

SERFF Tracking Number: SHEL-128105799 State: Arkansas
Filing Company: Shelter Mutual Insurance Company State Tracking Number:
Company Tracking Number: 03M20112
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: HO
Project Name/Number: Johnson/

Filing at a Glance

Company: Shelter Mutual Insurance Company

Product Name: HO

TOI: 04.0 Homeowners

Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations

Filing Type: Rate/Rule

SERFF Tr Num: SHEL-128105799 State: Arkansas

SERFF Status: Closed-Filed

Co Tr Num: 03M20112

Authors: Brian Marcks, Sue Burlingame

Date Submitted: 02/24/2012

State Tr Num:

State Status:

Reviewer(s): Becky Harrington

Disposition Date: 03/26/2012

Disposition Status: Filed

Effective Date Requested (New): 06/07/2012

Effective Date Requested (Renewal): 06/07/2012

Effective Date (New): 06/07/2012

Effective Date (Renewal): 06/07/2012

State Filing Description:

referred to Commissioner 2/29/12. Meeting scheduled for 3/12/12

General Information

Project Name: Johnson

Project Number:

Reference Organization:

Reference Title:

Filing Status Changed: 03/26/2012

State Status Changed: 03/12/2012

Created By: Brian Marcks

Corresponding Filing Tracking Number:

Filing Description:

Homeowners base rates have been revised for all policy forms. Deductible adjustment percentages were revised for Form HO-3 and are now based on amounts of insurance. Tier placement factors have been revised. The Companion Policy Discount has been increased. Secondary or Seasonal Residence is no longer required to have the liability coverage endorsed on the Primary Residence policy. The liability coverage will now be provided on the Secondary or Seasonal Residence policy. Editorial changes have also been made.

Status of Filing in Domicile:

Domicile Status Comments:

Reference Number:

Advisory Org. Circular:

Deemer Date:

Submitted By: Brian Marcks

The overall effect of this filing is expected to be a revenue increase of 18.1% or \$8,796,659.

SERFF Tracking Number: SHEL-128105799 State: Arkansas
 Filing Company: Shelter Mutual Insurance Company State Tracking Number:
 Company Tracking Number: 03M20112
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
 Product Name: HO
 Project Name/Number: Johnson/

Company and Contact

Filing Contact Information

Brian Marcks, Coordinator of Insurance BCMarcks@shelterinsurance.com
 Department Affairs
 1817 West Broadway 573-214-4165 [Phone]
 Columbia, MO 65218 573-446-7317 [FAX]

Filing Company Information

Shelter Mutual Insurance Company CoCode: 23388 State of Domicile: Missouri
 1817 West Broadway Group Code: Company Type:
 Columbia, MO 65218 Group Name: State ID Number:
 (573) 445-8441 ext. [Phone] FEIN Number: 43-0613000

Filing Fees

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

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Shelter Mutual Insurance Company	\$100.00	02/24/2012	56615145

SERFF Tracking Number: SHEL-128105799 State: Arkansas
 Filing Company: Shelter Mutual Insurance Company State Tracking Number:
 Company Tracking Number: 03M20112
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
 Product Name: HO
 Project Name/Number: Johnson/

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Becky Harrington	03/26/2012	03/26/2012

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	03/12/2012	03/12/2012	Brian Marcks	03/22/2012	03/23/2012
No response necessary	Becky Harrington	02/29/2012	02/29/2012			
Pending Industry Response	Becky Harrington	02/24/2012	02/24/2012	Brian Marcks	02/28/2012	02/28/2012

SERFF Tracking Number: SHEL-128105799 State: Arkansas
 Filing Company: Shelter Mutual Insurance Company State Tracking Number:
 Company Tracking Number: 03M20112
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
 Product Name: HO
 Project Name/Number: Johnson/

Disposition

Disposition Date: 03/26/2012
 Effective Date (New): 06/07/2012
 Effective Date (Renewal): 06/07/2012
 Status: Filed
 Comment:

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where required):	Minimum % Change (where required):
Shelter Mutual Insurance Company	23.700%	10.000%	\$4,873,220	50,642	\$48,594,509	70.600%	-16.600%

SERFF Tracking Number: SHEL-128105799 State: Arkansas
 Filing Company: Shelter Mutual Insurance Company State Tracking Number:
 Company Tracking Number: 03M20112
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
 Product Name: HO
 Project Name/Number: Johnson/

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Form RF-2 Loss Costs Only (not for workers' compensation)		Yes
Supporting Document	H-1 Homeowners Abstract	Filed	Yes
Supporting Document (revised)	HPCS-Homeowners Premium Comparison Survey	Filed	Yes
Supporting Document	HPCS-Homeowners Premium Comparison Survey		Yes
Supporting Document (revised)	NAIC loss cost data entry document	Filed	Yes
Supporting Document	NAIC loss cost data entry document		Yes
Supporting Document (revised)	Explanatory Memorandum	Filed	Yes
Supporting Document	Explanatory Memorandum		Yes
Supporting Document	Rate Indications and Supporting Exhibits	Filed	Yes
Supporting Document (revised)	Histogram	Filed	Yes
Supporting Document	Histogram		Yes
Supporting Document	Explanation of Largest Maximum Percentage Change Shown on Rate/Rule Schedule tab	Filed	Yes
Supporting Document	Supporting Exhibit for February 28 Response	Filed	Yes
Supporting Document	Response of March 23	Filed	Yes
Rate	General Rules Page	Filed	Yes
Rate	General Rules Page	Filed	Yes
Rate	General Rules Page	Filed	Yes
Rate	General Rules Page	Filed	Yes
Rate	General Rules Page	Filed	Yes
Rate	General Rules Page	Filed	Yes
Rate	Rate Page	Filed	Yes
Rate	Rate Page	Filed	Yes
Rate	Rate Page	Filed	Yes
Rate (revised)	Rate Page	Filed	Yes
Rate	Rate Page		Yes
Rate (revised)	Rate Page	Filed	Yes
Rate	Rate Page		Yes
Rate	Rate Page	Filed	Yes
Rate	Rate Page	Filed	Yes

SERFF Tracking Number: SHEL-128105799 State: Arkansas
Filing Company: Shelter Mutual Insurance Company State Tracking Number:
Company Tracking Number: 03M20112
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: HO
Project Name/Number: Johnson/

Rate	Rate Page	Filed	Yes
Rate	Rate Page	Filed	Yes
Rate	Rate Page	Filed	Yes
Rate	Rate Page	Filed	Yes

SERFF Tracking Number: SHEL-128105799 State: Arkansas
Filing Company: Shelter Mutual Insurance Company State Tracking Number:
Company Tracking Number: 03M20112
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: HO
Project Name/Number: Johnson/

Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 03/12/2012

Submitted Date 03/12/2012

Respond By Date

Dear Brian Marcks,

This filing has been reviewed by the Commissioner.

Please amend the overall increase to 10%.

Provide a revised HPCS.

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

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

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: SHEL-128105799 State: Arkansas
Filing Company: Shelter Mutual Insurance Company State Tracking Number:
Company Tracking Number: 03M20112
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: HO
Project Name/Number: Johnson/

Response Letter

Response Letter Status Submitted to State
Response Letter Date 03/22/2012
Submitted Date 03/23/2012

Dear Becky Harrington,

Comments:

Reference is made to your note of March 12.

Response 1

Comments: We have made revisions to the filing so that the overall revenue impact is 10%. Revised manual pages and exhibits reflecting these changes are attached.

This filing will now result in an overall increase in revenue of 10.0% or \$4,873,220.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: HPCS-Homeowners Premium Comparison Survey

Comment: Please see attachments.

Satisfied -Name: NAIC loss cost data entry document

Comment: Please see attachment.

Satisfied -Name: Explanatory Memorandum

Comment: Please see revised attachment.

Satisfied -Name: Histogram

Comment: Please see attachment.

Satisfied -Name: Response of March 23

Comment: Please see attachments.

No Form Schedule items changed.

Rate/Rule Schedule Item Changes

Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing #
Rate Page	R-1	Replacement	
Previous Version			

SERFF Tracking Number: SHEL-128105799 State: Arkansas
Filing Company: Shelter Mutual Insurance Company State Tracking Number:
Company Tracking Number: 03M20112
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: HO
Project Name/Number: Johnson/
Rate Page R-1 Replacement
Rate Page R-2 Replacement
Previous Version
Rate Page R-2 Replacement

Please let me know if you have questions.

Sincerely,
Brian Marcks, Sue Burlingame

SERFF Tracking Number: SHEL-128105799 State: Arkansas
Filing Company: Shelter Mutual Insurance Company State Tracking Number:
Company Tracking Number: 03M20112
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: HO
Project Name/Number: Johnson/

Objection Letter

Objection Letter Status No response necessary

Objection Letter Date 02/29/2012

Submitted Date 02/29/2012

Respond By Date

Dear Brian Marcks,

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: SHEL-128105799 State: Arkansas
Filing Company: Shelter Mutual Insurance Company State Tracking Number:
Company Tracking Number: 03M20112
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: HO
Project Name/Number: Johnson/

Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 02/24/2012

Submitted Date 02/24/2012

Respond By Date

Dear Brian Marcks,

This will acknowledge receipt of the captioned filing.

Objection 1

- Explanatory Memorandum (Supporting Document)

Comment: Please provide supporting documentation for the tier factor changes.

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: SHEL-128105799 State: Arkansas
Filing Company: Shelter Mutual Insurance Company State Tracking Number:
Company Tracking Number: 03M20112
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: HO
Project Name/Number: Johnson/

Response Letter

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

Dear Becky Harrington,

Comments:

Reference is made to your note of February 24.

Response 1

Comments: Attached is a five year experience exhibit by tier. Our book of business is heavily skewed toward tiers 1000 and 2000, with tiers 3000-6000 combining for less than 1.5% of our 5-yr premium total. Combined, however, the loss ratio is significantly higher than average for this tier range, thus indicating an inadequacy in premium charged. A modest adjustment of 5% was chosen recognizing likely unmodeled interactions between tier factors and other factors being changed as well as the desire to minimize disruption.

Related Objection 1

Applies To:

- Explanatory Memorandum (Supporting Document)

Comment:

Please provide supporting documentation for the tier factor changes.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: Supporting Exhibit for February 28 Response

Comment: Please see attachment.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Please let me know if you have questions.

Sincerely,

Brian Marcks, Sue Burlingame

SERFF Tracking Number: SHEL-128105799 State: Arkansas
Filing Company: Shelter Mutual Insurance Company State Tracking Number:
Company Tracking Number: 03M20112
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: HO
Project Name/Number: Johnson/

Post Submission Update Request Processed On 03/26/2012

Status: Allowed
Created By: Brian Marcks
Processed By: Becky Harrington
Comments: Overall amount reduced to 10% per Dept request.

Company Rate Information:

Company Name: Shelter Mutual Insurance Company

Field Name	Requested Change	Prior Value
Overall % Rate Impact	10.000%	18.100%
Written Premium Change for this Program	\$4873220	\$8796659

SERFF Tracking Number: SHEL-128105799
 Filing Company: Shelter Mutual Insurance Company
 Company Tracking Number: 03M20112
 TOI: 04.0 Homeowners
 Product Name: HO
 Project Name/Number: Johnson/

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

Rate Information

Rate data applies to filing.

Filing Method: File and Use
Rate Change Type: Increase
Overall Percentage of Last Rate Revision: 5.000%
Effective Date of Last Rate Revision: 05/19/2011
Filing Method of Last Filing: File and Use

Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where required):	Minimum % Change (where required):
Shelter Mutual Insurance Company	23.700%	10.000%	\$4,873,220	50,642	\$48,594,509	70.600%	-16.600%

SERFF Tracking Number: SHEL-128105799 State: Arkansas
 Filing Company: Shelter Mutual Insurance Company State Tracking Number:
 Company Tracking Number: 03M20112
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
 Product Name: HO
 Project Name/Number: Johnson/

Rate/Rule Schedule

Schedule Item	Exhibit Name:	Rule # or Page	Rate Action	Previous State Filing Attachments
Status:		#:		Number:
Filed 03/26/2012	General Rules Page	GR-1	Replacement	Prop Manual Page GR-1.pdf
Filed 03/26/2012	General Rules Page	GR-8	Replacement	Prop Manual Page GR-8.pdf
Filed 03/26/2012	General Rules Page	GR-10	Replacement	Prop Manual Page GR-10.pdf
Filed 03/26/2012	General Rules Page	GR-15	Replacement	Prop Manual Page GR-15.pdf
Filed 03/26/2012	General Rules Page	GR-20	Replacement	Prop Manual Page GR-20.pdf
Filed 03/26/2012	General Rules Page	GR-21	Replacement	Prop Manual Page GR-21.pdf
Filed 03/26/2012	Rate Page	PD-1	Replacement	Prop Manual Page PD-1.pdf
Filed 03/26/2012	Rate Page	PD-2	Replacement	Prop Manual Page PD-2.pdf
Filed 03/26/2012	Rate Page	PD-3	Replacement	Prop Manual Page PD-3.pdf
Filed 03/26/2012	Rate Page	R-1	Replacement	Manual Page R-1 -

RULES AND REQUIREMENTS

1. GENERAL INSTRUCTIONS

The Homeowners Program provides property and liability coverages, using the forms and endorsements specified herein. This section contains the rules governing the writing of the Policy, adjustments to apply to basic premiums, and the rates and premiums for mandatory and optional coverages.

Note: The endorsement numbers shown on the following pages are for reference only. The current version may be found on the endorsement screen and will appear on the declaration.

2. ELIGIBILITY

a. A Special Coverage Form 3 may be issued to:

- 1)** the owner-occupant of a dwelling used exclusively for private residential purposes (except as provided in the following rules) and containing no more than 2 families and no more than 2 boarders or roomers per family;
- 2)** the occupant of a dwelling under a life estate arrangement, with the owner shown as an additional insured. The conditions in (1) above also apply;
- 3)** the intended owner-occupant of a dwelling under construction.

b. A Contents Broad Coverage Form 4 may be issued to:

- 1)** the tenant of a dwelling, apartment or condominium unit;
- 2)** the owner-occupant of a dwelling or a building containing an apartment who is not eligible for a Form 3 under Rule 2.a. above.

The residence premises occupied by the insured must be used exclusively for residential purposes (except as provided in the following rules). The policy shall identify the premises actually occupied by the insured by apartment number or other identification.

4. DEDUCTIBLES

All Homeowners forms contain a Loss Deductible Clause applicable to loss under Section I of the policy. The Loss Deductible Clause **DOES NOT** apply to losses under Coverage D or Fire Department Charges. This clause applies to each occurrence. The company is liable only for the amount of loss in excess of the deductible.

Form 3 ONLY: An optional 1% or 2% (of Coverage A amount) Wind or Hail deductible (B-636-B) is available. The deductible amount applicable to Wind or Hail losses will be the **greater** of 1% or 2% (of Coverage A amount) or the base deductible.

Policy Deductible Adjustments for the Basic Premium are located on the Rate (R) pages.

Supplemental Rates (All Forms)

If applicable, the "Increased Limits to the Basic Policy" and "Mandatory/Optional Coverage" rates reflect a \$500 deductible. Other deductible options may be calculated using the adjustments listed below against the \$500.

Non-Wind/Hail Deductibles	Form 3 Wind/Hail Deductibles		
	None	1%	2%
# 50	1.47	1.33	1.19
# 100	1.39	1.27	1.13
# 250	1.12	1.05	.97
500	1.00	.95	.88
750	.91	.88	.83
1,000	.84	.81	.77
1,500	.76	.74	.72
2,000	.70	.69	.67
2,500	.67	.66	.65
5,000	.62	.61	.60

Available only to Form 3 policies originally written before 08-25-2004 with a \$50, \$100 or \$250 all peril deductible and to Form 4 & 6 policies written before 08-25-2004 with a \$50 or \$100 all peril deductible.

5. PREMIUM ADJUSTMENTS (Cont.)**c. New Home Discount (Form 3, Primary & Secondary Dwellings)**

Dwellings completed and first occupied during the current calendar year or eligible preceding calendar years are eligible for a "New Home" discount. If the year first occupied is different from the year completed, use the later year.

(Do not apply while the policy is receiving the "Under Construction" discount.)

<u>Year Completed or First Occupied</u>	<u>New Home</u>
Current Calendar Year	40%
1 Year Preceding	40%
2 Years Preceding	35%
3 Years Preceding	30%
4 Years Preceding	24%
5 Years Preceding	18%
6 Years Preceding	12%
7 Years Preceding	6%
8 Years Preceding	3%

d. Heating System Discount (All Dwellings, Form 3)

Eligible property in Protection Classes 8Y, 6N-8N, 8, 9, 10 and 11 shall receive a discount of **15%**, if **NO** type of solid fuel heating device (wood, coal, etc.) is present. A conventional fireplace will qualify if no other type of solid fuel heating is used. A freestanding fireplace or a fireplace with an insert will not qualify.

e. Companion Policy Discount (Primary and Secondary, All Forms)

A **25%** discount applies when the named insured is also the named insured on a Shelter Mutual or General Automobile policy written on a Private Passenger Automobile or Business Use Vehicle (T2, J2 or L) rating classification.

f. Claim Free Discount (Primary and Secondary, All Forms)

A policy will qualify for a 10% Claim Free Discount when the following conditions have been met:

- (1) the policy has been in force for at least 6 consecutive years; **and**
- (2) the policy has had no paid claims having an occurrence date in the 6-year period ending 35 days prior to the renewal effective date.

Once a policy qualifies for the discount, the policy will retain the discount on all subsequent renewals.

Earthquake, Medical Payment and Identity Fraud claims will be disregarded in assessing qualification for the discount. Claims involving a land motor vehicle (not insured, owned or driven by the insured) colliding into the insured's dwelling will also be disregarded.

TIER PLACEMENT

Policies written as **new business** with an effective date on or after March 29, 2001, will be assigned to one of the following 6 tiers:

<u>Description</u>	<u>Tier Code</u>	<u>Tier Factor</u>
Shelter Mutual Tier 1	1000	.90
Shelter Mutual Tier 2	2000	.95
Shelter Mutual Tier 3	3000	1.05
Shelter Mutual Tier 4	4000	1.21
Shelter Mutual Tier 5	5000	1.47
Shelter Mutual Tier 6	6000	1.94

Unless the insured requests to be retired, **renewal business** originally written prior to March 29, 2001, will be assigned to the following tier:

<u>Tier Code</u>	<u>Tier Factor</u>
9998	1.00

Upon the insured's request, a policy's tier will be reevaluated. The policy's tier will only be changed if it is advantageous to the insured.

In addition, if a policy's tier has not been reevaluated in the previous three years, the tier will be automatically reevaluated during the renewal process. Again, the policy's tier will only be changed if it is advantageous to the insured.

The appropriate tier factor is applied to the base rate.

MANDATORY / OPTIONAL COVERAGES

The following coverages may be added to the Homeowners policy. See the list below for the mandatory coverages which must be added if the risk is present. The limits for these coverages must be the same as the basic Liability and Medical Payments limits written.

The endorsement should be consulted for exact contract conditions.

Mandatory Coverages

It is required that Section II of the policy include coverage on:

- a. all permitted business activities of the insured on residential premises of the insured;
- b. incidental farming on the premises;
- c. other structures located on the premises being rented to others.

Refer to each individual section below regarding the rating of these risks.

1. **SECONDARY OR SEASONAL RESIDENCE PREMISES**

It is permissible to insure a secondary residence or seasonal dwelling under a Homeowners policy. All the rules of this manual apply separately to this residence.

If the Primary and a Secondary or Seasonal Residence is insured, only **LIKE** coverages (Policy Deductible and Expanded Restoration Cost Coverage on Contents or Expanded Renovation Cost Coverage on Contents) can be written on each location.

The dwelling shall be described as "Secondary Residence Premises" in the policy. Premiums from the rate pages are to be used.

