

SERFF Tracking Number: ARMD-126980582 State: Arkansas  
Filing Company: Armed Forces Insurance Exchange State Tracking Number: EFT \$100  
Company Tracking Number: AR-HO-3I-11-1  
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations  
Product Name: Homeowner  
Project Name/Number: Rate review,EQ Terr., Zipcodes update/AR-HO-3I-11-1

## Filing at a Glance

Company: Armed Forces Insurance Exchange

Product Name: Homeowner

TOI: 04.0 Homeowners

Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations

Filing Type: Rate/Rule

SERFF Tr Num: ARMD-126980582 State: Arkansas

SERFF Status: Closed-Filed

Co Tr Num: AR-HO-3I-11-1

Authors: Kimberly McMillan, Brian Savoie, Brenda Garvey, Carol Rimmerman, Shanell Nieves, Heather Nordquist

Date Submitted: 03/03/2011

State Tr Num: EFT \$100

State Status: Fees verified and received

Reviewer(s): Becky Harrington, Nancy Horton

Disposition Date: 04/08/2011

Disposition Status: Filed

Effective Date Requested (New): 04/25/2011

Effective Date Requested (Renewal): 06/19/2011

State Filing Description:

Effective Date (New):

Effective Date (Renewal):

## General Information

Project Name: Rate review,EQ Terr., Zipcodes update

Project Number: AR-HO-3I-11-1

Reference Organization: ISO,Inc.

Reference Title: ARKANSAS HOMEOWNERS 2000 PROGRAM RULES SUBMITTED AND AVAILABLE FOR USE & ARKANSAS HOMEOWNERS EARTHQUAKE TERRITORY AND RULES REVISION AVAILABLE FOR USE

Filing Status Changed: 04/08/2011

State Status Changed: 03/04/2011

Created By: Shanell Nieves

Corresponding Filing Tracking Number: AR-HO-4I-11-2

Filing Description:

Armed Forces Insurance is an ISO subscriber. The purpose of this filing is to:

Status of Filing in Domicile: Not Filed

Domicile Status Comments:

Reference Number: H-2000-R00RU & HO-2007-REQRU

Advisory Org. Circular: LI-HO-2000-256 & LI-HO-2007-249

Deemer Date:

Submitted By: Heather Nordquist

1. File our effective date for revised rates.

<i>SERFF Tracking Number:</i>	<i>ARMD-126980582</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Armed Forces Insurance Exchange</i>	<i>State Tracking Number:</i>	<i>EFT \$100</i>
<i>Company Tracking Number:</i>	<i>AR-HO-3I-11-1</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>Homeowner</i>		
<i>Project Name/Number:</i>	<i>Rate review,EQ Terr., Zipcodes update/AR-HO-3I-11-1</i>		

AFIE's Indicated Rate Level is developed for all coverages; however, when we review the Miscellaneous Rates we analyze ISO loss costs and the company expense provisions. The Miscellaneous Rates in this filing are based on ISO's Reference Filing Number #HO-2010-RLA1.

This filing will:

- Revise the Base Class Premiums for forms HO 00 02, HO 00 03, HO 00 03 w/15 and HO 00 06.
- Revise the Miscellaneous Rates to include earthquake territory revisions.

The change to Forms HO 00 02, HO 00 03 and HO 00 03 w/15 is + 10.24%, or + \$61,846 and the change to Form HO 00 06 is -4.75%, or \$-300. This results in an overall change of + 10.08%, or + \$61,546.

## 2. Revise Rule 505. Earthquake Coverage and Corresponding Rating Territory.

In Rules Filing HO-2007-REQRU, ISO revised Earthquake territories and manual Rule 505. We have incorporated those changes into our current 91 Series Homeowner Manual as follows:

- D.3.a. is revised to accommodate the placement of HO 03 w/15 into Columns A and D on the rate pages.
- D.6. is revised to indicate that new rates, in Column G on the rate pages, are used to rate Building Or Non-Building Structure Items. In addition, editorial revisions are made to remove endorsement number references.
- D.7. is revised to further clarify that only increased amounts of Ordinance or Law coverage must be considered in the rate calculations for Earthquake coverage. In addition, further rating distinctions for this portion of the coverage depending on the specific Homeowner Form is added.
- Paragraph 3. Territory Definitions – Earthquake is revised. The previous ZIP code Table is now revised to reference Earthquake Territory Codes 21 and 27.

## 3. Introduce Rule 523. Assisted Living Care Coverage and corresponding rates.

As found in ISO Filing Designation Number H-2000-R00RU, Rule 523 provides the means to insure most property and the liability exposures of a relative of an insured who regularly resides in an assisted living care facility when endorsement HO 04 59, Assisted Living Care Coverage, is attached.

We have added corresponding rates for this optional coverage to the rate pages of our manual. These rates are based on ISO's Reference Filing Number HO-2009-RLA1.

## 4. Introduce Rule 524. Other Members Of A Named Insured's Household and corresponding rates.

As found in ISO Filing Designation Number H-2000-R00RU, Rule 524 provides the means to insure the property and liability exposures of a live-in companion of an insured who is not accommodated within the definition of insured in the

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Product Name: Homeowner  
Project Name/Number: Rate review,EQ Terr., Zipcodes update/AR-HO-3I-11-1  
policy forms when endorsement HO 04 58, Other Members Of Your Household is attached.

We have added corresponding rates for this optional coverage to the rate pages of our manual. These rates are based on ISO's Reference Filing Number HO-2009-RLA1.

5. Introduce Rule 526. Residence Held In Trust and corresponding rates.

As found in ISO Filing Designation Number H-2000-R00RU, Rule 526 provides the means to issue a Homeowners policy in the name of a trust and trustee that solely owns the residence premises and to insure the personal property and liability interests of the beneficiaries and/or grantors if residents of the dwelling when endorsement HO 05 43, Residence Held In Trust is attached.

We have added corresponding rates for this optional coverage to the rate pages of our manual. These rates are based on ISO's Reference Filing Number HO-2009-RLA1.

6. Submit revised manual pages and corresponding page checklist.

We have revised our manual to incorporate the changes noted in Items 1. thru 5. above.

Any changes made to the content of our manual pages have been marked with four asterisks (\*\*\*\*). Any rules or rates which are not asterisked are included solely to maintain the sequential numbering of pages, rules and/or rates.

Our corresponding Page Checklist notes the manual page revisions included with this filing.

We have submitted a separate form filing, AR-HO-4I-11-2, addressing our corresponding introduction of Other Members Of Your Household, Assisted Living Care Coverage, and Residence Held In Trust endorsements.

This filing is submitted under the 'File and Use' provisions of Arkansas Insurance Laws, Section 23-67-211, and will be applicable to all policies written on or after 25 April 2011.

## Company and Contact

### Filing Contact Information

Shanell Nieves, Regulatory Specialist II shanell.nieves@afi.org  
550 Eisenhower Rd 800-828-7732 [Phone] 4638 [Ext]  
Leavenworth, KS 66048 800-664-9320 [FAX]

### Filing Company Information

Armed Forces Insurance Exchange CoCode: 41459 State of Domicile: Kansas

SERFF Tracking Number: ARMD-126980582 State: Arkansas  
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 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations  
 Product Name: Homeowner  
 Project Name/Number: Rate review,EQ Terr., Zipcodes update/AR-HO-3I-11-1  
 550 Eisenhower Rd Group Code: Company Type: P&C  
 Leavenworth, KS 66048 Group Name: State ID Number:  
 (800) 828-7732 ext. [Phone] FEIN Number: 48-0933281  
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## Filing Fees

Fee Required? Yes  
 Fee Amount: \$100.00  
 Retaliatory? No  
 Fee Explanation: \$100.00 for a combined rate/rule filing.  
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Armed Forces Insurance Exchange	\$100.00	03/03/2011	45219260

SERFF Tracking Number: ARMD-126980582 State: Arkansas  
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 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations  
 Product Name: Homeowner  
 Project Name/Number: Rate review,EQ Terr., Zipcodes update/AR-HO-3I-11-1

## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Filed	Becky Harrington	04/08/2011	04/08/2011
Filed	Becky Harrington	03/25/2011	03/25/2011
Filed	Becky Harrington	03/18/2011	03/18/2011

### 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	03/14/2011	03/14/2011	Shanell Nieves	03/15/2011	03/15/2011
Pending Industry Response	Becky Harrington	03/04/2011	03/04/2011	Shanell Nieves	03/10/2011	03/10/2011

### Amendments

Schedule	Schedule Item Name	Created By	Created On	Date Submitted
Rate	RATE PAGES	Shanell Nieves	04/08/2011	04/08/2011
Rate	PAGE CHECKLIST	Shanell Nieves	04/08/2011	04/08/2011
Rate	RATE PAGES	Shanell Nieves	03/23/2011	03/23/2011
Rate	PAGE CHECKLIST	Shanell Nieves	03/23/2011	03/23/2011

### Filing Notes

Subject	Note Type	Created By	Created	Date Submitted
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*SERFF Tracking Number:* ARMD-126980582      *State:* Arkansas  
*Filing Company:* Armed Forces Insurance Exchange      *State Tracking Number:* EFT \$100  
*Company Tracking Number:* AR-HO-3I-11-1  
*TOI:* 04.0 Homeowners      *Sub-TOI:* 04.0000 Homeowners Sub-TOI Combinations  
*Product Name:* Homeowner  
*Project Name/Number:* Rate review,EQ Terr., Zipcodes update/AR-HO-3I-11-1

**On**

Type of Corrections	Note To Reviewer	Shanell Nieves	04/08/2011	04/08/2011
Re-open filing	Note To Filer	Becky Harrington	04/06/2011	04/06/2011
Re-open?	Note To Reviewer	Shanell Nieves	04/06/2011	04/06/2011
Re-open filing?	Note To Reviewer	Shanell Nieves	03/21/2011	03/21/2011

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 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations  
 Product Name: Homeowner  
 Project Name/Number: Rate review,EQ Terr., Zipcodes update/AR-HO-3I-11-1

## Disposition

Disposition Date: 04/08/2011

Effective Date (New):

Effective Date (Renewal):

Status: Filed

Comment: Disposition to reclose filing after additional corrections to manual pages.

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):
Armed Forces Insurance Exchange	40.820%	10.080%	\$61,546	471	\$610,393	19.700%	-13.200%

SERFF Tracking Number: ARMD-126980582 State: Arkansas  
 Filing Company: Armed Forces Insurance Exchange State Tracking Number: EFT \$100  
 Company Tracking Number: AR-HO-3I-11-1  
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations  
 Product Name: Homeowner  
 Project Name/Number: Rate review,EQ Terr., Zipcodes update/AR-HO-3I-11-1

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 (revised)	HPCS-Homeowners Premium Comparison Survey	Filed	Yes
Supporting Document	HPCS-Homeowners Premium Comparison Survey		Yes
Supporting Document	NAIC loss cost data entry document	Filed	Yes
Supporting Document	Actuarial Support	Filed	Yes
Supporting Document	Objection Responses	Filed	Yes
Rate	RULE 505.	Filed	Yes
Rate	RULE 523., RULE 524. & RULE 526	Filed	Yes
Rate	RULE 526.	Filed	Yes
Rate	RULES 602. thru 611 & ADDITIONAL RULES	Filed	Yes
Rate	TERRITORY PAGES	Filed	Yes
Rate	TERRITORY PAGES-EARTHQUAKE	Filed	Yes
Rate	RATE PAGES	Filed	Yes
Rate	RATE PAGES	Filed	Yes
Rate (revised)	RATE PAGES	Filed	Yes
Rate	RATE PAGES		Yes
Rate	RATE PAGES		Yes
Rate	RATE PAGES	Filed	Yes
Rate (revised)	PAGE CHECKLIST	Filed	Yes
Rate	PAGE CHECKLIST		Yes
Rate	PAGE CHECKLIST		Yes

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 Company Tracking Number: AR-HO-3I-11-1  
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations  
 Product Name: Homeowner  
 Project Name/Number: Rate review,EQ Terr., Zipcodes update/AR-HO-3I-11-1

## Disposition

Disposition Date: 03/25/2011

Effective Date (New):

Effective Date (Renewal):

Status: Filed

Comment: Disposition to close after revised manual pages attached.

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):
Armed Forces Insurance Exchange	40.820%	10.080%	\$61,546	471	\$610,393	19.700%	-13.200%

SERFF Tracking Number: ARMD-126980582 State: Arkansas  
 Filing Company: Armed Forces Insurance Exchange State Tracking Number: EFT \$100  
 Company Tracking Number: AR-HO-3I-11-1  
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations  
 Product Name: Homeowner  
 Project Name/Number: Rate review,EQ Terr., Zipcodes update/AR-HO-3I-11-1

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 (revised)	HPCS-Homeowners Premium Comparison Survey	Filed	Yes
Supporting Document	HPCS-Homeowners Premium Comparison Survey		Yes
Supporting Document	NAIC loss cost data entry document	Filed	Yes
Supporting Document	Actuarial Support	Filed	Yes
Supporting Document	Objection Responses	Filed	Yes
Rate	RULE 505.	Filed	Yes
Rate	RULE 523., RULE 524. & RULE 526	Filed	Yes
Rate	RULE 526.	Filed	Yes
Rate	RULES 602. thru 611 & ADDITIONAL RULES	Filed	Yes
Rate	TERRITORY PAGES	Filed	Yes
Rate	TERRITORY PAGES-EARTHQUAKE	Filed	Yes
Rate	RATE PAGES	Filed	Yes
Rate	RATE PAGES	Filed	Yes
Rate (revised)	RATE PAGES	Filed	Yes
Rate	RATE PAGES		Yes
Rate	RATE PAGES		Yes
Rate	RATE PAGES	Filed	Yes
Rate (revised)	PAGE CHECKLIST	Filed	Yes
Rate	PAGE CHECKLIST		Yes
Rate	PAGE CHECKLIST		Yes

SERFF Tracking Number: ARMD-126980582 State: Arkansas  
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 Company Tracking Number: AR-HO-3I-11-1  
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations  
 Product Name: Homeowner  
 Project Name/Number: Rate review,EQ Terr., Zipcodes update/AR-HO-3I-11-1

## Disposition

Disposition Date: 03/18/2011  
 Effective Date (New): 04/25/2011  
 Effective Date (Renewal): 06/19/2011  
 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):
Armed Forces Insurance Exchange	40.820%	10.080%	\$61,546	471	\$610,393	19.700%	-13.200%

SERFF Tracking Number: ARMD-126980582 State: Arkansas  
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 Company Tracking Number: AR-HO-3I-11-1  
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations  
 Product Name: Homeowner  
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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 (revised)	HPCS-Homeowners Premium Comparison Survey	Filed	Yes
Supporting Document	HPCS-Homeowners Premium Comparison Survey		Yes
Supporting Document	NAIC loss cost data entry document	Filed	Yes
Supporting Document	Actuarial Support	Filed	Yes
Supporting Document	Objection Responses	Filed	Yes
Rate	RULE 505.	Filed	Yes
Rate	RULE 523., RULE 524. & RULE 526	Filed	Yes
Rate	RULE 526.	Filed	Yes
Rate	RULES 602. thru 611 & ADDITIONAL RULES	Filed	Yes
Rate	TERRITORY PAGES	Filed	Yes
Rate	TERRITORY PAGES-EARTHQUAKE	Filed	Yes
Rate	RATE PAGES	Filed	Yes
Rate	RATE PAGES	Filed	Yes
Rate (revised)	RATE PAGES	Filed	Yes
Rate	RATE PAGES		Yes
Rate	RATE PAGES		Yes
Rate	RATE PAGES	Filed	Yes
Rate (revised)	PAGE CHECKLIST	Filed	Yes
Rate	PAGE CHECKLIST		Yes
Rate	PAGE CHECKLIST		Yes

SERFF Tracking Number: ARMD-126980582 State: Arkansas  
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Company Tracking Number: AR-HO-3I-11-1  
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations  
Product Name: Homeowner  
Project Name/Number: Rate review,EQ Terr., Zipcodes update/AR-HO-3I-11-1

## Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 03/14/2011

Submitted Date 03/14/2011

Respond By Date

Dear Shanell Nieves,

This will acknowledge receipt of the recent response.

Objection 1

Comment:

The overall rate change amount will be subject to Commissioner Bradford's review.

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: AR-HO-3I-11-1  
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations  
Product Name: Homeowner  
Project Name/Number: Rate review,EQ Terr., Zipcodes update/AR-HO-3I-11-1

## Response Letter

Response Letter Status Submitted to State  
Response Letter Date 03/15/2011  
Submitted Date 03/15/2011

Dear Becky Harrington,

### Comments:

Thank you for taking the time to review our filing.

### Response 1

Comments: Acknowledged.

### Related Objection 1

Comment:

The overall rate change amount will be subject to Commissioner Bradford's review.

### Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Sincerely,

Brenda Garvey, Brian Savoie, Carol Rimmerman, Heather Nordquist, Kimberly McMillan, Shanell Nieves

SERFF Tracking Number: ARMD-126980582 State: Arkansas  
Filing Company: Armed Forces Insurance Exchange State Tracking Number: EFT \$100  
Company Tracking Number: AR-HO-3I-11-1  
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations  
Product Name: Homeowner  
Project Name/Number: Rate review,EQ Terr., Zipcodes update/AR-HO-3I-11-1

## Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 03/04/2011

Submitted Date 03/04/2011

Respond By Date

Dear Shanell Nieves,

This will acknowledge receipt of the captioned filing.

### Objection 1

- HPCS-Homeowners Premium Comparison Survey (Supporting Document)

Comment:

Form HPCS is required with all HO rate filings and must be submitted in Excel spreadsheet format. Companies may not change the form in any way or include formulas.

### Objection 2

- RATE PAGES, HO-R-2 AFI thru HO-R-10 AFI (Rate)

Comment: Please indicate the percentage change for earthquake rates.

### Objection 3

Comment: Please provide a disruption chart.

### Objection 4

Comment: Identify the major types of loss driving the 2009 loss ratio in AR.

Please feel free to contact me if you have questions.

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

Sincerely,

Becky Harrington

SERFF Tracking Number: ARMD-126980582 State: Arkansas  
Filing Company: Armed Forces Insurance Exchange State Tracking Number: EFT \$100  
Company Tracking Number: AR-HO-3I-11-1  
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations  
Product Name: Homeowner  
Project Name/Number: Rate review,EQ Terr., Zipcodes update/AR-HO-3I-11-1

## Response Letter

Response Letter Status Submitted to State  
Response Letter Date 03/10/2011  
Submitted Date 03/10/2011

Dear Becky Harrington,

### Comments:

Thank you for taking the time to review our filing. In response to the objections below, we have attached the requested information under the Supporting Documents tab.

## Response 1

Comments: Refer to attached Survey.

### Related Objection 1

Applies To:

- HPCS-Homeowners Premium Comparison Survey (Supporting Document)

Comment:

Form HPCS is required with all HO rate filings and must be submitted in Excel spreadsheet format. Companies may not change the form in any way or include formulas.

### Changed Items:

#### Supporting Document Schedule Item Changes

Satisfied -Name: HPCS-Homeowners Premium Comparison Survey

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

## Response 2

Comments: The response to Objection #2 is attached under the Supporting Documents tab as "Objection Responses".

### Related Objection 1

Applies To:

SERFF Tracking Number: ARMD-126980582 State: Arkansas  
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Company Tracking Number: AR-HO-3I-11-1  
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations  
Product Name: Homeowner  
Project Name/Number: Rate review,EQ Terr., Zipcodes update/AR-HO-3I-11-1

- RATE PAGES, HO-R-2 AFI thru HO-R-10 AFI (Rate)

Comment:

Please indicate the percentage change for earthquake rates.

#### **Changed Items:**

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

Satisfied -Name: Objection Responses

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

#### **Response 3**

Comments: The response to Objection #3 is attached under the Supporting Documents tab as "Objection Responses".

#### **Related Objection 1**

Comment:

Please provide a disruption chart.

#### **Changed Items:**

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

Satisfied -Name: Objection Responses

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

#### **Response 4**

Comments: The response to Objection #4 is attached under the Supporting Documents tab as "Objection Responses".

#### **Related Objection 1**

Comment:

Identify the major types of loss driving the 2009 loss ratio in AR.

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Product Name: Homeowner  
Project Name/Number: Rate review,EQ Terr., Zipcodes update/AR-HO-3I-11-1

**Changed Items:**

**Supporting Document Schedule Item Changes**

Satisfied -Name: Objection Responses

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Please contact me if you have any further questions.

Sincerely,

Brenda Garvey, Brian Savoie, Carol Rimmerman, Heather Nordquist, Kimberly McMillan, Shanell Nieves

SERFF Tracking Number: ARMD-126980582 State: Arkansas  
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 Product Name: Homeowner  
 Project Name/Number: Rate review,EQ Terr., Zipcodes update/AR-HO-3I-11-1

**Amendment Letter**

Submitted Date: 04/08/2011

**Comments:**

During the last editorial correction to the Rate pages, Rule 601. B. Medical Payments was inadvertently deleted. Thank you for re-opening this filing so that I could attach the corrected complete rate pages. I have also attached our Page Checklist to reflect the corrected pages.

Thank you,  
 Shanell Nieves

**Changed Items:**

**Rate/Rule Schedule Item Changes:**

Exhibit Name:	Rule # or Page #:	Rate Action:	Previous State Filing Number:	Attach Document:
RATE PAGES	HO-R-2 AFI thru HO-R-10 AFI	Replacement	Previous State Filing Num: AR-HO-3I-05-1	HO-R-2 AFI thru HO-R-10 AFI.pdf
PAGE CHECKLIST	PAGE CHECKLIST	Replacement	Previous State Filing Num: AR-HO-2I-10-1	Page Checklist.pdf

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*Company Tracking Number:* AR-HO-3I-11-1  
*TOI:* 04.0 Homeowners      *Sub-TOI:* 04.0000 Homeowners Sub-TOI Combinations  
*Product Name:* Homeowner  
*Project Name/Number:* Rate review,EQ Terr., Zipcodes update/AR-HO-3I-11-1

**Note To Reviewer**

**Created By:**

Shanell Nieves on 04/08/2011 09:15 AM

**Last Edited By:**

Shanell Nieves

**Submitted On:**

04/08/2011 09:15 AM

**Subject:**

Type of Corrections

**Comments:**

When the filing was re-opened the last time, I made an editorial correction to the rate pages. While I was re-formatting the rate pages for that correction, I inadvertently deleted RULE 601. Residence Premises – Basic and Increased Limits section B. Coverage F – Medical Payments.

The rate pages filed originally, reflected Rule 601. correctly but with the correction it was deleted. I would like to re-attach the Rate pages to reflect that information.

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Product Name: Homeowner  
Project Name/Number: Rate review,EQ Terr., Zipcodes update/AR-HO-3I-11-1

**Note To Filer**

**Created By:**

Becky Harrington on 04/06/2011 02:14 PM

**Last Edited By:**

Becky Harrington

**Submitted On:**

04/06/2011 02:14 PM

**Subject:**

Re-open filing

**Comments:**

What type of corrections, we have already re-opened the filing once?

SERFF Tracking Number: ARMD-126980582 State: Arkansas  
Filing Company: Armed Forces Insurance Exchange State Tracking Number: EFT \$100  
Company Tracking Number: AR-HO-3I-11-1  
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations  
Product Name: Homeowner  
Project Name/Number: Rate review,EQ Terr., Zipcodes update/AR-HO-3I-11-1

**Note To Reviewer**

**Created By:**

Shanell Nieves on 04/06/2011 01:43 PM

**Last Edited By:**

Shanell Nieves

**Submitted On:**

04/06/2011 01:43 PM

**Subject:**

Re-open?

**Comments:**

We are requesting that this filing be re-opened to make an editorial correction.

Thank you,

Shanell Nieves

SERFF Tracking Number: ARMD-126980582 State: Arkansas  
 Filing Company: Armed Forces Insurance Exchange State Tracking Number: EFT \$100  
 Company Tracking Number: AR-HO-3I-11-1  
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations  
 Product Name: Homeowner  
 Project Name/Number: Rate review,EQ Terr., Zipcodes update/AR-HO-3I-11-1

**Amendment Letter**

Submitted Date: 03/23/2011

**Comments:**

We are submitting the following revisions:

- Rules 523, 524 and 526, on pages HO-R-6 AFI and HO-R-7 AFI in our manual, are revised to reflect the wording as found in ISO Filing HO-2010-RLA1. This editorial revision has no effect on our approved rates. The revised manual pages and page checklist are attached for your review.
- Item 2 on the Filing Description currently states, in part, "The previous ZIP code Table is now revised to reference Earthquake Territory Codes 21 and 27." However, it should read "...Codes 21 thru 27".
- Items 3, 4, and 5 incorrectly reference ISO Filing HO-2009-RLA1. However, the correct reference is HO-2010-RLA1.

Thank you,  
 Shanell Nieves

**Changed Items:**

**Rate/Rule Schedule Item Changes:**

Exhibit Name:	Rule # or Page #:	Rate Action:	Previous State Filing Number:	Attach Document:
RATE PAGES	HO-R-2 AFI thru HO-R-10 AFI	Replacement	Previous State Filing Num: AR-HO-3I-05-1	HO-R-2 AFI thru HO-R-10 AFI.pdf
PAGE CHECKLIST	PAGE CHECKLIST	Replacement	Previous State Filing Num: AR-HO-2I-10-1	Page Checklist.pdf

*SERFF Tracking Number:* ARMD-126980582      *State:* Arkansas  
*Filing Company:* Armed Forces Insurance Exchange      *State Tracking Number:* EFT \$100  
*Company Tracking Number:* AR-HO-3I-11-1  
*TOI:* 04.0 Homeowners      *Sub-TOI:* 04.0000 Homeowners Sub-TOI Combinations  
*Product Name:* Homeowner  
*Project Name/Number:* Rate review,EQ Terr., Zipcodes update/AR-HO-3I-11-1

**Note To Reviewer**

**Created By:**

Shanell Nieves on 03/21/2011 11:58 AM

**Last Edited By:**

Shanell Nieves

**Submitted On:**

03/21/2011 11:59 AM

**Subject:**

Re-open filing?

**Comments:**

We are requesting this filing be re-opened in order to correct errors found on the Rate pages and under the General Information tab.

Once the filing is re-opened we will submit revised rate pages and an amended General Information tab description.

Thank you,

Shanell Nieves

SERFF Tracking Number: ARMD-126980582 State: Arkansas  
 Filing Company: Armed Forces Insurance Exchange State Tracking Number: EFT \$100  
 Company Tracking Number: AR-HO-3I-11-1  
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations  
 Product Name: Homeowner  
 Project Name/Number: Rate review,EQ Terr., Zipcodes update/AR-HO-3I-11-1

**Rate Information**

Rate data applies to filing.

**Filing Method:** File and Use  
**Rate Change Type:** Increase  
**Overall Percentage of Last Rate Revision:** 6.940%  
**Effective Date of Last Rate Revision:** 07/04/2005  
**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):
Armed Forces Insurance Exchange	N/A	40.820%	10.080%	\$61,546	471	\$610,393	19.700%	-13.200%

SERFF Tracking Number: ARMD-126980582 State: Arkansas  
 Filing Company: Armed Forces Insurance Exchange State Tracking Number: EFT \$100  
 Company Tracking Number: AR-HO-3I-11-1  
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations  
 Product Name: Homeowner  
 Project Name/Number: Rate review,EQ Terr., Zipcodes update/AR-HO-3I-11-1

## Rate/Rule Schedule

Schedule Item Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Number:	Filing Attachments
Filed 03/18/2011	RULE 505.	HO-E-10 AFI thru HO-E-11 AFI	Replacement	AR-HO-3I-05-1	HO-E-10 AFI thru HO-E-11 AFI.pdf
Filed 03/18/2011	RULE 523., RULE 524. & RULE 526	HO-E-13 AFI thru HO-E-14 AFI	Replacement	AR-HO-3I-05-1	HO-E-13 AFI thru HO-E-14 AFI.pdf
Filed 03/18/2011	RULE 526.	HO-E-15 AFI	Replacement	AR-HO-2I-10-1	HO-E-15 AFI.pdf
Filed 03/18/2011	RULES 602. thru 611 & ADDITIONAL RULES	HO-E-16 AFI thru HO-E-18 AFI	New		HO-E-16 AFI thru HO-E-18 AFI.pdf
Filed 03/18/2011	TERRITORY PAGES	HO-T-1 AFI	Replacement	AR-HO-3I-98-1	HO-T-1 AFI.pdf
Filed 03/18/2011	TERRITORY PAGES- EARTHQUAKE	HO-T-2 AFI thru HO-T-13 AFI	New		HO-T-2 AFI thru HO-T-13 AFI.pdf
Filed 03/18/2011	RATE PAGES	HO-B-2 AFI	Replacement	AR-HO-3I-05-1	HO-B-2 AFI .pdf
Filed 03/18/2011	RATE PAGES	HO-R-1 AFI	Replacement	AR-HO-3I-00-2	HO-R-1 AFI.pdf
Filed 04/08/2011	RATE PAGES	HO-R-2 AFI thru HO-R-10 AFI	Replacement	AR-HO-3I-05-1	HO-R-2 AFI thru HO-R-10 AFI.pdf
Filed 03/18/2011	RATE PAGES	HO-R-12 AFI	Replacement	AR-HO-3I-07-2	HO-R-12 AFI.pdf

SERFF Tracking Number: ARMD-126980582 State: Arkansas  
Filing Company: Armed Forces Insurance Exchange State Tracking Number: EFT \$100  
Company Tracking Number: AR-HO-3I-11-1  
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations  
Product Name: Homeowner  
Project Name/Number: Rate review,EQ Terr., Zipcodes update/AR-HO-3I-11-1

Filed 04/08/2011 PAGE CHECKLIST PAGE Replacement AR-HO-2I-10-1 Page Checklist.pdf  
CHECKLIST

## ADDITIONS TO THE HOMEOWNERS POLICY PROGRAM MANUAL EXCEPTION PAGE (CONT)

## SECTION I COVERAGES – PROPERTY

## RULE 501. BUILDING ADDITIONS AND ALTERATIONS AT OTHER RESIDENCES

This rule is deleted and the following substituted:

Status Codes –

All Forms except HO 00 06: Code 2

HO 00 06: Code 6 when HO 17 33 used, Code 2 otherwise

- A. The policy may be endorsed to provide this coverage at residences, other than the residence premises, rented to an insured.
- B. To develop the premium per \$1,000 of insurance, multiply the HO 00 06 Key Factor for “Each Add’l \$1,000” by the HO 00 06 Key Premium.

Use Endorsement HO 04 49 Building Additions and Alterations at Other Residence

## RULE 504. CREDIT CARD, FUND TRANSFER CARD, FORGERY AND COUNTERFEIT MONEY

This rule is deleted and the following substituted:

The limit of \$1,000 may be increased. Charge the additional rate shown on the state rate pages.

Use Endorsement HO 04 53 Credit Card, Fund Transfer Card, Forgery and Counterfeit Money Coverage Increased Limits.

## RULE 505. EARTHQUAKE COVERAGE

Item C. is deleted.

\*\*\*\*

Paragraphs D.3.a., D.6. and D.7. are replaced by the following:

## D. Base Premium

3. a. Multiply the Coverage A limit by the rate found in Column A of the table.

## 6. Building Or Non-Building Structure Items – All Forms:

Multiply the rate in Column G of the table by the appropriate limit of liability for the following Building or Non-Building Structure items, as applicable, and add to the applicable premium determined in Paragraph D.3., D.4. or D.5.:

- a. Other Structures – Structures Rented To Others Residence Premises;
- b. Other Structures On The Residence Premises – Increased Limits;
- c. Specific Structures Away From The Residence Premises;
- d. Building Additions And Alterations – Other Residence.

## 7. Ordinance Or Law – Increased Limit – All Forms:

When the basic Ordinance or Law Coverage limit is increased the earthquake premium is developed based on the increased limit of insurance.

- a. For Forms HO 00 02 and HO 00 03, multiply the rate determined in Paragraph D.3.a. by the appropriate factor selected from Rule 303.B.2.a.
- b. For Form HO 00 06, the premium for this additional coverage is determined based on the dollar amount of increase, represented by the increased percentage amount selected above the basic limit. To determine the rate for each additional \$1,000 of insurance multiply the rate in Column E of the table by .30 and add to the applicable premium determined in Paragraph D.5.

## ADDITIONS TO THE HOMEOWNERS POLICY PROGRAM MANUAL EXCEPTION PAGE (CONT)

## RULE 506. FIRE DEPARTMENT SERVICE CHARGE

The following is added:

When additional coverage is provided use Endorsement HO AF 85 Fire Department Service Charge Coverage.

## RULE 513. ORDINANCE OR LAW INCREASED AMOUNT OF COVERAGE – HO 00 06

Sub-Item C.2. is deleted and replaced by the following:

2. The premium for each additional \$1,000 of insurance is developed by multiplying the HO 00 06 Key Factor for “Each Add’l \$1,000” by .30, and then multiplying that amount by the appropriate Key Premium.

## RULE 515. PERSONAL PROPERTY

Item C. Reduction in Limit is deleted and the following substituted:

C. Reduction in Limit

1. When an amount for Coverage C is shown on the policy, and the policy does not include HO 04 90 or HO AF 30, Coverage C may be reduced to an amount not less than 40% of the limit for Coverage A. The credit per \$1,000 is shown in the state rate pages.
2. When the limit of liability for Coverage C is “nil”, the following applies:
  - a. HO 00 02 and HO 00 03 – the key premium is reduced 25%;
  - b. HO 00 06 - \$10,000 Coverage A is required. Compute the policy BASE PREMIUM for HO 00 06 without Coverage C by applying a key factor of .1899 to the appropriate key premium.

Item D. Increased Special Limits of Liability – paragraphs 1 thru 4 are deleted and the following substituted:

1. Jewelry, Watches and Furs

The special limit of liability of \$1,500 for theft of jewelry, watches and furs may be increased to a maximum of \$5,000 but not exceeding \$1000 for any one article. Charge the additional rate per \$1,000 shown in the state rate pages.

2. Money and Securities

The special limit of liability of \$250 on money may be increased to a maximum of \$1,000. The \$1,500 limit on securities may be increased to a maximum of \$2,000. Charge the additional rate per \$100 shown on the state rate pages.

3. Silverware, Goldware, Pewterware and Firearms

The policy shall be endorsed to remove the special limits of liability for loss by theft of silverware, goldware, pewterware, and firearms. The endorsement is attached at no charge.

Use Endorsement HO AF 65 Special Homeowners Enhancement Endorsement

## ADDITIONS TO THE HOMEOWNERS POLICY PROGRAM MANUAL EXCEPTION PAGE (CONT)

## \*\*\*\* RULE 523. ASSISTED LIVING CARE COVERAGE

This rule is added as follows:

## A. Introduction

This policy provides coverage to named insureds and resident relatives who are members of the insured's household.

## B. Coverage Description

1. The policy may be endorsed to provide personal property, additional living expense and personal liability coverage to a person regularly residing in an Assisted Living Care facility, provided such person:
  - a. Is related to an insured by blood, marriage or adoption; and
  - b. Is not a member of that insured's household.
2. An assisted living care facility is a facility that provides assisted living services such as dining, therapy, medical supervision, housekeeping and social activities. It is **not** a hospice, prison or rehabilitation facility.
3. The endorsement provides the following basic limits of coverage:
  - a. \$10,000 for Coverage C – Personal Property with limitations ranging from \$100 to \$500 for certain items of property;
  - b. \$6,000, at \$500 per month, for Additional Living Expenses; and
  - c. \$100,000 for Coverage E – Personal Liability.

## C. Premium

Refer to the rate pages for additional charge.

## D. Endorsement

Use Assisted Living Care Coverage Endorsement HO 04 59.

## \*\*\*\* RULE 524. OTHER MEMBERS OF A NAMED INSURED'S HOUSEHOLD

This rule is added as follows:

## A. Introduction

The policy provides coverage to named insureds, resident relatives who are members of the insured's household and persons under the age of 21 who are in the care of an insured.

## B. Coverage Description

1. The policy may be endorsed to provide coverage to a person who is a member of the named insured's household but does not fall under the definition of insured in the policy. It does not cover a guest, residence employee, roomer, boarder or tenant. Coverage extends to the person named in the endorsement, and a person under the age of 21 who is in legal custody of that person.
2. All coverages and provisions under Sections I and II of the policy that apply to insureds also apply to the persons described in Paragraph 1. except Coverages A, B and D (Fair Rental Value only).

## ADDITIONS TO THE HOMEOWNERS POLICY PROGRAM MANUAL EXCEPTION PAGE (CONT)

## \*\*\*\* RULE 524. OTHER MEMBERS OF A NAMED INSURED'S HOUSEHOLD (CONT)

## C. Premium

Refer to the rate pages for additional charge.

## D. Endorsement

Use Other Members Of Your Household Endorsement HO 04 58.

## \*\*\*\* RULE 526. RESIDENCE HELD IN TRUST

This rule is added as follows:

## A. Trust And Trustee – Named Insured

A Homeowners policy may be issued in the name of both the trust and trustee when:

1. The residence held in trust is a 1 or 2 family dwelling or a condominium unit used exclusively for residential purposes, except as provided in Rule 104.F.;
2. Legal title to the dwelling or condominium unit is held solely by the trust;
3. The resident of the residence held in trust include at least one of the following: the trustee, the grantor of the trust, or the beneficiary of the trust; and
4. The trust and trustee are both show as the named insured on the policy declarations, regardless of who resides in the residence held in trust.

