

SERFF Tracking Number: AOIC-126946411 State: Arkansas
Filing Company: Auto-Owners Insurance Company State Tracking Number: EFT \$100
Company Tracking Number: HOM-AR-01-04-12-2011-01
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: Arkansas Homeowners
Project Name/Number: Arkansas Homeowners Rate and Rule Filing/

Filing at a Glance

Company: Auto-Owners Insurance Company

Product Name: Arkansas Homeowners

TOI: 04.0 Homeowners

Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations

Filing Type: Rate/Rule

SERFF Tr Num: AOIC-126946411 State: Arkansas

SERFF Status: Closed-Filed State Tr Num: EFT \$100

Co Tr Num: HOM-AR-01-04-12-2011-01 State Status: Fees verified and received

Reviewer(s): Becky Harrington, Nancy Horton

Authors: Mark Vandlen, Dan Keefe, Disposition Date: 04/20/2011

Cindy LeClear, Kristi McCleery,

Amy Anton, Vicki Schaefer, Gabe

Dunbar, Joel Schultz

Date Submitted: 01/14/2011

Disposition Status: Filed

Effective Date Requested (New): 03/01/2011

Effective Date (New): 06/13/2011

Effective Date Requested (Renewal): 04/06/2011

Effective Date (Renewal): 07/19/2011

State Filing Description:

General Information

Project Name: Arkansas Homeowners Rate and Rule Filing

Project Number:

Reference Organization:

Reference Title:

Filing Status Changed: 04/20/2011

State Status Changed: 01/19/2011

Created By: Gabe Dunbar

Corresponding Filing Tracking Number:

Filing Description:

Arkansas Homeowners Rate and Rule Filing

Status of Filing in Domicile:

Domicile Status Comments:

Reference Number:

Advisory Org. Circular:

Deemer Date:

Submitted By: Gabe Dunbar

Company and Contact

Filing Contact Information

Dan Keefe, Assistant Manager

keefe.dan@aoins.com

SERFF Tracking Number: AOIC-126946411 State: Arkansas
 Filing Company: Auto-Owners Insurance Company State Tracking Number: EFT \$100
 Company Tracking Number: HOM-AR-01-04-12-2011-01
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
 Product Name: Arkansas Homeowners
 Project Name/Number: Arkansas Homeowners Rate and Rule Filing/

P.O. Box 30660 517-886-1846 [Phone]
 Lansing, MI 48909-8160 517-323-8796 [FAX]

Filing Company Information

Auto-Owners Insurance Company CoCode: 18988 State of Domicile: Michigan
 P.O. Box 30660 Group Code: 280 Company Type: PC
 Lansing, MI 48909-8160 Group Name: Auto-Owners Ins State ID Number:
 Group
 (800) 346-0346 ext. [Phone] FEIN Number: 38-0315280

Filing Fees

Fee Required? Yes
 Fee Amount: \$100.00
 Retaliatory? No
 Fee Explanation: Auto Owners Insurance Company - \$100.00
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Auto-Owners Insurance Company	\$100.00	01/14/2011	43782571

SERFF Tracking Number: AOIC-126946411 State: Arkansas
 Filing Company: Auto-Owners Insurance Company State Tracking Number: EFT \$100
 Company Tracking Number: HOM-AR-01-04-12-2011-01
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
 Product Name: Arkansas Homeowners
 Project Name/Number: Arkansas Homeowners Rate and Rule Filing/

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Becky Harrington	04/20/2011	04/20/2011

Objection Letters and Response Letters

Objection Letters				Response Letters		
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
Pending Industry Response	Becky Harrington	02/11/2011	02/11/2011	Gabe Dunbar	02/16/2011	04/12/2011
Pending Industry Response	Becky Harrington	01/19/2011	01/19/2011	Gabe Dunbar	01/25/2011	02/10/2011

Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Paid Loss Surcharges	Note To Reviewer	Gabe Dunbar	02/21/2011	04/12/2011
Effective Dates	Note To Reviewer	Gabe Dunbar	04/07/2011	04/12/2011
Meeting	Note To Filer	Becky Harrington	03/16/2011	03/16/2011
Loss surcharges	Note To Filer	Becky Harrington	02/11/2011	02/11/2011

SERFF Tracking Number: AOIC-126946411 State: Arkansas
 Filing Company: Auto-Owners Insurance Company State Tracking Number: EFT \$100
 Company Tracking Number: HOM-AR-01-04-12-2011-01
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
 Product Name: Arkansas Homeowners
 Project Name/Number: Arkansas Homeowners Rate and Rule Filing/

Disposition

Disposition Date: 04/20/2011
 Effective Date (New): 06/13/2011
 Effective Date (Renewal): 07/19/2011
 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):
Auto-Owners Insurance Company	188.400%	14.700%	\$1,091,676	8,322	\$7,442,841	54.200%	-2.600%

SERFF Tracking Number: AOIC-126946411 State: Arkansas
 Filing Company: Auto-Owners Insurance Company State Tracking Number: EFT \$100
 Company Tracking Number: HOM-AR-01-04-12-2011-01
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
 Product Name: Arkansas Homeowners
 Project Name/Number: Arkansas Homeowners Rate and Rule Filing/

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	Arkansas Indications	Filed	Yes
Supporting Document (revised)	Explanatory Memorandum	Filed	Yes
Supporting Document	Explanatory Memorandum		Yes
Supporting Document	Objection Response	Filed	Yes
Supporting Document	Paid Loss Generalized Linear Model	Filed	Yes
Supporting Document	Distribution Chart	Filed	Yes
Rate	Form 3 - Amount of Insurance Relativities (Auto-Owners Premier)	Filed	Yes
Rate	Form 3 - Amount of Insurance Relativities (Auto-Owners)	Filed	Yes
Rate (revised)	Form 3 - Base Rates	Filed	Yes
Rate	Form 3 - Base Rates		Yes
Rate	Form 3 - Territory Relativities (Auto-Owners Premier)	Filed	Yes
Rate	Form 3 - Territory Relativities (Auto-Owners)	Filed	Yes
Rate	Form 4 - Amount of Insurance Relativities (Auto-Owners Premier)	Filed	Yes
Rate	Form 4 - Amount of Insurance Relativities (Auto-Owners)	Filed	Yes
Rate	Form 4 - Base Rates	Filed	Yes
Rate	Form 6 - Amount of Insurance Relativities (Auto-Owners Premier)	Filed	Yes
Rate	Form 6 - Amount of Insurance Relativities (Auto-Owners)	Filed	Yes
Rate	Form 6 - Base Rates	Filed	Yes
Rate	Rating Procedure	Filed	Yes

SERFF Tracking Number: AOIC-126946411 State: Arkansas
 Filing Company: Auto-Owners Insurance Company State Tracking Number: EFT \$100
 Company Tracking Number: HOM-AR-01-04-12-2011-01
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
 Product Name: Arkansas Homeowners
 Project Name/Number: Arkansas Homeowners Rate and Rule Filing/

Rate	Insurance Score Rating Tiers	Filed	Yes
Rate	Eligibility - Homeowners - Form 3 and Premier Plus	Filed	Yes
Rate	Construction Types	Filed	Yes
Rate	Location Minimum Premium	Filed	Yes
Rate	Mandatory Coverages, Forms and Endorsements	Filed	Yes
Rate	Solid Fuel Heating Appliances	Filed	Yes
Rate	Incidental Business Coverage	Filed	Yes
Rate	Incidental Farm Coverage	Filed	Yes
Rate	Age of Construction Discount – Forms 3, 6 and Premier Plus	Filed	Yes
Rate	College Graduate Discount	Filed	Yes
Rate (revised)	Deductible Options	Filed	Yes
Rate	Deductible Options		Yes
Rate	Guaranteed Home Replacement Cost Exclusion – Premier Plus	Filed	Yes
Rate (revised)	Paid Loss Surcharge	Filed	Yes
Rate	Paid Loss Surcharge		Yes
Rate (revised)	Roof Discount/Surcharge – Form 3	Filed	Yes
Rate	Roof Discount/Surcharge – Form 3		Yes
Rate	Solid Fuel Heating Surcharge	Filed	Yes
Rate	Premium Adjustments – Quick Reference	Filed	Yes
Rate	Year of Construction Surcharge – Forms 3, 6 and Premier Plus	Filed	Yes
Rate	Condo-Owners Plus Endorsement	Filed	Yes
Rate	Earthquake Coverage	Filed	Yes
Rate	Guaranteed Home Replacement Cost Coverage – Form 3 Only	Filed	Yes
Rate	Homeowners Plus Endorsement	Filed	Yes
Rate	Ordinance Or Law Coverage – Form 3, 6 and Premier Plus	Filed	Yes
Rate	Personal Property - Coverage C Revised Limits	Filed	Yes
Rate	Personal Property Replacement Cost Coverage	Filed	Yes
Rate	Personal Property Replacement Cost	Filed	Yes

SERFF Tracking Number: AOIC-126946411 State: Arkansas
Filing Company: Auto-Owners Insurance Company State Tracking Number: EFT \$100
Company Tracking Number: HOM-AR-01-04-12-2011-01
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: Arkansas Homeowners
Project Name/Number: Arkansas Homeowners Rate and Rule Filing/

Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 02/11/2011

Submitted Date 02/11/2011

Respond By Date

Dear Dan Keefe,

This will acknowledge receipt of the recent response.

Objection 1

- Objection Response (Supporting Document)

Comment: The loss ratios appear to support a paid loss surcharge. However, the amounts of the surcharges have not been adequately supported. Please provide additional information supporting the amounts.

Objection 2

- Objection Response (Supporting Document)

Comment: Most insureds do not read their policies until a loss occurs. They often do not realize their deductible amounts, nor do they always understand how they are applied. Percentage deductibles as well as varying amounts for different perils often lead to complaints.

Objection 3

Comment: Based upon the disruption chart and discussions with Director Lacy, please amend the increases so that no insured receives greater than a 20% increase.

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.

The requested overall increase may be subject to Commissioner Bradford's review.

Sincerely,

Becky Harrington

SERFF Tracking Number: AOIC-126946411 State: Arkansas
 Filing Company: Auto-Owners Insurance Company State Tracking Number: EFT \$100
 Company Tracking Number: HOM-AR-01-04-12-2011-01
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
 Product Name: Arkansas Homeowners
 Project Name/Number: Arkansas Homeowners Rate and Rule Filing/

Response Letter

Response Letter Status Submitted to State
 Response Letter Date 02/16/2011
 Submitted Date 04/12/2011

Dear Becky Harrington,

Comments:

Response 1

Comments: Please see the explanation of the Generalized Linear Model for the Paid Loss Surcharge. These are target relativities in which we are moving towards with our proposed increases. The current 150% surcharge for 4 or more losses is not increasing since it is already at target. Please note that weather losses were not used in the development of this model.

Related Objection 1

Applies To:

- Objection Response (Supporting Document)

Comment:

The loss ratios appear to support a paid loss surcharge. However, the amounts of the surcharges have not been adequately supported. Please provide additional information supporting the amounts.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: Paid Loss Generalized Linear Model
 Comment: Please view attached explanation of the model.

No Form Schedule items changed.

Rate/Rule Schedule Item Changes

Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing #
Paid Loss Surcharge	AOUQZ310	Replacement	AOUQZ259
Previous Version			
<i>Paid Loss Surcharge</i>	<i>AOUQZ310</i>	<i>Replacement</i>	<i>AOUQZ259</i>

SERFF Tracking Number: AOIC-126946411 State: Arkansas
 Filing Company: Auto-Owners Insurance Company State Tracking Number: EFT \$100
 Company Tracking Number: HOM-AR-01-04-12-2011-01
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
 Product Name: Arkansas Homeowners
 Project Name/Number: Arkansas Homeowners Rate and Rule Filing/

Response 2

Comments: In compliance with your request, below is a summary of how deductibles will be revised.

A policyholder who currently has an all perils deductible lower than \$1,000 Flat would be rolled up to the \$1,000 Flat deductible option at the next policy renewal.

A policyholder who currently has a split deductible option lower than \$500 All Other Perils/\$1,000 Wind/Hail would roll to the \$500 All Other Perils/\$1,000 Wind/Hail deductible option at the next policy renewal.

Please see change to #1 of Explanatory Memorandum and editorial change on the deductible page.

Related Objection 1

Applies To:

- Objection Response (Supporting Document)

Comment:

Most insureds do not read their policies until a loss occurs. They often do not realize their deductible amounts, nor do they always understand how they are applied. Percentage deductibles as well as varying amounts for different perils often lead to complaints.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: Explanatory Memorandum

Comment: Please see attached Explanatory Memorandum.

No Form Schedule items changed.

Rate/Rule Schedule Item Changes

Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing #
Deductible Options	AOUQZ293	Replacement	AOUQZ232
Previous Version			
<i>Deductible Options</i>	<i>AOUQZ293</i>	<i>Replacement</i>	<i>AOUQZ232</i>

Response 3

Comments: Per discussion in the meeting that took place on 3/16/2011, we have provided a breakdown of the number of insureds receiving greater than 20% increase and indicated the elements of the filing causing the increase.

Please view updates to the following documents:

SERFF Tracking Number: AOIC-126946411 State: Arkansas
 Filing Company: Auto-Owners Insurance Company State Tracking Number: EFT \$100
 Company Tracking Number: HOM-AR-01-04-12-2011-01
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
 Product Name: Arkansas Homeowners
 Project Name/Number: Arkansas Homeowners Rate and Rule Filing/

NAIC document - Has updated 2010 data

HPCS document - Form 3 premiums reflect updated rates

Distribution Chart - Shows proposed distributions along with explanation of what factors are causing the higher increases.

Form 3 Base Rates - Reflects Form 3 base rate increase to reach the proposed 15% increase.

Roof Discount/Surcharge page - Reduced charge for older roofs in order to reduce number of increases over 20%.

Related Objection 1

Comment:

Based upon the disruption chart and discussions with Director Lacy, please amend the increases so that no insured receives greater than a 20% increase.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: HPCS-Homeowners Premium Comparison Survey

Comment: Please see attached HPRC.

Satisfied -Name: NAIC loss cost data entry document

Comment: Please see attached NAIC Loss Cost Data Entry document.

Satisfied -Name: DIstribution Chart

Comment: Please see attachment for the Distribution chart as well as a breakdown of the number of insureds receiving greater than 20% increase and the elements of the filing causing the increases.

No Form Schedule items changed.

Rate/Rule Schedule Item Changes

Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing #
Form 3 - Base Rates	AOAQZ056	Replacement	AOAQZ041
Previous Version			
Form 3 - Base Rates	AOAQZ056	Replacement	AOAQZ041
Roof Discount/Surcharge – Form 3	AOUQZ296	Replacement	AOUQZ271
Previous Version			
Roof Discount/Surcharge – Form 3	AOUQZ296	Replacement	AOUQZ271

SERFF Tracking Number: AOIC-126946411 *State:* Arkansas
Filing Company: Auto-Owners Insurance Company *State Tracking Number:* EFT \$100
Company Tracking Number: HOM-AR-01-04-12-2011-01
TOI: 04.0 Homeowners *Sub-TOI:* 04.0000 Homeowners Sub-TOI Combinations
Product Name: Arkansas Homeowners
Project Name/Number: Arkansas Homeowners Rate and Rule Filing/

Sincerely,

Amy Anton, Cindy LeClear, Dan Keefe, Gabe Dunbar, Joel Schultz, Kristi McCleery, Mark Vandlen, Vicki Schaefer

SERFF Tracking Number: AOIC-126946411 State: Arkansas
Filing Company: Auto-Owners Insurance Company State Tracking Number: EFT \$100
Company Tracking Number: HOM-AR-01-04-12-2011-01
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: Arkansas Homeowners
Project Name/Number: Arkansas Homeowners Rate and Rule Filing/

Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 01/19/2011

Submitted Date 01/19/2011

Respond By Date

Dear Dan Keefe,

This will acknowledge receipt of the captioned filing.

Objection 1

- Explanatory Memorandum (Supporting Document)
- Deductible Options, AOUQZ293 (Rate)

Comment: Arkansas does not allow mandatory wind/hail deductibles in amounts greater than the all other peril deductible. You may offer optional wind/hail deductible amounts, but not mandatory.

Objection 2

- Explanatory Memorandum (Supporting Document)
- Paid Loss Surcharge, AOUQZ310 (Rate)

Comment: Provide data supporting the paid loss surcharge increases.

Objection 3

- Year of Construction Surcharge – Forms 3, 6 and Premier Plus, AOUQZ298 (Rate)

Comment: Provide supporting data for the year of construction surcharge.

Objection 4

- Incidental Business Coverage, AOUQZ315 (Rate)

Comment: Please either provide the previous rates or indicate the percentage change for the rates.

Objection 5

- Incidental Farm Coverage, AOUQZ309 (Rate)

Comment: Please provide the previous rates or indicate the percentage change for farm liability.

Objection 6

- Insurance Score Rating Tiers, AOAQZ063 (Rate)

Comment: Provide the loss experience supporting the insurance score relativity changes.

Objection 7

- Roof Discount/Surcharge – Form 3, AOUQZ296 (Rate)

SERFF Tracking Number: AOIC-126946411 State: Arkansas
Filing Company: Auto-Owners Insurance Company State Tracking Number: EFT \$100
Company Tracking Number: HOM-AR-01-04-12-2011-01
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: Arkansas Homeowners
Project Name/Number: Arkansas Homeowners Rate and Rule Filing/

Comment: Provide supporting data for the roof surcharges/discounts.

Objection 8

- Form 3 - Territory Relativities (Auto-Owners Premier), AOAQZ057 (Rate)
- Form 3 - Territory Relativities (Auto-Owners), AOAQZ058 (Rate)

Comment: I am unable to determine the changes that were made. Please provide data supporting the changes and identify the changes.

Objection 9

Comment: Please provide a disruption chart.

Objection 10

Comment: Please identify the major types of losses driving the loss ratio.

Please feel free to contact me if you have questions.

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

Sincerely,

Becky Harrington

SERFF Tracking Number: AOIC-126946411 State: Arkansas
Filing Company: Auto-Owners Insurance Company State Tracking Number: EFT \$100
Company Tracking Number: HOM-AR-01-04-12-2011-01
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: Arkansas Homeowners
Project Name/Number: Arkansas Homeowners Rate and Rule Filing/

Response Letter

Response Letter Status Submitted to State
Response Letter Date 01/25/2011
Submitted Date 02/10/2011

Dear Becky Harrington,

Comments:

Response 1

Comments: Please refer to Objection Response Document under Supporting Documentation.

Related Objection 1

Applies To:

- Explanatory Memorandum (Supporting Document)
- Deductible Options, AOUQZ293 (Rate)

Comment:

Arkansas does not allow mandatory wind/hail deductibles in amounts greater than the all other peril deductible.
You may offer optional wind/hail deductible amounts, but not mandatory.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: Objection Response

Comment: Please view attached document.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 2

Comments: Please refer to Objection Response Document under Supporting Documentation.

Related Objection 1

Applies To:

- Explanatory Memorandum (Supporting Document)
- Paid Loss Surcharge, AOUQZ310 (Rate)

SERFF Tracking Number: AOIC-126946411 State: Arkansas
Filing Company: Auto-Owners Insurance Company State Tracking Number: EFT \$100
Company Tracking Number: HOM-AR-01-04-12-2011-01
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: Arkansas Homeowners
Project Name/Number: Arkansas Homeowners Rate and Rule Filing/

Comment:

Provide data supporting the paid loss surcharge increases.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 3

Comments: Please refer to Objection Response Document under Supporting Documentation.

Related Objection 1

Applies To:

- Year of Construction Surcharge – Forms 3, 6 and Premier Plus, AOUQZ298 (Rate)

Comment:

Provide supporting data for the year of construction surcharge.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 4

Comments: Please refer to Objection Response Document under Supporting Documentation.

Related Objection 1

Applies To:

- Incidental Business Coverage, AOUQZ315 (Rate)

Comment:

Please either provide the previous rates or indicate the percentage change for the rates.

SERFF Tracking Number: AOIC-126946411 State: Arkansas
Filing Company: Auto-Owners Insurance Company State Tracking Number: EFT \$100
Company Tracking Number: HOM-AR-01-04-12-2011-01
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: Arkansas Homeowners
Project Name/Number: Arkansas Homeowners Rate and Rule Filing/

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 5

Comments: Please refer to Objection Response Document under Supporting Documentation.

Related Objection 1

Applies To:

- Incidental Farm Coverage, AOUQZ309 (Rate)

Comment:

Please provide the previous rates or indicate the percentage change for farm liability.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 6

Comments: Please refer to Objection Response Document under Supporting Documentation.

Related Objection 1

Applies To:

- Insurance Score Rating Tiers, AOAQZ063 (Rate)

Comment:

Provide the loss experience supporting the insurance score relativity changes.

Changed Items:

No Supporting Documents changed.

SERFF Tracking Number: AOIC-126946411 State: Arkansas
Filing Company: Auto-Owners Insurance Company State Tracking Number: EFT \$100
Company Tracking Number: HOM-AR-01-04-12-2011-01
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: Arkansas Homeowners
Project Name/Number: Arkansas Homeowners Rate and Rule Filing/

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 7

Comments: Please refer to Objection Response Document under Supporting Documentation.

Related Objection 1

Applies To:

- Roof Discount/Surcharge – Form 3, AOUQZ296 (Rate)

Comment:

Provide supporting data for the roof surcharges/discounts.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 8

Comments: Please refer to Objection Response Document under Supporting Documentation.

Related Objection 1

Applies To:

- Form 3 - Territory Relativities (Auto-Owners Premier), AOAQZ057 (Rate)
- Form 3 - Territory Relativities (Auto-Owners), AOAQZ058 (Rate)

Comment:

I am unable to determine the changes that were made. Please provide data supporting the changes and identify the changes.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

SERFF Tracking Number: AOIC-126946411 *State:* Arkansas
Filing Company: Auto-Owners Insurance Company *State Tracking Number:* EFT \$100
Company Tracking Number: HOM-AR-01-04-12-2011-01
TOI: 04.0 Homeowners *Sub-TOI:* 04.0000 Homeowners Sub-TOI Combinations
Product Name: Arkansas Homeowners
Project Name/Number: Arkansas Homeowners Rate and Rule Filing/
No Rate/Rule Schedule items changed.

Response 9

Comments: Please refer to Objection Response Document under Supporting Documentation.

Related Objection 1

Comment:

Please provide a disruption chart.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 10

Comments: Please refer to Objection Response Document under Supporting Documentation.

Related Objection 1

Comment:

Please identify the major types of losses driving the loss ratio.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Sincerely,

Amy Anton, Cindy LeClear, Dan Keefe, Gabe Dunbar, Joel Schultz, Kristi McCleery, Mark Vandlen, Vicki Schaefer

SERFF Tracking Number: AOIC-126946411 *State:* Arkansas
Filing Company: Auto-Owners Insurance Company *State Tracking Number:* EFT \$100
Company Tracking Number: HOM-AR-01-04-12-2011-01
TOI: 04.0 Homeowners *Sub-TOI:* 04.0000 Homeowners Sub-TOI Combinations
Product Name: Arkansas Homeowners
Project Name/Number: Arkansas Homeowners Rate and Rule Filing/

Note To Reviewer

Created By:

Gabe Dunbar on 02/21/2011 01:52 PM

Last Edited By:

Becky Harrington

Submitted On:

04/20/2011 12:30 PM

Subject:

Paid Loss Surcharges

Comments:

There are no weather related losses that are included in the development of the Paid Loss Surcharges. Please see GLM explanation for further detail.

SERFF Tracking Number: AOIC-126946411 *State:* Arkansas
Filing Company: Auto-Owners Insurance Company *State Tracking Number:* EFT \$100
Company Tracking Number: HOM-AR-01-04-12-2011-01
TOI: 04.0 Homeowners *Sub-TOI:* 04.0000 Homeowners Sub-TOI Combinations
Product Name: Arkansas Homeowners
Project Name/Number: Arkansas Homeowners Rate and Rule Filing/

Note To Reviewer

Created By:

Gabe Dunbar on 04/07/2011 10:54 AM

Last Edited By:

Becky Harrington

Submitted On:

04/20/2011 12:30 PM

Subject:

Effective Dates

Comments:

For the purpose of this filing we would like to propose a new effective date of 6/13/2011 & renewal date of 7/19/2011.

SERFF Tracking Number: AOIC-126946411 State: Arkansas
Filing Company: Auto-Owners Insurance Company State Tracking Number: EFT \$100
Company Tracking Number: HOM-AR-01-04-12-2011-01
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: Arkansas Homeowners
Project Name/Number: Arkansas Homeowners Rate and Rule Filing/

Note To Filer

Created By:

Becky Harrington on 03/16/2011 03:51 PM

Last Edited By:

Becky Harrington

Submitted On:

04/20/2011 12:30 PM

Subject:

Meeting

Comments:

Per discussions in our meeting of 3/16/11, please provide a breakdown of the number of insureds receiving greater than 20% increase and indicate the elements of the filing causing the increase.

SERFF Tracking Number: AOIC-126946411 State: Arkansas
Filing Company: Auto-Owners Insurance Company State Tracking Number: EFT \$100
Company Tracking Number: HOM-AR-01-04-12-2011-01
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: Arkansas Homeowners
Project Name/Number: Arkansas Homeowners Rate and Rule Filing/

Note To Filer

Created By:

Becky Harrington on 02/11/2011 09:17 AM

Last Edited By:

Becky Harrington

Submitted On:

04/20/2011 12:30 PM

Subject:

Loss surcharges

Comments:

Please verify that weather related losses are not included in the development of the loss surcharge amounts.

SERFF Tracking Number: AOIC-126946411 State: Arkansas
 Filing Company: Auto-Owners Insurance Company State Tracking Number: EFT \$100
 Company Tracking Number: HOM-AR-01-04-12-2011-01
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
 Product Name: Arkansas Homeowners
 Project Name/Number: Arkansas Homeowners Rate and Rule Filing/

Rate Information

Rate data applies to filing.

Filing Method: File and Use
Rate Change Type: Increase
Overall Percentage of Last Rate Revision: 9.800%
Effective Date of Last Rate Revision: 02/15/2010
Filing Method of Last Filing: File and Use

Company Rate Information

Company Name:	Company Rate Change:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where required):	Minimum % Change (where required):
Auto-Owners Insurance Company	N/A	188.400%	14.700%	\$1,091,676	8,322	\$7,442,841	68.700%	-2.600%

SERFF Tracking Number: AOIC-126946411 State: Arkansas
 Filing Company: Auto-Owners Insurance Company State Tracking Number: EFT \$100
 Company Tracking Number: HOM-AR-01-04-12-2011-01
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
 Product Name: Arkansas Homeowners
 Project Name/Number: Arkansas Homeowners Rate and Rule Filing/

Rate/Rule Schedule

Schedule Item Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Number:	Filing Attachments
Filed 04/20/2011	Form 3 - Amount of Insurance Relativities (Auto-Owners Premier)	AOAQZ054	Replacement	AOAQZ039	AOAQZ054.pdf
Filed 04/20/2011	Form 3 - Amount of Insurance Relativities (Auto-Owners)	AOAQZ055	Replacement	AOAQZ040	AOAQZ055.pdf
Filed 04/20/2011	Form 3 - Base Rates	AOAQZ056	Replacement	AOAQZ041	AOAQZ056.pdf
Filed 04/20/2011	Form 3 - Territory Relativities (Auto-Owners Premier)	AOAQZ057	Replacement	AOAQZ034	AOAQZ057.pdf
Filed 04/20/2011	Form 3 - Territory Relativities (Auto-Owners)	AOAQZ058	Replacement	AOAQZ033	AOAQZ058.pdf
Filed 04/20/2011	Form 4 - Amount of Insurance Relativities (Auto-Owners Premier)	AOAQZ059	Replacement	AOAQZ018	AOAQZ059.pdf
Filed 04/20/2011	Form 4 - Amount of Insurance Relativities (Auto-Owners)	AOAQZ060	Replacement	AOAQZ017	AOAQZ060.pdf
Filed 04/20/2011	Form 4 - Base Rates	AOAQZ061	Replacement	AOAQZ044	AOAQZ061.pdf

SERFF Tracking Number: AOIC-126946411 *State:* Arkansas
Filing Company: Auto-Owners Insurance Company *State Tracking Number:* EFT \$100
Company Tracking Number: HOM-AR-01-04-12-2011-01
TOI: 04.0 Homeowners *Sub-TOI:* 04.0000 Homeowners Sub-TOI Combinations
Product Name: Arkansas Homeowners
Project Name/Number: Arkansas Homeowners Rate and Rule Filing/

Filed 04/20/2011 Form 6 - Amount of Insurance Relativities (Auto-Owners Premier)	AOAQZ064	Replacement	AOAQZ047	AOAQZ064.pdf
Filed 04/20/2011 Form 6 - Amount of Insurance Relativities (Auto-Owners)	AOAQZ065	Replacement	AOAQZ048	AOAQZ065.pdf
Filed 04/20/2011 Form 6 - Base Rates	AOAQZ066	Replacement	AOAQZ049	AOAQZ066.pdf
Filed 04/20/2011 Rating Procedure	AOAQZ062	Replacement	AOAQZ052	AOAQZ062.pdf
Filed 04/20/2011 Insurance Score Rating Tiers	AOAQZ063	Replacement	AOAQZ053	AOAQZ063.pdf
Filed 04/20/2011 Eligibility - Homeowners - Form 3 and Premier Plus	AOUQZ286	Replacement	AOUQZ253	AOUQZ286.pdf
Filed 04/20/2011 Construction Types	AOUQZ288	Replacement	AOUQZ254	AOUQZ288.pdf
Filed 04/20/2011 Location Minimum Premium	AOUQZ308	Replacement	AOUQZ099	AOUQZ308.pdf
Filed 04/20/2011 Mandatory Coverages, Forms and Endorsements	AOUQZ289	Replacement	AOUQZ020	AOUQZ289.pdf
Filed 04/20/2011 Solid Fuel Heating Appliances	AOUQZ291	Replacement	AOUQZ167	AOUQZ291.pdf

SERFF Tracking Number: AOIC-126946411 *State:* Arkansas
Filing Company: Auto-Owners Insurance Company *State Tracking Number:* EFT \$100
Company Tracking Number: HOM-AR-01-04-12-2011-01
TOI: 04.0 Homeowners *Sub-TOI:* 04.0000 Homeowners Sub-TOI Combinations
Product Name: Arkansas Homeowners
Project Name/Number: Arkansas Homeowners Rate and Rule Filing/