1. SECONDARY OR SEASONAL RESIDENCE PREMISES (Cont.)

Additional Residence Premises Occupied by Insured (1 or 2 families)(B-389-B)

<u>Liability Limits</u>	<u>Medical Payments Limits</u>			
	<u>\$1,000</u>	<u>\$2,000</u>	<u>\$5,000</u>	<u>\$10,000</u>
\$100,000	\$ 8	\$10	\$16	\$28
200,000	10	12	18	30
300,000	12	14	20	32
400,000	13	15	21	33
500,000	14	16	22	34
1,000,000	28	32	44	68

2. PERMITTED BUSINESS ACTIVITIES (MANDATORY)

When a permitted business occupancy is located on the described residence premises, the policy **MUST** be endorsed to provide certain coverages while others are optional. The rates and rules are outlined below.

a. Incidental Business Occupancy

Certain incidental occupancies may be operated by the insured on the primary premises or at an additional residence premises.

If the occupancy is on the primary premises then limited Personal Property (Coverage C), basic Other Structures (Coverage B), Personal Liability (Coverage E), and Medical Payments to Others (Coverage F) are extended for an additional charge as shown below. (B-348-B). Optional coverage for Increased Limits to Other Structures (Coverage B; Form 3 ONLY) and optional coverage up to \$5,000 for a stock of merchandise that is held for sale and stored on the primary premises are also available.

**ARKANSAS HOMEOWNERS FORM HO-3
PREMIUM DETERMINATION CHART**

Dwelling Package Premium

Step	Description	Reference	Round	Calculation
1	Base Rate	R-1,2	\$	+
2	Amount of Insurance	R-3	\$	x
3	Heating System Discount	GR-10	\$	x
4	Renovation Cost	R-1,2	\$	x
5	Townhouse/Rowhouse	GR-13	\$	x
6	Tier	GR-15	\$	x
7	Claim Free Discount	GR-10	\$	x
8	Claim Surcharge	GR-12	\$	x
9	Deductible	R-4 thru R-6	\$	x
10	Companion Policy Discount	GR-10	\$	x
11	New or Improved Home Discount	GR-10/11	\$	x
12	New Home Under Construction Disc	GR-9	\$	x
13	Protective Device Discount	GR-9	\$	x
14	Term	GR-14	\$	x
Total Premium				

Increased Limits / Mandatory / Optional Coverages

Description	Page	Base Rate	Page GR-8 *Deductible	Additional Calculation	Applicable Exposure Units	Term Factor	Total Premium
Additional Living Expense	GR-17	+			per \$1,000 Increase	x	
Fire Department Charges	GR-17	+			per \$100 Increase	x	
Money	GR-17	+	x		per \$100 Increase	x	
Other Structures	GR-17	per Structure	x		per \$1,000 Increase	x	
Outdoor Antennas & Equip	GR-18	+	x		per \$1,000 Increase	x	
Personal Property	GR-18	+	x		per \$1,000 Increase	x	
Personal Liability	GR-19	+				x	
Additional Residence Liab	GR-21	+				x	
Permitted Business Activity	GR-21						
Incidental Business (Basic)	GR-21	+					
Optional Stock of Merchandise	GR-22	+	x		per \$1,000 Total Cov		
Child Day Care (Basic)	GR-22	+					
Foster Care (Basic)	GR-23	+					
Increased Limits on Other Structures	GR-22	per Structure	x		per \$1,000 Increase		
Total Permitted Business Activity		= Total Permitted Business Activity Premium				x	
Additional Premises Rented to Others (Liab)	GR-24	per Dwelling	+			x	
Other Structures Rented to Others (Liab)	GR-24	per Structure	+			x	
Off Premises Structures	GR-25	+	x			x	
Incidental Farm Liability (On Premises)	GR-26	+				x	
Farmers Comprehensive Liab (Off Premises)	GR-26						
Acreage Charge	GR-27	+ 0 - 500 acres rate		+	per add'l 500 acres		
Farm Employees	GR-27	+ 1-2 employees rate		+	per add'l employee		
Animal Collision	GR-27	+					
Limited Pollution Liability	GR-28	+ 0 - 500 acres rate		+ >500 acres rate			
Total Farm Comp Pers Liab		= Total Farmers Comprehensive Liab Premium				x	
Back-Up Of Sewer or Drain	GR-28	+	x			x	
Construction Theft	GR-28	+	x			x	
Earthquake	GR-29						
Dwelling Charge (Cov A)	GR-29	+	x		per \$1,000 Coverage		
Personal Property Increased Limit	GR-29	+	x		per \$1,000 Increase		
ALE Increased Limit	GR-29	+	x		per \$1,000 Increase		
Loss Assessment Limit	GR-29	+	x		per \$1,000 Increase		
Other Structures Increased Limit	GR-29	per Structure	x		per \$1,000 Increase		
Total Earthquake		= Total Earthquake Premium				x	
Expanded Restoration Cost - Structures	GR-30	per Policy	+	x		x	
Guns and Related Equipment	GR-31	+	x			x	
Archery Equipment	GR-31	+	x			x	
Jewelry and Furs	GR-32	+	x			x	
Personal Computer	GR-33	+	x			x	
Piers, Wharves and Docks (On Premises)	GR-33	per Structure	+	x	per \$1,000	x	
Piers, Wharves and Docks (Off Premises)	GR-33	per Structure	+			x	
Expanded Restoration Cost - Contents	GR-34	Min Prem Applies	+	x Step 13		x	
Silverware and Goldware	GR-35	+	x			x	
Trees, Shrubs, Plants & Lawns W/H	GR-36	+	x		per \$1,000 Cov A	x	
Identity Fraud Expense	GR-36	+				x	
Business Endorsement	GR-37	per Person	+			x	
Loss Assessment	GR-38	+ 0 - \$5,000 Limit rate		+ >\$5,000 Limit rate	all rates per \$1,000	x	
Personal Injury Liability	GR-38	+				x	
Watercraft Liability	GR-39	per Watercraft	+	x Class Factor		x	

* When the deductible is applied, the result should be rounded to the same number of digits as the item Base Rate.
Term Fee applies to final policy premium per non-annual policy term.
The minimum premium of \$1 shall be charged per item or per endorsement for each coverage written regardless of policy term.

**ARKANSAS HOMEOWNERS FORM HO-4
PREMIUM DETERMINATION CHART**

Package Premium

Step	Description	Reference	Round	Calculation
1	Base Rate	R-4	\$	+
2	Amount of Insurance	R-5	\$	x
3	Form 4 or 6 Multi-Family Factor	R-4	\$	x
4	Tier	GR-15	\$	x
5	Claim Free Discount	GR-10	\$	x
6	Claim Surcharge	GR-12	\$	x
7	Deductible	R-9	\$	x
8	Companion Policy Discount	GR-10	\$	x
9	Protective Device Discount	GR-9	\$	x
10	Term	GR-13	\$	x
Total Premium				

Increased Limits / Mandatory / Optional Coverages

Description	Page	Base Rate	Page GR-8 *Deductible	Additional Calculation	Applicable Exposure Units	Term Factor	Total Premium
Additional Living Expense	GR-17	+			per \$1,000 Increase	x	
Fire Department Charges	GR-17	+					
Money	GR-17	+	x		per \$100 Increase	x	
Building Additions and Alterations	GR-18	+	x		per \$1,000	x	
Outdoor Antennas & Equip	GR-18	+	x		per \$1,000 Increase	x	
Personal Liability	GR-19	+				x	
Additional Residence Liab	GR-21	+				x	
Permitted Business Activity	GR-21						
Incidental Business	GR-21	+					
Optional Stock of Merchandise	GR-22	+	x		per \$1,000 Total Cov		
Child Day Care	GR-22	+					
Foster Care	GR-23	+					
Total Permitted Business Activity		= Total Permitted Business Activity Premium				x	
Additional Premises Rented to Others (Liab)	GR-24	per Dwelling	+			x	
Other Structures Rented to Others (Liab)	GR-24	per Structure	+			x	
Off Premises Structures	GR-25	+	x			x	
Incidental Farm Liability (On Premises)	GR-26	+				x	
Farmers Comprehensive Liab (Off Premises)	GR-26						
Acreage Charge	GR-27	+ 0 - 500 acres rate		+	per add'l 500 acres		
Farm Employees	GR-27	+ 1-2 employees rate		+	per add'l employee		
Animal Collision	GR-27	+					
Limited Pollution Liability	GR-28	+ 0 - 500 acres rate		+ >500 acres rate			
Total Farm Comp Pers Liab		= Total Farmers Comprehensive Liab Premium				x	
Back-Up Of Sewer or Drain	GR-28	+	x			x	
Construction Theft	GR-28	+	x			x	
Earthquake	GR-29						
Personal Property (Cov C)	GR-29	+	x		per \$1,000 Coverage		
ALE Increased Limit	GR-29	+	x		per \$1,000 Increase		
Loss Assessment Limit	GR-29	+	x		per \$1,000 Increase		
Total Earthquake		= Total Earthquake Premium				x	
Guns and Related Equipment	GR-31	+	x			x	
Archery Equipment	GR-31	+	x			x	
Jewelry and Furs	GR-32	+	x			x	
Personal Computer	GR-33	+	x			x	
Piers, Wharves and Docks (On Premises)	GR-33	per Structure	+	x	per \$1,000	x	
Piers, Wharves and Docks (Off Premises)	GR-33	per Structure	+			x	
Expanded Restoration Cost - Contents	GR-34	Min Prem Applies	+	x Step 9		x	
Silverware and Goldware	GR-35	+	x			x	
Trees, Shrubs, Plants & Lawns W/H	GR-36	+	x		per \$1,000 Cov C	x	
Identity Fraud Expense	GR-36	+				x	
Business Endorsement	GR-37	per Person	+			x	
Loss Assessment	GR-38	+ 0 - \$5,000 Limit rate		+ >\$5,000 Limit rate	all rates per \$1,000	x	
Personal Injury Liability	GR-38	+				x	
Tenants Waterbed Liability	GR-38	+				x	
3 or 4 Family Dwelling-Premises Liability	GR-38	+				x	
Watercraft Liability	GR-39	per Watercraft	+	x Class Factor		x	

* When the deductible is applied, the result should be rounded to the same number of digits as the item Base Rate.
Term Fee applies to final policy premium per non-annual policy term.
The minimum premium of \$1 shall be charged per item or per endorsement for each coverage written regardless of policy term.

**ARKANSAS HOMEOWNERS FORM HO-6
PREMIUM DETERMINATION CHART**

Package Premium

Step	Description	Reference	Round	Calculation
1	Base Rate	R-4	\$	+
2	Amount of Insurance	R-5	\$	x
3	Form 6 Factor	R-4	\$	x
4	Form 4 or 6 Multi-Family Factor	R-4	\$	x
5	Tier	GR-15	\$	x
6	Claim Free Discount	GR-10	\$	x
7	Claim Surcharge	GR-12	\$	x
8	Deductible	R-9	\$	x
9	Companion Policy Discount	GR-10	\$	x
10	Protective Device Discount	GR-9	\$	x
11	Term	GR-13	\$	x
Total Premium				

Increased Limits / Mandatory / Optional Coverages

Description	Page	Base Rate	Page GR-8 *Deductible	Additional Calculation	Applicable Exposure Units	Term Factor	Total Premium
Condo Unit Rental Seasonal/Occasional	GR-13	+		x Step 10		x	
Additional Living Expense	GR-17	+			per \$1,000 Increase	x	
Fire Department Charges	GR-17	+			per \$100 Increase	x	
Loss Assessment (Increased Limits)	GR-17	+ 0 - \$5,000 Limit rate		+ >\$5,000 Limit rate	all rates per \$1,000	x	
Money	GR-17	+	x		per \$100 Increase	x	
Building Property	GR-18	+	x		per \$1,000 Increase	x	
Outdoor Antennas & Equip	GR-18	+	x		per \$1,000 Increase	x	
Personal Liability	GR-19	+				x	
Additional Residence Liab	GR-21	+				x	
Permitted Business Activity	GR-21						
Incidental Business	GR-21	+					
Optional Stock of Merchandise	GR-22	+	x		per \$1,000 Total Cov		
Child Day Care	GR-22	+					
Foster Care	GR-23	+					
Total Permitted Business Activity		= Total Permitted Business Activity Premium				x	
Additional Premises Rented to Others (Liab)	GR-24	per Dwelling	+			x	
Other Structures Rented to Others (Liab)	GR-24	per Structure	+			x	
Off Premises Structures	GR-25	+	x			x	
Incidental Farm Liability (On Premises)	GR-26	+				x	
Farmers Comprehensive Liab (Off Premises)	GR-26						
Acreage Charge	GR-27	+ 0 - 500 acres rate		+	per add'l 500 acres		
Farm Employees	GR-27	+ 1-2 employees rate		+	per add'l employee		
Animal Collision	GR-27	+					
Limited Pollution Liability	GR-28	+ 0 - 500 acres rate		+ >500 acres rate			
Total Farm Comp Pers Liab		= Total Farmers Comprehensive Liab Premium				x	
Back-Up Of Sewer or Drain	GR-28	+	x			x	
Construction Theft	GR-28	+	x			x	
Earthquake	GR-29						
Building Property	GR-29	per Structure	+	x	per \$1,000 Increase		
Personal Property (Cov C)	GR-29	+	x		per \$1,000 Coverage		
ALE Increased Limit	GR-29	+	x		per \$1,000 Increase		
Loss Assessment Increased Limit	GR-29	+	x		per \$1,000 Increase		
Total Earthquake		= Total Earthquake Premium				x	
Guns and Related Equipment	GR-31	+	x			x	
Archery Equipment	GR-31	+	x			x	
Jewelry and Furs	GR-32	+	x			x	
Personal Computer	GR-33	+	x			x	
Piers, Wharves and Docks (On Premises)	GR-33	per Structure	+	x	per \$1,000	x	
Piers, Wharves and Docks (Off Premises)	GR-33	per Structure	+			x	
Expanded Restoration Cost - Contents	GR-34	Min Prem Applies	+	x Step 10		x	
Silverware and Goldware	GR-35	+	x			x	
Trees, Shrubs, Plants & Lawns W/H	GR-36	+	x		per \$1,000 Cov C	x	
Identity Fraud Expense	GR-36	+				x	
Business Endorsement	GR-37	per Person	+			x	
Personal Injury Liability	GR-38	+				x	
Watercraft Liability	GR-39	per Watercraft	+	x Class Factor		x	

* When the deductible is applied, the result should be rounded to the same number of digits as the item Base Rate.
Term Fee applies to final policy premium per non-annual policy term.
The minimum premium of \$1 shall be charged per item or per endorsement for each coverage written regardless of policy term.

Arkansas Homeowners Form HO-3 Masonry Base Rates

**\$60,000 Base, \$500 Deductible,
\$100,000 Liability, \$1,000 Medical Payments**

Zones	1-3, 1Y-3Y		4-5, 4Y-5Y		6, 6Y		7,7Y,1N-5N		8, 8Y		6N, 7N		9, 8N		10		11	
	Masonry curve		Masonry curve		Masonry curve		Masonry curve		Masonry curve		Masonry curve		Masonry curve		Masonry curve		Masonry curve	
4	881	1	915	1	1029	1	1158	1	1593	1	1744	1	1744	1	2264	1	2264	1
12	754	1	792	1	891	1	999	1	1391	1	1508	1	1508	1	1981	1	1981	1
13	762	1	795	1	900	1	1014	1	1406	1	1523	1	1523	1	2041	1	2041	1
15	662	1	687	1	775	1	865	1	1203	1	1311	1	1311	1	1756	1	1756	1
16	762	1	795	1	900	1	1014	1	1406	1	1523	1	1523	1	2041	1	2041	1
18	829	1	863	1	973	1	1097	1	1544	1	1683	1	1683	1	2211	1	2211	1
20	833	1	864	1	974	1	1096	1	1506	1	1650	1	1650	1	2141	1	2141	1
21	851	1	885	1	999	1	1125	1	1583	1	1727	1	1727	1	2267	1	2267	1
23	631	1	657	1	737	1	830	1	1141	1	1244	1	1244	1	1692	1	1692	1
24	708	1	736	1	835	1	932	1	1317	1	1416	1	1416	1	1902	1	1902	1
26	811	1	843	1	951	1	1069	1	1468	1	1610	1	1610	1	2087	1	2087	1
28	704	1	730	1	830	1	923	1	1277	1	1391	1	1391	1	1842	1	1842	1
29	833	1	864	1	974	1	1096	1	1506	1	1650	1	1650	1	2141	1	2141	1
31	794	1	833	1	939	1	1055	1	1467	1	1585	1	1585	1	2035	1	2035	1
32	955	1	1018	1	1151	1	1296	1	1776	1	1937	1	1937	1	2464	1	2464	1
34	794	1	833	1	939	1	1055	1	1467	1	1585	1	1585	1	2035	1	2035	1
35	858	1	893	1	1014	1	1133	1	1575	1	1692	1	1692	1	2220	1	2220	1
36	738	1	765	1	867	1	975	1	1335	1	1454	1	1454	1	1949	1	1949	1
38	872	1	912	1	1026	1	1155	1	1598	1	1736	1	1736	1	2230	1	2230	1
40	680	1	711	1	802	1	902	1	1254	1	1356	1	1356	1	1739	1	1739	1
41	782	1	818	1	921	1	1037	1	1442	1	1559	1	1559	1	2000	1	2000	1
44	774	1	806	1	909	1	1025	1	1441	1	1572	1	1572	1	2062	1	2062	1
45	872	1	912	1	1026	1	1155	1	1598	1	1736	1	1736	1	2230	1	2230	1
48	676	1	701	1	795	1	885	1	1224	1	1333	1	1333	1	1765	1	1765	1
49	720	1	747	1	846	1	951	1	1303	1	1418	1	1418	1	1901	1	1901	1
50	784	1	826	1	929	1	1041	1	1451	1	1572	1	1572	1	2066	1	2066	1
51	720	1	750	1	848	1	947	1	1341	1	1441	1	1441	1	1934	1	1934	1
53	772	1	802	1	909	1	1017	1	1414	1	1518	1	1518	1	1991	1	1991	1
55	716	1	753	1	848	1	950	1	1322	1	1433	1	1433	1	1882	1	1882	1
57	676	1	701	1	795	1	885	1	1224	1	1333	1	1333	1	1765	1	1765	1
58	674	1	701	1	789	1	882	1	1223	1	1333	1	1333	1	1788	1	1788	1
62	734	1	773	1	870	1	973	1	1356	1	1469	1	1469	1	1931	1	1931	1
68	782	1	818	1	921	1	1037	1	1442	1	1559	1	1559	1	2000	1	2000	1
75	720	1	750	1	848	1	947	1	1341	1	1441	1	1441	1	1934	1	1934	1
77	659	1	685	1	770	1	866	1	1191	1	1299	1	1299	1	1767	1	1767	1
78	716	1	748	1	845	1	950	1	1322	1	1425	1	1425	1	1830	1	1830	1
79	680	1	711	1	802	1	902	1	1254	1	1356	1	1356	1	1739	1	1739	1
87	691	1	718	1	808	1	905	1	1254	1	1367	1	1367	1	1834	1	1834	1
88	702	1	728	1	826	1	926	1	1270	1	1382	1	1382	1	1854	1	1854	1
91	792	1	826	1	936	1	1046	1	1455	1	1562	1	1562	1	2049	1	2049	1
95	680	1	711	1	802	1	902	1	1254	1	1356	1	1356	1	1739	1	1739	1

FOR FORM 3 WITH RENOVATION COST B-639-B (REPAIR COST ON ROOF), MULTIPLY THE PREMIUM BY 1.20.

