## Filing at a Glance

Company: State Farm Fire and Casualty Company

Product Name: HO-27379
SERFF Tr Num: SFMA-126960987
State: Arkansas

TOI: 04.0 Homeowners
SERFF Status: Closed-Filed
State Tr Num: EFT $100

Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Co Tr Num: HO-27379
State Status: Suspended Review

Filing Type: Rate/Rule
Reviewer(s): Becky Harrington, Nancy Horton

Authors: Richard Haberer, Robin Dunagan, Robin Dunagan1
Disposition Date: 07/01/2011

Date Submitted: 12/30/2010
Disposition Status: Filed

Effective Date Requested (New): 04/15/2011
Effective Date (New): 09/01/2011

Effective Date Requested (Renewal): 06/01/2011
Effective Date (Renewal): 11/01/2011

State Filing Description:

## General Information

Project Name: HO-27379
Status of Filing in Domicile: Not Filed

Project Number: HO-27379
Domicile Status Comments:

Reference Organization:
Reference Number:

Reference Title:
Advisory Org. Circular:

Filing Status Changed: 07/01/2011

State Status Changed: 06/15/2011
Deemer Date:

Created By: Robin Dunagan
Submitted By: Robin Dunagan

Corresponding Filing Tracking Number:

Filing Description:

We respectfully submit a revision to our independent Homeowners Program, which results in a rate level increase of 7.0%. The details of and support for the change are outlined in the attached Filing Memorandum and supporting exhibits.

The rate level changes contained in this filing specifically consider the expected effect that any prior changes in policy language will have on our future underwriting experience. The changes detailed in this filing reflect our best efforts to recognize our actuarially suggested income needs and have premiums that are as competitive as possible.

We do not rely solely on rate activity to achieve our objective of continued financial solidity. We also concentrate on continued improvements in the way we service the business we write. These improvements range from internal expense controls to ongoing enhancements in the loss settlement process. We also invest and participate in many loss prevention and control activities. The attached Loss Mitigation Exhibit outlines some of these activities.

We submit this filing to be effective April 15, 2011 for new business and June 1, 2011 for renewals.

Sincerely,

Kathy Popejoy, F.C.A.S., MAAA
Actuary and Assistant Secretary-Treasurer
(309) 766-2325
kathy.popejoy.a0gq@statefarm.com

Meg Astudillo
Pricing Manager
(309) 766-9455
meg.astudillo.no5i@statefarm.com

## Company and Contact

**Filing Contact Information**

| | |
|---|---|
| Meg Astudillo, | meg.astudillo.no5i@statefarm.com |
| One State Farm Plaza | 309-766-9455 [Phone] |
| Bloomington, IL 61710 | 309-766-0225 [FAX] |

**Filing Company Information**

| | | |
|---|---|---|
| State Farm Fire and Casualty Company | CoCode: 25143 | State of Domicile: Illinois |
| 1 State Farm Plaza | Group Code: 176 | Company Type: |
| Bloomington, IL 61710 | Group Name: | State ID Number: |
| (309) 735-0649 ext. [Phone] | FEIN Number: 37-0533080 | |

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## Filing Fees

| | |
|---|---|
| Fee Required? | Yes |
| Fee Amount: | $100.00 |
| Retaliatory? | No |
| Fee Explanation: | $100 for a rate filing X 1 filing = $100 |

| | | | |
|---|---|---|---|
| *SERFF Tracking Number:* | *SFMA-126960987* | *State:* | *Arkansas* |
| *Filing Company:* | *State Farm Fire and Casualty Company* | *State Tracking Number:* | *EFT $100* |
| *Company Tracking Number:* | *HO-27379* | | |
| *TOI:* | *04.0 Homeowners* | *Sub-TOI:* | *04.0000 Homeowners Sub-TOI Combinations* |
| *Product Name:* | *HO-27379* | | |
| *Project Name/Number:* | *HO-27379/HO-27379* | | |
| Per Company: | No | | |

| COMPANY | AMOUNT | DATE PROCESSED | TRANSACTION # |
|---|---|---|---|
| State Farm Fire and Casualty Company | $100.00 | 12/30/2010 | 43337568 |

# 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 | 03/02/2011 | 03/02/2011 | Robin Dunagan | 06/10/2011 | 06/10/2011 |
| Pending Industry Response | Becky Harrington | 02/23/2011 | 02/23/2011 | Robin Dunagan | 02/25/2011 | 02/25/2011 |
| Pending Industry Response | Becky Harrington | 01/28/2011 | 01/28/2011 | | | |
| Pending Industry Response | Becky Harrington | 01/05/2011 | 01/05/2011 | Robin Dunagan | 01/21/2011 | 01/21/2011 |

### Filing Notes

| Subject | Note Type | Created By | Created On | Date Submitted |
|---|---|---|---|---|
| Effective Dates | Note To Reviewer | Richard Haberer | 06/30/2011 | 06/30/2011 |
| Effective dates and meeting results | Note To Filer | Becky Harrington | 06/29/2011 | 06/29/2011 |

| | | | | |
|---|---|---|---|---|
| Meeting | Note To Filer | Becky Harrington | 06/15/2011 | 06/15/2011 |

# Disposition

Disposition Date: 07/01/2011
Effective Date (New): 09/01/2011
Effective Date (Renewal): 11/01/2011
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):** |
|---|---|---|---|---|---|---|---|
| State Farm Fire and Casualty Company | 13.100% | 7.000% | $8,896,001 | 148,729 | $127,450,411 | 48.500% | -17.300% |

| | | | |
|---|---|---|---|
| *SERFF Tracking Number:* | *SFMA-126960987* | *State:* | *Arkansas* |
| *Filing Company:* | *State Farm Fire and Casualty Company* | *State Tracking Number:* | *EFT $100* |
| *Company Tracking Number:* | *HO-27379* | | |
| *TOI:* | *04.0 Homeowners* | *Sub-TOI:* | *04.0000 Homeowners Sub-TOI Combinations* |
| *Product Name:* | *HO-27379* | | |
| *Project Name/Number:* | *HO-27379/HO-27379* | | |

| 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** | HPCS-Homeowners Premium Comparison Survey | Filed | Yes |
| **Supporting Document** | NAIC loss cost data entry document | Filed | Yes |
| **Supporting Document** | Filing Memorandum and Exhibits | Filed | Yes |
| **Supporting Document** | Response to 01/05 Inquiry | Filed | Yes |
| **Supporting Document** | Response to 02/23 Inquiry | Filed | Yes |
| **Supporting Document** | Response to 03/02 Inquiry | Filed | Yes |
| **Rate** | Manual Pages | Filed | Yes |

# Objection Letter

| | |
|---|---|
| Objection Letter Status | Pending Industry Response |
| Objection Letter Date | 03/02/2011 |
| Submitted Date | 03/02/2011 |
| Respond By Date | |

Dear Meg Astudillo,

This will acknowledge receipt of the recent response.

Commissioner Bradford has decided to not allow an increase at this time. He would like to review your loss ratio again later in the year, but no earlier than July. His position that the rates would be excessive pursuant to ACA 23-67-208 was based in part on the recent rate history, loss ratios and market position.

Please feel free to contact me if you have questions.
Sincerely,
Becky Harrington

# Response Letter

| | |
|---|---|
| Response Letter Status | Submitted to State |
| Response Letter Date | 06/10/2011 |
| Submitted Date | 06/10/2011 |

Dear Becky Harrington,

**Comments:**
Dear Becky Harrington,

## Response 1

Comments: Please see "Response to 03/02 Inquiry" under supporting documents. Thank you.

**Changed Items:**

**Supporting Document Schedule Item Changes**
Satisfied -Name: Response to 03/02 Inquiry
Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Sincerely,
Meg Astudillo
Pricing Manager

Sincerely,
Richard Haberer, Robin Dunagan, Robin Dunagan1

# Objection Letter

| | |
|---|---|
| Objection Letter Status | Pending Industry Response |
| Objection Letter Date | 02/23/2011 |
| Submitted Date | 02/23/2011 |
| Respond By Date | |

Dear Meg Astudillo,

This will acknowledge receipt of the recent response.

Objection 1

Comment: A disruption chart has been provided.  Please indicate the factors driving those increase over 20%.

Please feel free to contact me if you have questions.

Sincerely,

Becky Harrington

# Response Letter

| | |
|---|---|
| Response Letter Status | Submitted to State |
| Response Letter Date | 02/25/2011 |
| Submitted Date | 02/25/2011 |

Dear Becky Harrington,

**Comments:**
The following is in response to your inquiry dated February 23, 2011 and our meeting with the Commissioner.

## Response 1

Comments: Please see "Response to 02/23 Inquiry" for our response. Thank you.

**Related Objection 1**

Comment:
A disruption chart has been provided. Please indicate the factors driving those increase over 20%.

**Changed Items:**

**Supporting Document Schedule Item Changes**
Satisfied -Name: Response to 02/23 Inquiry
Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Sincerely,
Meg Astudillo
Pricing Manager

Sincerely,
Richard Haberer, Robin Dunagan, Robin Dunagan1

# Objection Letter

| | |
|---|---|
| Objection Letter Status | Pending Industry Response |
| Objection Letter Date | 01/28/2011 |
| Submitted Date | 01/28/2011 |
| Respond By Date | |

Dear Meg Astudillo,

This will acknowledge receipt of the response dated 1/21/11.

The requested increase and filing information has been presented to the Commissioner. He is concerned with the maximum increase amount and recent rate history increase amounts. He would like to visit with company representatives before granting any increase this year.

The filing will remain pending.

Please feel free to contact me if you have questions.
Sincerely,
Becky Harrington

# Objection Letter

| | |
|---|---|
| Objection Letter Status | Pending Industry Response |
| Objection Letter Date | 01/05/2011 |
| Submitted Date | 01/05/2011 |
| Respond By Date | |

Dear Meg Astudillo,

This will acknowledge receipt of the captioned filing.

Objection 1

- Filing Memorandum and Exhibits (Supporting Document)

Comment: Provide the loss experience data used to develop the new claim record rating plan factors.

Objection 2

- Filing Memorandum and Exhibits (Supporting Document)

Comment: Provide the "additional variables" included in the GLM model to account for geographical and temporal differences. (Exhibit 10b)

Objection 3

Comment: Provide a disruption chart. Indicate the changes included in the filing that are driving the maximum increase of 48.5%.

Objection 4

- Filing Memorandum and Exhibits (Supporting Document)

Comment: Provide data or indicate the location in the filing exhibits that supports the statements made (bottom of page on Exhibit 3) regarding pure premium data of Exhibit 3.

Objection 5

Comment: Provide data supporting the reduced CRI minimum factor.

Objection 6

- Filing Memorandum and Exhibits (Supporting Document)

Comment: Explain how you are managing individual policyholder rate level movement so as to mitigate fluctuations in rates due to CRI.

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.

| | | | |
|---|---|---|---|
| *SERFF Tracking Number:* | *SFMA-126960987* | *State:* | *Arkansas* |
| *Filing Company:* | *State Farm Fire and Casualty Company* | *State Tracking Number:* | *EFT $100* |
| *Company Tracking Number:* | *HO-27379* | | |
| *TOI:* | *04.0 Homeowners* | *Sub-TOI:* | *04.0000 Homeowners Sub-TOI Combinations* |
| *Product Name:* | *HO-27379* | | |
| *Project Name/Number:* | *HO-27379/HO-27379* | | |

Sincerely,

Becky Harrington

# Response Letter

| | |
|---|---|
| Response Letter Status | Submitted to State |
| Response Letter Date | 01/21/2011 |
| Submitted Date | 01/21/2011 |

Dear Becky Harrington,

**Comments:**
Dear Becky Harrington,

## Response 1

Comments: Please see "Response to 01/05 Inquiry."

**Related Objection 1**

Applies To:

- Filing Memorandum and Exhibits (Supporting Document)

Comment:

Provide the loss experience data used to develop the new claim record rating plan factors.

**Changed Items:**

**Supporting Document Schedule Item Changes**

Satisfied -Name: Response to 01/05 Inquiry

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

## Response 2

Comments: Please see "Response to 01/05 Inquiry."

**Related Objection 1**

Applies To:

- Filing Memorandum and Exhibits (Supporting Document)

Comment:

Provide the "additional variables" included in the GLM model to account for geographical and temporal differences. (Exhibit 10b)

**Changed Items:**

**Supporting Document Schedule Item Changes**

Satisfied -Name: Response to 01/05 Inquiry

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

## Response 3

Comments: Please see "Response to 01/05 Inquiry."

**Related Objection 1**

Comment:

Provide a disruption chart. Indicate the changes included in the filing that are driving the maximum increase of 48.5%.

**Changed Items:**

**Supporting Document Schedule Item Changes**

Satisfied -Name: Response to 01/05 Inquiry

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

## Response 4

Comments: Please see "Response to 01/05 Inquiry."

**Related Objection 1**

Applies To:

- Filing Memorandum and Exhibits (Supporting Document)

Comment:

Provide data or indicate the location in the filing exhibits that supports the statements made (bottom of page on Exhibit 3) regarding pure premium data of Exhibit 3.

**Changed Items:**

**Supporting Document Schedule Item Changes**

Satisfied -Name: Response to 01/05 Inquiry

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

## Response 5

Comments: Please see "Response to 01/05 Inquiry."

**Related Objection 1**

Comment:

Provide data supporting the reduced CRI minimum factor.

**Changed Items:**

**Supporting Document Schedule Item Changes**

Satisfied -Name: Response to 01/05 Inquiry

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

## Response 6

Comments: Please see "Response to 01/05 Inquiry."

**Related Objection 1**

Applies To:

- Filing Memorandum and Exhibits (Supporting Document)

Comment:

Explain how you are managing individual policyholder rate level movement so as to mitigate fluctuations in rates due to CRI.

**Changed Items:**

**Supporting Document Schedule Item Changes**

Satisfied -Name: Response to 01/05 Inquiry

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Sincerely,
Meg Astudillo
Pricing Manager

Sincerely,
Richard Haberer, Robin Dunagan, Robin Dunagan1

## Note To Reviewer

**Created By:**

Richard Haberer on 06/30/2011 07:29 AM

**Last Edited By:**

Becky Harrington

**Submitted On:**

07/01/2011 07:17 AM

**Subject:**

Effective Dates

**Comments:**

Thank you for your review of our filing.  We wish to establish effective dates of September 1, 2011 for new business and November 1, 2011 for renewals.

**Note To Filer**

**Created By:**
Becky Harrington on 06/29/2011 10:53 AM
**Last Edited By:**
Becky Harrington
**Submitted On:**
07/01/2011 07:17 AM
**Subject:**
Effective dates and meeting results
**Comments:**
Pursuant to meeting with State Farm representatives this morning, the 7% overall increase is being accepted as filed and amended. Please provide revised effective dates so the filing may be closed.

Thanks,
Becky

## Note To Filer

**Created By:**

Becky Harrington on 06/15/2011 10:05 AM

**Last Edited By:**

Becky Harrington

**Submitted On:**

07/01/2011 07:17 AM

**Subject:**

Meeting

**Comments:**

A meeting is scheduled for 6/29/11 with Commissioner Bradford and State Farm representatives to discuss the filing.

# Rate Information

Rate data applies to filing.

| | |
|---|---|
| **Filing Method:** | File & Use |
| **Rate Change Type:** | Increase |
| **Overall Percentage of Last Rate Revision:** | 7.700% |
| **Effective Date of Last Rate Revision:** | 04/15/2010 |
| **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): |
|---|---|---|---|---|---|---|---|
| State Farm Fire and Casualty Company | 7.000% | 7.000% | $8,896,001 | 148,729 | $127,450,411 | 48.500% | -17.300% |

# Rate/Rule Schedule

| Schedule Item Status: | Exhibit Name: | Rule # or Page #: | Rate Action | Previous State Filing Number: | Attachments |
|---|---|---|---|---|---|
| Filed 07/01/2011 | Manual Pages | See Attached | Replacement | | AR HO-27379 (Operations) Manual ms.pdf |

## SUMMARY OF REVISIONS

The following table summarizes the changes contained in this revision.

| Item | Description |
|---|---|
| Zone/Subzone | Zone/Subzones are revised. |
| Base Rates | Base Rates/Factors are revised. |
| Customer Rating Index | Revised the Miscellaneous Provision rule and the minimum factors also added rescore footnote. |
| Claim Record Rating | Claim Record Rating adjustments are revised. |
| Home/Auto Discount | Home/Auto Discount increased from 20% to 25%. |
| Utilities Rating Plan | Utilities Rating Plan adjustments are revised. |
| Deductibles | Eliminated the $1500 deductible for Renters and Condominium Unitowners. Deductible adjustments are revised. |
| Fire Department Service Charge | Fire Department Service Charge is now available for new business. |

Throughout this manual, ***bold italics*** font indicates information that is not displayed in the Agents manual.



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## RULES

The rules, rates, and premiums in this manual govern the writing of all Homeowners policies. The rules and rates filed by or on behalf of the Company for each coverage shall govern in all cases not specifically provided for in these rules.

## CANCELLATION

When a policy is cancelled, the annual premium that applies to the policy period multiplied by the pro rata factor is returned to the insured.

Calculate the pro rata factor as follows:

A. Compute the number of days left in the annual term until the policy expires (for example, 122 days).

B. Divide the number of days by 365 (days in a year) and round to 3 decimal places. This produces the pro rata factor. A few examples may help:

| Number of Days | Divided By | Pro Rata Factor |
|---|---|---|
| 360 | 365 | 0.986 |
| 240 | 365 | 0.658 |
| 122 | 365 | 0.334 |
| 73 | 365 | 0.200 |
| 34 | 365 | 0.093 |



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## CONSTRUCTION CLASSIFICATIONS

A. Frame

A dwelling with exterior walls of combustible construction (including walls with metal, stucco, or metal lath and plaster on combustible supports) is classified as frame.

B. Masonry

A dwelling with exterior walls of brick, concrete, concrete block, adobe, tile, or other masonry materials is classified as masonry.

C. Masonry Veneer

A dwelling with walls of combustible construction veneered with masonry materials is classified as masonry veneer.

D. Fire Resistive

A building with walls, floor, and roof constructed entirely of masonry or fire resistive materials with a Fire Resistance rating of not less than one hour is classified as fire resistive.

E. Mixed Construction

A dwelling shall be classified as frame construction when the wall area of frame construction (excluding gables) exceeds 33 1/3% of the total wall area.

F. Log Construction

A dwelling with walls - and in some cases, structural framing members used to support multiple stories or the roof - made of logs, i.e. have not been milled into conventional lumber.



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## ELIGIBILITY

A. Homeowners Policy

1. A dwelling occupied by the owner and used principally for private residential purposes. The dwelling can have one or two families, but cannot have more than five roomers or boarders per family.

2. A single family unit within a row house, town house, condominium or cooperative occupied by the owner and used principally for private residential purposes.

3. A new dwelling that is under construction for one or two families to be occupied by the owner.

4. A secondary dwelling, including seasonal dwellings, occupied by the owner and used principally for private residential purposes.

B. Renters Policy

1. The tenant of any dwelling, apartment, condominium or cooperative unit.

2. The owner, who is also an occupant, of a dwelling or building containing an apartment that is not eligible for another Homeowners form.

3. The owner of a cooperative unit, provided:

   a. The portion of the premises occupied as living quarters is used principally for private residential purposes.

   b. This portion is not occupied by more than one additional family or more than two roomers or boarders.

   c. This portion is designated by an apartment number or other positive identification.

C. Condominium Unitowners Policy

1. Owner occupied units, including seasonal units, which are part of a community association organized under condominium, cooperative, town house or planned development form of ownership and where provision has been made for a master policy covering the residential building(s) real property exposure. The unit must be used principally for private residential purposes.

2. Rental or investment units in an association as described in 1. if occasionally occupied by the owner. The named insured must be an individual. Partnerships, corporations or similar legal entities are not eligible for Homeowners coverage.

**Note:** The term "owner" includes persons purchasing a dwelling, such as under a mortgage agreement or contract of sale.



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## MID-TERM CHANGES

Changes that affect coverage or a risk characteristic used in rating the policy may be made during the policy term, unless otherwise stated in this manual. Mid-term changes to take advantage of a new discount or charge **or** a rate or classification change implemented by the company during the policy term are **not** permitted.

If a different premium is required for the remainder of the current policy term, the additional or return premium is to be computed pro rata unless otherwise stated in this manual.



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## MINIMUM PREMIUMS

The annual minimum premium is shown below.

| Policy Form | Minimum Premium |
|---|---|
| Homeowners | $200 |
| Renters and Condominium Unitowners | $100 |



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## OTHER INSURANCE

Other insurance covering the same property is permitted only when the other insurance is for perils not covered by the policy (for example, Flood Insurance).



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## POLICY PERIOD AND PREMIUM PAYMENT

All premiums and rates shown in this manual are on an annual term basis. All policies are initially written for a one year term and are then automatically renewed annually. The rates on renewals will be those rates in effect at that time.



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## RESTRICTION OF COVERAGE

The named insured can request a restriction on an individual policy. The circumstances or exposure must be so unusual that without the restriction the policy would not be issued. No reduction from the prescribed rate and minimum premium is allowed. Refer each request to the Company.



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## ROUNDING OF PREMIUMS

Any computations for additional coverages or additional amounts of insurance are to be rounded separately to the nearest dollar. Fifty cents or more is to be considered as a dollar.



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## TRANSFER

Transfer of the policy to another location within the state is allowed provided the new location meets eligibility requirements. Transfers are subject to any necessary adjustment of premium.



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## ZONES

This section provides the rules for the assignment of the zone and subzone.

## ZONE DEFINITIONS

Refer to Company for ZIP Codes not listed.

| ZIP Code | City | County | Zone | Subzone |
|---|---|---|---|---|
| 71256 | | | 25 | 10 |
| 71601 | | | 25 | 13 |
| 71602 | | | 25 | 09 |
| 71603 | | | 25 | 12 |
| 71612 | | | 25 | 09 |
| 71613 | | | 25 | 12 |
| 71630 | | | 25 | 14 |
| 71631 | | | 25 | 14 |
| 71635 | | | 25 | 14 |
| 71638 | | | 25 | 13 |
| 71639 | | | 25 | 12 |
| 71640 | | | 25 | 18 |
| 71642 | | | 25 | 17 |
| 71643 | | | 25 | 14 |
| 71644 | | | 25 | 14 |
| 71646 | | | 25 | 14 |
| 71647 | | | 25 | 15 |
| 71651 | | | 25 | 13 |
| 71652 | | | 25 | 14 |
| 71653 | | | 25 | 15 |
| 71654 | | | 25 | 13 |
| 71655 | | | 25 | 09 |
| 71656 | | | 25 | 10 |
| 71657 | | | 25 | 09 |
| 71658 | | | 25 | 15 |
| 71659 | | | 25 | 13 |
| 71660 | | | 25 | 13 |
| 71661 | | | 25 | 16 |
| 71662 | | | 25 | 10 |
| 71663 | | | 25 | 16 |
| 71665 | | | 25 | 14 |
| 71666 | | | 25 | 10 |
| 71667 | | | 25 | 14 |



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| ZIP Code | City | County | Zone | Subzone |
|---|---|---|---|---|
| 71670 | | | 25 | 13 |
| 71671 | | | 25 | 12 |
| 71674 | | | 25 | 14 |
| 71675 | | | 25 | 12 |
| 71676 | | | 25 | 15 |
| 71677 | | | 25 | 15 |
| 71678 | | | 25 | 16 |
| 71701 | | | 25 | 10 |
| 71711 | | | 25 | 10 |
| 71720 | | | 25 | 11 |
| 71721 | | | 25 | 09 |
| 71722 | | | 25 | 10 |
| 71724 | | | 25 | 08 |
| 71725 | | | 25 | 14 |
| 71726 | | | 25 | 12 |
| 71728 | | | 25 | 09 |
| 71730 | | | 25 | 08 |
| 71740 | | | 25 | 08 |
| 71742 | | | 25 | 12 |
| 71743 | | | 25 | 09 |
| 71744 | | | 25 | 13 |
| 71745 | | | 25 | 14 |
| 71747 | | | 25 | 14 |
| 71748 | | | 25 | 15 |
| 71749 | | | 25 | 10 |
| 71750 | | | 25 | 08 |
| 71751 | | | 25 | 13 |
| 71752 | | | 25 | 10 |
| 71753 | | | 25 | 08 |
| 71754 | | | 25 | 08 |
| 71758 | | | 25 | 11 |
| 71759 | | | 25 | 08 |
| 71762 | | | 25 | 08 |
| 71763 | | | 25 | 13 |
| 71764 | | | 25 | 10 |
| 71765 | | | 25 | 11 |
| 71766 | | | 25 | 13 |
| 71769 | | | 25 | 10 |
| 71770 | | | 25 | 08 |
| 71801 | | | 25 | 10 |
| 71802 | | | 25 | 10 |



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| ZIP Code | City | County | Zone | Subzone |
|---|---|---|---|---|
| 71820 | | | 25 | 11 |
| 71822 | | | 25 | 11 |
| 71823 | | | 25 | 14 |
| 71825 | | | 25 | 14 |
| 71826 | | | 25 | 12 |
| 71827 | | | 25 | 07 |
| 71828 | | | 25 | 11 |
| 71831 | | | 25 | 14 |
| 71832 | | | 25 | 12 |
| 71833 | | | 25 | 11 |
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| 71901 | | | 10 | 08 |
| 71902 | | | 10 | 08 |
| 71903 | | | 10 | 08 |
| 71909 | | | 10 | 09 |



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| ZIP Code | City | County | Zone | Subzone |
|---|---|---|---|---|
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| 71913 | | | 10 | 10 |
| 71914 | | | 10 | 10 |
| 71920 | | | 25 | 13 |
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| 71972 | | | 10 | 15 |
| 71973 | | | 10 | 14 |
| 71998 | | | 25 | 10 |
| 71999 | | | 25 | 09 |
| 72001 | | | 10 | 16 |
| 72002 | | | 25 | 09 |
| 72003 | | | 25 | 12 |



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| ZIP Code | City | County | Zone | Subzone |
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| 72005 | | | 30 | 14 |
| 72006 | | | 30 | 13 |
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| 72010 | | | 30 | 12 |
| 72011 | | | 25 | 09 |
| 72012 | | | 30 | 09 |
| 72013 | | | 30 | 13 |
| 72014 | | | 30 | 14 |
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| 72016 | | | 10 | 14 |
| 72017 | | | 25 | 16 |
| 72018 | | | 25 | 09 |
| 72019 | | | 25 | 12 |
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| 72025 | | | 10 | 16 |
| 72026 | | | 25 | 13 |
| 72027 | | | 30 | 13 |
| 72028 | | | 30 | 13 |
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| 72032 | | | 30 | 09 |
| 72033 | | | 30 | 09 |
| 72034 | | | 30 | 07 |
| 72035 | | | 30 | 04 |
| 72036 | | | 30 | 13 |
| 72037 | | | 25 | 16 |
| 72038 | | | 25 | 12 |
| 72039 | | | 30 | 14 |
| 72040 | | | 25 | 13 |
| 72041 | | | 25 | 14 |
| 72042 | | | 25 | 12 |
| 72043 | | | 30 | 14 |
| 72044 | | | 30 | 09 |
| 72045 | | | 30 | 13 |
| 72046 | | | 25 | 16 |



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| ZIP Code | City | County | Zone | Subzone |
|---|---|---|---|---|
| 72047 | | | 30 | 15 |
| 72048 | | | 25 | 16 |
| 72051 | | | 30 | 12 |
| 72052 | | | 30 | 09 |
| 72053 | | | 25 | 14 |
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| 72057 | | | 25 | 13 |
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| 72059 | | | 30 | 13 |
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| 72063 | | | 30 | 11 |
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| 72065 | | | 25 | 16 |
| 72066 | | | 25 | 14 |
| 72067 | | | 30 | 07 |
| 72068 | | | 30 | 09 |
| 72069 | | | 25 | 16 |
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| 72072 | | | 25 | 11 |
| 72073 | | | 25 | 12 |
| 72074 | | | 30 | 13 |
| 72075 | | | 30 | 14 |
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| 72088 | | | 30 | 07 |
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| 72099 | | | 25 | 06 |
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| 72102 | | | 30 | 10 |
| 72103 | | | 25 | 12 |
| 72104 | | | 25 | 08 |



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| ZIP Code | City | County | Zone | Subzone |
|---|---|---|---|---|
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| 72106 | | | 30 | 09 |
| 72107 | | | 30 | 06 |
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| 72108 | | | 25 | 13 |
| 72110 | | | 30 | 08 |
| 72111 | | | 30 | 15 |
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| 72113 | | | 25 | 10 |
| 72114 | | | 25 | 07 |
| 72115 | | | 25 | 07 |
| 72116 | | | 25 | 08 |
| 72117 | | | 25 | 08 |
| 72118 | | | 25 | 09 |
| 72119 | | | 25 | 07 |
| 72120 | | | 25 | 07 |
| 72121 | | | 30 | 09 |
| 72122 | | | 25 | 11 |
| 72123 | | | 30 | 11 |
| 72124 | | | 25 | 07 |
| 72125 | | | 10 | 15 |
| 72126 | | | 10 | 13 |
| 72127 | | CONWAY | 30 | 06 |
| 72127 | | PERRY | 30 | 06 |
| 72127 | Outside | CONWAY | 30 | 06 |
| 72127 | Outside | PERRY | 30 | 06 |
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| 72130 | | | 30 | 09 |
| 72131 | | | 30 | 09 |
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| 72133 | | | 25 | 14 |
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| 72137 | | | 30 | 09 |
| 72139 | | | 30 | 12 |
| 72140 | | | 25 | 14 |
| 72141 | | | 30 | 13 |
| 72142 | | | 25 | 16 |
| 72143 | | | 30 | 11 |



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| ZIP Code | City | County | Zone | Subzone |
|---|---|---|---|---|
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| 72149 | | | 30 | 10 |
| 72150 | | | 25 | 08 |
| 72152 | | | 25 | 10 |
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| 72176 | | | 25 | 08 |
| 72178 | | | 30 | 11 |
| 72179 | | | 30 | 09 |
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| 72199 | | | 25 | 08 |
| 72201 | | | 25 | 08 |
| 72202 | | | 25 | 07 |
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| 72205 | | | 25 | 06 |
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| 72211 | | | 25 | 04 |
| 72212 | | | 25 | 06 |
| 72214 | | | 25 | 09 |
| 72215 | | | 25 | 06 |
| 72216 | | | 25 | 14 |
| 72217 | | | 25 | 06 |
| 72219 | | | 25 | 11 |



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| ZIP Code | City | County | Zone | Subzone |
|---|---|---|---|---|
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| 72223 | | | 25 | 08 |
| 72225 | | | 25 | 06 |
| 72227 | | | 25 | 07 |
| 72301 | | | 25 | 11 |
| 72303 | | | 25 | 11 |
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| 72321 | | | 25 | 10 |
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| 72326 | | | 25 | 13 |
| 72327 | | | 25 | 16 |
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| 72332 | | | 25 | 16 |
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| 72341 | | | 25 | 13 |
| 72342 | | | 25 | 17 |
| 72346 | | | 25 | 17 |
| 72347 | | | 25 | 15 |
| 72348 | | CRITTENDEN | 25 | 12 |
| 72348 | | ST FRANCIS | 25 | 12 |
| 72348 | Outside | CRITTENDEN | 25 | 12 |
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| 72350 | | | 25 | 19 |
| 72351 | | | 25 | 21 |
| 72352 | | | 25 | 16 |



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| ZIP Code | City | County | Zone | Subzone |
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| 72354 | | | 25 | 18 |
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| 72372 | | | 25 | 12 |
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| 72387 | | | 25 | 13 |
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| 72395 | | | 25 | 21 |
| 72396 | | | 25 | 13 |
| 72401 | | | 30 | 08 |
| 72402 | | | 30 | 08 |
| 72404 | | | 30 | 11 |
| 72410 | | | 30 | 11 |
| 72411 | | | 30 | 08 |
| 72412 | | | 30 | 14 |
| 72413 | | | 30 | 11 |
| 72414 | | | 30 | 10 |
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| 72417 | | | 30 | 08 |
| 72419 | | | 30 | 15 |



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| ZIP Code | City | County | Zone | Subzone |
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| 72422 | | | 30 | 14 |
| 72425 | | | 30 | 14 |
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| 72434 | | | 30 | 09 |
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| 72439 | | | 30 | 06 |
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| 72451 | | | 30 | 13 |
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| 72454 | | | 30 | 16 |
| 72455 | | | 30 | 10 |
| 72456 | | | 30 | 18 |
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| 72458 | | | 30 | 11 |
| 72459 | | | 30 | 09 |
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| 72461 | | | 30 | 15 |
| 72462 | | | 30 | 11 |
| 72464 | | | 30 | 17 |
| 72465 | | | 30 | 10 |
| 72466 | | | 30 | 11 |
| 72467 | | | 30 | 13 |



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| ZIP Code | City | County | Zone | Subzone |
|---|---|---|---|---|
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| 72470 | | | 30 | 16 |
| 72470 | Outside | | 30 | 16 |
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| 72472 | | | 25 | 13 |
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| 72474 | | | 30 | 13 |
| 72475 | | | 25 | 17 |
| 72476 | | | 30 | 09 |
| 72478 | | | 30 | 11 |
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| 72501 | | | 13 | 09 |
| 72512 | | | 13 | 08 |
| 72513 | | | 13 | 09 |
| 72515 | | | 13 | 12 |
| 72517 | | | 13 | 14 |
| 72519 | | | 13 | 12 |
| 72520 | | | 13 | 09 |
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| 72522 | | | 13 | 12 |
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| 72525 | | | 13 | 08 |
| 72526 | | | 13 | 09 |
| 72527 | | | 13 | 11 |
| 72528 | | | 13 | 13 |
| 72529 | | | 13 | 08 |
| 72530 | | | 30 | 10 |
| 72531 | | | 13 | 13 |
| 72532 | | | 13 | 10 |
| 72533 | | | 30 | 15 |
| 72534 | | | 13 | 12 |
| 72536 | | | 13 | 12 |
| 72537 | | | 10 | 10 |
| 72538 | | | 13 | 12 |
| 72539 | | | 13 | 10 |
| 72540 | | | 13 | 17 |
| 72542 | | | 13 | 10 |
| 72543 | | | 30 | 07 |



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| ZIP Code | City | County | Zone | Subzone |
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| 72546 | | | 30 | 09 |
| 72550 | | | 13 | 12 |
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| 72555 | | | 30 | 13 |
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| 72562 | | | 13 | 09 |
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| 72619 | | | 10 | 12 |
| 72623 | | | 10 | 13 |
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| 72626 | | | 10 | 12 |



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| ZIP Code | City | County | Zone | Subzone |
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| 72655 | | | 30 | 13 |
| 72658 | | | 10 | 14 |
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| 72661 | | | 10 | 12 |
| 72662 | | | 10 | 15 |
| 72663 | | | 30 | 14 |
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| 72682 | | | 10 | 14 |
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| 72685 | | | 30 | 10 |
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| 72687 | | | 10 | 12 |



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| ZIP Code | City | County | Zone | Subzone |
|---|---|---|---|---|
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| 72703 | | | 10 | 10 |
| 72704 | | | 10 | 10 |
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| 72762 | | | 10 | 09 |
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| 72765 | | | 10 | 09 |



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| ZIP Code | City | County | Zone | Subzone |
|---|---|---|---|---|
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| 72768 | | | 10 | 08 |
| 72769 | | | 10 | 14 |
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| ZIP Code | City | County | Zone | Subzone |
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| 72949 | | | 10 | 13 |
| 72950 | | | 10 | 16 |
| 72951 | | | 10 | 14 |
| 72952 | | | 10 | 12 |



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| ZIP Code | City | County | Zone | Subzone |
|---|---|---|---|---|
| 72955 | | | 10 | 12 |
| 72956 | | | 10 | 12 |
| 72957 | | | 10 | 12 |
| 72958 | | | 10 | 14 |
| 72959 | | | 10 | 14 |



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## *ZONE/SUBZONE ASSIGNMENT*

***For ZIP Codes not listed on the Zone/Subzone definition pages, the following rules apply in the assignment of the zone and subzone. Refer to Home Office for administration of these rules.***

***A. A ZIP Code or geographic area omitted from the Zone/Subzone definition pages will be assigned to the lowest rated contiguous zone and subzone.***

***B. If a new ZIP Code is created, it will be assigned to the lowest rated zone and subzone of the ZIP Codes that formerly constituted the new ZIP Code's geographic area, subject to a 15% policy distribution minimum.***

***C. When an existing ZIP Code boundary changes, policies will be assigned to the zone and subzone of their revised ZIP Code.***



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## HOMEOWNERS

This section provides details on coverages and rating for the Homeowners policy form, including the information necessary to develop the basic premiums.

## COVERAGES - HOMEOWNERS

The policy contains two sections, each with various coverages.

1. Section I - Physical Damage Coverages

| Coverages | Details | Minimums or Amounts |
|---|---|---|
| Coverage A - Dwelling | Applies to the described dwelling | 100% of Replacement Cost is suggested * |
| Dwelling Extension | Applies to other structures on premises | 10% of Coverage A amount |
| Coverage B - Personal Property | Applies to personal property | 75% of Coverage A amount * |
| | | |
| Types of Personal Property | Computers and Equipment | $5,000 |
| | Money, Bank Notes, and Coins | $200 |
| | Property used in a business | $1,000 on premises ($250 off premises) |
| | Securities, Accounts, and Deeds | $1,000 |
| | Watercraft and Equipment | $1,000 |
| | Trailers not used with Watercraft | $1,000 |
| | Jewelry and Furs (Theft) | $2,500 ($1,500 per item) * |
| | Stamps, Trading Cards, and Comic Books | $2,500 |
| | Firearms (Theft) | $2,500 |
| | Area Rugs (Theft) | $10,000 ($5,000 per item) |
| | Silverware and Goldware (Theft) | $2,500 |
| Coverage C - Loss of Use | Additional Living Expense | Actual loss sustained within 24 months |
| | Fair Rental Value | Actual loss sustained within 12 months |
| Additional Coverages | Arson Reward | $1,000 |
| | Building Ordinance or Law | 10% of Coverage A amount |
| | Collapse | |
| | Credit Card and Forgery | $1,000 |
| | Debris Removal | |
| | Fire Department Service Charge | $500 |
| | Lock Rekeying | |
| | Power Interruption | |
| | Property Removed | |
| | Refrigerated Products | Coverage B Limit |
| | Temporary Repairs | |
| | Trees, Shrubs, and Other Plants | $500 |
| | Volcanic Action | |



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* If the dwelling is insured for less than 80% of Replacement Cost, the basic Coverage B limit is 55% of Coverage A and the Special Theft limit on Jewelry and Furs is $1,000.

Coverage A and B limits are subject to Inflation Coverage. For available options, see the Options section.

2. Section II - Liability Coverages

| Coverages | Details | Minimums or Amounts |
|---|---|---|
| Coverage L - Personal Liability | Includes Comprehensive Personal Liability | $100,000 minimum |
| Coverage M - Medical Payments | Medical Payments to Others | $1,000 minimum |
| Additional Coverages | Damage to Property of Others | $500 |
| | Claim Expenses | |
| | First Aid Expenses | |

For available options, see the Options section.



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## LOSSES INSURED - HOMEOWNERS

1. Section I

   Damage to insured's property is covered under Section I of the policy. As indicated in Item 1, there are three coverages under Section I.

