Filing at a Glance

Company:	State Farm Fire and Casualty Company
Product Name:	HO-28841
State:	Arkansas
TOI:	04.0 Homeowners
Sub-TOI:	04.0000 Homeowners Sub-TOI Combinations
Filing Type:	Rate/Rule
Date Submitted:	04/20/2012
SERFF Tr Num:	SFMA-128288701
SERFF Status:	Closed-Filed
State Tr Num:	
State Status:	
Co Tr Num:	HO-28841
Effective Date Requested (New):	09/15/2012
Effective Date Requested (Renewal):	11/01/2012
Author(s):	Julie Davis, Robin Dunagan
Reviewer(s):	Becky Harrington (primary)
Disposition Date:	07/30/2012
Disposition Status:	Filed
Effective Date (New):	10/15/2012
Effective Date (Renewal):	12/01/2012

State Filing Description:

referred to Commissioner for review of the new rating process.

State: *Arkansas* **Filing Company:** *State Farm Fire and Casualty Company*
TOI/Sub-TOI: *04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations*
Product Name: *HO-28841*
Project Name/Number: *HO-28841/HO-28841*

General Information

Project Name: HO-28841
Project Number: HO-28841
Reference Organization:
Reference Title:
Filing Status Changed: 07/30/2012
State Status Changed: 06/29/2012
Created By: Robin Dunagan
Corresponding Filing Tracking Number:

Status of Filing in Domicile: Not Filed
Domicile Status Comments:
Reference Number:
Advisory Org. Circular:

Deemer Date:
Submitted By: Robin Dunagan

Filing Description:

We respectfully submit a revision to our independent Homeowners Program, which results in a rate level increase of 2.5%. The details of and support for the change are outlined in the attached Filing Memorandum and supporting exhibits.

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

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

We submit this filing to be effective September 15, 2012 for new business and November 1, 2012 for renewals.

Sincerely,

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

Matt Frank
Pricing Manager
(309) 735-2187
matt.frank.l3li@statefarm.com

Company and Contact

Filing Contact Information

Matt Frank, Pricing Manager
One State Farm Plaza
D4
Bloomington, IL 61710

matt.frank.L3li@statefarm.com
309-735-2187 [Phone]
309-766-0225 [FAX]

State: *Arkansas* **Filing Company:** *State Farm Fire and Casualty Company*
TOI/Sub-TOI: *04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations*
Product Name: *HO-28841*
Project Name/Number: *HO-28841/HO-28841*

Filing Company Information

State Farm Fire and Casualty Company
1 State Farm Plaza
Bloomington, IL 61710
(309) 735-0649 ext. [Phone]

CoCode: 25143
Group Code: 176
Group Name:
FEIN Number: 37-0533080

State of Domicile: Illinois
Company Type:
State ID Number:

Filing Fees

Fee Required?	Yes
Fee Amount:	$100.00
Retaliatory?	No
Fee Explanation:	$100 per individual Rate Filing
Per Company:	No

Company	Amount	Date Processed	Transaction #
State Farm Fire and Casualty Company	$100.00	04/20/2012	58251252

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Becky Harrington	07/30/2012	07/30/2012

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	07/25/2012	07/25/2012	Robin Dunagan	07/30/2012	07/30/2012
Pending Industry Response	Becky Harrington	06/29/2012	06/29/2012	Robin Dunagan	07/25/2012	07/25/2012
No response necessary	Becky Harrington	06/15/2012	06/15/2012			
Pending Industry Response	Becky Harrington	05/18/2012	05/18/2012	Robin Dunagan	06/08/2012	06/08/2012
Pending Industry Response	Becky Harrington	04/23/2012	04/23/2012	Robin Dunagan	05/14/2012	05/14/2012

Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Meeting with Commissioner	Note To Filer	Becky Harrington	06/18/2012	06/18/2012

State: *Arkansas* **Filing Company:** *State Farm Fire and Casualty Company*
TOI/Sub-TOI: *04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations*
Product Name: *HO-28841*
Project Name/Number: *HO-28841/HO-28841*

Disposition

Disposition Date: 07/30/2012
Effective Date (New): 10/15/2012
Effective Date (Renewal): 12/01/2012
Status: Filed
Comment: GRID not filed

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 req'd):	Minimum % Change (where req'd):
State Farm Fire and Casualty Company	5.200%	2.500%	$3,462,377	150,649	$136,845,763	22.200%	-18.400%

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	NAIC loss cost data entry document	Filed	Yes
Supporting Document	Exhibits	Filed	Yes
Supporting Document	Response to 04/23 Inquiry	Filed	Yes
Supporting Document	Response to 05/18 Inquiry	Filed	Yes
Supporting Document	CONFIDENTIAL Response to 05/18 Inquiry	Filed	No
Rate (revised)	Manual Pages	Filed	Yes
Rate	Manual Pages		Yes
Rate	Manual Pages		Yes

State:	*Arkansas*	**Filing Company:**	*State Farm Fire and Casualty Company*
TOI/Sub-TOI:	*04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations*		
Product Name:	*HO-28841*		
Project Name/Number:	*HO-28841/HO-28841*		

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	07/25/2012
Submitted Date	07/25/2012
Respond By Date	

Dear Matt Frank,

Introduction:

This will acknowledge receipt of the response dated today, 7/25/12

Objection 1

- Manual Pages, See Attached (Rate)

Comments: Please attach revised manual pages.

Conclusion:

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

State: Arkansas **Filing Company:** State Farm Fire and Casualty Company
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: HO-28841
Project Name/Number: HO-28841/HO-28841

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	07/30/2012
Submitted Date	07/30/2012

Dear Becky Harrington,

Introduction:

Dear Becky Harrington,

Response 1

Comments:

We are providing an updated manual to correspond with the removal of the GRID/Location Rating Factor method.

Related Objection 1

Applies To:

- Manual Pages, See Attached (Rate)

Comments: Please attach revised manual pages.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

Rate/Rule Schedule Item Changes

Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing #
Manual Pages	See Attached	Replacement	
Previous Version			
Manual Pages	*See Attached*	*Replacement*	
Manual Pages	*See Attached*	*Replacement*	

Conclusion:

Sincerely,

Matt Frank
Pricing Manager

Sincerely,

Robin Dunagan

State:	*Arkansas*	**Filing Company:**	*State Farm Fire and Casualty Company*
TOI/Sub-TOI:	*04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations*		
Product Name:	*HO-28841*		
Project Name/Number:	*HO-28841/HO-28841*		

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	06/29/2012
Submitted Date	06/29/2012
Respond By Date	

Dear Matt Frank,

Introduction:

The proposed GRID cell/Location Rating Factor rating method has been reviewed by the Commissioner.

Given past opposition from the fire departments in the state to implementation of the zone/subzone rating method, the Commissioner is not willing to accept the proposed GRID/Location Rating Factor method at this time. Please withdraw the filing and re-submit when sufficient experience is available from implementation of this program in other states.

Conclusion:

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

State: Arkansas **Filing Company:** State Farm Fire and Casualty Company
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: HO-28841
Project Name/Number: HO-28841/HO-28841

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	07/25/2012
Submitted Date	07/25/2012

Dear Becky Harrington,

Introduction:

Dear Becky Harrington,

Response 1

Comments:

We have amended our filing to remove the proposed GRID/Location Rating Factor method per your 6/29/2012 objection. We have also submitted a new HPCS form, that has been revised to remove the application of the GRID/Location Rating Factor method and thus reflects our current Zone/Subzone rating. This change does not result in any changes to the proposed changes by form and in total shown in our original filing memorandum (Section II. Summary of Indications and Changes by Form). The filing effective dates are now 10/15/2012 for New Business and 12/1/2012 for Renewal Business.

Changed Items:

Supporting Document Schedule Item Changes
Satisfied -Name: HPCS-Homeowners Premium Comparison Survey
Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Sincerely,

Matt Frank
Pricing Manager

Sincerely,

Robin Dunagan

State:	*Arkansas*	**Filing Company:**	*State Farm Fire and Casualty Company*
TOI/Sub-TOI:	*04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations*		
Product Name:	*HO-28841*		
Project Name/Number:	*HO-28841/HO-28841*		

Objection Letter

Objection Letter Status	No response necessary
Objection Letter Date	06/15/2012
Submitted Date	06/15/2012
Respond By Date	

Dear Matt Frank,

Introduction:

This will acknowledge receipt of the recent response and telephone conversation of 6/15/12.

The filing has been referred to the Commissioner for review of the revised rating process. Please do not respond at this time.

Conclusion:

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

State:	*Arkansas*	**Filing Company:**	*State Farm Fire and Casualty Company*
TOI/Sub-TOI:	*04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations*		
Product Name:	*HO-28841*		
Project Name/Number:	*HO-28841/HO-28841*		

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	05/18/2012
Submitted Date	05/18/2012
Respond By Date	

Dear Matt Frank,

Introduction:

This will acknowledge receipt of the recent response.

Objection 1

Comments: The loss experience used to in the development of the LRFs was not provided as requested in previous objection 2. Provide the actual loss experience referenced in paragraph one of the response.

Objection 2

Comments: Distance to responding fire station and type of station are considered. Explain any consideration given to improvements in a responding station. (Previous objection 2)

Objection 3

Comments: The statement we see no positive or negative impact of our rates on the affected fire departments is not sufficient for an impact statement pursuant to ACA 23-88-104. The statement must demonstrate the positive impact the alternative rating system has upon fire departments' ability to improve services and maintain membership. (Previous objection 2)

Objection 4

Comments: Various third party vendors is not a sufficient response to previous objection 5 (identify the non-State Farm sources used to update data for the location rating factors). Specifically name the vendors.

Conclusion:

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

State: Arkansas **Filing Company:** State Farm Fire and Casualty Company
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: HO-28841
Project Name/Number: HO-28841/HO-28841

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	06/08/2012
Submitted Date	06/08/2012

Dear Becky Harrington,

Introduction:

The following is in response to your inquiry dated 05/18:

Response 1

Comments:

Please see "CONFIDENTIAL Response to 05/18 Inquiry" under supporting documents.

Related Objection 1

Comments: The loss experience used to in the development of the LRFs was not provided as requested in previous objection 2. Provide the actual loss experience referenced in paragraph one of the response.

Changed Items:

Supporting Document Schedule Item Changes
Satisfied -Name: CONFIDENTIAL Response to 05/18 Inquiry
Comment:

No Form Schedule items changed.
No Rate/Rule Schedule items changed.

Response 2

Comments:

Please see "Response to 05/18 Inquiry" under supporting documents.

Related Objection 2

Comments: Distance to responding fire station and type of station are considered. Explain any consideration given to improvements in a responding station. (Previous objection 2)

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: Response to 05/18 Inquiry

Comment:

No Form Schedule items changed.
No Rate/Rule Schedule items changed.

Response 3

Comments:

Please see "Response to 05/18 Inquiry" under supporting documents.

Related Objection 3

Comments: The statement we see no positive or negative impact of our rates on the affected fire departments is not sufficient for an impact statement pursuant to ACA 23-88-104. The statement must demonstrate the positive impact the alternative rating system has upon fire departments' ability to improve services and maintain membership. (Previous objection 2)

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: Response to 05/18 Inquiry

Comment:

No Form Schedule items changed.
No Rate/Rule Schedule items changed.

Response 4

Comments:

Please see "Response to 05/18 Inquiry" under supporting documents.

Related Objection 4

Comments: Various third party vendors is not a sufficient response to previous objection 5 (identify the non-State Farm sources used to update data for the location rating factors). Specifically name the vendors.

Changed Items:

State: Arkansas **Filing Company:** State Farm Fire and Casualty Company
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: HO-28841
Project Name/Number: HO-28841/HO-28841

Supporting Document Schedule Item Changes

Satisfied -Name: Response to 05/18 Inquiry

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Sincerely,

Matt Frank
Pricing Manager

Sincerely,

Robin Dunagan

State:	*Arkansas*	**Filing Company:**	*State Farm Fire and Casualty Company*
TOI/Sub-TOI:	*04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations*		
Product Name:	*HO-28841*		
Project Name/Number:	*HO-28841/HO-28841*		

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	04/23/2012
Submitted Date	04/23/2012
Respond By Date	

Dear Matt Frank,

Introduction:

This will acknowledge receipt of the captioned filing.

Objection 1

- Manual Pages, See Attached (Rate)

Comments: The manual does not appear to indicate how/when a risk qualifies for location rating.

Please explain how the rating procedure is identified to the insured.

Objection 2

- Exhibits (Supporting Document)

Comments: Provide additional supporting documentation regarding the development of the location rating factors; include loss experience, and an explanation of all information included in "other predictive information".

The extent to which fire protection is a consideration must be fully explained and documented. Additionally, provide an impact statement pursuant to ACA 23-88-104 that demonstrates the positive impact the alternative rating system has upon fire departments' ability to improve services and maintain membership.

Provide a map detailing the GRID cells.

Objection 3

- Exhibits (Supporting Document)

Comments: Provide the actual impact of moving from zone/subzone to grid cells (if capping was not implemented). Approximately how many renewal cycles would be required to reach the correct rate?

Objection 4

- Manual Pages, See Attached (Rate)

Comments: What percentage of inforce policies is expected to remain rated as zone/subzone?

Objection 5

- Exhibits (Supporting Document)

Comments: Identify the non-State Farm sources used to update data for the location rating factors.

Objection 6

Comments: Provide an example of any notice contemplated to inform insureds of the rating changes.

Objection 7

- Manual Pages, See Attached (Rate)

Comments: The memorandum indicates location rating factors will not be used for tenant homeowners. Manual page 51 appears to contradict the memo. Please explain.

Objection 8

- Exhibits (Supporting Document)

Comments: Provide the loss experience justifying the changes in the Claim Record Rating factors.

Objection 9

- Manual Pages, See Attached (Rate)

Comments: The earthquake rates contained in this manual are pending in another filing. Please remove them until SFMA-128031618 is completed.

Conclusion:

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

State: Arkansas **Filing Company:** State Farm Fire and Casualty Company
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: HO-28841
Project Name/Number: HO-28841/HO-28841

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	05/14/2012
Submitted Date	05/14/2012

Dear Becky Harrington,

Introduction:

The following is in response to your inquiry dated April 23, 2012:

Response 1

Comments:

Please see "Response to 04/23 Inquiry" under supporting documents.

Related Objection 1

Applies To:

- Manual Pages, See Attached (Rate)

Comments: The manual does not appear to indicate how/when a risk qualifies for location rating.

Please explain how the rating procedure is identified to the insured.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: Response to 04/23 Inquiry

Comment:

No Form Schedule items changed.

Rate/Rule Schedule Item Changes

Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing #
Manual Pages	*See Attached*	*Replacement*	
Previous Version			
Manual Pages	*See Attached*	*Replacement*	

Response 2

Comments:

Please see "Response to 04/23 Inquiry" under supporting documents.

Related Objection 2

Applies To:

- Exhibits (Supporting Document)

Comments: Provide additional supporting documentation regarding the development of the location rating factors; include loss experience, and an explanation of all information included in "other predictive information".

The extent to which fire protection is a consideration must be fully explained and documented. Additionally, provide an impact statement pursuant to ACA 23-88-104 that demonstrates the positive impact the alternative rating system has upon fire departments' ability to improve services and maintain membership.

Provide a map detailing the GRID cells.

Changed Items:

Supporting Document Schedule Item Changes
Satisfied -Name: Response to 04/23 Inquiry
Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 3

Comments:

Please see "Response to 04/23 Inquiry" under supporting documents.

Related Objection 3

Applies To:

- Exhibits (Supporting Document)

Comments: Provide the actual impact of moving from zone/subzone to grid cells (if capping was not implemented). Approximately how many renewal cycles would be required to reach the correct rate?

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: Response to 04/23 Inquiry

Comment:

No Form Schedule items changed.
No Rate/Rule Schedule items changed.

Response 4

Comments:

Please see "Response to 04/23 Inquiry" under supporting documents.

Related Objection 4

Applies To:
- Manual Pages, See Attached (Rate)
Comments: What percentage of inforce policies is expected to remain rated as zone/subzone?

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: Response to 04/23 Inquiry

Comment:

No Form Schedule items changed.

Rate/Rule Schedule Item Changes

Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing #
Manual Pages	*See Attached*	*Replacement*	
Previous Version			
Manual Pages	*See Attached*	*Replacement*	

Response 5

Comments:

Please see "Response to 04/23 Inquiry" under supporting documents.

Related Objection 5

Applies To:

- Exhibits (Supporting Document)

Comments: Identify the non-State Farm sources used to update data for the location rating factors.

Changed Items:

Supporting Document Schedule Item Changes
Satisfied -Name: Response to 04/23 Inquiry
Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 6

Comments:

Please see "Response to 04/23 Inquiry" under supporting documents.

Related Objection 6

Comments: Provide an example of any notice contemplated to inform insureds of the rating changes.

Changed Items:

Supporting Document Schedule Item Changes
Satisfied -Name: Response to 04/23 Inquiry
Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 7

Comments:

Please see "Response to 04/23 Inquiry" under supporting documents.

Related Objection 7

Applies To:

- Manual Pages, See Attached (Rate)

Comments: The memorandum indicates location rating factors will not be used for tenant homeowners. Manual page 51 appears to contradict the memo. Please explain.

Changed Items:

Supporting Document Schedule Item Changes
Satisfied -Name: Response to 04/23 Inquiry
Comment:

No Form Schedule items changed.

Rate/Rule Schedule Item Changes			
Exhibit Name	**Rule # or Page #**	**Rate Action**	**Previous State Filing #**
Manual Pages	*See Attached*	*Replacement*	
Previous Version			
Manual Pages	*See Attached*	*Replacement*	

Response 8

Comments:

Please see "Response to 04/23 Inquiry" under supporting documents.

Related Objection 8

Applies To:

- Exhibits (Supporting Document)

Comments: Provide the loss experience justifying the changes in the Claim Record Rating factors.

Changed Items:

Supporting Document Schedule Item Changes
Satisfied -Name: Response to 04/23 Inquiry
Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 9

Comments:

Please see "Response to 04/23 Inquiry" under supporting documents.

State: Arkansas **Filing Company:** State Farm Fire and Casualty Company
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: HO-28841
Project Name/Number: HO-28841/HO-28841

Related Objection 9

Applies To:

- Manual Pages, See Attached (Rate)

Comments: The earthquake rates contained in this manual are pending in another filing. Please remove them until SFMA-128031618 is completed.

Changed Items:

Supporting Document Schedule Item Changes
Satisfied -Name: Response to 04/23 Inquiry
Comment:

No Form Schedule items changed.

Rate/Rule Schedule Item Changes			
Exhibit Name	**Rule # or Page #**	**Rate Action**	**Previous State Filing #**
Manual Pages	See Attached	Replacement	
Previous Version			
Manual Pages	See Attached	Replacement	

Conclusion:

Sincerely,

Matt Frank
Pricing Manager

Sincerely,

Robin Dunagan

State:	*Arkansas*	**Filing Company:**	*State Farm Fire and Casualty Company*
TOI/Sub-TOI:	*04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations*		
Product Name:	*HO-28841*		
Project Name/Number:	*HO-28841/HO-28841*		

Note To Filer

Created By:

Becky Harrington on 06/18/2012 06:42 AM

Last Edited By:

Becky Harrington

Submitted On:

07/30/2012 01:30 PM

Subject:

Meeting with Commissioner

Comments:

I am scheduled to meet with Commissioner Bradford on 6/29/12 to discuss the filing.

State: *Arkansas* **Filing Company:** *State Farm Fire and Casualty Company*
TOI/Sub-TOI: *04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations*
Product Name: *HO-28841*
Project Name/Number: *HO-28841/HO-28841*

Rate Information

Rate data applies to filing.

Filing Method: File & Use
Rate Change Type: Increase
Overall Percentage of Last Rate Revision: 7.000%
Effective Date of Last Rate Revision: 09/01/2011
Filing Method of Last Filing: File & Use

Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
State Farm Fire and Casualty Company	5.200%	2.500%	$3,462,377	150,649	$136,845,763	22.200%	-18.400%

State: *Arkansas* **Filing Company:** *State Farm Fire and Casualty Company*
TOI/Sub-TOI: *04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations*
Product Name: *HO-28841*
Project Name/Number: *HO-28841/HO-28841*

Rate/Rule Schedule

Item No.	Schedule Item Status	Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing Number	Attachments
1	Filed 07/30/2012	Manual Pages	See Attached	Replacement		AR HO Eff 10-15-12 Operation Manual.pdf

SUMMARY OF REVISIONS

The following table summarizes the changes contained in this revision.

Item	Description
Base Rates	Base Rates/Factors are revised for all forms.
Claim Record Rating Plan	Claim Record Rating Plan rule revised to remove reference to Section I and Section II qualified claims. Adjustments revised.
Utilities Rating Plan	Utilities Rating Plan adjustments are revised.
Home Alert Protection	Home Alert Protection adjustments are revised.
Deductibles	$500 Non-Tenant deductible is no longer available for new business. $1,000 deductible is the new base for Homeowners.
Roof Surfaces - Wood	Revised Wood Shake and Wood Shingle Roof adjustments from 5% to 8%. Introduced a 10% adjustment for Composition Over Wood Roofs.
Joint Ownership	Joint Ownership rule revised to include reference to Secondary.
Business Property - Increased Limits	Business Property - Increased Limits adjustments are revised.
Solid Fuel Appliance Charge	Solid Fuel Appliance Charge no longer applies to Renters or Condominium Unitowners.
Minimum Premiums	Minimum Premium increased from $200 to $250 for Homeowners and from $100 to $115 for Renters and Condominium Unitowners.
Rating Rules	Rating rules revised to eliminate rating examples and add rounding instructions.

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

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RULES

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

CANCELLATION

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

Calculate the pro rata factor as follows:

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

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

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

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CONSTRUCTION CLASSIFICATIONS

A. Frame

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

B. Masonry

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

C. Masonry Veneer

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

D. Fire Resistive

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

E. Mixed Construction

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

F. Log Construction

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

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ELIGIBILITY

A. Homeowners Policy

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

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

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

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

B. Renters Policy

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

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

3. The owner of a cooperative unit, provided:

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

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

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

C. Condominium Unitowners Policy

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

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

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

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MID-TERM CHANGES

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

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

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MINIMUM PREMIUMS

The annual minimum premium is shown below.

Policy Form	Minimum Premium
Homeowners	$250
Renters and Condominium Unitowners	$115

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OTHER INSURANCE

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

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POLICY PERIOD AND PREMIUM PAYMENT

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

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RESTRICTION OF COVERAGE

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

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ROUNDING OF PREMIUMS

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

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TRANSFER

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

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ZONES

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

ZONE DEFINITIONS

Refer to Company for ZIP Codes not listed.

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

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

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ZIP Code	City	County	Zone	Subzone
71820			25	11
71822			25	11
71823			25	14
71825			25	14
71826			25	12
71827			25	07
71828			25	11
71831			25	14
71832			25	12
71833			25	11
71834			25	14
71835			25	11
71836			25	12
71837			25	13
71838			25	13
71839			25	10
71840			25	13
71841			25	14
71842			25	13
71845			25	09
71846			25	14
71847			25	16
71851			25	14
71852			25	13
71853			25	11
71854			25	11
71855			25	14
71857			25	11
71857	Outside		25	11
71858			25	12
71859			25	14
71860			25	07
71861			25	10
71862			25	13
71864			25	12
71865			25	12
71866			25	14
71901			10	08
71902			10	08
71903			10	08
71909			10	09

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ZIP Code	City	County	Zone	Subzone
71910			10	09
71913			10	10
71914			10	10
71920			25	13
71921			25	13
71922			25	13
71923			25	09
71929			25	08
71933			25	09
71935			10	15
71937			10	14
71940			25	13
71941			25	12
71942			25	11
71943			25	12
71944			10	15
71945			10	15
71949			10	10
71950			25	16
71952			25	16
71953			10	15
71956			10	10
71957			10	15
71958			25	15
71959			25	16
71960			10	17
71961			10	18
71962			25	13
71964			10	11
71965			10	19
71968			10	12
71969			10	19
71970			10	15
71971			25	14
71972			10	15
71973			10	14
71998			25	10
71999			25	09
72001			10	16
72002			25	09
72003			25	12

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ZIP Code	City	County	Zone	Subzone
72004			25	13
72005			30	14
72006			30	13
72007			25	10
72010			30	12
72011			25	09
72012			30	09
72013			30	13
72014			30	14
72015			25	09
72016			10	14
72017			25	16
72018			25	09
72019			25	12
72020			30	13
72021			25	13
72022			25	08
72023			25	07
72024			25	14
72025			10	16
72026			25	13
72027			30	13
72028			30	13
72029			25	12
72030			30	12
72031			30	09
72032			30	09
72033			30	09
72034			30	07
72035			30	04
72036			30	13
72037			25	16
72038			25	12
72039			30	14
72040			25	13
72041			25	14
72042			25	12
72043			30	14
72044			30	09
72045			30	13
72046			25	16

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ZIP Code	City	County	Zone	Subzone
72047			30	15
72048			25	16
72051			30	12
72052			30	09
72053			25	14
72055			25	14
72057			25	13
72058			30	13
72059			30	13
72060			30	11
72061			30	13
72063			30	11
72064			25	15
72065			25	16
72066			25	14
72067			30	07
72068			30	09
72069			25	16
72070			10	11
72072			25	11
72073			25	12
72074			30	13
72075			30	14
72076			25	08
72078			25	08
72079			25	11
72080			30	11
72081			30	12
72082			30	10
72083			25	16
72084			25	11
72085			30	11
72086			25	13
72087			25	12
72088			30	07
72089			25	08
72099			25	06
72101			30	11
72102			30	10
72103			25	12
72104			25	08

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ZIP Code	City	County	Zone	Subzone
72105			25	10
72106			30	09
72107			30	06
72107	Outside		30	06
72108			25	13
72110			30	08
72111			30	15
72112			30	14
72113			25	10
72114			25	07
72115			25	07
72116			25	08
72117			25	08
72118			25	09
72119			25	07
72120			25	07
72121			30	09
72122			25	11
72123			30	11
72124			25	07
72125			10	15
72126			10	13
72127		CONWAY	30	06
72127		PERRY	30	06
72127	Outside	CONWAY	30	06
72127	Outside	PERRY	30	06
72128			25	13
72129			25	11
72130			30	09
72131			30	09
72132			25	10
72133			25	14
72134			25	15
72135			25	10
72136			30	13
72137			30	09
72139			30	12
72140			25	14
72141			30	13
72142			25	16
72143			30	11

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ZIP Code	City	County	Zone	Subzone
72145			30	11
72149			30	10
72150			25	08
72152			25	10
72153			30	08
72156			30	13
72157			30	12
72160			25	11
72164			25	14
72165			13	13
72166			25	13
72167			25	12
72168			25	11
72169			30	14
72170			25	14
72173			30	12
72175			25	13
72176			25	08
72178			30	11
72179			30	09
72180			25	16
72181			30	13
72182			25	11
72183			25	14
72190			25	08
72199			25	08
72201			25	08
72202			25	07
72204			25	09
72205			25	06
72206			25	14
72207			25	06
72209			25	11
72210			25	09
72211			25	04
72212			25	06
72214			25	09
72215			25	06
72216			25	14
72217			25	06
72219			25	11

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ZIP Code	City	County	Zone	Subzone
72222			25	06
72223			25	08
72225			25	06
72227			25	07
72301			25	11
72303			25	11
72310			25	18
72311			25	18
72312			25	16
72313			25	18
72315			25	20
72319			25	20
72320			25	10
72321			25	10
72322			25	13
72324			25	19
72325			25	14
72326			25	13
72327			25	16
72328			25	17
72329			25	10
72330			25	21
72331			25	15
72332			25	16
72333			25	16
72335			25	12
72336			25	12
72338			25	18
72339			25	14
72340			25	15
72341			25	13
72342			25	17
72346			25	17
72347			25	15
72348		CRITTENDEN	25	12
72348		ST FRANCIS	25	12
72348	Outside	CRITTENDEN	25	12
72348	Outside	ST FRANCIS	25	12
72350			25	19
72351			25	21
72352			25	16

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ZIP Code	City	County	Zone	Subzone
72353			25	16
72354			25	18
72355			25	16
72358			25	22
72359			25	12
72360			25	13
72364			25	12
72365			25	18
72366			25	16
72367			25	15
72368			25	16
72369			25	13
72370			25	20
72372			25	12
72373			25	15
72374			25	16
72376			25	16
72379			25	20
72383			25	16
72384			25	14
72386			25	18
72387			25	13
72389			25	13
72390			25	16
72391			25	20
72392			25	13
72394			25	11
72395			25	21
72396			25	13
72401			30	08
72402			30	08
72404			30	11
72410			30	11
72411			30	08
72412			30	14
72413			30	11
72414			30	10
72415			30	10
72416			30	06
72417			30	08
72419			30	15

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ZIP Code	City	County	Zone	Subzone
72421			30	12
72422			30	14
72425			30	14
72426			25	21
72427			30	12
72428			25	22
72429			25	17
72430			30	15
72431			30	14
72432			25	14
72433			30	12
72434			30	09
72435			30	14
72436			30	13
72437			30	07
72438			25	20
72439			30	06
72440			30	11
72441			30	15
72442			25	19
72443			30	14
72444			30	14
72445			30	13
72447			30	14
72449			30	12
72450			30	13
72451			30	13
72453			30	14
72454			30	16
72455			30	10
72456			30	18
72457			30	10
72458			30	11
72459			30	09
72460			30	11
72461			30	15
72462			30	11
72464			30	17
72465			30	10
72466			30	11
72467			30	13

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ZIP Code	City	County	Zone	Subzone
72469			30	10
72470			30	16
72470	Outside		30	16
72471			30	12
72472			25	13
72473			30	12
72474			30	13
72475			25	17
72476			30	09
72478			30	11
72479			25	15
72479	Outside		25	15
72482			13	11
72501			13	09
72512			13	08
72513			13	09
72515			13	12
72517			13	14
72519			13	12
72520			13	09
72521			13	09
72522			13	12
72523			30	11
72524			13	13
72525			13	08
72526			13	09
72527			13	11
72528			13	13
72529			13	08
72530			30	10
72531			13	13
72532			13	10
72533			30	15
72534			13	12
72536			13	12
72537			10	10
72538			13	12
72539			13	10
72540			13	17
72542			13	10
72543			30	07

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ZIP Code	City	County	Zone	Subzone
72544			10	10
72546			30	09
72550			13	12
72553			13	10
72554			13	09
72555			30	13
72556			13	17
72560			30	15
72561			13	12
72562			13	09
72564			13	08
72565			13	13
72566			13	14
72567			30	13
72568			13	13
72569			13	13
72571			13	13
72572			30	13
72573			13	12
72575			13	09
72576			13	07
72577			13	13
72578			13	14
72579			13	12
72581			30	09
72583			13	11
72584			13	12
72585			13	15
72587			13	10
72601			10	12
72602			10	12
72610			30	10
72611			10	12
72613			10	10
72615			10	12
72616			10	13
72617			10	19
72619			10	12
72623			10	13
72624			30	12
72626			10	12

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ZIP Code	City	County	Zone	Subzone
72628			30	13
72629			30	12
72630			10	13
72631			10	10
72632			10	10
72633			10	13
72634			10	12
72635			10	09
72636			30	11
72638			10	14
72639			30	14
72640			30	12
72641			30	12
72642			10	10
72644			10	13
72645			30	12
72648			30	11
72650			30	13
72651			10	10
72653			10	10
72654			10	10
72655			30	13
72658			10	14
72660			10	12
72661			10	12
72662			10	15
72663			30	14
72666			30	12
72668			10	11
72669			30	12
72670			30	12
72672			10	12
72675			30	11
72677			10	12
72679			30	13
72680			30	13
72682			10	14
72683			30	13
72685			30	10
72686			30	13
72687			10	12

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ZIP Code	City	County	Zone	Subzone
72701			10	11
72703			10	10
72704			10	10
72711			10	11
72712			10	07
72714			10	06
72715			10	08
72717			10	14
72718			10	11
72719			10	07
72721			10	12
72722			10	07
72727			10	11
72728			10	09
72729			10	14
72730			10	11
72732			10	12
72733			10	12
72734			10	10
72735			10	10
72736			10	08
72737			10	11
72738			10	12
72739			10	08
72740			10	13
72741			10	10
72742			10	14
72744			10	12
72745			10	10
72747			10	11
72749			10	14
72751			10	08
72752			10	14
72753			10	13
72756			10	11
72758			10	10
72760			10	09
72761			10	11
72762			10	09
72764			10	09
72765			10	09

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ZIP Code	City	County	Zone	Subzone
72766			10	09
72768			10	08
72769			10	14
72770			10	09
72773			10	12
72774			10	12
72776			10	13
72801			30	09
72802			30	09
72812			30	09
72820			10	10
72821			10	14
72823			30	09
72824			30	10
72826			10	13
72827			30	14
72828			30	13
72829			30	08
72830			30	09
72832			30	09
72833			30	12
72834			30	08
72835			10	12
72837			30	10
72838			30	13
72839			30	11
72840			30	11
72841			10	17
72842			30	11
72843			30	11
72845			30	10
72846			30	10
72847			30	11
72851			10	15
72852			30	11
72853			30	12
72854			30	11
72855			10	14
72856			30	12
72857			30	12
72858			30	10

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ZIP Code	City	County	Zone	Subzone
72860			30	14
72863			10	15
72865			10	15
72901			10	07
72901	Outside		10	07
72903			10	10
72904			10	07
72905			10	15
72906			10	10
72908			10	10
72913			10	10
72914			10	07
72916			10	12
72917			10	10
72918			10	10
72921			10	14
72923			10	11
72924			10	10
72926			10	15
72927			10	15
72928			10	15
72930			10	17
72932			10	12
72933			10	15
72934			10	15
72935			10	14
72936			10	13
72937			10	13
72938			10	14
72940			10	14
72941			10	16
72943			10	16
72944			10	13
72945			10	14
72946			10	15
72947			10	13
72948			10	15
72949			10	13
72950			10	16
72951			10	14
72952			10	12

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

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ZONE/SUBZONE ASSIGNMENT

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

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

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

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

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HOMEOWNERS

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

COVERAGES - HOMEOWNERS

The policy contains two sections, each with various coverages.

1. Section I - Physical Damage Coverages

Coverages	Details	Minimums or Amounts
Coverage A - Dwelling	Applies to the described dwelling	100% of Replacement Cost is suggested *
Dwelling Extension	Applies to other structures on premises	10% of Coverage A amount
Coverage B - Personal Property	Applies to personal property	75% of Coverage A amount *
Types of Personal Property	Computers and Equipment	$5,000
	Money, Bank Notes, and Coins	$200
	Property used in a business	$1,500 on premises ($750 off premises)
	Securities, Accounts, and Deeds	$1,000
	Watercraft and Equipment	$1,500
	Trailers not used with Watercraft	$1,500
	Jewelry and Furs (Theft)	$2,500 ($1,500 per item) *
	Stamps, Trading Cards, and Comic Books	$2,500
	Firearms (Theft)	$2,500
	Area Rugs (Theft)	$10,000 ($5,000 per item)
	Silverware and Goldware (Theft)	$2,500
	Personal Conveyances	$500
Coverage C - Loss of Use	Additional Living Expense	Actual loss sustained within 24 months
	Fair Rental Value	Actual loss sustained within 12 months
Additional Coverages	Arson Reward	$1,000
	Building Ordinance or Law	10% of Coverage A amount
	Collapse	
	Credit Card and Forgery	$1,000
	Debris Removal	
	Fire Department Service Charge	$500
	Lock Rekeying	
	Power Interruption	
	Property Removed	
	Refrigerated Products	Coverage B Limit
	Temporary Repairs	
	Trees, Shrubs, and Landscaping	$750
	Volcanic Action	

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

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

2. Section II - Liability Coverages

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

For available options, see the Options section.

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LOSSES INSURED - HOMEOWNERS

1. Section I

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

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

   Listed below are the losses that are insured:

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

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Losses Insured	Protection Provided	
	Coverage A & C	Coverage B
Damage from Artificially Generated Electricity		Yes

2. Section II

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

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LOSS SETTLEMENT (SECTION I) - HOMEOWNERS

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

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

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

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

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

A. Coverage A - Dwelling

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

1. Replacement Cost - Similar Construction

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

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

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

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

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

   ACTIVATE: Option ID in the Policy

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2. Replacement Cost - Common Construction

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

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

B. Coverage B - Personal Property

1. Limited Replacement Cost

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

   ACTIVATE: Loss Settlement Provision B1 - Limited Replacement Cost

2. Depreciated Loss Settlement

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

   ACTIVATE: Loss Settlement Provision B2 - Depreciated Loss Settlement

Refer to the Options section for available options.

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RATING - HOMEOWNERS

A. Determine the basic premium.

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

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

   a. Determine the Replacement Cost of the dwelling.

   b. Multiply the Replacement Cost by 0.80.

   c. Select the desired amount of insurance.

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

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

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

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

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

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

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

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

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

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

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4. Apply all applicable basic premium adjustments from the Basic Premium Adjustment section sequentially in the order presented in that section to derive the basic premium. Round the premium adjustments, separately, to the nearest dollar and add to the basic premium.

B. Apply any remaining percentage adjustments for optional coverages to the basic premium. Round the premium adjustments, separately, to the nearest dollar and add to the basic premium.

C. Add any flat dollar adjustments for optional coverages to the basic premium. Round the premium adjustments, separately, to the nearest dollar and add to the basic premium.

D. The total policy premium is subject to the minimum premium.

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

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

ZONE BASE RATES

Zone	Rate
10	$1,591.28
13	$1,812.99
25	$1,873.78
30	$1,963.18

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

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

SUBZONE FACTORS

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

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

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

CONSTRUCTION FACTORS

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

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

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

RISK AMOUNT FACTORS

Risk Amount	Factor
$1	5.718
$5,000	5.718
$7,000	4.940
$10,000	3.800
$15,000	3.182
$20,000	2.565
$30,000	1.995
$40,000	1.634
$50,000	1.425
$60,000	1.283
$70,000	1.159
$80,000	1.080
$90,000	1.041
$100,000	1.000
$110,000	0.985
$120,000	0.963
$130,000	0.945
$140,000	0.913
$150,000	0.882
$160,000	0.849
$170,000	0.829
$180,000	0.808
$190,000	0.787
$200,000	0.766
$250,000	0.703
$300,000	0.679
$350,000	0.655
$400,000	0.639
$450,000	0.631
$500,000	0.626
$550,000	0.619
$600,000	0.614

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Risk Amount	Factor
$650,000	0.605
$700,000	0.605
$750,000	0.605
$800,000	0.605
$900,000	0.605
$1,000,000	0.605
$1,100,000	0.605
$1,200,000	0.605
$1,300,000	0.605
$1,400,000	0.605
$1,500,000	0.605

Each Additional	Factor
$1,000	0.613

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

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RENTERS

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

COVERAGES - RENTERS

The policy contains two sections, each with various coverages.

A. Section I - Physical Damage Coverages

Coverages	Details	Minimums or Amounts
Coverage B - Personal Property	Applies to personal property	Based on personal property value
Types of Personal Property	Computers and Equipment	$5,000
	Money, Bank Notes, and Coins	$200
	Property used in a business	$1,500 on premises ($750 off premises)
	Securities, Accounts, and Deeds	$1,000
	Watercraft and Equipment	$1,500
	Trailers not used with Watercraft	$1,500
	Jewelry and Furs (Theft)	$1,000
	Stamps, Trading Cards, and Comic Books	$2,500
	Firearms (Theft)	$2,500
	Area Rugs (Theft)	$10,000 ($5,000 per item)
	Silverware and Goldware (Theft)	$2,500
	Personal Conveyances	$500
Coverage C - Loss of Use	Additional Living Expense	Actual loss sustained within 24 months
	Fair Rental Value	Actual loss sustained within 12 months
Additional Coverages	Arson Reward	$1,000
	Building Additions and Alterations	15% of Coverage B amount
	Collapse	
	Credit Card and Forgery	$1,000
	Debris Removal	
	Fire Department Service Charge	$500
	Lock Rekeying	
	Power Interruption	
	Property Removed	
	Refrigerated Products	Coverage B Limit
	Temporary Repairs	
	Trees, Shrubs, and Landscaping	$750
	Volcanic Action	

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

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B. Section II - Liability Coverages

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

For available options, see the Options section.

