

State: Arkansas **Filing Company:** American Modern Home Insurance Company
TOI/Sub-TOI: 04.0 Homeowners/04.0002 Mobile Homeowners
Product Name: Manufactured Home Program
Project Name/Number: Rate/Rule Filing /20130506-15

Filing at a Glance

Company: American Modern Home Insurance Company
Product Name: Manufactured Home Program
State: Arkansas
TOI: 04.0 Homeowners
Sub-TOI: 04.0002 Mobile Homeowners
Filing Type: Rate/Rule
Date Submitted: 10/11/2013
SERFF Tr Num: AMMH-129243166
SERFF Status: Closed-Filed
State Tr Num:
State Status:
Co Tr Num: 20130506-15

Effective Date: 02/11/2014
Requested (New):
Effective Date:
Requested (Renewal):
Author(s): Traci Burbage, Susan Crawford
Reviewer(s): Becky Harrington (primary)
Disposition Date: 10/25/2013
Disposition Status: Filed
Effective Date (New): 02/11/2014
Effective Date (Renewal): 02/11/2014

State Filing Description:

State: Arkansas **Filing Company:** American Modern Home Insurance Company
TOI/Sub-TOI: 04.0 Homeowners/04.0002 Mobile Homeowners
Product Name: Manufactured Home Program
Project Name/Number: Rate/Rule Filing /20130506-15

General Information

Project Name: Rate/Rule Filing Status of Filing in Domicile:
 Project Number: 20130506-15 Domicile Status Comments:
 Reference Organization: Reference Number:
 Reference Title: Advisory Org. Circular:
 Filing Status Changed: 10/25/2013
 State Status Changed: Deemer Date:
 Created By: Susan Crawford Submitted By: Traci Burbage
 Corresponding Filing Tracking Number: n/a

Filing Description:
 Please see explanatory.

Company and Contact

Filing Contact Information

Susan Crawford, Filing Analyst scrawford@amig.com
 7000 Midland Blvd. 800-759-9008 [Phone] 6151 [Ext]
 Amelia, OH 45102

Filing Company Information

American Modern Home Insurance CoCode: 23469 State of Domicile: Ohio
 Company Group Code: 361 Company Type: Property and
 7000 Midland Blvd. Group Name: Munich Re Group Casualty
 Amelia, OH 45102 FEIN Number: 31-0715697 State ID Number:
 (800) 759-9008 ext. [Phone]

Filing Fees

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

Company	Amount	Date Processed	Transaction #
American Modern Home Insurance Company	\$150.00	10/11/2013	75223859

State: Arkansas
TOI/Sub-TOI: 04.0 Homeowners/04.0002 Mobile Homeowners
Product Name: Manufactured Home Program
Project Name/Number: Rate/Rule Filing /20130506-15

Filing Company: American Modern Home Insurance Company

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Becky Harrington	10/25/2013	10/25/2013

Objection Letters and Response Letters

Objection Letters

Status	Created By	Created On	Date Submitted
Pending Industry Response	Becky Harrington	10/23/2013	10/23/2013
Pending Industry Response	Becky Harrington	10/16/2013	10/16/2013

Response Letters

Responded By	Created On	Date Submitted
Susan Crawford	10/24/2013	10/24/2013
Susan Crawford	10/22/2013	10/22/2013

State: Arkansas
TOI/Sub-TOI: 04.0 Homeowners/04.0002 Mobile Homeowners
Product Name: Manufactured Home Program
Project Name/Number: Rate/Rule Filing /20130506-15

Filing Company: American Modern Home Insurance Company

Disposition

Disposition Date: 10/25/2013
 Effective Date (New): 02/11/2014
 Effective Date (Renewal): 02/11/2014
 Status: Filed

Comment: Maximum increase amount includes impact of claims surcharge amounts.

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
American Modern Home Insurance Company	13.600%	10.000%		9,897	\$7,927,454	51.600%	-16.300%

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document (revised)	NAIC loss cost data entry document	Filed	Yes
Supporting Document	NAIC loss cost data entry document		Yes
Supporting Document	NAIC Loss Cost Filing Document for OTHER than Workers' Comp		Yes
Supporting Document	Indications	Filed	Yes
Supporting Document	disruption charts	Filed	Yes
Supporting Document	explanatory	Filed	Yes
Supporting Document	Determination of Revised Relativities exhibit	Filed	Yes
Supporting Document	Claims Surcharge Filing Exhibit	Filed	Yes
Rate (revised)	AR077MH	Filed	Yes
Rate	AR077MH		Yes

State: Arkansas **Filing Company:** American Modern Home Insurance Company
TOI/Sub-TOI: 04.0 Homeowners/04.0002 Mobile Homeowners
Product Name: Manufactured Home Program
Project Name/Number: Rate/Rule Filing /20130506-15

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	10/23/2013
Submitted Date	10/23/2013
Respond By Date	

Dear Susan Crawford,

Introduction:

This filing has been reviewed by the Commissioner due to the requested increase amount being greater than 6%.

Objection 1

Comments: Please revise the overall increase to 10%.

Conclusion:

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

Arkansas does not allow 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*

State: Arkansas **Filing Company:** American Modern Home Insurance Company
TOI/Sub-TOI: 04.0 Homeowners/04.0002 Mobile Homeowners
Product Name: Manufactured Home Program
Project Name/Number: Rate/Rule Filing /20130506-15

Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 10/16/2013
Submitted Date 10/16/2013
Respond By Date

Dear Susan Crawford,

Introduction:

This will acknowledge receipt of the captioned filing.

Objection 1

- explanatory (Supporting Document)

Comments: Please provide supporting documentation justifying the age of insured factors.

Objection 2

- explanatory (Supporting Document)

Comments: Please provide supporting documentation justifying the changes to the age of home relatives.

Objection 3

- explanatory (Supporting Document)

Comments: Please provide supporting documentation justifying the revised location factors.

Objection 4

- explanatory (Supporting Document)

Comments: Provide additional details regarding "combined territories".

Objection 5

- explanatory (Supporting Document)

Comments: Provide justification for the non-weather claim surcharges.

Conclusion:

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

Arkansas does not allow the re-opening of closed filings for corrections, changes in effective dates, scrivener's errors, amendments or substantive changes. Please see the General Instructions for how these events will be handled after the effective date of the change."

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

*Sincerely,
Becky Harrington*

State: Arkansas
TOI/Sub-TOI: 04.0 Homeowners/04.0002 Mobile Homeowners
Product Name: Manufactured Home Program
Project Name/Number: Rate/Rule Filing /20130506-15

Filing Company: American Modern Home Insurance Company

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	10/24/2013
Submitted Date	10/24/2013

Dear Becky Harrington,

Introduction:

Response 1

Comments:

We have changed the Package Base Rate to \$788. Revised Package Rate, Page PR-1 is attached. We have lowered the overall impact to 10% as requested. The maximum increase is changed to 17.7% and the premium impact is changed to \$791,659. These changes are shown on the attached revised NAIC loss cost data entry document.

Related Objection 1

Comments: Please revise the overall increase to 10%.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied - Item:	NAIC loss cost data entry document
Comments:	
Attachment(s):	F319AR_NAIC Loss Cost Data Entry Doc- 077.pdf

Previous Version

Satisfied - Item:	NAIC loss cost data entry document
Comments:	
Attachment(s):	NAIC Loss Cost Data Entry Doc- 077.pdf

No Form Schedule items changed.

SERFF Tracking #:

AMMH-129243166

State Tracking #:

Company Tracking #:

20130506-15

State:

Arkansas

Filing Company:

American Modern Home Insurance Company

TOI/Sub-TOI:

04.0 Homeowners/04.0002 Mobile Homeowners

Product Name:

Manufactured Home Program

Project Name/Number:

Rate/Rule Filing /20130506-15

Rate Schedule Item Changes

Item No.	Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing Number	Date Submitted
1	AR077MH	EC1-2, D-1, BR-1, PR-1, RR-1, T-1, SD-1	Replacement		10/24/2013 By: Susan Crawford
<i>Previous Version</i>					
1	AR077MH	EC1-2, D-1, BR-1, PR-1, RR-1, T-1, SD-1	Replacement		10/11/2013 By: Traci Burbage

Conclusion:

Sincerely,

Susan Crawford

State: Arkansas
TOI/Sub-TOI: 04.0 Homeowners/04.0002 Mobile Homeowners
Product Name: Manufactured Home Program
Project Name/Number: Rate/Rule Filing /20130506-15

Filing Company: American Modern Home Insurance Company

Response Letter

Response Letter Status Submitted to State
 Response Letter Date 10/22/2013
 Submitted Date 10/22/2013

Dear Becky Harrington,

Introduction:

Response 1

Comments:

Please see the attached Determination of Revised Relativities exhibit.

Related Objection 1

Applies To:

- explanatory (Supporting Document)

Comments: Please provide supporting documentation justifying the age of insured factors.

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	Determination of Revised Relativities exhibit
Comments:	
Attachment(s):	AR 077 Objection 1, 2, 3 and 5 - Determination of Revised Relativities.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 2

Comments:

Please see the attached Determination of Revised Relativities exhibit

Related Objection 2

Applies To:

- explanatory (Supporting Document)

State: Arkansas

Filing Company:

American Modern Home Insurance Company

TOI/Sub-TOI: 04.0 Homeowners/04.0002 Mobile Homeowners

Product Name: Manufactured Home Program

Project Name/Number: Rate/Rule Filing /20130506-15

Comments: Please provide supporting documentation justifying the changes to the age of home relativities.

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	Determination of Revised Relativities exhibit
Comments:	
Attachment(s):	AR 077 Objection 1, 2, 3 and 5 - Determination of Revised Relativities.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 3

Comments:

Please see the attached Determination of Revised Relativities exhibit

Related Objection 3

Applies To:

- explanatory (Supporting Document)

Comments: Please provide supporting documentation justifying the revised location factors.

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	Determination of Revised Relativities exhibit
Comments:	
Attachment(s):	AR 077 Objection 1, 2, 3 and 5 - Determination of Revised Relativities.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 4

Comments:

State: Arkansas**Filing Company:**

American Modern Home Insurance Company

TOI/Sub-TOI: 04.0 Homeowners/04.0002 Mobile Homeowners**Product Name:** Manufactured Home Program**Project Name/Number:** Rate/Rule Filing /20130506-15

In the previous filing the identical Tenant rates for both territories 50 and 51 were listed. We simply combined the label to read "All Territories".

Related Objection 4

Applies To:

- explanatory (Supporting Document)

Comments: Provide additional details regarding "combined territories".

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 5**Comments:**

Please see the attached Determination of Revised Relativities and the Claims Surcharge Filing Exhibits.

Related Objection 5

Applies To:

- explanatory (Supporting Document)

Comments: Provide justification for the non-weather claim surcharges.

