

State: Arkansas **Filing Company:** Safeco Insurance Company of Illinois
TOI/Sub-TOI: 19.0 Personal Auto/19.0001 Private Passenger Auto (PPA)
Product Name: Private Passenger Auto
Project Name/Number: Rate & Rule Revison/2012-AR-Auto-RR-2234

Filing at a Glance

Company: Safeco Insurance Company of Illinois
Product Name: Private Passenger Auto
State: Arkansas
TOI: 19.0 Personal Auto
Sub-TOI: 19.0001 Private Passenger Auto (PPA)
Filing Type: Rate/Rule
Date Submitted: 07/17/2012
SERFF Tr Num: LBRM-128524368
SERFF Status: Closed-Filed
State Tr Num:
State Status:
Co Tr Num: 2012-AR- AUTO-RR-2234

Effective Date 09/08/2012
Requested (New):
Effective Date 11/11/2012
Requested (Renewal):
Author(s): Sandy Jackson
Reviewer(s): Alexa Grissom (primary)
Disposition Date: 08/28/2012
Disposition Status: Filed
Effective Date (New): 09/08/2012
Effective Date (Renewal): 11/11/2012

State Filing Description:

State: Arkansas **Filing Company:** Safeco Insurance Company of Illinois
TOI/Sub-TOI: 19.0 Personal Auto/19.0001 Private Passenger Auto (PPA)
Product Name: Private Passenger Auto
Project Name/Number: Rate & Rule Revison/2012-AR-Auto-RR-2234

General Information

Project Name: Rate & Rule Revison
Project Number: 2012-AR-Auto-RR-2234
Reference Organization:
Reference Title:
Filing Status Changed: 08/28/2012
State Status Changed:
Created By: Sandy Jackson
Corresponding Filing Tracking Number:

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

Deemer Date:
Submitted By: Sandy Jackson

Filing Description:
July 17, 2012

Ms Alexa Grissom
Arkansas Insurance Department
1200 West Third Street
Little Rock, Arkansas 72201-1904

Attention: Ms. Grissom

Regarding: Safeco's Revised Personal Automobile Product
Safeco Insurance Company of Illinois
Effective Date: New Business 9/08/12
Renewal Business 11/11/12
Filing Number: 2012-AR-Auto-RR-2234
SERFF Number: LBRM-128524368

Ms. Grissom:

With this filing we are updating our Personal Lines Auto Program. This revision impacts new business effective on or after 09/08/2012 and renewal business on or after 11/11/2012. The average impact for policies at their next renewal will be 1.0%. Highlights of changes included with this filing are:

- Base Rates
- Stability Factors
- Introducing Rewind (New)
- Index Stabilizer Factors (New)

Safeco is introducing Rewind®, an incident forgiveness program. The attached Product Guide reflects this change, and the new rule reads as follows:

“Rewind Program: For drivers with a speeding ticket, minor violation, or at-fault accident, we will waive the incident surcharge for one policy term when they enroll in the Rewind Program. For drivers who qualify during the evaluation period, we will permanently waive the incident surcharge for all future policy terms.”

State: Arkansas **Filing Company:** Safeco Insurance Company of Illinois
TOI/Sub-TOI: 19.0 Personal Auto/19.0001 Private Passenger Auto (PPA)
Product Name: Private Passenger Auto
Project Name/Number: Rate & Rule Revison/2012-AR-Auto-RR-2234

Thank you for reviewing our filing; we look forward to your acknowledgment. If you have any questions, or need any additional information, please feel free to call or e-mail us using the information provided below.

Sincerely,

Christopher Meredith
 Director of State Operations
 (206) 473-5363
 FAX: (206) 473-6729
 Email: christopher.meredith@safeco.com
 CM/sj

Company and Contact

Filing Contact Information

Sandra Jackson, Sr. Regulatory Filing Analyst
 sandra.jackson@safeco.com
 Safeco Plaza
 Seattle, WA 98185
 206-473-5791 [Phone]
 206-473-6730 [FAX]

Filing Company Information

Safeco Insurance Company of Illinois	CoCode: 39012	State of Domicile: Illinois
Safeco Plaza	Group Code: 111	Company Type: Property and Casualty
Suite 2800	Group Name: Liberty Mutual Group	State ID Number:
Seattle, WA 98185	FEIN Number: 91-1115311	
(206) 545-5000 ext. [Phone]		

Filing Fees

Fee Required? Yes
 Fee Amount: \$150.00
 Retaliatory? No
 Fee Explanation: \$100.00 Per Rate filing
 \$50.00 Per Rule filing
 Per Company: No

Company	Amount	Date Processed	Transaction #
Safeco Insurance Company of Illinois	\$150.00	07/17/2012	60943914

State: Arkansas
TOI/Sub-TOI: 19.0 Personal Auto/19.0001 Private Passenger Auto (PPA)
Product Name: Private Passenger Auto
Project Name/Number: Rate & Rule Revision/2012-AR-Auto-RR-2234

Filing Company: Safeco Insurance Company of Illinois

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Alexa Grissom	08/28/2012	08/28/2012

Objection Letters and Response Letters

Objection Letters

Status	Created By	Created On	Date Submitted
Pending Industry Response	Alexa Grissom	08/23/2012	08/23/2012
Pending Industry Response	Alexa Grissom	08/21/2012	08/21/2012
Pending Industry Response	Alexa Grissom	08/16/2012	08/16/2012
Pending Industry Response	Alexa Grissom	08/09/2012	08/09/2012
Pending Industry Response	Alexa Grissom	07/31/2012	07/31/2012
Pending Industry Response	Alexa Grissom	07/24/2012	07/24/2012
Pending Industry Response	Alexa Grissom	07/19/2012	07/19/2012

Response Letters

Responded By	Created On	Date Submitted
Sandy Jackson	08/23/2012	08/23/2012
Sandy Jackson	08/22/2012	08/22/2012
Sandy Jackson	08/16/2012	08/16/2012
Sandy Jackson	08/09/2012	08/09/2012
Sandy Jackson	08/06/2012	08/06/2012
Sandy Jackson	07/26/2012	07/26/2012
Sandy Jackson	07/20/2012	07/20/2012

SERFF Tracking #:

LBRM-128524368

State Tracking #:

Company Tracking #:

2012-AR- AUTO-RR-2234

State: Arkansas

Filing Company: Safeco Insurance Company of Illinois

TOI/Sub-TOI: 19.0 Personal Auto/19.0001 Private Passenger Auto (PPA)

Product Name: Private Passenger Auto

Project Name/Number: Rate & Rule Revision/2012-AR-Auto-RR-2234

Disposition

Disposition Date: 08/28/2012

Effective Date (New): 09/08/2012

Effective Date (Renewal): 11/11/2012

Status: Filed

Comment:

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
Safeco Insurance Company of Illinois	1.100%	1.000%	\$166,203	15,157	\$16,196,448	20.000%	-10.000%

SERFF Tracking #:

LBRM-128524368

State Tracking #:

Company Tracking #:

2012-AR- AUTO-RR-2234

State: Arkansas
 TOI/Sub-TOI: 19.0 Personal Auto/19.0001 Private Passenger Auto (PPA)
 Product Name: Private Passenger Auto
 Project Name/Number: Rate & Rule Revision/2012-AR-Auto-RR-2234

Filing Company: Safeco Insurance Company of Illinois

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	A-1 Private Passenger Auto Abstract	Filed	Yes
Supporting Document (revised)	APCS-Auto Premium Comparison Survey	Filed	Yes
Supporting Document	APCS-Auto Premium Comparison Survey	Filed	Yes
Supporting Document	APCS-Auto Premium Comparison Survey	Filed	Yes
Supporting Document	APCS-Auto Premium Comparison Survey	Filed	Yes
Supporting Document	APCS-Auto Premium Comparison Survey	Filed	Yes
Supporting Document	NAIC loss cost data entry document	Filed	Yes
Supporting Document	NAIC Loss Cost Filing Document for OTHER than Workers' Comp	Filed	Yes
Supporting Document	Additional Supporting Documents	Filed	Yes
Supporting Document	Response 2	Filed	Yes
Rate (revised)	Product Guide	Filed	Yes
Rate	Product Guide	Filed	Yes
Rate	Exhibit 1 Base Rates	Filed	Yes
Rate	Exhibit 19 Stability Factors	Filed	Yes
Rate (revised)	Exhibit 22 ROC	Filed	Yes
Rate	Exhibit 22 ROC	Filed	Yes
Rate	Index Stabilizer Rule	Filed	Yes

State: Arkansas **Filing Company:** Safeco Insurance Company of Illinois
TOI/Sub-TOI: 19.0 Personal Auto/19.0001 Private Passenger Auto (PPA)
Product Name: Private Passenger Auto
Project Name/Number: Rate & Rule Revison/2012-AR-Auto-RR-2234

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	08/23/2012
Submitted Date	08/23/2012
Respond By Date	

Dear Sandra Jackson,

Introduction:

This will acknowledge receipt of the captioned filing. The effective date says 3-10-12!!!!

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."

Sincerely,

Alexa Grissom

SERFF Tracking #:

LBRM-128524368

State Tracking #:

Company Tracking #:

2012-AR- AUTO-RR-2234

State: Arkansas
TOI/Sub-TOI: 19.0 Personal Auto/19.0001 Private Passenger Auto (PPA)
Product Name: Private Passenger Auto
Project Name/Number: Rate & Rule Revision/2012-AR-Auto-RR-2234

Filing Company: Safeco Insurance Company of Illinois

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	08/23/2012
Submitted Date	08/23/2012

Dear Alexa Grissom,

Introduction:

Response 1

Comments:

We have corrected the date on the APCS form

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: APCS-Auto Premium Comparison Survey

Comment: We have corrected the date

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Sincerely,
Sandy Jackson

State: Arkansas **Filing Company:** Safeco Insurance Company of Illinois
TOI/Sub-TOI: 19.0 Personal Auto/19.0001 Private Passenger Auto (PPA)
Product Name: Private Passenger Auto
Project Name/Number: Rate & Rule Revison/2012-AR-Auto-RR-2234

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	08/21/2012
Submitted Date	08/21/2012
Respond By Date	

Dear Sandra Jackson,

Introduction:

I have been advised the name ont he APCS worksheet tab is still "Final for Filing."

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."

Sincerely,

Alexa Grissom

SERFF Tracking #:

LBRM-128524368

State Tracking #:

Company Tracking #:

2012-AR- AUTO-RR-2234

State:

Arkansas

Filing Company:

Safeco Insurance Company of Illinois

TOI/Sub-TOI:

19.0 Personal Auto/19.0001 Private Passenger Auto (PPA)

Product Name:

Private Passenger Auto

Project Name/Number:

Rate & Rule Revision/2012-AR-Auto-RR-2234

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	08/22/2012
Submitted Date	08/22/2012

Dear Alexa Grissom,

Introduction:

Response 1

Comments:

We apologize we did not realize that it was the tab on the excel sheet that was titled incorrectly.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: APCS-Auto Premium Comparison Survey

Comment: We apologize we did not realize that it was the tab on the excel sheet that had the incorrect title.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Sincerely,

Sandy Jackson

State: Arkansas **Filing Company:** Safeco Insurance Company of Illinois
TOI/Sub-TOI: 19.0 Personal Auto/19.0001 Private Passenger Auto (PPA)
Product Name: Private Passenger Auto
Project Name/Number: Rate & Rule Revison/2012-AR-Auto-RR-2234

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	08/16/2012
Submitted Date	08/16/2012
Respond By Date	

Dear Sandra Jackson,

Introduction:

This will acknowledge receipt of the captioned filing. I have been advised the APCS worksheet name was changed. It should read Form APCS. Please revise.

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."

Sincerely,

Alexa Grissom

SERFF Tracking #:

LBRM-128524368

State Tracking #:

Company Tracking #:

2012-AR- AUTO-RR-2234

State: Arkansas
TOI/Sub-TOI: 19.0 Personal Auto/19.0001 Private Passenger Auto (PPA)
Product Name: Private Passenger Auto
Project Name/Number: Rate & Rule Revision/2012-AR-Auto-RR-2234

Filing Company: Safeco Insurance Company of Illinois

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	08/16/2012
Submitted Date	08/16/2012

Dear Alexa Grissom,

Introduction:

Response 1

Comments:

Per your request we have changed the name on the APCS worksheet.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: APCS-Auto Premium Comparison Survey

Comment: Per your request we have changed the name on the APCS worksheet.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Sincerely,

Sandy Jackson

State: Arkansas **Filing Company:** Safeco Insurance Company of Illinois
TOI/Sub-TOI: 19.0 Personal Auto/19.0001 Private Passenger Auto (PPA)
Product Name: Private Passenger Auto
Project Name/Number: Rate & Rule Revison/2012-AR-Auto-RR-2234

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	08/09/2012
Submitted Date	08/09/2012
Respond By Date	

Dear Sandra Jackson,

Introduction:

This will acknowledge receipt of the captioned filing. Please resubmit the APCS with the updated vehicles.

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."

Sincerely,

Alexa Grissom

SERFF Tracking #:

LBRM-128524368

State Tracking #:

Company Tracking #:

2012-AR- AUTO-RR-2234

State:

Arkansas

Filing Company:

Safeco Insurance Company of Illinois

TOI/Sub-TOI:

19.0 Personal Auto/19.0001 Private Passenger Auto (PPA)

Product Name:

Private Passenger Auto

Project Name/Number:

Rate & Rule Revision/2012-AR-Auto-RR-2234

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	08/09/2012
Submitted Date	08/09/2012

Dear Alexa Grissom,

Introduction:

Response 1

Comments:

Please see the updated APCS as requested.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: APCS-Auto Premium Comparison Survey

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Sincerely,

Sandy Jackson

State: Arkansas **Filing Company:** Safeco Insurance Company of Illinois
TOI/Sub-TOI: 19.0 Personal Auto/19.0001 Private Passenger Auto (PPA)
Product Name: Private Passenger Auto
Project Name/Number: Rate & Rule Revison/2012-AR-Auto-RR-2234

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	07/31/2012
Submitted Date	07/31/2012
Respond By Date	

Dear Sandra Jackson,

Introduction:

This will acknowledge receipt of your response for the captioned filing. Chapter 67 does not appear to allow for CPI adjustments in devleoping rates. Please remove such from the filing.

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.

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."

Sincerely,

Alexa Grissom

State: Arkansas
TOI/Sub-TOI: 19.0 Personal Auto/19.0001 Private Passenger Auto (PPA)
Product Name: Private Passenger Auto
Project Name/Number: Rate & Rule Revision/2012-AR-Auto-RR-2234

Filing Company: Safeco Insurance Company of Illinois

Response Letter

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

Dear Alexa Grissom,

Introduction:

Ms. Grissom:

Thank you for your correspondence of July 31. Below are our responses to the concerns raised.

Response 1

Comments:

Response: As per your request, we have removed the Index Stabilizer Rule from our filing, revised the product guide and ROC exhibits.

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 #
Product Guide		Replacement	
<i>Previous Version</i>			
<i>Product Guide</i>		<i>Replacement</i>	
Exhibit 22 ROC		Replacement	
<i>Previous Version</i>			
<i>Exhibit 22 ROC</i>		<i>Replacement</i>	

Conclusion:

SERFF Tracking #:

LBRM-128524368

State Tracking #:

Company Tracking #:

2012-AR- AUTO-RR-2234

State:

Arkansas

Filing Company:

Safeco Insurance Company of Illinois

TOI/Sub-TOI:

19.0 Personal Auto/19.0001 Private Passenger Auto (PPA)

Product Name:

Private Passenger Auto

Project Name/Number:

Rate & Rule Revision/2012-AR-Auto-RR-2234

Thank you for reviewing our filing; we look forward to your acknowledgment. If you have any questions, or need any additional information, please feel free to call or e-mail us using the information provided below.

Sincerely,

Christopher Meredith

Director of State Operations

(206) 473-5363

FAX: (206) 473-6729

Email: christopher.meredith@safeco.com

CM/sj

Sincerely,

Sandy Jackson

State: Arkansas **Filing Company:** Safeco Insurance Company of Illinois
TOI/Sub-TOI: 19.0 Personal Auto/19.0001 Private Passenger Auto (PPA)
Product Name: Private Passenger Auto
Project Name/Number: Rate & Rule Revison/2012-AR-Auto-RR-2234

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	07/24/2012
Submitted Date	07/24/2012
Respond By Date	

Dear Sandra Jackson,

Introduction:

This will acknowledge receipt of the captioned filing. Please provide a few rating examples utilizing the CPI factor and the stabilization factor.

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.

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."

Sincerely,

Alexa Grissom

SERFF Tracking #:

LBRM-128524368

State Tracking #:

Company Tracking #:

2012-AR- AUTO-RR-2234

State:

Arkansas

Filing Company:

Safeco Insurance Company of Illinois

TOI/Sub-TOI:

19.0 Personal Auto/19.0001 Private Passenger Auto (PPA)

Product Name:

Private Passenger Auto

Project Name/Number:

Rate & Rule Revision/2012-AR-Auto-RR-2234

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	07/26/2012
Submitted Date	07/26/2012

Dear Alexa Grissom,

Introduction:

Ms. Grissom:

Response 1

Comments:

Thank you for your correspondence of July 24, requesting examples utilizing the CPI factor and stabilization factor. Please see the attached CPI Rating Example and Stabilization Rating Example.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: Response 2

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

SERFF Tracking #:

LBRM-128524368

State Tracking #:

Company Tracking #:

2012-AR- AUTO-RR-2234

State:

Arkansas

Filing Company:

Safeco Insurance Company of Illinois

TOI/Sub-TOI:

19.0 Personal Auto/19.0001 Private Passenger Auto (PPA)

Product Name:

Private Passenger Auto

Project Name/Number:

Rate & Rule Revision/2012-AR-Auto-RR-2234

Thank you for reviewing our filing; we look forward to your acknowledgment. If you have any questions, or need any additional information, please feel free to call or e-mail us using the information provided below.

Sincerely,

Christopher Meredith

Director of State Operations

(206) 473-5363

FAX: (206) 473-6729

Email: christopher.meredith@safeco.com

CM/db

Sincerely,

Sandy Jackson

State: Arkansas **Filing Company:** Safeco Insurance Company of Illinois
TOI/Sub-TOI: 19.0 Personal Auto/19.0001 Private Passenger Auto (PPA)
Product Name: Private Passenger Auto
Project Name/Number: Rate & Rule Revison/2012-AR-Auto-RR-2234

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	07/19/2012
Submitted Date	07/19/2012
Respond By Date	

Dear Sandra Jackson,

Introduction:

This will acknowledge receipt of the captioned filing. Please clarify the reference to the CPI and Urban Consumer. Additionally, please provide an explanation of how the stability factors would be utilized and why there is a need for such a huge range.

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.

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."

Sincerely,

Alexa Grissom

State: Arkansas **Filing Company:** Safeco Insurance Company of Illinois
TOI/Sub-TOI: 19.0 Personal Auto/19.0001 Private Passenger Auto (PPA)
Product Name: Private Passenger Auto
Project Name/Number: Rate & Rule Revison/2012-AR-Auto-RR-2234

Response Letter

Response Letter Status Submitted to State
Response Letter Date 07/20/2012
Submitted Date 07/20/2012

Dear Alexa Grissom,

Introduction:

Thank you for your correspondence of July 19. Below are our responses to the concerns raised.

Response 1

Comments:

Objection: Please clarify the reference to the CPI and Urban Consumer. Additionally, please provide an explanation of how the stability factors would be utilized and why there is a need for such a huge range.

Response: CPI clarifications:

The Bureau of Labor Statistics calculates the CPI for two population groups, one consisting only of wage earners and clerical workers (CPI-W) and the other consisting of all urban consumers (CPI-U). The CPI-U represents about 87 percent of the total U.S. population and is based on the expenditures of all families living in urban areas. The CPI-W is a subset of the CPI-U and is based on the expenditures of families living in urban areas who meet additional requirements related to employment: more than one-half of the family's income has to be earned from clerical or hourly-wage occupations. The CPI-W represents about 32 percent of the total U.S. population. We wanted a measure that encompassed a large portion of the population rather than targeting a certain segment of the population and therefore we are relying upon the CPI-U measure.

Stability factors objection:

Stability factors are meant to keep customers rates stable within reason as we make consistent minor and major adjustments to improve our pricing models. Ultimately we want our customers with minor tiering adjustments to receive around the target rate increase.

We do, however, like to preserve a range in our stability factors that allow customers to receive expected rate changes.

These changes, for example, might have to do with merit or claims coming on and off the policy. If a customer has multiple merit events and a claim fall off then the expectation is for a reasonable rate decrease, which is also indicated by our model. The stability factor is needed because a combination of our model changes and customer attribute changes can lead to sizable indicated rate changes. The result of this is a balanced change where 54% of our customers get 1% or lower and 95% of our customers are between -6% and +7%.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

State: Arkansas **Filing Company:** Safeco Insurance Company of Illinois
TOI/Sub-TOI: 19.0 Personal Auto/19.0001 Private Passenger Auto (PPA)
Product Name: Private Passenger Auto
Project Name/Number: Rate & Rule Revision/2012-AR-Auto-RR-2234

Thank you for reviewing our filing; we look forward to your acknowledgment. If you have any questions, or need any additional information, please feel free to call or e-mail us using the information provided below.

Sincerely,

Christopher Meredith
Director of State Operations
(206) 473-5363
FAX: (206) 473-6729
Email: christopher.meredith@safeco.com
CM/sj

Sincerely,
Sandy Jackson

SERFF Tracking #:

LBRM-128524368

State Tracking #:

Company Tracking #:

2012-AR- AUTO-RR-2234

State: Arkansas
TOI/Sub-TOI: 19.0 Personal Auto/19.0001 Private Passenger Auto (PPA)
Product Name: Private Passenger Auto
Project Name/Number: Rate & Rule Revision/2012-AR-Auto-RR-2234

Filing Company: Safeco Insurance Company of Illinois

Rate Information

Rate data applies to filing.

Filing Method: File & Use
Rate Change Type: Increase
Overall Percentage of Last Rate Revision: 3.000%
Effective Date of Last Rate Revision: 03/10/2012
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):
Safeco Insurance Company of Illinois	1.100%	1.000%	\$166,203	15,157	\$16,196,448	20.000%	-10.000%

State: Arkansas

Filing Company:

Safeco Insurance Company of Illinois

TOI/Sub-TOI: 19.0 Personal Auto/19.0001 Private Passenger Auto (PPA)

Product Name: Private Passenger Auto

Project Name/Number: Rate & Rule Revision/2012-AR-Auto-RR-2234

Rate/Rule Schedule

Item No.	Schedule Item Status	Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing Number	Attachments
1	Filed 08/28/2012	Product Guide		Replacement		20120908_co_ara_pg_IS removed.pdf
2	Filed 08/28/2012	Exhibit 1 Base Rates		Replacement		Exh 1 Base Rates.pdf
3	Filed 08/28/2012	Exhibit 19 Stability Factors		Replacement		Exh 19 Stability Factors.pdf
4	Filed 08/28/2012	Exhibit 22 ROC		Replacement		Exhibit 22_AR ROC_IS removed.pdf
5	Filed 08/28/2012	Index Stabilizer Rule		New		Index Stabilizer Rule for Product Guide States - rev 07-07-12.pdf

Arkansas

Auto Product Guide



Safeco Insurance Company of Illinois



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What's New

Effective Date of New and Revised Material Updates

Eligibility Guidelines

Binding Authority

Product and Market Tier Placement

New Business
Renewal Business
Credit Scoring

Verification

Prior Insurance Coverage and Limits
Prior Auto Insurance Proof
Home Ownership
File Maintenance and Audit Requirements

Vehicle Information

Garaging Address
Model Year
RVs and Classic Cars
Motorcycles
Symbol Rated Vehicles
Value Class Vehicle Rating
Pickups with a Canopy
Pickups with Camper Body

Vehicle Use

Personal Use
Business Use
Farm Use

Driver Information

Driver Classification
Driver-Vehicle Assignment
Household Members
Driver Type
Driver Exclusions
Financial Responsibility Filings (SR-22)
Youthful Operators

Driving Record

Unverifiable Driving Record
Accidents, Convictions and Claims
Accident Forgiveness
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Cancellation
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What's New

Effective Date of New and Revised Material

09/08/12 New Business • 11/11/12 Renewal Business

Updates

Rewind® Program rule has been added

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Eligibility Guidelines

Click [here](#) to be directed to the Eligibility Guidelines document.

Binding Authority

Click [here](#) to be directed to the Binding Authority document.

Product and Market Tier Placement

New Business

Coverage Tiers

Our rating system determines the best possible coverage tier placement for your customer using available information, including the application, Insurance Bureau Score (IBS), driving record and loss history.

Market Placement

Our rating system determines the appropriate market for your customer.

Market determination no longer impacts the rate level for your customer. However, market will be used to determine coverage limit eligibility and commission rate.

Policy Term

Customers in our Preferred and Standard Markets are eligible for either an annual (12-month term) or a semi-annual policy (6-month term). Customers in our Non-Standard market are only eligible for a semi-annual policy.

Renewal Business

Upon renewal, our rating system will automatically recalculate your customer's coverage tiers and market.

Policy Term

Customers written on a semi-annual policy in our Preferred and Standard Markets are eligible to be endorsed to an annual term policy. The endorsement can only be processed effective on a subsequent renewal effective date. Customers on an annual term policy will remain on an annual term if re-tiered at renewal to our Non-Standard market.

Credit Scoring

Credit scoring is confirmed for all new and renewal business policies where the named insured is 21 years of age or older. Credit scoring is not confirmed for named insureds under 21 years of age.

In compliance with NCOIL regulations, where state law mandates it, we will automatically re-order the IBS score every three years.

Verification

Information on prior insurance coverage, limits, proof of prior auto insurance and home ownership are required and will be verified at random.

When a policy has been selected for verification, you will receive a screen message instructing you to print the fax verification sheet as part of the print package. Complete the form and **fax** it to us along with any requested documents.

Please **fax** these items immediately whenever possible. If verification is not received within 20 calendar days of the request or 42 days after policy inception, whichever is sooner, we will re-rate the policy accordingly.

Prior Insurance Coverage and Limits

Our rating system will prompt you for the carrier name and liability limits of the named insured's prior auto insurance policy.

Prior Auto Insurance Proof

Acceptable verification documents include:

- a declarations page
- a cancel/nonrenewal notice
- a printout from an agency management system
- an identification (ID) card

Any of these items must include the named insured and most recent term with expiration date and previous liability limits. The named insured on the new policy with us must be the named insured or a listed driver on the prior policy. ID cards will be considered at minimum limits if the liability limits are not displayed. Any proof not showing the named insured, a 6-month policy term and liability limits may cause the policy to be re-rated. Documentation of an acceptable reason for not having prior insurance may also be considered on an exception basis.

Home Ownership

Our rating system will prompt you for the residence type of the named insured.

Acceptable verification documents include:

- active safeco homeowners policy number
- company-issued homeowners declaration page
- printouts of homeowners coverage from an agency management system
- deed
- mortgage coupon
- property tax record

Any of these items must include the named insured.

File Maintenance and Audit Requirements

You are required to maintain relevant documentation for a period of seven years after policy expiration.

These documents include, but are not limited to:

- original signed application
- signed electronic funds transfer (EFT) forms
- signed credit card authorization
- proof of special equipment
- signed exclusion form listing all persons excluded from coverage
- signed uninsured motorists selection/rejection form
- verification of accident prevention course and/or underinsured motorist selection/rejection form
- proof of not-at-fault accidents
- proof of home ownership
- signed personal injury protection selection/rejection form
- SR-22 filings

Vehicle Information

Garaging Address

The garaging address of the vehicle must match the rating state of the policy. Entering the address where the vehicle is principally garaged will allow the system to automatically assign the proper territory and rating factor.

For students with a vehicle away from home, you should rate the vehicle at the policyholder's principal garaging address.

Model Year

The model year is determined by the vehicle's original manufacturer. If the vehicle is rebuilt or structurally altered, the model year of the chassis determines the model year of the vehicle.

RVs and Classic Cars

To find out more about writing motorhomes, trailers and collector cars with Safeco, see our [RV](#) and [Classic Car](#) Product Guides.

Motorcycles

The following vehicles may be written in our Motorcycle Program:

- motorcycles
- golf carts or low speed electric vehicles
- all-terrain vehicles (ATVs) with 4 or 6 wheels
- trikes
- two-wheeled electric

Please refer to our [Motorcycle Eligibility Guidelines](#) or [Motorcycle Product Guide](#) documents for details.

Symbol Rated Vehicles

(Effective NB: 03/10/12 RB: 05/13/12)

Most vehicles are assigned Safeco symbols for rating both liability and physical damage coverages. The system will assign symbols for you based on vehicle identification number (VIN), year, make and model.

For new models or model year vehicles which are not assigned a Safeco symbol, you will be prompted to enter an Insurance Services Office, Inc. (ISO) symbol from the symbol pages.

Click [here](#) to be directed to our symbols document.

Vehicles with a cost new of \$80,000 or greater will be rated with the Safeco symbol for liability coverages, if available. Physical damage coverages will be rated with the appropriate ISO symbol.

Vehicles designed for sale or intended for use outside the United States, grey market vehicles, are rated using the same symbols as would be used for comparable U.S. vehicles. A grey market vehicle without a comparable U.S. vehicle is not eligible for our markets.

If an ISO symbol is assigned, and the vehicle model year is 2011 or newer, the 2011 ISO Collision symbol will be mapped to an appropriate 2010 ISO symbol. If the vehicle model year is 2010 or older, the assigned ISO symbol will be used.

Value Class Vehicle Rating

Stated amount vehicles are vehicles that:

- do not appear on our symbols list
- are limited in production
- have more than \$5,000 in additional equipment or add-on's

Physical damage coverage on stated amount vehicles provides coverage up to the lesser of actual cash value or the stated amount value specified by your customer. Stated amount vehicles valued over \$100,000 are not eligible.

Pickups with a Canopy

Canopies or camper shells are typically fiberglass shells attached to the back of a pickup and are not equipped with sleeping or living quarters. Canopies are considered equipment as long as they are attached to the pickup and are covered for direct or accidental loss if the pickup carries comprehensive or collision coverages.

Physical damage premiums are determined by combining the original cost new of the pickup and the original cost new of the canopy. Input the pickup's VIN (with year, make and model), then indicate "truck-camper/canopy" as the body style and input the combined cost new in the "cost new/actual cash value" field.

Pickups with Camper Body

A camper body is a body equipped with sleeping or living quarters which is designed to be mounted on a pickup. Slide-in campers with sleeping or living quarters must be listed and rated separately on the policy as a camper. The pickup used to transport the camper is rated separately as a private passenger vehicle. Please refer to our [RV Product Guide](#) for details on rating a camper body.

Physical damage coverage for campers is excluded on the contract unless indicated on the declarations.

Vehicle Use

Personal Use

The regular non-business use of a personal vehicle, including commuting to or from work or school.

- Pleasure use means that there is no business use of the vehicle nor is it customarily used in the course of driving to or from work a distance of more than three road miles one way.
- Short commute means that there is no business use of the vehicle but it is customarily used in the course of driving to or from work a distance of less than 15 road miles one way.
- Long commute means that there is no business use of the vehicle but it is customarily used in the course of driving to or from work a distance of 15 or more road miles one way.

Note: A vehicle used for driving to or from school shall be considered as used for driving to or from work.

The term “customarily” includes:

- use of vehicles in a car-pool or other ride-share arrangements
- a vehicle driven part way to or from work, such as to a railroad or bus depot, whether or not the vehicle is parked at the depot during the day

A vehicle used in the business of the United States government by an employee thereof may be classified and rated as pleasure use, short commute or long commute provided coverage is limited in accordance with the applicable endorsement.

Business Use

The use of a vehicle which is required by or primarily involved in the duties of the primary operator in his or her occupation, profession or business, other than going to or from work.

Farm Use

The vehicle is principally garaged on a farm or ranch and is not primarily used in going to or from work other than farming or ranching and is not used in any occupation other than farming or ranching.

Driver Information

Driver Classification

Drivers are classified by age, sex and marital status.

Age means the age of the driver as of the term effective date.

Driver Marital Status

Single means an operator who is not legally married, including single, widowed, separated or divorced.

Married means an operator who meets the local statutory definition of married.

Driver-Vehicle Assignment

We determine an average rating factor for all rated drivers and then apply that factor to all vehicles. This is done automatically. We do not require you to assign drivers to specific vehicles.

The rated drivers are equal to all the drivers on the policy. Refer to the [Classic Car Product Guide](#) and the [RV Product Guide](#) to see how drivers and vehicles are assigned for those vehicle types.

Household Members

All drivers of the household should be insured on a single policy.

Drivers that must be rated or excluded are individuals that are currently licensed or were previously licensed (for example, revoked or suspended licensed).

- This also includes youthful operators who are resident students at a school, college or educational institution located more than 100 road miles from the principal garaging address on the policy and who are without a car at a school. However, the operator shall be eligible for the distant student discount.

Drivers that are neither rated nor excluded must be input as a non-rated driver.

Examples of acceptable non-rated driver reasons are:

- any spouse or eligible age adult resident who has never had a license

- any resident youthful operator with a valid learners permit
- an individual in active military service with the armed forces of the United States of America unless such individual customarily operates a covered vehicle

Driver Type

We determine driver type eligibility automatically based on a combination of driver type, relationship to insured, and reason for non-rated or excluded.

Rated

All licensed persons of driving age who operate any of the insured vehicles should be listed as rated drivers.

Excluded

Drivers for whom there will be no coverage under the policy should they operate a vehicle. A surcharge may apply. Exclusion rules vary by state, including signature requirements.

Non-Rated

Persons of driving age in the household who will not be permitted to drive any of the insureds vehicles. Refer to the [Household Members](#) section of the product guide for a list of acceptable non-rated driver types.

Driver Exclusions

As permitted by law, drivers other than the named insured or those drivers requiring an SR-22 filing may be excluded. A surcharge may apply. Drivers may not be excluded from one of our Auto, Classic Car or RV policies and insured on another of those policies. Driver Exclusions must be signed by the named insured and forwarded to the company. The forms are available in the Q&I print package for new business and the [Policy Forms Viewer](#) for in-force policies. The exclusions may be faxed or mailed to the company using the number or address available in Safeco Now[®].

