

SERFF Tracking Number: SHEL-126981107 State: Arkansas
Filing Company: Shelter Mutual Insurance Company State Tracking Number: EFT \$100
Company Tracking Number: 03M20111
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: HO
Project Name/Number: Johnson/

Filing at a Glance

Company: Shelter Mutual Insurance Company

Product Name: HO

TOI: 04.0 Homeowners

Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations

Filing Type: Rate/Rule

SERFF Tr Num: SHEL-126981107 State: Arkansas

SERFF Status: Closed-Filed

Co Tr Num: 03M20111

Authors: Brian Marcks, Sue Burlingame

Date Submitted: 01/12/2011

State Tr Num: EFT \$100

State Status: Fees verified and received

Reviewer(s): Becky Harrington, Nancy Horton

Disposition Date: 03/30/2011

Disposition Status: Filed

Effective Date Requested (New): 05/19/2011

Effective Date Requested (Renewal): 05/19/2011

Effective Date (New): 05/19/2011

Effective Date (Renewal): 05/19/2011

State Filing Description:

General Information

Project Name: Johnson

Project Number:

Reference Organization:

Reference Title:

Filing Status Changed: 03/30/2011

State Status Changed: 01/12/2011

Created By: Brian Marcks

Corresponding Filing Tracking Number:

Filing Description:

Base rates have been revised for Forms HO-3, HO-4 and HO-6. The \$1,000 deductible factor was adjusted for all forms. Building Property, Form 6, Coverage A rate was adjusted. ZIP code 72104 was added to the zone definitions. Editorial changes were also made.

Status of Filing in Domicile:

Domicile Status Comments:

Reference Number:

Advisory Org. Circular:

Deemer Date:

Submitted By: Brian Marcks

This filing will result in an overall increase in revenue of 12.2% or \$5,692,905.

Company and Contact

SERFF Tracking Number: *SHEL-126981107* *State:* *Arkansas*
Filing Company: *Shelter Mutual Insurance Company* *State Tracking Number:* *EFT \$100*
Company Tracking Number: *03M20111*
TOI: *04.0 Homeowners* *Sub-TOI:* *04.0000 Homeowners Sub-TOI Combinations*
Product Name: *HO*
Project Name/Number: *Johnson/*

Filing Contact Information

Brian Marcks, Coordinator of Insurance BCMarcks@shelterinsurance.com
 Department Affairs
 1817 West Broadway 573-214-4165 [Phone]
 Columbia, MO 65218 573-446-7317 [FAX]

Filing Company Information

Shelter Mutual Insurance Company CoCode: 23388 State of Domicile: Missouri
 1817 West Broadway Group Code: Company Type:
 Columbia, MO 65218 Group Name: State ID Number:
 (573) 445-8441 ext. [Phone] FEIN Number: 43-0613000

Filing Fees

Fee Required? Yes
 Fee Amount: \$100.00
 Retaliatory? No
 Fee Explanation:
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Shelter Mutual Insurance Company	\$100.00	01/12/2011	43710530

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Becky Harrington	03/30/2011	03/30/2011

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	03/18/2011	03/18/2011	Brian Marcks	03/29/2011	03/30/2011
No response necessary	Becky Harrington	01/14/2011	01/14/2011	Brian Marcks	03/30/2011	03/30/2011

Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Commissioner's position	Note To Filer	Becky Harrington	03/02/2011	03/02/2011

SERFF Tracking Number: SHEL-126981107 State: Arkansas
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Disposition

Disposition Date: 03/30/2011
 Effective Date (New): 05/19/2011
 Effective Date (Renewal): 05/19/2011
 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):
Shelter Mutual Insurance Company	14.400%	5.000%	\$2,321,436	50,307	\$46,805,402	9.200%	1.300%

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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 (revised)	NAIC loss cost data entry document	Filed	Yes
Supporting Document	NAIC loss cost data entry document		Yes
Supporting Document (revised)	Explanatory Memorandum	Filed	Yes
Supporting Document	Explanatory Memorandum		Yes
Supporting Document	Rate Indications/Supporting Exhibits	Filed	Yes
Supporting Document (revised)	Histogram	Filed	Yes
Supporting Document	Histogram		Yes
Supporting Document	Response of March 30	Filed	Yes
Rate (revised)	Manual Pages	Filed	Yes
Rate	Manual Pages		Yes

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Product Name: HO
Project Name/Number: Johnson/

Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 03/18/2011

Submitted Date 03/18/2011

Respond By Date

Dear Brian Marcks,

This will acknowledge receipt of the recent discussions.

Objection 1

Comment: Please amend the overall increase to 5%, with maximums per insured not more than 20%.

Please feel free to contact me if you have questions.

Sincerely,

Becky Harrington

SERFF Tracking Number: SHEL-126981107 State: Arkansas
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TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: HO
Project Name/Number: Johnson/

Response Letter

Response Letter Status Submitted to State
Response Letter Date 03/29/2011
Submitted Date 03/30/2011

Dear Becky Harrington,

Comments:

Reference is made to your note of March 18.

Response 1

Comments: We have made revisions to the filing, so that the overall revenue impact is 5% and the maximum per insured increase is no more than 20%. Revised manual pages and exhibits reflecting these changes are attached.

This filing will now result in an overall increase in revenue of 5.0% or \$2,321,436.

Also, we have revised the effective date of this filing so that it will now become effective May 19, 2011.

Related Objection 1

Comment:

Please amend the overall increase to 5%, with maximums per insured not more than 20%.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: HPCS-Homeowners Premium Comparison Survey

Comment: Please see attachment.

Satisfied -Name: NAIC loss cost data entry document

Comment: Please see attachment.

Satisfied -Name: Explanatory Memorandum

Comment: Please see attachment.

Satisfied -Name: Histogram

Comment: Please see attachment.

Satisfied -Name: Response of March 30

Comment: Please see attachments.

No Form Schedule items changed.

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Rate/Rule Schedule Item Changes

Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing #
Manual Pages	GR-8, GR-18, GR-31, GR-32, Replacement GR-35, Z-1, Z-2, R-1, R-2 and R-4		
Previous Version			
Manual Pages	GR-8, GR-18, GR-31, GR-32, Replacement GR-35, Z-1, Z-2, R-1, R-2 and R-4		

Please let me know if you have questions or need additional information.

Sincerely,
Brian Marcks, Sue Burlingame

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Product Name: HO
Project Name/Number: Johnson/

Objection Letter

Objection Letter Status No response necessary

Objection Letter Date 01/14/2011

Submitted Date 01/14/2011

Respond By Date

Dear Brian Marcks,

This will acknowledge receipt of the captioned filing.

Objection 1

Comment: An overall rate change amount greater than 6% is subject to Commissioner Bradford's review. The filing will be held pending his decision.

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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TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: HO
Project Name/Number: Johnson/

Response Letter

Response Letter Status Submitted to State
Response Letter Date 03/30/2011
Submitted Date 03/30/2011

Dear Becky Harrington,

Comments:

Reference is made to your note of March 18.

Response 1

Comments: A response to your March 18 note was submitted this morning.

Related Objection 1

Comment:

An overall rate change amount greater than 6% is subject to Commissioner Bradford's review. The filing will be held pending his decision.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Please let me know if you have questions.

Sincerely,

Brian Marcks, Sue Burlingame

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Product Name: HO
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Note To Filer

Created By:

Becky Harrington on 03/02/2011 09:36 AM

Last Edited By:

Becky Harrington

Submitted On:

03/30/2011 01:18 PM

Subject:

Commissioner's position

Comments:

Per our telephone discussion this morning, Commissioner Bradford has decided to not allow an increase at this time. He would like to review your loss ratio again in no earlier than July. His position that the rates would be excessive was based in part on the recent rate history, loss ratios and market position.

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Post Submission Update Request Processed On 03/30/2011

Status: Allowed
Created By: Brian Marcks
Processed By: Becky Harrington
Comments:

General Information:

Field Name	Requested Change	Prior Value
Effective Date Requested (New)	05/19/2011	03/17/2011
Effective Date Requested (Renew)	05/19/2011	03/17/2011

Company Rate Information:

Company Name: Shelter Mutual Insurance Company

Field Name	Requested Change	Prior Value
Overall % Rate Impact	5.000%	12.200%
Written Premium Change for this Program	\$2321436	\$5692905
Maximum %Change (where required)	9.200%	19.300%
Minimum %Change (where required)	1.300%	2.900%

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 Product Name: HO
 Project Name/Number: Johnson/

Rate Information

Rate data applies to filing.

Filing Method: File and Use
Rate Change Type: Increase
Overall Percentage of Last Rate Revision: 14.900%
Effective Date of Last Rate Revision: 12/02/2010
Filing Method of Last Filing: File and Use

Company Rate Information

Company Name:	Company Rate Change:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where required):	Minimum % Change (where required):
Shelter Mutual Insurance Company	N/A	14.400%	5.000%	\$2,321,436	50,307	\$46,805,402	9.200%	1.300%

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 Product Name: HO
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Rate/Rule Schedule

Schedule Item	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Attachments Number:
Filed 03/30/2011	Manual Pages	GR-8, GR-18, GR-31, GR-32, GR-35, Z-1, Z-2, R-1, R-2 and R-4	Replacement	AR HO GR, Z and R Pages Proposed.pdf

4. DEDUCTIBLES

All Homeowners forms contain a Loss Deductible Clause applicable to loss under Section I of the policy. The Loss Deductible Clause **DOES NOT** apply to losses under Coverage D or Fire Department Charges. This clause applies to each occurrence. The company is liable only for the amount of loss in excess of the deductible.

Form 3 ONLY: An optional 1% or 2% (of Coverage A amount) Wind or Hail deductible (B-636-B) is available. The deductible amount applicable to Wind or Hail losses will be the **greater** of 1% or 2% (of Coverage A amount) or the base deductible.

The Base Rate pages reflect a \$500 deductible. Other deductible options may be calculated using the adjustments listed below against the \$500 premium.

Forms 4 and 6 ONLY: The Base Rate pages reflect a \$250 deductible. Other deductible options may be calculated using the adjustments listed below against the \$250 premium.

Non-Wind/Hail Deductibles	Form 3 - Wind/Hail Deductibles			Forms 4 & 6
	None	1%	2%	None
# 50	1.47	1.33	1.19	1.31
# 100	1.39	1.27	1.13	1.16
# 250	1.12	1.05	.97	1.00
500	1.00	.95	.88	0.82
750	.91	.88	.83	0.71
1,000	.84	.81	.77	0.64
1,500	.76	.74	.72	0.60
2,000	.70	.69	.67	0.59
2,500	.67	.66	.65	0.57
5,000	.62	.61	.60	0.52

Available only to Form 3 policies originally written before 08-25-2004 with a \$50, \$100 or \$250 all peril deductible and to Form 4 & 6 policies written before 08-25-2004 with a \$50 or \$100 all peril deductible.

The deductible factors shown for Forms 4 & 6 above are used to calculate the basic premium only. Form 3 deductible factors should be used to adjust supplemental rates for all forms where deductible applies.

A. Section I (Cont.)

- 6. Building Additions and Alterations, Form 4 - Additional Coverages (B-352-B)**
Rate per \$1,000

Policy Deductible

\$500

\$4.45

- 7. Building Property, Form 6, Coverage A - Rate per \$1,000**

Policy Deductible

\$500

\$4.81

- 8. Outdoor Antennas, Reception Dishes and Equipment Coverage (B-463-B)**

Policy Deductible	<u>\$500</u>
Rate per \$1,000	\$3.56

- 9. Personal Property (Form 3) - Rates per \$1,000**

Policy Deductible	<u>\$500</u>
Rate per \$1,000	\$1.42

12. GUNS AND RELATED EQUIPMENT (B-390-B)

ARCHERY EQUIPMENT (B-390-B)

The policy may be endorsed to increase the theft limit and provide coverage for accidental direct physical loss, subject to certain limitations and exclusions. The following table displays the limits applicable under available options.

Theft Limit		Coverage C Perils Excluding Theft	
per Article	per Aggregate	per Article	per Aggregate
\$2,000	\$2,000	Cov C Limit	Cov C Limit
\$2,000	\$2,500	Cov C Limit + \$2,000	Cov C Limit + \$2,500
\$2,000	\$5,000	Cov C Limit + \$2,000	Cov C Limit + \$5,000

Theft Limit		Premium
per Article	per Aggregate	Policy Deductible
\$2,000	\$2,000	\$500
\$2,000	\$2,500	\$0 (Basic Policy)
\$2,000	\$5,000	\$3
		\$7

13. JEWELRY AND FURS (B-368-B)

The policy may be endorsed to increase the theft limit and provide coverage for accidental direct physical loss, subject to certain limitations and exclusions. The following table displays the limits applicable under available options.

Theft Limit		Coverage C Perils Excluding Theft	
per Article	Aggregate	per Article	Aggregate
\$1,000	\$1,000	Cov C Limit	Cov C Limit
\$1,000	\$5,000	Cov C Limit + \$1,000	Cov C Limit + \$5,000
\$1,000	\$7,500	Cov C Limit + \$1,000	Cov C Limit + \$7,500
\$1,000	\$10,000	Cov C Limit + \$1,000	Cov C Limit + \$10,000
\$2,500	\$5,000	Cov C Limit + \$2,500	Cov C Limit + \$5,000
\$2,500	\$7,500	Cov C Limit + \$2,500	Cov C Limit + \$7,500
\$2,500	\$10,000	Cov C Limit + \$2,500	Cov C Limit + \$10,000

Theft Limit		Charge
per Article	per Aggregate	Policy Deductible
\$1,000	\$1,000	\$500
\$1,000	\$5,000	\$0 (Basic Policy)
\$1,000	\$7,500	\$13
\$1,000	\$10,000	\$21
\$2,500	\$5,000	\$29
\$2,500	\$7,500	\$19
\$2,500	\$10,000	\$27
\$2,500	\$10,000	\$35

17. SILVERWARE AND GOLDWARE (B-392-B)

The policy may be endorsed to increase the theft limit and provide coverage for accidental direct physical loss, subject to certain limitations and exclusions. The following table displays the limits applicable under available options.

Theft Limit		Coverage C Perils Excluding Theft	
per Article	per Aggregate	per Article	per Aggregate
\$5,000	\$5,000	Covg C Limit	Covg C Limit
\$5,000	\$7,500	Covg C Limit + \$5,000	Covg C Limit + \$7,500
\$5,000	\$10,000	Covg C Limit + \$5,000	Covg C Limit + \$10,000

Theft Limit		Charge
per Article	per Aggregate	Policy Deductible
\$5,000	\$5,000	\$500
\$5,000	\$7,500	\$0 (Basic Policy)
\$5,000	\$10,000	\$16
		\$24

ZONES AND COUNTY CODES

As Zip code boundaries are changed by the United States Postal Service (USPS), a new Zip code may be created. This new Zip code may not yet be listed in our zone definitions. If this is the case, use the rating zone that corresponds to the Zip code that formerly applied to the risk.