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LOSSES INSURED - RENTERS

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

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

Listed below are the losses that are insured:

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

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LOSS SETTLEMENT (SECTION I) - RENTERS

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

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RATING - RENTERS

A. Determine the basic premium.

1. Select the correct ZONE and SUBZONE.

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

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

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

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

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

4. Apply all applicable basic premium adjustments from the Basic Premium Adjustment section sequentially in the order presented in that section to derive the basic premium. Round the premium adjustments, separately, to the nearest dollar and add to the basic premium.

B. Apply any remaining percentage adjustments for optional coverages to the basic premium. Round the premium adjustments, separately, to the nearest dollar and add to the basic premium.

C. Add any flat dollar adjustments for optional coverages to the basic premium. Round the premium adjustments, separately, to the nearest dollar and add to the basic premium.

D. The total policy premium is subject to the minimum premium.

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

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

ZONE BASE RATES

Zone	Rate
10	$172.21
13	$315.04
25	$307.89
30	$227.15

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

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

SUBZONE FACTORS

Subzone	Factor
All	1.000

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

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

RISK AMOUNT FACTORS

Risk Amount	Factor
$1	5.400
$2,000	5.400
$4,000	3.600
$6,000	2.700
$8,000	2.200
$10,000	1.900
$12,000	1.700
$14,000	1.500
$16,000	1.370
$18,000	1.270
$20,000	1.200
$22,000	1.150
$24,000	1.100
$26,000	1.060
$28,000	1.030
$30,000	1.000
$35,000	0.930
$40,000	0.870
$45,000	0.830
$50,000	0.800
$55,000	0.780
$60,000	0.760
$65,000	0.740
$70,000	0.720
$75,000	0.700
$80,000	0.680
$85,000	0.670
$90,000	0.660
$95,000	0.650
$100,000	0.640
$125,000	0.600
$150,000	0.570

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Risk Amount	Factor
$175,000	0.550
$200,000	0.530
$225,000	0.510
$250,000	0.500
$275,000	0.490
$300,000	0.480

Each Additional	Factor
$1,000	0.480

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

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CONDOMINIUM UNITOWNERS

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

COVERAGES - CONDOMINIUM UNITOWNERS

The policy contains two sections, each with various coverages.

A. Section I - Physical Damage Coverages

Coverages	Details	Minimums or Amounts
Coverage A - Dwelling	Applies to building property	30% of Coverage B amount ($1,000 min.)
Coverage B - Personal Property	Applies to personal property	Based on personal property value
Types of Personal Property	Computers and Equipment	$5,000
	Money, Bank Notes, and Coins	$200
	Property used in a business	$1,500 on premises ($750 off premises)
	Securities, Accounts, and Deeds	$1,000
	Watercraft and Equipment	$1,500
	Trailers not used with Watercraft	$1,500
	Jewelry and Furs (Theft)	$1,000
	Stamps, Trading Cards, and Comic Books	$2,500
	Firearms (Theft)	$2,500
	Area Rugs (Theft)	$10,000 ($5,000 per item)
	Silverware and Goldware (Theft)	$2,500
	Personal Conveyances	$500
Coverage C - Loss of Use	Additional Living Expense	Actual loss sustained within 24 months
	Fair Rental Value	Actual loss sustained within 12 months
Coverage D - Loss Assessments		$1,000
Additional Coverages	Arson Reward	$1,000
	Collapse	
	Credit Card and Forgery	$1,000
	Debris Removal	
	Fire Department Service Charge	$500
	Lock Rekeying	
	Power Interruption	
	Property Removed	
	Refrigerated Products	Coverage B Limit
	Temporary Repairs	
	Trees, Shrubs, and Landscaping	$750
	Volcanic Action	

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

B. Section II - Liability Coverages

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

For available options, see the Options section.

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LOSSES INSURED - CONDOMINIUM UNITOWNERS

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

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

Listed below are the losses that are insured:

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

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

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

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LOSS SETTLEMENT (SECTION I) - CONDOMINIUM UNITOWNERS

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

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RATING - CONDOMINIUM UNITOWNERS

A. Determine the basic premium.

1. Select the correct ZONE and SUBZONE.

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

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

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

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

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

4. Apply all applicable basic premium adjustments from the Basic Premium Adjustment section sequentially in the order presented in that section to derive the basic premium. Round the premium adjustments, separately, to the nearest dollar and add to the basic premium.

B. Apply any remaining percentage adjustments for optional coverages to the basic premium. Round the premium adjustments, separately, to the nearest dollar and add to the basic premium.

C. Add any flat dollar adjustments for optional coverages to the basic premium. Round the premium adjustments, separately, to the nearest dollar and add to the basic premium.

D. The total policy premium is subject to the minimum premium.

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

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

ZONE BASE RATES

Zone	Rate
10	$227.44
13	$227.44
25	$227.44
30	$227.44

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

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

SUBZONE FACTORS

Subzone	Factor
All	1.000

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

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

RISK AMOUNT FACTORS

Risk Amount	Factor
$1	5.400
$2,000	5.400
$4,000	3.600
$6,000	2.700
$8,000	2.200
$10,000	1.900
$12,000	1.700
$14,000	1.500
$16,000	1.370
$18,000	1.270
$20,000	1.200
$22,000	1.150
$24,000	1.100
$26,000	1.060
$28,000	1.030
$30,000	1.000
$35,000	0.930
$40,000	0.870
$45,000	0.830
$50,000	0.800
$55,000	0.780
$60,000	0.760
$65,000	0.740
$70,000	0.720
$75,000	0.700
$80,000	0.680
$85,000	0.670
$90,000	0.660
$95,000	0.650
$100,000	0.640
$125,000	0.600
$150,000	0.570

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Risk Amount	Factor
$175,000	0.550
$200,000	0.530
$225,000	0.510
$250,000	0.500
$275,000	0.490
$300,000	0.480

Each Additional	Factor
$1,000	0.480

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

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BASIC PREMIUM ADJUSTMENTS

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

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

CUSTOMER RATING INDEX (CRI) FACTOR

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

A. New Business Rating

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

B. Subsequent Rating

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

C. CRI Factor

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

NEW BUSINESS RATING

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

SUBSEQUENT RATING

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

D. Miscellaneous Provision

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

E. Reinstatements

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

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

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INSURANCE TO REPLACEMENT COST (Homeowners Only)

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

A. Replacement Cost - Common Construction

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

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

B. Depreciated Loss Settlement - Contents

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

Basic Premium Adjustment
-8%

C. Jewelry and Furs Limitation

Subtract the following from the premium developed above:

Basic Premium Adjustment
-$12

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

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ROOF SURFACES - IMPACT RESISTANT (Homeowners Only)

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

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

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

To qualify for the discount:

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

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

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

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

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ROOF SURFACES - WOOD (Homeowners Only)

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

Roof Surface	Basic Premium Adjustment
Wood Shake	8%
Wood Shingle	8%
Composition Over Wood	10%

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CONDOMINIUM UNITOWNERS OCCUPANCY

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

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

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

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

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CLAIM RECORD RATING PLAN

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

A. Consecutive Years Insured with State Farm

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

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

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

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

C. Basic Premium Adjustment

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

Consecutive Years Insured with State Farm	Basic Premium Adjustment				
	Number of Qualified Paid Claims in the Last 3 Years				
	0	1	2	3	4 +
0	-5%	11%	55%	110%	170%
1	-7%	8%	55%	110%	170%
2	-9%	5%	55%	110%	170%
3	-11%	2%	50%	105%	170%
4	-13%	-1%	50%	105%	170%
5	-15%	-4%	50%	105%	170%
6	-17%	-6%	45%	100%	170%
7	-18%	-8%	45%	100%	170%
8	-19%	-10%	45%	100%	170%
9+	-20%	-20%	30%	85%	170%

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HOME/AUTO DISCOUNT

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

Basic Premium Adjustment
-25%

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

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

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UTILITIES RATING PLAN (Homeowners Only)

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

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

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

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

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

For Homes Completed and Occupied or Utilities Updated	Basic Premium Adjustment
During current calendar year	-40%
One year preceding current calendar year	-37%
Two years preceding current calendar year	-34%
Three years preceding current calendar year	-31%
Four years preceding current calendar year	-28%
Five years preceding current calendar year	-25%
Six years preceding current calendar year	-22%
Seven years preceding current calendar year	-19%
Eight years preceding current calendar year	-16%
Nine years preceding current calendar year	-13%
Ten years preceding current calendar year	-11%
Eleven years preceding current calendar year	-9%
Twelve years preceding current calendar year	-7%
Thirteen years preceding current calendar year	-5%
Fourteen years preceding current calendar year	-3%
Fifteen years preceding current calendar year	-1%
Sixteen years or more preceding current calendar year	0%

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

ATTACH: Valuation Endorsement, FE-7347

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HOME ALERT PROTECTION

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

Description	Basic Premium Adjustment	
	Homeowners	Renters and Condominium Unitowners
Fire or Smoke Local Alarm	N/A	-2%
Burglar Alarm System	N/A	-3%
Fire or Smoke Detectors which also activate either a digital dialer or a voice synthesized (not tape) telephone dialer	N/A	-4%
Fire or Smoke Local Alarm and Burglar Alarm System	N/A	-5%
Fire or Smoke Local Alarm, Dead Bolt Locks and Fire Extinguisher	N/A	-5%
Fire or Smoke Detectors which also activate either a digital dialer or a voice synthesized (not tape) telephone dialer, Dead Bolt Locks and Fire Extinguisher	-2%	-6%
Burglar Alarm System, Fire or Smoke Local Alarm, Dead Bolt Locks and Fire Extinguisher	-2%	-6%
Fire and/or Burglar Alarm reporting to either Fire Dept., Police Dept. or Central Station, Dead Bolt Locks and Fire Extinguisher	-10%	-10%

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

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

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AUTOMATIC SPRINKLER DISCOUNT

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

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

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LOSS SETTLEMENT - PERSONAL PROPERTY

A. Homeowners

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

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

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

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

Basic Premium Adjustment
-8%

ACTIVATE: Loss Settlement Provision B2 - Depreciated Loss Settlement

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

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

Basic Premium Adjustment	Minimum Adjustment
10%	$24

ACTIVATE: Loss Settlement Provision B1 - Limited Replacement Cost

B. Renters and Condominium Unitowners

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

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

Basic Premium Adjustment	Minimum Adjustment
24%	$24

ACTIVATE: Loss Settlement Provision B1 - Limited Replacement Cost

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REPLACEMENT COST - COMMON CONSTRUCTION (Homeowners Only)

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

Basic Premium Adjustment
-10%

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

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DEDUCTIBLES

A. Homeowners

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

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

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Coverage A Amount of Insurance	Basic Premium Adjustment			
	Policy Deductible			
	1/2%	1% ($500 Minimum)	2%	3%
$475,000 - $524,999	-23%	-28%	-35%	-40%
$525,000 - $574,999	-24%	-29%	-36%	-41%
$575,000 - $624,999	-24%	-30%	-36%	-41%
$625,000 - $674,999	-25%	-30%	-36%	-41%
$675,000 - $724,999	-25%	-31%	-37%	-42%
$725,000 - $750,000	-25%	-31%	-37%	-42%
$750,001 - $781,499	-25%	-31%	-37%	-42%
$781,500 - $843,999	-26%	-32%	-37%	-42%
$844,000 - $906,499	-26%	-32%	-38%	-42%
$906,500 - $968,999	-27%	-32%	-38%	-43%
$969,000 - $1,062,499	-27%	-33%	-38%	-43%
$1,062,500 - $1,187,499	-27%	-34%	-39%	-44%
$1,187,500 - $1,312,499	-27%	-34%	-39%	-44%
$1,312,500 - $1,437,499	-28%	-34%	-39%	-44%
$1,437,500 - $1,562,499	-28%	-34%	-39%	-44%
$1,562,500 - $1,687,499	-28%	-34%	-39%	-44%
$1,687,500 - $1,812,499	-28%	-34%	-40%	-44%
$1,812,500 - $1,937,499	-28%	-34%	-40%	-44%
$1,937,500 - $2,124,999	-28%	-34%	-40%	-44%
$2,125,000 - $2,374,999	-28%	-34%	-40%	-44%
$2,375,000 - $2,749,999	-29%	-34%	-40%	-44%
$2,750,000 - $3,249,999	-29%	-34%	-40%	-44%
$3,250,000 - $3,749,999	-29%	-34%	-40%	-44%
$3,750,000 - $4,249,999	-29%	-34%	-40%	-44%
$4,250,000 - $4,749,999	-29%	-35%	-41%	-45%
$4,750,000 - $99,999,999	-29%	-35%	-41%	-45%

Coverage A Amount of Insurance	Basic Premium Adjustment							
	Policy Deductible							
	$500	**$1,000**	**$2,000**	***$2,500***	***$3,000***	***$4,000***	**$5,000**	**$10,000**
$1 - $7,499	***0%***	-11%	-22%	***-24%***	***-28%***	***-34%***	-40%	-45%
$7,500 - $14,999	***0%***	-10%	-20%	***-23%***	***-26%***	***-33%***	-38%	-43%
$15,000 - $24,999	***0%***	-10%	-19%	***-22%***	***-24%***	***-30%***	-37%	-43%
$25,000 - $34,999	***0%***	-10%	-19%	***-22%***	***-24%***	***-29%***	-33%	-43%

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Coverage A Amount of Insurance	Basic Premium Adjustment							
	Policy Deductible							
	$500	**$1,000**	**$2,000**	***$2,500***	***$3,000***	***$4,000***	**$5,000**	**$10,000**
$35,000 - $44,999	***0%***	-10%	-19%	***-22%***	***-24%***	***-27%***	-31%	-43%
$45,000 - $49,999	***0%***	-10%	-19%	***-22%***	***-24%***	***-27%***	-31%	-43%
$50,000 - $64,999	***0%***	-10%	-19%	***-22%***	***-24%***	***-27%***	-30%	-43%
$65,000 - $74,999	***0%***	-10%	-19%	***-22%***	***-24%***	***-27%***	-30%	-43%
$75,000 - $84,999	***0%***	-10%	-19%	***-22%***	***-24%***	***-27%***	-30%	-43%
$85,000 - $99,999	***0%***	-10%	-19%	***-22%***	***-24%***	***-27%***	-30%	-42%
$100,000 - $104,999	***0%***	-10%	-19%	***-22%***	***-24%***	***-27%***	-30%	-40%
$105,000 - $114,999	***0%***	-10%	-19%	***-22%***	***-24%***	***-27%***	-30%	-40%
$115,000 - $124,999	***0%***	-10%	-18%	***-21%***	***-23%***	***-27%***	-30%	-39%
$125,000 - $134,999	***0%***	-10%	-18%	***-21%***	***-23%***	***-27%***	-30%	-38%
$135,000 - $144,999	***0%***	-10%	-18%	***-21%***	***-23%***	***-27%***	-30%	-36%
$145,000 - $154,999	***0%***	-10%	-18%	***-21%***	***-23%***	***-27%***	-30%	-36%
$155,000 - $164,999	***0%***	-10%	-18%	***-21%***	***-23%***	***-27%***	-30%	-35%
$165,000 - $174,999	***0%***	-10%	-18%	***-20%***	***-23%***	***-27%***	-30%	-35%
$175,000 - $184,999	***0%***	-10%	-18%	***-20%***	***-23%***	***-27%***	-30%	-35%
$185,000 - $194,999	***0%***	-10%	-18%	***-20%***	***-23%***	***-27%***	-30%	-35%
$195,000 - $204,999	***0%***	-10%	-18%	***-20%***	***-23%***	***-27%***	-30%	-35%
$205,000 - $214,999	***0%***	-10%	-18%	***-20%***	***-23%***	***-27%***	-30%	-35%
$215,000 - $224,999	***0%***	-10%	-18%	***-20%***	***-22%***	***-27%***	-30%	-35%
$225,000 - $234,999	***0%***	-10%	-18%	***-20%***	***-22%***	***-27%***	-29%	-35%
$235,000 - $244,999	***0%***	-10%	-18%	***-20%***	***-22%***	***-26%***	-29%	-35%
$245,000 - $274,999	***0%***	-10%	-18%	***-20%***	***-22%***	***-26%***	-28%	-35%
$275,000 - $324,999	***0%***	-10%	-18%	***-20%***	***-22%***	***-26%***	-28%	-35%
$325,000 - $374,999	***0%***	-10%	-18%	***-20%***	***-22%***	***-26%***	-28%	-35%
$375,000 - $424,999	***0%***	-10%	-18%	***-20%***	***-22%***	***-26%***	-28%	-35%
$425,000 - $474,999	***0%***	-9%	-18%	***-20%***	***-22%***	***-25%***	-27%	-35%
$475,000 - $524,999	***0%***	-8%	-18%	***-20%***	***-22%***	***-25%***	-27%	-35%
$525,000 - $574,999	***0%***	-7%	-18%	***-20%***	***-22%***	***-25%***	-27%	-33%
$575,000 - $624,999	***0%***	-7%	-18%	***-20%***	***-22%***	***-25%***	-27%	-33%
$625,000 - $674,999	***0%***	-7%	-17%	***-20%***	***-22%***	***-25%***	-27%	-33%
$675,000 - $724,999	***0%***	-5%	-15%	***-19%***	***-21%***	***-25%***	-26%	-32%
$725,000 - $750,000	***0%***	-5%	-15%	***-19%***	***-21%***	***-24%***	-26%	-32%
$750,001 - $781,499	***0%***	-5%	-15%	***-19%***	***-21%***	***-24%***	-26%	-32%
$781,500 - $843,999	***0%***	-5%	-15%	***-18%***	***-20%***	***-23%***	-26%	-31%
$844,000 - $906,499	***0%***	-5%	-13%	***-17%***	***-19%***	***-23%***	-25%	-31%
$906,500 - $968,999	***0%***	-5%	-13%	***-16%***	***-19%***	***-23%***	-25%	-31%
$969,000 - $1,062,499	***0%***	-4%	-12%	***-15%***	***-18%***	***-22%***	-24%	-31%
$1,062,500 - $1,187,499	***0%***	-4%	-12%	***-14%***	***-16%***	***-21%***	-24%	-30%

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Coverage A Amount of Insurance	Basic Premium Adjustment							
	Policy Deductible							
	$500	**$1,000**	**$2,000**	***$2,500***	***$3,000***	***$4,000***	**$5,000**	**$10,000**
$1,187,500 - $1,312,499	***0%***	-4%	-12%	***-14%***	***-15%***	***-20%***	-23%	-29%
$1,312,500 - $1,437,499	***0%***	-3%	-11%	***-13%***	***-14%***	***-19%***	-21%	-28%
$1,437,500 - $1,562,499	***0%***	-3%	-10%	***-12%***	***-14%***	***-17%***	-21%	-28%
$1,562,500 - $1,687,499	***0%***	-3%	-9%	***-12%***	***-13%***	***-16%***	-19%	-28%
$1,687,500 - $1,812,499	***0%***	-3%	-8%	***-11%***	***-13%***	***-15%***	-19%	-28%
$1,812,500 - $1,937,499	***0%***	-3%	-8%	***-11%***	***-12%***	***-15%***	-18%	-28%
$1,937,500 - $2,124,999	***0%***	-2%	-7%	***-10%***	***-11%***	***-15%***	-17%	-27%
$2,125,000 - $2,374,999	***0%***	-2%	-7%	***-10%***	***-11%***	***-14%***	-17%	-25%
$2,375,000 - $2,749,999	***0%***	-2%	-7%	***-9%***	***-10%***	***-14%***	-16%	-24%
$2,750,000 - $3,249,999	***0%***	-2%	-6%	***-9%***	***-10%***	***-13%***	-15%	-22%
$3,250,000 - $3,749,999	***0%***	-1%	-6%	***-8%***	***-9%***	***-12%***	-14%	-21%
$3,750,000 - $4,249,999	***0%***	-1%	-6%	***-7%***	***-8%***	***-11%***	-13%	-20%
$4,250,000 - $4,749,999	***0%***	-1%	-5%	***-6%***	***-7%***	***-10%***	-13%	-19%
$4,750,000 - $99,999,999	***0%***	-1%	-5%	***-6%***	***-7%***	***-10%***	-12%	-18%

Coverage A Amount of Insurance	Basic Premium Adjustment	
	Policy Deductible	
	$500/1% W&H*	**$1,000/1% W&H***
$50,000 - $64,999	-2%	N/A
$65,000 - $74,999	-3%	N/A
$75,000 - $84,999	-3%	N/A
$85,000 - $99,999	-4%	N/A
$100,000 - $104,999	-5%	-11%

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Coverage A Amount of Insurance	Basic Premium Adjustment	
	Policy Deductible	
	$500/1% W&H*	$1,000/1% W&H*
$105,000 - $114,999	-6%	-12%
$115,000 - $124,999	-6%	-12%
$125,000 - $134,999	-6%	-12%
$135,000 - $144,999	-7%	-13%
$145,000 - $154,999	-7%	-13%
$155,000 - $164,999	-7%	-13%
$165,000 - $174,999	-8%	-14%
$175,000 - $184,999	-8%	-14%
$185,000 - $194,999	-8%	-14%
$195,000 - $204,999	-8%	-14%
$205,000 - $214,999	-9%	-15%
$215,000 - $224,999	-9%	-15%
$225,000 - $234,999	-9%	-15%
$235,000 - $244,999	-9%	-15%
$245,000 - $274,999	-9%	-15%
$275,000 - $324,999	-10%	-16%
$325,000 - $374,999	-11%	-17%
$375,000 - $424,999	-11%	-17%
$425,000 - $474,999	-11%	-17%
$475,000 - $524,999	-11%	-16%
$525,000 - $574,999	-12%	-16%
$575,000 - $624,999	-12%	-16%
$625,000 - $674,999	-12%	-16%
$675,000 - $724,999	-12%	-15%
$725,000 - $750,000	-12%	-15%
$750,001 - $781,499	-12%	-15%
$781,500 - $843,999	-13%	-16%
$844,000 - $906,499	-13%	-16%
$906,500 - $968,999	-13%	-16%
$969,000 - $1,062,499	-13%	-16%
$1,062,500 - $1,187,499	-14%	-16%
$1,187,500 - $1,312,499	-14%	-16%
$1,312,500 - $1,437,499	-14%	-15%
$1,437,500 - $1,562,499	-14%	-15%
$1,562,500 - $1,687,499	-14%	-15%
$1,687,500 - $1,812,499	-14%	-15%
$1,812,500 - $1,937,499	-14%	-15%

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Coverage A Amount of Insurance	Basic Premium Adjustment	
	Policy Deductible	
	$500/1% W&H*	$1,000/1% W&H*
$1,937,500 - $2,124,999	-14%	-15%
$2,125,000 - $2,374,999	-14%	-15%
$2,375,000 - $2,749,999	-14%	-15%
$2,750,000 - $3,249,999	-14%	-15%
$3,250,000 - $3,749,999	-14%	-15%
$3,750,000 - $4,249,999	-14%	-15%
$4,250,000 - $4,749,999	-14%	-15%
$4,750,000 - $99,999,999	-14%	-15%

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

**Renewals Only

B. Renters and Condominium Unitowners

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

*Renewals Only

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BUILDING ORDINANCE OR LAW COVERAGE

A. Homeowners

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

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

ACTIVATE: Option OL in the Policy

B. Condominium Unitowners

A Condominium Unitowners policy may be endorsed to cover contingent liability due to the operation of building laws. Loss under Coverage A will be settled on the basis of any ordinance or law regulating the construction, repair, or demolition of the building. The amount of coverage provided will be the greater of $1,000 or 10% of the building property limit of liability.

Basic Premium Adjustment	Minimum Adjustment
2%	$10

ATTACH: Building Ordinance or Law Coverage Endorsement, FE-7759

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DISCOUNTS, CHARGES, AND OPTIONS

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

ADDITIONAL INSURED

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

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

1. Occupant - Co-owner

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

2. Non-occupant - Co-owner

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

3. Other Additional Insureds

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

ACTIVATE: Option AI in the Policy.

B. Section I only - Contractor

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

ATTACH: Contractors' Interest Endorsement, FE-7302

C. Sections I and II - Association

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

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

D. Section II only - Special Event

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

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

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

E. Sections I and II - Additional Insured

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

ATTACH: Additional Insured Endorsement, FE-5267

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ADULT FAMILY HOME COVERAGE

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

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

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

To reinstate the aggregate limit, refer to Company.

ATTACH: Adult Family Home Coverage Endorsement, FE-7766

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BACK-UP OF SEWERS OR DRAINS

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

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

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

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

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

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

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

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BUSINESS PROPERTY - INCREASED LIMITS

The policy provides $1,500 on premises coverage and $750 off premises coverage for personal property intended for use in a business. Coverage for merchandise held as samples or for sale or for delivery is included. Coverage is not provided for electronic data processing equipment or the recording or storage media used with that equipment.

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

Limit	Premium
$2,500	$10
$5,000	$18

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

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BUSINESS PURSUITS

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

A. Clerical Office Employees engaged wholly in office work

B. Salespersons, Collectors, or Messengers

C. Teachers - including Liability for Corporal Punishment

D. School Administrators

This coverage does not replace Professional Liability Coverage.

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

Only one charge applies per policy.

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

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

ACTIVATE: Option BU in the Policy.

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CHILD CARE

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

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

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

To reinstate the aggregate limit, refer to Company.

ATTACH: Child Care Liability Endorsement, FE-5268

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CONDOMINIUMS BUILDING PROPERTY COVERAGE - INCREASED LIMITS

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

Each Additional $1,000 - Add:
$4.00

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COVERAGE B - INCREASED LIMITS (Homeowners Only)

The Coverage B amount for personal property can be increased.

Each Additional $1,000 - Add:
$0.50

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DWELLINGS UNDER CONSTRUCTION

A. Building Materials Theft

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

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

Limit of Liability	Premium
$5,000	$75

ATTACH: Building Materials Theft Endorsement, FE-7531

B. Theft Coverage

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

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

Premium
$15

ATTACH: Theft Endorsement, FE-5272

C. Temporary Extension of Coverage (Homeowners Only)

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

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

There is no charge for this temporary extension.

ATTACH: Dwelling Under Construction Endorsement, FE-7342

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EARTHQUAKE DAMAGE ASSUMPTION

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

EARTHQUAKE DAMAGE ASSUMPTION - RULES

A. Earthquake Zones

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

B. Deductible

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

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

C. Exterior Masonry Veneer

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

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1. Homeowners

    a. If coverage **is not** desired for exterior masonry veneer (or if the dwelling has no exterior masonry veneer), attach FE-7300 and use the rates for "excluding exterior masonry veneer".

    b. If coverage **is** desired for exterior masonry veneer or if the dwelling is of masonry construction, attach FE-7301 and use the rates for "including exterior masonry veneer and masonry".

2. Renters and Condominium Unitowners

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

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EARTHQUAKE DAMAGE ASSUMPTION - BASIC RATES

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

HOMEOWNERS

Zone	Deductible	Rate per $1,000	
		Excluding Exterior Masonry Veneer	Including Exterior Masonry Veneer and Masonry
1	10%	$1.97	$2.14
1	15%	$1.69	$1.85
1	20%	$1.44	$1.57
2	10%	$1.54	$1.75
2	15%	$1.20	$1.36
2	20%	$0.93	$1.06
3	10%	$0.48	$0.55
3	15%	$0.36	$0.41
3	20%	$0.28	$0.32
4	5%	$0.43	$0.49
4	10%	$0.31	$0.37
4	15%	$0.24	$0.28
4	20%	$0.18	$0.21
5	5%	$0.26	$0.31
5	10%	$0.19	$0.23
5	15%	$0.14	$0.17
5	20%	$0.11	$0.13

RENTERS AND CONDOMINIUM UNITOWNERS

Zone	Deductible	Rate per $1,000
1	10%	$1.46
1	15%	$1.23
1	20%	$1.04
2	10%	$1.27
2	15%	$0.97
2	20%	$0.75
3	10%	$0.71
3	15%	$0.49
3	20%	$0.36
4	5%	$0.73

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Zone	Deductible	Rate per $1,000
4	10%	$0.48
4	15%	$0.36
4	20%	$0.26
5	5%	$0.63
5	10%	$0.42
5	15%	$0.29
5	20%	$0.21

ATTACH: Earthquake Endorsement - Excluding Masonry Veneer, FE-7300 **or** Earthquake Endorsement, FE-7301 (Homeowners)
ATTACH: Earthquake Endorsement, FE-7301 (Renters)
ATTACH: Earthquake Endorsement, FE-7310 (Condominium Unitowners)

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EARTHQUAKE DAMAGE ASSUMPTION - INCREASED LIMITS

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

HOMEOWNERS - COVERAGE B

Zone	Deductible	Additional Rate per $1,000
1	10%	$0.80
1	15%	$0.68
1	20%	$0.58
2	10%	$0.61
2	15%	$0.47
2	20%	$0.37
3	10%	$0.16
3	15%	$0.13
3	20%	$0.09
4	5%	$0.15
4	10%	$0.12
4	15%	$0.08
4	20%	$0.07
5	5%	$0.07
5	10%	$0.05
5	15%	$0.04
5	20%	$0.03

HOMEOWNERS - DWELLING EXTENSION

Zone	Deductible	Additional Rate per $1,000	
		Excluding Exterior Masonry Veneer	Including Exterior Masonry Veneer and Masonry
1	10%	$1.04	$1.18
1	15%	$0.89	$1.01
1	20%	$0.76	$0.86
2	10%	$0.81	$0.86
2	15%	$0.62	$0.67
2	20%	$0.48	$0.52
3	10%	$0.20	$0.26
3	15%	$0.15	$0.20
3	20%	$0.12	$0.15
4	5%	$0.20	$0.23

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Zone	Deductible	Additional Rate per $1,000	
		Excluding Exterior Masonry Veneer	Including Exterior Masonry Veneer and Masonry
4	10%	$0.15	$0.17
4	15%	$0.12	$0.13
4	20%	$0.08	$0.10
5	5%	$0.09	$0.13
5	10%	$0.07	$0.09
5	15%	$0.05	$0.07
5	20%	$0.04	$0.05

HOMEOWNERS - LOSS ASSESSMENTS

Zone	Deductible	Additional Rate per $1,000	
		Excluding Exterior Masonry Veneer	Including Exterior Masonry Veneer and Masonry
1	10%	$0.85	$1.00
1	15%	$0.74	$0.86
1	20%	$0.62	$0.72
2	10%	$0.67	$0.82
2	15%	$0.52	$0.63
2	20%	$0.40	$0.49
3	10%	$0.32	$0.38
3	15%	$0.24	$0.29
3	20%	$0.18	$0.22
4	5%	$0.35	$0.41
4	10%	$0.23	$0.28
4	15%	$0.17	$0.21
4	20%	$0.13	$0.16
5	5%	$0.26	$0.33
5	10%	$0.18	$0.21
5	15%	$0.13	$0.16
5	20%	$0.10	$0.12

CONDOMINIUM UNITOWNERS - COVERAGE A

Zone	Deductible	Additional Rate per $1,000
1	10%	$1.46
1	15%	$1.22

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Zone	Deductible	Additional Rate per $1,000
1	20%	$1.02
2	10%	$0.84
2	15%	$0.64
2	20%	$0.49
3	10%	$0.23
3	15%	$0.17
3	20%	$0.12
4	5%	$0.16
4	10%	$0.10
4	15%	$0.08
4	20%	$0.06
5	5%	$0.07
5	10%	$0.05
5	15%	$0.03
5	20%	$0.02

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EARTHQUAKE DAMAGE ASSUMPTION - YEAR BUILT ADJUSTMENT

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

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

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FIRE DEPARTMENT SERVICE CHARGE

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

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

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

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FIREARMS

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

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

The following additional premium applies:

Premium
$12

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

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HOME COMPUTERS

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

This limit can be increased to $10,000.

Premium
$15

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

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IDENTITY RESTORATION

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

Limit	Premium
$25,000	$25

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

ATTACH: Identity Restoration Coverage Endorsement, FE-3301

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INCIDENTAL BUSINESS

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

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

The following premiums apply:

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

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

ACTIVATE: Option IO in the Policy.

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JEWELRY AND FURS

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

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

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

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

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

Premium Adjustment
-$12

ATTACH: Special Limits Endorsement, FE-5258

B. $2,500 Limit

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

Premium
$20

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

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C. $5,000 Limit

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

Premium
$40

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

Premium
$20

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

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JOINT OWNERSHIP - SEASONAL/SECONDARY DWELLINGS (Homeowners Only)

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

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

ATTACH: Joint Ownership Endorsement, FE-7566

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JOINT UNITOWNERS (Condominium Unitowners Only)

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

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

ATTACH: Joint Unitowners Endorsement, FE-7482

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LOSS ASSESSMENTS

A. Homeowners

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

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

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

RATES PER $1,000

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

ATTACH: Coverage D Loss Assessment Endorsement, FE-5256

B. Condominium Unitowners

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

RATES PER $1,000

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

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MEDICAL PAYMENTS - OPTIONAL LIMITS

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

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

*Renewals Only

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NURSES' PROFESSIONAL LIABILITY COVERAGE

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

Only one charge applies per policy.

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

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

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

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OFF PREMISES STRUCTURES

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

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

Premium
$35

B. Homeowners

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

ATTACH: Off-Premises Structures Endorsement, FE-5255

C. Renters and Condominium Unitowners

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

ATTACH: Off-Premises Structures Endorsement, FE-5261

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

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

Rate per $1,000
$2.50

ATTACH: Off-Premises Structures Endorsement, FE-5433

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OTHER STRUCTURES - INCREASED LIMITS (Homeowners Only)

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

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

Rate per $1,000
$2.50

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PERSONAL INJURY COVERAGE

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

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

B. Libel, slander, or defamation of character

C. Invasion of privacy

The following charges apply per policy.

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

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

ATTACH: Personal Injury Endorsement, FE-7468

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PERSONAL LIABILITY - OPTIONAL LIMITS

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

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

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

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

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RENTAL PERSONAL PROPERTY

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

Premium
$9

ATTACH: Rented Personal Property Endorsement, FE-7453

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SILVERWARE AND GOLDWARE

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

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

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

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SOLID FUEL APPLIANCES (Homeowners Only)

When one or more solid fuel burning appliances are present, a charge applies. These appliances include, but are not limited to, fireplace inserts, furnaces, boilers, wood burning stoves, and coal burning stoves. Conventional masonry fireplaces, factory built fireplaces, coal furnaces, and outdoor furnaces used to heat the home are not included in this class as long as installed according to manufacturer specifications.

Premium
$20

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TEMPORARY RENTAL

The Temporary Rental Endorsement may be attached to provide broader theft and Section II coverage to those who rent out their homes for special events. The following fully earned premium applies:

Premium
$20

ATTACH: Temporary Rental Endorsement, FE-3368, for Homeowners policies or
ATTACH: Temporary Rental Endorsement, FE-1314, for Renters and Condominium Unitowners policies

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VACANCY COVERAGE

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

Premium
$45

ATTACH: Vacancy Endorsement, FE-7470

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WATERBED LIABILITY COVERAGE

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

Premium
$25

ATTACH: Waterbed Liability Endorsement, FE-7448

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Supporting Document Schedules

		Item Status:	Status Date:
Satisfied - Item:	H-1 Homeowners Abstract	Filed	07/30/2012
Comments:			
Attachment(s):			
Arkansas Homeowners Filing - H-1 Homeowners Abstract.pdf			

		Item Status:	Status Date:
Satisfied - Item:	HPCS-Homeowners Premium Comparison Survey	Filed	07/30/2012
Comments:			
Attachment(s):			
HO Survey FORM HPCS.xlsx HO Survey FORM HPCS.pdf			

		Item Status:	Status Date:
Satisfied - Item:	NAIC loss cost data entry document	Filed	07/30/2012
Comments:			
Attachment(s):			
Arkansas Homeowners Filing - FORM RF-1 Rate Filing Abstract.pdf			

		Item Status:	Status Date:
Satisfied - Item:	Exhibits	Filed	07/30/2012
Comments:			
Attachment(s):			
Arkansas Homeowners Filing.pdf Homeowners Loss Mitigation Filing Exhibit 2012.pdf			

		Item Status:	Status Date:
Satisfied - Item:	Response to 04/23 Inquiry	Filed	07/30/2012

State: *Arkansas* **Filing Company:** *State Farm Fire and Casualty Company*
TOI/Sub-TOI: *04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations*
Product Name: *HO-28841*
Project Name/Number: *HO-28841/HO-28841*

Comments:			
Attachment(s):			
Response to 4-23-12 HO Questions.pdf			
		Item Status:	**Status Date:**
Satisfied - Item:	Response to 05/18 Inquiry	Filed	07/30/2012
Comments:			
Attachment(s):			
Response to 5-18-12 HO Inquiry.pdf			
		Item Status:	**Status Date:**
Satisfied - Item:	CONFIDENTIAL Response to 05/18 Inquiry	Filed	07/30/2012
Comments:			
Attachment(s):			
Confidential Response to 5-18-12 HO Inquiry.pdf			

ARKANSAS INSURANCE DEPARTMENT
FORM H-1 HOMEOWNERS ABSTRACT

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

Company Name State Farm Fire and Casualty Company

NAIC No. 25143 GROUP No. 176

1. If you have had an insurance to value campaign during the experience filing period, describe the campaign and estimate its impact.
N/A

2. If you use a cost estimator (or some similar method) in order to make sure that dwellings (or contents) are insured at their value, state when this program was started in Arkansas and estimate its impact.
N/A

3. If you require a minimum relationship between the amount of insurance to be written and the replacement value of the dwelling (contents) in order to purchase insurance, describe the procedures that are used.
N/A

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

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

a.	Fire Extinguisher	0-10* %
b.	Burglar Alarm	0-10* %
c.	Smoke Alarm	0-10* %
d.	Insured who has both homeowners and auto with your company	25 %
e.	Deadbolt Locks	0-10* %
f.	Window or Door Locks	N/A %
g.	Other (Specify)	%

*Credits depend on combination of protective devices

%

%

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

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

FORM	PREMIUM VOLUME
Homeowners	132,014,617
Renters	4,041,761
Condominium Unitowners	789,385

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

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

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

Kathy Popejoy

Signature

Kathy Popejoy
Printed Name

Assistant Vice President and Actuary
Title

309-766-2325
Telephone Number

kathy.popejoy.a0gq@statefarm.com
Email Address

State:	*Arkansas*	**Filing Company:**	*State Farm Fire and Casualty Company*
TOI/Sub-TOI:	*04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations*		
Product Name:	*HO-28841*		
Project Name/Number:	*HO-28841/HO-28841*		

Supporting Document Schedules

NAIC Number:	0176-25143
Company Name:	State Farm Fire & Casualty Company
Contact Person:	Kathy Popejoy
Telephone No.:	(309) 766-2325
Email Address:	kathy.popejoy.a0gq@statefarm.com
Effective Date:	10/15/2012 NB 12/1/2012 RB

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

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

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

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

Public Protection Class	Dwelling Value	Washington		Baxter		Craighead		St. Francis		Desha		Union		Miller		Sebastian		Pulaski	
		Brick	*Frame*	*Brick*	*Frame*	*Brick*	*Frame*	*Brick*	*Frame*	*Brick*	*Frame*	*Brick*	*Frame*	*Brick*	*Frame*	*Brick*	*Frame*	*Brick*	*Frame*
3	*$80,000*	$1,152.00	$1,388.00	$1,155.00	$1,392.00	$1,353.00	$1,630.00	$1,496.00	$1,803.00	$1,497.00	$1,804.00	$1,238.00	$1,492.00	$1,423.00	$1,714.00	$1,161.00	$1,399.00	$1,234.00	$1,486.00
	$120,000	$1,541.00	$1,856.00	$1,545.00	$1,862.00	$1,809.00	$2,180.00	$2,001.00	$2,411.00	$2,003.00	$2,413.00	$1,656.00	$1,995.00	$1,903.00	$2,293.00	$1,553.00	$1,871.00	$1,650.00	$1,988.00
	$160,000	$1,811.00	$2,182.00	$1,816.00	$2,188.00	$2,127.00	$2,563.00	$2,352.00	$2,834.00	$2,354.00	$2,836.00	$1,947.00	$2,345.00	$2,237.00	$2,695.00	$1,825.00	$2,199.00	$1,940.00	$2,337.00
6	*$80,000*	$1,152.00	$1,388.00	$1,155.00	$1,392.00	$1,353.00	$1,630.00	$1,496.00	$1,803.00	$1,497.00	$1,804.00	$1,238.00	$1,492.00	$1,423.00	$1,714.00	$1,161.00	$1,399.00	$1,234.00	$1,486.00
	$120,000	$1,541.00	$1,856.00	$1,545.00	$1,862.00	$1,809.00	$2,180.00	$2,001.00	$2,411.00	$2,003.00	$2,413.00	$1,656.00	$1,995.00	$1,903.00	$2,293.00	$1,553.00	$1,871.00	$1,650.00	$1,988.00
	$160,000	$1,811.00	$2,182.00	$1,816.00	$2,188.00	$2,127.00	$2,563.00	$2,352.00	$2,834.00	$2,354.00	$2,836.00	$1,947.00	$2,345.00	$2,237.00	$2,695.00	$1,825.00	$2,199.00	$1,940.00	$2,337.00
9	*$80,000*	$1,152.00	$1,388.00	$1,155.00	$1,392.00	$1,353.00	$1,630.00	$1,496.00	$1,803.00	$1,497.00	$1,804.00	$1,238.00	$1,492.00	$1,423.00	$1,714.00	$1,161.00	$1,399.00	$1,234.00	$1,486.00
	$120,000	$1,541.00	$1,856.00	$1,545.00	$1,862.00	$1,809.00	$2,180.00	$2,001.00	$2,411.00	$2,003.00	$2,413.00	$1,656.00	$1,995.00	$1,903.00	$2,293.00	$1,553.00	$1,871.00	$1,650.00	$1,988.00
	$160,000	$1,811.00	$2,182.00	$1,816.00	$2,188.00	$2,127.00	$2,563.00	$2,352.00	$2,834.00	$2,354.00	$2,836.00	$1,947.00	$2,345.00	$2,237.00	$2,695.00	$1,825.00	$2,199.00	$1,940.00	$2,337.00

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

Public Protection Class	Property Value	Washington		Baxter		Craighead		St. Francis		Arkansas		Union		Miller		Sebastian		Pulaski	
		Brick	*Frame*	*Brick*	*Frame*	*Brick*	*Frame*	*Brick*	*Frame*	*Brick*	*Frame*	*Brick*	*Frame*	*Brick*	*Frame*	*Brick*	*Frame*	*Brick*	*Frame*
3	*$5,000*	$90.00	$90.00	$90.00	$90.00	$119.00	$119.00	$162.00	$162.00	$162.00	$162.00	$162.00	$162.00	$162.00	$162.00	$90.00	$90.00	$162.00	$162.00
	$15,000	$124.00	$124.00	$124.00	$124.00	$163.00	$163.00	$221.00	$221.00	$221.00	$221.00	$221.00	$221.00	$221.00	$221.00	$124.00	$124.00	$221.00	$221.00
	$25,000	$155.00	$155.00	$155.00	$155.00	$204.00	$204.00	$277.00	$277.00	$277.00	$277.00	$277.00	$277.00	$277.00	$277.00	$155.00	$155.00	$277.00	$277.00
6	*$5,000*	$90.00	$90.00	$90.00	$90.00	$119.00	$119.00	$162.00	$162.00	$162.00	$162.00	$162.00	$162.00	$162.00	$162.00	$90.00	$90.00	$162.00	$162.00
	$15,000	$124.00	$124.00	$124.00	$124.00	$163.00	$163.00	$221.00	$221.00	$221.00	$221.00	$221.00	$221.00	$221.00	$221.00	$124.00	$124.00	$221.00	$221.00
	$25,000	$155.00	$155.00	$155.00	$155.00	$204.00	$204.00	$277.00	$277.00	$277.00	$277.00	$277.00	$277.00	$277.00	$277.00	$155.00	$155.00	$277.00	$277.00
9	*$5,000*	$90.00	$90.00	$90.00	$90.00	$119.00	$119.00	$162.00	$162.00	$162.00	$162.00	$162.00	$162.00	$162.00	$162.00	$90.00	$90.00	$162.00	$162.00
	$15,000	$124.00	$124.00	$124.00	$124.00	$163.00	$163.00	$221.00	$221.00	$221.00	$221.00	$221.00	$221.00	$221.00	$221.00	$124.00	$124.00	$221.00	$221.00
	$25,000	$155.00	$155.00	$155.00	$155.00	$204.00	$204.00	$277.00	$277.00	$277.00	$277.00	$277.00	$277.00	$277.00	$277.00	$155.00	$155.00	$277.00	$277.00

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

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

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

HO3 and HO4 only

Fire Extinguisher		%	*Deadbolt Lock*		%
Burglar Alarm	*0 to -3%*	%	*Window Locks*		%
Smoke Alarm	*0 to -2%*	%	*$1,000 Deductible*	*-11 to -1%*	%
			Other (specify)		
			Renters $1000 Dedt	*-8%*	%
			Maximum Credit Allowed		%

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? Min 5% (Zon %

WHAT IS YOUR PRICE PER $1,000 OF COVERAGE?	Zone	Brick	Frame
	Highest Risk	$ 10% dedt/$1.86	$ 10% dedt/$1.71
	Lowest Risk	$ 5% dedt/$0.31	$ 5% dedt/$0.26

NAIC LOSS COST DATA ENTRY DOCUMENT

1.	This filing transmittal is part of Company Tracking #	**Filing #HO-28841**

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

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

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

5.

