

**State:** Arkansas **Filing Company:** Republic Underwriters Insurance Company  
**TOI/Sub-TOI:** 04.0 Homeowners/04.0003 Owner Occupied Homeowners  
**Product Name:** Standard Homeowners (ISO 2000 Program)  
**Project Name/Number:** Rate Revision/

## Filing at a Glance

**Company:** Republic Underwriters Insurance Company  
**Product Name:** Standard Homeowners (ISO 2000 Program)  
**State:** Arkansas  
**TOI:** 04.0 Homeowners  
**Sub-TOI:** 04.0003 Owner Occupied Homeowners  
**Filing Type:** Rate/Rule  
**Date Submitted:** 10/03/2012  
**SERFF Tr Num:** TRGR-128677281  
**SERFF Status:** Closed-Filed  
**State Tr Num:**  
**State Status:**  
**Co Tr Num:** 12-498  
  
**Effective Date** 03/01/2013  
**Requested (New):**  
**Effective Date** 04/01/2013  
**Requested (Renewal):**  
**Author(s):** William Bradford  
**Reviewer(s):** Becky Harrington (primary)  
**Disposition Date:** 01/02/2013  
**Disposition Status:** Filed  
**Effective Date (New):** 03/01/2013  
**Effective Date (Renewal):** 04/01/2013

**State Filing Description:**  
 referred to Commissioner 10/3/12; meeting 10/19/12

State: Arkansas Filing Company: Republic Underwriters Insurance Company  
 TOI/Sub-TOI: 04.0 Homeowners/04.0003 Owner Occupied Homeowners  
 Product Name: Standard Homeowners (ISO 2000 Program)  
 Project Name/Number: Rate Revision/

**General Information**

Project Name: Rate Revision Status of Filing in Domicile: Not Filed  
 Project Number: Domicile Status Comments: Arkansas specific  
 Reference Organization: N/A Reference Number: N/A  
 Reference Title: N/A Advisory Org. Circular: N/A  
 Filing Status Changed: 01/02/2013  
 State Status Changed: 10/19/2012 Deemer Date:  
 Created By: William Bradford Submitted By: William Bradford  
 Corresponding Filing Tracking Number:

Filing Description:

The Republic Group of Insurance Companies is filing a proposed change to our Homeowners program in Arkansas.

Due to an indication of +34.3%, we are increasing our rates in order to achieve greater rate adequacy in Arkansas. This filing implements the following:

- Adjustments to base rates by territories
- Removal of update points for renovated home in tiering guidelines

The overall effect to the homeowners program is +20.0%.

**Company and Contact**

**Filing Contact Information**

William Bradford, Senior Products Filing Specialist bill.bradford@republicgroup.com  
 5525 LBJ Freeway 972-788-6617 [Phone]  
 Dallas, TX 75240 972-788-6022 [FAX]

**Filing Company Information**

Republic Underwriters Insurance Company CoCode: 24538 State of Domicile: Texas  
 5525 LBJ Freeway Group Code: 3489 Company Type:  
 Dallas, TX 75240-6241 Group Name: The Republic Group State ID Number:  
 (972) 788-6001 ext. [Phone] FEIN Number: 75-1221537

**Filing Fees**

Fee Required? Yes  
 Fee Amount: \$100.00  
 Retaliatory? No  
 Fee Explanation: Independent rate filing  
 Per Company: No

Company	Amount	Date Processed	Transaction #
Republic Underwriters Insurance Company	\$100.00	10/03/2012	63377579

State: Arkansas

Filing Company:

Republic Underwriters Insurance Company

TOI/Sub-TOI: 04.0 Homeowners/04.0003 Owner Occupied Homeowners

Product Name: Standard Homeowners (ISO 2000 Program)

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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Filed	Becky Harrington	01/02/2013	01/02/2013

### Objection Letters and Response Letters

#### Objection Letters

Status	Created By	Created On	Date Submitted
Pending Industry Response	Becky Harrington	12/14/2012	12/14/2012
Pending Industry Response	Becky Harrington	10/19/2012	10/19/2012
No response necessary	Becky Harrington	10/03/2012	10/03/2012

#### Response Letters

Responded By	Created On	Date Submitted
William Bradford	12/26/2012	12/26/2012
William Bradford	12/14/2012	12/14/2012
William Bradford	12/14/2012	12/14/2012

**State:** Arkansas  
**TOI/Sub-TOI:** 04.0 Homeowners/04.0003 Owner Occupied Homeowners  
**Product Name:** Standard Homeowners (ISO 2000 Program)  
**Project Name/Number:** Rate Revision/

**Filing Company:** Republic Underwriters Insurance Company

## Disposition

Disposition Date: 01/02/2013

Effective Date (New): 03/01/2013

Effective Date (Renewal): 04/01/2013

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):
Republic Underwriters Insurance Company	34.300%	15.000%	\$570,159	4,128	\$3,801,058	%	%

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Form RF-2 Loss Costs Only (not for workers' compensation)		Yes
Supporting Document	H-1 Homeowners Abstract	Filed	Yes
Supporting Document (revised)	HPCS-Homeowners Premium Comparison Survey	Filed	Yes
Supporting Document	HPCS-Homeowners Premium Comparison Survey		Yes
Supporting Document (revised)	NAIC loss cost data entry document	Filed	Yes
Supporting Document	NAIC loss cost data entry document		Yes
Supporting Document (revised)	Actuarial Support and Tiering Revisions	Filed	Yes
Supporting Document	Actuarial Support and Tiering Revisions		Yes
Rate (revised)	Base Rates	Filed	Yes
Rate	Base Rates		Yes

**State:** Arkansas **Filing Company:** Republic Underwriters Insurance Company  
**TOI/Sub-TOI:** 04.0 Homeowners/04.0003 Owner Occupied Homeowners  
**Product Name:** Standard Homeowners (ISO 2000 Program)  
**Project Name/Number:** Rate Revision/

## Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	12/14/2012
Submitted Date	12/14/2012
Respond By Date	

Dear William Bradford,

**Introduction:**

The Commissioner has reconsidered the amount allowed.

The overall increase may be amended to 15%.

Please provide amended effective dates and an HPCS.

**Conclusion:**

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

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

Sincerely,  
Becky Harrington

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**State:** Arkansas **Filing Company:** Republic Underwriters Insurance Company  
**TOI/Sub-TOI:** 04.0 Homeowners/04.0003 Owner Occupied Homeowners  
**Product Name:** Standard Homeowners (ISO 2000 Program)  
**Project Name/Number:** Rate Revision/

## Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	10/19/2012
Submitted Date	10/19/2012
Respond By Date	

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Dear William Bradford,

**Introduction:**

*This will acknowledge the Commissioner's review of the requested increase.*

*Please amend the overall amount to 10%.*

*Provide a revised HPCS.*

*Indicate revised effective dates if needed.*

**Conclusion:**

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

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

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

*Sincerely,*

*Becky Harrington*

**State:** Arkansas **Filing Company:** Republic Underwriters Insurance Company  
**TOI/Sub-TOI:** 04.0 Homeowners/04.0003 Owner Occupied Homeowners  
**Product Name:** Standard Homeowners (ISO 2000 Program)  
**Project Name/Number:** Rate Revision/

## Objection Letter

Objection Letter Status	No response necessary
Objection Letter Date	10/03/2012
Submitted Date	10/03/2012
Respond By Date	

Dear William Bradford,

**Introduction:**

*This will acknowledge receipt of the captioned filing.*

*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

SERFF Tracking #: TRGR-128677281

State Tracking #:

Company Tracking #: 12-498

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State: Arkansas

Filing Company: Republic Underwriters Insurance Company

TOI/Sub-TOI: 04.0 Homeowners/04.0003 Owner Occupied Homeowners

Product Name: Standard Homeowners (ISO 2000 Program)

Project Name/Number: Rate Revision/

## Response Letter

Response Letter Status	Submitted to State
Response Letter Date	12/26/2012
Submitted Date	12/26/2012

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Dear Becky Harrington,

**Introduction:**

Thank you for your reply.

**Response 1**

**Comments:**

We have revised the manual pages, form HPCS, the RF-1, and some of the actuarial exhibits to show the new effect of 15%. We are also revising the effective dates.

**Changed Items:**

SERFF Tracking #:

TRGR-128677281

State Tracking #:

Company Tracking #:

12-498

State:

Arkansas

Filing Company:

Republic Underwriters Insurance Company

TOI/Sub-TOI:

04.0 Homeowners/04.0003 Owner Occupied Homeowners

Product Name:

Standard Homeowners (ISO 2000 Program)

Project Name/Number:

Rate Revision/

**Supporting Document Schedule Item Changes**

Satisfied - Item:

HPCS-Homeowners Premium Comparison Survey

Comments:

Attachment(s):

HO Survey FORM HPCS.pdf

HO Survey FORM HPCS.xls

*Previous Version**Satisfied - Item:**HPCS-Homeowners Premium Comparison Survey**Comments:**Attachment(s):**HO Survey FORM HPCS.xls**HO Survey FORM HPCS.pdf*

Satisfied - Item:

NAIC loss cost data entry document

Comments:

Attachment(s):

FORM RF-1 Rate Filing Abstract.pdf

*Previous Version**Satisfied - Item:**NAIC loss cost data entry document**Comments:**Attachment(s):**FORM RF-1 Rate Filing Abstract.pdf*

Satisfied - Item:

Actuarial Support and Tiering Revisions

Comments:

Attachment(s):

Filing Memorandum-AR HO3.pdf

Filing Exhibits.pdf

Filing Exhibit-revised exhibits only.pdf

*Previous Version*

SERFF Tracking #:

TRGR-128677281

State Tracking #:

Company Tracking #:

12-498

State:

Arkansas

Filing Company:

Republic Underwriters Insurance Company

TOI/Sub-TOI:

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Rate Revision/

### Supporting Document Schedule Item Changes

Satisfied - Item:

Actuarial Support and Tiering Revisions

Comments:

Attachment(s):

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SERFF Tracking #:

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State Tracking #:

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State:

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Republic Underwriters Insurance Company

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Standard Homeowners (ISO 2000 Program)

Project Name/Number:

Rate Revision/

**Supporting Document Schedule Item Changes**

Satisfied - Item:

HPCS-Homeowners Premium Comparison Survey

Comments:

Attachment(s):

HO Survey FORM HPCS.pdf

HO Survey FORM HPCS.xls

*Previous Version**Satisfied - Item:**HPCS-Homeowners Premium Comparison Survey**Comments:**Attachment(s):**HO Survey FORM HPCS.xls**HO Survey FORM HPCS.pdf*

Satisfied - Item:

NAIC loss cost data entry document

Comments:

Attachment(s):

FORM RF-1 Rate Filing Abstract.pdf

*Previous Version**Satisfied - Item:**NAIC loss cost data entry document**Comments:**Attachment(s):**FORM RF-1 Rate Filing Abstract.pdf*

Satisfied - Item:

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Attachment(s):

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SERFF Tracking #:

TRGR-128677281

State Tracking #:

Company Tracking #:

12-498

State:

Arkansas

Filing Company:

Republic Underwriters Insurance Company

TOI/Sub-TOI:

04.0 Homeowners/04.0003 Owner Occupied Homeowners

Product Name:

Standard Homeowners (ISO 2000 Program)

Project Name/Number:

Rate Revision/

### Supporting Document Schedule Item Changes

Satisfied - Item:

Actuarial Support and Tiering Revisions

Comments:

Attachment(s):

Filing Memorandum-AR HO3.pdf

Filing Exhibits.pdf

SERFF Tracking #:

TRGR-128677281

State Tracking #:

Company Tracking #:

12-498

State:

Arkansas

Filing Company:

Republic Underwriters Insurance Company

TOI/Sub-TOI:

04.0 Homeowners/04.0003 Owner Occupied Homeowners

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Standard Homeowners (ISO 2000 Program)

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Rate Revision/

**Supporting Document Schedule Item Changes**

Satisfied - Item:

HPCS-Homeowners Premium Comparison Survey

Comments:

Attachment(s):

HO Survey FORM HPCS.pdf

HO Survey FORM HPCS.xls

*Previous Version**Satisfied - Item:**HPCS-Homeowners Premium Comparison Survey**Comments:**Attachment(s):**HO Survey FORM HPCS.xls**HO Survey FORM HPCS.pdf*

Satisfied - Item:

NAIC loss cost data entry document

Comments:

Attachment(s):

FORM RF-1 Rate Filing Abstract.pdf

*Previous Version**Satisfied - Item:**NAIC loss cost data entry document**Comments:**Attachment(s):**FORM RF-1 Rate Filing Abstract.pdf*

Satisfied - Item:

Actuarial Support and Tiering Revisions

Comments:

Attachment(s):

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Filing Exhibit-revised exhibits only.pdf

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SERFF Tracking #:

TRGR-128677281

State Tracking #:

Company Tracking #:

12-498

State: Arkansas

Filing Company:

Republic Underwriters Insurance Company

TOI/Sub-TOI: 04.0 Homeowners/04.0003 Owner Occupied Homeowners

Product Name: Standard Homeowners (ISO 2000 Program)

Project Name/Number: Rate Revision/

**Supporting Document Schedule Item Changes**

Satisfied - Item: Actuarial Support and Tiering Revisions

Comments:

Attachment(s):

Filing Memorandum-AR HO3.pdf

Filing Exhibits.pdf

No Form Schedule items changed.

