

SERFF Tracking Number: AAAM-128093352 State: Arkansas  
Filing Company: Auto Club Family Insurance Company State Tracking Number:  
Company Tracking Number: AR120217XRMXX106  
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations  
Product Name: Homeowners  
Project Name/Number: /

## Filing at a Glance

Company: Auto Club Family Insurance Company

Product Name: Homeowners

SERFF Tr Num: AAAM-128093352 State: Arkansas

TOI: 04.0 Homeowners

SERFF Status: Closed-Filed State Tr Num:

Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations

Co Tr Num: AR120217XRMXX106 State Status:

Filing Type: Rate/Rule

Reviewer(s): Becky Harrington

Authors: Debbie Furman, Katina Arras

Disposition Date: 03/12/2012

Date Submitted: 02/20/2012

Disposition Status: Filed

Effective Date Requested (New): 06/15/2012

Effective Date (New): 06/15/2012

Effective Date Requested (Renewal): 06/15/2012

Effective Date (Renewal):  
06/15/2012

State Filing Description:

+2.9% EQ increase not shown in 9%; referred 2/29/12. meeting 3/12/12.

## General Information

Project Name:

Status of Filing in Domicile:

Project Number:

Domicile Status Comments:

Reference Organization:

Reference Number:

Reference Title:

Advisory Org. Circular:

Filing Status Changed: 03/12/2012

State Status Changed: 03/12/2012

Deemer Date:

Created By: Katina Arras

Submitted By: Katina Arras

Corresponding Filing Tracking Number:

Filing Description:

The Auto Club Family Insurance Company is filing several changes to our Rules and Rates Manual to be effective June 15, 2012 for New Business and Renewals.

The revised Rules and Rates Manual reflects a change in homeowners insurance rates which will result in an overall rate increase of 9.0% or an annual premium increase of approximately \$567,224 based on a total inforce annual premium of \$6,326,047 in Arkansas.

## Company and Contact

SERFF Tracking Number: AAAM-128093352 State: Arkansas  
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**Filing Contact Information**

Katina Arras, kaaras@aaamissouri.com  
 12901 North Forty Drive 314-523-7350 [Phone] 5236 [Ext]  
 St. Louis, MO 63141 314-523-6940 [FAX]

**Filing Company Information**

Auto Club Family Insurance Company CoCode: 27235 State of Domicile: Missouri  
 12901 North Forty Drive Group Code: Company Type:  
 St. Louis, MO 63141 Group Name: State ID Number:  
 (314) 523-7350 ext. 5233[Phone] FEIN Number: 43-1453212  
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**Filing Fees**

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

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Auto Club Family Insurance Company	\$100.00	02/20/2012	56486700

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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Filed	Becky Harrington	03/12/2012	03/12/2012

### Objection Letters and Response Letters

Objection Letters				Response Letters		
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
No response necessary	Becky Harrington	02/29/2012	02/29/2012			
Pending Industry Response	Becky Harrington	02/22/2012	02/22/2012	Katina Arras	02/28/2012	02/28/2012

SERFF Tracking Number: AAAM-128093352

State: Arkansas

Filing Company: Auto Club Family Insurance Company

State Tracking Number:

Company Tracking Number: AR120217XRMXX106

TOI: 04.0 Homeowners

Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations

Product Name: Homeowners

Project Name/Number: /

## Disposition

Disposition Date: 03/12/2012

Effective Date (New): 06/15/2012

Effective Date (Renewal): 06/15/2012

Status: Filed

Comment: Commissioner reviewed today, 3/12/12.

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where required):	Minimum % Change (where required):
Auto Club Family Insurance Company	19.100%	9.000%	\$567,224	7,878	\$6,326,047	15.300%	3.700%

SERFF Tracking Number: AAAM-128093352 State: Arkansas  
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Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Form RF-2 Loss Costs Only (not for workers' compensation)		Yes
Supporting Document	H-1 Homeowners Abstract	Filed	Yes
Supporting Document (revised)	HPCS-Homeowners Premium Comparison Survey	Filed	Yes
Supporting Document	HPCS-Homeowners Premium Comparison Survey	Filed	Yes
Supporting Document (revised)	NAIC loss cost data entry document	Filed	Yes
Supporting Document	NAIC loss cost data entry document		Yes
Supporting Document	EXPLANATORY MEMORANDUM	Filed	Yes
Supporting Document	ACTUARIAL MEMORANDUM	Filed	Yes
Supporting Document	EXHIBIT A - ACTUARIAL JUSTIFICATION	Filed	Yes
Supporting Document	EXHIBIT H	Filed	Yes
Rate	CLAIM RATING SURCHARGE	Filed	Yes
Rate	EARTHQUAKE COVERAGE (CO 04 54)	Filed	Yes
Rate	ARKANSAS HOME BASE RATES	Filed	Yes

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

## Objection Letter

Objection Letter Status No response necessary

Objection Letter Date 02/29/2012

Submitted Date 02/29/2012

Respond By Date

Dear Katina Arras,

This will acknowledge receipt of the recent response.

All rate change requests greater than 6% are referred to the Commissioner for review. This filing may not be implemented until his review has been completed. No response is necessary at this time.

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."

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

Sincerely,

Becky Harrington

SERFF Tracking Number: AAAM-128093352 State: Arkansas  
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Company Tracking Number: AR120217XRMXX106  
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations  
Product Name: Homeowners  
Project Name/Number: /

## Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 02/22/2012

Submitted Date 02/22/2012

Respond By Date

Dear Katina Arras,

This will acknowledge receipt of the captioned filing.

### Objection 1

- HPCS-Homeowners Premium Comparison Survey (Supporting Document)

Comment: This form must be submitted in both Excel and PDF formats. Please provide a pdf version.

### Objection 2

- NAIC loss cost data entry document (Supporting Document)

Comment: The actuarial exhibits included 2011 data. Please revise this form to include 2011 premium and loss information.

### Objection 3

Comment: Please compare the CAT Load and Net Cost of Reinsurance for Earthquake (Exhibit A, Sheet 2) to that used to develop the EQ rates currently on file.

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."

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Sincerely,

Becky Harrington

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Product Name: Homeowners  
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## Response Letter

Response Letter Status Submitted to State  
Response Letter Date 02/28/2012  
Submitted Date 02/28/2012

Dear Becky Harrington,

### Comments:

The Auto Club Family Insurance Company is submitting the following response to the objection dated February 22, 2012:

### Response 1

Comments: Please find the HPCS Form attached below in the excel and the pdf formats.

#### Related Objection 1

Applies To:

- HPCS-Homeowners Premium Comparison Survey (Supporting Document)

Comment:

This form must be submitted in both Excel and PDF formats. Please provide a pdf version.

### Changed Items:

#### Supporting Document Schedule Item Changes

Satisfied -Name: HPCS-Homeowners Premium Comparison Survey

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

### Response 2

Comments: Please find the revised NAIC Loss Cost Data form attached below.

#### Related Objection 1

Applies To:

- NAIC loss cost data entry document (Supporting Document)

Comment:

SERFF Tracking Number: AAAM-128093352 State: Arkansas  
Filing Company: Auto Club Family Insurance Company State Tracking Number:  
Company Tracking Number: AR120217XRMXX106  
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations  
Product Name: Homeowners  
Project Name/Number: /

The actuarial exhibits included 2011 data. Please revise this form to include 2011 premium and loss information.

### Changed Items:

#### Supporting Document Schedule Item Changes

Satisfied -Name: NAIC loss cost data entry document

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

### Response 3

Comments: The current Earthquake rates were effective 5/15/09. The EQ Cat Load in that rate filing was 35.4%. The EQ Net Cost of Reinsurance was 345.6%. This compares to an EQ Cat Load of 24.8% and EQ Net Cost of Reinsurance of 62.4% in this filing.

#### Related Objection 1

Comment:

Please compare the CAT Load and Net Cost of Reinsurance for Earthquake (Exhibit A, Sheet 2) to that used to develop the EQ rates currently on file.

### Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Thank you in advance for your time and consideration on this matter. Please let me know if you have any questions.

Sincerely,

Debbie Furman, Katina Arras

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 Product Name: Homeowners  
 Project Name/Number: /

State: Arkansas  
 State Tracking Number:  
 Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations

## Rate Information

Rate data applies to filing.

**Filing Method:** FILE & USE  
**Rate Change Type:** Increase  
**Overall Percentage of Last Rate Revision:** 7.000%  
**Effective Date of Last Rate Revision:** 06/15/2011  
**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):
Auto Club Family Insurance Company	19.100%	9.000%	\$567,224	7,878	\$6,326,047	15.300%	3.700%

SERFF Tracking Number: AAAM-128093352 State: Arkansas  
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## Rate/Rule Schedule

Schedule Item Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Attachments Number:	
Filed 03/12/2012	CLAIM RATING SURCHARGE	RULE 25.6F	Replacement	AAAM-126397693	Rule 25.6F.pdf
Filed 03/12/2012	EARTHQUAKE COVERAGE (CO 04 54)	RULE 35.3H	Replacement	AAAM-126015041	Rule 35.3H.pdf
Filed 03/12/2012	ARKANSAS HOME BASE RATES	EXHIBIT B	Replacement	AAAM-127019890	AR Home Rate Pages 06-15-2012 - Final.pdf

ARKANSAS  
HOMEOWNERS  
RULES MANUAL

SECTION 25  
GENERAL RATING AND  
CODING RULES  
RULE 25.6F  
DATE: 06-15-2012

**RULE 25.6F - CLAIM RATING SURCHARGE**

*Applies to: Premier - YES, Premier Plus - YES, Premier Select - YES,  
Premier Condo - YES, Premier Renters - YES*

**New Business**

Effective May 15, 2009, a Claim Rating Surcharge will be applied to all new business policies. The number of claims will be determined from the CLUE report and will include any chargeable claim in the past 3 years. A new business policy will be rated as having zero (0) consecutive years with ACFIC with the following exception. If the most recent carrier was ACFIC, then the number of consecutive years from the previous ACFIC policy will be applied. If the policyholder had multiple, consecutive policies with ACFIC, all years will be combined.

**Renewals**

A Claim Rating Surcharge will be applied to renewal policies. The number of chargeable claims will be determined by reviewing the history of the current policy and will include any chargeable claim in the past 3 years. For policies with an original effective date prior to May 15, 2009, we will only take into consideration claims occurring May 15, 2009 and after. Current ACFIC policyholders will be given credit for all consecutive years with ACFIC. If the policyholder had multiple, consecutive policies with ACFIC, all years will be combined.

The following claims will **not** be considered a chargeable claim:

- 1) Damage to Property of Others, Earth Movement, Glass, Identity Theft, Med Pay to Others, Mine Subsidence and Workers Comp
- 2) All weather-related (acts of nature) and catastrophe losses including but not limited to Wind, Hail, Lightning and Flood
- 3) A claim that has a subrogation recovery or reserve
- 4) Any liability claim that did not result in a paid loss
- 5) Any property claim with a net payment of \$500 or less
- 6) Scheduled personal property claims

Consecutive Years <u>with ACFIC</u>	Number of Chargeable Paid Claims in the Last 3 Years				
	0	1	2	3	4+
0 - 2	0%	20%	40%	55%	85%
3 - 5	0%	15%	30%	55%	85%
6 - 8	0%	5%	25%	55%	85%
9 +	0%	0%	20%	45%	85%

The Claim Rating Surcharge will be indicated on the Declarations Certificate.