## B. Endorsement

Use Residence Held In Trust Endorsement HO 05 43.

## C. Other Persons Insured – Grantor And/Or Beneficiary Regularly Resides In The Residence Held In Trust

1. If the trustee regularly resides in the residence held in trust along with the grantor or beneficiary and the grantor and/or beneficiary:
  - a. Is related to the trustee and is a member of the trustee's household, the grantor and/or beneficiary is an insured as defined in the policy form and should **not** be named in Endorsement HO 05 43; or
  - b. Is **not** related to the trustee, or is related but not a member of the trustee's household, the grantor and/or beneficiary must be named in Endorsement HO 05 43 to be covered for personal property, additional living expenses, personal liability and medical payments to others. If the grantor and beneficiary are related to each other and members of the same household, only one of the two should be named on the endorsement.
2. If the trustee does **not** regularly reside in the residence held in trust, the grantor and/or beneficiary must be named in Endorsement HO 05 43 whether or not they are related to the trustee. This is necessary to provide the grantor or beneficiary with coverage for personal property, additional living expenses, personal liability and medical payments to others. If the grantor and beneficiary are related to each other and members of the same household, only one of the two should be named on the endorsement.

## ADDITIONS TO THE HOMEOWNERS POLICY PROGRAM MANUAL EXCEPTION PAGE (CONT)

## \*\*\*\* RULE 526. RESIDENCE HELD IN TRUST (CONT)

## D. Liability Coverage Explained

1. Coverage E – Personal Liability and Coverage F – Medical Payments To Others is provided to the trust and trustee named insured who regularly resides on the residence premises. However, if the trustee named insured does **not** regularly reside on the residence premises, coverage for the trust and trustee is **only** provided for bodily injury or property damage arising out of the ownership, maintenance or use of the residence premises (premises liability).
2. Endorsement HO 05 43 excludes:
  - a. Liability coverage for claims or suits for bodily injury or property damage arising out of any act or decision or failure to act or decide by the trustee named insured in administering the trust except as provided in Paragraph 1.; and
  - b. Liability coverage for bodily injury to all insureds covered under this policy, for example, the trustee named insured, the grantor or beneficiary of the trust who is named on the endorsement or any person acting on their behalf.

## E. Additional Conditions

The policy may not be endorsed or extended to insure:

1. Under Section I, any other dwelling on the residence premises, or any other structure, on or away from the residence premises, unless legal title to that other dwelling or structure is held solely by the trust; or
2. Under Section II, any location away from the residence premises unless legal title to that other location is held solely by the trust.

## F. Premium

Additional charges are provided for the trustee and any beneficiary and/or grantor. These charges reflect Section II – Liability basic limits.

## 1. Trustee

The charge for the trustee applies whether or not the trustee resides on the residence premises. Refer to the rate pages for this additional charge.

## 2. Beneficiary And/Or Grantor

- a. Refer to the rate pages for additional charge when either the beneficiary or grantor is named in the endorsement.
- b. Refer to the rate pages for additional charge when both the beneficiary and grantor are named in the endorsement.

## SECTION II COVERAGES – PERSONAL LIABILITY AND MEDICAL PAYMENTS TO OTHERS

## RULE 602. OTHER INSURED LOCATION OCCUPIED BY INSURED

Item B. is deleted and the following substituted:

- B. Make the appropriate charge for each other insured location shown in the Declarations of this policy. The premium in the state where the Insured's residence premises is located shall apply.

The following is added:

Use Endorsement HO AF 70 Additional Residence Occupied by the Insured

## RULE 608. PERMITTED INCIDENTAL OCCUPANCIES – RESIDENCE PREMISES AND OTHER RESIDENCES

This rule is deleted and replaced with the following:

## RULE 608. PERMITTED INCIDENTAL OCCUPANCIES – RESIDENCE PREMISES

- A. The policy may be endorsed to provide coverage for the increased exposure arising from a permitted incidental occupancy on the residence premises.

Use endorsement HO 04 42 Permitted Incidental Occupancies – Residence Premises

- B. Premium

Refer to state rate pages

## RULE 610. PERSONAL INJURY

This rule is deleted.

## RULE 612. OUTBOARD MOTORS AND WATERCRAFT

Item C. is deleted.

Item E. is deleted and the following substituted:

- E. The premium in the state where the insured's residence premises is located shall apply.

## RULE 613. SNOWMOBILE

Item B. is deleted and the following substituted:

- B. Rate each snowmobile owned by the named insured or any other insured separately.

## ADDITIONS TO THE HOMEOWNERS POLICY PROGRAM MANUAL EXCEPTION PAGE (CONT)

## RULE 614. FARMERS PERSONAL LIABILITY

This rule is deleted and the following substituted:

## RULE 614. FARMERS PERSONAL LIABILITY – FARM(S) OWNED BY THE INSURED AND RENTED TO OTHERS

A. The policy may be endorsed to provide liability when the insured has a farm away from the residence premises which is rented to others.

1. The following may not be covered:

a. Farms where the principal purpose of the farm is:

(1) To supply commodities for manufacturing or processing for sale to others, such as creameries and dairies (but not dairy farms).

(2) To operate freezing or dehydrating plants, and poultry factories.

The word “processing” does not apply to the slaughtering and dressing of livestock, or to such operations as bunching vegetables or crating berries.

b. Farms where the principal purpose of the farm is the raising and using of horses for racing purposes.

c. Incorporated farms.

B. Premium: Refer to state rate pages.

Use Endorsement HO AF 73 Liability Coverage For Farm(s) Owned by the Insured and Rented to Others

## RULE 616. WATERBED LIABILITY – ALL FORMS WITH HO AF 70

This rule is added as follows:

The policy may be endorsed to provide coverage applicable when a waterbed causes damage to non-owned property located on or in an insured residence premises.

Premium: Refer to state rate pages

Use Endorsement HO AF 15 Waterbed Liability

## ADDITIONS TO THE HOMEOWNERS POLICY PROGRAM MANUAL EXCEPTION PAGE (CONT)

## SPECIAL STATE REQUIREMENTS

The following is added:

Water Exclusion Endorsement HO AF 09  
Use this endorsement with all Homeowners policies.

## ADDITIONAL RULE(S)

## HOME BUSINESS INSURANCE COVERAGE

This rule is deleted.

## BUILDING CODE EFFECTIVENESS GRADING SCHEDULE

This rule is deleted.

## IDENTITY FRAUD EXPENSE COVERAGE

## A. Coverage Description

When the optional Identity Fraud Expense Coverage endorsement is attached to the policy, \$15,000 of coverage is available to pay for expenses incurred by an insured as a direct result of any one identity fraud first discovered or learned of during the policy period. Such expenses include the costs for notarizing fraud affidavits or similar documents; certified mail sent to law enforcement, financial institutions and credit agencies; lost income resulting from time taken off work to meet with or talk to law enforcement or credit agencies; loan application fees for re-applying for a loan when the application is rejected solely because the lender received incorrect credit information; and reasonable attorney's fees incurred to defend lawsuits brought against the insured and to remove criminal or civil judgments.

## B. Limits of Liability

Up to \$15,000 coverage will be provided for the identity fraud of an insured discovered or first learned of during the policy period.

## C. Premium Computation

Refer to rate pages for additional charge.

## D. Endorsement

1. Use Identity Fraud Expense Coverage Endorsement HO 04 55.
2. This endorsement provides complete details on coverages, definitions and additional policy conditions applicable to this coverage.

HOMEOWNERS POLICY PROGRAM MANUAL  
STATE TERRITORY PAGE

\*\*\*\* Item 2. B. is deleted and the following substituted:

**B. Other Than Cities**

County of:	Code	County of	Code
Arkansas	46	Lee	49
Ashley	42	Lincoln	46
Baxter	34	Little River	44
Benton	34	Logan	35
Boone	34	Lonoke	40
Bradley	42	Madison	34
Calhoun	43	Marion	34
Carroll	34	Miller	41
Chicot	46	Mississippi	49
Clark	47	Monroe	40
Clay	48	Montgomery	44
Cleburne	34	Nevada	44
Cleveland	43	Newton	35
Columbia	44	Quachita	44
Conway	44	Perry	35
Craighead	37	Phillips	49
Crawford	36	Pike	44
Crittenden	49	Poinsett	49
Cross	49	Polk	38
Dallas	43	Pope	35
Desha	43	Prairie	40
Drew	43	Pulaski	31
Faulkner	35	Randolph	39
Franklin	45	St. Francis	49
Fulton	35	Saline	40
Garland	35	Scott	35
Grant	47	Searcy	35
Greene	48	Sebastian	35
Hempstead	44	Sevier	44
Hot Spring	47	Sharp	35
Howard	44	Stone	35
Independence	34	Union	42
Izard	35	Van Buren	34
Jackson	49	Washington	34
Jefferson	32	White	40
Johnson	45	Woodruff	49
Lafayette	41	Yell	44
Lawrence	49		

HOMEOWNERS POLICY PROGRAM MANUAL  
TERRITORY PAGES

Item 3. is deleted and the following substituted:

\*\*\*\* **3.TERRITORY DEFINITIONS – EARTHQUAKE**

**ZIP CODES 71601 – 71772**

Earthquake ZIP Codes/Territories In Numerical Order By ZIP Code					
ZIP Code	USPS ZIP Code Name	Earthquake Territory	ZIP Code	USPS ZIP Code Name	Earthquake Territory
71601	PINE BLUFF	26	71676	WILMOT	27
71602	WHITE HALL	27	71677	WINCHESTER	25
71603	PINE BLUFF	27	71678	YORKTOWN	26
71611	PINE BLUFF	26	71701	CAMDEN	27
71612	WHITE HALL	27	71711	CAMDEN	27
71613	PINE BLUFF	27	71720	BEARDEN	27
71630	ARKANSAS CITY	25	71721	BEIRNE	27
71631	BANKS	27	71722	BLUFF CITY	27
71635	CROSSETT	27	71724	CALION	27
71638	DERMOTT	26	71725	CARTHAGE	27
71639	DUMAS	25	71726	CHIDESTER	27
71640	EUDORA	27	71728	CURTIS	27
71642	FOUNTAIN HILL	27	71730	EL DORADO	27
71643	GOULD	25	71731	EL DORADO	27
71644	GRADY	25	71740	EMERSON	27
71646	HAMBURG	27	71742	FORDYCE	27
71647	HERMITAGE	27	71743	GURDON	27
71651	JERSEY	27	71744	HAMPTON	27
71652	KINGSLAND	27	71745	HARRELL	27
71653	LAKE VILLAGE	27	71747	HUTTIG	27
71654	MC GEHEE	26	71748	IVAN	27
71655	MONTICELLO	27	71749	JUNCTION CITY	27
71656	MONTICELLO	27	71750	LAWSON	27
71657	MONTICELLO	27	71751	LOUANN	27
71658	MONTROSE	27	71752	MC NEIL	27
71659	MOSCOW	26	71753	MAGNOLIA	27
71660	NEW EDINBURG	27	71754	MAGNOLIA	27
71661	PARKDALE	27	71758	MOUNT HOLLY	27
71662	PICKENS	25	71759	NORPHLET	27
71663	PORTLAND	27	71762	SMACKOVER	27
71665	RISON	27	71763	SPARKMAN	27
71666	MC GEHEE	26	71764	STEPHENS	27
71667	STAR CITY	27	71765	STRONG	27
71670	TILLAR	26	71766	THORNTON	27
71671	WARREN	27	71768	URBANA	27
71674	WATSON	25	71770	WALDO	27
71675	WILMAR	27	71772	WHELEN SPRINGS	27

Table #1(T) ZIP Codes 71601 – 71772

HOMEOWNERS POLICY PROGRAM MANUAL  
TERRITORY PAGES

\*\*\*\* 3.TERRITORY DEFINITIONS – EARTHQUAKE

ZIP CODES 71801 – 71998

Earthquake ZIP Codes/Territories In Numerical Order By ZIP Code					
ZIP Code	USPS ZIP Code Name	Earthquake Territory	ZIP Code	USPS ZIP Code Name	Earthquake Territory
71801	HOPE	27	71903	HOT SPRINGS NATIONAL PARK	27
71802	HOPE	27	71909	HOT SPRINGS NATIONAL PARK	27
71820	ALLEENE	27	71910	HOT SPRINGS VILLAGE	27
71822	ASHDOWN	27	71913	HOT SPRINGS NATIONAL PARK	27
71823	BEN LOMOND	27	71914	HOT SPRINGS NATIONAL PARK	27
71825	BLEVINS	27	71920	ALPINE	27
71826	BRADLEY	27	71921	AMITY	27
71827	BUCKNER	27	71922	ANTOINE	27
71828	CALE	27	71923	ARKADELPHIA	27
71831	COLUMBUS	27	71929	BISMARCK	27
71832	DE QUEEN	27	71932	BOARD CAMP	27
71833	DIERKS	27	71933	BONNERDALE	27
71834	DODDRIDGE	27	71935	CADDO GAP	27
71835	EMMET	27	71937	COVE	27
71836	FOREMAN	27	71940	DELIGHT	27
71837	FOUKE	27	71941	DONALDSON	27
71838	FULTON	27	71942	FRIENDSHIP	27
71839	GARLAND CITY	27	71943	GLENWOOD	27
71840	GENOA	27	71944	GRANNIS	27
71841	GILLHAM	27	71945	HATFIELD	27
71842	HORATIO	27	71949	JESSIEVILLE	27
71845	LEWISVILLE	27	71950	KIRBY	27
71846	LOCKESBURG	27	71952	LANGLEY	27
71847	MC CASKILL	27	71953	MENA	27
71851	MINERAL SPRINGS	27	71956	MOUNTAIN PINE	27
71852	NASHVILLE	27	71957	MOUNT IDA	27
71853	OGDEN	27	71958	MURFREESBORO	27
71854	TEXARKANA	27	71959	NEWHOPE	27
71855	OZAN	27	71960	NORMAN	27
71857	PRESCOTT	27	71961	ODEN	27
71858	ROSSTON	27	71962	OKOLONA	27
71859	SARATOGA	27	71964	PEARCY	27
71860	STAMPS	27	71965	PENCIL BLUFF	27
71861	TAYLOR	27	71968	ROYAL	27
71862	WASHINGTON	27	71969	SIMS	27
71864	WILLISVILLE	27	71970	STORY	27
71865	WILTON	27	71971	UMPIRE	27
71866	WINTHROP	27	71972	VANDERVOORT	27
71901	HOT SPRINGS NATIONAL PARK	27	71973	WICKES	27
71902	HOT SPRINGS NATIONAL PARK	27	71998	ARKADELPHIA	27

Table #2(T) ZIP Codes 71801 – 71998

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\*\*\*\* 3.TERRITORY DEFINITIONS – EARTHQUAKE (CONT)

ZIP CODES 71999 – 72088

Earthquake ZIP Codes/Territories In Numerical Order By ZIP Code					
ZIP Code	USPS ZIP Code Name	Earthquake Territory	ZIP Code	USPS ZIP Code Name	Earthquake Territory
71999	ARKADELPHIA	27	72042	DE WITT	26
72001	ADONA	27	72043	DIAZ	24
72002	ALEXANDER	27	72044	EDGEMONT	27
72003	ALMYRA	26	72045	EL PASO	27
72004	ALTHEIMER	25	72046	ENGLAND	24
72005	AMAGON	24	72047	ENOLA	27
72006	AUGUSTA	24	72048	ETHEL	25
72007	AUSTIN	27	72051	FOX	27
72010	BALD KNOB	26	72052	GARNER	26
72011	BAUXITE	27	72053	COLLEGE STATION	26
72012	BEEBE	26	72055	GILLETT	26
72013	BEE BRANCH	27	72057	GRAPEVINE	27
72014	BEEDEVILLE	24	72058	GREENBRIER	27
72015	BENTON	27	72059	GREGORY	24
72016	BIGELOW	27	72060	GRIFFITHVILLE	25
72017	BISCOE	25	72061	GUY	27
72018	BENTON	27	72063	HATTIEVILLE	27
72019	BENTON	27	72064	HAZEN	25
72020	BRADFORD	26	72065	HENSLEY	27
72021	BRINKLEY	25	72066	HICKORY PLAINS	26
72022	BRYANT	27	72067	HIGDEN	27
72023	CABOT	26	72068	HIGGINSON	25
72024	CARLISLE	26	72069	HOLLY GROVE	25
72025	CASA	27	72070	HOUSTON	27
72026	CASSCOE	25	72072	HUMNOKE	24
72027	CENTER RIDGE	27	72073	HUMPHREY	24
72028	CHOCTAW	27	72074	HUNTER	25
72029	CLARENDON	25	72075	JACKSONPORT	24
72030	CLEVELAND	27	72076	JACKSONVILLE	26
72031	CLINTON	27	72078	JACKSONVILLE	26
72032	CONWAY	27	72079	JEFFERSON	27
72033	CONWAY	27	72080	JERUSALEM	27
72034	CONWAY	27	72081	JUDSONIA	26
72035	CONWAY	27	72082	KENSETT	25
72036	COTTON PLANT	25	72083	KEO	24
72037	COY	24	72084	LEOLA	27
72038	CROCKETTS BLUFF	26	72085	LETONA	26
72039	DAMASCUS	27	72086	LONOKE	26
72040	DES ARC	25	72087	LONSDALE	27
72041	DE VALLS BLUFF	25	72088	FAIRFIELD BAY	27

Table #3(T) ZIP Codes 71999 – 72088

HOMEOWNERS POLICY PROGRAM MANUAL  
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\*\*\*\* 3.TERRITORY DEFINITIONS – EARTHQUAKE (CONT)

ZIP CODES 72089 – 72211

Earthquake ZIP Codes/Territories In Numerical Order By ZIP Code					
ZIP Code	USPS ZIP Code Name	Earthquake Territory	ZIP Code	USPS ZIP Code Name	Earthquake Territory
72089	BRYANT	27	72141	SCOTLAND	27
72099	LITTLE ROCK AIR FORCE BASE	27	72142	SCOTT	24
72101	MC CRORY	24	72143	SEARCY	26
72102	MC RAE	26	72145	SEARCY	26
72103	MABELVALE	27	72149	SEARCY	26
72104	MALVERN	27	72150	SHERIDAN	27
72105	JONES MILL	27	72152	SHERRILL	25
72106	MAYFLOWER	27	72153	SHIRLEY	27
72107	MENIFEE	27	72156	SOLGOHACHIA	27
72108	MONROE	25	72157	SPRINGFIELD	27
72110	MORRILTON	27	72160	STUTTGART	25
72111	MOUNT VERNON	27	72164	SWEET HOME	26
72112	NEWPORT	24	72165	THIDA	25
72113	MAUMELLE	26	72166	TICHNOR	26
72114	NORTH LITTLE ROCK	26	72167	TRASKWOOD	27
72115	NORTH LITTLE ROCK	26	72168	TUCKER	25
72116	NORTH LITTLE ROCK	27	72169	TUPELO	24
72117	NORTH LITTLE ROCK	25	72170	ULM	26
72118	NORTH LITTLE ROCK	27	72173	VILONIA	27
72119	NORTH LITTLE ROCK	26	72175	WABBASEKA	24
72120	SHERWOOD	27	72176	WARD	26
72121	PANGBURN	26	72178	WEST POINT	26
72122	PARON	27	72179	WILBURN	27
72123	PATTERSON	24	72180	WOODSON	27
72124	NORTH LITTLE ROCK	27	72181	WOOSTER	27
72125	PERRY	27	72182	WRIGHT	25
72126	PERRYVILLE	27	72183	WRIGHTSVILLE	26
72127	PLUMERVILLE	27	72190	NORTH LITTLE ROCK	27
72128	POYEN	26	72198	NORTH LITTLE ROCK	26
72129	PRATTSVILLE	27	72199	NORTH LITTLE ROCK	27
72130	PRIM	27	72201	LITTLE ROCK	27
72131	QUITMAN	27	72202	LITTLE ROCK	27
72132	REDFIELD	27	72203	LITTLE ROCK	27
72133	REYDELL	25	72204	LITTLE ROCK	27
72134	ROE	25	72205	LITTLE ROCK	27
72135	ROLAND	27	72206	LITTLE ROCK	26
72136	ROMANCE	27	72207	LITTLE ROCK	27
72137	ROSE BUD	27	72209	LITTLE ROCK	27
72139	RUSSELL	26	72210	LITTLE ROCK	27
72140	SAINT CHARLES	25	72211	LITTLE ROCK	27

Table #4(T) ZIP Codes 72089 – 72211

HOMEOWNERS POLICY PROGRAM MANUAL  
TERRITORY PAGES

\*\*\*\* 3.TERRITORY DEFINITIONS – EARTHQUAKE (CONT)

ZIP CODES 72212 – 72401

Earthquake ZIP Codes/Territories In Numerical Order By ZIP Code					
ZIP Code	USPS ZIP Code Name	Earthquake Territory	ZIP Code	USPS ZIP Code Name	Earthquake Territory
72212	LITTLE ROCK	27	72340	GOODWIN	25
72214	LITTLE ROCK	27	72341	HAYNES	25
72215	LITTLE ROCK	27	72342	HELENA	25
72216	LITTLE ROCK	26	72346	HETH	21
72217	LITTLE ROCK	27	72347	HICKORY RIDGE	24
72219	LITTLE ROCK	27	72348	HUGHES	22
72221	LITTLE ROCK	27	72350	JOINER	21
72222	LITTLE ROCK	27	72351	KEISER	21
72223	LITTLE ROCK	27	72352	LA GRANGE	25
72225	LITTLE ROCK	27	72353	LAMBROOK	26
72227	LITTLE ROCK	27	72354	LEPANTO	21
72231	LITTLE ROCK	25	72355	LEXA	25
72260	LITTLE ROCK	27	72358	LUXORA	21
72295	LITTLE ROCK	27	72359	MADISON	24
72301	WEST MEMPHIS	22	72360	MARIANNA	25
72303	WEST MEMPHIS	22	72364	MARION	22
72310	ARMOREL	21	72365	MARKED TREE	21
72311	AUBREY	25	72366	MARVELL	25
72312	BARTON	25	72367	MELLWOOD	26
72313	BASSETT	21	72368	MORO	25
72315	BLYTHEVILLE	21	72369	ONEIDA	26
72316	BLYTHEVILLE	21	72370	OSCEOLA	21
72319	GOSNELL	21	72372	PALESTINE	24
72320	BRICKEYS	23	72373	PARKIN	21
72321	BURDETTE	21	72374	POPLAR GROVE	25
72322	CALDWELL	24	72376	PROCTOR	22
72324	CHERRY VALLEY	23	72377	RIVERVALE	21
72325	CLARKEDALE	21	72379	SNOW LAKE	25
72326	COLT	24	72383	TURNER	25
72327	CRAWFORDSVILLE	21	72384	TURRELL	21
72328	CRUMROD	26	72386	TYRONZA	21
72329	DRIVER	21	72387	VANNDALE	24
72330	DYESS	21	72389	WABASH	26
72331	EARLE	21	72390	WEST HELENA	25
72332	EDMONDSON	22	72391	WEST RIDGE	21
72333	ELAINE	26	72392	WHEATLEY	25
72335	FORREST CITY	24	72394	WIDENER	23
72336	FORREST CITY	24	72395	WILSON	21
72338	FRENCHMANS BAYOU	21	72396	WYNNE	24
72339	GILMORE	21	72401	JONESBORO	23

Table #5(T) ZIP Codes 72212 – 72401

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\*\*\*\* 3.TERRITORY DEFINITIONS – EARTHQUAKE (CONT)

ZIP CODES 72402 – 72527

Earthquake ZIP Codes/Territories In Numerical Order By ZIP Code					
ZIP Code	USPS ZIP Code Name	Earthquake Territory	ZIP Code	USPS ZIP Code Name	Earthquake Territory
72402	JONESBORO	23	72453	PEACH ORCHARD	24
72403	JONESBORO	23	72454	PIGGOTT	23
72404	JONESBORO	23	72455	POCAHONTAS	26
72410	ALICIA	25	72456	POLLARD	24
72411	BAY	21	72457	PORTIA	25
72412	BEECH GROVE	24	72458	POWHATAN	26
72413	BIGGERS	24	72459	RAVENDEN	26
72414	BLACK OAK	21	72460	RAVENDEN SPRINGS	27
72415	BLACK ROCK	26	72461	RECTOR	23
72416	BONO	24	72462	REYNO	24
72417	BROOKLAND	23	72464	SAINT FRANCIS	22
72419	CARAWAY	21	72465	SEDGWICK	24
72421	CASH	24	72466	SMITHVILLE	26
72422	CORNING	24	72467	STATE UNIVERSITY	21
72424	DATTO	24	72469	STRAWBERRY	26
72425	DELAPLAINE	24	72470	SUCCESS	25
72426	DELL	21	72471	SWIFTON	25
72427	EGYPT	24	72472	TRUMANN	21
72428	ETOWAH	21	72473	TUCKERMAN	25
72429	FISHER	24	72474	WALCOTT	23
72430	GREENWAY	23	72475	WALDENBURG	24
72431	GRUBBS	24	72476	WALNUT RIDGE	25
72432	HARRISBURG	23	72478	WARM SPRINGS	26
72433	HOXIE	25	72479	WEINER	24
72434	IMBODEN	26	72482	WILLIFORD	27
72435	KNOBEL	24	72501	BATESVILLE	26
72436	LAFE	24	72503	BATESVILLE	26
72437	LAKE CITY	21	72512	HORSESHOE BEND	27
72438	LEACHVILLE	21	72513	ASH FLAT	27
72439	LIGHT	24	72515	BEXAR	27
72440	LYNN	26	72517	BROCKWELL	27
72441	MC DOUGAL	24	72519	CALICO ROCK	27
72442	MANILA	21	72520	CAMP	27
72443	MARMADUKE	23	72521	CAVE CITY	27
72444	MAYNARD	26	72522	CHARLOTTE	26
72445	MINTURN	25	72523	CONCORD	27
72447	MONETTE	21	72524	CORD	25
72449	O KEAN	25	72525	CHEROKEE VILLAGE	27
72450	PARAGOULD	23	72526	CUSHMAN	26
72451	PARAGOULD	23	72527	DESHA	26

Table #6(T) ZIP Codes 72402 – 72527

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\*\*\*\* 3.TERRITORY DEFINITIONS – EARTHQUAKE (CONT)

ZIP CODES 72528 – 72660

Earthquake ZIP Codes/Territories In Numerical Order By ZIP Code					
ZIP Code	USPS ZIP Code Name	Earthquake Territory	ZIP Code	USPS ZIP Code Name	Earthquake Territory
72528	DOLPH	27	72583	VIOLA	27
72529	CHEROKEE VILLAGE	27	72584	VIOLET HILL	27
72530	DRASCO	27	72585	WIDEMAN	27
72531	ELIZABETH	27	72587	WISEMAN	27
72532	EVENING SHADE	27	72601	HARRISON	27
72533	FIFTY SIX	27	72602	HARRISON	27
72534	FLORAL	27	72611	ALPENA	27
72536	FRANKLIN	27	72613	BEAVER	27
72537	GAMALIEL	27	72615	BERGMAN	27
72538	GEPP	27	72616	BERRYVILLE	27
72539	GLENCOE	27	72617	BIG FLAT	27
72540	GUION	27	72619	BULL SHOALS	27
72542	HARDY	27	72623	CLARKRIDGE	27
72543	HEBER SPRINGS	27	72624	COMPTON	27
72544	HENDERSON	27	72626	COTTER	27
72545	HEBER SPRINGS	27	72628	DEER	27
72546	IDA	27	72629	DENNARD	27
72550	LOCUST GROVE	27	72630	DIAMOND CITY	27
72553	MAGNESS	25	72631	EUREKA SPRINGS	27
72554	MAMMOTH SPRING	27	72632	EUREKA SPRINGS	27
72555	MARCELLA	27	72633	EVERTON	27
72556	MELBOURNE	27	72634	FLIPPIN	27
72560	MOUNTAIN VIEW	27	72635	GASSVILLE	27
72561	MOUNT PLEASANT	27	72636	GILBERT	27
72562	NEWARK	25	72638	GREEN FOREST	27
72564	OIL TROUGH	24	72639	HARRIET	27
72565	OXFORD	27	72640	HASTY	27
72566	PINEVILLE	27	72641	JASPER	27
72567	PLEASANT GROVE	27	72642	LAKEVIEW	27
72568	PLEASANT PLAINS	26	72644	LEAD HILL	27
72569	POUGHKEEPSIE	27	72645	LESLIE	27
72571	ROSIE	26	72648	MARBLE FALLS	27
72572	SAFFELL	26	72650	MARSHALL	27
72573	SAGE	27	72651	MIDWAY	27
72575	SALADO	26	72653	MOUNTAIN HOME	27
72576	SALEM	27	72654	MOUNTAIN HOME	27
72577	SIDNEY	27	72655	MOUNT JUDEA	27
72578	STURKIE	27	72657	TIMBO	27
72579	SULPHUR ROCK	26	72658	NORFORK	27
72581	TUMBLING SHOALS	27	72660	OAK GROVE	27

Table #7(T) ZIP Codes 72528 – 72660

HOMEOWNERS POLICY PROGRAM MANUAL  
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\*\*\*\* 3.TERRITORY DEFINITIONS – EARTHQUAKE (CONT)

ZIP CODES 72661 – 72829

Earthquake ZIP Codes/Territories In Numerical Order By ZIP Code					
ZIP Code	USPS ZIP Code Name	Earthquake Territory	ZIP Code	USPS ZIP Code Name	Earthquake Territory
72661	OAKLAND	27	72737	GREENLAND	27
72662	OMAHA	27	72738	HINDSVILLE	27
72663	ONIA	27	72739	HIWASSE	27
72666	PARTHENON	27	72740	HUNTSVILLE	27
72668	PEEL	27	72741	JOHNSON	27
72669	PINDALL	27	72742	KINGSTON	27
72670	PONCA	27	72744	LINCOLN	27
72672	PYATT	27	72745	LOWELL	27
72675	SAINT JOE	27	72747	MAYSVILLE	27
72677	SUMMIT	27	72749	MORROW	27
72679	TILLY	27	72751	PEA RIDGE	27
72680	TIMBO	27	72752	PETTIGREW	27
72682	VALLEY SPRINGS	27	72753	PRAIRIE GROVE	27
72683	VENDOR	27	72756	ROGERS	27
72685	WESTERN GROVE	27	72757	ROGERS	27
72686	WITTS SPRINGS	27	72758	ROGERS	27
72687	YELLVILLE	27	72760	SAINT PAUL	27
72701	FAYETTEVILLE	27	72761	SILOAM SPRINGS	27
72702	FAYETTEVILLE	27	72762	SPRINGDALE	27
72703	FAYETTEVILLE	27	72764	SPRINGDALE	27
72704	FAYETTEVILLE	27	72765	SPRINGDALE	27
72711	AVOCA	27	72766	SPRINGDALE	27
72712	BENTONVILLE	27	72768	SULPHUR SPRINGS	27
72714	BELLA VISTA	27	72769	SUMMERS	27
72715	BELLA VISTA	27	72770	TONTITOWN	27
72716	BENTONVILLE	27	72773	WESLEY	27
72717	CANEHILL	27	72774	WEST FORK	27
72718	CAVE SPRINGS	27	72776	WITTER	27
72719	CENTERTON	27	72801	RUSSELLVILLE	27
72721	COMBS	27	72802	RUSSELLVILLE	27
72722	DECATUR	27	72811	RUSSELLVILLE	27
72727	ELKINS	27	72812	RUSSELLVILLE	27
72728	ELM SPRINGS	27	72820	ALIX	27
72729	EVANSVILLE	27	72821	ALTUS	27
72730	FARMINGTON	27	72823	ATKINS	27
72732	GARFIELD	27	72824	BELLEVILLE	27
72733	GATEWAY	27	72826	BLUE MOUNTAIN	27
72734	GENTRY	27	72827	BLUFFTON	27
72735	GOSHEN	27	72828	BRIGGSVILLE	27
72736	GRAVETTE	27	72829	CENTERVILLE	27

Table #8(T) ZIP Codes 72661 – 72829

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\*\*\*\* 3.TERRITORY DEFINITIONS – EARTHQUAKE (CONT)

ZIP CODES 72830 – 72959

Earthquake ZIP Codes/Territories In Numerical Order By ZIP Code					
ZIP Code	USPS ZIP Code Name	Earthquake Territory	ZIP Code	USPS ZIP Code Name	Earthquake Territory
72830	CLARKSVILLE	27	72923	BARLING	27
72832	COAL HILL	27	72926	BOLES	27
72833	DANVILLE	27	72927	BOONEVILLE	27
72834	DARDANELLE	27	72928	BRANCH	27
72835	DELAWARE	27	72930	CECIL	27
72837	DOVER	27	72932	CEDARVILLE	27
72838	GRAVELLY	27	72933	CHARLESTON	27
72839	HAGARVILLE	27	72934	CHESTER	27
72840	HARTMAN	27	72935	DYER	27
72841	HARVEY	27	72936	GREENWOOD	27
72842	HAVANA	27	72937	HACKETT	27
72843	HECTOR	27	72938	HARTFORD	27
72845	KNOXVILLE	27	72940	HUNTINGTON	27
72846	LAMAR	27	72941	LAVACA	27
72847	LONDON	27	72943	MAGAZINE	27
72851	NEW BLAINE	27	72944	MANSFIELD	27
72852	OARK	27	72945	MIDLAND	27
72853	OLA	27	72946	MOUNTAINBURG	27
72854	OZONE	27	72947	MULBERRY	27
72855	PARIS	27	72948	NATURAL DAM	27
72856	PELSOR	27	72949	OZARK	27
72857	PLAINVIEW	27	72950	PARKS	27
72858	POTTSVILLE	27	72951	RATCLIFF	27
72860	ROVER	27	72952	RUDY	27
72863	SCRANTON	27	72955	UNIONTOWN	27
72865	SUBIACO	27	72956	VAN BUREN	27
72901	FORT SMITH	27	72957	VAN BUREN	27
72902	FORT SMITH	27	72958	WALDRON	27
72903	FORT SMITH	27	72959	WINSLOW	27
72904	FORT SMITH	27			
72905	FORT SMITH	27			
72906	FORT SMITH	27			
72908	FORT SMITH	27			
72913	FORT SMITH	27			
72914	FORT SMITH	27			
72916	FORT SMITH	27			
72917	FORT SMITH	27			
72918	FORT SMITH	27			
72919	FORT SMITH	27			
72921	ALMA	27			

Table #9(T) ZIP Codes 72830 – 72959

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\*\*\*\* 3.TERRITORY DEFINITIONS – EARTHQUAKE (CONT)

Earthquake Territory Definitions In Numerical Order By Territory Code						
Territory	ZIP Codes					
21	72310	72327	72350	72377	72419	72467
	72313	72329	72351	72384	72426	72472
	72315	72330	72354	72386	72428	
	72316	72331	72358	72391	72437	
	72319	72338	72365	72395	72438	
	72321	72339	72370	72411	72442	
	72325	72346	72373	72414	72447	
22	72301	72348	72464			
	72303	72364				
	72332	72376				
23	72320	72401	72404	72432	72451	72474
	72324	72402	72417	72443	72454	
	72394	72403	72430	72450	72461	
24	72005	72073	72175	72387	72425	72453
	72006	72075	72322	72396	72427	72456
	72014	72083	72326	72412	72429	72462
	72037	72101	72335	72413	72431	72465
	72043	72112	72336	72416	72435	72475
	72046	72123	72347	72421	72436	72479
	72059	72142	72359	72422	72439	72564
	72072	72169	72372	72424	72441	
25	71630	72026	72074	72168	72360	72445
	71639	72029	72082	72182	72366	72449
	71643	72036	72108	72231	72368	72457
	71644	72040	72117	72311	72374	72470
	71662	72041	72133	72312	72379	72471
	71674	72048	72134	72340	72383	72473
	71677	72060	72140	72341	72390	72476
	72004	72064	72152	72342	72392	72524
	72017	72068	72160	72352	72410	72553
	72021	72069	72165	72355	72433	72562
26	71601	72023	72086	72164	72367	72478
	71611	72024	72102	72166	72369	72501
	71638	72038	72113	72170	72389	72503
	71654	72042	72114	72176	72415	72522
	71659	72052	72115	72178	72434	72526
	71666	72053	72119	72183	72440	72527
	71670	72055	72121	72198	72444	72568
	71678	72066	72128	72206	72455	72571
	72003	72076	72139	72216	72458	72572
	72010	72078	72143	72328	72459	72575
	72012	72081	72145	72333	72466	72579
	72020	72085	72149	72353	72469	
27	71602	71647	71661	71720	71740	71751
	71603	71651	71663	71721	71742	71752
	71612	71652	71665	71722	71743	71753
	71613	71653	71667	71724	71744	71754
	71631	71655	71671	71725	71745	71758
	71635	71656	71675	71726	71747	71759
	71640	71657	71676	71728	71748	71762
	71642	71658	71701	71730	71749	71763
	71646	71660	71711	71731	71750	71764

Table #10(T) Earthquake Territory Definitions

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TERRITORY PAGES

\*\*\*\* 3.TERRITORY DEFINITIONS – EARTHQUAKE (CONT)

Earthquake Territory Definitions In Numerical Order By Territory Code						
Territory	ZIP Codes					
27 (Cont'd)	71765	71937	72070	72223	72617	72719
	71766	71940	72079	72225	72619	72721
	71768	71941	72080	72227	72623	72722
	71770	71942	72084	72260	72624	72727
	71772	71943	72087	72295	72626	72728
	71801	71944	72088	72460	72628	72729
	71802	71945	72089	72482	72629	72730
	71820	71949	72099	72512	72630	72732
	71822	71950	72103	72513	72631	72733
	71823	71952	72104	72515	72632	72734
	71825	71953	72105	72517	72633	72735
	71826	71956	72106	72519	72634	72736
	71827	71957	72107	72520	72635	72737
	71828	71958	72110	72521	72636	72738
	71831	71959	72111	72523	72638	72739
	71832	71960	72116	72525	72639	72740
	71833	71961	72118	72528	72640	72741
	71834	71962	72120	72529	72641	72742
	71835	71964	72122	72530	72642	72744
	71836	71965	72124	72531	72644	72745
	71837	71968	72125	72532	72645	72747
	71838	71969	72126	72533	72648	72749
	71839	71970	72127	72534	72650	72751
	71840	71971	72129	72536	72651	72752
	71841	71972	72130	72537	72653	72753
	71842	71973	72131	72538	72654	72756
	71845	71998	72132	72539	72655	72757
	71846	71999	72135	72540	72657	72758
	71847	72001	72136	72542	72658	72760
	71851	72002	72137	72543	72660	72761
	71852	72007	72141	72544	72661	72762
	71853	72011	72150	72545	72662	72764
	71854	72013	72153	72546	72663	72765
	71855	72015	72156	72550	72666	72766
	71857	72016	72157	72554	72668	72768
	71858	72018	72167	72555	72669	72769
	71859	72019	72173	72556	72670	72770
	71860	72022	72179	72560	72672	72773
	71861	72025	72180	72561	72675	72774
	71862	72027	72181	72565	72677	72776
	71864	72028	72190	72566	72679	72801
	71865	72030	72199	72567	72680	72802
	71866	72031	72201	72569	72682	72811
	71901	72032	72202	72573	72683	72812
	71902	72033	72203	72576	72685	72820
	71903	72034	72204	72577	72686	72821
	71909	72035	72205	72578	72687	72823
71910	72039	72207	72581	72701	72824	
71913	72044	72209	72583	72702	72826	
71914	72045	72210	72584	72703	72827	
71920	72047	72211	72585	72704	72828	
71921	72051	72212	72587	72711	72829	
71922	72057	72214	72601	72712	72830	
71923	72058	72215	72602	72714	72832	
71929	72061	72217	72611	72715	72833	
71932	72063	72219	72613	72716	72834	
71933	72065	72221	72615	72717	72835	
71935	72067	72222	72616	72718	72837	

Table #11(T) Earthquake Territory Definitions

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\*\*\*\* 3.TERRITORY DEFINITIONS – EARTHQUAKE (CONT)

Earthquake Territory Definitions In Numerical Order By Territory Code							
Territory	ZIP Codes						
<b>27 (Cont'd)</b>	72838	72853	72903	72921	72937	72950	
	72839	72854	72904	72923	72938	72951	
	72840	72855	72905	72926	72940	72952	
	72841	72856	72906	72927	72941	72955	
	72842	72857	72908	72928	72943	72956	
	72843	72858	72913	72930	72944	72957	
	72845	72860	72914	72932	72945	72958	
	72846	72863	72916	72933	72946	72959	
	72847	72865	72917	72934	72947		
	72851	72901	72918	72935	72948		
	72852	72902	72919	72936	72949		

Table #12(T) Earthquake Territory Definitions

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BASE CLASS PREMIUM PAGE

\*\*\*\* RULE 301. BASE PREMIUM COMPUTATION  
BASE CLASS PREMIUM TABLE

Territory	HO 00 03	HO 00 06
30	718	73
31	745	71
32	719	76
34	566	72
35	632	73
36	703	71
37	721	69
38	702	70
39	703	67
40	734	73
41	703	71
42	703	70
43	703	70
44	702	70
45	600	72
46	702	70
47	698	69
48	702	69
49	702	71

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RULE 105. SECONDARY RESIDENCE PREMISES

Credit..... Not Applicable

RULE 205. MINIMUM PREMIUM

Paragraphs A, B and C..... Not Applicable

RULE 207. WAIVER OF PREMIUM

Amount that may be waived..... None

RULE 406. DEDUCTIBLES

B. Minimum additional charge..... Not Applicable

Maximum additional charge..... Not Applicable

RULE 410. EXCESS DWELLING COVERAGE

D.2. Charge per policy when Coverage C is not included..... \$ 25.00

\*\*\*\* RULE 503. BUSINESS PROPERTY – INCREASED LIMITS

Rate per \$2,500..... \$ 21.00

\*\*\*\* RULE 504. CREDIT CARD, FUND TRANSFER CARD, FORGERY & COUNTERFEIT MONEY

Limit		
\$ 2,500.....		\$ 3.00
\$ 5,000.....		\$ 4.00
\$ 7,500.....		\$ 5.00
\$ 10,000*.....		\$ 6.00

\* Limits in excess of \$10,000, not available.