Named insureds or persons insured on another policy with us are not eligible for exclusions.

Underwriting approval is required for removing Driver Exclusions. Please contact the underwriting department for consideration.

Financial Responsibility Filings (SR-22)

Individuals requiring a filing cannot be excluded and must have verifiable driving records. All SR-22s will be issued by us. For policies requiring an immediate SR-22, please contact the [service center](#).

- Liability limits must meet the minimum financial responsibility requirements for the state requesting the filing.
- Bodily injury coverage is required on any policy with an SR-22.
- All vehicles owned by the driver requiring the filing must be on our policy.
- The name on the filing must appear exactly as it reads on the driver's license.
- Filings are not available for a driver with an unverifiable driving record. If we are unable to verify the driving record of a driver requiring a filing, the policy is subject to cancellation.

Youthful Operators

Any driver under the age of 25 is considered a youthful operator.

Driving Record

Unverifiable Driving Record

(Effective NB: 03/10/12 RB: 05/13/12)

Any driver with a U.S. driver's license whose driving record cannot be verified by the licensing state's licensing authority will be assessed a surcharge.

The charge will be removed if a valid motor vehicle record (MVR), covering the complete chargeable period, is received within 30 days of policy inception.

Accidents, Convictions and Claims

(Effective NB: 03/10/12 RB: 05/13/12)

When determining the appropriate market and coverage tiers for your customer's policy, we will consider driving and claims activity up to five years as stipulated below. After determining the appropriate market and coverage tiers, the experience period for charging convictions or at-fault-accident points is 34 months prior to the effective date of the policy.

Please stress the importance of full disclosure to avoid additional premium or policy cancellation. Any unrevealed driving activity will be added to the driving record and the policy will be re-rated accordingly.

The following driving record and claims activity must be shown on the application:

- Minor convictions which have occurred in the past five years. Minor convictions are divided into two categories – Minor and Incidental Minor. Incidental minor convictions will result in a smaller surcharge than minor convictions. Incidental minor convictions include, but are not limited to:
 - failure to use seat belts
 - failure to use turn signals
 - failure to use headlights

- Speed convictions which have occurred in the past five years. Speed convictions are divided into two categories – Speed and Speed 20+. Speed convictions that are over 20 miles per hour over the posted limit will be classified as Speed 20+.
- major convictions which have occurred in the past five years which include, but are not limited to:
 - driving under the influence
 - open container violation
 - vehicle theft or felony of a vehicle
 - careless or improper operation of a vehicle
 - drag racing
 - driving under suspension excludes suspensions which are not related to owning or operating a motor vehicle such as failure to appear, failure to pay:
 - fine
 - alimony
 - child support
 - taxes
 - real estate license
 - hunting license
 - fleeing from police
 - leaving the scene of an incident
 - reckless or negligent driving
 - vehicular homicide
 - driving without owner’s consent
- claims which have occurred in the past five years:
 - include at-fault accidents, not-at-fault accidents and comprehensive losses
 - exclude towing losses
 - exclude not-at-fault losses where the only payment was for personal injury protection or medical payment losses for the vehicle owner or other operator residing in the same household

All driving record and claims activity listed above must be shown on the application. Comprehensive Loss Underwriting Exchange (CLUE) reports and motor vehicle records (MVRs) will be utilized to verify the information provided. Point charges are based on the violation date and, when multiple points are applicable to one occurrence, all incidents should be input on the application; however, only the accident or conviction with the highest points will receive a merit surcharge.

Accident Forgiveness

(Effective NB: 03/10/12 RB: 05/13/12)

For a policy that has been consecutively in force with us for six years or longer on which none of the rated drivers 18 or older have an at fault accident or violation that are categorized as Major, Alcohol/Drugs, and Speed 20+, the first at fault accident caused by a driver 18 or older will not result in a surcharge. Subsequent at fault accidents will result in a surcharge, as will all accidents for drivers less than 18.

Rewind[®] Program

(Effective NB: 09/08/12 RB: 11/11/12)

For drivers with a speeding ticket, minor violation, or at-fault accident, we will waive one incident surcharge for one policy term when the driver enrolls in the Rewind[™] Program. For drivers who qualify during the evaluation period, we will permanently waive the incident surcharge for all future policy terms.

At-fault Accidents

(Effective NB: 03/10/12 RB: 05/13/12)

At-fault accidents, which result in property damage totaling \$750 or more or any bodily injury, result in a merit surcharge for both new and renewal business.

Not At-fault Accidents

Not at-fault accidents do not receive a merit surcharge. The following are some examples of not at-fault accidents.

- The vehicle was lawfully parked at the time of the accident.
- The accident was caused by collision with a bird or animal.

- The vehicle was struck by a “hit-and-run” driver and the accident was reported to the proper authorities within 24 hours.
- A non-rated driver was convicted of a moving violation in connection with the accident.
- The accident is one in which judgment or reimbursement is obtained from the other party, providing we make no liability payment on behalf of your customer.
- The vehicle was stopped at a stop sign or traffic light when it was rear-ended by another vehicle, or the rated driver was clearly not at fault.
- The accident involved physical damage limited to and caused by flying gravel, missiles or falling objects.
- The owner or operator of your customer’s vehicle was reimbursed (or received judgment against another) for more than 50 percent of the property damage.

Foreign and International Driver’s Licenses

(Effective NB: 03/10/12 RB: 05/13/12)

Drivers with a valid foreign or international driver’s license and without a valid U.S. driver’s license will be assessed a surcharge until they are able to provide proof of a valid U.S. driver’s license in effect for at least 12 months. The surcharge will be removed at the next applicable renewal.

Driving Record Charges

Point assignments vary by violation type, driver age, and age of incident. As an incident ages, it will be assigned fewer points. The description and number of points assigned to a policy are as follows:

Major Violations						
1 st Oldest Incident	2 nd Oldest Incident				Single Violation	3rd and Subsequent Incident
	0 to 5	6 to 11	12 to 23	24 to 34		
0 to 5	12	12	12	11	5	8
6 to 11		12	12	11	5	
12 to 23			12	11	5	
24 to 34				10	4	

Alcohol/Drugs						
1 st Oldest Incident	2 nd Oldest Incident				Single Violation	3rd and Subsequent Incident
	0 to 5	6 to 11	12 to 23	24 to 34		
0 to 5	12	12	12	11	4	8
6 to 11		12	12	11	4	
12 to 23			12	11	4	
24 to 34				10	3	

At-fault Accidents						
1 st Oldest Incident	2 nd Oldest Incident				Single Violation	3rd and Subsequent Incident
	0 to 5	6 to 11	12 to 23	24 to 34		
0 to 5	10	10	10	9	4	6
6 to 11		10	10	9	4	
12 to 23			10	9	4	
24 to 34				8	3	

Speed Violations						
1 st Oldest Incident	2 nd Oldest Incident				Single Violation	3rd and Subsequent Incident
	0 to 5	6 to 11	12 to 23	24 to 34		
0 to 5	6	6	6	5	2	4
6 to 11		6	6	5	2	
12 to 23			6	5	2	
24 to 34				4	1	

Speed 20+ Violations						
1 st Oldest Incident	2 nd Oldest Incident				Single Violation	3rd and Subsequent Incident
	0 to 5	6 to 11	12 to 23	24 to 34		
0 to 5	10	10	10	9	4	6
6 to 11		10	10	9	4	
12 to 23			10	9	4	
24 to 34				8	3	

Incidental Minor Violations						
1 st Oldest Incident	2 nd Oldest Incident				Single Violation	3rd and Subsequent Incident
	0 to 5	6 to 11	12 to 23	24 to 34		
0 to 5	4	4	4	3	2	2
6 to 11		4	4	3	2	
12 to 23			4	3	2	
24 to 34				2	1	

Minor Violations						
1 st Oldest Incident	2 nd Oldest Incident				Single Violation	3rd and Subsequent Incident
	0 to 5	6 to 11	12 to 23	24 to 34		
0 to 5	6	6	6	5	3	4
6 to 11		6	6	5	3	
12 to 23			6	5	3	
24 to 34				4	2	

Other						
1 st Oldest Incident	2 nd Oldest Incident				Single Violation	3rd and Subsequent Incident
	0 to 5	6 to 11	12 to 23	24 to 34		
0 to 5	24	24	24	24	12	12
6 to 11		24	24	24	12	
12 to 23			24	24	12	
24 to 34				24	12	

Coverage Options

Coverage descriptions are for informational purposes only. Please refer to the policy for actual coverage descriptions.

Liability Coverages

Only available to customers who currently have these limits with us

	Preferred	Standard	Non-standard
Bodily Injury Liability Limits (in thousands)	25/50 50/100 100/300 250/500 300/300 500/500 500/1,000	25/50 50/100 100/300 250/500 300/300 500/500 Not available	25/50 50/100 100/300 Not available Not available Not available Not available
Property Damage Liability Limits (in thousands)	25 50 100 500	25 50 100 500	25 50 100 Not available
Combined Single Limit of Liability (in thousands)	100 300 500	100 300 500	100 Not available Not available
Work Loss Benefits	Basic	Basic	Basic
Accidental Death Benefits	\$ 5,000 10,000 15,000 20,000 Reject	\$ 5,000 10,000 15,000 20,000 Reject	\$ 5,000 10,000 15,000 20,000 Reject

Only available to customers who currently have these limits with us

	Preferred	Standard	Non-standard
Personal Injury Protection Medical Expense	\$ 500 1,000 2,000 5,000 10,000 25,000 Reject	\$ 500 1,000 2,000 5,000 10,000 25,000 Reject	\$ 500 1,000 2,000 5,000 10,000 25,000 Reject
Uninsured Motorists Bodily Injury Limits (in thousands)	25/50 50/100 100/100 100/300 250/500 300/300 500/500	25/50 50/100 100/100 100/300 250/500 Not available 500/500	25/50 50/100 100/100 100/300 Not available Not available Not available
Underinsured Motorists Bodily Injury Limits (in thousands)	25/50 50/100 100/100 100/300 250/500 300/300 500/500	25/50 50/100 100/100 100/300 250/500 300/300 500/500	25/50 50/100 100/100 100/300 Not available Not available Not available
Uninsured Motorists Property Damage Coverage (in thousands)	25 50 100 300 500	25 50 100 300 500	25 50 100 Not available Not available

Only available to customers who currently have these limits with us

	Preferred	Standard	Non-standard
Uninsured/Underinsured Motorists Combined Single Limit (in thousands)	100 300 500	100 300 500	100 Not available Not available

Refer to the [Umbrella Product guide](#) for the underlying limits required for Umbrella coverage.

Physical Damage Coverages

Only available to customers who currently have these limits with us

	Preferred	Standard	Non-standard
Comprehensive Physical Damage Coverage Deductibles (also available with Full Safety Glass coverage)	\$ 100 250 500 750 1,000 1,500 2,000	\$ 100 250 500 750 1,000 1,500 2,000	\$ 100 250 500 750 1,000 1,500 2,000
Collision Physical Damage Coverage Deductibles	\$ 100 250 500 750 1,000 1,500 2,000	\$ 100 250 500 750 1,000 1,500 2,000	\$ 100 250 500 750 1,000 1,500 2,000
Safeco Optimum Package Plus™	Available	Available	Available
Safeco Optimum Package™	Available	Available	Available
New Vehicle Replacement Coverage	Available	Available	Available
Auto Loan/Lease Coverage	Available	Available	Available
Audio, Visual and Customized Equipment Coverage	Up to \$5,000 per vehicle	Up to \$5,000 per vehicle	Up to \$5,000 per vehicle
Stereo Tapes, Discs and Media	Available	Available	Available
Roadside Assistance/Emergency Assistance Package	Available	Available	Available

Only available to customers who currently have these limits with us

	Preferred	Standard	Non-standard
Loss of Use Coverage	\$ 25/750 35/1,050 50/1,500 75/2,250	\$ 25/750 35/1,050 50/1,500 75/2,250	\$ 25/750 35/1,050 50/1,500 75/2,250
Broad Form Drive Other Car	Available	Available	Available
OEM Endorsement	Available	Available	Available

Bodily Injury Liability

Bodily injury limits must be equal to or higher than the minimum financial responsibility limits required by law. All vehicles on the policy insured for liability coverages must carry the same liability limits. (See [Liability Coverages](#) table.)

Property Damage Liability

Property damage limits must be equal to or higher than the minimum financial responsibility limits required by law. All vehicles on the policy must carry the same liability limits. (See [Liability Coverages](#) table.)

Combined Single Limit

Combined single limit is a single limit of liability that applies to bodily injury and property damage with no per person or property damage sub-limit. Uninsured

motorists and underinsured motorists are not included in combined single limit but may be purchased separately. Uninsured motorists and underinsured motorists have combined single limit available to coordinate with your bodily injury and property damage combined single limit option. (See [Liability Coverages](#) table.)

Personal Injury Protection Coverages

Work Loss Coverage

If selected, all vehicles on the policy must carry the coverage. (See [Liability Coverages](#) table.)

Accidental Death Benefits

If selected all vehicles on the policy must carry the same accidental death benefit limits. (See [Liability Coverages](#) table.)

Personal Injury Protection Medical Expense

Personal injury protection medical expense limits apply to each person for each accident. If selected, all vehicles on the policy must carry the same medical expense limits. (See [Liability Coverages](#) table.)

Uninsured Motorists Bodily Injury

Uninsured motorists bodily injury has to be sold at the same limits as bodily injury, unless reduced or rejected by your customer.

Uninsured motorists bodily injury covers bodily injury to your customer, their family members who live with them and your customer's passengers if they are injured in an accident caused by an uninsured motorist, or a hit-and-run driver.

This coverage is required under all vehicle liability policies insuring the owner of a motor vehicle unless rejected by your customer.

If this coverage is purchased on one vehicle on a policy, it must be purchased on all vehicles on the policy insured for liability coverages. (See [Liability Coverages](#) table.)

Underinsured Motorists Bodily Injury

Underinsured motorists bodily injury has to be sold at the same limits as bodily injury, unless reduced or rejected by your customer.

Underinsured motorists bodily injury covers bodily injury to your customer, their family members who live with them and your customer's passengers if they are injured in an accident caused by a motorist whose bodily injury limits are less than your customer's underinsured motorists bodily injury limits and whose bodily injury limits are not sufficient to pay for the damages your customer is legally entitled to recover.

This coverage is required under all vehicle liability policies insuring the owner of a motor vehicle, unless rejected by your customer.

If this coverage is purchased on one vehicle on a policy, it must be purchased on all vehicles on the policy insured for liability coverages. (See [Liability Coverages](#) table.)

Uninsured Motorists Property Damage Coverage

Uninsured motorists property damage coverage pays for direct and accidental loss to your customer's covered vehicle resulting from physical contact with an uninsured motor vehicle. If uninsured motorists bodily injury coverage is rejected, uninsured motorists property damage must also be rejected. (See [Liability Coverages](#) table.)

Uninsured Motorists Combined Single Limit

Uninsured motorists combined single limit is a single limit of uninsured motorists that applies to uninsured motorists bodily injury and uninsured motorists property damage with no per person or property damage sub-limit. Uninsured motorists combined single limit is only available with a corresponding combined single limit. (See [Liability Coverages](#) table.)

Underinsured Motorists Combined Single Limit

Underinsured motorists combined single limit is a single limit of underinsured motorists that applies to

underinsured motorists bodily injury. Underinsured motorists combined single limit is only available with a corresponding combined single limit. (See [Liability Coverages](#) table.)

Comprehensive Physical Damage Coverage

Comprehensive physical damage coverage is actual cash value and provides coverage in case of a loss that is other than collision. Comprehensive coverage is required if a loss payee is indicated.

Full safety glass coverage is available for all deductible options.

Comprehensive coverage is available to be purchased separately and with differing deductibles per vehicle.

We will pay for direct and accidental loss to your customer's covered vehicle or any non-owned vehicle, including its equipment, minus any applicable deductible shown in the declarations. (See [Physical Damage Coverages](#) table.)

Collision Physical Damage Coverage

Collision physical damage coverage is the lesser of the actual cash value, or the amount necessary to repair or replace the property. It provides coverage in case of an accident. Collision coverage is required if a loss payee is indicated. Bodily injury, property damage and comprehensive coverages are required if collision coverage is purchased.

Collision coverage is available to be purchased separately and with differing deductibles per vehicle.

We will pay for direct and accidental loss to your customer's covered vehicle or any non-owned vehicle, including its equipment, minus any applicable deductible shown in the declarations.

(See [Physical Damage Coverages](#) table.)

Safeco Optimum Package Plus™

(Effective NB: 03/10/12 RB: 05/13/12)

Safeco Optimum Package Plus™ is a bundled coverage which includes the items below. Coverage afforded by the package is determined by the underlying coverage carried on the policy. Additionally,

if one vehicle has the package selected, all vehicles must select the package.

- Accident forgiveness - only three consecutive years in force with us without at fault accidents or violations categorized as Major, Alcohol/Drugs, or Speed 20+ is required on a policy level instead of six years.
- Liability coverage for punitive damages – if bodily injury coverage applies to the policy, the exclusion of punitive or exemplary damages no longer applies.
- Increased loss of income – if bodily injury coverage applies to the policy, payment for loss of income due to attending a trial or hearing at our request is increased to \$400 per day.
- Death benefits – if personal injury protection coverage applies to the policy, \$2,000 per death, up to a total of \$4,000 if you or a family member dies due an auto accident.
- Tapes, records, disks and other media – if comprehensive coverage and/or collision coverage apply to the policy, up to \$500 of coverage for tapes, records, disks and other media.

- Coverage for injury or death to your dog or cat – if collision coverage applies to the policy, coverage up to \$500 for veterinary expenses if your pet is injured or a benefit of \$500 if your pet dies as a result of an auto collision.
- Comprehensive deductible waiver – if comprehensive coverage applies to the policy, the comprehensive deductible will be waived in the event of a total loss.
- Diminishing deductible – if collision coverage applies to the policy, a \$50 reduction is applied to the selected collision deductible at every renewal (\$100 per renewal for an annual policy), up to a \$500 maximum until an at-fault accident is surcharged. If a surcharge is applied to the policy, the reduction is removed. The reduction will start again at the first clean renewal following the addition of the point surcharge of the accident.
- Uninsured motorists property damage deductible waiver – if uninsured motorists property damage coverage is applicable in your state, and applies to this policy, any applicable deductible will be waived.
- Non-owned trailer coverage – if comprehensive coverage and/or collision coverage apply to the policy, the limit of liability is increased to \$3,000.
- Emergency expenses – if comprehensive coverage and/or collision coverage apply to the policy, coverage for necessary expenses such as alternative transportation, meals, or lodging.
- Personal property coverage – if comprehensive coverage and/or collision coverage apply to the policy, coverage for loss of certain types of personal property while located in the vehicle, subject to a deductible.
- Waiver of adjustment for depreciation or betterment – if comprehensive coverage and/or collision coverage apply to the policy, the limit of liability is revised to remove any adjustment for physical condition and wear and tear when repairing or replacing property.
- Electronic lock and key replacement deductible waiver – if comprehensive coverage applies to the policy, any applicable deductible for the replacement of electronic locks or electronic key replacement is waived.

- World-wide coverage for physical damage and indirect loss of use of rental vehicles – if comprehensive coverage and/or collision coverage apply to the policy, subject to the policy provisions, including any applicable deductible, physical damage coverage for vehicles that are rented internationally is covered up to 90 days.

Within stated limits, reasonable expenses for indirect loss of use for the rental company is included. (See [Physical Damage Coverages](#) table.)

SA-2789EP Safeco Optimum Package Plus™

Safeco Optimum Package™

The Safeco Optimum Package™ is a bundled coverage which includes the items below. Collision coverage is required to purchase this endorsement. Additionally, if one vehicle has the package selected, all vehicles with collision coverage must select the package.

- Diminishing deductible – a \$50 reduction is applied to the selected collision deductible at every renewal (\$100 per renewal for an annual policy) up to a \$500 maximum until an at-fault accident is surcharged. If a surcharge is applied to the policy, the reduction is removed. The reduction will start again at the first clean renewal following the addition of the point surcharge of the accident.
- Uninsured motorists property damage deductible waiver – if uninsured motorists property damage coverage is applicable in your state, and applies to this policy, any applicable deductible will be waived.
- Non-owned trailer coverage – the limit of liability is increased to \$3,000.
- Emergency expenses – coverage for necessary expenses such as alternative transportation, meals, or lodging.
- Personal property coverage – coverage for loss of certain types of personal property while located in the vehicle.
- Waiver of adjustment for depreciation or betterment – the limit of liability is revised to remove any adjustment for physical condition and wear and tear when repairing or replacing property.

- Electronic lock and key replacement deductible waiver – any applicable deductible for the replacement of electronic locks or electronic key replacement is waived.
- World-wide coverage for physical damage and indirect loss of use of rental vehicles – subject to the policy provisions, including any applicable deductible, physical damage coverage for vehicles that are rented internationally is covered up to 90 days. Within stated limits, reasonable expenses for indirect loss of use for the rental company is included.

(See [Physical Damage Coverages](#) table.)

SA-2707EP Safeco Optimum Package™

Safeco Safety Rewards™

(Effective NB: 03/10/12 RB: 05/13/12)

The Safeco Safety Rewards™ program provides recognition to our customers for their safety related behaviors. The program bundles discounts and rewards in an easily identifiable manner for customers to understand the value they have earned in recognition of their safe habits.

- [Accident Forgiveness](#)
- [Diminishing Deductible](#)
- [Accident Free Discount](#)
- [Violation Free Discount](#)
- [Teen Safety Reward](#)
 - [Driver Training Discount](#)
 - [Good Student Discount](#)

*Policy is eligible for either or both Accident Free and Violation Free Discount.

New Vehicle Replacement

In the event of a total loss, the new vehicle replacement coverage pays at the insured's option (subject to certain limitations):

- verifiable purchase price to replace the vehicle
- cost of a similar new vehicle
- market value of the vehicle

A new vehicle is one where it has not been previously titled and the insured is the original owner. Coverage is available for the first 365 days from the date of purchase of the vehicle. After that, the coverage will automatically be removed from the policy at the next renewal. (See [Physical Damage Coverages](#) table.)

[SA-2692EP](#) New Vehicle Replacement

Auto Loan/Lease Coverage

Eligibility

A policy providing comprehensive and collision coverage may be extended to provide coverage for the difference between the unpaid amount due on the loan or lease of a new vehicle and the actual cash value of the vehicle. A new vehicle, as used in this rule, is a vehicle that has not previously been titled by any state on the date that your customer purchased it.

Coverage

Coverage under the endorsement applies only in the event of a premature termination of the loan or lease due to a total loss covered under comprehensive or collision. Coverage does not apply to overdue

payments, penalty charges assessed for excessive mileage or excessive wear and tear, etc. (See [Physical Damage Coverages](#) table.)

[SA-1914EP](#) Auto Loan/Lease Coverage

Audio, Visual and Customized Equipment

If a vehicle has audio, visual, and customized equipment valued in excess of \$1,000 that is non-factory/non-factory dealership installed, coverage is available for an additional premium. To obtain coverage, list the actual value of all equipment on the application. This coverage is only available on those vehicles for which comprehensive and collision coverages are provided. No additional deductible applies.

The following are examples of what is meant by non-factory or non-factory dealership installed audio, visual and customized equipment:

- any permanently installed audio or visual production/reproduction equipment and accessories installed by anyone other than the auto manufacturer or manufacturer's dealership, such as:

- radios and stereos
- tape decks
- compact disc players
- DVD players
- any custom vehicle part that modifies the vehicle's appearance or performance, such as:
 - custom wheels, tires, tachometers, pressure, and temperature gauges
 - custom murals, paint, decals, or other graphics
 - modified or custom engines and fuel systems, light bars, racing slicks and/or oversized rims/tires, roll bars and lift kits, winches, utility boxes and tool boxes
 - paint
 - interior work (for example: special carpeting and seat covers)

(See [Physical Damage Coverages](#) table.)

[SA-1690EP](#) Audio, Visual and Customized Equipment

Stereo Tapes, Discs and Media

Coverage may be purchased for \$200 worth of media such as:

- cassettes
- discs

(See [Physical Damage Coverages](#) table.)

[SA-1751EP](#) Stereo tapes, discs and Media

Roadside Assistance

Roadside Assistance coverage may be provided on any vehicle and includes:

- towing
- labor
- lock coverage

Additionally for new business, if one vehicle has the coverage selected, all vehicles must select the coverage. Comprehensive only policies are not affected by this rule. (See [Physical Damage Coverages](#) table.)

Emergency Assistance Package

Emergency assistance package coverage provides:

- Roadside Assistance coverage
- transportation expenses such as taxi fare
- emergency expenses such as lodging
- personal property coverage
- lock coverage

If Emergency Assistance Package is purchased, comprehensive coverage and any higher limit for loss of use must also be provided.

(See [Physical Damage Coverages](#) table.)

[SA-2267EP](#) Emergency Assistance Package

Loss of Use

Loss of use coverage is available on vehicles insured for collision and/or comprehensive coverages. It reimburses the insured for expenses incurred to rent a substitute for an insured vehicle disabled by a covered loss which exceeds the applicable deductible. (See [Physical Damage Coverages](#) table.)

Named Non-owner

A named non-owner policy provides liability protection to an individual who does not own a vehicle or have access to any personal use vehicle on a regular basis.

The only coverages available are bodily injury/property damage, combined single limit, personal injury protection, additional personal injury protection, medical payments, uninsured motorists bodily injury/underinsured motorists bodily injury, uninsured motorists property damage and uninsured motorists/underinsured motorists combined single limit.

SR-22 filings and higher liability limits are acceptable. Business use is not acceptable for named non-owner policies.

[SA-1947EP](#) Named Non-owner

Extended Non-owned Auto Coverage (Broad Form Drive Other Car) – Liability

Coverage is provided for the use of any non-owned vehicle by the named insured as provided in the endorsement.

The following options are available to the named insured or a relative living in the same household with:

- no underlying insurance for named insured and relative
- underlying insurance for named insured
- underlying insurance for relative

Please submit complete information regarding:

- estimated annual mileage of non-owned vehicle
- whether there is underlying insurance covering the named insured or relative on a direct primary basis
- type of vehicle usually driven
- use of vehicle

(See [Physical Damage Coverages](#) table.)

[SA-966EP](#) Extended Non-owned Auto Coverage

Original Parts Replacement/OEM Endorsement

In the event of a loss, Comprehensive and Collision coverages will be extended to repair or replace damaged property with new original equipment manufactured parts (if available). This endorsement

does not apply to windshield losses. The safety glass exclusion applies.

- must carry both comprehensive and collision coverages
- be an auto, pickup or a van
- be 10 years old or newer

Vehicle age is measured by the current calendar year minus the vehicle model year. Coverage is available up through the vehicles 10th year of age. After that, the coverage will automatically be removed from the policy at the next renewal.

This coverage cannot be extended to vehicles rated as antique/classic autos, restored autos, motorhomes or trailers.

The charge for this coverage will be 10 percent of the comprehensive and collision coverages (See [Physical Damage Coverages](#) table.)

[SA-2730EP](#) Original Parts Replacement/OEM Endorsement

Physical Damage Minimum

Each vehicle will be subject to a physical damage minimum excluding Roadside Assistance and loss of use.

Semi-Annual auto	Annual auto
\$10 per vehicle	\$20 per vehicle

Discounts

(Effective NB: 03/10/12 RB: 05/13/12)

Discount Name	Requirements	Coverages
Multi-car Discount	<p>Applies if more than one private passenger auto (or pickup or van rated a private passenger auto) is insured. The vehicles must:</p> <ul style="list-style-type: none"> • be owned by an individual or owned jointly by two or more relatives in the same household • be owned by a corporation and primarily operated by the corporate officer named in the declarations or family members who are residents of the same household • be a combination of the first two bullet points above • carry bodily injury and property damage liability or equivalent coverage <p>Also applies when a new business application insures one vehicle and, as of the inception date of the policy, the named insured owns an additional vehicle eligible for this discount. An endorsement adding the additional vehicle during the initial policy period must be submitted with the application. This is permitted on the policy inception date only.</p>	This is a vehicle level discount.
Advance Quote Discount	<p>Applies if the quote date is 1 day or more in advance of the issue date of the policy or the prior policy expiration date.</p> <p>New business discount only, rewritten policies are not eligible for this discount.</p>	This is a policy level discount.
Homeowner Discount	Applies if the named insured owns a home or condominium.	This is a policy level discount.

Discount Name	Requirements	Coverages
Coverage Discount	Applies to each vehicle, if one or more vehicles have both liability coverage (bodily injury and property damage) and comprehensive and/or collision coverage.	This is a vehicle level discount.
Billing Plan	<ul style="list-style-type: none"> • Paid in Full – Applies if the policy term premium is paid in full at inception or renewal. Installment payments will be offered at renewal, but the discount will be deleted if not paid in full. • Annual Two-pay plan – Annual term policies on a two-pay plan will be offered this discount. The discount will apply if the billed amount is paid in full. The discount will be deleted if the bill is not paid in full. 	This is a policy level discount.
Account Discount	Applies if your customer has an in-force homeowners, condominium or renters policy with us, or has their home insured on an in-force farm policy.	This is a policy level discount.
Good Student Discount	<p>Does not apply to any driver with a driving record with eight or more points under the safe driver insurance plan rule.</p> <p>Applies if the insured vehicle is classified under any youthful owner or operator classification, provided:</p> <ul style="list-style-type: none"> • a youthful operator is not less than 16 years of age • is a full-time student in high school or enrolled in at least four courses per term as a full-time student in a certificate or degree program in an accredited college or university, or home school program or is a college graduate, not married and not older than 24 	This is a driver level discount.

Discount Name	Requirements	Coverages
<p>Good Student Discount – Continued</p>	<ul style="list-style-type: none"> • the scholastic records for the immediately preceding school semester or quarter (or comparable segment) show that each such student: <ul style="list-style-type: none"> – is ranked scholastically among the upper 20 percent of his or her class – in schools designating grades by letter (such as A, B, C, D and F), had a grade average of B or its equivalent, B- for a full-time student at a two- or four-year college or university (if the system of grading by letter is not susceptible to averaging, no grade shall be below a B, or a B- as outlined above, or its equivalent) – in schools where numbers are used to designate grade “points” (such as 4, 3, 2 and 1), had an average of at least 3 grade points for all subjects combined, or its equivalent – in schools that maintain a dean’s list, honor roll or comparable listing for scholastic achievement, was included in such a list – in a Home School Program, has state testing data, or grade or grade point equivalency verification of the above requirements • For each such student, we are furnished with a copy of the student’s most recent grade report or a statement, certified by a responsible official of the school, indicating the attainment of at least one of the above scholastic requirements <p>Certification at inception of the policy or on any renewal date applies for four terms. Mid-term certification applies for the remainder of the current term and three additional terms.</p>	<p>This is a driver level discount.</p>

Discount Name	Requirements	Coverages
Good Student Discount – Continued	<p>If the operator who is applying for re-certification has, during the past year, graduated from a four-year college or university, the applicable good student rating factor shall be continued after graduation, provided documentation confirming graduation is furnished to us.</p> <p>When this discount is applied to a new business policy, please fax a copy of the student's most recent grade report or statement by a school official verifying the acceptable grade level to us. The day after the policy is uploaded to us, you will receive an e-mail reminder to fax the grade report. If verification is not received within 20 calendar days of the request or 42 days after policy inception, whichever is sooner, we will assume the student does not qualify for this discount and re-rate the policy accordingly. Once verified the discount will remain on the policy with new verification every 24 months.</p>	This is a driver level discount.
Distant Student Discount	Applies to a youthful operator who is in your customer's household but is a resident student at an educational institution over 100 road miles from the principal garaging address if they do not have a car at school.	This is a driver level discount.

Discount Name	Requirements	Coverages
Driver Training	<p>Applies to youthful operators, under the age of 21, who complete a driver education course. Proof of course completion should be kept in your file while the discount applies.</p> <p>This discount does not apply if:</p> <ul style="list-style-type: none"> • your customer is taking a course intended to be a penalty, imposed by a court or other governmental entity, or resulting from a moving traffic violation • during the most recent 36 months, your customer has been: <ul style="list-style-type: none"> – involved in an at-fault vehicle accident – convicted of or has pleaded guilty or nolo contendere to a moving traffic violation for which points may be assessed against your customer's driver's license 	This is a driver level discount.
Accident Prevention Course Discount	<p>Applies to an operator age 55 years old or older who has successfully completed an approved accident prevention course for a period of three years from completion.</p> <p>Proof of course completion should be kept in your files while the discount applies.</p>	This is a driver level discount.

Discount Name	Requirements	Coverages
Anti-theft Discount	<p>Only one discount level is allowed. To qualify the vehicle must be equipped with a device described below.</p> <ul style="list-style-type: none"> • Alarm Only – An alarm device which sounds an audible alarm that can be heard at a distance of at least 300 feet for at least three minutes. • Disabling Device – A disabling device makes the fuel, ignition or starting system inoperative. <ul style="list-style-type: none"> – Active Disabling Device – An active disabling device requires you to turn the system on. – Passive Disabling Device – A passive disabling device does not require a separate manual step to engage the device. <p>If the vehicle has an active vehicle recovery device/service (such as a LoJack, Teletrac or On-Star[®] system), the comprehensive deductible will be waived if the vehicle is stolen and the service is activated at the time of loss.</p>	This is a vehicle level discount and applies to comprehensive coverage only.
Teensurance™ – Safeco Youthful Program Subscription	<p>Applies if the insured vehicle is classified under any youthful owner or operator classification, provided:</p> <ul style="list-style-type: none"> • a youthful operator is a driver under 25 years of age • the vehicle has an active Safeco Youthful Program Subscription <p>If at any time the Subscription is discontinued, the rating factor will be removed upon renewal or sooner.</p>	This is a vehicle level discount.