<u>ZONE</u>	<u>COUNTY</u>	<u>CODE</u>	<u>ZONE</u>	<u>COUNTY</u>	<u>CODE</u>
24	ARKANSAS	001	20	HEMPSTEAD	057
29	ASHLEY	003	55	HOT SPRING	059
58	BAXTER	005	31	HOWARD	061
23	BENTON	007	75	INDEPENDENCE	063
36	BOONE	009	50	IZARD	065
29	BRADLEY	011	4	JACKSON	067
38	CALHOUN	013	38	JEFFERSON	069
87	CARROLL	015	53	JOHNSON	071
38	CHICOT	017	79	LAFAYETTE	073
24	CLARK	019	26	LAWRENCE	075
26	CLAY	021	26	LEE	077
49	CLEBURNE	023	21	LINCOLN	079
44	CLEVELAND	025	13	LITTLE RIVER	081
16	COLUMBIA	027	36	LOGAN	083
34	CONWAY	029	24	LONOKE	085
62	CRAIGHEAD	031	15	MADISON	087
35	CRAWFORD	033	15	MARION	089
24	CRITTENDEN	035	29	MILLER	091
4	CROSS	037	26	MISSISSIPPI	093
44	DALLAS	039	38	MONROE	095
44	DESHA	041	24	MONTGOMERY	097
12	DREW	043	95	NEVADA	099
51	FAULKNER	045	53	NEWTON	101
53	FRANKLIN	047	44	OUACHITA	103
	FULTON	049	77	PERRY	105
40	72513, 72515, 72520, 72531, 72538, 72539, 72542, 72554, 72576, 72578, 72583, 72587		41	PHILLIPS	107
28	72529		24	PIKE	109
	GARLAND	051	32	POINSETT	111
57	71901, 71913, 71933, 71949, 71956, 71964, 71968, 72087, 72104		29	POLK	113
48	71909		36	POPE	115
24	GRANT	053	44	PRAIRIE	117
45	GREENE	055			

ZONES AND COUNTY CODES

<u>ZONE</u>	<u>COUNTY</u>	<u>CODE</u>	<u>ZONE</u>	<u>COUNTY</u>	<u>CODE</u>
	PULASKI	119			
91	72002, 72016, 72023, 72046, 72065, 72076, 72099, 72103, 72114, 72117, 72118, 72122, 72126, 72135, 72142, 72199, 72201, 72202, 72204, 72206, 72209, 72210,				
78	72113, 72116, 72120, 72205, 72207, 72211, 72212, 72223, 72227				
68	RANDOLPH	121			
4	ST. FRANCIS	123			
	SALINE	125			
24	72002, 72011, 72015, 72019, 72022, 72065, 72087, 72103, 72104, 72122, 72167, 72206, 72210				
48	71909				
51	SCOTT	127			
50	SEARCY	129			
53	SEBASTIAN	131			
16	SEVIER	133			
28	SHARP	135			
50	STONE	137			
29	UNION	139			
36	VAN BUREN	141			
88	WASHINGTON	143			
18	WHITE	145			
44	WOODRUFF	147			
28	YELL	149			

Arkansas Homeowners Form 3 Masonry Base Rates

**\$60,000 Base, \$500 Deductible,
\$100,000 Liability, \$1,000 Medical Payments**

Zones	1-3, 1Y-3Y		4-5, 4Y-5Y		6, 6Y		7,7Y,1N-5N		8, 8Y		6N, 7N		9, 8N		10		11	
	Masonry curve		Masonry curve		Masonry curve		Masonry curve		Masonry curve		Masonry curve		Masonry curve		Masonry curve		Masonry curve	
4	783	1	813	1	915	1	1029	1	1416	1	1550	1	1550	1	2012	1	2012	1
12	670	1	704	1	792	1	888	1	1236	1	1340	1	1340	1	1761	1	1761	1
13	677	1	707	1	800	1	901	1	1250	1	1354	1	1354	1	1814	1	1814	1
15	588	1	611	1	689	1	769	1	1069	1	1165	1	1165	1	1561	1	1561	1
16	677	1	707	1	800	1	901	1	1250	1	1354	1	1354	1	1814	1	1814	1
18	737	1	767	1	865	1	975	1	1372	1	1496	1	1496	1	1965	1	1965	1
20	740	1	768	1	866	1	974	1	1339	1	1467	1	1467	1	1903	1	1903	1
21	756	1	787	1	888	1	1000	1	1407	1	1535	1	1535	1	2015	1	2015	1
23	561	1	584	1	655	1	738	1	1014	1	1106	1	1106	1	1504	1	1504	1
24	629	1	654	1	742	1	828	1	1171	1	1259	1	1259	1	1691	1	1691	1
26	721	1	749	1	845	1	950	1	1305	1	1431	1	1431	1	1855	1	1855	1
28	626	1	649	1	738	1	820	1	1135	1	1236	1	1236	1	1637	1	1637	1
29	740	1	768	1	866	1	974	1	1339	1	1467	1	1467	1	1903	1	1903	1
31	706	1	740	1	835	1	938	1	1304	1	1409	1	1409	1	1809	1	1809	1
32	849	1	905	1	1023	1	1152	1	1579	1	1722	1	1722	1	2190	1	2190	1
34	706	1	740	1	835	1	938	1	1304	1	1409	1	1409	1	1809	1	1809	1
35	763	1	794	1	901	1	1007	1	1400	1	1504	1	1504	1	1973	1	1973	1
36	656	1	680	1	771	1	867	1	1187	1	1292	1	1292	1	1732	1	1732	1
38	775	1	811	1	912	1	1027	1	1420	1	1543	1	1543	1	1982	1	1982	1
40	604	1	632	1	713	1	802	1	1115	1	1205	1	1205	1	1546	1	1546	1
41	695	1	727	1	819	1	922	1	1282	1	1386	1	1386	1	1778	1	1778	1
44	688	1	716	1	808	1	911	1	1281	1	1397	1	1397	1	1833	1	1833	1
45	775	1	811	1	912	1	1027	1	1420	1	1543	1	1543	1	1982	1	1982	1
48	601	1	623	1	707	1	787	1	1088	1	1185	1	1185	1	1569	1	1569	1
49	640	1	664	1	752	1	845	1	1158	1	1260	1	1260	1	1690	1	1690	1
50	697	1	734	1	826	1	925	1	1290	1	1397	1	1397	1	1836	1	1836	1
51	640	1	667	1	754	1	842	1	1192	1	1281	1	1281	1	1719	1	1719	1
53	686	1	713	1	808	1	904	1	1257	1	1349	1	1349	1	1770	1	1770	1
55	636	1	669	1	754	1	844	1	1175	1	1274	1	1274	1	1673	1	1673	1
57	601	1	623	1	707	1	787	1	1088	1	1185	1	1185	1	1569	1	1569	1
58	599	1	623	1	701	1	784	1	1087	1	1185	1	1185	1	1589	1	1589	1
62	652	1	687	1	773	1	865	1	1205	1	1306	1	1306	1	1716	1	1716	1
68	695	1	727	1	819	1	922	1	1282	1	1386	1	1386	1	1778	1	1778	1
75	640	1	667	1	754	1	842	1	1192	1	1281	1	1281	1	1719	1	1719	1
77	586	1	609	1	684	1	770	1	1059	1	1155	1	1155	1	1571	1	1571	1
78	636	1	665	1	751	1	844	1	1175	1	1267	1	1267	1	1627	1	1627	1
79	604	1	632	1	713	1	802	1	1115	1	1205	1	1205	1	1546	1	1546	1
87	614	1	638	1	718	1	804	1	1115	1	1215	1	1215	1	1630	1	1630	1
88	624	1	647	1	734	1	823	1	1129	1	1228	1	1228	1	1648	1	1648	1
91	704	1	734	1	832	1	930	1	1293	1	1388	1	1388	1	1821	1	1821	1
95	604	1	632	1	713	1	802	1	1115	1	1205	1	1205	1	1546	1	1546	1

FOR FORM 3 WITH RENOVATION COST B-639-B (REPAIR COST ON ROOF), MULTIPLY THE PREMIUM BY 1.20.

Arkansas Homeowners Form 3 Frame Base Rates

**\$60,000 Base, \$500 Deductible,
\$100,000 Liability, \$1,000 Medical Payments**

Zones	1-3, 1Y-3Y		4-5, 4Y-5Y		6, 6Y		7,7Y,1N-5N		8, 8Y		6N, 7N		9, 8N		10		11	
	Frame	curve	Frame	curve	Frame	curve	Frame	curve	Frame	curve	Frame	curve	Frame	curve	Frame	curve	Frame	curve
4	857	1	915	1	1024	1	1140	1	1665	1	1821	1	1821	1	2325	1	2325	1
12	737	1	792	1	887	1	979	1	1454	1	1575	1	1575	1	2049	1	2049	1
13	741	1	800	1	888	1	992	1	1471	1	1594	1	1594	1	2096	1	2096	1
15	643	1	689	1	766	1	857	1	1258	1	1370	1	1370	1	1814	1	1814	1
16	741	1	800	1	888	1	992	1	1471	1	1594	1	1594	1	2096	1	2096	1
18	813	1	865	1	967	1	1077	1	1621	1	1746	1	1746	1	2245	1	2245	1
20	810	1	866	1	969	1	1078	1	1575	1	1723	1	1723	1	2199	1	2199	1
21	834	1	888	1	992	1	1106	1	1663	1	1791	1	1791	1	2302	1	2302	1
23	613	1	655	1	729	1	812	1	1197	1	1297	1	1297	1	1747	1	1747	1
24	690	1	742	1	823	1	923	1	1387	1	1473	1	1473	1	1968	1	1968	1
26	790	1	845	1	944	1	1051	1	1535	1	1680	1	1680	1	2144	1	2144	1
28	688	1	738	1	817	1	916	1	1336	1	1451	1	1451	1	1893	1	1893	1
29	810	1	866	1	969	1	1078	1	1575	1	1723	1	1723	1	2199	1	2199	1
31	777	1	835	1	929	1	1044	1	1528	1	1658	1	1658	1	2120	1	2120	1
32	952	1	1023	1	1136	1	1267	1	1855	1	2023	1	2023	1	2538	1	2538	1
34	777	1	835	1	929	1	1044	1	1528	1	1658	1	1658	1	2120	1	2120	1
35	841	1	901	1	1002	1	1122	1	1641	1	1777	1	1777	1	2292	1	2292	1
36	721	1	771	1	857	1	958	1	1397	1	1515	1	1515	1	2014	1	2014	1
38	853	1	912	1	1019	1	1138	1	1658	1	1805	1	1805	1	2298	1	2298	1
40	664	1	713	1	794	1	892	1	1306	1	1418	1	1418	1	1812	1	1812	1
41	763	1	819	1	913	1	1026	1	1502	1	1631	1	1631	1	2084	1	2084	1
44	759	1	808	1	902	1	1006	1	1513	1	1629	1	1629	1	2095	1	2095	1
45	853	1	912	1	1019	1	1138	1	1658	1	1805	1	1805	1	2298	1	2298	1
48	659	1	707	1	784	1	877	1	1281	1	1391	1	1391	1	1814	1	1814	1
49	703	1	752	1	836	1	934	1	1363	1	1478	1	1478	1	1965	1	1965	1
50	768	1	826	1	924	1	1022	1	1516	1	1641	1	1641	1	2137	1	2137	1
51	702	1	754	1	838	1	939	1	1410	1	1499	1	1499	1	2002	1	2002	1
53	754	1	808	1	899	1	1007	1	1472	1	1595	1	1595	1	2058	1	2058	1
55	700	1	754	1	843	1	931	1	1382	1	1497	1	1497	1	1949	1	1949	1
57	659	1	707	1	784	1	877	1	1281	1	1391	1	1391	1	1814	1	1814	1
58	653	1	701	1	780	1	872	1	1279	1	1393	1	1393	1	1847	1	1847	1
62	718	1	773	1	864	1	955	1	1417	1	1535	1	1535	1	1999	1	1999	1
68	763	1	819	1	913	1	1026	1	1502	1	1631	1	1631	1	2084	1	2084	1
75	702	1	754	1	838	1	939	1	1410	1	1499	1	1499	1	2002	1	2002	1
77	640	1	684	1	762	1	849	1	1251	1	1355	1	1355	1	1825	1	1825	1
78	699	1	751	1	836	1	939	1	1374	1	1493	1	1493	1	1908	1	1908	1
79	664	1	713	1	794	1	892	1	1306	1	1418	1	1418	1	1812	1	1812	1
87	671	1	718	1	799	1	895	1	1313	1	1429	1	1429	1	1894	1	1894	1
88	687	1	734	1	814	1	910	1	1328	1	1440	1	1440	1	1915	1	1915	1
91	776	1	832	1	924	1	1036	1	1513	1	1641	1	1641	1	2116	1	2116	1
95	664	1	713	1	794	1	892	1	1306	1	1418	1	1418	1	1812	1	1812	1

FOR FORM 3 WITH RENOVATION COST B-639-B (REPAIR COST ON ROOF), MULTIPLY THE PREMIUM BY 1.20.

Arkansas Homeowners Form 4 Base Rates

**\$10,000 Base, \$250 Deductible, \$100,000 Liability, \$1,000 Medical Payments
Apartment Units in 1-4 Family Residences of Any Construction**

Zones	curve	
4	92	1
12	92	1
13	92	1
15	92	1
16	92	1
18	92	1
20	92	1
21	92	1
23	92	1
24	92	1
26	92	1
28	92	1
29	92	1
31	92	1
32	92	1
34	92	1
35	92	1
36	92	1
38	92	1
40	92	1
41	92	1
44	92	1
45	92	1
48	104	2
49	92	1
50	92	1
51	92	1
53	92	1
55	92	1
57	104	2
58	92	1
62	92	1
68	92	1
75	92	1
77	92	1
78	92	1
79	92	1
87	92	1
88	92	1
91	92	1
95	92	1

FOR FORM 6 PREMIUM, MULTIPLY FORM 4 PREMIUM BY.90.

FOR APARTMENTS IN ALL OTHER BUILDINGS MUTIPLY THE 1-4 FAMILY DWELLING PREMIUMS BY 1.30.

