

SERFF Tracking Number: ANPC-127039939 State: Arkansas
First Filing Company: American National General Insurance Company, State Tracking Number: EFT \$100
...
Company Tracking Number: 03-H-G-11-0063
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners
Project Name/Number: AR PPC-EXP/

Filing at a Glance

Companies: American National General Insurance Company, American National Property And Casualty Company
Product Name: Homeowners SERFF Tr Num: ANPC-127039939 State: Arkansas
TOI: 04.0 Homeowners SERFF Status: Closed-Filed State Tr Num: EFT \$100
Sub-TOI: 04.0000 Homeowners Sub-TOI Co Tr Num: 03-H-G-11-0063 State Status: Fees verified and received
Combinations
Filing Type: Rate/Rule Reviewer(s): Becky Harrington, Nancy Horton
Author: Heather Caldwell Disposition Date: 03/04/2011
Date Submitted: 02/23/2011 Disposition Status: Filed
Effective Date Requested (New): 05/27/2011 Effective Date (New): 05/27/2011
Effective Date Requested (Renewal): 05/27/2011 Effective Date (Renewal): 05/27/2011

State Filing Description:

General Information

Project Name: AR PPC-EXP Status of Filing in Domicile:
Project Number: Domicile Status Comments:
Reference Organization: Reference Number:
Reference Title: Advisory Org. Circular:
Filing Status Changed: 03/04/2011 Deemer Date:
State Status Changed: 02/23/2011 Submitted By: Heather Caldwell
Created By: Heather Caldwell
Corresponding Filing Tracking Number:
Filing Description:
American National Property And Casualty Company, NAIC #408-28401
American National General Insurance Company, NAIC #408-39942
Homeowners Insurance
Independent Filing of Rates and Rules
Filing #03-H-G-11-0063

American National Property And Casualty Company and American National General Insurance Company hereby files

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the following for use with our Homeowners Insurance Program:

Page Filed Edition
PPC-EXP 2-11

This page replaces the following page currently on file with your department:

Page Replaced Edition
PPC-EXP 3-09

We have added a new protection class exception rule. This new rule will allow properties rated with an ISO protection class of 8, 8B, or 9 to receive an exception to the class of the city with an additional factor applied if they are:

1. Located within 5 road miles of a responding fire department and/or located within 5 road miles of the servicing fire department; and
2. Located within 1,000 feet of a fire hydrant and/or for which 3,500 gallons of water are available for delivery to fight a fire.

Please see attached PPC-EXP manual page for complete details.

We propose this filing become effective May 27, 2011, for new business and renewal business. Please note that we have made a corresponding rental owners rate and rule filing in American National Property And Casualty Company with the same effective date.

If you have any questions regarding this filing, please contact me at 417-887-0220, extension #2379, fax #417-877-5014, or via my E-mail address listed below.

Please acknowledge receipt in your usual manner.

Sincerely,

Heather Caldwell
Regulatory Compliance Analyst I
417-887-4990, Ext. 2379
E-mail: hcaldwell@anpac.com

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 Company Tracking Number: 03-H-G-11-0063
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
 Product Name: Homeowners
 Project Name/Number: AR PPC-EXP/

Company and Contact

Filing Contact Information

Heather Caldwell, Regulatory Compliance Analyst
 Heather.Caldwell@anpac.com
 1949 E. Sunshine
 Springfield, MO 65899
 417-887-4990 [Phone] 2379 [Ext]
 417-877-5014 [FAX]

Filing Company Information

American National General Insurance Company
 American National Corporate Centre
 1949 East Sunshine
 Springfield, MO 65899-0251
 (417) 887-4990 ext. [Phone]

 American National Property And Casualty Company
 American National Corporate Centre
 1949 East Sunshine
 Springfield, MO 65899-0251
 (417) 887-4990 ext. [Phone]

CoCode: 39942
 Group Code: 408
 Group Name:
 FEIN Number: 43-1223793
 State of Domicile: Missouri
 Company Type: Property and Casualty
 State ID Number:
 CoCode: 28401
 Group Code: 408
 Group Name:
 FEIN Number: 43-1010895
 State of Domicile: Missouri
 Company Type: Property And Casualty
 State ID Number:

Filing Fees

Fee Required? Yes
 Fee Amount: \$100.00
 Retaliatory? No
 Fee Explanation: 1 Rate/Rule Filing X \$100 fee = \$100
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
American National Property And Casualty	\$100.00	02/23/2011	44982872

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Becky Harrington	03/04/2011	03/04/2011

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	Heather Caldwell	02/25/2011	02/25/2011

Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Maximum Increase Amounts	Note To Reviewer	Heather Caldwell	03/03/2011	03/03/2011
Maximum increase amounts	Note To Filer	Becky Harrington	02/28/2011	02/28/2011

SERFF Tracking Number: ANPC-127039939 State: Arkansas
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Disposition

Disposition Date: 03/04/2011
 Effective Date (New): 05/27/2011
 Effective Date (Renewal): 05/27/2011
 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):
American National General Insurance Company	16.400%	0.600%	\$3,165	377	\$568,079	14.500%	0.000%
Percent Change Approved:							
	Minimum:	%	Maximum:	%	Weighted Average:		%
American National Property And Casualty Company		20.400%	0.500%	\$46,181	4,871	\$8,935,699	20.000%
	-		Minimum:	%	Maximum:	%	
	3						

<i>SERFF Tracking Number:</i>	<i>ANPC-127039939</i>	<i>State:</i>	<i>Arkansas</i>
<i>First Filing Company:</i>	<i>American National General Insurance Company, ...</i>	<i>State Tracking Number:</i>	<i>EFT \$100</i>
<i>Company Tracking Number:</i>	<i>03-H-G-11-0063</i>		
<i>TOI:</i>	<i>04.0 Homeowners</i>	<i>Sub-TOI:</i>	<i>04.0000 Homeowners Sub-TOI Combinations</i>
<i>Product Name:</i>	<i>Homeowners</i>		
<i>Project Name/Number:</i>	<i>AR PPC-EXP/</i>		

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5
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Overall Rate Information for Multiple Company Filings

Overall Percentage Rate Indicated For This Filing	23.400%
Overall Percentage Rate Impact For This Filing	0.500%
Effect of Rate Filing-Written Premium Change For This Program	\$49,346
Effect of Rate Filing - Number of Policyholders Affected	5,248

SERFF Tracking Number: ANPC-127039939 State: Arkansas
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 Product Name: Homeowners
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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	Fire Protection Impact Statement	Filed	Yes
Supporting Document	Exhibits and Memorandum	Filed	Yes
Supporting Document	Supplemental Memorandum and Exhibit 2/25/11	Filed	Yes
Rate	Protection Class Exception Pages	Filed	Yes

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Company Tracking Number: 03-H-G-11-0063
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners
Project Name/Number: AR PPC-EXP/

Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 02/23/2011

Submitted Date 02/23/2011

Respond By Date

Dear Heather Caldwell,

This will acknowledge receipt of the captioned filing.

Objection 1

- Protection Class Exception Pages, PPC-EXP (2-11) (Rate)

Comment: The actuarial data to support the suburban rating factors is insufficient. Provide additional data showing the development of the factors.

Objection 2

- Fire Protection Impact Statement (Supporting Document)

Comment: Please confirm that insureds receiving the suburban rating rule will be required to provide proof of payment of subscription dues annually.

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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...
Company Tracking Number: 03-H-G-11-0063
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners
Project Name/Number: AR PPC-EXP/

Response Letter

Response Letter Status Submitted to State
Response Letter Date 02/25/2011
Submitted Date 02/25/2011

Dear Becky Harrington,

Comments:

In response to your objection received 2/23/11.

Response 1

Comments: As stated in the PPC-EXP Page,

II. For subscription fire departments, if a copy of the paid fire receipt is not furnished to the Home Office before the renewal processes, the policy will be changed to be Protection Class 10 as they are considered as having no qualified fire response. If no paid fire receipt is received with new business, the application will be rejected.

Also, we have programming in place to enforce this rule.

Related Objection 1

Applies To:

- Fire Protection Impact Statement (Supporting Document)

Comment:

Please confirm that insureds receiving the suburban rating rule will be required to provide proof of payment of subscription dues annually.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

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Product Name: Homeowners
Project Name/Number: AR PPC-EXP/

Response 2

Comments: Please see the attached supplemental memorandum and exhibits for the additional data.

Related Objection 1

Applies To:

- Protection Class Exception Pages, PPC-EXP (2-11) (Rate)

Comment:

The actuarial data to support the suburban rating factors is insufficient. Provide additional data showing the development of the factors.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: Supplemental Memorandum and Exhibit 2/25/11

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Thank you.

Sincerely,
Heather Caldwell

SERFF Tracking Number: ANPC-127039939 State: Arkansas
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...
Company Tracking Number: 03-H-G-11-0063
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners
Project Name/Number: AR PPC-EXP/

Note To Reviewer

Created By:

Heather Caldwell on 03/03/2011 08:14 AM

Last Edited By:

Becky Harrington

Submitted On:

03/04/2011 07:53 AM

Subject:

Maximum Increase Amounts

Comments:

Below is the response to the maximum increase amounts.