   - Coverage A - Dwelling
   - Coverage B - Personal Property
   - Coverage C - Loss of Use

   Listed below are the losses that are insured:

| Losses Insured | Protection Provided | |
|---|---|---|
| | Coverage A & C | Coverage B |
| Fire or Lightning | Accidental Direct Physical Loss (with certain exclusions) | Yes |
| Windstorm or Hail | | Yes |
| Explosion | | Yes |
| Riot or Civil Commotion | | Yes |
| Aircraft | | Yes |
| Vehicles | | Yes |
| Smoke | | Yes |
| Vandalism or Malicious Mischief | | Yes |
| Breakage of Glass | | Yes |
| Theft | | Yes |
| Falling Objects | | Yes |
| Weight of Ice, Snow or Sleet | | Yes |
| Accidental Discharge of Water or Steam | | Yes |



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| Losses Insured | Protection Provided | |
|---|---|---|
| | Coverage A & C | Coverage B |
| Sudden, Accidental tearing etc. of Water Heating Systems or Appliances | | Yes |
| Freezing of Plumbing | | Yes |
| Damage from Artificially Generated Electricity | | Yes |

2. Section II

   Section II Liability includes coverage for bodily injury or property damage and defense costs associated with a suit brought against an insured.



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## LOSS SETTLEMENT (SECTION I) - HOMEOWNERS

The loss settlement provision for Coverage A - Dwelling and Coverage B - Personal Property varies depending on the insured's coverage selections. The available options are:

| Coverage | Loss Settlement Provision |
|---|---|
| Coverage A - Dwelling | A1 Replacement Cost - Similar Construction |
| | A2 Replacement Cost - Common Construction |
| Coverage B - Personal Property | B1 Limited Replacement Cost |
| | B2 Depreciated Loss Settlement |

The following chart illustrates the basic coverages provided by the policy.

| Coverage | Dwelling Coverage as a % of Replacement Cost | | |
|---|---|---|---|
| | 100% or more | 80 - 99% | <80% |
| Coverage A - Dwelling | A1 * | A1 | A2 |
| Coverage B - Personal Property | B1 | B1 | B2 |

* Option ID, Increased Dwelling Coverage is also automatically provided.

A. Coverage A - Dwelling

Losses to the dwelling are settled on a replacement cost basis without deduction for depreciation up to the limit shown on the Declarations Page. The loss settlement provision is based on the insured's coverage selections as indicated below:

1. Replacement Cost - Similar Construction

   If the dwelling is insured to at least 80% of the dwelling replacement cost, the loss settlement provision for Coverage A is repair or replacement with similar materials and construction techniques. **The basic rates reflect this loss settlement provision.**

   **ACTIVATE:** Loss Settlement Provision A1 - Replacement Cost - Similar Construction

   If the following conditions are met, then an additional coverage amount equal to 20% of the Coverage A limit will be provided for loss payment above the stated limits for no additional premium.

   a. The dwelling building and other building structures on premises are insured for at least 100% of Replacement Cost **and**

   b. The insured agrees to notify the company within 90 days of any additions or other physical changes which increase the value of either the dwelling or other buildings on the premises by $5,000 or more and pay the appropriate premium.

   **ACTIVATE:** Option ID in the Policy



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2. Replacement Cost - Common Construction

   When the dwelling is insured for an amount less than 80% of replacement cost, the loss settlement provision for Coverage A is repair or replacement with commonly used materials and construction techniques. **An adjustment to the basic rates is required. Refer to the Basic Premium Adjustment section.**

   **ACTIVATE:** Loss Settlement Provision A2 - Replacement Cost - Common Construction

B. Coverage B - Personal Property

1. Limited Replacement Cost

   If the dwelling is insured for at least 80% of replacement cost, the loss settlement provision is limited replacement cost without deduction for depreciation. The Coverage B limit is equal to 75% of the Coverage A limit. **The basic rates reflect this coverage.**

   **ACTIVATE:** Loss Settlement Provision B1 - Limited Replacement Cost

2. Depreciated Loss Settlement

   If the dwelling is insured for less than 80% of replacement cost, the loss settlement provision is limited replacement cost with deduction for depreciation. The Coverage B limit is equal to 55% of the Coverage A limit. **An adjustment to the basic rates is required. Refer to the Basic Premium Adjustment section.**

   **ACTIVATE:** Loss Settlement Provision B2 - Depreciated Loss Settlement

Refer to the Options section for available options.



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## RATING - HOMEOWNERS

A. Determine the basic premium.

1. Select the correct ZONE, SUBZONE, and CONSTRUCTION.

2. Determine the COVERAGE A AMOUNT and the RISK AMOUNT.

   a. Determine the Replacement Cost of the dwelling.

   b. Multiply the Replacement Cost by 0.80.

   c. Select the desired amount of insurance.

      - If the desired amount is equal to or greater than the amount determined in Step 2.b., then this is the COVERAGE A AMOUNT and the RISK AMOUNT. **Skip to Step 3.**

      - If the desired amount is less than the amount determined in Step 2.b., then **continue with Step 2.d.**

   d. Divide the desired amount of insurance (Step 2.c.) by the replacement cost of the dwelling (Step 2.a.). The COVERAGE A AMOUNT is determined by the following:

| If Step 2.d. is: | | Then the Coverage A Amount is: * |
|---|---|---|
| At Least | But Less Than | |
| 0.70 | 0.80 | 0.80 X Replacement Cost minus $100 |
| 0.60 | 0.70 | 0.70 X Replacement Cost minus $100 |
| 0.50 | 0.60 | 0.60 X Replacement Cost minus $100 |
| 0.40 | 0.50 | 0.50 X Replacement Cost minus $100 |
| 0.30 | 0.40 | 0.40 X Replacement Cost minus $100 |
| 0.20 | 0.30 | 0.30 X Replacement Cost minus $100 |
| 0.00 | 0.20 | 0.20 X Replacement Cost minus $100 |

* This amount is rounded up to the nearest $100.

The RISK AMOUNT equals the amount determined in Step 2.b. (Replacement Cost X 0.80).

3. From the basic rate pages, determine the premium based on the ZONE, SUBZONE, and CONSTRUCTION from Step 1 and the RISK AMOUNT as determined in Step 2.c. or 2.d.

   Premium = Zone Base Rate X Subzone Factor X Construction Factor X Amount Factor X Risk Amount / Base Amount *

   * The Base Amount is the Risk Amount which has a factor of 1.000.

   **Note:** For amounts greater than the largest risk amount shown, calculate the premium for the additional amount and add it to the premium for the largest risk amount shown.



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4. Apply all applicable basic premium adjustments from the Basic Premium Adjustment section sequentially in the order presented in that section to derive the basic premium.

B. Apply any remaining percentage adjustments for optional coverages to the basic premium.

C. Add any flat dollar adjustments for optional coverages to the basic premium.

D. Premium Calculation Examples - Homeowners Policy

The following two examples show the sequence for applying optional discounts, charges, and options (actual premiums/rates were chosen arbitrarily for illustration purposes only).

**Example 1**

Replacement Cost of Dwelling = $121,900

Replacement Cost X 0.80 = $97,520

Desired Amount of Insurance = $110,000

Coverage A Amount = Risk Amount = $110,000

1. Homeowners Basic Premium

a. $110,000 Risk Amount premium

$450 X 1.050 X 0.950 X 0.945 X $110,000 / $100,000 = $466.61 — Rounded = $467

b. CRI Adjustment Factor (0.961)

$467 X 0.961 = $448.79 — Rounded = $449

c. Claim Record Rating Adjustment (-10%)

$449 X 0.10 = $44.90 — Rounded = - $45

Subtotal = $404

d. Home/Auto Discount (-15%)

$404 X 0.15 = $60.60 — Rounded = - $61

Subtotal = $343

e. Newer Utilities Adjustment (-9%)

$343 X 0.09 = $30.87 — Rounded = - $31

Subtotal = $312

f. 2% Deductible Adjustment (-19%)

$312 X 0.19 = $59.28 — Rounded = - $59

Basic Premium = $253



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2. Charge for $5,000 Jewelry and Furs = +$27

3. Charge for $12,500 Additional Coverage B Limits

   $0.40 X 12.5 = $5.00 Rounded = +$5

4. Charge for $500,000/$1,000 Section II = +$25

5. Final Premium (subject to policy minimum premium) = $310

**Note:** Each discount and charge is to be rounded to the nearest dollar before being subtracted from or added to the basic premium.

**Example 2**

Replacement Cost of Dwelling = $121,900

Replacement Cost X 0.80 = $97,520

Desired Amount of Insurance = $70,000 ($70,000 / $121,900 = 0.57)

Coverage A Amount = $121,900 X 0.60 - $100 = $73,040 Rounded to next higher $100 = $73,100

Risk Amount = $97,520 ($121,900 X 0.80)

1. Homeowners Basic Premium

   a. $97,520 Risk Amount premium

      $450 X 1.050 X 0.950 X 1.063 X $97,520 / $100,000 = $465.32 Rounded = $465

   b. CRI Adjustment Factor (0.961)

      $465 X 0.961 = $446.86 Rounded = $447

   c. Replacement Cost - Common Construction

      Premium Adjustment Factor corresponding to 0.59 ($73,100 / $121,900) = 0.85

   d. Adjusted Premium

      $447 X 0.85 = $379.95 Rounded = $380

   e. Depreciated Loss Settlement - Contents (-7%)

      $380 X 0.07 = $26.60 Rounded = - $27

      Subtotal = $353



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f. $1,000 Jewelry and Furs Adjustment = - $16

Subtotal = $337

g. Home Alert Adjustment (-5%)

$337 X 0.05 = $16.85 Rounded = - $17

Subtotal = $320

h. Charge for Limited Replacement Cost - Contents (9% $25 minimum)

$320 X 0.09 = $28.80 Rounded = +$29

Subtotal = $349

i. $1,000 Deductible Adjustment (-10%)

$349 X 0.10 = $34.90 Rounded = - $35

Basic Premium = $314

2. Charge for $500,000/$1,000 Section II = +$25

3. Final Premium (subject to policy minimum premium) = $339

**Note:** Each discount and charge is to be rounded to the nearest dollar before being subtracted from or added to the basic premium.



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# HOMEOWNERS
# $500 ALL-PERIL DEDUCTIBLE
# $100,000 LIABILITY; $1,000 MEDICAL PAYMENTS

Premium = Zone Base Rate X Subzone Factor X Construction Factor X Amount Factor X Risk Amount / $100,000

ZONE BASE RATES

| Zone | Rate |
|---|---|
| 10 | $1,537.25 |
| 13 | $1,751.35 |
| 25 | $1,809.33 |
| 30 | $1,895.58 |



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# HOMEOWNERS
# $500 ALL-PERIL DEDUCTIBLE
# $100,000 LIABILITY; $1,000 MEDICAL PAYMENTS

Premium = Zone Base Rate X Subzone Factor X Construction Factor X Amount Factor X Risk Amount / $100,000

SUBZONE FACTORS

| Subzone | Factor |
|---|---|
| 01 | 0.645 |
| 02 | 0.677 |
| 03 | 0.711 |
| 04 | 0.747 |
| 05 | 0.784 |
| 06 | 0.823 |
| 07 | 0.864 |
| 08 | 0.907 |
| 09 | 0.952 |
| 10 | 1.000 |
| 11 | 1.050 |
| 12 | 1.103 |
| 13 | 1.158 |
| 14 | 1.216 |
| 15 | 1.277 |
| 16 | 1.341 |
| 17 | 1.408 |
| 18 | 1.478 |
| 19 | 1.552 |
| 20 | 1.630 |
| 21 | 1.712 |
| 22 | 1.798 |



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# HOMEOWNERS
# $500 ALL-PERIL DEDUCTIBLE
# $100,000 LIABILITY; $1,000 MEDICAL PAYMENTS

Premium = Zone Base Rate X Subzone Factor X Construction Factor X Amount Factor X Risk Amount / $100,000

CONSTRUCTION FACTORS

| Construction | Factor |
|---|---|
| Frame | 1.000 |
| Log | 1.100 |
| Masonry | 0.830 |
| Fire Resistive | 0.710 |
| Masonry Veneer | 0.870 |



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# HOMEOWNERS
# $500 ALL-PERIL DEDUCTIBLE
# $100,000 LIABILITY; $1,000 MEDICAL PAYMENTS

Premium = Zone Base Rate X Subzone Factor X Construction Factor X Amount Factor X Risk Amount / $100,000

RISK AMOUNT FACTORS

| Risk Amount | Factor |
|---|---|
| $1 | 6.018 |
| $5,000 | 6.018 |
| $7,000 | 5.200 |
| $10,000 | 4.000 |
| $15,000 | 3.349 |
| $20,000 | 2.700 |
| $30,000 | 2.100 |
| $40,000 | 1.720 |
| $50,000 | 1.500 |
| $60,000 | 1.350 |
| $70,000 | 1.220 |
| $80,000 | 1.120 |
| $90,000 | 1.050 |
| $100,000 | 1.000 |
| $110,000 | 0.960 |
| $120,000 | 0.929 |
| $130,000 | 0.900 |
| $140,000 | 0.870 |
| $150,000 | 0.840 |
| $160,000 | 0.809 |
| $170,000 | 0.790 |
| $180,000 | 0.770 |
| $190,000 | 0.750 |
| $200,000 | 0.730 |
| $250,000 | 0.670 |
| $300,000 | 0.647 |
| $350,000 | 0.624 |
| $400,000 | 0.609 |
| $450,000 | 0.601 |
| $500,000 | 0.597 |
| $550,000 | 0.590 |
| $600,000 | 0.585 |
| $650,000 | 0.577 |



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| Risk Amount | Factor |
|---|---|
| $700,000 | 0.577 |
| $750,000 | 0.577 |
| $800,000 | 0.577 |
| $900,000 | 0.577 |
| $1,000,000 | 0.577 |
| $1,100,000 | 0.577 |
| $1,200,000 | 0.577 |
| $1,300,000 | 0.577 |
| $1,400,000 | 0.577 |
| $1,500,000 | 0.577 |

| Each Additional | Factor |
|---|---|
| $1,000 | 0.588 |

If insured for a risk amount less than 80% of the replacement cost, refer to the Rating Rule. For risk amounts between those shown above, interpolate to derive the appropriate factor.



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## RENTERS

This section provides details on coverages and rating for the Renters policy form, including the information necessary to develop the basic premiums.

## COVERAGES - RENTERS

The policy contains two sections, each with various coverages.

A. Section I - Physical Damage Coverages

| Coverages | Details | Minimums or Amounts |
|---|---|---|
| Coverage B - Personal Property | Applies to personal property | Based on personal property value |
| | | |
| Types of Personal Property | Computers and Equipment | $5,000 |
| | Money, Bank Notes, and Coins | $200 |
| | Property used in a business | $1,000 on premises ($250 off premises) |
| | Securities, Accounts, and Deeds | $1,000 |
| | Watercraft and Equipment | $1,000 |
| | Trailers not used with Watercraft | $1,000 |
| | Jewelry and Furs (Theft) | $1,000 |
| | Stamps, Trading Cards, and Comic Books | $2,500 |
| | Firearms (Theft) | $2,500 |
| | Area Rugs (Theft) | $10,000 ($5,000 per item) |
| | Silverware and Goldware (Theft) | $2,500 |
| Coverage C - Loss of Use | Additional Living Expense | Actual loss sustained within 24 months |
| | Fair Rental Value | Actual loss sustained within 12 months |
| Additional Coverages | Arson Reward | $1,000 |
| | Building Additions and Alterations | 15% of Coverage B amount |
| | Collapse | |
| | Credit Card and Forgery | $1,000 |
| | Debris Removal | |
| | Fire Department Service Charge | $500 |
| | Lock Rekeying | |
| | Power Interruption | |
| | Property Removed | |
| | Refrigerated Products | Coverage B Limit |
| | Temporary Repairs | |
| | Trees, Shrubs, and Other Plants | $500 |
| | Volcanic Action | |

Coverage B limits are subject to Inflation Coverage. For available options, see the Options section.



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B. Section II - Liability Coverages

| Coverages | Details | Minimums or Amounts |
|---|---|---|
| Coverage L - Personal Liability | Includes Comprehensive Personal Liability | $100,000 minimum |
| Coverage M - Medical Payments | Medical Payments to Others | $1,000 minimum |
| Additional Coverages | Damage to Property of Others | $500 |
| | Claim Expenses | |
| | First Aid Expenses | |

For available options, see the Options section.



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## LOSSES INSURED - RENTERS

Damage to insured's property is covered under Section I of the policy. As indicated in Item 1, there are two coverages under Section I.

- Coverage B - Personal Property
- Coverage C - Loss of Use

Listed below are the losses that are insured:

- Fire or Lightning
- Windstorm or Hail
- Explosion
- Riot or Civil Commotion
- Aircraft
- Vehicles
- Smoke
- Vandalism or Malicious Mischief
- Breakage of Glass
- Theft
- Falling Objects
- Weight of Ice, Snow or Sleet
- Accidental Discharge of Water or Steam
- Sudden and Accidental Tearing Asunder, Cracking, Bursting or Bulging of Water Heating Systems or Appliances
- Freezing of Plumbing
- Damage from Artificially Generated Electricity



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## LOSS SETTLEMENT (SECTION I) - RENTERS

Losses for Coverage B are settled on a limited replacement cost less depreciation basis (Loss Settlement Provision B2). Refer to the Options section for available options.



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## RATING - RENTERS

A. Determine the basic premium.

1. Select the correct ZONE, SUBZONE, and CONSTRUCTION.

2. Develop the value of the property by calculating the Replacement Cost Value of the personal property if Replacement Cost on Personal Property Coverage will be purchased or the Replacement Cost less Depreciation value if not. This value will be the Coverage B amount and the RISK AMOUNT.

3. From the basic rate pages, determine the premium based on the ZONE, SUBZONE, and CONSTRUCTION from Step 1 and the RISK AMOUNT as determined in Step 2.

   Premium = Zone Base Rate X Subzone Factor X Construction Factor X Amount Factor X Risk Amount / Base Amount *

   * The Base Amount is the Risk Amount which has a factor of 1.000.

   **Note:** For amounts greater than the largest risk amount shown, calculate the premium for the additional amount and add it to the premium for the largest risk amount shown.

4. Apply all applicable basic premium adjustments from the Basic Premium Adjustment section sequentially in the order presented in that section to derive the basic premium.

B. Apply any remaining percentage adjustments for optional coverages to the basic premium.

C. Add any flat dollar adjustments for optional coverages to the basic premium.

D. Premium Calculation Example - Renters Policy

The following example shows the sequence for applying optional discounts, charges, and options (actual premiums/rates were chosen arbitrarily for illustration purposes only).

1. Renters Basic Premium

   a. Premium

      $120 X 1.000 X 1.000 X 1.732 X $40,000 / $50,000 = $166.27 — Rounded = $166

   b. CRI Adjustment Factor (0.985)

      $166 X 0.985 = $163.51 — Rounded = $164

   c. Claim Record Rating Adjustment (-10%)

      $164 X 0.10 = $16.40 — Rounded = - $16

      Subtotal = $148

   d. Limited Replacement Cost - Contents Charge (26% $18 minimum)

      $148 X 0.26 = $38.48 — Rounded = +$38



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| | | |
|---|---|---|
| | Subtotal | = $186 |
| e. $1,000 Deductible Adjustment (-18%) | | |
| $186 X 0.18 = $33.48 | Rounded | = - $33 |
| | Basic Premium | = $153 |
| 2. Charge for $2,500 Jewelry and Furs | | = +$17 |
| 3. Charge for $500,000/$1,000 Section II | | = +$25 |
| 4. Final Premium (subject to policy minimum premium) | | = $195 |

**Note:** Each discount and charge is to be rounded to the nearest dollar before being subtracted from or added to the basic premium.



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# RENTERS
# $500 ALL-PERIL DEDUCTIBLE
# $100,000 LIABILITY; $1,000 MEDICAL PAYMENTS

Premium = Zone Base Rate X Subzone Factor X Construction Factor X Amount Factor X Risk Amount / $30,000

ZONE BASE RATES

| Zone | Rate |
|---|---|
| 10 | $169.32 |
| 13 | $309.75 |
| 25 | $302.66 |
| 30 | $223.36 |



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# RENTERS
# $500 ALL-PERIL DEDUCTIBLE
# $100,000 LIABILITY; $1,000 MEDICAL PAYMENTS

Premium = Zone Base Rate X Subzone Factor X Construction Factor X Amount Factor X Risk Amount / $30,000

SUBZONE FACTORS

| Subzone | Factor |
|---|---|
| All | 1.000 |



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# RENTERS
# $500 ALL-PERIL DEDUCTIBLE
# $100,000 LIABILITY; $1,000 MEDICAL PAYMENTS

Premium = Zone Base Rate X Subzone Factor X Construction Factor X Amount Factor X Risk Amount / $30,000

CONSTRUCTION FACTORS

| Construction | Factor |
|---|---|
| All | 1.000 |



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# RENTERS
# $500 ALL-PERIL DEDUCTIBLE
# $100,000 LIABILITY; $1,000 MEDICAL PAYMENTS

Premium = Zone Base Rate X Subzone Factor X Construction Factor X Amount Factor X Risk Amount / $30,000

RISK AMOUNT FACTORS

| Risk Amount | Factor |
|---|---|
| $1 | 5.319 |
| $2,000 | 5.319 |
| $4,000 | 3.546 |
| $6,000 | 2.660 |
| $8,000 | 2.189 |
| $10,000 | 1.900 |
| $12,000 | 1.700 |
| $14,000 | 1.500 |
| $16,000 | 1.370 |
| $18,000 | 1.270 |
| $20,000 | 1.200 |
| $22,000 | 1.150 |
| $24,000 | 1.100 |
| $26,000 | 1.060 |
| $28,000 | 1.030 |
| $30,000 | 1.000 |
| $35,000 | 0.930 |
| $40,000 | 0.870 |
| $45,000 | 0.830 |
| $50,000 | 0.800 |
| $55,000 | 0.780 |
| $60,000 | 0.760 |
| $65,000 | 0.740 |
| $70,000 | 0.720 |
| $75,000 | 0.700 |
| $80,000 | 0.680 |
| $85,000 | 0.670 |
| $90,000 | 0.660 |
| $95,000 | 0.650 |
| $100,000 | 0.640 |
| $125,000 | 0.600 |
| $150,000 | 0.570 |
| $175,000 | 0.550 |



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| Risk Amount | Factor |
|---|---|
| $200,000 | 0.530 |
| $225,000 | 0.511 |
| $250,000 | 0.505 |
| $275,000 | 0.501 |
| $300,000 | 0.497 |

| Each Additional | Factor |
|---|---|
| $1,000 | 0.451 |

For risk amounts between those shown above, interpolate to derive the appropriate factor.



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## CONDOMINIUM UNITOWNERS

This section provides details on coverages and rating for the Condominium Unitowners policy form, including the information necessary to develop the basic premiums.

## COVERAGES - CONDOMINIUM UNITOWNERS

The policy contains two sections, each with various coverages.

A. Section I - Physical Damage Coverages

| Coverages | Details | Minimums or Amounts |
|---|---|---|
| Coverage A - Dwelling | Applies to building property | 30% of Coverage B amount ($1,000 min.) |
| Coverage B - Personal Property | Applies to personal property | Based on personal property value |
| | | |
| Types of Personal Property | Computers and Equipment | $5,000 |
| | Money, Bank Notes, and Coins | $200 |
| | Property used in a business | $1,000 on premises ($250 off premises) |
| | Securities, Accounts, and Deeds | $1,000 |
| | Watercraft and Equipment | $1,000 |
| | Trailers not used with Watercraft | $1,000 |
| | Jewelry and Furs (Theft) | $1,000 |
| | Stamps, Trading Cards, and Comic Books | $2,500 |
| | Firearms (Theft) | $2,500 |
| | Area Rugs (Theft) | $10,000 ($5,000 per item) |
| | Silverware and Goldware (Theft) | $2,500 |
| Coverage C - Loss of Use | Additional Living Expense | Actual loss sustained within 24 months |
| | Fair Rental Value | Actual loss sustained within 12 months |
| Coverage D - Loss Assessments | | $1,000 |
| Additional Coverages | Arson Reward | $1,000 |
| | Collapse | |
| | Credit Card and Forgery | $1,000 |
| | Debris Removal | |
| | Fire Department Service Charge | $500 |
| | Lock Rekeying | |
| | Power Interruption | |
| | Property Removed | |
| | Refrigerated Products | Coverage B Limit |
| | Temporary Repairs | |
| | Trees, Shrubs, and Other Plants | $500 |
| | Volcanic Action | |

Coverage A and B limits are subject to Inflation Coverage. For available options, see the Options section.



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B. Section II - Liability Coverages

| Coverages | Details | Minimums or Amounts |
|---|---|---|
| Coverage L - Personal Liability | Includes Comprehensive Personal Liability | $100,000 minimum |
| Coverage M - Medical Payments | Medical Payments to Others | $1,000 minimum |
| Additional Coverages | Damage to Property of Others | $500 |
| | Claim Expenses | |
| | First Aid Expenses | |

For available options, see the Options section.



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## LOSSES INSURED - CONDOMINIUM UNITOWNERS

Damage to insured's property is covered under Section I of the policy. As indicated in Item 1, there are four coverages under Section I.

- Coverage A - Dwelling
- Coverage B - Personal Property
- Coverage C - Loss of Use
- Coverage D - Loss Assessments

Listed below are the losses that are insured:

- Fire or Lightning
- Windstorm or Hail
- Explosion
- Riot or Civil Commotion
- Aircraft
- Vehicles
- Smoke
- Vandalism or Malicious Mischief
- Breakage of Glass
- Theft
- Falling Objects
- Weight of Ice, Snow or Sleet
- Accidental Discharge of Water or Steam
- Sudden and Accidental Tearing Asunder, Cracking, Bursting or Bulging of Water Heating Systems or Appliances
- Freezing of Plumbing
- Damage from Artificially Generated Electricity

Condominium Unitowners theft coverage on seasonals or units rented or held for rental more than 26 weeks is limited to burglary coverage. Section II coverage applies on premises only.



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Coverages A and D on Condominium Unitowners policies are provided for accidental direct physical loss subject to certain exclusions.



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## LOSS SETTLEMENT (SECTION I) - CONDOMINIUM UNITOWNERS

Losses for Coverage B are settled on a limited replacement cost less depreciation basis (Loss Settlement Provision B2). Refer to the Options section for available options.



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## RATING - CONDOMINIUM UNITOWNERS

A. Determine the basic premium.

1. Select the correct ZONE, SUBZONE, and CONSTRUCTION.

2. Develop the value of the property by calculating the Replacement Cost Value of the personal property if Replacement Cost on Personal Property Coverage will be purchased or the Replacement Cost less Depreciation value if not. This value will be the Coverage B amount and the RISK AMOUNT.

3. From the basic rate pages, determine the premium based on the ZONE, SUBZONE, and CONSTRUCTION from Step 1 and the RISK AMOUNT as determined in Step 2.

   Premium = Zone Base Rate X Subzone Factor X Construction Factor X Amount Factor X Risk Amount / Base Amount *

   * The Base Amount is the Risk Amount which has a factor of 1.000.

   **Note:** For amounts greater than the largest risk amount shown, calculate the premium for the additional amount and add it to the premium for the largest risk amount shown.

4. Apply all applicable basic premium adjustments from the Basic Premium Adjustment section sequentially in the order presented in that section to derive the basic premium.

B. Apply any remaining percentage adjustments for optional coverages to the basic premium.

C. Add any flat dollar adjustments for optional coverages to the basic premium.

D. Premium Calculation Example - Condominium Unitowners Policy

The following example shows the sequence for applying optional discounts, charges, and options (actual premiums/rates were chosen arbitrarily for illustration purposes only).

1. Condominium Unitowners Basic Premium

   a. Premium

      $120 X 1.000 X 1.000 X 1.732 X $40,000 / $50,000 = $166.27 — Rounded = $166

   b. CRI Adjustment Factor (0.985)

      $166 X 0.985 = $163.51 — Rounded = $164

   c. Adjustment for 1-8 weeks rental (10%)

      $164 X 0.10 = $16.40 — Rounded = +$16

      Subtotal = $180

   d. Limited Replacement Cost - Contents Charge (26% $18 minimum)

      $180 X 0.26 = $46.80 — Rounded = +$47



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| | | |
|---|---|---|
| | Subtotal | = $227 |
| e. $1,000 Deductible Adjustment (-18%) | | |
| $227 X 0.18 = $40.86 | Rounded | = - $41 |
| | Basic Premium | = $186 |
| 2. Charge for $2,500 Jewelry and Furs | | = +$17 |
| 3. Charge for $7,500 Additional Loss Assessments Coverage | | |
| a. First $1,000 ($10.00 per $1,000) | | |
| $10.00 X 1.0 = $10.00 | Rounded | = +$10 |
| b. Next $6,500 ($0.15 per $1,000) | | |
| $0.15 X 6.5 = $0.98 | Rounded | = +$1 |
| 4. Charge for $500,000/$1,000 Section II | | = +$25 |
| 5. Final Premium (subject to policy minimum premium) | | = $239 |

**Note:** Each discount and charge is to be rounded to the nearest dollar before being subtracted from or added to the basic premium.



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# CONDOMINIUM UNITOWNERS
# $500 ALL-PERIL DEDUCTIBLE
# $100,000 LIABILITY; $1,000 MEDICAL PAYMENTS

Premium = Zone Base Rate X Subzone Factor X Construction Factor X Amount Factor X Risk Amount / $30,000

ZONE BASE RATES

| Zone | Rate |
|---|---|
| 10 | $207.88 |
| 13 | $207.88 |
| 25 | $207.88 |
| 30 | $207.88 |



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## CONDOMINIUM UNITOWNERS
## $500 ALL-PERIL DEDUCTIBLE
## $100,000 LIABILITY; $1,000 MEDICAL PAYMENTS

Premium = Zone Base Rate X Subzone Factor X Construction Factor X Amount Factor X Risk Amount / $30,000

SUBZONE FACTORS

| Subzone | Factor |
|---|---|
| All | 1.000 |



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## CONDOMINIUM UNITOWNERS
## $500 ALL-PERIL DEDUCTIBLE
## $100,000 LIABILITY; $1,000 MEDICAL PAYMENTS

Premium = Zone Base Rate X Subzone Factor X Construction Factor X Amount Factor X Risk Amount / $30,000

CONSTRUCTION FACTORS

| Construction | Factor |
|---|---|
| All | 1.000 |



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# CONDOMINIUM UNITOWNERS
# $500 ALL-PERIL DEDUCTIBLE
# $100,000 LIABILITY; $1,000 MEDICAL PAYMENTS

Premium = Zone Base Rate X Subzone Factor X Construction Factor X Amount Factor X Risk Amount / $30,000

RISK AMOUNT FACTORS

| Risk Amount | Factor |
|---|---|
| $1 | 5.374 |
| $2,000 | 5.374 |
| $4,000 | 3.583 |
| $6,000 | 2.687 |
| $8,000 | 2.200 |
| $10,000 | 1.900 |
| $12,000 | 1.700 |
| $14,000 | 1.500 |
| $16,000 | 1.370 |
| $18,000 | 1.270 |
| $20,000 | 1.200 |
| $22,000 | 1.150 |
| $24,000 | 1.100 |
| $26,000 | 1.060 |
| $28,000 | 1.030 |
| $30,000 | 1.000 |
| $35,000 | 0.930 |
| $40,000 | 0.870 |
| $45,000 | 0.830 |
| $50,000 | 0.800 |
| $55,000 | 0.780 |
| $60,000 | 0.760 |
| $65,000 | 0.740 |
| $70,000 | 0.720 |
| $75,000 | 0.700 |
| $80,000 | 0.680 |
| $85,000 | 0.670 |
| $90,000 | 0.660 |
| $95,000 | 0.650 |
| $100,000 | 0.640 |
| $125,000 | 0.600 |
| $150,000 | 0.570 |
| $175,000 | 0.550 |



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| Risk Amount | Factor |
|---|---|
| $200,000 | 0.530 |
| $225,000 | 0.510 |
| $250,000 | 0.500 |
| $275,000 | 0.490 |
| $300,000 | 0.480 |

| Each Additional | Factor |
|---|---|
| $1,000 | 0.423 |

For risk amounts between those shown above, interpolate to derive the appropriate factor.



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## BASIC PREMIUM ADJUSTMENTS

The following adjustments apply to develop the basic premium. If applicable, these basic premium adjustments **must** be applied prior to adjustment for discounts, charges, or options.

The basic premium adjustments shall apply sequentially as presented in this section. Each subsequent adjustment is applied to the previously adjusted premium.

## CUSTOMER RATING INDEX (CRI) FACTOR

The basic premium shall be adjusted by the CRI Factor in accordance with the following provisions:

A. New Business Rating

A New Business CRI will be used to determine the CRI Factor when a policy is initially written (see Section D below). The New Business CRI will continue to be used at each renewal in determining the CRI Factor for at least two years after the policy is initially written.

B. Subsequent Rating

At each renewal, beginning at most three years from the initial effective date of the New Business CRI, a Renewal CRI will be used to determine the CRI Factor.

C. CRI Factor

The CRI Factor is determined using the formulas below. The CRI Factor shall be rounded to 3 decimal places and is subject to the specified minimum and maximum factors.

NEW BUSINESS RATING

| Policy Form | Formula | Minimum Factor | Maximum Factor |
|---|---|---|---|
| Homeowners | CRI Factor = $1.003^{(5600 - CRI)}$ | 0.700 | 2.500 |
| Renters | CRI Factor = $1.003^{(5600 - CRI)}$ | 0.650 | 2.500 |
| Condominium Unitowners | CRI Factor = $1.003^{(5600 - CRI)}$ | 0.700 | 2.500 |

SUBSEQUENT RATING

| Policy Form | Formula | Minimum Factor | Maximum Factor |
|---|---|---|---|
| Homeowners | CRI Factor = $1.003^{(5600 - CRI)}$ | 0.700 | 2.500 |
| Renters | CRI Factor = $1.003^{(5600 - CRI)}$ | 0.650 | 2.500 |
| Condominium Unitowners | CRI Factor = $1.003^{(5600 - CRI)}$ | 0.700 | 2.500 |

D. Miscellaneous Provision



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If a policy is issued to a named insured to replace a State Farm policy on property currently insured by that person, e.g. due to refinancing of the home, due to a change of effective dates, or due to a Renter's policy address change, the CRI data from the former policy will be used to calculate the CRI for the replacement policy. If this was a Renewal CRI, the time requirements in Sections A and B of this rule are waived and Subsequent Rating applies. If this was a New Business CRI, the time requirements in Sections A and B are measured from when the New Business CRI was used initially.

E. Reinstatements

Policies reinstated within 30 days of the date on which coverage ceases will use the CRI applicable when coverage ceased.

**NOTE:** If the named insured on the policy requests a new CRI as provided by state law, the affected policy shall be subject to the applicable rating provisions of the rule at the next renewal. This request may not be made more than once during a twelve month period.



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## INSURANCE TO REPLACEMENT COST (Homeowners Only)

If the dwelling is insured for an amount less than 80% of replacement cost, then the following three adjustments are required:

A. Replacement Cost - Common Construction

Apply the appropriate factor below to the premium for the amount equal to 80% of the dwelling replacement cost (adjusted for preceding basic premium adjustments):

| Coverage A/Replacement Cost | | Basic Premium Adjustment |
|---|---|---|
| At Least | But Less Than | |
| 0.70 | 0.80 | 0.89 |
| 0.60 | 0.70 | 0.87 |
| 0.50 | 0.60 | 0.85 |
| 0.40 | 0.50 | 0.82 |
| 0.30 | 0.40 | 0.79 |
| 0.20 | 0.30 | 0.75 |
| 0.00 | 0.20 | 0.70 |

B. Depreciated Loss Settlement - Contents

The following adjustment applies to the premium developed in A.:

| Basic Premium Adjustment |
|---|
| -8% |

C. Jewelry and Furs Limitation

Subtract the following from the premium developed above:

| Basic Premium Adjustment |
|---|
| -$12 |

**ACTIVATE:** Loss Settlement Provision A2 - Replacement Cost - Common Construction
**ACTIVATE:** Loss Settlement Provision B2 - Depreciated Loss Settlement (Contents)
**ATTACH:** Special Limits Endorsement, FE-5258



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## ROOF SURFACES - IMPACT RESISTANT (Homeowners Only)

The basic premiums contemplate standard roof covering materials. This rule recognizes differences in roof covering materials with appropriate adjustments to the basic premium.

Discounts apply only on policies insuring a risk on which new roof covering was installed:

- After 5/31/1996 and the roof covering meets U.L. qualifying standards (or acceptable equivalent testing) **or**
- Rigid roofs (roof materials: concrete tiles, slate, clay tiles, or fiber) meeting qualifying FM or U.L. Standards (or acceptable equivalent testing).

To qualify for the discount:

- Non-metal roof coverings must be replaced (no overlay) with a qualifying roof covering or must be new construction.
- For metal roofs, the following endorsement must be attached:

  **ATTACH:** Exclusion of Cosmetic Loss to Metal Roof Coverings Caused by Hail, FE-8706

Discounts do **not** apply to wood shake, wood shingle, or composition over wood roofs. Discounts also do **not** apply to metal roofs unless FE-8706 is attached.

| Class | Basic Premium Adjustment |
|---|---|
| 1 | 0% |
| 2 | 0% |
| 3 | -9% |
| 4 | -12% |



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## ROOF SURFACES - WOOD (Homeowners Only)

The basic premiums contemplate standard roof covering materials. This rule recognizes differences in roof covering materials with appropriate adjustments to the basic premium for wood roof surfaces.

| Roof Surface | Basic Premium Adjustment |
|---|---|
| Wood Shake | 5% |
| Wood Shingle | 5% |



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## CONDOMINIUM UNITOWNERS OCCUPANCY

If the condominium unit has any rental exposure, then the following adjustment applies to the Condominium Unitowners premium:

| Number of Weeks Rented or Held for Rental | Basic Premium Adjustment |
|---|---|
| 1 - 8 weeks per year | 10% |
| 9 - 12 weeks per year | 35% |
| 13 - 26 weeks per year | 35% |
| Over 26 weeks per year but less than 100% | 35% |

**ATTACH:** FE-5252, Unitowners Rental to Others Endorsement, if rental is 1-26 weeks
**ATTACH:** FE-5253, Unitowners Rental/Seasonal Occupancy Endorsement, if rental is over 26 weeks

For seasonal condominium units, rate in accordance with above occupancy and attach FE-5253.



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## CLAIM RECORD RATING PLAN

The basic premium will be adjusted based upon the combination of consecutive years insured with State Farm and the number of qualified paid claims.

A. Consecutive Years Insured with State Farm

The years with State Farm are determined by the number of consecutive years (ending with the current renewal date) the named insured or spouse has had a State Farm Homeowners, Manufactured Home, or Farm/Ranch policy covering their primary dwelling or contents. Although the number of consecutive years is based on the policy on the primary dwelling or contents, it will also be used for any non-primary residence insured by State Farm.

If an applicant returns within three years of cancellation or expiration, then use the consecutive years insured with State Farm which applied at the time of cancellation or expiration.

B. Number of Qualified Paid Claims in the Last 3 Years

The number of claims is determined by the number of qualified paid claims the policyholder has had in the last 3 years (ending 3 months prior to the current renewal effective date). A qualified claim is considered to be any non-catastrophe or non-weather related claim which results in a paid loss during this 3 year period. Losses which only have payments under Medical Payments coverage, losses which occurred prior to the policyholder's current tenure with State Farm, or losses for which subrogation payments have been received are **not** considered qualified claims.

The number of qualified Section I (Property Coverages) claims may be reduced or eliminated with the selection of a higher deductible. All claims that would not have applied if this higher deductible had been in force at the time of the claim are removed from the total qualified claim count.

The number of qualified Section II (Liability) claims may be reduced or eliminated with the elimination of the exposure which caused the claim.