Filed 04/20/2011	Incidental Business Coverage	AOUQZ315	Replacement	AOUQZ054	AOUQZ315.pdf
Filed 04/20/2011	Incidental Farm Coverage	AOUQZ309	Replacement	AOUQZ255	AOUQZ309.pdf
Filed 04/20/2011	Age of Construction Discount Forms 3, 6 and Premier Plus	AOUQZ292	Replacement	AOUQZ258	AOUQZ292.pdf
Filed 04/20/2011	College Graduate Discount	AOUQZ313	Replacement	AOUQZ089	AOUQZ313.pdf
Filed 04/20/2011	Deductible Options	AOUQZ293	Replacement	AOUQZ232	AOUQZ293.pdf
Filed 04/20/2011	Guaranteed Home Replacement Cost Exclusion Premier Plus	AOUQZ317	Replacement	AOUQZ096	AOUQZ317.pdf
Filed 04/20/2011	Paid Loss Surcharge	AOUQZ310	Replacement	AOUQZ259	AOUQZ310.pdf
Filed 04/20/2011	Roof Discount/Surcharge Form 3	AOUQZ296	Replacement	AOUQZ271	AOUQZ296.pdf
Filed 04/20/2011	Solid Fuel Heating Surcharge	AOUQZ312	Replacement	AOUQZ236	AOUQZ312.pdf
Filed 04/20/2011	Premium Adjustments Quick Reference	AOUQZ316	Replacement	AOUQZ227	AOUQZ316.pdf

SERFF Tracking Number: AOIC-126946411 State: Arkansas
 Filing Company: Auto-Owners Insurance Company State Tracking Number: EFT \$100
 Company Tracking Number: HOM-AR-01-04-12-2011-01
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
 Product Name: Arkansas Homeowners
 Project Name/Number: Arkansas Homeowners Rate and Rule Filing/

Filed 04/20/2011	Year of Construction Surcharge Forms 3, 6 and Premier Plus	AOUQZ298	New		AOUQZ298.pdf
Filed 04/20/2011	Condo-Owners Plus Endorsement	AOUQZ299	Replacement	AOUQZ270	AOUQZ299.pdf
Filed 04/20/2011	Earthquake Coverage	AOUQZ300	Replacement	AOUQZ266	AOUQZ300.pdf
Filed 04/20/2011	Guaranteed Home Replacement Cost Coverage Form 3 Only	AOUQZ311	Replacement	AOUQZ260	AOUQZ311.pdf
Filed 04/20/2011	Homeowners Plus Endorsement	AOUQZ301	Replacement	AOUQZ264	AOUQZ301.pdf
Filed 04/20/2011	Ordinance Or Law Coverage Form 3, 6 and Premier Plus	AOUQZ302	Replacement	AOUQZ072	AOUQZ302.pdf
Filed 04/20/2011	Personal Property - Coverage C Revised Limits	AOUQZ314	Replacement	AOUQZ225	AOUQZ314.pdf
Filed 04/20/2011	Personal Property Replacement Cost Coverage	AOUQZ304	Replacement	AOUQZ240	AOUQZ304.pdf
Filed 04/20/2011	Personal Property Replacement Cost Exclusion	AOUQZ305	New		AOUQZ305.pdf

SERFF Tracking Number: AOIC-126946411 State: Arkansas
Filing Company: Auto-Owners Insurance Company State Tracking Number: EFT \$100
Company Tracking Number: HOM-AR-01-04-12-2011-01
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: Arkansas Homeowners
Project Name/Number: Arkansas Homeowners Rate and Rule Filing/

Filed 04/20/2011 Renters Plus Endorsement AOUQZ306 Replacement AOUQZ265 AOUQZ306.pdf

Filed 04/20/2011 Water Back-up of Sewers or Drains Additional Limits AOUQZ307 Replacement AOUQZ226 AOUQZ307.pdf

Filed 04/20/2011 Limits of Insurance AOUQZ319 Replacement AOUQZ019 AOUQZ319.pdf

Auto-Owners

HOMEOWNERS
ARKANSAS
PREMIER PROGRAM
FORM 3 AND PREMIER PLUS
AMOUNT OF INSURANCE RELATIVITIES

Cov A			Cov A			Cov A	
Amt	Relativity		Amt	Relativity		Amt	Relativity
20,000	0.620		122,000	1.207		280,000	2.628
30,000	0.633		124,000	1.226		290,000	2.719
32,000	0.636		126,000	1.244		300,000	2.810
34,000	0.639		128,000	1.263		350,000	3.325
36,000	0.641		130,000	1.282		400,000	3.840
38,000	0.644		132,000	1.301		450,000	4.355
40,000	0.647		134,000	1.320		500,000	4.870
42,000	0.649		136,000	1.338		600,000	5.821
44,000	0.652		138,000	1.357		700,000	6.771
46,000	0.655		140,000	1.376		800,000	7.722
48,000	0.657		142,000	1.395		900,000	8.822
50,000	0.660		144,000	1.414		1,000,000	9.922
52,000	0.672		146,000	1.432			
54,000	0.685		148,000	1.451		Each	
56,000	0.697		150,000	1.470		Add'l	
58,000	0.710		152,000	1.487		10,000	0.116
60,000	0.722		154,000	1.504			
62,000	0.734		156,000	1.522			
64,000	0.747		158,000	1.539			
66,000	0.759		160,000	1.556			
68,000	0.772		162,000	1.573			
70,000	0.784		164,000	1.590			
72,000	0.796		166,000	1.608			
74,000	0.809		168,000	1.625			
76,000	0.822		170,000	1.642			
78,000	0.837		172,000	1.659			
80,000	0.852		174,000	1.676			
82,000	0.866		176,000	1.694			
84,000	0.881		178,000	1.711			
86,000	0.896		180,000	1.728			
88,000	0.911		182,000	1.745			
90,000	0.926		184,000	1.762			
92,000	0.940		186,000	1.780			
94,000	0.955		188,000	1.797			
96,000	0.970		190,000	1.814			
98,000	0.985		192,000	1.831			
100,000	1.000		194,000	1.848			
102,000	1.019		196,000	1.866			
104,000	1.038		198,000	1.883			
106,000	1.056		200,000	1.900			
108,000	1.075		210,000	1.991			
110,000	1.094		220,000	2.082			
112,000	1.113		230,000	2.173			
114,000	1.132		240,000	2.264			
116,000	1.150		250,000	2.355			
118,000	1.169		260,000	2.446			
120,000	1.188		270,000	2.537			

Auto-Owners

HOMEOWNERS
ARKANSAS
STANDARD PROGRAM
FORM 3
AMOUNT OF INSURANCE RELATIVITIES

Cov A			Cov A			Cov A	
Amt	Relativity		Amt	Relativity		Amt	Relativity
20,000	0.620		122,000	1.207		280,000	2.628
30,000	0.633		124,000	1.226		290,000	2.719
32,000	0.636		126,000	1.244		300,000	2.810
34,000	0.639		128,000	1.263		350,000	3.325
36,000	0.641		130,000	1.282		400,000	3.840
38,000	0.644		132,000	1.301		450,000	4.355
40,000	0.647		134,000	1.320		500,000	4.870
42,000	0.649		136,000	1.338		600,000	5.821
44,000	0.652		138,000	1.357		700,000	6.771
46,000	0.655		140,000	1.376		800,000	7.722
48,000	0.657		142,000	1.395		900,000	8.822
50,000	0.660		144,000	1.414		1,000,000	9.922
52,000	0.672		146,000	1.432			
54,000	0.685		148,000	1.451		Each	
56,000	0.697		150,000	1.470		Add'l	
58,000	0.710		152,000	1.487		10,000	0.116
60,000	0.722		154,000	1.504			
62,000	0.734		156,000	1.522			
64,000	0.747		158,000	1.539			
66,000	0.759		160,000	1.556			
68,000	0.772		162,000	1.573			
70,000	0.784		164,000	1.590			
72,000	0.796		166,000	1.608			
74,000	0.809		168,000	1.625			
76,000	0.822		170,000	1.642			
78,000	0.837		172,000	1.659			
80,000	0.852		174,000	1.676			
82,000	0.866		176,000	1.694			
84,000	0.881		178,000	1.711			
86,000	0.896		180,000	1.728			
88,000	0.911		182,000	1.745			
90,000	0.926		184,000	1.762			
92,000	0.940		186,000	1.780			
94,000	0.955		188,000	1.797			
96,000	0.970		190,000	1.814			
98,000	0.985		192,000	1.831			
100,000	1.000		194,000	1.848			
102,000	1.019		196,000	1.866			
104,000	1.038		198,000	1.883			
106,000	1.056		200,000	1.900			
108,000	1.075		210,000	1.991			
110,000	1.094		220,000	2.082			
112,000	1.113		230,000	2.173			
114,000	1.132		240,000	2.264			
116,000	1.150		250,000	2.355			
118,000	1.169		260,000	2.446			
120,000	1.188		270,000	2.537			

HOMEOWNERS
ARKANSAS
FORM 3 AND PREMIER PLUS
BASE RATES

Auto-Owners	
Standard Program	865.83
Premier Program	779.25
Premier Plus Program	724.70

Edition Date: 03/01/11

Auto-Owners

HOMEOWNERS
ARKANSAS
PREMIER PROGRAM
FORM 3 AND PREMIER PLUS
TERRITORY RELATIVITIES

Territory	Relativity
1	0.900
2	0.920
3	1.100
4	0.970
5	1.120
6	0.970
7	1.000
8	1.120
9	1.120
10	1.010
11	1.120
12	0.970
13	1.220
14	1.120
15	1.120
16	1.350
17	1.170
18	1.250

Edition Date: 03/01/11

Auto-Owners

HOMEOWNERS
ARKANSAS
STANDARD PROGRAM
FORM 3
TERRITORY RELATIVITIES

Territory	Relativity
1	0.900
2	0.920
3	1.100
4	0.970
5	1.120
6	0.970
7	1.000
8	1.120
9	1.120
10	1.010
11	1.120
12	0.970
13	1.220
14	1.120
15	1.120
16	1.350
17	1.170
18	1.250

Edition Date: 03/01/11

Auto-Owners

HOMEOWNERS
ARKANSAS
PREMIER PROGRAM
FORM 4
AMOUNT OF INSURANCE RELATIVITIES

Cov C			Building Additions & Alterations	
Amt	Relativity		Amt	Relativity
15,000	1.000		Each	
16,000	1.034		Add'l	
17,000	1.068		10,000	0.346
18,000	1.102			
19,000	1.136			
20,000	1.170			
21,000	1.204			
22,000	1.238			
23,000	1.272			
24,000	1.306			
25,000	1.340			
30,000	1.565			
35,000	1.790			
Each				
Add'l				
10,000	0.450			

Edition Date: 03/01/11

Auto-Owners

HOMEOWNERS
ARKANSAS
STANDARD PROGRAM
FORM 4
AMOUNT OF INSURANCE RELATIVITIES

Cov C	Relativity	Building Additions & Alterations	
		Amt	Relativity
4,000	0.580	Each	
6,000	0.620	Add'l	
7,000	0.660	10,000	0.346
8,000	0.700		
9,000	0.740		
10,000	0.780		
11,000	0.824		
12,000	0.868		
13,000	0.912		
14,000	0.956		
15,000	1.000		
16,000	1.034		
17,000	1.068		
18,000	1.102		
19,000	1.136		
20,000	1.170		
21,000	1.204		
22,000	1.238		
23,000	1.272		
24,000	1.306		
25,000	1.340		
30,000	1.565		
35,000	1.790		
Each			
Add'l			
10,000	0.450		

Edition Date: 03/01/11

HOMEOWNERS
ARKANSAS
FORM 4
BASE RATES

Auto-Owners	
Standard Program	182.00
Premier Program	163.80

Edition Date: 03/01/11

Auto-Owners

HOMEOWNERS
ARKANSAS
PREMIER PROGRAM
FORM 6
AMOUNT OF INSURANCE RELATIVITIES

Cov C			Cov C			Cov C			Inc. Cov A	
Amt	Relativity		Amt	Relativity		Amt	Relativity		Amt	Relativity
4,000	0.228		50,000	0.823		140,000	2.417		Each	
6,000	0.244		52,000	0.858		142,000	2.453		Add'l	
7,000	0.260		54,000	0.894		144,000	2.488		10,000	0.154
8,000	0.276		56,000	0.929		146,000	2.524			
9,000	0.291		58,000	0.965		148,000	2.559			
10,000	0.307		60,000	1.000		150,000	2.594			
11,000	0.324		62,000	1.035		152,000	2.630			
12,000	0.342		64,000	1.071		154,000	2.665			
13,000	0.359		66,000	1.106		156,000	2.701			
14,000	0.376		68,000	1.142		158,000	2.736			
15,000	0.394		70,000	1.177		160,000	2.772			
16,000	0.407		72,000	1.213		162,000	2.807			
17,000	0.420		74,000	1.248		164,000	2.843			
18,000	0.434		76,000	1.283		166,000	2.878			
19,000	0.447		78,000	1.319		168,000	2.913			
20,000	0.461		80,000	1.354		170,000	2.949			
21,000	0.474		82,000	1.390		172,000	2.984			
22,000	0.487		84,000	1.425		174,000	3.020			
23,000	0.501		86,000	1.461		176,000	3.055			
24,000	0.514		88,000	1.496		178,000	3.091			
25,000	0.528		90,000	1.531		180,000	3.126			
26,000	0.539		92,000	1.567		182,000	3.161			
27,000	0.551		94,000	1.602		184,000	3.197			
28,000	0.563		96,000	1.638		186,000	3.232			
29,000	0.575		98,000	1.673		188,000	3.268			
30,000	0.587		100,000	1.709		190,000	3.303			
31,000	0.598		102,000	1.744		192,000	3.339			
32,000	0.610		104,000	1.780		194,000	3.374			
33,000	0.622		106,000	1.815		196,000	3.409			
34,000	0.634		108,000	1.850		198,000	3.445			
35,000	0.646		110,000	1.886		200,000	3.480			
36,000	0.657		112,000	1.921						
37,000	0.669		114,000	1.957		Each				
38,000	0.681		116,000	1.992		Add'l				
39,000	0.693		118,000	2.028		10,000	0.177			
40,000	0.705		120,000	2.063						
41,000	0.717		122,000	2.098						
42,000	0.728		124,000	2.134						
43,000	0.740		126,000	2.169						
44,000	0.752		128,000	2.205						
45,000	0.764		130,000	2.240						
46,000	0.776		132,000	2.276						
47,000	0.787		134,000	2.311						
48,000	0.799		136,000	2.346						
49,000	0.811		138,000	2.382						

Edition Date: 03/01/11

Auto-Owners

HOMEOWNERS
ARKANSAS
STANDARD PROGRAM
FORM 6
AMOUNT OF INSURANCE RELATIVITIES

Cov C			Cov C			Cov C			Inc. Cov A	
Amt	Relativity		Amt	Relativity		Amt	Relativity		Amt	Relativity
4,000	0.228		50,000	0.823		140,000	2.417		Each	
6,000	0.244		52,000	0.858		142,000	2.453		Add'l	
7,000	0.260		54,000	0.894		144,000	2.488		10,000	0.154
8,000	0.276		56,000	0.929		146,000	2.524			
9,000	0.291		58,000	0.965		148,000	2.559			
10,000	0.307		60,000	1.000		150,000	2.594			
11,000	0.324		62,000	1.035		152,000	2.630			
12,000	0.342		64,000	1.071		154,000	2.665			
13,000	0.359		66,000	1.106		156,000	2.701			
14,000	0.376		68,000	1.142		158,000	2.736			
15,000	0.394		70,000	1.177		160,000	2.772			
16,000	0.407		72,000	1.213		162,000	2.807			
17,000	0.420		74,000	1.248		164,000	2.843			
18,000	0.434		76,000	1.283		166,000	2.878			
19,000	0.447		78,000	1.319		168,000	2.913			
20,000	0.461		80,000	1.354		170,000	2.949			
21,000	0.474		82,000	1.390		172,000	2.984			
22,000	0.487		84,000	1.425		174,000	3.020			
23,000	0.501		86,000	1.461		176,000	3.055			
24,000	0.514		88,000	1.496		178,000	3.091			
25,000	0.528		90,000	1.531		180,000	3.126			
26,000	0.539		92,000	1.567		182,000	3.161			
27,000	0.551		94,000	1.602		184,000	3.197			
28,000	0.563		96,000	1.638		186,000	3.232			
29,000	0.575		98,000	1.673		188,000	3.268			
30,000	0.587		100,000	1.709		190,000	3.303			
31,000	0.598		102,000	1.744		192,000	3.339			
32,000	0.610		104,000	1.780		194,000	3.374			
33,000	0.622		106,000	1.815		196,000	3.409			
34,000	0.634		108,000	1.850		198,000	3.445			
35,000	0.646		110,000	1.886		200,000	3.480			
36,000	0.657		112,000	1.921						
37,000	0.669		114,000	1.957		Each				
38,000	0.681		116,000	1.992		Add'l				
39,000	0.693		118,000	2.028		10,000	0.177			
40,000	0.705		120,000	2.063						
41,000	0.717		122,000	2.098						
42,000	0.728		124,000	2.134						
43,000	0.740		126,000	2.169						
44,000	0.752		128,000	2.205						
45,000	0.764		130,000	2.240						
46,000	0.776		132,000	2.276						
47,000	0.787		134,000	2.311						
48,000	0.799		136,000	2.346						
49,000	0.811		138,000	2.382						

Edition Date: 03/01/11

HOMEOWNERS
ARKANSAS
FORM 6
BASE RATES

Auto-Owners	
Standard Program	415.17
Premier Program	373.65

Edition Date: 03/01/11

Auto-Owners**HOMEOWNERS
ARKANSAS****RATING PROCEDURE**

- I. Determine the base premium by following these steps:
 - A. Utilizing the Protection Class Selection and Construction Definitions, determine the Protection Class relativity.
 - B. Multiply the result of step A by the Number of Family relativity and round to three decimals (Form 4 and 6 only).
 - C. Utilizing the Territory Descriptions, determine the Territory relativity.
 - D. Multiply the result of step C by the result of step B and round to three decimals.
 - E. Multiply the result of step D by the Base Rate and round to two decimals.
 - F. Multiply the result of step E by the Amount of Insurance relativity and round to the nearest dollar to determine the base premium. If the correct amount of coverage is not shown, interpolation is necessary. Determine the coverage amounts and relativities immediately preceding and following the desired amount. Follow steps 1 through 11.
 1. Record the low Amount of Insurance relativity.
 2. Record the high Amount of Insurance relativity.
 3. Subtract the low coverage amount from the desired coverage.
 4. Subtract the low coverage amount from the high coverage amount.
 5. Divide step 3 by step 4.
 6. Subtract step 1 from step 2.
 7. Multiply step 5 by step 6.
 8. Add step 7 to the Amount of Insurance relativity.
 9. Round step 8 to the nearest thousandth to obtain the desired Amount of Insurance relativity.
 10. Multiply the result of step E by step 9 and round to the nearest dollar to determine the base premium.
 11. If the coverage amount is greater than what is printed in the charts, use the each additional \$10,000 relativity, interpolating when necessary.
- II. If rating a semi-annual policy, multiply the base premium by 0.50 and round to the nearest cent.
- III. Multiply the Premium Adjustment discount and surcharge factors (except for the Group, Paid Loss, Home/Life Multi-Policy, Home/Auto Multi-Policy, Home/Umbrella Multi-Policy, Insurance Score, Mature and Paid in Full factors), cent rounding after each step.
- IV. Multiply by the Additional Coverage factors, cent rounding after each step.
- V. Add flat dollar and rate per increment Premium Adjustments.
- VI. Add flat dollar and rate per increment charges for Additional Coverages (except for Earthquake Coverage).
- VII. Multiply by the Group factor and cent round.
- VIII. Multiply by the Paid Loss Surcharge factor and cent round.
- IX. Multiply by the Home/Auto Multi-Policy factor and cent round.
- X. Multiply by the Home/Umbrella Multi-Policy factor and cent round.
- XI. Multiply by the Insurance Score factor and cent round.
- XII. Add the Earthquake premium to the result of step XI.
- XIII. Multiply by the Mature factor and cent round.
- XIV. Compare the result of step XIII to step I and apply the location minimum.
- XV. Multiply by the Home/Life Multi-Policy factor and cent round.

XVI. Multiply by the Paid in Full factor and cent round.

XVII. Add Personal Inland Marine premiums for Personal Articles, Boats and Recreational Vehicles.

PERSONAL INLAND MARINE ATTACHED TO HOMEOWNERS POLICIES

Personal Inland Marine (PIM) premiums are not calculated in the same manner as Homeowners policies. Group, Multi-Policy, Insurance Score, Mature Homeowners and Paid in Full Discounts also apply to Personal Articles, Boats and Recreational Vehicles attached to a Homeowners policy. These are rated as follows:

- A. Determine the rate, or tiered rates, for each item from the PIM manual. Unless otherwise noted, round to the nearest cent in calculations.

For Boat-Motor-Trailer Physical Damage/Uninsured Watercraft/RVs: Develop the premium for each item from the applicable manual. Refer to the rating sequence in the boat manual. Unless otherwise noted, round to the nearest dollar. (NOTE: Boat liability premiums are located in the Homeowners manual and are calculated according to the rating procedures for Homeowners policies. They are not considered in these rating procedures.)

- B. SEMI-ANNUAL POLICY (For jewelry semi-annual, see item C.)
Multiply the annual rate by 0.50 and truncate.

Boat-Motor-Trailer Physical Damage/Uninsured Watercraft/RVs: Multiply the premium by 0.50.

- C. DEDUCTIBLE

All items (excluding Jewelry/Boats/RVs): Multiply the rate, or the tiered rates, in the previous step by the appropriate number of 100's to get the premium. For each item, multiply the premium by the deductible discount and subtract from the premium of the item.

Jewelry: Apply the deductible discount, round, and subtract from the rate in step A. For a semi-annual policy, multiply the prior rate by 0.50 and truncate. Multiply the prior rate by the number of 100's to get the premium. For outside vault items greater than \$15,000:

1. Multiply the prior rate by the rate-up factor for each increment.
2. Multiply this new rate by the number of 100's for each increment.
3. Add the premiums.

Boats: See the boat rating sequence.

RVs: Choose the applicable rate based on deductible.

- D. Apply the Group Discount and subtract from the result of the previous step.
- E. Apply the Home/Auto Multi-Policy Discount and subtract from the result of the previous step.
- F. Apply the Home/Life Multi-Policy Discount and subtract from the result of the previous step.
- G. Apply the Insurance Score Factor and subtract from the result of the previous step.
- H. Apply the Home/Umbrella Multi-Policy Discount and subtract from the result of the previous step.
- I. Apply the Mature Discount and subtract from the result of the previous step.
- J. Apply the Paid in Full Discount and subtract from the result of the previous step.

MIDTERM POLICY CHANGES

1. Follow the applicable steps using rates from the policy effective date for old policy limits. Prorate the result for the remaining policy period to obtain the return premium for the policy change.
2. Follow the applicable steps using rates from the policy effective date for new policy limits. Prorate the result for the remaining policy period to obtain the additional premium for the policy change.

3. Determine the difference between the previous two steps.

Edition Date: 03/01/11

Auto-Owners

**HOMEOWNERS
PREMIUM ADJUSTMENTS
INSURANCE SCORE RATING TIERS**

ARKANSAS

AGE OF SCORED INSURED

INSURANCE SCORE	TIER	24 & Under	25 to 29	30 to 34	35 to 39	40 to 44	45 to 49	50 to 54	55 to 59	60 to 64	65 to 69	70 to 74	75 to 79	80 & Over
		FACTOR												
985 - 997	50	0.627	0.647	0.666	0.686	0.715	0.735	0.755	0.774	0.794	0.813	0.862	0.882	0.911
961 - 984	49	0.630	0.649	0.669	0.689	0.718	0.738	0.758	0.777	0.797	0.817	0.866	0.886	0.915
937 - 960	48	0.632	0.652	0.672	0.692	0.721	0.741	0.761	0.780	0.800	0.820	0.869	0.889	0.919
913 - 936	47	0.635	0.655	0.675	0.694	0.724	0.744	0.764	0.784	0.803	0.823	0.873	0.893	0.923
892 - 912	46	0.637	0.657	0.677	0.697	0.727	0.747	0.767	0.787	0.807	0.827	0.876	0.896	0.926
876 - 891	45	0.640	0.660	0.680	0.700	0.730	0.750	0.770	0.790	0.810	0.830	0.880	0.900	0.930
863 - 875	44	0.651	0.670	0.690	0.709	0.739	0.758	0.778	0.798	0.819	0.838	0.885	0.904	0.932
851 - 862	43	0.662	0.680	0.699	0.718	0.747	0.766	0.786	0.806	0.827	0.845	0.890	0.907	0.934
840 - 850	42	0.673	0.691	0.709	0.728	0.756	0.774	0.795	0.815	0.836	0.853	0.894	0.911	0.936
829 - 839	41	0.685	0.701	0.719	0.737	0.765	0.783	0.803	0.823	0.845	0.861	0.899	0.915	0.937
819 - 828	40	0.697	0.712	0.729	0.747	0.774	0.791	0.811	0.831	0.854	0.869	0.904	0.918	0.939
811 - 818	39	0.709	0.722	0.739	0.756	0.783	0.800	0.820	0.840	0.863	0.877	0.909	0.922	0.941
805 - 810	38	0.721	0.733	0.750	0.766	0.792	0.808	0.828	0.848	0.873	0.885	0.914	0.926	0.943
801 - 804	37	0.733	0.745	0.760	0.776	0.801	0.817	0.837	0.857	0.882	0.893	0.919	0.930	0.945
797 - 800	36	0.746	0.756	0.771	0.786	0.811	0.826	0.846	0.866	0.891	0.901	0.924	0.933	0.947
793 - 796	35	0.759	0.767	0.782	0.796	0.820	0.835	0.855	0.875	0.901	0.909	0.929	0.937	0.949
790 - 792	34	0.772	0.779	0.793	0.806	0.830	0.844	0.864	0.884	0.910	0.917	0.934	0.941	0.951
786 - 789	33	0.785	0.791	0.804	0.817	0.840	0.853	0.873	0.893	0.920	0.926	0.939	0.945	0.952
782 - 785	32	0.798	0.803	0.815	0.827	0.850	0.862	0.882	0.902	0.930	0.934	0.944	0.948	0.954
778 - 781	31	0.812	0.815	0.827	0.838	0.860	0.871	0.891	0.911	0.940	0.943	0.950	0.952	0.956
775 - 777	30	0.826	0.827	0.838	0.849	0.870	0.881	0.901	0.921	0.950	0.951	0.955	0.956	0.958
772 - 774	29	0.840	0.840	0.850	0.860	0.880	0.890	0.910	0.930	0.960	0.960	0.960	0.960	0.960
769 - 771	28	0.851	0.851	0.859	0.869	0.889	0.902	0.923	0.945	0.977	0.981	0.984	0.986	0.988
765 - 768	27	0.862	0.862	0.870	0.880	0.898	0.912	0.934	0.959	0.993	1.001	1.009	1.013	1.017
761 - 764	26	0.873	0.873	0.880	0.891	0.907	0.924	0.947	0.974	1.010	1.023	1.035	1.040	1.046
757 - 760	25	0.884	0.884	0.890	0.900	0.916	0.935	0.960	0.989	1.028	1.044	1.061	1.069	1.077
752 - 756	24	0.896	0.896	0.901	0.911	0.925	0.947	0.973	1.004	1.046	1.067	1.087	1.099	1.109
747 - 751	23	0.904	0.904	0.908	0.918	0.931	0.955	0.982	1.016	1.059	1.085	1.111	1.124	1.136
742 - 746	22	0.912	0.912	0.914	0.924	0.937	0.963	0.991	1.027	1.073	1.104	1.134	1.150	1.165
736 - 741	21	0.920	0.920	0.921	0.931	0.942	0.971	1.001	1.038	1.087	1.123	1.159	1.176	1.194
727 - 735	20	0.928	0.928	0.928	0.938	0.949	0.979	1.010	1.051	1.102	1.142	1.183	1.204	1.224
720 - 726	19	0.946	0.946	0.948	0.959	0.974	1.011	1.047	1.093	1.146	1.187	1.227	1.245	1.265
713 - 719	18	0.964	0.964	0.967	0.980	1.001	1.043	1.085	1.138	1.192	1.233	1.272	1.289	1.307
706 - 712	17	0.982	0.982	0.987	1.003	1.027	1.076	1.125	1.185	1.240	1.282	1.318	1.334	1.350
697 - 705	16	1.002	1.002	1.008	1.025	1.055	1.111	1.167	1.233	1.291	1.332	1.367	1.381	1.395
684 - 696	15	1.021	1.021	1.029	1.048	1.083	1.146	1.210	1.284	1.343	1.384	1.417	1.429	1.441
674 - 683	14	1.040	1.040	1.051	1.071	1.112	1.183	1.255	1.336	1.397	1.438	1.469	1.479	1.489
668 - 673	13	1.112	1.112	1.121	1.140	1.179	1.247	1.315	1.391	1.449	1.489	1.518	1.527	1.537
662 - 667	12	1.187	1.187	1.196	1.215	1.252	1.315	1.378	1.448	1.505	1.541	1.568	1.576	1.586
655 - 661	11	1.268	1.268	1.276	1.294	1.328	1.386	1.444	1.509	1.561	1.595	1.620	1.627	1.637
649 - 654	10	1.355	1.355	1.362	1.379	1.409	1.462	1.514	1.571	1.620	1.651	1.674	1.680	1.690
643 - 648	9	1.447	1.447	1.452	1.469	1.494	1.541	1.586	1.635	1.680	1.710	1.729	1.734	1.744
633 - 642	8	1.546	1.546	1.550	1.565	1.586	1.625	1.663	1.702	1.743	1.771	1.787	1.790	1.800
621 - 632	7	1.651	1.651	1.653	1.667	1.682	1.713	1.742	1.773	1.808	1.833	1.846	1.847	1.858
608 - 620	6	1.765	1.765	1.765	1.775	1.785	1.805	1.826	1.846	1.877	1.897	1.907	1.907	1.918

596 - 607	5	1.849	1.849	1.849	1.860	1.871	1.892	1.914	1.935	1.967	1.988	1.999	1.999	2.009
583 - 595	4	1.938	1.938	1.938	1.949	1.960	1.983	2.005	2.028	2.061	2.084	2.095	2.095	2.106
571 - 582	3	2.031	2.031	2.031	2.043	2.054	2.078	2.101	2.125	2.160	2.184	2.196	2.196	2.207
558 - 570	2	2.129	2.129	2.129	2.141	2.153	2.178	2.202	2.227	2.264	2.289	2.301	2.301	2.313
1 - 557	1	2.231	2.231	2.231	2.244	2.256	2.283	2.308	2.334	2.373	2.399	2.411	2.411	2.425
		TIER MAPPED TO												
99A	No Hit	16	16	16	17	18	19	20	23	26	28	28	29	29
99B	No Score	16	16	16	17	18	19	20	23	26	28	28	29	29
		FACTOR												
99C	Neutral	0.812	0.815	0.827	0.838	0.860	0.871	0.891	0.911	0.940	0.943	0.950	0.952	0.956
999	Not Scored	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

Edition Date: 03/01/11

Auto-Owners	HOMEOWNERS ELIGIBILITY	Arkansas
-------------	-----------------------------------	----------

HOMEOWNERS – FORM 3 AND PREMIER PLUS

APPLICANTS WHO ARE ELIGIBLE FOR COVERAGE ACCORDING TO OUR UNDERWRITING RULES MAY NOT BE ACCEPTABLE BECAUSE OF CERTAIN CHARACTERISTICS.