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\*\*\*\* RULE 505. EARTHQUAKE COVERAGE

D.1. 5% DEDUCTIBLE – Rates per \$1,000

Table A – FRAME \*

Territory	(A) HO 00 02 & HO 00 03 & 3 w/15	(C) HO 00 06	(D) HO 00 02 & HO 00 03 & 3 w/15 Increased Cov C	(E) HO 00 06 Basic and Increased Cov A	(F) Inc Cov. D	(G) Bldg or non- Bldg Structure Items
21	\$1.53	\$0.77	\$0.61	\$1.03	\$0.73	\$0.96
22	\$1.40	\$0.77	\$0.61	\$0.93	\$0.71	\$0.87
23	\$1.31	\$0.71	\$0.58	\$0.86	\$0.63	\$0.87
24	\$1.14	\$0.61	\$0.52	\$0.71	\$0.54	\$0.85
25	\$0.87	\$0.50	\$0.45	\$0.50	\$0.42	\$0.61
26	\$0.41	\$0.22	\$0.26	\$0.22	\$0.19	\$0.31
27	\$0.19	\$0.13	\$0.12	\$0.15	\$0.10	\$0.13

Table B – MASONRY \*

Territory	(A) HO 00 02 & HO 00 03 & 3 w/15	(C) HO 00 06	(D) HO 00 02 & HO 00 03 & 3 w/15 Increased Cov C	(E) HO 00 06 Basic and Increased Cov A	(F) Inc Cov. D	(G) Bldg or non- Bldg Structure Items
21	\$1.94	\$1.02	\$0.80	\$1.25	\$0.90	\$1.05
22	\$1.94	\$1.02	\$0.80	\$1.25	\$0.90	\$1.05
23	\$1.94	\$1.02	\$0.80	\$1.25	\$0.90	\$1.05
24	\$1.94	\$1.02	\$0.80	\$1.25	\$0.90	\$1.05
25	\$1.68	\$0.98	\$0.80	\$1.09	\$0.83	\$0.86
26	\$0.90	\$0.50	\$0.52	\$0.52	\$0.47	\$0.48
27	\$0.51	\$0.36	\$0.32	\$0.36	\$0.28	\$0.29

Table C – SUPERIOR \*

Territory	(A) HO 00 02 & HO 00 03 & 3 w/15	(C) HO 00 06	(D) HO 00 02 & HO 00 03 & 3 w/15 Increased Cov C	(E) HO 00 06 Basic and Increased Cov A	(F) Inc Cov. D	(G) Bldg or non- Bldg Structure Items
21	\$1.94	\$1.66	\$0.61	\$1.14	\$0.77	\$0.87
22	\$1.94	\$1.66	\$0.61	\$1.14	\$0.77	\$0.87
23	\$1.94	\$1.66	\$0.61	\$1.14	\$0.77	\$0.87
24	\$1.94	\$1.46	\$0.61	\$0.95	\$0.73	\$0.85
25	\$1.68	\$0.92	\$0.44	\$0.77	\$0.44	\$0.52
26	\$0.90	\$0.63	\$0.34	\$0.45	\$0.34	\$0.35
27	\$0.51	\$0.19	\$0.12	\$0.10	\$0.12	\$0.12

\* If exterior Masonry Veneer is covered, rate as Masonry; if not covered, rate as Frame.

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\*\*\*\* RULE 505. EARTHQUAKE COVERAGE (CONT)

D.1. 10% DEDUCTIBLE – Rates per \$1,000

Table A – FRAME \*

Territory	(A) HO 00 02 & HO 00 03 & 3 w/15	(C) HO 00 06	(D) HO 00 02 & HO 00 03 & 3 w/15 Increased Cov C	(E) HO 00 06 Basic and Increased Cov A	(F) Inc Cov. D	(G) Bldg or non- Bldg Structure Items
21	\$1.43	\$0.69	\$0.58	\$0.98	\$0.73	\$0.96
22	\$1.25	\$0.64	\$0.57	\$0.85	\$0.71	\$0.86
23	\$1.18	\$0.60	\$0.54	\$0.80	\$0.63	\$0.86
24	\$1.01	\$0.52	\$0.50	\$0.64	\$0.54	\$0.80
25	\$0.76	\$0.39	\$0.39	\$0.42	\$0.42	\$0.57
26	\$0.34	\$0.17	\$0.20	\$0.17	\$0.19	\$0.26
27	\$0.16	\$0.12	\$0.10	\$0.12	\$0.09	\$0.10

Table B – MASONRY \*

Territory	(A) HO 00 02 & HO 00 03 & 3 w/15	(C) HO 00 06	(D) HO 00 02 & HO 00 03 & 3 w/15 Increased Cov C	(E) HO 00 06 Basic and Increased Cov A	(F) Inc Cov. D	(G) Bldg or non- Bldg Structure Items
21	\$1.76	\$0.90	\$0.74	\$1.18	\$0.90	\$1.03
22	\$1.76	\$0.90	\$0.74	\$1.18	\$0.90	\$1.03
23	\$1.76	\$0.90	\$0.74	\$1.18	\$0.90	\$1.03
24	\$1.76	\$0.90	\$0.74	\$1.18	\$0.90	\$1.03
25	\$1.47	\$0.83	\$0.74	\$0.98	\$0.83	\$0.83
26	\$0.79	\$0.42	\$0.47	\$0.47	\$0.47	\$0.47
27	\$0.45	\$0.32	\$0.28	\$0.34	\$0.28	\$0.28

Table C – SUPERIOR \*

Territory	(A) HO 00 02 & HO 00 03 & 3 w/15	(C) HO 00 06	(D) HO 00 02 & HO 00 03 & 3 w/15 Increased Cov C	(E) HO 00 06 Basic and Increased Cov A	(F) Inc Cov. D	(G) Bldg or non- Bldg Structure Items
21	\$1.52	\$0.71	\$0.60	\$1.08	\$0.77	\$0.86
22	\$1.52	\$0.71	\$0.60	\$1.08	\$0.77	\$0.86
23	\$1.52	\$0.71	\$0.60	\$1.08	\$0.77	\$0.86
24	\$1.31	\$0.61	\$0.55	\$0.86	\$0.71	\$0.83
25	\$0.79	\$0.51	\$0.39	\$0.70	\$0.44	\$0.50
26	\$0.54	\$0.32	\$0.29	\$0.39	\$0.32	\$0.34
27	\$0.17	\$0.07	\$0.10	\$0.09	\$0.10	\$0.10

\* If exterior Masonry Veneer is covered, rate as Masonry; if not covered, rate as Frame.

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RULE 506. FIRE DEPARTMENT SERVICE CHARGE

Rate per \$100 for HO AF 85..... \$ 3.00

\*\*\*\* RULE 507. FORM HO 00 06 COVERAGE A DWELLING BASIC & INCREASED LIMITS & SPECIAL COVERAGE

C. Special Coverage

1. Charge per policy for \$5,000 in basic form..... \$ 1.68  
2. Rate for each add'l \$1,000 of Cov. A..... \$ .85

\*\*\*\* RULE 509. HOME DAY CARE COVERAGE

D.1.b. Rate per \$1,000 for business in other structure..... \$ 4.20

\*\*\*\* RULE 510. PERMITTED INCIDENTAL OCCUPANCIES – RESIDENCE PREMISES

E.1.b. Rate per \$1,000 for business in other structure..... \$ 4.20

\*\*\*\* RULE 511. LOSS ASSESSMENT COVERAGE

A. Residence Premises

All Forms except HO 00 03 or 06 with HO 17 32

New Amount of Coverage

\$ 5,000..... \$ 2.52  
\$10,000..... 4.20  
Each Add'l \$5,000 up to \$50,000..... .85

HO 00 03 or 06 with HO 17 32

New Amount of Coverage

\$ 5,000..... \$ 3.35  
\$10,000..... 5.87  
Each Add'l \$5,000 up to \$50,000..... 1.68

B. Additional Locations

All Forms except HO 00 03 or 06 with HO 17 32

New Amount of Coverage

\$ 1,000..... \$ 4.20  
\$ 5,000..... 6.71  
\$10,000..... 8.38  
Each Add'l \$5,000 up to \$50,000..... .85

HO 00 03 or 06 with HO 17 32

New Amount of Coverage

\$ 1,000..... \$ 5.03  
\$ 5,000..... 8.38  
\$10,000..... 10.90  
Each Add'l \$5,000 up to \$50,000..... 1.68

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\*\*\*\* RULE 512. LOSS OF USE – INCREASED LIMIT

Rate per \$1,000..... \$ 3.35

\*\*\*\* RULE 514. OTHER STRUCTURES

B. Increased Limit – Rate per \$1,000..... \$ 3.35

C. Rented to Others – Residence Premises – Rate per \$1,000..... \$ 4.20

D.1. Off-Premises Structures – Charge per Policy..... \$ 12.58

2. Specific Structures – Off Premises – Rate per \$1,000..... \$ 4.20

\*\*\*\* RULE 515. PERSONAL PROPERTY

A. Increased Limits – Rate per \$1,000

1. HO 00 02 or 03 without HO 00 15..... \$ 1.68

2. HO 00 03 with HO 00 15..... \$ 2.52

B. Increased Limit – Other Residences – Rate per \$1,000..... \$ 5.87

C. Reduced Limit – Credit per \$1,000..... \$ .85

D. Increased Special Limits

1. Jewelry, Watches & Furs – Rate per \$1,000..... \$ 15.09

2. Money & Securities – Rate per \$100

Money..... \$ 5.03

Securities..... \$ 3.35

3. Silverware – Rate per \$500..... Not Applicable

4. Firearms – Rate per \$100..... Not Applicable

5. Electronic Apparatus – Rate per \$500..... \$ 8.38

\*\*\*\* RULE 517. RENTAL TO OTHERS – THEFT COVERAGE

Rate per policy..... \$ 13.00

\*\*\*\* RULE 518. SINKHOLE COLLAPSE COVERAGE

Rate per \$1,000..... \$ .29

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\*\*\*\* RULE 519. SPECIAL COMPUTER COVERAGE

Charge per policy..... \$ 13.00

\*\*\*\* RULE 520. LIVESTOCK COLLISION COVERAGE

Estimated No. of Head

1-100..... \$ 8.00  
 101-250..... 17.00  
 251-500..... 25.00  
 501-1,000..... 33.00

\*\*\*\* RULE 521. WATER BACK UP AND SUMP OVERFLOW

C. Charge per policy if HO 04 90 Personal Property Replacement Cost Endorsement or HO AF 30 Excess Dwelling Coverage Endorsement is:

1. Not attached to the policy..... \$ 73.00  
 2. Attached to the policy..... \$ 87.00

\*\*\*\* RULE 523. ASSISTED LIVING CARE COVERAGE

C. Premium

1. Section I and Section II Basic Limits

Rate per unit..... \$ 66.00

2. Increased Limits

Add to the basic limit rate in Paragraph 1. above:

a. Coverage C – Rate per \$1,000..... \$ 6.00  
 b. Coverage E Limit (Coverage F does not apply to this option.)  
 \$200,000..... \$ 2.00  
 \$300,000..... 3.00  
 \$400,000..... 4.00  
 \$500,000..... 5.00

\*\*\*\* RULE 524. OTHER MEMBERS OF A NAMED INSURED’S HOUSEHOLD

C. Premium

1. Section I and Section II Basic Limits

Rate per person named in the Schedule..... \$ 51.00

2. Section II Increased Limits

Add to the basic limit rate in Paragraph 1. above:

a. Coverage E Limit

\$200,000..... \$ 7.00  
 \$300,000..... 10.00  
 \$400,000..... 13.00  
 \$500,000..... 15.00

b. Coverage F

Refer to Rule 702 for rates for limits above \$1,000

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\*\*\*\* RULE 526. RESIDENCE HELD IN TRUST

F. Premium

Basic Limits Rates

1. Trust/Trustee

Applies whether or not the trustee resides on the residence premises..... \$ 22.00

2. Beneficiary or Grantor

a. Beneficiary **OR** grantor named in the endorsement; and

1. Trustee resides on residence premises..... 22.00

2. Trustee does **not** reside on residence premises..... No Add'l  
Chrg

b. Beneficiary **AND** grantor named in the endorsement; and

1. Trustee resides on residence premises ..... 44.00

2. Trustee does **not** reside on residence premises..... 22.00

Increased Limits

1. Coverage E

Refer to Rule 701. for increased limits factors.

2. Coverage F

Refer to Rule 702. for increased limits charges.

\*\*\*\* RULE 601. RESIDENCE PREMISES – BASIC AND INCREASED LIMITS

A. Coverage E

Liability

1 or 2 Family			3 Family			4 Family		
Limit	Code	Rate	Limit	Code	Rate	Limit	Code	Rate
\$100,000	(3)	\$--	\$100,000	(3)	\$--	\$100,000	(3)	\$--
200,000	(4)	2.00	200,000	(4)	4.00	200,000	(4)	5.00
300,000	(5)	3.00	300,000	(5)	7.00	300,000	(5)	9.00
400,000	(6)	4.00	400,000	(6)	9.00	400,000	(6)	11.00
500,000	(7)	5.00	500,000	(7)	10.00	500,000	(7)	13.00

B. Coverage F – Medical Payments

Limit	Rate
\$1,000	\$ --
2,000	3.00
3,000	5.00
4,000	8.00
5,000	10.00

\*\*\*\* RULE 602. OTHER INSURED LOCATION OCCUPIED BY INSURED

C. Rate per Residence

One Family.....	\$ 6.00
Two Family.....	11.00
Three Family.....	23.00
Four Family.....	25.00

RULE 603. RESIDENCE EMPLOYEES

B. Rate per Person In Excess of Two..... \$ 4.00

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****	RULE 604. ADDITIONAL RESIDENCE RENTED TO OTHERS		
	B. Rate per Residence		
	One Family.....	\$	14.00
	Two Family.....		22.00
	Three Family.....		47.00
	Four Family.....		58.00
****	RULE 605. OTHER STRUCTURES RENTED TO OTHERS – RESIDENCE PREMISES		
	Rate per Structure.....	\$	14.00
****	RULE 607. HOME DAY CARE COVERAGE		
	C.1. 1-3 Persons.....	\$	95.00
	RULE 608. PERMITTED INCIDENTAL OCCUPANCIES – RESIDENCE PREMISES		
	B. Rate Per Residence .....	\$	14.00
	RULE 609. BUSINESS PURSUITS		
	Rate Per Insured Person		
	B.1. Clerical Employees.....	\$	4.00
	2. Salesperson, Collector or Messenger – Installation, demonstration or servicing operation:		
	Included.....	\$	6.00
	Excluded.....		4.00
	3. Teachers		
	a. Laboratory, athletic, manual or physical training.....	\$	10.00
	b. Not otherwise classified.....		5.00
	c. Corporal punishment (add to 3.a. or b.).....		4.00
****	RULE 611. INCIDENTAL MOTORIZED LAND CONVEYANCES		
	D. Rate per Conveyance (Class Code 996).....	\$	13.00

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\*\*\*\* RULE 612. OUTBOARD MOTORS AND WATERCRAFT

F.1. Outboard, Inboard, or Inboard-Outdrive Engines or Motors

<u>Horsepower</u>	<u>Length</u>			
	<u>Up to 15 Feet</u>		<u>Over 15 to 26 Feet</u>	
	<u>Class Code</u>	<u>Rate</u>	<u>Class Code</u>	<u>Rate</u>
Up to 50*	780	\$ 4.00	785	\$ 7.00
51 – 100	781	7.00	786	10.00
101 – 150	782	10.00	787	13.00
151 – 200	783	12.00	788	16.00
Over 200	784	15.00	789	19.00

2. Sailboats With or Without Auxiliary Power

<u>Overall Length/Feet</u>	<u>Class Code</u>	<u>Rate</u>
26 – 40 feet*	763	\$ 4.00
Over 40	764	7.00

\* Outboard engines or motors of up to 25 horsepower or sailboats less than 26 feet in overall length with or without auxiliary power are covered in the policy form.

\*\*\*\* RULE 613. OWNED SNOWMOBILE

C. Rate per Snowmobile (Class Code 771)..... \$ 16.00

RULE 614. FARMERS PERSONAL LIABILITY – FARM(S) OWNED BY THE INSURED AND RENTED TO OTHERS

All Farm Premises without bldgs (Class Code 298)..... \$ 12.00+  
Each Farm Premises with bldgs (Class Code 299)..... \$ 12.00+

+ Total all acreage of farms which are owned by the insured and rented to others.  
Add the following flat charge when total acreage is:

Over 160 to 500 acres..... \$ 2.00  
Over 500 acres..... 7.00

\*\*\*\*

These charges are not subject to increased limits factors.

\*\*\*\* RULE 615. INCIDENTAL FARMING PERSONAL LIABILITY

A.3. Farming Done on the Residence Premises..... \$ 34.00  
B.2. Farming Done Away From the Residence Premises..... \$ 50.00

RULE 616. WATERBED LIABILITY

Rate per Policy..... \$ 14.00

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RULE 702. OTHER EXPOSURES – MEDICAL PAYMENT TO OTHERS INCREASED LIMITS  
(Coverage F Limit not coded.)

Basic Limit					
Rule	Coverage F – Medical Payments	\$2,000	\$3,000	\$4,000	\$5,000
602.	Other Insured Locations Occupied By Insured	1.00	2.00	3.00	4.00
603.	Residence Employees	1.00	2.00	3.00	4.00
604.	Additional Residence Rented To Others				
	1 or 2 Family	1.00	2.00	3.00	4.00
	3 or 4 Family	3.00	4.00	5.00	6.00
605.	Other Structures Rented to Others -				
	Residence Premises	1.00	2.00	3.00	4.00
**** 607.	Home Day Care	4.00	8.00	13.00	16.00
**** 608.	Permitted Incidental Occupancies -				
	Residence Premises	4.00	8.00	13.00	16.00
609.	Business Pursuits				
	1. Clerical Employees	1.00	2.00	3.00	4.00
	2. Salesperson, Installation, etc.				
	Included or Excluded	1.00	2.00	3.00	4.00
	3. Teachers				
	a. Lab, etc.	2.00	3.00	5.00	6.00
	b. Not otherwise classified	1.00	2.00	3.00	4.00
	c. Corporal Punishment	Medical Payments Not Available			
611.	Incidental Motorized Land Conveyances	1.00	2.00	3.00	4.00
**** 612.	Outboard Motors and Watercraft				
	1. Outboard, Inboard or Inboard-Outboard				
	Engines or Motors				
	(a) Up to 15 feet:				
	Up to 50 hp.	3.00	5.00	8.00	9.00
	51 – 100 hp.	3.00	7.00	10.00	12.00
	101 – 150 hp.	5.00	10.00	15.00	18.00
	151 – 200 hp.	6.00	13.00	20.00	24.00
	Over 200 hp.	10.00	19.00	31.00	35.00
	(b) Over 15 to 26 feet:				
	Up to 50 hp.	3.00	7.00	10.00	12.00
	51 – 100 hp.	5.00	10.00	15.00	18.00
	101 – 150 hp.	7.00	13.00	20.00	23.00
	151 – 200 hp.	10.00	20.00	30.00	35.00
	Over 200 hp.	13.00	27.00	40.00	46.00
	2. Sailboats, with or without auxiliary power				
	26 – 40 feet	3.00	5.00	8.00	9.00
	Over 40 feet	5.00	6.00	11.00	11.00



## PAGE CHECKLIST

We have revised the following pages: HO-E-10 AFI thru HO-E-11 AFI, HO-E-13 AFI thru HO-E-15 AFI, HO-T-1 AFI, HO-R-1 AFI thru HO-R-10 AFI and HO-R-12 AFI.

We have added the following pages: HO-E-16 AFI thru HO-E-18 AFI and HO-T-2 AFI thru HO-T-13 AFI.

After updating this rate manual, it should contain General Rules Revision Notice HO-MU-94-RU-1 in addition to the following pages:

**STATE RULE PAGES:**

HO-E-1	6th Edition
HO-E-2 thru HO-E-3	5th Edition
HO-E-4	4th Edition
HO-E-5 thru HO-E-8	3rd Edition
HO-E-9	2nd Edition
HO-E-10	1st Edition
HO-E-1 AFI thru HO-E-2 AFI	AR-HO-3I-03-1
HO-E-3 AFI thru HO-E-4 AFI	AR-HO-3I-07-2
HO-E-5 AFI thru HO-E-9 AFI	AR-HO-3I-05-1
HO-E-10 AFI thru HO-E-11 AFI	AR-HO-3I-11-1
HO-E-12 AFI	AR-HO-3I-05-1
HO-E-13 AFI thru HO-E-18 AFI	AR-HO-3I-11-1
HO-T-1 AFI thru HO-T-13 AFI	AR-HO-3I-11-1
HO-T-1	2nd Edition
HO-T-2	3rd Edition
HO-T-3	2nd Edition
HO-T-4	1st Edition
HO-T-5 thru HO-T-9	2nd Edition
HO-T-10	3rd Edition

**STATE RATE PAGES:**

HO-B-1	1st Edition
HO-B-2 AFI	AR-HO-3I-11-1
HO-C-1 AFI	AR-HO-3I-05-1
HO-C-2 AFI	AR-HO-3I-03-1
HO-R-1 AFI thru HO-R-5 AFI	AR-HO-3I-11-1
HO-R-6 AFI	
HO-R-7 AFI thru HO-R-9 AFI	AR-HO-3I-11-1 (CORRECTED)
HO-R-10 AFI	AR-HO-3I-11-1
HO-R-11 AFI	AR-HO-3I-00-2
HO-R-12 AFI	AR-HO-3I-11-1

SERFF Tracking Number: ARMD-126980582 State: Arkansas  
 Filing Company: Armed Forces Insurance Exchange State Tracking Number: EFT \$100  
 Company Tracking Number: AR-HO-3I-11-1  
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations  
 Product Name: Homeowner  
 Project Name/Number: Rate review,EQ Terr., Zipcodes update/AR-HO-3I-11-1

## Supporting Document Schedules

	Item Status:	Status Date:
<b>Satisfied - Item:</b> Form RF-2 Loss Costs Only (not for workers' compensation) <b>Comments:</b> <b>Attachment:</b> RF-2.pdf		
<b>Satisfied - Item:</b> HPCS-Homeowners Premium Comparison Survey <b>Comments:</b> <b>Attachment:</b> HO_Survey_FORM_HPCS.xls	Filed	03/18/2011
<b>Satisfied - Item:</b> NAIC loss cost data entry document <b>Comments:</b> <b>Attachment:</b> NAIC Loss Cost Doc.pdf	Filed	03/18/2011
<b>Satisfied - Item:</b> Actuarial Support <b>Comments:</b> <b>Attachments:</b> Actuarial Rate Level Indication Memorandum.pdf Actuarial Support.pdf	Filed	03/18/2011
	Item Status:	Status

SERFF Tracking Number: ARMD-126980582 State: Arkansas  
Filing Company: Armed Forces Insurance Exchange State Tracking Number: EFT \$100  
Company Tracking Number: AR-HO-3I-11-1  
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations  
Product Name: Homeowner  
Project Name/Number: Rate review,EQ Terr., Zipcodes update/AR-HO-3I-11-1

**Satisfied - Item:** Objection Responses Filed **Date:** 03/18/2011  
**Comments:**  
**Attachment:**  
AR Objections.pdf

ARKANSAS INSURANCE DEPARTMENT

INSURER RATE FILING  
ADOPTION OF ADVISORY ORGANIZATION  
PROSPECTIVE LOSS COSTS REFERENCE  
FILING ADOPTION FORM

1. Insurer Name Armed Forces Insurance Exchange

Address 550 Eisenhower Road

Leavenworth, KS 66048

Person Responsible for Filing Tracey R. Wagner

Title Director, Actuarial Functions

Telephone No. 800-828-7732, ext. 4675

2. Insurer NAIC No. 41459

Group No. N/A

3. Line of Insurance Personal Lines - Homeowner

4. Advisory Organization Insurance Services Office, Inc.

5. Advisory Organization Reference Filing No. HO-2010-RLA1

6. The above named insurer hereby declares that it is a member, subscriber or service purchaser of the named advisory organization for this line of insurance. The insurer hereby files (to be deemed to have independently submitted as its own filing) the prospective loss costs in the captioned Reference Filing. The insurer's rates will be the combination of the prospective loss costs and the loss cost multipliers and, if utilized, the expense constants specified in the attachments.

7. Proposed Rate Level Change 10.08 % Effective Date 4/25/2011

8. Prior Rate Level Change 6.94 % Effective Date 7/4/2005

9. Attach "Summary of Supporting Information Form"  
(Use a separate Summary for each insurer-selected loss cost multiplier.)

10. Check one of the following:

( ) The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable to future revisions of the advisory organization's prospective loss costs for this line of insurance. The insurer's rates will be the combination of the advisory organization's prospective loss costs and the insurer's loss cost multipliers and, if utilized, expense constants specified in the attachments. The rates will apply to policies written on or after the effective date of the advisory organization's prospective loss costs. This authorization is effective until disapproved by the Commissioner, or until amended or withdrawn by the insurer.

( X ) The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable only to the above Advisory Organization Reference Filing.

ARKANSAS INSURANCE DEPARTMENT

Insurer Name: Armed Forces Insurance Exchange Date: 3/4/2011  
 NAIC No. 41459 Group No. N/A

**INSURER RATE FILING  
 ADOPTION OF ADVISORY ORGANIZATION PROSPECTIVE LOSS COSTS  
 SUMMARY OF SUPPORTING INFORMATION FORM  
 CALCULATION OF COMPANY LOSS COST MULTIPLIER**

1. Line, Subline, Coverage, Territory, Class, etc. combination to which this page applies: Misc Rates
2. Loss Cost Modification:
  - A. The insurer hereby files to adopt the prospective loss costs in the captioned reference filing:  
 (Check One)  
 ( ) Without Modification (factor = 1.000)  
 ( X ) With the following modification(s). (Cite the nature and percent modification, and attach supporting data and/or rationale for the modification.) 1.32%
  - B. Loss Cost Modification Expressed as a Factor: (See Examples Below) 1.0132

**NOTE: IF EXPENSE CONSTANTS ARE UTILIZED, ATTACH "EXPENSE CONSTANT SUPPLEMENT" OR OTHER SUPPORTING INFORMATION. DO NOT COMPLETE ITEMS 3 - 7 BELOW.**

3. Development of Expected Loss Ratio. (Attach exhibit detailing insurer expense data and/or other supporting information.)
 

	Selected Provisions	
A. Total Production Expense	<u>13.00</u>	%
B. General Expenses	<u>8.50</u>	%
C. Taxes, Licenses & Fees	<u>2.90</u>	%
D. Underwriting Profit & Contingencies*	<u>7.00</u>	%
E. Other (explain)	<u>0.00</u>	%
F. TOTAL	<u>31.4</u>	%

\*Explain how investment income is taken into account.
4. A. Expected Loss Ratio:  $ELR=100\%-3F=A$ . 68.6 %  
 B. ELR in Decimal Form = 0.686
5. Company Formula Loss Cost Multiplier: (2B divided by 4B) = 1.477
6. Company Selected Loss Cost Multiplier = 1.477  
 Explain any differences between 5 and 6:  


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7. Rate level change for the coverages to which this page applies: 2.2192 %

Example 1: Loss Cost Modification Factor: If your company's loss cost modification is -10%, a factor of .90 (1.000 - .100) should be used.

Example 2: Loss Cost Modification Factor: If your company's loss cost modification is +15%, a factor of 1.15 (1.000 + .150) should be used.

NAIC Number: 41459  
 Company Name: Armed Forces Insurance Exchange  
 Contact Person: Shanell Nieves  
 Telephone No.: (913) 727-4638  
 Email Address: regcomp@afi.org  
 Effective Date: 25-Apr-11

**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](mailto: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	\$419.00	\$493.00	\$419.00	\$493.00	\$534.00	\$628.00	\$520.00	\$612.00	\$521.00	\$613.00	\$521.00	\$613.00	\$521.00	\$613.00	\$474.00	\$550.00	\$551.00	\$649.00
	\$120,000	\$552.00	\$650.00	\$552.00	\$650.00	\$704.00	\$828.00	\$686.00	\$806.00	\$687.00	\$807.00	\$687.00	\$807.00	\$687.00	\$807.00	\$617.00	\$726.00	\$727.00	\$855.00
	\$160,000	\$705.00	\$830.00	\$705.00	\$830.00	\$898.00	\$1,056.00	\$875.00	\$1,029.00	\$876.00	\$1,030.00	\$876.00	\$1,030.00	\$876.00	\$1,030.00	\$787.00	\$926.00	\$928.00	\$1,092.00
6	\$80,000	\$419.00	\$493.00	\$419.00	\$493.00	\$534.00	\$628.00	\$520.00	\$612.00	\$521.00	\$613.00	\$521.00	\$613.00	\$521.00	\$613.00	\$474.00	\$550.00	\$551.00	\$649.00
	\$120,000	\$552.00	\$650.00	\$552.00	\$650.00	\$704.00	\$828.00	\$686.00	\$806.00	\$687.00	\$807.00	\$687.00	\$807.00	\$687.00	\$807.00	\$617.00	\$726.00	\$727.00	\$855.00
	\$160,000	\$705.00	\$830.00	\$705.00	\$830.00	\$898.00	\$1,056.00	\$875.00	\$1,029.00	\$876.00	\$1,030.00	\$876.00	\$1,030.00	\$876.00	\$1,030.00	\$787.00	\$926.00	\$928.00	\$1,092.00
9	\$80,000	\$888.00	\$1,036.00	\$888.00	\$1,036.00	\$1,131.00	\$1,319.00	\$1,101.00	\$1,284.00	\$1,102.00	\$1,286.00	\$1,102.00	\$1,286.00	\$1,102.00	\$1,286.00	\$991.00	\$1,156.00	\$1,169.00	\$1,363.00
	\$120,000	\$1,170.00	\$1,365.00	\$1,170.00	\$1,365.00	\$1,491.00	\$1,738.00	\$1,451.00	\$1,693.00	\$1,452.00	\$1,695.00	\$1,452.00	\$1,695.00	\$1,452.00	\$1,695.00	\$1,317.00	\$1,524.00	\$1,540.00	\$1,797.00
	\$160,000	\$1,493.00	\$1,742.00	\$1,493.00	\$1,742.00	\$1,902.00	\$2,219.00	\$1,852.00	\$2,160.00	\$1,853.00	\$2,162.00	\$1,853.00	\$2,162.00	\$1,853.00	\$2,162.00	\$1,667.00	\$1,944.00	\$1,965.00	\$2,293.00

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

Public Protection Class	Property Value	Washington		Baxter		Craighead		St. Francis		Arkansas		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$5,000																		
	\$15,000																		
	\$25,000																		
6	\$5,000																		
	\$15,000																		
	\$25,000																		
9	\$5,000																		
	\$15,000																		
	\$25,000																		

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

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

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

**HO3 and HO4 only**

Fire Extinguisher	<input type="text"/>	%	Deadbolt Lock	<input type="text"/>	%
Burglar Alarm	<input type="text"/>	%	Window Locks	<input type="text"/>	%
Smoke Alarm	<input type="text"/>	%	\$1,000 Deductible	<input type="text"/>	%
			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?  5 %

Zone Brick Frame

**NAIC LOSS COST DATA ENTRY DOCUMENT** (EFFECTIVE AUG. 16, 2004)

<b>1.</b>	This filing transmittal is part of Company Tracking #	AR-HO-3I-11-1
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<b>2.</b>	If filing is an adoption of an advisory organization loss cost filing, give name of advisory organization and Reference/Item Filing Number	HO-2010-RLA1
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Company Name		Company NAIC Number	
<b>3.</b>	<b>A.</b> Armed Forces Insurance Exchange	<b>B.</b>	41459

Product Coding Matrix Line of Business (i.e., Type of Insurance)		Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)	
<b>4.</b>	<b>A.</b> Homeowner	<b>B.</b>	

**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
HO 00 02, 03 & 03w/15	41.40	10.24					
HO 00 06	-14.90	-4.75					
Miscellaneous Rates		2.2192	68.60	1.0132	1.477	n/a	1.0327
<b>TOTAL OVERALL EFFECT</b>		<b>10.0831</b>					

**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	637	6.94	07/04/2005	667,156	103,576	15.5	91.8
2006	602			690,856	205,391	29.7	41.1
2007	526			662,946	350,415	52.9	50.7
2008	486			639,483	588,485	92.0	58.10
2009	459			602,863	834,033	138.30	54.10

**7.**

Expense Constants	Selected Provisions
A. Total Production Expense	13.00
B. General Expense	8.5
C. Taxes, License & Fees	2.9
D. Underwriting Profit & Contingencies	7.00
E. Other (explain)	0
<b>F. TOTAL</b>	<b>31.40</b>

- 8.**  N  Apply Lost Cost Factors to Future filings? (Y or N)  
**9.**  19.70  Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): \_\_\_\_\_  
**10.**  -13.20  Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): \_\_\_\_\_

**ARMED FORCES INSURANCE EXCHANGE**  
**Arkansas**  
**Homeowners**

**Actuarial Rate Level Indication**

Armed Forces Insurance Exchange (AFIE) submits the following information in support of the rate level indication underlying the proposed revisions of this filing:

Exhibit 1 – Rate History

This exhibit includes a history of approved rate level changes by policy form. Historically, AFIE has filed separate estimated rate impacts for the miscellaneous rates and by form. Currently, it is not possible to segregate miscellaneous rates premium from policy form premiums within our earned premium database. The premium collected for most miscellaneous rates are related to the HO3 form. Therefore, we have averaged the HO3 and miscellaneous rates historical impacts together to level earned premiums for the HO3 form. Going forward, the rate impact of the miscellaneous rates is going to be included with the associated form.

