

SERFF Tracking Number: FORE-128246388 State: Arkansas
Filing Company: Foremost Insurance Company Grand Rapids, Michigan State Tracking Number:
Michigan
Company Tracking Number: C-116
TOI: 04.0 Homeowners Sub-TOI: 04.0002 Mobile Homeowners
Product Name: Manufactured Home Insurance Program
Project Name/Number: /

Filing at a Glance

Company: Foremost Insurance Company Grand Rapids, Michigan

Product Name: Manufactured Home Insurance SERFF Tr Num: FORE-128246388 State: Arkansas
Program

TOI: 04.0 Homeowners

SERFF Status: Closed-Filed

State Tr Num:

Sub-TOI: 04.0002 Mobile Homeowners

Co Tr Num: C-116

State Status:

Filing Type: Rate

Reviewer(s): Becky Harrington

Author: Christine Mooney

Disposition Date: 06/01/2012

Date Submitted: 05/11/2012

Disposition Status: Filed

Effective Date Requested (New): 09/01/2012

Effective Date (New): 09/01/2012

Effective Date Requested (Renewal): 09/01/2012

Effective Date (Renewal):

09/01/2012

State Filing Description:

referred to Commissioner 5/23/12

General Information

Project Name:

Status of Filing in Domicile: Not Filed

Project Number:

Domicile Status Comments:

Reference Organization:

Reference Number:

Reference Title:

Advisory Org. Circular:

Filing Status Changed: 06/01/2012

State Status Changed: 05/30/2012

Deemer Date:

Created By: Christine Mooney

Submitted By: Christine Mooney

Corresponding Filing Tracking Number:

Filing Description:

revisions to the rate section

State Narrative:

Company and Contact

Filing Contact Information

Kaan Cidanli, Administrator

kaan.cidanli@farmersinsurance.com

PO Box 2450

616-956-3645 [Phone]

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 Project Name/Number: /

Grand Rapids, MI 49501-2450

Filing Company Information

Foremost Insurance Company Grand Rapids, CoCode: 11185 State of Domicile: Michigan
 Michigan
 P.O. Box 2450 Group Code: 212 Company Type: Property and
 Casualty
 Grand Rapids, MI 49501-2450 Group Name: State ID Number:
 (616) 942-3000 ext. [Phone] FEIN Number: 38-1407533

Filing Fees

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

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Foremost Insurance Company Grand Rapids, Michigan	\$100.00	05/11/2012	59109432

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Becky Harrington	06/01/2012	06/01/2012

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	05/30/2012	05/30/2012	Christine Mooney	06/01/2012	06/01/2012
No response necessary	Becky Harrington	05/25/2012	05/25/2012			
Pending Industry Response	Becky Harrington	05/16/2012	05/16/2012	Kristen Kennedy	05/23/2012	05/23/2012

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Disposition

Disposition Date: 06/01/2012

Effective Date (New): 09/01/2012

Effective Date (Renewal): 09/01/2012

Status: Filed

Comment: Overall amount reduced to 20% per Department request.

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):
Foremost Insurance Company Grand Rapids, Michigan	43.400%	20.000%	\$2,336,899	10,385	\$9,347,595	25.000%	%

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Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document (revised)	NAIC loss cost data entry document	Filed	Yes
Supporting Document	NAIC loss cost data entry document		Yes
Supporting Document	NAIC loss cost data entry document		Yes
Supporting Document	NAIC Loss Cost Filing Document for OTHER than Workers' Comp		Yes
Supporting Document	Cover Letter and Summary of Revisions	Filed	Yes
Rate (revised)	Rates	Filed	Yes
Rate	Rates		Yes
Rate (revised)	Rates	Filed	Yes
Rate	Rates		Yes
Rate (revised)	Rates	Filed	Yes
Rate	Rates		Yes
Rate (revised)	Rates	Filed	Yes
Rate	Rates		Yes
Rate	Rates	Filed	Yes
Rate	Rates	Filed	Yes
Rate (revised)	Rates	Filed	Yes
Rate	Rates		Yes
Rate	Rates	Filed	Yes
Rate (revised)	Rates	Filed	Yes
Rate	Rates		Yes

SERFF Tracking Number: FORE-128246388 State: Arkansas
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TOI: 04.0 Homeowners Sub-TOI: 04.0002 Mobile Homeowners
Product Name: Manufactured Home Insurance Program
Project Name/Number: /

Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 05/30/2012

Submitted Date 05/30/2012

Respond By Date

Dear Kaan Cidanli,

The requested increase has been reviewed by the Commissioner.

Please amend the overall amount to 20% and cap individual increases at no more than 25%.

Please indicate new effective dates if necessary.

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: FORE-128246388 State: Arkansas
 Filing Company: Foremost Insurance Company Grand Rapids, Michigan State Tracking Number:
 Company Tracking Number: C-116
 TOI: 04.0 Homeowners Sub-TOI: 04.0002 Mobile Homeowners
 Product Name: Manufactured Home Insurance Program
 Project Name/Number: /

Response Letter

Response Letter Status Submitted to State
 Response Letter Date 06/01/2012
 Submitted Date 06/01/2012

Dear Becky Harrington,

Comments:

This is in response to your Objection Letter dated 05/30/2012.

Response 1

Comments: Our base rates have been revised to result in an overall rate effect of +20%. The Named Insured 50 Years of Age or Older factors in Territory A and Territory C have been changed from .85 to .84. No insured will see an increase of more than 25%.