SERFF Tracking Number: SHEL-126981107 State: Arkansas
 Filing Company: Shelter Mutual Insurance Company State Tracking Number: EFT \$100
 Company Tracking Number: 03M20111
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
 Product Name: HO
 Project Name/Number: Johnson/

Supporting Document Schedules

	Item Status:	Status Date:
<p>Bypassed - Item: Form RF-2 Loss Costs Only (not for workers' compensation)</p> <p>Bypass Reason: This is an independent rate, rule filing.</p> <p>Comments:</p>		
<p>Satisfied - Item: H-1 Homeowners Abstract</p> <p>Comments: Please see attachment.</p> <p>Attachments: AR Form H1.pdf Supplement to H-1.pdf</p>	Filed	03/30/2011
<p>Satisfied - Item: HPCS-Homeowners Premium Comparison Survey</p> <p>Comments: Please see attachment.</p> <p>Attachment: HPCS w changes.xls</p>	Filed	03/30/2011
<p>Satisfied - Item: NAIC loss cost data entry document</p> <p>Comments: Please see attachment.</p> <p>Attachment: AR HO RF1 w changes.pdf</p>	Filed	03/30/2011

SERFF Tracking Number: SHEL-126981107 State: Arkansas
 Filing Company: Shelter Mutual Insurance Company State Tracking Number: EFT \$100
 Company Tracking Number: 03M20111
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
 Product Name: HO
 Project Name/Number: Johnson/

Item Status: Filed **Status Date:** 03/30/2011
Satisfied - Item: Explanatory Memorandum
Comments: Please see attachment.
Attachment: AR HO Explanatory Memo with changes.pdf

Item Status: Filed **Status Date:** 03/30/2011
Satisfied - Item: Rate Indications/Supporting Exhibits
Comments:
Attachments: AR HO Explanation of Exhibits.pdf
 HO Exhibits 1-12.pdf

Item Status: Filed **Status Date:** 03/30/2011
Satisfied - Item: Histogram
Comments: Please see attachment.
Attachment: Graph w changes.pdf

Item Status: Filed **Status Date:** 03/30/2011
Satisfied - Item: Response of March 30
Comments: Please see attachments.
Attachments: Exhibit 3 w changes.pdf
 Exhibit 12 w changes.pdf

ARKANSAS INSURANCE DEPARTMENT

FORM H-1 HOMEOWNERS ABSTRACT

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

Company Name Shelter Mutual Insurance Company
 NAIC # (including group #) NAIC #23388, Group #123

1. If you have had an insurance to value campaign during the experience filing period, describe the campaign and estimate its impact.
 Not Applicable
2. If you use a cost estimator (or some similar method) in order to make sure that dwellings (or contents) are insured at their value, state when this program was started in Arkansas and estimate its impact.
 Please see additional information attached.
3. If you require a minimum relationship between the amount of insurance to be written and the replacement value of the dwelling (contents) in order to purchase insurance, describe the procedures that are used.
 Please see additional information attached.
4. If you use an Inflation Guard form or similar type of coverage, describe the coverage(s) and estimate the impact.
 Please see additional information attached.

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

a. Fire Extinguisher	0	%
b. Burglar Alarm	2	%
c. Smoke Alarm	2	%
d. Insured who has both homeowners and auto with your company	20	%
e. Deadbolt Locks	0	%
f. Window or Door Locks	0	%
g. Other (specify)		%
Complete Home Burglar alarm	5	%
<u>Fire or Burglar alarm reporting to station.</u>	5	%

6. Are there any areas in the State of Arkansas in which your company will not write homeowners insurance? If so, state the areas and explain reason for not writing.
 No

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

Form	Premium Volume
HO-3	\$ 46,168,380
<u>HO-4 & HO-6</u>	<u>637,022</u>

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

9. Is there a surcharge on risks with wood heat? Rather than a surcharge, premiums in protection Classes 8Y, 6N-8N, 8, 9, 10 & 11 reflect the added exposure due to the use of solid fuel heating. Policyholders in these protection classes who have no type of solid fuel heating devices are given a credit of 15% (Form 3 Only).

If yes, state the surcharge See above.

Does the surcharge apply to conventional fire places? No

If yes, state the surcharge Not Applicable

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

Signature

Brian Marcks

Printed Name

Coordinator of Insurance Dept. Affairs

Title

573-214-4165

Telephone Number

bcmarcks@shelterinsurance.com

Email Address

The following are answers to questions two through four of Form H-1, Homeowners Abstract:

2. We have used cost estimators in Arkansas since 6/1/1979. We converted from the Boeckh cost estimator system to the Marshall & Swift cost estimator system on 3/1/2001. We now use the Boeckh/Marshall & Swift cost estimator system as Boeckh merged with Marshall & Swift.
3. For an HO-3 with the Expanded Restoration Cost endorsement, we require the amount of insurance to be at least 100% of restoration cost. For an HO-3 with Modified Renovation Cost endorsement attached, we require the amount of insurance to be at least 100% of market value. For an HO-3 without the Expanded Restoration Cost endorsement or the Modified Renovation Cost endorsement, we require the amount of insurance to be at least 100% of restoration cost.
4. We have a mandatory annual amount of insurance rollup for HO-3s, based on construction cost indices. Our policy size trending procedure accounts for the additional premium expected to be generated by our rollup programs.

NAIC Number:	23388
Company Name:	Shelter Mutual Insurance Company
Contact Person:	Brian Marcks
Telephone No.:	573-214-4165
Email Address:	BCMarcks@Shelterinsurance.com
Effective Date:	May 19, 2011

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

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

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

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

Public Protection Class	Dwelling Value	Washington		Baxter		Craighead		St. Francis		Desha		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$80,000	\$766	\$843	\$735	\$801	\$800	\$881	\$961	\$1,052	\$844	\$931	\$908	\$994	\$908	\$994	\$842	\$925	\$780	\$858
	\$120,000	\$1,088	\$1,197	\$1,044	\$1,138	\$1,136	\$1,251	\$1,365	\$1,494	\$1,199	\$1,323	\$1,290	\$1,412	\$1,290	\$1,412	\$1,196	\$1,314	\$1,109	\$1,218
	\$160,000	\$1,404	\$1,546	\$1,348	\$1,469	\$1,467	\$1,616	\$1,762	\$1,928	\$1,548	\$1,708	\$1,665	\$1,823	\$1,665	\$1,823	\$1,544	\$1,697	\$1,431	\$1,573
6	\$80,000	\$901	\$999	\$860	\$957	\$948	\$1,060	\$1,123	\$1,256	\$991	\$1,107	\$1,063	\$1,189	\$1,063	\$1,065	\$991	\$1,103	\$921	\$1,026
	\$120,000	\$1,279	\$1,419	\$1,222	\$1,360	\$1,347	\$1,506	\$1,595	\$1,785	\$1,408	\$1,572	\$1,509	\$1,689	\$1,509	\$1,513	\$1,408	\$1,567	\$1,309	\$1,457
	\$160,000	\$1,652	\$1,832	\$1,577	\$1,755	\$1,739	\$1,944	\$2,059	\$2,304	\$1,818	\$2,030	\$1,949	\$2,180	\$1,949	\$1,953	\$1,818	\$2,023	\$1,690	\$1,881
9	\$80,000	\$1,281	\$1,502	\$1,236	\$1,453	\$1,362	\$1,601	\$1,617	\$1,899	\$1,457	\$1,699	\$1,530	\$1,797	\$1,530	\$1,797	\$1,407	\$1,664	\$1,321	\$1,557
	\$120,000	\$1,819	\$2,133	\$1,756	\$2,064	\$1,935	\$2,274	\$2,296	\$2,698	\$2,070	\$2,413	\$2,173	\$2,553	\$2,173	\$2,553	\$1,999	\$2,363	\$1,877	\$2,212
	\$160,000	\$2,349	\$2,754	\$2,266	\$2,664	\$2,498	\$2,936	\$2,964	\$3,483	\$2,672	\$3,115	\$2,806	\$3,295	\$2,806	\$3,295	\$2,580	\$3,050	\$2,423	\$2,855

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	\$57.00	\$57.00	\$57.00	\$57.00	\$57.00	\$57.00	\$57.00	\$57.00	\$57.00	\$57.00	\$57.00	\$57.00	\$57.00	\$57.00	\$57.00	\$57.00	\$57.00	\$57.00
	\$15,000	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00
	\$25,000	\$138.00	\$138.00	\$138.00	\$138.00	\$138.00	\$138.00	\$138.00	\$138.00	\$138.00	\$138.00	\$138.00	\$138.00	\$138.00	\$138.00	\$138.00	\$138.00	\$138.00	\$138.00
6	\$5,000	\$57.00	\$57.00	\$57.00	\$57.00	\$57.00	\$57.00	\$57.00	\$57.00	\$57.00	\$57.00	\$57.00	\$57.00	\$57.00	\$57.00	\$57.00	\$57.00	\$57.00	\$57.00
	\$15,000	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00
	\$25,000	\$138.00	\$138.00	\$138.00	\$138.00	\$138.00	\$138.00	\$138.00	\$138.00	\$138.00	\$138.00	\$138.00	\$138.00	\$138.00	\$138.00	\$138.00	\$138.00	\$138.00	\$138.00
9	\$5,000	\$57.00	\$57.00	\$57.00	\$57.00	\$57.00	\$57.00	\$57.00	\$57.00	\$57.00	\$57.00	\$57.00	\$57.00	\$57.00	\$57.00	\$57.00	\$57.00	\$57.00	\$57.00
	\$15,000	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00
	\$25,000	\$138.00	\$138.00	\$138.00	\$138.00	\$138.00	\$138.00	\$138.00	\$138.00	\$138.00	\$138.00	\$138.00	\$138.00	\$138.00	\$138.00	\$138.00	\$138.00	\$138.00	\$138.00

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

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

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

HO3 and HO4 only

Fire Extinguisher	NA	%	Deadbolt Lock	NA	%
Burglar Alarm	5	%	Window Locks	NA	%
Smoke Alarm	2	%	\$1,000 Deductible	36	%
			Other (specify)		
			See Manual Pgs GR-8, 9 & 29		%

EARTHQUAKE INSURANCE

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

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

WHAT IS YOUR PERCENTAGE DEDUCTIBLE? %

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

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

1.	This filing transmittal is part of Company Tracking #	03M20111
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2.	If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/Item Filing Number	N/A
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3.		A.	Company Name	B.	Company NAIC Number
			Shelter Mutual Insurance Company		23388

4.		A.	Product Coding Matrix Line of Business (i.e., Type of Insurance)	B.	Product Coding Matrix Line of Business (i.e., Sub-type of Insurance)
			Shelter Mutual Homeowners		Homeowners

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	(D) Expected Loss Ratio	FOR LOSS COSTS ONLY			
				(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
Homeowners	14.4	5.0	63.4	N/A	N/A	N/A	N/A
TOTAL OVERALL EFFECT							

Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
2005	44,495	-0.4	04/20/2007	30,991	12,743	41.1	76.5
2006	46,281	+8.9	12/20/2008/	33,058	19,021	57.5	58.8
2007	47,422	-0.1	07/12/2009/	34,989	10,841	31.0	44.5
2008	48,484	+14.9	02/02/2010	36,804	53,689	145.9	101.3
2009	50,307			39,914	39,331	98.5	81.6

Expense Constants	Selected Provisions
A. Total Production Expense	17.9
B. General Expense	7.5
C. Taxes, Licenses & Fees	2.9
D. Underwriting Profit & Contingencies	8.3
E. Other (explain)	
F. TOTAL	36.6

- 8.** N/A Apply Loss Cost Factors to Future filings? (Y or N)
- 9.** +9.2 Estimated Maximum Rate Increase for any Insured (%) Territory (if applicable): 28, 36, 50
- 10.** N/A Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): _____

**SHELTER MUTUAL INSURANCE COMPANY
ARKANSAS HOMEOWNERS
EXPLANATORY MEMORANDUM**

SUMMARY

Base rates have been revised for forms HO-3, HO-4 and HO-6. The \$1,000 deductible factor was adjusted for all forms. Building Property, Form 6, Coverage A rate was adjusted. ZIP code 72104 was added to the zone definitions. Editorial changes were made. **The overall change in revenue is +5.0% for \$2,321,436.**

GENERAL RULE (GR) PAGES

- GR-8** **4. Deductibles-** The \$1,000 deductible factor was revised for forms HO-3, HO-4 and HO-6.
- GR-18** **7. Building Property, Form 6, Coverage A-** The rate was adjusted.
- GR-31** **12. Guns and Related Equipment and Archery Equipment** – An editorial change was made for clarification. The last column titled “Other Covered Perils” was removed.
- GR-32** **13. Jewelry and Furs -** An editorial change was made for clarification. The last column titled “Other Covered Perils” was removed.
- GR-35** **17. Silverware and Goldware -** An editorial change was made for clarification. The last column titled “Other Covered Perils” was removed.

ZONES AND COUNTY CODES

Z-1, Z-2 ZIP code 72104 was added to Garland and Saline Counties.

BASE RATES

R-1, R-2, R-4 Forms HO-3, HO-4 and HO-6 Base Rates were revised.

**SHELTER MUTUAL INSURANCE COMPANY
ARKANSAS HOMEOWNERS
EXPLANATION OF STATISTICAL EXHIBITS**

In accordance with Arkansas Regulation 23, Section 6.B., the following exhibits supplement this filing:

RF-1	Rate Filing Abstract
H-1	Homeowners Abstract
HPCS	Comparison of Homeowners Insurance Cost
Exhibit 1	Investment Income Calculation - Homeowners Multiple Peril
Exhibit 2	Underwriting Expenses and Expected Loss Ratio
Exhibit 3	Revenue Summation
Exhibit 4	Credibility
Exhibit 5	Loss Trending
Exhibit 6	Current Rate Levels
Exhibit 7	Policy Size Trending
Exhibit 8	Excess Wind and Hail Losses
Exhibit 9	Accident Year Losses and Claims Count
Exhibit 10	Unallocated Loss Adjustment Expense Factor
Exhibit 11	Arkansas Indicated Statewide Change
Exhibit 12	Revenue Change by Zone

Exhibit RF-1 displays the Arkansas Rate Filing Abstract (Form RF-1).

Exhibit H-1 displays the Arkansas Homeowners Abstract (Form H-1).

Exhibit HPCS gives a comparison of Homeowners Insurance Cost (Form HPCS).

Exhibit 1 displays the calculation of the estimate of investment income on net unearned premiums and loss reserves.

Exhibit 2 displays underwriting expenses for Homeowners Multiple Peril and contains the development of Expected Loss Ratio.

Exhibit 3 summarizes the expected revenue effect of Homeowners coverages.

Exhibit 4 displays a credibility table based on a total number of exposure units.

Exhibit 5 displays the calculation of loss trend factors separately for frequency and severity.

For the purpose of this calculation, a revision effective date of April 1, 2011 was used.

Exhibit 6 shows the factors necessary to adjust earned premium for rate changes to current.

Exhibit 7 displays the calculation of policy size trend factors.

For the purpose of this calculation, a revision effective date of April 1, 2011 was used. From our estimate of annual growth in amount of insurance, we project an average size curve factor to one year past the assumed effective date. The premium trend factor is then the change in average size curve factor from the midpoint of each experience year to the projected date. Forms 3 and forms 4 and 6 are then averaged using earned exposures as weights.

Exhibit 8 displays the calculation of excess wind and hail loss loading and smoothing.

Exhibit 9 displays the development of ultimate accident year incurred loss and allocated loss adjustment expense and ultimate accident year claim count.

Exhibit 10 displays the development of the unallocated loss adjustment expense factor.

Exhibit 11 contains the calculation of the Arkansas Statewide Indicated Change based on the following information:

Line 1 contains the recorded earned premiums without adjustment.

Line 2 contains factors necessary to adjust premiums for all rate changes during the experience period as noted in Exhibit 6.

Line 3 contains factors necessary to adjust premiums to reflect anticipated increases in the amounts of insurance purchased as developed in Exhibit 7.

Line 4 is the adjusted earned premium.

Line 5 displays fiscal accident year incurred losses and allocated loss adjustment expenses as developed in Exhibit 9.

Line 6 displays excess wind and hail loss adjustment amount as developed in Exhibit 8.

Line 7 shows incurred losses adjusted for excess Wind/Hail losses.

Line 8 displays the factors necessary to adjust losses to reflect anticipated changes in loss costs as developed in Exhibit 5.

Line 9 displays the Unallocated Loss Adjustment Expense Factor as developed in Exhibit 10.

Line 10 represents the adjusted incurred losses and loss adjustment expenses.

Line 11 shows the formula loss ratios for each year.

Line 12 displays the weights assigned to each year of the experience period.