Discount Name	Requirements	Coverages
Fire Fighters Discount	Applies to all active members of the International Association of Fire Fighters (IAFF), Arkansas State Firefighters Association. The agent must provide a membership number and affinity discount code (<i>FFA20401-01</i>) to apply or endorse the discount. Proof of association membership is required and must be kept on file while the discount applies.	This is a policy level discount.
AAA Discount	Applies to all American Automobile Association (AAA) club members. The agent must provide a membership number and affinity discount code (<i>AAA20103-01</i>) to apply or endorse the discount. Proof of American Automobile Association membership is required and must be kept on file while the discount applies.	This is a policy level discount.
Alumni Discount	Applies to all Alumni of any Accredited Arkansas College or University. For purposes of this discount, Alumni are defined as persons who have received a bachelors degree or above from an Arkansas College or University that is accredited by an accrediting agency recognized by the US Department of Education. The agent must provide the name of the alumni institution and affinity discount code (<i>ALU20303-01</i>) to apply or endorse the discount. Proof of alumni membership or graduation is required and must be kept on file while the discount applies.	This is a policy level discount.

Discount Name	Requirements	Coverages
Low Mileage Discount	<p>The Low Mileage Discount shall apply to regular pleasure use vehicles driven less than 8,000 miles annually. It is available at new business or through endorsement. The principal operator must be 25 years or older and the company may periodically request that the customer report estimates of annual mileage. In the event we are not able to verify mileage, we will send the customer requests for verification twice per policy term. If a customer fails to respond to our written requests for verification, we will reduce the discount each term and remove the discount completely by the end of the second year. Once the mileage has been verified, at the next renewal the policyholder will receive the full discount for the reported mileage.</p> <p>If the policyholder provides information indicating that they are not a low mileage driver, they are no longer eligible for the discount and it will be removed at renewal.</p>	This is a vehicle level discount.
Accident Free Discount	Applies to new business or renewal policies that are accident free for 34 months. The accident free discount is not impacted by not at-fault accidents, below the threshold at-fault accidents or forgiven accidents. Added driving activity can affect eligibility of this discount.	This is a policy level discount.
Violation Free Discount	Applies to new business or renewal policies that are violation free for 34 months. Added driving activity can affect eligibility of this discount.	This is a policy level discount.

Discount Name	Requirements	Coverages
Group Discount	<p>For members of a qualifying participating group, the rates otherwise applicable may be reduced.</p> <p>Note: the discount will apply only once, regardless of the number of participating groups which the insured is a member of or the number of insureds in a household belonging to a participating group.</p>	This is a policy level discount.

Employee Discount Plan

Persons eligible for the Employee Discount are employees of Liberty Mutual and its subsidiaries, their spouses, domestic partners and family members in the household.

Retired employees and their surviving spouses or domestic partners are eligible to continue receiving this discount for life.

All other underwriting standards and provisions apply.

This discount only applies to policies sold through Emerald City Insurance.

Policy Changes

Endorsements/Changes on Policies

Additional coverage will be afforded by endorsement and will run concurrently with the policy term. The addition of coverage will not alter the premium due date of the term during which the additional coverage is attached or affect the premium due date of the policy term.

When additional coverage is added the rate for the added coverage will be prorated for the number of days the added coverage is to run from its effective date to the next ensuing premium due date.

If the policy has already been billed for the next term when the endorsement is processed the charge for the additional coverage will be computed from the effective date of the change to the end of the next term.

The policy coverage as written is automatically renewable on the premium due date for successive periods by payment of required premiums.

Fifth-vehicle Policies

Fifth-vehicle policies are input by a company operator. Please contact the [service center](#) for assistance.

Split Policies

A policy will need to be “split” when one of the insureds on a policy needs to be written on their own separate policy. The newly written policy should be input by you into the quote and issue system. Our system will automatically determine the appropriate customer since date for your customer on the newly written policy.

Cancellation and Continuing with a Lapse

Cancellation

All cancellations, regardless of whether they are initiated by us or your customer, are calculated on a pro rata basis.

If additional premium is due, we will bill your customer with instructions to pay the additional premium directly to us. Return premium checks will be issued by us and sent to your customer.

Continuing with a Lapse

If a payment is postmarked or is received by us within 60 days of the cancellation, a policy may be eligible to continue with a lapse in coverage.

The new term begin date will be effective the time and day you receive the money and bind the coverage or the day after the postmark, whichever is earlier.

Waiver of Returned Premium

We will compute any additional or return premium pro rata. Additional or return premium of \$3 or less will be waived.

Companies and Copyrights

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Safeco Insurance Company of Illinois



SAFECO INSURANCE COMPANY OF ILLINOIS
MANUAL OF AUTOMOBILE INSURANCE - PERSONAL

ARKANSAS

EXHIBIT 1

BASE RATES

Market	BI	PD	MED	PIP	APIP	UMBI	UIMBI	UMPD	COMP	COLL	LOU
All Markets	131.44	82.64	12.78	4.23	1.43	18.76	5.27	9.42	134.01	223.05	11.98

SAFECO INSURANCE COMPANY OF ILLINOIS
MANUAL OF AUTOMOBILE INSURANCE - PERSONAL

ARKANSAS

EXHIBIT 19

STABILITY FACTORS

<u>Percentage Change</u>	<u>Factor</u>
+000	1.000
+001	0.990
+002	0.990
+003	0.981
+004	0.971
+005	0.971
+006	0.962
+007	0.953
+008	0.944
+009	0.936
+010	0.927
+011	0.928
+012	0.920
+013	0.912
+014	0.904
+015	0.896
+016	0.905
+017	0.897
+018	0.890
+019	0.882
+020	0.875
+021	0.884
+022	0.877
+023	0.870
+024	0.863
+025	0.856
+026	0.849
+027	0.843
+028	0.836
+029	0.829
+030	0.823
+031	0.824
+032	0.818
+033	0.812
+034	0.806
+035	0.800
+036	0.794
+037	0.788
+038	0.783
+039	0.777
+040	0.771
+041	0.794

<u>Percentage Change</u>	<u>Factor</u>
+042	0.789
+043	0.783
+044	0.778
+045	0.772
+046	0.767
+047	0.762
+048	0.757
+049	0.752
+050	0.747
+051	0.742
+052	0.737
+053	0.732
+054	0.727
+055	0.723
+056	0.718
+057	0.713
+058	0.709
+059	0.704
+060	0.700
+061	0.696
+062	0.691
+063	0.687
+064	0.683
+065	0.679
+066	0.675
+067	0.671
+068	0.667
+069	0.663
+070	0.659
+071	0.655
+072	0.651
+073	0.647
+074	0.644
+075	0.640
+076	0.682
+077	0.678
+078	0.674
+079	0.670
+080	0.667
+081	0.663
+082	0.659
+083	0.656

<u>Percentage Change</u>	<u>Factor</u>
+084	0.652
+085	0.649
+086	0.645
+087	0.642
+088	0.638
+089	0.635
+090	0.632
+091	0.628
+092	0.625
+093	0.622
+094	0.619
+095	0.615
+096	0.612
+097	0.609
+098	0.606
+099	0.603
+100	0.600
+101	0.597
+102	0.594
+103	0.591
+104	0.588
+105	0.585
+106	0.583
+107	0.580
+108	0.577
+109	0.574
+110	0.571
+111	0.569
+112	0.566
+113	0.563
+114	0.561
+115	0.558
+116	0.556
+117	0.553
+118	0.550
+119	0.548
+120	0.545
+121	0.543
+122	0.541
+123	0.538
+124	0.536
+125	0.533

SAFECO INSURANCE COMPANY OF ILLINOIS
MANUAL OF AUTOMOBILE INSURANCE - PERSONAL

ARKANSAS

EXHIBIT 19

STABILITY FACTORS

<u>Percentage Change</u>	<u>Factor</u>
+126	0.531
+127	0.529
+128	0.526
+129	0.524
+130	0.522
+131	0.519
+132	0.517
+133	0.515
+134	0.513
+135	0.511
+136	0.508
+137	0.506
+138	0.504
+139	0.502
+140	0.500
+141	0.498
+142	0.496
+143	0.494
+144	0.492
+145	0.490
+146	0.488
+147	0.486
+148	0.484
+149	0.482
+150	0.480
+151	0.478
+152	0.476
+153	0.474
+154	0.472
+155	0.471
+156	0.469
+157	0.467
+158	0.465
+159	0.463
+160	0.462
+161	0.460
+162	0.458
+163	0.456
+164	0.455
+165	0.453
+166	0.451
+167	0.449

<u>Percentage Change</u>	<u>Factor</u>
+168	0.448
+169	0.446
+170	0.444
+171	0.443
+172	0.441
+173	0.440
+174	0.438
+175	0.436
+176	0.435
+177	0.433
+178	0.432
+179	0.430
+180	0.429
+181	0.427
+182	0.426
+183	0.424
+184	0.423
+185	0.421
+186	0.420
+187	0.418
+188	0.417
+189	0.415
+190	0.414
+191	0.412
+192	0.411
+193	0.410
+194	0.408
+195	0.407
+196	0.405
+197	0.404
+198	0.403
+199	0.401
+200	0.400
+201	0.399
+202	0.397
+203	0.396
+204	0.395
+205	0.393
+206	0.392
+207	0.391
+208	0.390
+209	0.388

<u>Percentage Change</u>	<u>Factor</u>
+210	0.387
+211	0.386
+212	0.385
+213	0.383
+214	0.382
+215	0.381
+216	0.380
+217	0.379
+218	0.377
+219	0.376
+220	0.375
+221	0.374
+222	0.373
+223	0.372
+224	0.370
+225	0.369
+226	0.368
+227	0.367
+228	0.366
+229	0.365
+230	0.364
+231	0.363
+232	0.361
+233	0.360
+234	0.359
+235	0.358
+236	0.357
+237	0.356
+238	0.355
+239	0.354
+240	0.353
+241	0.352
+242	0.351
+243	0.350
+244	0.349
+245	0.348
+246	0.347
+247	0.346
+248	0.345
+249	0.344
+250	0.343
+251	0.342

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<u>Percentage Change</u>	<u>Factor</u>
+252	0.341
+253	0.340
+254	0.339
+255	0.338
+256	0.337
+257	0.336
+258	0.335
+259	0.334
+260	0.333
+261	0.332
+262	0.331
+263	0.331
+264	0.330
+265	0.329
+266	0.328
+267	0.327
+268	0.326
+269	0.325
+270	0.324
+271	0.323
+272	0.323
+273	0.322
+274	0.321
+275	0.320
+276	0.319
+277	0.318
+278	0.317
+279	0.317
+280	0.316
+281	0.315
+282	0.314
+283	0.313
+284	0.313
+285	0.312
+286	0.311
+287	0.310
+288	0.309
+289	0.308
+290	0.308
+291	0.307
+292	0.306
+293	0.305

<u>Percentage Change</u>	<u>Factor</u>
+294	0.305
+295	0.304
+296	0.303
+297	0.302
+298	0.302
+299	0.301
+300	0.300
+301	0.299
+302	0.299
+303	0.298
+304	0.297
+305	0.296
+306	0.296
+307	0.295
+308	0.294
+309	0.293
+310	0.293
+311	0.292
+312	0.291
+313	0.291
+314	0.290
+315	0.289
+316	0.288
+317	0.288
+318	0.287
+319	0.286
+320	0.286
+321	0.285
+322	0.284
+323	0.284
+324	0.283
+325	0.282
+326	0.282
+327	0.281
+328	0.280
+329	0.280
+330	0.279
+331	0.278
+332	0.278
+333	0.277
+334	0.276
+335	0.276

<u>Percentage Change</u>	<u>Factor</u>
+336	0.275
+337	0.275
+338	0.274
+339	0.273
+340	0.273
+341	0.272
+342	0.271
+343	0.271
+344	0.270
+345	0.270
+346	0.269
+347	0.268
+348	0.268
+349	0.267
+350	0.267
+351	0.266
+352	0.265
+353	0.265
+354	0.264
+355	0.264
+356	0.263
+357	0.263
+358	0.262
+359	0.261
+360	0.261
+361	0.260
+362	0.260
+363	0.259
+364	0.259
+365	0.258
+366	0.258
+367	0.257
+368	0.256
+369	0.256
+370	0.255
+371	0.255
+372	0.254
+373	0.254
+374	0.253
+375	0.253
+376	0.252
+377	0.252

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<u>Percentage Change</u>	<u>Factor</u>
+378	0.251
+379	0.251
+380	0.250
+381	0.249
+382	0.249
+383	0.248
+384	0.248
+385	0.247
+386	0.247
+387	0.246
+388	0.246
+389	0.245
+390	0.245
+391	0.244
+392	0.244
+393	0.243
+394	0.243
+395	0.242
+396	0.242
+397	0.241
+398	0.241
+399	0.240
+400	0.240
+401	0.240
+402	0.239
+403	0.239
+404	0.238
+405	0.238
+406	0.237
+407	0.237
+408	0.236
+409	0.236
+410	0.235
+411	0.235
+412	0.234
+413	0.234
+414	0.233
+415	0.233
+416	0.233
+417	0.232
+418	0.232
+419	0.231

<u>Percentage Change</u>	<u>Factor</u>
+420	0.231
+421	0.230
+422	0.230
+423	0.229
+424	0.229
+425	0.229
+426	0.228
+427	0.228
+428	0.227
+429	0.227
+430	0.226
+431	0.226
+432	0.226
+433	0.225
+434	0.225
+435	0.224
+436	0.224
+437	0.223
+438	0.223
+439	0.223
+440	0.222
+441	0.222
+442	0.221
+443	0.221
+444	0.221
+445	0.220
+446	0.220
+447	0.219
+448	0.219
+449	0.219
+450	0.218
+451	0.218
+452	0.217
+453	0.217
+454	0.217
+455	0.216
+456	0.216
+457	0.215
+458	0.215
+459	0.215
+460	0.214
+461	0.214

<u>Percentage Change</u>	<u>Factor</u>
+462	0.214
+463	0.213
+464	0.213
+465	0.212
+466	0.212
+467	0.212
+468	0.211
+469	0.211
+470	0.211
+471	0.210
+472	0.210
+473	0.209
+474	0.209
+475	0.209
+476	0.208
+477	0.208
+478	0.208
+479	0.207
+480	0.207
+481	0.207
+482	0.206
+483	0.206
+484	0.205
+485	0.205
+486	0.205
+487	0.204
+488	0.204
+489	0.204
+490	0.203
+491	0.203
+492	0.203
+493	0.202
+494	0.202
+495	0.202
+496	0.201
+497	0.201
+498	0.201
+499	0.200
+500	0.200
+501	0.200
+502	0.199
+503	0.199

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<u>Percentage Change</u>	<u>Factor</u>
+504	0.199
+505	0.198
+506	0.198
+507	0.198
+508	0.197
+509	0.197
+510	0.197
+511	0.196
+512	0.196
+513	0.196
+514	0.195
+515	0.195
+516	0.195
+517	0.194
+518	0.194
+519	0.194
+520	0.194
+521	0.193
+522	0.193
+523	0.193
+524	0.192
+525	0.192
+526	0.192
+527	0.191
+528	0.191
+529	0.191
+530	0.190
+531	0.190
+532	0.190
+533	0.190
+534	0.189
+535	0.189
+536	0.189
+537	0.188
+538	0.188
+539	0.188
+540	0.188
+541	0.187
+542	0.187
+543	0.187
+544	0.186
+545	0.186

<u>Percentage Change</u>	<u>Factor</u>
+546	0.186
+547	0.185
+548	0.185
+549	0.185
+550	0.185
+551	0.184
+552	0.184
+553	0.184
+554	0.183
+555	0.183
+556	0.183
+557	0.183
+558	0.182
+559	0.182
+560	0.182
+561	0.182
+562	0.181
+563	0.181
+564	0.181
+565	0.180
+566	0.180
+567	0.180
+568	0.180
+569	0.179
+570	0.179
+571	0.179
+572	0.179
+573	0.178
+574	0.178
+575	0.178
+576	0.178
+577	0.177
+578	0.177
+579	0.177
+580	0.176
+581	0.176
+582	0.176
+583	0.176
+584	0.175
+585	0.175
+586	0.175
+587	0.175

<u>Percentage Change</u>	<u>Factor</u>
+588	0.174
+589	0.174
+590	0.174
+591	0.174
+592	0.173
+593	0.173
+594	0.173
+595	0.173
+596	0.172
+597	0.172
+598	0.172
+599	0.172
+600	0.171
+601	0.171
+602	0.171
+603	0.171
+604	0.170
+605	0.170
+606	0.170
+607	0.170
+608	0.169
+609	0.169
+610	0.169
+611	0.169
+612	0.169
+613	0.168
+614	0.168
+615	0.168
+616	0.168
+617	0.167
+618	0.167
+619	0.167
+620	0.167
+621	0.166
+622	0.166
+623	0.166
+624	0.166
+625	0.166
+626	0.165
+627	0.165
+628	0.165
+629	0.165

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<u>Percentage Change</u>	<u>Factor</u>
+630	0.164
+631	0.164
+632	0.164
+633	0.164
+634	0.163
+635	0.163
+636	0.163
+637	0.163
+638	0.163
+639	0.162
+640	0.162
+641	0.162
+642	0.162
+643	0.162
+644	0.161
+645	0.161
+646	0.161
+647	0.161
+648	0.160
+649	0.160
+650	0.160
+651	0.160
+652	0.160
+653	0.159
+654	0.159
+655	0.159
+656	0.159
+657	0.159
+658	0.158
+659	0.158
+660	0.158
+661	0.158
+662	0.157
+663	0.157
+664	0.157
+665	0.157
+666	0.157
+667	0.156
+668	0.156
+669	0.156
+670	0.156
+671	0.156

<u>Percentage Change</u>	<u>Factor</u>
+672	0.155
+673	0.155
+674	0.155
+675	0.155
+676	0.155
+677	0.154
+678	0.154
+679	0.154
+680	0.154
+681	0.154
+682	0.153
+683	0.153
+684	0.153
+685	0.153
+686	0.153
+687	0.152
+688	0.152
+689	0.152
+690	0.152
+691	0.152
+692	0.152
+693	0.151
+694	0.151
+695	0.151
+696	0.151
+697	0.151
+698	0.150
+699	0.150
+700	0.150
+701	0.150
+702	0.150
+703	0.149
+704	0.149
+705	0.149
+706	0.149
+707	0.149
+708	0.149
+709	0.148
+710	0.148
+711	0.148
+712	0.148
+713	0.148

<u>Percentage Change</u>	<u>Factor</u>
+714	0.147
+715	0.147
+716	0.147
+717	0.147
+718	0.147
+719	0.147
+720	0.146
+721	0.146
+722	0.146
+723	0.146
+724	0.146
+725	0.145
+726	0.145
+727	0.145
+728	0.145
+729	0.145
+730	0.145
+731	0.144
+732	0.144
+733	0.144
+734	0.144
+735	0.144
+736	0.144
+737	0.143
+738	0.143
+739	0.143
+740	0.143
+741	0.143
+742	0.143
+743	0.142
+744	0.142
+745	0.142
+746	0.142
+747	0.142
+748	0.142
+749	0.141
+750	0.141
+751	0.141
+752	0.141
+753	0.141
+754	0.141
+755	0.140

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<u>Percentage Change</u>	<u>Factor</u>
+756	0.140
+757	0.140
+758	0.140
+759	0.140
+760	0.140
+761	0.139
+762	0.139
+763	0.139
+764	0.139
+765	0.139
+766	0.139
+767	0.138
+768	0.138
+769	0.138
+770	0.138
+771	0.138
+772	0.138
+773	0.137
+774	0.137
+775	0.137
+776	0.137
+777	0.137
+778	0.137
+779	0.137
+780	0.136
+781	0.136
+782	0.136
+783	0.136
+784	0.136
+785	0.136
+786	0.135
+787	0.135
+788	0.135
+789	0.135
+790	0.135
+791	0.135
+792	0.135
+793	0.134
+794	0.134
+795	0.134
+796	0.134
+797	0.134

<u>Percentage Change</u>	<u>Factor</u>
+798	0.134
+799	0.133
+800	0.133
+801	0.133
+802	0.133
+803	0.133
+804	0.133
+805	0.133
+806	0.132
+807	0.132
+808	0.132
+809	0.132
+810	0.132
+811	0.132
+812	0.132
+813	0.131
+814	0.131
+815	0.131
+816	0.131
+817	0.131
+818	0.131
+819	0.131
+820	0.130
+821	0.130
+822	0.130
+823	0.130
+824	0.130
+825	0.130
+826	0.130
+827	0.129
+828	0.129
+829	0.129
+830	0.129
+831	0.129
+832	0.129
+833	0.129
+834	0.128
+835	0.128
+836	0.128
+837	0.128
+838	0.128
+839	0.128

<u>Percentage Change</u>	<u>Factor</u>
+840	0.128
+841	0.128
+842	0.127
+843	0.127
+844	0.127
+845	0.127
+846	0.127
+847	0.127
+848	0.127
+849	0.126
+850	0.126
+851	0.126
+852	0.126
+853	0.126
+854	0.126
+855	0.126
+856	0.126
+857	0.125
+858	0.125
+859	0.125
+860	0.125
+861	0.125
+862	0.125
+863	0.125
+864	0.124
+865	0.124
+866	0.124
+867	0.124
+868	0.124
+869	0.124
+870	0.124
+871	0.124
+872	0.123
+873	0.123
+874	0.123
+875	0.123
+876	0.123
+877	0.123
+878	0.123
+879	0.123
+880	0.122
+881	0.122

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<u>Percentage Change</u>	<u>Factor</u>
+882	0.122
+883	0.122
+884	0.122
+885	0.122
+886	0.122
+887	0.122
+888	0.121
+889	0.121
+890	0.121
+891	0.121
+892	0.121
+893	0.121
+894	0.121
+895	0.121
+896	0.120
+897	0.120
+898	0.120
+899	0.120
+900	0.120
+901	0.120
+902	0.120
+903	0.120
+904	0.120
+905	0.119
+906	0.119
+907	0.119
+908	0.119
+909	0.119
+910	0.119
+911	0.119
+912	0.119
+913	0.118
+914	0.118
+915	0.118
+916	0.118
+917	0.118
+918	0.118
+919	0.118
+920	0.118
+921	0.118
+922	0.117
+923	0.117

<u>Percentage Change</u>	<u>Factor</u>
+924	0.117
+925	0.117
+926	0.117
+927	0.117
+928	0.117
+929	0.117
+930	0.117
+931	0.116
+932	0.116
+933	0.116
+934	0.116
+935	0.116
+936	0.116
+937	0.116
+938	0.116
+939	0.115
+940	0.115
+941	0.115
+942	0.115
+943	0.115
+944	0.115
+945	0.115
+946	0.115
+947	0.115
+948	0.115
+949	0.114
+950	0.114
+951	0.114
+952	0.114
+953	0.114
+954	0.114
+955	0.114
+956	0.114
+957	0.114
+958	0.113
+959	0.113
+960	0.113
+961	0.113
+962	0.113
+963	0.113
+964	0.113
+965	0.113

<u>Percentage Change</u>	<u>Factor</u>
+966	0.113
+967	0.112
+968	0.112
+969	0.112
+970	0.112
+971	0.112
+972	0.112
+973	0.112
+974	0.112
+975	0.112
+976	0.112
+977	0.111
+978	0.111
+979	0.111
+980	0.111
+981	0.111
+982	0.111
+983	0.111
+984	0.111
+985	0.111
+986	0.110
+987	0.110
+988	0.110
+989	0.110
+990	0.110
+991	0.110
+992	0.110
+993	0.110
+994	0.110
+995	0.110
+996	0.109
+997	0.109
+998	0.109
+999	0.109
-001	1.010
-002	1.020
-003	1.031
-004	1.042
-005	1.053
-006	1.064
-007	1.075
-008	1.087

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STABILITY FACTORS

<u>Percentage Change</u>	<u>Factor</u>
-009	1.099
-010	1.111
-011	1.090
-012	1.102
-013	1.115
-014	1.128
-015	1.141
-016	1.119
-017	1.133
-018	1.146
-019	1.160
-020	1.175
-021	1.190
-022	1.205
-023	1.221
-024	1.237
-025	1.253
-026	1.270
-027	1.288
-028	1.306
-029	1.324
-030	1.343
-031	1.362
-032	1.382
-033	1.403
-034	1.424
-035	1.446
-036	1.469
-037	1.492
-038	1.516
-039	1.541
-040	1.500
-041	1.525
-042	1.552
-043	1.579
-044	1.607
-045	1.636
-046	1.667
-047	1.698
-048	1.731
-049	1.765
-050	1.800

<u>Percentage Change</u>	<u>Factor</u>
-051	1.837
-052	1.875
-053	1.915
-054	1.957
-055	2.000
-056	2.045
-057	2.093
-058	2.143
-059	2.195
-060	2.250
-061	2.308
-062	2.368
-063	2.432
-064	2.500
-065	2.571
-066	2.647
-067	2.727
-068	2.813
-069	2.903
-070	3.000
-071	3.103
-072	3.214
-073	3.333
-074	3.462
-075	3.600
-076	3.750
-077	3.913
-078	4.091
-079	4.286
-080	4.500
-081	4.737
-082	5.000
-083	5.294
-084	5.625
-085	6.000
-086	6.429
-087	6.923
-088	7.500
-089	8.182
-090	9.000
-091	10.000
-092	11.250

<u>Percentage Change</u>	<u>Factor</u>
-093	12.857
-094	15.000
-095	18.000
-096	22.500
-097	30.000
-098	45.000
-099	90.000

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EXHIBIT 22

RATE ORDER CALCULATION

	CSL*	BI	PD	WLOSS/A DB/MED	UM / UMBI	UM/UIM CSL***	UMPD	Comp	Coll	Audio, Visual & Customized Equipment	EAP	Tapes / Discs / Records	DOC	Death Indemnity	Total Disability	LOU	Roadside Assistance
Driver Class																	
Driving Record (Points)	x	x	x	x	BI	BI	COLL	x	x								COLL
Good Student Discount	x	x	x	x	BI	BI	COLL	x	x								COLL
Distant Student Discount	x	x	x	x	BI	BI	COLL	x	x								COLL
Mature Driver Training Discount (APC)	x	x	x	x	BI	BI	COLL	x	x								COLL
Driving Training Discount (DTC)	x	x	x	x	BI	BI	COLL	x	x								COLL
Driver Factor	=	=	=	=	=	=	=	=	=								=
Average Driver Factor																	
Base Rate	x	x	x	x	x	x	x	x	x								x
Commission	x	x	x	x	x	x	x	x	x								x
Tier Factor	x	x	x	x	BI	BI	COLL	x	x			x					COLL
Household Structure Factor	x	x	x	x	BI	BI	COLL	x	x								COLL
Coverage Discount	x	x	x	x	BI	BI	COLL	x	x								COLL
Advanced Quoting Discount	x	x	x	x	BI	BI	COLL	x	x								COLL
Limit/Deductible Factor	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x		x
Symbol Factor	x	x	x	x	x	x	x	x	x								
Value Class Factor ****	x	x	x	x	x	x	x	x	x								
Model Year Factor	x	x	x	x	x	x	x	x	x								
Territory Factor	x	x	x	x	x	x	x	x	x								COLL
Usage Factor	x	x	x	x	BI	BI	COLL	x	x								COLL
Vehicle Age Factor																	x
Vehicle Level Discounts	x	x	x	x	x	x	x	x	x								
Account Credit	x	x	x	x	BI	BI	COLL	x	x								COLL
Driver Exclusion Surcharge	x	x	x	x	x	x	x	x	x								
Full Pay Discount	x	x	x	x	BI	BI	COLL	x	x								COLL
Named Non Owner	x	x	x	x	x	x	x	x	x								
Low Mileage Discount	x	x	x	x	x	x	x	x	x	x	x	x					x
Expense Constant	+	+	+	+				+	+								
Coverage Premium	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=
Policy Level Coverage													=				
Subtotal of Coverage Premiums	=																
Policy Term Factor	x																
Employee Discount	x																
Total Premium	=																
Auto Loan / Lease**	+																
Optimum Package*****	+																
Optimum Package Plus*****	+																
New Vehicle Replacement*****	+																
OEM Endorsement*****	+																
Calculated Premium	=																
Capping Factor	x																
Installment & SR-22 Fee	+																
Capped Final Premium	=																

*The CSL limit is the sum of the BI and PD premiums

**Loan/Lease is calculated as (Comp Cov Prem + Coll Cov Prem) * 0.03

*** The UM CSL is the sum of the UMBI and UMPD Full Coverage premiums

**** The UIM CSL is the sum of the UIMBI and UIMPD Full Coverage premiums

***** Only used if no Safeco or ISO symbol can be determined

***** Optimum package is calculated as (Coll cov Prem) * 0.20

*****Optimum Package Plus is calculated as (BI cov Prem)*0.098 + (PD cov Prem)*0.038 + (MED cov Prem)*0.038 + (COMP cov Prem)*0.188 + (COLL cov Prem)*0.208

***** New Vehicle Replacement is calculated as (Coll Cov Prem) * 0.05

*****OEM Endorsement is calculated as (Comp Cov Prem + Coll Cov Prem) * 0.10

Index Stabilizer

The rate calculation at the coverage level will include an adjustment factor determined by the number of month: that the revision has been in effect. "Policy Effective Date" = effective date for a new business policy or a renewal policy.

To calculate the factor, first a "Counter" is calculated.

"Counter" is the number of semi-annual time periods to apply to the annual factor.

"Counter" = [Truncated{[(Policy Effective Date - Rate Revisions New Business Effective Date)/30.5/6]}/2

where (Policy Effective Date - Rate Revisions New Business Effective Date) refers to the numbers of days between these two dates. This is truncated down to the nearest number of semi-annual periods and divided by 2

Therefore, the counter for months 0-6 is 0, for months 7-12 it is 0.5, for months 13-18 it is 1.0, for months 19-24 it is 1.5, for months 25-30 it is 2.0, etc

The final factor applied to the base rate at the coverage level is then: $Trend\ Factor = (Annual\ Factor)^{\wedge\ (Counter)}$

The Annual Factor is determined from the following table:

Year over Year Change in CPI *		Annual Factor							
		BI	PD	MED	PIP	UM	UMPD	COMP	COLL
Greater than	Less than or equal to								
	1.0%	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1.0%	3.0%	1.030	1.030	1.030	1.030	1.030	1.030	1.030	1.020
3.0%	5.0%	1.040	1.040	1.040	1.040	1.040	1.040	1.040	1.030
5.0%	7.5%	1.060	1.060	1.060	1.060	1.060	1.060	1.060	1.040
7.5%	10.0%	1.080	1.080	1.080	1.080	1.080	1.080	1.080	1.060
10.0%	12.5%	1.100	1.100	1.100	1.100	1.100	1.100	1.100	1.080
12.5%	15.0%	1.120	1.120	1.120	1.120	1.120	1.120	1.120	1.100
15.0%	17.5%	1.140	1.140	1.140	1.140	1.140	1.140	1.140	1.120
17.5%	20.0%	1.160	1.160	1.160	1.160	1.160	1.160	1.160	1.140
20.0%	+	1.180	1.180	1.180	1.180	1.180	1.180	1.180	1.160

Source: <http://www.bls.gov/home.htm>

* Consumer Price Index - Series Id: CUUR0000SA0L1E

We will update factors semi-annually using the Consumer Price Index for All Urban Consumers less food and energy (CPIx).

Beginning with the March, 2013, release and thereafter within 100 days of the March and September release dates, the annual factor will be updated according to the above table. For example, if the change in the current year's March over prior year's March CPIx was between 3% and 5%, then the annual factor would be adjusted to 1.040.

SERFF Tracking #:

LBRM-128524368

State Tracking #:

Company Tracking #:

2012-AR- AUTO-RR-2234

State:

Arkansas

Filing Company:

Safeco Insurance Company of Illinois

TOI/Sub-TOI:

19.0 Personal Auto/19.0001 Private Passenger Auto (PPA)

Product Name:

Private Passenger Auto

Project Name/Number:

Rate & Rule Revision/2012-AR-Auto-RR-2234

Supporting Document Schedules

		Item Status:	Status Date:
Satisfied - Item:	A-1 Private Passenger Auto Abstract	Filed	08/28/2012
Comments:			
Attachment(s):			
_ARFORMA1.pdf			

		Item Status:	Status Date:
Satisfied - Item:	APCS-Auto Premium Comparison Survey	Filed	08/28/2012
Comments:	We have corrected the date		
Attachment(s):			
Form APCS .pdf Form APCS .xls			

		Item Status:	Status Date:
Satisfied - Item:	NAIC loss cost data entry document	Filed	08/28/2012
Comments:			
Attachment(s):			
RFARF -Loss Cost Data Entry Doc updated.pdf			

		Item Status:	Status Date:
Bypassed - Item:	NAIC Loss Cost Filing Document for OTHER than Workers' Comp	Filed	08/28/2012
Bypass Reason:	N/A		
Comments:			

		Item Status:	Status Date:
Satisfied - Item:	Additional Supporting Documents	Filed	08/28/2012
Comments:			
Attachment(s):			

SERFF Tracking #:

LBRM-128524368

State Tracking #:

Company Tracking #:

2012-AR- AUTO-RR-2234

State: Arkansas

Filing Company:

Safeco Insurance Company of Illinois

TOI/Sub-TOI: 19.0 Personal Auto/19.0001 Private Passenger Auto (PPA)

Product Name: Private Passenger Auto

Project Name/Number: Rate & Rule Revision/2012-AR-Auto-RR-2234

Exhibit A_Overall_Summary.pdf
 Exhibit B_Indication_BY_Coverage.pdf
 Exhibit C_Expenses.pdf
 Exhibit D_Loss_Trend.pdf
 Exhibit E_Premium_Trend.pdf
 Exhibit F_Investment_Income.pdf
 Exhibit G_Methodology.pdf

		Item Status:	Status Date:
Satisfied - Item:	Response 2	Filed	08/28/2012
Comments:			
Attachment(s):			
CPI Rating Example.pdf			
Stabilization Rating Example.pdf			

ARKANSAS INSURANCE DEPARTMENT

FORM A-1 PRIVATE PASSENGER AUTOMOBILE 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 private passenger auto rate/rule submissions that do not alter the information contained herein need not include this form.