Some potential applicants, because of unusual elements of exposure presented, are not desirable for coverage. These and any other factors affecting the potential for loss will be considered by our underwriters when determining acceptability of applicants. Whenever our rules indicate “Do Not Bind”, please submit an unbound copy of any application to underwriting and include all facts pertaining to the exposure addressed by the “Do Not Bind” rule.

Homeowners Form 3 and Premier Plus

[Age Of Construction](#)
[Business Exposures](#)
[Construction](#)
[Do Not Bind](#)
[Farming Exposures](#)

[Heating Systems](#)
[Market Value](#)
[Maximum Amounts Of Insurance](#)
[Minimum Amounts Of Insurance](#)
[Occupancy Permissible](#)

[Occupancy Required](#)
[Photograph Requirement](#)
[Previous Insurance History](#)
[Protection Class](#)

AGE OF CONSTRUCTION

Premier Plus Program

Primary – Home must be constructed within the past 25 years.

Premier Program

Primary - Home must be constructed within the past 40 years if named insured is under age 65.

Standard Program

All considered.

*Secondary/Seasonal – Home must be constructed within the past 40 years if named insured is under age 65.

Secondary/Seasonal-All considered.

Secondary/Seasonal-All considered.

Home must be constructed within the past 50 years if named insured is age 65 or older.

BUSINESS EXPOSURES

Business Exposures (See {{AR HO Incidental Business Occupancy}} rule.)

Premier Plus Program

Incidental occupancies only.

Premier Program

Same as Premier Plus.

Standard Program

Same as Premier Plus.

No partnerships or corporations.

Same as Premier Plus.

Same as Premier Plus.

No more than 33% of the dwelling's total floor space.

Same as Premier Plus.

Same as Premier Plus.

Child Care: No more than 3 children.

Same as Premier Plus.

Same as Premier Plus.

Bed and Breakfast operations are not eligible.

Bed and Breakfast operations with no more than 3 guests are eligible.

Same as Premier.

CONSTRUCTION

Premier Plus Program	Premier Program	Standard Program
Freestanding residential dwellings and condominiums.	Same as Premier Plus.	Same as Premier Plus.
Manufactured homes are not eligible.	Manufactured homes built to conventional building standards (2x4 construction, asphalt shingles on a pitched roof, etc.) anchored to a continuous foundation on premises owned by the insured and taxed as real property. Manufactured homes set on blocks or other noncontinuous foundations covered by skirting are not eligible. Continuous foundation is defined under General Rules/Definitions.	Same as Premier.
Town Houses & Row Houses are not eligible.	Individually owned Town Houses and Row Houses (not condominium units) with not more than 2 families per unit with each unit having exterior entrances.	Same as Premier.
Wood shake or wood shingle roofs are not eligible.	Same as Premier Plus.	Same as Premier Plus.
DO NOT BIND if undergoing significant renovation.	Same as Premier Plus.	Same as Premier Plus.
DO NOT BIND if the foundation is not continuous and/or open foundation.	Same as Premier Plus.	Same as Premier Plus.
DO NOT BIND if the original construction was for other than residential purposes.	Same as Premier Plus.	Same as Premier Plus.

DO NOT BIND (GENERAL)

Premier Plus Program	Premier Program	Standard Program
If more than 2 secured interests on the property.	Same as Premier Plus.	Same as Premier Plus.
If any trained guard dogs or any dogs of a breed generally accepted as aggressive are kept on the premises.	Same as Premier Plus.	Same as Premier Plus.
If any insured is a public official, professional athlete, entertainer or other public personality.	Same as Premier Plus.	Same as Premier Plus.
If inaccessible to fire or police.	Same as Premier Plus.	Same as Premier Plus.
If not in clear view from at least 2 other dwellings.	Same as Premier Plus.	Same as Premier Plus.
Do not bind if filed bankruptcy, had repossessions, court judgments or	Same as Premier Plus.	Same as Premier Plus.

substantially past due mortgage, utility or property tax payments within the past 5 years.

FARMING EXPOSURES

Farming Exposures (See {{AR HO Incidental Farm Coverage}} rule.

Premier Plus Program	Premier Program	Standard Program
Incidental Farming only.	Same as Premier Plus.	Same as Premier Plus.
Cannot be primary occupation of an insured.	Same as Premier Plus.	Same as Premier Plus.
No more than 5 large or 20 medium farm animals or 50 Poultry.	Same as Premier Plus.	Same as Premier Plus.
No more than 360 acres farmed by an insured.	Same as Premier Plus.	Same as Premier Plus.

HEATING SYSTEMS

Premier Plus Program	Premier Program	Standard Program
Solid fuel heating considered. DO NOT BIND unless submitted with a photo of the appliance and a completed survey.	Same as Premier Plus.	Same as Premier Plus.
Dwelling must have an operational heating system which delivers heat directed to all finished living areas to be eligible.	Same as Premier Plus.	Same as Premier Plus.

MARKET VALUE

Premier Plus Program	Premier Program	Standard Program
Primary – 90% or more of Replacement Cost.	Primary-50% or more of Replacement Cost.	Primary-If less than 50% of replacement cost, the Market Value Surcharge will apply.
*Secondary/Seasonal – 50% or more of Replacement Cost.	*Secondary/Seasonal – 50% or more of Replacement Cost.	*Secondary/Seasonal – 50% or more of Replacement Cost.

MAXIMUM AMOUNTS OF INSURANCE

Premier Plus Program	Premier Program	Standard Program
\$2,000,000	\$3,000,000	All considered.

MINIMUM AMOUNTS OF INSURANCE

Premier Plus Program	Premier Program	Standard Program
<u>Primary</u> \$325,000	<u>Primary</u> Under Age 65 - \$125,000 Age 65 or Older - \$100,000	<u>Primary</u> \$80,000
<u>*Secondary/Seasonal</u> \$100,000	<u>Secondary/Seasonal</u> \$50,000	<u>Secondary/Seasonal</u> Same as Premier.
100% of Replacement Cost.	Same as Premier Plus.	80% of Replacement Cost.

OCCUPANCY (PERMISSIBLE)

Premier Plus Program
 Unoccupied while under new construction (The named insured must be the intended owner occupant).

Occupied by the purchaser in a long-term land contract.

DO NOT BIND if vacant.

DO NOT BIND if deeded to an estate.

Premier Program
 Same as Premier Plus.

Standard Program
 Same as Premier Plus.

OCCUPANCY (REQUIRED)

Premier Plus Program
 By the owner or person named in a life lease agreement.

Premier Program
 Same as Premier Plus.

Standard Program
 Same as Premier Plus.

No more than 2 families.

Same as Premier Plus.

Same as Premier Plus.

No more than 2 boarders per family.

Same as Premier Plus.

Same as Premier Plus.

PHOTOGRAPHS

Premier Plus Program
 Photograph(s) of location dwellings will be ordered by the Company for all Form 3 and Premier Plus new business and or changed locations.

Premier Program
 Same as Premier Plus.

Standard Program
 Same as Premier Plus.

PREVIOUS INSURANCE HISTORY

Premier Plus Program
 No non-weather related paid losses within the past 36 months.

Premier Program
 Age 65 and older: No more than 1 non-weather related paid loss in the past 36 months.

Standard Program
 Age 65 and older: No more than 2 non-weather related paid losses in the past 36 months.

Age 64 and under: No non-weather related paid losses in the past 36 months.

Age 64 and under: No more than 1 non-weather related paid loss in the past 36 months.

PROTECTION CLASS

Premier Plus Program
 Primary – PC 1-8. PC 8B, PC 9 or 10 are eligible if the dwelling qualifies for the Protected Subdivision Discount **or** the named insured is age 50 or older AND the dwelling is visible from at least two other residences AND is accessible to fire and police department vehicles by roads designed and maintained to allow service in all seasons.

Premier Program
 Primary - PC 1-8. PC 8B, PC 9 or 10 are eligible if the dwelling qualifies for the Protected Subdivision Discount **or** the named insured is age 50 or older AND the dwelling is visible from at least two other residences AND is accessible to fire and police department vehicles by roads designed and maintained to allow service in all seasons.

Standard Program
 All locations considered.

*Secondary/Seasonal – All

Secondary/Seasonal-Same as

Secondary/Seasonal-Same as

locations considered.

Premier Plus.

Premier Plus.

*** Reduced eligibility criteria apply to secondary/seasonal dwellings written for policyholders who also insure their primary dwelling under the same or separate Premier Plus policy. Refer to listed primary eligibility criteria for all other secondary/seasonal locations. Locations not qualifying for the Premier Plus form cannot be written on the same policy with locations covered by the form.**

Construction Types

Masonry (M)	A dwelling with at least 67% of its exterior walls constructed of brick, concrete, concrete block, adobe, tile, or other masonry materials is classified as masonry.
Masonry Veneer (V)	A dwelling with at least 67% of its walls constructed of combustible construction veneered with masonry materials is classified as masonry veneer.
Cement Fiber Board Siding (C)	A dwelling with at least 67% of its exterior walls constructed of masonry, masonry veneer and cement fiber materials in combination is classified as cement fiber.
Fire Resistive (R)	A dwelling with walls, floor, and roof constructed entirely of masonry or fire resistive materials with a Fire Resistance rating of not less than one hour is classified as fire resistive.
Log (L)	A dwelling with exterior walls of solid log construction. If exterior walls are log veneer or log siding, the dwelling should be classified as Frame.
Frame (F)	A dwelling with exterior walls of combustible construction, including walls with metal, stucco, or metal lath and plaster on combustible supports is classified as frame.
Aluminum (F)	A dwelling with exterior walls of combustible construction covered with metal or vinyl types of siding.
Manufactured (P)	Manufactured homes are built off site to conventional building standards (2X4 construction, asphalt shingles on a pitched roof, etc.). The home is then transported and anchored to a continuous foundation on a premises owned by the insured and taxed as real property.
Mixed Construction	A dwelling shall be classified as frame construction when the wall area of frame construction exceeds 33% of the total wall area.
Fire Division	That part of a building separated by fire walls which are composed of at least 8 inches of masonry or 6 inches of reinforced concrete with no unprotected openings, which pierces or extends to the underside of the exterior roof.

“Includes copyrighted material of Insurance Services Office, Inc. with its permission.
Copyright, Insurance Services Office, Inc. 2004.”

Auto-Owners

**HOMEOWNERS
GENERAL RULES**

Arkansas

LOCATION MINIMUM PREMIUM

The following minimum premiums shall apply to each location:

Form 3: 27% of the base premium or \$250, whichever is greater.

Form 4: 23% of the base premium or \$100, whichever is greater.

Form 6: 26% of the base premium or \$125, whichever is greater.

MANDATORY COVERAGES, FORMS AND ENDORSEMENTS

- A.** It is mandatory that insurance be written for all coverages provided under both Sections I and II of the Homeowners policy.
- B.** Section II (Personal Liability Protection) of the policy requires coverage for the following exposures and the additional premium **must** be charged when such exposure(s) exist:
1. All additional residence premises where the named insured or spouse maintain a residence other than business or farm properties, except when the policy covers a secondary/seasonal dwelling and the insured has a separate Homeowners policy on his primary residence.
 2. Coverage for business property is limited under Section I. Bodily injury or property damage from a business owned or controlled by an insured is excluded under Section II of the Homeowners policy. If an incidental business occupancy is permitted by the Company to be covered under a Homeowners policy, it is required that the policy be endorsed, at an additional premium charge, to cover the exposure. When a permitted exposure exists, refer to the {{AR HO Incidental Business Occupancy}} Rule.
 3. Eligible farm animals. Refer to the {{AR HO Incidental Farm Coverage}} Rule.
- C.** The Adjusted Value Provision is part of all policies. This provision automatically adjusts semi-annually or annually (depending on policy term) the policy limits of **insurance** by the percentage change in construction costs during the past six months or twelve months (Form 3 and Premier Plus) or the Consumer Price Index (Forms 4 and 6). This option can be declined at the option of the policyholder.
- D.** Certain forms and endorsements are attached to policies to modify the basic policy to comply with state requirements and/or company program revisions. They are:
1. Arkansas Amendatory Endorsement – Form 4 {{17591 (AR)}}
 2. Arkansas Amendatory Endorsement – Forms 3 and 6 {{17589 (AR)}}
 3. Arkansas Cancellation and Nonrenewal – All Forms {{17588 (AR)}}
 4. Arkansas Uninsured Recreational Vehicle Coverage {{17565 (AR)}}
- E. Limitation-Fungi Remediation Cost**
These forms limit coverage for remediation costs for ensuing mold losses arising from a covered peril with the following coverage limits:

COMPANY	COVERAGE LIMIT
Auto-Owners Standard	\$15,000
Auto-Owners Premier	\$10,000

{{17914 (AR)}} attaches to all Form 3 policies.

{{17920 (AR)}} attached to Premier Plus policies.

{{17915 (AR)}} attaches to all Form 4 policies.

{{17916 (AR)}} attaches to all Form 6 policies.

Solid Fuel Heating Appliances**WOOD/COAL HEATING APPLIANCES**

A. Definition

Any appliance burning solid fuel such as wood or coal stoves, central or add-on furnaces or boilers, cookstoves, and free standing fireplaces. Fireplace inserts do not fall under this definition.

B. The following are ineligible:

- a. Any home built appliance (barrel, drum or kit).
- b. Appliances used as the only source of heat. Seasonal homes may be submitted for approval.
- c. When solid fuel appliances share the same flue as appliances burning other fuel types (natural gas, fuel oil, etc.).
- d. Any appliance not installed to NFPA standards.
- e. Any appliance showing excessive wear or improper maintenance.

C. Minimum installation clearances:

- a. Distance from unit to nearest wall or other combustible materials – 36 inches
- b. Distance non-combustible floor covering must extend beyond the unit – 18 inches on all sides.
- c. Distance from smoke pipe to ceiling, wall or other combustible materials – 18 inches.

NOTE: Clearances may be reduced in accordance with manufacturer's recommendations or where NFPA authorized installation methods allow. See manufacturer guidelines located on the unit. Heating units must meet all minimum clearance requirements. **All wood/coal heating appliances are subject to underwriting approval.**

D. Inspection and Photograph Requirement

Dwellings with wood/coal solid fuel heating appliances are eligible subject to underwriting approval if the Wood Burning Stove Inspection Report {{14007}} is completed and submitted with photograph(s) of the solid fuel heating appliance.

1. Heating Appliance Photograph Specifications
Black and white or color photographs are acceptable. They must be clear enough to provide underwriting with representative information regarding the maintenance and housekeeping. Photocopies of photographs are not acceptable.
2. Submission Instructions
Submit the completed Wood Burning Stove Inspection Report and photograph(s) of the solid fuel appliance identified by policy number, named insured, location number and address to your Auto-Owners Branch Underwriting Office.

Please refer to the {{AR HO Solid Fuel Surcharge}} page for the applicable surcharge.

CORN/PELLET HEATING APPLIANCES

A. Definition

Corn/Pellet heating appliances include units burning pelletized fuel, biomass, or agricultural products such as shelled corn, wheat or wood pellets. All corn/pellet appliances are subject to underwriting approval. Fireplace inserts do not fall under this definition.

B. The following are **INELIGIBLE**:

1. Any home built appliance (barrel, drum or kit).

Refer to [AR HO Corn/Pellet Heating Surcharge](#).

INCIDENTAL BUSINESS COVERAGE

COVERAGE DESCRIPTION

The Homeowners policy excludes property and liability coverage for losses arising from business operations. Property and liability Coverage may be purchased for eligible and acceptable, incidental, light hazard business operations, which emanate primarily from the residence premises. Coverage is extended up to the policy limits for Coverages B, C, E, and F.

Business operations ineligible for coverage under the Homeowners program may be **considered** under our Businessowners or Tailored Protection Policy programs.

ELIGIBILITY

Incidental business operations meeting the following criteria are eligible for coverage under Homeowners program. However, not all eligible business operations will be acceptable for coverage.

- Partnerships, corporations, joint ventures, associations and limited liability companies are ineligible.
- The business must be owned solely by the named insured or a resident relative.
- The business may not occupy more than 33% of the total floor space of the dwelling.
- No employees other than household members.
- Business operations restricted to the continental United States.
- Activity related to the business operations must be primarily centered at the residence premises.
- Business operations ineligible for Incidental Business Liability coverage under the Homeowners policy, which are insured under a Businessowners or Tailored Protection Policy, **must** have their Homeowners policy insured with Auto-Owners.
- Generally, we will accept light hazard service occupancies (meeting the criteria listed above), under our Incidental Business Liability coverage. Occupancies classified in the Commercial Lines Manual as manufacturers, auto retailers or wholesalers, general merchandise retailers/dealers, industrial distributors, manufacturers representatives, and contractors are not acceptable.

Following is a list of the types of occupancies generally acceptable for this coverage:

- Arts & Crafts
- Accounting, Bookkeeping, Tax Preparation
- Bait Shop
- Beauty & Barber Shops¹
- Bed & Breakfast (maximum of three rooms rented)
- Child Day Care Service (maximum of three children, excluding household members)
- Christmas Tree Sales (no tree cutting by customers)
- Dressmaking & Tailoring
- Light Hazard Home or Personal Product Sales (Amway, Avon, Creative Memories, etc.)
- Musical Instruction (Instruments, voice, etc.)
- Photographic Studios and/or Developing (No freelance photographers)

- Taxidermy
- Tutoring-Academic

For other occupancies not shown, please contact your Auto-Owners Branch Underwriting Office.

¹Barber and Beautician Errors and Omissions coverage is also available. Refer to {{AR HO Beauty Parlor/Barber Shop Liability}}. Tanning operations are ineligible.

FORM

Incidental Business Coverage, {{17356 (AR)}} Form 3 and Premier Plus.
 Incidental Business Coverage, {{17359 (AR)}} Form 4 and Form 6.

Rates:	Coverage E:	100,000		200, 000		300,000		500,000		1,000,000	
	Coverage F:	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
		\$20	\$18	\$23	\$21	\$25	\$23	\$30	\$28	\$40	\$38

"Incidental Business", the business description and medical payments included or excluded appear on the policy Declarations. Incidental Business Coverage Form {{17356 (AR)}} is attached to Form 3 and Incidental Business Form 4 and 6 {{17359 (AR)}} attaches to Form 4 and Form 6 policies.

Auto-Owners	HOMEOWNERS ADDITIONAL COVERAGES – LIABILITY	Arkansas
-------------	--	----------

INCIDENTAL FARM COVERAGE

The Homeowners policy includes automatic liability coverage for the ownership of up to 200 acres of farm land that is:

- a. farmed by others; and
- b. has no outbuildings.

The Homeowners policy may be endorsed to cover incidental farming exposures not addressed by the automatic liability coverage, by attaching the Incidental Farm Coverage endorsement.

The Incidental Farm Coverage endorsement can provide coverage for farm outbuildings and farm personal property. Liability coverage for incidental farming operations is automatically provided by this endorsement.

The Incidental Farm Coverage endorsement should be added to a Homeowners policy subject to the following exposure minimums and maximums:

- More than one large farm animal¹, but less than six large farm animals; or more than five medium farm animals², but less than 21 medium farm animals;
- More than five medium farm animals², but less than 21 medium farm animals;
- More than five poultry³, but less than 51 poultry;
- More than 25 acres farmed by any insured, but less than 361 acres; or
- Any annual gross farm income reported for tax purposes, but less than \$20,001 gross farm income.

In addition to each **maximum** exposure described above, if the insured has farm employees, other than resident relatives, the insured is **ineligible for a Homeowners policy**.

If a farming operation is located off the residence premises, provide property location and number of acres.

¹Large farm animals are defined as cattle, horses, buffaloes, donkeys, mules, and llamas.

²Medium farm animals are defined as sheep, goats, and hogs.

³Poultry does not include Ostrich, Emu, or Rhea.

Farm Liability

Apply the applicable charge:

100,000	200,000	300,000	500,000	1,000,000
\$58	\$65	\$70	\$80	\$130

Farm Outbuilding

Section I of the Homeowners policy excludes coverage for any outbuilding used for business purposes including farming. Physical damage coverage for one outbuilding used in the farming operation can be purchased under the Incidental Farm Coverage option. Maximum coverage available is **\$50,000**. Provide description and size of outbuilding. A photograph of the outbuilding is required.

Charge \$6 per \$1,000.

Farm Personal Property

Coverage for personal property used for business purposes (including farming) is limited to \$2,500 under the Homeowners policy. Additional coverage for farm personal property is available with this endorsement. Farm personal property includes livestock and machinery. An inventory is required for insured farm personal property. Maximum coverage is **\$50,000**. Coverage for livestock is limited to \$5,000 for any one horse and \$2,000 for any one animal other than horses.

Charge \$9 per \$1,000.

All losses to the farm outbuilding and farm personal property will be settled on an Actual Cash Value basis.

“Incidental Farm Coverage” and a description and limit for the Farm Outbuilding and Farm Personal Property will appear on the policy Declarations. Incidental Farm Coverage Form {{17351 (AR)}} is attached.

Auto-Owners

**HOMEOWNERS
PREMIUM ADJUSTMENTS**

Arkansas

AGE OF CONSTRUCTION DISCOUNT – Forms 3, 6 and Premier Plus Only

Dwellings constructed within the past 18 years and occupied by the insured are eligible for an Age of Construction Discount.

Age of Dwelling	Discount
New	-20%
1 year old	-19%
2 years old	-18%
3	-17%
4	-16%
5	-15%
6	-14%
7	-13%
8	-12%
9	-11%
10	-10%
11	-8%
12	-7%
13	-6%
14	-5%
15	-4%
16	-3%
17	-2%
18	-1%

Age = Policy term year minus year of construction of the dwelling.

“Age of Construction Discount” appears on the policy Declarations.

Auto-Owners

**HOMEOWNERS
PREMIUM ADJUSTMENTS**

Arkansas

COLLEGE GRADUATE DISCOUNT*

A 2% discount will apply to the Homeowners policy if the insured meets the following conditions:

1. Graduated from an accredited four-year college or university, **and**
2. Cumulative scholastic records show a grade average of "B" or higher, **or** had a 3 point average on a 4 point scale.

***Available for existing business only.**

Auto-Owners	HOMEOWNERS PREMIUM ADJUSTMENTS	Arkansas
-------------	---	----------

DEDUCTIBLE OPTIONS

Deductibles apply to all Section I losses unless stated otherwise.

The following options are available.

Deductible	Discount/Charge			
	Form 3 and Premier Plus - All non-hail resistive roofs over 10 years old	Form 3 and Premier Plus - All hail resistive roofs and all other roof types (excluding wood) 10 years old or less	Form 6	Form 4
\$250 Flat	N/A	N/A	+8%	+8%
\$500 Flat	N/A	N/A	Base	Base
\$500 AOP/\$1,000 Wind/Hail	-4%	-4%	N/A	N/A
\$500 AOP/\$2,000 Wind/Hail	-9%	-9%	N/A	N/A
\$1,000 Flat	-11%	-11%	-8%	-8%
\$1,000 AOP/\$2,000 Wind/Hail	-14%	-14%	N/A	N/A
\$1,500 Flat	-13%	-13%	-9%	-9%
\$2,500 Flat	-19%	-19%	-10%	-10%
\$5,000 Flat	-22%	-22%	-12%	-12%

For higher deductible options, refer to your underwriting branch.

The deductible is shown on the policy Declarations.

Premier Plus policies are subject to a minimum \$1,000 Flat deductible.

Auto- Owners	HOMEOWNERS PREMIUM ADJUSTMENTS	Arkansas
-----------------	-----------------------------------	----------

GUARANTEED HOME REPLACEMENT COST EXCLUSION – PREMIER PLUS ONLY

Guaranteed Home Replacement Cost coverage may be excluded from the Premier Plus policy for a 5% credit.

“Guaranteed Home Replacement Cost Exclusion Credit” appears on the policy Declarations and Form {{17089 (AR)}} is attached.

Auto-Owners

**HOMEOWNERS
PREMIUM ADJUSTMENTS**

Arkansas

PAID LOSS SURCHARGE**

A Paid Loss Surcharge will be applied to policies demonstrating a loss frequency exposure according to the chart below. All losses for which an amount was paid, relating to current or previous residencies will be considered. The surcharge will be applied to locations on the policy. If there are two locations on a policy, a factor of .5 will be applied to the indicated surcharge. If there are three or more locations, a factor of .33 will be applied to the surcharge.

Note: Policies may be non-renewed if the loss exposure is determined to be greater than the indicated surcharge can address.

Number of paid losses within 3 years	Continuously insured* for 3 or more years with an Auto-Owners Group Company and the sum of all paid claims exceeds \$3000.		Continuously insured* less than 3 years with an Auto-Owners Group company and the sum of all paid claims exceeds \$1000.	
	If Multi-Policy*** and 65 or over	If Not Both	If Multi-Policy*** and 65 or over	If Not Both
2	30%	40%	40%	50%
3	50%	75%	75%	110%
4 or more	75%	110%	110%	150%

*Continuously insured means either this policy or this policy in combination with a previous policy rewritten to this policy has been in effect for 3 years.

**For the application of this rule, weather losses will not be considered. Weather losses shall include only direct damage caused by wind, hail, lightning or the weight of ice and snow. Losses directly attributable to an event identified as Catastrophic by the Property Claim Service (PCS) will not be considered.

***Multi-Policy includes: Auto, Life and Umbrella

"Paid Loss Surcharge Applies" prints on the policy Declarations page.

Auto-Owners

**HOMEOWNERS
PREMIUM ADJUSTMENTS**

Arkansas

ROOF DISCOUNT/SURCHARGE – FORM 3

Dwellings are eligible for a Roof Discount or a Roof Surcharge, dependant upon the type of roofing material, as follows:

Age of Roof	Tile/ Concrete	Metal Hail Resistive	Other Non- Hail Resistive	Other Hail Resistive	Asphalt Extended Life
New	-16%	-16%	-6%	-16%	-6%
1	-15	-15	-5	-15	-5
2	-15	-15	-5	-15	-5
3	-14	-14	-4	-14	-4
4	-14	-14	-4	-14	-4
5	-13	-13	-3	-13	-3
6	-13	-13	-3	-13	-3
7	-12	-12	-2	-12	-2
8	-12	-12	-2	-12	-2
9	-11	-11	-1	-11	-1
10	-10	-10	0	-10	0
11	-10	-9	0	-9	0
12	-10	-8	0	-8	0
13	-10	-7	0	-7	0
14	-10	-6	0	-6	0
15	-10	-5	0	-5	0
16	-10	-5	+1	-5	0
17	-10	-5	+2	-5	0
18	-10	-5	+3	-5	0
19	-10	-5	+4	-5	0
20	-10	-5	+5	-5	0
21	-10	-5	+5	-5	0
22	-10	-5	+5	-5	0
23	-10	-5	+5	-5	0
24	-10	-5	+5	-5	0
25	-10	-5	+5	-5	0
26	-10	-5	+5	-5	+1
27	-10	-5	+5	-5	+2
28	-10	-5	+5	-5	+3
29	-10	-5	+5	-5	+4
30	-10	-5	+5	-5	+5
31	-10	-5	+5	-4	+5
32	-10	-5	+5	-3	+5
33	-10	-5	+5	-2	+5
34	-10	-5	+5	-1	+5
35	-10	-5	+5	0	+5
36	-10	-5	+5	+1	+5
37	-10	-5	+5	+2	+5
38	-10	-5	+5	+3	+5
39	-10	-5	+5	+4	+5
40+	-10	-5	+5	+5	+5

Age = Policy term year minus year roof construction was completed.

Wood roofs are ineligible.

If the roof of the dwelling is of mixed types, it shall be classified according to the predominant type of roof composition.

“Roof Discount” and “Roof Surcharge” appears on the policy Declarations.

SOLID FUEL HEATING SURCHARGE**WOOD/COAL HEATING SURCHARGE**

This charge is applicable to dwellings insured under Form 3 and to Personal Property insured under Forms 4 and 6 when a wood/coal heating appliance is on the premises.

Wood/Coal heating appliance means any appliance burning solid fuel such as wood burning stoves, central or add-on furnaces or boilers, cookstoves and freestanding fireplaces. Wood/Coal heating does not mean built-in fireplaces or fireplace inserts.

This charge does not apply to built-in fireplaces or fireplace inserts.

Apply a \$125 charge if the appliance is within the primary dwelling.
Apply a \$50 charge if the appliance is in an Other Structure on the premises.

Note: If there are multiple wood/coal heating appliances on premises, charge only the largest surcharge.

"Wood/Coal Heating Surcharge" appears on the policy Declarations.

CORN/PELLET HEATING SURCHARGE

This charge is applicable to dwellings insured under Form 3 and to Personal Property insured under Forms 4 and 6 when a solid fuel heating appliance is on the premises.

Corn/Pellet heating appliances include units burning palletized fuel, biomass, or agricultural products such as shelled corn, wheat or wood pellets. All corn/pellet appliances are subject to underwriting approval.

Apply a \$50 surcharge if the appliance is within the primary dwelling.

No charge will apply if the appliance is located outside the building or in an outbuilding.

"Corn/Pellet Heating Surcharge" appears on the policy Declarations.

Auto-Owners	HOMEOWNERS PREMIUM ADJUSTMENTS – QUICK REFERENCE	Arkansas
--------------------	---	-----------------

PREMIUM ADJUSTMENTS DISCOUNTS	PREMIER & PREMIER PLUS	STANDARD
Additional Location Liability Discount	\$7 Discount	Same as Premier.
Age of Construction Discount	1-20% Depending on age of home.	Same as Premier.
Assumed Liability Discount	\$7 Discount	Same as Premier.
Central Station Premises Alarm System Discount	15% Discount	Same as Premier.
Dwelling Under Construction Discount	10% Discount	Same as Premier.
Fire Resistive Discount – Forms 4 & 6	10% Discount	Same as Premier.
Gated Community Discount	5% Discount	Same as Premier.
Local Alarm System Discount (Not available if Central Station Alarm Discount applies)	10% Discount	Same as Premier.
Mature Homeowner Discount	Ages 70 and older - 30% Ages 65 to 69 - 25% Ages 55 to 64 – 20% Ages 50 to 54 - 8% Ages 40 to 49 - 4%	Same as Premier.
Multi-Policy	15% Discount	Same as Premier.
- Home/Auto	5% Discount	Same as Premier.
- Home/Life	5% Discount	Same as Premier.
- Home/Umbrella	5% Discount	Same as Premier.
Paid In Full Discount	5% Discount	Same as Premier.
Protected Subdivision Discount	10% Discount	Same as Premier.
Protective Device Discounts	Insured must have a fire extinguisher, smoke detector and deadbolt locks to receive a 3% discount.	Same as Premier.
Seasonal Home Discount	10% Discount	Same as Premier.
Secondary Home Discount	5% Discount	Same as Premier.
CHARGES		
Coverage A Less Than 100% Replacement Cost Charge	Not Eligible.	5% Charge
Market Value Surcharge	Not Eligible	Replacement Cost Loss Settlement - 25% Charge. Repair Cost Loss Settlement

- 10% Charge.

Roof Surcharge

1 – 25% depending on the age and roof material.

