

SERFF Tracking Number: AMMH-127294820 State: Arkansas  
Filing Company: American Family Home Insurance Company State Tracking Number:  
Company Tracking Number: 20110214-11  
TOI: 04.0 Homeowners Sub-TOI: 04.0002 Mobile Homeowners  
Product Name: AFH Manufactured Home Program  
Project Name/Number: /20110214-11

## Filing at a Glance

Company: American Family Home Insurance Company

Product Name: AFH Manufactured Home Program SERFF Tr Num: AMMH-127294820 State: Arkansas

TOI: 04.0 Homeowners

SERFF Status: Closed-Filed

State Tr Num:

Sub-TOI: 04.0002 Mobile Homeowners

Co Tr Num: 20110214-11

State Status:

Filing Type: Rate/Rule

Reviewer(s): Becky Harrington,  
Nancy Horton

Author: Gary Behling

Disposition Date: 07/01/2011

Date Submitted: 06/27/2011

Disposition Status: Filed

Effective Date Requested (New): 10/01/2011

Effective Date (New): 10/01/2011

Effective Date Requested (Renewal): 10/01/2011

Effective Date (Renewal):

10/01/2011

State Filing Description:

## General Information

Project Name:

Status of Filing in Domicile: Not Filed

Project Number: 20110214-11

Domicile Status Comments:

Reference Organization:

Reference Number:

Reference Title:

Advisory Org. Circular:

Filing Status Changed: 07/01/2011

State Status Changed:

Deemer Date:

Created By: Gary Behling

Submitted By: Gary Behling

Corresponding Filing Tracking Number: n/a

Filing Description:

Base rate and age of home factor revisions

## Company and Contact

### Filing Contact Information

Gary Behling, Filing Analyst

gbehling@amig.com

7000 Midland Blvd

800-759-9008 [Phone] 5791 [Ext]

Amelia, OH 45102

### Filing Company Information

SERFF Tracking Number: AMMH-127294820 State: Arkansas  
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 Product Name: AFH Manufactured Home Program  
 Project Name/Number: /20110214-11  
 American Family Home Insurance Company CoCode: 23450 State of Domicile: Florida  
 1301 Riverplace Blvd, Ste 1300 Group Code: 361 Company Type: Property and  
 Jacksonville, FL 32207 Group Name: Casualty  
 (800) 759-9008 ext. [Phone] FEIN Number: 31-0711074 State ID Number:  
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## Filing Fees

Fee Required? Yes  
 Fee Amount: \$150.00  
 Retaliatory? No  
 Fee Explanation: Rate = \$100.00  
 Rule = \$50.00  
 Total = \$150.00  
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
American Family Home Insurance Company	\$150.00	06/27/2011	49151324

SERFF Tracking Number: AMMH-127294820 State: Arkansas  
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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Filed	Becky Harrington	07/01/2011	07/01/2011

### 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	06/29/2011	06/29/2011	Gary Behling	07/01/2011	07/01/2011
Pending Industry Response	Becky Harrington	06/29/2011	06/29/2011	Gary Behling	07/01/2011	07/01/2011

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## Disposition

Disposition Date: 07/01/2011

Effective Date (New): 10/01/2011

Effective Date (Renewal): 10/01/2011

Status: Filed

Comment:

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."

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where required):	Minimum % Change (where required):
American Family Home Insurance Company	16.300%	6.000%	\$	10,333	\$10,089,744	13.590%	0.000%

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Schedule	Schedule Item	Schedule Item Status	Public Access
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 Filing Document for OTHER than Workers' Comp		Yes
Supporting Document	Cover Memorandum	Filed	Yes
Supporting Document	Actuarial Exhibits	Filed	Yes
Supporting Document	Statistical Data Exhibits	Filed	Yes
Rate (revised)	Manual pages	Filed	Yes
Rate	Manual pages		Yes

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Project Name/Number: /20110214-11

## Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 06/29/2011

Submitted Date 06/29/2011

Respond By Date

Dear Gary Behling,

This will acknowledge receipt of the captioned filing. I apologize for the lack of objections in the previous letter.

Objection 1

Comment: Provide statistical data to support the increased age of home factors.

Objection 2

Comment: Rate change requests greater than 6% are subject to Commissioner Bradford's review. You may either amend the overall change to 6% or request the filing be reviewed by the Commissioner. Given the recent rate history of approximately 26% in the past 2 years and the relatively low loss ratio for 2010, the Commissioner is not likely to consent to the requested overall increase of 12.5%.

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

Sincerely,

Becky Harrington

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## Response Letter

Response Letter Status Submitted to State  
Response Letter Date 07/01/2011  
Submitted Date 07/01/2011

Dear Becky Harrington,

### Comments:

Thank you for your letter of 6/29/11.

### Response 1

Comments: American Family Home uses generalized linear modeling (GLM) in the development of our rate relativities for age of home. The attached exhibit shows the following:

- Policy Count by age of home
- Base Relativity - our current relativities for age of home.
- Emblem (070) EMBLEM Model (070) - the indicated relativities per our GLM for Arkansas. This represents the rates we should be charging to meet our indicated PLR.
- AR 070 Proposed Base - our selected relativities for this filing.

We selected relativities that are lower than the indicated in order to distribute the overall rate impact across all ages of home & to minimize the rate level disruption on any one segment.

AR 070 AoH Hist

This exhibit shows the rate impact ranges across each age of home segment.

### Related Objection 1

Comment:

Provide statistical data to support the increased age of home factors.

### Changed Items:

#### Supporting Document Schedule Item Changes

Satisfied -Name: Statistical Data Exhibits

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

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## Response 2

Comments: We have reduced our proposed package rate to reduce the total overall effect to +6.00%, as shown on the revised Data Entry Document and manual page.

### Related Objection 1

Comment:

Rate change requests greater than 6% are subject to Commissioner Bradford's review. You may either amend the overall change to 6% or request the filing be reviewed by the Commissioner. Given the recent rate history of approximately 26% in the past 2 years and the relatively low loss ratio for 2010, the Commissioner is not likely to consent to the requested overall increase of 12.5%.

### Changed Items:

#### Supporting Document Schedule Item Changes

Satisfied -Name: NAIC loss cost data entry document

Comment:

No Form Schedule items changed.

#### Rate/Rule Schedule Item Changes

Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing #
Manual pages	BR-1 and PR-1	Replacement	
<b>Previous Version</b>			
<i>Manual pages</i>	<i>BR-1 and PR-1</i>	<i>Replacement</i>	

Thank you for your further consideration of this filing.

Sincerely,  
Gary Behling

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## Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 06/29/2011

Submitted Date 06/29/2011

Respond By Date

Dear Gary Behling,

This will acknowledge receipt of the captioned filing.

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

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

Sincerely,

Becky Harrington

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Project Name/Number: /20110214-11

## Response Letter

Response Letter Status Submitted to State  
Response Letter Date 07/01/2011  
Submitted Date 07/01/2011

Dear Becky Harrington,

### Comments:

(This objection was sent in error.)

### Response 1

Comments: Items were addressed in the subsequent objection.

### Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Sincerely,  
Gary Behling

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 Project Name/Number: /20110214-11

**Rate Information**

Rate data applies to filing.

**Filing Method:** File and use  
**Rate Change Type:** Increase  
**Overall Percentage of Last Rate Revision:** 11.960%  
**Effective Date of Last Rate Revision:** 10/01/2010  
**Filing Method of Last Filing:** File and 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):
American Family Home Insurance Company	16.300%	12.520%	\$1,263,236	10,333	\$10,089,744	19.680%	0.000%

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## Rate/Rule Schedule

Schedule Item	Exhibit Name:	Rule # or Page	Rate Action	Previous State Filing Attachments
Filed 07/01/2011	Manual pages	BR-1 and PR-1	Replacement	BR-1.pdf PR-1(rev).pdf

<b>ARKANSAS AMERICAN FAMILY HOME INSURANCE COMPANY MANUFACTURED HOME PROGRAM</b>
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**OWNER AND SEASONAL BYLINE RATES**

Comprehensive Including Flood and Earthquake (211/221)

Product Code	Flat Base Rate	Min Rate Value	Min Val Accept	UVRC Code	Cov Relativity
211	\$315.00	\$5,000	\$1,000	JL	1.00
221	\$315.00	\$5,000	\$1,000	JL	1.00

**OWNER AND SEASONAL BYLINE RATING FACTORS**

Territory	Factor
50	1.00
51	1.48

Location	Factor
Protected	1.00
Unprotected	1.23

**Protected:** Located within 5 road miles of a responding fire department.

**Unprotected:** Not otherwise qualifying as protected.

Age of Insured	Factor
18 - 34	1.06
35 - 49	1.02
50 - 64	0.98
65 +	0.95

Age of Home	Factor
New - 1	1.00
2 - 3	1.04
4 - 5	1.07
6 - 10	1.11
11 - 15	1.15
16 - 20	1.30
21 +	1.30

<b>ARKANSAS          AMERICAN FAMILY HOME INSURANCE COMPANY          MANUFACTURED HOME PROGRAM</b>
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**OWNER PACKAGE RATES**

**Owner Package Manufactured Home**

Comprehensive Risk Including Flood and Earthquake (041)

Internal Limits for the Package		
Other Structures	Personal Property	Personal Liability
10%	50%	\$50,000

Product Code	Flat Base Rate	Min Rate Value	Min Val Accept	UVRC Code	Cov Relativity
041	\$437.60	\$7,000	\$1,000	JL	1.00

**OWNER AND SEASONAL PAGE RATING FACTORS**

Territory	Factor
50	1.00
51	1.48

Location	Factor
Protected	1.00
Unprotected	1.23

**Protected:** Located within 5 road miles of a responding fire department.

**Unprotected:** Not otherwise qualifying as protected.

Age of Insured	Factor
18 - 34	1.06
35 - 49	1.02
50 - 64	0.98
65 +	0.95

Age of Home	Factor
New - 1	1.00
2 - 3	1.06
4 - 5	1.09
6 - 10	1.17
11 - 15	1.23
16 - 20	1.34
21 +	1.34

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## Supporting Document Schedules

	<b>Item Status:</b>	<b>Status Date:</b>
<b>Satisfied - Item:</b> NAIC loss cost data entry document	Filed	07/01/2011
<b>Comments:</b>		
<b>Attachment:</b> _070_F319AR_NAIC Loss Cost Data Entry Doc_rev_.pdf		

	<b>Item Status:</b>	<b>Status Date:</b>
<b>Bypassed - Item:</b> NAIC Loss Cost Filing Document for OTHER than Workers' Comp		
<b>Bypass Reason:</b> n/a		
<b>Comments:</b>		

	<b>Item Status:</b>	<b>Status Date:</b>
<b>Satisfied - Item:</b> Cover Memorandum	Filed	07/01/2011
<b>Comments:</b>		
<b>Attachment:</b> Filing letter.pdf		

	<b>Item Status:</b>	<b>Status Date:</b>
<b>Satisfied - Item:</b> Actuarial Exhibits	Filed	07/01/2011
<b>Comments:</b>		
<b>Attachment:</b> MH Std AR_070_2011Q1_filing.pdf		

	<b>Item Status:</b>	<b>Status Date:</b>
<b>Satisfied - Item:</b> Statistical Data Exhibits	Filed	07/01/2011
<b>Comments:</b>		

*SERFF Tracking Number:*      *AMMH-127294820*                      *State:*                      *Arkansas*  
*Filing Company:*              *American Family Home Insurance Company*      *State Tracking Number:*  
*Company Tracking Number:*      *20110214-11*  
*TOI:*                      *04.0 Homeowners*                      *Sub-TOI:*                      *04.0002 Mobile Homeowners*  
*Product Name:*              *AFH Manufactured Home Program*  
*Project Name/Number:*      */20110214-11*

**Attachments:**

AR 070 AoH GLM.pdf

AR 070 AoH Hist.pdf

### NAIC LOSS COST DATA ENTRY DOCUMENT

<b>1.</b>	This filing transmittal is part of Company Tracking #	20110214-11
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<b>2.</b>	If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number	n/a
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Company Name		Company NAIC Number		
<b>3.</b>	<b>A.</b>	American Family Home Insurance Company	<b>B.</b>	361-23450

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

<b>5.</b>			FOR LOSS COSTS ONLY				
(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
10101	23.8	6.95					
10111	-11.5	0					
10301	-9.6	0					
10511	7.3	7.24					
10201	-2.9	0					
<b>TOTAL OVERALL EFFECT</b>	16.3	6.00					

<b>6.</b>		5 Year History	Rate Change History				
Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
2010	12747	12.0%	10/1/2010	9669	5073	52.5%	45.0%
2009	13278	14.3%	6/1/2009	8956	6838	76.4%	44.0%
2008	13421	0.0%	4/1/2008	8713	7259	83.3%	53.7%
2007	12902	4.4%	9/1/2007	7936	3793	47.8%	39.4%
2006	12549			7470	4686	62.7%	38.3%

<b>7.</b>	
Expense Constants	Selected Provisions
A. Total Production Expense	27.6%
B. General Expense	8.4%
C. Taxes, License & Fees	4.2%
D. Underwriting Profit & Contingencies	7.7%
E. Other (Reinsurance)	4.3%
<b>F. TOTAL</b>	<b>52.2%</b>

- 8.** n/a Apply Lost Cost Factors to Future filings? (Y or N)
- 9.** 13.59 Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): \_\_\_\_\_
- 10.** 0.00 Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): \_\_\_\_\_



7000 Midland Boulevard  
Amelia, OH 45102-2607

June 27, 2011

Arkansas Insurance Department  
Property & Casualty Division  
1200 W. 3rd Street  
Little Rock, AR 72201-1904

RE: American Family Home Insurance Company: NAIC# 127-23450  
Manufactured Home Program  
Rate/Rule Filing  
Company File Number: 20110214-11

In accordance with the filing requirements of your state, we are submitting a revision to the captioned program.

The base rates for the seasonal and package occupancies are being revised, along with the age of home factors for the package only. Please refer to the manual pages and actuarial exhibits for further details.

We are filing this revision to become effective on October 1, 2011 for new business and renewals.