C. Basic Premium Adjustment

The basic premium will be adjusted according to the table below:

| Consecutive Years Insured with State Farm | Basic Premium Adjustment | | | | |
|---|---|---|---|---|---|
| | Number of Qualified Paid Claims in the Last 3 Years | | | | |
| | 0 | 1 | 2 | 3 | 4+ |
| 0 | -3% | 5% | 55% | 110% | 170% |
| 1 | -4% | 3% | 55% | 110% | 170% |
| 2 | -5% | 2% | 55% | 110% | 170% |
| 3 | -8% | 0% | 50% | 105% | 170% |
| 4 | -9% | -1% | 50% | 105% | 170% |
| 5 | -10% | -4% | 50% | 105% | 170% |
| 6 | -13% | -6% | 45% | 100% | 170% |
| 7 | -14% | -8% | 45% | 100% | 170% |



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| Consecutive Years Insured with State Farm | Basic Premium Adjustment | | | | |
|---|---|---|---|---|---|
| | Number of Qualified Paid Claims in the Last 3 Years | | | | |
| | 0 | 1 | 2 | 3 | 4+ |
| 8 | -15% | -10% | 45% | 100% | 170% |
| 9+ | -18% | -18% | 30% | 85% | 170% |



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## HOME/AUTO DISCOUNT

The basic premium shall be reduced by the following if the named insured is also the named insured on a private passenger automobile policy written as voluntary business by State Farm.

| Basic Premium Adjustment |
|---|
| -25% |

**Note:** The following vehicles are not qualifying policies for this discount:

- Motor homes, Truck or Van Campers (Recreational Use)
- Motorcycles, Motorscooters, and Motorized bicycles
- Antique and Classic Automobiles and Replicas
- Fleets insured under the provisions of the Experience Rating Plan
- Recreational vehicles
- Driver Training Automobiles
- Funeral Directors' Automobiles
- Automobiles Leased to United States Government Agencies
- Named Non-Owner and Employers Non-Ownership Liability/Hired Cars



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## UTILITIES RATING PLAN (Homeowners Only)

The following adjustment applies to the basic premium depending on the calendar year that the dwelling was completed and first occupied **or** the calendar year that utilities were updated. If the year first occupied is different than the year completed, the later year is used in determination of the applicable premium adjustment. If the utilities were updated in different years, then the premium adjustment is based on the earliest year in which any one of the utilities was updated.

For utilities to be considered completely updated and qualify for the discount, **all** of the following must be updated by qualified contractors with all work conforming to local code requirements:

A. Plumbing - improvements should include the installation of new water lines within the structure and plumbing fixtures.

B. Electrical service - improvements should include the replacement of fuse or breaker boxes, switches, fixtures, and wiring.

C. Heating and cooling system - improvements should include furnace and air-conditioning replacement, or replacement of burners on furnaces and compressors on central air-conditioning systems.

| For Homes Completed and Occupied or Utilities Updated | Basic Premium Adjustment |
|---|---|
| During current calendar year | -40% |
| One year preceding current calendar year | -37% |
| Two years preceding current calendar year | -33% |
| Three years preceding current calendar year | -29% |
| Four years preceding current calendar year | -26% |
| Five years preceding current calendar year | -22% |
| Six years preceding current calendar year | -18% |
| Seven years preceding current calendar year | -14% |
| Eight years preceding current calendar year | -9% |
| Nine years preceding current calendar year | -5% |
| Ten years preceding current calendar year | -5% |
| Eleven years preceding current calendar year | -3% |
| Twelve years preceding current calendar year | -3% |
| Thirteen years preceding current calendar year | -3% |
| Fourteen years preceding current calendar year | -1% |
| Fifteen years preceding current calendar year | -1% |
| Sixteen years or more preceding current calendar year | 0% |

**Note:** A dwelling under construction shall receive the same discount as would a home completed and occupied during the current calendar year. The Coverage A amount for a dwelling under construction should equal 100% of the completed dwelling replacement cost.

**ATTACH:** Valuation Endorsement, FE-7347



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## HOME ALERT PROTECTION

The following discounts apply to the basic premium for fire and burglary prevention efforts by the policyholder:

| Description | Basic Premium Adjustment | |
|---|---|---|
| | Homeowners | Renters and Condominium Unitowners |
| Fire or Smoke Local Alarm | N/A | -2% |
| Burglar Alarm System | N/A | -3% |
| Fire or Smoke Detectors which also activate either a digital dialer or a voice synthesized (not tape) telephone dialer | N/A | -4% |
| Fire or Smoke Local Alarm and Burglar Alarm System | N/A | -5% |
| Fire or Smoke Local Alarm, Dead Bolt Locks and Fire Extinguisher | N/A | -5% |
| Fire or Smoke Detectors which also activate either a digital dialer or a voice synthesized (not tape) telephone dialer, Dead Bolt Locks and Fire Extinguisher | -2% | -7% |
| Burglar Alarm System, Fire or Smoke Local Alarm, Dead Bolt Locks and Fire Extinguisher | -2% | -7% |
| Fire and/or Burglar Alarm reporting to either Fire Dept., Police Dept. or Central Station, Dead Bolt Locks and Fire Extinguisher | -10% | -15% |

Telephone dialer discounts do not apply in areas where dialers are prohibited by ordinance or law.

Only one discount from the above schedule may be applied per policy. No combination of discounts, other than shown, is permitted.



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## AUTOMATIC SPRINKLER DISCOUNT

The following discounts apply to the basic premium for automatic sprinkler systems in the dwelling:

| Description | Basic Premium Adjustment |
|---|---|
| Automatic sprinklers in all areas including bathrooms, attics, closets, and attached structures | -10% |
| Automatic sprinklers totally or partially omitted in bathrooms, attics, closets, and attached structures | -5% |

The discount applies in addition to any other discount shown in the manual.



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## LOSS SETTLEMENT - PERSONAL PROPERTY

A. Homeowners

Losses for personal property are settled on either a limited replacement cost without deduction for depreciation or a depreciated loss settlement basis depending on the insured's coverage selections. The basic Coverage B limit is also based on these coverage selections. The following chart summarizes these options:

| Loss Settlement Provision | Basis of Loss Settlement | Coverage B |
|---|---|---|
| B1 | Limited Replacement Cost | 75% of Coverage A |
| B2 | Depreciated Loss Settlement | 55% of Coverage A |

1. Dwellings insured for at least 80% of replacement cost

When the dwelling is insured for at least 80% of replacement cost, personal property losses are settled according to the Loss Settlement Provision B1. The basic premiums contemplate this coverage, but this basic coverage can be changed to a depreciated loss settlement basis for a premium discount. The selection of depreciated loss settlement coverage also reduces the Coverage B limit from 75% to 55% of the Coverage A limit.

| Basic Premium Adjustment |
|---|
| -8% |

**ACTIVATE:** Loss Settlement Provision B2 - Depreciated Loss Settlement

2. Dwellings insured for less than 80% of replacement cost

When the dwelling is insured for less than 80% of replacement cost, personal property losses are settled according to Loss Settlement Provision B2. The basic premiums (after adjustment for Insurance to Replacement Cost) contemplate this coverage. This basic coverage can be changed to a limited replacement cost basis for a premium charge. The selection of limited replacement cost coverage also increases the Coverage B limit from 55% to 75% of the Coverage A limit.

| Basic Premium Adjustment | Minimum Adjustment |
|---|---|
| 10% | $24 |

**ACTIVATE:** Loss Settlement Provision B1 - Limited Replacement Cost

B. Renters and Condominium Unitowners



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The basic premiums contemplate loss settlement on a replacement cost less depreciation basis (Loss Settlement Provision B2). The Limited Replacement Cost Option is available only when Inflation Coverage applies to the policy.

The additional premium for this coverage shall be determined by applying the following percentage charge to the basic premium.

| Basic Premium Adjustment | Minimum Adjustment |
|---|---|
| 24% | $24 |

**ACTIVATE:** Loss Settlement Provision B1 - Limited Replacement Cost



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## *REPLACEMENT COST - COMMON CONSTRUCTION (Homeowners Only)*

***The loss settlement provision for Coverage A may be revised to provide for repair or replacement with commonly used materials. The basic premiums contemplate this coverage if the home is insured for an amount less than 80% of the replacement cost. For homes insured for at least 80% of replacement cost, the following adjustment applies to the basic premium.***

| *Basic Premium Adjustment* |
|---|
| *-10%* |

***ACTIVATE: Loss Settlement Provision A2 - Replacement Cost - Common Construction***



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## DEDUCTIBLES

A. Homeowners

The basic premiums include a $500 all-peril deductible. For other deductibles, apply the adjustment shown in the tables below, based on the Coverage A amount.

| Coverage A Amount of Insurance | Basic Premium Adjustment | | | |
|---|---|---|---|---|
| | Policy Deductible | | | |
| | 1/2% | 1% ($500 Minimum) | 2% | 3% |
| $1 - $7,499 | N/A | -2% | N/A | N/A |
| $7,500 - $14,999 | N/A | -2% | N/A | N/A |
| $15,000 - $24,999 | N/A | -2% | N/A | N/A |
| $25,000 - $34,999 | N/A | -2% | N/A | N/A |
| $35,000 - $44,999 | N/A | -2% | N/A | N/A |
| $45,000 - $49,999 | N/A | -2% | N/A | N/A |
| $50,000 - $64,999 | N/A | -4% | -13% | -18% |
| $65,000 - $74,999 | N/A | -7% | -15% | -21% |
| $75,000 - $84,999 | N/A | -8% | -17% | -22% |
| $85,000 - $99,999 | N/A | -10% | -19% | -24% |
| $100,000 - $104,999 | -2% | -12% | -19% | -25% |
| $105,000 - $114,999 | -4% | -14% | -21% | -27% |
| $115,000 - $124,999 | -5% | -14% | -22% | -27% |
| $125,000 - $134,999 | -7% | -16% | -24% | -29% |
| $135,000 - $144,999 | -8% | -17% | -25% | -30% |
| $145,000 - $154,999 | -9% | -17% | -25% | -30% |
| $155,000 - $164,999 | -10% | -18% | -26% | -31% |
| $165,000 - $174,999 | -11% | -19% | -27% | -32% |
| $175,000 - $184,999 | -12% | -20% | -28% | -33% |
| $185,000 - $194,999 | -13% | -21% | -29% | -34% |
| $195,000 - $204,999 | -14% | -21% | -29% | -34% |
| $205,000 - $214,999 | -15% | -22% | -29% | -35% |
| $215,000 - $224,999 | -15% | -22% | -30% | -35% |
| $225,000 - $234,999 | -16% | -22% | -30% | -35% |
| $235,000 - $244,999 | -17% | -22% | -31% | -35% |
| $245,000 - $274,999 | -17% | -22% | -31% | -35% |
| $275,000 - $324,999 | -19% | -25% | -33% | -37% |
| $325,000 - $374,999 | -20% | -27% | -34% | -38% |
| $375,000 - $424,999 | -21% | -27% | -35% | -39% |
| $425,000 - $474,999 | -22% | -28% | -35% | -39% |
| $475,000 - $524,999 | -23% | -28% | -35% | -40% |
| $525,000 - $574,999 | -24% | -29% | -36% | -41% |



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| Coverage A Amount of Insurance | Basic Premium Adjustment | | | |
|---|---|---|---|---|
| | Policy Deductible | | | |
| | 1/2% | 1% ($500 Minimum) | 2% | 3% |
| $575,000 - $624,999 | -24% | -30% | -36% | -41% |
| $625,000 - $674,999 | -25% | -30% | -36% | -41% |
| $675,000 - $724,999 | -25% | -31% | -37% | -42% |
| $725,000 - $750,000 | -25% | -31% | -37% | -42% |
| $750,001 - $781,499 | -25% | -31% | -37% | -42% |
| $781,500 - $843,999 | -26% | -32% | -37% | -42% |
| $844,000 - $906,499 | -26% | -32% | -38% | -42% |
| $906,500 - $968,999 | -27% | -32% | -38% | -43% |
| $969,000 - $1,062,499 | -27% | -33% | -38% | -43% |
| $1,062,500 - $1,187,499 | -27% | -34% | -39% | -44% |
| $1,187,500 - $1,312,499 | -27% | -34% | -39% | -44% |
| $1,312,500 - $1,437,499 | -28% | -34% | -39% | -44% |
| $1,437,500 - $1,562,499 | -28% | -34% | -39% | -44% |
| $1,562,500 - $1,687,499 | -28% | -34% | -39% | -44% |
| $1,687,500 - $1,812,499 | -28% | -34% | -40% | -44% |
| $1,812,500 - $1,937,499 | -28% | -34% | -40% | -44% |
| $1,937,500 - $2,124,999 | -28% | -34% | -40% | -44% |
| $2,125,000 - $2,374,999 | -28% | -34% | -40% | -44% |
| $2,375,000 - $2,749,999 | -29% | -34% | -40% | -44% |
| $2,750,000 - $3,249,999 | -29% | -34% | -40% | -44% |
| $3,250,000 - $3,749,999 | -29% | -34% | -40% | -44% |
| $3,750,000 - $4,249,999 | -29% | -34% | -40% | -44% |
| $4,250,000 - $4,749,999 | -29% | -35% | -41% | -45% |
| $4,750,000 - $99,999,999 | -29% | -35% | -41% | -45% |

| Coverage A Amount of Insurance | Basic Premium Adjustment | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Policy Deductible | | | | | | | | | |
| | $500 | $500/1% W&H* | $1,000 | $1,000/1% W&H* | $2,000 | *$2,500*** | *$3,000*** | *$4,000*** | *$5,000* | *$10,000* |
| $1 - $7,499 | 0% | N/A | -11% | N/A | -22% | ***-24%*** | ***-28%*** | ***-34%*** | ***-40%*** | ***-45%*** |
| $7,500 - $14,999 | 0% | N/A | -10% | N/A | -20% | ***-23%*** | ***-26%*** | ***-33%*** | ***-38%*** | ***-43%*** |
| $15,000 - $24,999 | 0% | N/A | -10% | N/A | -19% | ***-22%*** | ***-24%*** | ***-30%*** | ***-37%*** | ***-43%*** |
| $25,000 - $34,999 | 0% | N/A | -10% | N/A | -19% | ***-22%*** | ***-24%*** | ***-29%*** | ***-33%*** | ***-43%*** |
| $35,000 - $44,999 | 0% | N/A | -10% | N/A | -19% | ***-22%*** | ***-24%*** | ***-27%*** | ***-31%*** | ***-43%*** |
| $45,000 - $49,999 | 0% | N/A | -10% | N/A | -19% | ***-22%*** | ***-24%*** | ***-27%*** | ***-31%*** | ***-43%*** |
| $50,000 - $64,999 | 0% | -2% | -10% | N/A | -19% | ***-22%*** | ***-24%*** | ***-27%*** | ***-30%*** | ***-43%*** |



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| Coverage A Amount of Insurance | Basic Premium Adjustment | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Policy Deductible | | | | | | | | | |
| | $500 | $500/1% W&H* | $1,000 | $1,000/1% W&H* | $2,000 | *$2,500*** | *$3,000*** | *$4,000*** | *$5,000* | *$10,000* |
| $65,000 - $74,999 | 0% | -3% | -10% | N/A | -19% | ***-22%*** | ***-24%*** | ***-27%*** | ***-30%*** | ***-43%*** |
| $75,000 - $84,999 | 0% | -3% | -10% | N/A | -19% | ***-22%*** | ***-24%*** | ***-27%*** | ***-30%*** | ***-43%*** |
| $85,000 - $99,999 | 0% | -4% | -10% | N/A | -19% | ***-22%*** | ***-24%*** | ***-27%*** | ***-30%*** | ***-42%*** |
| $100,000 - $104,999 | 0% | -5% | -10% | -11% | -19% | ***-22%*** | ***-24%*** | ***-27%*** | ***-30%*** | ***-40%*** |
| $105,000 - $114,999 | 0% | -6% | -10% | -12% | -19% | ***-22%*** | ***-24%*** | ***-27%*** | ***-30%*** | ***-40%*** |
| $115,000 - $124,999 | 0% | -6% | -10% | -12% | -18% | ***-21%*** | ***-23%*** | ***-27%*** | ***-30%*** | ***-39%*** |
| $125,000 - $134,999 | 0% | -6% | -10% | -12% | -18% | ***-21%*** | ***-23%*** | ***-27%*** | ***-30%*** | ***-38%*** |
| $135,000 - $144,999 | 0% | -7% | -10% | -13% | -18% | ***-21%*** | ***-23%*** | ***-27%*** | ***-30%*** | ***-36%*** |
| $145,000 - $154,999 | 0% | -7% | -10% | -13% | -18% | ***-21%*** | ***-23%*** | ***-27%*** | ***-30%*** | ***-36%*** |
| $155,000 - $164,999 | 0% | -7% | -10% | -13% | -18% | ***-21%*** | ***-23%*** | ***-27%*** | ***-30%*** | ***-35%*** |
| $165,000 - $174,999 | 0% | -8% | -10% | -14% | -18% | ***-20%*** | ***-23%*** | ***-27%*** | ***-30%*** | ***-35%*** |
| $175,000 - $184,999 | 0% | -8% | -10% | -14% | -18% | ***-20%*** | ***-23%*** | ***-27%*** | ***-30%*** | ***-35%*** |
| $185,000 - $194,999 | 0% | -8% | -10% | -14% | -18% | ***-20%*** | ***-23%*** | ***-27%*** | ***-30%*** | ***-35%*** |
| $195,000 - $204,999 | 0% | -8% | -10% | -14% | -18% | ***-20%*** | ***-23%*** | ***-27%*** | ***-30%*** | ***-35%*** |
| $205,000 - $214,999 | 0% | -9% | -10% | -15% | -18% | ***-20%*** | ***-23%*** | ***-27%*** | ***-30%*** | ***-35%*** |
| $215,000 - $224,999 | 0% | -9% | -10% | -15% | -18% | ***-20%*** | ***-22%*** | ***-27%*** | ***-30%*** | ***-35%*** |
| $225,000 - $234,999 | 0% | -9% | -10% | -15% | -18% | ***-20%*** | ***-22%*** | ***-27%*** | ***-29%*** | ***-35%*** |
| $235,000 - $244,999 | 0% | -9% | -10% | -15% | -18% | ***-20%*** | ***-22%*** | ***-26%*** | ***-29%*** | ***-35%*** |
| $245,000 - $274,999 | 0% | -9% | -10% | -15% | -18% | ***-20%*** | ***-22%*** | ***-26%*** | ***-28%*** | ***-35%*** |
| $275,000 - $324,999 | 0% | -10% | -10% | -16% | -18% | ***-20%*** | ***-22%*** | ***-26%*** | ***-28%*** | ***-35%*** |
| $325,000 - $374,999 | 0% | -11% | -10% | -17% | -18% | ***-20%*** | ***-22%*** | ***-26%*** | ***-28%*** | ***-35%*** |
| $375,000 - $424,999 | 0% | -11% | -10% | -17% | -18% | ***-20%*** | ***-22%*** | ***-26%*** | ***-28%*** | ***-35%*** |



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| Coverage A Amount of Insurance | Basic Premium Adjustment | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Policy Deductible | | | | | | | | | |
| | $500 | $500/1% W&H* | $1,000 | $1,000/1% W&H* | $2,000 | *$2,500*** | *$3,000*** | *$4,000*** | *$5,000* | *$10,000* |
| $425,000 - $474,999 | 0% | -11% | -9% | -17% | -18% | ***-20%*** | ***-22%*** | ***-25%*** | ***-27%*** | ***-35%*** |
| $475,000 - $524,999 | 0% | -11% | -8% | -16% | -18% | ***-20%*** | ***-22%*** | ***-25%*** | ***-27%*** | ***-35%*** |
| $525,000 - $574,999 | 0% | -12% | -7% | -16% | -18% | ***-20%*** | ***-22%*** | ***-25%*** | ***-27%*** | ***-33%*** |
| $575,000 - $624,999 | 0% | -12% | -7% | -16% | -18% | ***-20%*** | ***-22%*** | ***-25%*** | ***-27%*** | ***-33%*** |
| $625,000 - $674,999 | 0% | -12% | -7% | -16% | -17% | ***-20%*** | ***-22%*** | ***-25%*** | ***-27%*** | ***-33%*** |
| $675,000 - $724,999 | 0% | -12% | -5% | -15% | -15% | ***-19%*** | ***-21%*** | ***-25%*** | ***-26%*** | ***-32%*** |
| $725,000 - $750,000 | 0% | -12% | -5% | -15% | -15% | ***-19%*** | ***-21%*** | ***-24%*** | ***-26%*** | ***-32%*** |
| $750,001 - $781,499 | 0% | -12% | -5% | -15% | -15% | ***-19%*** | ***-21%*** | ***-24%*** | ***-26%*** | ***-32%*** |
| $781,500 - $843,999 | 0% | -13% | -5% | -16% | -15% | ***-18%*** | ***-20%*** | ***-23%*** | ***-26%*** | ***-31%*** |
| $844,000 - $906,499 | 0% | -13% | -5% | -16% | -13% | ***-17%*** | ***-19%*** | ***-23%*** | ***-25%*** | ***-31%*** |
| $906,500 - $968,999 | 0% | -13% | -5% | -16% | -13% | ***-16%*** | ***-19%*** | ***-23%*** | ***-25%*** | ***-31%*** |
| $969,000 - $1,062,499 | 0% | -13% | -4% | -16% | -12% | ***-15%*** | ***-18%*** | ***-22%*** | ***-24%*** | ***-31%*** |
| $1,062,500 - $1,187,499 | 0% | -14% | -4% | -16% | -12% | ***-14%*** | ***-16%*** | ***-21%*** | ***-24%*** | ***-30%*** |
| $1,187,500 - $1,312,499 | 0% | -14% | -4% | -16% | -12% | ***-14%*** | ***-15%*** | ***-20%*** | ***-23%*** | ***-29%*** |
| $1,312,500 - $1,437,499 | 0% | -14% | -3% | -15% | -11% | ***-13%*** | ***-14%*** | ***-19%*** | ***-21%*** | ***-28%*** |
| $1,437,500 - $1,562,499 | 0% | -14% | -3% | -15% | -10% | ***-12%*** | ***-14%*** | ***-17%*** | ***-21%*** | ***-28%*** |
| $1,562,500 - $1,687,499 | 0% | -14% | -3% | -15% | -9% | ***-12%*** | ***-13%*** | ***-16%*** | ***-19%*** | ***-28%*** |
| $1,687,500 - $1,812,499 | 0% | -14% | -3% | -15% | -8% | ***-11%*** | ***-13%*** | ***-15%*** | ***-19%*** | ***-28%*** |
| $1,812,500 - $1,937,499 | 0% | -14% | -3% | -15% | -8% | ***-11%*** | ***-12%*** | ***-15%*** | ***-18%*** | ***-28%*** |
| $1,937,500 - $2,124,999 | 0% | -14% | -2% | -15% | -7% | ***-10%*** | ***-11%*** | ***-15%*** | ***-17%*** | ***-27%*** |
| $2,125,000 - $2,374,999 | 0% | -14% | -2% | -15% | -7% | ***-10%*** | ***-11%*** | ***-14%*** | ***-17%*** | ***-25%*** |



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| Coverage A Amount of Insurance | Basic Premium Adjustment | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Policy Deductible | | | | | | | | | |
| | $500 | $500/1% W&H* | $1,000 | $1,000/1% W&H* | $2,000 | *$2,500*** | *$3,000*** | *$4,000*** | *$5,000* | *$10,000* |
| $2,375,000 - $2,749,999 | 0% | -14% | -2% | -15% | -7% | ***-9%*** | ***-10%*** | ***-14%*** | ***-16%*** | ***-24%*** |
| $2,750,000 - $3,249,999 | 0% | -14% | -2% | -15% | -6% | ***-9%*** | ***-10%*** | ***-13%*** | ***-15%*** | ***-22%*** |
| $3,250,000 - $3,749,999 | 0% | -14% | -1% | -15% | -6% | ***-8%*** | ***-9%*** | ***-12%*** | ***-14%*** | ***-21%*** |
| $3,750,000 - $4,249,999 | 0% | -14% | -1% | -15% | -6% | ***-7%*** | ***-8%*** | ***-11%*** | ***-13%*** | ***-20%*** |
| $4,250,000 - $4,749,999 | 0% | -14% | -1% | -15% | -5% | ***-6%*** | ***-7%*** | ***-10%*** | ***-13%*** | ***-19%*** |
| $4,750,000 - $99,999,999 | 0% | -14% | -1% | -15% | -5% | ***-6%*** | ***-7%*** | ***-10%*** | ***-12%*** | ***-18%*** |

** Renewals Only

*ATTACH: Windstorm or Hail Deductible Endorsement, FE-5269

B. Renters and Condominium Unitowners

| Policy Deductible | Basic Premium Adjustment |
|---|---|
| $500 | 0% |
| $1,000 | -8% |
| $2,000 | -15% |
| $2,500 | -18% |
| ***$3,000*** | ***-20%*** |
| ***$4,000*** | ***-23%*** |
| ***$5,000*** | ***-24%*** |



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## BUILDING ORDINANCE OR LAW COVERAGE (Homeowners Only)

A Homeowners policy provides coverage for contingent liability due to the operation of building laws equal to 10% of the Coverage A limit. Loss under Coverage A will be settled on the basis of any ordinance or law regulating the construction, repair, or demolition of the building. The amount of coverage provided may be increased by application of the following charge to the basic premium:

| Percentage of Coverage A Limit | Basic Premium Adjustment | Minimum Adjustment |
|---|---|---|
| 25% | 3% | $5 |
| 50% | 8% | $15 |

**ACTIVATE:** Option OL in the Policy



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## DISCOUNTS, CHARGES, AND OPTIONS

All discounts, charges, and options are to be applied to the basic premium as developed after applicable adjustments from the Basic Premium Adjustments section. Percentage discounts, charges, and options are to be applied to this basic premium prior to any adjustment for flat dollar discounts, charges, and options. The policy minimum premium applies to the policy premium after adjustments for discounts, charges, and options.

## ADDITIONAL INSURED

A. Sections I and II - Co-owner or Additional Insured

The interest of a co-owner or another additional insured with an interest only in the residence premises may be covered for no additional premium.

1. Occupant - Co-owner

   A Homeowners policy can be issued to the co-owner of a one or two family dwelling if each of the co-owners occupying the building lives in independently separate premises. A separate Homeowners policy can be issued to the other co-owner.

2. Non-occupant - Co-owner

   Interests of a non-occupant, other than a contractor, may be covered in the event of joint ownership in the dwelling.

3. Other Additional Insureds

   The interest of an additional insured with an interest only in the residence premises may be covered.

**ACTIVATE:** Option AI in the Policy.

B. Section I only - Contractor

The interest of a contractor in the building may be covered for no additional premium.

**ATTACH:** Contractors' Interest Endorsement, FE-7302

C. Sections I and II - Association

The interest of a Homeowners/Condominium Association may be covered for no additional premium.

**ATTACH:** Additional Insured Endorsement (Homeowners/Condominium Associations), FE-5262

D. Section II only - Special Event

The Section II interest of an additional insured arising from a special event may be covered for the following additional fully earned premium.



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| Liability Limit | Premium |
|---|---|
| $100,000 | $25 |
| $300,000 | $30 |
| $500,000 | $35 |
| $1,000,000 | $50 |
| ***$2,000,000*** | ***$75*** |
| ***$3,000,000*** | ***$105*** |
| ***$4,000,000*** | ***$125*** |
| ***$5,000,000*** | ***$140*** |

**ATTACH:** Additional Insured - Special Event Endorsement (Section II), FE-5263

E. Sections I and II - Additional Insured

The interest of an additional insured, not described elsewhere in this section, may be covered for no additional premium.

**ATTACH:** Additional Insured Endorsement, FE-5267



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## ADULT FAMILY HOME COVERAGE

When the insured provides adult care services in the dwelling, Section II coverage should be provided. The following additional premiums apply:

| ***Liability Limit*** | | ***Number of Adults Cared For*** | | | | | |
|---|---|---|---|---|---|---|---|
| ***Occurrence*** | ***Aggregate*** | ***1*** | ***2*** | ***3*** | ***4*** | ***5*** | ***6*** |
| ***$100,000*** | ***$100,000*** | ***$60*** | ***$120*** | ***$180*** | ***$280*** | ***$400*** | ***$540*** |
| ***$300,000*** | ***$300,000*** | ***$65*** | ***$130*** | ***$195*** | ***$300*** | ***$425*** | ***$570*** |

The selected liability limit must coincide with the policy Section II limit. The above charges apply regardless of Medical Payments limits.

To reinstate the aggregate limit, refer to Company.

**ATTACH:** Adult Family Home Coverage Endorsement, FE-7766



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## BACK-UP OF SEWERS OR DRAINS

Coverage may be provided for loss caused by water which backs up through sewers or drains including sump pumps, sump pump wells, or any type system designed to remove subsurface water. The following options are available:

## BACK-UP OF SEWERS OR DRAINS - $10,000 Limit/Listed Contents

A coverage limit of $10,000 is provided for the dwelling and the following personal property items:

- Clothes washers and dryers
- Food freezers and the food in them
- Refrigerators
- Ranges
- Portable dishwashers
- Dehumidifiers

A $1,000 deductible or the policy deductible, whichever is higher, applies to loss under this endorsement.

| Premium | | |
|---|---|---|
| **Homeowners** | **Renters** | **Condominium Unitowners** |
| $15 | $5 | $5 |

**ATTACH:** Back-up of Sewer or Drain Endorsement ($10,000 Limit), FE-5706



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## BUSINESS PROPERTY - INCREASED LIMITS

The policy provides $1,000 on premises coverage and $250 off premises coverage for personal property intended for use in a business. Coverage for merchandise held as samples or for sale or for delivery is included. Coverage is not provided for electronic data processing equipment or the recording or storage media used with that equipment.

On premises coverage can be increased to $2,500 or $5,000 for the following additional premium.

| Limit | Premium |
|---|---|
| $2,500 | $16 |
| $5,000 | $22 |

**ACTIVATE:** Option BP in the Policy. Limits will be shown on the Declarations Page.



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## BUSINESS PURSUITS

The Section II Liability protection may be extended to certain occupations. The occupations which may be covered are as follows:

A. Clerical Office Employees engaged wholly in office work

B. Salespersons, Collectors, or Messengers

C. Teachers - including Liability for Corporal Punishment

D. School Administrators

This coverage does not replace Professional Liability Coverage.

This option does not provide coverage for loss in connection with a business owned or financially controlled by the insured or by a partnership of which the insured is a member.

Only one charge applies per policy.

| Liability Limit | Premium |
|---|---|
| $100,000 | $7 |
| $300,000 | $9 |
| $500,000 | $10 |
| $1,000,000 | $12 |
| ***$2,000,000*** | ***$19*** |
| ***$3,000,000*** | ***$26*** |
| ***$4,000,000*** | ***$34*** |
| ***$5,000,000*** | ***$41*** |

The selected liability limit must coincide with the policy Section II limit. The above charges apply regardless of Medical Payments limits.

**ACTIVATE:** Option BU in the Policy.



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## CHILD CARE

When the insured provides babysitting care in the dwelling, Section II coverage should be provided. The following additional premiums apply:

| Liability Limit | | Number of Children Cared For | | | |
|---|---|---|---|---|---|
| **Occurrence** | **Aggregate** | **1 - 3** | **4** | **5** | **6** |
| $100,000 | $100,000 | $60 | $90 | $120 | $150 |
| $300,000 | $300,000 | $78 | $115 | $155 | $200 |
| $500,000 | $500,000 | $90 | $135 | $180 | $225 |
| $1,000,000 | $1,000,000 | $110 | $160 | $220 | $270 |
| ***$2,000,000*** | ***$2,000,000*** | ***$176*** | ***$256*** | ***$352*** | ***$432*** |
| ***$3,000,000*** | ***$3,000,000*** | ***$242*** | ***$352*** | ***$484*** | ***$594*** |
| ***$4,000,000*** | ***$4,000,000*** | ***$308*** | ***$448*** | ***$616*** | ***$756*** |
| ***$5,000,000*** | ***$5,000,000*** | ***$374*** | ***$544*** | ***$748*** | ***$918*** |

The selected liability limit must coincide with the policy Section II limit. The above charges apply regardless of Medical Payments limits.

To reinstate the aggregate limit, refer to Company.

**ATTACH:** Child Care Liability Endorsement, FE-5268



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## CONDOMINIUMS BUILDING PROPERTY COVERAGE - INCREASED LIMITS

The limit of liability for Condominium Unitowners Building Property (Coverage A) can be increased.

| Each Additional $1,000 - Add: |
|---|
| $4.00 |



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## COVERAGE B - INCREASED LIMITS (Homeowners Only)

The Coverage B amount for personal property can be increased.

| Each Additional $1,000 - Add: |
|---|
| $0.50 |



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## DWELLINGS UNDER CONSTRUCTION

A. Building Materials Theft

Coverage is available for loss by theft of construction materials from the residence premises. A limit of liability of $5,000 applies per loss, subject to the policy deductible ($250 minimum). Coverage will be terminated 180 days after its effective date, or when the dwelling is completed, whichever occurs first.

There will be no refund of premium in the event this endorsement is cancelled.

| Limit of Liability | Premium |
|---|---|
| $5,000 | $75 |

**ATTACH:** Building Materials Theft Endorsement, FE-7531

B. Theft Coverage

Theft coverage in or to a newly constructed dwelling prior to occupancy is available for the following premium. Coverage will not take effect until the dwelling is fully enclosed and capable of being locked.

There will be no refund of premium in the event this endorsement is cancelled.

| Premium |
|---|
| $15 |

**ATTACH:** Theft Endorsement, FE-5272

C. Temporary Extension of Coverage (Homeowners Only)

Coverage B and Section II must be extended to the residence where the insured is temporarily residing. Coverage will cease at this temporary residence at the earlier of:

1. The date the new dwelling is occupied.
2. One year from the policy effective date.

There is no charge for this temporary extension.

**ATTACH:** Dwelling Under Construction Endorsement, FE-7342



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## EARTHQUAKE DAMAGE ASSUMPTION

Earthquake damage can be covered by the addition of an endorsement. The following provide additional details on this coverage.

## EARTHQUAKE DAMAGE ASSUMPTION - RULES

A. Earthquake Zones

| Zone | Counties | | | | |
|---|---|---|---|---|---|
| 1 | Crittenden | Mississippi | Poinsett | | |
| | | | | | |
| 2 | Clay | Craighead | Cross | Greene | Jackson |
| | St. Francis | Woodruff | | | |
| | | | | | |
| 3 | Arkansas | Chicot | Desha | Independence | Jefferson |
| | Lawrence | Lee | Lonoke | Monroe | Phillips |
| | Prairie | Randolph | White | | |
| | | | | | |
| 4 | Ashley | Bradley | Calhoun | Clark | Cleburne |
| | Cleveland | Conway | Dallas | Drew | Faulkner |
| | Fulton | Grant | Hot Spring | Izard | Lincoln |
| | Ouachita | Perry | Pulaski | Saline | Sharp |
| | Stone | Van Buren | | | |
| | | | | | |
| 5 | Remainder of State | | | | |

B. Deductible

The earthquake deductible applies separately to Coverage A (Dwelling), Dwelling Extension, Coverage B (Personal Property), and Coverage D (Loss Assessments), subject to a minimum aggregate deductible amount of $250 in any one occurrence.

| Policy Form | Deductible |
|---|---|
| Homeowners | Percentage of the Coverage A, Coverage B, and Dwelling Extension (other structures) limits of liability ($250 minimum). |
| Renters | Percentage of the Coverage B limit of liability ($250 minimum). |
| Condominium Unitowners | Percentage of the Coverage A and Coverage B limits of liability ($250 minimum). A $100 deductible applies to Coverage D. |

C. Exterior Masonry Veneer



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The applicable charge for Earthquake Coverage (except for Renters and Condominium Unitowners) depends on whether coverage is provided for exterior masonry veneer.

1. Homeowners

    a. If coverage **is not** desired for exterior masonry veneer (or if the dwelling has no exterior masonry veneer), attach FE-7575 and use the rates for "excluding exterior masonry veneer".

    b. If coverage **is** desired for exterior masonry veneer or if the dwelling is of masonry construction, attach FE-7576 and use the rates for "including exterior masonry veneer and masonry".

2. Renters and Condominium Unitowners

    Endorsements and rates for these forms are not affected by exterior masonry veneer considerations.



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## EARTHQUAKE DAMAGE ASSUMPTION - BASIC RATES

The basic rates provide basic package amounts of coverage. The rates shown below apply per $1,000 of Coverage A for Homeowners and per $1,000 of Coverage B for Renters and Condominium Unitowners.

HOMEOWNERS

| Zone | Deductible | Rate per $1,000 | |
|---|---|---|---|
| | | Excluding Exterior Masonry Veneer | Including Exterior Masonry Veneer and Masonry |
| 1 | 10% | $1.71 | $1.86 |
| 1 | 15% | $1.47 | $1.60 |
| 1 | 20% | $1.25 | $1.36 |
| 2 | 10% | $1.34 | $1.52 |
| 2 | 15% | $1.04 | $1.18 |
| 2 | 20% | $0.81 | $0.92 |
| 3 | 10% | $0.41 | $0.47 |
| 3 | 15% | $0.31 | $0.36 |
| 3 | 20% | $0.24 | $0.28 |
| 4 | 5% | $0.37 | $0.43 |
| 4 | 10% | $0.27 | $0.32 |
| 4 | 15% | $0.21 | $0.24 |
| 4 | 20% | $0.16 | $0.18 |
| 5 | 5% | $0.26 | $0.31 |
| 5 | 10% | $0.19 | $0.23 |
| 5 | 15% | $0.14 | $0.17 |
| 5 | 20% | $0.11 | $0.13 |

RENTERS AND CONDOMINIUM UNITOWNERS

| Zone | Deductible | Rate per $1,000 |
|---|---|---|
| 1 | 10% | $1.27 |
| 1 | 15% | $1.07 |
| 1 | 20% | $0.90 |
| 2 | 10% | $1.10 |
| 2 | 15% | $0.84 |
| 2 | 20% | $0.65 |
| 3 | 10% | $0.61 |
| 3 | 15% | $0.43 |
| 3 | 20% | $0.31 |



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| Zone | Deductible | Rate per $1,000 |
|---|---|---|
| 4 | 5% | $0.63 |
| 4 | 10% | $0.42 |
| 4 | 15% | $0.31 |
| 4 | 20% | $0.23 |
| 5 | 5% | $0.55 |
| 5 | 10% | $0.36 |
| 5 | 15% | $0.25 |
| 5 | 20% | $0.18 |

**ATTACH:** Earthquake Endorsement - Excluding Masonry Veneer, FE-7575 **or** Earthquake Endorsement, FE-7576 (Homeowners)

**Note:** This premium is fully earned and will not be refunded if FE-7575 or FE-7576 is cancelled.

**ATTACH:** Earthquake Endorsement, FE-7301 (Renters)
**ATTACH:** Earthquake Endorsement, FE-7310 (Condominium Unitowners)



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## EARTHQUAKE DAMAGE ASSUMPTION - INCREASED LIMITS

If higher than basic limits are provided for the following types of coverage, additional charges are made according to all applicable rates shown below. These rates apply only to the increased amount of coverage.