Same as Premier.

Solid Fuel Heating Surcharge

Not Eligible

Wood/Coal - \$125 charge

\$50 Charge if the appliance is in an Other Structure on premises.

Note: If there are multiple wood/coal heating appliances on premises, charge only the largest surcharge.

Corn/Pellet - \$50 charge

Townhouse or Row House Charge – Form 3 only
(Premier Plus not eligible)

Families

Charge

Same as Premier.

1

-

2

5%

3-4

10%

5 +

25%

Year of Construction Surcharge

Year of Construction

Charge

Same as Premier

1970 – 1989

+2%

1950 – 1969

+1%

Auto-Owners	HOMEOWNERS PREMIUM ADJUSTMENTS	Arkansas
-------------	---	----------

YEAR OF CONSTRUCTION SURCHARGE – Form 3, 6 and Premier Plus

Dwellings constructed within the years listed below will receive a Year of Construction Surcharge as listed below:

<u>Year of Construction</u>	<u>Surcharge</u>
1970 - 1989	+2%
1950 - 1969	+1%

"Year of Construction Surcharge" appears on the policy Declarations.

Auto-Owners

**HOMEOWNERS
ADDITIONAL COVERAGES - PROPERTY**

Arkansas

CONDO-OWNERS PLUS ENDORSEMENT

Condo-Owners Plus Endorsement provides the following coverages for Form 6 only:

- Mortgage Extra Expense coverage up to \$250 per month for 4 years on first mortgages only.
- Refrigerated Products coverage is increased to \$750. Covers loss from power and mechanical failures. A \$250 deductible applies.
- Water Back-Up of Sewers or Drains coverage up to \$5,000. A \$250 deductible applies.
- **Glass Deductible – A deductible stated in the Declarations of \$250 or less is waived. If the policy deductible is greater than \$250, a \$250 deductible will apply to this coverage.**

Apply a \$30 charge per location. Coverage may be endorsed at New Business or Renewal only.

“Condo-Owners Plus” and “Water Back-Up of Sewer or Drains” and the limit appear on the policy Declarations. Form {{17529 (AR)}} is attached.

NOTE: Do not bind coverage for this endorsement on new or existing policies if the U.S. Weather Bureau or other public information source has issued a flood or flash flood watch or warning in your area or when a power failure has occurred in your area.

Auto-Owners	HOMEOWNERS ADDITIONAL COVERAGES – PROPERTY	Arkansas
--------------------	---	-----------------

EARTHQUAKE COVERAGE

Earthquake coverage shall apply to all Section I coverages for the same limits provided in the policy.

The Earthquake deductible applies separately to Coverages A, B and C. An automatic 5% deductible applies to all forms except for Zone 2 and 3, which require a minimum 10% deductible. The following Earthquake deductible options are available:

Earthquake Deductible Options	Discount/Charge
5%	Base
10%	-10%
15%	-20%

	Rate Per \$1000	
	Masonry/Masonry Veneer	Frame/Cement Fiber Board Siding
ZONE 2 Clay, Craighead, Crittenden, Cross, Greene, Mississippi, and Poinsett Counties:		
Coverage A Forms 2 & 3 including automatic Coverage B, C & D limits.	\$2.88	\$2.04
Coverage C Forms 4 & 6 including automatic Coverage D and Forms 2 & 3 Increased Coverage C.	\$1.44	\$1.32
Scheduled Other Structures, Increased Coverage D limits or Form 6 Increased Coverage A.	\$1.44	\$1.32

	Rate Per \$1000	
	Masonry/Masonry Veneer	Frame/Cement Fiber Board Siding
ZONE 3 Jackson, Lawrence, Lee, Monroe, Prairie, Randolph, St. Francis, and Woodruff Counties:		
Coverage A Forms 2 & 3 including automatic Coverage B, C & D limits.	\$2.42	\$1.65
Coverage C Forms 4 & 6 including automatic Coverage D and Forms 2 & 3 Increased Coverage C.	\$1.21	\$1.10
Scheduled Other Structures, Increased Coverage D limits or Form 6 Increased Coverage A.	\$1.21	\$1.10

	Rate Per \$1000	
	Masonry/Masonry Veneer	Frame/Cement Fiber Board Siding
ZONE 4A Arkansas, Cleburne, Desha, Fulton, Izard, Independence, Jefferson, Lincoln, Lonoke, Phillips, White and Sharp Counties:		
Coverage A Forms 2 & 3 including automatic Coverage B, C & D limits.	\$1.43	\$1.14

Coverage C Forms 4 & 6 including automatic Coverage D and Forms 2 & 3 Increased Coverage C.	\$0.86	\$0.67
---	--------	--------

Scheduled Other Structures, Increased Coverage D limits or Form 6 Increased Coverage A.	\$0.86	\$0.67
---	--------	--------

Zone 4B

	Rate Per \$1000	
	Masonry/Masonry Veneer	Frame/Cement Fiber Board Siding

Baxter, Conway, Faulkner, Pulaski, Stone, and Van Buren Counties:

Coverage A Forms 2 & 3 including automatic Coverage B, C & D limits.	\$0.90	\$0.72
--	--------	--------

Coverage C Forms 4 & 6 including automatic Coverage D and Forms 2 & 3 Increased Coverage C.	\$0.75	\$0.55
---	--------	--------

Scheduled Other Structures, Increased Coverage D limits or Form 6 Increased Coverage A.	\$0.75	\$0.55
---	--------	--------

ZONE 4

	Rate Per \$1000	
	Masonry/Masonry Veneer	Frame/Cement Fiber Board Siding

Boone, Bradley, Calhoun, Clark, Cleveland, Dallas, Drew, Garland, Grant, Hot Spring, Johnson, Marion, Newton, Perry, Pope, Saline, Searcy, and Yell Counties:

Coverage A Forms 2 & 3 including automatic Coverage B, C & D limits.	\$0.68	\$0.50
--	--------	--------

Coverage C Forms 4 & 6 including automatic Coverage D and Forms 2 & 3 Increased Coverage C.	\$0.54	\$0.41
---	--------	--------

Scheduled Other Structures, Increased Coverage D limits or Form 6 Increased Coverage A.	\$0.54	\$0.41
---	--------	--------

ZONE 5

	Rate Per \$1000	
	Masonry/Masonry Veneer	Frame/Cement Fiber Board Siding

Ashley, Benton, Carroll, Chicot, Columbia, Crawford, Franklin, Hempstead, Howard, Lafayette, Logan, Madison, Miller, Montgomery, Nevada, Ouachita, Pike, Polk, Scott, Sevier, Union, Little River, Sebastian, Washington Counties:

Coverage A Forms 2 & 3 including automatic Coverage B, C & D limits.	\$0.41	\$0.32
--	--------	--------

Coverage C Forms 4 & 6 including automatic Coverage D and Forms 2 & 3 Increased Coverage C.	\$0.38	\$0.29
---	--------	--------

Scheduled Other Structures, Increased Coverage	\$0.38	\$0.29
--	--------	--------

D limits or Form 6 Increased Coverage A.

Round each coverage to the nearest whole dollar.

“Earthquake Coverage” appears on the policy Declarations. Form {{17083 (AR)}} is attached to Form 3 policies, Form {{17129 (AR)}} is attached to Form 4 policies, Form {{17130 (AR)}} is attached to Form 6 policies and Form {{17407 (AR)}} is attached to Premier Plus policies.

Auto-Owners

**HOMEOWNERS
ADDITIONAL COVERAGES – PROPERTY**

Arkansas

GUARANTEED HOME REPLACEMENT COST COVERAGE – Form 3 Only

This coverage provides replacement of the dwelling at the insured location or elsewhere in excess of the insured amount. Some limitations apply. Refer to the endorsement for details.

Policies subject to the Market Value Surcharge are not eligible for this coverage.

AUTO-OWNERS AND AUTO OWNERS PREMIER

Dwellings located in Protection Classes 1-8. PC 8B, 9 and 10 are eligible if the dwelling qualifies for the Protected Subdivision Discount {{AR HO Protected Subdivision Discount}} or the named insured is age 50 or older AND the dwelling is visible from at least two other residences AND is accessible to fire and police department vehicles by roads designed and maintained to allow service in all seasons.

Dwellings covered against earthquake damage and located in any of the following counties are not eligible: Clay, Craighead, Crittenden, Cross, Greene, Jackson, Lawrence, Mississippi, Poinsett, Randolph, St. Francis, and Woodruff.

Homes of unique construction or built from materials that cannot be duplicated because of their unique, antique or artistic characteristics are not eligible. Examples include, but are not limited to, irreplaceable stained glass windows, murals painted by well known artists, antique or one of kind lighting or other fixtures, elaborate moldings or carvings on mantels, balustrades, log homes, etc.

This endorsement is available on dwellings under construction. A replacement cost estimator based upon the estimated final replacement cost of the home must be received within 21 days of the date on which the corresponding application was processed or interfaced. Once construction is complete, submit photos, subject to our normal photograph requirement guidelines, along with an updated replacement cost estimator {{17755 (AR)}}.

This endorsement coverage is automatically provided on a Premier Plus policy, however, Guaranteed Home Replacement Cost coverage may be excluded from the Premier Plus policy for a 5% credit.

Apply a 5% charge per location.

Dwellings must have a minimum Coverage A amount of \$100,000.

Maximum Amount of Coverage A \$2,000,000.

“Guaranteed Home Replacement Cost” appears on the policy Declarations and Form {{17662 (AR)}} is attached.

Auto-Owners

**HOMEOWNERS
ADDITIONAL COVERAGES – PROPERTY**

Arkansas

HOMEOWNERS PLUS ENDORSEMENT

Homeowners Plus provides the following coverages for Form 3 only:

- Mortgage Extra Expense coverage up to \$250 per month for 4 years on first mortgages only.
- Refrigerated Products coverage up to \$750. Covers loss from power and mechanical failures. A \$250 deductible applies.
- Tree Debris Removal Coverage up to \$1,000.
- Water Back-Up of Sewer or Drains coverage up to \$5,000. A \$250 deductible applies.
- **Glass Deductible – A deductible stated in the Declarations of \$250 or less is waived. If the policy deductible is greater than \$250, a \$250 deductible will apply to this coverage.**

Apply a \$50 charge per location. Coverage may be endorsed at New Business or Renewal only.

“Homeowners Plus” appears on the policy Declarations and Form {{17679 (AR)}} is attached.

Homeowners Plus coverage is automatically included on a Premier Plus policy with a \$5,000 Sewer and Sump Pump back-up limit.

NOTE: Do not bind coverage for this endorsement on new or existing policies if the U.S. Weather Bureau or other public information source has issued a flood or flash flood watch or warning in your area or when a power failure has occurred in your area.

Auto-Owners

**HOMEOWNERS
ADDITIONAL COVERAGES - PROPERTY**

Arkansas

ORDINANCE OR LAW COVERAGE - Form 3, 6 and Premier Plus

The policy may be endorsed or may automatically provide coverage against loss resulting from ordinances or laws that regulate construction, repair or demolition of property. Policies subject to the Market Value Surcharge are not eligible for this coverage.

1) Coverage up to Coverage A limits:

Apply a 10% charge.

"Ordinance or Law Coverage" appears on the policy Declarations and Form {{17369 (AR)}} is attached when the full Ordinance or Law Coverage option is purchased.

2) Auto-Owners Standard- Coverage up to 10% of Coverage A limits:

Apply a 2% charge.

The limit shown on the policy Declarations will remain unchanged until the next policy renewal regardless of any endorsement made to the Coverage A limit prior to the renewal. This includes Guaranteed Home Replacement Cost Coverage and Increased Cost Endorsement related increases.

"Ordinance or Law Coverage" appears on the policy Declarations and Form {{17555 (AR)}} is attached.

3) Auto-Owners Premier/Premier Plus:

10% of Coverage A is automatically provided unless the full Ordinance or Law Coverage is purchased. The limit shown on the policy Declarations will remain unchanged until the next policy renewal regardless of any endorsement made to the Coverage A limit prior to the renewal. This includes Guaranteed Home Replacement Cost coverage and Increased Cost Endorsement related increases.

"Ordinance or Law Endorsement" appears on the policy Declarations and Form {{17555 (AR)}} is attached when the automatic coverage applies. This is not an additional amount of insurance.

Auto-Owners

**HOMEOWNERS
ADDITIONAL COVERAGES - PROPERTY**

Arkansas

PERSONAL PROPERTY COVERAGE - Coverage C Revised Limits

Form 3 and Premier Plus policies include an automatic amount of coverage based on a percentage of Coverage A which applies to Coverage C. Revised amounts are available.

Premier Plus

Coverage C may not be reduced (due to the automatic inclusion of Personal Property Replacement Cost coverage).

AUTO-OWNERS, AUTO-OWNERS PREMIER AND OWNERS

Coverage C may not be reduced to less than 40% of Coverage A on those policies excluding Personal Property Replacement Cost. When Personal Property Replacement Cost is excluded, the limit for Coverage C is automatically adjusted to 50% for Auto-Owners Premier and to 60% for Auto-Owners Standard.

For each \$1,000 of increase, charge \$1.

For each \$1,000 of decrease, credit \$1.

Provide a description of the property covered and the reasons for limits that are in excess of 75% of Coverage A.

Provide the REVISED limit of liability for the policy Declarations.

The total limit appears on the policy Declarations as Coverage C.

Auto-Owners

**HOMEOWNERS
ADDITIONAL COVERAGES – PROPERTY**

Arkansas

PERSONAL PROPERTY REPLACEMENT COST COVERAGE – Scheduled & Unscheduled Personal Property

Coverage C is increased to 70% with the inclusion of Personal Property Replacement Cost Coverage. Personal Property Replacement Cost Coverage is automatically included on all Homeowners policies and may be excluded* for a credit, refer to the {{AR HO Personal Property Replacement Cost Exclusion}}. The limit of Coverage C may not be reduced when Personal Property Replacement Cost is afforded.

*Note – Personal Property Replacement Cost may not be excluded from the Premier Plus program.

"Personal Property Replacement Cost" appears on the policy Declarations and Form {{17618 (AR)}} is attached.

Auto-Owners**HOMEOWNERS
ADDITIONAL COVERAGES - PROPERTY****Arkansas****PERSONAL PROPERTY REPLACEMENT COST EXCLUSION**

Personal Property Replacement Cost Coverage may be excluded from all Homeowners policies except Premier Plus. The limit of Coverage C may be reduced when Personal Property Replacement Cost is excluded.

If Personal Property Replacement Cost Coverage is excluded, the limit of Coverage C may be reduced according to rules provided under {{AR HO Personal Property Coverage – Coverage C Revised Limits}}.

Form 3	-12%
Form 4	-23%
Form 6	-13%

"Personal Property Replacement Cost Exclusion" appears on the policy Declarations.

Auto-Owners

**HOMEOWNERS
ADDITIONAL COVERAGES – PROPERTY**

Arkansas

RENTERS PLUS ENDORSEMENT

Renters Plus Endorsement provides the following coverages for Form 4 only:

- Refrigerated Products coverage up to \$750. Covers loss from power and mechanical failures. A \$250 deductible applies.
- Water Back-Up of Sewers or Drains coverage up to \$5,000. A \$250 deductible applies.
- Waterbed Liability Coverage for damage to the insured apartment.*
- **Glass Deductible – A deductible stated in the Declarations of \$250 or less is waived. If the policy deductible is greater than \$250, a \$250 deductible will apply to this coverage.**

Apply a \$12 charge per location. Coverage may be endorsed at New Business or Renewal only.

"Renters Plus" appears on the policy Declarations and Form {{17033 (AR)}} is attached.

*The policy provides Section I coverage for water damage to personal property as waterbeds are considered appliances.

NOTE: Do not bind coverage for this endorsement on new or existing policies if the U.S. Weather Bureau or other public information source has issued a flood or flash flood watch or warning in your area or when a power failure has occurred in your area.

Auto-Owners	HOMEOWNERS ADDITIONAL COVERAGES - PROPERTY	Arkansas
-------------	---	----------

WATER BACK-UP OF SEWERS OR DRAINS - ADDITIONAL LIMIT - Forms 3, 6 and Premier Plus Only

Water Back-Up of Sewers or Drains - Additional Limits are available when the Homeowners Plus Endorsement or Condo-Owners Plus Endorsement apply. The Premier Plus policy form includes \$5,000 of Water Back-Up of Sewers or Drains coverage, however additional limits may also be purchased.

Additional Limit	Rate
\$5,000	\$50
\$10,000	\$110
\$15,000	\$165
\$20,000	\$220
\$25,000	\$275
\$50,000	\$385

Availability of Water Back-Up of Sewers or Drains - Additional Limits is subject to the following criteria:

- Only available for dwellings built within the last 25 years.
- Only available for dwellings located in Flood insurance Rate Map Zones B, C, X or D.
- Only available if an applicant or insured has had no water back-up losses within the last 3 years.
- Only available for primary residences.
- Coverage may be endorsed at New Business or Renewal only.
- For dwellings with basements, the basement construction type must be poured concrete, block or treated wood.

NOTE: Do not bind coverage for this endorsement on new or existing policies if the U.S. Weather Bureau of other public information source has issued a flood or flash watch or warning in your area or when a power failure has occurred in your area.

"Water Back-Up of Sewers or Drains - Additional Limit" and the additional limit appear on the policy Declarations. Form {{57003 (AR)}} attaches to all Premier Plus policies and Form {{17908 (AR)}} attaches to all Homeowners Form 3 and Form 6 policies.

Auto-Owners	HOMEOWNERS GENERAL RULES	Arkansas
-------------	-------------------------------------	----------

LIMITS OF INSURANCE

- A. The basic Limits of Insurance under the Homeowners policy are as follows:

Section I – PROPERTY PROTECTION

FORM 3	Coverage A	Coverage B	Coverage C	Coverage D	Accidental Death
A-O PREMIER PLUS	Refer to Eligibility	10% of Coverage A	70% of Coverage A	20% of Coverage A	N/A
A-O PREMIER	Refer to Eligibility	10% of Coverage A	70% of Coverage A	20% of Coverage A	N/A
A-O STANDARD	Refer to Eligibility	20% of Coverage A	70% of Coverage A	30% of Coverage A	\$20,000

FORM 4	Coverage A	Coverage B	Coverage C	Coverage D	Accidental Death
A-O PREMIER	N/A	N/A	Refer to Eligibility	20% of Coverage C	N/A
A-O STANDARD	N/A	N/A	Refer to Eligibility	30% of Coverage C	\$20,000

FORM 6	Coverage A	Coverage B	Coverage C	Coverage D	Accidental Death
A-O PREMIER	10% of Coverage C	N/A	Refer to Eligibility	40% of Coverage C	N/A
A-O STANDARD	20% of Coverage C	N/A	Refer to Eligibility	50% of Coverage C	\$20,000

Section II – PERSONAL LIABILITY PROTECTION - All Forms

Coverage E – Personal Liability	\$100,000 Each Occurrence
Coverage F – Medical Payments to Others	\$1,000 Each Person/Occurrence

- B. The basic Limits of Insurance for Coverage C, D, E and F for all forms and Coverage A for Form 6 may be revised according to the rules in the Property and Personal Liability Protection Coverages section of this manual. Accidental Death may not be revised.
- C. The basic Limit of Insurance for Coverage B may not be increased. An additional amount of insurance may be written on a specific structure according to the {{AR HO Other Structures Additional Limits}} rule in the Additional Coverages Rates and Rules - Property section of this manual.

SERFF Tracking Number: AOIC-126946411 State: Arkansas
 Filing Company: Auto-Owners Insurance Company State Tracking Number: EFT \$100
 Company Tracking Number: HOM-AR-01-04-12-2011-01
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
 Product Name: Arkansas Homeowners
 Project Name/Number: Arkansas Homeowners Rate and Rule Filing/

Supporting Document Schedules

	Item Status:	Status Date:
Bypassed - Item: Form RF-2 Loss Costs Only (not for workers' compensation) Bypass Reason: N/A Comments:		
Satisfied - Item: H-1 Homeowners Abstract Comments: Please see attachment. Attachment: H-1 Homeowners Abstract 2011.pdf	Filed	04/20/2011
Satisfied - Item: HPCS-Homeowners Premium Comparison Survey Comments: Please see attached HPRC. Attachment: HPCS Premium Home Comparison.xls	Filed	04/20/2011
Satisfied - Item: NAIC loss cost data entry document Comments: Please see attached NAIC Loss Cost Data Entry document. Attachment: NAIC Loss Cost Data.pdf	Filed	04/20/2011

SERFF Tracking Number: AOIC-126946411 State: Arkansas
 Filing Company: Auto-Owners Insurance Company State Tracking Number: EFT \$100
 Company Tracking Number: HOM-AR-01-04-12-2011-01
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
 Product Name: Arkansas Homeowners
 Project Name/Number: Arkansas Homeowners Rate and Rule Filing/

Item Status: Filed **Status Date:** 04/20/2011
Satisfied - Item: Arkansas Indications
Comments:
 Please see attached Arkansas indications.
Attachments:
 Arkansas Form 3 Indication.pdf
 Arkansas Form 4 Indication.pdf
 Arkansas Form 6 Indication.pdf

Item Status: Filed **Status Date:** 04/20/2011
Satisfied - Item: Explanatory Memorandum
Comments:
 Please see attached Explanatory Memorandum.
Attachment:
 Arkansas Home Explanatory Memorandum.pdf

Item Status: Filed **Status Date:** 04/20/2011
Satisfied - Item: Objection Response
Comments:
 Please view attached document.
Attachment:
 Arkansas Home Filing Objection Response Document.pdf

Item Status: Filed **Status Date:** 04/20/2011
Satisfied - Item: Paid Loss Generalized Linear Model
Comments:
 Please view attached explanation of the model.
Attachment:
 Arkansas Paid Loss GLM.pdf

SERFF Tracking Number: AOIC-126946411 State: Arkansas
Filing Company: Auto-Owners Insurance Company State Tracking Number: EFT \$100
Company Tracking Number: HOM-AR-01-04-12-2011-01
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: Arkansas Homeowners
Project Name/Number: Arkansas Homeowners Rate and Rule Filing/

	Item Status:	Status
Satisfied - Item: Distribution Chart	Filed	Date: 04/20/2011

Comments:

Please see attachment for the Distribution chart as well as a breakdown of the number of insureds receiving greater than 20% increase and the elements of the filing causing the increases.

Attachment:

Proposed Distribution Chart.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 Auto-Owners Insurance Company
NAIC # (including group #) 18988-280

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

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.
Effective for Arkansas August 15, 2005. We estimate all dwellings to be insured to value.

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.
Premier Plus minimum amount of insurance must be 90% or more of the replacement cost; Auto-Owners Premier program minimum amount of insurance must be 50% or more of the replacement cost; Auto-Owners Standard program amount of insurance may be less than 50% but will have the Market Value Surcharge applied to premium; Secondary or Seasonal homes follow primary rules for each program.

4. If you use an Inflation Guard form or similar type of coverage, describe the coverage(s) and estimate the impact.
We use an Adjusted Value Factor to calculate the estimated rise in cost annually.

5. Specify the percentage given for credit or discounts for the following:
 - a. Fire Extinguisher 3%*
 - b. Burglar Alarm Up to 15%
 - c. Smoke Alarm 3%*
 - d. Insured who has both homeowners and auto with your company 15%
 - e. Deadbolt Locks 3%*
 - f. Window or Door Locks None
 - g. Other Specify
 - Seasonal Dwelling 10%
 - Mature Homeowners Discount Up to 30%

*Must have Fire Extinguisher, Smoke Alarms, and Deadbolt to qualify for 3% discount.

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
Homeowners Form 3	7,311,887
Homeowners Form 4	71,174
Homeowners Form 6	59,779

AID PC H-1 (1/06)
Page 1 of 2

Form H-1 (1/06)
Page 2 of 2

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

9. Is there a surcharge on risks with wood heat? Yes

If yes, state the surcharge \$125 in Dwelling, \$50 in Outbuilding

Does the surcharge apply to conventional fire places? No

If yes, state the surcharge _____

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

J. Daniel Keefe

Digitally signed by J. Daniel Keefe
DN: cn=J. Daniel Keefe, o=Auto Owners Insurance Company, ou=Personal Property Actuarial, email=keefe.dan@aoins.com, c=US
Date: 2014.01.14 09:35:34 -0500

Signature

J. Daniel Keefe

Printed Name

Assistant Manager, Personal Property

Title

(517) 886-1846

Telephone Number

Keefe.Dan@aoins.com

Email address

AID PC H-1 (1/06)

NAIC Number:	18988
Company Name:	Auto-Owners Insurance Company
Contact Person:	Gabe Dunbar
Telephone No.:	(517) 703-5303
Email Address:	Dunbar.Gabe@aoins.com
Effective Date:	6/13/2011

**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	\$645.00	\$719.00	\$631.00	\$704.00	\$946.00	\$1,056.00	\$946.00	\$1,056.00	\$876.00	\$977.00	\$876.00	\$977.00	\$876.00	\$977.00	\$680.00	\$758.00	\$820.00	\$915.00
	\$120,000	\$899.00	\$1,003.00	\$879.00	\$981.00	\$1,320.00	\$1,472.00	\$1,320.00	\$1,472.00	\$1,222.00	\$1,363.00	\$1,222.00	\$1,363.00	\$1,222.00	\$1,363.00	\$948.00	\$1,057.00	\$1,144.00	\$1,275.00
	\$160,000	\$1,177.00	\$1,314.00	\$1,152.00	\$1,285.00	\$1,728.00	\$1,928.00	\$1,728.00	\$1,928.00	\$1,601.00	\$1,785.00	\$1,601.00	\$1,785.00	\$1,601.00	\$1,785.00	\$1,242.00	\$1,385.00	\$1,498.00	\$1,671.00
6	\$80,000	\$760.00	\$814.00	\$744.00	\$797.00	\$1,115.00	\$1,195.00	\$1,115.00	\$1,195.00	\$1,033.00	\$1,107.00	\$1,033.00	\$1,107.00	\$1,033.00	\$1,107.00	\$801.00	\$859.00	\$966.00	\$1,036.00
	\$120,000	\$1,059.00	\$1,136.00	\$1,037.00	\$1,111.00	\$1,555.00	\$1,666.00	\$1,555.00	\$1,666.00	\$1,440.00	\$1,543.00	\$1,440.00	\$1,543.00	\$1,440.00	\$1,543.00	\$1,117.00	\$1,197.00	\$1,347.00	\$1,444.00
	\$160,000	\$1,388.00	\$1,487.00	\$1,358.00	\$1,455.00	\$2,037.00	\$2,183.00	\$2,037.00	\$2,183.00	\$1,886.00	\$2,021.00	\$1,886.00	\$2,021.00	\$1,886.00	\$2,021.00	\$1,463.00	\$1,568.00	\$1,765.00	\$1,892.00
9	\$80,000	\$1,303.00	\$1,527.00	\$1,275.00	\$1,494.00	\$1,912.00	\$2,241.00	\$1,912.00	\$2,241.00	\$1,770.00	\$2,075.00	\$1,770.00	\$2,075.00	\$1,770.00	\$2,075.00	\$1,374.00	\$1,610.00	\$1,657.00	\$1,942.00
	\$120,000	\$1,817.00	\$2,129.00	\$1,777.00	\$2,083.00	\$2,666.00	\$3,125.00	\$2,666.00	\$3,125.00	\$2,469.00	\$2,893.00	\$2,469.00	\$2,893.00	\$2,469.00	\$2,893.00	\$1,915.00	\$2,245.00	\$2,310.00	\$2,708.00
	\$160,000	\$2,379.00	\$2,789.00	\$2,328.00	\$2,728.00	\$3,492.00	\$4,093.00	\$3,492.00	\$4,093.00	\$3,233.00	\$3,790.00	\$3,233.00	\$3,790.00	\$3,233.00	\$3,790.00	\$2,509.00	\$2,941.00	\$3,026.00	\$3,547.00

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

Public Protection Class	Property Value	Washington		Baxter		Craighead		St. Francis		Arkansas		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$5,000	\$107.00	\$107.00	\$107.00	\$107.00	\$137.00	\$137.00	\$137.00	\$137.00	\$131.00	\$131.00	\$131.00	\$131.00	\$131.00	\$131.00	\$109.00	\$109.00	\$115.00	\$115.00
	\$15,000	\$178.00	\$178.00	\$178.00	\$178.00	\$228.00	\$228.00	\$228.00	\$228.00	\$218.00	\$218.00	\$218.00	\$218.00	\$218.00	\$218.00	\$182.00	\$182.00	\$191.00	\$191.00
	\$25,000	\$239.00	\$239.00	\$239.00	\$239.00	\$305.00	\$305.00	\$305.00	\$305.00	\$293.00	\$293.00	\$293.00	\$293.00	\$293.00	\$293.00	\$244.00	\$244.00	\$256.00	\$256.00
6	\$5,000	\$115.00	\$115.00	\$115.00	\$115.00	\$146.00	\$146.00	\$146.00	\$146.00	\$140.00	\$140.00	\$140.00	\$140.00	\$140.00	\$140.00	\$117.00	\$117.00	\$123.00	\$123.00
	\$15,000	\$191.00	\$191.00	\$191.00	\$191.00	\$244.00	\$244.00	\$244.00	\$244.00	\$234.00	\$234.00	\$234.00	\$234.00	\$234.00	\$234.00	\$195.00	\$195.00	\$205.00	\$205.00
	\$25,000	\$256.00	\$256.00	\$256.00	\$256.00	\$326.00	\$326.00	\$326.00	\$326.00	\$313.00	\$313.00	\$313.00	\$313.00	\$313.00	\$313.00	\$261.00	\$261.00	\$274.00	\$274.00
9	\$5,000	\$166.00	\$166.00	\$166.00	\$166.00	\$212.00	\$212.00	\$212.00	\$212.00	\$203.00	\$203.00	\$203.00	\$203.00	\$203.00	\$203.00	\$169.00	\$169.00	\$178.00	\$178.00
	\$15,000	\$276.00	\$276.00	\$276.00	\$276.00	\$353.00	\$353.00	\$353.00	\$353.00	\$339.00	\$339.00	\$339.00	\$339.00	\$339.00	\$339.00	\$282.00	\$282.00	\$296.00	\$296.00
	\$25,000	\$370.00	\$370.00	\$370.00	\$370.00	\$473.00	\$473.00	\$473.00	\$473.00	\$454.00	\$454.00	\$454.00	\$454.00	\$454.00	\$454.00	\$378.00	\$378.00	\$397.00	\$397.00

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	-3 %	Deadbolt Lock	n/a %
Burglar Alarm	-15 %	Window Locks	n/a %
Smoke Alarm	n/a %	\$1,000 Deductible	-11 %
		Other (specify)	

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	Brick	Frame
Highest Risk	\$ 2.88	\$ 2.04

NAIC LOSS COST DATA ENTRY DOCUMENT

1.	This filing transmittal is part of Company Tracking #	HOM-AR-01-04-12-2011-01
----	---	--------------------------------

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
----	---	------------

Company Name		Company NAIC Number	
3.	A. Auto-Owners Insurance Company	B.	280-18988