ARKANSAS  
HOMEOWNERS  
RULES MANUAL

SECTION 35  
OPTIONAL LIMITS  
AND COVERAGES  
RULE 35.3H  
DATE: 06-15-2012

**RULE 35.3H - EARTHQUAKE COVERAGE (CO 04 54)**

*Applies to: Premier - YES, Premier Plus - YES, Premier Select - YES,  
Premier Condo - YES, Premier Renters - YES*

The policy may be endorsed to apply to losses due to earthquake. This endorsement applies to all Section I - Property Coverages, except Coverage D - Loss of Use and the Other Coverages, that exceeds the earthquake deductible stated in this endorsement, for the same limits provided in the policy.

The base deductible is 10% of the limit of liability that applies to the total covered loss. The total deductible amount will not be less than \$250. The deductible percentage may be increased for a premium credit.

The additional premium is calculated as follows:

1) Determine the appropriate Earthquake Zone from the Territories Section.

2) Select the appropriate rate table as follows:

A. Premier Policy	Table A
Increased Coverage C portion	Table B
B. Premier Plus Policy	Table C
Increased Coverage C portion	Table B
C. Premier Select Policy	Table A
Increased Coverage C portion	Table B
D. Premier Condominium Owners Policy	Table C
E. Premier Condominium Owners Policy with CO 17 31 Unit Owners - Coverage C Special Coverage Endorsement	Table B
F. Premier Renters Policy	Table B
G. CO 04 40 Structures Rented to Others - Residence Premises Endorsement	Table C
CO 04 42 Permitted Incidental Occupancies Residence Premises Endorsement	Table C

CO 04 48 Other Structures - Increased

Limits Endorsement

Table C

CO 04 97 Home Day Care Coverage

Endorsement

Table C

3) Select the rate per \$1,000 of coverage based on type of construction as follows:

If exterior masonry veneer is to be excluded on this endorsement, rate as Frame. If exterior masonry veneer is to be included on this endorsement, rate as Masonry.

	<u>EQ Zone</u>	<u>Frame</u>	<u>Masonry</u>
Table A	01	1.64	2.46
	02	.69	1.13
	03	.38	.63
	04	.31	.56
Table B	01	1.00	1.22
	02	.44	.46
	03	.25	.33
	04	.20	.23
Table C	01	1.64	2.46
	02	.69	1.13
	03	.38	.63
	04	.31	.56

4) Multiply the rate by each of the following:

A. Coverage A limits for Premier Homeowners, Premier Plus Homeowners and Premier Select Policies only.

B. Coverage C limits for Premier Condominium Owners and Renters Policies only.

C. The amount of insurance for increased limits for Coverage C for Premier Homeowners, Premier Plus Homeowners and Premier Select Policies only.

D. The amount of insurance for the CO 04 48 Other Structures endorsement.

E. The amount of insurance for any other building coverage options.

5) Add the results obtained in Steps 4A through 4E.

6) Multiply the result obtained in Step 5 by the desired deductible factor as follows:

<u>Deductible %</u>	<u>Factor</u>	
	<u>Frame</u>	<u>Masonry</u>
10%	1.00	1.00
*15%	.88	.94
20%	.75	.88
25%	.63	.83

\* The 15% deductible is the minimum deductible for all business in Zone 1 and Zone 2.

Endorsement CO 04 54 Earthquake will be attached to the policy.





**AUTO CLUB FAMILY INSURANCE COMPANY  
ARKANSAS  
PREMIER HOMEOWNERS - FORM 3  
MASONRY BASE RATES**

**EFFECTIVE FOR NEW BUSINESS AS OF - 6/15/2012  
EFFECTIVE FOR RENEWAL BUSINESS AS OF - 6/15/2012**

Territory	<b>\$60,000 Base, \$1,000 Deductible, \$100,000 Liability, \$1,000 Medical Payments</b>																					
	Prot. Class 1	Cov. Curve	Prot. Class 2	Cov. Curve	Prot. Class 3	Cov. Curve	Prot. Class 4	Cov. Curve	Prot. Class 5	Cov. Curve	Prot. Class 6	Cov. Curve	Prot. Class 7	Cov. Curve	Prot. Class 8	Cov. Curve	Prot. Class 8B	Cov. Curve	Prot. Class 9	Cov. Curve	Prot. Class 10	Cov. Curve
1	388	1	388	1	388	1	413	1	413	1	463	1	505	1	584	1	595	1	713	1	939	1
2	499	1	499	1	499	1	531	1	531	1	594	1	652	1	750	1	787	1	968	1	1,272	1
3	445	1	445	1	445	1	477	1	477	1	531	1	592	1	668	1	683	1	820	1	1,078	1
4	400	1	400	1	400	1	424	1	424	1	475	1	519	1	600	1	648	1	816	1	968	1
9	477	1	477	1	477	1	506	1	506	1	569	1	622	1	725	1	753	1	917	1	1,207	1
10	476	1	476	1	476	1	509	1	509	1	568	1	619	1	715	1	730	1	875	1	1,154	1
11	495	1	495	1	495	1	524	1	524	1	586	1	645	1	743	1	760	1	914	1	1,204	1
16	475	1	475	1	475	1	484	1	508	1	518	1	632	1	712	1	729	1	876	1	1,153	1
19	578	1	578	1	578	1	619	1	619	1	687	1	768	1	867	1	887	1	1,066	1	1,404	1
20	598	1	598	1	598	1	641	1	641	1	712	1	797	1	898	1	917	1	1,102	1	1,450	1
21	549	1	549	1	549	1	587	1	587	1	653	1	729	1	823	1	839	1	1,006	1	1,325	1
22	595	1	595	1	595	1	636	1	636	1	709	1	792	1	894	1	912	1	1,093	1	1,439	1
23	536	1	536	1	536	1	572	1	572	1	638	1	711	1	803	1	821	1	986	1	1,297	1
24	593	1	593	1	593	1	634	1	634	1	706	1	790	1	892	1	912	1	1,097	1	1,442	1
25	529	1	529	1	529	1	565	1	565	1	626	1	702	1	792	1	808	1	968	1	1,273	1
28	443	1	443	1	443	1	470	1	470	1	528	1	575	1	666	1	685	1	824	1	1,085	1
29	403	1	403	1	403	1	428	1	428	1	481	1	523	1	606	1	623	1	750	1	987	1
30	453	1	453	1	453	1	479	1	479	1	539	1	604	1	681	1	696	1	836	1	1,102	1
31	468	1	468	1	468	1	498	1	498	1	553	1	621	1	700	1	717	1	862	1	1,132	1
32	447	1	447	1	447	1	473	1	473	1	530	1	579	1	671	1	724	1	913	1	1,075	1
33	471	1	471	1	471	1	503	1	503	1	556	1	625	1	705	1	721	1	865	1	1,139	1
35	432	1	432	1	432	1	462	1	462	1	513	1	563	1	646	1	662	1	796	1	1,048	1
36	410	1	410	1	410	1	437	1	437	1	489	1	535	1	617	1	651	1	808	1	1,063	1

Note: For Premier Select rates, multiply the Premier rate by 1.25.



**AUTO CLUB FAMILY INSURANCE COMPANY  
ARKANSAS  
PREMIER HOMEOWNERS - FORM 3  
FRAME BASE RATES**

**EFFECTIVE FOR NEW BUSINESS AS OF - 6/15/2012  
EFFECTIVE FOR RENEWAL BUSINESS AS OF - 6/15/2012**

Territory	<b>\$60,000 Base, \$1,000 Deductible, \$100,000 Liability, \$1,000 Medical Payments</b>																					
	Prot. Class 1	Cov. Curve	Prot. Class 2	Cov. Curve	Prot. Class 3	Cov. Curve	Prot. Class 4	Cov. Curve	Prot. Class 5	Cov. Curve	Prot. Class 6	Cov. Curve	Prot. Class 7	Cov. Curve	Prot. Class 8	Cov. Curve	Prot. Class 8B	Cov. Curve	Prot. Class 9	Cov. Curve	Prot. Class 10	Cov. Curve
1	427	1	427	1	427	1	458	1	458	1	510	1	557	1	641	1	701	1	894	1	1,033	1
2	550	1	550	1	550	1	587	1	587	1	652	1	730	1	893	1	899	1	1,065	1	1,399	1
3	490	1	490	1	490	1	525	1	525	1	584	1	650	1	735	1	796	1	1,009	1	1,187	1
4	441	1	441	1	441	1	471	1	471	1	523	1	572	1	661	1	727	1	932	1	1,066	1
9	528	1	528	1	528	1	562	1	562	1	625	1	687	1	851	1	854	1	1,009	1	1,329	1
10	524	1	524	1	524	1	561	1	561	1	625	1	686	1	787	1	802	1	963	1	1,269	1
11	544	1	544	1	544	1	581	1	581	1	646	1	723	1	816	1	835	1	1,006	1	1,325	1
16	522	1	522	1	522	1	546	1	558	1	587	1	693	1	782	1	801	1	964	1	1,268	1
19	636	1	636	1	636	1	680	1	680	1	757	1	834	1	955	1	977	1	1,172	1	1,543	1
20	661	1	661	1	661	1	705	1	705	1	785	1	877	1	990	1	1,011	1	1,213	1	1,597	1
21	601	1	601	1	601	1	646	1	646	1	717	1	801	1	906	1	924	1	1,108	1	1,457	1
22	657	1	657	1	657	1	702	1	702	1	780	1	872	1	984	1	1,005	1	1,204	1	1,583	1
23	589	1	589	1	589	1	629	1	629	1	702	1	783	1	883	1	903	1	1,085	1	1,428	1
24	655	1	655	1	655	1	699	1	699	1	778	1	870	1	982	1	1,004	1	1,207	1	1,585	1
25	580	1	580	1	580	1	623	1	623	1	692	1	771	1	873	1	889	1	1,064	1	1,398	1
28	488	1	488	1	488	1	523	1	523	1	582	1	634	1	734	1	811	1	1,043	1	1,192	1
29	444	1	444	1	444	1	476	1	476	1	530	1	576	1	668	1	738	1	950	1	1,085	1
30	499	1	499	1	499	1	533	1	533	1	592	1	661	1	747	1	765	1	920	1	1,211	1
31	513	1	513	1	513	1	550	1	550	1	612	1	673	1	771	1	789	1	948	1	1,247	1
32	491	1	491	1	491	1	525	1	525	1	585	1	639	1	738	1	811	1	1,038	1	1,184	1
33	517	1	517	1	517	1	552	1	552	1	614	1	688	1	775	1	793	1	952	1	1,253	1
35	475	1	475	1	475	1	508	1	508	1	565	1	622	1	812	1	860	1	1,069	1	1,152	1
36	452	1	452	1	452	1	483	1	483	1	535	1	601	1	734	1	747	1	889	1	1,168	1

Note: For Premier Select rates, multiply the Premier rate by 1.25.