HOMEOWNERS - COVERAGE B

| Zone | Deductible | Additional Rate per $1,000 |
|---|---|---|
| 1 | 10% | $0.69 |
| 1 | 15% | $0.59 |
| 1 | 20% | $0.50 |
| 2 | 10% | $0.53 |
| 2 | 15% | $0.41 |
| 2 | 20% | $0.32 |
| 3 | 10% | $0.14 |
| 3 | 15% | $0.11 |
| 3 | 20% | $0.08 |
| 4 | 5% | $0.13 |
| 4 | 10% | $0.10 |
| 4 | 15% | $0.07 |
| 4 | 20% | $0.06 |
| 5 | 5% | $0.07 |
| 5 | 10% | $0.05 |
| 5 | 15% | $0.04 |
| 5 | 20% | $0.03 |

HOMEOWNERS - DWELLING EXTENSION

| Zone | Deductible | Additional Rate per $1,000 | |
|---|---|---|---|
| | | Excluding Exterior Masonry Veneer | Including Exterior Masonry Veneer and Masonry |
| 1 | 10% | $0.90 | $1.02 |
| 1 | 15% | $0.77 | $0.88 |
| 1 | 20% | $0.66 | $0.75 |
| 2 | 10% | $0.70 | $0.75 |
| 2 | 15% | $0.54 | $0.58 |
| 2 | 20% | $0.42 | $0.45 |
| 3 | 10% | $0.17 | $0.23 |
| 3 | 15% | $0.13 | $0.17 |



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| Zone | Deductible | Additional Rate per $1,000 | |
|---|---|---|---|
| | | Excluding Exterior Masonry Veneer | Including Exterior Masonry Veneer and Masonry |
| 3 | 20% | $0.10 | $0.13 |
| 4 | 5% | $0.17 | $0.20 |
| 4 | 10% | $0.13 | $0.15 |
| 4 | 15% | $0.10 | $0.11 |
| 4 | 20% | $0.07 | $0.09 |
| 5 | 5% | $0.09 | $0.13 |
| 5 | 10% | $0.07 | $0.09 |
| 5 | 15% | $0.05 | $0.07 |
| 5 | 20% | $0.04 | $0.05 |

HOMEOWNERS - LOSS ASSESSMENTS

| Zone | Deductible | Additional Rate per $1,000 | |
|---|---|---|---|
| | | Excluding Exterior Masonry Veneer | Including Exterior Masonry Veneer and Masonry |
| 1 | 10% | $0.74 | $0.87 |
| 1 | 15% | $0.64 | $0.75 |
| 1 | 20% | $0.54 | $0.63 |
| 2 | 10% | $0.58 | $0.71 |
| 2 | 15% | $0.45 | $0.55 |
| 2 | 20% | $0.35 | $0.43 |
| 3 | 10% | $0.28 | $0.33 |
| 3 | 15% | $0.21 | $0.25 |
| 3 | 20% | $0.16 | $0.19 |
| 4 | 5% | $0.30 | $0.36 |
| 4 | 10% | $0.20 | $0.24 |
| 4 | 15% | $0.15 | $0.18 |
| 4 | 20% | $0.11 | $0.14 |
| 5 | 5% | $0.26 | $0.33 |
| 5 | 10% | $0.18 | $0.21 |
| 5 | 15% | $0.13 | $0.16 |
| 5 | 20% | $0.10 | $0.12 |

CONDOMINIUM UNITOWNERS - COVERAGE A



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| Zone | Deductible | Additional Rate per $1,000 |
|---|---|---|
| 1 | 10% | $1.27 |
| 1 | 15% | $1.06 |
| 1 | 20% | $0.89 |
| 2 | 10% | $0.73 |
| 2 | 15% | $0.56 |
| 2 | 20% | $0.43 |
| 3 | 10% | $0.20 |
| 3 | 15% | $0.15 |
| 3 | 20% | $0.10 |
| 4 | 5% | $0.14 |
| 4 | 10% | $0.09 |
| 4 | 15% | $0.07 |
| 4 | 20% | $0.05 |
| 5 | 5% | $0.06 |
| 5 | 10% | $0.04 |
| 5 | 15% | $0.03 |
| 5 | 20% | $0.02 |



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## EARTHQUAKE DAMAGE ASSUMPTION - YEAR BUILT ADJUSTMENT

Apply the following factor to the basic Homeowners earthquake premium based upon the age of the dwelling.

| Construction Description | Year Built | | | |
|---|---|---|---|---|
| | 0 - 1939 | 1940 - 1949 | 1950 - 1979 | 1980 - 1989 |
| Excluding Exterior Masonry Veneer | 1.25 | 1.20 | 1.20 | 1.15 |
| Including Exterior Masonry Veneer and Masonry | 1.95 | 1.40 | 1.20 | 1.10 |



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## FIRE DEPARTMENT SERVICE CHARGE

The Homeowners policy includes a Fire Department Service Charge limit of $500. Increased limits may be purchased as follows:

| Fire Department Service Charge Limit | Premium |
|---|---|
| $1,000 | $10 |
| $1,500 | $20 |
| $2,000 | $30 |

**ATTACH:** Fire Department Service Charge Increase Endorsement ($1,000 Limit), FE-7473, **or**
**ATTACH:** Fire Department Service Charge Increase Endorsement ($1,500 Limit), FE-7474, **or**
**ATTACH:** Fire Department Service Charge Increase Endorsement ($2,000 Limit), FE-7475



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## FIREARMS

The policy provides named peril coverage with a $2,500 limit on loss by theft of Firearms. Coverage for accidental direct physical loss may be written to provide broader coverage and increase the limit as follows:

| Limits for Loss by the Following Perils | Limit Any One Article | Total |
|---|---|---|
| Theft | $2,500 | $5,000 |
| Coverage B Perils (other than Theft) | Coverage B Limit plus $5,000 | Coverage B Limit plus $5,000 |
| All Other Covered Perils | $2,500 | $5,000 |

The following additional premium applies:

| Premium |
|---|
| $12 |

**ACTIVATE:** Option FA in the Policy. Limits will be shown on the Declarations Page.



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## HOME COMPUTERS

The policy provides $5,000 coverage on electronic data processing equipment including the recording and storage media used with that equipment. This coverage applies to equipment primarily used on premises regardless of whether it is used in a business. Coverage is included for recording or storage media which can be replaced with other of like kind and quality on the open retail market.

This limit can be increased to $10,000.

| Premium |
| --- |
| $15 |

**ACTIVATE:** Option HC in the Policy. The limit will be shown on the Declarations Page.



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## IDENTITY RESTORATION

Coverage may be provided to assist an insured whose identity has been used for fraudulent purposes. There will be no deductible applied to the loss under this endorsement.

| Limit | Premium |
|---|---|
| $25,000 | $25 |

The premium developed for Identity Restoration coverage is excluded from the minimum premium calculation.

**ATTACH:** Identity Restoration Coverage Endorsement, FE-3301



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## INCIDENTAL BUSINESS

If the insured maintains an incidental office, or a professional or private school or studio in the dwelling, Option IO should be activated. This option provides **additional** Section I coverage of $5,000 on premises and $1,000 off premises for equipment, supplies, and furnishings usual and incidental to the business occupancy. No coverage is provided under this option for computers and equipment or merchandise held as samples or for sale.

In addition, Section II coverage is provided for the incidental business. This coverage does not replace professional liability coverage.

The following premiums apply:

| Liability Limit | Premium |
|---|---|
| $100,000 | $23 |
| $300,000 | $26 |
| $500,000 | $29 |
| $1,000,000 | $34 |
| ***$2,000,000*** | ***$54*** |
| ***$3,000,000*** | ***$75*** |
| ***$4,000,000*** | ***$95*** |
| ***$5,000,000*** | ***$116*** |

The selected liability limit must coincide with the policy Section II limit. The above charges apply regardless of Medical Payments limits.

**ACTIVATE:** Option IO in the Policy.



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## JEWELRY AND FURS

For gold and silver (other than goldware and silverware), platinum, jewelry, precious and semi-precious stones, watches and furs, three coverages are available as described below:

- Named peril coverage with a $200 limit on gold, silver, and platinum (other than goldware and silverware) and a $1,000 limit on loss by theft of jewelry, precious and semi-precious stones, watches and furs.
- Accidental direct physical loss coverage/$2,500 Option JF limit - see chart below.
- Accidental direct physical loss coverage/$5,000 Option JF limit - see chart below.

| Limits for Loss by the Following Perils | $2,500 Option JF | | $5,000 Option JF | |
|---|---|---|---|---|
| | Limit Any One Article | Total | Limit Any One Article | Total |
| Theft | $1,500 | $2,500 | $2,500 | $5,000 |
| Coverage B Perils (other than Theft) | Coverage B Limit plus $2,500 | Coverage B Limit plus $2,500 | Coverage B Limit plus $5,000 | Coverage B Limit plus $5,000 |
| All Other Covered Perils | $1,500 | $2,500 | $2,500 | $5,000 |

A. Named Peril Coverage ($1,000 Theft Limit) - Homeowners Only

For dwellings which are insured for at least 80% of replacement cost, accidental direct physical loss coverage with a $2,500 theft limit is provided as part of the basic premium. This coverage can be reduced to a named peril basis with a $1,000 limit on theft for the following premium adjustment. The basic premium for Homeowners policies which are insured for an amount less than 80% of replacement cost and for Renters and Condominium Unitowners reflect the Named Peril ($1,000 Theft Limit) Coverage - no adjustment applies.

| Premium Adjustment |
|---|
| -$12 |

**ATTACH:** Special Limits Endorsement, FE-5258

B. $2,500 Limit

For Homeowners policies insured for less than 80% of replacement cost and Renters and Condominium Unitowners policies, the basic Named Peril ($1,000 Theft Limit) coverage can be broadened to an accidental direct physical loss basis ($2,500 Theft Limit) for the following premium. For a Homeowners policy, if the dwelling is insured for at least 80% of replacement cost, then this coverage is provided as part of the basic premium - no adjustment applies.

| Premium |
|---|
| $20 |



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**ACTIVATE:** Option JF in the Policy. Limits will be shown on the Declarations Page.

C. $5,000 Limit

1. Homeowners (insured for less than 80% of Replacement Cost), Renters, and Condominium Unitowners

| Premium |
|---|
| $40 |

2. Homeowners (insured for at least 80% of Replacement Cost)

| Premium |
|---|
| $20 |

**ACTIVATE:** Option JF in the Policy. Limits will be shown on the Declarations Page.



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## JOINT OWNERSHIP - SEASONAL DWELLINGS (Homeowners Only)

Homeowners coverage may be provided on jointly owned seasonal dwellings subject to the following limitations:

- Coverage B is limited to property owned by the named insureds which is used solely in conjunction with the premises and while on the residence premises.
- Section II Liability and Medical Payments to Others is limited to the premises only.

**ATTACH:** Joint Ownership Endorsement, FE-7566



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## JOINT UNITOWNERS (Condominium Unitowners Only)

Providing Homeowners coverage on joint unitowners may dictate the attachment of this endorsement which limits coverage in the following areas:

- Coverage B is restricted to property owned by the named insureds which is used solely in conjunction with the premises and while on the residence premises.
- Section II Liability and Medical Payments to Others is restricted to the premises only.

**ATTACH:** Joint Unitowners Endorsement, FE-7482



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## LOSS ASSESSMENTS

A. Homeowners

If the insured is a member of a Homeowners Association, coverage may be purchased for the insured's portion of an assessment against all members of the Association. Coverage applies when the assessment is made in accordance with the governing rules of the Association as a result of:

1. A direct loss to commonly owned property caused by a peril covered under Section I of the policy.
2. An occurrence to which Section II would apply.
3. Damages which the Association may be obligated to pay due to personal injury.

If an earthquake endorsement is attached to the policy, it also applies to this coverage. In this case, a separate charge for Earthquake Loss Assessments must also be made under Earthquake Coverage.

RATES PER $1,000

| Coverage D Amount | | |
|---|---|---|
| **First $5,000** | **Next $20,000** | ***Next $75,000*** |
| $0.50 | $0.25 | ***$0.10*** |

**ATTACH:** Coverage D Loss Assessment Endorsement, FE-5256

B. Condominium Unitowners

The limit of liability for Loss Assessments Coverage (Coverage D) may be increased. The following rates apply:

RATES PER $1,000

| Additional Amount | | |
|---|---|---|
| **First $1,000** | **Next $24,000** | ***Next $75,000*** |
| $10.00 | $0.15 | ***$0.10*** |



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## MEDICAL PAYMENTS - OPTIONAL LIMITS

For other than basic limits, apply the following premium adjustments.

| Medical Payments Limit | Premium |
|---|---|
| $1,000 | Basic |
| $2,000 | $3 |
| $3,000 | $5 |
| ***$4,000**** | ***$7*** |
| $5,000 | $9 |
| ***$6,000*** | ***$11*** |
| ***$7,000*** | ***$12*** |
| ***$8,000*** | ***$13*** |
| ***$9,000*** | ***$14*** |
| $10,000 | $15 |

*Renewals Only



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## NURSES' PROFESSIONAL LIABILITY COVERAGE

Liability arising out of nursing activities as a registered nurse, a licensed practical nurse, or a licensed vocational nurse can be covered by the addition of an endorsement.

Only one charge applies per policy.

| Liability Limit | | Premium |
|---|---|---|
| Occurrence | Aggregate | |
| $100,000 | $100,000 | $40 |
| $300,000 | $300,000 | $45 |
| $500,000 | $500,000 | $50 |
| $1,000,000 | $1,000,000 | $60 |
| ***$2,000,000*** | ***$2,000,000*** | ***$96*** |
| ***$3,000,000*** | ***$3,000,000*** | ***$132*** |
| ***$4,000,000*** | ***$4,000,000*** | ***$168*** |
| ***$5,000,000*** | ***$5,000,000*** | ***$204*** |

The selected liability limit must coincide with the policy Section II limit. To reinstate the aggregate limit, refer to Company.

**ATTACH:** Nurses' Professional Liability Insurance Endorsement, FE-5257



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## OFF PREMISES STRUCTURES

A. Coverage may be extended to include structures which are located off premises. Coverage will be provided on an actual cash value basis. Coverage will **not** apply to:

1. Off-premises dwellings, whether or not owner-occupied.
2. Buildings used in whole or in part for business purposes.
3. Buildings which are rented or held for rental unless used solely as a private garage.
4. Structures which were intended for use as a dwelling when originally constructed.
5. Buildings not permanently attached to or otherwise forming a part of the realty.

| Premium |
|---|
| $35 |

B. Homeowners

Coverage is provided for "accidental direct physical loss". This endorsement does not increase the coverage amount applying to Other Structures. If the total value of Other Structures both on and off premises exceeds 10% of Coverage A, the Dwelling Extension limit may be increased using rates shown for Other Structures - Increased Limits.

**ATTACH:** Off-Premises Structures Endorsement, FE-5255

C. Renters and Condominium Unitowners

Coverage is provided on the same named peril basis as is currently provided under Coverage B. This endorsement provides a maximum $15,000 limit of liability. If the total value of Other Structures Off Premises exceeds that amount, refer to Company.

**ATTACH:** Off-Premises Structures Endorsement, FE-5261



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## *OFF PREMISES STRUCTURES - INCREASED LIMITS (Renters and Condominium Unitowners Only)*

***If the total value of other structures off premises exceeds $15,000 use the following rate per additional $1,000 of coverage.***

| *Rate per $1,000* |
|---|
| *$2.50* |

***ATTACH: Off-Premises Structures Endorsement, FE-5433***



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## OTHER STRUCTURES - INCREASED LIMITS (Homeowners Only)

The basic policy provides a limit of liability for other structures equal to 10% of Coverage A. Increased limits can be provided for other structures on the premises. The coverage will be the same as the basic policy and will be rated on the total value of the other structures in excess of 10% of Coverage A.

If an earthquake endorsement is attached to the policy, it applies to this coverage. In this case, a separate charge for Increased Other Structures must also be made under Earthquake Coverage.

| Rate per $1,000 |
|---|
| $2.50 |



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## PERSONAL INJURY COVERAGE

Coverage for Personal Injury may be provided under Coverage L - Personal Liability. This coverage includes injury arising out of the following offenses subject to the limitations in the endorsement.

A. False arrest, detention, imprisonment, eviction, or malicious prosecution

B. Libel, slander, or defamation of character

C. Invasion of privacy

The following charges apply per policy.

| Liability Limit | Premium |
|---|---|
| $100,000 | $10 |
| $300,000 | $13 |
| $500,000 | $16 |
| $1,000,000 | $24 |
| ***$2,000,000*** | ***$38*** |
| ***$3,000,000*** | ***$53*** |
| ***$4,000,000*** | ***$67*** |
| ***$5,000,000*** | ***$82*** |

The selected liability limit must coincide with the policy Section II limit.

**ATTACH:** Personal Injury Endorsement, FE-7468



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## PERSONAL LIABILITY - OPTIONAL LIMITS

For other than basic limits, apply the following premium adjustments.

| Personal Liability Limit | Premium |
|---|---|
| $100,000 | Basic |
| $300,000 | $10 |
| $500,000 | $17 |
| $1,000,000 | $35 |
| ***$2,000,000*** | ***$53*** |
| ***$3,000,000*** | ***$74*** |
| ***$4,000,000*** | ***$88*** |
| ***$5,000,000*** | ***$98*** |

Limits for all Section II coverages must be equal. The Section II limits for the following coverages should be reviewed if applicable.

1. Incidental Business
2. Child Care
3. Business Pursuits
4. Nurses' Professional Liability
5. Personal Injury
6. Adult Family Home Coverage



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## RENTAL PERSONAL PROPERTY

Coverage may be provided under Coverage B for property rented or held for rental with the residence premises. Theft coverage for rental property under this endorsement is limited to burglary coverage.

| Premium |
| --- |
| $9 |

**ATTACH:** Rented Personal Property Endorsement, FE-7453



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## SILVERWARE AND GOLDWARE

The policy provides named peril coverage with a $2,500 limit of loss by theft of Silverware and Goldware. This special limit may be increased in increments of $2,500 for the following additional premiums.

| Limit for Loss by Theft | Premium |
|---|---|
| $5,000 | $10 |
| $7,500 | $18 |
| $10,000 | $25 |

**ACTIVATE:** Option SG in the Policy. The limit will be shown on the Declarations Page.



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## SOLID FUEL APPLIANCES

When one or more solid fuel burning appliances are present, a charge applies. These appliances include, but are not limited to, fireplace inserts, furnaces, boilers, wood burning stoves, and coal burning stoves. Conventional masonry fireplaces, factory built fireplaces, and coal furnaces are not included in this class.

| Policy Form | Premium |
|---|---|
| Homeowners | $20 |
| Renters and Condominium Unitowners | $10 |



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## VACANCY COVERAGE

The policy limits coverage for vandalism and glass breakage if the dwelling has been vacant for over 30 days. For an additional fully earned premium, the limitations may be deleted. The following premium will not be refunded if this endorsement is cancelled.

| Premium |
| --- |
| $45 |

**ATTACH:** Vacancy Endorsement, FE-7470



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## WATERBED LIABILITY COVERAGE

A policy may be endorsed to pay up to the Coverage L limit of liability all sums for which any insured is legally liable to pay for damage to property of others caused by or arising out of the ownership, maintenance, or use of the owned waterbed. The following premium applies.

| Premium |
| --- |
| $25 |

**ATTACH:** Waterbed Liability Endorsement, FE-7448



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# 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 | 07/01/2011 |
| **Comments:** | | | |
| **Attachment:** | | | |

AR H-1 Homeowners Abstract.pdf

| | | Item Status: | Status Date: |
|---|---|---|---|
| **Satisfied - Item:** | HPCS-Homeowners Premium Comparison Survey | Filed | 07/01/2011 |
| **Comments:** | | | |
| **Attachment:** | | | |

HO Survey FORM HPCS.xls

| | | Item Status: | Status Date: |
|---|---|---|---|
| **Satisfied - Item:** | NAIC loss cost data entry document | Filed | 07/01/2011 |
| **Comments:** | | | |
| **Attachment:** | | | |

AR HO Filing - FORM RF-1 Rate Filing Abstract (NAIC LOSS COST DATA ENTRY DOCUMENT).pdf

| | | Item Status: | Status Date: |
|---|---|---|---|
| **Satisfied - Item:** | Filing Memorandum and Exhibits | Filed | 07/01/2011 |

**Comments:**

**Attachments:**

AR 2011 Filing memo.pdf

Homeowners Loss Mitigation Exhibit.pdf

| | | **Item Status:** | **Status Date:** |
|---|---|---|---|
| **Satisfied - Item:** | Response to 01/05 Inquiry | Filed | 07/01/2011 |

**Comments:**

**Attachment:**

Response to AR 1-05-11 HO Questions with Supplemental Exhibits.pdf

| | | **Item Status:** | **Status Date:** |
|---|---|---|---|
| **Satisfied - Item:** | Response to 02/23 Inquiry | Filed | 07/01/2011 |

**Comments:**

**Attachment:**

Response to AR 2-23-11 HO Questions with Supplemental Exhibit.pdf

| | | **Item Status:** | **Status Date:** |
|---|---|---|---|
| **Satisfied - Item:** | Response to 03/02 Inquiry | Filed | 07/01/2011 |

**Comments:**

**Attachments:**

AR Data Resubmission.pdf

AR HO Filing - FORM RF-1 Rate Filing Abstract with April 2011 data.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 State Farm Fire and Casualty Company

NAIC No. 25143 GROUP No. 176

**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.
N/A

**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.
N/A

**4.** If you use an Inflation Guard form or similar type of coverage, describe the coverage(s) and estimate the impact.
Changes in premium are accounted for in filing Exhibit 2

**5.** Specify the percentage given for credits or discounts for the following:

| | | |
|---|---|---|
| **a.** | Fire Extinguisher | 0-15* % |
| **b.** | Burglar Alarm | 0-15* % |
| **c.** | Smoke Alarm | 0-15* % |
| **d.** | Insured who has both homeowners and auto with your company | 25 % |
| **e.** | Deadbolt Locks | 0-15* % |
| **f.** | Window or Door Locks | N/A % |
| **g.** | Other (Specify) | % |

*Credits depend on combination of protective devices

%

%

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

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

| FORM | PREMIUM VOLUME |
|---|---|
| Homeowners | 122,878,391 |
| Renters | 3,774,273 |
| Condominium Unitowners | 797,747 |
| | |

**8.** Do you write homeowner risks which have aluminum, steel or vinyl siding? Yes

**9.** Is there a surcharge on risks with wood heat? Yes
If yes, state surcharge $20 for Non-Tenant, $10 for Tenant
Does the surcharge apply to conventional fire places? No
If yes, state surcharge

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

Kathy Popejoy

Signature

Kathy Popejoy
Printed Name

Assistant Vice President and Actuary
Title

309-766-2325
Telephone Number

kathy.popejoy.a0gq@statefarm.com
Email Address

| | |
|---|---|
| **NAIC Number:** | 25143 |
| **Company Name:** | State Farm Fire & Casualty Company |
| **Contact Person:** | Kathy Popejoy |
| **Telephone No.:** | (309) 766-2325 |
| **Email Address:** | kathy.popejoy.a0gg@statefarm.com |
| **Effective Date:** | 9/1/2011 |

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

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

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

**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* | $1,154.00 | $1,390.00 | $1,157.00 | $1,394.00 | $1,355.00 | $1,632.00 | $1,498.00 | $1,805.00 | $1,499.00 | $1,807.00 | $1,240.00 | $1,494.00 | $1,425.00 | $1,717.00 | $1,163.00 | $1,401.00 | $1,235.00 | $1,488.00 |
| | *$120,000* | $1,436.00 | $1,730.00 | $1,440.00 | $1,735.00 | $1,685.00 | $2,031.00 | $1,864.00 | $2,246.00 | $1,866.00 | $2,248.00 | $1,543.00 | $1,858.00 | $1,773.00 | $2,136.00 | $1,447.00 | $1,744.00 | $1,537.00 | $1,852.00 |
| | *$160,000* | $1,667.00 | $2,009.00 | $1,672.00 | $2,014.00 | $1,957.00 | $2,358.00 | $2,164.00 | $2,608.00 | $2,166.00 | $2,610.00 | $1,791.00 | $2,158.00 | $2,058.00 | $2,480.00 | $1,680.00 | $2,024.00 | $1,785.00 | $2,150.00 |
| 6 | *$80,000* | $1,154.00 | $1,390.00 | $1,157.00 | $1,394.00 | $1,355.00 | $1,632.00 | $1,498.00 | $1,805.00 | $1,499.00 | $1,807.00 | $1,240.00 | $1,494.00 | $1,425.00 | $1,717.00 | $1,163.00 | $1,401.00 | $1,235.00 | $1,488.00 |
| | *$120,000* | $1,436.00 | $1,730.00 | $1,440.00 | $1,735.00 | $1,685.00 | $2,031.00 | $1,864.00 | $2,246.00 | $1,866.00 | $2,248.00 | $1,543.00 | $1,858.00 | $1,773.00 | $2,136.00 | $1,447.00 | $1,744.00 | $1,537.00 | $1,852.00 |
| | *$160,000* | $1,667.00 | $2,009.00 | $1,672.00 | $2,014.00 | $1,957.00 | $2,358.00 | $2,164.00 | $2,608.00 | $2,166.00 | $2,610.00 | $1,791.00 | $2,158.00 | $2,058.00 | $2,480.00 | $1,680.00 | $2,024.00 | $1,785.00 | $2,150.00 |
| 9 | *$80,000* | $1,154.00 | $1,390.00 | $1,157.00 | $1,394.00 | $1,355.00 | $1,632.00 | $1,498.00 | $1,805.00 | $1,499.00 | $1,807.00 | $1,240.00 | $1,494.00 | $1,425.00 | $1,717.00 | $1,163.00 | $1,401.00 | $1,235.00 | $1,488.00 |
| | *$120,000* | $1,436.00 | $1,730.00 | $1,440.00 | $1,735.00 | $1,685.00 | $2,031.00 | $1,864.00 | $2,246.00 | $1,866.00 | $2,248.00 | $1,543.00 | $1,858.00 | $1,773.00 | $2,136.00 | $1,447.00 | $1,744.00 | $1,537.00 | $1,852.00 |
| | *$160,000* | $1,667.00 | $2,009.00 | $1,672.00 | $2,014.00 | $1,957.00 | $2,358.00 | $2,164.00 | $2,608.00 | $2,166.00 | $2,610.00 | $1,791.00 | $2,158.00 | $2,058.00 | $2,480.00 | $1,680.00 | $2,024.00 | $1,785.00 | $2,150.00 |

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

| Public Protection Class | Property Value | Washington | | Baxter | | Craighead | | St. Francis | | Arkansas | | Union | | Miller | | Sebastian | | Pulaski | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | *Brick* | *Frame* | *Brick* | *Frame* | *Brick* | *Frame* | *Brick* | *Frame* | *Brick* | *Frame* | *Brick* | *Frame* | *Brick* | *Frame* | *Brick* | *Frame* | *Brick* | *Frame* |
| 3 | *$5,000* | $88.00 | $88.00 | $88.00 | $88.00 | $116.00 | $116.00 | $157.00 | $157.00 | $157.00 | $157.00 | $157.00 | $157.00 | $157.00 | $157.00 | $88.00 | $88.00 | $157.00 | $157.00 |
| | *$15,000* | $121.00 | $121.00 | $121.00 | $121.00 | $160.00 | $160.00 | $217.00 | $217.00 | $217.00 | $217.00 | $217.00 | $217.00 | $217.00 | $217.00 | $121.00 | $121.00 | $217.00 | $217.00 |
| | *$25,000* | $152.00 | $152.00 | $152.00 | $152.00 | $201.00 | $201.00 | $272.00 | $272.00 | $272.00 | $272.00 | $272.00 | $272.00 | $272.00 | $272.00 | $152.00 | $152.00 | $272.00 | $272.00 |
| 6 | *$5,000* | $88.00 | $88.00 | $88.00 | $88.00 | $116.00 | $116.00 | $157.00 | $157.00 | $157.00 | $157.00 | $157.00 | $157.00 | $157.00 | $157.00 | $88.00 | $88.00 | $157.00 | $157.00 |
| | *$15,000* | $121.00 | $121.00 | $121.00 | $121.00 | $160.00 | $160.00 | $217.00 | $217.00 | $217.00 | $217.00 | $217.00 | $217.00 | $217.00 | $217.00 | $121.00 | $121.00 | $217.00 | $217.00 |
| | *$25,000* | $152.00 | $152.00 | $152.00 | $152.00 | $201.00 | $201.00 | $272.00 | $272.00 | $272.00 | $272.00 | $272.00 | $272.00 | $272.00 | $272.00 | $152.00 | $152.00 | $272.00 | $272.00 |
| 9 | *$5,000* | $88.00 | $88.00 | $88.00 | $88.00 | $116.00 | $116.00 | $157.00 | $157.00 | $157.00 | $157.00 | $157.00 | $157.00 | $157.00 | $157.00 | $88.00 | $88.00 | $157.00 | $157.00 |
| | *$15,000* | $121.00 | $121.00 | $121.00 | $121.00 | $160.00 | $160.00 | $217.00 | $217.00 | $217.00 | $217.00 | $217.00 | $217.00 | $217.00 | $217.00 | $121.00 | $121.00 | $217.00 | $217.00 |
| | *$25,000* | $152.00 | $152.00 | $152.00 | $152.00 | $201.00 | $201.00 | $272.00 | $272.00 | $272.00 | $272.00 | $272.00 | $272.00 | $272.00 | $272.00 | $152.00 | $152.00 | $272.00 | $272.00 |

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

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

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

***HO3 and HO4 only***

| | | | | | |
|---|---|---|---|---|---|
| *Fire Extinguisher* | | % | *Deadbolt Lock* | | % |
| *Burglar Alarm* | *0 to -3%* | % | *Window Locks* | | % |
| *Smoke Alarm* | *0 to -2%* | % | *$1,000 Deductible* | *-11 to -1%* | % |
| | | | *Other (specify)* | | |

***EARTHQUAKE INSURANCE***

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

| | | |
|---|---|---|
| *ARE YOU CURRENTLY WRITING EARTHQUAKE COVERAGE IN ARKANSAS?* | Yes | *(yes or no)* |
| *WHAT IS YOUR PERCENTAGE DEDUCTIBLE?* | Min 5% (Zon | % |

Zone Brick Frame

# NAIC LOSS COST DATA ENTRY DOCUMENT

| | | |
|---|---|---|
| **1.** | This filing transmittal is part of Company Tracking # | **Filing #HO-27379** |

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

| | | Company Name | | Company NAIC Number |
|---|---|---|---|---|
| **3.** | **A.** | **State Farm Fire & Casualty Company** | **B.** | **0176-25143** |

| | | 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.** | | **B.** | |

**5.**

| (A) COVERAGE (See Instructions) | (B) Indicated % Rate Level Change | (C) Requested % Rate Level Change | FOR LOSS COSTS ONLY (D) Expected Loss Ratio | (E) Loss Cost Modification Factor | (F) Selected Loss Cost Multiplier | (G) Expense Constant (If Applicable) | (H) Co. Current Loss Cost Multiplier |
|---|---|---|---|---|---|---|---|
| **Homeowners Multi-Peril** | **7.0%** | **7.0%** | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| TOTAL OVERALL EFFECT | **7.0%** | **7.0%** | **N/A** | **N/A** | **N/A** | **N/A** | **N/A** |

**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** | **139,796** | **0.0** | **5/15/06** | **105,033** | **78,000** | **74%** | **51%** |
| **2007** | **141,730** | **-1.8** | **6/01/07** | **111,567** | **42,000** | **38%** | **55%** |
| **2007** | **141,730** | **-1.1** | **10/15/07** | **111,567** | **42,000** | **38%** | **55%** |
| **2008** | **145,840** | **1.6** | **6/01/08** | **113,842** | **174,542** | **153%** | **83%** |
| **2009** | **148,729** | **9.0** | **4/15/09** | **120,726** | **133,887** | **111%** | **67%** |
| **11/2010** | **150,546** | **7.7** | **4/15/10** | **120,599** | **72,008** | **60%** | **65%** |
| | | | | | | | |

**7.**

| Expense Constants | Selected Provisions |
|---|---|
| A. Total Production Expense | **20.1** |
| B. General Expense | **2.2** |
| C. Taxes, License & Fees | **3.1** |
| D. Underwriting Profit & Contingencies | **7.0** |
| E. Other (explain) | |
| F. TOTAL | **32.4** |

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

**9.** 48.5% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): _____

**10.** -17.3% Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): _____

**STATE FARM FIRE AND CASUALTY COMPANY**
**Arkansas Homeowners Program**
**Filing Memorandum**
**Effective Dates: 04/15/2011 New Business**
**06/01/2011 Renewal Business**

## I. Indicated Rate Change and Rate Revision

Attached for your review is our methodology for forecasting premiums, losses, and expenses to arrive at an indicated change (see Exhibits 1-7). We have recently adopted a new procedure to determine the total profit and contingencies in a state. The details of this procedure are outlined in Exhibit 7. The projections underlying the indicated change include the impact of applicable coverage changes. The result of the procedure is a 7.0% overall indicated change. This filing represents an overall 7.0% change for the Arkansas Homeowners Program. The loss experience by year is shown in Exhibit 8.

## II. Summary of Indications and Changes by Form

Shown below are the indicated changes by Form and the overall changes.

| Policy Form | Indicated Rate Change | Summary Of Changes |
|---|---|---|
| Homeowners | 7.0% | 7.0% |
| Renters | 7.0% | 7.0% |
| Condominium Unitowners | 3.8% | 3.8% |
| Homeowners Program | 7.0% | 7.0% |

Exhibit 9 shows the development of the indicated changes by Form.

## III. Homeowners Program Changes

### A. Customer Rating Index (CRI)

We are filing an adjustment to the renewal business Customer Rating Index (CRI) model. The CRI will be calculated using the latest version of a model that includes State Farm homeowners policy and claim data. We will now also include credit information and auto tenure information. We will continue to manage individual policyholder rate level movement so as to mitigate fluctuations in rates in any one renewal due to CRI. Details of the changes are being filed separately under confidential cover.

We are also revising the Customer Rating Index (CRI) Factor rating rule in our rate manual. The revised rule is included in the rate manual attached with this filing. The miscellaneous provision for calculating a CRI for a replacement policy has been revised. Instead of applying the CRI from the former policy, the CRI data from the former policy will be used to calculate the CRI for the replacement policy. We have also added a note regarding provisions for a policyholder to request a new CRI.

We are also reducing the minimum CRI factor from 0.80 to 0.70 for Non-Tenant and Condominium Unitowners and 0.70 to 0.65 for Renters.

## B. Subzone Definition Changes

We are revising our current subzone definitions based on a complete analysis of loss experience by ZIP Code. In cases where a ZIP Code is split between more than one zone, the loss experience was considered separately for each subdivision. These unique ZIP Code/zone combinations are hereafter referred to as defined areas. Renters and Condominium Unitowners premiums do not vary by subzone.

To determine the indicated subzone assignments, we reviewed non-catastrophe, non-wind/hail loss experience for each defined area. We credibility-weighted each area's experience with the experience of surrounding areas and incorporated provisions for non-catastrophe wind/hail losses, catastrophes, and expenses to determine the indicated base rates. We also used the current base rate as a final complement of credibility when the defined and surrounding areas' experience wasn't fully credible. The indicated base rates were then indexed to their corresponding zone average indicated base rate to determine the appropriate subzone assignment based on the subzone rate differentials.

In order to minimize the rate impact for individual policyholders, we plan to move toward the indicated subzone structure by limiting the changes from this procedure to + or – 10% when possible. Therefore, the selected subzone assignments may differ from the indicated assignments to reflect those limitations.

Please see Exhibit 11 for the current and revised subzone changes by ZIP and the manual pages for the new subzone definitions.

## C. Home/Auto Discount

Homeowners policyholders with a private passenger auto insured as voluntary business by State Farm currently receive a 20% Homeowners premium discount. Based on a companywide analysis, we are increasing the discount to 25%.

## D. Claim Record Rating Plan

Based on a companywide analysis, we are revising the Claim Record Rating Plan. Please refer to Exhibit 10A for additional detail. The indicated discounts and charges are primarily based on a generalized linear model fit to companywide Homeowners experience as described on Exhibit 10B. The indicated relativities were also adjusted to include loss adjustment expenses and fixed expenses.

## E. Zone Definition Pages

The Zone and Subzone Definition manual pages have been updated to reflect ZIP Code boundary changes and expired ZIP Codes.

## IV. Non-Tenant Homeowners Changes

### A. Basic Premiums

After including the impact of all other changes in this filing, we are implementing a statewide basic premium change to the zone average indicated base rates, described in the Subzone Definition Changes section above, in order to achieve the average 7.0% rate change for the Homeowners policy form.

### B. Deductible and Amount of Insurance Changes

We are adjusting our rate relationships by amount of insurance and deductible by moving toward the indicated relativities. The indicated rate relationships are primarily based on a generalized linear model fit to companywide Homeowners experience as described in Exhibit 10B. The indicated relativities were also adjusted to include loss adjustment expenses and fixed expenses.

Please refer to Exhibit 12 for our current and revised amount relativities and Exhibit 13 for our current and revised deductible discounts and charges.

### C. Construction Factors

Based on a companywide analysis, we are adjusting the masonry veneer construction factor as shown below.

| Current Factor | Revised Factor |
|---|---|
| 0.900 | 0.870 |

### E. Utilities Rating Plan

Based on a companywide analysis, we are increasing selected discounts and introducing discounts for the 9-15 age groups under the Utilities Rating Plan. Please refer to Exhibit 14 for details of these changes. The indicated discounts are primarily based on a generalized linear model fit to companywide Homeowners experience as described in Exhibit 10B. The indicated relativities were also adjusted to include loss adjustment expenses and fixed expenses.

## V. Renters and Condominium Unitowners Changes

### A. Basic Premiums

After including the impact of all other changes in this filing, we are implementing basic premium changes that result in a statewide average 7.0% rate change for the Renters policy form and a statewide average 3.8% rate change for the Condominium Unitowners policy form. The changes for Renters form vary by zone as shown below. Please refer to Exhibit 15 for a detailed description as to how these indications were developed.

| Zone | Indicated Change | Revised Change |
|---|---|---|
| 10 | 4.8% | 4.8% |
| 13 | 4.4% | 4.4% |
| 25 | 8.9% | 8.9% |
| 30 | 4.3% | 4.3% |
| Total | 7.0% | 7.0% |

### B. Deductible Conversion

We are eliminating the $1,500 deductible. Policyholders currently at this deductible will convert to a $2,000 deductible at renewal.

State Farm Fire and Casualty Company
Arkansas Homeowners
Index of Exhibits


| Exhibit | Description |
|---|---|
| 1 | Calculation of Indicated Rate Level Adjustment |
| 2 | Average Premium Per Policy |
| 3 | Non-Cat Average Paid Claim and Claim Frequency |
| 4 | Adjustments to Paid Loss Ratio |
| 5 | Catastrophe Provision |
| 6 | Underwriting Expense Exhibit |
| 7 | Provision for Underwriting Profit and Contingencies<br>Total Financial Needs Analysis |
| 8 | Gross Underwriting Profit or Loss |
| 9 | Indicated Rate Level Adjustment by Form |
| 10 | Indicated, Current and Revised Claim Record Rating Plan and Support for Homeowners Indicated Relativities |
| 11 | Non-Tenant Current and Revised Subzone Change by ZIP |
| 12 | Non-Tenant Current and Revised Amount of Insurance Relativities |
| 13 | Non-Tenant Current and Revised Deductible Discounts and Charges |
| 14 | Current and Revised Utilities Rating Plan |
| 15 | Renters Indicated Rate Level Adjustment by Zone |

Exhibit 1
State Farm Fire and Casualty Company
Arkansas Homeowners
Indicated Rate Level Adjustment
Policies Effective: 4/15/2011 New 6/1/2011 Renewal

Premiums, Losses and Expenses Per Policy Projected To 6/1/2012

| | $Per Policy | | % Of Earned Premium | |
|---|---|---|---|---|
| Earned Premium | | 1,007.66 | | 100.0 |
| Non-Catastrophe Incurred Losses and Loss Adjustment Expenses | 519.58 | | 51.5 | |
| Incurred Losses | 447.15 | | 44.3 | |
| Incurred Loss Adjustment Expenses | 72.43 | | 7.2 | |
| Catastrophe Losses and Loss Adjustment Expense | 216.70 | | 21.5 | |
| Total Losses and Loss Adjustment Expenses | | 736.28 | | 73.0 |
| Total Underwriting Expenses | | 256.73 | | 25.4 |
| Fixed Expenses | 97.47 | | 9.6 | |
| Variable Expenses | 159.26 | | 15.8 | |
| Total Loss and Expenses | | 993.01 | | 98.5 |

Indicated Rate Level Adjustment

The Rate Level adjustment is derived by solving the following formula:

$$IC = (( (L + F) / (100 - V - P) ) - 1) * 100$$

where: $IC$ = Indicated Change to Rate Level
$L$ = Total Loss and Loss Adjustment Expenses
$F$ = Fixed Expenses
$V$ = Variable Expenses
$P$ = Profit and Contingencies
all expressed as a percent of projected earned premium

Solving the equation using the data shown above and a 7.0% provision for profit and contingencies yields:

$$IC = (((73.0 + 9.6) / (100 - 15.8 - 7.0)) - 1) \times 100$$
$$= ((82.6 / 77.2) - 1) \times 100$$
$$= (1.069 - 1) * 100$$
$$= 7.0\% \text{ increase}$$

Exhibit 2
State Farm Fire and Casualty Company
Arkansas Homeowners
Average Premium Per Policy

Premium per policy for the current calendar year is projected by adjusting actual premium writings to current premium levels to reflect items such as changes in rates, inflation and distributions. The resulting current level written premium is then forecast by estimating the effects the same elements (rates, inflation and distribution changes) will have in future years. Written premium per policy and earned premium per policy are projected to the mid-point of the period proposed rates are to be in effect by straight-line interpolation between the appropriate calendar year forecasts.