A revised NAIC Loss Cost Data Entry Document has been attached.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: NAIC loss cost data entry document

Comment:

No Form Schedule items changed.

Rate/Rule Schedule Item Changes

Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing #
Rates	R-7	Replacement	
Previous Version			
Rates	R-7	Replacement	
Rates	R-8	Replacement	
Previous Version			
Rates	R-8	Replacement	
Rates	R-9	Replacement	
Previous Version			

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Rates R-9 Replacement

Rates R-10 Replacement

Previous Version

Rates R-10 Replacement

Rates R-13 Replacement

Previous Version

Rates R-13 Replacement

Rates R-18 Replacement

Previous Version

Rates R-18 Replacement

Please withdraw:

Rate Pages R-7, R-8, R-9, R-10, R-13 and R-18 – Revised Printing 5/12

Please insert:

Rate Pages R-7, R-8, R-9, R-10, R-13 and R-18 – Revised Printing 6/12

Your attention to our filing is appreciated.

Very truly yours,
Kaan K. Cidanli
State Filings Administrator

Enclosures:
Revised NAIC Loss Cost Data Entry Document
Revised Rate Pages

Sincerely,
Christine Mooney

SERFF Tracking Number: FORE-128246388 State: Arkansas
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Company Tracking Number: C-116
TOI: 04.0 Homeowners Sub-TOI: 04.0002 Mobile Homeowners
Product Name: Manufactured Home Insurance Program
Project Name/Number: /

Objection Letter

Objection Letter Status No response necessary
Objection Letter Date 05/25/2012
Submitted Date 05/25/2012
Respond By Date
Dear Kaan Cidanli,

This will acknowledge receipt of the recent response.

This filing is being referred to the Commissioner for review due to the requested increase amount being greater than 6%. No response is necessary at this time. Please do not respond.

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: FORE-128246388 State: Arkansas
Filing Company: Foremost Insurance Company Grand Rapids, Michigan State Tracking Number:
Company Tracking Number: C-116
TOI: 04.0 Homeowners Sub-TOI: 04.0002 Mobile Homeowners
Product Name: Manufactured Home Insurance Program
Project Name/Number: /

Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 05/16/2012

Submitted Date 05/16/2012

Respond By Date

Dear Kaan Cidanli,

This will acknowledge receipt of the captioned filing.

Objection 1

- NAIC loss cost data entry document (Supporting Document)

Comment: Please amend the rate-history section to reflect the 14.4% increase for 2011. (original filing of 5.9% was disapproved. refiled for 14.4%)

Objection 2

- Cover Letter and Summary of Revisions (Supporting Document)

Comment: Please provide additional supporting documentation justifying the changes to A and C modifiers for named insured 50 years or older.

Objection 3

- Cover Letter and Summary of Revisions (Supporting Document)

Comment: Please provide additional supporting documentation justifying the changes to Territory A and B in park modifiers.

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: FORE-128246388 State: Arkansas
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Company Tracking Number: C-116
TOI: 04.0 Homeowners Sub-TOI: 04.0002 Mobile Homeowners
Product Name: Manufactured Home Insurance Program
Project Name/Number: /

Response Letter

Response Letter Status Submitted to State
Response Letter Date 05/23/2012
Submitted Date 05/23/2012

Dear Becky Harrington,

Comments:

This is in response to your objection letter dated 5/16/2012.

Response 1

Comments: The rate exhibit has been revised to reflect the 14.4% rate increase in 2011.

Related Objection 1

Applies To:

- NAIC loss cost data entry document (Supporting Document)

Comment:

Please amend the rate-history section to reflect the 14.4% increase for 2011. (original filing of 5.9% was disapproved. refiled for 14.4%)

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: NAIC loss cost data entry document

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 2

Comments: Starting June 1, 2010, Foremost started using credit based insurance scoring as a rating variable for new business in Arkansas. Age of insured and a policyholder's insurance score are multi correlated. As a result, as more policyholders receive a discount for their insurance score, we have to reduce the discount they receive for their age or we will end up giving policyholders age 50 or older too much of a discount and charge them an inadequate rate.

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Company Tracking Number: C-116
TOI: 04.0 Homeowners Sub-TOI: 04.0002 Mobile Homeowners
Product Name: Manufactured Home Insurance Program
Project Name/Number: /

The overall effect of this change is +3.5%.

Related Objection 1

Applies To:

- Cover Letter and Summary of Revisions (Supporting Document)

Comment:

Please provide additional supporting documentation justifying the changes to A and C modifiers for named insured 50 years or older.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 3

Comments: Since Territory A comprises about 75% of our statewide exposure and Territory B comprises less than 1% of our statewide exposure we looked to our statewide relativities for in park modifiers. Our actual loss experience for the last 3 years indicates about a .88 modifier. We tempered this slightly and selected .87 for Territories A and B.

The overall effect of this change is +1.4%.

Related Objection 1

Applies To:

- Cover Letter and Summary of Revisions (Supporting Document)

Comment:

Please provide additional supporting documentation justifying the changes to Territory A and B in park modifiers.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

SERFF Tracking Number: FORE-128246388 State: Arkansas
 Filing Company: Foremost Insurance Company Grand Rapids, Michigan State Tracking Number:
 Company Tracking Number: C-116
 TOI: 04.0 Homeowners Sub-TOI: 04.0002 Mobile Homeowners
 Product Name: Manufactured Home Insurance Program
 Project Name/Number: /

Rate Information

Rate data applies to filing.

