

State: Arkansas **First Filing Company:** The Hanover Insurance Company, ...
TOI/Sub-TOI: 30.1 Dwelling Fire/Personal Liability/30.1000 Dwelling Fire/Personal Liability
Product Name: *DF- Dwelling Fire
Project Name/Number: *DF- Dwelling Fire/AR12371CG00002

Filing at a Glance

Companies: The Hanover Insurance Company
 Massachusetts Bay Insurance Company
Product Name: *DF- Dwelling Fire
State: Arkansas
TOI: 30.1 Dwelling Fire/Personal Liability
Sub-TOI: 30.1000 Dwelling Fire/Personal Liability
Filing Type: Rate/Rule
Date Submitted: 08/17/2012
SERFF Tr Num: HNVX-G128644290
SERFF Status: Closed-Filed
State Tr Num:
State Status:
Co Tr Num: AR12371CG00002

Effective Date 11/18/2012
Requested (New):
Effective Date 11/18/2012
Requested (Renewal):
Author(s): SPI Hanover
Reviewer(s): Becky Harrington (primary)
Disposition Date: 09/19/2012
Disposition Status: Filed
Effective Date (New): 11/18/2012
Effective Date (Renewal): 11/18/2012

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

State: Arkansas **First Filing Company:** The Hanover Insurance Company, ...
TOI/Sub-TOI: 30.1 Dwelling Fire/Personal Liability/30.1000 Dwelling Fire/Personal Liability
Product Name: *DF- Dwelling Fire
Project Name/Number: *DF- Dwelling Fire/AR12371CG00002

General Information

Project Name: *DF- Dwelling Fire	Status of Filing in Domicile:
Project Number: AR12371CG00002	Domicile Status Comments:
Reference Organization:	Reference Number:
Reference Title:	Advisory Org. Circular:
Filing Status Changed: 09/19/2012	
State Status Changed: 09/05/2012	Deemer Date:
Created By: SPI Hanover	Submitted By: SPI Hanover
Corresponding Filing Tracking Number:	

Filing Description:

In order to support our customers and future growth in Arkansas, we propose to increase our rates by 25.0% effective 11/18/2012 for new and renewal customers. This increase is accomplished through base rate increases, revision to non-owner occupied Coverage A factor and revision to personal property replacement cost coverage. We are also filing to increase the minimum policy premium from \$150 to \$180.

This increase is being requested for the anniversary of our last rate revision (11/18/2011). We believe this request is supported by the enclosed indication, which is using an experience period through December 2011. Losses in 2012 have been significant and lend further support to our need for premium increases to support this product.

Thank you for your time and review. Should you have any questions regarding this filing, please contact this office.

Company and Contact

Filing Contact Information

Susan Whitworth, Pricing Analyst	swhitworth@hanover.com
440 Lincoln Street	508-855-4664 [Phone] 4664 [Ext]
Worcester, MA 01653	508-855-4311 [FAX]

Filing Company Information

The Hanover Insurance Company	CoCode: 22292	State of Domicile: New Hampshire
440 Lincoln Street	Group Code: 88	Company Type:
Worcester, MA 01653	Group Name: The Hanover Insurance Group	State ID Number:
(508) 853-7200 ext. [Phone]	FEIN Number: 13-5129825	

Massachusetts Bay Insurance Company	CoCode: 22306	State of Domicile: New Hampshire
440 Lincoln Street	Group Code: 88	Company Type:
Worcester, MA 01653	Group Name: The Hanover Insurance Group	State ID Number:
(508) 853-7200 ext. [Phone]	FEIN Number: 04-2217600	

Filing Fees

Fee Required?	Yes
Fee Amount:	\$150.00

State: Arkansas **First Filing Company:** The Hanover Insurance Company, ...
TOI/Sub-TOI: 30.1 Dwelling Fire/Personal Liability/30.1000 Dwelling Fire/Personal Liability
Product Name: *DF- Dwelling Fire
Project Name/Number: *DF- Dwelling Fire/AR12371CG00002

Retaliatory? No
 Fee Explanation: Rate/Rule Filing = \$150.00
 Per Company: No

Company	Amount	Date Processed	Transaction #
The Hanover Insurance Company	\$150.00	08/17/2012	61773311
Massachusetts Bay Insurance Company	\$0.00	08/17/2012	

SERFF Tracking #:

HNVX-G128644290

State Tracking #:

Company Tracking #:

AR12371CG00002

State: Arkansas

First Filing Company:

The Hanover Insurance Company, ...

TOI/Sub-TOI: 30.1 Dwelling Fire/Personal Liability/30.1000 Dwelling Fire/Personal Liability

Product Name: *DF- Dwelling Fire

Project Name/Number: *DF- Dwelling Fire/AR12371CG00002

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Becky Harrington	09/19/2012	09/19/2012

Objection Letters and Response Letters

Objection Letters

Status	Created By	Created On	Date Submitted
Pending Industry Response	Becky Harrington	09/14/2012	09/14/2012
Pending Industry Response	Becky Harrington	09/05/2012	09/05/2012
No response necessary	Becky Harrington	09/05/2012	09/05/2012
Pending Industry Response	Becky Harrington	08/17/2012	08/17/2012

Response Letters

Responded By	Created On	Date Submitted
SPI Hanover	09/17/2012	09/17/2012
SPI Hanover	09/13/2012	09/13/2012
SPI Hanover	09/17/2012	09/17/2012
SPI Hanover	09/04/2012	09/04/2012

Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Effective dates	Note To Filer	Becky Harrington	09/14/2012	09/14/2012

SERFF Tracking #:

HNVX-G128644290

State Tracking #:

Company Tracking #:

AR12371CG00002

State: Arkansas **First Filing Company:** The Hanover Insurance Company, ...
TOI/Sub-TOI: 30.1 Dwelling Fire/Personal Liability/30.1000 Dwelling Fire/Personal Liability
Product Name: *DF- Dwelling Fire
Project Name/Number: *DF- Dwelling Fire/AR12371CG00002

Disposition

Disposition Date: 09/19/2012

Effective Date (New): 11/18/2012

Effective Date (Renewal): 11/18/2012

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):
The Hanover Insurance Company	27.400%	20.000%		756	\$562,366	24.400%	%
Massachusetts Bay Insurance Company	27.400%	20.000%		839	\$567,540	24.400%	%

Overall Rate Information for Multiple Company Filings

Overall Percentage Rate Indicated For This Filing

27.600%

Overall Percentage Rate Impact For This Filing

20.000%

Effect of Rate Filing-Written Premium Change For This Program

\$0

Effect of Rate Filing - Number of Policyholders Affected

1,595

SERFF Tracking #:

HNVX-G128644290

State Tracking #:

Company Tracking #:

AR12371CG00002

State: Arkansas

First Filing Company:

The Hanover Insurance Company, ...

TOI/Sub-TOI: 30.1 Dwelling Fire/Personal Liability/30.1000 Dwelling Fire/Personal Liability

Product Name: *DF- Dwelling Fire

Project Name/Number: *DF- Dwelling Fire/AR12371CG00002

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Form RF-2 Loss Costs Only (not for workers' compensation)		Yes
Supporting Document	H-1 Homeowners Abstract		Yes
Supporting Document	NAIC loss cost data entry document	Filed	Yes
Supporting Document (revised)	Actuarial Exhibits	Filed	Yes
Supporting Document	Actuarial Exhibits		Yes
Supporting Document	Actuarial Exhibits		Yes
Supporting Document (revised)	HPCS-Homeowners Premium Comparison Survey	Filed	Yes
Supporting Document	HPCS-Homeowners Premium Comparison Survey		Yes
Supporting Document	HPCS-Homeowners Premium Comparison Survey		Yes
Supporting Document (revised)	Manual Pages ~ Side By Side	Filed	Yes
Supporting Document	Manual Pages ~ Side By Side		Yes
Supporting Document	Exhibit A - Experience Load Exhibit	Filed	Yes
Supporting Document	Exhibit B - Investment Income Exhibit	Filed	Yes
Supporting Document	Response 9.13.12	Filed	Yes
Rate (revised)	Arkansas Dwelling Fire Manual; Base Rates	Filed	Yes
Rate	Arkansas Dwelling Fire Manual; Base Rates		Yes
Rate	Arkansas Dwelling Fire Manual; Cover Page	Filed	Yes
Rate	Arkansas Dwelling Fire Manual; Index	Filed	Yes
Rate (revised)	Arkansas Dwelling Fire Manual; Minimum Premium; Personal Property Replacement Coverage	Filed	Yes
Rate	Arkansas Dwelling Fire Manual; Minimum Premium; Personal Property Replacement Coverage		Yes

State: Arkansas **First Filing Company:** The Hanover Insurance Company, ...
TOI/Sub-TOI: 30.1 Dwelling Fire/Personal Liability/30.1000 Dwelling Fire/Personal Liability
Product Name: *DF- Dwelling Fire
Project Name/Number: *DF- Dwelling Fire/AR12371CG00002

Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 09/14/2012
Submitted Date 09/14/2012
Respond By Date

Dear Susan Whitworth,

Introduction:

This will acknowledge receipt of the additional information submitted on 9/13/12 and review by the Commissioner.

Please revise the overall increase amount to 20% with individual increases no more than 25%.

Provide revised manual pages and HPCS forms.

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 **First Filing Company:** The Hanover Insurance Company, ...
TOI/Sub-TOI: 30.1 Dwelling Fire/Personal Liability/30.1000 Dwelling Fire/Personal Liability
Product Name: *DF- Dwelling Fire
Project Name/Number: *DF- Dwelling Fire/AR12371CG00002

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	09/17/2012
Submitted Date	09/17/2012

Dear Becky Harrington,

Introduction:

Thank you for your letter of September 14, 2012 regarding this filing. Below is our response.

Response 1

Comments:

Please find a revised Explanatory Memorandum, HPCS forms and manual pages reflecting the change in the overall increase amount to 20% with a maximum increase of +24.4% for any individual policy. Also attached is a document which shows the revised information for the Rate/Rule Schedule tab. We also wish to keep the effective date of 11/18/2012.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: Actuarial Exhibits

Comment:

Satisfied -Name: HPCS-Homeowners Premium Comparison Survey

Comment:

Satisfied -Name: Manual Pages ~ Side By Side

Comment:

No Form Schedule items changed.

SERFF Tracking #:

HNVX-G128644290

State Tracking #:

Company Tracking #:

AR12371CG00002

State: Arkansas

First Filing Company:

The Hanover Insurance Company, ...

TOI/Sub-TOI: 30.1 Dwelling Fire/Personal Liability/30.1000 Dwelling Fire/Personal Liability

Product Name: *DF- Dwelling Fire

Project Name/Number: *DF- Dwelling Fire/AR12371CG00002

Rate/Rule Schedule Item Changes

Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing #
Arkansas Dwelling Fire Manual; Base Rates	RS-1,RS-2	Replacement	HNVX-G127334597
<i>Previous Version</i>			
<i>Arkansas Dwelling Fire Manual; Base Rates</i>	<i>RS-1,RS-2</i>	<i>Replacement</i>	<i>HNVX-G127334597</i>
Arkansas Dwelling Fire Manual; Minimum Premium; Personal Property Replacement Coverage	7,9	Replacement	HNVX-G127334597
<i>Previous Version</i>			
<i>Arkansas Dwelling Fire Manual; Minimum Premium; Personal Property Replacement Coverage</i>	<i>7,9</i>	<i>Replacement</i>	<i>HNVX-G127334597</i>

Conclusion:

Thank you for your attention and review of this filing. Should you have any questions, please contact this office.

Sincerely,

SPI Hanover

State: Arkansas **First Filing Company:** The Hanover Insurance Company, ...
TOI/Sub-TOI: 30.1 Dwelling Fire/Personal Liability/30.1000 Dwelling Fire/Personal Liability
Product Name: *DF- Dwelling Fire
Project Name/Number: *DF- Dwelling Fire/AR12371CG00002

Objection Letter

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

Dear Susan Whitworth,

Introduction:

The requested increase has been reviewed by the Commissioner.

Please amend the overall increase to 10% and cap individual increases at no more than 20%.

Provide revised form HPCS and manual pages as necessary.

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

SERFF Tracking #:

HN VX-G128644290

State Tracking #:

Company Tracking #:

AR12371CG00002

State: Arkansas

First Filing Company:

The Hanover Insurance Company, ...

TOI/Sub-TOI: 30.1 Dwelling Fire/Personal Liability/30.1000 Dwelling Fire/Personal Liability

Product Name: *DF- Dwelling Fire

Project Name/Number: *DF- Dwelling Fire/AR12371CG00002

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	09/13/2012
Submitted Date	09/13/2012

Dear Becky Harrington,

Introduction:

Thank you for your letter of September 5, 2012 regarding this filing.

Response 1

Comments:

Please see the attached letter.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: Response 9.13.12

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Thank you for your time and attention to this filing. Should you have any questions, please contact our office.

Sincerely,

SPI Hanover

State: Arkansas First Filing Company: The Hanover Insurance Company, ...
TOI/Sub-TOI: 30.1 Dwelling Fire/Personal Liability/30.1000 Dwelling Fire/Personal Liability
Product Name: *DF- Dwelling Fire
Project Name/Number: *DF- Dwelling Fire/AR12371CG00002

Objection Letter

Objection Letter Status No response necessary
Objection Letter Date 09/05/2012
Submitted Date 09/05/2012
Respond By Date

Dear Susan Whitworth,

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 **First Filing Company:** The Hanover Insurance Company, ...
TOI/Sub-TOI: 30.1 Dwelling Fire/Personal Liability/30.1000 Dwelling Fire/Personal Liability
Product Name: *DF- Dwelling Fire
Project Name/Number: *DF- Dwelling Fire/AR12371CG00002

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	09/17/2012
Submitted Date	09/17/2012

Dear Becky Harrington,

Introduction:

Thank you for your objection letter of September 5, 2012 regarding this filing.

Response 1

Comments:

Please refer to our objection response submitted today in response to your objection of September 14, 2012.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Thank you for your attention and review of this filing. Should you have any questions, please contact our office.

Sincerely,

SPI Hanover

State: Arkansas **First Filing Company:** The Hanover Insurance Company, ...
TOI/Sub-TOI: 30.1 Dwelling Fire/Personal Liability/30.1000 Dwelling Fire/Personal Liability
Product Name: *DF- Dwelling Fire
Project Name/Number: *DF- Dwelling Fire/AR12371CG00002

Objection Letter

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

Dear Susan Whitworth,

Introduction:

This will acknowledge receipt of the captioned filing.

Objection 1

- HPCS-Homeowners Premium Comparison Survey (Supporting Document)

Comments: Please correct the NAIC number for Mass Bay.

Objection 2

- Actuarial Exhibits (Supporting Document)

Comments: Please provide the data supporting the loads used from Exhibit 6.

Please remove the hurricane provision.

Objection 3

Comments: Pursuant to ACA 23-67-209(d) The rates may contain provisions for contingencies and an allowance permitting a reasonable profit. In determining the reasonableness of the profit, consideration must be given to all investment income attributable to premiums and to the reserves associated with those premiums and to loss reserve funds. Please provide an investment income/reserves exhibit.

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 **First Filing Company:** The Hanover Insurance Company, ...
TOI/Sub-TOI: 30.1 Dwelling Fire/Personal Liability/30.1000 Dwelling Fire/Personal Liability
Product Name: *DF- Dwelling Fire
Project Name/Number: *DF- Dwelling Fire/AR12371CG00002

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	09/04/2012
Submitted Date	09/04/2012

Dear Becky Harrington,

Introduction:

Thank you for your letter of August 17, 2012 regarding this filing. Below is our response.

Response 1

Comments:

We have corrected the NAIC number for Massachusetts Bay Insurance Company.

Related Objection 1

Applies To:

- HPCS-Homeowners Premium Comparison Survey (Supporting Document)

Comments: Please correct the NAIC number for Mass Bay.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: HPCS-Homeowners Premium Comparison Survey

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 2

Comments:

We have updated the Memorandum and have revised Exhibits 1, 6. We have removed the hurricane provision. Please also refer to Exhibit A.

Related Objection 2

Applies To:

- Actuarial Exhibits (Supporting Document)

State: Arkansas**First Filing Company:**

The Hanover Insurance Company, ...

TOI/Sub-TOI: 30.1 Dwelling Fire/Personal Liability/30.1000 Dwelling Fire/Personal Liability**Product Name:** *DF- Dwelling Fire**Project Name/Number:** *DF- Dwelling Fire/AR12371CG00002

Comments: Please provide the data supporting the loads used from Exhibit 6.

Please remove the hurricane provision.

Changed Items:**Supporting Document Schedule Item Changes**

Satisfied -Name: Actuarial Exhibits

Comment:

Satisfied -Name: Exhibit A - Experience Load Exhibit

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 3**Comments:**

We have also attached an investment income exhibit as requested. See the Exhibit B attached below.

Related Objection 3

Comments: Pursuant to ACA 23-67-209(d) The rates may contain provisions for contingencies and an allowance permitting a reasonable profit. In determining the reasonableness of the profit, consideration must be given to all investment income attributable to premiums and to the reserves associated with those premiums and to loss reserve funds. Please provide an investment income/reserves exhibit.

Changed Items:**Supporting Document Schedule Item Changes**

Satisfied -Name: Exhibit B - Investment Income Exhibit

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Thank you for your attention and review of this filing. Should you have any questions please contact this office.

Sincerely,

SPI Hanover

State: Arkansas **First Filing Company:** The Hanover Insurance Company, ...
TOI/Sub-TOI: 30.1 Dwelling Fire/Personal Liability/30.1000 Dwelling Fire/Personal Liability
Product Name: *DF- Dwelling Fire
Project Name/Number: *DF- Dwelling Fire/AR12371CG00002

Note To Filer

Created By:

Becky Harrington on 09/14/2012 09:25 AM

Last Edited By:

Becky Harrington

Submitted On:

09/19/2012 10:08 AM

Subject:

Effective dates

Comments:

Please provide revised effective dates if needed.

