information

Company Name:	Company Rate Change:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where required):	Minimum % Change (where required):
Horace Mann Insurance Company	N/A	12.400%	-0.100%	\$-87	67	\$105,705	18.200%	-22.500%

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):
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State: Arkansas
 State Tracking Number: EFT \$100
 Sub-TOI: 04.0003 Owner Occupied Homeowners

Program:

Teachers Insurance Company	N/A	12.400%	0.000%	\$78	145	\$190,201	19.900%	-29.500%
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Overall Rate Information for Multiple Company Filings

Overall % Rate Indicated:	12.400%
Overall Percentage Rate Impact For This Filing:	0.000%
Effect of Rate Filing - Written Premium Change For This Program:	\$-9
Effect of Rate Filing - Number of Policyholders Affected:	212

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Rate/Rule Schedule

Schedule Item Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Number:	Filing Attachments
Filed 02/25/2011	Homeowner Rules Manual	Index, Pages 1-2	Replacement	EFT \$100 HRMN-126436576	Index Pages.pdf
Filed 02/25/2011	Homeowner Rules Manual	Page 4, Rule 2.1.4	Replacement	EFT \$100 HRMN-126436576	Page 4, Rule 2.1.4.pdf
Filed 02/25/2011	Homeowner Rules Manual	Page 6, Rule 3.6	Replacement	EFT \$100 HRMN-126436576	Page 6, Rule 3.6.pdf
Filed 02/25/2011	Homeowner Rules Manual	Pages 7 & 8, Rules 4.1.3-4.1.16	Replacement	EFT \$100 HRMN-126436576	Page 7 & 8, Rule 4.1.3 - 4.1.16.pdf
Filed 02/25/2011	Homeowner Rules Manual	Page 9, Rule 4.10	Replacement	EFT \$100 HRMN-126436576	Page 9, Rule 4.10.pdf
Filed 02/25/2011	Homeowner Rules Manual	Pages 10 & 11, Rules 6.1, 6.6, & 6.7	Replacement	EFT \$100 HRMN-126436576	Page 10 & 11, Rule 6.1, 6.6, & 6.7.pdf
Filed 02/25/2011	Homeowner State Rate Pages	Page HR-1, Rules 2.1.4, 4.10, & 5.0	Replacement	EFT \$100 HRMN-126436576	Page HR-1, Rule 2.1.4, 4.10, & 5.0.pdf
Filed 02/25/2011	Homeowner State Rate Pages	Page HR-2, Rules 6.1, 6.5, & 6.6	Replacement	EFT \$100 HRMN-126436576	Page HR-2, Rule 6.1, 6.5, & 6.6.pdf

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Filed 02/25/2011 Homeowner State Rate Pages	Page HR-4, RuleReplacement 7.5	EFT \$100 HRMN-126436576	Page HR-4, Rule 7.5.pdf
Filed 02/25/2011 Homeowner State Rate Pages	Page HR-5, RuleReplacement 7.10.1	EFT \$100 HRMN-126436576	Page HR-5, Rule 7.10.1.pdf
Filed 02/25/2011 Homeowner State Rate Pages	Page HR-6, RuleReplacement 7.17.1	EFT \$100 HRMN-126436576	Page HR-6, Rule 7.17.1.pdf
Filed 02/25/2011 HMIC Premium Pages Pages 1-2	Replacement	EFT \$100 HRMN-126436576	Premium Pages - HMIC.pdf
Filed 02/25/2011 TIC Premium Pages Pages 1-2	Replacement	EFT \$100 HRMN-126436576	Premium Pages - TIC.pdf

**HORACE MANN INSURANCE COMPANY
TEACHERS INSURANCE COMPANY
ARKANSAS
HOMEOWNER RULES**

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**HORACE MANN INSURANCE COMPANY
TEACHERS INSURANCE COMPANY
ARKANSAS
HOMEOWNER RULES**

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**HORACE MANN INSURANCE COMPANY
TEACHERS INSURANCE COMPANY
ARKANSAS
HOMEOWNER RULES**

RULE 2. PROGRAM DESCRIPTION

The following is a general description of the coverages provided by the Homeowner forms. The policy forms state the complete conditions.

2.1 Property Coverages - Property (Mandatory)

- Coverage A - Residence
- Coverage B - Private Structures
- Coverage C - Personal Property
- Coverage D - Additional Living Costs and Loss of Rent

2.1.1 Forms 1 and 2 cover the residence, private structures, personal property and additional living costs against losses resulting from the perils indicated below.

	<u>Form 1</u>	<u>Form 2</u>
Fire or Lightning.....	X	X
Windstorm or Hail.....	X	X
Explosion.....	X	X
Riot or Civil Commotion.....	X	X
Aircraft.....	X	X
Vehicles.....	X	X
Smoke.....	X	X
Vandalism.....	X	X
Glass Breakage.....	X	X
Theft.....	X	X
Falling Objects.....		X
Weight of Ice, Snow or Sleet.....		X
Collapse of Building.....		X
Sudden and Accidental Tearing Apart, Burning or Bulging.....		X
Accidental Discharge of Liquids or Steam.....		X
Freezing.....		X
Sudden and Accidental Damage from Electrical Currents.....		X

2.1.2 Form 3 cover the residence, private structures and additional living costs against all physical loss, with certain exceptions. Personal property is covered for the perils shown for Form 2.

2.1.3 Form 4 covers personal property including the insured's interest in building additions and improvements and additional living expense against loss by the perils shown for Form 2.

|

**HORACE MANN INSURANCE COMPANY
TEACHERS INSURANCE COMPANY
ARKANSAS
HOMEOWNER RULES**

3.2 Annual Policy Term

Policies are written for annual terms only.

3.3 Continuous Renewal Plan

The policy may be continued for successive terms by payment of the required premium.

Attach Endorsement CC-H10001

3.4 Additional Interests

The policy may cover the interests of additional owners at no additional premium. This coverage is limited to the building and premises liability.

Attach Endorsement HM-41

3.5 Transfer or Assignment

The Policy may be endorsed to effect transfer to another location within the same state (Form 4 only). Assignment of coverage from one insured to another is not allowed. A new application is required.

| 3.6 Reserved for Future Use

3.7 Cancellation or Reductions in Limits of Liability or Coverages

Mandatory coverages may not be cancelled unless the entire policy is cancelled.

The policy must be cancelled in accordance with the terms of applicable cancellation provisions.

If the policy or non-mandatory coverages are cancelled or the amount of insurance is reduced:

- By the company; or
In the event of foreclosure of the mortgage on the insured real property; or
In the event of relocation if a Company policy is issued at new location; or
In the event of the sale of property if other properties are insured by the Company:

Compute return premium pro rata.

- By the insured:

Compute return premium at 84% of the pro rata unearned premium.

**HORACE MANN INSURANCE COMPANY
TEACHERS INSURANCE COMPANY
ARKANSAS
HOMEOWNER RULES**

RULE 4. PREMIUM DETERMINATION

Annual premiums and rates are shown in the State Rate Pages. The basic policy premiums are for property and liability coverages.

4.1 Calculation of Premium

Any computations for additional coverages or additional amounts of insurance are to be rounded separately to the nearest dollar. Fifty cents or more is to be considered as a dollar.

The premium is computed as follows:

- 4.1.1** Determine the base premium by using the rate pages.
- 4.1.2** Add to 4.1.1 any townhouse/row house charge (if applicable).
- 4.1.3** The condominium discount is applied to 4.1.2 (if applicable).
- 4.1.4** The premium from 4.1.2 should then be adjusted for any revised limit of Coverage C (except Tenants and Condominiums).
- 4.1.5** The proper charge or credit for deductible is applied to the premium from 4.1.4. (This is the basic premium.)
- 4.1.6** The Year of Construction Factor is applied to the premium from 4.1.5 (if applicable). The dollar amount is applied to the 4.1.14 premium.
- 4.1.7** The Protective Device Credit is applied to the premium from 4.1.5 (if applicable). The dollar amount of credit is subtracted from the 4.1.14 premium.
- 4.1.8** The Multi-Line Discount is applied to the premium from 4.1.5 (if applicable). The dollar amount of credit is subtracted from the 4.1.14 premium.
- 4.1.9** The Claim Record/Persistency Rating Plan is applied to the premium from 4.1.5 (if applicable). The dollar amount is applied to the 4.1.14 premium.
- 4.1.10** The Home-Buyer Loyalty Credit is applied to the premium from 4.1.5 (if applicable). The dollar amount of credit is subtracted from the 4.1.14 premium.
- 4.1.11** The charge for replacement cost on contents is applied to the premium from 4.1.5 (if applicable). The dollar amount is applied to the 4.1.14 premium.
- 4.1.12** The Roof Surfacing Surcharge is applied to the premium from 4.1.5 (if applicable). The dollar amount is applied to the 4.1.14 premium.
- 4.1.13** The Woodburning Device Surcharge is applied to the premium from 4.1.11 (if applicable). The dollar amount is applied to the 4.1.14 premium.

**HORACE MANN INSURANCE COMPANY
TEACHERS INSURANCE COMPANY
ARKANSAS
HOMEOWNER RULES**

| **4.1.14** Add the additional premium for all mandatory or optional property coverages and all mandatory or optional liability coverages.

| **4.1.15** Apply the credit level factor to the premium from 4.1.14.

| **4.1.16** Add the installment fee amount when applicable.

4.2 Changes in Liability Limits

Liability coverage limits may be increased or decreased. The premiums are shown in the State Rate Pages.

4.3 Other Liability Exposures

Liability coverage for the following exposures is required if they exist. The additional premium is shown in the State Rate Pages.

4.3.1 Three or four family dwellings

4.3.2 All additional or secondary residence premises where the named insured or spouse maintains a residence, other than business or farm properties.

4.3.3 All residence employees of the named insured or spouse not covered or not required to be covered by workers' compensation insurance. A charge is required for residence employees in excess of two.

4.3.4 Incidental office, professional, private school or studio occupancies by the named insured on residential premises of the named insured. Refer to Rule 8.4.

4.4 Mid-term Changes

4.4.1 The limits of liability may be changed or coverages added or deleted during the policy term. Compute the premium on a pro rata basis using the same rates in effect when the current policy premiums were calculated.

4.4.2 Changes which result in return or additional premium of \$3 or less will not be billed or returned to the insured unless requested in writing.

4.5 Reserved for Future Use

4.6 Row and Townhouses

The premium for an eligible one or two family owner-occupied dwelling in a townhouse or row house is determined as shown in the State Rate Pages.

An eligible two family owner-occupied dwelling is considered two individual units when determining the number of family units within a fire division.

4.7 Reserved for Future Use

**HORACE MANN INSURANCE COMPANY
TEACHERS INSURANCE COMPANY
ARKANSAS
HOMEOWNER RULES**

4.8 Payment Plans

A payment plan is available if:

- a. the policy meets minimum premium requirements listed below:

<u>Plan</u>	<u>Minimum Premium</u>
Full	None
Two Pay	\$100
Three Pay	\$200
Four Pay	None

- b. the policy is not a mortgagee pay policy.

Refer to State Rate pages for installment fees.

4.9 Non-Sufficient Funds

Policyholders' checks for payment of premium that are returned due to non-sufficient funds (NSF) in the account from which the check was written will result in a service charge per occurrence.

Refer to State Rate Pages for NSF fees.

4.10 Electronic Fund Transfer

1. Installment payments by EFT shall be made on a monthly basis.
2. For new business, the initial payment shall be the equivalent of two months premium for the 12-month term; the remaining monthly payments shall be of equal amounts. For renewals, there shall be equal monthly payments.
3. A service fee of \$9.00 per 12-month period will be charged. This fee is earned when written and is not refundable.

RULE 5. DEDUCTIBLES

The deductible amount is shown on the Declarations Page; no endorsement is needed.

5.1 Flat Deductibles - All Perils

The policy may be issued with one of the following options at the premium credit or surcharge shown in the State Rate Pages.

<u>Deductible Amounts</u>	
<u>Forms 1,2,3</u>	<u>Forms 4&6</u>
\$ 750	\$ 500
1,000	750
1,500	1,000
2,500	1,500
5,000	2,500
1% of Coverage A	5,000

Base deductible - \$750

Base deductible \$500

**HORACE MANN INSURANCE COMPANY
TEACHERS INSURANCE COMPANY
ARKANSAS
HOMEOWNER RULES**

5.2 Reserved for Future Use

5.3 Wind and Hail Deductible – Forms 1, 2, 3

When a policy is issued with a \$1,000 deductible, the deductible amount that applies to wind and hail losses may be increased to 1% of the Coverage A amount. Apply the premium surcharge or credit shown in the State Rate Pages.

RULE 6. PREMIUM MODIFICATIONS

6.1 Reserved for Future Use

6.2 Reserved for Future Use

6.3 Woodburning Device Surcharge - All Forms

A surcharge will be applicable if the property has a woodburning device. The surcharge is shown in the State Rate Pages.

6.4 Year of Construction - Forms 1, 2, 3

Factors will apply to the basic policy premium depending upon the age of the dwelling. The age is determined by subtracting the year of construction from the effective date year. Refer to the State Rate Pages for Year of Construction factors.

6.5 Multi-Line Discount - All Forms

A discount to the basic policy premium will be allowed if the named insured has an auto, life, and/or annuity policy with us. Auto policies written on motorcycles, motorhomes, snowmobiles, utility trailers, recreational trailers, kit cars, antique vehicles, electric cars or golf carts will not qualify the homeowner policy for the discount. The discounts are shown in the State Rate Pages.

6.6 Reserved for Future Use

6.7 Protective Device Credits - All Forms

The premium credits shown in the State Rate Pages may be allowed for the installation of the following approved and properly maintained alarm systems:

Fire Alarm reporting to either the Fire Department or reporting to a Central Station

Burglar Alarm reporting to either the Police Department or reporting to a Central Station.

Fire and Burglar Alarms reporting to either the Police and Fire Departments, or reporting to a Central Station.

Only one discount from above may be applied per policy.

**HORACE MANN INSURANCE COMPANY
TEACHERS INSURANCE COMPANY
ARKANSAS
HOMEOWNER RULES**

Policyholders applying for the protective device discount must meet the following requirements:

- A. Documentation (i.e. statement from alarm company) must be provided that proves the applicant has contracted for services (i.e. Burglar and/or Fire) for which this discount applies. This discount must include the following four items:
 - 1. the client's name,
 - 2. the specific services that will be rendered,
 - 3. the specific location covered, and
 - 4. recent date (within 6 months of policy effective date)
- B. The documentation referenced in A. must be maintained in the agent's office and be available for audit.

6.8 Home-Buyer Loyalty Credit - Forms 3 & 4

A credit to the basic policy premium will be allowed if the named insured is insured with us under a HM-4 tenant policy and converts to a HM-3 homeowner policy or a HM-4 condominium owner policy without any interruption in coverage. This is a one-time credit for the initial policy term. The credit is shown in the State Rate Pages.

6.9 Roof Surfacing Surcharge - Forms 1, 2, 3

A surcharge will be applicable if the property has a shake shingle type roof. The surcharge is shown on the State Rate Pages.

6.10 Credit Level Rating - Forms 1, 2, 3

All Form 1, 2 and 3 policies are subject to credit level rating. The applicable rating level is determined using the credit score of the primary named insured. Level 7 should be used for applicants or policyholders who will not allow the use of their credit.

Refer to the State Rate Pages for the credit level factors.

6.11 Claim Record/Persistency Rating Plan - All Forms

A factor will apply to the basic policy premium based on the claim record and length of time insured with Horace Mann Insurance Companies.

- A. Consecutive years insured with us

The years insured with us are determined by the number of consecutive years (ending with the current renewal date) the named insured has had our homeowners, tenant or condominium policy covering the primary residence or its contents.

**HORACE MANN INSURANCE COMPANY
TEACHERS INSURANCE COMPANY
ARKANSAS
HOMEOWNER STATE RATE PAGES**

6.3 Woodburning Device Surcharge

6% - Minimum Charge: \$25.00

6.4 Year of Construction - Forms 1, 2 & 3

<u>Age in Years</u>	<u>Factor</u>	<u>Age in Years</u>	<u>Factor</u>
0 - 1	.80	6	.90
2	.82	7	.95
3	.84	8 - 34	1.00
4	.86	35 - 44	1.05
5	.88	45+	1.10

6.5 Multi-Line Discount - All Forms

A 16 percent discount applies if the policyholder is an educator and has at least one policy with us in two or more of the following lines: Auto, Life, and Annuity.

A 10 percent discount applies if the policyholder is a non-educator and has at least one policy with us in two or more of the following lines: Auto, Life, and Annuity.

A 10 percent discount applies if the policyholder is an educator and has at least one policy with us in only one of the following lines: Auto, Life, or Annuity.

An 8 percent discount applies if the policyholder is a non-educator and has at least one policy with us in only one of the following lines: Auto, Life, or Annuity.

6.7 Protective Device Credits - All Forms

	<u>% of credit</u>
Central Station Fire Alarm Systems	5%
Central Station Burglary Alarm Systems	5%

6.8 Home-Buyer Loyalty Credit - Forms 3 & 4 (Condo)

A 8 percent credit applies.