## I. Premium Adjustments

A. Rate Change Adjustment

Rather than assume a uniform distribution of premium writings by month to determine rates at current rate level, we assign a rate change factor by month and apply the factor to monthly written premium distributions.

Actual written premium per policy is adjusted to current rate level in recognition of the following rate changes.

| Effective Date | | |
|---|---|---|
| New | Renewal | Effect |
| 4/15/2009 | 6/1/2009 | 9.0 |
| 4/15/2010 | 6/1/2010 | 7.7 |

B. Inflation Adjustment

Actual written premium is further adjusted to reflect inflationary changes. Currently, a 1.0% change in policy amount results in a 0.598% change in policy premium.

The anticipated increase in policy amount and the resulting premium increase are shown below for Arkansas.

| | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|
| Increase in Policy Amount | 1.039 | 1.039 | 1.039 | 1.039 |
| Premium Equivalence Factor | 0.598 | 0.598 | 0.598 | 0.598 |
| Resulting Effect on Premium | 1.023 | 1.023 | 1.023 | 1.023 |

C. Adjustments For Anticipated Shifts in Distributions

Written premium per policy is further adjusted to recognize any projected changes in our distribution of business that are not reflected in current data or trends.

| | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|
| Adjustment Factor | 1.004 | 1.007 | 1.007 | 1.004 |

Exhibit 2 (continued)

## II. Premium Calculations

A. Current Calendar Year

Historical written premium is adjusted to reflect changes in rate level, inflation and distribution to get an estimate of the current calendar year written premium at current level, by month.

Earned premium is estimated by earning the premium written uniformly over a 13-month period with the first and last month each earning 1/24th and the remaining months each earning 1/12th of the premium written. This produces a more accurate estimate of earned premium than can be produced using the traditional parallelogram method.

Our estimate of 2010 premium per policy is: $966.03.
This estimate reflects latest actual premium per policy adjusted for items such as current rates and inflation.

B. Subsequent Calendar Years

Each subsequent calendar year's written premium is estimated by applying adjustment factors for inflation and distribution changes to written premium distributions by month for the prior year. Since those written premiums have already been adjusted to current rate level no further rate change adjustment is necessary. Earned premium is estimated in the same manner as above.

| Year | Prior Year Written Premium Per Policy | Adjustment Factors | | Projected Written Premium Per Policy |
|---|---|---|---|---|
| | | Inflation Coverage | Distribution Change | |
| 2011 | 966.03 | 1.023 | 1.007 | 995.11 |
| 2012 | 995.11 | 1.023 | 1.007 | 1025.41 |
| 2013 | 1025.41 | 1.023 | 1.004 | 1052.83 |

C. Period of Proposed Rates

The estimated premium per policy of the period that proposed rates are to be in effect is determined via straight-line interpolation between the appropriate calendar years to the mid-point of the annual period the rates are to be in effect. This is analogous to applying current level premium adjustments to the historical earned premium and a projection factor for inflationary effects.

| Calendar Year | Projected Written Premium Per Policy | Projected Earned Premium Per Policy |
|---|---|---|
| 2011 | 995.11 | 980.47 |
| 2012 | 1025.41 | 1010.08 |
| 6/1/2012 | 1022.92 | 1007.66 |

Exhibit 3
State Farm Fire and Casualty Company
Arkansas Homeowners
Non-Cat All Peril: Frequency, Severity and Pure Premium

**Historical Data**

| Period | Severity | Frequency | Pure Premium |
|---|---|---|---|
| 9/2003 | 4,350 | 6.79 | 295.46 |
| 12/2003 | 4,344 | 6.29 | 273.22 |
| 3/2004 | 4,264 | 5.80 | 247.16 |
| 6/2004 | 4,716 | 5.08 | 239.51 |
| 9/2004 | 4,915 | 4.81 | 236.46 |
| 12/2004 | 4,863 | 4.81 | 233.96 |
| 3/2005 | 5,266 | 4.77 | 251.30 |
| 6/2005 | 5,239 | 5.12 | 268.30 |
| 9/2005 | 5,413 | 5.24 | 283.76 |
| 12/2005 | 5,862 | 5.12 | 299.91 |
| 3/2006 | 5,753 | 5.08 | 291.96 |
| 6/2006 | 5,584 | 5.27 | 294.38 |
| 9/2006 | 5,407 | 5.18 | 279.96 |
| 12/2006 | 5,498 | 5.17 | 284.33 |
| 3/2007 | 5,444 | 5.59 | 304.55 |
| 6/2007 | 5,615 | 5.15 | 288.99 |
| 9/2007 | 5,768 | 5.13 | 295.77 |
| 12/2007 | 5,553 | 5.34 | 296.31 |
| 3/2008 | 5,404 | 5.26 | 284.44 |
| 6/2008 | 5,762 | 5.35 | 308.37 |
| 9/2008 | 6,016 | 5.55 | 333.71 |
| 12/2008 | 6,430 | 5.48 | 352.17 |
| 3/2009 | 7,075 | 5.57 | 394.17 |
| 6/2009 | 7,118 | 6.18 | 439.98 |
| 9/2009 | 7,126 | 6.25 | 445.18 |
| 12/2009 | 7,099 | 6.26 | 444.41 |
| 3/2010 | 6,841 | 6.40 | 438.00 |
| 6/2010 | 7,093 | 6.03 | 427.54 |

**Trended Values❖**

| | | | |
|---|---|---|---|
| 28 Point | 7,985 | 5.50 | 439.18 |
| 20 Point | 7,975 | 5.53 | 441.02 |
| 12 Point | 9,030 | 5.73 | 517.42 |

**Selected Values**

| | | | |
|---|---|---|---|
| Selected | 7,945 | 5.54 | 440.15 |

❖ Trended Values represent an ordinary Least Squares trend for Severity. The Frequency value is an average of the points selected. Trended and selected values are for the mid-point of the period that these rates would be in effect (6/1/2012).

The historical and selected Pure Premium figures are shown for All Perils. The selected figures are based on an in-depth analysis of Frequency, Severity and Pure Premium separately for each of the perils of Fire, Wind/Hail, OEC, Crime, Section II (Liability). An analysis by peril reveals trends and highlights abnormal results that cannot be determined in an analysis of All Perils data. The results are summed by peril to determine the selected figures shown. This figure is checked against historical Pure Premium data for reasonableness as shown above. The selected Pure Premium figures are consistent with historical data and recent trends.

Exhibit 4
State Farm Fire and Casualty Company
Arkansas Homeowners
Adjustments to Non-Catastrophe Paid Loss Ratio

**I. Factor to Adjust Non-Cat Paid Loss to Non Cat Incurred Loss**

| Year | Ratio of Non-Cat Incurred Losses to Non-Cat Paid Losses | | |
|---|---|---|---|
| 2005 | 1.0152 | | |
| 2006 | 0.9686 | | |
| 2007 | 1.0408 | | |
| 2008 | 1.0293 | | |
| 2009 | 1.0550 | | |
| 06/2010 | 1.0423 | | |
| | | | |
| 3 Year Average | 1.0417 | | |
| 5 Year Average | 1.0218 | | |
| | | Paid Loss Per Policy | Incurred Loss Per Policy |
| Selected 6/1/2012 | 1.0159 | $440.15 | $447.15 |

Non-Catastrophe Incurred Losses Projected To 6/1/2012: $447.15

**II. Factor to Adjust Non-Cat Incurred Losses to Non-Cat Incurred Loss and Loss Adjustment Expense** (includes both Allocated and Unallocated Loss Adjustment Expenses)

| | Non-Catastrophe Loss Adjustment Expenses Divided by Incurred Losses | | | | |
|---|---|---|---|---|---|
| Year | A.L.A.E*. | U.L.A.E*. | Total | | |
| 2005 | 0.0155 | 0.2054 | 0.2209 | | |
| 2006 | 0.0236 | 0.2929 | 0.3165 | | |
| 2007 | 0.0182 | 0.2346 | 0.2529 | | |
| 2008 | 0.0054 | 0.1618 | 0.1672 | | |
| 2009 | 0.0156 | 0.1446 | 0.1601 | | |
| 06/2010 | 0.0148 | 0.1380 | 0.1528 | | |
| | | | | | |
| 3 Year Average | 0.0131 | 0.1803 | 0.1934 | | |
| 5 year Average | 0.0157 | 0.2079 | 0.2235 | | |
| | | | | Incurred Loss Per Policy | Adj. Expense |
| Selected 6/1/2012 | 0.0156 | 0.1464 | 0.1620 | $ 447.15 | $ 72.43 |

Non-Catastrophe Loss Adjustment Expenses Projected To 6/1/2012: $ 72.43

* Beginning January 1, 1998, ALAE and ULAE are defined according to the Annual Statement Instructions. ALAE refers to "Claim Adjustment Services" including defense, litigation, and medical cost containment. ULAE refers to all remaining expenses associated with adjusting and recording policy claims.

Exhibit 5
Arkansas Homeowners
Catastrophe Provision

For ratemaking purposes, State Farm removes all catastrophe (CAT) losses from our loss data. Each state's CAT losses are analyzed separately and a CAT provision is developed according to the following procedure and used in the ratemaking formula. In those states with a hurricane exposure, a hurricane provision is developed independently. An event that results in $500,000 in losses with over 500 claims is considered a non-hurricane CAT.

## I. Amount Of Insurance Years Exposure Base

The Amount of Insurance Years statistic (AIY) measures $1,000's of building insurance in force for one year. For example, a $100,000 dwelling insured on January 1st and in force continuously for that year equals 100 Amount of Insurance Years. Amount of Insurance Years reflects changing values and represents an accurate measure of our exposure to catastrophic loss.

## II. Catastrophe Provision

A. Weighted CAT Provision

Because catastrophes can be infrequent events, many years of history are needed to determine a provision. Contract changes and changes in the number of policies written in catastrophe prone areas, however, make it prudent to give greater weight to more recent years.

The weighted CAT/AIY is calculated as the weighted average of the latest year's loss per AIY and the previous year's provision. The latest year's data is given a weight of 5%.

In choosing the selected CAT/AIY, appropriate consideration is given to historical data, future conditions, insurance and economic trends, along with other relevant considerations.

B. Trend Factor

A catastrophe trend factor is applied to reflect the upward trend in our CAT ratios over the experience period.

Some reasons for this increasing trend include:

- The leveraging effect of a fixed dollar catastrophe threshold
- An increasing concentration of business in CAT prone areas
- Changes over time in the nature of exposures underlying the catastrophe data

Exhibit 5A shows the development of the trend factor. The trend factor is based on companywide Homeowners data since individual state data lacks credibility.

C. Capping

To provide stability, the annual change in the CAT provision is limited to +/-10%. Each year the CAT provision will be calculated using the actual uncapped experience, but the result will be limited to a change of +/-10% of the prior year's provision.

## III. Catastrophe Loss & LAE

The Catastrophe Provision determined above is multiplied by projected AIY per policy to determine the CAT Loss & Loss Adjustment Expense (LAE) per policy used in the indicated change calculation.

Exhibit 5 (continued)

Arkansas Homeowners
Catastrophe Provision

| | | | |
|---|---|---|---|
| A. | Latest Year's (2009) CAT/AIY | = | 3.3750 |
| B. | Previous Year's CAT Provision Prior to capping | = | 1.4164 |
| C. | Weighted CAT/AIY = (5% x A) + (95% x B) | = | 1.5143 |
| D. | Selected CAT/AIY | = | 1.5143 |
| E. | Trend Factor | = | 1.023 |
| F. | CAT Provision prior to capping = D x E | = | 1.5491 |
| G. | Previous Year's Final CAT Provision | = | 1.2213 |
| H. | Selected CAT Provision = F limited to change of +/- 10% of G | = | 1.3434 |
| I. | Projected AIY per policy | = | 161.30 |
| J. | Catastrophe Loss & LAE per Policy (as of 6/1/2012) = H × I | = | 216.70 |

EXHIBIT 5A
STATE FARM COMPANYWIDE
HOMEOWNERS DATA
DEVELOPMENT OF CATASTROPHE TREND

| (1) | (2) | (3) |
|---|---|---|
| YEAR | 20 YEAR ROLLING AVERAGE CAT/AIY | FITTED CAT/AIY |
| 1990 | 0.3838 | 0.4203 |
| 1991 | 0.4203 | 0.4357 |
| 1992 | 0.4526 | 0.4510 |
| 1993 | 0.4739 | 0.4664 |
| 1994 | 0.4756 | 0.4817 |
| 1995 | 0.4940 | 0.4971 |
| 1996 | 0.5295 | 0.5124 |
| 1997 | 0.5396 | 0.5278 |
| 1998 | 0.5648 | 0.5431 |
| 1999 | 0.5663 | 0.5585 |
| 2000 | 0.5855 | 0.5738 |
| 2001 | 0.6166 | 0.5892 |
| 2002 | 0.6195 | 0.6045 |
| 2003 | 0.6383 | 0.6199 |
| 2004 | 0.6281 | 0.6352 |
| 2005 | 0.6223 | 0.6506 |
| 2006 | 0.6412 | 0.6659 |
| 2007 | 0.6599 | 0.6813 |
| 2008 | 0.6993 | 0.6966 |
| 2009 | 0.7119 | 0.7120 |

| | |
|---|---|
| (4) ANNUAL TREND | 2.2% |
| (5) SELECTED TREND | 2.3% |

Exhibit 6
State Farm Fire and Casualty Company
Arkansas Homeowners
Underwriting Expense Exhibit

## I. Variable Expense Ratios As a Percent of Earned Premium

| Calendar Year | Variable Expense Ratios |
|---|---|
| 2005 | 15.9% |
| 2006 | 15.9 |
| 2007 | 16.6 |
| 2008 | 15.9 |
| 2009 | 16.4 |
| 3 Year Average | 16.3 |
| 5 Year Average | 16.1 |
| Selected 2010 | 15.8 |
| Selected 2011 | 15.8 |
| Selected 2012 | 15.8 |
| Selected 2013 | 15.7 |
| **Selected at 6/1/2012** | **15.8%** |
| Variable Expense Per Policy 6/1/2012 | $159.26 |

## II. II Fixed Expenses as Dollars Per Average Policy in Force

| Calendar Year | Fixed Expense per Policy |
|---|---|
| 2005 | $69.40 |
| 2006 | 84.77 |
| 2007 | 80.87 |
| 2008 | 93.94 |
| 2009 | 90.86 |
| Selected 2010 | 91.60 |
| Selected 2011 | 94.39 |
| Selected 2012 | 97.75 |
| Selected 2013 | 101.24 |
| **Selected at 6/1/2012** | **$97.47** |

## III. Total Expenses Per Policy in Force

| | |
|---|---|
| Total Variable Expense per policy: | $159.26 |
| Total Fixed Expense per policy: | + 97.47 |
| Total Expense per policy: | $256.73 |

# Exhibit 7
# State Farm Fire and Casualty Company
# Provision for Underwriting Profit and Contingencies

The following analysis demonstrates that the provisions for underwriting profit and contingencies, together with expected investment income, will produce an expected total return after tax for State Farm which is reasonable compared to that earned by other industries of similar risk and will enable the company to serve the insurance needs of its policyholders. These earnings provide the only source of funds for its Policyholder Protection Fund (Surplus), which is essential to State Farm's continued growth and financial strength.

## Total Financial Needs Analysis

A. Property and Casualty insurance premiums traditionally include provisions for normally expected losses and expenses (including an estimate of expected catastrophe losses) and a combined provision for underwriting profit and contingencies. The contingency provision reflects an allowance in the rates for losses and expenses arising from events which cannot be reasonably foreseen or predicted. It thus represents an allowance for adverse fluctuations from the otherwise expected results. The underwriting profit provision reflects the expected difference between earned premiums and incurred losses, expenses, and contingencies. The need for a contingency element in the rates is generally accepted actuarially and recognized in nearly all rating laws. Over the long term, the contingency element will not be realized as an underwriting profit, but will be offset by unanticipated losses and expenses.

   State Farm Fire and Casualty Company's direct underwriting profit, before federal taxes, has averaged -8.5%, -4.5% adjusted for catastrophes, (see Exhibit 7A, Columns (2) and (2a)) in the last twelve years (approximately two underwriting cycles). These results were generated during a period when filed rates generally included a combined provision for underwriting profit and contingencies of 2% to 7%, averaging approximately 5% (in hurricane/earthquake states, additional risk provisions may also have been added). Based on the difference between our filed profit and contingencies provisions and our actual results, the contingency element has recently been averaging in excess of 2% of earned premium.

   It is thus reasonable to expect that a 11.0% combined provision for **underwriting profit and contingencies** will produce an actual underwriting profit of no more than 9.0%.

B. **Net Investment Income** (interest, dividends and real estate income) has declined as a percent of mean invested assets from 5.5% in 1998 to 4.1% in 2009 (see Exhibit 7D). Based on an analysis of these decreasing results, it is reasonable to expect a return of 4.5% on invested assets during the time the rates will be in effect.

   **Capital Gains** have fluctuated between -7.6% and 6.1% of mean invested assets over the past twelve years (see Exhibit 7D), with 12 year average of 0.6% and a 24 year average of 1.0%. The expected contribution of capital gains during the period rates will be in effect is 1.0% of invested assets.

   As a result, the **Net Investment Yield** as a percent of invested assets is expected to be 5.5% during the time rates will be in effect.

# Exhibit 7
# (Continued)
# State Farm Fire and Casualty

C. **Other Income**, largely service charges for premium installment plans, has averaged 0.3% of earned premium during the past 12 years (see Exhibit 7A, Column (3)). The expected income during the time the rates will be in effect is 0.5%.

D. All of these income sources combine to yield a total expected insurance operating profit of approximately 13.2% on earned premium, before tax, as summarized in the table on the following page. This includes the expected investment income attributable to unearned and advance premium reserves and that portion of loss and loss adjustment expense reserves resulting from policyholder supplied funds, as well as underwriting profit.

State Farm Fire and Casualty Company is exposed to large catastrophic losses. Some potential sources for such losses are earthquakes in the New Madrid and the Pacific Northwest areas as well as hurricanes along the Gulf and Mid-Atlantic coasts. On a direct basis (absent of reinsurance), the State Farm Fire and Casualty Company would need capital of at least $1.00 per dollar of premium to adequately protect its policyholders.

Allowing for the expected investment income attributable to the capital of $100 per $100 of premium, the expected total return, after tax, is 13.6% as demonstrated in the following table.

Taking into account the equity in the unearned and advance premium reserve, the expected total return is approximately 11.9% on a GAAP adjusted basis. An expected total return up to 20% is reasonable in comparison to current returns in other industries. Recent median returns reported in Forbes and Fortune magazine average around 13% on a GAAP adjusted basis.

Based on the foregoing, we conclude that a 11.0% combined provision for underwriting profit and contingencies can be expected to produce a reasonable total return during the time the projected rates are to be in effect. If the contingency provision is actually realized as a profit in any year, the expected total return increases to 13.1%. Such a result would still be reasonable and not excessive.

While a 9.0% underwriting profit provision is supported for the combined State Farm Fire and Casualty Company, we recognize that not all states and segments of business present the same amount of risk to the entire enterprise. For the perils covered in the non-Earthquake lines of business, Arkansas presents less risk from extreme catastrophe events than the combined State Farm Fire and Casualty Company. As a result, we have selected a targeted profit provision of 5%, which is lower than our combined companywide target. We have also selected a 2% contingency provision, which matches our companywide provision.

We expect a 7% combined provision for profit and contingencies to produce an actual underwriting profit of no more than 5%.

# Exhibit 7
# State Farm Fire and Casualty Company
# All Lines Combined

## Expected Total Return

Premium = $100
Assumed Capital = $100

| | | | |
|---|---|---|---|
| 1) | Expected Contribution from a 2% Provision for Contingencies:<br>$100 x .000 (Item A above) | $ | 0.00 |
| 2) | Underwriting Profit Provision | $ | 9.00 |
| 3) | Investment Income on Unearned and Advance Premium Reserves<br>$100 x (Exhibit 7B, Line 7) | $ | 1.40 |
| 4) | Investment Income on Loss and LAE Reserves<br>$100 x (Exhibit 7C, Line 6) | $ | 2.30 |
| 5) | Other Income<br>$100 x (Item C above) | $ | 0.50 |
| 6) | Expected Insurance Operating Profit, Before Tax | $ | 13.20 |
| 7) | Investment Income on Capital<br>$100 x (Exhibit 7D, Selected Investment Yield) | $ | 5.50 |
| 8) | Federal Income Tax equals greater of:<br>(Lines 1 + 2 + 5) x 20% + (Lines 3 + 4 + 7) x (Exhibit 7E AMT Tax Rate) and<br>(Lines 1 + 2 + 5) x 35% + (Lines 3 + 4 + 7) x (Exhibit 7E Reg Tax Rate) | $ | 5.10 |
| 9) | Expected Total Return | $ | 13.60 |
| 10) | Expected Total Return as a Percent of Capital<br>Line 9 / $100 | | 13.6% |
| 11) | GAAP Adjusted Return<br>Line 10 / (Exhibit 7F, Line 5) | | 11.9% |

# Exhibit 7A
# State Farm Fire and Casualty Company
# All Lines Combined

## Companywide Insurance Operations

| Year (1) | U/W Gain/Loss Actual (2) | U/W Gain/Loss Adjusted (2a) | Other Income (3) |
|---|---|---|---|
| 1998 | -11.7% | -8.7% | 0.2% |
| 1999 | -11.7% | -9.4% | 0.1% |
| 2000 | -20.3% | -18.2% | 0.2% |
| 2001 | -33.8% | -27.3% | 0.0% |
| 2002 | -15.8% | -16.8% | 0.2% |
| 2003 | 7.6% | 6.7% | 0.5% |
| 2004 | 17.4% | 10.0% | 0.4% |
| 2005 | -18.3% | 8.3% | 0.4% |
| 2006 | 5.1% | 5.6% | 0.5% |
| 2007 | 4.1% | 0.9% | 0.4% |
| 2008 | -20.0% | -2.8% | 0.5% |
| 2009 | -5.0% | -2.0% | 0.4% |
| Mean | -8.5% | -4.5% | 0.3% |
| Std Dev | 14.7% | 11.8% | 0.2% |

All Columns are percentages of earned premium.
All Columns are percentages before federal taxes.

(2) Insurance Expense Exhibit, Part III, Column 3 less Columns 7, 9, 11, 23, 25, 27, and 29, Line 35 less Lines 2.2, 2.3, 19 and 21 divided by Insurance Expense Exhibit, Part III, Column 3 Line 35 Less Lines 2.2, 2.3, 19 and 21 plus Change in Prepaid Expenses and Miscellaneous Changes Related to Insurance Operations

(2a) Equals Column (2) adjusted to smooth for the effects of catastrophe losses. Actual catastrophe losses are removed and replaced withthe losses contemplated in our current catastrophe provision.

(3) Insurance Expense Exhibit, Part III, Column 31, Line 35 less Lines 2.2, 2.3, 19 and 21 divided by Column 3, Line 35 less Lines 2.2, 2.3, 19 and 21, excluding insurance department fines, penalties, and miscellaneous income.

# Exhibit 7B
# State Farm Fire and Casualty Company
# All Lines Combined

## Estimated Investment Income from Reserve for Unearned Premium and Advance Premiums

| | | All Lines |
|---|---|---|
| **(1)** | **Mean Reserve for Unearned and Advance Premiums, as a Ratio to Earned Premium** | |
| | (a) 2007 | 0.5263 |
| | (b) 2008 | 0.5283 |
| | (c) 2009 | 0.5322 |
| | (d) 3 Year Average | 0.5289 |
| **(2)** | **Delayed Remission of Premiums** | |
| | Ratio of Agents' Balances or Uncollected Premium to Unearned Premium and Advance Premiums | 24.6% |
| **(3)** | **Expenses Incurred at Beginning of Policy Term (as a % of Written Premium)** | |
| | (a) Commissions and Other Acquisition Expenses | 21.4% |
| | (b) 50% of General Expenses | 1.6% |
| | (c) Taxes | 2.5% |
| | (d) Total | 25.4% |
| **(4)** | **Mean Unearned Premium and Advance Premium Reserve Adjusted for Agents' Balances, Uncollected Premiums, and Prepaid Expenses** (1d) * ( 1.000 - (2) - (3d) ) | 0.2646 |
| **(5)** | **Adjusted for Tax on Prepaid Expenses** (4) - (1d) * 3% * 0.20 * 35% | 0.2635 |
| **(6)** | **Investment Yield, before Tax** | 5.5% |
| **(7)** | **Investment Income, as a % of Earned Premium** (5) * (6) | 1.4% |

DATA SOURCES:

Item 1 - Insurance Expense Exhibit, Part III, Columns 3 and 19, Line 35 less Lines 2.2, 2.3, 19 and 21 plus Annual Statement, Page 3, Line 10

Item 2 - Insurance Expense Exhibit, Part III, Columns 19 and 21, Line 35 less Lines 2.2, 2.3, 19 and 21 plus Annual Statement, Page 3, Line 10

Item 3 - Insurance Expense Exhibits 2007-2009 (three year average of the mean ratios)

Item 5 - Assumes the unearned premium reserve will increase at a growth rate of 3%; 0.20 is the IRS prepaid expenses factor; 35% is the current effective tax rate on underwriting income.

Item 6 - From Exhibit 7D

# Exhibit 7C
# State Farm Fire and Casualty Company
# All Lines Combined

## Estimated Investment Income from Reserve for Losses and Loss Adjustment Expenses

| | | All Lines |
|---|---|---|
| **(1)** | **Mean Reserve for Losses and Loss Adjustment Expense, as a Ratio to Incurred Losses and Loss Adjustment Expenses** | |
| (a) | 2005 | 0.3676 |
| (b) | 2006 | 0.8499 |
| (c) | 2007 | 0.7716 |
| (d) | 2008 | 0.5606 |
| (e) | 2009 | 0.6834 |
| (f) | 5 Year Average | 0.6466 |
| **(2)** | **Permissible Loss and LAE (% Earned Premium)** (1.0000 - Expense Ratio - Underwriting Profit Provision) | 63.8% |
| **(3)** | **Mean Reserves for Losses and Loss Adjustment Expenses as a Ratio to Earned Premium** (2) * (1f) | 0.4125 |
| **(4)** | **Adjusted for Tax on Discounted Reserves** (3) - (3) * 7% * 7.1% * 35% | 0.4118 |
| **(5)** | **Investment Yield, before Tax** | 5.5% |
| **(6)** | **Estimated Investment Income from Losses and Loss Adjustment Expense Reserves (as a % of Earned Premium)** (4) * (5) | 2.3% |

DATA SOURCES:

Item 1 - Insurance Expense Exhibit, Part III, Columns 7, 9, 11, 13, 15, and 17, Line 35 less Lines 2.2, 2.3, 19 and 21.

Item 2 - 1.0000 minus provision for expenses and underwriting profit. Expense provision is the latest five year average of commissions, other acquisition, general expenses, and taxes, licenses, and fees from the Insurance Expense Exhibit.

Item 4 - To recognize tax resulting from discounting of reserves; 7% is the estimated growth in loss reserves; 7.1% is the average discount of reserves; 35% is the current effective tax rate on underwriting income.

Item 5 - From Exhibit 7D

# Exhibit 7D
# State Farm Fire and Casualty Company
# All Lines Combined

## Investment Rate of Return
## As a Percent of Mean Invested Assets

| Year | Net Investment Income | Capital Gain/Loss |
|---|---|---|
| 1998 | 5.5% | 6.0% |
| 1999 | 5.0% | 3.0% |
| 2000 | 4.9% | -0.2% |
| 2001 | 4.8% | -2.9% |
| 2002 | 4.7% | -7.6% |
| 2003 | 4.6% | 6.1% |
| 2004 | 4.4% | 1.3% |
| 2005 | 4.5% | 0.2% |
| 2006 | 4.5% | 3.0% |
| 2007 | 4.3% | 1.5% |
| 2008 | 4.3% | -6.1% |
| 2009 | 4.1% | 2.6% |
| **Latest 24 Year Average** | 6.0% | 1.0% |
| **Latest Twelve Year Average** | 4.6% | 0.6% |
| **Latest Six Year Average** | 4.3% | 0.4% |
| **Selected 2010** | **4.5%** | **1.0%** |

Data Source: Annual Statement, Pages 2 and 12

# Exhibit 7E
# State Farm Fire and Casualty Company
# All Lines Combined

## Average Federal Tax Rate on Investment Income

| Investment Type | Investment Income 2007 through 2009 | Distribution | Current Tax Rate Regular | Current Tax Rate AMT |
|---|---|---|---|---|
| Bonds (Taxable) | $ 1,236,918,981 | 42.0% | 35.0% | 20.0% |
| Bonds (Tax Exempt) | 1,316,027,969 | 44.7% | 5.3% | 15.8% |
| Stocks (Unaffiliated) | 340,683,977 | 11.6% | 14.2% | 17.0% |
| Other (Net of Depreciation) | 48,782,315 | 1.7% | 35.0% | 20.0% |
| Total | $ 2,942,413,242 | | 19.3% | 17.8% |

Item Sources:

Investment Income from Annual Statement, Page 12, Exhibit of Net Investment Income

**Current Tax Rate computed according to the 1986 Tax Reform Act, as amended:**
Under this Act, 15% of formerly tax-exempt income from securities purchased after August 7, 1986 is now taxable. Thirty percent of stock dividends are taxed at 35% and seventy percent are taxed at 15% of 35%. Thus, the estimated effective tax rate will be:

| | | |
|---|---|---|
| Ordinary Income | 35.0% | |
| Tax Exempt Bonds | 5.3% | = .15 x 35% |
| Stock Dividends | 14.2% | = (.30 + (.70 x .15)) x 35% |

**AMT is computed according to the 1986 Tax Reform Act Alternative Minimum Tax:**
Under the Alternative Minimum Tax, a rate of 20% applies to the sum of regular tax income and 75% of tax exempt income. The estimated effective AMT will be:

| | | |
|---|---|---|
| Ordinary Income | 20.0% | |
| Tax Exempt Bonds | 15.8% | = (.15+ (.85 x .75)) x 20% |
| Stock Dividends | 17.0% | = [.30 + .70 x (.15 + (.85 x .75))] x 20% |

## Exhibit 7F
## State Farm Fire and Casualty Company
## All Lines Combined

### Expected Total Return - Adjustment to GAAP

| | Item | Amount (,000's) | Source (Annual Statement) |
|---|---|---|---|
| **(1)** | 12/31/2009 Assumed Capital (Based on $1 Ratio to Direct Written Premium) | $ 13,594,802 | IEE, Part III, Line 35, Column 1 less IEE, Part III, Lines 2.2, 2.3, 19 and 21, Column 1 |
| **(2)** | Non-Admitted Assets | 33,679 | Page 13, Line 26, Column 1 |
| **(3)** | Equity in the Unearned and Advance Premium Reserve | 1,821,060 | (h) |
| **(4)** | Total Adjustments | 1,854,739 | (2) + (3) |
| **(5)** | GAAP Surplus Adjustment Factor | 1.1364 | ( (4) + (1) ) / (1) |

**Calculation of Equity in the Unearned and Advance Premium Reserve**

| | Item | Amount (,000's) | Source (Annual Statement) |
|---|---|---|---|
| (a) | Commissions and Brokerage Expense Incurred | 2,067,266 | IEE, Part III, Line 35, Column 23 less IEE, Part III, Lines 2.2, 2.3, 19 and 21, Column 23 plus Part I, Line 3, Column 2 |
| (b) | Taxes, License & Fees Incurred | 325,375 | IEE, Part III, Line 35, Column 25 less IEE, Part III, Lines 2.2, 2.3, 19 and 21, Column 25 |
| (c) | Other Acquisition Expenses Incurred | 822,751 | IEE, Part III, Line 35, Column 27 less IEE, Part III, Lines 2.2, 2.3, 19 and 21, Column 27 less Part I, Line 3, Column 2 |
| (d) | General Expenses Incurred | 414,176 | IEE, Part III, Line 35, Column 29 less IEE, Part III, Lines 2.2, 2.3, 19 and 21, Column 29 |
| (e) | Total | 3,422,480 | (a) + (b) + (c) + 1/2 (d) |
| (f) | 2009 Written Premium | 13,594,802 | IEE, Part III, Line 35, Column 1 less IEE, Part III, Lines 2.2, 2.3, 19 and 21, Column 1 |
| (g) | 2009 Ending Unearned and Advance Premium Reserve | 7,233,628 | IEE, Part III, Line 35, Column 19 less IEE, Part III, Lines 2.2, 2.3, 19 and 21, Column 19 and Page 3, Line 10, Column 1 |
| (h) | Equity in the Unearned and Advance Premium Reserve | 1,821,060 | (g) * ( (e) / (f) ) |

**Exhibit 8**
**State Farm Fire and Casualty Company**
**Arkansas Homeowners**
**Gross Underwriting Profit or Loss on a Statutory Basis**

| Arkansas | | | | | | |
|---|---|---|---|---|---|---|
| Year | Earned Premium | Non-Cat Loss Ratio | Catastrophe Loss Ratio | Total Loss Ratio | Expense Ratio | Actual Combined Ratio |
| 2005 | 102,134,322 | 49.0% | 3.4% | 52.3% | 25.0% | 77.4% |
| 2006 | 105,033,387 | 48.1% | 40.1% | 88.2% | 27.3% | 115.5% |
| 2007 | 111,566,740 | 48.7% | -1.2% | 47.5% | 27.7% | 75.1% |
| 2008 | 113,841,959 | 53.6% | 116.8% | 170.4% | 28.0% | 198.4% |
| 2009 | 120,726,232 | 66.5% | 59.5% | 126.0% | 27.6% | 153.5% |
| 05-09 | 553,302,640 | 53.5% | 45.0% | 98.5% | 27.2% | 125.7% |

| Companywide | | | | | | |
|---|---|---|---|---|---|---|
| Year | Earned Premium | Non-Cat Loss Ratio | Catastrophe Loss Ratio | Total Loss Ratio | Expense Ratio | Actual Combined Ratio |
| 2005 | 11,264,262,416 | 40.4% | 49.6% | 90.0% | 24.5% | 114.5% |
| 2006 | 11,811,942,032 | 43.4% | 18.0% | 61.3% | 26.8% | 88.2% |
| 2007 | 12,530,785,577 | 47.0% | 18.1% | 65.1% | 25.9% | 91.0% |
| 2008 | 12,491,238,628 | 52.2% | 43.9% | 96.1% | 27.0% | 123.1% |
| 2009 | 12,747,083,924 | 55.1% | 24.4% | 79.5% | 27.1% | 106.6% |
| 05-09 | 60,845,312,578 | 47.8% | 30.5% | 78.4% | 26.3% | 104.7% |

Expense Ratios include Agents' Commissions, Taxes, Other Acquisition and General Expenses.

Loss Ratios include Adjustment Expense.

Totals may not add due to rounding.

**Exhibit 9**
**State Farm Fire and Casualty Company**
**Arkansas Homeowners**
**Indicated Rate Level Adjustment By Form**

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
|---|---|---|---|---|---|---|---|---|
| Form | Credibility Weighted Current Level Non-Cat Loss Ratio | Form Catastrophe Provision as a Percent of Earned Premium | 2009 Fixed Expense Ratio | Total Formula Ratio | Index to Total | Selected Index | Index Adjusted For Off Balance | Form Indicated Rate Level Adjustment |
| Homeowners | 44.3 | 21.2 | 9.6 | 75.0 | 1.0023 | 1.0023 | 1.0002 | 7.0% |
| Renters | 62.5 | 2.2 | 10.2 | 75.0 | 1.0017 | 1.0017 | 0.9996 | 7.0% |
| Condo Unit Owners | 56.0 | 6.1 | 10.7 | 72.7 | 0.9719 | 0.9719 | 0.9699 | 3.8% |
| Total Homeowners | 44.9 | 20.4 | 9.6 | 74.9 | 1.0021 | 1.0021 | 1.0000 | 7.0% |

Column Explanations:
(2) Calendar years 2005 - 2009 Non-Cat Incurred Loss and Loss Adjustment Expenses Divided by Current Level Earned Premiums adjusted for credibility.
(3) Catastrophe provision/AIY divided by 2009 Current Level Earned Premium/AIY. The individual forms are derived from the statewide provision, which is developed in Exhibit 5.
(4) 2009 Fixed Expenses divided by 2009 Current Level Earned Premium.
(5) Col (2) + Col (3) + Col (4)
(6) Col (5) divided by Total Col (5). Total Col (6) Weighted by 2009 Current Level Earned Premium.
(7) Total Col (7) Weighted by 2009 Current Level Earned Premium.
(8) Col (7) divided by Total Col (7).
(9) Total Col (9) indicated Rate Level Adjustment is from Exhibit 1.
( (1 + Total Col (9) ) X Col (8) ) - 1

**Exhibit 10A**
**State Farm Fire and Casualty Company**
**Arkansas Homeowners**
**Current and Revised Claim Record Rating Plan**

**Indicated**

| Years With State Farm | Number of Qualified Claims In Last 3 Years | | | | |
|---|---|---|---|---|---|
| | 0 | 1 | 2 | 3 | 4+ |
| 0 | -5% | 11% | 55% | 125% | 200% |
| 1 | -7% | 8% | 55% | 125% | 200% |
| 2 | -9% | 5% | 55% | 125% | 200% |
| 3 | -11% | 2% | 50% | 120% | 200% |
| 4 | -13% | -1% | 50% | 120% | 200% |
| 5 | -15% | -4% | 50% | 120% | 200% |
| 6 | -17% | -6% | 45% | 115% | 200% |
| 7 | -18% | -8% | 45% | 115% | 200% |
| 8 | -19% | -10% | 45% | 115% | 200% |
| 9+ | -20% | -20% | 30% | 100% | 200% |

**Current**

| Years With State Farm | Number of Qualified Claims In Last 3 Years | | | | |
|---|---|---|---|---|---|
| | 0 | 1 | 2 | 3 | 4+ |
| 0 | 0% | 0% | 40% | 90% | 140% |
| 1 | 0% | 0% | 40% | 90% | 140% |
| 2 | 0% | 0% | 40% | 90% | 140% |
| 3 | -5% | -5% | 40% | 85% | 140% |
| 4 | -5% | -5% | 40% | 85% | 140% |
| 5 | -5% | -5% | 40% | 85% | 140% |
| 6 | -10% | -10% | 35% | 85% | 140% |
| 7 | -10% | -10% | 35% | 85% | 140% |
| 8 | -10% | -10% | 35% | 85% | 140% |
| 9+ | -15% | -15% | 20% | 70% | 140% |

**Revised**

| Years With State Farm | Number of Qualified Claims In Last 3 Years | | | | |
|---|---|---|---|---|---|
| | 0 | 1 | 2 | 3 | 4+ |
| 0 | -3% | 5% | 55% | 110% | 170% |
| 1 | -4% | 3% | 55% | 110% | 170% |
| 2 | -5% | 2% | 55% | 110% | 170% |
| 3 | -8% | 0% | 50% | 105% | 170% |
| 4 | -9% | -1% | 50% | 105% | 170% |
| 5 | -10% | -4% | 50% | 105% | 170% |
| 6 | -13% | -6% | 45% | 100% | 170% |
| 7 | -14% | -8% | 45% | 100% | 170% |
| 8 | -15% | -10% | 45% | 100% | 170% |
| 9+ | -18% | -18% | 30% | 85% | 170% |

# Exhibit 10B
## State Farm Fire and Casualty Company
## Arkansas Homeowners
## Support for Indicated Relativities

Our indicated relativities are developed using Generalized Linear Models (GLM). We use GLM to create explanatory models for claim frequency and claim severity, based on our rating factors. These models provide actuarially sound estimates of the impact of these rate factors on claim frequency and severity.