Exhibit 2 – Premium Adjustment Factor

This exhibit includes the factors utilized to adjust earned premium to current rate level. AFIE has utilized the parallelogram method and an annual policy term to develop quarterly on-level factors.

Exhibit 3 – Premium Trend Factor

This exhibit includes the factors utilized to trend premium. AFIE's methodology applies both a retrospective and prospective trend to determine an overall premium trend factor. Also included on this exhibit is the earned exposure trend.

Exhibit 4 – Amount of Insurance Trend Factor

This exhibit includes the amount of insurance trend factors utilized to determine the projected average earned amount of insurance. The projected average amount of insurance is utilized in AFIE's catastrophe procedure which is included in Exhibit 7.

Exhibit 5 – Loss Development

This exhibit includes the selected loss and allocated loss adjustment expense development factors along with the resulting ultimate loss and allocated loss adjustment expenses. AFIE develops liability and all other perils losses separately due to the different development patterns. AFIE also evaluates both state level and companywide development. For most states, we generally rely on all forms combined companywide development due to the lack of credible data at the state and form level.

### Exhibit 6 – Loss Trend

This exhibit includes the underlying Fast Track experience data and the selected loss trends. We have utilized Fast Track due to our low volume of data. The loss trend methodology applies both a retrospective and prospective trend to determine an overall loss trend factor.

### Exhibit 7 – Catastrophe Adjustment

This exhibit includes the methodologies utilized to determine the catastrophe loss load in the indication. Hurricane, Earthquake, and Fire Following an Earthquake are excluded from historical catastrophe losses and are modeled separately. Therefore, the procedure is broken into non-modeled losses versus modeled losses.

For non-modeled losses historical catastrophe losses are related to historical amounts of insurance over the last 20 years to determine a damage ratio. For years which appear to be relatively different than the 20 year average damage ratio, that years damage ratio is capped at five times the 20 year average. The selected damage ratio is then restated on an earned premium basis by utilizing the projected amount of insurance per exposure and the projected premium per exposure. This results in a non-modeled cat loss ratio.

The modeled losses are not applicable to Arkansas.

### Exhibit 8 – CAT Allocated Loss Adjustment Expense (ALAE) Factor

The catastrophe methodology included in Exhibit 7 only includes losses. Therefore, using historical companywide catastrophe losses we have determined a catastrophe ALAE factor to load the losses determined in Exhibit 7 for ALAE.

### Exhibit 9 – ULAE Factor

Effective January 1, 1998, the NAIC adopted a change in how loss adjustment expense (LAE) is split into categories within the property and casualty statutory annual statement. Through 1997, LAE was split into Allocated Loss Adjustment Expense (ALAE) and Unallocated Loss Adjustment Expense (ULAE). Starting in 1998, new categories were introduced that are now called Defense & Cost Containment (DCC) and Adjusting & Other (A&O). Generally, DCC expense includes all defense and litigation-related expenses, whether internal or external to a company, while A&O expense includes all claims adjusting expenses, whether internal or external to a company. AFIE's homeowner rate level indications are based upon the old definition of LAE. Therefore, an old definition ULAE factor needs to be determined.

### Exhibit 10 – Credibility

This exhibit includes the credibility factor utilized to weight the state level experience loss ratio with the countrywide trended permissible loss ratio.

### Exhibit 11 – Fixed Expense Trend & Trended Fixed Expense Per Exposure

This exhibit reflects the allocation of general and other acquisition expenses to the state level. Also, license and fees are being treated as a fixed expense on this exhibit. Once state level fixed expenses have been determined they are trended to the average earned date of the proposed policy period using the selected fixed expense trend.

### Exhibit 12 – Projected Fixed Expense as a Percent of Projected Premium

Based upon AFIE's current rate of return methodology, it is required that the projected fixed expense be re-stated on percent of premium basis. This is required to determine underwriting profit provision.

### Exhibit 13 – Net Cost of Reinsurance

Not applicable in Arkansas.

### Exhibits 14 – Permissible Loss Ratio, UW Profit, and Investment Income Calculation

Included on this exhibit are the development of the permissible loss ratio, the underwriting profit provision and the estimated investment income on unearned premiums and loss reserves. AFIE utilizes a total rate of return methodology to develop the underwriting profit provision. The resulting underwriting profit provisions are based upon a 10% after-tax total rate of return as a percent of surplus and an anticipated 1.08 written premium to surplus ratio. The underwriting profit provision has been determined separately for each form and along with a target companywide permissible loss ratio.

### Exhibit 15 – Rate Level Indication

This exhibit includes the rate indication summaries for each form. The information from the supporting exhibits is utilized to determine the state level experience loss ratio. This figure is credibility weighted with the trended countrywide permissible loss ratio to develop the credibility weighted loss ratio. The credibility weighted loss ratio along with state level projected expenses is used to determine the rate level indication.

**Armed Forces Insurance Exchange  
Homeowners Multi-peril  
Arkansas**

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HO6 - Rate Level Indication	Exhibit 15 - Page 2

**Arkansas  
Homeowners Rate History**

<u>Date Effective</u>	<u>Policy Form</u>	<u>Approved Rate Change</u>
3/20/00	HO3 & Misc.	-0.8%
1/26/04	HO3 & Misc.	37.5%
7/4/05	HO3 & Misc.	7.0%
3/20/00	HO6	-3.3%
1/26/04	HO6	0.0%
7/4/05	HO6	0.0%

Premium Adjustment Factors  
HO3

	Quarterly		Quarter Ending				
	(1)	(2)	(3)	(4)	(5)		
Ending Year/Qtr	Earned Premium	On-level Factor	On-level Earned Premium	On-level Earned Premium	On-level Earned Premium	Implied Annual On-level Factor	
1999-3	110,242	1.4585	160,788				
1999-4	109,507	1.4585	159,716				
2000-1	108,988	1.4585	158,959				
2000-2	110,044	1.4604	160,708	640,171		1.4590	
2000-3	112,138	1.4635	164,115	643,498		1.4602	
2000-4	112,816	1.4665	165,445	649,227		1.4623	
2001-1	110,937	1.4696	163,033	653,300		1.4650	
2001-2	113,132	1.4707	166,383	658,975		1.4676	
2001-3	113,222	1.4707	166,515	661,375		1.4694	
2001-4	113,515	1.4707	166,946	662,877		1.4704	
2002-1	111,393	1.4707	163,826	663,670		1.4707	
2002-2	113,441	1.4707	166,838	664,125		1.4707	
2002-3	116,106	1.4707	170,757	668,367		1.4707	
2002-4	119,883	1.4707	176,312	677,732		1.4707	
2003-1	119,706	1.4707	176,051	689,958		1.4707	
2003-2	122,926	1.4707	180,788	703,908		1.4707	
2003-3	126,473	1.4707	186,004	719,155		1.4707	
2003-4	130,621	1.4707	192,104	734,948		1.4707	
2004-1	132,842	1.4355	190,694	749,590		1.4616	
2004-2	139,344	1.3195	183,864	752,667		1.4221	
2004-3	148,883	1.2169	181,175	747,838		1.3555	
2004-4	158,978	1.1286	179,422	735,156		1.2674	
2005-1	162,095	1.0722	173,799	718,261		1.1788	
2005-2	165,170	1.0696	176,665	711,062		1.1196	
2005-3	167,921	1.0609	178,147	708,034		1.0823	
2005-4	170,690	1.0428	177,995	706,607		1.0612	
2006-1	167,165	1.0254	171,411	704,219		1.0496	
2006-2	171,199	1.0087	172,688	700,242		1.0344	
2006-3	174,951	1.0000	174,951	697,045		1.0191	Accident
2006-4	173,885	1.0000	173,885	692,935		1.0083	Year
2007-1	165,904	1.0000	165,904	687,428		1.0022	<u>Ending</u>
2007-2	166,768	1.0000	166,768	681,508		1.0000	
2007-3	166,254	1.0000	166,254	672,811		1.0000	12/31/2000
2007-4	162,027	1.0000	162,027	660,953		1.0000	649,227
2008-1	160,021	1.0000	160,021	655,071		1.0000	12/31/2001
2008-2	158,099	1.0000	158,099	646,402		1.0000	662,877
2008-3	158,746	1.0000	158,746	638,894		1.0000	12/31/2002
2008-4	157,832	1.0000	157,832	634,698		1.0000	677,732
2009-1	151,230	1.0000	151,230	625,908		1.0000	12/31/2003
2009-2	148,989	1.0000	148,989	616,798		1.0000	734,948
2009-3	147,924	1.0000	147,924	605,975		1.0000	12/31/2004
2009-4	148,855	1.0000	148,855	596,998		1.0000	735,156
							12/31/2005
							706,607
							12/31/2006
							692,935
							12/31/2007
							660,953
							12/31/2008
							634,698
							12/31/2009
							596,998

(1) AFIE Data

(2) Quarterly on-level factor developed using parallelogram method.

(3) = (1) x (2)

(4) = Sum(3)Annual Moving Total

(5) = (4) / Sum(1)Annual Rolling Total

Premium Adjustment Factors  
HO6

	Quarterly		Quarter Ending			Accident Year Ending	On-level Earned Premium
	(1) Ending Year/Qtr	(2) Earned Premium	(3) On-level Factor	(4) On-level Earned Premium	(5) On-level Implied Annual Factor		
1999-3	408	0.9671	394				
1999-4	408	0.9671	395				
2000-1	405	0.9672	391				
2000-2	405	0.9721	394	1,574	.9684		
2000-3	407	0.9803	399	1,579	.9717		
2000-4	379	0.9886	375	1,560	.9769		
2001-1	369	0.9969	368	1,536	.9841		
2001-2	386	1.0000	386	1,528	.9912		
2001-3	414	1.0000	414	1,542	.9965		
2001-4	414	1.0000	414	1,581	.9993		
2002-1	405	1.0000	405	1,618	1.0000		
2002-2	409	1.0000	409	1,641	1.0000		
2002-3	414	1.0000	414	1,641	1.0000		
2002-4	382	1.0000	382	1,610	1.0000		
2003-1	387	1.0000	387	1,592	1.0000		
2003-2	395	1.0000	395	1,578	1.0000		
2003-3	399	1.0000	399	1,563	1.0000		
2003-4	444	1.0000	444	1,625	1.0000		
2004-1	691	1.0000	691	1,930	1.0000		
2004-2	692	1.0000	692	2,227	1.0000		
2004-3	702	1.0000	702	2,530	1.0000		
2004-4	657	1.0000	657	2,743	1.0000		
2005-1	394	1.0000	394	2,446	1.0000		
2005-2	494	1.0000	494	2,247	1.0000		
2005-3	535	1.0000	535	2,080	1.0000		
2005-4	534	1.0000	534	1,957	1.0000		
2006-1	658	1.0000	658	2,221	1.0000		
2006-2	676	1.0000	676	2,403	1.0000		
2006-3	768	1.0000	768	2,637	1.0000		
2006-4	847	1.0000	847	2,950	1.0000		
2007-1	1,064	1.0000	1,064	3,356	1.0000		
2007-2	1,167	1.0000	1,167	3,847	1.0000		
2007-3	1,014	1.0000	1,014	4,093	1.0000	12/31/2000	1,560
2007-4	1,000	1.0000	1,000	4,246	1.0000	12/31/2001	1,581
2008-1	989	1.0000	989	4,170	1.0000	12/31/2002	1,610
2008-2	975	1.0000	975	3,978	1.0000	12/31/2003	1,625
2008-3	1,038	1.0000	1,038	4,002	1.0000	12/31/2004	2,743
2008-4	1,038	1.0000	1,038	4,039	1.0000	12/31/2005	1,957
2009-1	1,016	1.0000	1,016	4,067	1.0000	12/31/2006	2,950
2009-2	1,289	1.0000	1,289	4,381	1.0000	12/31/2007	4,246
2009-3	1,332	1.0000	1,332	4,676	1.0000	12/31/2008	4,039
2009-4	1,453	1.0000	1,453	5,091	1.0000	12/31/2009	5,091

(1) AFIE Data

(2) Quarterly on-level factor developed using parallelogram method.

(3) = (1) x (2)

(4) = Sum(3)Annual Moving Total

(5) = (4) / Sum(1)Annual Rolling Total

Premium Trend Factors  
HO3

Ending Year/Qtr	Quarter Ending		Current Amount Factors <u>1310.1/(2)</u>				
	(1) Earned House Years	(2) Average On-level Earned Premium		Accident Year Ending	Current Amount Factor	Current Trend Factor	Premium Trend Factor
2000-2	700	914.98	1.432				
2000-3	696	924.10	1.418				
2000-4	695	933.69	1.403				
2001-1	693	942.49	1.390				
2001-2	693	950.79	1.378				
2001-3	691	956.84	1.369				
2001-4	688	963.22	1.360				
2002-1	685	968.82	1.352				
2002-2	683	972.54	1.347				
2002-3	684	977.03	1.341				
2002-4	690	982.43	1.334				
2003-1	698	989.14	1.324				
2003-2	706	996.99	1.314				
2003-3	716	1,004.39	1.304				
2003-4	725	1,014.14	1.292				
2004-1	731	1,025.76	1.277				
2004-2	728	1,034.10	1.267				
2004-3	717	1,043.46	1.256	Proposed Effective Date:	03/20/2011		
2004-4	698	1,053.66	1.243	Trend from Date <sup>1</sup> :	07/02/2009		
2005-1	676	1,062.29	1.233	Trend to Date <sup>2</sup> :	03/20/2012		
2005-2	661	1,075.81	1.218	Trend Period:	2.72		
2005-3	650	1,088.71	1.203				
2005-4	643	1,099.62	1.191				
2006-1	635	1,108.87	1.181			Current	
2006-2	627	1,116.74	1.173			Amount	
2006-3	618	1,127.46	1.162	Accident	Current	Trend	Premium
2006-4	608	1,139.56	1.150	Year	Amount	Factor	Trend
2007-1	596	1,152.75	1.136	Ending	Factor	<u>(1.050)/2.72</u>	Factor
2007-2	583	1,169.24	1.120				
2007-3	567	1,187.35	1.103	12/31/2000	1.403	1.142	1.602
2007-4	548	1,206.34	1.086	12/31/2001	1.360	1.142	1.553
2008-1	533	1,228.56	1.066	12/31/2002	1.334	1.142	1.523
2008-2	518	1,247.41	1.050	12/31/2003	1.292	1.142	1.475
2008-3	505	1,264.52	1.036	12/31/2004	1.243	1.142	1.420
2008-4	496	1,279.28	1.024	12/31/2005	1.191	1.142	1.360
2009-1	485	1,290.49	1.015	12/31/2006	1.150	1.142	1.313
2009-2	475	1,299.32	1.008	12/31/2007	1.086	1.142	1.240
2009-3	464	1,305.12	1.004	12/31/2008	1.024	1.142	1.169
2009-4	456	1,310.10	1.000	12/31/2009	1.000	1.142	1.142

Trend

39 pt	-4.3%	4.0%
20 pt	-8.3%	4.9%
16 pt	-9.0%	5.1%
12 pt	-9.4%	5.0%
8 pt	-8.5%	3.7%
4 pt	-8.0%	2.0%

Selected: -4.3% 5.0%

<sup>1</sup> Midpoint of latest trend period.

<sup>2</sup> One year after proposed effective date.

Premium Trend Factors  
HO6

Ending Year/Qtr	Quarter Ending		Current Amount Factors 525.96/ (2)				
	(1) Earned House Years	(2) Average On-level Earned Premium		Accident Year Ending	Current Amount Factor	Current Amount Trend Factor	Premium Trend Factor
2000-2	8	196.66	2.674				
2000-3	8	197.75	2.660				
2000-4	8	201.57	2.609				
2001-1	7	205.49	2.560				
2001-2	7	207.15	2.539				
2001-3	7	208.52	2.522				
2001-4	8	206.67	2.545				
2002-1	8	204.89	2.567				
2002-2	8	205.13	2.564				
2002-3	8	205.13	2.564				
2002-4	8	207.76	2.532				
2003-1	8	212.24	2.478				
2003-2	7	217.61	2.417				
2003-3	7	223.43	2.354				
2003-4	7	231.15	2.275				
2004-1	7	264.56	1.988				
2004-2	8	295.39	1.781				
2004-3	8	324.78	1.619	Proposed Effective Date:		03/20/2011	
2004-4	8	344.23	1.528	Trend from Date <sup>1</sup> :		07/02/2009	
2005-1	8	317.38	1.657	Trend to Date <sup>2</sup> :		03/20/2012	
2005-2	8	292.73	1.797	Trend Period:		2.72	
2005-3	8	270.80	1.942				
2005-4	8	253.48	2.075				
2006-1	8	271.13	1.940				
2006-2	8	283.56	1.855				
2006-3	9	297.60	1.767				
2006-4	9	315.00	1.670				
2007-1	10	342.45	1.536				
2007-2	10	376.68	1.396				
2007-3	10	404.91	1.299				
2007-4	10	431.01	1.220				
2008-1	9	441.02	1.193	12/31/2000	2.609	1.480	3.861
2008-2	9	443.52	1.186	12/31/2001	2.545	1.480	3.767
2008-3	9	460.71	1.142	12/31/2002	2.532	1.480	3.747
2008-4	9	478.77	1.099	12/31/2003	2.275	1.480	3.367
2009-1	8	497.72	1.057	12/31/2004	1.528	1.480	2.261
2009-2	8	516.48	1.018	12/31/2005	2.075	1.480	3.071
2009-3	9	520.12	1.011	12/31/2006	1.670	1.480	2.472
2009-4	10	525.96	1.000	12/31/2007	1.220	1.480	1.806
				12/31/2008	1.099	1.480	1.627
				12/31/2009	1.000	1.480	1.480

Trend

39 pt	2.5%	11.8%
20 pt	3.0%	17.5%
16 pt	-0.4%	20.5%
12 pt	-5.2%	15.5%
8 pt	0.3%	12.2%
4 pt	25.4%	7.1%

Selected: 2.5% 15.5%

<sup>1</sup> Midpoint of latest trend period.

<sup>2</sup> One year after proposed effective date.

Amount of Insurance Trend Factors  
HO3

Ending Year/Qtr	Quarter Ending		Current Amount Factors 218.66/ (2)					
	(1) Earned House Years	(2) Coverage A Average Earned AOI Years		Accident Year Ending	Current Amount Factor	Current Trend Factor	AOI Trend Factor	Projected Average Earned AOI Years
2000-2	700	116.18	1.882					
2000-3	696	117.35	1.863					
2000-4	695	118.71	1.842					
2001-1	693	120.18	1.819					
2001-2	693	121.64	1.798					
2001-3	691	123.00	1.778					
2001-4	688	124.42	1.757					
2002-1	685	125.64	1.740					
2002-2	683	126.69	1.726					
2002-3	684	127.77	1.711					
2002-4	690	129.05	1.694					
2003-1	698	130.61	1.674					
2003-2	706	132.36	1.652					
2003-3	716	134.13	1.630					
2003-4	725	136.25	1.605					
2004-1	731	138.83	1.575					
2004-2	728	141.84	1.542					
2004-3	717	145.79	1.500					
2004-4	698	149.98	1.458					
2005-1	676	154.24	1.418					
2005-2	661	158.40	1.380					
2005-3	650	161.88	1.351					
2005-4	643	165.21	1.324					
2006-1	635	168.16	1.300					
2006-2	627	171.23	1.277					
2006-3	618	174.63	1.252					
2006-4	608	177.92	1.229					
2007-1	596	181.07	1.208					
2007-2	583	184.76	1.183					
2007-3	567	189.13	1.156	12/31/2000	1.842	1.214	2.236	
2007-4	548	193.79	1.128	12/31/2001	1.757	1.214	2.133	
2008-1	533	198.72	1.100	12/31/2002	1.694	1.214	2.057	
2008-2	518	202.97	1.077	12/31/2003	1.605	1.214	1.948	
2008-3	505	206.77	1.058	12/31/2004	1.458	1.214	1.770	
2008-4	496	210.08	1.041	12/31/2005	1.324	1.214	1.607	
2009-1	485	212.89	1.027	12/31/2006	1.229	1.214	1.492	
2009-2	475	215.33	1.015	12/31/2007	1.128	1.214	1.369	
2009-3	464	217.01	1.008	12/31/2008	1.041	1.214	1.264	
2009-4	456	218.66	1.000	12/31/2009	1.000	1.214	1.214	265.45

Proposed Effective Date: 03/20/2011  
Trend from Date<sup>1</sup>: 07/02/2009  
Trend to Date<sup>2</sup>: 03/20/2012  
Trend Period: 2.72

Current Amount Trend Factor  
(1.074)<sup>2</sup>2.72

Trend

39 pt	7.6%
20 pt	8.0%
16 pt	7.8%
12 pt	7.4%
8 pt	5.6%
4 pt	3.6%

Selected: 7.4%

<sup>1</sup> Midpoint of latest trend period.

<sup>2</sup> One year after proposed effective date.

Amount of Insurance Trend Factors  
HO6

Ending Year/Qtr	Quarter Ending		Current Amount Factors 62.51/ (2)					
	(1) Earned House Years	(2) Coverage C Average Earned AOI Years		Accident Year Ending	Current Amount Factor	Current Amount Trend Factor	AOI Trend Factor	Projected Average Earned AOI Years
2000-2	8	28.62	2.184					
2000-3	8	28.68	2.180					
2000-4	8	29.62	2.110					
2001-1	7	30.60	2.043					
2001-2	7	31.03	2.015					
2001-3	7	30.96	2.019					
2001-4	8	29.94	2.088					
2002-1	8	29.00	2.156					
2002-2	8	28.63	2.183					
2002-3	8	28.63	2.183					
2002-4	8	29.07	2.150					
2003-1	8	29.53	2.117					
2003-2	7	30.03	2.082					
2003-3	7	30.57	2.045					
2003-4	7	31.30	1.997					
2004-1	7	35.80	1.746					
2004-2	8	40.01	1.562					
2004-3	8	43.99	1.421	Proposed Effective Date:		03/20/2011		
2004-4	8	46.61	1.341	Trend from Date <sup>1</sup> :		07/02/2009		
2005-1	8	42.87	1.458	Trend to Date <sup>2</sup> :		03/20/2012		
2005-2	8	39.10	1.599	Trend Period:		2.72		
2005-3	8	35.71	1.750					
2005-4	8	32.98	1.895					
2006-1	8	34.53	1.810					
2006-2	8	35.69	1.751					
2006-3	9	36.56	1.710	Accident Year Ending	Current Amount Factor	Current Amount Trend Factor	AOI Trend Factor	Projected Average Earned AOI Years
2006-4	9	37.49	1.667			(1.185)/2.72		
2007-1	10	39.71	1.574					
2007-2	10	42.59	1.468					
2007-3	10	45.18	1.384	12/31/2000	2.110	1.587	3.349	
2007-4	10	47.94	1.304	12/31/2001	2.088	1.587	3.314	
2008-1	9	49.02	1.275	12/31/2002	2.150	1.587	3.412	
2008-2	9	49.54	1.262	12/31/2003	1.997	1.587	3.169	
2008-3	9	52.54	1.190	12/31/2004	1.341	1.587	2.128	
2008-4	8	55.59	1.124	12/31/2005	1.895	1.587	3.007	
2009-1	8	58.79	1.063	12/31/2006	1.667	1.587	2.646	
2009-2	8	62.10	1.007	12/31/2007	1.304	1.587	2.069	
2009-3	9	62.43	1.001	12/31/2008	1.124	1.587	1.784	
2009-4	10	62.51	1.000	12/31/2009	1.000	1.587	1.587	99.20

Trend

39 pt	8.3%
20 pt	14.1%
16 pt	19.1%
12 pt	18.5%
8 pt	17.7%
4 pt	7.9%

Selected: 18.5%

<sup>1</sup> Midpoint of latest trend period.

<sup>2</sup> One year after proposed effective date.

**Non-CAT Loss & ALAE**  
**Evaluated @ 3/2010**

**Loss Development Summary**

	<b>@3/2010</b>		<b>AFIE Methods</b>		
	(1)	(2)	(3)	(4)	(5)
<b>Accident Year</b>	Paid Loss & ALAE	Incurred Loss & ALAE	Paid Method Ultimate Loss & ALAE	Incurred Method Ultimate Loss & ALAE	Selected Ultimate Loss & ALAE
<b>2000</b>	417,770	417,770	417,770	417,770	417,770
<b>2001</b>	450,710	450,710	450,710	450,710	450,710
<b>2002</b>	439,149	439,149	439,149	439,149	439,149
<b>2003</b>	147,726	147,726	147,726	147,726	147,726
<b>2004</b>	102,550	102,550	102,366	102,564	102,465
<b>2005</b>	134,914	134,914	135,090	135,489	135,289
<b>2006</b>	131,555	131,555	132,081	132,607	132,344
<b>2007</b>	366,938	366,938	372,015	373,387	372,701
<b>2008</b>	236,617	236,617	243,242	242,532	242,887
<b>2009</b>	541,104	552,439	625,516	583,928	604,722
<b>Total</b>	2,969,034	2,980,369	3,065,666	3,025,864	3,045,765

(1) -(5) = Liability + All Other Perils

Non-CAT Liability  
Evaluated @ 3/2010

Loss Development Summary

	@3/2010		AFIE Methods		
	(1)	(2)	(3)	(4)	(5)
Accident Year	Paid Loss & ALAE	Incurred Loss & ALAE	Paid Method Ultimate Loss & ALAE	Incurred Method Ultimate Loss & ALAE	Selected Ultimate Loss & ALAE
2000	18,836	18,836	18,836	18,836	18,836
2001	2,112	2,112	2,112	2,112	2,112
2002	14,262	14,262	14,262	14,262	14,262
2003	7,484	7,484	7,484	7,484	7,484
2004	826	826	846	840	843
2005	325	325	366	361	363
2006	-	-	-	-	0
2007	5,182	5,182	7,727	6,929	7,328
2008	-	-	-	-	0
2009	-	-	-	-	0
<b>Total</b>	49,027	49,027	51,633	50,824	51,228

- (1) -(2) AFIE Data
- (3) Paid Triangle Development
- (4) Incurred Triangle Development
- (5) Selected

Non-CAT All Other Perils  
Evaluated @ 3/2010

Loss Development Summary

	@3/2010		AFIE Methods		
	(1)	(2)	(3)	(4)	(5)
Accident Year	Paid Loss & ALAE	Incurred Loss & ALAE	Paid Method Ultimate Loss & ALAE	Incurred Method Ultimate Loss & ALAE	Selected Ultimate Loss & ALAE
2000	398,934	398,934	398,934	398,934	398,934
2001	448,598	448,598	448,598	448,598	448,598
2002	424,888	424,888	424,888	424,888	424,888
2003	140,242	140,242	140,242	140,242	140,242
2004	101,724	101,724	101,520	101,724	101,622
2005	134,589	134,589	134,724	135,128	134,926
2006	131,555	131,555	132,081	132,607	132,344
2007	361,756	361,756	364,288	366,459	365,374
2008	236,617	236,617	243,242	242,532	242,887
2009	541,104	552,439	625,516	583,928	604,722
<b>Total</b>	2,920,006	2,931,341	3,014,034	2,975,039	2,994,537

- (1) -(2) AFIE Data
- (3) Paid Triangle Development
- (4) Incurred Triangle Development
- (5) Selected

Non-CAT Liability Paid Loss & ALAE  
Evaluated @ 3/2010

Accident Year	Non-CAT Liability Paid Loss & ALAE										AFIE
	15	27	39	51	63	75	87	99	111	123	Ultimate
2000	2,399	17,872	17,872	17,872	17,872	18,836	18,836	18,836	18,836	18,836	18,836
2001	1,021	1,021	2,112	2,112	2,112	2,112	2,112	2,112	2,112	2,112	2,112
2002	4,512	14,262	14,262	14,262	14,262	14,262	14,262	14,262			14,262
2003	7,484	7,484	7,484	7,484	7,484	7,484	7,484				7,484
2004	826	826	826	826	826	826					846
2005	325	325	325	325	325						366
2006	-	-	-	-							0
2007	5,182	5,182	5,182								7,727
2008	-	-									0
2009	-										0
	<b>15-27</b>	<b>27-39</b>	<b>39-51</b>	<b>51-63</b>	<b>63-75</b>	<b>75-87</b>	<b>87-99</b>	<b>99-111</b>	<b>111-123</b>		<b>51,633</b>
2000	7.449	1.000	1.000	1.000	1.054	1.000	1.000	1.000	1.000		
2001	1.000	2.069	1.000	1.000	1.000	1.000	1.000	1.000	1.000		
2002	3.161	1.000	1.000	1.000	1.000	1.000	1.000	1.000			
2003	1.000	1.000	1.000	1.000	1.000	1.000					
2004	1.000	1.000	1.000	1.000	1.000						
2005	1.000	1.000	1.000	1.000							
2006	NA	NA	NA								
2007	1.000	1.000									
2008	NA										

Last 3 Weighted Avg.	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Avg. Ex. Hi and Lo	1.023	0.833	0.800	1.000	1.000	1.000	1.000
All Weighted Avg.	2.160	1.023	1.000	1.000	1.023	1.000	1.000
Harmonic Mean	1.420	1.095	1.000	1.000	1.011	1.000	1.000
All Weighted Avg. Fitted	1.443	1.327	1.221	1.124	1.034	0.951	0.875

CW Selected	1.985	1.600	1.233	1.074	1.100	1.024	1.000
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<b>AFIE Selected</b>	<b>1.985</b>	<b>1.600</b>	<b>1.233</b>	<b>1.074</b>	<b>1.100</b>	<b>1.024</b>	<b>1.000</b>
Age-Ultimate	4.735	2.386	1.491	1.209	1.126	1.024	1.000

Tail Factor  
**1.000**

Non-CAT Liability Incurred Loss & ALAE  
Evaluated @ 3/2010

Accident Year	Non-CAT Liability Incurred Loss & ALAE									AFIE	
	15	27	39	51	63	75	87	99	111	123	Ultimate
2000	21,600	17,872	17,872	23,872	23,872	18,836	18,836	18,836	18,836	18,836	18,836
2001	1,021	1,021	2,112	2,112	2,112	2,112	2,112	2,112	2,112	2,112	2,112
2002	14,712	14,262	14,262	14,262	14,262	14,262	14,262	14,262			14,262
2003	7,484	7,484	7,484	7,484	7,484	7,484	7,484				7,484
2004	974	826	826	826	826	826					840
2005	325	325	325	325	325						361
2006	-	-	-	-							0
2007	5,182	5,182	5,182								6,929
2008	-	-									0
2009	-										0
	<b>15-27</b>	<b>27-39</b>	<b>39-51</b>	<b>51-63</b>	<b>63-75</b>	<b>75-87</b>	<b>87-99</b>	<b>99-111</b>	<b>111-123</b>		50,824
2000	0.827	1.000	1.336	1.000	0.789	1.000	1.000	1.000	1.000		
2001	1.000	2.069	1.000	1.000	1.000	1.000	1.000	1.000	1.000		
2002	0.969	1.000	1.000	1.000	1.000	1.000	1.000	1.000			
2003	1.000	1.000	1.000	1.000	1.000	1.000					
2004	0.848	1.000	1.000	1.000	1.000						
2005	1.000	1.000	1.000	1.000							
2006	NA	NA	NA								
2007	1.000	1.000									
2008	NA										

Last 3 Weighted Avg.	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Avg. Ex. Hi and Lo	0.688	0.833	0.800	1.000	1.000	1.000	1.000
All Weighted Avg.	0.916	1.023	1.140	1.000	0.896	1.000	1.000
Harmonic Mean	0.958	1.095	1.042	1.000	0.954	1.000	1.000
All Weighted Avg. Fitted	0.996	0.995	0.995	0.994	0.993	0.992	0.991

CW Selected	1.504	1.248	1.137	1.058	1.094	1.017	1.000
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<b>AFIE Selected</b>	<b>1.504</b>	<b>1.248</b>	<b>1.137</b>	<b>1.058</b>	<b>1.094</b>	<b>1.017</b>	<b>1.000</b>
Age-Ultimate	2.511	1.669	1.337	1.176	1.112	1.017	1.000

Tail Factor  
1.000

Non-CAT All Other Perils Paid Loss & ALAE  
Evaluated @ 3/2010

Accident Year	Non-CAT All Other Perils Paid Loss & ALAE										AFIE
	15	27	39	51	63	75	87	99	111	123	Ultimate
2000	371,537	398,409	398,409	398,409	398,409	398,409	398,409	398,934	398,934	398,934	398,934
2001	426,708	448,573	448,598	448,598	448,598	448,598	448,598	448,598	448,598	448,598	448,598
2002	368,692	424,888	423,237	423,237	423,237	423,237	423,237	424,888			424,888
2003	137,260	140,242	140,242	140,242	140,242	140,242	140,242				140,242
2004	101,724	101,724	101,724	101,724	101,724	101,724					101,520
2005	109,374	134,589	134,589	134,589	134,589						134,724
2006	128,961	131,555	131,555	131,555							132,081
2007	361,756	361,756	361,756								364,288
2008	233,783	236,617									243,242
2009	541,104										625,516
											3,014,034
	<b>15-27</b>	<b>27-39</b>	<b>39-51</b>	<b>51-63</b>	<b>63-75</b>	<b>75-87</b>	<b>87-99</b>	<b>99-111</b>	<b>111-123</b>		
2000	1.072	1.000	1.000	1.000	1.000	1.000	1.001	1.000	1.000		
2001	1.051	1.000	1.000	1.000	1.000	1.000	1.000	1.000			
2002	1.152	0.996	1.000	1.000	1.000	1.000	1.004				
2003	1.022	1.000	1.000	1.000	1.000	1.000					
2004	1.000	1.000	1.000	1.000	1.000						
2005	1.231	1.000	1.000	1.000							
2006	1.020	1.000	1.000								
2007	1.000	1.000									
2008	1.012										

Last 3 Weighted Avg.	1.007	1.000	1.000	1.000	1.000	1.000	1.002				
Avg. Ex. Hi and Lo	1.047	1.000	1.000	1.000	1.000	1.000					
All Weighted Avg.	1.062	0.999	1.000	1.000	1.000	1.000	1.002				
Harmonic Mean	1.060	0.999	1.000	1.000	1.000	1.000	1.002				
All Weighted Avg. Fitted	1.028	1.021	1.015	1.009	1.003	0.996	0.990				
CW Selected	1.125	1.021	1.003	1.003	1.003	0.998	1.000				
<b>AFIE Selected</b>	<b>1.125</b>	<b>1.021</b>	<b>1.003</b>	<b>1.003</b>	<b>1.003</b>	<b>0.998</b>	<b>1.000</b>				
Age-Ultimate	1.156	1.028	1.007	1.004	1.001	0.998	1.000				

Tail Factor  
1.000

Non-CAT All Other Perils Incurred Loss & ALAE  
Evaluated @ 3/2010

Accident Year	Non-CAT All Other Perils Incurred Loss & ALAE										AFIE
	15	27	39	51	63	75	87	99	111	123	Ultimate
2000	380,622	398,409	398,409	398,409	398,409	398,409	398,409	398,934	398,934	398,934	398,934
2001	425,371	448,573	448,598	448,598	448,598	448,598	448,598	448,598	448,598	448,598	448,598
2002	426,287	423,138	423,237	423,237	423,237	423,237	423,237	424,888			424,888
2003	137,260	140,242	140,242	140,242	140,242	140,242	140,242				140,242
2004	101,724	101,724	101,724	101,724	101,724	101,724					101,724
2005	121,851	134,589	134,589	134,589	134,589						135,128
2006	134,121	131,555	131,555	131,555							132,607
2007	366,920	361,756	361,756								366,459
2008	256,565	236,617									242,532
2009	552,439										583,928
											2,975,039
	<b>15-27</b>	<b>27-39</b>	<b>39-51</b>	<b>51-63</b>	<b>63-75</b>	<b>75-87</b>	<b>87-99</b>	<b>99-111</b>	<b>111-123</b>		
2000	1.047	1.000	1.000	1.000	1.000	1.000	1.001	1.000	1.000		
2001	1.055	1.000	1.000	1.000	1.000	1.000	1.000	1.000			
2002	0.993	1.000	1.000	1.000	1.000	1.000	1.004				
2003	1.022	1.000	1.000	1.000	1.000	1.000					
2004	1.000	1.000	1.000	1.000	1.000						
2005	1.105	1.000	1.000	1.000							
2006	0.981	1.000	1.000								
2007	0.986	1.000									
2008	0.922										