**HORACE MANN INSURANCE COMPANY
TEACHERS INSURANCE COMPANY
ARKANSAS
HOMEOWNER STATE RATE PAGES**

Rates Per \$1,000 of Insurance

7.3	Private Structures			
	7.3.1 Increased Limit		\$4.00	
	Attach HM-48			
	7.3.2 Rented to Others		\$6.00	
	Attach ML-40			
7.4	Personal Property			
	7.4.1 Increased Limit		\$.50	
	Show Limit on Declarations Page			
	7.4.2 Reduced Limit		\$.50 Credit	
	Show limit on Declarations Page			
	7.4.3 In Rental Units		\$9.00	
	Attach ML-152			
7.5	Replacement Value - Personal Property			
	Increase Basic Policy Premium adjusted for any deductible charge or credit, insurance-to-value credit (HM-3), and any increased Coverage C charge (HM-3) by the following percentages:			
	HM-3	8%	-	Minimum Charge \$20
	HM-4	15%		Minimum Charge \$15
	Attach HM-55			
			<u>Amount of Insurance</u>	<u>Rate Per Amount</u>
7.6	Motorized Vehicles		<u>\$1,000</u>	<u>\$6.00</u>
	Attach ML-65			<u>Max Add'l Amount</u>
				None
7.7	Additional Living Costs & Loss of Rent		\$1,000	\$4.00
	Show Limit on Declarations Page			None
7.8	Tenant's Improvements		\$1,000	\$4.00
	Attach ML-30			None
7.9	Fire Dept. Service Charge		\$ 100	\$2.00
	Attach ML-30			\$ 500

**HORACE MANN INSURANCE COMPANY
TEACHERS INSURANCE COMPANY
ARKANSAS
HOMEOWNER STATE RATE PAGES**

7.14 Homeowner First Mortgage Disaster Coverage

<u>Mortgage Payment</u>	<u>Charge</u>
Up to \$500 a month	\$5.00
Each add'l \$250 a month	2.50

Attach CL-P06003

7.15 Additional Coverage Endorsement

<u>Policy Form</u>	<u>Charge</u>
HM-3	\$36.00
HM-4 (Tenant)	30.00
HM-4 (Condo)	32.00

Attach CC-H06040

7.16 Homeowners Association Loss Assessment Coverage

<u>Limit of Liability</u>	<u>Premium</u>
1st \$ 1,000	\$10.00
Next 4,000	6.00
Next 5,000	4.00
Each Add'l 5,000 (up to \$50,000)	2.00

Attach ML-50

7.17 Condominium Unit-Owners Supplemental Coverages

7.17.1 Additions and Alterations

Special Coverage - \$2.00

Attach HM-32

Increased Limit - Basic Coverage

Rates per \$1,000 of Insurance
\$2.00

Attach HM-31

Increased Limit - Special Coverage

\$3.00

Attach HM-32

Earthquake Coverage

See rates for Rule 7.1

Attach ML-54

Horace Mann Insurance Company - 04

**State - Arkansas - 03
750 Flat Deductible - All Section 1 Perils**

**Forms 1,2,3 Annual Premiums
\$100,000/1,000 Liability Limits**

Column 1	Column 2
Territory	Base Rate
13	1,746
14 *	3,267
44	1,789
51	1,624
60	1,190
63	1,427
65	1,774
67	1,292
68	1,295
70	1,806
71	1,772
72	1,510
73	1,457
74	1,774
75	1,457

***Note: Territory 14
can only be written in
Protection Class 1-5**

Column 3	Column 4	Column 5
Protection Class See Rate Derivation Page		
1-3	M	1.00
1-3	F	1.10
4-5	M	1.04
4-5	F	1.18
6	M	1.18
6	F	1.31
7	M	1.32
7	F	1.46
8	M	1.65
8	F	1.85
9	M	2.00
9	F	2.30
10	M	3.25
10	F	3.65

Column 6	Column 7
Coverage A Amount	Coverage A Relativity
25,000	0.421
30,000	0.425
35,000	0.431
40,000	0.436
45,000	0.440
50,000	0.445
55,000	0.480
60,000	0.487
65,000	0.503
70,000	0.524
75,000	0.543
80,000	0.576
85,000	0.611
90,000	0.645
95,000	0.667
100,000	0.687
105,000	0.719
110,000	0.750
115,000	0.787
120,000	0.822
125,000	0.858
130,000	0.893
135,000	0.930
140,000	0.955
145,000	0.975
150,000	1.000
155,000	1.002
160,000	1.010
165,000	1.026
170,000	1.045
175,000	1.064
180,000	1.084
185,000	1.106
190,000	1.127
195,000	1.154
200,000	1.181
205,000	1.210
210,000	1.239
215,000	1.269
220,000	1.299
225,000	1.329
230,000	1.359
235,000	1.389
240,000	1.419
245,000	1.449
250,000	1.479
Each Add'l	
5,000	0.030

- 1 Choose the Territory in which the property is located in Column 1. Refer to your Territory Pages.
- 2 Choose the corresponding Base Rate for that Territory in Column 2.
- 3 Choose the protection class in Column 3 and find the corresponding relativity in Column 4 or Column 5. See Protection Class Derivation on Rate Derivation Instruction Page).
- 4 Multiply Step 2 by Step 3 and round to the nearest dollar.
- 5 For Form 1 or 2, take the rate from Step 4 and multiply it by .98 and round to the nearest dollar.
- 6 Choose the Coverage A amount, Column 6, and find the corresponding Coverage A Relativity, Column 7. (See Additional Amount and Interpolation Rule on Rate Derivation Instruction Page).
- 7 Multiply the amount from Step 4 or Step 5 by the Coverage A Relativity from Step 6 and round to the nearest dollar. This is your Basic Premium before endorsements are added.
- 8 Go to the Homeowner Rules Pages and follow the rating algorithm for deductible options and endorsements.

Rate Effective Date: 4/15/2011

Horace Mann Insurance Company - 04

**State - Arkansas - 03
500 Flat Deductible - All Section 1 Perils**

**Forms 4,6 Annual Premiums
\$100,000/1,000 Liability Limits**

Column 1	Column 2
Territory	Base Rate
13	138
14 *	193
44	138
51	158
60	158
63	158
65	158
67	158
68	158
70	158
71	169
72	158
73	158
74	171
75	158

Column 3	Column 4	Column 5
Protection Class See Rate Derivation Page		
1-4	M	1.000
1-4	F	1.050
5-6	M	1.100
5-6	F	1.155
7-8	M	1.330
7-8	F	1.397
9	M	1.900
9	F	1.995
10	M	1.995
10	F	1.995

Column 8
Condo Discount
20%
Territories
All

Column 6	Column 7
Coverage C Amount	Coverage C Relativity
5,000	0.830
10,000	0.870
15,000	1.000
20,000	1.220
25,000	1.380
30,000	1.560
35,000	1.740
40,000	1.910
45,000	2.060
50,000	2.200
55,000	2.400
60,000	2.600
Each Add'l	
5,000	0.200

***Note: Territory 14
can only be written in
Protection Class 1-6**

- 1 Choose Territory in which property is located in Column 1. Refer to your Territory Pages. Find the corresponding Base Rate in Column 2.
- 2 Choose protection class in Column 3, and find corresponding Relativity in Column 4 or Column 5. (See Protection Class Derivation Instruction Page.)
- 3 Multiply the Base Rate from Step 1 by the protection class relativity from Step 2 and round to the nearest dollar.
- 4 If the risk is located in a building with 1-4 units, go to Step 5. If the risk is located in a building with 5 or more units multiply the amount from Step 3 by 1.25 and round to the nearest dollar.
- 5 Choose Coverage C amount, Column 6 and find corresponding Coverage C Relativity, Column 7 (See Additional Amount Rule or Interpolation Rule on Rate Derivation Instruction Page).
- 6 Multiply amount from Step 4 by Coverage C Relativity from Step 5 and round to the nearest dollar. This is your basic Premium before endorsements are added unless you are rating an owner occupied Condo then go to Step 7.
- 7 If you are rating a Condo policy, and the Condo is owner occupied, multiply step 6 by correct discount from column 8 and round to the nearest dollar. This would now be your basic premium before the endorsements are added.
- 8 Go to Homeowner Rules pages and follow rating algorithm for deductible options and endorsements.

Rate Effective Date: 4/15/2011

Teachers Insurance Company - 08

**State - Arkansas - 03
750 Flat Deductible - All Section 1 Perils**

**Form 3 Annual Premiums
\$100,000/1,000 Liability Limits**

Column 1	Column 2
Territory	Base Rate
13	1,303
14 *	1,984
44	1,321
51	1,214
60	864
63	1,065
65	1,326
67	960
68	934
70	1,193
71	1,321
72	1,126
73	1,093
74	1,309
75	1,086

Column 3	Column 4	Column 5	
Protection Class See Rate Derivation Page			
1-3	M	1.00	1.050
1-3	F	1.10	1.155
4-5	M	1.04	1.092
4-5	F	1.18	1.239
6	M	1.18	1.239
6	F	1.31	1.376
7	M	1.32	1.386
7	F	1.46	1.533
8	M	1.65	1.730
8	F	1.85	1.940
9	M	2.00	2.100
9	F	2.30	2.420
10	M	3.25	3.250
10	F	3.65	3.650

Column 6	Column 7
Coverage A Amount	Coverage A Relativity
25,000	0.421
30,000	0.425
35,000	0.431
40,000	0.436
45,000	0.440
50,000	0.445
55,000	0.480
60,000	0.487
65,000	0.503
70,000	0.524
75,000	0.543
80,000	0.576
85,000	0.611
90,000	0.645
95,000	0.667
100,000	0.687
105,000	0.719
110,000	0.750
115,000	0.787
120,000	0.822
125,000	0.858
130,000	0.893
135,000	0.930
140,000	0.955
145,000	0.975
150,000	1.000
155,000	1.002
160,000	1.010
165,000	1.026
170,000	1.045
175,000	1.064
180,000	1.084
185,000	1.106
190,000	1.127
195,000	1.154
200,000	1.181
205,000	1.210
210,000	1.239
215,000	1.269
220,000	1.299
225,000	1.329
230,000	1.359
235,000	1.389
240,000	1.419
245,000	1.449
250,000	1.479
Each Add'l	
5,000	0.030

***Note: Territory 14 can only be written in Protection Class 1-5**

- 1 Choose the Territory in which the property is located in Column 1. Refer to your Territory Pages.
- 2 Choose the corresponding Base Rate for that Territory in Column 2.
- 3 Choose the protection class in Column 3 and find the corresponding relativity in Column 4 or Column 5. See Protection Class Derivation on Rate Derivation Instruction Page).
- 4 Multiply Step 2 by Step 3 and round to the nearest dollar.
- 5 Choose the Coverage A amount, Column 6, and find the corresponding Coverage A Relativity, Column 7. (See Additional Amount and Interpolation Rule on Rate Derivation Instruction Page).
- 6 Multiply the amount from Step 4 or Step 5 by the Coverage A Relativity from Step 6 and round to the nearest dollar. This is your Basic Premium before endorsements are added.
- 7 Go to the Homeowner Rules Pages and follow the rating algorithm for deductible options and endorsements.

Rate Effective Date: 4/15/2011

Teachers Insurance Company - 08

**State - Arkansas - 03
500 Flat Deductible - All Section 1 Perils**

**Forms 4,6 Annual Premiums
\$100,000/1,000 Liability Limits**

Column 1	Column 2
Territory	Base Rate
13	124
14 *	175
44	124
51	124
60	124
63	124
65	129
67	124
68	124
70	124
71	148
72	124
73	124
74	124
75	124

Column 3	Column 4	Column 5
Protection Class See Rate Derivation Page		
1-4	M	1.000
1-4	F	1.050
5-6	M	1.100
5-6	F	1.155
7-8	M	1.330
7-8	F	1.397
9	M	1.900
9	F	1.995
10	M	1.995
10	F	1.995

Column 8
Condo Discount Territories
35% All

Column 6	Column 7
Coverage C Amount	Coverage C Relativity
5,000	0.830
10,000	0.870
15,000	1.000
20,000	1.220
25,000	1.380
30,000	1.560
35,000	1.740
40,000	1.910
45,000	2.060
50,000	2.200
55,000	2.400
60,000	2.600
Each Add'l	
5,000	0.200

***Note: Territory 14
can only be written in
Protection Class 1-6**

- 1 Choose Territory in which property is located in Column 1. Refer to your Territory Pages. Find the corresponding Base Rate in Column 2.
- 2 Choose protection class in Column 3, and find corresponding Relativity in Column 4 or Column 5. (See Protection Class Derivation Instruction Page.)
- 3 Multiply the Base Rate from Step 1 by the protection class relativity from Step 2 and round to the nearest dollar.
- 4 If the risk is located in a building with 1-4 units, go to Step 5. If the risk is located in a building with 5 or more units multiply the amount from Step 3 by 1.25 and round to the nearest dollar.
- 5 Choose Coverage C amount, Column 6 and find corresponding Coverage C Relativity, Column 7 (See Additional Amount Rule or Interpolation Rule on Rate Derivation Instruction Page).
- 6 Multiply amount from Step 4 by Coverage C Relativity from Step 5 and round to the nearest dollar. This is your basic Premium before endorsements are added unless you are rating an owner occupied Condo then go to Step 7.
- 7 If you are rating a Condo policy, and the Condo is owner occupied, multiply step 6 by correct discount from column 8 and round to the nearest dollar. This would now be your basic premium before the endorsements are added.
- 8 Go to Homeowner Rules pages and follow rating algorithm for deductible options and endorsements.

Rate Effective Date: 4/15/2011

SERFF Tracking Number: HRMN-127043984 State: Arkansas
 First Filing Company: Horace Mann Insurance Company, ... State Tracking Number: EFT \$100
 Company Tracking Number: AR RR H041511
 TOI: 04.0 Homeowners Sub-TOI: 04.0003 Owner Occupied Homeowners
 Product Name: AR Homeowners Rate and Rule Filing
 Project Name/Number: AR RR H041511/AR RR H041511

Supporting Document Schedules

	Item Status:	Status Date:
Satisfied - Item: H-1 Homeowners Abstract	Filed	02/25/2011
Comments:		
Attachments:		
AR Homeowners Abstract HMIC.pdf		
AR Homeowners Abstract TIC.pdf		

	Item Status:	Status Date:
Satisfied - Item: HPCS-Homeowners Premium Comparison Survey	Filed	02/25/2011
Comments:		
We used a \$750 deductible because we do not have a \$500 deductible available.		
Attachments:		
AR Home Survey Comparison Survey HMIC.xls		
AR Home Survey Comparison Survey TIC.xls		

	Item Status:	Status Date:
Satisfied - Item: NAIC loss cost data entry document	Filed	02/25/2011
Comments:		
Attachments:		
AR NAIC Loss Cost Data Entry Document HMIC.pdf		
AR NAIC Loss Cost Data Entry Document TIC.pdf		

	Item Status:	Status Date:
Satisfied - Item: AR Homeowner Rate and Rule Filing	Filed	02/25/2011
Comments:		
Attachment:		
AR Homeowner Rate and Rule Filing.pdf		

SERFF Tracking Number: HRMN-127043984 State: Arkansas
First Filing Company: Horace Mann Insurance Company, ... State Tracking Number: EFT \$100
Company Tracking Number: AR RR H041511
TOI: 04.0 Homeowners Sub-TOI: 04.0003 Owner Occupied Homeowners
Product Name: AR Homeowners Rate and Rule Filing
Project Name/Number: AR RR H041511/AR RR H041511

Item Status: Filed **Status Date:** 02/25/2011
Satisfied - Item: Response to objection 1 of
Objection Letter dated 2/23/2011
Comments:
Attachment:
Response to Objection 1.pdf

Item Status: Filed **Status Date:** 02/25/2011
Satisfied - Item: Response to objection 2 of
Objection Letter dated 2/23/2011
Comments:
Attachment:
Response to Objection 2.pdf

Item Status: Filed **Status Date:** 02/25/2011
Satisfied - Item: Response to objection 3 of
Objection Letter dated 2/23/2011
Comments:
Attachment:
Response to Objection 3.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 Horace Mann Insurance Company
 NAIC # (including group #) 300-22578

1. If you have had an insurance to value campaign during the experience filing period, describe the campaign and estimate its impact.
None
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 a cost estimator for new business but not for renewal business. We have been using a cost estimator for over 20 years.
3. If you require a minimum relationship between the amount of insurance to be written and the replacement value of the dwelling (contents) in order to purchase insurance, describe the procedures that are used.
We require a dwelling to be insured for 100% of its replacement value as determined by our replacement cost estimator.
4. If you use an Inflation Guard form or similar type of coverage, describe the coverage(s) and estimate the impact.
Yes, we use an optional Inflation Guard endorsement, which increases the Coverage A amount each year by a factor based on building cost indices. Currently, our factor is 6.0%.
5. Specify the percentage given for credit or discounts for the following:

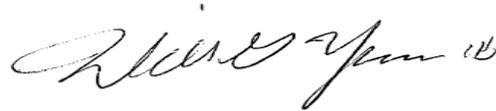
a. Fire Extinguisher	<i>n/a</i>	%
b. Burglar Alarm	<i>5</i>	%
c. Smoke Alarm	<i>5</i>	%
d. Insured who has both homeowners and auto with your company	<i>6-16</i>	%
e. Deadbolt Locks	<i>n/a</i>	%
f. Window or Door Locks	<i>n/a</i>	%
g. Other (specify)		%
6. Are there any areas in the State of Arkansas In which your company will not write homeowners insurance? If so, state the areas and explain reason for not writing.
None
7. Specify the form(s) utilized in writing homeowners insurance. Indicate the Arkansas premium volume for each form.

Form	Premium Volume
<i>Homeowner Forms 1,2,3</i>	<i>\$103,902</i>
<i>Tenant & Condominium Forms 4,6</i>	<i>\$1,803</i>

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

9. Is there a surcharge on risks with wood heat? Yes
If yes, state the surcharge 6%
Does the surcharge apply to conventional fire No
places? No
If yes, state the surcharge N/A

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



Signature

Will Yocius

Printed Name

Senior Actuary

Title

217-789-2500 ext 5948

Telephone Number

Will.Yocius@horacemann.com

Email address

ARKANSAS INSURANCE DEPARTMENT

FORM H-1 HOMEOWNERS ABSTRACT

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

Company Name Teachers Insurance Company
 NAIC # (including group #) 300-22683

1. If you have had an insurance to value campaign during the experience filing period, describe the campaign and estimate its impact.
None
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 a cost estimator for new business but not for renewal business. We have been using a cost estimator for over 20 years.
3. If you require a minimum relationship between the amount of insurance to be written and the replacement value of the dwelling (contents) in order to purchase insurance, describe the procedures that are used.
We require a dwelling to be insured for 100% of its replacement value as determined by our replacement cost estimator.
4. If you use an Inflation Guard form or similar type of coverage, describe the coverage(s) and estimate the impact.
Yes, we use an optional Inflation Guard endorsement, which increases the Coverage A amount each year by a factor based on building cost indices. Currently, our factor is 6.0%.
5. Specify the percentage given for credit or discounts for the following:

a. Fire Extinguisher	<i>n/a</i>	%
b. Burglar Alarm	<i>5</i>	%
c. Smoke Alarm	<i>5</i>	%
d. Insured who has both homeowners and auto with your company	<i>6-16</i>	%
e. Deadbolt Locks	<i>n/a</i>	%
f. Window or Door Locks	<i>n/a</i>	%
g. Other (specify)		%
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.
None
7. Specify the form(s) utilized in writing homeowners insurance. Indicate the Arkansas premium volume for each form.