The number receiving the maximum increase amount (by line) are as follows:

ANP: 5 (20% capped)

ANG: 3 (14.5%)

Please let me know if you need any additional information.

Thank you,

Heather Caldwell

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Company Tracking Number: 03-H-G-11-0063
TOI: 04.0 Homeowners *Sub-TOI:* 04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners
Project Name/Number: AR PPC-EXP/

Note To Filer

Created By:

Becky Harrington on 02/28/2011 10:14 AM

Last Edited By:

Becky Harrington

Submitted On:

03/04/2011 07:53 AM

Subject:

Maximum increase amounts

Comments:

Please provide the number of insureds actually receiving the maximum increase amount.

SERFF Tracking Number: ANPC-127039939 State: Arkansas
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 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
 Product Name: Homeowners
 Project Name/Number: AR PPC-EXP/

Rate Information

Rate data applies to filing.

Filing Method: File & Use
Rate Change Type: Increase
Overall Percentage of Last Rate Revision: 5.700%
Effective Date of Last Rate Revision: 10/26/2010
Filing Method of Last Filing: File & 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):
American National General Insurance Company	N/A	16.400%	0.600%	\$3,165	377	\$568,079	14.500%	0.000%

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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 Product Name: Homeowners
 Project Name/Number: AR PPC-EXP/

				this Program:	this Program:	required):	required):
American National Property And Casualty Company	N/A	20.400%	0.500%	\$46,181	4,871	\$8,935,699	20.000% -37.500%

Overall Rate Information for Multiple Company Filings

Overall % Rate Indicated: 23.400%
Overall Percentage Rate Impact For This Filing: 0.500%
Effect of Rate Filing - Written Premium Change For This Program: \$49,346
Effect of Rate Filing - Number of Policyholders Affected: 5248

**AMERICAN NATIONAL PROPERTY AND CASUALTY COMPANY
 AMERICAN NATIONAL GENERAL INSURANCE COMPANY
 EXCEPTIONS TO THE ISO PROTECTION CLASS RULES
 (Applies to Homeowners and Rental Owners Only)**

- I. ISO changes are to be used with the announced effective date unless a more favorable class applies due to the specific exception.
- II. For subscription fire departments, if a copy of the paid fire receipt is not furnished to the Home Office before the renewal processes, the policy will be changed to be Protection Class 10 as they are considered as having no qualified fire response. If no paid fire receipt is received with new business, the application will be rejected.
- III. Suburban Protection Plan: For properties rated with an ISO Community Mitigation Classification of 8, 8B, or 9 that are:
 - 1. Located within 5 road miles of a responding fire department and/or located within 5 road miles of the servicing fire department; and
 - 2. Located within 1,000 feet of a fire hydrant and/or for which 3,500 gallons of water are available for delivery to fight a fire.

Use the Class for the city/town/fire district that will respond to a fire at the property, adjusted as stated below.

Risks qualifying for this plan will have a factor, varying by protection class as follows, applied to the all peril basic premium for dwelling forms and to the all peril basic premium for contents forms. Risks rated according to this rule will be assigned the protection class of the city/town according to this rule, followed by the letter "A".

City Class Assigned	Rating Factor	Suburban Protection Class
2	1.55	2A
3	1.55	3A
4	1.50	4A
5	1.50	5A
6	1.30	6A
7	1.15	7A
8	1.05	8A

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Supporting Document Schedules

	Item Status:	Status Date:
Satisfied - Item: H-1 Homeowners Abstract Comments: Attachments: Form H-1 (ANPAC).pdf Form H-1 (ANG).pdf	Filed	03/04/2011
Satisfied - Item: HPCS-Homeowners Premium Comparison Survey Comments: Attachments: HO_Survey_FORM_HPCS- (HO).xls HO_Survey_FORM_HPCS- (GH0).xls	Filed	03/04/2011
Satisfied - Item: NAIC loss cost data entry document Comments: Attachments: RF-1 (ANPAC).pdf RF-1 (ANG).pdf	Filed	03/04/2011
Satisfied - Item: Fire Protection Impact Statement Comments: Attachment: AR- Fire Protection Impact Statement.pdf	Filed	03/04/2011

SERFF Tracking Number: ANPC-127039939 State: Arkansas
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Company Tracking Number: 03-H-G-11-0063
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners
Project Name/Number: AR PPC-EXP/

	Item Status:	Status Date:
Satisfied - Item: Exhibits and Memorandum	Filed	03/04/2011
Comments:		
Attachments:		
AR Home Actuarial Memorandum.pdf		
Home Exhibits.pdf		

	Item Status:	Status Date:
Satisfied - Item: Supplemental Memorandum and Exhibit 2/25/11	Filed	03/04/2011
Comments:		
Attachments:		
Supplemental Memo.pdf		
Supplemental Exhibit.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 American National Property And Casualty Company

NAIC No. 28401 GROUP No. 408

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

We have an ongoing program to determine coverage on homes for new business and existing customers. We use estimating products developed by Marshall & Swift/Boeckh Company to help keep our homes properly insured and provide competitive rates. In addition, we started a program in 2005 to insure our homes to their value at the end of the policy term, instead of at the beginning of the policy term.

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 the Marshall & Swift/Boeckh RCT System. This program started in 2003. Before this change we used the Boeckh Insurance to Value System.

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 offer two options: Replacement Cost and Modified Replacement Cost. Replacement Cost is available if the market value is at least 80% of the replacement cost. Modified Replacement is used to insure the home for its current market value instead of replacement cost.

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

We use the Marshall & Swift/Boeckh Residential Building Cost Insurance Index at each renewal. This procedure is discussed in General Rule XIX.

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

a. Fire Extinguisher	<u>0</u>	%
b. Burglar Alarm	<u>5</u>	%
c. Smoke Alarm	<u>0</u>	%
d. Insured who has both homeowners and auto with your company	<u>0</u>	%
e. Deadbolt Locks	<u>0</u>	%
f. Window or Door Locks	<u>0</u>	%
g. Other (Specify)	<u>0</u>	%
Burglar Alarm to Police Dept.	<u>10</u>	%
Fire Alarm to Fire Dept.	<u>10</u>	%

6. Are there any areas in the State of Arkansas in which your company will not write homeowners insurance?

No

If so, state areas and explain reason for not writing N/A

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

<u>FORM</u>	<u>PREMIUM VOLUME</u>
SH-3	\$4,199,762
SH-4	\$59,076
SH-6	\$13,009
SH-7	\$182,695

8. Do you write homeowner risks which have aluminum, steel or vinyl siding? Yes

9. Is there a surcharge on risks with wood heat? No

If yes, state surcharge N/A

Does the surcharge apply to conventional fire places? N/A

If yes, state surcharge N/A

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

Heather Caldwell

Signature

Heather Caldwell

Printed Name

Regulatory Compliance Analyst I

Title

417-887-4990 ext. 2379

Telephone Number

hcaldwell@anpac.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 American National General Insurance Company

NAIC No. 39942 GROUP No. 408

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

We have an ongoing program to determine coverage on homes for new business and existing customers. We use estimating products developed by Marshall & Swift/Boeckh Company to help keep our homes properly insured and provide competitive rates. In addition, we started a program in 2005 to insure our homes to their value at the end of the policy term, instead of at the beginning of the policy term.

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 the Marshall & Swift/Boeckh RCT System. This program started in 2003. Before this change we used the Boeckh Insurance to Value System.

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 offer two options: Replacement Cost and Modified Replacement Cost. Replacement Cost is available if the market value is at least 80% of the replacement cost. Modified Replacement is used to insure the home for its current market value instead of replacement cost.

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

We use the Marshall & Swift/Boeckh Residential Building Cost Insurance Index at each renewal. This procedure is discussed in General Rule XIX.