We create explanatory models for frequency and severity separately, for each of the five major perils: Fire, Wind/Hail (Non-Hurricane), Liability, Crime, and Other Extended Coverages (OEC). This results in 10 sub-models -- one frequency and one severity model for each of the 5 perils. In developing each of these models, we evaluate the explanatory power of the rating factors for that specific peril. Using statistical inference and actuarial judgment, we include the rating factors that have importance in explaining differences in frequency or severity for that particular peril. In this way, we are able to ensure that our rating relativities reflect relevant cost differences among the rating factors. Thus, we are able to demonstrate that our rate relativities are not unfairly discriminatory.

Rate Factors considered in our GLM analysis are:

• Amount of Insurance
• Dollar Amount of Deductible
• Ratio of Deductible to Amount of Insurance
• Age of Utilities
• Construction
• Number of Claims in past 3 years
• CRI
• Years with State Farm
• Home Alert (Crime and Fire protection considered separately)
• Sprinkler Credit
• Home/Auto Discount
• Liability Amount

Additional variables were included in the model to account for geographical and temporal differences.

The 10 sub-models are combined to create an all-peril pure premium model. This is accomplished as follows:

- For each peril, the frequency and severity model are multiplied together to create a peril-specific pure premium explanatory model.
- The five peril-specific pure premium models are then added together along with a fixed expense provision to produce the all-peril pure premium model.

## GLM Example Calculations

Assume the following two dimensional chart for average claim severity

| | Urban | Rural |
|---|---|---|
| Male | 800 | 500 |
| Female | 400 | 200 |

In this example, the GLM will be solved using the following steps:

a. Specify the design matrix **X** and the vector of parameters β
b. Choose the error structure and link function
c. Identify the log-likelihood function
d. Take the logarithm to convert the product of many terms into a sum
e. Maximize the logarithm of the likelihood function by taking partial derivatives with respect to each parameter, setting them to zero and solving the resulting system of equations
f. Compute the predicted values

$$Y = \begin{bmatrix} Male & Urban \\ Male & Rural \\ Female & Urban \\ Female & Rural \end{bmatrix} = \begin{bmatrix} 800 \\ 500 \\ 400 \\ 200 \end{bmatrix}$$

$$X = \begin{bmatrix} 1 & 0 & 1 \\ 1 & 0 & 0 \\ 0 & 1 & 1 \\ 0 & 1 & 0 \end{bmatrix}$$

$$\beta = \begin{bmatrix} \beta_1 \\ \beta_2 \\ \beta_3 \end{bmatrix}$$

**Assuming a Poisson Error Structure with a log link function:**

For the Poisson model with a logarithm link function, the predicted values are given by:

$$E[Y] = g^{-1}(X\beta) = \begin{bmatrix} g^{-1}(\beta_1 + \beta_3) \\ g^{-1}(\beta_1) \\ g^{-1}(\beta_2 + \beta_3) \\ g^{-1}(\beta_2) \end{bmatrix} = \begin{bmatrix} e^{\beta_1+\beta_3} \\ e^{\beta_1} \\ e^{\beta_2+\beta_3} \\ e^{\beta_2} \end{bmatrix}$$

A Poisson distribution has the following density function

$$f(y;\mu) = (e^{-\mu}\mu^{y}) / y!$$

It's log-likelihood function is therefore

$$l(y;\mu) = \sum_{i=1}^{n} \ln f(y_i, \mu_i) = \sum_{i=1}^{n} -\mu_i + y_i \ln \mu_i - \ln(y_i!)$$

With the log link function $\mu_i = e^{\sum_j X_{ij}\beta_j}$, and the loglikehood function reduces to

$$l(y;e^{X\beta}) = \sum_{i=1}^{n} -e^{\sum_{j=1}^{p} X_{ij}\beta_j} + y_i \sum_{j=1}^{p} X_{ij}\beta_j - \ln(y_i!)$$

In this example, the equation is

$$l(y;\mu) = -e^{(\beta_1+\beta_3)} + 800(\beta_1 + \beta_3) - \ln(800!) - e^{(\beta_1)} + 500(\beta_1) - \ln(500!) - e^{(\beta_2+\beta_3)}$$
$$+ 400(\beta_2 + \beta_3) - \ln(400!) - e^{(\beta_2)} + 200(\beta_2) - \ln(200!)$$

Ignoring the constants (ln800! + ln500! + ln400! + ln200!), the following function is to be maximized

$$l^*(y;\mu) = -e^{(\beta_1+\beta_3)} + 800(\beta_1 + \beta_3) - e^{(\beta_1)} + 500(\beta_1) - e^{(\beta_2+\beta_3)}$$
$$+ 400(\beta_2 + \beta_3) - e^{(\beta_2)} + 200(\beta_2)$$

To maximize l* the derivatives with respect to $\beta_1$, $\beta_2$, and $\beta_3$ are set to zero and the following three equations are derived

$$\frac{\partial l^*}{\partial \beta_1} = 0 \quad \Rightarrow \quad e^{\beta_1} * (e^{\beta_3} + 1) = 1300$$

$$\frac{\partial l^*}{\partial \beta_2} = 0 \quad \Rightarrow \quad e^{\beta_2} * (e^{\beta_3} + 1) = 600$$

$$\frac{\partial l^*}{\partial \beta_3} = 0 \quad \Rightarrow \quad e^{\beta_3} * (e^{\beta_1} + e^{\beta_2}) = 1200$$

These can be solved to derive the following parameter estimates

$$\beta_1 = 6.1716$$
$$\beta_2 = 5.3984$$
$$\beta_3 = 0.5390$$

The predicted values are:

| | Urban | Rural |
|---|---|---|
| Male | 821.1 | 479.0 |
| Female | 378.9 | 221.1 |

To arrive at indicated relativities for each of the rating factors:

Given that Rural was the base relativity as defined in the design matrix, X:

Rural = = 1.000

Urban = $e^{\beta_3} / 1.000$ = 1.714

Assuming that male is a factor off of female:

Male = $e^{\beta_1} / e^{\beta_2}$ = 2.167

Female = $e^{\beta_2} / e^{\beta_2}$ = 1.000

Additionally, these relationships can be calculated by dividing the predicted values shown above.

**Exhibit 11**
**State Farm Fire and Casualty Company**
**Arkansas Non-Tenant Homeowners**
**Current and Revised Subzone Change by ZIP**

| ZIP | Zone | Current Subzone | Revised Subzone | Subzone Change |
|---|---|---|---|---|
| 71601 | 25 | 13 | 13 | 0.0% |
| 71602 | 25 | 10 | 09 | -4.8% |
| 71603 | 25 | 13 | 12 | -4.7% |
| 71630 | 25 | 14 | 14 | 0.0% |
| 71631 | 25 | 15 | 14 | -4.8% |
| 71635 | 25 | 13 | 14 | 5.0% |
| 71638 | 25 | 13 | 13 | 0.0% |
| 71639 | 25 | 12 | 12 | 0.0% |
| 71640 | 25 | 18 | 18 | 0.0% |
| 71642 | 25 | 17 | 17 | 0.0% |
| 71643 | 25 | 14 | 14 | 0.0% |
| 71644 | 25 | 14 | 14 | 0.0% |
| 71646 | 25 | 14 | 14 | 0.0% |
| 71647 | 25 | 15 | 15 | 0.0% |
| 71651 | 25 | 14 | 13 | -4.8% |
| 71652 | 25 | 15 | 14 | -4.8% |
| 71653 | 25 | 15 | 15 | 0.0% |
| 71654 | 25 | 14 | 13 | -4.8% |
| 71655 | 25 | 09 | 09 | 0.0% |
| 71656 | 25 | 10 | 10 | 0.0% |
| 71658 | 25 | 14 | 15 | 5.0% |
| 71660 | 25 | 14 | 13 | -4.8% |
| 71661 | 25 | 16 | 16 | 0.0% |
| 71663 | 25 | 16 | 16 | 0.0% |
| 71665 | 25 | 15 | 14 | -4.8% |
| 71667 | 25 | 14 | 14 | 0.0% |
| 71670 | 25 | 13 | 13 | 0.0% |
| 71671 | 25 | 12 | 12 | 0.0% |
| 71674 | 25 | 14 | 14 | 0.0% |
| 71675 | 25 | 13 | 12 | -4.7% |
| 71676 | 25 | 15 | 15 | 0.0% |
| 71677 | 25 | 15 | 15 | 0.0% |
| 71701 | 25 | 10 | 10 | 0.0% |
| 71720 | 25 | 11 | 11 | 0.0% |
| 71722 | 25 | 10 | 10 | 0.0% |
| 71725 | 25 | 14 | 14 | 0.0% |
| 71726 | 25 | 12 | 12 | 0.0% |
| 71730 | 25 | 08 | 08 | 0.0% |
| 71740 | 25 | 08 | 08 | 0.0% |
| 71742 | 25 | 12 | 12 | 0.0% |
| 71743 | 25 | 09 | 09 | 0.0% |
| 71744 | 25 | 14 | 13 | -4.8% |
| 71745 | 25 | 14 | 14 | 0.0% |
| 71747 | 25 | 14 | 14 | 0.0% |
| 71748 | 25 | 16 | 15 | -4.8% |
| 71749 | 25 | 10 | 10 | 0.0% |
| 71751 | 25 | 14 | 13 | -4.8% |
| 71752 | 25 | 11 | 10 | -4.8% |
| 71753 | 25 | 08 | 08 | 0.0% |
| 71758 | 25 | 13 | 11 | -9.3% |

**Exhibit 11**
**State Farm Fire and Casualty Company**
**Arkansas Non-Tenant Homeowners**
**Current and Revised Subzone Change by ZIP**

| ZIP | Zone | Current Subzone | Revised Subzone | Subzone Change |
|---|---|---|---|---|
| 71762 | 25 | 08 | 08 | 0.0% |
| 71763 | 25 | 14 | 13 | -4.8% |
| 71764 | 25 | 10 | 10 | 0.0% |
| 71765 | 25 | 13 | 11 | -9.3% |
| 71766 | 25 | 13 | 13 | 0.0% |
| 71770 | 25 | 08 | 08 | 0.0% |
| 71801 | 25 | 10 | 10 | 0.0% |
| 71822 | 25 | 11 | 11 | 0.0% |
| 71825 | 25 | 15 | 14 | -4.8% |
| 71826 | 25 | 13 | 12 | -4.7% |
| 71827 | 25 | 07 | 07 | 0.0% |
| 71831 | 25 | 15 | 14 | -4.8% |
| 71832 | 25 | 12 | 12 | 0.0% |
| 71833 | 25 | 11 | 11 | 0.0% |
| 71834 | 25 | 15 | 14 | -4.8% |
| 71835 | 25 | 12 | 11 | -4.8% |
| 71836 | 25 | 12 | 12 | 0.0% |
| 71837 | 25 | 14 | 13 | -4.8% |
| 71838 | 25 | 13 | 13 | 0.0% |
| 71839 | 25 | 11 | 10 | -4.8% |
| 71841 | 25 | 15 | 14 | -4.8% |
| 71842 | 25 | 13 | 13 | 0.0% |
| 71845 | 25 | 09 | 09 | 0.0% |
| 71846 | 25 | 15 | 14 | -4.8% |
| 71847 | 25 | 16 | 16 | 0.0% |
| 71851 | 25 | 14 | 14 | 0.0% |
| 71852 | 25 | 13 | 13 | 0.0% |
| 71853 | 25 | 11 | 11 | 0.0% |
| 71854 | 25 | 11 | 11 | 0.0% |
| 71855 | 25 | 15 | 14 | -4.8% |
| 71857 | 25 | 10 | 11 | 5.0% |
| 71857 | 25 | 11 | 11 | 0.0% |
| 71858 | 25 | 13 | 12 | -4.7% |
| 71859 | 25 | 15 | 14 | -4.8% |
| 71860 | 25 | 06 | 07 | 5.0% |
| 71861 | 25 | 11 | 10 | -4.8% |
| 71862 | 25 | 14 | 13 | -4.8% |
| 71865 | 25 | 12 | 12 | 0.0% |
| 71866 | 25 | 15 | 14 | -4.8% |
| 71901 | 10 | 08 | 08 | 0.0% |
| 71909 | 10 | 09 | 09 | 0.0% |
| 71913 | 10 | 10 | 10 | 0.0% |
| 71921 | 25 | 13 | 13 | 0.0% |
| 71922 | 25 | 13 | 13 | 0.0% |
| 71923 | 25 | 09 | 09 | 0.0% |
| 71929 | 25 | 08 | 08 | 0.0% |
| 71933 | 25 | 09 | 09 | 0.0% |
| 71935 | 10 | 15 | 15 | 0.0% |
| 71937 | 10 | 15 | 14 | -4.8% |
| 71940 | 25 | 13 | 13 | 0.0% |

**Exhibit 11**
**State Farm Fire and Casualty Company**
**Arkansas Non-Tenant Homeowners**
**Current and Revised Subzone Change by ZIP**

| ZIP | Zone | Current Subzone | Revised Subzone | Subzone Change |
|---|---|---|---|---|
| 71941 | 25 | 12 | 12 | 0.0% |
| 71942 | 25 | 13 | 11 | -9.3% |
| 71943 | 25 | 12 | 12 | 0.0% |
| 71944 | 10 | 15 | 15 | 0.0% |
| 71945 | 10 | 16 | 15 | -4.8% |
| 71949 | 10 | 12 | 10 | -9.3% |
| 71950 | 25 | 16 | 16 | 0.0% |
| 71952 | 25 | 16 | 16 | 0.0% |
| 71953 | 10 | 15 | 15 | 0.0% |
| 71956 | 10 | 11 | 10 | -4.8% |
| 71957 | 10 | 15 | 15 | 0.0% |
| 71958 | 25 | 14 | 15 | 5.0% |
| 71959 | 25 | 16 | 16 | 0.0% |
| 71960 | 10 | 17 | 17 | 0.0% |
| 71961 | 10 | 19 | 18 | -4.8% |
| 71962 | 25 | 14 | 13 | -4.8% |
| 71964 | 10 | 11 | 11 | 0.0% |
| 71965 | 10 | 19 | 19 | 0.0% |
| 71968 | 10 | 12 | 12 | 0.0% |
| 71969 | 10 | 19 | 19 | 0.0% |
| 71970 | 10 | 15 | 15 | 0.0% |
| 71971 | 25 | 15 | 14 | -4.8% |
| 71972 | 10 | 15 | 15 | 0.0% |
| 71973 | 10 | 15 | 14 | -4.8% |
| 72001 | 10 | 16 | 16 | 0.0% |
| 72002 | 25 | 09 | 09 | 0.0% |
| 72003 | 25 | 14 | 12 | -9.3% |
| 72004 | 25 | 14 | 13 | -4.8% |
| 72005 | 30 | 13 | 14 | 5.0% |
| 72006 | 30 | 13 | 13 | 0.0% |
| 72007 | 25 | 11 | 10 | -4.8% |
| 72010 | 30 | 13 | 12 | -4.7% |
| 72011 | 25 | 10 | 09 | -4.8% |
| 72012 | 30 | 09 | 09 | 0.0% |
| 72013 | 30 | 13 | 13 | 0.0% |
| 72014 | 30 | 14 | 14 | 0.0% |
| 72015 | 25 | 09 | 09 | 0.0% |
| 72016 | 10 | 13 | 14 | 5.0% |
| 72019 | 25 | 12 | 12 | 0.0% |
| 72020 | 30 | 13 | 13 | 0.0% |
| 72021 | 25 | 13 | 13 | 0.0% |
| 72022 | 25 | 09 | 08 | -4.7% |
| 72023 | 25 | 07 | 07 | 0.0% |
| 72024 | 25 | 14 | 14 | 0.0% |
| 72025 | 10 | 16 | 16 | 0.0% |
| 72026 | 25 | 14 | 13 | -4.8% |
| 72027 | 30 | 13 | 13 | 0.0% |
| 72028 | 30 | 13 | 13 | 0.0% |
| 72029 | 25 | 12 | 12 | 0.0% |
| 72030 | 30 | 13 | 12 | -4.7% |

**Exhibit 11**
**State Farm Fire and Casualty Company**
**Arkansas Non-Tenant Homeowners**
**Current and Revised Subzone Change by ZIP**

| ZIP | Zone | Current Subzone | Revised Subzone | Subzone Change |
|---|---|---|---|---|
| 72031 | 30 | 09 | 09 | 0.0% |
| 72032 | 30 | 09 | 09 | 0.0% |
| 72034 | 30 | 07 | 07 | 0.0% |
| 72036 | 30 | 13 | 13 | 0.0% |
| 72038 | 25 | 14 | 12 | -9.3% |
| 72039 | 30 | 14 | 14 | 0.0% |
| 72040 | 25 | 13 | 13 | 0.0% |
| 72041 | 25 | 14 | 14 | 0.0% |
| 72042 | 25 | 13 | 12 | -4.7% |
| 72044 | 30 | 10 | 09 | -4.8% |
| 72045 | 30 | 13 | 13 | 0.0% |
| 72046 | 25 | 16 | 16 | 0.0% |
| 72047 | 30 | 15 | 15 | 0.0% |
| 72048 | 25 | 16 | 16 | 0.0% |
| 72051 | 30 | 12 | 12 | 0.0% |
| 72055 | 25 | 14 | 14 | 0.0% |
| 72057 | 25 | 14 | 13 | -4.8% |
| 72058 | 30 | 13 | 13 | 0.0% |
| 72060 | 30 | 12 | 11 | -4.8% |
| 72063 | 30 | 12 | 11 | -4.8% |
| 72064 | 25 | 15 | 15 | 0.0% |
| 72065 | 25 | 16 | 16 | 0.0% |
| 72066 | 25 | 14 | 14 | 0.0% |
| 72067 | 30 | 07 | 07 | 0.0% |
| 72068 | 30 | 11 | 09 | -9.3% |
| 72069 | 25 | 16 | 16 | 0.0% |
| 72070 | 10 | 11 | 11 | 0.0% |
| 72072 | 25 | 13 | 11 | -9.3% |
| 72073 | 25 | 13 | 12 | -4.7% |
| 72076 | 25 | 08 | 08 | 0.0% |
| 72079 | 25 | 12 | 11 | -4.8% |
| 72080 | 30 | 11 | 11 | 0.0% |
| 72081 | 30 | 12 | 12 | 0.0% |
| 72082 | 30 | 11 | 10 | -4.8% |
| 72083 | 25 | 16 | 16 | 0.0% |
| 72084 | 25 | 12 | 11 | -4.8% |
| 72086 | 25 | 12 | 13 | 5.0% |
| 72087 | 25 | 12 | 12 | 0.0% |
| 72088 | 30 | 07 | 07 | 0.0% |
| 72101 | 30 | 11 | 11 | 0.0% |
| 72102 | 30 | 10 | 10 | 0.0% |
| 72103 | 25 | 12 | 12 | 0.0% |
| 72104 | 25 | 08 | 08 | 0.0% |
| 72106 | 30 | 09 | 09 | 0.0% |
| 72110 | 30 | 08 | 08 | 0.0% |
| 72111 | 30 | 15 | 15 | 0.0% |
| 72112 | 30 | 14 | 14 | 0.0% |
| 72113 | 25 | 10 | 10 | 0.0% |
| 72114 | 25 | 07 | 07 | 0.0% |
| 72116 | 25 | 08 | 08 | 0.0% |

**Exhibit 11**
**State Farm Fire and Casualty Company**
**Arkansas Non-Tenant Homeowners**
**Current and Revised Subzone Change by ZIP**

| ZIP | Zone | Current Subzone | Revised Subzone | Subzone Change |
|---|---|---|---|---|
| 72117 | 25 | 08 | 08 | 0.0% |
| 72118 | 25 | 09 | 09 | 0.0% |
| 72120 | 25 | 07 | 07 | 0.0% |
| 72121 | 30 | 09 | 09 | 0.0% |
| 72122 | 25 | 12 | 11 | -4.8% |
| 72125 | 10 | 15 | 15 | 0.0% |
| 72126 | 10 | 14 | 13 | -4.8% |
| 72127 | 30 | 06 | 06 | 0.0% |
| 72127 | 30 | 07 | 06 | -4.7% |
| 72128 | 25 | 14 | 13 | -4.8% |
| 72129 | 25 | 12 | 11 | -4.8% |
| 72130 | 30 | 11 | 09 | -9.3% |
| 72131 | 30 | 09 | 09 | 0.0% |
| 72132 | 25 | 11 | 10 | -4.8% |
| 72133 | 25 | 15 | 14 | -4.8% |
| 72134 | 25 | 17 | 15 | -9.3% |
| 72135 | 25 | 10 | 10 | 0.0% |
| 72136 | 30 | 13 | 13 | 0.0% |
| 72137 | 30 | 11 | 09 | -9.3% |
| 72140 | 25 | 14 | 14 | 0.0% |
| 72141 | 30 | 13 | 13 | 0.0% |
| 72142 | 25 | 16 | 16 | 0.0% |
| 72143 | 30 | 12 | 11 | -4.8% |
| 72150 | 25 | 08 | 08 | 0.0% |
| 72152 | 25 | 10 | 10 | 0.0% |
| 72153 | 30 | 08 | 08 | 0.0% |
| 72156 | 30 | 13 | 13 | 0.0% |
| 72157 | 30 | 12 | 12 | 0.0% |
| 72160 | 25 | 12 | 11 | -4.8% |
| 72165 | 13 | 13 | 13 | 0.0% |
| 72166 | 25 | 13 | 13 | 0.0% |
| 72167 | 25 | 13 | 12 | -4.7% |
| 72168 | 25 | 13 | 11 | -9.3% |
| 72170 | 25 | 14 | 14 | 0.0% |
| 72173 | 30 | 12 | 12 | 0.0% |
| 72175 | 25 | 14 | 13 | -4.8% |
| 72176 | 25 | 08 | 08 | 0.0% |
| 72179 | 30 | 10 | 09 | -4.8% |
| 72199 | 25 | 08 | 08 | 0.0% |
| 72201 | 25 | 07 | 08 | 5.0% |
| 72202 | 25 | 07 | 07 | 0.0% |
| 72204 | 25 | 09 | 09 | 0.0% |
| 72205 | 25 | 06 | 06 | 0.0% |
| 72206 | 25 | 14 | 14 | 0.0% |
| 72207 | 25 | 06 | 06 | 0.0% |
| 72209 | 25 | 11 | 11 | 0.0% |
| 72210 | 25 | 09 | 09 | 0.0% |
| 72211 | 25 | 04 | 04 | 0.0% |
| 72212 | 25 | 06 | 06 | 0.0% |
| 72223 | 25 | 08 | 08 | 0.0% |

**Exhibit 11**
**State Farm Fire and Casualty Company**
**Arkansas Non-Tenant Homeowners**
**Current and Revised Subzone Change by ZIP**

| ZIP | Zone | Current Subzone | Revised Subzone | Subzone Change |
|---|---|---|---|---|
| 72227 | 25 | 07 | 07 | 0.0% |
| 72301 | 25 | 11 | 11 | 0.0% |
| 72311 | 25 | 19 | 18 | -4.8% |
| 72315 | 25 | 20 | 20 | 0.0% |
| 72324 | 25 | 19 | 19 | 0.0% |
| 72326 | 25 | 14 | 13 | -4.8% |
| 72327 | 25 | 16 | 16 | 0.0% |
| 72330 | 25 | 21 | 21 | 0.0% |
| 72331 | 25 | 15 | 15 | 0.0% |
| 72333 | 25 | 16 | 16 | 0.0% |
| 72335 | 25 | 12 | 12 | 0.0% |
| 72339 | 25 | 14 | 14 | 0.0% |
| 72340 | 25 | 16 | 15 | -4.8% |
| 72342 | 25 | 16 | 17 | 5.0% |
| 72346 | 25 | 18 | 17 | -4.7% |
| 72347 | 25 | 15 | 15 | 0.0% |
| 72348 | 25 | 12 | 12 | 0.0% |
| 72348 | 25 | 13 | 12 | -4.7% |
| 72350 | 25 | 19 | 19 | 0.0% |
| 72351 | 25 | 21 | 21 | 0.0% |
| 72354 | 25 | 18 | 18 | 0.0% |
| 72355 | 25 | 16 | 16 | 0.0% |
| 72358 | 25 | 22 | 22 | 0.0% |
| 72360 | 25 | 13 | 13 | 0.0% |
| 72364 | 25 | 12 | 12 | 0.0% |
| 72365 | 25 | 18 | 18 | 0.0% |
| 72366 | 25 | 16 | 16 | 0.0% |
| 72368 | 25 | 18 | 16 | -9.3% |
| 72370 | 25 | 20 | 20 | 0.0% |
| 72372 | 25 | 12 | 12 | 0.0% |
| 72373 | 25 | 15 | 15 | 0.0% |
| 72374 | 25 | 15 | 16 | 5.0% |
| 72376 | 25 | 17 | 16 | -4.8% |
| 72384 | 25 | 14 | 14 | 0.0% |
| 72386 | 25 | 18 | 18 | 0.0% |
| 72390 | 25 | 15 | 16 | 5.0% |
| 72392 | 25 | 13 | 13 | 0.0% |
| 72394 | 25 | 12 | 11 | -4.8% |
| 72395 | 25 | 21 | 21 | 0.0% |
| 72396 | 25 | 14 | 13 | -4.8% |
| 72401 | 30 | 08 | 08 | 0.0% |
| 72404 | 30 | 11 | 11 | 0.0% |
| 72410 | 30 | 11 | 11 | 0.0% |
| 72411 | 30 | 08 | 08 | 0.0% |
| 72412 | 30 | 14 | 14 | 0.0% |
| 72413 | 30 | 11 | 11 | 0.0% |
| 72414 | 30 | 10 | 10 | 0.0% |
| 72415 | 30 | 10 | 10 | 0.0% |
| 72416 | 30 | 06 | 06 | 0.0% |
| 72417 | 30 | 08 | 08 | 0.0% |

**Exhibit 11**
**State Farm Fire and Casualty Company**
**Arkansas Non-Tenant Homeowners**
**Current and Revised Subzone Change by ZIP**

| ZIP | Zone | Current Subzone | Revised Subzone | Subzone Change |
|---|---|---|---|---|
| 72419 | 30 | 15 | 15 | 0.0% |
| 72421 | 30 | 12 | 12 | 0.0% |
| 72422 | 30 | 13 | 14 | 5.0% |
| 72425 | 30 | 14 | 14 | 0.0% |
| 72426 | 25 | 21 | 21 | 0.0% |
| 72428 | 25 | 22 | 22 | 0.0% |
| 72429 | 25 | 17 | 17 | 0.0% |
| 72430 | 30 | 15 | 15 | 0.0% |
| 72432 | 25 | 14 | 14 | 0.0% |
| 72433 | 30 | 12 | 12 | 0.0% |
| 72434 | 30 | 09 | 09 | 0.0% |
| 72435 | 30 | 14 | 14 | 0.0% |
| 72436 | 30 | 13 | 13 | 0.0% |
| 72437 | 30 | 07 | 07 | 0.0% |
| 72438 | 25 | 20 | 20 | 0.0% |
| 72440 | 30 | 10 | 11 | 5.0% |
| 72442 | 25 | 19 | 19 | 0.0% |
| 72443 | 30 | 14 | 14 | 0.0% |
| 72444 | 30 | 14 | 14 | 0.0% |
| 72445 | 30 | 13 | 13 | 0.0% |
| 72447 | 30 | 13 | 14 | 5.0% |
| 72449 | 30 | 12 | 12 | 0.0% |
| 72450 | 30 | 12 | 13 | 5.0% |
| 72453 | 30 | 14 | 14 | 0.0% |
| 72454 | 30 | 16 | 16 | 0.0% |
| 72455 | 30 | 10 | 10 | 0.0% |
| 72456 | 30 | 17 | 18 | 5.0% |
| 72457 | 30 | 10 | 10 | 0.0% |
| 72458 | 30 | 10 | 11 | 5.0% |
| 72459 | 30 | 09 | 09 | 0.0% |
| 72460 | 30 | 11 | 11 | 0.0% |
| 72461 | 30 | 15 | 15 | 0.0% |
| 72464 | 30 | 17 | 17 | 0.0% |
| 72465 | 30 | 10 | 10 | 0.0% |
| 72466 | 30 | 10 | 11 | 5.0% |
| 72469 | 30 | 10 | 10 | 0.0% |
| 72470 | 30 | 14 | 16 | 10.3% |
| 72471 | 30 | 12 | 12 | 0.0% |
| 72472 | 25 | 13 | 13 | 0.0% |
| 72473 | 30 | 12 | 12 | 0.0% |
| 72476 | 30 | 08 | 09 | 5.0% |
| 72478 | 30 | 10 | 11 | 5.0% |
| 72479 | 25 | 15 | 15 | 0.0% |
| 72479 | 25 | 16 | 15 | -4.8% |
| 72482 | 13 | 11 | 11 | 0.0% |
| 72501 | 13 | 10 | 09 | -4.8% |
| 72512 | 13 | 09 | 08 | -4.7% |
| 72513 | 13 | 09 | 09 | 0.0% |
| 72515 | 13 | 10 | 12 | 10.3% |
| 72517 | 13 | 14 | 14 | 0.0% |

**Exhibit 11**
**State Farm Fire and Casualty Company**
**Arkansas Non-Tenant Homeowners**
**Current and Revised Subzone Change by ZIP**

| ZIP | Zone | Current Subzone | Revised Subzone | Subzone Change |
|---|---|---|---|---|
| 72519 | 13 | 11 | 12 | 5.0% |
| 72520 | 13 | 11 | 09 | -9.3% |
| 72521 | 13 | 09 | 09 | 0.0% |
| 72522 | 13 | 12 | 12 | 0.0% |
| 72523 | 30 | 12 | 11 | -4.8% |
| 72524 | 13 | 13 | 13 | 0.0% |
| 72527 | 13 | 12 | 11 | -4.8% |
| 72528 | 13 | 13 | 13 | 0.0% |
| 72529 | 13 | 08 | 08 | 0.0% |
| 72530 | 30 | 11 | 10 | -4.8% |
| 72531 | 13 | 13 | 13 | 0.0% |
| 72532 | 13 | 10 | 10 | 0.0% |
| 72533 | 30 | 14 | 15 | 5.0% |
| 72534 | 13 | 13 | 12 | -4.7% |
| 72536 | 13 | 13 | 12 | -4.7% |
| 72537 | 10 | 10 | 10 | 0.0% |
| 72538 | 13 | 13 | 12 | -4.7% |
| 72539 | 13 | 12 | 10 | -9.3% |
| 72540 | 13 | 16 | 17 | 5.0% |
| 72542 | 13 | 10 | 10 | 0.0% |
| 72543 | 30 | 07 | 07 | 0.0% |
| 72544 | 10 | 10 | 10 | 0.0% |
| 72546 | 30 | 10 | 09 | -4.8% |
| 72550 | 13 | 12 | 12 | 0.0% |
| 72553 | 13 | 10 | 10 | 0.0% |
| 72554 | 13 | 09 | 09 | 0.0% |
| 72555 | 30 | 13 | 13 | 0.0% |
| 72556 | 13 | 16 | 17 | 5.0% |
| 72560 | 30 | 14 | 15 | 5.0% |
| 72561 | 13 | 13 | 12 | -4.7% |
| 72562 | 13 | 09 | 09 | 0.0% |
| 72564 | 13 | 08 | 08 | 0.0% |
| 72565 | 13 | 12 | 13 | 5.0% |
| 72566 | 13 | 14 | 14 | 0.0% |
| 72567 | 30 | 13 | 13 | 0.0% |
| 72568 | 13 | 13 | 13 | 0.0% |
| 72569 | 13 | 13 | 13 | 0.0% |
| 72571 | 13 | 13 | 13 | 0.0% |
| 72572 | 30 | 13 | 13 | 0.0% |
| 72573 | 13 | 11 | 12 | 5.0% |
| 72576 | 13 | 07 | 07 | 0.0% |
| 72577 | 13 | 13 | 13 | 0.0% |
| 72579 | 13 | 12 | 12 | 0.0% |
| 72581 | 30 | 10 | 09 | -4.8% |
| 72583 | 13 | 10 | 11 | 5.0% |
| 72584 | 13 | 13 | 12 | -4.7% |
| 72585 | 13 | 15 | 15 | 0.0% |
| 72601 | 10 | 12 | 12 | 0.0% |
| 72611 | 10 | 12 | 12 | 0.0% |
| 72616 | 10 | 12 | 13 | 5.0% |

**Exhibit 11**
**State Farm Fire and Casualty Company**
**Arkansas Non-Tenant Homeowners**
**Current and Revised Subzone Change by ZIP**

| ZIP | Zone | Current Subzone | Revised Subzone | Subzone Change |
|---|---|---|---|---|
| 72617 | 10 | 18 | 19 | 5.0% |
| 72619 | 10 | 12 | 12 | 0.0% |
| 72623 | 10 | 14 | 13 | -4.8% |
| 72624 | 30 | 12 | 12 | 0.0% |
| 72626 | 10 | 12 | 12 | 0.0% |
| 72628 | 30 | 13 | 13 | 0.0% |
| 72629 | 30 | 12 | 12 | 0.0% |
| 72631 | 10 | 10 | 10 | 0.0% |
| 72632 | 10 | 10 | 10 | 0.0% |
| 72633 | 10 | 13 | 13 | 0.0% |
| 72634 | 10 | 12 | 12 | 0.0% |
| 72635 | 10 | 09 | 09 | 0.0% |
| 72638 | 10 | 14 | 14 | 0.0% |
| 72639 | 30 | 13 | 14 | 5.0% |
| 72640 | 30 | 12 | 12 | 0.0% |
| 72641 | 30 | 12 | 12 | 0.0% |
| 72642 | 10 | 10 | 10 | 0.0% |
| 72644 | 10 | 13 | 13 | 0.0% |
| 72645 | 30 | 12 | 12 | 0.0% |
| 72648 | 30 | 12 | 11 | -4.8% |
| 72650 | 30 | 13 | 13 | 0.0% |
| 72651 | 10 | 10 | 10 | 0.0% |
| 72653 | 10 | 10 | 10 | 0.0% |
| 72655 | 30 | 13 | 13 | 0.0% |
| 72658 | 10 | 14 | 14 | 0.0% |
| 72660 | 10 | 11 | 12 | 5.0% |
| 72661 | 10 | 13 | 12 | -4.7% |
| 72662 | 10 | 15 | 15 | 0.0% |
| 72663 | 30 | 13 | 14 | 5.0% |
| 72666 | 30 | 12 | 12 | 0.0% |
| 72668 | 10 | 12 | 11 | -4.8% |
| 72670 | 30 | 12 | 12 | 0.0% |
| 72675 | 30 | 11 | 11 | 0.0% |
| 72679 | 30 | 13 | 13 | 0.0% |
| 72680 | 30 | 13 | 13 | 0.0% |
| 72682 | 10 | 14 | 14 | 0.0% |
| 72683 | 30 | 13 | 13 | 0.0% |
| 72685 | 30 | 10 | 10 | 0.0% |
| 72686 | 30 | 13 | 13 | 0.0% |
| 72687 | 10 | 12 | 12 | 0.0% |
| 72701 | 10 | 11 | 11 | 0.0% |
| 72703 | 10 | 10 | 10 | 0.0% |
| 72704 | 10 | 10 | 10 | 0.0% |
| 72712 | 10 | 06 | 07 | 5.0% |
| 72714 | 10 | 06 | 06 | 0.0% |
| 72715 | 10 | 08 | 08 | 0.0% |
| 72717 | 10 | 14 | 14 | 0.0% |
| 72718 | 10 | 11 | 11 | 0.0% |
| 72719 | 10 | 06 | 07 | 5.0% |
| 72721 | 10 | 13 | 12 | -4.7% |

**Exhibit 11**
**State Farm Fire and Casualty Company**
**Arkansas Non-Tenant Homeowners**
**Current and Revised Subzone Change by ZIP**

| ZIP | Zone | Current Subzone | Revised Subzone | Subzone Change |
|---|---|---|---|---|
| 72722 | 10 | 07 | 07 | 0.0% |
| 72727 | 10 | 11 | 11 | 0.0% |
| 72729 | 10 | 14 | 14 | 0.0% |
| 72730 | 10 | 11 | 11 | 0.0% |
| 72732 | 10 | 13 | 12 | -4.7% |
| 72734 | 10 | 10 | 10 | 0.0% |
| 72736 | 10 | 08 | 08 | 0.0% |
| 72738 | 10 | 12 | 12 | 0.0% |
| 72739 | 10 | 08 | 08 | 0.0% |
| 72740 | 10 | 12 | 13 | 5.0% |
| 72742 | 10 | 14 | 14 | 0.0% |
| 72744 | 10 | 12 | 12 | 0.0% |
| 72745 | 10 | 10 | 10 | 0.0% |
| 72747 | 10 | 11 | 11 | 0.0% |
| 72751 | 10 | 08 | 08 | 0.0% |
| 72752 | 10 | 14 | 14 | 0.0% |
| 72753 | 10 | 13 | 13 | 0.0% |
| 72756 | 10 | 11 | 11 | 0.0% |
| 72758 | 10 | 10 | 10 | 0.0% |
| 72760 | 10 | 08 | 09 | 5.0% |
| 72761 | 10 | 11 | 11 | 0.0% |
| 72762 | 10 | 09 | 09 | 0.0% |
| 72764 | 10 | 09 | 09 | 0.0% |
| 72768 | 10 | 08 | 08 | 0.0% |
| 72769 | 10 | 14 | 14 | 0.0% |
| 72773 | 10 | 13 | 12 | -4.7% |
| 72774 | 10 | 12 | 12 | 0.0% |
| 72776 | 10 | 13 | 13 | 0.0% |
| 72801 | 30 | 09 | 09 | 0.0% |
| 72802 | 30 | 09 | 09 | 0.0% |
| 72821 | 10 | 13 | 14 | 5.0% |
| 72823 | 30 | 09 | 09 | 0.0% |
| 72824 | 30 | 10 | 10 | 0.0% |
| 72827 | 30 | 14 | 14 | 0.0% |
| 72828 | 30 | 14 | 13 | -4.8% |
| 72830 | 30 | 09 | 09 | 0.0% |
| 72832 | 30 | 09 | 09 | 0.0% |
| 72833 | 30 | 12 | 12 | 0.0% |
| 72834 | 30 | 08 | 08 | 0.0% |
| 72835 | 10 | 13 | 12 | -4.7% |
| 72837 | 30 | 10 | 10 | 0.0% |
| 72838 | 30 | 13 | 13 | 0.0% |
| 72839 | 30 | 10 | 11 | 5.0% |
| 72840 | 30 | 11 | 11 | 0.0% |
| 72841 | 10 | 17 | 17 | 0.0% |
| 72842 | 30 | 11 | 11 | 0.0% |
| 72843 | 30 | 12 | 11 | -4.8% |
| 72845 | 30 | 10 | 10 | 0.0% |
| 72846 | 30 | 10 | 10 | 0.0% |
| 72847 | 30 | 11 | 11 | 0.0% |