Filing Method: Prior Approval
Rate Change Type: Increase
Overall Percentage of Last Rate Revision: 14.400%
Effective Date of Last Rate Revision: 09/01/2011
Filing Method of Last Filing: Prior Approval

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):
Foremost Insurance Company Grand Rapids, Michigan	43.400%	25.000%	\$2,336,899	10,385	\$9,347,595	35.700%	14.700%

SERFF Tracking Number: FORE-128246388 State: Arkansas
 Filing Company: Foremost Insurance Company Grand Rapids, Michigan State Tracking Number:
 Company Tracking Number: C-116
 TOI: 04.0 Homeowners Sub-TOI: 04.0002 Mobile Homeowners
 Product Name: Manufactured Home Insurance Program
 Project Name/Number: /

Rate/Rule Schedule

Schedule Item	Exhibit Name:	Rule # or Page	Rate Action	Previous State Filing Attachments
Status:		#:		Number:
Filed 06/01/2012 Rates		R-7	Replacement	R-7.pdf
Filed 06/01/2012 Rates		R-8	Replacement	R-8.pdf
Filed 06/01/2012 Rates		R-9	Replacement	R-9.pdf
Filed 06/01/2012 Rates		R-10	Replacement	R-10.pdf
Filed 06/01/2012 Rates		R-11	Replacement	R-11.pdf
Filed 06/01/2012 Rates		R-12	Replacement	R-12.pdf
Filed 06/01/2012 Rates		R-13	Replacement	R-13.pdf
Filed 06/01/2012 Rates		R-17	Replacement	R-17.pdf
Filed 06/01/2012 Rates		R-18	Replacement	R-18.pdf

ARKANSAS

MANUFACTURED HOME INSURANCE PROGRAM

ANNUAL RATES/PREMIUMS
(Continued)

HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES
HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES – PROPERTY COVERAGE ONLY

* COVERAGE A - DWELLING

Primary Residence
\$500 Deductible

Manufactured Home 11 Years Old or Older

Out of Park

Named Insured Under 50 Years of Age

Territory A

<u>Rating Base</u>	<u>Premium</u>
First \$5,999	\$460.40
Between \$6,000 and \$9,999, for each additional \$1,000 or any part thereof, ADD:	24.86
Between \$10,000 and \$19,999, for each additional \$1,000 or any part thereof, ADD:	14.16
Between \$20,000 and \$39,999, for each additional \$1,000 or any part thereof, ADD:	10.72
Over \$39,999, for each additional \$1,000 or any part thereof, ADD:	8.09

ARKANSAS

MANUFACTURED HOME INSURANCE PROGRAM

ANNUAL RATES/PREMIUMS
(Continued)

HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES
HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES – PROPERTY COVERAGE ONLY

* COVERAGE A - DWELLING

Primary Residence
\$500 Deductible

Manufactured Home 11 Years Old or Older

Out of Park

Named Insured Under 50 Years of Age

Territory B

<u>Rating Base</u>	<u>Premium</u>
First \$5,999	\$658.80
Between \$6,000 and \$9,999, for each additional \$1,000 or any part thereof, ADD:	52.70
Between \$10,000 and \$19,999, for each additional \$1,000 or any part thereof, ADD:	30.01
Between \$20,000 and \$39,999, for each additional \$1,000 or any part thereof, ADD:	25.62
Over \$39,999, for each additional \$1,000 or any part thereof, ADD:	25.62

ARKANSAS

MANUFACTURED HOME INSURANCE PROGRAM

ANNUAL RATES/PREMIUMS
(Continued)

HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES
HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES – PROPERTY COVERAGE ONLY

* COVERAGE A - DWELLING

Primary Residence
\$500 Deductible

Manufactured Home 11 Years Old or Older

Out of Park

Named Insured Under 50 Years of Age

Territory C

<u>Rating Base</u>	<u>Premium</u>
First \$5,999	\$472.80
Between \$6,000 and \$9,999, for each additional \$1,000 or any part thereof, ADD:	25.53
Between \$10,000 and \$19,999, for each additional \$1,000 or any part thereof, ADD:	14.54
Between \$20,000 and \$39,999, for each additional \$1,000 or any part thereof, ADD:	11.00
Over \$39,999, for each additional \$1,000 or any part thereof, ADD:	8.31

ARKANSAS

MANUFACTURED HOME INSURANCE PROGRAM

ANNUAL RATES/PREMIUMS
(Continued)

HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES
HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES – PROPERTY COVERAGE ONLY

* COVERAGE A - DWELLING

Primary Residence
\$500 Deductible

Manufactured Home 11 Years Old or Older

Out of Park

Named Insured Under 50 Years of Age

Territory D

<u>Rating Base</u>	<u>Premium</u>
First \$5,999	\$361.15
Between \$6,000 and \$9,999, for each additional \$1,000 or any part thereof, ADD:	19.50
Between \$10,000 and \$19,999, for each additional \$1,000 or any part thereof, ADD:	11.11
Between \$20,000 and \$39,999, for each additional \$1,000 or any part thereof, ADD:	8.40
Over \$39,999, for each additional \$1,000 or any part thereof, ADD:	6.34

ARKANSAS

MANUFACTURED HOME INSURANCE PROGRAM

ANNUAL RATES/PREMIUMS
(Continued)

HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES
HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES – PROPERTY COVERAGE ONLY

* COVERAGE B - OTHER STRUCTURES

Primary and Secondary Residence
\$500 Deductible

Out of Park

Named Insured Under 50 Years of Age

<u>Territory</u>	<u>Amount of Insurance</u>	<u>Premium</u>	<u>For Each Additional \$100</u>
A	\$100	\$13.38	\$ 1.43
B	100	23.90	2.39
C	100	10.78	1.22
D	100	9.63	1.03

ARKANSAS

MANUFACTURED HOME INSURANCE PROGRAM

ANNUAL RATES/PREMIUMS
(Continued)

HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES
HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES – PROPERTY COVERAGE ONLY

* COVERAGE C - PERSONAL PROPERTY

Primary and Secondary Residence
\$500 Deductible

Out of Park

Named Insured Under 50 Years of Age

<u>Territory</u>	<u>Amount of Insurance</u>	<u>Premium</u>	<u>For Each Additional \$100</u>
A	\$100	\$106.43	\$ 1.27
B	100	175.55	2.27
C	100	94.36	1.15
D	100	72.60	.90

ARKANSAS

MANUFACTURED HOME INSURANCE PROGRAM

ANNUAL RATES/PREMIUMS
(Continued)

TENANT INSURANCE

* COVERAGE C - PERSONAL PROPERTY

\$500 Deductible

<u>Amount of Insurance</u>	<u>Premium</u>	<u>For Each Additional \$100</u>
\$100	\$156.25	\$ 2.50

ARKANSAS

MANUFACTURED HOME INSURANCE PROGRAM

ANNUAL RATES/PREMIUMS
 (Continued)

PREMIUM MODIFIERS (continued)

FIRE AND AUTO COMBINED EVALUATION TOOL (FACET) SCORE
 Primary and Secondary Residence

<u>FACET Score</u>	<u>Factor</u>	<u>FACET Score</u>	<u>Factor</u>
<450	1.90	675 – 699	1.00
450 – 474	1.70	700 – 724	1.00
475 – 499	1.50	725 – 749	1.00
500 – 524	1.30	750 – 774	.95
525 – 549	1.25	775 – 799	.95
550 – 574	1.20	800+	.90
575 – 599	1.15	No Score	1.00
600 – 624	1.10	No Hit	1.00
625 – 649	1.05	Foreign Address	1.00
650 – 674	1.00	Existing Policyholders†	1.00

Multiply the Coverage A – Dwelling, Coverage B – Other Structures, and Coverage C – Personal Property premiums by the appropriate factor.

This premium modifier is available only to policies with an original inception on or after the implementation of the filing designated Company File #C-80, and their subsequent renewals.

†Policies with an original inception prior to the implementation of the filing designated Company File #C-80 will maintain a relativity of 1.00.

* IN PARK MANUFACTURED HOME
 Primary and Secondary Residence

Multiply the Coverage A – Dwelling, Coverage B – Other Structures and Coverage C – Personal Property premiums by the appropriate premium modifier when the manufactured home is located in park.

<u>Territory</u>	<u>Premium Modifier</u>
A	.87
B	.87
C	.87
D	.95

ARKANSAS

MANUFACTURED HOME INSURANCE PROGRAM

ANNUAL RATES/PREMIUMS
(Continued)

PREMIUM MODIFIERS (continued)

MULTI-POLICY

Primary and Secondary Residence and Tenant

Apply a factor of .95 when the named insured maintains one or more personal lines or life insurance policies with any insurer in the National Association of Insurance Commissioners Group Code 0212. If the only other policy is a term, whole life, or variable universal life policy, it must have a face amount of \$50,000 or greater, be issued to an adult and be in-force when the policy is written.

This premium modifier applies to the annual rates/premiums for Coverage A – Dwelling, Coverage B – Other Structures and Coverage C – Personal Property.

NAMED INSURED 50 YEARS OF AGE OR OLDER

Primary and Secondary Residence

Multiply the Coverage A – Dwelling, Coverage B – Other Structures, and Coverage C – Personal Property premiums by the appropriate premium modifier when the Named Insured is 50 Years of Age or Older.

<u>Territory</u>	<u>Premium Modifier</u>
A	* .84
B	1.00
C	* .84
D	.90

SECONDARY RESIDENCE

\$500 Deductible

Increase the premium for Coverage A - Dwelling by \$10 when the manufactured home is used as a Secondary Residence.

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 TOI: 04.0 Homeowners Sub-TOI: 04.0002 Mobile Homeowners
 Product Name: Manufactured Home Insurance Program
 Project Name/Number: /

Supporting Document Schedules

		Item Status:	Status Date:
Satisfied - Item:	NAIC loss cost data entry document	Filed	06/01/2012
Comments:			
Attachment:			
	FORM RF-1 Rate Filing Abstract.pdf		

		Item Status:	Status Date:
Bypassed - Item:	NAIC Loss Cost Filing Document for OTHER than Workers' Comp		
Bypass Reason:	not applicable		
Comments:			

		Item Status:	Status Date:
Satisfied - Item:	Cover Letter and Summary of Revisions	Filed	06/01/2012
Comments:			
Attachment:			
	Arkansas-Ltr-Summary-Rates.pdf		