**AUTO CLUB FAMILY INSURANCE COMPANY  
ARKANSAS  
PREMIER PLUS HOMEOWNERS - FORM 5  
MASONRY BASE RATES**

**EFFECTIVE FOR NEW BUSINESS AS OF - 6/15/2012  
EFFECTIVE FOR RENEWAL BUSINESS AS OF - 6/15/2012**

Territory	<b>\$60,000 Base, \$1,000 Deductible, \$100,000 Liability, \$1,000 Medical Payments</b>																					
	Prot. Class 1	Cov. Curve	Prot. Class 2	Cov. Curve	Prot. Class 3	Cov. Curve	Prot. Class 4	Cov. Curve	Prot. Class 5	Cov. Curve	Prot. Class 6	Cov. Curve	Prot. Class 7	Cov. Curve	Prot. Class 8	Cov. Curve	Prot. Class 8B	Cov. Curve	Prot. Class 9	Cov. Curve	Prot. Class 10	Cov. Curve
1	421	1	421	1	421	1	450	1	450	1	502	1	557	1	630	1	688	1	877	1	1,153	1
2	531	1	531	1	531	1	564	1	564	1	631	1	705	1	797	1	817	1	983	1	1,294	1
3	472	1	472	1	472	1	503	1	503	1	562	1	627	1	708	1	720	1	863	1	1,132	1
4	442	1	442	1	442	1	470	1	470	1	524	1	583	1	661	1	672	1	804	1	954	1
9	524	1	524	1	524	1	558	1	558	1	624	1	693	1	847	1	893	1	1,106	1	1,452	1
10	519	1	519	1	519	1	555	1	555	1	618	1	688	1	779	1	794	1	951	1	1,253	1
11	554	1	554	1	554	1	588	1	588	1	659	1	737	1	832	1	846	1	1,014	1	1,335	1
16	521	1	521	1	521	1	534	1	555	1	580	1	691	1	781	1	901	1	1,204	1	1,584	1
19	671	1	671	1	671	1	720	1	720	1	800	1	894	1	1,009	1	1,027	1	1,231	1	1,621	1
20	678	1	678	1	678	1	726	1	726	1	808	1	905	1	1,017	1	1,039	1	1,247	1	1,642	1
21	608	1	608	1	608	1	647	1	650	1	723	1	807	1	910	1	926	1	1,107	1	1,458	1
22	673	1	673	1	673	1	721	1	721	1	801	1	896	1	1,012	1	1,034	1	1,240	1	1,633	1
23	616	1	616	1	616	1	662	1	662	1	734	1	822	1	929	1	940	1	1,119	1	1,472	1
24	662	1	662	1	662	1	710	1	710	1	789	1	881	1	996	1	1,017	1	1,221	1	1,607	1
25	593	1	593	1	593	1	635	1	635	1	705	1	787	1	890	1	901	1	1,075	1	1,415	1
28	482	1	482	1	482	1	515	1	515	1	573	1	640	1	723	1	739	1	886	1	1,167	1
29	439	1	439	1	439	1	467	1	467	1	521	1	582	1	658	1	672	1	806	1	1,061	1
30	501	1	501	1	501	1	536	1	536	1	595	1	667	1	753	1	770	1	927	1	1,220	1
31	514	1	514	1	514	1	549	1	549	1	613	1	678	1	815	1	863	1	1,072	1	1,409	1
32	467	1	467	1	467	1	497	1	497	1	555	1	618	1	700	1	713	1	852	1	1,004	1
33	506	1	506	1	506	1	542	1	542	1	602	1	675	1	762	1	776	1	927	1	1,219	1
35	472	1	472	1	472	1	506	1	506	1	562	1	624	1	708	1	795	1	1,038	1	1,366	1
36	434	1	434	1	434	1	461	1	461	1	517	1	577	1	651	1	665	1	797	1	1,048	1



**AUTO CLUB FAMILY INSURANCE COMPANY  
ARKANSAS  
PREMIER PLUS HOMEOWNERS - FORM 5  
FRAME BASE RATES**

**EFFECTIVE FOR NEW BUSINESS AS OF - 6/15/2012  
EFFECTIVE FOR RENEWAL BUSINESS AS OF - 6/15/2012**

Territory	<b>\$60,000 Base, \$1,000 Deductible, \$100,000 Liability, \$1,000 Medical Payments</b>																					
	Prot. Class 1	Cov. Curve	Prot. Class 2	Cov. Curve	Prot. Class 3	Cov. Curve	Prot. Class 4	Cov. Curve	Prot. Class 5	Cov. Curve	Prot. Class 6	Cov. Curve	Prot. Class 7	Cov. Curve	Prot. Class 8	Cov. Curve	Prot. Class 8B	Cov. Curve	Prot. Class 9	Cov. Curve	Prot. Class 10	Cov. Curve
1	463	1	463	1	463	1	495	1	495	1	550	1	615	1	765	1	809	1	1,005	1	1,160	1
2	585	1	585	1	585	1	626	1	626	1	695	1	774	1	877	1	899	1	1,083	1	1,425	1
3	519	1	519	1	519	1	556	1	556	1	620	1	689	1	779	1	793	1	950	1	1,118	1
4	484	1	484	1	484	1	518	1	518	1	574	1	644	1	727	1	808	1	1,047	1	1,196	1
9	576	1	576	1	576	1	617	1	617	1	687	1	765	1	951	1	1,018	1	1,276	1	1,681	1
10	570	1	570	1	570	1	611	1	611	1	680	1	759	1	990	1	1,051	1	1,308	1	1,722	1
11	612	1	612	1	612	1	653	1	653	1	725	1	807	1	915	1	932	1	1,116	1	1,471	1
16	573	1	573	1	573	1	611	1	611	1	652	1	760	1	858	1	878	1	1,055	1	1,389	1
19	740	1	740	1	740	1	792	1	792	1	880	1	984	1	1,109	1	1,130	1	1,354	1	1,781	1
20	747	1	747	1	747	1	798	1	798	1	890	1	993	1	1,121	1	1,145	1	1,371	1	1,806	1
21	667	1	667	1	667	1	714	1	714	1	793	1	887	1	1,001	1	1,018	1	1,217	1	1,604	1
22	742	1	742	1	742	1	794	1	794	1	883	1	986	1	1,113	1	1,136	1	1,365	1	1,796	1
23	680	1	680	1	680	1	726	1	726	1	810	1	903	1	1,020	1	1,034	1	1,230	1	1,621	1
24	731	1	731	1	731	1	782	1	782	1	870	1	970	1	1,095	1	1,119	1	1,343	1	1,766	1
25	651	1	651	1	651	1	699	1	699	1	777	1	867	1	979	1	992	1	1,182	1	1,556	1
28	530	1	530	1	530	1	567	1	567	1	630	1	704	1	795	1	882	1	1,140	1	1,301	1
29	482	1	482	1	482	1	516	1	516	1	572	1	641	1	724	1	802	1	1,037	1	1,184	1
30	552	1	552	1	552	1	589	1	589	1	655	1	733	1	828	1	847	1	1,019	1	1,343	1
31	563	1	563	1	563	1	604	1	604	1	674	1	751	1	932	1	992	1	1,238	1	1,630	1
32	512	1	512	1	512	1	549	1	549	1	610	1	681	1	770	1	858	1	1,112	1	1,268	1
33	558	1	558	1	558	1	595	1	595	1	664	1	741	1	838	1	853	1	1,021	1	1,344	1
35	520	1	520	1	520	1	553	1	553	1	617	1	689	1	887	1	951	1	1,193	1	1,286	1
36	478	1	478	1	478	1	511	1	511	1	567	1	633	1	716	1	731	1	879	1	1,156	1



**AUTO CLUB FAMILY INSURANCE COMPANY  
ARKANSAS  
PREMIER RENTERS - FORM 4  
MASONRY BASE RATES**

**EFFECTIVE FOR NEW BUSINESS AS OF - 6/15/2012  
EFFECTIVE FOR RENEWAL BUSINESS AS OF - 6/15/2012**

Territory	<b>\$10,000 Base, \$1,000 Deductible, \$100,000 Liability, \$1,000 Medical Payments</b>																					
	Prot. Class 1	Cov. Curve	Prot. Class 2	Cov. Curve	Prot. Class 3	Cov. Curve	Prot. Class 4	Cov. Curve	Prot. Class 5	Cov. Curve	Prot. Class 6	Cov. Curve	Prot. Class 7	Cov. Curve	Prot. Class 8	Cov. Curve	Prot. Class 8B	Cov. Curve	Prot. Class 9	Cov. Curve	Prot. Class 10	Cov. Curve
1	80	36	80	36	80	36	80	36	82	36	82	36	83	36	83	36	84	36	98	36	104	36
2	108	36	108	36	108	36	108	36	111	36	111	36	114	36	115	36	116	36	136	36	142	36
3	121	36	121	36	121	36	121	36	121	36	121	36	127	36	127	36	128	36	149	36	156	36
4	80	36	80	36	80	36	80	36	82	36	82	36	84	36	84	36	85	36	100	36	105	36
9	108	36	108	36	108	36	108	36	110	36	110	36	111	36	111	36	112	36	132	36	137	36
10	99	36	99	36	99	36	99	36	100	36	100	36	102	36	102	36	104	36	122	36	129	36
11	101	36	101	36	101	36	101	36	104	36	104	36	105	36	108	36	109	36	128	36	132	36
16	79	36	79	36	79	36	79	36	82	36	82	36	83	36	83	36	84	36	99	36	104	36
19	99	36	99	36	99	36	99	36	100	36	100	36	104	36	104	36	105	36	122	36	129	36
20	118	36	118	36	118	36	118	36	119	36	119	36	120	36	121	36	122	36	147	36	152	36
21	116	36	116	36	116	36	116	36	117	36	117	36	120	36	120	36	120	36	142	36	150	36
22	112	36	112	36	112	36	112	36	116	36	116	36	117	36	117	36	118	36	139	36	145	36
23	115	36	115	36	115	36	115	36	118	36	118	36	119	36	120	36	121	36	145	36	149	36
24	115	36	115	36	115	36	115	36	117	36	117	36	120	36	120	36	121	36	143	36	149	36
25	115	36	115	36	115	36	115	36	118	36	118	36	118	36	120	36	121	36	145	36	151	36
28	83	36	83	36	83	36	83	36	84	36	84	36	86	36	86	36	86	36	101	36	108	36
29	83	36	83	36	83	36	83	36	84	36	84	36	86	36	86	36	86	36	101	36	108	36
30	97	36	97	36	97	36	97	36	99	36	99	36	102	36	102	36	102	36	120	36	127	36
31	97	36	97	36	97	36	97	36	98	36	98	36	99	36	111	36	117	36	143	36	143	36
32	104	36	104	36	104	36	104	36	105	36	105	36	106	36	106	36	108	36	128	36	132	36
33	97	36	97	36	97	36	97	36	99	36	99	36	100	36	101	36	112	36	143	36	143	36
35	83	36	83	36	83	36	83	36	84	36	84	36	85	36	85	36	86	36	101	36	108	36
36	106	36	106	36	106	36	106	36	109	36	109	36	110	36	111	36	114	36	133	36	137	36