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

5.			FOR LOSS COSTS ONLY				
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
COVERAGE (See Instructions)	Indicated % Rate Level Change	Requested % Rate Level Change	Expected Loss Ratio	Loss Cost Modification Factor	Selected Loss Cost Multiplier	Expense Constant (If Applicable)	Co. Current Loss Cost Multiplier
Form 3	188.4%	15.0%					
Form 4	-86.9%	0.1%					
Form 6	-26.8%	-0.1%					
TOTAL OVERALL EFFECT		14.7%					

6.		5 Year History	Rate Change History					
Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio	
2010	8,063	9.8%	2/15/10	6,011.9	8,345.6	145.1	97.1	
2009	5,777	N/A	N/A	4,023.3	6,708.2	168.6	98.4	
2008	4,038	N/A	N/A	2,797.0	6,365.5	235.9	107.3	
2007	2,714	-1.9%	11/15/07	1,689.3	2,253.6	139.8	77.8	
2006	1,293	N/A	N/A	570.3	296.3	54.0	68.3	

7.	
Expense Constants	Selected Provisions
A. Total Production Expense	18.3
B. General Expense	1.0
C. Taxes, License & Fees	3.1
D. Underwriting Profit & Contingencies	9.0
E. Other (Other Acquisition & Reinsurance Expense)	4.5
F. TOTAL	35.9

8. N Apply Lost Cost Factors to Future filings? (Y or N)
9. 54.2 Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): 12
10. -2.7 Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): 7

Auto-Owners Insurance

Homeowners
Arkansas
Form 3 Total

Determination of Rate Level Indications for Accident Year Data

	<u>Jun-06</u>	<u>Jun-07</u>	<u>Jun-08</u>	<u>Jun-09</u>	<u>Jun-10</u>
(1) <i>Current Level Trended Premiums</i>	218,255	1,175,956	2,467,155	3,675,940	5,284,356
(2) <i>Trended Incurred Losses and ALAE</i>	352,308	2,534,950	3,986,001	7,700,130	9,111,592
(3) <i>Projected Loss Ratio</i> <i>(2)/(1)</i>	161.4%	215.6%	161.6%	209.5%	172.4%
(4) <i>Weights</i>	10.0%	15.0%	20.0%	25.0%	30.0%
(5) <i>Weighted Projected Loss Ratio</i>					184.9%
(6) <i>Net Projected Loss Ratio</i>					184.9%
(7) <i>Permissible Loss Ratio</i>					64.1%
(8) <i>Indicated Rate Level Change</i> <i>(6)/(7)</i>					188.4%

Past Rate Changes

<u>New Business</u>	<u>Renewal Business</u>	<u>Percent Change</u>
11/15/2007	12/20/2007	-2.0 %
02/15/2010	03/23/2010	10.0 %

Auto-Owners Insurance

Homeowners
Arkansas

Calculation of Current Level Trended Premiums

Part	Year	Earned Premiums	Current Level Factor	Premium Trend Factor	Current Level Trended Premiums
		(1)	(2)	(3)	(4)
Form 3 Total	2006	\$187,151	1.0784	1.081	\$218,255
	2007	\$1,021,049	1.0784	1.068	\$1,175,956
	2008	\$2,163,277	1.0813	1.055	\$2,467,155
	2009	\$3,215,237	1.0976	1.042	\$3,675,940
	2010	\$4,686,595	1.0961	1.029	\$5,284,356

Notes

- (1) Actual Earned Premiums
- (2) Per Parallelogram Method
- (3) See Calculation of Premium Trend Factor
- (4) (1) * (2) * (3)

Auto-Owners Insurance

Homeowners
Arkansas

Calculation of Premium Trend Factors

	Experience Period	Form 3 Total
(1) <i>Calculated Premium Trend</i>		1.26%
(2) <i>Selected Premium Trend</i>		1.26%
(3) <i>Trend Start Date</i>	2006	01/01/2006
<i>Midpoint of Experience Period</i>	2007	01/01/2007
	2008	01/01/2008
	2009	01/01/2009
	2010	01/01/2010
(4) <i>Trend End Date</i>	2006	04/06/2012
<i>12 months past renewal date of</i>	2007	04/06/2012
<i>04/06/2011</i>	2008	04/06/2012
	2009	04/06/2012
	2010	04/06/2012
(5) <i>Years of Trend Extension</i>	2006	6.264
<i># of Years between (3) and (4)</i>	2007	5.264
	2008	4.264
	2009	3.264
	2010	2.264
(6) <i>Premium Trend Factor</i>	2006	1.081
<i>(1+(2))^(5)</i>	2007	1.068
	2008	1.055
	2009	1.042
	2010	1.029

Auto-Owners Insurance

Homeowners

Arkansas

Form 3 Total

Ultimate Losses

Form 3 Total

Experience Period	Losses Less Large and Cats	Cat Losses Smoothed	Large Less Large Cats Smoothed	Final Ultimate Loss	ULAE Acc Year	Final Ultimate Loss With Factor
2006	133,862	85,252	28,994	248,108	1.0302	255,601
2007	1,293,326	465,119	158,185	1,916,630	1.0283	1,970,871
2008	1,926,957	985,439	335,144	3,247,540	1.0237	3,324,507
2009	4,790,550	1,464,638	498,118	6,753,306	1.0203	6,890,398
2010	5,706,595	2,134,886	726,066	8,567,547	1.0199	8,738,041

Arkansas
Homeowners
Auto-Owners Insurance Group
Form 3 Total
Period Ending 6/2010
All Reviewable Coverages
Loss Development Exhibit

LOSSES - Losses Less Large and Cats : Incurred Amount											
Accident Year	12	24	36	48	60	72	84	96	108	120	
7/1/00 - 6/30/01											
7/1/01 - 6/30/02											
7/1/02 - 6/30/03											
7/1/03 - 6/30/04											
7/1/04 - 6/30/05											
7/1/05 - 6/30/06	163,392	153,556	133,707	133,707	133,707						
7/1/06 - 6/30/07	1,022,186	1,353,384	1,335,210	1,291,113							
7/1/07 - 6/30/08	2,014,368	1,942,534	1,916,770								
7/1/08 - 6/30/09	3,856,503	4,737,313									
7/1/09 - 6/30/10	5,504,361										

RATIOS - Standard Method									
Accident Year	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
7/1/00 - 6/30/01									
7/1/01 - 6/30/02									
7/1/02 - 6/30/03									
7/1/03 - 6/30/04									
7/1/04 - 6/30/05									
7/1/05 - 6/30/06	0.9398	0.8707	1.0000	1.0000					
7/1/06 - 6/30/07	1.3240	0.9866	0.9670						
7/1/07 - 6/30/08	0.9643	0.9867							
7/1/08 - 6/30/09	1.2284								

AVERAGE RATIOS - Standard Method									
Average Type	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
1 Year Average	1.2284	0.9867	0.9670	1.0000					
2 Year Average	1.0964	0.9866	0.9835	1.0000					
3 Year Average	1.1722	0.9480	0.9835	1.0000					
4 Year Average	1.1141	0.9480	0.9835	1.0000					
5 Year Average	1.1141	0.9480	0.9835	1.0000					
6 Year Average	1.1141	0.9480	0.9835	1.0000					
7 Year Average	1.1141	0.9480	0.9835	1.0000					
8 Year Average	1.1141	0.9480	0.9835	1.0000					
9 Year Average	1.1141	0.9480	0.9835	1.0000					
Middle 3 of 5	1.0442	0.9287	0.9670						
Middle 5 of 7	1.0442	0.9287	0.9670						
3 Year Volume Weighted	1.1654	0.9815	0.9700	1.0000					
5 Year Volume Weighted	1.1602	0.9815	0.9700	1.0000					
7 Year Volume Weighted	1.1602	0.9815	0.9700	1.0000					
9 Year Volume Weighted	1.1602	0.9815	0.9700	1.0000					

SELECTED AND CUSTOM RATIOS - Standard Method									
Accident Year	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
Selected Custom	<	1.0556	<	0.9976	<	0.9990	<	1.0000	<
Cumulative	1.0458	0.9907	0.9945	0.9959	0.9983	0.9993	0.9998	1.0000	1.0000
Ratio to Ultimate	0.9562	1.0094	1.0055	1.0041	1.0017	1.0007	1.0002	1.0000	1.0000

Arkansas
Homeowners
Auto-Owners Insurance Group
Form 3 Total
Period Ending 6/2010
All Reviewable Coverages
Loss Development Exhibit

LOSSES - Losses Less Large and Cats : Incurred Amount		12	24	36	48	60	72	84	96	108	120
Accident Year											
7/1/00 - 6/30/01											
7/1/01 - 6/30/02											
7/1/02 - 6/30/03											
7/1/03 - 6/30/04											
7/1/04 - 6/30/05											
7/1/05 - 6/30/06	163,392	153,556	133,707	133,707	133,707	133,707					
7/1/06 - 6/30/07	1,022,186	1,353,384	1,335,210	1,335,210	1,291,113						
7/1/07 - 6/30/08	2,014,368	1,942,534	1,916,770	1,916,770							
7/1/08 - 6/30/09	3,856,503	4,737,313									
7/1/09 - 6/30/10	5,504,361										

RATIOS - Percent Premium Method		1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
Accident Year										
7/1/00 - 6/30/01										
7/1/01 - 6/30/02										
7/1/02 - 6/30/03										
7/1/03 - 6/30/04										
7/1/04 - 6/30/05	-0.0526	-0.1061	0.0000	0.0000	0.0000					
7/1/05 - 6/30/06	0.3244	-0.0178	-0.0432							
7/1/06 - 6/30/07	-0.0332	-0.0119								
7/1/07 - 6/30/08	0.2739									
7/1/08 - 6/30/09										

AVERAGE RATIOS - Percent Premium Method		1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
Average Type										
1 Year Average	0.2739	-0.0119	-0.0432	0.0000	0.0000					
2 Year Average	0.1203	-0.0148	-0.0216	0.0000	0.0000					
3 Year Average	0.1884	-0.0453	-0.0216	0.0000	0.0000					
4 Year Average	0.1281	-0.0453	-0.0216	0.0000	0.0000					
5 Year Average	0.1281	-0.0453	-0.0216	0.0000	0.0000					
6 Year Average	0.1281	-0.0453	-0.0216	0.0000	0.0000					
7 Year Average	0.1281	-0.0453	-0.0216	0.0000	0.0000					
8 Year Average	0.1281	-0.0453	-0.0216	0.0000	0.0000					
9 Year Average	0.1281	-0.0453	-0.0216	0.0000	0.0000					
Middle 3 of 5	0.0627	-0.0620	-0.0432							
Middle 5 of 7	0.0627	-0.0620	-0.0432							
3 Year Volume Weighted	0.1916	-0.0184	-0.0393	0.0000	0.0000					
5 Year Volume Weighted	0.1860	-0.0184	-0.0393	0.0000	0.0000					
7 Year Volume Weighted	0.1860	-0.0184	-0.0393	0.0000	0.0000					
9 Year Volume Weighted	0.1860	-0.0184	-0.0393	0.0000	0.0000					

SELECTED AND CUSTOM RATIOS - Percent Premium Method		1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
Accident Year										
Selected Custom	<	0.0355	<	-0.0022	<	-0.0007	<	-0.0004	<	0.0000
Cumulative		0.0301	-0.0054	-0.0032	-0.0025	-0.0011	-0.0005	-0.0001	0.0000	0.0000

Arkansas
Homeowners
Auto-Owners Insurance Group
Form 3 Total
Period Ending 6/2010
All Reviewable Coverages
Loss Development Exhibit

LOSSES - Losses Less Large and Cats : Paid Amount											
Accident Year	12	24	36	48	60	72	84	96	108	120	
7/1/00 - 6/30/01											
7/1/01 - 6/30/02											
7/1/02 - 6/30/03											
7/1/03 - 6/30/04											
7/1/04 - 6/30/05											
7/1/05 - 6/30/06	23,192	53,556	133,707	133,707	133,707						
7/1/06 - 6/30/07	916,436	1,320,307	1,333,935	1,291,113							
7/1/07 - 6/30/08	1,451,592	1,905,827	1,915,570								
7/1/08 - 6/30/09	3,104,099	4,732,300									
7/1/09 - 6/30/10	4,461,434										

RATIOS - Standard Method									
Accident Year	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
7/1/00 - 6/30/01									
7/1/01 - 6/30/02									
7/1/02 - 6/30/03									
7/1/03 - 6/30/04									
7/1/04 - 6/30/05									
7/1/05 - 6/30/06	2.3092	2.4966	1.0000	1.0000					
7/1/06 - 6/30/07	1.4407	1.0103	0.9679						
7/1/07 - 6/30/08	1.3129	1.0051							
7/1/08 - 6/30/09	1.5245								

AVERAGE RATIOS - Standard Method									
Average Type	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
1 Year Average	1.5245	1.0051	0.9679	1.0000					
2 Year Average	1.4187	1.0077	0.9840	1.0000					
3 Year Average	1.4260	1.5040	0.9840	1.0000					
4 Year Average	1.6468	1.5040	0.9840	1.0000					
5 Year Average	1.6468	1.5040	0.9840	1.0000					
6 Year Average	1.6468	1.5040	0.9840	1.0000					
7 Year Average	1.6468	1.5040	0.9840	1.0000					
8 Year Average	1.6468	1.5040	0.9840	1.0000					
9 Year Average	1.6468	1.5040	0.9840	1.0000					
Middle 3 of 5	1.4260	1.0077	0.9679						
Middle 5 of 7	1.4260	1.0077	0.9679						
3 Year Volume Weighted	1.4543	1.0315	0.9708	1.0000					
5 Year Volume Weighted	1.4579	1.0315	0.9708	1.0000					
7 Year Volume Weighted	1.4579	1.0315	0.9708	1.0000					
9 Year Volume Weighted	1.4579	1.0315	0.9708	1.0000					

SELECTED AND CUSTOM RATIOS - Standard Method									
Accident Year	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
Selected Custom	< 1.3761	< 1.0284	< 1.0108	< 1.0052	< 1.0023	< 1.0010	< 1.0003	< 1.0002	< 1.0003
Cumulative	1.4438	1.0492	1.0202	1.0093	1.0041	1.0018	1.0008	1.0005	1.0003
Ratio to Ultimate	0.6926	0.9531	0.9802	0.9908	0.9959	0.9982	0.9992	0.9995	0.9997

Arkansas
Homeowners
Auto-Owners Insurance Group
Form 3 Total
Period Ending 6/2010
All Reviewable Coverages
Loss Development Exhibit

LOSSES - Losses Less Large and Cats : Paid Amount											
Accident Year	12	24	36	48	60	72	84	96	108	120	
7/1/00 - 6/30/01											
7/1/01 - 6/30/02											
7/1/02 - 6/30/03											
7/1/03 - 6/30/04											
7/1/04 - 6/30/05					133,707						
7/1/05 - 6/30/06	23,192	53,556	133,707	133,707	133,707						
7/1/06 - 6/30/07	916,436	1,320,307	1,333,935	1,291,113							
7/1/07 - 6/30/08	1,451,592	1,905,827	1,915,570								
7/1/08 - 6/30/09	3,104,099	4,732,300									
7/1/09 - 6/30/10	4,461,434										

RATIOS - Percent Premium Method											
Accident Year	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th		
7/1/00 - 6/30/01											
7/1/01 - 6/30/02											
7/1/02 - 6/30/03											
7/1/03 - 6/30/04											
7/1/04 - 6/30/05											
7/1/05 - 6/30/06	0.1622	0.4283	0.0000	0.0000							
7/1/06 - 6/30/07	0.3955	0.0133	-0.0419								
7/1/07 - 6/30/08	0.2100	0.0045									
7/1/08 - 6/30/09	0.5064										

AVERAGE RATIOS - Percent Premium Method											
Average Type	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th		
1 Year Average	0.5064	0.0045	-0.0419	0.0000							
2 Year Average	0.3582	0.0089	-0.0210	0.0000							
3 Year Average	0.3706	0.1487	-0.0210	0.0000							
4 Year Average	0.3185	0.1487	-0.0210	0.0000							
5 Year Average	0.3185	0.1487	-0.0210	0.0000							
6 Year Average	0.3185	0.1487	-0.0210	0.0000							
7 Year Average	0.3185	0.1487	-0.0210	0.0000							
8 Year Average	0.3185	0.1487	-0.0210	0.0000							
9 Year Average	0.3185	0.1487	-0.0210	0.0000							
Middle 3 of 5	0.2559	0.0089	-0.0419	0.0000							
Middle 5 of 7	0.2559	0.0089	-0.0419	0.0000							
3 Year Volume Weighted	0.4092	0.0150	-0.0381	0.0000							
5 Year Volume Weighted	0.4082	0.0150	-0.0381	0.0000							
7 Year Volume Weighted	0.4082	0.0150	-0.0381	0.0000							
9 Year Volume Weighted	0.4082	0.0150	-0.0381	0.0000							

SELECTED AND CUSTOM RATIOS - Percent Premium Method											
Accident Year	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th		
Selected Custom	< 0.1684	< 0.0157	< 0.0053	< 0.0028	< 0.0014	< 0.0006	< 0.0002	< 0.0001	< 0.0005	<	0.0000
Cumulative	0.1950	0.0266	0.0109	0.0056	0.0028	0.0014	0.0008	0.0006	0.0005		0.0000

Arkansas
Homeowners
Auto-Owners Insurance Group
Form 3 Total
Period Ending 6/2010
All Reviewable Coverages
Loss Development Exhibit

LOSSES - Large Less Large Cats : Incurred Amount		12	24	36	48	60	72	84	96	108	120
Accident Year											
7/1/00 - 6/30/01											
7/1/01 - 6/30/02											
7/1/02 - 6/30/03											
7/1/03 - 6/30/04											
7/1/04 - 6/30/05											
7/1/05 - 6/30/06	0	0	0	0	0	0					
7/1/06 - 6/30/07	64,249	84,469	84,789	85,269							
7/1/07 - 6/30/08	0	0	0								
7/1/08 - 6/30/09	1,175,806	1,177,138									
7/1/09 - 6/30/10	496,690										

RATIOS - Standard Method		1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
Accident Year										
7/1/00 - 6/30/01										
7/1/01 - 6/30/02										
7/1/02 - 6/30/03										
7/1/03 - 6/30/04										
7/1/04 - 6/30/05										
7/1/05 - 6/30/06										
7/1/06 - 6/30/07	1.3147	1.0038	1.0057							
7/1/07 - 6/30/08										
7/1/08 - 6/30/09	1.0011									

AVERAGE RATIOS - Standard Method		1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
Average Type										
1 Year Average		1.0011		1.0057						
2 Year Average		1.0011	1.0038	1.0057						
3 Year Average		1.1579	1.0038	1.0057						
4 Year Average		1.1579	1.0038	1.0057						
5 Year Average		1.1579	1.0038	1.0057						
6 Year Average		1.1579	1.0038	1.0057						
7 Year Average		1.1579	1.0038	1.0057						
8 Year Average		1.1579	1.0038	1.0057						
9 Year Average		1.1579	1.0038	1.0057						
Middle 3 of 5		1.0011								
Middle 5 of 7		1.0011								
3 Year Volume Weighted		1.0173	1.0038	1.0057						
5 Year Volume Weighted		1.0173	1.0038	1.0057						
7 Year Volume Weighted		1.0173	1.0038	1.0057						
9 Year Volume Weighted		1.0173	1.0038	1.0057						

SELECTED AND CUSTOM RATIOS - Standard Method		1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
Accident Year										
Selected Custom	<	1.2815	<	0.9970	<	1.0179	<	0.9992	<	0.9969
Cumulative		1.1758		0.9175		0.9788		0.9900		0.9969
Ratio to Ultimate		0.8505		1.0899		1.0216		1.0101		1.0031

Arkansas
Homeowners
Auto-Owners Insurance Group
Form 3 Total
Period Ending 6/2010
All Reviewable Coverages
Loss Development Exhibit

LOSSES - Cat Losses : Incurred Amount											
Accident Year	12	24	36	48	60	72	84	96	108	120	
7/1/00 - 6/30/01											
7/1/01 - 6/30/02											
7/1/02 - 6/30/03											
7/1/03 - 6/30/04											
7/1/04 - 6/30/05				3,328	3,328						
7/1/05 - 6/30/06	3,328	3,328	3,328	3,328	3,328						
7/1/06 - 6/30/07	84,948	124,718	117,463	117,463							
7/1/07 - 6/30/08	1,139,451	1,236,317	1,236,317								
7/1/08 - 6/30/09	2,715,089	3,183,198									
7/1/09 - 6/30/10	480,676										

RATIOS - Standard Method									
Accident Year	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
7/1/00 - 6/30/01									
7/1/01 - 6/30/02									
7/1/02 - 6/30/03									
7/1/03 - 6/30/04									
7/1/04 - 6/30/05									
7/1/05 - 6/30/06	1.0000	1.0000	1.0000	1.0000					
7/1/06 - 6/30/07	1.4682	0.9418	1.0000						
7/1/07 - 6/30/08	1.0850	1.0000							
7/1/08 - 6/30/09	1.1724								

AVERAGE RATIOS - Standard Method									
Average Type	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
1 Year Average	1.1724	1.0000	1.0000	1.0000					
2 Year Average	1.1287	0.9709	1.0000	1.0000					
3 Year Average	1.2419	0.9806	1.0000	1.0000					
4 Year Average	1.1814	0.9806	1.0000	1.0000					
5 Year Average	1.1814	0.9806	1.0000	1.0000					
6 Year Average	1.1814	0.9806	1.0000	1.0000					
7 Year Average	1.1814	0.9806	1.0000	1.0000					
8 Year Average	1.1814	0.9806	1.0000	1.0000					
9 Year Average	1.1814	0.9806	1.0000	1.0000					
Middle 3 of 5	1.0858	0.9709	1.0000						
Middle 5 of 7	1.0858	0.9709	1.0000						
3 Year Volume Weighted	1.1535	0.9947	1.0000	1.0000					
5 Year Volume Weighted	1.1534	0.9947	1.0000	1.0000					
7 Year Volume Weighted	1.1534	0.9947	1.0000	1.0000					
9 Year Volume Weighted	1.1534	0.9947	1.0000	1.0000					

SELECTED AND CUSTOM RATIOS - Standard Method									
Accident Year	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
Selected Custom	<	1.2152	<	1.0009	<	1.0014	<	1.0014	<
Cumulative	1.2181	1.0024	1.0015	1.0001	0.9997	1.0000	1.0000	1.0000	1.0000
Ratio to Ultimate	0.8209	0.9976	0.9985	0.9999	1.0003	1.0000	1.0000	1.0000	1.0000

Auto-Owners Insurance

Homeowners
Arkansas

Calculation of Loss Trends

Average Paid

	Experience Period	Form 3 Total	
		CL	Proj
(1) Calculated Loss Trend		5.87%	2.91%
(2) Selected Loss Trend		5.87%	2.91%
(3) Trend Start Date	2006	01/01/2006	
	2007	01/01/2007	
	2008	01/01/2008	
	2009	01/01/2009	
	2010	01/01/2010	
(4) Trend End Date	2006	04/06/2012	
<i>12 months past renewal date of</i>	2007	04/06/2012	
<i>04/06/2011</i>	2008	04/06/2012	
	2009	04/06/2012	
	2010	04/06/2012	
(5) Years of Trend Extension CL	2006	4.250	
<i># of Years between (3) and the</i>	2007	3.250	
<i>midpoint of Loss Trends</i>	2008	2.250	
<i>04/01/2010</i>	2009	1.250	
	2010	0.250	
(6) Years of Trend Extension Proj	2006	2.014	
<i># of Years between (4) and the</i>	2007	2.014	
<i>midpoint of Loss Trends</i>	2008	2.014	
<i>04/01/2010</i>	2009	2.014	
	2010	2.014	
(7) Loss Trend Factor	2006	1.350	
$((1+(2)_{CL})^{(5)}) * ((1+(2)_{Proj})^{(6)})$	2007	1.276	
	2008	1.205	
	2009	1.138	
	2010	1.075	

Auto-Owners Insurance

Homeowners
Arkansas

Calculation of Loss Trends

Frequency

	Experience Period	Form 3 Total	
		CL	Proj
(1) Calculated Loss Trend		1.29%	-1.66%
(2) Selected Loss Trend		1.29%	-1.66%
(3) Trend Start Date	2006	01/01/2006	
	2007	01/01/2007	
	2008	01/01/2008	
	2009	01/01/2009	
	2010	01/01/2010	
(4) Trend End Date	2006	04/06/2012	
<i>12 months past renewal date of</i>	2007	04/06/2012	
<i>04/06/2011</i>	2008	04/06/2012	
	2009	04/06/2012	
	2010	04/06/2012	
(5) Years of Trend Extension CL	2006	4.250	
<i># of Years between (3) and the</i>	2007	3.250	
<i>midpoint of Loss Trends</i>	2008	2.250	
<i>04/01/2010</i>	2009	1.250	
	2010	0.250	
(6) Years of Trend Extension Proj	2006	2.014	
<i># of Years between (4) and the</i>	2007	2.014	
<i>midpoint of Loss Trends</i>	2008	2.014	
<i>04/01/2010</i>	2009	2.014	
	2010	2.014	
(7) Loss Trend Factor	2006	1.021	
$((1+(2)_{CL})^{(5)}) * ((1+(2)_{Proj})^{(6)})$	2007	1.008	
	2008	0.995	
	2009	0.982	
	2010	0.970	

Arkansas
Loss Trends Exhibit
Auto-Owners Insurance Group
Homeowners - Form 3 Total

All Reviewable Coverages

Statewide

Qtr/Yr	Written Units	Paid Count	Paid Amount	Freq	Average Paid	Pure Premium	# Quarters Selected	Freq Exp	Avg Paid Exp
09/2005	13	0	0	0.00	0.00	0.00	21	571.191%	776.007%
12/2005	179	0	0	0.00	0.00	0.00	20	277.288%	280.697%
03/2006	411	1	6,466	2.43	6,465.95	15.74	19	69.278%	20.635%
06/2006	638	8	23,192	12.54	2,899.06	36.36	18	47.514%	21.859%
09/2006	970	29	65,203	29.89	2,248.36	67.21	17	39.457%	14.644%
12/2006	1,266	45	150,210	35.54	3,338.01	118.64	16	39.244%	2.107%
03/2007	1,581	58	528,395	36.69	9,110.26	334.24	15	40.379%	-9.817%
06/2007	2,028	76	1,011,049	37.47	13,303.27	498.52	14	41.101%	-14.198%
09/2007	2,404	89	1,394,529	37.03	15,668.87	580.18	13	40.806%	-15.260%
12/2007	2,680	108	1,703,041	40.30	15,768.90	635.44	12	37.871%	-13.768%
03/2008	2,925	138	1,655,476	47.19	11,996.20	566.07	11	33.275%	-10.396%
06/2008	3,275	191	1,955,834	58.33	10,239.97	597.27	10	28.586%	-10.317%
09/2008	3,643	254	2,246,173	69.73	8,843.20	616.64	9	26.548%	-14.012%
12/2008	3,976	288	3,391,571	72.43	11,776.29	852.99	8	29.093%	-24.443%
03/2009	4,274	321	3,832,610	75.11	11,939.60	896.75	7	32.750%	-29.790%
06/2009	4,702	347	4,402,371	73.80	12,686.95	936.28	6	38.081%	-36.114%
09/2009	5,101	416	5,447,616	81.55	13,095.23	1,067.91	5	37.028%	-39.655%
12/2009	5,729	509	5,008,648	88.84	9,840.17	874.22	4	39.163%	-32.212%
03/2010	6,297	543	5,333,083	86.24	9,821.52	846.99	3	52.179%	-42.969%
06/2010	6,754	775	6,724,561	114.74	8,676.85	995.61	2	-26.107%	-46.606%
09/2010	7,445	792	5,874,366	106.38	7,417.13	789.07	1		

Companywide

Qtr/Yr	Written Units	Paid Count	Paid Amount	Freq	Average Paid	Pure Premium	# Quarters Selected	Freq Exp	Avg Paid Exp
09/2005	1,103,514	69,769	372,655,450	63.22	5,341.28	337.70	21	1.387%	5.875%
12/2005	1,102,345	71,391	387,930,864	64.76	5,433.89	351.91	20	1.289%	5.682%
03/2006	1,101,238	71,949	396,385,540	65.33	5,509.26	359.95	19	1.306%	5.447%
06/2006	1,101,693	72,985	407,652,484	66.25	5,585.43	370.02	18	1.372%	5.129%
09/2006	1,103,167	70,783	406,134,555	64.16	5,737.74	368.15	17	1.560%	4.699%
12/2006	1,105,688	68,402	404,410,360	61.86	5,912.26	365.75	16	1.463%	4.249%
03/2007	1,110,253	67,914	407,882,941	61.17	6,005.87	367.38	15	0.858%	3.829%
06/2007	1,116,903	69,128	430,571,725	61.89	6,228.62	385.51	14	-0.216%	3.290%
09/2007	1,117,326	73,639	478,016,604	65.91	6,491.35	427.82	13	-1.660%	2.913%
12/2007	1,119,835	75,984	499,923,168	67.85	6,579.32	446.43	12	-2.736%	2.955%
03/2008	1,124,223	77,621	513,682,292	69.04	6,617.83	456.92	11	-3.737%	3.162%
06/2008	1,131,195	79,172	528,063,017	69.99	6,669.82	466.82	10	-4.766%	3.469%
09/2008	1,139,670	79,024	522,873,809	69.34	6,616.65	458.79	9	-5.817%	4.010%
12/2008	1,146,316	78,670	526,747,733	68.63	6,695.66	459.51	8	-7.626%	4.280%
03/2009	1,156,535	83,746	556,394,031	72.41	6,643.83	481.09	7	-10.901%	4.945%
06/2009	1,171,017	84,987	566,351,171	72.58	6,663.97	483.64	6	-12.721%	4.881%
09/2009	1,184,889	84,033	578,872,918	70.92	6,888.64	488.55	5	-13.956%	3.590%
12/2009	1,197,748	85,156	581,199,190	71.10	6,825.11	485.24	4	-15.731%	4.145%
03/2010	1,209,517	79,454	561,883,113	65.69	7,071.80	464.55	3	-8.998%	-1.028%
06/2010	1,226,310	76,690	548,074,872	62.54	7,146.63	446.93	2	0.823%	-6.085%
09/2010	1,240,139	77,714	546,744,717	62.67	7,035.34	440.87	1		

Credibility Constant 240,000

Credibility 0.285

Frequency					
Up To Date			Projected		
	# Quarters			# Quarters	
State	9	26.548%	State	17	39.457%
Companywide	20	1.289%	Companywide	13	-1.660%
Complement		1.289%	Complement		-1.660%

Average Paid					
Up To Date			Projected		
	# Quarters			# Quarters	
State	16	2.107%	State	15	-9.817%
Companywide	21	5.875%	Companywide	13	2.913%
Complement		5.875%	Complement		2.913%