Arkansas Homeowners Form HO-3 Frame Base Rates

**\$60,000 Base, \$500 Deductible,
\$100,000 Liability, \$1,000 Medical Payments**

Zones	1-3, 1Y-3Y		4-5, 4Y-5Y		6, 6Y		7,7Y,1N-5N		8, 8Y		6N, 7N		9, 8N		10		11	
	Frame	curve	Frame	curve	Frame	curve	Frame	curve	Frame	curve	Frame	curve	Frame	curve	Frame	curve	Frame	curve
4	964	1	1029	1	1152	1	1283	1	1873	1	2049	1	2049	1	2616	1	2616	1
12	829	1	891	1	998	1	1101	1	1636	1	1772	1	1772	1	2305	1	2305	1
13	834	1	900	1	999	1	1116	1	1655	1	1793	1	1793	1	2358	1	2358	1
15	723	1	775	1	862	1	964	1	1415	1	1541	1	1541	1	2041	1	2041	1
16	834	1	900	1	999	1	1116	1	1655	1	1793	1	1793	1	2358	1	2358	1
18	915	1	973	1	1088	1	1212	1	1824	1	1964	1	1964	1	2526	1	2526	1
20	911	1	974	1	1090	1	1213	1	1772	1	1938	1	1938	1	2474	1	2474	1
21	938	1	999	1	1116	1	1244	1	1871	1	2015	1	2015	1	2590	1	2590	1
23	690	1	737	1	820	1	914	1	1347	1	1459	1	1459	1	1965	1	1965	1
24	776	1	835	1	926	1	1038	1	1560	1	1657	1	1657	1	2214	1	2214	1
26	889	1	951	1	1062	1	1182	1	1727	1	1890	1	1890	1	2412	1	2412	1
28	774	1	830	1	919	1	1031	1	1503	1	1632	1	1632	1	2130	1	2130	1
29	911	1	974	1	1090	1	1213	1	1772	1	1938	1	1938	1	2474	1	2474	1
31	874	1	939	1	1045	1	1175	1	1719	1	1865	1	1865	1	2385	1	2385	1
32	1071	1	1151	1	1278	1	1425	1	2087	1	2276	1	2276	1	2855	1	2855	1
34	874	1	939	1	1045	1	1175	1	1719	1	1865	1	1865	1	2385	1	2385	1
35	946	1	1014	1	1127	1	1262	1	1846	1	1999	1	1999	1	2579	1	2579	1
36	811	1	867	1	964	1	1078	1	1572	1	1704	1	1704	1	2266	1	2266	1
38	960	1	1026	1	1146	1	1280	1	1865	1	2031	1	2031	1	2585	1	2585	1
40	747	1	802	1	893	1	1004	1	1469	1	1595	1	1595	1	2039	1	2039	1
41	858	1	921	1	1027	1	1154	1	1690	1	1835	1	1835	1	2345	1	2345	1
44	854	1	909	1	1015	1	1132	1	1702	1	1833	1	1833	1	2357	1	2357	1
45	960	1	1026	1	1146	1	1280	1	1865	1	2031	1	2031	1	2585	1	2585	1
48	741	1	795	1	882	1	987	1	1441	1	1565	1	1565	1	2041	1	2041	1
49	791	1	846	1	941	1	1051	1	1533	1	1663	1	1663	1	2211	1	2211	1
50	864	1	929	1	1040	1	1150	1	1706	1	1846	1	1846	1	2404	1	2404	1
51	790	1	848	1	943	1	1056	1	1586	1	1686	1	1686	1	2252	1	2252	1
53	848	1	909	1	1011	1	1133	1	1656	1	1794	1	1794	1	2315	1	2315	1
55	788	1	848	1	948	1	1047	1	1555	1	1684	1	1684	1	2193	1	2193	1
57	741	1	795	1	882	1	987	1	1441	1	1565	1	1565	1	2041	1	2041	1
58	735	1	789	1	878	1	981	1	1439	1	1567	1	1567	1	2078	1	2078	1
62	808	1	870	1	972	1	1074	1	1594	1	1727	1	1727	1	2249	1	2249	1
68	858	1	921	1	1027	1	1154	1	1690	1	1835	1	1835	1	2345	1	2345	1
75	790	1	848	1	943	1	1056	1	1586	1	1686	1	1686	1	2252	1	2252	1
77	720	1	770	1	857	1	955	1	1407	1	1524	1	1524	1	2053	1	2053	1
78	786	1	845	1	941	1	1056	1	1546	1	1680	1	1680	1	2147	1	2147	1
79	747	1	802	1	893	1	1004	1	1469	1	1595	1	1595	1	2039	1	2039	1
87	755	1	808	1	899	1	1007	1	1477	1	1608	1	1608	1	2131	1	2131	1
88	773	1	826	1	916	1	1024	1	1494	1	1620	1	1620	1	2154	1	2154	1
91	873	1	936	1	1040	1	1166	1	1702	1	1846	1	1846	1	2381	1	2381	1
95	747	1	802	1	893	1	1004	1	1469	1	1595	1	1595	1	2039	1	2039	1

FOR FORM 3 WITH RENOVATION COST B-639-B (REPAIR COST ON ROOF), MULTIPLY THE PREMIUM BY 1.20.

Arkansas Homeowners Form HO-3 Policy Deductible Adjustments

Amount Insured	Deductible									
	# 50	# 100	# 250	500	750	1,000	1,500	2,000	2,500	5,000
0 - 5,000	0.47	0.39	0.12	-0.01	-0.11	-0.19	-0.29	-0.35	-0.39	-0.45
5,001 - 10,000	0.47	0.39	0.12	-0.01	-0.11	-0.19	-0.29	-0.35	-0.39	-0.45
10,001 - 15,000	0.47	0.39	0.12	-0.01	-0.11	-0.19	-0.29	-0.35	-0.39	-0.45
15,001 - 20,000	0.47	0.39	0.12	-0.01	-0.11	-0.19	-0.29	-0.35	-0.39	-0.45
20,001 - 25,000	0.47	0.39	0.12	-0.01	-0.11	-0.19	-0.29	-0.35	-0.39	-0.45
25,001 - 30,000	0.47	0.39	0.12	-0.01	-0.11	-0.19	-0.29	-0.35	-0.39	-0.45
30,001 - 35,000	0.47	0.39	0.12	-0.01	-0.11	-0.19	-0.29	-0.35	-0.39	-0.45
35,001 - 40,000	0.47	0.39	0.12	-0.01	-0.11	-0.19	-0.29	-0.35	-0.39	-0.45
40,001 - 45,000	0.47	0.39	0.12	-0.01	-0.11	-0.19	-0.29	-0.35	-0.39	-0.45
45,001 - 50,000	0.47	0.39	0.12	-0.01	-0.11	-0.19	-0.29	-0.35	-0.39	-0.45
50,001 - 55,000	0.47	0.39	0.12	-0.01	-0.11	-0.18	-0.29	-0.35	-0.39	-0.44
55,001 - 60,000	0.47	0.39	0.12	-0.01	-0.10	-0.18	-0.28	-0.34	-0.38	-0.44
60,001 - 65,000	0.47	0.39	0.12	-0.01	-0.10	-0.17	-0.28	-0.34	-0.38	-0.44
65,001 - 70,000	0.47	0.39	0.12	-0.01	-0.10	-0.17	-0.27	-0.34	-0.37	-0.43
70,001 - 75,000	0.47	0.39	0.12	0.00	-0.09	-0.17	-0.27	-0.33	-0.37	-0.43
75,001 - 80,000	0.47	0.39	0.12	0.00	-0.09	-0.16	-0.26	-0.33	-0.37	-0.43
80,001 - 85,000	0.47	0.39	0.12	0.00	-0.09	-0.16	-0.26	-0.32	-0.36	-0.42
85,001 - 90,000	0.47	0.39	0.12	0.00	-0.09	-0.16	-0.25	-0.32	-0.36	-0.42
90,001 - 95,000	0.47	0.39	0.12	0.01	-0.08	-0.15	-0.25	-0.31	-0.35	-0.42
95,001 - 100,000	0.47	0.39	0.12	0.01	-0.08	-0.15	-0.25	-0.31	-0.35	-0.41
100,001 - 110,000	0.47	0.39	0.12	0.01	-0.08	-0.14	-0.24	-0.31	-0.35	-0.41
110,001 - 120,000	0.47	0.39	0.12	0.01	-0.07	-0.14	-0.24	-0.30	-0.34	-0.41
120,001 - 130,000	0.47	0.39	0.12	0.01	-0.07	-0.14	-0.24	-0.30	-0.34	-0.40
130,001 - 140,000	0.47	0.39	0.12	0.02	-0.07	-0.14	-0.23	-0.30	-0.34	-0.40
140,001 - 150,000	0.47	0.39	0.12	0.02	-0.07	-0.13	-0.23	-0.29	-0.33	-0.40
150,001 - 160,000	0.47	0.39	0.12	0.02	-0.06	-0.13	-0.23	-0.29	-0.33	-0.39
160,001 - 170,000	0.47	0.39	0.12	0.02	-0.06	-0.13	-0.22	-0.29	-0.33	-0.39
170,001 - 180,000	0.47	0.39	0.12	0.03	-0.06	-0.12	-0.22	-0.28	-0.32	-0.39
180,001 - 190,000	0.47	0.39	0.12	0.03	-0.05	-0.12	-0.22	-0.28	-0.32	-0.38
190,001 - 200,000	0.47	0.39	0.12	0.03	-0.05	-0.12	-0.21	-0.28	-0.32	-0.38
200,001 - 225,000	0.47	0.39	0.12	0.03	-0.05	-0.12	-0.21	-0.27	-0.31	-0.38
225,001 - 250,000	0.47	0.39	0.12	0.03	-0.05	-0.11	-0.21	-0.27	-0.31	-0.38
250,001 - 275,000	0.47	0.39	0.12	0.03	-0.05	-0.11	-0.21	-0.27	-0.31	-0.37
275,001 - 300,000	0.47	0.39	0.12	0.03	-0.04	-0.11	-0.20	-0.26	-0.30	-0.37
300,001 - 400,000	0.47	0.39	0.12	0.04	-0.04	-0.10	-0.19	-0.25	-0.29	-0.36
400,001 - 500,000	0.47	0.39	0.12	0.04	-0.03	-0.09	-0.18	-0.24	-0.28	-0.35
500,001 - 600,000	0.47	0.39	0.12	0.04	-0.03	-0.09	-0.18	-0.24	-0.28	-0.35
600,001 - 700,000	0.47	0.39	0.12	0.04	-0.03	-0.09	-0.18	-0.24	-0.28	-0.35
700,001 - 800,000	0.47	0.39	0.12	0.04	-0.03	-0.09	-0.18	-0.24	-0.28	-0.35
800,001 - 900,000	0.47	0.39	0.12	0.04	-0.03	-0.09	-0.18	-0.24	-0.28	-0.35
900,001 - 1,000,000	0.47	0.39	0.12	0.04	-0.03	-0.09	-0.18	-0.24	-0.28	-0.35
1,000,001 - 2,000,000	0.47	0.39	0.12	0.04	-0.03	-0.09	-0.18	-0.24	-0.28	-0.35
2,000,001 - 5,000,000	0.47	0.39	0.12	0.04	-0.03	-0.09	-0.18	-0.24	-0.28	-0.35
5,000,001 & Above	0.47	0.39	0.12	0.04	-0.03	-0.09	-0.18	-0.24	-0.28	-0.35

Available only to Form HO-3 policies originally written before 8-25-2004 with a \$50, \$100 or \$250 policy deductible.

Arkansas Homeowners Form HO-3 Policy Deductible Adjustments

Amount Insured	Deductible 1% Wind/Hail									
	# 50	# 100	# 250	500	750	1,000	1,500	2,000	2,500	5,000
0 - 5,000	0.47	0.39	0.12	-0.01	-0.11	-0.19	-0.29	-0.35	-0.39	-0.45
5,001 - 10,000	0.42	0.39	0.12	-0.01	-0.11	-0.19	-0.29	-0.35	-0.39	-0.45
10,001 - 15,000	0.40	0.37	0.12	-0.01	-0.11	-0.19	-0.29	-0.35	-0.39	-0.45
15,001 - 20,000	0.39	0.35	0.12	-0.01	-0.11	-0.19	-0.29	-0.35	-0.39	-0.45
20,001 - 25,000	0.26	0.23	0.12	-0.01	-0.11	-0.19	-0.29	-0.35	-0.39	-0.45
25,001 - 30,000	0.24	0.21	0.10	-0.01	-0.11	-0.19	-0.29	-0.35	-0.39	-0.45
30,001 - 35,000	0.23	0.20	0.09	-0.01	-0.11	-0.19	-0.29	-0.35	-0.39	-0.45
35,001 - 40,000	0.21	0.18	0.07	-0.01	-0.11	-0.19	-0.29	-0.35	-0.39	-0.45
40,001 - 45,000	0.20	0.16	0.06	-0.01	-0.11	-0.19	-0.29	-0.35	-0.39	-0.45
45,001 - 50,000	0.18	0.15	0.04	-0.01	-0.11	-0.19	-0.29	-0.35	-0.39	-0.45
50,001 - 55,000	0.17	0.14	0.03	-0.02	-0.11	-0.18	-0.29	-0.35	-0.39	-0.44
55,001 - 60,000	0.16	0.13	0.02	-0.03	-0.10	-0.18	-0.28	-0.34	-0.38	-0.44
60,001 - 65,000	0.15	0.12	0.01	-0.04	-0.10	-0.17	-0.28	-0.34	-0.38	-0.44
65,001 - 70,000	0.14	0.11	0.00	-0.05	-0.10	-0.17	-0.27	-0.34	-0.37	-0.43
70,001 - 75,000	0.13	0.10	-0.01	-0.06	-0.09	-0.17	-0.27	-0.33	-0.37	-0.43
75,001 - 80,000	0.12	0.09	-0.02	-0.06	-0.10	-0.16	-0.26	-0.33	-0.37	-0.43
80,001 - 85,000	0.12	0.09	-0.02	-0.07	-0.10	-0.16	-0.26	-0.32	-0.36	-0.42
85,001 - 90,000	0.11	0.08	-0.03	-0.07	-0.11	-0.16	-0.25	-0.32	-0.36	-0.42
90,001 - 95,000	0.11	0.07	-0.03	-0.08	-0.11	-0.15	-0.25	-0.31	-0.35	-0.42
95,001 - 100,000	0.10	0.07	-0.04	-0.09	-0.12	-0.15	-0.25	-0.31	-0.35	-0.41
100,001 - 110,000	0.09	0.06	-0.05	-0.09	-0.13	-0.16	-0.24	-0.31	-0.35	-0.41
110,001 - 120,000	0.08	0.05	-0.06	-0.10	-0.14	-0.16	-0.24	-0.30	-0.34	-0.41
120,001 - 130,000	0.07	0.04	-0.07	-0.11	-0.15	-0.17	-0.24	-0.30	-0.34	-0.40
130,001 - 140,000	0.06	0.03	-0.08	-0.12	-0.16	-0.18	-0.23	-0.30	-0.34	-0.40
140,001 - 150,000	0.05	0.02	-0.09	-0.13	-0.16	-0.19	-0.23	-0.29	-0.33	-0.40
150,001 - 160,000	0.04	0.01	-0.10	-0.13	-0.17	-0.20	-0.23	-0.29	-0.33	-0.39
160,001 - 170,000	0.04	0.01	-0.10	-0.14	-0.17	-0.20	-0.24	-0.29	-0.33	-0.39
170,001 - 180,000	0.03	0.00	-0.11	-0.14	-0.18	-0.20	-0.24	-0.28	-0.32	-0.39
180,001 - 190,000	0.03	0.00	-0.11	-0.15	-0.18	-0.21	-0.25	-0.28	-0.32	-0.38
190,001 - 200,000	0.02	-0.01	-0.12	-0.15	-0.19	-0.21	-0.25	-0.28	-0.32	-0.38
200,001 - 225,000	0.01	-0.02	-0.13	-0.16	-0.20	-0.22	-0.26	-0.28	-0.31	-0.38
225,001 - 250,000	0.00	-0.03	-0.14	-0.17	-0.21	-0.23	-0.27	-0.29	-0.31	-0.38
250,001 - 275,000	0.00	-0.03	-0.14	-0.17	-0.21	-0.23	-0.27	-0.29	-0.31	-0.37
275,001 - 300,000	0.00	-0.03	-0.14	-0.18	-0.21	-0.23	-0.27	-0.30	-0.31	-0.37
300,001 - 400,000	-0.01	-0.04	-0.15	-0.18	-0.22	-0.24	-0.28	-0.30	-0.32	-0.36
400,001 - 500,000	-0.02	-0.05	-0.16	-0.19	-0.22	-0.25	-0.28	-0.30	-0.32	-0.35
500,001 - 600,000	-0.02	-0.05	-0.16	-0.19	-0.22	-0.25	-0.28	-0.30	-0.32	-0.35
600,001 - 700,000	-0.02	-0.05	-0.16	-0.20	-0.23	-0.26	-0.29	-0.31	-0.33	-0.36
700,001 - 800,000	-0.02	-0.05	-0.16	-0.20	-0.23	-0.26	-0.29	-0.31	-0.33	-0.36
800,001 - 900,000	-0.02	-0.05	-0.16	-0.21	-0.24	-0.27	-0.30	-0.32	-0.34	-0.37
900,001 - 1,000,000	-0.02	-0.05	-0.16	-0.21	-0.24	-0.27	-0.30	-0.32	-0.34	-0.37
1,000,001 - 2,000,000	-0.02	-0.05	-0.16	-0.22	-0.25	-0.28	-0.31	-0.33	-0.35	-0.38
2,000,001 - 5,000,000	-0.02	-0.05	-0.16	-0.22	-0.25	-0.28	-0.31	-0.33	-0.35	-0.38
5,000,001 & Above	-0.02	-0.05	-0.16	-0.23	-0.26	-0.29	-0.32	-0.34	-0.36	-0.39

Available only to Form HO-3 policies originally written before 8-25-2004 with a \$50, \$100 or \$250 policy deductible.