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

a. Fire Extinguisher	<u>0</u>	%
b. Burglar Alarm	<u>5</u>	%
c. Smoke Alarm	<u>0</u>	%
d. Insured who has both homeowners and auto with your company	<u>0</u>	%
e. Deadbolt Locks	<u>0</u>	%
f. Window or Door Locks	<u>0</u>	%
g. Other (Specify)	<u>0</u>	%
Burglar Alarm to Police Dept.	<u>10</u>	%
Fire Alarm to Fire Dept.	<u>10</u>	%

6. Are there any areas in the State of Arkansas in which your company will not write homeowners insurance?

No
If so, state areas and explain reason for not writing N/A

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

FORM	PREMIUM VOLUME
SH-3	\$263,354
SH-4	\$4,897
SH-6	\$0

8. Do you write homeowner risks which have aluminum, steel or vinyl siding? Yes

9. Is there a surcharge on risks with wood heat? No

If yes, state surcharge N/A

Does the surcharge apply to conventional fire places? N/A

If yes, state surcharge N/A

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

Heather Caldwell
Signature

Heather Caldwell
Printed Name

Regulatory Compliance Analyst I
Title

417-887-4990 ext. 2379
Telephone Number

hcaldwell@anpac.com
Email Address

NAIC Number: 28401
 Company Name: American National Property And Casualty Company
 Contact Person: Kelly Bennett
 Telephone No.: 417-887-4990 ext. 2009
 Email Address: kbennett@anpac.com
 Effective Date: 5/27/2011

**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	\$518.00	\$621.00	\$519.00	\$624.00	\$660.00	\$792.00	\$873.00	\$1,048.00	\$665.00	\$799.00	\$635.00	\$762.00	\$632.00	\$758.00	\$618.00	\$742.00	\$711.00	\$853.00
	\$120,000	\$645.00	\$774.00	\$647.00	\$777.00	\$822.00	\$987.00	\$1,088.00	\$1,306.00	\$829.00	\$995.00	\$791.00	\$950.00	\$787.00	\$945.00	\$770.00	\$924.00	\$886.00	\$1,063.00
	\$160,000	\$785.00	\$942.00	\$788.00	\$946.00	\$1,001.00	\$1,201.00	\$1,324.00	\$1,590.00	\$1,009.00	\$1,211.00	\$963.00	\$1,156.00	\$958.00	\$1,150.00	\$937.00	\$1,125.00	\$1,078.00	\$1,294.00
6	\$80,000	\$626.00	\$736.00	\$628.00	\$739.00	\$798.00	\$939.00	\$1,056.00	\$1,242.00	\$804.00	\$947.00	\$768.00	\$903.00	\$764.00	\$899.00	\$747.00	\$879.00	\$859.00	\$1,011.00
	\$120,000	\$780.00	\$918.00	\$782.00	\$921.00	\$994.00	\$1,170.00	\$1,315.00	\$1,548.00	\$1,002.00	\$1,179.00	\$956.00	\$1,126.00	\$952.00	\$1,120.00	\$931.00	\$1,095.00	\$1,071.00	\$1,260.00
	\$160,000	\$949.00	\$1,117.00	\$952.00	\$1,121.00	\$1,210.00	\$1,424.00	\$1,601.00	\$1,884.00	\$1,220.00	\$1,435.00	\$1,164.00	\$1,370.00	\$1,158.00	\$1,363.00	\$1,133.00	\$1,333.00	\$1,303.00	\$1,533.00
9	\$80,000	\$1,211.00	\$1,290.00	\$1,215.00	\$1,294.00	\$1,544.00	\$1,645.00	\$2,043.00	\$2,176.00	\$1,557.00	\$1,658.00	\$1,486.00	\$1,582.00	\$1,478.00	\$1,574.00	\$1,446.00	\$1,540.00	\$1,663.00	\$1,771.00
	\$120,000	\$1,509.00	\$1,608.00	\$1,514.00	\$1,613.00	\$1,924.00	\$2,049.00	\$2,546.00	\$2,712.00	\$1,940.00	\$2,066.00	\$1,851.00	\$1,972.00	\$1,842.00	\$1,962.00	\$1,802.00	\$1,919.00	\$2,072.00	\$2,207.00
	\$160,000	\$1,837.00	\$1,957.00	\$1,843.00	\$1,963.00	\$2,342.00	\$2,494.00	\$3,099.00	\$3,301.00	\$2,361.00	\$2,515.00	\$2,253.00	\$2,400.00	\$2,242.00	\$2,388.00	\$2,193.00	\$2,335.00	\$2,522.00	\$2,686.00

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	\$74.00	\$74.00	\$74.00	\$74.00	\$74.00	\$74.00	\$74.00	\$74.00	\$74.00	\$74.00	\$74.00	\$74.00	\$74.00	\$74.00	\$74.00	\$74.00	\$92.00	\$92.00
	\$15,000	\$93.00	\$93.00	\$93.00	\$93.00	\$93.00	\$93.00	\$93.00	\$93.00	\$93.00	\$93.00	\$93.00	\$93.00	\$93.00	\$93.00	\$93.00	\$93.00	\$115.00	\$115.00
	\$25,000	\$122.00	\$122.00	\$122.00	\$122.00	\$122.00	\$122.00	\$122.00	\$122.00	\$122.00	\$122.00	\$122.00	\$122.00	\$122.00	\$122.00	\$122.00	\$122.00	\$151.00	\$151.00
6	\$5,000	\$74.00	\$74.00	\$74.00	\$74.00	\$74.00	\$74.00	\$74.00	\$74.00	\$74.00	\$74.00	\$74.00	\$74.00	\$74.00	\$74.00	\$74.00	\$74.00	\$92.00	\$92.00
	\$15,000	\$93.00	\$93.00	\$93.00	\$93.00	\$93.00	\$93.00	\$93.00	\$93.00	\$93.00	\$93.00	\$93.00	\$93.00	\$93.00	\$93.00	\$93.00	\$93.00	\$115.00	\$115.00
	\$25,000	\$122.00	\$122.00	\$122.00	\$122.00	\$122.00	\$122.00	\$122.00	\$122.00	\$122.00	\$122.00	\$122.00	\$122.00	\$122.00	\$122.00	\$122.00	\$122.00	\$151.00	\$151.00
9	\$5,000	\$110.00	\$110.00	\$110.00	\$110.00	\$110.00	\$110.00	\$110.00	\$110.00	\$110.00	\$110.00	\$110.00	\$110.00	\$110.00	\$110.00	\$110.00	\$110.00	\$136.00	\$136.00
	\$15,000	\$138.00	\$138.00	\$138.00	\$138.00	\$138.00	\$138.00	\$138.00	\$138.00	\$138.00	\$138.00	\$138.00	\$138.00	\$138.00	\$138.00	\$138.00	\$138.00	\$171.00	\$171.00
	\$25,000	\$182.00	\$182.00	\$182.00	\$182.00	\$182.00	\$182.00	\$182.00	\$182.00	\$182.00	\$182.00	\$182.00	\$182.00	\$182.00	\$182.00	\$182.00	\$182.00	\$225.00	\$225.00

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="0"/> %	Deadbolt Lock	<input type="text" value="0"/> %
Burglar Alarm	<input type="text" value="5"/> %	Window Locks	<input type="text" value="0"/> %
Smoke Alarm	<input type="text" value="0"/> %	\$1,000 Deductible	<input type="text" value="Base"/> %
		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 Number: 39942
 Company Name: American National General Insurance Company
 Contact Person: Kelly Bennett
 Telephone No.: 417-887-4990 ext. 2009
 Email Address: kbennett@anpac.com
 Effective Date: 5/27/2011

**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	\$497.00	\$597.00	\$499.00	\$599.00	\$633.00	\$760.00	\$838.00	\$1,007.00	\$639.00	\$767.00	\$610.00	\$732.00	\$607.00	\$728.00	\$593.00	\$712.00	\$682.00	\$819.00
	\$120,000	\$619.00	\$743.00	\$621.00	\$746.00	\$789.00	\$948.00	\$1,045.00	\$1,254.00	\$796.00	\$955.00	\$760.00	\$912.00	\$756.00	\$907.00	\$739.00	\$887.00	\$850.00	\$1,021.00
	\$160,000	\$754.00	\$905.00	\$756.00	\$908.00	\$961.00	\$1,153.00	\$1,272.00	\$1,527.00	\$969.00	\$1,163.00	\$924.00	\$1,110.00	\$920.00	\$1,104.00	\$900.00	\$1,080.00	\$1,035.00	\$1,242.00
6	\$80,000	\$601.00	\$707.00	\$603.00	\$709.00	\$766.00	\$901.00	\$1,014.00	\$1,193.00	\$772.00	\$909.00	\$737.00	\$867.00	\$733.00	\$863.00	\$717.00	\$844.00	\$825.00	\$971.00
	\$120,000	\$749.00	\$881.00	\$751.00	\$884.00	\$954.00	\$1,123.00	\$1,263.00	\$1,486.00	\$962.00	\$1,132.00	\$918.00	\$1,080.00	\$914.00	\$1,075.00	\$894.00	\$1,052.00	\$1,028.00	\$1,210.00
	\$160,000	\$911.00	\$1,072.00	\$914.00	\$1,076.00	\$1,161.00	\$1,367.00	\$1,537.00	\$1,809.00	\$1,171.00	\$1,378.00	\$1,117.00	\$1,315.00	\$1,112.00	\$1,309.00	\$1,088.00	\$1,280.00	\$1,251.00	\$1,472.00
9	\$80,000	\$1,163.00	\$1,238.00	\$1,167.00	\$1,243.00	\$1,482.00	\$1,579.00	\$1,962.00	\$2,090.00	\$1,494.00	\$1,592.00	\$1,426.00	\$1,519.00	\$1,419.00	\$1,512.00	\$1,388.00	\$1,478.00	\$1,597.00	\$1,701.00
	\$120,000	\$1,449.00	\$1,543.00	\$1,454.00	\$1,548.00	\$1,847.00	\$1,967.00	\$2,445.00	\$2,604.00	\$1,862.00	\$1,983.00	\$1,777.00	\$1,893.00	\$1,768.00	\$1,884.00	\$1,730.00	\$1,842.00	\$1,989.00	\$2,119.00
	\$160,000	\$1,763.00	\$1,878.00	\$1,769.00	\$1,885.00	\$2,248.00	\$2,394.00	\$2,975.00	\$3,169.00	\$2,266.00	\$2,414.00	\$2,163.00	\$2,304.00	\$2,152.00	\$2,293.00	\$2,105.00	\$2,242.00	\$2,421.00	\$2,579.00