**AUTO CLUB FAMILY INSURANCE COMPANY  
ARKANSAS  
PREMIER RENTERS - FORM 4  
FRAME BASE RATES**

**EFFECTIVE FOR NEW BUSINESS AS OF - 6/15/2012  
EFFECTIVE FOR RENEWAL BUSINESS AS OF - 6/15/2012**

Territory	<b>\$10,000 Base, \$1,000 Deductible, \$100,000 Liability, \$1,000 Medical Payments</b>																					
	Prot. Class 1	Cov. Curve	Prot. Class 2	Cov. Curve	Prot. Class 3	Cov. Curve	Prot. Class 4	Cov. Curve	Prot. Class 5	Cov. Curve	Prot. Class 6	Cov. Curve	Prot. Class 7	Cov. Curve	Prot. Class 8	Cov. Curve	Prot. Class 8B	Cov. Curve	Prot. Class 9	Cov. Curve	Prot. Class 10	Cov. Curve
1	80	36	80	36	80	36	80	36	82	36	82	36	83	36	83	36	84	36	98	36	104	36
2	108	36	108	36	108	36	108	36	111	36	111	36	114	36	115	36	116	36	136	36	142	36
3	121	36	121	36	121	36	121	36	121	36	121	36	127	36	127	36	128	36	149	36	156	36
4	80	36	80	36	80	36	80	36	82	36	82	36	84	36	84	36	85	36	100	36	105	36
9	108	36	108	36	108	36	108	36	110	36	110	36	111	36	111	36	112	36	132	36	137	36
10	99	36	99	36	99	36	99	36	100	36	100	36	102	36	102	36	104	36	122	36	129	36
11	101	36	101	36	101	36	101	36	104	36	104	36	105	36	108	36	109	36	128	36	132	36
16	79	36	79	36	79	36	79	36	82	36	82	36	83	36	83	36	84	36	99	36	104	36
19	99	36	99	36	99	36	99	36	100	36	100	36	104	36	104	36	105	36	122	36	129	36
20	118	36	118	36	118	36	118	36	119	36	119	36	120	36	121	36	122	36	147	36	152	36
21	116	36	116	36	116	36	116	36	117	36	117	36	120	36	120	36	120	36	142	36	150	36
22	112	36	112	36	112	36	112	36	116	36	116	36	117	36	117	36	118	36	139	36	145	36
23	115	36	115	36	115	36	115	36	118	36	118	36	119	36	120	36	121	36	145	36	149	36
24	115	36	115	36	115	36	115	36	117	36	117	36	120	36	120	36	121	36	143	36	149	36
25	115	36	115	36	115	36	115	36	118	36	118	36	118	36	120	36	121	36	145	36	151	36
28	83	36	83	36	83	36	83	36	84	36	84	36	86	36	86	36	86	36	101	36	108	36
29	83	36	83	36	83	36	83	36	84	36	84	36	86	36	86	36	86	36	101	36	108	36
30	97	36	97	36	97	36	97	36	99	36	99	36	102	36	102	36	102	36	120	36	127	36
31	97	36	97	36	97	36	97	36	98	36	98	36	99	36	111	36	117	36	143	36	143	36
32	104	36	104	36	104	36	104	36	105	36	105	36	106	36	106	36	108	36	128	36	132	36
33	97	36	97	36	97	36	97	36	99	36	99	36	100	36	101	36	112	36	143	36	143	36
35	83	36	83	36	83	36	83	36	84	36	84	36	85	36	85	36	86	36	101	36	108	36
36	106	36	106	36	106	36	106	36	109	36	109	36	110	36	111	36	114	36	133	36	137	36



**AUTO CLUB FAMILY INSURANCE COMPANY  
ARKANSAS  
PREMIER CONDOMINIUM OWNERS - FORM 6  
MASONRY BASE RATES**

**EFFECTIVE FOR NEW BUSINESS AS OF - 6/15/2012  
EFFECTIVE FOR RENEWAL BUSINESS AS OF - 6/15/2012**

Territory	<b>\$10,000 Base, \$1,000 Deductible, \$100,000 Liability, \$1,000 Medical Payments</b>																					
	Prot. Class 1	Cov. Curve	Prot. Class 2	Cov. Curve	Prot. Class 3	Cov. Curve	Prot. Class 4	Cov. Curve	Prot. Class 5	Cov. Curve	Prot. Class 6	Cov. Curve	Prot. Class 7	Cov. Curve	Prot. Class 8	Cov. Curve	Prot. Class 8B	Cov. Curve	Prot. Class 9	Cov. Curve	Prot. Class 10	Cov. Curve
1	79	37	79	37	79	37	79	37	81	37	82	37	82	37	84	37	85	37	100	37	102	37
2	89	37	89	37	89	37	89	37	91	37	95	37	95	37	96	37	97	37	114	37	117	37
3	98	37	98	37	98	37	98	37	100	37	101	37	101	37	101	37	104	37	124	37	128	37
4	84	37	84	37	84	37	84	37	86	37	87	37	87	37	87	37	88	37	106	37	110	37
9	91	37	91	37	91	37	91	37	96	37	96	37	96	37	98	37	99	37	116	37	121	37
10	90	37	90	37	90	37	90	37	94	37	95	37	95	37	95	37	96	37	114	37	118	37
11	86	37	86	37	86	37	86	37	87	37	88	37	88	37	89	37	90	37	109	37	113	37
16	81	37	81	37	81	37	81	37	84	37	85	37	85	37	85	37	86	37	102	37	106	37
19	86	37	86	37	86	37	86	37	89	37	90	37	90	37	90	37	91	37	109	37	114	37
20	89	37	89	37	89	37	89	37	91	37	94	37	94	37	94	37	95	37	113	37	117	37
21	94	37	94	37	94	37	94	37	96	37	97	37	97	37	97	37	98	37	117	37	121	37
22	96	37	96	37	96	37	96	37	98	37	99	37	99	37	99	37	100	37	121	37	125	37
23	89	37	89	37	89	37	89	37	89	37	91	37	91	37	94	37	96	37	114	37	116	37
24	97	37	97	37	97	37	97	37	99	37	100	37	100	37	100	37	102	37	123	37	127	37
25	86	37	86	37	86	37	86	37	86	37	88	37	88	37	89	37	90	37	109	37	111	37
28	84	37	84	37	84	37	84	37	86	37	87	37	87	37	87	37	88	37	105	37	109	37
29	84	37	84	37	84	37	84	37	86	37	87	37	87	37	87	37	88	37	105	37	109	37
30	89	37	89	37	89	37	89	37	91	37	95	37	95	37	95	37	96	37	114	37	117	37
31	86	37	86	37	86	37	86	37	87	37	87	37	87	37	89	37	89	37	106	37	110	37
32	87	37	87	37	87	37	87	37	90	37	90	37	90	37	90	37	91	37	109	37	113	37
33	82	37	82	37	82	37	82	37	82	37	85	37	85	37	86	37	87	37	105	37	108	37
35	80	37	80	37	80	37	80	37	82	37	85	37	85	37	86	37	87	37	102	37	106	37
36	89	37	89	37	89	37	89	37	91	37	94	37	94	37	95	37	96	37	113	37	115	37



**AUTO CLUB FAMILY INSURANCE COMPANY  
ARKANSAS  
PREMIER CONDOMINIUM OWNERS - FORM 6  
FRAME BASE RATES**

**EFFECTIVE FOR NEW BUSINESS AS OF - 6/15/2012  
EFFECTIVE FOR RENEWAL BUSINESS AS OF - 6/15/2012**

Territory	<b>\$10,000 Base, \$1,000 Deductible, \$100,000 Liability, \$1,000 Medical Payments</b>																					
	Prot. Class 1	Cov. Curve	Prot. Class 2	Cov. Curve	Prot. Class 3	Cov. Curve	Prot. Class 4	Cov. Curve	Prot. Class 5	Cov. Curve	Prot. Class 6	Cov. Curve	Prot. Class 7	Cov. Curve	Prot. Class 8	Cov. Curve	Prot. Class 8B	Cov. Curve	Prot. Class 9	Cov. Curve	Prot. Class 10	Cov. Curve
1	79	37	79	37	79	37	79	37	81	37	82	37	82	37	84	37	85	37	100	37	102	37
2	89	37	89	37	89	37	89	37	91	37	95	37	95	37	96	37	97	37	114	37	117	37
3	98	37	98	37	98	37	98	37	100	37	101	37	101	37	101	37	104	37	124	37	128	37
4	84	37	84	37	84	37	84	37	86	37	87	37	87	37	87	37	88	37	106	37	110	37
9	91	37	91	37	91	37	91	37	96	37	96	37	96	37	98	37	99	37	116	37	121	37
10	90	37	90	37	90	37	90	37	94	37	95	37	95	37	95	37	96	37	114	37	118	37
11	86	37	86	37	86	37	86	37	87	37	88	37	88	37	89	37	90	37	109	37	113	37
16	81	37	81	37	81	37	81	37	84	37	85	37	85	37	85	37	86	37	102	37	106	37
19	86	37	86	37	86	37	86	37	89	37	90	37	90	37	90	37	91	37	109	37	114	37
20	89	37	89	37	89	37	89	37	91	37	94	37	94	37	94	37	95	37	113	37	117	37
21	94	37	94	37	94	37	94	37	96	37	97	37	97	37	97	37	98	37	117	37	121	37
22	96	37	96	37	96	37	96	37	98	37	99	37	99	37	99	37	100	37	121	37	125	37
23	89	37	89	37	89	37	89	37	89	37	91	37	91	37	94	37	96	37	114	37	116	37
24	97	37	97	37	97	37	97	37	99	37	100	37	100	37	100	37	102	37	123	37	127	37
25	86	37	86	37	86	37	86	37	86	37	88	37	88	37	89	37	90	37	109	37	111	37
28	84	37	84	37	84	37	84	37	86	37	87	37	87	37	87	37	88	37	105	37	109	37
29	84	36	84	37	84	37	84	37	86	37	87	37	87	37	87	37	88	37	105	37	109	37
30	89	37	89	37	89	37	89	37	91	37	95	37	95	37	95	37	96	37	114	37	117	37
31	86	37	86	37	86	37	86	37	87	37	87	37	87	37	89	37	89	37	106	37	110	37
32	87	37	87	37	87	37	87	37	90	37	90	37	90	37	90	37	91	37	109	37	113	37
33	82	37	82	37	82	37	82	37	82	37	85	37	85	37	86	37	87	37	105	37	108	37
35	80	37	80	37	80	37	80	37	82	37	85	37	85	37	86	37	87	37	102	37	106	37
36	89	37	89	37	89	37	89	37	91	37	94	37	94	37	95	37	96	37	113	37	115	37