Arkansas Homeowners Form HO-3 Policy Deductible Adjustments

Amount Insured	Deductible 2% Wind/Hail									
	# 50	# 100	# 250	500	750	1,000	1,500	2,000	2,500	5,000
0 - 5,000	0.42	0.39	0.12	-0.01	-0.11	-0.19	-0.29	-0.35	-0.39	-0.45
5,001 - 10,000	0.40	0.37	0.12	-0.01	-0.11	-0.19	-0.29	-0.35	-0.39	-0.45
10,001 - 15,000	0.26	0.23	0.12	-0.01	-0.11	-0.19	-0.29	-0.35	-0.39	-0.45
15,001 - 20,000	0.22	0.19	0.08	-0.01	-0.11	-0.19	-0.29	-0.35	-0.39	-0.45
20,001 - 25,000	0.18	0.15	0.04	-0.01	-0.11	-0.19	-0.29	-0.35	-0.39	-0.45
25,001 - 30,000	0.17	0.14	0.03	-0.02	-0.11	-0.19	-0.29	-0.35	-0.39	-0.45
30,001 - 35,000	0.16	0.12	0.02	-0.04	-0.11	-0.19	-0.29	-0.35	-0.39	-0.45
35,001 - 40,000	0.15	0.11	0.01	-0.05	-0.11	-0.19	-0.29	-0.35	-0.39	-0.45
40,001 - 45,000	0.13	0.10	-0.01	-0.06	-0.11	-0.19	-0.29	-0.35	-0.39	-0.45
45,001 - 50,000	0.12	0.09	-0.02	-0.07	-0.11	-0.19	-0.29	-0.35	-0.39	-0.45
50,001 - 55,000	0.10	0.07	-0.04	-0.09	-0.13	-0.18	-0.29	-0.35	-0.39	-0.44
55,001 - 60,000	0.08	0.05	-0.06	-0.11	-0.15	-0.18	-0.28	-0.34	-0.38	-0.44
60,001 - 65,000	0.07	0.03	-0.07	-0.13	-0.16	-0.17	-0.28	-0.34	-0.38	-0.44
65,001 - 70,000	0.05	0.01	-0.09	-0.14	-0.18	-0.17	-0.27	-0.34	-0.37	-0.43
70,001 - 75,000	0.03	0.00	-0.11	-0.16	-0.20	-0.23	-0.27	-0.33	-0.37	-0.43
75,001 - 80,000	0.02	-0.01	-0.12	-0.17	-0.20	-0.23	-0.27	-0.33	-0.37	-0.43
80,001 - 85,000	0.02	-0.01	-0.12	-0.17	-0.21	-0.23	-0.27	-0.32	-0.36	-0.42
85,001 - 90,000	0.01	-0.02	-0.13	-0.17	-0.21	-0.24	-0.28	-0.32	-0.36	-0.42
90,001 - 95,000	0.01	-0.02	-0.13	-0.18	-0.21	-0.24	-0.28	-0.31	-0.35	-0.42
95,001 - 100,000	0.00	-0.03	-0.14	-0.18	-0.22	-0.24	-0.28	-0.31	-0.35	-0.41
100,001 - 110,000	0.00	-0.04	-0.14	-0.19	-0.22	-0.25	-0.29	-0.31	-0.35	-0.41
110,001 - 120,000	-0.01	-0.04	-0.15	-0.19	-0.23	-0.25	-0.29	-0.32	-0.34	-0.41
120,001 - 130,000	-0.02	-0.05	-0.16	-0.20	-0.23	-0.26	-0.30	-0.32	-0.34	-0.40
130,001 - 140,000	-0.02	-0.05	-0.16	-0.20	-0.23	-0.26	-0.30	-0.32	-0.34	-0.40
140,001 - 150,000	-0.02	-0.05	-0.16	-0.20	-0.23	-0.26	-0.30	-0.33	-0.34	-0.40
150,001 - 160,000	-0.02	-0.05	-0.16	-0.20	-0.24	-0.26	-0.30	-0.33	-0.34	-0.39
160,001 - 170,000	-0.02	-0.06	-0.16	-0.20	-0.24	-0.26	-0.30	-0.33	-0.34	-0.39
170,001 - 180,000	-0.02	-0.06	-0.16	-0.20	-0.24	-0.26	-0.30	-0.33	-0.34	-0.39
180,001 - 190,000	-0.03	-0.06	-0.17	-0.21	-0.24	-0.27	-0.30	-0.33	-0.34	-0.38
190,001 - 200,000	-0.03	-0.06	-0.17	-0.21	-0.24	-0.27	-0.30	-0.33	-0.35	-0.38
200,001 - 225,000	-0.03	-0.07	-0.17	-0.21	-0.24	-0.27	-0.31	-0.33	-0.35	-0.38
225,001 - 250,000	-0.04	-0.07	-0.18	-0.21	-0.24	-0.27	-0.31	-0.33	-0.35	-0.38
250,001 - 275,000	-0.04	-0.07	-0.18	-0.21	-0.24	-0.27	-0.31	-0.33	-0.35	-0.38
275,001 - 300,000	-0.04	-0.07	-0.18	-0.21	-0.24	-0.27	-0.31	-0.33	-0.35	-0.38
300,001 - 400,000	-0.04	-0.07	-0.18	-0.22	-0.25	-0.28	-0.32	-0.34	-0.36	-0.39
400,001 - 500,000	-0.04	-0.07	-0.18	-0.22	-0.25	-0.28	-0.32	-0.34	-0.36	-0.39
500,001 - 600,000	-0.04	-0.07	-0.18	-0.23	-0.26	-0.29	-0.33	-0.35	-0.37	-0.40
600,001 - 700,000	-0.04	-0.07	-0.18	-0.23	-0.26	-0.29	-0.33	-0.35	-0.37	-0.40
700,001 - 800,000	-0.04	-0.07	-0.18	-0.24	-0.27	-0.30	-0.34	-0.36	-0.38	-0.41
800,001 - 900,000	-0.04	-0.07	-0.18	-0.24	-0.27	-0.30	-0.34	-0.36	-0.38	-0.41
900,001 - 1,000,000	-0.04	-0.07	-0.18	-0.25	-0.28	-0.31	-0.35	-0.37	-0.39	-0.42
1,000,001 - 2,000,000	-0.04	-0.07	-0.18	-0.25	-0.28	-0.31	-0.35	-0.37	-0.39	-0.42
2,000,001 - 5,000,000	-0.04	-0.07	-0.18	-0.26	-0.29	-0.32	-0.36	-0.38	-0.40	-0.43
5,000,001 & Above	-0.04	-0.07	-0.18	-0.26	-0.29	-0.32	-0.36	-0.38	-0.40	-0.43

Available only to Form HO-3 policies originally written before 8-25-2004 with a \$50, \$100 or \$250 policy deductible.

Arkansas Homeowners Form HO-4 Base Rates

**\$10,000 Base, \$250 Deductible, \$100,000 Liability, \$1,000 Medical Payments
Apartment Units in 1-4 Family Residences of Any Construction**

Zones	curve	
4	97	1
12	97	1
13	97	1
15	97	1
16	97	1
18	97	1
20	97	1
21	97	1
23	97	1
24	97	1
26	97	1
28	97	1
29	97	1
31	97	1
32	97	1
34	97	1
35	97	1
36	97	1
38	97	1
40	97	1
41	97	1
44	97	1
45	97	1
48	109	2
49	97	1
50	97	1
51	97	1
53	97	1
55	97	1
57	109	2
58	97	1
62	97	1
68	97	1
75	97	1
77	97	1
78	97	1
79	97	1
87	97	1
88	97	1
91	97	1
95	97	1

FOR FORM HO-6 PREMIUM, MULTIPLY FORM HO-4 PREMIUM BY.90.

FOR APARTMENTS IN ALL OTHER BUILDINGS MUTIPLY THE 1-4 FAMILY DWELLING PREMIUMS BY 1.30.

Arkansas Homeowners Forms HO-4 and HO-6

Amount of Insurance

\$10,000 Base, \$250 Deductible, \$100,000 Liability, \$1,000 Medical Payments

Amount Insured	Curve 1	Curve 2
0 - 4000	0.740	0.784
5,000	0.750	0.794
6,000	0.766	0.804
7,000	0.823	0.847
8,000	0.873	0.893
9,000	0.940	0.953
10,000	1.000	1.000
11,000	1.079	1.071
12,000	1.139	1.118
13,000	1.199	1.165
14,000	1.257	1.212
15,000	1.330	1.269
16,000	1.384	1.318
17,000	1.443	1.365
18,000	1.503	1.412
19,000	1.555	1.459
20,000	1.612	1.500
22,000	1.700	1.576
24,000	1.780	1.647
26,000	1.866	1.706
28,000	1.958	1.788
30,000	2.055	1.859
32,000	2.153	1.934
34,000	2.246	2.009
36,000	2.335	2.084
38,000	2.416	2.159
40,000	2.500	2.235
42,000	2.578	2.296
44,000	2.655	2.357
46,000	2.730	2.418
48,000	2.803	2.479
50,000	2.876	2.541
For Each Additional 1,000 Add:		
	0.0365	0.0310

Arkansas Homeowners Forms HO-4 and HO-6 Policy Deductible Factors

Deductibles	Factors
# 50	1.31
# 100	1.16
250	1.00
500	0.82
750	0.71
1,000	0.64
1,500	0.60
2,000	0.59
2,500	0.57
5,000	0.52

Available only to Form 4 and 6 policies originally written before 8-25-2004 with a \$50 or \$100 all-peril deductible.

SERFF Tracking Number: SHEL-128105799 State: Arkansas
 Filing Company: Shelter Mutual Insurance Company State Tracking Number:
 Company Tracking Number: 03M20112
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
 Product Name: HO
 Project Name/Number: Johnson/

Supporting Document Schedules

	Item Status:	Status Date:
Bypassed - Item: Form RF-2 Loss Costs Only (not for workers' compensation)		
Bypass Reason: This is an independent rate, rule filing.		
Comments:		

	Item Status:	Status Date:
Satisfied - Item: H-1 Homeowners Abstract	Filed	03/26/2012
Comments: Please see attachments.		
Attachments: AR Form H1.pdf Supplement to H-1.pdf		

	Item Status:	Status Date:
Satisfied - Item: HPCS-Homeowners Premium Comparison Survey	Filed	03/26/2012
Comments: Please see attachments.		
Attachments: HPCS 6-7-2012 Revised v2.pdf HPCS 6-7-2012 Revised v2.xls		

	Item Status:	Status Date:
Satisfied - Item: NAIC loss cost data entry document	Filed	03/26/2012
Comments: Please see attachment.		
Attachment: AR HO RF1 - Revised.pdf		

SERFF Tracking Number: SHEL-128105799 State: Arkansas
 Filing Company: Shelter Mutual Insurance Company State Tracking Number:
 Company Tracking Number: 03M20112
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
 Product Name: HO
 Project Name/Number: Johnson/

Item Status: Filed **Status Date:** 03/26/2012
Satisfied - Item: Explanatory Memorandum
Comments:
 Please see revised attachment.
Attachment:
 AR HO Explanatory Memo - Revised.pdf

Item Status: Filed **Status Date:** 03/26/2012
Satisfied - Item: Rate Indications and Supporting Exhibits
Comments:
 Please see attachment.
Attachments:
 AR HO Explanation of Exhibits.pdf
 HO Exhibits 1-12.pdf

Item Status: Filed **Status Date:** 03/26/2012
Satisfied - Item: Histogram
Comments:
 Please see attachment.
Attachment:
 Graph - Revised.pdf

Item Status: Filed **Status Date:** 03/26/2012
Satisfied - Item: Explanation of Largest Maximum Percentage Change Shown on Rate/Rule Schedule tab
Comments:
 Please see attachments.
Attachments:

SERFF Tracking Number: SHEL-128105799 State: Arkansas
Filing Company: Shelter Mutual Insurance Company State Tracking Number:
Company Tracking Number: 03M20112
TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Product Name: HO
Project Name/Number: Johnson/

Supplement to Exhibit A.pdf
Exhibit A.pdf

	Item Status:	Status Date:
Satisfied - Item: Supporting Exhibit for February 28 Response	Filed	03/26/2012

Comments:

Please see attachment.

Attachment:

HOM Exper by Tier.pdf

	Item Status:	Status Date:
Satisfied - Item: Response of March 23	Filed	03/26/2012

Comments:

Please see attachments.

Attachments:

Exhibit 3 - Revised.pdf

Exhibit 12 - Revised.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 Shelter Mutual Insurance Company
 NAIC # (including group #) NAIC #23388, Group #123

1. If you have had an insurance to value campaign during the experience filing period, describe the campaign and estimate its impact.
Not Applicable
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.
Please see additional information attached.
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.
Please see additional information attached.
4. If you use an Inflation Guard form or similar type of coverage, describe the coverage(s) and estimate the impact.
Please see additional information attached.

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

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

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

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

Form	Premium Volume
HO-3	\$ 47,807,530
<u>HO-4 & HO-6</u>	<u>786,978</u>

8. Do you write homeowner risks which have aluminum, steel or vinyl siding? Yes No
9. Is there a surcharge on risks with wood heat? Rather than a surcharge, premiums in protection Classes 8Y, 6N-8N, 8, 9, 10 & 11 reflect the added exposure due to the use of solid fuel heating. Policyholders in these protection classes who have no type of solid fuel heating devices are given a credit of 15% (Form 3 Only).
- If yes, state the surcharge See above.
- Does the surcharge apply to conventional fire places? No
- If yes, state the surcharge Not Applicable

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

Brian Marcks

Digitally signed by Brian Marcks
DN: CN = Brian Marcks, C = US
Reason: I have reviewed this document
Date: 2012.02.23 09:32:21 -06'00'

Signature

Brian Marcks

Printed Name

Coordinator of Insurance Dept. Affairs

Title

573-214-4165

Telephone Number

bcmarcks@shelterinsurance.com

Email Address

The following are answers to questions two through four of Form H-1, Homeowners Abstract:

2. We have used cost estimators in Arkansas since 6/1/1979. We converted from the Boeckh cost estimator system to the Marshall & Swift cost estimator system on 3/1/2001. We now use the Boeckh/Marshall & Swift cost estimator system as Boeckh merged with Marshall & Swift.
3. For an HO-3 with the Expanded Restoration Cost endorsement, we require the amount of insurance to be at least 100% of restoration cost. For an HO-3 with Modified Renovation Cost endorsement attached, we require the amount of insurance to be at least 100% of market value. For an HO-3 without the Expanded Restoration Cost endorsement or the Modified Renovation Cost endorsement, we require the amount of insurance to be at least 100% of restoration cost.
4. We have a mandatory annual amount of insurance rollup for HO-3s, based on construction cost indices. Our policy size trending procedure accounts for the additional premium expected to be generated by our rollup programs.

NAIC Number: 23388
 Company Name: Shelter Mutual Insurance Company
 Contact Person: Brian Marcks
 Telephone No.: 573-214-4165
 Email Address: BCMarcks@Shelterinsurance.com
 Effective Date: June 7, 2012*

**Homeowners Premium Comparison Survey Form
 FORM HP3S - last modified August, 2005**

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

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

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

Public Protection Class	Dwelling Value	Washington		Baxter		Craighead		St. Francis		Desha		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$80,000	\$904	\$996	\$868	\$947	\$946	\$1,041	\$1,135	\$1,242	\$997	\$1,100	\$1,073	\$1,174	\$1,073	\$1,174	\$995	\$1,093	\$922	\$1,013
	\$120,000	\$1,298	\$1,429	\$1,246	\$1,359	\$1,357	\$1,494	\$1,628	\$1,782	\$1,431	\$1,579	\$1,540	\$1,684	\$1,540	\$1,684	\$1,427	\$1,567	\$1,323	\$1,453
	\$160,000	\$1,692	\$1,863	\$1,624	\$1,771	\$1,769	\$1,947	\$2,123	\$2,323	\$1,865	\$2,058	\$2,007	\$2,195	\$2,007	\$2,195	\$1,860	\$2,043	\$1,725	\$1,894
6	\$80,000	\$1,064	\$1,180	\$1,017	\$1,131	\$1,121	\$1,252	\$1,326	\$1,484	\$1,171	\$1,308	\$1,255	\$1,404	\$1,255	\$1,404	\$1,171	\$1,303	\$1,089	\$1,212
	\$120,000	\$1,527	\$1,693	\$1,458	\$1,623	\$1,608	\$1,797	\$1,902	\$2,129	\$1,680	\$1,876	\$1,800	\$2,015	\$1,800	\$2,015	\$1,680	\$1,869	\$1,562	\$1,739
	\$160,000	\$1,990	\$2,207	\$1,901	\$2,116	\$2,096	\$2,342	\$2,480	\$2,776	\$2,190	\$2,446	\$2,347	\$2,627	\$2,347	\$2,627	\$2,190	\$2,436	\$2,036	\$2,268
9	\$80,000	\$1,513	\$1,774	\$1,460	\$1,716	\$1,609	\$1,891	\$1,910	\$2,244	\$1,721	\$2,007	\$1,807	\$2,122	\$1,807	\$2,122	\$1,662	\$1,965	\$1,561	\$1,840
	\$120,000	\$2,171	\$2,545	\$2,094	\$2,462	\$2,308	\$2,713	\$2,740	\$3,219	\$2,470	\$2,880	\$2,592	\$3,045	\$2,592	\$3,045	\$2,385	\$2,819	\$2,239	\$2,640
	\$160,000	\$2,831	\$3,318	\$2,730	\$3,210	\$3,009	\$3,537	\$3,572	\$4,197	\$3,220	\$3,755	\$3,380	\$3,970	\$3,380	\$3,970	\$3,109	\$3,675	\$2,919	\$3,441

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	\$63.00	\$63.00	\$63.00	\$63.00	\$63.00	\$63.00	\$63.00	\$63.00	\$63.00	\$63.00	\$63.00	\$63.00	\$63.00	\$63.00	\$63.00	\$63.00	\$63.00	\$63.00
	\$15,000	\$111.00	\$111.00	\$111.00	\$111.00	\$111.00	\$111.00	\$111.00	\$111.00	\$111.00	\$111.00	\$111.00	\$111.00	\$111.00	\$111.00	\$111.00	\$111.00	\$111.00	\$111.00
	\$25,000	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00
6	\$5,000	\$63.00	\$63.00	\$63.00	\$63.00	\$63.00	\$63.00	\$63.00	\$63.00	\$63.00	\$63.00	\$63.00	\$63.00	\$63.00	\$63.00	\$63.00	\$63.00	\$63.00	\$63.00
	\$15,000	\$111.00	\$111.00	\$111.00	\$111.00	\$111.00	\$111.00	\$111.00	\$111.00	\$111.00	\$111.00	\$111.00	\$111.00	\$111.00	\$111.00	\$111.00	\$111.00	\$111.00	\$111.00
	\$25,000	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00
9	\$5,000	\$63.00	\$63.00	\$63.00	\$63.00	\$63.00	\$63.00	\$63.00	\$63.00	\$63.00	\$63.00	\$63.00	\$63.00	\$63.00	\$63.00	\$63.00	\$63.00	\$63.00	\$63.00
	\$15,000	\$111.00	\$111.00	\$111.00	\$111.00	\$111.00	\$111.00	\$111.00	\$111.00	\$111.00	\$111.00	\$111.00	\$111.00	\$111.00	\$111.00	\$111.00	\$111.00	\$111.00	\$111.00
	\$25,000	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00

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	NA	%	Deadbolt Lock	NA
Burglar Alarm	5	%	Window Locks	NA
Smoke Alarm	2	%	\$1,000 Deductible	36
			Other (specify)	
			See Manual Pgs GR-8, 9 & 29	

EARTHQUAKE INSURANCE

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

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

WHAT IS YOUR PERCENTAGE DEDUCTIBLE? thru %

Zone Highest Risk Brick Frame

WHAT IS YOUR PRICE PER \$1,000 OF COVERAGE? \$ \$

Maximum Credit Allowed

67

%

Lowest Risk

\$

0.80

\$

0.49

FORM RF-1 Rate Filing Abstract NAIC LOSS COST DATA ENTRY DOCUMENT

1.	This filing transmittal is part of Company Tracking #	03M20112
-----------	---	----------

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.	Shelter Mutual Insurance Company	B.	23388

		Product Coding Matrix Line of Business (i.e., Type of Insurance)	Product Coding Matrix Line of Business (i.e., Sub-type of Insurance)	
4.	A.	Shelter Mutual Homeowners	B.	Homeowners

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	(D) Expected Loss Ratio	FOR LOSS COSTS ONLY			
				(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
Homeowners	23.7	10.0	65.8	N/A	N/A	N/A	N/A
TOTAL OVERALL EFFECT							

Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
2007	47,422	-0.4	04/20/2007	34,989	10,841	31.0	44.5
2008	48,484	+8.9	12/20/2008/	36,804	53,689	145.9	101.3
2009	49,825	-0.1	07/12/2009/	39,914	39,331	98.5	81.6
2010	50,012	+14.9	02/02/2010	44,874	24,256	54.1	62.9
2011	50,723	+5.0	5/19/2011	48,146	41,563	86.3	98.5

Expense Constants	Selected Provisions
A. Total Production Expense	17.2
B. General Expense	7.5
C. Taxes, Licenses & Fees	2.9
D. Underwriting Profit & Contingencies	6.6
E. Other (explain)	
F. TOTAL	34.2

- 8.** N/A Apply Loss Cost Factors to Future filings? (Y or N)
- 9.** +70.6 Estimated Maximum Rate Increase for any Insured (%) Territory (if applicable): 57 see exhibit A
- 10.** -16.6 Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): 49

**SHELTER MUTUAL INSURANCE COMPANY
ARKANSAS HOMEOWNERS
EXPLANATORY MEMORANDUM (revised)**

SUMMARY

Base rates have been revised for all Forms. Deductible Adjustment Percentages were revised for Form HO-3 and are now based on amounts of insurance. Tier Placement Factors have been revised. The Companion Policy Discount has been increased. Secondary or Seasonal Residence is no longer required to have the liability coverage endorsed on the Primary Residence policy. The liability coverage will now be provided on the Secondary or Seasonal Residence policy. Editorial changes have also been made. **The overall change in revenue is +10.0% for \$4,873,220.**

GENERAL RULE (GR) PAGES

- GR-1** **2. Eligibility – "a. 2)"** – The eligibility requirement is no longer valid and has been deleted.
- GR-8** **4. DEDUCTIBLES** - The deductible adjustment percentages for Form HO-3 were revised and are now based on amount of insurance. These adjustment percentages are shown on rate pages R-4 through R-6 pages. Forms HO-4 and HO-6 deductible factors were not revised, but are now located on page R-9. The deductible factors for Supplemental Coverage rates remain the same and continue to be shown on GR-8.
- GR-10** **e. Companion Policy Discount** – the discount has increased from 20% to **25%**.
- GR-15** **Tier Placement** – the Tier Factor was adjusted for Tiers 3, 4, 5, and 6.
- GR-20** **Mandatory Coverages** - "a." was deleted and the remaining rules were renamed.
- 1. SECONDARY OR SEASONAL RESIDENCE PREMISES** – reference to liability coverage and endorsement (B-389-B) has been removed from this rule. The word "mandatory" has also been removed.
- GR-21** **1. SECONDARY OR SEASONAL RESIDENCE PREMISES** – The word "mandatory" and the Secondary Residence Premises Credit has been removed from this rule.