Last 3 Weighted Avg.	0.963	1.000	1.000	1.000	1.000	1.000	1.002				
Avg. Ex. Hi and Lo	1.012	1.000	1.000	1.000	1.000	1.000					
All Weighted Avg.	1.011	1.000	1.000	1.000	1.000	1.000	1.002				
Harmonic Mean	1.011	1.000	1.000	1.000	1.000	1.000	1.002				
All Weighted Avg. Fitted	1.005	1.004	1.003	1.002	1.001	1.000	0.999				
CW Selected	1.031	1.012	1.005	1.004	1.004	1.000	1.000				
AFIE Selected	1.031	1.012	1.005	1.004	1.004	1.000	1.000				
Age-Ultimate	1.057	1.025	1.013	1.008	1.004	1.000	1.000				

Tail Factor  
1.000

**Non-CAT Loss & DCCE**  
**Evaluated @ 3/2010**

**Loss Development Summary**

	<b>@3/2010</b>		<b>AFIE Method</b>		
	(1)	(2)	(3)	(4)	(5)
<b>Accident Year</b>	Paid Loss & ALAE	Incurred Loss & ALAE	Paid Method Ultimate Loss & ALAE	Incurred Method Ultimate Loss & ALAE	AFIE Method Ultimate Loss & ALAE
<b>2000</b>	3,987	3,987	3,987	3,987	3,987
<b>2001</b>	-	-	-	-	0
<b>2002</b>	-	-	-	-	0
<b>2003</b>	-	-	-	-	0
<b>2004</b>	1,683	1,683	1,683	1,683	1,683
<b>2005</b>	-	-	-	-	0
<b>2006</b>	-	-	-	-	0
<b>2007</b>	1,203	1,203	1,203	1,203	1,203
<b>2008</b>	725	725	740	725	732
<b>2009</b>	-	-	-	-	0
<b>Total</b>	<b>7,598</b>	<b>7,598</b>	<b>7,614</b>	<b>7,598</b>	<b>7,606</b>

(1) -(5) = Liability + All Other Perils

**Non-CAT Liability**  
**Evaluated @ 3/2010**

**Loss Development Summary**

	<b>@3/2010</b>		<b>AFIE Method</b>		
	(1)	(2)	(3)	(4)	(5)
<b>Accident Year</b>	Paid Loss & ALAE	Incurred Loss & ALAE	Paid Method Ultimate Loss & ALAE	Incurred Method Ultimate Loss & ALAE	Selected Ultimate Loss & ALAE
<b>2000</b>	-	-	-	-	0
<b>2001</b>	-	-	-	-	0
<b>2002</b>	-	-	-	-	0
<b>2003</b>	-	-	-	-	0
<b>2004</b>	-	-	-	-	0
<b>2005</b>	-	-	-	-	0
<b>2006</b>	-	-	-	-	0
<b>2007</b>	-	-	-	-	0
<b>2008</b>	-	-	-	-	0
<b>2009</b>	-	-	-	-	0
<b>Total</b>	-	-	-	-	-

- (1) -(2) AFIE Data
- (3) Paid Triangle Development
- (4) Incurred Triangle Development
- (5) Selected

Non-CAT All Other Perils  
Evaluated @ 3/2010

Loss Development Summary

	@3/2010		AFIE Method		
	(1)	(2)	(3)	(4)	(5)
Accident Year	Paid Loss & ALAE	Incurred Loss & ALAE	Paid Method Ultimate Loss & ALAE	Incurred Method Ultimate Loss & ALAE	Selected Ultimate Loss & ALAE
2000	3,987	3,987	3,987	3,987	3,987
2001	-	-	-	-	0
2002	-	-	-	-	0
2003	-	-	-	-	0
2004	1,683	1,683	1,683	1,683	1,683
2005	-	-	-	-	0
2006	-	-	-	-	0
2007	1,203	1,203	1,203	1,203	1,203
2008	725	725	740	725	732
2009	-	-	-	-	0
<b>Total</b>	7,598	7,598	7,614	7,598	7,606

- (1) -(2) AFIE Data
- (3) Paid Triangle Development
- (4) Incurred Triangle Development
- (5) Selected

Non-CAT Liability Paid Loss & ALAE  
Evaluated @ 3/2010

Accident Year	Non-CAT Liability Paid Loss & ALAE										AFIE
	15	27	39	51	63	75	87	99	111	123	Ultimate
2000	-	-	-	-	-	-	-	-	-	-	0
2001	-	-	-	-	-	-	-	-	-	-	0
2002	-	-	-	-	-	-	-	-	-	-	0
2003	-	-	-	-	-	-	-	-	-	-	0
2004	-	-	-	-	-	-	-	-	-	-	0
2005	-	-	-	-	-	-	-	-	-	-	0
2006	-	-	-	-	-	-	-	-	-	-	0
2007	-	-	-	-	-	-	-	-	-	-	0
2008	-	-	-	-	-	-	-	-	-	-	0
2009	-	-	-	-	-	-	-	-	-	-	0
	<b>15-27</b>	<b>27-39</b>	<b>39-51</b>	<b>51-63</b>	<b>63-75</b>	<b>75-87</b>	<b>87-99</b>	<b>99-111</b>	<b>111-123</b>		
2000	NA	NA	NA	NA	NA	NA	NA	NA	NA		
2001	NA	NA	NA	NA	NA	NA	NA	NA	NA		
2002	NA	NA	NA	NA	NA	NA	NA	NA	NA		
2003	NA	NA	NA	NA	NA	NA	NA	NA	NA		
2004	NA	NA	NA	NA	NA	NA	NA	NA	NA		
2005	NA	NA	NA	NA	NA	NA	NA	NA	NA		
2006	NA	NA	NA	NA	NA	NA	NA	NA	NA		
2007	NA	NA	NA	NA	NA	NA	NA	NA	NA		
2008	NA	NA	NA	NA	NA	NA	NA	NA	NA		

Last 3 Weighted Avg.	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Avg. Ex. Hi and Lo	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
All Weighted Avg.	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Harmonic Mean	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
All Weighted Avg. Fitted	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000

CW Selected	1.985	1.600	1.233	1.074	1.100	1.024	1.000	1.000	1.000
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<b>AFIE Selected</b>	<b>1.985</b>	<b>1.600</b>	<b>1.233</b>	<b>1.074</b>	<b>1.100</b>	<b>1.000</b>	<b>1.000</b>	<b>1.000</b>	<b>1.000</b>
Age-Ultimate	4.628	2.332	1.457	1.181	1.100	1.000	1.000	1.000	1.000

Tail Factor  
**1.000**

Non-CAT Liability Incurred Loss & ALAE  
Evaluated @ 3/2010

Accident Year	Non-CAT Liability Incurred Loss & ALAE										AFIE
	15	27	39	51	63	75	87	99	111	123	Ultimate
2000	-	-	-	-	-	-	-	-	-	-	0
2001	-	-	-	-	-	-	-	-	-	-	0
2002	-	-	-	-	-	-	-	-	-	-	0
2003	-	-	-	-	-	-	-	-	-	-	0
2004	-	-	-	-	-	-	-	-	-	-	0
2005	-	-	-	-	-	-	-	-	-	-	0
2006	-	-	-	-	-	-	-	-	-	-	0
2007	-	-	-	-	-	-	-	-	-	-	0
2008	-	-	-	-	-	-	-	-	-	-	0
2009	-	-	-	-	-	-	-	-	-	-	0
	<b>15-27</b>	<b>27-39</b>	<b>39-51</b>	<b>51-63</b>	<b>63-75</b>	<b>75-87</b>	<b>87-99</b>	<b>99-111</b>	<b>111-123</b>		
2000	NA	NA	NA	NA	NA	NA	NA	NA	NA		
2001	NA	NA	NA	NA	NA	NA	NA	NA	NA		
2002	NA	NA	NA	NA	NA	NA	NA	NA	NA		
2003	NA	NA	NA	NA	NA	NA	NA	NA	NA		
2004	NA	NA	NA	NA	NA	NA	NA	NA	NA		
2005	NA	NA	NA	NA	NA	NA	NA	NA	NA		
2006	NA	NA	NA	NA	NA	NA	NA	NA	NA		
2007	NA	NA	NA	NA	NA	NA	NA	NA	NA		
2008	NA	NA	NA	NA	NA	NA	NA	NA	NA		

Last 3 Weighted Avg.	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Avg. Ex. Hi and Lo	0.000	0.000	0.000	0.000	0.000	0.000	0.000
All Weighted Avg.	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Harmonic Mean	0.000	0.000	0.000	0.000	0.000	0.000	0.000
All Weighted Avg. Fitted	0.000	0.000	0.000	0.000	0.000	0.000	0.000

CW Selected	1.504	1.248	1.137	1.058	1.094	1.017	1.000
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<b>AFIE Selected</b>	<b>1.504</b>	<b>1.248</b>	<b>1.137</b>	<b>1.058</b>	<b>1.094</b>	<b>1.000</b>	<b>1.000</b>
Age-Ultimate	2.469	1.641	1.315	1.157	1.094	1.000	1.000

Tail Factor  
**1.000**

Non-CAT All Other Perils Paid Loss & ALAE  
Evaluated @ 3/2010

Accident Year	Non-CAT All Other Perils Paid Loss & ALAE										AFIE
	15	27	39	51	63	75	87	99	111	123	Ultimate
2000	3,987	3,987	3,987	3,987	3,987	3,987	3,987	3,987	3,987	3,987	3,987
2001	-	-	-	-	-	-	-	-	-	-	0
2002	-	-	-	-	-	-	-	-	-	-	0
2003	-	-	-	-	-	-	-	-	-	-	0
2004	1,683	1,683	1,683	1,683	1,683	1,683					1,683
2005	-	-	-	-	-						0
2006	-	-	-	-							0
2007	1,203	1,203	1,203								1,203
2008	-	725									740
2009	-										0
											7,614
	<b>15-27</b>	<b>27-39</b>	<b>39-51</b>	<b>51-63</b>	<b>63-75</b>	<b>75-87</b>	<b>87-99</b>	<b>99-111</b>	<b>111-123</b>		
2000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000		
2001	NA	NA	NA	NA	NA	NA	NA	NA	NA		
2002	NA	NA	NA	NA	NA	NA	NA	NA	NA		
2003	NA	NA	NA	NA	NA	NA	NA	NA	NA		
2004	1.000	1.000	1.000	1.000	1.000						
2005	NA	NA	NA	NA							
2006	NA	NA	NA								
2007	1.000	1.000									
2008	NA										

Last 3 Weighted Avg.	1.602	1.000	1.000	1.000	1.000	1.000	1.000		
Avg. Ex. Hi and Lo	0.143	0.167	0.000	0.000	0.000	-0.500			
All Weighted Avg.	1.105	1.000	1.000	1.000	1.000	1.000	1.000		
Harmonic Mean	1.000	1.000	1.000	1.000	1.000	1.000	1.000		
All Weighted Avg. Fitted	1.048	1.036	1.025	1.014	1.004	0.993	0.982		

CW Selected	1.125	1.021	1.003	1.003	1.003	0.998	1.000		
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<b>AFIE Selected</b>	<b>1.125</b>	<b>1.021</b>	<b>1.000</b>	<b>1.000</b>	<b>1.000</b>	<b>1.000</b>	<b>1.000</b>		
Age-Ultimate	1.148	1.021	1.000	1.000	1.000	1.000	1.000		

Tail Factor  
1.000

Non-CAT All Other Perils Incurred Loss & ALAE  
Evaluated @ 3/2010

Accident Year	Non-CAT All Other Perils Incurred Loss & ALAE										AFIE
	15	27	39	51	63	75	87	99	111	123	Ultimate
2000	3,987	3,987	3,987	3,987	3,987	3,987	3,987	3,987	3,987	3,987	3,987
2001	-	-	-	-	-	-	-	-	-	-	0
2002	-	-	-	-	-	-	-	-	-	-	0
2003	-	-	-	-	-	-	-	-	-	-	0
2004	1,683	1,683	1,683	1,683	1,683	1,683					1,683
2005	-	-	-	-	-	-					0
2006	-	-	-	-	-	-					0
2007	1,203	1,203	1,203								1,203
2008	-	725									725
2009	-										0
											7,598
	<b>15-27</b>	<b>27-39</b>	<b>39-51</b>	<b>51-63</b>	<b>63-75</b>	<b>75-87</b>	<b>87-99</b>	<b>99-111</b>	<b>111-123</b>		
2000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000		
2001	NA	NA	NA	NA	NA	NA	NA	NA	NA		
2002	NA	NA	NA	NA	NA	NA	NA	NA	NA		
2003	NA	NA	NA	NA	NA	NA	NA	NA	NA		
2004	1.000	1.000	1.000	1.000	1.000						
2005	NA	NA	NA	NA							
2006	NA	NA	NA								
2007	1.000	1.000									
2008	NA										

Last 3 Weighted Avg.	1.602	1.000	1.000	1.000	1.000	1.000	1.000
Avg. Ex. Hi and Lo	0.143	0.167	0.000	0.000	0.000	-0.500	
All Weighted Avg.	1.105	1.000	1.000	1.000	1.000	1.000	1.000
Harmonic Mean	1.000	1.000	1.000	1.000	1.000	1.000	1.000
All Weighted Avg. Fitted	1.048	1.036	1.025	1.014	1.004	0.993	0.982

CW Selected	1.031	1.012	1.005	1.004	1.004	1.000	1.000
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<b>AFIE Selected</b>	<b>1.031</b>	<b>1.000</b>	<b>1.000</b>	<b>1.000</b>	<b>1.000</b>	<b>1.000</b>	<b>1.000</b>
Age-Ultimate	1.031	1.000	1.000	1.000	1.000	1.000	1.000

Tail Factor  
1.000

Non-CAT Liability Paid Loss & ALAE  
Evaluated @ 3/2010

Accident Year	Non-CAT Liability Paid Loss & ALAE										Selected Ultimate
	15	27	39	51	63	75	87	99	111	123	
2000	406,232	1,039,909	1,435,798	1,694,718	2,676,670	2,679,788	2,692,284	2,692,199	2,721,369	2,723,609	2,723,609
2001	513,367	877,169	1,210,337	1,352,950	1,619,237	1,771,591	2,071,246	2,071,246	2,071,246		2,071,246
2002	236,555	510,528	985,331	1,522,553	1,544,599	2,034,396	2,034,810	2,034,810			2,034,810
2003	243,240	377,166	529,450	750,301	756,175	868,555	905,841				905,841
2004	222,386	440,352	543,078	671,214	701,047	740,501					758,273
2005	308,873	418,431	1,285,821	1,563,652	1,627,464						1,832,524
2006	319,069	619,432	1,054,588	1,004,123							1,213,984
2007	362,528	1,019,258	1,440,773								2,148,193
2008	255,817	389,787									930,032
2009	189,831										898,852
											15,517,364
	<b>15-27</b>	<b>27-39</b>	<b>39-51</b>	<b>51-63</b>	<b>63-75</b>	<b>75-87</b>	<b>87-99</b>	<b>99-111</b>	<b>111-123</b>		
2000	2.560	1.381	1.180	1.579	1.001	1.005	1.000	1.011	1.001		
2001	1.709	1.380	1.118	1.197	1.094	1.169	1.000	1.000			
2002	2.158	1.930	1.545	1.014	1.317	1.000	1.000				
2003	1.551	1.404	1.417	1.008	1.149	1.043					
2004	1.980	1.233	1.236	1.044	1.056						
2005	1.355	3.073	1.216	1.041							
2006	1.941	1.703	0.952								
2007	2.812	1.414									
2008	1.524										

Last 3 Weighted Avg.	2.164	1.838	1.123	1.033	1.214	1.072	1.000				
Avg. Ex. Hi and Lo	1.918	1.535	1.233	1.074	1.100	1.024					
All Weighted Avg.	1.985	1.600	1.215	1.181	1.109	1.048	1.000				
Harmonic Mean	1.903	1.619	1.225	1.132	1.118	1.052	1.000				
All Weighted Avg. Fitted	1.749	1.572	1.412	1.269	1.140	1.025	0.921				

Selected	1.985	1.600	1.233	1.074	1.100	1.024	1.000				
Age-Ultimate	4.735	2.386	1.491	1.209	1.126	1.024	1.000				

Tail Factor  
1.000

Non-CAT Liability Incurred Loss & ALAE  
Evaluated @ 3/2010

Accident Year	Non-CAT Liability Incurred Loss & ALAE										Selected Ultimate
	15	27	39	51	63	75	87	99	111	123	
2000	1,034,049	1,428,642	1,439,920	1,883,230	2,625,143	2,584,701	2,692,284	2,697,199	2,721,369	2,723,609	2,723,609
2001	939,476	1,205,231	1,459,652	1,620,803	1,850,026	2,086,323	2,071,246	2,071,246	2,071,246		2,071,246
2002	444,102	833,034	1,145,866	1,542,521	1,547,610	2,039,339	2,034,810	2,034,810			2,034,810
2003	435,904	528,528	706,457	751,064	761,175	874,182	905,841				905,841
2004	307,366	494,624	753,097	728,394	769,682	773,360					786,507
2005	378,449	841,718	1,398,983	1,611,414	1,642,058						1,825,968
2006	523,550	827,007	1,152,906	1,211,074							1,424,223
2007	945,914	1,642,559	1,679,412								2,245,374
2008	818,627	965,791									1,611,905
2009	1,350,917										3,392,152
											19,021,636
	15-27	27-39	39-51	51-63	63-75	75-87	87-99	99-111	111-123		
2000	1.382	1.008	1.308	1.394	0.985	1.042	1.002	1.009	1.001		
2001	1.283	1.211	1.110	1.141	1.128	0.993	1.000	1.000			
2002	1.876	1.376	1.346	1.003	1.318	0.998	1.000				
2003	1.212	1.337	1.063	1.013	1.148	1.036					
2004	1.609	1.523	0.967	1.057	1.005						
2005	2.224	1.662	1.152	1.019							
2006	1.580	1.394	1.050								
2007	1.736	1.022									
2008	1.180										

Last 3 Weighted Avg.	1.501	1.278	1.074	1.027	1.198	1.002	1.001
Avg. Ex. Hi and Lo	1.525	1.311	1.137	1.058	1.094	1.017	
All Weighted Avg.	1.504	1.248	1.160	1.130	1.106	1.016	1.001
Harmonic Mean	1.533	1.299	1.135	1.097	1.111	1.017	1.001
All Weighted Avg. Fitted	1.385	1.304	1.228	1.157	1.089	1.026	0.966

Selected	1.504	1.248	1.137	1.058	1.094	1.017	1.000
Age-Ultimate	2.511	1.669	1.337	1.176	1.112	1.017	1.000

Tail Factor  
1.000

Non-CAT All Other Perils Paid Loss & ALAE  
Evaluated @ 3/2010

Accident Year	Non-CAT All Other Perils Paid Loss & ALAE										Selected Ultimate
	15	27	39	51	63	75	87	99	111	123	
2000	19,482,410	22,139,347	22,482,229	22,541,634	22,531,332	22,628,617	22,327,648	22,327,317	22,327,317	22,328,244	22,328,244
2001	19,451,120	22,345,227	22,692,573	22,782,820	23,016,285	23,016,769	23,018,976	23,018,274	23,017,946		23,017,946
2002	23,913,739	27,428,906	28,640,375	28,197,663	28,230,431	28,538,646	28,666,348	28,670,591			28,670,591
2003	18,787,327	19,880,653	20,075,839	20,304,495	20,418,949	20,365,316	20,364,716				20,364,716
2004	16,694,902	18,823,432	19,067,180	19,342,685	19,365,298	19,373,075					19,334,328
2005	14,417,656	16,727,203	17,290,579	17,373,451	17,370,751						17,388,121
2006	18,701,289	20,225,027	20,410,172	20,511,143							20,593,188
2007	21,021,113	24,007,608	24,453,185								24,624,357
2008	19,739,469	22,088,193									22,706,663
2009	19,188,140										22,181,490
											221,209,645

	15-27	27-39	39-51	51-63	63-75	75-87	87-99	99-111	111-123
2000	1.136	1.015	1.003	1.000	1.004	0.987	1.000	1.000	1.000
2001	1.149	1.016	1.004	1.010	1.000	1.000	1.000	1.000	
2002	1.147	1.044	0.985	1.001	1.011	1.004	1.000		
2003	1.058	1.010	1.011	1.006	0.997	1.000			
2004	1.127	1.013	1.014	1.001	1.000				
2005	1.160	1.034	1.005	1.000					
2006	1.081	1.009	1.005						
2007	1.142	1.019							
2008	1.119								

Last 3 Weighted Avg.	1.115	1.020	1.008	1.002	1.004	1.002	1.000
Avg. Ex. Hi and Lo	1.129	1.018	1.006	1.002	1.001	1.000	
All Weighted Avg.	1.125	1.021	1.003	1.003	1.003	0.998	1.000
Harmonic Mean	1.124	1.020	1.004	1.003	1.002	0.998	1.000
All Weighted Avg. Fitted	1.065	1.050	1.035	1.021	1.007	0.992	0.978

Selected	1.125	1.021	1.003	1.003	1.003	0.998	1.000
Age-Ultimate	1.156	1.028	1.007	1.004	1.001	0.998	1.000

Tail Factor  
1.000

Non-CAT All Other Perils Incurred Loss & ALAE  
Evaluated @ 3/2010

Non-CAT All Other Perils Incurred Loss & ALAE

Accident Year	15	27	39	51	63	75	87	99	111	123	Selected Ultimate
2000	20,477,227	22,110,394	22,428,711	22,524,275	22,490,920	22,541,214	22,329,360	22,326,681	22,329,014	22,326,488	22,326,488
2001	21,153,273	22,708,097	22,790,601	22,816,401	23,009,703	23,000,950	23,003,207	23,001,392	23,001,595		23,001,595
2002	25,932,627	27,268,838	28,321,668	28,147,888	28,343,396	28,647,768	28,651,252	28,653,162			28,653,162
2003	19,430,958	19,784,501	19,989,928	20,212,996	20,265,865	20,352,293	20,352,293				20,352,293
2004	18,918,329	19,212,725	19,054,658	19,327,031	19,379,395	19,394,009					19,394,009
2005	16,149,387	17,101,250	17,248,990	17,339,885	17,365,351						17,434,813
2006	20,922,719	20,206,271	20,288,971	20,526,111							20,690,320
2007	24,235,876	24,081,247	24,370,140								24,686,952
2008	22,120,155	22,722,761									23,290,830
2009	22,501,165										23,783,731
											223,614,192
	15-27	27-39	39-51	51-63	63-75	75-87	87-99	99-111	111-123		
2000	1.080	1.014	1.004	0.999	1.002	0.991	1.000	1.000	1.000		
2001	1.074	1.004	1.001	1.008	1.000	1.000	1.000	1.000			
2002	1.052	1.039	0.994	1.007	1.011	1.000	1.000				
2003	1.018	1.010	1.011	1.003	1.004	1.000					
2004	1.016	0.992	1.014	1.003	1.001						
2005	1.059	1.009	1.005	1.001							
2006	0.966	1.004	1.012								
2007	0.994	1.012									
2008	1.027										

Last 3 Weighted Avg.	0.996	1.008	1.011	1.002	1.006	1.000	1.000
Avg. Ex. Hi and Lo	1.034	1.009	1.007	1.004	1.002	1.000	
All Weighted Avg.	1.031	1.012	1.005	1.004	1.004	0.998	1.000
Harmonic Mean	1.031	1.010	1.006	1.003	1.004	0.998	1.000
All Weighted Avg. Fitted	1.021	1.016	1.012	1.008	1.003	0.999	0.995

Selected	1.031	1.012	1.005	1.004	1.004	1.000	1.000
Age-Ultimate	1.057	1.025	1.013	1.008	1.004	1.000	1.000

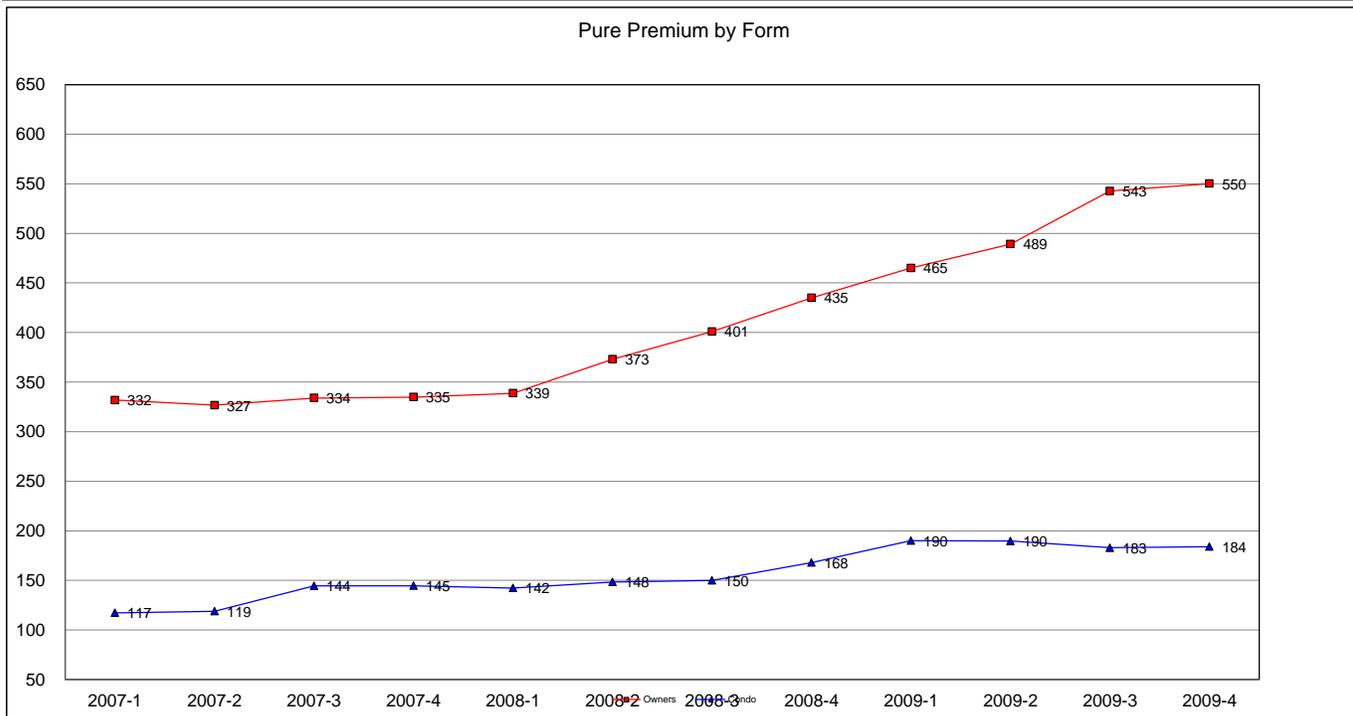
Tail Factor  
1.000

PCI/ISO/NISS Fast Track Data, Homeowners (EX CAT)

Paid Claim Trend Analysis  
4th Qtr 2009

Arkansas

Year Ending Quarter	HO1-HO3, HO5			HO6		
	Average Cost	Frequency	Pure Premium	Average Cost	Frequency	Pure Premium
2005-1	5,053	5.27%	266	3,773	3.16%	119
2005-2	5,157	5.23%	270	4,322	3.23%	140
2005-3	5,318	5.16%	274	5,026	2.74%	138
2005-4	5,621	5.17%	290	5,769	3.02%	174
2006-1	5,707	5.24%	299	4,820	3.36%	162
2006-2	5,811	5.43%	316	4,793	3.27%	157
2006-3	5,820	5.48%	319	4,346	3.51%	153
2006-4	5,994	5.37%	322	3,877	3.17%	123
2007-1	6,093	5.44%	332	4,258	2.76%	117
2007-2	6,278	5.20%	327	3,997	2.98%	119
2007-3	6,611	5.05%	334	3,950	3.66%	144
2007-4	6,609	5.07%	335	3,556	4.07%	145
2008-1	6,657	5.09%	339	3,497	4.07%	142
2008-2	6,826	5.46%	373	3,797	3.91%	148
2008-3	6,943	5.77%	401	3,810	3.94%	150
2008-4	7,465	5.83%	435	4,493	3.74%	168
2009-1	7,576	6.14%	465	4,871	3.90%	190
2009-2	7,965	6.14%	489	4,671	4.06%	190
2009-3	8,202	6.62%	543	4,587	3.99%	183
2009-4	7,946	6.92%	550	4,510	4.08%	184



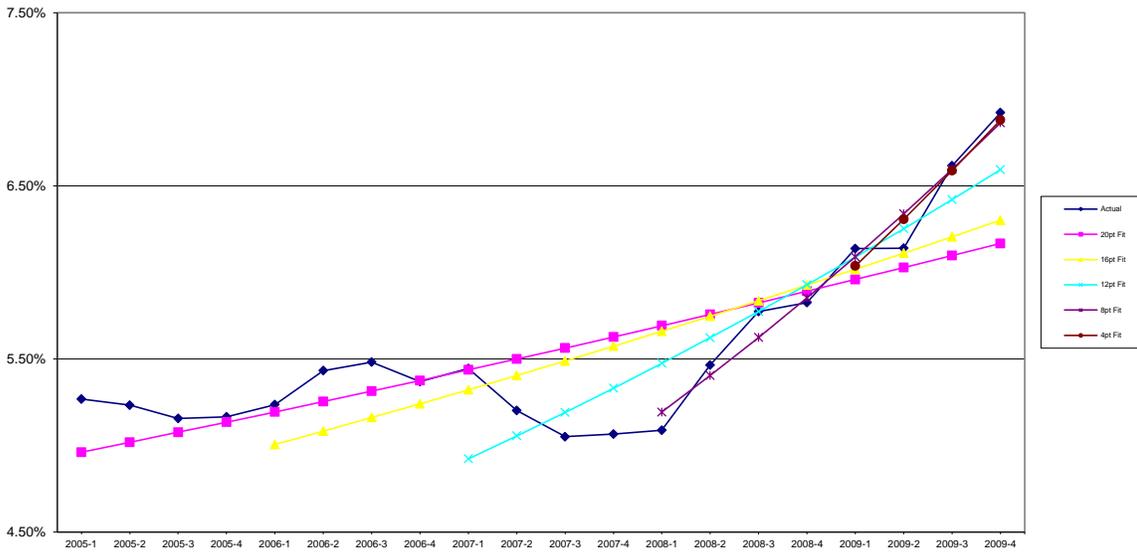
Exponential Annual Change

Point	HO1-HO3, HO5			HO6		
	Average Cost	Frequency	Pure Premium	Average Cost	Frequency	Pure Premium
4	7.1	19.1	27.6	-9.5	4.8	-5.2
8	13.1	17.3	32.6	17.7	1.2	19.1
12	11.3	11.2	23.8	7.8	10.6	19.3
16	10.5	6.3	17.5	0.8	7.7	8.5
20	10.4	4.7	15.6	-1.1	7.4	6.2

R-Square Values

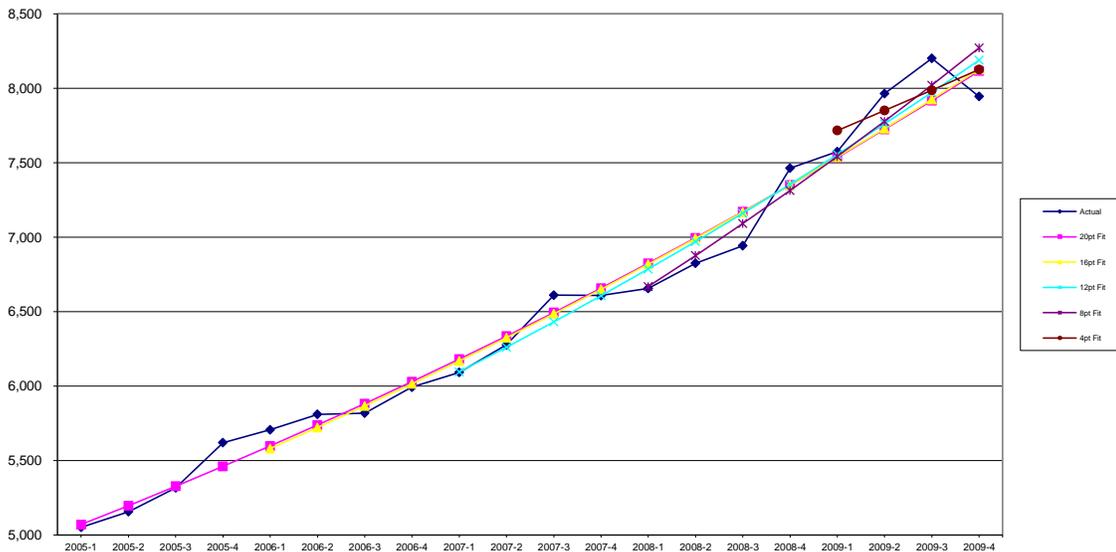
Point	HO1-HO3, HO5			HO6		
	Average Cost	Frequency	Pure Premium	Average Cost	Frequency	Pure Premium
4	0.458	0.901	0.931	0.945	0.543	0.733
8	0.916	0.965	0.988	0.677	0.063	0.793
12	0.952	0.805	0.932	0.372	0.493	0.886
16	0.971	0.587	0.885	0.007	0.510	0.389
20	0.982	0.562	0.911	0.017	0.610	0.329

HO1-HO3, HO5 - Frequency

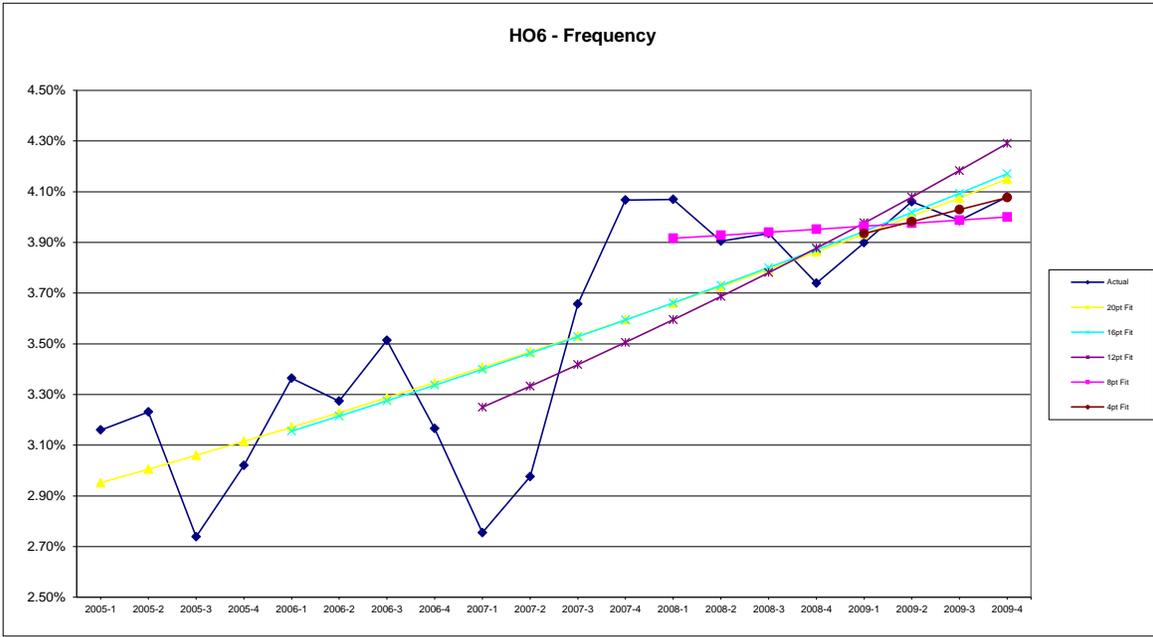


	Owners Frequency	R-Square
	20pt	4.7 56.2%
	16pt	6.3 58.7%
	12pt	11.2 80.5%
	8pt	17.3 96.5%
	<u>4pt</u>	<u>19.1</u> 90.1%
	<u>Selections:</u>	
	Retrospective:	4.7
	Prospective:	11.2

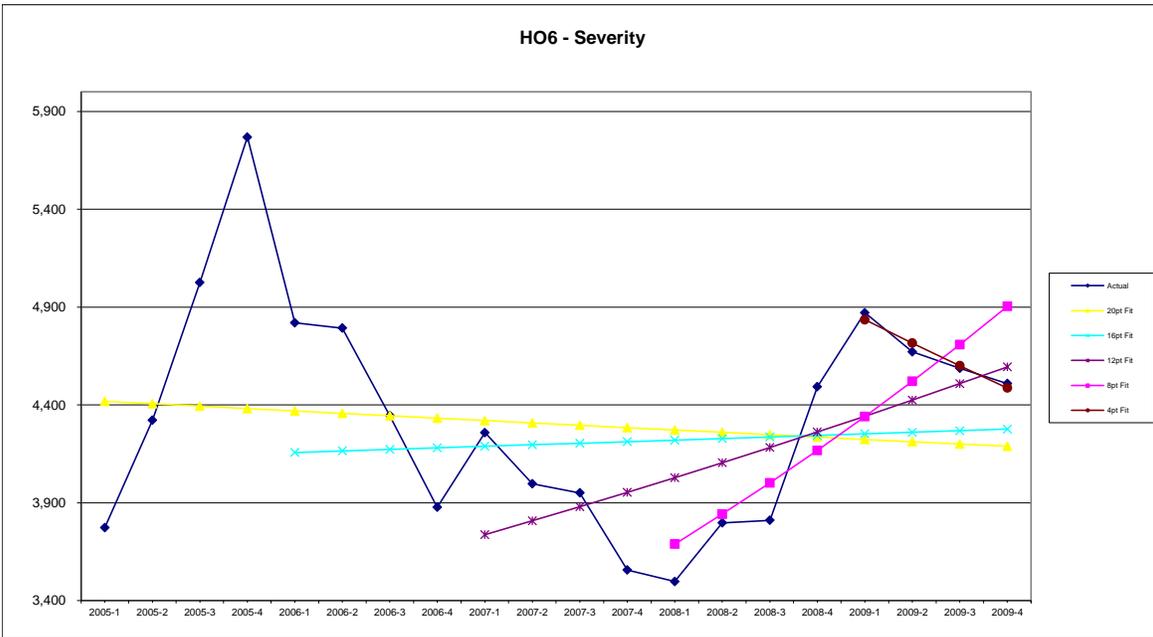
HO1-HO3, HO5 - Severity



	Owners Severity	R-Square
	20pt	10.4 98.2%
	16pt	10.5 97.1%
	12pt	11.3 95.2%
	8pt	13.1 91.6%
	<u>4pt</u>	<u>7.1</u> 45.8%
	<u>Selections:</u>	
	Retrospective:	10.4
	Prospective:	11.3



	Condo Frequency	R-Square
20pt	7.4	61.0%
16pt	7.7	51.0%
12pt	10.6	49.3%
8pt	1.2	6.3%
4pt	4.8	54.3%
<b>Selections:</b>		
Retrospective:	7.4	
Prospective:	1.2	



	Condo Severity	R-Square
20pt	-1.1	1.7%
16pt	0.8	0.7%
12pt	7.8	37.2%
8pt	17.7	67.7%
4pt	-9.5	94.5%
<b>Selections:</b>		
Retrospective:	-1.1	
Prospective:	17.7	

**Arkansas  
Loss Trend Selection Summary  
Latest Trend Period: 2009-4**

Policy Form	(1)	(2)	(3)
	Selected Frequency	Selected Severity	Selected Pure Premium

**Retrospective Trend**

HO3	4.7	10.4	15.6
HO6	7.4	-1.1	6.2

**Prospective Trend**

HO3	11.2	11.3	23.8
HO6	1.2	17.7	19.1

Proposed Effective Date: 03/20/2011  
 Current Trend Date<sup>1</sup>: 07/02/2009  
 Prospective Trend Date<sup>2</sup>: 03/20/2012

Accident Year Ending	Current Cost Trend Period	HO3		HO6		Prospective Trend Period	HO3		HO6	
		Current Cost Factor	Current Cost Factor	Prospective Trend Factor	Prospective Trend Factor		Loss Trend Factor	Loss Trend Factor		
12/31/2000	9.01	3.692	1.719	2.72	1.786	1.608	6.594	2.764		
12/31/2001	8.01	3.194	1.619	2.72	1.786	1.608	5.704	2.603		
12/31/2002	7.01	2.763	1.525	2.72	1.786	1.608	4.935	2.452		
12/31/2003	6.01	2.390	1.436	2.72	1.786	1.608	4.269	2.309		
12/31/2004	5.00	2.064	1.351	2.72	1.786	1.608	3.686	2.172		
12/31/2005	4.00	1.786	1.272	2.72	1.786	1.608	3.190	2.045		
12/31/2006	3.00	1.545	1.198	2.72	1.786	1.608	2.759	1.926		
12/31/2007	2.00	1.336	1.128	2.72	1.786	1.608	2.386	1.814		
12/31/2008	1.00	1.156	1.062	2.72	1.786	1.608	2.065	1.708		
12/31/2009	0.00	1.000	1.000	2.72	1.786	1.608	1.786	1.608		

(3) = (((1+(1)%) x (1+(2)%) - 1) x 100

<sup>1</sup> Midpoint of latest trend period.