State: Arkansas **First Filing Company:** The Hanover Insurance Company, ...
TOI/Sub-TOI: 30.1 Dwelling Fire/Personal Liability/30.1000 Dwelling Fire/Personal Liability
Product Name: *DF- Dwelling Fire
Project Name/Number: *DF- Dwelling Fire/AR12371CG00002

Post Submission Update Request Processed On 09/05/2012

Status: Allowed
Created By: SPI Hanover
Processed By: Becky Harrington
Comments:

Company Rate Information:

Company Name:The Hanover Insurance Company

Field Name	Requested Change	Prior Value
Overall % Indicated Change	27.400%	27.600%

Company Name:Massachusetts Bay Insurance Company

Field Name	Requested Change	Prior Value
Overall % Indicated Change	27.400%	27.600%

SERFF Tracking #:

HNVX-G128644290

State Tracking #:

Company Tracking #:

AR12371CG00002

State: Arkansas

First Filing Company:

The Hanover Insurance Company, ...

TOI/Sub-TOI: 30.1 Dwelling Fire/Personal Liability/30.1000 Dwelling Fire/Personal Liability

Product Name: *DF- Dwelling Fire

Project Name/Number: *DF- Dwelling Fire/AR12371CG00002

Rate Information

Rate data applies to filing.

Filing Method: File and Use

Rate Change Type: Increase

Overall Percentage of Last Rate Revision: 10.000%

Effective Date of Last Rate Revision: 11/18/2011

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):
The Hanover Insurance Company	27.400%	25.000%	\$140,591	756	\$562,366	29.900%	12.600%
Massachusetts Bay Insurance Company	27.400%	25.000%	\$141,885	839	\$567,540	29.900%	12.600%

Overall Rate Information for Multiple Company Filings

Overall % Rate Indicated: 27.600%

Overall Percentage Rate Impact For This Filing: 25.000%

Effect of Rate Filing - Written Premium Change For This Program: \$282,476

Effect of Rate Filing - Number of Policyholders Affected: 1595

State: Arkansas

First Filing Company:

The Hanover Insurance Company, ...

TOI/Sub-TOI: 30.1 Dwelling Fire/Personal Liability/30.1000 Dwelling Fire/Personal Liability

Product Name: *DF- Dwelling Fire

Project Name/Number: *DF- Dwelling Fire/AR12371CG00002

Rate/Rule Schedule

Item No.	Schedule Item Status	Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing Number	Attachments
1	Filed 09/19/2012	Arkansas Dwelling Fire Manual; Base Rates	RS-1,RS-2	Replacement	HNVX-G127334597	ARFIRE Manual 2012-11-18 Clean - Pages RS-1,2 (v2).PDF
2	Filed 09/19/2012	Arkansas Dwelling Fire Manual; Cover Page	1	Replacement	HNVX-G127334597	ARFIRE Manual 2012-11-18 Clean - Cover.PDF
3	Filed 09/19/2012	Arkansas Dwelling Fire Manual; Index	A - C	Replacement	HNVX-G127334597	ARFIRE Manual 2012-11-18 Clean - Index.PDF
4	Filed 09/19/2012	Arkansas Dwelling Fire Manual; Minimum Premium; Personal Property Replacement Coverage	7,9	Replacement	HNVX-G127334597	ARFIRE Manual 2012-11-18 Clean - Pages 7,9.PDF

HANOVER/MASS BAY

ARKANSAS

DWELLING FIRE

STANDARD COMPANY – HANOVER

PREFERRED COMPANY – MASSACHUSETTS BAY

Base Rates - (\$20,000) Coverage A; Non-Seasonal				
PREM. GROUP	OWNER	OWNER and/or NON-OWNER EXTENDED COVERAGE		
	FIRE (ALL)	DP-1	DP-2	DP-3
1	149	71	107	129
2	176	71	107	129
3	245	71	107	129
4	313	71	107	129
5	195	71	107	129
6	236	71	107	129
7	256	71	107	129
8	355	71	107	129
9	451	71	107	129
10	83	50	75	90
11	99	50	75	90
12	137	50	75	90
13	176	50	75	90
14	109	50	75	90
15	109	50	75	90
16	142	50	75	90
17	199	50	75	90
18	252	50	75	90
19	116	55	83	99
20	137	55	83	99
21	191	55	83	99
22	245	55	83	99
23	154	55	83	99
24	185	55	83	99
25	199	55	83	99
26	276	55	83	99
27	352	55	83	99

Base Rates - (\$20,000) Coverage A; Non-Seasonal				
PREM. GROUP	OWNER	OWNER and/or NON-OWNER EXTENDED COVERAGE		
	FIRE (ALL)	DP-1	DP-2	DP-3
1	134	64	96	116
2	158	64	96	116
3	221	64	96	116
4	282	64	96	116
5	176	64	96	116
6	212	64	96	116
7	230	64	96	116
8	320	64	96	116
9	406	64	96	116
10	75	45	68	81
11	89	45	68	81
12	123	45	68	81
13	158	45	68	81
14	98	45	68	81
15	98	45	68	81
16	128	45	68	81
17	179	45	68	81
18	227	45	68	81
19	104	50	75	89
20	123	50	75	89
21	172	50	75	89
22	221	50	75	89
23	139	50	75	89
24	167	50	75	89
25	179	50	75	89
26	248	50	75	89
27	317	50	75	89

<u>KEY FACTORS</u>	<u>COV A</u>
Seasonal Dwellings	1.10
2 Family	1.05
3 or Four Family	1.30
5 or More Families	1.55
Non-Owner Occupied	1.15
<u>V&MM PREM PER \$1,000</u>	
Hanover	0.100
Mass Bay	0.090

STANDARD COMPANY – HANOVER

PREFERRED COMPANY – MASSACHUSETTS BAY

Base Rates - (\$6,000)
Coverage C; Non-Seasonal

PREM. GROUP	OWNER	OWNER and/or NON-OWNER		
	FIRE (ALL)	EXTENDED COVERAGE DP-1	DP-2	DP-3
1	42	6	16	16
2	50	6	16	16
3	69	6	16	16
4	88	6	16	16
5	55	6	16	16
6	66	6	16	16
7	71	6	16	16
8	99	6	16	16
9	126	6	16	16
10	30	4	11	11
11	35	4	11	11
12	49	4	11	11
13	62	4	11	11
14	38	4	11	11
15	38	4	11	11
16	50	4	11	11
17	70	4	11	11
18	88	4	11	11
19	32	4	12	12
20	38	4	12	12
21	54	4	12	12
22	69	4	12	12
23	44	4	12	12
24	51	4	12	12
25	55	4	12	12
26	79	4	12	12
27	98	4	12	12

Base Rates - (\$6,000)
Coverage C; Non-Seasonal

PREM. GROUP	OWNER	OWNER and/or NON-OWNER		
	FIRE (ALL)	EXTENDED COVERAGE DP-1	DP-2	DP-3
1	38	5	14	14
2	45	5	14	14
3	62	5	14	14
4	79	5	14	14
5	50	5	14	14
6	59	5	14	14
7	64	5	14	14
8	89	5	14	14
9	113	5	14	14
10	27	4	10	10
11	32	4	10	10
12	44	4	10	10
13	56	4	10	10
14	34	4	10	10
15	34	4	10	10
16	45	4	10	10
17	63	4	10	10
18	79	4	10	10
19	29	4	11	11
20	34	4	11	11
21	49	4	11	11
22	62	4	11	11
23	40	4	11	11
24	46	4	11	11
25	50	4	11	11
26	71	4	11	11
27	88	4	11	11

<u>KEY FACTORS</u>	<u>COV C</u>
Seasonal Dwellings	1.15
2 Family	1.05
3 or Four Family	1.30
5 or More Families	1.55
Non-Owner Occupied	1.15
<u>V&MM PREM PER \$1,000</u>	
Hanover	0.100
Mass Bay	0.090

_____ANNOUNCEMENT OF REVISIONS_____

MANUAL

STATE OF ARKANSAS

REVISED MANUAL PAGES:

DWELLING FIRE MANUAL

Index.....A-C
Rate Structure Pages..... RS-1, RS-2
General Rules7, 9

SUMMARY OF CHANGE

- Revised Base Rates
- Revised Non-Owner Occupied Coverage A Factor
- Revised Personal Property Replacement Cost Coverage
- Revised Minimum Premium
- Corrected Inaccurate Page Numbers in Index

EFFECTIVE NEW AND RENEWAL DATES: November 18, 2012

ARKANSAS STATE PAGES

DWELLING FIRE MANUAL

I N D E X

<u>CONTENTS</u>	<u>PAGE</u>
<u>A</u>	
ACCOUNT CREDIT.....	16
<u>B</u>	
BUILDING ITEMS	11
<u>C</u>	
CHANGES OR CANCELLATIONS	7
CONSTRUCTION DEFINITIONS.....	5
COVERAGE B - OTHER STRUCTURES	9
COVERAGE D - FAIR RENTAL VALUE -	
COVERAGE E ADDITIONAL LIVING EXPENSE.....	10
<u>D</u>	
DEDUCTIBLES	15
DWELLING UNDER CONSTRUCTION	15
<u>E</u>	
EARTHQUAKE.....	12-14
ELIGIBILITY.....	3
<u>F</u>	
FORMS, COVERAGES.....	1
<u>G</u>	
GUARANTEED REPLACEMENT COST	8

ARKANSAS STATE PAGES

DWELLING MANUAL

I N D E X (Continued)

<u>CONTENTS</u>	<u>PAGE</u>
 <u>I</u>	
IMPROVEMENTS, ALTERATIONS & ADDITIONS	10
INFLATION GUARD	8
 <u>L</u>	
LOSS ASSESSMENT PROPERTY COVERAGE	11
 <u>M</u>	
MANUAL PREMIUM REVISION.....	6
MINIMUM PREMIUM.....	7
MULTIPLE LOCATIONS	7
 <u>O</u>	
ORDINANCE OR LAW COVERAGE.....	11
 <u>P</u>	
PERILS INSURED AGAINST	1-2
PERSONAL PROPERTY REPLACEMENT COST COVERAGE	9
POLICY PERIOD	7
PREMIUM GROUP CHART.....	19
PROTECTION CLASSIFICATION CODES AND INFORMATION	4-5
PROTECTIVE DEVICES	16
 <u>R</u>	
RATING METHODOLOGY EXHIBIT	18

ARKANSAS STATE PAGES

 DWELLING MANUAL

I N D E X (Continued)

<u>CONTENTS</u>	<u>PAGE</u>
 <u>S</u>	
SEASONAL DWELLING DEFINITION	5
SECTION II COVERAGES - LIABILITY	17
SINGLE BUILDING DEFINITION	6
SPECIAL PACKAGE ENDORSEMENT - 231-1133	9
 <u>T</u>	
TERRITORY DEFINITIONS	20
THEFT COVERAGE	14
TOWNHOUSE OR ROWHOUSE	6
 <u>U</u>	
UNIT-OWNERS BUILDING ITEMS.....	11
 <u>W</u>	
WHOLE DOLLAR PREMIUM RULE.....	7

**DWELLING POLICY PROGRAM
GENERAL RULES
SECTION I COVERAGES**

CHANGES OR CANCELLATIONS

If insurance is increased, cancelled or reduced, the additional or return premium shall be computed on a pro rata basis.

MULTIPLE LOCATIONS

A policy may be issued to provide insurance at a maximum of 3 described locations in the same state provided:

- A. The same form and deductible applies at each location;
- B. Each location does not have a different mortgagee.

POLICY PERIOD

The policy may be written for a period of:

- A. One year and may be extended for successive policy periods by extension certificate based upon the forms, premiums and endorsements then in effect for the company.

MINIMUM PREMIUM

- A. A minimum annual premium of \$180 shall be charged for each policy.
- B. The minimum premium may include all chargeable endorsements or coverages for Fire or Fire and Allied Lines if written at inception of the policy.

WHOLE DOLLAR PREMIUM RULE

- A. Each premium shown on the policy and endorsements shall be rounded to the nearest whole dollar. A premium of fifty cents (\$.50) or more shall be rounded to the next higher whole dollar.
- B. In the event of cancellation by the company, the return premium may be carried to the next higher whole dollar.

**DWELLING POLICY PROGRAM
GENERAL RULES
SECTION I COVERAGES
ADDITIONAL PREMIUM ENDORSEMENTS**

PERSONAL PROPERTY REPLACEMENT COST COVERAGE

ALL FORMS - Replacement cost coverage may be provided for personal property.

Premium: 25% of the Coverage C Base Premium.

SPECIAL PACKAGE ENDORSEMENT - 231-1133

This endorsement will be included on all policies written in Mass Bay, at no additional premium charge. The endorsement includes the following coverages:

- A. Tenants Relocation Expense (\$750 per unit)
- B. Personal Property of Named Insured (5% of Coverage A Limit)
- C. Personal Property of Others (\$5,000)
- D. Fire Department Service Charge (\$5,000)

COVERAGE B - OTHER STRUCTURES

- A. Coverage for other structures described as covered under Coverage B is automatically provided on a blanket basis for up to 10% of the Coverage A limit.
 - 1. Under DP 00 01, use of this option reduces the Coverage A limit for the same loss.
 - 2. Under DP 00 02 or DP 00 03, this limit is additional insurance.

The blanket limit may not be increased.

- B. Coverage may be purchased for specific structures.
- C. Premium: \$4.00 per \$1,000

SERFF Tracking #:

HNVX-G128644290

State Tracking #:

Company Tracking #:

AR12371CG00002

State: Arkansas

First Filing Company: The Hanover Insurance Company, ...

TOI/Sub-TOI: 30.1 Dwelling Fire/Personal Liability/30.1000 Dwelling Fire/Personal Liability

Product Name: *DF- Dwelling Fire

Project Name/Number: *DF- Dwelling Fire/AR12371CG00002

Supporting Document Schedules

		Item Status:	Status Date:
Satisfied - Item:	NAIC loss cost data entry document	Filed	09/19/2012
Comments:			
Attachment(s):	AR RF-1 loss_cost_data_entry - Hanover.PDF AR RF-1 loss_cost_data_entry - Mass Bay.PDF		

		Item Status:	Status Date:
Satisfied - Item:	Actuarial Exhibits	Filed	09/19/2012
Comments:			
Attachment(s):	AR - Actuarial Filing Exhibits (Revised v3).PDF		

		Item Status:	Status Date:
Satisfied - Item:	HPCS-Homeowners Premium Comparison Survey	Filed	09/19/2012
Comments:			
Attachment(s):	HO Survey FORM HPCS.PDF HO Survey FORM HPCS.XLS HO Survey FORM HPCS[[1]].PDF HO Survey FORM HPCS[[1]].XLS		

		Item Status:	Status Date:
Satisfied - Item:	Manual Pages ~ Side By Side	Filed	09/19/2012
Comments:			
Attachment(s):			

SERFF Tracking #:

HNVX-G128644290

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

AR12371CG00002

State: Arkansas**First Filing Company:**

The Hanover Insurance Company, ...

TOI/Sub-TOI: 30.1 Dwelling Fire/Personal Liability/30.1000 Dwelling Fire/Personal Liability**Product Name:** *DF- Dwelling Fire**Project Name/Number:** *DF- Dwelling Fire/AR12371CG00002

ARFIRE Manual 2012-11-18 Marked - Cover.PDF
 ARFIRE Manual 2012-11-18 Marked - Index.PDF
 ARFIRE Manual 2012-11-18 Marked - Page 7.PDF
 Revised Draft Pages for objection ARFIRE 2012-11-18 DRAFT.PDF

		Item Status:	Status Date:
Satisfied - Item:	Exhibit A - Experience Load Exhibit	Filed	09/19/2012
Comments:			
Attachment(s):			
Exhibit A - AR_OPL_ExperienceLoad_Exhibit.PDF			

		Item Status:	Status Date:
Satisfied - Item:	Exhibit B - Investment Income Exhibit	Filed	09/19/2012
Comments:			
Attachment(s):			
Exhibit B - 1 Reflection of Investment Income in Rates.PDF			

		Item Status:	Status Date:
Satisfied - Item:	Response 9.13.12	Filed	09/19/2012
Comments:			
Attachment(s):			
Note to AR DOI re Dwelling Fire Loss Results.PDF			

NAIC LOSS COST DATA ENTRY DOCUMENT (EFFECTIVE AUG. 16, 2004)

1.	This filing transmittal is part of Company Tracking #	AR12371CG00002
-----------	---	-----------------------

2.	If filing is an adoption of an advisory organization loss cost filing, give name of advisory organization and Reference/Item Filing Number	
-----------	--	--

Company Name		Company NAIC Number	
3.	A.	Hanover	B. 0088-22292

Product Coding Matrix Line of Business (i.e., Type of Insurance)		Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)	
4.	A.	Property	B. Fire & Allied Lines

5.			FOR LOSS COSTS ONLY				
(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
Dwelling Fire	27.6%	25.0%					
TOTAL OVERALL EFFECT	27.6%	25.0%					

6.		5 Year History		Rate Change History			
Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)*	State Loss Ratio	Countrywide Loss Ratio
2007	543	0	-	294	78	.27	
2008	547	5.0%	10/13	315	52	.17	
2009	584	0	-	343	79	.23	
2010	683	7.5%	11/18	399	369	.92	
2011	758	12.5%	11/18	496	500	1.01	
					*X-CAT		

7.	
Expense Constants	Selected Provisions
A. Total Production Expense	13.8%
B. General & Other Expense	18.4%
C. Taxes, License & Fees	2.2%
D. Underwriting Profit & Contingencies	15.0%
E. Other	
F. TOTAL	49.4%

8. N Apply Lost Cost Factors to Future filings? (Y or N)
9. 29.9% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): _____
10. 12.6% Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): _____

NAIC LOSS COST DATA ENTRY DOCUMENT (EFFECTIVE AUG. 16, 2004)

1.	This filing transmittal is part of Company Tracking #	AR12371CG00002
-----------	---	-----------------------

2.	If filing is an adoption of an advisory organization loss cost filing, give name of advisory organization and Reference/Item Filing Number	
-----------	--	--

Company Name		Company NAIC Number	
3.	A. Mass Bay	B.	0088-22306

Product Coding Matrix Line of Business (i.e., Type of Insurance)		Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)	
4.	A. Property	B.	Fire & Allied Lines

5.			FOR LOSS COSTS ONLY				
(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
Dwelling Fire	27.6%	25.0%					
TOTAL OVERALL EFFECT	27.6%	25.0%					

6. 5 Year History		Rate Change History					
Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)*	State Loss Ratio	Countrywide Loss Ratio
2007	704	0	-	359	65	.18	
2008	722	5.0%	10/13	374	320	.86	
2009	744	0	-	416	186	.45	
2010	791	7.5%	11/18	436	337	.77	
2011	855	12.5%	11/8	518	622	1.2	
					*X-CAT		

7.	
Expense Constants	Selected Provisions
A. Total Production Expense	13.8%
B. General & Other Expense	18.4%
C. Taxes, License & Fees	2.2%
D. Underwriting Profit & Contingencies	15.0%
E. Other	
F. TOTAL	49.4%

8. N Apply Lost Cost Factors to Future filings? (Y or N)
9. 29.9% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): _____
10. 12.6% Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): _____

**THE HANOVER INSURANCE COMPANY
MASSACHUSETTS BAY INSURANCE COMPANY
ARKANSAS DWELLING FIRE
RATE PROPOSAL EFFECTIVE 11/18/2012**

OVERALL INDICATION DESCRIPTION

Proposal

We propose an overall +20.0% increase effective on 11/18/2012 for new and renewal business, through changes to base rate, non-owner surcharge factor for coverage A from 1.00 to 1.15, and personal property replacement cost coverage. With this rate revision, we propose to revise the minimum premium from \$150 to \$180.