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	Determination of Revised Relativities exhibit
Comments:	
Attachment(s):	AR 077 Objection 1, 2, 3 and 5 - Determination of Revised Relativities.pdf
Satisfied - Item:	Claims Surcharge Filing Exhibit
Comments:	
Attachment(s):	AR 077 Objection 5- Claims Surcharge Filing Exhibit.pdf

SERFF Tracking #:

AMMH-129243166

State Tracking #:

Company Tracking #:

20130506-15

State:

Arkansas

Filing Company:

American Modern Home Insurance Company

TOI/Sub-TOI:

04.0 Homeowners/04.0002 Mobile Homeowners

Product Name:

Manufactured Home Program

Project Name/Number:

Rate/Rule Filing /20130506-15

Supporting Document Schedule Item Changes

Satisfied - Item:	Determination of Revised Relativities exhibit
Comments:	
Attachment(s):	AR 077 Objection 1, 2, 3 and 5 - Determination of Revised Relativities.pdf
Satisfied - Item:	Claims Surcharge Filing Exhibit
Comments:	
Attachment(s):	AR 077 Objection 5- Claims Surcharge Filing Exhibit.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Sincerely,

Susan Crawford

SERFF Tracking #:

AMMH-129243166

State Tracking #:

Company Tracking #:

20130506-15

State:

Arkansas

Filing Company:

American Modern Home Insurance Company

TOI/Sub-TOI:

04.0 Homeowners/04.0002 Mobile Homeowners

Product Name:

Manufactured Home Program

Project Name/Number:

Rate/Rule Filing /20130506-15

Rate Information

Rate data applies to filing.

Filing Method:

File & Use

Rate Change Type:

Increase

Overall Percentage of Last Rate Revision:

15.000%

Effective Date of Last Rate Revision:

12/09/2014

Filing Method of Last Filing:

File & Use

Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
American Modern Home Insurance Company	13.600%	11.900%	\$946,037	9,897	\$7,927,454	51.600%	-16.300%

SERFF Tracking #:

AMMH-129243166

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

20130506-15

State:

Arkansas

Filing Company:

American Modern Home Insurance Company

TOI/Sub-TOI:

04.0 Homeowners/04.0002 Mobile Homeowners

Product Name:

Manufactured Home Program

Project Name/Number:

Rate/Rule Filing /20130506-15

Rate/Rule Schedule

Item No.	Schedule Item Status	Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing Number	Attachments
1	Filed 10/25/2013	AR077MH	EC1-2, D-1, BR-1, PR-1, RR-1, T-1, SD-1	Replacement		AR077MH-B.pdf

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

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

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

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

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

DEDUCTIBLES

The Deductible is applicable per home, per loss occurrence

Owner Byline, Owner Package, and Seasonal Byline Programs

Comprehensive Coverage Excluding Flood and Earthquake

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

- \$500 All Peril Deductible

Optional Deductibles

The deductible may be changed by applying the following premiums.

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

Tenant Program

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

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

Rental/Commercial Program

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

- Multiple Deductible options as shown on the rate page

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

OWNER AND SEASONAL BYLINE RATES

Comprehensive Excluding Flood and Earthquake

Product Code	Flat Base Rate	Min Rate Value	Min Val Accept	UVRC Code	Cov Relativity
Owner Byline	\$446.00	\$5,000	\$1,000	JL	1.000
Seasonal Byline	\$357.00	\$5,000	\$1,000	JL	1.000

OWNER AND SEASONAL BYLINE RATING FACTORS

Territory	Factor
50	1.00
51	1.66

Location	Factor
In Park	1.000
Out of Park	1.060

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

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

Age of Insured	Factor
18 - 34 Unknown	1.080
35 - 49	1.000
50 - 64	0.950
65 +	0.900

Age of Home	Factor
New - 1	0.800
2 - 3	0.850
4 - 5	0.900
6 - 10	1.000
11 - 15	1.120
16 - 20	1.240
21 +	1.300

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

OWNER PACKAGE RATES

Owner Package Manufactured Home

Comprehensive Excluding Flood and Excluding Earthquake

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

Product Code	Flat Base Rate	Min Rate Value	Min Val Accept	UVRC Code	Cov Relativity
Package	\$788.00	\$7,000	\$1,000	JL	1.000

OWNER PAGE RATING FACTORS

Territory	Factor
50	1.00
51	1.66

Location	Factor
In Park	1.000
Out of Park	1.060

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

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

Age of Insured	Factor
18 - 34 Unknown	1.080
35 - 49	1.000
50 - 64	0.950
65 +	0.900

Age of Home	Factor
New - 1	0.800
2 - 3	0.850
4 - 5	0.900
6 - 10	1.000
11 - 15	1.120
16 - 20	1.240
21 +	1.300

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

RENTAL/COMMERCIAL RATES

Coverage: Comprehensive - Excluding Flood and Earthquake

Rate: Rates shown are for \$100 of coverage or any part thereof:

Deductible	Coverage For:	Territory 50	Territory 51
\$250 *Maximum Per Occurrence Deductible \$2,500	Manufactured Home	\$3.03	\$4.16
	Other Structures	\$2.17	\$2.97
	Personal Property	\$2.17	\$2.97
\$500 *Maximum Per Occurrence Deductible \$5,000	Manufactured Home	\$2.71	\$3.69
	Other Structures	\$1.94	\$2.64
	Personal Property	\$1.94	\$2.64
\$1,000 *Maximum Per Occurrence Deductible \$10,000	Manufactured Home	\$2.32	\$3.16
	Other Structures	\$1.66	\$2.26
	Personal Property	\$1.66	\$2.26
\$2,500 *Maximum Per Occurrence Deductible \$25,000	Manufactured Home	\$1.65	\$2.26
	Other Structures	\$1.18	\$1.61
	Personal Property	\$1.18	\$1.61

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

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

TENANT RATES

Personal Property Coverage
Named Perils including Burglary (415)

Personal Property Coverage Amount	All Territories
\$5,000	\$180.00
For each additional \$1,000 or any part thereof, add:	\$14.40

* \$50,000 maximum Personal Property Coverage

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

SURCHARGES & DISCOUNTS

Surcharge	Rate
Supplemental Heating Device	\$35.00 per year, per home

Mandatory for all manufactured homes equipped with a supplemental heating device.

Non Weather Claim Count	Factor
0	0.800
1	1.000
2	1.150
3	1.300
4	1.500
5 +	1.500

State:

Arkansas

Filing Company:

American Modern Home Insurance Company

TOI/Sub-TOI:

04.0 Homeowners/04.0002 Mobile Homeowners

Product Name:

Manufactured Home Program

Project Name/Number:

Rate/Rule Filing /20130506-15

Supporting Document Schedules

Satisfied - Item:	NAIC loss cost data entry document
Comments:	
Attachment(s):	F319AR_NAIC Loss Cost Data Entry Doc- 077.pdf
Item Status:	Filed
Status Date:	10/25/2013

Satisfied - Item:	Indications
Comments:	
Attachment(s):	MH Std 077_AR_1Q13.pdf
Item Status:	Filed
Status Date:	10/25/2013

Satisfied - Item:	disruption charts
Comments:	
Attachment(s):	AR 077 Disruptioin Charts.pdf
Item Status:	Filed
Status Date:	10/25/2013

Satisfied - Item:	explanatory
Comments:	
Attachment(s):	Explanatory Memorandum.pdf
Item Status:	Filed
Status Date:	10/25/2013

Satisfied - Item:	Determination of Revised Relativities exhibit
Comments:	
Attachment(s):	AR 077 Objection 1, 2, 3 and 5 - Determination of Revised Relativities.pdf

SERFF Tracking #:

AMMH-129243166

State Tracking #:

Company Tracking #:

20130506-15

State:

Arkansas

Filing Company:

American Modern Home Insurance Company

TOI/Sub-TOI:

04.0 Homeowners/04.0002 Mobile Homeowners

Product Name:

Manufactured Home Program

Project Name/Number:

Rate/Rule Filing /20130506-15

Item Status:	Filed
Status Date:	10/25/2013
Satisfied - Item:	Claims Surcharge Filing Exhibit
Comments:	
Attachment(s):	AR 077 Objection 5- Claims Surcharge Filing Exhibit.pdf
Item Status:	Filed
Status Date:	10/25/2013

NAIC LOSS COST DATA ENTRY DOCUMENT

1.	This filing transmittal is part of Company Tracking #	20130506-15
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2.	If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number	n/a
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Company Name		Company NAIC Number		
3.	A.	American Modern Home Insurance Company	B.	361-23469

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.	Homeowners	B.	Mobile Homeowners

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
10101	12.5	10.1					
10111	7.5	7.5					
10301	12.1	12.1					
10511	1.5	1.5					
10201	25.3	0.0					
TOTAL OVERALL EFFECT	13.6	10.0					

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
2012	11,562	15.0%	12/15/12	9,009,434	4,446,169	49.4%	59.5%
2011	14,033	20.1%	10/1/2011	8,658,148	9,016,571	104.1%	70.4%
2010	14,008	1.9%	9/1/2010	8,092,803	5,404,560	66.8%	48.7%
2009	13,816	10.4%	6/1/2009	7,552,503	6,524,146	86.4%	53.6%
2008	13,926	-2.1%	3/15/2008	7,423,608	6,755,199	91.0%	78.8%

7.	
Expense Constants	Selected Provisions
A. Total Production Expense	23.4%
B. General Expense	9.9%
C. Taxes, License & Fees	2.8%
D. Underwriting Profit & Contingencies	10.9%
E. Other (explain)	1.2% (reins)
F. TOTAL	48.2%

- 8.** _____ Apply Lost Cost Factors to Future filings? (Y or N)
- 9.** _____ Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): 17.7%
- 10.** _____ Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): -16.3%

American Modern Home Insurance Company
Arkansas
Manufactured Home Standard

Exhibit 1
Page 1

Proposed Effective Date: 12/15/2013

<u>Class</u>	<u>Premium in Force at 3/31/2013</u>	<u>Premium in Force Distribution</u>	<u>Indication</u>
Manufactured Home-Byline	\$243,018	2.9%	7.5%
Manufactured Home-Package	\$6,663,398	80.6%	12.5%
Rental	\$1,054,079	12.8%	12.1%
Seasonal-Byline	\$280,166	3.4%	1.5%
Tenant	\$26,608	0.3%	25.3%
All Classes	\$8,267,269	100.0%	13.6%

Explanatory Memorandum

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

Assumptions and Methodologies

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

Explanatory Memorandum

- c. Accident Year Incurred Losses & ALAE are used in the rate indication; therefore, losses for each year may not be fully developed. The Loss & ALAE Development Factor estimates the further development of these losses by analyzing historical patterns of American Modern Insurance Group non-catastrophe losses. We calculate quarterly factors and weight them together using each year's latest incurred losses to obtain annual numbers. Please see Exhibit 6.
 - d. A ULAE Factor is applied to the Incurred Loss & ALAE to obtain Incurred Losses & LAE. The factor is calculated based on the average ratio of historical ULAE to historical Incurred Loss & ALAE in the latest 2 years. Please see Exhibit 8.
 - e. The Catastrophe Load allows us to use a longer experience period to control our response to unpredictable large loss events. We rely on ISO to identify catastrophes. That definition is any event that causes a loss of at least \$25 million to the insurance industry and has a sufficient number of claims. Our adjustment involves removing such losses and applying a historical average. This provides incurred losses indicative of normal catastrophic activity for our experience period. Please see Exhibit 7 for a further description of the method used.
 - f. The Cat Factor is applied to the Trended, Adjusted Non-Cat IL & LAE to obtain the Catastrophe IL & LAE.
 - g. The Total Adjusted Incurred Loss and LAE is the sum of the Trended Adjusted IL & LAE Excl Cat and the Trended Adjusted Cat Incurred Loss & LAE .
4. The Adjusted Loss and LAE Ratio is the Total Trended Adjusted Incurred Loss & LAE divided by the Trended Current Level Earned Premium.
 5. Normally, Accident Year weights are judgmentally selected to place greater weight on the more recent year's experience. However, when a program is growing rapidly, accident year weights may be based on Earned Premiums to avoid having an earlier year affecting the indication more than it should. Consideration may also be given to using even weights on all years when the Adjusted Loss and LAE Ratio are extremely volatile by year.
 6. The Weighted Experience Loss and LAE Ratio is the weighted average of the individual years Adjusted Loss and LAE Ratios and the Accident Year Weights.