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	\$71.00	\$71.00	\$71.00	\$71.00	\$71.00	\$71.00	\$71.00	\$71.00	\$71.00	\$71.00	\$71.00	\$71.00	\$71.00	\$71.00	\$71.00	\$71.00	\$88.00	\$88.00
	\$15,000	\$89.00	\$89.00	\$89.00	\$89.00	\$89.00	\$89.00	\$89.00	\$89.00	\$89.00	\$89.00	\$89.00	\$89.00	\$89.00	\$89.00	\$89.00	\$89.00	\$110.00	\$110.00
	\$25,000	\$118.00	\$118.00	\$118.00	\$118.00	\$118.00	\$118.00	\$118.00	\$118.00	\$118.00	\$118.00	\$118.00	\$118.00	\$118.00	\$118.00	\$118.00	\$118.00	\$145.00	\$145.00
6	\$5,000	\$71.00	\$71.00	\$71.00	\$71.00	\$71.00	\$71.00	\$71.00	\$71.00	\$71.00	\$71.00	\$71.00	\$71.00	\$71.00	\$71.00	\$71.00	\$71.00	\$88.00	\$88.00
	\$15,000	\$89.00	\$89.00	\$89.00	\$89.00	\$89.00	\$89.00	\$89.00	\$89.00	\$89.00	\$89.00	\$89.00	\$89.00	\$89.00	\$89.00	\$89.00	\$89.00	\$110.00	\$110.00
	\$25,000	\$118.00	\$118.00	\$118.00	\$118.00	\$118.00	\$118.00	\$118.00	\$118.00	\$118.00	\$118.00	\$118.00	\$118.00	\$118.00	\$118.00	\$118.00	\$118.00	\$145.00	\$145.00
9	\$5,000	\$106.00	\$106.00	\$106.00	\$106.00	\$106.00	\$106.00	\$106.00	\$106.00	\$106.00	\$106.00	\$106.00	\$106.00	\$106.00	\$106.00	\$106.00	\$106.00	\$131.00	\$131.00
	\$15,000	\$133.00	\$133.00	\$133.00	\$133.00	\$133.00	\$133.00	\$133.00	\$133.00	\$133.00	\$133.00	\$133.00	\$133.00	\$133.00	\$133.00	\$133.00	\$133.00	\$164.00	\$164.00
	\$25,000	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00	\$215.00	\$215.00

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="0"/> %	Deadbolt Lock	<input type="text" value="0"/> %
Burglar Alarm	<input type="text" value="5"/> %	Window Locks	<input type="text" value="0"/> %
Smoke Alarm	<input type="text" value="0"/> %	\$1,000 Deductible	<input type="text" value="Base"/> %
		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 # **03-H-G-11-0063**

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

	Company Name		Company NAIC Number
3. A.	American National Property And Casualty Company	B.	408-28401

	Product Coding Matrix Line of Business (i.e., Type of Insurance)		Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)
4. A.	4.0 Homeowners	B.	4.0000 Homeowners Sub-TOI Combinations

5.

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	FOR LOSS COSTS ONLY				
			(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
SH-3 & SH-7	20.5%	0.6% (uncapped) 0.5% (capped)					
SH-4 & SH-6	-4.4%	0.0%					
TOTAL OVERALL EFFECT	20.4%	0.6% (uncapped) 0.5% (capped)					

6. 5 Year History Rate Change History

Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
2005	5263	N/A	N/A	3738	1174	31.4%	49.3%
2006	5267	N/A	N/A	3748	2511	67.0%	60.5%
2007	5142	-0.0%	3/1/07	3728	1635	43.8%	55.4%
2008	5021	-2.9%	5/14/08	3893	11869	304.9%	102.2%
2009	4950	9.6%	6/24/09	3789	2643	69.8%	90.3%

7.

Expense Constants	Selected Provisions
A. Total Production Expense	16.6%
B. General Expense	0.9%
C. Taxes, License & Fees	3.0%
D. Underwriting Profit & Contingencies	11.9%
E. Other (explain) Reinsure Exp	4.3%
F. TOTAL	36.7%

8. N Apply Lost Cost Factors to Future filings? (Y or N)

9. 20.0% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): _____ 017 _____

10. -37.5 Estimated Maximum Rate Decrease for any Insured (%). Territory (if applicable): _____ 017 _____

NAIC LOSS COST DATA ENTRY DOCUMENT

1. This filing transmittal is part of Company Tracking # **03-H-G-11-0063**

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

		Company Name		Company NAIC Number
3.	A.	American National General Insurance Company	B.	408-39942

		Product Coding Matrix Line of Business (i.e., Type of Insurance)		Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)
4.	A.	4.0 Homeowners	B.	4.0000 Homeowners Sub-TOI Combinations

5.

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	FOR LOSS COSTS ONLY				
			(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
SH-3	16.2%	0.6%					
SH-4 & SH-6	1.8%	0.0%					
TOTAL OVERALL EFFECT	16.4%	0.6%					

6. 5 Year History Rate Change History

Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
2005	279	N/A	N/A	277	-35	-12.6%	234.6%
2006	210	N/A	N/A	249	124	49.7%	94.9%
2007	119	48.8%	3/1/07	235	56	23.7%	43.1%
2008	188	-44.1%	5/14/08	179	299	166.4%	81.8%
2009	314	1.0%	6/24/09	167	97	58.0%	80.7%

7.

Expense Constants	Selected Provisions
A. Total Production Expense	16.6%
B. General Expense	0.9%
C. Taxes, License & Fees	3.0%
D. Underwriting Profit & Contingencies	11.9%
E. Other (explain) Reinsure Exp	4.3%
F. TOTAL	36.7%

8. N Apply Lost Cost Factors to Future filings? (Y or N)
9. 14.5% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): 017
10. 0.0% Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): N/A

Fire Protection Impact Statement
American National Property And Casualty Company
American National General Insurance Company
Homeowners
Rental Owners

Exceptions to the ISO Protection Class Rules

Rule II: Subscription Fire Departments

By making available lower insurance premiums to applicants that purchase fire department service (by subscription) and require a paid fire receipt with their renewal, we are also putting more dollars (subscription payments) into the hands of their serving fire department(s).

Rule III: Suburban Protection Plan

All of us know how devastating a fire, accident, or medical emergency can be to our families, our homes, and even our livelihoods and how much is dependent on our local fire departments to mitigate or prevent loss of life or property. While most people realize the vital importance of fire departments, some people already insured and especially those buying a first home may not realize that the fire protection service they support with their tax dollars (or by paid subscription) may lower their insurance premiums. By supporting their local fire protection services, those risks meeting certain criteria, can realize some return on those tax dollars even if they are fortunate enough never to have a fire, accident, or medical emergency.

American National Property and Casualty Company
American National General Insurance Company
Arkansas
Homeowners
Actuarial Memorandum

The purpose of this filing is to put into effect a new public protection class exception definition. The current public protection class exception plan is being removed in this filing replaced with the proposed plan. Replacing the current exception plan will have an overall premium impact of +0.6% with a revenue effect of \$57,440. With a 20% cap, the capped increase is +0.5% with a revenue effect of \$49,347. This capping procedure will not apply to changes in coverage or to changes in risk characteristics of the insured. In other words, some policyholders may see premium increases in excess of 20% of last year's premium. The new exception to the ISO public protection classifications is the Suburban Protection plan. This new plan is being implemented to more accurately judge suburban policies' risk for fire damage.

This memorandum and accompanying exhibits describe the underlying data and ratemaking methodologies used to develop our overall combined ANPAC and ANGIC Homeowners indication of 23.4%.

Exhibit I – Rate Level Indications – Rate level indications are displayed on Page 1 of this exhibit. We are combining the experience for American National Property And Casualty Company (ANPAC) and American National General Insurance Company (ANGIC). Earned Premiums in Column (2) exclude Earthquake, Write-off, and Scheduled Personal Property premiums. Accident year losses in Column (5) exclude Wind/Hail, Liability, and Catastrophe losses. Rows (11.2), (11.3), and (11.4) display provisions for these excluded losses which are described on Page 12 of Exhibit III. The total projected loss ratio is further modified for loss adjustment expenses, and the Projected Loss and LAE ratio is credibility weighted with the Trended Permissible Loss Ratio. The standard used for full credibility is 40,000 earned house years.