SERFF Tracking Number: AAAM-128093352 State: Arkansas  
 Filing Company: Auto Club Family Insurance Company State Tracking Number:  
 Company Tracking Number: AR120217XRMXX106  
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations  
 Product Name: Homeowners  
 Project Name/Number: /

## Supporting Document Schedules

	Item Status:	Status Date:
<b>Bypassed - Item:</b> Form RF-2 Loss Costs Only (not for workers' compensation) <b>Bypass Reason:</b> Not applicable. <b>Comments:</b>		
<b>Satisfied - Item:</b> H-1 Homeowners Abstract <b>Comments:</b> <b>Attachment:</b> FORM H-1 Homewoner's abstract.pdf	Filed	03/12/2012
<b>Satisfied - Item:</b> HPCS-Homeowners Premium Comparison Survey <b>Comments:</b> <b>Attachments:</b> HO Survey FORM HPCS 2012 Revised.xls HO Survey FORM HPCS 2012 Revised.pdf	Filed	03/12/2012
<b>Satisfied - Item:</b> NAIC loss cost data entry document <b>Comments:</b> <b>Attachment:</b> NAIC LOSS COST DATA_REVISIED.pdf	Filed	03/12/2012
	Item Status:	Status Date:

SERFF Tracking Number: AAAM-128093352 State: Arkansas  
Filing Company: Auto Club Family Insurance Company State Tracking Number:  
Company Tracking Number: AR120217XRMXX106  
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations  
Product Name: Homeowners  
Project Name/Number: /

**Satisfied - Item:** EXPLANATORY MEMORANDUM Filed 03/12/2012  
**Comments:**  
**Attachment:**  
Explanatory Memorandum.pdf

**Item Status:** **Status**  
**Date:**  
**Satisfied - Item:** ACTUARIAL MEMORANDUM Filed 03/12/2012  
**Comments:**  
**Attachment:**  
Actuarial Memorandum - 06-15-12.pdf

**Item Status:** **Status**  
**Date:**  
**Satisfied - Item:** EXHIBIT A - ACTUARIAL JUSTIFICATION Filed 03/12/2012  
**Comments:**  
**Attachment:**  
EXHIBIT A.pdf

**Item Status:** **Status**  
**Date:**  
**Satisfied - Item:** EXHIBIT H Filed 03/12/2012  
**Comments:**  
**Attachment:**  
EXHIBIT H\_AR INS MODEL.pdf

HOMEOWNERS ABSTRACT

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

Company Name Auto Club Family Insurance Company

NAIC No. 27235

Group No. 1318

1. If you have had an insurance to value campaign during the experience filing period, describe the campaign and estimate its impact. Beginning in August 2009, all renewals were updated through the Marshall Swift Boeckh survey. The estimated impact of this ITV campaign is 2.8%.

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. This program started in September 1994 when we began writing Homeowners Insurance in Arkansas. The Boeckh Residential Cost Estimator is used to establish the proper coverage A amount. The inflation guard factors provided by Boeckh are used at renewal to maintain the appropriate coverage A amount

3. If you require a minimum relationship between the amount of insurance to be written and the replacement value of the dwelling (contents) in order to purchase insurance, describe the procedures that are used. \*Premier Homeowners Policy – 95% of replacement value unless Special Loss Settlement is attached. \*Premier Plus – 100% replacement cost. \*Premier Condominium – 80% of replacement cost. \*Premier Renters – 100% replacement cost of contents unless single family home, then 55% replacement cost of contents. \*Premier Select – no minimum.

4. If you use an Inflation Guard form or similar type of coverage, describe the coverage(s) and estimate the impact. Increase the limits of liability of property coverages at the rate of increase indicated by the Boeckh Residential Percent Change Factors to the nearest \$100.

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

a.	Fire Extinguisher	<u>0 %</u>
b.	Burglar Alarm	<u>5-15 %</u>
c.	Smoke Alarm	<u>2 %</u>
d.	Insured who has both homeowners and auto with your company	<u>25 %</u>
e.	Deadbolt Locks	<u>1 %</u>
f.	Window or Door Locks	<u>0 %</u>
g.	Other (specify)	<u>%</u>
	<u>Fire Alarm</u>	<u>5-15 %</u>
	<u>_____</u>	<u>%</u>

6. Are there any areas in the State of Arkansas in which your company will not write homeowners insurance? No.  
If so, state the 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
<u>Premier Homeowners (5103)</u>	<u>\$2,093,819</u>
<u>Premier Renters (5104)</u>	<u>\$141,312</u>
<u>Premier Plus Homeowners (5105)</u>	<u>\$3,822,492</u>

<u>Premier Condominiums (5106)</u>	<u>\$20,828</u>
<u>Premier Select Homeowners (5108)</u>	<u>\$247,596</u>

8. Do you write homeowner risks which have aluminum, steel or vinyl siding? Yes.  
AID PC H-1 (4/96)
9. If there is a surcharge on risks with wood heat? No.  
If yes, state surcharge Not applicable.  
Does the surcharge apply to conventional fire places? No.  
If yes, state surcharge Not applicable.

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

Alec Trachtman  
Signature  
Actuarial Analyst  
Title  
(314) 523-7350 x5272  
Telephone Number

AID PC H-1 (4/96)

NAIC Number:	27235
Company Name:	Auto Club Family Insurance Company
Contact Person:	
Telephone No.:	
Email Address:	
Effective Date:	6/15/2012

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

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

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

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

Public Protection Class	Dwelling Value	Washington		Baxter		Craighead		St. Francis		Desha		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$80,000	\$586	\$644	\$604	\$666	\$711	\$780	\$902	\$998	\$798	\$708	\$895	\$988	\$898	\$992	\$652	\$717	\$619	\$682
	\$120,000	\$807	\$888	\$832	\$917	\$979	\$1,075	\$1,243	\$1,374	\$1,100	\$1,206	\$1,233	\$1,362	\$1,237	\$1,366	\$898	\$987	\$852	\$940
	\$160,000	\$1,038	\$1,142	\$1,070	\$1,180	\$1,260	\$1,383	\$1,600	\$1,768	\$1,415	\$1,552	\$1,587	\$1,752	\$1,592	\$1,758	\$1,156	\$1,271	\$1,097	\$1,209
6	\$80,000	\$699	\$770	\$717	\$789	\$839	\$927	\$1,075	\$1,185	\$945	\$1,044	\$1,065	\$1,174	\$1,070	\$1,177	\$774	\$853	\$738	\$807
	\$120,000	\$963	\$1,060	\$987	\$1,087	\$1,156	\$1,276	\$1,480	\$1,632	\$1,301	\$1,439	\$1,468	\$1,617	\$1,474	\$1,622	\$1,066	\$1,175	\$1,017	\$1,112
	\$160,000	\$1,239	\$1,364	\$1,271	\$1,399	\$1,488	\$1,643	\$1,905	\$2,100	\$1,675	\$1,851	\$1,889	\$2,082	\$1,897	\$2,087	\$1,373	\$1,512	\$1,308	\$1,431
9	\$80,000	\$1,076	\$1,349	\$1,231	\$1,407	\$1,305	\$1,437	\$1,663	\$1,831	\$1,461	\$1,606	\$1,656	\$1,822	\$1,649	\$1,817	\$1,201	\$1,613	\$1,219	\$1,342
	\$120,000	\$1,482	\$1,859	\$1,696	\$1,938	\$1,798	\$1,979	\$2,291	\$2,522	\$2,012	\$2,212	\$2,281	\$2,509	\$2,272	\$2,503	\$1,655	\$2,222	\$1,680	\$1,848
	\$160,000	\$1,908	\$2,392	\$2,183	\$2,494	\$2,314	\$2,547	\$2,948	\$3,245	\$2,590	\$2,847	\$2,935	\$3,229	\$2,924	\$3,221	\$2,130	\$2,860	\$2,162	\$2,378

**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	\$86	\$86	\$86	\$86	\$104	\$104	\$126	\$126	\$116	\$116	\$123	\$123	\$120	\$120	\$89	\$89	\$114	\$114
	\$15,000	\$140	\$140	\$140	\$140	\$170	\$170	\$207	\$207	\$189	\$189	\$202	\$202	\$196	\$196	\$146	\$146	\$186	\$186
	\$25,000	\$194	\$194	\$194	\$194	\$235	\$235	\$286	\$286	\$262	\$262	\$279	\$279	\$271	\$271	\$201	\$201	\$257	\$257
6	\$5,000	\$88	\$88	\$88	\$88	\$106	\$106	\$128	\$128	\$118	\$118	\$125	\$125	\$124	\$124	\$90	\$90	\$117	\$117
	\$15,000	\$144	\$144	\$144	\$144	\$174	\$174	\$209	\$209	\$193	\$193	\$205	\$205	\$203	\$203	\$147	\$147	\$191	\$191
	\$25,000	\$199	\$199	\$199	\$199	\$240	\$240	\$288	\$288	\$267	\$267	\$284	\$284	\$281	\$281	\$204	\$204	\$264	\$264
9	\$5,000	\$105	\$105	\$107	\$107	\$153	\$153	\$158	\$158	\$141	\$141	\$153	\$153	\$149	\$149	\$108	\$108	\$143	\$143
	\$15,000	\$172	\$172	\$175	\$175	\$251	\$251	\$258	\$258	\$232	\$232	\$251	\$251	\$244	\$244	\$177	\$177	\$233	\$233
	\$25,000	\$238	\$238	\$242	\$242	\$347	\$347	\$356	\$356	\$320	\$320	\$347	\$347	\$337	\$337	\$245	\$245	\$322	\$322

**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	<input type="text" value="0"/> %	Deadbolt Lock	<input type="text" value="1"/> %
Burglar Alarm	<input type="text" value="5 - 15"/> %	Window Locks	<input type="text" value="0"/> %
Smoke Alarm	<input type="text" value="2"/> %	\$1,000 Deductible	<input type="text" value="18"/> %
		Other (specify)	
		Fire Alarm	<input type="text" value="5 - 15"/> %
		Maximum Credit Allowed	<input type="text" value="15"/> %

**EARTHQUAKE INSURANCE**

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

ARE YOU CURRENTLY WRITING EARTHQUAKE COVERAGE IN ARKANSAS?  
 (yes or no)  
 WHAT IS YOUR PERCENTAGE DEDUCTIBLE?  
 %

WHAT IS YOUR PRICE PER \$1,000 OF COVERAGE?	Zone	Brick	Frame
	Highest Risk	\$ <input type="text" value="2.46"/>	\$ <input type="text" value="1.64"/>
	Lowest Risk	\$ <input type="text" value="0.56"/>	\$ <input type="text" value="0.31"/>

**NAIC LOSS COST DATA ENTRY DOCUMENT**

1. This filing transmittal is part of Company Tracking # AAAM-128093352/AR120217XRMXX106

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

Company Name	Company NAIC Number
A. Auto Club Family Insurance Company	B. 27235

Product Coding Matrix Line of Business (i.e., Type of Insurance)	Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)
A. 4.0 HOMEOWNERS	B. 4.0000 HOMEOWNERS SUB TOI COMBINATIONS

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	19.1%	9.0%					
<b>TOTAL OVERALL EFFECT</b>	19.1%	9.0%					

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
2011	7,951	7.0%	6/15/2011	5,730,859	8,299,481	144.8%	170.3%
2010	6,897	4.0%	6/15/2010	4,708,227	2,927,813	62.2%	58.2%
2009	6,218	-2.4%	5/15/2009	4,052,661	4,091,563	101.0%	49.9%
2008	5,597	-3.7%	4/1/2006	3,664,255	5,458,834	149.0%	69.4%
2007	5,032	-3.0%	1/15/2005	3,245,982	1,389,942	42.8%	46.5%
2006	4,419	14.6%	1/15/2004	2,757,285	2,808,481	101.9%	109.4%
2005	3,824			2,399,273	806,079	33.6%	264.7%

7.