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	FOR LOSS COSTS ONLY (D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
Homeowners Multi-Peril	**5.2%**	**2.5%**					
TOTAL OVERALL EFFECT	**5.2%**	**2.5%**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**

6. 5 Year History Rate Change History

Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
2007	**141,730**	**-1.8**	**6/01/07**	**111,567**	**42,000**	**38%**	**55%**
2007	**141,730**	**-1.1**	**10/15/07**	**111,567**	**42,000**	**38%**	**55%**
2008	**145,840**	**1.6**	**6/01/08**	**113,842**	**174,542**	**153%**	**83%**
2009	**148,729**	**9.0**	**4/15/09**	**120,726**	**133,887**	**111%**	**67%**
2010	**150,649**	**7.7**	**4/15/10**	**132,052**	**78,157**	**59%**	**64%**
2011	**152,679**	**7.0**	**9/01/11**	**142,030**	**153,949**	**108%**	**75%**

7.

Expense Constants	Selected Provisions
A. Total Production Expense	**20.3**
B. General Expense	**2.0**
C. Taxes, License & Fees	**3.1**
D. Underwriting Profit & Contingencies	**7.0**
E. Other (explain)	
F. TOTAL	**32.4**

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

9. 22.2% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): _____

10. -18.4% Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): _____

STATE FARM FIRE AND CASUALTY COMPANY
Arkansas Homeowners Program
Filing Memorandum
Effective Dates: 09/15/2012 New Business
11/01/2012 Renewal Business

I. Indicated Rate Change and Rate Revision

Attached for your review is our methodology for forecasting premiums, losses, and expenses to arrive at an indicated change (see Exhibits 1-7). Note that the data in Exhibits 5A and 5B has changed from previously filed data, as certain losses were inadvertently excluded from the prior exhibits. The revised data does not impact the selected trend or the capped catastrophe provision.

The projections underlying the indicated change include the impact of applicable coverage changes. The result of the procedure is a 5.2% overall indicated change. This filing represents an overall 2.5% change for the Arkansas Homeowners Program. The loss experience by year is shown in Exhibit 8.

II. Summary of Indications and Changes by Form

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

Policy Form	Indicated Rate Change	Summary Of Changes
Homeowners	5.3%	2.6%
Renters	1.2%	0.0%
Condominium Unitowners	6.5%	3.8%
Homeowners Program	5.2%	2.5%

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

III. Homeowners Program Changes

A. Location Rating

We are implementing a new method for territorial rating that will allow us to better match price to risk. Latitude and longitude coordinates will establish a network of small territories or “GRID cells” across the state. Each Geographic Rating Identification, or GRID, cell represents an area approximately equal to one square kilometer. The Zone and Subzone factors used today will be replaced with Location Rating Factors (LRFs) for eligible policies. The indicated LRFs have been determined by using the loss experience and other predictive information, such as fire protection, in and around each GRID cell.

The revised LRFs will apply to all Non-Tenant Homeowners policies. Tenant Homeowners will continue to use the Zone factors. In addition, Non-Tenant Homeowners whose latitude and longitude values are not accurate to at least the ZIP+2 Code level will continue to use their existing Zone and Subzone factors. Updates to data obtained from non-State Farm sources, such as those used to determine latitude and longitude, will be used in the subsequent determination of the LRF.

We are limiting the LRFs to moderate the impact on individual policies. The revised LRFs are set by limiting the movement between the current average Zone and Subzone factors and the indicated LRFs. The limitations applied vary depending on the difference between the current and indicated factors with a maximum change of +/- 5%.

In addition, we are introducing a capping mechanism to limit individual policies to a maximum of +/- 5% change from their present Zone and Subzone factors. This capping mechanism, which applies at each renewal, is needed to manage the rate impact in GRID cells that have policies currently assigned to more than one Zone and/or Subzone. In these cases, current rate levels could vary across these boundaries. This limits the movement from two or more rate levels towards one common rate level in any given GRID cell.

B. Claim Record Rating Plan

Our Claim Record Rating Plan currently contains two forgiveness provisions:

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

We are eliminating these forgiveness provisions with this change. Any claims that have already been reduced or eliminated based on these forgiveness provisions will continue to be forgiven.

We are also revising the Claim Record Rating Plan primarily based on a generalized linear model fit to companywide Homeowners experience. The tables below show our current and revised discounts and charges.

Current

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

Revised

Years With State Farm	Number of Qualified Claims In Last 3 Years				
	0	1	2	3	4+
0	**-5%**	**+11%**	+55%	+110%	+170%
1	**-7%**	**+8%**	+55%	+110%	+170%
2	**-9%**	**+5%**	+55%	+110%	+170%
3	**-11%**	**+2%**	+50%	+105%	+170%
4	**-13%**	-1%	+50%	+105%	+170%
5	**-15%**	-4%	+50%	+105%	+170%
6	**-17%**	-6%	+45%	+100%	+170%
7	**-18%**	-8%	+45%	+100%	+170%
8	**-19%**	-10%	+45%	+100%	+170%
9+	**-20%**	**-20%**	+30%	+85%	+170%

C. Business Property – Increased Limits

Based on a companywide analysis, we are revising premiums to Business Property – Increased Limits as follows.

Limit	Current Premium	**Revised Premium**
$2,500	$16	**$10**
$5,000	$22	**$18**

D. Miscellaneous Manual Items

To be consistent companywide, we are revising the following miscellaneous manual items:

- Revising the Joint Ownership rule to include Secondary homes in addition to Seasonal homes.
- Revising rating rules to eliminate rating examples and add rounding instructions.

E. Zone Definition Pages

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

IV. Non-Tenant Homeowners Changes

A. Basic Premiums

After including the impact of all other changes in this filing, we are implementing a statewide basic premium change in order to achieve the average 2.6% rate change for the Non-Tenant policy form.

B. Deductible

We are making the $500 deductible option available for renewals only. Therefore, the $1,000 deductible will be the minimum deductible option available for Non-Tenant new business.

C. Amount Relativities

We are changing our amount of insurance relationships primarily based on a generalized linear model fit to companywide Homeowners experience.

Please refer to Exhibit 10 for our current and revised amount relativities.

D. Utilities Rating Plan

We are increasing selected discounts under the Utilities Rating Plan primarily based on a generalized linear model fit to companywide Homeowners experience. The table below shows our current and revised discounts.

Age of Utilities	Current Discount	**Revised Discount**
0	-40%	-40%
1	-37%	-37%
2	-33%	**-34%**
3	-29%	**-31%**
4	-26%	**-28%**
5	-22%	**-25%**
6	-18%	**-22%**
7	-14%	**-19%**
8	-9%	**-16%**
9	-5%	**-13%**
10	-5%	**-11%**
11	-3%	**-9%**
12	-3%	**-7%**
13	-3%	**-5%**
14	-1%	**-3%**
15	-1%	-1%
16+	0%	0%

E. Roof Surfaces – Wood

We are revising Wood Shake and Wood Shingle Roof charges from 5% to 8%. We are also introducing a 10% charge for Composition over Wood Roofs.

F. Minimum Premium

Based on a companywide analysis, we are increasing the minimum premium from $200 to $250.

V. Renters and Condominium Unitowners Changes

A. Basic Premiums

After including the impact of all other changes in this filing, we are implementing basic premium changes that result in a statewide average 0.0% rate change for the Renters policy form and a statewide average 3.8% rate change for the Condominium Unitowners policy form.

B. Amount of Insurance

We are adjusting our rate relationships by amount of insurance primarily based on a generalized linear model fit to companywide Homeowners experience.

Please refer to Exhibit 11 for our current and revised amount relativities.

C. Home Alert Protection

Based on a companywide analysis, we are implementing changes to selected Home Alert Protection discounts. Please refer to Exhibit 12 for details.

D. Solid Fuel Appliances

We are removing the Solid Fuel Appliance charge from Renters and Condominium Unitowners.

E. Minimum Premium

Based on a companywide analysis, we are increasing the minimum premium for Renters and Condominium Unitowners from $100 to $115.

F. Miscellaneous Manual Item

We are removing rating by construction from the manual for Renters and Condominium Unitowners. This change will have no rating impact.

State Farm Fire and Casualty Company
Arkansas Homeowners
Index of Exhibits

Exhibit	Description
1	Calculation of Indicated Rate Level Adjustment
2	Average Premium Per Policy
3	Non-Cat Average Paid Claim and Claim Frequency
4	Adjustments to Paid Loss Ratio
5	Catastrophe Provision
6	Underwriting Expense Exhibit
7	Provision for Underwriting Profit and Contingencies Total Financial Needs Analysis
8	Gross Underwriting Profit or Loss
9	Indicated Rate Level Adjustment by Form
10	Non-Tenant Current and Revised Amount of Insurance Relativities
11	Tenant Current and Revised Amount of Insurance Relativities
12	Tenant Current and Revised Home Alert Protection

Exhibit 1
State Farm Fire and Casualty Company
Arkansas Homeowners
Indicated Rate Level Adjustment
Policies Effective: 9/15/2012 New 11/1/2012 Renewal

Premiums, Losses and Expenses Per Policy Projected To 11/1/2013

	$Per Policy		% Of Earned Premium	
Earned Premium		1,059.96		100.0
Non-Catastrophe Incurred Losses and Loss Adjustment Expenses	517.01		48.8	
Incurred Losses	452.09		42.7	
Incurred Loss Adjustment Expenses	64.92		6.1	
Catastrophe Losses and Loss Adjustment Expense	242.12		22.8	
Total Losses and Loss Adjustment Expenses		759.13		71.6
Total Underwriting Expenses		269.52		25.4
Fixed Expenses	102.93		9.7	
Variable Expenses	166.59		15.7	
Total Loss and Expenses		1,028.65		97.0

Indicated Rate Level Adjustment

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

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

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

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

$$IC = (((71.6 + 9.7) / (100 - 15.7 - 7.0)) - 1) \times 100$$
$$= ((81.3 / 77.3) - 1) \times 100$$
$$= (1.052 - 1) * 100$$
$$= 5.2\% \text{ increase}$$

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

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

I. Premium Adjustments

A. Rate Change Adjustment

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

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

Effective Date		
New	Renewal	Effect
9/1/2011	11/1/2011	7.0

B. Inflation Adjustment

Actual written premium is further adjusted to reflect inflationary changes. Currently, a 1.0% change in policy amount results in a 0.576% change in policy premium.

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

	2011	2012	2013	2014
Increase in Policy Amount	1.035	1.035	1.035	1.035
Premium Equivalence Factor	0.576	0.576	0.576	0.576
Resulting Effect on Premium	1.020	1.020	1.020	1.020

C. Adjustments For Anticipated Shifts in Distributions

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

	2011	2012	2013	2014
Adjustment Factor	1.006	1.006	1.005	1.001

Exhibit 2 (Continued)

II. Premium Calculations

A. Current Calendar Year

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

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

Our estimate of 2011 premium per policy is: $1012.37.
This estimate reflects latest actual premium per policy adjusted for items such as current rates and inflation.

B. Subsequent Calendar Years

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

Year	Prior Year Written Premium Per Policy	Adjustment Factors		Projected Written Premium Per Policy
		Inflation Coverage	Distribution Change	
2012	1012.37	1.020	1.006	1039.09
2013	1039.09	1.020	1.005	1064.76
2014	1064.76	1.020	1.001	1087.08

C. Period of Proposed Rates

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

Calendar Year	Projected Written Premium Per Policy	Projected Earned Premium Per Policy
2013	1064.76	1051.87
2014	1087.08	1075.86
11/1/2013	1072.28	1059.96

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

Historical Data

Period	Severity	Frequency	Pure Premium
12/2004	4,863	4.81	233.96
3/2005	5,266	4.77	251.30
6/2005	5,239	5.12	268.30
9/2005	5,413	5.24	283.76
12/2005	5,862	5.12	299.91
3/2006	5,753	5.08	291.96
6/2006	5,584	5.27	294.38
9/2006	5,407	5.18	279.96
12/2006	5,498	5.17	284.33
3/2007	5,444	5.59	304.55
6/2007	5,615	5.15	288.99
9/2007	5,768	5.13	295.77
12/2007	5,553	5.34	296.31
3/2008	5,404	5.26	284.44
6/2008	5,762	5.35	308.37
9/2008	6,016	5.55	333.71
12/2008	6,430	5.48	352.17
3/2009	7,075	5.57	394.17
6/2009	7,118	6.18	439.98
9/2009	7,126	6.25	445.18
12/2009	7,099	6.26	444.41
3/2010	6,841	6.40	438.00
6/2010	7,093	6.03	427.54
9/2010	7,204	5.89	424.64
12/2010	7,151	5.89	421.15
3/2011	7,255	6.18	448.04
6/2011	6,906	6.57	453.79
9/2011	6,857	7.09	485.90

Trended Values❖

28 Point	8,221	5.60	460.38
20 Point	8,575	5.82	499.07
12 Point	7,279	6.15	447.66

Selected Values

Selected	7,936	5.63	446.77

❖ Trended Values represent an ordinary Least Squares trend for Severity. The Frequency value is an average of the points selected. Trended and selected values are for the mid-point of the period that these rates would be in effect (11/1/2013).

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

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

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

Year	Ratio of Non-Cat Incurred Losses to Non-Cat Paid Losses		
2006	0.9686		
2007	1.0408		
2008	1.0293		
2009	1.0550		
2010	1.0500		
09/2011	1.0039		
3 Year Average	1.0448		
5 Year Average	1.0287		
		Paid Loss Per Policy	Incurred Loss Per Policy
Selected 11/1/2013	1.0119	$446.77	$452.09

Non-Catastrophe Incurred Losses Projected To 11/1/2013: $452.09

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

	Non-Catastrophe Loss Adjustment Expenses Divided by Incurred Losses				
Year	A.L.A.E*.	U.L.A.E*.	Total		
2006	0.0236	0.2929	0.3165		
2007	0.0182	0.2346	0.2529		
2008	0.0054	0.1618	0.1672		
2009	0.0156	0.1446	0.1601		
2010	0.0076	0.1248	0.1324		
09/2011	0.0059	0.1265	0.1323		
3 Year Average	0.0095	0.1437	0.1532		
5 year Average	0.0141	0.1917	0.2058		
				Incurred Loss Per Policy	Adj. Expense
Selected 11/1/2013	0.0095	0.1341	0.1436	$ 452.09	$ 64.92

Non-Catastrophe Loss Adjustment Expenses Projected To 11/1/2013: $ 64.92

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

Exhibit 5
State Farm Fire and Casualty Company
Arkansas Homeowners
Catastrophe Provision

For ratemaking purposes, State Farm removes all catastrophe (CAT) losses from our loss data. Each state's CAT losses are analyzed separately and a CAT provision is developed according to the following procedure and used in the ratemaking formula. In those states with a hurricane exposure, a hurricane provision is developed independently.

I. Amount Of Insurance Years Exposure Base

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

II. Catastrophe Provision

A. Trend Factor

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

Some reasons for this increasing trend include:

- The leveraging effect of a fixed dollar catastrophe threshold
- A change in the distribution of business in CAT prone areas
- Changes over time in the nature of exposures underlying the catastrophe data

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

B. Weighted CAT Provision

Because catastrophes can be infrequent events, many years of history are needed to determine a provision. Contract changes and changes in the number of policies written in catastrophe prone areas, however, make it prudent to give greater weight to more recent years. The weighted CAT/AIY is calculated as the weighted average using the catastrophe data trended to a common projection date. Please see Exhibit 5B for more details.

C. Capping

To provide stability, the selected CAT provision was limited to +/-10% from the previous year's CAT provision. Each year the CAT provision will be calculated using the actual uncapped experience, but the selected provision may be limited. In choosing the selected CAT/AIY, appropriate consideration is given to historical data, future conditions, insurance and economic trends, along with other relevant considerations.

III. Catastrophe Loss & LAE

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

Exhibit 5
State Farm Fire and Casualty Company
Arkansas Homeowners
Catastrophe Provision

A.	Trended Catastrophe Ratio (from Exhibit 5B)	=	1.7055
B.	Previous Year's CAT Provision	=	1.3434
C.	Selected CAT Provision = A subject to capping described in Section II.C	=	1.4777
D.	Projected AIY per policy	=	163.85
E.	Catastrophe Loss & LAE per Policy (as of 11/01/2013) = C x D	=	242.12

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

(1) Year	(2) Cat/AIY	(3) Fitted Cat/AIY
1980	0.4814	0.4145
1981	0.3125	0.4295
1982	0.5333	0.4446
1983	0.5967	0.4596
1984	0.4890	0.4747
1985	0.3878	0.4897
1986	0.2976	0.5047
1987	0.2416	0.5198
1988	0.2660	0.5348
1989	0.6302	0.5498
1990	0.7043	0.5649
1991	0.8077	0.5799
1992	0.7768	0.5950
1993	0.7078	0.6100
1994	0.7136	0.6250
1995	0.6354	0.6401
1996	0.8593	0.6551
1997	0.4167	0.6701
1998	0.8166	0.6852
1999	0.6956	0.7002
2000	0.8806	0.7153
2001	0.9355	0.7303
2002	0.6158	0.7453
2003	0.9931	0.7604
2004	0.3013	0.7754
2005	0.2840	0.7904
2006	0.6953	0.8055
2007	0.6297	0.8205
2008	1.1867	0.8356
2009	0.9302	0.8506
2010	1.0200	0.8656

(4) Annual Trend:	2.3%
(5) Selected Trend:	2.0%

Exhibit 5B
State Farm Fire and Casualty Company
Arkansas Homeowners Program
Catastrophe Provision Development

(1)	(2)	(3)	(4)	(5)
		Trend Factor	Trended Cat Ratio	
Year	CAT/AIY	[1+(6)]^[(7)-Year]	= (2) * (3)	Weight
1980	1.106	1.885	2.084	2.8%
1981	0.518	1.848	0.957	2.8%
1982	1.066	1.811	1.930	2.8%
1983	0.864	1.776	1.535	2.8%
1984	0.935	1.741	1.627	2.8%
1985	0.278	1.707	0.475	2.8%
1986	0.658	1.673	1.102	2.8%
1987	0.343	1.641	0.563	2.8%
1988	0.264	1.608	0.425	2.8%
1989	1.976	1.577	3.115	2.8%
1990	0.393	1.546	0.607	2.8%
1991	0.494	1.516	0.749	2.8%
1992	0.445	1.486	0.662	2.8%
1993	0.069	1.457	0.100	2.8%
1994	0.954	1.428	1.362	2.8%
1995	0.616	1.400	0.863	2.8%
1996	5.361	1.373	7.360	2.8%
1997	1.250	1.346	1.682	2.8%
1998	0.226	1.319	0.298	2.8%
1999	2.082	1.294	2.693	2.8%
2000	2.055	1.268	2.607	3.0%
2001	1.468	1.243	1.825	3.2%
2002	0.445	1.219	0.543	3.3%
2003	0.846	1.195	1.011	3.5%
2004	0.413	1.172	0.484	3.7%
2005	0.216	1.149	0.249	3.9%
2006	2.419	1.126	2.724	4.1%
2007	-0.071	1.104	-0.079	4.3%
2008	6.595	1.082	7.139	4.5%
2009	3.375	1.061	3.582	4.8%
2010	0.591	1.040	0.615	5.0%

(6) Projected Annual Trend (from Exhibit 5A): 2.0%
(7) Projection Year 2012
(8) Trended Catastrophe Ratio (Column (4) weighted by Column (5)): 1.7055

(2) Catastrophe Loss and LAE. Data reflects Accident Year (AY) data from 1980-89 and Calendar Year (CY) data for 1990 and after. CY data is preferable for newer years since the AY losses would potentially be underdeveloped. Adjustments have been made as needed to incorporate any significant changes in the distribution of our book of business.

(5) The latest year is given a weight of 5%, with each prior year receiving 5% less weight back to 2000. For the years 1980-99, the remainder of the distribution was spread evenly across the

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

I. Variable Expense Ratios As a Percent of Earned Premium

Calendar Year	Variable Expense Ratios
2006	15.9%
2007	16.6
2008	15.9
2009	16.4
2010	16.0
3 Year Average	16.1
5 Year Average	16.2
Selected 2011	15.6
Selected 2012	15.7
Selected 2013	15.7
Selected 2014	15.7
Selected at 11/1/2013	**15.7%**
Variable Expense Per Policy 11/1/2013	$166.59

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

Calendar Year	Fixed Expense per Policy
2006	$84.77
2007	80.87
2008	93.94
2009	90.86
2010	91.25
Selected 2011	98.44
Selected 2012	100.44
Selected 2013	102.29
Selected 2014	104.19
Selected at 11/1/2013	$102.93

III. Total Expenses Per Policy in Force

Total Variable Expense per policy:	$166.59
Total Fixed Expense per policy:	+ 102.93
Total Expense per policy:	$269.52

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

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

Total Financial Needs Analysis

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

   State Farm Fire and Casualty Company's direct underwriting profit, before federal taxes, has averaged -7.7%, -5.4% adjusted for catastrophes, (see Exhibit 7A, Columns (2) and (2a)) in the last twelve years (approximately two underwriting cycles). These results were generated during a period when filed rates generally included a combined provision for underwriting profit and contingencies of 2% to 7%, averaging approximately 5% (in hurricane/earthquake states, additional risk provisions may also have been added). Based on the difference between our filed profit and contingencies provisions and our actual results, the contingency element has recently been averaging in excess of 2% of earned premium.

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

B. **Net Investment Income** (interest, dividends and real estate income) has declined as a percent of mean invested assets from 5.0% in 1999 to 3.8% in 2010 (see Exhibit 7D). Based on an analysis of these decreasing results, it is reasonable to expect a return of 4.0% on invested assets during the time the rates will be in effect.

   Capital Gains have fluctuated between -7.6% and 6.1% of mean invested assets over the past twelve years (see Exhibit 7D), with a 12 year average of 0.2% and a 24 year average of 1.4%. The expected contribution of capital gains during the period rates will be in effect is 0.5% of invested assets.

   As a result, the **Net Investment Yield** as a percent of invested assets is expected to be 4.5% during the time rates will be in effect.

Exhibit 7
(Continued)
State Farm Fire and Casualty Company

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

D. All of these income sources combine to yield a total expected insurance operating profit of approximately 12.6% on earned premium, before tax, as summarized in the table on the following page. This includes the expected investment income attributable to unearned and advance premium reserves and that portion of loss and loss adjustment expense reserves resulting from policyholder supplied funds, as well as underwriting profit.

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

Allowing for the expected investment income attributable to the capital of $100 per $100 of premium, the expected total return, after tax, is 12.4% as demonstrated in the following table.

Taking into account the equity in the unearned and advance premium reserve, the expected total return is approximately 10.9% on a GAAP adjusted basis. An expected total return up to 19% is reasonable in comparison to current returns in other industries. Recent median returns reported in Business Week and Fortune magazine average around 11% on a GAAP adjusted basis.

Based on the foregoing, we conclude that a 11.0% combined provision for underwriting profit and contingencies can be expected to produce a reasonable total return during the time the projected rates are to be in effect. If the contingency provision is actually realized as a profit in any year, the expected total return increases to 12.1%. Such a result would still be reasonable and not excessive.

While a 9% underwriting profit provision is supported for the combined State Farm Fire and Casualty Company, we recognize that not all states and segments of business present the same amount of risk to the entire enterprise. For the perils covered in the non-Earthquake lines of business, Arkansas presents less risk from extreme catastrophe events than the combined State Farm Fire and Casualty Company. As a result, we have selected a targeted profit provision of 5%, which is lower than our combined companywide target. We have also selected a 2% contingency provision, which matches our companywide provision.

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

Exhibit 7
State Farm Fire and Casualty Company
All Lines Combined

Expected Total Return

Premium = $100
Assumed Capital = $100

1)	Expected Contribution from a 2% Provision for Contingencies: $100 x .000 (Item A above)	$ 0.00
2)	Underwriting Profit Provision	$ 9.00
3)	Investment Income on Unearned and Advance Premium Reserves $100 x (Exhibit 7B, Line 7)	$ 1.20
4)	Investment Income on Loss and LAE Reserves $100 x (Exhibit 7C, Line 6)	$ 1.90
5)	Other Income $100 x (Item C above)	$ 0.50
6)	Expected Insurance Operating Profit, Before Tax	$ 12.60
7)	Investment Income on Capital $100 x (Exhibit 7D, Selected Investment Yield)	$ 4.50
8)	Federal Income Tax equals greater of: (Lines 1 + 2 + 5) x 20% + (Lines 3 + 4 + 7) x (Exhibit 7E AMT Tax Rate) and (Lines 1 + 2 + 5) x 35% + (Lines 3 + 4 + 7) x (Exhibit 7E Reg Tax Rate)	$ 4.74
9)	Expected Total Return	$ 12.36
10)	Expected Total Return as a Percent of Capital Line 9 / $100	12.4%
11)	GAAP Adjusted Return Line 10 / (Exhibit 7F, Line 5)	10.9%

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

Companywide Insurance Operations

Year (1)	U/W Gain/Loss Actual (2)	U/W Gain/Loss Adjusted (2a)	Other Income (3)
1999	-11.7%	-11.3%	0.1%
2000	-20.3%	-20.2%	0.2%
2001	-33.8%	-29.3%	0.0%
2002	-15.8%	-18.7%	0.2%
2003	7.6%	4.8%	0.5%
2004	17.4%	8.1%	0.4%
2005	-18.3%	6.4%	0.4%
2006	5.1%	3.6%	0.5%
2007	4.1%	-1.0%	0.4%
2008	-20.0%	-4.7%	0.5%
2009	-5.0%	-4.0%	0.4%
2010	-2.4%	2.0%	0.4%
Mean	-7.7%	-5.4%	0.3%
Std Dev	14.7%	12.0%	0.2%

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

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

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

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

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

Estimated Investment Income from Reserve for Unearned Premium and Advance Premiums

			All Lines
(1)	**Mean Reserve for Unearned and Advance Premiums, as a Ratio to Earned Premium**		
	(a)	2008	0.5283
	(b)	2009	0.5322
	(c)	2010	0.5309
	(d)	3 Year Average	0.5305
(2)	**Delayed Remission of Premiums**		
	Ratio of Agents' Balances or Uncollected Premium to Unearned Premium and Advance Premiums		25.3%
(3)	**Expenses Incurred at Beginning of Policy Term (as a % of Written Premium)**		
	(a)	Commissions and Other Acquisition Expenses	21.5%
	(b)	50% of General Expenses	1.5%
	(c)	Taxes	2.4%
	(d)	Total	25.4%
(4)	**Mean Unearned Premium and Advance Premium Reserve Adjusted for Agents' Balances, Uncollected Premiums, and Prepaid Expenses** (1d) * (1.000 - (2) - (3d))		0.2615
(5)	**Adjusted for Tax on Prepaid Expenses** (4) - (1d) * 3% * 0.20 * 35%		0.2604
(6)	**Investment Yield, before Tax**		4.5%
(7)	**Investment Income, as a % of Earned Premium** (5) * (6)		1.2%

DATA SOURCES:

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

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

Item 3 - Insurance Expense Exhibits 2008-2010 (three year average of the mean ratios)

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

Item 6 - From Exhibit 7D

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

Estimated Investment Income from Reserve for Losses and Loss Adjustment Expenses

		All Lines
(1)	**Mean Reserve for Losses and Loss Adjustment Expense, as a Ratio to Incurred Losses and Loss Adjustment Expenses**	
	(a) 2006	0.7384
	(b) 2007	0.6932
	(c) 2008	0.5592
	(d) 2009	0.6813
	(e) 2010	0.6619
	(f) 5 Year Average	0.6668
(2)	**Permissible Loss and LAE (% Earned Premium)** (1.0000 - Expense Ratio - Underwriting Profit Provision)	63.5%
(3)	**Mean Reserves for Losses and Loss Adjustment Expenses as a Ratio to Earned Premium** (2) * (1f)	0.4234
(4)	**Adjusted for Tax on Discounted Reserves** (3) - (3) * 6% * 6.4% * 35%	0.4228
(5)	**Investment Yield, before Tax**	4.5%
(6)	**Estimated Investment Income from Losses and Loss Adjustment Expense Reserves (as a % of Earned Premium)** (4) * (5)	1.9%

DATA SOURCES:

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

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

Item 4 - To recognize tax resulting from discounting of reserves; 6% is the estimated growth in loss reserves; 6.4% is the average discount of reserves; 35% is the current effective tax rate on underwriting income.

Item 5 - From Exhibit 7D

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

Investment Rate of Return
As a Percent of Mean Invested Assets

Year	Net Investment Income	Capital Gain/Loss
1999	5.0%	3.0%
2000	4.9%	-0.2%
2001	4.8%	-2.9%
2002	4.7%	-7.6%
2003	4.6%	6.1%
2004	4.4%	1.3%
2005	4.5%	0.2%
2006	4.5%	3.0%
2007	4.3%	1.5%
2008	4.3%	-6.1%
2009	4.1%	2.6%
2010	3.8%	1.0%
Latest 24 Year Average	5.7%	1.4%
Latest Twelve Year Average	4.5%	0.2%
Latest Six Year Average	4.2%	0.3%
Selected 2011	**4.0%**	**0.5%**
Selected Investment Yield	**4.5%**	

= Sum of Line 4 (Net Investment Income + Capital Gain/Loss)

Data Source: Annual Statement, Pages 2 and 12

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

Average Federal Tax Rate on Investment Income

Investment Type	Investment Income 2008 through 2010	Distribution	Current Tax Rate Regular	Current Tax Rate AMT
Bonds (Taxable)	$ 1,171,182,765	40.8%	35.0%	20.0%
Bonds (Tax Exempt)	1,347,870,033	47.0%	5.3%	15.8%
Stocks (Unaffiliated)	326,798,696	11.4%	14.2%	17.0%
Other (Net of Depreciation)	24,290,145	0.8%	35.0%	20.0%
Total	$ 2,870,141,639		18.7%	17.7%

Item Sources:

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

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

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

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

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

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

Expected Total Return - Adjustment to GAAP

	Item	Amount (,000's)	Source (Annual Statement)
(1)	12/31/2010 Assumed Capital (Based on $1 Ratio to Direct Written Premium)	$ 14,278,107	IEE, Part III, Line 35, Column 1 less IEE, Part III, Lines 2.2, 2.3, 19 and 21, Column 1
(2)	Non-Admitted Assets	20,699	Page 13, Line 28, Column 1
(3)	Equity in the Unearned and Advance Premium Reserve	1,895,728	(h)
(4)	Total Adjustments	1,916,427	(2) + (3)
(5)	GAAP Surplus Adjustment Factor	1.1342	((4) + (1)) / (1)

Calculation of Equity in the Unearned and Advance Premium Reserve

	Item	Amount (,000's)	Source (Annual Statement)
(a)	Commissions and Brokerage Expense Incurred	2,143,758	IEE, Part III, Line 35, Column 23 less IEE, Part III, Lines 2.2, 2.3, 19 and 21, Column 23 plus Part I, Line 3, Column 2
(b)	Taxes, License & Fees Incurred	338,926	IEE, Part III, Line 35, Column 25 less IEE, Part III, Lines 2.2, 2.3, 19 and 21, Column 25
(c)	Other Acquisition Expenses Incurred	889,656	IEE, Part III, Line 35, Column 27 less IEE, Part III, Lines 2.2, 2.3, 19 and 21, Column 27 less Part I, Line 3, Column 2
(d)	General Expenses Incurred	411,081	IEE, Part III, Line 35, Column 29 less IEE, Part III, Lines 2.2, 2.3, 19 and 21, Column 29
(e)	Total	3,577,881	(a) + (b) + (c) + 1/2 (d)
(f)	2010 Written Premium	14,278,107	IEE, Part III, Line 35, Column 1 less IEE, Part III, Lines 2.2, 2.3, 19 and 21, Column 1
(g)	2010 Ending Unearned and Advance Premium Reserve	7,565,207	IEE, Part III, Line 35, Column 19 less IEE, Part III, Lines 2.2, 2.3, 19 and 21, Column 19 and Page 3, Line 10, Column 1
(h)	Equity in the Unearned and Advance Premium Reserve	1,895,728	(g) * ((e) / (f))

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

Arkansas						
Year	Earned Premium	Non-Cat Loss Ratio	Catastrophe Loss Ratio	Total Loss Ratio	Expense Ratio	Actual Combined Ratio
2007	111,566,740	48.7%	-1.2%	47.5%	27.7%	75.1%
2008	113,841,959	53.6%	116.8%	170.4%	28.0%	198.4%
2009	120,726,232	66.5%	59.5%	126.0%	27.6%	153.5%
2010	132,051,514	57.4%	9.8%	67.3%	24.9%	92.2%
2011	142,030,260	59.3%	62.1%	121.5%	26.0%	147.4%
07-11	620,216,705	57.4%	49.1%	106.5%	26.7%	133.2%

Companywide						
Year	Earned Premium	Non-Cat Loss Ratio	Catastrophe Loss Ratio	Total Loss Ratio	Expense Ratio	Actual Combined Ratio
2007	12,530,785,577	47.0%	18.1%	65.1%	25.9%	91.0%
2008	12,491,238,628	52.2%	43.9%	96.1%	27.0%	123.1%
2009	12,747,083,924	55.1%	24.4%	79.5%	27.1%	106.6%
2010	13,643,927,641	48.7%	26.3%	75.0%	26.5%	101.5%
2011	14,106,982,278	45.9%	40.7%	86.6%	26.3%	113.0%
07-11	65,520,018,049	49.7%	30.8%	80.5%	26.6%	107.1%

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

Loss Ratios include Adjustment Expense.

Totals may not add due to rounding.

