

**State:** Arkansas **Filing Company:** Fidelity National Property and Casualty Insurance Company

**TOI/Sub-TOI:** 01.0 Property/01.0002 Personal Property (Fire and Allied Lines)

**Product Name:** Dwelling

**Project Name/Number:** Dwelling LCM Filing/DWELL-LCM-2013

### Filing at a Glance

Company: Fidelity National Property and Casualty Insurance Company

Product Name: Dwelling

State: Arkansas

TOI: 01.0 Property

Sub-TOI: 01.0002 Personal Property (Fire and Allied Lines)

Filing Type: Rate/Rule

Date Submitted: 08/21/2013

SERFF Tr Num: FDLY-129070198

SERFF Status: Closed-Filed

State Tr Num:

State Status:

Co Tr Num: DWELL-LCM-2013

Effective Date: 11/15/2013

Requested (New):

Effective Date: 01/06/2014

Requested (Renewal):

Author(s): Barb Rosemann

Reviewer(s): Becky Harrington (primary)

Disposition Date: 10/09/2013

Disposition Status: Filed

Effective Date (New): 11/15/2013

Effective Date (Renewal): 01/06/2014

State Filing Description:

**State:** Arkansas **Filing Company:** Fidelity National Property and Casualty Insurance Company

**TOI/Sub-TOI:** 01.0 Property/01.0002 Personal Property (Fire and Allied Lines)

**Product Name:** Dwelling

**Project Name/Number:** Dwelling LCM Filing/DWELL-LCM-2013

## General Information

Project Name: Dwelling LCM Filing Status of Filing in Domicile: Authorized  
 Project Number: DWELL-LCM-2013 Domicile Status Comments:  
 Reference Organization: Reference Number:  
 Reference Title: Advisory Org. Circular:  
 Filing Status Changed: 10/09/2013  
 State Status Changed: Deemer Date:  
 Created By: Barb Rosemann Submitted By: Barb Rosemann  
 Corresponding Filing Tracking Number: FDLY-129070197

### Filing Description:

Enclosed, as an independent filing for Fidelity National Property and Casualty Insurance Company (FNPAC), is a revision to the Dwelling Fire Program. Please refer to Exhibit A, Actuarial Memorandum for an itemized list of changes to the current sales manual. The corresponding form filing has been submitted under SERFF#FDLY-129070197.

To the best of our knowledge, the enclosed material conforms to all departmental requirements. If you have any questions concerning this filing, please contact me at 800-849-6140 ext. 8316 or email at the address below.

Sincerely,  
 Barb Rosemann  
 Sr. Product Analyst  
 barb.rosemann@pandcins.com

## Company and Contact

### Filing Contact Information

Barb Rosemann, Sr. Product Analyst barb.rosemann@pandcins.com  
 2201 Farnam Street 402-599-8316 [Phone]  
 Ste 200 402-346-0716 [FAX]  
 Omaha, NE 68102

### Filing Company Information

Fidelity National Property and Casualty Insurance Company	CoCode: 16578	State of Domicile: New York
P.O. Box 45126	Group Code: 4765	Company Type:
Jacksonville, FL 32232-5126	Group Name: WBL Group	State ID Number:
(904) 997-7380 ext. [Phone]	FEIN Number: 16-0986300	

## Filing Fees

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

State: Arkansas

Filing Company: Fidelity National Property and Casualty Insurance Company

TOI/Sub-TOI: 01.0 Property/01.0002 Personal Property (Fire and Allied Lines)

Product Name: Dwelling

Project Name/Number: Dwelling LCM Filing/DWELL-LCM-2013

Company	Amount	Date Processed	Transaction #
Fidelity National Property and Casualty Insurance Company	\$100.00	08/21/2013	73174291

**SERFF Tracking #:**

FDLY-129070198

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

DWELL-LCM-2013

**State:**

Arkansas

**Filing Company:**

Fidelity National Property and Casualty Insurance Company

**TOI/Sub-TOI:**

01.0 Property/01.0002 Personal Property (Fire and Allied Lines)

**Product Name:**

Dwelling

**Project Name/Number:**

Dwelling LCM Filing/DWELL-LCM-2013

## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Filed	Becky Harrington	10/09/2013	10/09/2013

### Objection Letters and Response Letters

#### Objection Letters

Status	Created By	Created On	Date Submitted
Pending Industry Response	Becky Harrington	10/07/2013	10/07/2013
Pending Industry Response	Becky Harrington	08/26/2013	08/26/2013