Company Name Safeco Insurance Company of Illinois
 NAIC # (including group #) 111-39012

1. Are there any areas in the State of Arkansas in which your company will not write automobile insurance? Yes No

If yes, list the areas: _____

2. Do you furnish a market for young drivers? Yes No

3. Do you require collateral business to support a youthful driver? Yes No

4. Do you insure drivers with an international or foreign driver's license? Yes No

5. Specify the percentage you allow in credit or discounts for the following:

a. Driver over 55	<u>2</u> %
b. Good Student Discount	<u>1-16</u> %
c. Multi-car Discount	Varies by % <u>cars/drivers</u>
d. Accident Free Discount	<u>5</u> %

Please Specify Qualification for Discount:

Policies must be accident free for 34 months. Discount is not affected by not at-fault, below threshold at-fault, and forgiven accidents.

e. Anti-Theft Discount	<u>Comp 3-4%</u>
f. Other (specify) <u>Account Credit</u>	<u>2-15.4%</u>
Distant Student Discount	8-20%
Driver Training Discount	2%
Coverage Level Discount	0.3%-17%
Advanced Quote Discount	0.5%-10%
Paid in Full Discount	6%
Sponsored Market	5 %
Affinity Market	5 %
Low Mileage Discount	2-20%
Violation Free Discount	5%

Do you have an installment payment plan for automobile insurance? Yes No

If so, what is the fee for installment payments? \$6.00 / \$2.00 for customer EFT

7. Does your company utilize a tiered rating plan? Yes No

If so, list the programs and percentage difference and current volume for each plan:

Program	Percentage Difference	Volume
<u>150 Tiers – one program</u>	<u>2.0%</u>	<u>15,157 policies</u>

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

Signature



Printed Name

Christopher Meredith

Title

Director of State Operations

Telephone Number

206-473-5363

Email Address

christopher.meredith@safeco.com

Private Passenger Auto Premium Comparison Survey Form

FORM APCS - last modified August 2005

NAIC Number: 39012
Company Name: Safeco Insurance Company of Illinois
Contact Person: Chris Meredith
Telephone No.: 206-473-2867
Email Address: Christopher.Meredith@Safeco.com
Effective Date: 9/8/2012

Assumptions to Use:

- 1 **Liability** -Minimum \$25,000 per person
- 2 **Bodily Injury** \$50,000 per accident
\$25,000 per accident
- 3 **Property Damage** \$100 deductible per accident
- 4 **Comprehensive & Collision** \$250 deductible per accident
- 5 **The insured has elected to accept:**
 Uninsured motorist property and bodily injury equal to liability coverage
 Underinsured bodily injury equal to liability coverage
- 6 **Personal Injury Protection** of \$5,000 for medical, loss wages according to statute and \$5,000 accidental death
- 7 **If male and female rates are different, use the highest of the two**

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 compact disk

DISCOUNTS OFFERED:

PASSIVE RESTRAINT/AIRBAG	N/A	%
AUTO/HOMEOWNERS	5-15.4	%
GOOD STUDENT	1-16	%
ANTI-THEFT DEVICE	3-4	%
Over 55 Defensive Driver Discount	2	%
\$250/\$500 Deductible Comp./Coll.	N/A	%

Vehicle	Coverages	Gender	Age	Fayetteville				Trumann				Little Rock				Lake Village				Pine Bluff			
				Female 18	Male 18	Male or Female 40	Male or Female 66	Female 18	Male 18	Male or Female 40	Male or Female 66	Female 18	Male 18	Male or Female 40	Male or Female 66	Female 18	Male 18	Male or Female 40	Male or Female 66	Female 18	Male 18	Male or Female 40	Male or Female 66
				2008 4.8L Chevrolet Silverado 1500 "LS" regular cab 119" WB	Minimum Liability			\$585	\$650	\$191	\$232	\$477	\$677	\$195	\$202	\$612	\$870	\$246	\$255	\$465	\$661	\$193	\$199
	Minimum Liability with Comprehensive and Collision			\$852	\$949	\$420	\$468	\$996	\$1,009	\$485	\$485	\$1,209	\$1,224	\$575	\$576	\$1,107	\$1,125	\$586	\$591	\$1,082	\$1,096	\$515	\$515
	100/300/50 Liability with Comprehensive and Collision			\$958	\$1,069	\$459	\$520	\$1,128	\$1,144	\$528	\$532	\$1,384	\$1,404	\$633	\$638	\$1,243	\$1,265	\$631	\$639	\$1,228	\$1,246	\$563	\$566
2009 Ford Explorer "XLT" 2WD, 4 door	Minimum Liability			\$585	\$650	\$191	\$232	\$478	\$676	\$195	\$202	\$613	\$868	\$246	\$255	\$466	\$660	\$193	\$199	\$529	\$752	\$214	\$222
	Minimum Liability with Comprehensive and Collision			\$886	\$986	\$436	\$485	\$1,032	\$1,044	\$498	\$498	\$1,250	\$1,265	\$591	\$591	\$1,145	\$1,162	\$600	\$604	\$1,122	\$1,135	\$530	\$529
	100/300/50 Liability with Comprehensive and Collision			\$990	\$1,105	\$475	\$536	\$1,163	\$1,179	\$542	\$544	\$1,424	\$1,444	\$649	\$652	\$1,280	\$1,301	\$645	\$651	\$1,266	\$1,284	\$578	\$580
2010 Honda Odyssey "EX"	Minimum Liability			\$528	\$586	\$176	\$212	\$435	\$613	\$180	\$186	\$559	\$787	\$227	\$234	\$427	\$602	\$179	\$184	\$481	\$680	\$197	\$204
	Minimum Liability with Comprehensive and Collision			\$776	\$862	\$383	\$425	\$903	\$913	\$431	\$430	\$1,096	\$1,107	\$512	\$510	\$994	\$1,008	\$511	\$513	\$982	\$992	\$459	\$457
	100/300/50 Liability with Comprehensive and Collision			\$876	\$975	\$420	\$474	\$1,028	\$1,041	\$473	\$474	\$1,262	\$1,278	\$567	\$569	\$1,123	\$1,141	\$554	\$559	\$1,119	\$1,134	\$505	\$506
2011 Toyota Camry 2.5L 4 door Sedan	Minimum Liability			\$547	\$606	\$183	\$220	\$452	\$634	\$187	\$192	\$580	\$814	\$236	\$242	\$444	\$622	\$186	\$190	\$499	\$703	\$204	\$211
	Minimum Liability with Comprehensive and Collision			\$940	\$1,045	\$469	\$517	\$1,100	\$1,112	\$545	\$543	\$1,325	\$1,340	\$644	\$641	\$1,239	\$1,257	\$669	\$672	\$1,192	\$1,205	\$577	\$574
	100/300/50 Liability with Comprehensive and Collision			\$1,041	\$1,161	\$507	\$567	\$1,227	\$1,243	\$587	\$588	\$1,495	\$1,515	\$700	\$701	\$1,371	\$1,393	\$712	\$719	\$1,332	\$1,350	\$624	\$624
2011 Cadillac Seville "CTS" AWD WAG 4 door 3.0L	Minimum Liability			\$633	\$703	\$207	\$251	\$517	\$736	\$212	\$219	\$664	\$946	\$268	\$277	\$506	\$721	\$210	\$217	\$572	\$817	\$233	\$241
	Minimum Liability with Comprehensive and Collision			\$1,006	\$1,120	\$494	\$549	\$1,176	\$1,190	\$568	\$567	\$1,423	\$1,440	\$673	\$672	\$1,311	\$1,331	\$687	\$692	\$1,278	\$1,293	\$603	\$602
	100/300/50 Liability with Comprehensive and Collision			\$1,120	\$1,250	\$537	\$605	\$1,319	\$1,338	\$615	\$617	\$1,613	\$1,635	\$736	\$739	\$1,459	\$1,484	\$737	\$744	\$1,436	\$1,456	\$656	\$657
2010 Hyundai Santa Fe SE 4x2	Minimum Liability			\$581	\$645	\$190	\$231	\$475	\$672	\$195	\$201	\$610	\$863	\$246	\$254	\$464	\$657	\$192	\$198	\$526	\$747	\$214	\$221
	Minimum Liability with Comprehensive and Collision			\$853	\$949	\$421	\$468	\$997	\$1,009	\$485	\$486	\$1,209	\$1,223	\$576	\$576	\$1,109	\$1,125	\$587	\$592	\$1,082	\$1,095	\$515	\$515
	100/300/50 Liability with Comprehensive and Collision			\$958	\$1,068	\$460	\$520	\$1,128	\$1,144	\$529	\$532	\$1,383	\$1,403	\$634	\$638	\$1,244	\$1,265	\$632	\$640	\$1,227	\$1,244	\$563	\$566

State: Arkansas **Filing Company:** Safeco Insurance Company of Illinois
TOI/Sub-TOI: 19.0 Personal Auto/19.0001 Private Passenger Auto (PPA)
Product Name: Private Passenger Auto
Project Name/Number: Rate & Rule Revison/2012-AR-Auto-RR-2234

Supporting Document Schedules

State: Arkansas **Filing Company:** Safeco Insurance Company of Illinois
TOI/Sub-TOI: 19.0 Personal Auto/19.0001 Private Passenger Auto (PPA)
Product Name: Private Passenger Auto
Project Name/Number: Rate & Rule Revison/2012-AR-Auto-RR-2234

Attachment Form APCS .xls is not a PDF document and cannot be reproduced here.

NAIC LOSS COST DATA ENTRY DOCUMENT

1.	This filing transmittal is part of Company Tracking #	2012-AR-Auto-RR-2234
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2.	If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number	
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		Company Name			Company NAIC Number
3.	A.	Safeco Insurance Company of Illinois	B.	111-39012	

		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.	19.0 Personal Auto	B.	19.0001 Private Passenger Auto		

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
BI	-1.3%	0.0%	0	0	0	0	0
PD	3.1%	1.0%	0	0	0	0	0
PIP	11.9%	9.3%	0	0	0	0	0
UM/UIM	-5.9%	0.0%	0	0	0	0	0
UMPD	13.5%	10.0%	0	0	0	0	0
Comp	-1.8%	0.0%	0	0	0	0	0
Coil	2.6%	1.0%	0	0	0	0	0
TOTAL OVERALL EFFECT	1.1%	1.0%					

6.

5 Year History Rate Change History

Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
2011	15,275	0.0	10/8/11	20,838	10,925	52.4	57.0
2011	15,275	0.0	1/8/11	20,838	10,925	52.4	57.0
2010	14,789	0.0	1/7/10	22,587	9,984	46.5	55.9
2009	16,170	0.0	7/23/09	26,803	14,690	54.81	60.25
2008	16,170	4.9	4/17/08	26,803	14,690	54.81	60.25
2007	19,666	4.4	9/20/07	28,082	15,376	54.75	63.77
2006	20,247	-1.6	12/14/06	30,866	17,901	58.00	55.89
2006	20,247	-1.4	07/06/06	30,866	17,901	58.00	55.89

7.

Expense Constants	Selected Provisions
A. Total Production Expense	13.7
B. General Expense	8.8
C. Taxes, License & Fees	2.9
D. Underwriting Profit & Contingencies	6.6
E. Other (explain)	
F. TOTAL	25.4

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

9. 20% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): _____

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

PC RLC

U:LossCostDraft/DataEntry.doc



Private Passenger Auto
 Rate Level Indications
 Arkansas
 Exhibit A

Coverages	Written Premiums	Percent of Total EPCRL	Credibility	Indicated Percent of Change	Selected Percent of Change	Dollar Value of Selected Change
Bodily Injury	3,875,215	23.9%	60%	-1.3%	0.0%	0
Property Damage	3,089,991	19.1%	100%	3.1%	1.0%	30,900
Personal Injury Protection	621,861	3.8%	50%	11.9%	9.0%	55,967
Uninsured Motorist	1,037,031	6.4%	20%	-5.9%	0.0%	0
Uninsured Motorist Property Damage	347,972	2.1%	40%	13.5%	10.0%	34,797
Total Liability	8,972,070	55.4%		1.2%	1.4%	\$121,665
Comprehensive	2,431,393	15.0%	100%	-1.8%	0.0%	0
Collision	4,453,864	27.5%	100%	2.6%	1.0%	44,539
Total Physical Damage	6,885,257	42.5%		1.1%	0.6%	\$44,539
Subtotal	15,857,327	97.9%		1.1%	1.0%	\$166,203
Miscellaneous Coverages and Vehicles	339,121	2.1%		---	0.0%	0
Grand Total	16,196,448	100.0%		1.1%	1.0%	\$166,203

Assumptions:

Rate Level Indications as of	10/1/2012
Midpoint of latest 12 month ending trend data	6/30/2011
Date losses are trended to	8/16/2013
Latest Year Ending	12/31/2011
Evaluation Date of Losses	3/31/2012

Private Passenger Auto
Rate Level Indications
Arkansas
Bodily Injury
Exhibit B

Acc Year Ending (1)	Earned Premium (2)	Premium Trend Factor (3)	Current Rate Level Factor (4)	Earned Premium at Current Rate Level (5)	Current Rate Stability Factor (5a)	Stabilized Earned Premium at Current Rate Level (5b)	Capped Incurred Losses (6)	Loss Development Factor (7)	Loss Cost Trend Factor (8)	Projected Capped Losses (9)	Projected Capped Loss Ratio (10)	Weights (11)	Large Loss Factor (12)	Weighted Projected Uncapped Incurred Loss Ratio (13)	Claim Counts and Credibility (14)	Trended Permissible Loss Ratio (15)	Credibility Weighted Loss Ratio (16)	Projected Adjustment Expense Ratio (17)	Projected Fixed Expense Ratio (18)	Projected Variable Expense Ratio (19)	Indicated Change (20)	
12/31/2009	5,814,255	0.826	1.000	4,803,265	1.003	4,816,786	2,316,617	0.965	0.903	2,018,522	41.9%	0.33		52.3%	298							
12/31/2010	5,319,091	0.861	1.000	4,577,293	1.003	4,590,178	1,637,799	0.936	0.965	1,478,550	32.2%	0.33		40.2%	257							
12/31/2011	5,091,173	0.896	1.000	4,563,708	1.003	4,576,555	2,176,188	0.896	1.031	2,010,322	43.9%	0.34		54.8%	318							
Total	16,224,519			13,944,266		13,983,520	6,130,605			5,507,394	39.4%	1.00	1.247	49.1%		60.0%	56.4%	52.0%	27.7%	6.6%	26.0%	-1.3%

Assumptions:

Profit Provision	7.2%
Full Credibility Standard	2,500

(5b) = (2) * (3) * (4) * (5a)
 (9) = (6) * (7) * (8)
 (10) = (9) / (5b)
 (13) = (10) * (12)
 (16) = (13) * (14) + (15) * (1-(14))
 (20) = [(16) * (1 + (17)) + (18)] / (1-(19))

Private Passenger Auto
Rate Level Indications
Arkansas
Property Damage
Exhibit B

Acc Year Ending (1)	Earned Premium (2)	Premium Trend Factor (3)	Current Rate Level Factor (4)	Earned Premium at Current Rate Level (5)	Current Rate Stability Factor (5a)	Stabilized Earned Premium at Current Rate Level (5b)	Capped Incurred Losses (6)	Loss Development Factor (7)	Loss Cost Trend Factor (8)	Projected Capped Losses (9)	Projected Capped Loss Ratio (10)	Weights (11)	Large Loss Factor (12)	Weighted Projected Uncapped Incurred Loss Ratio (13)	Claim Counts and Credibility (14)	Trended Permissible Loss Ratio (15)	Credibility Weighted Loss Ratio (16)	Projected Adjustment Expense Ratio (17)	Projected Fixed Expense Ratio (18)	Projected Variable Expense Ratio (19)	Indicated Change (20)	
12/31/2009	4,303,276	0.863	1.061	3,938,874	1.002	3,947,706	2,193,639	1.001	1.031	2,262,578	57.3%	0.20		57.3%	946							
12/31/2010	3,950,275	0.894	1.061	3,746,907	1.002	3,755,308	2,063,537	1.001	1.026	2,119,723	56.4%	0.30		56.4%	839							
12/31/2011	3,814,194	0.927	1.060	3,748,671	1.002	3,757,077	2,031,666	1.047	1.021	2,172,029	57.8%	0.50		57.8%	847							
Total	12,067,745			11,434,452		11,460,091	6,288,843			6,554,330	57.3%	1.00	1.000	57.3%	100.0%	58.0%	57.3%	21.7%	6.6%	26.0%	3.1%	

Assumptions:

Profit Provision	7.2%
Full Credibility Standard	2,100

(5b) = (2) * (3) * (4) * (5a)
 (9) = (6) * (7) * (8)
 (10) = (9) / (5b)
 (13) = (10) * (12)
 (16) = (13) * (14) + (15) * (1-(14))
 (20) = [(16) * (1 + (17)) + (18)] / (1-(19))

Private Passenger Auto
 Rate Level Indications
 Arkansas
 Personal Injury Protection
 Exhibit B

Acc Year Ending (1)	Earned Premium (2)	Premium Trend Factor (3)	Current Rate Level Factor (4)	Earned Premium at Current Rate Level (5)	Current Rate Stability Factor (5a)	Stabilized Earned Premium at Current Rate Level (5b)	Capped Incurred Losses (6)	Loss Development Factor (7)	Loss Cost Trend Factor (8)	Projected Capped Losses (9)	Projected Capped Loss Ratio (10)	Weights (11)	Large Loss Factor (12)	Weighted Projected Uncapped Incurred Loss Ratio (13)	Claim Counts and Credibility (14)	Trended Permissible Loss Ratio (15)	Credibility Weighted Loss Ratio (16)	Projected Adjustment Expense Ratio (17)	Projected Fixed Expense Ratio (18)	Projected Variable Expense Ratio (19)	Indicated Change (20)	
12/31/2009	739,256	0.951	1.003	704,593	1.004	707,123	440,790	0.978	0.977	421,280	59.6%	0.33		59.6%	166							
12/31/2010	680,201	0.975	1.000	663,274	1.004	665,655	419,312	0.941	1.020	402,483	60.5%	0.33		60.5%	141							
12/31/2011	677,375	1.000	1.000	677,375	1.004	679,807	561,092	0.864	1.065	516,599	76.0%	0.34		76.0%	168							
Total	2,096,832			2,045,242		2,052,585	1,421,194			1,340,362	65.5%	1.00	1.000	65.5%	50.0%	51.9%	58.7%	30.0%	6.6%	26.0%	11.9%	

Assumptions:

Profit Provision	7.2%
Full Credibility Standard	2,100

(5b) = (2) * (3) * (4) * (5a)
 (9) = (6) * (7) * (8)
 (10) = (9) / (5b)
 (13) = (10) * (12)
 (16) = (13) * (14) + (15) * (1-(14))
 (20) = [(16) * (1 + (17)) + (18)] / (1-(19))

Private Passenger Auto
 Rate Level Indications
 Arkansas
 Uninsured Motorist/Underinsured Motorist
 Exhibit B

Acc Year Ending (1)	Earned Premium (2)	Premium Trend Factor (3)	Current Rate Level Factor (4)	Earned Premium at Current Rate Level (5)	Current Rate Stability Factor (5a)	Stabilized Earned Premium at Current Rate Level (5b)	Capped Incurred Losses (6)	Loss Development Factor (7)	Loss Cost Trend Factor (8)	Projected Capped Losses (9)	Projected Capped Loss Ratio (10)	Weights (11)	Large Loss Factor (12)	Weighted Projected Uncapped Incurred Loss Ratio (13)	Claim Counts and Credibility (14)	Trended Permissible Loss Ratio (15)	Credibility Weighted Loss Ratio (16)	Projected Adjustment Expense Ratio (17)	Projected Fixed Expense Ratio (18)	Projected Variable Expense Ratio (19)	Indicated Change (20)	
12/31/2009	1,429,322	0.845	1.000	1,207,451	1.004	1,211,724	253,962	0.973	0.922	227,802	18.8%	0.33		19.9%	29							
12/31/2010	1,312,209	0.880	1.000	1,154,705	1.004	1,158,792	405,118	1.005	0.960	390,710	33.7%	0.33		35.7%	32							
12/31/2011	1,289,797	0.917	1.000	1,182,274	1.004	1,186,458	291,306	1.224	1.000	356,532	30.1%	0.34		31.9%	35							
Total	4,031,327			3,544,430		3,556,973	950,386			975,044	27.5%	1.00	1.060	29.2%		20.0%	59.9%	53.8%	17.2%	6.6%	26.0%	-5.9%

Assumptions:

Profit Provision	7.2%
Full Credibility Standard	2,500

(5b) = (2) * (3) * (4) * (5a)
 (9) = (6) * (7) * (8)
 (10) = (9) / (5b)
 (13) = (10) * (12)
 (16) = (13) * (14) + (15) * (1-(14))
 (20) = [(16) * (1 + (17)) + (18)] / (1-(19))

Private Passenger Auto
Rate Level Indications
Arkansas
Uninsured Motorist Property Damage
Exhibit B

Acc Year Ending (1)	Earned Premium (2)	Premium Trend Factor (3)	Current Rate Level Factor (4)	Earned Premium at Current Rate Level (5)	Current Rate Stability Factor (5a)	Stabilized Earned Premium at Current Rate Level (5b)	Capped Incurred Losses (6)	Loss Development Factor (7)	Loss Cost Trend Factor (8)	Projected Capped Losses (9)	Projected Capped Loss Ratio (10)	Weights (11)	Large Loss Factor (12)	Weighted Projected Uncapped Incurred Loss Ratio (13)	Claim Counts and Credibility (14)	Trended Permissible Loss Ratio (15)	Credibility Weighted Loss Ratio (16)	Projected Adjustment Expense Ratio (17)	Projected Fixed Expense Ratio (18)	Projected Variable Expense Ratio (19)	Indicated Change (20)	
12/31/2009	466,211	0.873	1.030	419,052	1.006	421,362	219,637	1.000	1.107	243,146	57.7%	0.20		57.7%	122							
12/31/2010	427,430	0.904	1.030	398,128	1.006	400,322	242,810	1.000	1.075	260,879	65.2%	0.30		65.2%	125							
12/31/2011	420,436	0.937	1.030	405,817	1.006	408,054	326,133	0.987	1.043	335,859	82.3%	0.50		82.3%	144							
Total	1,314,076			1,222,997		1,229,738	788,580			839,884	72.2%	1.00	1.000	72.2%	40.0%	58.8%	64.2%	20.6%	6.6%	26.0%	13.5%	

Assumptions:

Profit Provision	7.2%
Full Credibility Standard	2,500

(5b) = (2) * (3) * (4) * (5a)
(9) = (6) * (7) * (8)
(10) = (9) / (5b)
(13) = (10) * (12)
(16) = (13) * (14) + (15) * (1-(14))
(20) = [(16) * (1 + (17)) + (18)] / (1-(19))

Private Passenger Auto
Rate Level Indications
Arkansas
Comprehensive
Exhibit B

Acc Year Ending (1)	Earned Premium (2)	Premium Trend Factor (3)	Current Rate Level Factor (4)	Earned Premium at Current Rate Level (5)	Current Rate Stability Factor (5a)	Stabilized Earned Premium at Current Rate Level (5b)	Paid Losses Excluding Weather (6)	Loss Development Factor (7)	Loss Cost Trend Factor (8)	Projected Paid NonWeather Losses (9)	Projected Paid NonWeather Loss Ratio (10)	Weights (11)	Weighted Projected Paid NonWeather Loss Ratio (12)	Credibility (13)	Trended Permissible Loss Ratio (14)	Credibility Weighted NonWeather Loss Ratio (15)	Weather Loss Ratio (16)	Projected Adjustment Expense Ratio (17)	Projected Fixed Expense Ratio (18)	Projected Variable Expense Ratio (19)	Indicated Change (20)	
12/31/2009	3,100,521	1.020	0.976	3,086,933	1.011	3,120,802	1,096,771	1.000	1.089	1,194,616	38.3%	0.20		1,180								
12/31/2010	2,940,292	1.010	0.976	2,898,422	1.011	2,930,223	1,099,850	1.001	1.066	1,173,643	40.1%	0.30		1,124								
12/31/2011	2,996,707	1.000	0.976	2,925,495	1.011	2,957,593	1,146,091	1.006	1.043	1,202,360	40.7%	0.50		1,405								
Total	9,037,519			8,910,850		9,008,618	3,342,712			3,570,619	40.0%	1.00	40.0%	100.0%	42.4%	40.0%	18.6%	16.6%	6.6%	23.7%	-1.8%	

Assumptions:

Profit Provision	4.9%
Full Credibility Standard	3.500

- (5b) = (2) * (3) * (4) * (5a)
- (9) = (6) * (7) * (8)
- (10) = (9) / (5b)
- (15) = (12) * (13) + (14) * (1 - (13))
- (20) = [((15) + (16)) * (1 + (17)) + (18)] / (1 - (19))

Private Passenger Auto
Rate Level Indications
Arkansas
Collision
Exhibit B

Acc Year Ending (1)	Earned Premium (2)	Premium Trend Factor (3)	Current Rate Level Factor (4)	Earned Premium at Current Rate Level (5)	Current Rate Stability Factor (5a)	Stabilized Earned Premium at Current Rate Level (5b)	Capped Incurred Losses (6)	Loss Development Factor (7)	Loss Cost Trend Factor (8)	Projected Capped Losses (9)	Projected Capped Loss Ratio (10)	Weights (11)	Large Loss Factor (12)	Weighted Projected Uncapped Incurred Loss Ratio (13)	Claim Counts and Credibility (14)	Trended Permissible Loss Ratio (15)	Credibility Weighted Loss Ratio (16)	Projected Adjustment Expense Ratio (17)	Projected Fixed Expense Ratio (18)	Projected Variable Expense Ratio (19)	Indicated Change (20)	
12/31/2009	5,605,744	0.939	1.060	5,578,288	1.006	5,611,865	3,002,320	1.000	1.107	3,323,679	59.2%	0.20		59.2%	905							
12/31/2010	5,237,292	0.948	1.060	5,264,283	1.006	5,295,970	2,922,059	1.000	1.075	3,139,513	59.3%	0.30		59.3%	877							
12/31/2011	5,254,623	0.958	1.060	5,335,053	1.006	5,367,166	3,112,725	0.987	1.043	3,205,546	59.7%	0.50		59.7%	898							
Total	16,097,659			16,177,624		16,275,000	9,037,104			9,668,739	59.5%	1.00	1.000	59.5%	100.0%	60.2%	59.5%	20.6%	6.6%	23.7%	2.6%	

Assumptions:

Profit Provision	4.9%
Full Credibility Standard	2,500

(5b) = (2) * (3) * (4) * (5a)
 (9) = (6) * (7) * (8)
 (10) = (9) / (5b)
 (13) = (10) * (12)
 (16) = (13) * (14) + (15) * (1-(14))
 (20) = [(16) * (1 + (17)) + (18)] / (1-(19))

Private Passenger Auto
Expense
Arkansas
Exhibit C

Expected Loss Ratio Budget	BI	PD	PIP	UM	UMPD	COMP	COLL	LIAB	PHYDAM	TOTAL
(1) Premium Dollar	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
(2) Expense Ratios:										
(A) Projected Commissions	13.7	13.7	13.7	13.7	13.7	13.7	13.7	13.7	13.7	13.7
(B) Projected General Operating Expenses	8.8	8.8	8.8	8.8	8.8	8.8	8.8	8.8	8.8	8.8
(C) Projected Taxes	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9
(3) Total Expenses = (A)+(B)+(C)	25.4	25.4	25.4	25.4	25.4	25.4	25.4	25.4	25.4	25.4
(4) Budgetary Profit Loading	7.2	7.2	7.2	7.2	7.2	4.9	4.9	7.2	4.9	6.2
(5) Expected Loss and AE Ratio = (1)-(3)-(4)	67.4	67.4	67.4	67.4	67.4	69.7	69.7	67.4	69.7	68.4
(6) Projected Loss Adjustment Expense Ratio to Losses	27.7	21.7	30.0	17.2	20.6	16.6	20.6	24.3	19.2	22.1
(7) Expected Loss Ratio =(5)/[1+(6)/100]	52.8	55.4	51.9	57.5	55.9	59.8	57.8	54.2	58.5	56.0

	BI	PD	PIP	UM	UMPD	COMP	COLL	LIAB	PHYDAM	TOTAL
Projected Adjustment Expense Ratio to Losses										
Incurred Adjustment Expense	27.7	21.7	30.0	17.2	20.6	16.6	20.6	24.3	19.2	22.1
Projected Fixed Expense Ratio										
* General Operating Expense	6.6	6.6	6.6	6.6	6.6	6.6	6.6	6.6	6.6	6.6
Projected Variable Expense Ratio										
Projected Commissions	13.7	13.7	13.7	13.7	13.7	13.7	13.7	13.7	13.7	13.7
General Operating Expense	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2
Taxes	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9
Profit Provision	7.2	7.2	7.2	7.2	7.2	4.9	4.9	7.2	4.9	6.2
Subtotal	26.0	26.0	26.0	26.0	26.0	23.7	23.7	26.0	23.7	25.0

* 75% is considered fixed.

Private Passenger Auto
Pure Premium Trend Calculation
Arkansas
Exhibit D

	Accident Year Ending (1)	Up to Date Frequency Selection (2)	Up to Date Severity Selection (3)	Up to Date Pure Premium Trend Factor (4)	Projected Frequency Selection (5)	Projected Severity Selection (6)	Projected Pure Premium Trend Factor (7)	Composite Pure Premium Trend Factor (8)
BI	12/31/2009	-1.0%	-5.5%	0.875	-1.5%	3.0%	1.031	0.903
	12/31/2010	-1.0%	-5.5%	0.936	-1.5%	3.0%	1.031	0.965
	12/31/2011	-1.0%	-5.5%	1.000	-1.5%	3.0%	1.031	1.031
PD	12/31/2009	-1.5%	2.0%	1.009	-1.0%	2.0%	1.021	1.031
	12/31/2010	-1.5%	2.0%	1.005	-1.0%	2.0%	1.021	1.026
	12/31/2011	-1.5%	2.0%	1.000	-1.0%	2.0%	1.021	1.021
PIP	12/31/2009	-7.0%	3.0%	0.918	0.0%	3.0%	1.065	0.977
	12/31/2010	-7.0%	3.0%	0.958	0.0%	3.0%	1.065	1.020
	12/31/2011	-7.0%	3.0%	1.000	0.0%	3.0%	1.065	1.065
MED	12/31/2009	-4.0%	3.0%	0.978	-1.0%	3.0%	1.042	1.019
	12/31/2010	-4.0%	3.0%	0.989	-1.0%	3.0%	1.042	1.031
	12/31/2011	-4.0%	3.0%	1.000	-1.0%	3.0%	1.042	1.042
UM	12/31/2009	-1.5%	-2.5%	0.922	-1.5%	1.5%	1.000	0.922
	12/31/2010	-1.5%	-2.5%	0.960	-1.5%	1.5%	1.000	0.960
	12/31/2011	-1.5%	-2.5%	1.000	-1.5%	1.5%	1.000	1.000
UMPD	12/31/2009	1.0%	2.0%	1.061	0.0%	2.0%	1.043	1.107
	12/31/2010	1.0%	2.0%	1.030	0.0%	2.0%	1.043	1.075
	12/31/2011	1.0%	2.0%	1.000	0.0%	2.0%	1.043	1.043
COMP	12/31/2009	7.0%	-4.5%	1.044	2.0%	0.0%	1.043	1.089
	12/31/2010	7.0%	-4.5%	1.022	2.0%	0.0%	1.043	1.066
	12/31/2011	7.0%	-4.5%	1.000	2.0%	0.0%	1.043	1.043
COLL	12/31/2009	1.0%	2.0%	1.061	0.0%	2.0%	1.043	1.107
	12/31/2010	1.0%	2.0%	1.030	0.0%	2.0%	1.043	1.075
	12/31/2011	1.0%	2.0%	1.000	0.0%	2.0%	1.043	1.043

(4)=[(1+(2))*1+(3)]^(e)

(7)=[(1+(5))*1+(6)]^(f)

(8)=(4)*(7)

Assumptions:

Accident Year Ending (a)	Midpoint Accident Year (b)	Midpoint of Ending Trend Data (c)	Projection Date (d)	Up to Date Time Frame (e)	Projected Time Frame (f)
12/31/2009	6/30/2009	6/30/2011	8/16/2013	2.00	2.13
12/31/2010	6/30/2010	6/30/2011	8/16/2013	1.00	2.13
12/31/2011	6/30/2011	6/30/2011	8/16/2013	0.00	2.13

(e)=(c)-(b)

(f)=(d)-(c)

Private Passenger Auto
 Premium Trend Calculation
 Arkansas
 Exhibit E

	Accident Year Ending (1)	Up to Date Premium Trend Selection (2)	Up to Date Premium Trend Factor (3)	Projected Premium Trend Selection (4)	Projected Premium Trend Factor (5)	Composite Premium Trend Factor (6)
BI	12/31/2009	-4.0%	0.922	-5.0%	0.896	0.826
	12/31/2010	-4.0%	0.960	-5.0%	0.896	0.861
	12/31/2011	-4.0%	1.000	-5.0%	0.896	0.896
PD	12/31/2009	-3.5%	0.931	-3.5%	0.927	0.863
	12/31/2010	-3.5%	0.965	-3.5%	0.927	0.894
	12/31/2011	-3.5%	1.000	-3.5%	0.927	0.927
PIP	12/31/2009	-2.5%	0.951	0.0%	1.000	0.951
	12/31/2010	-2.5%	0.975	0.0%	1.000	0.975
	12/31/2011	-2.5%	1.000	0.0%	1.000	1.000
MED	12/31/2009	0.0%	1.000	0.0%	1.000	1.000
	12/31/2010	0.0%	1.000	0.0%	1.000	1.000
	12/31/2011	0.0%	1.000	0.0%	1.000	1.000
UM	12/31/2009	-4.0%	0.922	-4.0%	0.917	0.845
	12/31/2010	-4.0%	0.960	-4.0%	0.917	0.880
	12/31/2011	-4.0%	1.000	-4.0%	0.917	0.917
UMPD	12/31/2009	-3.5%	0.931	-3.0%	0.937	0.873
	12/31/2010	-3.5%	0.965	-3.0%	0.937	0.904
	12/31/2011	-3.5%	1.000	-3.0%	0.937	0.937
COMP	12/31/2009	1.0%	1.020	0.0%	1.000	1.020
	12/31/2010	1.0%	1.010	0.0%	1.000	1.010
	12/31/2011	1.0%	1.000	0.0%	1.000	1.000
COLL	12/31/2009	-1.0%	0.980	-2.0%	0.958	0.939
	12/31/2010	-1.0%	0.990	-2.0%	0.958	0.948
	12/31/2011	-1.0%	1.000	-2.0%	0.958	0.958

(3)=[1+(2)]^(d)

(5)=[1+(4)]^(e)

(6)=(3)*(5)

Assumptions:

Accident Year Ending (a)	Midpoint Accident Year (b)	Midpoint of Ending Trend Data (c)	Projection Date (d)	Up to Date Time Frame (e)	Projected Time Frame (f)
12/31/2009	6/30/2009	6/30/2011	8/16/2013	2.00	2.13
12/31/2010	6/30/2010	6/30/2011	8/16/2013	1.00	2.13
12/31/2011	6/30/2011	6/30/2011	8/16/2013	0.00	2.13

(e)=(c)-(b)

(f)=(d)-(c)

Exhibit F

SAFECO INSURANCE GROUP
PRIVATE PASSENGER AUTOMOBILE PROGRAM

ARKANSAS

Development of Indicated Pre-Tax Target Underwriting Gain

Indicated (target) pre-tax underwriting gains by coverage can be calculated based on the Target Operating Ratio by deducting Investment Income from Policyholders' Funds.