Exhibit II – Premium Adjustments – Premium trend is the product of the current amount factor and the trended amount factor. The current amount factor is calculated as the average policy amount relativity (APAR) at 6/30/09 indexed to the average APAR at the midpoint of each year. The trended amount factor is calculated as the selected annual TAF change trended from the average earned date 6/30/09 to 9/28/2011. We also adjust our premium trend for an insurance to value determination change using a standardized cost estimator. The All Forms premium trend factors shown in Column (3) of Exhibit I are premium-weighted from the Dwelling and Contents factors.

Exhibit III – Loss Adjustments – Page 1 of this exhibit displays our loss trend factors for Dwelling (SH-3 and SH-7) and Contents (SH-4 and SH-6) Forms separately. The data supporting our loss trends is ISS Fast Track data and excludes catastrophes. Loss trend is the product of the Current Cost Factor (CCF) and the Trended Cost Factor (TCF). The CCF adjusts the cost level existing at the midpoint of each previous accident year to the cost level existing at the midpoint of the latest experience period. The CCF is calculated as the selected CCF annual change trended from the mid-point of each respective year to 6/30/09.

The TCF adjusts the cost level at 6/30/09 to the cost level expected at 9/28/2011. It is calculated by trending the selected TCF annual change to the appropriate cost date. Pages 2-5 display the annual growth factors for various exponential fits for both Arkansas and Countrywide.

American National Property and Casualty Company
American National General Insurance Company
Arkansas
Homeowners
Actuarial Memorandum

Credibility-weighted factors are displayed on pages 6 and 7. The credibility procedure is based on the variance of the residuals from each exponential fit. Specifically, the inverse of the variance for both Arkansas and Countrywide is determined and the credibility weight is calculated as the proportion of each source's variance inverse to the total. For example, if the variance for Arkansas is X and the variance for Countrywide is Y, then the weight for Arkansas is calculated as $(1/X)/[(1/X)+(1/Y)]$. After developing the credibility-weighted change, an annual change is selected based on recent trends. At the bottom of pages 6 and 7, our selected annual CCF and TCF changes are displayed for Dwelling and Contents forms, respectively. The All Forms loss trend factors shown in Column (8) of Exhibit I are premium weighted from the Dwelling and Contents factors on Page 8. Page 9 displays the data utilized to calculate the companywide loss adjustment expense factors used in Exhibit I. Companywide calendar year data is used since Arkansas's data is not fully credible.

Pages 10 and 11 show the development of the wind/hail loss ratio. The wind/hail provision is based on 16 years of Arkansas wind/hail experience. The wind/hail frequency and severity are calculated for each year from 1/1/94 to 12/31/09. The severities have been developed to ultimate and have been adjusted for inflation using the annual changes in the average policy amount limits.

Exhibit IV – Profit and Expense Provisions – Pages 1-2 of this exhibit develop the underwriting profit provision. This factor is based upon the estimated effect of investment earnings on unearned premium reserves and loss reserves. The figure for expected yield is the risk free rate of 1.5% to avoid exposing policyholders to investment risk. Page 3 develops our actual underwriting expense, by account, for three years. This data, combined with the allowance for underwriting profit, allows the calculation of a permissible loss and LAE ratio for Exhibit I. The expenses are further broken out into fixed and variable components. The tax rate shown was computed as described on Page 4 of this exhibit.

Exhibit V – Proposed Suburban Protection Plan Charges – This exhibit displays the proposed charges for the Suburban Protection Plan.

American National Property And Casualty Company
American National General Insurance Company
Homeowners
Arkansas
Rate Level Indication

Year Ending (1)	Earned Premium at Current Rate Level (2)	Premium Trend (3)	Earned Premium at Current Rate Level (Incl. Premium Trend) (4) = (2) * (3)	Undeveloped Accident Year Losses (5)	Loss Development Factor (6)	Developed Accident Year Losses (7)=(5)*(6)	Loss Cost Trend (6)	Projected Losses (7) = (5) * (6)	Projected Loss Ratio (10) = (9) / (4)
12/31/2005	4,548,176	1.3820	6,285,375	843,163	1.0000	843,163	1.8001	1,517,761	24.1%
12/31/2006	4,432,237	1.2816	5,680,280	1,181,765	1.0000	1,181,765	1.6474	1,946,836	34.3%
12/31/2007	4,432,110	1.2135	5,378,292	988,811	1.0000	988,811	1.4972	1,480,427	27.5%
12/31/2008	4,406,562	1.1712	5,161,110	1,732,720	1.0100	1,750,048	1.3619	2,383,446	46.2%
12/31/2009	4,531,269	1.1133	5,044,630	1,231,600	1.0403	1,281,233	1.2351	1,582,501	31.4%
(11.1) Projected Non-Wind/Hail or Catastrophe Loss Ratio = Weighted Avg of (10) by (4)									32.3%
(11.2) Projected Wind/Hail Loss Ratio (Dwelling Forms Only)									35.1%
(11.3) Non-Wind/Hail Catastrophe Loss Ratio									1.7%
(11.4) Liability Loss Ratio									2.0%
(12) Total Projected Loss Ratio									70.7%
(13) Projected LAE Ratio to Losses									16.0%
(14) Total Projected Loss and LAE Ratio = (12) * [1+(13)]									82.0%
(15) Trended Permissible Loss Ratio									66.8%
(16) Dwelling Exposures									26,536
(17) Credibility of Experience Period w/ Full Credibility = 40,000 Exposures									0.814
(18) Credibility Weighted Loss & LAE Ratio = (14)*(17) + (15)* [1- (17)]									79.2%
(19.1) Projected Variable Expense Ratio									20.5%
(19.2) Projected Fixed Expense Ratio									4.3%
(19.3) Profit Provision									11.9%
(20) Indicated Rate Level Change = [(18) + (19.2)]/[1 - (19.1) - (19.3)] - 1									23.4%

American National Property and Casualty Company
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Premium Trend - APAR

Form (1)	Year Ending (2)	Avg. Policy Amount Relativity (3)	4-Year Exponential Fit (4)	Fitted Annual Change (5)	Selected TAF Annual Change (6)	Current Amount Factor (7)	Trended Amount Factor (8)	Standardized Cost Factor (9)	Premium Trend (10)=(7)*(8)*(9)
Dwelling	12/31/2005	1.0303	1.0728	4.26%	4.26%	1.2251	1.0980	1.0315	1.3875
	12/31/2006	1.1116	1.1184	4.26%		1.1354	1.0980	1.0315	1.2860
	12/31/2007	1.1755	1.1660	4.26%		1.0737	1.0980	1.0315	1.2160
	12/31/2008	1.2182	1.2156	4.26%		1.0361	1.0980	1.0315	1.1735
	12/31/2009	1.2622	1.2673	4.26%		1.0000	1.0980	1.0157	1.1153
Contents	12/31/2005	1.1897	1.1695	-0.91%	-0.91%	0.9712	0.9797	1.0000	0.9515
	12/31/2006	1.1934	1.1588	-0.91%		0.9682	0.9797	1.0000	0.9485
	12/31/2007	1.1096	1.1483	-0.91%		1.0413	0.9797	1.0000	1.0202
	12/31/2008	1.1157	1.1378	-0.91%		1.0356	0.9797	1.0000	1.0146
	12/31/2009	1.1554	1.1275	-0.91%		1.0000	0.9797	1.0000	0.9797

**American National Property and Casualty
American National General Insurance Company
Homeowners
Arkansas
Combined Premium Trend**

Form (1)	Year Ending (2)	Earned Premium at Present Rates (3)	Premium Trend (4)	Trended Premium at Present Rates (5) = (3)*(4)
Dwelling	12/31/2005	4,490,747	1.3875	6,230,733
	12/31/2006	4,374,675	1.2860	5,625,682
	12/31/2007	4,374,831	1.2160	5,319,855
	12/31/2008	4,344,778	1.1735	5,098,425
	12/31/2009	4,464,830	1.1153	4,979,540
Contents	12/31/2005	57,429	0.9515	54,643
	12/31/2006	57,562	0.9485	54,598
	12/31/2007	57,279	1.0202	58,437
	12/31/2008	61,784	1.0146	62,685
	12/31/2009	66,439	0.9797	65,090
All Forms	12/31/2005	4,548,176	1.3820	6,285,375
	12/31/2006	4,432,237	1.2816	5,680,280
	12/31/2007	4,432,110	1.2135	5,378,292
	12/31/2008	4,406,562	1.1712	5,161,110
	12/31/2009	4,531,269	1.1133	5,044,630

American National Property and Casualty Company
American National General Insurance Company

Homeowners

Arkansas

Loss Trends

Dwelling Forms

<u>Year</u>	<u>Current Cost Factor</u>	<u>Trended Cost Factor</u>	<u>Loss Trend Factor</u>
2005	1.4641	1.2386	1.8134
2006	1.3310	1.2386	1.6486
2007	1.2100	1.2386	1.4987
2008	1.1000	1.2386	1.3625
2009	1.0000	1.2386	1.2386