#### Response Letters

Responded By	Created On	Date Submitted
Barb Rosemann	10/08/2013	10/08/2013
Barb Rosemann	10/07/2013	10/07/2013

**State:** Arkansas

**Filing Company:**

Fidelity National Property and Casualty Insurance Company

**TOI/Sub-TOI:** 01.0 Property/01.0002 Personal Property (Fire and Allied Lines)

**Product Name:** Dwelling

**Project Name/Number:** Dwelling LCM Filing/DWELL-LCM-2013

## Disposition

Disposition Date: 10/09/2013

Effective Date (New): 11/15/2013

Effective Date (Renewal): 01/06/2014

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):
Fidelity National Property and Casualty Insurance Company	76.300%	20.000%		154	\$98,285	%	%

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document (revised)	Form RF-1 NAIC Loss Cost Data Entry Document--All P&C Lines	Filed	Yes
Supporting Document	Form RF-1 NAIC Loss Cost Data Entry Document--All P&C Lines		Yes
Supporting Document	HPCS-Homeowners Premium Comparison Survey		Yes
Supporting Document (revised)	NAIC Loss Cost Filing Document for OTHER than Workers' Comp	Filed	Yes
Supporting Document	NAIC Loss Cost Filing Document for OTHER than Workers' Comp		Yes
Supporting Document (revised)	P&C Actuarial Justification	Filed	Yes
Supporting Document	P&C Actuarial Justification		Yes
Supporting Document	P&C Actuarial Justification		Yes
Supporting Document	Reduction In Coverage Notice - FNI726 01 03	Filed	Yes

SERFF Tracking #:

FDLY-129070198

State Tracking #:

Company Tracking #:

DWELL-LCM-2013

State:

Arkansas

Filing Company:

Fidelity National Property and Casualty Insurance Company

TOI/Sub-TOI:

01.0 Property/01.0002 Personal Property (Fire and Allied Lines)

Product Name:

Dwelling

Project Name/Number:

Dwelling LCM Filing/DWELL-LCM-2013

Schedule	Schedule Item	Schedule Item Status	Public Access
Rate	Dwelling Fire Exceptions	Filed	Yes
Rate (revised)	Dwelling Fire - LCM	Filed	Yes
Rate	Dwelling Fire - LCM		Yes
Rate (revised)	Dwelling Liability - LCM	Filed	Yes
Rate	Dwelling Liability - LCM		Yes

---

**State:** Arkansas **Filing Company:** Fidelity National Property and Casualty Insurance Company  
**TOI/Sub-TOI:** 01.0 Property/01.0002 Personal Property (Fire and Allied Lines)  
**Product Name:** Dwelling  
**Project Name/Number:** Dwelling LCM Filing/DWELL-LCM-2013

## Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	10/07/2013
Submitted Date	10/07/2013
Respond By Date	

---

Dear Barb Rosemann,

**Introduction:**

*This will acknowledge receipt of the recent response.*

*The requested increase, which is greater than 6%, has been reviewed by the Commissioner. Please amend the overall increase amount to 20%. Individual increases may not exceed 25%.*

*Indicate revised effective dates, if necessary for company implementation.*

**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 **Filing Company:** Fidelity National Property and Casualty Insurance Company

**TOI/Sub-TOI:** 01.0 Property/01.0002 Personal Property (Fire and Allied Lines)

**Product Name:** Dwelling

**Project Name/Number:** Dwelling LCM Filing/DWELL-LCM-2013

## Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	08/26/2013
Submitted Date	08/26/2013
Respond By Date	

---

Dear Barb Rosemann,

**Introduction:**

*This will acknowledge receipt of the captioned filing.*

**Objection 1**

*- P&C Actuarial Justification (Supporting Document)*

*Comments: Please recalculate the indicated rate need using AR or companywide actual catastrophe experience. AR is not allowing modeled CAT loads.*

**Objection 2**

*Comments: Please provide a copy of the notice being used to inform insureds of the reduction in coverage.*

**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*

SERFF Tracking #:

FDLY-129070198

State Tracking #:

Company Tracking #:

DWELL-LCM-2013

---

State:

Arkansas

Filing Company:

Fidelity National Property and Casualty Insurance Company

TOI/Sub-TOI:

01.0 Property/01.0002 Personal Property (Fire and Allied Lines)

Product Name:

Dwelling

Project Name/Number:

Dwelling LCM Filing/DWELL-LCM-2013

## Response Letter

Response Letter Status	Submitted to State
Response Letter Date	10/08/2013
Submitted Date	10/08/2013