To the best of our knowledge and belief, this filing is in compliance with the statutes and regulations of your state.

If you have any questions, please contact the undersigned at the telephone number or e-mail address shown.

A handwritten signature in cursive script that reads 'Gary P. Behling'.

Gary P. Behling, CPCU  
Senior State Relations Analyst  
Phone: 1-800-759-9008, ext. 5791  
E-mail: gbehling@amig.com

**American Family Home Insurance Company**  
**Arkansas**  
**Mobile Home Standard**

Proposed Effective Date: 10/1/2011

<u>Class</u>	<u>Premium in Force at 3/31/2011</u>	<u>Premium in Force Distribution</u>	<u>Indication</u>	<u>Balanced Indication</u>
Mobile Home-Byline	\$1,121,666	11.1%	-11.5%	-13.4%
Mobile Home-Package	\$8,634,202	85.6%	23.8%	21.1%
Rental	\$256,741	2.5%	-9.6%	-11.6%
Seasonal-Byline	\$76,609	0.8%	7.3%	4.9%
Tenant	\$525	0.0%	-2.9%	-5.0%
All Classes	\$10,089,744	100.0%	16.3%	16.3%
		Weighted Experience Indication:	18.9%	

## **Explanatory Memorandum**

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The purpose of the indication is to evaluate the rate level adequacy of the above captioned program in this state. In the evaluation, we take historical premiums and losses from our experience period and project them into a future effective period - our estimate of the time period the proposed rates will be in effect. Data shown is on a direct basis, and is organized on a 12 month rolling accident year basis.

### **Assumptions and Methodologies**

1. On Exhibits 1 and 2 we show the overall rate level indication for this product. The data adjustments used and calculations are described in the following paragraphs.
2. Earned Premiums are adjusted to current rate levels by program and then trended using the factors described below.
  - a. Rate Level Adjustment Factors take into account any approved rate changes that have an impact on the experience period. Quarterly factors (rather than annual factors) are calculated to improve accuracy. We use the average policy term length of each program, and assume the premium is earned equally throughout experience quarters. The calculated factor reflects the final rate level divided by the average rate level for each quarter. These are weighted together to obtain the annual adjustments shown here. By applying this factor to past premium, the adjustment reflects the amount of premium earned at the current rate level. Exhibit 3 outlines the Rate Level History and Rate Level Adjustment Factors.
  - b. The Premium Trend projects the current level premium in our experience periods to the average date the proposed rates will be in effect. We estimate the change in premium values over time by fitting exponential curves to various periods of current level average earned premiums by program or coverage for the state. Historical and Prospective Premium Trend Factors are selected taking into consideration the number of years experience used in the indication. The Historical Trend selection is applied using a time period from the mid-point of the experience period to the midpoint of the latest quarter of data available. The Prospective Trend selection is applied using a time period starting where the historical factor ended to the midpoint of the time the rates are anticipated to be in effect. Please see Exhibit 4.
3. Incurred Losses and ALAE are adjusted using the factors described below.
  - a. If appropriate for the indication in question, catastrophe losses are subtracted from the total losses and treated separately.
  - b. The Loss & ALAE Trend Factor projects the value of losses in our experience periods to the average date the proposed rates will be in effect. We estimate the change in loss values over time by fitting exponential curves to 5 years (20 groups of rolling 4 quarters) of Accident Year frequency and severity data. We select historical and prospective frequency and severity trends taking into consideration the number of years experience used in the indication. These are multiplied together to obtain the pure premium trend. The Historical Pure Premium Trend is applied using a time period from the mid-point of the experience period to the mid-point of the latest quarter of data used. The Prospective Pure Premium Trend is applied using a time period starting where the historical period ends, to the midpoint of the time the rates are anticipated to be in effect. Please see Exhibit 5.

## **Explanatory Memorandum**

- c. Accident Year Incurred Losses & ALAE are used in the rate indication; therefore, losses for each year may not be fully developed. The Loss & ALAE Development Factor estimates the further development of these losses by analyzing historical patterns of American Modern Insurance Group non-catastrophe losses. We calculate quarterly factors and weight them together using each year's latest incurred losses to obtain annual numbers. Please see Exhibit 6.
  - d. A ULAE Factor is applied to the Incurred Loss & ALAE to obtain Incurred Losses & LAE. The factor is calculated based on a 3 year average of historical ULAE to historical Incurred Loss & ALAE. Please see Exhibit 9.
  - e. The Catastrophe Load allows us to use a longer experience period to control our response to unpredictable large loss events. We rely on ISO to identify catastrophes. That definition is any event that causes a loss of at least \$25 million to the insurance industry and has a sufficient number of claims. Our adjustment involves removing such losses and applying a historical average. This provides incurred losses indicative of normal catastrophic activity for our experience period. Please see Exhibit 7 for a further description of the method used. Note - Modeled Perils are excluded from the calculation.
  - f. The Cat Factor is applied to the Trended, Adjusted Non-Cat IL & LAE to obtain the Non-Modeled Catastrophe IL & LAE.
  - g. The Total Adjusted Incurred Loss and LAE is the sum of the Trended Adjusted IL & LAE Excl Wea losses and the Trended Adjusted Wea Incurred Loss & LAE \* .
4. The Adjusted Loss and LAE Ratio is the Total Trended Adjusted Incurred Loss & LAE divided by the Trended Current Level Earned Premium. These ratios exclude Modeled Perils.
  5. Normally, Accident Year weights are judgmentally selected to place greater weight on the more recent year's experience. However, when a program is growing rapidly, accident year weights may be based on Earned Premiums to avoid having an earlier year affecting the indication more than it should. Consideration may also be given to using even weights on all years when the Adjusted Loss and LAE Ratio are extremely volatile by year.
  6. The Weighted Experience Loss and LAE Ratio is the weighted average of the individual years Adjusted Loss and LAE Ratios and the Accident Year Weights. This ratio excludes Modeled Perils.
  7. The Earthquake Load calculation may be found in Exhibit 8 . We model perils where our experience is inadequate to provide a reliable estimate of expected losses. The modeled average annual losses are divided by the number of exposures modeled to obtain the modeled pure premium. Factors to include ALAE and ULAE are applied, then trend (based on the average insured value) is applied. If Point of Sale policies providing Flood coverage are included in the indication, a Flood Following Hurricane factor is applied. The Adjusted Modeled Pure Premium is divided by the Average Premium to obtain the Modeled Ratio for each modeled peril. These are summed to obtain the modeled load.

## **Explanatory Memorandum**

8. The Permissible Loss and LAE Ratio LAE Ratio calculation may be found in 10. This calculation includes determination
  - a. The derivation of the Pre-Paid Commissions and Taxes, Licenses and Fees may be found at the bottom of this exhibit. Other Acquisition and General Expenses are based on Countrywide, Company Data for the Program being evaluated. The Reinsurance Expense is designed to cover the cost of our catastrophe and excess of loss experience contracts. It is a gross provision determined by reinsurance premium minus estimated reinsurance recoveries.
  - b. The Profit Provision is based on a 15% Targeted After Tax Return on Equity and a 2.3:1 Targeted Premium to Surplus Ratio.
  - c. Return on Investment Income is based on the Clifford/Sterling Formula. This calculation, and an explanation of the calculation, may be found in Exhibit 11.
9. The Complement of Credibility is the Trended Permissible Loss Ratio excluding the modeled load (which is considered fully credible.) A Loss Ratio Trend is determined based on the prospective premium and losses trends. A time exponent is based on the time from our last revision to the proposed effective date, capped at 1 years, is applied. Exhibit 12 contains the calculations.
10. Credibility is based on the square root rule, with full credibility at 40000 Earned Exposures.
11. The Credibility Weighted Loss and LAE Ratio is calculated by credibility weighting the Weighted Experience Loss & LAE Ratio\* and the Complement of Credibility - Trended Permissible\*, (\* Note: Modeled Losses are excluded from both of these), then adding on the Earthquake Load .
12. The Indicated Rate Level Change is calculated as the  $((\text{Credibility Weighted Loss \& LAE Ratio}) / (\text{Permissible Loss \& LAE Ratio})) - 1$

Rate Level Indications

	Accident Year Ending				
	3/31/2007	3/31/2008	3/31/2009	3/31/2010	3/31/2011
(1) Earned Exposures	12,634	12,986	13,552	13,074	12,659
(2) Earned Premium	7,572,984	8,104,545	8,840,146	9,071,365	9,819,247
(3) Rate Level Adjustment Factor	1.239	1.228	1.189	1.161	1.104
(4) Current Level Earned Premium	9,382,099	9,952,639	10,512,143	10,528,439	10,838,613
(5) Premium Trend Factor	1.250	1.210	1.171	1.134	1.098
(6) Trended Current Level Earned Premium	11,727,624	12,042,693	12,309,720	11,939,250	11,900,797
	36.3%	31.5%	36.1%	35.2%	30.3%
(7) Total Incurred Losses & ALAE	5,221,437	5,270,463	7,383,818	6,935,451	5,117,483
(8) Weather Incurred Losses & ALAE	1,869,773	2,180,231	3,640,975	3,287,472	1,884,155
(9) IL & ALAE Excl Wea losses	3,351,664	3,090,232	3,742,843	3,647,978	3,233,328
(10) Incurred Loss & ALAE Trend Factor	1.498	1.379	1.270	1.170	1.077
(11) Incurred Loss & ALAE Development Factor	1.000	0.998	0.998	1.001	1.034
(12) ULAE Factor (to IL & ALAE)	1.015	1.015	1.015	1.015	1.015
(13) Trended Adjusted IL & LAE Excl Wea losses	5,096,104	4,316,701	4,815,063	4,336,489	3,654,703
(14) WeatherFactor	0.544	0.544	0.544	0.544	0.544
(15) Trended Adjusted Wea Incurred Loss & LAE *	2,772,281	2,348,285	2,619,394	2,359,050	1,988,158
(16) Total Trended Adjusted Incurred Loss & LAE	7,868,385	6,664,986	7,434,457	6,695,539	5,642,861
(17) Adjusted Loss & LAE Ratio *	0.671	0.553	0.604	0.561	0.474
(18) Accident Year Weights	0.10	0.15	0.20	0.25	0.30
(19) Non-Catastrophe Reported Claim Counts	1,028	1,101	1,323	1,598	1,020
(20) Weighted Experience Loss & LAE Ratio*					0.553
(21) Earthquake Load					0.003
(22) Permissible Loss & LAE Ratio					0.478
(25) Complement of Credibility - Trended Permissible*					0.468
(26) Credibility (Square Root Rule, Full Credibility = 40000 Earned Exposures)					1.000
(27) Credibility Weighted Loss & LAE Ratio					0.556
(28) <b>Credibility Weighted Indicated Rate Level Change</b>					<b>16.3%</b>

\* Excluding Earthquake Load

Rate Level Indications

	Accident Year Ending				
	3/31/2007	3/31/2008	3/31/2009	3/31/2010	3/31/2011
(1) Earned Exposures	2,554	2,263	2,253	1,779	1,564
(2) Earned Premium	1,499,520	1,375,011	1,395,214	1,184,343	1,126,779
(3) Rate Level Adjustment Factor	1.217	1.209	1.172	1.147	1.097
(4) Current Level Earned Premium	1,825,564	1,662,943	1,634,755	1,358,546	1,235,582
(5) Premium Trend Factor	1.177	1.150	1.123	1.097	1.072
(6) Trended Current Level Earned Premium	2,148,689	1,912,384	1,835,829	1,490,325	1,324,543
(7) Total Incurred Losses & ALAE	538,279	1,068,753	834,966	536,633	411,536
(8) Weather Incurred Losses & ALAE	242,980	412,518	479,529	363,972	165,454
(9) IL & ALAE Excl Wea losses	295,299	656,236	355,437	172,661	246,083
(10) Incurred Loss & ALAE Trend Factor	1.498	1.379	1.270	1.170	1.077
(11) Incurred Loss & ALAE Development Factor	1.000	0.998	0.998	1.001	1.034
(12) ULAE Factor (to IL & ALAE)	1.015	1.015	1.015	1.015	1.015
(13) Trended Adjusted IL & LAE Excl Wea losses	448,993	916,686	457,260	205,249	278,153
(14) WeatherFactor	0.544	0.544	0.544	0.544	0.544
(15) Trended Adjusted Wea Incurred Loss & LAE	244,252	498,677	248,749	111,656	151,315
(16) Total Trended Adjusted Incurred Loss & LAE	693,245	1,415,363	706,009	316,905	429,468
(17) Adjusted Loss & LAE Ratio *	0.323	0.740	0.385	0.213	0.324
(18) Accident Year Weights	0.10	0.15	0.20	0.25	0.30
(19) Non-Catastrophe Reported Claim Counts	169	161	189	151	116
(20) Weighted Experience Loss & LAE Ratio					0.371
(22) Permissible Loss & LAE Ratio					0.478
(25) Complement of Credibility - Trended Permissible					0.477
(26) Credibility (Square Root Rule, Full Credibility = 40000 Earned Exposures)					0.510
(27) Credibility Weighted Loss & LAE Ratio					0.423
(28) <b>Credibility Weighted Indicated Rate Level Change</b>					<b>-11.5%</b>