Explanatory Memorandum

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

American Modern Home Insurance Company
Arkansas
Manufactured Home Standard
All Classes

Exhibit 2
Page 1

Rate Level Indications

	Accident Year Ending				
	3/31/2009	3/31/2010	3/31/2011	3/31/2012	3/31/2013
(1) Earned Exposures	13,963	13,942	13,821	14,171	12,243
(2) Earned Premium	7,431,577	7,667,786	8,224,143	8,810,919	8,865,737
(3) Rate Level Adjustment Factor	1.260	1.308	1.409	1.353	1.169
(4) Current Level Earned Premium	9,365,372	10,027,399	11,587,623	11,920,895	10,366,754
(5) Premium Trend Factor	1.201	1.154	1.108	1.065	1.023
(6) Trended Current Level Earned Premium	11,247,811	11,571,618	12,839,087	12,695,753	10,605,189
(7) Total Incurred Losses & ALAE	6,046,452	5,634,860	5,493,162	9,234,030	3,651,044
(8) Catastrophe Incurred Losses and ALAE	2,523,341	927,296	617,405	3,516,030	124,514
(9) IL & ALAE Excl Cat	3,523,111	4,707,564	4,875,757	5,717,999	3,526,530
(10) Incurred Loss & ALAE Trend Factor	1.568	1.421	1.289	1.168	1.059
(11) Incurred Loss & ALAE Development Factor	0.999	0.997	0.994	0.992	1.012
(12) ULAE Factor (to IL & ALAE)	1.011	1.011	1.011	1.011	1.011
(13) Trended Adjusted IL & LAE Excl Cat	5,579,420	6,742,743	6,315,860	6,698,071	3,820,984
(14) Catastrophe Factor	0.241	0.241	0.241	0.241	0.241
(15) Trended Adjusted Cat Incurred Loss & LAE	1,344,640	1,625,001	1,522,122	1,614,235	920,857
(16) Total Trended Adjusted Incurred Loss & LAE	6,924,060	8,367,744	7,837,982	8,312,306	4,741,841
(17) Adjusted Loss & LAE Ratio *	0.616	0.723	0.610	0.655	0.447
(18) Accident Year Weights	0.10	0.15	0.20	0.25	0.30
(19) Non-Catastrophe Reported Claim Counts	1,007	1,432	905	1,262	1,004
(20) Weighted Experience Loss & LAE Ratio					0.590
(21) Permissible Loss & LAE Ratio					0.518
(22) Fixed Expense Ratio					0.012
(23) Variable Expense Ratio					0.470
(24) Complement of Credibility - Trended Permissible					0.527
(25) Credibility (Square Root Rule, Full Credibility = 40000 Earned Exposures)					1.000
(26) Credibility Weighted Loss & LAE Ratio					0.590
(27) Credibility Weighted Indicated Rate Level Change					13.6%

American Modern Home Insurance Company
Arkansas
Manufactured Home Standard
Manufactured Home-Byline

Exhibit 2
Page 2

Rate Level Indications

	Accident Year Ending				
	3/31/2009	3/31/2010	3/31/2011	3/31/2012	3/31/2013
(1) Earned Exposures	386	382	384	424	427
(2) Earned Premium	200,533	200,445	211,151	248,027	272,391
(3) Rate Level Adjustment Factor	1.126	1.117	1.112	1.099	1.032
(4) Current Level Earned Premium	225,847	223,868	234,746	272,611	281,202
(5) Premium Trend Factor	1.201	1.154	1.108	1.065	1.023
(6) Trended Current Level Earned Premium	271,243	258,344	260,098	290,331	287,669
(7) Total Incurred Losses & ALAE	85,663	132,951	155,809	172,944	120,406
(8) Catastrophe Incurred Losses and ALAE	32,204	4,646	13,679	53,747	-
(9) IL & ALAE Excl Cat	53,459	128,306	142,129	119,197	120,406
(10) Incurred Loss & ALAE Trend Factor	1.568	1.421	1.289	1.168	1.059
(11) Incurred Loss & ALAE Development Factor	0.999	0.997	0.994	0.992	1.012
(12) ULAE Factor (to IL & ALAE)	1.011	1.011	1.011	1.011	1.011
(13) Trended Adjusted IL & LAE Excl Cat	84,661	183,775	184,108	139,627	130,460
(14) Catastrophe Factor	0.241	0.241	0.241	0.241	0.241
(15) Trended Adjusted Cat Incurred Loss & LAE	20,403	44,290	44,370	33,650	31,441
(16) Total Trended Adjusted Incurred Loss & LAE	105,064	228,065	228,478	173,277	161,901
(17) Adjusted Loss & LAE Ratio *	0.387	0.883	0.878	0.597	0.563
(18) Accident Year Weights	0.10	0.15	0.20	0.25	0.30
(19) Non-Catastrophe Reported Claim Counts	27	41	31	30	29
(20) Weighted Experience Loss & LAE Ratio					0.665
(21) Permissible Loss & LAE Ratio					0.518
(22) Fixed Expense Ratio					0.012
(23) Variable Expense Ratio					0.470
(24) Complement of Credibility - Trended Permissible					0.527
(25) Credibility (Square Root Rule, Full Credibility = 40000 Earned Exposures)					0.224
(26) Credibility Weighted Loss & LAE Ratio					0.558
(27) Credibility Weighted Indicated Rate Level Change					7.5%

American Modern Home Insurance Company
Arkansas
Manufactured Home Standard
Manufactured Home-Package

Exhibit 2
Page 3

Rate Level Indications

	Accident Year Ending				
	3/31/2009	3/31/2010	3/31/2011	3/31/2012	3/31/2013
(1) Earned Exposures	9,677	9,506	9,424	9,401	7,772
(2) Earned Premium	5,961,899	6,106,132	6,587,570	6,982,893	7,089,984
(3) Rate Level Adjustment Factor	1.308	1.370	1.495	1.429	1.199
(4) Current Level Earned Premium	7,796,798	8,365,007	9,847,873	9,980,362	8,503,014
(5) Premium Trend Factor	1.201	1.154	1.108	1.065	1.023
(6) Trended Current Level Earned Premium	9,363,954	9,653,219	10,911,444	10,629,086	8,698,583
(7) Total Incurred Losses & ALAE	5,174,818	4,759,341	4,520,681	7,890,302	2,923,584
(8) Catastrophe Incurred Losses and ALAE	2,152,010	777,317	592,400	3,090,384	101,095
(9) IL & ALAE Excl Cat	3,022,808	3,982,024	3,928,281	4,799,918	2,822,489
(10) Incurred Loss & ALAE Trend Factor	1.568	1.421	1.289	1.168	1.059
(11) Incurred Loss & ALAE Development Factor	0.999	0.997	0.994	0.992	1.012
(12) ULAE Factor (to IL & ALAE)	1.011	1.011	1.011	1.011	1.011
(13) Trended Adjusted IL & LAE Excl Cat	4,787,109	5,703,538	5,088,538	5,622,630	3,058,157
(14) Catastrophe Factor	0.241	0.241	0.241	0.241	0.241
(15) Trended Adjusted Cat Incurred Loss & LAE	1,153,693	1,374,553	1,226,338	1,355,054	737,016
(16) Total Trended Adjusted Incurred Loss & LAE	5,940,802	7,078,091	6,314,876	6,977,684	3,795,173
(17) Adjusted Loss & LAE Ratio *	0.634	0.733	0.579	0.656	0.436
(18) Accident Year Weights	0.10	0.15	0.20	0.25	0.30
(19) Non-Catastrophe Reported Claim Counts	843	1,195	736	1,018	848
(20) Weighted Experience Loss & LAE Ratio					0.584
(21) Permissible Loss & LAE Ratio					0.518
(22) Fixed Expense Ratio					0.012
(23) Variable Expense Ratio					0.470
(24) Complement of Credibility - Trended Permissible					0.527
(25) Credibility (Square Root Rule, Full Credibility = 40000 Earned Exposures)					1.000
(26) Credibility Weighted Loss & LAE Ratio					0.584
(27) Credibility Weighted Indicated Rate Level Change					12.5%

**American Modern Home Insurance Company
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Manufactured Home Standard
Rental**

**Exhibit 2
Page 4**

Rate Level Indications

	Accident Year Ending				
	3/31/2009	3/31/2010	3/31/2011	3/31/2012	3/31/2013
(1) Earned Exposures	3,326	3,465	3,402	3,678	3,388
(2) Earned Premium	998,540	1,074,278	1,124,333	1,242,656	1,168,519
(3) Rate Level Adjustment Factor	1.071	1.071	1.071	1.071	1.068
(4) Current Level Earned Premium	1,069,436	1,150,552	1,204,161	1,330,885	1,247,987
(5) Premium Trend Factor	1.201	1.154	1.108	1.065	1.023
(6) Trended Current Level Earned Premium	1,284,393	1,327,736	1,334,211	1,417,393	1,276,690
(7) Total Incurred Losses & ALAE	623,813	561,687	596,965	1,025,526	473,592
(8) Catastrophe Incurred Losses and ALAE	268,872	110,078	11,326	313,197	23,418
(9) IL & ALAE Excl Cat	354,941	451,610	585,639	712,329	450,174
(10) Incurred Loss & ALAE Trend Factor	1.568	1.421	1.289	1.168	1.059
(11) Incurred Loss & ALAE Development Factor	0.999	0.997	0.994	0.992	1.012
(12) ULAE Factor (to IL & ALAE)	1.011	1.011	1.011	1.011	1.011
(13) Trended Adjusted IL & LAE Excl Cat	562,107	646,850	758,614	834,423	487,762
(14) Catastrophe Factor	0.241	0.241	0.241	0.241	0.241
(15) Trended Adjusted Cat Incurred Loss & LAE	135,468	155,891	182,826	201,096	117,551
(16) Total Trended Adjusted Incurred Loss & LAE	697,575	802,741	941,440	1,035,519	605,313
(17) Adjusted Loss & LAE Ratio *	0.543	0.605	0.706	0.731	0.474
(18) Accident Year Weights	0.10	0.15	0.20	0.25	0.30
(19) Non-Catastrophe Reported Claim Counts	106	153	108	170	95
(20) Weighted Experience Loss & LAE Ratio					0.611
(21) Permissible Loss & LAE Ratio					0.518
(22) Fixed Expense Ratio					0.012
(23) Variable Expense Ratio					0.470
(24) Complement of Credibility - Trended Permissible					0.527
(25) Credibility (Square Root Rule, Full Credibility = 40000 Earned Exposures)					0.657
(26) Credibility Weighted Loss & LAE Ratio					0.582
(27) Credibility Weighted Indicated Rate Level Change					12.1%

American Modern Home Insurance Company
Arkansas
Manufactured Home Standard
Seasonal-Byline

Exhibit 2
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Rate Level Indications

