Filing at a Glance

Company: Allstate Property and Casualty Insurance Company

Product Name: APC HO
TOI: 04.0 Homeowners
Sub-TOI: 04.0003 Owner Occupied Homeowners
Filing Type: Rate/Rule

SERFF Tr Num: ALSE-127090547
SERFF Status: Closed-Filed
Co Tr Num: R23300: +29.9% RATE CHANGE

Author: Celeste Mrdak
Date Submitted: 03/21/2011

State: Arkansas
State Tr Num: EFT $100
State Status: Fees verified and received
Reviewer(s): Becky Harrington, Nancy Horton
Disposition Date: 07/08/2011
Disposition Status: Filed

Effective Date Requested (New): 05/02/2011
Effective Date Requested (Renewal): 06/16/2011

Effective Date (New): 08/08/2011
Effective Date (Renewal): 09/22/2011

State Filing Description:
$100 for rate filing, only $50 received.

General Information

Project Name: +29.9% Rate Change
Project Number:
Reference Organization:
Reference Title:
Filing Status Changed: 07/08/2011
State Status Changed: 04/01/2011
Created By: Celeste Mrdak
Corresponding Filing Tracking Number:

Status of Filing in Domicile:
Domicile Status Comments:
Reference Number:
Advisory Org. Circular:

Deemer Date:
Submitted By: Celeste Mrdak

Filing Description:
+29.9% Rate Change

With this filing, Allstate Property and Casualty Insurance Company (APC) is proposing a 29.6% rate level increase for the Owners insurance program in the state of Arkansas. This does not include the Renters or Condominium insurance programs. The attached exhibits provide information supporting an overall indicated rate level change of 80.9% for the APC Owners insurance program.

With this change, Allstate is revising the rate adjustment factor and the Home & Auto Discount factor. The rate adjustment factor will not vary by territory. Also, Allstate proposes to introduce a retained risk provision.

In addition, Allstate proposes to revise the distinct charge to cover the net cost of reinsurance based on the 2010-2011 reinsurance program. When combined with the 29.6% rate level revision noted above, the proposed overall impact is 29.9%.

The 29.9% overall impact will result in approximately $10.3 million of additional premium.

Effective Date:
New business written and renewals processed on or after May 2, 2011, with renewals effective on or after June 16, 2011.

Company and Contact

Filing Contact Information

Celeste Mrdak, Senior State Filings Analyst	oscmrda@allstate.com
2775 Sanders Road	847-402-5000 [Phone] 27328 [Ext]
Suite A5	847-402-9757 [FAX]
Northbrook, IL 60062	

Filing Company Information

Allstate Property and Casualty Insurance Company	CoCode: 17230	State of Domicile: Illinois
2775 Sanders Rd.	Group Code: 8	Company Type: Property and Casualty
Suite A5	Group Name: Allstate	State ID Number:
Northbrook, IL 60062	FEIN Number: 36-3341779	
(847) 402-5000 ext. [Phone]		

Filing Fees

Fee Required?	Yes
Fee Amount:	$50.00
Retaliatory?	No
Fee Explanation:	Filing and review of independent rate/rule filings - $50

Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Allstate Property and Casualty Insurance Company	$50.00	03/21/2011	45826373
Allstate Property and Casualty Insurance Company	$50.00	03/23/2011	45881508

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Becky Harrington	07/08/2011	07/08/2011

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	07/06/2011	07/06/2011	Celeste Mrdak	07/06/2011	07/06/2011
Pending Industry Response	Becky Harrington	05/25/2011	05/25/2011	Andi Colosi	07/05/2011	07/05/2011
Pending Industry Response	Becky Harrington	05/20/2011	05/20/2011	Celeste Mrdak	05/24/2011	05/24/2011
Pending Industry Response	Becky Harrington	05/06/2011	05/06/2011	Celeste Mrdak	05/19/2011	05/19/2011
Pending Industry Response	Becky Harrington	04/15/2011	04/15/2011	Celeste Mrdak	04/27/2011	04/27/2011
Pending Industry Response	Becky Harrington	03/23/2011	03/23/2011	Celeste Mrdak	04/13/2011	04/13/2011

Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Manual Pages	Note To Filer	Becky Harrington	06/24/2011	06/24/2011
Respond By Date – 03/23/11 objection letter	Note To Reviewer	Celeste Mrdak	03/28/2011	03/28/2011

Disposition

Disposition Date: 07/08/2011

Effective Date (New): 08/08/2011

Effective Date (Renewal): 09/22/2011

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):
Allstate Property and Casualty Insurance Company	79.100%	10.000%	$3,454,663	34,216	$34,546,633	17.300%	7.900%

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	HPCS-Homeowners Premium Comparison Survey		Yes
Supporting Document	HPCS-Homeowners Premium Comparison Survey		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	NAIC loss cost data entry document		Yes
Supporting Document	NAIC loss cost data entry document		Yes
Supporting Document	Filing Memo & Exhibits	Filed	Yes
Supporting Document	03/23/11 OBJ Response	Filed	Yes
Supporting Document	04/15/11 OBJ Response	Filed	Yes
Supporting Document *(revised)*	Amendment	Filed	Yes
Supporting Document	Amendment		Yes
Supporting Document	07/05/11 Objection Response	Filed	Yes
Supporting Document	Entire Manual - 7/5/11 Objection Response	Filed	Yes
Rate	CheckingList	Filed	Yes
Rate	ManualPages	Filed	Yes
Rate	CheckingList	Filed	Yes
Rate	ManualPages	Filed	Yes

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	07/06/2011
Submitted Date	07/06/2011
Respond By Date	

Dear Celeste Mrdak,

This will acknowledge receipt of the 7/5/11 response.

Objection 1

- HPCS-Homeowners Premium Comparison Survey (Supporting Document)
- NAIC loss cost data entry document (Supporting Document)

Comment: The revised forms attached with the 7/5/11 response were for Allstate Indemnity. Please attach Allstate P&C forms.

NOTICE regarding, corrections to filings and scrivener's Errors:

Effective for all filings made on or after June 1, 2011, Arkansas no longer allows the re-opening of closed filings for corrections, changes in effective dates, scrivener's errors, amendments or substantive changes. Please see the General Instructions for how these events will be handled after the effective date of the change."

Sincerely,

Becky Harrington

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	07/06/2011
Submitted Date	07/06/2011

Dear Becky Harrington,

Comments:

Response to 07/06/11 objection letter

Response 1

Comments: Attached are the correct forms for Allstate Property and Casualty Insurance Company; our apologies for the oversight.

Related Objection 1

Applies To:

- HPCS-Homeowners Premium Comparison Survey (Supporting Document)
- NAIC loss cost data entry document (Supporting Document)

Comment:

The revised forms attached with the 7/5/11 response were for Allstate Indemnity. Please attach Allstate P&C forms.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: HPCS-Homeowners Premium Comparison Survey

Comment:

Satisfied -Name: NAIC loss cost data entry document

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Sincerely,

Celeste Mrdak

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	05/25/2011
Submitted Date	05/25/2011
Respond By Date	

Dear Celeste Mrdak,

This will acknowledge receipt of the response dated 5/24/11.

Objection 1

Comment: We requested the overall increase be amended to 10%. The attached amendment referenced in the response to objection 1 still shows 19.9%. No other amendments or attachments were submitted.

Please submit a revised HPCS.

NOTICE regarding, corrections to filings and scrivener's Errors:

Effective for all filings made on or after June 1, 2011, Arkansas no longer allows the re-opening of closed filings for corrections, changes in effective dates, scrivener's errors, amendments or substantive changes. Please see the General Instructions for how these events will be handled after the effective date of the change."

Sincerely,

Becky Harrington

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	07/05/2011
Submitted Date	07/05/2011

Dear Becky Harrington,

Comments:

THank you for your help with this filing. Please let us know if you have any additional questions or concerns.

Response 1

Comments: Please see attached

Related Objection 1

Comment:

We requested the overall increase be amended to 10%. The attached amendment referenced in the response to objection 1 still shows 19.9%. No other amendments or attachments were submitted.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: HPCS-Homeowners Premium Comparison Survey
Comment:
Satisfied -Name: NAIC loss cost data entry document
Comment:
Satisfied -Name: 07/05/11 Objection Response
Comment:
Satisfied -Name: Entire Manual - 7/5/11 Objection Response
Comment:

No Form Schedule items changed.

Rate/Rule Schedule Item Changes

Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing #
CheckingList	R23300A#1	New	

ManualPages	R23300A#1	Replacement

Sincerely,
Celeste Mrdak

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	05/20/2011
Submitted Date	05/20/2011
Respond By Date	

Dear Celeste Mrdak,

This will acknowledge receipt of the response of 5/19/11 and my meeting with Commissioner Bradford today.

Objection 1

Comment: Commissioner Bradford has considered your counter proposal. Please amned the overall incrase to 10%.

Objection 2

- Amendment (Supporting Document)

Comment: The amendment incorrectly referenced the Indemnity Company filing. Please attach the memo for the P&C company.

Please submit a revised HPCS and effective dates.

NOTICE regarding, corrections to filings and scrivener's Errors:

Effective for all filings made on or after June 1, 2011, Arkansas no longer allows the re-opening of closed filings for corrections, changes in effective dates, scrivener's errors, amendments or substantive changes. Please see the General Instructions for how these events will be handled after the effective date of the change."

Sincerely,

Becky Harrington

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	05/24/2011
Submitted Date	05/24/2011

Dear Becky Harrington,

Comments:

Response to 05/20/11 objection letter

Response 1

Comments: Please see attached.

Related Objection 1

Comment:

Commissioner Bradford has considered your counter proposal. Please amned the overall incrase to 10%.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 2

Comments: Our apologies for the inadvertent oversight, the correct amendment is now attached.

Related Objection 1

Applies To:

- Amendment (Supporting Document)

Comment:

The amendment incorrectly referenced the Indemnity Company filing. Please attach the memo for the P&C company.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: Amendment

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Sincerely,

Celeste Mrdak

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	05/06/2011
Submitted Date	05/06/2011
Respond By Date	

Dear Celeste Mrdak,

This will acknowledge receipt of the recent response and meeting.

Objection 1

Comment: Please remove the Retained Risk Provision from this filing. Commissioner Bradford has advised it is unacceptable pursuant to ACA 23-67-209 and ACA 23-67-210.

Objection 2

Comment: Please amend the overall increase to 7%.

Please also amend the HPCS if applicable.

NOTICE regarding, corrections to filings and scrivener’s Errors:

Effective for all filings made on or after June 1, 2011, Arkansas no longer allows the re-opening of closed filings for corrections, changes in effective dates, scrivener’s errors, amendments or substantive changes. Please see the General Instructions for how these events will be handled after the effective date of the change.”

Sincerely,

Becky Harrington

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	05/19/2011
Submitted Date	05/19/2011

Dear Becky Harrington,

Comments:

Response to 05/06/11 objection letter

Response 1

Comments: Please see attached.

Related Objection 1

Comment:

Please remove the Retained Risk Provision from this filing. Commissioner Bradford has advised it is unacceptable pursuant to ACA 23-67-209 and ACA 23-67-210.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 2

Comments: Please see attached.

Related Objection 1

Comment:

Please amend the overall increase to 7%.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: Amendment

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Sincerely,

Celeste Mrdak

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	04/15/2011
Submitted Date	04/15/2011
Respond By Date	

Dear Celeste Mrdak,

This will acknowledge receipt of the recemt response and telephone conversation.

Objection 1

- NAIC loss cost data entry document (Supporting Document)

Comment: Please re-submit on our form without any alterations. As discussed in our phone conversation of 4/15/11, our programming does not permit renaming, addition of worksheets, formulas or anyother changes to the form.

Objection 2

- Filing Memo & Exhibits (Supporting Document)
- 03/23/11 OBJ Response (Supporting Document)

Comment: Provide the AIR model version 11 and/or the input data. Provide specifics regarding the changes to the fire suppression dynamics simulation and Probabilistic Spread. Compare the previous simulated losses for AR to those included in the new model.

Provide a rating example comparing the premium effect of the current reinsurance charge and the proposed.

Objection 3

Comment: As discussed in our phone conversation, the retained risk provision is problematic in principle as well as amount. Commissioner Bradford must approve it.

Please include the provision in the rating example.

Objection 4

Comment: The overall rate change amount and individual impacts must be approved by the Commissioner.

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

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	04/27/2011
Submitted Date	04/27/2011

Dear Becky Harrington,

Comments:

Response to 04/15/11 objection letter

Response 1

Comments: Please see attached.

Related Objection 1

Applies To:

- NAIC loss cost data entry document (Supporting Document)

Comment:

Please re-submit on our form without any alterations. As discussed in our phone conversation of 4/15/11, our programming does not permit renaming, addition of worksheets, formulas or anyother changes to the form.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: NAIC loss cost data entry document

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 2

Comments: Please see attached.

Related Objection 1

Applies To:

- Filing Memo & Exhibits (Supporting Document)

- 03/23/11 OBJ Response (Supporting Document)

Comment:

Provide the AIR model version 11 and/or the input data. Provide specifics regarding the changes to the fire suppression dynamics simulation and Probabilistic Spread. Compare the previous simulated losses for AR to those included in the new model.

Provide a rating example comparing the premium effect of the current reinsurance charge and the proposed.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: HPCS-Homeowners Premium Comparison Survey

Comment:

Satisfied -Name: 04/15/11 OBJ Response

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 3

Comments: Please see attached.

Related Objection 1

Comment:

As discussed in our phone conversation, the retained risk provision is problematic in principle as well as amount. Commissioner Bradford must approve it.

Please include the provision in the rating example.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 4

Comments: Please see attached.

Related Objection 1

Comment:

The overall rate change amount and individual impacts must be approved by the Commissioner.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Sincerely,
Celeste Mrdak

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	03/23/2011
Submitted Date	03/23/2011
Respond By Date	

Dear Celeste Mrdak,

This will acknowledge receipt of the captioned filing.

Objection 1

- HPCS-Homeowners Premium Comparison Survey (Supporting Document)

Comment:

Form HPCS must be submitted in Excel spreadsheet format. Companies may not change the form in any way or include formulas.

Objection 2

Comment: Please remove the hurricane provision and recalculate your indicated rate need. We do not allow hurricane provisions or modeling in Arkansas.

Objection 3

Comment: Please reduce the contingency provision to 1%. The Department's position will continue unchanged until more current data/justification for this provision is provided.

Objection 4

Comment: Please explain why, with no apparent changes to the reinsurance contract, the reinsurance premium amount has increased so significantly.

Objection 5

Comment: Provide justification for the changed auto/home discount factor.

Objection 6

Comment: Retained risk provision proposed does not appear to comply with Arkansas Code Ann. 23-67-209 which required past loss experience to be considered in rating. In addition, Arkansas Code Ann. 23-67-210 requires classes to be based on actual differences in experience and expenses and they must have a probable effect on future losses or expenses.

Objection 7

Comment: Provide a disruption chart

Objection 8

Comment: The filing fee for a rate filing is $100 only $50 was received. Please submit an additional $50.

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

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	04/13/2011
Submitted Date	04/13/2011

Dear Becky Harrington,

Comments:

Response to 03/23/11 objection letter

Response 1

Comments: Please see attached.

Related Objection 1

Applies To:

- HPCS-Homeowners Premium Comparison Survey (Supporting Document)

Comment:

Form HPCS must be submitted in Excel spreadsheet format. Companies may not change the form in any way or include formulas.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: HPCS-Homeowners Premium Comparison Survey

Comment:

Satisfied -Name: 03/23/11 OBJ Response

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 2

Comments: Please see attached.

Related Objection 1

Comment:

Please remove the hurricane provision and recalculate your indicated rate need. We do not allow hurricane provisions or modeling in Arkansas.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 3

Comments: Please see attached.

Related Objection 1

Comment:

Please reduce the contingency provision to 1%. The Department's position will continue unchanged until more current data/justification for this provision is provided.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 4

Comments: Please see attached.

Related Objection 1

Comment:

Please explain why, with no apparent changes to the reinsurance contract, the reinsurance premium amount has increased so significantly.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 5

Comments: Please see attached.

Related Objection 1

Comment:

Provide justification for the changed auto/home discount factor.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 6

Comments: Please see attached.

Related Objection 1

Comment:

Retained risk provision proposed does not appear to comply with Arkansas Code Ann. 23-67-209 which required past loss experience to be considered in rating. In addition, Arkansas Code Ann. 23-67-210 requires classes to be based on actual differences in experience and expenses and they must have a probable effect on future losses or expenses.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 7

Comments: Please see attached.

Related Objection 1

Comment:

Provide a disruption chart

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 8

Comments: Please see attached.

Related Objection 1

Comment:

The filing fee for a rate filing is $100 only $50 was received. Please submit an additional $50.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Should you have any questions or require additional information, please contact me; our apologies for the delayed receipt.

Sincerely,

Celeste Mrdak

Note To Filer

Created By:

Becky Harrington on 06/24/2011 01:36 PM

Last Edited By:

Becky Harrington

Submitted On:

07/08/2011 06:45 AM

Subject:

Manual Pages

Comments:

Please provide a copy of the complete manual, not just the pages changed in this filing. We have been unable to locate an full updated manual.

Thanks,
Becky

Note To Reviewer

Created By:

Celeste Mrdak on 03/28/2011 10:24 AM

Last Edited By:

Becky Harrington

Submitted On:

07/08/2011 06:45 AM

Subject:

Respond By Date – 03/23/11 objection letter

Comments:

Hi Becky:

Please note that our response to your 03/23/11 objection letter is not yet available; we expect to have a response completed by 04/11/11. We send this Note To Reviewer for your records; our apologies for any inconvenience.

Thank you in advance for your cooperation.

Sincerely,

Celeste Mrdak

Post Submission Update Request Processed On 07/06/2011

Status:	Allowed
Created By:	Andi Colosi
Processed By:	Becky Harrington
Comments:	does not reflect new effective dates of 8/8/11 and 9/22/11. Only amends rate info.

Company Rate Information:

Company Name:Allstate Property and Casualty Insurance Company

Field Name	Requested Change	Prior Value
Overall % Indicated Change	79.100%	80.900%
Overall % Rate Impact	10.000%	29.900%
Written Premium Change for this Program	$3454663	$10329443
Maximum %Change (where required)	17.300%	45.600%
Minimum %Change (where required)	7.900%	21.900%

SERFF Tracking Number:	*ALSE-127090547*	*State:*	*Arkansas*
Filing Company:	*Allstate Property and Casualty Insurance Company*	*State Tracking Number:*	*EFT $100*
Company Tracking Number:	*R23300: +29.9% RATE CHANGE*		
TOI:	*04.0 Homeowners*	*Sub-TOI:*	*04.0003 Owner Occupied Homeowners*
Product Name:	*APC HO*		
Project Name/Number:	*+29.9% Rate Change/*		

Rate Information

Rate data applies to filing.

Filing Method:	File & Use
Rate Change Type:	Increase
Overall Percentage of Last Rate Revision:	-0.100%
Effective Date of Last Rate Revision:	08/24/2009
Filing Method of Last Filing:	File & Use

Company Rate Information

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):
Allstate Property and Casualty Insurance Company	79.100%	10.000%	$3,454,663	34,216	$34,546,633	17.300%	7.900%

Rate/Rule Schedule

Schedule Item Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Number:	Attachments
Filed 07/08/2011	CheckingList	R23300	New		CheckingList - R23300.pdf
Filed 07/08/2011	ManualPages	R23300	Replacement	ALSX-126207149	ManualPages - R23300.pdf
Filed 07/08/2011	CheckingList	R23300A#1	New		CheckingList - R23300 A#1.pdf
Filed 07/08/2011	ManualPages	R23300A#1	Replacement		Manual - R23300, A#1.pdf

CHECKING LIST FOR HOMEOWNERS

Printing dates are shown on each page to facilitate identification of different editions, but have no direct connection with the effective date of the page.

RULES

Enclosed: Page HOPC5-2 dated 5-1-2011

Withdrawn: Page HOPC5-2 dated 8-1-2006

RATING SECTIONS

Enclosed: Page PCP-1 dated 5-1-2011

Page RFP-4 dated 5-1-2011
Page RFP-10 dated 5-1-2011
Page RFP-14 through RFP-15 dated 5-1-2011

Withdrawn: Page PCP-1 dated 6-1-2009

Page RFP-4 dated 6-3-2009
Page RFP-10 dated 6-3-2009
Page RFP-14 dated 7-1-2009

Reinsurance Charge and Retained Risk Provision
The Coverage Limits factor for a policy amount not shown on the Reinsurance Charge Pages or Retained Risk Provision Pages may be obtained by interpolation.

Method for Interpolation (example): A Coverage Limits factor is desired for a policy amount of $83,000. Coverage Limit Factors are shown for $80,000 and $85,000 on the Reinsurance Charge Pages and Retained Risk Provision Pages.

1. Policy Amounts Shown / Factors Shown

Policy Amounts Shown	Factors Shown
$85,000	85
80,000	80
$ 5,000 (difference in amounts)	5 (difference in package)

2. $ 3,000 (additional amount)
$ 5,000 (difference in amounts) x 5 (difference in factor)

= 3.000 (round to three decimals)

80.000 (factor for $80,000)
3.000 (factor for additional $3,000)
83.000 (factor for $83,000, round to three decimals)

ARKANSAS
HOMEOWNERS
PREMIUM CALCULATION PAGES

ROUND AFTER EACH CALCULATION TO THE NEAREST PENNY

STEP #		Homeowners	Select Homeowners
1	HOMEOWNERS PACKAGE PREMIUM (PCP - 2; step 1E, 1L, or 1AB)		
2	RATE ADJUSTMENT FACTOR (RFP - 4)	x	x
3	CLAIM RATING FACTOR (RFP - 4 to RFP - 7)	x	x
4	CLAIM FREE DISCOUNT (RFP - 8)	x	x
5	COVERAGE BC - BUILDING CODES FACTOR (RFP - 8)	x	
6	DWELLINGS IN THE COURSE OF CONSTRUCTION FACTOR (RFP - 8)	x	
7	AGE OF HOME DISCOUNT (RFP - 8)	x	x
8	PARTIALLY RENOVATED HOME DISCOUNT (RFP - 8)	x	x
9	HOME BUYER DISCOUNT (RFP - 9)	x	x
10	FIRE RESISTIVE DISCOUNT (RFP - 9)	x	x
11	PROTECTIVE DEVICE DISCOUNT (RFP - 9)	x	x
12	55 AND RETIRED DISCOUNT (RFP - 9)	x	x
13	HOME AND AUTO DISCOUNT (RFP - 10)	x	x
14	THE GOOD HANDS PEOPLE ® DISCOUNT (RFP - 10)	x	x
15	ROOF RATING FACTOR (RFP - 11)	x	x
16	DEDUCTIBLE FACTOR (RFP - 12)	x	x
17	SECONDARY RESIDENCE FACTOR (RFP - 13)	x	x
18	SELECT HOMEOWNERS RATE SCHEDULE FACTOR (RFP - 13)		x
19	EXCESS DWELLING COVERAGE (RFP - 13) [1]	x	
20	EXTENDED PROTECTION AMENDATORY ENDORSEMENT FACTOR (RFP - 13)	x	x
21	YOUR CHOICE HOME PACKAGE FACTOR (RFP - 13)	x	x
22	WATER BACKUP AMOUNT (RFP - 13) [2]	+	+
23	TOTAL PERSONALIZED OPTIONS PREMIUM (SRP - 1)	+	+
24	FIXED EXPENSE POLICY FEE (SRP - 2)	+	+
25	RETAINED RISK PROVISION (RFP - 14)	+	+
26	REINSURANCE CHARGE (RFP - 15)	+	+
27	ADDITIONAL PREMIUM [3]	+	+
28	TOTAL COVERAGE PREMIUM	=	=

[1] The Excess Dwelling Coverage Factor should not be applied to policies purchasing the Extended Protection Amendatory Endorsement.

[2] The Water Backup coverage is only available to, and mandatory for, policies purchasing the Extended Protection Amendatory Endorsement.

[3] Additional premium applicable for endorsements, increased limits, additional coverage, or additional coverage deductible buy-downs, and subtract any applicable credit for reduced coverage shown on the Supplementary Rate Pates. Where applicable, use the same deductible amount applicable to Coverage A.

ARKANSAS
HOMEOWNERS
RATE FACTOR PAGES

Order in Calculation

2 **Rate Adjustment Factor:**

Factor: 2.033

3 **Claim Rating Factor:**

Rating Groups 1-3

# of Chargeable Claims in the past 3 years

			Group A					
			0	1	2	3	4	5
Total Group B and C	# of C	# of B						
0	0	0	0.400	0.540	0.745	1.028	1.419	1.850
1	0	1	0.400	0.540	0.745	1.028	1.419	1.850
1	1	0	0.440	0.594	0.820	1.131	1.561	1.850
2	0	2	0.400	0.540	0.745	1.028	1.419	1.850
2	1	1	0.440	0.594	0.820	1.131	1.561	1.850
2	2	0	0.524	0.707	0.975	1.346	1.850	1.850

Each Additional Chargeable Group A Claim - apply factor of 1.380 to the claim rating factor. The overall Claim Rating Factor shall not exceed 1.85.
Each Additional Chargeable Group B Claim - apply factor of 1.000 to the claim rating factor. The overall Claim Rating Factor shall not exceed 1.85.
Each Additional Chargeable Group C Claim - apply factor of 1.190 to the claim rating factor. The overall Claim Rating Factor shall not exceed 1.85.

Rating Groups 4-6

# of Chargeable Claims in the past 3 years

			Group A					
			0	1	2	3	4	5
Total Group B and C	# of C	# of B						
0	0	0	0.460	0.621	0.857	1.183	1.632	1.850
1	0	1	0.460	0.621	0.857	1.183	1.632	1.850
1	1	0	0.506	0.683	0.943	1.301	1.795	1.850
2	0	2	0.460	0.621	0.857	1.183	1.632	1.850
2	1	1	0.506	0.683	0.943	1.301	1.795	1.850
2	2	0	0.602	0.813	1.122	1.548	1.850	1.850

Each Additional Chargeable Group A Claim - apply factor of 1.380 to the claim rating factor. The overall Claim Rating Factor shall not exceed 1.85.
Each Additional Chargeable Group B Claim - apply factor of 1.000 to the claim rating factor. The overall Claim Rating Factor shall not exceed 1.85.
Each Additional Chargeable Group C Claim - apply factor of 1.190 to the claim rating factor. The overall Claim Rating Factor shall not exceed 1.85.

Rating Groups 7-9

# of Chargeable Claims in the past 3 years

			Group A					
			0	1	2	3	4	5
Total Group B and C	# of C	# of B						
0	0	0	0.490	0.662	0.913	1.260	1.738	1.850
1	0	1	0.490	0.662	0.913	1.260	1.738	1.850
1	1	0	0.539	0.728	1.005	1.385	1.850	1.850
2	0	2	0.490	0.662	0.913	1.260	1.738	1.850
2	1	1	0.539	0.728	1.005	1.385	1.850	1.850
2	2	0	0.641	0.866	1.195	1.649	1.850	1.850

Each Additional Chargeable Group A Claim - apply factor of 1.380 to the claim rating factor. The overall Claim Rating Factor shall not exceed 1.85.
Each Additional Chargeable Group B Claim - apply factor of 1.000 to the claim rating factor. The overall Claim Rating Factor shall not exceed 1.85.
Each Additional Chargeable Group C Claim - apply factor of 1.190 to the claim rating factor. The overall Claim Rating Factor shall not exceed 1.85.

Order in Calculation

13 Home and Auto Discount:

IS Group	Factor
1 - 30	0.70

14 Good Hands People® Discount:

Factor: 0.95

Order in Calculation

25 Retained Risk Provision

BASE RETAINED RISK PROVISION*: **0.035**
***Charge is per $1000 of Coverage A Limit**

RETAINED RISK PROVISION LIMIT FACTORS

COVERAGE A	FACTOR
10,000	10
11,000	11
12,000	12
13,000	13
14,000	14
15,000	15
16,000	16
17,000	17
18,000	18
19,000	19
20,000	20
25,000	25
30,000	30
35,000	35
40,000	40
45,000	45
50,000	50
55,000	55
57,000	57
58,000	58
59,000	59
60,000	60
61,000	61
63,000	63
65,000	65
66,000	66

COVERAGE A	FACTOR
68,000	68
69,000	69
70,000	70
71,000	71
72,000	72
73,000	73
74,000	74
75,000	75
80,000	80
85,000	85
90,000	90
95,000	95
100,000	100
110,000	110
120,000	120
130,000	130
140,000	140
150,000	150
170,000	170
180,000	180
190,000	190
200,000	200
225,000	225
275,000	275
325,000	325
Each Additional 1,000	1

Step #		Homeowners	Select Homeowners
1	Base Retained Risk Provision		
2	Retained Risk Provision Rate Adjustment Factor (Round to 3 decimals)	x 1.000	x 1.000
3	Retained Risk Provision Limit Factor (Penny Round)	x	x
4	Retained Risk Provision		

Order in Calculation

26 Reinsurance Charge

BASE REINSURANCE CHARGE*: **0.054**
***Charge is per $1000 of Coverage A Limit**

REINSURANCE LIMIT FACTORS

COVERAGE A	FACTOR
10,000	10
11,000	11
12,000	12
13,000	13
14,000	14
15,000	15
16,000	16
17,000	17
18,000	18
19,000	19
20,000	20
25,000	25
30,000	30
35,000	35
40,000	40
45,000	45
50,000	50
55,000	55
57,000	57
58,000	58
59,000	59
60,000	60
61,000	61
63,000	63
65,000	65
66,000	66

COVERAGE A	FACTOR
68,000	68
69,000	69
70,000	70
71,000	71
72,000	72
73,000	73
74,000	74
75,000	75
80,000	80
85,000	85
90,000	90
95,000	95
100,000	100
110,000	110
120,000	120
130,000	130
140,000	140
150,000	150
170,000	170
180,000	180
190,000	190
200,000	200
225,000	225
275,000	275
325,000	325
Each Additional 1,000	1

Step #		Homeowners	Select Homeowners
1	Base Reinsurance Charge		
2	Rate Adjustment Factor (Round to 3 decimals)	0.407	0.407
3	Reinsurance Limit Factor (Penny Round)	x	x
4	Reinsurance Charge		

CHECKING LIST FOR HOMEOWNERS

Printing dates are shown on each page to facilitate identification of different editions, but have no direct connection with the effective date of the page.

RULES

Enclosed: Page HOPC5-2 dated 8-1-2006

Withdrawn: Page HOPC5-2 dated 5-1-2011

RATING SECTIONS

Enclosed: Page PCP-1 dated 6-1-2009

Page RFP-4 dated 5-2-2011
Page RFP-10 dated 5-2-2011
Page RFP-14 dated 5-2-2011

Withdrawn: Page PCP-1 dated 5-1-2011

Page RFP-4 dated 5-1-2011
Page RFP-10 dated 5-1-2011
Page RFP-14 & RFP-15 dated 5-1-2011

RULE 14 - INTERPOLATION OF POLICY AMOUNTS

Package Premium
The premium for a policy amount not shown on the Package Premium Pages may be obtained by interpolation. The premium adjustment for additional amounts of coverages for Section I of the policy may also be interpolated.

Method for Interpolation (example): A package premium is desired for a policy amount of $83,000. Premiums are shown for $80,000 and $85,000 on the Package Premium Pages.

1. Policy Amounts Shown / Premiums Shown

Policy Amounts Shown	Premiums Shown
$85,000	$590
80,000	581
$ 5,000 (difference in amounts)	$ 9 (difference in package premiums)

2. $ 3,000 (additional amount)
   $ 5,000 (difference in amounts) x $9 (different in package premium)

   = $5.4 (dollar round to $5)

   $ 581 (premium for $80,000)
   5 (premium for additional $3,000)
   $ 586 (package premium for $83,000)

Reinsurance Charge
The Coverage Limits factor for a policy amount not shown on the Reinsurance Charge Pages may be obtained by interpolation.

Method for Interpolation (example): A Coverage Limits factor is desired for a policy amount of $83,000. Coverage Limit Factors are shown for $80,000 and $85,000 on the Reinsurance Charge Pages.

1. Policy Amounts Shown / Factors Shown

Policy Amounts Shown	Factors Shown
$85,000	85
80,000	80
$ 5,000 (difference in amounts)	5 (difference in package)

2. $ 3,000 (additional amount)
   $ 5,000 (difference in amounts) x 5 (difference in factor)

   = 3.000 (round to three decimals)

   80.000 (factor for $80,000)
   3.000 (factor for additional $3,000)
   83.000 (factor for $83,000, round to three decimals)

Rounding:

Unless otherwise noted, all premium calculations shall be rounded to the nearest dollar. A premium of $0.50 or more shall be rounded to the next whole dollar.
The Reinsurance Charge and Retained Risk Provision, as well as the final premium shall be rounded to the nearest penny. Amounts of $0.005 or more shall be rounded to the next whole penny.

1. Determine the Package Premium:

   a) Determine the appropriate $250 deductible premium for the Coverage A limits shown on the Package Premium Pages.

   b) Multiply the appropriate $250 deductible premium by a Rate Adjustment Factor of 1.955.

2. Claim Rating Factor – Multiply by the appropriate factor (Rule 25)

3. Claim Free Discount – Multiply by .85 (Rule 26)

4. Coverage BC - Building Codes - Multiply by 1.05 (Rule 4.A.1)

5. Dwellings in the Course of Construction - Multiply by .70 (Rule 4.B.2)

6. Age of Home Discount - Multiply by the appropriate factor (Rule 23)

7. Partially Renovated Home Discount - Multiply by the appropriate factor (Rule 27)

8. Home Buyer Discounts - Multiply by the appropriate factor (Rule 28)

9. Personal Property Reimbursement Provision - Multiply by 1.15 (Rule 4.A.16)

10. Fire Resistive Discount - Multiply by .85 (Rule 10)

11. Protective Device Discount - Multiply by the appropriate factor (Rule 15)

12. 55 and Retired Discount - Multiply by .90 (Rule 16)

13. Home and Auto Discount - Multiply by the appropriate factor (Rule 17)

14. The Good Hands People® Discount - Multiply by .95 (Rule 22)

15. Apply the appropriate deductible factor, subject to any applicable maximum dollar credit.

Deductible Option	Deductible Relativity	Maximum Deductible Credit *
$ 50	1.44	-
100	1.25	-
250	Base	-
250/500 WIND/HAIL	.94	$150
250/1000 WIND/HAIL	.92	210
500	.87	375
500/1000 WIND/HAIL	.84	720
750	.80	825
1000	.75	1200
1500	.70	1575
2000	.65	1800
3000	.60	2025
5000	.53	2325

- relative to the $250 deductible premium

16. $250 Theft Deductible - Multiply the $50 or $100 Deductible premium by .95

17. Add the Fixed Expense Policy Fee shown on the Supplementary Rate Page

18. For 3/4 Family Dwelling add amount shown on Supplementary Rate Pages

19. Add the appropriate Reinsurance Charge. Determine the charge as follows:

    a. Determine the appropriate Base Reinsurance Charge from the Reinsurance Charge Pages.

    b. Multiply the appropriate charge by a Reinsurance Rate Adjustment Factor of 0.407 (round to three decimals).

    c. Multiply by the appropriate Coverage A Reinsurance Limit Factor as shown in the Reinsurance Charge Pages (penny round).

20. Add the additional premium applicable for increased limits or additional coverage and subtract any applicable credit for reduced coverage shown on the Supplementary Rate Pages. Where applicable, use the same deductible amount as Coverage A.

The premium calculation should be done in the following order:

1. Multiply the appropriate $250 deductible premium shown on the Package Premium Pages by a Rate Adjustment Factor of 1.974.
2. Claim Rating Factor – Multiply by the appropriate factor (Rule 25)
3. Claim Free Discount – Multiply by .85 (Rule 26)
4. Age of Home Discount - Multiply by the appropriate factor (Rule 23)
5. Partially Renovated Home Discount - Multiply by the appropriate factor (Rule 27)
6. Home Buyer Discounts - Multiply by the appropriate factor (Rule 28)
7. Fire Resistive Discount - Multiply by .85 (Rule 10)
8. Protective Device Discount - Multiply by the appropriate factor (Rule 15)
9. 55 and Retired Discount - Multiply by .90 (Rule 16)
10. Home and Auto Discount - Multiply by appropriate factor (Rule 17)
11. The Good Hands People® Discount - Multiply by .95 (Rule 22)

12. Apply the appropriate deductible factor, subject to any applicable maximum dollar credit.

Deductible Option	Deductible Relativity	Maximum Deductible Credit *
100	1.25	-
250	Base	-
250/500 WIND/HAIL	.94	$150
250/1000 WIND/HAIL	.92	210
500	.85	375
500/1000 WIND/HAIL	.84	720
750	.75	825
1000	.70	1200
1500	.65	1575
2000	.61	1800
3000	.56	2025
5000	.49	2325

* relative to the $250 deductible premium

13. Add the Fixed Expense Policy Fee shown on the Supplementary Rate Page

14. Add the appropriate Reinsurance Charge. Determine the charge as follows:

    a) Determine the appropriate Base Reinsurance Charge from the Reinsurance Charge Pages.

    b) Multiply the appropriate charge by a Reinsurance Rate Adjustment Factor of 0.407(round to three decimals).

    c) Multiply by the appropriate Coverage A Reinsurance Limit Factor as shown in the Reinsurance Charge Pages (penny round).

15. Add the additional premium applicable for increased limits or additional coverage. Where applicable, use the same deductible amount as Coverage A.

    Note: All premium calculations shall be rounded to the nearest dollar. A premium of $0.50 or more shall be rounded to the next higher whole dollar.

Determination of Select Value Premium

A. INFORMATION NEEDED FROM APPLICATION

1. Selected Coverage A Limit. * _____
2. Full Replacement Cost of Dwelling. _____

* Use Amount Rounded to Nearest $1,000

B. CALCULATIONS

Ratio of Selected Value to Full Replacement Cost (A.1.)/(A.2.) _____

C. PREMIUM FROM INDEMNITY HOMEOWNERS MANUAL

1. Determine the premium for the Deluxe Homeowners Policy as appropriate from the INDEMNITY HOMEOWNERS MANUAL as found on line (A.2.) _____

   Refer to the Allstate Indemnity Company Homeowners Rate Page Calculation Options Page and, where applicable, apply Steps 1 through 16.