Form	Premium Volume
<i>Homeowner Forms 1,2,3</i>	<i>\$188,842</i>
<i>Tenant & Condominium Forms 4,6</i>	<i>\$1,359</i>

8. Do you write homeowner risks which have aluminum, steel or vinyl siding? Yes No
9. Is there a surcharge on risks with wood heat? Yes
If yes, state the surcharge 6%
Does the surcharge apply to conventional fire No
places? No
If yes, state the surcharge N/A

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



Signature

Will Yocius

Printed Name

Senior Actuary

Title

217-789-2500 ext 5948

Telephone Number

Will.Yocius@horacemann.com

Email address

NAIC Number: 22578
 Company Name: Horace Mann Insurance Company
 Contact Person: Melinda Ballard
 Telephone No.: 217-788-8505
 Email Address: Melinda.Ballard@horacemann.com
 Effective Date: 5/1/2011

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

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

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

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

Public Protection Class	Dwelling Value	Washington		Baxter		Craighead		St. Francis		Desha		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$80,000	\$685.00	\$754.00	\$685.00	\$754.00	\$1,040.00	\$1,144.00	\$1,021.00	\$1,123.00	\$1,040.00	\$1,144.00	\$822.00	\$904.00	\$822.00	\$904.00	\$744.00	\$818.00	\$1,006.00	\$1,107.00
	\$120,000	\$978.00	\$1,076.00	\$978.00	\$1,076.00	\$1,485.00	\$1,634.00	\$1,457.00	\$1,603.00	\$1,485.00	\$1,634.00	\$1,173.00	\$1,290.00	\$1,173.00	\$1,290.00	\$1,062.00	\$1,168.00	\$1,435.00	\$1,579.00
	\$160,000	\$1,202.00	\$1,322.00	\$1,202.00	\$1,322.00	\$1,824.00	\$2,006.00	\$1,790.00	\$1,969.00	\$1,824.00	\$2,006.00	\$1,441.00	\$1,585.00	\$1,441.00	\$1,585.00	\$1,305.00	\$1,436.00	\$1,763.00	\$1,939.00
6	\$80,000	\$808.00	\$897.00	\$808.00	\$897.00	\$1,227.00	\$1,362.00	\$1,205.00	\$1,338.00	\$1,227.00	\$1,362.00	\$970.00	\$1,077.00	\$970.00	\$1,077.00	\$878.00	\$975.00	\$1,187.00	\$1,318.00
	\$120,000	\$1,154.00	\$1,281.00	\$1,154.00	\$1,281.00	\$1,752.00	\$1,945.00	\$1,719.00	\$1,909.00	\$1,752.00	\$1,945.00	\$1,384.00	\$1,537.00	\$1,384.00	\$1,537.00	\$1,253.00	\$1,391.00	\$1,693.00	\$1,880.00
	\$160,000	\$1,418.00	\$1,575.00	\$1,418.00	\$1,575.00	\$2,152.00	\$2,389.00	\$2,112.00	\$2,345.00	\$2,152.00	\$2,389.00	\$1,700.00	\$1,888.00	\$1,700.00	\$1,888.00	\$1,540.00	\$1,710.00	\$2,080.00	\$2,310.00
9	\$80,000	\$1,370.00	\$1,576.00	\$1,370.00	\$1,576.00	\$2,080.00	\$2,392.00	\$2,042.00	\$2,348.00	\$2,080.00	\$2,392.00	\$1,644.00	\$1,891.00	\$1,644.00	\$1,891.00	\$1,488.00	\$1,711.00	\$2,012.00	\$2,314.00
	\$120,000	\$1,956.00	\$2,249.00	\$1,956.00	\$2,249.00	\$2,970.00	\$3,416.00	\$2,914.00	\$3,351.00	\$2,970.00	\$3,416.00	\$2,346.00	\$2,698.00	\$2,346.00	\$2,698.00	\$2,124.00	\$2,443.00	\$2,870.00	\$3,301.00
	\$160,000	\$2,404.00	\$2,765.00	\$2,404.00	\$2,765.00	\$3,648.00	\$4,195.00	\$3,580.00	\$4,117.00	\$3,648.00	\$4,195.00	\$2,882.00	\$3,314.00	\$2,882.00	\$3,314.00	\$2,610.00	\$3,002.00	\$3,526.00	\$4,055.00

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

Public Protection Class	Property Value	Washington		Baxter		Craighead		St. Francis		Arkansas		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$5,000	\$131.00	\$131.00	\$131.00	\$131.00	\$131.00	\$131.00	\$140.00	\$140.00	\$131.00	\$131.00	\$131.00	\$131.00	\$131.00	\$131.00	\$131.00	\$131.00	\$115.00	\$115.00
	\$15,000	\$158.00	\$158.00	\$158.00	\$158.00	\$158.00	\$158.00	\$169.00	\$169.00	\$158.00	\$158.00	\$158.00	\$158.00	\$158.00	\$158.00	\$158.00	\$158.00	\$138.00	\$138.00
	\$25,000	\$218.00	\$218.00	\$218.00	\$218.00	\$218.00	\$218.00	\$233.00	\$233.00	\$218.00	\$218.00	\$218.00	\$218.00	\$218.00	\$218.00	\$218.00	\$218.00	\$190.00	\$190.00
6	\$5,000	\$144.00	\$144.00	\$144.00	\$144.00	\$144.00	\$144.00	\$154.00	\$154.00	\$144.00	\$144.00	\$144.00	\$144.00	\$144.00	\$144.00	\$144.00	\$144.00	\$127.00	\$127.00
	\$15,000	\$174.00	\$174.00	\$174.00	\$174.00	\$174.00	\$174.00	\$186.00	\$186.00	\$174.00	\$174.00	\$174.00	\$174.00	\$174.00	\$174.00	\$174.00	\$174.00	\$152.00	\$152.00
	\$25,000	\$240.00	\$240.00	\$240.00	\$240.00	\$240.00	\$240.00	\$256.00	\$256.00	\$240.00	\$240.00	\$240.00	\$240.00	\$240.00	\$240.00	\$240.00	\$240.00	\$209.00	\$209.00
9	\$5,000	\$249.00	\$249.00	\$249.00	\$249.00	\$249.00	\$249.00	\$266.00	\$266.00	\$249.00	\$249.00	\$249.00	\$249.00	\$249.00	\$249.00	\$249.00	\$249.00	\$219.00	\$219.00
	\$15,000	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$321.00	\$321.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$262.00	\$262.00
	\$25,000	\$414.00	\$414.00	\$414.00	\$414.00	\$414.00	\$414.00	\$443.00	\$443.00	\$414.00	\$414.00	\$414.00	\$414.00	\$414.00	\$414.00	\$414.00	\$414.00	\$361.00	\$361.00

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

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

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

HO3 and HO4 only

Fire Extinguisher	n/a	%	Deadbolt Lock	n/a	%
Burglar Alarm	5	%	Window Locks	n/a	%
Smoke Alarm	5	%	\$1,000 Deductible	5	%
			Other (specify)		

EARTHQUAKE INSURANCE

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

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

Zone Brick Frame

NAIC Number:	22683
Company Name:	Teachers Insurance Company
Contact Person:	Melinda Ballard
Telephone No.:	217-788-8505
Email Address:	Melinda.Ballard@horacemann.com
Effective Date:	5/1/2011

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

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

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

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

Public Protection Class	Dwelling Value	Washington		Baxter		Craighead		St. Francis		Desha		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$80,000	\$498.00	\$548.00	\$498.00	\$548.00	\$687.00	\$756.00	\$761.00	\$837.00	\$687.00	\$756.00	\$613.00	\$674.00	\$613.00	\$674.00	\$553.00	\$608.00	\$751.00	\$826.00
	\$120,000	\$710.00	\$781.00	\$710.00	\$781.00	\$981.00	\$1,079.00	\$1,086.00	\$1,195.00	\$981.00	\$1,079.00	\$875.00	\$963.00	\$875.00	\$963.00	\$789.00	\$868.00	\$1,071.00	\$1,178.00
	\$160,000	\$873.00	\$960.00	\$873.00	\$960.00	\$1,205.00	\$1,326.00	\$1,334.00	\$1,467.00	\$1,205.00	\$1,326.00	\$1,076.00	\$1,184.00	\$1,076.00	\$1,184.00	\$970.00	\$1,067.00	\$1,316.00	\$1,448.00
6	\$80,000	\$588.00	\$652.00	\$588.00	\$652.00	\$811.00	\$900.00	\$898.00	\$997.00	\$811.00	\$900.00	\$723.00	\$803.00	\$723.00	\$803.00	\$653.00	\$724.00	\$886.00	\$984.00
	\$120,000	\$838.00	\$930.00	\$838.00	\$930.00	\$1,158.00	\$1,285.00	\$1,281.00	\$1,423.00	\$1,158.00	\$1,285.00	\$1,033.00	\$1,146.00	\$1,033.00	\$1,146.00	\$931.00	\$1,034.00	\$1,264.00	\$1,403.00
	\$160,000	\$1,030.00	\$1,144.00	\$1,030.00	\$1,144.00	\$1,422.00	\$1,579.00	\$1,574.00	\$1,748.00	\$1,422.00	\$1,579.00	\$1,270.00	\$1,410.00	\$1,270.00	\$1,410.00	\$1,145.00	\$1,271.00	\$1,553.00	\$1,724.00
9	\$80,000	\$996.00	\$1,145.00	\$996.00	\$1,145.00	\$1,374.00	\$1,580.00	\$1,522.00	\$1,750.00	\$1,374.00	\$1,580.00	\$1,226.00	\$1,410.00	\$1,226.00	\$1,410.00	\$1,106.00	\$1,272.00	\$1,502.00	\$1,727.00
	\$120,000	\$1,420.00	\$1,633.00	\$1,420.00	\$1,633.00	\$1,962.00	\$2,256.00	\$2,172.00	\$2,498.00	\$1,962.00	\$2,256.00	\$1,750.00	\$2,013.00	\$1,750.00	\$2,013.00	\$1,578.00	\$1,815.00	\$2,142.00	\$2,463.00
	\$160,000	\$1,746.00	\$2,008.00	\$1,746.00	\$2,008.00	\$2,410.00	\$2,772.00	\$2,668.00	\$3,068.00	\$2,410.00	\$2,772.00	\$2,152.00	\$2,475.00	\$2,152.00	\$2,475.00	\$1,940.00	\$2,231.00	\$2,632.00	\$3,027.00

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

Public Protection Class	Property Value	Washington		Baxter		Craighead		St. Francis		Arkansas		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$5,000	\$140.00	\$140.00	\$140.00	\$140.00	\$103.00	\$103.00	\$145.00	\$145.00	\$103.00	\$103.00	\$131.00	\$131.00	\$131.00	\$131.00	\$142.00	\$142.00	\$131.00	\$131.00
	\$15,000	\$169.00	\$169.00	\$169.00	\$169.00	\$124.00	\$124.00	\$175.00	\$175.00	\$124.00	\$124.00	\$158.00	\$158.00	\$158.00	\$158.00	\$171.00	\$171.00	\$158.00	\$158.00
	\$25,000	\$233.00	\$233.00	\$233.00	\$233.00	\$171.00	\$171.00	\$242.00	\$242.00	\$171.00	\$171.00	\$218.00	\$218.00	\$218.00	\$218.00	\$236.00	\$236.00	\$218.00	\$218.00
6	\$5,000	\$154.00	\$154.00	\$154.00	\$154.00	\$113.00	\$113.00	\$160.00	\$160.00	\$113.00	\$113.00	\$144.00	\$144.00	\$144.00	\$144.00	\$156.00	\$156.00	\$144.00	\$144.00
	\$15,000	\$186.00	\$186.00	\$186.00	\$186.00	\$136.00	\$136.00	\$193.00	\$193.00	\$136.00	\$136.00	\$174.00	\$174.00	\$174.00	\$174.00	\$188.00	\$188.00	\$174.00	\$174.00
	\$25,000	\$256.00	\$256.00	\$256.00	\$256.00	\$188.00	\$188.00	\$266.00	\$266.00	\$188.00	\$188.00	\$240.00	\$240.00	\$240.00	\$240.00	\$260.00	\$260.00	\$240.00	\$240.00
9	\$5,000	\$266.00	\$266.00	\$266.00	\$266.00	\$196.00	\$196.00	\$276.00	\$276.00	\$196.00	\$196.00	\$249.00	\$249.00	\$249.00	\$249.00	\$270.00	\$270.00	\$249.00	\$249.00
	\$15,000	\$321.00	\$321.00	\$321.00	\$321.00	\$236.00	\$236.00	\$333.00	\$333.00	\$236.00	\$236.00	\$300.00	\$300.00	\$300.00	\$300.00	\$325.00	\$325.00	\$300.00	\$300.00
	\$25,000	\$443.00	\$443.00	\$443.00	\$443.00	\$325.00	\$325.00	\$460.00	\$460.00	\$325.00	\$325.00	\$414.00	\$414.00	\$414.00	\$414.00	\$448.00	\$448.00	\$414.00	\$414.00

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

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

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

HO3 and HO4 only

Fire Extinguisher	<input type="text" value="n/a"/>	%	Deadbolt Lock	<input type="text" value="n/a"/>	%
Burglar Alarm	<input type="text" value="5"/>	%	Window Locks	<input type="text" value="n/a"/>	%
Smoke Alarm	<input type="text" value="5"/>	%	\$1,000 Deductible	<input type="text" value="5"/>	%
			Other (specify)		

EARTHQUAKE INSURANCE

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

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

WHAT IS YOUR PERCENTAGE DEDUCTIBLE? %

Zone Brick Frame

NAIC LOSS COST DATA ENTRY DOCUMENT

1.	This filing transmittal is part of Company Tracking #	AR RR H041511
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2.	If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number	N/A
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Company Name		Company NAIC Number		
3.	A.	Horace Mann Insurance Company	B.	300-22578

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.	Homeowner Multi-Peril	B.	

5.			FOR LOSS COSTS ONLY				
(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	(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
Forms 1,2,3	+22.1%	-0.1%					
Form 4, 6	+22.1%	+1.1%					
TOTAL OVERALL EFFECT	+22.1%	-0.1%					

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
2006	96	+0.2%	7/15/05	102	49	48.0%	70.5%
2007	91	-	-	101	17	16.8%	35.6%
2008	85	-	-	95	279	293.7%	66.8%
2009	74	+7.7%	4/15/09	85	15	17.6%	64.0%
2010	74	+12.8%	4/15/10	93	5	5.4%	54.5%

7.	
Expense Constants	Selected Provisions
A. Total Production Expense	+7.6%
B. General Expense	+8.7%
C. Taxes, License & Fees	+3.0%
D. Underwriting Profit & Contingencies	+15.0%
E. Other (Reinsurance)	+2.3%
F. TOTAL	+36.7%

8. N Apply Lost Cost Factors to Future filings? (Y or N)
9. +18.2% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): Territory 63
10. -22.5% Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): Territory 65

NAIC LOSS COST DATA ENTRY DOCUMENT

1.	This filing transmittal is part of Company Tracking #	AR RR H041511
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2.	If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number	N/A
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	Company Name		Company NAIC Number
3.	A.	Teachers Insurance Company	B. 300-22683

	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.	Homeowner Multi-Peril	B.

5.			FOR LOSS COSTS ONLY				
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
COVERAGE (See Instructions)	Indicated % Rate Level Change	Requested % Rate Level Change	Expected Loss Ratio	Loss Cost Modification Factor	Selected Loss Cost Multiplier	Expense Constant (If Applicable)	Co. Current Loss Cost Multiplier
Forms 1,2,3	+22.1%	+0.1%					
Form 4, 6	+22.1%	-6.6%					
TOTAL OVERALL EFFECT	+22.1%	+0%					

6.	5 Year History	Rate Change History					
Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
2006	202	+0%	7/15/05	183	201	+109.9%	+41.6%
2007	187	-	-	176	12	+7.0%	+48.1%
2008	171	-	-	164	126	+76.8%	+66.2%
2009	158	+5.0%	4/15/09	162	287	+177.1%	+50.4%
2010	149	+11.3%	4/15/10	169	15	+8.7%	46.0%

7.		
	Expense Constants	Selected Provisions
	A. Total Production Expense	+7.6%
	B. General Expense	+8.7%
	C. Taxes, License & Fees	+3.0%
	D. Underwriting Profit & Contingencies	+15.0%
	E. Other (explain)	+2.3%
	F. TOTAL	+36.7%

8. N Apply Lost Cost Factors to Future filings? (Y or N)
9. **+19.9%** Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): _____ Territory 71 _____
10. **-29.5%** Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): _____ Territory 73 _____

Horace Mann Insurance Company
Teachers Insurance Company
Arkansas
Homeowners
Filing Memorandum

Horace Mann Insurance Company and Teachers Insurance Company submit for your review and approval this Homeowners Rate and Rule filing for Arkansas. The overall premium effect of this revision is 0.0% as calculated in Exhibit I.

In Exhibit II, you will find our indication calculation and all indication supporting exhibits. Page 1 of Exhibit II is our five-year experience and indication calculation of +22.1%. An explanation of our indication calculation can be found on Page 2.

Exhibit II, page 3 shows our premium trend calculation, which accounts for shifts in the distribution of various rating characteristics such as increased Coverage A amounts and deductible changes. The on-level factors used in the calculation can be found on Exhibit II, page 4. The method for our premium trend calculation is taken from the article “An Introduction to Premium Trend”. A copy of the article can be provided upon request.

Our adjusted losses are derived by first subtracting our actual wind losses, developing our losses to an ultimate settlement basis, and applying a historical loss trend factor. We then finish the derivation by loading our expected annual wind losses and applying a projected loss trend factor. The trend factors used to adjust our losses are based on both frequency and severity trends as described and calculated in Exhibit II, page 5.

Our individual years’ loss ratios are then weighted based on weights of 10%, 15%, 20%, 25% and 30% to arrive at the five-year loss ratio. This loss ratio is then credibility weighted with our trended permissible loss ratio to determine our credibility weighted loss ratio. We then add our fixed expenses, divide by the complement of our variable expenses and subtract unity to arrive at our final indication. Our fixed and variable expenses are detailed in Exhibit II, page 6.

We are making the following changes with this filing:

- 1) **Base Rate Revisions** – We are revising base rates for all forms in all territories. These revisions can be found in Exhibit III.
- 2) **Rating Factor Revisions**
 - a. *Protection Class Factors* – We are revising Protection Classes 8-10 factors for both Masonry and Frame Constructions (forms 1,2 and 3 only) as outlined in Exhibit IV.
 - b. *Multi-Line* - We are increasing the discount for policies who have one extra line with us from 7% to 10% for educators (5% to 8% for non-educators), and the discount for policies who have two or more lines with us from 12% to 16% for educators (7% to 10% for non-educators). Multi-Line factor revisions can be found in Exhibit V.