NAIC LOSS COST DATA ENTRY DOCUMENT

1. This filing transmittal is part of Company Tracking # **C-116**

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
A.	Foremost Insurance Company Grand Rapids, Michigan	B. 212-11185

Product Coding Matrix Line of Business (i.e., Type of Insurance)		Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)
A.	4.0000	B. 4.0002

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	FOR LOSS COSTS ONLY				(H) Co. Current Loss Cost Multiplier
			(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	
Manufactured Home	+43.4%	+20.0%					
TOTAL OVERALL EFFECT	+43.4%	+20.0%					

Year	5 Year History		Rate Change History		Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio	Expense Constants	Selected Provisions
	Policy Count	% of Change	Effective Date	State Earned Premium (000)					
2007	11,317	+1.9	5/1/07	7,645	4,108	53.7	53.0	A. Total Production Expense	18.1
2008	11,430			7,932	9,040	114.0	90.2	B. General Expense	19.1
2009	11,305	+0.4	6/1/09	8,065	9,705	120.3	58.7	C. Taxes, License & Fees	3.8
2010	10,801	+15.8	6/1/10	8,399	7,124	84.8	53.6	D. Underwriting Profit & Contingencies	5.0
2011	10,385	+14.4	11/1/11	9,087	9,213	101.4	65.5	E. Other (explain)	* 2.2
								F. TOTAL	48.2

* Unrecoverable reinsurance expense

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

9. +25% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): Territory A

10. 0 Estimated Maximum Rate Decrease for any Insured (%). Territory (if applicable): n/a

**Foremost® Insurance Company
Grand Rapids, Michigan**

ADMINISTRATIVE OFFICES
5600 Beech Tree Lane
Caledonia, Michigan 49316-0050

MAILING ADDRESS
ATTN: STATE FILINGS DEPT.
P.O. Box 2450
Grand Rapids, Michigan 49501-2450

May 11, 2012

Honorable Jay Bradford
Commissioner of Insurance
Arkansas Insurance Department
1200 West Third Street
Little Rock, Arkansas 72201-1904

RE: Foremost Insurance Company Grand Rapids, Michigan
NAIC #212-11185
Manufactured Home Insurance Program
Revision to the Rate Section
Company Tracking Number: C-116

Dear Commissioner Bradford:

The enclosed Summary of Revisions has been developed to assist your review of this filing. This filing results in an overall rate level adjustment of +25.0%.

The following rule of implementation will apply:

This filing will be effective for all new and renewal policies written to be effective on and after September 1, 2012. No policy effective prior to the above date is to be cancelled and rewritten to take advantage of or to avoid the application of this filing except at the request of the insured.

Your attention to our filing is appreciated.

Very truly yours,

Kaan K. Cidanli
State Filings Administrator
State Filings
Phone No. (616) 956-3645
Fax No. (616) 956-2093
e-mail: kaan.cidanli@foremost.com

KKC/cm

Enclosures: \$100 EFT
NAIC Loss Cost Data Entry Document
Summary of Revisions, 5/12
Rate Pages

ARKANSAS

MANUFACTURED HOME INSURANCE PROGRAM

SUMMARY OF REVISIONS

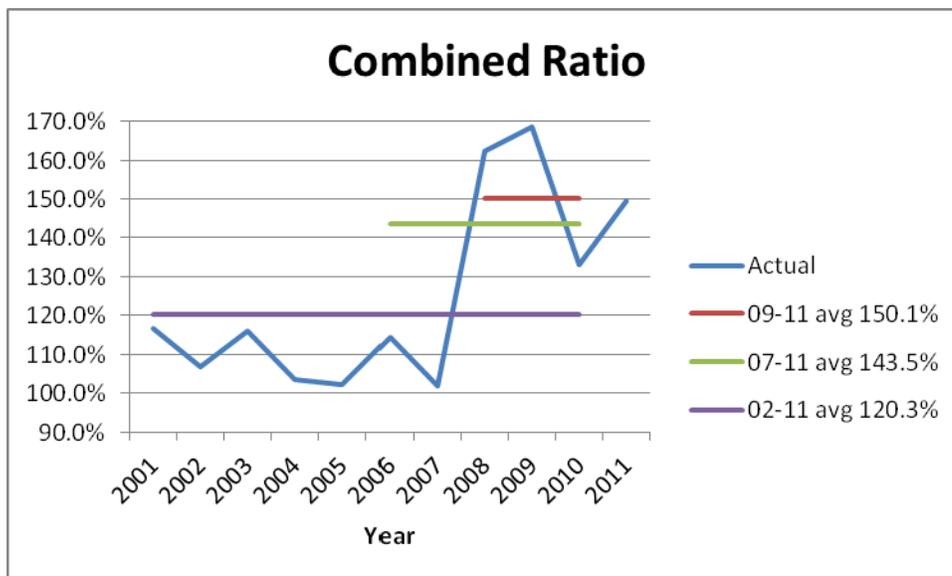
RATE SECTION

Arkansas History

- As a specialty carrier, Foremost meets the needs of underserved markets. In fact, Foremost was started in 1952 because no one would insure manufactured homes. Today, Foremost insures one out of four owner occupied manufactured homes. We are able to do this by class underwriting so we write enough homes to effectively spread the risk.
- Several standard companies like Arkansas Farm Bureau, American Family and Nationwide send some or all of their manufactured home business to Foremost. Recently, Nationwide non-renewed their manufactured home book in Arkansas.
- Since fewer companies are willing to write manufactured home insurance, Foremost is becoming one of the few manufactured home carriers in the marketplace.