The calculation of the pre-tax target underwriting gain is shown below:

	(A)	(B)	(C)	(D)
				$[(A) - (B)] \div [1 - (C)]$
	Target After-Tax Operating <u>Ratio</u>	After-Tax Investment Ratio to Policyholders' <u>Funds</u>	Federal Income Tax Rate on Underwriting <u>Income</u>	Target Pre-Tax Underwriting <u>Gain</u>
Personal Lines Auto Liability	5.29%	0.59%	35.00%	7.22%
Personal Lines Auto Physical Damage	3.22%	0.06%	35.00%	4.87%

EXHIBIT F

SAFECO INSURANCE GROUP
PRIVATE PASSENGER AUTOMOBILE PROGRAM

ARKANSAS

INVESTMENT INCOME EXHIBIT
Summary Page

Estimated investment income from policyholder funds is derived for the private passenger automobile program coverage. The after-tax results are as follows:

<u>Coverage</u>	<u>% of Earned Premium</u>
Private Passenger Automobile Program -- Liability Subline	0.59%
Private Passenger Automobile Program -- Physical Damage Subline	0.06%

The results are for the SAFECO Insurance Group and use the following state expenses:

<u>Expense Category</u>	<u>% of Earned Premium</u>	
	<u>Liability</u>	<u>Phys. Dam.</u>
Expected Loss and AAE (Liability Only)	57.33	
Expected Loss (Physical Damage Only)		58.49
Expected UAE (Liability Only)	10.09	
Expected AE (Physical Damage Only)		11.23
Commissions	13.65	13.71
Tax	2.93	2.93
General Expense	8.77	8.77
Underwriting Profit	7.22	4.87

The results assume adequate rate levels exist. To the extent that rates are not at adequate levels, the investment income estimate may need to be adjusted. The underwriting profit provisions listed above include a consideration for investment income. Estimated investment income from policyholder funds is derived from a discounted cash model that calculates earnings from the net cash flow on the policy. The investment income estimate is equivalent to income earned from loss reserves and unearned premium reserves.

The following is an index to this exhibit:

Pages 2, 3, and 4	Explanatory Notes
Pages 5 and 6	Discounted Cash Flow Analysis Expected Investment Income from Policyholder Funds
Page 7	Premium Inflows from Premium Pay Plan Distribution
Pages 8 - 11	Loss Payment Pattern
Pages 12 and 13	Timing of Federal Income Taxes
Page 14	Development of Rate of Return Applied to Policyholder Funds

Explanatory Notes

Estimated investment income from policyholder funds is calculated using a discounted cash flow model. Cash flows arising from transactions associated with a block of policies with the same effective date are composed of an inflow of premium payments and outflows of loss, expense, and federal income tax payments. The cash flows are discounted to the middle of the period for which the proposed rates are to be effective (generally, 180 days past inception date). The resulting discounted value of the net cash flow when compared with the undiscounted value yields the net investment income associated with the insurance transaction.

Pages 5 and 6

Pages 5 and 6 display the timing of payments associated with the auto liability and physical damage sublines.

- Column (1) Premiums are received generally at the time due. The bulk are received within five days of the effective date, with advance payments judged to offset late payments. Additionally, there are a number of premium payment plans which allow for premium payments to be spread over the policy term. Annualized premium flows associated with these plans are described on page 7.
- Column (2) Commission is generally paid on or near the policy effective date, at the end of the month in which the policy becomes effective. Therefore, 50% of the commission is assumed paid at day 0 and 50% at day 30.
- Column (3) Premium taxes are assumed to be paid quarterly, approximately 90 days after policies are effective.
- Column (4) Some general expenses, such as expenses associated with the processing of endorsements or expenses associated with statistical reporting to Bureaus, are paid during the policy term. A significant portion of general expenses are paid prior to a policy becoming effective. Examples are policy rating, marketing expenses and and some underwriting expenses. It is assumed that, on the average, general expenses are paid at policy inception.
- Column (5) The expected timing of loss and AE payments is based on an analysis of historical paid losses and AE. The derivation of the loss (and AAE in the case of auto liability) payout patterns are shown on pages 8 through 11.
- Column (6) The expected timing of AE (UAE in the case of auto liability) payments is consistent with the allocation assumption of a fixed ratio of AE (or UAE) expense to pure loss uniformly spread over all subsequent months and years. In the case of auto physical damage, AE payments are spread pro-rata over the first 9 months.
- Column (7) Federal income taxes attributable to underwriting income are shown. Income taxes attributable to investment income are reflected in the discount factors in column (9) and discussed later. The provisions of the Tax Reform Act of 1986, including the Revenue Offset provision which taxes the change in the unearned premium reserve and the Reserve Discounting provision, are reflected in determining the expected timing of income tax payments. The calculations of the expected income tax payments are shown on pages 12 and 13.

Explanatory Notes

Pages 5 and 6 - CONTINUED

Column (8) Col. (8) = Col. (1) - Col.(2) - Col. (3) - Col. (4) - Col. (5)
- Col.(6) - Col.(7)

Column (9) The discount factors reflect the after-tax investment income earned between the time the payments are made and the time premiums are earned (which is on the average the midpoint of the policy term or day 180). The investment rate of return used is determined by examining the latest new money rates available and the current investment strategy for cash inflows. Page 14 provides details on the after-tax rate chosen net of investment expenses.

Column (10) Col. (8) x Col. (9).

Column (11) Cumulative total of Column (10). Premium collected on the policy remains available for investment as long as the cumulative net cash flow is positive.

Column (12) Col. (8) x Col. (9) when Col. (11) > zero, Col. (8) otherwise.

Page 7

Page 7 displays the underlying statistics and derivation of the premium inflows used in Pages 5 and 6. The top portion of the exhibit shows premium collection patterns for the four payment plans: checkless, monthly, budget, and full pay. The bottom portion of the exhibit shows the distribution by plan and derives the overall distribution by month.

The following assumptions are made in general regarding premium collection:

1. Premiums are billed upon due date.
2. Percentage of premiums booked under various billing programs follow distribution by policies in force. Average earned premium does not differ substantially between programs.
3. Book of business composed of 80% renewals, 20% new business. This affects only the monthly payment plan. In the first year, the policyholder is billed two months worth of premium in the first installment and in the fifth month (one month's worth of advance premium upon renewal). This is reflected in the 20% additional premium at 0 days, and 80% of one month's premium at -30 days.
4. Under the budget plan, the policyholder is billed 50% at day 0 and 50% at day zero and 50% at day 70. In the exhibit, this is modeled as 50% to day zero, one-third to day 60 and one-sixth to day 90.
5. The costs of the billing systems for the different payment plans are captured by appropriate finance charges.

Columns 1 through 4 assume a policy written for \$60.

Column 9 is the sum of Columns 5 through 8 and shows the distribution of overall premium over the entire six month policy term.

Explanatory Notes

Page 7 - CONTINUED

Column 10 shows the same distribution for a policy written for \$100. Column 11 annualizes this premium. This is the distribution used in pages 5 and 6.

Pages 8 through 11

Pages 8 through 11 display the underlying statistics and the derivation of the loss pay-out used in the exhibit. Paid loss development (including adjustment expense for liability sublines) for all coverages countrywide are displayed. Pages 8 and 10 show accident quarter development evaluated at quarterly intervals from 3 months through 24 months over the last four years, the age-to-age factors over the same period, and the selected loss development factors and cumulations. Pages 9 and 11 show accident quarter development evaluated at yearly intervals from 24 months to 120 months, the corresponding age-to-age factors, and the selected and cumulated loss development factors. The bottom of the page shows the derivation of the loss payout based on the above.

Column (2) shows the cumulative LDFs.

Column (3) shows the reciprocals of Column (2), and represents the cumulative payout of the accident quarter.

Column (4) shows the incremental change in Column (3).

Columns (5) and (6) represent one policy period of six months equal to 2 successive accident quarters.

Column (7) is the average of Columns (5) and (6) and is the final result. The quarterly pay-out for the first two years is spread uniformly to the days from policy inception date. For example, the first quarter pay-out is weighted one-sixth to 0 days, one-third to 30 days, one-third to 60 days, and one-sixth to 90 days, with similar distributions for the second through the fourth quarter pay-outs. The quarterly pay-outs for the second year are distributed one-half to the beginning of the interval and one-half to the end.

Pages 12 and 13

Notes for this exhibit showing the timing of federal income tax on underwriting appear on the page itself.

Page 14

Notes for the above explaining the investment rate of return on policyholder funds appear on the page itself.

**SAFECO INSURANCE GROUP
PRIVATE PASSENGER AUTOMOBILE PROGRAM
ARKANSAS**

Private Passenger Automobile Program -- Liability Subline
Discounted Cash Flow: Expected Investment Income from Policyholder Funds

Discounted cash flow analysis per \$100 of premium

Days from Inception	PAYMENTS DURING THE FIRST YEAR											
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Date	Premium Received	Comm.	Premium Tax	General Expense	Paid Loss & AAE	UAE	Federal Income Tax	Total Cash Flow	Discount Factor	Discounted Cash Flow	Cumulative Discounted Cash Flow	Discounted Cash Flow- PH Funds
-30	\$ 0.96							0.96	1.0038	0.96	0.96	0.96
0	\$ 25.43	3.41		4.39	0.47	0.08		17.08	1.0032	17.13	18.10	17.13
30	\$ 4.72	3.42			0.95	0.17		0.19	1.0027	0.19	18.29	0.19
60	\$ 5.53				0.95	0.17		4.42	1.0022	4.43	22.72	4.43
90	\$ 5.13		1.46		1.43	0.25	0.24	1.74	1.0016	1.74	24.46	1.74
120	\$ 4.72				1.91	0.34		2.47	1.0011	2.48	26.94	2.48
150	\$ 4.48				1.91	0.34		2.23	1.0005	2.23	29.17	2.23
180	\$ 25.43	3.41		4.39	2.15	0.38	4.66	10.44	1.0000	10.44	39.61	10.44
210	\$ 4.72	3.42			2.40	0.42		(1.52)	0.9995	(1.52)	38.09	(1.52)
240	\$ 5.53				2.40	0.42		2.71	0.9989	2.71	40.80	2.71
270	\$ 5.13		1.46		2.58	0.45	(3.28)	3.91	0.9984	3.90	44.71	3.90
300	\$ 4.72				2.76	0.49		1.47	0.9978	1.47	46.18	1.47
330	\$ 3.52				2.76	0.49		0.27	0.9973	0.27	46.44	0.27
360					4.56	0.80	1.13	(6.49)	0.9968	(6.47)	39.97	(6.47)
Year 1	\$100.00	\$13.65	\$2.93	\$8.77	27.21	4.79	2.76	39.89		39.97	39.97	39.97

PAYMENTS DURING THE SECOND YEAR

Day	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
90	5.27	0.93	(0.04)	(6.16)	0.9952	(6.13)	33.84	(6.13)
180	3.76	0.66	(0.03)	(4.39)	0.9935	(4.37)	29.47	(4.37)
210	4.50	0.79	(0.03)	(5.26)	0.9930	(5.22)	24.26	(5.22)
360	2.83	0.50	(0.02)	(3.31)	0.9903	(3.28)	20.98	(3.28)
Year 2	16.37	2.88	(0.13)	(19.12)		(18.99)	20.98	(18.99)

PAYMENTS DURING SUBSEQUENT YEARS

Year	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
3	4.92	0.87	(0.04)	(5.75)	0.9839	(5.66)	15.32	(5.66)
4	4.60	0.81	(0.04)	(5.37)	0.9776	(5.25)	10.07	(5.25)
5	2.32	0.41	(0.02)	(2.71)	0.9713	(2.63)	7.44	(2.63)
6	0.98	0.17	(0.01)	(1.14)	0.9650	(1.10)	6.34	(1.10)
7	0.42	0.07	(0.00)	(0.49)	0.9588	(0.47)	5.87	(0.47)
8	0.30	0.05	(0.00)	(0.35)	0.9526	(0.33)	5.54	(0.33)
9	0.17	0.03	(0.00)	(0.20)	0.9464	(0.19)	5.35	(0.19)
10	0.05	0.01	(0.00)	(0.06)	0.9403	(0.05)	5.30	(0.05)
Total	100.00	13.65	2.93	8.77	57.33	10.09	2.53	4.70

(13) Undiscounted cash flow (After-tax U/W profit) - Total col. (8) 4.70
 (14) Discounted cash flow (After-tax operating return)- Total col. (12) 5.30
 (15) Investment income from policyholder funds as a percent of premium ((14) - (13))/ 100 0.59%

**SAFECO INSURANCE GROUP
PRIVATE PASSENGER AUTOMOBILE PROGRAM
ARKANSAS**

Private Passenger Automobile Program -- Physical Damage Subline
Discounted Cash Flow: Expected Investment Income from Policyholder Funds

Discounted cash flow analysis per \$100 of premium

Days from Inception	PAYMENTS DURING THE FIRST YEAR											
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Date	Premium Received	Comm.	Premium Tax	General Expense	Paid Loss	AE	Federal Income Tax	Total Cash Flow	Discount Factor	Discounted Cash Flow	Cumulative Discounted Cash Flow	Discounted Cash Flow- PH Funds
-30	\$ 0.96							0.96	1.0038	0.96	0.96	0.96
0	\$ 25.43	3.43		4.39	1.97	0.62		15.02	1.0032	15.07	16.03	15.07
30	\$ 4.72	3.42			3.94	1.25		(3.90)	1.0027	(3.91)	12.12	(3.91)
60	\$ 5.53				3.94	1.25		0.34	1.0022	0.34	12.46	0.34
90	\$ 5.13		1.46		4.47	1.25	(0.05)	(2.00)	1.0016	(2.01)	10.46	(2.01)
120	\$ 4.72				4.99	1.25		(1.52)	1.0011	(1.52)	8.93	(1.52)
150	\$ 4.48				4.99	1.25		(1.76)	1.0005	(1.76)	7.17	(1.76)
180	\$ 25.43	3.43		4.39	4.96	1.25	4.40	7.01	1.0000	7.01	14.19	7.01
210	\$ 4.72	3.42			4.93	1.25		(4.88)	0.9995	(4.88)	9.30	(4.88)
240	\$ 5.53				4.93	1.25		(0.64)	0.9989	(0.64)	8.66	(0.64)
270	\$ 5.13		1.46		4.91	0.62	(3.55)	1.67	0.9984	1.67	10.33	1.67
300	\$ 4.72				4.90	-		(0.18)	0.9978	(0.18)	10.15	(0.18)
330	\$ 3.52				4.90	-		(1.38)	0.9973	(1.38)	8.77	(1.38)
360					3.87	-	0.91	(4.78)	0.9968	(4.76)	4.01	(4.76)
Year 1	\$100.00	\$13.71	\$2.93	\$8.77	57.70	11.23	1.71	3.95		4.01	4.01	4.01

PAYMENTS DURING THE SECOND YEAR

Day	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
90					1.26	-	(0.00)	(1.26)	0.9952	(1.25)	2.75	(1.25)
180					(0.22)	-	0.00	0.22	0.9935	0.22	2.97	0.22
210					(0.11)	-	0.00	0.11	0.9930	0.11	3.08	0.11
360					(0.04)	-	0.00	0.04	0.9903	0.04	3.12	0.04
Year 2					0.90	-	(0.00)	(0.89)		(0.89)	3.12	(0.89)

PAYMENTS DURING SUBSEQUENT YEARS

Year	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
3					(0.02)	-	0.00	0.02	0.9839	0.02	3.14	0.02
4					(0.02)	-	0.00	0.02	0.9776	0.02	3.16	0.02
5					(0.02)	-	0.00	0.02	0.9713	0.02	3.18	0.02
6					(0.01)	-	0.00	0.01	0.9650	0.01	3.18	0.01
7					(0.01)	-	0.00	0.01	0.9588	0.00	3.19	0.00
8					(0.00)	-	0.00	0.00	0.9526	0.00	3.19	0.00
9					(0.01)	-	0.00	0.01	0.9464	0.01	3.20	0.01
10					(0.02)	-	0.00	0.02	0.9403	0.01	3.22	0.01
Total	100.00	13.71	2.93	8.77	58.49	11.23	1.71	3.16		3.22	3.22	3.22

(13) Undiscounted cash flow (After-tax U/W profit) - Total col. (8) 3.16
 (14) Discounted cash flow (After-tax operating return)- Total col. (12) 3.22
 (15) Investment income from policyholder funds as a percent of premium ((14) - (13))/ 100 0.06%

SAFECO INSURANCE GROUP
PRIVATE PASSENGER AUTOMOBILE PROGRAM
ARKANSAS
Premium Inflows From Premium Pay Plan Distribution

Days from Inception	(1) Checkless Pay Plan	(2) Monthly Pay Plan	(3) Budget Pay Plan	(4) Full Payment
-30	-	8.00	-	-
0	10.00	12.00	30.00	60.00
30	10.00	10.00	-	-
60	10.00	10.00	20.00	-
90	10.00	10.00	10.00	-
120	10.00	10.00	-	-
150	10.00	-	-	-
180	-	-	-	-
210	-	-	-	-
240	-	-	-	-
270	-	-	-	-
300	-	-	-	-
330	-	-	-	-
Premium from policy:	60.00	60.00	60.00	60.00

Weighted for pay plan distribution:

Days from Inception	(5) Checkless Pay Plan (1) x 0.422	(6) Monthly Pay Plan (2) x 0.144	(7) Budget Pay Plan (3) x 0.049	(8) Full Payment (4) x 0.385	(9) All Plans	(10) (9) x \$100 / 60	(11) Annualized Premium Inflows
-30	-	1.15	-	-	1.15	1.92	0.96
0	4.22	1.73	1.47	23.10	30.52	50.86	25.43
30	4.22	1.44	-	-	5.66	9.43	4.72
60	4.22	1.44	0.98	-	6.64	11.07	5.53
90	4.22	1.44	0.49	-	6.15	10.25	5.13
120	4.22	1.44	-	-	5.66	9.43	4.72
150	4.22	-	-	-	4.22	7.03	4.48
180	-	-	-	-	-	-	25.43
210	-	-	-	-	-	-	4.72
240	-	-	-	-	-	-	5.53
270	-	-	-	-	-	-	5.13
300	-	-	-	-	-	-	4.72
330	-	-	-	-	-	-	3.52
	\$ 25.32	\$ 8.64	\$ 2.94	\$ 23.10	\$ 60.00	\$ 100.00	\$ 100.00

See page 4, explanatory notes, for assumptions used in the above analysis.

SAFECO INSURANCE GROUP
PRIVATE PASSENGER AUTOMOBILE PROGRAM
ARKANSAS
Loss Payment Pattern

ACC. QT.	LIABILITY PAID LOSS AND ALLOCATED ADJUSTMENT EXPENSE							
	MONTHS OF DEVELOPMENT							
<u>ENDING</u>	<u>3</u>	<u>6</u>	<u>9</u>	<u>12</u>	<u>15</u>	<u>18</u>	<u>21</u>	<u>24</u>
Mar-2008	44,486	85,451	107,195	126,400	139,702	152,421	161,594	170,251
Jun-2008	40,569	81,768	103,186	119,919	134,458	146,298	156,014	163,693
Sep-2008	39,695	78,566	101,048	118,035	131,716	143,381	151,913	160,970
Dec-2008	40,087	87,262	109,806	125,862	140,516	151,442	160,621	172,045
Mar-2009	38,432	73,764	92,892	106,499	120,089	128,692	138,697	146,952
Jun-2009	39,480	77,630	96,925	113,185	126,296	135,848	143,333	150,337
Sep-2009	37,166	74,875	95,950	110,764	123,355	132,428	139,843	147,019
Dec-2009	37,082	79,311	99,463	117,406	128,644	137,517	146,911	156,879
Mar-2010	36,592	68,884	86,006	97,720	107,420	115,875	123,066	130,845
Jun-2010	37,257	74,417	92,715	105,509	116,290	123,822	130,520	
Sep-2010	40,718	82,125	103,384	118,774	131,018	140,574		
Dec-2010	40,958	85,863	105,535	120,745	132,633			
Mar-2011	40,069	77,646	94,688	107,020				
Jun-2011	39,629	79,313	99,286					
Sep-2011	41,385	85,513						
Dec-2011	43,707							

ACC. QT.	AGE-TO-AGE FACTORS						
	<u>3-6</u>	<u>6-9</u>	<u>9-12</u>	<u>12-15</u>	<u>15-18</u>	<u>18-21</u>	<u>21-24</u>
Mar-2008	1.921	1.254	1.179	1.105	1.091	1.060	1.054
Jun-2008	2.016	1.262	1.162	1.121	1.088	1.066	1.049
Sep-2008	1.979	1.286	1.168	1.116	1.089	1.060	1.060
Dec-2008	2.177	1.258	1.146	1.116	1.078	1.061	1.071
Mar-2009	1.919	1.259	1.146	1.128	1.072	1.078	1.060
Jun-2009	1.966	1.249	1.168	1.116	1.076	1.055	1.049
Sep-2009	2.015	1.281	1.154	1.114	1.074	1.056	1.051
Dec-2009	2.139	1.254	1.180	1.096	1.069	1.068	1.068
Mar-2010	1.883	1.249	1.136	1.099	1.079	1.062	1.063
Jun-2010	1.997	1.246	1.138	1.102	1.065	1.054	
Sep-2010	2.017	1.259	1.149	1.103	1.073		
Dec-2010	2.096	1.229	1.144	1.098			
Mar-2011	1.938	1.219	1.130				
Jun-2011	2.001	1.252					
Sep-2011	2.066						

	DEVELOPMENT PERIOD							
	<u>3-6</u>	<u>6-9</u>	<u>9-12</u>	<u>12-15</u>	<u>15-18</u>	<u>18-21</u>	<u>21-24</u>	<u>24-36</u>
SIMPLE AVERAGE	2.0087	1.2541	1.1540	1.1096	1.0774	1.0620	1.0583	
5 QT VOLUME-WTD.AVG	2.0244	1.2410	1.1398	1.0997	1.0717	1.0592	1.0581	
10-PT EXCLUDING HI-LO	2.0121	1.2495	1.1478	1.1081	1.0759	1.0610	1.0578	
SELECTED	2.0185	1.2564	1.1520	1.1096	1.0785	1.0615	1.0564	1.1450
CUMULATIVE PAID	5.0551	2.5044	1.9933	1.7303	1.5594	1.4459	1.3621	1.2894
CUMULATIVE % PAID	19.78%	39.93%	50.17%	57.79%	64.13%	69.16%	73.42%	77.56%
INCREMENTAL % PAID	19.78%	20.15%	10.24%	7.63%	6.33%	5.03%	4.25%	4.14%

**SAFECO INSURANCE GROUP
PRIVATE PASSENGER AUTOMOBILE PROGRAM
ARKANSAS
Loss Payment Pattern**

**LIABILITY PAID LOSS AND ALLOCATED ADJUSTMENT EXPENSE
MONTHS OF DEVELOPMENT**

ACC. QT. <u>ENDING</u>	<u>24</u>	<u>36</u>	<u>48</u>	<u>60</u>	<u>72</u>	<u>84</u>	<u>96</u>	<u>108</u>
Mar-2002	122,618	143,788	155,917	160,234	163,120	164,287	164,692	164,763
Mar-2003	136,386	158,477	170,998	176,821	178,967	179,879	180,842	180,886
Mar-2004	169,149	199,095	216,805	222,212	224,937	226,047	227,591	
Mar-2005	189,935	225,220	240,407	246,091	248,502	249,805		
Mar-2006	197,861	226,514	241,263	249,321	250,925			
Mar-2007	191,719	218,358	233,282	240,841				
Mar-2008	170,251	193,676	205,824					
Mar-2009	146,952	167,844						
Mar-2010	130,845							

ACC. QT. <u>ENDING</u>	<u>AGE-TO-AGE FACTORS</u>							
	<u>24-36</u>	<u>36-48</u>	<u>48-60</u>	<u>60-72</u>	<u>72-84</u>	<u>84-96</u>	<u>96-108</u>	<u>108-ULT</u>
Mar-2002	1.173	1.084	1.028	1.018	1.007	1.002	1.000	
Mar-2003	1.162	1.079	1.034	1.012	1.005	1.005	1.000	
Mar-2004	1.177	1.089	1.025	1.012	1.005	1.007		
Mar-2005	1.186	1.067	1.024	1.010	1.005			
Mar-2006	1.145	1.065	1.033	1.006				
Mar-2007	1.139	1.068	1.032					
Mar-2008	1.138	1.063						
Mar-2009	1.142							

	<u>24-36</u>	<u>36-48</u>	<u>48-60</u>	<u>60-72</u>	<u>72-84</u>	<u>84-96</u>	<u>96-108</u>	<u>108-ULT</u>
WEIGHTED SUM	1.1571	1.0728	1.0293	1.0112	1.0055	1.0051	1.0003	
5-QTR WEIGHTED AVG	1.1504	1.0703	1.0295	1.0112	1.0055			
3-QTR SIMPLE AVERAGE	1.1396	1.0654	1.0298	1.0095	1.0051	1.0049		
SELECTED	1.1450	1.0685	1.0298	1.0105	1.0055	1.0051	1.0021	1.0003
CUMULATIVE PAID	1.2894	1.1261	1.0539	1.0234	1.0128	1.0072	1.0021	1.0000
CUMULATIVE % PAID	77.56%	88.80%	94.89%	97.72%	98.74%	99.28%	99.79%	100.00%
INCREMENTAL % PAID	4.14%	11.25%	6.08%	2.83%	1.03%	0.54%	0.51%	0.21%

PAID LOSS AND ALLOCATED ADJUSTMENT EXPENSE PAYMENT PATTERN

(1) MOS. OF <u>DEV.</u>	(2) Cum'l Paid <u>LDF</u>	(3) Cum'l % Paid Loss <u>1 / (2)</u>	(4) Increment % of <u>Paid Loss</u>	(5) 1ST ACC. <u>QTR.</u>	(6) 2ND ACC. <u>QTR.</u>	(7) 3RD ACC. <u>QTR.</u>	(8) 4TH ACC. <u>QTR.</u>	(9) POL. <u>TERM</u>
3	5.0551	19.78%	19.78%	19.78%	0.00%	0.00%	0.00%	4.95%
6	2.5044	39.93%	20.15%	20.15%	19.78%	0.00%	0.00%	9.98%
9	1.9933	50.17%	10.24%	10.24%	20.15%	19.78%	0.00%	12.54%
12	1.7303	57.79%	7.63%	7.63%	10.24%	20.15%	19.78%	14.45%
15	1.5594	64.13%	6.33%	6.33%	7.63%	10.24%	20.15%	11.09%
18	1.4459	69.16%	5.03%	5.03%	6.33%	7.63%	10.24%	7.31%
21	1.3621	73.42%	4.25%	4.25%	5.03%	6.33%	7.63%	5.81%
24	1.2894	77.56%	4.14%	4.14%	7.36%	11.36%	16.66%	9.88%
36	1.1261	88.80%	11.25%	11.25%	9.47%	7.69%	5.92%	8.58%
48	1.0539	94.89%	6.08%	6.08%	7.37%	8.66%	9.96%	8.02%
60	1.0234	97.72%	2.83%	2.83%	3.64%	4.46%	5.27%	4.05%
72	1.0128	98.74%	1.03%	1.03%	1.48%	1.93%	2.38%	1.70%
84	1.0072	99.28%	0.54%	0.54%	0.66%	0.78%	0.91%	0.72%
96	1.0021	99.79%	0.51%	0.51%	0.52%	0.52%	0.53%	0.52%
108	1.0003	99.97%	0.18%	0.18%	0.26%	0.34%	0.42%	0.30%
120	1.0000	100.00%	0.03%	0.03%	0.07%	0.10%	0.14%	0.09%
				0.00%	0.01%	0.01%	0.02%	0.01%
				100.00%	100.00%	100.00%	100.00%	100.00%

SAFECO INSURANCE GROUP
PRIVATE PASSENGER AUTOMOBILE PROGRAM
ARKANSAS
Loss Payment Pattern

ACC. QT. <u>ENDING</u>	PROPERTY DAMAGE PAID LOSS MONTHS OF DEVELOPMENT							
	<u>3</u>	<u>6</u>	<u>9</u>	<u>12</u>	<u>15</u>	<u>18</u>	<u>21</u>	<u>24</u>
Mar-2008	116,828	149,059	146,931	146,112	145,996	145,784	145,726	145,719
Jun-2008	114,476	146,681	144,970	144,209	143,865	143,781	143,677	143,631
Sep-2008	108,510	137,916	135,776	134,544	134,325	134,248	134,217	134,157
Dec-2008	106,163	146,073	143,688	142,837	142,402	142,376	142,446	142,399
Mar-2009	98,998	123,170	121,879	121,223	121,217	121,178	121,180	121,176
Jun-2009	94,666	118,686	116,964	116,287	116,145	116,101	116,063	116,055
Sep-2009	94,564	118,574	117,049	116,462	116,247	116,220	116,131	116,099
Dec-2009	93,883	124,592	122,790	122,085	121,701	121,545	121,449	121,421
Mar-2010	88,047	106,632	105,079	104,496	104,297	104,211	104,153	
Jun-2010	94,286	125,938	125,052	124,507	124,546	124,565	124,568	
Sep-2010	95,647	116,574	114,934	114,079	113,720	113,550		
Dec-2010	101,855	131,184	129,479	128,756	128,334			
Mar-2011	95,721	114,354	112,942	112,113				
Jun-2011	123,743	155,404	155,154					
Sep-2011	112,470	136,997						
Dec-2011	115,991							

ACC. QT. <u>ENDING</u>	AGE-TO-AGE FACTORS						
	<u>3-6</u>	<u>6-9</u>	<u>9-12</u>	<u>12-15</u>	<u>15-18</u>	<u>18-21</u>	<u>21-24</u>
Mar-2008	1.276	0.986	0.994	0.999	0.999	1.000	1.000
Jun-2008	1.281	0.988	0.995	0.998	0.999	0.999	1.000
Sep-2008	1.271	0.984	0.991	0.998	0.999	1.000	1.000
Dec-2008	1.376	0.984	0.994	0.997	1.000	1.000	1.000
Mar-2009	1.244	0.990	0.995	1.000	1.000	1.000	1.000
Jun-2009	1.254	0.985	0.994	0.999	1.000	1.000	1.000
Sep-2009	1.254	0.987	0.995	0.998	1.000	0.999	1.000
Dec-2009	1.327	0.986	0.994	0.997	0.999	0.999	1.000
Mar-2010	1.211	0.985	0.994	0.998	0.999	0.999	0.000
Jun-2010	1.336	0.993	0.996	1.000	1.000	1.000	
Sep-2010	1.219	0.986	0.993	0.997	0.999		
Dec-2010	1.288	0.987	0.994	0.997			
Mar-2011	1.195	0.988	0.993				
Jun-2011	1.256	0.998					
Sep-2011	1.218						

	DEVELOPMENT PERIOD							
	<u>3-6</u>	<u>6-9</u>	<u>9-12</u>	<u>12-15</u>	<u>15-18</u>	<u>18-21</u>	<u>21-24</u>	<u>24-36</u>
SIMPLE AVERAGE	1.2670	0.9877	0.9940	0.9982	0.9993	0.9997	0.8887	
5 QT VOLUME-WTD.AVG	1.2362	0.9908	0.9940	0.9978	0.9993	0.9995	0.8200	
10-PT EXCLUDING HI-LO SELECTED	1.2533	0.9877	0.9942	0.9980	0.9995	0.9996	0.9998	
CUMULATIVE PAID	1.2357	0.9769	0.9889	0.9949	0.9967	0.9975	0.9979	0.9996
CUMULATIVE % PAID	80.93%	102.36%	101.12%	100.51%	100.33%	100.25%	100.21%	100.18%
INCREMENTAL % PAID	80.93%	21.44%	-1.24%	-0.61%	-0.18%	-0.08%	-0.04%	-0.03%

**SAFECO INSURANCE GROUP
PRIVATE PASSENGER AUTOMOBILE PROGRAM
ARKANSAS
Loss Payment Pattern**

ACC. QT. <u>ENDING</u>	PROPERTY DAMAGE PAID LOSS MONTHS OF DEVELOPMENT							
	<u>24</u>	<u>36</u>	<u>48</u>	<u>60</u>	<u>72</u>	<u>84</u>	<u>96</u>	<u>108</u>
Mar-2002	100,824	100,563	100,526	100,502	100,509	100,508	100,505	100,509
Mar-2003	105,342	105,167	105,119	105,084	105,060	105,061	105,060	105,057
Mar-2004	123,510	123,331	123,281	123,257	123,243	123,226	123,220	
Mar-2005	144,548	144,417	144,322	144,288	144,281	144,269		
Mar-2006	151,569	151,479	151,423	151,398	151,394			
Mar-2007	152,358	152,257	152,199	152,189				
Mar-2008	145,719	145,697	145,662					
Mar-2009	121,176	121,166						
Mar-2010	104,100							

