

State: Arkansas **Filing Company:** American Family Home Insurance Company
TOI/Sub-TOI: 04.0 Homeowners/04.0002 Mobile Homeowners
Product Name: AFH Manufactured Home
Project Name/Number: Rate/Rule/20120424-09

Filing at a Glance

Company: American Family Home Insurance Company
Product Name: AFH Manufactured Home
State: Arkansas
TOI: 04.0 Homeowners
Sub-TOI: 04.0002 Mobile Homeowners
Filing Type: Rate/Rule
Date Submitted: 08/06/2012
SERFF Tr Num: AMMH-128614960
SERFF Status: Closed-Filed
State Tr Num:
State Status:
Co Tr Num: 20120424-09

Effective Date: 12/01/2012
Requested (New):
Effective Date: 12/01/2012
Requested (Renewal):
Author(s): Susan Crawford, Michelle Warren
Reviewer(s): Becky Harrington (primary)
Disposition Date: 09/12/2012
Disposition Status: Filed
Effective Date (New): 12/01/2012
Effective Date (Renewal): 12/01/2012

State Filing Description:
referred to Commissioner 8/29/12; meeting 9/5/12.

State: Arkansas **Filing Company:** American Family Home Insurance Company
TOI/Sub-TOI: 04.0 Homeowners/04.0002 Mobile Homeowners
Product Name: AFH Manufactured Home
Project Name/Number: Rate/Rule/20120424-09

General Information

Project Name: Rate/Rule Status of Filing in Domicile: Not Filed
 Project Number: 20120424-09 Domicile Status Comments: Not filed in domicile state.
 Reference Organization: Reference Number:
 Reference Title: Advisory Org. Circular:
 Filing Status Changed: 09/12/2012
 State Status Changed: 09/05/2012 Deemer Date:
 Created By: Michelle Warren Submitted By: Michelle Warren
 Corresponding Filing Tracking Number: 20120424-09F

Filing Description:
 Please see attached Explanatory Memo.

Company and Contact

Filing Contact Information

Michelle Warren, Sales Administrator II mwarren@amig.com
 7000 Midland Blvd 800-759-9008 [Phone] 5265 [Ext]
 Amelia, OH 45102 513-947-4181 [FAX]

Filing Company Information

American Family Home Insurance CoCode: 23450 State of Domicile: Florida
 Company Group Code: 361 Company Type: Property and
 1301 Riverplace Blvd, Ste 1300 Group Name: Casualty
 Jacksonville, FL 32207 FEIN Number: 31-0711074 State ID Number:
 (800) 759-9008 ext. [Phone]

Filing Fees

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

Company	Amount	Date Processed	Transaction #
American Family Home Insurance Company	\$150.00	08/06/2012	61436156

State: Arkansas
TOI/Sub-TOI: 04.0 Homeowners/04.0002 Mobile Homeowners
Product Name: AFH Manufactured Home
Project Name/Number: Rate/Rule/20120424-09

Filing Company: American Family Home Insurance Company

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Becky Harrington	09/12/2012	09/12/2012

Objection Letters and Response Letters

Objection Letters

Status	Created By	Created On	Date Submitted
Pending Industry Response	Becky Harrington	09/05/2012	09/05/2012
No response necessary	Becky Harrington	08/29/2012	08/29/2012
Pending Industry Response	Becky Harrington	08/17/2012	08/17/2012
Pending Industry Response	Becky Harrington	08/17/2012	08/17/2012
Pending Industry Response	Becky Harrington	08/10/2012	08/10/2012

Response Letters

Responded By	Created On	Date Submitted
Michelle Warren	09/12/2012	09/12/2012
Michelle Warren	09/12/2012	09/12/2012
Michelle Warren	08/28/2012	08/28/2012
Michelle Warren	08/28/2012	08/28/2012
Michelle Warren	08/17/2012	08/17/2012

Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Note to Reviewer response	Note To Filer	Becky Harrington	09/10/2012	09/10/2012
Objection Letter dated 9-5-2012	Note To Reviewer	Michelle Warren	09/07/2012	09/07/2012

State: Arkansas
TOI/Sub-TOI: 04.0 Homeowners/04.0002 Mobile Homeowners
Product Name: AFH Manufactured Home
Project Name/Number: Rate/Rule/20120424-09

Filing Company: American Family Home Insurance Company

Disposition

Disposition Date: 09/12/2012
 Effective Date (New): 12/01/2012
 Effective Date (Renewal): 12/01/2012
 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):
American Family Home Insurance Company	22.100%	10.000%	\$1,039,113	11,534	\$10,551,703	24.700%	-20.000%

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document (revised)	NAIC loss cost data entry document	Filed	Yes
Supporting Document	NAIC loss cost data entry document		Yes
Supporting Document	NAIC Loss Cost Filing Document for OTHER than Workers' Comp	Filed	Yes
Supporting Document	Indications	Filed	Yes
Supporting Document	Explanatory Memorandum Rate Rule	Filed	Yes
Supporting Document (revised)	Disruption Chart	Filed	Yes
Supporting Document	Disruption Chart		Yes
Rate (revised)	Proposed Filing Pages	Filed	Yes
Rate	Proposed Filing Pages		Yes

State: Arkansas **Filing Company:** American Family Home Insurance Company
TOI/Sub-TOI: 04.0 Homeowners/04.0002 Mobile Homeowners
Product Name: AFH Manufactured Home
Project Name/Number: Rate/Rule/20120424-09

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	09/05/2012
Submitted Date	09/05/2012
Respond By Date	

Dear Michelle Warren,

Introduction:

The requested increase has been reviewed by the Commissioner.

Please amend the overall increase amount to 10% and cap individual increase at no more than 25%.

Conclusion:

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

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

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

Sincerely,
Becky Harrington

State: Arkansas
TOI/Sub-TOI: 04.0 Homeowners/04.0002 Mobile Homeowners
Product Name: AFH Manufactured Home
Project Name/Number: Rate/Rule/20120424-09

Filing Company: American Family Home Insurance Company

Response Letter

Response Letter Status Submitted to State
 Response Letter Date 09/12/2012
 Submitted Date 09/12/2012

Dear Becky Harrington,

Introduction:

Response 1

Comments:

Per your request, we have revised the overall rate impact to 10% and limited the individual increase at no more than 25%. See attached: AR 070 Disruption Chart- Revised

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: NAIC loss cost data entry document

Comment: Please see the attached revised file.

Satisfied -Name: Disruption Chart

Comment: Please see the attached revised chart.

No Form Schedule items changed.

Rate/Rule Schedule Item Changes

Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing #
Proposed Filing Pages	Pages GR-1;EC-1 through EC-2;D-1;BR-1;PR-1;RR-1;TR-1;L-1;OC-1 through OC-2	Replacement	
<i>Previous Version</i>			
Proposed Filing Pages	Pages GR-1;EC-1 through EC-2;D-1;BR-1;PR-1;RR-1;TR-1;L-1;OC-1 through OC-2	Replacement	

Conclusion:

Please let me know if you have any questions. Thank you again for your time and help!

SERFF Tracking #:

AMMH-128614960

State Tracking #:

Company Tracking #:

20120424-09

State:

Arkansas

Filing Company:

American Family Home Insurance Company

TOI/Sub-TOI:

04.0 Homeowners/04.0002 Mobile Homeowners

Product Name:

AFH Manufactured Home

Project Name/Number:

Rate/Rule/20120424-09

Sincerely,

Michelle Warren

State: Arkansas **Filing Company:** American Family Home Insurance Company
TOI/Sub-TOI: 04.0 Homeowners/04.0002 Mobile Homeowners
Product Name: AFH Manufactured Home
Project Name/Number: Rate/Rule/20120424-09

Objection Letter

Objection Letter Status No response necessary
Objection Letter Date 08/29/2012
Submitted Date 08/29/2012
Respond By Date

Dear Michelle Warren,

Introduction:

This will acknowledge receipt of the recent response.

This filing is being referred to the Commissioner for review due to the requested increase amount being greater than 6%. Please do not respond at this time.

Conclusion:

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

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

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

Sincerely,
Becky Harrington

State: Arkansas **Filing Company:** American Family Home Insurance Company
TOI/Sub-TOI: 04.0 Homeowners/04.0002 Mobile Homeowners
Product Name: AFH Manufactured Home
Project Name/Number: Rate/Rule/20120424-09

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	09/12/2012
Submitted Date	09/12/2012

Dear Becky Harrington,

Introduction:

Response 1

Comments:

Thank you

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Sincerely,

Michelle Warren

State: Arkansas **Filing Company:** American Family Home Insurance Company
TOI/Sub-TOI: 04.0 Homeowners/04.0002 Mobile Homeowners
Product Name: AFH Manufactured Home
Project Name/Number: Rate/Rule/20120424-09

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	08/17/2012
Submitted Date	08/17/2012
Respond By Date	

Dear Michelle Warren,

Introduction:

This will acknowledge receipt of the recent response.

Objection 1

Comments: Pursuant to ACA 23-88-104. when making a rate or rule filing, an insurer shall include an impact statement concerning the filing's effect on fire protection in the affected area unless the insurer utilizes a public protection classification system maintained by a licensed advisory organization. Please provide an impact statement.

Objection 2

Comments: Provide a disruption chart showing the number of insureds with increases greater than 25%.

Conclusion:

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

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

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

Sincerely,
Becky Harrington

State: Arkansas
TOI/Sub-TOI: 04.0 Homeowners/04.0002 Mobile Homeowners
Product Name: AFH Manufactured Home
Project Name/Number: Rate/Rule/20120424-09

Filing Company: American Family Home Insurance Company

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	08/28/2012
Submitted Date	08/28/2012

Dear Becky Harrington,

Introduction:

Please see our response below.

Response 1

Comments:

Protected/unprotected is defined as less than or more than 5 miles from a fire department. Location codes 10, 12, and 14 are receiving our In Park rate. The rate impact on these policyholders is 9.4%. Location codes 11, 13, 15, 16, 17, and 18 are receiving our Out Park rate. The rate impact on these policyholders is 21.8%.

10 In park / protected

11 Out of park / protected

12 In park / unprotected

13 Out of park / unprotected

14 In park / unknown protection

15 Out of park / unknown protection

16 Unknown location / protected

17 Unknown location / unprotected

18 Unknown location / unknown protection

Related Objection 1

Comments: Pursuant to ACA 23-88-104. when making a rate or rule filing, an insurer shall include an impact statement concerning the filing's effect on fire protection in the affected area unless the insurer utilizes a public protection classification system maintained by a licensed advisory organization. Please provide an impact statement.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 2

Comments:

SERFF Tracking #:

AMMH-128614960

State Tracking #:

Company Tracking #:

20120424-09

State:

Arkansas

Filing Company:

American Family Home Insurance Company

TOI/Sub-TOI:

04.0 Homeowners/04.0002 Mobile Homeowners

Product Name:

AFH Manufactured Home

Project Name/Number:

Rate/Rule/20120424-09

Please see the attached Disruption Chart.

Related Objection 2

Comments: Provide a disruption chart showing the number of insureds with increases greater than 25%.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: Disruption Chart

Comment: Please see the attached chart per your 2nd objection from letter dated 8-17-2012.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Please let me know if you have any questions. Thank you again for your time.

Sincerely,

Michelle Warren

State: Arkansas **Filing Company:** American Family Home Insurance Company
TOI/Sub-TOI: 04.0 Homeowners/04.0002 Mobile Homeowners
Product Name: AFH Manufactured Home
Project Name/Number: Rate/Rule/20120424-09

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	08/17/2012
Submitted Date	08/17/2012
Respond By Date	

Dear Michelle Warren,

Introduction:

This will acknowledge receipt of the recent response.

Conclusion:

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

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

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

Sincerely,
Becky Harrington

State: Arkansas **Filing Company:** American Family Home Insurance Company
TOI/Sub-TOI: 04.0 Homeowners/04.0002 Mobile Homeowners
Product Name: AFH Manufactured Home
Project Name/Number: Rate/Rule/20120424-09

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	08/28/2012
Submitted Date	08/28/2012

Dear Becky Harrington,

Introduction:

Response 1

Comments:

Thank you.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Sincerely,

Michelle Warren

State: Arkansas Filing Company: American Family Home Insurance Company
 TOI/Sub-TOI: 04.0 Homeowners/04.0002 Mobile Homeowners
 Product Name: AFH Manufactured Home
 Project Name/Number: Rate/Rule/20120424-09

Objection Letter

Objection Letter Status Pending Industry Response
 Objection Letter Date 08/10/2012
 Submitted Date 08/10/2012
 Respond By Date

Dear Michelle Warren,

Introduction:

This will acknowledge receipt of the captioned filing.

Objection 1

- Proposed Filing Pages, Pages GR-1;EC-1 through EC-2;D-1;BR-1;PR-1;RR-1;TR-1;L-1;OC-1 through OC-2 (Rate)

Comments: Please provide additional supporting documentation for the change in Age of insured and age of home factors.

Objection 2

- Proposed Filing Pages, Pages GR-1;EC-1 through EC-2;D-1;BR-1;PR-1;RR-1;TR-1;L-1;OC-1 through OC-2 (Rate)

Comments: Please provide additional supporting information and details regarding the in park/out of park factors. Explain what consideration is given to public protection classifications.

Conclusion:

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

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

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

Sincerely,

Becky Harrington

State: Arkansas **Filing Company:** American Family Home Insurance Company
TOI/Sub-TOI: 04.0 Homeowners/04.0002 Mobile Homeowners
Product Name: AFH Manufactured Home
Project Name/Number: Rate/Rule/20120424-09

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	08/17/2012
Submitted Date	08/17/2012

Dear Becky Harrington,

Introduction:

Please see our response below.

Response 1

Comments:

State: Arkansas Filing Company: American Family Home Insurance Company
 TOI/Sub-TOI: 04.0 Homeowners/04.0002 Mobile Homeowners
 Product Name: AFH Manufactured Home
 Project Name/Number: Rate/Rule/20120424-09

The American Modern Home Insurance Company has used Generalized Linear Modeling to determine indicated countrywide relativities for its Mobile Home products. Models are run in-house by company associates and use Emblem software. The latest model was run in 2011 and is based on non-catastrophe policy year data from PY 2006 through the first quarter of 2011. The following variables are considered good predictors and were used in the final model:

- Unit Value Relativity Curve (Amount of Insurance)
- Age of Home
- Age of Insured
- Insurance Score
- Park Status (In or Out of Park)
- Years from Inception
- Occupancy Type (Owner and Seasonal only)
- Program Type (Byline, HO-3 and Package)
- Marketing Channel
- Tier (Distance from Coast however, a non-cat model was used)
- Policy Term

Policy Year to absorb differences between the years and State to absorb differences between states were also included.

This model was compared to that run in 2009 and found to be consistent.

The indicated relativities, combined with experience and judgment form the basis for the proposed relativities. The age of home and the age of insured proposed relativities were also rebased to our countrywide base as part of this review.

Age of Unit

Unit Age	Indicated Relativity	Current Relativity	Rebased Current Relativity	Proposed Relativity
New - 1	0.80	1.00	0.85	0.80
2 - 3	0.85	1.06	0.91	0.85
4 - 5	0.93	1.09	0.93	0.92
6 - 10	1.00	1.17	1.00	1.00
11 - 15	1.19	1.23	1.05	1.19
16 - 20	1.31	1.34	1.15	1.34
21 +	1.34	1.34	1.15	1.34

Age of Insured

Insured Age	Indicated Relativity	Current Relativity	Rebased Current Relativity	Proposed Relativity
18 - 34	1.12	1.06	1.04	1.12
35 - 49	1.00	1.02	1.00	1.00
50 - 64	0.92	0.98	0.96	0.92
65 +	0.83	0.95	0.83	0.83

State: Arkansas Filing Company: American Family Home Insurance Company
 TOI/Sub-TOI: 04.0 Homeowners/04.0002 Mobile Homeowners
 Product Name: AFH Manufactured Home
 Project Name/Number: Rate/Rule/20120424-09

Related Objection 1

Applies To:

- Proposed Filing Pages, Pages GR-1;EC-1 through EC-2;D-1;BR-1;PR-1;RR-1;TR-1;L-1;OC-1 through OC-2 (Rate)

Comments: Please provide additional supporting documentation for the change in Age of insured and age of home factors.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 2

Comments:

Please see objection 1 explanation for the in park/out of park factors. Also, we do not rate using public protection classifications. Our model shows that park status is a better risk indicator than distance to a fire department. Our definitions changed from Protected- Located within 5 road miles of a responding fire department to In Park- Mobile Home park with 26 or more occupied spaces.

Park Status

Park Status Indicated	Relativity Current (Prot/Unprot)	Relativity Rebased	Current Relativity	Proposed Relativity
In Park	0.86	1.00	1.00	1.00
Out Park	1.00	1.24	1.24	1.16

Related Objection 2

Applies To:

- Proposed Filing Pages, Pages GR-1;EC-1 through EC-2;D-1;BR-1;PR-1;RR-1;TR-1;L-1;OC-1 through OC-2 (Rate)

Comments: Please provide additional supporting information and details regarding the in park/out of park factors. Explain what consideration is given to public protection classifications.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Please let me know if you have any questions. Thank you for your time.

Sincerely,

Michelle Warren

State: Arkansas **Filing Company:** American Family Home Insurance Company
TOI/Sub-TOI: 04.0 Homeowners/04.0002 Mobile Homeowners
Product Name: AFH Manufactured Home
Project Name/Number: Rate/Rule/20120424-09

Note To Filer

Created By:

Becky Harrington on 09/10/2012 07:18 AM

Last Edited By:

Becky Harrington

Submitted On:

09/12/2012 09:41 AM

Subject:

Note to Reviewer response

Comments:

OK, thanks.

State: Arkansas **Filing Company:** American Family Home Insurance Company
TOI/Sub-TOI: 04.0 Homeowners/04.0002 Mobile Homeowners
Product Name: AFH Manufactured Home
Project Name/Number: Rate/Rule/20120424-09

Note To Reviewer

Created By:

Michelle Warren on 09/07/2012 11:05 AM

Last Edited By:

Becky Harrington

Submitted On:

09/12/2012 09:41 AM

Subject:

Objection Letter dated 9-5-2012

Comments:

Just a quick note to let you know that we are working on revising the rates per your objection letter dated 9-5-2012. I should have that to you in a few days.

Please let me know if you have any questions.

Thanks Becky!
Michelle Warren

State: Arkansas **Filing Company:** American Family Home Insurance Company
TOI/Sub-TOI: 04.0 Homeowners/04.0002 Mobile Homeowners
Product Name: AFH Manufactured Home
Project Name/Number: Rate/Rule/20120424-09

Post Submission Update Request Processed On 09/12/2012

Status: Allowed
 Created By: Michelle Warren
 Processed By: Becky Harrington
 Comments:

Company Rate Information:

Company Name: American Family Home Insurance Company

Field Name	Requested Change	Prior Value
Overall % Rate Impact	10.000%	20.000%
Written Premium Change for this Program	\$1039113	\$2074954
Maximum %Change (where required)	24.700%	83.200%
Minimum %Change (where required)	-20.000%	-23.000%

SERFF Tracking #:

AMMH-128614960

State Tracking #:

Company Tracking #:

20120424-09

State:

Arkansas

Filing Company:

American Family Home Insurance Company

TOI/Sub-TOI:

04.0 Homeowners/04.0002 Mobile Homeowners

Product Name:

AFH Manufactured Home

Project Name/Number:

Rate/Rule/20120424-09

Rate Information

Rate data applies to filing.