<sup>2</sup> One year after proposed effective date.

Catastrophe Adjustment - (Non-modeled Losses)  
HO3

Coverage A @ 12/31/2009

Accident Year	Earned AOI Years	Paid Loss	Catastrophe* Outstanding Loss	Incurred Loss	Damage Ratio	Capped** Damage Ratio
1989	60,727	65,459	-	65,459	1.078	1.078
1990	61,488	52,898	-	52,898	0.860	0.860
1991	62,126	77,648	-	77,648	1.250	1.250
1992	63,060	34,189	-	34,189	0.542	0.542
1993	65,838	6,664	-	6,664	0.101	0.101
1994	69,555	4,149	-	4,149	0.060	0.060
1995	75,630	47,798	-	47,798	0.632	0.632
1996	77,930	96,109	-	96,109	1.233	1.233
1997	78,181	140,993	-	140,993	1.803	1.803
1998	80,671	1,097	-	1,097	0.014	0.014
1999	81,096	20,134	-	20,134	0.248	0.248
2000	82,543	38,152	-	38,152	0.462	0.462
2001	85,624	11,647	-	11,647	0.136	0.136
2002	89,028	10,652	-	10,652	0.120	0.120
2003	98,740	32,393	-	32,393	0.328	0.328
2004	104,647	37,634	-	37,634	0.360	0.360
2005	106,164	13,767	-	13,767	0.130	0.130
2006	108,185	36,624	-	36,624	0.339	0.339
2007	106,180	12,280	-	12,280	0.116	0.116
2008	104,227	409,670	-	409,670	3.931	3.460

Total 0.692 0.663

Selected Damage Ratio: 0.663 (a)

Projected Average Earned AOI Years: 265.45 (b) Exhibit 4

Expected Non-Modeled CAT Losses Per House Year: 175.90 (c) = (a) x (b)

Projected Average Earned Premium @ CRL: 1,495.92 (d) Exhibit 15 - Page 1

Expected Non-Modeled CAT Loss Ratio: 11.8% (e) = (c) / (d)

<sup>1</sup> Midpoint of latest year.

<sup>2</sup> One year after proposed effective date.

\* AFIE currently defines catastrophe losses using the industry standard of \$25 Million in damage to insured losses for the industry. A PCS Cat code is assigned to each such event. This Cat code is tracked in AFIE's claims system and is applied to claims occurring due to such events.

\*\* Actual damage ratios are capped at 5X the 20 year aggregate average.

Catastrophe Adjustment - (Non-modeled Losses)  
 HO6

Coverage C @ 12/31/2009

Accident Year	Earned AOI Years	Paid Loss	Catastrophe* Outstanding Loss	Incurred Loss	Damage Ratio	Capped** Damage Ratio
1989	171	-	-	-	0.000	0.000
1990	201	-	-	-	0.000	0.000
1991	264	-	-	-	0.000	0.000
1992	435	-	-	-	0.000	0.000
1993	293	-	-	-	0.000	0.000
1994	290	-	-	-	0.000	0.000
1995	284	-	-	-	0.000	0.000
1996	272	-	-	-	0.000	0.000
1997	256	-	-	-	0.000	0.000
1998	241	-	-	-	0.000	0.000
1999	233	-	-	-	0.000	0.000
2000	229	-	-	-	0.000	0.000
2001	229	-	-	-	0.000	0.000
2002	225	-	-	-	0.000	0.000
2003	220	-	-	-	0.000	0.000
2004	371	-	-	-	0.000	0.000
2005	255	-	-	-	0.000	0.000
2006	351	-	-	-	0.000	0.000
2007	472	-	-	-	0.000	0.000
2008	469	-	-	-	0.000	0.000

Total 0.000 0.000

Selected Damage Ratio: - (a)

Projected Average Earned AOI Years: 99.20 (b) Exhibit 4

Expected Non-Modeled CAT Losses Per House Year: 0.00 (c) = (a) x (b)

Projected Average Earned Premium @ CRL: 778.48 (d) Exhibit 15 - Page 2

Expected Non-Modeled CAT Loss Ratio: 0.0% (e) = (c) / (d)

<sup>1</sup> Midpoint of latest year.

<sup>2</sup> One year after proposed effective date.

\* AFIE currently defines catastrophe losses using the industry standard of \$25 Million in damage to insured losses for the industry. A PCS Cat code is assigned to each such event. This Cat code is tracked in AFIE's claims system and is applied to claims occurring due to such events.

\*\* Actual damage ratios are capped at 5X the 20 year aggregate average.

**Armed Forces Insurance Exchange  
Homeowners Multi-peril  
Countrywide**

**CAT ALAE Factor - ALL FORMS**  
(Includes Hurricane)

<u>ACCIDENT YEAR</u>	<u>CAT PAID LOSS</u>	<u>CAT PAID ALAE</u>	<u>CAT ALAE FACTOR</u>
2000	1,261,869	118,490	9.4%
2001	2,489,113	281,139	11.3%
2002	1,590,326	130,813	8.2%
2003	16,032,474	925,479	5.8%
2004	32,822,894	2,183,804	6.7%
2005	32,310,966	2,559,387	7.9%
2006	6,752,440	615,519	9.1%
2007	6,513,373	343,769	5.3%
2008	12,377,757	884,707	7.1%
2009	9,012,449	635,107	7.0%
Total	121,163,661	8,678,215	7.2%

Selected:

ULAE Factor

Schedule P - Part 1A (Homeowners)  
(000's)

AY	Sch. P Col 4	Sch. P Col 6	Sch. P Col 8	OLD Definition				
	(1)	(2)	(3)	(4) = (2) + (3)	(5)	(6) = (4) - (5)	(7) = (1) + (5)	(8) = (6) / (7)
	D&A Loss Payments	D&A DCC Payments	D&A AO Payments	Total LAE	Old Definition ALAE*	Implied Old Definition ULAE	Paid Loss & Old Definition ALAE	Implied Old Definition ULAE %
2000	22,893	1,003	4,150	5,153	3,544	1,609	26,437	6.1%
2001	24,234	1,079	4,392	5,471	3,680	1,791	27,914	6.4%
2002	29,129	1,075	4,190	5,265	3,314	1,951	32,443	6.0%
2003	35,416	613	4,150	4,763	2,829	1,934	38,245	5.1%
2004	52,191	547	5,981	6,528	3,974	2,554	56,165	4.5%
2005	49,748	778	5,553	6,331	4,188	2,143	53,936	4.0%
2006	26,691	356	3,742	4,098	2,182	1,916	28,873	6.6%
2007	30,534	376	3,365	3,741	2,002	1,739	32,536	5.3%
2008	33,137	267	4,104	4,371	2,323	2,048	35,460	5.8%
2009	22,706	88	3,083	3,171	2,024	1,147	24,730	4.6%
	326,679	6,182	42,710	48,892	30,061	18,831	356,740	5.3%
	Total LAE Col(4) / Col(1):			15.0%	Selected:		<input type="text" value="5.3%"/>	

\* All claim expense which is associated with a specific claim. (As of 03/31/2010)

Credibility

	HO3	HO6
Accident <u>Year</u>	Earned House <u>Years</u>	Earned House <u>Years</u>
2000	695	8
2001	688	8
2002	690	8
2003	725	7
2004	698	8
2005	643	8
2006	608	9
2007	548	10
2008	496	8
2009	456	10
5 YR Total	2,750	45
10 YR Total	6,246	83
5 YR Credibility <sup>1</sup> :	0.26	0.03
10YR Credibility <sup>1</sup> :	0.40	0.05

<sup>1</sup> Full Credibility = 40,000 House Years.

Proposed Effective Date: 3/20/2011  
 Average Earned Date of Proposed Policy Period: 3/20/2012

HO3 Countrywide Arkansas Countrywide Arkansas  
 (1)\* (2)\* (3)\*\* (4)\*\*\* (5)\*\*\* (6)\*\*\* (7) = ((1) x 1000) / (4) (8) = ((2) x 1000) / (5) (9) = ((3) x 1000) / (6) (10) = (7) + (8) + (9) (11) (12) = (10) x ((1+(a))^(11))

Calendar Year	Other Acquisition Expense (000'S)	General Expense (000'S)	Licenses & Fees (000's)	Written Exposure	Earned Exposure	Earned Exposure	Avg. Other Acq. Exp. Per Exposure	Avg. General Exp. Per Exposure	Avg. Lic./Fees Per Exposure	Total Fixed Exp. Per Exposure	Trend Period	Trended Fixed Exp. Per Exposure
2005	7,708	5,263	2.92	64,279	64,724	650	119.91	77.92	4.50	202.33	6.72	265.01
2006	7,373	6,905	2.83	62,511	63,578	617	117.95	104.07	4.59	226.60	5.72	285.12
2007	6,782	5,886	2.51	57,616	60,128	558	117.72	93.66	4.50	215.87	4.72	260.92
2008	7,000	5,696	2.36	54,793	56,089	505	127.75	96.96	4.67	229.38	3.72	266.34
2009	7,748	5,372	2.66	53,244	53,923	465	145.53	95.00	5.71	246.23	2.72	274.63

3 Year Trend: 11.2% 0.7% 12.7% 6.8% 3 Year Avg: 267.30  
 5 Year Trend: 4.8% 3.3% 5.1% 4.1%

(a)  
 Selected Trend: 4.1%  
 Selected: 267.30  
 Other Acq. Allocation: 157.98  
 General Allocation: 103.12  
 License/Fee Allocation: 6.20

HO6 Countrywide Arkansas Countrywide Arkansas  
 (1)\* (2)\* (3)\*\* (4)\*\*\* (5)\*\*\* (6)\*\*\* (7) = ((1) x 1000) / (4) (8) = ((2) x 1000) / (5) (9) = ((3) x 1000) / (6) (10) = (7) + (8) + (9) (11) (12) = (10) x ((1+(a))^(11))

Calendar Year	Other Acquisition Expense (000'S)	General Expense (000'S)	Licenses & Fees (000's)	Written Exposure	Earned Exposure	Earned Exposure	Avg. Other Acq. Exp. Per Exposure	Avg. General Exp. Per Exposure	Avg. Lic./Fees Per Exposure	Total Fixed Exp. Per Exposure	Trend Period	Trended Fixed Exp. Per Exposure
2005	231	5,263	2.92	2,789	2,813	650	82.86	77.92	4.50	165.28	6.72	216.48
2006	225	6,905	2.83	2,759	2,773	617	81.49	104.07	4.59	190.14	5.72	239.24
2007	218	5,886	2.51	2,676	2,715	558	81.27	93.66	4.50	179.42	4.72	216.87
2008	234	5,696	2.36	2,654	2,664	505	88.15	96.96	4.67	189.78	3.72	220.35
2009	262	5,372	2.66	2,605	2,623	465	100.40	95.00	5.71	201.10	2.72	224.29

3 Year Trend: 11.1% 0.7% 12.7% 5.9% 3 Year Avg: 220.50  
 5 Year Trend: 4.7% 3.3% 5.1% 4.0%

(a)  
 Selected Trend: 4.0%  
 Selected: 220.50  
 Other Acq. Allocation: 110.08  
 General Allocation: 104.16  
 License/Fee Allocation: 6.26

\* Source: Armed Forces Insurance IEE, Note: General Expenses have been adjusted to remove the impact of AFIE's equity in involuntary plans and values include All Forms  
 \*\* Source: Armed Forces Insurance Accounting Department Workpapers, Note: Values include All Forms  
 \*\*\* Exposure = 1 year of in force coverage.

**Armed Forces Insurance Exchange**  
 Fixed Expense Trend  
 & Trended Fixed Expense Per Exposure  
**Homeowners (All Forms)**  
 Countrywide

Proposed Effective Date: 3/20/2011  
 Average Earned Date of Proposed Policy Period: 3/20/2012

HO3

Countrywide

(1)\* (2)\* (3)\*\* (4)\*\*\* (5)\*\*\* (7) = ((1) x 1000) / (4) (8) = ((2) x 1000) / (5) (9) = ((3) x 1000) / (6) (10) = (7) + (8) + (9) (11) (12) = (10) x ((1+a)^(11))

Calendar Year	Other Acquisition Expense (000'S)	General Expense (000'S)	Licenses & Fees (000's)	Written Exposure	Earned Exposure	Avg. Other Acq. Exp. Per Exposure	Avg. General Exp. Per Exposure	Avg. Lic./Fees Per Exposure	Total Fixed Exp. Per Exposure	Trend Period	Trended Fixed Exp. Per Exposure
2005	7,708	5,263	115.16	64,279	64,724	119.91	77.92	1.71	199.54	6.72	261.36
2006	7,373	6,905	128.36	62,511	63,578	117.95	104.07	1.93	223.95	5.72	281.78
2007	6,782	5,886	112.72	57,616	60,128	117.72	93.66	1.79	213.17	4.72	257.65
2008	7,000	5,696	103.02	54,793	56,089	127.75	96.96	1.75	226.47	3.72	262.95
2009	7,748	5,372	119.75	53,244	53,923	145.53	95.00	2.12	242.64	2.72	270.62

3 Year Trend: 11.2% 0.7% 8.7% 6.7% 3 Year Avg: 263.74  
 5 Year Trend: 4.8% 3.3% 3.4% 4.1%

(a)  
 Selected Trend: 4.1%

Selected: 263.74

Other Acq. Allocation: 158.18  
 General Allocation: 103.26  
 License/Fee Allocation: 2.30

HO6

Countrywide

(1)\* (2)\* (3)\*\* (4)\*\*\* (5)\*\*\* (7) = ((1) x 1000) / (4) (8) = ((2) x 1000) / (5) (9) = ((3) x 1000) / (6) (10) = (7) + (8) + (9) (11) (12) = (10) x ((1+a)^(11))

Calendar Year	Other Acquisition Expense (000'S)	General Expense (000'S)	Licenses & Fees (000's)	Written Exposure	Earned Exposure	Avg. Other Acq. Exp. Per Exposure	Avg. General Exp. Per Exposure	Avg. Lic./Fees Per Exposure	Total Fixed Exp. Per Exposure	Trend Period	Trended Fixed Exp. Per Exposure
2005	231	5,263	115.16	2,789	2,813	82.86	77.92	1.71	162.49	6.72	212.83
2006	225	6,905	128.36	2,759	2,773	81.49	104.07	1.93	187.49	5.72	235.90
2007	218	5,886	112.72	2,676	2,715	81.27	93.66	1.79	176.72	4.72	213.60
2008	234	5,696	103.02	2,654	2,664	88.15	96.96	1.75	186.86	3.72	216.96
2009	262	5,372	119.75	2,605	2,623	100.40	95.00	2.12	197.51	2.72	220.29

3 Year Trend: 11.1% 0.7% 8.7% 5.7% 3 Year Avg: 216.95  
 5 Year Trend: 4.7% 3.3% 3.4% 3.9%

(a)  
 Selected Trend: 3.9%

Selected: 216.95

Other Acq. Allocation: 110.28  
 General Allocation: 104.35  
 License/Fee Allocation: 2.33

\* Source: Armed Forces Insurance IEE, Note: General Expenses have been adjusted to remove the impact of AFIE's equity in involuntary plans and values include All Forms  
 \*\* Source: Armed Forces Insurance Accounting Department Workpapers, Note: Values include All Forms  
 \*\*\* Exposure = 1 year of in force coverage.

**Homeowners**  
 Arkansas

**HO3 - Current Projected**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Average Earned Premium @ CRL	Other Acquisition Expense \$	General Expense \$	Licenses & Fees \$	Other Acquisition Expense %	General Expense %	Licenses & Fees %	Total Fixed Expense %
1,495.92	157.98	103.12	6.20	10.6%	6.9%	0.4%	17.9%

**HO6 - Current Projected**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Average Earned Premium @ CRL	Other Acquisition Expense \$	General Expense \$	Licenses & Fees \$	Other Acquisition Expense %	General Expense %	Licenses & Fees %	Total Fixed Expense %
778.48	110.08	103.12	6.20	14.1%	13.2%	0.8%	28.1%

- (5) = (2) / (1)
- (6) = (3) / (1)
- (7) = (4) / (1)
- (8) = (5) + (6) + (7)

**Homeowners**  
 Countrywide

**HO3 - Current Projected**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Average Earned Premium @ CRL	Other Acquisition Expense \$	General Expense \$	Licenses & Fees \$	Other Acquisition Expense %	General Expense %	Licenses & Fees %	Total Fixed Expense %
1,215.73	158.18	103.26	2.30	13.0%	8.5%	0.2%	21.7%

**HO6 - Current Projected**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Average Earned Premium @ CRL	Other Acquisition Expense \$	General Expense \$	Licenses & Fees \$	Other Acquisition Expense %	General Expense %	Licenses & Fees %	Total Fixed Expense %
488.11	110.28	103.26	2.30	22.6%	21.2%	0.5%	44.3%

- (5) = (2) / (1)
- (6) = (3) / (1)
- (7) = (4) / (1)
- (8) = (5) + (6) + (7)

Arkansas

Net Cost of Reinsurance

2009 Countrywide Written Premium: 51,862,902 (a)\*  
2009 Arkansas Written Premium: 527,431 (b)

(1) (2) (3) (4) (5) (6)

Layer	Limit	Retention	Current Cover	Countrywide 100% Online Rate	Countrywide Ceded Premium	Countrywide Expected Recoveries	Arkansas Expected Recoveries	Arkansas Estimated Ceded Premium	Arkansas Net Cost of Reinsurance
1	10,000,000	5,000,000	100.0%	8.0000%	3,097,342	1,124,999	2,522	17,952	
2	15,000,000	15,000,000	100.0%	15.0000%	2,019,699	520,757	1,237	15,268	
3	17,000,000	30,000,000	100.0%	32.0000%	1,193,704	235,596	471	8,755	
							4,231	41,975	0.00%

Notes:

- (1) AFIE Catastrophe XOL Reinsurance Program effective 7/1/2010 - 6/30/2011
- (2), (5) RMS RiskLink v9.0 Long Term with Loss Amplification - Insurance in Force January 20, 2010.
- (3), (4) Recoveries allocated according to AONBenfield Technical Pricing Method.
- (6) = ((5)total - (4)total) / (b)

\*HO3 Property Premium Only

Arkansas

Net Cost of Reinsurance

2009 Countrywide Written Premium: 1,089,108 (a)\*  
2009 Arkansas Written Premium: 5,049 (b)

	(1)	(2)	(3)	(4)	(5)	(6)			
<u>Layer</u>	<u>Limit</u>	<u>Retention</u>	<u>Current Cover</u>	<u>Countrywide 100% Online Rate</u>	<u>Countrywide Ceded Premium</u>	<u>Countrywide Expected Recoveries</u>	<u>Arkansas Expected Recoveries</u>	<u>Arkansas Estimated Ceded Premium</u>	<u>Arkansas Net Cost of Reinsurance</u>
1	10,000,000	5,000,000	100.0%	8.0000%	53,346	16,131	7	47	
2	15,000,000	15,000,000	100.0%	15.0000%	39,649	8,290	3	47	
3	17,000,000	30,000,000	100.0%	32.0000%	24,689	4,006	1	33	
							11	128	0.00%

Notes:

- (1) AFIE Catastrophe XOL Reinsurance Program effective 7/1/2010 - 6/30/2011
- (2), (5) RMS RiskLink v9.0 Long Term with Loss Amplification - Insurance in Force January 20, 2010.
- (3), (4) Recoveries allocated according to AONBenfield Technical Pricing Method.
- (6) = ((5)total - (4)total) / (b)

\*HO6 Property Premium Only

**Arkansas  
Homeowners - HO3**

**Permissible Loss Ratio Calculation**

**A. Actual Expenses\***

Category	<u>2007-2009 Total</u>		<u>2009 Results</u>		<u>2008 Results</u>		<u>2007 Results</u>		<u>2006 Results</u>		<u>2005 Results</u>	
	Dollars	Ratio	Dollars	Ratio	Dollars	Ratio	Dollars	Ratio	Dollars	Ratio	Dollars	Ratio
(1) Direct Written Premiums	1,855,847		591,644		629,080		635,123		696,363		674,917	
(2) Direct Earned Premiums	1,905,292		602,863		639,483		662,946		690,856		667,156	
(3) Commissions (W)	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
(4) Taxes, Licenses & Fees (W)	62,949	3.39%	20,373	3.44%	21,127	3.36%	21,448	3.38%	23,575	3.39%	23,157	3.43%
(5) Licenses & Fees Only (W)	7,522	0.41%	2,657	0.45%	2,358	0.37%	2,508	0.39%	2,833	0.41%	2,924	0.43%
(6) Taxes Only = (4) - (5)		2.99%		2.99%		2.98%		2.98%		2.98%		3.00%

**B. Selected Expense Provisions**

Category	<u>Indicated Percentage</u>	<u>Selected Percentage</u>	<u>Fixed</u>	<u>Variable</u>
(1) Commissions	0.0%	0.0%	0.0%	0.0%
(2) Other Acquisitions Expenses	10.6%	10.6%	10.6%	0.0%
(3) General Expenses	6.9%	6.9%	6.9%	0.0%
(4) Taxes	3.0%	3.0%	0.0%	3.0%
(5) Licenses & Fees	0.4%	0.4%	0.4%	0.0%
(6) Net Cost of Reinsurance	0.0%	0.0%	0.0%	0.0%
(7) Profit Provision Net of Investment Income	7.0%	7.0%	0.0%	7.0%
(8) Total	27.9%	27.9%	17.9%	10.0%
(9) Permissible Loss Ratio 100% - 27.9%	72.1%	72.1%	82.1%	90.0%

Notes:

- A.(1) - Statutory Page 14  
A.(2) - Statutory Page 14  
A.(3) - Statutory Page 14  
A.(4) - Companywide Insurance Expense Exhibit  
A.(5) - Companywide Insurance Expense Exhibit  
A.(6), A.(7) - Statutory Page 14 and AFIE Accounting Work Papers

**Arkansas  
Homeowners - HO3**

**Underwriting Profit and Contingencies Load**

**A. Estimated After-tax Investment Income on Unearned Premium and Loss Reserves** 2.2%

**B. Underwriting Profit Loading Provision**

(1) Target After-tax Total Rate of Return as a Percent of Surplus	10.0%
(2) Expected Pre-tax Investment Income on Surplus	4.0%
(3) Estimated Effective Federal Tax Rate on Investment Income	31.2%
(4) Estimated After-tax Investment Income on Surplus	2.8%
(5) Required After-tax Return from Insurance Operations as a Percent of Surplus	7.2%
(6) Target Premium to Surplus Ratio	1.08
(7) Required After-tax Return from Insurance Operations as a Percent of Premium	6.7%
(8) Required After-tax Underwriting Profit Provision Net of Investment Income	4.5%
(9) Effective Tax Rate on Underwriting Profit	34.0%
(10) Pre-tax Underwriting Profit Provision Net of Investment Income	6.8%

A Exhibit 14, Page 3, line 12

B.2 Exhibit 14, Page 8, Section B

B.3 Exhibit 14, Page 8, Section A

B.4  $(B.2) \times (1 - (B.3))$

B.5  $(B.1) - (B.4)$

B.6 Exhibit 14, Page 7

B.7  $(B.5) / (B.6)$

B.8  $(B.7) - (A)$

B.10  $(B.8) / (1 - (B.9))$

**Estimated Investment Income on Unearned Premium and Loss Reserves**

1	Direct premium earned Companywide 2009		58,790
2	MEAN UNEARNED PREMIUMS		
	a. Direct Companywide unearned @ 12/31/2009		30,824
	b. Direct Companywide unearned @ 12/31/2008		30,711
	c. Mean Unearned		30,768
3	DEDUCTION FOR DELAYED REMISSION		
	a. Direct companywide all lines Earned Premium 2009		78,942
	b. Direct agents' balances all lines @ 12/31/2009		4,478
	c. Direct agents' balances all lines @ 12/31/2008		4,224
	d. Mean Agents' balances all lines		4,351
	e. Ratio		0.0551
	f. Deduction for delayed remission		3,240
4	DEDUCTION FOR PREPAID EXPENSES		
	a. Net premium earned Companywide 2009		46,673
	b. Commission & brokerage		0
	c. 50% of other acquisition		3,116
	d. 50% of general expense		2,028
	e. Taxes licenses and fees		1,999
	f. Total prepaid expenses		7,143
	g. Ratio		0.1530
	h. Deduction for prepaid		4,707
5	NET SUBJECT TO INVESTMENT		22,820
6	EXPECTED INCURRED LOSS AT LOSS RATIO OF	72.1%	42,388
7	EXPECTED MEAN LOSS AND LAE RESERVES		
	a. Direct Companywide Loss & LAE reserve @ 12/31/2009		20,663
	b. Direct Companywide Loss & LAE reserve @ 12/31/2008		20,413
	c. Mean Loss & LAE reserve 2009		20,538
	d. Direct Companywide Incurred Loss & LAE 2009		35,443
	e. Ratio		0.579
	f. Direct Companywide Loss & LAE reserve @ 12/31/2008		20,413
	g. Direct Companywide Loss & LAE reserve @ 12/31/2007		22,893
	h. Mean Loss & LAE reserve 2008		21,653
	i. Direct Companywide incurred Loss & LAE 2008		39,008
	j. Ratio		0.555
	k. Average		0.567
	l. Expected mean Loss & LAE reserves		24,034
8	TOTAL SUBJECT TO INVESTMENT		46,854
9	PRE-TAX RATE OF RETURN		4.0%
10	Investment earnings on total available		1,874
11	Average rate of return as a % of earned premium		3.2%
12	After-tax rate of return as a % of earned premium @ 31.2% Effective Tax Rate		2.2%

Notes: Companywide figures based upon Insurance Expense Exhibit, state specific figures based upon Statutory Page 14, prepaid expenses based upon selected expense provisions.

**Arkansas  
Homeowners - HO6**

**Permissible Loss Ratio Calculation**

**A. Actual Expenses\***

Category	<u>2007-2009 Total</u>		<u>2009 Results</u>		<u>2008 Results</u>		<u>2007 Results</u>		<u>2006 Results</u>		<u>2005 Results</u>	
	Dollars	Ratio	Dollars	Ratio	Dollars	Ratio	Dollars	Ratio	Dollars	Ratio	Dollars	Ratio
(1) Direct Written Premiums	1,855,847		591,644		629,080		635,123		696,363		674,917	
(2) Direct Earned Premiums	1,905,292		602,863		639,483		662,946		690,856		667,156	
(3) Commissions (W)	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
(4) Taxes, Licenses & Fees (W)	62,949	3.39%	20,373	3.44%	21,127	3.36%	21,448	3.38%	23,575	3.39%	23,157	3.43%
(5) Licenses & Fees Only (W)	7,522	0.41%	2,657	0.45%	2,358	0.37%	2,508	0.39%	2,833	0.41%	2,924	0.43%
(6) Taxes Only = (4) - (5)		2.987%		2.99%		2.98%		2.98%		2.98%		3.00%

**B. Selected Expense Provisions**

Category	<u>Indicated Percentage</u>	<u>Selected Percentage</u>	<u>Fixed</u>	<u>Variable</u>
(1) Commissions	0.0%	0.0%	0.0%	0.0%
(2) Other Acquisitions Expenses	14.1%	14.1%	14.1%	0.0%
(3) General Expenses	13.2%	13.2%	13.2%	0.0%
(4) Taxes	3.0%	3.0%	0.0%	3.0%
(5) Licenses & Fees	0.8%	0.8%	0.8%	0.0%
(6) Net Cost of Reinsurance	0.0%	0.0%	0.0%	0.0%
(7) Profit Provision Net of Investment Income	7.1%	7.1%	0.0%	7.1%
(8) Total	38.2%	38.2%	28.1%	10.1%
(9) Permissible Loss Ratio 100% - 38.2%	61.8%	61.8%	71.9%	89.9%

Notes:

- A.(1) - Statutory Page 14  
A.(2) - Statutory Page 14  
A.(3) - Statutory Page 14  
A.(4) - Companywide Insurance Expense Exhibit  
A.(5) - Companywide Insurance Expense Exhibit  
A.(6), A.(7) - Statutory Page 14 and AFIE Accounting Work Papers

**Arkansas  
Homeowners - HO6**

**Underwriting Profit and Contingencies Load**

**A. Estimated After-tax Investment Income on Unearned Premium and Loss Reserves** 2.1%

**B. Underwriting Profit Loading Provision**

(1) Target After-tax Total Rate of Return as a Percent of Surplus	10.0%
(2) Expected Pre-tax Investment Income on Surplus	4.0%
(3) Estimated Effective Federal Tax Rate on Investment Income	31.2%
(4) Estimated After-tax Investment Income on Surplus	2.8%
(5) Required After-tax Return from Insurance Operations as a Percent of Surplus	7.2%
(6) Target Premium to Surplus Ratio	1.08
(7) Required After-tax Return from Insurance Operations as a Percent of Premium	6.7%
(8) Required After-tax Underwriting Profit Provision Net of Investment Income	4.6%
(9) Effective Tax Rate on Underwriting Profit	34.0%
(10) Pre-tax Underwriting Profit Provision Net of Investment Income	7.0%

- A Exhibit 14, Page 6, line 12  
 B.2 Exhibit 14, Page 8, Section B  
 B.3 Exhibit 14, Page 8, Section A  
 B.4  $(B.2) \times (1 - (B.3))$   
 B.5  $(B.1) - (B.4)$   
 B.6 Exhibit 14, Page 7  
 B.7  $(B.5) / (B.6)$   
 B.8  $(B.7) - (A)$   
 B.10  $(B.8) / (1 - (B.9))$

**Estimated Investment Income on Unearned Premium and Loss Reserves**

1	Direct premium earned Companywide 2009		58,790
2	MEAN UNEARNED PREMIUMS		
	a. Direct Companywide unearned @ 12/31/2009		30,824
	b. Direct Companywide unearned @ 12/31/2008		30,711
	c. Mean Unearned		30,768
3	DEDUCTION FOR DELAYED REMISSION		
	a. Direct companywide all lines Earned Premium 2009		78,942
	b. Direct agents' balances all lines @ 12/31/2009		4,478
	c. Direct agents' balances all lines @ 12/31/2008		4,224
	d. Mean Agents' balances all lines		4,351
	e. Ratio		0.0551
	f. Deduction for delayed remission		3,240
4	DEDUCTION FOR PREPAID EXPENSES		
	a. Net premium earned Companywide 2009		46,673
	b. Commission & brokerage		0
	c. 50% of other acquisition		3,116
	d. 50% of general expense		2,028
	e. Taxes licenses and fees		1,999
	f. Total prepaid expenses		7,143
	g. Ratio		0.1530
	h. Deduction for prepaid		4,707
5	NET SUBJECT TO INVESTMENT		22,820
6	EXPECTED INCURRED LOSS AT LOSS RATIO OF	61.8%	36,332
7	EXPECTED MEAN LOSS AND LAE RESERVES		
	a. Direct Companywide Loss & LAE reserve @ 12/31/2009		20,663
	b. Direct Companywide Loss & LAE reserve @ 12/31/2008		20,413
	c. Mean Loss & LAE reserve 2009		20,538
	d. Direct Companywide Incurred Loss & LAE 2009		35,443
	e. Ratio		0.579
	f. Direct Companywide Loss & LAE reserve @ 12/31/2008		20,413
	g. Direct Companywide Loss & LAE reserve @ 12/31/2007		22,893
	h. Mean Loss & LAE reserve 2008		21,653
	i. Direct Companywide incurred Loss & LAE 2008		39,008
	j. Ratio		0.555
	k. Average		0.567
	l. Expected mean Loss & LAE reserves		20,600
8	TOTAL SUBJECT TO INVESTMENT		43,420
9	PRE-TAX RATE OF RETURN		4.0%
10	Investment earnings on total available		1,737
11	Average rate of return as a % of earned premium		3.0%
12	After-tax rate of return as a % of earned premium @ 31.2% Effective Tax Rate		2.1%

Notes: Companywide figures based upon Insurance Expense Exhibit, state specific figures based upon Statutory Page 14, prepaid expenses based upon selected expense provisions.