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Form	Credibility Weighted Current Level Non-Cat Loss Ratio	Form Catastrophe Provision as a Percent of Premium	2010 Fixed Expense Ratio	Total Formula Ratio	Index to Total	Selected Index	Index Adjusted For Off Balance	Indicated Rate Level Adjustment
Homeowners	46.5	22.4	9.1	78.0	1.0035	1.0035	1.0011	5.3%
Renters	63.8	2.2	9.0	75.0	0.9640	0.9640	0.9617	1.2%
Condo Unit Owners	63.1	6.3	9.5	78.9	1.0146	1.0146	1.0122	6.5%
Total Homeowners	47.1	21.6	9.1	77.8	1.0024	1.0024	1.0000	5.2%

Column Explanations:
(2) Calendar years 2006-2010 Non-Cat Incurred Loss and Loss Adjustment Expenses Divided by 2006-2010 AIY Multiplied by 2010 AIY Divided by 2010 Current Level Premium adjusted for credibility.
(3) Catastrophe provision/AIY divided by 2010 Current Level Premium/AIY. The individual forms are derived from the statewide provision, which is developed in Exhibit 5.
(4) 2010 Fixed Expenses divided by 2010 Current Level Premium.
(5) Col (2) + Col (3) + Col (4)
(6) Col (5) divided by Total Col (5). Total Col (6) Weighted by 2010 Current Level Premium.
(7) Total Col (7) Weighted by 2010 Current Level Premium.
(8) Col (7) divided by Total Col (7).
(9) Total Col (9) indicated Rate Level Adjustment is from Exhibit 1.
((1 + Total Col (9)) X Col (8)) - 1

Exhibit 10
State Farm Fire and Casualty Company
Arkansas Non-Tenant Homeowners
Amount of Insurance Relativities

Amount	Current Relativities	**Revised Relativities**
$1	6.018	**5.718**
$5,000	6.018	**5.718**
$7,000	5.200	**4.940**
$10,000	4.000	**3.800**
$15,000	3.349	**3.182**
$20,000	2.700	**2.565**
$30,000	2.100	**1.995**
$40,000	1.720	**1.634**
$50,000	1.500	**1.425**
$60,000	1.350	**1.283**
$70,000	1.220	**1.159**
$80,000	1.120	**1.080**
$90,000	1.050	**1.041**
$100,000	1.000	1.000
$110,000	0.960	**0.985**
$120,000	0.929	**0.963**
$130,000	0.900	**0.945**
$140,000	0.870	**0.913**
$150,000	0.840	**0.882**
$160,000	0.809	**0.849**
$170,000	0.790	**0.829**
$180,000	0.770	**0.808**
$190,000	0.750	**0.787**
$200,000	0.730	**0.766**
$250,000	0.670	**0.703**
$300,000	0.647	**0.679**
$350,000	0.624	**0.655**
$400,000	0.609	**0.639**
$450,000	0.601	**0.631**
$500,000	0.597	**0.626**
$550,000	0.590	**0.619**
$600,000	0.585	**0.614**
$650,000	0.577	**0.605**
$700,000	0.577	**0.605**
$750,000	0.577	**0.605**
$800,000	0.577	**0.605**
$900,000	0.577	**0.605**
$1,000,000	0.577	**0.605**
$1,100,000	0.577	**0.605**
$1,200,000	0.577	**0.605**
$1,300,000	0.577	**0.605**
$1,400,000	0.577	**0.605**
$1,500,000	0.577	**0.605**

EA $1,000	0.588	**0.613**

Exhibit 11
State Farm Fire and Casualty Company
Arkansas Tenant
Amount of Insurance Relativities

Renters

Amount	Current Relatiivities	**Revised Relativities**
$1	5.319	**5.400**
$2,000	5.319	**5.400**
$4,000	3.546	**3.600**
$6,000	2.660	**2.700**
$8,000	2.189	**2.200**
$10,000	1.900	1.900
$12,000	1.700	1.700
$14,000	1.500	1.500
$16,000	1.370	1.370
$18,000	1.270	1.270
$20,000	1.200	1.200
$22,000	1.150	1.150
$24,000	1.100	1.100
$26,000	1.060	1.060
$28,000	1.030	1.030
$30,000	1.000	1.000
$35,000	0.930	0.930
$40,000	0.870	0.870
$45,000	0.830	0.830
$50,000	0.800	0.800
$55,000	0.780	0.780
$60,000	0.760	0.760
$65,000	0.740	0.740
$70,000	0.720	0.720
$75,000	0.700	0.700
$80,000	0.680	0.680
$85,000	0.670	0.670
$90,000	0.660	0.660
$95,000	0.650	0.650
$100,000	0.640	0.640
$125,000	0.600	0.600
$150,000	0.570	0.570
$175,000	0.550	0.550
$200,000	0.530	0.530
$225,000	0.511	**0.510**
$250,000	0.505	**0.500**
$275,000	0.501	**0.490**
$300,000	0.497	**0.480**
EA $1,000	0.451	**0.480**

Condominium Unitowners

Amount	Current Relatiivities	**Revised Relativities**
$1	5.374	**5.400**
$2,000	5.374	**5.400**
$4,000	3.583	**3.600**
$6,000	2.687	**2.700**
$8,000	2.200	2.200
$10,000	1.900	1.900
$12,000	1.700	1.700
$14,000	1.500	1.500
$16,000	1.370	1.370
$18,000	1.270	1.270
$20,000	1.200	1.200
$22,000	1.150	1.150
$24,000	1.100	1.100
$26,000	1.060	1.060
$28,000	1.030	1.030
$30,000	1.000	1.000
$35,000	0.930	0.930
$40,000	0.870	0.870
$45,000	0.830	0.830
$50,000	0.800	0.800
$55,000	0.780	0.780
$60,000	0.760	0.760
$65,000	0.740	0.740
$70,000	0.720	0.720
$75,000	0.700	0.700
$80,000	0.680	0.680
$85,000	0.670	0.670
$90,000	0.660	0.660
$95,000	0.650	0.650
$100,000	0.640	0.640
$125,000	0.600	0.600
$150,000	0.570	0.570
$175,000	0.550	0.550
$200,000	0.530	0.530
$225,000	0.510	0.510
$250,000	0.500	0.500
$275,000	0.490	0.490
$300,000	0.480	0.480
EA $1,000	0.423	**0.480**

Exhibit 12
State Farm Fire and Casualty Company
Arkansas Renters and Condominium Unitowners
Home Alert Protection Plan

Description	Current	**Revised**
Fire or Smoke Local Alarm	-2%	-2%
Burglar Alarm System	-3%	-3%
Fire or Smoke Detectors which also activate either a digital dialer or a voice synthesized (not tape) telephone dialer	-4%	-4%
Fire or Smoke Local Alarm and Burglar Alarm System	-5%	-5%
Fire or Smoke Local Alarm, Dead Bolt Locks, and Fire Extinguisher	-5%	-5%
Fire or Smoke Detectors which also activate either a digital dialer or a voice synthesized (not tape) telephone dialer, Dead Bolt Locks, and Fire Extinguisher	-7%	**-6%**
Burglar Alarm System, Fire or Smoke Local Alarm, Dead Bolt Locks, and Fire Extinguisher	-7%	**-6%**
Fire and/or Burglar Alarm reporting to either Fire Dept., Police Dept. or Central Station, Dead Bolt Locks, and Fire Extinguisher	-15%	**-10%**

STATE FARM INSURANCE COMPANIES
LOSS MITIGATION EXHIBIT - HOMEOWNERS PROGRAM

The State Farm Insurance Companies include loss prevention and control efforts as an integral part of our insurance operations. For our Homeowners Program those efforts include internal programs, public education activities, support of national organizations, and encouragement of stronger building codes. Examples of current efforts include:

INTERNAL PROGRAMS

- **Arson and fraud investigation and prevention.** Programs include an insurance fraud prevention department in the home office, special fraud units in our operation centers, education of claims handlers in fraud awareness, and built-in safeguards to assist in the detection of suspicious claims.

- **Dwelling surveys.** Most homes we insure are surveyed by the agent. Some are also surveyed by our underwriters or commercial inspection services. These surveys are intended to uncover potential loss problems as well as verify the accuracy of the rating factors used to determine the premium for the property. The surveys are not intended to verify the safety or security of any building or structure.

- **Premium Discount Program, which recognizes loss prevention and reduction devices.** Our Homeowners Program rating plan includes credits for burglar alarms, residential fire sprinklers, and other approaches to reduce loss. Homes we insure with impact resistant roofs receive a premium discount in participating states and provinces. State Farm also offers discounts to homeowners in some coastal areas for the use of shutters and other devices that hold the potential for reducing hurricane wind damage, which in some locations includes a discount for those homes designated by the Institute for Business and Home Safety (IBHS) as *Fortified...for safer living®.*

PUBLIC AWARENESS AND EDUCATION

- **Building and Home Safety Research** We are a major contributor for the new Research Center that was built by the Institute for Business and Home Safety. The Center's rigorous and objective testing results will:
    - Demonstrate effectiveness and affordability of better-built structures
    - Foster public acceptance and consumer demand for better-built homes and other structures
    - Enhance property risk modeling
    - Provide a scientific basis for improving the quality of building products and components in practical applications
    - Provide credible ways to favorably inject loss prevention into broader public policy discussions (e.g. green/environmental issues)
    - Increase availability of reliable, affordable retrofit options for existing homes and businesses
    - Strengthen and improve residential building codes and land use policies
    - Create clear, scientifically sound benchmarks for disaster-resistant construction
    - Improve current product and system testing standards
    - Reduce commercial property losses (e.g., water intrusion and building envelope damage)

- **Customer Notice of Impending Storms** We are using outbound dialing technology to contact up to hundreds of thousands of customers with specific messages via telephone or email. The phone messages include emergency loss mitigation messages prior to an impending storm (Hurricane, Wildfire, etc). The email messages include general and seasonal loss mitigation messages.

- **Internet Information** A variety of loss prevention and home safety articles, videos, educational materials and brochures are available to the general public from our prevention and safety learning center on: www.statefarm.com. Categories include:
    - Detailed Articles About Home Safety & Damage Prevention
    - Safe at Home

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- Safe at Work
- Safe on the Road
- Child Safety
- Natural Disasters
- Other Related Links

- **Informational Brochures About Home Safety and Loss Prevention** Paper and electronic brochures and booklets are available to the general public on a variety of loss mitigation topics including: fire safety, crime prevention, electrical hazards, liability, wind/hail and roofing, water loss prevention, farm safety, home building, and boating safety. Many of these brochures are available in other languages.

- **Public Relations Materials on Frozen Pipes and Ice Dams** We conduct a national campaign that includes television ads, print ads, local education programs, videotapes, and posters on how to avoid frozen pipes, ice dams and subsequent water damage.

- **Fire Prevention Activities** We are a major sponsor of the Arson Dog Program. Since 1993, State Farm has provided scholarships for more than 250 handler and K-9 teams in fire departments, state fire marshal, and law enforcement agencies across the U.S. and Canada. The State Farm scholarship includes all training fees, acquisition of the dog, room and board during training, chemist's certification of the K-9 team, and transportation expenses to and from the training facility in Alfred, Maine. The teams return to their respective jurisdictions and investigate suspicious fires, regardless of the property insurer. We are also a major participant in fire prevention week activities, with contributions varying from year to year.

- **Fire Safety** We have developed a public service announcement video "Fire: The Unforgiving Nature" which includes dramatic and disastrous fire events, prevention and safety messages. We serve on the Board of Directors of the Home Fire Sprinkler Coalition. This is the leading organization that develops and delivers training and education to consumers, government, builders and insurers regarding the effectiveness of residential fire sprinklers. State Farm is the first insurance company on the HFSC Board.

- **Hail Media Campaign** We are distributing information about impact resistant roofing materials to policyholders in hail-prone areas and to customers who have suffered a roof loss, as well as to others for general education.

- **Informational Video About Impact Resistant Roofing Materials** A short video has been produced featuring the performance of impact resistant roofing products. The video will be available for use by Institute for Business and Home Safety members.

- **Safe use of Wood-burning Stoves** We have developed tapes, brochures, public service spots and policyholder communication pieces dealing with the safe installation and maintenance of wood-burning stoves.

- **Tornado Safety** We have developed two videos, including the Emmy award winning "Tornado: Surviving the Fury", and "Tornado: Plan to Survive", and educational materials for grade schools on tornado safety.

- **Hurricane Safety** We are a sponsor for StormStruck: A Tale of Two Homes™. This is an interactive weather experience at INNOVENTIONS at Epcot® at the Walt Disney World® Resort. StormStruck is designed to help visitors learn their risks for natural disasters, understand their property-protection and safety options, and take action to protect families and homes.

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- **Earthquake Safety** State Farm is a member of the UCSD Englekirk Center Board of Advisors. UCSD develops cost effective construction systems. State Farm is the first insurance company represented on the Board.

- **Loss Prevention Display Panels** These displays have been exhibited at multiple trade shows and conferences. They demonstrate home safety and loss reduction features that can be incorporated into new or existing structures.

- **Dog Bite Prevention Program** This is an educational campaign introduced in partnership with the American Veterinary Medical Association. The campaign includes a puppet show and activity/coloring booklet for children and an informational brochure.

- **Building Codes and Standards** We support the adoption and enforcement of statewide building codes to ensure minimum building safety standards. Technical representatives participate in a variety of standards development processes related to safety issues such as electrical, roofing, wind-resistant construction, building performance, and fire.

- **Technology Research and Innovation Laboratory (TRAIL)** State Farm associates located at the lab provide insight regarding building materials, systems, codes, technology, losses, and data analysis to support enterprise-wide business initiatives. This work includes proactive research into cause of losses, product and process overviews, and evaluations aimed at developing new prevention measures which help customers reduce or eliminate losses.

SUPPORT OF NATIONAL ORGANIZATIONS

- American Institute of Architects (AIA)
- American Red Cross
- American Society of Plumbing Engineers (ASPE)
- American Society of Heating, Refrigeration, and Air-conditioning Engineers (ASHRAE)
- American Society of Testing and Materials (ASTM International)
- Asphalt Roof Manufacturers Association (ARMA)
- Coalition Against Insurance Fraud
- Earthquake Engineering Research Institute (EERI)
- Electrical Safety Foundation (ESFi)
- FM Approvals, LLC
- Federal Alliance for Safe Homes (FLASH)
- Federal Emergency Management Agency (FEMA)
- Florida Coastal Monitoring Program (portable wind towers)
- Habitat for Humanity
- Home Fire Sprinkler Coalition
- Institute for Business and Home Safety (IBHS) – founding member
- Insurance Committee for Arson Control (ICAC) – founding member
- International Association of Fire Chiefs (IAFC)
- International Association of Special Investigative Units (IASIU)
- International Code Council Foundation (ICCF)
- Mid-America Earthquake Center
- National Association of Home Builders (NAHB)
- National Consortium of Housing Research Centers
- National Fallen Firefighters Foundation (NFFF)
- National Fire Protection Association (NFPA)
- National Insurance Task Force (NITF)
- National Roofing Contractors Association (NRCA)
- Property Casualty Insurers Association of America (PCI)
- Property Loss Research Bureau (PLRB)

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- Roof Consultants Institute (RCI, Inc.)
- Roofing Industry Committee on Weather Issues (RICOWI)
- Texas Tech University Portable Wind Tower Program
- The Underwriters Laboratories, Inc. (UL)
- University of California San Diego Englekirk Center
- Western States Roofing Contractors Association (WSRCA)

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Arkansas Homeowners
Response to Questions of April 23, 2012
HO-28841

Objection 1
- Manual Pages, See Attached (Rate)
Comment: The manual does not appear to indicate how/when a risk qualifies for location rating. Please explain how the rating procedure is identified to the insured.

In order to qualify for location rating, the latitude and longitude values for a Non-Tenant policy must be accurate to at least the ZIP+2 Code level. The precision of the assigned latitude/longitude can vary for each location. This can occur when the policy address is incomplete or inaccurate or when the residence is in an area for which latitude and longitude values cannot be generated, such as in a new, developing area. This should only occur in a small percentage of cases. Also, recent analysis has shown that the proportion of policies in this category has been declining over time.

The use of the location rating procedure is not identified to the insureds.

Objection 2
- Exhibits (Supporting Document)
Comment: Provide additional supporting documentation regarding the development of the location rating factors; include loss experience, and an explanation of all information included in "other predictive information".

The extent to which fire protection is a consideration must be fully explained and documented. Additionally, provide an impact statement pursuant to ACA 23-88-104 that demonstrates the positive impact the alternative rating system has upon fire departments' ability to improve services and maintain membership.

Provide a map detailing the GRID cells.

To develop the location rating factors, the loss experience used is derived from the exposure in each GRID cell and its immediately surrounding GRID cells for the majority of loss perils. Some perils, such as Wind/Hail and Liability, are determined by using a statewide provision. The process begins by collecting data on a given GRID cell and all adjacent GRID cells. Then, starting at the target GRID cell and moving out in concentric GRID cell rings, the method determines whether the aggregate data is adequate to produce a credible result or additional data is needed (no more than 30 miles are considered). In most cases, a target GRID cell by itself will not have adequate experience to produce an actuarially credible result. Thus, the indicated LRF for each GRID cell will generally also be based on experience from its surrounding GRID cells. An exception to this process is that GRID cells near state boundaries will not cross those boundaries to gather data. For the peril of fire, fire protection information is also considered in the determination of the LRF.

Once the relevant data is assembled, the data in each GRID cell ring is adjusted based on its distance from the target GRID cell, such that more weight is given to the GRID cell rings that are in closest proximity to the target GRID cell. After distance weighting is applied, the method proceeds as shown in Supplemental Exhibit 1, based on hypothetical data.

LRFs are limited to moderate the impact on individual policies. The LRFs are set by limiting the movement between the current average Zone and Subzone factors and the indicated LRFs. The limitations applied vary depending on the difference between the current and indicated factors as described in the table below.

Indicated Change	Limitation Applied
< -25%	-5%
-25% to -10%	-3%
-10% to 10%	0%
10% to 25%	+3%
> 25%	+5%

The "other predictive information" used to determine the location rating factors is currently limited to the following:

- Distance to Responding Fire Station
- Type of Responding Fire Station (e.g. – paid or volunteer)
- An indicator showing if the closest Fire Station is a Responding Fire Station (Y/N)
- Population Density

We see no positive or negative impact of our rates on the affected fire departments.

Please see the attached Supplemental Exhibit 2 for a map of the proposed Location Rating Factors by GRID cell.

Objection 3
- Exhibits (Supporting Document)
Comment: Provide the actual impact of moving from zone/subzone to grid cells (if capping was not implemented).

Approximately how many renewal cycles would be required to reach the correct rate?

Please see the attached Supplemental Exhibit 3 for a map showing the indicated change from the current zone/subzone relativity to the indicated Location Rating Factor.

The number of renewal cycles required to reach the current indicated rate will depend on the capping selected in future revisions, the indicated differences between the current zone/subzone factors and the indicated LRFs, and any movement in future indicated LRFs due to including more updated data in the analysis. The proposed capping limits the movement between the current zone/subzone factors and the indicated LRFs to +/-5%. We plan to review this movement between the current and indicated factors with subsequent revisions.

Objection 4
- Manual Pages, See Attached (Rate)
Comment: What percentage of inforce policies is expected to remain rated as zone/subzone?

Based on policies in force at the end of 2011, we expect around 3.6% of Arkansas non-tenant policies to continue to be rated based on zone/subzone.

Objection 5
- Exhibits (Supporting Document)
Comment: Identify the non-State Farm sources used to update data for the location rating factors.

State Farm utilizes various third party vendors to provide information that is utilized in the development and application of Location Rating Factors. This information includes:

- Assignment of latitude and longitude values based on policies' location addresses
- Fire protection and census data (mentioned above)

The third party vendors provide periodic updates to this information. As stated in our rate manual, any updates to such data would be used to determine the applicable LRF in a policy's next subsequent renewal. For example, a vendor update may result in a policy which did not previously qualify for Location Rating to qualify for Location Rating based on updated information. This change would be reflected at the policy's next renewal.

Objection 6
Comment: Provide an example of any notice contemplated to inform insureds of the rating changes.

Below is a sample premium renewal notice.

> Insurance premiums have been adjusted and continue to reflect the expected cost of claims. Some policyholders will see their premiums increase while other policyholders may see their premiums decrease or stay the same. The amount your premium changed, if at all, depends on several factors including the expected claim experience in your area, the coverage you have, and any applicable discounts or charges.
>
> The enclosed Renewal Certificate reflects your new premium.
>
> State Farm® works hard to offer you the best combination of cost, protection, and service. We will continue doing our best to make the most effective use of your premium dollars and give you superior service when you need it.
>
> If you have any questions about your premium, or policy coverages, please contact your State Farm agent.

Objection 7
- Manual Pages, See Attached (Rate)
Comment: The memorandum indicates location rating factors will not be used for tenant homeowners. Manual page 51 appears to contradict the memo. Please explain.

Because renters and condominium unitowners follow the same rating process as non-tenant homeowners, location rating will continue to show in the manual. However, the upper and lower variables for renters and condominium unitowners (shown on manual pages 53 and 65) are both set equal to one. This means that effectively no rate changes are allowed from the current zone and subzone factor.

Objection 8
- Exhibits (Supporting Document)
Comment: Provide the loss experience justifying the changes in the Claim Record Rating factors.

Supplemental Exhibit 4 shows the relative loss ratio method applied to Arkansas only data. Data from accident years 2005-2007 (as of year-end 2011) is used in this analysis to match the time period used for the GLM analysis. Please note that results, when based on an individual states' data, can be subject to more volatility than those produced based on companywide data. Thus, we rely more heavily on the companywide analysis when establishing our proposed discounts/charges.

Objection 9
- Manual Pages, See Attached (Rate)
Comment: The earthquake rates contained in this manual are pending in another filing. Please remove them until SFMA-128031618 is completed.

Revised manual pages are attached.

Supplemental Exhibit 1
State Farm Fire and Casualty Company
Location Rating Factor Calculation - Hypothetical Example

	Non-catastrophe Fire Peril	GRID Cell Experience Area	Statewide	
(1)	Non-catastrophe Loss & ALAE	11,762,342.90	200,000,000.00	
(2)	Common Risk Exposure	206,134.33	2,750,000.00	Exposure * Peril Exposure Adjustment
(3)	Non-catastrophe Loss & ALAE/Common Risk Exposure	57.06	72.73	(1) / (2)
(4)	Capped Non-catastrophe Loss & ALAE/Common Risk Exposure	57.06	72.73	(3) limited to 4 * SW(3)
(5)	Credibility Standard	1,250		Based on 90% Confidence Interval and 15% Error
(6)	Non-catastrophe Claims	313		
(7)	Credibility	0.500		Minimum{[(6) / (5)] ^ [0.5] , 1.000}
(8)	Modeled Non-catastrophe Loss & ALAE Relativity	1.100	1.000	
(9)	Modeled Non-catastrophe Loss & ALAE/Common Risk Exposure	80.00	72.73	(8) * SW(4)
(10)	Expected Non-catastrophe Loss & ALAE/Common Risk Exposure	68.52	72.73	(4) * (7) + (9) * [1 - (7)]
(11)	Relative to Statewide	0.942	1.000	(10) / SW(10)

	Non-catastrophe Crime Peril	GRID Cell Experience Area	Statewide	
(12)	Non-catastrophe Loss & ALAE	1,750,000.00	50,000,000.00	
(13)	Common Risk Exposure	148,750.00	2,750,000.00	Exposure * Peril Exposure Adjustment
(14)	Non-catastrophe Loss & ALAE/Common Risk Exposure	11.76	18.18	(12) / (13)
(15)	Capped Non-catastrophe Loss & ALAE/Common Risk Exposure	11.76	18.18	(14) limited to 4 * SW(14)
(16)	Credibility Standard	500		Based on 90% Confidence Interval and 15% Error
(17)	Non-catastrophe Claims	475		
(18)	Credibility	0.975		Minimum{[(17) / (16)] ^ [0.5] , 1.000}
(19)	Expected Non-catastrophe Loss & ALAE/Common Risk Exposure	11.92	18.18	(15) * (18) + SW(15) * [1 - (18)]
(20)	Relative to Statewide	0.656	1.000	(19) / SW(19)

	Non-catastrophe OEC Peril	GRID Cell Experience Area	Statewide	
(21)	Non-catastrophe Loss & ALAE	7,475,000.00	125,000,000.00	
(22)	Common Risk Exposure	149,500.00	2,750,000.00	Exposure * Peril Exposure Adjustment
(23)	Non-catastrophe Loss & ALAE/Common Risk Exposure	50.00	45.45	(21) / (22)
(24)	Capped Non-catastrophe Loss & ALAE/Common Risk Exposure	50.00	45.45	(23) limited to 4 * SW(23)
(25)	Credibility Standard	800		Based on 90% Confidence Interval and 15% Error
(26)	Non-catastrophe Claims	375		
(27)	Credibility	0.685		Minimum{[(26) / (25)] ^ [0.5] , 1.000}
(28)	Expected Non-catastrophe Loss & ALAE/Common Risk Exposure	48.57	45.45	(24) * (27) + SW(24) * [1 - (27)]
(29)	Relative to Statewide	1.069	1.000	(28) / SW(28)

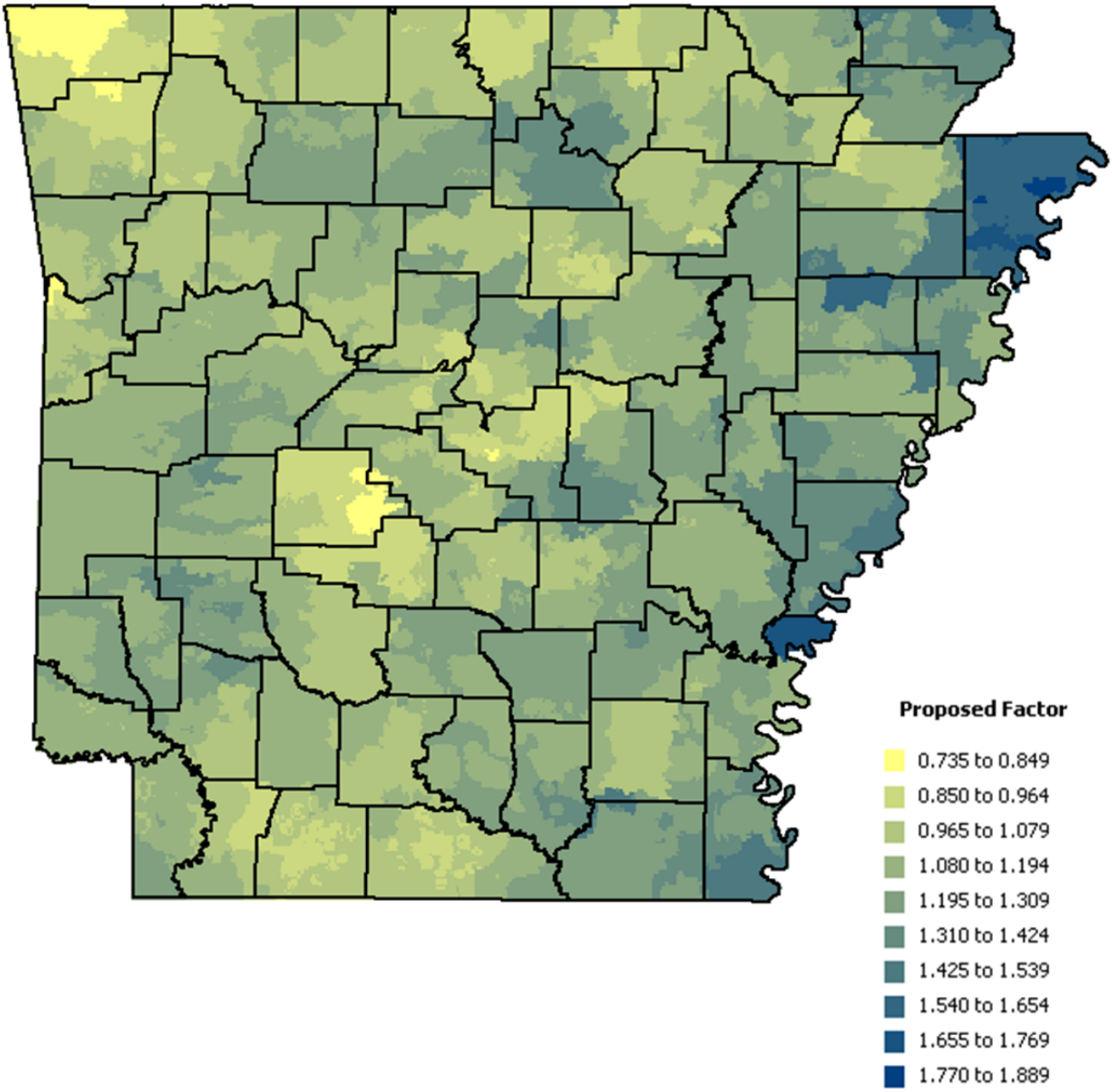
Supplemental Exhibit 1
State Farm Fire and Casualty Company
Location Rating Factor Calculation - Hypothetical Example

	Non-catastrophe Wind/Hail Peril	GRID Cell Experience Area	Statewide	
(30)	Expected Non-hurricane Non-catastrophe Loss & ALAE/AIY	0.6000	0.6000	
(31)	Latest Year Statewide AIY/Latest Year Statewide Common Risk Exposure	250.000	250.000	
(32)	Expected Non-hurricane Non-catastrophe Loss & ALAE/Common Risk Exposure	150.00	150.00	(30) * (31)
(33)	Relative to Statewide	1.000	1.000	(32) / SW(32)

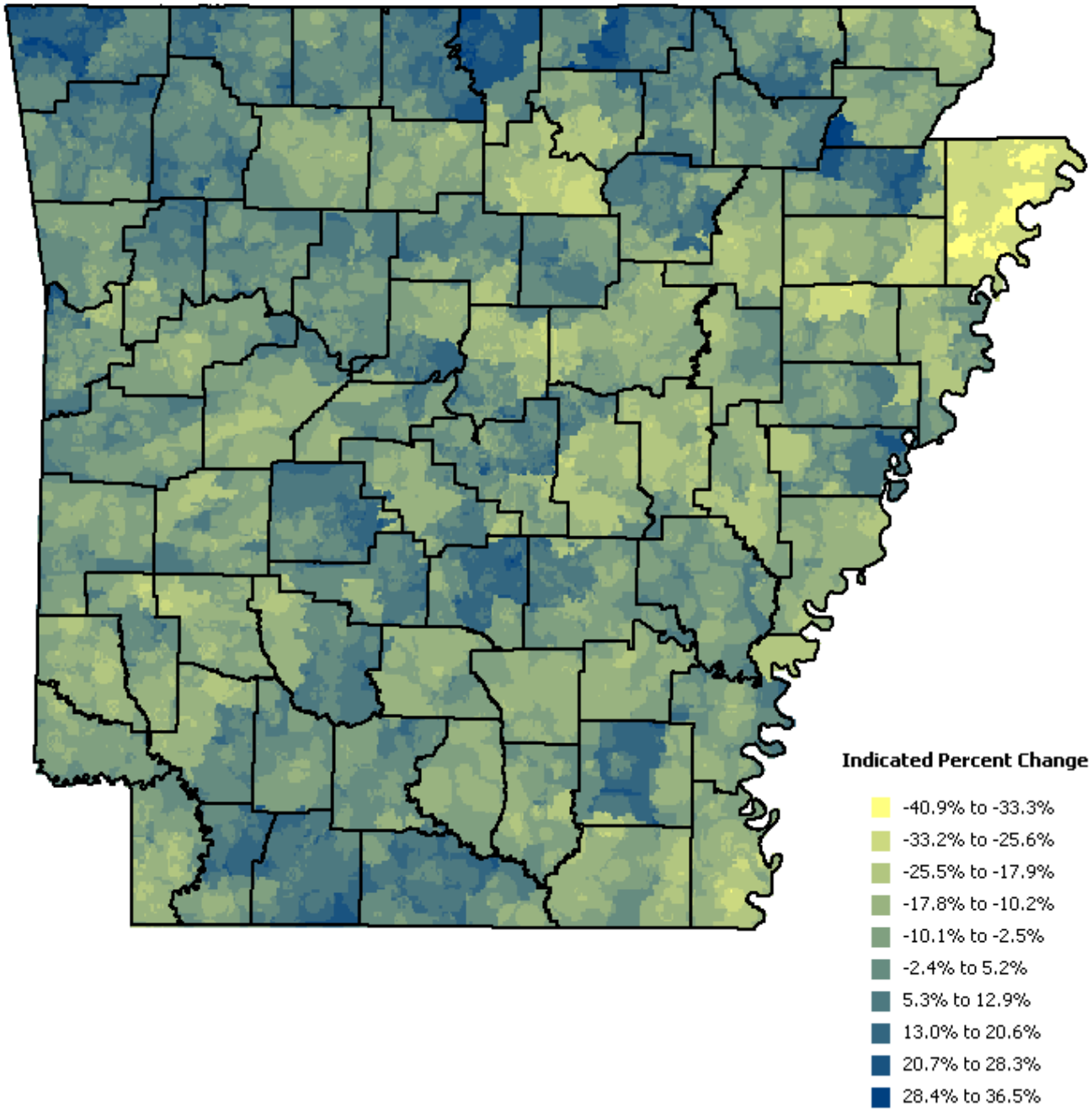
	Non-catastrophe Liability Peril	GRID Cell Experience Area	Statewide	
(34)	Non-catastrophe Loss & ALAE		58,750,500.00	
(35)	Common Risk Exposure		2,750,000.00	
(36)	Non-catastrophe Loss & ALAE/Common Risk Exposure		21.36	(34) / (35)
(37)	Expected Non-catastrophe Loss & ALAE/Common Risk Exposure	21.36	21.36	SW(36)
(38)	Relative to Statewide	1.000	1.000	(37) / SW(37)

		GRID Cell Experience Area	Statewide	
(39)	All Peril Expected Non-hurricane Non-catastrophe Loss & ALAE/Common Risk Exposure	300.37	307.72	(10) + (19) + (28) + (32) + (37)
(40)	ULAE Factor	1.08	1.08	Statewide Non-catastrophe ULAE / Statewide Non-catastrophe Loss & ALAE
(41)	All Peril Expected Non-hurricane Non-catastrophe Loss & LAE/Common Risk Exposure	324.40	332.34	(39) * (40)
(42)	Expected Non-hurricane Catastrophe Loss & LAE/AIY	0.4000	0.4000	
(43)	Expected Hurricane Catastrophe Loss & LAE/AIY	0.0000	0.0000	
(44)	Latest Year Statewide AIY/Latest Year Statewide Common Risk Exposure	250.000	250.000	
(45)	Catastrophe Loss & LAE/Common Risk Exposure	100.00	100.00	[(42) + (43)] * (44)
(46)	Total Expected Loss & LAE/Common Risk Exposure	424.40	432.34	(41) + (45)
(47)	Relative to Statewide	0.982	1.000	(46) / SW(46)
(48)	Expense Flattening Provision	0.150	0.150	
(49)	Expense Flattened Factor	0.984	1.000	(47) * [1 - (48)] + (48)
(50)	Indicated Factor	0.984	0.965	(49); SW(50) = Exposure Weighted Average (49) over all GRID cells
(51)	Balanced Indicated Factor	1.020	1.000	(50) / SW(50)
(52)	Average Present Factor	1.050	1.000	
(53)	Balanced Indicated Change	-2.9%	0.0%	(51) / (52) - 1

Supplemental Exhibit 2
State Farm Fire and Casualty Company
Arkansas Homeowners
Proposed Location Rating Factors



Supplemental Exhibit 3
State Farm Fire and Casualty Company
Arkansas Homeowners
Indicated Change by GRID Cell



Supplemental Exhibit 4
State Farm Fire and Casualty Company
Arkansas Homeowners
Claim Record Rating Plan

Arkansas Indicated Discounts/Charges
Accident Years 2005-2007

Years with State Farm	Number of qualified claims in last 3 years	
	0	1
0	0%	9%
1	9%	18%
2	16%	26%
3	2%	11%
4	-15%	-8%
5	-8%	0%
6	-3%	5%
7	-5%	4%
8	-30%	-24%
9+	-32%	-26%

State Farm Fire and Casualty Company
Arkansas Homeowners
Response to Questions of May 18, 2012
HO-28841

Objection 1
Comment: The loss experience used to in the development of the LRFs was not provided as requested in previous objection 2. Provide the actual loss experience referenced in paragraph one of the response.

We are providing the response to this question in a separate confidential response which contains confidential and proprietary information.

Objection 2
Comment: Distance to responding fire station and type of station are considered. Explain any consideration given to improvements in a responding station. (Previous objection 2)

As noted, we include distance to responding fire station and responding fire station type in developing our Location Rating Factors. Thus, our proposed algorithm considers only improvements in the number of fire stations in an area (and their proximity to the target GRID) and their staffing. For example, between quarterly data updates, a particular volunteer fire station may have added full time paid firefighters. Such a change would then be included in our analysis and would provide a benefit to that area in calculating the respective Location Rating Factor.

While other improvements are not explicitly considered, e.g. - improvements in water supply or available trucks and equipment, such improvements would likely improve our loss and claim experience in a given area over time. Since the proposed approach considers the above improvements in fire protection in addition to improvements that would likely be reflected in our loss and claim experience over time, we expect the proposed method to be more responsive to improvements in fire protection than our current zone/subzone method.

Objection 3
Comment: The statement "we see no positive or negative impact of our rates on the affected fire departments" is not sufficient for an impact statement pursuant to ACA 23-88-104. The statement must demonstrate the positive impact the alternative rating system has upon fire departments' ability to improve services and maintain membership. (Previous objection 2)

In accordance with ACA 23-88-103, in areas where fire department dues are required, State Farm agents are required to verify that the appropriate dues have been paid before writing a policy for a prospective insured. In addition, according to ACA 23-88-404, the "Important Notice Regarding Fire Protection" is sent out in renewal notices to remind policyholders the importance of adequate fire protection funding.

These two steps educate residents and encourage them to pay their required fire dues, helping maintain fire department membership and improve funding. These steps will not change with the implementation of Location Rating.

Objection 4
Comment: "Various third party vendors" is not a sufficient response to previous objection 5 (identify the non-State Farm sources used to update data for the location rating factors). Specifically name the vendors.

Data or software from the following third-party vendors are used in the Location Rating process:

1) Pitney Bowes – State Farm utilizes the GeoStan application to correct and standardize policyholder location addresses, and then return latitude and longitude coordinates based on those addresses. The application also returns data on the assigned latitude and longitude quality, such as whether the coordinates are accurate to a parcel, street, or ZIP code level. This information is the basis for determining whether a policy is eligible for Location Rating (ZIP+2 Code or better quality) or would continue to use Zone/Subzone Rating.

2) CoreLogic® – State Farm utilizes the Fire Station geospatial data in the algorithm to derive the Location Rating Factors for each GRID. This data includes fire station locations (latitude and longitude coordinates), response areas (boundary maps), and the type of fire district (whether a fire station has full-time, volunteer, or some combination of personnel). CoreLogic® provides updates to this data each quarter.

3) Nielsen Claritas – State Farm utilizes United States Census data, specifically population density data, in the algorithm to derive the Location Rating Factors for each GRID cell. We receive annual updates to this data, which reflect current year projections based on the most recent census information published by the U.S. Census Bureau.

Not subject to Freedom of Information Act, confidential information pursuant to A.C.A. §23-67-212.

Superceded 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)
05/14/2012	Rate	Manual Pages	07/30/2012	AR HO Eff 09-15-12 w-out EQ changes.pdf (Superceded)
04/20/2012	Rate	Manual Pages	05/14/2012	AR HO Eff 09-15-12 ck (OC).pdf (Superceded)
04/20/2012	Supporting Document	HPCS-Homeowners Premium Comparison Survey	07/25/2012	Arkansas Homeowners Filing - HO Survey FORM HPCS.xlsx (Superceded) Arkansas Homeowners Filing - HO Survey FORM HPCS.pdf (Superceded)

SUMMARY OF REVISIONS

The following table summarizes the changes contained in this revision.

Item	Description
Base Rates	Base Rates/Factors are revised for all forms. Location Rating Factors are introduced for all forms.
Claim Record Rating Plan	Claim Record Rating Plan rule revised to remove reference to Section I and Section II qualified claims. Adjustments revised.
Utilities Rating Plan	Utilities Rating Plan adjustments are revised.
Home Alert Protection	Home Alert Protection adjustments are revised.
Deductibles	***$500 Non-Tenant deductible is Renewals Only.*** Minimum $1,000 deductible is for Non-Tenant New Business.
Roof Surfaces - Wood	Revised Wood Shake and Wood Shingle Roof adjustments from 5% to 8%. Introduced a 10% adjustment for Composition Over Wood Roofs.
Joint Ownership	Join Ownership rule revised to include reference to Secondary.
Business Property - Increased Limits	Business Property - Increased Limits adjustments are revised.
Solid Fuel Appliance Charge	Solid Fuel Appliance Charge no longer applies to Renters or Condominium Unitowners.
Minimum Premiums	Minimum Premium increased from $200 to $250 for Homeowners and from $100 to $115 for Renters and Condominium Unitowners.
Rating Rules	Rating rules revised to eliminate rating examples and add rounding instructions.

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

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RULES

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

CANCELLATION

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

Calculate the pro rata factor as follows:

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

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

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

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CONSTRUCTION CLASSIFICATIONS

A. Frame

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

B. Masonry

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

C. Masonry Veneer

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

D. Fire Resistive

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

E. Mixed Construction

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

F. Log Construction

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

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ELIGIBILITY

A. Homeowners Policy

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

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

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

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

B. Renters Policy

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

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

3. The owner of a cooperative unit, provided:

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

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

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

C. Condominium Unitowners Policy

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

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

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

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MID-TERM CHANGES

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

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

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MINIMUM PREMIUMS

The annual minimum premium is shown below.

Policy Form	Minimum Premium
Homeowners	$250
Renters and Condominium Unitowners	$115

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OTHER INSURANCE

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

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POLICY PERIOD AND PREMIUM PAYMENT

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

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RESTRICTION OF COVERAGE

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

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ROUNDING OF PREMIUMS

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

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TRANSFER

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

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ZONES

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

ZONE DEFINITIONS

Refer to Company for ZIP Codes not listed.