Filing Method:

File and Use

Rate Change Type:

Increase

Overall Percentage of Last Rate Revision:

6.000%

Effective Date of Last Rate Revision:

10/01/2011

Filing Method of Last Filing:

File and Use

Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
American Family Home Insurance Company	22.100%	10.000%	\$1,039,113	11,534	\$10,551,703	24.700%	-20.000%

SERFF Tracking #:

AMMH-128614960

State Tracking #:**Company Tracking #:**

20120424-09

State:

Arkansas

Filing Company:

American Family Home Insurance Company

TOI/Sub-TOI:

04.0 Homeowners/04.0002 Mobile Homeowners

Product Name:

AFH Manufactured Home

Project Name/Number:

Rate/Rule/20120424-09

Rate/Rule Schedule

Item No.	Schedule Item Status	Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing Number	Attachments
1	Filed 09/12/2012	Proposed Filing Pages	Pages GR-1;EC-1 through EC-2;D-1;BR-1;PR-1;RR-1;TR-1;L-1;OC-1 through OC-2	Replacement		Proposed Filing Pages.pdf

**ARKANSAS
AMERICAN FAMILY HOME INSURANCE COMPANY
MANUFACTURED HOME PROGRAM**

GENERAL RULES

1. POLICY TERM

- a. Policies may be issued for a term not to exceed 36 months, or on a continuous renewal form. If the policy term is other than 12 months, the following rules apply:
- 1) The premium shall be pro rata of the annual premium but not less than the minimum premium for a policy written for less than one year, unless otherwise specified.
 - 2) The premium shall be the applicable premium for each coverage plus the pro rata portion of the succeeding year's premium for a policy written in excess of 12 months and not written in annual multiples.
 - 3) The premium shall be calculated at pro rata of the annual premium for policies written on a continuous renewal basis for a term of less than one year.

2. MULTI-YEAR POLICIES

Factors do not apply to the premiums shown in the Liability Section or to the Optional Coverages.

Policy Term, Months, Up To:	Multi-Year Term Factors
12	1.000
24	2.050
36	3.150

3. CANCELLATION

If a policy or form of coverage is cancelled at the request of the insured or by the Company, the return premium shall be calculated pro rata of the premium, subject to any applicable minimum premiums.

- b. The following additional provisions apply to policies exceeding 12 months:
- 1) When the policy has been in force for less than one year, the earned premium shall be computed pro rata in accordance with provision A above for the first year's premium.
 - 2) When the policy has been in force more than 12 months, the earned premium shall be the applicable premium for each full year of coverage plus the pro rata portion, if any, of the next year's premium.

4. MINIMUM WRITTEN AND EARNED PREMIUM

- a. No policy shall be written for less than:
- An annual minimum written premium of \$50.00.
 - An annual earned premium of \$50.00.
 - The minimum premium applies to the basic product only.
 - For a Byline, Package, and Tenant policy, the minimum premium applies to the basic product only.
 - For a Rental/Commercial policy, the minimum premium applies at the policy level.
- b. The minimum earned premium is a minimum charge to be retained in full by the Company except that pro-rata cancellation may be allowed when new insurance is written by the Company within thirty (30) days, covering a different mobile home for the same named insured.
- c. Pro-rata cancellation shall be allowed when the Company or its agent initiates cancellation.

5. CHANGES

- a. All changes requiring adjustments of premium shall be computed pro rata.
- b. If a policy is amended and results in a premium adjustment of less than \$5.00, such adjustment may be waived except that the actual return premium shall be allowed if requested by the named insured.

ELIGIBILITY AND COVERAGES

A **Manufactured Home** is a factory fabricated, transportable permanent housing unit, which is at least 8 body feet in width and built on a chassis. Designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities. It may be equipped with one or more room sections that fold, collapse, or telescope into the principal unit when being transported and which can be expanded at the site to provide additional living area; or may be built in two or more sections to be joined at the site.

An owner occupied manufactured home used as the primary residence of the insured for a period of five (5) consecutive months or more annually is eligible for the **Owner Byline Manufactured Home** or **Owner Package Manufactured Home Program**.

An owner occupied manufactured home used as the seasonal, vacation or secondary residence of the insured is eligible for the **Seasonal Byline Manufactured Home Program**.

A manufactured home rented or used commercially for light office, professional or institutional purposes is eligible for the **Rental/Commercial Manufactured Home Program**.

A manufactured home used by a tenant is eligible for the **Tenant Manufactured Home Program**.

Dwelling	Owner Byline	Owner Package	Seasonal Byline	Rental / Commercial	Tenant
Comprehensive Including Flood and Earthquake	X	X	X	X	
Mold and Remediation Coverage Sub-Limit (\$3,500) Combined Section I	X	X	X	X	

Other Structures	Owner Byline	Owner Package	Seasonal Byline	Rental / Commercial	Tenant
Comprehensive Risk Including Flood and Earthquake	X	X	X	X	
Mold and Remediation Coverage Sub-Limit (\$3,500) Combined Section I	X	X	X	X	

Personal Property	Owner Byline	Owner Package	Seasonal Byline	Rental / Commercial	Tenant
Comprehensive Risk Including Flood and Earthquake	X	X	X	X	
Named Perils Including Burglary					X
Includes Theft Coverage	X	X	X		
Mold and Remediation Coverage Sub-Limit (\$3,500) Combined Section I	X	X	X	X	

**ARKANSAS
AMERICAN FAMILY HOME INSURANCE COMPANY
MANUFACTURED HOME PROGRAM**

Liability	Owner Byline	Owner Package	Seasonal Byline	Rental / Commercial	Tenant
Personal Liability	X	X	X		X
Premises Liability				X	
Medical Payments to Others	X	X	X		X
Premises Medical Payments				X	
Damage to Property of Others	X	X	X		X
Mold and Remediation Exclusion	X	X	X	X	X
Animal Liability Sub-Limit \$10,000	X	X	X		X

The following Supplemental Coverages are automatically included when coverage on the manufactured home is provided:

Supplemental Coverage	Owner Byline	Owner Package	Seasonal Byline	Rental / Commercial	Tenant
Additional Living Expenses	X	X			X
Antennas and Satellite Dishes	X	X	X	X	X
Collapse	X	X	X	X	
Credit Cards, Fund Transfer Cards, Forgery, and Counterfeit Money	X	X	X		X
Emergency Removal	X	X	X	X	X
Fire Department Service Charge	X	X	X	X	X
Food Spoilage	X	X	X	X	X
Loss of Use				X	
Reasonable Repairs	X	X	X	X	
Trees, Shrubs, Plants and Lawns	X	X	X	X	
Per Occurrence Deductible (For Scheduled Units of 11+)				X	
Total Loss Deductible Waiver	X	X	X	X	
Debris Removal Enhancement Coverage	X	X	X	X	

**ARKANSAS
AMERICAN FAMILY HOME INSURANCE COMPANY
MANUFACTURED HOME PROGRAM**

OWNER AND SEASONAL BYLINE RATES

Comprehensive Including Flood and Earthquake (211/221)

Product Code	Flat Base Rate	Min Rate Value	Min Val Accept	UVRC Code	Cov Relativity
211	\$380.00	\$5,000	\$1,000	JL	1.000
221	\$355.00	\$5,000	\$1,000	JL	1.000

OWNER AND SEASONAL BYLINE RATING FACTORS

Territory	Factor
50	1.00
51	1.48

Location	Factor
In Park	1.000
Out of Park	1.060

In Park: Mobile home park with 26 or more occupied spaces

Out of Park - Private property or Mobile home park with less than 25 spaces

Age of Insured	Factor
18 - 34	1.050
35 - 49	1.000
50 - 64	0.930
65 +	0.890

Age of Home	Factor
New - 1	0.830
2 - 3	0.890
4 - 5	0.920
6 - 10	1.000
11 - 15	1.090
16 - 20	1.220
21 +	1.220

**ARKANSAS
AMERICAN FAMILY HOME INSURANCE COMPANY
MANUFACTURED HOME PROGRAM**

OWNER PACKAGE RATES

Owner Package Manufactured Home

Comprehensive Risk Including Flood and Earthquake (041)

Internal Limits for the Package		
Other Structures	Personal Property	Personal Liability
10%	50%	\$50,000

Product Code	Flat Base Rate	Min Rate Value	Min Val Accept	UVRC Code	Cov Relativity
041	\$565.25	\$7,000	\$1,000	JL	1.000

OWNER AND SEASONAL PAGE RATING FACTORS

Territory	Factor
50	1.00
51	1.48

Location	Factor
In Park	1.000
Out of Park	1.060

In Park: Mobile home park with 26 or more occupied spaces

Out of Park - Private property or Mobile home park with less than 25 spaces

Age of Insured	Factor
18 - 34	1.050
35 - 49	1.000
50 - 64	0.930
65 +	0.890

Age of Home	Factor
New - 1	0.830
2 - 3	0.890
4 - 5	0.920
6 - 10	1.000
11 - 15	1.090
16 - 20	1.220
21 +	1.220

**ARKANSAS
AMERICAN FAMILY HOME INSURANCE COMPANY
MANUFACTURED HOME PROGRAM**

RENTAL/COMMERCIAL RATES

Coverage: Comprehensive - Including Flood and Earthquake
 Rate: Rates shown are for \$100 of coverage or any part thereof:

Deductible	Coverage For:	Territory 50	Territory 51
\$250 *Maximum Per Occurrence Deductible \$2,500	Manufactured Home (3A1)	\$2.17	\$2.97
	Other Structures (6A1)	\$2.17	\$2.97
	Personal Property (5A1)	\$2.17	\$2.97
\$500 *Maximum Per Occurrence Deductible \$5,000	Manufactured Home (3B1)	\$1.94	\$2.64
	Other Structures (6B1)	\$1.94	\$2.64
	Personal Property (5B1)	\$1.94	\$2.64
\$1000 *Maximum Per Occurrence Deductible \$10,000	Manufactured Home (3C1)	\$1.66	\$2.26
	Other Structures (6C1)	\$1.66	\$2.26
	Personal Property (5C1)	\$1.66	\$2.26
\$2500 *Maximum Per Occurrence Deductible \$25,000	Manufactured Home (3D1)	\$1.18	\$1.61
	Other Structures (6D1)	\$1.18	\$1.61
	Personal Property (5D1)	\$1.18	\$1.61

* The maximum Per Occurrence Deductible caps the aggregate deductible applied in the event covered loss occurs and multiple Rental units are damaged in a single occurrence.

**ARKANSAS
 AMERICAN FAMILY HOME INSURANCE COMPANY
 MANUFACTURED HOME PROGRAM**

TENANT RATES

Personal Property Coverage
 Named Perils including Burglary (415)

Personal Property Coverage Amount	Territory 50	Territory 51
\$5,000	\$150.00	\$150.00
For each additional \$1,000 or any part thereof, add:	\$12.00	\$12.00

* \$50,000 maximum Personal Property Coverage

**ARKANSAS
AMERICAN FAMILY HOME INSURANCE COMPANY
MANUFACTURED HOME PROGRAM**

LIABILITY COVERAGES

NOTE: The increased limit rates provided for the Owner Package Program are for increased limits greater than those included in the program.

Personal Liability Coverage* Rates (01)

Coverage Amount	Owner Byline	Owner Package	Seasonal Byline	Tenant
\$25,000	\$20.00	N/A	\$20.00	\$20.00
\$50,000	\$35.00	Included	\$35.00	\$35.00
\$100,000	\$45.00	\$10.00	\$45.00	\$45.00
\$200,000	\$60.00	\$25.00	\$60.00	\$60.00
\$300,000	\$70.00	\$35.00	\$70.00	\$70.00

***Includes the following:**

Medical Payments to Others: \$500 each person/\$25,000 per occurrence
 Damage to Property of Others: \$500 each occurrence
 Animal Liability Limit: \$10,000

Premises Liability Coverage* & Rates (12)

Coverage Amount	Rental / Commercial
\$25,000	\$20.00
\$50,000	\$35.00
\$100,000	\$45.00
\$200,000	\$60.00
\$300,000	\$70.00

***Includes the following:**

Medical Payments to Others: \$500 each person/\$10,000 per occurrence

Medical Payments to Others Rates (02)

Coverage Amount	Owner Byline	Owner Package	Seasonal Byline	Tenant
\$1,000/ \$25,000	\$5.00	\$5.00	\$5.00	\$5.00
\$2,000/ \$25,000	\$7.00	\$7.00	\$7.00	\$7.00

Secondary Residence Liability Coverage Rates for EACH Secondary Residence (08)

Personal Liability Coverage Amount	Medical Payments to Others		
	\$500 / \$25,000	\$1,000 / \$25,000	\$2,000 / \$25,000
\$25,000	\$8.00	\$9.00	\$10.00
\$50,000	\$9.00	\$10.00	\$12.00
\$100,000	\$10.00	\$11.00	\$14.00
\$200,000	\$12.00	\$12.00	\$16.00
\$300,000	\$14.00	\$14.00	\$18.00

Selected limits must equal Personal Liability and Medical Payments limits.

Animal Liability Exclusion (32)

Only available on policies with Personal Liability Coverage.

The policy may be endorsed to remove coverage for bodily injury or property damage caused by any animal owned by, or in care or custody of any insured person.

\$3.00 credit per home, per year.

**ARKANSAS
AMERICAN FAMILY HOME INSURANCE COMPANY
MANUFACTURED HOME PROGRAM**

OPTIONAL COVERAGES

The following reflects annual rates unless otherwise noted.

Optional Coverage		Rate
Additional Living Expenses	Removes \$30 per day limit and increases to 20% Dwelling Limit	\$15.00 per home, per year
Antennas and Satellite Dishes	May be increased to provide additional coverage on Antennas, including but not limited to Satellite Dishes.	\$5.00 for each additional \$100 of coverage
Builders Risk Coverage	Personal liability, theft of building materials/supplies, and vandalism/malicious mischief coverages are provided from the time of the construction or permanent loan closing until the home has been delivered to the address where the insured will reside.	N/A
Building Exclusion	Removes property and liability coverage for the building described on the endorsement.	N/A
Deletion of Supplementary Coverages	The policy may be endorsed to remove the Supplemental Coverages Section of the Policy in its entirety.	\$5.00 credit per home, per year
Equipment Breakdown Coverage \$500 Deductible	Provides mechanical breakdown protection for systems & appliances in the home. A deductible of \$500 applies to each occurrence.	\$25.00
Fire Department Service Charge	Provides additional coverage for Fire Department Service Charge.	\$5.00 for each additional \$250 of coverage
Golf Cart Physical Damage and Liability Extension	Provides for loss or physical damage to golf carts and extends liability coverage to apply to non-commercial use of golf carts. Not available for policies without Personal Liability coverage.	\$35.00 per cart
Hobby Farming Coverage	Extends other structures, personal property & liability coverage to private, not-for-profit farming operations conducted on the residence premises by the insured.	\$40.00 per year
Identity Recovery Coverage	Covers identity recovery extra expense insurance and case management services. Limit: \$15,000 annual aggregate per policy period.	\$20 Per Policy

OPTIONAL COVERAGES

The following reflects annual rates unless otherwise noted.

Optional Coverage		Rate
Occasional Rental	Gives permission to rent the manufactured home for residential purposes.	\$25.00 per unit, per year
Personal Property Replacement Cost	Provides replacement cost coverage for personal property. The limit of liability for this coverage must be the same as the personal property limit.	\$10.00 per home plus \$.10 per \$100 of coverage
Replacement Cost for Partial Losses	Provides replacement cost for partial losses to the Manufactured home and other structures.	\$15.00 per home
Trip Collision	Provides for loss caused by collision to the manufactured home while it is being moved or in transit. \$100 Deductible applies. A trip is limited to 30 days. Each section of a multi-sectional manufactured home is considered a unit. Premium is fully earned.	\$25.00 per unit, per trip
Vacancy Permission	Permits the home to be vacant during the remainder of the policy year. Premium is fully earned.	\$30.00 for the remainder of the policy year
Water Back Up of Sewers or Drains	Provides coverage for losses caused by water which backs up through sewers or drains.	\$20.00 per home

SERFF Tracking #:

AMMH-128614960

State Tracking #:**Company Tracking #:**

20120424-09

State:

Arkansas

Filing Company:

American Family Home Insurance Company

TOI/Sub-TOI:

04.0 Homeowners/04.0002 Mobile Homeowners

Product Name:

AFH Manufactured Home

Project Name/Number:

Rate/Rule/20120424-09

Supporting Document Schedules

		Item Status:	Status Date:
Satisfied - Item:	NAIC loss cost data entry document	Filed	09/12/2012
Comments:	Please see the attached revised file.		
Attachment(s):			
F319AR_NAIC Loss Cost Data Entry Doc 070.pdf			

		Item Status:	Status Date:
Satisfied - Item:	Indications	Filed	09/12/2012
Comments:	Please see the attached.		
Attachment(s):			
Indications.pdf			

		Item Status:	Status Date:
Satisfied - Item:	Explanatory Memorandum Rate Rule	Filed	09/12/2012
Comments:			
Attachment(s):			
Explanatory Memo Rate Rule.pdf			

		Item Status:	Status Date:
Satisfied - Item:	Disruption Chart	Filed	09/12/2012
Comments:	Please see the attached revised chart.		
Attachment(s):			
AR 070 Disruption Chart- Revised.pdf			

American Family Home Insurance Company
Arkansas
Mobile Home Standard

Exhibit 1
Page 1

Proposed Effective Date: 12/1/2012

<u>Class</u>	<u>Premium in Force at 9/30/2011</u>	<u>Premium in Force Distribution</u>	<u>Indication</u>
Mobile Home-Byline	\$1,133,319	10.7%	-4.9%
Mobile Home-Package	\$9,076,666	86.0%	28.6%
Rental	\$256,842	2.4%	1.4%
Seasonal-Byline	\$84,096	0.8%	8.4%
Tenant	\$780	0.0%	-1.4%
All Classes	\$10,551,703	100.0%	22.1%

Explanatory Memorandum

The purpose of the indication is to evaluate the rate level adequacy of the above captioned program in this state. In the evaluation, we take historical premiums and losses from our experience period and project them into a future effective period - our estimate of the time period the proposed rates will be in effect. Data shown is on a direct basis, and is organized on a 12 month rolling accident year basis.

Assumptions and Methodologies

1. On Exhibits 1 and 2 we show the overall rate level indication for this product. The data adjustments used and calculations are described in the following paragraphs.
2. Earned Premiums are adjusted to current rate levels by program and then trended using the factors described below.
 - a. Rate Level Adjustment Factors take into account any approved rate changes that have an impact on the experience period. Quarterly factors (rather than annual factors) are calculated to improve accuracy. We use the average policy term length of each program, and assume the premium is earned equally throughout experience quarters. The calculated factor reflects the final rate level divided by the average rate level for each quarter. These are weighted together to obtain the annual adjustments shown here. By applying this factor to past premium, the adjustment reflects the amount of premium earned at the current rate level. Exhibit 3 outlines the Rate Level History and Rate Level Adjustment Factors.
 - b. The Premium Trend projects the current level premium in our experience periods to the average date the proposed rates will be in effect. We estimate the change in premium values over time by fitting exponential curves to various periods of current level average earned premiums by program or coverage for the state. Historical and Prospective Premium Trend Factors are selected taking into consideration the number of years experience used in the indication. The Historical Trend selection is applied using a time period from the mid-point of the experience period to the midpoint of the latest quarter of data available. The Prospective Trend selection is applied using a time period starting where the historical factor ended to the midpoint of the time the rates are anticipated to be in effect. Please see Exhibit 4.
3. Incurred Losses and ALAE are adjusted using the factors described below.
 - a. If appropriate for the indication in question, catastrophe losses are subtracted from the total losses and treated separately.
 - b. The Loss & ALAE Trend Factor projects the value of losses in our experience periods to the average date the proposed rates will be in effect. We estimate the change in loss values over time by fitting exponential curves to 5 years (20 groups of rolling 4 quarters) of Accident Year frequency and severity data. We select historical and prospective frequency and severity trends taking into consideration the number of years experience used in the indication. These are multiplied together to obtain the pure premium trend. The Historical Pure Premium Trend is applied using a time period from the mid-point of the experience period to the mid-point of the latest quarter of data used. The Prospective Pure Premium Trend is applied using a time period starting where the historical period ends, to the midpoint of the time the rates are anticipated to be in effect. Please see Exhibit 5.