General Philosophy

Hanover data, within the state of Arkansas, is used whenever possible. If Hanover data, within the state of Arkansas, is not available, then Arkansas industry or countrywide data may be used in its place.

Support for Overall Increase

Our proposal of a +20.0% increase is effected through base rate changes only, as no other aspects of the rating structure were revised. The effective dates for the proposal are 11/18/2012 for new and renewal business and the proposal is supported by a +27.4% indication.

Description of Actuarial Calculations

The underlying experience is that of countrywide. Experience for the most recently available five year review period (12/31/2007 to 12/31/2011) is on a calendar/accident year basis.

Full Credibility standard of \$10 million in earned premium is used. Partial credibility is determined using the square root rule.

On-Level Premiums

Reported premiums are adjusted to current rate level by using the parallelogram method.

Premium Trend

The average exponential premium trend rates are used in the indications. First, earned premium is adjusted to current rate level in column (4). Next, average on-level premium for each experience period is computed in column (5). After looking at premium trend for the five most recent years, we have made a selection of 1.0% for the retrospective premium trend and 1.0% for the prospective premium trend.

Loss Development

Arkansas, non-cat, incurred loss data was used to determine loss development factors (Exhibit 3).

Loss Trend

Hanover HO data was used to calculate the loss trend component. We made Severity selections of +2.0% for the retrospective trend and +3.0% for the prospective trend. Frequency trends of +2.0% for the retrospective trend and +3.0% for the prospective trend were selected. Pure premium trends of +4.0% and +6.1% were implied from the frequency and severity trend selections. Loss trend factors project losses from the midpoint of each accident year to one year past the assumed renewal effective date (11/18/2012).

Development of Target Loss and ALAE Ratio

Exhibit 5 lists expense provision in the rates. The selected commission ratio is our actual commission ratio for countrywide policies. Countrywide general and other acquisition expenses were the finest detail available. Expected Premium Taxes, Miscellaneous Licenses & Fees were based on a review of IEE data. The ULAE-to-Loss ratio was selected using countrywide data. ALAE as a percentage of incurred losses was derived from projections of losses and ALAE to ultimate using countrywide data.

Catastrophe Load

Catastrophe loads were selected based on based on AR experience-only data (Exhibit 6).

Index of Exhibits

Exhibit 1 – Indication

Exhibit 2 – Premium Trend

Exhibit 3 – Loss Development Factors

Exhibit 4 – Loss Trend

Exhibit 5– Development of Target Loss and ALAE Ratio

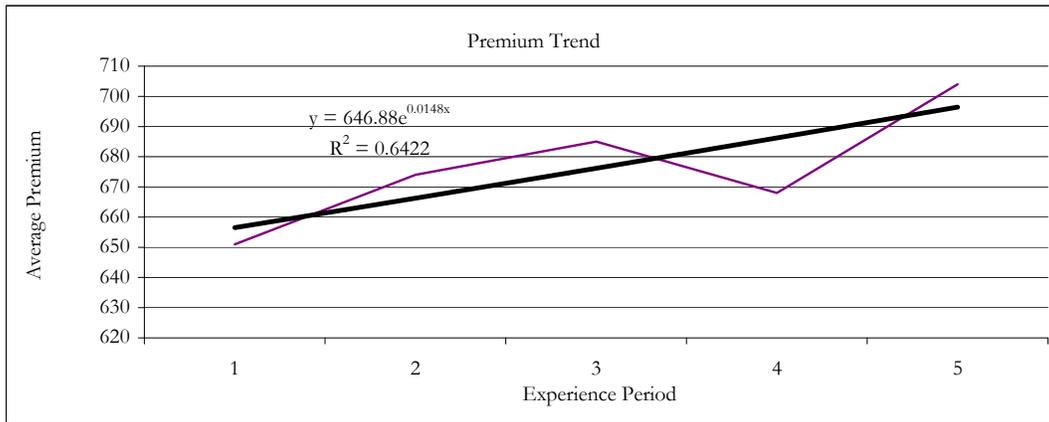
Exhibit 6– Catastrophe Load

AR - All Companies Combined
Dwelling Fire & Allied Lines Form Rate Indication for Rates Effective 11/18/2012
Dollars in Thousands

	Accident Year Ending:				
	<u>12/31/2007</u>	<u>12/31/2008</u>	<u>12/31/2009</u>	<u>12/31/2010</u>	<u>12/31/2011</u>
Earned Premium	654	690	758	835	1,014
Current Rate Level Factor	1.242	1.240	1.200	1.180	1.120
Premium at CRL	812	855	910	985	1,135
Annual Premium Trend - Retrospective	1.0%	1.0%	1.0%	1.0%	1.0%
Premium Trend Factor - Retrospective	1.041	1.030	1.020	1.010	1.000
Annual Premium Trend - Prospective	1.0%	1.0%	1.0%	1.0%	1.0%
Premium Trend Factor - Prospective	1.024	1.024	1.024	1.024	1.024
Trended Premium	865	902	951	1,018	1,162
Incurred Loss Evaluated @ 12/31/2011	171	602	321	830	1,037
Catastrophe Incurred Losses	28	239	50	51	709
Incurred Losses exc CAT	143	362	271	779	328
Loss Development Factor:	1.000	1.000	1.000	1.006	1.093
Expected Loss Ratio					0.307
Estim. Ultimate Incurred Loss Non-Cat	143	362	271	784	358
Est. Annual Loss Trend - Retrospective	4.0%	4.0%	4.0%	4.0%	4.0%
Loss Trend Factor - Retrospective	1.172	1.126	1.082	1.040	1.000
Est. Annual Loss Trend - Prospective	6.1%	6.1%	6.1%	6.1%	6.1%
Loss Trend Factor - Prospective	1.151	1.151	1.151	1.151	1.151
Trended Incurred Losses	192	470	338	939	413
ALAE (% of Loss)	2.2%	2.2%	2.2%	2.2%	2.2%
Trended Loss & ALAE	197	480	346	959	422
Projected Loss & ALAE Ratio	22.7%	53.2%	36.4%	94.2%	36.3%
Accident Year Weights	10.0%	15.0%	20.0%	25.0%	30.0%
Projected (Formula Weighted) Loss&ALAE Ratio Excluding All Catastrophes					52.0%
Hurricane Loss & ALAE Ratio					0.0%
Other Catastrophes Loss & ALAE Ratio					16.4%
Permissible Loss & ALAE Ratio Excluding All Catastrophes to yield a Combined Ratio of <u>85.0%</u>					31.4%
Cat Loss Annual Trend - Prospective					6.0%
Cat Loss Ratio Trend Factor - Prospective					1.122
NonCat Loss Ratio Trend Factor - Prospective					1.124
Trended Hurricane Loss & ALAE Ratio					0.0%
Trended Other Catastrophes Loss & ALAE Ratio					18.4%
Trended Permissible Loss & ALAE Ratio Excluding All Catastrophes					35.3%
Fixed Expense					12.0%
Variable Expense(incl Profit)					40.2%
Earned Premium (000s)	654	690	758	835	1,014
Credibility (assuming \$10M earned premium is fully credible)					62.8%
Credibility-Adjusted Loss & ALAE Ratio Excluding All Catastrophes					45.8%
Indicated Rate Change					27.4%

The Hanover Group
AR - Dwelling Fire & Allied Lines
Premium Trend Calculation

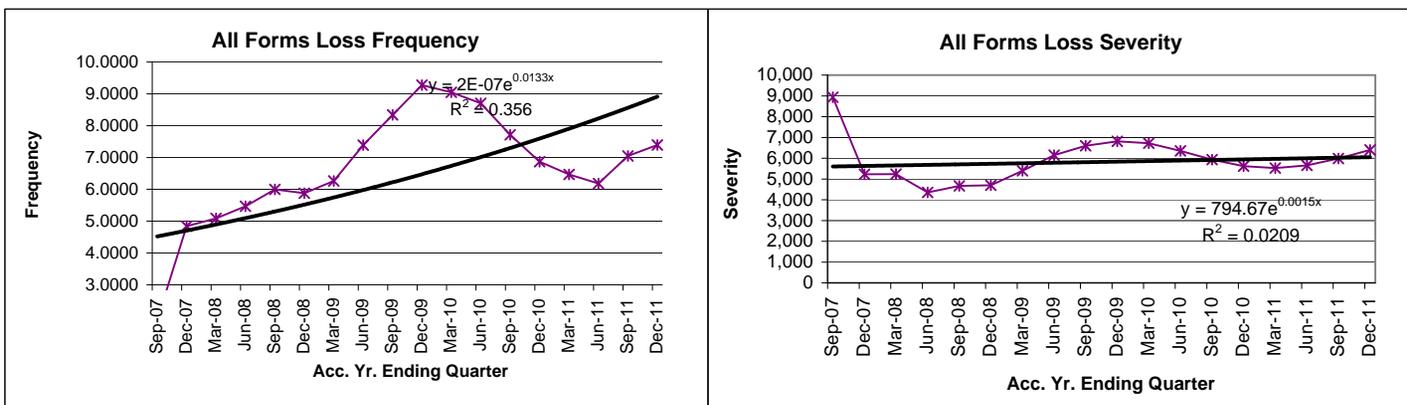
Calendar Year Ending	Quarter X value	(1) Earned Exposures	(2) Earned Premiums	(3) Current Rate Level Factors	(4)=(2)x(3) On-Level Earned Premium	(5)=(4)/(1) Average Adjusted Premium
12/31/2007	1	1,247	653,584	1.242	811,507	651
12/31/2008	2	1,269	689,514	1.240	855,117	674
12/31/2009	3	1,328	758,311	1.200	909,948	685
12/31/2010	4	1,474	834,519	1.180	984,517	668
12/31/2011	5	1,613	1,013,941	1.120	1,135,210	704



3 Yr Fitted Trend	1.4%
Retrospective Selection:	1.0%
Prospective Selection:	1.0%

AR
Loss Trend Selections
Hanover Data
All Losses Excluding Catastrophes

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Rolling 12 Month	Quarter X Value	Exposure	Claims	Incurred Losses	=(4)/(3) Frequency per 100	=(5)/(4) Severity	=(5)/(3) Pure Prem
09/30/2007	1	7,048	133	1,188,178	1.89	8,934	169
12/31/2007	2	7,082	343	1,793,062	4.84	5,228	253
03/31/2008	3	7,155	364	1,903,931	5.09	5,231	266
06/30/2008	4	7,261	397	1,729,071	5.47	4,355	238
09/30/2008	5	7,384	443	2,068,790	6.00	4,670	280
12/31/2008	6	7,520	442	2,074,973	5.88	4,695	276
03/31/2009	7	7,678	481	2,595,362	6.26	5,396	338
06/30/2009	8	7,865	581	3,568,452	7.39	6,142	454
09/30/2009	9	8,121	677	4,465,738	8.34	6,596	550
12/31/2009	10	8,483	787	5,359,790	9.28	6,810	632
03/31/2010	11	8,909	806	5,417,201	9.05	6,721	608
06/30/2010	12	9,421	820	5,210,260	8.70	6,354	553
09/30/2010	13	10,010	772	4,575,943	7.71	5,927	457
12/31/2010	14	10,600	728	4,087,761	6.87	5,615	386
03/31/2011	15	11,182	723	3,995,072	6.47	5,526	357
06/30/2011	16	11,741	726	4,103,646	6.18	5,652	350
09/30/2011	17	12,274	865	5,174,329	7.05	5,982	422
12/31/2011	18	12,766	944	6,043,478	7.39	6,402	473



	Frequency	Severity	Pure Premium
4-Year Prior	8.6%	6.1%	15.3%
3-Year Prior	-0.6%	2.2%	1.6%
2-Year Prior	-15.4%	-5.8%	-20.4%
Latest Year	9.8%	14.6%	25.9%

Retrospective Selected Trends (frequency, severity, loss):	2.0%	2.0%	4.0%
Prospective Selected Trends (frequency, severity, loss):	3.0%	3.0%	6.1%

Note: Data is Hanover Data

**AR Dwelling Fire & Allied Lines
Development of Target Loss & ALAE Ratio**

Personal Lines Dwelling Fire											
		<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>5 Year Average</u>	<u>3 Year Average</u>	Selected	% Fixed Expense	% Variable Expense
(1)	Commission	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	0%	100%
	Contingent Commission								1.3%	0%	100%
(2)	General & Other Acq.	15.7%	15.4%	21.6%	20.2%	13.3%	17.2%	18.4%	18.4%	50%	50%
(3)	Taxes, Licenses, and Fees								2.2%	0%	100%
(4)	ULAE/Premium	7.4%	0.6%	0.5%	0.4%	1.9%	2.1%	0.9%	2.1%	100%	0%
(5)	Profit and Contingency								15.0%	0%	100%
(6)	Reinsurance								0.7%	100%	0%
(7) = sum((1),(2),(3),(4),(5),(6)) * % Fixed)	Total Fixed Expense XCAT								12.0%		
(8) = sum((1),(2),(3),(4),(5),(6)) * % Var)	Total Variable Expense								40.2%		
(9)	ALAE/Loss	2.7%	2.2%	2.0%	1.3%	3.4%	2.3%	2.2%	2.2%		

Other Personal Lines - Net

State	Hurricane			Other Wind					Winter Freeze				Earthquake			Total CAT %
	RMS	AIR	Selected	RMS	AIR	Experience	Credibility	Selected	RMS	AIR	Experience	Selected	RMS	AIR	Selected	
AR	0.0%	0.2%	0.1%	26.1%	28.1%	13.6%	41.8%	20.3%	1.7%	1.9%	2.4%	2.1%	0.0%	0.0%	0.0%	22.6%
AR(Experience Only)			0.0%					13.6%				2.4%			0.0%	16.1%

NAIC Number: 0088-22306
 Company Name: Mass Bay
 Contact Person: Susan Whitworth
 Telephone No.: (508)-855-4664
 Email Address: swhitworth@hanover.com
 Effective Date: 11/18/2012

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

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

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

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

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

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

Public Protection Class	Property Value	Washington		Baxter		Craighead		St. Francis		Arkansas		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$5,000																		
	\$15,000																		
	\$25,000																		
6	\$5,000																		
	\$15,000																		
	\$25,000																		
9	\$5,000																		
	\$15,000																		
	\$25,000																		