Line 13 is the five-year weighted loss ratio.

Line 14 is the credibility for the experience period based on the table in Exhibit 4.

Line 15 shows the expected loss ratio, labeled "Available for Losses and Loss Adjustment Expense" in Exhibit 2, page 2.

Line 16 shows the trended expected loss ratio.

Line 17 shows the credibility weighted loss ratio with the complement of credibility given to trended expected loss ratio.

Line 18 displays the provision for variable expenses. It is the sum of commission and brokerage expenses, taxes, licenses, and fees, and profit and contingencies from Exhibit 2, page 2.

Line 19 displays the provision for fixed expenses. It is the sum of other acquisition expense and general expense from Exhibit 2, page 2.

Line 20 displays the factor selected to trend fixed expenses. It is based on the trend in the All Items component of the Consumer Price Index.

Line 21 displays the trended provision for fixed expenses. It is line 19 times line 20 raised to the Y power, where Y is the number of years from one year past the last significant rate change to one year past the expected effective date.

Line 22 shows the statewide indicated change with provisions for both variable and fixed expenses.

Exhibit 12 displays revenue change by zone.

Shelter Mutual Insurance Company

Arkansas

Homeowners Multiple Peril

Calculation of Investment Income Credit on Policyholder Funds

A. Unearned Premium Reserve		
(1) Direct Earned Premium for Calendar Year 2009		\$ 45,680,681
(2) Mean Unearned Premium Reserve: (1.) x 0.47		\$ 21,469,920
(3) Deductions for Prepaid Expenses:		
a. Brokerage and Commission	13.2%	
b. 50% of Other Acquisition Expense	2.4%	
c. 50% of General Expense	3.8%	
d. Taxes, Licenses and Fees	2.9%	
e. Total		22.3%
(4) Net Unearned Premium Subject to Investment: (2.) x (1 - (3.))		\$ 16,682,128
B. Loss Reserves		
1. Direct Earned Premium for Calendar Year 2009		\$ 45,680,681
2. Expected Incurred Loss and Loss Adjustment: (1.) x 0.717		\$ 32,753,049
3. Expected Mean Loss Reserve: (2.) x 0.221		\$ 7,238,424
C. Net Subject to Investment: A.4 + B.3		\$ 23,920,552
D. Average Rate of Return		0.0507
E. Investment Earnings on Net Subject to Investment: C x D		\$ 1,212,772
F. Average Rate of Return as a Percent of Direct Premium Earned: E / A.1		2.7%
G. Average Rate of Return as a Percent of Direct Premium Earned After Federal Income Tax: F x 0.753		2.0%

Please refer to the attached explanatory memorandum for details by line

Explanatory Memorandum re Investment Income - Oklahoma - Private Passenger Physical Damage

Line A.1 - Direct earned premium as shown on page 14 for the State of Oklahoma, Private Passenger Physical Damage, for Calendar Year 2009.

Line A.2 - The mean unearned premium reserve is determined by multiplying the direct earned premium in Line A.1 by the mean unearned premium ratio developed below.

1. Direct Earned Premium for Calendar Year 2009	\$	1,883,808
2. Unearned Premium Reserve as of 12/31/2008	\$	465,184
3. Unearned Premium Reserve as of 12/31/2009	\$	409,700
4. Mean Unearned Premium Reserve: ((2.) + (3.)) / 2	\$	437,442
5. Mean Unearned Premium Ratio: (4.) / (1.)		0.232

Line A.3 - Production and half of other company expenses are incurred with the initial writing and processing of insurance policies, exclusive of claim adjustment expenses. As these expenses are in effect prepaid, the funds will not be available to invest on behalf of the policyholder. The deduction for these expenses is determined by use of the provisions for expenses used in our ratemaking procedures as shown.

Line B.2 - The expected loss and loss adjustment ratio reflects expense provisions used in this filing with no provision for profit.

Line B.3 - The expected mean loss reserve is determined by multiplying the expected incurred loss in Line B.2 by the mean loss and loss adjustment reserve ratio as shown below.

1. Incurred Losses for Calendar Year 2008	\$	1,655,556
2. Incurred Losses for Calendar Year 2009	\$	1,378,786
3. Loss Reserves as of 12/31/2007	\$	57,927
4. Loss Reserves as of 12/31/2008	\$	76,706
5. Loss Reserves as of 12/31/2009	\$	52,469
6. Mean Loss Reserve 2008	\$	67,316
7. Mean Loss Reserve 2009	\$	64,588
8. 2008 Ratio: (6.) / (1.)		0.041
9. 2009 Ratio: (7.) / (2.)		0.047
10. Mean Ratio: ((8.) + (9.)) / 2		0.044

Explanatory Memorandum re Investment Income - Continued

Line D - The rate of return is the ratio of Net Income Earned and Net Realized Capital Gains/Losses to Mean Cash and Invested Assets. Due to the inherent variability of Capital Gains/Losses, we have used the most recent ten years of data. All data shown below is from the annual statement

1. Cash and Invested Assets 2007	\$	2,323,262,763
2. Cash and Invested Assets 2008	\$	2,173,279,805
3. Cash and Invested Assets 2009	\$	2,200,252,743
4. Net Investment Income Earned 2008	\$	71,699,115
5. Net Investment Income Earned 2009	\$	94,760,616
6. Mean Cash and Invested Assets 2008: (2. + 3.) / 2	\$	2,248,271,284
7. Mean Cash and Invested Assets 2009: (2. + 3.) / 2	\$	2,186,766,274
8. Mean Rate of Return: (4. + 5.) / (6. + 7.)		0.0375
9. Mean Cash and Invested Assets 2000 - 2009	\$	18,071,709,467
10. Net Realized Capital Gains/Losses 2000 - 2009	\$	238,772,756
11. Mean Rate of Return: 10. / 9.		0.0132
12. Total Rate of Return: 8. + 11.		0.0507

Line G - The average rate of Federal Income Tax was determined by applying the expected average tax rate for Net Investment Income and the expected tax rate applicable to Net Realized Capital Gains/Losses to the rates of return calculated in Line D.

	<u>Rate of Return</u>	<u>Federal Tax Rate</u>
Net Investment Income Earned	0.0375	0.211 (A)
Net Realized Capital Gains/Losses	0.0132	0.350
Total	0.0507	0.247

(A) The expected average rate of Federal Income Tax on Net Investment Income was determined by applying the expected 2010 tax rates to the distribution of investment income earned for the years 2008 and 2009. The calculations are shown below:

Type of Investment	Net Income Earned (1)			Tax Rate	Federal Tax
	2008	2009	Total		
Bonds (Taxable)	\$ 26,833,882	\$ 26,571,862	\$ 53,405,744	0.350	\$ 18,692,010
Bonds (Tax Exempt)	\$ 29,608,627	\$ 28,308,850	\$ 57,917,477	0.053	\$ 3,069,626
Stocks	\$ 7,636,174	\$ 35,342,294	\$ 42,978,468	0.210	\$ 9,025,478
Short Term	\$ 1,507,273	\$ 106,948	\$ 1,614,221	0.350	\$ 564,977
Real Estate	\$ 2,528,822	\$ 2,725,164	\$ 5,253,986	0.350	\$ 1,838,895
Other Investments	\$ 3,584,337	\$ 1,705,498	\$ 5,289,835	0.350	\$ 1,851,442
Total	\$ 71,699,115	\$ 94,760,616	\$ 166,459,731	0.211	\$ 35,042,428

- (1) Investment deductions have been allocated to the appropriate type in the following manner:
- Real Estate - Income Earned less depreciation (Page 6, Line 12), Real Estate Expenses and Taxes (Page 11, Lines 19 and 20, Column 3).
 - All Other - Investment Expenses less Real Estate Expenses and Taxes prorated by income earned to total income earned less Real Estate Income.

Shelter Mutual Insurance Company

Companywide

Homeowners Multiple Peril

Development of Expense Ratios

Note: 000 s omitted.	2007	2008	2009	Total
1.) Direct Commission and Brokerage	\$ 36,560	\$ 33,763	\$ 37,066	\$ 107,389
2.) Direct Written Premium	262,761	264,549	287,888	815,198
Ratio: 1 / 2	13.9%	12.8%	12.9%	13.2%
3.) Other Acquisition Expense	\$ 11,988	\$ 12,507	\$ 12,563	\$ 37,058
4.) Direct Earned Premium	255,155	264,194	275,812	795,161
Ratio: 3 / 4	4.7%	4.7%	4.6%	4.7%
5.) General Expense	\$ 20,163	\$ 18,626	\$ 20,986	\$ 59,775
6.) Direct Earned Premium	255,155	264,194	275,812	795,161
Ratio: 5 / 6	7.9%	7.1%	7.6%	7.5%
7.) Taxes, Licenses and Fees	\$ 5,878	\$ 5,555	\$ 5,706	\$ 17,139
8.) Direct Written Premium	262,761	264,549	287,888	815,198
Ratio: 7 / 8	2.2%	2.1%	2.0%	2.1%
9.) Direct Loss Adjustment Expense	\$ 18,918	\$ 20,895	\$ 24,747	\$ 64,560
10.) Direct Losses Incurred	124,006	272,569	214,721	611,296
Ratio: 9 / 10	15.3%	7.7%	11.5%	10.6%

Source: Insurance Expense Exhibit.

Shelter Mutual Insurance Company

Arkansas

Homeowners Multiple Peril

Calculation of Expected Loss Ratio

Commission and Brokerage (a)	13.2%
Other Acquisition Expense (a)	4.7%
General Expense (a)	7.5%
Arkansas Taxes, Licenses and Fees (b)	2.9%
Profit and Contingencies (c)	8.3%
	<hr/>
Sub-total	36.6%
Available for Losses and Loss Adjustment Expense	63.4%

(a) From attached Companywide Expense Ratios

(b) 2009 Premium Tax ratio in Arkansas

(c) From attached Determination of Underwriting Profit & Contingencies Provision

**Shelter Mutual Insurance Company
Arkansas
Homeowners Multiple Peril
Determination of Underwriting Profit & Contingencies Provision**

Target Total Return on Surplus (after federal income tax):	12.0%	(I)
Expected Investment Income on Surplus (% of surplus, after federal income tax, including realized capital gains):	3.8%	(II)
Expected Net Income (% of surplus, after federal income tax):	8.3%	(III)=(I)-(II)
Target Premium to Surplus Ratio:	1.00	(IV)
Expected Net Income (% of earned premium, after federal income tax):	8.3%	(V)=(III)/(IV)
Expected Investment Income on Unearned Premium Reserves and Loss & LAE Reserves (% of earned premium, after federal income tax, including realized capital gains):	2.0%	(VI)
Underwriting Profit Provision (% of earned premium, after federal income tax):	6.3%	(VII)=(V)-(VI)
Expected Federal Income Tax Rate:	24.7%	(VIII)
Underwriting Profit Provision (% of earned premium, before federal income tax):	8.3%	(IX)=(VII)/[1-(VIII)]

**Shelter Mutual Insurance Company
Arkansas Homeowners
Revenue Summation**

	Current Premium	Proposed Change	
		%	\$
HO-3	<u>46,168,380</u>	<u>12.2</u>	<u>5,627,752</u>
Sub-Total	46,168,380	12.2	5,627,752
HO-4	522,033	10.1	52960
HO-6	<u>114,989</u>	<u>10.6</u>	<u>12193</u>
Sub-Total	637,022	10.2	65,153
Total (Forms 3 thru 6)	46,805,402	12.2	5,692,905

SHELTER MUTUAL INSURANCE COMPANY
 HOMEOWNERS
 Credibility Table
 Based on 20,000 Exposure Units

<u>Lower Limit</u>	<u>Upper Limit</u>	<u>Credibility Factor</u>
0	12	0.00
13	112	0.05
113	312	0.10
313	612	0.15
613	1,012	0.20
1,013	1,512	0.25
1,513	2,112	0.30
2,113	2,812	0.35
2,813	3,612	0.40
3,613	4,512	0.45
4,513	5,512	0.50
5,513	6,612	0.55
6,613	7,812	0.60
7,813	9,112	0.65
9,113	10,512	0.70
10,513	12,012	0.75
12,013	13,612	0.80
13,613	15,312	0.85
15,313	17,112	0.90
17,113	19,012	0.95
19,013	20,000 +	1.00

Assumptions:

1. 10% claim frequency distribution with claims following a Poisson distribution.
2. Using the normal approximation with a 90% probability that the sample mean is within 3.5% of the true mean.
3. Partial credibility is based on the square root rule rounded to the nearest 5%.

**Shelter Mutual Insurance Company
Arkansas
Homeowners
Development of Combined Trend and Projection Factor**

Severity Trends - Shelter Mutual Companywide						
Fiscal Acc Year	Ultimate Non-Wind Loss and LAE	Ultimate Non-Wind Claims	Ultimate Severity	Curve of Best Fit		
				12 Point	6 Point	
12/2007	55,541,013	11,888	4,672	4,884		
3/2008	57,928,139	12,404	4,670	4,866		
6/2008	59,361,860	13,159	4,511	4,848		
9/2008	63,427,040	13,817	4,591	4,829		
12/2008	68,837,394	14,230	4,837	4,811		
3/2009	72,497,501	14,051	5,160	4,794		
6/2009	75,947,683	14,051	5,405	4,776		5,750
9/2009	79,335,681	14,534	5,459	4,758		5,365
12/2009	82,454,329	15,607	5,283	4,740		5,005
3/2010	83,526,141	17,303	4,827	4,722		4,669
6/2010	82,420,438	18,714	4,404	4,705		4,356
9/2010	74,002,487	19,217	3,851	4,687		4,064
Annual Percentage Change				-1.49%		-24.25%
r^2				0.018		0.883

Frequency Trends - Shelter Mutual Companywide						
Fiscal Acc Year	Ultimate Non-Wind Claims	Earned Exposures	Frequency X 100	Curve of Best Fit		
				12 Point	6 Point	
12/2007	11,888	252,785	4.70	4.69		
3/2008	12,404	253,738	4.89	4.85		
6/2008	13,159	254,761	5.17	5.03		
9/2008	13,817	255,901	5.40	5.20		
12/2008	14,230	257,196	5.53	5.39		
3/2009	14,051	258,561	5.43	5.58		
6/2009	14,051	260,009	5.40	5.78		4.69
9/2009	14,534	261,619	5.56	5.99		4.85
12/2009	15,607	263,405	5.93	6.20		5.03
3/2010	17,303	265,156	6.53	6.42		5.20
6/2010	18,714	266,792	7.01	6.65		5.39
9/2010	19,217	267,908	7.17	6.88		5.58
Annual Percentage Change				14.86%		15.05%
r^2				0.895		0.972

Severity Trends - Shelter Mutual Arkansas						
Fiscal Acc Year	Ultimate Non-Wind Loss and LAE	Ultimate Non-Wind Claims	Ultimate Severity	Curve of Best Fit		
				12 Point	6 Point	
12/2007	7,836,809	2,214	3,540	3,856		
3/2008	9,250,312	2,368	3,906	3,918		
6/2008	10,280,038	2,569	4,002	3,981		
9/2008	10,261,323	2,655	3,865	4,046		
12/2008	11,166,527	2,707	4,125	4,111		
3/2009	11,536,449	2,675	4,313	4,177		
6/2009	12,666,957	2,796	4,530	4,245		4,860
9/2009	14,545,842	2,987	4,870	4,313		4,708
12/2009	15,311,176	3,236	4,732	4,383		4,560
3/2010	17,079,844	3,683	4,637	4,453		4,416
6/2010	16,378,618	3,801	4,309	4,525		4,277
9/2010	14,899,240	3,807	3,914	4,598		4,143
Annual Percentage Change				6.61%		-12.00%
r^2				0.359		0.576