2. To calculate premiums for the Standard Select Value Policy, multiply the premium from line (C.1.) by .93. Note the Exceptions on the Supplementary Rate Page. _____

D. FACTOR FROM SELECT VALUE RATE SCHEDULE

Determine factor from the Select Value Rate Schedule (Page SVFS-1) based on ratio developed on line (B.) _____

E. CALCULATION OF BASE PREMIUM

Premium for Select Value Policy with Coverage A limit shown on line (A.1.), multiply appropriate premium from section (C.) X factor from line (D.) _____

F. CALCULATION OF FINAL PREMIUM

Add the additional premium applicable for increased limits, additional Coverage, or fixed expense fee shown on the Supplementary Rate Page and Reinsurance Charge Page. (For the Standard Policy, note the Exceptions and Additional Information). _____

Supporting Document Schedules

		Item Status:	Status Date:
Bypassed - Item:	Form RF-2 Loss Costs Only (not for workers' compensation)		
Bypass Reason:	N/A		
Comments:			

		Item Status:	Status Date:
Satisfied - Item:	H-1 Homeowners Abstract	Filed	07/08/2011
Comments:			
Attachment:			

INS01787.pdf

		Item Status:	Status Date:
Satisfied - Item:	HPCS-Homeowners Premium Comparison Survey	Filed	07/08/2011
Comments:			
Attachment:			

HO Survey FORM HPCS.xlsx

		Item Status:	Status Date:
Satisfied - Item:	NAIC loss cost data entry document	Filed	07/08/2011
Comments:			
Attachment:			

FORM RF-1 Rate Filing Abstract.pdf

		Item Status:	Status Date:

		Item Status:	Status Date:
Satisfied - Item:	Filing Memo & Exhibits	Filed	07/08/2011

Comments:

Attachment:

AR APC Filing Memo & Exhibits.pdf

		Item Status:	Status Date:
Satisfied - Item:	03/23/11 OBJ Response	Filed	07/08/2011

Comments:

Attachment:

Objection 3.23.2011 Response - APC.pdf

		Item Status:	Status Date:
Satisfied - Item:	04/15/11 OBJ Response	Filed	07/08/2011

Comments:

Attachment:

Objection 4.15.2011 Response - APC.pdf

		Item Status:	Status Date:
Satisfied - Item:	Amendment	Filed	07/08/2011

Comments:

Attachment:

Amendment to Allstate AR Owners Rate Filing_R23300_Final.pdf

		Item Status:	Status Date:
Satisfied - Item:	07/05/11 Objection Response	Filed	07/08/2011

Comments:

Attachment:

Response to Objection and Amendment to Allstate AR APC Owners Rate Filing_R23300_Final.pdf

		Item Status:	Status Date:
Satisfied - Item:	Entire Manual - 7/5/11 Objection Response	Filed	07/08/2011

Comments:

Attachment:

Entire Manual.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: Allstate Property & Casualty Insurance Company
NAIC # (including group #): 008-17230

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.
   Allstate Property and Casualty Insurance Company uses RCT, a Marshall & Swift Boeckh Product. This began in October 2005. RCT is not used to make sure that dwellings are insured at their value. Rather, Allstate Property and Casualty Insurance Company uses the RCT tool to develop an estimate of the minimum amount for which Allstate Property and Casualty Insurance Company will insure a property.

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.
   At the point of sale, it is required that the cost estimator be completed. The new business processing application will require the agency to select a Coverage A limit equal to or greater than the RCT generated estimate.

4. If you use an Inflation Guard form or similar type of coverage, describe the coverage(s) and estimate the impact.
   Allstate's policy contains the Property Insurance Adjustment language. It allows for an adjustment to a policy's Coverage A limit at renewal when there has been a change in the estimated cost to replace a customer's home.

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

a. Fire Extinguisher		3	%
b. Burglar Alarm		3	%
c. Smoke Alarm		3	%
d. Insured who has both homeowners and auto with your company		30	%
e. Deadbolt Locks		3	%
f. Window or Door Locks		N/A	%
g. Other (specify)	Complete Central Burglar Alarm	4	%
	Complete Central Fire Alarm	4	%
	Central Home Sprinkler System	4	%

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	$34,546,633

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

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

Celeste Mrdak
Signature

Celeste Mrdak
Printed Name

Senior State Filings Analyst
Title

847-402-7328
Telephone Number

oscmrda@allstate.com
Email address

NAIC Number:	17230	Homeowners Premium Comparision Survey Form	Submit to:	Arkansas Insurance Department
Company Name:	Allstate Property and Casualty Insurance Company	FORM HPCS - last modified August, 2005		1200 West Third Street
Contact Person:	Celeste Mrdak			Little Rock, AR 72201-1904
Telephone No.:	(847) 402-7328	USE THE APPROPRIATE FORM BELOW - IF NOT APPLICABLE, LEAVE BLANK	Telephone:	501-371-2800
Email Address:	oscmrda@allstate.com		Email as an attachment to:	insurance.pnc@arkansas.gov
Effective Date:	8/8/2011		You may also attach to a SERFF filing or submit on a cdr disk	

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	$578.65	$634.74	$690.86	$759.28	$690.86	$759.28	$711.39	$782.09	$502.93	$550.82	$502.93	$550.82	$666.23	$731.90	$523.91	$573.62	$546.26	$598.72
	$120,000	$704.46	$773.93	$843.39	$928.51	$843.39	$928.51	$869.17	$957.05	$609.68	$669.49	$609.68	$669.49	$813.04	$894.46	$635.91	$698.02	$663.52	$728.84
	$160,000	$812.65	$894.15	$975.17	$1,074.73	$975.17	$1,074.73	$1,004.82	$1,108.05	$702.00	$771.45	$702.00	$771.45	$939.52	$1,034.90	$732.56	$805.25	$764.97	$841.36
6	$80,000	$590.06	$696.34	$704.54	$834.55	$704.54	$834.55	$725.53	$860.08	$512.50	$603.28	$512.50	$603.28	$679.47	$803.99	$533.94	$628.82	$556.30	$656.19
	$120,000	$718.26	$850.75	$860.42	$1,021.91	$860.42	$1,021.91	$886.65	$1,054.11	$622.11	$734.82	$622.11	$734.82	$829.13	$984.64	$648.32	$766.57	$676.40	$800.63
	$160,000	$828.86	$983.51	$995.08	$1,184.01	$995.08	$1,184.01	$1,025.64	$1,221.03	$716.35	$847.85	$716.35	$847.85	$958.50	$1,140.02	$746.92	$885.35	$780.24	$925.17
9	$80,000	$691.31	$809.00	$827.71	$971.39	$827.71	$971.39	$852.79	$1,001.49	$598.72	$699.07	$598.72	$699.07	$797.60	$935.81	$623.81	$728.72	$651.17	$761.11
	$120,000	$843.86	$990.17	$1,013.62	$1,192.60	$1,013.62	$1,192.60	$1,044.91	$1,229.86	$728.84	$853.99	$728.84	$853.99	$976.36	$1,148.43	$760.12	$890.79	$794.17	$931.28
	$160,000	$975.64	$1,146.95	$1,173.80	$1,383.09	$1,173.80	$1,383.09	$1,210.86	$1,426.62	$841.36	$987.21	$841.36	$987.21	$1,130.75	$1,331.70	$877.94	$1,030.74	$917.76	$1,077.97

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	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	$15,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	$25,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
6	$5,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	$15,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	$25,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
9	$5,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	$15,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	$25,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	$120,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	$160,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
6	$80,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	$120,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	$160,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
9	$80,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	$120,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	$160,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

HO3 and HO4 only

Fire Extinguisher	3 %	*Deadbolt Lock*	3 %
Burglar Alarm	3 %	*Window Locks*	N/A %
Smoke Alarm	3 %	*$1,000 Deductible*	5-22 %
		Other (specify)	
		Complete Central Burglar A	4 %
		Maximum Credit Allowed	%

EARTHQUAKE INSURANCE

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

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

WHAT IS YOUR PERCENTAGE DEDUCTIBLE? N/A %

WHAT IS YOUR PRICE PER $1,000 OF COVERAGE?	Zone	Brick	Frame
	Highest Risk	$ N/A	$ N/A
	Lowest Risk	$ N/A	$ N/A

NAIC LOSS COST DATA ENTRY DOCUMENT

1.	This filing transmittal is part of Company Tracking #	**R23300**

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

		Company Name		Company NAIC Number
3.	**A.**	**Allstate Property and Casualty Insurance Company**	**B.**	**17230**

		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.**	**Homeowners**	**B.**	**Owners**

5.

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	FOR LOSS COSTS ONLY (D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
Homeowners and Select Homeowners	**79.1%**	**10.0%***					
TOTAL OVERALL EFFECT	**79.1%**	**10.0%*** *Note that this includes NCOR					

6. 5 Year History Rate Change History

Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
2006	**4780**	**N/A**	**N/A**	**4876961**	**4747535**	**0.97**	**0.54**
2007	**15208**	**9.2%**	**8/27/07**	**12300000**	**9517373**	**0.77**	**0.64**
2008	**24322**	**N/A**	**N/A**	**19975051**	**34761554**	**1.74**	**0.94**
2009	**32136**	**27.7%**	**6/1/09**	**25996374**	**36097988**	**1.39**	**0.54**
2010	**34216**	**N/A**	**N/A**	**31684601**	**23379913**	**0.74**	**0.88**

7.

Expense Constants	Selected Provisions
A. Total Production Expense	**5.1%**
B. General Expense	**4.8%**
C. Taxes, License & Fees	**3.2%**
D. Underwriting Profit & Contingencies	**10.2%**
E. Other (Commissions & Contingency)	**13.2%**
F. TOTAL	**37.5%**

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

9. ___17.3%__ Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): ___118________________________

10. **___7.9%__** Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): _____115________________________

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ATTACHMENT I

Summary of Disclosures

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DEFINITIONS

Please note that throughout this filing, the following terms and their definitions are used:

Owners Policy – a policy which covers a freestanding dwelling or townhome that is not classified as a manufactured home.

Homeowners Policy – An owners, condo, co-op, or renters policy.

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ACTUARIAL STANDARDS OF PRACTICE

This document confirms compliance with the following Actuarial Standards of Practices that are applicable to the preparation of statewide rate filings performed by casualty actuaries as stated in "Applicability Guidelines for Actuarial Standards of Practice" (American Academy of Actuaries, September 2004). In addition, references to relevant sections of this filing are included, where applicable.

- Actuarial Standard of Practice No. 9, *Documentation and Disclosure in Property and Casualty Insurance Ratemaking, Loss Reserving, and Valuations*
    - Attachment I, Page 4: Material Changes in Sources of Data, Assumptions, or Methods
    - Attachment II, Page 1: Summary of the Development of Statewide Rate Level Indication
- Actuarial Standard of Practice No. 13, *Trending Procedures in Property/Casualty Insurance Ratemaking*
    - Attachment II, Page 1: Summary of the Development of Statewide Rate Level Indication
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- Actuarial Standard of Practice No. 23, *Data Quality*
    - Attachment IV, Page 9: Development of the Hurricane Provision Based on the 2009/08 AIR Version 11.0 Hurricane Model in the Statewide Rate Level Indication Explanatory Memorandum
- Actuarial Standard of Practice No. 25, *Credibility Procedures Applicable to Accident and Health, Group Term Life, and Property/Casualty Coverages*
    - Attachment II, Page 3: Base Data – Accident Year Weights
- Actuarial Standard of Practice No. 29, *Expense Provisions in Property/Casualty Insurance Ratemaking*
    - Attachment II, Page 8: Expenses, Profit Provision, and Contingency Factor
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- Actuarial Standard of Practice No. 30, *Treatment of Profit and Contingency Provisions and the Cost of Capital in Property/Casualty Insurance Ratemaking*
    - Attachment II, Page 10: Expenses, Profit Provision, and Contingency Factor – Variable Expenses – Underwriting Profit Provision
    - Attachment VI, Page 1: Contingency Factor Support Explanatory Memorandum
- Actuarial Standard of Practice No. 38, *Using Models Outside the Actuary's Area of Expertise (Property and Casualty)*

- Attachment IV, Page 9: Development of the Hurricane Provision Based on the 2009/08 AIR Version 11.0 Hurricane Model in the Statewide Rate Level Indication Explanatory Memorandum
- Attachment V, Page 1: Development of Retained Risk Provision due to Catastrophe Exposure

- Actuarial Standard of Practice No. 39, *Treatment of Catastrophe Losses in Property/Casualty Insurance Ratemaking*
  - Attachment III, Page 1: Summary of the Total Non-Modeled Catastrophe Adjustment
  - Attachment V, Page 1: Development of Retained Risk Provision due to Catastrophe Exposure
  - Attachment IV, Pages 1-9: Development of the Hurricane Provision Based on the 2009/08 AIR Version 11.0 Hurricane Model in the Statewide Rate Level Indication Explanatory Memorandum
- Actuarial Standard of Practice No. 41, *Actuarial Communications*
  - Applies to this filing in its entirety

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MATERIAL CHANGES IN SOURCES OF DATA, ASSUMPTIONS, OR METHODS

This document lists all material changes in sources of data, assumptions, or methods from the last Owners Allstate rate level indication filing. These changes are further described in the subsequent memos in compliance with Actuarial Standard of Practice No. 9, *Documentation and Disclosure in Property and Casualty Insurance Ratemaking, Loss Reserving, and Valuations.*

- Loss Development Methodology Revisions
  - Evaluation of accident year losses at 12 months as described in Attachment II, Page 3
- ULAE Provision
  - Use of three-year average, rather than two-year average, as described in Attachment II, Page 5
  - Use of combined-lines expense data, rather than expense data separated out by line of business, as described in Attachment II, Page 5
- Provision for General and Other Acquisition Expenses
  - Use of combined-lines expense data, rather than expense data separated out by line of business, as described in Attachment II, Page 9
- Underwriting Profit Provision
  - Update to methodology as described in Attachment II, Page 10
- Non-Modeled Catastrophe Provision
  - Update to methodology as described in Attachment III, Pages 1 and 2
- Projected Average Premium
  - Used 1 year of premium to project average earned premium as described in Attachment II, Page 12
- Modeled Hurricane Provision
  - Introduce hurricane model used in the development of the modeled hurricane provision
- Accident Year Weights
  - Update to methodology as described in Attachment II, Page 3
- Retained Risk Provision
  - Retained Risk Provision included in calculating statewide rate level indication, as described in Attachment II, Page 7

ATTACHMENT II

Summary of Rate Level Indication

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SUMMARY OF THE DEVELOPMENT OF STATEWIDE RATE LEVEL INDICATION

The data used in the calculation of the rate level indication was selected in accordance with the considerations listed in Section 3.2 of Actuarial Standard of Practice No. 23, *Data Quality*. The calculation of the rate level indication is consistent with the Statement of Principles Regarding Property and Casualty Insurance Ratemaking contained in Appendix 1 of Actuarial Standard of Practice No. 9, *Documentation and Disclosure in Property and Casualty Insurance Ratemaking, Loss Reserving, and Valuations*.

A rate level indication is a test of the adequacy of expected revenues versus expected costs during the future policy period. Therefore, to derive the indicated rate level need accurately, Allstate's historical premium and loss experience needs to be adjusted. In accordance with *Section 3.1* of Actuarial Standard of Practice No. 13, *Trending Procedures in Property/Casualty Insurance Ratemaking*, Allstate trends the underlying historical experience for premiums, losses, and fixed expenses to appropriately reflect historical and projected changes in these components of the rate level indications. In addition, historical premiums must be adjusted to reflect the current rate level; and historical losses must be adjusted to reflect expected development over time. All actual catastrophe losses during the experience period were removed and then replaced with a provision to reflect expected catastrophe losses. Details of these necessary adjustments to the historical data used in the rate level indication are described in this memorandum. The adjustments have been applied to Arkansas's premium and loss experience in deriving the indicated rate level change.

The table below summarizes the indicated rate change, and the actual rate level change being proposed. The determination of the overall indicated change is included in **Attachment VII, Exhibit 1**, and described in detail throughout this filing.

	Premium Dist. at Current Rates	**Indicated Change**	**Selected Change****
Fixed Expense Premium	6.2%	NA	N/C
Variable Package Premium	90.0%	NA	32.9%
Total Owners Package*	**96.2%**	**NA**	**30.7%**
Additional Coverages	3.8%	NA	N/C
Total Owners	**100.0%**	**80.9%**	**29.6%**

*Includes premium from Homeowners and Select Homeowners Policies. Please reference Rule Manual for more details.
**We implicitly assume no indicated change for fixed expenses and additional coverages.

Allstate Property and Casualty Insurance Company		
	Premium Distribution	**Proposed Change**
Premium Underlying Indicated Rates	100.0%	29.6%
Reinsurance Charges	0.0%	1000.1%
Total	**100.0%**	**29.9%**

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BASE DATA

In developing rate level indications for Arkansas, data from fiscal accident years ending September 30, 2007, 2008, 2009 and 2010 was used. With this filing, Allstate will begin evaluating accident year experience as of 12 months of development instead of 15 months of development. Analysis has shown that using 12 months of development, which allows for three more recent months of experience in our indication, is more predictive of future loss. Each of these fiscal accident years is evaluated as of September 30, 2010.

<u>Accident Year Weights</u>
In order to develop a credible measure of the indicated rate level, it is sometimes necessary to use more than one year of historical loss experience. A maximum of five accident years is combined to determine the indicated provision for loss and loss adjustment expense. With this filing, Allstate is revising its approach used in selecting accident year weights. The number of years used and the credibility per year is based upon a credibility procedure from the paper "On the Credibility of the Pure Premium" (Proceedings of the Casualty Actuarial Society, Vol. LV, 1968), by Mayerson, Jones and Bowers, and the appendix of the paper "Classical Partial Credibility with Application to Trend" (Proceedings of the Casualty Actuarial Society, Vol. LXXIII, 1986), by Venter. The analysis was completed using a k value of 5.0% and a P value of 90.0%; these parameters reflect the desire that the observed pure premium should be within k of the expected pure premium with probability P.

Since Allstate Property and Casualty Insurance Company was introduced in October of 2005, there cannot be any weight given to years other than the four accident years used. As the company matures, and as more years can be used in the experience period, credibility procedures based on the number of paid claims will continue to be used in selecting weights for each accident year. The selected accident year weights are shown in the table below.

Fiscal Accident Year Ending	Accident Year Weight
September 30, 2007	10%
September 30, 2008	30%
September 30, 2009	30%
September 30, 2010	30%

This approach for incorporating credibility in determination of the accident year weights is consistent with the Current Practices and Alternatives detailed in Section 3 of Actuarial Standard of Practice No. 25, *Credibility Procedures Applicable to Accident and Health, Group Term Life, and Property/Casualty Coverages.*

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ADJUSTMENTS TO LOSSES

Loss Development

As with past filings, Allstate determines ultimate accident year losses (including allocated loss adjustment expense) after analyzing ultimate incurred loss estimates arising from two methods: the link ratio method and the additive method.

While the link ratio method assumes that future development is proportional to losses that have already emerged as of a given evaluation date, the additive method assumes that future development is proportional to the number of earned exposures in the accident period, where the expected development per exposure is based on historical development patterns per exposure, adjusted to account for differences in frequency and severity over time. Allstate believes the approach of considering two loss development procedures when estimating ultimate losses better upholds the suggestion contained in the *Statement of Principles Regarding Property and Casualty Loss and Loss Adjustment Expense Reserves* that "Ordinarily the actuary will examine the indications of more than one method when estimating the loss and loss adjustment expense liability for a specific group of claims."

Due to the limited amount of Allstate Property and Casualty Insurance Company data, loss development factors and additive amounts were based on Allstate Insurance Company, Allstate Indemnity Company, and Allstate Property and Casualty Insurance Company (Allstate Insurance Group) combined data. Loss development patterns for Allstate Insurance Group are expected to be similar, since claims settlement practices are the same for each company.

To calculate estimated ultimate losses using the link ratio method, historical age-to-age link ratios are calculated, which represent loss development between different evaluation periods. An average of the historical link ratios is then used to estimate the ultimate level of paid losses to be used in ratemaking. This method assumes that historical loss development patterns can be used to estimate future loss development on current immature claims.

For the additive loss development method, historical losses are first trended to today's price level using pure premium trends selected from Allstate Insurance Group data. This is done to avoid distortions due to changes in the underlying loss costs. Please note that due to the different lengths of trend periods in each analysis, the selected pure premium trend that is used in loss development often differs from the selected trend that applies to the underlying data. Trended additive amounts per exposures are calculated, which represent trended loss development between different evaluation periods. An average of the historical trended additive amount per exposure is then used to estimate the ultimate trended level of paid losses. Trended age-to-ultimate additive amounts per exposure are multiplied by earned exposures for each accident year to calculate trended losses that have yet to emerge. A final step in the additive method is to detrend the trended losses yet to emerge. Losses are detrended because the application of trend is accounted for in a separate step in the ratemaking process. This method assumes that historical loss development patterns per exposure can be used to estimate future loss development on current immature claims.

Refer to **Exhibit 3 of Attachment VII** for the loss development using both the link ratio and additive methods of loss development. A summary of the estimated ultimate losses using each method as well as the selected ultimate losses is shown on **Attachment VII, Exhibit 3.2**. Please note that the actual five year average loss development factors and additive amounts per exposure excluding high and low values were used.

<u>Loss Adjustment Expenses</u>

Allocated loss adjustment expense (ALAE) is included in the losses. Losses in the experience period have been adjusted to account for non-hurricane unallocated loss adjustment expenses (ULAE). A provision is developed using countrywide Allstate Insurance Group data. In previous filings, expense data had been separated out by line of business, as is done in the Insurance Expense Exhibit, to determine the ULAE provisions by line. Moving forward, Allstate has opted to leave the ULAE data in combined-lines form since the allocation of ULAE by line of business is done by accounting formula rather than pricing analysis.

A three-year average of the ratios of countrywide, combined-lines, calendar year non-hurricane ULAE to countrywide, combined-lines, calendar year non-hurricane incurred losses and allocated loss adjustment expense is used to determine the ULAE provision. The average ratio is then applied to the losses for each year used in the formula calculation. The ULAE ratios that have been used in this filing are shown in **Attachment VII, Exhibit 4.**

<u>Loss Trend</u>

Using Allstate Property and Casualty Insurance Company data for the state of Arkansas, the past changes in actual frequency and severity on a twelve-month-moving basis (evaluated at each quarter) over a five year period were examined. After considering past results, knowledge of changes in various inflation indices relating to insurance, countrywide Allstate data, credibility level of Allstate data, Allstate Insurance Group data, industry data, and actuarial judgment, annual pure premium trends were selected. The Allstate Property and Casualty Insurance Company data has been adjusted as described below.

Frequency and severity amounts are calculated using the methodology in “The Effect of changing Exposure Levels on Calendar Year Loss Trends” (*Casualty Actuarial Society Forum,* Winter 2005) by Chris Styrsky. This methodology helps to more consistently match losses and claims paid with the exposures that produced the claims.

The selected trends are displayed in **Attachment VII, Exhibit 5**. These annual selections are used to project the data from the average occurrence date of the experience period to the average occurrence date of the future policy period. The projection is also shown in **Attachment VII, Exhibit 5**. Selections based on Allstate Property and Casualty Insurance Company trend data is included as **Attachment VII, Exhibit 6**.

Attachment VII, Exhibit 6 displays the twenty four-, twelve-, and six-point paid pure premium trends for Allstate Property and Casualty Insurance Company in Arkansas.

This approach for selecting pure premium trends and projections is consistent with the Current Practices and Alternatives detailed in *Appendix 1 – Background and Current Practices* of Actuarial Standard of Practice No. 13, *Trending Procedures in Property/Casualty Insurance Ratemaking.*

Catastrophes

Allstate separately identifies and accounts for its exposure to loss due to the occurrence of catastrophic events within a state. All actual catastrophe losses during the experience period were removed and then replaced with a provision to reflect expected catastrophe losses in Arkansas.

With this filing, Allstate is introducing a modeled catastrophe provision in Arkansas. As a result, the catastrophe provision is now composed of a non-modeled catastrophe provision and a modeled catastrophe provision. The modeled provision will account for hurricane catastrophe loss potential and is described in detail in **Attachment IV**. Consequently, hurricane losses are excluded from the development of the non-modeled provision. The non-modeled catastrophe provision is described in detail in **Attachment III**. **Exhibit 7 of Attachment VII**, Development of Provision for Catastrophe Loss and LAE and Retained Risk, displays the total catastrophe provision used in Arkansas.

Please note that in developing the Provision for Catastrophe Loss and LAE, the Amount of Insurance Years (AIY's) are used as an exposure base. One AIY is equal to $1,000 of Coverage in force for one year. The AIY's must be adjusted to represent the AIY's that we expect to be in force during the policy period. Selections were based on Allstate Property and Casualty Insurance Company data with considerations to the state Property Insurance Adjustment. **Attachment VII, Exhibit 11** shows the twenty-, twelve-, and six-point average AIY trends for Arkansas**.** We have selected a 0% provision to project the AIY's to the average earned date of the proposed policy period.

This approach for selecting AIY projections is consistent with the Current Practices and Alternatives detailed in *Appendix 1 – Background and Current Practices* of Actuarial Standard of Practice No. 13, *Trending Procedures in Property/Casualty Insurance Ratemaking.*

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RETAINED RISK PROVISION

With this filing, Allstate is introducing a retained risk provision in determining the rate level need in Arkansas. This provision is meant to provide appropriate returns on the high-layer retained hurricane and fire following earthquake catastrophe exposure. **Attachment V** describes the development of the retained risk provision per Amount of Insurance Year (AIY). **Exhibit 7 of Attachment VII,** Development of Provisions for Catastrophe Loss and LAE and Retained Risk, displays the retained risk provision per AIY used in Arkansas. Similar to the Provision for Catastrophe Loss and LAE, AIY's are used as an exposure base. Additionally, the same methodology was used to project the AIY's to the average earned date of the proposed policy period and ultimately to calculate the expected retained risk provision in dollars. This approach is consistent with the Current Practices and Alternatives detailed in *Appendix 1 – Background and Current Practices* of Actuarial Standard of Practice No. 13, *Trending Procedures in Property/Casualty Insurance Ratemaking.* Since the retained risk provision represents an appropriate return for this high-layer retained hurricane catastrophe exposure, the underwriting profit provision for the corresponding loss and LAE is not applied.

The methodology used to develop this retained risk provision is based upon the approach detailed in the presentation "Quantifying Risk Load for Property Catastrophe Exposure" by David Appel from the 2010 Casualty Actuarial Society Ratemaking and Product Management Seminar (http://www.casact.org/education/rpm/2010/handouts/RR3-Appel.pdf).

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EXPENSES, PROFIT PROVISION & CONTINGENCY FACTOR

The expense provisions described below were derived in accordance to Section 3.2, Determining Expense Provisions, of Actuarial Standard of Practice No 29, *Expense Provisions in Property/Casualty Insurance Ratemaking*.

Exhibit 12 of Attachment VII shows the expense provisions used in developing the current fixed and variable expense ratios, as well as the underwriting profit and debt provisions.

Fixed Expenses

General and Other Acquisition Expense

Provisions

The provisions for general expense and other acquisition expense are based on countrywide data. Since the methods and procedures that incur these expenses are uniform within each state, it is a reasonable assumption that these expense provisions are uniform across all states. To develop the provision for other acquisition and general expenses, a three-year average of countrywide calendar year incurred expense divided by countrywide calendar year direct earned premium was calculated. Because premiums charged for the net cost of reinsurance (NCOR) do not include provisions for general and other acquisition expenses, the earned premium used in the development of the general and other acquisition expenses is countrywide direct earned premium less countrywide NCOR premium.

In previous filings, expense data had been separated out by line of business, as is done in the Insurance Expense Exhibit, to determine the general and other acquisition expense provisions by line. Moving forward, Allstate has opted to leave the expense data in combined-lines form since the allocation of general and other acquisition expenses by line of business is done by accounting formula rather than pricing analysis. However, company- and line-specific adjustments to other acquisition expenses continue to be made, such as the reduction by the amount of installment fees collected and the adjustment for premiums written off.

Rate Need Calculations

In developing the dollar provision for general and other acquisition expenses used in the calculation of our Arkansas rate level need, the three-year countrywide average expense ratio for general and other acquisition expenses is applied to the average earned group premium of Arkansas. The Arkansas group average earned premium is developed using the same three-year period used in the calculation of the countrywide expense ratio. The provision is then adjusted for the trend expected to occur from the midpoint of the three years used in the calculation of the average earned premium to the average earned date of the proposed policy period to derive the provision included in the rate level indications.

Trend (Inflation)

The method used to calculate the fixed expense trend is similar to the method used by the Insurance Services Office (I.S.O.) and other competitors to determine a fixed expense trend. The method utilizes the CPI (Consumer Price Index) and the ECI (Employment Cost Index – Insurance Carriers, Agents, Brokers, & Service) and is discussed by Geoffrey Todd Werner, FCAS, MAAA in his paper *Incorporation of Fixed Expenses*, which was published in the *CAS Forum* (Winter 2004). Based on a review of the historical indices, an annual percentage change is selected for each index. These selected annual percent changes are then weighted together using the distribution of the Allstate expenditures in the latest calendar year for the two broad expense categories that these indices represent. This method is expected to produce stable and reasonable estimates of the true trend in fixed expenses and is consistent with the Current Practices and Alternatives detailed in *Appendix 1 – Background and Current Practices* of Actuarial Standard of Practice No. 13, *Trending Procedures in Property/Casualty Insurance Ratemaking*. This trend is applied to all fixed expenses. The factor to adjust for subsequent change in Fixed Expense is shown on **Exhibit 15 of Attachment VII**.

The expense provisions for general and other acquisition expenses are developed on **Exhibits 13 and 14 of Attachment VII**.

Licenses & Fees

A provision for licenses and fees that do not vary by premium size is determined by taking the arithmetic average ratio of these licenses and fees from the latest three calendar years in Arkansas. The provision for licenses and fees is considered, along with the general and other acquisition expense provisions, to be a fixed expense and is shown on **Exhibit 12 of Attachment VII**.

Variable Expenses

Commission and Brokerage Expense

The proposed commission and brokerage expense provision has been developed from the 2009 calendar year commission and brokerage incurred expense ratio in Arkansas. The provision is shown on **Exhibit 12 of Attachment VII**.

Taxes

The provision for taxes is determined by taking the currently prescribed Arkansas premium tax ratio and adding to that the arithmetic average ratio of other assessments that vary by the size of the premium from the latest three or five calendar years ending 12/31/2009 in Arkansas. The provision is shown on **Exhibit 12 of Attachment VII**.

Contingency Provision

As with previous Allstate filings, the contingency provision of 2% is shown on **Exhibit 17 of Attachment VII**. Please refer to **Attachment VI** for further details on development of the contingency provision. Please note that the contingency provision does not apply to the retained risk provision.

Underwriting Profit Provision

In 2009, disruptions in the financial market caused several of the inputs that typically are used in Allstate's profit provision calculations – risk-free rates, capital levels, and earnings projections – to dip to abnormal values compared to historic norms. Because we expected these values to return to traditional levels, and to minimize fluctuations in policyholder rates, we selected a target operating profit lower than, but near, the target operating profit from 2008. Since then, some of these abnormal levels have reverted to previous levels. As a result, we will return to using our standard methodology for determination of the profit provision.

Allstate performs two separate cost of capital analyses in the estimation of its cost of equity. The first uses the Fama-French Three-factor Model (FF3F), which reflects developments in the field of financial economics as published in the *Casualty Actuarial Society Forum, Winter, 2004 and in Journal of Risk and Insurance, Vol. 72, No. 3, September 2005* ("Estimating the Cost of Equity Capital For Property-Liability Insurers" by J. David Cummins and Richard D. Phillips). The second is a Discounted Cash Flow (DCF) analysis, which estimates the expected future cash flows to investors in order to gauge the proper cost of equity. Once both the DCF and FF3F estimates had been calculated, Allstate selected a cost of equity of 10.0%, which reflected the outcomes of both analyses.

An analysis of premium, loss and expense cash flows is used to calculate the investment income on policyholder supplied funds (PHSF). This methodology is one of the two examples given in Actuarial Standard of Practice, No. 30, *Treatment of Profit and Contingency Provisions and the Cost of Capital in Property/Casualty Insurance Ratemaking*, as appropriate methods for recognizing investment income from insurance operations (page 4).

The calculations detailing this investment income analysis are found on **Exhibit 16 of Attachment VII**. The expected investment yield rate (applied as a force of interest) used to discount losses and expenses includes anticipated net investment income and anticipated capital gains, both realized and unrealized. Operating cash flows are discounted to the average time of earnings of premium and profit for the policy year, rather than to the start of the policy year.

The final pre-tax underwriting profit provision at present value is shown in **Exhibit 16 of Attachment VII** as well.

The underwriting profit provision will not apply to the retained risk provision or the high-layer retained hurricane losses.

Debt Provision

The cost of debt is listed as a separate provision in the Variable Expense and Profit Ratio. The debt provision amount is shown on **Attachment VII, Exhibit 12**.

**ALLSTATE PROPERTY AND CASUALTY INSURANCE COMPANY
OWNERS FORMS
ARKANSAS**

ADJUSTMENTS TO PREMIUMS

With this filing Allstate will begin using only one year of premium in developing the projected average earned premium at current rate level.

Current Rate Level

All premiums in the experience period were adjusted to current rate level in Arkansas**.** As in the last filing, Allstate uses the "Miller-Davis-Karlinski" method to do this since it more accurately calculates factors to current rate level in instances when exposures are changing throughout the year, whether through growth, shrinkage or seasonality. When exposures are, in fact, written uniformly throughout the year, this method produces approximately the same answers as the parallelogram method.

We also use the Miller-Davis-Karlinski method to bring premiums to current rate level prior to calculating the changes in average premium (the premium trends).

Premium Trend

In addition to bringing premiums to current rate level, changes in the average written premium at the current premium level were reviewed on a statewide basis. Unlike losses, premium is relatively stable. Only the latest year of premium is used in the calculation of the indication, which eliminates the need for premium trend. Premium projections are still selected to account for shifts in the distribution of various underlying factors. Since the effects on losses caused by these shifts are reflected in the loss projections, it is important that Allstate also account for the anticipated future changes in premiums.

Projections were based on Allstate Property and Casualty Insurance Company data. The selected projections are displayed in **Exhibit 19 of Attachment VII**. These annual projections are used to project the data from the average occurrence date of the most recent experience period to the average occurrence date of the future policy period. Allstate Property and Casualty Insurance Company premium trend data is included as **Exhibit 20 of Attachment VII**.

ATTACHMENT III

Summary of Non-Modeled Catastrophe Provision

ALLSTATE INSURANCE GROUP^
HOMEOWNERS FORMS
ARKANSAS

SUMMARY OF THE TOTAL NON-MODELED CATASTROPHE ADJUSTMENT

Allstate separately identifies and accounts for its exposure to loss due to the occurrence of catastrophic events within a state. The adjustment to account for non-modeled catastrophes described below is consistent with the Analysis of Issues and Recommended Practices detailed in Section 3.4 of Actuarial Standard of Practice No. 39, *Treatment of Catastrophe Losses in Property/Casualty Insurance Ratemaking*.

An estimation of our non-hurricane, non-earthquake catastrophe exposure is first developed on a total company statewide level. Subsequent relativities are used to estimate our catastrophe exposure by line and by company.

In order to estimate our non-hurricane, non-earthquake catastrophe exposure at a state-wide level, we develop a long-term relativity of each state to our countrywide catastrophe factor for the latest fifteen years of data. We then apply this relativity to a countrywide catastrophe factor based on the most recent ten calendar years of data ending 09/30/2010. By using this approach, we are able to balance the stability of a long-term estimate of catastrophe potential in Arkansas (needed because of the infrequent occurrence of catastrophes) and the responsiveness of more recent data (needed because of changing demographic conditions).

Within our method we incorporated a credibility procedure designed to stabilize the results of individual states. The credibility is based on the standard (Buhlmann/Bayesian) credibility method as described in *Loss Models*, by Klugman, Panjer and Willmot, chapter 5, pages 436 to 441. The credibility reflects the confidence we have in the state's average relativity. In order to develop the credibility, we consider the number of years used to determine the relativity as well as the variance of all states' relativities to countrywide.* The complement of credibility is applied to a relativity of 1.000.

The final relativity is applied to the countrywide catastrophe factor to develop the Arkansas catastrophe factor.

Prior to this filing, two long-term Amount of Insurance Year (AIY)-weighted averages of state-specific ratios of Catastrophe Incurred Loss to AIYs were calculated, one including data from calendar years 1981-2008 and one including data from calendar years 1993-2008. A total non-earthquake catastrophe provision was selected with consideration given to both averages.

Exhibit 8 of Attachment VII displays the Development of the Total non-hurricane, non-earthquake, catastrophe provision of 1.311 for Arkansas.

This total non-hurricane, non-earthquake, catastrophe provision is then adjusted to account for the difference in the average catastrophe ratio between Owners and Homeowners as well as the difference in the average amount of insurance between Allstate Property and Casualty Insurance Company and Allstate Insurance Group.

Exhibit 9 of Attachment VII displays the development of the Allstate Insurance Group line-specific (Owners, Renters, Condo) non-hurricane, non-earthquake, catastrophe provision. Allstate Insurance Group Homeowner data is used to develop a non-hurricane, non-earthquake catastrophe provision for the state. Line specific loss data is used to develop catastrophe ratio relativities by line. These relativities are then re-indexed using the most recent year's AIYs and then are applied to the state-specific non-hurricane, non-earthquake catastrophe provision for each line.

Exhibit 10 of Attachment VII displays the development of the Allstate company specific Owners non-hurricane, non-earthquake catastrophe provision. To more appropriately allocate the non-hurricane, non-earthquake catastrophe provision between companies Allstate has researched an Amount of Insurance scale based upon wind and non-hurricane catastrophes. The relativity is based on the average Amount of Insurance by company.

This line specific and company specific provision is the final non-modeled Catastrophe provision per AIY used in the Development of Provisions for Catastrophe Loss and Loss Adjustment Expense shown on **Exhibit 7 of Attachment VII**.

* Note: The number of years is used rather than exposures (as recommended in the standard model) because increased exposures does not necessarily lead to more stable estimates for catastrophes, particularly when the exposures are geographically concentrated.

^Includes Allstate Insurance Company, Allstate Indemnity Company, and Allstate Property and Casualty Insurance Company

ATTACHMENT IV

Summary of Modeled Catastrophe Provision

ALLSTATE INSURANCE GROUP
OWNERS FORMS
ARKANSAS

DEVELOPMENT OF THE HURRICANE PROVISION
BASED ON THE 2009/08 AIR VERSION 11.0 HURRICANE MODEL
IN THE STATEWIDE RATE LEVEL INDICATION
EXPLANTATORY MEMORANDUM

I. INTRODUCTION

The Casualty Actuarial Society Statement of Principles Regarding Property and Casualty Ratemaking defines a rate as "…an estimate of the expected value of future costs" and further states that "a rate provides for all costs associated with the transfer of risk". Rates are therefore an estimate of the costs for the policies to which the rates will apply. In our property ratemaking we assume that the proposed rates will apply to the policies written for one year from the effective date of the rates. Each provision of the rate is based on an estimate of the costs associated with those policies.

Losses expected from a hurricane are significantly different than losses expected from other types of catastrophic events. Hurricanes are unique because of the large potential impact such storms can have on the company's solvency and because of the relatively less frequent pattern for such events than those accounted for in the basic catastrophe provision.

The significant variation in the frequency of different magnitudes of hurricanes diminishes the accuracy of historical hurricane loss experience for projecting expected loss levels for the policies to which proposed rates will apply. Average expected recurrence periods for the larger, more severe storms are so long that many external variables will change in the time periods between occurrences. For example, the area of southern Florida hit by Hurricane Andrew in 1992 was last hit by a major hurricane, Hurricane Betsy, in 1965. The type, number, value, vulnerability and geographical distribution of exposed properties in the area impacted by Hurricane Andrew are very different than those of the exposed properties in 1965. Actual loss statistics from a hurricane that occurred many years ago are not easily adjusted for the type, number, value, and vulnerability of present day structures.