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

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

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ZIP Code	City	County	Zone	Subzone
71820			25	11
71822			25	11
71823			25	14
71825			25	14
71826			25	12
71827			25	07
71828			25	11
71831			25	14
71832			25	12
71833			25	11
71834			25	14
71835			25	11
71836			25	12
71837			25	13
71838			25	13
71839			25	10
71840			25	13
71841			25	14
71842			25	13
71845			25	09
71846			25	14
71847			25	16
71851			25	14
71852			25	13
71853			25	11
71854			25	11
71855			25	14
71857			25	11
71857	Outside		25	11
71858			25	12
71859			25	14
71860			25	07
71861			25	10
71862			25	13
71864			25	12
71865			25	12
71866			25	14
71901			10	08
71902			10	08
71903			10	08
71909			10	09

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ZIP Code	City	County	Zone	Subzone
71910			10	09
71913			10	10
71914			10	10
71920			25	13
71921			25	13
71922			25	13
71923			25	09
71929			25	08
71933			25	09
71935			10	15
71937			10	14
71940			25	13
71941			25	12
71942			25	11
71943			25	12
71944			10	15
71945			10	15
71949			10	10
71950			25	16
71952			25	16
71953			10	15
71956			10	10
71957			10	15
71958			25	15
71959			25	16
71960			10	17
71961			10	18
71962			25	13
71964			10	11
71965			10	19
71968			10	12
71969			10	19
71970			10	15
71971			25	14
71972			10	15
71973			10	14
71998			25	10
71999			25	09
72001			10	16
72002			25	09
72003			25	12

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ZIP Code	City	County	Zone	Subzone
72004			25	13
72005			30	14
72006			30	13
72007			25	10
72010			30	12
72011			25	09
72012			30	09
72013			30	13
72014			30	14
72015			25	09
72016			10	14
72017			25	16
72018			25	09
72019			25	12
72020			30	13
72021			25	13
72022			25	08
72023			25	07
72024			25	14
72025			10	16
72026			25	13
72027			30	13
72028			30	13
72029			25	12
72030			30	12
72031			30	09
72032			30	09
72033			30	09
72034			30	07
72035			30	04
72036			30	13
72037			25	16
72038			25	12
72039			30	14
72040			25	13
72041			25	14
72042			25	12
72043			30	14
72044			30	09
72045			30	13
72046			25	16

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ZIP Code	City	County	Zone	Subzone
72047			30	15
72048			25	16
72051			30	12
72052			30	09
72053			25	14
72055			25	14
72057			25	13
72058			30	13
72059			30	13
72060			30	11
72061			30	13
72063			30	11
72064			25	15
72065			25	16
72066			25	14
72067			30	07
72068			30	09
72069			25	16
72070			10	11
72072			25	11
72073			25	12
72074			30	13
72075			30	14
72076			25	08
72078			25	08
72079			25	11
72080			30	11
72081			30	12
72082			30	10
72083			25	16
72084			25	11
72085			30	11
72086			25	13
72087			25	12
72088			30	07
72089			25	08
72099			25	06
72101			30	11
72102			30	10
72103			25	12
72104			25	08

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ZIP Code	City	County	Zone	Subzone
72105			25	10
72106			30	09
72107			30	06
72107	Outside		30	06
72108			25	13
72110			30	08
72111			30	15
72112			30	14
72113			25	10
72114			25	07
72115			25	07
72116			25	08
72117			25	08
72118			25	09
72119			25	07
72120			25	07
72121			30	09
72122			25	11
72123			30	11
72124			25	07
72125			10	15
72126			10	13
72127		CONWAY	30	06
72127		PERRY	30	06
72127	Outside	CONWAY	30	06
72127	Outside	PERRY	30	06
72128			25	13
72129			25	11
72130			30	09
72131			30	09
72132			25	10
72133			25	14
72134			25	15
72135			25	10
72136			30	13
72137			30	09
72139			30	12
72140			25	14
72141			30	13
72142			25	16
72143			30	11

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ZIP Code	City	County	Zone	Subzone
72145			30	11
72149			30	10
72150			25	08
72152			25	10
72153			30	08
72156			30	13
72157			30	12
72160			25	11
72164			25	14
72165			13	13
72166			25	13
72167			25	12
72168			25	11
72169			30	14
72170			25	14
72173			30	12
72175			25	13
72176			25	08
72178			30	11
72179			30	09
72180			25	16
72181			30	13
72182			25	11
72183			25	14
72190			25	08
72199			25	08
72201			25	08
72202			25	07
72204			25	09
72205			25	06
72206			25	14
72207			25	06
72209			25	11
72210			25	09
72211			25	04
72212			25	06
72214			25	09
72215			25	06
72216			25	14
72217			25	06
72219			25	11

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ZIP Code	City	County	Zone	Subzone
72222			25	06
72223			25	08
72225			25	06
72227			25	07
72301			25	11
72303			25	11
72310			25	18
72311			25	18
72312			25	16
72313			25	18
72315			25	20
72319			25	20
72320			25	10
72321			25	10
72322			25	13
72324			25	19
72325			25	14
72326			25	13
72327			25	16
72328			25	17
72329			25	10
72330			25	21
72331			25	15
72332			25	16
72333			25	16
72335			25	12
72336			25	12
72338			25	18
72339			25	14
72340			25	15
72341			25	13
72342			25	17
72346			25	17
72347			25	15
72348		CRITTENDEN	25	12
72348		ST FRANCIS	25	12
72348	Outside	CRITTENDEN	25	12
72348	Outside	ST FRANCIS	25	12
72350			25	19
72351			25	21
72352			25	16

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ZIP Code	City	County	Zone	Subzone
72353			25	16
72354			25	18
72355			25	16
72358			25	22
72359			25	12
72360			25	13
72364			25	12
72365			25	18
72366			25	16
72367			25	15
72368			25	16
72369			25	13
72370			25	20
72372			25	12
72373			25	15
72374			25	16
72376			25	16
72379			25	20
72383			25	16
72384			25	14
72386			25	18
72387			25	13
72389			25	13
72390			25	16
72391			25	20
72392			25	13
72394			25	11
72395			25	21
72396			25	13
72401			30	08
72402			30	08
72404			30	11
72410			30	11
72411			30	08
72412			30	14
72413			30	11
72414			30	10
72415			30	10
72416			30	06
72417			30	08
72419			30	15

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ZIP Code	City	County	Zone	Subzone
72421			30	12
72422			30	14
72425			30	14
72426			25	21
72427			30	12
72428			25	22
72429			25	17
72430			30	15
72431			30	14
72432			25	14
72433			30	12
72434			30	09
72435			30	14
72436			30	13
72437			30	07
72438			25	20
72439			30	06
72440			30	11
72441			30	15
72442			25	19
72443			30	14
72444			30	14
72445			30	13
72447			30	14
72449			30	12
72450			30	13
72451			30	13
72453			30	14
72454			30	16
72455			30	10
72456			30	18
72457			30	10
72458			30	11
72459			30	09
72460			30	11
72461			30	15
72462			30	11
72464			30	17
72465			30	10
72466			30	11
72467			30	13

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ZIP Code	City	County	Zone	Subzone
72469			30	10
72470			30	16
72470	Outside		30	16
72471			30	12
72472			25	13
72473			30	12
72474			30	13
72475			25	17
72476			30	09
72478			30	11
72479			25	15
72479	Outside		25	15
72482			13	11
72501			13	09
72512			13	08
72513			13	09
72515			13	12
72517			13	14
72519			13	12
72520			13	09
72521			13	09
72522			13	12
72523			30	11
72524			13	13
72525			13	08
72526			13	09
72527			13	11
72528			13	13
72529			13	08
72530			30	10
72531			13	13
72532			13	10
72533			30	15
72534			13	12
72536			13	12
72537			10	10
72538			13	12
72539			13	10
72540			13	17
72542			13	10
72543			30	07

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ZIP Code	City	County	Zone	Subzone
72544			10	10
72546			30	09
72550			13	12
72553			13	10
72554			13	09
72555			30	13
72556			13	17
72560			30	15
72561			13	12
72562			13	09
72564			13	08
72565			13	13
72566			13	14
72567			30	13
72568			13	13
72569			13	13
72571			13	13
72572			30	13
72573			13	12
72575			13	09
72576			13	07
72577			13	13
72578			13	14
72579			13	12
72581			30	09
72583			13	11
72584			13	12
72585			13	15
72587			13	10
72601			10	12
72602			10	12
72610			30	10
72611			10	12
72613			10	10
72615			10	12
72616			10	13
72617			10	19
72619			10	12
72623			10	13
72624			30	12
72626			10	12

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ZIP Code	City	County	Zone	Subzone
72628			30	13
72629			30	12
72630			10	13
72631			10	10
72632			10	10
72633			10	13
72634			10	12
72635			10	09
72636			30	11
72638			10	14
72639			30	14
72640			30	12
72641			30	12
72642			10	10
72644			10	13
72645			30	12
72648			30	11
72650			30	13
72651			10	10
72653			10	10
72654			10	10
72655			30	13
72658			10	14
72660			10	12
72661			10	12
72662			10	15
72663			30	14
72666			30	12
72668			10	11
72669			30	12
72670			30	12
72672			10	12
72675			30	11
72677			10	12
72679			30	13
72680			30	13
72682			10	14
72683			30	13
72685			30	10
72686			30	13
72687			10	12

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ZIP Code	City	County	Zone	Subzone
72701			10	11
72703			10	10
72704			10	10
72711			10	11
72712			10	07
72714			10	06
72715			10	08
72717			10	14
72718			10	11
72719			10	07
72721			10	12
72722			10	07
72727			10	11
72728			10	09
72729			10	14
72730			10	11
72732			10	12
72733			10	12
72734			10	10
72735			10	10
72736			10	08
72737			10	11
72738			10	12
72739			10	08
72740			10	13
72741			10	10
72742			10	14
72744			10	12
72745			10	10
72747			10	11
72749			10	14
72751			10	08
72752			10	14
72753			10	13
72756			10	11
72758			10	10
72760			10	09
72761			10	11
72762			10	09
72764			10	09
72765			10	09

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ZIP Code	City	County	Zone	Subzone
72766			10	09
72768			10	08
72769			10	14
72770			10	09
72773			10	12
72774			10	12
72776			10	13
72801			30	09
72802			30	09
72812			30	09
72820			10	10
72821			10	14
72823			30	09
72824			30	10
72826			10	13
72827			30	14
72828			30	13
72829			30	08
72830			30	09
72832			30	09
72833			30	12
72834			30	08
72835			10	12
72837			30	10
72838			30	13
72839			30	11
72840			30	11
72841			10	17
72842			30	11
72843			30	11
72845			30	10
72846			30	10
72847			30	11
72851			10	15
72852			30	11
72853			30	12
72854			30	11
72855			10	14
72856			30	12
72857			30	12
72858			30	10

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ZIP Code	City	County	Zone	Subzone
72860			30	14
72863			10	15
72865			10	15
72901			10	07
72901	Outside		10	07
72903			10	10
72904			10	07
72905			10	15
72906			10	10
72908			10	10
72913			10	10
72914			10	07
72916			10	12
72917			10	10
72918			10	10
72921			10	14
72923			10	11
72924			10	10
72926			10	15
72927			10	15
72928			10	15
72930			10	17
72932			10	12
72933			10	15
72934			10	15
72935			10	14
72936			10	13
72937			10	13
72938			10	14
72940			10	14
72941			10	16
72943			10	16
72944			10	13
72945			10	14
72946			10	15
72947			10	13
72948			10	15
72949			10	13
72950			10	16
72951			10	14
72952			10	12

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

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ZONE/SUBZONE ASSIGNMENT

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

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

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

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

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HOMEOWNERS

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

COVERAGES - HOMEOWNERS

The policy contains two sections, each with various coverages.

1. Section I - Physical Damage Coverages

Coverages	Details	Minimums or Amounts
Coverage A - Dwelling	Applies to the described dwelling	100% of Replacement Cost is suggested *
Dwelling Extension	Applies to other structures on premises	10% of Coverage A amount
Coverage B - Personal Property	Applies to personal property	75% of Coverage A amount *
Types of Personal Property	Computers and Equipment	$5,000
	Money, Bank Notes, and Coins	$200
	Property used in a business	$1,500 on premises ($750 off premises)
	Securities, Accounts, and Deeds	$1,000
	Watercraft and Equipment	$1,500
	Trailers not used with Watercraft	$1,500
	Jewelry and Furs (Theft)	$2,500 ($1,500 per item) *
	Stamps, Trading Cards, and Comic Books	$2,500
	Firearms (Theft)	$2,500
	Area Rugs (Theft)	$10,000 ($5,000 per item)
	Silverware and Goldware (Theft)	$2,500
	Personal Conveyances	$500
Coverage C - Loss of Use	Additional Living Expense	Actual loss sustained within 24 months
	Fair Rental Value	Actual loss sustained within 12 months
Additional Coverages	Arson Reward	$1,000
	Building Ordinance or Law	10% of Coverage A amount
	Collapse	
	Credit Card and Forgery	$1,000
	Debris Removal	
	Fire Department Service Charge	$500
	Lock Rekeying	
	Power Interruption	
	Property Removed	
	Refrigerated Products	Coverage B Limit
	Temporary Repairs	
	Trees, Shrubs, and Landscaping	$750
	Volcanic Action	

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

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

2. Section II - Liability Coverages

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

For available options, see the Options section.

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LOSSES INSURED - HOMEOWNERS

1. Section I

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

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

   Listed below are the losses that are insured:

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

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

2. Section II

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

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LOSS SETTLEMENT (SECTION I) - HOMEOWNERS

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

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

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

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

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

A. Coverage A - Dwelling

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

1. Replacement Cost - Similar Construction

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

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

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

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

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

   ACTIVATE: Option ID in the Policy

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2. Replacement Cost - Common Construction

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

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

B. Coverage B - Personal Property

1. Limited Replacement Cost

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

   ACTIVATE: Loss Settlement Provision B1 - Limited Replacement Cost

2. Depreciated Loss Settlement

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

   ACTIVATE: Loss Settlement Provision B2 - Depreciated Loss Settlement

Refer to the Options section for available options.

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RATING - HOMEOWNERS

A. Determine the basic premium.

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

   a. Determine the Replacement Cost of the dwelling.

   b. Multiply the Replacement Cost by 0.80.

   c. Select the desired amount of insurance.

      - If the desired amount is equal to or greater than the amount determined in Step 1.b., then this is the COVERAGE A AMOUNT and the RISK AMOUNT. **Skip to Step 2**

      - If the desired amount is less than the amount determined in Step 1.b., then **continue with Step 1.d.**

   d. Divide the desired amount of insurance (Step1. c.) by the replacement cost of the dwelling (Step 1.a.). The COVERAGE A AMOUNT is determined by the following:

If Step 1.d. is:		Then the Coverage A Amount is: *
At Least	But Less Than	
0.70	0.80	0.80 X Replacement Cost minus $100
0.60	0.70	0.70 X Replacement Cost minus $100
0.50	0.60	0.60 X Replacement Cost minus $100
0.40	0.50	0.50 X Replacement Cost minus $100
0.30	0.40	0.40 X Replacement Cost minus $100
0.20	0.30	0.30 X Replacement Cost minus $100
0.00	0.20	0.20 X Replacement Cost minus $100

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

The RISK AMOUNT equals the amount determined in Step 1.b. (Replacement Cost X 0.80).

2. From the Basic Premiums section, determine the applicable ZONE, SUBZONE, CONSTRUCTION, and RISK AMOUNT factors. In addition, if applicable, determine the Location Rating Factor (LRF) to be used in rating.

   a. If Location Rating applies then

      Basic Premium = Base Rate X LRF X Construction Factor X Amount Factor X Risk Amount / Base Amount *

   b. If Location Rating does NOT apply then

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

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

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

3. Apply all applicable basic premium adjustments from the Basic Premium Adjustment section sequentially in the order presented in that section to derive the basic premium. Round the premium adjustments, separately, to the nearest dollar and add to the basic premium.

B. Apply any remaining percentage adjustments for optional coverages to the basic premium. Round the premium adjustments, separately, to the nearest dollar and add to the basic premium.

C. Add any flat dollar adjustments for optional coverages to the basic premium. Round the premium adjustments, separately, to the nearest dollar and add to the basic premium.

D. The total policy premium is subject to the minimum premium.

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

A. If Location Rating applies then

Basic Premium = Base Rate X LRF X Construction Factor X Amount Factor X Risk Amount / $100,000

B. If Location Rating does NOT apply then

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

Base Rate
$1,787.96

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

A. If Location Rating applies then

Basic Premium = Base Rate X LRF X Construction Factor X Amount Factor X Risk Amount / $100,000

B. If Location Rating does NOT apply then

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

Location Rating

The Location address of the dwelling is used to determine the Location Rating Factor.

A. If Location Rating applies to the dwelling determine the Location Rating Factor (LRF) for use in rating as follows:

1. The following are the upper and lower variables used in steps 2. and 3.

Policy Form	Upper	Lower
Homeowners	1.05	0.95

2. Minimum Factor = Zone Factor X Subzone Factor X Lower

3. Maximum Factor = Zone Factor X Subzone Factor X Upper

4. If LRF is less than or equal to Minimum Factor, then the LRF used in rating equals Minimum Factor

5. If LRF is greater than or equal to Maximum Factor, then the LRF used in rating equals Maximum Factor

6. If LRF is Less than Maximum Factor but greater than Minimum Factor, then the LRF used in rating equals LRF.

B. If the dwelling does not qualify for Location Rating, use the product of the Zone and Subzone Factors.

Note: Updates to data obtained from non-State Farm sources, such as those used to determine latitude and longitude, will be used in the subsequent determination of the LRF.

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LOCATION RATING FACTOR REFERENCE

For locations qualifying for Location Rating Factors, use the factors at:
http://b2b.statefarm.com/b2b/roles/doi_public/AR_Homeowners_LRF_Effective_2012-09-15.pdf

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

A. If Location Rating applies then

Basic Premium = Base Rate X LRF X Construction Factor X Amount Factor X Risk Amount / $100,000

B. If Location Rating does NOT apply then

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

ZONE FACTORS

Zone	Factor
10	0.890
13	1.014
25	1.048
30	1.098

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

A. If Location Rating applies then

Basic Premium = Base Rate X LRF X Construction Factor X Amount Factor X Risk Amount / $100,000

B. If Location Rating does NOT apply then

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

SUBZONE FACTORS

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

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

A. If Location Rating applies then

Basic Premium = Base Rate X LRF X Construction Factor X Amount Factor X Risk Amount / $100,000

B. If Location Rating does NOT apply then

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

CONSTRUCTION FACTORS

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

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

A. If Location Rating applies then

Basic Premium = Base Rate X LRF X Construction Factor X Amount Factor X Risk Amount / $100,000

B. If Location Rating does NOT apply then

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

RISK AMOUNT FACTORS

Risk Amount	Factor
$1	5.718
$5,000	5.718
$7,000	4.940
$10,000	3.800
$15,000	3.182
$20,000	2.565
$30,000	1.995
$40,000	1.634
$50,000	1.425
$60,000	1.283
$70,000	1.159
$80,000	1.080
$90,000	1.041
$100,000	1.000
$110,000	0.985
$120,000	0.963
$130,000	0.945
$140,000	0.913
$150,000	0.882
$160,000	0.849
$170,000	0.829
$180,000	0.808
$190,000	0.787
$200,000	0.766
$250,000	0.703
$300,000	0.679
$350,000	0.655

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Risk Amount	Factor
$400,000	0.639
$450,000	0.631
$500,000	0.626
$550,000	0.619
$600,000	0.614
$650,000	0.605
$700,000	0.605
$750,000	0.605
$800,000	0.605
$900,000	0.605
$1,000,000	0.605
$1,100,000	0.605
$1,200,000	0.605
$1,300,000	0.605
$1,400,000	0.605
$1,500,000	0.605

Each Additional	Factor
$1,000	0.613

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

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RENTERS

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

COVERAGES - RENTERS

The policy contains two sections, each with various coverages.

A. Section I - Physical Damage Coverages

Coverages	Details	Minimums or Amounts
Coverage B - Personal Property	Applies to personal property	Based on personal property value
Types of Personal Property	Computers and Equipment	$5,000
	Money, Bank Notes, and Coins	$200
	Property used in a business	$1,500 on premises ($750 off premises)
	Securities, Accounts, and Deeds	$1,000
	Watercraft and Equipment	$1,500
	Trailers not used with Watercraft	$1,500
	Jewelry and Furs (Theft)	$1,000
	Stamps, Trading Cards, and Comic Books	$2,500
	Firearms (Theft)	$2,500
	Area Rugs (Theft)	$10,000 ($5,000 per item)
	Silverware and Goldware (Theft)	$2,500
	Personal Conveyances	$500
Coverage C - Loss of Use	Additional Living Expense	Actual loss sustained within 24 months
	Fair Rental Value	Actual loss sustained within 12 months
Additional Coverages	Arson Reward	$1,000
	Building Additions and Alterations	15% of Coverage B amount
	Collapse	
	Credit Card and Forgery	$1,000
	Debris Removal	
	Fire Department Service Charge	$500
	Lock Rekeying	
	Power Interruption	
	Property Removed	
	Refrigerated Products	Coverage B Limit
	Temporary Repairs	
	Trees, Shrubs, and Landscaping	$750
	Volcanic Action	

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

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B. Section II - Liability Coverages

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

For available options, see the Options section.

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LOSSES INSURED - RENTERS

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

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

Listed below are the losses that are insured:

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

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LOSS SETTLEMENT (SECTION I) - RENTERS

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

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RATING - RENTERS

A. Determine the basic premium.

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

2. From the Basic Premiums section, determine the applicable ZONE, SUBZONE, and RISK AMOUNT factors. In addition, if applicable, determine the Location Rating Factor (LRF) to be used in rating.

   a. If Location Rating applies then

      Basic Premium = Base Rate X LRF X Amount Factor X Risk Amount / Base Amount *

   b. If Location Rating does NOT apply then

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

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

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

3. Apply all applicable basic premium adjustments from the Basic Premium Adjustment section sequentially in the order presented in that section to derive the basic premium. Round the premium adjustments, separately, to the nearest dollar and add to the basic premium.

B. Apply any remaining percentage adjustments for optional coverages to the basic premium. Round the premium adjustments, separately, to the nearest dollar and add to the basic premium.

C. Add any flat dollar adjustments for optional coverages to the basic premium. Round the premium adjustments, separately, to the nearest dollar and add to the basic premium.

D. The total policy premium is subject to the minimum premium.

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

A. If Location Rating applies then

Basic Premium = Base Rate X LRF X Amount Factor X Risk Amount / $30,000

B. If Location Rating does NOT apply then

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

Base Rate
$255.51

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

A. If Location Rating applies then

Basic Premium = Base Rate X LRF X Amount Factor X Risk Amount / $30,000

B. If Location Rating does NOT apply then

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

Location Rating

The Location address of the dwelling is used to determine the Location Rating Factor.

A. If Location Rating applies to the dwelling determine the Location Rating Factor (LRF) for use in rating as follows:

1. The following are the upper and lower variables used in steps 2. and 3.

Policy Form	Upper	Lower
Renters	1.00	1.00

2. Minimum Factor = Zone Factor X Subzone Factor X Lower

3. Maximum Factor = Zone Factor X Subzone Factor X Upper

4. If LRF is less than or equal to Minimum Factor, then the LRF used in rating equals Minimum Factor

5. If LRF is greater than or equal to Maximum Factor, then the LRF used in rating equals Maximum Factor

6. If LRF is Less than Maximum Factor but greater than Minimum Factor, then the LRF used in rating equals LRF.

B. If the dwelling does not qualify for Location Rating, use the product of the Zone and Subzone Factors.

Note: Updates to data obtained from non-State Farm sources, such as those used to determine latitude and longitude, will be used in the subsequent determination of the LRF.

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

A. If Location Rating applies then

Basic Premium = Base Rate X LRF X Amount Factor X Risk Amount / $30,000

B. If Location Rating does NOT apply then

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

ZONE FACTORS

Zone	Factor
10	0.674
13	1.233
25	1.205
30	0.889

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

A. If Location Rating applies then

Basic Premium = Base Rate X LRF X Amount Factor X Risk Amount / $30,000

B. If Location Rating does NOT apply then

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

SUBZONE FACTORS

Subzone	Factor
All	1.000

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

A. If Location Rating applies then

Basic Premium = Base Rate X LRF X Amount Factor X Risk Amount / $30,000

B. If Location Rating does NOT apply then

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

RISK AMOUNT FACTORS

Risk Amount	Factor
$1	5.400
$2,000	5.400
$4,000	3.600
$6,000	2.700
$8,000	2.200
$10,000	1.900
$12,000	1.700
$14,000	1.500
$16,000	1.370
$18,000	1.270
$20,000	1.200
$22,000	1.150
$24,000	1.100
$26,000	1.060
$28,000	1.030
$30,000	1.000
$35,000	0.930
$40,000	0.870
$45,000	0.830
$50,000	0.800
$55,000	0.780
$60,000	0.760
$65,000	0.740
$70,000	0.720
$75,000	0.700
$80,000	0.680
$85,000	0.670
$90,000	0.660

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Risk Amount	Factor
$95,000	0.650
$100,000	0.640
$125,000	0.600
$150,000	0.570
$175,000	0.550
$200,000	0.530
$225,000	0.510
$250,000	0.500
$275,000	0.490
$300,000	0.480

Each Additional	Factor
$1,000	0.480

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

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CONDOMINIUM UNITOWNERS

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

COVERAGES - CONDOMINIUM UNITOWNERS

The policy contains two sections, each with various coverages.

A. Section I - Physical Damage Coverages

Coverages	Details	Minimums or Amounts
Coverage A - Dwelling	Applies to building property	30% of Coverage B amount ($1,000 min.)
Coverage B - Personal Property	Applies to personal property	Based on personal property value
Types of Personal Property	Computers and Equipment	$5,000
	Money, Bank Notes, and Coins	$200
	Property used in a business	$1,500 on premises ($750 off premises)
	Securities, Accounts, and Deeds	$1,000
	Watercraft and Equipment	$1,500
	Trailers not used with Watercraft	$1,500
	Jewelry and Furs (Theft)	$1,000
	Stamps, Trading Cards, and Comic Books	$2,500
	Firearms (Theft)	$2,500
	Area Rugs (Theft)	$10,000 ($5,000 per item)
	Silverware and Goldware (Theft)	$2,500
	Personal Conveyances	$500
Coverage C - Loss of Use	Additional Living Expense	Actual loss sustained within 24 months
	Fair Rental Value	Actual loss sustained within 12 months
Coverage D - Loss Assessments		$1,000
Additional Coverages	Arson Reward	$1,000
	Collapse	
	Credit Card and Forgery	$1,000
	Debris Removal	
	Fire Department Service Charge	$500
	Lock Rekeying	
	Power Interruption	
	Property Removed	
	Refrigerated Products	Coverage B Limit
	Temporary Repairs	
	Trees, Shrubs, and Landscaping	$750
	Volcanic Action	

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

B. Section II - Liability Coverages

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

For available options, see the Options section.

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LOSSES INSURED - CONDOMINIUM UNITOWNERS

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

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

Listed below are the losses that are insured:

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

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

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

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LOSS SETTLEMENT (SECTION I) - CONDOMINIUM UNITOWNERS

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

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RATING - CONDOMINIUM UNITOWNERS

A. Determine the basic premium.

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

2. From the Basic Premiums section, determine the applicable ZONE and SUBZONE, and RISK AMOUNT factors. In addition, if applicable, determine the Location Rating Factor (LRF) to be used in rating.

   a. If Location Rating applies then

      Basic Premium = Base Rate X LRF X Amount Factor X Risk Amount / Base Amount *

   b. If Location Rating does NOT apply then

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

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

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

3. Apply all applicable basic premium adjustments from the Basic Premium Adjustment section sequentially in the order presented in that section to derive the basic premium. Round the premium adjustments, separately, to the nearest dollar and add to the basic premium.

B. Apply any remaining percentage adjustments for optional coverages to the basic premium. Round the premium adjustments, separately, to the nearest dollar and add to the basic premium.

C. Add any flat dollar adjustments for optional coverages to the basic premium. Round the premium adjustments, separately, to the nearest dollar and add to the basic premium.

D. The total policy premium is subject to the minimum premium.

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

A. If Location Rating applies then

Basic Premium = Base Rate X LRF X Amount Factor X Risk Amount / $30,000

B. If Location Rating does NOT apply then

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

Base Rate
$227.44

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

A. If Location Rating applies then

Basic Premium = Base Rate X LRF X Amount Factor X Risk Amount / $30,000

B. If Location Rating does NOT apply then

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

Location Rating

The Location address of the dwelling is used to determine the Location Rating Factor.

A. If Location Rating applies to the dwelling determine the Location Rating Factor (LRF) for use in rating as follows:

1. The following are the upper and lower variables used in steps 2. and 3.

Policy Form	Upper	Lower
Condominium Unitowners	1.00	1.00

2. Minimum Factor = Zone Factor X Subzone Factor X Lower

3. Maximum Factor = Zone Factor X Subzone Factor X Upper

4. If LRF is less than or equal to Minimum Factor, then the LRF used in rating equals Minimum Factor

5. If LRF is greater than or equal to Maximum Factor, then the LRF used in rating equals Maximum Factor

6. If LRF is Less than Maximum Factor but greater than Minimum Factor, then the LRF used in rating equals LRF.

B. If the dwelling does not qualify for Location Rating, use the product of the Zone and Subzone Factors.

Note: Updates to data obtained from non-State Farm sources, such as those used to determine latitude and longitude, will be used in the subsequent determination of the LRF.

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

A. If Location Rating applies then

Basic Premium = Base Rate X LRF X Amount Factor X Risk Amount / $30,000

B. If Location Rating does NOT apply then

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

ZONE FACTORS

Zone	Factor
10	1.000
13	1.000
25	1.000
30	1.000

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

A. If Location Rating applies then

Basic Premium = Base Rate X LRF X Amount Factor X Risk Amount / $30,000

B. If Location Rating does NOT apply then

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

SUBZONE FACTORS

Subzone	Factor
All	1.000

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

A. If Location Rating applies then

Basic Premium = Base Rate X LRF X Amount Factor X Risk Amount / $30,000

B. If Location Rating does NOT apply then

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

RISK AMOUNT FACTORS

Risk Amount	Factor
$1	5.400
$2,000	5.400
$4,000	3.600
$6,000	2.700
$8,000	2.200
$10,000	1.900
$12,000	1.700
$14,000	1.500
$16,000	1.370
$18,000	1.270
$20,000	1.200
$22,000	1.150
$24,000	1.100
$26,000	1.060
$28,000	1.030
$30,000	1.000
$35,000	0.930
$40,000	0.870
$45,000	0.830
$50,000	0.800
$55,000	0.780
$60,000	0.760
$65,000	0.740
$70,000	0.720
$75,000	0.700
$80,000	0.680
$85,000	0.670
$90,000	0.660

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Risk Amount	Factor
$95,000	0.650
$100,000	0.640
$125,000	0.600
$150,000	0.570
$175,000	0.550
$200,000	0.530
$225,000	0.510
$250,000	0.500
$275,000	0.490
$300,000	0.480

Each Additional	Factor
$1,000	0.480

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

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BASIC PREMIUM ADJUSTMENTS

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

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

CUSTOMER RATING INDEX (CRI) FACTOR

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

A. New Business Rating

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

B. Subsequent Rating

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

C. CRI Factor

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

NEW BUSINESS RATING

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

SUBSEQUENT RATING

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

D. Miscellaneous Provision

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

E. Reinstatements

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

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

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INSURANCE TO REPLACEMENT COST (Homeowners Only)

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

A. Replacement Cost - Common Construction

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

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

B. Depreciated Loss Settlement - Contents

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

Basic Premium Adjustment
-8%

C. Jewelry and Furs Limitation

Subtract the following from the premium developed above:

Basic Premium Adjustment
-$12

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

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ROOF SURFACES - IMPACT RESISTANT (Homeowners Only)

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

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

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

To qualify for the discount:

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

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

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

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

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ROOF SURFACES - WOOD (Homeowners Only)

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

Roof Surface	Basic Premium Adjustment
Wood Shake	8%
Wood Shingle	8%
Composition Over Wood	10%

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CONDOMINIUM UNITOWNERS OCCUPANCY

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

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

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

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

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CLAIM RECORD RATING PLAN

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

A. Consecutive Years Insured with State Farm

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

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

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

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

C. Basic Premium Adjustment

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

Consecutive Years Insured with State Farm	Basic Premium Adjustment				
	Number of Qualified Paid Claims in the Last 3 Years				
	0	1	2	3	4 +
0	-5%	11%	55%	110%	170%
1	-7%	8%	55%	110%	170%
2	-9%	5%	55%	110%	170%
3	-11%	2%	50%	105%	170%
4	-13%	-1%	50%	105%	170%
5	-15%	-4%	50%	105%	170%
6	-17%	-6%	45%	100%	170%
7	-18%	-8%	45%	100%	170%
8	-19%	-10%	45%	100%	170%
9+	-20%	-20%	30%	85%	170%

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HOME/AUTO DISCOUNT

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

Basic Premium Adjustment
-25%

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

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

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UTILITIES RATING PLAN (Homeowners Only)

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

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

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

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

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

For Homes Completed and Occupied or Utilities Updated	Basic Premium Adjustment
During current calendar year	-40%
One year preceding current calendar year	-37%
Two years preceding current calendar year	-34%
Three years preceding current calendar year	-31%
Four years preceding current calendar year	-28%
Five years preceding current calendar year	-25%
Six years preceding current calendar year	-22%
Seven years preceding current calendar year	-19%
Eight years preceding current calendar year	-16%
Nine years preceding current calendar year	-13%
Ten years preceding current calendar year	-11%
Eleven years preceding current calendar year	-9%
Twelve years preceding current calendar year	-7%
Thirteen years preceding current calendar year	-5%
Fourteen years preceding current calendar year	-3%
Fifteen years preceding current calendar year	-1%
Sixteen years or more preceding current calendar year	0%

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

ATTACH: Valuation Endorsement, FE-7347

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HOME ALERT PROTECTION

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

Description	Basic Premium Adjustment	
	Homeowners	Renters and Condominium Unitowners
Fire or Smoke Local Alarm	N/A	-2%
Burglar Alarm System	N/A	-3%
Fire or Smoke Detectors which also activate either a digital dialer or a voice synthesized (not tape) telephone dialer	N/A	-4%
Fire or Smoke Local Alarm and Burglar Alarm System	N/A	-5%
Fire or Smoke Local Alarm, Dead Bolt Locks and Fire Extinguisher	N/A	-5%
Fire or Smoke Detectors which also activate either a digital dialer or a voice synthesized (not tape) telephone dialer, Dead Bolt Locks and Fire Extinguisher	-2%	-6%
Burglar Alarm System, Fire or Smoke Local Alarm, Dead Bolt Locks and Fire Extinguisher	-2%	-6%
Fire and/or Burglar Alarm reporting to either Fire Dept., Police Dept. or Central Station, Dead Bolt Locks and Fire Extinguisher	-10%	-10%

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

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

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AUTOMATIC SPRINKLER DISCOUNT

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

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

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LOSS SETTLEMENT - PERSONAL PROPERTY

A. Homeowners

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

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

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

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

Basic Premium Adjustment
-8%

ACTIVATE: Loss Settlement Provision B2 - Depreciated Loss Settlement

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

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

Basic Premium Adjustment	Minimum Adjustment
10%	$24

ACTIVATE: Loss Settlement Provision B1 - Limited Replacement Cost

B. Renters and Condominium Unitowners

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

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

Basic Premium Adjustment	Minimum Adjustment
24%	$24

ACTIVATE: Loss Settlement Provision B1 - Limited Replacement Cost

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REPLACEMENT COST - COMMON CONSTRUCTION (Homeowners Only)

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

Basic Premium Adjustment
-10%

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

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DEDUCTIBLES

A. Homeowners

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

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

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Coverage A Amount of Insurance	Basic Premium Adjustment			
	Policy Deductible			
	1/2%	1% ($500 Minimum)	2%	3%
$475,000 - $524,999	-23%	-28%	-35%	-40%
$525,000 - $574,999	-24%	-29%	-36%	-41%
$575,000 - $624,999	-24%	-30%	-36%	-41%
$625,000 - $674,999	-25%	-30%	-36%	-41%
$675,000 - $724,999	-25%	-31%	-37%	-42%
$725,000 - $750,000	-25%	-31%	-37%	-42%
$750,001 - $781,499	-25%	-31%	-37%	-42%
$781,500 - $843,999	-26%	-32%	-37%	-42%
$844,000 - $906,499	-26%	-32%	-38%	-42%
$906,500 - $968,999	-27%	-32%	-38%	-43%
$969,000 - $1,062,499	-27%	-33%	-38%	-43%
$1,062,500 - $1,187,499	-27%	-34%	-39%	-44%
$1,187,500 - $1,312,499	-27%	-34%	-39%	-44%
$1,312,500 - $1,437,499	-28%	-34%	-39%	-44%
$1,437,500 - $1,562,499	-28%	-34%	-39%	-44%
$1,562,500 - $1,687,499	-28%	-34%	-39%	-44%
$1,687,500 - $1,812,499	-28%	-34%	-40%	-44%
$1,812,500 - $1,937,499	-28%	-34%	-40%	-44%
$1,937,500 - $2,124,999	-28%	-34%	-40%	-44%
$2,125,000 - $2,374,999	-28%	-34%	-40%	-44%
$2,375,000 - $2,749,999	-29%	-34%	-40%	-44%
$2,750,000 - $3,249,999	-29%	-34%	-40%	-44%
$3,250,000 - $3,749,999	-29%	-34%	-40%	-44%
$3,750,000 - $4,249,999	-29%	-34%	-40%	-44%
$4,250,000 - $4,749,999	-29%	-35%	-41%	-45%
$4,750,000 - $99,999,999	-29%	-35%	-41%	-45%

Coverage A Amount of Insurance	Basic Premium Adjustment							
	Policy Deductible							
	$500	**$1,000^**	**$2,000**	***$2,500***	***$3,000***	***$4,000***	**$5,000**	**$10,000**
$1 - $7,499	***0%***	-11%	-22%	***-24%***	***-28%***	***-34%***	-40%	-45%
$7,500 - $14,999	***0%***	-10%	-20%	***-23%***	***-26%***	***-33%***	-38%	-43%
$15,000 - $24,999	***0%***	-10%	-19%	***-22%***	***-24%***	***-30%***	-37%	-43%
$25,000 - $34,999	***0%***	-10%	-19%	***-22%***	***-24%***	***-29%***	-33%	-43%