	Accident Year Ending				
	3/31/2009	3/31/2010	3/31/2011	3/31/2012	3/31/2013
(1) Earned Exposures	492	510	522	569	556
(2) Earned Premium	246,967	264,061	274,626	306,138	302,827
(3) Rate Level Adjustment Factor	1.011	1.004	0.999	0.999	0.999
(4) Current Level Earned Premium	249,652	265,101	274,381	305,832	302,536
(5) Premium Trend Factor	1.201	1.154	1.108	1.065	1.023
(6) Trended Current Level Earned Premium	299,832	305,927	304,014	325,711	309,495
(7) Total Incurred Losses & ALAE	134,824	122,570	137,516	140,923	127,876
(8) Catastrophe Incurred Losses and ALAE	69,757	35,256	-	58,703	-
(9) IL & ALAE Excl Cat	65,067	87,315	137,516	82,220	127,876
(10) Incurred Loss & ALAE Trend Factor	1.568	1.421	1.289	1.168	1.059
(11) Incurred Loss & ALAE Development Factor	0.999	0.997	0.994	0.992	1.012
(12) ULAE Factor (to IL & ALAE)	1.011	1.011	1.011	1.011	1.011
(13) Trended Adjusted IL & LAE Excl Cat	103,044	125,063	178,133	96,313	138,553
(14) Catastrophe Factor	0.241	0.241	0.241	0.241	0.241
(15) Trended Adjusted Cat Incurred Loss & LAE	24,834	30,140	42,930	23,211	33,391
(16) Total Trended Adjusted Incurred Loss & LAE	127,878	155,203	221,063	119,524	171,944
(17) Adjusted Loss & LAE Ratio *	0.426	0.507	0.727	0.367	0.556
(18) Accident Year Weights	0.10	0.15	0.20	0.25	0.30
(19) Non-Catastrophe Reported Claim Counts	26	38	18	36	24
(20) Weighted Experience Loss & LAE Ratio					0.523
(21) Permissible Loss & LAE Ratio					0.518
(22) Fixed Expense Ratio					0.012
(23) Variable Expense Ratio					0.470
(24) Complement of Credibility - Trended Permissible					0.527
(25) Credibility (Square Root Rule, Full Credibility = 40000 Earned Exposures)					0.257
(26) Credibility Weighted Loss & LAE Ratio					0.526
(27) Credibility Weighted Indicated Rate Level Change					1.5%

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Manufactured Home Standard
Tenant

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Rate Level Indications

	Accident Year Ending				
	3/31/2009	3/31/2010	3/31/2011	3/31/2012	3/31/2013
(1) Earned Exposures	81	79	88	97	99
(2) Earned Premium	23,639	22,871	26,462	31,205	32,015
(3) Rate Level Adjustment Factor	1.000	1.000	1.000	1.000	1.000
(4) Current Level Earned Premium	23,639	22,871	26,462	31,205	32,015
(5) Premium Trend Factor	1.201	1.154	1.108	1.065	1.023
(6) Trended Current Level Earned Premium	28,390	26,393	29,320	33,233	32,752
(7) Total Incurred Losses & ALAE	27,196	58,309	77,376	2,871	5,090
(8) Catastrophe Incurred Losses and ALAE	498	-	-	-	-
(9) IL & ALAE Excl Cat	26,698	58,309	77,376	2,871	5,090
(10) Incurred Loss & ALAE Trend Factor	1.568	1.421	1.289	1.168	1.059
(11) Incurred Loss & ALAE Development Factor	0.999	0.997	0.994	0.992	1.012
(12) ULAE Factor (to IL & ALAE)	1.011	1.011	1.011	1.011	1.011
(13) Trended Adjusted IL & LAE Excl Cat	42,281	83,518	100,229	3,363	5,515
(14) Catastrophe Factor	0.241	0.241	0.241	0.241	0.241
(15) Trended Adjusted Cat Incurred Loss & LAE	10,190	20,128	24,155	810	1,329
(16) Total Trended Adjusted Incurred Loss & LAE	52,471	103,646	124,384	4,173	6,844
(17) Adjusted Loss & LAE Ratio *	1.848	3.927	4.242	0.126	0.209
(18) Accident Year Weights	0.10	0.15	0.20	0.25	0.30
(19) Non-Catastrophe Reported Claim Counts	4	5	10	4	5
(20) Weighted Experience Loss & LAE Ratio					1.716
(21) Permissible Loss & LAE Ratio					0.518
(22) Fixed Expense Ratio					0.012
(23) Variable Expense Ratio					0.470
(24) Complement of Credibility - Trended Permissible					0.527
(25) Credibility (Square Root Rule, Full Credibility = 40000 Earned Exposures)					0.105
(26) Credibility Weighted Loss & LAE Ratio					0.652
(27) Credibility Weighted Indicated Rate Level Change					25.3%

American Modern Home Insurance Company
Arkansas
Manufactured Home Standard
All Classes

Exhibit 3

Rate History

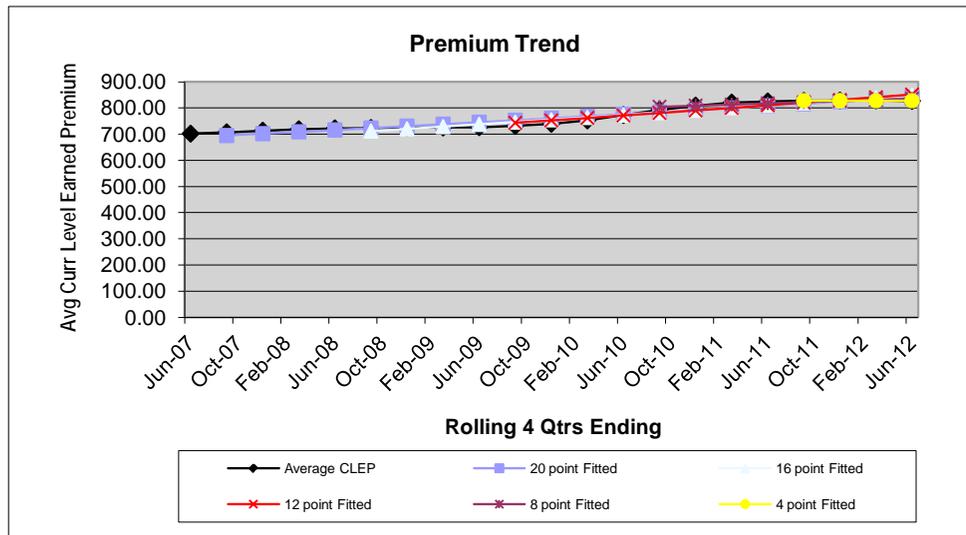
Rates Changes by Class							
Effective Date	All Classes	Manufacture d Home- Byline	Manufacture d Home- Package	Rental	Seasonal- Byline	Tenant	
12/15/2012	15.0%	2.2%	17.5%	7.1%	7.1%	-0.1%	
10/1/2011	20.1%	8.8%	25.0%	0.0%	0.0%	0.0%	
9/1/2010	1.9%	0.0%	2.4%	0.0%	0.0%	0.0%	
6/1/2009	1.9%	0.7%	2.3%	0.0%	0.0%	0.8%	
3/15/2008	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
9/1/2007	3.5%	7.0%	4.1%	0.0%	0.0%	5.2%	

Rate Level Adjustment Factor						
Accident Year Ending	All Classes	Manufacture d Home- Byline	Manufacture d Home- Package	Rental	Seasonal- Byline	Tenant
3/31/2009	1.260	1.126	1.308	1.071	1.011	1.000
3/31/2010	1.308	1.117	1.370	1.071	1.004	1.000
3/31/2011	1.409	1.112	1.495	1.071	0.999	1.000
3/31/2012	1.353	1.099	1.429	1.071	0.999	1.000
3/31/2013	1.169	1.032	1.199	1.068	0.999	1.000

Premium Trend

4 Qtrs Ending	Current Level Earned Premium	Earned Exposures	Average CLEP	20 point Fitted	16 point Fitted	12 point Fitted	8 point Fitted	4 point Fitted
6/30/2007	18,807,023	26,798	701.80					
9/30/2007	19,008,611	26,884	707.07	694.70				
12/31/2007	19,204,785	26,933	713.07	701.73				
3/31/2008	19,383,821	26,978	718.50	708.82				
6/30/2008	19,553,285	27,079	722.08	715.99				
9/30/2008	19,707,490	27,234	723.64	723.23	711.68			
12/31/2008	19,842,668	27,385	724.58	730.54	720.08			
3/31/2009	19,956,323	27,515	725.28	737.93	728.59			
6/30/2009	20,020,795	27,557	726.52	745.39	737.19			
9/30/2009	20,071,322	27,449	731.21	752.92	745.90	743.31		
12/31/2009	20,185,930	27,297	739.48	760.54	754.71	752.52		
3/31/2010	20,434,520	27,160	752.37	768.22	763.62	761.85		
6/30/2010	20,969,188	27,128	772.99	775.99	772.64	771.29		
9/30/2010	21,623,049	27,270	792.92	783.84	781.77	780.85	804.76	
12/31/2010	22,300,480	27,563	809.08	791.76	791.00	790.53	809.02	
3/31/2011	22,877,557	27,876	820.70	799.77	800.35	800.33	813.30	
6/30/2011	23,243,645	28,171	825.10	807.85	809.80	810.25	817.61	
9/30/2011	23,492,893	28,404	827.09	816.02	819.37	820.29	821.94	827.83
12/31/2011	23,587,416	28,474	828.38	824.27	829.04	830.46	826.29	827.79
3/31/2012	23,514,470	28,373	828.76	832.61	838.84	840.75	830.66	827.74
6/30/2012	23,131,310	27,976	826.82	841.02	848.74	851.17	835.06	827.70

Annual Premium Trend	
20 point fit	4.1%
16 point fit	4.8%
12 point fit	5.1%
8 point fit	2.1%
4 point fit	0.0%
Historical Selected	4.1%
Prospective Selected	0.4%



Accident Year Ending	Trend Period						Trend Factor
	Historical			Prospective			
	Beginning	End	Time(Yrs)	Beginning	End	Time(Yrs)	
3/31/2009	9/30/2008	2/15/2013	4.375	2/15/2013	12/15/2014	1.833	1.201
3/31/2010	9/30/2009	2/15/2013	3.375	2/15/2013	12/15/2014	1.833	1.154
3/31/2011	9/30/2010	2/15/2013	2.375	2/15/2013	12/15/2014	1.833	1.108
3/31/2012	9/30/2011	2/15/2013	1.375	2/15/2013	12/15/2014	1.833	1.065
3/31/2013	9/30/2012	2/15/2013	0.375	2/15/2013	12/15/2014	1.833	1.023