Since historical hurricane losses cannot be used to accurately estimate current hurricane loss potential, Allstate has contracted with an outside vendor, AIR Worldwide Corporation (AIR), which uses an alternative methodology based on Monte Carlo simulation to arrive at Allstate's expected annual hurricane losses. This approach involves the development of computer programs that describe in detail the frequency of hurricanes, their meteorological characteristics, and their effects on exposed properties. A high-speed computer then simulates a large set of hypothetical hurricanes and estimates the resulting property losses based on Allstate's exposure.

In order to estimate the potential loss from hurricanes, 100,000 scenario years of hurricane experience are simulated. This large number of simulations attempts to ensure that the resulting probability distribution of losses converges to a stable representative distribution of potential annual hurricane loss.

The pattern of simulated hurricanes is representative of what has occurred historically because meteorological data on the actual events since 1900 were used to estimate the parameters of the AIR hurricane simulation model. The meteorological sources used to develop the model are the most complete and accurate databases available from various agencies of the National Weather Service and the National Oceanographic and Atmospheric Administration (NOAA), including the National Hurricane Center.

This explanatory memorandum incorporates text taken directly from documents supplied to Allstate by AIR Worldwide Corporation (AIR) and should not be copied or distributed without the express, written permission of AIR.

II. HURRICANE PARAMETERS AND WIND SPEED ESTIMATION

HURRICANE PARAMETERS

The primary characteristics of hurricanes used to simulate each storm and resulting wind speeds are:

1. Hurricane Frequency
2. Landfall Location
3. Central Pressure
4. Radius of Maximum Winds
5. Forward Speed
6. Track Angle at Landfall
7. Storm Track

The probability distributions of these variables are estimated for coastal segments of equal length from Texas to Maine. Random samples are generated from the probability distributions of these input variables to assign values to the variables for each simulated hurricane.

1. Hurricane Frequency

More than one hundred years of history, spanning the period 1900-2007, were used to estimate the parameters of the annual frequency distribution.

2. Landfall Location

There are 3,100 possible landfall points in the AIR hurricane simulation model. The cumulative distribution of landfall locations is developed for fifty nautical mile lengths of coastline. This is done by first tabulating historical landfalls by fifty-mile coastal segments. The historical frequencies are then smoothed to produce an estimate of the landfall probability for each segment.

3. Central Pressure

Central pressure is the lowest sea-level pressure at the center of the hurricane. This variable is the primary determinant of hurricane wind speed. All else being equal, wind speeds increase as the central pressure decreases, or more precisely, as the difference between the central and peripheral pressure increases. Distributions are first fitted to historical central pressure data for each hundred nautical mile coastal segment. Separate distributions are then estimated for larger regions defined based on broad meteorological differences. The final distribution used for each segment is a combination, with appropriate weights applied, of the regional distributions and the segment distribution.

4. Radius of Maximum Winds

Radius of Maximum Winds (R_{max}) is the distance from the storm's center (eye) to the point where the strongest winds are found. The radius of maximum winds (R_{max}) of stochastic events is estimated using a procedure that relates the radius of maximum winds to the central pressure of the storm and to latitude.

5. Forward Speed

Forward Speed is the speed at which a hurricane moves from point to point. The parameters of the distribution of forward speed are estimated for 100 nautical mile coastal segments. The lower bound of the distribution of forward speed is four nautical miles. The upper bound is dependent on latitude.

6. Track Angle at Landfall

Track Angle at Landfall is the angle between track direction and due north at landfall location. Separate distributions for track angle at landfall are estimated for segments of coastline that are variable in length with length dependent on general orientation of coastline.

7. Storm Track

The track direction of each simulated hurricane has the capability to curve and recurve on a fully probabilistic basis. Thus, the AIR hurricane simulation model has the ability to propagate a storm track that more accurately imitates actual storm motion.

HURRICANE WIND SPEED ESTIMATION

Once the key parameters have been generated, the meteorological relationships among them are used to develop a complete time profile of wind speeds for each location affected by the storm. This involves the following calculations for each simulated hurricane:

1. Maximum Gradient-Level Wind Speed
2. Storm Asymmetry
3. Storm Decay (Filling)
4. Radial Decay (Storm Center-Relative Wind Speed)
5. Adjustment of Wind Speed for Surface Friction and Averaging Time

1. Maximum Gradient-Level Wind Speed

The generated maximum wind speed is based on central and peripheral pressures, as well as radius of maximum winds and meteorological coefficients accounting for air density and latitude coordinates. This wind, called the gradient-level wind speed, is estimated over a 10-minute averaging time and is reduced to the 10-meter height level through a scaling factor. The resulting wind represents the maximum wind speed attainable over water.

2. Storm Asymmetry

An asymmetry factor is calculated based on the forward speed of the hurricane and the relationship between the track direction and the surface wind direction. This factor is added to the wind speeds calculated to the right of the hurricane track and is subtracted from those calculated to the left of the hurricane track. This accounts for the additional wind speed contributed by the forward speed of the hurricane due to the counterclockwise movement of winds relative to the hurricane track. The wind field's asymmetry is therefore a function of how quickly the storm is propagating.

3. Storm Decay (Filling)

Once over land, the hurricane moves away from its source of energy, i.e., warm ocean water. As a result, the eye "fills" and winds degrade subsequent to landfall. Filling equations used in the AIR model estimate the reduction in over-water wind speed as a function of time since landfall, rather than distance. A fast moving storm can produce damaging winds further inland than a slow moving storm with the same landfall intensity (wind speed). The filling equations vary by coastal region and smoothing is performed to ensure that there are no unrealistic jumps between regions.

4. Radial Decay (Storm Center-Relative Wind Speed)

The wind speed in any five-digit zip code is dependent on the distance of the zip code centroid from the eye of the storm. The estimated wind speed at any point within the hurricane is dependent on the maximum wind speed at each hour, the radius of maximum winds (R_{max}), and the distance between the eye of the storm and the centroid of the zip code area. As a zip code centroid lies farther from the eyewall (at R_{max}), the winds decay until they reach an ambient level at the periphery of the storm.

5. Adjustment of Wind Speeds for Surface Friction and Averaging Time

Differences in surface terrain also affect wind speeds. The roughness of the underlying surface induces friction which tends to slow down the winds, and induces turbulence effects which tend to generate short-lived gusts. The friction and gust effects are estimated based on the roughness of the surface over which the wind passes.

A friction factor is calculated to capture surface roughness at each affected site and the associated decrease in wind speed that results from surface obstacles. Estimates of surface roughness are derived from digital US Geological Survey (USGS) land use/land cover data. Each terrain type has a different "roughness value" that will lead to different frictional effects on wind speeds at different locations. In general, the rougher the terrain the larger the effect of friction on wind speeds.

As soon as a storm crosses the coastline, there is an immediate reduction in wind speed. The reduction factors reach equilibrium values when the terrain is homogeneous over sufficiently large areas such that the surface winds come in balance with the surface. Thus, most local variability occurs when the underlying surface is diverse.

A gust factor is calculated to capture the effects of surface turbulence and is also associated with the roughness of the terrain. Smooth surfaces impart only a small turbulent effect such that the 10-minute average wind speed is similar to the 1-minute average. The adjustment for rougher surfaces is more substantial since rough surfaces tend to generate short-lived gusts which will translate to a stronger maximum 1-minute sustained wind speed. The gust factor is computed using the same USGS land use data set as is used for the friction calculation.

III. DAMAGE ESTIMATION AND DEMAND SURGE

AIR engineers have developed damage functions that describe the interaction between buildings, (including both structural and nonstructural components) and their contents, and the local wind speeds to which they are exposed. These functions relate the mean damage level as well as the variability of damage to wind speed at each location. Because different structural types will experience different degrees of damage, the damage functions vary according to construction class, occupancy, and height. The model estimates a complete distribution around the mean level of damage for each local wind speed and each structural type. Losses are calculated by applying the appropriate damage function to the replacement value of the insured property.

The AIR damage functions capture the effects of wind duration as well as the effect of peak wind speed. The longer a property experiences severe wind speeds, the greater the damage. The hurricane damageability relationships incorporate well-documented engineering studies published by wind engineers and other experts outside of AIR. They also incorporate the results of post-hurricane field surveys performed by AIR engineers. These relationships are continually refined and validated based on actual client companies' loss data.

IV. LOSS CALCULATION

ALLSTATE EXPOSURE DETAIL

Allstate has supplied AIR with a detailed exposure database containing insured values by policy level and ZIP Code for each line of business, construction, and deductible combination. Damage functions relating wind speed and wind duration to the percentage of property damaged for varying types of coverage and construction are used to produce loss estimates by zip code for each simulated hurricane.

MODELED LOSS ESTIMATES

Losses estimated from 100,000 years of simulated hurricane experience are summed and divided by 100,000 to produce the expected annual losses from all hurricanes for each ZIP Code. ZIP Code loss estimates are then aggregated to produce expected annual loss by county and state.

Hurricane factors are then calculated as the total loss estimate for a given ZIP Code, county, or state divided by the total insured value in thousands of dollars (amount of insurance years). The development of the hurricane factor for the state is displayed on **Attachment VII, Exhibit 7.** This factor is applied to the expected average amount of insurance years in the determination of the overall rate level indication.

ADJUSTMENTS TO MODELED LOSS ESTIMATES

As advances in science and changes in claim payment behaviors evolve, Allstate re-evaluates how it currently reflects modeled catastrophe losses in ratemaking. At times it is necessary to adjust the modeled losses to more accurately estimate the Property and Casualty industry's risk from catastrophes. Note that all adjustments made to the modeled losses are under continual development and may change in the future as Allstate learns more about the changing risk environment. Modeled loss estimates include adjustments for:

1. Atlantic Warm Sea Surface Temperature
2. Loss Adjustment Expenses

1. Atlantic Warm Sea Surface Temperature Adjustment

Meteorological research has identified correlations between naturally varying ocean temperatures and hurricane activity originating in the Atlantic that affects both the Gulf and the Atlantic coastlines. The active 2004 and 2005 hurricane seasons have heightened Allstate's awareness of such relationships. Scientists have concluded that the climate is presently undergoing a cycle of warmer than average sea surface temperatures which is expected to result in increased hurricane activity in the United States. It is well known that the ocean is able to retain heat for very long periods of time, a physical characteristic known as persistence. Due to the ocean's long-term persistence and the associated ocean current cycle known as the Atlantic Thermohaline Circulation, most scientists believe that the Atlantic Ocean is likely to remain warmer than average for the next several years.

In 2006, AIR released its first near-term hurricane catalog to reflect the short-term loss potential from hurricanes due to current elevated sea-surface temperatures in the North Atlantic. An AIR report entitled "Understanding Climatological Influences on Hurricane Activity: The AIR Near-Term Sensitivity Catalog" explains the development of this catalog. In 2007, AIR revised their methodology for generating the near-term hurricane catalog. The details of these changes are outlined in a report entitled "Near-term Hurricane Risk in the US: The 2007 Update to the AIR Near-term U.S. Hurricane Catalog". Although there was no methodology change in 2008, the name was changed to the Warm Sea Surface Temperature (WSST) hurricane catalog.

Methodology:

Since our cost estimates are for the policy period to which rates will apply, it is important that we use a methodology that recognizes any cyclical patterns. The AIR WSST hurricane catalog (using 50,000 years of simulations) is a catalog developed to account for the impact of warm sea surface temperatures in the Atlantic Ocean on hurricane landfall activity. The WSST catalog is based on AIR's standard hurricane catalog with adjustments made to landfall frequencies by region to reflect the expected impact of warmer-than-average sea surface temperatures. All of the model components aside from the catalog are that of the AIR Atlantic Tropical Cyclone Model, Version 11.0.

The AIR WSST catalog was used to calculate an Average Annual Loss net of deductible and gross of reinsurance (referred to as "Gross AAL"). In addition, the AIR standard hurricane catalog (using the first 50,000 years of simulations) was used to calculate an Average Annual Loss net of deductible and gross of reinsurance (referred to as "Gross AAL"). The WSST Factor was developed by taking the ratio of the Gross AAL from the WSST hurricane catalog to the Gross AAL from the standard hurricane model.

$$\text{Indicated WSST Factor} = \frac{\text{Gross AAL from AIR WSST hurricane catalog}}{\text{Gross AAL from AIR standard hurricane catalog}}$$

The WSST Factors were calculated for each state and line of business.

Data:

2009/08 WSST Factors	
State	Factor
Arkansas	1.131

2. Loss Adjustment Expenses

Loss Adjustment Expenses (LAE), both allocated and unallocated, represent the costs of adjusting, investigating and settling losses. Allocated expenses are incurred while investigating and settling claims during the catastrophe and are considered allocated since they can be linked directly to a claim file. Unallocated expenses are associated with processing claims but cannot be linked directly to a claim file. Modeled hurricane losses provided by AIR do not include LAE. Therefore it is necessary to develop a LAE provision to be applied to these losses for use in pricing and catastrophe exposure management. In order to account for the LAEs associated with hurricane losses, we have applied a factor of 1.16 to the modeled losses for all property lines. The selection of this provision was based on a study of the LAE associated with hurricane losses for Allstate.

Methodology:

Allocated Loss Adjustment Expense (ALAE)
Ten years of loss and allocated expense information is obtained from our corporate database with the 2008 hurricanes as the latest addition to the analysis. Tropical storms are not included in the ALAE analysis, as they are not simulated in the modeled loss data. Ratios of allocated expenses to losses were developed for events from 1999 through 2008.

Unallocated Loss Adjustment Expense (ULAE)
Loss and unallocated expense information is obtained from various corporate databases starting in 1999 and includes the 2008 hurricane as the latest addition. Tropical storms are not included in the ULAE analysis, as they are not simulated in the modeled loss data. Ratios of unallocated expenses to losses were developed for events from 1999 through 2008.

Allstate Insurance Group
Allstate Personal and Commercial Lines Combined
Loss Adjustment Expense Analysis - Hurricane Peril

ALAE	1.4%
ULAE	17.0%
Total	18.4%
Selected:	16.0%

V. ACTUARIAL STANDARDS OF PRACTICE

The rules and procedures as set forth in Actuarial Standard of Practice No. 23, *Data Quality* and Actuarial Standard of Practice No. 38, *Using Models Outside the Actuary's Area of Expertise (Property and Casualty)* were applied in reviewing the modeled losses.

ATTACHMENT V

Retained Risk Provision

ALLSTATE INSURANCE GROUP
OWNERS
ARKANSAS

DEVELOPMENT OF RETAINED RISK PROVISION DUE TO CATASTROPHE EXPOSURE

With this filing, Allstate is introducing a provision in the rates to cover the risk of exposing its capital to large catastrophic events. This retained risk provision (RRP) is intended to provide appropriate compensation to Allstate relative to its retained, high-layer catastrophe risk. The provision described below is consistent with the rules and procedures set forth in the Actuarial Standard of Practice No. 38, *Using Models Outside the Actuary's Area of Expertise (Property and Casualty)* and Actuarial Standard of Practice No. 39, *Treatment of Catastrophe Losses in Property/Casualty Insurance Ratemaking.*

The procedure for developing the RRP calls for identifying the portion of catastrophic losses that will be retained by Allstate and then estimating the cost to Allstate of holding the capital required to pay such losses. To measure the amount of retained losses, Allstate's actual reinsurance contracts are applied to the modeled losses based on the 2009/2008 AIR Version 11.0 Hurricane and Earthquake Model for Arkansas. This provides an estimate of the portion of the losses that will be covered by Allstate's reinsurance contracts and the amounts that will be retained by Allstate. Once the retained losses in excess of a 1-in-5-year event (i.e., 20% annual occurrence probability) have been determined, we then calculate the appropriate compensation for exposure to such losses by using data from capital markets – specifically the market for catastrophe bonds. The details of the procedures used to determine the magnitude of retained losses at various occurrence probabilities, and the investor-required compensation for bearing the risk of those losses, are explained in more detail below.

Catastrophe bonds are one of a class of financial instruments known collectively as "insurance linked securities (ILS)." ILS have payoffs conditional on future contingent events, such as the occurrence of hurricanes. While there are a variety of ILS traded in today's capital markets, the most common and prominent of these are catastrophe bonds, which are bonds that may default on both principal and interest if a specific catastrophic event occurs.

Typically a catastrophe bond is issued by an insurance company with a provision that if a specified catastrophic event (e.g., hurricane in Florida, earthquake in California, winter storm in Europe, etc.) of a particular magnitude occurs, the issuer may default on the payment of principal and/or interest on the bond. In that respect, the bond functions similarly to reinsurance – once the "attachment point" is breached, the insurer receives a benefit that at maximum is equal to the face amount of the bond. When catastrophe bonds are sold, investors naturally demand a yield premium as compensation for the risk of default.

Mechanically, when catastrophe bonds are sold, the issuer deposits the proceeds of the sale into a segregated account which pays interest at the risk free rate. However, because of the default risk, the yields on such bonds must be higher than the risk free rate. Thus, the interest in excess of the risk free rate is an excellent basis for measuring the risk premium that the marketplace has established for bearing catastrophe exposure. Furthermore, since insurers face the same risk of catastrophic loss as investors, the risk premiums paid in capital markets provide an appropriate measure of the compensation required for the insurer as well.

There are several reasons why this is a particularly useful way to quantify a RRP in ratemaking. First, the data are drawn directly from capital markets, meaning they reflect the consensus of all investors as to the compensation required for bearing catastrophe risk. Second, they reflect exactly the types of risks to which insurers are exposed when they write property coverage in catastrophe prone states; as such they represent an appropriate estimate of the return demanded for the catastrophe exposure. Third, the entire analysis is free of assumptions regarding insurer-specific factors such as cost of capital, leverage, and investment income. Finally, the data required to adapt this information to insurance ratemaking is readily available and reported regularly at annual (or more frequent) intervals.

The data used in the calculation of the rate retained risk provision was selected in accordance with the considerations listed in Section 3.2 of Actuarial Standard of Practice No. 23, *Data Quality*. As regards the data, the sources Allstate relies upon are the annual publications of Lane Financial LLC, the most prominent analyst of the ILS market in the US. Annually, Lane Financial provides a summary of all newly issued catastrophe bonds, which includes information on the following critical variables:

- Face amount of bond
- Insured peril
- Yield spread to risk free rate (the excess return or risk premium on the bond)
- Probability of first loss (the probability that the insured event will cause any loss of principal or interest)
- Probability of exhaustion (the probability that the loss will be large enough to exhaust the entire principal of the bond)
- Expected value of loss (the annual average loss given the probability of attachment and exhaustion, expressed as a percent of the face amount of the bond)

Allstate uses this data to develop the appropriate RRP by state, line, and company in the following manner. First, profit multiples are calculated, which are obtained by subtracting the expected value of loss from the excess return on the bond, and then dividing that quantity by the expected loss. This profit multiple is essentially a measure of the profit an investor expects per dollar of expected loss on the bond. However, as might be expected, the amount of profit that investors require per dollar of loss depends on the riskiness of the losses themselves. For bonds that are extremely risky (i.e., that have very low probabilities of attachment) the profit multiples are considerably higher than for less risky instruments. Therefore, when the data are compiled, the profit multiples are computed for bonds in several different groups: those with attachment probabilities of 20% - 10%, 10% - 5%, 5% - 2%, 2% - 1%, 1% - 0.4%, and less than 0.4%. As expected, these profit multiples increase as the attachment probabilities decrease.

The next step is to apply these profit multiples to the amount of catastrophe losses retained by Allstate. To do this, the amount of retained catastrophe losses are compiled by layer, where the layers are defined by occurrence probabilities in the same ranges as the profit multiples described above. Given the expected retained losses within each layer and the required profit per dollar of loss as measured by the profit multiples, the RRP (in dollars) is calculated by multiplying the expected retained losses within each layer by the corresponding profit multiple and summing across the layers. This result can be used to estimate the appropriate compensation to Allstate for its retained catastrophe exposure.

These calculations are performed using annual aggregate catastrophe losses since Allstate's surplus is exposed to multiple events in the same year. The aggregate annual occurrence probabilities are determined by using all catastrophe losses in Arkansas using the AIR model event sets.

The AIR model produces 50,000 years of modeled losses, which are initially ranked from high to low. The loss sizes are determined for each of the occurrence probabilities that are used to define the loss layers (0.4%, 1%, 2%, 5%, 10%, and 20%). For example, the 1-in-100-year loss (1% probability) is the amount of catastrophe loss in the 500th largest year (1% of 50,000), the 1-in-250-year loss (0.4% probability) is the amount of catastrophe loss in the 200th largest year, etc. Once the loss sizes are determined for the boundaries of each layer, all expected losses from the AIR model are distributed into these layers of loss.

Next, the amount of losses in each layer that are covered by Allstate's reinsurance contracts is determined by applying Allstate's reinsurance contracts to the modeled losses. The following items need to be considered when applying Allstate's reinsurance contracts:

- For events that impact more than one state, the reinsured losses are allocated to each affected state proportional to those events' expected losses in each state.
- Allstate's countrywide (excluding Florida) reinsurance contract is an annual aggregate excess-of-loss contract that covers catastrophe losses in a year, subject to the terms and limits of that contract.
- The reinsurance coverage provided by the countrywide contract is applied to each state proportional to each state's expected losses in the reinsured layer.
- Some states have multiple reinsurance contracts that provide coverage for various types of catastrophe losses – these may include state-specific or regional reinsurance contracts in addition to the countrywide contract.
- Additional considerations are required when there are multiple events in a year to ensure that the reinsured losses are allocated properly to each state.

Allstate's retained losses for each event are derived by subtracting the losses covered by reinsurance from the total expected losses. In some years, the retained losses exceed the total amount of Allstate's statutory surplus. Those years with retained losses in excess of Allstate's surplus are identified and Arkansas's portion of the excess losses is determined proportional to the retained losses in that year. The losses in excess of Allstate's statutory surplus are subtracted from the retained losses to determine the exposed losses covered by Allstate's surplus.

The indicated RRP is then developed by applying the profit multiple indicated by capital markets to the exposed Arkansas losses covered by surplus in each layer. The dollars of RRP are summed across the layers, and a diversification factor is applied to account for the fact that Allstate is a multi-line, multi-state company, to determine the total RRP.

Finally, the dollars of calculated RRP are divided by Amount of Insurance Years (AIYs) to develop a per-AIY charge that is included in the rate level indication.

ATTACHMENT VI

Contingency Factor Support Explanatory Memorandum

ALLSTATE PROPERTY AND CASUALTY INSURANCE COMPANY
OWNERS FORMS
ARKANSAS

CONTINGENCY FACTOR SUPPORT
EXPLANATORY MEMORANDUM

This memo provides explanation regarding Allstate's methodology for calculating a contingency provision to be used in its Homeowner rate level.

Background

Actuarial Standard of Practice No. 30, *Treatment of Profit and Contingency Provisions and the Cost of Capital in Property/Casualty Insurance Ratemaking*, defines the contingency provision for ratemaking purposes as follows: A provision for the expected differences, if any, between the estimated costs and the average actual costs, that cannot be eliminated by changes in other components of the ratemaking process. ASOP No. 30 goes on to state that:

- The actuary should include a contingency provision in the rates if assumptions used in ratemaking produce cost estimates that are not expected to equal average actual costs, and if the difference cannot be eliminated by changes in other components of the ratemaking process.

- While estimated costs are intended to equal average actual costs over time, differences between estimated and actual risk transfer costs may be expected in any given year. If a difference persists, the difference should be reflected in the ratemaking calculations as a contingency provision. The contingency provision is not intended to measure the variability of results and is not expected to contribute to profit.

Thus, even if the actuary has available relevant, credible data and uses the best, state-of-the-art actuarial techniques, there may still be instances where estimated future costs differ from actual future costs. The factors causing this situation to occur are outside the actuary's ability to predict and the insurer's ability to control. Examples would include (but not be limited to) court decisions, legislative action, and media influence on the public's behavior.

In spite of the inability to foresee specific events, an insurer may look back at recent history and identify past events that triggered unexpected payments. Given the highly regulated nature of the property and casualty insurance industry and the large amounts of money that flow through an insurance organization, it is reasonable to assume that adverse court decisions and similar unexpected events will occur again in the future. Courts and regulatory bodies are likely to continue to respond to lawsuits and other attempts at unexpected application of an insurance policy's coverage. As outlined in the Actuarial Standard of Practice referenced above, these events should be accounted for in ratemaking in the form of a contingency provision.

Allstate Homeowners Contingency Provision calculation

With this filing, Allstate is using a method of calculating a contingency provision that allows more specificity around the type of events that are included. We have reviewed experience over approximately a twenty five year period and have identified a number of representative events that are appropriate to a contingency provision, due to their unanticipated nature. Considered events include the following: court decisions redefining the cause of loss for earth movement- and landslide-related loss, sinkholes, failure to disclose (in connection with sale of a home), oil tank leakage, foundation slab losses, mold, methamphetamine lab damage, legislated exceptions to policy language, flooding, lead paint poisoning, imminent collapse, terrorism, radiant floor heating systems, dog bites, and drug cartel wars. Identifying these events through Allstate claim file narratives allows us to exclude claims that are not appropriate to a contingency provision, such as normal catastrophes and regulatory delay situations. The effect of inflation is also excluded.

Some of these losses are too old to obtain reliable loss data at the claim level of detail. Some of these losses are too new to have worked into our data yet. Some events are excluded because, even with sophisticated computer programs, losses are not specifically tracked and so can't be separated from other loss data for inclusion in Allstate's computations. Some events simply did not produce a frequency of loss to materially impact our calculations. However, each event mentioned above illustrates that unforeseen loss does occur. This can be the case when a legislative or court decision expands the scope of Allstate's policy coverage, or when the media unexpectedly focuses attention on a health issue or other item of public concern. Other as-yet-unknown influences that Allstate cannot predict or price for will also likely affect claims payments in the future.

In order to estimate an appropriate contingency provision, we have selected a group of events from the above list of considered events (including oil tanks, slab losses, mold and flooding) for which we can obtain more reliable loss data. It is not our intention to price these specifically named events, but to use these events as a proxy for unforeseen events occurring in the future. Issues which triggered payments over several years cannot be considered "unexpected" for an indefinite period of time. In these cases, we have judgmentally included losses from the first three years following the initial event. After three years we assume that these losses are present in our indications data and that we have priced sufficiently for the event's exposure in our rates. Some events are of shorter duration and so fewer than three years of losses are included in the calculations. Note also that data includes some catastrophe losses. Catastrophe losses are more appropriately accounted for in a catastrophe provision rather than in a contingency provision, and Allstate does calculate an adequate catastrophe load (theoretically sound and calculated over a sufficiently long period of time). However, the legislative, media and other influences that generate unexpected losses can also affect catastrophe losses. Therefore, catastrophe losses are included in our analysis when they stem from one of the issues in question. Losses are included for Allstate's Owners, Renters and Condo forms.

Attachment VII, Exhibit 17 shows the sum of all claims divided by countrywide homeowners accident year losses from 1996 – 2003 (adjusted for expected catastrophe levels) and adjusted for expense provisions. This time period was chosen to match the time period of losses readily available to us (our claim files older than 1996 cannot be effectively reviewed to extract specific losses). Our analysis was completed in 2004 and due to systems modifications since then, retrieving data at this level of detail would require extensive effort. Losses for some events have been adjusted downward to reflect the fact that, despite the sophistication of our analysis, some claims unrelated to the issue in question can be unintentionally included in the loss totals.

ATTACHMENT VII

Rate Level Indication Exhibits

Allstate Property and Casualty Insurance Company
Owners
Arkansas

Determination of Statewide Rate Level Indication

1) Indicated Provision for Loss and Loss Adjustment Expense [(a) + (b) + (c) + (d)]	$1,092.49
a) Non-Catastrophe Loss and LAE	$811.16
b) Non-Modeled Catastrophe Loss and LAE	$278.33
c) Low-Layer Retained and Ceded Hurricane Catastrophe Loss and LAE	$0.05
d) High-Layer Retained Hurricane Catastrophe Loss and LAE	$2.95
2) Current Fixed Expense Ratio	10.0 %
3) Three Year Average Earned Premium	$804.35
4) Current Dollar Provision for Fixed Expense [(2) x (3)]	$80.44
5) Factor to Adjust for Subsequent Change in Fixed Expense	1.069
6) Indicated Provision for Fixed Expense [(4) x (5)]	$85.99
7) Variable Expense, Contingencies Ratio, and Profit Ratio [(a) + (b) + (c)]	27.5 %
a) Variable Expense Ratio (including Commissions, Taxes, and Debt Provision)	16.6 %
b) Contingencies Ratio	2.0 %
c) Profit Ratio	8.9 %
8) Indicated Retained Risk Provision	$24.16
9) Indicated Average Premium [(a) + (b) + (c)]	$1,654.01
a) Non-Catastrophe Loss and LAE Non-Modeled Catastrophe Loss and LAE Low-Layer Retained and Ceded Hurricane Catastrophe Loss and LAE Fixed Expense [(1a) + (1b) + (1c) + (6)] / [1 -(7 Total)]	$1,621.42
b) High-Layer Retained Hurricane Catastrophe Loss and LAE (1d) / [1 - (7a) - (7b)]	$3.62
c) Retained Risk Provision (8) / [1 - (7a)]	$28.97
10) Projected Average Earned Premium at Current Rates	$914.11
11) Indicated Rate Level Change [(9 Total) / (10) - 1.0]	80.9 %

Allstate Property and Casualty Insurance Company
Owners
Arkansas

Development of Provision for Non-Cat Loss and LAE
Total All Perils excluding Earthquake

Fiscal Year Ending	(1) Earned Exposures	(2) Accident Year * Non-Catastrophe Ultimate Loss	(3) Non-Cat Ultimate Loss and LAE	(4) Factor to Adjust Losses for Pure Premium Trend	(5) Projected Non-Cat. Ultimate Loss and LAE	(6) Projected Average Non-Cat. Loss and LAE	(7) Experience Year Weights
9/30/2007	15,208	$7,113,000	$8,251,080	1.493	$12,318,862	$810.03	10 %
9/30/2008	24,322	12,544,000	14,551,040	1.383	20,124,088	827.40	30
9/30/2009	31,065	18,289,000	21,215,240	1.280	27,155,507	874.15	30
9/30/2010	33,694	17,950,000	20,822,000	1.185	24,674,070	732.30	30
		(8) Indicated Provision for Non-Cat Loss and LAE				$811.16	

* Evaluated at 12 months

Allstate Insurance Group
Owners
Arkansas

Calculation of Loss Development Factors - Additive Method
Total All Perils excluding Earthquake

Incurred Losses †

Fiscal Accident Year Ending	12 Months	24 Months	36 Months	48 Months	60 Months	72 Months	84 Months‡	Earned Exposures
9/30/1999							9,337,735	37,991
9/30/2000						8,401,148	8,401,148	37,682
9/30/2001					8,794,717	8,795,173	8,793,785	37,347
9/30/2002				9,071,868	9,088,593	9,095,282	9,105,586	30,388
9/30/2003			9,416,473	9,444,244	9,774,358	9,780,168	9,780,187	37,346
9/30/2004		9,804,154	9,871,560	9,885,221	9,912,639	9,929,290	9,929,290	44,626
9/30/2005	8,623,963	9,384,355	9,457,015	9,399,889	9,406,681	9,406,926		48,039
9/30/2006	14,404,044	15,671,627	15,856,583	15,954,671	15,892,652			51,142
9/30/2007	15,673,730	17,094,656	17,222,449	17,286,078				56,061
9/30/2008	21,659,577	23,684,567	24,192,261					58,990
9/30/2009	24,825,694	27,566,009						60,101
9/30/2010	23,296,533							59,039
Selected Trend:		7.00%						

Trended Incurred Losses

Fiscal Accident Year Ending	12 Months	24 Months	36 Months	48 Months	60 Months	72 Months	84 Months‡
9/30/1999							19,654,550
9/30/2000						16,526,330	16,526,330
9/30/2001					16,168,728	16,169,567	16,167,015
9/30/2002				15,587,158	15,615,895	15,627,388	15,645,092
9/30/2003			15,120,798	15,165,392	15,695,483	15,704,813	15,704,843
9/30/2004		14,713,391	14,814,550	14,835,051	14,876,198	14,901,187	14,901,187
9/30/2005	12,095,554	13,162,043	13,263,953	13,183,831	13,193,357	13,193,700	
9/30/2006	18,880,763	20,542,306	20,784,746	20,913,319	20,832,025		
9/30/2007	19,200,993	20,941,689	21,098,241	21,176,189			
9/30/2008	24,798,050	27,116,461	27,697,720				
9/30/2009	26,563,493	29,495,630					
9/30/2010	23,296,533						

Trended Additive Amounts per Exposure

Development	12 to 24	24 to 36	36 to 48	48 to 60	60 to 72	72 to 84
4th Prior	22.20	2.27	1.19	0.95	0.02	0.000
3rd Prior	32.49	2.12	0.46	14.19	0.38	-0.07
2nd Prior	31.05	4.74	-1.67	0.92	0.25	0.58
1st Prior	39.30	2.79	2.51	0.20	0.56	0.000
Latest	48.79	9.85	1.39	-1.59	0.01	0.000
Weighted Average, Excluding High/Low Outliers:	34.42	3.30	1.03	0.64	0.21	0.00
Selected:	34.42	3.30	1.03	0.64	0.21	0.00

Loss Development Period (months):	12 - 84	24 - 84	36 - 84	48 - 84
Additive Amt per Exp:	39.60	5.18	1.88	0.85

†Includes ALAE
‡Includes supplemental reserves in addition to case reserves

Allstate Property & Casualty Insurance Company

Year	Trended Age-to-Ultimate Additive Amount Per Exposure	Earned Exposures	Trended Losses Yet To Emerge	De-Trended Losses Yet To Emerge	Incurred Loss	Ultimate Loss
2007	0.85	15,208	12,927	10,552	7,101,791	7,112,343
2008	1.88	24,322	45,725	39,938	12,503,552	12,543,490
2009	5.18	31,065	160,917	150,390	18,138,082	18,288,472
2010	39.60	33,694	1,334,282	1,334,282	16,615,528	17,949,810

Allstate Insurance Group
Owners
Arkansas

Calculation of Loss Development Factors - Link Ratio Method (volume weighted average)
Total All Perils excluding Earthquake

Incurred Losses †

Fiscal Accident Year Ending	12 Months	24 Months	36 Months	48 Months	60 Months	72 Months	84 Months‡
9/30/1999							9,337,735
9/30/2000						8,401,148	8,401,148
9/30/2001					8,794,717	8,795,173	8,793,785
9/30/2002				9,071,868	9,088,593	9,095,282	9,105,586
9/30/2003			9,416,473	9,444,244	9,774,358	9,780,168	9,780,187
9/30/2004		9,804,154	9,871,560	9,885,221	9,912,639	9,929,290	9,929,290
9/30/2005	8,623,963	9,384,355	9,457,015	9,399,889	9,406,681	9,406,926	
9/30/2006	14,404,044	15,671,627	15,856,583	15,954,671	15,892,652		
9/30/2007	15,673,730	17,094,656	17,222,449	17,286,078			
9/30/2008	21,659,577	23,684,567	24,192,261				
9/30/2009	24,825,694	27,566,009					
9/30/2010	23,296,533						

Link Ratios

Development	12 to 24	24 to 36	36 to 48	48 to 60	60 to 72	72 to 84
4th Prior	1.088	1.007	1.003	1.002	1.000	1.000
3rd Prior	1.088	1.008	1.001	1.035	1.001	1.000
2nd Prior	1.091	1.012	0.994	1.003	1.001	1.001
1st Prior	1.093	1.007	1.006	1.001	1.002	1.000
Latest	1.110	1.021	1.004	0.996	1.000	1.000
Weighted Average, Excluding High/Low Outliers	1.091	1.009	1.003	1.002	1.001	1.000
Selected:	1.091	1.009	1.003	1.002	1.001	1.000

Loss Development Period (months):	12 - 84	24 - 84	36 - 84	48 - 84
Loss Development Factor:	1.107	1.015	1.006	1.003

†Includes ALAE
‡Includes supplemental reserves in addition to case reserves

Allstate Property & Casualty Insurance Company

Year	**Incurred Loss**	**Factor to Ultimate**	**Ultimate Loss**
2007	7,101,791	1.003	7,123,096
2008	12,503,552	1.006	12,578,573
2009	18,138,082	1.015	18,410,153
2010	16,615,528	1.107	18,393,389

Attachment VII
Exhibit 3.3

Allstate Property and Casualty Insurance Company
Arkansas
Owners

Ultimate Losses & ALAE

		Ultimate Losses & ALAE		
Coverage	**Year**	**Link Ratio Estimate**	**Additive Estimate**	**Selected**
All Peril	2007	7,123,096	7,112,343	7,113,000
All Peril	2008	12,578,573	12,543,490	12,544,000
All Peril	2009	18,410,153	18,288,472	18,289,000
All Peril	2010	18,393,389	17,949,810	17,950,000

ALLSTATE INSURANCE GROUP*

Countrywide Expense Experience - Unallocated (Adjusting and Other Expense) Factor

2007, 2008 & 2009

		2007 - 2009**
1.	Direct Losses and Allocated Loss Adjustment Expense Incurred excluding Earthquake and Hurricane Losses	$39,781,693
2.	Direct Unallocated Loss Adjustment Expense Incurred excluding Earthquake and Hurricane	$6,347,066
3.	Ratio (2)/(1)	0.160
4.	Proposed Provision	0.160

* Allstate Insurance Company, Allstate Indemnity Company, Allstate Property and Casualty Insurance Company, Allstate County Mutual Insurance Company, Allstate Fire & Casualty Insurance Company, Northbrook Indemnity Company and Allstate Texas Lloyds.