**Exhibit 11**
**State Farm Fire and Casualty Company**
**Arkansas Non-Tenant Homeowners**
**Current and Revised Subzone Change by ZIP**

| ZIP | Zone | Current Subzone | Revised Subzone | Subzone Change |
|---|---|---|---|---|
| 72851 | 10 | 15 | 15 | 0.0% |
| 72852 | 30 | 11 | 11 | 0.0% |
| 72853 | 30 | 12 | 12 | 0.0% |
| 72854 | 30 | 11 | 11 | 0.0% |
| 72855 | 10 | 13 | 14 | 5.0% |
| 72856 | 30 | 12 | 12 | 0.0% |
| 72857 | 30 | 12 | 12 | 0.0% |
| 72858 | 30 | 10 | 10 | 0.0% |
| 72860 | 30 | 14 | 14 | 0.0% |
| 72863 | 10 | 15 | 15 | 0.0% |
| 72865 | 10 | 15 | 15 | 0.0% |
| 72901 | 10 | 07 | 07 | 0.0% |
| 72901 | 10 | 08 | 07 | -4.7% |
| 72903 | 10 | 10 | 10 | 0.0% |
| 72904 | 10 | 07 | 07 | 0.0% |
| 72905 | 10 | 14 | 15 | 5.0% |
| 72908 | 10 | 10 | 10 | 0.0% |
| 72916 | 10 | 12 | 12 | 0.0% |
| 72921 | 10 | 14 | 14 | 0.0% |
| 72923 | 10 | 11 | 11 | 0.0% |
| 72926 | 10 | 15 | 15 | 0.0% |
| 72927 | 10 | 15 | 15 | 0.0% |
| 72928 | 10 | 14 | 15 | 5.0% |
| 72930 | 10 | 17 | 17 | 0.0% |
| 72932 | 10 | 13 | 12 | -4.7% |
| 72933 | 10 | 14 | 15 | 5.0% |
| 72934 | 10 | 15 | 15 | 0.0% |
| 72936 | 10 | 13 | 13 | 0.0% |
| 72937 | 10 | 14 | 13 | -4.8% |
| 72938 | 10 | 14 | 14 | 0.0% |
| 72940 | 10 | 14 | 14 | 0.0% |
| 72941 | 10 | 15 | 16 | 5.0% |
| 72943 | 10 | 15 | 16 | 5.0% |
| 72944 | 10 | 13 | 13 | 0.0% |
| 72946 | 10 | 15 | 15 | 0.0% |
| 72947 | 10 | 13 | 13 | 0.0% |
| 72948 | 10 | 15 | 15 | 0.0% |
| 72949 | 10 | 13 | 13 | 0.0% |
| 72950 | 10 | 16 | 16 | 0.0% |
| 72951 | 10 | 14 | 14 | 0.0% |
| 72952 | 10 | 13 | 12 | -4.7% |
| 72955 | 10 | 13 | 12 | -4.7% |
| 72956 | 10 | 13 | 12 | -4.7% |
| 72958 | 10 | 14 | 14 | 0.0% |
| 72959 | 10 | 14 | 14 | 0.0% |

**Exhibit 12**
**State Farm Fire and Casualty Company**
**Arkansas Non-Tenant Homeowners**
**Current and Revised Amount of Insurance Relativities**

| Amount | Current | Revised |
|---|---|---|
| $5,000 | 6.334 | 6.018 |
| $7,000 | 5.200 | 5.200 |
| $10,000 | 4.000 | 4.000 |
| $15,000 | 3.301 | 3.349 |
| $20,000 | 2.641 | 2.700 |
| $30,000 | 2.026 | 2.100 |
| $40,000 | 1.697 | 1.720 |
| $50,000 | 1.500 | 1.500 |
| $60,000 | 1.350 | 1.350 |
| $70,000 | 1.240 | 1.220 |
| $80,000 | 1.150 | 1.120 |
| $90,000 | 1.070 | 1.050 |
| $100,000 | 1.000 | 1.000 |
| $110,000 | 0.950 | 0.960 |
| $120,000 | 0.910 | 0.929 |
| $130,000 | 0.870 | 0.900 |
| $140,000 | 0.840 | 0.870 |
| $150,000 | 0.810 | 0.840 |
| $160,000 | 0.790 | 0.809 |
| $170,000 | 0.770 | 0.790 |
| $180,000 | 0.755 | 0.770 |
| $190,000 | 0.741 | 0.750 |
| $200,000 | 0.721 | 0.730 |
| $250,000 | 0.692 | 0.670 |
| $300,000 | 0.681 | 0.647 |
| $350,000 | 0.656 | 0.624 |
| $400,000 | 0.641 | 0.609 |
| $450,000 | 0.632 | 0.601 |
| $500,000 | 0.628 | 0.597 |
| $550,000 | 0.621 | 0.590 |
| $600,000 | 0.615 | 0.585 |
| $650,000 | 0.607 | 0.577 |
| $700,000 | 0.607 | 0.577 |
| $750,000 | 0.607 | 0.577 |
| $800,000 | 0.607 | 0.577 |
| $900,000 | 0.607 | 0.577 |
| $1,000,000 | 0.607 | 0.577 |
| $1,100,000 | 0.607 | 0.577 |
| $1,200,000 | 0.607 | 0.577 |
| $1,300,000 | 0.607 | 0.577 |
| $1,400,000 | 0.607 | 0.577 |
| $1,500,000 | 0.607 | 0.577 |

| | | |
|---|---|---|
| Each Additional $1,000 | 0.618 | 0.588 |

**Exhibit 13A**
**State Farm Fire and Casualty Company**
**Arkansas Non-Tenant Homeowners**
**Current Deductible Discounts and Charges**

| | Deductible | | | | | | | | | | Percentage Deductible | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Amount Range** | **$500** | **$500/1% W&H*** | **$1,000** | **$1,000/1% W&H*** | **$2,000** | **$2,500**** | **$3,000**** | **$4,000**** | **$5,000** | **$10,000** | **1/2%** | **1% (500 min)** | **2%** | **3%** |
| 0 - 7,499 | 0% | N/A | -10% | N/A | -24% | -26% | -30% | -35% | -41% | -46% | N/A | -2% | N/A | N/A |
| 7,500 - 14,999 | 0% | N/A | -8% | N/A | -22% | -25% | -28% | -34% | -39% | -44% | N/A | -2% | N/A | N/A |
| 15,000 - 24,999 | 0% | N/A | -8% | N/A | -20% | -23% | -26% | -32% | -38% | -44% | N/A | -2% | N/A | N/A |
| 25,000 - 34,999 | 0% | N/A | -8% | N/A | -19% | -22% | -24% | -31% | -34% | -44% | N/A | -2% | N/A | N/A |
| 35,000 - 44,999 | 0% | N/A | -8% | N/A | -19% | -22% | -24% | -29% | -33% | -44% | N/A | -2% | N/A | N/A |
| 45,000 - 49,999 | 0% | N/A | -8% | N/A | -19% | -22% | -24% | -26% | -33% | -44% | N/A | -2% | N/A | N/A |
| 50,000 - 64,999 | 0% | -1% | -8% | N/A | -19% | -22% | -24% | -26% | -30% | -44% | N/A | -3% | -12% | -17% |
| 65,000 - 74,999 | 0% | -2% | -8% | N/A | -18% | -21% | -23% | -26% | -29% | -44% | N/A | -5% | -14% | -20% |
| 75,000 - 84,999 | 0% | -3% | -8% | N/A | -18% | -21% | -23% | -26% | -28% | -44% | N/A | -7% | -16% | -21% |
| 85,000 - 99,999 | 0% | -3% | -8% | N/A | -18% | -20% | -22% | -26% | -28% | -43% | N/A | -8% | -17% | -22% |
| 100,000 - 104,999 | 0% | -4% | -8% | -9% | -17% | -20% | -22% | -26% | -28% | -41% | -2% | -10% | -18% | -23% |
| 105,000 - 114,999 | 0% | -5% | -8% | -10% | -17% | -20% | -22% | -26% | -28% | -41% | -4% | -12% | -19% | -25% |
| 115,000 - 124,999 | 0% | -5% | -8% | -10% | -16% | -19% | -21% | -26% | -28% | -40% | -5% | -12% | -21% | -26% |
| 125,000 - 134,999 | 0% | -6% | -8% | -10% | -16% | -19% | -21% | -26% | -28% | -39% | -6% | -14% | -22% | -27% |
| 135,000 - 144,999 | 0% | -6% | -8% | -11% | -16% | -19% | -21% | -25% | -28% | -37% | -8% | -15% | -23% | -28% |
| 145,000 - 154,999 | 0% | -6% | -8% | -11% | -16% | -19% | -21% | -25% | -28% | -37% | -9% | -15% | -24% | -29% |
| 155,000 - 164,999 | 0% | -6% | -8% | -11% | -16% | -19% | -21% | -25% | -28% | -35% | -10% | -16% | -24% | -30% |
| 165,000 - 174,999 | 0% | -7% | -8% | -12% | -16% | -18% | -21% | -25% | -28% | -35% | -11% | -17% | -25% | -31% |
| 175,000 - 184,999 | 0% | -7% | -8% | -12% | -16% | -18% | -21% | -25% | -28% | -35% | -12% | -18% | -26% | -31% |
| 185,000 - 194,999 | 0% | -8% | -8% | -12% | -16% | -18% | -21% | -25% | -28% | -35% | -12% | -19% | -27% | -32% |
| 195,000 - 204,999 | 0% | -8% | -8% | -12% | -16% | -18% | -21% | -25% | -28% | -35% | -12% | -19% | -27% | -33% |
| 205,000 - 214,999 | 0% | -8% | -8% | -13% | -16% | -18% | -21% | -25% | -28% | -35% | -13% | -20% | -27% | -33% |
| 215,000 - 224,999 | 0% | -8% | -8% | -13% | -16% | -18% | -20% | -25% | -28% | -35% | -14% | -20% | -28% | -33% |
| 225,000 - 234,999 | 0% | -8% | -8% | -13% | -16% | -18% | -20% | -25% | -27% | -35% | -14% | -20% | -28% | -33% |
| 235,000 - 244,999 | 0% | -8% | -8% | -13% | -16% | -18% | -20% | -24% | -27% | -35% | -15% | -20% | -29% | -33% |
| 245,000 - 274,999 | 0% | -8% | -8% | -13% | -16% | -18% | -20% | -24% | -26% | -34% | -15% | -20% | -29% | -33% |
| 275,000 - 324,999 | 0% | -9% | -8% | -14% | -16% | -18% | -20% | -24% | -26% | -34% | -17% | -23% | -31% | -36% |
| 325,000 - 374,999 | 0% | -10% | -8% | -15% | -16% | -18% | -20% | -24% | -26% | -34% | -18% | -25% | -32% | -37% |
| 375,000 - 424,999 | 0% | -10% | -8% | -15% | -16% | -18% | -20% | -24% | -26% | -33% | -19% | -25% | -33% | -38% |
| 425,000 - 474,999 | 0% | -10% | -8% | -15% | -16% | -18% | -20% | -23% | -25% | -33% | -20% | -26% | -33% | -38% |
| 475,000 - 524,999 | 0% | -10% | -8% | -15% | -16% | -18% | -20% | -23% | -25% | -33% | -21% | -26% | -34% | -39% |
| 525,000 - 574,999 | 0% | -11% | -8% | -16% | -16% | -18% | -20% | -23% | -25% | -31% | -22% | -27% | -35% | -40% |
| 575,000 - 624,999 | 0% | -11% | -8% | -16% | -16% | -18% | -20% | -23% | -25% | -31% | -22% | -28% | -35% | -40% |
| 625,000 - 674,999 | 0% | -11% | -8% | -16% | -16% | -18% | -20% | -23% | -25% | -31% | -23% | -28% | -35% | -40% |
| 675,000 - 724,999 | 0% | -12% | -7% | -16% | -16% | -18% | -20% | -23% | -24% | -30% | -23% | -29% | -36% | -41% |
| 725,000 - 750,000 | 0% | -12% | -7% | -16% | -16% | -18% | -19% | -22% | -24% | -30% | -23% | -29% | -36% | -41% |
| 750,001 - 781,499 | 0% | -12% | -7% | -16% | -16% | -18% | -19% | -22% | -24% | -30% | -23% | -29% | -36% | -41% |
| 781,500 - 843,999 | 0% | -12% | -7% | -16% | -15% | -17% | -18% | -21% | -24% | -29% | -25% | -30% | -36% | -41% |
| 844,000 - 906,499 | 0% | -12% | -6% | -16% | -15% | -17% | -18% | -21% | -23% | -29% | -25% | -30% | -37% | -41% |
| 906,500 - 968,999 | 0% | -12% | -6% | -16% | -15% | -17% | -18% | -21% | -23% | -29% | -25% | -30% | -37% | -42% |
| 969,000 - 1,062,499 | 0% | -12% | -6% | -16% | -14% | -16% | -17% | -20% | -22% | -29% | -25% | -31% | -37% | -42% |
| 1,062,500 - 1,187,499 | 0% | -13% | -6% | -16% | -14% | -16% | -17% | -20% | -22% | -28% | -26% | -32% | -38% | -43% |
| 1,187,500 - 1,312,499 | 0% | -13% | -6% | -16% | -14% | -16% | -17% | -20% | -22% | -27% | -26% | -32% | -38% | -43% |
| 1,312,500 - 1,437,499 | 0% | -13% | -5% | -16% | -13% | -15% | -16% | -19% | -21% | -26% | -26% | -32% | -38% | -43% |
| 1,437,500 - 1,562,499 | 0% | -13% | -5% | -16% | -12% | -14% | -16% | -19% | -21% | -26% | -26% | -32% | -38% | -43% |
| 1,562,500 - 1,687,499 | 0% | -13% | -5% | -16% | -11% | -14% | -15% | -18% | -21% | -26% | -26% | -32% | -38% | -43% |
| 1,687,500 - 1,812,499 | 0% | -13% | -5% | -16% | -10% | -13% | -15% | -17% | -20% | -26% | -27% | -32% | -39% | -43% |
| 1,812,500 - 1,937,499 | 0% | -13% | -5% | -16% | -10% | -13% | -14% | -17% | -20% | -26% | -27% | -32% | -39% | -43% |
| 1,937,500 - 2,124,999 | 0% | -13% | -4% | -16% | -9% | -12% | -13% | -17% | -19% | -26% | -27% | -32% | -39% | -43% |
| 2,125,000 - 2,374,999 | 0% | -13% | -4% | -16% | -9% | -12% | -13% | -16% | -19% | -25% | -27% | -32% | -39% | -43% |
| 2,375,000 - 2,749,999 | 0% | -13% | -4% | -16% | -9% | -11% | -12% | -16% | -18% | -25% | -27% | -32% | -39% | -43% |
| 2,750,000 - 3,249,999 | 0% | -13% | -4% | -16% | -8% | -11% | -12% | -15% | -17% | -24% | -27% | -32% | -39% | -43% |
| 3,250,000 - 3,749,999 | 0% | -13% | -3% | -16% | -8% | -10% | -11% | -14% | -16% | -23% | -27% | -32% | -39% | -43% |
| 3,750,000 - 4,249,999 | 0% | -13% | -3% | -16% | -8% | -9% | -10% | -13% | -15% | -22% | -27% | -32% | -39% | -43% |
| 4,250,000 - 4,749,999 | 0% | -13% | -3% | -16% | -7% | -8% | -9% | -12% | -15% | -21% | -28% | -33% | -40% | -44% |
| 4,750,000+ | 0% | -13% | -3% | -16% | -7% | -8% | -9% | -12% | -14% | -20% | -28% | -33% | -40% | -44% |

*** Attach: Windstorm or Hail Deductible Endorsement, FE-5269**
**** Renewals Only**

**Exhibit 13B**
**State Farm Fire and Casualty Company**
**Arkansas Non-Tenant Homeowners**
**Revised Deductible Discounts and Charges**

| | Deductible | | | | | | | | | | Percentage Deductible | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Amount Range** | **$500** | **$500/1% W&H*** | **$1,000** | **$1,000/1% W&H*** | **$2,000** | **$2,500**** | **$3,000**** | **$4,000**** | **$5,000** | **$10,000** | **1/2%** | **1% (500 min)** | **2%** | **3%** |
| 0 - 7,499 | 0% | N/A | -11% | N/A | -22% | -24% | -28% | -34% | -40% | -45% | N/A | -2% | N/A | N/A |
| 7,500 - 14,999 | 0% | N/A | -10% | N/A | -20% | -23% | -26% | -33% | -38% | -43% | N/A | -2% | N/A | N/A |
| 15,000 - 24,999 | 0% | N/A | -10% | N/A | -19% | -22% | -24% | -30% | -37% | -43% | N/A | -2% | N/A | N/A |
| 25,000 - 34,999 | 0% | N/A | -10% | N/A | -19% | -22% | -24% | -29% | -33% | -43% | N/A | -2% | N/A | N/A |
| 35,000 - 44,999 | 0% | N/A | -10% | N/A | -19% | -22% | -24% | -27% | -31% | -43% | N/A | -2% | N/A | N/A |
| 45,000 - 49,999 | 0% | N/A | -10% | N/A | -19% | -22% | -24% | -27% | -31% | -43% | N/A | -2% | N/A | N/A |
| 50,000 - 64,999 | 0% | -2% | -10% | N/A | -19% | -22% | -24% | -27% | -30% | -43% | N/A | -4% | -13% | -18% |
| 65,000 - 74,999 | 0% | -3% | -10% | N/A | -19% | -22% | -24% | -27% | -30% | -43% | N/A | -7% | -15% | -21% |
| 75,000 - 84,999 | 0% | -3% | -10% | N/A | -19% | -22% | -24% | -27% | -30% | -43% | N/A | -8% | -17% | -22% |
| 85,000 - 99,999 | 0% | -4% | -10% | N/A | -19% | -22% | -24% | -27% | -30% | -42% | N/A | -10% | -19% | -24% |
| 100,000 - 104,999 | 0% | -5% | -10% | -11% | -19% | -22% | -24% | -27% | -30% | -40% | -2% | -12% | -19% | -25% |
| 105,000 - 114,999 | 0% | -6% | -10% | -12% | -19% | -22% | -24% | -27% | -30% | -40% | -4% | -14% | -21% | -27% |
| 115,000 - 124,999 | 0% | -6% | -10% | -12% | -18% | -21% | -23% | -27% | -30% | -39% | -5% | -14% | -22% | -27% |
| 125,000 - 134,999 | 0% | -6% | -10% | -12% | -18% | -21% | -23% | -27% | -30% | -38% | -7% | -16% | -24% | -29% |
| 135,000 - 144,999 | 0% | -7% | -10% | -13% | -18% | -21% | -23% | -27% | -30% | -36% | -8% | -17% | -25% | -30% |
| 145,000 - 154,999 | 0% | -7% | -10% | -13% | -18% | -21% | -23% | -27% | -30% | -36% | -9% | -17% | -25% | -30% |
| 155,000 - 164,999 | 0% | -7% | -10% | -13% | -18% | -21% | -23% | -27% | -30% | -35% | -10% | -18% | -26% | -31% |
| 165,000 - 174,999 | 0% | -8% | -10% | -14% | -18% | -20% | -23% | -27% | -30% | -35% | -11% | -19% | -27% | -32% |
| 175,000 - 184,999 | 0% | -8% | -10% | -14% | -18% | -20% | -23% | -27% | -30% | -35% | -12% | -20% | -28% | -33% |
| 185,000 - 194,999 | 0% | -8% | -10% | -14% | -18% | -20% | -23% | -27% | -30% | -35% | -13% | -21% | -29% | -34% |
| 195,000 - 204,999 | 0% | -8% | -10% | -14% | -18% | -20% | -23% | -27% | -30% | -35% | -14% | -21% | -29% | -34% |
| 205,000 - 214,999 | 0% | -9% | -10% | -15% | -18% | -20% | -23% | -27% | -30% | -35% | -15% | -22% | -29% | -35% |
| 215,000 - 224,999 | 0% | -9% | -10% | -15% | -18% | -20% | -22% | -27% | -30% | -35% | -15% | -22% | -30% | -35% |
| 225,000 - 234,999 | 0% | -9% | -10% | -15% | -18% | -20% | -22% | -27% | -29% | -35% | -16% | -22% | -30% | -35% |
| 235,000 - 244,999 | 0% | -9% | -10% | -15% | -18% | -20% | -22% | -26% | -29% | -35% | -17% | -22% | -31% | -35% |
| 245,000 - 274,999 | 0% | -9% | -10% | -15% | -18% | -20% | -22% | -26% | -28% | -35% | -17% | -22% | -31% | -35% |
| 275,000 - 324,999 | 0% | -10% | -10% | -16% | -18% | -20% | -22% | -26% | -28% | -35% | -19% | -25% | -33% | -37% |
| 325,000 - 374,999 | 0% | -11% | -10% | -17% | -18% | -20% | -22% | -26% | -28% | -35% | -20% | -27% | -34% | -38% |
| 375,000 - 424,999 | 0% | -11% | -10% | -17% | -18% | -20% | -22% | -26% | -28% | -35% | -21% | -27% | -35% | -39% |
| 425,000 - 474,999 | 0% | -11% | -9% | -17% | -18% | -20% | -22% | -25% | -27% | -35% | -22% | -28% | -35% | -39% |
| 475,000 - 524,999 | 0% | -11% | -8% | -16% | -18% | -20% | -22% | -25% | -27% | -35% | -23% | -28% | -35% | -40% |
| 525,000 - 574,999 | 0% | -12% | -7% | -16% | -18% | -20% | -22% | -25% | -27% | -33% | -24% | -29% | -36% | -41% |
| 575,000 - 624,999 | 0% | -12% | -7% | -16% | -18% | -20% | -22% | -25% | -27% | -33% | -24% | -30% | -36% | -41% |
| 625,000 - 674,999 | 0% | -12% | -7% | -16% | -17% | -20% | -22% | -25% | -27% | -33% | -25% | -30% | -36% | -41% |
| 675,000 - 724,999 | 0% | -12% | -5% | -15% | -15% | -19% | -21% | -25% | -26% | -32% | -25% | -31% | -37% | -42% |
| 725,000 - 750,000 | 0% | -12% | -5% | -15% | -15% | -19% | -21% | -24% | -26% | -32% | -25% | -31% | -37% | -42% |
| 750,001 - 781,499 | 0% | -12% | -5% | -15% | -15% | -19% | -21% | -24% | -26% | -32% | -25% | -31% | -37% | -42% |
| 781,500 - 843,999 | 0% | -13% | -5% | -16% | -15% | -18% | -20% | -23% | -26% | -31% | -26% | -32% | -37% | -42% |
| 844,000 - 906,499 | 0% | -13% | -5% | -16% | -13% | -17% | -19% | -23% | -25% | -31% | -26% | -32% | -38% | -42% |
| 906,500 - 968,999 | 0% | -13% | -5% | -16% | -13% | -16% | -19% | -23% | -25% | -31% | -27% | -32% | -38% | -43% |
| 969,000 - 1,062,499 | 0% | -13% | -4% | -16% | -12% | -15% | -18% | -22% | -24% | -31% | -27% | -33% | -38% | -43% |
| 1,062,500 - 1,187,499 | 0% | -14% | -4% | -16% | -12% | -14% | -16% | -21% | -24% | -30% | -27% | -34% | -39% | -44% |
| 1,187,500 - 1,312,499 | 0% | -14% | -4% | -16% | -12% | -14% | -15% | -20% | -23% | -29% | -27% | -34% | -39% | -44% |
| 1,312,500 - 1,437,499 | 0% | -14% | -3% | -15% | -11% | -13% | -14% | -19% | -21% | -28% | -28% | -34% | -39% | -44% |
| 1,437,500 - 1,562,499 | 0% | -14% | -3% | -15% | -10% | -12% | -14% | -17% | -21% | -28% | -28% | -34% | -39% | -44% |
| 1,562,500 - 1,687,499 | 0% | -14% | -3% | -15% | -9% | -12% | -13% | -16% | -19% | -28% | -28% | -34% | -39% | -44% |
| 1,687,500 - 1,812,499 | 0% | -14% | -3% | -15% | -8% | -11% | -13% | -15% | -19% | -28% | -28% | -34% | -40% | -44% |
| 1,812,500 - 1,937,499 | 0% | -14% | -3% | -15% | -8% | -11% | -12% | -15% | -18% | -28% | -28% | -34% | -40% | -44% |
| 1,937,500 - 2,124,999 | 0% | -14% | -2% | -15% | -7% | -10% | -11% | -15% | -17% | -27% | -28% | -34% | -40% | -44% |
| 2,125,000 - 2,374,999 | 0% | -14% | -2% | -15% | -7% | -10% | -11% | -14% | -17% | -25% | -28% | -34% | -40% | -44% |
| 2,375,000 - 2,749,999 | 0% | -14% | -2% | -15% | -7% | -9% | -10% | -14% | -16% | -24% | -29% | -34% | -40% | -44% |
| 2,750,000 - 3,249,999 | 0% | -14% | -2% | -15% | -6% | -9% | -10% | -13% | -15% | -22% | -29% | -34% | -40% | -44% |
| 3,250,000 - 3,749,999 | 0% | -14% | -1% | -15% | -6% | -8% | -9% | -12% | -14% | -21% | -29% | -34% | -40% | -44% |
| 3,750,000 - 4,249,999 | 0% | -14% | -1% | -15% | -6% | -7% | -8% | -11% | -13% | -20% | -29% | -34% | -40% | -44% |
| 4,250,000 - 4,749,999 | 0% | -14% | -1% | -15% | -5% | -6% | -7% | -10% | -13% | -19% | -29% | -35% | -41% | -45% |
| 4,750,000+ | 0% | -14% | -1% | -15% | -5% | -6% | -7% | -10% | -12% | -18% | -29% | -35% | -41% | -45% |

*** Attach: Windstorm or Hail Deductible Endorsement, FE-5269**
**** Renewals Only**

**Exhibit 14**
**State Farm Fire and Casualty Company**
**Arkansas Non-Tenant Homeowners**
**Current and Revised Utilities Rating Plan**

| Age of Utility | Current Discount | Revised Discount |
|---|---|---|
| 0 | -38% | -40% |
| 1 | -34% | -37% |
| 2 | -30% | -33% |
| 3 | -26% | -29% |
| 4 | -22% | -26% |
| 5 | -18% | -22% |
| 6 | -14% | -18% |
| 7 | -10% | -14% |
| 8 | -5% | -9% |
| 9 | 0% | -5% |
| 10 | 0% | -5% |
| 11 | 0% | -3% |
| 12 | 0% | -3% |
| 13 | 0% | -3% |
| 14 | 0% | -1% |
| 15 | 0% | -1% |
| 16+ | 0% | 0% |

**Exhibit 15**
**State Farm Fire and Casualty Company**
**Arkansas Homeowners Renters Program**
**Indicated Rate Level Adjustment by Zone**

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
|---|---|---|---|---|---|---|---|
| Zone | Credibility Weighted Current Level Non-Cat Loss Ratio | Catastrophe Provision Per Earned Premium | 2009 Fixed Expense Ratio | Total Formula Loss Ratio | Index To Total | Index Adjusted For Off Balance | Indicated Change |
| 10 | 57.4 | 3.3 | 14.1 | 74.7 | 0.9866 | 0.9790 | 4.8 |
| 13 | 63.3 | 2.0 | 9.1 | 74.4 | 0.9830 | 0.9755 | 4.4 |
| 25 | 67.5 | 1.8 | 8.3 | 77.7 | 1.0258 | 1.0179 | 8.9 |
| 30 | 60.7 | 2.3 | 11.3 | 74.3 | 0.9819 | 0.9744 | 4.3 |
| Total | 63.1 | 2.3 | 10.3 | 75.7 | 1.0077 | 1.0000 | 7.0 |

Column Explanations:

(2) Calendar Years 2005 - 2009 Non-Catastrophe Incurred Loss and Loss Adjustment Expenses divided by Current Level Earned Premiums Adjusted for Credibility.
(3) Catastrophe Provision/AIY divided by 2009 Current Level Earned Premium/AIY. The individual zones are derived from the Statewide Provision, which is developed in the Form Indications.
(4) 2009 Fixed Expenses divided by 2009 Current Level Earned Premium.
(5) Col (2) + Col (3) + Col (4).
(6) Col (5) divided by Total Col (5). Total Col (6) weighted by 2009 Current Level Earned Premium.
(7) Col (6) divided by Total Col (6).
(8) Total Col (8) Indicated Rate Level Adjustment is from Form Indications.
(((1 + Total Col (8)) * Col (7)) - 1) * 100.

**LOSS MITIGATION EXHIBIT**
**HOMEOWNERS PROGRAM**

The State Farm Insurance Companies include loss prevention and control efforts as an integral part of our insurance operations. For our Homeowners Program those efforts include internal programs, public education activities, support of national organizations, and encouragement of stronger building codes. Examples of current efforts include:

## INTERNAL PROGRAMS

- **Arson and fraud investigation and prevention.** Programs include an insurance fraud prevention department in the home office, special fraud units in our operation centers, education of claims handlers in fraud awareness, and built-in safeguards to assist in the detection of suspicious claims.

- **Dwelling surveys.** Most homes we insure are surveyed by the agent. Some are also surveyed by our underwriters or commercial inspection services. These surveys are intended to uncover potential loss problems as well as verify the accuracy of the rating factors used to determine the premium for the property.

- **Premium Discount Program, which recognizes loss prevention and reduction devices.** Our Homeowners Program rating plan includes credits for burglar alarms, residential sprinklers, and other approaches to reduce loss. Homes we insure with impact resistant roofs receive a premium discount in each of the participating 22 states and one Canadian province. State Farm also offers discounts to homeowners in some coastal areas for the use of shutters and other devices that hold the potential for reducing hurricane damage.

## PUBLIC AWARENESS AND EDUCATION

- **Internet Information** A variety of loss prevention and home safety articles, educational materials and brochures are available to the general public from our prevention and safety learning center on: www.statefarm.com. Categories include:
    - Detailed Articles About Home Safety & Damage Prevention
    - Safe at Home
    - Safe as Work
    - Safe on the Road
    - Child Safety
    - Natural Disasters
    - Kid Stuff
    - Other Related Links

- **Informational Brochures About Home Safety and Loss Prevention.** Paper brochures and booklets are available to the general public on a variety of loss mitigation topics including: fire safety, crime prevention, electrical hazards, liability, wind/hail and roofing, water loss prevention, farm safety, home building, and boating safety. Many of these brochures are available in Spanish.

- **Public Relations Materials on Frozen Pipes and Ice Dams.** We conduct a national campaign that includes television ads, print ads, local education programs, videotapes, and posters on how to avoid frozen pipes, ice dams and subsequent water damage.

- **Fire Prevention Activities.** We are a major participant in fire prevention week activities, with contributions varying from year to year. We have developed and make available several fire prevention/safety programs for use in grade school classrooms ("Smoke Detectives" and several others).

- **Fire Safety.** We have developed a public service announcement video "Fire: The Unforgiving Nature" which includes dramatic and disastrous fire events, prevention and safety messages.

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- **Hail Media Campaign.** We are distributing information about impact-resistive roofing materials to policyholders in hail-prone areas and to customers who have suffered a roof loss, as well as to others for general education.

- **Informational Video About Impact Resistant Roofing Materials.** A short video has been produced featuring the performance of impact resistant roofing products. The video will be available for use by IBHS (Institute for Business and Home Safety) members.

- **Safe use of Wood-burning Stoves.** We have developed tapes, brochures, public service spots and policyholder communication pieces dealing with the safe installation and maintenance of wood-burning stoves.

- **Tornado Safety.** We have developed two videos, including the Emmy award winning "Tornado: Surviving The Fury", and "Tornado: Plan to Survive", and educational materials for grade schools on tornado safety.

- **Earthquake Safety.** We have developed and distributed a program on earthquake safety for grade school children ("Movers & Shakers").

- **Loss Prevention Display Panels.** These displays have been exhibited at multiple trade shows and conferences. They demonstrate home safety and loss reduction features that can be incorporated into new or existing structures.

- **Dog Bite Prevention Program.** This is an educational campaign introduced in partnership with the American Veterinary Medical Association. The campaign includes a puppet show and activity/coloring booklet for children and an informational brochure.

- **Building Codes and Standards.** We support the adoption and enforcement of statewide building codes to ensure minimum building safety standards. Technical representatives participate in a variety of standards development processes related to safety issues such as electrical, roofing, wind-resistant construction, building performance, and fire.

**SUPPORT OF NATIONAL ORGANIZATIONS**

- The Underwriters Laboratories, Inc.
- American Red Cross
- Federal Emergency Management Agency
- National Fire Protection Association
- Institute for Business and Home Safety – founding member.
- Coalition Against Insurance Fraud
- Insurance Committee for Arson Control – founding member.
- National Roofing Contractors Association
- American Society of Testing and Materials (ASTM International)
- National Insurance Task Force
- Federal Alliance for Safe Homes
- Roof Consultants Institute
- International Code Council
- Alliance of American Insurers
- National Association of Home Builders
- National Consortium of Housing Research Centers
- Home Fire Sprinkler Coalition
- Asphalt Roof Manufacturers Association
- Property Casualty Insurers Association of America
- Mid-America Earthquake Center
- American Institute of Architects
- Roofing Industry Committee on Weather Issues
- Florida Coastal Monitoring Program (portable wind towers)
- Western States Roofing Contractors Association
- Texas Tech University Portable Wind Tower Program

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# Arkansas Homeowners
# Response to Questions of January 5, 2011
# HO-27379

*Objection 1*
*- Filing Memorandum and Exhibits (Supporting Document)*
*Comment: Provide the loss experience data used to develop the new claim record rating plan factors.*

The data provided in Supplemental Exhibit 1 shows the relative loss ratio method applied to Arkansas only claim data.

*Objection 2*
*- Filing Memorandum and Exhibits (Supporting Document)*
*Comment: Provide the "additional variables" included in the GLM model to account for geographical and temporal differences. (Exhibit 10b).*

Additional variables used in the model include the state, population density, average non-catastrophe frequency, catastrophe provision, and year the policy was written.

*Objection 3*
*Comment: Provide a disruption chart. Indicate the changes included in the filing that are driving the maximum increase of 48.5%.*

Please see the attached Supplemental Exhibit 2. Note that these are estimated impacts based on our current book of business. Policyholder characteristics may change by renewal. The maximum increase is being driven by a policyholder with two qualified claims, a 10% increase in the CRI factor, and the statewide average increase of 7.0%. Another contributing factor is the home/auto discount change, since customers that do not qualify for the discount will see 5% rate increase to offset the change.

*Objection 4*
*- Filing Memorandum and Exhibits (Supporting Document)*
*Comment: Provide data or indicate the location in the filing exhibits that supports the statements made (bottom of page on Exhibit 3) regarding pure premium data of Exhibit 3.*

Please see Supplemental Exhibit 3 for the frequency, severity, and pure premium data by peril. Data is analyzed by peril using the data shown in Supplemental Exhibit 3, and the results are combined to determine the selected all-peril values. These values are checked for reasonability against the all-peril trends, which are shown in the filing Exhibit 3.

*Objection 5 and Objection 6*
*Comment: Provide data supporting the reduced CRI minimum factor.*
*Comment: Explain how you are managing individual policyholder rate level movement so as to mitigate fluctuations in rates due to CRI.*

These questions reference the determination of the CRI rating factor, so we are including our response to these with our CRI model filing.

**Supplemental Exhibit 1**
**State Farm Fire and Casualty Company**
**Arkansas Homeowners**
**Claim Record Rating Plan**

Arkansas only CRR Data (2008-2009) Indicated

| Years With State Farm | Number of Qualified Claims In Last 3 Years* | | | | |
|---|---|---|---|---|---|
| | 0 | 1 | 2 | 3 | 4+ |
| 0 | 0% | 13% | 185% | 302% | 302% |
| 1 | -26% | -16% | 112% | 199% | 199% |
| 2 | -19% | -8% | 131% | 226% | 226% |
| 3 | -17% | -6% | 137% | 235% | 235% |
| 4 | -27% | -18% | 107% | 192% | 192% |
| 5 | -37% | -29% | 79% | 152% | 152% |
| 6 | -14% | -3% | 144% | 244% | 244% |
| 7 | -24% | -14% | 115% | 204% | 204% |
| 8 | -29% | -20% | 101% | 184% | 184% |
| 9+ | -43% | -35% | 63% | 130% | 130% |

*3 and 4+ claims were grouped.

**Supplemental Exhibit 2**
**State Farm Fire and Casualty Company**
**Arkansas Homeowners**
**Estimated Individual Policyholder Rate Effects**

| Rate Effect | Total Homeowners | |
|---|---|---|
| | PIF | % |
| Less than -10% | 624 | 0.4% |
| -10% to -5% | 5,138 | 3.5% |
| -5% to 0% | 16,987 | 11.4% |
| 0% to 5% | 36,338 | 24.4% |
| 5% to 10% | 42,267 | 28.4% |
| 10% to 15% | 26,294 | 17.7% |
| 15% to 20% | 13,307 | 8.9% |
| 20% to 25% | 5,520 | 3.7% |
| 25% to 30% | 1,717 | 1.2% |
| More than 30% | 537 | 0.4% |

Note: The estimated changes shown above do not include the effects of inflation coverage, classification changes, or the purchase of additional coverage.

**Supplemental Exhibit 3**
**State Farm Fire and Casualty Company**
**Arkansas Homeowners**
**Fire**

**Historical Data**

| Period | Severity | Frequency | Pure Premium |
|---|---|---|---|
| 9/2003 | 11,678 | 1.37 | 159.80 |
| 12/2003 | 10,848 | 1.35 | 146.31 |
| 3/2004 | 10,008 | 1.29 | 129.41 |
| 6/2004 | 11,418 | 1.18 | 135.11 |
| 9/2004 | 12,845 | 1.07 | 137.10 |
| 12/2004 | 13,415 | 1.02 | 137.16 |
| 3/2005 | 15,092 | 0.98 | 148.06 |
| 6/2005 | 15,098 | 1.00 | 151.69 |
| 9/2005 | 15,202 | 1.06 | 161.53 |
| 12/2005 | 15,911 | 1.10 | 174.57 |
| 3/2006 | 15,602 | 1.12 | 174.63 |
| 6/2006 | 15,229 | 1.14 | 173.74 |
| 9/2006 | 14,599 | 1.10 | 160.16 |
| 12/2006 | 14,065 | 1.14 | 159.85 |
| 3/2007 | 13,868 | 1.11 | 154.60 |
| 6/2007 | 14,350 | 1.07 | 153.13 |
| 9/2007 | 14,764 | 1.05 | 154.81 |
| 12/2007 | 15,411 | 0.98 | 151.63 |
| 3/2008 | 14,627 | 1.02 | 149.50 |
| 6/2008 | 14,796 | 1.10 | 162.62 |
| 9/2008 | 15,385 | 1.16 | 178.32 |
| 12/2008 | 16,717 | 1.15 | 192.30 |
| 3/2009 | 18,505 | 1.16 | 215.33 |
| 6/2009 | 19,048 | 1.16 | 220.49 |
| 9/2009 | 18,385 | 1.17 | 215.59 |
| 12/2009 | 17,930 | 1.16 | 208.19 |
| 3/2010 | 17,152 | 1.11 | 190.14 |
| 6/2010 | 18,456 | 1.06 | 194.82 |

**Trended Values❖**

| | | | |
|---|---|---|---|
| 28 Point | 20,602 | 1.12 | 230.74 |
| 20 Point | 19,924 | 1.11 | 221.16 |
| 12 Point | 22,607 | 1.11 | 250.94 |

**Selected Values**

| | | | |
|---|---|---|---|
| Selected | 19,925 | 1.11 | 221.16 |

❖ Trended Values represent an ordinary Least Squares trend for Severity. The Frequency value is an average of the points selected. Trended and selected values are for the mid-point of the period that these rates would be in effect (06/01/2012).