Contents Forms

<u>Year</u>	<u>Current Cost Factor</u>	<u>Trended Cost Factor</u>	<u>Loss Trend Factor</u>
2005	1.2155	1.1158	1.3563
2006	1.1576	1.1158	1.2917
2007	1.1025	1.1158	1.2302
2008	1.0500	1.1158	1.1716
2009	1.0000	1.1158	1.1158

Homeowners
 Arkansas
 Loss Trends
 ISS Fast Track - Arkansas Data

Dwelling Forms

Year	Month	Frequency	% Change	Severity	% Change	Pure Prem	% Change
2005	3	4.18		7,059		294.88	
2005	6	5.27		5,299		279.53	
2005	9	5.52		5,276		291.40	
2005	12	5.17		5,621		290.33	
2006	3	5.24	25.33%	5,707	-19.14%	298.82	1.34%
2006	6	5.43	3.00%	5,811	9.66%	315.71	12.94%
2006	9	5.48	-0.75%	5,820	10.32%	319.07	9.50%
2006	12	5.37	3.95%	5,994	6.63%	321.80	10.84%
2007	3	5.44	3.99%	6,093	6.76%	331.75	11.02%
2007	6	5.20	-4.24%	6,278	8.03%	326.60	3.45%
2007	9	5.05	-7.87%	6,611	13.59%	333.92	4.65%
2007	12	5.07	-5.65%	6,609	10.27%	334.80	4.04%
2008	3	5.09	-6.55%	6,657	9.25%	338.68	2.09%
2008	6	5.46	5.05%	6,826	8.73%	373.03	14.22%
2008	9	5.77	14.33%	6,943	5.02%	400.94	20.07%
2008	12	5.83	15.01%	7,465	12.95%	434.93	29.91%
2009	3	6.14	20.64%	7,576	13.81%	465.02	37.30%
2009	6	6.14	12.35%	7,965	16.69%	489.06	31.10%
2009	9	6.62	14.57%	8,202	18.13%	542.66	35.35%
2009	12	6.92	18.84%	7,946	6.44%	550.15	26.49%

Exponential Fit	Frequency	Severity	Pure Prem
20-point	5.71%	8.21%	14.39%
16-point	6.33%	10.54%	17.54%
12-point	11.21%	11.33%	23.81%
8-point	17.29%	13.10%	32.65%
4-point	19.06%	7.14%	27.55%

Homeowners
 Arkansas
 Loss Trends
 ISS Fast Track - Arkansas Data

Contents Forms

Year	Month	Frequency	% Change	Severity	% Change	Pure Prem	% Change
2005	3	2.27		5,787		131.16	
2005	6	2.41		4,343		104.86	
2005	9	2.45		4,485		109.92	
2005	12	2.39		4,783		114.32	
2006	3	2.48	9.32%	4,468	-22.79%	110.71	-15.60%
2006	6	2.42	0.33%	4,607	6.08%	111.60	6.43%
2006	9	2.35	-4.10%	4,346	-3.09%	102.15	-7.07%
2006	12	2.32	-2.91%	4,134	-13.57%	95.94	-16.08%
2007	3	2.23	-10.19%	3,895	-12.83%	86.67	-21.71%
2007	6	2.22	-8.36%	3,807	-17.37%	84.51	-24.27%
2007	9	2.42	3.01%	3,920	-9.81%	94.90	-7.09%
2007	12	2.53	9.11%	3,713	-10.18%	94.02	-1.99%
2008	3	2.56	15.07%	3,859	-0.92%	98.81	14.01%
2008	6	2.58	16.07%	4,002	5.12%	103.12	22.01%
2008	9	2.63	8.43%	3,867	-1.35%	101.52	6.97%
2008	12	2.64	4.38%	4,113	10.76%	108.70	15.61%
2009	3	2.68	4.64%	4,090	6.00%	109.59	10.92%
2009	6	2.70	4.81%	3,879	-3.07%	104.75	1.59%
2009	9	2.67	1.68%	4,265	10.30%	113.85	12.15%
2009	12	2.67	0.92%	4,419	7.44%	117.87	8.43%

Exponential Fit	Frequency	Severity	Pure Prem
20-point	3.30%	-3.88%	-0.71%
16-point	4.47%	-1.14%	3.27%
12-point	6.97%	4.25%	11.51%
8-point	2.71%	6.24%	9.12%
4-point	-0.99%	13.95%	12.82%

Homeowners

Arkansas

Loss Trends

ISS Fast Track - Countrywide Data

Dwelling Forms

Year	Month	Frequency	% Change	Severity	% Change	Pure Prem	% Change
2005	3	4.09		7,087		290.18	
2005	6	4.38		6,485		284.12	
2005	9	4.73		6,086		288.09	
2005	12	4.41		6,243		275.60	
2006	3	4.36	6.43%	6,422	-9.38%	279.87	-3.55%
2006	6	4.34	-0.96%	6,603	1.82%	286.51	0.84%
2006	9	4.30	-9.20%	6,798	11.70%	292.20	1.42%
2006	12	4.33	-1.94%	6,649	6.50%	287.81	4.43%
2007	3	4.43	1.72%	6,671	3.87%	295.72	5.66%
2007	6	4.55	4.96%	6,703	1.52%	305.30	6.56%
2007	9	4.73	10.02%	6,773	-0.36%	320.31	9.62%
2007	12	4.73	9.24%	6,891	3.64%	325.86	13.22%
2008	3	4.72	6.44%	7,070	5.98%	333.59	12.81%
2008	6	4.74	4.03%	7,192	7.29%	340.74	11.61%
2008	9	4.81	1.75%	7,286	7.56%	350.57	9.45%
2008	12	4.81	1.75%	7,477	8.50%	359.76	10.40%
2009	3	4.87	3.26%	7,633	7.97%	371.92	11.49%
2009	6	4.86	2.56%	7,808	8.57%	379.41	11.35%
2009	9	4.78	-0.59%	8,148	11.83%	389.76	11.18%
2009	12	4.85	0.78%	7,946	6.27%	385.29	7.10%

Exponential Fit	Frequency	Severity	Pure Prem
20-point	2.98%	4.86%	7.98%
16-point	3.68%	6.13%	10.03%
12-point	2.61%	7.80%	10.61%
8-point	1.34%	8.28%	9.74%
4-point	-1.21%	6.75%	5.46%

American National Property and Casualty Company
 American National General Insurance Company

Homeowners

Arkansas

Loss Trends

ISS Fast Track - Countrywide Data

Contents Forms

Year	Month	Frequency	% Change	Severity	% Change	Pure Prem	% Change
2005	3	2.38		3,529		83.85	
2005	6	2.25		3,858		86.77	
2005	9	2.46		3,704		91.09	
2005	12	2.38		4,345		103.21	
2006	3	2.39	0.38%	4,552	29.00%	108.58	29.49%
2006	6	2.40	6.83%	4,369	13.25%	104.97	20.98%
2006	9	2.37	-3.70%	4,323	16.72%	102.39	12.39%
2006	12	2.34	-1.59%	4,034	-7.16%	94.30	-8.63%
2007	3	2.31	-3.18%	3,896	-14.41%	89.98	-17.13%
2007	6	2.30	-4.26%	3,862	-11.61%	88.84	-15.37%
2007	9	2.32	-2.08%	3,859	-10.72%	89.50	-12.58%
2007	12	2.33	-0.25%	3,794	-5.94%	88.47	-6.18%
2008	3	2.30	-0.57%	3,853	-1.11%	88.48	-1.67%
2008	6	2.28	-1.10%	3,863	0.04%	87.89	-1.06%
2008	9	2.29	-1.26%	3,903	1.12%	89.37	-0.15%
2008	12	2.28	-2.11%	4,227	11.42%	96.49	9.07%
2009	3	2.30	0.07%	4,328	12.33%	99.45	12.40%
2009	6	2.30	1.02%	4,297	11.24%	98.76	12.37%
2009	9	2.26	-1.33%	4,359	11.70%	98.50	10.22%
2009	12	2.24	-1.89%	4,210	-0.40%	94.29	-2.28%

Exponential Fit	Frequency	Severity	Pure Prem
20-point	-1.12%	1.42%	0.28%
16-point	-1.41%	0.01%	-1.40%
12-point	-0.90%	5.23%	4.28%
8-point	-0.91%	7.60%	6.61%
4-point	-3.70%	-2.69%	-6.29%

American National Property and Casualty Company
American National General Insurance Company
Homeowners
Arkansas
Resulting Weighted Trend Factors

Homeowners - Dwelling Forms

5 Year Trend									
Source	Frequency			Severity			Pure Premium		
	Trend	Variance	Weight	Trend	Variance	Weight	Trend	Variance	Weight
Industry - AR	5.71%	0.0051	14.5%	8.21%	0.0050	24.2%	14.39%	0.0058	17.6%
Industry - CW	2.98%	0.0009	85.5%	4.86%	0.0016	75.8%	7.98%	0.0012	82.4%
Weighted Trend			3.37%			5.67%			9.10%