**Rate/Rule Schedule Item Changes**

Item No.	Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing #	Date Submitted
1	Base Rates	B-1	Replacement	TRGR-127725653	12/26/2012 By: William Bradford
<i>Previous Version</i>					
1	Base Rates	B-1	Replacement	TRGR-127725653	10/03/2012 By: William Bradford

**Conclusion:**

Please let us know if anything further is needed.

Sincerely,

William Bradford

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**State:** Arkansas **Filing Company:** Republic Underwriters Insurance Company  
**TOI/Sub-TOI:** 04.0 Homeowners/04.0003 Owner Occupied Homeowners  
**Product Name:** Standard Homeowners (ISO 2000 Program)  
**Project Name/Number:** Rate Revision/

## Response Letter

Response Letter Status	Submitted to State
Response Letter Date	12/14/2012
Submitted Date	12/14/2012

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Dear Becky Harrington,

**Introduction:**

**Response 1**

**Comments:**

Just closing this objection since we have the new allowable increase.

**Changed Items:**

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

**Conclusion:**

Sincerely,

William Bradford

---

**State:** Arkansas **Filing Company:** Republic Underwriters Insurance Company  
**TOI/Sub-TOI:** 04.0 Homeowners/04.0003 Owner Occupied Homeowners  
**Product Name:** Standard Homeowners (ISO 2000 Program)  
**Project Name/Number:** Rate Revision/

## Response Letter

Response Letter Status	Submitted to State
Response Letter Date	12/14/2012
Submitted Date	12/14/2012

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Dear Becky Harrington,

**Introduction:**

**Response 1**

**Comments:**

Just closing this objection since we have the new allowable increase.

**Changed Items:**

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

**Conclusion:**

Sincerely,

William Bradford

**State:** Arkansas **Filing Company:** Republic Underwriters Insurance Company  
**TOI/Sub-TOI:** 04.0 Homeowners/04.0003 Owner Occupied Homeowners  
**Product Name:** Standard Homeowners (ISO 2000 Program)  
**Project Name/Number:** Rate Revision/

## Post Submission Update Request Processed On 01/02/2013

**Status:** Allowed  
**Created By:** William Bradford  
**Processed By:** Becky Harrington  
**Comments:** per Dept request

### General Information:

Field Name	Requested Change	Prior Value
Effective Date Requested (New)	03/01/2013	12/15/2012
Effective Date Requested (Renew)	04/01/2013	01/15/2013

### Company Rate Information:

Company Name: Republic Underwriters Insurance Company

Field Name	Requested Change	Prior Value
Overall % Rate Impact	15.000%	20.000%
Written Premium Change for this Program	\$570159	\$760212

SERFF Tracking #:

TRGR-128677281

State Tracking #:

Company Tracking #:

12-498

State: Arkansas

Filing Company: Republic Underwriters Insurance Company

TOI/Sub-TOI: 04.0 Homeowners/04.0003 Owner Occupied Homeowners

Product Name: Standard Homeowners (ISO 2000 Program)

Project Name/Number: Rate Revision/

### Rate Information

Rate data applies to filing.

Filing Method: 20 days after approval

Rate Change Type: Increase

Overall Percentage of Last Rate Revision: 10.000%

Effective Date of Last Rate Revision: 12/15/2011

Filing Method of Last Filing: 20 days after approval

### Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
Republic Underwriters Insurance Company	34.300%	15.000%	\$570,159	4,128	\$3,801,058	%	%

SERFF Tracking #:

TRGR-128677281

State Tracking #:

Company Tracking #:

12-498

State:

Arkansas

Filing Company:

Republic Underwriters Insurance Company

TOI/Sub-TOI:

04.0 Homeowners/04.0003 Owner Occupied Homeowners

Product Name:

Standard Homeowners (ISO 2000 Program)

Project Name/Number:

Rate Revision/

## Rate/Rule Schedule

Item No.	Schedule Item Status	Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing Number	Attachments
1	Filed 01/02/2013	Base Rates	B-1	Replacement	TRGR-127725653	base rates.pdf

**ARKANSAS HOMEOWNERS POLICY PROGRAM MANUAL  
BASE CLASS PREMIUM TABLES**

<b>Territory</b>	<b>Description</b>	<b>Base Rate</b>
1	Benton and Washington Counties	\$546
2	Carroll and Madison Counties	\$597
3	Baxter, Boone and Marion Counties	\$633
4	Fulton, Independence, Izard and Sharp Counties	\$661
5	Lawrence County	\$817
6	Clay, Greene and Randolph Counties	\$799
7	Crawford and Sebastian Counties	\$668
8	Conway, Franklin, Johnson, Newton and Pope Counties	\$640
9	Cleburne, Searcy, Stone and Van Buren Counties	\$633
10	Jackson and Woodruff Counties	\$864
11	Craighead County	\$778
12	Mississippi County	\$881
13	Logan County	\$662
14	Yell County	\$724
15	Faulkner County	\$603
16	White County	\$692
17	Cross, Lee, Poinsett and St. Francis Counties	\$848
18	Crittenden County	\$704
19	Montgomery, Polk and Scott Counties	\$743
20	Garland, Hot Spring and Perry Counties	\$669
21	Grant and Saline Counties	\$669
22	Remainder of Pulaski County	\$675
23	Lonoke County	\$669
24	Prairie County	\$744
25	Monroe County	\$801
26	Jefferson County	\$850
27	Arkansas County	\$711
28	Phillips County	\$944
29	Clark, Howard, Pike and Sevier Counties	\$713
30	Bradley, Calhoun, Cleveland, Dallas and Lincoln Counties	\$780
31	Desha County	\$875
32	Little River and Miller Counties	\$771
33	Hempstead and LaFayette Counties	\$839
34	Nevada and Ouachita Counties	\$839
35	Columbia County	\$748
36	Union County	\$748
38	Cities of Little Rock and North Little Rock (Pulaski County)	\$739
39	Hot Springs Village	\$576
40	Drew County	\$780
41	Ashley and Chicot Counties	\$954

SERFF Tracking #:

TRGR-128677281

State Tracking #:

Company Tracking #:

12-498

State: Arkansas

Filing Company:

Republic Underwriters Insurance Company

TOI/Sub-TOI: 04.0 Homeowners/04.0003 Owner Occupied Homeowners

Product Name: Standard Homeowners (ISO 2000 Program)

Project Name/Number: Rate Revision/

## Supporting Document Schedules

		Item Status:	Status Date:
Satisfied - Item:	H-1 Homeowners Abstract	Filed	01/02/2013
Comments:			
Attachment(s):			
Form H-1.pdf			

		Item Status:	Status Date:
Satisfied - Item:	HPCS-Homeowners Premium Comparison Survey	Filed	01/02/2013
Comments:			
Attachment(s):			
HO Survey FORM HPCS.pdf HO Survey FORM HPCS.xls			

		Item Status:	Status Date:
Satisfied - Item:	NAIC loss cost data entry document	Filed	01/02/2013
Comments:			
Attachment(s):			
FORM RF-1 Rate Filing Abstract.pdf			

		Item Status:	Status Date:
Satisfied - Item:	Actuarial Support and Tiering Revisions	Filed	01/02/2013
Comments:			
Attachment(s):			
Filing Memorandum-AR HO3.pdf Filing Exhibits.pdf Filing Exhibit-revised exhibits only.pdf			

ARKANSAS INSURANCE DEPARTMENT

FORM H-1 HOMEOWNERS ABSTRACT

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

Company Name Republic Underwriters Insurance Company  
NAIC # (including group #) 24538

1. If you have had an insurance to value campaign during the experience filing period, describe the campaign and estimate its impact.  
Not applicable.
2. If you use a cost estimator (or some similar method) in order to make sure that dwellings (or contents) are insured at their value, state when this program was started in Arkansas and estimate its impact.  
Replacement Cost Estimator (from MSRB) is used for new business only to determine appropriate values for new business. It is not possible to estimate the impact of program business because some new homes would have been under-insured and others over-insured when issued as new business.
3. If you require a minimum relationship between the amount of insurance to be written and the replacement value of the dwelling (contents) in order to purchase insurance, describe the procedures that are used.  
100% of the Dwelling Replacement Cost.
4. If you use an Inflation Guard form or similar type of coverage, describe the coverage(s) and estimate the impact.  
The cost estimating systems furnishes the user with a guide for making general estimates of cost to replace specific types of residential construction. Annual changes are published based on residential cost index for zip codes and territories in Arkansas.
5. Specify the percentage given for credit or discounts for the following:
  - a. Fire Extinguisher 0%
  - b. Burglar Alarm 3%
  - c. Smoke Alarm 3%
  - d. Insured who has both homeowners and auto with your company 15%
  - e. Deadbolt Locks 0%
  - f. Window or Door Locks 0%
  - g. Other (specify) Mature Homeowner Credit (from 2% to 20%) 20%
    - Metal 5% & Hail Resistive Roof Credit (Class IV) 15%
    - Gated Community Credit 5%
    - New Home Credit (varies from 2% to 35%) 35%
    - Loss Free Credit (varies from 5% to 10%) 10%

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

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

Form	Premium Volume
HO-3 (special)	In-force WP as of 3/31/2012: \$3,801,058

8. Do you write homeowner risks which have aluminum, steel or vinyl siding?  Yes  No

9. Is there a surcharge on risks with wood heat? Yes.

If yes, state the surcharge

Charge varies by tier up to 30%

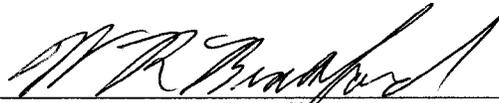
Does the surcharge apply to conventional fire places?

Only if central or thermostatically controlled heating systems not available.

If yes, state the surcharge

If that is the case, up to 30%

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



Signature

William R. Bradford

Printed Name

Senior Products Filing Specialist

Title

972-788-6617

Telephone Number

bill.bradford@republicgroup.com

Email address

NAIC Number: 24538  
 Company Name: Republic Underwriters Insurance Company  
 Contact Person: Bill Bradford  
 Telephone No.: 972-788-6617  
 Email Address: bill.bradford@republicgroup.com  
 Effective Date: 4/1/2013

**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	\$550	\$613	\$637	\$711	\$783	\$874	\$854	\$953	\$881	\$983	\$753	\$840	\$776	\$866	\$673	\$751	\$744	\$830
	\$120,000	\$771	\$860	\$894	\$997	\$1,098	\$1,225	\$1,197	\$1,336	\$1,235	\$1,378	\$1,056	\$1,178	\$1,088	\$1,214	\$943	\$1,052	\$1,043	\$1,164
	\$160,000	\$1,000	\$1,116	\$1,159	\$1,294	\$1,425	\$1,590	\$1,553	\$1,733	\$1,603	\$1,788	\$1,370	\$1,529	\$1,412	\$1,576	\$1,224	\$1,365	\$1,354	\$1,510
6	\$80,000	\$637	\$706	\$738	\$819	\$907	\$1,006	\$989	\$1,097	\$1,020	\$1,132	\$872	\$967	\$899	\$997	\$779	\$864	\$862	\$956
	\$120,000	\$892	\$990	\$1,035	\$1,148	\$1,272	\$1,410	\$1,386	\$1,537	\$1,430	\$1,586	\$1,223	\$1,356	\$1,260	\$1,398	\$1,092	\$1,211	\$1,208	\$1,340
	\$160,000	\$1,158	\$1,284	\$1,342	\$1,489	\$1,650	\$1,830	\$1,798	\$1,995	\$1,856	\$2,058	\$1,586	\$1,759	\$1,635	\$1,814	\$1,417	\$1,571	\$1,567	\$1,738
9	\$80,000	\$1,244	\$1,505	\$1,443	\$1,745	\$1,773	\$2,144	\$1,933	\$2,337	\$1,994	\$2,412	\$1,705	\$2,061	\$1,757	\$2,125	\$1,522	\$1,841	\$1,684	\$2,037
	\$120,000	\$1,744	\$2,110	\$2,022	\$2,446	\$2,486	\$3,006	\$2,709	\$3,276	\$2,796	\$3,381	\$2,390	\$2,890	\$2,463	\$2,979	\$2,134	\$2,581	\$2,361	\$2,855
	\$160,000	\$2,263	\$2,737	\$2,624	\$3,173	\$3,225	\$3,900	\$3,515	\$4,251	\$3,627	\$4,386	\$3,101	\$3,750	\$3,196	\$3,865	\$2,769	\$3,349	\$3,063	\$3,704

**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																		
	\$120,000																		
	\$160,000																		
6	\$80,000																		
	\$120,000																		
	\$160,000																		
9	\$80,000																		
	\$120,000																		
	\$160,000																		

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

**HO3 and HO4 only**

Fire Extinguisher	<input type="text" value="0"/> %	Deadbolt Lock	<input type="text" value="0"/> %
Burglar Alarm	<input type="text" value="3"/> %	Window Locks	<input type="text" value="0"/> %
Smoke Alarm	<input type="text" value="3"/> %	\$1,000 Deductible	<input type="text" value="14"/> %
		Other (specify)	<input type="text"/>
		Maximum Credit Allowed	<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
WHAT IS YOUR PRICE PER \$1,000 OF COVERAGE?	Highest Risk	\$ <input type="text" value="2.47"/>	\$ <input type="text" value="2.17"/>
	Lowest Risk	\$ <input type="text" value="0.78"/>	\$ <input type="text" value="0.29"/>



**FILING MEMORANDUM**  
**Arkansas Homeowners HO-3**  
**Republic Underwriters Insurance Company (RUIC)**

The Republic Group of Insurance Companies is filing a proposed change to our Homeowners program in Arkansas.