- c. *Coverage A Amount* – We are increasing factors for Coverage A amounts less than \$150,000 and decreasing factors for Coverage A amount greater than \$150,000 to align our curve with our competitors. These changes are outlined in Exhibit VI.
 - d. *Deductible Factors* – We are revising deductible factors. These changes are outlined in Exhibit VII.
 - e. *Federal Flood Insurance Credit* – We are eliminating the Federal Flood Insurance Discount. The changes are outlined in Exhibit VIII.
- 3) **Endorsement Revisions**
HM-31 and HM-32 Rates – We are revising our rates for Increased Limits on Additions and Alterations for Condominiums. The revised rates are shown in Exhibit IX.
- 4) **Electronic Funds Transfer** - We are introducing and Electronic Funds Transfer (EFT) payment plan option. The corresponding rule has been added to our manual pages. Rule 4.10.
- 5) **Other Homeowner Rules Change**
- We are eliminating endorsements ML-15 and HM-256; Actual Cash Value (Rule 2.1.4) and Modified Replacement Cost (Rule 6.1), respectively. There will be no policies affected by eliminating these endorsements.
 - We are removing the Restriction of Coverage rule from the manual. This rule is not currently practiced by underwriting. Rule 3.6.
 - We are clarifying our rule regarding the Protective Device Discount. Customers will now have to provide documentation in order to receive the discount. Rule 6.7.
 - Scheduled Personal Property – We are including a \$1 minimum premium for each category for Scheduled Personal Property. Rates 7.10.1.
 - We are removing the 35% surcharge for RCOC for those deductibles below \$500. This will have no policyholder impact as there are no policies with deductibles less than \$500. Rates 7.5.
 - We are correcting our premium pages to correctly label our coverage amounts Coverage C instead of Coverage A for Forms 4, 6 only.

Our revised manual pages are attached at the end of the filing. A histogram summarizing the impacts is attached as Exhibit X. No policyholder will receive an increase greater than 20% as a result of these changes. The above changes will become effective on 4/15/2011 for new and renewal business.

**Horace Mann Insurance Company
Teachers Insurance Company
Arkansas
Homeowners
Filing Table of Contents**

Premium Effects.....	Exhibit I
Indication and Indication Supporting Exhibits	Exhibit II
Base Rate Exhibit.....	Exhibit III
Protection Class Factor Exhibit	Exhibit IV
Multi Line Discount.....	Exhibit V
Coverage A Amount Factors	Exhibit VI
Deductible Factors	Exhibit VII
Federal Flood Credit Factors	Exhibit VIII
HM-31 and HM-32 Exhibit	Exhibit IX
Histograms.....	Exhibit X
Revised Manual Pages	

**Horace Mann Insurance Company - Teachers Insurance Company -
Arkansas**

Proposed Territorial Premium Effects

Current Territory	Form 1,2&3	Form 4&6	Total
13	1.1%	-6.8%	0.7%
14	-1.4%	0.0%	-1.4%
44	-3.4%	0.0%	-3.4%
51	7.9%	0.0%	7.9%
60	2.3%	0.8%	2.3%
63	6.7%	-5.3%	6.4%
65	-4.2%	2.6%	-4.0%
67	-0.4%	0.0%	-0.4%
68	-2.3%	-9.5%	-2.4%
70	-1.4%	0.0%	-1.4%
71	2.9%	0.0%	2.9%
72	15.7%	0.0%	15.7%
73	-5.8%	0.0%	-5.8%
74	-7.1%	0.0%	-7.1%
75	0.0%	0.0%	0.0%

0.0%	-2.2%	0.0%
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**Horace Mann Insurance Company
Arkansas**

Proposed Territorial Premium Effects

Current Territory	Form 1,2&3	Form 4&6	Total
13	-0.1%	-6.8%	-1.3%
14	2.2%	0.0%	2.2%
44	-7.4%	0.0%	-7.4%
51	13.4%	0.0%	13.4%
60	1.8%	4.5%	1.8%
63	12.9%	0.0%	12.9%
65	-10.5%	7.4%	-9.7%
67	-5.5%	0.0%	-5.5%
68	-2.5%	0.0%	-2.5%
70	8.0%	0.0%	8.0%
71	2.7%	0.0%	2.7%
72	0.0%	0.0%	0.0%
73	5.0%	0.0%	5.0%
74	-10.7%	0.0%	-10.7%
75	0.0%	0.0%	0.0%

-0.1%	1.1%	-0.1%
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**Teachers Insurance Company
Arkansas**

Proposed Territorial Premium Effects

Current Territory	Form 1,2&3	Form 4&6	Total
13	1.5%	0.0%	1.5%
14	-7.9%	0.0%	-7.9%
44	3.5%	0.0%	3.5%
51	4.8%	0.0%	4.8%
60	2.7%	-8.4%	2.7%
63	0.7%	-5.3%	0.4%
65	0.5%	-7.2%	0.4%
67	3.9%	0.0%	3.9%
68	-2.3%	-9.5%	-2.3%
70	-3.8%	0.0%	-3.8%
71	2.9%	0.0%	2.9%
72	15.7%	0.0%	15.7%
73	-18.4%	0.0%	-18.4%
74	7.5%	0.0%	7.5%
75	0.0%	0.0%	0.0%

0.1%	-6.6%	0.0%
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Horace Mann and Teachers Combined Companies
ARKANSAS
Homeowner Indicated Rate Level Adjustment

Year Ending	Direct Earned Premium	Direct Incurred Losses	Unadjusted Loss Ratio	Premium Trend Factors	Adjusted Earned Premium (1)
9/30/2006	\$284,657	\$249,463	0.876	1.608	\$457,728
9/30/2007	\$276,827	\$29,826	0.108	1.536	\$425,206
9/30/2008	\$258,397	\$404,982	1.567	1.466	\$378,810
9/30/2009	\$246,887	\$301,911	1.223	1.391	\$343,420
9/30/2010	\$261,321	\$19,764	0.076	1.254	\$327,697

Totals:	\$1,328,089	\$1,005,946	0.757		\$1,932,861
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Year Ending	Wind Losses	Avg Annual Wind Losses	Loss Development Factors	Historical Loss Trend Factor	Projected Loss Trend Factor
9/30/2006	\$125,079	\$69,083	1.007	1.684	1.279
9/30/2007	\$17,417	\$68,375	1.010	1.478	1.279
9/30/2008	\$212,751	\$66,812	1.027	1.298	1.279
9/30/2009	\$69,719	\$65,542	1.050	1.139	1.279
9/30/2010	\$11,549	\$65,069	1.332	1.000	1.279

Totals:	\$436,515	\$334,882			
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Year Ending	Adjusted Losses	Loss Adjustment Expenses	Adjusted Losses & LAE (2)	Adjusted Loss and LAE Ratio	Weight
9/30/2006	\$358,140	\$75,567	\$433,707	0.948	0.10
9/30/2007	\$111,139	\$23,450	\$134,589	0.317	0.15
9/30/2008	\$413,100	\$87,164	\$500,265	1.321	0.20
9/30/2009	\$439,008	\$92,631	\$531,638	1.548	0.25
9/30/2010	\$97,207	\$20,511	\$117,718	0.359	0.30

Totals:	\$1,418,594	\$299,323	\$1,717,917	0.901	1.00
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Five Year Weighted Adjusted Loss Ratio (3)	0.901
Permissible Loss Ratio (4)	0.599
Compliment of Credibility (5)	0.656
Credibility Factor (6)	0.418
Credibility Weighted Loss Ratio (7)	0.758

Fixed Expense Provision (8)	12.4%
Variable Expense (9)	27.7%

Indicated Rate Level Adjustment (10)	22.1%
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(1) Adjusted to current rate level by premium trend adjustment factors.

(2) Adjusted for loss development, trend, modeled wind and LAE.

(3) Using standard weights of 0.10, 0.15, 0.20, 0.25 & 0.30 applied to adjusted loss ratios for the experience period.

(4) Calculated from budgeted expense allocations and reinsurance load.

(5) Trended Permissible Loss Ratio as calculated in our "Compliment of Credibility".

(6) Using the formula $Z = (1.5 * P) / (P + 5000000)$, where P equals the adjusted premiums for the past five calendar years.

(7) Five year weighted adjusted loss ratio is credibility weighted with the trended expected loss ratio using the formula (5 Year Average Loss Ratio & LAE * Credibility Factor) + (Compliment of Credibility * (1 - Credibility Factor))

(8) Fixed expenses assuming 75% of Other Acquisition, 75% of General, and 100% of Re-insurance expenses are fixed.

(9) Variable expenses

(10) Indication calculated as: $(\text{Credibility Weighted LR} + \text{Fixed Exp}) / (1 - \text{Variable Exp}) - 1$

(1) Data

Unlagged earned premium, losses, and exposures were used in this indication. The loss development factors utilized in this indication were derived also using unlagged data.

(2) Premium Trend Adjustment Factors

These factors were applied to each fiscal year's earned premiums to bring them up to current rate level and to account for distributional shifts.

(3) Loss Trend

The loss trend was determined using the historical data. There are two steps- historical and projected trend. The losses were first trended from the midpoint of the experience period to the midpoint of the latest experience year, and then projects from the midpoint of the latest experience year to the midpoint of the projected period. The loss trend was then applied to the incurred losses.

(4) Average Annual Wind Loss Procedure

We separated our wind losses into hurricane and non-hurricane components. For the non-hurricane wind component, a long term ratio of non-hurricane wind losses to amount of insurance years was calculated. We then credibility weighted this factor with the ratio of the modeled average annual non-hurricane wind losses, produced by AIR/Clasic 2, to the amount of insurance years. Credibility was assigned to our data using the actuarially accepted $n/(n+k)$ formula. We then applied this credibility weighted factor to a countrywide non-hurricane wind loss to amount of insurance years factor based upon our most recent ten years of data. By using this approach we are able to balance the stability of a long-term estimate of wind potential with the responsiveness of more recent data. For the hurricane component we assigned 100% credibility to the ratio of the modeled hurricane losses, produced by AIR/Clasic 2, to the amount of insurance years. These hurricane and non-hurricane wind losses are included as a load to our indication for expected wind losses.

(5) Permissible Loss Ratio (PLR)

The Permissible Loss Ratio is calculated using the complement of our Budgeted Expense Ratio. The Budgeted Expense Ratio is developed after reviewing our latest

three years expense ratios derived from the Insurance Expense Exhibits. This expense ratio includes a 15.0% Profit and Contingency Loading. The Permissible Loss Ratio also includes an offset for Investment Income.

(6) Loss Ratio Credibility Procedure

First, the adjusted fiscal accident year loss ratios are credibility weighted using a 10-15-20-25-30 weighting scheme to get the Actual Loss Ratio (ALR).

The credibility assigned to the ALR is assigned using the formula: $Z = (1.5 * AEP) / (AEP + \$5,000,000)$ where Z is the credibility factor and AEP is 5 years total of Adjusted Earned Premium. The data is assumed to be fully credible if there is \$10 million in adjusted earned premiums over the experience period. The formula for the credibility weighted loss ratio is $CWLR = (ALR)(Z) + (PLR)(T)(1 - Z)$.

Horace Mann and Teachers Combined Companies
ARKANSAS
Premium Adjustment Factor Calculation

	(1)	(2)	(3)							(4)	(5)	(6)
Year Ending	Exposures	Earned Premium	Average Premium @ CRL	Historical Premium Trend	Years of Historical Trend	Projected Premium Trend	Years of Projected Trend	Step1 Trend Factor	Step2 Trend Factor	Total Premium Trend Factor	On level Factor	Total Premium Adjustment Factor
09/30/2006	298	284,657	\$1,133	4.8%	4.00	6.0%	2.04	1.204	1.126	1.356	1.186	1.608
09/30/2007	278	276,827	\$1,181	4.8%	3.00	6.0%	2.04	1.149	1.126	1.295	1.186	1.536
09/30/2008	256	258,397	\$1,197	4.8%	2.00	6.0%	2.04	1.097	1.126	1.236	1.186	1.466
09/30/2009	232	246,887	\$1,254	4.8%	1.00	6.0%	2.04	1.048	1.126	1.180	1.179	1.391
09/30/2010	223	261,321	\$1,305	4.8%	0.00	6.0%	2.04	1.000	1.126	1.126	1.114	1.254

Earned Premiums at current rate level are projected to 04/15/2012 using a historical annual rate of change of 4.8% and a projected annual rate of change of 6.0%

Combined Companies
ARKANSAS
Earned Premium On-Level Factors

Experience Year Ending	On-Level Factor
9/30/2006	1.186
9/30/2007	1.186
9/30/2008	1.186
9/30/2009	1.179
9/30/2010	1.114

Renewal Effective Date	Forms Combined Effect
7/15/2005	0.0%
4/15/2009	6.0%
4/15/2010	11.9%

**ARKANSAS
Loss Trend Calculation**

Historical Severity Trend

Form	Distribution Weight	Indicated Severity Change			Selected Severity Change			Standard Error			Credibility			Credibility Weighted Change	Selected Severity Change
		HM State	HM Countrywide	Fast Track State	HM State	HM Countrywide	Fast Track State	HM State	HM Countrywide	Fast Track State	HM State	HM Countrywide	Fast Track State		
1, 2, 3	100.0%	3.0%	6.5%	10.0%	5.0%	6.5%	10.0%	11,436	446	587	0.083	0.459	0.459	8.0%	8.0%
4 & 6	0.0%	4.0%	7.5%	1.8%	2.0%	7.5%	1.8%	8	885	741	0.995	0.002	0.002	2.0%	
Total	100.0%	3.0%	6.5%	10.0%	5.0%	6.5%	10.0%	11,436	446	587	0.083	0.459	0.459	8.0%	

Projected Severity Trend

Form	Distribution Weight	Indicated Severity Change			Selected Severity Change			Standard Error			Credibility			Credibility Weighted Change	Selected Severity Change
		HM State	HM Countrywide	Fast Track State	HM State	HM Countrywide	Fast Track State	HM State	HM Countrywide	Fast Track State	HM State	HM Countrywide	Fast Track State		
1, 2, 3	100.0%	-87.2%	12.2%	4.4%	-2.0%	6.5%	4.5%	11,751	273	749	0.080	0.460	0.460	4.9%	4.9%
4 & 6	0.0%	-91.3%	-1.2%	37.8%	0.0%	7.0%	7.5%	21	1,319	479	0.988	0.006	0.006	0.1%	
Total	100.0%	-87.2%	12.2%	4.4%	-2.0%	6.5%	4.5%	11,751	273	749	0.080	0.460	0.460	4.9%	

Historical Frequency Trend

Form	Distribution Weight	Indicated Frequency Change			Selected Frequency Change			Standard Error			Credibility			Credibility Weighted Change	Selected Frequency Change
		HM State	HM Countrywide	Fast Track State	HM State	HM Countrywide	Fast Track State	HM State	HM Countrywide	Fast Track State	HM State	HM Countrywide	Fast Track State		
1, 2, 3	100.0%	28.3%	5.4%	5.5%	8.0%	4.5%	6.0%	0.09275	0.00363	0.00570	0.091	0.454	0.454	5.5%	5.5%
4 & 6	0.0%	0.1%	3.7%	2.5%	2.5%	2.5%	2.5%	0.22769	0.00246	0.00151	0.017	0.491	0.491	2.5%	
Total	100.0%	28.3%	5.4%	5.5%	8.0%	4.5%	6.0%	0.09275	0.00363	0.00570	0.091	0.454	0.454	5.5%	

Projected Frequency Trend

Form	Distribution Weight	Indicated Frequency Change			Selected Frequency Change			Standard Error			Credibility			Credibility Weighted Change	Selected Frequency Change
		HM State	HM Countrywide	Fast Track State	HM State	HM Countrywide	Fast Track State	HM State	HM Countrywide	Fast Track State	HM State	HM Countrywide	Fast Track State		
1, 2, 3	100.0%	-20.7%	3.9%	13.5%	2.0%	3.0%	12.5%	0.22872	0.00344	0.00633	0.041	0.480	0.480	7.5%	7.5%
4 & 6	0.0%	35.7%	5.1%	0.2%	1.0%	6.0%	1.0%	0.24797	0.00159	0.00108	0.011	0.495	0.495	3.5%	
Total	100.0%	-20.7%	3.9%	13.5%	2.0%	3.0%	12.5%	0.22872	0.00344	0.00633	0.041	0.480	0.480	7.5%	

Historical Trend factor calculation				
Year Ending	Years of Historical Trend	Severity Trend Factor	Frequency Trend Factor	Pure Premium Trend Factor
09/30/2006	4.00	1.360	1.239	1.684
09/30/2007	3.00	1.259	1.174	1.478
09/30/2008	2.00	1.166	1.113	1.298
09/30/2009	1.00	1.080	1.055	1.139
09/30/2010	0.00	1.000	1.000	1.000

Projected Trend factor calculation				
Year Ending	Years of Projected Trend	Severity Trend Factor	Frequency Trend Factor	Pure Premium Trend Factor
09/30/2006	2.04	1.103	1.160	1.279
09/30/2007	2.04	1.103	1.160	1.279
09/30/2008	2.04	1.103	1.160	1.279
09/30/2009	2.04	1.103	1.160	1.279
09/30/2010	2.04	1.103	1.160	1.279

Notes:

- (1) The average earned date of premium is approximately 12 months after the proposed effective date of 04/15/2011
- (2) The loss trend factor trends losses first from the midpoint of the experience period to the midpoint of the latest experience year, and then projects from the midpoint of the latest experience year to the midpoint of the projected period, which is 12 months after proposed effective date.
- (3) Trend Factor = (1+Historical Trend %)^ Years of Historical Period * (1+Projected Trend %)^ Years of Projected Period
- (4) Pure Premium Trend Factor = Severity Trend Factor * Frequency Trend Factor
- (5) Credibility assigned to HM State data = 1/(1+HM State SE/(HM CW SE + FT State SE))

*Frequency and Severity Trend are derived from Adjusted Quarterly data.

Horace Mann\Teachers Insurance Companies Combined
Arkansas
Expense Exhibit
Homeowners
(\$ x1000)

	2007		2008		2009	
	\$	%	\$	%	\$	%
Direct Written Premiums	147,490		147,329		150,831	
Direct Earned Premiums	143,702		146,530		149,130	
Direct Commissions (W)	9,904	6.7%	9,010	6.1%	9,821	6.5%
Other Acquisition Expenses (E)	6,641	4.6%	7,949	5.4%	8,542	5.7%
General Expenses (E)	11,952	8.3%	11,520	7.9%	13,068	8.8%
Taxes, Licenses & Fees (W)	4,000	2.7%	3,931	2.7%	3,460	2.3%
		22.4%		22.1%		23.3%

Anticipated 2010 Permissible Loss Ratio

	Total	Fixed	Variable
Commissions	6.0%	0.0%	6.0%
Other Acquisition Expenses	5.3%	3.9%	1.3%
General Expenses	8.8%	6.6%	2.2%
Taxes, Licenses & Fees	3.2%	0.0%	3.2%
Reinsurance Expense	1.9%	1.9%	0.0%
Underwriting Profit & Contingencies	<u>15.0%</u>	<u>0.0%</u>	<u>15.0%</u>
Total Expenses & Profit	40.1%	12.4%	27.7%
Permissible Loss Ratio	59.9%		

NOTE: Captions designated by (W) are ratioed to written premiums;
those by (E) are ratioed to earned premiums.