---

*Dear Becky Harrington,*

### **Introduction:**

### **Response 1**

#### **Comments:**

*The overall increased has been amended to 20.0%. The revised Exhibits and supporting documentation has been revised to coincide with this change. In addition, revised manual pages are attached for your review.*

### **Changed Items:**

SERFF Tracking #:

FDLY-129070198

State Tracking #:

Company Tracking #:

DWELL-LCM-2013

**State:** Arkansas **Filing Company:** Fidelity National Property and Casualty Insurance Company  
**TOI/Sub-TOI:** 01.0 Property/01.0002 Personal Property (Fire and Allied Lines)  
**Product Name:** Dwelling  
**Project Name/Number:** Dwelling LCM Filing/DWELL-LCM-2013

### Supporting Document Schedule Item Changes

<b>Satisfied - Item:</b>	Form RF-1 NAIC Loss Cost Data Entry Document--All P&C Lines
<b>Comments:</b>	
<b>Attachment(s):</b>	Form RF1.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>Form RF-1 NAIC Loss Cost Data Entry Document--All P&amp;C Lines</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>Form RF1.pdf</i>

<b>Satisfied - Item:</b>	NAIC Loss Cost Filing Document for OTHER than Workers' Comp
<b>Comments:</b>	
<b>Attachment(s):</b>	Form RF-2 - Fire Owner.pdf Form RF-2 - Fire Tenant.pdf Form RF-2 - Liability.pdf Form RF-2.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>NAIC Loss Cost Filing Document for OTHER than Workers' Comp</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>Form RF-2 - Fire Owner.pdf</i> <i>Form RF-2 - Fire Tenant.pdf</i> <i>Form RF-2 - Liability.pdf</i>

<b>Satisfied - Item:</b>	P&C Actuarial Justification
<b>Comments:</b>	
<b>Attachment(s):</b>	AR_Exhibit C - Net Cost of Reinsurance.pdf AR_Exhibit A - Actuarial Memorandum.pdf AR_Exhibit B - Loss Cost Multiplier Calculation and Supporting Documentation (20% Version).pdf AR_Exhibit D - Estimated Impact (20% Version).pdf AR_Exhibit E - Rate Level Indication & Supporting Documentation.pdf

SERFF Tracking #:

FDLY-129070198

State Tracking #:

Company Tracking #:

DWELL-LCM-2013

**State:** Arkansas **Filing Company:** Fidelity National Property and Casualty Insurance Company  
**TOI/Sub-TOI:** 01.0 Property/01.0002 Personal Property (Fire and Allied Lines)  
**Product Name:** Dwelling  
**Project Name/Number:** Dwelling LCM Filing/DWELL-LCM-2013

<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>P&amp;C Actuarial Justification</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>AR_Exhibit A - Actuarial Memorandum.pdf</i> <i>AR_Exhibit B - Loss Cost Multiplier Calculation and Supporting Documentation.pdf</i> <i>AR_Exhibit C - Net Cost of Reinsurance.pdf</i> <i>AR_Exhibit D - Estimated Impact.pdf</i> <i>AR_Exhibit E - Rate Level Indication Supporting Documentation - REVISED.pdf</i>
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>P&amp;C Actuarial Justification</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>AR_Exhibit A - Actuarial Memorandum.pdf</i> <i>AR_Exhibit B - Loss Cost Multiplier Calculation and Supporting Documentation.pdf</i> <i>AR_Exhibit C - Net Cost of Reinsurance.pdf</i> <i>AR_Exhibit D - Estimated Impact.pdf</i> <i>AR_Exhibit E - Rate Level Indication &amp; Supporting Documentation.pdf</i>

SERFF Tracking #:

FDLY-129070198

State Tracking #:

Company Tracking #:

DWELL-LCM-2013

**State:** Arkansas **Filing Company:** Fidelity National Property and Casualty Insurance Company  
**TOI/Sub-TOI:** 01.0 Property/01.0002 Personal Property (Fire and Allied Lines)  
**Product Name:** Dwelling  
**Project Name/Number:** Dwelling LCM Filing/DWELL-LCM-2013

### Supporting Document Schedule Item Changes

<b>Satisfied - Item:</b>	Form RF-1 NAIC Loss Cost Data Entry Document--All P&C Lines
<b>Comments:</b>	
<b>Attachment(s):</b>	Form RF1.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>Form RF-1 NAIC Loss Cost Data Entry Document--All P&amp;C Lines</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>Form RF1.pdf</i>