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Coverage A Amount of Insurance	Basic Premium Adjustment							
	Policy Deductible							
	$500	**$1,000^**	**$2,000**	***$2,500***	***$3,000***	***$4,000***	**$5,000**	**$10,000**
$35,000 - $44,999	***0%***	-10%	-19%	***-22%***	***-24%***	***-27%***	-31%	-43%
$45,000 - $49,999	***0%***	-10%	-19%	***-22%***	***-24%***	***-27%***	-31%	-43%
$50,000 - $64,999	***0%***	-10%	-19%	***-22%***	***-24%***	***-27%***	-30%	-43%
$65,000 - $74,999	***0%***	-10%	-19%	***-22%***	***-24%***	***-27%***	-30%	-43%
$75,000 - $84,999	***0%***	-10%	-19%	***-22%***	***-24%***	***-27%***	-30%	-43%
$85,000 - $99,999	***0%***	-10%	-19%	***-22%***	***-24%***	***-27%***	-30%	-42%
$100,000 - $104,999	***0%***	-10%	-19%	***-22%***	***-24%***	***-27%***	-30%	-40%
$105,000 - $114,999	***0%***	-10%	-19%	***-22%***	***-24%***	***-27%***	-30%	-40%
$115,000 - $124,999	***0%***	-10%	-18%	***-21%***	***-23%***	***-27%***	-30%	-39%
$125,000 - $134,999	***0%***	-10%	-18%	***-21%***	***-23%***	***-27%***	-30%	-38%
$135,000 - $144,999	***0%***	-10%	-18%	***-21%***	***-23%***	***-27%***	-30%	-36%
$145,000 - $154,999	***0%***	-10%	-18%	***-21%***	***-23%***	***-27%***	-30%	-36%
$155,000 - $164,999	***0%***	-10%	-18%	***-21%***	***-23%***	***-27%***	-30%	-35%
$165,000 - $174,999	***0%***	-10%	-18%	***-20%***	***-23%***	***-27%***	-30%	-35%
$175,000 - $184,999	***0%***	-10%	-18%	***-20%***	***-23%***	***-27%***	-30%	-35%
$185,000 - $194,999	***0%***	-10%	-18%	***-20%***	***-23%***	***-27%***	-30%	-35%
$195,000 - $204,999	***0%***	-10%	-18%	***-20%***	***-23%***	***-27%***	-30%	-35%
$205,000 - $214,999	***0%***	-10%	-18%	***-20%***	***-23%***	***-27%***	-30%	-35%
$215,000 - $224,999	***0%***	-10%	-18%	***-20%***	***-22%***	***-27%***	-30%	-35%
$225,000 - $234,999	***0%***	-10%	-18%	***-20%***	***-22%***	***-27%***	-29%	-35%
$235,000 - $244,999	***0%***	-10%	-18%	***-20%***	***-22%***	***-26%***	-29%	-35%
$245,000 - $274,999	***0%***	-10%	-18%	***-20%***	***-22%***	***-26%***	-28%	-35%
$275,000 - $324,999	***0%***	-10%	-18%	***-20%***	***-22%***	***-26%***	-28%	-35%
$325,000 - $374,999	***0%***	-10%	-18%	***-20%***	***-22%***	***-26%***	-28%	-35%
$375,000 - $424,999	***0%***	-10%	-18%	***-20%***	***-22%***	***-26%***	-28%	-35%
$425,000 - $474,999	***0%***	-9%	-18%	***-20%***	***-22%***	***-25%***	-27%	-35%
$475,000 - $524,999	***0%***	-8%	-18%	***-20%***	***-22%***	***-25%***	-27%	-35%
$525,000 - $574,999	***0%***	-7%	-18%	***-20%***	***-22%***	***-25%***	-27%	-33%
$575,000 - $624,999	***0%***	-7%	-18%	***-20%***	***-22%***	***-25%***	-27%	-33%
$625,000 - $674,999	***0%***	-7%	-17%	***-20%***	***-22%***	***-25%***	-27%	-33%
$675,000 - $724,999	***0%***	-5%	-15%	***-19%***	***-21%***	***-25%***	-26%	-32%
$725,000 - $750,000	***0%***	-5%	-15%	***-19%***	***-21%***	***-24%***	-26%	-32%
$750,001 - $781,499	***0%***	-5%	-15%	***-19%***	***-21%***	***-24%***	-26%	-32%
$781,500 - $843,999	***0%***	-5%	-15%	***-18%***	***-20%***	***-23%***	-26%	-31%
$844,000 - $906,499	***0%***	-5%	-13%	***-17%***	***-19%***	***-23%***	-25%	-31%
$906,500 - $968,999	***0%***	-5%	-13%	***-16%***	***-19%***	***-23%***	-25%	-31%
$969,000 - $1,062,499	***0%***	-4%	-12%	***-15%***	***-18%***	***-22%***	-24%	-31%
$1,062,500 - $1,187,499	***0%***	-4%	-12%	***-14%***	***-16%***	***-21%***	-24%	-30%

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Coverage A Amount of Insurance	Basic Premium Adjustment							
	Policy Deductible							
	$500*	**$1,000^**	**$2,000**	***$2,500****	***$3,000****	***$4,000****	**$5,000**	**$10,000**
$1,187,500 - $1,312,499	***0%***	-4%	-12%	***-14%***	***-15%***	***-20%***	-23%	-29%
$1,312,500 - $1,437,499	***0%***	-3%	-11%	***-13%***	***-14%***	***-19%***	-21%	-28%
$1,437,500 - $1,562,499	***0%***	-3%	-10%	***-12%***	***-14%***	***-17%***	-21%	-28%
$1,562,500 - $1,687,499	***0%***	-3%	-9%	***-12%***	***-13%***	***-16%***	-19%	-28%
$1,687,500 - $1,812,499	***0%***	-3%	-8%	***-11%***	***-13%***	***-15%***	-19%	-28%
$1,812,500 - $1,937,499	***0%***	-3%	-8%	***-11%***	***-12%***	***-15%***	-18%	-28%
$1,937,500 - $2,124,999	***0%***	-2%	-7%	***-10%***	***-11%***	***-15%***	-17%	-27%
$2,125,000 - $2,374,999	***0%***	-2%	-7%	***-10%***	***-11%***	***-14%***	-17%	-25%
$2,375,000 - $2,749,999	***0%***	-2%	-7%	***-9%***	***-10%***	***-14%***	-16%	-24%
$2,750,000 - $3,249,999	***0%***	-2%	-6%	***-9%***	***-10%***	***-13%***	-15%	-22%
$3,250,000 - $3,749,999	***0%***	-1%	-6%	***-8%***	***-9%***	***-12%***	-14%	-21%
$3,750,000 - $4,249,999	***0%***	-1%	-6%	***-7%***	***-8%***	***-11%***	-13%	-20%
$4,250,000 - $4,749,999	***0%***	-1%	-5%	***-6%***	***-7%***	***-10%***	-13%	-19%
$4,750,000 - $99,999,999	***0%***	-1%	-5%	***-6%***	***-7%***	***-10%***	-12%	-18%

Coverage A Amount of Insurance	Basic Premium Adjustment	
	Policy Deductible	
	$500/1% W&H*	**$1,000/1% W&H***
$50,000 - $64,999	-2%	N/A
$65,000 - $74,999	-3%	N/A
$75,000 - $84,999	-3%	N/A
$85,000 - $99,999	-4%	N/A
$100,000 - $104,999	-5%	-11%

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Coverage A Amount of Insurance	Basic Premium Adjustment	
	Policy Deductible	
	$500/1% W&H*	$1,000/1% W&H*
$105,000 - $114,999	-6%	-12%
$115,000 - $124,999	-6%	-12%
$125,000 - $134,999	-6%	-12%
$135,000 - $144,999	-7%	-13%
$145,000 - $154,999	-7%	-13%
$155,000 - $164,999	-7%	-13%
$165,000 - $174,999	-8%	-14%
$175,000 - $184,999	-8%	-14%
$185,000 - $194,999	-8%	-14%
$195,000 - $204,999	-8%	-14%
$205,000 - $214,999	-9%	-15%
$215,000 - $224,999	-9%	-15%
$225,000 - $234,999	-9%	-15%
$235,000 - $244,999	-9%	-15%
$245,000 - $274,999	-9%	-15%
$275,000 - $324,999	-10%	-16%
$325,000 - $374,999	-11%	-17%
$375,000 - $424,999	-11%	-17%
$425,000 - $474,999	-11%	-17%
$475,000 - $524,999	-11%	-16%
$525,000 - $574,999	-12%	-16%
$575,000 - $624,999	-12%	-16%
$625,000 - $674,999	-12%	-16%
$675,000 - $724,999	-12%	-15%
$725,000 - $750,000	-12%	-15%
$750,001 - $781,499	-12%	-15%
$781,500 - $843,999	-13%	-16%
$844,000 - $906,499	-13%	-16%
$906,500 - $968,999	-13%	-16%
$969,000 - $1,062,499	-13%	-16%
$1,062,500 - $1,187,499	-14%	-16%
$1,187,500 - $1,312,499	-14%	-16%
$1,312,500 - $1,437,499	-14%	-15%
$1,437,500 - $1,562,499	-14%	-15%
$1,562,500 - $1,687,499	-14%	-15%
$1,687,500 - $1,812,499	-14%	-15%
$1,812,500 - $1,937,499	-14%	-15%

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Coverage A Amount of Insurance	Basic Premium Adjustment	
	Policy Deductible	
	$500/1% W&H*	$1,000/1% W&H*
$1,937,500 - $2,124,999	-14%	-15%
$2,125,000 - $2,374,999	-14%	-15%
$2,375,000 - $2,749,999	-14%	-15%
$2,750,000 - $3,249,999	-14%	-15%
$3,250,000 - $3,749,999	-14%	-15%
$3,750,000 - $4,249,999	-14%	-15%
$4,250,000 - $4,749,999	-14%	-15%
$4,750,000 - $99,999,999	-14%	-15%

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

** Renewals Only

^The $1000 is the minimum deductible available for new business.

B. Renters and Condominium Unitowners

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

*Renewals Only

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BUILDING ORDINANCE OR LAW COVERAGE

A. Homeowners

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

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

ACTIVATE: Option OL in the Policy

B. Condominium Unitowners

A Condominium Unitowners policy may be endorsed to cover contingent liability due to the operation of building laws by application of the following charge to the basic premium. Loss under Coverage A will be settled on the basis of any ordinance or law regulating the construction, repair, or demolition of the building. The amount of coverage provided will be the greater of $1,000 or 10% of the building property limit of liability.

Basic Premium Adjustment	Minimum Adjustment
2%	$10

ATTACH: Building Ordinance or Law Coverage Endorsement, FE-7759

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DISCOUNTS, CHARGES, AND OPTIONS

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

ADDITIONAL INSURED

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

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

1. Occupant - Co-owner

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

2. Non-occupant - Co-owner

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

3. Other Additional Insureds

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

ACTIVATE: Option AI in the Policy.

B. Section I only - Contractor

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

ATTACH: Contractors' Interest Endorsement, FE-7302

C. Sections I and II - Association

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

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

D. Section II only - Special Event

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

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

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

E. Sections I and II - Additional Insured

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

ATTACH: Additional Insured Endorsement, FE-5267

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ADULT FAMILY HOME COVERAGE

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

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

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

To reinstate the aggregate limit, refer to Company.

ATTACH: Adult Family Home Coverage Endorsement, FE-7766

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BACK-UP OF SEWERS OR DRAINS

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

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

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

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

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

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

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

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BUSINESS PROPERTY - INCREASED LIMITS

The policy provides $1,500 on premises coverage and $750 off premises coverage for personal property intended for use in a business. Coverage for merchandise held as samples or for sale or for delivery is included. Coverage is not provided for electronic data processing equipment or the recording or storage media used with that equipment.

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

Limit	Premium
$2,500	$10
$5,000	$18

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

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BUSINESS PURSUITS

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

A. Clerical Office Employees engaged wholly in office work

B. Salespersons, Collectors, or Messengers

C. Teachers - including Liability for Corporal Punishment

D. School Administrators

This coverage does not replace Professional Liability Coverage.

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

Only one charge applies per policy.

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

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

ACTIVATE: Option BU in the Policy.

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CHILD CARE

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

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

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

To reinstate the aggregate limit, refer to Company.

ATTACH: Child Care Liability Endorsement, FE-5268

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CONDOMINIUMS BUILDING PROPERTY COVERAGE - INCREASED LIMITS

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

Each Additional $1,000 - Add:
$4.00

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COVERAGE B - INCREASED LIMITS (Homeowners Only)

The Coverage B amount for personal property can be increased.

Each Additional $1,000 - Add:
$0.50

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DWELLINGS UNDER CONSTRUCTION

A. Building Materials Theft

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

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

Limit of Liability	Premium
$5,000	$75

ATTACH: Building Materials Theft Endorsement, FE-7531

B. Theft Coverage

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

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

Premium
$15

ATTACH: Theft Endorsement, FE-5272

C. Temporary Extension of Coverage (Homeowners Only)

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

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

There is no charge for this temporary extension.

ATTACH: Dwelling Under Construction Endorsement, FE-7342

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EARTHQUAKE DAMAGE ASSUMPTION

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

EARTHQUAKE DAMAGE ASSUMPTION - RULES

A. Earthquake Zones

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

B. Deductible

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

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

C. Exterior Masonry Veneer

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

1. Homeowners

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

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

2. Renters and Condominium Unitowners

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

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EARTHQUAKE DAMAGE ASSUMPTION - BASIC RATES

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

HOMEOWNERS

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

RENTERS AND CONDOMINIUM UNITOWNERS

Zone	Deductible	Rate per $1,000
1	10%	$1.27
1	15%	$1.07
1	20%	$0.90
2	10%	$1.10
2	15%	$0.84
2	20%	$0.65
3	10%	$0.61
3	15%	$0.43
3	20%	$0.31
4	5%	$0.63

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

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

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

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

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EARTHQUAKE DAMAGE ASSUMPTION - INCREASED LIMITS

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

HOMEOWNERS - COVERAGE B

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

HOMEOWNERS - DWELLING EXTENSION

Zone	Deductible	Additional Rate per $1,000	
		Excluding Exterior Masonry Veneer	Including Exterior Masonry Veneer and Masonry
1	10%	$0.90	$1.02
1	15%	$0.77	$0.88
1	20%	$0.66	$0.75
2	10%	$0.70	$0.75
2	15%	$0.54	$0.58
2	20%	$0.42	$0.45
3	10%	$0.17	$0.23
3	15%	$0.13	$0.17
3	20%	$0.10	$0.13
4	5%	$0.17	$0.20

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

HOMEOWNERS - LOSS ASSESSMENTS

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

CONDOMINIUM UNITOWNERS - COVERAGE A

Zone	Deductible	Additional Rate per $1,000
1	10%	$1.27
1	15%	$1.06

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

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EARTHQUAKE DAMAGE ASSUMPTION - YEAR BUILT ADJUSTMENT

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

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

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FIRE DEPARTMENT SERVICE CHARGE

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

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

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

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FIREARMS

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

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

The following additional premium applies:

Premium
$12

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

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HOME COMPUTERS

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

This limit can be increased to $10,000.

Premium
$15

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

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IDENTITY RESTORATION

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

Limit	Premium
$25,000	$25

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

ATTACH: Identity Restoration Coverage Endorsement, FE-3301

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INCIDENTAL BUSINESS

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

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

The following premiums apply:

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

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

ACTIVATE: Option IO in the Policy.

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JEWELRY AND FURS

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

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

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

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

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

Premium Adjustment
-$12

ATTACH: Special Limits Endorsement, FE-5258

B. $2,500 Limit

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

Premium
$20

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

C. $5,000 Limit

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

Premium
$40

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

Premium
$20

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

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JOINT OWNERSHIP - SEASONAL/SECONDARY DWELLINGS (Homeowners Only)

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

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

ATTACH: Joint Ownership Endorsement, FE-7566

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JOINT UNITOWNERS (Condominium Unitowners Only)

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

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

ATTACH: Joint Unitowners Endorsement, FE-7482

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LOSS ASSESSMENTS

A. Homeowners

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

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

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

RATES PER $1,000

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

ATTACH: Coverage D Loss Assessment Endorsement, FE-5256

B. Condominium Unitowners

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

RATES PER $1,000

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

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MEDICAL PAYMENTS - OPTIONAL LIMITS

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

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

*Renewals Only

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NURSES' PROFESSIONAL LIABILITY COVERAGE

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

Only one charge applies per policy.

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

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

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

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OFF PREMISES STRUCTURES

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

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

Premium
$35

B. Homeowners

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

ATTACH: Off-Premises Structures Endorsement, FE-5255

C. Renters and Condominium Unitowners

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

ATTACH: Off-Premises Structures Endorsement, FE-5261

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

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

Rate per $1,000
$2.50

ATTACH: Off-Premises Structures Endorsement, FE-5433

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OTHER STRUCTURES - INCREASED LIMITS (Homeowners Only)

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

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

Rate per $1,000
$2.50

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PERSONAL INJURY COVERAGE

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

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

B. Libel, slander, or defamation of character

C. Invasion of privacy

The following charges apply per policy.

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

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

ATTACH: Personal Injury Endorsement, FE-7468

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PERSONAL LIABILITY - OPTIONAL LIMITS

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

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

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

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

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RENTAL PERSONAL PROPERTY

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

Premium
$9

ATTACH: Rented Personal Property Endorsement, FE-7453

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SILVERWARE AND GOLDWARE

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

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

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

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SOLID FUEL APPLIANCES (Homeowners Only)

When one or more solid fuel burning appliances are present, a charge applies. These appliances include, but are not limited to, fireplace inserts, furnaces, boilers, wood burning stoves, and coal burning stoves. Conventional masonry fireplaces, factory built fireplaces, coal furnaces, and outdoor furnaces used to heat the home are not included in this class as long as installed according to manufacturer specifications.

Premium
$20

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TEMPORARY RENTAL

The Temporary Rental Endorsement may be attached to provide broader theft and Section II coverage to those who rent out their homes for special events. The following fully earned premium applies:

Premium
$20

ATTACH: Temporary Rental Endorsement, FE-3368, for Homeowners policies or
ATTACH: Temporary Rental Endorsement, FE-1314, for Renters and Condominium Unitowners policies

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VACANCY COVERAGE

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

Premium
$45

ATTACH: Vacancy Endorsement, FE-7470

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WATERBED LIABILITY COVERAGE

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

Premium
$25

ATTACH: Waterbed Liability Endorsement, FE-7448

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SUMMARY OF REVISIONS

The following table summarizes the changes contained in this revision.

Item	Description
Base Rates	Base Rates/Factors are revised for all forms. Location Rating Factors are introduced for all forms.
Claim Record Rating Plan	Claim Record Rating Plan rule revised to remove reference to Section I and Section II qualified claims. Adjustments revised.
Utilities Rating Plan	Utilities Rating Plan adjustments are revised.
Home Alert Protection	Home Alert Protection adjustments are revised.
Deductibles	***$500 Non-Tenant deductible is Renewals Only.*** Minimum $1,000 deductible is for Non-Tenant New Business.
Roof Surfaces - Wood	Revised Wood Shake and Wood Shingle Roof adjustments from 5% to 8%. Introduced a 10% adjustment for Composition Over Wood Roofs.
Joint Ownership	Join Ownership rule revised to include reference to Secondary.
Business Property - Increased Limits	Business Property - Increased Limits adjustments are revised.
Solid Fuel Appliance Charge	Solid Fuel Appliance Charge no longer applies to Renters or Condominium Unitowners.
Minimum Premiums	Minimum Premium increased from $200 to $250 for Homeowners and from $100 to $115 for Renters and Condominium Unitowners.
Rating Rules	Rating rules revised to eliminate rating examples and add rounding instructions.

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

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RULES

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

CANCELLATION

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

Calculate the pro rata factor as follows:

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

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

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

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CONSTRUCTION CLASSIFICATIONS

A. Frame

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

B. Masonry

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

C. Masonry Veneer

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

D. Fire Resistive

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

E. Mixed Construction

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

F. Log Construction

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

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ELIGIBILITY

A. Homeowners Policy

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

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

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

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

B. Renters Policy

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

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

3. The owner of a cooperative unit, provided:

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

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

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

C. Condominium Unitowners Policy

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

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

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

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MID-TERM CHANGES

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

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

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MINIMUM PREMIUMS

The annual minimum premium is shown below.

Policy Form	Minimum Premium
Homeowners	$250
Renters and Condominium Unitowners	$115

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OTHER INSURANCE

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

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POLICY PERIOD AND PREMIUM PAYMENT

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

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RESTRICTION OF COVERAGE

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

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ROUNDING OF PREMIUMS

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

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TRANSFER

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

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ZONES

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

ZONE DEFINITIONS

Refer to Company for ZIP Codes not listed.

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

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

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ZIP Code	City	County	Zone	Subzone
71820			25	11
71822			25	11
71823			25	14
71825			25	14
71826			25	12
71827			25	07
71828			25	11
71831			25	14
71832			25	12
71833			25	11
71834			25	14
71835			25	11
71836			25	12
71837			25	13
71838			25	13
71839			25	10
71840			25	13
71841			25	14
71842			25	13
71845			25	09
71846			25	14
71847			25	16
71851			25	14
71852			25	13
71853			25	11
71854			25	11
71855			25	14
71857			25	11
71857	Outside		25	11
71858			25	12
71859			25	14
71860			25	07
71861			25	10
71862			25	13
71864			25	12
71865			25	12
71866			25	14
71901			10	08
71902			10	08
71903			10	08
71909			10	09

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ZIP Code	City	County	Zone	Subzone
71910			10	09
71913			10	10
71914			10	10
71920			25	13
71921			25	13
71922			25	13
71923			25	09
71929			25	08
71933			25	09
71935			10	15
71937			10	14
71940			25	13
71941			25	12
71942			25	11
71943			25	12
71944			10	15
71945			10	15
71949			10	10
71950			25	16
71952			25	16
71953			10	15
71956			10	10
71957			10	15
71958			25	15
71959			25	16
71960			10	17
71961			10	18
71962			25	13
71964			10	11
71965			10	19
71968			10	12
71969			10	19
71970			10	15
71971			25	14
71972			10	15
71973			10	14
71998			25	10
71999			25	09
72001			10	16
72002			25	09
72003			25	12

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ZIP Code	City	County	Zone	Subzone
72004			25	13
72005			30	14
72006			30	13
72007			25	10
72010			30	12
72011			25	09
72012			30	09
72013			30	13
72014			30	14
72015			25	09
72016			10	14
72017			25	16
72018			25	09
72019			25	12
72020			30	13
72021			25	13
72022			25	08
72023			25	07
72024			25	14
72025			10	16
72026			25	13
72027			30	13
72028			30	13
72029			25	12
72030			30	12
72031			30	09
72032			30	09
72033			30	09
72034			30	07
72035			30	04
72036			30	13
72037			25	16
72038			25	12
72039			30	14
72040			25	13
72041			25	14
72042			25	12
72043			30	14
72044			30	09
72045			30	13
72046			25	16

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ZIP Code	City	County	Zone	Subzone
72047			30	15
72048			25	16
72051			30	12
72052			30	09
72053			25	14
72055			25	14
72057			25	13
72058			30	13
72059			30	13
72060			30	11
72061			30	13
72063			30	11
72064			25	15
72065			25	16
72066			25	14
72067			30	07
72068			30	09
72069			25	16
72070			10	11
72072			25	11
72073			25	12
72074			30	13
72075			30	14
72076			25	08
72078			25	08
72079			25	11
72080			30	11
72081			30	12
72082			30	10
72083			25	16
72084			25	11
72085			30	11
72086			25	13
72087			25	12
72088			30	07
72089			25	08
72099			25	06
72101			30	11
72102			30	10
72103			25	12
72104			25	08

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ZIP Code	City	County	Zone	Subzone
72105			25	10
72106			30	09
72107			30	06
72107	Outside		30	06
72108			25	13
72110			30	08
72111			30	15
72112			30	14
72113			25	10
72114			25	07
72115			25	07
72116			25	08
72117			25	08
72118			25	09
72119			25	07
72120			25	07
72121			30	09
72122			25	11
72123			30	11
72124			25	07
72125			10	15
72126			10	13
72127		CONWAY	30	06
72127		PERRY	30	06
72127	Outside	CONWAY	30	06
72127	Outside	PERRY	30	06
72128			25	13
72129			25	11
72130			30	09
72131			30	09
72132			25	10
72133			25	14
72134			25	15
72135			25	10
72136			30	13
72137			30	09
72139			30	12
72140			25	14
72141			30	13
72142			25	16
72143			30	11

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ZIP Code	City	County	Zone	Subzone
72145			30	11
72149			30	10
72150			25	08
72152			25	10
72153			30	08
72156			30	13
72157			30	12
72160			25	11
72164			25	14
72165			13	13
72166			25	13
72167			25	12
72168			25	11
72169			30	14
72170			25	14
72173			30	12
72175			25	13
72176			25	08
72178			30	11
72179			30	09
72180			25	16
72181			30	13
72182			25	11
72183			25	14
72190			25	08
72199			25	08
72201			25	08
72202			25	07
72204			25	09
72205			25	06
72206			25	14
72207			25	06
72209			25	11
72210			25	09
72211			25	04
72212			25	06
72214			25	09
72215			25	06
72216			25	14
72217			25	06
72219			25	11

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ZIP Code	City	County	Zone	Subzone
72222			25	06
72223			25	08
72225			25	06
72227			25	07
72301			25	11
72303			25	11
72310			25	18
72311			25	18
72312			25	16
72313			25	18
72315			25	20
72319			25	20
72320			25	10
72321			25	10
72322			25	13
72324			25	19
72325			25	14
72326			25	13
72327			25	16
72328			25	17
72329			25	10
72330			25	21
72331			25	15
72332			25	16
72333			25	16
72335			25	12
72336			25	12
72338			25	18
72339			25	14
72340			25	15
72341			25	13
72342			25	17
72346			25	17
72347			25	15
72348		CRITTENDEN	25	12
72348		ST FRANCIS	25	12
72348	Outside	CRITTENDEN	25	12
72348	Outside	ST FRANCIS	25	12
72350			25	19
72351			25	21
72352			25	16

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ZIP Code	City	County	Zone	Subzone
72353			25	16
72354			25	18
72355			25	16
72358			25	22
72359			25	12
72360			25	13
72364			25	12
72365			25	18
72366			25	16
72367			25	15
72368			25	16
72369			25	13
72370			25	20
72372			25	12
72373			25	15
72374			25	16
72376			25	16
72379			25	20
72383			25	16
72384			25	14
72386			25	18
72387			25	13
72389			25	13
72390			25	16
72391			25	20
72392			25	13
72394			25	11
72395			25	21
72396			25	13
72401			30	08
72402			30	08
72404			30	11
72410			30	11
72411			30	08
72412			30	14
72413			30	11
72414			30	10
72415			30	10
72416			30	06
72417			30	08
72419			30	15

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ZIP Code	City	County	Zone	Subzone
72421			30	12
72422			30	14
72425			30	14
72426			25	21
72427			30	12
72428			25	22
72429			25	17
72430			30	15
72431			30	14
72432			25	14
72433			30	12
72434			30	09
72435			30	14
72436			30	13
72437			30	07
72438			25	20
72439			30	06
72440			30	11
72441			30	15
72442			25	19
72443			30	14
72444			30	14
72445			30	13
72447			30	14
72449			30	12
72450			30	13
72451			30	13
72453			30	14
72454			30	16
72455			30	10
72456			30	18
72457			30	10
72458			30	11
72459			30	09
72460			30	11
72461			30	15
72462			30	11
72464			30	17
72465			30	10
72466			30	11
72467			30	13

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ZIP Code	City	County	Zone	Subzone
72469			30	10
72470			30	16
72470	Outside		30	16
72471			30	12
72472			25	13
72473			30	12
72474			30	13
72475			25	17
72476			30	09
72478			30	11
72479			25	15
72479	Outside		25	15
72482			13	11
72501			13	09
72512			13	08
72513			13	09
72515			13	12
72517			13	14
72519			13	12
72520			13	09
72521			13	09
72522			13	12
72523			30	11
72524			13	13
72525			13	08
72526			13	09
72527			13	11
72528			13	13
72529			13	08
72530			30	10
72531			13	13
72532			13	10
72533			30	15
72534			13	12
72536			13	12
72537			10	10
72538			13	12
72539			13	10
72540			13	17
72542			13	10
72543			30	07

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ZIP Code	City	County	Zone	Subzone
72544			10	10
72546			30	09
72550			13	12
72553			13	10
72554			13	09
72555			30	13
72556			13	17
72560			30	15
72561			13	12
72562			13	09
72564			13	08
72565			13	13
72566			13	14
72567			30	13
72568			13	13
72569			13	13
72571			13	13
72572			30	13
72573			13	12
72575			13	09
72576			13	07
72577			13	13
72578			13	14
72579			13	12
72581			30	09
72583			13	11
72584			13	12
72585			13	15
72587			13	10
72601			10	12
72602			10	12
72610			30	10
72611			10	12
72613			10	10
72615			10	12
72616			10	13
72617			10	19
72619			10	12
72623			10	13
72624			30	12
72626			10	12

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ZIP Code	City	County	Zone	Subzone
72628			30	13
72629			30	12
72630			10	13
72631			10	10
72632			10	10
72633			10	13
72634			10	12
72635			10	09
72636			30	11
72638			10	14
72639			30	14
72640			30	12
72641			30	12
72642			10	10
72644			10	13
72645			30	12
72648			30	11
72650			30	13
72651			10	10
72653			10	10
72654			10	10
72655			30	13
72658			10	14
72660			10	12
72661			10	12
72662			10	15
72663			30	14
72666			30	12
72668			10	11
72669			30	12
72670			30	12
72672			10	12
72675			30	11
72677			10	12
72679			30	13
72680			30	13
72682			10	14
72683			30	13
72685			30	10
72686			30	13
72687			10	12

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ZIP Code	City	County	Zone	Subzone
72701			10	11
72703			10	10
72704			10	10
72711			10	11
72712			10	07
72714			10	06
72715			10	08
72717			10	14
72718			10	11
72719			10	07
72721			10	12
72722			10	07
72727			10	11
72728			10	09
72729			10	14
72730			10	11
72732			10	12
72733			10	12
72734			10	10
72735			10	10
72736			10	08
72737			10	11
72738			10	12
72739			10	08
72740			10	13
72741			10	10
72742			10	14
72744			10	12
72745			10	10
72747			10	11
72749			10	14
72751			10	08
72752			10	14
72753			10	13
72756			10	11
72758			10	10
72760			10	09
72761			10	11
72762			10	09
72764			10	09
72765			10	09

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ZIP Code	City	County	Zone	Subzone
72766			10	09
72768			10	08
72769			10	14
72770			10	09
72773			10	12
72774			10	12
72776			10	13
72801			30	09
72802			30	09
72812			30	09
72820			10	10
72821			10	14
72823			30	09
72824			30	10
72826			10	13
72827			30	14
72828			30	13
72829			30	08
72830			30	09
72832			30	09
72833			30	12
72834			30	08
72835			10	12
72837			30	10
72838			30	13
72839			30	11
72840			30	11
72841			10	17
72842			30	11
72843			30	11
72845			30	10
72846			30	10
72847			30	11
72851			10	15
72852			30	11
72853			30	12
72854			30	11
72855			10	14
72856			30	12
72857			30	12
72858			30	10

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ZIP Code	City	County	Zone	Subzone
72860			30	14
72863			10	15
72865			10	15
72901			10	07
72901	Outside		10	07
72903			10	10
72904			10	07
72905			10	15
72906			10	10
72908			10	10
72913			10	10
72914			10	07
72916			10	12
72917			10	10
72918			10	10
72921			10	14
72923			10	11
72924			10	10
72926			10	15
72927			10	15
72928			10	15
72930			10	17
72932			10	12
72933			10	15
72934			10	15
72935			10	14
72936			10	13
72937			10	13
72938			10	14
72940			10	14
72941			10	16
72943			10	16
72944			10	13
72945			10	14
72946			10	15
72947			10	13
72948			10	15
72949			10	13
72950			10	16
72951			10	14
72952			10	12

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

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ZONE/SUBZONE ASSIGNMENT

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

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

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

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

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HOMEOWNERS

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

COVERAGES - HOMEOWNERS

The policy contains two sections, each with various coverages.

1. Section I - Physical Damage Coverages

Coverages	Details	Minimums or Amounts
Coverage A - Dwelling	Applies to the described dwelling	100% of Replacement Cost is suggested *
Dwelling Extension	Applies to other structures on premises	10% of Coverage A amount
Coverage B - Personal Property	Applies to personal property	75% of Coverage A amount *
Types of Personal Property	Computers and Equipment	$5,000
	Money, Bank Notes, and Coins	$200
	Property used in a business	$1,500 on premises ($750 off premises)
	Securities, Accounts, and Deeds	$1,000
	Watercraft and Equipment	$1,500
	Trailers not used with Watercraft	$1,500
	Jewelry and Furs (Theft)	$2,500 ($1,500 per item) *
	Stamps, Trading Cards, and Comic Books	$2,500
	Firearms (Theft)	$2,500
	Area Rugs (Theft)	$10,000 ($5,000 per item)
	Silverware and Goldware (Theft)	$2,500
	Personal Conveyances	$500
Coverage C - Loss of Use	Additional Living Expense	Actual loss sustained within 24 months
	Fair Rental Value	Actual loss sustained within 12 months
Additional Coverages	Arson Reward	$1,000
	Building Ordinance or Law	10% of Coverage A amount
	Collapse	
	Credit Card and Forgery	$1,000
	Debris Removal	
	Fire Department Service Charge	$500
	Lock Rekeying	
	Power Interruption	
	Property Removed	
	Refrigerated Products	Coverage B Limit
	Temporary Repairs	
	Trees, Shrubs, and Landscaping	$750
	Volcanic Action	

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

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

2. Section II - Liability Coverages

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

For available options, see the Options section.

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LOSSES INSURED - HOMEOWNERS

1. Section I

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

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

   Listed below are the losses that are insured:

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

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

2. Section II

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

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LOSS SETTLEMENT (SECTION I) - HOMEOWNERS

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

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

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

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

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

A. Coverage A - Dwelling

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

1. Replacement Cost - Similar Construction

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

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

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

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

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

   ACTIVATE: Option ID in the Policy

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2. Replacement Cost - Common Construction

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

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

B. Coverage B - Personal Property

1. Limited Replacement Cost

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

   ACTIVATE: Loss Settlement Provision B1 - Limited Replacement Cost

2. Depreciated Loss Settlement

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

   ACTIVATE: Loss Settlement Provision B2 - Depreciated Loss Settlement

Refer to the Options section for available options.

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RATING - HOMEOWNERS

A. Determine the basic premium.

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

   a. Determine the Replacement Cost of the dwelling.

   b. Multiply the Replacement Cost by 0.80.

   c. Select the desired amount of insurance.

      - If the desired amount is equal to or greater than the amount determined in Step 1.b., then this is the COVERAGE A AMOUNT and the RISK AMOUNT. **Skip to Step 2**

      - If the desired amount is less than the amount determined in Step 1.b., then **continue with Step 1.d.**

   d. Divide the desired amount of insurance (Step1. c.) by the replacement cost of the dwelling (Step 1.a.). The COVERAGE A AMOUNT is determined by the following:

If Step 1.d. is:		Then the Coverage A Amount is: *
At Least	But Less Than	
0.70	0.80	0.80 X Replacement Cost minus $100
0.60	0.70	0.70 X Replacement Cost minus $100
0.50	0.60	0.60 X Replacement Cost minus $100
0.40	0.50	0.50 X Replacement Cost minus $100
0.30	0.40	0.40 X Replacement Cost minus $100
0.20	0.30	0.30 X Replacement Cost minus $100
0.00	0.20	0.20 X Replacement Cost minus $100

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

The RISK AMOUNT equals the amount determined in Step 1.b. (Replacement Cost X 0.80).

2. From the Basic Premiums section, determine the applicable ZONE, SUBZONE, CONSTRUCTION, and RISK AMOUNT factors. In addition, if applicable, determine the Location Rating Factor (LRF) to be used in rating.

   a. If Location Rating applies then

      Basic Premium = Base Rate X LRF X Construction Factor X Amount Factor X Risk Amount / Base Amount *

   b. If Location Rating does NOT apply then

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

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

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

3. Apply all applicable basic premium adjustments from the Basic Premium Adjustment section sequentially in the order presented in that section to derive the basic premium. Round the premium adjustments, separately, to the nearest dollar and add to the basic premium.

B. Apply any remaining percentage adjustments for optional coverages to the basic premium. Round the premium adjustments, separately, to the nearest dollar and add to the basic premium.

C. Add any flat dollar adjustments for optional coverages to the basic premium. Round the premium adjustments, separately, to the nearest dollar and add to the basic premium.

D. The total policy premium is subject to the minimum premium.

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

A. If Location Rating applies then

Basic Premium = Base Rate X LRF X Construction Factor X Amount Factor X Risk Amount / $100,000

B. If Location Rating does NOT apply then

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

Base Rate
$1,787.96

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

A. If Location Rating applies then

Basic Premium = Base Rate X LRF X Construction Factor X Amount Factor X Risk Amount / $100,000

B. If Location Rating does NOT apply then

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

Location Rating

The Location address of the dwelling is used to determine the Location Rating Factor.

A. If Location Rating applies to the dwelling determine the Location Rating Factor (LRF) for use in rating as follows:

1. The following are the upper and lower variables used in steps 2. and 3.

Policy Form	Upper	Lower
Homeowners	1.05	0.95

2. Minimum Factor = Zone Factor X Subzone Factor X Lower

3. Maximum Factor = Zone Factor X Subzone Factor X Upper

4. If LRF is less than or equal to Minimum Factor, then the LRF used in rating equals Minimum Factor

5. If LRF is greater than or equal to Maximum Factor, then the LRF used in rating equals Maximum Factor

6. If LRF is Less than Maximum Factor but greater than Minimum Factor, then the LRF used in rating equals LRF.

B. If the dwelling does not qualify for Location Rating, use the product of the Zone and Subzone Factors.

Note: Updates to data obtained from non-State Farm sources, such as those used to determine latitude and longitude, will be used in the subsequent determination of the LRF.

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LOCATION RATING FACTOR REFERENCE

For locations qualifying for Location Rating Factors, use the factors at:
http://b2b.statefarm.com/b2b/roles/doi_public/AR_Homeowners_LRF_Effective_2012-09-15.pdf

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

A. If Location Rating applies then

Basic Premium = Base Rate X LRF X Construction Factor X Amount Factor X Risk Amount / $100,000

B. If Location Rating does NOT apply then

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

ZONE FACTORS

Zone	Factor
10	0.890
13	1.014
25	1.048
30	1.098

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

A. If Location Rating applies then

Basic Premium = Base Rate X LRF X Construction Factor X Amount Factor X Risk Amount / $100,000

B. If Location Rating does NOT apply then

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

SUBZONE FACTORS

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

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

A. If Location Rating applies then

Basic Premium = Base Rate X LRF X Construction Factor X Amount Factor X Risk Amount / $100,000

B. If Location Rating does NOT apply then

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

CONSTRUCTION FACTORS

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

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

A. If Location Rating applies then

Basic Premium = Base Rate X LRF X Construction Factor X Amount Factor X Risk Amount / $100,000

B. If Location Rating does NOT apply then

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

RISK AMOUNT FACTORS

Risk Amount	Factor
$1	5.718
$5,000	5.718
$7,000	4.940
$10,000	3.800
$15,000	3.182
$20,000	2.565
$30,000	1.995
$40,000	1.634
$50,000	1.425
$60,000	1.283
$70,000	1.159
$80,000	1.080
$90,000	1.041
$100,000	1.000
$110,000	0.985
$120,000	0.963
$130,000	0.945
$140,000	0.913
$150,000	0.882
$160,000	0.849
$170,000	0.829
$180,000	0.808
$190,000	0.787
$200,000	0.766
$250,000	0.703
$300,000	0.679
$350,000	0.655

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Risk Amount	Factor
$400,000	0.639
$450,000	0.631
$500,000	0.626
$550,000	0.619
$600,000	0.614
$650,000	0.605
$700,000	0.605
$750,000	0.605
$800,000	0.605
$900,000	0.605
$1,000,000	0.605
$1,100,000	0.605
$1,200,000	0.605
$1,300,000	0.605
$1,400,000	0.605
$1,500,000	0.605

Each Additional	Factor
$1,000	0.613

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

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RENTERS

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

COVERAGES - RENTERS

The policy contains two sections, each with various coverages.

A. Section I - Physical Damage Coverages

Coverages	Details	Minimums or Amounts
Coverage B - Personal Property	Applies to personal property	Based on personal property value
Types of Personal Property	Computers and Equipment	$5,000
	Money, Bank Notes, and Coins	$200
	Property used in a business	$1,500 on premises ($750 off premises)
	Securities, Accounts, and Deeds	$1,000
	Watercraft and Equipment	$1,500
	Trailers not used with Watercraft	$1,500
	Jewelry and Furs (Theft)	$1,000
	Stamps, Trading Cards, and Comic Books	$2,500
	Firearms (Theft)	$2,500
	Area Rugs (Theft)	$10,000 ($5,000 per item)
	Silverware and Goldware (Theft)	$2,500
	Personal Conveyances	$500
Coverage C - Loss of Use	Additional Living Expense	Actual loss sustained within 24 months
	Fair Rental Value	Actual loss sustained within 12 months
Additional Coverages	Arson Reward	$1,000
	Building Additions and Alterations	15% of Coverage B amount
	Collapse	
	Credit Card and Forgery	$1,000
	Debris Removal	
	Fire Department Service Charge	$500
	Lock Rekeying	
	Power Interruption	
	Property Removed	
	Refrigerated Products	Coverage B Limit
	Temporary Repairs	
	Trees, Shrubs, and Landscaping	$750
	Volcanic Action	

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

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B. Section II - Liability Coverages

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

For available options, see the Options section.

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LOSSES INSURED - RENTERS

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

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

Listed below are the losses that are insured:

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

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LOSS SETTLEMENT (SECTION I) - RENTERS

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

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RATING - RENTERS

A. Determine the basic premium.

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

2. From the Basic Premiums section, determine the applicable ZONE, SUBZONE, and RISK AMOUNT factors. In addition, if applicable, determine the Location Rating Factor (LRF) to be used in rating.

   a. If Location Rating applies then

      Basic Premium = Base Rate X LRF X Amount Factor X Risk Amount / Base Amount *

   b. If Location Rating does NOT apply then

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

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

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

3. Apply all applicable basic premium adjustments from the Basic Premium Adjustment section sequentially in the order presented in that section to derive the basic premium. Round the premium adjustments, separately, to the nearest dollar and add to the basic premium.