Rate Level Indications

	Accident Year Ending				
	3/31/2007	3/31/2008	3/31/2009	3/31/2010	3/31/2011
(1) Earned Exposures	9,556	10,158	10,686	10,649	10,454
(2) Earned Premium	5,855,492	6,473,175	7,145,133	7,572,524	8,360,626
(3) Rate Level Adjustment Factor	1.252	1.240	1.200	1.169	1.109
(4) Current Level Earned Premium	7,333,149	8,027,040	8,573,802	8,853,101	9,271,062
(5) Premium Trend Factor	1.250	1.210	1.171	1.134	1.098
(6) Trended Current Level Earned Premium	9,166,436	9,712,718	10,039,922	10,039,417	10,179,626
(7) Total Incurred Losses & ALAE	4,550,687	4,094,171	6,275,709	6,302,749	4,618,378
(8) Weather Incurred Losses & ALAE	1,592,477	1,701,706	3,026,209	2,845,333	1,700,622
(9) IL & ALAE Excl Wea losses	2,958,210	2,392,465	3,249,500	3,457,416	2,917,756
(10) Incurred Loss & ALAE Trend Factor	1.498	1.379	1.270	1.170	1.077
(11) Incurred Loss & ALAE Development Factor	1.000	0.998	0.998	1.001	1.034
(12) ULAE Factor (to IL & ALAE)	1.015	1.015	1.015	1.015	1.015
(13) Trended Adjusted IL & LAE Excl Wea losses	4,497,869	3,342,000	4,180,391	4,109,961	3,298,005
(14) WeatherFactor	0.544	0.544	0.544	0.544	0.544
(15) Trended Adjusted Wea Incurred Loss & LAE	2,446,841	1,818,048	2,274,132	2,235,819	1,794,115
(16) Total Trended Adjusted Incurred Loss & LAE	6,944,710	5,160,048	6,454,523	6,345,780	5,092,120
(17) Adjusted Loss & LAE Ratio *	0.758	0.531	0.643	0.632	0.500
(18) Accident Year Weights	0.10	0.15	0.20	0.25	0.30
(19) Non-Catastrophe Reported Claim Counts	831	913	1,100	1,412	882
(20) Weighted Experience Loss & LAE Ratio					0.592
(22) Permissible Loss & LAE Ratio					0.478
(25) Complement of Credibility - Trended Permissible					0.471
(26) Credibility (Square Root Rule, Full Credibility = 40000 Earned Exposures)					1.000
(27) Credibility Weighted Loss & LAE Ratio					0.592
(28) <b>Credibility Weighted Indicated Rate Level Change</b>					<b>23.8%</b>

Rate Level Indications

	Accident Year Ending				
	3/31/2007	3/31/2008	3/31/2009	3/31/2010	3/31/2011
(1) Earned Exposures	432	456	503	535	527
(2) Earned Premium	171,825	197,157	235,059	247,984	258,396
(3) Rate Level Adjustment Factor	1.000	1.000	1.000	1.000	1.000
(4) Current Level Earned Premium	171,825	197,157	235,059	247,984	258,396
(5) Premium Trend Factor	1.322	1.255	1.191	1.131	1.074
(6) Trended Current Level Earned Premium	227,153	247,432	279,955	280,469	277,517
(7) Total Incurred Losses & ALAE	71,637	51,328	112,885	87,192	58,311
(8) Weather Incurred Losses & ALAE	33,753	12,321	63,965	69,697	4,154
(9) IL & ALAE Excl Wea losses	37,883	39,008	48,920	17,495	54,157
(10) Incurred Loss & ALAE Trend Factor	1.498	1.379	1.270	1.170	1.077
(11) Incurred Loss & ALAE Development Factor	1.000	0.998	0.998	1.001	1.034
(12) ULAE Factor (to IL & ALAE)	1.015	1.015	1.015	1.015	1.015
(13) Trended Adjusted IL & LAE Excl Wea losses	57,600	54,489	62,934	20,797	61,215
(14) WeatherFactor	0.544	0.544	0.544	0.544	0.544
(15) Trended Adjusted Wea Incurred Loss & LAE	31,335	29,642	34,236	11,313	33,301
(16) Total Trended Adjusted Incurred Loss & LAE	88,935	84,131	97,170	32,110	94,516
(17) Adjusted Loss & LAE Ratio *	0.392	0.340	0.347	0.114	0.341
(18) Accident Year Weights	0.10	0.15	0.20	0.25	0.30
(19) Non-Catastrophe Reported Claim Counts	22	20	22	26	13
(20) Weighted Experience Loss & LAE Ratio					0.290
(22) Permissible Loss & LAE Ratio					0.478
(25) Complement of Credibility - Trended Permissible					0.479
(26) Credibility (Square Root Rule, Full Credibility = 40000 Earned Exposures)					0.248
(27) Credibility Weighted Loss & LAE Ratio					0.432
(28) <b>Credibility Weighted Indicated Rate Level Change</b>					<b>-9.6%</b>

Rate Level Indications

	Accident Year Ending				
	3/31/2007	3/31/2008	3/31/2009	3/31/2010	3/31/2011
(1) Earned Exposures	91	108	108	107	110
(2) Earned Premium	46,147	59,054	64,176	65,951	72,813
(3) Rate Level Adjustment Factor	1.117	1.107	1.059	1.035	1.002
(4) Current Level Earned Premium	51,561	65,351	67,963	68,243	72,941
(5) Premium Trend Factor	1.238	1.195	1.154	1.114	1.076
(6) Trended Current Level Earned Premium	63,833	78,095	78,429	76,023	78,484
(7) Total Incurred Losses & ALAE	60,834	56,210	160,258	8,877	29,258
(8) Weather Incurred Losses & ALAE	563	53,686	71,272	8,471	13,925
(9) IL & ALAE Excl Wea losses	60,272	2,524	88,986	406	15,332
(10) Incurred Loss & ALAE Trend Factor	1.498	1.379	1.270	1.170	1.077
(11) Incurred Loss & ALAE Development Factor	1.000	0.998	0.998	1.001	1.034
(12) ULAE Factor (to IL & ALAE)	1.015	1.015	1.015	1.015	1.015
(13) Trended Adjusted IL & LAE Excl Wea losses	91,641	3,526	114,478	483	17,331
(14) WeatherFactor	0.544	0.544	0.544	0.544	0.544
(15) Trended Adjusted Wea Incurred Loss & LAE	49,853	1,918	62,276	263	9,428
(16) Total Trended Adjusted Incurred Loss & LAE	141,494	5,444	176,754	746	26,759
(17) Adjusted Loss & LAE Ratio *	2.217	0.070	2.254	0.010	0.341
(18) Accident Year Weights	0.10	0.15	0.20	0.25	0.30
(19) Non-Catastrophe Reported Claim Counts	6	7	12	9	9
(20) Weighted Experience Loss & LAE Ratio					0.788
(22) Permissible Loss & LAE Ratio					0.478
(25) Complement of Credibility - Trended Permissible					0.477
(26) Credibility (Square Root Rule, Full Credibility = 40000 Earned Exposures)					0.115
(27) Credibility Weighted Loss & LAE Ratio					0.513
(28) <b>Credibility Weighted Indicated Rate Level Change</b>					<b>7.3%</b>

Rate Level Indications

	Accident Year Ending				
	3/31/2007	3/31/2008	3/31/2009	3/31/2010	3/31/2011
(1) Earned Exposures	-	1	2	3	3
(2) Earned Premium	-	148	564	565	632
(3) Rate Level Adjustment Factor	-	1.000	1.000	1.000	1.000
(4) Current Level Earned Premium	-	148	564	565	632
(5) Premium Trend Factor	1.006	1.023	1.041	1.059	1.077
(6) Trended Current Level Earned Premium	-	152	588	598	681
(7) Total Incurred Losses & ALAE	-	-	-	-	-
(8) Weather Incurred Losses & ALAE	-	-	-	-	-
(9) IL & ALAE Excl Wea losses	-	-	-	-	-
(10) Incurred Loss & ALAE Trend Factor	1.498	1.379	1.270	1.170	1.077
(11) Incurred Loss & ALAE Development Factor	1.000	0.998	0.998	1.001	1.034
(12) ULAE Factor (to IL & ALAE)	1.015	1.015	1.015	1.015	1.015
(13) Trended Adjusted IL & LAE Excl Wea losses	-	-	-	-	-
(14) WeatherFactor	0.544	0.544	0.544	0.544	0.544
(15) Trended Adjusted Wea Incurred Loss & LAE	-	-	-	-	-
(16) Total Trended Adjusted Incurred Loss & LAE	-	-	-	-	-
(17) Adjusted Loss & LAE Ratio *	-	-	-	-	-
(18) Accident Year Weights	0.10	0.15	0.20	0.25	0.30
(19) Non-Catastrophe Reported Claim Counts	-	-	-	-	-
(20) Weighted Experience Loss & LAE Ratio					-
(22) Permissible Loss & LAE Ratio					0.478
(25) Complement of Credibility - Trended Permissible					0.471
(26) Credibility (Square Root Rule, Full Credibility = 40000 Earned Exposures)					0.015
(27) Credibility Weighted Loss & LAE Ratio					0.464
(28) <b>Credibility Weighted Indicated Rate Level Change</b>					<b>-2.9%</b>

**American Family Home Insurance Company**  
**Arkansas**  
**Mobile Home Standard**  
**All Classes**

Exhibit 3

**Rate History**

**Rates Changes by Class**

<b>Effective Date</b>	<b>All Classes</b>	<b>Mobile Home-Byline</b>	<b>Mobile Home-Package</b>	<b>Rental</b>	<b>Seasonal-Byline</b>	<b>Tenant</b>
10/1/2010	12.0%	10.7%	12.7%	0.0%	0.0%	0.0%
6/1/2009	14.3%	5.2%	8.5%	0.0%	5.1%	0.0%
4/1/2008	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
9/1/2007	4.5%	4.5%	4.5%	0.0%	6.3%	0.0%

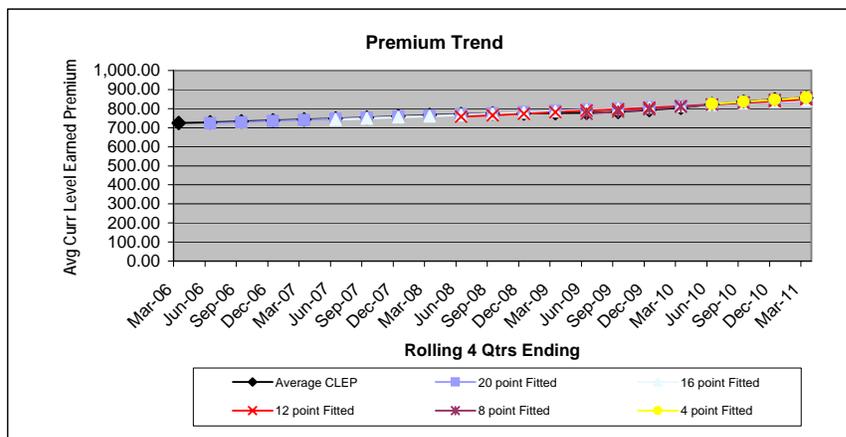
**Rate Level Adjustment Factor**

<b>Accident Year Ending</b>	<b>All Classes</b>	<b>Mobile Home-Byline</b>	<b>Mobile Home-Package</b>	<b>Rental</b>	<b>Seasonal-Byline</b>	<b>Tenant</b>
3/31/2007	1.239	1.217	1.252	1.000	1.117	0.000
3/31/2008	1.228	1.209	1.240	1.000	1.107	1.000
3/31/2009	1.189	1.172	1.200	1.000	1.059	1.000
3/31/2010	1.161	1.147	1.169	1.000	1.035	1.000
3/31/2011	1.104	1.097	1.109	1.000	1.002	1.000

Premium Trend

4 Qtrs Ending	Current Level Earned Premium	Earned Exposures	Average CLEP	20 point Fitted	16 point Fitted	12 point Fitted	8 point Fitted	4 point Fitted
3/31/2006	8,903,072	12,285	724.73					
6/30/2006	9,011,985	12,393	727.21	722.66				
9/30/2006	9,131,079	12,471	732.20	728.35				
12/31/2006	9,254,278	12,549	737.44	734.08				
3/31/2007	9,382,099	12,634	742.61	739.85				
6/30/2007	9,507,366	12,712	747.91	745.67	741.42			
9/30/2007	9,651,164	12,810	753.40	751.53	747.70			
12/31/2007	9,805,208	12,902	759.99	757.44	754.03			
3/31/2008	9,952,639	12,986	766.42	763.40	760.41			
6/30/2008	10,112,069	13,112	771.23	769.40	766.85	757.26		
9/30/2008	10,275,183	13,276	773.96	775.45	773.34	765.05		
12/31/2008	10,404,618	13,421	775.25	781.55	779.89	772.92		
3/31/2009	10,512,143	13,552	775.67	787.70	786.49	780.86		
6/30/2009	10,552,230	13,569	777.69	793.89	793.15	788.89	773.39	
9/30/2009	10,536,120	13,449	783.40	800.14	799.86	797.01	785.05	
12/31/2009	10,522,999	13,278	792.53	806.43	806.63	805.20	796.89	
3/31/2010	10,528,439	13,074	805.33	812.77	813.46	813.48	808.91	
6/30/2010	10,626,950	12,910	823.14	819.16	820.35	821.85	821.11	824.71
9/30/2010	10,735,177	12,823	837.21	825.61	827.29	830.30	833.49	835.60
12/31/2010	10,812,491	12,747	848.22	832.10	834.29	838.84	846.06	846.65
3/31/2011	10,838,613	12,659	856.23	838.64	841.36	847.47	858.82	857.84

Annual Premium Trend	
20 point fit	3.2%
16 point fit	3.4%
12 point fit	4.2%
8 point fit	6.2%
4 point fit	5.4%
Historical Selected	3.3%
Prospective Selected	5.0%

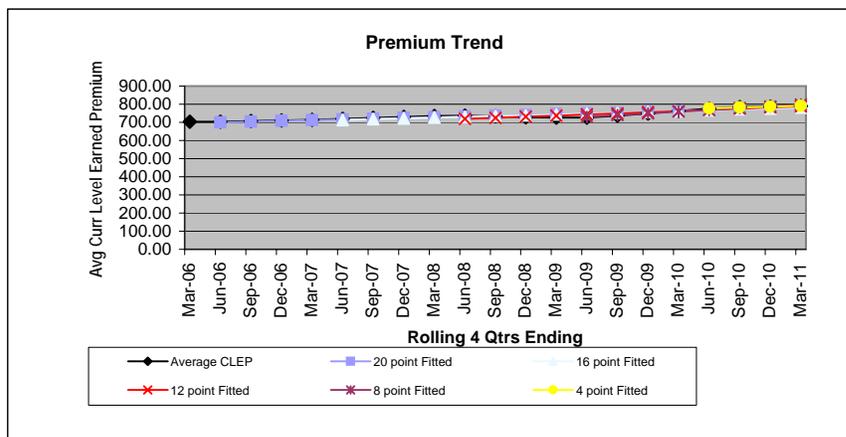


Accident Year Ending	Trend Period						Trend Factor
	Historical			Prospective			
	Beginning	End	Time(Yrs)	Beginning	End	Time(Yrs)	
3/31/2007	9/30/2006	2/15/2011	4.375	2/15/2011	10/12/2012	1.658	1.250
3/31/2008	9/30/2007	2/15/2011	3.375	2/15/2011	10/12/2012	1.658	1.210
3/31/2009	9/30/2008	2/15/2011	2.375	2/15/2011	10/12/2012	1.658	1.171
3/31/2010	9/30/2009	2/15/2011	1.375	2/15/2011	10/12/2012	1.658	1.134
3/31/2011	9/30/2010	2/15/2011	0.375	2/15/2011	10/12/2012	1.658	1.098