<b>Satisfied - Item:</b>	NAIC Loss Cost Filing Document for OTHER than Workers' Comp
<b>Comments:</b>	
<b>Attachment(s):</b>	Form RF-2 - Fire Owner.pdf Form RF-2 - Fire Tenant.pdf Form RF-2 - Liability.pdf Form RF-2.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>NAIC Loss Cost Filing Document for OTHER than Workers' Comp</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>Form RF-2 - Fire Owner.pdf</i> <i>Form RF-2 - Fire Tenant.pdf</i> <i>Form RF-2 - Liability.pdf</i>

<b>Satisfied - Item:</b>	P&C Actuarial Justification
<b>Comments:</b>	
<b>Attachment(s):</b>	AR_Exhibit C - Net Cost of Reinsurance.pdf AR_Exhibit A - Actuarial Memorandum.pdf AR_Exhibit B - Loss Cost Multiplier Calculation and Supporting Documentation (20% Version).pdf AR_Exhibit D - Estimated Impact (20% Version).pdf AR_Exhibit E - Rate Level Indication & Supporting Documentation.pdf

SERFF Tracking #:

FDLY-129070198

State Tracking #:

Company Tracking #:

DWELL-LCM-2013

**State:** Arkansas **Filing Company:** Fidelity National Property and Casualty Insurance Company  
**TOI/Sub-TOI:** 01.0 Property/01.0002 Personal Property (Fire and Allied Lines)  
**Product Name:** Dwelling  
**Project Name/Number:** Dwelling LCM Filing/DWELL-LCM-2013

<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>P&amp;C Actuarial Justification</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>AR_Exhibit A - Actuarial Memorandum.pdf</i> <i>AR_Exhibit B - Loss Cost Multiplier Calculation and Supporting Documentation.pdf</i> <i>AR_Exhibit C - Net Cost of Reinsurance.pdf</i> <i>AR_Exhibit D - Estimated Impact.pdf</i> <i>AR_Exhibit E - Rate Level Indication Supporting Documentation - REVISED.pdf</i>
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>P&amp;C Actuarial Justification</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>AR_Exhibit A - Actuarial Memorandum.pdf</i> <i>AR_Exhibit B - Loss Cost Multiplier Calculation and Supporting Documentation.pdf</i> <i>AR_Exhibit C - Net Cost of Reinsurance.pdf</i> <i>AR_Exhibit D - Estimated Impact.pdf</i> <i>AR_Exhibit E - Rate Level Indication &amp; Supporting Documentation.pdf</i>

SERFF Tracking #:

FDLY-129070198

State Tracking #:

Company Tracking #:

DWELL-LCM-2013

**State:** Arkansas **Filing Company:** Fidelity National Property and Casualty Insurance Company  
**TOI/Sub-TOI:** 01.0 Property/01.0002 Personal Property (Fire and Allied Lines)  
**Product Name:** Dwelling  
**Project Name/Number:** Dwelling LCM Filing/DWELL-LCM-2013

### Supporting Document Schedule Item Changes

<b>Satisfied - Item:</b>	Form RF-1 NAIC Loss Cost Data Entry Document--All P&C Lines
<b>Comments:</b>	
<b>Attachment(s):</b>	Form RF1.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>Form RF-1 NAIC Loss Cost Data Entry Document--All P&amp;C Lines</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>Form RF1.pdf</i>

<b>Satisfied - Item:</b>	NAIC Loss Cost Filing Document for OTHER than Workers' Comp
<b>Comments:</b>	
<b>Attachment(s):</b>	Form RF-2 - Fire Owner.pdf Form RF-2 - Fire Tenant.pdf Form RF-2 - Liability.pdf Form RF-2.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>NAIC Loss Cost Filing Document for OTHER than Workers' Comp</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>Form RF-2 - Fire Owner.pdf</i> <i>Form RF-2 - Fire Tenant.pdf</i> <i>Form RF-2 - Liability.pdf</i>

<b>Satisfied - Item:</b>	P&C Actuarial Justification
<b>Comments:</b>	
<b>Attachment(s):</b>	AR_Exhibit C - Net Cost of Reinsurance.pdf AR_Exhibit A - Actuarial Memorandum.pdf AR_Exhibit B - Loss Cost Multiplier Calculation and Supporting Documentation (20% Version).pdf AR_Exhibit D - Estimated Impact (20% Version).pdf AR_Exhibit E - Rate Level Indication & Supporting Documentation.pdf