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

Public Protection Class	Dwelling Value	Washington		Baxter		Craighead		St. Francis		Arkansas		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$80,000	\$417.79	\$492.26	\$417.79	\$492.26	\$417.79	\$492.26	\$417.79	\$492.26	\$417.79	\$492.26	\$417.79	\$492.26	\$417.79	\$492.26	\$417.79	\$492.26	\$327.37	\$389.42
	\$120,000	\$550.27	\$648.93	\$550.27	\$648.93	\$550.27	\$648.93	\$550.27	\$648.93	\$550.27	\$648.93	\$550.27	\$648.93	\$550.27	\$648.93	\$550.27	\$648.93	\$430.47	\$512.69
	\$160,000	\$682.75	\$805.60	\$682.75	\$805.60	\$682.75	\$805.60	\$682.75	\$805.60	\$682.75	\$805.60	\$682.75	\$805.60	\$682.75	\$805.60	\$682.75	\$805.60	\$533.58	\$635.95
6	\$80,000	\$417.79	\$492.26	\$417.79	\$492.26	\$417.79	\$492.26	\$417.79	\$492.26	\$417.79	\$492.26	\$417.79	\$492.26	\$417.79	\$492.26	\$417.79	\$492.26	\$327.37	\$389.42
	\$120,000	\$550.27	\$648.93	\$550.27	\$648.93	\$550.27	\$648.93	\$550.27	\$648.93	\$550.27	\$648.93	\$550.27	\$648.93	\$550.27	\$648.93	\$550.27	\$648.93	\$430.47	\$512.69
	\$160,000	\$682.75	\$805.60	\$682.75	\$805.60	\$682.75	\$805.60	\$682.75	\$805.60	\$682.75	\$805.60	\$682.75	\$805.60	\$682.75	\$805.60	\$682.75	\$805.60	\$533.58	\$635.95
9	\$80,000	\$572.04	\$747.57	\$572.04	\$747.57	\$572.04	\$747.57	\$572.04	\$747.57	\$572.04	\$747.57	\$572.04	\$747.57	\$572.04	\$747.57	\$572.04	\$747.57	\$447.93	\$582.68
	\$120,000	\$754.63	\$987.18	\$754.63	\$987.18	\$754.63	\$987.18	\$754.63	\$987.18	\$754.63	\$987.18	\$754.63	\$987.18	\$754.63	\$987.18	\$754.63	\$987.18	\$590.20	\$768.73
	\$160,000	\$937.23	\$1,226.80	\$937.23	\$1,226.80	\$937.23	\$1,226.80	\$937.23	\$1,226.80	\$937.23	\$1,226.80	\$937.23	\$1,226.80	\$937.23	\$1,226.80	\$937.23	\$1,226.80	\$732.48	\$954.78

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

HO3 and HO4 only

Fire Extinguisher	<input type="text"/>	%	Deadbolt Lock	<input type="text"/>	%
Burglar Alarm	<input type="text"/>	%	Window Locks	<input type="text"/>	%
Smoke Alarm	<input type="text"/>	%	\$1,000 Deductible	<input type="text"/>	%
			Other (specify)	<input type="text"/>	%

EARTHQUAKE INSURANCE

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

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

WHAT IS YOUR PERCENTAGE DEDUCTIBLE? %

Zone Brick Frame

Highest Risk \$ \$

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

Maximum Credit Allowed	%	Lowest Risk	\$		\$	
------------------------	---	-------------	----	--	----	--

I

State: Arkansas **First Filing Company:** The Hanover Insurance Company, ...
TOI/Sub-TOI: 30.1 Dwelling Fire/Personal Liability/30.1000 Dwelling Fire/Personal Liability
Product Name: *DF- Dwelling Fire
Project Name/Number: *DF- Dwelling Fire/AR12371CG00002

Supporting Document Schedules

NAIC Number: 0088-22292
 Company Name: Hanover
 Contact Person: Susan Whitworth
 Telephone No.: (508)-855-4664
 Email Address: swhitworth@hanover.com
 Effective Date: 11/18/2012

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

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

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

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

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

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

Public Protection Class	Property Value	Washington		Baxter		Craighead		St. Francis		Arkansas		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$5,000																		
	\$15,000																		
	\$25,000																		
6	\$5,000																		
	\$15,000																		
	\$25,000																		
9	\$5,000																		
	\$15,000																		
	\$25,000																		

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

Public Protection Class	Dwelling Value	Washington		Baxter		Craighead		St. Francis		Arkansas		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$80,000	\$463.89	\$545.45	\$463.89	\$545.45	\$463.89	\$545.45	\$463.89	\$545.45	\$463.89	\$545.45	\$463.89	\$545.45	\$463.89	\$545.45	\$463.89	\$545.45	\$362.83	\$430.20
	\$120,000	\$611.34	\$719.40	\$611.34	\$719.40	\$611.34	\$719.40	\$611.34	\$719.40	\$611.34	\$719.40	\$611.34	\$719.40	\$611.34	\$719.40	\$611.34	\$719.40	\$477.45	\$566.71
	\$160,000	\$758.80	\$893.35	\$758.80	\$893.35	\$758.80	\$893.35	\$758.80	\$893.35	\$758.80	\$893.35	\$758.80	\$893.35	\$758.80	\$893.35	\$758.80	\$893.35	\$592.08	\$703.23
6	\$80,000	\$463.89	\$545.45	\$463.89	\$545.45	\$463.89	\$545.45	\$463.89	\$545.45	\$463.89	\$545.45	\$463.89	\$545.45	\$463.89	\$545.45	\$463.89	\$545.45	\$362.83	\$430.20
	\$120,000	\$611.34	\$719.40	\$611.34	\$719.40	\$611.34	\$719.40	\$611.34	\$719.40	\$611.34	\$719.40	\$611.34	\$719.40	\$611.34	\$719.40	\$611.34	\$719.40	\$477.45	\$566.71
	\$160,000	\$758.80	\$893.35	\$758.80	\$893.35	\$758.80	\$893.35	\$758.80	\$893.35	\$758.80	\$893.35	\$758.80	\$893.35	\$758.80	\$893.35	\$758.80	\$893.35	\$592.08	\$703.23
9	\$80,000	\$634.10	\$829.13	\$634.10	\$829.13	\$634.10	\$829.13	\$634.10	\$829.13	\$634.10	\$829.13	\$634.10	\$829.13	\$634.10	\$829.13	\$634.10	\$829.13	\$495.80	\$646.51
	\$120,000	\$836.85	\$1,095.24	\$836.85	\$1,095.24	\$836.85	\$1,095.24	\$836.85	\$1,095.24	\$836.85	\$1,095.24	\$836.85	\$1,095.24	\$836.85	\$1,095.24	\$836.85	\$1,095.24	\$653.63	\$853.29
	\$160,000	\$1,039.60	\$1,361.35	\$1,039.60	\$1,361.35	\$1,039.60	\$1,361.35	\$1,039.60	\$1,361.35	\$1,039.60	\$1,361.35	\$1,039.60	\$1,361.35	\$1,039.60	\$1,361.35	\$1,039.60	\$1,361.35	\$811.45	\$1,060.08

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

HO3 and HO4 only

Fire Extinguisher	<input type="text"/>	%	Deadbolt Lock	<input type="text"/>	%
Burglar Alarm	<input type="text"/>	%	Window Locks	<input type="text"/>	%
Smoke Alarm	<input type="text"/>	%	\$1,000 Deductible	<input type="text"/>	%
			Other (specify)	<input type="text"/>	%

EARTHQUAKE INSURANCE

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

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

WHAT IS YOUR PERCENTAGE DEDUCTIBLE? %

WHAT IS YOUR PRICE PER \$1,000 OF COVERAGE? Zone Highest Risk Brick \$ Frame \$

Maximum Credit Allowed

%

Lowest Risk

\$

\$

I

_____**ANNOUNCEMENT OF REVISIONS**_____

MANUAL

STATE OF ARKANSAS

REVISED MANUAL PAGES:

DWELLING FIRE MANUAL

Index.....	A-C
Rate Structure Pages.....	RS-1, RS-2
General Rules.....	7, 9

SUMMARY OF CHANGE

- Revised Base Rates
- Revised Non-Owner Occupied Coverage A Factor
- Revised Personal Property Replacement Cost Coverage
- Revised Minimum Premium
- Corrected Inaccurate Page Numbers in Index

EFFECTIVE NEW AND RENEWAL DATES: November 18, 2012

ARKANSAS STATE PAGES

DWELLING FIRE MANUAL

I N D E X

<u>CONTENTS</u>	<u>PAGE</u>
<u>A</u>	
ACCOUNT CREDIT.....	16
<u>B</u>	
BUILDING ITEMS	11
<u>C</u>	
CHANGES OR CANCELLATIONS	7
CONSTRUCTION DEFINITIONS.....	5
COVERAGE B - OTHER STRUCTURES	9
COVERAGE D - FAIR RENTAL VALUE - COVERAGE E ADDITIONAL LIVING EXPENSE.....	10
<u>D</u>	
DEDUCTIBLES	15
DWELLING UNDER CONSTRUCTION	15
<u>E</u>	
EARTHQUAKE.....	12-14
ELIGIBILITY.....	3
<u>F</u>	
FORMS, COVERAGES.....	1
<u>G</u>	
GUARANTEED REPLACEMENT COST	8

ARKANSAS STATE PAGES

 DWELLING MANUAL

I N D E X (Continued)

<u>CONTENTS</u>	<u>PAGE</u>
<u>I</u>	
IMPROVEMENTS, ALTERATIONS & ADDITIONS	10
INFLATION GUARD	8
<u>L</u>	
LOSS ASSESSMENT PROPERTY COVERAGE	11
<u>M</u>	
MANUAL PREMIUM REVISION.....	6
MINIMUM PREMIUM.....	7
MULTIPLE LOCATIONS	7
<u>O</u>	
ORDINANCE OR LAW COVERAGE.....	11
<u>P</u>	
PERILS INSURED AGAINST	1-2
PERSONAL PROPERTY REPLACEMENT COST COVERAGE	9
POLICY PERIOD	7
PREMIUM GROUP CHART.....	19
PROTECTION CLASSIFICATION CODES AND INFORMATION	4-5
PROTECTIVE DEVICES	16
<u>R</u>	
RATING METHODOLOGY EXHIBIT	18

ARKANSAS STATE PAGES

 DWELLING MANUAL

I N D E X (Continued)

<u>CONTENTS</u>	<u>PAGE</u>
<u>S</u>	
SEASONAL DWELLING DEFINITION	5
SECTION II COVERAGES - LIABILITY	17
SINGLE BUILDING DEFINITION	6
SPECIAL PACKAGE ENDORSEMENT - 231-1133	9
<u>T</u>	
TERRITORY DEFINITIONS	20
THEFT COVERAGE	14
TOWNHOUSE OR ROWHOUSE	6
<u>U</u>	
UNIT-OWNERS BUILDING ITEMS.....	11
<u>W</u>	
WHOLE DOLLAR PREMIUM RULE.....	7

**DWELLING POLICY PROGRAM
GENERAL RULES
SECTION I COVERAGES**

CHANGES OR CANCELLATIONS

If insurance is increased, cancelled or reduced, the additional or return premium shall be computed on a pro rata basis.

MULTIPLE LOCATIONS

A policy may be issued to provide insurance at a maximum of 3 described locations in the same state provided:

- A. The same form and deductible applies at each location;
- B. Each location does not have a different mortgagee.

POLICY PERIOD

The policy may be written for a period of:

- A. One year and may be extended for successive policy periods by extension certificate based upon the forms, premiums and endorsements then in effect for the company.

MINIMUM PREMIUM

- A. A minimum annual premium of ~~\$150~~ \$180 shall be charged for each policy.
- B. The minimum premium may include all chargeable endorsements or coverages for Fire or Fire and Allied Lines if written at inception of the policy.

WHOLE DOLLAR PREMIUM RULE

- A. Each premium shown on the policy and endorsements shall be rounded to the nearest whole dollar. A premium of fifty cents (\$.50) or more shall be rounded to the next higher whole dollar.
- B. In the event of cancellation by the company, the return premium may be carried to the next higher whole dollar.

**DWELLING POLICY PROGRAM
GENERAL RULES
SECTION I COVERAGES
ADDITIONAL PREMIUM ENDORSEMENTS**

PERSONAL PROPERTY REPLACEMENT COST COVERAGE

ALL FORMS - Replacement cost coverage may be provided for personal property.

Premium: ~~40%~~ 25% of the Coverage C Base Premium.

SPECIAL PACKAGE ENDORSEMENT - 231-1133

This endorsement will be included on all policies written in Mass Bay, at no additional premium charge. The endorsement includes the following coverages:

- A. Tenants Relocation Expense (\$750 per unit)
- B. Personal Property of Named Insured (5% of Coverage A Limit)
- C. Personal Property of Others (\$5,000)
- D. Fire Department Service Charge (\$5,000)

COVERAGE B - OTHER STRUCTURES

- A. Coverage for other structures described as covered under Coverage B is automatically provided on a blanket basis for up to 10% of the Coverage A limit.
 - 1. Under DP 00 01, use of this option reduces the Coverage A limit for the same loss.
 - 2. Under DP 00 02 or DP 00 03, this limit is additional insurance.

The blanket limit may not be increased.

- B. Coverage may be purchased for specific structures.
- C. Premium: \$4.00 per \$1,000

STANDARD COMPANY – HANOVER

PREFERRED COMPANY – MASSACHUSETTS BAY

Base Rates - (\$20,000)
Coverage A; Non-Seasonal

PREM. GROUP	OWNER	OWNER and/or NON-OWNER		
	FIRE (ALL)	EXTENDED COVERAGE DP-1	DP-2	DP-3
1	149	71	107	129
2	176	71	107	129
3	245	71	107	129
4	313	71	107	129
5	195	71	107	129
6	236	71	107	129
7	256	71	107	129
8	355	71	107	129
9	451	71	107	129
10	83	50	75	90
11	99	50	75	90
12	137	50	75	90
13	176	50	75	90
14	109	50	75	90
15	109	50	75	90
16	142	50	75	90
17	199	50	75	90
18	252	50	75	90
19	116	55	83	99
20	137	55	83	99
21	191	55	83	99
22	245	55	83	99
23	154	55	83	99
24	185	55	83	99
25	199	55	83	99
26	276	55	83	99
27	352	55	83	99

Base Rates - (\$20,000)
Coverage A; Non-Seasonal

PREM. GROUP	OWNER	OWNER and/or NON-OWNER		
	FIRE (ALL)	EXTENDED COVERAGE DP-1	DP-2	DP-3
1	134	64	96	116
2	158	64	96	116
3	221	64	96	116
4	282	64	96	116
5	176	64	96	116
6	212	64	96	116
7	230	64	96	116
8	320	64	96	116
9	406	64	96	116
10	75	45	68	81
11	89	45	68	81
12	123	45	68	81
13	158	45	68	81
14	98	45	68	81
15	98	45	68	81
16	128	45	68	81
17	179	45	68	81
18	227	45	68	81
19	104	50	75	89
20	123	50	75	89
21	172	50	75	89
22	221	50	75	89
23	139	50	75	89
24	167	50	75	89
25	179	50	75	89
26	248	50	75	89
27	317	50	75	89

KEY FACTORS	COV A
Seasonal Dwellings	1.10
2 Family	1.05
3 or Four Family	1.30
5 or More Families	1.55
Non-Owner Occupied	1.00 1.15
<u>V&MM PREM PER \$1,000</u>	
Hanover	0.100
Mass Bay	0.090

STANDARD COMPANY – HANOVER

PREFERRED COMPANY – MASSACHUSETTS BAY

Base Rates - (\$6,000)
Coverage C; Non-Seasonal

PREM. GROUP	OWNER	OWNER and/or NON-OWNER		
	FIRE (ALL)	EXTENDED COVERAGE DP-1	DP-2	DP-3
1	42	6	16	16
2	50	6	16	16
3	69	6	16	16
4	88	6	16	16
5	55	6	16	16
6	66	6	16	16
7	71	6	16	16
8	99	6	16	16
9	126	6	16	16
10	30	4	11	11
11	35	4	11	11
12	49	4	11	11
13	62	4	11	11
14	38	4	11	11
15	38	4	11	11
16	50	4	11	11
17	70	4	11	11
18	88	4	11	11
19	32	4	12	12
20	38	4	12	12
21	54	4	12	12
22	69	4	12	12
23	44	4	12	12
24	51	4	12	12
25	55	4	12	12
26	79	4	12	12
27	98	4	12	12

Base Rates - (\$6,000)
Coverage C; Non-Seasonal

PREM. GROUP	OWNER	OWNER and/or NON-OWNER		
	FIRE (ALL)	EXTENDED COVERAGE DP-1	DP-2	DP-3
1	38	5	14	14
2	45	5	14	14
3	62	5	14	14
4	79	5	14	14
5	50	5	14	14
6	59	5	14	14
7	64	5	14	14
8	89	5	14	14
9	113	5	14	14
10	27	4	10	10
11	32	4	10	10
12	44	4	10	10
13	56	4	10	10
14	34	4	10	10
15	34	4	10	10
16	45	4	10	10
17	63	4	10	10
18	79	4	10	10
19	29	4	11	11
20	34	4	11	11
21	49	4	11	11
22	62	4	11	11
23	40	4	11	11
24	46	4	11	11
25	50	4	11	11
26	71	4	11	11
27	88	4	11	11

<u>KEY FACTORS</u>	<u>COV C</u>
Seasonal Dwellings	1.10
2 Family	1.05
3 or Four Family	1.30
5 or More Families	1.55
Non-Owner Occupied	1.00 1.15
<u>V&MM PREM PER \$1,000</u>	
Hanover	0.100
Mass Bay	0.090

ARKANSAS
OTHER PERSONAL LINES (OPL)
Other Wind Experience Cat Load Calculation

NON-CAT LOSS

CAT LOSS

Sum of Trended Inc Losses	
Loss Year	Total
1997	695,956
1998	272,794
1999	108,368
2000	141,535
2001	123,846
2002	89,972
2003	107,204
2004	332,129
2005	431,538
2006	95,202
2007	164,505
2008	399,690
2009	290,950
2010	802,427
2011	328,663
Grand Total	4,384,781

Sum of Trended Inc Losses	
Loss Year	Total
1997	7,645
1998	336
1999	795
2000	0
2001	0
2002	3,158
2003	0
2004	3,576
2005	687,686
2006	188,215
2007	0
2008	118,051
2009	26,909
2010	4,427
2011	771,758
Grand Total	1,812,556

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Experience	LOB	Risk_ST	OW Total	NonCat Total	OW-to-	WF Experience	On-levleled	Factor	Final WF
Period			Incurred Loss	Incurred Loss	NonCat Ratio	Ex-Cat ELR	Load		Experience
									Load
15 years	PL Property	AR	1,812,556	4,384,781	0.413	35.1%	14.5%	1.063	13.6%

(1): Length of experience period in analysis
 (6) = (4) / (5)
 (8) = (6) * (7)
 (10) = (8) / (9)

ARKANSAS
OTHER PERSONAL LINES (OPL)
Winter Freeze Experience Cat Load Calculation

NON-CAT LOSS

CAT LOSS

Sum of Trended Inc Losses	
Loss Year	Total
1990	8,367
1991	203,332
1992	68,721
1993	239,100
1994	135,289
1995	200,051
1996	175,641
1997	695,956
1998	272,794
1999	108,368
2000	141,535
2001	123,846
2002	89,972
2003	107,204
2004	332,129
2005	431,538
2006	95,202
2007	164,505
2008	399,690
2009	290,950
2010	802,427
2011	328,663
Grand Total	5,415,282

Sum of Trended Inc Losses	
Loss Year	Total
1994	2,802
1996	10,226
2000	47,023
2003	1,032
2006	2,313
2007	29,807
2008	108,068
2009	25,827
2010	47,591
2011	4,155
Grand Total	278,845

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Experience	LOB	Risk_ST	WF Total Incurred Loss	NonCat Total Incurred Loss	WF-to-NonCat Ratio	WF Credibility Constant	WF Credibility Weight	Region NonCat Ratio	WF-to-Cred-wtd NonCat Ratio	Ex-Cat ELR	WF Experience Load	On-leveled Factor	Final WF Experience Load
22 years	PL Property	AR	278,845	5,415,282	0.051	57,933,039	0.085	0.075	0.073	35.1%	2.6%	1.063	2.4%

(1): Length of experience period in analysis

(6) = (4) / (5)

(7): Bühlmann credibility constant calculated from a separate analysis

(8) = (5) / [(5) + (7)]

(9): Based on South Central region totals

(10) = (6) x (8) + (9) x [1 - (8)]

(12) = (10) x (11)

(14) = (12) / (13)

Reflection of Investment Income in Rates AR Dwelling Fire

Hanover Insurance Group utilizes an Internal Rate of Return (IRR) model to determine the profit provision for our various lines of business. The IRR is the expected rate of return generated from modeling insurance company operations. Hanover Insurance Group targets a 15% after-tax rate of return. This implies that the underwriting and investment income attributable to the insurance transaction yields a 15% return on the required equity to support the insurance writings.