Premium Trend

4 Qtrs Ending	Current Level Earned Premium	Earned Exposures	Average CLEP	20 point Fitted	16 point Fitted	12 point Fitted	8 point Fitted	4 point Fitted
3/31/2006	2,059,161	2,923	704.38					
6/30/2006	1,988,649	2,825	704.06	700.22				
9/30/2006	1,925,537	2,725	706.66	704.16				
12/31/2006	1,872,666	2,637	710.18	708.12				
3/31/2007	1,825,564	2,554	714.67	712.11				
6/30/2007	1,779,333	2,474	719.14	716.12	712.93			
9/30/2007	1,736,319	2,398	724.20	720.15	717.28			
12/31/2007	1,696,222	2,322	730.35	724.21	721.66			
3/31/2008	1,662,943	2,263	734.85	728.28	726.06			
6/30/2008	1,647,720	2,236	736.85	732.38	730.48	718.68		
9/30/2008	1,652,255	2,252	733.56	736.51	734.94	724.74		
12/31/2008	1,652,810	2,269	728.55	740.65	739.42	730.85		
3/31/2009	1,634,755	2,253	725.67	744.82	743.93	737.02		
6/30/2009	1,584,895	2,181	726.65	749.02	748.46	743.24	730.57	
9/30/2009	1,504,221	2,044	736.06	753.23	753.03	749.51	739.88	
12/31/2009	1,424,963	1,901	749.63	757.47	757.62	755.83	749.30	
3/31/2010	1,358,546	1,779	763.73	761.74	762.24	762.21	758.84	
6/30/2010	1,314,987	1,694	776.28	766.03	766.89	768.64	768.51	777.41
9/30/2010	1,286,390	1,642	783.35	770.34	771.56	775.12	778.30	781.77
12/31/2010	1,260,525	1,603	786.41	774.68	776.27	781.66	788.21	786.16
3/31/2011	1,235,582	1,564	789.86	779.04	781.00	788.26	798.25	790.56

Annual Premium Trend	
20 point fit	2.3%
16 point fit	2.5%
12 point fit	3.4%
8 point fit	5.2%
4 point fit	2.3%
<b>Historical Selected</b>	<b>2.4%</b>
<b>Prospective Selected</b>	<b>3.7%</b>

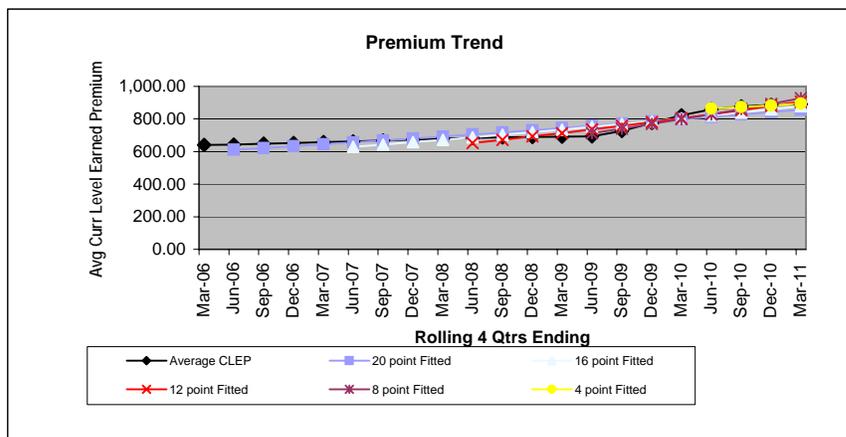


Accident Year Ending	Trend Period						Trend Factor
	Historical			Prospective			
	Beginning	End	Time(Yrs)	Beginning	End	Time(Yrs)	
3/31/2007	9/30/2006	2/15/2011	4.375	2/15/2011	10/12/2012	1.658	1.177
3/31/2008	9/30/2007	2/15/2011	3.375	2/15/2011	10/12/2012	1.658	1.150
3/31/2009	9/30/2008	2/15/2011	2.375	2/15/2011	10/12/2012	1.658	1.123
3/31/2010	9/30/2009	2/15/2011	1.375	2/15/2011	10/12/2012	1.658	1.097
3/31/2011	9/30/2010	2/15/2011	0.375	2/15/2011	10/12/2012	1.658	1.072

Premium Trend

4 Qtrs Ending	Current Level Earned Premium	Earned Exposures	Average CLEP	20 point Fitted	16 point Fitted	12 point Fitted	8 point Fitted	4 point Fitted
3/31/2006	2,086,575	3,258	640.50					
6/30/2006	2,132,245	3,316	643.01	610.44				
9/30/2006	2,179,576	3,365	647.65	621.47				
12/31/2006	2,225,477	3,409	652.83	632.71				
3/31/2007	2,276,070	3,460	657.84	644.15				
6/30/2007	2,324,707	3,507	662.96	655.79	628.60			
9/30/2007	2,379,374	3,562	668.02	667.65	642.81			
12/31/2007	2,437,567	3,618	673.66	679.72	657.33			
3/31/2008	2,489,116	3,666	679.04	692.00	672.19			
6/30/2008	2,536,583	3,710	683.66	704.51	687.38	652.44		
9/30/2008	2,573,177	3,743	687.47	717.25	702.92	672.26		
12/31/2008	2,598,702	3,770	689.29	730.21	718.80	692.68		
3/31/2009	2,620,511	3,794	690.68	743.42	735.05	713.72		
6/30/2009	2,655,440	3,825	694.17	756.85	751.66	735.39	713.16	
9/30/2009	3,033,198	4,178	726.03	770.54	768.65	757.73	740.46	
12/31/2009	3,818,622	4,921	775.92	784.47	786.02	780.74	768.81	
3/31/2010	4,927,424	5,992	822.33	798.65	803.79	804.45	798.24	
6/30/2010	6,392,763	7,434	859.98	813.08	821.96	828.88	828.80	863.54
9/30/2010	7,599,735	8,659	877.71	827.78	840.53	854.06	860.53	873.52
12/31/2010	8,394,504	9,473	886.12	842.75	859.53	880.00	893.48	883.60
3/31/2011	8,854,063	9,941	890.69	857.98	878.96	906.72	927.68	893.81

Annual Premium Trend	
20 point fit	7.4%
16 point fit	9.4%
12 point fit	12.7%
8 point fit	16.2%
4 point fit	4.7%
Historical Selected	3.3%
Prospective Selected	5.0%

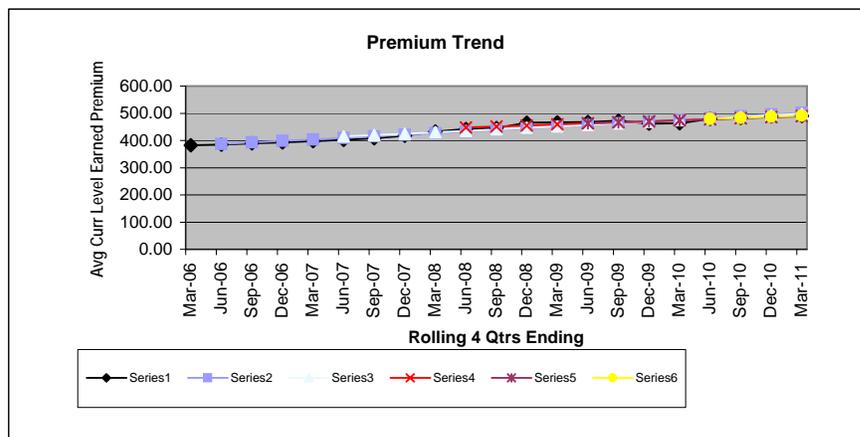


Accident Year Ending	Trend Period						Trend Factor
	Historical			Prospective			
	Beginning	End	Time(Yrs)	Beginning	End	Time(Yrs)	
3/31/2007	9/30/2006	2/15/2011	4.375	2/15/2011	10/12/2012	1.658	1.250
3/31/2008	9/30/2007	2/15/2011	3.375	2/15/2011	10/12/2012	1.658	1.210
3/31/2009	9/30/2008	2/15/2011	2.375	2/15/2011	10/12/2012	1.658	1.171
3/31/2010	9/30/2009	2/15/2011	1.375	2/15/2011	10/12/2012	1.658	1.134
3/31/2011	9/30/2010	2/15/2011	0.375	2/15/2011	10/12/2012	1.658	1.098

Premium Trend

4 Qtrs Ending	Current Level Earned Premium	Earned Exposures	Average CLEP	20 point Fitted	16 point Fitted	12 point Fitted	8 point Fitted	4 point Fitted
3/31/2006	146,309	383	382.18					
6/30/2006	152,754	397	384.81	387.62				
9/30/2006	158,802	408	389.28	392.94				
12/31/2006	165,073	421	392.47	398.33				
3/31/2007	171,825	432	397.77	403.80				
6/30/2007	177,213	440	402.89	409.34	414.63			
9/30/2007	183,187	449	408.16	414.95	419.76			
12/31/2007	190,484	456	418.10	420.65	424.96			
3/31/2008	197,157	456	432.62	426.42	430.22			
6/30/2008	204,955	464	442.01	432.27	435.55	448.17		
9/30/2008	213,614	480	445.09	438.20	440.94	451.83		
12/31/2008	223,431	480	465.69	444.22	446.40	455.52		
3/31/2009	235,059	503	466.89	450.31	451.92	459.24		
6/30/2009	242,999	520	467.48	456.49	457.52	462.99	462.64	
9/30/2009	247,679	524	472.24	462.76	463.18	466.76	466.36	
12/31/2009	249,190	539	462.16	469.11	468.91	470.57	470.10	
3/31/2010	247,984	535	463.46	475.54	474.72	474.42	473.87	
6/30/2010	249,721	521	479.65	482.07	480.60	478.29	477.67	479.84
9/30/2010	252,429	522	483.28	488.68	486.55	482.19	481.51	483.55
12/31/2010	255,893	524	488.39	495.39	492.57	486.13	485.37	487.28
3/31/2011	258,396	527	490.38	502.19	498.67	490.09	489.26	491.04

Annual Premium Trend	
20 point fit	5.6%
16 point fit	5.0%
12 point fit	3.3%
8 point fit	3.2%
4 point fit	3.1%
<b>Historical Selected</b>	<b>5.3%</b>
<b>Prospective Selected</b>	<b>3.2%</b>

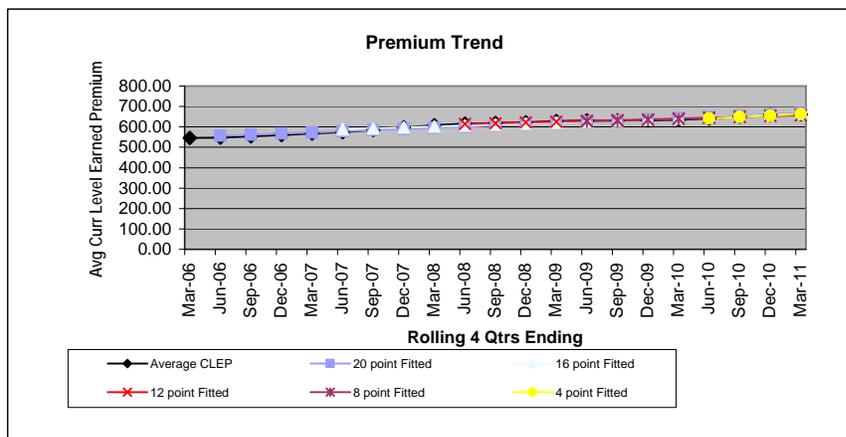


Accident Year Ending	Trend Period						Trend Factor
	Historical			Prospective			
	Beginning	End	Time(Yrs)	Beginning	End	Time(Yrs)	
3/31/2007	9/30/2006	2/15/2011	4.375	2/15/2011	10/12/2012	1.658	<b>1.322</b>
3/31/2008	9/30/2007	2/15/2011	3.375	2/15/2011	10/12/2012	1.658	<b>1.255</b>
3/31/2009	9/30/2008	2/15/2011	2.375	2/15/2011	10/12/2012	1.658	<b>1.191</b>
3/31/2010	9/30/2009	2/15/2011	1.375	2/15/2011	10/12/2012	1.658	<b>1.131</b>
3/31/2011	9/30/2010	2/15/2011	0.375	2/15/2011	10/12/2012	1.658	<b>1.074</b>