4 Year Trend									
Source	Frequency			Severity			Pure Premium		
	Trend	Variance	Weight	Trend	Variance	Weight	Trend	Variance	Weight
Industry - AR	6.33%	0.0038	8.6%	10.54%	0.0004	48.2%	17.54%	0.0048	4.4%
Industry - CW	3.68%	0.0004	91.4%	6.13%	0.0004	51.8%	10.03%	0.0002	95.6%
Weighted Trend			3.90%			8.25%			10.36%

3 Year Trend									
Source	Frequency			Severity			Pure Premium		
	Trend	Variance	Weight	Trend	Variance	Weight	Trend	Variance	Weight
Industry - AR	11.21%	0.0022	9.6%	11.33%	0.0005	22.5%	23.81%	0.0027	5.3%
Industry - CW	2.61%	0.0002	90.4%	7.80%	0.0001	77.5%	10.61%	0.0002	94.7%
Weighted Trend			3.44%			8.59%			11.31%

2 Year Trend									
Source	Frequency			Severity			Pure Premium		
	Trend	Variance	Weight	Trend	Variance	Weight	Trend	Variance	Weight
Industry - AR	17.29%	0.0003	16.8%	13.10%	0.0005	23.1%	32.65%	0.0004	26.0%
Industry - CW	1.34%	0.0001	83.2%	8.28%	0.0002	76.9%	9.74%	0.0001	74.0%
Weighted Trend			4.01%			9.39%			15.68%

1 Year Trend									
Source	Frequency			Severity			Pure Premium		
	Trend	Variance	Weight	Trend	Variance	Weight	Trend	Variance	Weight
Industry - AR	19.06%	0.0003	12.9%	7.14%	0.0006	35.2%	27.55%	0.0005	20.3%
Industry - CW	-1.21%	0.0001	87.1%	6.75%	0.0003	64.8%	5.46%	0.0001	79.7%
Weighted Trend			1.41%			6.89%			9.95%

Selected for CCF	10.00%	Selected for TCF	10.00%
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American National Property and Casualty Company
American National General Insurance Company
Homeowners
Arkansas
Resulting Weighted Trend Factors

Homeowners - Contents Forms

5 Year Trend									
Source	Frequency			Severity			Pure Premium		
	Trend	Variance	Weight	Trend	Variance	Weight	Trend	Variance	Weight
Industry - AR	3.30%	0.0017	15.0%	-3.88%	0.0071	38.0%	-0.71%	0.0108	32.6%
Industry - CW	-1.12%	0.0003	85.0%	1.42%	0.0044	62.0%	0.28%	0.0052	67.4%
Weighted Trend			-0.46%			-0.59%			-0.04%

4 Year Trend									
Source	Frequency			Severity			Pure Premium		
	Trend	Variance	Weight	Trend	Variance	Weight	Trend	Variance	Weight
Industry - AR	4.47%	0.0017	4.5%	-1.14%	0.0039	47.9%	3.27%	0.0076	36.4%
Industry - CW	-1.41%	0.0001	95.5%	0.01%	0.0036	52.1%	-1.40%	0.0044	63.6%
Weighted Trend			-1.14%			-0.54%			0.30%

3 Year Trend									
Source	Frequency			Severity			Pure Premium		
	Trend	Variance	Weight	Trend	Variance	Weight	Trend	Variance	Weight
Industry - AR	6.97%	0.0011	4.8%	4.25%	0.0011	44.7%	11.51%	0.0010	51.4%
Industry - CW	-0.90%	0.0001	95.2%	5.23%	0.0009	55.3%	4.28%	0.0010	48.6%
Weighted Trend			-0.52%			4.79%			8.00%

2 Year Trend									
Source	Frequency			Severity			Pure Premium		
	Trend	Variance	Weight	Trend	Variance	Weight	Trend	Variance	Weight
Industry - AR	2.71%	0.0001	37.3%	6.24%	0.0011	44.7%	9.12%	0.0007	63.0%
Industry - CW	-0.91%	0.0001	62.7%	7.60%	0.0009	55.3%	6.61%	0.0012	37.0%
Weighted Trend			0.44%			6.99%			8.19%

1 Year Trend									
Source	Frequency			Severity			Pure Premium		
	Trend	Variance	Weight	Trend	Variance	Weight	Trend	Variance	Weight
Industry - AR	-0.99%	0.0000	45.1%	13.95%	0.0014	9.7%	12.82%	0.0011	12.2%
Industry - CW	-3.70%	0.0000	54.9%	-2.69%	0.0001	90.3%	-6.29%	0.0001	87.8%
Weighted Trend			-2.48%			-1.08%			-3.96%

Selected for CCF	5.00%	Selected for TCF	5.00%
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American National Property and Casualty Company
American National General Insurance Company
Homeowners
Arkansas
Combined Loss Trend

Form (1)	Year Ending (2)	Developed Non-Catastrophe/Non- Wind/Hail Section I Losses (3)	Loss Trend (4)	Trended Accident Year Losses (5) = (3)*(4)
Dwelling	12/31/2005	818,534	1.8134	1,484,358
	12/31/2006	1,177,859	1.6486	1,941,791
	12/31/2007	983,187	1.4987	1,473,508
	12/31/2008	1,745,205	1.3625	2,377,773
	12/31/2009	1,244,776	1.2386	1,541,780
Contents	12/31/2005	24,629	1.3563	33,403
	12/31/2006	3,906	1.2917	5,045
	12/31/2007	5,624	1.2302	6,919
	12/31/2008	4,842	1.1716	5,673
	12/31/2009	36,103	1.1158	40,284
All Forms	12/31/2005	843,163	1.8001	1,517,761
	12/31/2006	1,181,765	1.6474	1,946,836
	12/31/2007	988,811	1.4972	1,480,427
	12/31/2008	1,750,048	1.3619	2,383,446
	12/31/2009	1,280,879	1.2351	1,582,064

American National Property And Casualty Company
American National General Insurance Company
Arkansas
Homeowners

Companywide Data
Loss Adjustment Expense Factor

<u>Year</u> <u>(1)</u>	<u>Total Incurred</u> <u>Loss Adjustment</u> <u>Expense</u> <u>(2)</u>	<u>Incurred</u> <u>Losses</u> <u>(3)</u>	<u>Loss Adjustment</u> <u>Expense Factor</u> <u>(4) = (2) / (3) + 1</u>
2005	31,307,907	345,885,138	1.091
2006	22,084,358	107,684,884	1.205
2007	18,538,776	93,231,347	1.199
2008	28,445,693	191,482,880	1.149
2009	20,447,649	136,085,573	1.150
Selected			1.160

American National Property and Casualty Company
American National General Insurance Company
Homeowners/Rental Owners
Arkansas
Wind/Hail Pure Premium

Year	Frequency	Average Severity	Loss Development Factor	Ultimate Average Severity	Exposure Adjustment Factor	Exposure Trended Ultimate Average Severity
1994	0.0427	\$1,885	1.0000	\$1,885	2.6548	\$5,005
1995	0.0326	\$1,715	1.0000	\$1,715	2.5177	\$4,317
1996	0.0883	\$7,600	1.0000	\$7,600	2.4451	\$18,582
1997	0.0260	\$8,368	1.0000	\$8,368	2.1846	\$18,282
1998	0.0208	\$1,731	1.0000	\$1,731	2.1158	\$3,662
1999	0.0688	\$3,632	1.0000	\$3,632	2.0425	\$7,418
2000	0.0392	\$2,234	1.0000	\$2,234	1.9664	\$4,392
2001	0.0324	\$2,276	1.0000	\$2,276	1.8801	\$4,278
2002	0.0319	\$3,132	1.0000	\$3,132	1.7862	\$5,595
2003	0.0282	\$2,961	1.0000	\$2,961	1.6815	\$4,979
2004	0.0227	\$3,427	1.0000	\$3,427	1.5302	\$5,245
2005	0.0147	\$3,910	1.0000	\$3,910	1.3997	\$5,472
2006	0.0326	\$6,387	1.0000	\$6,387	1.2571	\$8,029
2007	0.0099	\$3,566	1.0000	\$3,566	1.1293	\$4,028
2008	0.1973	\$9,813	1.0100	\$9,911	1.0642	\$10,548
2009	0.0345	\$6,483	1.0403	\$6,744	1.0000	\$6,744
Average Frequency						0.0452
Average Severity						\$7,286
Average Pure Premium						\$329
Trend Factor						1.0980
Trended Pure Premium						\$361

American National Property and Casualty Company
American National General Insurance Company
Homeowners
Arkansas
Wind/Hail Loss Ratio

Year	Per Exposure Wind/Hail Loss Provision	Dwelling Exposures	Total Wind/Hail Loss Provision	Trended Earned Premium	Wind/Hail Loss Ratio
2005	\$361	5,292	1,911,921	5,889,161	32.5%
2006	\$361	5,111	1,846,346	5,317,280	34.7%
2007	\$361	4,944	1,786,067	5,028,219	35.5%
2008	\$361	4,862	1,756,353	4,818,928	36.4%
2009	\$361	4,794	1,732,061	4,706,560	36.8%
			9,032,747	25,760,147	35.1%