** Includes Personal Property Lines and Private Passenger Automobile Insurance

(000 Omitted)

SOURCE: FDW

Allstate Property and Casualty Insurance Company
Owners
Arkansas

Calculation of Pure Premium Trend Factor

	Selected Annual Pure Premium Impacts	
Peril	Historical	Projected
Total All Perils excluding Earthquake	8.00%	8.00%

	3rd Prior Year	2nd Prior Year	1st Prior Year	Current Year
1) Loss Trend Projection Date	6/16/2012	6/16/2012	6/16/2012	6/16/2012
2) Mid-Point of Current Year's Experience Period	3/31/2010	3/31/2010	3/31/2010	3/31/2010
3) Experience Period Ended	9/30/2007	9/30/2008	9/30/2009	9/30/2010
4) Midpoint of Experience Period	3/31/2007	3/31/2008	3/31/2009	3/31/2010
5) Historical: Number of Years from (4) to (2)	3.000	2.000	1.000	0.000
6) Projected: Number of Years from (2) to (1)	2.211	2.211	2.211	2.211

Calculation of Trend Factors

(a) Historical Pure Premium Factors are the Annual Historical Impacts plus unity compounded for the number of years in (5)

(b) Projected Pure Premium Factors are the Annual Projected Impacts plus unity compounded for the number of years in (6)

(c) Factor to Adjust Losses for Pure Premium Trend = (a) x (b)

Allstate Property and Casualty Insurance Company
Owners
Arkansas

Loss Trends - Pure Premium
Total All Perils excluding Earthquake

			Exponential Curve of Best Fit	
Year Ending	Actual Paid Pure Premium	Annual Change	12 pt.	6 pt.
12/04	$.00	0.00 %		
03/05	.00	0.00		
06/05	.00	0.00		
09/05	.00	0.00		
12/05	83.83	0.00		
03/06	39.61	0.00		
06/06	202.84	0.00		
09/06	262.46	0.00		
12/06	264.97	216.08		
03/07	632.64	1,497.17		
06/07	454.36	124.00		
09/07	535.64	104.08		
12/07	499.63	88.56	$461.68	
03/08	466.48	-26.26	471.30	
06/08	465.54	2.46	481.12	
09/08	478.20	-10.72	491.15	
12/08	464.56	-7.02	501.38	
03/09	525.46	12.64	511.83	
06/09	497.66	6.90	522.50	$527.44
09/09	530.27	10.89	533.38	537.87
12/09	591.70	27.37	544.50	548.51
03/10	584.45	11.23	555.84	559.36
06/10	589.19	18.39	567.43	570.43
09/10	537.16	1.30	579.25	581.71

Regression	12 pt.	6 pt.
Avg Annual Percent Change Based on Best Fit:	8.60 %	8.15 %
State Credibility based on 2,011 Paid Claims In Year Ending 9/2010:	44 %	44 %

Allstate Property and Casualty Insurance Company
Owners
Arkansas

Development of Provision for Catastrophe Loss and LAE and Retained Risk

1) Non-Modeled Catastrophe Provision Per AIY*	1.281
2) Non-Modeled Catastrophe Provision Per AIY Including All LAE	1.486
3) Hurricane Provision Per AIY Including All LAE	0.016
4) Retained Risk Provision Per AIY	0.129
5) Earned Exposures	33,694
6) Earned AIY	6,310,874
7) Average Earned AIY (6)/(5)	187.30
8) Factor to Adjust to Projected Average AIY Level	1.000
9) Average AIY Projected to 6/16/2012 (7)*(8)	187.30
10) Expected Non-Modeled Catastrophe Pure Premium (2)*(9)	$278.33
11) Proportion of High-Layer Retained Modeled Losses to Total Modeled Losses	0.984
12) Expected Modeled Catastrophe Pure Premium (3)*(9)	$3.00
a) Low-Layer Retained and Ceded Hurricane Catastrophe Pure Premium [1 - (11)]*(12 Total)	$0.05
b) High-Layer Retained Hurricane Catastrophe Pure Premium (11)*(12 Total)	$2.95
13) Expected Retained Risk Provision (4)*(9)	$24.16

*1 AIY = One Amount of Insurance Years = $1000 of Coverage in Force for One Year

ALLSTATE INSURANCE GROUP
HOMEOWNERS
ARKANSAS
NON MODELED CATASTROPHE PROVISION

(1)	(2)	(3)	(4)	(5)	(6)
CALENDAR YEAR	AMOUNT OF INSURANCE YEARS	CATASTROPHE INCURRED LOSS	STATE CATASTROPHE RATIO	COUNTRYWIDE CATASTROPHE RATIO	RELATIVITIES
1995	2,887,538	1,651,000	0.572	0.645	0.887
1996	2,980,889	17,106,000	5.739	0.742	7.735
1997	3,144,832	2,733,000	0.869	0.246	3.533
1998	3,303,648	244,000	0.074	0.427	0.173
1999	3,332,183	10,286,000	3.087	0.432	7.146
2000	3,420,427	6,984,000	2.042	0.598	3.415
2001	3,588,393	1,054,000	0.294	0.517	0.569
2002	3,938,995	812,000	0.206	0.371	0.555
2003	4,482,591	1,801,000	0.402	0.704	0.571
2004	5,278,462	1,135,000	0.215	0.236	0.911
2005	6,206,937	162,000	0.026	0.203	0.128
2006	7,323,099	19,814,000	2.706	0.456	5.934
2007	8,763,300	2,975,000	0.339	0.536	0.632
2008	9,599,267	45,474,000	4.737	0.795	5.958
2009	10,120,691	36,240,000	3.581	0.832	4.304

(7) Average Relativity	2.830
(8) Standard Deviation	2.767
(9) Credibility	0.763
(10) Credibility Weighted Relativity	2.396
(11) Countrywide Selected Catastrophe Factor	0.547
(12) Arkansas Catastrophe Factor	1.311

Allstate Property and Casualty Insurance Company
Owners
Arkansas

Development of Owners Catastrophe Provisions by Line

OWNERS

(1a) Calendar Year	(2a) Amount of Insurance Years	(3a) Catastrophe Incurred Loss	(4a) State Catastrophe Ratio
1995	2,811,400	1,648,765	0.586
1996	2,902,531	17,089,861	5.888
1997	3,060,318	2,724,699	0.890
1998	3,209,377	240,242	0.075
1999	3,229,207	10,247,991	3.174
2000	3,313,371	6,971,765	2.104
2001	3,480,822	1,021,481	0.293
2002	3,831,204	812,487	0.212
2003	4,375,955	1,790,004	0.409
2004	5,168,560	1,134,832	0.220
2005	6,090,328	160,515	0.026
2006	7,198,275	19,789,882	2.749
2007	8,633,590	2,973,660	0.344
2008	9,460,454	45,416,100	4.801
2009	9,970,261	36,193,742	3.630

RENTERS

(1b) Calendar Year	(2b) Amount of Insurance Years	(3b) Catastrophe Incurred Loss	(4b) State Catastrophe Ratio
1995	61,888	255	0.004
1996	64,401	7,266	0.113
1997	70,457	7,870	0.112
1998	80,618	2,193	0.027
1999	89,088	37,481	0.421
2000	92,644	10,485	0.113
2001	92,068	27,020	0.293
2002	91,871	-103	-0.001
2003	89,879	11,292	0.126
2004	91,411	-144	-0.002
2005	95,186	0	0.000
2006	101,562	21,015	0.207
2007	103,108	1,426	0.014
2008	110,813	40,185	0.363
2009	122,041	45,614	0.374

CONDOMINIUM

(1c) Calendar Year	(2c) Amount of Insurance Years	(3c) Catastrophe Incurred Loss	(4c) State Catastrophe Ratio
1995	14,250	1,591	0.112
1996	13,957	8,518	0.610
1997	14,057	0	0.000
1998	13,653	1,434	0.105
1999	13,888	600	0.043
2000	14,412	1,500	0.104
2001	15,503	5,584	0.360
2002	15,920	0	0.000
2003	16,757	0	0.000
2004	18,491	0	0.000
2005	21,423	1,580	0.074
2006	23,262	3,174	0.136
2007	26,602	-117	-0.004
2008	28,000	17,762	0.634
2009	28,389	234	0.008

HOMEOWNERS

(1d) Calendar Year	(2d) Amount of Insurance Years	(3d) Catastrophe Incurred Loss	(4d) State Catastrophe Ratio
1995	2,887,538	1,650,611	0.572
1996	2,980,889	17,105,645	5.738
1997	3,144,832	2,732,569	0.869
1998	3,303,648	243,869	0.074
1999	3,332,183	10,286,072	3.087
2000	3,420,427	6,983,750	2.042
2001	3,588,393	1,054,085	0.294
2002	3,938,995	812,384	0.206
2003	4,482,591	1,801,296	0.402
2004	5,278,462	1,134,688	0.215
2005	6,206,937	162,095	0.026
2006	7,323,099	19,814,071	2.706
2007	8,763,300	2,974,969	0.339
2008	9,599,267	45,474,047	4.737
2009	10,120,691	36,239,590	3.581

	(5) Average State Catastrophe Ratio	(6) Line To Homeowners* Ratio	(7) 2009 Amount Of Insurance	(8) 2009 Weighted Line To Homeowners* Ratio	(9) Ratio Balanced To Homeowners*	(10) Line Specific Catastrophe Factor
Condominium	0.145	0.087	28,389	0.087	0.086	0.113
Renters	0.144	0.087	122,041	0.087	0.086	0.113
Owners	1.693	1.020	9,970,261	1.020	1.014	1.329
Homeowners	1.659	1.000	10,120,691	1.006	1.000	1.311

* Includes Owners, Renters and Condominium lines

Allstate Property and Casualty Insurance Company
Owners
Arkansas

Development of Catastrophe Provisions by Company

Company	Earned Exposures	Projected Average AIYs	Expected Catastrophe Loss Relativity	Expected Catastrophe Loss Per Policy	Indicated Catastrophe Provision
AIC	13,677	128.68	0.908	187.98	1.461
AI	11,668	154.06	1.017	210.55	1.367
AP&C	**33,694**	**187.30**	**1.159**	**239.94**	**1.281**
Total	59,039	167.15	1.073	222.14	1.329

Allstate Property and Casualty Insurance Company
Owners
Arkansas

AIY Trends

Year Ending	AIY	Annual Change	Exponential Curve of Best Fit 20 pt.	12 pt.	6 pt.
12/05	167.75	0.00 %	172.29		
03/06	171.00	0.00	173.22		
06/06	173.05	0.00	174.15		
09/06	173.80	0.00	175.09		
12/06	176.35	5.13	176.04		
03/07	178.11	4.16	176.99		
06/07	180.02	4.03	177.94		
09/07	181.46	4.41	178.90		
12/07	182.15	3.29	179.87	183.11	
03/08	183.21	2.86	180.84	183.55	
06/08	183.70	2.04	181.81	184.00	
09/08	184.55	1.70	182.79	184.45	
12/08	185.66	1.93	183.78	184.89	
03/09	186.41	1.75	184.77	185.34	
06/09	186.47	1.51	185.77	185.79	186.47
09/09	186.60	1.11	186.77	186.24	186.63
12/09	186.97	0.71	187.78	186.70	186.79
03/10	186.81	0.21	188.79	187.15	186.95
06/10	187.00	0.28	189.81	187.61	187.11
09/10	187.38	0.42	190.83	188.06	187.27

Regression	20 pt.	12 pt.	6 pt.
Avg Annual Percent Change Based on Best Fit:	2.18 %	0.98 %	0.34 %

Allstate Property and Casualty Insurance Company
Owners
Arkansas

Summary of Expense Provisions

	Percent Fixed	Expense Provision
Commissions	0 %	12.2 %
Taxes †	0	3.1
Licenses and Fees	100	0.1
Other Acquisition	100	5.1
General Expense	100	4.8
Debt Provision	0	1.3
Contingency Provision	0	2.0
Profit Provision	0	8.9

† State Taxes - Does not include Federal Income Tax

ALLSTATE INSURANCE GROUP*

Countrywide Experience for General Expenses

	General Expense**		
	2007	2008	2009
1. Direct Premium Earned Less Reinsurance Premium***	$22,348,897	$22,179,653	$21,698,432
2. General Expense Incurred	1,037,950	1,103,876	1,011,399
3. Ratio (2)/(1)	0.0464	0.0498	0.0466
4. Three Year Average			0.048
5. Proposed Provision			0.048

* Allstate Insurance Company, Allstate Property and Casualty Insurance Company, Allstate Indemnity Company, Northbrook Indemnity Company, Allstate Fire & Casualty Insurance Company and Allstate County Mutual

** Data includes Personal Property Lines (excluding Earthquake) and Private Passenger Automobile Insurance

*** Premiums for Net Cost of Reinsurance (NCOR) do not include provisions for General Expenses. Therefore, direct premiums must be reduced by NCOR premiums to get the premium base upon which the general expense provision is applied.

(000's) omitted

ALLSTATE INSURANCE GROUP*

Personal Property Lines

Countrywide Experience for Other Acquisition Expenses*

	Other Acquisition Expense		
	2007	2008	2009
1. Direct Premium Earned Less Reinsurance Premium**	$22,348,897	$22,179,653	$21,698,432
2. Other Acquisition Expense Incurred	1,403,527	1,286,955	1,259,684
3. Ratio (2)/(1)	0.0628	0.0580	0.0581
4. Three Year Average			0.0596
5. Adjusted Three Year Average***			0.0513
6. Proposed Provision			0.051

* Allstate Insurance Company, Allstate Property and Casualty Insurance Company, Allstate Indemnity Company, Northbrook Indemnity Company, Allstate Fire & Casualty Insurance Company and Allstate County Mutual.
Data includes Personal Property Lines (excluding Earthquake) and Private Passenger Autombobile Insurance

** Premiums for Net Cost of Reinsurance (NCOR) do not include provisions for Other Acquisition expenses. Therefore, direct premiums must be reduced by NCOR premiums to get the premium base upon which the other acquisition expense provision is applied.

*** Reduced by 1.01% to reflect the amount of Installment Fees collected for Allstate Insurance Group Personal Property Lines and includes a 0.18% provision for Allstate Insurance Group Personal Property Lines premiums written off.

(000's) omitted

Allstate Property and Casualty Insurance Company
Owners
Arkansas

Factor to Adjust for Subsequent Change in Fixed Expense
(For calendar years 2007-2009)

1) Average Earned Date of Experience Period	6/30/2008
2) Average Earned Date of Proposed Policy Period	6/16/2012
3) Number of Years from (1) to (2)	3.962
4) Selected Annual Impact	1.70 %
5) Factor to Adjust for Subsequent Change in Fixed Expense [1.0 + (4)] ^ (3)	1.069

ALLSTATE PROPERTY AND CASUALTY INSURANCE COMPANY
HOMEOWNERS

Arkansas

Calculation of Present Value, as of the Average Earning Date
of a Policy year, of all Income and Outgo @ 3.7%*
force of interest, given an Operating Profit of 7.1%
and twelve-month Policy Terms

Years From Start of Policy Year	Arkansas Cumulative Percent of Losses Paid	Arkansas Yearly Percent of Losses Paid	Time from Start of Policy Year	Discounted ** to avg time of profit @ 3.7%	Discounted Payments
1	28.4%	28.4%	0.70	1.011	28.7%
2	95.0%	66.6%	1.40	0.985	65.6%
3	98.7%	3.7%	2.30	0.953	3.5%
4	99.4%	0.7%	2.80	0.936	0.7%
5	99.5%	0.1%	4.30	0.885	0.1%
Subsequent	100.0%	0.5%	7.20	0.795	0.4%
Total		100.0%			99.0%
Expected Losses and Loss Expense Ratio					62.5%
Present Value of Loss and Loss Expense Payments					61.9%
General Expense		4.8%	0.75	1.009	4.8%
Other Acquisition		5.1%	0.63	1.014	5.2%
Taxes		3.1%	0.77	1.009	3.1%
Commissions		12.2%	0.58	1.016	12.4%
Debt Provision		1.3%	1.00	1.000	1.3%
Profit Provision		8.9%	1.00	1.000	8.9%
Contingency Provision		2.0%	1.00	1.000	2.0%
Licenses and Fees		0.1%	0.77	1.009	0.1%
Total Present Value of Outgo					99.7%
Premiums		100.0%	0.57	1.016	101.6%
Difference, Present Value of Income Less Present Value of Outgo					1.9%

Allstate Property and Casualty Insurance Company
Owners Forms
Arkansas

Contingency Factor Support*

1) Total estimated loss from unexpected events:	$388,265,584
2) Total countrywide ex-cat accident year losses:	$14,082,669,021
3) Indicated contingency provision as percentage of ex-cat loss:	2.8%
4) Indicated contingency provision as percentage of total loss:	2.1%
5) Indicated contingency provision adjusted for expenses:	1.9%
6) Selected contingency provision:	2.0%

*Allstate Insurance Company Homeowners Data, Accident Years 1996-2003

Allstate Property and Casualty Insurance Company
Owners
Arkansas

Development of Projected Average Earned Premium

Fiscal Year Ending	(1) Earned Exposures	(2) Earned Premium at Current Rates	(3) Factor to Adjust to Projected Premium Level	(4) Projected Earned Premium at Current Rates (2) x (3)	(5) Projected Average Earned Premium at Current Rates (4) / (1)	(6) Experience Year Weights
9/30/2010	33,694	$32,941,328	0.935	$30,800,142	$914.11	100 %

(7) Projected Average Earned Premium at Current Rates	$914.11

Allstate Property and Casualty Insurance Company
Owners
Arkansas

Calculation of Premium Trend Factor

Peril	Selected Annual Premium Impacts Projected
Total All Peril excluding EQ	-3.00%

	Current Year
1)Average Earned Date of Proposed Policy Period	6/16/2012
2) Mid-Point of Current Year's Experience Period	3/31/2010
3) Experience Period Ended	9/30/2010
4) Midpoint of Experience Period	3/31/2010
5) Historical: Number of Years from (4) to (2)	0.000
6) Projected: Number of Years from (2) to (1)	2.211

Calculation of Trend Factors

(a) Historical Premium Factors are the Annual Historical Impacts plus unity compounded for the number of years in (5)

(b) Projected Premium Factors are the Annual Projected Impacts plus unity compounded for the number of years in (6)

(c) Factor to Adjust to Projected Premium Level = (a) x (b)

Allstate Property and Casualty Insurance Company
Owners
Arkansas

Premium Trends

Year Ending	Average Written Premium @ CRL	Annual Change	Exponential Curve of Best Fit 20 pt.	12 pt.	6 pt.
12/05	$883.87	0.00 %	$917.97		
03/06	905.51	0.00	922.84		
06/06	913.38	0.00	927.73		
09/06	914.70	0.00	932.65		
12/06	925.18	4.67	937.60		
03/07	939.48	3.75	942.57		
06/07	957.44	4.82	947.57		
09/07	974.81	6.57	952.60		
12/07	986.01	6.57	957.65	$1,003.69	
03/08	993.51	5.75	962.73	1,001.58	
06/08	997.69	4.20	967.84	999.46	
09/08	999.54	2.54	972.97	997.36	
12/08	1,001.82	1.60	978.13	995.26	
03/09	1,006.08	1.27	983.32	993.16	
06/09	1,008.69	1.10	988.54	991.06	$1,011.57
09/09	1,003.64	0.41	993.78	988.97	1,001.60
12/09	993.89	-0.79	999.05	986.89	991.73
03/10	982.90	-2.30	1,004.35	984.81	981.95
06/10	970.00	-3.84	1,009.68	982.73	972.27
09/10	962.70	-4.08	1,015.03	980.66	962.69

Regression	20 pt.	12 pt.	6 pt.
Avg Annual Percent Change Based on Best Fit:	2.14 %	-0.84 %	-3.89 %

ATTACHMENT VIII

Net Cost of Reinsurance Revision

ALLSTATE INSURANCE GROUP
OWNERS
ARKANSAS

DEFINITIONS

Please note that throughout this filing, the following terms and their definitions are used:

AIY – 1 AIY = One Amount of Insurance Year = $1,000 of Coverage In Force for One Year

Homeowners Policy – An owners, condo, co-op, or renters policy.

Owners Policy – a policy which covers a freestanding dwelling or townhome that is not classified as a manufactured home.

ALLSTATE INSURANCE GROUP
OWNERS
ARKANSAS

2010 REINSURANCE CONTRACT SUMMARY

Allstate has a Reinsurance Broker Intermediary Contract with AonBenfield, which encompasses the marketing and placement of our catastrophe reinsurance programs.

Allstate has again purchased a countrywide catastrophe aggregate excess of loss reinsurance agreement to mitigate our exposure to catastrophic losses. This new agreement is 47.5% placed for a two-year term, effective 06/01/10 to 05/31/12, and replaces two existing agreements (i.e., 15% and 32.5% placed), purchased in 2008, both of which expired on 05/31/10. The other existing agreement is 47.5% placed for a two-year term, effective 06/01/09 to 05/31/11, and will remain in place. Together, these two catastrophe aggregate excess reinsurance agreements will provide coverage to Allstate Insurance Company, including any and all affiliated companies which now or in the future underwrite personal lines auto and property policies nationwide (excluding Florida) for the term 06/01/10 to 05/31/11 of 95% of the first $2 billion in excess of $2 billion of retained losses. The agreements cover losses from storms named or numbered by the National Weather Service, fires following earthquakes, California wildfires, and non-recoupable Texas Windstorm Insurance Association (TWIA) assessments up to $100 million in assessments for any one contract year, subject to the terms, conditions, and limitations set forth in these agreements.

ALLSTATE INSURANCE GROUP
OWNERS
ARKANSAS

EXPLANATION OF ADJUSTMENTS MADE TO PROVIDED LOSS RECOVERIES

With this filing, Allstate is revising the distinct charge to cover the net cost of reinsurance in Arkansas. The net cost of reinsurance represents the incremental cost of the contracts to Allstate. It is equal to the reinsurance premium paid, for all applicable contracts, less expected reinsurance recoveries under these contracts. This calculation is consistent with the Provision for Reinsurance discussed in section 3.7 of Actuarial Standards of Practice No. 29, *Expense Provisions in Property/Casualty Ratemaking.*

The expected loss recoveries have been allocated to the state and line of business level for Allstate Insurance Group; allocation to the company level was not available. The reinsurance premium, net of the expected AonBenfield premium adjustment provision, has been distributed to the individual states and lines of business in proportion to their expected loss recovery as determined by the Warm Sea Surface Temperature catalogue, including demand surge. Please note that prior filings relied on expected loss recoveries from the Standard (long-term) catalog, excluding demand surge, when distributing reinsurance premium to individual states and lines of business. Allstate has relied on modeled losses provided by reinsurance intermediary AonBenfield. The countrywide catastrophe aggregate excess of loss reinsurance agreements include coverage for California wildfires and non-recoupable Texas Windstorm Insurance Association (TWIA) assessments, which are not included in the modeled data. Therefore, Allstate independently calculated expected losses for these two components and included them in determining expected loss recoveries and distributing the reinsurance premium.

For purposes of calculating the net cost of reinsurance, the modeled losses, including demand surge, have been modified to reflect the Claim Adjustment Fee stated in the reinsurance contracts. Demand surge was not applied to the California wildfire expected losses. The purpose of the Claim Adjustment Fee is to cover Allstate's loss adjustment expense associated with covered events. The inclusion of this adjustment increases the expected recoveries under the contract, resulting in a lower net cost of reinsurance.

ADJUSTMENT	ADJUSTMENT FACTOR
Claim Adjustment Fee (Contract Year 2008 and 2009)	1.125
Claim Adjustment Fee (Contract Year 2010)	
Earthquake (Shake & Fire Following)	1.170
Hurricane	1.160

ALLSTATE INSURANCE GROUP
OWNERS
ARKANSAS

DETERMINATION OF THE REINSURANCE RATE ADJUSTMENT FACTOR
EXPLANATORY MEMORANDUM

Attachment VIII, Page 5 outlines the development of the required reinsurance rate adjustment factor. An explanation, with references to supporting exhibits, is provided below.

1. Reinsurance Premium:
   Reinsurance premium paid, net of expected AonBenfield premium adjustment provision.

2. Loss Savings Due to Reinsurance:
   Provided loss recoveries under the reinsurance contracts, including adjustments as mentioned on Attachment 1, Page 2.

3. Net Cost of Reinsurance: {(1) - (2)}
   Provided loss recoveries are subtracted from the reinsurance premium to determine the net cost of reinsurance.

4. Variable Expenses:
   Expense ratio for commissions, taxes, profit, and debt.

5. Net Cost of Reinsurance Including Variable Expenses: {(3) / [1-(4)]}

6. Adjusted AIY x Current Reinsurance Base Charge:
   This amount represents the reinsurance charge collected, based on expected AIYs, if the reinsurance Rate Adjustment Factor was set to 1.000.

7. Required Reinsurance Rate Adjustment Factor: {(5) / (6)}
   The reinsurance rate adjustment factor represents the amount by which the reinsurance base charge is to be adjusted, in order to collect the net cost of reinsurance including commissions, taxes, profit and debt determined in row 5.

ALLSTATE INSURANCE GROUP
OWNERS
ARKANSAS
DETERMINATION OF THE REINSURANCE RATE ADJUSTMENT FACTOR

	2009	2010
1. Reinsurance Premium	$21,597	$178,467
a. Reinsurance Premium for Countrywide Contract	$21,597	$178,467
2. Loss Savings Due to Reinsurance	$3,050	$16,337
a. Loss Savings Due to Reinsurance for Countrywide Contract	$3,050	$16,337
3. Net Cost of Reinsurance: (1) - (2)	$18,547	$162,130
4. Variable Expenses	27.1%	25.5%
5. Net Cost of Reinsurance Including Variable Expenses: (3) / [1 - (4)]	$25,442	$217,624
6. Adjusted AIYs x Current Reinsurance Base Charges		$534,292
7. Required Reinsurance Rate Adjustment Factor (5) / (6)		0.407

	Current	Proposed	Percent Change
Proposed Change in Reinsurance Rate Adjustment Factor	0.044	0.407	825%^

^ Please note that the resulting impact to the total reinsurance premium is 1000.1%

ATTACHMENT IX

Revision to the Home and Auto Discount

ALLSTATE PROPERTY AND CASUALTY INSURANCE COMPANY
OWNERS FORMS
ARKANSAS

REVISION TO THE HOME AND AUTO DISCOUNT – RULE 17

With this filing, Allstate proposes to revise the Home and Auto Discount for the Allstate Property and Casualty Insurance Company Owners program in Arkansas. The current and proposed factors for the Home and Auto Discount are shown in the table below.

Current Factor	Proposed Factor
0.80	0.70

ATTACHMENT X

Rate Level Impact of Revisions

ALLSTATE PROPERTY AND CASUALTY INSURANCE COMPANY
OWNERS FORMS
ARKANSAS

RATE LEVEL IMPACT OF REVISIONS

Rate Level Impact due to the Revision to the Home and Auto Discount

The rate level impact of the above rating plan revision detailed in **Attachment IX** is shown below. The impacts have been measured using an extension of exposures method and a recent snapshot of policyholders in AP&C. Please note that these impacts are not the total impacts. The total rate level impacts for both the Homeowners and Select Homeowners policy forms are shown in the Summary subsection of this attachment.

Rating Plan	Rate Level Impact of Factor Revision
Home and Auto Discount	-8.5%

Revision of Rate Adjustment Factors & Introduction of Retained Risk Provision

To achieve the selected rate level change for the rating program, the Rate Adjustment Factor (RAF) will be revised.

Policy Form	Current RAF	Proposed RAF
Homeowners and Select Homeowners	1.408	2.033

A RAF is applied uniformly to the package premium. A revision of a RAF is equivalent to a base rate change that does not vary across territories.

In addition, a Retained Risk Provision (RRP) is being introduced as described in **Attachment V**.

The proposed RAF and the proposed retained risk provision, along with the revision of rating plan factors shown above will achieve the selected rate level change shown in **Attachment II.**

Summary of Combined Rate Level Impact

The combined impact of the rating plan factor revisions, the introduction of the retained risk provision and RAF revision is shown below.

Policy Form	Rating Plan Factor Changes	RAF and RRP Change	Total Rate Level Impact
Homeowners and Select Homeowners	-8.5%	45.2%	30.7%*

*Reflects fixed expense fees

ATTACHMENT XI

Summary of Manual Changes

ALLSTATE PROPERTY AND CASUALTY INSURANCE COMPANY
OWNERS
ARKANSAS

SUMMARY OF MANUAL CHANGES

Rules Manual:

HOPC5-2	▪ Add Retained Risk Provision to the interpolation procedure

Rates Manual:

PCP-1	▪ Add Retained Risk Provision to Premium Rate Calculation
RFP-4	▪ Revise Rate Adjustment Factor
RFP-10	▪ Revise Home and Auto Discount
RFP-14	▪ Add Retained Risk Provision Calculation
RFP-15	▪ Revise Reinsurance Rate Adjustment Factor

April 13, 2011

RE: Allstate Property and Casualty Insurance Company
Arkansas
Owners Rate Filing
Company File #R23300

Please find below our responses to your questions submitted on March 23, 2011 in reviewing the current Arkansas Owners Rate Filing for Allstate Property and Casualty Insurance Company.

1. Form HPCS must be submitted in Excel spreadsheet format. Companies may not change the form in any way or include formulas.

Please see the attached Form HPCS in Excel spreadsheet format.

2. Please remove the hurricane provision and recalculate your indicated rate need. We do not allow hurricane provisions or modeling in Arkansas.

Allstate does not believe that available historical data for hurricane losses sufficiently represents the exposure to expected hurricane loss in Arkansas. As such, in accordance with Actuarial Standard of Practice No. 39 – Treatment of Catastrophe Losses in Property/Casualty Insurance Ratemaking, Allstate has chosen to use a model which is based on a combination of historical insurance and non-insurance data.

Prior to this filing, Allstate had included actual hurricane losses in Arkansas in the development of their Non-Modeled Catastrophe Provision. However, because of the low frequency, high severity nature of hurricane activity, Allstate believes that continuing to include hurricane loss in our Non-Modeled Catastrophe Provision (which is developed using 15 years of data) is inappropriate. Therefore, a separate Modeled Hurricane Provision was incorporated with this filing. Using a model provides a more stable result as it mitigates the volatility found in historical insurance data.

Note that with this introduction of a Modeled Hurricane Provision, hurricane losses have been removed from the analysis performed to arrive at a Non-Modeled Catastrophe Provision.

As shown on Attachment VII, Exhibit 7 of the filing, the resulting Modeled Hurricane Provision per Amount of Insurance Year (AIY) for Arkansas Allstate Property and Casualty Insurance Company Owners is 0.016. Note that if no Modeled Hurricane Provision is used and we instead rely on only actual losses experienced, the analysis for the Non-Modeled Catastrophe Provision results in an indication that increases from 80.9% to 81.5%.

More information on the effect of relying only on actual experience in the development of the Non-Modeled Catastrophe Provision rather than including a Modeled Hurricane Provision can be found on Pages 1 through 4 of Exhibit 1 of this response.

Based on the above support and additional information, Allstate believes the use of a Modeled Hurricane Provision is appropriate and justified. However, we propose to remove the Modeled Hurricane Provision and include hurricane losses in the Non-Modeled Catastrophe Provision consistent with past Arkansas filings.

3. Please reduce the contingency provision to 1%. The Department's position will continue unchanged until more current data/justification for this provision is provided.

Quantitative information on countrywide losses from unexpected events past 2003 is not available at this time. Qualitatively, representative events include court decisions redefining the cause of loss for earth movement- and landslide-related loss, sinkholes, failure to disclose (in connection with the sale of a home), oil tank leakage, foundation slab losses, mold, methamphetamine lab damage, legislated exceptions to policy language, flooding, lead paint poisoning, imminent collapse, terrorism, radiant floor heating systems, dog bites, and drug cartel wars.

Given this and the existing support, Allstate feels that a 2% contingency provision is appropriate and justified. However, we propose to reduce the contingency provision to 1%, consistent with the approved provision in past Arkansas filings.

The revised overall indicated rate need resulting from this change, and the change proposed in question 2, is 79.1%. A revised copy of the Determination of Statewide Rate Level Indication is included in Exhibit 2. Given that this is still greater than the proposed rate level change of 29.6%, Allstate is not revising its requested rate level increase.

4. Please explain why, with no apparent changes to the reinsurance contract, the reinsurance premium amount has increased so significantly.

The reinsurance premium for Arkansas increased primarily due to changes in the model used to simulate losses, which were then used to calculate expected recoveries and distribute the reinsurance premium. AIR version 10 was used for the 2009-10 reinsurance contracts and AIR version 11 was used for the 2010-11 reinsurance contracts. With AIR version 11, AIR updated their Earthquake Model, which included changes to both the earthquake shake and earthquake fire following models. Specifically, AIR adopted the USGS 2008 National Seismic Hazard Report and updated two of the four fire following modules: Fire Suppression Dynamic Simulation and Probabilistic Spread. These changes resulted in increased simulated losses for Arkansas.

Finally, the reinsurance covering Arkansas is a countrywide (x-Florida) annual aggregate cover which means that all covered losses during the contract period are aggregated together in order to determine expected recoveries. These expected recoveries are then distributed to business segment (e.g., Arkansas Homeowners) based on that segment’s contribution to the total covered loss. The increase in reinsurance premium for Arkansas is reflective of an increase in Arkansas’ contribution to the total covered loss.

Even though the reinsurance premium increased for Arkansas, it still remains a very small portion of a policyholder’s total premium. The overall impact on total premium associated with this change is 0.3%.

5. Provide justification for the changed auto/home discount factor.

Allstate believes that the 30% discount is justified base on three considerations: expected loss differences, expected expense differences, and the differences in the degree of risk between a customer who has both homeowner and auto insurance policies with Allstate versus a customer who has only a homeowner policy with Allstate.

1. The non-catastrophe loss ratio relativities between customers with the Home and Auto Discount and customers without the discount in Arkansas are shown below. The premium used to calculate these loss ratios reflects the current discount for Home and Auto customers, so the relativity shown reflects additional differences in loss costs beyond the current discount.

	Home and Auto Discount	
	Yes	No
Non-Cat Loss Ratio Relativity*	0.84	1.00

*Arkansas Allstate Insurance Group data, Years 2006-2010

2. An additional consideration is based upon expense differences. Annualized countrywide data shows that the propensity to renew for a customer that has both homeowner and auto insurance policies with Allstate is 92%, while those with only a homeowners policy with Allstate is 84%. A policy with a higher propensity to renew merits a higher discount because the acquisition costs can be spread out over more years.

3. Allstate also considered the degree of risk for a customer with a homeowner policy and an auto policy with Allstate compared to a customer with only a homeowner policy with Allstate. Customers with an auto and a homeowner policy with Allstate result in less risk than a customer with only a homeowner policy with Allstate due to the differences in volatility between these two customer profiles. This additionally supports a deeper discount.

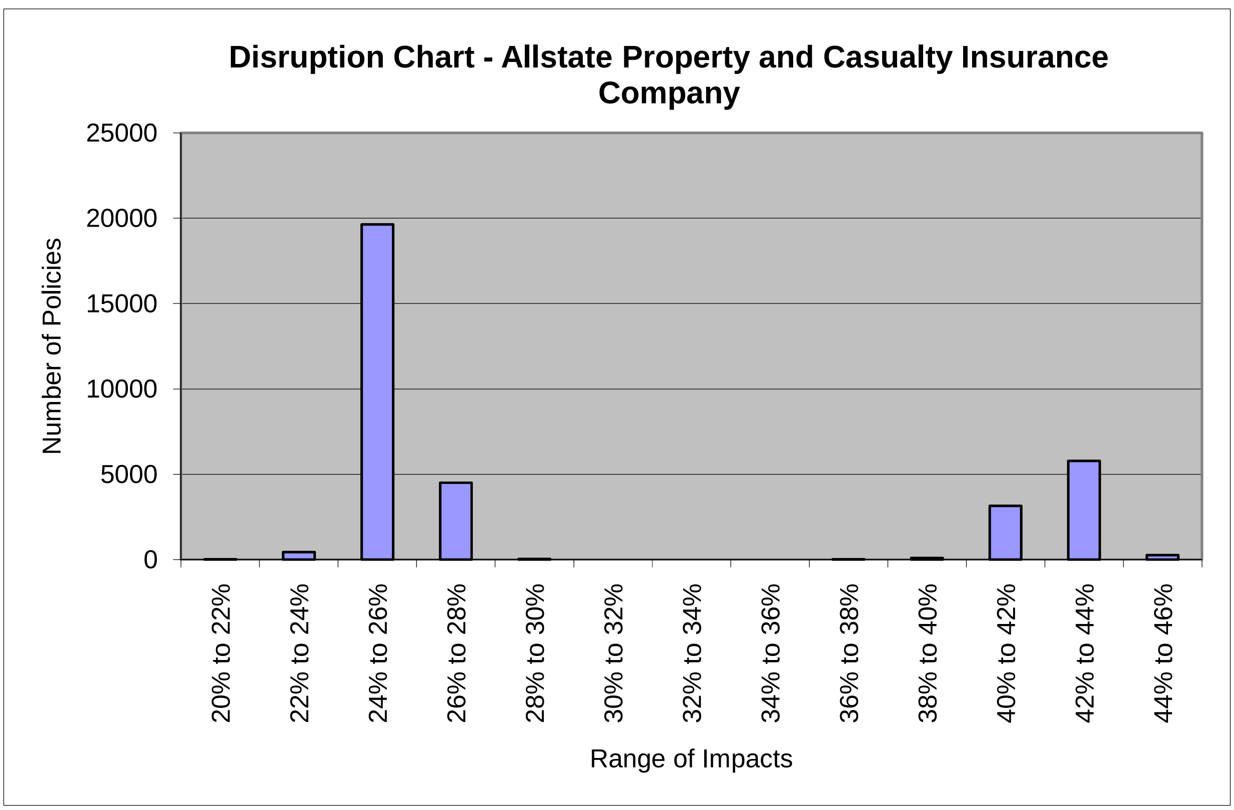
Allstate believes that the three considerations described above combine to actuarially support the 30% discount proposed with this filing.

6. Retained risk provision proposed does not appear to comply with Arkansas Code Ann. 23-67-209 which required past loss experience to be considered in rating. In addition, Arkansas Code Ann. 23-67-210 requires classes to be based on actual differences in experience and expenses and they must have a probable effect on future losses or expenses.

The retained risk provision that Allstate proposes to introduce in the determination of its indicated rate level need is specifically meant to provide an appropriate return on its high-layer retained hurricane and fire following earthquake catastrophe exposure. It is not a provision to account for future expected losses. Arkansas Code Ann. 23-67-207(d) states that rates may contain "an allowance for permitting a reasonable profit". Allstate believes its retained risk provision provides this for its high-layer retained hurricane and fire following earthquake catastrophe exposure, while the underwriting profit provision remains appropriate for the remaining exposures.

In order to incorporate the retained risk provision in its rating structure, Allstate proposes to introduce a separate provision. This is a statewide provision that only varies by amount of insurance, very similar to Allstate's structure for its reinsurance charge.

7. Provide a disruption chart.



Please note that 72.6% of policyholders will be impacted less than 30% with this revision.

Please let me know if you have any questions or need anything further to continue your review of this filing.