PREMIUM DETERMINATION CHART

- PD-1 thru PD-3** Updates were made to coincide with the revised GR and R pages.

BASE RATES AND DEDUCTIBLE FACTORS

- R-1 and R-2** Base rates were revised for Form HO-3.
- R-4 thru 6** Form HO-3 deductibles adjustment percentages have been moved from GR-8 and now are based on amounts of insurance.
- R-7** Base rates were revised for Forms HO-4 and HO-6.
- R-9** Forms HO-4 and HO-6 deductibles were moved from GR-8. The deductibles factors were not changed.
- R-8** Editorial changes only.
- Rate (R) pages 6 thru 9 are new pages due to the addition of the deductible pages to this section.

**SHELTER MUTUAL INSURANCE COMPANY
ARKANSAS HOMEOWNERS
EXPLANATION OF STATISTICAL EXHIBITS**

In accordance with Arkansas Regulation 23, Section 6.B., the following exhibits supplement this filing:

RF-1	Rate Filing Abstract
H-1	Homeowners Abstract
HPCS	Comparison of Homeowners Insurance Cost
Exhibit 1	Investment Income Calculation - Homeowners Multiple Peril
Exhibit 2	Underwriting Expenses and Expected Loss Ratio
Exhibit 3	Revenue Summation
Exhibit 4	Credibility
Exhibit 5	Loss Trending
Exhibit 6	Current Rate Levels
Exhibit 7	Policy Size Trending
Exhibit 8	Excess Wind and Hail Losses
Exhibit 9	Accident Year Losses and Claims Count
Exhibit 10	Unallocated Loss Adjustment Expense Factor
Exhibit 11	Arkansas Indicated Statewide Change
Exhibit 12	Revenue Change by Zone

Exhibit RF-1 displays the Arkansas Rate Filing Abstract (Form RF-1).

Exhibit H-1 displays the Arkansas Homeowners Abstract (Form H-1).

Exhibit HPCS gives a comparison of Homeowners Insurance Cost (Form HPCS).

Exhibit 1 displays the calculation of the estimate of investment income on net unearned premiums and loss reserves.

Exhibit 2 displays underwriting expenses for Homeowners Multiple Peril and contains the development of Expected Loss Ratio.

Exhibit 3 summarizes the expected revenue effect of Homeowners coverages.

Exhibit 4 displays a credibility table based on a total number of exposure units.

Exhibit 5 displays the calculation of loss trend factors separately for frequency and severity.

For the purpose of this calculation, a revision effective date of July 1, 2012 was used.

Exhibit 6 shows the factors necessary to adjust earned premium for rate changes to current.

Exhibit 7 displays the calculation of policy size trend factors.

For the purpose of this calculation, a revision effective date of July 1, 2012 was used. From our estimate of annual growth in amount of insurance, we project an average size curve factor to one year past the assumed effective date. The premium trend factor is then the change in average size curve factor from the midpoint of each experience year to the projected date. Forms 3 and forms 4 and 6 are then averaged using earned exposures as weights.

Exhibit 8 displays the calculation of excess wind and hail loss loading and smoothing.

Exhibit 9 displays the development of ultimate accident year incurred loss and allocated loss adjustment expense and ultimate accident year claim count.

Exhibit 10 displays the development of the unallocated loss adjustment expense factor.

Exhibit 11 contains the calculation of the Arkansas Statewide Indicated Change based on the following information:

Line 1 contains the recorded earned premiums without adjustment.

Line 2 contains factors necessary to adjust premiums for all rate changes during the experience period as noted in Exhibit 6.

Line 3 contains factors necessary to adjust premiums to reflect anticipated increases in the amounts of insurance purchased as developed in Exhibit 7.

Line 4 is the adjusted earned premium.

Line 5 displays fiscal accident year incurred losses and allocated loss adjustment expenses as developed in Exhibit 9.

Line 6 displays excess wind and hail loss adjustment amount as developed in Exhibit 8.

Line 7 shows incurred losses adjusted for excess Wind/Hail losses.

Line 8 displays the factors necessary to adjust losses to reflect anticipated changes in loss costs as developed in Exhibit 5.

Line 9 displays the Unallocated Loss Adjustment Expense Factor as developed in Exhibit 10.

Line 10 represents the adjusted incurred losses and loss adjustment expenses.

Line 11 shows the formula loss ratios for each year.

Line 12 displays the weights assigned to each year of the experience period.

Line 13 is the five-year weighted loss ratio.

Line 14 is the credibility for the experience period based on the table in Exhibit 4.

Line 15 shows the expected loss ratio, labeled "Available for Losses and Loss Adjustment Expense" in Exhibit 2, page 2.

Line 16 shows the trended expected loss ratio.

Line 17 shows the credibility weighted loss ratio with the complement of credibility given to trended expected loss ratio.

Line 18 displays the provision for variable expenses. It is the sum of commission and brokerage expenses, taxes, licenses, and fees, and profit and contingencies from Exhibit 2, page 2.

Line 19 displays the provision for fixed expenses. It is the sum of other acquisition expense and general expense from Exhibit 2, page 2.

Line 20 displays the factor selected to trend fixed expenses. It is based on the trend in the All Items component of the Consumer Price Index.

Line 21 displays the trended provision for fixed expenses. It is line 19 times line 20 raised to the Y power, where Y is the number of years from one year past the last significant rate change to one year past the expected effective date.

Line 22 shows the statewide indicated change with provisions for both variable and fixed expenses.

Exhibit 12 displays revenue change by zone.

Shelter Mutual Insurance Company

Arkansas

Homeowners Multiple Peril

Calculation of Investment Income Credit on Policyholder Funds

A. Unearned Premium Reserve		
(1) Direct Earned Premium for Calendar Year 2010		\$ 50,784,067
(2) Mean Unearned Premium Reserve: (1.) x 0.471		\$ 23,919,295
(3) Deductions for Prepaid Expenses:		
a. Brokerage and Commission	12.7%	
b. 50% of Other Acquisition Expense	2.3%	
c. 50% of General Expense	3.8%	
d. Taxes, Licenses and Fees	2.9%	
e. Total		21.7%
(4) Net Unearned Premium Subject to Investment: (2.) x (1 - (3.))		\$ 18,728,808
B. Loss Reserves		
1. Direct Earned Premium for Calendar Year 2010		\$ 50,784,067
2. Expected Incurred Loss and Loss Adjustment: (1.) x 0.724		\$ 36,767,664
3. Expected Mean Loss Reserve: (2.) x 0.334		\$ 12,280,400
C. Net Subject to Investment: A.4 + B.3		\$ 31,009,208
D. Average Rate of Return		0.0591
E. Investment Earnings on Net Subject to Investment: C x D		\$ 1,832,644
F. Average Rate of Return as a Percent of Direct Premium Earned: E / A.1		3.6%
G. Average Rate of Return as a Percent of Direct Premium Earned After Federal Income Tax: F x 0.744		2.7%

Please refer to the attached explanatory memorandum for details by line

Explanatory Memorandum re Investment Income - Arkansas - Homeowners Multiple Peril

Line A.1 - Direct earned premium as shown on page 14 for the State of Arkansas, Homeowners Multiple Peril, for Calendar Year 2010.

Line A.2 - The mean unearned premium reserve is determined by multiplying the direct earned premium in Line A.1 by the mean unearned premium ratio developed below.

1. Direct Earned Premium for Calendar Year 2010	\$ 50,784,067
2. Unearned Premium Reserve as of 12/31/2009	\$ 22,621,675
3. Unearned Premium Reserve as of 12/31/2010	\$ 25,257,660
4. Mean Unearned Premium Reserve: ((2.) + (3.)) / 2	\$ 23,939,668
5. Mean Unearned Premium Ratio: (4.) / (1.)	0.471

Line A.3 - Production and half of other company expenses are incurred with the initial writing and processing of insurance policies, exclusive of claim adjustment expenses. As these expenses are in effect prepaid, the funds will not be available to invest on behalf of the policyholder. The deduction for these expenses is determined by use of the provisions for expenses used in our ratemaking procedures as shown.

Line B.2 - The expected loss and loss adjustment ratio reflects expense provisions used in this filing with no provision for profit.

Line B.3 - The expected mean loss reserve is determined by multiplying the expected incurred loss in Line B.2 by the mean loss and loss adjustment reserve ratio as shown below.

1. Incurred Losses for Calendar Year 2009	\$ 45,182,773
2. Incurred Losses for Calendar Year 2010	\$ 27,721,019
3. Loss Reserves as of 12/31/2008	\$ 13,129,524
4. Loss Reserves as of 12/31/2009	\$ 12,049,732
5. Loss Reserves as of 12/31/2010	\$ 9,478,929
6. Mean Loss Reserve 2009	\$ 12,589,628
7. Mean Loss Reserve 2010	\$ 10,764,330
8. 2009 Ratio: (6.) / (1.)	0.279
9. 2010 Ratio: (7.) / (2.)	0.388
10. Mean Ratio: ((8.) + (9.)) / 2	0.334

Explanatory Memorandum re Investment Income - Continued

Line D - The rate of return is the ratio of Net Income Earned and Net Realized Capital Gains/Losses to Mean Cash and Invested Assets. Due to the inherent variability of Capital Gains/Losses, we have used the most recent ten years of data. All data shown below is from the annual statement

1. Cash and Invested Assets 2008	0	\$	1,636,039,439
2. Cash and Invested Assets 2009	0	\$	1,624,038,547
3. Cash and Invested Assets 2010	0	\$	1,785,588,727
4. Net Investment Income Earned 2009	0	\$	65,599,878
5. Net Investment Income Earned 2010	0	\$	58,495,203
6. Mean Cash and Invested Assets 2009: (2. + 3.) / 2	0	\$	1,630,038,993
7. Mean Cash and Invested Assets 2010: (2. + 3.) / 2	0	\$	1,704,813,637
8. Mean Rate of Return: (4. + 5.) / (6. + 7.)			0.0372
9. Mean Cash and Invested Assets 2001 - 2010	0	\$	14,717,096,399
10. Net Realized Capital Gains/Losses 2001 - 2010	0	\$	322,998,130
11. Mean Rate of Return: 10. / 9.			0.0219
12. Total Rate of Return: 8. + 11.			0.0591

Line G - The average rate of Federal Income Tax was determined by applying the expected average tax rate for Net Investment Income and the expected tax rate applicable to Net Realized Capital Gains/Losses to the rates of return calculated in Line D.

	<u>Rate of Return</u>	<u>Federal Tax Rate</u>
Net Investment Income Earned	0.0372	0.200 (A)
Net Realized Capital Gains/Losses	0.0219	0.350
Total	0.0591	0.256

(A) The expected average rate of Federal Income Tax on Net Investment Income was determined by applying the expected 2011 tax rates to the distribution of investment income earned for the years 2009 and 2010. The calculations are shown below:

Type of Investment	Net Income Earned (1)			Tax Rate	Federal Tax
	2009	2010	Total		
Bonds (Taxable)	\$ 26,571,862	\$ 21,336,459	\$ 47,908,321	0.350	\$ 16,767,912
Bonds (Tax Exempt)	\$ 28,308,850	\$ 28,488,515	\$ 56,797,366	0.053	\$ 3,010,260
Stocks	\$ 6,181,556	\$ 6,217,186	\$ 12,398,742	0.210	\$ 2,603,736
Short Term	\$ 106,948	\$ 49,552	\$ 156,500	0.350	\$ 54,775
Real Estate	\$ 2,725,164	\$ 2,250,091	\$ 4,975,255	0.350	\$ 1,741,339
Other Investments	\$ 1,705,498	\$ 153,401	\$ 1,858,898	0.350	\$ 650,614
Total	\$ 65,599,878	\$ 58,495,203	\$ 124,095,082	0.200	\$ 24,828,636

(1) Investment deductions have been allocated to the appropriate type in the following manner:
Real Estate - Income Earned less depreciation (Page 6, Line 12), Real Estate Expenses and Taxes (Page 11, Lines 19 and 20, Column 3).
All Other - Investment Expenses less Real Estate Expenses and Taxes prorated by income earned to total income earned less Real Estate Income.

Shelter Mutual Insurance Company

Companywide

Homeowners Multiple Peril

Development of Expense Ratios

Note: 000 s omitted.	2008	2009	2010	Total
1.) Direct Commission and Brokerage	\$ 33,763	\$ 37,066	\$ 39,279	\$ 110,108
2.) Direct Written Premium	264,549	287,888	315,990	868,427
Ratio: 1 / 2	12.8%	12.9%	12.4%	12.7%
3.) Other Acquisition Expense	\$ 12,507	\$ 12,563	\$ 12,906	\$ 37,976
4.) Direct Earned Premium	264,194	275,812	303,305	843,311
Ratio: 3 / 4	4.7%	4.6%	4.3%	4.5%
5.) General Expense	\$ 18,626	\$ 20,986	\$ 23,297	\$ 62,909
6.) Direct Earned Premium	264,194	275,812	303,305	843,311
Ratio: 5 / 6	7.1%	7.6%	7.7%	7.5%
7.) Taxes, Licenses and Fees	\$ 5,555	\$ 5,706	\$ 7,493	\$ 18,754
8.) Direct Written Premium	264,549	287,888	315,990	868,427
Ratio: 7 / 8	2.1%	2.0%	2.4%	2.2%
9.) Direct Loss Adjustment Expense	\$ 20,895	\$ 24,747	\$ 20,786	\$ 66,428
10.) Direct Losses Incurred	272,569	214,721	196,247	683,537
Ratio: 9 / 10	7.7%	11.5%	10.6%	9.7%

Source: Insurance Expense Exhibit.

Shelter Mutual Insurance Company

Arkansas

Homeowners Multiple Peril

Calculation of Expected Loss Ratio

Commission and Brokerage (a)	12.7%
Other Acquisition Expense (a)	4.5%
General Expense (a)	7.5%
Arkansas Taxes, Licenses and Fees (b)	2.9%
Profit and Contingencies (c)	6.6%
	<hr/>
Sub-total	34.2%
Available for Losses and Loss Adjustment Expense	65.8%

(a) From attached Companywide Expense Ratios

(b) 2010 Premium Tax ratio in Arkansas

(c) From attached Determination of Underwriting Profit & Contingencies Provision

**Shelter Mutual Insurance Company
Arkansas
Homeowners Multiple Peril
Determination of Underwriting Profit & Contingencies Provision**

Target Total Return on Surplus (after federal income tax):	12.0%	(I)
Expected Investment Income on Surplus (% of surplus, after federal income tax, including realized capital gains):	4.4%	(II)
Expected Net Income (% of surplus, after federal income tax):	7.6%	(III)=(I)-(II)
Target Premium to Surplus Ratio:	1.00	(IV)
Expected Net Income (% of earned premium, after federal income tax):	7.6%	(V)=(III)/(IV)
Expected Investment Income on Unearned Premium Reserves and Loss & LAE Reserves (% of earned premium, after federal income tax, including realized capital gains):	2.7%	(VI)
Underwriting Profit Provision (% of earned premium, after federal income tax):	4.9%	(VII)=(V)-(VI)
Expected Federal Income Tax Rate:	25.6%	(VIII)
Underwriting Profit Provision (% of earned premium, before federal income tax):	6.6%	(IX)=(VII)/[1-(VIII)]

**Shelter Mutual Insurance Company
Arkansas Homeowners
Revenue Summation**

	Current Premium	Proposed Change	
		%	\$
HO-3	<u>47,807,530</u>	<u>18.4</u>	<u>8,779,516</u>
Sub-Total	47,807,530	18.4	8,779,516
HO-4	657,676	2.2	14,720
HO-6	<u>129,302</u>	<u>1.9</u>	2,423
Sub-Total	786,978	2.2	17,143
Total (Forms 3 thru 6)	48,594,508	18.1	8,796,659

SHELTER MUTUAL INSURANCE COMPANY
 HOMEOWNERS
 Credibility Table
 Based on 20,000 Exposure Units

<u>Lower Limit</u>	<u>Upper Limit</u>	<u>Credibility Factor</u>
0	12	0.00
13	112	0.05
113	312	0.10
313	612	0.15
613	1,012	0.20
1,013	1,512	0.25
1,513	2,112	0.30
2,113	2,812	0.35
2,813	3,612	0.40
3,613	4,512	0.45
4,513	5,512	0.50
5,513	6,612	0.55
6,613	7,812	0.60
7,813	9,112	0.65
9,113	10,512	0.70
10,513	12,012	0.75
12,013	13,612	0.80
13,613	15,312	0.85
15,313	17,112	0.90
17,113	19,012	0.95
19,013	20,000 +	1.00

Assumptions:

1. 10% claim frequency distribution with claims following a Poisson distribution.
2. Using the normal approximation with a 90% probability that the sample mean is within 3.5% of the true mean.
3. Partial credibility is based on the square root rule rounded to the nearest 5%.