Explanatory Memorandum

- c. Accident Year Incurred Losses & ALAE are used in the rate indication; therefore, losses for each year may not be fully developed. The Loss & ALAE Development Factor estimates the further development of these losses by analyzing historical patterns of American Modern Insurance Group non-catastrophe losses. We calculate quarterly factors and weight them together using each year's latest incurred losses to obtain annual numbers. Please see Exhibit 6.
 - d. A ULAE Factor is applied to the Incurred Loss & ALAE to obtain Incurred Losses & LAE. The factor is calculated based on the latest year ratio of historical ULAE to historical Incurred Loss & ALAE. Please see Exhibit 9.
 - e. The Catastrophe Load allows us to use a longer experience period to control our response to unpredictable large loss events. We rely on ISO to identify catastrophes. That definition is any event that causes a loss of at least \$25 million to the insurance industry and has a sufficient number of claims. Our adjustment involves removing such losses and applying a historical average. This provides incurred losses indicative of normal catastrophic activity for our experience period. Please see Exhibit 7 for a further description of the method used. Note - Modeled Perils are excluded from the calculation.
 - f. The Cat Factor is applied to the Trended, Adjusted Non-Cat IL & LAE to obtain the Non-Modeled Catastrophe IL & LAE.
 - g. The Total Adjusted Incurred Loss and LAE is the sum of the Trended Adjusted IL & LAE Excl Wea losses and the Trended Adjusted Wea Incurred Loss & LAE * .
4. The Adjusted Loss and LAE Ratio is the Total Trended Adjusted Incurred Loss & LAE divided by the Trended Current Level Earned Premium. These ratios exclude Modeled Perils.
 5. Normally, Accident Year weights are judgmentally selected to place greater weight on the more recent year's experience. However, when a program is growing rapidly, accident year weights may be based on Earned Premiums to avoid having an earlier year affecting the indication more than it should. Consideration may also be given to using even weights on all years when the Adjusted Loss and LAE Ratio are extremely volatile by year.
 6. The Weighted Experience Loss and LAE Ratio is the weighted average of the individual years Adjusted Loss and LAE Ratios and the Accident Year Weights. This ratio excludes Modeled Perils.
 7. The Earthquake Load calculation may be found in Exhibit 8 . We model perils where our experience is inadequate to provide a reliable estimate of expected losses. The modeled average annual losses are divided by the number of exposures modeled to obtain the modeled pure premium. Factors to include ALAE and ULAE are applied, then trend (based on the average insured value) is applied. If Point of Sale policies providing Flood coverage are included in the indication, a Flood Following Hurricane factor is applied. The Adjusted Modeled Pure Premium is divided by the Average Premium to obtain the Modeled Ratio for each modeled peril. These are summed to obtain the modeled load.

Explanatory Memorandum

8. The Permissible Loss and LAE Ratio Fixed Expense Ratio and Variable Permissible Loss Ratio Calculations may be
 - a. The derivation of the Pre-Paid Commissions and Taxes, Licenses and Fees may be found at the bottom of this exhibit. Other Acquisition and General Expenses are based on Countrywide, Company Data for the Program being evaluated. The Reinsurance Expense is designed to cover the cost of our catastrophe and excess of loss experience contracts. It is a gross provision determined by reinsurance premium minus estimated reinsurance recoveries.
 - b. The Profit Provision is based on a 15% Targeted After Tax Return on Equity and a 1.8:1 Targeted Premium to Surplus Ratio.
 - c. Return on Investment Income is based on the Clifford/Sterling Formula. This calculation, and an explanation of the calculation, may be found in Exhibit 11.
9. The Complement of Credibility is the Trended Permissible Loss Ratio excluding the modeled load (which is considered fully credible.) A Loss Ratio Trend is determined based on the prospective premium and losses trends. A time exponent is based on the time from our last revision to the proposed effective date, capped at 1 years, is applied. Exhibit 12 contains the calculations.
10. Credibility is based on the square root rule, with full credibility at 40000 Earned Exposures.
11. The Credibility Weighted Loss and LAE Ratio is calculated by credibility weighting the Weighted Experience Loss & LAE Ratio* and the Complement of Credibility - Trended Permissible*, (* Note: Modeled Losses are excluded from both of these), then adding on the Earthquake LoadEarthquake Load.
12. The Indicated Rate Level Change is calculated as the $((\text{Credibility Weighted Loss \& LAE Ratio} + \text{Fixed Expense Ratio}) / \text{Variable Expense Ratio}) - 1$

Rate Level Indications

	Accident Year Ending				
	9/30/2007	9/30/2008	9/30/2009	9/30/2010	9/30/2011
(1) Earned Exposures	12,810	13,276	13,449	12,823	12,416
(2) Earned Premium	7,790,284	8,529,822	8,900,163	9,501,416	10,107,437
(3) Rate Level Adjustment Factor	1.313	1.276	1.255	1.196	1.124
(4) Current Level Earned Premium	10,230,188	10,883,831	11,168,937	11,366,155	11,361,043
(5) Premium Trend Factor	1.271	1.226	1.184	1.143	1.103
(6) Trended Current Level Earned Premium	13,002,569	13,343,577	13,224,022	12,991,515	12,531,230
(7) Total Incurred Losses & ALAE	4,142,060	7,308,501	7,533,266	6,196,019	9,345,863
(8) Weather Incurred Losses & ALAE	645,933	4,586,210	3,060,407	2,671,137	6,922,284
(9) IL & ALAE Excl Wea losses	3,496,127	2,722,291	4,472,860	3,524,881	2,423,579
(10) Incurred Loss & ALAE Trend Factor	1.684	1.529	1.389	1.262	1.146
(11) Incurred Loss & ALAE Development Factor	1.000	0.998	0.996	0.996	1.021
(12) ULAE Factor (to IL & ALAE)	1.015	1.015	1.015	1.015	1.015
(13) Trended Adjusted IL & LAE Excl Wea losses	5,975,790	4,216,369	6,280,770	4,497,066	2,878,284
(14) Weather Factor	0.652	0.652	0.652	0.652	0.652
(15) Trended Adjusted Wea Incurred Loss & LAE *	3,896,215	2,749,073	4,095,062	2,932,087	1,876,641
(16) Total Trended Adjusted Incurred Loss & LAE	9,872,005	6,965,442	10,375,832	7,429,153	4,754,925
(17) Adjusted Loss & LAE Ratio *	0.759	0.522	0.785	0.572	0.379
(18) Accident Year Weights	0.10	0.15	0.20	0.25	0.30
(19) Non-Catastrophe Reported Claim Counts	905	1,293	1,479	1,368	1,324
(20) Weighted Experience Loss & LAE Ratio*					0.568
(21) Earthquake Load					0.010
(22) Permissible Loss & LAE Ratio					0.470
(23) Fixed Expense Ratio					0.019
(24) Variable Expense Ratio					0.511
(25) Complement of Credibility - Trended Permissible*					0.466
(26) Credibility (Square Root Rule, Full Credibility = 40000 Earned Exposures)					1.000
(27) Credibility Weighted Loss & LAE Ratio					0.578
(28) Credibility Weighted Indicated Rate Level Change					22.1%

* Excluding Earthquake Load

Rate Level Indications

	Accident Year Ending				
	9/30/2007	9/30/2008	9/30/2009	9/30/2010	9/30/2011
(1) Earned Exposures	2,398	2,252	2,044	1,642	1,477
(2) Earned Premium	1,426,387	1,389,028	1,294,136	1,145,746	1,117,170
(3) Rate Level Adjustment Factor	1.217	1.189	1.162	1.122	1.056
(4) Current Level Earned Premium	1,736,313	1,651,274	1,504,088	1,285,544	1,179,931
(5) Premium Trend Factor	1.193	1.162	1.132	1.103	1.074
(6) Trended Current Level Earned Premium	2,071,422	1,918,781	1,702,628	1,417,955	1,267,246
(7) Total Incurred Losses & ALAE	537,185	1,215,621	570,670	560,663	744,749
(8) Weather Incurred Losses & ALAE	78,226	687,372	413,498	256,559	578,037
(9) IL & ALAE Excl Wea losses	458,959	528,250	157,171	304,104	166,712
(10) Incurred Loss & ALAE Trend Factor	1.684	1.529	1.389	1.262	1.146
(11) Incurred Loss & ALAE Development Factor	1.000	0.998	0.996	0.996	1.021
(12) ULAE Factor (to IL & ALAE)	1.015	1.015	1.015	1.015	1.015
(13) Trended Adjusted IL & LAE Excl Wea losses	784,480	818,169	220,700	387,978	197,990
(14) WeatherFactor	0.652	0.652	0.652	0.652	0.652
(15) Trended Adjusted Wea Incurred Loss & LAE *	511,481	533,446	143,896	252,962	129,090
(16) Total Trended Adjusted Incurred Loss & LAE	1,295,961	1,351,615	364,596	640,940	327,080
(17) Adjusted Loss & LAE Ratio *	0.626	0.704	0.214	0.452	0.258
(18) Accident Year Weights	0.10	0.15	0.20	0.25	0.30
(19) Non-Catastrophe Reported Claim Counts	138	199	157	148	169
(20) Weighted Experience Loss & LAE Ratio *					0.401
(21) Earthquake Load					0.011
(22) Permissible Loss & LAE Ratio					0.470
(23) Fixed Expense Ratio					0.019
(24) Variable Expense Ratio					0.511
(25) Complement of Credibility - Trended Permissible*					0.469
(26) Credibility (Square Root Rule, Full Credibility = 40000 Earned Exposures)					0.495
(27) Credibility Weighted Loss & LAE Ratio					0.446
(28) Credibility Weighted Indicated Rate Level Change					-4.9%

* Excluding Earthquake Load

Rate Level Indications

	Accident Year Ending				
	9/30/2007	9/30/2008	9/30/2009	9/30/2010	9/30/2011
(1) Earned Exposures	9,861	10,434	10,770	10,547	10,276
(2) Earned Premium	6,126,751	6,865,152	7,292,211	8,033,650	8,654,245
(3) Rate Level Adjustment Factor	1.339	1.298	1.278	1.213	1.137
(4) Current Level Earned Premium	8,202,967	8,913,536	9,319,637	9,745,974	9,839,711
(5) Premium Trend Factor	1.272	1.227	1.185	1.144	1.104
(6) Trended Current Level Earned Premium	10,434,174	10,936,908	11,043,770	11,149,394	10,863,041
(7) Total Incurred Losses & ALAE	3,537,026	5,796,337	6,820,960	5,535,771	8,101,048
(8) Weather Incurred Losses & ALAE	565,577	3,724,663	2,556,262	2,383,588	5,905,323
(9) IL & ALAE Excl Wea losses	2,971,449	2,071,674	4,264,697	3,152,183	2,195,725
(10) Incurred Loss & ALAE Trend Factor	1.684	1.529	1.389	1.262	1.146
(11) Incurred Loss & ALAE Development Factor	1.000	0.998	0.996	0.996	1.021
(12) ULAE Factor (to IL & ALAE)	1.015	1.015	1.015	1.015	1.015
(13) Trended Adjusted IL & LAE Excl Wea losses	5,078,979	3,208,674	5,988,470	4,021,575	2,607,680
(14) WeatherFactor	0.652	0.652	0.652	0.652	0.652
(15) Trended Adjusted Wea Incurred Loss & LAE *	3,311,494	2,092,055	3,904,482	2,622,067	1,700,208
(16) Total Trended Adjusted Incurred Loss & LAE	8,390,473	5,300,729	9,892,952	6,643,642	4,307,888
(17) Adjusted Loss & LAE Ratio *	0.804	0.485	0.896	0.596	0.397
(18) Accident Year Weights	0.10	0.15	0.20	0.25	0.30
(19) Non-Catastrophe Reported Claim Counts	745	1,065	1,285	1,190	1,120
(20) Weighted Experience Loss & LAE Ratio *					0.600
(21) Earthquake Load					0.010
(22) Permissible Loss & LAE Ratio					0.470
(23) Fixed Expense Ratio					0.019
(24) Variable Expense Ratio					0.511
(25) Complement of Credibility - Trended Permissible*					0.466
(26) Credibility (Square Root Rule, Full Credibility = 40000 Earned Exposures)					1.000
(27) Credibility Weighted Loss & LAE Ratio					0.610
(28) Credibility Weighted Indicated Rate Level Change					28.6%

* Excluding Earthquake Load

Rate Level Indications

	Accident Year Ending				
	9/30/2007	9/30/2008	9/30/2009	9/30/2010	9/30/2011
(1) Earned Exposures	449	480	524	522	544
(2) Earned Premium	183,187	213,614	247,679	252,429	258,124
(3) Rate Level Adjustment Factor	1.000	1.000	1.000	1.000	1.000
(4) Current Level Earned Premium	183,187	213,614	247,679	252,429	258,124
(5) Premium Trend Factor	1.158	1.113	1.070	1.029	0.990
(6) Trended Current Level Earned Premium	212,131	237,753	265,017	259,749	255,543
(7) Total Incurred Losses & ALAE	17,306	88,635	127,469	78,242	194,047
(8) Weather Incurred Losses & ALAE	2,131	50,471	83,361	14,627	143,259
(9) IL & ALAE Excl Wea losses	15,175	38,164	44,108	63,615	50,788
(10) Incurred Loss & ALAE Trend Factor	1.684	1.529	1.389	1.262	1.146
(11) Incurred Loss & ALAE Development Factor	1.000	0.998	0.996	0.996	1.021
(12) ULAE Factor (to IL & ALAE)	1.015	1.015	1.015	1.015	1.015
(13) Trended Adjusted IL & LAE Excl Wea losses	25,938	59,109	61,936	81,160	60,317
(14) WeatherFactor	0.652	0.652	0.652	0.652	0.652
(15) Trended Adjusted Wea Incurred Loss & LAE *	16,912	38,539	40,383	52,917	39,326
(16) Total Trended Adjusted Incurred Loss & LAE	42,850	97,648	102,319	134,077	99,643
(17) Adjusted Loss & LAE Ratio *	0.202	0.411	0.386	0.516	0.390
(18) Accident Year Weights	0.10	0.15	0.20	0.25	0.30
(19) Non-Catastrophe Reported Claim Counts	17	18	27	22	20
(20) Weighted Experience Loss & LAE Ratio *					0.405
(21) Earthquake Load					0.009
(22) Permissible Loss & LAE Ratio					0.470
(23) Fixed Expense Ratio					0.019
(24) Variable Expense Ratio					0.511
(25) Complement of Credibility - Trended Permissible*					0.489
(26) Credibility (Square Root Rule, Full Credibility = 40000 Earned Exposures)					0.251
(27) Credibility Weighted Loss & LAE Ratio					0.477
(28) Credibility Weighted Indicated Rate Level Change					1.4%

* Excluding Earthquake Load

American Family Home Insurance Company
Arkansas
Mobile Home Standard
Seasonal-Byline

Exhibit 2

Page 5

Rate Level Indications

	Accident Year Ending				
	9/30/2007	9/30/2008	9/30/2009	9/30/2010	9/30/2011
(1) Earned Exposures	103	108	109	107	117
(2) Earned Premium	53,959	61,518	65,693	68,903	77,333
(3) Rate Level Adjustment Factor	1.198	1.159	1.124	1.086	1.072
(4) Current Level Earned Premium	64,642	71,322	73,866	74,830	82,932
(5) Premium Trend Factor	1.198	1.162	1.128	1.095	1.063
(6) Trended Current Level Earned Premium	77,441	82,876	83,321	81,939	88,157
(7) Total Incurred Losses & ALAE	50,544	207,908	14,168	21,343	306,018
(8) Weather Incurred Losses & ALAE	-	123,705	7,286	16,364	295,665
(9) IL & ALAE Excl Wea losses	50,544	84,204	6,883	4,979	10,354
(10) Incurred Loss & ALAE Trend Factor	1.684	1.529	1.389	1.262	1.146
(11) Incurred Loss & ALAE Development Factor	1.000	0.998	0.996	0.996	1.021
(12) ULAE Factor (to IL & ALAE)	1.015	1.015	1.015	1.015	1.015
(13) Trended Adjusted IL & LAE Excl Wea losses	86,393	130,417	9,665	6,352	12,296
(14) WeatherFactor	0.652	0.652	0.652	0.652	0.652
(15) Trended Adjusted Wea Incurred Loss & LAE *	56,328	85,032	6,301	4,142	8,017
(16) Total Trended Adjusted Incurred Loss & LAE	142,721	215,449	15,966	10,494	20,313
(17) Adjusted Loss & LAE Ratio *	1.843	2.600	0.192	0.128	0.230
(18) Accident Year Weights	0.10	0.15	0.20	0.25	0.30
(19) Non-Catastrophe Reported Claim Counts	5	11	10	8	15
(20) Weighted Experience Loss & LAE Ratio *					0.714
(21) Earthquake Load					0.009
(22) Permissible Loss & LAE Ratio					0.470
(23) Fixed Expense Ratio					0.019
(24) Variable Expense Ratio					0.511
(25) Complement of Credibility - Trended Permissible*					0.474
(26) Credibility (Square Root Rule, Full Credibility = 40000 Earned Exposures)					0.117
(27) Credibility Weighted Loss & LAE Ratio					0.511
(28) Credibility Weighted Indicated Rate Level Change					8.4%

* Excluding Earthquake Load

Rate Level Indications

	Accident Year Ending				
	9/30/2007	9/30/2008	9/30/2009	9/30/2010	9/30/2011
(1) Earned Exposures	-	2	2	3	2
(2) Earned Premium	-	509	443	688	564
(3) Rate Level Adjustment Factor	-	1.000	1.000	1.000	1.000
(4) Current Level Earned Premium	-	509	443	688	564
(5) Premium Trend Factor	1.339	1.285	1.233	1.184	1.136
(6) Trended Current Level Earned Premium	-	654	546	815	641
(7) Total Incurred Losses & ALAE	-	-	-	-	-
(8) Weather Incurred Losses & ALAE	-	-	-	-	-
(9) IL & ALAE Excl Wea losses	-	-	-	-	-
(10) Incurred Loss & ALAE Trend Factor	1.684	1.529	1.389	1.262	1.146
(11) Incurred Loss & ALAE Development Factor	1.000	0.998	0.996	0.996	1.021
(12) ULAE Factor (to IL & ALAE)	1.015	1.015	1.015	1.015	1.015
(13) Trended Adjusted IL & LAE Excl Wea losses	-	-	-	-	-
(14) WeatherFactor	0.652	0.652	0.652	0.652	0.652
(15) Trended Adjusted Wea Incurred Loss & LAE *	-	-	-	-	-
(16) Total Trended Adjusted Incurred Loss & LAE	-	-	-	-	-
(17) Adjusted Loss & LAE Ratio *	-	-	-	-	-
(18) Accident Year Weights	0.10	0.15	0.20	0.25	0.30
(19) Non-Catastrophe Reported Claim Counts	-	-	-	-	-
(20) Weighted Experience Loss & LAE Ratio *					-
(21) Earthquake Load					0.004
(22) Permissible Loss & LAE Ratio					0.470
(23) Fixed Expense Ratio					0.019
(24) Variable Expense Ratio					0.511
(25) Complement of Credibility - Trended Permissible*					0.466
(26) Credibility (Square Root Rule, Full Credibility = 40000 Earned Exposures)					0.016
(27) Credibility Weighted Loss & LAE Ratio					0.463
(28) Credibility Weighted Indicated Rate Level Change					-1.4%