The results for the Other Personal Lines of Business, which includes Dwelling Fire business, are shown in the following pages. The total combined ratio is 85.0%, which yields underwriting profit provisions of 15.0%.

The IRR model is a single policyholder model. This means the profit provision is determined by modeling the cash flows for a hypothetical policyholder. The cash flows in the IRR model can be segregated into three categories: Premium, Loss and Expense.

Listed below are the expense percentages. The split of General and Other Acquisition expenses between fixed and variable was based on a review of our Insurance Expense Exhibit.

	Expense
ULAE	2.1%
Commission	12.5%
Contingent Commission	1.3%
Other Acquisition	4.3%
General Expense	14.1%
Taxes	2.2%
Reinsurance	0.7%
Dividends	0.0%

To properly model the cash flows requires estimating when the premium is collected and expenses are paid. The premium collection pattern is based on a countrywide analysis of the payment plans for the Other Personal Lines book of business. Premium is earned evenly over the policy term. The acquisition expenses are paid as premium is collected with all other expenses, excluding dividends, paid as premium is earned. Dividends are not applicable to this line of business.

The Loss and ALAE payment pattern is based on a countrywide analysis of our direct paid and incurred loss development triangles. The forecast Loss Ratio (including expected CAT losses) is an input to the model and represents the actuarial expected losses at the same premium level as the Premium-to-Surplus ratio (needed for consistency within the model). The undiscounted Loss and ALAE reserve represents the difference between the incurred Loss and ALAE and any payments made to date. The published IRS discount factors are used to determine the Discounted Loss Reserve used in the income tax calculation.

The unearned premium and loss reserves were determined from the expense and loss payment patterns. The required surplus is based on the Other Personal Lines Premium-to-Surplus assumption. This analysis assumed overall Premium-to-Surplus ratios of 1.23. The total surplus was allocated to individual lines of business based on the risk associated with a particular line. For Other Personal Lines, 0.78 Reserve-to-Surplus ratios were assumed. The Total Assets is the sum of the Unearned Premium and Loss Reserves plus Required Surplus. The assets available for investment are the Total Assets less any Premium Receivable and Paid Expense.

The investment income is that attributable to the Average Invested Assets from the balance sheet. A pretax investment yield of 1.0% was used. The Statutory Underwriting Income represents the difference between earned premium and incurred loss and expense. The model assumes expense is incurred based on each expense component's assumed patterns. The Change in Surplus represents the difference between the ending and beginning Required Surplus from the Balance Sheet. The Post-tax Equity Flow is the difference between the Statutory Pre-tax Income and the Change in Surplus adjusted for the estimated Income Tax. These equity flows are what is evaluated to determine the implied internal rate of return.

The tax rate assumed in the model is 31.5%.

Arkansas Dwelling Fire
Note to the Arkansas Insurance Department
HNWX-G128644290

The following is submitted, in response to your reply dated 9/5/12 on the above referenced filing.

This filing utilized data for the five Accident Years ending 12/2011. The methodology used has been fully described within the filing correspondence and follows generally accepted actuarial principles.

We wanted to share our results for this program on a simple reported calendar year basis as further perspective on our performance in recent years.

Calendar Year*	Direct Earned Premium	Case Incurred Losses	Direct Total Loss Ratio
2007	\$603,546	\$220,142	36.5%
2008	\$638,477	\$601,099	94.1%
2009	\$704,486	\$313,135	44.4%
2010	\$776,984	\$770,924	99.2%
2011	\$947,777	\$1,077,874	113.7%
July 2012	\$602,912	\$1,633,218	270.9%
Total	\$4,274,182	\$4,616,394	108.0%

**2007-2011 are complete calendar years, 2012 is year-to-date through July*

The above demonstrates the level of volatility and strain on results we have experienced in recent years.

We respectfully request the approval of the pending +25.0% rate increase as filed in order for us to be positioned to have an adequate rate level over the coming years. We believe this increase is supported by the data provided in our original filing and is now supplemented with additional loss information to aid your review. We believe this increase is necessary to remain a responsible provider of this specialty product in the Arkansas market.

Thank you for your time and attention. Please let us know if you have any questions.

State: Arkansas

First Filing Company:

The Hanover Insurance Company, ...

TOI/Sub-TOI: 30.1 Dwelling Fire/Personal Liability/30.1000 Dwelling Fire/Personal Liability

Product Name: *DF- Dwelling Fire

Project Name/Number: *DF- Dwelling Fire/AR12371CG00002

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)
09/04/2012	Supporting Document	Actuarial Exhibits	09/17/2012	AR - Actuarial Filing Exhibits (Revised).PDF (Superseded)
09/04/2012	Supporting Document	HPCS-Homeowners Premium Comparison Survey	09/17/2012	HO Survey FORM HPCS.PDF (Superseded) HO Survey FORM HPCS.XLS (Superseded) HO Survey FORM HPCS[[1]].PDF (Superseded) HO Survey FORM HPCS[[1]].XLS (Superseded)
08/17/2012	Rate	Arkansas Dwelling Fire Manual; Base Rates	09/17/2012	ARFIRE Manual 2012-11-18 Clean - Pages RS-1,2.PDF (Superseded)
08/17/2012	Rate	Arkansas Dwelling Fire Manual; Minimum Premium; Personal Property Replacement Coverage	09/17/2012	ARFIRE Manual 2012-11-18 Clean - Pages 7,9.PDF (Superseded)
08/17/2012	Supporting Document	Actuarial Exhibits	09/04/2012	AR - Actuarial Filing Exhibits.PDF (Superseded)

SERFF Tracking #:

HNVX-G128644290

State Tracking #:

Company Tracking #:

AR12371CG00002

State: Arkansas

First Filing Company:

The Hanover Insurance Company, ...

TOI/Sub-TOI: 30.1 Dwelling Fire/Personal Liability/30.1000 Dwelling Fire/Personal Liability

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08/17/2012	Supporting Document	HPCS-Homeowners Premium Comparison Survey	09/04/2012	HO Survey FORM HPCS.PDF (Superceded) HO Survey FORM HPCS.XLS (Superceded) HO Survey FORM HPCS[[1]].PDF (Superceded) HO Survey FORM HPCS[[1]].XLS (Superceded)
08/17/2012	Supporting Document	Manual Pages ~ Side By Side	09/17/2012	ARFIRE Manual 2012-11-18 Marked - Cover.PDF (Superceded) ARFIRE Manual 2012-11-18 Marked - Index.PDF (Superceded) ARFIRE Manual 2012-11-18 Marked - Pages 7,9.PDF (Superceded) ARFIRE Manual 2012-11-18 Marked - Pages RS-1,2.PDF (Superceded)

**THE HANOVER INSURANCE COMPANY
MASSACHUSETTS BAY INSURANCE COMPANY
ARKANSAS DWELLING FIRE
RATE PROPOSAL EFFECTIVE 11/18/2012**

OVERALL INDICATION DESCRIPTION

Proposal

We propose an overall +25.0% increase effective on 11/18/2012 for new and renewal business, through changes to base rate, non-owner surcharge factor for coverage A from 1.00 to 1.15, and personal property replacement cost coverage. With this rate revision, we propose to revise the minimum premium from \$150 to \$180.

General Philosophy

Hanover data, within the state of Arkansas, is used whenever possible. If Hanover data, within the state of Arkansas, is not available, then Arkansas industry or countrywide data may be used in its place.

Support for Overall Increase

Our proposal of a +25.0% increase is effected through base rate changes only, as no other aspects of the rating structure were revised. The effective dates for the proposal are 11/18/2012 for new and renewal business and the proposal is supported by a +27.4% indication.

Description of Actuarial Calculations

The underlying experience is that of countrywide. Experience for the most recently available five year review period (12/31/2007 to 12/31/2011) is on a calendar/accident year basis.

Full Credibility standard of \$10 million in earned premium is used. Partial credibility is determined using the square root rule.

On-Level Premiums

Reported premiums are adjusted to current rate level by using the parallelogram method.

Premium Trend

The average exponential premium trend rates are used in the indications. First, earned premium is adjusted to current rate level in column (4). Next, average on-level premium for each experience period is computed in column (5). After looking at premium trend for the five most recent years, we have made a selection of 1.0% for the retrospective premium trend and 1.0% for the prospective premium trend.

Loss Development

Arkansas, non-cat, incurred loss data was used to determine loss development factors (Exhibit 3).

Loss Trend

Hanover HO data was used to calculate the loss trend component. We made Severity selections of +2.0% for the retrospective trend and +3.0% for the prospective trend. Frequency trends of +2.0% for the retrospective trend and +3.0% for the prospective trend were selected. Pure premium trends of +4.0% and +6.1% were implied from the frequency and severity trend selections. Loss trend factors project losses from the midpoint of each accident year to one year past the assumed renewal effective date (11/18/2012).

Development of Target Loss and ALAE Ratio

Exhibit 5 lists expense provision in the rates. The selected commission ratio is our actual commission ratio for countrywide policies. Countrywide general and other acquisition expenses were the finest detail available. Expected Premium Taxes, Miscellaneous Licenses & Fees were based on a review of IEE data. The ULAE-to-Loss ratio was selected using countrywide data. ALAE as a percentage of incurred losses was derived from projections of losses and ALAE to ultimate using countrywide data.

Catastrophe Load

Catastrophe loads were selected based on based on AR experience-only data (Exhibit 6).

Index of Exhibits

Exhibit 1 – Indication

Exhibit 2 – Premium Trend

Exhibit 3 – Loss Development Factors

Exhibit 4 – Loss Trend

Exhibit 5– Development of Target Loss and ALAE Ratio

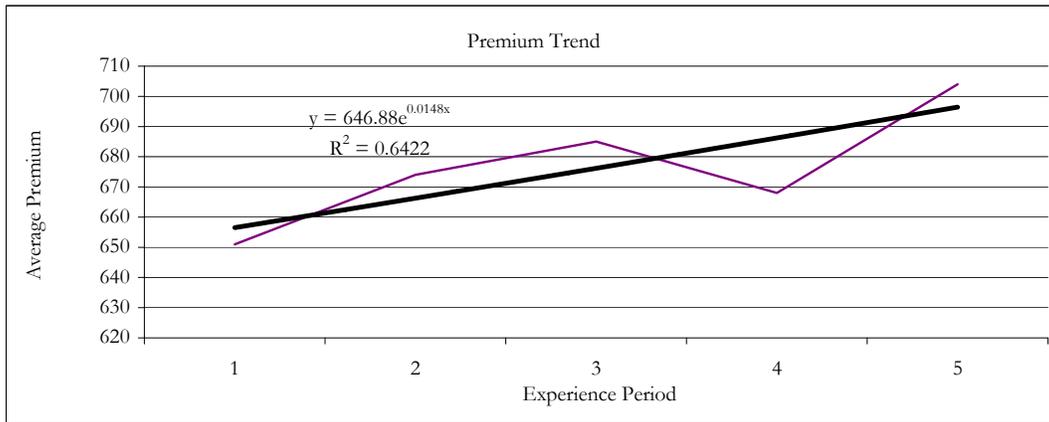
Exhibit 6– Catastrophe Load

AR - All Companies Combined
Dwelling Fire & Allied Lines Form Rate Indication for Rates Effective 11/18/2012
Dollars in Thousands

	Accident Year Ending:				
	<u>12/31/2007</u>	<u>12/31/2008</u>	<u>12/31/2009</u>	<u>12/31/2010</u>	<u>12/31/2011</u>
Earned Premium	654	690	758	835	1,014
Current Rate Level Factor	1.242	1.240	1.200	1.180	1.120
Premium at CRL	812	855	910	985	1,135
Annual Premium Trend - Retrospective	1.0%	1.0%	1.0%	1.0%	1.0%
Premium Trend Factor - Retrospective	1.041	1.030	1.020	1.010	1.000
Annual Premium Trend - Prospective	1.0%	1.0%	1.0%	1.0%	1.0%
Premium Trend Factor - Prospective	1.024	1.024	1.024	1.024	1.024
Trended Premium	865	902	951	1,018	1,162
Incurring Loss Evaluated @ 12/31/2011	171	602	321	830	1,037
Catastrophe Incurred Losses	28	239	50	51	709
Incurring Losses exc CAT	143	362	271	779	328
Loss Development Factor:	1.000	1.000	1.000	1.006	1.093
Expected Loss Ratio					0.307
Estim. Ultimate Incurred Loss Non-Cat	143	362	271	784	358
Est. Annual Loss Trend - Retrospective	4.0%	4.0%	4.0%	4.0%	4.0%
Loss Trend Factor - Retrospective	1.172	1.126	1.082	1.040	1.000
Est. Annual Loss Trend - Prospective	6.1%	6.1%	6.1%	6.1%	6.1%
Loss Trend Factor - Prospective	1.151	1.151	1.151	1.151	1.151
Trended Incurred Losses	192	470	338	939	413
ALAE (% of Loss)	2.2%	2.2%	2.2%	2.2%	2.2%
Trended Loss & ALAE	197	480	346	959	422
Projected Loss & ALAE Ratio	22.7%	53.2%	36.4%	94.2%	36.3%
Accident Year Weights	10.0%	15.0%	20.0%	25.0%	30.0%
Projected (Formula Weighted) Loss&ALAE Ratio Excluding All Catastrophes					52.0%
Hurricane Loss & ALAE Ratio					0.0%
Other Catastrophes Loss & ALAE Ratio					16.4%
Permissible Loss & ALAE Ratio Excluding All Catastrophes to yield a Combined Ratio of <u>85.0%</u>					31.4%
Cat Loss Annual Trend - Prospective					6.0%
Cat Loss Ratio Trend Factor - Prospective					1.122
NonCat Loss Ratio Trend Factor - Prospective					1.124
Trended Hurricane Loss & ALAE Ratio					0.0%
Trended Other Catastrophes Loss & ALAE Ratio					18.4%
Trended Permissible Loss & ALAE Ratio Excluding All Catastrophes					35.3%
Fixed Expense					12.0%
Variable Expense(incl Profit)					40.2%
Earned Premium (000s)	654	690	758	835	1,014
Credibility (assuming \$10M earned premium is fully credible)					62.8%
Credibility-Adjusted Loss & ALAE Ratio Excluding All Catastrophes					45.8%
Indicated Rate Change					27.4%