Profitability

Our combined ratio has averaged over 120.3% over the last ten years resulting in a substantial loss of surplus.



ARKANSAS

MANUFACTURED HOME INSURANCE PROGRAM

SUMMARY OF REVISIONS

RATE SECTION (continued)

Rate Change History

Foremost Insurance Company currently has 10,385 manufactured homeowners policies in force in Arkansas. The exhibit below shows our 12 year history of rate changes.

<u>Effective Date</u>	<u>Revision</u>	<u>Overall Impact</u>
September 1, 2002	Rate Level Adjustment	2.9%
March 1, 2004	Rate Level Adjustment	3.7%
September 1, 2005	Rate Level Adjustment	4.4%
May 1, 2007	Rate Level Adjustment	1.9%
June 1, 2008	Revised our park definition. No overall rate effect.	0.0%
June 1, 2009	We introduced our revised policy with 16 coverage enhancements worth \$47.25 for our Mobile Home Insurance Policy and 13 coverage enhancements for Tenant Policy. We increased our average premium \$10.87 for Mobile Home Insurance Policy and \$5 for our Tenant Policy for a total overall effect of -4.0%.	-4.0%
June 1, 2010	Rate Level Adjustment	15.8%
September 1, 2011	Rate Level Adjustment	5.9%
November 1, 2011	Rate Level Adjustment	8.5%

As the above chart shows, Foremost has not taken a lot of rate increases over the last decade. In fact, when we compare our current rates to the rates 45 years ago a typical policyholder's premium only increased \$2.40/year.

Newer home insured for \$24,000, Insured under 50, located in a park, \$100 deductible

<u>Premium as of</u> <u>March 1967</u>	<u>Premium as of</u> <u>March 2012</u>	<u>Premium</u> <u>Difference</u>
\$407	\$515	\$108

We should also point out that the policy today contains substantially more coverage than the policy of 1967 including all risk coverage.

ARKANSAS

MANUFACTURED HOME INSURANCE PROGRAM

SUMMARY OF REVISIONS

RATE SECTION (continued)

Rate Level Indication

Our indicated rate need is developed as follows:

	(1)	(2)	(3)
<u>Year</u>	<u>Earned Premium</u>	<u>Incurred Losses and Allocated Loss Adjustment Expense</u>	<u>Loss Ratios (2) / (1)</u>
2007	\$7,645,017	\$4,107,651	0.537
2008	\$7,931,598	\$9,040,004	1.140
2009	\$8,065,073	\$9,704,514	1.203
2010	\$8,398,549	\$7,124,156	0.848
2011	\$9,086,923	\$9,213,099	1.014
(4)	Aggregate Loss Ratio [sum of (2) / sum of (1)] =		0.953
(5)	Expected Loss Ratio =		0.518
(6)	Indicated Premium Adjustment =		84.0%

We are still waiting for our 2011 experience to develop on an accident year basis, but if we adjust the premiums to current (including our 2011 rate change) using 2006-2010 experience our indicated rate need is 43.4%. Adding 2011 experience is only going to increase our indicated rate need further and get us further behind.

ARKANSAS

MANUFACTURED HOME INSURANCE PROGRAM

SUMMARY OF REVISIONS

RATE SECTION (continued)

Year	(1) Earned Premium At Current Premium Levels	(2) Incurred Losses and Allocated Loss Adjustment Expense	(3) Current Cost Factor
2006	\$9,754,457	\$4,704,809	1.10
2007	\$9,791,720	\$3,984,666	1.06
2008	\$10,037,269	\$8,294,780	1.04
2009	\$10,182,481	\$9,329,977	1.01
2010	\$10,316,168	\$6,818,583	0.98
Year	(4) Incurred Losses at Current Cost Levels (2) X (3)	(5) Trended Incurred Losses (4) X 1.09	(6) Adjusted Loss Ratios (5) / (1)
2006	\$5,175,290	\$5,641,066	0.578
2007	\$4,223,746	\$4,603,883	0.470
2008	\$8,626,571	\$9,402,962	0.937
2009	\$9,423,277	\$10,271,372	1.009
2010	\$6,682,211	\$7,283,610	0.706

(7)	Aggregate Loss Ratio [sum of (5) / sum of (1)] =	0.743
(8)	Expected Loss Ratio =	0.518
(9)	Indicated Premium Adjustment =	43.4%

ARKANSAS

MANUFACTURED HOME INSURANCE PROGRAM

SUMMARY OF REVISIONS

RATE SECTION (continued)

Overall

The overall rate increase is as follows:

<u>Policies In Force</u>	<u>Current Average Premium</u>	<u>Proposed Average Premium</u>	<u>Premium Change Per Month</u>	<u>Proposed Percent Change</u>	<u>Indicated Premium Change</u>
10,385	\$ 986	\$1,233	\$20.56	25.0%	43.4%

Included in the overall rate change are the following:

Premium Modifiers

Named Insured 50 Years of Age or Older

<u>Territory</u>	<u>Current Modifier</u>	<u>Proposed Modifier</u>
A	.80	.85
B	1.00	1.00
C	.80	.85
D	.90	.90

In Park Manufactured Home

<u>Territory</u>	<u>Current Modifier</u>	<u>Proposed Modifier</u>
A	.85	.87
B	.84	.87
C	.87	.87
D	.95	.95

OVERALL EFFECT

The combined overall effect of these changes is +25.0%.