Frequency Trends - Shelter Mutual Arkansas						
Fiscal Acc Year	Ultimate Non-Wind Claims	Earned Exposures	Frequency X 100	Curve of Best Fit		
				12 Point	6 Point	
12/2007	2,214	43,489	5.09	5.10		
3/2008	2,368	43,745	5.41	5.33		
6/2008	2,569	44,003	5.84	5.57		
9/2008	2,655	44,257	6.00	5.82		
12/2008	2,707	44,525	6.08	6.08		
3/2009	2,675	44,783	5.97	6.36		
6/2009	2,796	44,999	6.21	6.64		6.29
9/2009	2,987	45,202	6.61	6.94		6.70
12/2009	3,236	45,435	7.12	7.25		7.15
3/2010	3,683	45,678	8.06	7.58		7.62
6/2010	3,801	45,897	8.28	7.92		8.12
9/2010	3,807	46,019	8.27	8.27		8.65
Annual Percentage Change				19.16%		29.10%
r^2				0.931		0.922

Severity Trends - Fast Track Arkansas						
Fiscal Acc Year	Non-Catastrophe Incurred Loss and LAE	Non-Catastrophe Paid Claims	Severity	Curve of Best Fit		
				12 Point	6 Point	
9/2007	128,175,475	16,332	7,848	8,354		
12/2007	134,485,266	16,549	8,126	8,455		
3/2008	141,009,830	16,786	8,400	8,557		
6/2008	154,660,343	18,192	8,502	8,660		
9/2008	175,290,217	19,385	9,043	8,765		
12/2008	192,504,609	19,669	9,787	8,870		
3/2009	201,594,671	20,797	9,693	8,978		9,748
6/2009	205,985,937	20,879	9,866	9,086		9,552
9/2009	211,923,027	22,544	9,400	9,196		9,360
12/2009	205,285,997	23,618	8,692	9,307		9,172
3/2010	212,876,805	23,838	8,930	9,419		8,988
6/2010	214,336,914	23,636	9,068	9,533		8,807
Annual Percentage Change				4.92%		-7.80%
r^2				0.340		0.597

Frequency Trends - Fast Track Arkansas						
Fiscal Acc Year	Non-Catastrophe Paid Claims	Earned Exposures	Frequency X 100	Curve of Best Fit		
				12 Point	6 Point	
9/2007	16,332	323,367	5.05	4.94		
12/2007	16,549	326,688	5.07	5.11		
3/2008	16,786	329,915	5.09	5.29		
6/2008	18,192	332,888	5.46	5.47		
9/2008	19,385	335,702	5.77	5.66		
12/2008	19,669	337,603	5.83	5.86		
3/2009	20,797	338,827	6.14	6.06		6.13
6/2009	20,879	340,060	6.14	6.28		6.32
9/2009	22,544	340,746	6.62	6.49		6.52
12/2009	23,618	341,122	6.92	6.72		6.72
3/2010	23,838	341,212	6.99	6.95		6.93
6/2010	23,636	339,270	6.97	7.20		7.14
Annual Percentage Change				14.65%		12.97%
r^2				0.969		0.861

Trend Factor					
Fiscal Acc Year	Midpoint of Experience Period	Number of Years to 9/30/2010	Selected Severity 4.00%	Selected Frequency 0.00%	Combined Trend Factor
9/30/2006	4/01/2006	4.5000	1.1930	1.0000	1.1930
9/30/2007	4/01/2007	3.5000	1.1471	1.0000	1.1471
9/30/2008	4/01/2008	2.5000	1.1030	1.0000	1.1030
9/30/2009	4/01/2009	1.5000	1.0606	1.0000	1.0606
9/30/2010	4/01/2010	0.5000	1.0198	1.0000	1.0198

Projection Factor				
Years from 9/30/2010 to 4/01/2012	Selected Severity 4.00%	Selected Frequency 0.00%	Combined Projection Factor	Combined Trend and Projection Factor
1.5041	1.0608	1.0000	1.0608	1.2655
1.5041	1.0608	1.0000	1.0608	1.2168
1.5041	1.0608	1.0000	1.0608	1.1701
1.5041	1.0608	1.0000	1.0608	1.1251
1.5041	1.0608	1.0000	1.0608	1.0818

**Shelter Mutual Insurance Company
Homeowners
Arkansas**

Current Rate Level Factors as of September 30, 2010

The parallelogram method adjusted for exposure changes was used to develop the current rate level factors shown below.

<u>Fiscal Year Ending</u>	<u>Factors</u>
September 30, 2006	1.2536
September 30, 2007	1.2536
September 30, 2008	1.2536
September 30, 2009	1.2161
September 30, 2010	1.1115

Rate Change History (Percent Changes)

<u>Effective Date</u>	<u>% Changes</u>
February 2, 2010	14.9 %
December 20, 2008	9.1 %

Shelter Mutual Insurance Company
Homeowners Forms 3,4,6
Arkansas

Premium Adjustment for Increases in Amount of Insurance Purchased

Form 3									
Experience Year	All Policies Present Mid-Year		Policies Persisting to Subsequent Year						
	Policy Count	Average Amount of Insurance	Policy Count	Average Amount of Insurance in Current Year	Average Amount of Insurance in Subsequent Year	Average Size Curve Factor in Current Year	Average Size Curve Factor in Subsequent Year	Percentage Change in Premium In Year Due to Inflation in Coverage Amounts	Cumulative Premium Trend Factor
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8) = (7)/(6) - 1	(9) = (1 + (8)) * Prior (9)
2006	43,500	126,184	39,654	126,595	134,887	1.787	1.881	5.3%	1.215
2007	44,446	137,055	40,684	137,400	148,717	1.909	2.036	6.7%	1.154
2008	45,423	149,646	41,946	150,015	155,427	2.051	2.111	2.9%	1.082
2009	46,352	156,035	42,799	156,399	163,122	2.122	2.197	3.5%	1.051
2010*	47,508	162,692	44,440	162,748	163,911	2.193	2.206	0.6%	1.015
Projected**								1.5%	

Forms 4,6									
Experience Year	All Policies Present Mid-Year		Policies Persisting to Subsequent Year						
	Policy Count	Average Amount of Insurance	Policy Count	Average Amount of Insurance in Current Year	Average Amount of Insurance in Subsequent Year	Average Size Curve Factor in Current Year	Average Size Curve Factor in Subsequent Year	Percentage Change in Premium In Year Due to Inflation in Coverage Amounts	Cumulative Premium Trend Factor
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8) = (7)/(6) - 1	(9) = (1 + (8)) * Prior (9)
2006	3,299	29,334	2,246	27,975	28,252	1.678	1.689	0.7%	1.034
2007	3,445	31,042	2,366	29,688	30,127	1.711	1.726	0.8%	1.028
2008	3,615	32,018	2,616	30,600	30,899	1.741	1.752	0.6%	1.019
2009	3,910	32,505	2,821	31,595	31,852	1.777	1.783	0.3%	1.013
2010*	4,318	33,285	3,406	32,789	32,749	1.797	1.800	0.1%	1.010
Projected**								1.0%	

Combined	
Premium Trend Factor	(10)
	1.213
	1.152
	1.081
	1.051
	1.015

* 2010 Data compare December exposures to corresponding exposures as of 9/30/2010 for growth rate as 2010 data not yet realized.

** Projection period is from midpoint of latest experience year (fiscal year ending 9/30/2010) to one year past effective date (4/1/2011), which is 2.001 years.

Projection for Form 3 is based on the most recent annual growth rate in amount of insurance during prior years of experience period.

Forms 4,6 projection is based on the simple average annual growth rate in amount of insurance during prior years of the experience period."

Notes:

The calculation of Trend in Amount of Insurance is restricted to observed changes in specific policies for which amount of insurance data is available for the following experience field. The adjustment for a trend in amount of insurance seeks to restate past premium levels at the expected amount of insurance at current valuations for those past exposures. The changing composition of this book of business due to steady growth prevents the use of simple averages in each experience field, which would be skewed significantly by differences between existing book and new policies being added to book.

- (1) Total number of policies present in June of experience period.
- (2) Average Coverage A amount for Form 3 policies; average Coverage C amount for Form 4 & 6 policies as of June of experience period.
- (3) Number of policies present in June of experience period for which renewal data found during June of following experience period.
- (4) Average principle coverage amount for policies for which renewal data is available; number of policies and average amount indicate this should be a fully representative sample.
- (5) Average principle coverage amount for renewed policies.
- (6) Average of approximate size curve factor attached to each policy according to experience period amount of insurance. Current rather than historical size curves used, but should approximate past rating well.
- (7) Average of approximate size curve factor attached to each policy according to amount of insurance observed in subsequent experience period.
- (8) Overall average percentage change in size curve factors used in premium determination.
- (9) Cumulative factor to project amount of insurance premium increases from past level to mid-point of experience projection period. See notes above regarding use of most recent trend data to extrapolate into the near future.
- (10) Average Premium Trend Factor from Form 3 and Forms 4,6 weighted by premium distribution shown below.

	Form 3	Forms 4,6	Combined
% Distribution of Current Premium	99%	1%	100%

Shelter Mutual Insurance Company
Homeowners
Arkansas
Development of Excess Wind and Hail Loss Loading

Fiscal Accident Year Ending	Earned Premium (1)	Wind Incurred Loss (2)	Wind Loss Ratio (3)	*Normal Wind Loss Ratio (4)	Excess Wind Incurred Loss (5)	**Adjusted Wind Incurred Loss (6)	Re-Distributed Excess Wind Incurred Loss Adjustment (7)	Net Wind Incurred Loss Adjustment (8)
09/30/1991	11,097,820	1,271,946	11%	14%	(278,919)	1,550,865	1,105,111	
09/30/1992	11,107,272	2,035,399	18%	18%	0	2,035,399	1,106,052	
09/30/1993	10,670,825	707,543	7%	14%	(783,652)	1,491,195	1,062,591	
09/30/1994	10,587,855	1,751,755	17%	17%	0	1,751,755	1,054,329	
09/30/1995	10,983,283	1,211,923	11%	14%	(322,936)	1,534,859	1,093,705	
09/30/1996	11,591,072	12,285,144	106%	43%	7,344,249	4,940,895	1,154,228	
09/30/1997	12,434,241	5,030,964	40%	40%	0	5,030,964	1,238,190	
09/30/1998	13,902,674	2,111,398	15%	15%	0	2,111,398	1,384,415	
09/30/1999	15,293,571	8,993,836	59%	43%	2,474,688	6,519,148	1,522,920	
09/30/2000	16,286,266	4,360,918	27%	27%	0	4,360,918	1,621,771	
09/30/2001	17,212,870	8,455,859	49%	43%	1,118,576	7,337,283	1,714,042	
09/30/2002	19,587,201	4,715,713	24%	24%	0	4,715,713	1,950,475	
09/30/2003	23,808,237	4,594,475	19%	19%	0	4,594,475	2,370,802	
09/30/2004	26,973,040	3,995,318	15%	15%	0	3,995,318	2,685,950	
09/30/2005	29,457,046	2,844,348	10%	14%	(1,272,128)	4,116,476	2,933,305	
09/30/2006	31,684,377	12,125,976	38%	38%	0	12,125,976	3,155,101	3,155,101
09/30/2007	33,490,348	2,720,278	8%	14%	(1,959,833)	4,680,110	3,334,938	5,294,770
09/30/2008	35,393,762	43,221,489	122%	43%	28,134,287	15,087,202	3,524,478	(24,609,809)
09/30/2009	37,766,092	23,652,713	63%	43%	7,554,264	16,098,449	3,760,712	(3,793,552)
09/30/2010	42,533,849	11,316,024	27%	27%	0	11,316,024	4,235,481	4,235,481
Total	421,861,701				42,008,596		42,008,596	(15,718,009)

*Normal Range:

25th Percentile of (3) 14%
75th Percentile of (3) 43%

**Wind Load: Total (5) / Total (1) = 10.0%

- (3) = (2) / (1).
- (4) = (3) capped at max and min specified by "Normal Range".
- (5) = [(3) - (4)] x (1); the amount of wind loss outside the "Normal Range" to be removed (added) across all years.
- (6) = (2) - (5); the smoothed ratio of wind losses to earned premium.
- (7) = Wind Load x (1); the amount of excess wind losses to be loaded back into Total Losses.
- (8) = (7) - (5); Net Wind Losses to be added (removed) by Fiscal Accident Year.

**Shelter Mutual Insurance Company
Homeowners
Projected Ultimate Loss and Allocated Loss Adjustment Expense**

Companywide Paid Loss & Paid ALAE

Fiscal Year-End	Valuation Period (In Months)									
	@12	@24	@36	@48	@60	@72	@84	@96	@108	@120
9/30/2001	88,830,183	105,991,905	112,127,427	113,420,898	114,096,989	114,238,135	114,295,307	114,331,301	114,423,510	114,422,293
9/30/2002	88,854,006	106,291,517	108,138,908	108,839,825	109,713,592	109,870,199	109,961,765	109,951,755	109,953,088	
9/30/2003	106,287,272	125,488,947	127,105,393	127,896,799	128,413,590	128,883,681	128,969,187	129,011,348		
9/30/2004	76,031,660	94,208,212	96,280,975	96,995,946	97,294,478	97,489,661	97,542,399			
9/30/2005	61,910,409	128,689,027	133,176,086	134,887,103	135,441,754	135,394,984				
9/30/2006	126,153,869	156,442,766	160,458,951	161,380,729	161,755,993					
9/30/2007	70,283,761	87,417,296	90,304,454	91,314,035						
9/30/2008	151,269,504	197,788,255	203,869,880							
9/30/2009	157,486,734	199,838,096								
9/30/2010	123,658,211									

Companywide Reported Loss & Paid ALAE

Fiscal Year-End	Valuation Period (In Months)									
	@12	@24	@36	@48	@60	@72	@84	@96	@108	@120
9/30/2001	104,258,918	111,638,701	114,243,414	114,551,868	114,429,437	114,480,284	114,417,609	114,436,603	114,490,092	114,487,875
9/30/2002	107,814,819	110,066,776	109,926,955	109,636,703	110,049,801	110,156,321	110,077,616	109,988,955	109,988,088	
9/30/2003	139,939,540	128,023,867	128,487,841	128,589,904	128,801,894	129,039,201	129,094,140	129,127,801		
9/30/2004	105,092,001	97,183,811	97,266,791	97,565,139	97,536,091	97,650,787	97,682,741			
9/30/2005	146,313,390	146,604,824	135,316,189	136,587,226	136,454,627	136,301,873				
9/30/2006	202,136,792	161,397,486	161,589,664	161,886,405	162,003,551					
9/30/2007	105,874,747	91,596,498	92,343,025	92,043,337						
9/30/2008	251,614,391	204,628,951	205,778,903							
9/30/2009	229,138,039	205,613,367								
9/30/2010	162,735,318									