SERFF Tracking #:

FDLY-129070198

State Tracking #:

Company Tracking #:

DWELL-LCM-2013

**State:** Arkansas **Filing Company:** Fidelity National Property and Casualty Insurance Company  
**TOI/Sub-TOI:** 01.0 Property/01.0002 Personal Property (Fire and Allied Lines)  
**Product Name:** Dwelling  
**Project Name/Number:** Dwelling LCM Filing/DWELL-LCM-2013

<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>P&amp;C Actuarial Justification</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>AR_Exhibit A - Actuarial Memorandum.pdf</i> <i>AR_Exhibit B - Loss Cost Multiplier Calculation and Supporting Documentation.pdf</i> <i>AR_Exhibit C - Net Cost of Reinsurance.pdf</i> <i>AR_Exhibit D - Estimated Impact.pdf</i> <i>AR_Exhibit E - Rate Level Indication Supporting Documentation - REVISED.pdf</i>
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>P&amp;C Actuarial Justification</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>AR_Exhibit A - Actuarial Memorandum.pdf</i> <i>AR_Exhibit B - Loss Cost Multiplier Calculation and Supporting Documentation.pdf</i> <i>AR_Exhibit C - Net Cost of Reinsurance.pdf</i> <i>AR_Exhibit D - Estimated Impact.pdf</i> <i>AR_Exhibit E - Rate Level Indication &amp; Supporting Documentation.pdf</i>

No Form Schedule items changed.

State: Arkansas

Filing Company:

Fidelity National Property and Casualty Insurance Company

TOI/Sub-TOI: 01.0 Property/01.0002 Personal Property (Fire and Allied Lines)

Product Name: Dwelling

Project Name/Number: Dwelling LCM Filing/DWELL-LCM-2013

## Rate Schedule Item Changes

Item No.	Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing Number	Date Submitted
1	Dwelling Fire - LCM	DP-LCM-1	Replacement		10/08/2013 By: Barb Rosemann
<i>Previous Version</i>					
1	<i>Dwelling Fire - LCM</i>	<i>DP-LCM-1</i>	<i>Replacement</i>		<i>08/21/2013 By: Barb Rosemann</i>
2	Dwelling Liability - LCM	DL-LCM-1	Replacement		10/08/2013 By: Barb Rosemann
<i>Previous Version</i>					
2	<i>Dwelling Liability - LCM</i>	<i>DL-LCM-1</i>	<i>Replacement</i>		<i>08/21/2013 By: Barb Rosemann</i>

**Conclusion:**

Sincerely,  
Barb Rosemann

SERFF Tracking #:

FDLY-129070198

State Tracking #:

Company Tracking #:

DWELL-LCM-2013

---

State: Arkansas

Filing Company:

Fidelity National Property and Casualty Insurance Company

TOI/Sub-TOI: 01.0 Property/01.0002 Personal Property (Fire and Allied Lines)

Product Name: Dwelling

Project Name/Number: Dwelling LCM Filing/DWELL-LCM-2013

## Response Letter

Response Letter Status	Submitted to State
Response Letter Date	10/07/2013
Submitted Date	10/07/2013

---

Dear Becky Harrington,

### **Introduction:**

### **Response 1**

#### **Comments:**

As requested the indicated rate need has been recalculated. Revised Exhibit E is attached for your review.

### **Related Objection 1**

Applies To:

- P&C Actuarial Justification (Supporting Document)

Comments: Please recalculate the indicated rate need using AR or companywide actual catastrophe experience. AR is not allowing modeled CAT loads.

### **Changed Items:**

**State:** Arkansas  
**TOI/Sub-TOI:** 01.0 Property/01.0002 Personal Property (Fire and Allied Lines)  
**Product Name:** Dwelling  
**Project Name/Number:** Dwelling LCM Filing/DWELL-LCM-2013

**Filing Company:** Fidelity National Property and Casualty Insurance Company

### Supporting Document Schedule Item Changes

<b>Satisfied - Item:</b>	P&C Actuarial Justification
<b>Comments:</b>	
<b>Attachment(s):</b>	AR_Exhibit A - Actuarial Memorandum.pdf AR_Exhibit B - Loss Cost Multiplier Calculation and Supporting Documentation.pdf AR_Exhibit C - Net Cost of Reinsurance.pdf AR_Exhibit D - Estimated Impact.pdf AR_Exhibit E - Rate Level Indication Supporting Documentation - REVISED.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>P&amp;C Actuarial Justification</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>AR_Exhibit A - Actuarial Memorandum.pdf</i> <i>AR_Exhibit B - Loss Cost Multiplier Calculation and Supporting Documentation.pdf</i> <i>AR_Exhibit C - Net Cost of Reinsurance.pdf</i> <i>AR_Exhibit D - Estimated Impact.pdf</i> <i>AR_Exhibit E - Rate Level Indication &amp; Supporting Documentation.pdf</i>

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

#### Response 2

##### Comments:

Form FN1726 01 03 - Reduction of Coverage Notice is attached.