**Shelter Mutual Insurance Company
Arkansas
Homeowners
Development of Combined Trend and Projection Factor**

Severity Trends - Shelter Mutual Companywide						
Fiscal Acc Year	Ultimate Non-Wind Loss and LAE	Ultimate Non-Wind Claims	Ultimate Severity	Curve of Best Fit		
				12 Point	6 Point	
3/2009	72,200,633	14,242	5,070	5,223		
6/2009	75,858,465	14,276	5,314	5,052		
9/2009	79,281,178	14,769	5,368	4,887		
12/2009	78,079,499	15,619	4,999	4,727		
3/2010	75,384,638	17,111	4,406	4,573		
6/2010	73,958,402	18,423	4,014	4,423		
9/2010	75,367,866	19,707	3,824	4,279		3,939
12/2010	76,292,059	19,969	3,821	4,139		3,929
3/2011	85,286,561	20,804	4,100	4,003		3,919
6/2011	90,269,480	22,096	4,085	3,873		3,909
9/2011	89,280,124	22,090	4,042	3,746		3,898
12/2011	78,208,772	21,528	3,633	3,623		3,888
Annual Percentage Change				-12.47%		-1.04%
r^2				0.744		0.010

Frequency Trends - Shelter Mutual Companywide						
Fiscal Acc Year	Ultimate Non-Wind Claims	Earned Exposures	Frequency X 100	Curve of Best Fit		
				12 Point	6 Point	
3/2009	14,242	258,561	5.51	5.40		
6/2009	14,276	260,009	5.49	5.63		
9/2009	14,769	261,619	5.65	5.88		
12/2009	15,619	263,405	5.93	6.14		
3/2010	17,111	265,156	6.45	6.41		
6/2010	18,423	266,792	6.91	6.70		
9/2010	19,707	267,908	7.36	6.99		5.40
12/2010	19,969	268,352	7.44	7.30		5.63
3/2011	20,804	268,451	7.75	7.62		5.88
6/2011	22,096	268,109	8.24	7.96		6.14
9/2011	22,090	267,466	8.26	8.31		6.41
12/2011	21,528	266,647	8.07	8.68		6.70
Annual Percentage Change			18.90%		19.01%	
r^2			0.948		0.773	

Severity Trends - Shelter Mutual Arkansas						
Fiscal Acc Year	Ultimate Non-Wind Loss and LAE	Ultimate Non-Wind Claims	Ultimate Severity	Curve of Best Fit		
				12 Point	6 Point	
3/2009	11,589,851	2,726	4,252	4,498		
6/2009	12,648,121	2,860	4,422	4,438		
9/2009	14,563,440	3,053	4,770	4,380		
12/2009	14,541,071	3,262	4,458	4,321		
3/2010	15,720,154	3,676	4,276	4,264		
6/2010	15,030,286	3,780	3,976	4,207		
9/2010	14,938,764	3,928	3,803	4,152		4,129
12/2010	16,030,125	3,902	4,108	4,096		4,082
3/2011	16,372,172	3,777	4,335	4,042		4,036
6/2011	17,797,696	4,175	4,263	3,988		3,991
9/2011	17,497,918	4,260	4,107	3,935		3,945
12/2011	14,799,097	4,200	3,524	3,883		3,901
Annual Percentage Change				-5.20%		-4.43%
r^2				0.373		0.074

Frequency Trends - Shelter Mutual Arkansas						
Fiscal Acc Year	Ultimate Non-Wind Claims	Earned Exposures	Frequency X 100	Curve of Best Fit		
				12 Point	6 Point	
3/2009	2,726	44,783	6.09	6.39		
6/2009	2,860	44,999	6.36	6.64		
9/2009	3,053	45,202	6.75	6.90		
12/2009	3,262	45,435	7.18	7.17		
3/2010	3,676	45,678	8.05	7.45		
6/2010	3,780	45,897	8.24	7.74		
9/2010	3,928	46,019	8.54	8.04		8.34
12/2010	3,902	46,006	8.48	8.35		8.52
3/2011	3,777	45,926	8.22	8.68		8.70
6/2011	4,175	45,824	9.11	9.01		8.89
9/2011	4,260	45,734	9.31	9.36		9.09
12/2011	4,200	45,686	9.19	9.73		9.28
Annual Percentage Change			16.53%		8.92%	
r^2			0.893		0.610	

Severity Trends - Fast Track Arkansas						
Fiscal Acc Year	Non-Catastrophe Incurred Loss and LAE	Non-Catastrophe Paid Claims	Severity	Curve of Best Fit		
				12 Point	6 Point	
12/2008	195,354,456	19,930	9,802	9,563		
3/2009	205,129,501	21,024	9,757	9,549		
6/2009	209,503,038	21,024	9,965	9,535		
9/2009	215,396,325	22,648	9,511	9,520		
12/2009	208,929,307	23,728	8,805	9,506		
3/2010	216,238,166	23,943	9,031	9,492		
6/2010	217,598,247	23,738	9,167	9,478		9,356
9/2010	201,873,869	21,606	9,343	9,463		9,414
12/2010	202,673,488	20,917	9,689	9,449		9,472
3/2011	201,948,453	20,530	9,837	9,435		9,530
6/2011	210,407,361	21,926	9,596	9,421		9,588
9/2011	218,626,282	23,289	9,388	9,407		9,647
Annual Percentage Change				-0.59%		2.48%
r^2				0.021		0.193

Frequency Trends - Fast Track Arkansas						
Fiscal Acc Year	Non-Catastrophe Paid Claims	Earned Exposures	Frequency X 100	Curve of Best Fit		
				12 Point	6 Point	
12/2008	19,930	339,837	5.86	6.21		
3/2009	21,024	340,989	6.17	6.26		
6/2009	21,024	342,148	6.14	6.32		
9/2009	22,648	342,752	6.61	6.38		
12/2009	23,728	343,043	6.92	6.44		
3/2010	23,943	343,045	6.98	6.50		
6/2010	23,738	340,984	6.96	6.56		6.51
9/2010	21,606	336,582	6.42	6.63		6.56
12/2010	20,917	331,798	6.30	6.69		6.61
3/2011	20,530	326,557	6.29	6.75		6.66
6/2011	21,926	324,475	6.76	6.81		6.71
9/2011	23,289	326,820	7.13	6.88		6.77
Annual Percentage Change			3.77%		3.20%	
r^2			0.295		0.074	

Trend Factor					
Fiscal Acc Year	Midpoint of Experience Period	Number of Years to 12/31/2011	Selected Severity 4.00%	Selected Frequency 0.00%	Combined Trend Factor
12/31/2007	7/01/2007	4.5000	1.1930	1.0000	1.1930
12/31/2008	7/01/2008	3.5000	1.1471	1.0000	1.1471
12/31/2009	7/01/2009	2.5000	1.1030	1.0000	1.1030
12/31/2010	7/01/2010	1.5000	1.0606	1.0000	1.0606
12/31/2011	7/01/2011	0.5000	1.0198	1.0000	1.0198

Projection Factor				Combined Trend and Projection Factor
Years from 12/31/2011 to 7/01/2013	Selected Severity 4.00%	Selected Frequency 0.00%	Combined Projection Factor	
1.5014	1.0607	1.0000	1.0607	1.2654
1.5014	1.0607	1.0000	1.0607	1.2167
1.5014	1.0607	1.0000	1.0607	1.1700
1.5014	1.0607	1.0000	1.0607	1.1250
1.5014	1.0607	1.0000	1.0607	1.0817

**Shelter Mutual Insurance Company
Homeowners
Arkansas**

Current Rate Level Factors as of December 31, 2011

The parallelogram method adjusted for exposure changes was used to develop the current rate level factors shown below.

<u>Fiscal Year Ending</u>	<u>Factors</u>
December 31, 2007	1.3162
December 31, 2008	1.3159
December 31, 2009	1.2508
December 31, 2010	1.1325
December 31, 2011	1.0382

Rate Change History (Percent Changes)

<u>Effective Date</u>	<u>% Changes</u>
May 19, 2011	5.0 %
February 2, 2010	14.9 %
December 20, 2008	9.1 %

Shelter Mutual Insurance Company
Homeowners Forms 3,4,6
Arkansas

Premium Adjustment for Increases in Amount of Insurance Purchased

Form 3										
Calendar Year	All Policies Present Mid-Year		Policies Persisting to Subsequent Year							
	Policy Count	Average Amount of Insurance	Policy Count	Average Amount of Insurance in Current Year	Average Amount of Insurance in Subsequent Year	Average Size Curve Factor in Current Year	Average Size Curve Factor in Subsequent Year	Percentage Change in Premium In Year Due to Inflation in Coverage Amounts	Cumulative Premium Trend Factor	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8) = (7)/(6) - 1	(9) = (1 + (8)) * Prior (9)	
2007	44,446	137,055	40,684	137,400	148,717	1.907	2.034	6.7%	1.163	
2008	45,423	149,646	41,946	150,015	155,427	2.049	2.109	2.9%	1.090	
2009	46,352	156,035	42,799	156,399	163,122	2.120	2.194	3.5%	1.059	
2010	47,508	162,692	43,457	162,547	163,854	2.189	2.203	0.6%	1.024	
2011*	47,434	163,363	43,569	163,492	164,175	2.199	2.206	0.3%	1.017	
Projected**								1.7%		

Forms 4,6										
Calendar Year	All Policies Present Mid-Year		Policies Persisting to Subsequent Year							
	Policy Count	Average Amount of Insurance	Policy Count	Average Amount of Insurance in Current Year	Average Amount of Insurance in Subsequent Year	Average Size Curve Factor in Current Year	Average Size Curve Factor in Subsequent Year	Percentage Change in Premium In Year Due to Inflation in Coverage Amounts	Cumulative Premium Trend Factor	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8) = (7)/(6) - 1	(9) = (1 + (8)) * Prior (9)	
2007	3,445	31,042	2,366	29,688	30,127	1.711	1.726	0.8%	1.019	
2008	3,615	32,018	2,616	30,600	30,899	1.741	1.752	0.6%	1.011	
2009	3,910	32,505	2,821	31,595	31,852	1.777	1.783	0.3%	1.005	
2010	4,318	33,285	3,138	32,362	32,327	1.792	1.795	0.2%	1.002	
2011*	4,866	32,515	3,595	32,344	32,574	1.797	1.804	0.4%	1.000	
Projected**								0.0%		

Combined	
Premium Trend Factor	(10)
	1.161
	1.089
	1.059
	1.023
	1.017

* 2011 Data compare December exposures to corresponding 12/31/2011 exposures for partial-year growth rate as 2011 data not yet realized.

** Projection period is from midpoint of latest calendar year to one year past effective date (7/1/2012), which is 2. years.

Projection is based on factors in place to increase coverage amounts during 2012 and current amount of insurance rating factors.

Notes:

The calculation of Trend in Amount of Insurance is restricted to observed changes in specific policies for which amount of insurance data is available for the following experience field. The adjustment for a trend in amount of insurance seeks to restate past premium levels at the expected amount of insurance at current valuations for those past exposures. The changing composition of this book of business due to steady growth prevents the use of simple averages in each experience field, which would be skewed significantly by differences between existing book and new policies being added to book.

- (1) Total number of policies present in June of experience period.
- (2) Average Coverage A amount for Form 3 policies; average Coverage C amount for Form 4 & 6 policies as of June of experience period.
- (3) Number of policies present in June of experience period for which renewal data found during June of following experience period.
- (4) Average principle coverage amount for policies for which renewal data is available; number of policies and average amount indicate this should be a fully representative sample.
- (5) Average principle coverage amount for renewed policies.
- (6) Average of approximate size curve factor attached to each policy according to experience period amount of insurance. Current rather than historical size curves used, but should approximate past rating well.
- (7) Average of approximate size curve factor attached to each policy according to amount of insurance observed in subsequent experience period.
- (8) Overall average percentage change in size curve factors used in premium determination.
- (9) Cumulative factor to project amount of insurance premium increases from past level to mid-point of experience projection period. See notes above regarding use of most recent trend data to extrapolate into the near future.
- (10) Average Premium Trend Factor from Form 3 and Forms 4,6 weighted by premium distribution shown below.

	Form 3	Forms 4,6	Combined
% Distribution of Current Premium	99%	1%	100%

Shelter Mutual Insurance Company
Homeowners
Arkansas
Development of Excess Wind and Hail Loss Loading

Fiscal Accident Year Ending	Earned Premium (1)	Wind Incurred Loss (2)	Wind Loss Ratio (3)	*Normal Wind Loss Ratio (4)	Excess Wind Incurred Loss (5)	**Adjusted Wind Incurred Loss (6)	Re-Distributed Excess Wind Incurred Loss Adjustment (7)	Net Wind Incurred Loss Adjustment (8)
12/31/1990	10,896,741	1,357,294	12%	15%	(294,449)	1,651,743	742,268	
12/31/1991	11,091,336	1,694,874	15%	15%	0	1,694,874	755,524	
12/31/1992	11,085,789	1,719,346	16%	16%	0	1,719,346	755,146	
12/31/1993	10,550,584	863,981	8%	15%	(735,291)	1,599,272	718,689	
12/31/1994	10,660,922	1,611,629	15%	15%	(4,368)	1,615,998	726,205	
12/31/1995	11,109,401	1,254,463	11%	15%	(429,516)	1,683,979	756,754	
12/31/1996	11,779,722	12,356,428	105%	52%	6,193,906	6,162,522	802,416	
12/31/1997	12,713,976	4,983,846	39%	39%	0	4,983,846	866,055	
12/31/1998	14,322,458	2,235,004	16%	16%	0	2,235,004	975,623	
12/31/1999	15,565,320	8,933,871	57%	52%	790,926	8,142,945	1,060,284	
12/31/2000	16,491,492	9,471,757	57%	52%	844,288	8,627,469	1,123,374	
12/31/2001	17,579,668	3,802,579	22%	22%	0	3,802,579	1,197,499	
12/31/2002	20,561,041	4,588,897	22%	22%	0	4,588,897	1,400,585	
12/31/2003	24,813,951	4,286,053	17%	17%	0	4,286,053	1,690,286	
12/31/2004	27,549,093	4,410,202	16%	16%	0	4,410,202	1,876,600	
12/31/2005	30,099,144	2,884,792	10%	15%	(1,677,678)	4,562,471	2,050,305	
12/31/2006	32,113,968	11,839,743	37%	37%	0	11,839,743	2,187,552	
12/31/2007	33,995,368	2,751,131	8%	15%	(2,401,935)	5,153,066	2,315,709	4,717,644
12/31/2008	35,769,529	43,234,909	121%	52%	24,522,200	18,712,710	2,436,562	(22,085,637)
12/31/2009	38,860,066	24,736,756	64%	52%	4,407,243	20,329,513	2,647,085	(1,760,158)
12/31/2010	43,795,777	10,450,292	24%	24%	0	10,450,292	2,983,297	2,983,297
12/31/2011	47,025,184	26,656,840	57%	52%	2,055,772	24,601,068	3,203,279	1,147,507
Total	488,430,528				33,271,098		33,271,098	(14,997,346)

*Normal Range:

25th Percentile of (3) 15%
75th Percentile of (3) 52%

**Wind Load: Total (5) / Total (1) = 6.8%

(3) = (2) / (1).

(4) = (3) capped at max and min specified by "Normal Range".

(5) = [(3) - (4)] x (1); the amount of wind loss outside the "Normal Range" to be removed (added) across all years.

(6) = (2) - (5); the smoothed ratio of wind losses to earned premium.

(7) = Wind Load x (1); the amount of excess wind losses to be loaded back into Total Losses.

(8) = (7) - (5); Net Wind Losses to be added (removed) by Fiscal Accident Year.

**Shelter Mutual Insurance Company
Homeowners
Projected Ultimate Loss and Allocated Loss Adjustment Expense**

Companywide Paid Loss & Paid ALAE

Fiscal Year-End	Valuation Period (In Months)									
	@12	@24	@36	@48	@60	@72	@84	@96	@108	@120
12/31/2002	91,490,402	104,567,939	109,333,948	110,004,707	110,852,872	111,093,738	111,157,010	111,146,242	111,150,916	111,257,644
12/31/2003	101,188,730	117,879,792	119,682,014	120,094,895	120,656,020	120,935,213	121,036,795	121,049,841	121,465,856	
12/31/2004	75,794,336	92,192,137	93,708,200	94,946,045	95,293,951	95,555,777	95,512,240	95,663,221		
12/31/2005	107,126,617	132,507,705	136,214,235	137,456,778	137,964,234	137,910,318	138,024,062			
12/31/2006	132,773,424	158,496,548	162,081,312	162,741,115	163,222,123	163,294,885				
12/31/2007	71,500,401	89,729,871	93,168,654	94,007,463	94,478,740					
12/31/2008	170,164,640	205,397,318	210,650,602	211,800,772						
12/31/2009	164,001,546	195,618,438	200,754,979							
12/31/2010	133,596,752	163,485,843								
12/31/2011	227,703,930									

Companywide Reported Loss & Paid ALAE

Fiscal Year-End	Valuation Period (In Months)									
	@12	@24	@36	@48	@60	@72	@84	@96	@108	@120
12/31/2002	112,168,235	111,189,821	110,879,762	110,947,272	111,213,735	111,241,238	111,227,510	111,201,742	111,236,916	111,257,644
12/31/2003	121,607,560	120,388,900	120,723,655	120,681,412	120,927,124	121,098,332	121,166,248	121,115,294	121,465,856	
12/31/2004	97,631,497	94,925,275	94,792,198	95,465,460	96,083,314	96,176,904	96,137,240	96,291,221		
12/31/2005	161,627,051	136,687,208	137,909,182	138,421,943	138,483,468	138,353,982	138,413,790			
12/31/2006	174,653,910	162,805,912	163,181,930	163,327,928	163,485,266	163,437,885				
12/31/2007	106,223,906	93,529,096	95,155,862	94,558,743	94,757,240					
12/31/2008	231,538,051	210,198,907	212,248,002	212,299,300						
12/31/2009	207,450,346	200,487,417	202,401,083							
12/31/2010	166,946,610	169,025,819								
12/31/2011	276,218,560									

Companywide Claims with Payment

Fiscal Year-End	Valuation Period (In Months)									
	@12	@24	@36	@48	@60	@72	@84	@96	@108	@120
12/31/2002	42,607	44,089	44,158	44,203	44,219	44,227	44,232	44,235	44,235	44,244
12/31/2003	34,278	35,666	35,745	35,783	35,808	35,824	35,830	35,831	35,840	
12/31/2004	27,982	29,115	29,171	29,211	29,232	29,241	29,241	29,260		
12/31/2005	36,756	37,990	38,112	38,143	38,161	38,169	38,210			
12/31/2006	42,575	44,774	45,022	45,118	45,150	45,214				
12/31/2007	30,875	33,236	33,402	33,431	33,487					
12/31/2008	56,458	59,244	59,608	59,807						
12/31/2009	60,566	66,177	66,763							
12/31/2010	62,880	67,910								
12/31/2011	101,990									

Companywide Selected Incurred Loss & ALAE

Fiscal Accident Year (1)	Non-Wind Losses						Wind		Total	
	Cumulative Reported Losses (2)	Ultimate Development Factors (3)	Estimated Incurred Loss/ALAE (4) = (2) x (3)	Cumulative Paid Losses (5)	Ultimate Development Factors (6)	Estimated Incurred Loss/ALAE (7) = (5) x (6)	Selected Incurred Loss/ALAE (8)	Estimated Incurred Claim Count (10)	Selected Incurred Loss/ALAE (11) = (8) + (9)	
12/31/2002	65,760,407	1.0000	65,760,407	65,760,407	1.0000	65,760,407	65,760,406	45,497,238	44,244	111,257,644
12/31/2003	56,673,251	1.0001	56,678,731	56,673,251	1.0001	56,678,731	56,678,731	64,792,605	35,841	121,471,336
12/31/2004	58,046,315	1.0004	58,068,848	57,573,553	0.9977	57,440,597	58,068,848	38,248,718	29,264	96,317,566
12/31/2005	55,108,023	1.0008	55,151,752	54,761,023	1.0014	54,836,363	55,151,752	83,338,978	38,220	138,490,730
12/31/2006	56,555,048	1.0013	56,629,008	56,412,048	1.0023	56,544,297	56,629,008	106,978,971	45,235	163,607,979
12/31/2007	57,148,447	1.0018	57,252,658	56,869,947	1.0043	57,115,049	57,252,658	37,680,112	33,516	94,932,770
12/31/2008	70,644,822	1.0033	70,879,891	70,157,044	1.0114	70,954,119	70,879,891	142,066,166	59,892	212,946,057
12/31/2009	80,006,010	1.0048	80,393,522	78,427,960	1.0249	80,379,500	80,393,523	122,971,659	66,951	203,365,182
12/31/2010	78,271,898	1.0082	78,916,606	73,105,075	1.0720	78,372,076	78,916,605	92,229,757	68,520	171,146,362
12/31/2011	81,244,340	1.0088	81,956,836	57,045,527	1.4564	83,080,237	81,956,836	198,144,721	111,164	280,101,557
5-yr Total			369,399,514			369,900,980	369,399,513	593,092,415	340,044	962,491,928
10-yr Total			661,688,258			661,161,373	661,688,258	931,948,925		1,593,637,183

Arkansas Paid Loss & Paid ALAE

Fiscal Year-End	Valuation Period (In Months)									
	@12	@24	@36	@48	@60	@72	@84	@96	@108	@120
12/31/2002	12,483,383	14,889,849	14,834,129	14,937,903	15,092,861	15,101,041	15,106,773	15,108,442	15,108,442	15,190,652
12/31/2003	11,623,374	13,380,418	13,478,403	13,499,884	13,459,086	13,528,018	13,538,075	13,538,399	13,538,399	13,533,560
12/31/2004	12,390,197	15,750,101	15,951,655	16,143,315	16,193,906	16,195,419	16,221,356	16,221,356	16,220,182	
12/31/2005	9,181,108	11,268,342	11,852,078	11,841,813	11,906,658	11,803,625	11,817,835			
12/31/2006	17,849,037	20,403,580	21,047,697	21,055,268	21,090,853	21,110,558				
12/31/2007	8,240,544	10,306,082	10,690,972	10,742,744	10,745,085					
12/31/2008	46,847,049	53,109,300	54,372,541	54,611,420						
12/31/2009	33,166,646	38,084,470	38,982,504							
12/31/2010	20,357,419	24,572,473								
12/31/2011	34,488,128									