Auto-Owners Insurance

Homeowners
Arkansas
Form 3 Total

Development of the Permissible Loss Ratio

(1)	<i>Commission and Brokerage Expense</i>	18.3%
(2)	<i>Other Acquisitions</i>	4.0%
(3)	<i>General Expenses</i>	1.0%
(4)	<i>Tax, License, and Fees</i>	3.1%
(5)	<i>Reinsurance Expense</i>	0.5%
(6)	<i>Total Expenses</i> <i>(1)+(2)+(3)+(4)+(5)</i>	26.9%
(7)	<i>Profit and Contingency</i>	9.0%
(8)	<i>Permissible Loss Ratio</i> <i>1 - ((6) + (7))</i>	64.1%

**Expense Exhibit - Homeowners
Auto-Owners Insurance Group**

Arkansas

All Reviewable Coverages - Form 3 Total

	12 MTD Ending 6 / 2006		12 MTD Ending 6 / 2007		12 MTD Ending 6 / 2008		12 MTD Ending 6 / 2009		12 MTD Ending 6 / 2010	
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
Loss Experience										
Written Premium	494,474		1,629,258		2,674,550		3,837,342		5,679,229	
Earned Premium	187,151	100.0	1,021,049	100.0	2,163,277	100.0	3,215,237	100.0	4,686,595	100.0
Incurring Amount	182,475	97.5	1,087,246	106.5	3,337,526	154.3	7,389,084	229.8	7,522,340	160.5
Allocated LAE	25,214	13.5	54,411	5.3	250,962	11.6	464,855	14.5	242,955	5.2
Unallocated LAE	8,343	4.5	38,327	3.8	176,800	8.2	385,455	12.0	470,312	10.0
Total Losses	216,032	115.5	1,179,984	115.6	3,765,288	174.1	8,239,394	256.3	8,235,608	175.7
Expenses Incurred										
Commission and Brokerage *	85,510	17.3	281,094	17.3	464,334	17.4	635,832	16.6	931,754	16.4
Other Acquisitions (2)	7,156	3.8	40,395	4.0	80,472	3.7	122,129	3.8	211,534	4.5
General Expenses (2)	1,732	0.9	9,829	1.0	20,561	1.0	30,235	0.9	55,236	1.2
Tax, License, and Fees *	27,806	5.6	56,145	3.4	93,727	3.5	122,900	3.2	176,406	3.1
Total Expenses	122,204	27.6	387,463	25.7	659,094	25.6	911,096	24.5	1,374,930	25.2
Total Losses and Expenses	338,236	143.1	1,567,447	141.3	4,424,382	199.7	9,150,490	280.8	9,610,537	200.9
Gain from Underwriting	-151,085	-43.1	-546,399	-41.3	-2,261,105	-99.7	-5,935,252	-180.8	-4,923,943	-100.9

	3 Year Total		4 Year Total		5 Year Total	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
Loss Experience						
Written Premium	12,191,121		13,820,379		14,314,853	
Earned Premium	10,065,109	100.0	11,086,158	100.0	11,273,309	100.0
Incurring Amount	18,248,950	181.3	19,336,196	174.4	19,518,671	173.1
Allocated LAE	958,772	9.5	1,013,184	9.1	1,038,398	9.2
Unallocated LAE	1,032,567	10.3	1,070,894	9.7	1,079,237	9.6
Total Losses	20,240,289	201.1	21,420,274	193.2	21,636,306	191.9
Expenses Incurred						
Commission and Brokerage *	2,031,919	16.7	2,313,014	16.7	2,398,524	16.8
Other Acquisitions (2)	414,135	4.0	454,530	4.0	461,686	4.0
General Expenses (2)	106,033	1.0	115,862	1.0	117,594	1.0
Tax, License, and Fees *	393,032	3.2	449,177	3.3	476,983	3.3
Reinsurance Expenses *	2,945,120	24.9	3,332,583	25.0	3,454,787	25.1
Total Expenses	23,185,409	226.0	24,752,856	218.2	25,091,093	217.0
Total Losses and Expenses	-13,120,300	-126.0	-13,666,699	-118.2	-13,817,784	-117.0

Expenses Incurred	
Commission and Brokerage *	16.8
Other Acquisitions (2)	4.0
General Expenses (2)	1.0
Tax, License, and Fees *	3.3
Reinsurance Expenses *	25.1
Total Expenses	217.0
Total Losses and Expenses	-117.0

* - Ratios Calculated to Written Premium (1)Uses Companywide Info (2)Uses AO Group Info # - Uses Combined Coverage Info

Auto-Owners Insurance

Homeowners
Arkansas
Form 4 Total

Determination of Rate Level Indications for Accident Year Data

	<u>Jun-06</u>	<u>Jun-07</u>	<u>Jun-08</u>	<u>Jun-09</u>	<u>Jun-10</u>
(1) <i>Current Level Trended Premiums</i>	1,633	9,378	21,717	33,933	46,028
(2) <i>Trended Incurred Losses and ALAE</i>	8	434	1,576	1,655	7,582
(3) <i>Projected Loss Ratio</i> <i>(2)/(1)</i>	0.5%	4.6%	7.3%	4.9%	16.5%
(4) <i>Weights</i>	10.0%	15.0%	20.0%	25.0%	30.0%
(5) <i>Weighted Projected Loss Ratio</i>					8.4%
(6) <i>Net Projected Loss Ratio</i>					8.4%
(7) <i>Permissible Loss Ratio</i>					63.8%
(8) <i>Indicated Rate Level Change</i> <i>(6)/(7)</i>					-86.9%

Past Rate Changes

<u>New Business</u>	<u>Renewal Business</u>	<u>Percent Change</u>
11/15/2007	12/20/2007	0.0 %
02/15/2010	03/23/2010	0.0 %

Auto-Owners Insurance

Homeowners
Arkansas

Calculation of Premium Trend Factors

	Experience Period	Form 4 Total
(1) <i>Calculated Premium Trend</i>		-0.44%
(2) <i>Selected Premium Trend</i>		-0.44%
(3) <i>Trend Start Date</i>	2006	01/01/2006
<i>Midpoint of Experience Period</i>	2007	01/01/2007
	2008	01/01/2008
	2009	01/01/2009
	2010	01/01/2010
(4) <i>Trend End Date</i>	2006	04/06/2012
<i>12 months past renewal date of</i>	2007	04/06/2012
<i>04/06/2011</i>	2008	04/06/2012
	2009	04/06/2012
	2010	04/06/2012
(5) <i>Years of Trend Extension</i>	2006	6.264
<i># of Years between (3) and (4)</i>	2007	5.264
	2008	4.264
	2009	3.264
	2010	2.264
(6) <i>Premium Trend Factor</i>	2006	0.972
<i>(1+(2))^(5)</i>	2007	0.977
	2008	0.981
	2009	0.986
	2010	0.990

Auto-Owners Insurance

Homeowners
Arkansas

Calculation of Current Level Trended Premiums

Part	Year	Earned Premiums	Current Level Factor	Premium Trend Factor	Current Level Trended Premiums
		(1)	(2)	(3)	(4)
Form 4 Total	2006	\$1,679	1.0001	0.972	\$1,633
	2007	\$9,600	1.0001	0.977	\$9,378
	2008	\$22,131	1.0001	0.981	\$21,717
	2009	\$34,430	1.0000	0.986	\$33,933
	2010	\$46,495	1.0000	0.990	\$46,028

Notes

- (1) Actual Earned Premiums
- (2) Per Parallelogram Method
- (3) See Calculation of Premium Trend Factor
- (4) (1) * (2) * (3)

Auto-Owners Insurance

Homeowners

Arkansas

Form 4 Total

Ultimate Losses

Form 4 Total

Experience Period	Losses Less Cats	Cat Losses Smoothed	Final Ultimate Loss	ULAE Acc Year	Final Ultimate Loss With Factor
2006	0	9	9	1.0302	9
2007	403	50	453	1.0283	466
2008	1,515	116	1,631	1.0237	1,670
2009	1,516	180	1,696	1.0203	1,730
2010	7,417	244	7,661	1.0199	7,813

Arkansas
Homeowners
Auto-Owners Insurance Group
Form 4 Total
Period Ending 6/2010
All Reviewable Coverages
Loss Development Exhibit

LOSSES - Losses Less Cats : Incurred Amount		12	24	36	48	60	72	84	96	108	120
Accident Year											
7/1/00 - 6/30/01											
7/1/01 - 6/30/02											
7/1/02 - 6/30/03											
7/1/03 - 6/30/04											
7/1/04 - 6/30/05											
7/1/05 - 6/30/06											
7/1/06 - 6/30/07	386	386	386	386							
7/1/07 - 6/30/08	1,417	1,417	1,417								
7/1/08 - 6/30/09	1,242	1,242									
7/1/09 - 6/30/10	5,893										

RATIOS - Standard Method		1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
Accident Year										
7/1/00 - 6/30/01										
7/1/01 - 6/30/02										
7/1/02 - 6/30/03										
7/1/03 - 6/30/04										
7/1/04 - 6/30/05										
7/1/05 - 6/30/06										
7/1/06 - 6/30/07	1.0000	1.0000	1.0000	1.0000						
7/1/07 - 6/30/08	1.0000	1.0000								
7/1/08 - 6/30/09	1.0000									

AVERAGE RATIOS - Standard Method		1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
Average Type										
1 Year Average		1.0000	1.0000	1.0000						
2 Year Average		1.0000	1.0000	1.0000						
3 Year Average		1.0000	1.0000	1.0000						
4 Year Average		1.0000	1.0000	1.0000						
5 Year Average		1.0000	1.0000	1.0000						
6 Year Average		1.0000	1.0000	1.0000						
7 Year Average		1.0000	1.0000	1.0000						
8 Year Average		1.0000	1.0000	1.0000						
9 Year Average		1.0000	1.0000	1.0000						
Middle 3 of 5		1.0000	1.0000	1.0000						
Middle 5 of 7		1.0000	1.0000	1.0000						
3 Year Volume Weighted		1.0000	1.0000	1.0000						
5 Year Volume Weighted		1.0000	1.0000	1.0000						
7 Year Volume Weighted		1.0000	1.0000	1.0000						
9 Year Volume Weighted		1.0000	1.0000	1.0000						

SELECTED AND CUSTOM RATIOS - Standard Method		1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
Accident Year										
Selected Custom	<	0.9924	<	0.9836	<	1.0002	<	0.9993	<	1.0000
Cumulative		0.9714	0.9789	0.9952	1.0011	0.9995	0.9993	1.0000	1.0000	1.0000
Ratio to Ultimate		1.0294	1.0216	1.0048	0.9989	1.0005	1.0007	1.0000	1.0000	1.0000

Arkansas
Homeowners
Auto-Owners Insurance Group
Form 4 Total
Period Ending 6/2010
All Reviewable Coverages
Loss Development Exhibit

LOSSES - Losses Less Cats : Incurred Amount		12	24	36	48	60	72	84	96	108	120
Accident Year											
7/1/00 - 6/30/01											
7/1/01 - 6/30/02											
7/1/02 - 6/30/03											
7/1/03 - 6/30/04											
7/1/04 - 6/30/05											
7/1/05 - 6/30/06											
7/1/06 - 6/30/07	386	386	386								
7/1/07 - 6/30/08	1,417	1,417	1,417								
7/1/08 - 6/30/09	1,242	1,242									
7/1/09 - 6/30/10	5,893										

RATIOS - Percent Premium Method		1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
Accident Year										
7/1/00 - 6/30/01										
7/1/01 - 6/30/02										
7/1/02 - 6/30/03										
7/1/03 - 6/30/04										
7/1/04 - 6/30/05										
7/1/05 - 6/30/06										
7/1/06 - 6/30/07	0.0000	0.0000	0.0000	0.0000						
7/1/07 - 6/30/08	0.0000	0.0000								
7/1/08 - 6/30/09	0.0000									

AVERAGE RATIOS - Percent Premium Method		1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
Average Type										
1 Year Average		0.0000	0.0000	0.0000						
2 Year Average		0.0000	0.0000	0.0000						
3 Year Average		0.0000	0.0000	0.0000						
4 Year Average		0.0000	0.0000	0.0000						
5 Year Average		0.0000	0.0000	0.0000						
6 Year Average		0.0000	0.0000	0.0000						
7 Year Average		0.0000	0.0000	0.0000						
8 Year Average		0.0000	0.0000	0.0000						
9 Year Average		0.0000	0.0000	0.0000						
Middle 3 of 5		0.0000	0.0000	0.0000						
Middle 5 of 7		0.0000	0.0000	0.0000						
3 Year Volume Weighted		0.0000	0.0000	0.0000						
5 Year Volume Weighted		0.0000	0.0000	0.0000						
7 Year Volume Weighted		0.0000	0.0000	0.0000						
9 Year Volume Weighted		0.0000	0.0000	0.0000						

SELECTED AND CUSTOM RATIOS - Percent Premium Method		1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
Accident Year										
Selected Custom	<	-0.0020	<	-0.0069	<	0.0002	<	0.0000	<	0.0000
Cumulative	<	-0.0102	<	-0.0082	<	-0.0011	<	-0.0003	<	0.0000

Arkansas
Homeowners
Auto-Owners Insurance Group
Form 4 Total
Period Ending 6/2010
All Reviewable Coverages
Loss Development Exhibit

LOSSES - Losses Less Cats : Paid Amount											
Accident Year	12	24	36	48	60	72	84	96	108	120	
7/1/00 - 6/30/01											
7/1/01 - 6/30/02											
7/1/02 - 6/30/03											
7/1/03 - 6/30/04											
7/1/04 - 6/30/05											
7/1/05 - 6/30/06											
7/1/06 - 6/30/07	386	386	386	386							
7/1/07 - 6/30/08	1,417	1,417	1,417								
7/1/08 - 6/30/09	1,242	1,242									
7/1/09 - 6/30/10	4,568										

RATIOS - Standard Method									
Accident Year	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
7/1/00 - 6/30/01									
7/1/01 - 6/30/02									
7/1/02 - 6/30/03									
7/1/03 - 6/30/04									
7/1/04 - 6/30/05									
7/1/05 - 6/30/06									
7/1/06 - 6/30/07	1.0000	1.0000	1.0000						
7/1/07 - 6/30/08	1.0000	1.0000							
7/1/08 - 6/30/09	1.0000								

AVERAGE RATIOS - Standard Method									
Average Type	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
1 Year Average	1.0000	1.0000	1.0000						
2 Year Average	1.0000	1.0000	1.0000						
3 Year Average	1.0000	1.0000	1.0000						
4 Year Average	1.0000	1.0000	1.0000						
5 Year Average	1.0000	1.0000	1.0000						
6 Year Average	1.0000	1.0000	1.0000						
7 Year Average	1.0000	1.0000	1.0000						
8 Year Average	1.0000	1.0000	1.0000						
9 Year Average	1.0000	1.0000	1.0000						
Middle 3 of 5	1.0000	1.0000	1.0000						
Middle 5 of 7	1.0000	1.0000	1.0000						
3 Year Volume Weighted	1.0000	1.0000	1.0000						
5 Year Volume Weighted	1.0000	1.0000	1.0000						
7 Year Volume Weighted	1.0000	1.0000	1.0000						
9 Year Volume Weighted	1.0000	1.0000	1.0000						

SELECTED AND CUSTOM RATIOS - Standard Method										
Accident Year	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th	
Selected Custom	<	1.2999	<	1.0420	<	1.0019	<	1.0000	<	1.0000
Cumulative	1.3947	1.0729	1.0297	1.0068	1.0012	0.9993	1.0000	1.0000	1.0000	
Ratio to Ultimate	0.7170	0.9320	0.9712	0.9932	0.9988	1.0007	1.0000	1.0000	1.0000	

Arkansas
Homeowners
Auto-Owners Insurance Group
Form 4 Total
Period Ending 6/2010
All Reviewable Coverages
Loss Development Exhibit

LOSSES - Losses Less Cats : Paid Amount										
Accident Year	12	24	36	48	60	72	84	96	108	120
7/1/00 - 6/30/01										
7/1/01 - 6/30/02										
7/1/02 - 6/30/03										
7/1/03 - 6/30/04										
7/1/04 - 6/30/05										
7/1/05 - 6/30/06										
7/1/06 - 6/30/07	386	386	386	386						
7/1/07 - 6/30/08	1,417	1,417	1,417							
7/1/08 - 6/30/09	1,242	1,242								
7/1/09 - 6/30/10	4,568									

RATIOS - Percent Premium Method									
Accident Year	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
7/1/00 - 6/30/01									
7/1/01 - 6/30/02									
7/1/02 - 6/30/03									
7/1/03 - 6/30/04									
7/1/04 - 6/30/05									
7/1/05 - 6/30/06									
7/1/06 - 6/30/07	0.0000	0.0000	0.0000						
7/1/07 - 6/30/08	0.0000	0.0000							
7/1/08 - 6/30/09	0.0000								

AVERAGE RATIOS - Percent Premium Method									
Average Type	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
1 Year Average	0.0000	0.0000	0.0000						
2 Year Average	0.0000	0.0000	0.0000						
3 Year Average	0.0000	0.0000	0.0000						
4 Year Average	0.0000	0.0000	0.0000						
5 Year Average	0.0000	0.0000	0.0000						
6 Year Average	0.0000	0.0000	0.0000						
7 Year Average	0.0000	0.0000	0.0000						
8 Year Average	0.0000	0.0000	0.0000						
9 Year Average	0.0000	0.0000	0.0000						
Middle 3 of 5	0.0000	0.0000							
Middle 5 of 7	0.0000	0.0000							
3 Year Volume Weighted	0.0000	0.0000	0.0000						
5 Year Volume Weighted	0.0000	0.0000	0.0000						
7 Year Volume Weighted	0.0000	0.0000	0.0000						
9 Year Volume Weighted	0.0000	0.0000	0.0000						

SELECTED AND CUSTOM RATIOS - Percent Premium Method									
Accident Year	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
Selected Custom	< 0.0736	< 0.0140	< 0.0072	< 0.0033	< 0.0011	< -0.0003	< 0.0000	< 0.0000	< 0.0000
Cumulative	0.0989	0.0253	0.0113	0.0041	0.0008	-0.0003	0.0000	0.0000	0.0000

Arkansas
Homeowners
Auto-Owners Insurance Group
Form 4 Total
Period Ending 6/2010
All Reviewable Coverages
Loss Development Exhibit

LOSSES - Cat Losses : Incurred Amount										
Accident Year	12	24	36	48	60	72	84	96	108	120
7/1/00 - 6/30/01										
7/1/01 - 6/30/02										
7/1/02 - 6/30/03										
7/1/03 - 6/30/04										
7/1/04 - 6/30/05										
7/1/05 - 6/30/06										
7/1/06 - 6/30/07		0	0	0	0					
7/1/07 - 6/30/08		0	0	0	0					
7/1/08 - 6/30/09		2,550	600							
7/1/09 - 6/30/10		0								

RATIOS - Standard Method										
Accident Year	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th	
7/1/00 - 6/30/01										
7/1/01 - 6/30/02										
7/1/02 - 6/30/03										
7/1/03 - 6/30/04										
7/1/04 - 6/30/05										
7/1/05 - 6/30/06										
7/1/06 - 6/30/07										
7/1/07 - 6/30/08										
7/1/08 - 6/30/09	0.2353									

AVERAGE RATIOS - Standard Method										
Average Type	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th	
1 Year Average	0.2353									
2 Year Average	0.2353									
3 Year Average	0.2353									
4 Year Average	0.2353									
5 Year Average	0.2353									
6 Year Average	0.2353									
7 Year Average	0.2353									
8 Year Average	0.2353									
9 Year Average	0.2353									
Middle 3 of 5										
Middle 5 of 7										
3 Year Volume Weighted	0.2353									
5 Year Volume Weighted	0.2353									
7 Year Volume Weighted	0.2353									
9 Year Volume Weighted	0.2353									

SELECTED AND CUSTOM RATIOS - Standard Method										
Accident Year	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th	
Selected Custom	< 0.8119	< 0.9978	< 1.0000	< 1.0000	< 1.0000	< 1.0000	< 1.0000	< 1.0000	< 1.0000	< 1.0000
Cumulative	0.8101	0.9978	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Ratio to Ultimate	1.2344	1.0022	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

Auto-Owners Insurance

Homeowners
Arkansas

Calculation of Loss Trends

Average Paid

	Experience Period	Form 4 Total
		CL Proj
(1) <i>Calculated Loss Trend</i>		1.77% 0.48%
(2) <i>Selected Loss Trend</i>		1.77% 0.48%
(3) <i>Trend Start Date</i>		
	2006	01/01/2006
	2007	01/01/2007
	2008	01/01/2008
	2009	01/01/2009
	2010	01/01/2010
(4) <i>Trend End Date</i>		
<i>12 months past renewal date of</i>	2006	04/06/2012
<i>04/06/2011</i>	2007	04/06/2012
	2008	04/06/2012
	2009	04/06/2012
	2010	04/06/2012
(5) <i>Years of Trend Extension CL</i>		
<i># of Years between (3) and the</i>	2006	4.250
<i>midpoint of Loss Trends</i>	2007	3.250
<i>04/01/2010</i>	2008	2.250
	2009	1.250
	2010	0.250
(6) <i>Years of Trend Extension Proj</i>		
<i># of Years between (4) and the</i>	2006	2.014
<i>midpoint of Loss Trends</i>	2007	2.014
<i>04/01/2010</i>	2008	2.014
	2009	2.014
	2010	2.014
(7) <i>Loss Trend Factor</i>		
$((1+(2)_{CL})^{(5)}) * ((1+(2)_{Proj})^{(6)})$	2006	1.088
	2007	1.069
	2008	1.050
	2009	1.032
	2010	1.014

Auto-Owners Insurance

Homeowners
Arkansas

Calculation of Loss Trends

Frequency

	Experience Period	Form 4 Total	
		CL	Proj
(1) Calculated Loss Trend		-3.10%	-1.77%
(2) Selected Loss Trend		-3.10%	-1.77%
(3) Trend Start Date	2006	01/01/2006	
	2007	01/01/2007	
	2008	01/01/2008	
	2009	01/01/2009	
	2010	01/01/2010	
(4) Trend End Date	2006	04/06/2012	
<i>12 months past renewal date of</i>	2007	04/06/2012	
<i>04/06/2011</i>	2008	04/06/2012	
	2009	04/06/2012	
	2010	04/06/2012	
(5) Years of Trend Extension CL	2006	4.250	
<i># of Years between (3) and the</i>	2007	3.250	
<i>midpoint of Loss Trends</i>	2008	2.250	
<i>04/01/2010</i>	2009	1.250	
	2010	0.250	
(6) Years of Trend Extension Proj	2006	2.014	
<i># of Years between (4) and the</i>	2007	2.014	
<i>midpoint of Loss Trends</i>	2008	2.014	
<i>04/01/2010</i>	2009	2.014	
	2010	2.014	
(7) Loss Trend Factor	2006	0.844	
$((1+(2)_{CL})^{(5)}) * ((1+(2)_{Proj})^{(6)})$	2007	0.871	
	2008	0.899	
	2009	0.927	
	2010	0.957	

Arkansas
Loss Trends Exhibit
Auto-Owners Insurance Group
Homeowners - Form 4 Total

All Reviewable Coverages

Statewide

Qtr/Yr	Written Units	Paid Count	Paid Amount	Freq	Average Paid	Pure Premium	# Quarters Selected	Freq Exp	Avg Paid Exp
09/2005	0	0	0	0.00	0.00	0.00	21	1031.985%	2812.323%
12/2005	2	0	0	0.00	0.00	0.00	20	769.226%	2093.400%
03/2006	11	0	0	0.00	0.00	0.00	19	485.733%	1316.665%
06/2006	21	0	0	0.00	0.00	0.00	18	229.115%	638.098%
09/2006	26	0	0	0.00	0.00	0.00	17	43.277%	184.042%
12/2006	36	1	386	27.78	386.34	10.73	16	-56.588%	-29.033%
03/2007	40	1	386	24.94	386.34	9.63	15	-57.465%	-30.061%
06/2007	56	1	386	17.83	386.34	6.89	14	-58.161%	-30.759%
09/2007	68	1	386	14.73	386.34	5.69	13	-59.944%	-30.848%
12/2007	83	2	1,142	24.10	570.76	13.75	12	-62.368%	-29.822%
03/2008	89	3	1,417	33.63	472.17	15.88	11	-60.141%	-20.173%
06/2008	96	3	1,417	31.32	472.17	14.79	10	-48.828%	-3.686%
09/2008	112	4	2,658	35.81	664.51	23.80	9	-16.462%	36.312%
12/2008	117	2	1,517	17.11	758.25	12.97	8	136.220%	202.013%
03/2009	129	1	1,242	7.78	1,241.50	9.65	7	1170.669%	1429.460%
06/2009	138	1	1,242	7.26	1,241.50	9.02	6	22966.333%	64430.898%
09/2009	145	0	0	0.00	0.00	0.00	5	13915532.358%	129215567.337%
12/2009	160	1	1,010	6.25	1,010.00	6.31	4	281.465%	11.646%
03/2010	179	2	3,343	11.16	1,671.67	18.66	3	136.199%	-53.324%
06/2010	196	3	4,568	15.35	1,522.77	23.37	2	56.109%	-68.359%
09/2010	233	4	4,568	17.15	1,142.08	19.59	1		

Companywide

Qtr/Yr	Written Units	Paid Count	Paid Amount	Freq	Average Paid	Pure Premium	# Quarters Selected	Freq Exp	Avg Paid Exp
09/2005	96,651	1,639	4,988,794	16.96	3,043.80	51.62	21	-3.104%	1.773%
12/2005	96,299	1,677	5,101,879	17.41	3,042.27	52.98	20	-3.093%	1.230%
03/2006	95,741	1,635	5,170,989	17.08	3,162.68	54.01	19	-2.843%	0.477%
06/2006	95,614	1,610	5,131,219	16.84	3,187.09	53.67	18	-2.593%	-0.254%
09/2006	95,550	1,606	5,465,240	16.81	3,403.01	57.20	17	-2.308%	-1.193%
12/2006	95,634	1,522	5,354,322	15.91	3,517.95	55.99	16	-1.861%	-1.846%
03/2007	95,779	1,456	5,342,804	15.20	3,669.51	55.78	15	-1.768%	-2.368%
06/2007	95,830	1,455	5,505,160	15.18	3,783.61	57.45	14	-2.163%	-2.526%
09/2007	96,147	1,394	5,199,408	14.50	3,729.85	54.08	13	-2.705%	-2.213%
12/2007	96,367	1,433	5,053,465	14.87	3,526.49	52.44	12	-4.248%	-1.868%
03/2008	96,436	1,495	4,968,218	15.50	3,323.22	51.52	11	-6.008%	-2.395%
06/2008	96,992	1,501	5,304,645	15.48	3,534.07	54.69	10	-7.585%	-4.666%
09/2008	97,840	1,585	5,731,980	16.20	3,616.39	58.59	9	-9.870%	-6.431%
12/2008	97,960	1,613	6,203,988	16.47	3,846.24	63.33	8	-11.516%	-8.256%
03/2009	98,608	1,627	6,380,289	16.50	3,921.51	64.70	7	-12.634%	-7.769%
06/2009	99,145	1,635	5,934,464	16.49	3,629.64	59.86	6	-12.796%	-3.582%
09/2009	100,061	1,531	5,283,469	15.30	3,450.99	52.80	5	-9.668%	0.597%
12/2009	101,495	1,500	4,979,943	14.78	3,319.96	49.07	4	-7.440%	5.186%
03/2010	102,565	1,443	4,808,795	14.07	3,332.50	46.89	3	-1.681%	7.055%
06/2010	104,872	1,446	4,881,012	13.79	3,375.53	46.54	2	4.788%	8.874%
09/2010	107,811	1,504	5,185,861	13.95	3,448.05	48.10	1		

Credibility Constant 285,000

Credibility 0.045

Frequency					
	Up To Date # Quarters		Projected # Quarters		
State	17	43.277%	State	20	769.226%
Companywide	21	-3.104%	Companywide	15	-1.768%
Complement		-3.104%	Complement		-1.768%

Average Paid					
	Up To Date # Quarters		Projected # Quarters		
State	21	2812.323%	State	19	1316.665%
Companywide	21	1.773%	Companywide	19	0.477%
Complement		1.773%	Complement		0.477%

Auto-Owners Insurance

Homeowners
Arkansas
Form 4 Total

Development of the Permissible Loss Ratio

(1)	Commission and Brokerage Expense	18.3%
(2)	Other Acquisitions	4.0%
(3)	General Expenses	1.0%
(4)	Tax, License, and Fees	3.4%
(5)	Reinsurance Expense	0.5%
(6)	Total Expenses <i>(1)+(2)+(3)+(4)+(5)</i>	27.2%
(7)	Profit and Contingency	9.0%
(8)	Permissible Loss Ratio <i>1 - ((6) + (7))</i>	63.8%

**Expense Exhibit - Homeowners
Auto-Owners Insurance Group**

Arkansas

All Reviewable Coverages - Form 4 Total

	12 MTD Ending 6 / 2006		12 MTD Ending 6 / 2007		12 MTD Ending 6 / 2008		12 MTD Ending 6 / 2009		12 MTD Ending 6 / 2010	
	Amount	Ratio								
Loss Experience										
Written Premium	6,185		14,980		30,506		38,320		54,973	
Earned Premium	1,679	100.0	9,600	100.0	22,131	100.0	34,430	100.0	46,495	100.0
Incurrd Amount	308	18.3	-358	-3.7	1,072	4.8	3,620	10.5	4,424	9.5
Allocated LAE	293	17.5	372	3.9	1,198	5.4	1,157	3.4	-595	-1.3
Unallocated LAE	656	39.1	-9	-0.1	414	1.9	113	0.3	113	0.2
Total Losses	1,257	74.9	4	0.1	2,683	12.1	4,889	14.2	3,942	8.4
Expenses Incurred										
Commission and Brokerage *	1,057	17.1	2,708	18.1	5,090	16.7	6,396	16.7	8,926	16.2
Other Acquisitions (2)	64	3.8	380	4.0	823	3.7	1,308	3.8	2,099	4.5
General Expenses (2)	16	0.9	92	1.0	210	1.0	324	0.9	548	1.2
Tax, License, and Fees *	286	4.6	509	3.4	848	2.8	711	1.9	1,875	3.4
Total Expenses	1,423	26.4	3,689	26.5	6,972	24.2	8,739	23.3	13,448	25.3
Total Losses and Expenses	2,680	101.3	3,693	26.6	9,655	36.3	13,628	37.5	17,389	33.7
Gain from Underwriting	-1,000	-1.3	5,906	73.4	12,476	63.7	20,802	62.5	29,105	66.3
Inv Inc Insurance	26	1.6	65	0.7	355	1.6	642	1.9	614	1.3

	3 Year Total		4 Year Total		5 Year Total	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
Loss Experience						
Written Premium	123,798		138,779		144,964	
Earned Premium	103,056	100.0	112,655	100.0	114,335	100.0
Incurrd Amount	9,115	8.8	8,757	7.8	9,065	7.9
Allocated LAE	1,759	1.7	2,131	1.9	2,424	2.1
Unallocated LAE	640	0.6	631	0.6	1,287	1.1
Total Losses	11,514	11.2	11,518	10.2	12,775	11.2