The Hanover Group
AR - Dwelling Fire & Allied Lines
Premium Trend Calculation

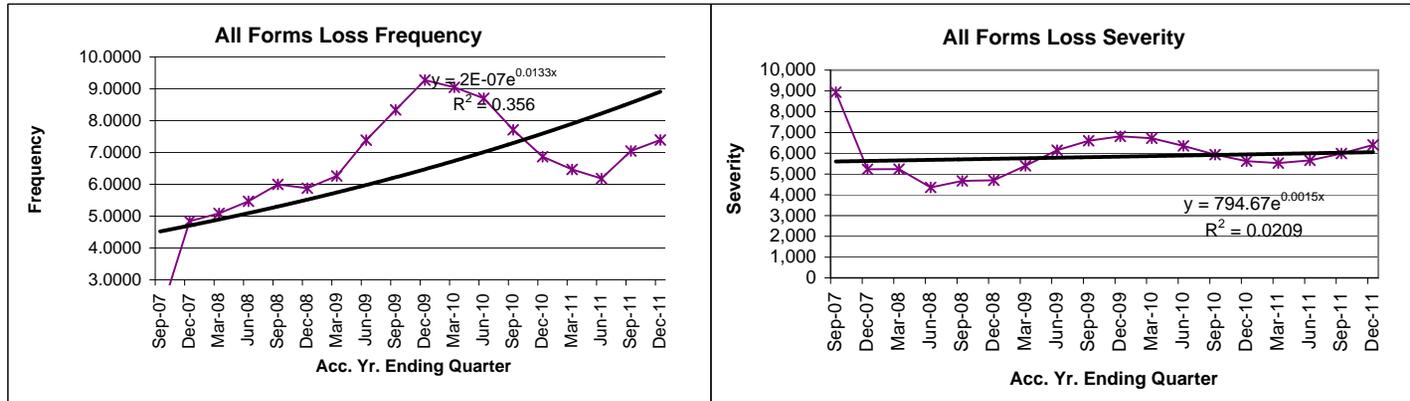
Calendar Year Ending	Quarter X value	(1) Earned Exposures	(2) Earned Premiums	(3) Current Rate Level Factors	(4)=(2)x(3) On-Level Earned Premium	(5)=(4)/(1) Average Adjusted Premium
12/31/2007	1	1,247	653,584	1.242	811,507	651
12/31/2008	2	1,269	689,514	1.240	855,117	674
12/31/2009	3	1,328	758,311	1.200	909,948	685
12/31/2010	4	1,474	834,519	1.180	984,517	668
12/31/2011	5	1,613	1,013,941	1.120	1,135,210	704



3 Yr Fitted Trend	1.4%
Retrospective Selection:	1.0%
Prospective Selection:	1.0%

AR
Loss Trend Selections
Hanover Data
All Losses Excluding Catastrophes

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Rolling 12 Month	Quarter X Value	Exposure	Claims	Incurred Losses	=(4)/(3) Frequency per 100	=(5)/(4) Severity	=(5)/(3) Pure Prem
09/30/2007	1	7,048	133	1,188,178	1.89	8,934	169
12/31/2007	2	7,082	343	1,793,062	4.84	5,228	253
03/31/2008	3	7,155	364	1,903,931	5.09	5,231	266
06/30/2008	4	7,261	397	1,729,071	5.47	4,355	238
09/30/2008	5	7,384	443	2,068,790	6.00	4,670	280
12/31/2008	6	7,520	442	2,074,973	5.88	4,695	276
03/31/2009	7	7,678	481	2,595,362	6.26	5,396	338
06/30/2009	8	7,865	581	3,568,452	7.39	6,142	454
09/30/2009	9	8,121	677	4,465,738	8.34	6,596	550
12/31/2009	10	8,483	787	5,359,790	9.28	6,810	632
03/31/2010	11	8,909	806	5,417,201	9.05	6,721	608
06/30/2010	12	9,421	820	5,210,260	8.70	6,354	553
09/30/2010	13	10,010	772	4,575,943	7.71	5,927	457
12/31/2010	14	10,600	728	4,087,761	6.87	5,615	386
03/31/2011	15	11,182	723	3,995,072	6.47	5,526	357
06/30/2011	16	11,741	726	4,103,646	6.18	5,652	350
09/30/2011	17	12,274	865	5,174,329	7.05	5,982	422
12/31/2011	18	12,766	944	6,043,478	7.39	6,402	473



	Frequency	Severity	Pure Premium
4-Year Prior	8.6%	6.1%	15.3%
3-Year Prior	-0.6%	2.2%	1.6%
2-Year Prior	-15.4%	-5.8%	-20.4%
Latest Year	9.8%	14.6%	25.9%

Retrospective Selected Trends (frequency, severity, loss):	2.0%	2.0%	4.0%
Prospective Selected Trends (frequency, severity, loss):	3.0%	3.0%	6.1%

Note: Data is Hanover Data

**AR Dwelling Fire & Allied Lines
Development of Target Loss & ALAE Ratio**

Personal Lines Dwelling Fire											
		<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>5 Year Average</u>	<u>3 Year Average</u>	Selected	% Fixed Expense	% Variable Expense
(1)	Commission	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	0%	100%
	Contingent Commission								1.3%	0%	100%
(2)	General & Other Acq.	15.7%	15.4%	21.6%	20.2%	13.3%	17.2%	18.4%	18.4%	50%	50%
(3)	Taxes, Licenses, and Fees								2.2%	0%	100%
(4)	ULAE/Premium	7.4%	0.6%	0.5%	0.4%	1.9%	2.1%	0.9%	2.1%	100%	0%
(5)	Profit and Contingency								15.0%	0%	100%
(6)	Reinsurance								0.7%	100%	0%
(7) = sum((1),(2),(3),(4),(5),(6)) * % Fixed)	Total Fixed Expense XCAT								12.0%		
(8) = sum((1),(2),(3),(4),(5),(6)) * % Var)	Total Variable Expense								40.2%		
(9)	ALAE/Loss	2.7%	2.2%	2.0%	1.3%	3.4%	2.3%	2.2%	2.2%		

Other Personal Lines - Net

State	Hurricane			Other Wind					Winter Freeze				Earthquake			Total CAT %
	RMS	AIR	Selected	RMS	AIR	Experience	Credibility	Selected	RMS	AIR	Experience	Selected	RMS	AIR	Selected	
AR	0.0%	0.2%	0.1%	26.1%	28.1%	13.6%	41.8%	20.3%	1.7%	1.9%	2.4%	2.1%	0.0%	0.0%	0.0%	22.6%
AR(Experience Only)			0.0%					13.6%				2.4%			0.0%	16.1%

NAIC Number: 0088-22306
 Company Name: Mass Bay
 Contact Person: Susan Whitworth
 Telephone No.: (508)-855-4664
 Email Address: swhitworth@hanover.com
 Effective Date: 11/18/2012

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

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

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

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

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

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

Public Protection Class	Property Value	Washington		Baxter		Craighead		St. Francis		Arkansas		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$5,000																		
	\$15,000																		
	\$25,000																		
6	\$5,000																		
	\$15,000																		
	\$25,000																		
9	\$5,000																		
	\$15,000																		
	\$25,000																		

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

Public Protection Class	Dwelling Value	Washington		Baxter		Craighead		St. Francis		Arkansas		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$80,000	\$437.29	\$513.53	\$437.29	\$513.53	\$437.29	\$513.53	\$437.29	\$513.53	\$437.29	\$513.53	\$437.29	\$513.53	\$437.29	\$513.53	\$437.29	\$513.53	\$341.55	\$403.61
	\$120,000	\$576.11	\$677.12	\$576.11	\$677.12	\$576.11	\$677.12	\$576.11	\$677.12	\$576.11	\$677.12	\$576.11	\$677.12	\$576.11	\$677.12	\$576.11	\$677.12	\$449.26	\$531.48
	\$160,000	\$714.93	\$840.70	\$714.93	\$840.70	\$714.93	\$840.70	\$714.93	\$840.70	\$714.93	\$840.70	\$714.93	\$840.70	\$714.93	\$840.70	\$714.93	\$840.70	\$556.98	\$659.35
6	\$80,000	\$437.29	\$513.53	\$437.29	\$513.53	\$437.29	\$513.53	\$437.29	\$513.53	\$437.29	\$513.53	\$437.29	\$513.53	\$437.29	\$513.53	\$437.29	\$513.53	\$341.55	\$403.61
	\$120,000	\$576.11	\$677.12	\$576.11	\$677.12	\$576.11	\$677.12	\$576.11	\$677.12	\$576.11	\$677.12	\$576.11	\$677.12	\$576.11	\$677.12	\$576.11	\$677.12	\$449.26	\$531.48
	\$160,000	\$714.93	\$840.70	\$714.93	\$840.70	\$714.93	\$840.70	\$714.93	\$840.70	\$714.93	\$840.70	\$714.93	\$840.70	\$714.93	\$840.70	\$714.93	\$840.70	\$556.98	\$659.35
9	\$80,000	\$596.86	\$779.48	\$596.86	\$779.48	\$596.86	\$779.48	\$596.86	\$779.48	\$596.86	\$779.48	\$596.86	\$779.48	\$596.86	\$779.48	\$596.86	\$779.48	\$467.43	\$607.50
	\$120,000	\$787.52	\$1,029.47	\$787.52	\$1,029.47	\$787.52	\$1,029.47	\$787.52	\$1,029.47	\$787.52	\$1,029.47	\$787.52	\$1,029.47	\$787.52	\$1,029.47	\$787.52	\$1,029.47	\$616.04	\$801.61
	\$160,000	\$978.18	\$1,279.45	\$978.18	\$1,279.45	\$978.18	\$1,279.45	\$978.18	\$1,279.45	\$978.18	\$1,279.45	\$978.18	\$1,279.45	\$978.18	\$1,279.45	\$978.18	\$1,279.45	\$764.65	\$995.73

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

HO3 and HO4 only

Fire Extinguisher	<input type="text"/>	%	Deadbolt Lock	<input type="text"/>	%
Burglar Alarm	<input type="text"/>	%	Window Locks	<input type="text"/>	%
Smoke Alarm	<input type="text"/>	%	\$1,000 Deductible	<input type="text"/>	%
			Other (specify)	<input type="text"/>	%

EARTHQUAKE INSURANCE

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

ARE YOU CURRENTLY WRITING EARTHQUAKE COVERAGE IN ARKANSAS?	<input type="text"/>	(yes or no)
WHAT IS YOUR PERCENTAGE DEDUCTIBLE?	<input type="text"/>	%
WHAT IS YOUR PRICE PER \$1,000 OF COVERAGE?	Zone Highest Risk	Brick <input type="text"/> Frame <input type="text"/>

Maximum Credit Allowed	%	Lowest Risk	\$		\$	
------------------------	---	-------------	----	--	----	--

I

State: Arkansas **First Filing Company:** The Hanover Insurance Company, ...
TOI/Sub-TOI: 30.1 Dwelling Fire/Personal Liability/30.1000 Dwelling Fire/Personal Liability
Product Name: *DF- Dwelling Fire
Project Name/Number: *DF- Dwelling Fire/AR12371CG00002

Superseded Schedule Items

NAIC Number: 0088-22292
 Company Name: Hanover
 Contact Person: Susan Whitworth
 Telephone No.: (508)-855-4664
 Email Address: swhitworth@hanover.com
 Effective Date: 11/18/2012

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

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

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

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

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

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

Public Protection Class	Property Value	Washington		Baxter		Craighead		St. Francis		Arkansas		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$5,000																		
	\$15,000																		
	\$25,000																		
6	\$5,000																		
	\$15,000																		
	\$25,000																		
9	\$5,000																		
	\$15,000																		
	\$25,000																		

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

Public Protection Class	Dwelling Value	Washington		Baxter		Craighead		St. Francis		Arkansas		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$80,000	\$485.16	\$568.50	\$485.16	\$568.50	\$485.16	\$568.50	\$485.16	\$568.50	\$485.16	\$568.50	\$485.16	\$568.50	\$485.16	\$568.50	\$485.16	\$568.50	\$378.78	\$447.93
	\$120,000	\$639.53	\$749.94	\$639.53	\$749.94	\$639.53	\$749.94	\$639.53	\$749.94	\$639.53	\$749.94	\$639.53	\$749.94	\$639.53	\$749.94	\$639.53	\$749.94	\$498.59	\$590.20
	\$160,000	\$793.90	\$931.38	\$793.90	\$931.38	\$793.90	\$931.38	\$793.90	\$931.38	\$793.90	\$931.38	\$793.90	\$931.38	\$793.90	\$931.38	\$793.90	\$931.38	\$618.40	\$732.48
6	\$80,000	\$485.16	\$568.50	\$485.16	\$568.50	\$485.16	\$568.50	\$485.16	\$568.50	\$485.16	\$568.50	\$485.16	\$568.50	\$485.16	\$568.50	\$485.16	\$568.50	\$378.78	\$447.93
	\$120,000	\$639.53	\$749.94	\$639.53	\$749.94	\$639.53	\$749.94	\$639.53	\$749.94	\$639.53	\$749.94	\$639.53	\$749.94	\$639.53	\$749.94	\$639.53	\$749.94	\$498.59	\$590.20
	\$160,000	\$793.90	\$931.38	\$793.90	\$931.38	\$793.90	\$931.38	\$793.90	\$931.38	\$793.90	\$931.38	\$793.90	\$931.38	\$793.90	\$931.38	\$793.90	\$931.38	\$618.40	\$732.48
9	\$80,000	\$662.46	\$864.59	\$662.46	\$864.59	\$662.46	\$864.59	\$662.46	\$864.59	\$662.46	\$864.59	\$662.46	\$864.59	\$662.46	\$864.59	\$662.46	\$864.59	\$518.85	\$674.88
	\$120,000	\$874.43	\$1,142.22	\$874.43	\$1,142.22	\$874.43	\$1,142.22	\$874.43	\$1,142.22	\$874.43	\$1,142.22	\$874.43	\$1,142.22	\$874.43	\$1,142.22	\$874.43	\$1,142.22	\$684.16	\$890.88
	\$160,000	\$1,086.40	\$1,419.85	\$1,086.40	\$1,419.85	\$1,086.40	\$1,419.85	\$1,086.40	\$1,419.85	\$1,086.40	\$1,419.85	\$1,086.40	\$1,419.85	\$1,086.40	\$1,419.85	\$1,086.40	\$1,419.85	\$849.48	\$1,106.88

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

HO3 and HO4 only

Fire Extinguisher	<input type="text"/>	%	Deadbolt Lock	<input type="text"/>	%
Burglar Alarm	<input type="text"/>	%	Window Locks	<input type="text"/>	%
Smoke Alarm	<input type="text"/>	%	\$1,000 Deductible	<input type="text"/>	%
			Other (specify)	<input type="text"/>	%

EARTHQUAKE INSURANCE

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

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

WHAT IS YOUR PERCENTAGE DEDUCTIBLE? %

WHAT IS YOUR PRICE PER \$1,000 OF COVERAGE? Zone Highest Risk Brick \$ Frame \$

Maximum Credit Allowed

%

Lowest Risk

\$

\$

I

HANOVER/MASS BAY

ARKANSAS

DWELLING FIRE

STANDARD COMPANY – HANOVER

PREFERRED COMPANY – MASSACHUSETTS BAY

Base Rates - (\$20,000) Coverage A; Non-Seasonal				
PREM. GROUP	OWNER	OWNER and/or NON-OWNER EXTENDED COVERAGE		
	FIRE (ALL)	DP-1	DP-2	DP-3
1	156	74	112	134
2	184	74	112	134
3	256	74	112	134
4	327	74	112	134
5	203	74	112	134
6	246	74	112	134
7	267	74	112	134
8	370	74	112	134
9	470	74	112	134
10	87	52	78	94
11	104	52	78	94
12	143	52	78	94
13	184	52	78	94
14	114	52	78	94
15	114	52	78	94
16	148	52	78	94
17	208	52	78	94
18	263	52	78	94
19	121	58	87	104
20	143	58	87	104
21	200	58	87	104
22	256	58	87	104
23	160	58	87	104
24	193	58	87	104
25	208	58	87	104
26	288	58	87	104
27	368	58	87	104

Base Rates - (\$20,000) Coverage A; Non-Seasonal				
PREM. GROUP	OWNER	OWNER and/or NON-OWNER EXTENDED COVERAGE		
	FIRE (ALL)	DP-1	DP-2	DP-3
1	140	67	101	121
2	166	67	101	121
3	230	67	101	121
4	294	67	101	121
5	183	67	101	121
6	221	67	101	121
7	240	67	101	121
8	333	67	101	121
9	423	67	101	121
10	78	47	70	85
11	94	47	70	85
12	129	47	70	85
13	166	47	70	85
14	103	47	70	85
15	103	47	70	85
16	133	47	70	85
17	187	47	70	85
18	237	47	70	85
19	109	52	78	94
20	129	52	78	94
21	180	52	78	94
22	230	52	78	94
23	144	52	78	94
24	174	52	78	94
25	187	52	78	94
26	259	52	78	94
27	331	52	78	94

<u>KEY FACTORS</u>	<u>COV A</u>
Seasonal Dwellings	1.10
2 Family	1.05
3 or Four Family	1.30
5 or More Families	1.55
Non-Owner Occupied	1.15
<u>V&MM PREM PER \$1,000</u>	
Hanover	0.100
Mass Bay	0.090

STANDARD COMPANY – HANOVER

PREFERRED COMPANY – MASSACHUSETTS BAY

Base Rates - (\$6,000)
Coverage C; Non-Seasonal

PREM. GROUP	OWNER	OWNER and/or NON-OWNER		
	FIRE (ALL)	EXTENDED COVERAGE DP-1	DP-2	DP-3
1	44	7	17	17
2	52	7	17	17
3	72	7	17	17
4	91	7	17	17
5	58	7	17	17
6	69	7	17	17
7	74	7	17	17
8	104	7	17	17
9	132	7	17	17
10	32	5	11	11
11	36	5	11	11
12	51	5	11	11
13	64	5	11	11
14	39	5	11	11
15	39	5	11	11
16	52	5	11	11
17	73	5	11	11
18	91	5	11	11
19	34	5	12	12
20	39	5	12	12
21	56	5	12	12
22	72	5	12	12
23	46	5	12	12
24	53	5	12	12
25	58	5	12	12
26	82	5	12	12
27	103	5	12	12

Base Rates - (\$6,000)
Coverage C; Non-Seasonal

PREM. GROUP	OWNER	OWNER and/or NON-OWNER		
	FIRE (ALL)	EXTENDED COVERAGE DP-1	DP-2	DP-3
1	40	6	15	15
2	47	6	15	15
3	65	6	15	15
4	82	6	15	15
5	52	6	15	15
6	62	6	15	15
7	67	6	15	15
8	94	6	15	15
9	119	6	15	15
10	29	5	10	10
11	32	5	10	10
12	46	5	10	10
13	58	5	10	10
14	35	5	10	10
15	35	5	10	10
16	47	5	10	10
17	66	5	10	10
18	82	5	10	10
19	31	5	11	11
20	35	5	11	11
21	50	5	11	11
22	65	5	11	11
23	41	5	11	11
24	48	5	11	11
25	52	5	11	11
26	74	5	11	11
27	93	5	11	11

<u>KEY FACTORS</u>	<u>COV C</u>
Seasonal Dwellings	1.10
2 Family	1.05
3 or Four Family	1.30
5 or More Families	1.55
Non-Owner Occupied	1.00
<u>V&MM PREM PER \$1,000</u>	
Hanover	0.100
Mass Bay	0.090

**DWELLING POLICY PROGRAM
GENERAL RULES
SECTION I COVERAGES**

CHANGES OR CANCELLATIONS

If insurance is increased, cancelled or reduced, the additional or return premium shall be computed on a pro rata basis.