#### Related Objection 2

Comments: Please provide a copy of the notice being used to inform insureds of the reduction in coverage.

#### Changed Items:

SERFF Tracking #:

FDLY-129070198

State Tracking #:

Company Tracking #:

DWELL-LCM-2013

State:

Arkansas

Filing Company:

Fidelity National Property and Casualty Insurance Company

TOI/Sub-TOI:

01.0 Property/01.0002 Personal Property (Fire and Allied Lines)

Product Name:

Dwelling

Project Name/Number:

Dwelling LCM Filing/DWELL-LCM-2013

### Supporting Document Schedule Item Changes

<b>Satisfied - Item:</b>	Reduction In Coverage Notice - FNI726 01 03
<b>Comments:</b>	
<b>Attachment(s):</b>	FN1726 01 13.pdf

*No Form Schedule items changed.*

*No Rate/Rule Schedule items changed.*

**Conclusion:**

*Sincerely,*

*Barb Rosemann*

SERFF Tracking #:

FDLY-129070198

State Tracking #:

Company Tracking #:

DWELL-LCM-2013

State: Arkansas  
 TOI/Sub-TOI: 01.0 Property/01.0002 Personal Property (Fire and Allied Lines)  
 Product Name: Dwelling  
 Project Name/Number: Dwelling LCM Filing/DWELL-LCM-2013

Filing Company: Fidelity National Property and Casualty Insurance Company

### Rate Information

Rate data applies to filing.

Filing Method: File & Use  
 Rate Change Type: Increase  
 Overall Percentage of Last Rate Revision: 8.500%  
 Effective Date of Last Rate Revision: 12/01/2012  
 Filing Method of Last Filing: File & Use

### Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
Fidelity National Property and Casualty Insurance Company	76.300%	34.200%	\$33,614	154	\$98,285	%	%

**SERFF Tracking #:**

FDLY-129070198

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

DWELL-LCM-2013

**State:** Arkansas**Filing Company:**

Fidelity National Property and Casualty Insurance Company

**TOI/Sub-TOI:** 01.0 Property/01.0002 Personal Property (Fire and Allied Lines)**Product Name:** Dwelling**Project Name/Number:** Dwelling LCM Filing/DWELL-LCM-2013

## Rate/Rule Schedule

Item No.	Schedule Item Status	Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing Number	Attachments
1	Filed 10/09/2013	Dwelling Fire Exceptions	Rule 305 on page DP-EXC-3	Replacement		AR dwelling fire exceptions - LCM Filing.pdf
2	Filed 10/09/2013	Dwelling Fire - LCM	DP-LCM-1	Replacement		AR dwelling fire lcm - LCM Filing.pdf
3	Filed 10/09/2013	Dwelling Liability - LCM	DL-LCM-1	Replacement		AR dwelling liab lcm - LCM Filing.pdf

**FIDELITY NATIONAL PROPERTY & CASUALTY INSURANCE COMPANY  
DWELLING POLICY PROGRAM  
EXCEPTIONS TO ISO GENERAL RULES**

**101. FORMS, COVERAGES, MINIMUM LIMITS OF LIABILITY**

Paragraph C., "Minimum Limits of Liability" is deleted and replaced by the following:

<u>Coverage</u>	<u>Minimum Limit</u>
1. Coverage A - Dwelling	\$60,000
2. Coverage C - Personal Property (if purchased)	\$ 5,000

**103. ELIGIBILITY**

Paragraph B. "Coverage A - on a mobile or trailer home:" is deleted in its entirety.

Paragraph D. "Coverage C in:, 1." is deleted and replaced by the following:

1. A dwelling eligible under Paragraph A.1., A.2. or A.3.; or

**104. PROTECTION CLASSIFICATION CODES AND INFORMATION**

Paragraph C. is deleted and replaced by the following:

**C. Suburban Protection Class**

1. Class 9 and 10 risks meeting the following criteria may be rated at the same protection class as that of the fire department that will respond:
  - a. Located within five road miles, or within a subdivision, at least a part of which is within five road miles of the fire department that will respond; and
  - b. Located within 1,000 feet of a standard fire hydrant.
2. Class 9 and 10 risks meeting the following criteria may be rated in protection class 4 if they are:
  - a. Located in an approved subdivision\*; and
  - b. Each fire department that will respond will transport a minimum of 3,000 gallons of water to the risk location.