Arkansas Reported Loss & Paid ALAE

Fiscal Year-End	Valuation Period (In Months)									
	@12	@24	@36	@48	@60	@72	@84	@96	@108	@120
12/31/2002	15,710,690	15,514,992	14,998,144	14,950,843	15,098,251	15,101,041	15,106,773	15,108,442	15,108,442	15,190,652
12/31/2003	14,484,134	13,501,098	13,560,921	13,509,884	13,469,086	13,553,018	13,563,075	13,538,399	13,533,560	
12/31/2004	16,471,704	15,954,464	15,979,580	16,162,515	16,213,106	16,209,219	16,221,356	16,221,356	16,220,182	
12/31/2005	13,369,492	11,689,434	11,928,545	11,905,731	11,961,878	11,829,275	11,817,835			
12/31/2006	22,409,831	21,029,884	21,103,557	21,084,468	21,095,053	21,110,558				
12/31/2007	12,115,468	10,670,462	10,880,962	10,767,744	10,745,085					
12/31/2008	56,004,136	53,992,428	54,645,450	54,714,317						
12/31/2009	41,816,843	39,295,360	39,442,198							
12/31/2010	26,522,400	26,493,711								
12/31/2011	41,588,985									

Arkansas Claims with Payment

Fiscal Year-End	Valuation Period (In Months)									
	@12	@24	@36	@48	@60	@72	@84	@96	@108	@120
12/31/2002	5,978	6,234	6,249	6,257	6,265	6,265	6,266	6,267	6,267	6,267
12/31/2003	5,105	5,279	5,296	5,302	5,309	5,311	5,312	5,312	5,313	
12/31/2004	4,901	5,090	5,097	5,102	5,102	5,104	5,104	5,109		
12/31/2005	3,661	3,824	3,832	3,836	3,840	3,843	3,853			
12/31/2006	6,650	6,856	6,880	6,889	6,893	6,904				
12/31/2007	3,510	3,654	3,664	3,665	3,674					
12/31/2008	14,826	15,202	15,255	15,302						
12/31/2009	15,334	16,298	16,385							
12/31/2010	9,048	9,635								
12/31/2011	19,723									

Arkansas Selected Incurred Loss & ALAE

Fiscal Accident Year (1)	Non-Wind Losses						Wind		Total	
	Cumulative Reported Losses (2)	Ultimate Development Factors (3)	Estimated Incurred Loss/ALAE (4) = (2) x (3)	Cumulative Paid Losses (5)	Ultimate Development Factors (6)	Estimated Incurred Loss/ALAE (7) = (5) x (6)	Selected Incurred Loss/ALAE (8)	Estimated Incurred Claim Count (10)	Selected Incurred Loss/ALAE (11) = (8) + (9)	
12/31/2002	10,601,755	1.0000	10,601,755	10,601,755	1.0000	10,601,755	10,601,755	4,588,897	6,267	15,190,652
12/31/2003	9,247,507	1.0001	9,248,397	9,247,507	1.0001	9,248,397	9,248,396	4,286,052	5,313	13,534,448
12/31/2004	11,809,980	1.0004	11,814,654	11,809,980	1.0004	11,814,654	11,814,655	4,410,201	5,109	16,224,856
12/31/2005	8,933,908	1.0008	8,940,915	8,933,908	1.0008	8,940,915	8,940,915	2,884,792	3,854	11,825,707
12/31/2006	9,280,278	1.0014	9,293,702	9,280,278	1.0014	9,293,702	9,293,702	11,839,743	6,906	21,133,445
12/31/2007	7,997,526	1.0022	8,014,837	7,997,526	1.0024	8,017,042	8,014,837	2,751,130	3,677	10,765,967
12/31/2008	11,578,621	1.0029	11,612,083	11,475,724	1.0055	11,538,950	11,612,083	43,234,909	15,321	54,846,992
12/31/2009	14,786,775	1.0040	14,846,170	14,329,831	1.0169	14,571,554	14,846,170	24,736,756	16,437	39,582,926
12/31/2010	16,196,079	1.0067	16,304,930	14,304,089	1.0604	15,168,612	16,304,930	10,450,291	9,977	26,755,221
12/31/2011	15,321,716	0.9924	15,205,415	10,883,507	1.3797	15,016,081	15,205,415	26,656,840	21,062	41,862,255
5-yr Total			6							

Shelter Mutual Insurance Company Homeowners Companywide

Development of Unallocated Loss Adjustment Expense Factor

	2008	2009	2010	Total
Note: Amounts in 000's				
1. Direct Loss and Defense/Cost Containment Expense Incurred	\$274,387	\$216,359	\$198,460	\$689,206
2. Direct Adjusting and Other Expense Incurred (ULAE)	\$19,077	\$23,109	\$18,573	\$60,759
3. Ratio of Direct ULAE Incurred to Direct Loss and Defense Incurred	7.0%	10.7%	9.4%	8.8%

Source: Insurance Expense Exhibit.

Shelter Mutual Insurance Company

Arkansas

Homeowners Indicated Rate Level Change

	Fiscal Year Ending 12/31/2007	Fiscal Year Ending 12/31/2008	Fiscal Year Ending 12/31/2009	Fiscal Year Ending 12/31/2010	Fiscal Year Ending 12/31/2011
1. Earned Premium	\$33,995,368	\$35,769,529	\$38,860,066	\$43,795,777	\$47,025,184
2. Current Rate Level Factor	1.3162	1.3159	1.2508	1.1325	1.0382
3. Effect of Trend in Amount of Insurance	1.1612	1.0894	1.0587	1.0233	1.0168
4. Trended Premium at Current Rates [(1) x (2) x (3)]	\$51,957,538	\$51,278,651	\$51,462,481	\$50,754,554	\$49,640,119
5. Incurred Loss and Allocated Loss Adjustment Expense	\$10,765,967	\$54,846,992	\$39,582,926	\$26,755,221	\$41,862,255
6. Wind/Hail Loss Adjustment	\$4,717,644	-\$22,085,637	-\$1,760,158	\$2,983,297	\$1,147,507
7. Losses Adjusted for Wind/Hail Losses [(5) + (6)]	\$15,483,612	\$32,761,355	\$37,822,768	\$29,738,519	\$43,009,762
8. Factor to Trend and Project Losses to 7/1/2013	1.2654	1.2167	1.1700	1.1250	1.0817
9. Unallocated Loss Adjustment Expense Factor	1.0882	1.0882	1.0882	1.0882	1.0882
10. Trended Loss and Loss Adjustment Expense [(7) x (8) x (9)]	\$21,320,238	\$43,374,783	\$48,153,861	\$36,405,232	\$50,625,091
11. Formula Loss Ratio [(10) / (4)]	41.0%	84.6%	93.6%	71.7%	102.0%
12. Experience Year Weight	10%	15%	20%	25%	30%
13. Weighted Formula Loss Ratio [sum the products of (11) & (12)]			84.0%		
14. Credibility - Based on 20,000 Earned House Years			100.0%		
15. Expected Loss Ratio			65.8%		
16. Trended Expected Loss Ratio [(15) X (20) ^ 1]			67.0%		
17. Credibility Weighted Formula Loss Ratio [(13) X (14) + (16) X (1 - (14))]			84.0%		
18. Current Provision for Variable Expenses of Commissions, Taxes and Profit			22.2%		
19. Current Provision for Fixed Expenses of General and Other Acquisition Expense			12.0%		
20. Factor to Trend Fixed Costs			1.018		
21. Trended Fixed Costs [(19) X (20) ^ 1]			12.2%		
22. Indicated Rate Level Change with Provision for Fixed and Variable Expenses [(17) + (21)] / [1.000 - (18)] - 1.000			23.7%		

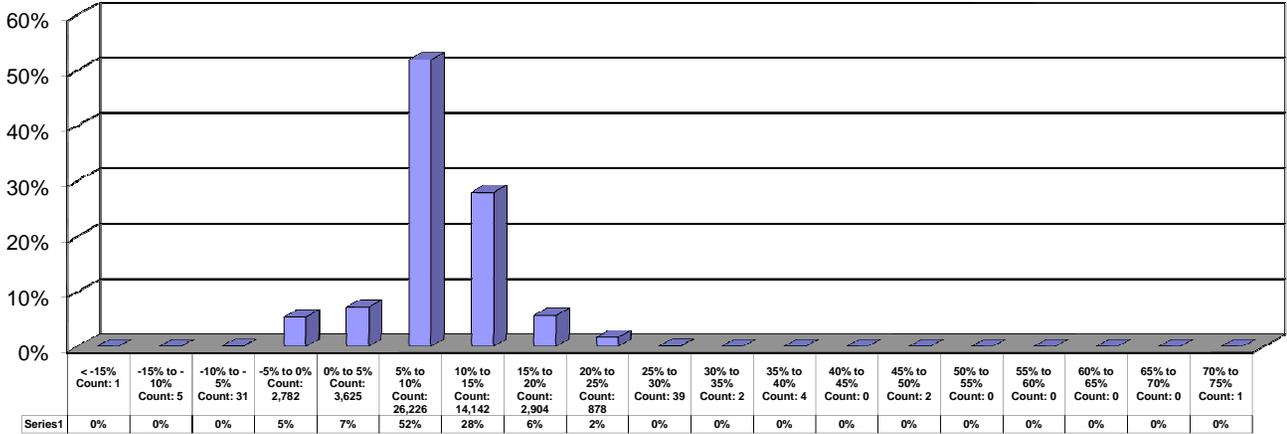
Line 14 -- Partial Credibility is based on the square root rule rounded to the nearest five percent.

Lines 16 & 21 -- Projecting of fixed expenses is done from one year past the effective date of the last rate change (05/19/2011) to one year past the expected effective date (07/01/2012), limited to one year.

**Shelter Mutual Insurance Company
Revenue Change By Zone
Arkansas Homeowners**

Zone	Current Premium	Total \$ Change	Total % Change
4	830,529	143,212	17.2%
12	313,473	54,461	17.4%
13	192,576	32,883	17.1%
15	597,835	104,672	17.5%
16	859,891	146,936	17.1%
18	2,098,647	385,382	18.4%
20	190,204	32,242	17.0%
21	131,991	20,683	15.7%
23	3,683,228	698,834	19.0%
24	5,010,520	933,672	18.6%
26	647,935	108,005	16.7%
28	737,643	129,579	17.6%
29	1,585,109	272,511	17.2%
31	478,191	83,745	17.5%
32	335,377	56,487	16.8%
34	267,352	46,680	17.5%
35	1,860,728	335,478	18.0%
36	2,341,012	417,534	17.8%
38	1,367,456	246,067	18.0%
40	162,474	27,379	16.9%
41	94,595	17,803	18.8%
44	969,693	165,715	17.1%
45	443,044	77,385	17.5%
48	70,088	13,426	19.2%
49	819,395	148,087	18.1%
50	707,295	119,931	17.0%
51	1,804,390	331,236	18.4%
53	3,523,949	621,848	17.6%
55	320,347	56,117	17.5%
57	722,932	132,998	18.4%
58	1,153,500	208,985	18.1%
62	2,242,176	416,308	18.6%
68	186,003	30,506	16.4%
75	488,344	81,450	16.7%
77	261,963	46,290	17.7%
78	4,407,576	841,937	19.1%
79	85,693	13,776	16.1%
87	778,759	138,950	17.8%
88	2,720,157	496,124	18.2%
91	2,886,359	525,084	18.2%
95	216,080	36,258	16.8%
Grand Total	48,594,509	8,796,659	18.1%

Shelter Mutual Insurance Arkansas Homeowners Distribution of Rate Changes (revised)



Series1	0%	0%	0%	5%	7%	52%	28%	6%	2%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
---------	----	----	----	----	----	-----	-----	----	----	----	----	----	----	----	----	----	----	----	----

Rate Change

The policies with the highest percent increase in premium are low-dollar amount Form HO-4 or Form HO-6 policies for secondary residences and are examples of a change in the way we are rating premium for Liability coverage in secondary residences (referred to in Explanatory Memorandum). At present, when a policyholder insures both a primary residence and a secondary residence with Shelter, the Liability coverage for the secondary residence is provided by an endorsement to the policy for the primary residence, extending coverage to the secondary residence with a premium charge associated with the endorsement and, by endorsement to the policy for the secondary residence, removing the otherwise-duplicated liability coverage that the policy for the secondary residence would provide. We do not see any benefit at present to such a convoluted arrangement and we are changing these policies by removing all such endorsements to allow each policy to provide liability coverage for the location specified by the policy. By removing both of the offsetting endorsements, there is no net change in effective coverage, but it does match the premium charged for increased liability limits to the policy giving rise to the exposure. In the case of the cited sample policy in Exhibit A, 70.6% increase, the current premium for this policy is \$51.00, but the liability premium for this location is attached to another policy held by the same insured. The proposed premium of \$87.00 does not, on its own, represent a significant change to the insured, as it will be implemented along with an offsetting reduction in the endorsement premium for another policy in the household. The past coordination of these coverages between policies is a process that requires manual intervention by Underwriting with no tangible benefit and the further restriction that the insured may not select different liability limits at different locations.

Exhibit A provides details on the policy receiving the largest percent change to premium insured by our company. The exhibit breaks down the overall change that will be experienced by our insured.

The policy with highest percentage increase, if you removed from consideration these secondary residence policies, is 37.7%.

Arkansas Mutual Homeowners

Policy with the Highest Percent Increase to Premium

Insured's Name	Policy	Primary and Secondary	Current Premium	Proposed Premium	Total Chg in Premium	Total Impact %
Eugene A and Mary N Joseph	3-71-3566371-2	Secondary (HO-6)	\$51.00	\$87.00	\$36.00	70.6%
Eugene A and Mary N Joseph	3-71-3566371-1	Primary (HO-3)	\$2,073.00	\$2,404.00	\$331.00	16.0%
		Total	\$2,124.00	\$2,491.00	\$367.00	17.3%

The policies with the highest % increase are all HO-4 and HO-6 Secondary Residences policies.

The range of increase for these policies is +70.6% to +39.5%.

The policy with the highest % increase that is not a Secondary Residence is 37.7%.

**Arkansas 5-Yr Homeowners Experience
Calendar Years 2007 - 2011**

Tier	All Forms		Form 3		Form 5	
	Written Premium	Loss Ratio	Written Premium	Loss Ratio	Written Premium	Loss Ratio
1000	146,492,506	74%	125,484,913	76%	19,497,310	66%
2000	39,231,722	77%	35,628,052	80%	3,028,155	63%
3000-6000	22,867,626	87%	21,777,370	87%	354,820	99%
9998	13,732,307	73%	11,973,150	76%	1,592,993	60%
Grand Total	222,324,162	76%	194,863,485	78%	24,473,279	66%

**Shelter Mutual Insurance Company
Arkansas Homeowners
Revenue Summation (revised)**

	Current Premium	Proposed Change %	\$
HO-3	<u>47,807,530</u>	<u>10.2</u>	<u>4,856,067</u>
Sub-Total	47,807,530	10.2	4,856,067
HO-4	657,676	2.2	14,720
HO-6	<u>129,302</u>	<u>1.9</u>	<u>2,432</u>
Sub-Total	786,978	2.2	17,152
Total (Forms 3 thru 6)	48,594,508	10.0	4,873,220

**Shelter Mutual Insurance Company
Revenue Change By Zone
Arkansas Homeowners (revised)**

Zone	Current Premium	Total \$ Change	Total % Change
4	830,529	76,542	9.2%
12	313,473	29,203	9.3%
13	192,576	17,232	8.9%
15	597,835	55,935	9.4%
16	859,891	77,486	9.0%
18	2,098,647	214,168	10.2%
20	190,204	16,981	8.9%
21	131,991	10,225	7.7%
23	3,683,228	399,817	10.9%
24	5,010,520	527,037	10.5%
26	647,935	56,791	8.8%
28	737,643	69,528	9.4%
29	1,585,109	144,795	9.1%
31	478,191	45,108	9.4%
32	335,377	29,501	8.8%
34	267,352	25,413	9.5%
35	1,860,728	183,451	9.9%
36	2,341,012	227,611	9.7%
38	1,367,456	134,722	9.9%
40	162,474	14,238	8.8%
41	94,595	10,007	10.6%
44	969,693	88,432	9.1%
45	443,044	41,928	9.5%
48	70,088	7,786	11.1%
49	819,395	81,927	10.0%
50	707,295	62,896	8.9%
51	1,804,390	185,602	10.3%
53	3,523,949	337,717	9.6%
55	320,347	30,391	9.5%
57	722,932	77,619	10.7%
58	1,153,500	115,904	10.0%
62	2,242,176	234,938	10.5%
68	186,003	15,581	8.4%
75	488,344	42,156	8.6%
77	261,963	24,889	9.5%
78	4,407,576	486,858	11.0%
79	85,693	6,915	8.1%
87	778,759	76,422	9.8%
88	2,720,157	279,019	10.3%
91	2,886,359	291,520	10.1%
95	216,080	18,927	8.8%
Grand Total	48,594,509	4,873,220	10.0%

SERFF Tracking Number: SHEL-128105799 State: Arkansas
 Filing Company: Shelter Mutual Insurance Company State Tracking Number:
 Company Tracking Number: 03M20112
 TOI: 04.0 Homeowners Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
 Product Name: HO
 Project Name/Number: Johnson/

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)
02/21/2012	Supporting Document	NAIC loss cost data entry document	03/22/2012	AR HO RF1.pdf (Superseded)
02/22/2012	Supporting Document	Explanatory Memorandum	03/22/2012	AR HO Explanatory Memo.pdf (Superseded)
02/22/2012	Supporting Document	Histogram	03/22/2012	Graph.pdf (Superseded)
02/22/2012	Rate and Rule	Rate Page	03/22/2012	Prop Manual Page R-1.pdf (Superseded)
02/22/2012	Rate and Rule	Rate Page	03/22/2012	Prop Manual Page R-2.pdf (Superseded)
02/21/2012	Supporting Document	HPCS-Homeowners Premium Comparison Survey	03/22/2012	HPCS 6-7-2012 Filing.pdf (Superseded) HO Survey FORM HPCS 6-7-2012 Filing.xls (Superseded)

FORM RF-1 Rate Filing Abstract NAIC LOSS COST DATA ENTRY DOCUMENT

1.	This filing transmittal is part of Company Tracking #	03M20112
-----------	---	----------

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. Shelter Mutual Insurance Company	B.	23388

Product Coding Matrix Line of Business (i.e., Type of Insurance)		Product Coding Matrix Line of Business (i.e., Sub-type of Insurance)	
4.	A. Shelter Mutual Homeowners	B.	Homeowners

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	(D) Expected Loss Ratio	FOR LOSS COSTS ONLY			
				(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
Homeowners	23.7	18.1	65.8	N/A	N/A	N/A	N/A
TOTAL OVERALL EFFECT							

Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
2007	47,422	-0.4	04/20/2007	34,989	10,841	31.0	44.5
2008	48,484	+8.9	12/20/2008/	36,804	53,689	145.9	101.3
2009	49,825	-0.1	07/12/2009/	39,914	39,331	98.5	81.6
2010	50,012	+14.9	02/02/2010	44,874	24,256	54.1	62.9
2011	50,723	+5.0	5/19/2011	48,146	41,563	86.3	98.5

Expense Constants	Selected Provisions
A. Total Production Expense	17.2
B. General Expense	7.5
C. Taxes, Licenses & Fees	2.9
D. Underwriting Profit & Contingencies	6.6
E. Other (explain)	
F. TOTAL	34.2

- 8.** N/A Apply Loss Cost Factors to Future filings? (Y or N)
- 9.** +70.6 Estimated Maximum Rate Increase for any Insured (%) Territory (if applicable): 57 see exhibit A
- 10.** -16.6 Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): 49

**SHELTER MUTUAL INSURANCE COMPANY
ARKANSAS HOMEOWNERS
EXPLANATORY MEMORANDUM**

SUMMARY

Base rates have been revised for all Forms. Deductible Adjustment Percentages were revised for Form HO-3 and are now based on amounts of insurance. Tier Placement Factors have been revised. The Companion Policy Discount has been increased. Secondary or Seasonal Residence is no longer required to have the liability coverage endorsed on the Primary Residence policy. The liability coverage will now be provided on the Secondary or Seasonal Residence policy. Editorial changes have also been made. **The overall change in revenue is +18.1% for \$8,796,659.**

GENERAL RULE (GR) PAGES

- GR-1** **2. Eligibility – "a. 2)"** – The eligibility requirement is no longer valid and has been deleted.
- GR-8** **4. DEDUCTIBLES** - The deductible adjustment percentages for Form HO-3 were revised and are now based on amount of insurance. These adjustment percentages are shown on rate pages R-4 through R-6 pages. Forms HO-4 and HO-6 deductible factors were not revised, but are now located on page R-9. The deductible factors for Supplemental Coverage rates remain the same and continue to be shown on GR-8.
- GR-10** **e. Companion Policy Discount** – the discount has increased from 20% to **25%**.
- GR-15** **Tier Placement** – the Tier Factor was adjusted for Tiers 3, 4, 5, and 6.
- GR-20** **Mandatory Coverages - "a."** was deleted and the remaining rules were renamed.
- 1. SECONDARY OR SEASONAL RESIDENCE PREMISES** – reference to liability coverage and endorsement (B-389-B) has been removed from this rule. The word "mandatory" has also been removed.
- GR-21** **1. SECONDARY OR SEASONAL RESIDENCE PREMISES** – The word "mandatory" and the Secondary Residence Premises Credit has been removed from this rule.