Premium Trend

4 Qtrs Ending	Current Level Earned Premium	Earned Exposures	Average CLEP	20 point Fitted	16 point Fitted	12 point Fitted	8 point Fitted	4 point Fitted
3/31/2006	42,589	78	545.15					
6/30/2006	43,886	80	546.98	556.66				
9/30/2006	45,483	82	554.23	562.03				
12/31/2006	48,086	86	559.90	567.45				
3/31/2007	51,561	91	567.16	572.92				
6/30/2007	55,759	97	573.80	578.45	587.68			
9/30/2007	60,278	103	585.14	584.02	592.37			
12/31/2007	63,333	106	597.88	589.66	597.09			
3/31/2008	65,351	108	607.53	595.34	601.85			
6/30/2008	66,251	108	615.62	601.08	606.65	614.06		
9/30/2008	66,561	108	618.60	606.88	611.49	617.83		
12/31/2008	67,099	108	621.88	612.73	616.37	621.62		
3/31/2009	67,963	108	627.93	618.64	621.28	625.44		
6/30/2009	69,063	109	631.76	624.60	626.24	629.28	626.18	
9/30/2009	68,886	109	631.51	630.62	631.23	633.15	630.73	
12/31/2009	68,209	108	632.03	636.71	636.27	637.04	635.32	
3/31/2010	68,243	107	635.20	642.84	641.34	640.95	639.94	
6/30/2010	68,227	107	640.31	649.04	646.45	644.88	644.59	641.58
9/30/2010	69,822	107	649.55	655.30	651.61	648.85	649.28	648.54
12/31/2010	71,544	109	657.42	661.62	656.81	652.83	654.00	655.56
3/31/2011	72,941	110	661.08	668.00	662.05	656.84	658.75	662.67

Annual Premium Trend	
20 point fit	3.9%
16 point fit	3.2%
12 point fit	2.5%
8 point fit	2.9%
4 point fit	4.4%
<b>Historical Selected</b>	<b>3.6%</b>
<b>Prospective Selected</b>	<b>3.7%</b>

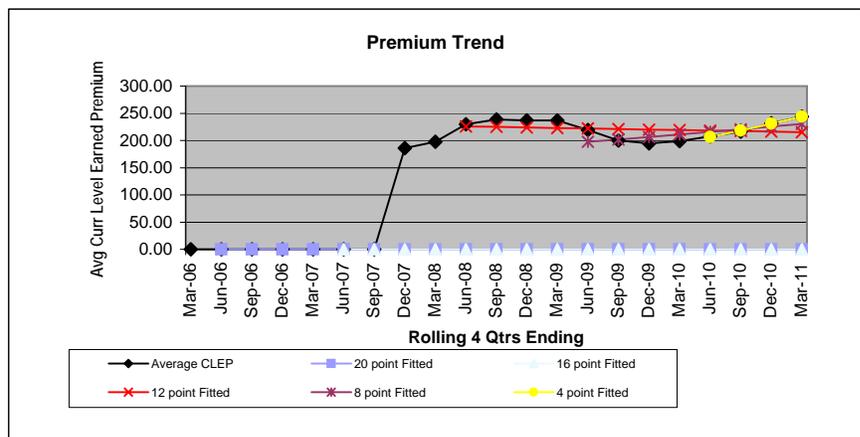


Accident Year Ending	Trend Period						Trend Factor
	Historical			Prospective			
	Beginning	End	Time(Yrs)	Beginning	End	Time(Yrs)	
3/31/2007	9/30/2006	2/15/2011	4.375	2/15/2011	10/12/2012	1.658	<b>1.238</b>
3/31/2008	9/30/2007	2/15/2011	3.375	2/15/2011	10/12/2012	1.658	<b>1.195</b>
3/31/2009	9/30/2008	2/15/2011	2.375	2/15/2011	10/12/2012	1.658	<b>1.154</b>
3/31/2010	9/30/2009	2/15/2011	1.375	2/15/2011	10/12/2012	1.658	<b>1.114</b>
3/31/2011	9/30/2010	2/15/2011	0.375	2/15/2011	10/12/2012	1.658	<b>1.076</b>

Premium Trend

4 Qtrs Ending	Current Level Earned Premium	Earned Exposures	Average CLEP	20 point Fitted	16 point Fitted	12 point Fitted	8 point Fitted	4 point Fitted
3/31/2006	0	0	0.00					
6/30/2006	0	0	0.00					
9/30/2006	0	0	0.00					
12/31/2006	0	0	0.00					
3/31/2007	0	0	0.00					
6/30/2007	0	0	0.00					
9/30/2007	0	0	0.00					
12/31/2007	46	0	185.84					
3/31/2008	148	1	197.61					
6/30/2008	335	1	229.98			225.82		
9/30/2008	509	2	238.64			224.85		
12/31/2008	564	2	236.81			223.89		
3/31/2009	564	2	236.81			222.93		
6/30/2009	486	2	219.27			221.98	197.62	
9/30/2009	443	2	199.82			221.03	202.01	
12/31/2009	481	2	194.77			220.08	206.51	
3/31/2010	565	3	198.76			219.14	211.10	
6/30/2010	643	3	207.38			218.20	215.79	206.56
9/30/2010	688	3	216.62			217.27	220.58	218.33
12/31/2010	687	3	231.62			216.34	225.49	230.77
3/31/2011	632	3	243.96			215.41	230.50	243.92

Annual Premium Trend	
20 point fit	N/A
16 point fit	N/A
12 point fit	-1.7%
8 point fit	9.2%
4 point fit	24.8%
<b>Historical Selected</b>	<b>-1.7%</b>
<b>Prospective Selected</b>	<b>5.0%</b>



Accident Year Ending	Trend Period						Trend Factor
	Historical			Prospective			
	Beginning	End	Time(Yrs)	Beginning	End	Time(Yrs)	
3/31/2007	9/30/2006	2/15/2011	4.375	2/15/2011	10/12/2012	1.658	<b>1.006</b>
3/31/2008	9/30/2007	2/15/2011	3.375	2/15/2011	10/12/2012	1.658	<b>1.023</b>
3/31/2009	9/30/2008	2/15/2011	2.375	2/15/2011	10/12/2012	1.658	<b>1.041</b>
3/31/2010	9/30/2009	2/15/2011	1.375	2/15/2011	10/12/2012	1.658	<b>1.059</b>
3/31/2011	9/30/2010	2/15/2011	0.375	2/15/2011	10/12/2012	1.658	<b>1.077</b>

Loss Trend

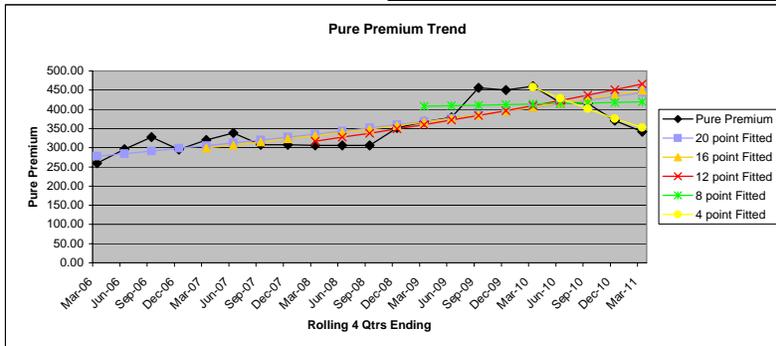
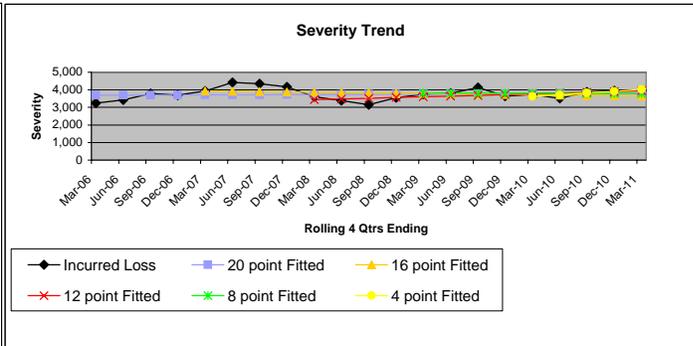
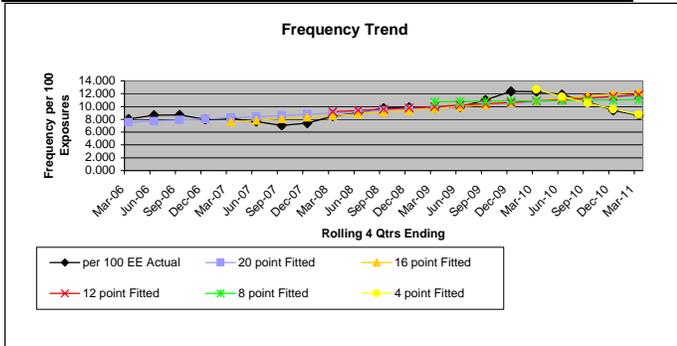
Loss Trend Based on Arkansas - American Family Home Insurance Company Data Excluding Catastrophe Losses

Accident Period 4 Qtrs Ending	Ultimate Reported Claim Counts	Ultimate Non-Cat Incurred Loss & ALAE	Earned Exposures	Frequency					Severity							
				Frequency per 100 EE Actual	20 point Fitted	16 point Fitted	12 point Fitted	8 point Fitted	4 point Fitted	Average Incurred Loss	20 point Fitted	16 point Fitted	12 point Fitted	8 point Fitted	4 point Fitted	
3/31/2006	985	3,189,071	12,285	8.020	7.536						3,237	3,688				
6/30/2006	1,070	3,666,581	12,393	8.637	7.704						3,426	3,693				
9/30/2006	1,081	4,088,165	12,471	8.672	7.875						3,780	3,699				
12/31/2006	1,004	3,700,059	12,549	7.997	8.050						3,687	3,704				
3/31/2007	1,029	4,046,978	12,634	8.142	8.228	7.612					3,934	3,710	3,934			
6/30/2007	975	4,301,310	12,712	7.669	8.411	7.845					4,412	3,715	3,915			
9/30/2007	906	3,937,364	12,810	7.072	8.598	8.085					4,346	3,720	3,896			
12/31/2007	953	3,971,274	12,902	7.388	8.789	8.332					4,166	3,726	3,877			
3/31/2008	1,103	3,972,139	12,986	8.491	8.984	8.587	9.199				3,602	3,731	3,859	3,444		
6/30/2008	1,185	4,012,599	13,112	9.040	9.183	8.849	9.392				3,386	3,737	3,841	3,483		
9/30/2008	1,292	4,062,136	13,276	9.731	9.387	9.120	9.589				3,144	3,742	3,822	3,523		
12/31/2008	1,327	4,721,085	13,421	9.596	9.596	9.399	9.791				3,557	3,748	3,804	3,563		
3/31/2009	1,327	4,976,019	13,552	9.792	9.809	9.686	9.996	10.742			3,750	3,753	3,786	3,604	3,798	
6/30/2009	1,349	5,137,017	13,569	9.946	10.026	9.982	10.206	10.781			3,807	3,759	3,768	3,645	3,798	
9/30/2009	1,484	6,133,878	13,449	11.032	10.249	10.288	10.420	10.819			4,134	3,764	3,750	3,686	3,797	
12/31/2009	1,642	5,978,977	13,278	12.369	10.477	10.602	10.639	10.857			3,641	3,770	3,732	3,729	3,797	
3/31/2010	1,610	6,020,977	13,074	12.318	10.709	10.927	10.862	10.895	12.648		3,739	3,775	3,714	3,771	3,796	3,618
6/30/2010	1,534	5,385,591	12,910	11.878	10.947	11.261	11.090	10.934	11.536		3,512	3,781	3,696	3,814	3,796	3,715
9/30/2010	1,378	5,330,315	12,823	10.743	11.190	11.605	11.322	10.973	10.522		3,869	3,786	3,679	3,858	3,795	3,815
12/31/2010	1,195	4,723,833	12,747	9.373	11.439	11.960	11.560	11.012	9.597		3,954	3,792	3,661	3,902	3,795	3,917
3/31/2011	1,091	4,319,334	12,659	8.618	11.693	12.326	11.803	11.051	8.754		3,959	3,797	3,644	3,946	3,794	4,022

Accident Period 4 Qtrs Ending	Pure Premium					
	Pure Premium	20 point Fitted	16 point Fitted	12 point Fitted	8 point Fitted	4 point Fitted
3/31/2006	259.60	277.94				
6/30/2006	295.87	284.53				
9/30/2006	327.82	291.27				
12/31/2006	294.84	298.17				
3/31/2007	320.33	305.24	299.42			
6/30/2007	338.37	312.47	307.10			
9/30/2007	307.36	319.88	314.98			
12/31/2007	307.81	327.46	323.06			
3/31/2008	305.88	335.22	331.36	316.82		
6/30/2008	306.03	343.16	339.86	327.16		
9/30/2008	305.97	351.29	348.58	337.84		
12/31/2008	351.77	359.62	357.53	348.86		
3/31/2009	367.17	368.14	366.70	360.24	408.00	
6/30/2009	378.60	376.86	376.11	371.99	409.40	
9/30/2009	456.08	385.79	385.77	384.13	410.80	
12/31/2009	450.30	394.93	395.67	396.66	412.20	
3/31/2010	460.55	404.29	405.82	409.60	413.61	457.63
6/30/2010	417.16	413.87	416.24	422.97	415.03	428.59
9/30/2010	415.70	423.68	426.92	436.77	416.45	401.39
12/31/2010	370.57	433.72	437.87	451.02	417.87	375.92
3/31/2011	341.22	444.00	449.11	465.73	419.30	352.07

Annual Loss Trend			
	Frequency	Severity	Pure Premium
20 point fit	9.2%	0.6%	9.8%
16 point fit	12.8%	-1.9%	10.7%
12 point fit	8.7%	4.6%	13.7%
8 point fit	1.4%	0.0%	1.4%
4 point fit	-30.8%	11.2%	-23.1%
<b>Historical Selected</b>	<b>8.0%</b>	<b>0.6%</b>	<b>8.6%</b>
<b>Prospective Selected</b>	<b>0.0%</b>	<b>3.4%</b>	<b>3.4%</b>

Accident Year Ending	Trend Period						Trend Factor
	Historical			Prospective			
	Beginning	End	Time(Yrs)	Beginning	End	Time(Yrs)	
3/31/2007	9/30/2006	11/15/2010	4.125	11/15/2010	10/12/2012	1.908	<b>1.498</b>
3/31/2008	9/30/2007	11/15/2010	3.125	11/15/2010	10/12/2012	1.908	<b>1.379</b>
3/31/2009	9/30/2008	11/15/2010	2.125	11/15/2010	10/12/2012	1.908	<b>1.270</b>
3/31/2010	9/30/2009	11/15/2010	1.125	11/15/2010	10/12/2012	1.908	<b>1.170</b>
3/31/2011	9/30/2010	11/15/2010	0.125	11/15/2010	10/12/2012	1.908	<b>1.077</b>