ALLSTATE INSURANCE GROUP
HOMEOWNERS INSURANCE
ARKANSAS
NONMODELED CATASTROPHE PROVISION *

(1) CALENDAR YEAR	(2) AMOUNT OF INSURANCE YEARS	(3) CATASTROPHE INCURRED LOSS	(4) STATE CATASTROPHE RATIO	(5) COUNTRYWIDE CATASTROPHE RATIO	(6) RELATIVITIES
1995	2,887,538	1,651,000	0.572	0.645	0.887
1996	2,980,889	17,106,000	5.739	0.742	7.735
1997	3,144,832	2,733,000	0.869	0.246	3.533
1998	3,303,648	244,000	0.074	0.427	0.173
1999	3,332,183	10,286,000	3.087	0.432	7.146
2000	3,420,427	6,984,000	2.042	0.598	3.415
2001	3,588,393	1,054,000	0.294	0.517	0.569
2002	3,938,995	822,000	0.209	0.371	0.563
2003	4,482,591	1,800,000	0.402	0.704	0.571
2004	5,278,462	1,135,000	0.215	0.236	0.911
2005	6,206,937	837,000	0.135	0.203	0.665
2006	7,323,099	19,726,000	2.694	0.456	5.908
2007	8,763,300	2,999,000	0.342	0.536	0.638
2008	9,599,267	52,789,000	5.499	0.795	6.917
2009	10,120,691	34,880,000	3.446	0.832	4.142

(7) Average Relativity	2.918
(8) Standard Deviation	2.812
(9) Credibility	0.763
(10) Credibility Weighted Relativity	2.463
(11) Countrywide Selected Catastrophe Factor	0.547
(12) Arkansas Catastrophe Factor	1.347

*Including hurricane losses

Allstate Insurance Group
Owners
Arkansas

Development of Catastrophe Provisions by Line - Including Hurricane Losses

OWNERS

(1a) Calendar Year	(2a) Amount of Insurance Years	(3a) Catastrophe Incurred Loss	(4a) State Catastrophe Ratio
1995	2,811,400	1,648,765	0.586
1996	2,902,531	17,089,861	5.888
1997	3,060,318	2,724,699	0.890
1998	3,209,377	240,242	0.075
1999	3,229,207	10,247,991	3.174
2000	3,313,371	6,971,765	2.104
2001	3,480,822	1,021,481	0.293
2002	3,831,204	821,700	0.214
2003	4,375,955	1,789,355	0.409
2004	5,168,560	1,134,832	0.220
2005	6,090,328	834,703	0.137
2006	7,198,275	19,702,235	2.737
2007	8,633,590	2,998,006	0.347
2008	9,460,454	52,716,628	5.572
2009	9,970,261	34,834,619	3.494

RENTERS

(1b) Calendar Year	(2b) Amount of Insurance Years	(3b) Catastrophe Incurred Loss	(4b) State Catastrophe Ratio
1995	61,888	255	0.004
1996	64,401	7,266	0.113
1997	70,457	7,870	0.112
1998	80,618	2,193	0.027
1999	89,088	37,481	0.421
2000	92,644	10,485	0.113
2001	92,068	27,020	0.293
2002	91,871	-103	-0.001
2003	89,879	11,292	0.126
2004	91,411	-144	-0.002
2005	95,186	0	0.000
2006	101,562	21,015	0.207
2007	103,108	1,426	0.014
2008	110,813	50,344	0.454
2009	122,041	41,986	0.344

CONDOMINIUM

(1c) Calendar Year	(2c) Amount of Insurance Years	(3c) Catastrophe Incurred Loss	(4c) State Catastrophe Ratio
1995	14,250	1,591	0.112
1996	13,957	8,518	0.610
1997	14,057	0	0.000
1998	13,653	1,434	0.105
1999	13,888	600	0.043
2000	14,412	1,500	0.104
2001	15,503	5,584	0.360
2002	15,920	0	0.000
2003	16,757	0	0.000
2004	18,491	0	0.000
2005	21,423	2,696	0.126
2006	23,262	3,174	0.136
2007	26,602	-117	-0.004
2008	28,000	22,082	0.789
2009	28,389	2,963	0.104

HOMEOWNERS

(1d) Calendar Year	(2d) Amount of Insurance Years	(3d) Catastrophe Incurred Loss	(4d) State Catastrophe Ratio
1995	2,887,538	1,650,611	0.572
1996	2,980,889	17,105,645	5.738
1997	3,144,832	2,732,569	0.869
1998	3,303,648	243,869	0.074
1999	3,332,183	10,286,072	3.087
2000	3,420,427	6,983,750	2.042
2001	3,588,393	1,054,085	0.294
2002	3,938,995	821,597	0.209
2003	4,482,591	1,800,647	0.402
2004	5,278,462	1,134,688	0.215
2005	6,206,937	837,399	0.135
2006	7,323,099	19,726,424	2.694
2007	8,763,300	2,999,315	0.342
2008	9,599,267	52,789,055	5.499
2009	10,120,691	34,879,567	3.446

	(5) Average State Catastrophe Ratio	(6) Line To Homeowners* Ratio	(7) 2009 Amount Of Insurance	(8) 2009 Weighted Line To Homeowners* Ratio	(9) Ratio Balanced To Homeowners*	(10) Line Specific Catastrophe Factor
Condominium	0.166	0.097	28,389	0.097	0.096	0.129
Renters	0.148	0.087	122,041	0.087	0.086	0.116
Owners	1.743	1.020	9,970,261	1.020	1.013	1.365
Homeowners	1.708	1.000	10,120,691	1.007	1.000	1.347

* Includes Owners, Renters and Condominium lines

Allstate Property & Casualty Insurance Company
Owners
Arkansas

Development of Catastrophe Provisions by Company - Including Hurricane Losses

Company	Earned Exposures	Projected Average AIYs	Expected Catastrophe Loss Relativity	Expected Catastrophe Loss Per Policy	Indicated Catastrophe Provision
AIC	13,677	128.68	0.908	193.07	1.500
AI	11,668	154.06	1.017	216.25	1.404
AP&C	**33,694**	**187.30**	**1.159**	**246.45**	**1.316**
Total	59,039	167.15	1.073	228.16	1.365

Allstate Property and Casualty Insurance Company
Owners Forms
Arkansas

Development of Provisions for Catastrophe Loss and LAE and Retained Risk Provision

1) Non-Modeled Catastrophe Provision Per AIY	1.316
2) Non-Modeled Catastrophe Provision Per AIY Including All LAE	1.526
3a) Selected Modeled Hurricane Provision Including All LAE	0.000
3b) Implied Non-Modeled Hurricane Provision Including All LAE reflected in (2) above	0.040
4) Retained Risk Provision Per AIY	0.129
5) Earned Exposures	33,694
6) Earned AIY*	6,310,874
7) Average Earned AIY* (6)/(5)	187.30
8) Factor to Adjust to Projected Average AIY Level	1.000
9) Average AIY Projected to **1/1/2012** (7)*(8)	187.30
10) Expected Non-Modeled Catastrophe Pure Premium [(2) - (3b)]*(9)	$278.33
11) Proportion of High-Layer Retained Modeled Losses to Total Expected Modeled Losses	0.984
12) Expected Non-Modeled Hurricane Catastrophe Pure Premium (3b)*(9)	$7.49
a) Low-Layer Retained and Ceded Hurricane Catastrophe Pure Premium [1 - (11)]*(12 Total)	$0.12
b) High-Layer Retained Hurricane Catastrophe Pure Premium (11)*(12 Total)	$7.37
13) Expected Retained Risk Provision (4)*(9)	$24.16

*1 AIY = One Amount of Insurance Years = $1000 of Coverage in Force for One Year

Allstate Property and Casualty Insurance Company
Owners Forms
Arkansas

Determination of Statewide Rate Level Indication

1) Indicated Provision for Loss and Loss Adjustment Expense [(a)+(b)+(c)+(d)]		$1,096.98
a)	Non-Catastrophe Loss and LAE	$811.16
b)	Non-Modeled Catastrophe Loss and LAE	$278.33
c)	Low-Layer Retained and Ceded Hurricane Catastrophe Loss and LAE	$0.12
d)	High-Layer Retained Hurricane Catastrophe Loss and LAE	$7.37
2) Current Fixed Expense Ratio		10.0%
3) Three Year Average Earned Premium		$804.35
4) Current Dollar Provision for Fixed Expense [(2) x (3)]		$80.44
5) Factor to Adjust for Subsequent Change in Fixed Expense		1.069
6) Indicated Provision for Fixed Expense [(4) x (5)]		$85.99
7) Variable Expense, Contingencies Ratio and Profit Ratio [(a) + (b) + (c)]		26.5%
a)	Variable Expense Ratio (including Commissions, Taxes, and Debt Provision)	16.6%
b)	Contingencies Ratio	1.0%
c)	Profit Ratio	8.9%
8) Indicated Retained Risk Provision		$24.16
9) Indicated Average Premium [(a)+(b)+(c)]		$1,637.37
a)	Non-Catastrophe Loss and LAE Non-Modeled Catastrophe Loss and LAE Low-Layer Retained and Ceded Hurricane Catastrophe Loss and LAE Fixed Expense [(1a) + (1b) + (1c) + (6)]/[1 - (7 Total)]	$1,599.46
b)	High-Layer Retained Hurricane Catastrophe Loss and LAE (1d)/[1 - (7a) - (7b)]	$8.94
c)	Retained Risk Provision (8) / [1 - (7a)]	$28.97
10) Projected Average Earned Premium at Current Rates		$914.11
11) Indicated Rate Level Change [(9 Total) / (10) - 1.0]		79.1%

April 26, 2011

RE: Allstate Property and Casualty Insurance Company
Arkansas
Owners Rate Filing
Company File #R23300

Please find below our responses to your questions submitted on April 15, 2011 in reviewing the current Arkansas Owners Rate Filing for Allstate Property and Casualty Insurance Company.

1. **NAIC loss cost data entry document (Supporting Document)**

   Please re-submit on our form without any alterations. As discussed in our phone conversation of 4/15/11, our programming does not permit renaming, addition of worksheets, formulas or any other changes to the form.

   Please see the attached NAIC loss cost data entry document and the HPCS-Homeowners Premium Comparison Survey.

2. **Filing Memo & Exhibits (Supporting Document)**
   03/23/11 OBJ Response (Supporting Document)

   Provide the AIR model version 11 and/or the input data. Provide specifics regarding the changes to the fire suppression dynamics simulation and Probabilistic Spread. Compare the previous simulated losses for AR to those included in the new model.

   The following summarizes the changes that were made to the fire suppression and spread components of the fire following model in the 2009 update of the AIR Earthquake Model for the United States.

   1. <u>Fire Engines.</u> The fire following model suppresses fires using modeled fire engines. The number of modeled fire engines in each ZIP code is derived from a fire engine database. In the 2009 U.S. earthquake model update, the fire engine database was expanded and now includes numbers of fire engines in 350 cities and towns throughout the United States. The model estimates the number of fire engines in other cities and towns using a regression which specifies the number of fire engines as a function of the population of the city or town. Prior to the update, the fire following model used fire engine data from 13 counties in California and 7 cities outside of California.

2. Wind Speed. Wind speed plays an important role in determining how fast a fire will spread from building to building. For each simulated earthquake, multiple fire following simulations are run, and the average fire damage ratio from the multiple fire simulations is calculated for each ZIP code and fire class. For each individual fire simulation, a single wind speed is drawn from a distribution and is used to model fire spread for that simulation. The wind speed distributions are determined by a wind speed database that consists of mean wind speeds at a large number of weather stations throughout the country.

   The wind speed database has been expanded to 680 weather stations in the 2009 U.S. earthquake model, from 241 weather stations in the previous version of the model.

   The type of wind speed distribution that is used has also been revised. In the 2009 U.S. earthquake model, the wind speed distribution is a hybrid Weibull distribution consisting of a Weibull distribution with shape parameter k = 2, also known as a Rayleigh distribution, for the lowest 70% of the cumulative probability and a Weibull distribution with shape parameter k = 1 for the highest 30% of the cumulative probability. In the previous version of the model, the wind speed distribution that was used was a pure Rayleigh distribution. The revised distribution allows a greater probability of higher wind speeds.

   The specific wind speed distribution which is used for a particular fire simulation is determined by the mean wind speed for the distribution. In the 2009 U.S. earthquake model, the mean wind speed for the distribution is the weighted mean wind speed for weather stations surrounding the ignition centroid, which is the location corresponding to the mean longitude and latitude of ignitions for the fire simulation. The weighting factor used for each weather station is 1/r2, where r is the distance from the ignition centroid. In the previous version of the model, the mean wind speed for the distribution was the mean wind speed for the weather station closest to the centroid of the area affected by the earthquake, as indicated by peak ground acceleration values.

3. Building Parameters. Fire spread is affected by building parameters such as building width, building separation, building height, and the fraction of the land area which is covered by buildings. In the 2009 U.S. earthquake model, these building parameters are specified for each fire class in six different urban environments defined by the total exposure density. The different urban environments are very dense urban, dense urban, moderately dense urban, suburban, intermediate suburban-rural, and rural. In the previous version of the model, different urban environments were defined using the ratio between residential and commercial exposure values, and the population density.

Allstate distributes reinsurance costs to various business segments based on their contribution to the expected recoveries (a.k.a., Participation Percentage). The following provides a detailed explanation of the process utilized by Allstate to develop expected recoveries and distribute reinsurance costs:

1. Allstate provides AonBenfield with countrywide personal lines property and auto exposure data for Allstate, and Encompass, and personal lines property exposure data for North Light Specialty for the modeled perils (Hurricane, Shake and Fire Following Earthquake). The exposure data sent contains the characteristics necessary for AonBenfield to process the exposures through catastrophe models. Below are the details of the exposure data sent:

    a. Policy level Shake property exposures for Allstate and Encompass
    b. ZIP aggregated Fire Following property exposures for Allstate and Encompass and policy level Fire Following property exposures for North Light
    c. Policy level Hurricane property exposures for Encompass and North Light and for Allstate a mixture of policy level and ZIP aggregated property exposures
    d. ZIP aggregated auto exposures

2. AonBenfield processes the exposure data through AIR Worldwide (AIR) CLASIC/2 catastrophe modeling software using a 10,000-year simulation. AIR's Standard catalog with demand surge was utilized and Warm Sea-Surface Temperature factors (supplied by Allstate) were subsequently applied to modeled hurricane losses.

3. Allstate modified the "Event Loss File" provided by AonBenfield to reflect potential California wildfire losses and non-recoupable assessments (up to $100 million for any one contract year) from the Texas Windstorm Insurance Association (TWIA). Both of these potential losses are covered by the countrywide catastrophe aggregate excess of loss contracts. The potential California wildfire losses are also covered by the newly placed (i.e., for 2010) California state-specific catastrophe per-occurrence reinsurance contract. The potential non-recoupable TWIA assessments (up to $100 million for any one contract year) are also covered by the Gulf catastrophe per-occurrence reinsurance contracts. Notes:

    a. California wildfire losses – Allstate's California Pricing Team conducted an analysis comparing actual loss experience (1994 - 2008 for 2009 and 1994 - 2009 for 2010) to Amount of Insurance Years (AIYs) by line of business to obtain an average annual ratio (by line of business). These ratios were then applied to the exposures modeled by AonBenfield to calculate average annual California wildfire losses, which were added to the "Event Loss File" for each simulated year.
    b. Non-recoupable TWIA assessments – Allstate Wind Pool policies were modeled and losses adjusted to an industry level in order to calculate estimated non-recoupable TWIA assessments for each simulated year, which were distributed to each modeled event within that year using loss distribution for the events. Finally, assessments were distributed by business unit and line of business based on written premium distribution provided by Pricing.

4. Using the modified "Event Loss File," Allstate's Catastrophe modeling Team calculated expected loss recoveries under each reinsurance contract by business unit, state, line of business, and peril. These expected loss recoveries were then utilized to calculate participation percentages as follows:

a. First by business unit and state, rounding to four decimal places and re-indexing, if necessary, to ensure the total equals 100.00%.
b. Then, by state, line of business, and peril for Allstate, Encompass and North Light. Again, rounding to four decimal places and re-indexing to ensure the total equals 100.00%. Participation percentages are then summed to the state and line of business level.

Note: North Light is treated as a separate company/Line of Business within the Allstate Business Unit.

5. The participation percentages are provided to AonBenfield for inclusion in reinsurance contracts. Exhibits I – VI show the participation percentages for the countrywide (x-FL) contracts effective during the 2010-11 contract year. Exhibit I - III are for the renewing contract which incepted on June 01, 2009 while Exhibit IV - VI are for the new contract that incepted on June 01, 2010.

6. Exhibit VII shows the expected recoveries used to calculate participation percentages for the 2010 reinsurance program while Exhibit VIII shows the expected recoveries used to calculate participation percentages for 2009 reinsurance program. If you compare the expected recoveries for the 2010 and 2009 reinsurance program, you will notice Arkansas' expected recoveries increased as a result of earthquake fire following, which translates into Arkansas' share of the countrywide annual aggregate reinsurance costs increasing from 0.01% to 0.07%., with the Allstate Homeowner's share increasing from 72.95% to 87.62%. This increase is primarily driven by the model changes explained above.

   In addition to the impact of the model change, Arkansas' exposures also increased which further compounded the affect of the model changes. Exhibit IX provides a comparison of the exposures underlying the expected loss recoveries for the 2010 and 2009 reinsurance programs. The 2010 reinsurance program utilized exposures as of September 2009 while the 2009 reinsurance program utilized exposures as of September 2008.

   Provide a rating example comparing the premium effect of the current reinsurance charge and the proposed.

   The premiums in the chart below compare the proposed change with and without the revised reinsurance charge for three rating examples taken from the Homeowners Premium Comparison Survey form (Form HPCS).

   Please note that the reinsurance charge is statewide and does not vary by territory.

Example^:	Proposed Premium Excluding Reinsurance:	Current Reinsurance Charge:	Proposed Reinsurance Charge:	Proposed Premium with Current Reinsurance:	Proposed Premium with Proposed Reinsurance:	Dollar Difference:
1	$699.81	$0.16	$1.76	$699.97	$701.57	$1.60
2	$1287.38	$0.24	$2.64	$1,287.62	$1,290.02	$2.40
3	$1382.35	$0.32	$3.52	$1,382.67	$1,385.87	$3.20

^Example 1: Washington County, Protection Class 3, Dwelling Value $80,000, Brick Construction
Example 2: St. Francis County, Protection Class 6, Dwelling Value $120,000, Frame Construction
Example 3: Miller County, Protection Class 9, Dwelling Value $160,000, Brick Construction

3. **As discussed in our phone conversation, the retained risk provision is problematic in principle as well as amount. Commissioner Bradford must approve it.**

   Please include the provision in the rating example.

   Allstate continues to believe its retained risk provision is appropriate given the fire following earthquake and hurricane catastrophe exposure that it retains in the state of Arkansas. This provision is intended to provide Allstate an appropriate return commensurate with the risks that it retains. Please note that this methodology has been filed by Allstate in several states across the country.

   One issue raised during our phone discussion was the concern that the incorporation of the retained risk provision results in “excess profits”. Allstate believes that the combination of the profit provision and the retained risk provision (which are applied separately and uniquely to different parts of the rate) provide the correct return for Allstate based on the risk of its portfolio of business.

   First, note that in Allstate’s ratemaking calculations, in the portion of the rate that is for hurricane catastrophe risk, the typical underwriting profit provision is replaced by the retained risk provision. It is not included in addition to the underwriting profit provision.

   Second, Allstate’s current cost of capital estimation methodology includes the use of the Fama-French Three-Factor Method (FF3F), which is similar to the Capital Asset Pricing Model (CAPM) in that it calculates betas for a given company, reflecting the relationship of that company’s returns to the returns for the overall market. Theoretically, betas can be calculated for each specific company. However, in practice there tends to be a significant amount of volatility in the results when a single company’s information is used to calculate betas.

   Thus, in Allstate’s approach, betas are calculated using information from the entire P&C industry. This helps give the beta calculations more stability. However, in doing so, it also generalizes the results in some ways. Instead of reflecting risks and expectations of Allstate specifically, the betas are more reflective of the P&C industry as a whole (not counting the portions of FF3F that take into account company-specific information).

Allstate's portfolio of risks represents a unique distribution of lines and states (as do all companies'). Allstate writes almost 25% of its business in the homeowners line, some of which is highly volatile coastal business. Many of Allstate's biggest and most comparable multi-line competitors are mutual companies and are, as such, not included in the FF3F P&C industry composite. As a result, Allstate has a much higher proportion of business in the homeowners line than most of the companies included in the P&C composite.

Because of this, the betas calculated using industry information fail to completely reflect the volatility and risk associated with Allstate's mix of business, particularly as it relates to its homeowners business. Therefore, again, Allstate believes that the retained risk provision is appropriate in combination with its underwriting profit provision.

Allstate proposed rate level change of 29.6% for its owners line of business in Allstate Property and Casualty Insurance Company remains well below its indicated rate level need of 79.1%.

It is also important to note that the resulting impact of retained risk provision on the rate for a given policyholder is not significant. The following rating example illustrates this.

The premiums in the chart below compare the proposed change with and without the retained risk provision (RRP) for three rating examples taken from the Homeowners Premium Comparison Survey form (Form HPCS).

Please note that the retained risk provision is statewide and does not vary by territory.

Example^:	**Current RRP Charge:**	**Proposed RRP Charge:**	**Proposed Premium without RRP:**	**Proposed Premium with RRP:**	**Dollar Difference:**
1	$0	$2.80	$698.77	$701.57	$2.80
2	$0	$4.20	$1,285.82	$1,290.02	$4.20
3	$0	$5.60	$1,380.27	$1,385.87	$5.60

^Example 1: Washington County, Protection Class 3, Dwelling Value $80,000, Brick Construction
Example 2: St. Francis County, Protection Class 6, Dwelling Value $120,000, Frame Construction
Example 3: Miller County, Protection Class 9, Dwelling Value $160,000, Brick Construction

4. **The overall rate change amount and individual impacts must be approved by the Commissioner.**

   Allstate fully understands this and looks forward to its upcoming meeting with the Commissioner on April 27, 2011.

Please let me know if you have any questions or need anything further to continue your review of this filing.

2010-2011 Participation in Countrywide* (Renewing) Annual Aggregate Reinsurance Cover

(incepted 2009)

	Personal Lines		
State	**Allstate**	**Encompass**	**Total**
Alabama	1.26%	0.08%	1.34%
Alaska	0.00%	0.00%	0.00%
Arizona	0.00%	0.00%	0.00%
Arkansas	0.07%	0.00%	0.07%
California	7.68%	0.50%	8.18%
Colorado	0.00%	0.00%	0.00%
Connecticut	4.90%	0.59%	5.49%
Delaware	0.20%	0.07%	0.27%
District of Columbia	0.13%	0.02%	0.15%
Georgia	5.47%	0.67%	6.14%
Hawaii	0.00%	0.00%	0.00%
Idaho	0.00%	0.00%	0.00%
Illinois	0.01%	0.00%	0.01%
Indiana	0.00%	0.00%	0.00%
Iowa	0.00%	0.00%	0.00%
Kansas	0.00%	0.00%	0.00%
Kentucky	0.07%	0.01%	0.08%
Louisiana	3.90%	0.50%	4.40%
Maine	0.30%	0.00%	0.30%
Maryland	1.73%	0.44%	2.17%
Massachusetts	0.00%	0.33%	0.33%
Michigan	0.00%	0.00%	0.00%
Minnesota	0.00%	0.00%	0.00%
Mississippi	1.87%	0.00%	1.87%
Missouri	0.01%	0.00%	0.01%
Montana	0.00%	0.00%	0.00%
Nebraska	0.00%	0.00%	0.00%
Nevada	0.16%	0.00%	0.16%
New Hampshire	0.46%	0.05%	0.51%
New Jersey	4.76%	1.36%	6.12%
New Mexico	0.00%	0.00%	0.00%
New York	17.23%	2.08%	19.31%
North Carolina	7.12%	0.34%	7.46%
North Dakota	0.00%	0.00%	0.00%
Ohio	0.22%	0.03%	0.25%
Oklahoma	0.00%	0.00%	0.00%
Oregon	0.05%	0.00%	0.05%
Pennsylvania	2.98%	0.44%	3.42%
Rhode Island	2.00%	0.13%	2.13%
South Carolina	13.59%	0.50%	14.09%
South Dakota	0.00%	0.00%	0.00%
Tennessee	0.59%	0.03%	0.62%
Texas	9.15%	0.17%	9.32%
Utah	0.00%	0.00%	0.00%
Vermont	0.09%	0.01%	0.10%
Virginia	4.70%	0.21%	4.91%
Washington	0.52%	0.05%	0.57%
West Virginia	0.12%	0.05%	0.17%
Wisconsin	0.00%	0.00%	0.00%
Wyoming	0.00%	0.00%	0.00%
Total	91.34%	8.66%	100.00%

* Excluding Florida.

Exhibit II

Allstate Personal Lines
2010-2011 Participation in Countrywide* (Renewing) Annual Aggregate Reinsurance Cover
By Line of Business
(incepted 2009)

State	Auto	Mobile Home	Residential Fire	Allstate Homeowners	Renters	Landlords Package Policy	Condominiums	Total
Alabama	7.14%	3.53%	0.40%	83.46%	2.25%	1.45%	1.77%	100.00%
Alaska	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Arizona	0.00%	1.14%	0.06%	88.84%	0.88%	8.19%	0.89%	100.00%
Arkansas	2.05%	0.96%	0.00%	87.46%	1.09%	8.39%	0.05%	100.00%
California	0.00%	0.24%	0.01%	88.75%	1.74%	7.60%	1.66%	100.00%
Colorado	0.00%	0.25%	0.50%	82.83%	5.17%	7.22%	4.03%	100.00%
Connecticut	3.39%	0.43%	1.06%	92.40%	0.54%	1.12%	1.06%	100.00%
Delaware	4.65%	5.16%	0.00%	84.52%	0.28%	3.58%	1.81%	100.00%
District of Columbia	2.65%	0.00%	0.00%	84.98%	0.67%	10.43%	1.27%	100.00%
Georgia	3.54%	1.62%	0.23%	88.11%	0.25%	5.94%	0.31%	100.00%
Hawaii	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Idaho	0.00%	0.00%	0.19%	93.02%	1.66%	5.13%	0.00%	100.00%
Illinois	0.00%	0.98%	0.19%	89.91%	3.03%	5.83%	0.06%	100.00%
Indiana	0.00%	2.10%	0.23%	84.98%	5.67%	5.60%	1.42%	100.00%
Iowa	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Kansas	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Kentucky	6.85%	7.04%	0.00%	79.23%	0.58%	6.12%	0.18%	100.00%
Louisiana	5.60%	0.86%	0.00%	92.48%	0.50%	0.02%	0.54%	100.00%
Maine	4.82%	9.45%	0.74%	77.83%	0.41%	6.14%	0.61%	100.00%
Maryland	5.75%	0.51%	0.22%	87.54%	0.47%	4.57%	0.94%	100.00%
Michigan	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Minnesota	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Mississippi	3.68%	0.00%	0.00%	95.39%	0.36%	0.50%	0.07%	100.00%
Missouri	0.00%	0.44%	0.18%	86.95%	2.42%	9.24%	0.77%	100.00%
Montana	0.00%	0.00%	1.78%	86.53%	3.32%	7.25%	1.12%	100.00%
Nebraska	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Nevada	0.00%	0.02%	0.06%	85.98%	0.89%	12.49%	0.56%	100.00%
New Hampshire	5.50%	1.63%	0.46%	89.39%	0.42%	1.91%	0.69%	100.00%
New Jersey	7.11%	0.43%	0.00%	86.30%	0.67%	3.21%	2.28%	100.00%
New Mexico	0.00%	0.11%	0.26%	85.50%	1.25%	12.85%	0.03%	100.00%
New York	4.05%	0.15%	0.72%	88.29%	1.08%	3.17%	2.54%	100.00%
North Carolina	5.98%	4.38%	0.13%	77.87%	0.63%	9.90%	1.11%	100.00%
North Dakota	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Ohio	3.89%	1.58%	0.42%	87.52%	0.32%	5.95%	0.32%	100.00%
Oklahoma	15.99%	3.94%	1.65%	72.83%	0.17%	5.37%	0.05%	100.00%
Oregon	0.00%	1.21%	1.12%	77.54%	4.24%	13.75%	2.14%	100.00%
Pennsylvania	5.92%	0.64%	1.16%	86.23%	0.32%	5.44%	0.29%	100.00%
Rhode Island	1.70%	0.77%	0.06%	87.99%	0.50%	8.26%	0.72%	100.00%
South Carolina	2.71%	3.88%	0.29%	84.92%	0.66%	5.46%	2.08%	100.00%
South Dakota	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Tennessee	3.22%	1.78%	0.00%	86.34%	0.79%	7.57%	0.30%	100.00%
Texas	5.23%	0.62%	1.39%	91.07%	0.72%	0.64%	0.33%	100.00%
Utah	0.00%	0.00%	0.22%	93.15%	0.84%	5.20%	0.59%	100.00%
Vermont	6.97%	3.49%	1.53%	85.06%	0.44%	1.62%	0.89%	100.00%
Virginia	4.73%	0.54%	0.27%	85.96%	1.10%	6.64%	0.76%	100.00%
Washington	0.00%	0.25%	0.54%	86.09%	2.10%	9.49%	1.53%	100.00%
West Virginia	4.69%	6.29%	0.60%	84.97%	0.21%	3.19%	0.05%	100.00%
Wisconsin	0.00%	0.07%	0.06%	94.41%	1.06%	4.32%	0.08%	100.00%
Wyoming	0.00%	0.00%	0.48%	92.81%	0.95%	5.57%	0.19%	100.00%

* Excluding Florida.

Encompass Personal Lines
2010-2011 Participation in Countrywide* (Renewing) Annual Aggregate Reinsurance Cover
By Line of Business
(incepted 2009)

State	Auto	Residential Fire	Homeowners	Renters	Condominiums	Total
Alabama	2.89%	1.76%	94.96%	0.09%	0.30%	100.00%
Arizona	0.00%	2.28%	97.72%	0.00%	0.00%	100.00%
Arkansas	3.78%	0.72%	95.42%	0.02%	0.06%	100.00%
California	0.00%	13.16%	84.98%	0.48%	1.38%	100.00%
Colorado	0.00%	2.70%	92.77%	1.06%	3.47%	100.00%
Connecticut	2.94%	5.06%	91.31%	0.13%	0.56%	100.00%
Delaware	7.64%	3.29%	87.20%	0.05%	1.82%	100.00%
District of Columbia	1.78%	9.52%	87.38%	0.18%	1.14%	100.00%
Georgia	3.13%	3.76%	92.48%	0.24%	0.39%	100.00%
Illinois	0.00%	0.18%	99.48%	0.32%	0.02%	100.00%
Indiana	0.00%	0.00%	98.83%	1.02%	0.15%	100.00%
Iowa	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Kansas	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Kentucky	7.15%	3.63%	88.81%	0.20%	0.21%	100.00%
Louisiana	2.68%	7.06%	87.73%	0.46%	2.07%	100.00%
Maine	2.43%	5.38%	91.99%	0.07%	0.13%	100.00%
Maryland	4.49%	3.06%	91.39%	0.12%	0.94%	100.00%
Massachusetts	12.12%	3.40%	84.07%	0.05%	0.36%	100.00%
Michigan	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Minnesota	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Missouri	0.00%	4.88%	94.27%	0.47%	0.38%	100.00%
Nevada	0.00%	9.47%	88.38%	0.15%	2.00%	100.00%
New Hampshire	5.30%	2.46%	91.76%	0.09%	0.39%	100.00%
New Jersey	5.22%	3.88%	90.11%	0.15%	0.64%	100.00%
New Mexico	0.00%	3.61%	96.39%	0.00%	0.00%	100.00%
New York	2.88%	4.48%	90.84%	0.35%	1.45%	100.00%
North Carolina	3.31%	0.00%	96.24%	0.27%	0.18%	100.00%
Ohio	2.52%	3.26%	93.77%	0.08%	0.37%	100.00%
Oklahoma	8.48%	3.13%	87.43%	0.13%	0.83%	100.00%
Oregon	0.00%	9.05%	86.75%	1.91%	2.29%	100.00%
Pennsylvania	7.42%	3.58%	88.30%	0.22%	0.48%	100.00%
Rhode Island	3.10%	2.92%	93.14%	0.14%	0.70%	100.00%
South Carolina	5.28%	2.48%	92.00%	0.05%	0.19%	100.00%
Tennessee	3.71%	3.12%	91.88%	0.40%	0.89%	100.00%
Texas	6.64%	7.94%	81.48%	2.27%	1.67%	100.00%
Utah	0.00%	1.33%	98.67%	0.00%	0.00%	100.00%
Vermont	2.32%	1.84%	94.74%	0.08%	1.02%	100.00%
Virginia	3.85%	3.33%	92.22%	0.17%	0.43%	100.00%
Washington	0.00%	6.23%	90.98%	1.07%	1.72%	100.00%
West Virginia	4.73%	1.43%	93.67%	0.06%	0.11%	100.00%
Wisconsin	0.00%	1.80%	98.20%	0.00%	0.00%	100.00%

* Excluding Florida.

2010-2011 Participation in Countrywide* (New) Annual Aggregate Reinsurance Cover
(incepted 2010)

	Personal Lines		
State	**Allstate**	**Encompass**	**Total**
Alabama	1.30%	0.09%	1.39%
Alaska	0.00%	0.00%	0.00%
Arizona	0.00%	0.00%	0.00%
Arkansas	0.08%	0.00%	0.08%
California	7.81%	0.51%	8.32%
Colorado	0.00%	0.00%	0.00%
Connecticut	4.75%	0.57%	5.32%
Delaware	0.20%	0.07%	0.27%
District of Columbia	0.12%	0.02%	0.14%
Georgia	5.52%	0.68%	6.20%
Hawaii	0.00%	0.00%	0.00%
Idaho	0.00%	0.00%	0.00%
Illinois	0.01%	0.00%	0.01%
Indiana	0.00%	0.00%	0.00%
Iowa	0.00%	0.00%	0.00%
Kansas	0.00%	0.00%	0.00%
Kentucky	0.07%	0.01%	0.08%
Louisiana	4.10%	0.53%	4.63%
Maine	0.29%	0.00%	0.29%
Maryland	1.71%	0.43%	2.14%
Massachusetts	0.00%	0.33%	0.33%
Michigan	0.00%	0.00%	0.00%
Minnesota	0.00%	0.00%	0.00%
Mississippi	1.96%	0.00%	1.96%
Missouri	0.01%	0.00%	0.01%
Montana	0.00%	0.00%	0.00%
Nebraska	0.00%	0.00%	0.00%
Nevada	0.18%	0.00%	0.18%
New Hampshire	0.45%	0.04%	0.49%
New Jersey	4.67%	1.33%	6.00%
New Mexico	0.00%	0.00%	0.00%
New York	16.71%	2.01%	18.72%
North Carolina	7.27%	0.35%	7.62%
North Dakota	0.00%	0.00%	0.00%
Ohio	0.23%	0.03%	0.26%
Oklahoma	0.00%	0.00%	0.00%
Oregon	0.06%	0.00%	0.06%
Pennsylvania	2.95%	0.44%	3.39%
Rhode Island	1.95%	0.12%	2.07%
South Carolina	13.60%	0.50%	14.10%
South Dakota	0.00%	0.00%	0.00%
Tennessee	0.64%	0.03%	0.67%
Texas	9.27%	0.18%	9.45%
Utah	0.00%	0.00%	0.00%
Vermont	0.08%	0.01%	0.09%
Virginia	4.75%	0.21%	4.96%
Washington	0.55%	0.05%	0.60%
West Virginia	0.12%	0.05%	0.17%
Wisconsin	0.00%	0.00%	0.00%
Wyoming	0.00%	0.00%	0.00%
Total	91.41%	8.59%	100.00%

* Excluding Florida.

Exhibit V

Allstate Personal Lines
2010-2011 Participation in Countrywide* (New) Annual Aggregate Reinsurance Cover
By Line of Business
(incepted 2010)

State	Auto	Mobile Home	Residential Fire	Allstate Homeowners	Renters	Landlords Package Policy	Condominiums	Total
Alabama	7.09%	3.51%	0.40%	83.53%	2.24%	1.46%	1.77%	100.00%
Alaska	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Arizona	0.00%	1.06%	0.05%	88.96%	0.89%	8.12%	0.92%	100.00%
Arkansas	1.90%	0.94%	0.00%	87.62%	1.09%	8.40%	0.05%	100.00%
California	0.00%	0.24%	0.01%	88.71%	1.75%	7.62%	1.67%	100.00%
Colorado	0.00%	0.24%	0.48%	82.67%	5.29%	7.16%	4.16%	100.00%
Connecticut	3.50%	0.43%	1.06%	92.30%	0.54%	1.12%	1.05%	100.00%
Delaware	4.69%	5.14%	0.00%	84.53%	0.28%	3.57%	1.79%	100.00%
District of Columbia	2.76%	0.00%	0.00%	84.90%	0.67%	10.41%	1.26%	100.00%
Georgia	3.54%	1.63%	0.23%	88.09%	0.25%	5.94%	0.32%	100.00%
Hawaii	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Idaho	0.00%	0.00%	0.19%	92.90%	1.65%	5.26%	0.00%	100.00%
Illinois	0.00%	0.96%	0.19%	89.97%	2.99%	5.83%	0.06%	100.00%
Indiana	0.00%	2.09%	0.23%	85.01%	5.65%	5.60%	1.42%	100.00%
Iowa	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Kansas	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Kentucky	6.67%	6.85%	0.00%	79.49%	0.61%	6.19%	0.19%	100.00%
Louisiana	5.57%	0.87%	0.00%	92.51%	0.50%	0.02%	0.53%	100.00%
Maine	4.89%	9.46%	0.74%	77.79%	0.40%	6.12%	0.60%	100.00%
Maryland	5.90%	0.50%	0.22%	87.42%	0.47%	4.56%	0.93%	100.00%
Michigan	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Minnesota	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Mississippi	3.63%	0.00%	0.00%	95.42%	0.36%	0.52%	0.07%	100.00%
Missouri	0.00%	0.41%	0.18%	87.34%	2.34%	9.02%	0.71%	100.00%
Montana	0.00%	0.00%	1.76%	87.07%	3.11%	7.07%	0.99%	100.00%
Nebraska	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Nevada	0.00%	0.02%	0.06%	85.98%	0.89%	12.49%	0.56%	100.00%
New Hampshire	5.56%	1.62%	0.46%	89.34%	0.42%	1.91%	0.69%	100.00%
New Jersey	7.24%	0.43%	0.00%	86.25%	0.66%	3.17%	2.25%	100.00%
New Mexico	0.00%	0.11%	0.26%	85.50%	1.25%	12.85%	0.03%	100.00%
New York	4.18%	0.15%	0.71%	88.25%	1.06%	3.15%	2.50%	100.00%
North Carolina	6.06%	4.40%	0.14%	77.75%	0.63%	9.91%	1.11%	100.00%
North Dakota	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Ohio	3.85%	1.57%	0.43%	87.57%	0.32%	5.94%	0.32%	100.00%
Oklahoma	16.63%	3.94%	1.64%	72.22%	0.16%	5.36%	0.05%	100.00%
Oregon	0.00%	1.21%	1.12%	77.54%	4.24%	13.75%	2.14%	100.00%
Pennsylvania	5.97%	0.64%	1.16%	86.17%	0.32%	5.45%	0.29%	100.00%
Rhode Island	1.75%	0.77%	0.06%	87.96%	0.50%	8.24%	0.72%	100.00%
South Carolina	2.77%	3.89%	0.29%	84.87%	0.65%	5.47%	2.06%	100.00%
South Dakota	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Tennessee	3.01%	1.65%	0.00%	86.60%	0.82%	7.62%	0.30%	100.00%
Texas	5.33%	0.62%	1.38%	90.98%	0.71%	0.65%	0.33%	100.00%
Utah	0.00%	0.00%	0.21%	93.01%	0.87%	5.36%	0.55%	100.00%
Vermont	7.10%	3.48%	1.53%	84.94%	0.44%	1.62%	0.89%	100.00%
Virginia	4.84%	0.55%	0.27%	85.86%	1.10%	6.62%	0.76%	100.00%
Washington	0.00%	0.26%	0.54%	86.04%	2.12%	9.49%	1.55%	100.00%
West Virginia	4.76%	6.36%	0.61%	84.83%	0.21%	3.18%	0.05%	100.00%
Wisconsin	0.00%	0.07%	0.06%	94.41%	1.06%	4.32%	0.08%	100.00%
Wyoming	0.00%	0.00%	0.49%	92.91%	0.92%	5.51%	0.17%	100.00%

* Excluding Florida.