Companywide Claims with Payment

Fiscal Year-End	Valuation Period (In Months)									
	@12	@24	@36	@48	@60	@72	@84	@96	@108	@120
9/30/2001	48,489	51,577	51,862	51,940	51,966	51,984	51,992	51,995	51,999	52,002
9/30/2002	41,884	43,551	43,624	43,661	43,685	43,692	43,696	43,700	43,701	
9/30/2003	37,997	39,723	39,823	39,868	39,894	39,911	39,919	39,920		
9/30/2004	28,157	29,580	29,658	29,696	29,719	29,728	29,733			
9/30/2005	31,595	37,783	37,939	37,983	37,996	38,007				
9/30/2006	41,043	44,057	44,398	44,516	44,547					
9/30/2007	27,167	28,821	28,954	28,987						
9/30/2008	58,211	63,003	63,441							
9/30/2009	56,991	64,236								
9/30/2010	57,801									

Companywide Selected Incurred Loss & ALAE

Fiscal Accident Year	Non-Wind Losses						Wind		Total	
	Cumulative Reported Losses (1)	Ultimate Development Factors (2)	Estimated Incurred Loss/ALAE (3)	Cumulative Paid Losses (4) = (2) x (3)	Ultimate Development Factors (5)	Estimated Incurred Loss/ALAE (6)	Selected Incurred Loss/ALAE (7) = (5) x (6)	Selected Incurred Loss/ALAE (8)	Estimated Claim Count (9)	Selected Incurred Loss/ALAE (10) = (8) + (9)
9/30/2001	59,403,570	1.0000	59,403,570	59,337,989	1.0000	59,337,989	59,403,571	55,084,304	52,002	114,487,875
9/30/2002	67,350,244	1.0000	67,350,244	67,315,244	1.0000	67,315,244	67,350,244	42,637,844	43,701	109,988,088
9/30/2003	56,876,291	1.0000	56,876,291	57,620,721	0.9854	56,778,838	56,876,291	72,251,510	39,920	129,127,801
9/30/2004	57,842,437	1.0000	57,842,437	57,702,094	1.0005	57,730,043	57,842,437	39,840,304	29,733	97,682,741
9/30/2005	54,334,274	0.9997	54,317,078	53,483,624	1.0010	53,537,761	54,317,078	82,016,604	38,013	136,333,682
9/30/2006	55,057,519	0.9989	54,997,573	54,816,449	1.0039	55,031,048	54,997,573	107,084,998	44,568	162,082,571
9/30/2007	58,237,959	1.0000	58,240,741	57,508,657	1.0113	58,158,509	58,240,741	33,876,260	29,020	92,117,001
9/30/2008	65,255,764	1.0004	65,284,222	63,466,680	1.0256	65,088,879	65,284,222	141,178,845	63,623	206,463,067
9/30/2009	81,831,149	1.0062	82,339,186	77,675,358	1.0631	82,577,660	82,339,185	125,036,042	64,804	207,375,227
9/30/2010	77,258,994	1.0002	77,274,635	54,614,001	1.4015	76,540,919	76,540,919	98,211,607	64,130	174,752,526
5-yr Total			338,136,357			337,397,016	337,402,640	505,387,752	266,145	842,790,392
10-yr Total			633,925,977			632,097,891	633,192,261	797,218,318		#####

Arkansas Paid Loss & Paid ALAE

Fiscal Year-End	Valuation Period (In Months)									
	@12	@24	@36	@48	@60	@72	@84	@96	@108	@120
9/30/2001	16,568,033	18,936,517	19,348,556	19,416,130	19,431,854	19,439,515	19,439,840	19,439,840	19,439,840	19,435,805
9/30/2002	12,137,781	14,499,505	14,581,622	14,688,303	14,764,563	14,850,841	14,854,476	14,856,036	14,856,036	
9/30/2003	12,317,014	14,140,050	14,326,484	14,386,167	14,317,863	14,371,382	14,377,547	14,377,547	14,377,547	
9/30/2004	11,461,102	14,282,254	14,397,859	14,527,983	14,639,323	14,643,043	14,668,243			
9/30/2005	9,855,609	12,414,109	13,013,391	13,020,168	13,031,427	12,972,953				
9/30/2006	16,365,659	20,683,853	21,402,863	21,460,361	21,486,768					
9/30/2007	7,690,211	9,761,366	9,936,404	10,119,079						
9/30/2008	42,795,881	51,912,382	53,151,626							
9/30/2009	29,602,991	37,085,704								
9/30/2010	20,447,403									

Arkansas Reported Loss & Paid ALAE

Fiscal Year-End	Valuation Period (In Months)									
	@12	@24	@36	@48	@60	@72	@84	@96	@108	@120
9/30/2001	18,731,273	19,098,485	19,526,135	19,548,288	19,451,509	19,462,235	19,455,560	19,455,560	19,439,840	19,435,805
9/30/2002	14,934,344	15,242,834	14,842,339	14,688,303	14,769,954	14,850,841	14,861,576	14,856,036	14,856,036	
9/30/2003	15,786,906	14,345,205	14,412,323	14,390,528	14,317,863	14,371,382	14,392,547	14,382,152		
9/30/2004	16,113,897	14,571,438	14,450,883	14,552,806	14,668,523	14,666,843	14,668,243			
9/30/2005	15,540,065	12,821,422	13,019,316	13,089,598	13,086,647	12,998,603				
9/30/2006	29,354,332	21,566,153	21,471,326	21,508,761	21,486,768					
9/30/2007	12,576,820	10,029,436	10,033,854	10,169,158						
9/30/2008	65,602,021	52,715,143	53,425,665							
9/30/2009	41,885,441	38,209,204								
9/30/2010	26,263,401									

Arkansas Claims with Payment

Fiscal Year-End	Valuation Period (In Months)									
	@12	@24	@36	@48	@60	@72	@84	@96	@108	@120
9/30/2001	12,933	13,329	13,353	13,362	13,367	13,372	13,375	13,375	13,377	13,378
9/30/2002	6,191	6,380	6,390	6,398	6,406	6,407	6,408	6,409	6,409	
9/30/2003	5,534	5,782	5,805	5,814	5,822	5,822	5,824	5,824		
9/30/2004	4,723	4,927	4,933	4,936	4,939	4,939	4,940			
9/30/2005	3,674	3,907	3,916	3,921	3,924	3,927				
9/30/2006	6,662	6,947	6,988	6,997	7,002					
9/30/2007	3,399	3,540	3,551	3,553						
9/30/2008	14,529	15,209	15,264							
9/30/2009	13,927	15,333								
9/30/2010	8,893									

Arkansas Selected Incurred Loss & ALAE

Fiscal Accident Year	Non-Wind Losses						Wind		Total	
	Cumulative Reported Losses (1)	Ultimate Development Factors (2)	Estimated Incurred Loss/ALAE (3)	Cumulative Paid Losses (4) = (2) x (3)	Ultimate Development Factors (5)	Estimated Incurred Loss/ALAE (6)	Selected Incurred Loss/ALAE (7) = (5) x (6)	Selected Incurred Loss/ALAE (8)	Estimated Claim Count (9)	Selected Incurred Loss/ALAE (10) = (8) + (9)
9/30/2001	10,979,946	1.0000	10,979,946	10,979,946	1.0000	10,979,946	10,979,946	8,455,859	13,378	19,435,805
9/30/2002	10,140,303	1.0000	10,140,303	10,140,303	1.0000	10,140,303	10,140,303	4,715,714	6,409	14,856,016
9/30/2003	9,787,678	1.0000	9,787,678	9,787,678	1.0000	9,787,678	9,787,678	4,594,474	5,824	14,382,152
9/30/2004	10,672,924	1.0000	10,672,924	10,672,924	1.0000	10,672,924	10,672,924	3,995,319	4,940	14,668,243
9/30/2005	10,154,254	1.0002	10,156,246	10,128,604	1.0002	10,130,591	10,156,246	2,844,348	3,927	13,000,594
9/30/2006	9,360,792	1.0009	9,368,933	9,360,792	1.0009	9,368,933	9,368,934	12,125,976	7,003	21,494,910
9/30/2007	7,453,495	1.0015	7,465,019	7,403,416	1.0038	7,431,318	7,465,020	2,720,277	3,554	10,185,297
9/30/2008	10,393,566	1.0065	10,460,935	10,126,700	1.0117	10,245,171	10,460,935	43,221,489	15,292	53,682,424
9/30/2009	14,961,732	1.0021	14,993,213	14,021,905	1.0459	14,664,991	14,993,213	23,652,713	15,419	38,645,926
9/30/2010	15,845,881	1.0022	15,881,302	11,262,989	1.3624	15,345,087	15,243,003	11,316,024	9,560	26,559,027
5-yr Total			58,169,403			57,055,500	57,531,105	93,036,479	50,829	150,567

Shelter Mutual Insurance Company Homeowners Companywide

Development of Unallocated Loss Adjustment Expense Factor

	2007	2008	2009	Total
Note: Amounts in 000's				
1. Direct Loss and Defense/Cost Containment Expense Incurred	\$126,642	\$274,387	\$216,359	\$617,388
2. Direct Adjusting and Other Expense Incurred (ULAE)	\$16,282	\$19,077	\$23,109	\$58,468
3. Ratio of Direct ULAE Incurred to Direct Loss and Defense Incurred	12.9%	7.0%	10.7%	9.5%

Source: Insurance Expense Exhibit.

Shelter Mutual Insurance Company

Arkansas

Homeowners Indicated Rate Level Change

	Fiscal Year Ending 9/30/2006	Fiscal Year Ending 9/30/2007	Fiscal Year Ending 9/30/2008	Fiscal Year Ending 9/30/2009	Fiscal Year Ending 9/30/2010
1. Earned Premium	\$31,684,377	\$33,490,348	\$35,393,762	\$37,766,092	\$42,533,849
2. Current Rate Level Factor	1.2536	1.2536	1.2536	1.2161	1.1115
3. Effect of Trend in Amount of Insurance	1.2126	1.1525	1.0812	1.0507	1.0154
4. Trended Premium at Current Rates [(1) x (2) x (3)]	\$48,161,607	\$48,382,544	\$47,969,202	\$48,254,228	\$48,004,956
5. Incurred Loss and Allocated Loss Adjustment Expense	\$21,494,910	\$10,185,297	\$53,682,424	\$38,645,926	\$26,559,027
6. Wind/Hail Loss Adjustment	\$3,155,101	\$5,294,770	-\$24,609,809	-\$3,793,552	\$4,235,481
7. Losses Adjusted for Wind/Hail Losses [(5) + (6)]	\$24,650,011	\$15,480,067	\$29,072,615	\$34,852,374	\$30,794,509
8. Factor to Trend and Project Losses to 4/1/2012	1.2655	1.2168	1.1701	1.1251	1.0818
9. Unallocated Loss Adjustment Expense Factor	1.0947	1.0947	1.0947	1.0947	1.0947
10. Trended Loss and Loss Adjustment Expense [(7) x (8) x (9)]	\$34,148,784	\$20,619,970	\$37,239,434	\$42,925,907	\$36,468,361
11. Formula Loss Ratio [(10) / (4)]	70.9%	42.6%	77.6%	89.0%	76.0%
12. Experience Year Weight	10%	15%	20%	25%	30%
13. Weighted Formula Loss Ratio [sum the products of (11) & (12)]			74.0%		
14. Credibility - Based on 20,000 Earned House Years			100.0%		
15. Expected Loss Ratio			63.4%		
16. Trended Expected Loss Ratio [(15) X (20) ^ 1]			64.7%		
17. Credibility Weighted Formula Loss Ratio [(13) X (14) + (16) X (1 - (14))]			74.0%		
18. Current Provision for Variable Expenses of Commissions, Taxes and Profit			24.4%		
19. Current Provision for Fixed Expenses of General and Other Acquisition Expense			12.2%		
20. Factor to Trend Fixed Costs			1.02		
21. Trended Fixed Costs [(19) X (20) ^ 1]			12.4%		
22. Indicated Rate Level Change with Provision for Fixed and Variable Expenses [(17) + (21)] / [1.000 - (18)] - 1.000			14.4%		

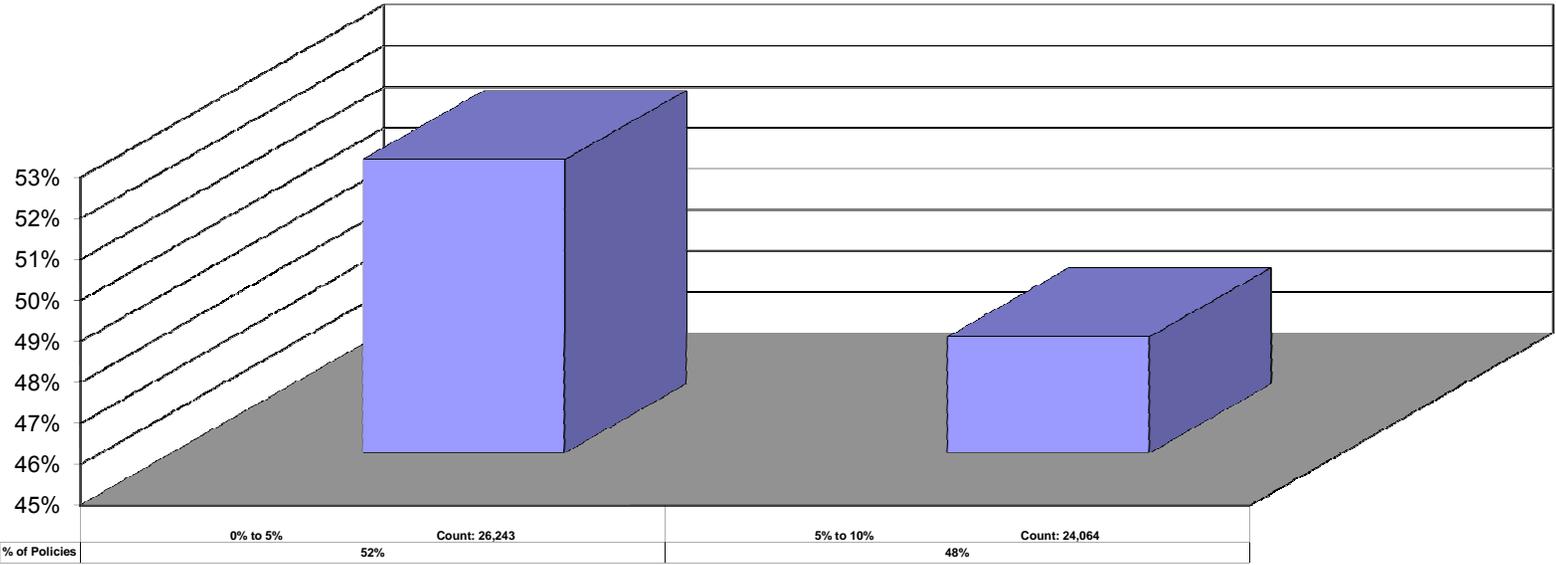
Line 14 -- Partial Credibility is based on the square root rule rounded to the nearest five percent.

Lines 16 & 21 -- Projecting of fixed expenses is done from one year past the effective date of the last rate change (02/02/2010) to one year past the expected effective date (04/01/2011), limited to one year.