Due to an indication of +34.3%, we are increasing our rates in order to achieve greater rate adequacy in Arkansas. This filing implements the following:

- Adjustments to base rates by territories
- Removal of update points for renovated home in tiering guidelines

The overall effect to the homeowners program is +20.0%. The effect for each change is listed below.

	<b>Base Rates</b>	<b>Tier Change</b>	<b>Overall</b>
<b>HO-3</b>	+18.1%	+1.9%	+20.0%

In support of the rate level revision, we have attached exhibits of our Homeowners experience in Arkansas, which is conducted based on 4 years of loss and premium experiences from March 2008-2012, as of March 31, 2012.

The proposed effective date for implementing these changes is December 15, 2012 for new business and January 15, 2013 for renewal business.

*Territorial Base Rates*

The proposed changes to base rates as outlined in Exhibit I Page 2 results in varying base rate increases of +15%, +20%, or +25% depending on specific territories. To determine the amount of increase in each territory we used a combination of the 4 year loss ratio and competitive analysis. To capture a competitive analysis versus similar companies doing business in Arkansas, we used InsurQuote and our results can be seen in Exhibit XI. Also, included in the territory indication exhibit is a competitive ratio by territory. This ratio is determined straight from our competitive analysis and depicts the competitor's average rate compared to ours.

*Tier Underwriting Factors*

Exhibit X Page 2 displays the proposed tier placement guidelines. Tier relativities and maximum total points remain unchanged. However, the structure of point assignment for the Age of Update Category is modified so that no points are given to homes with renovations. Experience in support of and effects for the proposed tier changes can be seen in Exhibit X Page 3.

**FILING MEMORANDUM**  
**Arkansas Homeowners HO-3**  
**Republic Underwriters Insurance Company (RUIC)**

**Table of Contents**

*Attachments in support of this filing:*

Explanatory Memorandum

Exhibit I: Indication

Exhibit II: Premium Trend & Rate Change History

Exhibit III: Loss Development

Exhibit IV: Loss Trend

Exhibit V: Loss Adjustment Expense (LAE)

Exhibit VI: Expected Catastrophe Loss and LAE Ratio

Exhibit VII: Permissible Loss and Loss Adjustment Expense Ratio

Exhibit VIII: Credibility of Experience

Exhibit IX: Return on Equity Calculation

Exhibit X: Proposed Changes, Support and Effects

Exhibit XI: Competitive Analysis

**FILING MEMORANDUM**  
**Arkansas Homeowners HO-3**  
**Republic Underwriters Insurance Company (RUIC)**

**Exhibit I** presents Republic experience in Arkansas for each of the last four accident years ending March 31, evaluated as of 3/31/2012. Loss data exclude catastrophes. Other adjustments to the data are also described below. The indicated rate level change is developed in this exhibit using the standard loss ratio method. The filed rate level change is also provided. In addition, we have included the experience by territory as page 2 in this exhibit.

**Exhibit II** provides the calculation of Republic premium trend factors for Arkansas. These factors reflect increasing amounts of insurance and other distributional changes. The average earned premium at present rates, shown in column 2, has been fit to an exponential model using 12-, 8-, and 4-point values. The selected annual trend value is shown on this exhibit. Premium trend factors are derived by indexing historical premium levels to the current year and then projecting the selected annual trend factors to the average earned date of the proposed policy period.

To adjust for prior rate changes, historical premium is brought to the present rate level using the parallelogram method. Historical rate changes are shown on page 2 of Exhibit II.

**Exhibit III** displays the calculation of Republic Group Countrywide loss development factors. Loss data used for these calculations are net of salvage/subrogation and exclude catastrophes and mold losses. Due to the similarity of Homeowners development between different states, countrywide data were used to reduce volatility and provide more credible development factors.

**Exhibit IV** shows the loss trend underlying the rate level indication. Various exponential fits including 12, 8, and 4 points are shown. The selected historical trend factor and projected trend factor are based on the results of these exponential fits. Due to the volatility and lack of credibility of Arkansas data alone, a loss trend was selected using both Arkansas and industry (ISO Fast Track) data.

**Exhibit V** develops the loss adjustment expense (LAE) factor used in calculating the indication in Exhibit I. Republic Arkansas and Countrywide data are used to calculate the Allocated LAE factor. The Unallocated LAE factor is based on Republic Countrywide data for calendar years 2007 - 2011 using the consolidated Insurance Expense Exhibit, Part III, Line 4.

**Exhibit VI** provides the data and calculation of the catastrophe loss and LAE ratio used to determine the indication in Exhibit I. Republic's Oklahoma homeowner experience is considered in selecting the catastrophe provision due to the lack of experience in Arkansas. Non-hurricane catastrophe losses and total direct earned premiums from the past twenty years in Oklahoma are used to calculate an average non-hurricane catastrophe loss ratio.

**FILING MEMORANDUM**  
**Arkansas Homeowners HO-3**  
**Republic Underwriters Insurance Company (RUIC)**

**Exhibit VII** shows the development of the permissible loss and LAE ratio. General and Other Acquisition Expenses are based on Republic Group Countrywide data from the Insurance Expense Exhibit while all other data are based on Arkansas experience for Republic from Page 15 of the Annual Statement. A 4% fixed expense trend was applied to the Fixed Expenses to adjust for the cost of these services over the projected policy period. The premium received from policy fees has been removed from the expense load. The marginal cost of reinsurance, calculated on page 2, Exhibit VII, is included as an expense. Marginal cost means the charge for the coverage over and above the expected losses included in the rate indication. The calculation of the Profit and Contingencies Provision is provided on Exhibit IX.

**Exhibit VIII** details the calculation of credibility assigned to the rate indications developed in Exhibit I. The calculation is based on the claim standard of 1,082 claims providing a 90% chance of being within 5% of the mean.

**Exhibit IX** develops the investment income generated from held reserves used in calculating the underwriting profit provision incorporated in the rate indications. The return on investment income is based on the average of 2010 and 2011. A total after-tax return on equity of 12.0% is targeted.

**Exhibit X** presents proposed changes as follows:

- Combined Territorial Base Rate increase of +18.1%
- Removal of update points for renovated home in tiering guidelines to more accurately classify risks

**Exhibit XI** presents the results obtained from our competitive analysis. The analysis was ran against 5 similar competitors in Arkansas and then compared to our current rate as well as our new proposed rates. The Average Competitive Ratio is the ratio of the average of all the competitor's rates to our current rates. Our proposed rates have been estimated and included to show that our increases are not exorbitant.

**Republic Underwriters Insurance Company**  
**Arkansas Homeowners (HO-3)**  
**All Tiers Combined**  
**Statewide Rate Level Indications**

Data as of: Mar-12

Proposed Effective Dates  
New: 12/15/2012  
Renewal: 1/15/2013

**Republic Group Of Insurance Companies**

**Losses**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Fiscal Year	Non-Cat		Development	Ultimate	Current	Projection	Trended Ult
Ending	Incurred	Catastrophe	Factor	Non-Hurr	Cost	Factor	Non-Hurr
March				Cat Adjusted	Factors	1/15/2014	Cat Adjusted
2009	123,718	63,391	1.003	198,543	1.000	1.095	217,418
2010	776,375	318,888	1.003	1,245,926	1.000	1.095	1,364,380
2011	815,995	145,677	1.003	1,309,508	1.000	1.095	1,434,007
2012	1,687,214	2,538,130	1.078	2,910,713	1.000	1.095	3,187,443

**Premiums & Loss Ratio**

	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Fiscal Year	Earned Premiums			Current	On-Level	Projection	Trended	Trended
Ending	Actual	Onlevel	at Current	Amount	at Current	Factor	at Current	Ultimate
March		Factor	Rate	Factors	Amounts	1/15/2014	Rate Level	On-Level
								Loss Ratio
2009	164,785	1.210	199,390	0.856	170,623	1.000	170,623	127.4%
2010	876,575	1.210	1,060,656	0.929	985,186	1.000	985,186	138.5%
2011	2,043,080	1.182	2,415,802	0.984	2,376,171	1.000	2,376,171	60.3%
2012	3,049,623	1.103	3,363,755	1.000	3,363,755	1.000	3,363,755	94.8%

**Indication**

		(25)
(17) Premium Weighted Projected Loss Ratio	90.4%	Accident
(18) Loss Adjustment Expense as % of Incurred Losses	13.0%	Year
(19) Weighted Loss & LAE Ratio	102.2%	2009
(20) Fixed Expense Ratio	6.0%	2010
(21) Permissible Loss & LAE Ratio	70.0%	2011
(22) Indicated Change before Credibility Weighting	54.5%	2012
(23) Compliment to Credibility	4.1%	
(24) Credibility Table Value	0.599	
<b>(26) Indicated Statewide Rate Level Change</b>	<b>34.3%</b>	
<b>(27) Selected Statewide Rate Level Change</b>	<b>20.0%</b>	

Notes:

(3) is from Exhibit III.  
(4) = (1) x (3) x Non-Hurr Cat Factor of 1.600. (see Exhibit VI)  
(5) is from Exhibit IV.  
(6) is from Exhibit IV.  
(7) = (4) x (5) x (6).  
(9) is from Exhibit II, Page 2.  
(10) = (8) x (9).  
(11) is from Exhibit II.  
(12) = (10) x (11).  
(13) is from Exhibit II.  
(14) = (12) x (13).

(15) = (7) / (14).  
(17) = premium weighted average of (15).  
(18) is from Exhibit V.  
(19) = (17) x [1.000 + (18)].  
(20) is from Exhibit VII.  
(21) is from Exhibit V and Exhibit VII.  
(22) = { [(19)+(20)] / [(21)] } - 1  
(23) is [ (1.0404) / (1) ] ^ 1 Years  
(24) = [(Total of (25b) / 1082] ^ 0.5. See Exhibit VIII, .  
(26) = [(22) x (24)] + (23) x [1.000 - (24)].  
(27) is selected by the Republic group.

Republic Fire & Casualty  
 Southern Underwriters  
 Arkansas Homeowners  
 Statewide Development of Indicated Rate Adjustment by Territory  
 Data as of 3/31/2012  
 Large Losses capped at \$50,000