Horace Mann Insurance Company
Arkansas
Derivation of Base Rates & Effects
Form 1,2&3

		(1)	(3)	(5)	(7)	(8)	(9)	(10)
Current Territory	Territory Definition	PIF Weight	Current Base Rate	Territorial Relativity Adjustment Factor	Rating Factor Change Effect	Proposed Base Rate	Base Rate Effect	Rating Premium Effect
13	Remainder of Pulaski County	3%	1548	1.000	-11.4%	1746	12.8%	-0.1%
14	Pulaski County: Little Rock; Zip Codes 72201-09	2%	2896	1.000	-9.4%	3267	12.8%	2.2%
44	Crittenden, Lawrence and Poinsett Counties	2%	1586	1.000	-17.9%	1789	12.8%	-7.4%
51	Pulaski County: North Little Rock; Zip Codes 72114-19	2%	1440	1.000	0.6%	1624	12.8%	13.4%
60	Baxter, Benton, Carroll and Washington Counties	29%	1055	1.000	-9.8%	1190	12.8%	1.8%
63	Arkansas, Bradley, Calhoun, Conway, Dallas, Drew, Franklin, Lafayette, Little River, Lonoke, Miller, Mississippi, Monroe, Ouachita, Pike, Polk, Union and Yell Counties	13%	1265	1.000	0.0%	1427	12.8%	12.9%
65	Ashley, Clay, Hot Springs, Howard, Jackson, White and Woodruff Counties	8%	1573	1.000	-20.6%	1774	12.8%	-10.5%
67	Boone, Madison, Marion, Newton, Perry, Searcy, Sebastian and Van Buren Counties	10%	1145	1.000	-16.2%	1292	12.8%	-5.5%
68	Cleburne, Faulkner, Garland, Independence, Logan and Scott Counties	6%	1148	1.000	-13.6%	1295	12.8%	-2.5%
70	Clark, Cleveland, Craighead, Desha, Grant, Hempstead, Jefferson, Montgomery, Nevada and Prairie Counties	8%	1601	1.000	-4.3%	1806	12.8%	8.0%
71	Cross, Lee, Phillips and St. Francis Counties	5%	1571	1.000	-8.9%	1772	12.8%	2.7%
72	Fulton, Greene, Izard, Sharp and Stone Counties	0%	1339	1.000	0.0%	1510	12.8%	0.0%
73	Crawford and Saline Counties	8%	1292	1.000	-6.9%	1457	12.8%	5.0%
74	Chicot, Columbia, Lincoln, Randolph and Sevier Counties	6%	1573	1.000	-20.8%	1774	12.8%	-10.7%
75	Johnson and Pope Counties	0%	1292	1.000	0.0%	1457	12.8%	0.0%
Total		100%	1316	1.000	-11.4%	1485	12.8%	-0.1%

Current Base Coverage: \$150,000 Covg. A, \$750 Flat Deductible, Masonry, Protection Class 1-3, \$100,000/1,000 Liability Limits
Proposed Base Coverage: \$150,000 Covg. A, \$750 Flat Deductible, Masonry, Protection Class 1-3, \$100,000/1,000 Liability Limits

- (8) Proposed Base Rate = (Current Base Rate x Territorial Relativity Adjustment Factor) / (1+Desired SW Effect)
- (9) Base Rate Effect = Proposed Base Rate / Re-Based Current Base Rate -1
- (10) Rating Premium Effect- Effect calculated based solely on revisions to rates and changes in our rating algorithms.

Teachers Insurance Company
Arkansas
Derivation of Base Rates & Effects
Form 1,2&3

		(1)	(3)	(5)	(7)	(8)	(9)	(10)
Current Territory	Territory Definition	PIF Weight	Current Base Rate	Territorial Relativity Adjustment Factor	Rating Factor Change Effect	Proposed Base Rate	Base Rate Effect	Rating Premium Effect
13	Remainder of Pulaski County	4%	1125	1.027	-12.4%	1303	15.8%	1.5%
14	Pulaski County: Little Rock; Zip Codes 72201-09	1%	2141	0.821	-0.6%	1984	-7.3%	-7.9%
44	Crittenden, Lawrence and Poinsett Counties	1%	1141	1.027	-10.6%	1321	15.8%	3.5%
51	Pulaski County: North Little Rock; Zip Codes 72114-19	1%	1048	1.027	-9.5%	1214	15.8%	4.8%
60	Baxter, Benton, Carroll and Washington Counties	21%	754	1.016	-10.3%	864	14.6%	2.7%
63	Arkansas, Bradley, Calhoun, Conway, Dallas, Drew, Franklin, Lafayette, Little River, Lonoke, Miller, Mississippi, Monroe, Ouachita, Pike, Polk, Union and Yell Counties	6%	920	1.027	-13.0%	1065	15.8%	0.7%
65	Ashley, Clay, Hot Springs, Howard, Jackson, White and Woodruff Counties	10%	1145	1.027	-13.2%	1326	15.8%	0.5%
67	Boone, Madison, Marion, Newton, Perry, Searcy, Sebastian and Van Buren Counties	7%	829	1.027	-10.3%	960	15.8%	3.9%
68	Cleburne, Faulkner, Garland, Independence, Logan and Scott Counties	17%	849	0.975	-11.2%	934	10.0%	-2.3%
70	Clark, Cleveland, Craighead, Desha, Grant, Hempstead, Jefferson, Montgomery, Nevada and Prairie Counties	13%	1145	0.924	-7.6%	1193	4.2%	-3.8%
71	Cross, Lee, Phillips and St. Francis Counties	13%	1141	1.027	-11.1%	1321	15.8%	2.9%
72	Fulton, Greene, Izard, Sharp and Stone Counties	2%	972	1.027	-0.1%	1126	15.8%	15.7%
73	Crawford and Saline Counties	2%	944	1.027	-29.5%	1093	15.8%	-18.4%
74	Chicot, Columbia, Lincoln, Randolph and Sevier Counties	1%	1130	1.027	-7.2%	1309	15.8%	7.5%
75	Johnson and Pope Counties	0%	938	1.027	0.0%	1086	15.8%	0.0%
Total		100%	974	1.000	-11.2%	1097	12.8%	0.1%

Current Base Coverage: \$150,000 Covg. A, \$750 Flat Deductible, Masonry, Protection Class 1-3, \$100,000/1,000 Liability Limits
Proposed Base Coverage: \$150,000 Covg. A, \$750 Flat Deductible, Masonry, Protection Class 1-3, \$100,000/1,000 Liability Limits

- (8) Proposed Base Rate = (Current Base Rate x Territorial Relativity Adjustment Factor) / (1+Desired SW Effect)
(9) Base Rate Effect = Proposed Base Rate / Re-Based Current Base Rate -1
(10) Rating Premium Effect- Effect calculated based solely on revisions to rates and changes in our rating algorithms.

Horace Mann Insurance Company
Arkansas
Derivation of Base Rates & Effects
Form 4&6

		(1)	(3)	(5)	(6)	(7)	(8)	(9)	(10)
Current Territory	Territory Definition	PIF Weight	Current Base Rate	Territorial Relativity Adjustment Factor	Endorsement Premium Effect	Rating Factor Change Effect	Proposed Base Rate	Base Rate Effect	Rating Premium Effect
13	Remainder of Pulaski County	25%	146	1.000	0.0%	-13.6%	138	7.8%	-6.8%
14	Pulaski County: Little Rock; Zip Codes 72201-09	0%	204	1.000	0.0%	0.0%	193	7.8%	0.0%
44	Crittenden, Lawrence and Poinsett Counties	0%	146	1.000	0.0%	0.0%	138	7.8%	0.0%
51	Pulaski County: North Little Rock; Zip Codes 72114-19	0%	146	1.000	0.0%	0.0%	158	8.2%	0.0%
60	Baxter, Benton, Carroll and Washington Counties	50%	146	1.000	0.0%	-3.5%	158	8.2%	4.5%
63	Arkansas, Bradley, Calhoun, Conway, Dallas, Drew, Franklin, Lafayette, Little River, Lonoke, Miller, Mississippi, Monroe, Ouachita, Pike, Polk, Union and Yell Counties	0%	146	1.000	0.0%	0.0%	158	8.2%	0.0%
65	Ashley, Clay, Hot Springs, Howard, Jackson, White and Woodruff Counties	25%	146	1.000	0.0%	-0.7%	158	8.2%	7.4%
67	Boone, Madison, Marion, Newton, Perry, Searcy, Sebastian and Van Buren Counties	0%	146	1.000	0.0%	0.0%	158	8.2%	0.0%
68	Cleburne, Faulkner, Garland, Independence, Logan and Scott Counties	0%	146	1.000	0.0%	0.0%	158	8.2%	0.0%
70	Clark, Cleveland, Craighead, Desha, Grant, Hempstead, Jefferson, Montgomery, Nevada and Prairie Counties	0%	146	1.000	0.0%	0.0%	158	8.2%	0.0%
71	Cross, Lee, Phillips and St. Francis Counties	0%	146	1.070	0.0%	0.0%	169	15.8%	0.0%
72	Fulton, Greene, Izard, Sharp and Stone Counties	0%	146	1.000	0.0%	0.0%	158	8.2%	0.0%
73	Crawford and Saline Counties	0%	146	1.000	0.0%	0.0%	158	8.2%	0.0%
74	Chicot, Columbia, Lincoln, Randolph and Sevier Counties	0%	158	1.000	0.0%	0.0%	171	8.2%	0.0%
75	Johnson and Pope Counties	0%	146	1.000	0.0%	0.0%	158	8.2%	0.0%
Total		100%	146	1.000	0.0%	-6.5%	153	8.1%	1.1%

Current Base Coverage: \$15,000 Covg. C, \$500 Flat Deductible, Protection Class 1-4, \$100,000/1,000 Liability Limits
Proposed Base Coverage: \$15,000 Covg. C, \$500 Flat Deductible, Protection Class 1-4, \$100,000/1,000 Liability Limits

- (5) See 'TerrInd' tab for the derivation of 'Territorial Relativity Adjustment Factor'
- (8) Proposed Base Rate = (Current Base Rate x Territorial Relativity Adjustment Factor) / (1+Desired SW Effect)
- (9) Base Rate Effect = Proposed Base Rate / Re-Based Current Base Rate -1
- (10) Rating Premium Effect- Effect calculated based solely on revisions to rates and changes in our rating algorithms.

**Teachers Insurance Company
Arkansas
Derivation of Base Rates & Effects
Form 4&6**

		(1)	(3)	(5)	(6)	(7)	(8)	(9)	(10)
Current Territory	Territory Definition	PIF Weight	Current Base Rate	Territorial Relativity Adjustment Factor	Endorsement Premium Effect	Rating Factor Change Effect	Proposed Base Rate	Base Rate Effect	Rating Premium Effect
13	Remainder of Pulaski County	0%	131	1.000	0.0%	0.0%	124	7.8%	0.0%
14	Pulaski County: Little Rock; Zip Codes 72201-09	0%	184	1.000	0.0%	0.0%	175	8.0%	0.0%
44	Crittenden, Lawrence and Poinsett Counties	0%	131	1.000	0.0%	0.0%	124	7.8%	0.0%
51	Pulaski County: North Little Rock; Zip Codes 72114-19	0%	131	1.000	0.0%	0.0%	124	7.8%	0.0%
60	Baxter, Benton, Carroll and Washington Counties	25%	131	1.000	0.0%	-15.0%	124	7.8%	-8.4%
63	Arkansas, Bradley, Calhoun, Conway, Dallas, Drew, Franklin, Lafayette, Little River, Lonoke, Miller, Mississippi, Monroe, Ouachita, Pike, Polk, Union and Yell Counties	25%	131	1.000	0.0%	-12.2%	124	7.8%	-5.3%
65	Ashley, Clay, Hot Springs, Howard, Jackson, White and Woodruff Counties	25%	135	1.000	0.0%	-14.4%	129	8.4%	-7.2%
67	Boone, Madison, Marion, Newton, Perry, Searcy, Sebastian and Van Buren Counties	0%	131	1.000	0.0%	0.0%	124	7.8%	0.0%
68	Cleburne, Faulkner, Garland, Independence, Logan and Scott Counties	25%	131	1.000	0.0%	-16.0%	124	7.8%	-9.5%
70	Clark, Cleveland, Craighead, Desha, Grant, Hempstead, Jefferson, Montgomery, Nevada and Prairie Counties	0%	131	1.000	0.0%	0.0%	124	7.8%	0.0%
71	Cross, Lee, Phillips and St. Francis Counties	0%	156	1.000	0.0%	0.0%	148	8.0%	0.0%
72	Fulton, Greene, Izard, Sharp and Stone Counties	0%	131	1.000	0.0%	0.0%	124	7.8%	0.0%
73	Crawford and Saline Counties	0%	131	1.000	0.0%	0.0%	124	7.8%	0.0%
74	Chicot, Columbia, Lincoln, Randolph and Sevier Counties	0%	131	1.000	0.0%	0.0%	124	7.8%	0.0%
75	Johnson and Pope Counties	0%	131	1.000	0.0%	0.0%	124	7.8%	0.0%
Total		100%	132	1.000	0.0%	-13.5%	125	8.0%	-6.6%

Current Base Coverage: \$15,000 Covg. C, \$500 Flat Deductible, Protection Class 1-4, \$100,000/1,000 Liability Limits
Proposed Base Coverage: \$15,000 Covg. C, \$500 Flat Deductible, Protection Class 1-4, \$100,000/1,000 Liability Limits

- (5) See 'TerrInd' tab for the derivation of 'Territorial Relativity Adjustment Factor'
- (8) Proposed Base Rate = (Current Base Rate x Territorial Relativity Adjustment Factor) / (1+Desired SW Effect)
- (9) Base Rate Effect = Proposed Base Rate / Re-Based Current Base Rate -1
- (10) Rating Premium Effect- Effect calculated based solely on revisions to rates and changes in our rating algorithms.

Horace Mann Insurance Company
Arkansas

Homeowners - Forms 1, 2 & 3
Protection Class Relativities

Protection Class	Construction	Exposure Weight	Current Relativity	Select Relativity	% Change
1	Masonry	0.000	1.000	1.000	0.0%
	Frame	0.000	1.100	1.100	0.0%
2	Masonry	0.159	1.000	1.000	0.0%
	Frame	0.048	1.100	1.100	0.0%
3	Masonry	0.159	1.000	1.000	0.0%
	Frame	0.127	1.100	1.100	0.0%
4	Masonry	0.032	1.040	1.040	0.0%
	Frame	0.095	1.180	1.180	0.0%
5	Masonry	0.095	1.040	1.040	0.0%
	Frame	0.032	1.180	1.180	0.0%
6	Masonry	0.032	1.180	1.180	0.0%
	Frame	0.032	1.310	1.310	0.0%
7	Masonry	0.032	1.320	1.320	0.0%
	Frame	0.000	1.460	1.460	0.0%
8	Masonry	0.063	2.000	1.650	-17.5%
	Frame	0.016	2.500	1.850	-26.0%
9	Masonry	0.032	2.500	2.000	-20.0%
	Frame	0.048	2.900	2.300	-20.7%
10	Masonry	0.000	4.500	3.250	-27.8%
	Frame	0.000	5.000	3.650	-27.0%
Total		1.000	1.297	1.220	-3.1%

Homeowners - Forms 4 & 6
Protection Class Relativities

Protection Class	Construction	Exposure Weight	Current Relativity	Select Relativity	% Change
1	Masonry / Frame	0.000	1.000	1.000	0.0%
2	Masonry / Frame	0.000	1.000	1.000	0.0%
3	Masonry / Frame	0.250	1.000	1.000	0.0%
4	Masonry / Frame	0.250	1.000	1.000	0.0%
5	Masonry / Frame	0.250	1.000	1.000	0.0%
6	Masonry / Frame	0.000	1.000	1.000	0.0%
7	Masonry / Frame	0.000	1.330	1.330	0.0%
8	Masonry / Frame	0.000	1.330	1.330	0.0%
9	Masonry / Frame	0.250	1.900	1.900	0.0%
10	Masonry / Frame	0.000	1.995	1.995	0.0%
Total		1.000	1.225	1.225	0.0%

Teachers Insurance Company
Arkansas

Homeowners - Forms 1, 2 & 3
Protection Class Relativities

Protection Class	Construction	Exposure Weight	Current Relativity	Select Relativity	% Change
1	Masonry	0.000	1.000	1.000	0.0%
	Frame	0.000	1.100	1.100	0.0%
2	Masonry	0.135	1.000	1.000	0.0%
	Frame	0.064	1.100	1.100	0.0%
3	Masonry	0.113	1.000	1.000	0.0%
	Frame	0.035	1.100	1.100	0.0%
4	Masonry	0.106	1.040	1.040	0.0%
	Frame	0.050	1.180	1.180	0.0%
5	Masonry	0.142	1.040	1.040	0.0%
	Frame	0.050	1.180	1.180	0.0%
6	Masonry	0.078	1.180	1.180	0.0%
	Frame	0.099	1.310	1.310	0.0%
7	Masonry	0.028	1.320	1.320	0.0%
	Frame	0.035	1.460	1.460	0.0%
8	Masonry	0.007	2.000	1.650	-17.5%
	Frame	0.043	2.500	1.850	-26.0%
9	Masonry	0.014	2.500	2.000	-20.0%
	Frame	0.000	2.900	2.300	-20.7%
10	Masonry	0.000	4.500	3.250	-27.8%
	Frame	0.000	5.000	3.650	-27.0%
Total		1.000	1.200	1.163	-1.5%

Homeowners - Forms 4 & 6
Protection Class Relativities

Protection Class	Construction	Exposure Weight	Current Relativity	Select Relativity	% Change
1	Masonry / Frame	0.000	1.000	1.000	0.0%
2	Masonry / Frame	0.500	1.000	1.000	0.0%
3	Masonry / Frame	0.000	1.000	1.000	0.0%
4	Masonry / Frame	0.000	1.000	1.000	0.0%
5	Masonry / Frame	0.000	1.000	1.000	0.0%
6	Masonry / Frame	0.250	1.000	1.000	0.0%
7	Masonry / Frame	0.000	1.330	1.330	0.0%
8	Masonry / Frame	0.000	1.330	1.330	0.0%
9	Masonry / Frame	0.000	1.900	1.900	0.0%
10	Masonry / Frame	0.250	1.995	1.995	0.0%
Total		1.000	1.249	1.249	0.0%