## COUNTRYWIDE - ALL LINES

## Premium to Surplus Ratio

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>Aggregate</u>
(1) Direct Written Premium All Lines (000'S)	\$ 79,370	\$ 78,154	\$ 80,567	238,091
(2) Net Written Premium All Lines (000'S)	\$ 60,462	\$ 59,157	\$ 57,261	176,880
(3) Surplus (000'S)	66,469	61,344	73,165	200,978
(4) Net WP/Surplus Ratio	0.91	0.96	0.78	0.88
(5) (Direct/Net) WP Ratio	1.31	1.32	1.41	1.35
Targeted Net WP/Surplus Ratio:		0.80 (A)		
Targeted Direct WP/Surplus Ratio:		1.08 (B) = (A) x (5)	Aggregate	

## Sources:

- (1) Insurance Expense Exhibit
- (2) Insurance Expense Exhibit
- (3) Annual Statement: Liabilities, Surplus and Other Funds
- (4) = (2) / (3)
- (5) = (1) / (2)

Arkansas  
Homeowners

Expected Effective Tax Rate on Investment Income and Investment Income Yield

A. Effective Tax Rate on Investment Income\*

	Years 2007 - 2009 (A)	Allocation (B)	Current Tax Rate** (C)	Total Tax (B) x (C) (D)
(1) U.S. government bonds	2,392,575	12.5%	34.0%	4.3%
(2) Tax exempt bonds	576,328	3.0%	5.1%	0.2%
(3) Other bonds	7,427,533	38.7%	34.0%	13.2%
(4) Preferred Stocks	49,486	0.3%	13.8%	0.0%
(5) Common Stocks	1,906,130	9.9%	13.8%	1.4%
(6) Cash and short-term investments	576,414	3.0%	34.0%	1.0%
(7) Net Realized Capital Gains***	6,258,318	32.6%	34.0%	11.1%
(8) Total	19,186,784	100.0%		31.2%

\* Annual Statement: Exhibit of Net Investment Income and Capital Gains

\*\* Under the 1986 Tax Reform Act, 15% of formerly tax-exempt income from securities purchased after August 7, 1986 is now taxable. Thus the estimated effective tax rates will be:

\*\*\* 2008 is not included... equals (Average of 2007 and 2009) x 3

Ordinary Income =	34.0%
Taxable Municipals - 15.0% x 34.0% =	5.1%
Stock Dividends (Acquired after 1987) - 40.5% x 34.0% =	13.8%
Stock Dividends (Acquired before 1987) - 30.0% x 34.0% =	10.2%

B. Investment Income as a Percentage of Invested Assets Including Net Realized Capital Gains\*\*\*

	Pre-tax Percentage of Average Invested Assets		
	Net Investment Income	Net Realized Capital Gains	Total
2000	4.0%	1.2%	5.2%
2001	3.5%	0.3%	3.9%
2002	3.4%	-1.4%	1.9%
2003	2.8%	5.9%	8.7%
2004	2.5%	2.4%	4.9%
2005	2.6%	1.2%	3.8%
2006	2.6%	1.3%	3.9%
2007	2.9%	2.1%	4.9%
2008	2.9%	-5.7%	-2.8%
2009	3.8%	0.9%	4.8%
10 yr Average	3.1%	0.8%	3.9%
10 yr Ex. HI/LOW Average	3.1%	1.0%	4.2%
		Selected	4.0%

\*\*\* Annual Statement: Exhibits of Net Investment Income, Capital Gains, and Assets

**Companywide  
HO3**

**Permissible Loss Ratio Calculation**

**A. Actual Expenses\***

Category	2007-2009 Total		2009 Results		2008 Results		2007 Results		2006 Results		2005 Results	
	Dollars	Ratio	Dollars	Ratio	Dollars	Ratio	Dollars	Ratio	Dollars	Ratio	Dollars	Ratio
(1) Direct Written Premiums	178,228,110		58,903,229		58,639,297		60,685,584		60,504,087		57,989,971	
(2) Direct Earned Premiums	179,185,291		58,789,545		59,520,164		60,875,582		59,466,913		56,313,514	
(3) Commissions (W)	1,261	0.00%	-	0.00%	-	0.00%	1,261	0.00%	3,360	0.01%	332	0.00%
(4) Taxes, Licenses & Fees (W)	5,094,568	2.86%	1,804,968	3.06%	1,745,438	2.98%	1,544,162	2.54%	2,359,890	3.90%	1,662,789	2.87%
(5) Licenses & Fees Only (W)	335,493	0.19%	119,753	0.20%	103,024	0.18%	112,717	0.19%	128,355	0.21%	115,159	0.20%
(6) Taxes Only = (4) - (5)		2.67%		2.86%		2.80%		2.36%		3.69%		2.67%

**B. Selected Expense Provisions**

Category	Indicated Percentage	Selected Percentage
(1) Commissions	0.0%	0.0%
(2) Other Acquisitions Expenses	13.0%	13.0%
(3) General Expenses	8.5%	8.5%
(4) Taxes	2.7%	2.7%
(5) Licenses & Fees	0.2%	0.2%
(5) Profit Provision Net of Investment Income	7.0%	7.0%
(6) Total	31.4%	31.4%
(7) Permissible Loss Ratio 100% - 30.1%	68.6%	68.6%

Notes:

A.(1) - Statutory Page 14  
A.(2) - Statutory Page 14  
A.(3) - Statutory Page 14  
A.(4) - Companywide Insurance Expense Exhibit  
A.(5) - Companywide Insurance Expense Exhibit  
A.(6), A.(7) - Statutory Page 14 and AFIE Accounting Work Papers

**Companywide  
Homeowners**

**Underwriting Profit and Contingencies Load**

**A. Estimated After-tax Investment Income on Unearned Premium and Loss Reserves** 2.1%

**B. Underwriting Profit Loading Provision**

(1) Target After-tax Total Rate of Return as a Percent of Surplus	10.0%
(2) Expected Pre-tax Investment Income on Surplus	4.0%
(3) Estimated Effective Federal Tax Rate on Investment Income	31.2%
(4) Estimated After-tax Investment Income on Surplus	2.8%
(5) Required After-tax Return from Insurance Operations as a Percent of Surplus	7.2%
(6) Target Premium to Surplus Ratio	1.08
(7) Required After-tax Return from Insurance Operations as a Percent of Premium	6.7%
(8) Required After-tax Underwriting Profit Provision Net of Investment Income	4.6%
(9) Effective Tax Rate on Underwriting Profit	34.0%
(10) Pre-tax Underwriting Profit Provision Net of Investment Income	7.0%

- A Exhibit 8, Page 3, line 12  
 B.2 Exhibit 8, Page 5, Section B  
 B.3 Exhibit 8, Page 5, Section A  
 B.4  $(B.2) \times (1 - (B.3))$   
 B.5  $(B.1) - (B.4)$   
 B.6 Exhibit 5, Page 4  
 B.7  $(B.5) / (B.6)$   
 B.8  $(B.7) - (A)$   
 B.10  $(B.8) / (1 - (B.9))$

**Estimated Investment Income on Unearned Premium and Loss Reserves**

1	Direct premium earned Companywide 2009		58,790
2	MEAN UNEARNED PREMIUMS		
	a. Direct Companywide unearned @ 12/31/2009		30,824
	b. Direct Companywide unearned @ 12/31/2008		30,711
	c. Mean Unearned		30,768
3	DEDUCTION FOR DELAYED REMISSION		
	a. Direct companywide all lines Earned Premium 2009		78,942
	b. Direct agents' balances all lines @ 12/31/2009		4,478
	c. Direct agents' balances all lines @ 12/31/2008		4,224
	d. Mean Agents' balances all lines		4,351
	e. Ratio		0.0551
	f. Deduction for delayed remission		3,240
4	DEDUCTION FOR PREPAID EXPENSES		
	a. Net premium earned Companywide 2009		46,673
	b. Commission & brokerage		0
	c. 50% of other acquisition		3,821
	d. 50% of general expense		2,499
	e. Taxes licenses and fees		1,570
	f. Total prepaid expenses		7,890
	g. Ratio		0.1690
	h. Deduction for prepaid		5,200
5	NET SUBJECT TO INVESTMENT		22,327
6	EXPECTED INCURRED LOSS AT LOSS RATIO OF	68.6%	40,347
7	EXPECTED MEAN LOSS AND LAE RESERVES		
	a. Direct Companywide Loss & LAE reserve @ 12/31/2009		20,663
	b. Direct Companywide Loss & LAE reserve @ 12/31/2008		20,413
	c. Mean Loss & LAE reserve 2009		20,538
	d. Direct Companywide Incurred Loss & LAE 2009		35,443
	e. Ratio		0.579
	f. Direct Companywide Loss & LAE reserve @ 12/31/2008		20,413
	g. Direct Companywide Loss & LAE reserve @ 12/31/2007		22,893
	h. Mean Loss & LAE reserve 2008		21,653
	i. Direct Companywide incurred Loss & LAE 2008		39,008
	j. Ratio		0.555
	k. Average		0.567
	l. Expected mean Loss & LAE reserves		22,877
8	TOTAL SUBJECT TO INVESTMENT		45,204
9	PRE-TAX RATE OF RETURN		4.0%
10	Investment earnings on total available		1,808
11	Average rate of return as a % of earned premium		3.1%
12	After-tax rate of return as a % of earned premium @ 31.2% Effective Tax Rate		2.1%

Notes: Companywide figures based upon Insurance Expense Exhibit, state specific figures based upon Statutory Page 14, prepaid expenses based upon selected expense provisions.

**Companywide  
HO6**

**Permissible Loss Ratio Calculation**

**A. Actual Expenses\***

Category	<u>2007-2009 Total</u>		<u>2009 Results</u>		<u>2008 Results</u>		<u>2007 Results</u>		<u>2006 Results</u>		<u>2005 Results</u>	
	Dollars	Ratio	Dollars	Ratio	Dollars	Ratio	Dollars	Ratio	Dollars	Ratio	Dollars	Ratio
(1) Direct Written Premiums	178,228,110		58,903,229		58,639,297		60,685,584		60,504,087		57,989,971	
(2) Direct Earned Premiums	179,185,291		58,789,545		59,520,164		60,875,582		59,466,913		56,313,514	
(3) Commissions (W)	1,261	0.00%	-	0.00%	-	0.00%	1,261	0.00%	3,360	0.01%	332	0.00%
(4) Taxes, Licenses & Fees (W)	5,094,568	2.86%	1,804,968	3.06%	1,745,438	2.98%	1,544,162	2.54%	2,359,890	3.90%	1,662,789	2.87%
(5) Licenses & Fees Only (W)	335,493	0.19%	119,753	0.20%	103,024	0.18%	112,717	0.19%	128,355	0.21%	115,159	0.20%
(6) Taxes Only = (4) - (5)		2.67%		2.86%		2.80%		2.36%		3.69%		2.67%

**B. Selected Expense Provisions**

Category	<u>Indicated Percentage</u>	<u>Selected Percentage</u>
(1) Commissions	0.0%	0.0%
(2) Other Acquisitions Expenses	22.6%	22.6%
(3) General Expenses	21.2%	21.2%
(4) Taxes	2.7%	2.7%
(5) Licenses & Fees	0.5%	0.5%
(5) Profit Provision Net of Investment Income	7.4%	7.4%
(6) Total	54.4%	54.4%
(7) Permissible Loss Ratio 100% - 30.1%	45.6%	45.6%

A.(1) - Statutory Page 14

A.(2) - Statutory Page 14

A.(3) - Statutory Page 14

A.(4) - Companywide Insurance Expense Exhibit

A.(5) - Companywide Insurance Expense Exhibit

A.(6), A.(7) - Statutory Page 14 and AFIE Accounting Work Papers

**Companywide  
Homeowners**

**Underwriting Profit and Contingencies Load**

**A. Estimated After-tax Investment Income on Unearned Premium and Loss Reserves** 1.8%

**B. Underwriting Profit Loading Provision**

(1) Target After-tax Total Rate of Return as a Percent of Surplus	10.0%
(2) Expected Pre-tax Investment Income on Surplus	4.0%
(3) Estimated Effective Federal Tax Rate on Investment Income	31.2%
(4) Estimated After-tax Investment Income on Surplus	2.8%
(5) Required After-tax Return from Insurance Operations as a Percent of Surplus	7.2%
(6) Target Premium to Surplus Ratio	1.08
(7) Required After-tax Return from Insurance Operations as a Percent of Premium	6.7%
(8) Required After-tax Underwriting Profit Provision Net of Investment Income	4.9%
(9) Effective Tax Rate on Underwriting Profit	34.0%
(10) Pre-tax Underwriting Profit Provision Net of Investment Income	7.4%

- A Exhibit 8, Page 3, line 12  
 B.2 Exhibit 8, Page 5, Section B  
 B.3 Exhibit 8, Page 5, Section A  
 B.4  $(B.2) \times (1 - (B.3))$   
 B.5  $(B.1) - (B.4)$   
 B.6 Exhibit 5, Page 4  
 B.7  $(B.5) / (B.6)$   
 B.8  $(B.7) - (A)$   
 B.10  $(B.8) / (1 - (B.9))$

**Estimated Investment Income on Unearned Premium and Loss Reserves**

1	Direct premium earned Companywide 2009	58,790
2	MEAN UNEARNED PREMIUMS	
	a. Direct Companywide unearned @ 12/31/2009	30,824
	b. Direct Companywide unearned @ 12/31/2008	30,711
	c. Mean Unearned	30,768
3	DEDUCTION FOR DELAYED REMISSION	
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	d. Mean Agents' balances all lines	4,351
	e. Ratio	0.0551
	f. Deduction for delayed remission	3,240
4	DEDUCTION FOR PREPAID EXPENSES	
	a. Net premium earned Companywide 2009	46,673
	b. Commission & brokerage	0
	c. 50% of other acquisition	3,821
	d. 50% of general expense	2,499
	e. Taxes licenses and fees	1,570
	f. Total prepaid expenses	7,890
	g. Ratio	0.1690
	h. Deduction for prepaid	5,200
5	NET SUBJECT TO INVESTMENT	22,327
6	EXPECTED INCURRED LOSS AT LOSS RATIO OF	45.6% 26,825
7	EXPECTED MEAN LOSS AND LAE RESERVES	
	a. Direct Companywide Loss & LAE reserve @ 12/31/2009	20,663
	b. Direct Companywide Loss & LAE reserve @ 12/31/2008	20,413
	c. Mean Loss & LAE reserve 2009	20,538
	d. Direct Companywide Incurred Loss & LAE 2009	35,443
	e. Ratio	0.579
	f. Direct Companywide Loss & LAE reserve @ 12/31/2008	20,413
	g. Direct Companywide Loss & LAE reserve @ 12/31/2007	22,893
	h. Mean Loss & LAE reserve 2008	21,653
	i. Direct Companywide incurred Loss & LAE 2008	39,008
	j. Ratio	0.555
	k. Average	0.567
	l. Expected mean Loss & LAE reserves	15,210
8	TOTAL SUBJECT TO INVESTMENT	37,537
9	PRE-TAX RATE OF RETURN	4.0%
10	Investment earnings on total available	1,501
11	Average rate of return as a % of earned premium	2.6%
12	After-tax rate of return as a % of earned premium @ 31.2% Effective Tax Rate	1.8%

Notes: Companywide figures based upon Insurance Expense Exhibit, state specific figures based upon Statutory Page 14, prepaid expenses based upon selected expense provisions.

	(1)	(2)	(3)	(4)	(5)	(6)
Accident Year Ending	Earned Premium	Earned Exposures	On-Level Earned Premium	Premium Trend Factor	Projected Earned Premium @CRL	Projected Average Earned Premium @CRL
12/31/2000	443,987	695	649,227	1.602	1,040,061	1,495.92
12/31/2001	450,805	688	662,877	1.553	1,029,447	
12/31/2002	460,823	690	677,732	1.523	1,032,187	
12/31/2003	499,726	725	734,948	1.475	1,084,048	
12/31/2004	580,046	698	735,156	1.420	1,043,921	
12/31/2005	665,876	643	706,607	1.360	960,985	
12/31/2006	687,200	608	692,935	1.313	909,824	
12/31/2007	660,953	548	660,953	1.240	819,582	
12/31/2008	634,698	496	634,698	1.169	741,962	
12/31/2009	596,998	456	596,998	1.142	681,772	
<b>Total</b>	<b>5,681,112</b>	<b>6,246</b>	<b>6,752,131</b>		<b>9,343,789</b>	

	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Accident Year Ending	Incurred Loss & ALAE	Ultimate Incurred Loss & ALAE	Loss Trend Factor	Trended Loss & ALAE Ex. CAT	Non-Modeled Expected CAT Loss	Modeled De-Trended Expected CAT Loss	Expected CAT Loss & ALAE	Total Projected Loss & LAE	Total Projected Loss & LAE Ratio	5 YR Experience Year Weights
12/31/2000	417,770	417,770	6.594	2,754,776	122,727	-	131,517	3,038,654	292.2%	
12/31/2001	450,710	450,710	5.704	2,570,850	121,475	-	130,175	2,843,605	276.2%	
12/31/2002	439,149	439,149	4.935	2,167,202	121,798	-	130,522	2,419,015	234.4%	
12/31/2003	147,726	147,726	4.269	630,642	127,918	-	137,080	808,248	74.6%	
12/31/2004	102,550	102,465	3.686	377,687	123,183	-	132,006	536,598	51.4%	
12/31/2005	134,914	135,289	3.190	431,573	113,396	-	121,518	582,287	60.6%	10.0%
12/31/2006	131,555	132,344	2.759	365,138	107,359	-	115,049	505,534	55.6%	15.0%
12/31/2007	366,938	372,701	2.386	889,265	96,711	-	103,638	1,045,315	127.5%	20.0%
12/31/2008	236,617	242,887	2.065	501,562	87,552	-	93,822	626,813	84.5%	25.0%
12/31/2009	552,439	604,722	1.786	1,080,034	80,449	-	86,211	1,227,808	180.1%	30.0%
<b>Total</b>	<b>2,980,369</b>	<b>3,045,765</b>		<b>11,768,729</b>	<b>1,102,567</b>	<b>-</b>	<b>1,181,537</b>	<b>13,633,879</b>		<b>100.0%</b>

Experience Year Weighted Loss & LAE Ratio:	115.0%	(18)
Credibility:	26.0%	(19)
Countrywide HO3 Permissible Loss Ratio:	68.6%	(20)
Arkansas Projected Loss Ratio Trend Factor:	1.565	(21)
Trended Countrywide Permissible Loss Ratio (Assuming Arkansas Trends):	107.4%	(22)
Credibility Weighted Loss Ratio:	109.4%	(23)
Arkansas Fixed Expense Ratio:	17.9%	(24)
Arkansas Variable Expense Ratio:	10.0%	(25)
Arkansas Indicated Rate Change:	41.4%	(26)
Proposed Rate Level Change:	<u>10.24%</u>	(27)

- (1) Exhibit 2
- (2) Exhibit 3
- (3) Exhibit 2
- (4) Exhibit 3
- (5) (3) x (4)
- (6) (5)total / (2)total
- (7) Exhibit 5
- (8) Exhibit 5
- (9) Exhibit 6
- (10) (8) x (9)
- (11) (5) x (h) on Exhibit 7 - Page 1
- (12) Modeled losses not included
- (13) ((11) + (12)) x (1 + CAT ALAE Factor (Exhibit 8))
- (14) ((10) + (13)) x (1 + ULAE Factor (Exhibit 9))
- (15) (14) / (5)
- (16) ISO Weights
- (17) (3) / (3) Total
- (18) (15) weighted using (16)
- (19) Exhibit 10
- (20) Exhibit 14 - Page 9
- (21) ((1+Prospective Loss Trend (Exhibit 6))/(1 + Prospective Premium Trend (Exhibit 3)))^Prospective Trend Period (Exhibit 3)
- (22) (20) x (21)
- (23) (18) x (19) + (1 - (19)) x (22)
- (24) Exhibit 14 - Page 1
- (25) Exhibit 14 - Page 1
- (26) ((23) + (24)) / (1 - (25)) - 1

(1)	(2)	(3)	(4)	(5)	(6)
Accident Year Ending	Earned Premium	Earned Exposures	On-Level Earned Premium	Premium Trend Factor	Projected Earned Premium @CRL
12/31/2000	1,597	8	1,560	3.861	6,022
12/31/2001	1,582	8	1,581	3.767	5,955
12/31/2002	1,610	8	1,610	3.747	6,032
12/31/2003	1,625	7	1,625	3.367	5,472
12/31/2004	2,743	8	2,743	2.261	6,202
12/31/2005	1,957	8	1,957	3.071	6,010
12/31/2006	2,950	9	2,950	2.472	7,292
12/31/2007	4,246	10	4,246	1.806	7,668
12/31/2008	4,039	8	4,039	1.627	6,572
12/31/2009	5,091	10	5,091	1.480	7,535
<b>Total</b>	<b>27,440</b>	<b>83</b>	<b>27,402</b>		<b>64,760</b>

778.48

(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	
Accident Year Ending	Incurred Loss & ALAE	Ultimate Incurred Loss & ALAE	Loss Trend Factor	Trended Loss & ALAE Ex. CAT	Non-Modeled Expected CAT Loss	Modeled De-Trended Expected CAT Loss	Expected CAT Loss & ALAE	Total Projected Loss & LAE	Total Projected Loss & LAE Ratio	5 YR Experience Year Weights
12/31/2000	3,987	3,987	2.764	11,020	-	-	-	11,602	192.7%	
12/31/2001	-	-	2.603	-	-	-	-	-	0.0%	
12/31/2002	-	-	2.452	-	-	-	-	-	0.0%	
12/31/2003	-	-	2.309	-	-	-	-	-	0.0%	
12/31/2004	1,683	1,683	2.172	3,656	-	-	-	3,849	62.1%	
12/31/2005	-	-	2.045	-	-	-	-	-	0.0%	10.0%
12/31/2006	-	-	1.926	-	-	-	-	-	0.0%	15.0%
12/31/2007	1,203	1,203	1.814	2,183	-	-	-	2,298	30.0%	20.0%
12/31/2008	725	732	1.708	1,251	-	-	-	1,317	20.0%	25.0%
12/31/2009	-	-	1.608	-	-	-	-	-	0.0%	30.0%
<b>Total</b>	<b>7,598</b>	<b>7,606</b>		<b>18,110</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19,066</b>		<b>100.0%</b>

Experience Year Weighted Loss & LAE Ratio: 11.0% (18)

(1) Exhibit 2  
(2) Exhibit 3  
(3) Exhibit 2  
(4) Exhibit 3  
(5) (3) x (4)  
(6) (5)total / (2)total  
(7) Exhibit 5  
(8) Exhibit 5  
(9) Exhibit 6  
(10) (8) x (9)  
(11) (5) x (h) on Exhibit 7 - Page 2  
(12) Modeled losses not included  
(13) ((11) + (12)) x (1 + CAT ALAE Factor (Exhibit 8))  
(14) ((10) + (13)) x (1 + ULAE Factor (Exhibit 9))  
(15) (14) / (5)  
(16) ISO Weights  
(17) (3) / (3) Total  
(18) (15) weighted using (16)  
(19) Exhibit 10  
(20) Exhibit 14 - Page 9  
(21) ((1+Prospective Loss Trend (Exhibit 6))/(1 + Prospective Premium Trend (Exhibit 3)))^Prospective Trend Period (Exhibit 3)  
(22) (20) x (21)  
(23) (18) x (19) + (1 - (19)) x (22)  
(24) Exhibit 14 - Page 1  
(25) Exhibit 14 - Page 1  
(26) ((23) + (24)) / (1 - (25)) - 1

Credibility: 3.0% (19)

Countrywide HO6 Permissible Loss Ratio: 45.6% (20)

Arkansas Projected Loss Ratio Trend Factor: 1.087 (21)

Trended Countrywide Permissible Loss Ratio (Assuming Arkansas Trends): 49.6% (22)

Credibility Weighted Loss Ratio: 48.4% (23)

Arkansas Fixed Expense Ratio: 28.1% (24)

Arkansas Variable Expense Ratio: 10.1% (25)

Arkansas Indicated Rate Change: -14.9% (26)

Proposed Rate Level Change: **-4.75%** (27)

**Armed Forces Insurance Exchange  
Homeowners Multi-peril  
Arkansas**

*Objection response to question 2.*

Percentage Change for EQ Rates

**HO-3**

Proposed	\$12,754
Current	\$14,983
Dollar Diff	-\$2,229
Percent Diff	-14.88%

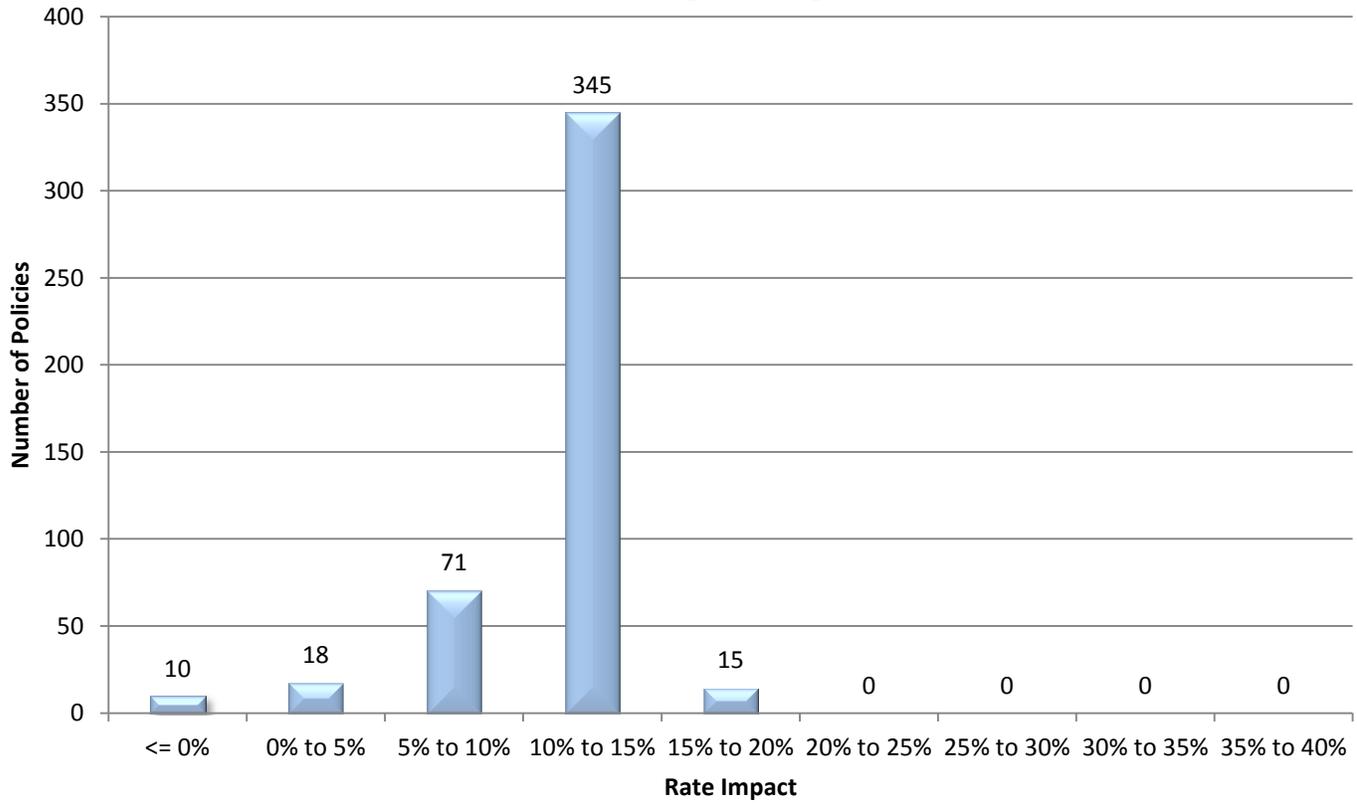
**HO-6**

Proposed	\$60
Current	\$77
Dollar Diff	-\$17
Percent Diff	-22.08%

**TOTAL EQ**

Proposed	\$12,814
Current	\$15,060
Dollar Diff	-\$2,246
<b>Percent Diff</b>	<b>-14.91%</b>

**Exhibit B**  
**Arkansas HO-3**  
**Rate Change Histogram**



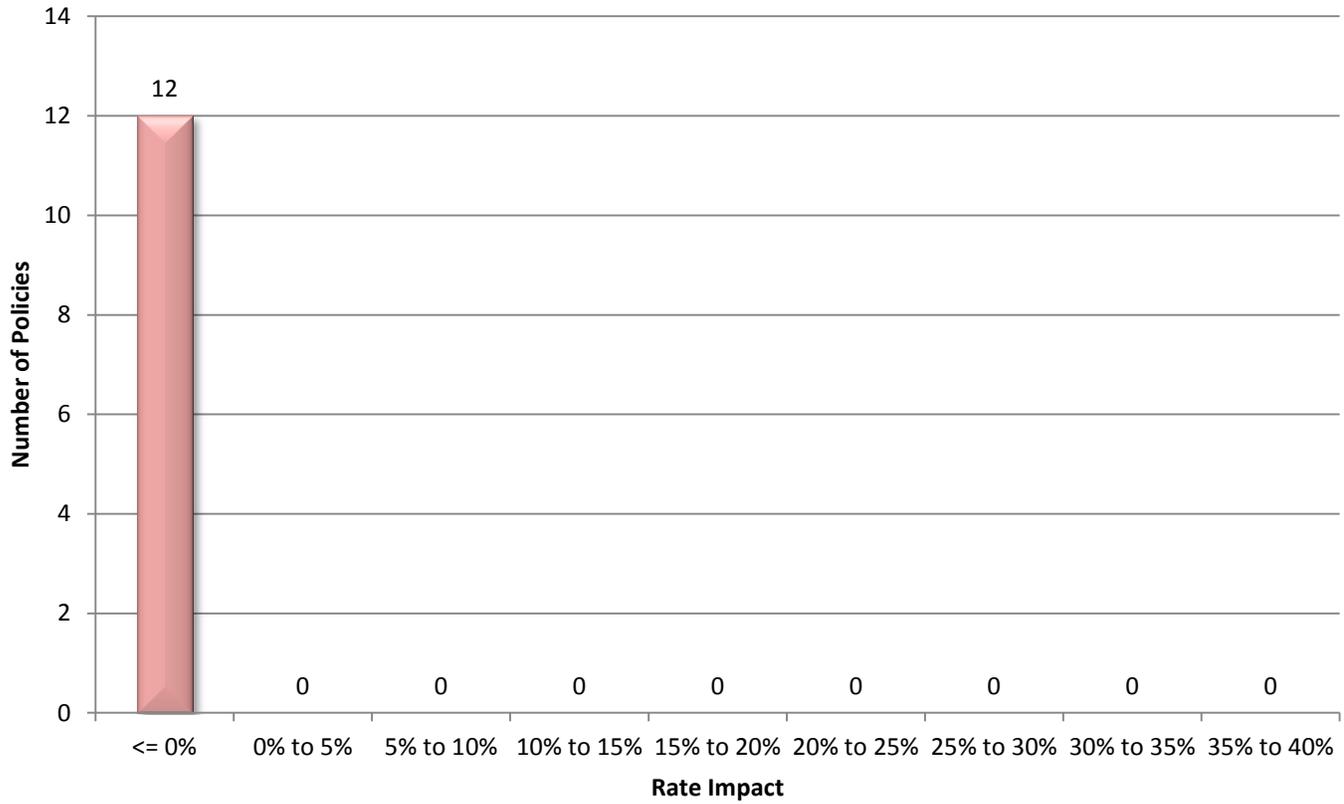
**Armed Forces Insurance Exchange**

**Homeowners Multi-peril**

**Arkansas**

*Objection response to question 3.*

**Exhibit C**  
**Arkansas HO-6**  
**Rate Change Histogram**



**Armed Forces Insurance Exchange  
Homeowners Multi-peril  
Arkansas**

*Objection response to question 4.*

**Percentage breakdown of 2009 losses.**

<b>PERIL</b>	<b>PDLOSS</b>	<b>PDALAE</b>	<b>TOTAL</b>	<b>DISTRIBUTION</b>
FIRE	170166	3659.1	173825.1	32.1%
ALL OTHER	81550.88	13191.55	94742.43	17.5%
WINDHAIL	256966.3	15570.35	272536.63	50.4%

TOTAL	508683.2	32421	541104.16
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<b>PERIL</b>	<b>INCLOSS</b>	<b>INCALAE</b>	<b>TOTAL</b>	<b>DISTRIBUTION</b>
FIRE	170166	3659.1	173825.1	31.5%
ALL OTHER	80350.88	13191.55	93542.43	16.9%
WINDHAIL	269501.3	15570.35	285071.6	51.6%

TOTAL	520018.1	32421	552439.13
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SERFF Tracking Number: ARMD-126980582 State: Arkansas  
 Filing Company: Armed Forces Insurance Exchange State Tracking Number: EFT \$100  
 Company Tracking Number: AR-HO-3I-11-1  
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations  
 Product Name: Homeowner  
 Project Name/Number: Rate review,EQ Terr., Zipcodes update/AR-HO-3I-11-1

## Superseded Schedule Items

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

Creation Date:	Schedule	Schedule Item Name	Replacement Creation Date	Attached Document(s)
03/23/2011	Rate and Rule	RATE PAGES	04/08/2011	HO-R-2 AFI thru HO-R-10 AFI.pdf (Superseded)
03/23/2011	Rate and Rule	PAGE CHECKLIST	04/08/2011	Page Checklist.pdf (Superseded)
02/15/2011	Rate and Rule	RATE PAGES	03/23/2011	HO-R-2 AFI thru HO-R-10 AFI.pdf (Superseded)
02/15/2011	Rate and Rule	PAGE CHECKLIST	03/23/2011	Page Checklist.pdf (Superseded)
01/11/2011	Supporting Document	HPCS-Homeowners Premium Comparison Survey	03/10/2011	

ARMED FORCES INSURANCE EXCHANGE

ARKANSAS (03)

HOMEOWNERS POLICY PROGRAM MANUAL  
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\*\*\*\* RULE 505. EARTHQUAKE COVERAGE

D.1. 5% DEDUCTIBLE – Rates per \$1,000

Table A – FRAME \*

Territory	(A) HO 00 02 & HO 00 03 & 3 w/15	(C) HO 00 06	(D) HO 00 02 & HO 00 03 & 3 w/15 Increased Cov C	(E) HO 00 06 Basic and Increased Cov A	(F) Inc Cov. D	(G) Bldg or non- Bldg Structure Items
21	\$1.53	\$0.77	\$0.61	\$1.03	\$0.73	\$0.96
22	\$1.40	\$0.77	\$0.61	\$0.93	\$0.71	\$0.87
23	\$1.31	\$0.71	\$0.58	\$0.86	\$0.63	\$0.87
24	\$1.14	\$0.61	\$0.52	\$0.71	\$0.54	\$0.85
25	\$0.87	\$0.50	\$0.45	\$0.50	\$0.42	\$0.61
26	\$0.41	\$0.22	\$0.26	\$0.22	\$0.19	\$0.31
27	\$0.19	\$0.13	\$0.12	\$0.15	\$0.10	\$0.13

Table B – MASONRY \*

Territory	(A) HO 00 02 & HO 00 03 & 3 w/15	(C) HO 00 06	(D) HO 00 02 & HO 00 03 & 3 w/15 Increased Cov C	(E) HO 00 06 Basic and Increased Cov A	(F) Inc Cov. D	(G) Bldg or non- Bldg Structure Items
21	\$1.94	\$1.02	\$0.80	\$1.25	\$0.90	\$1.05
22	\$1.94	\$1.02	\$0.80	\$1.25	\$0.90	\$1.05
23	\$1.94	\$1.02	\$0.80	\$1.25	\$0.90	\$1.05
24	\$1.94	\$1.02	\$0.80	\$1.25	\$0.90	\$1.05
25	\$1.68	\$0.98	\$0.80	\$1.09	\$0.83	\$0.86
26	\$0.90	\$0.50	\$0.52	\$0.52	\$0.47	\$0.48
27	\$0.51	\$0.36	\$0.32	\$0.36	\$0.28	\$0.29

Table C – SUPERIOR \*

Territory	(A) HO 00 02 & HO 00 03 & 3 w/15	(C) HO 00 06	(D) HO 00 02 & HO 00 03 & 3 w/15 Increased Cov C	(E) HO 00 06 Basic and Increased Cov A	(F) Inc Cov. D	(G) Bldg or non- Bldg Structure Items
21	\$1.94	\$1.66	\$0.61	\$1.14	\$0.77	\$0.87
22	\$1.94	\$1.66	\$0.61	\$1.14	\$0.77	\$0.87
23	\$1.94	\$1.66	\$0.61	\$1.14	\$0.77	\$0.87
24	\$1.94	\$1.46	\$0.61	\$0.95	\$0.73	\$0.85
25	\$1.68	\$0.92	\$0.44	\$0.77	\$0.44	\$0.52
26	\$0.90	\$0.63	\$0.34	\$0.45	\$0.34	\$0.35
27	\$0.51	\$0.19	\$0.12	\$0.10	\$0.12	\$0.12

\* If exterior Masonry Veneer is covered, rate as Masonry; if not covered, rate as Frame.