Loss Trend

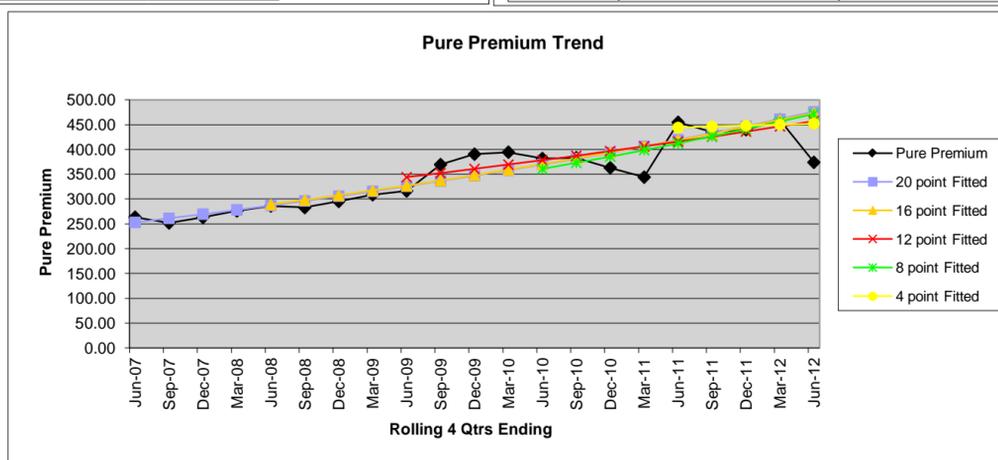
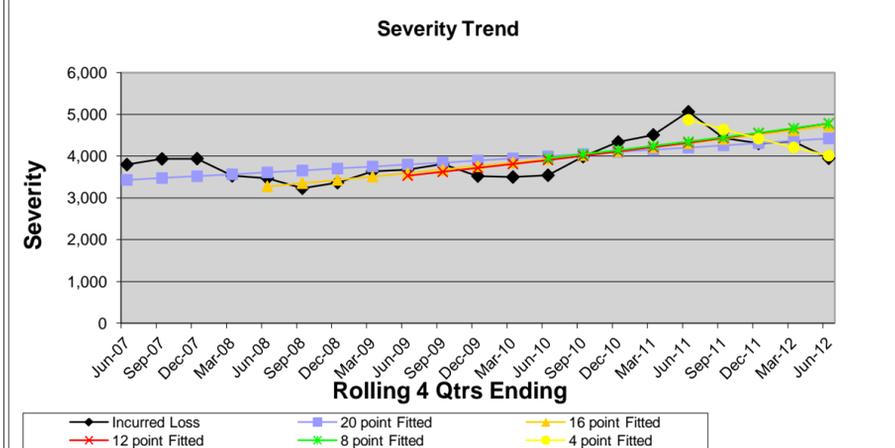
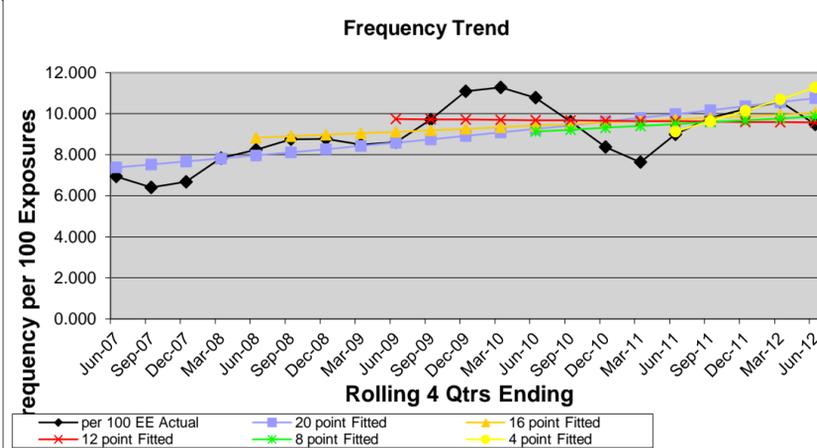
Loss Trend Based on Arkansas - American Modern Insurance Group Data Excluding Catastrophe Losses

Accident Period 4 Qtrs Ending	Ultimate Reported Claim Counts	Ultimate Non-Cat Incurred Loss & ALAE	Earned Exposures	Frequency					Severity					
				Frequency per 100 EE Actual	20 point Fitted	16 point Fitted	12 point Fitted	8 point Fitted	4 point Fitted	Average Incurred Loss	20 point Fitted	16 point Fitted	12 point Fitted	8 point Fitted
6/30/2007	1,860	7,061,277	26,798	6.940	7.380					3,797	3,430			
9/30/2007	1,722	6,773,059	26,884	6.405	7.521					3,933	3,474			
12/31/2007	1,798	7,083,636	26,933	6.677	7.664					3,939	3,519			
3/31/2008	2,112	7,451,240	26,978	7.829	7.809					3,528	3,564			
6/30/2008	2,231	7,745,304	27,079	8.237	7.958	8.826				3,472	3,609	3,276		
9/30/2008	2,384	7,706,854	27,234	8.754	8.109	8.897				3,233	3,655	3,352		
12/31/2008	2,403	8,089,016	27,385	8.776	8.263	8.968				3,366	3,702	3,430		
3/31/2009	2,337	8,496,252	27,515	8.492	8.420	9.040				3,636	3,750	3,509		
6/30/2009	2,372	8,719,086	27,557	8.608	8.580	9.113	9.740			3,676	3,798	3,590	3,533	
9/30/2009	2,665	10,143,888	27,449	9.708	8.744	9.186	9.725			3,807	3,846	3,673	3,623	
12/31/2009	3,027	10,660,454	27,297	11.087	8.910	9.260	9.710			3,522	3,895	3,758	3,716	
3/31/2010	3,062	10,715,061	27,160	11.274	9.079	9.335	9.696			3,499	3,945	3,845	3,811	
6/30/2010	2,924	10,354,770	27,128	10.778	9.252	9.410	9.681	9.127		3,541	3,996	3,934	3,908	3,952
9/30/2010	2,620	10,450,770	27,270	9.608	9.428	9.485	9.666	9.215		3,989	4,047	4,025	4,008	4,048
12/31/2010	2,308	10,011,510	27,563	8.374	9.607	9.562	9.652	9.305		4,338	4,099	4,119	4,110	4,145
3/31/2011	2,129	9,594,437	27,876	7.638	9.790	9.639	9.637	9.395		4,506	4,151	4,214	4,215	4,245
6/30/2011	2,532	12,810,354	28,171	8.990	9.976	9.716	9.622	9.487	9.127	5,059	4,204	4,312	4,323	4,347
9/30/2011	2,785	12,353,034	28,404	9.807	10.165	9.794	9.608	9.579	9.623	4,435	4,258	4,411	4,433	4,451
12/31/2011	2,911	12,527,546	28,474	10.224	10.359	9.873	9.593	9.672	10.145	4,303	4,312	4,513	4,546	4,558
3/31/2012	3,000	13,041,909	28,373	10.573	10.556	9.952	9.579	9.766	10.695	4,347	4,368	4,618	4,663	4,668
6/30/2012	2,651	10,464,653	27,976	9.475	10.756	10.032	9.564	9.861	11.276	3,948	4,423	4,725	4,782	4,780

Accident Period 4 Qtrs Ending	Pure Premium					
	Pure Premium	20 point Fitted	16 point Fitted	12 point Fitted	8 point Fitted	4 point Fitted
6/30/2007	263.50	253.17				
9/30/2007	251.94	261.28				
12/31/2007	263.01	269.65				
3/31/2008	276.19	278.30				
6/30/2008	286.03	287.22	289.16			
9/30/2008	282.99	296.42	298.23			
12/31/2008	295.38	305.92	307.59			
3/31/2009	308.78	315.73	317.23			
6/30/2009	316.40	325.85	327.19	344.12		
9/30/2009	369.55	336.29	337.45	352.37		
12/31/2009	390.53	347.07	348.04	360.82		
3/31/2010	394.51	358.19	358.96	369.48		
6/30/2010	381.71	369.67	370.22	378.34	360.72	
9/30/2010	383.23	381.52	381.83	387.41	372.99	
12/31/2010	363.23	393.75	393.81	396.70	385.68	
3/31/2011	344.19	406.37	406.17	406.21	398.80	
6/30/2011	454.74	419.39	418.91	415.95	412.37	444.27
9/30/2011	434.90	432.83	432.05	425.93	426.40	446.22
12/31/2011	439.96	446.71	445.60	436.14	440.90	448.18
3/31/2012	459.66	461.02	459.58	446.60	455.90	450.15
6/30/2012	374.05	475.80	474.00	457.31	471.41	452.13

	Annual Loss Trend		
	Frequency	Severity	Pure Premium
20 point fit	7.8%	5.2%	13.4%
16 point fit	3.3%	9.6%	13.2%
12 point fit	-0.6%	10.6%	9.9%
8 point fit	3.9%	10.0%	14.3%
4 point fit	23.5%	-17.6%	1.8%
Historical Selected	4.0%	6.1%	10.3%
Prospective Selected	5.0%	-2.7%	2.2%

Accident Year Ending	Trend Period						Trend Factor
	Historical			Prospective			
	Beginning	End	Time(Yrs)	Beginning	End	Time(Yrs)	
3/31/2009	9/30/2008	11/15/2012	4.125	11/15/2012	12/15/2014	2.083	1.568
3/31/2010	9/30/2009	11/15/2012	3.125	11/15/2012	12/15/2014	2.083	1.421
3/31/2011	9/30/2010	11/15/2012	2.125	11/15/2012	12/15/2014	2.083	1.289
3/31/2012	9/30/2011	11/15/2012	1.125	11/15/2012	12/15/2014	2.083	1.168
3/31/2013	9/30/2012	11/15/2012	0.125	11/15/2012	12/15/2014	2.083	1.059



Loss & ALAE Development

Data shown is Countrywide Consolidated American Modern Insurance Group MH Standard