Exhibit VI

Encompass Personal Lines
2010-2011 Participation in Countrywide* (New) Annual Aggregate Reinsurance Cover
By Line of Business
(incepted 2010)

State	Auto	Residential Fire	Homeowners	Renters	Condominiums	Total
Alabama	2.87%	1.76%	94.98%	0.09%	0.30%	100.00%
Arizona	0.00%	2.24%	97.76%	0.00%	0.00%	100.00%
Arkansas	3.52%	0.72%	95.67%	0.02%	0.07%	100.00%
California	0.00%	13.13%	85.01%	0.48%	1.38%	100.00%
Colorado	0.00%	2.71%	92.71%	1.07%	3.51%	100.00%
Connecticut	3.01%	5.04%	91.26%	0.13%	0.56%	100.00%
Delaware	7.69%	3.29%	87.17%	0.05%	1.80%	100.00%
District of Columbia	1.84%	9.51%	87.35%	0.17%	1.13%	100.00%
Georgia	3.12%	3.77%	92.49%	0.23%	0.39%	100.00%
Illinois	0.00%	0.18%	99.48%	0.32%	0.02%	100.00%
Indiana	0.00%	0.00%	98.83%	1.02%	0.15%	100.00%
Iowa	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Kansas	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Kentucky	6.92%	3.67%	88.97%	0.22%	0.22%	100.00%
Louisiana	2.67%	7.06%	87.75%	0.46%	2.06%	100.00%
Maine	2.45%	5.38%	91.97%	0.07%	0.13%	100.00%
Maryland	4.61%	3.05%	91.29%	0.12%	0.93%	100.00%
Massachusetts	12.27%	3.39%	83.93%	0.05%	0.36%	100.00%
Michigan	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Minnesota	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Missouri	0.00%	4.94%	94.30%	0.41%	0.35%	100.00%
Nevada	0.00%	9.47%	88.40%	0.14%	1.99%	100.00%
New Hampshire	5.34%	2.45%	91.73%	0.09%	0.39%	100.00%
New Jersey	5.30%	3.88%	90.04%	0.15%	0.63%	100.00%
New Mexico	0.00%	3.59%	96.41%	0.00%	0.00%	100.00%
New York	2.94%	4.47%	90.81%	0.34%	1.44%	100.00%
North Carolina	3.37%	0.00%	96.18%	0.27%	0.18%	100.00%
Ohio	2.50%	3.26%	93.79%	0.08%	0.37%	100.00%
Oklahoma	8.91%	3.10%	87.10%	0.12%	0.77%	100.00%
Oregon	0.00%	9.05%	86.75%	1.91%	2.29%	100.00%
Pennsylvania	7.44%	3.58%	88.29%	0.22%	0.47%	100.00%
Rhode Island	3.17%	2.91%	93.09%	0.13%	0.70%	100.00%
South Carolina	5.36%	2.48%	91.92%	0.05%	0.19%	100.00%
Tennessee	3.60%	3.16%	91.89%	0.44%	0.91%	100.00%
Texas	6.72%	7.90%	81.49%	2.23%	1.66%	100.00%
Utah	0.00%	1.68%	98.32%	0.00%	0.00%	100.00%
Vermont	2.36%	1.84%	94.71%	0.08%	1.01%	100.00%
Virginia	3.93%	3.33%	92.15%	0.17%	0.42%	100.00%
Washington	0.00%	6.20%	90.98%	1.08%	1.74%	100.00%
West Virginia	4.77%	1.42%	93.64%	0.06%	0.11%	100.00%
Wisconsin	0.00%	1.80%	98.20%	0.00%	0.00%	100.00%

* Excluding Florida.

Allstate Insurance Group
Countyrwide Annual Aggregate Reinsurance Cover
2010 Contracts

Expected Loss Recoveries*

			Countriwide (incepted 2010)					Countrywide (incepted 2009)					Countrywide (Total)					Percent of Total			Percent of State		
State	**Brand**	**Line of Business**	**EQ -Fire Following**	**EQ Shake**	**Wildfire**	**Hurricane**	**Total**	**EQ -Fire Following**	**EQ Shake**	**Wildfire**	**Hurricane**	**Total**	**EQ -Fire Following**	**EQ Shake**	**Wildfire**	**Hurricane**	**Total**	**CW New ('10)**	**CW Renew ('09)**	**CW Combined**	**CW New ('10)**	**CW Renew ('09)**	**CW Combined**
Arkansas	APL	Auto	$0	$0	$0	$197	$197	$0	$0	$0	$170	$170	$0	$0	$0	$366	$366				1.90%	2.05%	1.96%
Arkansas	APL	Mobile Home	$59	$0	$0	$38	$97	$46	$0	$0	$33	$79	$105	$0	$0	$71	$177				0.94%	0.96%	0.95%
Arkansas	APL	Residential Fire	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0				0.00%	0.00%	0.00%
Arkansas	APL	Homeowners	$8,080	$0	$0	$995	$9,076	$6,419	$0	$0	$842	$7,262	$14,500	$0	$0	$1,838	$16,337				87.62%	87.46%	87.56%
Arkansas	APL	Renters	$111	$0	$0	$2	$113	$89	$0	$0	$2	$90	$199	$0	$0	$4	$203				1.09%	1.09%	1.09%
Arkansas	APL	Landlords	$803	$0	$0	$67	$870	$639	$0	$0	$57	$697	$1,442	$0	$0	$125	$1,567				8.40%	8.39%	8.40%
Arkansas	APL	Condos	$4	$0	$0	$1	$5	$3	$0	$0	$1	$4	$7	$0	$0	$1	$9				0.05%	0.05%	0.05%
	APL	**Total**	**$9,057**	**$0**	**$0**	**$1,300**	**$10,357**	**$7,197**	**$0**	**$0**	**$1,105**	**$8,302**	**$16,254**	**$0**	$0	**$2,405**	**$18,659**	**0.08%**	**0.07%**	**0.07%**	100.00%	100.00%	100.00%
Arkansas	EPL	Auto	$0	$0	$0	$10	$10	$0	$0	$0	$9	$9	$0	$0	$0	$19	$19				3.52%	3.78%	
Arkansas	EPL	Residential Fire	$1	$0	$0	$1	$2	$1	$0	$0	$1	$2	$1	$0	$0	$2	$4				0.72%	0.72%	
Arkansas	EPL	Homeowners	$211	$0	$0	$59	$270	$168	$0	$0	$50	$218	$379	$0	$0	$109	$488				95.67%	95.42%	
Arkansas	EPL	Renters	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0				0.02%	0.02%	
Arkansas	EPL	Condos	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0				0.07%	0.06%	
	EPL	**Total**	**$212**	**$0**	**$0**	**$70**	**$282**	**$169**	**$0**	**$0**	**$60**	**$229**	**$381**	**$0**	$0	**$131**	**$511**	**0.00%**	**0.00%**	**0.00%**	100.00%	100.00%	
Arkansas	**Total**		**$9,269**	**$0**	**$0**	**$1,371**	**$10,640**	**$7,365**	**$0**	**$0**	**$1,165**	**$8,531**	**$16,634**	**$0**	**$0**	**$2,536**	**$19,170**	**0.08%**	**0.07%**	**0.07%**			
Other (x-AR & FL)	APL	Auto	$0	$0	$0	$509,402	$509,402	$0	$0	$0	$462,116	$462,116	$0	$0	$0	$971,518	$971,518						
Other (x-AR & FL)	APL	Mobile Home	$1,361	$0	$1,618	$175,213	$178,191	$1,227	$0	$1,448	$159,900	$162,575	$2,587	$0	$3,066	$335,113	$340,766						
Other (x-AR & FL)	APL	Residential Fire	$720	$0	$0	$57,620	$58,340	$635	$0	$0	$53,729	$54,364	$1,355	$0	$0	$111,348	$112,704						
Other (x-AR & FL)	APL	Homeowners	$981,908	$0	$184,329	$9,643,256	$10,809,494	$889,068	$0	$165,028	$8,922,334	$9,976,429	$1,870,976	$0	$349,357	$18,565,590	$20,785,923						
Other (x-AR & FL)	APL	Renters	$22,962	$0	$1,259	$77,393	$101,615	$20,863	$0	$1,128	$72,326	$94,317	$43,825	$0	$2,387	$149,719	$195,931						
Other (x-AR & FL)	APL	Landlords	$90,907	$0	$8,533	$461,421	$560,861	$81,401	$0	$7,640	$427,030	$516,071	$172,308	$0	$16,173	$888,451	$1,076,931						
Other (x-AR & FL)	APL	Condos	$25,628	$0	$690	$144,686	$171,004	$23,746	$0	$618	$136,241	$160,604	$49,373	$0	$1,307	$280,927	$331,608						
Other (x-AR & FL)	NPL	Homeowners	$0	$0	$0	$41,558	$41,558	$0	$0	$0	$37,746	$37,746	$0	$0	$0	$79,304	$79,304						
	APL	**Total**	**$1,123,485**	**$0**	**$196,430**	**$11,110,548**	**$12,430,463**	**$1,016,939**	**$0**	**$175,861**	**$10,271,422**	**$11,464,222**	**$2,140,425**	**$0**	**$372,291**	**$21,381,970**	**$23,894,686**						
Other (x-AR & FL)	EPL	Auto	$0	$0	$0	$48,080	$48,080	$0	$0	$0	$44,237	$44,237	$0	$0	$0	$92,317	$92,317						
Other (x-AR & FL)	EPL	Residential Fire	$10,287	$0	$0	$42,915	$53,203	$9,439	$0	$0	$40,000	$49,439	$19,726	$0	$0	$82,916	$102,642						
Other (x-AR & FL)	EPL	Homeowners	$73,568	$0	$9,037	$972,264	$1,054,869	$68,142	$0	$8,090	$905,930	$982,162	$141,710	$0	$17,127	$1,878,194	$2,037,031						
Other (x-AR & FL)	EPL	Renters	$589	$0	$29	$2,697	$3,315	$547	$0	$26	$2,527	$3,099	$1,136	$0	$54	$5,224	$6,414						
Other (x-AR & FL)	EPL	Condos	$1,642	$0	$41	$8,931	$10,614	$1,533	$0	$37	$8,376	$9,946	$3,175	$0	$78	$17,307	$20,560						
	EPL	**Total**	**$86,086**	**$0**	**$9,107**	**$1,074,888**	**$1,170,080**	**$79,661**	**$0**	**$8,153**	**$1,001,070**	**$1,088,883**	**$165,747**	**$0**	**$17,260**	**$2,075,957**	**$2,258,964**						
Other (x-AR & FL)	**Total**		**$1,209,571**	**$0**	**$205,536**	**$12,185,436**	**$13,600,544**	**$1,096,600**	**$0**	**$184,014**	**$11,272,491**	**$12,553,106**	**$2,306,171**	**$0**	**$389,551**	**$23,457,927**	**$26,153,649**						
Total	**Total**		**$1,218,840**	**$0**	**$205,536**	**$12,186,807**	**$13,611,183**	**$1,103,965**	**$0**	**$184,014**	**$11,273,657**	**$12,561,636**	**$2,322,806**	**$0**	**$389,551**	**$23,460,463**	**$26,172,820**						

* Based on AIR v11 HR (Warm Sea-Surface Temperature catalog) & EQ, including Demand Surge

Exhibit VIII

Allstate Insurance Group
Countyrwide Annual Aggregate Reinsurance Cover
2009 Contracts

Expected Loss Recoveries*

State	Brand	Line of Business	EQ -Fire Following	EQ Shake	Wildfire	Hurricane	Total	Percent of Total	Percent of State
Arkansas	APL	Auto	$0	$0	$0	$144	$144		19.39%
Arkansas	APL	Mobile Home	$0	$0	$0	$20	$20		2.69%
Arkansas	APL	Residential Fire	$0	$0	$0	$0	$0		0.00%
Arkansas	APL	Homeowners	$1	$0	$0	$541	$542		72.95%
Arkansas	APL	Renters	$0	$0	$0	$1	$1		0.13%
Arkansas	APL	Landlords	$0	$0	$0	$36	$36		4.80%
Arkansas	APL	Condos	$0	$0	$0	$0	$0		0.04%
	APL	**Total**	**$1**	**$0**		**$742**	**$743**	**0.01%**	100.00%
Arkansas	EPL	Auto	$0	$0	$0	$7	$7		14.49%
Arkansas	EPL	Residential Fire	$0	$0	$0	$1	$1		1.78%
Arkansas	EPL	Homeowners	$0	$0	$0	$38	$38		83.47%
Arkansas	EPL	Renters	$0	$0	$0	$0	$0		0.07%
Arkansas	EPL	Condos	$0	$0	$0	$0	$0		0.19%
	EPL	**Total**	**$0**	**$0**		**$45**	**$45**	**0.00%**	100.00%
Arkansas	**Total**		**$1**	**$0**		**$787**	**$788**	**0.01%**	
Other (x-AR & FL)	APL	Auto	$0	$0	$0	$477,189	$477,189		
Other (x-AR & FL)	APL	Mobile Home	$5,922	$0	$1,710	$90,954	$98,586		
Other (x-AR & FL)	APL	Residential Fire	$393	$0	$0	$72,032	$72,424		
Other (x-AR & FL)	APL	Homeowners	$1,609,501	$0	$171,989	$8,253,618	$10,035,108		
Other (x-AR & FL)	APL	Renters	$47,444	$0	$1,103	$70,352	$118,899		
Other (x-AR & FL)	APL	Landlords	$167,783	$0	$7,849	$327,866	$503,498		
Other (x-AR & FL)	APL	Condos	$49,062	$0	$733	$137,648	$187,442		
	APL	**Total**	**$1,880,104**	**$0**		**$9,429,659**	**$11,493,147**		
Other (x-AR & FL)	EPL	Auto	$0	$0	$0	$34,782	$34,782		
Other (x-AR & FL)	EPL	Residential Fire	$16,353	$0	$0	$46,862	$63,215		
Other (x-AR & FL)	EPL	Homeowners	$97,515	$0	$8,628	$1,014,103	$1,120,247		
Other (x-AR & FL)	EPL	Renters	$1,132	$0	$27	$3,040	$4,200		
Other (x-AR & FL)	EPL	Condos	$3,251	$0	$47	$10,933	$14,231		
	EPL	**Total**	**$118,251**	**$0**		**$1,109,720**	**$1,236,674**		
Other (x-AR & FL)	**Total**		**$1,998,356**	**$0**		**$10,539,380**	**$12,729,821**		
Total	**Total**		**$1,998,357**	**$0**		**$10,540,167**	**$12,730,609**		

* Based on AIR v10 HR (Standard catalog) & EQ, excluding Demand Surge

Allstate Insurance Group
Fire Following Exposure* Comparison

Arkansas

State	BU	LOB Description	@ 09/2008	@ 09/2009	Diff(%)
Arkansas	APL	Mobile Home	147,176	155,258	5.49%
Arkansas	APL	Residential Fire	74	74	0.00%
Arkansas	APL	Homeowners	9,727,511	10,146,412	4.31%
Arkansas	APL	Renters	118,983	126,952	6.70%
Arkansas	APL	Landlords	965,241	990,850	2.65%
Arkansas	APL	Condos	28,211	29,115	3.20%
		Total	**10,987,196**	**11,448,661**	**4.20%**

State	BU	LOB Description	@ 09/2008	@ 09/2009	Diff(%)
Arkansas	EPL	Residential Fire	19,357	16,391	-15.32%
Arkansas	EPL	Homeowners	590,962	521,345	-11.78%
Arkansas	EPL	Renters	5,546	5,008	-9.69%
Arkansas	EPL	Condos	7,683	7,150	-6.94%
		Total	**623,548**	**549,894**	**-11.81%**

*** Exposure is defined as primary coverage amount of insurance divided by 1000.**

ALLSTATE PROPERTY AND CASUALTY INSURANCE COMPANY
OWNERS
ARKANSAS

Amendment to Filing Number R23300

With this filing, Allstate had originally proposed an overall rate level change of 29.6% for its Owners program in Allstate Property and Casualty Insurance Company based on its rate level indication of 80.9%. When combined with the proposed changes to its reinsurance charges, the overall proposed impact is 29.9%.

Even though Allstate still believes its originally proposed rate level change of 29.6% and resulting overall proposed impact of 29.9% are reasonable and actuarially justified, in order to resolve this filing, Allstate proposes to amend its overall rate level change for its Owners program in Allstate Property and Casualty Insurance Company to be 19.6%. When combined with the proposed changes to its reinsurance charges, the amended overall proposed impact is 19.9%.

Additionally, even though Allstate continues to believe that its retained risk provision is fair and actuarially supported, per the Arkansas Insurance Department's request, Allstate removes this separate provision from this filing.

Please note that Allstate still proposes the following changes to its Owners program in Allstate Property and Casualty Insurance Company that were included in its original filing:

1. **Net Cost of Reinsurance Revision**, as described in Attachment VIII of the original filing, with additional support and explanation provided in Allstate's responses submitted on April 13, 2011, and April 27, 2011.

2. **Revision to the Home and Auto Discount**, as described in Attachment IX of the original filing, with additional support and explanation provided in Allstate's response submitted on April 13, 2011.

Based on the above, Allstate will revise its Rate Adjustment Factors to achieve its amended overall rate level change of 19.6%.

Upon resolution of this rate filing, Allstate will provide a revised Rate Level Impacts of Revisions attachment that will include further details, updated manual pages and applicable filing forms, and revised effective dates.

ALLSTATE PROPERTY AND CASUALTY INSURANCE COMPANY
OWNERS
ARKANSAS

Response to Objection Received on June 2, 2011 and Amendment #2 to Filing Number R23300

1. **We requested the overall increase be amended to 10%. The attached amendment referenced in the response to objection 1 still shows 19.9%. No other amendments or attachments were submitted. Please submit a revised HPCS.**

   With this filing, Allstate had originally proposed an overall rate level change of 29.6% for its Owners program in Allstate Property and Casualty Insurance Company based on its rate level indication of 80.9%. When combined with the proposed changes to its reinsurance charges, the overall proposed impact was 29.9%. Allstate subsequently amended its proposed overall rate level change to be 19.6%, with an overall proposed impact of 19.9%.

   Even though Allstate continues to believe those overall changes are reasonable, actuarially supported, and warranted in the Arkansas homeowners marketplace, to further mitigate the overall impacts, Allstate proposes to amend the above captioned filing again. The new proposed changes in Allstate Property and Casualty Insurance Company reduce the expected overall impact to be 10.0%, which is consistent with the request of the Arkansas Insurance Department.

   The tables below summarize the amended rate level change, along with the corresponding overall impact when combined with the proposed revisions to Allstate's reinsurance charges:

	Premium Dist. at Current Rates	**Amended Rate Level Change**
Fixed Expense Premium	6.2%	N/C
Variable Package Premium	90.0%	10.7%
Total Owners Package*	**96.2%**	**10.0%**
Additional Coverages	3.8%	N/C
Total Owners	**100.0%**	**9.6%**
*Includes premium from Homeowners and Select Homeowners Policies. Please reference the Rule Manual for more details.		

Allstate Property and Casualty Insurance Company		
	Premium Distribution	**Amended Overall Impact**
Premium Underlying Indicated Rates	100.0%	9.6%
Reinsurance Charges	0.0%	1000.1%
Total	**100.0%**	**10.0%**

In its original filing, Allstate had initially proposed to revise its Home and Auto Discount to be 30% (from its current discount level of 20%). However, due to the overall impact amount being amended to 10.0% as described above, Allstate would like to adjust the proposed amount of this discount to be 25%.

Based on the above, Allstate will revise its Rate Adjustment Factors in Allstate Property and Casualty Insurance Company to achieve the rate level changes that result in an average overall impact of 10.0% for its Owners program in this company. A revised Rate Level Impacts of Revisions attachment is included **Attachment 1**. Additionally, as stated in its first Amendment, even though Allstate continues to believe that its retained risk provision is fair and actuarially justified, per the Arkansas Insurance Department's request, Allstate removes this separate provision from this filing.

Again, please note that Allstate still proposes the changes to its Net Cost of Reinsurance for its Owners program in Allstate Property and Casualty Insurance Company. These were included in its original filing (Attachment VIII) with additional support included in responses submitted on April 13, 2011 and April 27, 2011.

In addition, updated manual pages and filing forms which reflect these changes are also included. Please refer to **Attachment II** for an updated disruption chart. Lastly, Allstate would like this filing to be effective for new business written and renewals processed on or after August 8, 2011, with renewals effective on or after September 22, 2011.

ALLSTATE PROPERTY AND CASUALTY INSURANCE COMPANY
OWNERS
ARKANSAS

RATE LEVEL IMPACT OF REVISIONS

Rate Level Impact due to the Revision to the Home and Auto Discount

The rate level impact of the above rating plan revision is shown below. It is important to note that this impact reflects the newly proposed 25% Home and Auto Discount.

Rating Plan	Rate Level Impact of Factor Revision
Home and Auto Discount	-5.3%

The impacts have been measured using an extension of exposures method and a recent snapshot of policyholders in AP&C which has now been adjusted to reflect upcoming underwriting actions.

Due to notable overall loss pressures in this company and the request from the Arkansas Insurance Department to amend the overall impact of this filing to be 10.0% (from the originally filed 29.9%), Allstate will be unfortunately non-renewing a portion of their existing book of business in AP&C. Given this, the snapshot of policyholders used for the underlying measurement has been adjusted to exclude policies that are expected to be non-renewed. This should allow for a more accurate estimation of the impacts of these changes. Please note that these impacts are not the total impacts. The total rate level impacts for both the Homeowners and Select Homeowners policy forms are shown in the Summary subsection of this attachment.

Revision of Rate Adjustment Factors

To achieve the selected rate level change of 9.6% for the rating program, the Rate Adjustment Factor (RAF) will be revised. This proposed RAF along with the revision to its Home and Auto Discount shown above will achieve this selected rate level change**.** The current and newly proposed RAFs are shown directly below:

Policy Form	Current RAF	Proposed RAF
Homeowners and Select Homeowners	1.408	1.646

A RAF is applied uniformly to the package premium. A revision of a RAF is equivalent to a base rate change that does not vary across territories.

Please note that the change above is not the total rate level impact for the program. The total impact is shown in the next subsection and reflects the changes to both the Home and Auto Discount and RAF.

<u>Summary of Combined Rate Level Impact</u>

The combined impact of the rating plan factor revision and RAF revision is shown below.

Policy Form	**Rating Plan Factor Change**	**RAF Change**	**Total Rate Level Impact^**
Homeowners and Select Homeowners	-5.3%	16.9%	10.7%

^ on a variable premium basis

ALLSTATE PROPERTY AND CASUALTY INSURANCE COMPANY
OWNERS
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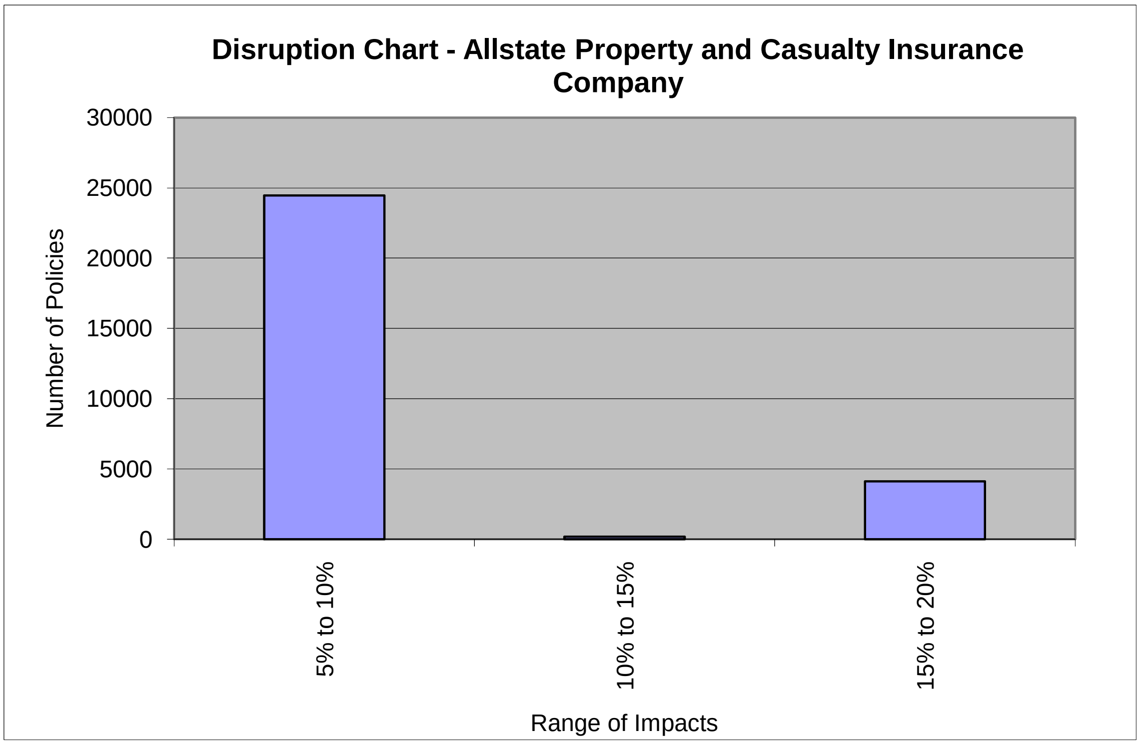
Revised Disruption Chart



RULE 1 – TYPES OF POLICIES

RULE 2 – ELIGIBILITY

RULE 3 – MANDATORY COVERAGES

RULE 4 - ADDITIONAL COVERAGES

RULE 5 – DEDUCTIBLES

RULE 6 – RESERVED FOR FUTURE USE

RULE 7 – PREMIUM DETERMINATION

RULE 8 – SECONDARY RESIDENCES

RULE 9 – RESTRICTION OF INDIVIDUAL POLICIES

RULE 10 – SPECIALLY RATED DWELLINGS

RULE 11 – POLICY PERIOD

RULE 12 – ENDORSEMENTS

RULE 13 – CANCELLATION

RULE 14 – RESERVED FOR FUTURE USE

RULE 15 – PROTECTIVE DEVICE DISCOUNT

RULE 16 – 55 AND RETIRED DICOUNT

RULE 17 – HOME AND AUTO DISCOUNT

RULE 18 – RESERVED FOR FUTURE USE

RULE 19 – RESERVED FOR FUTURE USE

RULE 20 - RESERVED FOR FUTURE USE

RULE 21 - RESERVED FOR FUTURE USE

RULE 22 – THE GOOD HANDS PEOPLE® DISCOUNT

RULE 23 – AGE OF HOME DISCOUNT

RULE 24 – RATING GROUP CLASSIFICATION

RULE 25 – CLAIM RATING

RULE 26 – CLAIM FREE DISCOUNT

RULE 27 – PARTILALY RENOVATED HOME DISCOUNT

RULE 28 – HOME BUYER DISCOUNT

RULE 29 – RESERVED FOR FUTURE USE

RULE 30 – RESERVED FOR FUTURE USE

RULE 31 – RESERVED FOR FUTURE USE

RULE 32 – MILES TO FIRE DEPARTMENT RATING

RULE 33 – ROOF RATING

RULE 34 - ALLSTATE® YOUR CHOICE HOME OPTION PACKAGES

RULE 35 – RESERVED FOR FUTURE USE

RULE 36 – CLAIM-FREE BONUS

RULE 37 – CLAIM WAIVER PROGRAM

The rules and rate calculations shown in this manual govern the writing of Homeowners policies.

RULE 1 - TYPES OF POLICIES

A. Homeowners and Select Homeowners Policy

Both the Homeowners and the Select Homeowners policy may be written to insure owners of dwellings.

RULE 2 - ELIGIBILITY

A. One Family Dwellings

One family dwellings which are used exclusively for residential purposes may be issued a policy in the name of an owner-occupant of the dwelling.

B. Two through Four Family Dwellings

Two through four family dwellings, which are used exclusively for residential purposes, may be issued a policy in the name of an owner-occupant of the dwelling by use of the Extended Premises Endorsement.

Two through four family dwellings occupied by co-owners (occupying separate premises) may be insured by issuing the policy in the name of one co-owner and use of the Additional Insured - Non Occupant Endorsement to cover the interest of the other owner. A separate Renters policy should be issued to the owner named in the endorsement.

C. All Dwellings

If the dwelling is owned jointly by persons living as a single family unit, it is permissible to name all such persons in the policy by use of the Additional Insured Endorsement.

If the dwelling is also owned by persons not named in the policy, their interests in real property and liability at the described premises may be covered by use of the Additional Insured – Non Occupant Endorsement without additional premium.

Policies may not be written on commercial farm property. Property, however, is considered noncommercial farm when the agricultural products produced on the entire land involved are incidental to the occupancy of the dwelling, are principally for home consumption, and farming is not the primary occupation of the Insured.

RULE 3 - MANDATORY COVERAGES (SECTIONS I AND II)

All policies afford coverage under Section I and Section II.

A. Section I - Physical Damage

Section I affords coverage against loss to the described dwelling, including attached and unattached structures, and personal property resulting from an insured peril. Other additional protection is provided such as that for the loss of use of residence premises. The package premium affords coverage subject to the limits of liability set forth below.

1. Coverage A - Dwelling Protection

   Dwelling protection losses are subject to the limit set forth on the Declarations Page.

2. Coverage B - Other Structures Protection

   Other structures protection losses are subject to a limit of 10% of Coverage A.

3. Coverage C - Personal Property Protection

   Personal property protection losses are subject to a limit equal to:

   a. 60% of Coverage A on 1 and 2 family dwellings,

   b. 40% of Coverage A on 3 family dwellings,

   c. 35% of Coverage A on 4 family dwelling

B. Section II - Family Liability and Guest Medical Protection

Section II affords coverage against loss resulting from personal liability and guest medical expense. The package premium affords coverage subject to the following limits.

1. Coverage X - Family Liability Protection - $100,000

2. Coverage Y - Guest Medical Protection - $1,000

RULE 4 - ADDITIONAL COVERAGES

A. Optional Coverages - Section III

For the additional premium set forth on the Supplementary Rate Pages, the following optional coverages may be afforded:

1. Coverage BC - Building Codes

   Refer to Rate Factor Pages for rating factor. This coverage is not available for Select Homeowners Policies.

2. Coverage BP - Increased Coverage on Business Property

3. Coverage DP - Increased Coverage on Electronic Data Processing Equipment

4. Coverage F - Fire Department Charges

5. Coverage G - Loss Assessments

6. Coverage J – Extended Coverage on Jewelry, Watches and Furs

7. Coverage K - Incidental Office, Private School or Studio

   1. Office, Private School or Studio Located on Premises
      Rates are shown on the Supplementary Rate Pages and vary as follows:

      (A) "Employees and/or altered dwelling" rates apply if the Insured employs any assistants or if there has been a physical alteration of the dwelling to accommodate the occupancy.

      (B) "All Other" rates apply in all other cases.

   2. Office, Private School or Studio Located Off Premises

8. Coverage M - Increased Coverage on Money

9. Coverage P - Business Pursuits

   The rates displayed on the Supplementary Rate Pages vary by the following types of business activities.

   A. Clerical Office Employees

   B. Salesmen, Collectors or Messengers
      (1) Excluding installments, demonstrating, or servicing operations
      (2) Including installments, demonstrating, or servicing operations

   C. Teachers
      (1) Athletic, driving, laboratory, manual training, physical training and swimming instructors
      (2) Not otherwise classified

10. Coverage S - Increased Coverage on Securities

11. Coverage SD - Satellite Dish Antennas

12. Coverage ST - Increased Coverage on Theft of Silverware

B. Other Endorsements

For the additional premium set forth on the Supplementary Rate Pages, the following coverages may be added to the Homeowners policies by endorsement:

1. Extended Protection Amendatory Endorsement

   This optional endorsement increases specific limits of the Homeowners policy, including increasing the Personal Property (Coverage C) limit by an amount equal to 15% of the dwelling (Coverage A) limit. The endorsement also includes Excess Dwelling Coverage, which provides coverage up to 125% of the limit of liability applicable to Coverage A - Dwelling Protection or Coverage B - Other Structures Protection, and provides coverage for Water Backup. Reduced limits for Coverage C are not available to policies with this endorsement. Refer to the Extended Protection Amendatory Endorsement form for more information.

2. Select Extended Protection Amendatory Endorsement

This optional endorsement increases specific limits of the Select Homeowners policy, Including increasing the Personal Property (Coverage C) limit by an amount equal to 15% of the dwelling (Coverage A) limit. The endorsement also provides coverage for Water Backup. The Excess Dwelling Coverage contained within the Extended Protection Amendatory Endorsement is not applicable to the Select Extended Protection Amendatory Endorsement. Reduced limits for Coverage C are not available to policies with this endorsement. Refer to the Select Extended Protection Amendatory Endorsement form for more information.

3. Excess Dwelling Coverage

This optional endorsement provides coverage up to 125% of the limit of liability applicable to Coverage A - Dwelling Protection or Coverage B - Other Structures Protection in the event of a covered loss. This coverage is also available to Homeowners policies as part of the Extended Protection Amendatory Endorsement. This endorsement is not available for Select Homeowners policies.

4. Dwelling in the Course of Construction

A provisional Coverage A limit equal to the expected completed value of the dwelling is provided with the use of this endorsement. Coverage C will be provided at 25% of Coverage A. This endorsement is not available for Select Homeowners policies and cannot be purchased in conjunction with the Gold or Platinum Protection Options.

5. Coverage CA - Extended Coverage on Cameras

6. Coverage DC - Home Day Care

This endorsement affords limited coverage to Insureds operating a day care center on the premises for no more than four children. This coverage modifies the policy exclusions associated with a home day care business.

The minimum limit of liability on Coverage DC is $100,000. The limit of liability purchased for Coverage DC must match Coverage X limits. However if the Coverage X limit exceeds $300,000 then the only Coverage DC limit available is $300,000.

7. Coverage E - Earthquake Damage

The deductible applicable to this coverage is defined on the Supplementary Rate Pages.

8. Coverage MI - Extended Coverage on Musical Instruments

9. Coverage SP - Extended Coverage on Sports Equipment

10. Additional Insured – Nonrelatives

11. Scheduled Personal Property

13. Refer to Scheduled Personal Property Manual.

12. Fair Rental Income Endorsement

13. Extended Premises Endorsement

14. Coverage IT – Identity Theft Expenses

C. Personalized Options

For the additional premium set forth on the Supplementary Rate Pages, the following Personalized Options may be afforded:

1. Sports & Leisure

   Coverage SP (Extended Coverage on Sports Equipment) and increased coverage on watercraft

2. Yard & Garden

   Extended coverage for trees, shrubs and plants and increased coverage for Motorized Land Vehicles servicing the residence premises

3. Prized Possessions

   Coverage ST - Increased Coverage on Theft of Silverware and
   Coverage J – Extended Coverage on Jewelry, Watches and Furs

4. Home Enterprise Coverage

   Coverage K - Incidental Office, Private School or Studio and
   Coverage P - Business Pursuits and
   Coverage DR – Data Recovery

5. Music & Photography

   Coverage MI - Extended Coverage on Musical Instruments and
   Coverage CA - Extended Coverage on Cameras

RULE 5 - DEDUCTIBLES

Policies may be written with the deductibles shown in the Rate Factor Pages applicable to perils insured under Section I. All deductibles apply on a flat (nondisappearing) basis. Deductibles do not apply to Loss of Use of Your Residence Premises, Fire Department Charges, Credit Card and Check Forgery provisions.

Deductible factors for Homeowners policies should be based on the Coverage A amount. Deductible factors for the Select Homeowners policy should be based on the full replacement cost of the dwelling. Factors for amounts not shown in the Rate Factor Pages may be obtained by interpolation.

Package Premium
Method for interpolation (example): A $500 deductible factor is desired for a Homeowners policy with a Coverage A limit of $83,420. $500 deductible factors for $80,000 and $90,000 are shown in the Rate Factor Pages.

1. | Amount Shown | Factors Shown |
|---|---|
| $90,000 | 0.9300 |
| $80,000 | 0.9200 |
| $10,000 (difference in amounts) | 0.0100 (difference in factors) |

2. $ 3,420 (additional amount)
$10,000 (difference in amounts)

= 0.3420 (round to four decimals)

3. (Step 2 Result) x 0.0100 (difference in factors)

= 0.0034

0.9200 (factor for $80,000)
0.0034 (factor for additional $3,420)
0.9234 (factor for $83,420)

Reinsurance Charge
The Coverage Limits factor for a policy amount not shown on the Reinsurance Charge Pages may be obtained by interpolation.

Method for Interpolation (example): A Coverage Limits factor is desired for a policy amount of $83,000. Coverage Limit Factors are shown for $80,000 and $85,000 on the Reinsurance Charge Pages.

1. Policy Amounts Shown — Factors Shown

Policy Amounts Shown	Factors Shown
$85,000	85
80,000	80
$ 5,000 (difference in amounts)	5 (difference in package)

2. $ 3,000 (additional amount)
   $ 5,000 (difference in amounts) x 5 (difference in factor)

   = 3.000 (round to three decimals)

   80.000 (factor for $80,000)
   3.000 (factor for additional $3,000)
   83.000 (factor for $83,000, round to three decimals)

RULE 6 – RESERVED FOR FUTURE USE

RULE 7 - PREMIUM DETERMINATION

Refer to Rate Pages.

RULE 8 - SECONDARY RESIDENCES

A separate policy may be written to insure any secondary residence. The secondary residence factor shown in the Rate Factor Pages will apply to the otherwise applicable secondary residence package premium.

RULE 9 - RESTRICTION OF INDIVIDUAL POLICIES

It is permitted, at the request of the Named Insured, to restrict an individual policy if, because of unusual circumstances or exposures the policy otherwise would not be issued; however, no reduction from the prescribed rate and minimum premium is allowed.

RULE 10 - SPECIALLY RATED DWELLINGS

Dwellings of Fire Resistive Construction

Premiums for policies on dwellings of fire resistive or fire proof construction shall be the otherwise applicable brick or masonry package Homeowners premiums adjusted by the factor displayed in the Rate Factor Pages.

Note: This rule is not applicable to dwellings in the course of construction.

RULE 11 - POLICY PERIOD

Policies are written with no fixed date of expiration; however, coverages are continued through the use of annual premium periods. The rates and premiums shown on the rate pages are for a one year period.

RULE 12 - ENDORSEMENTS

Policies may be endorsed during the policy term subject to the following:

A. Whenever an endorsement or midterm revision is required to correct a policy improperly rated or classified, the rules and rates in effect at the time the policy was written or last renewed shall be used.

B. On endorsements or midterm revisions requested by the Insured for changes in coverage or additional amounts of insurance, the rules and rates in effect at the time the policy was written or last renewed shall be used. Additional or return premiums shall be computed pro rata. An existing policy may be endorsed with an Allstate® Your Choice Home option package at any time, using the rates associated with that package.

C. Endorsements made in accordance with A. or B. above shall be subject to the following:

No charge will be made and no refund given when the change occurs within 60 days of the expiration date of the policy. If a change occurs within 60 days prior to the anniversary date of an annual payment policy, any charge or refund will be computed from such anniversary date.

D. All other endorsements shall be made without charge or credit.

RULE 13 - CANCELLATION

If insurance is cancelled, the earned premium shall be calculated pro rata.