Loss & ALAE Development

Data shown is Countrywide Consolidated American Modern Insurance Group MH Standard

Cumulative Incurred Loss and ALAE Development

Accident Qtr Ending	Development Age																					
	3	6	9	12	15	18	21	24	27	30	33	36	39	42	45	48	51	54	57	60	63	66
Jun-05	23,411,722	24,213,466	24,075,946	23,866,270	23,920,816	24,104,273	24,279,275	24,230,255	24,349,640	24,492,865	24,484,118	24,466,008	24,556,474	24,514,445	24,607,509	24,587,399	24,568,997	24,569,135	24,432,520	24,432,520	24,386,139	24,384,241
Sep-05	27,518,765	28,212,369	28,507,524	28,235,728	28,601,067	28,616,185	28,667,877	28,584,036	28,607,962	28,811,455	28,746,296	28,689,772	28,669,971	28,600,451	28,600,284	28,582,945	28,593,970	28,574,180	28,574,104	28,542,792	28,542,210	28,552,335
Dec-05	24,849,375	25,823,760	25,725,490	25,787,848	25,671,658	25,881,589	25,762,745	25,792,328	25,792,049	26,045,163	26,044,024	26,130,950	26,028,324	26,020,770	25,905,441	25,856,109	25,863,160	25,878,327	25,879,042	25,880,293	25,880,613	25,877,100
Mar-06	21,398,706	21,826,679	22,085,703	22,289,848	22,686,960	22,659,319	22,668,724	22,569,615	22,877,952	22,828,263	22,842,412	22,635,626	22,660,410	22,665,491	22,656,789	22,651,113	22,652,583	22,643,276	22,649,994	22,649,979	22,651,993	
Jun-06	27,081,178	27,523,502	27,547,726	27,510,665	27,877,539	28,230,353	28,121,864	28,160,114	28,241,697	27,969,397	27,889,664	27,879,663	27,871,310	27,897,385	27,908,206	27,906,188	27,894,786	27,893,650	27,897,824	27,895,748		
Sep-06	25,032,206	25,928,893	26,247,549	26,610,753	26,555,970	26,641,594	26,748,463	26,720,176	26,683,668	26,460,407	26,461,363	26,324,350	26,462,104	26,459,682	26,500,215	26,469,388	26,048,528	26,038,976	26,039,252			
Dec-06	23,379,899	24,815,746	24,798,660	24,672,170	24,668,726	24,808,982	24,734,512	24,726,192	24,763,635	24,729,302	24,746,157	24,713,829	24,695,999	24,698,278	24,697,485	24,637,938	24,657,825	24,534,071				
Mar-07	22,797,232	24,210,971	24,664,602	24,670,214	24,891,386	25,086,492	24,992,899	24,918,515	24,680,428	24,789,235	24,818,837	24,809,690	24,707,557	24,757,127	24,667,830	24,659,747	24,605,588					
Jun-07	27,472,007	29,351,668	29,345,398	29,613,383	30,073,987	30,125,805	29,815,921	29,784,025	29,860,945	29,902,980	29,804,649	29,760,132	29,744,284	29,750,181	29,793,184	29,811,657						
Sep-07	26,816,792	28,278,505	28,376,346	28,451,881	28,331,283	27,957,703	27,872,764	27,912,335	28,696,599	28,777,526	28,770,380	28,898,377	28,842,543	28,780,493	28,752,058							
Dec-07	21,785,020	23,779,923	24,086,327	24,059,077	24,067,903	24,363,354	24,344,460	24,355,266	24,283,722	24,055,976	24,143,237	24,045,818	24,000,147	24,012,129								
Mar-08	29,294,492	31,959,312	31,895,617	31,838,015	32,330,472	32,276,907	32,346,769	32,268,568	32,346,637	32,442,252	32,458,418	32,451,873	32,458,024									
Jun-08	32,881,325	34,577,538	34,699,481	34,904,401	35,227,978	35,265,356	35,286,620	35,230,432	35,273,803	35,206,726	35,205,096	35,199,641										
Sep-08	30,337,179	32,164,388	32,155,268	32,052,253	32,686,975	32,738,209	32,695,654	32,683,003	32,668,936	32,882,102	32,751,406											
Dec-08	31,785,463	33,778,934	34,158,409	34,447,936	34,551,578	34,607,944	34,696,842	34,797,921	34,950,122	34,870,457												
Mar-09	30,980,247	33,258,146	33,592,418	33,958,617	34,375,246	34,578,859	34,381,427	34,417,707	34,388,335													
Jun-09	33,509,264	35,727,723	35,967,026	36,402,396	36,789,230	36,662,663	36,561,520	36,675,805														
Sep-09	33,535,244	35,338,919	35,762,012	35,721,325	35,779,095	35,944,466	35,840,830															
Dec-09	31,235,850	32,996,489	33,561,250	33,571,260	33,609,855	33,966,564																
Mar-10	30,569,604	32,765,449	33,522,277	33,719,689	33,976,616																	
Jun-10	32,843,294	34,731,588	34,876,476	35,132,589																		
Sep-10	36,954,870	38,119,131	38,604,824																			
Dec-10	29,728,969	32,062,476																				
Mar-11	31,426,437																					

Historical Development Factors

Accident Qtr Ending	Development Age																					
	3 to 6	6 to 9	9 to 12	12 to 15	15 to 18	18 to 21	21 to 24	24 to 27	27 to 30	30 to 33	33 to 36	36 to 39	39 to 42	42 to 45	45 to 48	48 to 51	51 to 54	54 to 57	57 to 60	60 to 63	63 to 66	
Jun-05	1.034	0.994	0.991	1.002	1.008	1.007	0.998	1.005	1.006	1.000	0.999	1.004	0.998	1.004	0.999	0.999	1.000	0.994	1.000	0.998	1.000	
Sep-05	1.025	1.010	0.990	1.013	1.001	1.002	0.997	1.001	1.007	0.998	0.998	0.999	0.998	1.000	0.999	1.000	0.999	1.000	0.999	1.000	1.000	
Dec-05	1.039	0.996	1.002	0.995	1.008	0.995	0.998	1.003	1.010	1.000	1.003	0.996	1.000	0.996	0.998	1.000	1.001	1.000	1.000	1.000	1.000	
Mar-06	1.020	1.012	1.009	1.018	0.999	1.000	0.996	1.014	0.998	0.992	1.000	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
Jun-06	1.016	1.001	0.999	1.013	1.013	0.996	1.001	1.003	0.990	0.997	1.000	1.000	1.001	1.000	1.000	1.000	1.000	1.000	0.998			
Sep-06	1.036	1.012	1.014	0.998	1.003	1.004	0.999	0.999	0.992	1.000	0.995	1.005	1.000	1.002	0.999	0.984	1.000	1.000				
Dec-06	1.061	0.999	0.995	1.000	1.006	0.997	1.000	1.002	0.999	1.001	0.999	0.999	1.000	1.000	0.998	1.001	0.995					
Mar-07	1.062	1.019	1.000	1.009	1.008	0.996	0.997	0.990	1.004	1.001	1.000	0.996	1.002	0.996	1.000	0.998						
Jun-07	1.068	1.000	1.009	1.016	1.002	0.990	0.999	1.003	1.001	0.997	0.999	0.999	1.000	1.001	1.001							
Sep-07	1.055	1.003	1.003	0.996	0.987	0.997	1.001	1.028	1.003	1.000	1.004	0.998	0.998	0.999								
Dec-07	1.092	1.013	0.999	1.000	1.012	0.999	1.000	0.997	0.991	1.004	0.996	0.998	1.000									
Mar-08	1.091	0.998	0.998	1.015	0.998	1.002	0.998	1.002	1.003	1.000	1.000	1.000										
Jun-08	1.052	1.004	1.006	1.009	1.001	1.001	0.998	1.001	0.998	1.000	1.000											
Sep-08	1.060	1.000	0.997	1.020	1.002	0.999	1.000	1.006	1.000	0.996												
Dec-08	1.063	1.011	1.008	1.003	1.002	1.003	1.003	1.004	0.998													
Mar-09	1.074	1.010	1.011	1.012	1.006	0.994	1.001	0.999														
Jun-09	1.066	1.007	1.012	1.011	0.997	0.997	1.003															
Sep-09	1.054	1.012	0.999	1.002	1.005	0.997																
Dec-09	1.056	1.017	1.000	1.001	1.011																	
Mar-10	1.072	1.023	1.006	1.008																		
Jun-10	1.057	1.004	1.007																			
Sep-10	1.032	1.013																				
Dec-10	1.078																					

Averages	3 to 6	6 to 9	9 to 12	12 to 15	15 to 18	18 to 21	21 to 24	24 to 27	27 to 30	30 to 33	33 to 36	36 to 39	39 to 42	42 to 45	45 to 48	48 to 51	51 to 54	54 to 57	57 to 60	60 to 63	63 to 66	66 to Ult
4 Qtrs Average	1.060	1.014	1.003	1.006	1.005	0.998	1.002	1.003	1.000	1.000	1.000	0.999	1.000	0.999	1.000	0.996	0.999	1.000	0.999	1.000		
8 Qtrs Average	1.061	1.012	1.005	1.008	1.003	0.999	1.001	1.005	1.000	1.000	0.999	0.999	1.000	0.999	0.999	0.998						
12 Qtrs Average	1.063	1.009	1.004	1.008	1.003	0.998	1.000	1.003	0.998	0.999	1.000	1.000										
8 Qtrs Average ex H/L	1.063	1.012	1.005	1.008	1.002	0.999	1.001	1.003	1.001	1.000	0.999	0.999	1.000	0.999	0.999	1.000						
8 Qtrs Vol Weighted	1.060	1.012	1.005	1.008	1.003	0.999	1.001	1.005	1.000	1.000	0.999	1.000	1.000	0.999	0.999	0.998						
12 Qtrs Vol Weighted	1.062	1.009	1.004	1.008	1.002	0.998	1.000	1.003	0.998	0.999	0.999	1.000										
12 Qtr Avg ex H/L	1.065	1.009	1.004	1.008	1.003	0.998	1.000	1.002	0.998	0.999	1.000	0.999										

Selected Factors	3 to 6	6 to 9	9 to 12	12 to 15	15 to 18	18 to 21	21 to 24	24 to 27	27 to 30	30 to 33	33 to 36	36 to 39	39 to 42	42 to 45	45 to 48	48 to 51	51 to 54
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**American Family Home Insurance Company**  
**Arkansas**  
**Mobile Home Standard**  
**All Classes**

**Catastrophe Factor**

Data shown is Arkansas American Modern Insurance Group - Mobile Home

Accident Year Ending	(1) Weather Losses*	(2) All Losses*	(3)=(2)-(1) All Losses* Less Weather	(4)=(1)/(3) Weather Ratio	(5) Capped Weather Ratio **	(6)=(4)-(5) Excess Spread to 50 Years
3/31/1992	436,223	2,341,514	1,905,291	0.229	0.229	0.000
3/31/1993	269,667	2,023,240	1,753,573	0.154	0.154	0.000
3/31/1994	425,863	1,762,322	1,336,458	0.319	0.319	0.000
3/31/1995	405,827	1,568,045	1,162,218	0.349	0.349	0.000
3/31/1996	703,060	2,689,669	1,986,609	0.354	0.354	0.000
3/31/1997	2,047,408	3,862,484	1,815,076	1.128	1.128	0.000
3/31/1998	506,374	2,805,818	2,299,443	0.220	0.220	0.000
3/31/1999	1,672,975	5,058,142	3,385,167	0.494	0.494	0.000
3/31/2000	723,079	3,713,637	2,990,558	0.242	0.242	0.000
3/31/2001	2,864,477	7,163,718	4,299,241	0.666	0.666	0.000
3/31/2002	1,565,518	7,711,207	6,145,689	0.255	0.255	0.000
3/31/2003	1,321,897	6,588,172	5,266,275	0.251	0.251	0.000
3/31/2004	2,392,601	7,462,575	5,069,974	0.472	0.472	0.000
3/31/2005	1,906,926	6,883,330	4,976,404	0.383	0.383	0.000
3/31/2006	2,783,717	8,065,200	5,281,484	0.527	0.527	0.000
3/31/2007	3,179,740	8,884,985	5,705,245	0.557	0.557	0.000
3/31/2008	4,703,939	10,577,323	5,873,383	0.801	0.801	0.000
3/31/2009	7,201,574	13,465,969	6,264,394	1.150	1.128	0.022
3/31/2010	6,156,121	12,746,552	6,590,431	0.934	0.934	0.000
3/31/2011	3,400,099	11,215,009	7,814,910	0.435	0.435	0.000
				Weighted Average***	0.544	
				<b>Selected Catastrophe Factor:</b>	0.544	

\* Losses shown are Undeveloped Accident Year Incurred Losses and ALAE.

\*\*\* Capped at 1.128 (2 standard deviations above the mean) with excess spread to 50 years.