American National Property and Casualty Company
American National General Insurance Company
Homeowners
Arkansas
Estimated Effect Of Investment Income
On Unearned Premium & Loss Reserves

Exhibit IV
Page 1 of 4

A. Unearned Premium Reserve

1. Direct Earned Premium For Calendar Year Ended 12-31-09	3,769,098
2. Mean Unearned Premium Reserve	3,191,099
3. Deduction for Prepaid Expenses	
Commission and Brokerage Expense	11.8%
Taxes, Licenses, and Fees	3.0%
50% of Other Acquisition Expenses	2.4%
50% of Company Operating Expenses	0.5%
Total	17.7%
4. (Mean Unearned Premium Reserve) X (Total Prepaid Ded.)	563,229
5. Tax on Unearned Premium Reserve (Line 2 x .20 x .35)	223,377
6. Net Subject to Investment	2,404,493

B. Delayed Remissions of Premium (Agents' Balances)

1. Direct Earned Premium	3,769,098
2. Average Agents' Balances	0.1347
3. Delayed Premiums	507,592

C. Loss Reserve

1. Direct Earned Premium		3,769,098
2. Expected Incurred Losses And Loss Adjustment :	67.6%	2,547,910
3. Expected Mean Loss Reserves		803,137
4. Tax on Loss & LAE Reserves discount (Line 3 x (1 - Avg. Disc. Factor) x .35)		20,525
5. Adjusted Mean Loss Reserves		782,612

D. Net Subject to Investment 2,679,513

E. Risk Free Rate of Return 1.5%

F. Investment Earning on Net Subject to Investment 40,193

G. Average Rate of Return as a Percent of Direct Earned Premium 1.07%

H. Average Rate of Return as a Percent of Direct Earned Premium
After Federal Income Taxes (Corporate Tax Rate of 26.4%) 0.78%

I. After-Tax Underwriting Profit Provision Needed in Order to
Obtain After-Tax Target Operating Profit of: 8.5% 7.70%

J. Provision for Pre-Tax Underwriting Profit (Line I/0.65) 11.85%

American National Property And Casualty Company
American National General Insurance Company
Homeowners
Arkansas
Estimated Effect Of Investment Income
On Unearned Premium & Loss Reserves
Factor Calculations

Exhibit IV
Page 2 of 4

I. Percent of Net Earned Premium to Direct Earned Premium

A) Companywide Homeowners Direct Premiums Earned 2009	245,367,000
B) Companywide Homeowners Net Premiums Earned 2009	219,485,000
C) (Net Premiums Earned) / (Direct Premiums Earned)	0.8945

II. Mean Unearned Premium Reserve Factor

A) Net Earned Premium For 2009	3,371,523
B) Net Unearned Premium Reserve December 31, 2008	2,772,749
C) Net Unearned Premium Reserve December 31, 2009	2,936,236
D) Unearned Premium to Earned Premium	0.8466

III. Average Agents' Balances Factor

A) Companywide Homeowners Agents' Balances Dec. 31, 2008	27,829,000
B) Companywide Homeowners Agents' Balances Dec. 31, 2009	31,288,000
C) Net Earned Premium Percent Of Companywide	1.54%
D) Average Agents' Balances	454,050
E) Agents' Balances to Earned Premium	0.1347

IV. Expected Mean Loss Reserves Factor

A) Incurred Losses & LAE 2008	13,405,916
B) Incurred Losses & LAE 2009	3,003,920
C) Loss & LAE Reserves December 31, 2007	793,732
D) Loss & LAE Reserves December 31, 2008	2,315,983
E) Loss & LAE Reserves December 31, 2009	774,722
F) Mean Loss & LAE Reserve 2008	1,554,858
G) Mean Loss & LAE Reserve 2009	1,545,353
H) Ratio of 2008 Mean Loss & LAE Res. to 2008 Inc. Losses	0.1160
I) Ratio of 2009 Mean Loss & LAE Res. to 2009 Inc. Losses	0.5144
J) Average Loss & LAE Res. To Inc. Loss	0.3152

American National Property And Casualty Company
American National General Insurance Company
Homeowners
Arkansas
Expense and Profit Provisions

	2007	2008	2009	Average	Selected
1) Commission and Brokerage (%WP)	11.4%	12.3%	11.7%	11.8%	11.8%
2) Taxes, Licenses, and Fees (%WP)	2.9%	3.0%	3.0%	3.0%	3.0%
3) Other Acquisition (%EP - Companywide)	4.1%	5.8%	4.4%	4.8%	4.8%
4) General Expense (%EP - Companywide)	0.7%	1.2%	0.8%	0.9%	0.9%
5) Variable Expense Ratio	19.1%	22.3%	19.9%	20.5%	20.5%
6) Fixed Expense Ratio					4.3%
7) Underwriting Profit Ratio (Reflects Investment Income)					11.9%

American National Property And Casualty Company
American National General Insurance Company
Average Federal Tax Rate on Investment Income

	Investment Income*	Distribution	Federal Income Tax Rate**	Investment Income*	Distribution	Federal Income Tax Rate**	Investment Income*	Distribution	Federal Income Tax Rate**
	2007			2008			2009		
Bonds (Taxable)	\$25,877,014	0.586	0.350	\$23,880,983	0.568	0.350	\$21,974,885	0.575	0.350
Bonds (Tax Exempt) **	8,231,988	0.186	0.053	9,952,635	0.237	0.053	9,667,078	0.253	0.053
Stocks (Unaffiliated) ***	4,313,838	0.098	0.142	4,081,759	0.097	0.142	3,246,469	0.085	0.142
Other (Net of Depreciation)	5,766,726	0.130	0.350	4,154,934	0.099	0.350	3,353,127	0.088	0.350
Total	\$44,189,566	1.000	0.274	\$42,070,311	1.000	0.259	\$38,241,559	1.000	0.257
Weighted Federal Tax Rate on Investment Income For 2007 through 2009									0.264

*From Annual Statement Page 6, Part 1

**Tax rate on bonds (tax exempt) reflects 15% taxable at current rate

***Tax rate on stock dividends reflects credit for dividends received $[(1.00 - .70) \times .35]$ and 15% of 70% being taxable

American National Property and Casualty Company
American National General Insurance Company
Homeowners/Rental Owners
Suburban Protection Plan Proposed Charges

Protection Class	Current	Charge	Proposed	Factor Relative to P.C. 8	Factor Relative to P.C. 9
2A	1.000	55%	1.550	0.931	0.747
3A	1.000	55%	1.550	0.931	0.747
4A	1.034	50%	1.551	0.931	0.747
5A	1.034	50%	1.551	0.931	0.747
6A	1.185	30%	1.541	0.925	0.742
7A	1.531	15%	1.601	0.962	0.771
8A	1.831	5%	1.748	1.050	0.842

**American National Property And Casualty Company
American National General Insurance Company
Homeowners & Rental Owners
Arkansas
Supplemental Actuarial Memorandum**

The purpose of this filing is to address the objection by the department stating, “The actuarial data to support the suburban rating factors is insufficient. Provide additional data showing the development of the factors.”

The proposed Suburban Protection Plan is designed to more accurately judge suburban policies’ risk for fire damage. Specifically, it is our desire to recognize when a policyholder’s property is geographically situated such that their fire protection is better than recognized by their ISO protection classification. When a policy with a protection class of 8, 8B or 9 meets the requirements as described in the PPC-EXP manual pages, that policy should receive a discount relative to a policy that does not meet the requirements.

The attached supplemental exhibit shows the discounts received by policies with protection classes of 8 or 9 who qualify for the new Suburban Protection Plan. The proposed charges are relative to the Protection Class 1 base rate and result in the discounts shown in the final two columns.

American National Property and Casualty Company
American National General Insurance Company
Homeowners/Rental Owners
Suburban Protection Plan Rating Example Zone 017

Protection Class	Zone 17 Frame Base Rates	Current PC Rels	Proposed Charge	Proposed PC Rels	Proposed Base Rate	Proposed PC 8 Discount	Proposed PC 9 Discount
(1)	(2)	(3) = (2) / [PC 1 (2)]	(4)	(5) = (3) * [1 + (4)]	(6) = [PC 1 (2)] * (5)	(7) = 1 - [(6) / PC 8 (2)]	(8) = 1 - [(6) / PC 9 (2)]
1	1772	1.000					
2	1772	1.000					
2A	1772	1.000	55%	1.550	2747	7%	25%
3	1772	1.000					
3A	1772	1.000	55%	1.550	2747	7%	25%
4	1832	1.034					
4A	1832	1.034	50%	1.551	2748	7%	25%
5	1832	1.034					
5A	1832	1.034	50%	1.551	2748	7%	25%
6	2100	1.185					
6A	2100	1.185	30%	1.541	2730	7%	26%
7	2467	1.392					
7A	2714	1.531	15%	1.601	2837	4%	23%
8	2950	1.665					
8A	3245	1.831	5%	1.748	3098	N/A	16%
9	3679	2.076					
10	4949	2.793					