	3 Year Total		4 Year Total		5 Year Total	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
Expenses Incurred						
Commission and Brokerage *	20,413	16.5	23,120	16.7	24,177	16.7
Other Acquisitions (2)	4,230	4.0	4,609	4.0	4,674	4.0
General Expenses (2)	1,082	1.0	1,175	1.0	1,190	1.0
Tax, License, and Fees *	3,434	2.8	3,944	2.8	4,229	2.9
Reinsurance Expenses *						
Total Expenses	29,159	24.3	32,847	24.5	34,270	24.6
Total Losses and Expenses	40,673	35.5	44,366	34.7	47,045	35.8
Gain from Underwriting	62,383	64.5	68,290	65.3	67,289	64.2
Inv Inc Insurance	1,612	1.6	1,676	1.5	1,703	1.5

Auto-Owners Insurance

Homeowners
Arkansas
Form 6 Total

Determination of Rate Level Indications for Accident Year Data

	<u>Jun-06</u>	<u>Jun-07</u>	<u>Jun-08</u>	<u>Jun-09</u>	<u>Jun-10</u>
(1) Current Level Trended Premiums	2,700	12,708	28,683	38,395	52,555
(2) Trended Incurred Losses and ALAE	2	655	81	53,628	20,607
(3) Projected Loss Ratio (2)/(1)	0.1%	5.2%	0.3%	139.7%	39.2%
(4) Weights	10.0%	15.0%	20.0%	25.0%	30.0%
(5) Weighted Projected Loss Ratio					47.5%
(6) Net Projected Loss Ratio					47.5%
(7) Permissible Loss Ratio					64.9%
(8) Indicated Rate Level Change (6)/(7)					-26.8%

Past Rate Changes

<u>New Business</u>	<u>Renewal Business</u>	<u>Percent Change</u>
11/15/2007	12/20/2007	0.0%
02/15/2010	03/23/2010	0.0%

Auto-Owners Insurance

Homeowners
Arkansas

Calculation of Premium Trend Factors

	Experience Period	Form 6 Total
(1) Calculated Premium Trend		5.07%
(2) Selected Premium Trend		5.07%
(3) Trend Start Date	2006	01/01/2006
<i>Midpoint of Experience Period</i>	2007	01/01/2007
	2008	01/01/2008
	2009	01/01/2009
	2010	01/01/2010
(4) Trend End Date	2006	04/06/2012
<i>12 months past renewal date of 04/06/2011</i>	2007	04/06/2012
	2008	04/06/2012
	2009	04/06/2012
	2010	04/06/2012
(5) Years of Trend Extension	2006	6.264
<i># of Years between (3) and (4)</i>	2007	5.264
	2008	4.264
	2009	3.264
	2010	2.264
(6) Premium Trend Factor	2006	1.363
<i>(1+(2))^(5)</i>	2007	1.297
	2008	1.235
	2009	1.175
	2010	1.118

Auto-Owners Insurance

Homeowners
Arkansas

Calculation of Current Level Trended Premiums

Part	Year	Earned Premiums	Current Level Factor	Premium Trend Factor	Current Level Trended Premiums
		(1)	(2)	(3)	(4)
Form 6 Total	2006	\$1,981	1.0001	1.363	\$2,700
	2007	\$9,796	1.0001	1.297	\$12,708
	2008	\$23,231	1.0001	1.235	\$28,683
	2009	\$32,676	1.0000	1.175	\$38,395
	2010	\$46,992	1.0000	1.118	\$52,555

Notes

- (1) Actual Earned Premiums
- (2) Per Parallelogram Method
- (3) See Calculation of Premium Trend Factor
- (4) (1) * (2) * (3)

Auto-Owners Insurance

Homeowners
Arkansas
Form 6 Total

Ultimate Losses

Form 6 Total

Experience Period	Losses Less Cats	Cat Losses Smoothed	Final Ultimate Loss	ULAE Acc Year	Final Ultimate Loss With Factor
2006	2	0	2	1.0302	2
2007	575	0	575	1.0283	591
2008	73	0	73	1.0237	75
2009	49,801	0	49,801	1.0203	50,812
2010	19,624	0	19,624	1.0199	20,015

Arkansas
Homeowners
Auto-Owners Insurance Group
Form 6 Total
Period Ending 6/2010
All Reviewable Coverages
Loss Development Exhibit

LOSSES - Losses Less Cats : Incurred Amount										
Accident Year	12	24	36	48	60	72	84	96	108	120
7/1/00 - 6/30/01										
7/1/01 - 6/30/02										
7/1/02 - 6/30/03										
7/1/03 - 6/30/04										
7/1/04 - 6/30/05										
7/1/05 - 6/30/06					560					
7/1/06 - 6/30/07		560	560							
7/1/07 - 6/30/08		90,100	49,608							
7/1/08 - 6/30/09		16,628								
7/1/09 - 6/30/10										

RATIOS - Standard Method									
Accident Year	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
7/1/00 - 6/30/01									
7/1/01 - 6/30/02									
7/1/02 - 6/30/03									
7/1/03 - 6/30/04									
7/1/04 - 6/30/05									
7/1/05 - 6/30/06									
7/1/06 - 6/30/07	1.0000	1.0000	1.0000						
7/1/07 - 6/30/08									
7/1/08 - 6/30/09	0.5506								

AVERAGE RATIOS - Standard Method									
Average Type	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
1 Year Average	0.5506		1.0000						
2 Year Average	0.5506	1.0000	1.0000						
3 Year Average	0.7753	1.0000	1.0000						
4 Year Average	0.7753	1.0000	1.0000						
5 Year Average	0.7753	1.0000	1.0000						
6 Year Average	0.7753	1.0000	1.0000						
7 Year Average	0.7753	1.0000	1.0000						
8 Year Average	0.7753	1.0000	1.0000						
9 Year Average	0.7753	1.0000	1.0000						
Middle 3 of 5	0.5506								
Middle 5 of 7	0.5506								
3 Year Volume Weighted	0.5534	1.0000	1.0000						
5 Year Volume Weighted	0.5534	1.0000	1.0000						
7 Year Volume Weighted	0.5534	1.0000	1.0000						
9 Year Volume Weighted	0.5534	1.0000	1.0000						

SELECTED AND CUSTOM RATIOS - Standard Method										
Accident Year	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th	
Selected Custom	<	0.9922	<	0.9793	<	1.0017	<	1.0000	<	1.0000
Cumulative	0.9701	0.9777	0.9984	0.9996	1.0017	1.0000	1.0000	1.0000	1.0000	1.0000
Ratio to Ultimate	1.0308	1.0228	1.0016	1.0004	0.9983	1.0000	1.0000	1.0000	1.0000	1.0000

Arkansas
Homeowners
Auto-Owners Insurance Group
Form 6 Total
Period Ending 6/2010
All Reviewable Coverages
Loss Development Exhibit

LOSSES - Losses Less Cats : Paid Amount											
Accident Year	12	24	36	48	60	72	84	96	108	120	
7/1/00 - 6/30/01											
7/1/01 - 6/30/02											
7/1/02 - 6/30/03											
7/1/03 - 6/30/04											
7/1/04 - 6/30/05											
7/1/05 - 6/30/06											
7/1/06 - 6/30/07	560	560	560	560							
7/1/07 - 6/30/08		49,608									
7/1/08 - 6/30/09	62,499										
7/1/09 - 6/30/10	16,628										

RATIOS - Standard Method											
Accident Year	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th		
7/1/00 - 6/30/01											
7/1/01 - 6/30/02											
7/1/02 - 6/30/03											
7/1/03 - 6/30/04											
7/1/04 - 6/30/05											
7/1/05 - 6/30/06											
7/1/06 - 6/30/07	1.0000	1.0000	1.0000								
7/1/07 - 6/30/08											
7/1/08 - 6/30/09	0.7937										

AVERAGE RATIOS - Standard Method											
Average Type	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th		
1 Year Average	0.7937		1.0000								
2 Year Average	0.7937	1.0000	1.0000								
3 Year Average	0.8968	1.0000	1.0000								
4 Year Average	0.8968	1.0000	1.0000								
5 Year Average	0.8968	1.0000	1.0000								
6 Year Average	0.8968	1.0000	1.0000								
7 Year Average	0.8968	1.0000	1.0000								
8 Year Average	0.8968	1.0000	1.0000								
9 Year Average	0.8968	1.0000	1.0000								
Middle 3 of 5	0.7937										
Middle 5 of 7	0.7937										
3 Year Volume Weighted	0.7955	1.0000	1.0000								
5 Year Volume Weighted	0.7955	1.0000	1.0000								
7 Year Volume Weighted	0.7955	1.0000	1.0000								
9 Year Volume Weighted	0.7955	1.0000	1.0000								

SELECTED AND CUSTOM RATIOS - Standard Method											
Accident Year	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th		
Selected Custom	< 1.3006	< 1.0192	< 1.0097	< 1.0056	< 1.0014	< 1.0000	< 1.0000	< 1.0000	< 1.0000	<	1.0000
Cumulative	1.3478	1.0363	1.0168	1.0070	1.0014	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Ratio to Ultimate	0.7419	0.9650	0.9835	0.9930	0.9986	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

Arkansas
Homeowners
Auto-Owners Insurance Group
Form 6 Total
Period Ending 6/2010
All Reviewable Coverages
Loss Development Exhibit

LOSSES - Losses Less Cats : Incurred Amount										
Accident Year	12	24	36	48	60	72	84	96	108	120
7/1/00 - 6/30/01										
7/1/01 - 6/30/02										
7/1/02 - 6/30/03										
7/1/03 - 6/30/04										
7/1/04 - 6/30/05										
7/1/05 - 6/30/06										
7/1/06 - 6/30/07	560	560	560	560						
7/1/07 - 6/30/08		49,608								
7/1/08 - 6/30/09	90,100									
7/1/09 - 6/30/10	16,628									

RATIOS - Percent Premium Method									
Accident Year	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
7/1/00 - 6/30/01									
7/1/01 - 6/30/02									
7/1/02 - 6/30/03									
7/1/03 - 6/30/04									
7/1/04 - 6/30/05									
7/1/05 - 6/30/06									
7/1/06 - 6/30/07	0.0000	0.0000	0.0000						
7/1/07 - 6/30/08									
7/1/08 - 6/30/09	-1.2392								

AVERAGE RATIOS - Percent Premium Method									
Average Type	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
1 Year Average	-1.2392		0.0000						
2 Year Average	-1.2392	0.0000	0.0000						
3 Year Average	-0.6196	0.0000	0.0000						
4 Year Average	-0.6196	0.0000	0.0000						
5 Year Average	-0.6196	0.0000	0.0000						
6 Year Average	-0.6196	0.0000	0.0000						
7 Year Average	-0.6196	0.0000	0.0000						
8 Year Average	-0.6196	0.0000	0.0000						
9 Year Average	-0.6196	0.0000	0.0000						
Middle 3 of 5	-1.2392								
Middle 5 of 7	-1.2392								
3 Year Volume Weighted	-1.2315	0.0000	0.0000						
5 Year Volume Weighted	-1.2315	0.0000	0.0000						
7 Year Volume Weighted	-1.2315	0.0000	0.0000						
9 Year Volume Weighted	-1.2315	0.0000	0.0000						

SELECTED AND CUSTOM RATIOS - Percent Premium Method									
Accident Year	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
Selected Custom	< -0.0042	< -0.0112	< -0.0012	< -0.0003	< 0.0016	< 0.0000	< 0.0000	< 0.0000	< 0.0000
Cumulative	-0.0153	-0.0111	0.0001	0.0013	0.0016	0.0000	0.0000	0.0000	0.0000

Arkansas
Homeowners
Auto-Owners Insurance Group
Form 6 Total
Period Ending 6/2010
All Reviewable Coverages
Loss Development Exhibit

LOSSES - Losses Less Cats : Paid Amount										
Accident Year	12	24	36	48	60	72	84	96	108	120
7/1/00 - 6/30/01										
7/1/01 - 6/30/02										
7/1/02 - 6/30/03										
7/1/03 - 6/30/04										
7/1/04 - 6/30/05										
7/1/05 - 6/30/06										
7/1/06 - 6/30/07	560	560	560	560						
7/1/07 - 6/30/08		49,608								
7/1/08 - 6/30/09	62,499									
7/1/09 - 6/30/10	16,628									

RATIOS - Percent Premium Method									
Accident Year	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
7/1/00 - 6/30/01									
7/1/01 - 6/30/02									
7/1/02 - 6/30/03									
7/1/03 - 6/30/04									
7/1/04 - 6/30/05									
7/1/05 - 6/30/06									
7/1/06 - 6/30/07	0.0000	0.0000	0.0000						
7/1/07 - 6/30/08									
7/1/08 - 6/30/09	-0.3945								

AVERAGE RATIOS - Percent Premium Method									
Average Type	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
1 Year Average	-0.3945		0.0000						
2 Year Average	-0.3945	0.0000	0.0000						
3 Year Average	-0.1972	0.0000	0.0000						
4 Year Average	-0.1972	0.0000	0.0000						
5 Year Average	-0.1972	0.0000	0.0000						
6 Year Average	-0.1972	0.0000	0.0000						
7 Year Average	-0.1972	0.0000	0.0000						
8 Year Average	-0.1972	0.0000	0.0000						
9 Year Average	-0.1972	0.0000	0.0000						
Middle 3 of 5	-0.3945								
Middle 5 of 7	-0.3945								
3 Year Volume Weighted	-0.3910	0.0000	0.0000						
5 Year Volume Weighted	-0.3910	0.0000	0.0000						
7 Year Volume Weighted	-0.3910	0.0000	0.0000						
9 Year Volume Weighted	-0.3910	0.0000	0.0000						

SELECTED AND CUSTOM RATIOS - Percent Premium Method									
Accident Year	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
Selected Custom	< 0.1206	< 0.0082	< 0.0055	< 0.0025	< 0.0011	< 0.0000	< 0.0000	< 0.0000	< 0.0000
Cumulative	0.1379	0.0173	0.0091	0.0036	0.0011	0.0000	0.0000	0.0000	0.0000

Arkansas
Homeowners
Auto-Owners Insurance Group
Form 6 Total
Period Ending 6/2010
All Reviewable Coverages
Loss Development Exhibit

LOSSES - Cat Losses : Incurred Amount										
Accident Year	12	24	36	48	60	72	84	96	108	120
7/1/00 - 6/30/01										
7/1/01 - 6/30/02										
7/1/02 - 6/30/03										
7/1/03 - 6/30/04										
7/1/04 - 6/30/05										
7/1/05 - 6/30/06										
7/1/06 - 6/30/07		0	0	0	0					
7/1/07 - 6/30/08		0								
7/1/08 - 6/30/09		0								
7/1/09 - 6/30/10										

RATIOS - Standard Method									
Accident Year	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
7/1/00 - 6/30/01									
7/1/01 - 6/30/02									
7/1/02 - 6/30/03									
7/1/03 - 6/30/04									
7/1/04 - 6/30/05									
7/1/05 - 6/30/06									
7/1/06 - 6/30/07									
7/1/07 - 6/30/08									
7/1/08 - 6/30/09									

AVERAGE RATIOS - Standard Method									
Average Type	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
1 Year Average									
2 Year Average									
3 Year Average									
4 Year Average									
5 Year Average									
6 Year Average									
7 Year Average									
8 Year Average									
9 Year Average									
Middle 3 of 5									
Middle 5 of 7									
3 Year Volume Weighted									
5 Year Volume Weighted									
7 Year Volume Weighted									
9 Year Volume Weighted									

SELECTED AND CUSTOM RATIOS - Standard Method										
Accident Year	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th	
Selected Custom	<	0.9645	<	1.0020	<	1.0000	<	1.0000	<	1.0000
Cumulative		0.9664		1.0020		1.0000		1.0000		1.0000
Ratio to Ultimate		1.0347		0.9980		1.0000		1.0000		1.0000

Auto-Owners Insurance

Homeowners
Arkansas

Calculation of Loss Trends

Average Paid

	Experience Period	Form 6 Total	
		CL	Proj
(1) Calculated Loss Trend		2.43%	1.64%
(2) Selected Loss Trend		2.43%	1.64%
(3) Trend Start Date	2006	01/01/2006	
	2007	01/01/2007	
	2008	01/01/2008	
	2009	01/01/2009	
	2010	01/01/2010	
(4) Trend End Date	2006	04/06/2012	
<i>12 months past renewal date of</i>	2007	04/06/2012	
<i>04/06/2011</i>	2008	04/06/2012	
	2009	04/06/2012	
	2010	04/06/2012	
(5) Years of Trend Extension CL	2006	4.250	
<i># of Years between (3) and the</i>	2007	3.250	
<i>midpoint of Loss Trends</i>	2008	2.250	
<i>04/01/2010</i>	2009	1.250	
	2010	0.250	
(6) Years of Trend Extension Proj	2006	2.014	
<i># of Years between (4) and the</i>	2007	2.014	
<i>midpoint of Loss Trends</i>	2008	2.014	
<i>04/01/2010</i>	2009	2.014	
	2010	2.014	
(7) Loss Trend Factor	2006	1.144	
$((1+(2)_{CL})^{(5)}) * ((1+(2)_{Proj})^{(6)})$	2007	1.117	
	2008	1.091	
	2009	1.065	
	2010	1.040	

Auto-Owners Insurance

Homeowners
Arkansas

Calculation of Loss Trends

Frequency

	Experience Period	Form 6 Total	
		CL	Proj
(1) Calculated Loss Trend		0.06%	-0.48%
(2) Selected Loss Trend		0.06%	-0.48%
(3) Trend Start Date	2006	01/01/2006	
	2007	01/01/2007	
	2008	01/01/2008	
	2009	01/01/2009	
	2010	01/01/2010	
(4) Trend End Date	2006	04/06/2012	
<i>12 months past renewal date of</i>	2007	04/06/2012	
<i>04/06/2011</i>	2008	04/06/2012	
	2009	04/06/2012	
	2010	04/06/2012	
(5) Years of Trend Extension CL	2006	4.250	
<i># of Years between (3) and the</i>	2007	3.250	
<i>midpoint of Loss Trends</i>	2008	2.250	
<i>04/01/2010</i>	2009	1.250	
	2010	0.250	
(6) Years of Trend Extension Proj	2006	2.014	
<i># of Years between (4) and the</i>	2007	2.014	
<i>midpoint of Loss Trends</i>	2008	2.014	
<i>04/01/2010</i>	2009	2.014	
	2010	2.014	
(7) Loss Trend Factor	2006	0.993	
$((1+(2)_{CL})^{(5)}) * ((1+(2)_{Proj})^{(6)})$	2007	0.992	
	2008	0.992	
	2009	0.991	
	2010	0.990	

Arkansas
Loss Trends Exhibit
Auto-Owners Insurance Group
Homeowners - Form 6 Total

All Reviewable Coverages

Statewide

Qtr/Yr	Written Units	Paid Count	Paid Amount	Freq	Average Paid	Pure Premium	# Quarters Selected	Freq Exp	Avg Paid Exp
09/2005	0	0	0	0.00	0.00	0.00	21	3231.921%	3092.912%
12/2005	5	0	0	0.00	0.00	0.00	20	3407.011%	2994.348%
03/2006	9	0	0	0.00	0.00	0.00	19	3430.854%	2692.689%
06/2006	11	0	0	0.00	0.00	0.00	18	3223.288%	2172.621%
09/2006	17	0	0	0.00	0.00	0.00	17	2726.475%	1490.644%
12/2006	24	0	0	0.00	0.00	0.00	16	1964.209%	792.739%
03/2007	30	0	0	0.00	0.00	0.00	15	1097.573%	261.442%
06/2007	38	1	560	26.04	559.75	14.58	14	389.075%	-10.305%
09/2007	48	1	560	21.01	559.75	11.76	13	1025.998%	64.212%
12/2007	48	1	560	20.70	559.75	11.59	12	3555.517%	320.184%
03/2008	54	1	560	18.66	559.75	10.44	11	20911.971%	1738.850%
06/2008	63	0	0	0.00	0.00	0.00	10	296434.706%	19465.710%
09/2008	64	0	0	0.00	0.00	0.00	9	158416.148%	2415.436%
12/2008	69	0	35,964	0.00	0.00	520.47	8	20933.852%	-68.333%
03/2009	77	3	54,006	38.91	18,002.08	700.47	7	29.258%	-99.997%
06/2009	80	4	62,499	50.31	15,624.75	786.15	6	13.164%	-100.000%
09/2009	88	4	66,958	45.51	16,739.47	761.75	5	2.294%	-100.000%
12/2009	94	8	44,631	85.29	5,578.82	475.81	4	-41.899%	-100.000%
03/2010	94	6	11,753	64.10	1,958.86	125.57	3	-27.066%	-100.000%
06/2010	96	6	3,737	62.37	622.83	38.85	2	-40.645%	-100.000%
09/2010	110	6	-722	54.74	-120.31	-6.59	1		

Companywide

Qtr/Yr	Written Units	Paid Count	Paid Amount	Freq	Average Paid	Pure Premium	# Quarters Selected	Freq Exp	Avg Paid Exp
09/2005	58,424	1,956	7,541,670	33.48	3,855.66	129.09	21	0.410%	2.431%
12/2005	58,813	2,029	7,713,995	34.50	3,801.87	131.16	20	0.316%	2.459%
03/2006	58,965	1,986	7,919,199	33.68	3,987.51	134.30	19	0.394%	2.354%
06/2006	59,278	1,970	7,539,511	33.23	3,827.16	127.19	18	0.306%	2.545%
09/2006	59,752	1,949	7,365,452	32.62	3,779.09	123.27	17	0.057%	2.384%
12/2006	60,270	1,980	7,705,016	32.85	3,891.42	127.84	16	-0.484%	1.967%
03/2007	60,628	2,068	8,098,731	34.11	3,916.21	133.58	15	-1.172%	1.645%
06/2007	61,250	2,129	8,494,598	34.76	3,989.95	138.69	14	-1.668%	1.196%
09/2007	61,370	2,170	9,383,132	35.36	4,324.02	152.90	13	-2.079%	0.751%
12/2007	61,488	2,164	9,186,546	35.19	4,245.17	149.40	12	-2.334%	1.487%
03/2008	61,623	2,169	9,125,100	35.20	4,207.05	148.08	11	-2.727%	2.223%
06/2008	61,946	2,167	9,499,359	34.98	4,383.65	153.35	10	-3.225%	3.110%
09/2008	62,332	2,168	8,700,099	34.78	4,012.96	139.58	9	-4.064%	5.933%
12/2008	62,568	2,165	8,688,913	34.60	4,013.35	138.87	8	-5.506%	6.891%
03/2009	62,931	2,246	9,184,827	35.69	4,089.42	145.95	7	-8.050%	7.947%
06/2009	63,323	2,313	9,046,444	36.53	3,911.13	142.86	6	-10.228%	10.493%
09/2009	63,908	2,280	9,306,490	35.68	4,081.79	145.62	5	-10.847%	8.508%
12/2009	64,568	2,287	9,759,872	35.42	4,267.54	151.16	4	-12.084%	6.479%
03/2010	65,022	2,216	9,354,235	34.08	4,221.22	143.86	3	-9.396%	8.722%
06/2010	65,941	2,120	9,542,733	32.15	4,501.29	144.72	2	3.655%	-8.580%
09/2010	66,523	2,158	9,498,372	32.44	4,401.47	142.78	1		

Credibility Constant 190,000

Credibility 0.041

Frequency			
	Up To Date # Quarters		Projected # Quarters
State	21	291.584%	State 20 638.321%
Companywide	17	0.057%	Companywide 16 -0.484%
Complement		0.057%	Complement -0.484%

Average Paid			
	Up To Date # Quarters		Projected # Quarters
State	21	143.952%	State 20 130.542%
Companywide	21	2.431%	Companywide 15 1.645%
Complement		2.431%	Complement 1.645%

Auto-Owners Insurance

Homeowners
Arkansas
Form 6 Total

Development of the Permissible Loss Ratio

(1)	Commission and Brokerage Expense	18.1%
(2)	Other Acquisitions	4.0%
(3)	General Expenses	1.0%
(4)	Tax, License, and Fees	2.5%
(5)	Reinsurance Expense	0.5%
(6)	Total Expenses <i>(1)+(2)+(3)+(4)+(5)</i>	26.1%
(7)	Profit and Contingency	9.0%
(8)	Permissible Loss Ratio <i>1 - ((6) + (7))</i>	64.9%

Expense Exhibit - Homeowners
Auto-Owners Insurance Group

Arkansas

All Reviewable Coverages - Form 6 Total

	12 MTD Ending 6 / 2007		12 MTD Ending 6 / 2008		12 MTD Ending 6 / 2009		12 MTD Ending 6 / 2010	
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
Loss Experience								
Written Premium	4,542		17,360		39,360		49,191	
Earned Premium	1,981	100.0	9,796	100.0	32,676	100.0	46,992	100.0
Incurred Amount	175	8.8	180	1.8	87,801	268.7	-24,924	-53.0
Allocated LAE	167	8.4	271	2.8	3,447	10.5	548	1.2
Unallocated LAE	56	2.8	52	0.5	3,940	12.1	315	0.7
Total Losses	397	20.0	503	5.1	95,189	291.3	-24,062	-51.1
Expenses Incurred								
Commission and Brokerage *	763	16.8	3,112	17.9	4,999	17.5	6,569	16.7
Other Acquisitions (2)	76	3.8	388	4.0	864	3.7	1,241	3.8
General Expenses (2)	18	0.9	94	1.0	221	1.0	307	0.9
Tax, License, and Fees *	156	3.4	845	4.9	1,110	3.9	1,150	2.9
Total Expenses	1,013	24.9	4,439	27.8	7,194	26.1	9,267	24.3
Total Losses and Expenses	1,411	44.9	4,942	32.9	8,142	30.2	104,456	315.6
Gain from Underwriting	570	55.1	4,854	67.1	15,089	69.8	-71,780	-215.6

	3 Year Total		4 Year Total		5 Year Total	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
Loss Experience						
Written Premium	117,082		134,442		138,984	
Earned Premium	102,898	100.0	112,694	100.0	114,675	100.0
Incurred Amount	62,827	61.1	63,007	55.9	63,182	55.1
Allocated LAE	4,724	4.6	4,995	4.4	5,162	4.5
Unallocated LAE	4,524	4.4	4,575	4.1	4,632	4.0
Total Losses	72,075	70.0	72,578	64.4	72,976	63.6

Expenses Incurred		
Commission and Brokerage *	19,555	16.7
Other Acquisitions (2)	4,226	4.0
General Expenses (2)	1,082	1.0
Tax, License, and Fees *	3,472	3.0
Reinsurance Expenses *		
Total Expenses	28,335	24.7
Total Losses and Expenses	100,410	94.7
Gain from Underwriting	2,488	5.3

Auto-Owners Insurance Group
Arkansas Homeowners
Summary of Proposed Changes

All Forms

1. Introduce a flat \$1500 deductible for Form 3 at a 13% discount and for Forms 4 & 6 at a 9% discount. Increase discount for flat \$2500 deductible from 9% to 10% for Forms 4 & 6. Eliminate the \$250 AOP/\$500 Wind/Hail, \$250 AOP/\$1000 Wind/Hail, and \$500 flat deductible options for Form 3. A policyholder who currently has an all perils deductible lower than \$1,000 Flat would be rolled up to the \$1,000 Flat deductible option at the next policy renewal. A policyholder who currently has a split deductible option lower than \$500 All Other Perils/\$1,000 Wind/Hail would roll to the \$500 All Other Perils/\$1,000 Wind/Hail deductible option at the next policy renewal. Please see page AOUQZ293.
2. Modify the Age of Construction Discount and introduce the Year of Construction surcharge (Forms 3 & 6) as shown on pages AOUQZ292, AOUQZ298, and AOUQZ316.
3. Increase Paid Loss surcharge as shown on page AOUQZ310.
4. Introduce Location level dollar minimum premiums at \$250 for Form 3, \$100 for Form 4, and \$125 for Form 6. Please see page AOUQZ308.
5. Modify the Home/Life Multi-Policy Discount to be applied after minimum premium. Please see page AOAQZ062.
6. Increase the base rates to include PPRC coverage for the Standard and Premier programs, including the following changes:
 - a) Introduce a PPRC Exclusion Discount to offset the value of the current surcharges for those policyholders who do not want PPRC coverage. Please see pages AOUQZ305, AOUQZ314, AOUQZ304 and AOUQZ319.
 - b) Renew existing policies without PPRC with the PPRC Exclusion Discount.
 - c) Change the Premier Plus deviation from 3% to -9% resulting from the PPRC inclusion. Then decrease the deviation to -7% due to poor loss ratios. Please see pages AOAQZ056, AOAQZ061, and AOAQZ066.
 - d) Use a relativity of 0.346 (23% below the existing Form 4 each additional 10,000 relativity of 0.450) for Building Additions and Alterations to offset the base rate increase that results from including PPRC in the base. Please see pages AOAQZ059 and AOAQZ060.
 - e) Use a relativity of 0.154 (13% below the existing Form 6 each additional 10,000 relativity of 0.177) for increased Coverage A for Form 6 to offset the base rate increase that results from including PPRC in the base. Please see pages AOAQZ064 and AOAQZ065.
 - f) Decrease percent minimum premiums for Form 3 from 30% to 27%, Form 4 from 30% to 23%, and Form 6 from 30% to 26%. Please see page AOUQZ308.
7. Increase Incidental Business rates as shown on page AOUQZ315.
8. Increase Incidental Farm rates for Outbuildings from \$5 to \$6 per \$1000 of coverage and Personal Property from \$8 to \$9 per \$1000 of coverage. Increase Incidental Farm Liability rates. Please see page AOUQZ309.
9. Increase Insurance Scores relativities 2% for all scores below 772. Please see page AOAQZ063.
10. No longer allow the College Graduate Discount to be added to new business or existing business policies. This discount will be grandfathered on policies that currently have this discount. However,

the percentage for this discount will need to be changed from 5% to 2%. Please see page AOUQZ313.

11. Clarify on Homeowners Plus, Renters Plus and Condo-Owners Plus the wording of how the deductible is to be applied to glass losses. Please see pages AOUQZ301, AOUQZ306, and AOUQZ299.
12. Introduce an option of 10% of Coverage A limit of insurance for Ordinance or Law Coverage, for a 2% charge in the standard Auto-Owners program. Please see page AOUQZ302.
13. Clarify on the solid fuel appliances General Rules page that photographs are required for solid fuel appliances that burn wood or coal. Please see page AOUQZ291.
14. Add Log and Manufactured construction type definitions to the Construction Types manual page AOUQZ288.
15. Apply a \$50 surcharge for wood/coal heating appliances if located in an outbuilding. If there are multiple wood/coal appliances on premises, charge only the largest surcharge. Please see pages AOUQZ312 and AOUQZ316.
16. Remove the maximum discount. Please see page AOUQZ316.
17. Clarify what flood insurance rate map zones Water Back-Up of Sewers or Drains – Additional Limits is available in. Please see page AOUQZ307.