RULE 14 – RESERVED FOR FUTURE USE

RULE 15 - PROTECTIVE DEVICE DISCOUNT

A discount (as shown in the Rate Factor Pages) to the package premium is allowed for the installation of burglary and/or fire alarm systems in the residence in accordance with the following schedule:

Classification	Protective Devices
1.	All of the following: smoke detector on every floor, fire extinguisher, dead bolt locks on all exterior doors
2.	*Complete local burglar alarm
3.	Both 1. and 2.
4.	*Complete burglar alarm reporting to police station or central station
5.	Fire alarm reporting to fire station or central station
6.	Both 1. and 4.
7.	Both 1. and 5.
8.	Both 4. and 5.
9.	**Complete home sprinkler system on each floor
10.	Both 1. and 9.
11.	Both 4. and 9.

*Complete burglar alarm is defined as covering all accessible exterior doors and windows.

**Complete home sprinkler system is defined as automatic sprinklers in all areas including bathrooms, attics and attached structures.

Note: This discount is not applicable to dwellings in the course of construction.

RULE 16 - 55 AND RETIRED DISCOUNT

If the following criteria are met, multiply the otherwise applicable package premium by the factor displayed on the Rate Factor Pages.

1. One of the Named Insureds must be age 55 or older.

2. Both the Named Insured and Spouse, if any, are not presently gainfully employed full time or actively seeking full time gainful employment.

3. The insured premises must be the principal residence of the applicant.

RULE 17 - HOME AND AUTO DISCOUNT

If the following criteria are met, multiply the otherwise applicable package premium by the factor shown in the Rate Factor Pages:

1 Either the Named Insured or Spouse must also be a Named Insured under an Allstate Insurance Company or Allstate Property and Casualty Insurance Company private passenger automobile policy.

2. The insured premises must be the principal residence of the Named Insured.

RULE 18 - RESERVED FOR FUTURE USE

RULE 19 - RESERVED FOR FUTURE USE

RULE 20 – RESERVED FOR FUTURE USE

RULE 21 – RESERVED FOR FUTURE USE

RULE 22 - THE GOOD HANDS PEOPLE® DISCOUNT

If a named insured or spouse show the requisite proof of being a qualified member of an approved group, multiply the otherwise applicable package premium by the factor displayed in the Rate Factor Pages.

RULE 23 – AGE OF HOME DISCOUNT

A discount to the package premium is applicable for all homes less than 50 years of age. The schedule of discounts is included in the Rate Factor Pages. Age of home is defined as the difference between the calendar year during which the policy being rated becomes effective and the calendar year in which the home was built.

Note: This discount is not applicable to dwellings in the course of construction.

RULE 24 – RATING GROUP CLASSIFICATION

Each policy will be assigned a Rating Group based upon the criteria below. At each renewal, the same Rating Group will continue to apply unless the policy qualifies for a different Rating Group under Section B of this rule.

A. INITIAL RATING GROUP DETERMINATION

The policy will be assigned to a Rating Group based on the Insurance Score (IS) assigned when the credit report(s) ordered in connection with the policy were requested, regardless of the effective date of the policy.

For Policy Rating Group assignment on or after (date of most recent or proposed cutoff score revision) :

Insurance Score	Rating Group
000-373	1
374-378	2
379-384	3
385-389	4
390-395	5
396-401	6
402-406	7
407-413	8
414-421	9
422-427	10
428-435	11
436-443	12
444-450	13
451-457	14
458-465	15
466-472	16
473-479	17
480-487	18
488-493	19

494-500	20
501-509	21
510-516	22
517-525	23
526-536	24
537-545	25
546-557	26
558-576	27
577-587	28
588-604	29
605-999	30

With respect to credit reports requested on and after 10/03/2005 where a credit report cannot be obtained, or where a credit report consists only of inquiries, an Insurance Score will be assigned based on the age of the individual at the time of the credit report request as follows:

Age	Insurance Score
Less than 65 years old	429
65 years old or older	429

The policy of any insured whose credit report was ordered by Allstate Property and Casualty Insurance Company for the purpose of tier determination pursuant to this rule on or after 3/10/2008 may, at Allstate's sole discretion, be assigned to Rating Group 11 retroactive to the most recent effective date of the policy, if such insured provides proof acceptable to Allstate that his or her credit information has been negatively impacted by any of the following extraordinary circumstances: divorce; death of a spouse or member of the same household; involuntary unemployment; catastrophic medical expense; care of adult dependent; identity theft; long-term injury, illness or disability; care of a dependent grandchild; or domestic violence.

B. SUBSEQUENT RATING GROUP DETERMINATION

At each renewal, the same Rating Group will continue to apply unless at renewal one of the following applies:

1. For Rating Groups 28, 29, and 30 and beginning with the 3rd renewal effective date following the effective date of the policy for which credit report(s) were most recently ordered or at the named insured's request, a new credit report(s) will be obtained for all applicable insureds on the policy at the time of reorder. Additionally, only once annually at the named insured's request, a new credit report(s) will be obtained for all applicable insureds on the policy at the time of reorder. Subsequently, credit report(s) will be ordered prior to every 3rd renewal effective date following the effective date of the policy for which credit report(s) were most recently ordered. The reorder will be done according to the procedure regarding ordering of credit reports that is in effect for Allstate Property and Casualty Insurance Company at the time of the reorder. If an insured requests a reorder, the next automatic reorder will take place prior to the 3rd renewal effective date following the effective date of the policy for which the credit report(s) was most recently ordered to determine the applicable Rating Group.

2. For all Rating Groups other than Rating Groups 28, 29, and 30 and only once annually at the named insured's request, a new credit report(s) will be obtained for all applicable insureds on the policy at the time of reorder. The reorder will be done according to the procedure regarding ordering of credit reports that is in effect for Allstate Indemnity Company at the time of the reorder.

NOTE: If named insured requests a credit report reorder(s) less than 45 days prior to the renewal effective date of the policy, the updated IS score will be reflected in the Rating Group determination for the next following policy period.

The policy of any insured whose credit report was ordered by Allstate Property and Casualty Insurance Company for the purpose of tier determination pursuant to this rule on or after 3/10/2008 may, at Allstate's sole discretion, be assigned to Rating Group 11 retroactive to the most recent effective date of the policy, if such insured provides proof acceptable to Allstate that his or her credit information has been negatively impacted by any of the following extraordinary circumstances: divorce; death of a spouse or member of the same household; involuntary unemployment; catastrophic medical expense; care of adult dependent; identity theft; long-term injury, illness or disability; care of a dependent grandchild; or domestic violence.

C. CREDIT REPORT REORDERS

In the event it is necessary to reorder any credit report(s) other than for reasons listed in Section B.1 or Section B.2, all credit reports needed to assign the proper Rating Group will be reordered.

New credit report(s) will be obtained for all applicable insureds on the policy at the time of the reorder according to the policy regarding ordering of credit reports that is in effect for Allstate Property and Casualty Insurance Company at the time of the reorder, and the applicable Rating Group will be assigned based upon the resulting Insurance Score from the reordered credit report.

RULE 25 - CLAIM RATING

A factor (as shown in the Rate Factor Pages) will be applied to the otherwise applicable package premium based on a policyholder's chargeable claim experience. Determination of the chargeability of claims and reclassification due to the time elapsed since claims became chargeable will occur at each renewal.

Definition of a Qualifying Company: A Qualifying Company is defined as Allstate Insurance Company, Allstate Indemnity Company, Allstate Property and Casualty Insurance Company, Allstate Fire and Casualty Insurance Company, Allstate Floridian Insurance Company, Allstate Floridian Indemnity Company, Allstate County Mutual Insurance Company, and Allstate Texas Lloyd's.

Administration of claim rating:

Claim Rating Factors: The rating criteria utilized on the tables are as follows:

1. Number of claims

2. Claim type:

   - Group A:
     - Fire - fire, explosion, smoke (excluding lightning).
     - Theft – theft (on and off premises), mysterious disappearance (on and off premises), burglary, credit card fidelity, theft from an unattended vehicle.
     - Liability – any type of liability (excluding medical payments).
     - Vandalism – vandalism and malicious mischief, riot and civil commotion.

   - Group B:
     - All Other Claims – excluding the following types of claims: medical payments, worker's compensation, mine subsidence, earthquake, Allstate Scheduled Personal Property, and those claim types listed in Group A and C.

   - Group C:
     - Water – water, freeze, and water backup. Note: only those water claims identified for claim rating that were not previously assigned to Group B.

3. Rating Group as defined in Rule 24

Definition of Chargeable Claim: In order for a claim to be chargeable, the claim must have occurred during the three year period prior to the policy effective date and must have been a Group A, Group B, or Group C claim.

1. Claims that occurred under a named insured's prior Homeowners, Renters, Condominium, or Mobilehome insurance policy, as well as claims that occurred under the current Homeowners policy, will be considered in determining claim chargeability.

2. For renewal business, claims will be evaluated as of 45 days prior to the policy effective date. Claims occurring between this date and the policy effective date will not be considered until the next renewal.

3. Claims paid by a Qualifying Company (as defined above) for which payments do not exceed $250 are not considered chargeable.

Exceptions:

1. A claim will not be considered chargeable if the claim occurred under a prior policy and the current policy is a secondary residence policy, except if the claim occurred at the same insured residence and had been chargeable under a policyholder's previous Qualifying Company policy.

2. A claim will not be considered chargeable if it has paid losses attributable and identifiable only as identity theft expenses.

3. Catastrophe claims will not be considered chargeable for the administration of Claim Rating Rule 25.

RULE 26 – CLAIM FREE DISCOUNT

A Claim Free Discount will be applied to the otherwise applicable package premium based on a policyholder's chargeable claim experience. Determination of the chargeability of claims and reclassification due to the time elapsed since claims became chargeable will occur at each renewal. If the following criteria are met, multiply the otherwise applicable package premium by the factor displayed in the Rate Factor Pages.

A policy qualifies for the Claim Free Discount if both the following conditions apply:

1. The named insured or spouse has maintained a Homeowners, Renters, Condominium, or Mobilehome insurance policy issued by a non-residual market insurer for the twelve months prior to the effective date of the policy, and

2. No Group A, Group B, or Group C claim (as defined in Rule 25) has occurred during the five year period prior to the policy effective date.

   Notes:

   a) Any chargeable Group A, Group B, or Group C claim (as defined in Rule 25) which occurred under a named insured's prior Homeowners, Renters, Condominium, or Mobilehome insurance policy, as well as under the current Homeowners policy, will disqualify a policy for the Claim Free Discount, if that claim occurred during the applicable time period. Claims paid by a Qualifying Company (as defined in Rule 25) for which payments do not exceed $250 will not disqualify a policy for the Claim Free Discount.

   b) For renewal business, claims will be evaluated as of 45 days prior to the policy effective date. Claims occurring between this date and the policy effective date will not be considered until the next renewal. For new business, claims will be evaluated as of the written date of the policy.

   Exception:

   If the current policy is a secondary residence policy, a claim that occurred under a prior policy will not disqualify the policy for the Claim Free Discount, except if the claim occurred at the same insured residence and had been chargeable under a policyholder's previous Qualifying Company policy.

RULE 27 – PARTIALLY RENOVATED HOME DISCOUNT

Multiply the otherwise applicable package premium by the appropriate discount factor found in the Rate Factor Pages if the insured premises has undergone qualifying renovations. A qualifying renovation will first be considered for this rule at the first renewal after the renovation is completed and will continue to be considered based on the schedule.

Administration of the Discount

- Qualifying renovations are those that were completed by a licensed contractor and had been reported to Allstate before October 3, 2005 or were completed by a licensed contractor and meet the following standards:

  1) Plumbing – Plumbing must be updated to conform to current local codes with new water supply lines. New plumbing fixtures and components must be installed throughout the dwelling.

  2) Heating and Cooling – The entire heating and cooling system must be updated to conform to current local codes. For heating, complete replacement of the heating plant or heat exchanger is required. For cooling, replacement of the central air conditioning unit or a/c compressor is required, if located inside the dwelling. Replacement of ductwork or registers is not required for forced air furnace, nor are water lines or registers required for a hydronic heat system.

  3) Electrical – Replacement of fuse or breaker boxes and updating fuse or breaker boxes to conform to local codes and meet system demands is required. Replacement of switches, wiring, fixtures, and components necessary to meet system demands is required. Adding additional circuits without increasing total system service does not qualify.

  4) Roof – For a roof with asphalt shingles, either completely covering the existing layer of shingles with a new layer of asphalt shingles, up to a maximum of 1 layer, or completely replacing the current layer of shingles is required for qualification of this discount. Only replacing portions of shingles does not qualify for this discount. Metal, wood, tile, or slate roofs must be completely removed and replaced.

- This rule is not applicable to dwellings in the course of construction

RULE 28 – HOME BUYER DISCOUNT

If the following criteria are met for new policies written on or after 10/03/2005, the policyholder initially qualifies for the Home Buyer Discount.

1. The age of the home must be 49 years or less. Age of home is defined as the difference between the year for which the policy is being rated and the year in which the home was built.

2. The policy effective date must be either during the purchase month or during the twelve months after the purchase month, and

3. The purchase of a house occurred during or after the month of 10/2004.

To qualify for the discount upon renewal, the policyholder must have received the discount at policy age 0 and must have continued to maintain a Qualifying Company (as defined in Rule 25) Homeowners policy. For qualifying policyholders, reduce the otherwise applicable package premium according to schedule listed in the Rate Factor Pages.

Note:
This discount is not applicable to dwellings in the course of construction that do not currently have the Home Buyer Discount.

RULE 29 – RESERVED FOR FUTURE USE

RULE 30 – RESERVED FOR FUTURE USE

RULE 31 – RESERVED FOR FUTURE USE

RULE 32 – MILES TO FIRE DEPARTMENT RATING

Multiply the otherwise applicable package premium by the appropriate surcharge factor shown in the Rate Factor Pages based on the primary responding fire department.

RULE 33 – ROOF RATING

Multiply the otherwise applicable package premium by the appropriate factor as shown in the Rate Factor Pages based on the predominant roof type.

For the purposes of this rating plan, all roof types will be classified as one of the following:

1) Wood Shake
2) Wood Shingle
3) New England Pine Shingle
4) Victorian Scalloped Shake
5) Built Up/Tar and Gravel
6) Composition/Asphault/Fiberglass
7) Slate
8) Clay Tile
9) Concrete Tile
10) Mission Tile
11) Spanish Tile
12) Copper
13) Tin
14) Steel Roofing
15) Fiberglass Panel
16) Plexiglass Roofing
17) Rubber
18) Foam Roofing

Predominant roof type refers to the roof type that covers the greatest percentage of the home. If two or more roof types each cover an equal percentage of the home, and that percentage is greater than the percentage covered by any other roof type, use the roof type assigned the lowest number above.

For example: if a home is covered by a 100% slate roof, use slate as predominant roof type. If home is covered 20% by wood shake, 40% by clay tile, and 40% foam roofing, use clay tile as predominant roof type.

RULE 34 – ALLSTATE® YOUR CHOICE HOME OPTION PACKAGES

There are two Allstate® Your Choice Home option packages: Gold Protection and Platinum Protection. Both of these option packages are available with the Homeowners and the Select Homeowners policy. Refer to the Rate Factor Pages for the appropriate factor to apply to the otherwise applicable package premium.

RULE 35 – RESERVED FOR FUTURE USE

RULE 36 – CLAIM-FREE BONUS

The Claim-Free Bonus is a credit which may be earned on policies under the Allstate® Your Choice Home Gold Protection and Platinum Protection option packages.

Definition of Claim-Free Bonus Date: The Claim-Free Bonus Date is the effective date of the current policy period if the Allstate® Your Choice Home Gold Protection or Platinum Protection option package is endorsed onto the policy within 60 days after the policy effective date. Otherwise, it is the effective date of the next full policy period after the endorsement of the policy.

Administration of the Claim-Free Bonus:

At each subsequent renewal, 5% of the previous policy term's premium determined at 45 days prior to the renewal effective date for Coverage A – Dwelling Protection, Coverage B – Other Structures Protection, Coverage C – Personal Property Protection, Coverage X – Family Liability Protection, and Coverage Y – Guest Medical Protection at the included policy limits (excluding the additional premium paid for increasing coverage above the limits outlined in Rule 3 and 4.B.1 – 4.B.2) will be returned to the insured in the form of a credit that will be applied to the premium for the next renewal policy period, provided the following criteria is met:

1. The policy is in the Allstate® Your Choice Home Gold Protection or Platinum Protection option package 45 days prior to the renewal effective date of the policy, and
2. There are no chargeable claims, as defined in Rule 25, within the twelve months ending 45 days prior to the policy's renewal effective date.

Notes:

a) If the policy does not renew, the credit will be returned in the form of a check.
b) If the Claim-Free Bonus Date is less than twelve months prior to the policy's renewal effective date, the 5% credit will not apply.

RULE 37 – CLAIM WAIVER PROGRAM

Claims that occur within the twelve-month period ending 45 days prior to the policy effective date are eligible for the Claim Waiver Program.

Level 1

A chargeable claim (as defined in Rule 25), that occurred under an Arkansas Homeowners policy after a policyholder's first policy effective date following 10/3/2005 will not be considered chargeable for purposes of the Claim Rating Program if the following criteria are met:

1. For the 60 consecutive months prior to the claim occurrence date:
    a. the named insured or spouse has maintained a Qualifying Company (as defined in Rule 25) Homeowners, Renters, Condominium, or Mobilehome insurance policy, and
    b. no other Group A, Group B, or Group C claim has occurred that resulted in a paid loss totaling more than $250.
    c. no other Group A, Group B, or Group C claim has been waived under Level 2 of the Claim Waiver Program.

2. The claim occurred while the policy was written under an Allstate Homeowners policy package other than the Allstate® Your Choice Home Platinum Protection option package.

Level 2

A Group A, B, or C claim (as defined in Rule 25), that occurred under an Arkansas Homeowners policy after a policyholder's first policy effective date following 2/19/2007 will not be considered for purposes of the Claim Rating Program and will not cause the loss of the Claim Free Discount if the following criteria are met:

1. The claim occurred while the policy was under the Allstate® Your Choice Home Platinum Protection option package.

2. For the 60 consecutive months prior to the claim occurrence date, no other Group A, Group B, or Group C claim has been waived under Level 2 of the Claim Waiver Program.

Note: For policies not receiving the Claim Free Discount, claims waived under Level 2 of the Claim Waiver Program will be considered for purposes of determining future eligibility for the Claim Free Discount.

TERRITORIAL ZONES

Zip	Zone	Zip	Zone	Zip	Zone	Zip	Zone
71601	101	71666	101	71753	107	71842	104
71602	102	71667	101	71754	107	71845	110
71603	104	71670	101	71758	107	71846	101
71613	104	71671	104	71759	107	71847	104
71630	101	71674	104	71762	107	71851	101
71631	104	71675	104	71763	104	71852	110
71635	107	71676	104	71764	104	71853	104
71638	101	71677	101	71765	110	71854	104
71639	101	71678	101	71766	104	71855	104
71640	104	71701	104	71770	104	71857	107
71642	104	71711	104	71772	104	71858	104
71643	101	71720	104	71801	107	71859	104
71644	101	71722	104	71822	104	71860	107
71646	104	71724	101	71823	104	71861	107
71647	104	71725	101	71825	104	71862	104
71647	104	71725	101	71826	107	71864	104
71651	104	71726	104	71827	104	71865	104
71652	104	71730	112	71828	104	71866	101
71653	104	71740	110	71831	104	71901	105
71654	101	71742	104	71832	107	71902	105
71654	104	71743	104	71833	107	71909	108
71655	104	71744	104	71834	110	71913	105
71656	104	71745	104	71835	110	71914	105
71658	104	71747	110	71836	101	71920	105
71660	104	71748	104	71837	110	71921	107
71661	104	71749	123	71838	104	71922	104
71662	101	71750	104	71839	110	71923	104
71663	104	71751	104	71840	104	71929	108
71665	104	71752	104	71841	104	71933	107

TERRITORIAL ZONES CONTINUED

Zip	Zone	Zip	Zone	Zip	Zone	Zip	Zone
71934	104	71999	104	72031	129	72064	113
71935	104	72001	119	72032	120	72064	113
71937	104	72002	120	72034	119	72065	105
71940	110	72003	101	72035	119	72066	120
71941	104	72004	101	72036	113	72067	129
71942	105	72005	124	72036	113	72068	115
71943	104	72006	124	72037	113	72069	101
71944	104	72007	125	72038	101	72070	119
71945	104	72010	113	72039	129	72072	101
71949	104	72011	105	72040	115	72073	101
71950	110	72012	119	72041	113	72074	101
71952	104	72013	125	72042	101	72075	101
71953	104	72014	124	72043	101	72076	125
71956	105	72015	105	72044	125	72079	111
71957	107	72016	120	72045	119	72080	129
71958	104	72017	113	72046	113	72081	127
71959	104	72017	113	72047	101	72082	115
71960	104	72020	127	72047	129	72083	119
71961	104	72021	113	72048	101	72084	102
71962	104	72022	105	72051	129	72085	102
71964	105	72023	128	72052	120	72086	130
71965	104	72024	113	72053	101	72087	102
71968	104	72025	119	72055	101	72088	125
71969	104	72026	101	72055	101	72099	125
71970	107	72027	119	72057	104	72101	124
71971	104	72028	125	72058	119	72102	119
71972	104	72029	101	72060	115	72103	120
71973	104	72029	101	72061	121	72104	105
71998	104	72030	119	72063	121	72105	105

TERRITORIAL ZONES CONTINUED

Zip	Zone	Zip	Zone	Zip	Zone	Zip	Zone
72106	119	72139	101	72202	131	72321	129
72107	119	72140	101	72203	119	72322	129
72108	119	72140	101	72204	119	72324	124
72110	117	72141	129	72205	125	72326	113
72111	125	72142	128	72206	125	72327	113
72112	124	72143	115	72207	132	72328	101
72113	122	72150	105	72209	125	72329	133
72114	119	72152	101	72210	122	72330	124
72116	121	72153	129	72211	122	72331	124
72117	129	72156	129	72212	126	72332	115
72118	117	72157	125	72214	122	72333	101
72119	117	72160	101	72215	122	72335	113
72120	121	72165	127	72216	122	72338	124
72121	127	72166	101	72217	122	72339	124
72122	108	72167	105	72219	122	72340	113
72123	108	72168	101	72223	122	72341	119
72125	120	72169	101	72227	132	72342	101
72126	105	72170	101	72231	113	72346	119
72127	129	72173	129	72260	113	72347	124
72128	102	72175	101	72301	113	72347	124
72129	102	72175	101	72310	135	72348	113
72130	125	72176	120	72311	113	72350	124
72131	129	72178	120	72312	113	72351	124
72132	105	72179	124	72313	124	72354	124
72133	101	72179	124	72314	124	72355	101
72134	101	72180	124	72315	133	72358	135
72135	122	72181	124	72316	133	72359	119
72136	120	72182	124	72319	113	72360	119
72137	119	72201	126	72320	113	72364	113

TERRITORIAL ZONES CONTINUED

Zip	Zone	Zip	Zone	Zip	Zone	Zip	Zone
72365	124	72415	124	72449	124	72482	124
72366	101	72416	124	72450	135	72501	124
72367	101	72417	135	72451	124	72503	124
72368	113	72419	124	72453	124	72512	124
72369	101	72421	124	72454	135	72513	136
72370	129	72422	135	72455	124	72515	124
72372	113	72424	124	72456	135	72517	124
72373	119	72425	124	72457	124	72519	124
72374	101	72426	129	72458	124	72520	136
72376	119	72428	124	72459	124	72521	124
72379	101	72429	124	72460	124	72522	124
72384	124	72430	135	72461	135	72523	124
72385	124	72431	135	72462	135	72524	124
72386	124	72432	124	72464	135	72525	124
72390	101	72433	124	72465	124	72526	124
72392	113	72434	124	72466	124	72527	124
72394	119	72435	135	72467	135	72528	124
72395	133	72436	135	72469	124	72529	136
72396	113	72437	124	72470	124	72530	127
72401	124	72438	133	72471	124	72531	127
72402	124	72439	124	72472	124	72532	124
72403	124	72440	124	72473	124	72533	124
72404	124	72441	135	72474	124	72534	127
72410	124	72442	124	72475	124	72536	136
72411	124	72443	135	72476	124	72537	127
72412	135	72444	124	72478	124	72538	124
72413	124	72445	124	72479	124	72539	136
72414	124	72447	133				

TERRITORIAL ZONES CONTINUED

Zip	Zone	Zip	Zone	Zip	Zone	Zip	Zone
72540	127	72578	124	72638	135	72683	124
72540	136	72579	124	72639	124	72685	124
72542	136	72581	124	72640	124	72686	113
72543	124	72583	124	72641	127	72687	124
72544	138	72584	136	72642	138	72701	139
72546	124	72585	124	72644	124	72702	139
72550	127	72587	124	72645	124	72703	139
72553	124	72601	127	72648	127	72704	130
72554	136	72602	127	72650	127	72711	130
72555	127	72610	127	72651	138	72712	139
72556	124	72611	127	72653	138	72714	139
72559	124	72613	127	72655	113	72715	130
72560	127	72615	127	72657	113	72717	130
72561	124	72616	127	72658	127	72718	116
72562	124	72617	124	72659	124	72719	130
72564	124	72618	124	72660	135	72721	115
72564	124	72619	127	72661	138	72722	127
72565	124	72623	138	72662	127	72727	130
72566	124	72624	124	72663	124	72728	116
72566	124	72626	127	72666	127	72729	116
72567	127	72628	115	72668	127	72729	116
72568	124	72629	124	72669	124	72730	116
72569	124	72630	124	72670	124	72732	118
72571	127	72631	115	72672	124	72733	118
72572	124	72632	127	72675	124	72734	127
72573	136	72633	127	72677	124	72735	127
72575	136	72634	135	72679	119	72736	130
72576	136	72635	135	72680	127	72737	130
72577	124	72636	135	72682	127	72738	115

TERRITORIAL ZONES CONTINUED

Zip	Zone	Zip	Zone	Zip	Zone	Zip	Zone
72739	139	72812	117	72856	119	72943	113
72739	139	72820	116	72857	102	72944	101
72740	137	72821	140	72858	117	72945	101
72741	127	72823	141	72860	106	72946	140
72742	127	72824	114	72863	116	72947	140
72744	130	72826	114	72865	116	72948	116
72745	116	72827	104	72901	106	72949	140
72747	130	72828	104	72903	109	72950	104
72749	130	72829	104	72904	105	72951	114
72751	127	72830	109	72905	106	72952	142
72752	115	72832	116	72906	106	72955	116
72753	130	72833	106	72908	106	72956	140
72756	118	72834	117	72916	106	72958	104
72757	115	72835	117	72921	142	72959	140
72758	115	72837	114	72923	106		
72760	115	72838	104	72924	101		
72761	116	72839	106	72926	104		
72762	140	72840	116	72927	104		
72764	140	72841	104	72928	116		
72765	140	72842	114	72930	140		
72767	136	72843	117	72932	116		
72768	136	72845	116	72933	140		
72769	130	72846	106	72934	116		
72770	130	72847	114	72935	106		
72773	127	72851	116	72936	106		
72774	116	72852	116	72937	103		
72776	115	72853	114	72938	101		
72801	117	72854	106	72940	106		
72802	117	72855	114	72941	106		

HOMEOWNERS RATING

ALLSTATE PROPERTY AND CASUALTY INSURANCE COMPANY
NORTHBROOK, ILLINOIS

ARKANSAS
HOMEOWNERS
PREMIUM CALCULATION PAGES

ROUND AFTER EACH CALCULATION TO THE NEAREST PENNY

STEP #		Homeowners	Select Homeowners
1	HOMEOWNERS PACKAGE PREMIUM (PCP - 2; step 1E, 1L, or 1AB)		
2	RATE ADJUSTMENT FACTOR (RFP - 4)	x	x
3	CLAIM RATING FACTOR (RFP - 4 to RFP - 7)	x	x
4	CLAIM FREE DISCOUNT (RFP - 8)	x	x
5	COVERAGE BC - BUILDING CODES FACTOR (RFP - 8)	x	
6	DWELLINGS IN THE COURSE OF CONSTRUCTION FACTOR (RFP - 8)	x	
7	AGE OF HOME DISCOUNT (RFP - 8)	x	x
8	PARTIALLY RENOVATED HOME DISCOUNT (RFP - 8)	x	x
9	HOME BUYER DISCOUNT (RFP - 9)	x	x
10	FIRE RESISTIVE DISCOUNT (RFP - 9)	x	x
11	PROTECTIVE DEVICE DISCOUNT (RFP - 9)	x	x
12	55 AND RETIRED DISCOUNT (RFP - 9)	x	x
13	HOME AND AUTO DISCOUNT (RFP - 10)	x	x
14	THE GOOD HANDS PEOPLE ® DISCOUNT (RFP - 10)	x	x
15	ROOF RATING FACTOR (RFP - 11)	x	x
16	DEDUCTIBLE FACTOR (RFP - 12)	x	x
17	SECONDARY RESIDENCE FACTOR (RFP - 13)	x	x
18	SELECT HOMEOWNERS RATE SCHEDULE FACTOR (RFP - 13)		x
19	EXCESS DWELLING COVERAGE (RFP - 13) [1]	x	
20	EXTENDED PROTECTION AMENDATORY ENDORSEMENT FACTOR (RFP - 13)	x	x
21	YOUR CHOICE HOME PACKAGE FACTOR (RFP - 13)	x	x
22	WATER BACKUP AMOUNT (RFP - 13) [2]	+	+
23	TOTAL PERSONALIZED OPTIONS PREMIUM (SRP - 1)	+	+
24	FIXED EXPENSE POLICY FEE (SRP - 2)	+	+
25	REINSURANCE CHARGE (RFP - 14)	+	+
26	ADDITIONAL PREMIUM [3]	+	+
27	TOTAL COVERAGE PREMIUM	=	=

[1] The Excess Dwelling Coverage Factor should not be applied to policies purchasing the Extended Protection Amendatory Endorsement.

[2] The Water Backup coverage is only available to, and mandatory for, policies purchasing the Extended Protection Amendatory Endorsement.

[3] Additional premium applicable for endorsements, increased limits, additional coverage, or additional coverage deductible buy-downs, and subtract any applicable credit for reduced coverage shown on the Supplementary Rate Pates. Where applicable, use the same deductible amount applicable to Coverage A.

ARKANSAS
HOMEOWNERS
PREMIUM CALCULATION PAGES

HOMEOWNERS PACKAGE PREMIUM

If amount of insurance shown on the Amount of Insurance Scale (RFP - 3)

STEP #			
1A	BASE RATE (RFP - 1)		
1B	ZONE RELATIVITY (RFP - 1) [DOLLAR ROUND]	x	
1C	TOWN CLASS FACTOR (RFP - 2) [DOLLAR ROUND]	x	
1D	AMOUNT OF INSURANCE FACTOR (RFP - 3) [DOLLAR ROUND]	x	
1E	HOMEOWNERS PACKAGE PREMIUM	=	

If amount of insurance NOT shown on the Amount of Insurance Scale (RFP - 3) and less than $20,000

STEP #			
1F	AMOUNT OF INSURANCE*		
1G		/	1,000
1H		*	$1.00
1I	ADJUSTMENT TO BE APPLIED TO THE $20,000 LIMIT PREMIUM	=	
1J	$20,000 LIMIT PREMIUM - Calculated following steps 1A - 1E and using $20,000 amount of insurance (RFP - 3)		
1K	ADJUSTMENT TO BE APPLIED TO THE $20,000 LIMIT PREMIUM (From 1I)	-	
1L	HOMEOWNERS PACKAGE PREMIUM	=	

If amount of insurance NOT shown on the Amount of Insurance Scale (RFP - 3) and greater than $20,000

STEP #			
1M	UPPER LIMIT AMOUNT - Enter the next higher amount of insurance (RFP - 3)		
1N	LOWER LIMIT AMOUNT - Enter the next lower amount of insurance (RFP - 3)	-	
1O	DIFFERENCE IN AMOUNTS OF INSURANCE SHOWN	=	
1P	UPPER LIMIT PREMIUM - Calculated using 1M and following steps 1A - 1E		
1Q	LOWER LIMIT PREMIUM - Calculated using 1N and following steps 1A - 1E	-	
1R	DIFFERENCE IN PACKAGE PREMIUMS FOR AMOUNTS SHOWN	=	
1S	AMOUNT OF INSURANCE*		
1T	LOWER LIMIT AMOUNT (From step 1N)	-	
1U	ADDITIONAL AMOUNT OF INSURANCE	=	
1V	ADDITIONAL AMOUNT OF INSURANCE (From step 1U)		
1W	DIFFERENCE IN AMOUNTS OF INSURANCE SHOWN (From step 1O)	/	
1X	ADDITIONAL AMOUNT OF INSURANCE FACTOR [ROUND TO FOUR DECIMALS]	=	
1Y	ADDITIONAL AMOUNT OF INSURANCE FACTOR (From step 1X)		
1Z	DIFFERENCE IN PACKAGE PREMIUMS FOR AMOUNTS SHOWN (From step 1R) [ROUND TO TWO DECIMALS]	*	
1AA	LOWER LIMIT PREMIUM (From step 1Q)	+	
1AB	HOMEOWNERS PACKAGE PREMIUM	=	

*Amount of Insurance:
Homeowners Policy - Use Coverage A limit
Homeowners Select Policy - Use the full replacement cost, rounded to the nearest thousand

ARKANSAS
HOMEOWNERS
RATE FACTOR PAGES

Order in Calculation

1A **Base Rate:** $1,712

1B **Territorial Relativity:**

Zone	Relativity	Town Class Group	AOI Scale
101	0.776	1	1
102	0.831	1	1
103	0.975	1	1
104	1.029	1	1
105	0.772	1	1
106	0.813	1	1
107	0.868	1	1
108	0.970	1	1
109	1.012	1	1
110	1.067	1	1
111	0.803	1	1
112	0.762	1	1
113	0.803	1	1
114	0.960	1	1
115	0.799	1	1
116	0.840	1	1
117	0.997	1	1
118	0.798	1	1
119	0.835	1	1
120	0.877	1	1
121	0.816	1	1
122	0.857	1	1
123	1.056	1	1
124	1.111	1	1
125	0.853	1	1
126	0.895	1	1
127	1.052	1	1
128	1.093	1	1
129	1.148	1	1
130	0.884	1	1
131	0.925	1	1
132	1.124	1	1
133	0.843	1	1
135	0.922	1	1
136	0.977	1	1
137	1.079	1	1
138	1.120	1	1
139	0.911	1	1
140	0.953	1	1
141	1.151	1	1
142	0.917	1	1

Order in Calculation

1C Town Class Factor:

T/C Group	Town Class	Construction Brick	Construction Frame
1	1	0.83	1.00
	2	0.90	1.01
	3	0.91	1.01
	4	0.92	1.03
	5	0.92	1.08
	6	0.93	1.12
	7	0.99	1.22
	8	1.02	1.31
	9	1.11	1.32
	10	1.16	1.35

ARKANSAS
HOMEOWNERS
RATE FACTOR PAGES

Order in Calculation

1D Amount of Insurance (AOI) Factor:

	AOI (000)	Factor
	20	0.531
	40	0.617
	50	0.660
	60	0.703
	70	0.746
	75	0.767
	80	0.789
	85	0.810
	90	0.832
	95	0.854
	100	0.875
	105	0.897
	110	0.919
	115	0.946
	120	0.973
	125	1.000
	130	1.027
	135	1.054
	140	1.079
	145	1.092
	150	1.105
	155	1.117
	160	1.130
	165	1.143
	170	1.155
	175	1.172
	180	1.190
	190	1.227
	200	1.263
	210	1.313
	220	1.384
	230	1.455
	240	1.526
	250	1.588
	260	1.631
	270	1.674
	280	1.716
	290	1.769
	300	1.830
	350	2.138
	400	2.457
	450	2.776
	500	3.053
	600	3.368
	700	3.683
	800	3.998
	900	4.313
	1000	4.628
Each Add'l	100	0.315

ARKANSAS
HOMEOWNERS
RATE FACTOR PAGES

Order in Calculation

2 **Rate Adjustment Factor:**

Factor: 1.646

3 **Claim Rating Factor:**

Rating Groups 1-3

# of Chargeable Claims in the past 3 years

			Group A					
			0	1	2	3	4	5
Total Group B and C	# of C	# of B						
0	0	0	0.400	0.540	0.745	1.028	1.419	1.850
1	0	1	0.400	0.540	0.745	1.028	1.419	1.850
1	1	0	0.440	0.594	0.820	1.131	1.561	1.850
2	0	2	0.400	0.540	0.745	1.028	1.419	1.850
2	1	1	0.440	0.594	0.820	1.131	1.561	1.850
2	2	0	0.524	0.707	0.975	1.346	1.850	1.850

Each Additional Chargeable Group A Claim - apply factor of 1.380 to the claim rating factor. The overall Claim Rating Factor shall not exceed 1.85.
Each Additional Chargeable Group B Claim - apply factor of 1.000 to the claim rating factor. The overall Claim Rating Factor shall not exceed 1.85.
Each Additional Chargeable Group C Claim - apply factor of 1.190 to the claim rating factor. The overall Claim Rating Factor shall not exceed 1.85.

Rating Groups 4-6

# of Chargeable Claims in the past 3 years

			Group A					
			0	1	2	3	4	5
Total Group B and C	# of C	# of B						
0	0	0	0.460	0.621	0.857	1.183	1.632	1.850
1	0	1	0.460	0.621	0.857	1.183	1.632	1.850
1	1	0	0.506	0.683	0.943	1.301	1.795	1.850
2	0	2	0.460	0.621	0.857	1.183	1.632	1.850
2	1	1	0.506	0.683	0.943	1.301	1.795	1.850
2	2	0	0.602	0.813	1.122	1.548	1.850	1.850

Each Additional Chargeable Group A Claim - apply factor of 1.380 to the claim rating factor. The overall Claim Rating Factor shall not exceed 1.85.
Each Additional Chargeable Group B Claim - apply factor of 1.000 to the claim rating factor. The overall Claim Rating Factor shall not exceed 1.85.
Each Additional Chargeable Group C Claim - apply factor of 1.190 to the claim rating factor. The overall Claim Rating Factor shall not exceed 1.85.

Rating Groups 7-9

# of Chargeable Claims in the past 3 years

			Group A					
			0	1	2	3	4	5
Total Group B and C	# of C	# of B						
0	0	0	0.490	0.662	0.913	1.260	1.738	1.850
1	0	1	0.490	0.662	0.913	1.260	1.738	1.850
1	1	0	0.539	0.728	1.005	1.385	1.850	1.850
2	0	2	0.490	0.662	0.913	1.260	1.738	1.850
2	1	1	0.539	0.728	1.005	1.385	1.850	1.850
2	2	0	0.641	0.866	1.195	1.649	1.850	1.850

Each Additional Chargeable Group A Claim - apply factor of 1.380 to the claim rating factor. The overall Claim Rating Factor shall not exceed 1.85.
Each Additional Chargeable Group B Claim - apply factor of 1.000 to the claim rating factor. The overall Claim Rating Factor shall not exceed 1.85.
Each Additional Chargeable Group C Claim - apply factor of 1.190 to the claim rating factor. The overall Claim Rating Factor shall not exceed 1.85.