**Shelter Mutual Insurance Company
Revenue Change By Zone
Arkansas Homeowners**

Zone	Current Premium	Total \$ Change	Total % Change
4	817,329	100,636	12.3%
12	287,000	35,763	12.5%
13	179,137	22,356	12.5%
15	599,083	73,743	12.3%
16	839,057	104,726	12.5%
18	2,061,629	255,146	12.4%
20	171,082	21,116	12.3%
21	128,732	15,832	12.3%
23	3,525,757	439,324	12.5%
24	4,788,267	597,665	12.5%
26	649,988	45,459	7.0%
28	726,953	131,624	18.1%
29	1,424,927	176,104	12.4%
31	460,333	57,159	12.4%
32	322,071	40,072	12.4%
34	242,315	30,161	12.4%
35	1,878,952	234,486	12.5%
36	2,237,176	401,576	18.0%
38	1,337,616	164,603	12.3%
40	150,337	18,854	12.5%
41	72,377	8,934	12.3%
44	904,318	62,775	6.9%
45	441,316	55,313	12.5%
48	59,012	7,444	12.6%
49	818,765	100,867	12.3%
50	726,441	130,581	18.0%
51	1,718,355	216,371	12.6%
53	3,424,284	426,193	12.4%
55	309,246	21,958	7.1%
57	633,310	78,611	12.4%
58	1,192,044	150,135	12.6%
62	2,092,800	262,580	12.5%
68	194,966	24,165	12.4%
75	463,371	57,686	12.4%
77	262,751	32,722	12.5%
78	4,267,587	299,971	7.0%
79	74,122	9,070	12.2%
87	811,327	98,965	12.2%
88	2,542,435	315,507	12.4%
91	2,764,709	341,561	12.4%
95	204,123	25,092	12.3%
Grand Total	46,805,402	5,692,905	12.2%

**Shelter Mutual Insurance
Arkansas Homeowners
Distribution of Rate Changes**



Rate Change

**Shelter Mutual Insurance Company
Arkansas Homeowners
Revenue Summation**

	Current Premium	Proposed Change	
		%	\$
HO-3	<u>46,168,380</u>	<u>5.0</u>	<u>2,288,053</u>
Sub-Total	46,168,380	5.0	2,288,053
HO-4	522,033	4.9	25424
HO-6	<u>114,989</u>	<u>6.9</u>	<u>7959</u>
Sub-Total	637,022	5.2	33,383
Total (Forms 3 thru 6)	46,805,402	5.0	2,321,436

**Shelter Mutual Insurance Company
Revenue Change By Zone
Arkansas Homeowners**

Zone	Current Premium	Total \$ Change	Total % Change
4	817,329	40,708	5.0%
12	287,000	14,581	5.1%
13	179,137	9,164	5.1%
15	599,083	29,795	5.0%
16	839,057	42,852	5.1%
18	2,061,629	102,857	5.0%
20	171,082	8,580	5.0%
21	128,732	6,380	5.0%
23	3,525,757	181,162	5.1%
24	4,788,267	245,492	5.1%
26	649,988	16,721	2.6%
28	726,953	56,562	7.8%
29	1,424,927	71,422	5.0%
31	460,333	23,099	5.0%
32	322,071	16,251	5.0%
34	242,315	12,477	5.1%
35	1,878,952	94,959	5.1%
36	2,237,176	172,175	7.7%
38	1,337,616	66,836	5.0%
40	150,337	7,706	5.1%
41	72,377	3,633	5.0%
44	904,318	22,530	2.5%
45	441,316	22,779	5.2%
48	59,012	3,088	5.2%
49	818,765	40,598	5.0%
50	726,441	55,461	7.6%
51	1,718,355	89,766	5.2%
53	3,424,284	174,100	5.1%
55	309,246	8,285	2.7%
57	633,310	33,384	5.3%
58	1,192,044	61,754	5.2%
62	2,092,800	107,654	5.1%
68	194,966	9,852	5.1%
75	463,371	23,544	5.1%
77	262,751	13,161	5.0%
78	4,267,587	109,943	2.6%
79	74,122	3,624	4.9%
87	811,327	40,429	5.0%
88	2,542,435	130,598	5.1%
91	2,764,709	137,287	5.0%
95	204,123	10,187	5.0%
Grand Total	46,805,402	2,321,436	5.0%

SERFF Tracking Number: SHEL-126981107 State: Arkansas
 Filing Company: Shelter Mutual Insurance Company State Tracking Number: EFT \$100
 Company Tracking Number: 03M20111
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
 Product Name: HO
 Project Name/Number: Johnson/

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)
01/12/2011	Rate and Rule	Manual Pages	03/29/2011	AR HO GR, Z & R pages.pdf (Superseded)
01/11/2011	Supporting Document	NAIC loss cost data entry document	03/29/2011	AR HO RF1.pdf (Superseded)
01/12/2011	Supporting Document	Explanatory Memorandum	03/29/2011	AR HO Explanatory Memo.pdf (Superseded)
01/12/2011	Supporting Document	Histogram	03/29/2011	Graph.pdf (Superseded)

4. DEDUCTIBLES

All Homeowners forms contain a Loss Deductible Clause applicable to loss under Section I of the policy. The Loss Deductible Clause **DOES NOT** apply to losses under Coverage D or Fire Department Charges. This clause applies to each occurrence. The company is liable only for the amount of loss in excess of the deductible.

Form 3 ONLY: An optional 1% or 2% (of Coverage A amount) Wind or Hail deductible (B-636-B) is available. The deductible amount applicable to Wind or Hail losses will be the **greater** of 1% or 2% (of Coverage A amount) or the base deductible.

The Base Rate pages reflect a \$500 deductible. Other deductible options may be calculated using the adjustments listed below against the \$500 premium.

Forms 4 and 6 ONLY: The Base Rate pages reflect a \$250 deductible. Other deductible options may be calculated using the adjustments listed below against the \$250 premium.

Non-Wind/Hail Deductibles	Form 3 - Wind/Hail Deductibles			Forms 4 & 6
	None	1%	2%	None
# 50	1.47	1.33	1.19	1.31
# 100	1.39	1.27	1.13	1.16
# 250	1.12	1.05	.97	1.00
500	1.00	.95	.88	0.82
750	.91	.88	.83	0.71
1,000	.84	.81	.77	0.64
1,500	.76	.74	.72	0.60
2,000	.70	.69	.67	0.59
2,500	.67	.66	.65	0.57
5,000	.62	.61	.60	0.52

Available only to Form 3 policies originally written before 08-25-2004 with a \$50, \$100 or \$250 all peril deductible and to Form 4 & 6 policies written before 08-25-2004 with a \$50 or \$100 all peril deductible.

The deductible factors shown for Forms 4 & 6 above are used to calculate the basic premium only. Form 3 deductible factors should be used to adjust supplemental rates for all forms where deductible applies.

A. Section I (Cont.)

- 6. Building Additions and Alterations, Form 4 - Additional Coverages (B-352-B)**
Rate per \$1,000

Policy Deductible

\$500

\$4.45

- 7. Building Property, Form 6, Coverage A - Rate per \$1,000**

Policy Deductible

\$500

\$4.90

- 8. Outdoor Antennas, Reception Dishes and Equipment Coverage (B-463-B)**

Policy Deductible	<u>\$500</u>
Rate per \$1,000	\$3.56

- 9. Personal Property (Form 3) - Rates per \$1,000**

Policy Deductible	<u>\$500</u>
Rate per \$1,000	\$1.42

12. GUNS AND RELATED EQUIPMENT (B-390-B)

ARCHERY EQUIPMENT (B-390-B)

The policy may be endorsed to increase the theft limit and provide coverage for accidental direct physical loss, subject to certain limitations and exclusions. The following table displays the limits applicable under available options.

Theft Limit		Coverage C Perils Excluding Theft	
per Article	per Aggregate	per Article	per Aggregate
\$2,000	\$2,000	Cov C Limit	Cov C Limit
\$2,000	\$2,500	Cov C Limit + \$2,000	Cov C Limit + \$2,500
\$2,000	\$5,000	Cov C Limit + \$2,000	Cov C Limit + \$5,000

Theft Limit		Premium
per Article	per Aggregate	Policy Deductible
\$2,000	\$2,000	\$500
\$2,000	\$2,500	\$0 (Basic Policy)
\$2,000	\$5,000	\$3
		\$7

13. JEWELRY AND FURS (B-368-B)

The policy may be endorsed to increase the theft limit and provide coverage for accidental direct physical loss, subject to certain limitations and exclusions. The following table displays the limits applicable under available options.

Theft Limit		Coverage C Perils Excluding Theft	
per Article	Aggregate	per Article	Aggregate
\$1,000	\$1,000	Cov C Limit	Cov C Limit
\$1,000	\$5,000	Cov C Limit + \$1,000	Cov C Limit + \$5,000
\$1,000	\$7,500	Cov C Limit + \$1,000	Cov C Limit + \$7,500
\$1,000	\$10,000	Cov C Limit + \$1,000	Cov C Limit + \$10,000
\$2,500	\$5,000	Cov C Limit + \$2,500	Cov C Limit + \$5,000
\$2,500	\$7,500	Cov C Limit + \$2,500	Cov C Limit + \$7,500
\$2,500	\$10,000	Cov C Limit + \$2,500	Cov C Limit + \$10,000

Theft Limit		Charge
per Article	per Aggregate	Policy Deductible \$500
\$1,000	\$1,000	\$0 (Basic Policy)
\$1,000	\$5,000	\$13
\$1,000	\$7,500	\$21
\$1,000	\$10,000	\$29
\$2,500	\$5,000	\$19
\$2,500	\$7,500	\$27
\$2,500	\$10,000	\$35

17. SILVERWARE AND GOLDWARE (B-392-B)

The policy may be endorsed to increase the theft limit and provide coverage for accidental direct physical loss, subject to certain limitations and exclusions. The following table displays the limits applicable under available options.

Theft Limit		Coverage C Perils Excluding Theft	
per Article	per Aggregate	per Article	per Aggregate
\$5,000	\$5,000	Covg C Limit	Covg C Limit
\$5,000	\$7,500	Covg C Limit + \$5,000	Covg C Limit + \$7,500
\$5,000	\$10,000	Covg C Limit + \$5,000	Covg C Limit + \$10,000

Theft Limit		Charge
per Article	per Aggregate	Policy Deductible
\$5,000	\$5,000	\$500
\$5,000	\$7,500	\$0 (Basic Policy)
\$5,000	\$10,000	\$16
		\$24

ZONES AND COUNTY CODES

As Zip code boundaries are changed by the United States Postal Service (USPS), a new Zip code may be created. This new Zip code may not yet be listed in our zone definitions. If this is the case, use the rating zone that corresponds to the Zip code that formerly applied to the risk.

<u>ZONE</u>	<u>COUNTY</u>	<u>CODE</u>	<u>ZONE</u>	<u>COUNTY</u>	<u>CODE</u>
24	ARKANSAS	001	20	HEMPSTEAD	057
29	ASHLEY	003	55	HOT SPRING	059
58	BAXTER	005	31	HOWARD	061
23	BENTON	007	75	INDEPENDENCE	063
36	BOONE	009	50	IZARD	065
29	BRADLEY	011	4	JACKSON	067
38	CALHOUN	013	38	JEFFERSON	069
87	CARROLL	015	53	JOHNSON	071
38	CHICOT	017	79	LAFAYETTE	073
24	CLARK	019	26	LAWRENCE	075
26	CLAY	021	26	LEE	077
49	CLEBURNE	023	21	LINCOLN	079
44	CLEVELAND	025	13	LITTLE RIVER	081
16	COLUMBIA	027	36	LOGAN	083
34	CONWAY	029	24	LONOKE	085
62	CRAIGHEAD	031	15	MADISON	087
35	CRAWFORD	033	15	MARION	089
24	CRITTENDEN	035	29	MILLER	091
4	CROSS	037	26	MISSISSIPPI	093
44	DALLAS	039	38	MONROE	095
44	DESHA	041	24	MONTGOMERY	097
12	DREW	043	95	NEVADA	099
51	FAULKNER	045	53	NEWTON	101
53	FRANKLIN	047	44	OUACHITA	103
	FULTON	049	77	PERRY	105
40	72513, 72515, 72520, 72531, 72538, 72539, 72542, 72554, 72576, 72578, 72583, 72587		41	PHILLIPS	107
28	72529		24	PIKE	109
	GARLAND	051	32	POINSETT	111
57	71901, 71913, 71933, 71949, 71956, 71964, 71968, 72087, 72104		29	POLK	113
48	71909		36	POPE	115
24	GRANT	053	44	PRAIRIE	117
45	GREENE	055			

ZONES AND COUNTY CODES

<u>ZONE</u>	<u>COUNTY</u>	<u>CODE</u>	<u>ZONE</u>	<u>COUNTY</u>	<u>CODE</u>
	PULASKI	119			
91	72002, 72016, 72023, 72046, 72065, 72076, 72099, 72103, 72114, 72117, 72118, 72122, 72126, 72135, 72142, 72199, 72201, 72202, 72204, 72206, 72209, 72210,				
78	72113, 72116, 72120, 72205, 72207, 72211, 72212, 72223, 72227				
68	RANDOLPH	121			
4	ST. FRANCIS	123			
	SALINE	125			
24	72002, 72011, 72015, 72019, 72022, 72065, 72087, 72103, 72104, 72122, 72167, 72206, 72210				
48	71909				
51	SCOTT	127			
50	SEARCY	129			
53	SEBASTIAN	131			
16	SEVIER	133			
28	SHARP	135			
50	STONE	137			
29	UNION	139			
36	VAN BUREN	141			
88	WASHINGTON	143			
18	WHITE	145			
44	WOODRUFF	147			
28	YELL	149			