ARKANSAS

MANUFACTURED HOME INSURANCE PROGRAM

SUMMARY OF REVISIONS

RATE SECTION (continued)

REPLACEMENT OF MANUAL PAGES

Please withdraw:

Rate Page R-7 – Revised Printing 11/11
Rate Page R-8 – Revised Printing 3/11
Rate Page R-9 – Revised Printing 3/11
Rate Page R-10 – Revised Printing 11/11
Rate Page R-11 – Revised Printing 3/11
Rate Page R-12 – Revised Printing 3/11
Rate Page R-13 – Revised Printing 3/11
Rate Page R-17 – Revised Printing 3/11
Rate Page R-18 – Revised Printing 11/11

Please insert:

Rate Pages R-7, R-8, R-9, R-10, R-11, R-12, R-13, R-17 and R-18 – Revised Printing 5/12

SERFF Tracking Number: FORE-128246388 State: Arkansas
 Filing Company: Foremost Insurance Company Grand Rapids, Michigan State Tracking Number:
 Company Tracking Number: C-116
 TOI: 04.0 Homeowners Sub-TOI: 04.0002 Mobile Homeowners
 Product Name: Manufactured Home Insurance Program
 Project Name/Number: /

Superseded Schedule Items

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

Creation Date:	Schedule	Schedule Item Name	Replacement Creation Date	Attached Document(s)
05/11/2012	Rate and Rule	Rates	06/01/2012	R-7.pdf (Superseded)
05/11/2012	Rate and Rule	Rates	06/01/2012	R-8.pdf (Superseded)
05/11/2012	Rate and Rule	Rates	06/01/2012	R-9.pdf (Superseded)
05/11/2012	Rate and Rule	Rates	06/01/2012	R-10.pdf (Superseded)
05/11/2012	Rate and Rule	Rates	06/01/2012	R-13.pdf (Superseded)
05/11/2012	Rate and Rule	Rates	06/01/2012	R-18.pdf (Superseded)
05/23/2012	Supporting Document	NAIC loss cost data entry document	06/01/2012	FORM RF-1 Rate Filing Abstract.pdf (Superseded)
04/09/2012	Supporting Document	NAIC loss cost data entry document	05/23/2012	FORM RF-1 Rate Filing Abstract.pdf (Superseded)

ARKANSAS

MANUFACTURED HOME INSURANCE PROGRAM

ANNUAL RATES/PREMIUMS
(Continued)

HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES
HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES – PROPERTY COVERAGE ONLY

* COVERAGE A - DWELLING

Primary Residence
\$500 Deductible

Manufactured Home 11 Years Old or Older

Out of Park

Named Insured Under 50 Years of Age

Territory A

<u>Rating Base</u>	<u>Premium</u>
First \$5,999	\$493.40
Between \$6,000 and \$9,999, for each additional \$1,000 or any part thereof, ADD:	26.64
Between \$10,000 and \$19,999, for each additional \$1,000 or any part thereof, ADD:	15.17
Between \$20,000 and \$39,999, for each additional \$1,000 or any part thereof, ADD:	11.48
Over \$39,999, for each additional \$1,000 or any part thereof, ADD:	8.67

ARKANSAS

MANUFACTURED HOME INSURANCE PROGRAM

ANNUAL RATES/PREMIUMS
(Continued)

HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES
HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES – PROPERTY COVERAGE ONLY

* COVERAGE A - DWELLING

Primary Residence
\$500 Deductible

Manufactured Home 11 Years Old or Older

Out of Park

Named Insured Under 50 Years of Age

Territory B

<u>Rating Base</u>	<u>Premium</u>
First \$5,999	\$666.09
Between \$6,000 and \$9,999, for each additional \$1,000 or any part thereof, ADD:	53.29
Between \$10,000 and \$19,999, for each additional \$1,000 or any part thereof, ADD:	30.34
Between \$20,000 and \$39,999, for each additional \$1,000 or any part thereof, ADD:	25.90
Over \$39,999, for each additional \$1,000 or any part thereof, ADD:	25.90

NAIC LOSS COST DATA ENTRY DOCUMENT

1.	This filing transmittal is part of Company Tracking #	C-116
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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
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Company Name		Company NAIC Number		
3.	A.	Foremost Insurance Company Grand Rapids, Michigan	B.	212-11185

Product Coding Matrix Line of Business (i.e., Type of Insurance)		Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)		
4.	A.	4.0000	B.	4.0002

5.			FOR LOSS COSTS ONLY				
(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
Manufactured Home	+43.4%	+25.0%					
TOTAL OVERALL EFFECT	+43.4%	+25.0%					

6.		5 Year History	Rate Change History				
Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
2007	11,317	+1.9	5/1/07	7,645	4,108	53.7	53.0
2008	11,430			7,932	9,040	114.0	90.2
2009	11,305	+0.4	6/1/09	8,065	9,705	120.3	58.7
2010	10,801	+15.8	6/1/10	8,399	7,124	84.8	53.6
2011	10,385	+14.4	11/1/11	9,087	9,213	101.4	65.5

7.	
Expense Constants	Selected Provisions
A. Total Production Expense	18.1
B. General Expense	19.1
C. Taxes, License & Fees	3.8
D. Underwriting Profit & Contingencies	5.0
E. Other (explain)	* 2.2
F. TOTAL	48.2