Cumulative Incurred Loss and ALAE Development

Accident Qtr Ending	Development Age																					
	3	6	9	12	15	18	21	24	27	30	33	36	39	42	45	48	51	54	57	60	63	66
Sep-06	24,166,308	24,732,568	25,023,045	25,313,812	25,258,169	25,342,493	25,448,347	25,418,006	25,379,481	25,166,443	25,164,000	25,026,986	25,163,081	25,160,658	25,201,192	25,170,364	24,749,505	24,739,953	24,740,229	24,724,556	24,732,947	24,730,725
Dec-06	22,422,812	23,438,268	23,362,538	23,234,762	23,245,767	23,386,023	23,311,553	23,302,983	23,338,695	23,306,262	23,323,117	23,290,651	23,272,820	23,275,100	23,274,307	23,214,760	23,234,647	23,110,893	23,123,400	23,081,265	23,068,361	23,069,664
Mar-07	22,328,817	23,117,355	23,528,975	23,545,882	23,689,057	23,882,504	23,791,479	23,717,134	23,475,637	23,583,334	23,593,379	23,584,232	23,531,397	23,530,966	23,450,484	23,442,188	23,387,329	23,387,829	23,383,169	23,379,926	23,382,511	23,383,125
Jun-07	26,337,526	27,381,693	27,285,637	27,521,084	27,887,071	27,955,847	27,619,468	27,614,625	27,663,437	27,704,284	27,631,557	27,587,039	27,571,192	27,576,929	27,616,259	27,617,242	27,609,668	27,588,542	27,611,939	27,611,788	27,584,930	
Sep-07	25,851,877	26,874,899	26,983,935	27,070,890	27,020,154	26,636,857	26,542,072	26,585,683	27,363,670	27,443,647	27,436,501	27,563,932	27,510,106	27,447,028	27,418,592	27,393,923	27,405,801	27,405,249	27,319,109	27,313,357		
Dec-07	20,973,293	22,376,986	22,620,876	22,591,121	22,545,795	22,871,697	22,750,610	22,872,843	22,712,874	22,485,414	22,571,803	22,471,993	22,426,172	22,493,721	22,439,205	22,455,577	22,449,691	22,451,593	22,351,413			
Mar-08	28,152,401	30,140,387	30,044,102	29,970,526	30,403,313	30,347,932	30,415,340	30,336,168	30,413,737	30,509,353	30,513,681	30,505,937	30,512,089	30,518,558	30,525,775	30,460,853	30,447,230	30,502,860				
Jun-08	31,625,186	32,383,180	32,495,596	32,693,348	32,953,918	33,031,848	33,035,132	32,978,591	33,019,878	32,952,251	32,950,114	32,968,570	32,912,058	32,847,599	32,732,705	32,738,327	32,734,795					
Sep-08	29,192,940	30,058,914	30,061,022	29,842,692	30,464,672	30,499,742	30,383,351	30,379,943	30,553,153	30,632,095	30,522,974	30,521,493	30,290,951	30,252,471	30,249,305	30,248,670						
Dec-08	29,924,755	30,845,166	31,092,276	31,368,746	31,402,834	31,398,807	31,493,478	31,593,647	31,753,517	31,671,969	31,681,036	31,610,652	31,609,623	31,580,025	31,570,893							
Mar-09	29,737,592	31,054,383	31,367,129	31,712,966	32,090,043	32,313,261	32,092,432	32,128,462	32,098,650	31,962,712	32,025,646	32,050,330	32,100,723	32,138,304								
Jun-09	31,541,509	32,366,204	32,607,963	33,035,343	33,299,646	33,165,095	33,063,403	33,260,029	33,279,121	33,289,050	33,103,528	33,060,509	33,133,646									
Sep-09	31,879,749	32,833,357	33,158,820	33,179,138	33,212,680	33,379,797	33,276,161	33,245,918	33,199,007	33,478,172	33,470,877	33,168,193										
Dec-09	29,414,771	30,008,151	30,436,674	30,559,458	30,537,493	30,858,937	30,881,214	30,797,180	30,721,258	30,687,672	30,661,338											
Mar-10	28,813,751	30,257,693	30,918,984	31,115,849	31,316,750	31,171,561	31,216,299	31,373,920	31,053,032	31,071,211												
Jun-10	30,846,650	31,902,872	32,000,693	32,246,696	32,545,736	32,520,036	32,463,772	32,478,364	32,470,427													
Sep-10	34,782,315	35,202,738	35,648,850	35,833,234	35,858,401	35,628,889	35,605,329	35,583,232														
Dec-10	28,022,392	29,248,376	28,943,660	28,900,966	28,926,828	28,722,710	28,777,251															
Mar-11	29,549,642	30,971,413	31,153,964	31,233,903	31,696,321	31,611,543																
Jun-11	40,959,313	42,377,254	43,094,824	43,163,757	43,599,817																	
Sep-11	38,788,389	40,095,859	40,780,494	40,665,595																		
Dec-11	27,996,378	28,660,027	28,904,264																			
Mar-12	32,184,213	33,513,703																				
Jun-12	35,933,469																					

Historical Development Factors

Accident Qtr Ending	Development Age																					
	3 to 6	6 to 9	9 to 12	12 to 15	15 to 18	18 to 21	21 to 24	24 to 27	27 to 30	30 to 33	33 to 36	36 to 39	39 to 42	42 to 45	45 to 48	48 to 51	51 to 54	54 to 57	57 to 60	60 to 63	63 to 66	
Sep-06	1.023	1.012	1.012	0.998	1.003	1.004	0.999	0.998	0.992	1.000	0.995	1.005	1.000	1.002	0.999	0.983	1.000	1.000	0.999	1.000	1.000	
Dec-06	1.045	0.997	0.995	1.000	1.006	0.997	1.000	1.002	0.999	1.001	0.999	0.999	1.000	1.000	0.997	1.001	0.995	1.001	0.998	0.999	1.000	
Mar-07	1.035	1.018	1.001	1.006	1.008	0.996	0.997	0.990	1.005	1.000	1.000	0.998	1.000	0.997	1.000	0.998	1.000	1.000	1.000	1.000	1.000	
Jun-07	1.040	0.996	1.009	1.013	1.002	0.988	1.000	1.002	1.001	0.997	0.998	0.999	1.000	1.001	1.000	1.000	0.999	1.001	1.000	0.999		
Sep-07	1.040	1.004	1.003	0.998	0.986	0.996	1.002	1.029	1.003	1.000	1.005	0.998	0.998	0.999	0.999	1.000	1.000	0.997	1.000			
Dec-07	1.067	1.011	0.999	0.998	1.014	0.995	1.005	0.993	0.990	1.004	0.996	0.998	1.003	0.998	1.001	1.000	1.000	0.996				
Mar-08	1.071	0.997	0.998	1.014	0.998	1.002	0.997	1.003	1.000	1.000	1.000	1.000	1.000	1.000	0.998	1.000	1.002					
Jun-08	1.024	1.003	1.006	1.008	1.002	1.000	0.998	1.001	0.998	1.000	1.001	0.998	0.998	0.997	1.000	1.000						
Sep-08	1.030	1.000	0.993	1.021	1.001	0.996	1.000	1.006	1.003	0.996	1.000	0.992	0.999	1.000	1.000							
Dec-08	1.031	1.008	1.009	1.001	1.000	1.003	1.003	1.005	0.997	1.000	0.998	1.000	0.999	1.000								
Mar-09	1.044	1.010	1.011	1.012	1.007	0.993	1.001	0.999	0.996	1.002	1.001	1.002	1.001									
Jun-09	1.026	1.007	1.013	1.008	0.996	0.997	1.006	1.001	1.000	0.994	0.999	1.002										
Sep-09	1.030	1.010	1.001	1.001	1.005	0.997	0.999	0.999	1.008	1.000	0.991											
Dec-09	1.020	1.014	1.004	0.999	1.011	1.001	0.997	0.998	0.999	0.999												
Mar-10	1.050	1.022	1.006	1.006	0.995	1.001	1.005	0.990	1.001													
Jun-10	1.034	1.003	1.008	1.009	0.999	0.998	1.000	1.000														
Sep-10	1.012	1.013	1.005	1.001	0.994	0.999	0.999															
Dec-10	1.044	0.990	0.999	1.001	0.993	1.002																
Mar-11	1.048	1.006	1.003	1.015	0.997																	
Jun-11	1.035	1.017	1.002	1.010																		
Sep-11	1.034	1.017	0.997																			
Dec-11	1.024	1.009																				
Mar-12	1.041																					

Averages	3 to 6	6 to 9	9 to 12	12 to 15	15 to 18	18 to 21	21 to 24	24 to 27	27 to 30	30 to 33	33 to 36	36 to 39	39 to 42	42 to 45	45 to 48	48 to 51	51 to 54	54 to 57	57 to 60	60 to 63	63 to 66	66 to Ult
4 Qtrs Average	1.034	1.012	1.000	1.007	0.996	1.000	1.000	0.997	1.002	0.999	0.997	0.999	0.999	0.999	1.000	1.000	1.000	0.999	1.000	1.000		
8 Qtrs Average	1.034	1.010	1.003	1.005	0.999	0.999	1.001	1.000	1.000	0.999	0.998	0.999	1.000	0.999	0.999	0.998						
12 Qtrs Average	1.033	1.010	1.005	1.007	1.000	0.999	1.001	1.002	1.000	0.999	0.999	0.999										
8 Qtrs Average ex H/L	1.035	1.011	1.003	1.005	0.998	0.999	1.001	1.000	1.000	0.999	0.999	0.999	1.000	0.999	1.000	1.000						
8 Qtrs Vol Weighted	1.034	1.010	1.003	1.005	0.999	0.999	1.001	0.999	1.000	0.999	0.998	0.999	1.000	0.999	0.999	0.998						
12 Qtrs Vol Weighted	1.033	1.010	1.005	1.007	1.000	0.999	1.001	1.002	1.000	0.999	0.999	0.999										
12 Qtr Avg ex H/L	1.034	1.011	1.005	1.006	1.000	0.999	1.001	1.001	1.000	0.999	0.999	0.999										

Selected Factors	3 to 6	6 to 9	9 to 12	12 to 15	15 to 18	18 to 21	21 to 24	24 to 27	27 to 30	30 to 33	33 to 36	36 to 39	39 to 42	42 to 45	45 to 48	48 to 51	51 to 54	54 to
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American Modern Home Insurance Company
Arkansas
Manufactured Home Standard
All Classes

Exhibit 7

Page 1

Catastrophe Factor

Data shown is Arkansas American Modern Insurance Group - Manufactured Home Standard

Accident Year Ending	(1) Catastrophe Losses*	(2) All Losses*	(3)=(2)-(1) All Losses* Less Catastrophe	(4)=(1)/(3) Catastrophe Ratio	(5) Capped Catastrophe Ratio **	(6)=(4)-(5) Excess Spread to 50 Years
6/30/1993	15,482	1,810,975	1,795,494	0.009	0.009	0.000
6/30/1994	134,566	1,984,275	1,849,709	0.073	0.073	0.000
6/30/1995	47,442	1,578,341	1,530,899	0.031	0.031	0.000
6/30/1996	391,552	2,730,379	2,338,827	0.167	0.167	0.000
6/30/1997	1,406,349	3,903,234	2,496,886	0.563	0.563	0.000
6/30/1998	164,484	3,282,907	3,118,423	0.053	0.053	0.000
6/30/1999	885,119	4,706,310	3,821,191	0.232	0.232	0.000
6/30/2000	124,130	3,471,647	3,347,516	0.037	0.037	0.000
6/30/2001	1,126,777	7,670,375	6,543,598	0.172	0.172	0.000
6/30/2002	247,129	6,764,754	6,517,625	0.038	0.038	0.000
6/30/2003	996,948	7,689,128	6,692,180	0.149	0.149	0.000
6/30/2004	563,934	6,176,046	5,612,112	0.100	0.100	0.000
6/30/2005	23,247	6,162,725	6,139,478	0.004	0.004	0.000
6/30/2006	2,349,568	9,236,199	6,886,632	0.341	0.341	0.000
6/30/2007	526,269	7,587,150	7,060,881	0.075	0.075	0.000
6/30/2008	5,082,782	12,832,696	7,749,915	0.656	0.656	0.000
6/30/2009	4,558,112	13,300,770	8,742,658	0.521	0.521	0.000
6/30/2010	1,569,571	11,987,628	10,418,056	0.151	0.151	0.000
6/30/2011	7,694,577	20,577,362	12,882,785	0.597	0.597	0.000
6/30/2012	-	10,333,975	10,333,975	0.000	0.000	0.000
				Weighted Average***	0.241	
				Selected Catastrophe Factor:	0.241	

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

*** Capped at 0.665 (2 standard deviations above the mean) with excess spread to 50 years.

**American Modern Home Insurance Company
Arkansas
Manufactured Home Standard**

Exhibit 8

Unallocated Loss Adjustment Expense

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

Consolidated American Modern Insurance Group Data

Calendar Year	2009	2010	2011
ULAE Incurred	12,288,732	8,611,126	2,723,316
Adjusted Loss and ALAE Incurred	521,315,563	501,701,035	686,413,201
Ratio of ULAE to Incurred Loss & ALAE	2.4%	1.7%	0.4%
2 Year Average			1.1%
Selected ULAE Factor			1.011