**104. PROTECTION CLASSIFICATION CODES AND INFORMATION (CONT.)**

\*An approved subdivision is defined as a plotted subdivision having fifteen homes or more, any part of which is within five road miles of a fire department that will respond, and is afforded protection by a class 1-8 municipal fire department, and has been approved by Fidelity National Property and Casualty Insurance Company. If any part of a plotted subdivision is within five road miles, all property in the subdivision shall be considered as being within five road miles.

3. Class 9 and 10 risks meeting the following criteria may be rated using the protection class of the fire department that will respond shown in the table below:
  - a. Within five road miles, or within a subdivision, at least a part of which is within five road miles of the fire department that will respond; and
  - b. The fire department that will respond must transport a minimum of 3,000 gallons of water to the risk location.

**Note:** On the application, enter the lowest rated fire department in the "Fire District" box and check the box title "Within Prot. Suburb". In the Remarks" section, indicate the designated primary response unit.

<b>Published Protection Class of Responding Fire Department</b>	<b>Rate Protection Class</b>
1-4	8
5	8
6	8
7	9
8	10*
9	10*
10	10*

Paragraph D. has been added as follows:

- D. All other properties are Class 10.

**FIDELITY NATIONAL PROPERTY & CASUALTY INSURANCE COMPANY**  
**DWELLING POLICY PROGRAM**  
**EXCEPTIONS TO ISO GENERAL RULES**

**201. POLICY PERIOD AND PREMIUM PAYMENT**

This rule is deleted and replaced by the following:

All premiums and rates shown in this manual are on an annual term basis. All policies are initially written for a one-year term and then renewed annually. The rates on renewals will be those rates in effect at that time.

Payment plans are available in the event that the full premium amount is not paid in full. Please refer to the premium payment definitions for more details.

**202. CHANGES OR CANCELLATIONS**

This rule is deleted and replaced by the following:

- A. It shall not be permissible to cancel any of the mandatory coverages in the policy unless the whole policy is canceled.
  
- B. If insurance is increased, canceled or reduced, the additional or return premium shall be computed on a pro-rata basis, subject to the required minimum premium.

**204. MULTIPLE LOCATIONS**

Paragraph A. and C. are deleted in their entirety.

**205. MULTIPLE POLICIES**

This rule is deleted in its entirety.

**206. MINIMUM PREMIUM**

This rule is deleted and replaced by the following:

The minimum annual premium for the entire policy (fire and liability) shall be \$50.

**207. TRANSFER OR ASSIGNMENT**

This rule is deleted in its entirety.

**208. WAIVER OF PREMIUM**

This rule is deleted in its entirety.

**304. PERMITTED INCIDENTAL OCCUPANCIES**

This rule is deleted in its entirety replaced by the following:

- A. Eligibility  
Small service occupancies, meaning occupancies primarily for service rather than sales, are permitted in a premises that is eligible for coverage under a Dwelling Policy, if:
  - 1. The policy provides insurance under Coverage A, B or C;
  - 2. The incidental occupancy is operated by the insured who is the owner or a resident of the premises;
  - 3. The incidental occupancy generates minimal foot traffic within the location and not involve inventory or storage of merchandise.
  - 4. there are no more than two persons at work in the incidental occupancy.

Use Endorsement DP 04 20, Permitted Incidental Occupancies.

- B. Amount of Insurance  
The amount of insurance for the contents of the incidental occupancy shall be included in the Coverage C limit.
- C. Premium  
Determine the Coverage C Base Premium under Rule 301., using the single Key Factor for the total amount of the insurance for:
  - 1. Household Personal Property; and
  - 2. Contents of the incidental occupancy.