* Excluding Earthquake Load

American Family Home Insurance Company
Arkansas
Mobile Home Standard
All Classes

Exhibit 3

Rate History

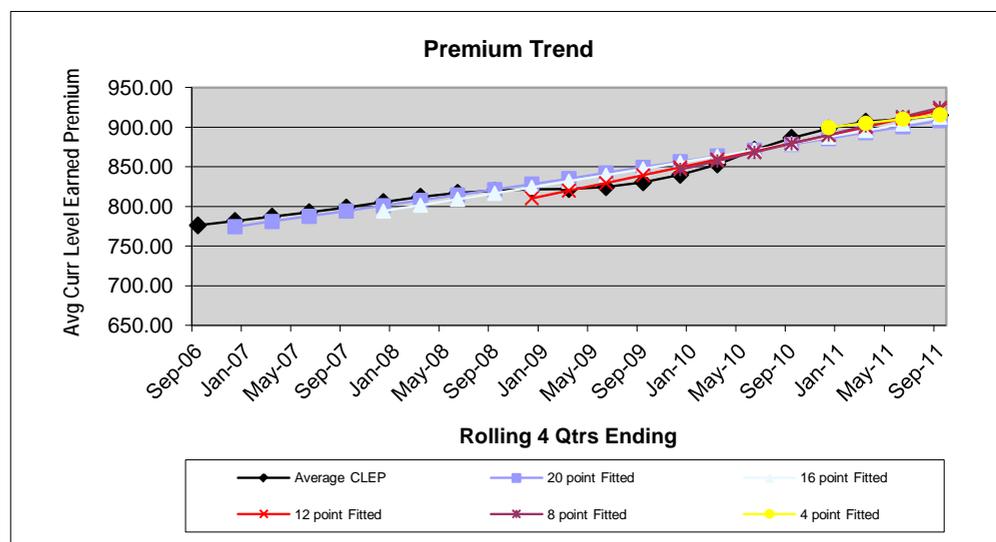
Rates Changes by Class						
Effective Date	All Classes	Mobile Home-Byline	Mobile Home-Package	Rental	Seasonal-Byline	Tenant
10/1/2011	6.0%	0.0%	6.9%	0.0%	7.2%	0.0%
10/1/2010	12.0%	10.7%	12.7%	0.0%	0.0%	0.0%
6/1/2009	14.3%	5.2%	8.5%	0.0%	5.1%	0.0%
4/1/2008	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
9/1/2007	4.5%	4.5%	4.5%	0.0%	6.3%	0.0%

Rate Level Adjustment Factor						
Accident Year Ending	All Classes	Mobile Home-Byline	Mobile Home-Package	Rental	Seasonal-Byline	Tenant
9/30/2007	1.313	1.217	1.339	1.000	1.198	0.000
9/30/2008	1.276	1.189	1.298	1.000	1.159	1.000
9/30/2009	1.255	1.162	1.278	1.000	1.124	1.000
9/30/2010	1.196	1.122	1.213	1.000	1.086	1.000
9/30/2011	1.124	1.056	1.137	1.000	1.072	1.000

Premium Trend

4 Qtrs Ending	Current Level Earned Premium	Earned Exposures	Average CLEP	20 point Fitted	16 point Fitted	12 point Fitted	8 point Fitted	4 point Fitted
9/30/2006	9,678,944	12,471	776.13					
12/31/2006	9,809,534	12,549	781.68	774.45				
3/31/2007	9,945,025	12,634	787.17	780.97				
6/30/2007	10,077,808	12,712	792.79	787.55				
9/30/2007	10,230,188	12,810	798.60	794.18				
12/31/2007	10,392,723	12,902	805.53	800.86	794.12			
3/31/2008	10,547,339	12,986	812.22	807.60	801.51			
6/30/2008	10,713,908	13,112	817.13	814.40	808.97			
9/30/2008	10,883,831	13,276	819.80	821.25	816.50			
12/31/2008	11,022,290	13,421	821.27	828.17	824.10	810.26		
3/31/2009	11,139,205	13,552	821.94	835.14	831.77	819.81		
6/30/2009	11,184,675	13,569	824.30	842.16	839.51	829.46		
9/30/2009	11,168,937	13,449	830.46	849.25	847.32	839.24		
12/31/2009	11,151,356	13,278	839.86	856.40	855.21	849.12	846.61	
3/31/2010	11,151,581	13,074	852.99	863.61	863.17	859.13	857.33	
6/30/2010	11,250,343	12,910	871.43	870.88	871.20	869.25	868.19	
9/30/2010	11,366,155	12,823	886.42	878.21	879.31	879.49	879.18	
12/31/2010	11,450,330	12,747	898.25	885.60	887.49	889.85	890.31	899.52
3/31/2011	11,479,522	12,659	906.86	893.05	895.75	900.33	901.58	904.85
6/30/2011	11,426,092	12,556	910.04	900.57	904.09	910.94	912.99	910.22
9/30/2011	11,361,043	12,416	915.06	908.15	912.51	921.67	924.55	915.61

Annual Premium Trend	
20 point fit	3.4%
16 point fit	3.8%
12 point fit	4.8%
8 point fit	5.2%
4 point fit	2.4%
Historical Selected	3.6%
Prospective Selected	3.8%

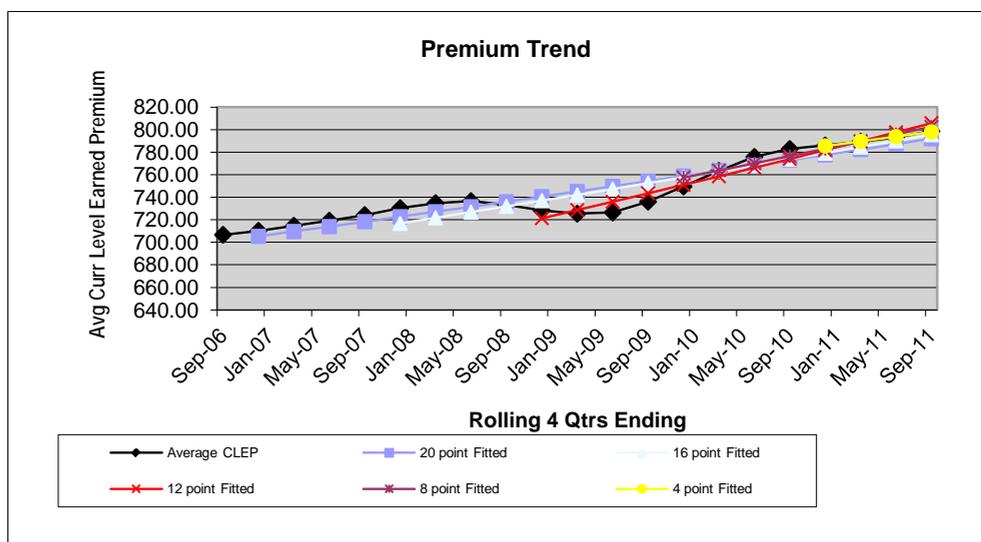


Accident Year Ending	Trend Period						Trend Factor
	Historical			Prospective			
	Beginning	End	Time(Yrs)	Beginning	End	Time(Yrs)	
9/30/2007	3/31/2007	8/15/2011	4.375	8/15/2011	12/1/2013	2.294	1.271
9/30/2008	3/31/2008	8/15/2011	3.375	8/15/2011	12/1/2013	2.294	1.226
9/30/2009	3/31/2009	8/15/2011	2.375	8/15/2011	12/1/2013	2.294	1.184
9/30/2010	3/31/2010	8/15/2011	1.375	8/15/2011	12/1/2013	2.294	1.143
9/30/2011	3/31/2011	8/15/2011	0.375	8/15/2011	12/1/2013	2.294	1.103

Premium Trend

4 Qtrs Ending	Current Level Earned Premium	Earned Exposures	Average CLEP	20 point Fitted	16 point Fitted	12 point Fitted	8 point Fitted	4 point Fitted
9/30/2006	1,925,537	2,725	706.66					
12/31/2006	1,872,666	2,637	710.18	705.28				
3/31/2007	1,825,564	2,554	714.67	709.59				
6/30/2007	1,779,333	2,474	719.14	713.93				
9/30/2007	1,736,313	2,398	724.20	718.30				
12/31/2007	1,696,130	2,322	730.31	722.69	716.71			
3/31/2008	1,662,660	2,263	734.72	727.11	721.71			
6/30/2008	1,647,140	2,236	736.59	731.55	726.75			
9/30/2008	1,651,274	2,252	733.12	736.03	731.82			
12/31/2008	1,651,873	2,269	728.13	740.53	736.93	721.36		
3/31/2009	1,634,009	2,253	725.34	745.06	742.08	728.65		
6/30/2009	1,584,440	2,181	726.44	749.61	747.26	736.02		
9/30/2009	1,504,088	2,044	735.99	754.20	752.48	743.45		
12/31/2009	1,424,693	1,901	749.49	758.81	757.74	750.97	757.54	
3/31/2010	1,358,008	1,779	763.43	763.45	763.03	758.56	763.79	
6/30/2010	1,314,098	1,694	775.76	768.12	768.35	766.22	770.10	
9/30/2010	1,285,544	1,642	782.83	772.81	773.72	773.97	776.46	
12/31/2010	1,259,766	1,603	785.94	777.54	779.12	781.79	782.87	785.51
3/31/2011	1,234,825	1,564	789.38	782.29	784.56	789.69	789.34	789.65
6/30/2011	1,206,038	1,521	793.05	787.08	790.04	797.67	795.86	793.82
9/30/2011	1,179,931	1,477	798.61	791.89	795.56	805.73	802.43	798.00

Annual Premium Trend	
20 point fit	2.5%
16 point fit	2.8%
12 point fit	4.1%
8 point fit	3.3%
4 point fit	2.1%
Historical Selected	2.6%
Prospective Selected	2.7%

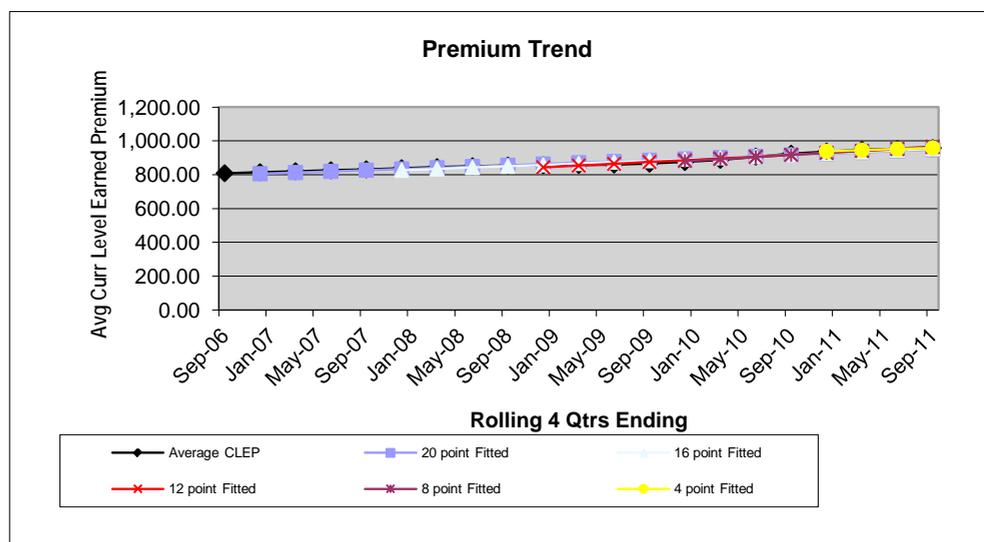


Accident Year Ending	Trend Period						Trend Factor
	Historical			Prospective			
	Beginning	End	Time(Yrs)	Beginning	End	Time(Yrs)	
9/30/2007	3/31/2007	8/15/2011	4.375	8/15/2011	12/1/2013	2.294	1.193
9/30/2008	3/31/2008	8/15/2011	3.375	8/15/2011	12/1/2013	2.294	1.162
9/30/2009	3/31/2009	8/15/2011	2.375	8/15/2011	12/1/2013	2.294	1.132
9/30/2010	3/31/2010	8/15/2011	1.375	8/15/2011	12/1/2013	2.294	1.103
9/30/2011	3/31/2011	8/15/2011	0.375	8/15/2011	12/1/2013	2.294	1.074

Premium Trend

4 Qtrs Ending	Current Level Earned Premium	Earned Exposures	Average CLEP	20 point Fitted	16 point Fitted	12 point Fitted	8 point Fitted	4 point Fitted
9/30/2006	7,486,444	9,256	808.83					
12/31/2006	7,665,226	9,406	814.94	806.10				
3/31/2007	7,841,336	9,557	820.52	813.02				
6/30/2007	8,014,469	9,701	826.18	820.00				
9/30/2007	8,202,967	9,861	831.89	827.04				
12/31/2007	8,398,783	10,017	838.41	834.15	826.13			
3/31/2008	8,581,153	10,159	844.70	841.31	834.07			
6/30/2008	8,756,296	10,303	849.91	848.53	842.08			
9/30/2008	8,913,536	10,434	854.27	855.82	850.17			
12/31/2008	9,041,435	10,562	856.01	863.17	858.33	843.98		
3/31/2009	9,165,109	10,686	857.71	870.58	866.58	854.17		
6/30/2009	9,254,382	10,756	860.38	878.06	874.90	864.48		
9/30/2009	9,319,637	10,770	865.35	885.60	883.31	874.91		
12/31/2009	9,385,875	10,727	874.96	893.21	891.79	885.47	880.96	
3/31/2010	9,458,587	10,649	888.18	900.88	900.36	896.16	892.81	
6/30/2010	9,603,264	10,586	907.17	908.61	909.00	906.97	904.82	
9/30/2010	9,745,974	10,547	924.02	916.42	917.74	917.92	917.00	
12/31/2010	9,852,898	10,509	937.59	924.29	926.55	929.00	929.34	938.97
3/31/2011	9,904,889	10,454	947.44	932.22	935.45	940.21	941.84	945.37
6/30/2011	9,878,778	10,379	951.84	940.23	944.44	951.56	954.51	951.81
9/30/2011	9,839,711	10,276	957.58	948.30	953.51	963.04	967.35	958.30

Annual Premium Trend	
20 point fit	3.5%
16 point fit	3.9%
12 point fit	4.9%
8 point fit	5.5%
4 point fit	2.8%
Historical Selected	3.6%
Prospective Selected	3.8%

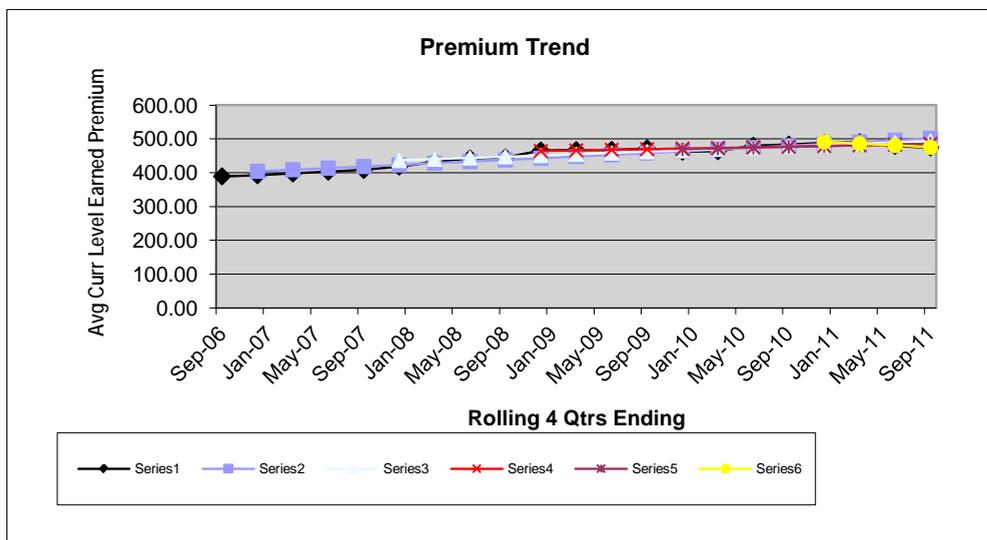


Accident Year Ending	Trend Period						Trend Factor
	Historical			Prospective			
	Beginning	End	Time(Yrs)	Beginning	End	Time(Yrs)	
9/30/2007	3/31/2007	8/15/2011	4.375	8/15/2011	12/1/2013	2.294	1.272
9/30/2008	3/31/2008	8/15/2011	3.375	8/15/2011	12/1/2013	2.294	1.227
9/30/2009	3/31/2009	8/15/2011	2.375	8/15/2011	12/1/2013	2.294	1.185
9/30/2010	3/31/2010	8/15/2011	1.375	8/15/2011	12/1/2013	2.294	1.144
9/30/2011	3/31/2011	8/15/2011	0.375	8/15/2011	12/1/2013	2.294	1.104

Premium Trend

4 Qtrs Ending	Current Level Earned Premium	Earned Exposures	Average CLEP	20 point Fitted	16 point Fitted	12 point Fitted	8 point Fitted	4 point Fitted
9/30/2006	158,802	408	389.28					
12/31/2006	165,073	421	392.47	404.31				
3/31/2007	171,825	432	397.77	408.94				
6/30/2007	177,213	440	402.89	413.63				
9/30/2007	183,187	449	408.16	418.37				
12/31/2007	190,484	456	418.10	423.16	436.43			
3/31/2008	197,157	456	432.62	428.01	440.01			
6/30/2008	204,955	464	442.01	432.91	443.62			
9/30/2008	213,614	480	445.09	437.87	447.27			
12/31/2008	223,431	480	465.69	442.88	450.94	464.29		
3/31/2009	235,059	503	466.89	447.96	454.64	466.11		
6/30/2009	242,999	520	467.48	453.09	458.37	467.93		
9/30/2009	247,679	524	472.24	458.28	462.14	469.76		
12/31/2009	249,190	539	462.16	463.53	465.93	471.60	469.04	
3/31/2010	247,984	535	463.46	468.84	469.76	473.45	471.46	
6/30/2010	249,721	521	479.65	474.21	473.61	475.30	473.89	
9/30/2010	252,429	522	483.28	479.64	477.50	477.17	476.34	
12/31/2010	255,893	524	488.39	485.14	481.42	479.03	478.79	491.06
3/31/2011	258,396	527	490.38	490.69	485.38	480.91	481.26	485.77
6/30/2011	259,127	541	479.29	496.32	489.36	482.79	483.74	480.53
9/30/2011	258,124	544	474.68	502.00	493.38	484.68	486.24	475.36

Annual Premium Trend	
20 point fit	4.7%
16 point fit	3.3%
12 point fit	1.6%
8 point fit	2.1%
4 point fit	-4.2%
Historical Selected	4.0%
Prospective Selected	-1.1%