Territory	Territory Description	Fiscal Year Ending March 2012		Fiscal Year Ending March 2008 to 2012		Regional Cat Load	Territorial Loss Ratio	Earned House Years	Credibility Weighted Loss Ratio	Reins. Load	Credibility Loss Ratio w/ Reins.	Credibility Weighted Relative Change	Indicated Statewide Need	Competitor Average Ratio	Selected Territory Change	Base Rates		
		EPOL	Dist.	OnLevelled Earned Premium	Adjusted Inc Loss											Current	Proposed	
1	Benton, Washington	697,521	20.7%	1,261,540	503,275	1.60	39.9%	1,576	0.283	49.4%	1.7%	51.1%	-5.6%	27.1%	1.93	15.0%	\$496	\$570
2	Carroll, Madison	12,509	0.4%	28,937	17,981	1.60	62.1%	31	0.039	53.5%	1.1%	54.7%	1.0%	35.9%	1.85	20.0%	\$519	\$623
3	Baxter, Boone, Marion	26,550	0.8%	52,267	18,977	1.60	36.3%	49	0.050	52.4%	0.9%	53.3%	-1.6%	32.4%	1.79	15.0%	\$575	\$661
4	Fulton, Independence, Izard, Sharp	109,113	3.2%	217,268	179,966	1.60	82.8%	269	0.117	56.6%	0.8%	57.5%	6.2%	42.9%	1.93	20.0%	\$575	\$690
5	Lawrence	8,326	0.2%	20,888	0	1.60	0.0%	18	0.030	51.6%	0.6%	52.2%	-3.6%	29.7%	1.78	15.0%	\$743	\$854
6	Clay, Greene, Randolph	20,550	0.6%	47,351	12,568	1.60	26.5%	49	0.050	51.9%	0.0%	51.9%	-4.1%	29.0%	1.79	15.0%	\$726	\$835
7	Crawford, Sebastian	61,185	1.8%	154,303	111,435	1.60	72.2%	185	0.097	55.0%	1.6%	56.6%	4.6%	40.7%	1.84	20.0%	\$581	\$697
8	Conway, Franklin, Johnson, Newton, Pope	128,765	3.8%	262,763	75,896	1.60	28.9%	282	0.120	50.3%	1.3%	51.6%	-4.7%	28.2%	1.79	15.0%	\$582	\$669
9	Cleburne, Searcy, Stone, Van Buren	84,580	2.5%	207,302	29,902	1.60	14.4%	220	0.106	49.1%	1.0%	50.1%	-7.4%	24.6%	1.96	15.0%	\$575	\$661
10	Jackson, Woodruff	15,050	0.4%	39,287	14,113	1.60	35.9%	38	0.044	52.4%	0.7%	53.2%	-1.8%	32.1%	1.73	15.0%	\$785	\$903
11	Craighead	144,818	4.3%	396,989	280,679	1.60	70.7%	428	0.147	55.8%	0.9%	56.7%	4.7%	40.9%	2.22	25.0%	\$648	\$810
12	Mississippi	40,863	1.2%	90,744	10,563	1.60	11.6%	84	0.065	50.5%	0.6%	51.0%	-5.7%	26.9%	1.90	15.0%	\$801	\$921
13	Logan	12,413	0.4%	23,896	0	1.60	0.0%	22	0.034	51.4%	1.2%	52.6%	-2.9%	30.7%	1.72	15.0%	\$602	\$692
14	Yell	8,621	0.3%	12,410	0	1.60	0.0%	13	0.026	51.8%	1.0%	52.8%	-2.5%	31.2%	1.73	15.0%	\$658	\$757
15	Faulkner	155,324	4.6%	329,916	197,325	1.60	59.8%	398	0.142	54.1%	1.6%	55.8%	3.0%	38.6%	1.91	20.0%	\$524	\$629
16	White	68,238	2.0%	131,518	28,181	1.60	21.4%	138	0.083	50.5%	0.8%	51.4%	-5.1%	27.6%	2.06	15.0%	\$629	\$723
17	Cross, Lee, Poinsett, St. Francis	51,111	1.5%	143,873	11,750	1.60	8.2%	129	0.081	49.6%	0.6%	50.1%	-7.4%	24.6%	1.98	15.0%	\$771	\$887
18	Crittenden	118,223	3.5%	299,952	217,761	1.60	72.6%	313	0.126	55.6%	0.8%	56.4%	4.2%	40.2%	2.40	20.0%	\$612	\$734
19	Montgomery, Polk, Scott	19,367	0.6%	71,491	17,669	1.60	24.7%	61	0.055	51.6%	1.5%	53.1%	-1.9%	32.0%	1.87	15.0%	\$675	\$776
20	Garland, Hot Spring, Perry	129,495	3.8%	272,920	175,015	1.60	64.1%	247	0.112	54.4%	1.3%	55.7%	2.9%	38.4%	1.81	20.0%	\$582	\$698
21	Grant, Saline	261,725	7.8%	507,660	378,642	1.60	74.6%	557	0.168	56.8%	0.8%	57.6%	6.4%	43.2%	1.82	20.0%	\$582	\$698
22	Remainder of Pulaski	167,388	5.0%	362,132	98,793	1.60	27.3%	381	0.139	49.6%	2.0%	51.6%	-4.6%	28.3%	1.93	15.0%	\$614	\$706
23	Lonoke	116,552	3.5%	247,316	137,331	1.60	55.5%	275	0.118	53.5%	1.8%	55.2%	2.0%	37.3%	1.91	20.0%	\$582	\$698
24	Prairie	-	0.0%	0	0	1.60	0.0%	0	0.000	50.2%	0.0%	53.2%	-1.7%	32.2%	1.92	15.0%	\$676	\$777
25	Monroe	2,376	0.1%	6,361	0	1.60	0.0%	5	0.016	52.3%	0.8%	53.1%	-1.9%	32.0%	1.95	15.0%	\$728	\$837
26	Jefferson	62,239	1.9%	159,148	159,575	1.60	100.3%	146	0.086	57.2%	1.8%	59.1%	9.1%	46.8%	1.95	25.0%	\$708	\$885
27	Arkansas	5,649	0.2%	8,043	0	1.60	0.0%	6	0.017	52.3%	0.9%	53.2%	-1.8%	32.1%	2.03	15.0%	\$646	\$743
28	Phillips	17,972	0.5%	44,803	74,797	1.60	166.9%	30	0.039	57.6%	0.6%	58.2%	7.6%	44.7%	1.87	25.0%	\$787	\$994
29	Clark, Howard, Pike, Sevier	80,493	2.4%	189,015	50,227	1.60	26.8%	161	0.090	50.8%	1.3%	52.0%	-3.9%	29.4%	1.93	15.0%	\$648	\$745
30	Bradley, Calhoun, Cleveland, Dallas, Lincoln	18,940	0.6%	31,060	12,405	1.60	39.9%	27	0.037	52.7%	0.9%	53.6%	-1.0%	33.2%	1.92	15.0%	\$709	\$815
31	Desha	23,879	0.7%	49,945	815	1.60	1.6%	26	0.036	51.3%	0.6%	52.0%	-4.0%	29.1%	1.85	15.0%	\$795	\$914
32	Little River, Miller	70,415	2.1%	155,111	102,747	1.60	66.2%	145	0.086	54.3%	2.0%	56.3%	3.9%	39.8%	1.97	20.0%	\$670	\$804
33	Hempstead, LaFayette	18,188	0.5%	36,485	35,197	1.60	96.5%	28	0.038	54.8%	1.6%	56.4%	4.2%	40.3%	1.89	25.0%	\$899	\$874
34	Nevada, Ouachita	17,394	0.5%	47,113	159,392	1.60	338.3%	38	0.044	65.8%	1.1%	66.9%	23.6%	66.2%	1.84	25.0%	\$699	\$874
35	Columbia	13,502	0.4%	23,650	0	1.60	0.0%	12	0.025	51.9%	1.2%	53.1%	-1.9%	32.0%	1.92	15.0%	\$880	\$782
36	Union	76,208	2.3%	160,120	67,251	1.60	42.0%	126	0.080	52.3%	1.5%	53.8%	-0.6%	33.8%	1.81	15.0%	\$680	\$782
38	Cities of Little Rock and N. Little Rock (Pulaski County)	396,468	11.8%	737,012	427,310	1.60	58.0%	698	0.188	54.1%	0.5%	54.6%	0.9%	35.7%	1.92	20.0%	\$643	\$772
39	Hot Springs Village	3,439	0.1%	6,130	0	1.60	0.0%	9	0.022	52.0%	0.0%	52.0%	-3.9%	29.3%	1.91	15.0%	\$524	\$603
40	Drew County	39,388	1.2%	87,940	20,326	1.60	23.1%	83	0.065	51.2%	1.0%	52.3%	-3.4%	29.9%	1.95	15.0%	\$709	\$815
41	Ashley and Chicot Counties	58,918	1.8%	115,699	117,071	1.60	101.2%	89	0.067	56.4%	1.0%	57.5%	6.1%	42.8%	1.85	25.0%	\$795	\$994
Statewide		3,363,755		7,040,358	3,744,933		53.2%	7,390		52.9%	1.2%	54.1%	-0.2%	34.3%		18.1%		

(1) Current Level Earned Premium for the latest 5 complete calendar years for the companies of the Republic group.  
 (2) Ultimate Losses for the latest 5 complete accident years for the companies of the Republic group.  
 (3) Regional cat load used in the calculation of (2).  
 (4) = (2) / (1)  
 (5) Annual Earned Exposure counts for the latest 5 complete calendar years for the companies of the Republic group.  
 (6) Based on a 20,000 standard for full credibility, with partial credibility calculated via the "square-root" rule.  
 (7) = (4) x (6) + [ 1,000 - (6) ] x (4 Statewide)  
 (8) = Reinsurance Expense Allocated by Territory  
 (9) = (7) + (8)  
 (10) = (9) / (9 Statewide) - 1  
 (11) = [ 1,000 + (10) ] x [ 1,000 + (11 Statewide) ] / [ 1,000 + (10 Statewide) ] - 1,000  
 (12) = (Average of the 5 competitor rates) / (Republic's average rate)

**Republic Underwriters Insurance Company**  
**Arkansas Homeowners (HO-3)**  
**All Tiers Combined**

*Premium Trend Development*

Year-Qtr	Rolling 4 Quarter Basis			Premium Trend	
	(1) Earned Exposures	(2) Current Level Earned Prem	(3) Average Earned Prem		
2008-3	34	37,537	1,107		
2008-4	91	98,431	1,085		
2009-1	189	199,390	1,053		
2009-2	333	344,276	1,035		
2009-3	520	530,410	1,020		
2009-4	774	774,577	1,000		
2010-1	1,082	1,060,656	981		
2010-2	1,438	1,392,650	968		
2010-3	1,826	1,757,734	963		
2010-4	2,200	2,114,809	961		
2011-1	2,526	2,415,802	957		
2011-2	2,806	2,674,069	953		
2011-3	3,061	2,898,992	947		
2011-4	3,312	3,114,899	941		
2012-1	3,593	3,363,755	936		

Average Earned Date	(4) Average Earned Prem	(5) Premium Index	Premium Trend	
			4-point	-2.40%
			8-point	-1.91%
			12-point	-3.35%
10/1/2008	1,107	0.856		
10/1/2009	1,020	0.929		
10/1/2010	963	0.984		
10/1/2011	947	1.000	(6) Selected	<b>0.00%</b>

Years From Midpoint Of Latest Year's Data		
(7) To 12 Months Past Renewal		2.3
(8) Premium Projection Factor		1.000

Notes:

- (3) = (2)/(1).
- (4) from respective quarters in (3).
- (5) = (4)/ Last Period of (4).
- (8) = (1+(6))^(7)

**Republic Underwriters Insurance Company  
Arkansas Homeowners (HO-3)  
All Tiers Combined  
Rate History**

Exhibit II  
Page 2

Date of Change	Statewide Change All Tiers
2/1/2008	Initial Filing
8/1/2010	10.0%
1/15/2012	10.0%

Fiscal Year Ending March	On-Level Factor
2009	1.210
2010	1.210
2011	1.182
2012	1.103



**Republic Underwriters Insurance Company  
Arkansas Homeowners (HO-3)**

Exhibit IV

**All Tiers Combined**

*Loss Trend Development*

Year-Qtr	Rolling 4 Quarter Basis						Countrywide				
	(1) Ultimate Counts	(2) Ultimate Losses	(3) Earned Exposures	(4) Ult. Counts	(5) Ult. Losses	(6) Frequency	(7) Severity	(8) Pure Premium	(9) Fast Track Frequency	(10) Fast Track Severity	(11) Fast Track Pure Premium
2008-3	1	9,423	34	1	9,423	0.0295	9,423	278	0.0441	7,787	344
2008-4	3	70,066	91	4	79,489	0.0441	19,872	876	0.0443	7,956	353
2009-1	8	45,132	189	12	124,622	0.0634	10,385	658	0.0452	8,099	366
2009-2	11	84,619	333	23	209,241	0.0691	9,097	629	0.0455	8,249	375
2009-3	10	47,515	520	32	247,333	0.0615	7,729	475	0.0452	8,408	380
2009-4	23	80,965	774	52	258,232	0.0672	4,964	334	0.0461	8,332	384
2010-1	25	572,210	1,082	69	785,310	0.0639	11,369	726	0.0454	8,367	380
2010-2	30	203,675	1,438	88	904,366	0.0613	10,258	629	0.0455	8,310	378
2010-3	31	88,196	1,826	109	945,046	0.0599	8,647	518	0.0462	8,291	383
2010-4	31	153,153	2,200	117	1,017,234	0.0534	8,661	462	0.0465	8,383	390
2011-1	35	379,649	2,526	128	824,673	0.0506	6,457	327	0.0475	8,425	400
2011-2	46	706,301	2,806	143	1,327,299	0.0511	9,250	473	0.0483	8,497	411
2011-3	61	486,839	3,061	173	1,725,942	0.0565	9,971	564	0.0481	8,625	415
2011-4	42	281,414	3,312	184	1,854,203	0.0555	10,083	560	0.0486	8,562	416
2012-1	43	365,746	3,593	192	1,840,299	0.0535	9,582	512			

	Frequency	Severity	Pure Premium	Fast Track Frequency	Fast Track Severity	Fast Track Pure Premium
4-point*	4.60%	4.68%	9.27%	2.53%	2.53%	5.05%
8-point*	-5.47%	5.11%	-0.36%	4.28%	2.03%	6.31%
12-point*	-9.46%	7.59%	-1.87%	2.80%	1.60%	4.41%
16-point*				2.91%	3.12%	6.03%
*Ending 1st Qtr 2012				** Ending 4th Qtr 2011		

(12) Selected Historical Trend	0.00%	0.00%	0.00%
(13) Selected Future Trend	2.00%	2.00%	4.04%

Notes:

(3), (4), (5) are on a four quarter rolling basis.

(6) = (4)/(3).

(7) = (5)/(4).

(8) = (6) x (7).

(9), (10), (11) from Fast Track Circular.