Expense Constants	Selected Provisions
A. Total Production Expense	16.1%
B. General Expense	5.2%
C. Taxes, License & Fees	2.7%
D. Underwriting Profit & Contingencies	7.7%
E. Other (explain)	
F. TOTAL	31.7%

8. N/A Apply Lost Cost Factors to Future filings? (Y or N)
9. 15.3% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): 22
10. 3.7% Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): 35

PC RLC

**ARKANSAS  
AUTO CLUB FAMILY INSURANCE COMPANY  
COMPANY FILING #AR120217XRMXX106  
FILING #AAAM-128093352**

**EXPLANATORY MEMORANDUM**

The Auto Club Family Insurance Company is filing several changes to our Rules and Rates Manual to be effective June 15, 2012 for New Business and Renewals.

The revised Rules and Rates Manual reflects a change in homeowners insurance rates which will result in an overall rate increase of 9.0% or an annual premium increase of approximately \$567,224 based on a total inforce annual premium of \$6,326,047 in Arkansas.

The following rules have been revised:

1. Rule 25.6F – Claim Rating Surcharge  
This rule has been changed as follows:
  - Under the list of claims that will not be considered a chargeable claim, we have added “liability” to item 4).
  - The following have been added to the list of claims that will not be considered a chargeable claim:
    - 5) Any property claim with a net payment of \$500 or less
    - 6) Scheduled personal property claims

This replaces Rule 25.6F, dated 11-25-2009

This also affects Exhibit H – Auto Club Family Insurance Company – Arkansas Insurance Score Model. ***We deem this Insurance Score Model to be proprietary and a company trade secret.***

This replaces Exhibit H in filing AR051222XRMXT088, dated April 1, 2006.

2. Rule 35.3H – Earthquake Coverage (C0 04 54)  
The factors have been revised.

This replaces Rule 35.3H, dated 05-15-2009.

3. Rate Pages  
Our rates have been revised. Please see Exhibit B under the Rate/Rule Schedule tab. These new rates will be effective June 15, 2012 for new business and renewal business and will replace current rate pages dated 06/15/2011.

# **Auto Club Family Insurance Company**

## **Actuarial Memorandum**

With this filing, we developed a statewide indicated rate change (Exhibit A) utilizing our previous 5 years of Arkansas experience.

Within Exhibit A, we are including a weather load. Details on how we developed this weather load can be found in Exhibit A, Sheet 10. The historical weather load is 51.0%.

Additionally, we included the Net Cost of Reinsurance as part of our calculation for the indicated rate change. Details on how we developed the Net Cost of Reinsurance can be found in Exhibit A, Sheet 14.

We have also included a Large Loss load as part of our calculation for the indicated rate change. Details on how we developed the Large Loss load can be found in Exhibit A, Sheet 15.

The indicated rate change of 19.1%, shown on Exhibit A, Sheet 3, supports our proposed statewide premium level increase of 9.0%.

The indicated Earthquake rate change of 17.4%, shown on Exhibit A, Sheet 2, supports our proposed statewide Earthquake premium level increase of 2.9%.

We are introducing revisions to our claim rating surcharge rating rule. Property claims of \$500 or less will no longer result in a claim surcharge nor will these claims impact the prior claim portion of the Insurance Score tier calculation. Scheduled personal property claims of any size will no longer result in a claim surcharge nor will these claims impact the prior claim portion of the Insurance Score tier calculation.

Exhibit B contains new base rates by form, construction type, and protection class.

**Auto Club Family Insurance Company**  
**Development of Indicated Rate Change for All Other Perils (Excluding Earthquake**  
**Homeowners - Arkansas**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>Q4</u> <u>2011</u>	<u>Total</u>
1 On-Level Earned Premium	\$3,522,566	\$3,983,240	\$4,423,652	\$5,158,759	\$5,939,256	\$23,027,473
2 Premium Trend Factor	1.061	1.051	1.040	1.030	1.020	
3 Trended On-Level Earned Premium	\$3,737,722	\$4,184,601	\$4,601,296	\$5,312,830	\$6,056,118	\$23,892,567
4 Developed Non-Weather Incurred Losses (excluding Large Losses)	\$680,331	\$1,061,911	\$1,056,436	\$1,113,330	\$1,619,006	\$5,531,014
5 Loss Trend Factor	1.422	1.340	1.263	1.191	1.123	
6 Trended Ultimate Non-Weather Losses (excluding Large Losses)	\$967,462	\$1,423,262	\$1,334,730	\$1,325,951	\$1,817,629	\$6,869,035
7 Loss Adjustment Expenses	\$134,055	\$197,213	\$184,946	\$183,729	\$251,858	\$951,801
8 Non-Weather Loss & LAE (excluding Large Losses) [ (6) + (7) ]	\$1,101,518	\$1,620,475	\$1,519,676	\$1,509,680	\$2,069,487	\$7,820,836
9 Non-Weather Loss & LAE Ratio (excluding Large Losses) [ (8) / (3) ]	29.5%	38.7%	33.0%	28.4%	34.2%	32.7%
10 Weather Load (Loss & LAE)						<b>52.4%</b>
11 Large Loss Load (Loss & LAE)						<b>4.3%</b>
12 Net Cost Of Reinsurance						<b>3.2%</b>
13 Credibility (standard is 1082 Non-Weather claims)						0.788
14 Trended Non-Weather Permissible Loss & LAE Ratio [ (17) - (10) - (11) - (12) ] * [pure premium loss trend / premium trend]						15.2%
15 Credibility Weighted Non-Weather Loss & LAE Ratio (excluding Large Losses) [ (Total 9) * (13) + (14) * [1- (13)]]						<b>29.0%</b>
16 Loss & LAE Ratio [ (10) + (11) + (12) + (15) ]						88.8%
17 Permissible Loss Ratio & LAE Ratio						74.3%
18 Credibility Weighted Indication [ (17) / (18) - 1 ]						<b>19.6%</b>
19 Selected Change						9.2%

Note:

- (7) = See Sheet 7
- (10) = See Sheet 11
- (11) = See Sheet 16
- (12) = See Sheet 13
- (14) = See Sheet 5 & 6 for [pure premium loss trend / premium trend]
- (17) = See Sheet 7

**Auto Club Family Insurance Company**  
**Development of Indicated Rate Change for Earthquake**  
**Homeowners - Arkansas**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>Q4</u> <u>2011</u>	<u>Total</u>
1 On-Level Earned Premium	\$123,640	\$133,579	\$145,419	\$160,258	\$198,773	\$761,669
2 Premium Trend Factor	1.061	1.051	1.040	1.030	1.020	
3 Trended On-Level Earned Premium	\$131,191	\$140,332	\$151,259	\$165,044	\$202,685	\$790,510
4 Developed Incurred Losses (excluding CAT losses)	\$0	\$0	\$0	\$0	\$0	\$0
5 Loss Trend Factor	1.000	1.000	1.000	1.000	1.000	
6 Trended Ultimate Losses (excluding CAT losses)	\$0	\$0	\$0	\$0	\$0	\$0
7 Loss Adjustment Expenses	\$0	\$0	\$0	\$0	\$0	\$0
8 Loss & LAE (excluding CAT losses) [ (6) + (7) ]	\$0	\$0	\$0	\$0	\$0	\$0
9 Loss & LAE Ratio (excluding CAT losses) [ (8) / (3) ]	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
10 CAT Load						24.8%
11 Net Cost Of Reinsurance						62.4%
12 Loss & LAE Ratio (including CAT & NCR load) [ (9) + (10) + (11) ]						87.2%
13 Permissible Loss Ratio & LAE Ratio						74.3%
14 Annual Indicated Change [ (12) / (13) - 1 ]						17.4%
15 Selected Change						2.9%

Note:

(10) = See Sheet 9

(11) = See Sheet 12

(13) = See Sheet 7

**Auto Club Family Insurance Company**  
**Development of Indicated Rate Change for All Perils**  
**Homeowners - Arkansas**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>Q4 2011</u>	<u>Total</u>
1 On-Level Earned Premium	\$3,646,206	\$4,116,819	\$4,569,071	\$5,319,017	\$6,138,029	\$23,789,142
2 Premium Trend Factor	1.061	1.051	1.040	1.030	1.020	
3 Trended On-Level Earned Premium	\$3,868,913	\$4,324,933	\$4,752,554	\$5,477,875	\$6,258,803	\$24,683,078
4 Developed Non-Weather Incurred Losses (excluding Large Losses)	\$680,331	\$1,061,911	\$1,056,436	\$1,113,330	\$1,619,006	\$5,531,014
5 Loss Trend Factor	1.422	1.340	1.263	1.191	1.123	
6 Trended Ultimate Non-Weather Losses (excluding Large Losses)	\$967,462	\$1,423,262	\$1,334,730	\$1,325,951	\$1,817,629	\$6,869,035
7 Loss Adjustment Expenses	\$134,055	\$197,213	\$184,946	\$183,729	\$251,858	\$951,801
8 Non-Weather Loss & LAE (excluding Large Losses) [ (6) + (7) ]	\$1,101,518	\$1,620,475	\$1,519,676	\$1,509,680	\$2,069,487	\$7,820,836
9 Non-Weather Loss & LAE Ratio (excluding Large Losses) [ (8) / (3) ]	28.5%	37.5%	32.0%	27.6%	33.1%	31.7%
10 Weather Load (Loss & LAE)						<b>51.0%</b>
11 Large Loss Load (Loss & LAE)						<b>4.2%</b>
12 Net Cost Of Reinsurance						<b>5.3%</b>
13 Credibility (standard is 1082 Non-Weather claims)						0.788
14 Trended Non-Weather Permissible Loss & LAE Ratio [ (17) - (10) - (11) - (12) ] * [pure premium loss trend / premium trend]						14.6%
15 Credibility Weighted Non-Weather Loss & LAE Ratio (excluding Large Losses) [ (Total 9) * (13) + (14) * [1 - (13)]]						<b>28.1%</b>
16 Loss & LAE Ratio [ (10) + (11) + (12) + (15) ]						88.5%
17 Permissible Loss Ratio & LAE Ratio						74.3%
18 Credibility Weighted Indication [ (17) / (18) - 1 ]						<b>19.1%</b>
19 Selected Change						9.0%

Note:

- (7) = See Sheet 7
- (10) = See Sheet 10
- (11) = See Sheet 15
- (12) = See Sheet 14
- (14) = See Sheet 5 & 6 for [pure premium loss trend / premium trend]
- (17) = See Sheet 7

**Auto Club Family Insurance Company**  
**Development of Ultimate Losses (Non-Weather)**  
**Homeowners - Arkansas**

**Loss Development Factors**

<u>Year</u>	<u>LDF</u>	<u>Incurred Losses</u>	<u>Developed Incurred Losses</u>
2007	0.9996	680,582	680,331
2008	0.9989	1,063,107	1,061,911
2009	0.9994	1,057,107	1,056,436
2010	0.9927	1,121,527	1,113,330
2011	1.0119	1,599,920	1,619,006

**Auto Club Family Insurance Company  
Development of Loss Trend and Premium Factors  
Homeowners - Arkansas**

1) Effective date of new rates	6/15/2012
2) Average date of loss under new rates	6/15/2013
3) Accident year 2007 average date of loss	7/1/2007
4) Accident year 2008 average date of loss	7/1/2008
5) Accident year 2009 average date of loss	7/1/2009
6) Accident year 2010 average date of loss	7/1/2010
7) Accident year 2011 average date of loss	7/1/2011
8) Number of years to trend 12/2007	5.958
9) Number of years to trend 12/2008	4.956
10) Number of years to trend 12/2009	3.957
11) Number of years to trend 12/2010	2.958
12) Number of years to trend 12/2011	1.958

(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)
Coverage	Annual Frequency Change	Annual Severity Change	Combined Pure Premium Change (1+(14))*(1+(15))	Acc Yr 2007 (16)^(8)	Acc Yr 2008 (16)^(9)	Acc Yr 2009 (16)^(10)	Acc Yr 2010 (16)^(11)	Acc Yr 2011 (16)^(12)
Forms 1, 2, 3, and 5	3.5%	2.5%	1.061	1.422	1.340	1.263	1.191	1.123

(22)	(23)	(24)	(25)	(26)	(27)	(28)
Coverage	Premium Trend	Acc Yr 2007 (23)^(8)	Acc Yr 2008 (23)^(9)	Acc Yr 2009 (23)^(10)	Acc Yr 2010 (23)^(11)	Acc Yr 2011 (23)^(12)
Forms 1, 2, 3, and 5	1.0%	1.061	1.051	1.040	1.030	1.020

NOTE:  
(14) and (15) used fast track data.

**Auto Club Family Insurance Company**  
**Development of Annual Trends In Sheet 3**  
**Homeowners - Arkansas**

**Forms 1, 2, 3, and 5 Fast Track Annual Trends**

(a)	(b)	(c)	(d)	(e)
<u>Year</u>	<u>Quarter</u>	<u>Annual Frequency Change</u>	<u>Annual Severity Change</u>	<u>Combined Pure Premium Change*</u>
2007	4	5.07%	\$6,681	
2008	1	5.10%	\$6,720	
2008	2	5.50%	\$6,882	
2008	3	5.81%	\$6,987	
2008	4	5.86%	\$7,480	
2009	1	6.17%	\$7,611	
2009	2	6.14%	\$7,999	
2009	3	6.61%	\$8,243	
2009	4	6.92%	\$7,962	
2010	1	6.98%	\$8,003	
2010	2	6.96%	\$8,248	
2010	3	6.42%	\$8,186	
2010	4	6.30%	\$8,200	
2011	1	6.29%	\$8,542	
2011	2	6.76%	\$8,017	
2011	3	7.13%	\$8,123	
One Year Trend		19.2%	-3.6%	14.9%
Two Year Trend		-1.3%	1.2%	-0.1%
Three Year Trend		3.8%	2.7%	6.6%
Four Year Trend		7.7%	6.1%	14.3%
Selected Change		3.5%	2.5%	6.1%

Note:

\*Combined Pure Premium = [(1+(c))\*[1+(d)]]

**Auto Club Family Insurance Company**  
**Analysis of Expense Ratio and Permissible Loss Ratio**  
**Homeowners - Arkansas**

<b>Type of Expense</b>	<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>3-Year</u></b> <b><u>Average</u></b>	<b><u>Selected</u></b> <b><u>Percent to</u></b> <b><u>Premium</u></b>
1) Other Acquisition (Countrywide as % of WP)	6.2%	9.0%	9.0%	8.1%	8.1%
2) Commission and Brokerage (Statewide as % of WP)	8.5%	7.9%	7.8%	8.1%	8.1%
3) General Expenses (Countrywide as % of EP)	6.6%	4.7%	4.1%	5.2%	5.2%
4) Taxes, Licenses, and Fees (Statewide as % of WP)	3.2%	2.5%	2.4%	2.7%	2.7%
5) Profit and Contingencies					1.7%
Permissible Loss & LAE Ratio [1-sum(1 though 5)]					<b>74.3%</b>
				<b><u>3-Year</u></b> <b><u>Average</u></b>	<b><u>Selected</u></b> <b><u>Percent to</u></b> <b><u>Losses</u></b>
6) LAE	15.7%	13.0%	12.9%	13.9%	13.9%
ALAE	6.2%	3.2%	4.0%	4.5%	4.5%
ULAE	9.5%	9.7%	8.9%	9.4%	9.4%

**Notes:**

(1), (2), (3), & (4) are before inter-company pooling arrangements. Reflects data from the IEE, Part III, and Statutory pg 14.

(5) Profit and Contingencies see Sheet 8.

(6) LAE is a ratio to incurred losses. Reflects data from the IEE, Part III.

**Auto Club Family Insurance Company  
Profit & Contingencies  
Homeowners - Arkansas**

<u>Source for Investment</u>	<b>Homeowners (\$000 omitted)</b>
1) Unearned Premium	\$2,396
2) Loss and LAE Reserves	\$1,073
3) Total Available for Investment [(1) + (2)]	\$3,468
4) Annual Yield at 4% [(3) * .04]	\$139
5) Annual Earned Premium	\$4,240
6) Investment Income Ratio to Earned Premium [(4) / (5)]	3.3%
7) Operation Profit Ratio	5.0%
8) Underwriting Profit Ratio [(7) - (6)]	1.7%

Notes:

Rows 1, 2, and 5 reflect data from the IEE, Part II.

Rows 1 and 2 reflect the average reserve for 2009 and 2010.

**Auto Club Family Insurance Company  
Development of CAT Load for Earthquake  
Homeowners - Arkansas**

1 AAL	42,011
2 LAE	13.9%
3 Demand Surge	5.0%
4 Adjusted AAL & LAE	50,224
5 EQ In-Force Premium	202,609
6 CAT Load	24.8%

**Note:**

- (1) AAL - Average Annual Loss per RMS EQ Model. Data as of 06/30/11.
- (2) See Sheet 7

**Auto Club Family Insurance Company**  
**Weather Load - All Peril**  
**Homeowners - Arkansas**

<b>Accident</b>	(1)	(2)	(3)
<b>Year</b>	<b>Weather Losses</b>	<b>All Peril Earned Premium</b>	<b>All Peril Weather Load</b>
2001	175,162	805,366	21.7%
2002	233,282	1,028,517	22.7%
2003	356,486	1,463,851	24.4%
2004	246,890	1,955,771	12.6%
2005	259,190	2,399,375	10.8%
2006	909,847	2,759,075	33.0%
2007	692,997	3,247,847	21.3%
2008	4,579,649	3,664,363	125.0%
2009	3,275,568	4,052,661	80.8%
2010	1,692,828	4,708,229	36.0%
2011	5,962,962	5,730,567	104.1%
		Avg. Load	44.8%
		LAE	13.9%
		Avg. Load inc. LAE	51.0%
		<b>Selected</b>	<b>51.0%</b>

(3) = (1) / (2)

**Auto Club Family Insurance Company**  
**Weather Load - Other Peril (Excluding Earthquake)**  
**Homeowners - Arkansas**

<b>Accident</b>	(1)	(2)	(3)
<b>Year</b>	<b>Weather Losses</b>	<b>Other Peril Earned Premium</b>	<b>Other Peril Weather Load</b>
2001	175,162	788,531	22.2%
2002	233,282	1,005,257	23.2%
2003	356,486	1,432,353	24.9%
2004	246,890	1,915,968	12.9%
2005	259,190	2,348,830	11.0%
2006	909,847	2,693,059	33.8%
2007	692,997	3,168,131	21.9%
2008	4,579,649	3,578,238	128.0%
2009	3,275,568	3,948,647	83.0%
2010	1,692,828	4,551,865	37.2%
2011	5,962,962	5,531,794	107.8%
		Avg. Load	46.0%
		LAE	13.9%
		Avg. Load inc. LAE	52.4%
		<b>Selected</b>	<b>52.4%</b>

(3) = '(1) / (2)

**Auto Club Family Insurance Company**  
**Net Cost Of Reinsurance for Earthquake**  
**Homeowners - Arkansas**

**1 Reinsurance Treaty**

Allocated Reinsurance Premium	128,316
- <u>Expected Reinsurance Recoverables</u>	<u>1,861</u>
= Net Cost Of Reinsurance	126,455

2 Net Cost Of Reinsurance (as a % of 6/30/11 In-Force Premium) 62.4%

**Auto Club Family Insurance Company**  
**Net Cost Of Reinsurance for Other Peril (Excluding Earthquake)**  
**Homeowners - Arkansas**

**1 Reinsurance Treaty**

Allocated Reinsurance Premium	246,128
- <u>Expected Reinsurance Recoverables</u>	<u>69,180</u>
= Net Cost Of Reinsurance	176,949

2 Net Cost Of Reinsurance (as a % of 6/30/11 In-Force Premium) 3.2%

**Auto Club Family Insurance Company**  
**Net Cost Of Reinsurance for All Perils**  
**Homeowners - Arkansas**

1 Reinsurance Treaty

Allocated Reinsurance Premium	374,444
- <u>Expected Reinsurance Recoverables</u>	<u>71,040</u>
= Net Cost Of Reinsurance	303,404

2 Net Cost Of Reinsurance (as a % of 6/30/11 In-Force Premium) 5.3%

**Auto Club Family Insurance Company**  
**Large Loss Load - All Peril**  
**Homeowners - Arkansas**

<b>Accident Year</b>	<b>(1) Non-Weather Large Losses</b>	<b>(2) All Peril Earned Premium</b>	<b>(3) All Peril Large Loss Load</b>
2011	356,213	6,138,029	5.8%
2010	236,140	5,319,017	4.4%
2009	47,771	4,569,071	1.0%
2008	105,660	4,116,819	2.6%
2007	160,117	3,646,206	4.4%
		Avg. Load	3.6%
		LAE	13.9%
		Avg. Load inc. LAE	4.2%
		<b>Selected</b>	<b>4.2%</b>

(1) = Non-Weather losses above AY 2011 \$100,000 cap. Cap of each preceding year is trended back 3% per year.