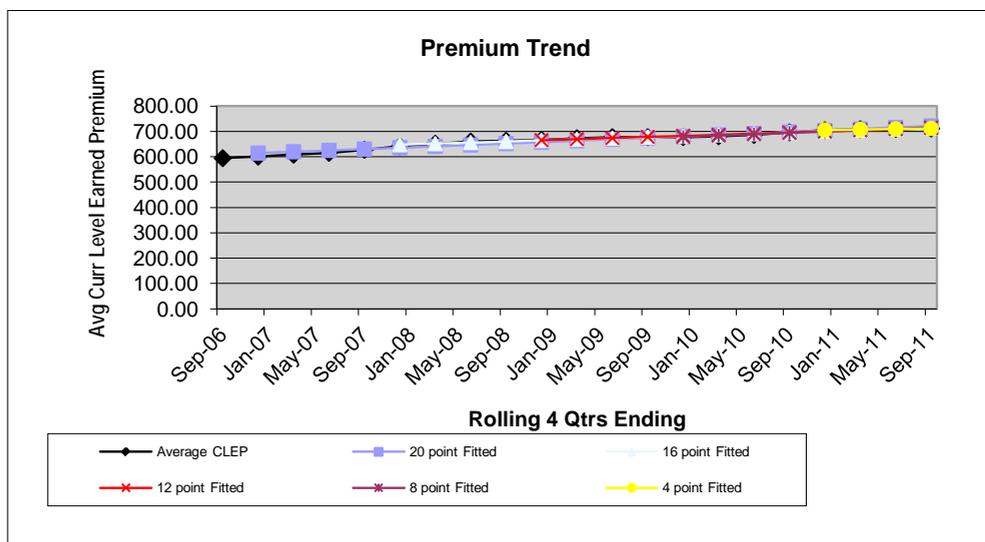


Accident Year Ending	Trend Period						Trend Factor
	Historical			Prospective			
	Beginning	End	Time(Yrs)	Beginning	End	Time(Yrs)	
9/30/2007	3/31/2007	8/15/2011	4.375	8/15/2011	12/1/2013	2.294	1.158
9/30/2008	3/31/2008	8/15/2011	3.375	8/15/2011	12/1/2013	2.294	1.113
9/30/2009	3/31/2009	8/15/2011	2.375	8/15/2011	12/1/2013	2.294	1.070
9/30/2010	3/31/2010	8/15/2011	1.375	8/15/2011	12/1/2013	2.294	1.029
9/30/2011	3/31/2011	8/15/2011	0.375	8/15/2011	12/1/2013	2.294	0.990

Premium Trend

4 Qtrs Ending	Current Level Earned Premium	Earned Exposures	Average CLEP	20 point Fitted	16 point Fitted	12 point Fitted	8 point Fitted	4 point Fitted
9/30/2006	48,776	82	594.36					
12/31/2006	51,567	86	600.44	614.62				
3/31/2007	55,294	91	608.22	619.83				
6/30/2007	59,796	97	615.34	625.09				
9/30/2007	64,642	103	627.50	630.39				
12/31/2007	67,912	106	641.12	635.74	647.52			
3/31/2008	70,066	108	651.36	641.13	651.75			
6/30/2008	71,013	108	659.87	646.57	656.01			
9/30/2008	71,322	108	662.84	652.05	660.30			
12/31/2008	71,901	108	666.39	657.58	664.62	665.46		
3/31/2009	72,839	108	672.98	663.16	668.97	669.66		
6/30/2009	74,036	109	677.25	668.78	673.34	673.90		
9/30/2009	73,866	109	677.17	674.45	677.75	678.16		
12/31/2009	73,133	108	677.66	680.17	682.18	682.45	678.02	
3/31/2010	73,155	107	680.91	685.94	686.64	686.76	683.34	
6/30/2010	73,118	107	686.21	691.76	691.13	691.11	688.70	
9/30/2010	74,830	107	696.14	697.63	695.65	695.48	694.10	
12/31/2010	76,685	109	704.66	703.54	700.20	699.88	699.54	705.51
3/31/2011	78,199	110	708.73	709.51	704.78	704.30	705.03	707.59
6/30/2011	80,478	113	709.94	715.53	709.39	708.76	710.56	709.68
9/30/2011	82,932	117	711.22	721.60	714.03	713.24	716.13	711.78

Annual Premium Trend	
20 point fit	3.4%
16 point fit	2.6%
12 point fit	2.6%
8 point fit	3.2%
4 point fit	1.2%
Historical Selected	3.0%
Prospective Selected	2.2%

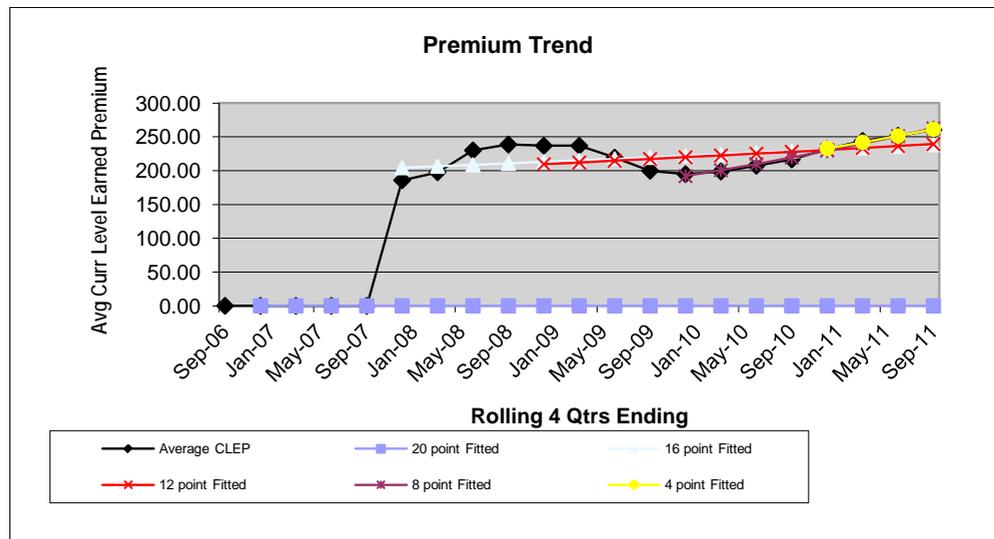


Accident Year Ending	Trend Period						Trend Factor
	Historical			Prospective			
	Beginning	End	Time(Yrs)	Beginning	End	Time(Yrs)	
9/30/2007	3/31/2007	8/15/2011	4.375	8/15/2011	12/1/2013	2.294	1.198
9/30/2008	3/31/2008	8/15/2011	3.375	8/15/2011	12/1/2013	2.294	1.162
9/30/2009	3/31/2009	8/15/2011	2.375	8/15/2011	12/1/2013	2.294	1.128
9/30/2010	3/31/2010	8/15/2011	1.375	8/15/2011	12/1/2013	2.294	1.095
9/30/2011	3/31/2011	8/15/2011	0.375	8/15/2011	12/1/2013	2.294	1.063

Premium Trend

4 Qtrs Ending	Current Level Earned Premium	Earned Exposures	Average CLEP	20 point Fitted	16 point Fitted	12 point Fitted	8 point Fitted	4 point Fitted
9/30/2006	0	0	0.00					
12/31/2006	0	0	0.00					
3/31/2007	0	0	0.00					
6/30/2007	0	0	0.00					
9/30/2007	0	0	0.00					
12/31/2007	46	0	185.84		204.44			
3/31/2008	148	1	197.61		206.55			
6/30/2008	335	1	229.98		208.68			
9/30/2008	509	2	238.64		210.83			
12/31/2008	564	2	236.81		213.00	209.52		
3/31/2009	564	2	236.81		215.20	212.05		
6/30/2009	486	2	219.27		217.42	214.62		
9/30/2009	443	2	199.82		219.66	217.21		
12/31/2009	481	2	194.77		221.92	219.84	191.84	
3/31/2010	565	3	198.76		224.21	222.50	200.64	
6/30/2010	643	3	207.38		226.52	225.19	209.84	
9/30/2010	688	3	216.62		228.86	227.91	219.46	
12/31/2010	687	3	231.62		231.22	230.67	229.53	232.92
3/31/2011	632	3	243.96		233.60	233.46	240.06	242.00
6/30/2011	577	2	251.62		236.01	236.28	251.07	251.44
9/30/2011	564	2	260.42		238.44	239.14	262.58	261.24

Annual Premium Trend	
20 point fit	N/A
16 point fit	4.2%
12 point fit	4.9%
8 point fit	19.6%
4 point fit	16.5%
Historical Selected	4.2%
Prospective Selected	5.0%



Accident Year Ending	Trend Period						Trend Factor
	Historical			Prospective			
	Beginning	End	Time(Yrs)	Beginning	End	Time(Yrs)	
9/30/2007	3/31/2007	8/15/2011	4.375	8/15/2011	12/1/2013	2.294	1.339
9/30/2008	3/31/2008	8/15/2011	3.375	8/15/2011	12/1/2013	2.294	1.285
9/30/2009	3/31/2009	8/15/2011	2.375	8/15/2011	12/1/2013	2.294	1.233
9/30/2010	3/31/2010	8/15/2011	1.375	8/15/2011	12/1/2013	2.294	1.184
9/30/2011	3/31/2011	8/15/2011	0.375	8/15/2011	12/1/2013	2.294	1.136

Loss Trend

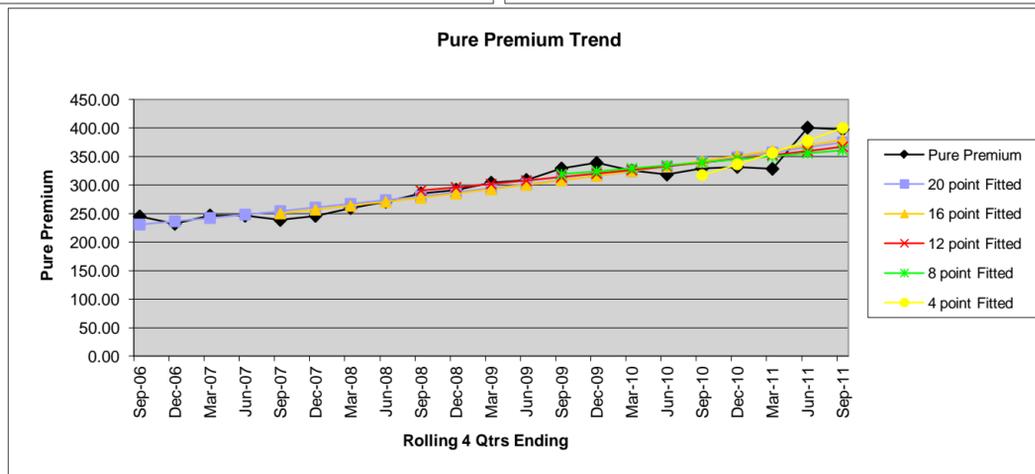
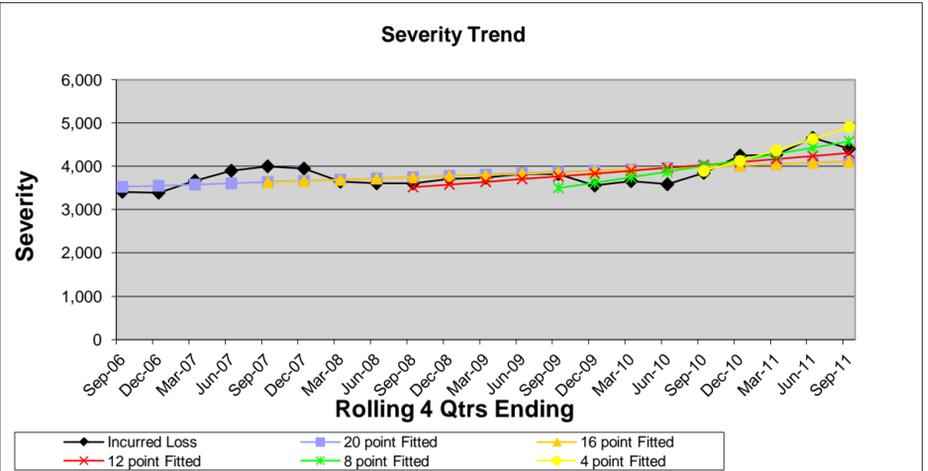
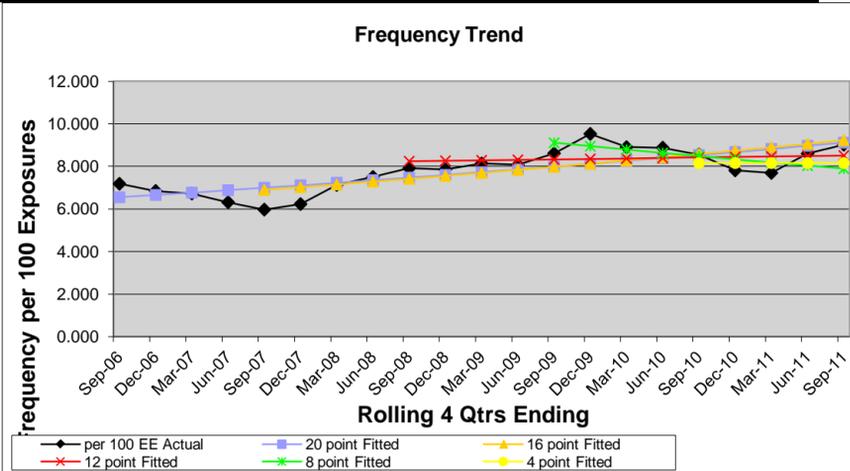
Loss Trend Based on AR + KY + MO + TN Region - American Modern Insurance Group Data Excluding Catastrophe Losses

Accident Period 4 Qtrs Ending	Ultimate Reported Claim Counts	Ultimate Non-Cat Incurred Loss & ALAE	Earned Exposures	Frequency					Severity						
				Frequency per 100 EE Actual	20 point Fitted	16 point Fitted	12 point Fitted	8 point Fitted	4 point Fitted	Average Incurred Loss	20 point Fitted	16 point Fitted	12 point Fitted	8 point Fitted	4 point Fitted
9/30/2006	6,214	21,203,091	86,532	7.181	6.547						3,412	3,526			
12/31/2006	5,917	20,065,002	86,441	6.845	6.656						3,391	3,553			
3/31/2007	5,805	21,300,400	86,346	6.723	6.767						3,669	3,581			
6/30/2007	5,449	21,249,908	86,293	6.315	6.880						3,900	3,609			
9/30/2007	5,153	20,614,579	86,334	5.968	6.994	6.895					4,001	3,637	3,630		
12/31/2007	5,371	21,211,706	86,225	6.229	7.111	7.022					3,950	3,665	3,658		
3/31/2008	6,138	22,370,245	86,126	7.126	7.230	7.151					3,645	3,693	3,687		
6/30/2008	6,443	23,245,312	85,901	7.501	7.350	7.282					3,608	3,722	3,716		
9/30/2008	6,770	24,431,729	85,576	7.911	7.473	7.416	8.241				3,609	3,751	3,745	3,523	
12/31/2008	6,686	24,829,074	85,123	7.855	7.598	7.553	8.263				3,713	3,780	3,774	3,583	
3/31/2009	6,882	25,720,599	84,589	8.135	7.724	7.691	8.285				3,738	3,809	3,803	3,644	
6/30/2009	6,787	25,985,883	84,097	8.071	7.853	7.833	8.307				3,829	3,839	3,833	3,706	
9/30/2009	7,196	27,512,816	83,594	8.608	7.984	7.977	8.329	9.107			3,823	3,868	3,863	3,769	3,503
12/31/2009	7,930	28,206,729	83,242	9.526	8.117	8.123	8.351	8.945			3,557	3,898	3,893	3,833	3,623
3/31/2010	7,382	27,006,923	82,921	8.903	8.253	8.273	8.373	8.786			3,658	3,929	3,924	3,898	3,746
6/30/2010	7,345	26,338,014	82,729	8.878	8.391	8.425	8.396	8.630			3,586	3,959	3,955	3,965	3,874
9/30/2010	7,077	27,238,486	82,728	8.554	8.531	8.580	8.418	8.477	8.153		3,849	3,990	3,985	4,032	4,006
12/31/2010	6,472	27,492,696	82,859	7.811	8.673	8.737	8.440	8.326	8.154		4,248	4,021	4,017	4,101	4,143
3/31/2011	6,387	27,271,285	83,037	7.691	8.818	8.898	8.463	8.179	8.154		4,270	4,052	4,048	4,170	4,284
6/30/2011	7,155	33,335,112	83,191	8.600	8.965	9.062	8.485	8.033	8.154		4,659	4,083	4,080	4,241	4,430
9/30/2011	7,536	33,221,354	83,567	9.018	9.114	9.228	8.508	7.891	8.155		4,408	4,115	4,112	4,313	4,581

Accident Period 4 Qtrs Ending	Pure Premium					
	Pure Premium	20 point Fitted	16 point Fitted	12 point Fitted	8 point Fitted	4 point Fitted
9/30/2006	245.03	230.84				
12/31/2006	232.12	236.51				
3/31/2007	246.69	242.32				
6/30/2007	246.25	248.27				
9/30/2007	238.78	254.37	250.28			
12/31/2007	246.01	260.61	256.87			
3/31/2008	259.74	267.02	263.64			
6/30/2008	270.61	273.58	270.59			
9/30/2008	285.50	280.30	277.71	290.31		
12/31/2008	291.68	287.18	285.03	296.04		
3/31/2009	304.07	294.23	292.54	301.88		
6/30/2009	309.00	301.46	300.25	307.83		
9/30/2009	329.13	308.87	308.16	313.90	319.07	
12/31/2009	338.85	316.45	316.28	320.09	324.08	
3/31/2010	325.70	324.23	324.61	326.41	329.18	
6/30/2010	318.36	332.19	333.16	332.84	334.36	
9/30/2010	329.25	340.35	341.94	339.41	339.61	317.47
12/31/2010	331.80	348.71	350.95	346.10	344.95	336.39
3/31/2011	328.42	357.28	360.19	352.93	350.38	356.44
6/30/2011	400.71	366.06	369.68	359.89	355.89	377.69
9/30/2011	397.54	375.05	379.42	366.99	361.48	400.20

Annual Loss Trend			
	Frequency	Severity	Pure Premium
20 point fit	6.8%	3.1%	10.2%
16 point fit	7.6%	3.2%	11.0%
12 point fit	1.1%	7.0%	8.1%
8 point fit	-6.9%	14.4%	6.4%
4 point fit	0.0%	26.0%	26.1%
Historical Selected	6.8%	3.1%	10.1%
Prospective Selected	-3.5%	8.8%	5.0%

Accident Year Ending	Trend Period						Trend Factor
	Historical			Prospective			
	Beginning	End	Time(Yrs)	Beginning	End	Time(Yrs)	
9/30/2007	3/31/2007	5/15/2011	4.125	5/15/2011	12/1/2013	2.544	1.684
9/30/2008	3/31/2008	5/15/2011	3.125	5/15/2011	12/1/2013	2.544	1.529
9/30/2009	3/31/2009	5/15/2011	2.125	5/15/2011	12/1/2013	2.544	1.389
9/30/2010	3/31/2010	5/15/2011	1.125	5/15/2011	12/1/2013	2.544	1.262
9/30/2011	3/31/2011	5/15/2011	0.125	5/15/2011	12/1/2013	2.544	1.146



Loss & ALAE Development

Data shown is Countrywide Consolidated American Modern Insurance Group MH Standard