(14) = (1+Pure Premium from (13))^2.3

Midpoint of latest year	1 yr past Renewal
Project from 10/1/2011 ----->	1/15/2014
	2.3 yrs.
(14) Loss Projection Factor	1.095

Republic Underwriters Insurance Company  
Arkansas Homeowners (HO-3)  
All Tiers Combined  
Loss Adjustment Expense

Exhibit V

**Development of Allocated Loss Adjustment Expense (ALAE) Provision as a Percent of Incurred Losses**  
(Source of Data: Page 15)

Arkansas Data

Calendar Year	(1) Incurred Losses	(2) Incurred ALAE	(3) = (2) / (1) ALAE Percentage
2008	92,222	3,416	3.7%
2009	472,664	7,887	1.7%
2010	1,384,909	37,060	2.7%
2011	4,552,290	79,951	1.8%
Total:	6,502,085	128,314	2.5%

Countrywide Data

Calendar Year	(1) Incurred Losses	(2) Incurred ALAE	(3) = (2) / (1) ALAE Percentage
2007	49,746,524	1,191,622	2.4%
2008	188,862,972	3,272,124	1.7%
2009	93,349,283	3,586,380	3.8%
2010	58,920,198	4,298,944	7.3%
2011	79,265,437	1,819,831	2.3%
Total:	470,144,414	14,168,901	3.5%

**Selected ALAE Provision as a Percent of Incurred Losses: 3.0%**

**Development of Unallocated Loss Adjustment Expense (ULAE) Provision as a Percent of Earned Premium**  
(Source of Data: Insurance Expense Exhibits)

Countrywide Data

Calendar Year	(1) Earned Premium (000's)	(2) Incurred ULAE (000's)	(3) = (2) / (1) ULAE Percentage
2007	118,417	4,727	4.0%
2008	144,041	16,327	11.3%
2009	145,301	13,334	9.2%
2010	145,743	7,063	4.8%
2011	142,083	5,907	4.2%
Total:	695,585	47,358	6.7%

**Selected ULAE Provision as a Percent of Earned Premium: 6.5%**

**Development of Unallocated Loss Adjustment Expense (ULAE) Provision as a Percent of Incurred Loss**  
(Source of Data: Insurance Expense Exhibits)

Countrywide Data

Calendar Year	(1) Incurred Loss (000's)	(2) Incurred ULAE (000's)	(3) = (2) / (1) ULAE Percentage
2007	49,747	4,727	9.5%
2008	188,862	16,327	8.6%
2009	93,349	13,334	14.3%
2010	58,921	7,063	12.0%
2011	79,266	5,907	7.5%
Total:	470,145	47,358	10.8%

**Selected ULAE Provision as a Percent of Incurred Loss: 10.0%**

**Republic Underwriters Insurance Company**  
**Arkansas Homeowners (HO-3)**

Exhibit VI

**All Tiers Combined**

Expected Non-Hurricane Catastrophe Provision  
(000 omitted)

**Arkansas Homeowners**

Fiscal Year Ending March	Non-Cat Ult Loss	Non-Hurricane Catastrophe Inc Losses	Non-Hurricane Catastrophe Factor
2010	779	320	0.411
2011	818	146	0.179
2012	1,819	2,737	1.504
Total	3,416	3,203	0.937

Average Catastrophe Factor : 0.698

AR HO Selected Catastrophe Factor : 0.600

**Oklahoma Homeowners<sup>1</sup>**

Accident Year Ending March	Non-Cat Ult Loss	Non-Hurricane Catastrophe Inc Losses	Non-Hurricane Catastrophe Factor
1993	926	431	0.4651
1994	1,495	465	0.3110
1995	1,232	149	0.1208
1996	1,107	254	0.2292
1997	1,823	303	0.1664
1998	1,072	-	0.0000
1999	1,205	49	0.0410
2000	1,339	1,213	0.9056
2001	1,460	430	0.2948
2002	1,561	219	0.1401
2003	2,086	219	0.1051
2004	2,749	3,120	1.1348
2005	2,810	608	0.2165
2006	2,984	1,559	0.5225
2007	5,067	1,710	0.3375
2008	3,083	3,277	1.0628
2009	3,541	9,616	2.7158
2010	4,084	1,036	0.2537
2011	4,924	2,061	0.4186
2012	5,199	3,764	0.7240

<sup>1</sup> Written in Southern Underwriters & Republic Fire and Casualty Insurance Companies

Average Catastrophe Factor : 0.694

10-Year Average Catastrophe Factor: 0.749

5-Year Average Catastrophe Factor: 1.035

OK HO Selected Catastrophe Factor: 0.694

Note: Republic's Oklahoma experience was considered in selecting the catastrophe provision due to the lack of experience in Arkansas

**Republic Underwriters Insurance Company**  
**Arkansas Homeowners (HO-3)**  
**All Tiers Combined**

Exhibit VII  
Page 1

Permissible Loss and Loss Adjustment Expense Ratio

Expenses	2009	2010	2011	Selected
<b>Fixed</b>				
General Expense <sup>1</sup> :	3.4%	3.3%	3.2%	3.3%
Other Acquisition <sup>1</sup> :	3.5%	3.4%	3.2%	3.4%
Policy Fees Received <sup>2</sup> :	(0.3%)	(0.3%)	(0.3%)	(0.3%)
<b>Total Fixed Expenses :</b>	<b>6.6%</b>	<b>6.4%</b>	<b>6.1%</b>	<b>6.4%</b>
AR Homeowners Earned Premium	640,146	1,764,954	2,789,046	
Fixed Expense \$ Amount	42,406	113,527	170,033	
Fixed Expense Trend @ 4% Annual	1.162	1.118	1.075	
Trended Fixed Expenses	49,295	126,896	182,746	197,346
AR HO Projected Earned Premium	774,577	2,114,809	3,114,899	3,363,755
<b>Proj. Fixed Expense as % of Premium</b>	<b>6.4%</b>	<b>6.0%</b>	<b>5.9%</b>	<b>5.9%</b>
<b>Variable</b>				
Commission and Brokerage <sup>3</sup> :	16.8%	17.8%	17.5%	17.5%
Taxes, Licenses, and Fees <sup>3</sup> :	3.8%	3.2%	3.8%	3.8%
Profit and Contingencies Provision <sup>4</sup> :				7.4%
Cost of Reinsurance (2012)				1.3%
<b>Total Variable Expenses :</b>	<b>28.0%</b>	<b>28.4%</b>	<b>28.7%</b>	<b>30.0%</b>
<b>Total Expense Provision :</b>	<b>34.4%</b>	<b>34.4%</b>	<b>34.6%</b>	<b>35.8%</b>
<b>Permissible Loss &amp; LAE Ratio :</b>				<b>64.2%</b>
<b>Variable Expense Ratio :</b>				<b>30.0%</b>
<b>Variable Permissible Loss &amp; LAE Ratio :</b>				<b>70.0%</b>

<sup>1</sup> Insurance Expense Exhibit, Part III; as a percent of Earned Premium

Other Acquisition: Insurance Expense Exhibit, Part III; as a percent of Written Premium

<sup>2</sup> as a percent of Earned Premium

<sup>3</sup> Annual Statement, Page 15, State of Arkansas; as a percent of Written Premium

<sup>4</sup> Exhibit IX, Page 1

Republic Underwriters Insurance Company  
Arkansas Homeowners (HO-3)

Cost of Reinsurance - 2012

Reinsurance Layer	Reinsurance Limit	2012 Property Reinsurance Cost Companywide	2012 Property Reinsurance Cost Arkansas HO	AR HO Reins. Cost as a % of Premium*
<b>Per Risk Excess of Loss Reinsurance:</b>				
1st Layer	4M xs 1M	3,479,249	26,094	
2nd Layer	10M xs 5M	<u>920,299</u>	<u>-</u>	
(A) Per Risk Excess Reinsurance Total Cost		4,399,548	26,094	
(B) Estimated Reinsurer Profit, Expense, & Risk Load			7,828	0.24%
<b>Catastrophe Reinsurance:</b>				
		2012 CAT Reins. Cost Companywide	2012 CAT Reins. Cost Arkansas HO	
1st Layer	20M xs 20M 2 Events	9,591,015	27,747	
2nd Layer	60M xs 40M 2 Events	13,668,717	18,630	
3rd Layer	75M xs 100M 2 Events	8,099,941	4,650	
4th Layer	125M xs 175M 1 Event	<u>7,187,479</u>	<u>4,082</u>	
(C) Cat Reinsurance Total Cost		38,547,151	55,109	
(D) AIR CLASIC v12.0 avg annual Severe Storm Loss & LAE		<u>Companywide</u> 44,254,842	<u>Arkansas HO</u> 656,630	
(E) Projected Cat Losses Excess of \$20M Retention			21,548	
(F) Estimated Reinsurer Profit, Expenses & Risk Load (C) - (E)			33,561	1.0%
<b>(B) + (F) Property Reinsurance Cost Over Expected Premium:</b>			41,389	1.3%

\* Reinsurance Cost is expressed as a percentage of projected 2012 Arkansas Homeowners Earned Premium.

Allocation of Companywide Catastrophe Reinsurance Cost

Modeled Hurricane and Severe Thunderstorm Losses & LAE

(1)	(2)	(3)
All States All Lines	Arkansas Homeowners	Modeled Loss Allocation
44,254,842	656,630	1.5%

Catastrophe Reinsurance Cost:

	(4)	(5)	(6)
	Companywide Cat Reins.	% Arkansas Homeowners	Arkansas Cat Reins.
1st Layer 20M xs 20M	9,591,015	0.3%	27,747
2nd Layer 60M xs 40M	13,668,717	0.1%	18,630
3rd Layer 75M xs 100M	8,099,941	0.1%	4,650
4th Layer 125M xs 175M	7,187,479	0.1%	4,082
Cat Reinsurance Cost Total	38,547,151	0.1%	55,109

(1) Average annual losses based on the Applied Insurance Research model methodology and assumptions; using policies in force on 6/30/2011.

(2) Average annual losses for Arkansas Homeowners

(3) = (2) / (1)

(4) Companywide catastrophe reinsurance cost for 2012, includes reinstatement premiums.

(5) = (6) / (4)

(6) Arkansas Homeowners catastrophe reinsurance cost for 2012, includes reinstatement premiums.

**Republic Underwriters Insurance Company**  
**Arkansas Homeowners (HO-3)**  
**All Tiers Combined**  
Assignment of Credibility

Exhibit VIII

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Fiscal Year Ending March	Number of Claims
2009	12
2010	69
2011	127
2012	180

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(1) Total Number of Claims :	388
(2) Claim Standard for Full Credibility <sup>1</sup> :	1,082
(3) Assigned Credibility $((1) / (2))^{0.5}$ , maximum 100%	59.9%

<sup>1</sup> Frequency only; within 5% with 90% confidence

Calculation of After-tax Return on Equity

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$$\begin{aligned} \text{After-tax Return on Equity} &= \text{After-tax return on surplus} \\ &+ (\text{Premium / Surplus}) \times \text{After-tax Return on Reserves} \\ &+ (1 - \text{tax rate}) \times (\text{Premium / Surplus}) \times (\text{targeted pre-tax underwriting profit}) \end{aligned}$$

(1) After-Tax return on investment earnings	1.7%
(2) Tax rate	35.0%
(3) Premium / surplus ratio	1.7
(4) Return on reserves, after tax	1.3%
(5) Targeted pre-tax underwriting profit	7.4%
(6) After-Tax Return on Equity	12.0%
$(1) + (3) \times (4) + [(1 - (2)) \times (3) \times (5)]$	

(1) Exhibit IX, Page 4

(4) Exhibit IX, Page 2 & Page 3

**Estimated Investment Earnings On Loss & Loss Adjustment Expense Reserves**

1. Loss and Loss Adjustment Expense Reserves as of December 31, 2010 (a)	\$12,326,271
2. Loss and Loss Adjustment Expense Reserves as of December 31, 2011 (a)	\$17,367,216
3. Mean Loss and Loss Adjustment Expense Reserves [ (1) + (2) ] / 2	\$14,846,744
4. Actual Incurred Loss and Loss Adjustment Expenses (b), (d) [ 1.1451 x 61,089,905 ]	\$69,954,050
5. Average period \$1.00 of Loss and LAE remains in reserves (in years) [(3) / (4)]	0.212
6. Average Rate of Return on Invested Assets (c)	3.41%
7. Expected investment earnings on \$1.00 of Loss and LAE while in reserves [ (1+(6))^(5) - 1 ]	\$0.0071
8. Expected Loss and LAE Ratio = (1.000 - Expense Ratio) (e)	64.2%
9. Estimated Investment Earnings as a percentage of Net Earned Premium [ (7) * (8) ]	0.46%

a. Source: Annual Statement, Part 2a, Column 8 + Column 9, Line 4

b. Source: Annual Statement, Part 2, Column 7, Line 4

c. Source: Exhibit IX, Page 4

d. Sources: LAE factor, from the 2011 year-end D.O. Statement

e. Source: Exhibit VII Page 1

Estimated Investment Earnings On Unearned Premium Reserves

	(h)		
	Installment	Prepaid	Total
1. Homeowners Unearned Premium Reserve as of December 31, 2010 (a)	58,934,666	4,829,381	63,764,047
2. Homeowners Unearned Premium Reserve as of December 31, 2011 (a)	51,277,112	11,126,401	62,403,513
3. Mean Homeowners Unearned Premium Reserve $[(1)+(2)]/2$	55,105,889	7,977,891	63,083,780
4. Reduction Due to Booking Installment as Full (b)	26,120,191	xxxxxxxxx	26,120,191
5. Net Mean Homeowners Unearned Premium Reserve	28,985,698	7,977,891	36,963,589
6. Percentage of Prepaid Expenses (c)			
(A) Commissions and Brokerages (/W.P.)	17.5%		
(B) Taxes, Licenses, & Fees (/W.P.)	3.8%		
(C) 50% of Other Acq. & Gen. Expense (/E.P.)	3.4%		
(D) Total Prepaid Expenses [(A)+(B)+(C)]			24.7%
7. Agents' balances as of December 31, 2010 (d)			81,506,307
8. Agents' balances as of December 31, 2011 (d)			87,779,260
9. Mean Agents' Balances $[(7)+(8)]/2$			84,642,784
10. All lines Net Earned Premium for 2011 (e)			368,337,940
11. Factor Representing Delayed Remission of Premium $[(9)/(10)]$			0.230
12. Net Mean Homeowners Unearned Premiums Subject to Investment $[(5) \times \{1.0 - (6D)\} \times \{1.0 - (11)\}]$			21,446,089
13. Average Rate-of-Return on Investible Assets (f)			3.41%
14. Estimated Investment Earnings on Unearned Premium Reserves $[(12) \times (13)]$			730,400
15. Homeowners Net Earned Premium for 2011 (g)			91,741,247
16. Estimated Investment Earnings as a Percentage of Homeowners Net Earned Premiums $[(14)/(15)]$			0.80%

a) A. S., Part 2, Line 4, Columns 2 & 3

b) Installment Plan calls for 25% due on Effective Date, payments thereafter in the 3rd, 5th, 7th, & 9th months. By comparison, it can be shown that the average monthly unearned premium reserve on the installment plan is 28.47% of the written, while that on the prepaid basis is 54.17%. Hence, a reduction in the unearned premium reserve of 47.4% is appropriate on installment business  $[(54.17 - 28.47)/54.17]$ .