ACC. QT. <u>ENDING</u>	AGE-TO-AGE FACTORS							
	<u>24-36</u>	<u>36-48</u>	<u>48-60</u>	<u>60-72</u>	<u>72-84</u>	<u>84-96</u>	<u>96-108</u>	<u>108-ULT</u>
Mar-2002	0.997	1.000	1.000	1.000	1.000	1.000	1.000	
Mar-2003	0.998	1.000	1.000	1.000	1.000	1.000	1.000	
Mar-2004	0.999	1.000	1.000	1.000	1.000	1.000		
Mar-2005	0.999	0.999	1.000	1.000	1.000			
Mar-2006	0.999	1.000	1.000	1.000				
Mar-2007	0.999	1.000	1.000					
Mar-2008	1.000	1.000						
Mar-2009	1.000							

	<u>24-36</u>	<u>36-48</u>	<u>48-60</u>	<u>60-72</u>	<u>72-84</u>	<u>84-96</u>	<u>96-108</u>	<u>108-ULT</u>
WEIGHTED SUM	0.9991	0.9996	0.9998	0.9999	0.9999	1.0000	1.0000	
5-QTR WEIGHTED AVG	0.9995	0.9996	0.9998	0.9999	1.0000			
3-QTR SIMPLE AVERAGE	0.9997	0.9997	0.9998	0.9999	0.9999	1.0000		
SELECTED	0.9996	0.9996	0.9998	0.9999	0.9999	1.0000	0.9997	0.9997
CUMULATIVE PAID	0.9982	0.9986	0.9990	0.9992	0.9993	0.9994	0.9994	0.9997
CUMULATIVE % PAID	100.18%	100.14%	100.10%	100.08%	100.07%	100.06%	100.06%	100.03%
INCREMENTAL % PAID	-0.03%	-0.04%	-0.04%	-0.02%	-0.01%	-0.01%	0.00%	-0.03%

PAID LOSS PAYMENT PATTERN

(1) MOS. OF <u>DEV.</u>	(2) Cum'l Paid <u>LDF</u>	(3) Cum'l % Paid Loss <u>1 / (2)</u>	(4) Increment % of Paid Loss	(5) 1ST ACC. <u>QTR.</u>	(6) 2ND ACC. <u>QTR.</u>	(7) 3RD ACC. <u>QTR.</u>	(8) 4TH ACC. <u>QTR.</u>	(9) POL. <u>TERM</u>
3	1.2357	80.93%	80.93%	80.93%	0.00%	0.00%	0.00%	20.23%
6	0.9769	102.36%	21.44%	21.44%	80.93%	0.00%	0.00%	25.59%
9	0.9889	101.12%	-1.24%	-1.24%	21.44%	80.93%	0.00%	25.28%
12	0.9949	100.51%	-0.61%	-0.61%	-1.24%	21.44%	80.93%	25.13%
15	0.9967	100.33%	-0.18%	-0.18%	-0.61%	-1.24%	21.44%	4.85%
18	0.9975	100.25%	-0.08%	-0.08%	-0.18%	-0.61%	-1.24%	-0.53%
21	0.9979	100.21%	-0.04%	-0.04%	-0.08%	-0.18%	-0.61%	-0.23%
24	0.9982	100.18%	-0.03%	-0.03%	-0.06%	-0.14%	-0.31%	-0.13%
36	0.9986	100.14%	-0.04%	-0.04%	-0.04%	-0.04%	-0.03%	-0.04%
48	0.9990	100.10%	-0.04%	-0.04%	-0.04%	-0.04%	-0.04%	-0.04%
60	0.9992	100.08%	-0.02%	-0.02%	-0.03%	-0.03%	-0.04%	-0.03%
72	0.9993	100.07%	-0.01%	-0.01%	-0.01%	-0.02%	-0.02%	-0.01%
84	0.9994	100.06%	-0.01%	-0.01%	-0.01%	-0.01%	-0.01%	-0.01%
96	0.9994	100.06%	0.00%	0.00%	0.00%	-0.01%	-0.01%	0.00%
108	0.9997	100.03%	-0.03%	-0.03%	-0.02%	-0.02%	-0.01%	-0.02%
120	1.0000	100.00%	-0.03%	-0.03%	-0.03%	-0.02%	-0.03%	-0.03%
				0.00%	-0.01%	-0.02%	-0.02%	-0.01%
				100.00%	100.00%	100.00%	100.00%	100.01%

SAFECO INSURANCE GROUP
 PRIVATE PASSENGER AUTOMOBILE PROGRAM
 ARKANSAS
 Private Passenger Automobile Program -- Liability Subline
 Timing of Federal Income Tax on Underwriting Income

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	Cum'l Written Premium	Cum'l Earned Premium	Ending UEP Reserve	Cum'l Incurred Expense	Cum'l Incurred Loss + AE	Incremntl Paid Loss + AE	Cum'l Paid Loss + AE	Cum'l Loss + AE Reserve	IRS Reserve Discount Factor	Discounted Loss + AE Reserve	Cum'l U/W (IRS) Income	Incremntl U/W (IRS) Income	20% of Change in UEP Reserve	Total Fedl Income Tax on U/W Income
0	50.00													
1	50.00	25.00	25.00	12.68	16.86	4.46	4.46	12.40	0.9813	12.17	(4.30)	(4.30)	5.00	0.24
2	100.00	50.00	50.00	12.68	33.71	7.02	11.47	22.24	0.9813	21.82	4.03	8.33	5.00	4.66
3	100.00	75.00	25.00	25.35	50.57	8.67	20.14	30.42	0.9813	29.85	(0.35)	(4.38)	(5.00)	(3.28)
4	100.00	100.00	0.00	25.35	67.42	11.86	32.00	35.42	0.9813	34.76	7.89	8.24	(5.00)	1.13
5	100.00	100.00	0.00	25.35	67.42	6.20	38.20	29.22	0.9813	28.68	7.77	(0.12)	0.00	(0.04)
6	100.00	100.00	0.00	25.35	67.42	4.42	42.62	24.80	0.9813	24.34	7.69	(0.08)	0.00	(0.03)
7	100.00	100.00	0.00	25.35	67.42	5.29	47.91	19.51	0.9813	19.14	7.59	(0.10)	0.00	(0.03)
8	100.00	100.00	0.00	25.35	67.42	3.33	51.24	16.18	0.9813	15.88	7.53	(0.06)	0.00	(0.02)
<u>Year</u>														
3	100.00	100.00	0.00	25.35	67.42	5.79	57.03	10.39	0.9813	10.20	7.42	(0.11)	0.00	(0.04)
4	100.00	100.00	0.00	25.35	67.42	5.41	62.44	4.99	0.9813	4.89	7.32	(0.10)	0.00	(0.04)
5	100.00	100.00	0.00	25.35	67.42	2.73	65.17	2.26	0.9813	2.21	7.27	(0.05)	0.00	(0.02)
6	100.00	100.00	0.00	25.35	67.42	1.15	66.31	1.11	0.9813	1.09	7.24	(0.02)	0.00	(0.01)
7	100.00	100.00	0.00	25.35	67.42	0.49	66.80	0.62	0.9813	0.61	7.24	(0.01)	0.00	(0.00)
8	100.00	100.00	0.00	25.35	67.42	0.35	67.15	0.27	0.9813	0.26	7.23	(0.01)	0.00	(0.00)
9	100.00	100.00	0.00	25.35	67.42	0.20	67.36	0.07	0.9813	0.06	7.23	(0.00)	0.00	(0.00)
10	100.00	100.00	0.00	25.35	67.42	<u>0.06</u>	<u>67.42</u>	0.01	0.9813	0.01	7.22	<u>(0.00)</u>	<u>0.00</u>	<u>(0.00)</u>
TOTAL						67.42	67.42					7.22	0.00	2.53

- Col. Notes :
- (1) Premium is booked at policy inception.
 - (2) Premium is earned pro rata over policy term.
 - (3) Col. (1) - Col.(2)
 - (4) Commission and premium tax are incurred when premium booked. General expense is incurred as paid.
 - (5) Loss and AE are incurred pro rata over policy term.
 - (6) Based on loss payment pattern, pages 5, 8, and 9.
 - (7) Col. (6) accumulated.
 - (8) Col. (5) - Col. (7)
 - (9) IRS loss reserve discount factor.
 - (10) Col. (8) X Col. (9)
 - (11) Col. (2) - Col. (4) - Col. (7) - Col. (10)
 - (12) Change in Col. (11).
 - (13) 20% of change in Col. (3)
 - (14) 35% X (Col. (12) + Col. (13))

SAFECO INSURANCE GROUP
PRIVATE PASSENGER AUTOMOBILE PROGRAM
ARKANSAS
 Private Passenger Automobile Program -- Physical Damage Subline
 Timing of Federal Income Tax on Underwriting Income

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	Cum'l Written Premium	Cum'l Earned Premium	Ending UEP Reserve	Cum'l Incurred Expense	Cum'l Incurred Loss + AE	Incremntl Paid Loss + AE	Cum'l Paid Loss + AE	Cum'l Loss + AE Reserve	IRS Reserve Discount Factor	Discounted Loss + AE Reserve	Cum'l U/W (IRS) Income	Incremntl U/W (IRS) Income	20% of Change in UEP Reserve	Total Fedl Income Tax on U/W Income
0	100.00													
1	100.00	25.00	25.00	12.71	17.43	18.69	18.69	(1.27)	0.9920	(1.26)	(5.14)	(5.14)	5.00	(0.05)
2	100.00	50.00	50.00	12.71	34.86	18.68	37.37	(2.52)	0.9920	(2.50)	2.42	7.56	5.00	4.40
3	100.00	75.00	25.00	25.41	52.29	17.89	55.26	(2.98)	0.9920	(2.95)	(2.72)	(5.14)	(5.00)	(3.55)
4	100.00	100.00	0.00	25.41	69.72	13.67	68.93	0.79	0.9920	0.78	4.88	7.60	(5.00)	0.91
5	100.00	100.00	0.00	25.41	69.72	1.26	70.19	(0.48)	0.9920	(0.47)	4.87	(0.01)	0.00	(0.00)
6	100.00	100.00	0.00	25.41	69.72	(0.22)	69.97	(0.26)	0.9920	(0.26)	4.87	0.00	0.00	0.00
7	100.00	100.00	0.00	25.41	69.72	(0.11)	69.87	(0.15)	0.9920	(0.15)	4.87	0.00	0.00	0.00
8	100.00	100.00	0.00	25.41	69.72	(0.04)	69.83	(0.11)	0.9920	(0.11)	4.87	0.00	0.00	0.00
<u>Year</u>														
3	100.00	100.00	0.00	25.41	69.72	(0.02)	69.81	(0.09)	0.9920	(0.09)	4.87	0.00	0.00	0.00
4	100.00	100.00	0.00	25.41	69.72	(0.02)	69.78	(0.07)	0.9920	(0.07)	4.87	0.00	0.00	0.00
5	100.00	100.00	0.00	25.41	69.72	(0.02)	69.77	(0.05)	0.9920	(0.05)	4.87	0.00	0.00	0.00
6	100.00	100.00	0.00	25.41	69.72	(0.01)	69.76	(0.04)	0.9920	(0.04)	4.87	0.00	0.00	0.00
7	100.00	100.00	0.00	25.41	69.72	(0.01)	69.75	(0.04)	0.9920	(0.04)	4.87	0.00	0.00	0.00
8	100.00	100.00	0.00	25.41	69.72	(0.00)	69.75	(0.04)	0.9920	(0.04)	4.87	0.00	0.00	0.00
9	100.00	100.00	0.00	25.41	69.72	(0.01)	69.74	(0.02)	0.9920	(0.02)	4.87	0.00	0.00	0.00
10	100.00	100.00	0.00	25.41	69.72	<u>(0.02)</u>	<u>69.72</u>	(0.01)	0.9920	(0.01)	4.87	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
TOTAL						69.72	69.72				4.87	0.00	0.00	1.71

- Col. Notes :
- (1) Premium is booked at policy inception.
 - (2) Premium is earned pro rata over policy term.
 - (3) Col. (1) - Col.(2)
 - (4) Commission and premium tax are incurred when premium booked. General expense is incurred as paid.
 - (5) Loss and AE are incurred pro rata over policy term.
 - (6) Based on loss payment pattern, pages 6, 10, and 11.
 - (7) Col. (6) accumulated.
 - (8) Col. (5) - Col. (7)
 - (9) IRS loss reserve discount factor.
 - (10) Col. (8) X Col. (9)
 - (11) Col. (2) - Col. (4) - Col. (7) - Col. (10)
 - (12) Change in Col. (11).
 - (13) 20% of change in Col. (3)
 - (14) 35% X (Col. (12) + Col. (13))

SAFECO INSURANCE GROUP
PRIVATE PASSENGER AUTOMOBILE PROGRAM
ARKANSAS
Development of Rate of Return Applied to Policyholder Funds

The investment rate of return used in this analysis reflects the risk-free investment income earned from the investment of premiums written during the period that the proposed rates will be in effect. Displayed below are the auction average yields on 3-month and 1-year U.S. T-bills and average yields using constant maturities on U.S. Treasury Notes and Bonds:

<u>Quarter</u>	U.S. T-bills		U.S. Treasury Bonds		(and Treasury Notes)	
	<u>3 Month</u>	<u>1 Year</u>	<u>2 Year</u>	<u>3 Year</u>	<u>5 Year</u>	<u>10 Year</u>
Mar-2011	0.13%	0.27%	0.69%	1.16%	2.12%	3.46%
Jun-2011	0.05%	0.21%	0.57%	0.95%	1.86%	3.21%
Sep-2011	0.02%	0.13%	0.28%	0.47%	1.15%	2.43%
<u>Dec-2011</u>	<u>0.01%</u>	<u>0.11%</u>	<u>0.26%</u>	<u>0.42%</u>	<u>0.95%</u>	<u>2.05%</u>
Four Qtr Avg	0.05%	0.18%	0.45%	0.75%	1.05%	2.24%

SOURCE: Federal Reserve Statistical Release H.15, released weekly, Selected Interest Rates.

Note: If data for 1-Year T-Bills is unavailable, the discount rate for 1-Year T-Bonds is listed

The greater of 1% or the average yield of the last four quarters on a 1-year T-Bill is used in the discounted cash flow analysis.

After-tax rate of return on investment income equals:

$$1\% \times (1 - 0.35) = 0.65\%$$

where 35% = tax rate on 1-year T-bills

EXHIBIT G

SAFECO INSURANCE COMPANIES MANUAL OF AUTOMOBILE INSURANCE - PERSONAL

ARKANSAS

RATE LEVEL INDICATION METHODOLOGY AND TREND DATA

This exhibit explains our method of determining a statistically indicated rate level change. It states the assumptions and displays the data and tables used to obtain the indications.

The data shown in this exhibit supports the Rate Level Indication Exhibit.

This exhibit consists of the following subsections.

SECTION 1 Description of the data in each column, by coverage, in the Rate Level Indication exhibit.

SECTION 2 Loss Cost Trend Methodology

SECTION 3 Credibility Weight Tables

EXHIBIT G
SECTION 1

SAFECO INSURANCE COMPANIES
MANUAL OF AUTOMOBILE INSURANCE - PERSONAL

DESCRIPTION OF THE RATE LEVEL INDICATION

Column references in this section are for the Rate Level Indication Exhibits.

COLUMN (5) Earned Premium at Current Rate Levels
Actual earned premiums are adjusted to current rate level (Column (4)). This adjustment includes the effect of premium trend (Column (3)).

COLUMN (5a) Current Rate Stability Factor
This factor is the current rate stability factor and when applied to Earned Premium it reflects the premium we actually earned.

COLUMN (5b) Stabilized Earned Premium at Current Rate Level
Earned premium at current rate level (Column (5)) adjusted to reflect current rate stability factor (Column (5a)). (5b) = (5) * (5a)

COLUMN (6) Actual Incurred Losses
The evaluation date of the accident year incurred losses is displayed in the bottom box labeled "Assumptions". Bodily Injury losses are capped at \$50,000 per occurrence. Uninsured/Underinsured Motorists losses are capped at \$100,000 per occurrence. Personal Injury Payments losses are capped at \$25,000 per occurrence. Comprehensive weather losses are excluded.

COLUMN (7) Loss Development Factor
A factor which, when multiplied by the incurred losses, estimates paid losses when all claims in the accident year are closed.

COLUMN (8) Loss Cost Trend
Loss cost trend assumptions are summarized in the bottom box labeled "Assumptions". There is an annual up-to-date trend percentage and an annual projection trend percentage for both frequency and severity.

COLUMNS (9) = (6) * (7) * (8)

COLUMN (10) = (9) / (5b)

COLUMN (11) Weights
Weights are used to compute a weighted average of the 3 accident years used in the indication.

The remaining columns are defined differently for the Comprehensive coverage due to the treatment of weather-related losses in Comprehensive.

For the Comprehensive calculation:

COLUMN (12) Weighted Projected Paid Non-Weather Loss Ratio
The weighted average loss ratio for the three accident years.

- COLUMN (13) Credibility**
Credibility is based upon the number of claims in the experience period. The number of claims in the experience period, the full credibility standard, and the credibility are shown in the bottom box label "Assumptions". The credibility is determined by taking the square root of the number of claims in the experience period divided by the full credibility standard and rounding this up to the nearest 5 percentage points.
- COLUMN (14) Trended Permissible Loss Ratio**
The loss ratio underlying current rates excluding loss adjustment expenses trended forward to the projection period using the selected loss cost trends.
- COLUMN (15) Credibility Weighted Non-Weather Loss Ratio**
 $= (12) * (13) + [1-(13)] * (14)$
- COLUMN (16) Weather Loss Ratio**
The total projected weather and catastrophe loss ratio for the state.
- COLUMN (17) Projected Adjustment Expense Ratio**
Projected unallocated plus allocated loss adjustment expense ratio.
- COLUMN (18) Projected Fixed Expense Ratio**
75% is considered fixed.
- COLUMN (19) Projected Variable Expense Ratio**
Projected commissions levels plus general operating expenses plus taxes plus profit
- COLUMN (20) Indicated Change**
 $[(15) + (16)] * [1+(17)] + (18) / (1-(19)) - 1$

For the remaining (non-Comprehensive) calculations:

- COLUMN (12) Large Loss Factor**
Losses above the cap are loaded via a large loss factor for the liability coverages.
- COLUMN (13) = (12) * (10)**
- COLUMN (14) Credibility (as described above)**
- COLUMN (15) Trended Permissible Loss Ratio (as described above)**
- COLUMN (16) Credibility Weighted Loss Ratio**
 $= (13) * (14) + [1-(14)] * (15)$
- COLUMN (17) Projected Adjustment Expense Ratio (as described above)**
- COLUMN (18) Projected Fixed Expense Ratio (as described above)**
- COLUMN (19) Projected Variable Expense Ratio (as described above)**
- COLUMN (20) Indicated Change**
 $[(16) * [1+(17)] + (18)] / (1-(19)) - 1$

EXHIBIT G
SECTION 2

SAFECO INSURANCE COMPANIES
MANUAL OF AUTOMOBILE INSURANCE - PERSONAL

LOSS COST TREND METHODOLOGY

Due to the critical nature of the loss cost trend portion in any rate filing, we consider a broad range of trend information when selecting the average annual rates of change for frequency and severity. The information we have considered includes:

1. Safeco twelve month moving average frequency and severity data, for the state and the United States, by coverage.
2. Industrywide frequency and severity data, for the state, from the ISO Fast Track reports.

The average annual rates of change for the latest three years are calculated by fitting an exponential curve to the actual data points. Average annual rates of change for accident year incurred data are reviewed to determine a selected average annual rate, for each coverage.

The trend period is divided into an up-to-date period, from the midpoint of each experience year to the midpoint of the latest experience year, and a projection period thereafter until the estimated average date of loss under the new rates.

Judgement necessarily plays a large part in the selection of an annual average percent of change for each coverage. We feel a thorough review of all pertinent data nets an informed best estimate of annual rates of change in frequency and severity. It is our best judgement that the selected annual average percents of change are the most appropriate up-to-date and projection percents of change to use in this filing.

EXHIBIT G
SECTION 3

Safeco Insurance Companies
Manual of Automobile Insurance – Personal
ARKANSAS

Credibility Standards Methodology

Our credibility standards are based on the Classical Credibility Formula of approximately 90% confidence of being within 5% of the mean. We assume our frequency distribution is Poisson, and the severity statistics for each coverage are based on internal data.

The formula used for full credibility (n_f) is:

$$n_f = \frac{(1.645)^2}{(0.05)^2} * \left[1 + \frac{[Var(X)]}{[E(X)]^2} \right]$$

where,
 1.645 is the 95th percentile of the standard normal distribution
 .05 is the confidence interval around the estimate (.07 used for Comp)
 $Var(X)$ is the variance of the claim size distribution
 $E(X)$ is the mean (expected value) of the claim size distribution.

Below are the resulting selections for our Standard for Full Credibility based off the formula above and our internal severity data analysis.

Coverage	Selected Number of Claims Required for Full Credibility
Bodily Injury	2,500
Property Damage	2,100
Personal Injury Protection	2,100
Uninsured Motorists	2,500
UMPD	2,500
Comprehensive	3,500
Collision	2,500

Arkansas

Safeco Insurance Company of Illinois Private Passenger Auto Program CPI Factor Example

Rating Example for a policy using Index Stabilizer

Assume year-over-year change in CPI (less food and energy) is between 1% and 3%

Index Stabilizer Factor	=	1.03
Assume Bodily Injury (BI) Base Rate	=	\$100
Assume new policy effective date	=	2/1/2013
Assume Index Stabilizer Filing effective date	=	7/1/2012
Number of months between dates	=	7
Counter	=	0.5
(Reflects the number of annual time periods to apply to the Annual Uniform Trend Factor)		
Index Stabilizer Factor to apply	$(1.03)^{0.5}$	= 1.015
BI Base Rate * Index Stabilizer Factor for Policy	=	\$101.49

Upon renewal:

Assume year-over-year change in CPI (less food and energy) increased to between 3% and 5%

Index Stabilizer Factor	=	1.04
Assume Bodily Injury Base Rate	=	\$100
Assume renewal policy effective date	=	8/1/2013
Index Stabilizer Factor from prior term	=	1.015
Number of months between effective dates	=	6
Counter	=	0.5
(Reflects the number of annual time periods to apply to the Index Stabilizer Factor)		
Incremental Index Stabilizer Factor to apply for current term	$(1.04)^{0.5}$	= 1.020
Cumulative Index Stabilizer Factor to apply	$(1.03^5 * 1.04^5)$	= 1.035
BI Base Rate * Index Stabilizer Factor for Policy	=	\$103.50

Arkansas

Safeco Insurance Company of Illinois
Private Passenger Auto Program
Stabilization Factor Example

Rating Example for a policy using Stabilization Factor

Current rate for policy	=	\$1,250.00
Due to Safeco's model rating changes, premium scheduled to increase 6% at renewal	=	\$1,325.00
Look Stabilization Factor for a 6% change in the Stabilization Factor tables	=	0.962
Multiply Proposed Renewal Premium by Stabilization Factor	=	\$1,274.65
Proposed Renewal Premium	=	\$1,274.65
Actual Policy Increase Amount	=	2.0%

State: Arkansas

Filing Company:

Safeco Insurance Company of Illinois

TOI/Sub-TOI: 19.0 Personal Auto/19.0001 Private Passenger Auto (PPA)

Product Name: Private Passenger Auto

Project Name/Number: Rate & Rule Revision/2012-AR-Auto-RR-2234

Superseded Schedule Items

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

Creation Date	Schedule	Schedule Item Name	Replacement Creation Date	Attached Document(s)
08/22/2012	Supporting Document	APCS-Auto Premium Comparison Survey	08/23/2012	Form APCS .xls (Superseded) Form APCS .pdf (Superseded)
08/16/2012	Supporting Document	APCS-Auto Premium Comparison Survey	08/22/2012	Form APCS.pdf (Superseded) Form APCS .xls (Superseded)
08/09/2012	Supporting Document	APCS-Auto Premium Comparison Survey	08/16/2012	AR APCS Updated Vehicles Premium Survey.pdf (Superseded) APCS Updated Vehicles Premium Survey2.xls (Superseded)
07/16/2012	Rate	Product Guide	08/06/2012	20120908_co_ara_pg.pdf (Superseded)
07/16/2012	Rate	Exhibit 22 ROC	08/06/2012	Exhibit 22_AR ROC.pdf (Superseded)
06/28/2012	Supporting Document	APCS-Auto Premium Comparison Survey	08/09/2012	AR APCS 2012 Auto Premium Comparison Survey.pdf (Superseded) AR APCS 2012 Auto Premium Comparison Survey.xls (Superseded)

SERFF Tracking #:

LBRM-128524368

State Tracking #:

Company Tracking #:

2012-AR- AUTO-RR-2234

State:

Arkansas

Filing Company:

Safeco Insurance Company of Illinois

TOI/Sub-TOI:

19.0 Personal Auto/19.0001 Private Passenger Auto (PPA)

Product Name:

Private Passenger Auto

Project Name/Number:

Rate & Rule Revision/2012-AR-Auto-RR-2234

Attachment Form APCS .xls is not a PDF document and cannot be reproduced here.

Private Passenger Auto Premium Comparison Survey Form

FORM APCS - last modified August 2005

NAIC Number: 39012
Company Name: Safeco Insurance Company of Illinois
Contact Person: Chris Meredith
Telephone No.: 206-473-2867
Email Address: Christopher.Meredith@Safeco.com
Effective Date: 3/10/2012

Assumptions to Use:

- 1 **Liability** -Minimum \$25,000 per person
- 2 **Bodily Injury** \$50,000 per accident
\$25,000 per accident
- 3 **Property Damage** \$100 deductible per accident
- 4 **Comprehensive & Collision** \$250 deductible per accident
- 5 **The insured has elected to accept:**
 Uninsured motorist property and bodily injury equal to liability coverage
 Underinsured bodily injury equal to liability coverage
- 6 **Personal Injury Protection** of \$5,000 for medical, loss wages according to statute and \$5,000 accidental death
- 7 **If male and female rates are different, use the highest of the two**

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 compact disk

DISCOUNTS OFFERED:

PASSIVE RESTRAINT/AIRBAG	N/A	%
AUTO/HOMEOWNERS	5-15.4	%
GOOD STUDENT	1-16	%
ANTI-THEFT DEVICE	3-4	%
Over 55 Defensive Driver Discount	2	%
\$250/\$500 Deductible Comp./Coll.	N/A	%

Vehicle	Coverages	Gender	Age	Fayetteville				Trumann				Little Rock				Lake Village				Pine Bluff			
				Female	Male	Male or Female	Male or Female	Female	Male	Male or Female	Male or Female	Female	Male	Male or Female	Male or Female	Female	Male	Male or Female	Male or Female	Female	Male	Male or Female	Male or Female
				18	18	40	66	18	18	40	66	18	18	40	66	18	18	40	66	18	18	40	66
2008 4.8L Chevrolet Silverado 1500 "LS" regular cab 119" WB	Minimum Liability			\$585	\$650	\$191	\$232	\$477	\$677	\$195	\$202	\$612	\$870	\$246	\$255	\$465	\$661	\$193	\$199	\$528	\$753	\$214	\$222
	Minimum Liability with Comprehensive and Collision			\$852	\$949	\$420	\$468	\$996	\$1,009	\$485	\$485	\$1,209	\$1,224	\$575	\$576	\$1,107	\$1,125	\$586	\$591	\$1,082	\$1,096	\$515	\$515
	100/300/50 Liability with Comprehensive and Collision			\$958	\$1,069	\$459	\$520	\$1,128	\$1,144	\$528	\$532	\$1,384	\$1,404	\$633	\$638	\$1,243	\$1,265	\$631	\$639	\$1,228	\$1,246	\$563	\$566
2009 Ford Explorer "XLT" 2WD, 4 door	Minimum Liability			\$585	\$650	\$191	\$232	\$478	\$676	\$195	\$202	\$613	\$868	\$246	\$255	\$466	\$660	\$193	\$199	\$529	\$752	\$214	\$222
	Minimum Liability with Comprehensive and Collision			\$886	\$986	\$436	\$485	\$1,032	\$1,044	\$498	\$498	\$1,250	\$1,265	\$591	\$591	\$1,145	\$1,162	\$600	\$604	\$1,122	\$1,135	\$530	\$529
	100/300/50 Liability with Comprehensive and Collision			\$990	\$1,105	\$475	\$536	\$1,163	\$1,179	\$542	\$544	\$1,424	\$1,444	\$649	\$652	\$1,280	\$1,301	\$645	\$651	\$1,266	\$1,284	\$578	\$580
2010 Honda Odyssey "EX"	Minimum Liability			\$528	\$586	\$176	\$212	\$435	\$613	\$180	\$186	\$559	\$787	\$227	\$234	\$427	\$602	\$179	\$184	\$481	\$680	\$197	\$204
	Minimum Liability with Comprehensive and Collision			\$776	\$862	\$383	\$425	\$903	\$913	\$431	\$430	\$1,096	\$1,107	\$512	\$510	\$994	\$1,008	\$511	\$513	\$982	\$992	\$459	\$457
	100/300/50 Liability with Comprehensive and Collision			\$876	\$975	\$420	\$474	\$1,028	\$1,041	\$473	\$474	\$1,262	\$1,278	\$567	\$569	\$1,123	\$1,141	\$554	\$559	\$1,119	\$1,134	\$505	\$506
2011 Toyota Camry 2.5L 4 door Sedan	Minimum Liability			\$547	\$606	\$183	\$220	\$452	\$634	\$187	\$192	\$580	\$814	\$236	\$242	\$444	\$622	\$186	\$190	\$499	\$703	\$204	\$211
	Minimum Liability with Comprehensive and Collision			\$940	\$1,045	\$469	\$517	\$1,100	\$1,112	\$545	\$543	\$1,325	\$1,340	\$644	\$641	\$1,239	\$1,257	\$669	\$672	\$1,192	\$1,205	\$577	\$574
	100/300/50 Liability with Comprehensive and Collision			\$1,041	\$1,161	\$507	\$567	\$1,227	\$1,243	\$587	\$588	\$1,495	\$1,515	\$700	\$701	\$1,371	\$1,393	\$712	\$719	\$1,332	\$1,350	\$624	\$624
2011 Cadillac Seville "CTS" AWD WAG 4 door 3.0L	Minimum Liability			\$633	\$703	\$207	\$251	\$517	\$736	\$212	\$219	\$664	\$946	\$268	\$277	\$506	\$721	\$210	\$217	\$572	\$817	\$233	\$241
	Minimum Liability with Comprehensive and Collision			\$1,006	\$1,120	\$494	\$549	\$1,176	\$1,190	\$568	\$567	\$1,423	\$1,440	\$673	\$672	\$1,311	\$1,331	\$687	\$692	\$1,278	\$1,293	\$603	\$602
	100/300/50 Liability with Comprehensive and Collision			\$1,120	\$1,250	\$537	\$605	\$1,319	\$1,338	\$615	\$617	\$1,613	\$1,635	\$736	\$739	\$1,459	\$1,484	\$737	\$744	\$1,436	\$1,456	\$656	\$657
2010 Hyundai Santa Fe SE 4x2	Minimum Liability			\$581	\$645	\$190	\$231	\$475	\$672	\$195	\$201	\$610	\$863	\$246	\$254	\$464	\$657	\$192	\$198	\$526	\$747	\$214	\$221
	Minimum Liability with Comprehensive and Collision			\$853	\$949	\$421	\$468	\$997	\$1,009	\$485	\$486	\$1,209	\$1,223	\$576	\$576	\$1,109	\$1,125	\$587	\$592	\$1,082	\$1,095	\$515	\$515
	100/300/50 Liability with Comprehensive and Collision			\$958	\$1,068	\$460	\$520	\$1,128	\$1,144	\$529	\$532	\$1,383	\$1,403	\$634	\$638	\$1,244	\$1,265	\$632	\$640	\$1,227	\$1,244	\$563	\$566

Private Passenger Auto Premium Comparison Survey Form

FORM APCS - last modified August 2005

NAIC Number: 39012
Company Name: Safeco Insurance Company of Illinois
Contact Person: Chris Meredith
Telephone No.: 206-473-2867
Email Address: Christopher.Meredith@Safeco.com
Effective Date: 3/10/2012

Assumptions to Use:

- 1 **Liability** -Minimum \$25,000 per person
- 2 **Bodily Injury** \$50,000 per accident
\$25,000 per accident
- 3 **Property Damage** \$100 deductible per accident
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 Uninsured motorist property and bodily injury equal to liability coverage
 Underinsured bodily injury equal to liability coverage
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DISCOUNTS OFFERED:

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ANTI-THEFT DEVICE	3-4	%
Over 55 Defensive Driver Discount	2	%
\$250/\$500 Deductible Comp./Coll.	N/A	%

Vehicle	Coverages	Gender	Age	Fayetteville				Trumann				Little Rock				Lake Village				Pine Bluff			
				Female	Male	Male or Female	Male or Female	Female	Male	Male or Female	Male or Female	Female	Male	Male or Female	Male or Female	Female	Male	Male or Female	Male or Female	Female	Male	Male or Female	Male or Female
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2008 4.8L Chevrolet Silverado 1500 "LS" regular cab 119" WB	Minimum Liability			\$585	\$650	\$191	\$232	\$477	\$677	\$195	\$202	\$612	\$870	\$246	\$255	\$465	\$661	\$193	\$199	\$528	\$753	\$214	\$222
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State: Arkansas **Filing Company:** Safeco Insurance Company of Illinois
TOI/Sub-TOI: 19.0 Personal Auto/19.0001 Private Passenger Auto (PPA)
Product Name: Private Passenger Auto
Project Name/Number: Rate & Rule Revison/2012-AR-Auto-RR-2234

Superseded Schedule Items

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Private Passenger Auto Premium Comparison Survey Form

FORM APCS - last modified August 2005

NAIC Number: 39012
Company Name: Safeco Insurance Company of Illinois
Contact Person: Chris Meredith
Telephone No.: 206-473-2867
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- 2 **Bodily Injury** \$50,000 per accident
\$25,000 per accident
- 3 **Property Damage** \$100 deductible per accident
- 4 **Comprehensive & Collision** \$250 deductible per accident
- 5 **The insured has elected to accept:**
 Uninsured motorist property and bodily injury equal to liability coverage
 Underinsured bodily injury equal to liability coverage
- 6 **Personal Injury Protection** of \$5,000 for medical, loss wages according to statute and \$5,000 accidental death
- 7 **If male and female rates are different, use the highest of the two**