**Horace Mann Insurance Company
Arkansas**

**Homeowners - Forms 1, 2 & 3
Multi-Line Discount**

Occupation	Number of Additional Lines	Exposure Weight	Current Factors	Proposed Factors	% Change
Educator	0	0.143	1.00	1.00	0.0%
	1	0.111	0.93	0.90	-3.2%
	2+	0.175	0.88	0.84	-4.5%
Non-educator	0	0.286	1.00	1.00	0.0%
	1	0.190	0.95	0.92	-3.2%
	2+	0.095	0.93	0.90	-3.2%
Total		1.000	0.96	0.94	-2.0%

**Homeowners - Forms 4 & 6
Multi-Line Discount**

Occupation	Number of Additional Lines	Exposure Weight	Current Factors	Proposed Factors	% Change
Educator	0	0.000	1.00	1.00	0.0%
	1	0.000	0.93	0.90	-3.2%
	2+	0.250	0.88	0.84	-4.5%
Non-educator	0	0.250	1.00	1.00	0.0%
	1	0.500	0.95	0.92	-3.2%
	2+	0.000	0.93	0.90	-3.2%
Total		1.000	0.95	0.92	-2.6%

**Teachers Insurance Company
Arkansas**

**Homeowners - Forms 1, 2 & 3
Multi-Line Discount**

Occupation	Number of Additional Lines	Exposure Weight	Current Factors	Proposed Factors	% Change
Educator	0	0.227	1.00	1.00	0.0%
	1	0.496	0.93	0.90	-3.2%
	2+	0.184	0.88	0.84	-4.5%
Non-educator	0	0.035	1.00	1.00	0.0%
	1	0.050	0.95	0.92	-3.2%
	2+	0.007	0.93	0.90	-3.2%
Total		1.000	0.94	0.92	-2.5%

**Homeowners - Forms 4 & 6
Multi-Line Discount**

Occupation	Number of Additional Lines	Exposure Weight	Current Factors	Proposed Factors	% Change
Educator	0	0.000	1.00	1.00	0.0%
	1	0.500	0.93	0.90	-3.2%
	2+	0.250	0.88	0.84	-4.5%
Non-educator	0	0.250	1.00	1.00	0.0%
	1	0.000	0.95	0.92	-3.2%
	2+	0.000	0.93	0.90	-3.2%
Total		1.000	0.94	0.91	-2.7%

Horace Mann Insurance Company
Arkansas
Homeowners - Forms 1, 2 & 3
Coverage Amount Relativities

Coverage Amount	Exposure Weight	Current Relativity	Select Relativity	% Change
25,000	0.000	0.407	0.421	3.4%
30,000	0.000	0.411	0.425	3.4%
35,000	0.000	0.416	0.431	3.6%
40,000	0.000	0.421	0.436	3.6%
45,000	0.000	0.425	0.440	3.5%
50,000	0.000	0.430	0.445	3.5%
55,000	0.000	0.464	0.480	3.4%
60,000	0.000	0.471	0.487	3.4%
65,000	0.000	0.486	0.503	3.5%
70,000	0.000	0.506	0.524	3.6%
75,000	0.000	0.525	0.543	3.4%
80,000	0.000	0.557	0.576	3.4%
85,000	0.000	0.590	0.611	3.6%
90,000	0.000	0.623	0.645	3.5%
95,000	0.000	0.644	0.667	3.6%
100,000	0.000	0.664	0.687	3.5%
105,000	0.000	0.695	0.719	3.5%
110,000	0.048	0.725	0.750	3.4%
115,000	0.063	0.760	0.787	3.6%
120,000	0.000	0.794	0.822	3.5%
125,000	0.032	0.829	0.858	3.5%
130,000	0.032	0.863	0.893	3.5%
135,000	0.048	0.899	0.930	3.4%
140,000	0.095	0.934	0.955	2.2%
145,000	0.063	0.967	0.975	0.8%
150,000	0.048	1.000	1.000	0.0%
155,000	0.032	1.030	1.002	-2.7%
160,000	0.032	1.060	1.010	-4.7%
165,000	0.048	1.093	1.026	-6.1%
170,000	0.016	1.125	1.045	-7.1%
175,000	0.063	1.157	1.064	-8.0%
180,000	0.048	1.190	1.084	-8.9%
185,000	0.048	1.223	1.106	-9.6%
190,000	0.000	1.256	1.127	-10.3%
195,000	0.048	1.289	1.154	-10.5%
200,000	0.000	1.322	1.181	-10.7%
205,000	0.016	1.354	1.210	-10.6%
210,000	0.000	1.387	1.239	-10.7%
215,000	0.016	1.419	1.269	-10.6%
220,000	0.048	1.452	1.299	-10.5%
225,000	0.000	1.485	1.329	-10.5%
230,000	0.016	1.518	1.359	-10.5%
235,000	0.032	1.550	1.389	-10.4%
240,000	0.032	1.583	1.419	-10.4%
245,000	0.016	1.615	1.449	-10.3%
250,000	0.016	1.648	1.479	-10.3%
Each Additional 5,000		0.035	0.030	-14.3%
Total	1.000	1.052	1.001	-4.8%

**Teachers Insurance Company
Arkansas
Homeowners - Forms 1, 2 & 3
Coverage Amount Relativities**

Coverage Amount	Exposure Weight	Current Relativity	Select Relativity	% Change
25,000	0.000	0.407	0.421	3.4%
30,000	0.000	0.411	0.425	3.4%
35,000	0.000	0.416	0.431	3.6%
40,000	0.000	0.421	0.436	3.6%
45,000	0.000	0.425	0.440	3.5%
50,000	0.000	0.430	0.445	3.5%
55,000	0.000	0.464	0.480	3.4%
60,000	0.000	0.471	0.487	3.4%
65,000	0.000	0.486	0.503	3.5%
70,000	0.000	0.506	0.524	3.6%
75,000	0.000	0.525	0.543	3.4%
80,000	0.000	0.557	0.576	3.4%
85,000	0.000	0.590	0.611	3.6%
90,000	0.007	0.623	0.645	3.5%
95,000	0.000	0.644	0.667	3.6%
100,000	0.021	0.664	0.687	3.5%
105,000	0.014	0.695	0.719	3.5%
110,000	0.014	0.725	0.750	3.4%
115,000	0.014	0.760	0.787	3.6%
120,000	0.043	0.794	0.822	3.5%
125,000	0.007	0.829	0.858	3.5%
130,000	0.014	0.863	0.893	3.5%
135,000	0.028	0.899	0.930	3.4%
140,000	0.057	0.934	0.955	2.2%
145,000	0.064	0.967	0.975	0.8%
150,000	0.050	1.000	1.000	0.0%
155,000	0.028	1.030	1.002	-2.7%
160,000	0.021	1.060	1.010	-4.7%
165,000	0.035	1.093	1.026	-6.1%
170,000	0.021	1.125	1.045	-7.1%
175,000	0.028	1.157	1.064	-8.0%
180,000	0.028	1.190	1.084	-8.9%
185,000	0.028	1.223	1.106	-9.6%
190,000	0.028	1.256	1.127	-10.3%
195,000	0.028	1.289	1.154	-10.5%
200,000	0.050	1.322	1.181	-10.7%
205,000	0.028	1.354	1.210	-10.6%
210,000	0.028	1.387	1.239	-10.7%
215,000	0.014	1.419	1.269	-10.6%
220,000	0.028	1.452	1.299	-10.5%
225,000	0.014	1.485	1.329	-10.5%
230,000	0.014	1.518	1.359	-10.5%
235,000	0.014	1.550	1.389	-10.4%
240,000	0.000	1.583	1.419	-10.4%
245,000	0.000	1.615	1.449	-10.3%
250,000	0.007	1.648	1.479	-10.3%
Each Additional 5,000		0.035	0.030	-14.3%
Total	1.000	0.860	0.814	-5.3%

**Horace Mann Insurance Company
Arkansas**

**Homeowners - Forms 1, 2 & 3
Deductible Relativities**

Deductible	Exposure Weight	Current Relativity	Indicated Relativity	Select Relativity	% Change
\$750 Flat	0.762	1.00	1.00	1.00	0.0%
\$1,000 Flat	0.143	0.94	0.97	0.95	1.1%
\$1000 Flat / 1% Wind & Hail	0.000	0.89	0.91	0.89	0.0%
\$1,500 Flat	0.063	0.79	0.90	0.84	6.3%
1% of Coverage A¹	0.000	0.84	0.80	0.80	-4.8%
\$2,500 Flat	0.016	0.67	0.78	0.73	9.0%
\$5,000 Flat	0.016	0.60	0.60	0.60	0.0%
Total	1.000	0.97	0.98	0.97	0.7%

¹ Minimum \$100,000 Coverage A required.

**Teachers Insurance Company
Arkansas**

**Homeowners - Forms 1, 2 & 3
Deductible Relativities**

Deductible	Exposure Weight	Current Relativity	Indicated Relativity	Select Relativity	% Change
\$750 Flat	0.560	1.00	1.00	1.00	0.0%
\$1,000 Flat	0.298	0.94	0.97	0.95	1.1%
\$1000 Flat / 1% Wind & Hail	0.007	0.89	0.91	0.89	0.0%
\$1,500 Flat	0.064	0.79	0.90	0.84	6.3%
1% of Coverage A¹	0.028	0.84	0.80	0.80	-4.8%
\$2,500 Flat	0.028	0.67	0.78	0.73	9.0%
\$5,000 Flat	0.014	0.60	0.60	0.60	0.0%
Total	1.000	0.95	0.97	0.96	0.8%

¹ Minimum \$100,000 Coverage A required.

Horace Mann Insurance Company
Arkansas
Federal Flood Insurance Credit
All Forms

Flood Credit	Exposure Weight	Current Factors	Proposed Factors	% Change
N	1.000	1.000	1.000	0.0%
Y	0.000	0.980	1.000	2.0%
Total	1.000	1.000	1.000	0.0%

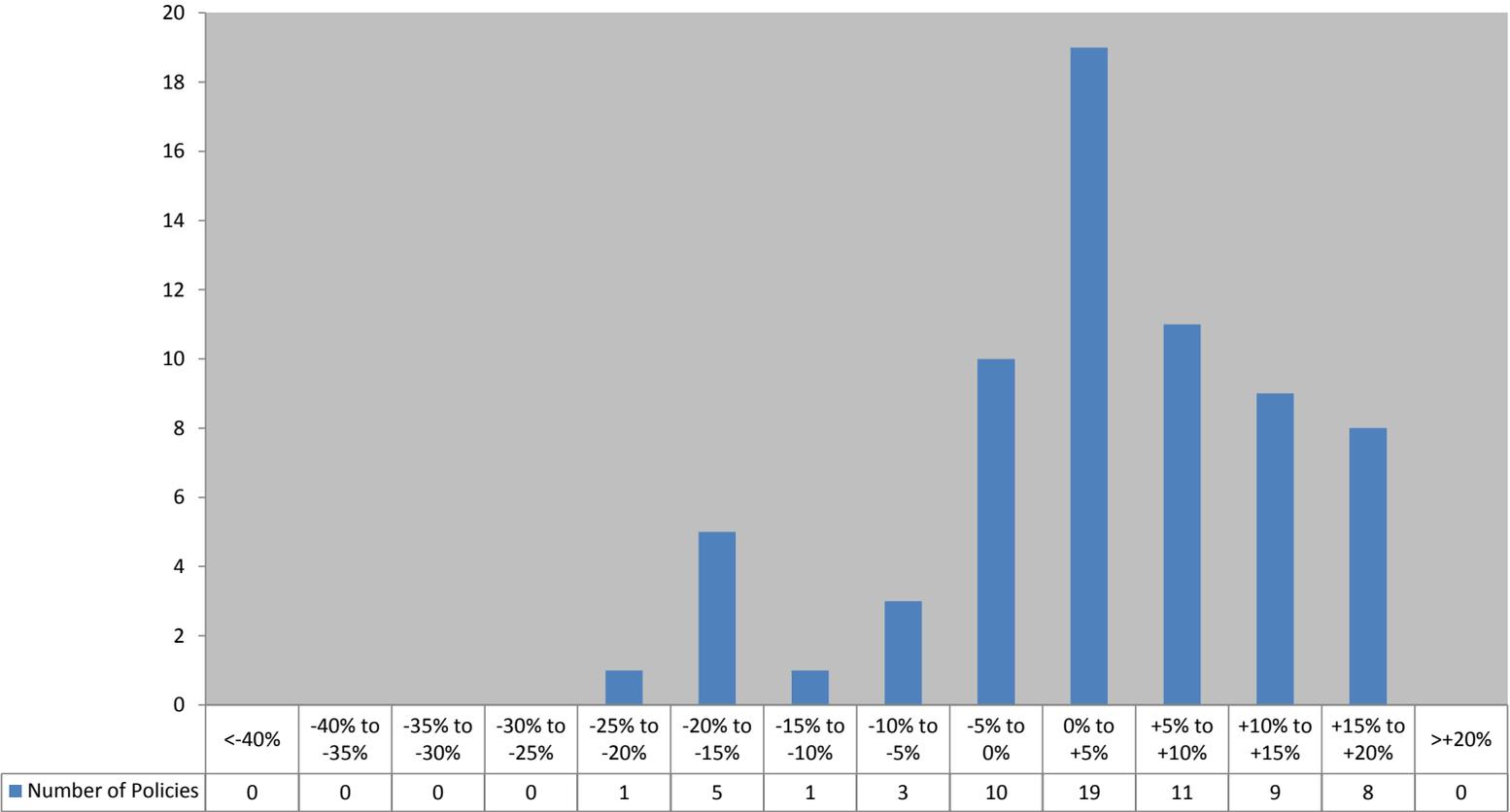
Teachers Insurance Company
Arkansas
Federal Flood Insurance Credit
All Forms

Flood Credit	Exposure Weight	Current Factors	Proposed Factors	% Change
N	0.979	1.000	1.000	0.0%
Y	0.021	0.980	1.000	2.0%
Total	1.000	1.000	1.000	0.0%

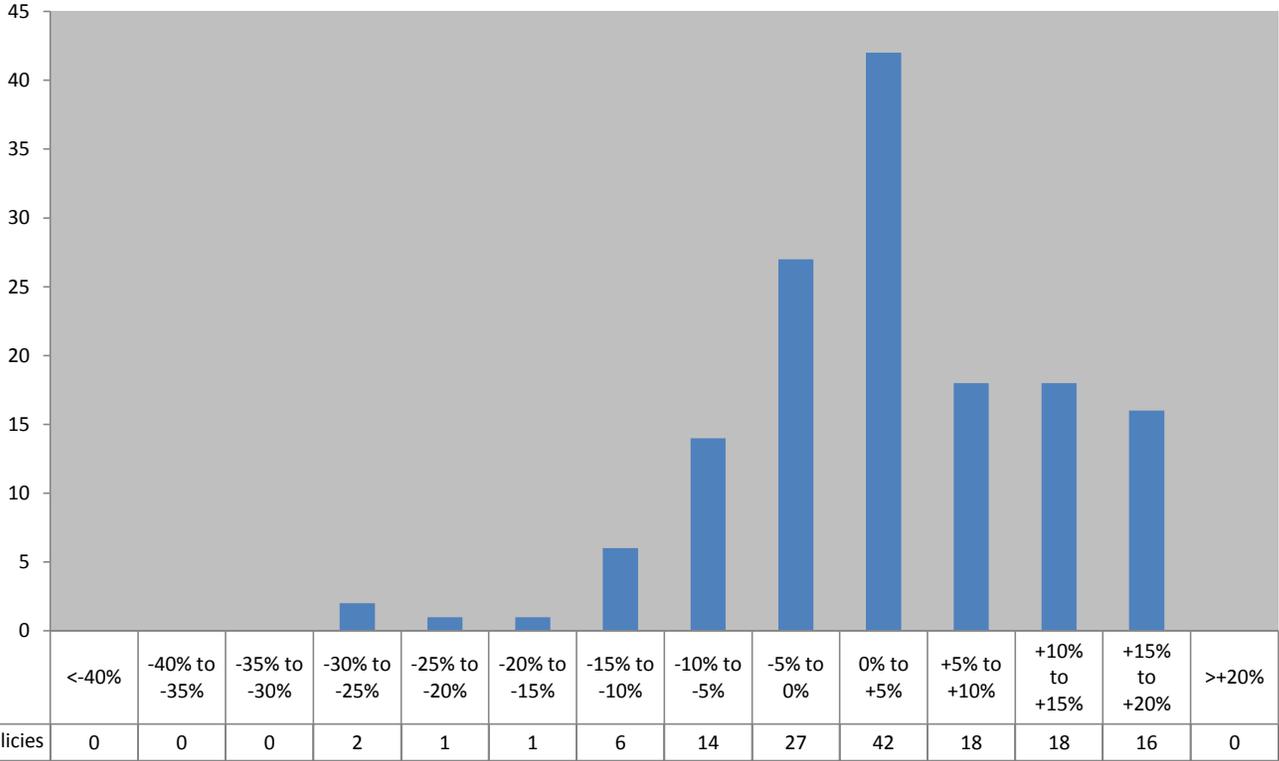
Horace Mann Insurance Company - Teachers Insurance Company
 Condominium Unit-Owners Supplemental Coverages
 Additions and Alterations
 Arkansas

	<u>Exposures</u>	<u>Current Rate per \$1,000</u>	<u>Proposed Rate per \$1,000</u>	<u>% Change</u>	<u>Effect</u>
Standard		\$0.00	\$0.00	0.0%	0.00%
Increased Limit -Basic Coverage (HM-31)	0	\$4.00	\$2.00	-50.0%	0.00%
Increased Limit -SpecialCoverage (HM-32)	0	\$6.00	\$3.00	-50.0%	0.00%
				Total	0.00%