c) See Exhibit VII, Page 1

d) A. S., Page 2, Line 13.1 + Line 13.2

e) A. S., Part 2, Column 4, Line 32

f) Exhibit IX, Page 4

g) A. S., Part 2, Column 4, Line 4

Calculation of After-tax Return on Equity

	Southern	Republic-Vanguard	Republic Underwriters	Republic Lloyds	Southern Underwriters	Republic Fire & Cas.	Southern Cnty Mutual	Southern Vanguard	Grand Total	
<b>Investment Income Calendar Year 2011 (2011 AS)</b>										
(1) Net Investment Income (Page 12, Line 17)	918,382	561,047	14,730,451	159,161	173,680	228,372	0	207,199	16,978,292	
(2) Common stock of affiliates (Page 12, Col. 1, Line 2.21)	0	0	1,570,000	0	0	0	0	0	1,570,000	
(3) Net Investment Income after consolidation (1) - (2)	918,382	561,047	13,160,451	159,161	173,680	228,372	0	207,199	15,408,292	(A)
<b>Capital Gains Calendar Year 2010 (2010 AS)</b>										
(4) Net Realized Capital Gains after Tax (Page 4, Line 10, Col. 1)	28,376	86,612	10,734,944	0	0	3,559	243,182	13,886	11,110,559	
(5) Net Unrealized Capital Gains after Tax (Page 4, Line 24, Col. 1)	-1,690	-5,733	2,248,576	0	0	0	-11,700	0	2,229,453	
(6) Total Net Capital Gains after Tax (7) + (8)	26,686	80,879	12,983,520	0	0	3,559	231,482	13,886	13,340,012	(B)
<b>Capital Gains Calendar Year 2011 (2011 AS)</b>										
(7) Net Realized Capital Gains after Tax (Page 4, Line 10, Col. 1)	11,156	78,178	5,450,246	8,186	82,412	18,469	22,950	39,596	5,711,193	
(8) Net Unrealized Capital Gains after Tax (Page 4, Line 24, Col. 1)	825	0	561,160	0	0	0	1,250	0	563,235	
(9) Total Net Capital Gains after Tax .(7) + (8)	11,981	78,178	6,011,406	8,186	82,412	18,469	24,200	39,596	6,274,428	(C)
<b>Invested Assets as of 12/31/2010 (2010 AS)</b>										
(10) Total Invested Assets (Page 2, Line 12, Col 3)	44,754,815	22,994,113	545,974,774	12,404,799	5,348,166	8,821,210	31,787,953	10,100,240	682,186,070	
(11) Value of consolidated affiliates (Page S104, Line 24, Col 2 - SchD)	0	0	91,479,926	0	0	0	0	0	91,479,926	
(12) Net invested assets after consolidation (13) - (14)	44,754,815	22,994,113	454,494,848	12,404,799	5,348,166	8,821,210	31,787,953	10,100,240	590,706,144	(D)
<b>Invested Assets as of 12/31/2011 (2011 AS)</b>										
(13) Total Invested Assets (Page 2, Line 12, Col 3)	49,637,752	23,321,076	523,103,885	12,677,213	5,507,508	8,602,313	31,841,867	9,886,127	664,577,741	
(14) Value of consolidated affiliates (Page S104, Line 24, Col 2 - SchD)	0	0	91,216,844	0	0	0	0	0	91,216,844	
(15) Net invested assets after consolidation (13) - (14)	49,637,752	23,321,076	431,887,041	12,677,213	5,507,508	8,602,313	31,841,867	9,886,127	573,360,897	(E)
Capital Gains Rate of Return (After-Tax):		1.68%								(F)=((B)+(C)) / ((D)+(E))
Investment Income Rate of Return (Pre-Tax):		2.65%								(G) = (A) / (Avg ((D) , (E)))
Effective Tax-Rate in Investment Earnings:		0.35								(H)
<b>Rate of Return (After-Tax) on Investment Income:</b>		<b>1.72%</b>								(I) = (G) x (1.000 - (H))
<b>Rate of Return (After-Tax) on Invested Assets:</b>		<b>3.41%</b>								(J) = (F) + (I)

Notes:

Item (1) is net of investment expenses.

Items (5) and (8) are valued at Market.

This is appropriate as this is how these items are carried in (4) and (7) respectively.

**PRIVATE & CONFIDENTIAL**

**(1) INSURANCE SCORE**

Score	Points
800+	110
750-799	100
700-749	85
650-699	65
625-649	45
600-624	30
575-599	20
550-574	10
<550	0

**(2) PRIOR INSURANCE DAYS LAPSE**

Insured Term	Days Lapse	Points
0-1	No Need / New Home	40
0-1	0	40
0-1	1-30	10
0-1	31+	0
2+	n/a	40

**(3) AGE OF HOME OR UPDATED COMPONENTS**

Home Age	Home Age Points	Age of the Update	Age of all three Complete Update Points
0-15	40	0-15	20
16-17	35	16-17	12
18-19	30	18-19	9
20-24	20	20-24	6
25-29	15	25-29	3
30-34	10	30-34	0
35-39	5	35-39	0
40-44	0	40-44	0
45-49	0	45-49	0
50+	0	50+	0

**(4) ROOF AGE**

Roof Age	New Business Points	Renewal Points	Renewal Points with Paid Roof Repl*
0-4	15	15	15
5-6	13	13	13
7-8	11	11	11
9-10	9	9	9
11-12	6	6	6
13-15	3	3	3
16+	0	0	0

**(5) RESIDENCE TYPE**

Residence Type	Points
Primary	30
Secondary	0
Seasonal	0

\* If Republic pays a claim for roof damage/replacement, the age of the new roof will be assigned points shown above.

Use the sum of: (1) age of home points or (2) age of all three complete electrical, heating/cooling, and plumbing update points. Cap the total to 40 points for this category.

**(6) NUMBER OF FAMILIES**

Families	Points
1	30
2	20
3	10
4	0

**(7) PPC**

PPC	Points
1-8	30
9	15
10	0

**(8) HEATING SYSTEM**

Type of Heating System	Points
Central	30
Not Central, Thermostatically Controlled, Permanently Installed	10
All Other Types	0

**POINT VALUE TABLE**

Point Range	Tier	Factor
321+	1	0.62
316-320	2	0.65
311-315	3	0.68
306-310	4	0.70
301-305	5	0.73
296-300	6	0.76
291-295	7	0.79
286-290	8	0.82
281-285	9	0.85
276-280	10	0.89
271-275	11	0.93
266-270	12	0.96
261-265	13	1.00
256-260	14	1.04
251-255	15	1.08
246-250	16	1.13
241-245	17	1.18
236-240	18	1.22
231-235	19	1.27
226-230	20	1.31
221-225	21	1.37
216-220	22	1.43
211-215	23	1.50
206-210	24	1.57
<206	25	1.66

The underwriting tier is determined by adding together the total points from tables (1) through (8) above. The maximum total points that can be accumulated is 325 and the minimum is 0. Look up the total points in the Point Value Table to determine the tier assignment.

Maximum points: 325  
Minimum points: 0

**PRIVATE & CONFIDENTIAL**

**PRIVATE & CONFIDENTIAL**

**(1) INSURANCE SCORE**

Score	Points
800+	110
750-799	100
700-749	85
650-699	65
625-649	45
600-624	30
575-599	20
550-574	10
<550	0

**(2) PRIOR INSURANCE DAYS LAPSE**

Insured Term	Days Lapse	Points
0-1	No Need / New Home	40
0-1	0	40
0-1	1-30	10
0-1	31+	0
2+	n/a	40

**(3) AGE OF HOME**

Home Age	Points
0-15	40
16-17	35
18-19	30
20-24	20
25-29	15
30-34	10
35-39	5
40-44	0
45-49	0
50+	0

**(4) ROOF AGE**

Roof Age	New Business Points	Renewal Points	Renewal Points with Paid Roof Repl*
0-4	15	15	15
5-6	13	13	13
7-8	11	11	11
9-10	9	9	9
11-12	6	6	6
13-15	3	3	3
16+	0	0	0

**(5) RESIDENCE TYPE**

Residence Type	Points
Primary	30
Secondary	0
Seasonal	0

\* If Republic pays a claim for roof damage/replacement, the age of the new roof will be assigned points shown above.

**(6) NUMBER OF FAMILIES**

Families	Points
1	30
2	20
3	10
4	0

**(7) PPC**

PPC	Points
1-8	30
9	15
10	0

**(8) HEATING SYSTEM**

Type of Heating System	Points
Central	30
Not Central, Thermostatically Controlled, Permanently Installed	10
All Other Types	0

**POINT VALUE TABLE**

Point Range	Tier	Factor
321+	1	0.62
316-320	2	0.65
311-315	3	0.68
306-310	4	0.70
301-305	5	0.73
296-300	6	0.76
291-295	7	0.79
286-290	8	0.82
281-285	9	0.85
276-280	10	0.89
271-275	11	0.93
266-270	12	0.96
261-265	13	1.00
256-260	14	1.04
251-255	15	1.08
246-250	16	1.13
241-245	17	1.18
236-240	18	1.22
231-235	19	1.27
226-230	20	1.31
221-225	21	1.37
216-220	22	1.43
211-215	23	1.50
206-210	24	1.57
<206	25	1.66

The underwriting tier is determined by adding together the total points from tables (1) through (8) above. The maximum total points that can be accumulated is 325 and the minimum is 0. Look up the total points in the Point Value Table to determine the tier assignment.

Maximum points: 325  
 Minimum points: 0

**PRIVATE & CONFIDENTIAL**

Republic Underwriters Insurance Company  
Arkansas Homeowners (HO-3)  
All Tiers Combined  
Support for Removal of Renovation Credits

Exhibit X  
Page 3

Data as of: Mar-12

Loss Ratio for All 3 Complete Renovations by Year xCat

<u>AY</u>	<u>No</u>	<u>Yes</u>	<u>Total</u>
2008	125.2%	2.3%	93.2%
2009	29.2%	36.3%	31.6%
2010	25.3%	106.1%	45.3%
2011	61.2%	20.6%	52.7%
2012	25.2%	85.1%	36.3%
<b>Total</b>	<b>43.6%</b>	<b>56.2%</b>	<b>46.6%</b>

Loss Ratio for All 3 Complete Renovations by Year wCat

<u>AY</u>	<u>No</u>	<u>Yes</u>	<u>Total</u>
2008	135.2%	31.5%	108.1%
2009	47.0%	55.5%	49.9%
2010	35.0%	135.3%	59.8%
2011	133.7%	71.5%	120.6%
2012	41.4%	182.2%	67.5%
<b>Total</b>	<b>84.6%</b>	<b>100.1%</b>	<b>88.2%</b>

Total Effect on Premium: +1.9%

**ARKANSAS HOMEOWNERS  
AVERAGE RATES BY TERRITORY  
COMPETITIVE COMPARISON AND PROPOSAL**

Competitor	Republic Territory												
	1	2	3	4	5	6	7	8	9	10	11	12	13
Competitor 1	\$585	\$585	\$590	\$704	\$704	\$916	\$612	\$608	\$597	\$863	\$931	\$1,068	\$710
Competitor 2	\$834	\$834	\$888	\$997	\$1,200	\$1,200	\$956	\$745	\$997	\$1,405	\$1,416	\$1,405	\$997
Competitor 3	\$972	\$972	\$1,138	\$1,154	\$1,207	\$1,207	\$1,080	\$1,330	\$1,330	\$1,098	\$1,138	\$1,372	\$1,080
Competitor 4	\$734	\$734	\$800	\$911	\$1,144	\$1,144	\$944	\$693	\$911	\$1,288	\$1,263	\$1,263	\$693
Competitor 5	\$939	\$939	\$950	\$950	\$1,350	\$1,049	\$947	\$1,056	\$950	\$1,112	\$1,350	\$1,350	\$912
Republic (Current)	\$422	\$439	\$488	\$488	\$629	\$616	\$494	\$495	\$488	\$666	\$550	\$680	\$511
Average Competitor Rate	\$813	\$813	\$873	\$943	\$1,121	\$1,103	\$908	\$886	\$957	\$1,153	\$1,220	\$1,292	\$878
Average Competitive Ratio	1.93	1.85	1.79	1.93	1.78	1.79	1.84	1.79	1.96	1.73	2.22	1.90	1.72
<b>Republic Proposed*</b>	<b>\$485</b>	<b>\$527</b>	<b>\$561</b>	<b>\$586</b>	<b>\$723</b>	<b>\$708</b>	<b>\$593</b>	<b>\$569</b>	<b>\$561</b>	<b>\$766</b>	<b>\$688</b>	<b>\$782</b>	<b>\$588</b>
%	15%	20%	15%	20%	15%	15%	20%	15%	15%	15%	25%	15%	15%

Territory	Area Description	Counties Included
1	Northwest Corner	Benton, Washington
2	Northwest Corner	Carroll, Madison
3	Northern AR	Baxter, Boone, Marion
4	Northern AR	Fulton, Independence, Izard, Sharp
5	Northern AR	Lawrence
6	Northern AR	Clay, Greene, Randolph
7	Fort Smith Area	Crawford, Sebastian
8	Ozark National Forest	Conway, Franklin, Johnson, Newton, Pope
9	East of Ozark National Forest	Cleburne, Searcy, Stone, Van Buren
10	Newport Area	Jackson, Woodruff
11	Jonesboro Area	Craighead
12	North of Memphis	Mississippi
13	Western AR	Logan