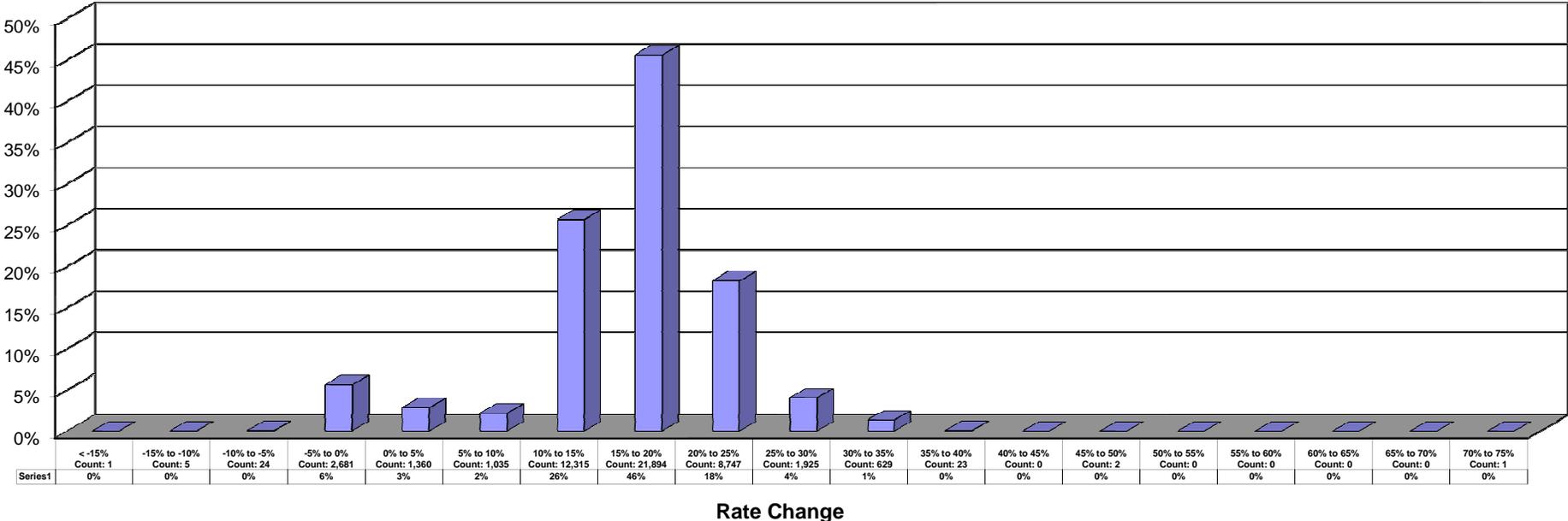
PREMIUM DETERMINATION CHART

PD-1 thru PD-3 Updates were made to coincide with the revised GR and R pages.

BASE RATES AND DEDUCTIBLE FACTORS

- R-1 and R-2** Base rates were revised for Form HO-3.
- R-4 thru 6** Form HO-3 deductibles adjustment percentages have been moved from GR-8 and now are based on amounts of insurance.
- R-7** Base rates were revised for Forms HO-4 and HO-6.
- R-9** Forms HO-4 and HO-6 deductibles were moved from GR-8. The deductibles factors were not changed.
- R-8** Editorial changes only.
- Rate (R) pages 6 thru 9 are new pages due to the addition of the deductible pages to this section.

Shelter Mutual Insurance Arkansas Homeowners Distribution of Rate Changes



Rate Change

NAIC Number: 23388
 Company Name: Shelter Mutual Insurance Company
 Contact Person: Brian Marcks
 Telephone No.: 573-214-4165
 Email Address: BCMarcks@Shelterinsurance.com
 Effective Date: June 7, 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
 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	\$973	\$1,071	\$934	\$1,018	\$1,017	\$1,120	\$1,220	\$1,336	\$1,072	\$1,183	\$1,153	\$1,263	\$1,153	\$1,263	\$1,069	\$1,175	\$992	\$1,090
	\$120,000	\$1,396	\$1,536	\$1,340	\$1,460	\$1,458	\$1,606	\$1,750	\$1,917	\$1,538	\$1,697	\$1,654	\$1,811	\$1,654	\$1,811	\$1,534	\$1,686	\$1,423	\$1,564
	\$160,000	\$1,819	\$2,003	\$1,747	\$1,904	\$1,901	\$2,094	\$2,282	\$2,499	\$2,005	\$2,212	\$2,157	\$2,362	\$2,157	\$2,362	\$2,000	\$2,198	\$1,856	\$2,039
6	\$80,000	\$1,144	\$1,269	\$1,093	\$1,216	\$1,205	\$1,346	\$1,426	\$1,596	\$1,260	\$1,406	\$1,350	\$1,510	\$1,350	\$1,510	\$1,260	\$1,402	\$1,171	\$1,304
	\$120,000	\$1,641	\$1,821	\$1,567	\$1,745	\$1,728	\$1,932	\$2,046	\$2,290	\$1,808	\$2,017	\$1,937	\$2,166	\$1,937	\$2,166	\$1,808	\$2,011	\$1,680	\$1,871
	\$160,000	\$2,140	\$2,374	\$2,043	\$2,275	\$2,253	\$2,518	\$2,668	\$2,986	\$2,357	\$2,629	\$2,525	\$2,824	\$2,525	\$2,824	\$2,357	\$2,622	\$2,190	\$2,439
9	\$80,000	\$1,627	\$1,908	\$1,570	\$1,846	\$1,730	\$2,034	\$2,054	\$2,412	\$1,851	\$2,158	\$1,944	\$2,283	\$1,944	\$2,283	\$1,787	\$2,114	\$1,679	\$1,979
	\$120,000	\$2,335	\$2,737	\$2,253	\$2,649	\$2,482	\$2,918	\$2,948	\$3,461	\$2,655	\$3,097	\$2,789	\$3,276	\$2,789	\$3,276	\$2,564	\$3,032	\$2,409	\$2,839
	\$160,000	\$3,044	\$3,568	\$2,937	\$3,453	\$3,236	\$3,804	\$3,843	\$4,512	\$3,462	\$4,037	\$3,636	\$4,271	\$3,636	\$4,271	\$3,343	\$3,953	\$3,140	\$3,701

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	\$63.00	\$63.00	\$63.00	\$63.00	\$63.00	\$63.00	\$63.00	\$63.00	\$63.00	\$63.00	\$63.00	\$63.00	\$63.00	\$63.00	\$63.00	\$63.00	\$63.00	\$63.00
	\$15,000	\$111.00	\$111.00	\$111.00	\$111.00	\$111.00	\$111.00	\$111.00	\$111.00	\$111.00	\$111.00	\$111.00	\$111.00	\$111.00	\$111.00	\$111.00	\$111.00	\$111.00	\$111.00
	\$25,000	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00
6	\$5,000	\$63.00	\$63.00	\$63.00	\$63.00	\$63.00	\$63.00	\$63.00	\$63.00	\$63.00	\$63.00	\$63.00	\$63.00	\$63.00	\$63.00	\$63.00	\$63.00	\$63.00	\$63.00
	\$15,000	\$111.00	\$111.00	\$111.00	\$111.00	\$111.00	\$111.00	\$111.00	\$111.00	\$111.00	\$111.00	\$111.00	\$111.00	\$111.00	\$111.00	\$111.00	\$111.00	\$111.00	\$111.00
	\$25,000	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00
9	\$5,000	\$63.00	\$63.00	\$63.00	\$63.00	\$63.00	\$63.00	\$63.00	\$63.00	\$63.00	\$63.00	\$63.00	\$63.00	\$63.00	\$63.00	\$63.00	\$63.00	\$63.00	\$63.00
	\$15,000	\$111.00	\$111.00	\$111.00	\$111.00	\$111.00	\$111.00	\$111.00	\$111.00	\$111.00	\$111.00	\$111.00	\$111.00	\$111.00	\$111.00	\$111.00	\$111.00	\$111.00	\$111.00
	\$25,000	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00

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	NA	%	Deadbolt Lock	NA	%
Burglar Alarm	5	%	Window Locks	NA	%
Smoke Alarm	2	%	\$1,000 Deductible	36	%
			Other (specify)		%
			See Manual Pgs GR-8, 9 & 29		%
			Maximum Credit Allowed	67	%

EARTHQUAKE INSURANCE

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

ARE YOU CURRENTLY WRITING EARTHQUAKE COVERAGE IN ARKANSAS? yes (yes or no)
 WHAT IS YOUR PERCENTAGE DEDUCTIBLE? thru 25 %

	Zone	Brick	Frame
WHAT IS YOUR PRICE PER \$1,000 OF COVERAGE?	Highest Risk	\$ 2.44	\$ 1.72
	Lowest Risk	\$ 0.80	\$ 0.49

Arkansas Homeowners Form HO-3 Masonry Base Rates

**\$60,000 Base, \$500 Deductible,
\$100,000 Liability, \$1,000 Medical Payments**

Zones	1-3, 1Y-3Y		4-5, 4Y-5Y		6, 6Y		7,7Y,1N-5N		8, 8Y		6N, 7N		9, 8N		10		11	
	Masonry curve		Masonry curve		Masonry curve		Masonry curve		Masonry curve		Masonry curve		Masonry curve		Masonry curve		Masonry curve	
4	947	1	984	1	1107	1	1245	1	1713	1	1876	1	1876	1	2435	1	2435	1
12	811	1	852	1	958	1	1074	1	1496	1	1621	1	1621	1	2131	1	2131	1
13	819	1	855	1	968	1	1090	1	1513	1	1638	1	1638	1	2195	1	2195	1
15	711	1	739	1	834	1	930	1	1293	1	1410	1	1410	1	1889	1	1889	1
16	819	1	855	1	968	1	1090	1	1513	1	1638	1	1638	1	2195	1	2195	1
18	892	1	928	1	1047	1	1180	1	1660	1	1810	1	1810	1	2378	1	2378	1
20	895	1	929	1	1048	1	1179	1	1620	1	1775	1	1775	1	2303	1	2303	1
21	915	1	952	1	1074	1	1210	1	1702	1	1857	1	1857	1	2438	1	2438	1
23	679	1	707	1	793	1	893	1	1227	1	1338	1	1338	1	1820	1	1820	1
24	761	1	791	1	898	1	1002	1	1417	1	1523	1	1523	1	2046	1	2046	1
26	872	1	906	1	1022	1	1150	1	1579	1	1732	1	1732	1	2245	1	2245	1
28	757	1	785	1	893	1	992	1	1373	1	1496	1	1496	1	1981	1	1981	1
29	895	1	929	1	1048	1	1179	1	1620	1	1775	1	1775	1	2303	1	2303	1
31	854	1	895	1	1010	1	1135	1	1578	1	1705	1	1705	1	2189	1	2189	1
32	1027	1	1095	1	1238	1	1394	1	1911	1	2084	1	2084	1	2650	1	2650	1
34	854	1	895	1	1010	1	1135	1	1578	1	1705	1	1705	1	2189	1	2189	1
35	923	1	961	1	1090	1	1218	1	1694	1	1820	1	1820	1	2387	1	2387	1
36	794	1	823	1	933	1	1049	1	1436	1	1563	1	1563	1	2096	1	2096	1
38	938	1	981	1	1104	1	1243	1	1718	1	1867	1	1867	1	2398	1	2398	1
40	731	1	765	1	863	1	970	1	1349	1	1458	1	1458	1	1871	1	1871	1
41	841	1	880	1	991	1	1116	1	1551	1	1677	1	1677	1	2151	1	2151	1
44	832	1	866	1	978	1	1102	1	1550	1	1690	1	1690	1	2218	1	2218	1
45	938	1	981	1	1104	1	1243	1	1718	1	1867	1	1867	1	2398	1	2398	1
48	727	1	754	1	855	1	952	1	1316	1	1434	1	1434	1	1898	1	1898	1
49	774	1	803	1	910	1	1022	1	1401	1	1525	1	1525	1	2045	1	2045	1
50	843	1	888	1	999	1	1119	1	1561	1	1690	1	1690	1	2222	1	2222	1
51	774	1	807	1	912	1	1019	1	1442	1	1550	1	1550	1	2080	1	2080	1
53	830	1	863	1	978	1	1094	1	1521	1	1632	1	1632	1	2142	1	2142	1
55	770	1	809	1	912	1	1021	1	1422	1	1542	1	1542	1	2024	1	2024	1
57	727	1	754	1	855	1	952	1	1316	1	1434	1	1434	1	1898	1	1898	1
58	725	1	754	1	848	1	949	1	1315	1	1434	1	1434	1	1923	1	1923	1
62	789	1	831	1	935	1	1047	1	1458	1	1580	1	1580	1	2076	1	2076	1
68	841	1	880	1	991	1	1116	1	1551	1	1677	1	1677	1	2151	1	2151	1
75	774	1	807	1	912	1	1019	1	1442	1	1550	1	1550	1	2080	1	2080	1
77	709	1	737	1	828	1	932	1	1281	1	1398	1	1398	1	1901	1	1901	1
78	770	1	805	1	909	1	1021	1	1422	1	1533	1	1533	1	1969	1	1969	1
79	731	1	765	1	863	1	970	1	1349	1	1458	1	1458	1	1871	1	1871	1
87	743	1	772	1	869	1	973	1	1349	1	1470	1	1470	1	1972	1	1972	1
88	755	1	783	1	888	1	996	1	1366	1	1486	1	1486	1	1994	1	1994	1
91	852	1	888	1	1007	1	1125	1	1565	1	1679	1	1679	1	2203	1	2203	1
95	731	1	765	1	863	1	970	1	1349	1	1458	1	1458	1	1871	1	1871	1

FOR FORM 3 WITH RENOVATION COST B-639-B (REPAIR COST ON ROOF), MULTIPLY THE PREMIUM BY 1.20.

Arkansas Homeowners Form HO-3 Frame Base Rates

**\$60,000 Base, \$500 Deductible,
\$100,000 Liability, \$1,000 Medical Payments**

Zones	1-3, 1Y-3Y		4-5, 4Y-5Y		6, 6Y		7,7Y,1N-5N		8, 8Y		6N, 7N		9, 8N		10		11	
	Frame	curve	Frame	curve	Frame	curve	Frame	curve	Frame	curve	Frame	curve	Frame	curve	Frame	curve	Frame	curve
4	1037	1	1107	1	1239	1	1379	1	2015	1	2203	1	2203	1	2813	1	2813	1
12	892	1	958	1	1073	1	1185	1	1759	1	1906	1	1906	1	2479	1	2479	1
13	897	1	968	1	1074	1	1200	1	1780	1	1929	1	1929	1	2536	1	2536	1
15	778	1	834	1	927	1	1037	1	1522	1	1658	1	1658	1	2195	1	2195	1
16	897	1	968	1	1074	1	1200	1	1780	1	1929	1	1929	1	2536	1	2536	1
18	984	1	1047	1	1170	1	1303	1	1961	1	2113	1	2113	1	2716	1	2716	1
20	980	1	1048	1	1172	1	1304	1	1906	1	2085	1	2085	1	2661	1	2661	1
21	1009	1	1074	1	1200	1	1338	1	2012	1	2167	1	2167	1	2785	1	2785	1
23	742	1	793	1	882	1	983	1	1448	1	1569	1	1569	1	2114	1	2114	1
24	835	1	898	1	996	1	1117	1	1678	1	1782	1	1782	1	2381	1	2381	1
26	956	1	1022	1	1142	1	1272	1	1857	1	2033	1	2033	1	2594	1	2594	1
28	832	1	893	1	989	1	1108	1	1617	1	1756	1	1756	1	2291	1	2291	1
29	980	1	1048	1	1172	1	1304	1	1906	1	2085	1	2085	1	2661	1	2661	1
31	940	1	1010	1	1124	1	1263	1	1849	1	2006	1	2006	1	2565	1	2565	1
32	1152	1	1238	1	1375	1	1533	1	2245	1	2448	1	2448	1	3071	1	3071	1
34	940	1	1010	1	1124	1	1263	1	1849	1	2006	1	2006	1	2565	1	2565	1
35	1018	1	1090	1	1212	1	1358	1	1986	1	2150	1	2150	1	2773	1	2773	1
36	872	1	933	1	1037	1	1159	1	1690	1	1833	1	1833	1	2437	1	2437	1
38	1032	1	1104	1	1233	1	1377	1	2006	1	2184	1	2184	1	2781	1	2781	1
40	803	1	863	1	961	1	1079	1	1580	1	1716	1	1716	1	2193	1	2193	1
41	923	1	991	1	1105	1	1241	1	1817	1	1974	1	1974	1	2522	1	2522	1
44	918	1	978	1	1091	1	1217	1	1831	1	1971	1	1971	1	2535	1	2535	1
45	1032	1	1104	1	1233	1	1377	1	2006	1	2184	1	2184	1	2781	1	2781	1
48	797	1	855	1	949	1	1061	1	1550	1	1683	1	1683	1	2195	1	2195	1
49	851	1	910	1	1012	1	1130	1	1649	1	1788	1	1788	1	2378	1	2378	1
50	929	1	999	1	1118	1	1237	1	1834	1	1986	1	1986	1	2586	1	2586	1
51	849	1	912	1	1014	1	1136	1	1706	1	1814	1	1814	1	2422	1	2422	1
53	912	1	978	1	1088	1	1218	1	1781	1	1930	1	1930	1	2490	1	2490	1
55	847	1	912	1	1020	1	1127	1	1672	1	1811	1	1811	1	2358	1	2358	1
57	797	1	855	1	949	1	1061	1	1550	1	1683	1	1683	1	2195	1	2195	1
58	790	1	848	1	944	1	1055	1	1548	1	1686	1	1686	1	2235	1	2235	1
62	869	1	935	1	1045	1	1156	1	1715	1	1857	1	1857	1	2419	1	2419	1
68	923	1	991	1	1105	1	1241	1	1817	1	1974	1	1974	1	2522	1	2522	1
75	849	1	912	1	1014	1	1136	1	1706	1	1814	1	1814	1	2422	1	2422	1
77	774	1	828	1	922	1	1027	1	1514	1	1640	1	1640	1	2208	1	2208	1
78	846	1	909	1	1012	1	1136	1	1663	1	1807	1	1807	1	2309	1	2309	1
79	803	1	863	1	961	1	1079	1	1580	1	1716	1	1716	1	2193	1	2193	1
87	812	1	869	1	967	1	1083	1	1589	1	1729	1	1729	1	2292	1	2292	1
88	831	1	888	1	985	1	1101	1	1607	1	1742	1	1742	1	2317	1	2317	1
91	939	1	1007	1	1118	1	1254	1	1831	1	1986	1	1986	1	2560	1	2560	1
95	803	1	863	1	961	1	1079	1	1580	1	1716	1	1716	1	2193	1	2193	1

FOR FORM 3 WITH RENOVATION COST B-639-B (REPAIR COST ON ROOF), MULTIPLY THE PREMIUM BY 1.20.