* Unrecoverable reinsurance expense

8. N Apply Lost Cost Factors to Future filings? (Y or N)
9. +35.7% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): Territory A
10. 0 Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): n/a

ARKANSAS

MANUFACTURED HOME INSURANCE PROGRAM

ANNUAL RATES/PREMIUMS
(Continued)

HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES
HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES – PROPERTY COVERAGE ONLY

* COVERAGE A - DWELLING

Primary Residence
\$500 Deductible

Manufactured Home 11 Years Old or Older

Out of Park

Named Insured Under 50 Years of Age

Territory C

<u>Rating Base</u>	<u>Premium</u>
First \$5,999	\$493.40
Between \$6,000 and \$9,999, for each additional \$1,000 or any part thereof, ADD:	26.64
Between \$10,000 and \$19,999, for each additional \$1,000 or any part thereof, ADD:	15.17
Between \$20,000 and \$39,999, for each additional \$1,000 or any part thereof, ADD:	11.48
Over \$39,999, for each additional \$1,000 or any part thereof, ADD:	8.67

NAIC LOSS COST DATA ENTRY DOCUMENT

1. This filing transmittal is part of Company Tracking # **C-116**

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**

3. **A.** **Foremost Insurance Company Grand Rapids, Michigan** **B.** **212-11185**
 Company Name **Foremost Insurance Company Grand Rapids, Michigan** Company NAIC Number **212-11185**

4. **A.** **4.0000** **B.** **4.0002**
 Product Coding Matrix Line of Business (i.e., Type of Insurance) **4.0000** Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance) **4.0002**

5. **FOR LOSS COSTS ONLY**

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	(D, E, F) FOR LOSS COSTS ONLY			(H) Co. Current Loss Cost Multiplier
			(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	
Manufactured Home	+43.4%	+25.0%				
TOTAL OVERALL EFFECT	+43.4%	+25.0%				

6. **5 Year History** **Rate Change History**

Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
2007	11,317	+1.9	5/1/07	7,645	4,108	53.7	53.0
2008	11,430			7,932	9,040	114.0	90.2
2009	11,305	+0.4	6/1/09	8,065	9,705	120.3	58.7
2010	10,801	+15.8	6/1/10	8,399	7,124	84.8	53.6
2011	10,385		11/1/11	9,087	9,213	101.4	65.5

7. **Expense Constants**

Expense Constants	Selected Provisions
A. Total Production Expense	18.1
B. General Expense	19.1
C. Taxes, License & Fees	3.8
D. Underwriting Profit & Contingencies	5.0
E. Other (explain)	* 2.2
F. TOTAL	48.2

* Unrecoverable reinsurance expense

8. N Apply Lost Cost Factors to Future filings? (Y or N)
 9. +35.7% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): Territory A
 10. 0 Estimated Maximum Rate Decrease for any Insured (%). Territory (if applicable): n/a

ARKANSAS

MANUFACTURED HOME INSURANCE PROGRAM

ANNUAL RATES/PREMIUMS
(Continued)

HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES
HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES – PROPERTY COVERAGE ONLY

* COVERAGE A - DWELLING

Primary Residence
\$500 Deductible

Manufactured Home 11 Years Old or Older

Out of Park

Named Insured Under 50 Years of Age

Territory D

<u>Rating Base</u>	<u>Premium</u>
First \$5,999	\$355.25
Between \$6,000 and \$9,999, for each additional \$1,000 or any part thereof, ADD:	19.18
Between \$10,000 and \$19,999, for each additional \$1,000 or any part thereof, ADD:	10.93
Between \$20,000 and \$39,999, for each additional \$1,000 or any part thereof, ADD:	8.26
Over \$39,999, for each additional \$1,000 or any part thereof, ADD:	6.24

ARKANSAS

MANUFACTURED HOME INSURANCE PROGRAM

ANNUAL RATES/PREMIUMS
(Continued)

TENANT INSURANCE

* COVERAGE C - PERSONAL PROPERTY

\$500 Deductible

<u>Amount of Insurance</u>	<u>Premium</u>	<u>For Each Additional \$100</u>
\$100	\$149.38	\$ 2.39

ARKANSAS

MANUFACTURED HOME INSURANCE PROGRAM

ANNUAL RATES/PREMIUMS
(Continued)

PREMIUM MODIFIERS (continued)

MULTI-POLICY

Primary and Secondary Residence and Tenant

Apply a factor of .95 when the named insured maintains one or more personal lines or life insurance policies with any insurer in the National Association of Insurance Commissioners Group Code 0212. If the only other policy is a term, whole life, or variable universal life policy, it must have a face amount of \$50,000 or greater, be issued to an adult and be in-force when the policy is written.

This premium modifier applies to the annual rates/premiums for Coverage A – Dwelling, Coverage B – Other Structures and Coverage C – Personal Property.

* NAMED INSURED 50 YEARS OF AGE OR OLDER
Primary and Secondary Residence

Multiply the Coverage A – Dwelling, Coverage B – Other Structures, and Coverage C – Personal Property premiums by the appropriate premium modifier when the Named Insured is 50 Years of Age or Older.

<u>Territory</u>	<u>Premium Modifier</u>
A	.85
B	1.00
C	.85
D	.90

SECONDARY RESIDENCE
\$500 Deductible

Increase the premium for Coverage A - Dwelling by \$10 when the manufactured home is used as a Secondary Residence.