**RISK: \$180,000 AOI, FRAME, P/C 2, \$1,000 DEDUCTIBLE, AGE OF HOME - 6, AGE OF ROOF - 6, 3-YEAR LOSS FREE, BASE RATED TIER (ESTIMATED)**

\* Republic Tier 3

**ARKANSAS HOMEOWNERS  
AVERAGE RATES BY TERRITORY  
COMPETITIVE COMPARISON AND PROPOSAL**

Competitor	Republic Territory												
	14	15	16	17	18	19	20	21	22	23	24	25	26
Competitor 1	\$710	\$630	\$704	\$1,068	\$863	\$839	\$665	\$665	\$657	\$657	\$863	\$863	\$863
Competitor 2	\$997	\$745	\$1,214	\$1,405	\$1,405	\$997	\$844	\$799	\$1,115	\$1,115	\$1,202	\$1,405	\$1,380
Competitor 3	\$1,330	\$1,080	\$1,098	\$1,372	\$1,372	\$1,080	\$1,105	\$1,033	\$1,078	\$1,098	\$1,098	\$1,372	\$1,187
Competitor 4	\$693	\$796	\$1,288	\$1,288	\$1,263	\$1,188	\$956	\$796	\$1,083	\$796	\$1,288	\$1,288	\$1,249
Competitor 5	\$1,084	\$995	\$1,194	\$1,350	\$1,315	\$1,267	\$902	\$1,215	\$1,082	\$1,056	\$1,056	\$1,112	\$1,159
Republic (Current)	\$557	\$444	\$533	\$655	\$519	\$573	\$495	\$495	\$521	\$495	\$574	\$619	\$600
Average Competitor Rate	\$963	\$849	\$1,100	\$1,297	\$1,244	\$1,074	\$894	\$902	\$1,003	\$944	\$1,101	\$1,208	\$1,168
Average Competitive Ratio	1.73	1.91	2.06	1.98	2.40	1.87	1.81	1.82	1.93	1.91	1.92	1.95	1.95
<b>Republic Proposed*</b>	<b>\$641</b>	<b>\$533</b>	<b>\$613</b>	<b>\$753</b>	<b>\$623</b>	<b>\$659</b>	<b>\$594</b>	<b>\$594</b>	<b>\$599</b>	<b>\$594</b>	<b>\$660</b>	<b>\$712</b>	<b>\$750</b>
%	15%	20%	15%	15%	20%	15%	20%	20%	15%	20%	15%	15%	25%

Territory	Area Description	Counties Included
14	Western AR	Yell
15	North of Pulaski (LR)	Faulkner
16	Northeast of Pulaski (LR)	White
17	Eastern AR	Cross, Lee, Poinsett, St. Francis
18	West of Memphis	Crittenden
19	Ouchita National Forest	Montgomery, Polk, Scott
20	Hot Springs Area	Remainder of Garland, Hot Spring, Perry
21	Southwest of Pulaski (LR)	Grant, Saline
22	Western AR	Remainder of Pulaski
23	East of Pulaski (LR)	Lonoke
24	East of Pulaski (LR)	Prairie
25	Eastern AR	Monroe
26	Southeast of Pulaski (LR)	Jefferson

RISK: \$180,000 AOI, FRAME, P/C 2, \$1,000 DEDUCTIBLE, AGE OF HOME - 6, AGE OF ROOF - 6, 3-YEAR LOSS FREE, BASE RATED TIER (ESTIMATED)

\* Republic Tier 3

**ARKANSAS HOMEOWNERS  
AVERAGE RATES BY TERRITORY  
COMPETITIVE COMPARISON AND PROPOSAL**

Competitor	Republic Territory													
	27	28	29	30	31	32	33	34	35	36	38	39	40	41
Competitor 1	\$863	\$863	\$839	\$863	\$863	\$820	\$839	\$736	\$820	\$736	\$657	\$493	\$863	\$863
Competitor 2	\$1,202	\$1,405	\$997	\$1,202	\$1,405	\$1,202	\$1,202	\$1,202	\$1,202	\$1,015	\$1,111	\$844	\$1,405	\$1,405
Competitor 3	\$1,105	\$1,372	\$1,080	\$1,105	\$1,385	\$1,168	\$1,168	\$1,105	\$1,168	\$1,105	\$1,078	\$1,043	\$1,105	\$1,385
Competitor 4	\$1,288	\$1,288	\$1,188	\$1,288	\$1,288	\$1,188	\$1,188	\$1,188	\$1,157	\$1,157	\$1,317	\$956	\$1,188	\$1,288
Competitor 5	\$1,112	\$1,315	\$1,215	\$1,315	\$1,315	\$1,209	\$1,212	\$1,215	\$1,215	\$1,215	\$1,082	\$902	\$1,315	\$1,315
Republic (Current)	\$548	\$668	\$550	\$602	\$675	\$567	\$592	\$592	\$578	\$578	\$546	\$444	\$602	\$675
Average Competitor Rate	\$1,114	\$1,249	\$1,064	\$1,155	\$1,251	\$1,117	\$1,122	\$1,089	\$1,112	\$1,046	\$1,049	\$848	\$1,175	\$1,251
Average Competitive Ratio	2.03	1.87	1.93	1.92	1.85	1.97	1.89	1.84	1.92	1.81	1.92	1.91	1.95	1.85
<b>Republic Proposed*</b>	<b>\$630</b>	<b>\$835</b>	<b>\$633</b>	<b>\$692</b>	<b>\$776</b>	<b>\$680</b>	<b>\$740</b>	<b>\$740</b>	<b>\$665</b>	<b>\$665</b>	<b>\$655</b>	<b>\$511</b>	<b>\$692</b>	<b>\$844</b>
%	15%	25%	15%	15%	15%	20%	25%	25%	15%	15%	20%	15%	15%	25%

Territory	Area Description	Counties Included
27	Eastern AR	Arkansas
28	Eastern AR	Phillips
29	Southwestern AR	Clark, Howard, Pike, Sevier
30	South Central AR	Bradley, Calhoun, Cleveland, Dallas, Lincoln
31	Southeastern AR	Desha
32	Texarkana Area	Little River, Miller
33	Southwest Corner (xTexarkana Area)	Hempstead, LaFayette
34	Southern AR	Nevada, Ouachita
35	Southern AR	Columbia
36	Southern AR	Union
38	Little Rock and N. Little Rock	Cities of Little Rock and North Little Rock (Pulaski County)
39	Hot Springs Area	Hot Springs (Garland and Saline Counties)
40	Southeast Corner	Drew
41	Southeast Corner	Ashley, Chicot

RISK: \$180,000 AOI, FRAME, P/C 2, \$1,000 DEDUCTIBLE, AGE OF HOME - 6, AGE OF ROOF - 6, 3-YEAR LOSS FREE, BASE RATED TIER (ESTIMATED)

\* Republic Tier 3

Republic Underwriters Insurance Company  
Arkansas Homeowners (HO-3)  
All Tiers Combined  
Statewide Rate Level Indications

Exhibit I  
Page 1  
REVISED

Data as of: Mar-12

Proposed Effective Dates  
New: 12/15/2012  
Renewal: 1/15/2013

Republic Group Of Insurance Companies

Losses

Fiscal Year Ending March	(1) Non-Cat Incurred	(2) Catastrophe	(3) Development Factor	(4) Ultimate Non-Hurr Cat Adjusted	(5) Current Cost Factors	(6) Projection Factor 1/15/2014	(7) Trended Ult Non-Hurr Cat Adjusted
2009	123,718	63,391	1.003	198,543	1.000	1.095	217,418
2010	776,375	318,888	1.003	1,245,926	1.000	1.095	1,364,380
2011	815,995	145,677	1.003	1,309,508	1.000	1.095	1,434,007
2012	1,687,214	2,538,130	1.078	2,910,713	1.000	1.095	3,187,443

Premiums & Loss Ratio

Fiscal Year Ending March	(8) Earned Premiums Actual	(9) Onlevel Factor	(10) at Current Rate	(11) Current Amount Factors	(12) On-Level at Current Amounts	(13) Projection Factor 1/15/2014	(14) Trended at Current Rate Level	(15) Trended Ultimate On-Level Loss Ratio
2009	164,785	1.210	199,390	0.856	170,623	1.000	170,623	127.4%
2010	876,575	1.210	1,060,656	0.929	985,186	1.000	985,186	138.5%
2011	2,043,080	1.182	2,415,802	0.984	2,376,171	1.000	2,376,171	60.3%
2012	3,049,623	1.103	3,363,755	1.000	3,363,755	1.000	3,363,755	94.8%

Indication

(17) Premium Weighted Projected Loss Ratio	90.4%	Accident Year	(25) Total Number of Claims
(18) Loss Adjustment Expense as % of Incurred Losses	13.0%	2009	12
(19) Weighted Loss & LAE Ratio	102.2%	2010	69
(20) Fixed Expense Ratio	6.0%	2011	127
(21) Permissible Loss & LAE Ratio	70.0%	2012	180
(22) Indicated Change before Credibility Weighting	54.5%		
(23) Compliment to Credibility	4.1%		
(24) Credibility Table Value	0.599		
<b>(26) Indicated Statewide Rate Level Change</b>	<b>34.3%</b>		
<b>(27) Selected Statewide Rate Level Change</b>	<b>15.0%</b>		

Notes:

(3) is from Exhibit III.  
(4) = (1) x (3) x Non-Hurr Cat Factor of 1.600. (see Exhibit VI)  
(5) is from Exhibit IV.  
(6) is from Exhibit IV.  
(7) = (4) x (5) x (6).  
(9) is from Exhibit II, Page 2.  
(10) = (8) x (9).  
(11) is from Exhibit II.  
(12) = (10) x (11).  
(13) is from Exhibit II.  
(14) = (12) x (13).

(15) = (7) / (14).  
(17) = premium weighted average of (15).  
(18) is from Exhibit V.  
(19) = (17) x [1.000 + (18)].  
(20) is from Exhibit VII.  
(21) is from Exhibit V and Exhibit VII.  
(22) = { [ (19)+(20) ] / [ (21) ] } - 1  
(23) is [ (1.0404) / (1) ] ^ 1 Years  
(24) = [(Total of (25b) / 1082] ^ 0.5. See Exhibit VIII, .  
(26) = [(22) x (24)] + (23) x [1.000 - (24)].  
(27) is selected by the Republic group.

Republic Fire & Casualty  
 Southern Underwriters  
 Arkansas Homeowners  
 Statewide Development of Indicated Rate Adjustment by Territory  
 Data as of 3/31/2012  
 Large Losses capped at \$50,000