Arkansas Homeowners Form 3 Masonry Base Rates

**\$60,000 Base, \$500 Deductible,
\$100,000 Liability, \$1,000 Medical Payments**

Zones	1-3, 1Y-3Y		4-5, 4Y-5Y		6, 6Y		7,7Y,1N-5N		8, 8Y		6N, 7N		9, 8N		10		11	
	Masonry curve		Masonry curve		Masonry curve		Masonry curve		Masonry curve		Masonry curve		Masonry curve		Masonry curve		Masonry curve	
4	839	1	871	1	981	1	1103	1	1518	1	1661	1	1661	1	2156	1	2156	1
12	718	1	755	1	849	1	952	1	1325	1	1436	1	1436	1	1887	1	1887	1
13	726	1	758	1	858	1	965	1	1340	1	1452	1	1452	1	1944	1	1944	1
15	631	1	655	1	738	1	824	1	1146	1	1249	1	1249	1	1673	1	1673	1
16	726	1	758	1	858	1	965	1	1340	1	1452	1	1452	1	1944	1	1944	1
18	790	1	822	1	927	1	1045	1	1471	1	1604	1	1604	1	2106	1	2106	1
20	793	1	823	1	928	1	1044	1	1435	1	1572	1	1572	1	2040	1	2040	1
21	810	1	843	1	952	1	1072	1	1508	1	1645	1	1645	1	2159	1	2159	1
23	601	1	626	1	702	1	791	1	1086	1	1185	1	1185	1	1612	1	1612	1
24	674	1	701	1	795	1	887	1	1256	1	1350	1	1350	1	1812	1	1812	1
26	753	1	782	1	882	1	992	1	1363	1	1494	1	1494	1	1938	1	1938	1
28	687	1	713	1	810	1	901	1	1247	1	1357	1	1357	1	1797	1	1797	1
29	793	1	823	1	928	1	1044	1	1435	1	1572	1	1572	1	2040	1	2040	1
31	757	1	793	1	895	1	1006	1	1398	1	1510	1	1510	1	1939	1	1939	1
32	909	1	970	1	1096	1	1234	1	1692	1	1846	1	1846	1	2348	1	2348	1
34	757	1	793	1	895	1	1006	1	1398	1	1510	1	1510	1	1939	1	1939	1
35	818	1	851	1	965	1	1080	1	1501	1	1612	1	1612	1	2115	1	2115	1
36	720	1	747	1	847	1	951	1	1303	1	1418	1	1418	1	1902	1	1902	1
38	831	1	869	1	978	1	1101	1	1522	1	1654	1	1654	1	2125	1	2125	1
40	647	1	678	1	764	1	859	1	1195	1	1291	1	1291	1	1656	1	1656	1
41	745	1	780	1	878	1	988	1	1374	1	1485	1	1485	1	1905	1	1905	1
44	718	1	748	1	844	1	951	1	1337	1	1459	1	1459	1	1914	1	1914	1
45	831	1	869	1	978	1	1101	1	1522	1	1654	1	1654	1	2125	1	2125	1
48	644	1	668	1	758	1	843	1	1166	1	1270	1	1270	1	1681	1	1681	1
49	685	1	711	1	806	1	906	1	1241	1	1351	1	1351	1	1811	1	1811	1
50	766	1	806	1	907	1	1016	1	1416	1	1534	1	1534	1	2016	1	2016	1
51	685	1	715	1	809	1	903	1	1278	1	1373	1	1373	1	1842	1	1842	1
53	735	1	764	1	866	1	969	1	1347	1	1446	1	1446	1	1897	1	1897	1
55	664	1	699	1	787	1	881	1	1227	1	1330	1	1330	1	1747	1	1747	1
57	644	1	668	1	758	1	843	1	1166	1	1270	1	1270	1	1681	1	1681	1
58	642	1	668	1	752	1	840	1	1165	1	1270	1	1270	1	1704	1	1704	1
62	699	1	736	1	829	1	927	1	1291	1	1400	1	1400	1	1839	1	1839	1
68	745	1	780	1	878	1	988	1	1374	1	1485	1	1485	1	1905	1	1905	1
75	685	1	715	1	809	1	903	1	1278	1	1373	1	1373	1	1842	1	1842	1
77	628	1	653	1	734	1	825	1	1135	1	1238	1	1238	1	1683	1	1683	1
78	664	1	695	1	784	1	881	1	1227	1	1324	1	1324	1	1699	1	1699	1
79	647	1	678	1	764	1	859	1	1195	1	1291	1	1291	1	1656	1	1656	1
87	659	1	684	1	769	1	861	1	1195	1	1303	1	1303	1	1747	1	1747	1
88	669	1	693	1	786	1	883	1	1210	1	1316	1	1316	1	1766	1	1766	1
91	755	1	786	1	892	1	997	1	1385	1	1487	1	1487	1	1952	1	1952	1
95	647	1	678	1	764	1	859	1	1195	1	1291	1	1291	1	1656	1	1656	1

FOR FORM 3 WITH RENOVATION COST B-639-B (REPAIR COST ON ROOF), MULTIPLY THE PREMIUM BY 1.20.

Arkansas Homeowners Form 3 Frame Base Rates

**\$60,000 Base, \$500 Deductible,
\$100,000 Liability, \$1,000 Medical Payments**

Zones	1-3, 1Y-3Y		4-5, 4Y-5Y		6, 6Y		7,7Y,1N-5N		8, 8Y		6N, 7N		9, 8N		10		11	
	Frame	curve	Frame	curve	Frame	curve	Frame	curve	Frame	curve	Frame	curve	Frame	curve	Frame	curve	Frame	curve
4	918	1	981	1	1098	1	1222	1	1784	1	1952	1	1952	1	2492	1	2492	1
12	790	1	849	1	951	1	1049	1	1558	1	1688	1	1688	1	2196	1	2196	1
13	794	1	858	1	952	1	1063	1	1577	1	1708	1	1708	1	2247	1	2247	1
15	689	1	738	1	821	1	918	1	1348	1	1468	1	1468	1	1944	1	1944	1
16	794	1	858	1	952	1	1063	1	1577	1	1708	1	1708	1	2247	1	2247	1
18	871	1	927	1	1036	1	1155	1	1737	1	1872	1	1872	1	2406	1	2406	1
20	868	1	928	1	1038	1	1156	1	1688	1	1847	1	1847	1	2356	1	2356	1
21	894	1	952	1	1063	1	1185	1	1782	1	1920	1	1920	1	2467	1	2467	1
23	657	1	702	1	782	1	870	1	1282	1	1390	1	1390	1	1873	1	1873	1
24	739	1	795	1	883	1	989	1	1486	1	1579	1	1579	1	2109	1	2109	1
26	825	1	882	1	986	1	1098	1	1603	1	1755	1	1755	1	2239	1	2239	1
28	755	1	810	1	897	1	1005	1	1466	1	1593	1	1593	1	2078	1	2078	1
29	868	1	928	1	1038	1	1156	1	1688	1	1847	1	1847	1	2356	1	2356	1
31	833	1	895	1	996	1	1119	1	1637	1	1777	1	1777	1	2272	1	2272	1
32	1020	1	1096	1	1217	1	1357	1	1988	1	2168	1	2168	1	2720	1	2720	1
34	833	1	895	1	996	1	1119	1	1637	1	1777	1	1777	1	2272	1	2272	1
35	902	1	965	1	1074	1	1203	1	1758	1	1904	1	1904	1	2456	1	2456	1
36	791	1	847	1	941	1	1051	1	1534	1	1663	1	1663	1	2211	1	2211	1
38	914	1	978	1	1092	1	1220	1	1777	1	1934	1	1934	1	2463	1	2463	1
40	711	1	764	1	851	1	956	1	1400	1	1520	1	1520	1	1942	1	1942	1
41	818	1	878	1	979	1	1100	1	1609	1	1748	1	1748	1	2233	1	2233	1
44	793	1	844	1	942	1	1050	1	1580	1	1701	1	1701	1	2188	1	2188	1
45	914	1	978	1	1092	1	1220	1	1777	1	1934	1	1934	1	2463	1	2463	1
48	707	1	758	1	840	1	940	1	1373	1	1491	1	1491	1	1944	1	1944	1
49	754	1	806	1	896	1	1001	1	1460	1	1584	1	1584	1	2106	1	2106	1
50	843	1	907	1	1015	1	1122	1	1664	1	1802	1	1802	1	2346	1	2346	1
51	753	1	809	1	898	1	1007	1	1511	1	1606	1	1606	1	2146	1	2146	1
53	809	1	866	1	963	1	1080	1	1578	1	1709	1	1709	1	2205	1	2205	1
55	731	1	787	1	880	1	972	1	1443	1	1563	1	1563	1	2035	1	2035	1
57	707	1	758	1	840	1	940	1	1373	1	1491	1	1491	1	1944	1	1944	1
58	700	1	752	1	836	1	934	1	1371	1	1493	1	1493	1	1979	1	1979	1
62	769	1	829	1	926	1	1024	1	1519	1	1645	1	1645	1	2143	1	2143	1
68	818	1	878	1	979	1	1100	1	1609	1	1748	1	1748	1	2233	1	2233	1
75	753	1	809	1	898	1	1007	1	1511	1	1606	1	1606	1	2146	1	2146	1
77	685	1	734	1	816	1	909	1	1341	1	1453	1	1453	1	1956	1	1956	1
78	730	1	784	1	874	1	981	1	1435	1	1559	1	1559	1	1993	1	1993	1
79	711	1	764	1	851	1	956	1	1400	1	1520	1	1520	1	1942	1	1942	1
87	719	1	769	1	857	1	959	1	1407	1	1531	1	1531	1	2029	1	2029	1
88	736	1	786	1	872	1	976	1	1424	1	1543	1	1543	1	2053	1	2053	1
91	832	1	892	1	990	1	1110	1	1622	1	1758	1	1758	1	2268	1	2268	1
95	711	1	764	1	851	1	956	1	1400	1	1520	1	1520	1	1942	1	1942	1

FOR FORM 3 WITH RENOVATION COST B-639-B (REPAIR COST ON ROOF), MULTIPLY THE PREMIUM BY 1.20.

Arkansas Homeowners Form 4 Base Rates

**\$10,000 Base, \$250 Deductible, \$100,000 Liability, \$1,000 Medical Payments
Apartment Units in 1-4 Family Residences of Any Construction**

Zones	curve	
4	97	1
12	97	1
13	97	1
15	97	1
16	97	1
18	97	1
20	97	1
21	97	1
23	97	1
24	97	1
26	97	1
28	97	1
29	97	1
31	97	1
32	97	1
34	97	1
35	97	1
36	97	1
38	97	1
40	97	1
41	97	1
44	97	1
45	97	1
48	109	2
49	97	1
50	97	1
51	97	1
53	97	1
55	97	1
57	109	2
58	97	1
62	97	1
68	97	1
75	97	1
77	97	1
78	97	1
79	97	1
87	97	1
88	97	1
91	97	1
95	97	1

FOR FORM 6 PREMIUM, MULTIPLY FORM 4 PREMIUM BY.90.

FOR APARTMENTS IN ALL OTHER BUILDINGS MUTIPLY THE 1-4 FAMILY DWELLING PREMIUMS BY 1.30.

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

1.	This filing transmittal is part of Company Tracking #	03M20111
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2.	If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/Item Filing Number	N/A
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3.		A.	Company Name	B.	Company NAIC Number
			Shelter Mutual Insurance Company		23388

4.		A.	Product Coding Matrix Line of Business (i.e., Type of Insurance)	B.	Product Coding Matrix Line of Business (i.e., Sub-type of Insurance)
			Shelter Mutual Homeowners		Homeowners

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	(D) Expected Loss Ratio	FOR LOSS COSTS ONLY			
				(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
Homeowners	14.4	12.2	63.4	N/A	N/A	N/A	N/A
TOTAL OVERALL EFFECT							

6. 5 Year History Rate Change History								7.	
Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio	Expense Constants	Selected Provisions
2005	44,495	-0.4	04/20/2007	30,991	12,743,	41.1	76.5	A. Total Production Expense	17.9
2006	46,281,	+8.9	12/20/2008/	33,058,	19,021,	57.5	58.8	B. General Expense	7.5
2007	47,422	-0.1	07/12/2009/	34,989	10,841	31.0	44.5	C. Taxes, Licenses & Fees	2.9
2008	48,484	+14.9	02/02/2010	36,804	53,689	145.9	101.3	D. Underwriting Profit & Contingencies	8.3
2009	50,307			39,914	39,331	98.5	81.6	E. Other (explain)	
								F. TOTAL	36.6

- 8.** N/A Apply Loss Cost Factors to Future filings? (Y or N)
- 9.** +19.3 Estimated Maximum Rate Increase for any Insured (%) Territory (if applicable): 28, 36, 50
- 10.** N/A Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): _____

**SHELTER MUTUAL INSURANCE COMPANY
ARKANSAS HOMEOWNERS
EXPLANATORY MEMORANDUM**

SUMMARY

Base rates have been revised for forms HO-3, HO-4 and HO-6. The \$1,000 deductible factor was adjusted for all forms. Building Property, Form 6, Coverage A rate was adjusted. ZIP code 72104 was added to the zone definitions. Editorial changes were made. **The overall change in revenue is +12.2% for \$5,692,905**

GENERAL RULE (GR) PAGES

- GR-8** **4. Deductibles-** The \$1,000 deductible factor was revised for forms HO-3, HO-4 and HO-6.
- GR-18** **7. Building Property, Form 6, Coverage A-** The rate was adjusted.
- GR-31** **12. Guns and Related Equipment and Archery Equipment –** An editorial change was made for clarification. The last column titled “Other Covered Perils” was removed.
- GR-32** **13. Jewelry and Furs -** An editorial change was made for clarification. The last column titled “Other Covered Perils” was removed.
- GR-35** **17. Silverware and Goldware -** An editorial change was made for clarification. The last column titled “Other Covered Perils” was removed.

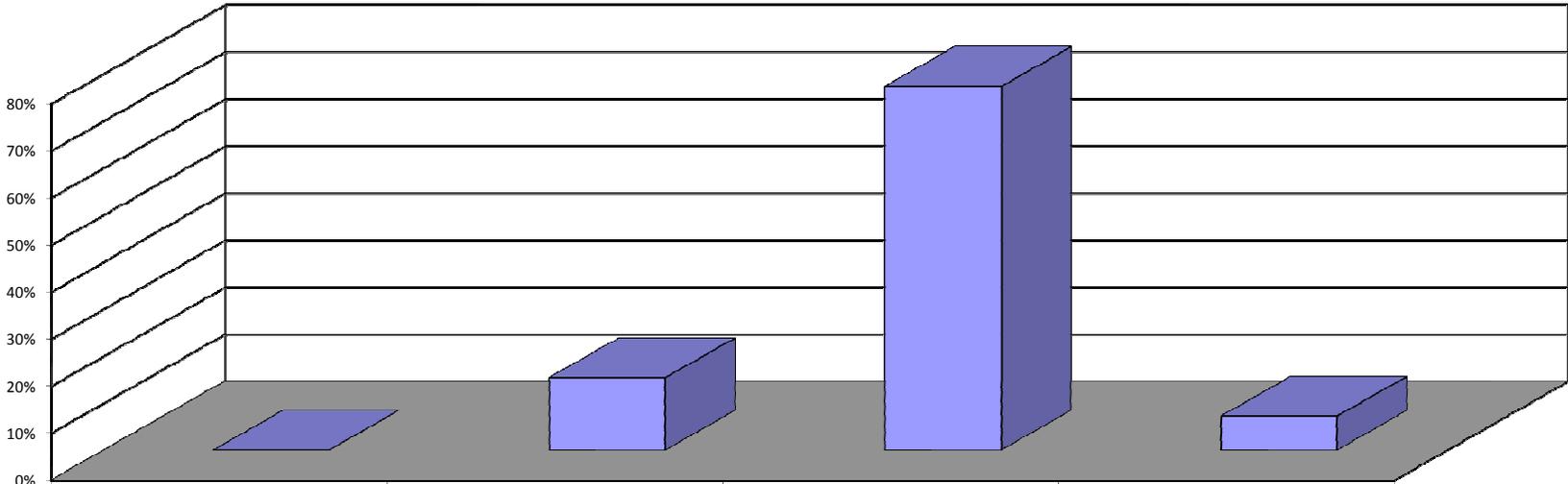
ZONES AND COUNTY CODES

Z-1, Z-2 ZIP code 72104 was added to Garland and Saline Counties.

BASE RATES

R-1, R-2, R-4 Forms HO-3, HO-4 and HO-6 Base Rates were revised.

**Shelter Mutual Insurance
Arkansas Homeowners
Distribution of Rate Changes**



	0% to 5% Count: 9	5% to 10% Count: 7,749	10% to 15% Count: 38,911	15% to 20% Count: 3,638
% of Policies	0%	15%	77%	7%

Rate Change