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 compact disk

DISCOUNTS OFFERED:

PASSIVE RESTRAINT/AIRBAG	N/A	%
AUTO/HOMEOWNERS	5-15.4	%
GOOD STUDENT	1-16	%
ANTI-THEFT DEVICE	3-4	%
Over 55 Defensive Driver Discount	2	%
\$250/\$500 Deductible Comp./Coll.	N/A	%

Vehicle	Coverages	Gender	Age	Fayetteville				Trumann				Little Rock				Lake Village				Pine Bluff			
				Female 18	Male 18	Male or Female 40	Male or Female 66	Female 18	Male 18	Male or Female 40	Male or Female 66	Female 18	Male 18	Male or Female 40	Male or Female 66	Female 18	Male 18	Male or Female 40	Male or Female 66	Female 18	Male 18	Male or Female 40	Male or Female 66
				2008 4.8L Chevrolet Silverado 1500 "LS" regular cab 119" WB	Minimum Liability			\$585	\$650	\$191	\$232	\$477	\$677	\$195	\$202	\$612	\$870	\$246	\$255	\$465	\$661	\$193	\$199
	Minimum Liability with Comprehensive and Collision			\$852	\$949	\$420	\$468	\$996	\$1,009	\$485	\$485	\$1,209	\$1,224	\$575	\$576	\$1,107	\$1,125	\$586	\$591	\$1,082	\$1,096	\$515	\$515
	100/300/50 Liability with Comprehensive and Collision			\$958	\$1,069	\$459	\$520	\$1,128	\$1,144	\$528	\$532	\$1,384	\$1,404	\$633	\$638	\$1,243	\$1,265	\$631	\$639	\$1,228	\$1,246	\$563	\$566
2009 Ford Explorer "XLT" 2WD, 4 door	Minimum Liability			\$585	\$650	\$191	\$232	\$478	\$676	\$195	\$202	\$613	\$868	\$246	\$255	\$466	\$660	\$193	\$199	\$529	\$752	\$214	\$222
	Minimum Liability with Comprehensive and Collision			\$886	\$986	\$436	\$485	\$1,032	\$1,044	\$498	\$498	\$1,250	\$1,265	\$591	\$591	\$1,145	\$1,162	\$600	\$604	\$1,122	\$1,135	\$530	\$529
	100/300/50 Liability with Comprehensive and Collision			\$990	\$1,105	\$475	\$536	\$1,163	\$1,179	\$542	\$544	\$1,424	\$1,444	\$649	\$652	\$1,280	\$1,301	\$645	\$651	\$1,266	\$1,284	\$578	\$580
2010 Honda Odyssey "EX"	Minimum Liability			\$528	\$586	\$176	\$212	\$435	\$613	\$180	\$186	\$559	\$787	\$227	\$234	\$427	\$602	\$179	\$184	\$481	\$680	\$197	\$204
	Minimum Liability with Comprehensive and Collision			\$776	\$862	\$383	\$425	\$903	\$913	\$431	\$430	\$1,096	\$1,107	\$512	\$510	\$994	\$1,008	\$511	\$513	\$982	\$992	\$459	\$457
	100/300/50 Liability with Comprehensive and Collision			\$876	\$975	\$420	\$474	\$1,028	\$1,041	\$473	\$474	\$1,262	\$1,278	\$567	\$569	\$1,123	\$1,141	\$554	\$559	\$1,119	\$1,134	\$505	\$506
2011 Toyota Camry 2.5L 4 door Sedan	Minimum Liability			\$547	\$606	\$183	\$220	\$452	\$634	\$187	\$192	\$580	\$814	\$236	\$242	\$444	\$622	\$186	\$190	\$499	\$703	\$204	\$211
	Minimum Liability with Comprehensive and Collision			\$940	\$1,045	\$469	\$517	\$1,100	\$1,112	\$545	\$543	\$1,325	\$1,340	\$644	\$641	\$1,239	\$1,257	\$669	\$672	\$1,192	\$1,205	\$577	\$574
	100/300/50 Liability with Comprehensive and Collision			\$1,041	\$1,161	\$507	\$567	\$1,227	\$1,243	\$587	\$588	\$1,495	\$1,515	\$700	\$701	\$1,371	\$1,393	\$712	\$719	\$1,332	\$1,350	\$624	\$624
2011 Cadillac Seville "CTS" AWD WAG 4 door 3.0L	Minimum Liability			\$633	\$703	\$207	\$251	\$517	\$736	\$212	\$219	\$664	\$946	\$268	\$277	\$506	\$721	\$210	\$217	\$572	\$817	\$233	\$241
	Minimum Liability with Comprehensive and Collision			\$1,006	\$1,120	\$494	\$549	\$1,176	\$1,190	\$568	\$567	\$1,423	\$1,440	\$673	\$672	\$1,311	\$1,331	\$687	\$692	\$1,278	\$1,293	\$603	\$602
	100/300/50 Liability with Comprehensive and Collision			\$1,120	\$1,250	\$537	\$605	\$1,319	\$1,338	\$615	\$617	\$1,613	\$1,635	\$736	\$739	\$1,459	\$1,484	\$737	\$744	\$1,436	\$1,456	\$656	\$657
2010 Hyundai Santa Fe SE 4x2	Minimum Liability			\$581	\$645	\$190	\$231	\$475	\$672	\$195	\$201	\$610	\$863	\$246	\$254	\$464	\$657	\$192	\$198	\$526	\$747	\$214	\$221
	Minimum Liability with Comprehensive and Collision			\$853	\$949	\$421	\$468	\$997	\$1,009	\$485	\$486	\$1,209	\$1,223	\$576	\$576	\$1,109	\$1,125	\$587	\$592	\$1,082	\$1,095	\$515	\$515
	100/300/50 Liability with Comprehensive and Collision			\$958	\$1,068	\$460	\$520	\$1,128	\$1,144	\$529	\$532	\$1,383	\$1,403	\$634	\$638	\$1,244	\$1,265	\$632	\$640	\$1,227	\$1,244	\$563	\$566

State: Arkansas **Filing Company:** Safeco Insurance Company of Illinois
TOI/Sub-TOI: 19.0 Personal Auto/19.0001 Private Passenger Auto (PPA)
Product Name: Private Passenger Auto
Project Name/Number: Rate & Rule Revison/2012-AR-Auto-RR-2234

Superseded Schedule Items

Attachment APCS Updated Vehicles Premium Survey2.xls is not a PDF document and cannot be reproduced here.

Arkansas

Auto Product Guide



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Companies and Copyrights

Safeco Insurance Company of Illinois

Safeco Insurance™
A Liberty Mutual Company

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What's New

Effective Date of New and Revised Material

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Eligibility Guidelines

Click [here](#) to be directed to the Eligibility Guidelines document.

Binding Authority

Click [here](#) to be directed to the Binding Authority document.

Product and Market Tier Placement

New Business

Coverage Tiers

Our rating system determines the best possible coverage tier placement for your customer using available information, including the application, Insurance Bureau Score (IBS), driving record and loss history.

Market Placement

Our rating system determines the appropriate market for your customer.

Market determination no longer impacts the rate level for your customer. However, market will be used to determine coverage limit eligibility and commission rate.

Policy Term

Customers in our Preferred and Standard Markets are eligible for either an annual (12-month term) or a semi-annual policy (6-month term). Customers in our Non-Standard market are only eligible for a semi-annual policy.

Renewal Business

Upon renewal, our rating system will automatically recalculate your customer's coverage tiers and market.

Policy Term

Customers written on a semi-annual policy in our Preferred and Standard Markets are eligible to be endorsed to an annual term policy. The endorsement can only be processed effective on a subsequent renewal effective date. Customers on an annual term policy will remain on an annual term if re-tiered at renewal to our Non-Standard market.

Credit Scoring

Credit scoring is confirmed for all new and renewal business policies where the named insured is 21 years of age or older. Credit scoring is not confirmed for named insureds under 21 years of age.

In compliance with NCOIL regulations, where state law mandates it, we will automatically re-order the IBS score every three years.

Index Stabilizers

(Effective NB: 09/08/12 RB: 11/11/12)

“Counter” = $\lceil \text{Truncated}\{[(\text{Policy Effective Date} - \text{Rate Revisions New Business Effective Date})/30.5/6]\rceil/2$, where (Policy Effective Date - Rate Revisions New Business Effective Date) refers to the numbers of days between these two dates. This is truncated down to the nearest number of semi-annual periods and divided by 2.

Therefore, the counter for months 0-6 is 0, for months 7-12 it is 0.5, for months 13-18 it is 1.0, for months 19-24 it is 1.5, for months 25-30 it is 2.0, etc.

The final factor applied to the base rate at the coverage level is then: Trend Factor = (Annual Factor) ^ (Counter)

The Annual Factor is determined from the following table:

Annual Factor

Year over Year Change in CPI *		BI	PD	MED	PIP	UM	UMPD	COMP	COLL
Greater than	Less than or equal to								
	1.0%	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1.0%	3.0%	1.030	1.030	1.030	1.030	1.030	1.030	1.020	1.020
3.0%	5.0%	1.040	1.040	1.040	1.040	1.040	1.040	1.030	1.030
5.0%	7.5%	1.060	1.060	1.060	1.060	1.060	1.060	1.040	1.040
7.5%	10.0%	1.080	1.080	1.080	1.080	1.080	1.080	1.060	1.060
10.0%	12.5%	1.100	1.100	1.100	1.100	1.100	1.100	1.080	1.080
12.5%	15.0%	1.120	1.120	1.120	1.120	1.120	1.120	1.100	1.100
15.0%	17.5%	1.140	1.140	1.140	1.140	1.140	1.140	1.120	1.120
17.5%	20.0%	1.160	1.160	1.160	1.160	1.160	1.160	1.140	1.140
20.0%	+	1.180	1.180	1.180	1.180	1.180	1.180	1.160	1.160

Source: <http://www.bls.gov/home.htm>

Consumer Price Index - Series Id: CUUR0000SA0L1E

We will update factors semi-annually using the Consumer Price Index for All Urban Consumers less food and energy (CPIx). Beginning with the March, 2013, release and thereafter within 100 days of the March and September release dates, the annual factor will be updated according to the above table. For example, if the change in the current year's March over prior year's March CPIx was between 3% and 5%, then the annual factor would be adjusted to 1.040.

Verification

Information on prior insurance coverage, limits, proof of prior auto insurance and home ownership are required and will be verified at random.

When a policy has been selected for verification, you will receive a screen message instructing you to print the fax verification sheet as part of the print package. Complete the form and **fax** it to us along with any requested documents.

Please **fax** these items immediately whenever possible. If verification is not received within 20 calendar days of the request or 42 days after policy inception, whichever is sooner, we will re-rate the policy accordingly.

Prior Insurance Coverage and Limits

Our rating system will prompt you for the carrier name and liability limits of the named insured's prior auto insurance policy.

Prior Auto Insurance Proof

Acceptable verification documents include:

- a declarations page
- a cancel/nonrenewal notice
- a printout from an agency management system
- an identification (ID) card

Any of these items must include the named insured and most recent term with expiration date and previous liability limits. The named insured on the new policy with us must be the named insured or a listed driver on the prior policy. ID cards will be considered at minimum limits if the liability limits are not displayed. Any proof not showing the named insured, a 6-month policy term and liability limits may cause the policy to be re-rated. Documentation of an acceptable reason for not having prior insurance may also be considered on an exception basis.

Home Ownership

Our rating system will prompt you for the residence type of the named insured.

Acceptable verification documents include:

- active safeco homeowners policy number
- company-issued homeowners declaration page
- printouts of homeowners coverage from an agency management system
- deed
- mortgage coupon
- property tax record

Any of these items must include the named insured.

File Maintenance and Audit Requirements

You are required to maintain relevant documentation for a period of seven years after policy expiration.

These documents include, but are not limited to:

- original signed application
- signed electronic funds transfer (EFT) forms
- signed credit card authorization
- proof of special equipment
- signed exclusion form listing all persons excluded from coverage
- signed uninsured motorists selection/rejection form
- verification of accident prevention course and/or underinsured motorist selection/rejection form
- proof of not-at-fault accidents
- proof of home ownership
- signed personal injury protection selection/rejection form
- SR-22 filings

Vehicle Information

Garaging Address

The garaging address of the vehicle must match the rating state of the policy. Entering the address where the vehicle is principally garaged will allow the system to automatically assign the proper territory and rating factor.

For students with a vehicle away from home, you should rate the vehicle at the policyholder's principal garaging address.

Model Year

The model year is determined by the vehicle's original manufacturer. If the vehicle is rebuilt or structurally altered, the model year of the chassis determines the model year of the vehicle.

RVs and Classic Cars

To find out more about writing motorhomes, trailers and collector cars with Safeco, see our [RV](#) and [Classic Car](#) Product Guides.

Motorcycles

The following vehicles may be written in our Motorcycle Program:

- motorcycles
- golf carts or low speed electric vehicles
- all-terrain vehicles (ATVs) with 4 or 6 wheels
- trikes
- two-wheeled electric

Please refer to our [Motorcycle Eligibility Guidelines](#) or [Motorcycle Product Guide](#) documents for details.

Symbol Rated Vehicles

(Effective NB: 03/10/12 RB: 05/13/12)

Most vehicles are assigned Safeco symbols for rating both liability and physical damage coverages. The system will assign symbols for you based on vehicle identification number (VIN), year, make and model.

For new models or model year vehicles which are not assigned a Safeco symbol, you will be prompted to enter an Insurance Services Office, Inc. (ISO) symbol from the symbol pages.

Click [here](#) to be directed to our symbols document.

Vehicles with a cost new of \$80,000 or greater will be rated with the Safeco symbol for liability coverages, if available. Physical damage coverages will be rated with the appropriate ISO symbol.

Vehicles designed for sale or intended for use outside the United States, grey market vehicles, are rated using the same symbols as would be used for comparable U.S. vehicles. A grey market vehicle without a comparable U.S. vehicle is not eligible for our markets.

If an ISO symbol is assigned, and the vehicle model year is 2011 or newer, the 2011 ISO Collision symbol will be mapped to an appropriate 2010 ISO symbol. If the vehicle model year is 2010 or older, the assigned ISO symbol will be used.

Value Class Vehicle Rating

Stated amount vehicles are vehicles that:

- do not appear on our symbols list
- are limited in production
- have more than \$5,000 in additional equipment or add-on's

Physical damage coverage on stated amount vehicles provides coverage up to the lesser of actual cash value or the stated amount value specified by your customer. Stated amount vehicles valued over \$100,000 are not eligible.

Pickups with a Canopy

Canopies or camper shells are typically fiberglass shells attached to the back of a pickup and are not equipped with sleeping or living quarters. Canopies are considered equipment as long as they are attached to the pickup and are covered for direct or accidental loss if the pickup carries comprehensive or collision coverages.

Physical damage premiums are determined by combining the original cost new of the pickup and the original cost new of the canopy. Input the pickup's VIN (with year, make and model), then indicate "truck-camper/canopy" as the body style and input the combined cost new in the "cost new/actual cash value" field.

Pickups with Camper Body

A camper body is a body equipped with sleeping or living quarters which is designed to be mounted on a pickup. Slide-in campers with sleeping or living quarters must be listed and rated separately on the policy as a camper. The pickup used to transport the camper is rated separately as a private passenger vehicle. Please refer to our [RV Product Guide](#) for details on rating a camper body.

Physical damage coverage for campers is excluded on the contract unless indicated on the declarations.

Vehicle Use

Personal Use

The regular non-business use of a personal vehicle, including commuting to or from work or school.

- Pleasure use means that there is no business use of the vehicle nor is it customarily used in the course of driving to or from work a distance of more than three road miles one way.
- Short commute means that there is no business use of the vehicle but it is customarily used in the course of driving to or from work a distance of less than 15 road miles one way.
- Long commute means that there is no business use of the vehicle but it is customarily used in the course of driving to or from work a distance of 15 or more road miles one way.

Note: A vehicle used for driving to or from school shall be considered as used for driving to or from work.

The term “customarily” includes:

- use of vehicles in a car-pool or other ride-share arrangements
- a vehicle driven part way to or from work, such as to a railroad or bus depot, whether or not the vehicle is parked at the depot during the day

A vehicle used in the business of the United States government by an employee thereof may be classified and rated as pleasure use, short commute or long commute provided coverage is limited in accordance with the applicable endorsement.

Business Use

The use of a vehicle which is required by or primarily involved in the duties of the primary operator in his or her occupation, profession or business, other than going to or from work.

Farm Use

The vehicle is principally garaged on a farm or ranch and is not primarily used in going to or from work other than farming or ranching and is not used in any occupation other than farming or ranching.

Driver Information

Driver Classification

Drivers are classified by age, sex and marital status.

Age means the age of the driver as of the term effective date.

Driver Marital Status

Single means an operator who is not legally married, including single, widowed, separated or divorced.

Married means an operator who meets the local statutory definition of married.

Driver-Vehicle Assignment

We determine an average rating factor for all rated drivers and then apply that factor to all vehicles. This is done automatically. We do not require you to assign drivers to specific vehicles.

The rated drivers are equal to all the drivers on the policy. Refer to the [Classic Car Product Guide](#) and the [RV Product Guide](#) to see how drivers and vehicles are assigned for those vehicle types.

Household Members

All drivers of the household should be insured on a single policy.

Drivers that must be rated or excluded are individuals that are currently licensed or were previously licensed (for example, revoked or suspended licensed).

- This also includes youthful operators who are resident students at a school, college or educational institution located more than 100 road miles from the principal garaging address on the policy and who are without a car at a school. However, the operator shall be eligible for the distant student discount.

Drivers that are neither rated nor excluded must be input as a non-rated driver.

Examples of acceptable non-rated driver reasons are:

- any spouse or eligible age adult resident who has never had a license

- any resident youthful operator with a valid learners permit
- an individual in active military service with the armed forces of the United States of America unless such individual customarily operates a covered vehicle

Driver Type

We determine driver type eligibility automatically based on a combination of driver type, relationship to insured, and reason for non-rated or excluded.

Rated

All licensed persons of driving age who operate any of the insured vehicles should be listed as rated drivers.

Excluded

Drivers for whom there will be no coverage under the policy should they operate a vehicle. A surcharge may apply. Exclusion rules vary by state, including signature requirements.

Non-Rated

Persons of driving age in the household who will not be permitted to drive any of the insureds vehicles. Refer to the [Household Members](#) section of the product guide for a list of acceptable non-rated driver types.

Driver Exclusions

As permitted by law, drivers other than the named insured or those drivers requiring an SR-22 filing may be excluded. A surcharge may apply. Drivers may not be excluded from one of our Auto, Classic Car or RV policies and insured on another of those policies. Driver Exclusions must be signed by the named insured and forwarded to the company. The forms are available in the Q&I print package for new business and the [Policy Forms Viewer](#) for in-force policies. The exclusions may be faxed or mailed to the company using the number or address available in Safeco Now[®].

Named insureds or persons insured on another policy with us are not eligible for exclusions.

Underwriting approval is required for removing Driver Exclusions. Please contact the underwriting department for consideration.

Financial Responsibility Filings (SR-22)

Individuals requiring a filing cannot be excluded and must have verifiable driving records. All SR-22s will be issued by us. For policies requiring an immediate SR-22, please contact the [service center](#).

- Liability limits must meet the minimum financial responsibility requirements for the state requesting the filing.
- Bodily injury coverage is required on any policy with an SR-22.
- All vehicles owned by the driver requiring the filing must be on our policy.
- The name on the filing must appear exactly as it reads on the driver's license.
- Filings are not available for a driver with an unverifiable driving record. If we are unable to verify the driving record of a driver requiring a filing, the policy is subject to cancellation.

Youthful Operators

Any driver under the age of 25 is considered a youthful operator.

Driving Record

Unverifiable Driving Record

(Effective NB: 03/10/12 RB: 05/13/12)

Any driver with a U.S. driver's license whose driving record cannot be verified by the licensing state's licensing authority will be assessed a surcharge.

The charge will be removed if a valid motor vehicle record (MVR), covering the complete chargeable period, is received within 30 days of policy inception.

Accidents, Convictions and Claims

(Effective NB: 03/10/12 RB: 05/13/12)

When determining the appropriate market and coverage tiers for your customer's policy, we will consider driving and claims activity up to five years as stipulated below. After determining the appropriate market and coverage tiers, the experience period for charging convictions or at-fault-accident points is 34 months prior to the effective date of the policy.

Please stress the importance of full disclosure to avoid additional premium or policy cancellation. Any unrevealed driving activity will be added to the driving record and the policy will be re-rated accordingly.

The following driving record and claims activity must be shown on the application:

- Minor convictions which have occurred in the past five years. Minor convictions are divided into two categories – Minor and Incidental Minor. Incidental minor convictions will result in a smaller surcharge than minor convictions. Incidental minor convictions include, but are not limited to:
 - failure to use seat belts
 - failure to use turn signals
 - failure to use headlights

- Speed convictions which have occurred in the past five years. Speed convictions are divided into two categories – Speed and Speed 20+. Speed convictions that are over 20 miles per hour over the posted limit will be classified as Speed 20+.
- major convictions which have occurred in the past five years which include, but are not limited to:
 - driving under the influence
 - open container violation
 - vehicle theft or felony of a vehicle
 - careless or improper operation of a vehicle
 - drag racing
 - driving under suspension excludes suspensions which are not related to owning or operating a motor vehicle such as failure to appear, failure to pay:
 - fine
 - alimony
 - child support
 - taxes
 - real estate license
 - hunting license
 - fleeing from police
 - leaving the scene of an incident
 - reckless or negligent driving
 - vehicular homicide
 - driving without owner’s consent
- claims which have occurred in the past five years:
 - include at-fault accidents, not-at-fault accidents and comprehensive losses
 - exclude towing losses
 - exclude not-at-fault losses where the only payment was for personal injury protection or medical payment losses for the vehicle owner or other operator residing in the same household

All driving record and claims activity listed above must be shown on the application. Comprehensive Loss Underwriting Exchange (CLUE) reports and motor vehicle records (MVRs) will be utilized to verify the information provided. Point charges are based on the violation date and, when multiple points are applicable to one occurrence, all incidents should be input on the application; however, only the accident or conviction with the highest points will receive a merit surcharge.

Accident Forgiveness

(Effective NB: 03/10/12 RB: 05/13/12)

For a policy that has been consecutively in force with us for six years or longer on which none of the rated drivers 18 or older have an at fault accident or violation that are categorized as Major, Alcohol/Drugs, and Speed 20+, the first at fault accident caused by a driver 18 or older will not result in a surcharge. Subsequent at fault accidents will result in a surcharge, as will all accidents for drivers less than 18.

Rewind[®] Program

(Effective NB: 09/08/12 RB: 11/11/12)

For drivers with a speeding ticket, minor violation, or at-fault accident, we will waive one incident surcharge for one policy term when the driver enrolls in the Rewind[™] Program. For drivers who qualify during the evaluation period, we will permanently waive the incident surcharge for all future policy terms.

At-fault Accidents

(Effective NB: 03/10/12 RB: 05/13/12)

At-fault accidents, which result in property damage totaling \$750 or more or any bodily injury, result in a merit surcharge for both new and renewal business.

Not At-fault Accidents

Not at-fault accidents do not receive a merit surcharge. The following are some examples of not at-fault accidents.

- The vehicle was lawfully parked at the time of the accident.
- The accident was caused by collision with a bird or animal.

- The vehicle was struck by a “hit-and-run” driver and the accident was reported to the proper authorities within 24 hours.
- A non-rated driver was convicted of a moving violation in connection with the accident.
- The accident is one in which judgment or reimbursement is obtained from the other party, providing we make no liability payment on behalf of your customer.
- The vehicle was stopped at a stop sign or traffic light when it was rear-ended by another vehicle, or the rated driver was clearly not at fault.
- The accident involved physical damage limited to and caused by flying gravel, missiles or falling objects.
- The owner or operator of your customer’s vehicle was reimbursed (or received judgment against another) for more than 50 percent of the property damage.

Foreign and International Driver’s Licenses

(Effective NB: 03/10/12 RB: 05/13/12)

Drivers with a valid foreign or international driver’s license and without a valid U.S. driver’s license will be assessed a surcharge until they are able to provide proof of a valid U.S. driver’s license in effect for at least 12 months. The surcharge will be removed at the next applicable renewal.

Driving Record Charges

Point assignments vary by violation type, driver age, and age of incident. As an incident ages, it will be assigned fewer points. The description and number of points assigned to a policy are as follows:

Major Violations						
1 st Oldest Incident	2 nd Oldest Incident				Single Violation	3rd and Subsequent Incident
	0 to 5	6 to 11	12 to 23	24 to 34		
0 to 5	12	12	12	11	5	8
6 to 11		12	12	11	5	
12 to 23			12	11	5	
24 to 34				10	4	

Alcohol/Drugs						
1 st Oldest Incident	2 nd Oldest Incident				Single Violation	3rd and Subsequent Incident
	0 to 5	6 to 11	12 to 23	24 to 34		
0 to 5	12	12	12	11	4	8
6 to 11		12	12	11	4	
12 to 23			12	11	4	
24 to 34				10	3	

At-fault Accidents						
1 st Oldest Incident	2 nd Oldest Incident				Single Violation	3rd and Subsequent Incident
	0 to 5	6 to 11	12 to 23	24 to 34		
0 to 5	10	10	10	9	4	6
6 to 11		10	10	9	4	
12 to 23			10	9	4	
24 to 34				8	3	

Speed Violations						
1 st Oldest Incident	2 nd Oldest Incident				Single Violation	3rd and Subsequent Incident
	0 to 5	6 to 11	12 to 23	24 to 34		
0 to 5	6	6	6	5	2	4
6 to 11		6	6	5	2	
12 to 23			6	5	2	
24 to 34				4	1	

Speed 20+ Violations						
1 st Oldest Incident	2 nd Oldest Incident				Single Violation	3rd and Subsequent Incident
	0 to 5	6 to 11	12 to 23	24 to 34		
0 to 5	10	10	10	9	4	6
6 to 11		10	10	9	4	
12 to 23			10	9	4	
24 to 34				8	3	

Incidental Minor Violations						
1 st Oldest Incident	2 nd Oldest Incident				Single Violation	3rd and Subsequent Incident
	0 to 5	6 to 11	12 to 23	24 to 34		
0 to 5	4	4	4	3	2	2
6 to 11		4	4	3	2	
12 to 23			4	3	2	
24 to 34				2	1	

Minor Violations						
1 st Oldest Incident	2 nd Oldest Incident				Single Violation	3rd and Subsequent Incident
	0 to 5	6 to 11	12 to 23	24 to 34		
0 to 5	6	6	6	5	3	4
6 to 11		6	6	5	3	
12 to 23			6	5	3	
24 to 34				4	2	

Other						
1 st Oldest Incident	2 nd Oldest Incident				Single Violation	3rd and Subsequent Incident
	0 to 5	6 to 11	12 to 23	24 to 34		
0 to 5	24	24	24	24	12	12
6 to 11		24	24	24	12	
12 to 23			24	24	12	
24 to 34				24	12	

Coverage Options

Coverage descriptions are for informational purposes only. Please refer to the policy for actual coverage descriptions.

Liability Coverages

Only available to customers who currently have these limits with us

	Preferred	Standard	Non-standard
Bodily Injury Liability Limits (in thousands)	25/50 50/100 100/300 250/500 300/300 500/500 500/1,000	25/50 50/100 100/300 250/500 300/300 500/500 Not available	25/50 50/100 100/300 Not available Not available Not available Not available
Property Damage Liability Limits (in thousands)	25 50 100 500	25 50 100 500	25 50 100 Not available
Combined Single Limit of Liability (in thousands)	100 300 500	100 300 500	100 Not available Not available
Work Loss Benefits	Basic	Basic	Basic
Accidental Death Benefits	\$ 5,000 10,000 15,000 20,000 Reject	\$ 5,000 10,000 15,000 20,000 Reject	\$ 5,000 10,000 15,000 20,000 Reject

Only available to customers who currently have these limits with us

	Preferred	Standard	Non-standard
Personal Injury Protection Medical Expense	\$ 500 1,000 2,000 5,000 10,000 25,000 Reject	\$ 500 1,000 2,000 5,000 10,000 25,000 Reject	\$ 500 1,000 2,000 5,000 10,000 25,000 Reject
Uninsured Motorists Bodily Injury Limits (in thousands)	25/50 50/100 100/100 100/300 250/500 300/300 500/500	25/50 50/100 100/100 100/300 250/500 Not available 500/500	25/50 50/100 100/100 100/300 Not available Not available Not available
Underinsured Motorists Bodily Injury Limits (in thousands)	25/50 50/100 100/100 100/300 250/500 300/300 500/500	25/50 50/100 100/100 100/300 250/500 300/300 500/500	25/50 50/100 100/100 100/300 Not available Not available Not available
Uninsured Motorists Property Damage Coverage (in thousands)	25 50 100 300 500	25 50 100 300 500	25 50 100 Not available Not available

Only available to customers who currently have these limits with us

	Preferred	Standard	Non-standard
Uninsured/Underinsured Motorists Combined Single Limit (in thousands)	100 300 500	100 300 500	100 Not available Not available

Refer to the [Umbrella Product guide](#) for the underlying limits required for Umbrella coverage.

Physical Damage Coverages

Only available to customers who currently have these limits with us

	Preferred	Standard	Non-standard
Comprehensive Physical Damage Coverage Deductibles (also available with Full Safety Glass coverage)	\$ 100 250 500 750 1,000 1,500 2,000	\$ 100 250 500 750 1,000 1,500 2,000	\$ 100 250 500 750 1,000 1,500 2,000
Collision Physical Damage Coverage Deductibles	\$ 100 250 500 750 1,000 1,500 2,000	\$ 100 250 500 750 1,000 1,500 2,000	\$ 100 250 500 750 1,000 1,500 2,000
Safeco Optimum Package Plus™	Available	Available	Available
Safeco Optimum Package™	Available	Available	Available
New Vehicle Replacement Coverage	Available	Available	Available
Auto Loan/Lease Coverage	Available	Available	Available
Audio, Visual and Customized Equipment Coverage	Up to \$5,000 per vehicle	Up to \$5,000 per vehicle	Up to \$5,000 per vehicle
Stereo Tapes, Discs and Media	Available	Available	Available
Roadside Assistance/Emergency Assistance Package	Available	Available	Available

Only available to customers who currently have these limits with us

	Preferred	Standard	Non-standard
Loss of Use Coverage	\$ 25/750 35/1,050 50/1,500 75/2,250	\$ 25/750 35/1,050 50/1,500 75/2,250	\$ 25/750 35/1,050 50/1,500 75/2,250
Broad Form Drive Other Car	Available	Available	Available
OEM Endorsement	Available	Available	Available

Bodily Injury Liability

Bodily injury limits must be equal to or higher than the minimum financial responsibility limits required by law. All vehicles on the policy insured for liability coverages must carry the same liability limits. (See [Liability Coverages](#) table.)

Property Damage Liability

Property damage limits must be equal to or higher than the minimum financial responsibility limits required by law. All vehicles on the policy must carry the same liability limits. (See [Liability Coverages](#) table.)

Combined Single Limit

Combined single limit is a single limit of liability that applies to bodily injury and property damage with no per person or property damage sub-limit. Uninsured

motorists and underinsured motorists are not included in combined single limit but may be purchased separately. Uninsured motorists and underinsured motorists have combined single limit available to coordinate with your bodily injury and property damage combined single limit option. (See [Liability Coverages](#) table.)

Personal Injury Protection Coverages

Work Loss Coverage

If selected, all vehicles on the policy must carry the coverage. (See [Liability Coverages](#) table.)

Accidental Death Benefits

If selected all vehicles on the policy must carry the same accidental death benefit limits. (See [Liability Coverages](#) table.)

Personal Injury Protection Medical Expense

Personal injury protection medical expense limits apply to each person for each accident. If selected, all vehicles on the policy must carry the same medical expense limits. (See [Liability Coverages](#) table.)

Uninsured Motorists Bodily Injury

Uninsured motorists bodily injury has to be sold at the same limits as bodily injury, unless reduced or rejected by your customer.

Uninsured motorists bodily injury covers bodily injury to your customer, their family members who live with them and your customer's passengers if they are injured in an accident caused by an uninsured motorist, or a hit-and-run driver.

This coverage is required under all vehicle liability policies insuring the owner of a motor vehicle unless rejected by your customer.

If this coverage is purchased on one vehicle on a policy, it must be purchased on all vehicles on the policy insured for liability coverages. (See [Liability Coverages](#) table.)

Underinsured Motorists Bodily Injury

Underinsured motorists bodily injury has to be sold at the same limits as bodily injury, unless reduced or rejected by your customer.

Underinsured motorists bodily injury covers bodily injury to your customer, their family members who live with them and your customer's passengers if they are injured in an accident caused by a motorist whose bodily injury limits are less than your customer's underinsured motorists bodily injury limits and whose bodily injury limits are not sufficient to pay for the damages your customer is legally entitled to recover.

This coverage is required under all vehicle liability policies insuring the owner of a motor vehicle, unless rejected by your customer.

If this coverage is purchased on one vehicle on a policy, it must be purchased on all vehicles on the policy insured for liability coverages. (See [Liability Coverages](#) table.)

Uninsured Motorists Property Damage Coverage

Uninsured motorists property damage coverage pays for direct and accidental loss to your customer's covered vehicle resulting from physical contact with an uninsured motor vehicle. If uninsured motorists bodily injury coverage is rejected, uninsured motorists property damage must also be rejected.

(See [Liability Coverages](#) table.)

Uninsured Motorists Combined Single Limit

Uninsured motorists combined single limit is a single limit of uninsured motorists that applies to uninsured motorists bodily injury and uninsured motorists property damage with no per person or property damage sub-limit. Uninsured motorists combined single limit is only available with a corresponding combined single limit.

(See [Liability Coverages](#) table.)