**Supplemental Exhibit 3**
**State Farm Fire and Casualty Company**
**Arkansas Homeowners**
**Wind/Hail**

**Historical Data**

| Period | Severity | Frequency | Pure Premium |
|---|---|---|---|
| 9/2003 | 2,516 | 1.24 | 31.15 |
| 12/2003 | 2,531 | 1.21 | 30.52 |
| 3/2004 | 2,516 | 1.17 | 29.54 |
| 6/2004 | 2,475 | 0.81 | 19.99 |
| 9/2004 | 2,430 | 0.74 | 17.94 |
| 12/2004 | 2,540 | 0.80 | 20.27 |
| 3/2005 | 2,989 | 0.83 | 24.73 |
| 6/2005 | 2,940 | 1.18 | 34.71 |
| 9/2005 | 3,039 | 1.35 | 41.02 |
| 12/2005 | 3,199 | 1.28 | 40.88 |
| 3/2006 | 2,745 | 1.25 | 34.17 |
| 6/2006 | 2,883 | 1.44 | 41.47 |
| 9/2006 | 2,899 | 1.44 | 41.61 |
| 12/2006 | 2,963 | 1.32 | 39.20 |
| 3/2007 | 3,727 | 1.51 | 56.37 |
| 6/2007 | 3,444 | 1.05 | 36.01 |
| 9/2007 | 3,635 | 0.93 | 33.94 |
| 12/2007 | 3,376 | 1.18 | 39.94 |
| 3/2008 | 2,634 | 1.21 | 31.91 |
| 6/2008 | 3,537 | 1.26 | 44.60 |
| 9/2008 | 3,870 | 1.31 | 50.59 |
| 12/2008 | 4,351 | 1.20 | 52.25 |
| 3/2009 | 5,275 | 1.21 | 63.59 |
| 6/2009 | 5,577 | 1.73 | 96.50 |
| 9/2009 | 5,880 | 1.82 | 107.14 |
| 12/2009 | 5,866 | 1.82 | 107.01 |
| 3/2010 | 5,797 | 1.67 | 96.79 |
| 6/2010 | 6,061 | 1.22 | 74.10 |
| **Trended Values❖** | | | |
| 28 Point | 6,649 | 1.26 | 83.78 |
| 20 Point | 7,542 | 1.36 | 102.57 |
| 12 Point | 9,369 | 1.38 | 129.29 |
| **Selected Values** | | | |
| Selected | 5,639 | 1.26 | 71.05 |

❖ Trended Values represent an ordinary Least Squares trend for Severity. The Frequency value is an average of the points selected. Trended and selected values are for the mid-point of the period that these rates would be in effect (06/01/2012).

**Supplemental Exhibit 3**
**State Farm Fire and Casualty Company**
**Arkansas Homeowners**
**OEC**

**Historical Data**

| Period | Severity | Frequency | Pure Premium |
|---|---|---|---|
| 9/2003 | 2,658 | 2.79 | 74.17 |
| 12/2003 | 2,703 | 2.46 | 66.50 |
| 3/2004 | 2,890 | 2.10 | 60.74 |
| 6/2004 | 3,002 | 1.94 | 58.23 |
| 9/2004 | 3,004 | 1.86 | 55.85 |
| 12/2004 | 2,857 | 1.87 | 53.49 |
| 3/2005 | 2,886 | 1.91 | 55.01 |
| 6/2005 | 2,990 | 1.89 | 56.55 |
| 9/2005 | 2,992 | 1.84 | 55.09 |
| 12/2005 | 3,281 | 1.73 | 56.79 |
| 3/2006 | 3,366 | 1.66 | 55.95 |
| 6/2006 | 3,286 | 1.66 | 54.44 |
| 9/2006 | 3,457 | 1.62 | 55.93 |
| 12/2006 | 3,590 | 1.64 | 58.74 |
| 3/2007 | 3,514 | 1.78 | 62.67 |
| 6/2007 | 3,701 | 1.77 | 65.45 |
| 9/2007 | 3,760 | 1.83 | 68.95 |
| 12/2007 | 3,768 | 1.90 | 71.54 |
| 3/2008 | 4,039 | 1.78 | 71.78 |
| 6/2008 | 4,065 | 1.77 | 71.92 |
| 9/2008 | 4,112 | 1.74 | 71.66 |
| 12/2008 | 4,165 | 1.70 | 70.77 |
| 3/2009 | 4,335 | 1.78 | 77.00 |
| 6/2009 | 4,510 | 1.83 | 82.53 |
| 9/2009 | 4,656 | 1.84 | 85.70 |
| 12/2009 | 4,754 | 1.89 | 90.07 |
| 3/2010 | 4,959 | 2.25 | 111.56 |
| 6/2010 | 5,009 | 2.35 | 117.80 |

**Trended Values❖**

| | | | |
|---|---|---|---|
| 28 Point | 5,616 | 1.90 | 106.70 |
| 20 Point | 5,863 | 1.82 | 106.71 |
| 12 Point | 6,137 | 1.89 | 115.99 |

**Selected Values**

| | | | |
|---|---|---|---|
| Selected | 5,859 | 1.82 | 106.63 |

❖ Trended Values represent an ordinary Least Squares trend for Severity. The Frequency value is an average of the points selected. Trended and selected values are for the mid-point of the period that these rates would be in effect (06/01/2012).

**Supplemental Exhibit 3**
**State Farm Fire and Casualty Company**
**Arkansas Homeowners**
**Crime**

**Historical Data**

| Period | Severity | Frequency | Pure Premium |
|---|---|---|---|
| 9/2003 | 1,925 | 1.10 | 21.20 |
| 12/2003 | 1,963 | 1.01 | 19.77 |
| 3/2004 | 1,921 | 0.97 | 18.66 |
| 6/2004 | 1,899 | 0.89 | 16.96 |
| 9/2004 | 2,015 | 0.88 | 17.71 |
| 12/2004 | 1,971 | 0.86 | 16.92 |
| 3/2005 | 1,971 | 0.80 | 15.68 |
| 6/2005 | 2,033 | 0.78 | 15.91 |
| 9/2005 | 1,949 | 0.75 | 14.67 |
| 12/2005 | 2,099 | 0.77 | 16.15 |
| 3/2006 | 2,063 | 0.82 | 16.95 |
| 6/2006 | 1,960 | 0.83 | 16.35 |
| 9/2006 | 1,908 | 0.83 | 15.81 |
| 12/2006 | 1,781 | 0.87 | 15.49 |
| 3/2007 | 1,795 | 0.96 | 17.32 |
| 6/2007 | 1,875 | 1.03 | 19.41 |
| 9/2007 | 1,936 | 1.06 | 20.61 |
| 12/2007 | 1,984 | 1.04 | 20.58 |
| 3/2008 | 2,000 | 1.02 | 20.48 |
| 6/2008 | 2,095 | 0.99 | 20.80 |
| 9/2008 | 2,085 | 1.11 | 23.23 |
| 12/2008 | 2,130 | 1.19 | 25.45 |
| 3/2009 | 2,209 | 1.20 | 26.46 |
| 6/2009 | 2,094 | 1.23 | 25.86 |
| 9/2009 | 2,102 | 1.19 | 25.10 |
| 12/2009 | 2,050 | 1.16 | 23.75 |
| 3/2010 | 2,004 | 1.16 | 23.32 |
| 6/2010 | 2,125 | 1.20 | 25.44 |

**Trended Values❖**

| | | | |
|---|---|---|---|
| 28 Point | 2,139 | 0.99 | 21.18 |
| 20 Point | 2,202 | 1.02 | 22.46 |
| 12 Point | 2,214 | 1.13 | 25.02 |

**Selected Values**

| | | | |
|---|---|---|---|
| Selected | 2,301 | 1.13 | 26.00 |

❖ Trended Values represent an ordinary Least Squares trend for Severity. The Frequency value is an average of the points selected. Trended and selected values are for the mid-point of the period that these rates would be in effect (06/01/2012).

**Supplemental Exhibit 3**
**State Farm Fire and Casualty Company**
**Arkansas Homeowners**
**Section II (Liability)**

**Historical Data**

| Period | Severity | Frequency | Pure Premium |
|---|---|---|---|
| 9/2003 | 3,105 | 0.29 | 9.14 |
| 12/2003 | 3,772 | 0.27 | 10.12 |
| 3/2004 | 3,438 | 0.26 | 8.81 |
| 6/2004 | 3,620 | 0.25 | 9.22 |
| 9/2004 | 2,932 | 0.27 | 7.86 |
| 12/2004 | 2,360 | 0.26 | 6.12 |
| 3/2005 | 2,983 | 0.26 | 7.82 |
| 6/2005 | 3,613 | 0.26 | 9.44 |
| 9/2005 | 4,846 | 0.24 | 11.45 |
| 12/2005 | 4,771 | 0.24 | 11.53 |
| 3/2006 | 4,512 | 0.23 | 10.25 |
| 6/2006 | 4,146 | 0.20 | 8.39 |
| 9/2006 | 3,248 | 0.20 | 6.44 |
| 12/2006 | 5,369 | 0.21 | 11.05 |
| 3/2007 | 6,212 | 0.22 | 13.59 |
| 6/2007 | 6,514 | 0.23 | 14.98 |
| 9/2007 | 7,052 | 0.25 | 17.45 |
| 12/2007 | 5,408 | 0.23 | 12.62 |
| 3/2008 | 4,693 | 0.23 | 10.77 |
| 6/2008 | 3,665 | 0.23 | 8.43 |
| 9/2008 | 4,417 | 0.22 | 9.90 |
| 12/2008 | 4,925 | 0.23 | 11.40 |
| 3/2009 | 5,176 | 0.23 | 11.79 |
| 6/2009 | 6,391 | 0.23 | 14.60 |
| 9/2009 | 5,345 | 0.22 | 11.65 |
| 12/2009 | 6,945 | 0.22 | 15.39 |
| 3/2010 | 7,672 | 0.21 | 16.19 |
| 6/2010 | 7,671 | 0.20 | 15.38 |
| **Trended Values❖** | | | |
| 28 Point | 8,039 | 0.24 | 19.29 |
| 20 Point | 7,720 | 0.22 | 16.98 |
| 12 Point | 8,832 | 0.23 | 20.31 |
| **Selected Values** | | | |
| Selected | 6,951 | 0.22 | 15.29 |

❖ Trended Values represent an ordinary Least Squares trend for Severity. The Frequency value is an average of the points selected. Trended and selected values are for the mid-point of the period that these rates would be in effect (06/01/2012).

**Arkansas Homeowners**
**Response to Questions of February 23, 2011**
**HO-27379**

*Objection 1*
*Comment: A disruption chart has been provided. Please indicate the factors driving those increase over 20%.*

Of those policyholders receiving an increase greater than 20%, approximately 93% will see a CRI increase, and 66% of those will see the maximum 10% CRI increase. 94% of these policyholders are Non-Tenant policies, and when these changes are combined with the Non-Tenant base rate increase of 23%, the majority of the increases greater than 20% can be attributed to these two factors. Note that the 23% base rate increase is larger than the statewide average change due to the number of policyholders receiving increased discounts with this filing (Home/Auto, Utilities Rating, etc). Other factors contributing to maximum increases include subzone increases (16% of these policyholders have experienced a subzone increase) and increases to the Claim Record Rating Plan factors (19% of these policyholders have one or more claims). Refer to Supplemental Exhibit 4 to see the disruption chart broken down into more refined segments for increases over 30%.

The maximum change is 48.5%. This increase is driven by the base rate change (23%), a change in the Claim Record Rating Plan charge for 9 years of tenure and 2 qualified claims (8%), a 10% increase in the CRI factor, and a 2% change in the amount factor for $116,000 of coverage. These changes combine for a total policyholder increase of 48.5%.

As previously stated, please note these are estimated impacts based on our current book of business.

**Supplemental Exhibit 4**
**State Farm Fire and Casualty Company**
**Arkansas Homeowners**
**Estimated Individual Policyholder Rate Effects**

| Rate Effect | Total Homeowners | |
|---|---|---|
| | PIF | % |
| Less than -10% | 624 | 0.4% |
| -10% to -5% | 5,138 | 3.5% |
| -5% to 0% | 16,987 | 11.4% |
| 0% to 5% | 36,338 | 24.4% |
| 5% to 10% | 42,267 | 28.4% |
| 10% to 15% | 26,294 | 17.7% |
| 15% to 20% | 13,307 | 8.9% |
| 20% to 25% | 5,520 | 3.7% |
| 25% to 30% | 1,717 | 1.2% |
| 30% to 35% | 438 | 0.3% |
| 35% to 40% | 84 | 0.1% |
| 40% to 45% | 14 | 0.0% |
| More than 45% | 1 | 0.0% |

Note: The estimated changes shown above do not include the effects of inflation coverage, classification changes, or the purchase of additional coverage.

# Arkansas Homeowners
# Resubmission of Ratemaking Data
# HO-27379

As requested by the Arkansas Department of Insurance, we are revisiting our HO-27379 filing with 2011 data. Although Commissioner Bradford requested no earlier than July, we are providing updated loss information now given the significant deterioration in our loss ratio. The rejection of the initial filing was based in part on State Farm's 2010 loss ratio through November. In contrast to the 92.2% combined ratio at the end of 2010, just four months later our combined ratio through April of 2011 is 209.3%. The recent losses in Arkansas show that a single year of profitability does not guarantee future profitability, especially when dealing with losses of a catastrophic nature. For this reason, we determine our indicated rate need using a long term average for catastrophes.

With these items in mind, we respectfully request that the Department reconsider our filing with 2011 data through April. We have submitted revised Exhibits 1-6 with data through fourth quarter of 2010. Our rate indications process now supports a 13.1% increase. Please note a change to the determination of our catastrophe provision as detailed in Revised Exhibit 5. Though a higher rate change is supported, we continue to request the original 7.0% increase. We have also resubmitted Form RF-1 and Exhibit 8 with data through April.

Revised Exhibit 1
State Farm Fire and Casualty Company
Arkansas Homeowners
Indicated Rate Level Adjustment
Policies Effective: 4/15/2011 New 6/1/2011 Renewal

Premiums, Losses and Expenses Per Policy Projected To 6/1/2012

| | $Per Policy | | % Of Earned Premium | |
|---|---|---|---|---|
| Earned Premium | | 976.24 | | 100.0 |
| Non-Catastrophe Incurred Losses and Loss Adjustment Expenses | 526.16 | | 53.8 | |
| Incurred Losses | 458.46 | | 46.9 | |
| Incurred Loss Adjustment Expenses | 67.70 | | 6.9 | |
| Catastrophe Losses and Loss Adjustment Expense | 230.56 | | 23.6 | |
| Total Losses and Loss Adjustment Expenses | | 756.72 | | 77.4 |
| Total Underwriting Expenses | | 250.72 | | 25.7 |
| Fixed Expenses | 97.02 | | 10.0 | |
| Variable Expenses | 153.70 | | 15.7 | |
| Total Loss and Expenses | | 1,007.45 | | 103.1 |

Indicated Rate Level Adjustment

The Rate Level adjustment is derived by solving the following formula:

$$IC = (( (L + F) / (100 - V - P) ) - 1) * 100$$

where: $IC$ = Indicated Change to Rate Level
$L$ = Total Loss and Loss Adjustment Expenses
$F$ = Fixed Expenses
$V$ = Variable Expenses
$P$ = Profit and Contingencies
all expressed as a percent of projected earned premium

Solving the equation using the data shown above and a 7.0% provision for profit and contingencies yields:

$$IC = (((77.4 + 10.0) / (100 - 15.7 - 7.0)) - 1) \times 100$$
$$= ((87.4 / 77.3) - 1) \times 100$$
$$= (1.130 - 1) * 100$$
$$= 13.1\% \text{ increase}$$

Revised Exhibit 2
State Farm Fire and Casualty Company
Arkansas Homeowners
Average Premium Per Policy

Premium per policy for the current calendar year is projected by adjusting actual premium writings to current premium levels to reflect items such as changes in rates, inflation and distributions. The resulting current level written premium is then forecast by estimating the effects the same elements (rates, inflation and distribution changes) will have in future years. Written premium per policy and earned premium per policy are projected to the mid-point of the period proposed rates are to be in effect by straight-line interpolation between the appropriate calendar year forecasts.

## I. Premium Adjustments

A. Rate Change Adjustment

Rather than assume a uniform distribution of premium writings by month to determine rates at current rate level, we assign a rate change factor by month and apply the factor to monthly written premium distributions.

Actual written premium per policy is adjusted to current rate level in recognition of the following rate changes.

| Effective Date | | |
|---|---|---|
| New | Renewal | Effect |
| 4/15/2010 | 6/1/2010 | 7.7 |

B. Inflation Adjustment

Actual written premium is further adjusted to reflect inflationary changes. Currently, a 1.0% change in policy amount results in a 0.6% change in policy premium.

The anticipated increase in policy amount and the resulting premium increase are shown below for Arkansas.

| | 2011 | 2012 | 2013 | 2014 |
|---|---|---|---|---|
| Increase in Policy Amount | 1.035 | 1.035 | 1.035 | 1.035 |
| Premium Equivalence Factor | 0.585 | 0.585 | 0.585 | 0.585 |
| Resulting Effect on Premium | 1.020 | 1.020 | 1.020 | 1.020 |

C. Adjustments For Anticipated Shifts in Distributions

Written premium per policy is further adjusted to recognize any projected changes in our distribution of business that are not reflected in current data or trends.

| | 2011 | 2012 | 2013 | 2014 |
|---|---|---|---|---|
| Adjustment Factor | 1.006 | 1.007 | 1.005 | 1.001 |

## II. Premium Calculations

A. Current Calendar Year

Historical written premium is adjusted to reflect changes in rate level, inflation and distribution to get an estimate of the current calendar year written premium at current level, by month.

Earned premium is estimated by earning the premium written uniformly over a 13-month period with the first and last month each earning 1/24th and the remaining months each earning 1/12th of the premium written. This produces a more accurate estimate of earned premium than can be produced using the traditional parallelogram method.

Our estimate of 2011 premium per policy is: $965.00.
This estimate reflects latest actual premium per policy adjusted for items such as current rates and inflation.

B. Subsequent Calendar Years

Each subsequent calendar year's written premium is estimated by applying adjustment factors for inflation and distribution changes to written premium distributions by month for the prior year. Since those written premiums have already been adjusted to current rate level no further rate change adjustment is necessary. Earned premium is estimated in the same manner as above.

| Year | Prior Year Written Premium Per Policy | Adjustment Factors | | Projected Written Premium Per Policy |
|---|---|---|---|---|
| | | Inflation Coverage | Distribution Change | |
| 2012 | 965.00 | 1.020 | 1.007 | 991.48 |
| 2013 | 991.48 | 1.020 | 1.005 | 1015.93 |
| 2014 | 1015.93 | 1.020 | 1.001 | 1037.21 |

C. Period of Proposed Rates

The estimated premium per policy of the period that proposed rates are to be in effect is determined via straight-line interpolation between the appropriate calendar years to the mid-point of the annual period the rates are to be in effect. This is analogous to applying current level premium adjustments to the historical earned premium and a projection factor for inflationary effects.

| Calendar Year | Projected Written Premium Per Policy | Projected Earned Premium Per Policy |
|---|---|---|
| 2011 | 965.00 | 953.30 |
| 2012 | 991.48 | 978.29 |
| 6/1/2012 | 989.31 | 976.24 |

Revised Exhibit 3
State Farm Fire and Casualty Company
Arkansas Homeowners
Non-Cat All Peril: Frequency, Severity and Pure Premium

**Historical Data**

| Period | Severity | Frequency | Pure Premium |
|---|---|---|---|
| 3/2004 | 4,264 | 5.80 | 247.16 |
| 6/2004 | 4,716 | 5.08 | 239.51 |
| 9/2004 | 4,915 | 4.81 | 236.46 |
| 12/2004 | 4,863 | 4.81 | 233.96 |
| 3/2005 | 5,266 | 4.77 | 251.30 |
| 6/2005 | 5,239 | 5.12 | 268.30 |
| 9/2005 | 5,413 | 5.24 | 283.76 |
| 12/2005 | 5,862 | 5.12 | 299.91 |
| 3/2006 | 5,753 | 5.08 | 291.96 |
| 6/2006 | 5,584 | 5.27 | 294.38 |
| 9/2006 | 5,407 | 5.18 | 279.96 |
| 12/2006 | 5,498 | 5.17 | 284.33 |
| 3/2007 | 5,444 | 5.59 | 304.55 |
| 6/2007 | 5,615 | 5.15 | 288.99 |
| 9/2007 | 5,768 | 5.13 | 295.77 |
| 12/2007 | 5,553 | 5.34 | 296.31 |
| 3/2008 | 5,404 | 5.26 | 284.44 |
| 6/2008 | 5,762 | 5.35 | 308.37 |
| 9/2008 | 6,016 | 5.55 | 333.71 |
| 12/2008 | 6,430 | 5.48 | 352.17 |
| 3/2009 | 7,075 | 5.57 | 394.17 |
| 6/2009 | 7,118 | 6.18 | 439.98 |
| 9/2009 | 7,126 | 6.25 | 445.18 |
| 12/2009 | 7,099 | 6.26 | 444.41 |
| 3/2010 | 6,841 | 6.40 | 438.00 |
| 6/2010 | 7,093 | 6.03 | 427.54 |
| 9/2010 | 7,204 | 5.89 | 424.64 |
| 12/2010 | 7,151 | 5.89 | 421.15 |

**Trended Values❖**

| | | | |
|---|---|---|---|
| 28 Point | 7,960 | 5.46 | 434.62 |
| 20 Point | 8,172 | 5.60 | 457.63 |
| 12 Point | 8,622 | 5.84 | 503.52 |

**Selected Values**

| | | | |
|---|---|---|---|
| Selected | 8,061 | 5.58 | 449.83 |

❖ Trended Values represent an ordinary Least Squares trend for Severity. The Frequency value is an average of the points selected. Trended and selected values are for the mid-point of the period that these rates would be in effect (6/1/2012).

The historical and selected Pure Premium figures are shown for All Perils. The selected figures are based on an in-depth analysis of Frequency, Severity and Pure Premium separately for each of the perils of Fire, Wind/Hail, OEC, Crime, Section II (Liability). An analysis by peril reveals trends and highlights abnormal results that cannot be determined in an analysis of All Perils data. The results are summed by peril to determine the selected figures shown. This figure is checked against historical Pure Premium data for reasonableness as shown above. The selected Pure Premium figures are consistent with historical data and recent trends.

Revised Exhibit 4
State Farm Fire and Casualty Company
Arkansas Homeowners
Adjustments to Non-Catastrophe Paid Loss Ratio

**I. Factor to Adjust Non-Cat Paid Loss to Non Cat Incurred Loss**

| Year | Ratio of Non-Cat Incurred Losses to Non-Cat Paid Losses | | |
|---|---|---|---|
| 2006 | 0.9686 | | |
| 2007 | 1.0408 | | |
| 2008 | 1.0293 | | |
| 2009 | 1.0550 | | |
| 2010 | 1.0500 | | |
| | | | |
| 3 Year Average | 1.0448 | | |
| 5 Year Average | 1.0287 | | |
| | | Paid Loss Per Policy | Incurred Loss Per Policy |
| Selected 6/1/2012 | 1.0192 | $ 449.83 | $ 458.46 |

Non-Catastrophe Incurred Losses Projected To 6/1/2012: $ 458.46

**II. Factor to Adjust Non-Cat Incurred Losses to Non-Cat Incurred Loss and Loss Adjustment Expense** (includes both Allocated and Unallocated Loss Adjustment Expenses)

| | Non-Catastrophe Loss Adjustment Expenses Divided by Incurred Losses | | | | |
|---|---|---|---|---|---|
| Year | A.L.A.E*. | U.L.A.E*. | Total | | |
| 2006 | 0.0236 | 0.2929 | 0.3165 | | |
| 2007 | 0.0182 | 0.2346 | 0.2529 | | |
| 2008 | 0.0054 | 0.1618 | 0.1672 | | |
| 2009 | 0.0156 | 0.1446 | 0.1601 | | |
| 2010 | 0.0076 | 0.1248 | 0.1324 | | |
| | | | | | |
| 3 Year Average | 0.0095 | 0.1437 | 0.1532 | | |
| 5 year Average | 0.0141 | 0.1917 | 0.2058 | | |
| | | | | Incurred Loss Per Policy | Adj. Expense |
| Selected 6/1/2012 | 0.0116 | 0.1361 | 0.1477 | $ 458.46 | $ 67.70 |

Non-Catastrophe Loss Adjustment Expenses Projected To 6/1/2012: $ 67.70

* Beginning January 1, 1998, ALAE and ULAE are defined according to the Annual Statement Instructions. ALAE refers to "Claim Adjustment Services" including defense, litigation, and medical cost containment. ULAE refers to all remaining expenses associated with adjusting and recording policy claims.

Revised Exhibit 5
Arkansas Homeowners
Catastrophe Provision

For ratemaking purposes, State Farm removes all catastrophe (CAT) losses from our loss data. Each state's CAT losses are analyzed separately and a CAT provision is developed according to the following procedure and used in the ratemaking formula. In those states with a hurricane exposure, a hurricane provision is developed independently.

## I. Amount Of Insurance Years Exposure Base

The Amount of Insurance Years statistic (AIY) measures $1,000's of building insurance in force for one year. For example, a $100,000 dwelling insured on January 1st and in force continuously for that year equals 100 Amount of Insurance Years. Amount of Insurance Years reflects changing values and represents an accurate measure of our exposure to catastrophic loss.

## II. Catastrophe Provision

### A. Trend Factor

A catastrophe trend factor is applied to reflect the upward trend in our CAT ratios over the experience period.

Some reasons for this increasing trend include:

- The leveraging effect of a fixed dollar catastrophe threshold
- A change in the distribution of business in CAT prone areas
- Changes over time in the nature of exposures underlying the catastrophe data

Exhibit 5A shows the development of the trend factor. The trend factor is based on companywide Homeowners data since individual state data lacks credibility.

### B. Weighted CAT Provision

Because catastrophes can be infrequent events, many years of history are needed to determine a provision. Contract changes and changes in the number of policies written in catastrophe prone areas, however, make it prudent to give greater weight to more recent years. The weighted CAT/AIY is calculated as the weighted average using the catastrophe data trended to a common projection date. Please see Exhibit 5B for more details.

### C. Capping

To provide stability, the selected CAT provision was limited to +/-10% from the previous year's CAT provision. Each year the CAT provision will be calculated using the actual uncapped experience, but the selected provision may be limited. In choosing the selected CAT/AIY, appropriate consideration is given to historical data, future conditions, insurance and economic trends, along with other relevant considerations.

## III. Catastrophe Loss & LAE

The Catastrophe Provision determined above is multiplied by projected AIY per policy to determine the CAT Loss & Loss Adjustment Expense (LAE) per policy used in the indicated change calculation.

Revised Exhibit 5 (*continued*)

| | | | |
|---|---|---|---|
| A. | Trended Catastrophe Ratio<br>(from Exhibit 5B) | = | 1.6680 |
| B. | Previous Year's CAT Provision | = | 1.3434 |
| C. | Selected CAT Provision<br>= A subject to capping described in Section II.C | = | 1.4777 |
| D. | Projected AIY per policy | = | 156.03 |
| E. | Catastrophe Loss & LAE per Policy<br>(as of 6/1/2012)<br>= C x D | = | 230.57 |

REVISED EXHIBIT 5A
STATE FARM COMPANYWIDE
HOMEOWNERS DATA
DEVELOPMENT OF CATASTROPHE TREND

| (1) | (2) | (3) |
|---|---|---|
| Year | Cat/AIY | Fitted Cat/AIY |
| 1980 | 0.4814 | 0.4207 |
| 1981 | 0.3125 | 0.4351 |
| 1982 | 0.5333 | 0.4494 |
| 1983 | 0.5967 | 0.4637 |
| 1984 | 0.4890 | 0.4780 |
| 1985 | 0.3878 | 0.4923 |
| 1986 | 0.2976 | 0.5067 |
| 1987 | 0.2416 | 0.5210 |
| 1988 | 0.2660 | 0.5353 |
| 1989 | 0.6302 | 0.5496 |
| 1990 | 0.7041 | 0.5639 |
| 1991 | 0.8077 | 0.5782 |
| 1992 | 0.7768 | 0.5926 |
| 1993 | 0.7078 | 0.6069 |
| 1994 | 0.7136 | 0.6212 |
| 1995 | 0.6320 | 0.6355 |
| 1996 | 0.8599 | 0.6498 |
| 1997 | 0.4167 | 0.6642 |
| 1998 | 0.8166 | 0.6785 |
| 1999 | 0.6956 | 0.6928 |
| 2000 | 0.8807 | 0.7071 |
| 2001 | 0.9355 | 0.7214 |
| 2002 | 0.6158 | 0.7358 |
| 2003 | 0.9929 | 0.7501 |
| 2004 | 0.2966 | 0.7644 |
| 2005 | 0.2824 | 0.7787 |
| 2006 | 0.6952 | 0.7930 |
| 2007 | 0.6297 | 0.8073 |
| 2008 | 1.0676 | 0.8217 |
| 2009 | 0.9174 | 0.8360 |
| 2010 | 1.0204 | 0.8503 |

| | |
|---|---|
| (4) Annual Trend: | 2.3% |
| (5) Selected Trend: | 2.0% |

**Revised Exhibit 5B**
**Arkansas Homeowners Program**
**Catastrophe Provision Development**

| (1) | (2) | (3) | (4) | (5) |
|---|---|---|---|---|
| | | Trend Factor | Trended Cat Ratio | |
| Year | CAT/AIY | [1+(6)]^[(7)-Year] | = (2) * (3) | Weight |
| 1980 | 1.106 | 1.885 | 2.084 | 2.8% |
| 1981 | 0.518 | 1.848 | 0.957 | 2.8% |
| 1982 | 1.066 | 1.811 | 1.930 | 2.8% |
| 1983 | 0.864 | 1.776 | 1.535 | 2.8% |
| 1984 | 0.935 | 1.741 | 1.627 | 2.8% |
| 1985 | 0.278 | 1.707 | 0.475 | 2.8% |
| 1986 | 0.658 | 1.673 | 1.102 | 2.8% |
| 1987 | 0.343 | 1.641 | 0.563 | 2.8% |
| 1988 | 0.264 | 1.608 | 0.425 | 2.8% |
| 1989 | 1.976 | 1.577 | 3.115 | 2.8% |
| 1990 | 0.393 | 1.546 | 0.607 | 2.8% |
| 1991 | 0.494 | 1.516 | 0.749 | 2.8% |
| 1992 | 0.445 | 1.486 | 0.662 | 2.8% |
| 1993 | 0.069 | 1.457 | 0.100 | 2.8% |
| 1994 | 0.958 | 1.428 | 1.368 | 2.8% |
| 1995 | 0.616 | 1.400 | 0.863 | 2.8% |
| 1996 | 5.361 | 1.373 | 7.360 | 2.8% |
| 1997 | 1.250 | 1.346 | 1.682 | 2.8% |
| 1998 | 0.226 | 1.319 | 0.298 | 2.8% |
| 1999 | 2.082 | 1.294 | 2.693 | 2.8% |
| 2000 | 2.055 | 1.268 | 2.607 | 3.0% |
| 2001 | 1.468 | 1.243 | 1.825 | 3.2% |
| 2002 | 0.445 | 1.219 | 0.543 | 3.3% |
| 2003 | 0.846 | 1.195 | 1.011 | 3.5% |
| 2004 | 0.413 | 1.172 | 0.484 | 3.7% |
| 2005 | 0.148 | 1.149 | 0.170 | 3.9% |
| 2006 | 2.417 | 1.126 | 2.722 | 4.1% |
| 2007 | -0.070 | 1.104 | -0.077 | 4.3% |
| 2008 | 5.799 | 1.082 | 6.277 | 4.5% |
| 2009 | 3.416 | 1.061 | 3.626 | 4.8% |
| 2010 | 0.634 | 1.040 | 0.659 | 5.0% |

(6) Projected Annual Trend (from Exhibit 5A): 2.0%
(7) Projection Year 2012
(8) Trended Catastrophe Ratio (Column (4) weighted by Column (5)): 1.6680

(2) Non-Hurricane Catastrophe Loss and ALAE. Data reflects Accident Year (AY) data from 1980-89 and Calendar Year (CY) data for 1990 and after. CY data is preferable for newer years since the AY losses would potentially be underdeveloped. Adjustments have been made as needed to incorporate any significant changes in the distribution of our book of business.

(5) The latest year is given a weight of 5%, with each prior year receiving 5% less weight back to 2000. For the years 1980-99, the remainder of the distribution was spread evenly across the 20 year period.

Revised Exhibit 6
State Farm Fire and Casualty Company
Arkansas Homeowners
Underwriting Expense Exhibit

## I. Variable Expense Ratios As a Percent of Earned Premium

| Calendar Year | Variable Expense Ratios |
|---|---|
| 2006 | 15.9% |
| 2007 | 16.6 |
| 2008 | 15.9 |
| 2009 | 16.4 |
| 2010 | 16.0 |
| 3 Year Average | 16.1 |
| 5 Year Average | 16.2 |
| Selected 2011 | 15.7 |
| Selected 2012 | 15.7 |
| Selected 2013 | 15.7 |
| Selected 2014 | 15.7 |
| **Selected at 6/1/2012** | **15.7%** |
| Variable Expense Per Policy 6/1/2012 | $153.70 |

## II. II Fixed Expenses as Dollars Per Average Policy in Force

| Calendar Year | Fixed Expense per Policy |
|---|---|
| 2006 | $84.77 |
| 2007 | 80.87 |
| 2008 | 93.94 |
| 2009 | 90.86 |
| 2010 | 91.25 |
| Selected 2011 | 95.06 |
| Selected 2012 | 97.20 |
| Selected 2013 | 99.39 |
| Selected 2014 | 101.63 |
| **Selected at 6/1/2012** | $97.02 |

## III. Total Expenses Per Policy in Force

| | |
|---|---|
| Total Variable Expense per policy: | $153.70 |
| Total Fixed Expense per policy: | + 97.02 |
| Total Expense per policy: | $250.72 |

**Exhibit 8**
**State Farm Fire and Casualty Company**
**Arkansas Total Homeowners**
**Gross Underwriting Profit or Loss on a Statutory Basis**

| Arkansas | | | | | | |
|---|---|---|---|---|---|---|
| Year | Earned Premium | Non-Cat Loss Ratio | Catastrophe Loss Ratio | Total Loss Ratio | Expense Ratio | Actual Combined Ratio |
| 2006 | 105,033,387 | 48.1% | 40.1% | 88.2% | 27.3% | 115.5% |
| 2007 | 111,566,740 | 48.7% | -1.2% | 47.5% | 27.7% | 75.1% |
| 2008 | 113,841,959 | 53.6% | 116.8% | 170.4% | 28.0% | 198.4% |
| 2009 | 120,726,232 | 66.5% | 59.5% | 126.0% | 27.6% | 153.5% |
| 2010 | 132,051,514 | 57.4% | 9.8% | 67.3% | 24.9% | 92.2% |
| 4/2011 | 46,462,744 | 70.8% | 112.1% | 182.9% | 26.4% | 209.3% |
| 06-10 | 583,219,832 | 55.2% | 44.3% | 99.5% | 27.0% | 126.6% |

| Companywide | | | | | | |
|---|---|---|---|---|---|---|
| Year | Earned Premium | Non-Cat Loss Ratio | Catastrophe Loss Ratio | Total Loss Ratio | Expense Ratio | Actual Combined Ratio |
| 2006 | 11,811,942,032 | 43.4% | 18.0% | 61.3% | 26.8% | 88.2% |
| 2007 | 12,530,785,577 | 47.0% | 18.1% | 65.1% | 25.9% | 91.0% |
| 2008 | 12,491,238,628 | 52.2% | 43.9% | 96.1% | 27.0% | 123.1% |
| 2009 | 12,747,083,924 | 55.1% | 24.4% | 79.5% | 27.1% | 106.6% |
| 2010 | 13,643,927,641 | 48.7% | 26.3% | 75.0% | 26.5% | 101.5% |
| 4/2011 | 4,687,712,952 | 49.0% | 44.0% | 93.0% | 24.8% | 117.7% |
| 06-10 | 63,224,977,803 | 49.3% | 26.2% | 75.6% | 26.7% | 102.2% |

Expense Ratios include Agents' Commissions, Taxes, Other Acquisition and General Expenses.

Loss Ratios include Adjustment Expense.

Totals may not add due to rounding.

# NAIC LOSS COST DATA ENTRY DOCUMENT

| | | |
|---|---|---|
| **1.** | This filing transmittal is part of Company Tracking # | **Filing #HO-27379** |

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

| | | Company Name | | Company NAIC Number |
|---|---|---|---|---|
| **3.** | **A.** | **State Farm Fire & Casualty Company** | **B.** | **0176-25143** |

| | | 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.** | | **B.** | |

**5.**

| (A) COVERAGE (See Instructions) | (B) Indicated % Rate Level Change | (C) Requested % Rate Level Change | FOR LOSS COSTS ONLY (D) Expected Loss Ratio | (E) Loss Cost Modification Factor | (F) Selected Loss Cost Multiplier | (G) Expense Constant (If Applicable) | (H) Co. Current Loss Cost Multiplier |
|---|---|---|---|---|---|---|---|
| **Homeowners Multi-Peril** | **13.1%** | **7.0%** | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| TOTAL OVERALL EFFECT | **13.1%** | **7.0%** | **N/A** | **N/A** | **N/A** | **N/A** | **N/A** |

**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** | **139,796** | **0.0** | **5/15/06** | **105,033** | **78,000** | **74%** | **51%** |
| **2007** | **141,730** | **-1.8** | **6/01/07** | **111,567** | **42,000** | **38%** | **55%** |
| **2007** | **141,730** | **-1.1** | **10/15/07** | **111,567** | **42,000** | **38%** | **55%** |
| **2008** | **145,840** | **1.6** | **6/01/08** | **113,842** | **174,542** | **153%** | **83%** |
| **2009** | **148,729** | **9.0** | **4/15/09** | **120,726** | **133,887** | **111%** | **67%** |
| **2010** | **150,649** | **7.7** | **4/15/10** | **132,052** | **78,157** | **59%** | **64%** |
| **4/2011** | **151,565** | **--** | **--** | **46,463** | **77,260** | **166%** | **82%** |

**7.**

| Expense Constants | Selected Provisions |
|---|---|
| A. Total Production Expense | **20.4** |
| B. General Expense | **2.2** |
| C. Taxes, License & Fees | **3.1** |
| D. Underwriting Profit & Contingencies | **7.0** |
| E. Other (explain) | |
| F. TOTAL | **32.7** |

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

**9.** 48.5% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): _____

**10.** -17.3% Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): _____