B. Apply any remaining percentage adjustments for optional coverages to the basic premium. Round the premium adjustments, separately, to the nearest dollar and add to the basic premium.

C. Add any flat dollar adjustments for optional coverages to the basic premium. Round the premium adjustments, separately, to the nearest dollar and add to the basic premium.

D. The total policy premium is subject to the minimum premium.

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

A. If Location Rating applies then

Basic Premium = Base Rate X LRF X Amount Factor X Risk Amount / $30,000

B. If Location Rating does NOT apply then

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

Base Rate
$255.51

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

A. If Location Rating applies then

Basic Premium = Base Rate X LRF X Amount Factor X Risk Amount / $30,000

B. If Location Rating does NOT apply then

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

Location Rating

The Location address of the dwelling is used to determine the Location Rating Factor.

A. If Location Rating applies to the dwelling determine the Location Rating Factor (LRF) for use in rating as follows:

1. The following are the upper and lower variables used in steps 2. and 3.

Policy Form	Upper	Lower
Renters	1.00	1.00

2. Minimum Factor = Zone Factor X Subzone Factor X Lower

3. Maximum Factor = Zone Factor X Subzone Factor X Upper

4. If LRF is less than or equal to Minimum Factor, then the LRF used in rating equals Minimum Factor

5. If LRF is greater than or equal to Maximum Factor, then the LRF used in rating equals Maximum Factor

6. If LRF is Less than Maximum Factor but greater than Minimum Factor, then the LRF used in rating equals LRF.

B. If the dwelling does not qualify for Location Rating, use the product of the Zone and Subzone Factors.

Note: Updates to data obtained from non-State Farm sources, such as those used to determine latitude and longitude, will be used in the subsequent determination of the LRF.

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

A. If Location Rating applies then

Basic Premium = Base Rate X LRF X Amount Factor X Risk Amount / $30,000

B. If Location Rating does NOT apply then

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

ZONE FACTORS

Zone	Factor
10	0.674
13	1.233
25	1.205
30	0.889

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RENTERS
$500 ALL-PERIL DEDUCTIBLE
$100,000 LIABILITY; $1,000 MEDICAL PAYMENTS

A. If Location Rating applies then

Basic Premium = Base Rate X LRF X Amount Factor X Risk Amount / $30,000

B. If Location Rating does NOT apply then

Basic Premium = Base Rate X Zone Factor X Subzone Factor X Amount Factor X Risk Amount / $30,000

SUBZONE FACTORS

Subzone	Factor
All	1.000

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RENTERS
$500 ALL-PERIL DEDUCTIBLE
$100,000 LIABILITY; $1,000 MEDICAL PAYMENTS

A. If Location Rating applies then

Basic Premium = Base Rate X LRF X Amount Factor X Risk Amount / $30,000

B. If Location Rating does NOT apply then

Basic Premium = Base Rate X Zone Factor X Subzone Factor X Amount Factor X Risk Amount / $30,000

RISK AMOUNT FACTORS

Risk Amount	Factor
$1	5.400
$2,000	5.400
$4,000	3.600
$6,000	2.700
$8,000	2.200
$10,000	1.900
$12,000	1.700
$14,000	1.500
$16,000	1.370
$18,000	1.270
$20,000	1.200
$22,000	1.150
$24,000	1.100
$26,000	1.060
$28,000	1.030
$30,000	1.000
$35,000	0.930
$40,000	0.870
$45,000	0.830
$50,000	0.800
$55,000	0.780
$60,000	0.760
$65,000	0.740
$70,000	0.720
$75,000	0.700
$80,000	0.680
$85,000	0.670
$90,000	0.660

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Risk Amount	Factor
$95,000	0.650
$100,000	0.640
$125,000	0.600
$150,000	0.570
$175,000	0.550
$200,000	0.530
$225,000	0.510
$250,000	0.500
$275,000	0.490
$300,000	0.480

Each Additional	Factor
$1,000	0.480

For risk amounts between those shown above, interpolate to derive the appropriate factor.

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CONDOMINIUM UNITOWNERS

This section provides details on coverages and rating for the Condominium Unitowners policy form, including the information necessary to develop the basic premiums.

COVERAGES - CONDOMINIUM UNITOWNERS

The policy contains two sections, each with various coverages.

A. Section I - Physical Damage Coverages

Coverages	Details	Minimums or Amounts
Coverage A - Dwelling	Applies to building property	30% of Coverage B amount ($1,000 min.)
Coverage B - Personal Property	Applies to personal property	Based on personal property value
Types of Personal Property	Computers and Equipment	$5,000
	Money, Bank Notes, and Coins	$200
	Property used in a business	$1,500 on premises ($750 off premises)
	Securities, Accounts, and Deeds	$1,000
	Watercraft and Equipment	$1,500
	Trailers not used with Watercraft	$1,500
	Jewelry and Furs (Theft)	$1,000
	Stamps, Trading Cards, and Comic Books	$2,500
	Firearms (Theft)	$2,500
	Area Rugs (Theft)	$10,000 ($5,000 per item)
	Silverware and Goldware (Theft)	$2,500
	Personal Conveyances	$500
Coverage C - Loss of Use	Additional Living Expense	Actual loss sustained within 24 months
	Fair Rental Value	Actual loss sustained within 12 months
Coverage D - Loss Assessments		$1,000
Additional Coverages	Arson Reward	$1,000
	Collapse	
	Credit Card and Forgery	$1,000
	Debris Removal	
	Fire Department Service Charge	$500
	Lock Rekeying	
	Power Interruption	
	Property Removed	
	Refrigerated Products	Coverage B Limit
	Temporary Repairs	
	Trees, Shrubs, and Landscaping	$750
	Volcanic Action	

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Coverage A and B limits are subject to Inflation Coverage. For available options, see the Options section.

B. Section II - Liability Coverages

Coverages	Details	Minimums or Amounts
Coverage L - Personal Liability	Includes Comprehensive Personal Liability	$100,000 minimum
Coverage M - Medical Payments	Medical Payments to Others	$1,000 minimum
Additional Coverages	Damage to Property of Others	$500
	Claim Expenses	
	First Aid Expenses	

For available options, see the Options section.

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LOSSES INSURED - CONDOMINIUM UNITOWNERS

Damage to insured's property is covered under Section I of the policy. As indicated in Item 1, there are four coverages under Section I.

- Coverage A - Dwelling
- Coverage B - Personal Property
- Coverage C - Loss of Use
- Coverage D - Loss Assessments

Listed below are the losses that are insured:

- Fire or Lightning
- Windstorm or Hail
- Explosion
- Riot or Civil Commotion
- Aircraft
- Vehicles
- Smoke
- Vandalism or Malicious Mischief
- Breakage of Glass
- Theft
- Falling Objects
- Weight of Ice, Snow or Sleet
- Accidental Discharge of Water or Steam
- Sudden and Accidental Tearing Asunder, Cracking, Bursting or Bulging of Water Heating Systems or Appliances
- Freezing of Plumbing
- Damage from Artificially Generated Electricity

Condominium Unitowners theft coverage on seasonals or units rented or held for rental more than 26 weeks is limited to burglary coverage. Section II coverage applies on premises only.

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Coverages A and D on Condominium Unitowners policies are provided for accidental direct physical loss subject to certain exclusions.

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LOSS SETTLEMENT (SECTION I) - CONDOMINIUM UNITOWNERS

Losses for Coverage B are settled on a limited replacement cost less depreciation basis (Loss Settlement Provision B2). Refer to the Options section for available options.

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RATING - CONDOMINIUM UNITOWNERS

A. Determine the basic premium.

1. Develop the value of the property by calculating the Replacement Cost Value of the personal property if Replacement Cost on Personal Property Coverage will be purchased or the Replacement Cost less Depreciation value if not. This value will be the Coverage B amount and the RISK AMOUNT.

2. From the Basic Premiums section, determine the applicable ZONE and SUBZONE, and RISK AMOUNT factors. In addition, if applicable, determine the Location Rating Factor (LRF) to be used in rating.

   a. If Location Rating applies then

      Basic Premium = Base Rate X LRF X Amount Factor X Risk Amount / Base Amount *

   b. If Location Rating does NOT apply then

      Basic Premium = Base Rate X Zone Factor X Subzone Factor X Amount Factor X Risk Amount / Base Amount *

      * The Base Amount is the Risk Amount that has a factor of 1.000.

   Note: For amounts greater than the largest risk amount shown, calculate the premium for the additional amount and add it to the premium for the largest risk amount shown.

3. Apply all applicable basic premium adjustments from the Basic Premium Adjustment section sequentially in the order presented in that section to derive the basic premium. Round the premium adjustments, separately, to the nearest dollar and add to the basic premium.

B. Apply any remaining percentage adjustments for optional coverages to the basic premium. Round the premium adjustments, separately, to the nearest dollar and add to the basic premium.

C. Add any flat dollar adjustments for optional coverages to the basic premium. Round the premium adjustments, separately, to the nearest dollar and add to the basic premium.

D. The total policy premium is subject to the minimum premium.

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CONDOMINIUM UNITOWNERS
$500 ALL-PERIL DEDUCTIBLE
$100,000 LIABILITY; $1,000 MEDICAL PAYMENTS

A. If Location Rating applies then

Basic Premium = Base Rate X LRF X Amount Factor X Risk Amount / $30,000

B. If Location Rating does NOT apply then

Basic Premium = Base Rate X Zone Factor X Subzone Factor X Amount Factor X Risk Amount / $30,000

Base Rate
$227.44

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CONDOMINIUM UNITOWNERS
$500 ALL-PERIL DEDUCTIBLE
$100,000 LIABILITY; $1,000 MEDICAL PAYMENTS

A. If Location Rating applies then

Basic Premium = Base Rate X LRF X Amount Factor X Risk Amount / $30,000

B. If Location Rating does NOT apply then

Basic Premium = Base Rate X Zone Factor X Subzone Factor X Amount Factor X Risk Amount / $30,000

Location Rating

The Location address of the dwelling is used to determine the Location Rating Factor.

A. If Location Rating applies to the dwelling determine the Location Rating Factor (LRF) for use in rating as follows:

1. The following are the upper and lower variables used in steps 2. and 3.

Policy Form	Upper	Lower
Condominium Unitowners	1.00	1.00

2. Minimum Factor = Zone Factor X Subzone Factor X Lower

3. Maximum Factor = Zone Factor X Subzone Factor X Upper

4. If LRF is less than or equal to Minimum Factor, then the LRF used in rating equals Minimum Factor

5. If LRF is greater than or equal to Maximum Factor, then the LRF used in rating equals Maximum Factor

6. If LRF is Less than Maximum Factor but greater than Minimum Factor, then the LRF used in rating equals LRF.

B. If the dwelling does not qualify for Location Rating, use the product of the Zone and Subzone Factors.

Note: Updates to data obtained from non-State Farm sources, such as those used to determine latitude and longitude, will be used in the subsequent determination of the LRF.

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CONDOMINIUM UNITOWNERS
$500 ALL-PERIL DEDUCTIBLE
$100,000 LIABILITY; $1,000 MEDICAL PAYMENTS

A. If Location Rating applies then

Basic Premium = Base Rate X LRF X Amount Factor X Risk Amount / $30,000

B. If Location Rating does NOT apply then

Basic Premium = Base Rate X Zone Factor X Subzone Factor X Amount Factor X Risk Amount / $30,000

ZONE FACTORS

Zone	Factor
10	1.000
13	1.000
25	1.000
30	1.000

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CONDOMINIUM UNITOWNERS
$500 ALL-PERIL DEDUCTIBLE
$100,000 LIABILITY; $1,000 MEDICAL PAYMENTS

A. If Location Rating applies then

Basic Premium = Base Rate X LRF X Amount Factor X Risk Amount / $30,000

B. If Location Rating does NOT apply then

Basic Premium = Base Rate X Zone Factor X Subzone Factor X Amount Factor X Risk Amount / $30,000

SUBZONE FACTORS

Subzone	Factor
All	1.000

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CONDOMINIUM UNITOWNERS
$500 ALL-PERIL DEDUCTIBLE
$100,000 LIABILITY; $1,000 MEDICAL PAYMENTS

A. If Location Rating applies then

Basic Premium = Base Rate X LRF X Amount Factor X Risk Amount / $30,000

B. If Location Rating does NOT apply then

Basic Premium = Base Rate X Zone Factor X Subzone Factor X Amount Factor X Risk Amount / $30,000

RISK AMOUNT FACTORS

Risk Amount	Factor
$1	5.400
$2,000	5.400
$4,000	3.600
$6,000	2.700
$8,000	2.200
$10,000	1.900
$12,000	1.700
$14,000	1.500
$16,000	1.370
$18,000	1.270
$20,000	1.200
$22,000	1.150
$24,000	1.100
$26,000	1.060
$28,000	1.030
$30,000	1.000
$35,000	0.930
$40,000	0.870
$45,000	0.830
$50,000	0.800
$55,000	0.780
$60,000	0.760
$65,000	0.740
$70,000	0.720
$75,000	0.700
$80,000	0.680
$85,000	0.670
$90,000	0.660

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Risk Amount	Factor
$95,000	0.650
$100,000	0.640
$125,000	0.600
$150,000	0.570
$175,000	0.550
$200,000	0.530
$225,000	0.510
$250,000	0.500
$275,000	0.490
$300,000	0.480

Each Additional	Factor
$1,000	0.480

For risk amounts between those shown above, interpolate to derive the appropriate factor.

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BASIC PREMIUM ADJUSTMENTS

The following adjustments apply to develop the basic premium. If applicable, these basic premium adjustments **must** be applied prior to adjustment for discounts, charges, or options.

The basic premium adjustments shall apply sequentially as presented in this section. Each subsequent adjustment is applied to the previously adjusted premium.

CUSTOMER RATING INDEX (CRI) FACTOR

The basic premium shall be adjusted by the CRI Factor in accordance with the following provisions:

A. New Business Rating

A New Business CRI will be used to determine the CRI Factor when a policy is initially written (see Section D below). The New Business CRI will continue to be used at each renewal in determining the CRI Factor for at least two years after the policy is initially written.

B. Subsequent Rating

At each renewal, beginning at most three years from the initial effective date of the New Business CRI, a Renewal CRI will be used to determine the CRI Factor.

C. CRI Factor

The CRI Factor is determined using the formulas below. The CRI Factor shall be rounded to 3 decimal places and is subject to the specified minimum and maximum factors.

NEW BUSINESS RATING

Policy Form	Formula	Minimum Factor	Maximum Factor
Homeowners	CRI Factor = $1.003^{(5600 - CRI)}$	0.700	2.500
Renters	CRI Factor = $1.003^{(5600 - CRI)}$	0.650	2.500
Condominium Unitowners	CRI Factor = $1.003^{(5600 - CRI)}$	0.700	2.500

SUBSEQUENT RATING

Policy Form	Formula	Minimum Factor	Maximum Factor
Homeowners	CRI Factor = $1.003^{(5600 - CRI)}$	0.700	2.500
Renters	CRI Factor = $1.003^{(5600 - CRI)}$	0.650	2.500
Condominium Unitowners	CRI Factor = $1.003^{(5600 - CRI)}$	0.700	2.500

D. Miscellaneous Provision

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If a policy is issued to a named insured to replace a State Farm policy on property currently insured by that person, e.g. due to refinancing of the home, due to a change of effective dates, or due to a Renter's policy address change, the CRI data from the former policy will be used to calculate the CRI for the replacement policy. If this was a Renewal CRI, the time requirements in Sections A and B of this rule are waived and Subsequent Rating applies. If this was a New Business CRI, the time requirements in Sections A and B are measured from when the New Business CRI was used initially.

E. Reinstatements

Policies reinstated within 30 days of the date on which coverage ceases will use the CRI applicable when coverage ceased.

NOTE: If the named insured on the policy requests a new CRI as provided by state law, the affected policy shall be subject to the applicable rating provisions of the rule at the next renewal. This request may not be made more than once during a twelve month period.

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INSURANCE TO REPLACEMENT COST (Homeowners Only)

If the dwelling is insured for an amount less than 80% of replacement cost, then the following three adjustments are required:

A. Replacement Cost - Common Construction

Apply the appropriate factor below to the premium for the amount equal to 80% of the dwelling replacement cost (adjusted for preceding basic premium adjustments):

Coverage A/Replacement Cost		Basic Premium Adjustment
At Least	But Less Than	
0.70	0.80	0.89
0.60	0.70	0.87
0.50	0.60	0.85
0.40	0.50	0.82
0.30	0.40	0.79
0.20	0.30	0.75
0.00	0.20	0.70

B. Depreciated Loss Settlement - Contents

The following adjustment applies to the premium developed in A.:

Basic Premium Adjustment
-8%

C. Jewelry and Furs Limitation

Subtract the following from the premium developed above:

Basic Premium Adjustment
-$12

ACTIVATE: Loss Settlement Provision A2 - Replacement Cost - Common Construction
ACTIVATE: Loss Settlement Provision B2 - Depreciated Loss Settlement (Contents)
ATTACH: Special Limits Endorsement, FE-5258

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ROOF SURFACES - IMPACT RESISTANT (Homeowners Only)

The basic premiums contemplate standard roof covering materials. This rule recognizes differences in roof covering materials with appropriate adjustments to the basic premium.

Discounts apply only on policies insuring a risk on which new roof covering was installed:

- After 5/31/1996 and the roof covering meets U.L. qualifying standards (or acceptable equivalent testing) **or**
- Rigid roofs (roof materials: concrete tiles, slate, clay tiles, or fiber) meeting qualifying FM or U.L. Standards (or acceptable equivalent testing).

To qualify for the discount:

- Non-metal roof coverings must be replaced (no overlay) with a qualifying roof covering or must be new construction.
- For metal roofs, the following endorsement must be attached:

  ATTACH: Exclusion of Cosmetic Loss to Metal Roof Coverings Caused by Hail, FE-8706

Discounts do **not** apply to wood shake, wood shingle, or composition over wood roofs. Discounts also do **not** apply to metal roofs unless FE-8706 is attached.

Class	Basic Premium Adjustment
1	0%
2	0%
3	-9%
4	-12%

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ROOF SURFACES - WOOD (Homeowners Only)

The basic premiums contemplate standard roof covering materials. This rule recognizes differences in roof covering materials with appropriate adjustments to the basic premium for wood roof surfaces.

Roof Surface	Basic Premium Adjustment
Wood Shake	8%
Wood Shingle	8%
Composition Over Wood	10%

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CONDOMINIUM UNITOWNERS OCCUPANCY

If the condominium unit has any rental exposure, then the following adjustment applies to the Condominium Unitowners premium:

Number of Weeks Rented or Held for Rental	Basic Premium Adjustment
1 - 8 weeks per year	10%
9 - 12 weeks per year	35%
13 - 26 weeks per year	35%
Over 26 weeks per year but less than 100%	35%

ATTACH: FE-5252, Unitowners Rental to Others Endorsement, if rental is 1-26 weeks
ATTACH: FE-5253, Unitowners Rental/Seasonal Occupancy Endorsement, if rental is over 26 weeks

For seasonal condominium units, rate in accordance with above occupancy and attach FE-5253.

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CLAIM RECORD RATING PLAN

The basic premium will be adjusted based upon the combination of consecutive years insured with State Farm and the number of qualified paid claims.

A. Consecutive Years Insured with State Farm

The years with State Farm are determined by the number of consecutive years (ending with the current renewal date) the named insured or spouse has had a State Farm Homeowners, Manufactured Home, or Farm/Ranch policy covering their primary dwelling or contents. Although the number of consecutive years is based on the policy on the primary dwelling or contents, it will also be used for any non-primary residence insured by State Farm.

If an applicant returns within three years of cancellation or expiration, then use the consecutive years insured with State Farm which applied at the time of cancellation or expiration.

B. Number of Qualified Paid Claims in the Last 3 Years

The number of claims is determined by the number of qualified paid claims the policyholder has had in the last 3 years (ending 3 months prior to the current renewal effective date). A qualified claim is considered to be any non-catastrophe or non-weather related claim which results in a paid loss during this 3 year period. Losses which only have payments under Medical Payments coverage, losses which occurred prior to the policyholder's current tenure with State Farm, or losses for which subrogation payments have been received are **not** considered qualified claims.

C. Basic Premium Adjustment

The basic premium will be adjusted according to the table below:

Consecutive Years Insured with State Farm	Basic Premium Adjustment				
	Number of Qualified Paid Claims in the Last 3 Years				
	0	1	2	3	4 +
0	-5%	11%	55%	110%	170%
1	-7%	8%	55%	110%	170%
2	-9%	5%	55%	110%	170%
3	-11%	2%	50%	105%	170%
4	-13%	-1%	50%	105%	170%
5	-15%	-4%	50%	105%	170%
6	-17%	-6%	45%	100%	170%
7	-18%	-8%	45%	100%	170%
8	-19%	-10%	45%	100%	170%
9+	-20%	-20%	30%	85%	170%

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HOME/AUTO DISCOUNT

The basic premium shall be reduced by the following if the named insured is also the named insured on a private passenger automobile policy written as voluntary business by State Farm.

Basic Premium Adjustment
-25%

Note: The following vehicles are not qualifying policies for this discount:

- Motor homes, Truck or Van Campers (Recreational Use)
- Motorcycles, Motorscooters, and Motorized bicycles
- Antique and Classic Automobiles and Replicas
- Fleets insured under the provisions of the Experience Rating Plan
- Recreational vehicles
- Driver Training Automobiles
- Funeral Directors' Automobiles
- Automobiles Leased to United States Government Agencies
- Named Non-Owner and Employers Non-Ownership Liability/Hired Cars

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UTILITIES RATING PLAN (Homeowners Only)

The following adjustment applies to the basic premium depending on the calendar year that the dwelling was completed and first occupied **or** the calendar year that utilities were updated. If the year first occupied is different than the year completed, the later year is used in determination of the applicable premium adjustment. If the utilities were updated in different years, then the premium adjustment is based on the earliest year in which any one of the utilities was updated.

For utilities to be considered completely updated and qualify for the discount, **all** of the following must be updated by qualified contractors with all work conforming to local code requirements:

A. Plumbing - improvements should include the installation of new water lines within the structure and plumbing fixtures.

B. Electrical service - improvements should include the replacement of fuse or breaker boxes, switches, fixtures, and wiring.

C. Heating and cooling system - improvements should include furnace and air-conditioning replacement, or replacement of burners on furnaces and compressors on central air-conditioning systems.

For Homes Completed and Occupied or Utilities Updated	Basic Premium Adjustment
During current calendar year	-40%
One year preceding current calendar year	-37%
Two years preceding current calendar year	-34%
Three years preceding current calendar year	-31%
Four years preceding current calendar year	-28%
Five years preceding current calendar year	-25%
Six years preceding current calendar year	-22%
Seven years preceding current calendar year	-19%
Eight years preceding current calendar year	-16%
Nine years preceding current calendar year	-13%
Ten years preceding current calendar year	-11%
Eleven years preceding current calendar year	-9%
Twelve years preceding current calendar year	-7%
Thirteen years preceding current calendar year	-5%
Fourteen years preceding current calendar year	-3%
Fifteen years preceding current calendar year	-1%
Sixteen years or more preceding current calendar year	0%

Note: A dwelling under construction shall receive the same discount as would a home completed and occupied during the current calendar year. The Coverage A amount for a dwelling under construction should equal 100% of the completed dwelling replacement cost.

ATTACH: Valuation Endorsement, FE-7347

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HOME ALERT PROTECTION

The following discounts apply to the basic premium for fire and burglary prevention efforts by the policyholder:

Description	Basic Premium Adjustment	
	Homeowners	Renters and Condominium Unitowners
Fire or Smoke Local Alarm	N/A	-2%
Burglar Alarm System	N/A	-3%
Fire or Smoke Detectors which also activate either a digital dialer or a voice synthesized (not tape) telephone dialer	N/A	-4%
Fire or Smoke Local Alarm and Burglar Alarm System	N/A	-5%
Fire or Smoke Local Alarm, Dead Bolt Locks and Fire Extinguisher	N/A	-5%
Fire or Smoke Detectors which also activate either a digital dialer or a voice synthesized (not tape) telephone dialer, Dead Bolt Locks and Fire Extinguisher	-2%	-6%
Burglar Alarm System, Fire or Smoke Local Alarm, Dead Bolt Locks and Fire Extinguisher	-2%	-6%
Fire and/or Burglar Alarm reporting to either Fire Dept., Police Dept. or Central Station, Dead Bolt Locks and Fire Extinguisher	-10%	-10%

Telephone dialer discounts do not apply in areas where dialers are prohibited by ordinance or law.

Only one discount from the above schedule may be applied per policy. No combination of discounts, other than shown, is permitted.

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AUTOMATIC SPRINKLER DISCOUNT

The following discounts apply to the basic premium for automatic sprinkler systems in the dwelling:

Description	Basic Premium Adjustment
Automatic sprinklers in all areas including bathrooms, attics, closets, and attached structures	-10%
Automatic sprinklers totally or partially omitted in bathrooms, attics, closets, and attached structures	-5%

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LOSS SETTLEMENT - PERSONAL PROPERTY

A. Homeowners

Losses for personal property are settled on either a limited replacement cost without deduction for depreciation or a depreciated loss settlement basis depending on the insured's coverage selections. The basic Coverage B limit is also based on these coverage selections. The following chart summarizes these options:

Loss Settlement Provision	Basis of Loss Settlement	Coverage B
B1	Limited Replacement Cost	75% of Coverage A
B2	Depreciated Loss Settlement	55% of Coverage A

1. Dwellings insured for at least 80% of replacement cost

When the dwelling is insured for at least 80% of replacement cost, personal property losses are settled according to the Loss Settlement Provision B1. The basic premiums contemplate this coverage, but this basic coverage can be changed to a depreciated loss settlement basis for a premium discount. The selection of depreciated loss settlement coverage also reduces the Coverage B limit from 75% to 55% of the Coverage A limit.

Basic Premium Adjustment
-8%

ACTIVATE: Loss Settlement Provision B2 - Depreciated Loss Settlement

2. Dwellings insured for less than 80% of replacement cost

When the dwelling is insured for less than 80% of replacement cost, personal property losses are settled according to Loss Settlement Provision B2. The basic premiums (after adjustment for Insurance to Replacement Cost) contemplate this coverage. This basic coverage can be changed to a limited replacement cost basis for a premium charge. The selection of limited replacement cost coverage also increases the Coverage B limit from 55% to 75% of the Coverage A limit.

Basic Premium Adjustment	Minimum Adjustment
10%	$24

ACTIVATE: Loss Settlement Provision B1 - Limited Replacement Cost

B. Renters and Condominium Unitowners

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The basic premiums contemplate loss settlement on a replacement cost less depreciation basis (Loss Settlement Provision B2). The Limited Replacement Cost Option is available only when Inflation Coverage applies to the policy.

The additional premium for this coverage shall be determined by applying the following percentage charge to the basic premium.

Basic Premium Adjustment	Minimum Adjustment
24%	$24

ACTIVATE: Loss Settlement Provision B1 - Limited Replacement Cost

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REPLACEMENT COST - COMMON CONSTRUCTION (Homeowners Only)

The loss settlement provision for Coverage A may be revised to provide for repair or replacement with commonly used materials. The basic premiums contemplate this coverage if the home is insured for an amount less than 80% of the replacement cost. For homes insured for at least 80% of replacement cost, the following adjustment applies to the basic premium.

Basic Premium Adjustment
-10%

ACTIVATE: Loss Settlement Provision A2 - Replacement Cost - Common Construction

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DEDUCTIBLES

A. Homeowners

The basic premiums include a $500 all-peril deductible. For other deductibles, apply the adjustment shown in the tables below, based on the Coverage A amount.

Coverage A Amount of Insurance	Basic Premium Adjustment Policy Deductible			
	1/2%	1% ($500 Minimum)	2%	3%
$1 - $7,499	N/A	-2%	N/A	N/A
$7,500 - $14,999	N/A	-2%	N/A	N/A
$15,000 - $24,999	N/A	-2%	N/A	N/A
$25,000 - $34,999	N/A	-2%	N/A	N/A
$35,000 - $44,999	N/A	-2%	N/A	N/A
$45,000 - $49,999	N/A	-2%	N/A	N/A
$50,000 - $64,999	N/A	-4%	-13%	-18%
$65,000 - $74,999	N/A	-7%	-15%	-21%
$75,000 - $84,999	N/A	-8%	-17%	-22%
$85,000 - $99,999	N/A	-10%	-19%	-24%
$100,000 - $104,999	-2%	-12%	-19%	-25%
$105,000 - $114,999	-4%	-14%	-21%	-27%
$115,000 - $124,999	-5%	-14%	-22%	-27%
$125,000 - $134,999	-7%	-16%	-24%	-29%
$135,000 - $144,999	-8%	-17%	-25%	-30%
$145,000 - $154,999	-9%	-17%	-25%	-30%
$155,000 - $164,999	-10%	-18%	-26%	-31%
$165,000 - $174,999	-11%	-19%	-27%	-32%
$175,000 - $184,999	-12%	-20%	-28%	-33%
$185,000 - $194,999	-13%	-21%	-29%	-34%
$195,000 - $204,999	-14%	-21%	-29%	-34%
$205,000 - $214,999	-15%	-22%	-29%	-35%
$215,000 - $224,999	-15%	-22%	-30%	-35%
$225,000 - $234,999	-16%	-22%	-30%	-35%
$235,000 - $244,999	-17%	-22%	-31%	-35%
$245,000 - $274,999	-17%	-22%	-31%	-35%
$275,000 - $324,999	-19%	-25%	-33%	-37%
$325,000 - $374,999	-20%	-27%	-34%	-38%
$375,000 - $424,999	-21%	-27%	-35%	-39%
$425,000 - $474,999	-22%	-28%	-35%	-39%

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Coverage A Amount of Insurance	Basic Premium Adjustment			
	Policy Deductible			
	1/2%	1% ($500 Minimum)	2%	3%
$475,000 - $524,999	-23%	-28%	-35%	-40%
$525,000 - $574,999	-24%	-29%	-36%	-41%
$575,000 - $624,999	-24%	-30%	-36%	-41%
$625,000 - $674,999	-25%	-30%	-36%	-41%
$675,000 - $724,999	-25%	-31%	-37%	-42%
$725,000 - $750,000	-25%	-31%	-37%	-42%
$750,001 - $781,499	-25%	-31%	-37%	-42%
$781,500 - $843,999	-26%	-32%	-37%	-42%
$844,000 - $906,499	-26%	-32%	-38%	-42%
$906,500 - $968,999	-27%	-32%	-38%	-43%
$969,000 - $1,062,499	-27%	-33%	-38%	-43%
$1,062,500 - $1,187,499	-27%	-34%	-39%	-44%
$1,187,500 - $1,312,499	-27%	-34%	-39%	-44%
$1,312,500 - $1,437,499	-28%	-34%	-39%	-44%
$1,437,500 - $1,562,499	-28%	-34%	-39%	-44%
$1,562,500 - $1,687,499	-28%	-34%	-39%	-44%
$1,687,500 - $1,812,499	-28%	-34%	-40%	-44%
$1,812,500 - $1,937,499	-28%	-34%	-40%	-44%
$1,937,500 - $2,124,999	-28%	-34%	-40%	-44%
$2,125,000 - $2,374,999	-28%	-34%	-40%	-44%
$2,375,000 - $2,749,999	-29%	-34%	-40%	-44%
$2,750,000 - $3,249,999	-29%	-34%	-40%	-44%
$3,250,000 - $3,749,999	-29%	-34%	-40%	-44%
$3,750,000 - $4,249,999	-29%	-34%	-40%	-44%
$4,250,000 - $4,749,999	-29%	-35%	-41%	-45%
$4,750,000 - $99,999,999	-29%	-35%	-41%	-45%

Coverage A Amount of Insurance	Basic Premium Adjustment							
	Policy Deductible							
	$500	**$1,000^**	**$2,000**	***$2,500***	***$3,000***	***$4,000***	**$5,000**	**$10,000**
$1 - $7,499	***0%***	-11%	-22%	***-24%***	***-28%***	***-34%***	-40%	-45%
$7,500 - $14,999	***0%***	-10%	-20%	***-23%***	***-26%***	***-33%***	-38%	-43%
$15,000 - $24,999	***0%***	-10%	-19%	***-22%***	***-24%***	***-30%***	-37%	-43%
$25,000 - $34,999	***0%***	-10%	-19%	***-22%***	***-24%***	***-29%***	-33%	-43%

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Coverage A Amount of Insurance	Basic Premium Adjustment							
	Policy Deductible							
	$500	**$1,000^**	**$2,000**	***$2,500***	***$3,000***	***$4,000***	**$5,000**	**$10,000**
$35,000 - $44,999	***0%***	-10%	-19%	***-22%***	***-24%***	***-27%***	-31%	-43%
$45,000 - $49,999	***0%***	-10%	-19%	***-22%***	***-24%***	***-27%***	-31%	-43%
$50,000 - $64,999	***0%***	-10%	-19%	***-22%***	***-24%***	***-27%***	-30%	-43%
$65,000 - $74,999	***0%***	-10%	-19%	***-22%***	***-24%***	***-27%***	-30%	-43%
$75,000 - $84,999	***0%***	-10%	-19%	***-22%***	***-24%***	***-27%***	-30%	-43%
$85,000 - $99,999	***0%***	-10%	-19%	***-22%***	***-24%***	***-27%***	-30%	-42%
$100,000 - $104,999	***0%***	-10%	-19%	***-22%***	***-24%***	***-27%***	-30%	-40%
$105,000 - $114,999	***0%***	-10%	-19%	***-22%***	***-24%***	***-27%***	-30%	-40%
$115,000 - $124,999	***0%***	-10%	-18%	***-21%***	***-23%***	***-27%***	-30%	-39%
$125,000 - $134,999	***0%***	-10%	-18%	***-21%***	***-23%***	***-27%***	-30%	-38%
$135,000 - $144,999	***0%***	-10%	-18%	***-21%***	***-23%***	***-27%***	-30%	-36%
$145,000 - $154,999	***0%***	-10%	-18%	***-21%***	***-23%***	***-27%***	-30%	-36%
$155,000 - $164,999	***0%***	-10%	-18%	***-21%***	***-23%***	***-27%***	-30%	-35%
$165,000 - $174,999	***0%***	-10%	-18%	***-20%***	***-23%***	***-27%***	-30%	-35%
$175,000 - $184,999	***0%***	-10%	-18%	***-20%***	***-23%***	***-27%***	-30%	-35%
$185,000 - $194,999	***0%***	-10%	-18%	***-20%***	***-23%***	***-27%***	-30%	-35%
$195,000 - $204,999	***0%***	-10%	-18%	***-20%***	***-23%***	***-27%***	-30%	-35%
$205,000 - $214,999	***0%***	-10%	-18%	***-20%***	***-23%***	***-27%***	-30%	-35%
$215,000 - $224,999	***0%***	-10%	-18%	***-20%***	***-22%***	***-27%***	-30%	-35%
$225,000 - $234,999	***0%***	-10%	-18%	***-20%***	***-22%***	***-27%***	-29%	-35%
$235,000 - $244,999	***0%***	-10%	-18%	***-20%***	***-22%***	***-26%***	-29%	-35%
$245,000 - $274,999	***0%***	-10%	-18%	***-20%***	***-22%***	***-26%***	-28%	-35%
$275,000 - $324,999	***0%***	-10%	-18%	***-20%***	***-22%***	***-26%***	-28%	-35%
$325,000 - $374,999	***0%***	-10%	-18%	***-20%***	***-22%***	***-26%***	-28%	-35%
$375,000 - $424,999	***0%***	-10%	-18%	***-20%***	***-22%***	***-26%***	-28%	-35%
$425,000 - $474,999	***0%***	-9%	-18%	***-20%***	***-22%***	***-25%***	-27%	-35%
$475,000 - $524,999	***0%***	-8%	-18%	***-20%***	***-22%***	***-25%***	-27%	-35%
$525,000 - $574,999	***0%***	-7%	-18%	***-20%***	***-22%***	***-25%***	-27%	-33%
$575,000 - $624,999	***0%***	-7%	-18%	***-20%***	***-22%***	***-25%***	-27%	-33%
$625,000 - $674,999	***0%***	-7%	-17%	***-20%***	***-22%***	***-25%***	-27%	-33%
$675,000 - $724,999	***0%***	-5%	-15%	***-19%***	***-21%***	***-25%***	-26%	-32%
$725,000 - $750,000	***0%***	-5%	-15%	***-19%***	***-21%***	***-24%***	-26%	-32%
$750,001 - $781,499	***0%***	-5%	-15%	***-19%***	***-21%***	***-24%***	-26%	-32%
$781,500 - $843,999	***0%***	-5%	-15%	***-18%***	***-20%***	***-23%***	-26%	-31%
$844,000 - $906,499	***0%***	-5%	-13%	***-17%***	***-19%***	***-23%***	-25%	-31%
$906,500 - $968,999	***0%***	-5%	-13%	***-16%***	***-19%***	***-23%***	-25%	-31%
$969,000 - $1,062,499	***0%***	-4%	-12%	***-15%***	***-18%***	***-22%***	-24%	-31%
$1,062,500 - $1,187,499	***0%***	-4%	-12%	***-14%***	***-16%***	***-21%***	-24%	-30%

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Coverage A Amount of Insurance	Basic Premium Adjustment							
	Policy Deductible							
	$500*	**$1,000^**	**$2,000**	***$2,500****	***$3,000****	***$4,000****	**$5,000**	**$10,000**
$1,187,500 - $1,312,499	***0%***	-4%	-12%	***-14%***	***-15%***	***-20%***	-23%	-29%
$1,312,500 - $1,437,499	***0%***	-3%	-11%	***-13%***	***-14%***	***-19%***	-21%	-28%
$1,437,500 - $1,562,499	***0%***	-3%	-10%	***-12%***	***-14%***	***-17%***	-21%	-28%
$1,562,500 - $1,687,499	***0%***	-3%	-9%	***-12%***	***-13%***	***-16%***	-19%	-28%
$1,687,500 - $1,812,499	***0%***	-3%	-8%	***-11%***	***-13%***	***-15%***	-19%	-28%
$1,812,500 - $1,937,499	***0%***	-3%	-8%	***-11%***	***-12%***	***-15%***	-18%	-28%
$1,937,500 - $2,124,999	***0%***	-2%	-7%	***-10%***	***-11%***	***-15%***	-17%	-27%
$2,125,000 - $2,374,999	***0%***	-2%	-7%	***-10%***	***-11%***	***-14%***	-17%	-25%
$2,375,000 - $2,749,999	***0%***	-2%	-7%	***-9%***	***-10%***	***-14%***	-16%	-24%
$2,750,000 - $3,249,999	***0%***	-2%	-6%	***-9%***	***-10%***	***-13%***	-15%	-22%
$3,250,000 - $3,749,999	***0%***	-1%	-6%	***-8%***	***-9%***	***-12%***	-14%	-21%
$3,750,000 - $4,249,999	***0%***	-1%	-6%	***-7%***	***-8%***	***-11%***	-13%	-20%
$4,250,000 - $4,749,999	***0%***	-1%	-5%	***-6%***	***-7%***	***-10%***	-13%	-19%
$4,750,000 - $99,999,999	***0%***	-1%	-5%	***-6%***	***-7%***	***-10%***	-12%	-18%

Coverage A Amount of Insurance	Basic Premium Adjustment	
	Policy Deductible	
	$500/1% W&H*	**$1,000/1% W&H***
$50,000 - $64,999	-2%	N/A
$65,000 - $74,999	-3%	N/A
$75,000 - $84,999	-3%	N/A
$85,000 - $99,999	-4%	N/A
$100,000 - $104,999	-5%	-11%

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Coverage A Amount of Insurance	Basic Premium Adjustment	
	Policy Deductible	
	$500/1% W&H*	$1,000/1% W&H*
$105,000 - $114,999	-6%	-12%
$115,000 - $124,999	-6%	-12%
$125,000 - $134,999	-6%	-12%
$135,000 - $144,999	-7%	-13%
$145,000 - $154,999	-7%	-13%
$155,000 - $164,999	-7%	-13%
$165,000 - $174,999	-8%	-14%
$175,000 - $184,999	-8%	-14%
$185,000 - $194,999	-8%	-14%
$195,000 - $204,999	-8%	-14%
$205,000 - $214,999	-9%	-15%
$215,000 - $224,999	-9%	-15%
$225,000 - $234,999	-9%	-15%
$235,000 - $244,999	-9%	-15%
$245,000 - $274,999	-9%	-15%
$275,000 - $324,999	-10%	-16%
$325,000 - $374,999	-11%	-17%
$375,000 - $424,999	-11%	-17%
$425,000 - $474,999	-11%	-17%
$475,000 - $524,999	-11%	-16%
$525,000 - $574,999	-12%	-16%
$575,000 - $624,999	-12%	-16%
$625,000 - $674,999	-12%	-16%
$675,000 - $724,999	-12%	-15%
$725,000 - $750,000	-12%	-15%
$750,001 - $781,499	-12%	-15%
$781,500 - $843,999	-13%	-16%
$844,000 - $906,499	-13%	-16%
$906,500 - $968,999	-13%	-16%
$969,000 - $1,062,499	-13%	-16%
$1,062,500 - $1,187,499	-14%	-16%
$1,187,500 - $1,312,499	-14%	-16%
$1,312,500 - $1,437,499	-14%	-15%
$1,437,500 - $1,562,499	-14%	-15%
$1,562,500 - $1,687,499	-14%	-15%
$1,687,500 - $1,812,499	-14%	-15%
$1,812,500 - $1,937,499	-14%	-15%

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Coverage A Amount of Insurance	Basic Premium Adjustment	
	Policy Deductible	
	$500/1% W&H*	$1,000/1% W&H*
$1,937,500 - $2,124,999	-14%	-15%
$2,125,000 - $2,374,999	-14%	-15%
$2,375,000 - $2,749,999	-14%	-15%
$2,750,000 - $3,249,999	-14%	-15%
$3,250,000 - $3,749,999	-14%	-15%
$3,750,000 - $4,249,999	-14%	-15%
$4,250,000 - $4,749,999	-14%	-15%
$4,750,000 - $99,999,999	-14%	-15%

* **ATTACH:** Windstorm or Hail Deductible Endorsement, FE-5269

** Renewals Only

^The $1000 is the minimum deductible available for new business.