Determination of Permissible Loss Ratio

	Calendar Year					Budget	Selected
	2007	2008	2009	2010	2011	2012	
(1) Pre-Paid Commissions	17.0%	16.9%	16.9%	16.7%	17.3%	17.0%	17.0%
(2) Contingent Commissions	3.0%	0.8%	1.3%	1.9%	0.4%	2.0%	2.0%
(3) Other Acquisition Expense	4.4%	4.3%	4.2%	4.1%	3.4%	4.4%	4.4%
(4) General Expense	12.0%	10.6%	10.3%	9.4%	8.3%	9.9%	9.9%
(5) Taxes, Licenses and Fees	3.4%	3.4%	2.7%	2.9%	2.7%		2.8%
(6) Reinsurance Expense						1.2%	1.2%
(7) Total Expense							37.3%
Profit Loading Provision							
(8a) After Tax Return on Equity Goal						15.0%	
(8b) Target Premium to Surplus Ratio						1.8:1	
(8c) After Tax Return on Premium [(a)/(b)]						8.3%	
(8d) After Tax Return Generated by Inv Income						1.3%	
(8e) After Tax Return Needed From Underwriting Profit [(c) - (d)]						7.1%	
(8f) Before Tax Return Needed from Underwriting Profit [(e)/(1.00 - .35)]						10.9%	
(8g) Selected Profit Provision							10.9%
(9) Total Expenses and Profit Provision [(7) + (8)]							48.2%
(10) Permissible Loss & LAE Ratio [(1.000 - (9))							51.8%
(11) Fixed Expense Ratio (100% of Reins Expense)							1.2%
(12) Variable Expense Ratio							47.0%

Data applied to calculate commission ratio:	Calendar Year				
	2007	2008	2009	2010	2011
AMH Arkansas Manufactured Home Standard Wr Prem	7,334,934	7,437,431	7,792,221	8,356,566	9,009,669
AMH Arkansas Manufactured Home Standard Pd Comm	1,249,097	1,260,644	1,316,270	1,394,663	1,557,476

Data applied to calculate Taxes, Licenses and Fees:	Calendar Year				
	2007	2008	2009	2010	2011
AMH Arkansas Written Premium from all AS Lines	12,273,014	13,335,305	14,724,953	15,459,676	16,276,901
AMH Arkansas Taxes, Licenses & Fees from all AS Lines	416,055	450,733	390,211	440,601	442,732

Investment Income Calculation

Estimated Investment Earnings on Unearned Premium and Loss Reserves

A. Unearned Premium Reserve		
(1)	Direct Earned Premium for 2011	\$ 465,644,966
(2)	Mean Unearned Premium Reserve Ratio	46.5%
(3)	Mean Unearned Premium Reserve (1) x (2)	\$ 216,294,522
(4)	Deduction for Prepaid Expenses and Federal Taxes Payable	
(a)	Commission	19.0%
(b)	50% of Other Acquisition	2.2%
(c)	50% of General Expenses	5.0%
(d)	Taxes, Licenses, and Fees	2.8%
(e)	Reinsurance Expense	1.2%
(f)	Subtotal	30.2%
(g)	Federal Taxes Payable	7.0%
(4T)	Total Deductions	37.2%
(5)	Unearned Premium Reserve Subject to Investment (3) x [1.0 - (4T)]	\$ 135,941,107
B. Delayed Remission of Premium (Agent's Balances)		
(1)	Agent's Balance or Uncollected Premium to Unearned Premium	
(a)	Average Agent's Balance	\$ 185,476,434
(b)	Direct Unearned Premium 2011 (All Lines)	\$ 502,468,432
(c)	Ratio (a) / (b)	36.9%
(d)	Direct Unearned Premium 2011 (ASLOB 4 - Homeowners)	\$ 262,435,853
(2)	Delayed Remission (1c) x (1d)	\$ 96,873,083
C. Loss and Loss Adjustment Expense Reserve		
(1)	Expected Loss and Loss Adjustment Expense Ratio	51.8%
(2)	Expected Losses and Loss Adjustment Expenses (A.1) x (C.1)	\$ 241,204,093
(3)	Percent of Mean Loss & ALAE Reserves to Incurred Loss & ALAE	
(a)	2011 Mean Loss & ALAE Reserve to Incurred Loss & ALAE Ratio	20.0%
(b)	2010 Mean Loss & ALAE Reserve to Incurred Loss & ALAE Ratio	26.6%
(c)	Average of Mean Loss Reserve to Incurred Loss Ratios 1/2 x [(a) + (b)]	23.3%
(4)	Expected Mean Loss Reserves (2) x (3c) x .958	\$ 53,799,153
D. Net Subject to Investment		\$ 92,867,177
	(A.5) - (B.2) + (C.4)	
E. Before Tax Rate of Return		2.5%
	[Exhibit 10, Page 2]	
F. Average Rate of Return as a % of Direct Earned Premium		0.5%
	[(D) x (E)] / (A.1)]	
G. Before Tax Investment Income Return (Including Surplus)		1.9%
	(F) + [(E) x (1.0/Premium to Surplus Ratio)]	
H. After Tax Average Rate of Return as a Percent of Direct Earned Premium		
(1)	Average Federal Tax Rate on Inv. Inc. (Exhibit 10, Page 2)	33.7%
(2)	After Tax Return Generated by Investment Income (G) x [1.0 - (H.1)]	1.3%

Investment Income Calculation

Average Federal Tax Rate on Investment Income

	(1) Investment Income 2009 - 2011 (A)	(2) Allocation	(3) Current Tax Rate (B)	(4) Total Tax (2)x(3)
Bonds				
- Taxable	\$79,106,546	93.9%	35.0%	32.9%
- Tax Exempt Municipal	\$3,369,190	4.0%	5.3%	0.2%
Stocks				
- Acquired Prior to 1987	\$0	0.0%	10.5%	0.0%
- Acquired After 1987	\$578,537	0.7%	14.2%	0.1%
Short Term Investments	\$1,167,269	1.4%	35.0%	0.5%
Total	\$84,221,542	100.0%		33.7%

Notes:

- (A) From American Modern Insurance Group Annual Statement, Part 1
- (B) Under the 1986 Tax Reform Act, 15% of formerly tax-exempt income from securities purchased after August 7, 1986 is now taxable. Thus the estimated effective tax rates in 2012 will be:

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

Investment Income as a Percentage of Invested Assets

2000	5.0%
2001	5.2%
2002	5.2%
2003	4.5%
2004	4.3%
2005	4.4%
2006	4.5%
2007	4.6%
2008	4.4%
2009	2.6%
2010	3.2%
2011	3.0%
Twelve Year Average	4.2%
Latest Six Year Average	3.7%
Latest Year	3.0%
Projected 2012 (12 Year Trend)	2.9%
Projected 2012 (6 Year Trend)	2.4%

Selected 2012 Rate of Return

Before Tax	2.5% *
After Tax [(1-0.337) x 2.5%]	1.7%

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

By Line Explanation of Investment Income Calculation

Line A-1

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

Line A-2, A-3

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

Line A-4

Deductions for prepaid expenses:

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

Line A-4 Federal Taxes Payable

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

Line B-1

Delayed remission of premium:

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

Line B-1(c)

Average agent's balances as a percentage of 2011 Direct Unearned Premium (All Lines)

Line C-1

The expected loss and loss adjustment ratio reflects the expense provisions used in the filing. See Exhibit 9.

Line C-3

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

Line C-4

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

Line E

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

Line H-1

The average rate of Federal Tax was determined by applying the appropriate tax rates to the distribution of investment income earned for 2009 - 2011 for the American Modern Insurance Group. See Page 2 of this exhibit.

Complement of Credibility Calculation

	All Classes	Manufacture d Home- Byline	Manufacture d Home- Package	Rental	Seasonal- Byline
(1) Permissible Loss & LAE Ratio	0.518	0.518	0.518	0.518	0.518
(2) Proposed Renewal Effective Date	12/15/2013	12/15/2013	12/15/2013	12/15/2013	12/15/2013
(3) Effective Date of Current Rates	12/15/2012	12/15/2012	12/15/2012	12/15/2012	12/15/2012
(4) Time Period in Years $\{[(2) - (3)] / 365\}^{**}$	1.000	1.000	1.000	1.000	1.000
(5) Annual Premium Trend	0.4%	0.4%	0.4%	0.4%	0.4%
(6) Annual Loss Trend	2.2%	2.2%	2.2%	2.2%	2.2%
(7) Ann Loss Ratio Trend $\{[1 + (6)] / [1 + (5)] - 1\}$	1.8%	1.8%	1.8%	1.8%	1.8%
(8) Selected Trend Factor $\{[1 + (7)] ^ (4)\}$	1.018	1.018	1.018	1.018	1.018
(9) Complement of Credibility = $\{(1) * (8)\}$	0.527	0.527	0.527	0.527	0.527

	Tenant
(1) Permissible Loss & LAE Ratio	0.518
(2) Proposed Renewal Effective Date	12/15/2013
(3) Effective Date of Current Rates	12/15/2012
(4) Time Period in Years $\{[(2) - (3)] / 365\}^{**}$	1.000
(5) Annual Premium Trend	0.4%
(6) Annual Loss Trend	2.2%
(7) Ann Loss Ratio Trend $\{[1 + (6)] / [1 + (5)] - 1\}$	1.8%
(8) Selected Trend Factor $\{[1 + (7)] ^ (4)\}$	1.018
(9) Complement of Credibility = $\{(1) * (8)\}$	0.527

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

**077 Disruption Chart- Without Non-Weather Claims
Surcharge**

Lower Bound (> x)	Right Bound (x <=)	Policy Counts	Percentage Change
Inf.	-100%	0	
-100%	-90%	0	
-90%	-80%	0	
-80%	-70%	0	
-70%	-60%	0	
-60%	-50%	0	
-50%	-45%	0	
-45%	-40%	0	
-40%	-35%	0	
-35%	-30%	0	
-30%	-25%	0	
-25%	-20%	0	
-20%	-15%	1	-16%
-15%	-10%	23	-11%
-10%	-5%	92	-7%
-5%	0%	426	-3%
0%	5%	998	1%
5%	10%	3,001	10%
10%	15%	2,225	11%
15%	20%	2,993	18%
20%	25%	65	20%
25%	30%	0	
30%	35%	0	
35%	40%	0	
40%	45%	0	
45%	50%	0	
50%	60%	0	
60%	70%	0	
70%	80%	0	
80%	90%	0	
90%	100%	0	
100%	Inf.	0	

**077 Disruption Chart- With Non-Weather Claims
Surcharge**

Lower Bound (> x)	Right Bound (x <=)	Policy Counts	Percentage Change
Inf.	-100%	0	
-100%	-90%	0	
-90%	-80%	0	
-80%	-70%	0	
-70%	-60%	0	
-60%	-50%	0	
-50%	-45%	0	
-45%	-40%	0	
-40%	-35%	0	
-35%	-30%	0	
-30%	-25%	0	
-25%	-20%	0	
-20%	-15%	1	-16%
-15%	-10%	21	-11%
-10%	-5%	90	-7%
-5%	0%	414	-3%
0%	5%	955	1%
5%	10%	2,801	10%
10%	15%	2,088	11%
15%	20%	2,844	19%
20%	25%	88	21%
25%	30%	72	26%
30%	35%	102	34%
35%	40%	189	37%
40%	45%	20	42%
45%	50%	135	48%
50%	60%	4	51%
60%	70%	0	
70%	80%	0	
80%	90%	0	
90%	100%	0	
100%	Inf.	0	

**AMERICAN MODERN HOME INSURANCE COMPANY
MANUFACTURED HOME PROGRAMS
FILING MEMORANDUM**

American Modern Home Insurance Company is submitting for your review and approval a rate/rule revision to our filed and approved Manufactured Home Program.

The overall impact of these changes is +11.90%. Please note the maximum increase to any one insured would be 51.6%; this is including the proposed non weather claims surcharging. The maximum increase not including the non weather claims surcharge would be 20.7%. Per Becky Harrington's conversation with Steve Mackie in June 2013, we are providing two disruption charts; with the surcharge and without the surcharge as support.