Modeled Catastrophe Load

	Earthquake		Average (RMS,AIR)
	RMS v10	AIR v12	
<b>Catastrophe Model Output</b>			
(1) Modeled Units	503,668	503,668	
(2) Average Annual Loss	1,106,750	1,171,873	
(3) Modeled Pure Premium (2)/(1)	\$2.20	\$2.33	
<b>External Loads</b>			
(4) Allocated Loss Adjustment Expense	1.096	1.096	
(5) Unallocated Loss Adjustment Expense	1.015	1.015	
(6) Trend Factor	1.021	1.021	
(7) Flood Following Hurricane			
(8) Adjusted Modeled Pure Premium	\$2.50	\$2.65	\$2.58
<b>Development of Load in Rate Indications</b>			
(9) Selected Modeled Pure Premium			\$2.58
(10) Yr End 3/31/2011 Earned Exposures			12,659
(11) Yr End 3/31/2011 Adj Earned Premium			11,900,797
(12) Estimated Average Premium (11)/(10)			\$940.14
(13) Prospective Modeled Ratio (9)/(12)		Earthquake	<b>0.003</b>

Notes:

- (2)
- (4) Loss Adjustment Expense is not considered in the models
- (5) See Exhibit 8
- (6) Calculation of External Load Trend Factor: Earthquake
  - (a) Proposed Average Effective Date: 10/12/2012
  - (b) Beginning Date of Trend (modeled date) 11/30/2010
  - (c) Trend Period (Years): 1.867
  - (d) Annual Exposure Trend (see below): 1.1%
  - (e) Trend Factor  $\{1 + (d)\}^{(c)}$ : 1.021
- Flood is covered in Point of Sale policies, but not considered in the model.
  - (a) Flood Factor
  - (b) Agency Premium in Force
  - (c) Point of Sale Premium in Force
  - (d) Ratio of PoS to Agency
  - (e) Flood Following Load
- (8) Product of (3) - (7)
- (9) #VALUE!
- (10) See Exhibit 2 for this Class
- (11) See Exhibit 2 for this Class

Insured Value Trend

4 Qtrs Ending	Earned Exposure	Total Insured Value
6/30/2009	298,043	11,804,005,744
9/30/2009	296,705	11,844,750,558
12/31/2009	295,311	11,873,399,852
3/31/2010	294,526	11,910,037,266
6/30/2010	294,554	11,960,639,388
9/30/2010	294,506	11,999,242,707
12/31/2010	294,297	12,022,055,651
3/31/2011	293,633	12,022,564,042

Annual Insured Value Trend
8 point fit
4 point fit
<b>Selected</b>

**Unallocated Loss Adjustment Expense**

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The ULAE Factor is calculated as a ratio to Incurred Loss and ALAE and is considered in the "loss" side of the indication.

**Consolidated American Modern Insurance Group Data**

<b>Calendar Year</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>ULAE Incurred</b>	11,747,762	12,288,732	8,611,126
<b>Adjusted Loss and ALAE Incurred</b>	584,440,974	521,315,563	501,701,035
<b>Ratio of ULAE to Incurred Loss &amp; ALAE</b>	2.0%	2.4%	1.7%
<b>5 Year Average</b>			3.0%
<b>2 Year Average</b>			2.0%
<b>Selected ULAE Factor</b>			<b>1.015</b>

**Determination of Permissible Loss Ratio**

	Calendar Year					Budget	Selected
	2006	2007	2008	2009	2010	2011	
(1) Pre-Paid Commissions	24.6%	24.9%	25.2%	24.8%	23.5%		23.5%
(2) Contingent Commissions	1.3%	1.7%	0.6%	1.2%	1.3%	0.5%	0.5%
(3) Other Acquisition Expense	3.7%	3.5%	3.9%	4.0%	3.2%	0.0%	3.6%
(4) General Expense	9.0%	9.1%	9.1%	9.4%	7.3%	0.0%	8.4%
(5) Taxes, Licenses and Fees	4.1%	3.8%	4.1%	3.9%	4.5%		4.2%
(6) Reinsurance Expense						0.0%	4.3%
(7) Total Expense							44.5%
<b>Profit Loading Provision</b>							
(8a) After Tax Return on Equity Goal						15.0%	
(8b) Target Premium to Surplus Ratio						2.3:1	
(8c) After Tax Return on Premium [(a)/(b)]						6.5%	
(8d) After Tax Return Generated by Inv Income						1.6%	
(8e) After Tax Return Needed From Underwriting Profit [(c) - (d)]						4.9%	
(8f) Before Tax Return Needed from Underwriting Profit [(e)/(1.00 - .35)]						7.6%	
(8g) Selected Profit Provision							7.7%
(9) Total Expenses and Profit Provision [(7) + (8)]							52.2%
(10) Permissible Loss & LAE Ratio [(1.000 - (9))]							47.8%

	Calendar Year				
	2006	2007	2008	2009	2010
Data applied to calculate commission ratio:					
AFH Arkansas Mobile Home Standard Written Premium	802452516.0%	828816681.0%	898100005.0%	891096426.0%	960996586.0%
AFH Arkansas Mobile Home Standard Paid Commission	197479230.7%	206288527.6%	226523289.2%	221386913.0%	225541005.7%

	Calendar Year				
	2006	2007	2008	2009	2010
Data applied to calculate Taxes, Licenses and Fees:					
AFH Arkansas Written Premium from all AS Lines	879217943.0%	892534154.0%	940963733.0%	968889548.0%	1055050663.0%
AFH Arkansas Taxes, Licenses and Fees from all AS Lines	36062796.0%	33912432.3%	38579513.1%	38271100.0%	46949754.5%

**Investment Income Calculation**

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

<b>A. Unearned Premium Reserve</b>		
(1)	Direct Earned Premium for 2010	\$ 416,869,231
(2)	Mean Unearned Premium Reserve Ratio	55.5%
(3)	Mean Unearned Premium Reserve (1) x (2)	\$ 231,531,114
(4)	Deduction for Prepaid Expenses and Federal Taxes Payable	
(a)	Commission	24.0%
(b)	50% of Other Acquisition	1.8%
(c)	50% of General Expenses	4.2%
(d)	Taxes, Licenses, and Fees	4.2%
(e)	Reinsurance Expense	4.3%
(f)	Subtotal	38.5%
(g)	Federal Taxes Payable	7.0%
(4T)	Total Deductions	45.5%
(5)	Unearned Premium Reserve Subject to Investment (3) x [1.0 - (4T)]	\$ 126,184,457
<b>B. Delayed Remission of Premium (Agent's Balances)</b>		
(1)	Agent's Balance or Uncollected Premium to Unearned Premium	
(a)	Average Agent's Balance	\$ 138,852,695
(b)	Direct Unearned Premium 2010 (All Lines)	\$ 504,115,494
(c)	Ratio (a) / (b)	27.5%
(d)	Direct Unearned Premium 2010 (ASLOB 4 and 21.1 (for 2008 & prior) )	\$ 241,174,711
(2)	Delayed Remission (1c) x (1d)	\$ 66,428,743
<b>C. Loss and Loss Adjustment Expense Reserve</b>		
(1)	Expected Loss and Loss Adjustment Expense Ratio	47.8%
(2)	Expected Losses and Loss Adjustment Expenses (A.1) x (C.1)	\$ 199,263,492
(3)	Percent of Mean Loss & ALAE Reserves to Incurred Loss & ALAE	
(a)	2010 Mean Loss & ALAE Reserve to Incurred Loss & ALAE Ratio	26.6%
(b)	2009 Mean Loss & ALAE Reserve to Incurred Loss & ALAE Ratio	23.0%
(c)	Average of Mean Loss Reserve to Incurred Loss Ratios 1/2 x [(a) + (b)]	24.8%
(4)	Expected Mean Loss Reserves (2) x (3c) x .958	\$ 47,321,605
<b>D. Net Subject to Investment</b>		\$ 107,077,319
	(A.5) - (B.2) + (C.4)	
<b>E. Before Tax Rate of Return</b>		3.0%
	[Exhibit 10, Page 2]	
<b>F. Average Rate of Return as a % of Direct Earned Premium</b>		0.8%
	[(D) x (E)] / (A.1)]	
<b>G. Before Tax Investment Income Return (Including Surplus)</b>		2.1%
	(F) + [(E) x (1.0/Premium to Surplus Ratio)]	
<b>H. After Tax Average Rate of Return as a Percent of Direct Earned Premium</b>		
(1)	Average Federal Tax Rate on Inv. Inc. (Exhibit 11, Page 2)	22.4%
(2)	After Tax Return Generated by Investment Income (G) x [1.0 - (H.1)]	1.6%

**Investment Income Calculation**

**Average Federal Tax Rate on Investment Income**

	(1) Investment Income 2007 - 2009 (A)	(2) Allocation	(3) Current Tax Rate (B)	(4) Total Tax (2)x(3)
Bonds				
- Taxable	\$52,645,718	48.7%	35.0%	17.1%
- Tax Exempt Municipal	\$35,457,449	32.8%	5.3%	1.7%
Stocks				
- Acquired Prior to 1987	\$0	0.0%	10.5%	0.0%
- Acquired After 1987	\$14,887,696	13.8%	14.2%	2.0%
Short Term Investments	\$5,016,889	4.6%	35.0%	1.6%
<b>Total</b>	<b>\$108,007,752</b>	<b>100.0%</b>		<b>22.4%</b>

Notes:

- (A) From AMIG Annual Statement, Part 1
- (B) Under the 1986 Tax Reform Act, 15% of formerly tax-exempt income from securities purchased after August 7, 1986 is now taxable. Thus the estimated effective tax rates in 2009 will be:

Ordinary Income =	35.0%
Tax Exempt Municipal - 35.0% x 15.0% =	5.3%
Stock Dividends (Acquired after 1987) - 40.5% x 35.0% =	14.2%
Stock Dividends (Acquired before 1987) - 30.0% x 35.0% =	10.5%

**Investment Income as a Percentage of Invested Assets**

1998	4.7%
1999	4.5%
2000	5.0%
2001	5.2%
2002	5.2%
2003	4.5%
2004	4.3%
2005	4.4%
2006	4.5%
2007	4.6%
2008	4.4%
2009	2.6%
Twelve Year Average	4.5%
Latest Six Year Average	4.1%
Latest Year	2.6%
Projected 2010 (12 Year Trend)	3.7%
Projected 2010 ( 6 Year Trend)	3.3%

**Selected 2010 Rate of Return**

Before Tax	3.0% *
After Tax [(1-0.224) x 3%]	2.3%

\* 3% selected based on change in investment philosophy due to the purchase of the American Modern Insurance Group by Munich Re. Specifically, Munich Re requires that investments for companies owned should not have "risk". This leads to a lower rate of return than we've seen in the past.

## By Line Explanation of Investment Income Calculation

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### Line A-1

Direct Earned Premium is total limits earned premium for the captioned program written by the American Modern Insurance Group for the latest accident year.

### Line A-2, A-3

The mean unearned premium reserve is determined by the average of the latest two years unearned premiums for the American Modern Insurance Group.

### Line A-4

Deductions for prepaid expenses:

Production costs and a large portion of other company expenses connected with the writing and handling of insurance policies, exclusive of claim adjustment expenses, are incurred when the policy is written and before premium is paid. Therefore, the deduction of these expenses is determined by use of provisions for expenses used in our ratemaking procedures as shown. These provisions are based on the above referenced company's data as shown in Exhibit 9.

### Line A-4 Federal Taxes Payable

The Tax Reform Act of 1986 taxes 20% of the unearned premium reserve. At a corporate tax rate of 35%, this tax equals 7.0% ( $.20 \times .35 = .070$ ) of the unearned premium reserve.

### Line B-1

Delayed remission of premium:

This deduction is necessary due to the delay in collection and remission of premium to the company beyond the effective dates of the policies. Funds for the unearned premium reserve required during the initial days of all policies must be taken from the company's surplus, and are not available for investment.

### Line B-1(c)

Average agent's balances as a percentage of 2010 Direct Unearned Premium (All Lines)

### Line C-1

The expected loss and loss adjustment ratio reflects the expense provisions used in the filing. See Exhibit 10.

### Line C-3

Mean loss reserve are determined by averaging the reserves at the beginning and ending of the year in question, and dividing by that year's loss and loss adjustment expenses. This ratio is based on countrywide data for the American Modern Insurance Group countrywide data for the American Modern Insurance Group.

### Line C-4

The expected mean loss reserve is determined by multiplying the expected incurred losses in Line C-2 by the average ratio of the mean loss & loss adjustment reserves to the incurred losses & loss adjustment expenses from Line C-4. Then an adjustment for the estimated Federal Income Taxes payable due to discounting of loss reserves is added. The estimated reserve discount is 12% (based on all company data provided by the A.M. Best Company), the federal taxes payable (expressed as a % of reserves) is 4.2% ( $.12 \times .35 = .042$ ), and the appropriate adjustment is .958 ( $1.000 - .042 = .958$ ).

### Line E

This rate of return in the ratio of net investment income earned and net realized capital gains (or losses) to mean cash and invested assets (including interest, dividends and real estate income due and accrued) for the American Modern Insurance Group.