Underinsured Motorists Combined Single Limit

Underinsured motorists combined single limit is a single limit of underinsured motorists that applies to

underinsured motorists bodily injury. Underinsured motorists combined single limit is only available with a corresponding combined single limit.

(See [Liability Coverages](#) table.)

Comprehensive Physical Damage Coverage

Comprehensive physical damage coverage is actual cash value and provides coverage in case of a loss that is other than collision. Comprehensive coverage is required if a loss payee is indicated.

Full safety glass coverage is available for all deductible options.

Comprehensive coverage is available to be purchased separately and with differing deductibles per vehicle.

We will pay for direct and accidental loss to your customer's covered vehicle or any non-owned vehicle, including its equipment, minus any applicable deductible shown in the declarations.

(See [Physical Damage Coverages](#) table.)

Collision Physical Damage Coverage

Collision physical damage coverage is the lesser of the actual cash value, or the amount necessary to repair or replace the property. It provides coverage in case of an accident. Collision coverage is required if a loss payee is indicated. Bodily injury, property damage and comprehensive coverages are required if collision coverage is purchased.

Collision coverage is available to be purchased separately and with differing deductibles per vehicle.

We will pay for direct and accidental loss to your customer's covered vehicle or any non-owned vehicle, including its equipment, minus any applicable deductible shown in the declarations.

(See [Physical Damage Coverages](#) table.)

Safeco Optimum Package Plus™

(Effective NB: 03/10/12 RB: 05/13/12)

Safeco Optimum Package Plus™ is a bundled coverage which includes the items below. Coverage afforded by the package is determined by the underlying coverage carried on the policy. Additionally,

if one vehicle has the package selected, all vehicles must select the package.

- Accident forgiveness - only three consecutive years in force with us without at fault accidents or violations categorized as Major, Alcohol/Drugs, or Speed 20+ is required on a policy level instead of six years.
- Liability coverage for punitive damages – if bodily injury coverage applies to the policy, the exclusion of punitive or exemplary damages no longer applies.
- Increased loss of income – if bodily injury coverage applies to the policy, payment for loss of income due to attending a trial or hearing at our request is increased to \$400 per day.
- Death benefits – if personal injury protection coverage applies to the policy, \$2,000 per death, up to a total of \$4,000 if you or a family member dies due an auto accident.
- Tapes, records, disks and other media – if comprehensive coverage and/or collision coverage apply to the policy, up to \$500 of coverage for tapes, records, disks and other media.

- Coverage for injury or death to your dog or cat – if collision coverage applies to the policy, coverage up to \$500 for veterinary expenses if your pet is injured or a benefit of \$500 if your pet dies as a result of an auto collision.
- Comprehensive deductible waiver – if comprehensive coverage applies to the policy, the comprehensive deductible will be waived in the event of a total loss.
- Diminishing deductible – if collision coverage applies to the policy, a \$50 reduction is applied to the selected collision deductible at every renewal (\$100 per renewal for an annual policy), up to a \$500 maximum until an at-fault accident is surcharged. If a surcharge is applied to the policy, the reduction is removed. The reduction will start again at the first clean renewal following the addition of the point surcharge of the accident.
- Uninsured motorists property damage deductible waiver – if uninsured motorists property damage coverage is applicable in your state, and applies to this policy, any applicable deductible will be waived.
- Non-owned trailer coverage – if comprehensive coverage and/or collision coverage apply to the policy, the limit of liability is increased to \$3,000.
- Emergency expenses – if comprehensive coverage and/or collision coverage apply to the policy, coverage for necessary expenses such as alternative transportation, meals, or lodging.
- Personal property coverage – if comprehensive coverage and/or collision coverage apply to the policy, coverage for loss of certain types of personal property while located in the vehicle, subject to a deductible.
- Waiver of adjustment for depreciation or betterment – if comprehensive coverage and/or collision coverage apply to the policy, the limit of liability is revised to remove any adjustment for physical condition and wear and tear when repairing or replacing property.
- Electronic lock and key replacement deductible waiver – if comprehensive coverage applies to the policy, any applicable deductible for the replacement of electronic locks or electronic key replacement is waived.

- World-wide coverage for physical damage and indirect loss of use of rental vehicles – if comprehensive coverage and/or collision coverage apply to the policy, subject to the policy provisions, including any applicable deductible, physical damage coverage for vehicles that are rented internationally is covered up to 90 days.

Within stated limits, reasonable expenses for indirect loss of use for the rental company is included. (See [Physical Damage Coverages](#) table.)

SA-2789EP Safeco Optimum Package Plus™

Safeco Optimum Package™

The Safeco Optimum Package™ is a bundled coverage which includes the items below. Collision coverage is required to purchase this endorsement. Additionally, if one vehicle has the package selected, all vehicles with collision coverage must select the package.

- Diminishing deductible – a \$50 reduction is applied to the selected collision deductible at every renewal (\$100 per renewal for an annual policy) up to a \$500 maximum until an at-fault accident is surcharged. If a surcharge is applied to the policy, the reduction is removed. The reduction will start again at the first clean renewal following the addition of the point surcharge of the accident.
- Uninsured motorists property damage deductible waiver – if uninsured motorists property damage coverage is applicable in your state, and applies to this policy, any applicable deductible will be waived.
- Non-owned trailer coverage – the limit of liability is increased to \$3,000.
- Emergency expenses – coverage for necessary expenses such as alternative transportation, meals, or lodging.
- Personal property coverage – coverage for loss of certain types of personal property while located in the vehicle.
- Waiver of adjustment for depreciation or betterment – the limit of liability is revised to remove any adjustment for physical condition and wear and tear when repairing or replacing property.

- Electronic lock and key replacement deductible waiver – any applicable deductible for the replacement of electronic locks or electronic key replacement is waived.
- World-wide coverage for physical damage and indirect loss of use of rental vehicles – subject to the policy provisions, including any applicable deductible, physical damage coverage for vehicles that are rented internationally is covered up to 90 days. Within stated limits, reasonable expenses for indirect loss of use for the rental company is included.

(See [Physical Damage Coverages](#) table.)

SA-2707EP Safeco Optimum Package™

Safeco Safety Rewards™

(Effective NB: 03/10/12 RB: 05/13/12)

The Safeco Safety Rewards™ program provides recognition to our customers for their safety related behaviors. The program bundles discounts and rewards in an easily identifiable manner for customers to understand the value they have earned in recognition of their safe habits.

- [Accident Forgiveness](#)
- [Diminishing Deductible](#)
- [Accident Free Discount](#)
- [Violation Free Discount](#)

*Policy is eligible for either or both Accident Free and Violation Free Discount.

- [Teen Safety Reward](#)
 - [Driver Training Discount](#)
 - [Good Student Discount](#)

New Vehicle Replacement

In the event of a total loss, the new vehicle replacement coverage pays at the insured's option (subject to certain limitations):

- verifiable purchase price to replace the vehicle
- cost of a similar new vehicle
- market value of the vehicle

A new vehicle is one where it has not been previously titled and the insured is the original owner. Coverage is available for the first 365 days from the date of purchase of the vehicle. After that, the coverage will automatically be removed from the policy at the next renewal. (See [Physical Damage Coverages](#) table.)

[SA-2692EP](#) New Vehicle Replacement

Auto Loan/Lease Coverage

Eligibility

A policy providing comprehensive and collision coverage may be extended to provide coverage for the difference between the unpaid amount due on the loan or lease of a new vehicle and the actual cash value of the vehicle. A new vehicle, as used in this rule, is a vehicle that has not previously been titled by any state on the date that your customer purchased it.

Coverage

Coverage under the endorsement applies only in the event of a premature termination of the loan or lease due to a total loss covered under comprehensive or collision. Coverage does not apply to overdue

payments, penalty charges assessed for excessive mileage or excessive wear and tear, etc. (See [Physical Damage Coverages](#) table.)

[SA-1914EP](#) Auto Loan/Lease Coverage

Audio, Visual and Customized Equipment

If a vehicle has audio, visual, and customized equipment valued in excess of \$1,000 that is non-factory/non-factory dealership installed, coverage is available for an additional premium. To obtain coverage, list the actual value of all equipment on the application. This coverage is only available on those vehicles for which comprehensive and collision coverages are provided. No additional deductible applies.

The following are examples of what is meant by non-factory or non-factory dealership installed audio, visual and customized equipment:

- any permanently installed audio or visual production/reproduction equipment and accessories installed by anyone other than the auto manufacturer or manufacturer's dealership, such as:

- radios and stereos
- tape decks
- compact disc players
- DVD players
- any custom vehicle part that modifies the vehicle's appearance or performance, such as:
 - custom wheels, tires, tachometers, pressure, and temperature gauges
 - custom murals, paint, decals, or other graphics
 - modified or custom engines and fuel systems, light bars, racing slicks and/or oversized rims/tires, roll bars and lift kits, winches, utility boxes and tool boxes
 - paint
 - interior work (for example: special carpeting and seat covers)

(See [Physical Damage Coverages](#) table.)

[SA-1690EP](#) Audio, Visual and Customized Equipment

Stereo Tapes, Discs and Media

Coverage may be purchased for \$200 worth of media such as:

- cassettes
- discs

(See [Physical Damage Coverages](#) table.)

[SA-1751EP](#) Stereo tapes, discs and Media

Roadside Assistance

Roadside Assistance coverage may be provided on any vehicle and includes:

- towing
- labor
- lock coverage

Additionally for new business, if one vehicle has the coverage selected, all vehicles must select the coverage. Comprehensive only policies are not affected by this rule. (See [Physical Damage Coverages](#) table.)

Emergency Assistance Package

Emergency assistance package coverage provides:

- Roadside Assistance coverage
- transportation expenses such as taxi fare
- emergency expenses such as lodging
- personal property coverage
- lock coverage

If Emergency Assistance Package is purchased, comprehensive coverage and any higher limit for loss of use must also be provided.

(See [Physical Damage Coverages](#) table.)

[SA-2267EP](#) Emergency Assistance Package

Loss of Use

Loss of use coverage is available on vehicles insured for collision and/or comprehensive coverages. It reimburses the insured for expenses incurred to rent a substitute for an insured vehicle disabled by a covered loss which exceeds the applicable deductible. (See [Physical Damage Coverages](#) table.)

Named Non-owner

A named non-owner policy provides liability protection to an individual who does not own a vehicle or have access to any personal use vehicle on a regular basis.

The only coverages available are bodily injury/property damage, combined single limit, personal injury protection, additional personal injury protection, medical payments, uninsured motorists bodily injury/underinsured motorists bodily injury, uninsured motorists property damage and uninsured motorists/underinsured motorists combined single limit.

SR-22 filings and higher liability limits are acceptable. Business use is not acceptable for named non-owner policies.

[SA-1947EP](#) Named Non-owner

Extended Non-owned Auto Coverage (Broad Form Drive Other Car) – Liability

Coverage is provided for the use of any non-owned vehicle by the named insured as provided in the endorsement.

The following options are available to the named insured or a relative living in the same household with:

- no underlying insurance for named insured and relative
- underlying insurance for named insured
- underlying insurance for relative

Please submit complete information regarding:

- estimated annual mileage of non-owned vehicle
- whether there is underlying insurance covering the named insured or relative on a direct primary basis
- type of vehicle usually driven
- use of vehicle

(See [Physical Damage Coverages](#) table.)

[SA-966EP](#) Extended Non-owned Auto Coverage

Original Parts Replacement/OEM Endorsement

In the event of a loss, Comprehensive and Collision coverages will be extended to repair or replace damaged property with new original equipment manufactured parts (if available). This endorsement

does not apply to windshield losses. The safety glass exclusion applies.

- must carry both comprehensive and collision coverages
- be an auto, pickup or a van
- be 10 years old or newer

Vehicle age is measured by the current calendar year minus the vehicle model year. Coverage is available up through the vehicles 10th year of age. After that, the coverage will automatically be removed from the policy at the next renewal.

This coverage cannot be extended to vehicles rated as antique/classic autos, restored autos, motorhomes or trailers.

The charge for this coverage will be 10 percent of the comprehensive and collision coverages (See [Physical Damage Coverages](#) table.)

[SA-2730EP](#) Original Parts Replacement/OEM Endorsement

Physical Damage Minimum

Each vehicle will be subject to a physical damage minimum excluding Roadside Assistance and loss of use.

Semi-Annual auto	Annual auto
\$10 per vehicle	\$20 per vehicle

Discounts

(Effective NB: 03/10/12 RB: 05/13/12)

Discount Name	Requirements	Coverages
Multi-car Discount	<p>Applies if more than one private passenger auto (or pickup or van rated a private passenger auto) is insured. The vehicles must:</p> <ul style="list-style-type: none"> • be owned by an individual or owned jointly by two or more relatives in the same household • be owned by a corporation and primarily operated by the corporate officer named in the declarations or family members who are residents of the same household • be a combination of the first two bullet points above • carry bodily injury and property damage liability or equivalent coverage <p>Also applies when a new business application insures one vehicle and, as of the inception date of the policy, the named insured owns an additional vehicle eligible for this discount. An endorsement adding the additional vehicle during the initial policy period must be submitted with the application. This is permitted on the policy inception date only.</p>	This is a vehicle level discount.
Advance Quote Discount	<p>Applies if the quote date is 1 day or more in advance of the issue date of the policy or the prior policy expiration date.</p> <p>New business discount only, rewritten policies are not eligible for this discount.</p>	This is a policy level discount.
Homeowner Discount	Applies if the named insured owns a home or condominium.	This is a policy level discount.

Discount Name	Requirements	Coverages
Coverage Discount	Applies to each vehicle, if one or more vehicles have both liability coverage (bodily injury and property damage) and comprehensive and/or collision coverage.	This is a vehicle level discount.
Billing Plan	<ul style="list-style-type: none"> • Paid in Full – Applies if the policy term premium is paid in full at inception or renewal. Installment payments will be offered at renewal, but the discount will be deleted if not paid in full. • Annual Two-pay plan – Annual term policies on a two-pay plan will be offered this discount. The discount will apply if the billed amount is paid in full. The discount will be deleted if the bill is not paid in full. 	This is a policy level discount.
Account Discount	Applies if your customer has an in-force homeowners, condominium or renters policy with us, or has their home insured on an in-force farm policy.	This is a policy level discount.
Good Student Discount	<p>Does not apply to any driver with a driving record with eight or more points under the safe driver insurance plan rule.</p> <p>Applies if the insured vehicle is classified under any youthful owner or operator classification, provided:</p> <ul style="list-style-type: none"> • a youthful operator is not less than 16 years of age • is a full-time student in high school or enrolled in at least four courses per term as a full-time student in a certificate or degree program in an accredited college or university, or home school program or is a college graduate, not married and not older than 24 	This is a driver level discount.

Discount Name	Requirements	Coverages
<p>Good Student Discount – Continued</p>	<ul style="list-style-type: none"> • the scholastic records for the immediately preceding school semester or quarter (or comparable segment) show that each such student: <ul style="list-style-type: none"> – is ranked scholastically among the upper 20 percent of his or her class – in schools designating grades by letter (such as A, B, C, D and F), had a grade average of B or its equivalent, B- for a full-time student at a two- or four-year college or university (if the system of grading by letter is not susceptible to averaging, no grade shall be below a B, or a B- as outlined above, or its equivalent) – in schools where numbers are used to designate grade “points” (such as 4, 3, 2 and 1), had an average of at least 3 grade points for all subjects combined, or its equivalent – in schools that maintain a dean’s list, honor roll or comparable listing for scholastic achievement, was included in such a list – in a Home School Program, has state testing data, or grade or grade point equivalency verification of the above requirements • For each such student, we are furnished with a copy of the student’s most recent grade report or a statement, certified by a responsible official of the school, indicating the attainment of at least one of the above scholastic requirements <p>Certification at inception of the policy or on any renewal date applies for four terms. Mid-term certification applies for the remainder of the current term and three additional terms.</p>	<p>This is a driver level discount.</p>

Discount Name	Requirements	Coverages
Good Student Discount – Continued	<p>If the operator who is applying for re-certification has, during the past year, graduated from a four-year college or university, the applicable good student rating factor shall be continued after graduation, provided documentation confirming graduation is furnished to us.</p> <p>When this discount is applied to a new business policy, please fax a copy of the student's most recent grade report or statement by a school official verifying the acceptable grade level to us. The day after the policy is uploaded to us, you will receive an e-mail reminder to fax the grade report. If verification is not received within 20 calendar days of the request or 42 days after policy inception, whichever is sooner, we will assume the student does not qualify for this discount and re-rate the policy accordingly. Once verified the discount will remain on the policy with new verification every 24 months.</p>	This is a driver level discount.
Distant Student Discount	Applies to a youthful operator who is in your customer's household but is a resident student at an educational institution over 100 road miles from the principal garaging address if they do not have a car at school.	This is a driver level discount.

Discount Name	Requirements	Coverages
Driver Training	<p>Applies to youthful operators, under the age of 21, who complete a driver education course. Proof of course completion should be kept in your file while the discount applies.</p> <p>This discount does not apply if:</p> <ul style="list-style-type: none"> • your customer is taking a course intended to be a penalty, imposed by a court or other governmental entity, or resulting from a moving traffic violation • during the most recent 36 months, your customer has been: <ul style="list-style-type: none"> – involved in an at-fault vehicle accident – convicted of or has pleaded guilty or nolo contendere to a moving traffic violation for which points may be assessed against your customer's driver's license 	This is a driver level discount.
Accident Prevention Course Discount	<p>Applies to an operator age 55 years old or older who has successfully completed an approved accident prevention course for a period of three years from completion.</p> <p>Proof of course completion should be kept in your files while the discount applies.</p>	This is a driver level discount.

Discount Name	Requirements	Coverages
Anti-theft Discount	<p>Only one discount level is allowed. To qualify the vehicle must be equipped with a device described below.</p> <ul style="list-style-type: none"> • Alarm Only – An alarm device which sounds an audible alarm that can be heard at a distance of at least 300 feet for at least three minutes. • Disabling Device – A disabling device makes the fuel, ignition or starting system inoperative. <ul style="list-style-type: none"> – Active Disabling Device – An active disabling device requires you to turn the system on. – Passive Disabling Device – A passive disabling device does not require a separate manual step to engage the device. <p>If the vehicle has an active vehicle recovery device/service (such as a LoJack, Teletrac or On-Star[®] system), the comprehensive deductible will be waived if the vehicle is stolen and the service is activated at the time of loss.</p>	This is a vehicle level discount and applies to comprehensive coverage only.
Teensurance™ – Safeco Youthful Program Subscription	<p>Applies if the insured vehicle is classified under any youthful owner or operator classification, provided:</p> <ul style="list-style-type: none"> • a youthful operator is a driver under 25 years of age • the vehicle has an active Safeco Youthful Program Subscription <p>If at any time the Subscription is discontinued, the rating factor will be removed upon renewal or sooner.</p>	This is a vehicle level discount.

Discount Name	Requirements	Coverages
Fire Fighters Discount	Applies to all active members of the International Association of Fire Fighters (IAFF), Arkansas State Firefighters Association. The agent must provide a membership number and affinity discount code (<i>FFA20401-01</i>) to apply or endorse the discount. Proof of association membership is required and must be kept on file while the discount applies.	This is a policy level discount.
AAA Discount	Applies to all American Automobile Association (AAA) club members. The agent must provide a membership number and affinity discount code (<i>AAA20103-01</i>) to apply or endorse the discount. Proof of American Automobile Association membership is required and must be kept on file while the discount applies.	This is a policy level discount.
Alumni Discount	Applies to all Alumni of any Accredited Arkansas College or University. For purposes of this discount, Alumni are defined as persons who have received a bachelors degree or above from an Arkansas College or University that is accredited by an accrediting agency recognized by the US Department of Education. The agent must provide the name of the alumni institution and affinity discount code (<i>ALU20303-01</i>) to apply or endorse the discount. Proof of alumni membership or graduation is required and must be kept on file while the discount applies.	This is a policy level discount.

Discount Name	Requirements	Coverages
Low Mileage Discount	<p>The Low Mileage Discount shall apply to regular pleasure use vehicles driven less than 8,000 miles annually. It is available at new business or through endorsement. The principal operator must be 25 years or older and the company may periodically request that the customer report estimates of annual mileage. In the event we are not able to verify mileage, we will send the customer requests for verification twice per policy term. If a customer fails to respond to our written requests for verification, we will reduce the discount each term and remove the discount completely by the end of the second year. Once the mileage has been verified, at the next renewal the policyholder will receive the full discount for the reported mileage.</p> <p>If the policyholder provides information indicating that they are not a low mileage driver, they are no longer eligible for the discount and it will be removed at renewal.</p>	This is a vehicle level discount.
Accident Free Discount	Applies to new business or renewal policies that are accident free for 34 months. The accident free discount is not impacted by not at-fault accidents, below the threshold at-fault accidents or forgiven accidents. Added driving activity can affect eligibility of this discount.	This is a policy level discount.
Violation Free Discount	Applies to new business or renewal policies that are violation free for 34 months. Added driving activity can affect eligibility of this discount.	This is a policy level discount.

Discount Name	Requirements	Coverages
Group Discount	<p>For members of a qualifying participating group, the rates otherwise applicable may be reduced.</p> <p>Note: the discount will apply only once, regardless of the number of participating groups which the insured is a member of or the number of insureds in a household belonging to a participating group.</p>	This is a policy level discount.

Employee Discount Plan

Persons eligible for the Employee Discount are employees of Liberty Mutual and its subsidiaries, their spouses, domestic partners and family members in the household.

Retired employees and their surviving spouses or domestic partners are eligible to continue receiving this discount for life.

All other underwriting standards and provisions apply.

This discount only applies to policies sold through Emerald City Insurance.

Policy Changes

Endorsements/Changes on Policies

Additional coverage will be afforded by endorsement and will run concurrently with the policy term. The addition of coverage will not alter the premium due date of the term during which the additional coverage is attached or affect the premium due date of the policy term.

When additional coverage is added the rate for the added coverage will be prorated for the number of days the added coverage is to run from its effective date to the next ensuing premium due date.

If the policy has already been billed for the next term when the endorsement is processed the charge for the additional coverage will be computed from the effective date of the change to the end of the next term.

The policy coverage as written is automatically renewable on the premium due date for successive periods by payment of required premiums.

Fifth-vehicle Policies

Fifth-vehicle policies are input by a company operator. Please contact the [service center](#) for assistance.

Split Policies

A policy will need to be “split” when one of the insureds on a policy needs to be written on their own separate policy. The newly written policy should be input by you into the quote and issue system. Our system will automatically determine the appropriate customer since date for your customer on the newly written policy.

Cancellation and Continuing with a Lapse

Cancellation

All cancellations, regardless of whether they are initiated by us or your customer, are calculated on a pro rata basis.

If additional premium is due, we will bill your customer with instructions to pay the additional premium directly to us. Return premium checks will be issued by us and sent to your customer.

Continuing with a Lapse

If a payment is postmarked or is received by us within 60 days of the cancellation, a policy may be eligible to continue with a lapse in coverage.

The new term begin date will be effective the time and day you receive the money and bind the coverage or the day after the postmark, whichever is earlier.

Waiver of Returned Premium

We will compute any additional or return premium pro rata. Additional or return premium of \$3 or less will be waived.

Companies and Copyrights

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Safeco Insurance Company of Illinois



SAFECO INSURANCE COMPANY OF ILLINOIS
MANUAL OF AUTOMOBILE INSURANCE -- PERSONAL

ARKANSAS

EXHIBIT 22

RATE ORDER CALCULATION

	CSL*	BI	PD	WLOSS/A DB/MED	UM / UIMBI	UM/UIM CSL***	UMPD	Comp	Coll	Audio, Visual & Customized Equipment	EAP	Tapes / Discs / Records	DOC	Death Indemnity	Total Disability	LOU	Roadside Assistance
Driver Class																	
Driving Record (Points)	x	x	x	x	BI	BI	COLL	x	x							COLL	
Good Student Discount	x	x	x	x	BI	BI	COLL	x	x							COLL	
Distant Student Discount	x	x	x	x	BI	BI	COLL	x	x							COLL	
Mature Driver Training Discount (APC)	x	x	x	x	BI	BI	COLL	x	x							COLL	
Driving Training Discount (DTC)	x	x	x	x	BI	BI	COLL	x	x							COLL	
Driver Factor	=	=	=	=	=	=	=	=	=							=	
Average Driver Factor																	
Base Rate	x	x	x	x	x	x	x	x	x							x	
Commission	x	x	x	x	x	x	x	x	x							x	
Tier Factor	x	x	x	x	BI	BI	COLL	x	x			x				COLL	
Household Structure Factor	x	x	x	x	BI	BI	COLL	x	x							COLL	
Coverage Discount	x	x	x	x	BI	BI	COLL	x	x							COLL	
Advanced Quoting Discount	x	x	x	x	BI	BI	COLL	x	x							COLL	
Limit/Deductible Factor	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	
Symbol Factor	x	x	x	x	x	x	x	x	x								
Value Class Factor ****	x	x	x	x	x	x	x	x	x								
Model Year Factor	x	x	x	x	x	x	x	x	x								
Territory Factor	x	x	x	x	x	x	x	x	x							COLL	
Usage Factor	x	x	x	x	BI	BI	COLL	x	x							COLL	
Vehicle Age Factor																x	x
Vehicle Level Discounts	x	x	x	x	x	x	x	x	x								
Account Credit	x	x	x	x	BI	BI	COLL	x	x							COLL	
Driver Exclusion Surcharge	x	x	x	x	x	x	x	x	x								
Full Pay Discount	x	x	x	x	BI	BI	COLL	x	x							COLL	
Named Non Owner	x	x	x	x	x	x	x	x	x								
Low Mileage Discount	x	x	x	x	x	x	x	x	x	x	x	x				x	x
Index Stabilizer	x	x	x	x	x	x	x	x	x								
Expense Constant	+	+	+	+													
Coverage Premium	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=
Policy Level Coverage																	
Subtotal of Coverage Premiums	=																
Policy Term Factor	x																
Employee Discount	x																
Total Premium	=																
Auto Loan / Lease**	+																
Optimum Package*****	+																
Optimum Package Plus*****	+																
New Vehicle Replacement*****	+																
OEM Endorsement*****	+																
Calculated Premium	=																
Capping Factor	x																
Installment & SR-22 Fee	+																
Capped Final Premium	=																

*The CSL limit is the sum of the BI and PD premiums

**Loan/Lease is calculated as (Comp Cov Prem + Coll Cov Prem) * 0.03

*** The UM CSL is the sum of the UMBI and UMPD Full Coverage premiums

*** The UIM CSL is the sum of the UIMBI and UIMPD Full Coverage premiums

**** Only used if no Safeco or ISO symbol can be determined

***** Optimum package is calculated as (Coll cov Prem) * 0.20

*****Optimum Package Plus is calculated as (BI cov Prem)*0.098 + (PD cov Prem)*0.038 + (MED cov Prem)*0.038 + (COMP cov Prem)*0.188 + (COLL cov Prem)*0.208

***** New Vehicle Replacement is calculated as (Coll Cov Prem) * 0.05

*****OEM Endorsement is calculated as (Comp Cov Prem + Coll Cov Prem) * 0.10

Private Passenger Auto Premium Comparison Survey Form
FORM APCS - last modified August 2005

NAIC Number: 39012
 Company Name: Safeco Insurance Company of Illinois
 Contact Person: Chris Meredith
 Telephone No.: 206-473-2867
 Email Address: Christopher.Meredith@Safeco.com
 Effective Date: 9/8/2012

Assumptions to Use:
 1 Liability -Minimum: \$25,000 per person
 2 Bodily Injury \$50,000 per accident
 \$25,000 per accident
 3 Property Damage \$100 deductible per accident
 4 Comprehensive & Collision \$250 deductible per accident
 5 The insured has elected to accept:
 Uninsured motorist property and bodily injury equal to liability coverage
 Underinsured bodily injury equal to liability coverage
 6 Personal Injury Protection of \$5,000 for medical, loss
 wages according to statute and \$5,000 accidental
 7 If male and female rates are different, use the highest of the two

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

DISCOUNTS OFFERED:
 PASSIVE RESTRAINT/AIRBAG
 AUTO/HOMEOWNERS
 GOOD STUDENT
 ANTI-THEFT DEVICE
 Over 55 Defensive Driver Discount
 \$250/\$500 Deductible Comp./Coll.

N/A	%
5-15.4	%
1-16	%
3-4	%
2	%
N/A	%

Vehicle	Coverages	Gender	Age	Fayetteville				Trumann				Little Rock				Lake Village				Pine Bluff			
				Female	Male	Male or Female	Male or Female	Female	Male	Male or Female	Male or Female	Female	Male	Male or Female	Male or Female	Female	Male	Male or Female	Male or Female	Female	Male	Male or Female	Male or Female
				18	18	40	66	18	18	40	66	18	18	40	66	18	18	40	66	18	18	40	66
1999 Chevrolet Silverado 1500 2WD "LS" regular cab 119" WB	Minimum Liability			\$531	\$590	\$175	\$212	\$435	\$614	\$179	\$185	\$557	\$788	\$225	\$233	\$425	\$601	\$176	\$182	\$481	\$682	\$196	\$203
	Minimum Liability with Comprehensive and Collision			\$629	\$698	\$310	\$348	\$736	\$745	\$358	\$361	\$902	\$912	\$427	\$430	\$808	\$820	\$428	\$433	\$799	\$809	\$380	\$382
	100/300/50 Liability with Comprehensive and Collision			\$727	\$810	\$347	\$396	\$858	\$871	\$399	\$404	\$1,065	\$1,080	\$481	\$488	\$934	\$950	\$470	\$478	\$934	\$948	\$425	\$430
2003 Ford Explorer XLT 2WD, 4 door	Minimum Liability			\$610	\$678	\$198	\$240	\$496	\$702	\$202	\$209	\$637	\$901	\$255	\$263	\$483	\$683	\$199	\$205	\$550	\$781	\$222	\$229
	Minimum Liability with Comprehensive and Collision			\$741	\$822	\$360	\$403	\$860	\$869	\$404	\$405	\$1,053	\$1,064	\$483	\$484	\$932	\$944	\$473	\$476	\$937	\$947	\$431	\$431
	100/300/50 Liability with Comprehensive and Collision			\$847	\$942	\$400	\$455	\$992	\$1,005	\$448	\$451	\$1,229	\$1,244	\$541	\$545	\$1,069	\$1,085	\$518	\$524	\$1,083	\$1,097	\$480	\$483
2003 Honda Odyssey "Ex"	Minimum Liability			\$523	\$581	\$174	\$210	\$431	\$606	\$178	\$184	\$553	\$778	\$224	\$231	\$423	\$594	\$177	\$182	\$476	\$672	\$195	\$201
	Minimum Liability with Comprehensive and Collision			\$652	\$722	\$323	\$360	\$763	\$771	\$372	\$373	\$933	\$942	\$443	\$445	\$841	\$852	\$445	\$450	\$828	\$837	\$395	\$396
	100/300/50 Liability with Comprehensive and Collision			\$750	\$834	\$360	\$408	\$885	\$897	\$413	\$417	\$1,096	\$1,110	\$497	\$502	\$967	\$983	\$487	\$494	\$963	\$976	\$440	\$443
2005 Toyota Camry LE 3.0L 4 door Sedan	Minimum Liability			\$546	\$606	\$183	\$220	\$452	\$635	\$188	\$193	\$580	\$816	\$236	\$243	\$445	\$626	\$187	\$191	\$499	\$705	\$205	\$211
	Minimum Liability with Comprehensive and Collision			\$736	\$816	\$362	\$403	\$859	\$867	\$409	\$408	\$1,047	\$1,056	\$487	\$486	\$943	\$954	\$484	\$486	\$933	\$942	\$435	\$434
	100/300/50 Liability with Comprehensive and Collision			\$839	\$933	\$401	\$454	\$988	\$1,000	\$452	\$454	\$1,219	\$1,234	\$544	\$546	\$1,077	\$1,092	\$528	\$533	\$1,076	\$1,089	\$483	\$484
2003 Cadillac Seville "STS" 4 door Sedan	Minimum Liability			\$547	\$608	\$182	\$219	\$450	\$635	\$186	\$192	\$578	\$815	\$234	\$241	\$442	\$623	\$184	\$190	\$498	\$704	\$203	\$210
	Minimum Liability with Comprehensive and Collision			\$707	\$784	\$347	\$387	\$823	\$831	\$390	\$389	\$1,005	\$1,015	\$464	\$464	\$898	\$909	\$457	\$459	\$895	\$904	\$415	\$414
	100/300/50 Liability with Comprehensive and Collision			\$809	\$900	\$385	\$437	\$950	\$962	\$432	\$434	\$1,174	\$1,189	\$520	\$523	\$1,030	\$1,045	\$501	\$506	\$1,036	\$1,049	\$462	\$464
1998 Chevrolet Cavalier LS 4D Sedan	Minimum Liability			\$515	\$572	\$172	\$207	\$425	\$596	\$176	\$181	\$545	\$766	\$221	\$228	\$417	\$585	\$174	\$179	\$469	\$662	\$192	\$198
	Minimum Liability with Comprehensive and Collision			\$572	\$632	\$280	\$314	\$665	\$670	\$312	\$313	\$818	\$825	\$374	\$374	\$715	\$723	\$359	\$362	\$724	\$730	\$333	\$333
	100/300/50 Liability with Comprehensive and Collision			\$669	\$742	\$317	\$362	\$786	\$795	\$353	\$355	\$980	\$991	\$427	\$431	\$840	\$852	\$401	\$406	\$857	\$868	\$377	\$380
				\$11,949	\$13,270	\$5,276	\$6,036	\$12,853	\$14,069	\$5,852	\$5,905	\$15,970	\$17,526	\$7,086	\$7,157	\$13,688	\$14,921	\$6,648	\$6,735	\$14,039	\$15,402	\$6,269	\$6,329

State: Arkansas **Filing Company:** Safeco Insurance Company of Illinois
TOI/Sub-TOI: 19.0 Personal Auto/19.0001 Private Passenger Auto (PPA)
Product Name: Private Passenger Auto
Project Name/Number: Rate & Rule Revison/2012-AR-Auto-RR-2234

Superseded Schedule Items

Attachment AR APCS 2012 Auto Premium Comparison Survey.xls is not a PDF document and cannot be reproduced here.