We are requesting these changes be made effective 02/11/14 for new business and 02/17/14 for renewal business.

ELIGIBILITY AND COVERAGES

- We have added the Tenant Program as eligible for the Total Loss Deductible Waiver under Supplemental Coverages

DEDUCTIBLES

- We have removed reference to manufactured homes and other structures in the Tenant Program deductible rule
- We will offer a \$250 All Other Peril Deductible for the Tenant Program.

**RATES – OWNER AND SEASONAL BYLINE, OWNER PACKAGE,
RENTAL/COMMERCIAL, TENANT**

- We have revised base rates for Owner/Seasonal Byline and Owner Package programs
- We have revised Age of Insured bands for Owner/Seasonal Byline and Owner Package programs (added "Unknown" in 18 – 34 band)

- We have revised our Age of Home relativities for Owner and Seasonal Byline and Owner Package Programs
- We have revised the Location factor for Out of Park for Owner and Seasonal Byline and Owner Package Programs
- We have revised the Manufactured Home rates for Rental/Commercial programs
- We have revised rates for the Tenant program and combined territories

Surcharges and Discounts

- We have added a Non Weather Claim Count Surcharge

Mobile Home Standard Determination of Revised Rating Relativities

The American Modern Home Insurance Company has used General Linear Modeling, followed by a sequential analysis of the modeled relativities to determine countrywide indicated relativities which we are working towards. These, combined with competitive information and judgment form the basis of our proposed relativities. The tables below outline the changes we are proposing.

Note - All current relativities have been reindexed to the proposed base if necessary.

Age of Insured

Insured Age	CW Modeled Exposures	AR AMH/077 2013 Written Premium	Final Adjusted Model	Indicated Relativity	Current Relativity	Reindexed Current Relativity	Proposed Relativity	Rebased Impact
18 -34; Unknown	0.85%	586,830	1.12	1.12	1.08	1.08	1.08	-1.3%
35 - 49	44.61%	2,047,875	1.00	1.00	1.00	1.00	1.00	0.3%
50 - 64	21.98%	3,026,032	0.93	0.93	0.95	0.95	0.95	0.6%
65 +	32.56%	2,546,386	0.84	0.84	0.90	0.90	0.90	0.9%
Total	100%	8,207,123						0.0%

Age of Unit

Unit Age	CW Modeled Exposures	AR AMH/077 2013 Written Premium	Final Adjusted Model	Indicated Relativity	Current Relativity	Reindexed Current Relativity	Proposed Relativity	Rebased Impact
New - 1	7.41%	41,324	0.80	0.80	0.86	0.86	0.80	-15.2%
2 - 3	6.65%	163,870	0.85	0.85	0.89	0.89	0.85	-13.6%
4 - 5	7.67%	246,482	0.93	0.93	0.93	0.93	0.90	-12.5%
6 - 10	30.55%	1,122,260	1.00	1.00	1.00	1.00	1.00	-8.4%
11 - 15	17.13%	2,647,120	1.19	1.19	1.02	1.02	1.12	-0.5%
16 - 20	7.91%	1,990,139	1.31	1.31	1.04	1.04	1.24	6.2%
21 +	22.67%	1,995,928	1.34	1.34	1.10	1.10	1.30	4.3%
Total	100%	8,207,123						0.0%

Claims

Number of claims over a 3 year period, with indemnity amount of \$500 or greater.

Claims	CW Modeled Exposures	AR AMH/077 2013 Written Premium	Final Adjusted Model	Indicated Relativity	Current Relativity	Reindexed Current Relativity	Proposed Relativity	Rebased Impact
0	94.59%	7,732,630	1.00	1.000	1.00	1.00	0.80	-0.9%
1	3.16%	474,493	1.41	1.396	1.00	1.00	1.00	23.7%
2	1.20%	-	1.68	1.601	1.00	1.00	1.15	-
3	0.40%	-	2.06	1.986	1.00	1.00	1.30	-
4	0.60%	-	2.06	1.986	1.00	1.00	1.50	-
Total	100%	8,207,123						0.0%

Location

Park Status	CW Modeled Exposures	AR AMH/077 2013 Written Premium	Final Adjusted Model	Indicated Relativity	Current Relativity	Reindexed Current Relativity	Proposed Relativity	Rebased Impact
In Park	35.78%	355,312	0.88	1.00	1.00	1.00	1.00	0.4%
Out of Park	63.13%	7,851,811	1.01	1.15	1.04	1.04	1.06	0.5%
Total	100%	8,207,123						0.0%

American Modern Home Insurance Company
State of Arkansas
Mobile Home Standard

Introduction of Claims Surcharge

The American Modern Home Insurance Company is introducing a claims surcharge to the above captioned program in the State of Arkansas. Application of the surcharge will be based on the number of non-weather claims with an indemnity amount of \$500 or more within the three years preceeding the policy effective date. This information will be obtained from CLUE for new business and American Modern's claims systems for renewal business.

The following surcharges will be used:

Number of Claims	Surcharge
1	0%
2	15%
3	30%
4+	50%

The Claims Surcharge will not be applied to optional coverages.

The overall impact of this change on a countrywide basis is 0.6%. The effect if this change in the State of Arkansas has been included in the overall impact provided.

Support for this surcharge is based on a Mobile Home multivariate analysis of countrywide non-weather claims completed by American Modern in 2011. The results of this analysis are shown below:

Number of Claims	Exposure Distribution	Observed Average	Model Prediction
0	94.6%	1.000	1.000
1	3.2%	1.412	1.396
2	1.2%	1.681	1.601
3+	1.1%	2.063	1.986

State: Arkansas**Filing Company:**

American Modern Home Insurance Company

TOI/Sub-TOI: 04.0 Homeowners/04.0002 Mobile Homeowners**Product Name:** Manufactured Home Program**Project Name/Number:** Rate/Rule Filing /20130506-15

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)
10/11/2013		Rate	AR077MH	10/24/2013	AR077MH-A.pdf (Superseded)
10/10/2013		Supporting Document	NAIC loss cost data entry document	10/24/2013	NAIC Loss Cost Data Entry Doc-077.pdf (Superseded)

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

ELIGIBILITY AND COVERAGES

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

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

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

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

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

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

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

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

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

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

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

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

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

DEDUCTIBLES

The Deductible is applicable per home, per loss occurrence

Owner Byline, Owner Package, and Seasonal Byline Programs

Comprehensive Coverage Excluding Flood and Earthquake

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

- \$500 All Peril Deductible

Optional Deductibles

The deductible may be changed by applying the following premiums.

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

Tenant Program

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

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

Rental/Commercial Program

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

- Multiple Deductible options as shown on the rate page

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

OWNER AND SEASONAL BYLINE RATES

Comprehensive Excluding Flood and Earthquake

Product Code	Flat Base Rate	Min Rate Value	Min Val Accept	UVRC Code	Cov Relativity
Owner Byline	\$446.00	\$5,000	\$1,000	JL	1.000
Seasonal Byline	\$357.00	\$5,000	\$1,000	JL	1.000

OWNER AND SEASONAL BYLINE RATING FACTORS

Territory	Factor
50	1.00
51	1.66

Location	Factor
In Park	1.000
Out of Park	1.060

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

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

Age of Insured	Factor
18 - 34 Unknown	1.080
35 - 49	1.000
50 - 64	0.950
65 +	0.900

Age of Home	Factor
New - 1	0.800
2 - 3	0.850
4 - 5	0.900
6 - 10	1.000
11 - 15	1.120
16 - 20	1.240
21 +	1.300

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

OWNER PACKAGE RATES

Owner Package Manufactured Home

Comprehensive Excluding Flood and Excluding Earthquake

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

Product Code	Flat Base Rate	Min Rate Value	Min Val Accept	UVRC Code	Cov Relativity
Package	\$807.00	\$7,000	\$1,000	JL	1.000

OWNER PAGE RATING FACTORS

Territory	Factor
50	1.00
51	1.66

Location	Factor
In Park	1.000
Out of Park	1.060

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

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

Age of Insured	Factor
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Age of Home	Factor
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**ARKANSAS
AMERICAN MODERN HOME INSURANCE COMPANY
MANUFACTURED HOME PROGRAM**

RENTAL/COMMERCIAL RATES

Coverage: Comprehensive - Excluding Flood and Earthquake

Rate: Rates shown are for \$100 of coverage or any part thereof:

Deductible	Coverage For:	Territory 50	Territory 51
\$250 *Maximum Per Occurrence Deductible \$2,500	Manufactured Home	\$3.03	\$4.16
	Other Structures	\$2.17	\$2.97
	Personal Property	\$2.17	\$2.97
\$500 *Maximum Per Occurrence Deductible \$5,000	Manufactured Home	\$2.71	\$3.69
	Other Structures	\$1.94	\$2.64
	Personal Property	\$1.94	\$2.64
\$1,000 *Maximum Per Occurrence Deductible \$10,000	Manufactured Home	\$2.32	\$3.16
	Other Structures	\$1.66	\$2.26
	Personal Property	\$1.66	\$2.26
\$2,500 *Maximum Per Occurrence Deductible \$25,000	Manufactured Home	\$1.65	\$2.26
	Other Structures	\$1.18	\$1.61
	Personal Property	\$1.18	\$1.61

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

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

TENANT RATES

Personal Property Coverage
Named Perils including Burglary (415)

Personal Property Coverage Amount	All Territories
\$5,000	\$180.00
For each additional \$1,000 or any part thereof, add:	\$14.40

* \$50,000 maximum Personal Property Coverage

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

SURCHARGES & DISCOUNTS

Surcharge	Rate
Supplemental Heating Device	\$35.00 per year, per home

Mandatory for all manufactured homes equipped with a supplemental heating device.

Non Weather Claim Count	Factor
0	0.800
1	1.000
2	1.150
3	1.300
4	1.500
5 +	1.500

NAIC LOSS COST DATA ENTRY DOCUMENT

1.	This filing transmittal is part of Company Tracking #	20130506-15
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2.	If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number	n/a
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Company Name		Company NAIC Number		
3.	A.	American Modern Home Insurance Company	B.	361-23469

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.	Homeowners	B.	Mobile Homeowners

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
10101	12.5	12.5					
10111	7.5	7.5					
10301	12.1	12.1					
10511	1.5	1.5					
10201	25.3	0.0					
TOTAL OVERALL EFFECT	13.6	11.9					

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
2012	11,562	15.0%	12/15/12	9,009,434	4,446,169	49.4%	59.5%
2011	14,033	20.1%	10/1/2011	8,658,148	9,016,571	104.1%	70.4%
2010	14,008	1.9%	9/1/2010	8,092,803	5,404,560	66.8%	48.7%
2009	13,816	10.4%	6/1/2009	7,552,503	6,524,146	86.4%	53.6%
2008	13,926	-2.1%	3/15/2008	7,423,608	6,755,199	91.0%	78.8%

7.	
Expense Constants	Selected Provisions
A. Total Production Expense	23.4%
B. General Expense	9.9%
C. Taxes, License & Fees	2.8%
D. Underwriting Profit & Contingencies	10.9%
E. Other (explain)	1.2% (reins)
F. TOTAL	48.2%

- 8.** _____ Apply Lost Cost Factors to Future filings? (Y or N)
- 9.** _____ Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): 20.7%
- 10.** _____ Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): -16.3%