MULTIPLE LOCATIONS

A policy may be issued to provide insurance at a maximum of 3 described locations in the same state provided:

- A. The same form and deductible applies at each location;
- B. Each location does not have a different mortgagee.

POLICY PERIOD

The policy may be written for a period of:

- A. One year and may be extended for successive policy periods by extension certificate based upon the forms, premiums and endorsements then in effect for the company.

MINIMUM PREMIUM

- A. A minimum annual premium of \$180 shall be charged for each policy.
- B. The minimum premium may include all chargeable endorsements or coverages for Fire or Fire and Allied Lines if written at inception of the policy.

WHOLE DOLLAR PREMIUM RULE

- A. Each premium shown on the policy and endorsements shall be rounded to the nearest whole dollar. A premium of fifty cents (\$.50) or more shall be rounded to the next higher whole dollar.
- B. In the event of cancellation by the company, the return premium may be carried to the next higher whole dollar.

**DWELLING POLICY PROGRAM
GENERAL RULES
SECTION I COVERAGES
ADDITIONAL PREMIUM ENDORSEMENTS**

PERSONAL PROPERTY REPLACEMENT COST COVERAGE

ALL FORMS - Replacement cost coverage may be provided for personal property.

Premium: 35% of the Coverage C Base Premium.

SPECIAL PACKAGE ENDORSEMENT - 231-1133

This endorsement will be included on all policies written in Mass Bay, at no additional premium charge. The endorsement includes the following coverages:

- A. Tenants Relocation Expense (\$750 per unit)
- B. Personal Property of Named Insured (5% of Coverage A Limit)
- C. Personal Property of Others (\$5,000)
- D. Fire Department Service Charge (\$5,000)

COVERAGE B - OTHER STRUCTURES

- A. Coverage for other structures described as covered under Coverage B is automatically provided on a blanket basis for up to 10% of the Coverage A limit.
 - 1. Under DP 00 01, use of this option reduces the Coverage A limit for the same loss.
 - 2. Under DP 00 02 or DP 00 03, this limit is additional insurance.

The blanket limit may not be increased.

- B. Coverage may be purchased for specific structures.
- C. Premium: \$4.00 per \$1,000

**THE HANOVER INSURANCE COMPANY
MASSACHUSETTS BAY INSURANCE COMPANY
ARKANSAS DWELLING FIRE
RATE PROPOSAL EFFECTIVE 11/18/2012**

OVERALL INDICATION DESCRIPTION

Proposal

We propose an overall +25.0% increase effective on 11/18/2012 for new and renewal business, through changes to base rate, non-owner surcharge factor for coverage A from 1.00 to 1.15, and personal property replacement cost coverage. With this rate revision, we propose to revise the minimum premium from \$150 to \$180.

General Philosophy

Hanover data, within the state of Arkansas, is used whenever possible. If Hanover data, within the state of Arkansas, is not available, then Arkansas industry or countrywide data may be used in its place.

Support for Overall Increase

Our proposal of a +25.0% increase is effected through base rate changes only, as no other aspects of the rating structure were revised. The effective dates for the proposal are 11/18/2012 for new and renewal business and the proposal is supported by a +27.6% indication.

Description of Actuarial Calculations

The underlying experience is that of countrywide. Experience for the most recently available five year review period (12/31/2007 to 12/31/2011) is on a calendar/accident year basis.

Full Credibility standard of \$10 million in earned premium is used. Partial credibility is determined using the square root rule.

On-Level Premiums

Reported premiums are adjusted to current rate level by using the parallelogram method.

Premium Trend

The average exponential premium trend rates are used in the indications. First, earned premium is adjusted to current rate level in column (4). Next, average on-level premium for each experience period is computed in column (5). After looking at premium trend for the five most recent years, we have made a selection of 1.0% for the retrospective premium trend and 1.0% for the prospective premium trend.

Loss Development

Countrywide, non-cat, incurred loss data was used to determine loss development factors (Exhibit 3).

Loss Trend

Hanover HO data was used to calculate the loss trend component. We made Severity selections of +2.0% for the retrospective trend and +3.0% for the prospective trend. Frequency trends of +2.0% for the retrospective trend and +3.0% for the prospective trend were selected. Pure premium trends of +4.0% and +6.1% were implied from the frequency and severity trend selections. Loss trend factors project losses from the midpoint of each accident year to one year past the assumed renewal effective date (11/18/2012).

Development of Target Loss and ALAE Ratio

Exhibit 5 lists expense provision in the rates. The selected commission ratio is our actual commission ratio for countrywide policies. Countrywide general and other acquisition expenses were the finest detail available. Expected Premium Taxes, Miscellaneous Licenses & Fees were based on a review of IEE data. The ULAE-to-Loss ratio was selected using countrywide data. ALAE as a percentage of incurred losses was derived from projections of losses and ALAE to ultimate using countrywide data.

Catastrophe Load

Catastrophe loads were selected based on based on AR experience-only data (Exhibit 6).

Index of Exhibits

Exhibit 1 – Indication

Exhibit 2 – Premium Trend

Exhibit 3 – Loss Development Factors

Exhibit 4 – Loss Trend

Exhibit 5– Development of Target Loss and ALAE Ratio

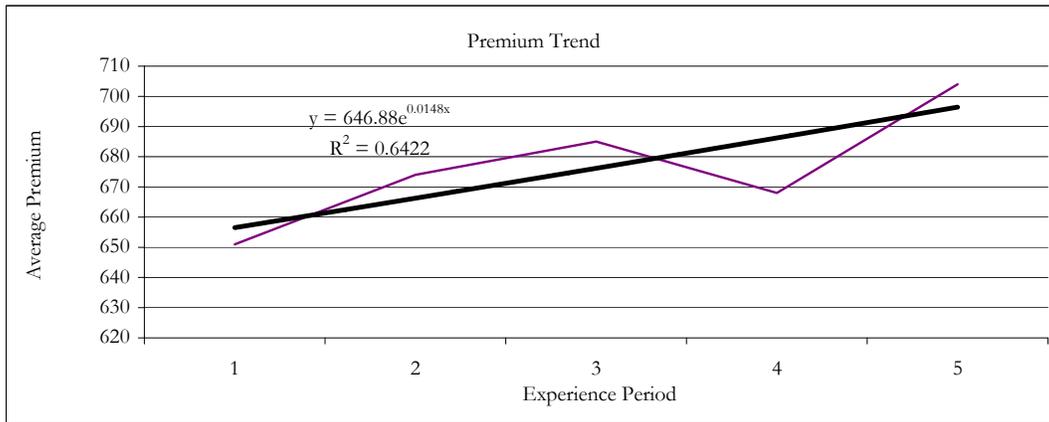
Exhibit 6– Catastrophe Load

AR - All Companies Combined
Dwelling Fire & Allied Lines Form Rate Indication for Rates Effective 11/18/2012
Dollars in Thousands

	Accident Year Ending:				
	<u>12/31/2007</u>	<u>12/31/2008</u>	<u>12/31/2009</u>	<u>12/31/2010</u>	<u>12/31/2011</u>
Earned Premium	654	690	758	835	1,014
Current Rate Level Factor	1.242	1.240	1.200	1.180	1.120
Premium at CRL	812	855	910	985	1,135
Annual Premium Trend - Retrospective	1.0%	1.0%	1.0%	1.0%	1.0%
Premium Trend Factor - Retrospective	1.041	1.030	1.020	1.010	1.000
Annual Premium Trend - Prospective	1.0%	1.0%	1.0%	1.0%	1.0%
Premium Trend Factor - Prospective	1.024	1.024	1.024	1.024	1.024
Trended Premium	865	902	951	1,018	1,162
Incurring Loss Evaluated @ 12/31/2011	171	602	321	830	1,037
Catastrophe Incurred Losses	28	239	50	51	709
Incurring Losses exc CAT	143	362	271	779	328
Loss Development Factor:	1.000	1.000	1.000	1.006	1.093
Expected Loss Ratio					0.305
Estim. Ultimate Incurred Loss Non-Cat	143	362	271	784	358
Est. Annual Loss Trend - Retrospective	4.0%	4.0%	4.0%	4.0%	4.0%
Loss Trend Factor - Retrospective	1.172	1.126	1.082	1.040	1.000
Est. Annual Loss Trend - Prospective	6.1%	6.1%	6.1%	6.1%	6.1%
Loss Trend Factor - Prospective	1.151	1.151	1.151	1.151	1.151
Trended Incurred Losses	192	470	338	939	413
ALAE (% of Loss)	2.2%	2.2%	2.2%	2.2%	2.2%
Trended Loss & ALAE	197	480	346	959	422
Projected Loss & ALAE Ratio	22.7%	53.2%	36.4%	94.2%	36.3%
Accident Year Weights	10.0%	15.0%	20.0%	25.0%	30.0%
Projected (Formula Weighted) Loss&ALAE Ratio Excluding All Catastrophes					52.0%
Hurricane Loss & ALAE Ratio					0.1%
Other Catastrophes Loss & ALAE Ratio					16.5%
Permissible Loss & ALAE Ratio Excluding All Catastrophes to yield a Combined Ratio of <u>85.0%</u>					31.2%
Cat Loss Annual Trend - Prospective					6.0%
Cat Loss Ratio Trend Factor - Prospective					1.122
NonCat Loss Ratio Trend Factor - Prospective					1.124
Trended Hurricane Loss & ALAE Ratio					0.1%
Trended Other Catastrophes Loss & ALAE Ratio					18.5%
Trended Permissible Loss & ALAE Ratio Excluding All Catastrophes					35.1%
Fixed Expense					12.0%
Variable Expense(incl Profit)					40.2%
Earned Premium (000s)	654	690	758	835	1,014
Credibility (assuming \$10M earned premium is fully credible)					62.8%
Credibility-Adjusted Loss & ALAE Ratio Excluding All Catastrophes					45.7%
Indicated Rate Change					27.6%

The Hanover Group
AR - Dwelling Fire & Allied Lines
Premium Trend Calculation

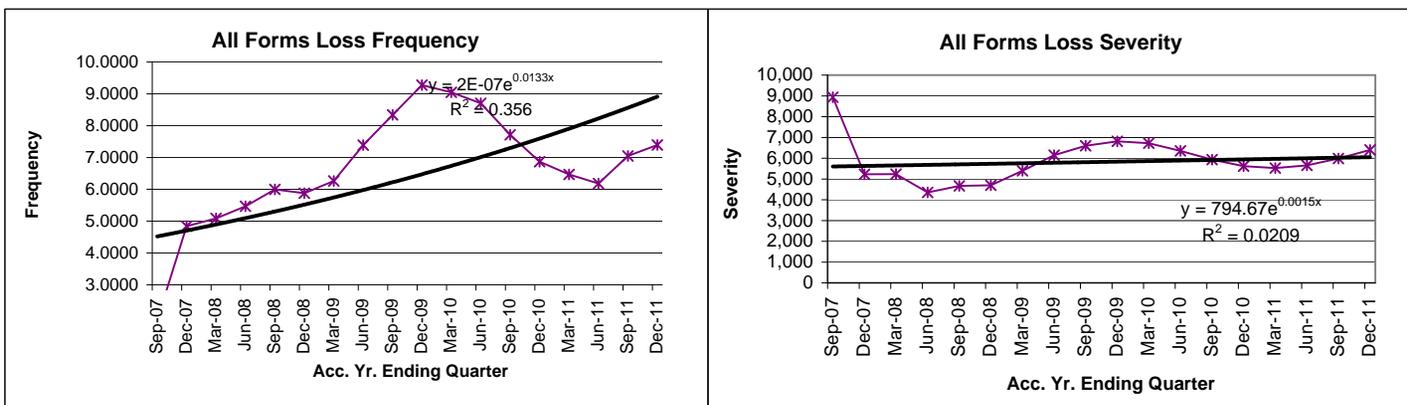
Calendar Year Ending	Quarter X value	(1) Earned Exposures	(2) Earned Premiums	(3) Current Rate Level Factors	(4)=(2)x(3) On-Level Earned Premium	(5)=(4)/(1) Average Adjusted Premium
12/31/2007	1	1,247	653,584	1.242	811,507	651
12/31/2008	2	1,269	689,514	1.240	855,117	674
12/31/2009	3	1,328	758,311	1.200	909,948	685
12/31/2010	4	1,474	834,519	1.180	984,517	668
12/31/2011	5	1,613	1,013,941	1.120	1,135,210	704



3 Yr Fitted Trend	1.4%
Retrospective Selection:	1.0%
Prospective Selection:	1.0%

AR
Loss Trend Selections
Hanover Data
All Losses Excluding Catastrophes

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Rolling 12 Month	Quarter X Value	Exposure	Claims	Incurred Losses	=(4)/(3) Frequency per 100	=(5)/(4) Severity	=(5)/(3) Pure Prem
09/30/2007	1	7,048	133	1,188,178	1.89	8,934	169
12/31/2007	2	7,082	343	1,793,062	4.84	5,228	253
03/31/2008	3	7,155	364	1,903,931	5.09	5,231	266
06/30/2008	4	7,261	397	1,729,071	5.47	4,355	238
09/30/2008	5	7,384	443	2,068,790	6.00	4,670	280
12/31/2008	6	7,520	442	2,074,973	5.88	4,695	276
03/31/2009	7	7,678	481	2,595,362	6.26	5,396	338
06/30/2009	8	7,865	581	3,568,452	7.39	6,142	454
09/30/2009	9	8,121	677	4,465,738	8.34	6,596	550
12/31/2009	10	8,483	787	5,359,790	9.28	6,810	632
03/31/2010	11	8,909	806	5,417,201	9.05	6,721	608
06/30/2010	12	9,421	820	5,210,260	8.70	6,354	553
09/30/2010	13	10,010	772	4,575,943	7.71	5,927	457
12/31/2010	14	10,600	728	4,087,761	6.87	5,615	386
03/31/2011	15	11,182	723	3,995,072	6.47	5,526	357
06/30/2011	16	11,741	726	4,103,646	6.18	5,652	350
09/30/2011	17	12,274	865	5,174,329	7.05	5,982	422
12/31/2011	18	12,766	944	6,043,478	7.39	6,402	473



	Frequency	Severity	Pure Premium
4-Year Prior	8.6%	6.1%	15.3%
3-Year Prior	-0.6%	2.2%	1.6%
2-Year Prior	-15.4%	-5.8%	-20.4%
Latest Year	9.8%	14.6%	25.9%

Retrospective Selected Trends (frequency, severity, loss):	2.0%	2.0%	4.0%
Prospective Selected Trends (frequency, severity, loss):	3.0%	3.0%	6.1%

Note: Data is Hanover Data

**AR Dwelling Fire & Allied Lines
Development of Target Loss & ALAE Ratio**

Personal Lines Dwelling Fire											
		<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>5 Year Average</u>	<u>3 Year Average</u>	Selected	% Fixed Expense	% Variable Expense
(1)	Commission	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	0%	100%
	Contingent Commission								1.3%	0%	100%
(2)	General & Other Acq.	15.7%	15.4%	21.6%	20.2%	13.3%	17.2%	18.4%	18.4%	50%	50%
(3)	Taxes, Licenses, and Fees								2.2%	0%	100%
(4)	ULAE/Premium	7.4%	0.6%	0.5%	0.4%	1.9%	2.1%	0.9%	2.1%	100%	0%
(5)	Profit and Contingency								15.0%	0%	100%
(6)	Reinsurance								0.7%	100%	0%
(7) = sum((1),(2),(3),(4),(5),(6)) * % Fixed)	Total Fixed Expense XCAT								12.0%		
(8) = sum((1),(2),(3),(4),(5),(6)) * % Var)	Total Variable Expense								40.2%		
(9)	ALAE/Loss	2.7%	2.2%	2.0%	1.3%	3.4%	2.3%	2.2%	2.2%		

Other Personal Lines - Net

State	Hurricane			Other Wind				Winter Freeze				Earthquake			Total CAT %	
	RMS	AIR	Selected	RMS	AIR	Experience	Credibility	Selected	RMS	AIR	Experience	Selected	RMS	AIR		Selected
AR	0.0%	0.2%	0.1%	26.1%	28.1%	13.6%	41.8%	20.3%	1.7%	1.9%	2.4%	2.1%	0.0%	0.0%	0.0%	22.6%
AR(Experience Only)			0.1%					13.6%				2.4%			0.0%	16.2%

NAIC Number: 0088-22292
 Company Name: Hanover
 Contact Person: Susan Whitworth
 Telephone No.: (508)-855-4664
 Email Address: swhitworth@hanover.com
 Effective Date: 11/18/2011

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

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

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

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

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

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

Public Protection Class	Property Value	Washington		Baxter		Craighead		St. Francis		Arkansas		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$5,000																		
	\$15,000																		
	\$25,000																		
6	\$5,000																		
	\$15,000																		
	\$25,000																		
9	\$5,000																		
	\$15,000																		
	\$25,000																		