Territory	Territory Description	Fiscal Year Ending March 2012		Fiscal Year Ending March 2008 to 2012		Regional Cat Load	Territorial Loss Ratio	Earned House Years	Credibility Weighted Loss Ratio	Reins. Load	Credibility Loss Ratio w/ Reins.	Credibility Weighted Relative Change	Indicated Statewide Need	Competitor Average Ratio	Selected Territory Change	Base Rates		
		EPOL	Dist.	OnLeveled Earned Premium	Adjusted Inc Loss											Current	Proposed	
1	Benton, Washington	697,521	20.7%	1,261,540	503,275	1.60	39.9%	1,576	0.283	49.4%	1.7%	51.1%	-5.6%	27.1%	1.93	10.0%	\$496	\$546
2	Carroll, Madison	12,509	0.4%	28,937	17,981	1.60	62.1%	31	0.039	53.5%	1.1%	54.7%	1.0%	35.9%	1.85	15.0%	\$519	\$597
3	Baxter, Boone, Marion	26,550	0.8%	52,267	18,977	1.60	36.3%	49	0.050	52.4%	0.9%	53.3%	-1.6%	32.4%	1.79	10.0%	\$575	\$633
4	Fulton, Independence, Izard, Sharp	109,113	3.2%	217,268	179,966	1.60	82.8%	269	0.117	56.6%	0.8%	57.5%	6.2%	42.9%	1.93	15.0%	\$575	\$661
5	Lawrence	8,326	0.2%	20,888	0	1.60	0.0%	18	0.030	51.6%	0.6%	52.2%	-3.6%	29.7%	1.78	10.0%	\$743	\$817
6	Clay, Greene, Randolph	20,550	0.6%	47,351	12,568	1.60	26.5%	49	0.050	51.9%	0.0%	51.9%	-4.1%	29.0%	1.79	10.0%	\$726	\$799
7	Crawford, Sebastian	61,185	1.8%	154,303	111,435	1.60	72.2%	185	0.097	55.0%	1.6%	56.6%	4.6%	40.7%	1.84	15.0%	\$581	\$668
8	Conway, Franklin, Johnson, Newton, Pope	128,765	3.8%	262,763	75,896	1.60	28.9%	282	0.120	50.3%	1.3%	51.6%	-4.7%	28.2%	1.79	10.0%	\$582	\$640
9	Cleburne, Searcy, Stone, Van Buren	84,580	2.5%	207,302	29,902	1.60	14.4%	220	0.106	49.1%	1.0%	50.1%	-7.4%	24.6%	1.96	10.0%	\$575	\$633
10	Jackson, Woodruff	15,050	0.4%	39,287	14,113	1.60	35.9%	38	0.044	52.4%	0.7%	53.2%	-1.8%	32.1%	1.73	10.0%	\$785	\$864
11	Craighead	144,818	4.3%	396,989	280,679	1.60	70.7%	428	0.147	55.8%	0.9%	56.7%	4.7%	40.9%	2.22	20.0%	\$648	\$778
12	Mississippi	40,863	1.2%	90,744	10,563	1.60	11.6%	84	0.065	50.5%	0.6%	51.0%	-5.7%	26.9%	1.90	10.0%	\$801	\$881
13	Logan	12,413	0.4%	23,896	0	1.60	0.0%	22	0.034	51.4%	1.2%	52.6%	-2.9%	30.7%	1.72	10.0%	\$602	\$662
14	Yell	8,621	0.3%	12,410	0	1.60	0.0%	13	0.026	51.8%	1.0%	52.8%	-2.5%	31.2%	1.73	10.0%	\$658	\$724
15	Faulkner	155,324	4.6%	329,916	197,325	1.60	59.8%	398	0.142	54.1%	1.6%	55.8%	3.0%	38.6%	1.91	15.0%	\$524	\$603
16	White	68,238	2.0%	131,518	28,181	1.60	21.4%	138	0.083	50.5%	0.8%	51.4%	-5.1%	27.6%	2.06	10.0%	\$629	\$692
17	Cross, Lee, Poinsett, St. Francis	51,111	1.5%	143,873	11,750	1.60	8.2%	129	0.081	49.6%	0.6%	50.1%	-7.4%	24.6%	1.98	10.0%	\$771	\$848
18	Crittenden	118,223	3.5%	299,952	217,761	1.60	72.6%	313	0.126	55.6%	0.8%	56.4%	4.2%	40.2%	2.40	15.0%	\$612	\$704
19	Montgomery, Polk, Scott	19,367	0.6%	71,491	17,669	1.60	24.7%	61	0.055	51.6%	1.5%	53.1%	-1.9%	32.0%	1.87	10.0%	\$675	\$743
20	Garland, Hot Spring, Perry	129,495	3.8%	272,920	175,015	1.60	64.1%	247	0.112	54.4%	1.3%	55.7%	2.9%	38.4%	1.81	15.0%	\$582	\$669
21	Grant, Saline	261,725	7.8%	507,660	378,642	1.60	74.6%	557	0.168	56.8%	0.8%	57.6%	6.4%	43.2%	1.82	15.0%	\$582	\$669
22	Remainder of Pulaski	167,388	5.0%	362,132	98,793	1.60	27.3%	381	0.139	49.6%	2.0%	51.6%	-4.6%	28.3%	1.93	10.0%	\$614	\$675
23	Lonoke	116,552	3.5%	247,316	137,331	1.60	55.5%	275	0.118	53.5%	1.8%	55.2%	2.0%	37.3%	1.91	15.0%	\$582	\$669
24	Prairie	-	0.0%	0	0	1.60	0.0%	0	0.000	50.2%	0.0%	53.2%	-1.7%	32.2%	1.92	10.0%	\$676	\$744
25	Monroe	2,376	0.1%	6,361	0	1.60	0.0%	5	0.016	52.3%	0.8%	53.1%	-1.9%	32.0%	1.95	10.0%	\$728	\$801
26	Jefferson	62,239	1.9%	159,148	159,575	1.60	100.3%	146	0.086	57.2%	1.8%	59.1%	9.1%	46.8%	1.95	20.0%	\$708	\$850
27	Arkansas	5,649	0.2%	8,043	0	1.60	0.0%	6	0.017	52.3%	0.9%	53.2%	-1.8%	32.1%	2.03	10.0%	\$646	\$711
28	Phillips	17,972	0.5%	44,803	74,797	1.60	166.9%	30	0.039	57.6%	0.6%	58.2%	7.6%	44.7%	1.87	20.0%	\$787	\$944
29	Clark, Howard, Pike, Sevier	80,493	2.4%	189,015	50,227	1.60	26.6%	161	0.090	50.8%	1.3%	52.0%	-3.9%	29.4%	1.93	10.0%	\$648	\$713
30	Bradley, Calhoun, Cleveland, Dallas, Lincoln	18,940	0.6%	31,060	12,405	1.60	39.9%	27	0.037	52.7%	0.9%	53.6%	-1.0%	33.2%	1.92	10.0%	\$709	\$780
31	Desha	23,879	0.7%	49,945	815	1.60	1.6%	26	0.036	51.3%	0.6%	52.0%	-4.0%	29.1%	1.85	10.0%	\$795	\$875
32	Little River, Miller	70,415	2.1%	155,111	102,747	1.60	66.2%	145	0.086	54.3%	2.0%	56.3%	3.9%	39.8%	1.97	15.0%	\$670	\$771
33	Hempstead, LaFayette	18,188	0.5%	36,485	35,197	1.60	96.5%	28	0.038	54.8%	1.6%	56.4%	4.2%	40.3%	1.89	20.0%	\$699	\$839
34	Nevada, Ouachita	17,394	0.5%	47,113	159,392	1.60	338.3%	38	0.044	65.8%	1.1%	66.9%	23.6%	66.2%	1.84	20.0%	\$699	\$839
35	Columbia	13,502	0.4%	23,650	0	1.60	0.0%	12	0.025	51.9%	1.2%	53.1%	-1.9%	32.0%	1.92	10.0%	\$880	\$748
36	Union	76,208	2.3%	160,120	67,251	1.60	42.0%	126	0.080	52.3%	1.5%	53.8%	-0.6%	33.8%	1.81	10.0%	\$680	\$748
38	Cities of Little Rock and N. Little Rock (Pulaski County)	396,468	11.8%	737,012	427,310	1.60	58.0%	698	0.188	54.1%	0.5%	54.6%	0.9%	35.7%	1.92	15.0%	\$643	\$739
39	Hot Springs Village	3,439	0.1%	6,130	0	1.60	0.0%	9	0.022	52.0%	0.0%	52.0%	-3.9%	29.3%	1.91	10.0%	\$524	\$576
40	Drew County	39,388	1.2%	87,940	20,326	1.60	23.1%	83	0.065	51.2%	1.0%	52.3%	-3.4%	29.9%	1.95	10.0%	\$709	\$780
41	Ashley and Chicot Counties	58,918	1.8%	115,699	117,071	1.60	101.2%	89	0.067	56.4%	1.0%	57.5%	6.1%	42.8%	1.85	20.0%	\$795	\$954
Statewide		3,363,755		7,040,358	3,744,933		53.2%	7,390		52.9%	1.2%	54.1%	-0.2%	34.3%		13.1%		

(1) Current Level Earned Premium for the latest 5 complete calendar years for the companies of the Republic group.  
 (2) Ultimate Losses for the latest 5 complete accident years for the companies of the Republic group.  
 (3) Regional cat load used in the calculation of (2).  
 (4) = (2) / (1)  
 (5) Annual Earned Exposure counts for the latest 5 complete calendar years for the companies of the Republic group.  
 (6) Based on a 20,000 standard for full credibility, with partial credibility calculated via the "square-root" rule.  
 (7) = (4) x (6) + [ 1,000 - (6) ] x (4 Statewide)  
 (8) = Reinsurance Expense Allocated by Territory  
 (9) = (7) + (8)  
 (10) = (9) / (9 Statewide) - 1  
 (11) = [ 1,000 + (10) ] x [ 1,000 + (11 Statewide) ] / [ 1,000 + (10 Statewide) ] - 1,000  
 (12) = (Average of the 5 competitor rates) / (Republic's average rate)

State: Arkansas

Filing Company:

Republic Underwriters Insurance Company

TOI/Sub-TOI: 04.0 Homeowners/04.0003 Owner Occupied Homeowners

Product Name: Standard Homeowners (ISO 2000 Program)

Project Name/Number: Rate Revision/

## 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 Item Status	Schedule	Schedule Item Name	Replacement Creation Date	Attached Document(s)
09/10/2012		Rate	Base Rates	12/26/2012	AR HO 00 03 Manual 12 12 rate.pdf (Superseded)
09/10/2012		Supporting Document	Actuarial Support and Tiering Revisions	12/26/2012	Filing Memorandum-AR HO3.pdf Filing Exhibits.pdf
09/07/2012		Supporting Document	HPCS-Homeowners Premium Comparison Survey	12/26/2012	HO Survey FORM HPCS.xls (Superseded) HO Survey FORM HPCS.pdf (Superseded)
09/07/2012		Supporting Document	NAIC loss cost data entry document	12/26/2012	FORM RF-1 Rate Filing Abstract.pdf (Superseded)

**ARKANSAS HOMEOWNERS POLICY PROGRAM MANUAL  
BASE CLASS PREMIUM TABLES**

<b>Territory</b>	<b>Description</b>	<b>Base Rate</b>
1	Benton and Washington Counties	\$570
2	Carroll and Madison Counties	\$623
3	Baxter, Boone and Marion Counties	\$661
4	Fulton, Independence, Izard and Sharp Counties	\$690
5	Lawrence County	\$854
6	Clay, Greene and Randolph Counties	\$835
7	Crawford and Sebastian Counties	\$697
8	Conway, Franklin, Johnson, Newton and Pope Counties	\$669
9	Cleburne, Searcy, Stone and Van Buren Counties	\$661
10	Jackson and Woodruff Counties	\$903
11	Craighead County	\$810
12	Mississippi County	\$921
13	Logan County	\$692
14	Yell County	\$757
15	Faulkner County	\$629
16	White County	\$723
17	Cross, Lee, Poinsett and St. Francis Counties	\$887
18	Crittenden County	\$734
19	Montgomery, Polk and Scott Counties	\$776
20	Garland, Hot Spring and Perry Counties	\$698
21	Grant and Saline Counties	\$698
22	Remainder of Pulaski County	\$706
23	Lonoke County	\$698
24	Prairie County	\$777
25	Monroe County	\$837
26	Jefferson County	\$885
27	Arkansas County	\$743
28	Phillips County	\$984
29	Clark, Howard, Pike and Sevier Counties	\$745
30	Bradley, Calhoun, Cleveland, Dallas and Lincoln Counties	\$815
31	Desha County	\$914
32	Little River and Miller Counties	\$804
33	Hempstead and LaFayette Counties	\$874
34	Nevada and Ouachita Counties	\$874
35	Columbia County	\$782
36	Union County	\$782
38	Cities of Little Rock and North Little Rock (Pulaski County)	\$772
39	Hot Springs Village	\$603
40	Drew County	\$815
41	Ashley and Chicot Counties	\$994

NAIC Number: 24538  
 Company Name: Republic Underwriters Insurance Company  
 Contact Person: Bill Bradford  
 Telephone No.: 972-788-6617  
 Email Address: bill.bradford@republicgroup.com  
 Effective Date: 12/15/2012

**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	\$574	\$640	\$666	\$743	\$816	\$910	\$893	\$997	\$920	\$1,027	\$787	\$879	\$810	\$903	\$702	\$783	\$777	\$867
	\$120,000	\$805	\$898	\$933	\$1,041	\$1,143	\$1,276	\$1,252	\$1,397	\$1,290	\$1,440	\$1,104	\$1,232	\$1,135	\$1,266	\$984	\$1,098	\$1,090	\$1,216
	\$160,000	\$1,044	\$1,165	\$1,211	\$1,351	\$1,484	\$1,655	\$1,625	\$1,813	\$1,674	\$1,868	\$1,432	\$1,598	\$1,473	\$1,643	\$1,277	\$1,424	\$1,414	\$1,578
6	\$80,000	\$665	\$737	\$771	\$855	\$944	\$1,047	\$1,034	\$1,147	\$1,066	\$1,182	\$912	\$1,011	\$937	\$1,040	\$813	\$901	\$900	\$998
	\$120,000	\$932	\$1,033	\$1,080	\$1,198	\$1,324	\$1,468	\$1,450	\$1,608	\$1,494	\$1,657	\$1,278	\$1,418	\$1,314	\$1,458	\$1,139	\$1,264	\$1,262	\$1,400
	\$160,000	\$1,209	\$1,341	\$1,402	\$1,555	\$1,718	\$1,905	\$1,881	\$2,086	\$1,938	\$2,150	\$1,658	\$1,839	\$1,705	\$1,891	\$1,478	\$1,639	\$1,637	\$1,816
9	\$80,000	\$1,299	\$1,571	\$1,506	\$1,822	\$1,846	\$2,232	\$2,021	\$2,445	\$2,083	\$2,519	\$1,782	\$2,155	\$1,832	\$2,216	\$1,588	\$1,921	\$1,759	\$2,128
	\$120,000	\$1,821	\$2,202	\$2,112	\$2,554	\$2,588	\$3,130	\$2,834	\$3,427	\$2,920	\$3,531	\$2,498	\$3,021	\$2,569	\$3,106	\$2,227	\$2,693	\$2,466	\$2,983
	\$160,000	\$2,363	\$2,857	\$2,740	\$3,313	\$3,358	\$4,060	\$3,677	\$4,446	\$3,789	\$4,582	\$3,242	\$3,920	\$3,333	\$4,030	\$2,889	\$3,494	\$3,200	\$3,870

**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																		
	\$120,000																		
	\$160,000																		
6	\$80,000																		
	\$120,000																		
	\$160,000																		
9	\$80,000																		
	\$120,000																		
	\$160,000																		

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

**HO3 and HO4 only**

Fire Extinguisher	0 %	Deadbolt Lock	0 %
Burglar Alarm	3 %	Window Locks	0 %
Smoke Alarm	3 %	\$1,000 Deductible	14 %
		Other (specify)	
		Maximum Credit Allowed	

**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 (yes or no)	
WHAT IS YOUR PERCENTAGE DEDUCTIBLE?	5 %	
WHAT IS YOUR PRICE PER \$1,000 OF COVERAGE?	Zone	
Highest Risk	Brick \$ 2.47	Frame \$ 2.17
Lowest Risk	Brick \$ 0.78	Frame \$ 0.29