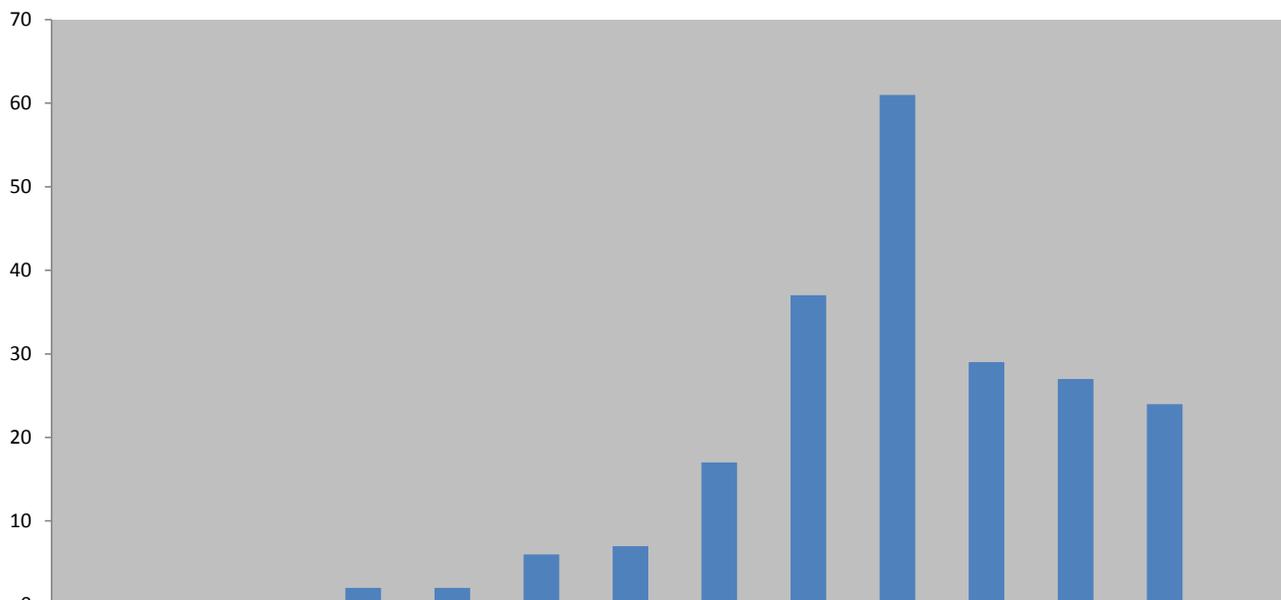
**Horace Mann Insurance Company
Arkansas
Distribution of rate increases**



**Teachers Insurance Company
Arkansas
Distribution of rate changes**



**Combined Companies
Arkansas
Distribution of rate changes**



	<-40%	-40% to -35%	-35% to -30%	-30% to -25%	-25% to -20%	-20% to -15%	-15% to -10%	-10% to -5%	-5% to 0%	0% to +5%	+5% to +10%	+10% to +15%	+15% to +20%	>+20%
■ Number of Policies	0	0	0	2	2	6	7	17	37	61	29	27	24	0

Horace Mann Insurance Company - 04

**State - Arkansas - 03
750 Flat Deductible - All Section 1 Perils**

**Forms 1,2,3 Annual Premiums
\$100,000/1,000 Liability Limits**

Column 1	Column 2
Territory	Base Rate
13	1,746
14 *	3,267
44	1,789
51	1,624
60	1,190
63	1,427
65	1,774
67	1,292
68	1,295
70	1,806
71	1,772
72	1,510
73	1,457
74	1,774
75	1,457

Column 3	Column 4	Column 5
Protection Class See Rate Derivation Page		
1-3	M	1.00
1-3	F	1.10
4-5	M	1.04
4-5	F	1.18
6	M	1.18
6	F	1.31
7	M	1.32
7	F	1.46
8	M	1.65
8	F	1.85
9	M	2.00
9	F	2.30
10	M	3.25
10	F	3.65

Column 6	Column 7
Coverage A Amount	Coverage A Relativity
25,000	0.421
30,000	0.425
35,000	0.431
40,000	0.436
45,000	0.440
50,000	0.445
55,000	0.480
60,000	0.487
65,000	0.503
70,000	0.524
75,000	0.543
80,000	0.576
85,000	0.611
90,000	0.645
95,000	0.667
100,000	0.687
105,000	0.719
110,000	0.750
115,000	0.787
120,000	0.822
125,000	0.858
130,000	0.893
135,000	0.930
140,000	0.955
145,000	0.975
150,000	1.000
155,000	1.002
160,000	1.010
165,000	1.026
170,000	1.045
175,000	1.064
180,000	1.084
185,000	1.106
190,000	1.127
195,000	1.154
200,000	1.181
205,000	1.210
210,000	1.239
215,000	1.269
220,000	1.299
225,000	1.329
230,000	1.359
235,000	1.389
240,000	1.419
245,000	1.449
250,000	1.479
Each Add'l	
5,000	0.030

***Note: Territory 14
can only be written in
Protection Class 1-5**

- 1 Choose the Territory in which the property is located in Column 1. Refer to your Territory Pages.
- 2 Choose the corresponding Base Rate for that Territory in Column 2.
- 3 Choose the protection class in Column 3 and find the corresponding relativity in Column 4 or Column 5. See Protection Class Derivation on Rate Derivation Instruction Page).
- 4 Multiply Step 2 by Step 3 and round to the nearest dollar.
- 5 For Form 1 or 2, take the rate from Step 4 and multiply it by .98 and round to the nearest dollar.
- 6 Choose the Coverage A amount, Column 6, and find the corresponding Coverage A Relativity, Column 7. (See Additional Amount and Interpolation Rule on Rate Derivation Instruction Page).
- 7 Multiply the amount from Step 4 or Step 5 by the Coverage A Relativity from Step 6 and round to the nearest dollar. This is your Basic Premium before endorsements are added.
- 8 Go to the Homeowner Rules Pages and follow the rating algorithm for deductible options and endorsements.

Rate Effective Date: 4/15/2011

Horace Mann Insurance Company - 04

**State - Arkansas - 03
500 Flat Deductible - All Section 1 Perils**

**Forms 4,6 Annual Premiums
\$100,000/1,000 Liability Limits**

Column 1	Column 2
Territory	Base Rate
13	138
14 *	193
44	138
51	158
60	158
63	158
65	158
67	158
68	158
70	158
71	169
72	158
73	158
74	171
75	158

Column 3	Column 4	Column 5
Protection Class See Rate Derivation Page		
1-4	M	1.000
1-4	F	1.050
5-6	M	1.100
5-6	F	1.155
7-8	M	1.330
7-8	F	1.397
9	M	1.900
9	F	1.995
10	M	1.995
10	F	1.995

Column 8
Condo Discount
20%
Territories
All

Column 6	Column 7
Coverage C Amount	Coverage C Relativity
5,000	0.830
10,000	0.870
15,000	1.000
20,000	1.220
25,000	1.380
30,000	1.560
35,000	1.740
40,000	1.910
45,000	2.060
50,000	2.200
55,000	2.400
60,000	2.600
Each Add'l	
5,000	0.200

***Note: Territory 14 can only be written in Protection Class 1-6**

- 1 Choose Territory in which property is located in Column 1. Refer to your Territory Pages. Find the corresponding Base Rate in Column 2.
- 2 Choose protection class in Column 3, and find corresponding Relativity in Column 4 or Column 5. (See Protection Class Derivation Instruction Page.)
- 3 Multiply the Base Rate from Step 1 by the protection class relativity from Step 2 and round to the nearest dollar.
- 4 If the risk is located in a building with 1-4 units, go to Step 5. If the risk is located in a building with 5 or more units multiply the amount from Step 3 by 1.25 and round to the nearest dollar.
- 5 Choose Coverage C amount, Column 6 and find corresponding Coverage C Relativity, Column 7 (See Additional Amount Rule or Interpolation Rule on Rate Derivation Instruction Page).
- 6 Multiply amount from Step 4 by Coverage C Relativity from Step 5 and round to the nearest dollar. This is your basic Premium before endorsements are added unless you are rating an owner occupied Condo then go to Step 7.
- 7 If you are rating a Condo policy, and the Condo is owner occupied, multiply step 6 by correct discount from column 8 and round to the nearest dollar. This would now be your basic premium before the endorsements are added.
- 8 Go to Homeowner Rules pages and follow rating algorithm for deductible options and endorsements.

Rate Effective Date: 4/15/2011

Teachers Insurance Company - 08

**State - Arkansas - 03
750 Flat Deductible - All Section 1 Perils**

**Form 3 Annual Premiums
\$100,000/1,000 Liability Limits**

Column 1	Column 2
Territory	Base Rate
13	1,303
14 *	1,984
44	1,321
51	1,214
60	864
63	1,065
65	1,326
67	960
68	934
70	1,193
71	1,321
72	1,126
73	1,093
74	1,309
75	1,086

Column 3	Column 4	Column 5
Protection Class See Rate Derivation Page		
1-3	M	1.00
1-3	F	1.10
4-5	M	1.04
4-5	F	1.18
6	M	1.18
6	F	1.31
7	M	1.32
7	F	1.46
8	M	1.65
8	F	1.85
9	M	2.00
9	F	2.30
10	M	3.25
10	F	3.65

Column 6	Column 7
Coverage A Amount	Coverage A Relativity
25,000	0.421
30,000	0.425
35,000	0.431
40,000	0.436
45,000	0.440
50,000	0.445
55,000	0.480
60,000	0.487
65,000	0.503
70,000	0.524
75,000	0.543
80,000	0.576
85,000	0.611
90,000	0.645
95,000	0.667
100,000	0.687
105,000	0.719
110,000	0.750
115,000	0.787
120,000	0.822
125,000	0.858
130,000	0.893
135,000	0.930
140,000	0.955
145,000	0.975
150,000	1.000
155,000	1.002
160,000	1.010
165,000	1.026
170,000	1.045
175,000	1.064
180,000	1.084
185,000	1.106
190,000	1.127
195,000	1.154
200,000	1.181
205,000	1.210
210,000	1.239
215,000	1.269
220,000	1.299
225,000	1.329
230,000	1.359
235,000	1.389
240,000	1.419
245,000	1.449
250,000	1.479
Each Add'l	
5,000	0.030

***Note: Territory 14 can only be written in Protection Class 1-5**

- 1 Choose the Territory in which the property is located in Column 1. Refer to your Territory Pages.
- 2 Choose the corresponding Base Rate for that Territory in Column 2.
- 3 Choose the protection class in Column 3 and find the corresponding relativity in Column 4 or Column 5. See Protection Class Derivation on Rate Derivation Instruction Page).
- 4 Multiply Step 2 by Step 3 and round to the nearest dollar.
- 5 Choose the Coverage A amount, Column 6, and find the corresponding Coverage A Relativity, Column 7. (See Additional Amount and Interpolation Rule on Rate Derivation Instruction Page).
- 6 Multiply the amount from Step 4 or Step 5 by the Coverage A Relativity from Step 6 and round to the nearest dollar. This is your Basic Premium before endorsements are added.
- 7 Go to the Homeowner Rules Pages and follow the rating algorithm for deductible options and endorsements.

Rate Effective Date: 4/15/2011

Teachers Insurance Company - 08

**State - Arkansas - 03
500 Flat Deductible - All Section 1 Perils**

**Forms 4,6 Annual Premiums
\$100,000/1,000 Liability Limits**

Column 1	Column 2
Territory	Base Rate
13	124
14 *	175
44	124
51	124
60	124
63	124
65	129
67	124
68	124
70	124
71	148
72	124
73	124
74	124
75	124

Column 3	Column 4	Column 5
Protection Class See Rate Derivation Page		
1-4	M	1.000
1-4	F	1.050
5-6	M	1.100
5-6	F	1.155
7-8	M	1.330
7-8	F	1.397
9	M	1.900
9	F	1.995
10	M	1.995
10	F	1.995

Column 8
Condo Discount
35%
Territories
All

Column 6	Column 7
Coverage C Amount	Coverage C Relativity
5,000	0.830
10,000	0.870
15,000	1.000
20,000	1.220
25,000	1.380
30,000	1.560
35,000	1.740
40,000	1.910
45,000	2.060
50,000	2.200
55,000	2.400
60,000	2.600
Each Add'l	
5,000	0.200

***Note: Territory 14
can only be written in
Protection Class 1-6**

- 1 Choose Territory in which property is located in Column 1. Refer to your Territory Pages. Find the corresponding Base Rate in Column 2.
- 2 Choose protection class in Column 3, and find corresponding Relativity in Column 4 or Column 5. (See Protection Class Derivation Instruction Page.)
- 3 Multiply the Base Rate from Step 1 by the protection class relativity from Step 2 and round to the nearest dollar.
- 4 If the risk is located in a building with 1-4 units, go to Step 5. If the risk is located in a building with 5 or more units multiply the amount from Step 3 by 1.25 and round to the nearest dollar.
- 5 Choose Coverage C amount, Column 6 and find corresponding Coverage C Relativity, Column 7 (See Additional Amount Rule or Interpolation Rule on Rate Derivation Instruction Page).
- 6 Multiply amount from Step 4 by Coverage C Relativity from Step 5 and round to the nearest dollar. This is your basic Premium before endorsements are added unless you are rating an owner occupied Condo then go to Step 7.
- 7 If you are rating a Condo policy, and the Condo is owner occupied, multiply step 6 by correct discount from column 8 and round to the nearest dollar. This would now be your basic premium before the endorsements are added.
- 8 Go to Homeowner Rules pages and follow rating algorithm for deductible options and endorsements.

Rate Effective Date: 4/15/2011

**HORACE MANN INSURANCE COMPANY
TEACHERS INSURANCE COMPANY
ARKANSAS
HOMEOWNER RULES**

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**HORACE MANN INSURANCE COMPANY
TEACHERS INSURANCE COMPANY
ARKANSAS
HOMEOWNER RULES**

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**HORACE MANN INSURANCE COMPANY
TEACHERS INSURANCE COMPANY
ARKANSAS
HOMEOWNER RULES**

RULE 2. PROGRAM DESCRIPTION

The following is a general description of the coverages provided by the Homeowner forms. The policy forms state the complete conditions.

2.1 Property Coverages - Property (Mandatory)

- Coverage A - Residence
- Coverage B - Private Structures
- Coverage C - Personal Property
- Coverage D - Additional Living Costs and Loss of Rent

2.1.1 Forms 1 and 2 cover the residence, private structures, personal property and additional living costs against losses resulting from the perils indicated below.

	<u>Form 1</u>	<u>Form 2</u>
Fire or Lightning.....	X	X
Windstorm or Hail.....	X	X
Explosion.....	X	X
Riot or Civil Commotion.....	X	X
Aircraft.....	X	X
Vehicles.....	X	X
Smoke.....	X	X
Vandalism.....	X	X
Glass Breakage.....	X	X
Theft.....	X	X
Falling Objects.....		X
Weight of Ice, Snow or Sleet.....		X
Collapse of Building.....		X
Sudden and Accidental Tearing Apart, Burning or Bulging.....		X
Accidental Discharge of Liquids or Steam.....		X
Freezing.....		X
Sudden and Accidental Damage from Electrical Currents.....		X

2.1.2 Form 3 cover the residence, private structures and additional living costs against all physical loss, with certain exceptions. Personal property is covered for the perils shown for Form 2.

2.1.3 Form 4 covers personal property including the insured's interest in building additions and improvements and additional living expense against loss by the perils shown for Form 2.

|

**HORACE MANN INSURANCE COMPANY
TEACHERS INSURANCE COMPANY
ARKANSAS
HOMEOWNER RULES**

3.2 Annual Policy Term

Policies are written for annual terms only.

3.3 Continuous Renewal Plan

The policy may be continued for successive terms by payment of the required premium.

Attach Endorsement CC-H10001

3.4 Additional Interests

The policy may cover the interests of additional owners at no additional premium. This coverage is limited to the building and premises liability.

Attach Endorsement HM-41

3.5 Transfer or Assignment

The Policy may be endorsed to effect transfer to another location within the same state (Form 4 only). Assignment of coverage from one insured to another is not allowed. A new application is required.

| 3.6 Reserved for Future Use

3.7 Cancellation or Reductions in Limits of Liability or Coverages

Mandatory coverages may not be cancelled unless the entire policy is cancelled.

The policy must be cancelled in accordance with the terms of applicable cancellation provisions.

If the policy or non-mandatory coverages are cancelled or the amount of insurance is reduced:

- By the company; or
In the event of foreclosure of the mortgage on the insured real property; or
In the event of relocation if a Company policy is issued at new location; or
In the event of the sale of property if other properties are insured by the Company:

Compute return premium pro rata.

- By the insured:

Compute return premium at 84% of the pro rata unearned premium.

**HORACE MANN INSURANCE COMPANY
TEACHERS INSURANCE COMPANY
ARKANSAS
HOMEOWNER RULES**

RULE 4. PREMIUM DETERMINATION

Annual premiums and rates are shown in the State Rate Pages. The basic policy premiums are for property and liability coverages.

4.1 Calculation of Premium

Any computations for additional coverages or additional amounts of insurance are to be rounded separately to the nearest dollar. Fifty cents or more is to be considered as a dollar.

The premium is computed as follows:

4.1.1 Determine the base premium by using the rate pages.

4.1.2 Add to 4.1.1 any townhouse/row house charge (if applicable).

4.1.3 The condominium discount is applied to 4.1.2 (if applicable).

4.1.4 The premium from 4.1.2 should then be adjusted for any revised limit of Coverage C (except Tenants and Condominiums).

4.1.5 The proper charge or credit for deductible is applied to the premium from 4.1.4. (This is the basic premium.)

4.1.6 The Year of Construction Factor is applied to the premium from 4.1.5 (if applicable). The dollar amount is applied to the 4.1.14 premium.

4.1.7 The Protective Device Credit is applied to the premium from 4.1.5 (if applicable). The dollar amount of credit is subtracted from the 4.1.14 premium.

4.1.8 The Multi-Line Discount is applied to the premium from 4.1.5 (if applicable). The dollar amount of credit is subtracted from the 4.1.14 premium.

4.1.9 The Claim Record/Persistency Rating Plan is applied to the premium from 4.1.5 (if applicable). The dollar amount is applied to the 4.1.14 premium.

4.1.10 The Home-Buyer Loyalty Credit is applied to the premium from 4.1.5 (if applicable). The dollar amount of credit is subtracted from the 4.1.14 premium.

4.1.11 The charge for replacement cost on contents is applied to the premium from 4.1.5 (if applicable). The dollar amount is applied to the 4.1.14 premium.

4.1.12 The Roof Surfacing Surcharge is applied to the premium from 4.1.5 (if applicable). The dollar amount is applied to the 4.1.14 premium.

4.1.13 The Woodburning Device Surcharge is applied to the premium from 4.1.11 (if applicable). The dollar amount is applied to the 4.1.14 premium.

**HORACE MANN INSURANCE COMPANY
TEACHERS INSURANCE COMPANY
ARKANSAS
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| **4.1.14** Add the additional premium for all mandatory or optional property coverages and all mandatory or optional liability coverages.

| **4.1.15** Apply the credit level factor to the premium from 4.1.14.

| **4.1.16** Add the installment fee amount when applicable.

4.2 Changes in Liability Limits

Liability coverage limits may be increased or decreased. The premiums are shown in the State Rate Pages.

4.3 Other Liability Exposures

Liability coverage for the following exposures is required if they exist. The additional premium is shown in the State Rate Pages.

4.3.1 Three or four family dwellings

4.3.2 All additional or secondary residence premises where the named insured or spouse maintains a residence, other than business or farm properties.