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

Public Protection Class	Dwelling Value	Washington		Baxter		Craighead		St. Francis		Arkansas		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$80,000	\$485.16	\$568.50	\$485.16	\$568.50	\$485.16	\$568.50	\$485.16	\$568.50	\$485.16	\$568.50	\$485.16	\$568.50	\$485.16	\$568.50	\$485.16	\$568.50	\$378.78	\$447.93
	\$120,000	\$639.53	\$749.94	\$639.53	\$749.94	\$639.53	\$749.94	\$639.53	\$749.94	\$639.53	\$749.94	\$639.53	\$749.94	\$639.53	\$749.94	\$639.53	\$749.94	\$498.59	\$590.20
	\$160,000	\$793.90	\$931.38	\$793.90	\$931.38	\$793.90	\$931.38	\$793.90	\$931.38	\$793.90	\$931.38	\$793.90	\$931.38	\$793.90	\$931.38	\$793.90	\$931.38	\$618.40	\$732.48
6	\$80,000	\$485.16	\$568.50	\$485.16	\$568.50	\$485.16	\$568.50	\$485.16	\$568.50	\$485.16	\$568.50	\$485.16	\$568.50	\$485.16	\$568.50	\$485.16	\$568.50	\$378.78	\$447.93
	\$120,000	\$639.53	\$749.94	\$639.53	\$749.94	\$639.53	\$749.94	\$639.53	\$749.94	\$639.53	\$749.94	\$639.53	\$749.94	\$639.53	\$749.94	\$639.53	\$749.94	\$498.59	\$590.20
	\$160,000	\$793.90	\$931.38	\$793.90	\$931.38	\$793.90	\$931.38	\$793.90	\$931.38	\$793.90	\$931.38	\$793.90	\$931.38	\$793.90	\$931.38	\$793.90	\$931.38	\$618.40	\$732.48
9	\$80,000	\$662.46	\$864.59	\$662.46	\$864.59	\$662.46	\$864.59	\$662.46	\$864.59	\$662.46	\$864.59	\$662.46	\$864.59	\$662.46	\$864.59	\$662.46	\$864.59	\$518.85	\$674.88
	\$120,000	\$874.43	\$1,142.22	\$874.43	\$1,142.22	\$874.43	\$1,142.22	\$874.43	\$1,142.22	\$874.43	\$1,142.22	\$874.43	\$1,142.22	\$874.43	\$1,142.22	\$874.43	\$1,142.22	\$684.16	\$890.88
	\$160,000	\$1,086.40	\$1,419.85	\$1,086.40	\$1,419.85	\$1,086.40	\$1,419.85	\$1,086.40	\$1,419.85	\$1,086.40	\$1,419.85	\$1,086.40	\$1,419.85	\$1,086.40	\$1,419.85	\$1,086.40	\$1,419.85	\$849.48	\$1,106.88

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

HO3 and HO4 only

Fire Extinguisher	<input type="text"/>	%	Deadbolt Lock	<input type="text"/>	%
Burglar Alarm	<input type="text"/>	%	Window Locks	<input type="text"/>	%
Smoke Alarm	<input type="text"/>	%	\$1,000 Deductible	<input type="text"/>	%
			Other (specify)	<input type="text"/>	%

EARTHQUAKE INSURANCE

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

ARE YOU CURRENTLY WRITING EARTHQUAKE COVERAGE IN ARKANSAS?	<input type="text"/>	(yes or no)
WHAT IS YOUR PERCENTAGE DEDUCTIBLE?	<input type="text"/>	%
WHAT IS YOUR PRICE PER \$1,000 OF COVERAGE?	Zone Highest Risk	Brick <input type="text"/> \$ Frame <input type="text"/> \$

Maximum Credit Allowed	%	Lowest Risk	\$		\$	
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NAIC Number: 0088-22292
 Company Name: Mass Bay
 Contact Person: Susan Whitworth
 Telephone No.: (508)-855-4664
 Email Address: swhitworth@hanover.com
 Effective Date: 11/18/2011

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

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

Public Protection Class	Property Value	Washington		Baxter		Craighead		St. Francis		Arkansas		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$5,000																		
	\$15,000																		
	\$25,000																		
6	\$5,000																		
	\$15,000																		
	\$25,000																		
9	\$5,000																		
	\$15,000																		
	\$25,000																		

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

Public Protection Class	Dwelling Value	Washington		Baxter		Craighead		St. Francis		Arkansas		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$80,000	\$437.29	\$513.53	\$437.29	\$513.53	\$437.29	\$513.53	\$437.29	\$513.53	\$437.29	\$513.53	\$437.29	\$513.53	\$437.29	\$513.53	\$437.29	\$513.53	\$341.55	\$403.61
	\$120,000	\$576.11	\$677.12	\$576.11	\$677.12	\$576.11	\$677.12	\$576.11	\$677.12	\$576.11	\$677.12	\$576.11	\$677.12	\$576.11	\$677.12	\$576.11	\$677.12	\$449.26	\$531.48
	\$160,000	\$714.93	\$840.70	\$714.93	\$840.70	\$714.93	\$840.70	\$714.93	\$840.70	\$714.93	\$840.70	\$714.93	\$840.70	\$714.93	\$840.70	\$714.93	\$840.70	\$556.98	\$659.35
6	\$80,000	\$437.29	\$513.53	\$437.29	\$513.53	\$437.29	\$513.53	\$437.29	\$513.53	\$437.29	\$513.53	\$437.29	\$513.53	\$437.29	\$513.53	\$437.29	\$513.53	\$341.55	\$403.61
	\$120,000	\$576.11	\$677.12	\$576.11	\$677.12	\$576.11	\$677.12	\$576.11	\$677.12	\$576.11	\$677.12	\$576.11	\$677.12	\$576.11	\$677.12	\$576.11	\$677.12	\$449.26	\$531.48
	\$160,000	\$714.93	\$840.70	\$714.93	\$840.70	\$714.93	\$840.70	\$714.93	\$840.70	\$714.93	\$840.70	\$714.93	\$840.70	\$714.93	\$840.70	\$714.93	\$840.70	\$556.98	\$659.35
9	\$80,000	\$596.86	\$779.48	\$596.86	\$779.48	\$596.86	\$779.48	\$596.86	\$779.48	\$596.86	\$779.48	\$596.86	\$779.48	\$596.86	\$779.48	\$596.86	\$779.48	\$467.43	\$607.50
	\$120,000	\$787.52	\$1,029.47	\$787.52	\$1,029.47	\$787.52	\$1,029.47	\$787.52	\$1,029.47	\$787.52	\$1,029.47	\$787.52	\$1,029.47	\$787.52	\$1,029.47	\$787.52	\$1,029.47	\$616.04	\$801.61
	\$160,000	\$978.18	\$1,279.45	\$978.18	\$1,279.45	\$978.18	\$1,279.45	\$978.18	\$1,279.45	\$978.18	\$1,279.45	\$978.18	\$1,279.45	\$978.18	\$1,279.45	\$978.18	\$1,279.45	\$764.65	\$995.73

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

HO3 and HO4 only

Fire Extinguisher	<input type="text"/>	%	Deadbolt Lock	<input type="text"/>	%
Burglar Alarm	<input type="text"/>	%	Window Locks	<input type="text"/>	%
Smoke Alarm	<input type="text"/>	%	\$1,000 Deductible	<input type="text"/>	%
			Other (specify)	<input type="text"/>	%

EARTHQUAKE INSURANCE

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

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

WHAT IS YOUR PERCENTAGE DEDUCTIBLE? %

WHAT IS YOUR PRICE PER \$1,000 OF COVERAGE? Zone Highest Risk \$ Brick Frame

Maximum Credit Allowed

%

Lowest Risk

\$

\$

I

_____**ANNOUNCEMENT OF REVISIONS**_____

MANUAL

STATE OF ARKANSAS

REVISED MANUAL PAGES:

DWELLING FIRE MANUAL

Index.....	A-C
Rate Structure Pages.....	RS-1, RS-2
General Rules.....	7, 9

SUMMARY OF CHANGE

- Revised Base Rates
- Revised Non-Owner Occupied Coverage A Factor
- Revised Personal Property Replacement Cost Coverage
- Revised Minimum Premium
- Corrected Inaccurate Page Numbers in Index

EFFECTIVE NEW AND RENEWAL DATES: November 18, 2012

ARKANSAS STATE PAGES

DWELLING FIRE MANUAL

I N D E X

<u>CONTENTS</u>	<u>PAGE</u>
<u>A</u>	
ACCOUNT CREDIT.....	16
<u>B</u>	
BUILDING ITEMS	11
<u>C</u>	
CHANGES OR CANCELLATIONS	7
CONSTRUCTION DEFINITIONS.....	5
COVERAGE B - OTHER STRUCTURES	9
COVERAGE D - FAIR RENTAL VALUE - COVERAGE E ADDITIONAL LIVING EXPENSE.....	10
<u>D</u>	
DEDUCTIBLES	15
DWELLING UNDER CONSTRUCTION	15
<u>E</u>	
EARTHQUAKE.....	12-14
ELIGIBILITY.....	3
<u>F</u>	
FORMS, COVERAGES.....	1
<u>G</u>	
GUARANTEED REPLACEMENT COST	8

ARKANSAS STATE PAGES

 DWELLING MANUAL

I N D E X (Continued)

<u>CONTENTS</u>	<u>PAGE</u>
 <u>I</u>	
IMPROVEMENTS, ALTERATIONS & ADDITIONS	10
INFLATION GUARD	8
 <u>L</u>	
LOSS ASSESSMENT PROPERTY COVERAGE	11
 <u>M</u>	
MANUAL PREMIUM REVISION.....	6
MINIMUM PREMIUM.....	7
MULTIPLE LOCATIONS	7
 <u>O</u>	
ORDINANCE OR LAW COVERAGE.....	11
 <u>P</u>	
PERILS INSURED AGAINST	1-2
PERSONAL PROPERTY REPLACEMENT COST COVERAGE	9
POLICY PERIOD	7
PREMIUM GROUP CHART.....	19
PROTECTION CLASSIFICATION CODES AND INFORMATION	4-5
PROTECTIVE DEVICES	16
 <u>R</u>	
RATING METHODOLOGY EXHIBIT	18

ARKANSAS STATE PAGES

 DWELLING MANUAL

I N D E X (Continued)

<u>CONTENTS</u>	<u>PAGE</u>
<u>S</u>	
SEASONAL DWELLING DEFINITION	5
SECTION II COVERAGES - LIABILITY	17
SINGLE BUILDING DEFINITION	6
SPECIAL PACKAGE ENDORSEMENT - 231-1133	9
<u>T</u>	
TERRITORY DEFINITIONS	20
THEFT COVERAGE	14
TOWNHOUSE OR ROWHOUSE	6
<u>U</u>	
UNIT-OWNERS BUILDING ITEMS.....	11
<u>W</u>	
WHOLE DOLLAR PREMIUM RULE.....	7

**DWELLING POLICY PROGRAM
GENERAL RULES
SECTION I COVERAGES**

CHANGES OR CANCELLATIONS

If insurance is increased, cancelled or reduced, the additional or return premium shall be computed on a pro rata basis.

MULTIPLE LOCATIONS

A policy may be issued to provide insurance at a maximum of 3 described locations in the same state provided:

- A. The same form and deductible applies at each location;
- B. Each location does not have a different mortgagee.

POLICY PERIOD

The policy may be written for a period of:

- A. One year and may be extended for successive policy periods by extension certificate based upon the forms, premiums and endorsements then in effect for the company.

MINIMUM PREMIUM

- A. A minimum annual premium of ~~\$150~~ \$180 shall be charged for each policy.
- B. The minimum premium may include all chargeable endorsements or coverages for Fire or Fire and Allied Lines if written at inception of the policy.

WHOLE DOLLAR PREMIUM RULE

- A. Each premium shown on the policy and endorsements shall be rounded to the nearest whole dollar. A premium of fifty cents (\$.50) or more shall be rounded to the next higher whole dollar.
- B. In the event of cancellation by the company, the return premium may be carried to the next higher whole dollar.

**DWELLING POLICY PROGRAM
GENERAL RULES
SECTION I COVERAGES
ADDITIONAL PREMIUM ENDORSEMENTS**

PERSONAL PROPERTY REPLACEMENT COST COVERAGE

ALL FORMS - Replacement cost coverage may be provided for personal property.

Premium: 40% **35%** of the Coverage C Base Premium.

SPECIAL PACKAGE ENDORSEMENT - 231-1133

This endorsement will be included on all policies written in Mass Bay, at no additional premium charge. The endorsement includes the following coverages:

- A. Tenants Relocation Expense (\$750 per unit)
- B. Personal Property of Named Insured (5% of Coverage A Limit)
- C. Personal Property of Others (\$5,000)
- D. Fire Department Service Charge (\$5,000)

COVERAGE B - OTHER STRUCTURES

- A. Coverage for other structures described as covered under Coverage B is automatically provided on a blanket basis for up to 10% of the Coverage A limit.
 - 1. Under DP 00 01, use of this option reduces the Coverage A limit for the same loss.
 - 2. Under DP 00 02 or DP 00 03, this limit is additional insurance.

The blanket limit may not be increased.

- B. Coverage may be purchased for specific structures.
- C. Premium: \$4.00 per \$1,000

STANDARD COMPANY – HANOVER

PREFERRED COMPANY – MASSACHUSETTS BAY

Base Rates - (\$20,000)
Coverage A; Non-Seasonal

PREM. GROUP	OWNER	OWNER and/or NON-OWNER		
	FIRE (ALL)	EXTENDED COVERAGE DP-1	DP-2	DP-3
1	156	74	112	134
2	184	74	112	134
3	256	74	112	134
4	327	74	112	134
5	203	74	112	134
6	246	74	112	134
7	267	74	112	134
8	370	74	112	134
9	470	74	112	134
10	87	52	78	94
11	104	52	78	94
12	143	52	78	94
13	184	52	78	94
14	114	52	78	94
15	114	52	78	94
16	148	52	78	94
17	208	52	78	94
18	263	52	78	94
19	121	58	87	104
20	143	58	87	104
21	200	58	87	104
22	256	58	87	104
23	160	58	87	104
24	193	58	87	104
25	208	58	87	104
26	288	58	87	104
27	368	58	87	104

Base Rates - (\$20,000)
Coverage A; Non-Seasonal

PREM. GROUP	OWNER	OWNER and/or NON-OWNER		
	FIRE (ALL)	EXTENDED COVERAGE DP-1	DP-2	DP-3
1	140	67	101	121
2	166	67	101	121
3	230	67	101	121
4	294	67	101	121
5	183	67	101	121
6	221	67	101	121
7	240	67	101	121
8	333	67	101	121
9	423	67	101	121
10	78	47	70	85
11	94	47	70	85
12	129	47	70	85
13	166	47	70	85
14	103	47	70	85
15	103	47	70	85
16	133	47	70	85
17	187	47	70	85
18	237	47	70	85
19	109	52	78	94
20	129	52	78	94
21	180	52	78	94
22	230	52	78	94
23	144	52	78	94
24	174	52	78	94
25	187	52	78	94
26	259	52	78	94
27	331	52	78	94

KEY FACTORS	COV A
Seasonal Dwellings	1.10
2 Family	1.05
3 or Four Family	1.30
5 or More Families	1.55
Non-Owner Occupied	1.00 1.15
<u>V&MM PREM PER \$1,000</u>	
Hanover	0.100
Mass Bay	0.090

STANDARD COMPANY – HANOVER

PREFERRED COMPANY – MASSACHUSETTS BAY

Base Rates - (\$6,000)
Coverage C; Non-Seasonal

PREM. GROUP	OWNER	OWNER and/or NON-OWNER		
	FIRE (ALL)	EXTENDED COVERAGE DP-1	DP-2	DP-3
1	44	7	17	17
2	52	7	17	17
3	72	7	17	17
4	91	7	17	17
5	58	7	17	17
6	69	7	17	17
7	74	7	17	17
8	104	7	17	17
9	132	7	17	17
10	32	5	11	11
11	36	5	11	11
12	51	5	11	11
13	64	5	11	11
14	39	5	11	11
15	39	5	11	11
16	52	5	11	11
17	73	5	11	11
18	91	5	11	11
19	34	5	12	12
20	39	5	12	12
21	56	5	12	12
22	72	5	12	12
23	46	5	12	12
24	53	5	12	12
25	58	5	12	12
26	82	5	12	12
27	103	5	12	12

Base Rates - (\$6,000)
Coverage C; Non-Seasonal

PREM. GROUP	OWNER	OWNER and/or NON-OWNER		
	FIRE (ALL)	EXTENDED COVERAGE DP-1	DP-2	DP-3
1	40	6	15	15
2	47	6	15	15
3	65	6	15	15
4	82	6	15	15
5	52	6	15	15
6	62	6	15	15
7	67	6	15	15
8	94	6	15	15
9	119	6	15	15
10	29	5	10	10
11	32	5	10	10
12	46	5	10	10
13	58	5	10	10
14	35	5	10	10
15	35	5	10	10
16	47	5	10	10
17	66	5	10	10
18	82	5	10	10
19	31	5	11	11
20	35	5	11	11
21	50	5	11	11
22	65	5	11	11
23	41	5	11	11
24	48	5	11	11
25	52	5	11	11
26	74	5	11	11
27	93	5	11	11

<u>KEY FACTORS</u>	<u>COV C</u>
Seasonal Dwellings	1.10
2 Family	1.05
3 or Four Family	1.30
5 or More Families	1.55
Non-Owner Occupied	1.00
<u>V&MM PREM PER \$1,000</u>	
Hanover	0.100
Mass Bay	0.090