### Line H-1

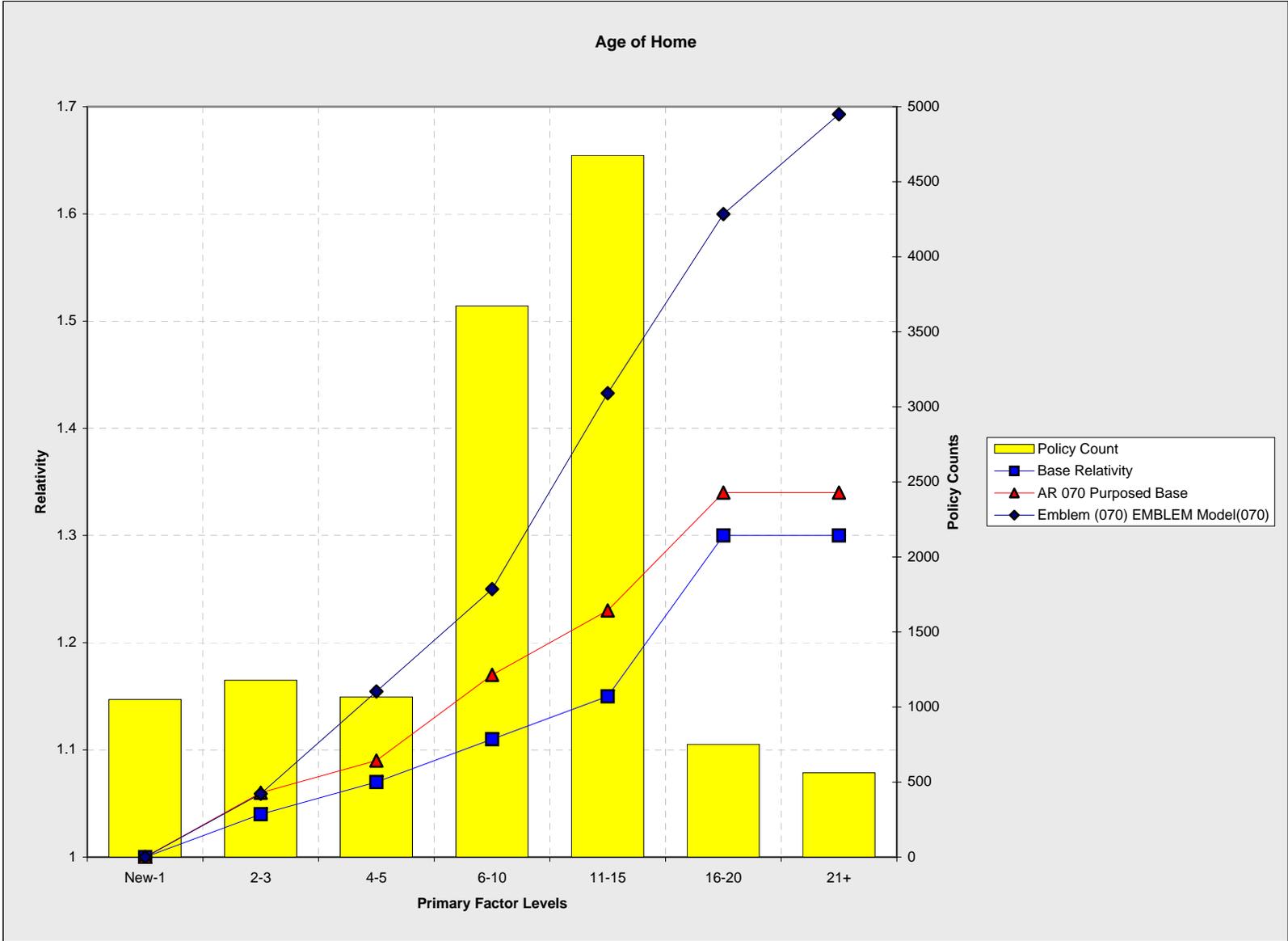
The average rate of Federal Tax was determined by applying the appropriate tax rates to the distribution of investment income earned for 2008 - 2010 for the American Modern Insurance Group. See Page 2 of this exhibit.

**Complement of Credibility Calculation**

	All Classes	Mobile Home-Byline	Mobile Home- Package	Rental	Seasonal- Byline
(1) Permissible Loss & LAE Ratio	0.478	0.478	0.478	0.478	0.478
(2) Modeled Catastrophe Load Capped at 0.239	0.003	0.000	0.000	0.000	0.000
(3) Proposed Renewal Effective Date	10/1/2011	10/1/2011	10/1/2011	10/1/2011	10/1/2011
(4) Effective Date of Current Rates	10/1/2010	10/1/2010	10/1/2010	10/1/2010	10/1/2010
(5) Time Period in Years $\{[(3) - (4)] / 365\}$ **	1.000	1.000	1.000	1.000	1.000
(6) Annual Premium Trend	5.0%	3.7%	5.0%	3.2%	3.7%
(7) Annual Loss Trend	3.4%	3.4%	3.4%	3.4%	3.4%
(8) Ann Loss Ratio Trend $\{[1 + (7)] / [1 + (6)] - 1\}$	-1.5%	-0.3%	-1.5%	0.2%	-0.3%
(9) Selected Trend Factor $\{[1 + (8)] ^ (5)\}$	0.985	0.997	0.985	1.002	0.997
(10) Complement of Credibility = $\{[(1) - (2)] * (9)\}$	0.468	0.477	0.471	0.479	0.477

	Tenant
(1) Permissible Loss & LAE Ratio	0.478
(2) Modeled Catastrophe Load Capped at 0.239	0.000
(3) Proposed Renewal Effective Date	10/1/2011
(4) Effective Date of Current Rates	10/1/2010
(5) Time Period in Years $\{[(3) - (4)] / 365\}$ **	1.000
(6) Annual Premium Trend	5.0%
(7) Annual Loss Trend	3.4%
(8) Ann Loss Ratio Trend $\{[1 + (7)] / [1 + (6)] - 1\}$	-1.5%
(9) Selected Trend Factor $\{[1 + (8)] ^ (5)\}$	0.985
(10) Complement of Credibility = $\{[(1) - (2)] * (9)\}$	0.471

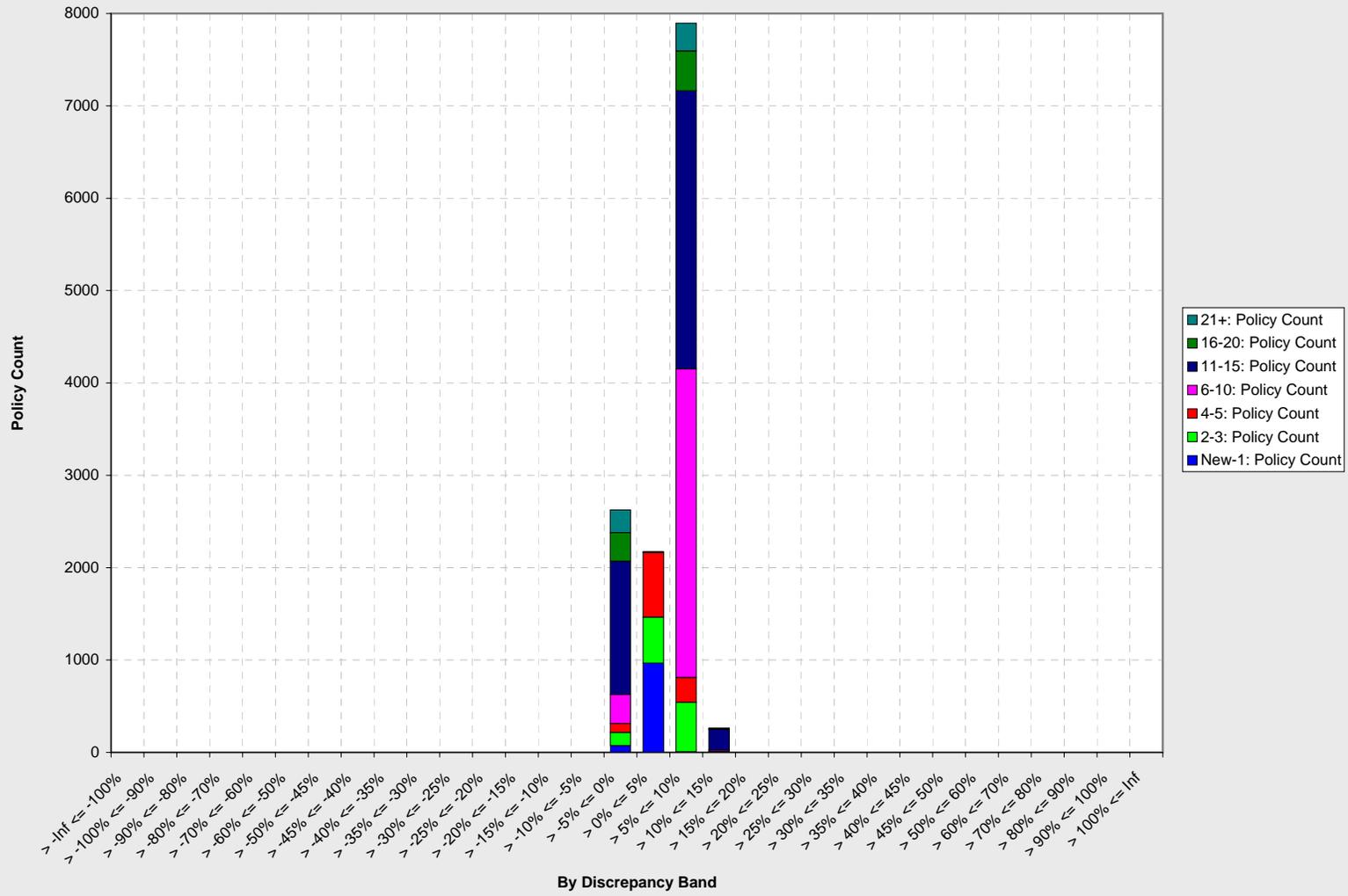
\*\* Capped at a minimum of 0.5 and a maximum of 1 year(s)



	Base Relativity	AR 070 Purposed Base	(070) EMBLEM Model(070 )
New-1	1	1	1
2-3	1.04	1.06	1.05905
4-5	1.07	1.09	1.15449
6-10	1.11	1.17	1.25
11-15	1.15	1.23	1.4327
16-20	1.3	1.34	1.59984
21+	1.3	1.34	1.69292

	Policy Count
New-1	1050
2-3	1178
4-5	1068
6-10	3672
11-15	4676
16-20	752
21+	562

### Impact Analysis - Age of Home



	New-1: Policy Count	2-3: Policy Count	4-5: Policy Count	6-10: Policy Count	11-15: Policy Count	16-20: Policy Count	21+: Policy Count
> -Inf <= -100%	0	0	0	0	0	0	0
> -100% <= -90%	0	0	0	0	0	0	0
> -90% <= -80%	0	0	0	0	0	0	0
> -80% <= -70%	0	0	0	0	0	0	0
> -70% <= -60%	0	0	0	0	0	0	0
> -60% <= -50%	0	0	0	0	0	0	0
> -50% <= -45%	0	0	0	0	0	0	0
> -45% <= -40%	0	0	0	0	0	0	0
> -40% <= -35%	0	0	0	0	0	0	0
> -35% <= -30%	0	0	0	0	0	0	0
> -30% <= -25%	0	0	0	0	0	0	0
> -25% <= -20%	0	0	0	0	0	0	0
> -20% <= -15%	0	0	0	0	0	0	0
> -15% <= -10%	0	0	0	0	0	0	0
> -10% <= -5%	0	0	0	0	0	0	0
> -5% <= 0%	73	142	97	314	1443	309	247
> 0% <= 5%	967	497	701	0	0	4	5
> 5% <= 10%	6	536	269	3342	3010	431	301
> 10% <= 15%	4	3	1	16	223	8	9
> 15% <= 20%	0	0	0	0	0	0	0
> 20% <= 25%	0	0	0	0	0	0	0
> 25% <= 30%	0	0	0	0	0	0	0
> 30% <= 35%	0	0	0	0	0	0	0
> 35% <= 40%	0	0	0	0	0	0	0
> 40% <= 45%	0	0	0	0	0	0	0
> 45% <= 50%	0	0	0	0	0	0	0
> 50% <= 60%	0	0	0	0	0	0	0
> 60% <= 70%	0	0	0	0	0	0	0
> 70% <= 80%	0	0	0	0	0	0	0
> 80% <= 90%	0	0	0	0	0	0	0
> 90% <= 100%	0	0	0	0	0	0	0
> 100% <= Inf	0	0	0	0	0	0	0

SERFF Tracking Number: AMMH-127294820 State: Arkansas  
 Filing Company: American Family Home Insurance Company State Tracking Number:  
 Company Tracking Number: 20110214-11  
 TOI: 04.0 Homeowners Sub-TOI: 04.0002 Mobile Homeowners  
 Product Name: AFH Manufactured Home Program  
 Project Name/Number: /20110214-11

## 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)
06/27/2011	Rate and Rule	Manual pages	07/01/2011	BR-1.pdf PR-1.pdf (Superseded)
06/27/2011	Supporting Document	NAIC loss cost data entry document	07/01/2011	_070_AR_NAIC Loss Cost Data Entry Doc.pdf (Superseded)

**ARKANSAS  
AMERICAN FAMILY HOME INSURANCE COMPANY  
MANUFACTURED HOME PROGRAM**

**OWNER PACKAGE RATES**

**Owner Package Manufactured Home**

Comprehensive Risk Including Flood and Earthquake (041)

Internal Limits for the Package		
Other Structures	Personal Property	Personal Liability
10%	50%	\$50,000

Product Code	Flat Base Rate	Min Rate Value	Min Val Accept	UVRC Code	Cov Relativity
041	\$473.50	\$7,000	\$1,000	JL	1.00

**OWNER AND SEASONAL PAGE RATING FACTORS**

Territory	Factor
50	1.00
51	1.48

Location	Factor
Protected	1.00
Unprotected	1.23

**Protected:** Located within 5 road miles of a responding fire department.

**Unprotected:** Not otherwise qualifying as protected.

Age of Insured	Factor
18 - 34	1.06
35 - 49	1.02
50 - 64	0.98
65 +	0.95

Age of Home	Factor
New - 1	1.00
2 - 3	1.06
4 - 5	1.09
6 - 10	1.17
11 - 15	1.23
16 - 20	1.34
21 +	1.34

### NAIC LOSS COST DATA ENTRY DOCUMENT

<b>1.</b>	This filing transmittal is part of Company Tracking #	20110214-11
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<b>2.</b>	If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number	n/a
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Company Name		Company NAIC Number		
<b>3.</b>	<b>A.</b>	American Family Home Insurance Company	<b>B.</b>	361-23450

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

<b>5.</b>			FOR LOSS COSTS ONLY				
(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
10101	23.8	14.57					
10111	-11.5	0					
10301	-9.6	0					
10511	7.3	7.24					
10201	-2.9	0					
<b>TOTAL OVERALL EFFECT</b>	16.3	12.52					

<b>6.</b>		5 Year History	Rate Change History				
Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
2010	12747	12.0%	10/1/2010	9669	5073	52.5%	45.0%
2009	13278	14.3%	6/1/2009	8956	6838	76.4%	44.0%
2008	13421	0.0%	4/1/2008	8713	7259	83.3%	53.7%
2007	12902	4.4%	9/1/2007	7936	3793	47.8%	39.4%
2006	12549			7470	4686	62.7%	38.3%

<b>7.</b>	
Expense Constants	Selected Provisions
A. Total Production Expense	27.6%
B. General Expense	8.4%
C. Taxes, License & Fees	4.2%
D. Underwriting Profit & Contingencies	7.7%
E. Other (Reinsurance)	4.3%
<b>F. TOTAL</b>	<b>52.2%</b>

- 8.**   n/a   Apply Lost Cost Factors to Future filings? (Y or N)
- 9.**   19.68   Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): \_\_\_\_\_
- 10.**   0.00   Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): \_\_\_\_\_