Cumulative Incurred Loss and ALAE Development

Accident Qtr Ending	Development Age																					
	3	6	9	12	15	18	21	24	27	30	33	36	39	42	45	48	51	54	57	60	63	66
Dec-05	24,099,126	24,859,806	24,734,227	24,819,579	24,701,461	24,911,360	24,792,378	24,731,961	24,821,682	25,074,796	25,073,657	25,110,583	25,041,080	25,033,527	24,926,627	24,877,295	24,884,345	24,899,513	24,901,161	24,902,412	24,902,732	24,899,219
Mar-06	20,654,769	20,979,381	21,226,866	21,425,953	21,857,034	21,829,393	21,840,533	21,741,423	22,049,761	21,999,842	21,810,961	21,801,639	21,826,424	21,831,504	21,823,032	21,817,356	21,818,826	21,809,518	21,816,236	21,816,222	21,818,236	21,821,936
Jun-06	26,052,869	26,281,497	26,244,563	26,208,098	26,489,842	26,901,704	26,767,046	26,753,396	26,834,979	26,561,592	26,509,037	26,498,900	26,490,548	26,517,223	26,537,223	26,535,206	26,523,804	26,522,667	26,526,841	26,484,765	26,482,223	26,483,319
Sep-06	24,166,308	24,732,568	25,023,045	25,313,812	25,258,169	25,342,493	25,448,347	25,418,006	25,379,481	25,166,443	25,164,000	25,026,986	25,163,081	25,160,658	25,201,192	25,170,364	24,749,505	24,739,953	24,740,229	24,724,556	24,732,947	
Dec-06	22,422,812	23,438,268	23,362,538	23,234,762	23,245,767	23,386,023	23,311,553	23,302,983	23,338,695	23,306,262	23,323,117	23,290,651	23,272,820	23,275,100	23,274,307	23,214,760	23,234,647	23,110,893	23,123,400	23,081,265		
Mar-07	22,328,817	23,117,355	23,528,975	23,545,882	23,689,057	23,882,504	23,791,479	23,717,134	23,475,637	23,583,334	23,593,379	23,584,232	23,531,397	23,530,966	23,450,484	23,442,188	23,387,329	23,387,829	23,383,169			
Jun-07	26,337,526	27,381,693	27,285,637	27,521,084	27,887,071	27,955,847	27,619,468	27,614,625	27,663,437	27,704,284	27,631,557	27,587,039	27,571,192	27,576,929	27,616,259	27,617,242	27,609,668	27,588,542				
Sep-07	25,851,877	26,874,899	26,983,935	27,070,890	27,020,154	26,636,857	26,542,072	26,585,683	27,363,670	27,443,647	27,436,501	27,563,932	27,510,106	27,447,028	27,418,592	27,393,923	27,405,801					
Dec-07	20,973,293	22,376,986	22,620,876	22,591,121	22,545,795	22,871,697	22,750,610	22,872,843	22,712,874	22,485,414	22,571,803	22,471,993	22,426,172	22,493,721	22,439,205	22,455,577						
Mar-08	28,152,401	30,140,387	30,044,102	29,970,526	30,403,313	30,347,932	30,415,340	30,336,168	30,413,737	30,509,353	30,513,681	30,505,937	30,512,089	30,518,558	30,525,775							
Jun-08	31,625,186	32,383,180	32,495,596	32,693,348	32,953,918	33,031,848	33,035,132	32,978,591	33,019,878	32,952,251	32,950,114	32,968,570	32,912,058	32,847,599								
Sep-08	29,192,940	30,058,914	30,061,022	29,842,692	30,464,672	30,499,742	30,383,351	30,379,943	30,553,153	30,632,095	30,522,974	30,521,493										
Dec-08	29,924,755	30,845,166	31,092,276	31,368,746	31,402,834	31,398,807	31,493,478	31,593,647	31,753,517	31,671,969	31,681,036	31,610,652										
Mar-09	29,737,592	31,054,383	31,367,129	31,712,966	32,090,043	32,313,261	32,092,432	32,128,462	32,098,650	31,962,712	32,025,646											
Jun-09	31,541,509	32,366,204	32,607,963	33,035,343	33,299,646	33,165,095	33,063,403	33,260,029	33,279,121	33,289,050												
Sep-09	31,879,749	32,833,357	33,158,820	33,179,138	33,212,680	33,179,138	33,212,680	33,179,138	33,212,680	33,179,138	33,212,680	33,179,138	33,212,680	33,179,138	33,212,680	33,179,138	33,212,680	33,179,138	33,212,680	33,179,138	33,212,680	33,179,138
Dec-09	29,414,771	30,008,151	30,436,674	30,559,458	30,537,493	30,858,937	30,881,214	30,797,180														
Mar-10	28,813,751	30,257,693	30,918,984	31,115,849	31,316,750	31,115,849	31,316,750	31,115,849	31,316,750	31,115,849	31,316,750	31,115,849	31,316,750	31,115,849	31,316,750	31,115,849	31,316,750	31,115,849	31,316,750	31,115,849	31,316,750	31,115,849
Jun-10	30,846,650	31,902,872	32,000,693	32,246,696	32,545,736	32,520,036																
Sep-10	34,782,315	35,202,738	35,648,850	35,833,234	35,858,401																	
Dec-10	28,022,392	29,248,376	28,943,660	28,900,966																		
Mar-11	29,549,642	30,971,413	31,153,964																			
Jun-11	40,959,313	42,377,254																				
Sep-11	38,788,389																					

Historical Development Factors

Accident Qtr Ending	3 to 6	6 to 9	9 to 12	12 to 15	15 to 18	18 to 21	21 to 24	24 to 27	27 to 30	30 to 33	33 to 36	36 to 39	39 to 42	42 to 45	45 to 48	48 to 51	51 to 54	54 to 57	57 to 60	60 to 63	63 to 66
Dec-05	1.032	0.995	1.003	0.995	1.008	0.995	0.998	1.004	1.010	1.000	1.001	0.997	1.000	0.996	0.998	1.000	1.001	1.000	1.000	1.000	1.000
Mar-06	1.016	1.012	1.009	1.020	0.999	1.001	0.995	1.014	0.998	0.991	1.000	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Jun-06	1.009	0.999	0.999	1.011	1.016	0.995	0.999	1.003	0.990	0.998	1.000	1.000	1.001	1.001	1.000	1.000	1.000	1.000	0.998	1.000	1.000
Sep-06	1.023	1.012	1.012	0.998	1.003	1.004	0.999	0.998	0.992	1.000	0.995	1.005	1.000	1.002	0.999	0.983	1.000	1.000	0.999	1.000	
Dec-06	1.045	0.997	0.995	1.000	1.006	0.997	1.000	1.002	0.999	1.001	0.999	0.999	1.000	1.000	0.997	1.001	0.995	1.001	0.998		
Mar-07	1.035	1.018	1.001	1.006	1.008	0.996	0.997	0.990	1.005	1.000	1.000	0.998	1.000	0.997	1.000	0.998	1.000	1.000			
Jun-07	1.040	0.996	1.009	1.013	1.002	0.988	1.000	1.002	1.001	0.997	0.998	0.999	1.000	1.001	1.000	1.000	0.999				
Sep-07	1.040	1.004	1.003	0.998	0.986	0.996	1.002	1.029	1.003	1.000	1.005	0.998	0.998	0.999	0.999	1.000					
Dec-07	1.067	1.011	0.999	0.998	1.014	0.995	1.005	0.993	0.990	1.004	0.996	0.998	1.003	0.998	1.001						
Mar-08	1.071	0.997	0.998	1.014	0.998	1.002	0.997	1.003	1.003	1.000	1.000	1.000	1.000	1.000							
Jun-08	1.024	1.003	1.006	1.008	1.002	1.000	0.998	1.001	0.998	1.000	1.001	0.998	0.998								
Sep-08	1.030	1.000	0.993	1.021	1.001	0.996	1.000	1.006	1.003	0.996	1.000	0.992									
Dec-08	1.031	1.008	1.009	1.001	1.000	1.003	1.003	1.005	0.997	1.000	0.998										
Mar-09	1.044	1.010	1.011	1.012	1.007	0.993	1.001	0.999	0.996	1.002											
Jun-09	1.026	1.007	1.013	1.008	0.996	0.997	1.006	1.001	1.000												
Sep-09	1.030	1.010	1.001	1.001	1.005	0.997	0.999	0.999													
Dec-09	1.020	1.014	1.004	0.999	1.011	1.001	0.997														
Mar-10	1.050	1.022	1.006	1.006	0.995	1.001															
Jun-10	1.034	1.003	1.008	1.009	0.999																
Sep-10	1.012	1.013	1.005	1.001																	
Dec-10	1.044	0.990	0.999																		
Mar-11	1.048	1.006																			
Jun-11	1.035																				

Averages	3 to 6	6 to 9	9 to 12	12 to 15	15 to 18	18 to 21	21 to 24	24 to 27	27 to 30	30 to 33	33 to 36	36 to 39	39 to 42	42 to 45	45 to 48	48 to 51	51 to 54	54 to 57	57 to 60	60 to 63	63 to 66	66 to Ult
4 Qtrs Average	1.035	1.003	1.005	1.004	1.003	0.999	1.001	1.001	0.999	1.000	1.000	0.997	1.000	1.000	1.000	1.000	0.999	1.000	0.999	1.000		
8 Qtrs Average	1.034	1.008	1.006	1.005	1.002	0.999	1.000	1.001	0.999	1.000	1.000	0.998	1.000	1.000	1.000	0.998						
12 Qtrs Average	1.034	1.007	1.004	1.007	1.001	0.997	1.000	1.003	0.999	1.000	1.000	0.999										
8 Qtrs Average ex H/L	1.035	1.009	1.006	1.004	1.001	0.999	1.000	1.001	1.000	1.000	1.000	0.998	1.000	1.000	1.000	1.000						
8 Qtrs Vol Weighted	1.034	1.008	1.006	1.005	1.002	0.999	1.000	1.001	0.999	1.000	1.000	0.998	1.000	1.000	0.999	0.998						
12 Qtrs Vol Weighted	1.033	1.007	1.004	1.007	1.001	0.998	1.000	1.002	0.999	1.000	1.000	0.999	0.999									
12 Qtr Avg ex H/L	1.033	1.007	1.005	1.006	1.001	0.998	1.000	1.001	0.999	1.000	1.000	0.999										

Catastrophe Factor

Data shown is Arkansas American Modern Insurance Group - Mobile Home

Accident Year Ending	(1) Weather Losses*	(2) All Losses*	(3)=(2)-(1) All Losses* Less Weather	(4)=(1)/(3) Weather Ratio	(5) Capped Weather Ratio **	(6)=(4)-(5) Excess Spread to 50 Years
9/30/1992	303,657	2,086,290	1,782,634	0.170	0.170	0.000
9/30/1993	216,045	1,823,431	1,607,386	0.134	0.134	0.000
9/30/1994	619,417	1,875,748	1,256,331	0.493	0.493	0.000
9/30/1995	310,622	1,856,149	1,545,527	0.201	0.201	0.000
9/30/1996	868,402	2,630,897	1,762,495	0.493	0.493	0.000
9/30/1997	1,967,748	4,064,428	2,096,680	0.939	0.939	0.000
9/30/1998	585,147	3,217,104	2,631,958	0.222	0.222	0.000
9/30/1999	1,590,869	5,233,361	3,642,492	0.437	0.437	0.000
9/30/2000	1,078,155	4,249,856	3,171,700	0.340	0.340	0.000
9/30/2001	3,011,386	8,949,636	5,938,249	0.507	0.507	0.000
9/30/2002	1,430,888	6,967,343	5,536,455	0.258	0.258	0.000
9/30/2003	2,756,015	7,834,214	5,078,198	0.543	0.543	0.000
9/30/2004	1,259,620	6,517,546	5,257,927	0.240	0.240	0.000
9/30/2005	1,878,837	6,943,510	5,064,673	0.371	0.371	0.000
9/30/2006	4,334,307	9,526,664	5,192,357	0.835	0.835	0.000
9/30/2007	1,267,526	7,201,570	5,934,044	0.214	0.214	0.000
9/30/2008	9,164,198	14,590,322	5,426,124	1.689	1.622	0.067
9/30/2009	6,244,280	13,381,629	7,137,350	0.875	0.875	0.000
9/30/2010	4,847,242	12,326,554	7,479,312	0.648	0.648	0.000
9/30/2011	13,118,938	19,952,559	6,833,621	1.920	1.622	0.298
Weighted Average***				0.652		
Selected Catastrophe Factor:				0.652		

* Losses shown are Undeveloped Accident Year Incurred Losses and ALAE.

*** Capped at 1.622 (2 standard deviations above the mean) with excess spread to 50 years.

Modeled Catastrophe Load

Catastrophe Model Output		Earthquake	
		RMS v11	
(1) Modeled Units		12,561	
(2) Average Annual Loss		118,015	
(3) Modeled Pure Premium (2)/(1)		\$9.40	
External Loads			
(4) Allocated Loss Adjustment Expense		1.062	
(5) Unallocated Loss Adjustment Expense		1.015	
(6) Trend Factor		1.036	
(7) Adjusted Modeled Pure Premium		\$10.50	
Development of Load in Rate Indications			
(8) Selected Modeled Pure Premium			\$10.50
(9) Yr End 9/30/2011 Earned Exposures			12,416
(10) Yr End 9/30/2011 Adj Earned Premium			12,531,230
(11) Estimated Average Premium (10)/(9)			\$1,009.31
(12) Prospective Modeled Ratio (8)/(11)			0.010
		Earthquake	

Notes:

- (4) Loss Adjustment Expense is not considered in the models
- (5) See Exhibit 8
- (6) Calculation of External Load Trend Factor:

	Earthquake
(a) Proposed Average Effective Date:	12/1/2013
(b) Beginning Date of Trend (modeled date)	11/30/2010
(c) Trend Period (Years):	3.003
(d) Annual Exposure Trend (see below):	1.2%
(e) Trend Factor $\{1 + (d)\}^{(c)}$:	1.036
- (7) Product of (3) - (6)
- (9) See Exhibit 2 for this Class
- (10) See Exhibit 2 for this Class

Insured Value Trend

4 Qtrs Ending	Earned Exposure	Total Insured Value	Average Insured Value	8 Point Fitted	4 Point Fitted
12/31/2009	13,262	605,692,062	45,673	45,735	
3/31/2010	13,057	599,474,181	45,914	45,902	
6/30/2010	12,911	595,015,841	46,088	46,070	
9/30/2010	12,825	593,347,618	46,264	46,239	
12/31/2010	12,756	592,564,420	46,454	46,408	46,461
3/31/2011	12,672	590,527,485	46,601	46,577	46,597
6/30/2011	12,557	586,987,723	46,744	46,748	46,733
9/30/2011	12,416	581,826,915	46,859	46,919	46,869

Annual Insured Value Trend	
8 point fit	1.5%
4 point fit	1.2%
Selected	1.2%

Modeled Catastrophe Load

Catastrophe Model Output		Earthquake	
		RMS v11	
(1) Modeled Units		1,535	
(2) Average Annual Loss		11,984	
(3) Modeled Pure Premium (2)/(1)		\$7.81	
External Loads			
(4) Allocated Loss Adjustment Expense		1.062	
(5) Unallocated Loss Adjustment Expense		1.015	
(6) Trend Factor		1.100	
(7) Adjusted Modeled Pure Premium		\$9.26	
Development of Load in Rate Indications			
(8) Selected Modeled Pure Premium			\$9.26
(9) Yr End 9/30/2011 Earned Exposures			1,477
(10) Yr End 9/30/2011 Adj Earned Premium			1,267,246
(11) Estimated Average Premium (10)/(9)			\$857.70
(12) Prospective Modeled Ratio (8)/(11)			0.011
		Earthquake	

Notes:

- (4) Loss Adjustment Expense is not considered in the models
- (5) See Exhibit 8
- (6) Calculation of External Load Trend Factor:

	Earthquake
(a) Proposed Average Effective Date:	12/1/2013
(b) Beginning Date of Trend (modeled date)	11/30/2010
(c) Trend Period (Years):	3.003
(d) Annual Exposure Trend (see below):	3.2%
(e) Trend Factor $\{1 + (d)\}^{(c)}$:	1.100
- (7) Product of (3) - (6)
- (9) See Exhibit 2 for this Class
- (10) See Exhibit 2 for this Class

Exposure Trend

4 Qtrs Ending	Earned Exposure	Total Insured Value	Average Insured Value	8 Point Fitted	4 Point Fitted
12/31/2009	1,778	60,010,094	33,753	33,737	
3/31/2010	1,693	57,542,138	33,982	33,995	
6/30/2010	1,642	56,258,386	34,270	34,254	
9/30/2010	1,603	55,297,256	34,505	34,516	
12/31/2010	1,564	54,376,028	34,764	34,779	34,759
3/31/2011	1,520	53,259,039	35,028	35,045	35,037
6/30/2011	1,477	52,165,192	35,317	35,313	35,317
9/30/2011	1,439	51,214,890	35,602	35,582	35,599

Annual Exposure Trend	
8 point fit	3.1%
4 point fit	3.2%
Selected	3.2%

Modeled Catastrophe Load

<u>Catastrophe Model Output</u>		<u>Earthquake</u>	
		RMS v11	
(1) Modeled Units		9,993	
(2) Average Annual Loss		97,272	
(3) Modeled Pure Premium (2)/(1)		\$9.73	
<u>External Loads</u>			
(4) Allocated Loss Adjustment Expense		1.062	
(5) Unallocated Loss Adjustment Expense		1.015	
(6) Trend Factor		1.054	
(7) Adjusted Modeled Pure Premium		\$11.05	
<u>Development of Load in Rate Indications</u>			
(8) Selected Modeled Pure Premium			\$11.05
(9) Yr End 9/30/2011 Earned Exposures			10,276
(10) Yr End 9/30/2011 Adj Earned Premium			10,863,041
(11) Estimated Average Premium (10)/(9)			\$1,057.17
(12) Prospective Modeled Ratio (8)/(11)		Earthquake	0.010

Notes:

- (4) Loss Adjustment Expense is not considered in the models
- (5) See Exhibit 8
- (6) Calculation of External Load Trend Factor:

	Earthquake
(a) Proposed Average Effective Date:	12/1/2013
(b) Beginning Date of Trend (modeled date)	11/30/2010
(c) Trend Period (Years):	3.003
(d) Annual Exposure Trend (see below):	1.8%
(e) Trend Factor $\{1 + (d)\}^{(c)}$:	1.054
- (7) Product of (3) - (6)
- (9) See Exhibit 2 for this Class
- (10) See Exhibit 2 for this Class

Exposure Trend

4 Qtrs Ending	Earned Exposure	Total Insured Value	Average Insured Value	8 Point Fitted	4 Point Fitted
12/31/2009	5,986	247,465,303	41,338	43,659	
3/31/2010	7,429	333,615,070	44,909	44,668	
6/30/2010	8,654	407,303,199	47,067	45,699	
9/30/2010	9,470	457,284,629	48,289	46,755	
12/31/2010	9,939	486,897,925	48,991	47,834	49,022
3/31/2011	10,022	493,879,841	49,281	48,939	49,238
6/30/2011	9,992	494,200,475	49,462	50,069	49,454
9/30/2011	9,955	494,301,116	49,653	51,226	49,672

Annual Exposure Trend	
8 point fit	9.6%
4 point fit	1.8%
Selected	1.8%

Modeled Catastrophe Load

Catastrophe Model Output		Earthquake	
		RMS v11	
(1) Modeled Units		540	
(2) Average Annual Loss		2,374	
(3) Modeled Pure Premium (2)/(1)		\$4.40	
External Loads			
(4) Allocated Loss Adjustment Expense		1.062	
(5) Unallocated Loss Adjustment Expense		1.015	
(6) Trend Factor		0.915	
(7) Adjusted Modeled Pure Premium		\$4.34	
Development of Load in Rate Indications			
(8) Selected Modeled Pure Premium			\$4.34
(9) Yr End 9/30/2011 Earned Exposures			544
(10) Yr End 9/30/2011 Adj Earned Premium			255,543
(11) Estimated Average Premium (10)/(9)			\$469.93
(12) Prospective Modeled Ratio (8)/(11)		Earthquake	0.009

Notes:

- (4) Loss Adjustment Expense is not considered in the models
- (5) See Exhibit 8
- (6) Calculation of External Load Trend Factor:

	Earthquake
(a) Proposed Average Effective Date:	12/1/2013
(b) Beginning Date of Trend (modeled date)	11/30/2010
(c) Trend Period (Years):	3.003
(d) Annual Exposure Trend (see below):	-2.9%
(e) Trend Factor $\{1 + (d)\}^{(c)}$:	0.915
- (7) Product of (3) - (6)
- (9) See Exhibit 2 for this Class
- (10) See Exhibit 2 for this Class

Exposure Trend

4 Qtrs Ending	Earned Exposure	Total Insured Value	Average Insured Value	8 Point Fitted	4 Point Fitted
12/31/2009	528	12,812,965	24,290	24,472	
3/31/2010	528	12,856,271	24,342	24,418	
6/30/2010	531	12,970,983	24,423	24,364	
9/30/2010	536	13,127,223	24,512	24,310	
12/31/2010	543	13,237,409	24,399	24,257	24,446
3/31/2011	545	13,258,801	24,335	24,203	24,266
6/30/2011	547	13,170,157	24,090	24,150	24,087
9/30/2011	551	13,156,574	23,885	24,097	23,909

Annual Exposure Trend	
8 point fit	-0.9%
4 point fit	-2.9%
Selected	-2.9%

Modeled Catastrophe Load

<u>Catastrophe Model Output</u>		<u>Earthquake</u>	
		RMS v11	
(1) Modeled Units		109	
(2) Average Annual Loss		721	
(3) Modeled Pure Premium (2)/(1)		\$6.61	
<u>External Loads</u>			
(4) Allocated Loss Adjustment Expense		1.062	
(5) Unallocated Loss Adjustment Expense		1.015	
(6) Trend Factor		0.980	
(7) Adjusted Modeled Pure Premium		\$6.98	
<u>Development of Load in Rate Indications</u>			
(8) Selected Modeled Pure Premium			\$6.98
(9) Yr End 9/30/2011 Earned Exposures			117
(10) Yr End 9/30/2011 Adj Earned Premium			88,157
(11) Estimated Average Premium (10)/(9)			\$756.03
(12) Prospective Modeled Ratio (8)/(11)			0.009
		Earthquake	

Notes:

- (4) Loss Adjustment Expense is not considered in the models
(5) See Exhibit 8
(6) Calculation of External Load Trend Factor: Earthquake
(a) Proposed Average Effective Date: 12/1/2013
(b) Beginning Date of Trend (modeled date) 11/30/2010
(c) Trend Period (Years): 3.003
(d) Annual Exposure Trend (see below): -0.7%
(e) Trend Factor $\{1 + (d)\}^{(c)}$: 0.980
(7) Product of (3) - (6)
(9) See Exhibit 2 for this Class
(10) See Exhibit 2 for this Class

Exposure Trend

4 Qtrs Ending	Earned Exposure	Total Insured Value	Average Insured Value	8 Point Fitted	4 Point Fitted
12/31/2009	107	4,156,603	38,681	38,948	
3/31/2010	107	4,134,726	38,801	39,123	
6/30/2010	108	4,235,297	39,398	39,300	
9/30/2010	109	4,357,328	40,039	39,477	
12/31/2010	110	4,420,993	40,069	39,654	40,008
3/31/2011	113	4,520,352	39,876	39,833	39,941
6/30/2011	117	4,643,738	39,823	40,012	39,874
9/30/2011	121	4,803,586	39,863	40,193	39,807

Annual Exposure Trend	
8 point fit	1.8%
4 point fit	-0.7%
Selected	-0.7%

Modeled Catastrophe Load

Catastrophe Model Output		Earthquake	
		RMS v11	
(1) Modeled Units		2	
(2) Average Annual Loss		2	
(3) Modeled Pure Premium (2)/(1)		\$1.00	
External Loads			
(4) Allocated Loss Adjustment Expense		1.062	
(5) Unallocated Loss Adjustment Expense		1.015	
(6) Trend Factor		1.158	
(7) Adjusted Modeled Pure Premium		\$1.25	
Development of Load in Rate Indications			
(8) Selected Modeled Pure Premium			\$1.25
(9) Yr End 9/30/2011 Earned Exposures			2
(10) Yr End 9/30/2011 Adj Earned Premium			641
(11) Estimated Average Premium (10)/(9)			\$295.85
(12) Prospective Modeled Ratio (8)/(11)			0.004
		Earthquake	

Notes:

- (4) Loss Adjustment Expense is not considered in the models
- (5) See Exhibit 8
- (6) Calculation of External Load Trend Factor:

	Earthquake
(a) Proposed Average Effective Date:	12/1/2013
(b) Beginning Date of Trend (modeled date)	11/30/2010
(c) Trend Period (Years):	3.003
(d) Annual Exposure Trend (see below):	5.0%
(e) Trend Factor $\{1 + (d)\}^{(c)}$:	1.158
- (7) Product of (3) - (6)
- (9) See Exhibit 2 for this Class
- (10) See Exhibit 2 for this Class

Exposure Trend

4 Qtrs Ending	Earned Exposure	Total Insured Value	Average Insured Value	8 Point Fitted	4 Point Fitted
12/31/2009	3	21,128	7,412	7,688	
3/31/2010	3	25,173	8,096	8,269	
6/30/2010	3	28,003	8,819	8,895	
9/30/2010	3	29,462	9,930	9,568	
12/31/2010	3	28,212	10,884	10,292	11,119
3/31/2011	2	26,458	11,545	11,070	11,415
6/30/2011	2	26,458	12,212	11,908	11,718
9/30/2011	2	26,210	11,659	12,809	12,030

Annual Exposure Trend	
8 point fit	33.9%
4 point fit	11.1%
Selected	5.0%

Unallocated Loss Adjustment Expense

The ULAE Factor is calculated as a ratio to Incurred Loss and ALAE and is considered in the "loss" side of the indication.

Consolidated American Modern Insurance Group Data

Calendar Year	2008	2009	2010
ULAE Incurred	11,747,762	12,288,732	8,611,126
Adjusted Loss and ALAE Incurred	584,440,974	521,315,563	501,701,035
Ratio of ULAE to Incurred Loss & ALAE	2.0%	2.4%	1.7%
5 Year Average			3.0%
2 Year Average			2.0%
Selected ULAE Factor			1.015

Determination of Permissible Loss Ratio

	Calendar Year					Budget 2011	Selected	Fixed Expense %	Fixed Expenses	Variable Expenses
	2006	2007	2008	2009	2010					
(1) Pre-Paid Commissions	24.6%	24.9%	25.2%	24.8%	23.5%		23.5%		0.0%	23.5%
(2) Contingent Commissions	1.3%	1.7%	0.6%	1.2%	1.3%	0.5%	0.5%		0.0%	0.5%
(3) Other Acquisition Expense	3.7%	3.5%	3.9%	4.0%	3.2%	3.7%	3.7%	0%	0.0%	3.7%
(4) General Expense	9.0%	9.1%	9.1%	9.4%	7.3%	8.7%	8.7%	0%	0.0%	8.7%
(5) Taxes, Licenses and Fees	4.1%	3.8%	4.1%	3.9%	4.5%		4.2%		0.0%	4.2%
(6) Reinsurance Expense						1.9%	1.9%	100%	1.9%	0.0%
(7) Total Expense							42.5%			
Profit Loading Provision										
(8a) After Tax Return on Equity Goal						15.0%				
(8b) Target Premium to Surplus Ratio						1.8:1				
(8c) After Tax Return on Premium [(a)/(b)]						8.3%				
(8d) After Tax Return Generated by Inv Income						1.5%				
(8e) After Tax Return Needed From Underwriting Profit [(c) - (d)]						6.8%				
(8f) Before Tax Return Needed from Underwriting Profit [(e)/(1.00 - .35)]						10.5%				
(8g) Selected Profit Provision							10.5%		0.0%	10.5%
(9) Total Expenses and Profit Provision [(7) + (8)]							53.0%			
(10) Permissible Loss & LAE Ratio [(1.000 - (9))							47.0%			
(11) Fixed Expense Ratio									1.9%	
(12) Variable Permissible Loss Ratio										48.9%

	Calendar Year				
	2006	2007	2008	2009	2010
Data applied to calculate commission ratio:					
AFH Arkansas Mobile Home Standard Written Premium	8,024,525	8,288,167	8,981,000	8,910,964	9,609,966
AFH Arkansas Mobile Home Standard Paid Commission	1,974,792	2,062,885	2,265,233	2,213,869	2,255,410

	Calendar Year				
	2006	2007	2008	2009	2010
Data applied to calculate Taxes, Licenses and Fees:					
AFH Arkansas Written Premium from all AS Lines	8,792,179	8,925,342	9,409,637	9,688,895	10,550,507
AFH Arkansas Taxes, Licenses and Fees from all AS Lines	360,628	339,124	385,795	382,711	469,498

Investment Income Calculation

Estimated Investment Earnings on Unearned Premium and Loss Reserves

A. Unearned Premium Reserve		
(1)	Direct Earned Premium for 2010	\$ 416,869,231
(2)	Mean Unearned Premium Reserve Ratio	55.5%
(3)	Mean Unearned Premium Reserve (1) x (2)	\$ 231,531,114
(4)	Deduction for Prepaid Expenses and Federal Taxes Payable	
(a)	Commission	24.0%
(b)	50% of Other Acquisition	1.9%
(c)	50% of General Expenses	4.4%
(d)	Taxes, Licenses, and Fees	4.2%
(e)	Reinsurance Expense	1.9%
(f)	Subtotal	36.3%
(g)	Federal Taxes Payable	7.0%
(4T)	Total Deductions	43.3%
(5)	Unearned Premium Reserve Subject to Investment (3) x [1.0 - (4T)]	\$ 131,278,141
B. Delayed Remission of Premium (Agent's Balances)		
(1)	Agent's Balance or Uncollected Premium to Unearned Premium	
(a)	Average Agent's Balance	\$ 138,852,695
(b)	Direct Unearned Premium 2010 (All Lines)	\$ 504,115,494
(c)	Ratio (a) / (b)	27.5%
(d)	Direct Unearned Premium 2010 (ASLOB 4 and 21.1 (for 2008 & prior))	\$ 241,174,711
(2)	Delayed Remission (1c) x (1d)	\$ 66,428,743
C. Loss and Loss Adjustment Expense Reserve		
(1)	Expected Loss and Loss Adjustment Expense Ratio	47.0%
(2)	Expected Losses and Loss Adjustment Expenses (A.1) x (C.1)	\$ 195,928,538
(3)	Percent of Mean Loss & ALAE Reserves to Incurred Loss & ALAE	
(a)	2010 Mean Loss & ALAE Reserve to Incurred Loss & ALAE Ratio	26.6%
(b)	2009 Mean Loss & ALAE Reserve to Incurred Loss & ALAE Ratio	23.0%
(c)	Average of Mean Loss Reserve to Incurred Loss Ratios 1/2 x [(a) + (b)]	24.8%
(4)	Expected Mean Loss Reserves (2) x (3c) x .958	\$ 46,529,611
D. Net Subject to Investment		\$ 111,379,010
	(A.5) - (B.2) + (C.4)	
E. Before Tax Rate of Return		2.5%
	[Exhibit 10, Page 2]	
F. Average Rate of Return as a % of Direct Earned Premium		0.7%
	[(D) x (E)] / (A.1)]	
G. Before Tax Investment Income Return (Including Surplus)		2.1%
	(F) + [(E) x (1.0/Premium to Surplus Ratio)]	
H. After Tax Average Rate of Return as a Percent of Direct Earned Premium		
(1)	Average Federal Tax Rate on Inv. Inc. (Exhibit 11, Page 2)	27.4%
(2)	After Tax Return Generated by Investment Income (G) x [1.0 - (H.1)]	1.5%

Investment Income Calculation

Average Federal Tax Rate on Investment Income

	(1) Investment Income 2008 - 2010 (A)	(2) Allocation	(3) Current Tax Rate (B)	(4) Total Tax (2)x(3)
Bonds				
- Taxable	\$65,596,168	68.6%	35.0%	24.0%
- Tax Exempt Municipal	\$19,660,466	20.6%	5.3%	1.1%
Stocks				
- Acquired Prior to 1987	\$0	0.0%	10.5%	0.0%
- Acquired After 1987	\$6,912,866	7.2%	14.2%	1.0%
Short Term Investments	\$3,488,052	3.6%	35.0%	1.3%
Total	\$95,657,552	100.0%		27.4%

Notes:

- (A) From American Modern Insurance Group Annual Statement, Part 1
(B) Under the 1986 Tax Reform Act, 15% of formerly tax-exempt income from securities purchased after August 7, 1986 is now taxable. Thus the estimated effective tax rates in 2011 will be:

Ordinary Income =	35.0%
Tax Exempt Municipal - 35.0% x 15.0% =	5.3%
Stock Dividends (Acquired after 1987) - 40.5% x 35.0% =	14.2%
Stock Dividends (Acquired before 1987) - 30.0% x 35.0% =	10.5%

Investment Income as a Percentage of Invested Assets

1999	4.5%
2000	5.0%
2001	5.2%
2002	5.2%
2003	4.5%
2004	4.3%
2005	4.4%
2006	4.5%
2007	4.6%
2008	4.4%
2009	2.6%
2010	3.2%
Twelve Year Average	4.4%
Latest Six Year Average	3.9%
Latest Year	3.2%
Projected 2011 (12 Year Trend)	3.3%
Projected 2011 (6 Year Trend)	2.7%

Selected 2010 Rate of Return

Before Tax	2.5% *
After Tax [(1-0.274) x 2.5%]	1.8%

* 2.5% selected based on change in investment philosophy due to the purchase of the American Modern Insurance Group by Munich Re. Specifically, Munich Re requires that investments for companies owned should not have "risk". This leads to a lower rate of return than we've seen in the past.

By Line Explanation of Investment Income Calculation

Line A-1

Direct Earned Premium is total limits earned premium for the captioned program written by the American Modern Insurance Group for the latest accident year.

Line A-2, A-3

The mean unearned premium reserve is determined by the average of the latest two years unearned premiums for the American Modern Insurance Group.

Line A-4

Deductions for prepaid expenses:

Production costs and a large portion of other company expenses connected with the writing and handling of insurance policies, exclusive of claim adjustment expenses, are incurred when the policy is written and before premium is paid. Therefore, the deduction of these expenses is determined by use of provisions for expenses used in our ratemaking procedures as shown. These provisions are based on the above referenced company's data as shown in Exhibit 9.

Line A-4 Federal Taxes Payable

The Tax Reform Act of 1986 taxes 20% of the unearned premium reserve. At a corporate tax rate of 35%, this tax equals 7.0% ($.20 \times .35 = .070$) of the unearned premium reserve.

Line B-1

Delayed remission of premium:

This deduction is necessary due to the delay in collection and remission of premium to the company beyond the effective dates of the policies. Funds for the unearned premium reserve required during the initial days of all policies must be taken from the company's surplus, and are not available for investment.

Line B-1(c)

Average agent's balances as a percentage of 2010 Direct Unearned Premium (All Lines)

Line C-1

The expected loss and loss adjustment ratio reflects the expense provisions used in the filing. See Exhibit 10.

Line C-3

Mean loss reserve are determined by averaging the reserves at the beginning and ending of the year in question, and dividing by that year's loss and loss adjustment expenses. This ratio is based on countrywide data for the American Modern Insurance Group countrywide data for the American Modern Insurance Group.

Line C-4

The expected mean loss reserve is determined by multiplying the expected incurred losses in Line C-2 by the average ratio of the mean loss & loss adjustment reserves to the incurred losses & loss adjustment expenses from Line C-4. Then an adjustment for the estimated Federal Income Taxes payable due to discounting of loss reserves is added. The estimated reserve discount is 12% (based on all company data provided by the A.M. Best Company), the federal taxes payable (expressed as a % of reserves) is 4.2% ($.12 \times .35 = .042$), and the appropriate adjustment is .958 ($1.000 - .042 = .958$).

Line E

This rate of return in the ratio of net investment income earned and net realized capital gains (or losses) to mean cash and invested assets (including interest, dividends and real estate income due and accrued) for the American Modern Insurance Group.

Line H-1

The average rate of Federal Tax was determined by applying the appropriate tax rates to the distribution of investment income earned for 2008 - 2010 for the American Modern Insurance Group. See Page 2 of this exhibit.

Complement of Credibility Calculation

	All Classes	Mobile Home-Byline	Mobile Home- Package	Rental	Seasonal- Byline
(1) Permissible Loss & LAE Ratio	0.470	0.470	0.470	0.470	0.470
(2) Modeled Catastrophe Load Capped at 0.235	0.010	0.011	0.010	0.009	0.009
(3) Proposed Renewal Effective Date	12/1/2012	12/1/2012	12/1/2012	12/1/2012	12/1/2012
(4) Effective Date of Current Rates	10/1/2011	10/1/2011	10/1/2011	10/1/2011	10/1/2011
(5) Time Period in Years $\{[(3) - (4)] / 365\}$ **	1.000	1.000	1.000	1.000	1.000
(6) Annual Premium Trend	3.8%	2.7%	3.8%	-1.1%	2.2%
(7) Annual Loss Trend	5.0%	5.0%	5.0%	5.0%	5.0%
(8) Ann Loss Ratio Trend $\{[1 + (7)] / [1 + (6)] - 1\}$	1.2%	2.2%	1.2%	6.1%	2.8%
(9) Selected Trend Factor $\{[1 + (8)] ^ (5)\}$	1.012	1.022	1.012	1.061	1.028
(10) Complement of Credibility = $\{[(1) - (2)] * (9)\}$	0.466	0.469	0.466	0.489	0.474

	Tenant
(1) Permissible Loss & LAE Ratio	0.470
(2) Modeled Catastrophe Load Capped at 0.235	0.004
(3) Proposed Renewal Effective Date	12/1/2012
(4) Effective Date of Current Rates	10/1/2011
(5) Time Period in Years $\{[(3) - (4)] / 365\}$ **	1.000
(6) Annual Premium Trend	5.0%
(7) Annual Loss Trend	5.0%
(8) Ann Loss Ratio Trend $\{[1 + (7)] / [1 + (6)] - 1\}$	0.0%
(9) Selected Trend Factor $\{[1 + (8)] ^ (5)\}$	1.000
(10) Complement of Credibility = $\{[(1) - (2)] * (9)\}$	0.466

** Capped at a minimum of 0.5 and a maximum of 1 year(s)

**AMERICAN FAMILY HOME INSURANCE COMPANY
ARKANSAS MANUFACTURED HOME PROGRAM
EXPLANATORY MEMORANDUM – RULES, RATES**

American Family Home Insurance Company is submitting for your review and approval a rules and rate filing for our Manufactured Home Program. We are requesting this filing be made effective 12/1/2012 for new and renewal business.

General Rules

- We revised the maximum Policy Term allowed
- We added additional wording to better explain the Minimum Written and Earned Section

Eligibility and Coverages - Supplemental Coverages

- We added Debris Removal Coverage
- We added Total Loss Deductible Waiver
- We removed EC2 as this was repetitive information included in the Optional Coverages page

Deductibles

- We revised the explanation for the Tenant Program

Rates – Owner and Seasonal Byline, Owner and Seasonal Package, Rental/Commercial and Tenant

- We revised base rates for Byline, Package and Rental Commercial programs
- We revised Age of Insured rates for Byline and Package programs
- We revised Age of Home rates for Byline and Package programs
- We revised the Minimum Rate Value for Byline and Package programs.
- We revised our protection classes to In Park/Out of Park. The definition is included on the rate pages.
- We increased the maximum for the Personal Property Coverage

Liability Coverage

- Under the Secondary Residence Liability (08) section we removed “Only available for Owner Occupancy” language

Optional Coverages

- We revised the rate for the Equipment Breakdown \$500 Deductible Coverage
- We removed the Equipment Breakdown \$250 Deductible Coverage
- We are revising our ID Fraud Expense Coverage to a broader Identity Recovery Coverage. This addition will cover identity recovery expenses and case management services.