B. Renters and Condominium Unitowners

Policy Deductible	Basic Premium Adjustment
$500	0%
$1,000	-8%
$2,000	-15%
$2,500	-18%
$3,000*	***-20%***
$4,000*	***-23%***
$5,000*	***-24%***

*Renewals Only

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BUILDING ORDINANCE OR LAW COVERAGE

A. Homeowners

A Homeowners policy provides coverage for contingent liability due to the operation of building laws equal to 10% of the Coverage A limit. Loss under Coverage A will be settled on the basis of any ordinance or law regulating the construction, repair, or demolition of the building. The amount of coverage provided may be increased by application of the following charge to the basic premium.

Percentage of Coverage A Limit	Basic Premium Adjustment	Minimum Adjustment
25%	3%	$5
50%	8%	$15

ACTIVATE: Option OL in the Policy

B. Condominium Unitowners

A Condominium Unitowners policy may be endorsed to cover contingent liability due to the operation of building laws by application of the following charge to the basic premium. Loss under Coverage A will be settled on the basis of any ordinance or law regulating the construction, repair, or demolition of the building. The amount of coverage provided will be the greater of $1,000 or 10% of the building property limit of liability.

Basic Premium Adjustment	Minimum Adjustment
2%	$10

ATTACH: Building Ordinance or Law Coverage Endorsement, FE-7759

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DISCOUNTS, CHARGES, AND OPTIONS

All discounts, charges, and options are to be applied to the basic premium as developed after applicable adjustments from the Basic Premium Adjustments section. Percentage discounts, charges, and options are to be applied to this basic premium prior to any adjustment for flat dollar discounts, charges, and options. The policy minimum premium applies to the policy premium after adjustments for discounts, charges, and options.

ADDITIONAL INSURED

A. Sections I and II - Co-owner or Additional Insured

The interest of a co-owner or another additional insured with an interest only in the residence premises may be covered for no additional premium.

1. Occupant - Co-owner

   A Homeowners policy can be issued to the co-owner of a one or two family dwelling if each of the co-owners occupying the building lives in independently separate premises. A separate Homeowners policy can be issued to the other co-owner.

2. Non-occupant - Co-owner

   Interests of a non-occupant, other than a contractor, may be covered in the event of joint ownership in the dwelling.

3. Other Additional Insureds

   The interest of an additional insured with an interest only in the residence premises may be covered.

ACTIVATE: Option AI in the Policy.

B. Section I only - Contractor

The interest of a contractor in the building may be covered for no additional premium.

ATTACH: Contractors' Interest Endorsement, FE-7302

C. Sections I and II - Association

The interest of a Homeowners/Condominium Association may be covered for no additional premium.

ATTACH: Additional Insured Endorsement (Homeowners/Condominium Associations), FE-5262

D. Section II only - Special Event

The Section II interest of an additional insured arising from a special event may be covered for the following additional fully earned premium.

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Liability Limit	Premium
$100,000	$25
$300,000	$30
$500,000	$35
$1,000,000	$50
$2,000,000	***$75***
$3,000,000	***$105***
$4,000,000	***$125***
$5,000,000	***$140***

ATTACH: Additional Insured - Special Event Endorsement (Section II), FE-5263

E. Sections I and II - Additional Insured

The interest of an additional insured, not described elsewhere in this section, may be covered for no additional premium.

ATTACH: Additional Insured Endorsement, FE-5267

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ADULT FAMILY HOME COVERAGE

When the insured provides adult care services in the dwelling, Section II coverage should be provided. The following additional premiums apply:

Liability Limit		***Number of Adults Cared For***					
Occurrence	***Aggregate***	***1***	***2***	***3***	***4***	***5***	***6***
$100,000	***$100,000***	***$60***	***$120***	***$180***	***$280***	***$400***	***$540***
$300,000	***$300,000***	***$65***	***$130***	***$195***	***$300***	***$425***	***$570***

The selected liability limit must coincide with the policy Section II limit. The above charges apply regardless of Medical Payments limits.

To reinstate the aggregate limit, refer to Company.

ATTACH: Adult Family Home Coverage Endorsement, FE-7766

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BACK-UP OF SEWERS OR DRAINS

Coverage may be provided for loss caused by water which backs up through sewers or drains including sump pumps, sump pump wells, or any type system designed to remove subsurface water. The following options are available:

BACK-UP OF SEWERS OR DRAINS - $10,000 Limit/Listed Contents

A coverage limit of $10,000 is provided for the dwelling and the following personal property items:

- Clothes washers and dryers
- Food freezers and the food in them
- Refrigerators
- Ranges
- Portable dishwashers
- Dehumidifiers

A $1,000 deductible or the policy deductible, whichever is higher, applies to loss under this endorsement.

Premium		
Homeowners	**Renters**	**Condominium Unitowners**
$15	$5	$5

ATTACH: Back-up of Sewer or Drain Endorsement ($10,000 Limit), FE-5706

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BUSINESS PROPERTY - INCREASED LIMITS

The policy provides $1,500 on premises coverage and $750 off premises coverage for personal property intended for use in a business. Coverage for merchandise held as samples or for sale or for delivery is included. Coverage is not provided for electronic data processing equipment or the recording or storage media used with that equipment.

On premises coverage can be increased to $2,500 or $5,000 for the following additional premium.

Limit	Premium
$2,500	$10
$5,000	$18

ACTIVATE: Option BP in the Policy. Limits will be shown on the Declarations Page.

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BUSINESS PURSUITS

The Section II Liability protection may be extended to certain occupations. The occupations which may be covered are as follows:

A. Clerical Office Employees engaged wholly in office work

B. Salespersons, Collectors, or Messengers

C. Teachers - including Liability for Corporal Punishment

D. School Administrators

This coverage does not replace Professional Liability Coverage.

This option does not provide coverage for loss in connection with a business owned or financially controlled by the insured or by a partnership of which the insured is a member.

Only one charge applies per policy.

Liability Limit	Premium
$100,000	$7
$300,000	$9
$500,000	$10
$1,000,000	$12
$2,000,000	***$19***
$3,000,000	***$26***
$4,000,000	***$34***
$5,000,000	***$41***

The selected liability limit must coincide with the policy Section II limit. The above charges apply regardless of Medical Payments limits.

ACTIVATE: Option BU in the Policy.

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CHILD CARE

When the insured provides babysitting care in the dwelling, Section II coverage should be provided. The following additional premiums apply:

Liability Limit		Number of Children Cared For			
Occurrence	**Aggregate**	**1 - 3**	**4**	**5**	**6**
$100,000	$100,000	$60	$90	$120	$150
$300,000	$300,000	$78	$115	$155	$200
$500,000	$500,000	$90	$135	$180	$225
$1,000,000	$1,000,000	$110	$160	$220	$270
$2,000,000	***$2,000,000***	***$176***	***$256***	***$352***	***$432***
$3,000,000	***$3,000,000***	***$242***	***$352***	***$484***	***$594***
$4,000,000	***$4,000,000***	***$308***	***$448***	***$616***	***$756***
$5,000,000	***$5,000,000***	***$374***	***$544***	***$748***	***$918***

The selected liability limit must coincide with the policy Section II limit. The above charges apply regardless of Medical Payments limits.

To reinstate the aggregate limit, refer to Company.

ATTACH: Child Care Liability Endorsement, FE-5268

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CONDOMINIUMS BUILDING PROPERTY COVERAGE - INCREASED LIMITS

The limit of liability for Condominium Unitowners Building Property (Coverage A) can be increased.

Each Additional $1,000 - Add:
$4.00

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COVERAGE B - INCREASED LIMITS (Homeowners Only)

The Coverage B amount for personal property can be increased.

Each Additional $1,000 - Add:
$0.50

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DWELLINGS UNDER CONSTRUCTION

A. Building Materials Theft

Coverage is available for loss by theft of construction materials from the residence premises. A limit of liability of $5,000 applies per loss, subject to the policy deductible ($250 minimum). Coverage will be terminated 180 days after its effective date, or when the dwelling is completed, whichever occurs first.

There will be no refund of premium in the event this endorsement is cancelled.

Limit of Liability	Premium
$5,000	$75

ATTACH: Building Materials Theft Endorsement, FE-7531

B. Theft Coverage

Theft coverage in or to a newly constructed dwelling prior to occupancy is available for the following premium. Coverage will not take effect until the dwelling is fully enclosed and capable of being locked.

There will be no refund of premium in the event this endorsement is cancelled.

Premium
$15

ATTACH: Theft Endorsement, FE-5272

C. Temporary Extension of Coverage (Homeowners Only)

Coverage B and Section II must be extended to the residence where the insured is temporarily residing. Coverage will cease at this temporary residence at the earlier of:

1. The date the new dwelling is occupied.
2. One year from the policy effective date.

There is no charge for this temporary extension.

ATTACH: Dwelling Under Construction Endorsement, FE-7342

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EARTHQUAKE DAMAGE ASSUMPTION

Earthquake damage can be covered by the addition of an endorsement. The following provide additional details on this coverage.

EARTHQUAKE DAMAGE ASSUMPTION - RULES

A. Earthquake Zones

Zone	Counties				
1	Crittenden	Mississippi	Poinsett		
2	Clay	Craighead	Cross	Greene	Jackson
	St. Francis	Woodruff			
3	Arkansas	Chicot	Desha	Independence	Jefferson
	Lawrence	Lee	Lonoke	Monroe	Phillips
	Prairie	Randolph	White		
4	Ashley	Bradley	Calhoun	Clark	Cleburne
	Cleveland	Conway	Dallas	Drew	Faulkner
	Fulton	Grant	Hot Springs	Izard	Lincoln
	Ouachita	Perry	Pulaski	Saline	Sharp
	Stone	Van Buren			
5	Remainder of State				

B. Deductible

The earthquake deductible applies separately to Coverage A (Dwelling), Dwelling Extension, Coverage B (Personal Property), and Coverage D (Loss Assessments), subject to a minimum aggregate deductible amount of $250 in any one occurrence.

Policy Form	Deductible
Homeowners	Percentage of the Coverage A, Coverage B, and Dwelling Extension (other structures) limits of liability ($250 minimum).
Renters	Percentage of the Coverage B limit of liability ($250 minimum).
Condominium Unitowners	Percentage of the Coverage A and Coverage B limits of liability ($250 minimum). A $100 deductible applies to Coverage D.

C. Exterior Masonry Veneer

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The applicable charge for Earthquake Coverage (except for Renters and Condominium Unitowners) depends on whether coverage is provided for exterior masonry veneer.

1. Homeowners

    a. If coverage **is not** desired for exterior masonry veneer (or if the dwelling has no exterior masonry veneer), attach FE-7300 and use the rates for "excluding exterior masonry veneer".

    b. If coverage **is** desired for exterior masonry veneer or if the dwelling is of masonry construction, attach FE-7301 and use the rates for "including exterior masonry veneer and masonry".

2. Renters and Condominium Unitowners

    Endorsements and rates for these forms are not affected by exterior masonry veneer considerations.

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EARTHQUAKE DAMAGE ASSUMPTION - BASIC RATES

The basic rates provide basic package amounts of coverage. The rates shown below apply per $1,000 of Coverage A for Homeowners and per $1,000 of Coverage B for Renters and Condominium Unitowners.

HOMEOWNERS

Zone	Deductible	Rate per $1,000	
		Excluding Exterior Masonry Veneer	Including Exterior Masonry Veneer and Masonry
1	10%	$3.25	$3.53
1	15%	$2.79	$3.04
1	20%	$2.38	$2.58
2	10%	$2.47	$2.80
2	15%	$1.91	$2.17
2	20%	$1.49	$1.69
3	10%	$0.66	$0.76
3	15%	$0.50	$0.58
3	20%	$0.39	$0.45
4	5%	$0.42	$0.49
4	10%	$0.31	$0.36
4	15%	$0.24	$0.27
4	20%	$0.18	$0.20
5	5%	$0.26	$0.31
5	10%	$0.19	$0.23
5	15%	$0.14	$0.17
5	20%	$0.11	$0.13

RENTERS AND CONDOMINIUM UNITOWNERS

Zone	Deductible	Rate per $1,000
1	10%	$2.79
1	15%	$2.35
1	20%	$1.98
2	10%	$2.24
2	15%	$1.71
2	20%	$1.33
3	10%	$1.08
3	15%	$0.76
3	20%	$0.55
4	5%	$0.95

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Zone	Deductible	Rate per $1,000
4	10%	$0.63
4	15%	$0.47
4	20%	$0.35
5	5%	$0.83
5	10%	$0.54
5	15%	$0.38
5	20%	$0.27

ATTACH: Earthquake Endorsement - Excluding Masonry Veneer, FE-7300 **or** Earthquake Endorsement, FE-7301 (Homeowners)
ATTACH: Earthquake Endorsement, FE-7301 (Renters)
ATTACH: Earthquake Endorsement, FE-7310 (Condominium Unitowners)

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EARTHQUAKE DAMAGE ASSUMPTION - INCREASED LIMITS

If higher than basic limits are provided for the following types of coverage, additional charges are made according to all applicable rates shown below. These rates apply only to the increased amount of coverage.

HOMEOWNERS - COVERAGE B

Zone	Deductible	Additional Rate per $1,000
1	10%	$1.31
1	15%	$1.12
1	20%	$0.95
2	10%	$0.98
2	15%	$0.75
2	20%	$0.59
3	10%	$0.23
3	15%	$0.18
3	20%	$0.13
4	5%	$0.15
4	10%	$0.11
4	15%	$0.08
4	20%	$0.07
5	5%	$0.07
5	10%	$0.05
5	15%	$0.04
5	20%	$0.03

HOMEOWNERS - DWELLING EXTENSION

Zone	Deductible	Additional Rate per $1,000	
		Excluding Exterior Masonry Veneer	Including Exterior Masonry Veneer and Masonry
1	10%	$1.71	$1.94
1	15%	$1.46	$1.67
1	20%	$1.25	$1.43
2	10%	$1.29	$1.38
2	15%	$0.99	$1.07
2	20%	$0.77	$0.83
3	10%	$0.28	$0.37
3	15%	$0.21	$0.28
3	20%	$0.16	$0.21
4	5%	$0.19	$0.23

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Zone	Deductible	Additional Rate per $1,000	
		Excluding Exterior Masonry Veneer	Including Exterior Masonry Veneer and Masonry
4	10%	$0.15	$0.17
4	15%	$0.11	$0.12
4	20%	$0.08	$0.10
5	5%	$0.09	$0.13
5	10%	$0.07	$0.09
5	15%	$0.05	$0.07
5	20%	$0.04	$0.05

HOMEOWNERS - LOSS ASSESSMENTS

Zone	Deductible	Additional Rate per $1,000	
		Excluding Exterior Masonry Veneer	Including Exterior Masonry Veneer and Masonry
1	10%	$1.41	$1.65
1	15%	$1.22	$1.43
1	20%	$1.03	$1.20
2	10%	$1.07	$1.31
2	15%	$0.83	$1.01
2	20%	$0.64	$0.79
3	10%	$0.45	$0.53
3	15%	$0.34	$0.41
3	20%	$0.26	$0.31
4	5%	$0.34	$0.41
4	10%	$0.23	$0.27
4	15%	$0.17	$0.20
4	20%	$0.12	$0.16
5	5%	$0.26	$0.33
5	10%	$0.18	$0.21
5	15%	$0.13	$0.16
5	20%	$0.10	$0.12

CONDOMINIUM UNITOWNERS - COVERAGE A

Zone	Deductible	Additional Rate per $1,000
1	10%	$2.79
1	15%	$2.33

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Zone	Deductible	Additional Rate per $1,000
1	20%	$1.96
2	10%	$1.49
2	15%	$1.14
2	20%	$0.88
3	10%	$0.35
3	15%	$0.27
3	20%	$0.18
4	5%	$0.21
4	10%	$0.14
4	15%	$0.11
4	20%	$0.08
5	5%	$0.09
5	10%	$0.06
5	15%	$0.05
5	20%	$0.03

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EARTHQUAKE DAMAGE ASSUMPTION - YEAR BUILT ADJUSTMENT

Apply the following factor to the basic Homeowners earthquake premium based upon the age of the dwelling.

Construction Description	Year Built			
	Prior to 1940	1940 - 1949	1950 - 1979	1980 - 1989
Excluding Exterior Masonry Veneer	1.25	1.20	1.20	1.15
Including Exterior Masonry Veneer and Masonry	1.95	1.40	1.20	1.10

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FIRE DEPARTMENT SERVICE CHARGE

The Homeowners policy includes a Fire Department Service Charge limit of $500. Increased limits may be purchased as follows:

Fire Department Service Charge Limit	Premium
$1,000	$10
$1,500	$20
$2,000	$30

ATTACH: Fire Department Service Charge Increase Endorsement ($1,000 Limit), FE-7473, **or**
ATTACH: Fire Department Service Charge Increase Endorsement ($1,500 Limit), FE-7474, **or**
ATTACH: Fire Department Service Charge Increase Endorsement ($2,000 Limit), FE-7475

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FIREARMS

The policy provides named peril coverage with a $2,500 limit on loss by theft of Firearms. Coverage for accidental direct physical loss may be written to provide broader coverage and increase the limit as follows:

Limits for Loss by the Following Perils	Limit Any One Article	Total
Theft	$2,500	$5,000
Coverage B Perils (other than Theft)	Coverage B Limit plus $5,000	Coverage B Limit plus $5,000
All Other Covered Perils	$2,500	$5,000

The following additional premium applies:

Premium
$12

ACTIVATE: Option FA in the Policy. Limits will be shown on the Declarations Page.

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HOME COMPUTERS

The policy provides $5,000 coverage on electronic data processing equipment including the recording and storage media used with that equipment. This coverage applies to equipment primarily used on premises regardless of whether it is used in a business. Coverage is included for recording or storage media which can be replaced with other of like kind and quality on the open retail market.

This limit can be increased to $10,000.

Premium
$15

ACTIVATE: Option HC in the Policy. The limit will be shown on the Declarations Page.

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IDENTITY RESTORATION

Coverage may be provided to assist an insured whose identity has been used for fraudulent purposes. There will be no deductible applied to the loss under this endorsement.

Limit	Premium
$25,000	$25

The premium developed for Identity Restoration coverage is excluded from the minimum premium calculation.

ATTACH: Identity Restoration Coverage Endorsement, FE-3301

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INCIDENTAL BUSINESS

If the insured maintains an incidental office, or a professional or private school or studio in the dwelling, Option IO should be activated. This option provides **additional** Section I coverage of $5,000 on premises and $1,000 off premises for equipment, supplies, and furnishings usual and incidental to the business occupancy. No coverage is provided under this option for computers and equipment or merchandise held as samples or for sale.

In addition, Section II coverage is provided for the incidental business. This coverage does not replace professional liability coverage.

The following premiums apply:

Liability Limit	Premium
$100,000	$23
$300,000	$26
$500,000	$29
$1,000,000	$34
$2,000,000	***$54***
$3,000,000	***$75***
$4,000,000	***$95***
$5,000,000	***$116***

The selected liability limit must coincide with the policy Section II limit. The above charges apply regardless of Medical Payments limits.

ACTIVATE: Option IO in the Policy.

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JEWELRY AND FURS

For gold and silver (other than goldware and silverware), platinum, jewelry, precious and semi-precious stones, watches and furs, three coverages are available as described below:

- Named peril coverage with a $200 limit on gold, silver, and platinum (other than goldware and silverware) and a $1,000 limit on loss by theft of jewelry, precious and semi-precious stones, watches and furs.
- Accidental direct physical loss coverage/$2,500 Option JF limit - see chart below.
- Accidental direct physical loss coverage/$5,000 Option JF limit - see chart below.

Limits for Loss by the Following Perils	$2,500 Option JF		$5,000 Option JF	
	Limit Any One Article	Total	Limit Any One Article	Total
Theft	$1,500	$2,500	$2,500	$5,000
Coverage B Perils (other than Theft)	Coverage B Limit plus $2,500	Coverage B Limit plus $2,500	Coverage B Limit plus $5,000	Coverage B Limit plus $5,000
All Other Covered Perils	$1,500	$2,500	$2,500	$5,000

A. Named Peril Coverage ($1,000 Theft Limit) - Homeowners Only

For dwellings which are insured for at least 80% of replacement cost, accidental direct physical loss coverage with a $2,500 theft limit is provided as part of the basic premium. This coverage can be reduced to a named peril basis with a $1,000 limit on theft for the following premium adjustment. The basic premium for Homeowners policies which are insured for an amount less than 80% of replacement cost and for Renters and Condominium Unitowners reflect the Named Peril ($1,000 Theft Limit) Coverage - no adjustment applies.

Premium Adjustment
-$12

ATTACH: Special Limits Endorsement, FE-5258

B. $2,500 Limit

For Homeowners policies insured for less than 80% of replacement cost and Renters and Condominium Unitowners policies, the basic Named Peril ($1,000 Theft Limit) coverage can be broadened to an accidental direct physical loss basis ($2,500 Theft Limit) for the following premium. For a Homeowners policy, if the dwelling is insured for at least 80% of replacement cost, then this coverage is provided as part of the basic premium - no adjustment applies.

Premium
$20

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ACTIVATE: Option JF in the Policy. Limits will be shown on the Declarations Page.

C. $5,000 Limit

1. Homeowners (insured for less than 80% of Replacement Cost), Renters, and Condominium Unitowners

Premium
$40

2. Homeowners (insured for at least 80% of Replacement Cost)

Premium
$20

ACTIVATE: Option JF in the Policy. Limits will be shown on the Declarations Page.

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JOINT OWNERSHIP - SEASONAL/SECONDARY DWELLINGS (Homeowners Only)

Homeowners coverage may be provided on jointly owned seasonal/secondary dwellings subject to the following limitations:

- Coverage B is limited to property owned by the named insureds which is used solely in conjunction with the premises and while on the residence premises.
- Section II Liability and Medical Payments to Others is limited to the premises only.

ATTACH: Joint Ownership Endorsement, FE-7566

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JOINT UNITOWNERS (Condominium Unitowners Only)

Providing Homeowners coverage on joint unitowners may dictate the attachment of this endorsement which limits coverage in the following areas:

- Coverage B is restricted to property owned by the named insureds which is used solely in conjunction with the premises and while on the residence premises.
- Section II Liability and Medical Payments to Others is restricted to the premises only.

ATTACH: Joint Unitowners Endorsement, FE-7482

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LOSS ASSESSMENTS

A. Homeowners

If the insured is a member of a Homeowners Association, coverage may be purchased for the insured's portion of an assessment against all members of the Association. Coverage applies when the assessment is made in accordance with the governing rules of the Association as a result of:

1. A direct loss to commonly owned property caused by a peril covered under Section I of the policy.
2. An occurrence to which Section II would apply.
3. Damages which the Association may be obligated to pay due to personal injury.

If an earthquake endorsement is attached to the policy, it also applies to this coverage. In this case, a separate charge for Earthquake Loss Assessments must also be made under Earthquake Coverage.

RATES PER $1,000

Coverage D Amount		
First $5,000	**Next $20,000**	***Next $75,000***
$0.50	$0.25	***$0.10***

ATTACH: Coverage D Loss Assessment Endorsement, FE-5256

B. Condominium Unitowners

The limit of liability for Loss Assessments Coverage (Coverage D) may be increased. The following rates apply:

RATES PER $1,000

Additional Amount		
First $1,000	**Next $24,000**	***Next $75,000***
$10.00	$0.15	***$0.10***

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MEDICAL PAYMENTS - OPTIONAL LIMITS

For other than basic limits, apply the following premium adjustments.

Medical Payments Limit	Premium
$1,000	Basic
$2,000	$3
$3,000	$5
$4,000*	***$7***
$5,000	$9
$6,000	***$11***
$7,000	***$12***
$8,000	***$13***
$9,000	***$14***
$10,000	$15

*Renewals Only

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NURSES' PROFESSIONAL LIABILITY COVERAGE

Liability arising out of nursing activities as a registered nurse, a licensed practical nurse, or a licensed vocational nurse can be covered by the addition of an endorsement.

Only one charge applies per policy.

Liability Limit		Premium
Occurrence	Aggregate	
$100,000	$100,000	$40
$300,000	$300,000	$45
$500,000	$500,000	$50
$1,000,000	$1,000,000	$60
$2,000,000	***$2,000,000***	***$96***
$3,000,000	***$3,000,000***	***$132***
$4,000,000	***$4,000,000***	***$168***
$5,000,000	***$5,000,000***	***$204***

The selected liability limit must coincide with the policy Section II limit. To reinstate the aggregate limit, refer to Company.

ATTACH: Nurses' Professional Liability Insurance Endorsement, FE-5257

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OFF PREMISES STRUCTURES

A. Coverage may be extended to include structures which are located off premises. Coverage will be provided on an actual cash value basis. Coverage will **not** apply to:

1. Off-premises dwellings, whether or not owner-occupied.
2. Buildings used in whole or in part for business purposes.
3. Buildings which are rented or held for rental unless used solely as a private garage.
4. Structures which were intended for use as a dwelling when originally constructed.
5. Buildings not permanently attached to or otherwise forming a part of the realty.

Premium
$35

B. Homeowners

Coverage is provided for "accidental direct physical loss". This endorsement does not increase the coverage amount applying to Other Structures. If the total value of Other Structures both on and off premises exceeds 10% of Coverage A, the Dwelling Extension limit may be increased using rates shown for Other Structures - Increased Limits.

ATTACH: Off-Premises Structures Endorsement, FE-5255

C. Renters and Condominium Unitowners

Coverage is provided on the same named peril basis as is currently provided under Coverage B. This endorsement provides a maximum $15,000 limit of liability. If the total value of Other Structures Off Premises exceeds that amount, refer to Company.

ATTACH: Off-Premises Structures Endorsement, FE-5261

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OFF PREMISES STRUCTURES - INCREASED LIMITS (Renters and Condominium Unitowners Only)

If the total value of other structures off premises exceeds $15,000 use the following rate per additional $1,000 of coverage.

Rate per $1,000
$2.50

ATTACH: Off-Premises Structures Endorsement, FE-5433

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OTHER STRUCTURES - INCREASED LIMITS (Homeowners Only)

The basic policy provides a limit of liability for other structures equal to 10% of Coverage A. Increased limits can be provided for other structures on the premises. The coverage will be the same as the basic policy and will be rated on the total value of the other structures in excess of 10% of Coverage A.

If an earthquake endorsement is attached to the policy, it applies to this coverage. In this case, a separate charge for Increased Other Structures must also be made under Earthquake Coverage.

Rate per $1,000
$2.50

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PERSONAL INJURY COVERAGE

Coverage for Personal Injury may be provided under Coverage L - Personal Liability. This coverage includes injury arising out of the following offenses subject to the limitations in the endorsement.

A. False arrest, detention, imprisonment, eviction, or malicious prosecution

B. Libel, slander, or defamation of character

C. Invasion of privacy

The following charges apply per policy.

Liability Limit	Premium
$100,000	$10
$300,000	$13
$500,000	$16
$1,000,000	$24
$2,000,000	***$38***
$3,000,000	***$53***
$4,000,000	***$67***
$5,000,000	***$82***

The selected liability limit must coincide with the policy Section II limit.

ATTACH: Personal Injury Endorsement, FE-7468

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PERSONAL LIABILITY - OPTIONAL LIMITS

For other than basic limits, apply the following premium adjustments.

Personal Liability Limit	Premium
$100,000	Basic
$300,000	$10
$500,000	$17
$1,000,000	$35
$2,000,000	***$53***
$3,000,000	***$74***
$4,000,000	***$88***
$5,000,000	***$98***

Limits for all Section II coverages must be equal. The Section II limits for the following coverages should be reviewed if applicable.

1. Incidental Business
2. Child Care
3. Business Pursuits
4. Nurses' Professional Liability
5. Personal Injury
6. Adult Family Home Coverage

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RENTAL PERSONAL PROPERTY

Coverage may be provided under Coverage B for property rented or held for rental with the residence premises. Theft coverage for rental property under this endorsement is limited to burglary coverage.

Premium
$9

ATTACH: Rented Personal Property Endorsement, FE-7453

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SILVERWARE AND GOLDWARE

The policy provides named peril coverage with a $2,500 limit of loss by theft of Silverware and Goldware. This special limit may be increased in increments of $2,500 for the following additional premiums.

Limit for Loss by Theft	Premium
$5,000	$10
$7,500	$18
$10,000	$25

ACTIVATE: Option SG in the Policy. The limit will be shown on the Declarations Page.

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SOLID FUEL APPLIANCES (Homeowners Only)

When one or more solid fuel burning appliances are present, a charge applies. These appliances include, but are not limited to, fireplace inserts, furnaces, boilers, wood burning stoves, and coal burning stoves. Conventional masonry fireplaces, factory built fireplaces, coal furnaces, and outdoor furnaces used to heat the home are not included in this class as long as installed according to manufacturer specifications.

Premium
$20

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TEMPORARY RENTAL

The Temporary Rental Endorsement may be attached to provide broader theft and Section II coverage to those who rent out their homes for special events. The following fully earned premium applies:

Premium
$20

ATTACH: Temporary Rental Endorsement, FE-3368, for Homeowners policies or
ATTACH: Temporary Rental Endorsement, FE-1314, for Renters and Condominium Unitowners policies

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VACANCY COVERAGE

The policy limits coverage for vandalism and glass breakage if the dwelling has been vacant for over 30 days. For an additional fully earned premium, the limitations may be deleted. The following premium will not be refunded if this endorsement is cancelled.

Premium
$45

ATTACH: Vacancy Endorsement, FE-7470

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WATERBED LIABILITY COVERAGE

A policy may be endorsed to pay up to the Coverage L limit of liability all sums for which any insured is legally liable to pay for damage to property of others caused by or arising out of the ownership, maintenance, or use of the owned waterbed. The following premium applies.

Premium
$25

ATTACH: Waterbed Liability Endorsement, FE-7448

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State: *Arkansas* **Filing Company:** *State Farm Fire and Casualty Company*
TOI/Sub-TOI: *04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations*
Product Name: *HO-28841*
Project Name/Number: *HO-28841/HO-28841*

Superceded Schedule Items

NAIC Number:	25143
Company Name:	State Farm Fire & Casualty Company
Contact Person:	Kathy Popejoy
Telephone No.:	(309) 766-2325
Email Address:	kathy.popejoy.a0gq@statefarm.com
Effective Date:	9/15/2012 NB 11/1/2012 RB

Homeowners Premium Comparision Survey Form
FORM HPCS - last modified August, 2005

USE THE APPROPRIATE FORM BELOW - IF NOT APPLICABLE, LEAVE BLANK

Submit to: *Arkansas Insurance Department*
1200 West Third Street
Little Rock, AR 72201-1904
Telephone: *501-371-2800*
Email as an attachment to: insurance.pnc@arkansas.gov
You may also attach to a SERFF filing or submit on a cdr disk

Survey Form for HO3 (Homeowners) - Use $500 Flat Deductible (Covers risk of direct physical loss for dwelling and other structures; named perils for personal property, replacement cost on dwelling, actual cash value on personal property)

Public Protection Class	Dwelling Value	Washington		Baxter		Craighead		St. Francis		Desha		Union		Miller		Sebastian		Pulaski	
		Brick	*Frame*	*Brick*	*Frame*	*Brick*	*Frame*	*Brick*	*Frame*	*Brick*	*Frame*	*Brick*	*Frame*	*Brick*	*Frame*	*Brick*	*Frame*	*Brick*	*Frame*
3	*$80,000*	$1,155.00	$1,392.00	$1,191.00	$1,435.00	$1,348.00	$1,624.00	$1,467.00	$1,767.00	$1,499.00	$1,806.00	$1,244.00	$1,498.00	$1,389.00	$1,673.00	$1,157.00	$1,393.00	$1,232.00	$1,485.00
	$120,000	$1,545.00	$1,862.00	$1,593.00	$1,919.00	$1,802.00	$2,172.00	$1,962.00	$2,364.00	$2,005.00	$2,415.00	$1,663.00	$2,004.00	$1,857.00	$2,238.00	$1,547.00	$1,864.00	$1,648.00	$1,986.00
	$160,000	$1,816.00	$2,188.00	$1,873.00	$2,256.00	$2,119.00	$2,553.00	$2,306.00	$2,779.00	$2,357.00	$2,839.00	$1,955.00	$2,356.00	$2,183.00	$2,630.00	$1,818.00	$2,191.00	$1,937.00	$2,334.00
6	*$80,000*	$1,155.00	$1,392.00	$1,191.00	$1,435.00	$1,348.00	$1,624.00	$1,467.00	$1,767.00	$1,499.00	$1,806.00	$1,244.00	$1,498.00	$1,389.00	$1,673.00	$1,157.00	$1,393.00	$1,232.00	$1,485.00
	$120,000	$1,545.00	$1,862.00	$1,593.00	$1,919.00	$1,802.00	$2,172.00	$1,962.00	$2,364.00	$2,005.00	$2,415.00	$1,663.00	$2,004.00	$1,857.00	$2,238.00	$1,547.00	$1,864.00	$1,648.00	$1,986.00
	$160,000	$1,816.00	$2,188.00	$1,873.00	$2,256.00	$2,119.00	$2,553.00	$2,306.00	$2,779.00	$2,357.00	$2,839.00	$1,955.00	$2,356.00	$2,183.00	$2,630.00	$1,818.00	$2,191.00	$1,937.00	$2,334.00
9	*$80,000*	$1,155.00	$1,392.00	$1,191.00	$1,435.00	$1,348.00	$1,624.00	$1,467.00	$1,767.00	$1,499.00	$1,806.00	$1,244.00	$1,498.00	$1,389.00	$1,673.00	$1,157.00	$1,393.00	$1,232.00	$1,485.00
	$120,000	$1,545.00	$1,862.00	$1,593.00	$1,919.00	$1,802.00	$2,172.00	$1,962.00	$2,364.00	$2,005.00	$2,415.00	$1,663.00	$2,004.00	$1,857.00	$2,238.00	$1,547.00	$1,864.00	$1,648.00	$1,986.00
	$160,000	$1,816.00	$2,188.00	$1,873.00	$2,256.00	$2,119.00	$2,553.00	$2,306.00	$2,779.00	$2,357.00	$2,839.00	$1,955.00	$2,356.00	$2,183.00	$2,630.00	$1,818.00	$2,191.00	$1,937.00	$2,334.00

Survey Form for HO4 (Renters) - Use $500 Flat Deductible (Named perils for personal property, actual cash value for loss, liability and medical payments for others included)

Public Protection Class	Property Value	Washington		Baxter		Craighead		St. Francis		Arkansas		Union		Miller		Sebastian		Pulaski	
		Brick	*Frame*	*Brick*	*Frame*	*Brick*	*Frame*	*Brick*	*Frame*	*Brick*	*Frame*	*Brick*	*Frame*	*Brick*	*Frame*	*Brick*	*Frame*	*Brick*	*Frame*
3	*$5,000*	$90.00	$90.00	$90.00	$90.00	$119.00	$119.00	$162.00	$162.00	$162.00	$162.00	$162.00	$162.00	$162.00	$162.00	$90.00	$90.00	$162.00	$162.00
	$15,000	$124.00	$124.00	$124.00	$124.00	$163.00	$163.00	$221.00	$221.00	$221.00	$221.00	$221.00	$221.00	$221.00	$221.00	$124.00	$124.00	$221.00	$221.00
	$25,000	$155.00	$155.00	$155.00	$155.00	$204.00	$204.00	$277.00	$277.00	$277.00	$277.00	$277.00	$277.00	$277.00	$277.00	$155.00	$155.00	$277.00	$277.00
6	*$5,000*	$90.00	$90.00	$90.00	$90.00	$119.00	$119.00	$162.00	$162.00	$162.00	$162.00	$162.00	$162.00	$162.00	$162.00	$90.00	$90.00	$162.00	$162.00
	$15,000	$124.00	$124.00	$124.00	$124.00	$163.00	$163.00	$221.00	$221.00	$221.00	$221.00	$221.00	$221.00	$221.00	$221.00	$124.00	$124.00	$221.00	$221.00
	$25,000	$155.00	$155.00	$155.00	$155.00	$204.00	$204.00	$277.00	$277.00	$277.00	$277.00	$277.00	$277.00	$277.00	$277.00	$155.00	$155.00	$277.00	$277.00
9	*$5,000*	$90.00	$90.00	$90.00	$90.00	$119.00	$119.00	$162.00	$162.00	$162.00	$162.00	$162.00	$162.00	$162.00	$162.00	$90.00	$90.00	$162.00	$162.00
	$15,000	$124.00	$124.00	$124.00	$124.00	$163.00	$163.00	$221.00	$221.00	$221.00	$221.00	$221.00	$221.00	$221.00	$221.00	$124.00	$124.00	$221.00	$221.00
	$25,000	$155.00	$155.00	$155.00	$155.00	$204.00	$204.00	$277.00	$277.00	$277.00	$277.00	$277.00	$277.00	$277.00	$277.00	$155.00	$155.00	$277.00	$277.00

Survey Form for DP-2 (Dwelling/Fire) - Use $500 Flat Deductible (Named perils for dwelling and personal property; replacement cost for dwelling, actual cash value for personal property, no liability coverage)

Public Protection Class	Dwelling Value	Washington		Baxter		Craighead		St. Francis		Arkansas		Union		Miller		Sebastian		Pulaski	
		Brick	*Frame*	*Brick*	*Frame*	*Brick*	*Frame*	*Brick*	*Frame*	*Brick*	*Frame*	*Brick*	*Frame*	*Brick*	*Frame*	*Brick*	*Frame*	*Brick*	*Frame*
3	*$80,000*																		
	$120,000																		
	$160,000																		
6	*$80,000*																		
	$120,000																		
	$160,000																		
9	*$80,000*																		
	$120,000																		
	$160,000																		

SPECIFY THE PERCENTAGE GIVEN FOR CREDITS OR DISCOUNTS FOR THE FOLLOWING:

HO3 and HO4 only

Fire Extinguisher		%	*Deadbolt Lock*		%
Burglar Alarm	*0 to -3%*	%	*Window Locks*		%
Smoke Alarm	*0 to -2%*	%	*$1,000 Deductible*	*-11 to -1%*	%
			Other (specify)		
			Renters $1000 Dedt	*-8%*	%
			Maximum Credit Allowed		%

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?		Min 5% (Zon	%			
	Zone	Brick		Frame		
WHAT IS YOUR PRICE PER $1,000 OF COVERAGE?	Highest Risk	$	10% dedt/$1.86	$	10% dedt/$1.71	
	Lowest Risk	$	5% dedt/$0.31	$	5% dedt/$0.26	