4.3.3 All residence employees of the named insured or spouse not covered or not required to be covered by workers' compensation insurance. A charge is required for residence employees in excess of two.

4.3.4 Incidental office, professional, private school or studio occupancies by the named insured on residential premises of the named insured. Refer to Rule 8.4.

4.4 Mid-term Changes

4.4.1 The limits of liability may be changed or coverages added or deleted during the policy term. Compute the premium on a pro rata basis using the same rates in effect when the current policy premiums were calculated.

4.4.2 Changes which result in return or additional premium of \$3 or less will not be billed or returned to the insured unless requested in writing.

4.5 Reserved for Future Use

4.6 Row and Townhouses

The premium for an eligible one or two family owner-occupied dwelling in a townhouse or row house is determined as shown in the State Rate Pages.

An eligible two family owner-occupied dwelling is considered two individual units when determining the number of family units within a fire division.

4.7 Reserved for Future Use

**HORACE MANN INSURANCE COMPANY
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4.8 Payment Plans

A payment plan is available if:

- a. the policy meets minimum premium requirements listed below:

<u>Plan</u>	<u>Minimum Premium</u>
Full	None
Two Pay	\$100
Three Pay	\$200
Four Pay	None

- b. the policy is not a mortgagee pay policy.

Refer to State Rate pages for installment fees.

4.9 Non-Sufficient Funds

Policyholders' checks for payment of premium that are returned due to non-sufficient funds (NSF) in the account from which the check was written will result in a service charge per occurrence.

Refer to State Rate Pages for NSF fees.

4.10 Electronic Fund Transfer

1. Installment payments by EFT shall be made on a monthly basis.
2. For new business, the initial payment shall be the equivalent of two months premium for the 12-month term; the remaining monthly payments shall be of equal amounts. For renewals, there shall be equal monthly payments.
3. A service fee of \$9.00 per 12-month period will be charged. This fee is earned when written and is not refundable.

RULE 5. DEDUCTIBLES

The deductible amount is shown on the Declarations Page; no endorsement is needed.

5.1 Flat Deductibles - All Perils

The policy may be issued with one of the following options at the premium credit or surcharge shown in the State Rate Pages.

<u>Deductible Amounts</u>	
<u>Forms 1,2,3</u>	<u>Forms 4&6</u>
\$ 750	\$ 500
1,000	750
1,500	1,000
2,500	1,500
5,000	2,500
1% of Coverage A	5,000

Base deductible - \$750

Base deductible \$500

**HORACE MANN INSURANCE COMPANY
TEACHERS INSURANCE COMPANY
ARKANSAS
HOMEOWNER RULES**

5.2 Reserved for Future Use

5.3 Wind and Hail Deductible – Forms 1, 2, 3

When a policy is issued with a \$1,000 deductible, the deductible amount that applies to wind and hail losses may be increased to 1% of the Coverage A amount. Apply the premium surcharge or credit shown in the State Rate Pages.

RULE 6. PREMIUM MODIFICATIONS

6.1 Reserved for Future Use

6.2 Reserved for Future Use

6.3 Woodburning Device Surcharge - All Forms

A surcharge will be applicable if the property has a woodburning device. The surcharge is shown in the State Rate Pages.

6.4 Year of Construction - Forms 1, 2, 3

Factors will apply to the basic policy premium depending upon the age of the dwelling. The age is determined by subtracting the year of construction from the effective date year. Refer to the State Rate Pages for Year of Construction factors.

6.5 Multi-Line Discount - All Forms

A discount to the basic policy premium will be allowed if the named insured has an auto, life, and/or annuity policy with us. Auto policies written on motorcycles, motorhomes, snowmobiles, utility trailers, recreational trailers, kit cars, antique vehicles, electric cars or golf carts will not qualify the homeowner policy for the discount. The discounts are shown in the State Rate Pages.

6.6 Reserved for Future Use

6.7 Protective Device Credits - All Forms

The premium credits shown in the State Rate Pages may be allowed for the installation of the following approved and properly maintained alarm systems:

Fire Alarm reporting to either the Fire Department or reporting to a Central Station

Burglar Alarm reporting to either the Police Department or reporting to a Central Station.

Fire and Burglar Alarms reporting to either the Police and Fire Departments, or reporting to a Central Station.

Only one discount from above may be applied per policy.

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Policyholders applying for the protective device discount must meet the following requirements:

- A. Documentation (i.e. statement from alarm company) must be provided that proves the applicant has contracted for services (i.e. Burglar and/or Fire) for which this discount applies. This discount must include the following four items:
 - 1. the client's name,
 - 2. the specific services that will be rendered,
 - 3. the specific location covered, and
 - 4. recent date (within 6 months of policy effective date)
- B. The documentation referenced in A. must be maintained in the agent's office and be available for audit.

6.8 Home-Buyer Loyalty Credit - Forms 3 & 4

A credit to the basic policy premium will be allowed if the named insured is insured with us under a HM-4 tenant policy and converts to a HM-3 homeowner policy or a HM-4 condominium owner policy without any interruption in coverage. This is a one-time credit for the initial policy term. The credit is shown in the State Rate Pages.

6.9 Roof Surfacing Surcharge - Forms 1, 2, 3

A surcharge will be applicable if the property has a shake shingle type roof. The surcharge is shown on the State Rate Pages.

6.10 Credit Level Rating - Forms 1, 2, 3

All Form 1, 2 and 3 policies are subject to credit level rating. The applicable rating level is determined using the credit score of the primary named insured. Level 7 should be used for applicants or policyholders who will not allow the use of their credit.

Refer to the State Rate Pages for the credit level factors.

6.11 Claim Record/Persistency Rating Plan - All Forms

A factor will apply to the basic policy premium based on the claim record and length of time insured with Horace Mann Insurance Companies.

- A. Consecutive years insured with us

The years insured with us are determined by the number of consecutive years (ending with the current renewal date) the named insured has had our homeowners, tenant or condominium policy covering the primary residence or its contents.

**HORACE MANN INSURANCE COMPANY
TEACHERS INSURANCE COMPANY
ARKANSAS
HOMEOWNER STATE RATE PAGES**

6.3 Woodburning Device Surcharge

6% - Minimum Charge: \$25.00

6.4 Year of Construction - Forms 1, 2 & 3

<u>Age in Years</u>	<u>Factor</u>	<u>Age in Years</u>	<u>Factor</u>
0 - 1	.80	6	.90
2	.82	7	.95
3	.84	8 - 34	1.00
4	.86	35 - 44	1.05
5	.88	45+	1.10

6.5 Multi-Line Discount - All Forms

A 16 percent discount applies if the policyholder is an educator and has at least one policy with us in two or more of the following lines: Auto, Life, and Annuity.

A 10 percent discount applies if the policyholder is a non-educator and has at least one policy with us in two or more of the following lines: Auto, Life, and Annuity.

A 10 percent discount applies if the policyholder is an educator and has at least one policy with us in only one of the following lines: Auto, Life, or Annuity.

An 8 percent discount applies if the policyholder is a non-educator and has at least one policy with us in only one of the following lines: Auto, Life, or Annuity.

6.7 Protective Device Credits - All Forms

	<u>% of credit</u>
Central Station Fire Alarm Systems	5%
Central Station Burglary Alarm Systems	5%

6.8 Home-Buyer Loyalty Credit - Forms 3 & 4 (Condo)

A 8 percent credit applies.

**HORACE MANN INSURANCE COMPANY
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ARKANSAS
HOMEOWNER STATE RATE PAGES**

Rates Per \$1,000 of Insurance

7.3	Private Structures			
	7.3.1 Increased Limit		\$4.00	
	Attach HM-48			
	7.3.2 Rented to Others		\$6.00	
	Attach ML-40			
7.4	Personal Property			
	7.4.1 Increased Limit		\$.50	
	Show Limit on Declarations Page			
	7.4.2 Reduced Limit		\$.50 Credit	
	Show limit on Declarations Page			
	7.4.3 In Rental Units		\$9.00	
	Attach ML-152			
7.5	Replacement Value - Personal Property			
	Increase Basic Policy Premium adjusted for any deductible charge or credit, insurance-to-value credit (HM-3), and any increased Coverage C charge (HM-3) by the following percentages:			
	HM-3	8%	-	Minimum Charge \$20
	HM-4	15%		Minimum Charge \$15
	Attach HM-55			
		<u>Amount of Insurance</u>	<u>Rate Per Amount</u>	<u>Max Add'l Amount</u>
7.6	Motorized Vehicles	\$1,000	\$6.00	None
	Attach ML-65			
7.7	Additional Living Costs & Loss of Rent	\$1,000	\$4.00	None
	Show Limit on Declarations Page			
7.8	Tenant's Improvements	\$1,000	\$4.00	None
	Attach ML-30			
7.9	Fire Dept. Service Charge	\$ 100	\$2.00	\$ 500
	Attach ML-30			

**HORACE MANN INSURANCE COMPANY
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ARKANSAS
HOMEOWNER STATE RATE PAGES**

7.14 Homeowner First Mortgage Disaster Coverage

<u>Mortgage Payment</u>	<u>Charge</u>
Up to \$500 a month	\$5.00
Each add'l \$250 a month	2.50

Attach CL-P06003

7.15 Additional Coverage Endorsement

<u>Policy Form</u>	<u>Charge</u>
HM-3	\$36.00
HM-4 (Tenant)	30.00
HM-4 (Condo)	32.00

Attach CC-H06040

7.16 Homeowners Association Loss Assessment Coverage

<u>Limit of Liability</u>	<u>Premium</u>
1st \$ 1,000	\$10.00
Next 4,000	6.00
Next 5,000	4.00
Each Add'l 5,000 (up to \$50,000)	2.00

Attach ML-50

7.17 Condominium Unit-Owners Supplemental Coverages

7.17.1 Additions and Alterations

Special Coverage - \$2.00

Attach HM-32

Increased Limit - Basic Coverage

Rates per \$1,000 of Insurance
\$2.00

Attach HM-31

Increased Limit - Special Coverage

\$3.00

Attach HM-32

Earthquake Coverage

See rates for Rule 7.1

Attach ML-54

Horace Mann and Teachers Combined Companies
ARKANSAS
Homeowner Indicated Rate Level Adjustment

Year Ending	Direct Earned Premium	Direct Incurred Losses	Unadjusted Loss Ratio	Premium Trend Factors	Adjusted Earned Premium (1)
9/30/2006	\$284,657	\$249,463	0.876	1.608	\$457,728
9/30/2007	\$276,827	\$29,826	0.108	1.536	\$425,206
9/30/2008	\$258,397	\$404,982	1.567	1.466	\$378,810
9/30/2009	\$246,887	\$301,911	1.223	1.391	\$343,420
9/30/2010	\$261,321	\$19,764	0.076	1.254	\$327,697

Totals:	\$1,328,089	\$1,005,946	0.757		\$1,932,861
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Year Ending	Actual Wind Losses	Loaded Wind Losses	Loss Development Factors	Historical Loss Trend Factor	Projected Loss Trend Factor
9/30/2006	\$125,079	\$125,079	1.007	1.684	1.279
9/30/2007	\$17,417	\$17,417	1.010	1.478	1.279
9/30/2008	\$212,751	\$212,751	1.027	1.298	1.279
9/30/2009	\$69,719	\$69,719	1.050	1.139	1.279
9/30/2010	\$11,549	\$11,549	1.332	1.000	1.279

Totals:	\$436,515	\$436,515			
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Year Ending	Adjusted Losses	Loss Adjustment Expenses	Adjusted Losses & LAE (2)	Adjusted Loss and LAE Ratio	Weight
9/30/2006	\$429,750	\$90,677	\$520,427	1.137	0.10
9/30/2007	\$45,971	\$9,700	\$55,670	0.131	0.15
9/30/2008	\$599,735	\$126,544	\$726,279	1.917	0.20
9/30/2009	\$444,349	\$93,758	\$538,107	1.567	0.25
9/30/2010	\$28,763	\$6,069	\$34,832	0.106	0.30

Totals:	\$1,548,568	\$326,748	\$1,875,315	0.940	1.00
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Five Year Weighted Adjusted Loss Ratio (3)	0.940
Permissible Loss Ratio (4)	0.599
Compliment of Credibility (5)	0.656
Credibility Factor (6)	0.418
Credibility Weighted Loss Ratio (7)	0.775

Fixed Expense Provision (8)	12.4%
Variable Expense (9)	27.7%

Indicated Rate Level Adjustment (10)	24.3%
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(1) Adjusted to current rate level by premium trend adjustment factors.

(2) Adjusted for loss development, trend, modeled wind and LAE.

(3) Using standard weights of 0.10, 0.15, 0.20, 0.25 & 0.30 applied to adjusted loss ratios for the experience period.

(4) Calculated from budgeted expense allocations and reinsurance load.

(5) Trended Permissible Loss Ratio as calculated in our "Compliment of Credibility".

(6) Using the formula $Z = (1.5 * P) / (P + 5000000)$, where P equals the adjusted premiums for the past five calendar years.

(7) Five year weighted adjusted loss ratio is credibility weighted with the trended expected loss ratio using the formula (5 Year Average Loss Ratio & LAE * Credibility Factor) + (Compliment of Credibility * (1 - Credibility Factor))

(8) Fixed expenses assuming 75% of Other Acquisition, 75% of General, and 100% of Re-insurance expenses are fixed.

(9) Variable expenses

(10) Indication calculated as: $(\text{Credibility Weighted LR} + \text{Fixed Exp}) / (1 - \text{Variable Exp}) - 1$

(1) Data

Unlagged earned premium, losses, and exposures were used in this indication. The loss development factors utilized in this indication were derived also using unlagged data.

(2) Premium Trend Adjustment Factors

These factors were applied to each fiscal year's earned premiums to bring them up to current rate level and to account for distributional shifts.

(3) Loss Trend

The loss trend was determined using the historical data. There are two steps- historical and projected trend. The losses were first trended from the midpoint of the experience period to the midpoint of the latest experience year, and then projects from the midpoint of the latest experience year to the midpoint of the projected period. The loss trend was then applied to the incurred losses.

(4) Average Annual Wind Loss Procedure

We separated our wind losses into hurricane and non-hurricane components. For the non-hurricane wind component, a long term ratio of non-hurricane wind losses to amount of insurance years was calculated. We then credibility weighted this factor with the ratio of the modeled average annual non-hurricane wind losses, produced by AIR/Clasic 2, to the amount of insurance years. Credibility was assigned to our data using the actuarially accepted $n/(n+k)$ formula. We then applied this credibility weighted factor to a countrywide non-hurricane wind loss to amount of insurance years factor based upon our most recent ten years of data. By using this approach we are able to balance the stability of a long-term estimate of wind potential with the responsiveness of more recent data. For the hurricane component we assigned 100% credibility to the ratio of the modeled hurricane losses, produced by AIR/Clasic 2, to the amount of insurance years. These hurricane and non-hurricane wind losses are included as a load to our indication for expected wind losses.

(5) Permissible Loss Ratio (PLR)

The Permissible Loss Ratio is calculated using the complement of our Budgeted Expense Ratio. The Budgeted Expense Ratio is developed after reviewing our latest

three years expense ratios derived from the Insurance Expense Exhibits. This expense ratio includes a 15.0% Profit and Contingency Loading. The Permissible Loss Ratio also includes an offset for Investment Income.

(6) Loss Ratio Credibility Procedure

First, the adjusted fiscal accident year loss ratios are credibility weighted using a 10-15-20-25-30 weighting scheme to get the Actual Loss Ratio (ALR).

The credibility assigned to the ALR is assigned using the formula: $Z = (1.5 * AEP) / (AEP + \$5,000,000)$ where Z is the credibility factor and AEP is 5 years total of Adjusted Earned Premium. The data is assumed to be fully credible if there is \$10 million in adjusted earned premiums over the experience period. The formula for the credibility weighted loss ratio is $CWLR = (ALR)(Z) + (PLR)(T)(1 - Z)$.

JUSTIFICATION FOR HOMEOWNER EFT FEES

	<u>Home</u>	
CW PIF 11/05		257,894
less 38% mortgagee pay		159,894
20% of remainder on EFT		31,979
Annual renewals		31,979
Processing Costs		\$58,982
Labor		\$46,761
Billing supplies & postage		\$12,221
Processing cost per renewal	\$	1.84
Investment income loss		\$13.84
Total Indicated cost	\$	15.68
Selected Charge	\$	9.00

Investment Income Loss		
Annual Inv Yield rate		4.54%
Monthly Inv Yield rate		0.38%
avg annual premium 11/05	\$	676.00
monthly premium	\$	56.33
# payments		12
Present value of monthly pmt		\$662.16
Investment income loss	\$	13.84

HORACE MANN INSURANCE COMPANIES

Calculation of Cost of Equity Capital
Using the Fama French Method

Market Beta	1.27
Market Risk Premium	6.67%
Total Market Risk	8.47%
Size Risk Premium	2.02%
Value Risk Premium	-0.73%
Rf	4.58%
FF k=	14.34%

Notes:

Total Market Risk = Market Beta * Market Risk Premium (1)

FF k (Fama French cost of equity capital) =

Total Market Risk + Size Risk Premium + Value Risk Premium + Rf

HORACE MANN INSURANCE COMPANIES

Calculation of Fair Rate of Return

Fama French Cost of Equity Capital (k)	14.34%
MV/BV (m)	1.08
Dividend Payout (d)	0.26
Fair return to firm	14.61%
Fair rate of return	$\frac{m * k}{d + (1-d)m}$

HORACE MANN INSURANCE COMPANIES
Determining Investment Income as a percent of Total Capital

Pre-tax Cost of Debt	13,591
Tax Rate	35%
After Tax Cost of Debt	8,834
Current Book Value of Debt	199,600
Cost of Debt	4.43%
Current Book Value of Equity	719,500
ROE	14.61%
Total Capital	919,100
WACC	12.40%

HORACE MANN INSURANCE COMPANIES
Calculation of Underwriting Profit Provision
Homeowners

(1) WACC	12.40%
(2) Estimated Investment Income on Capital	2.84%
(3) After-tax Operating Profit	9.56% = (1) - (2)
(4) Current Ratio of Gross Premium to Capital	72.20%
(5) After-tax Operating Profit to Premium	13.24% = (3) / (4)
(6) Investment Gain from Policy Cash Flow	0.90%
(7) Other P&C Income*	0.18%
(8) After-tax Underwriting Profit Provision	12.16% = (5) - (6) - (7)
(9) Tax Rate	35.00%
(10) Pre-tax Underwriting Profit Provision	18.71% = (8) / (1 - (9))
(11) Selected Pre-tax Underwriting Profit Provision	15.00%

*This accounts for other income earned by the corporation, primarily attributable to net commissions earned from partner product relationships.