This filing has an 20.0% impact on insureds. We feel the proposed coverages and or rates are neither excessive, inadequate, nor unfairly discriminatory.

By Overall Discrepancy

Lower Bound (> x)	Right Bound (x <=)	Policy Counts	Percentage Change
Inf.	-40%	0	
-40%	-35%	0	
-35%	-30%	0	
-30%	-25%	0	
-25%	-20%	0	
-20%	-15%	9	-17.3%
-15%	-10%	102	-11.4%
-10%	-5%	873	-6.7%
-5%	0%	647	-2.7%
0%	5%	805	2.2%
5%	10%	2,039	8.5%
10%	15%	3,692	13.1%
15%	20%	2,836	17.1%
20%	25%	532	21.7%
25%	30%	0	
30%	35%	0	
35%	40%	0	
40%	45%	0	
45%	50%	0	
50%	55%	0	
55%	60%	0	
60%	65%	0	
65%	70%	0	
70%	75%	0	
75%	80%	0	
80%	85%	0	
85%	90%	0	
90%	95%	0	
95%	100%	0	
100%	Inf.	0	

SERFF Tracking #:

AMMH-128614960

State Tracking #:**Company Tracking #:**

20120424-09

State:

Arkansas

Filing Company:

American Family Home Insurance Company

TOI/Sub-TOI:

04.0 Homeowners/04.0002 Mobile Homeowners

Product Name:

AFH Manufactured Home

Project Name/Number:

Rate/Rule/20120424-09

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)
08/28/2012	Supporting Document	Disruption Chart	09/12/2012	AR 070 Disruption Chart.pdf (Superseded)
08/02/2012	Rate	Proposed Filing Pages	09/12/2012	Proposed Filing Pages.pdf (Superseded)
08/02/2012	Supporting Document	NAIC loss cost data entry document	09/12/2012	F319AR_NAIC Loss Cost Data Entry Doc 070.pdf (Superseded)

By Overall Discrepancy

Lower Bound (> x)	Right Bound (x <=)	Policy Counts	Percentage Change
Inf.	-40%	0	
-40%	-35%	0	
-35%	-30%	0	
-30%	-25%	0	
-25%	-20%	2	-23%
-20%	-15%	22	-17%
-15%	-10%	70	-11%
-10%	-5%	325	-7%
-5%	0%	532	-2%
0%	5%	1,355	2%
5%	10%	852	9%
10%	15%	841	12%
15%	20%	1,636	17%
20%	25%	1,918	23%
25%	30%	550	27%
30%	35%	1,471	33%
35%	40%	1,131	39%
40%	45%	452	42%
45%	50%	109	47%
50%	55%	181	51%
55%	60%	59	56%
60%	65%	12	64%
65%	70%	2	67%
70%	75%	3	71%
75%	80%	7	76%
80%	85%	5	83%
85%	90%	0	
90%	95%	0	
95%	100%	0	
100%	Inf.	0	

**ARKANSAS
AMERICAN FAMILY HOME INSURANCE COMPANY
MANUFACTURED HOME PROGRAM**

GENERAL RULES

1. POLICY TERM

- a. Policies may be issued for a term not to exceed 36 months, or on a continuous renewal form. If the policy term is other than 12 months, the following rules apply:
- 1) The premium shall be pro rata of the annual premium but not less than the minimum premium for a policy written for less than one year, unless otherwise specified.
 - 2) The premium shall be the applicable premium for each coverage plus the pro rata portion of the succeeding year's premium for a policy written in excess of 12 months and not written in annual multiples.
 - 3) The premium shall be calculated at pro rata of the annual premium for policies written on a continuous renewal basis for a term of less than one year.

2. MULTI-YEAR POLICIES

Factors do not apply to the premiums shown in the Liability Section or to the Optional Coverages.

Policy Term, Months, Up To:	Multi-Year Term Factors
12	1.000
24	2.050
36	3.150

3. CANCELLATION

If a policy or form of coverage is cancelled at the request of the insured or by the Company, the return premium shall be calculated pro rata of the premium, subject to any applicable minimum premiums.

- b. The following additional provisions apply to policies exceeding 12 months:
- 1) When the policy has been in force for less than one year, the earned premium shall be computed pro rata in accordance with provision A above for the first year's premium.
 - 2) When the policy has been in force more than 12 months, the earned premium shall be the applicable premium for each full year of coverage plus the pro rata portion, if any, of the next year's premium.

4. MINIMUM WRITTEN AND EARNED PREMIUM

- a. No policy shall be written for less than:
- An annual minimum written premium of \$50.00.
 - An annual earned premium of \$50.00.
 - The minimum premium applies to the basic product only.
 - For a Byline, Package, and Tenant policy, the minimum premium applies to the basic product only.
 - For a Rental/Commercial policy, the minimum premium applies at the policy level.
- b. The minimum earned premium is a minimum charge to be retained in full by the Company except that pro-rata cancellation may be allowed when new insurance is written by the Company within thirty (30) days, covering a different mobile home for the same named insured.
- c. Pro-rata cancellation shall be allowed when the Company or its agent initiates cancellation.

5. CHANGES

- a. All changes requiring adjustments of premium shall be computed pro rata.
- b. If a policy is amended and results in a premium adjustment of less than \$5.00, such adjustment may be waived except that the actual return premium shall be allowed if requested by the named insured.

ELIGIBILITY AND COVERAGES

A **Manufactured Home** is a factory fabricated, transportable permanent housing unit, which is at least 8 body feet in width and built on a chassis. Designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities. It may be equipped with one or more room sections that fold, collapse, or telescope into the principal unit when being transported and which can be expanded at the site to provide additional living area; or may be built in two or more sections to be joined at the site.

An owner occupied manufactured home used as the primary residence of the insured for a period of five (5) consecutive months or more annually is eligible for the **Owner Byline Manufactured Home** or **Owner Package Manufactured Home Program**.

An owner occupied manufactured home used as the seasonal, vacation or secondary residence of the insured is eligible for the **Seasonal Byline Manufactured Home Program**.

A manufactured home rented or used commercially for light office, professional or institutional purposes is eligible for the **Rental/Commercial Manufactured Home Program**.

A manufactured home used by a tenant is eligible for the **Tenant Manufactured Home Program**.

Dwelling	Owner Byline	Owner Package	Seasonal Byline	Rental / Commercial	Tenant
Comprehensive Including Flood and Earthquake	X	X	X	X	
Mold and Remediation Coverage Sub-Limit (\$3,500) Combined Section I	X	X	X	X	

Other Structures	Owner Byline	Owner Package	Seasonal Byline	Rental / Commercial	Tenant
Comprehensive Risk Including Flood and Earthquake	X	X	X	X	
Mold and Remediation Coverage Sub-Limit (\$3,500) Combined Section I	X	X	X	X	

Personal Property	Owner Byline	Owner Package	Seasonal Byline	Rental / Commercial	Tenant
Comprehensive Risk Including Flood and Earthquake	X	X	X	X	
Named Perils Including Burglary					X
Includes Theft Coverage	X	X	X		
Mold and Remediation Coverage Sub-Limit (\$3,500) Combined Section I	X	X	X	X	

**ARKANSAS
AMERICAN FAMILY HOME INSURANCE COMPANY
MANUFACTURED HOME PROGRAM**

Liability	Owner Byline	Owner Package	Seasonal Byline	Rental / Commercial	Tenant
Personal Liability	X	X	X		X
Premises Liability				X	
Medical Payments to Others	X	X	X		X
Premises Medical Payments				X	
Damage to Property of Others	X	X	X		X
Mold and Remediation Exclusion	X	X	X	X	X
Animal Liability Sub-Limit \$10,000	X	X	X		X

The following Supplemental Coverages are automatically included when coverage on the manufactured home is provided:

Supplemental Coverage	Owner Byline	Owner Package	Seasonal Byline	Rental / Commercial	Tenant
Additional Living Expenses	X	X			X
Antennas and Satellite Dishes	X	X	X	X	X
Collapse	X	X	X	X	
Credit Cards, Fund Transfer Cards, Forgery, and Counterfeit Money	X	X	X		X
Emergency Removal	X	X	X	X	X
Fire Department Service Charge	X	X	X	X	X
Food Spoilage	X	X	X	X	X
Loss of Use				X	
Reasonable Repairs	X	X	X	X	
Trees, Shrubs, Plants and Lawns	X	X	X	X	
Per Occurrence Deductible (For Scheduled Units of 11+)				X	
Total Loss Deductible Waiver	X	X	X	X	
Debris Removal Enhancement Coverage	X	X	X	X	

**ARKANSAS
AMERICAN FAMILY HOME INSURANCE COMPANY
MANUFACTURED HOME PROGRAM**

DEDUCTIBLES

The Deductible is applicable per home, per loss occurrence

Owner Byline, Owner Package, and Seasonal Byline Programs

Comprehensive Coverage Including Flood and Earthquake

The rates and/or premium shown herein for all coverage on manufactured homes, personal property and other structures are subject to the following:

- \$500 All Peril Deductible
- Earthquake Deductible which is 10% of the total amount of insurance per coverage with a minimum of \$1,000.

Optional Deductibles (24)

The deductible may be changed by applying the following premiums.

The change in deductible does not apply to the Earthquake deductible.

<u>Deductible</u>	<u>Premium</u>
\$250	\$25.00
\$500	Included
\$750	(\$30.00)
\$1,000	(\$40.00)
\$1,000 Wind/Hail* (5Y)	(\$30.00)

Tenant Program

The rates and/or premium shown herein for all coverage on personal property are subject to the following:

- \$500 Burglary Deductible
- \$250 All Peril Deductible

Rental Programs

The rates and/or premium shown herein for all coverage on manufactured homes, personal property and other structures are subject to the following:

- Multiple Deductible options as shown on the rate page
- Earthquake Deductible which is 10% of the total amount of insurance per coverage with a minimum of \$1,000.

**ARKANSAS
AMERICAN FAMILY HOME INSURANCE COMPANY
MANUFACTURED HOME PROGRAM**

OWNER AND SEASONAL BYLINE RATES

Comprehensive Including Flood and Earthquake (211/221)

Product Code	Flat Base Rate	Min Rate Value	Min Val Accept	UVRC Code	Cov Relativity
211	\$330.00	\$15,000	\$1,000	JL	1.000
221	\$351.00	\$15,000	\$1,000	JL	1.000

OWNER AND SEASONAL BYLINE RATING FACTORS

Territory	Factor
50	1.00
51	1.48

Location	Factor
In Park	1.000
Out of Park	1.160

In Park: Mobile home park with 26 or more occupied spaces

Out of Park - Private property or Mobile home park with less than 25 spaces

Age of Insured	Factor
18 - 34	1.120
35 - 49	1.000
50 - 64	0.920
65 +	0.830

Age of Home	Factor
New - 1	0.800
2 - 3	0.850
4 - 5	0.920
6 - 10	1.000
11 - 15	1.190
16 - 20	1.340
21 +	1.340

**ARKANSAS
AMERICAN FAMILY HOME INSURANCE COMPANY
MANUFACTURED HOME PROGRAM**

OWNER PACKAGE RATES

Owner Package Manufactured Home

Comprehensive Risk Including Flood and Earthquake (041)

Internal Limits for the Package		
Other Structures	Personal Property	Personal Liability
10%	50%	\$50,000

Product Code	Flat Base Rate	Min Rate Value	Min Val Accept	UVRC Code	Cov Relativity
041	\$549.00	\$15,000	\$1,000	JL	1.000

OWNER AND SEASONAL PAGE RATING FACTORS

Territory	Factor
50	1.00
51	1.48

Location	Factor
In Park	1.000
Out of Park	1.160

In Park: Mobile home park with 26 or more occupied spaces

Out of Park - Private property or Mobile home park with less than 25 spaces

Age of Insured	Factor
18 - 34	1.120
35 - 49	1.000
50 - 64	0.920
65 +	0.830

Age of Home	Factor
New - 1	0.800
2 - 3	0.850
4 - 5	0.920
6 - 10	1.000
11 - 15	1.190
16 - 20	1.340
21 +	1.340

**ARKANSAS
AMERICAN FAMILY HOME INSURANCE COMPANY
MANUFACTURED HOME PROGRAM**

RENTAL/COMMERCIAL RATES

Coverage: Comprehensive - Including Flood and Earthquake
 Rate: Rates shown are for \$100 of coverage or any part thereof:

Deductible	Coverage For:	Territory 50	Territory 51
\$250 *Maximum Per Occurrence Deductible \$2,500	Manufactured Home (3A1)	\$2.17	\$2.97
	Other Structures (6A1)	\$2.17	\$2.97
	Personal Property (5A1)	\$2.17	\$2.97
\$500 *Maximum Per Occurrence Deductible \$5,000	Manufactured Home (3B1)	\$1.94	\$2.64
	Other Structures (6B1)	\$1.94	\$2.64
	Personal Property (5B1)	\$1.94	\$2.64
\$1000 *Maximum Per Occurrence Deductible \$10,000	Manufactured Home (3C1)	\$1.66	\$2.26
	Other Structures (6C1)	\$1.66	\$2.26
	Personal Property (5C1)	\$1.66	\$2.26
\$2500 *Maximum Per Occurrence Deductible \$25,000	Manufactured Home (3D1)	\$1.18	\$1.61
	Other Structures (6D1)	\$1.18	\$1.61
	Personal Property (5D1)	\$1.18	\$1.61

* The maximum Per Occurrence Deductible caps the aggregate deductible applied in the event covered loss occurs and multiple Rental units are damaged in a single occurrence.

**ARKANSAS
 AMERICAN FAMILY HOME INSURANCE COMPANY
 MANUFACTURED HOME PROGRAM**

TENANT RATES

Personal Property Coverage
 Named Perils including Burglary (415)

Personal Property Coverage Amount	Territory 50	Territory 51
\$5,000	\$150.00	\$150.00
For each additional \$1,000 or any part thereof, add:	\$12.00	\$12.00

* \$50,000 maximum Personal Property Coverage

**ARKANSAS
AMERICAN FAMILY HOME INSURANCE COMPANY
MANUFACTURED HOME PROGRAM**

LIABILITY COVERAGES

NOTE: The increased limit rates provided for the Owner Package Program are for increased limits greater than those included in the program.

Personal Liability Coverage* Rates (01)

Coverage Amount	Owner Byline	Owner Package	Seasonal Byline	Tenant
\$25,000	\$20.00	N/A	\$20.00	\$20.00
\$50,000	\$35.00	Included	\$35.00	\$35.00
\$100,000	\$45.00	\$10.00	\$45.00	\$45.00
\$200,000	\$60.00	\$25.00	\$60.00	\$60.00
\$300,000	\$70.00	\$35.00	\$70.00	\$70.00

***Includes the following:**

Medical Payments to Others: \$500 each person/\$25,000 per occurrence
 Damage to Property of Others: \$500 each occurrence
 Animal Liability Limit: \$10,000

Premises Liability Coverage* & Rates (12)

Coverage Amount	Rental / Commercial
\$25,000	\$20.00
\$50,000	\$35.00
\$100,000	\$45.00
\$200,000	\$60.00
\$300,000	\$70.00

***Includes the following:**

Medical Payments to Others: \$500 each person/\$10,000 per occurrence

Medical Payments to Others Rates (02)

Coverage Amount	Owner Byline	Owner Package	Seasonal Byline	Tenant
\$1,000/ \$25,000	\$5.00	\$5.00	\$5.00	\$5.00
\$2,000/ \$25,000	\$7.00	\$7.00	\$7.00	\$7.00

Secondary Residence Liability Coverage Rates for EACH Secondary Residence (08)

Personal Liability Coverage Amount	Medical Payments to Others		
	\$500 / \$25,000	\$1,000 / \$25,000	\$2,000 / \$25,000
\$25,000	\$8.00	\$9.00	\$10.00
\$50,000	\$9.00	\$10.00	\$12.00
\$100,000	\$10.00	\$11.00	\$14.00
\$200,000	\$12.00	\$12.00	\$16.00
\$300,000	\$14.00	\$14.00	\$18.00

Selected limits must equal Personal Liability and Medical Payments limits.

Animal Liability Exclusion (32)

Only available on policies with Personal Liability Coverage.

The policy may be endorsed to remove coverage for bodily injury or property damage caused by any animal owned by, or in care or custody of any insured person.

\$3.00 credit per home, per year.

**ARKANSAS
AMERICAN FAMILY HOME INSURANCE COMPANY
MANUFACTURED HOME PROGRAM**

OPTIONAL COVERAGES

The following reflects annual rates unless otherwise noted.

Optional Coverage		Rate
Additional Living Expenses	Removes \$30 per day limit and increases to 20% Dwelling Limit	\$15.00 per home, per year
Antennas and Satellite Dishes	May be increased to provide additional coverage on Antennas, including but not limited to Satellite Dishes.	\$5.00 for each additional \$100 of coverage
Builders Risk Coverage	Personal liability, theft of building materials/supplies, and vandalism/malicious mischief coverages are provided from the time of the construction or permanent loan closing until the home has been delivered to the address where the insured will reside.	N/A
Building Exclusion	Removes property and liability coverage for the building described on the endorsement.	N/A
Deletion of Supplementary Coverages	The policy may be endorsed to remove the Supplemental Coverages Section of the Policy in its entirety.	\$5.00 credit per home, per year
Equipment Breakdown Coverage \$500 Deductible	Provides mechanical breakdown protection for systems & appliances in the home. A deductible of \$500 applies to each occurrence.	\$25.00
Fire Department Service Charge	Provides additional coverage for Fire Department Service Charge.	\$5.00 for each additional \$250 of coverage
Golf Cart Physical Damage and Liability Extension	Provides for loss or physical damage to golf carts and extends liability coverage to apply to non-commercial use of golf carts. Not available for policies without Personal Liability coverage.	\$35.00 per cart
Hobby Farming Coverage	Extends other structures, personal property & liability coverage to private, not-for-profit farming operations conducted on the residence premises by the insured.	\$40.00 per year
Identity Recovery Coverage	Covers identity recovery extra expense insurance and case management services. Limit: \$15,000 annual aggregate per policy period.	\$20 Per Policy

ARKANSAS
 AMERICAN FAMILY HOME INSURANCE COMPANY
 MANUFACTURED HOME PROGRAM

OPTIONAL COVERAGES

The following reflects annual rates unless otherwise noted.

Optional Coverage		Rate
Occasional Rental	Gives permission to rent the manufactured home for residential purposes.	\$25.00 per unit, per year
Personal Property Replacement Cost	Provides replacement cost coverage for personal property. The limit of liability for this coverage must be the same as the personal property limit.	\$10.00 per home plus \$.10 per \$100 of coverage
Replacement Cost for Partial Losses	Provides replacement cost for partial losses to the Manufactured home and other structures.	\$15.00 per home
Trip Collision	Provides for loss caused by collision to the manufactured home while it is being moved or in transit. \$100 Deductible applies. A trip is limited to 30 days. Each section of a multi-sectional manufactured home is considered a unit. Premium is fully earned.	\$25.00 per unit, per trip
Vacancy Permission	Permits the home to be vacant during the remainder of the policy year. Premium is fully earned.	\$30.00 for the remainder of the policy year
Water Back Up of Sewers or Drains	Provides coverage for losses caused by water which backs up through sewers or drains.	\$20.00 per home