Form 3

18. Require a minimum policy deductible of \$1,000 for Premier Plus policies for new business only. Please see page AOUQZ293.
19. Increase the minimum amounts of insurance as follows: Premier Plus program to \$325,000, Premier Program to \$125,000 for under age 65 and to \$100,000 for age 65 and older, and Standard Program to \$80,000. Please see page AOUQZ286.
20. Increase Homeowners Plus Endorsement from \$45 to \$50. Please see page AOUQZ301.
21. Increase the Guaranteed Home Replacement Cost charge from 4% to 5% and increase the GHRC Exclusion Discount from -4% to -5%. Please see pages AOUQZ317 and AOUQZ311.
22. Introduce Roof Surcharge as shown on pages AOUQZ296 and AOUQZ316.
23. Increase Each Add'l \$10,000 relativity by 5%. Please see pages AOAQZ054 and AOAQZ055.
24. Modify the Territory relativities as shown on pages AOAQZ057 and AOAQZ058.
25. Adjust the base approximately +9.9% for an overall 15.0% increase. Please see page AOAQZ056.

Form 4

26. Adjust the base approximately -2.6% for an overall no change. Please see page AOAQZ061.

Form 6

27. Adjust the base approximately -1.3% for an overall no change. Please see page AOAQZ066.

Editorial Changes for pages AOUQZ300 and AOUQZ289.

Dear Becky Harrington,

Please review our responses to the Department of Insurance's objections. All data is based on June 2010 Experience and actual loss ratios.

Objection 1

- Explanatory Memorandum (Supporting Document)
- Deductible Options, AOUQZ293 (Rate)

Comments:

Arkansas does not allow mandatory wind/hail deductibles in amounts greater than the all other peril deductible. You may offer optional wind/hail deductible amounts, but not mandatory.

Response:

In an email correspondence dated January 26th 2011, a question was asked the Department of Insurance what statute supported this objection to mandatory wind/hail deductibles. The response was that it was a consumer protection issue. Please elaborate why a mandatory wind/hail deductible is a consumer protection issue.

Objection 2

- Explanatory Memorandum (Supporting Document)
- Paid Loss Surcharge, AOUQZ310 (Rate)

Comments:

Provide data supporting the paid loss surcharge increases.

Response:

The Companywide 5 yr loss ratio for policies with Paid Loss Surcharge is 96.8%, while the loss ratio without the Paid Loss Surcharge is 86.9%.

Objection 3

- Year of Construction Surcharge – Forms 3, 6 and Premier Plus, AOUQZ298 (Rate)

Comments:

Provide supporting data for the year of construction surcharge.

Response:

Based on companywide experience, the discount for the 1990's was reduced due to the 102.7% loss ratio. The 1980's and 1970's were the next worst performing decades resulting in a one point increase to the Year of Construction Surcharge of 2%. The 1960's and 1950's had loss ratios that were approximately 10 points lower so their surcharge was dropped to only 1%.

Construction Year	Arkansas 5 Year LR	Companywide 5 Year LR
1900 - 1949	112.3%	79.4%
1950 - 1959	248.9%	82.3%
1960 - 1969	249.2%	83.4%
1970 - 1979	209.3%	92.9%
1980 - 1989	155.7%	96.2%
1990 - 1999	169.6%	102.7%
2000 - 2009	175.4%	80.8%
2010 - 2019	0.0%	33.1%
Total	181.6%	88.4%

Objection 4

- Incidental Business Coverage, AOUQZ315 (Rate)

Comments:

Please either provide the previous rates or indicate the percentage change for the rates.

Response:

The Companywide 5 year loss ratio for policies with Incidental Business Coverage is 96.5%, while the loss ratio without the coverage is 86.9%.

Coverage E Limit	100000		200000		300000		500000		1000000	
Coverage F	Yes	No								
Current Rate	20	18	21	19	22	20	26	24	37	33
Proposed Rate	20	18	23	21	25	23	30	28	40	38

Objection 5

- Incidental Farm Coverage, AOUQZ309 (Rate)

Comments:

Please provide the previous rates or indicate the percentage change for farm liability.

Response:

The Companywide 5 year loss ratio for policies with Incidental Farm Coverage is 104.1%, while the loss ratio without the coverage is 86.5%.

Limit	\$100,000	\$200,000	\$300,000	\$500,000	\$1,000,000
Current Rates	\$55	\$60	\$65	\$75	\$118
Proposed Rates	\$58	\$65	\$70	\$80	\$130

Objection 6

- Insurance Score Rating Tiers, AOAQZ063 (Rate)

Comments:

Provide the loss experience supporting the insurance score relativity changes.

Response:

The data above contains the loss experience on which our model is based on. The 2% increase to scores below 772 is supported by the higher loss ratios for that range. The range is contained in score group 1-5 which has significantly higher loss ratios than the score group of 6-10.

Score Group	Score Range		Claim Frequency	Loss Ratio	Loss Ratio Relativity
	Min	Max			
1	1	657	0.082	93.80%	2.212
2	658	708	0.064	57.20%	1.349
3	709	740	0.058	43.00%	1.014
4	741	767	0.053	42.20%	0.995
5	768	791	0.051	37.50%	0.884
6	792	812	0.05	35.10%	0.828
7	813	835	0.046	30.00%	0.708
8	836	859	0.045	30.20%	0.712
9	860	887	0.043	28.50%	0.672
10	888	997	0.038	23.70%	0.559
Total	1	997	0.053	42.40%	-

Objection 7

- Roof Discount/Surcharge – Form 3, AOUQZ296 (Rate)

Comments:

Provide supporting data for the roof surcharges/discounts.

Response:

These rates are being implemented companywide. For the 5 year period ending June 2010, 60.9% of our losses in Arkansas occurred from wind, hail, and lightning. It is our understanding that aged roofs are more susceptible to wind and hail losses and the ability of a roof to withstand repeated exposure to hail quickly deteriorates after 10 years. It has also been cited that Asphalt shingles will have a dramatically shorter lifespan in warmer climates such as Arkansas, than in cooler climates. We recently began to require the dwelling's age of roof to be captured and will not surcharge any policy without a known roof age and type.

Objection 8

- Form 3 - Territory Relativities (Auto-Owners Premier), AOAQZ057 (Rate)
- Form 3 - Territory Relativities (Auto-Owners), AOAQZ058 (Rate)

Comments:

I am unable to determine the changes that were made. Please provide data supporting the changes and identify the changes.

Response:

Territory 1 was decreased 2 points based on our competitor analysis. Territory 3 was decreased 2 points due to a low 5 year loss ratio of 48.5%. Territory 10 was increased 1 point due to a high 5 year loss ratio of 180.8%.

Territory Descriptions	Current Relativity	Proposed Relativity	% Change
1 - Baxter, Benton, Boone, Carroll, and Marion Counties	0.920	0.900	-2.2%
3 - Franklin, Johnson, and Newton Counties	1.120	1.100	-1.8%
10 - Faulkner, Grant, Lonoke, and Perry Counties; Rem. Of Saline Co.	1.000	1.010	1.0%

Objection 9

Comments:

Please provide a disruption chart.

Response:

Please refer to disruption chart below:

Percent Range	Form 3	Form 4	Form 6
20.0 & Over	866	0	0
15.0 TO 19.9	1,661	1	0
12.5 TO 14.9	2,020	0	0
10.0 TO 12.4	2,111	0	0
7.5 TO 9.9	1,052	0	0
5.0 TO 7.4	211	2	0
2.5 TO 4.9	21	19	3
1.0 TO 2.4	3	36	19
0.0 TO 0.9	0	111	42
- 0.1 TO - 0.9	0	22	29
- 1.0 TO - 2.4	0	61	24
- 2.5 TO - 4.9	0	8	0
- 5.0 & Under	0	0	0
TOTAL	7,945	260	117

Objection 10

Comments:

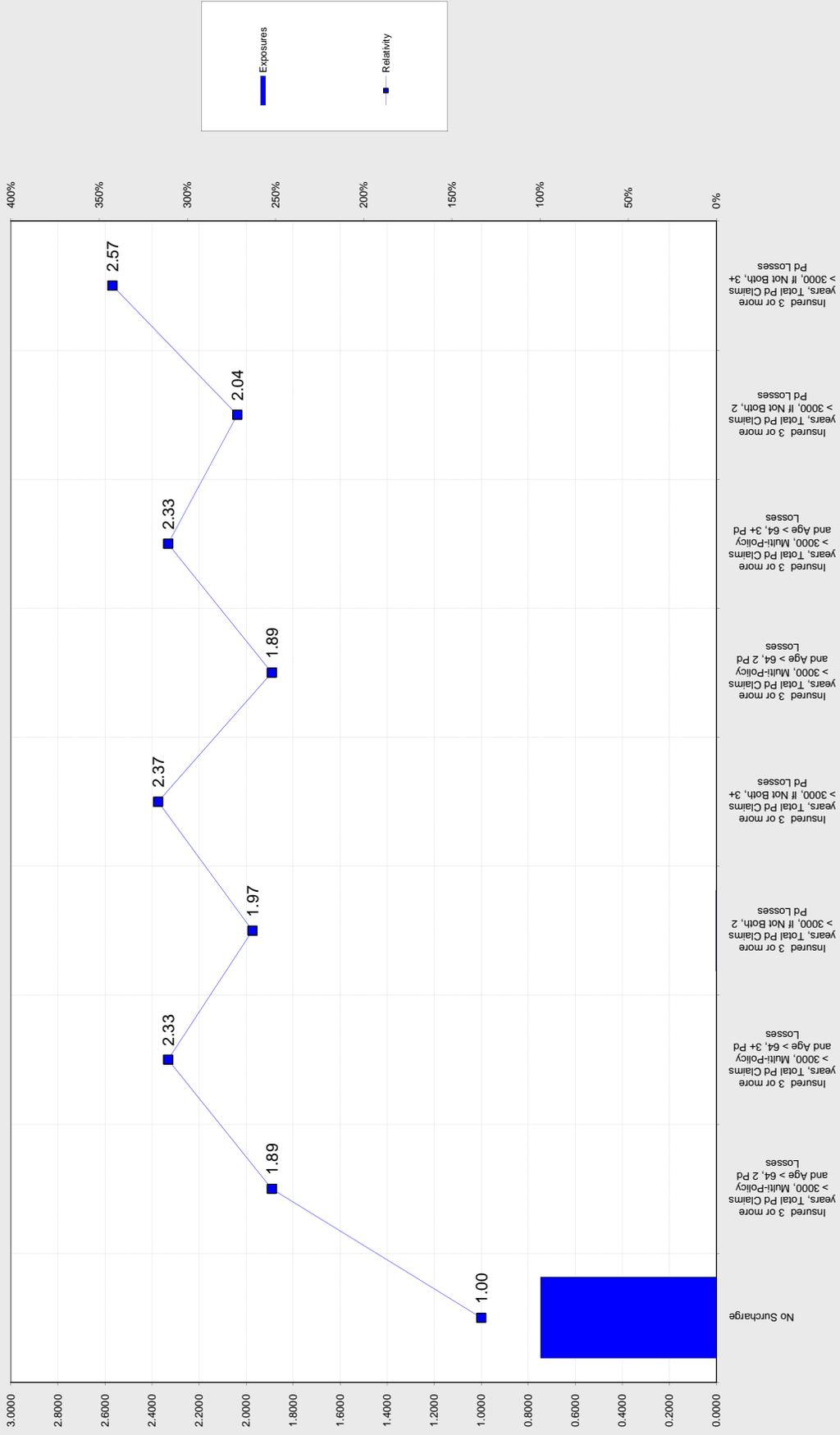
Please identify the major types of losses driving the loss ratio.

Response:

The below summary is based on 5 years of Arkansas experience.

	Cause of Loss	
	Count	Amount
Wind	32.00%	22.90%
Hail	23.50%	19.80%
Water	11.70%	8.90%
Collapse	11.70%	4.80%
Theft	6.10%	2.50%
Lightning	5.40%	1.80%
Fire	4.30%	32.90%
Other	5.30%	6.40%

Relativities - Paid Loss Surcharge



Explanatory Memorandum In Support of Personal Property GLM Analysis

Purpose

A Generalized Linear Modeling (GLM) analysis was conducted for the Personal Property line of business. The purpose of this analysis was to provide guidance in the selection of relativities and test potential enhancements to our rating algorithm. All analysis was conducted using commercially available modeling software and Auto-Owners' internal databases. Explanatory variables that are being used from the modeling are either present in our current rating or used by other carriers for the rating of personal property insurance.

Data Preparation

The modeling database included all states in which we currently write business. Premium and loss data contained five years of experience with an additional eight months of development. The database was checked for completeness by balancing exposures written and earned, losses and allocated loss adjustment expense paid, incurred claim counts, and outstanding case reserves against a known source. Additional balancing was performed by state, company, coverage, and peril. All data was found to be complete. Model-ready files were then prepared and rebalanced. Invalid values for any variable were grouped into a miscode value. The volume of miscoded data was considered insignificantly small and unlikely to materially affect any parameter estimates. Final reasonability checks were performed on explanatory variable exposure distributions and univariate observed results.

Modeling Process

Modeling was conducted separately for frequency and severity, assuming independence between models. The selected model structure was:

Model Type	Link Function	Error Structure Distribution	Variance Function
Frequency	Log	Poisson	μ
Severity	Log	Gamma	μ^2

Structural selections were based on actuarial literature which generally supports these assumptions. The use of a log link function also supports our goal of maintaining a rating algorithm similar to our current algorithm. The model form was tested using scatter plots and histograms of the standardized deviance residuals.

The models were broken out by Coverage (A/B, C, D, and E/F) and into eight perils - Fire, Hail, Lightning, Other (Non-Weather), Other (Weather), Theft, Water, and Wind excluding Catastrophe and Hurricane. Coverage A and B were combined before modeling. The same was done with Coverage E and F. Due to data volume, some perils were combined when modeling Coverages C and D.

In all models, each variable was tested to verify significance to the model. The following criteria were used to determine significance: 1) Consistency over time; 2) Chi-Squared test; 3) Subject area expertise.

Next, the variables considered to be significant in the model were tested to see if any two-way interactions existed between them. Only two-way interactions in our current algorithm were tested. After checking for interactions, all significant variables were simplified. When variables are simplified the following things are considered: 1) Do certain levels make more sense together than others?; 2) How does the simplification look over time?; 3) How much data is in each level of the variable?

The included simplified variables were tested to see if they were still significant to the model. This was done in two ways. First, a backward regression using all of the included variables and interactions (in simplified form) was run to see if they were still significant to the model. Second, the models were checked against a holdout sample to determine if the model represented the sample.

Once each frequency and severity model was finished, they were combined into a pure premium model. The pure premium model only contains the underlying modeled data from the frequency and severity. The model structure used was:

Model Type	Link Function	Error Structure Distribution	Variance Function
Combined	Log	Gamma	μ^2

In the pure premium model, only variables and interactions found to be significant in the frequency and severity models were included. Then, decisions to include or simplify variables and interaction were made based upon our current algorithm.

Arkansas Target Relativity Development

To develop the Arkansas target relativities, the effects of Weather claims were removed from the combined model. In addition, the effects of all variables not applicable to Arkansas were removed from the models. Please see GLM Exhibit A for variables kept in the combined model.

The following variables were kept in the combined model:

Company
Tier
Insurance Score
Paid in Full
Policyholder Age
Auto Related Policy
Umbrella Related Policy
Paid Loss Surcharge – Non-Weather
Premier Plus
Insured to Value
Deductible
Functional Replacement Cost
Coverage A Limit
Incidental Farm
Fire Department Charge
Incidental Rental
Ordinance or Law
Residence Premises
Boat Liability
Additional Residence Rented to Others
Construction Age
Construction Type
Residency
Protection Class
Protected Subdivision
Roof Age
Roof Type
Solid Fuel
Smoke Detector
Fire Extinguisher
Deadbolt
Dwelling Under Construction

Proposed Distribution Chart

Percent Range	Form 3	Form 4	Form 6
40 & OVER	3	0	0
30.0 TO 39.9	16	0	0
25.0 TO 29.9	30	1	0
20.0 TO 24.9	510	0	0
15.0 TO 19.9	3,161	2	0
12.5 TO 14.9	2,418	0	0
10.0 TO 12.4	1,657	0	0
7.5 TO 9.9	485	0	0
5.0 TO 7.4	40	1	0
2.5 TO 4.9	4	16	2
1.0 TO 2.4	1	42	23
0.0 TO 0.9	0	118	40
- 0.1 TO - 0.9	0	24	32
- 1.0 TO - 2.4	0	68	28
- 2.5 TO - 4.9	0	11	0
- 5.0 & Under	0	0	0
TOTAL	8,325	283	125

Form 3:

The top percent increase is 54.2% which is a policy that hits the minimum premium of \$250. The dollar increase will only be \$83.

The next 24 top percent increases are the result of the Paid Loss surcharge. The policyholders see increases between 43% and 28.8%. These surcharges and subsequent policy increases are supported by the GLM document.

There are 534 policies in the 20.0% to 27.7% range. The majority of these policies are Premier Plus policies, have an older roof and/or have the College Graduate discount. Policies in the Premier Plus program had a combined 5 year loss ratio ending 6/2010, of 222.2% while policies without Premier Plus had a loss ratio of 171.5%. As explained in the previous objection response, aged roofs are more susceptible to wind and hail losses and the ability of a roof to withstand repeated exposure to hail quickly deteriorates after 10 years. Policies with the College Graduate discount had a combined 12 MTD loss ratio ending 6/2010, of 190.1% versus 118.5% for policies without the discount.

Form 4:

The single policy above 20% is seeing a 25.3% increase which is \$19 increase. This policy is hitting minimum premium.

SERFF Tracking Number: AOIC-126946411 State: Arkansas
 Filing Company: Auto-Owners Insurance Company State Tracking Number: EFT \$100
 Company Tracking Number: HOM-AR-01-04-12-2011-01
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
 Product Name: Arkansas Homeowners
 Project Name/Number: Arkansas Homeowners Rate and Rule Filing/

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)
12/14/2010	Supporting Document	NAIC loss cost data entry document	04/07/2011	NAIC Loss Cost Data Entry.pdf (Superseded)
12/29/2010	Supporting Document	Explanatory Memorandum	04/11/2011	Arkansas Home Explanatory Memorandum.pdf (Superseded)
12/29/2010	Rate and Rule	Form 3 - Base Rates	04/07/2011	AOAQZ056.pdf (Superseded)
12/29/2010	Rate and Rule	Deductible Options	04/08/2011	AOUQZ293.pdf (Superseded)
12/29/2010	Rate and Rule	Paid Loss Surcharge	04/08/2011	AOUQZ310.pdf (Superseded)
12/29/2010	Rate and Rule	Roof Discount/Surcharge – Form 3	04/08/2011	AOUQZ296.pdf (Superseded)

NAIC LOSS COST DATA ENTRY DOCUMENT

1.	This filing transmittal is part of Company Tracking #	HOM-AR-01-01-14-2011-01
-----------	---	--------------------------------

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
-----------	---	------------

Company Name		Company NAIC Number		
3.	A.	Auto-Owners Insurance Company	B.	280-18988

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

5.			FOR LOSS COSTS ONLY				
(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
Form 3	188.4%	14.9%					
Form 4	-86.9%	0.1%					
Form 6	-26.8%	0.0%					
TOTAL OVERALL EFFECT		14.7%					

5 Year History		Rate Change History					
Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
2009	5777	N/A	N/A	4,023.3	6,708.2	168.6	98.4
2008	4038	N/A	N/A	2,797.0	6,365.5	235.9	107.3
2007	2714	-1.9%	11/15/07	1,689.3	2,253.6	139.8	77.8
2006	1293	N/A	N/A	570.3	296.3	54.0	68.3
2005	182	N/A	8/15/05	24.6	7.5	61.6	62.7

7.	
Expense Constants	Selected Provisions
A. Total Production Expense	18.3
B. General Expense	1.0
C. Taxes, License & Fees	3.1
D. Underwriting Profit & Contingencies	9.0
E. Other (explain)	4.5
F. TOTAL	35.9

8. N Apply Lost Cost Factors to Future filings? (Y or N)
9. 68.7 Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): 12
10. -2.6 Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): 12

Auto-Owners Insurance Group
Arkansas Homeowners
Summary of Proposed Changes

All Forms

1. Introduce a mandatory 500 AOP/1000 Wind/Hail deductible. If a Form 3 policy has one of the following deductibles: 250 flat, 250 AOP /500 Wind/Hail, 250 AOP/1000 Wind/Hail or 500 flat, the deductible will be rolled to 500 AOP/1000 Wind/Hail at the next policy renewal. Introduce a flat \$1500 deductible for Form 3 at a 13% discount and for Forms 4 & 6 at a 9% discount. Increase discount for flat \$2500 deductible from 9% to 10% for Forms 4 & 6. Please see page AOUQZ293.
2. Modify the Age of Construction Discount and introduce the Year of Construction surcharge (Forms 3 & 6) as shown on pages AOUQZ292, AOUQZ298, and AOUQZ316.
3. Increase Paid Loss surcharge as shown on page AOUQZ310.
4. Introduce Location level dollar minimum premiums at \$250 for Form 3, \$100 for Form 4, and \$125 for Form 6. Please see page AOUQZ308.
5. Modify the Home/Life Multi-Policy Discount to be applied after minimum premium. Please see page AOAQZ062.
6. Increase the base rates to include PPRC coverage for the Standard and Premier programs, including the following changes:
 - a) Introduce a PPRC Exclusion Discount to offset the value of the current surcharges for those policyholders who do not want PPRC coverage. Please see pages AOUQZ305, AOUQZ314, AOUQZ304 and AOUQZ319.
 - b) Renew existing policies without PPRC with the PPRC Exclusion Discount.
 - c) Change the Premier Plus deviation from 3% to -9% resulting from the PPRC inclusion. Then decrease the deviation to -7% due to poor loss ratios. Please see pages AOAQZ056, AOAQZ061, and AOAQZ066.
 - d) Use a relativity of 0.346 (23% below the existing Form 4 each additional 10,000 relativity of 0.450) for Building Additions and Alterations to offset the base rate increase that results from including PPRC in the base. Please see pages AOAQZ059 and AOAQZ060.
 - e) Use a relativity of 0.154 (13% below the existing Form 6 each additional 10,000 relativity of 0.177) for increased Coverage A for Form 6 to offset the base rate increase that results from including PPRC in the base. Please see pages AOAQZ064 and AOAQZ065.
 - f) Decrease percent minimum premiums for Form 3 from 30% to 27%, Form 4 from 30% to 23%, and Form 6 from 30% to 26%. Please see page AOUQZ308.
7. Increase Incidental Business rates as shown on page AOUQZ315.
8. Increase Incidental Farm rates for Outbuildings from \$5 to \$6 per \$1000 of coverage and Personal Property from \$8 to \$9 per \$1000 of coverage. Increase Incidental Farm Liability rates. Please see page AOUQZ309.
9. Increase Insurance Scores relativities 2% for all scores below 772. Please see page AOAQZ063.
10. No longer allow the College Graduate Discount to be added to new business or existing business policies. This discount will be grandfathered on policies that currently have this discount. However, the percentage for this discount will need to be changed from 5% to 2%. Please see page AOUQZ313.

11. Clarify on Homeowners Plus, Renters Plus and Condo-Owners Plus the wording of how the deductible is to be applied to glass losses. Please see pages AOUQZ301, AOUQZ306, and AOUQZ299.
12. Introduce an option of 10% of Coverage A limit of insurance for Ordinance or Law Coverage, for a 2% charge in the standard Auto-Owners program. Please see page AOUQZ302.
13. Clarify on the solid fuel appliances General Rules page that photographs are required for solid fuel appliances that burn wood or coal. Please see page AOUQZ291.
14. Add Log and Manufactured construction type definitions to the Construction Types manual page AOUQZ288.
15. Apply a \$50 surcharge for wood/coal heating appliances if located in an outbuilding. If there are multiple wood/coal appliances on premises, charge only the largest surcharge. Please see pages AOUQZ312 and AOUQZ316.
16. Remove the maximum discount. Please see page AOUQZ316.
17. Clarify what flood insurance rate map zones Water Back-Up of Sewers or Drains – Additional Limits is available in. Please see page AOUQZ307.

Form 3

18. Require a minimum policy deductible of \$1,000 for Premier Plus policies for new business only. Please see page AOUQZ293.
19. Increase the minimum amounts of insurance as follows: Premier Plus program to \$325,000, Premier Program to \$125,000 for under age 65 and to \$100,000 for age 65 and older, and Standard Program to \$80,000. Please see page AOUQZ286.
20. Increase Homeowners Plus Endorsement from \$45 to \$50. Please see page AOUQZ301.
21. Increase the Guaranteed Home Replacement Cost charge from 4% to 5% and increase the GHRC Exclusion Discount from -4% to -5%. Please see pages AOUQZ317 and AOUQZ311.
22. Introduce Roof Surcharge as shown on pages AOUQZ296 and AOUQZ316.
23. Increase Each Add'l \$10,000 relativity by 5%. Please see pages AOAQZ054 and AOAQZ055.
24. Modify the Territory relativities as shown on pages AOAQZ057 and AOAQZ058.
25. Adjust the base approximately +9.9% for an overall 15.0% increase. Please see page AOAQZ056.

Form 4

26. Adjust the base approximately -2.6% for an overall no change. Please see page AOAQZ061.

Form 6

27. Adjust the base approximately -1.3% for an overall no change. Please see page AOAQZ066.

Editorial Changes for pages AOUQZ300 and AOUQZ289.

HOMEOWNERS
ARKANSAS
FORM 3 AND PREMIER PLUS
BASE RATES

Auto-Owners	
Standard Program	852.90
Premier Program	767.61
Premier Plus Program	713.88

Edition Date: 03/01/11

Auto-Owners	HOMEOWNERS PREMIUM ADJUSTMENTS	Arkansas
-------------	---	----------

DEDUCTIBLE OPTIONS

Deductibles apply to all Section I losses unless stated otherwise.

The following options are available.

Deductible	Discount/Charge			
	Form 3 and Premier Plus - All non-hail resistive roofs over 10 years old	Form 3 and Premier Plus - All hail resistive roofs and all other roof types (excluding wood) 10 years old or less	Form 6	Form 4
\$250 Flat	N/A	N/A	+8%	+8%
\$500 Flat	N/A	N/A	Base	Base
\$500 AOP/\$1000 Wind/Hail	-4%	-4%	N/A	N/A
\$500 AOP/\$2000 Wind/Hail	-9%	-9%	N/A	N/A
\$1000 Flat	-11%	-11%	-8%	-8%
\$1000 AOP/\$2000 Wind/Hail	-14%	-14%	N/A	N/A
\$1500 Flat	-13%	-13%	-9%	-9%
\$2,500 Flat	-19%	-19%	-10%	-10%
\$5,000 Flat	-22%	-22%	-12%	-12%

For higher deductible options, refer to your underwriting branch.

The deductible is shown on the policy Declarations.

Premier Plus policies are subject to a minimum \$1,000 Flat deductible.

Auto-Owners	HOMEOWNERS PREMIUM ADJUSTMENTS	Arkansas
--------------------	---	-----------------

PAID LOSS SURCHARGE**

A Paid Loss Surcharge will be applied to policies demonstrating a loss frequency exposure according to the chart below. All losses for which an amount was paid, relating to current or previous residencies will be considered. The surcharge will be applied to locations on the policy. If there are two locations on a policy, a factor of .5 will be applied to the indicated surcharge. If there are three or more locations, a factor of .33 will be applied to the surcharge.

Note: Policies may be non-renewed if the loss exposure is determined to be greater than the indicated surcharge can address.

Number of paid losses within 3 years	Continuously insured* for 3 or more years with an Auto-Owners Group Company and the sum of all paid claims exceeds \$3000.		Continuously insured* less than 3 years with an Auto-Owners Group company and the sum of all paid claims exceeds \$1000.	
	If Multi-Policy*** and 65 or over	If Not Both	If Multi-Policy*** and 65 or over	If Not Both
2	30%	40%	40%	50%
3	50%	75%	75%	110%
4 or more	75%	110%	110%	190%

*Continuously insured means either this policy or this policy in combination with a previous policy rewritten to this policy has been in effect for 3 years.

**For the application of this rule, weather losses will not be considered. Weather losses shall include only direct damage caused by wind, hail, lightning or the weight of ice and snow. Losses directly attributable to an event identified as Catastrophic by the Property Claim Service (PCS) will not be considered.

***Multi-Policy includes: Auto, Life and Umbrella

"Paid Loss Surcharge Applies" prints on the policy Declarations page.

Auto-Owners	HOMEOWNERS PREMIUM ADJUSTMENTS	Arkansas
-------------	---	----------

ROOF DISCOUNT/SURCHARGE – FORM 3

Dwellings are eligible for a Roof Discount or a Roof Surcharge, dependant upon the type of roofing material, as follows:

Age of Roof	Tile	Concrete	Metal Hail Resistive	Other Non-Hail Resistive	Other Hail Resistive	Asphalt Extended Life
New	-16%	-16%	-16%	-6%	-16%	-6%
1	-15	-15	-15	-5	-15	-5
2	-15	-15	-15	-5	-15	-5
3	-14	-14	-14	-4	-14	-4
4	-14	-14	-14	-4	-14	-4
5	-13	-13	-13	-3	-13	-3
6	-13	-13	-13	-3	-13	-3
7	-12	-12	-12	-2	-12	-2
8	-12	-12	-12	-2	-12	-2
9	-11	-11	-11	-1	-11	-1
10	-10	-10	-10	0	-10	0
11	-10	-10	-9	0	-9	0
12	-10	-10	-8	0	-8	0
13	-10	-10	-7	0	-7	0
14	-10	-10	-6	0	-6	0
15	-10	-10	-5	0	-5	0
16	-10	-10	-5	1	-5	0
17	-10	-10	-5	2	-5	0
18	-10	-10	-5	3	-5	0
19	-10	-10	-5	4	-5	0
20	-10	-10	-5	5	-5	0
21	-10	-10	-5	7	-5	0
22	-10	-10	-5	9	-5	0
23	-10	-10	-5	11	-5	0
24	-10	-10	-5	13	-5	0
25	-10	-10	-5	15	-5	0
26	-10	-10	-5	17	-5	1
27	-10	-10	-5	19	-5	2
28	-10	-10	-5	21	-5	3
29	-10	-10	-5	23	-5	4
30	-10	-10	-5	25	-5	5
31	-10	-10	-5	25	-4	7
32	-10	-10	-5	25	-3	9
33	-10	-10	-5	25	-2	11
34	-10	-10	-5	25	-1	13
35	-10	-10	-5	25	0	15
36	-10	-10	-5	25	1	17
37	-10	-10	-5	25	2	19
38	-10	-10	-5	25	3	21
39	-10	-10	-5	25	4	23
40+	-10	-10	-5	25	5	25

Age = Policy term year minus year roof construction was completed.

Wood roofs are ineligible.

If the roof of the dwelling is of mixed types, it shall be classified according to the predominant type of roof composition.

“Roof Discount” and “Roof Surcharge” appears on the policy Declarations.