ARMED FORCES INSURANCE EXCHANGE

ARKANSAS (03)

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RATE PAGE

\*\*\*\* RULE 505. EARTHQUAKE COVERAGE (CONT)

D.1. 10% DEDUCTIBLE – Rates per \$1,000

Table A – FRAME \*

Territory	(A) HO 00 02 & HO 00 03 & 3 w/15	(C) HO 00 06	(D) HO 00 02 & HO 00 03 & 3 w/15 Increased Cov C	(E) HO 00 06 Basic and Increased Cov A	(F) Inc Cov. D	(G) Bldg or non- Bldg Structure Items
21	\$1.43	\$0.69	\$0.58	\$0.98	\$0.73	\$0.96
22	\$1.25	\$0.64	\$0.57	\$0.85	\$0.71	\$0.86
23	\$1.18	\$0.60	\$0.54	\$0.80	\$0.63	\$0.86
24	\$1.01	\$0.52	\$0.50	\$0.64	\$0.54	\$0.80
25	\$0.76	\$0.39	\$0.39	\$0.42	\$0.42	\$0.57
26	\$0.34	\$0.17	\$0.20	\$0.17	\$0.19	\$0.26
27	\$0.16	\$0.12	\$0.10	\$0.12	\$0.09	\$0.10

Table B – MASONRY \*

Territory	(A) HO 00 02 & HO 00 03 & 3 w/15	(C) HO 00 06	(D) HO 00 02 & HO 00 03 & 3 w/15 Increased Cov C	(E) HO 00 06 Basic and Increased Cov A	(F) Inc Cov. D	(G) Bldg or non- Bldg Structure Items
21	\$1.76	\$0.90	\$0.74	\$1.18	\$0.90	\$1.03
22	\$1.76	\$0.90	\$0.74	\$1.18	\$0.90	\$1.03
23	\$1.76	\$0.90	\$0.74	\$1.18	\$0.90	\$1.03
24	\$1.76	\$0.90	\$0.74	\$1.18	\$0.90	\$1.03
25	\$1.47	\$0.83	\$0.74	\$0.98	\$0.83	\$0.83
26	\$0.79	\$0.42	\$0.47	\$0.47	\$0.47	\$0.47
27	\$0.45	\$0.32	\$0.28	\$0.34	\$0.28	\$0.28

Table C – SUPERIOR \*

Territory	(A) HO 00 02 & HO 00 03 & 3 w/15	(C) HO 00 06	(D) HO 00 02 & HO 00 03 & 3 w/15 Increased Cov C	(E) HO 00 06 Basic and Increased Cov A	(F) Inc Cov. D	(G) Bldg or non- Bldg Structure Items
21	\$1.52	\$0.71	\$0.60	\$1.08	\$0.77	\$0.86
22	\$1.52	\$0.71	\$0.60	\$1.08	\$0.77	\$0.86
23	\$1.52	\$0.71	\$0.60	\$1.08	\$0.77	\$0.86
24	\$1.31	\$0.61	\$0.55	\$0.86	\$0.71	\$0.83
25	\$0.79	\$0.51	\$0.39	\$0.70	\$0.44	\$0.50
26	\$0.54	\$0.32	\$0.29	\$0.39	\$0.32	\$0.34
27	\$0.17	\$0.07	\$0.10	\$0.09	\$0.10	\$0.10

\* If exterior Masonry Veneer is covered, rate as Masonry; if not covered, rate as Frame.

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RULE 506. FIRE DEPARTMENT SERVICE CHARGE

Rate per \$100 for HO AF 85..... \$ 3.00

\*\*\*\* RULE 507. FORM HO 00 06 COVERAGE A DWELLING BASIC & INCREASED LIMITS & SPECIAL COVERAGE

C. Special Coverage

1. Charge per policy for \$5,000 in basic form..... \$ 1.68  
2. Rate for each add'l \$1,000 of Cov. A..... \$ .85

\*\*\*\* RULE 509. HOME DAY CARE COVERAGE

D.1.b. Rate per \$1,000 for business in other structure..... \$ 4.20

\*\*\*\* RULE 510. PERMITTED INCIDENTAL OCCUPANCIES – RESIDENCE PREMISES

E.1.b. Rate per \$1,000 for business in other structure..... \$ 4.20

\*\*\*\* RULE 511. LOSS ASSESSMENT COVERAGE

A. Residence Premises

All Forms except HO 00 03 or 06 with HO 17 32

New Amount of Coverage

\$ 5,000..... \$ 2.52  
\$10,000..... 4.20  
Each Add'l \$5,000 up to \$50,000..... .85

HO 00 03 or 06 with HO 17 32

New Amount of Coverage

\$ 5,000..... \$ 3.35  
\$10,000..... 5.87  
Each Add'l \$5,000 up to \$50,000..... 1.68

B. Additional Locations

All Forms except HO 00 03 or 06 with HO 17 32

New Amount of Coverage

\$ 1,000..... \$ 4.20  
\$ 5,000..... 6.71  
\$10,000..... 8.38  
Each Add'l \$5,000 up to \$50,000..... .85

HO 00 03 or 06 with HO 17 32

New Amount of Coverage

\$ 1,000..... \$ 5.03  
\$ 5,000..... 8.38  
\$10,000..... 10.90  
Each Add'l \$5,000 up to \$50,000..... 1.68

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****	RULE 512. LOSS OF USE – INCREASED LIMIT		
	Rate per \$1,000.....	\$	3.35
****	RULE 514. OTHER STRUCTURES		
	B. Increased Limit – Rate per \$1,000.....	\$	3.35
	C. Rented to Others – Residence Premises – Rate per \$1,000.....	\$	4.20
	D.1. Off-Premises Structures – Charge per Policy.....	\$	12.58
	2. Specific Structures – Off Premises – Rate per \$1,000.....	\$	4.20
****	RULE 515. PERSONAL PROPERTY		
	A. Increased Limits – Rate per \$1,000		
	1. HO 00 02 or 03 without HO 00 15.....	\$	1.68
	2. HO 00 03 with HO 00 15.....	\$	2.52
	B. Increased Limit – Other Residences – Rate per \$1,000.....	\$	5.87
	C. Reduced Limit – Credit per \$1,000.....	\$	.85
	D. Increased Special Limits		
	1. Jewelry, Watches & Furs – Rate per \$1,000.....	\$	15.09
	2. Money & Securities – Rate per \$100		
	Money.....	\$	5.03
	Securities.....	\$	3.35
	3. Silverware – Rate per \$500.....		Not Applicable
	4. Firearms – Rate per \$100.....		Not Applicable
	5. Electronic Apparatus – Rate per \$500.....	\$	8.38
****	RULE 517. RENTAL TO OTHERS – THEFT COVERAGE		
	Rate per policy.....	\$	13.00
****	RULE 518. SINKHOLE COLLAPSE COVERAGE		
	Rate per \$1,000.....	\$	.29

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\*\*\*\* RULE 519. SPECIAL COMPUTER COVERAGE

Charge per policy..... \$ 13.00

\*\*\*\* RULE 520. LIVESTOCK COLLISION COVERAGE

Estimated No. of Head

1-100..... \$ 8.00  
 101-250..... 17.00  
 251-500..... 25.00  
 501-1,000..... 33.00

\*\*\*\* RULE 521. WATER BACK UP AND SUMP OVERFLOW

C. Charge per policy if HO 04 90 Personal Property Replacement Cost Endorsement or HO AF 30 Excess Dwelling Coverage Endorsement is:

1. Not attached to the policy..... \$ 73.00  
 2. Attached to the policy..... \$ 87.00

\*\*\*\* RULE 523. ASSISTED LIVING CARE COVERAGE

C. Premium

1. Section I and Section II Basic Limits

Rate per unit..... \$ 66.00

2. Increased Limits

Add to the basic limit rate in Paragraph 1. above:

a. Coverage C – Rate per \$1,000..... \$ 6.00  
 b. Coverage E Limit (Coverage F does not apply to this option.)  
 \$200,000..... \$ 2.00  
 \$300,000..... 3.00  
 \$400,000..... 4.00  
 \$500,000..... 5.00

\*\*\*\* RULE 524. OTHER MEMBERS OF A NAMED INSURED’S HOUSEHOLD

C. Premium

1. Section I and Section II Basic Limits

Rate per person named in the Schedule..... \$ 51.00

2. Section II Increased Limits

Add to the basic limit rate in Paragraph 1. above:

a. Coverage E Limit

\$200,000..... \$ 7.00  
 \$300,000..... 10.00  
 \$400,000..... 13.00  
 \$500,000..... 15.00

b. Coverage F

Refer to Rule 702 for rates for limits above \$1,000

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\*\*\*\* RULE 526. RESIDENCE HELD IN TRUST

F. Premium

Basic Limits Rates

1. Trust/Trustee

Applies whether or not the trustee resides on the residence premises..... \$ 22.00

2. Beneficiary or Grantor

a. Beneficiary **OR** grantor named in the endorsement; and

1. Trustee resides on residence premises..... 22.00

2. Trustee does **not** reside on residence premises..... No Add'l Chrg

b. Beneficiary **AND** grantor named in the endorsement; and

1. Trustee resides on residence premises ..... 44.00

2. Trustee does **not** reside on residence premises..... 22.00

Increased Limits

1. Coverage E

Refer to Rule 701. for increased limits factors.

2. Coverage F

Refer to Rule 702. for increased limits charges.

\*\*\*\* RULE 601. RESIDENCE PREMISES – BASIC AND INCREASED LIMITS

A. Coverage E Liability

1 or 2 Family

Limit

Code

Rate

3 Family

Limit

Code

Rate

\$100,000

(3)

\$--

\$100,000

(3)

\$--

200,000

(4)

2.00

200,000

(4)

4.00

300,000

(5)

3.00

300,000

(5)

7.00

400,000

(6)

4.00

400,000

(6)

9.00

500,000

(7)

5.00

500,000

(7)

10.00

RULE 602. OTHER INSURED LOCATION OCCUPIED BY INSURED

C. Rate per Residence

One Family..... \$ 6.00

Two Family..... 11.00

\*\*\*\* Three Family..... 23.00

\*\*\*\* Four Family..... 25.00

RULE 603. RESIDENCE EMPLOYEES

B. Rate per Person In Excess of Two..... \$ 4.00

\*\*\*\* RULE 604. ADDITIONAL RESIDENCE RENTED TO OTHERS

B. Rate per Residence

One Family..... \$ 14.00

Two Family..... 22.00

Three Family..... 47.00

Four Family..... 58.00

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\*\*\*\* RULE 605. OTHER STRUCTURES RENTED TO OTHERS – RESIDENCE PREMISES

Rate per Structure..... \$ 14.00

\*\*\*\* RULE 607. HOME DAY CARE COVERAGE

C.1. 1-3 Persons..... \$ 95.00

RULE 608. PERMITTED INCIDENTAL OCCUPANCIES – RESIDENCE PREMISES

B. Rate Per Residence ..... \$ 14.00

RULE 609. BUSINESS PURSUITS

Rate Per Insured Person

B.1. Clerical Employees..... \$ 4.00

2. Salesperson, Collector or Messenger – Installation, demonstration  
or servicing operation:

Included..... \$ 6.00

Excluded..... 4.00

3. Teachers

a. Laboratory, athletic, manual or physical training..... \$ 10.00

b. Not otherwise classified..... 5.00

c. Corporal punishment (add to 3.a. or b.)..... 4.00

\*\*\*\* RULE 611. INCIDENTAL MOTORIZED LAND CONVEYANCES

D. Rate per Conveyance (Class Code 996)..... \$ 13.00

\*\*\*\* RULE 612. OUTBOARD MOTORS AND WATERCRAFT

F.1. Outboard, Inboard, or Inboard-Outdrive Engines or Motors

Length

<u>Horsepower</u>	<u>Up to 15 Feet</u>		<u>Over 15 to 26 Feet</u>	
	<u>Class Code</u>	<u>Rate</u>	<u>Class Code</u>	<u>Rate</u>
Up to 50*	780	\$ 4.00	785	\$ 7.00
51 – 100	781	7.00	786	10.00
101 – 150	782	10.00	787	13.00
151 – 200	783	12.00	788	16.00
Over 200	784	15.00	789	19.00

2. Sailboats With or Without Auxiliary Power

<u>Overall Length/Feet</u>	<u>Class Code</u>	<u>Rate</u>
26 – 40 feet*	763	\$ 4.00
Over 40	764	7.00

\* Outboard engines or motors of up to 25 horsepower or sailboats less than 26 feet in overall length with or without auxiliary power are covered in the policy form.

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\*\*\*\* RULE 613. OWNED SNOWMOBILE

C. Rate per Snowmobile (Class Code 771)..... \$ 16.00

RULE 614. FARMERS PERSONAL LIABILITY – FARM(S) OWNED BY THE INSURED AND RENTED TO OTHERS

All Farm Premises without bldgs (Class Code 298)..... \$ 12.00+

Each Farm Premises with bldgs (Class Code 299)..... \$ 12.00+

+ Total all acreage of farms which are owned by the insured and rented to others.  
Add the following flat charge when total acreage is:

Over 160 to 500 acres..... \$ 2.00

Over 500 acres..... 7.00

\*\*\*\*

These charges are not subject to increased limits factors.

\*\*\*\* RULE 615. INCIDENTAL FARMING PERSONAL LIABILITY

A.3. Farming Done on the Residence Premises..... \$ 34.00

B.2. Farming Done Away From the Residence Premises..... \$ 50.00

RULE 616. WATERBED LIABILITY

Rate per Policy..... \$ 14.00

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RULE 702. OTHER EXPOSURES – MEDICAL PAYMENT TO OTHERS INCREASED LIMITS  
(Coverage F Limit not coded.)

Basic Limit					
Rule	Coverage F – Medical Payments	\$2,000	\$3,000	\$4,000	\$5,000
602.	Other Insured Locations Occupied By Insured	1.00	2.00	3.00	4.00
603.	Residence Employees	1.00	2.00	3.00	4.00
604.	Additional Residence Rented To Others				
	1 or 2 Family	1.00	2.00	3.00	4.00
	3 or 4 Family	3.00	4.00	5.00	6.00
605.	Other Structures Rented to Others -				
	Residence Premises	1.00	2.00	3.00	4.00
**** 607.	Home Day Care	4.00	8.00	13.00	16.00
**** 608.	Permitted Incidental Occupancies -				
	Residence Premises	4.00	8.00	13.00	16.00
609.	Business Pursuits				
	1. Clerical Employees	1.00	2.00	3.00	4.00
	2. Salesperson, Installation, etc.				
	Included or Excluded	1.00	2.00	3.00	4.00
	3. Teachers				
	a. Lab, etc.	2.00	3.00	5.00	6.00
	b. Not otherwise classified	1.00	2.00	3.00	4.00
	c. Corporal Punishment	Medical Payments Not Available			
611.	Incidental Motorized Land Conveyances	1.00	2.00	3.00	4.00
**** 612.	Outboard Motors and Watercraft				
	1. Outboard, Inboard or Inboard-Outboard				
	Engines or Motors				
	(a) Up to 15 feet:				
	Up to 50 hp.	3.00	5.00	8.00	9.00
	51 – 100 hp.	3.00	7.00	10.00	12.00
	101 – 150 hp.	5.00	10.00	15.00	18.00
	151 – 200 hp.	6.00	13.00	20.00	24.00
	Over 200 hp.	10.00	19.00	31.00	35.00
	(b) Over 15 to 26 feet:				
	Up to 50 hp.	3.00	7.00	10.00	12.00
	51 – 100 hp.	5.00	10.00	15.00	18.00
	101 – 150 hp.	7.00	13.00	20.00	23.00
	151 – 200 hp.	10.00	20.00	30.00	35.00
	Over 200 hp.	13.00	27.00	40.00	46.00
	2. Sailboats, with or without auxiliary power				
	26 – 40 feet	3.00	5.00	8.00	9.00
	Over 40 feet	5.00	6.00	11.00	11.00

## PAGE CHECKLIST

We have revised the following pages: HO-E-10 AFI thru HO-E-11 AFI, HO-E-13 AFI thru HO-E-15 AFI, HO-T-1 AFI, HO-R-1 AFI thru HO-R-10 AFI and HO-R-12 AFI.

We have added the following pages: HO-E-16 AFI thru HO-E-18 AFI and HO-T-2 AFI thru HO-T-13 AFI.

After updating this rate manual, it should contain General Rules Revision Notice HO-MU-94-RU-1 in addition to the following pages:

**STATE RULE PAGES:**

HO-E-1	6th Edition
HO-E-2 thru HO-E-3	5th Edition
HO-E-4	4th Edition
HO-E-5 thru HO-E-8	3rd Edition
HO-E-9	2nd Edition
HO-E-10	1st Edition
HO-E-1 AFI thru HO-E-2 AFI	AR-HO-3I-03-1
HO-E-3 AFI thru HO-E-4 AFI	AR-HO-3I-07-2
HO-E-5 AFI thru HO-E-9 AFI	AR-HO-3I-05-1
HO-E-10 AFI thru HO-E-11 AFI	AR-HO-3I-11-1
HO-E-12 AFI	AR-HO-3I-05-1
HO-E-13 AFI thru HO-E-18 AFI	AR-HO-3I-11-1
HO-T-1 AFI thru HO-T-13 AFI	AR-HO-3I-11-1
HO-T-1	2nd Edition
HO-T-2	3rd Edition
HO-T-3	2nd Edition
HO-T-4	1st Edition
HO-T-5 thru HO-T-9	2nd Edition
HO-T-10	3rd Edition

**STATE RATE PAGES:**

HO-B-1	1st Edition
HO-B-2 AFI	AR-HO-3I-11-1
HO-C-1 AFI	AR-HO-3I-05-1
HO-C-2 AFI	AR-HO-3I-03-1
HO-R-1 AFI thru HO-R-5 AFI	AR-HO-3I-11-1
HO-R-6 AFI thru HO-R-7 AFI	AR-HO-3I-11-1 (CORRECTED)
HO-R-8 AFI thru HO-R-10 AFI	AR-HO-3I-11-1
HO-R-11 AFI	AR-HO-3I-00-2
HO-R-12 AFI	AR-HO-3I-11-1

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\*\*\*\* RULE 505. EARTHQUAKE COVERAGE

D.1. 5% DEDUCTIBLE – Rates per \$1,000

Table A – FRAME \*

Territory	(A) HO 00 02 & HO 00 03 & 3 w/15	(C) HO 00 06	(D) HO 00 02 & HO 00 03 & 3 w/15 Increased Cov C	(E) HO 00 06 Basic and Increased Cov A	(F) Inc Cov. D	(G) Bldg or non- Bldg Structure Items
21	\$1.53	\$0.77	\$0.61	\$1.03	\$0.73	\$0.96
22	\$1.40	\$0.77	\$0.61	\$0.93	\$0.71	\$0.87
23	\$1.31	\$0.71	\$0.58	\$0.86	\$0.63	\$0.87
24	\$1.14	\$0.61	\$0.52	\$0.71	\$0.54	\$0.85
25	\$0.87	\$0.50	\$0.45	\$0.50	\$0.42	\$0.61
26	\$0.41	\$0.22	\$0.26	\$0.22	\$0.19	\$0.31
27	\$0.19	\$0.13	\$0.12	\$0.15	\$0.10	\$0.13

Table B – MASONRY \*

Territory	(A) HO 00 02 & HO 00 03 & 3 w/15	(C) HO 00 06	(D) HO 00 02 & HO 00 03 & 3 w/15 Increased Cov C	(E) HO 00 06 Basic and Increased Cov A	(F) Inc Cov. D	(G) Bldg or non- Bldg Structure Items
21	\$1.94	\$1.02	\$0.80	\$1.25	\$0.90	\$1.05
22	\$1.94	\$1.02	\$0.80	\$1.25	\$0.90	\$1.05
23	\$1.94	\$1.02	\$0.80	\$1.25	\$0.90	\$1.05
24	\$1.94	\$1.02	\$0.80	\$1.25	\$0.90	\$1.05
25	\$1.68	\$0.98	\$0.80	\$1.09	\$0.83	\$0.86
26	\$0.90	\$0.50	\$0.52	\$0.52	\$0.47	\$0.48
27	\$0.51	\$0.36	\$0.32	\$0.36	\$0.28	\$0.29

Table C – SUPERIOR \*

Territory	(A) HO 00 02 & HO 00 03 & 3 w/15	(C) HO 00 06	(D) HO 00 02 & HO 00 03 & 3 w/15 Increased Cov C	(E) HO 00 06 Basic and Increased Cov A	(F) Inc Cov. D	(G) Bldg or non- Bldg Structure Items
21	\$1.94	\$1.66	\$0.61	\$1.14	\$0.77	\$0.87
22	\$1.94	\$1.66	\$0.61	\$1.14	\$0.77	\$0.87
23	\$1.94	\$1.66	\$0.61	\$1.14	\$0.77	\$0.87
24	\$1.94	\$1.46	\$0.61	\$0.95	\$0.73	\$0.85
25	\$1.68	\$0.92	\$0.44	\$0.77	\$0.44	\$0.52
26	\$0.90	\$0.63	\$0.34	\$0.45	\$0.34	\$0.35
27	\$0.51	\$0.19	\$0.12	\$0.10	\$0.12	\$0.12

\* If exterior Masonry Veneer is covered, rate as Masonry; if not covered, rate as Frame.

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\*\*\*\* RULE 505. EARTHQUAKE COVERAGE (CONT)

D.1. 10% DEDUCTIBLE – Rates per \$1,000

Table A – FRAME \*

Territory	(A) HO 00 02 & HO 00 03 & 3 w/15	(C) HO 00 06	(D) HO 00 02 & HO 00 03 & 3 w/15 Increased Cov C	(E) HO 00 06 Basic and Increased Cov A	(F) Inc Cov. D	(G) Bldg or non- Bldg Structure Items
21	\$1.43	\$0.69	\$0.58	\$0.98	\$0.73	\$0.96
22	\$1.25	\$0.64	\$0.57	\$0.85	\$0.71	\$0.86
23	\$1.18	\$0.60	\$0.54	\$0.80	\$0.63	\$0.86
24	\$1.01	\$0.52	\$0.50	\$0.64	\$0.54	\$0.80
25	\$0.76	\$0.39	\$0.39	\$0.42	\$0.42	\$0.57
26	\$0.34	\$0.17	\$0.20	\$0.17	\$0.19	\$0.26
27	\$0.16	\$0.12	\$0.10	\$0.12	\$0.09	\$0.10

Table B – MASONRY \*

Territory	(A) HO 00 02 & HO 00 03 & 3 w/15	(C) HO 00 06	(D) HO 00 02 & HO 00 03 & 3 w/15 Increased Cov C	(E) HO 00 06 Basic and Increased Cov A	(F) Inc Cov. D	(G) Bldg or non- Bldg Structure Items
21	\$1.76	\$0.90	\$0.74	\$1.18	\$0.90	\$1.03
22	\$1.76	\$0.90	\$0.74	\$1.18	\$0.90	\$1.03
23	\$1.76	\$0.90	\$0.74	\$1.18	\$0.90	\$1.03
24	\$1.76	\$0.90	\$0.74	\$1.18	\$0.90	\$1.03
25	\$1.47	\$0.83	\$0.74	\$0.98	\$0.83	\$0.83
26	\$0.79	\$0.42	\$0.47	\$0.47	\$0.47	景汕嶺栗劑行2
27	\$0.45	\$0.32	\$0.28	\$0.34	\$0.28	\$0.28

Table C – SUPERIOR \*

Territory	(A) HO 00 02 & HO 00 03 & 3 w/15	(C) HO 00 06	(D) HO 00 02 & HO 00 03 & 3 w/15 Increased Cov C	(E) HO 00 06 Basic and Increased Cov A	(F) Inc Cov. D	(G) Bldg or non- Bldg Structure Items
21	\$1.52	\$0.71	\$0.60	\$1.08	\$0.77	\$0.86
22	\$1.52	\$0.71	\$0.60	\$1.08	\$0.77	\$0.86
23	\$1.52	\$0.71	\$0.60	\$1.08	\$0.77	\$0.86
24	\$1.31	\$0.61	\$0.55	\$0.86	\$0.71	\$0.83
25	\$0.79	\$0.51	\$0.39	\$0.70	\$0.44	\$0.50
26	\$0.54	\$0.32	\$0.29	\$0.39	\$0.32	\$0.34
27	\$0.17	\$0.07	\$0.10	\$0.09	\$0.10	\$0.10

\* If exterior Masonry Veneer is covered, rate as Masonry; if not covered, rate as Frame.

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RULE 506. FIRE DEPARTMENT SERVICE CHARGE

Rate per \$100 for HO AF 85..... \$ 3.00

\*\*\*\* RULE 507. FORM HO 00 06 COVERAGE A DWELLING BASIC & INCREASED LIMITS & SPECIAL COVERAGE

C. Special Coverage

1. Charge per policy for \$5,000 in basic form..... \$ 1.68  
2. Rate for each add'l \$1,000 of Cov. A..... \$ .85

\*\*\*\* RULE 509. HOME DAY CARE COVERAGE

D.1.b. Rate per \$1,000 for business in other structure..... \$ 4.20

\*\*\*\* RULE 510. PERMITTED INCIDENTAL OCCUPANCIES – RESIDENCE PREMISES

E.1.b. Rate per \$1,000 for business in other structure..... \$ 4.20

\*\*\*\* RULE 511. LOSS ASSESSMENT COVERAGE

A. Residence Premises

All Forms except HO 00 03 or 06 with HO 17 32

New Amount of Coverage

\$ 5,000..... \$ 2.52  
\$10,000..... 4.20  
Each Add'l \$5,000 up to \$50,000..... .85

HO 00 03 or 06 with HO 17 32

New Amount of Coverage

\$ 5,000..... \$ 3.35  
\$10,000..... 5.87  
Each Add'l \$5,000 up to \$50,000..... 1.68

B. Additional Locations

All Forms except HO 00 03 or 06 with HO 17 32

New Amount of Coverage

\$ 1,000..... \$ 4.20  
\$ 5,000..... 6.71  
\$10,000..... 8.38  
Each Add'l \$5,000 up to \$50,000..... .85

HO 00 03 or 06 with HO 17 32

New Amount of Coverage

\$ 1,000..... \$ 5.03  
\$ 5,000..... 8.38  
\$10,000..... 10.90  
Each Add'l \$5,000 up to \$50,000..... 1.68

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****	RULE 512. LOSS OF USE – INCREASED LIMIT		
	Rate per \$1,000.....	\$	3.35
****	RULE 514. OTHER STRUCTURES		
	B. Increased Limit – Rate per \$1,000.....	\$	3.35
	C. Rented to Others – Residence Premises – Rate per \$1,000.....	\$	4.20
	D.1. Off-Premises Structures – Charge per Policy.....	\$	12.58
	2. Specific Structures – Off Premises – Rate per \$1,000.....	\$	4.20
****	RULE 515. PERSONAL PROPERTY		
	A. Increased Limits – Rate per \$1,000		
	1. HO 00 02 or 03 without HO 00 15.....	\$	1.68
	2. HO 00 03 with HO 00 15.....	\$	2.52
	B. Increased Limit – Other Residences – Rate per \$1,000.....	\$	5.87
	C. Reduced Limit – Credit per \$1,000.....	\$	.85
	D. Increased Special Limits		
	1. Jewelry, Watches & Furs – Rate per \$1,000.....	\$	15.09
	2. Money & Securities – Rate per \$100		
	Money.....	\$	5.03
	Securities.....	\$	3.35
	3. Silverware – Rate per \$500.....		Not Applicable
	4. Firearms – Rate per \$100.....		Not Applicable
	5. Electronic Apparatus – Rate per \$500.....	\$	8.38
****	RULE 517. RENTAL TO OTHERS – THEFT COVERAGE		
	Rate per policy.....	\$	13.00
****	RULE 518. SINKHOLE COLLAPSE COVERAGE		
	Rate per \$1,000.....	\$	.29

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\*\*\*\* RULE 519. SPECIAL COMPUTER COVERAGE

Charge per policy..... \$ 13.00

\*\*\*\* RULE 520. LIVESTOCK COLLISION COVERAGE

Estimated No. of Head

1-100..... \$ 8.00  
 101-250..... 17.00  
 251-500..... 25.00  
 501-1,000..... 33.00

\*\*\*\* RULE 521. WATER BACK UP AND SUMP OVERFLOW

C. Charge per policy if HO 04 90 Personal Property Replacement Cost Endorsement or HO AF 30 Excess Dwelling Coverage Endorsement is:

1. Not attached to the policy..... \$ 73.00  
 2. Attached to the policy..... \$ 87.00

\*\*\*\* RULE 523. ASSISTED LIVING CARE COVERAGE

1. Section I and II..... \$ 66.00  
 2. Increased Limits  
 a. Coverage C – Rate per \$1,000..... \$ 6.00  
 b. Coverage E Limit  
     \$200,000..... \$ 2.00  
     \$300,000..... 3.00  
     \$400,000..... 4.00  
     \$500,000..... 5.00

\*\*\*\* RULE 524. OTHER MEMBERS OF A NAMED INSURED’S HOUSEHOLD

1. Basic Limits..... \$ 51.00  
 2. Increased Limits  
 a. Coverage E Limit  
     \$200,000..... \$ 7.00  
     \$300,000..... 10.00  
     \$400,000..... 13.00  
     \$500,000..... 15.00

\*\*\*\* RULE 526. RESIDENCE HELD IN TRUST

1. Trust/Trustee..... \$ 22.00  
 2. a. Beneficiary or Grantor, and  
     1. Trustee resides on premises..... 22.00  
     2. Trustee does not reside on premises..... 0.00  
 b. Beneficiary and Grantor, and  
     1. Trustee resides on premises..... 44.00  
     2. Trustee does not reside on premises..... 22.00

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\*\*\*\* RULE 601. RESIDENCE PREMISES – BASIC AND INCREASED LIMITS

A. Coverage E Liability

1 or 2 Family			3 Family		
Limit	Code	Rate	Limit	Code	Rate
\$100,000	(3)	\$--	\$100,000	(3)	\$--
200,000	(4)	2.00	200,000	(4)	4.00
300,000	(5)	3.00	300,000	(5)	7.00
400,000	(6)	4.00	400,000	(6)	9.00
500,000	(7)	5.00	500,000	(7)	10.00

4 Family		
Limit	Code	Rate
\$100,000	(3)	\$--
200,000	(4)	5.00
300,000	(5)	9.00
400,000	(6)	11.00
500,000	(7)	13.00

B. Coverage F – Medical Payments

Limit	Rate
\$1,000	\$ --
2,000	3.00
3,000	5.00
4,000	8.00
5,000	10.00

RULE 602. OTHER INSURED LOCATION OCCUPIED BY INSURED

C. Rate per Residence

One Family.....	\$ 6.00
Two Family.....	11.00
**** Three Family.....	23.00
**** Four Family.....	25.00

RULE 603. RESIDENCE EMPLOYEES

B. Rate per Person In Excess of Two.....	\$ 4.00
--	---------

\*\*\*\* RULE 604. ADDITIONAL RESIDENCE RENTED TO OTHERS

B. Rate per Residence	
One Family.....	\$ 14.00
Two Family.....	22.00
Three Family.....	47.00
Four Family.....	58.00

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\*\*\*\* RULE 605. OTHER STRUCTURES RENTED TO OTHERS – RESIDENCE PREMISES

Rate per Structure..... \$ 14.00

\*\*\*\* RULE 607. HOME DAY CARE COVERAGE

C.1. 1-3 Persons..... \$ 95.00

RULE 608. PERMITTED INCIDENTAL OCCUPANCIES – RESIDENCE PREMISES

B. Rate Per Residence ..... \$ 14.00

RULE 609. BUSINESS PURSUITS

Rate Per Insured Person

B.1. Clerical Employees..... \$ 4.00

2. Salesperson, Collector or Messenger – Installation, demonstration  
or servicing operation:

Included..... \$ 6.00

Excluded..... 4.00

3. Teachers

a. Laboratory, athletic, manual or physical training..... \$ 10.00

b. Not otherwise classified..... 5.00

c. Corporal punishment (add to 3.a. or b.)..... 4.00

\*\*\*\* RULE 611. INCIDENTAL MOTORIZED LAND CONVEYANCES

D. Rate per Conveyance (Class Code 996)..... \$ 13.00

\*\*\*\* RULE 612. OUTBOARD MOTORS AND WATERCRAFT

F.1. Outboard, Inboard, or Inboard-Outdrive Engines or Motors

Length

<u>Horsepower</u>	<u>Up to 15 Feet</u>		<u>Over 15 to 26 Feet</u>	
	<u>Class Code</u>	<u>Rate</u>	<u>Class Code</u>	<u>Rate</u>
Up to 50*	780	\$ 4.00	785	\$ 7.00
51 – 100	781	7.00	786	10.00
101 – 150	782	10.00	787	13.00
151 – 200	783	12.00	788	16.00
Over 200	784	15.00	789	19.00

2. Sailboats With or Without Auxiliary Power

<u>Overall Length/Feet</u>	<u>Class Code</u>	<u>Rate</u>
26 – 40 feet*	763	\$ 4.00
Over 40	764	7.00

\* Outboard engines or motors of up to 25 horsepower or sailboats less than 26 feet in overall length with or without auxiliary power are covered in the policy form.

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\*\*\*\* RULE 613. OWNED SNOWMOBILE

C. Rate per Snowmobile (Class Code 771)..... \$ 16.00

RULE 614. FARMERS PERSONAL LIABILITY – FARM(S) OWNED BY THE INSURED AND RENTED TO OTHERS

All Farm Premises without bldgs (Class Code 298)..... \$ 12.00+  
Each Farm Premises with bldgs (Class Code 299)..... \$ 12.00+

+ Total all acreage of farms which are owned by the insured and rented to others.  
Add the following flat charge when total acreage is:

Over 160 to 500 acres..... \$ 2.00  
Over 500 acres..... 7.00

\*\*\*\*

These charges are not subject to increased limits factors.

\*\*\*\* RULE 615. INCIDENTAL FARMING PERSONAL LIABILITY

A.3. Farming Done on the Residence Premises..... \$ 34.00

B.2. Farming Done Away From the Residence Premises..... \$ 50.00

RULE 616. WATERBED LIABILITY

Rate per Policy..... \$ 14.00

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RULE 702. OTHER EXPOSURES – MEDICAL PAYMENT TO OTHERS INCREASED LIMITS  
(Coverage F Limit not coded.)

Basic Limit					
Rule	Coverage F – Medical Payments	\$2,000	\$3,000	\$4,000	\$5,000
602.	Other Insured Locations Occupied By Insured	1.00	2.00	3.00	4.00
603.	Residence Employees	1.00	2.00	3.00	4.00
604.	Additional Residence Rented To Others				
	1 or 2 Family	1.00	2.00	3.00	4.00
	3 or 4 Family	3.00	4.00	5.00	6.00
605.	Other Structures Rented to Others -				
	Residence Premises	1.00	2.00	3.00	4.00
**** 607.	Home Day Care	4.00	8.00	13.00	16.00
**** 608.	Permitted Incidental Occupancies -				
	Residence Premises	4.00	8.00	13.00	16.00
609.	Business Pursuits				
	1. Clerical Employees	1.00	2.00	3.00	4.00
	2. Salesperson, Installation, etc.				
	Included or Excluded	1.00	2.00	3.00	4.00
	3. Teachers				
	a. Lab, etc.	2.00	3.00	5.00	6.00
	b. Not otherwise classified	1.00	2.00	3.00	4.00
	c. Corporal Punishment	Medical Payments Not Available			
611.	Incidental Motorized Land Conveyances	1.00	2.00	3.00	4.00
**** 612.	Outboard Motors and Watercraft				
	1. Outboard, Inboard or Inboard-Outboard				
	Engines or Motors				
	(a) Up to 15 feet:				
	Up to 50 hp.	3.00	5.00	8.00	9.00
	51 – 100 hp.	3.00	7.00	10.00	12.00
	101 – 150 hp.	5.00	10.00	15.00	18.00
	151 – 200 hp.	6.00	13.00	20.00	24.00
	Over 200 hp.	10.00	19.00	31.00	35.00
	(b) Over 15 to 26 feet:				
	Up to 50 hp.	3.00	7.00	10.00	12.00
	51 – 100 hp.	5.00	10.00	15.00	18.00
	101 – 150 hp.	7.00	13.00	20.00	23.00
	151 – 200 hp.	10.00	20.00	30.00	35.00
	Over 200 hp.	13.00	27.00	40.00	46.00
	2. Sailboats, with or without auxiliary power				
	26 – 40 feet	3.00	5.00	8.00	9.00
	Over 40 feet	5.00	6.00	11.00	11.00

## PAGE CHECKLIST

We have revised the following pages: HO-E-10 AFI thru HO-E-11 AFI, HO-E-13 AFI thru HO-E-15 AFI, HO-T-1 AFI, HO-R-1 AFI thru HO-R-10 AFI and HO-R-12 AFI.

We have added the following pages: HO-E-16 AFI thru HO-E-18 AFI and HO-T-2 AFI thru HO-T-13 AFI.

After updating this rate manual, it should contain General Rules Revision Notice HO-MU-94-RU-1 in addition to the following pages:

**STATE RULE PAGES:**

HO-E-1	6th Edition
HO-E-2 thru HO-E-3	5th Edition
HO-E-4	4th Edition
HO-E-5 thru HO-E-8	3rd Edition
HO-E-9	2nd Edition
HO-E-10	1st Edition
HO-E-1 AFI thru HO-E-2 AFI	AR-HO-3I-03-1
HO-E-3 AFI thru HO-E-4 AFI	AR-HO-3I-07-2
HO-E-5 AFI thru HO-E-9 AFI	AR-HO-3I-05-1
HO-E-10 AFI thru HO-E-11 AFI	AR-HO-3I-11-1
HO-E-12 AFI	AR-HO-3I-05-1
HO-E-13 AFI thru HO-E-18 AFI	AR-HO-3I-11-1
HO-T-1 AFI thru HO-T-13 AFI	AR-HO-3I-11-1
HO-T-1	2nd Edition
HO-T-2	3rd Edition
HO-T-3	2nd Edition
HO-T-4	1st Edition
HO-T-5 thru HO-T-9	2nd Edition
HO-T-10	3rd Edition

**STATE RATE PAGES:**

HO-B-1	1st Edition
HO-B-2 AFI	AR-HO-3I-11-1
HO-C-1 AFI	AR-HO-3I-05-1
HO-C-2 AFI	AR-HO-3I-03-1
HO-R-1 AFI thru HO-R-10 AFI	AR-HO-3I-11-1
HO-R-11 AFI	AR-HO-3I-00-2
HO-R-12 AFI	AR-HO-3I-11-1