(2) = On-Level Premium from Sheet 3

(3) = (1) / (2)

**Auto Club Family Insurance Company**  
**Large Loss Load - Other Peril (Excluding Earthquake)**  
**Homeowners - Arkansas**

<b>Accident Year</b>	<b>(1) Non-Weather Large Losses</b>	<b>(2) Other Peril Earned Premium</b>	<b>(3) Other Peril Large Loss Load</b>
2011	356,213	5,939,256	6.0%
2010	236,140	5,158,759	4.6%
2009	47,771	4,423,652	1.1%
2008	105,660	3,983,240	2.7%
2007	160,117	3,522,566	4.5%
		Avg. Load	3.8%
		LAE	13.9%
		Avg. Load inc. LAE	4.3%
		<b>Selected</b>	<b>4.3%</b>

(1) = Non-Weather losses above AY 2011 \$100,000 cap. Cap of each preceding year is trended back 3% per year.

(2) = On-Level Premium from Sheet 2

(3) = (1) / (2)

## AUTO CLUB FAMILY INSURANCE COMPANY ARKANSAS INSURANCE SCORE MODEL

Effective **June 15, 2012**, the Auto Club Family Insurance Company is **revising** our own Insurance Score Model for our Homeowners line of business. Our Insurance Score Model process is as follows:

The Insurance Scoring process will utilize the following variables:

1. Policyholder Age – determined by taking the higher of the two applicants.
2. Financial Responsibility Score (FRS)
 

We will be using the ChoicePoint Attract Homeowners Scoring Model for our FRS. ChoicePoint has already filed this model with the Missouri Department of Insurance. The FRS that will be used is determined by taking the highest of the applicant's FRS.

  - a. A FRS shall be obtained for all applicants.
  - b. On a policy where at least one applicant has a FRS, the highest FRS will be used to assign the policy to the appropriate class.
  - c. On policies where the FRS on all applicants are "no-hits", the no-hit class shall be assigned to the policy.
  - d. On policies where at least one applicant is a thin file and no applicant has a FRS, the thin file class shall be assigned to the policy.
  - e. We treat "no-hits" and "thin file" applicants as having neutral credit.
3. Swimming Pool – determined if swimming pool is present.
4. Prior Insurance – will be applied if prior insurance was in force. All renewal business will have prior insurance.
5. Age of Home – determined based on year built.
6. Prior Claims
  - a. The following claim descriptions will be excluded: Damage to Property of Others, Earth Movement, Glass, Hail, Identity Theft, Lightning, Med Pay to Others, Mine Subsidence, Wind, **Flood, Workers Comp, property claims with a net payment of \$500 or less, and scheduled personal property claims.**
  - b. Any claim in the last three years, **that is not excluded in a. above,** will be considered if a payment was made. However, if a claim has a subrogation recovery or reserve, then the claim will be excluded.

### Notes:

Variables 1, 3 – 6 will be evaluated and scored at every renewal.

Variable 2 – A new FRS will be obtained every three years. This variable will be included in the Insurance Score every renewal, however a new score will be obtained every three years.

The following shows the Insurance Scoring variables that are applicable for each policy form:

<u>VARIABLE</u>	<u>PREMIER &amp; PREMIER SELECT</u>	<u>PREMIER PLUS</u>	<u>PREMIUM RENTERS &amp; PREMIER CONDOMINIUM</u>
1. Policyholder Age	Yes	Yes	Yes
2. FRS	Yes	Yes	Yes
3. Swimming Pool	Yes	Yes	No
4. Prior Insurance	No	No	Yes
5. Age of Home	No	Yes	No

6. Prior Claims

Yes

Yes

Yes

### **Implementation of Insurance Scoring on Existing Book**

Existing business with an original effective date prior to April 1, 2006 will be capped upon the initial Insurance Score evaluation. Premier, Premier Plus and Premier Select policies will be capped at tier 70. Premier Condominium and Premier Renters will be capped at tier 40. The capping will be in place for the first year. Policies will be placed in the actual tier upon their next renewal.

New business policies and renewal policies that have been previously scored will follow the Insurance Score Model rules.

### **Adverse Action**

We are aware of the following adverse action requirements and are in compliance with these requirements:

- a. Required notice that credit score adversely affected the policy and the applicant/policyholder rights.
- b. Written request from applicant/policyholder for re-rating policy based on corrections relating to credit report within 30 days of notice.
- c. Per 23-67-405 (8), we will not use listed inquiries and other listed information as a negative factor.

### **Disclosure of Use of FRS**

Our current application (Form 5901AR 07/2005), states the following

“In compliance with the Fair Credit Reporting Act, you are hereby notified that a routine inquiry may be made which will provide applicable information concerning your character, credit history, general reputation, personal characteristics and mode of living. Upon request, additional information as to the nature and scope of the report will be provided.

In connection with this application for insurance, we may review your credit report or obtain or use a credit-based insurance score based on the information contained in that credit report. We may use a third party in connection with the development of your insurance score.”

This statement complies with the requirement that we disclose at the time of the original application for the contract or on the application itself that the insurer may obtain credit information. This statement has been on our application since November 14, 2005. A similar statement has been on our application since January 15, 2004. If a policyholder has an original effective date prior to January 15, 2004, a message shall appear on the renewal Declarations Certificate stating that credit information has been used.

The tiering placement will be determined as follows.

**Premier and Premier Select**

1. Policyholder Age	<b>ADD</b>
Under 30	10
30 – 49	2
50 – 59	0
60 – 69	21
70 and Over	32
2. Attract Score	<b>ADD</b>
200 – 474	141
475 – 499	149
500 – 524	165
525 – 549	179
550 – 574	187
575 – 599	195
600 – 624	214
625 – 649	223
650 – 674	232
675 – 699	240
700 – 724	249
725 – 749	258
750 – 774	267
775 – 799	275
800 – 824	284
825 – 849	293
850 – 874	302
875 – 899	310
900 – 997	325
Thin File	240
No Hit	240
Miscellaneous	240
3. Swimming Pool	<b>ADD</b>
Yes	0
No	27
4. Prior Claims	<b>ADD</b>
No	44
1	11
2+	0
5. Tier Ranges	<b>TIER</b>
371+	10
351 – 370	20
331 – 350	30
311 – 330	40
290 – 310	50
273 – 289	60
262 – 272	70
250 – 261	80
– 249	90

**Premier Plus**

1.	Policyholder Age	<b>ADD</b>
	Under 30	20
	30 – 49	0
	50 – 59	18
	60 – 69	18
	70 and Over	36
2.	Attract Score	<b>ADD</b>
	200 – 474	113
	475 – 499	116
	500 – 524	122
	525 – 549	127
	550 – 574	134
	575 – 599	140
	600 – 624	153
	625 – 649	159
	650 – 674	166
	675 – 699	172
	700 – 724	178
	725 – 749	184
	750 – 774	191
	775 – 799	197
	800 – 824	203
	825 – 849	209
	850 – 874	216
	875 – 899	222
	900 – 997	230
	Thin File	178
	No Hit	178
	Miscellaneous	178
3.	Swimming Pool	<b>ADD</b>
	Yes	0
	No	32
4.	Age of Home	<b>ADD</b>
	0	122
	1-2	104
	3-10	83
	11-20	65
	21-30	62
	31-50	53
	51+	0
5.	Prior Claims	<b>ADD</b>
	No	16
	1	4
	2+	0
6.	Tier Ranges	<b>TIER</b>
	351+	10
	331 – 350	20
	311 – 330	30
	295 – 310	40
	284 – 294	50
	274 – 283	60
	262 – 273	70
	250 – 261	80
	– 249	90

## Renters and Condos

1.	Policyholder Age	<b>ADD</b>
	Under 30	10
	30 – 49	0
	50 – 59	7
	60 – 69	40
	70 and Over	70
2.	Attract Score	
	200 – 474	0
	475 – 499	2
	500 – 524	5
	525 – 549	8
	550 – 574	11
	575 – 599	14
	600 – 624	18
	625 – 649	21
	650 – 674	24
	675 – 699	30
	700 – 724	40
	725 – 749	50
	750 – 774	60
	775 – 799	69
	800 – 824	73
	825 – 849	76
	850 – 865	78
	866 – 997	80
	Thin File	50
	No Hit	50
	Miscellaneous	50
3.	Prior Insurance	<b>ADD</b>
	Yes	20
	No	0
4.	Prior Claims	<b>ADD</b>
	Yes	0
	No	30
6.	Tier Ranges	<b>TIER</b>
	142+	10
	107 – 141	20
	69 – 106	30
	49 – 68	40
	– 48	50

SERFF Tracking Number: AAAM-128093352 State: Arkansas  
 Filing Company: Auto Club Family Insurance Company State Tracking Number:  
 Company Tracking Number: AR120217XRMXX106  
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations  
 Product Name: Homeowners  
 Project Name/Number: /

## Superseded Schedule Items

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

Creation Date:	Schedule	Schedule Item Name	Replacement Creation Date	Attached Document(s)
02/15/2012	Supporting Document	HPCS-Homeowners Premium Comparison Survey	02/28/2012	HO Survey FORM HPCS 2012 Revised.xls
02/15/2012	Supporting Document	NAIC loss cost data entry document	02/28/2012	NAIC LOSS COST DATA.pdf (Superseded)

**NAIC LOSS COST DATA ENTRY DOCUMENT**

<b>1.</b>	This filing transmittal is part of Company Tracking #	AAAM-128093352/AR120217XRMXX106
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<b>2.</b>	If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number	
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Company Name		Company NAIC Number	
<b>3.</b>	<b>A.</b> Auto Club Family Insurance Company	<b>B.</b>	27235

Product Coding Matrix Line of Business (i.e., Type of Insurance)		Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)	
<b>4.</b>	<b>A.</b> 4.0 HOMEOWNERS	<b>B.</b>	4.0000 HOMEOWNERS SUB TOI COMBINATIONS

<b>5.</b>			FOR LOSS COSTS ONLY				
(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
Homeowners Multi-Peril	19.1%	9.0%					
<b>TOTAL OVERALL EFFECT</b>	19.1%	9.0%					

<b>6.</b>	5 Year History		Rate Change History				
Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
2011	7,951	6/15/2011	7.0%				
2010	6,897	6/15/2010	4.0%	4,708,227	2,927,813	62.2%	58.2%
2009	6,218	5/15/2009	-2.4%	4,052,661	4,091,563	101.0%	49.9%
2008	5,597	4/1/2006	-3.7%	3,664,255	5,458,834	149.0%	69.4%
2007	5,032	1/15/2005	-3.0%	3,245,982	1,389,942	42.8%	46.5%
2006	4,419	1/15/2004	14.6%	2,757,285	2,808,481	101.9%	109.4%
2005	3,824			2,399,273	806,079	33.6%	264.7%

<b>7.</b>	Expense Constants	Selected Provisions
	A. Total Production Expense	16.1%
	B. General Expense	5.2%
	C. Taxes, License & Fees	2.7%
	D. Underwriting Profit & Contingencies	7.7%
	E. Other (explain)	
	<b>F. TOTAL</b>	<b>31.7%</b>

- 8.** N/A Apply Lost Cost Factors to Future filings? (Y or N)
- 9.** 15.3% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): 22
- 10.** 3.7% Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): 35