ARKANSAS
HOMEOWNERS
RATE FACTOR PAGES

Order in Calculation

3 cont. Claim Rating Factor:

Rating Groups 10-12

# of Chargeable Claims in the past 3 years

			Group A					
			0	1	2	3	4	5
Total Group B and C	# of C	# of B						
0	0	0	0.540	0.729	1.006	1.388	1.850	1.850
1	0	1	0.540	0.729	1.006	1.388	1.850	1.850
1	1	0	0.594	0.802	1.107	1.528	1.850	1.850
2	0	2	0.540	0.729	1.006	1.388	1.850	1.850
2	1	1	0.594	0.802	1.107	1.528	1.850	1.850
2	2	0	0.707	0.954	1.317	1.817	1.850	1.850

Each Additional Chargeable Group A Claim - apply factor of 1.380 to the claim rating factor. The overall Claim Rating Factor shall not exceed 1.85.
Each Additional Chargeable Group B Claim - apply factor of 1.000 to the claim rating factor. The overall Claim Rating Factor shall not exceed 1.85.
Each Additional Chargeable Group C Claim - apply factor of 1.190 to the claim rating factor. The overall Claim Rating Factor shall not exceed 1.85.

Rating Groups 13-15

# of Chargeable Claims in the past 3 years

			Group A					
			0	1	2	3	4	5
Total Group B and C	# of C	# of B						
0	0	0	0.600	0.811	1.118	1.542	1.850	1.850
1	0	1	0.600	0.811	1.118	1.542	1.850	1.850
1	1	0	0.660	0.891	1.229	1.697	1.850	1.850
2	0	2	0.600	0.811	1.118	1.542	1.850	1.850
2	1	1	0.660	0.891	1.229	1.697	1.850	1.850
2	2	0	0.785	1.060	1.463	1.850	1.850	1.850

Each Additional Chargeable Group A Claim - apply factor of 1.380 to the claim rating factor. The overall Claim Rating Factor shall not exceed 1.85.
Each Additional Chargeable Group B Claim - apply factor of 1.000 to the claim rating factor. The overall Claim Rating Factor shall not exceed 1.85.
Each Additional Chargeable Group C Claim - apply factor of 1.190 to the claim rating factor. The overall Claim Rating Factor shall not exceed 1.85.

Rating Groups 16-18

# of Chargeable Claims in the past 3 years

			Group A					
			0	1	2	3	4	5
Total Group B and C	# of C	# of B						
0	0	0	0.650	0.878	1.210	1.671	1.850	1.850
1	0	1	0.650	0.878	1.210	1.671	1.850	1.850
1	1	0	0.715	0.965	1.332	1.838	1.850	1.850
2	0	2	0.650	0.878	1.210	1.671	1.850	1.850
2	1	1	0.715	0.965	1.332	1.838	1.850	1.850
2	2	0	0.850	1.149	1.586	1.850	1.850	1.850

Each Additional Chargeable Group A Claim - apply factor of 1.380 to the claim rating factor. The overall Claim Rating Factor shall not exceed 1.85.
Each Additional Chargeable Group B Claim - apply factor of 1.000 to the claim rating factor. The overall Claim Rating Factor shall not exceed 1.85.
Each Additional Chargeable Group C Claim - apply factor of 1.190 to the claim rating factor. The overall Claim Rating Factor shall not exceed 1.85.

Order in Calculation

3 cont. Claim Rating Factor:

Rating Groups 19-21

# of Chargeable Claims in the past 3 years

			Group A					
			0	1	2	3	4	5
Total Group B and C	# of C	# of B						
0	0	0	0.730	0.986	1.359	1.850	1.850	1.850
1	0	1	0.730	0.986	1.359	1.850	1.850	1.850
1	1	0	0.803	1.084	1.496	1.850	1.850	1.850
2	0	2	0.730	0.986	1.359	1.850	1.850	1.850
2	1	1	0.803	1.084	1.496	1.850	1.850	1.850
2	2	0	0.955	1.290	1.781	1.850	1.850	1.850

Each Additional Chargeable Group A Claim - apply factor of 1.380 to the claim rating factor. The overall Claim Rating Factor shall not exceed 1.85.
Each Additional Chargeable Group B Claim - apply factor of 1.000 to the claim rating factor. The overall Claim Rating Factor shall not exceed 1.85.
Each Additional Chargeable Group C Claim - apply factor of 1.190 to the claim rating factor. The overall Claim Rating Factor shall not exceed 1.85.

Rating Groups 22-24

# of Chargeable Claims in the past 3 years

			Group A					
			0	1	2	3	4	5
Total Group B and C	# of C	# of B						
0	0	0	0.820	1.107	1.528	1.850	1.850	1.850
1	0	1	0.820	1.107	1.528	1.850	1.850	1.850
1	1	0	0.902	1.217	1.680	1.850	1.850	1.850
2	0	2	0.820	1.107	1.528	1.850	1.850	1.850
2	1	1	0.902	1.217	1.680	1.850	1.850	1.850
2	2	0	1.073	1.449	1.850	1.850	1.850	1.850

Each Additional Chargeable Group A Claim - apply factor of 1.380 to the claim rating factor. The overall Claim Rating Factor shall not exceed 1.85.
Each Additional Chargeable Group B Claim - apply factor of 1.000 to the claim rating factor. The overall Claim Rating Factor shall not exceed 1.85.
Each Additional Chargeable Group C Claim - apply factor of 1.190 to the claim rating factor. The overall Claim Rating Factor shall not exceed 1.85.

Rating Groups 25-27

# of Chargeable Claims in the past 3 years

			Group A					
			0	1	2	3	4	5
Total Group B and C	# of C	# of B						
0	0	0	0.880	1.188	1.640	1.850	1.850	1.850
1	0	1	0.880	1.188	1.640	1.850	1.850	1.850
1	1	0	0.968	1.306	1.803	1.850	1.850	1.850
2	0	2	0.880	1.188	1.640	1.850	1.850	1.850
2	1	1	0.968	1.306	1.803	1.850	1.850	1.850
2	2	0	1.152	1.555	1.850	1.850	1.850	1.850

Each Additional Chargeable Group A Claim - apply factor of 1.380 to the claim rating factor. The overall Claim Rating Factor shall not exceed 1.85.
Each Additional Chargeable Group B Claim - apply factor of 1.000 to the claim rating factor. The overall Claim Rating Factor shall not exceed 1.85.
Each Additional Chargeable Group C Claim - apply factor of 1.190 to the claim rating factor. The overall Claim Rating Factor shall not exceed 1.85.

Order in Calculation

3 cont. **Claim Rating Factor:**

Rating Groups 28-30

# of Chargeable Claims in the past 3 years

			Group A					
			0	1	2	3	4	5
Total Group B and C	# of C	# of B						
0	0	0	1.000	1.350	1.850	1.850	1.850	1.850
1	0	1	1.000	1.350	1.850	1.850	1.850	1.850
1	1	0	1.100	1.485	1.850	1.850	1.850	1.850
2	0	2	1.000	1.350	1.850	1.850	1.850	1.850
2	1	1	1.100	1.485	1.850	1.850	1.850	1.850
2	2	0	1.309	1.767	1.850	1.850	1.850	1.850

Each Additional Chargeable Group A Claim - apply factor of 1.380 to the claim rating factor. The overall Claim Rating Factor shall not exceed 1.85.
Each Additional Chargeable Group B Claim - apply factor of 1.000 to the claim rating factor. The overall Claim Rating Factor shall not exceed 1.85.
Each Additional Chargeable Group C Claim - apply factor of 1.190 to the claim rating factor. The overall Claim Rating Factor shall not exceed 1.85.

ARKANSAS
HOMEOWNERS
RATE FACTOR PAGES

Order in Calculation

4 Claim Free Discount:

Factor: 0.80

5 Coverage BC - Building Codes Factor:

Factor: 1.05

6 Dwellings in the Course of Construction Factor:

Factor: 0.70

7 Age of Home Discount:

Age of Home	Factor
0	0.65
1	0.68
2	0.71
3	0.73
4	0.76
5	0.79
6	0.82
7	0.84
8	0.87
9	0.90
10-14	0.93
15-19	0.96
20-29	0.98
30-39	0.98
40-49	0.98
50+	1.00

8 Partially Renovated Home Discount:

Note: To calculate the Renovated Home Discount Factor, add together the appropriate discounts and subtract the total from one.

Age of Renovation	Plumbing	Heating/Cooling	Electrical	Roof
0	0.02	0.05	0.09	0.08
1	0.02	0.05	0.07	0.07
2	0.01	0.04	0.07	0.06
3	0.01	0.03	0.06	0.05
4	0.00	0.03	0.05	0.04
5	0.00	0.02	0.04	0.03
6	0.00	0.02	0.03	0.03
7	0.00	0.02	0.02	0.02
8	0.00	0.02	0.01	0.02
9	0.00	0.01	0.01	0.01
10-49	0.00	0.00	0.01	0.00
50+	0.00	0.00	0.00	0.00

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9 Home Buyer Discount:

Policy Age	Factor
0	0.80
1	0.90
2	1.00

10 Fire Resistive Discount:

Factor: 0.85

11 Protective Device Discount:

Classification	Factor
1	0.97
2	0.97
3	0.96
4	0.96
5	0.96
6	0.95
7	0.95
8	0.95
9	0.96
10	0.95
11	0.95

12 55 and Retired Discount:

Factor: 0.95

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Order in Calculation

13 Home and Auto Discount:

IS Group	Factor
1 - 30	0.75

14 Good Hands People® Discount:

Factor: 0.95

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Order in Calculation

15 **Roof Rating Factor:**

Roof Type	Factor
Composition/Asphalt/Fiberglass	1.00
Slate	0.95
Clay Tile	0.95
Concrete Tile	0.95
Mission Tile	0.95
Spanish Tile	0.95
Copper	0.95
Steel Roofing	0.95
Tin	0.95
Fiberglass Panel	0.95
Foam Roofing	0.95
Plexiglass Roofing	0.95
Rubber	0.95
Built Up/Tar and Gravel	1.10
Wood Shake	1.10
Wood Shingle	1.10
New England Pine Shingle	1.10
Victorian Scalloped Shake	1.10

Order in Calculation

Note: Deductible amounts and factor breakouts may change.

16 Deductible Factor:

	Factor										
Amount	**250**	**250 / 500 WH**	**250 / 1,000 WH**	**500**	**500 / 1,000 WH**	**750**	**1000**	**1500**	**2000**	**3000**	**5000**
$40,000 or less	1.000	0.935	0.831	0.917	0.813	0.846	0.784	0.684	0.611	0.520	0.434
$50,000	1.000	0.936	0.833	0.918	0.815	0.847	0.786	0.687	0.614	0.522	0.435
$60,000	1.000	0.941	0.845	0.924	0.827	0.857	0.799	0.704	0.631	0.537	0.443
$70,000	1.000	0.944	0.853	0.927	0.836	0.864	0.808	0.717	0.645	0.547	0.452
$80,000	1.000	0.947	0.860	0.930	0.843	0.870	0.816	0.728	0.658	0.558	0.461
$90,000	1.000	0.950	0.867	0.934	0.851	0.876	0.825	0.741	0.674	0.574	0.471
$100,000	1.000	0.951	0.871	0.935	0.855	0.879	0.830	0.748	0.683	0.585	0.480
$110,000	1.000	0.952	0.874	0.937	0.859	0.882	0.833	0.754	0.690	0.594	0.488
$120,000	1.000	0.953	0.876	0.938	0.861	0.884	0.836	0.758	0.696	0.602	0.497
$130,000	1.000	0.954	0.879	0.939	0.864	0.886	0.840	0.763	0.703	0.611	0.505
$140,000	1.000	0.955	0.882	0.941	0.868	0.889	0.844	0.770	0.711	0.621	0.514
$150,000	1.000	0.957	0.885	0.943	0.871	0.892	0.848	0.776	0.718	0.632	0.522
$160,000	1.000	0.958	0.888	0.944	0.875	0.895	0.852	0.781	0.725	0.641	0.530
$170,000	1.000	0.959	0.891	0.946	0.878	0.898	0.856	0.787	0.732	0.649	0.540
$180,000	1.000	0.960	0.894	0.948	0.881	0.901	0.860	0.792	0.739	0.657	0.549
$200,000	1.000	0.963	0.900	0.951	0.888	0.907	0.868	0.803	0.751	0.673	0.567
$220,000	1.000	0.965	0.905	0.954	0.894	0.912	0.874	0.812	0.762	0.686	0.582
$240,000	1.000	0.967	0.910	0.956	0.900	0.917	0.881	0.821	0.773	0.699	0.598
$260,000	1.000	0.969	0.915	0.959	0.905	0.921	0.887	0.830	0.783	0.711	0.613
$280,000	1.000	0.971	0.920	0.961	0.910	0.926	0.893	0.839	0.793	0.723	0.628
$300,000	1.000	0.973	0.925	0.964	0.916	0.930	0.899	0.847	0.803	0.736	0.643
$350,000	1.000	0.976	0.933	0.968	0.925	0.938	0.910	0.862	0.821	0.758	0.670
$400,000	1.000	0.979	0.941	0.972	0.933	0.945	0.920	0.875	0.838	0.778	0.695
$500,000	1.000	0.983	0.950	0.977	0.944	0.954	0.932	0.893	0.859	0.803	0.721
$600,000	1.000	0.985	0.955	0.980	0.949	0.959	0.939	0.903	0.871	0.817	0.744
$700,000	1.000	0.986	0.958	0.982	0.954	0.962	0.945	0.910	0.879	0.828	0.757
$800,000	1.000	0.987	0.960	0.983	0.956	0.964	0.948	0.914	0.884	0.834	0.764
$900,000	1.000	0.987	0.961	0.984	0.957	0.966	0.950	0.917	0.887	0.838	0.768
$1,000,000 or more	1.000	0.987	0.961	0.984	0.958	0.967	0.951	0.918	0.889	0.840	0.771

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Order in Calculation

17 **Secondary Residence Factor:**

Factor: 1.21

18 **Select Homeowners Rate Schedule Factor*:**

Ratio of Select Value to Replacement Cost	Factor
.01-.15	0.70
.16-.20	0.73
.21-.25	0.76
.26-.30	0.77
.31-.35	0.78
.36-.40	0.79
.41-.45	0.80
.46-.50	0.81
.51-.55	0.82
.56-.60	0.83
.61-.65	0.84
.66-.70	0.85
.71-.75	0.86
.76-.80	0.87
.81-.85	0.88
.86-.90	0.90
.91-.95	0.95
.96-1.00	1.00

* Only applies to Select Homeowners policies, otherwise apply factor of 1.00

19 **Excess Dwelling Coverage Factor:**

Factor: 1.01

20 **Extended Protection Amendatory Endorsment Factor:**

Factor: 1.10

21 **Your Choice Home Package Factor:**

Package	**Factor**
Platinum	1.20
Gold	1.14
Base	1.00

22 **Extended Protection Amendatory Endorsement - Water Backup Amount:**

	Deductible
Limit	$250
$2,000	$36

Order in Calculation

25 Reinsurance Charge

BASE REINSURANCE CHARGE*: **0.054**
***Charge is per $1000 of Coverage A Limit**

REINSURANCE LIMIT FACTORS

COVERAGE A	FACTOR
10,000	10
11,000	11
12,000	12
13,000	13
14,000	14
15,000	15
16,000	16
17,000	17
18,000	18
19,000	19
20,000	20
25,000	25
30,000	30
35,000	35
40,000	40
45,000	45
50,000	50
55,000	55
57,000	57
58,000	58
59,000	59
60,000	60
61,000	61
63,000	63
65,000	65
66,000	66

COVERAGE A	FACTOR
68,000	68
69,000	69
70,000	70
71,000	71
72,000	72
73,000	73
74,000	74
75,000	75
80,000	80
85,000	85
90,000	90
95,000	95
100,000	100
110,000	110
120,000	120
130,000	130
140,000	140
150,000	150
170,000	170
180,000	180
190,000	190
200,000	200
225,000	225
275,000	275
325,000	325
Each Additional 1,000	1

Step #		Homeowners	Select Homeowners
1	Base Reinsurance Charge		
2	Rate Adjustment Factor (Round to 3 decimals)	0.407	0.407
3	Reinsurance Limit Factor (Penny Round)	x	x
4	Reinsurance Charge		

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SUPPLEMENTARY RATE PAGES

PERSONALIZED OPTIONS RATE CALCULATION

ROUND AFTER EACH CALCULATION TO THE NEAREST PENNY

STEP #		Homeowners / Select Homeowners
	SPORTS & LEISURE	
1	SPORTS & LEISURE PERSONALIZED OPTION BASE RATE (SRP - 2)	
2	DEDUCTIBLE FACTOR (SRP - 2)	x
3	**TOTAL SPORTS & LEISURE PREMIUM**	=
	YARD & GARDEN	
4	YARD & GARDEN PERSONALIZED OPTION BASE RATE (SRP - 2)	
5	**TOTAL YARD & GARDEN PREMIUM**	=
	PRIZED POSSESSIONS	
6	COVERAGE J $250 DEDUCTIBLE, $10,000 PER OCCURRENCE LIMIT RATE (SRP - 5)	
7	DEDUCTIBLE FACTOR (SRP - 2)	x
8	PERSONALIZED OPTIONS FACTOR (SRP - 2)	x
9	TOTAL COVERAGE J PREMIUM	=
10	COVERAGE ST $10,000 LIMIT RATE (SRP - 5)	
11	PERSONALIZED OPTIONS FACTOR (SRP - 2)	x
12	TOTAL COVERAGE ST PREMIUM	=
13	**TOTAL PRIZED POSSESSIONS PREMIUM (9 + 12)**	=
	HOME ENTERPRISE COVERAGE	
14	COVERAGE DR RATE (SRP - 4)	
15	PERSONALIZED OPTIONS FACTOR (SRP - 2)	x
16	TOTAL COVERAGE DR PREMIUM	=
17	COVERAGE K RATE (SRP - 4)	
18	PERSONALIZED OPTIONS FACTOR (SRP - 2)	x
19	TOTAL COVERAGE K PREMIUM	=
20	COVERAGE P RATE (SRP - 4)	
21	PERSONALIZED OPTIONS FACTOR (SRP - 2)	x
22	TOTAL COVERAGE P PREMIUM	=
23	**TOTAL HOME ENTERPRISE COVERAGE PREMIUM (16 + 19 + 22)**	=
	MUSIC & PHOTOGRAPHY	
24	COVERAGE MI $250 DEDUCTIBLE, $5000 PER OCCURRENCE LIMIT RATE (SRP - 7)	
25	DEDUCTIBLE FACTOR (SRP - 2)	x
26	PERSONALIZED OPTIONS FACTOR (SRP - 2)	x
27	TOTAL COVERAGE MI PREMIUM	=
28	COVERAGE CA $250 DEDUCTIBLE, $5000 PER OCCURRENCE LIMIT RATE (SRP - 6)	
29	DEDUCTIBLE FACTOR (SRP - 2)	x
30	PERSONALIZED OPTIONS FACTOR (SRP - 2)	x
31	TOTAL COVERAGE CA PREMIUM	=
32	**TOTAL MUSIC & PHOTOGRAPHY PREMIUM (27 + 31)**	=
	TOTAL PERSONALIZED OPTIONS PREMIUM (3 + 5 + 13 + 23 + 32)	=

Supplementary Rating Tables

All Peril Deductible Factor Table for Optional Coverages

All Peril Deductible	Factor
$250	1.000
$500	0.870
$750	0.800
$1,000	0.750
$1,500	0.700
$2,000	0.650
$3,000	0.600
$5,000	0.530

Personalized Options Base Rates

	Platinum	Gold	Base with EPAE	Base without EPAE
Sports & Leisure	$25	$25	$25	$25
Yard & Garden	$50	$50	$50	$50

Personalized Options Factors

	Coverage	Platinum	Gold	Base with EPAE	Base without EPAE
Prized Possessions	J	0.95	0.95	0.95	0.95
	ST	0.95	0.95	0.95	0.95
Home Enterprise	DR	0.95	0.95	0.95	0.95
	K[1]	0.95	0.95	0.95	0.95
	P[4]	0.95	0.95	0.95	0.95
Music and Photography	MI	0.95	0.95	0.95	0.95
	CA	0.95	0.95	0.95	0.95

ADDITIONAL PREMIUM

Fixed Expense Policy Fee: $66

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SUPPLEMENTARY RATE PAGES

INCREASED LIMITS

Coverage B - Increased Limit on Other Structures Protection

		Rates by Townclass	
Deductible*	Per Limit Amount	1 - 8	9 - 10
$250	$1,000	$2.60	$3.30

* To compute rates for other deductibles, apply the appropriate optional coverage deductible factor.

Coverage X - Increased Limits on Family Liability Protection

Limit	Premium
$100,000	$0
$200,000	$7
$250,000	$9
$300,000	$11
$500,000	$18
$1,000,000	$26

Coverage Y - Increased Limits on Medical Payments

Limit	Premium
$1,000	$0
$2,500	$5
$5,000	$9

Coverage C - Unscheduled Property: $2 per $1,000

REDUCED RATE

Coverage C Reduced Limit:** $2 per $1,000

** Not available for Select Homeowners policies, or for any policy that has purchased the Extended Protection Amendatory Endorsement, Gold Protection Endorsement, or Platinum Protection Endorsement.

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SUPPLEMENTARY RATE PAGES

OPTIONAL COVERAGES

LIABILITY AND MEDICAL

Coverage K - Incidental Office, Private School, or Studio

	Premium
Office Located on Premises - Property and Liability Coverage	
A. Employees and/or Altered Dwelling:	$15
B. All Other:	$10
Office Located on Additional Premises - Liability Coverage Only:	$12

Coverage P - Business Pursuits

	Premium
Clerical Office Employess, Salesmen excluding Installation or Servicing Operation:	$6
Salesmen with Installation or Servicing Operations:	$7
Athletic, Laboratory, Physical Training Teachers:	$9
Classroom Teachers:	$6

Coverage IT - Idenitity Theft Expenses Amount

Limit	Premium
$25,000	$30

PHYSICAL DAMAGE

Coverage BP - Increased Coverage on Business Property (On Premises)

	Premium			
Limit	Base without EPAE	Base with EPAE	Gold	Platinum
$2,500	$14	$5	$5	$5
$5,000	$19	$8	$8	$8

Coverage DP - Increased Coverage on Data Processing Equipment

Rate	Per Limit Amount	Max Add'l Coverage
$6	$1,000	$15,000

Coverage DR- Data Recovery Expense

	Premium			
Limit	Base without EPAE	Base with EPAE	Gold	Platinum
$5,000	$25	$25	$25	$25

Coverage G - Loss Assessments

Limit	Premium
$50,000	$15

		Rate	Per Limit Amount	Max Addl Coverage
Coverage F - Fire Department Charges		$2	$100	N/A
Coverage M - Increased Coverage on Money		$6	$100	400
Coverage M - Increased Coverage on Money	**with EPAE**	$6	$100	400
Coverage M - Increased Coverage on Money	**Gold**	$6	$100	400
Coverage M - Increased Coverage on Money	**Platinum**	$6	$100	400
Coverage S - Increased Coverage on Securities		$3	$100	500
Coverage SD - Satellite Dish Antennas		$0.75	$100	N/A

OPTIONAL COVERAGES CONTINUED

Coverage ST - Increased Coverage on Theft of Silverware

Limits		Per Limit Amount	Rate	Max. Aggregate Limit
First	$5,000	$5,000	$5	
Next	$5,000	$1,000	$1	$10,000

Coverage J - Extended Coverage on Jewelry, Watches, and Furs

$250 Deductible*					
	Per Item	Premium			
Limit per Occurrence	Limit	w/ EPAE	w/o EPAE	Gold	Platinum
$1,000	N/A	n/a	$2	n/a	n/a
2,000	N/A	n/a	18	n/a	n/a
3,000	$2,000	n/a	32	n/a	n/a
4,000	2,000	n/a	47	n/a	n/a
5,000	2,000	n/a	60	n/a	n/a
10,000	2,500	100	125	100	100
15,000	3,000	165	190	165	165
20,000	4,000	230	255	230	230
25,000	5,000	295	320	295	295

* To compute rates for other deductibles, apply the appropriate optional coverage deductible factor.

ENDORSEMENTS

	Premium
Fair Rental Income:	$13

		Premium
Extended Premises Endorsement -	**1 family dwelling:**	$32
Extended Premises Endorsement -	**2 family dwelling:**	$32
Extended Premises Endorsement -	**3 family dwelling:**	$32
Extended Premises Endorsement -	**4 family dwelling:**	$32

Coverage DC - Home Day Care

Limit	Premium
$100,000	$60
$200,000	$70
$250,000	$75
$300,000	$80

Coverage E - Earthquake Damage

Zone 1	Counties of Clay, Craighead, Crittenden, Cross, Greene, Independence, Jackson, Lawrence, Lee, Mississippi, Monroe, Phillips, Poinsett, Prairie, Randolph, St. Francis and Woodruff
Zone 2	Counties of Arkansas, Chicot, Desha, Drew, Jefferson, Lincoln, Lonoke and White
Zone 3	Counties of Ashley, Bradley, Clahoun, Clark, Cleveland, Grant, Ouchita, Saline, and Little
Zone 4	Remainder of State

Deductible*	Zone	Frame	Brick Veneer	Other
5%	1	N/A	N/A	N/A
5%	2	N/A	N/A	N/A
5%	3	0.32	0.38	0.38
5%	4	0.27	0.35	0.35
10%	1	2.66	3.42	3.79
10%	2	0.29	0.35	0.41
10%	3	0.21	0.25	0.25
10%	4	0.19	0.22	0.22

* Deductible is a percentage of the Coverage A limit, and rates are per $1,000 of Coverage A limit.

Coverage CA - Extended Coverage on Cameras

$250 Deductible**		
Limit per Occurrence	Per Item Limit	Premium
$1,000	N/A	$2
2,000	N/A	4
3,000	2,000	6
4,000	2,000	8
5,000	2,000	10
10,000	2,500	20
15,000	3,000	30
20,000	4,000	40
25,000	5,000	50

** To compute rates for other deductibles, apply the appropriate optional coverage deductible factor.

ENDORSEMENTS

Coverage MI - Extended Coverage on Musical Instruments

$250 Deductible*		
Limit per Occurrence	Per Item Limit	Premium
$1,000	N/A	$1
2,000	N/A	3
3,000	$2,000	5
4,000	2,000	7
5,000	2,000	9
10,000	2,500	19
15,000	3,000	29
20,000	4,000	39
25,000	5,000	49

* To compute rates for other deductibles, apply the appropriate optional coverage deductible factor.

Coverage SP - Extended Coverage on Sports Equipment (Including Golf Equipment and Guns)

$250 Deductible**		
Limit per Occurrence	Per Item Limit	Premium
$1,000	N/A	$2
2,000	N/A	4
3,000	$2,000	6
4,000	2,000	8
5,000	2,000	10
10,000	2,500	20
15,000	3,000	30
20,000	4,000	40
25,000	5,000	50

** To compute rates for other deductibles, apply the appropriate optional coverage deductible factor.

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)
07/05/2011	Supporting Document	HPCS-Homeowners Premium Comparison Survey	07/06/2011	HO Survey FORM HPCS.xlsx (Superceded)
04/27/2011	Supporting Document	HPCS-Homeowners Premium Comparison Survey	07/05/2011	HO Survey FORM HPCS.xlsx (Superceded)
04/13/2011	Supporting Document	HPCS-Homeowners Premium Comparison Survey	04/27/2011	Premium Survey APC.xls (Superceded)
03/21/2011	Supporting Document	HPCS-Homeowners Premium Comparison Survey	04/13/2011	AR Premium Survey - final.pdf (Superceded)
07/05/2011	Supporting Document	NAIC loss cost data entry document	07/06/2011	FORM RF-1 Rate Filing Abstract.pdf (Superceded)
04/27/2011	Supporting Document	NAIC loss cost data entry document	07/05/2011	FORM RF-1 Rate Filing Abstract.pdf (Superceded)
03/21/2011	Supporting Document	NAIC loss cost data entry document	04/27/2011	StateFilingForms - APC.pdf (Superceded)
05/19/2011	Supporting Document	Amendment	05/24/2011	Amendment to Allstate AR Owners Rate Filing_R23300_Final.pdf (Superceded)

NAIC Number:	17230		
Company Name:	Allstate Property and Casualty Insurance Company	**Homeowners Premium Comparision Survey Form** **FORM HPCS - last modified August, 2005**	**Submit to:** *Arkansas Insurance Department* *1200 West Third Street* *Little Rock, AR 72201-1904*
Contact Person:	Celeste Mrdak		
Telephone No.:	(847) 402-7328	***USE THE APPROPRIATE FORM BELOW - IF NOT APPLICABLE, LEAVE BLANK***	**Telephone:** *501-371-2800*
Email Address:	oscmrda@allstate.com		*Email as an attachment to* insurance.pnc@arkansas.gov
Effective Date:	5/2/2011		*You may also attach to a SERFF filing or submit on a cdr disk*

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*	$701.57	$770.86	$840.15	$924.67	$840.15	$924.67	$865.51	$952.84	$608.03	$667.19	$608.03	$667.19	$809.74	$890.87	$633.95	$695.36	$661.57	$726.35
	$120,000	$858.15	$943.96	$1,029.76	$1,134.88	$1,029.76	$1,134.88	$1,061.59	$1,170.11	$741.10	$814.96	$741.10	$814.96	$992.26	$1,092.84	$773.48	$850.20	$807.58	$888.26
	$160,000	$992.98	$1,093.63	$1,193.71	$1,316.67	$1,193.71	$1,316.67	$1,230.30	$1,357.84	$856.30	$942.09	$856.30	$942.09	$1,149.68	$1,267.49	$894.05	$983.83	$934.08	$1,028.44
6	*$80,000*	$715.65	$846.91	$857.05	$1,017.63	$857.05	$1,017.63	$882.98	$1,049.18	$619.87	$731.99	$619.87	$731.99	$826.07	$979.88	$646.35	$763.53	$673.95	$797.34
	$120,000	$875.20	$1,038.85	$1,050.79	$1,250.24	$1,050.79	$1,250.24	$1,083.18	$1,290.02	$756.44	$895.65	$756.44	$895.65	$1,012.14	$1,204.21	$788.82	$934.86	$823.48	$976.91
	$160,000	$1,012.99	$1,204.00	$1,218.30	$1,451.62	$1,218.30	$1,451.62	$1,256.05	$1,497.37	$874.04	$1,036.44	$874.04	$1,036.44	$1,173.12	$1,397.31	$911.78	$1,082.77	$952.96	$1,131.95
9	*$80,000*	$840.72	$986.07	$1,009.18	$1,186.64	$1,009.18	$1,186.64	$1,040.17	$1,223.83	$726.35	$850.30	$726.35	$850.30	$971.99	$1,142.71	$757.34	$886.91	$791.14	$926.92
	$120,000	$1,030.32	$1,211.03	$1,240.01	$1,461.06	$1,240.01	$1,461.06	$1,278.65	$1,507.09	$888.26	$1,042.83	$888.26	$1,042.83	$1,193.98	$1,406.51	$926.91	$1,088.29	$968.96	$1,138.30
	$160,000	$1,194.27	$1,405.89	$1,439.04	$1,697.54	$1,439.04	$1,697.54	$1,484.80	$1,751.29	$1,028.44	$1,208.58	$1,028.44	$1,208.58	$1,385.87	$1,634.05	$1,073.62	$1,262.33	$1,122.80	$1,320.66

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*	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	$15,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	$25,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
6	*$5,000*	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	$15,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	$25,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
9	*$5,000*	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	$15,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	$25,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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*	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	$120,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	$160,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
6	*$80,000*	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	$120,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	$160,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
9	*$80,000*	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	$120,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	$160,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

HO3 and HO4 only

Fire Extinguisher	3	*%*	*Deadbolt Lock*	3	*%*
Burglar Alarm	3	*%*	*Window Locks*	N/A	*%*
Smoke Alarm	3	*%*	*$1,000 Deductible*	5-22	*%*
			Other (specify)		
			Complete Central Burglar	4	*%*
			Maximum Credit Allowed		*%*

EARTHQUAKE INSURANCE

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

ARE YOU CURRENTLY WRITING EARTHQUAKE COVERAGE IN ARKANSAS?		No	*(yes or no)*	
WHAT IS YOUR PERCENTAGE DEDUCTIBLE?		N/A	*%*	
	Zone	Brick		Frame
WHAT IS YOUR PRICE PER $1,000 OF COVERAGE?	Highest Risk	$ N/A		$ N/A
	Lowest Risk	$ N/A		$ N/A

NAIC LOSS COST DATA ENTRY DOCUMENT

1.	This filing transmittal is part of Company Tracking #	**R23299**

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

		Company Name		Company NAIC Number
3.	**A.**	**Allstate Indemnity Company**	**B.**	**19240**

		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.**	**Homeowners**	**B.**	**Owners**

5.

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	FOR LOSS COSTS ONLY (D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
Homeowners	**7.2%**	**7.0%***					
TOTAL OVERALL EFFECT	**7.2%**	**7.0%*** *Note that this includes NCOR					

6. 5 Year History Rate Change History

Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
2006	**25,229**	**N/A**	**N/A**	**18,810,568**	**18,402,363**	**0.98**	**0.49**
2007	**21,835**	**17.8%**	**8/27/07**	**17,706,420**	**7,347,167**	**0.41**	**0.56**
2008	**17,756**	**N/A**	**N/A**	**16,387,291**	**23,706,669**	**1.45**	**0.79**
2009	**13,375**	**18.6%**	**6/1/2009**	**14,846,921**	**15,480,486**	**1.04**	**0.58**
2010	**10,233**	**N/A**	**N/A**	**14,113,337**	**6,161,575**	**0.44**	**0.64**

7.

Expense Constants	Selected Provisions
A. Total Production Expense	**5.1%**
B. General Expense	**4.8%**
C. Taxes, License & Fees	**3.2%**
D. Underwriting Profit & Contingencies	**10.2%**
E. Other (Commissions & Contingency)	**13.2%**
F. TOTAL	**37.5%**

8. ___**N**___Apply Lost Cost Factors to Future filings? (Y or N)
9. ___**32.9%**_ Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): ________3________________
10. ___**-46.2%**__ Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): _______23_____________________

NAIC LOSS COST DATA ENTRY DOCUMENT

1.	This filing transmittal is part of Company Tracking #	R23300
2.	If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number	

		Company Name		Company NAIC Number
3.	A.	**Allstate Property and Casualty Insurance Company**	B.	**17230**

		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.	**Homeowners**	B.	**Owners**

5.

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	FOR LOSS COSTS ONLY (D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
Homeowners and Select Homeowners	**79.1%**	**29.9%***					
TOTAL OVERALL EFFECT	**79.1%**	**29.9%*** *Note that this includes NCOR					

6. 5 Year History Rate Change History

Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
2006	**4780**	**N/A**	**N/A**	**4876961**	**4747535**	**0.97**	**0.54**
2007	**15208**	**9.2%**	**8/27/07**	**12300000**	**9517373**	**0.77**	**0.64**
2008	**24322**	**N/A**	**N/A**	**19975051**	**34761554**	**1.74**	**0.94**
2009	**32136**	**27.7%**	**6/1/09**	**25996374**	**36097988**	**1.39**	**0.54**
2010	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**

7.

Expense Constants	Selected Provisions
A. Total Production Expense	**5.1%**
B. General Expense	**4.8%**
C. Taxes, License & Fees	**3.2%**
D. Underwriting Profit & Contingencies	**10.2%**
E. Other (Commissions & Contingency)	**13.2%**
F. TOTAL	**37.5%**

8. ___**N**___Apply Lost Cost Factors to Future filings? (Y or N)

9. ___**45.6%**__ Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): ___118________________________

10. ___**21.9**__ Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): ______115________________________

NAIC LOSS COST DATA ENTRY DOCUMENT

1.	This filing transmittal is part of Company Tracking #	**R23300**

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

		Company Name		Company NAIC Number
3.	**A.**	**Allstate Property and Casualty Insurance Company**	**B.**	**17230**

		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.**	**Homeowners**	**B.**	**Owners**

5.

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	FOR LOSS COSTS ONLY (D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
Homeowners and Select Homeowners	**80.9%**	**29.9*%**					
TOTAL OVERALL EFFECT	**80.9%**	**29.9*%** *Note that this includes NCOR					

6. 5 Year History — Rate Change History

Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
2006	**4,780**	**N/A**	**N/A**	**4,876,961**	**4,747,535**	**0.97**	**0.54**
2007	**15,208**	**9.2%**	**8/27/07**	**12,300,000**	**9,517,373**	**0.77**	**0.64**
2008	**24,322**	**N/A**	**N/A**	**19,975,051**	**34,761,554**	**1.74**	**0.94**
2009	**32,136**	**27.7%**	**6/1/2009**	**25,996,374**	**36,097,988**	**1.39**	**0.54**
2010	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**

7.

Expense Constants	Selected Provisions
A. Total Production Expense	**5.1%**
B. General Expense	**4.8%**
C. Taxes, License & Fees	**3.2%**
D. Underwriting Profit & Debt	**10.2%**
E. 1)Commissions	**12.2%**
2) Contingency	**2.0%**
F. TOTAL	**37.5%**

***2010 Annual Statement data is unavailable at this time**

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

9. _45.6%_ Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): ________118_______________

10. _21.9%__ Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): ________115_________________

ALLSTATE INDEMNITY COMPANY
OWNERS
ARKANSAS

Amendment to Filing Number R23299

With this filing, Allstate had originally proposed an overall rate level change of 8.2% for its Owners program in Allstate Indemnity Company based on its rate level indication of 8.2%. When combined with the proposed changes to its reinsurance charges, the overall proposed impact is 8.5%.

Even though Allstate still believes its originally proposed rate level change of 8.2% and resulting overall proposed impact of 8.5% are reasonable and actuarially justified, in order to resolve this filing, Allstate proposes to amend its overall rate level change for its Owners program in Allstate Indemnity Company to be 6.7%. When combined with the proposed changes to its reinsurance charges, the amended overall proposed impact is 7.0%.

Additionally, even though Allstate continues to believe that its retained risk provision is fair and actuarially supported, per the Arkansas Insurance Department's request, Allstate removes this separate provision from this filing.

Please note that Allstate still proposes the following changes to its Owners program in Allstate Indemnity Company that were included in its original filing:

1. **Net Cost of Reinsurance Revision**, as described in Attachment VIII of the original filing, with additional support and explanation provided in Allstate's responses submitted on April 13, 2011, and April 27, 2011.

2. **Revision to the Home and Auto Discount**, as described in Attachment IX of the original filing, with additional support and explanation provided in Allstate's response submitted on April 13, 2011.

3. **Revision to Town Class Factors,** as described in Attachment X of the original filing, with additional support and explanation provided in Allstate's response submitted on April 13, 2011.

Based on the above, Allstate will revise its Rate Adjustment Factors to achieve its amended overall rate level change of 6.7%.

Upon resolution of this rate filing, Allstate will provide a revised Rate Level Impacts of Revisions attachment that will include additional details, updated manual pages and applicable filing forms, and revised effective dates.