**FIDELITY NATIONAL PROPERTY & CASUALTY INSURANCE COMPANY  
DWELLING POLICY PROGRAM  
EXCEPTIONS TO ISO GENERAL RULES**

**305. LOSS SETTLEMENT OPTIONS  
(DP 00 03 Only)**

Paragraph B. is deleted and replaced by the following:

- B. Replacement Cost on Buildings
1. Introduction  
The policy provides loss settlement for buildings insured under Coverage A and B on a replacement cost basis without deduction for depreciation if, at the time of the loss, the amount of insurance on the damaged building is 80% or more of the replacement cost of the building immediately before the loss. If the Coverage A limit is at least 100% of the replacement cost, the following additional coverage is available.
  2. Coverage Description  
If the requirements in Paragraph B.1. are met, the policy may be endorsed to provide additional insurance, equal to 25% of the Coverage A limit of liability, when loss to property insured under Coverage A-Dwelling exceeds the Coverage A limit of liability shown in the Declarations.
  3. Premium Computation  
Apply a factor of 1.05 to the Coverage A Fire and Coverage A Extended Coverage base premiums.
  4. Endorsement  
Use Endorsement FN1204, Specified Additional Amount of Insurance for Coverage A-Dwelling.

Paragraph C. is added as follows:

- C. Personal Property Replacement Cost Loss Settlement
1. Introduction  
The policy provides loss settlement on an Actual Cash Value basis for certain types of property.
  2. Loss Settlement Option  
The policy may be endorsed to provide loss settlement on a Replacement Cost basis for such property.
  3. Endorsement  
Use Endorsement FN1205, Personal Property Replacement Cost Loss Settlement.
  4. Premium Computation  
The premium is computed by multiplying the Base Premium by a factor of 1.15.

**402. COVERAGE C - PERSONAL  
PROPERTY IN BUILDINGS  
SUBJECT TO COMMERCIAL  
CLASS RATES OR SPECIFIC  
RATES**

This rule is deleted in its entirety.

**404. MOBILE OR TRAILER HOMES -  
DP 00 01 ONLY**

This rule is deleted in its entirety.

**405. TOWNHOUSE OR ROW HOUSE**

Paragraph B. is deleted and replaced by the following:

- B. Premium  
No. of Indv.  
Use Cov. A or C

Family Units	BASE PREMIUM for
1, 2, 3, or 4	1, 2, 3, or 4 families (Cov. A and/or C)
5 or more	5 or more families (Cov. C only)

**407. AUTOMATIC INCREASE IN  
INSURANCE**

A. This rule has been amended as follows:

The policy provides for an annual increase of 4% in the limits of liability for Coverages A and B. This percentage may be increased or deleted in its entirety. Apply the factor to the base premium as follows:

Amount of Annual Increase	Factor
4%	1.02
6%	1.03
8%	1.04
Each add'l 4% over 8% add:	.02

Paragraph B. is deleted in its entirety.

**FIDELITY NATIONAL PROPERTY & CASUALTY INSURANCE COMPANY  
DWELLING POLICY PROGRAM  
EXCEPTIONS TO ISO GENERAL RULES**

**408. PROTECTIVE DEVICES**

Table 408.A., Protective Devices Factors, has been deleted and replaced by the following:

Type of Installation	Discount
Complete Burglar Alarm	2%
Smoke/Fire Alarm reporting to a Central Station or Fire Department	2%
Local Smoke/Fire Alarm w/Dead Bolt Locks & Fire Extinguisher	3%
Burglar Alarm with Smoke/Fire Local Alarm, with Dead Bolt Locks and Fire Extinguisher	3%
Smoke/Fire Alarm and/or Burglar Alarm reporting to a Central Station, Police or Fire Department w/ Dead Bolt Locks & Fire Extinguisher	10%

**509. EARTHQUAKE COVERAGE**

Paragraph B. is deleted in its entirety:

**510. THEFT COVERAGE**

Paragraph A.1.c. has been deleted and replaced by the following:

- c. Off-Premises Coverage  
Off-Premises Coverage is only available when On-Premises Coverage is purchased.  
The maximum limit of liability available is \$2,500.

Table 510.B.2.a., Factors, has been deleted and replaced by the following:

Type of Installation	Factor
Central Station Reporting Burglar Alarm	.95
Police Station Reporting Burglar Alarm	.97
Local Burglar Alarm	.98

Paragraph C.2. has been revised as follows:  
The footnote in Table 510.C.2. has been deleted.

**550. PREMIUM PAYMENT PLANS**

This rule has been added as follows:

The following payment plans are available. If any payment is not honored by the financial institution, notice of cancellation will be issued and the policy will be assessed a \$15 insufficient funds fee.

- A. **FULL PAY PLAN** - The full premium amount is due upon the term effective date. This option is selected by paying the amount shown as the "Total Due" on the premium bill.
- B. **40/30/30 PAYMENT PLAN** - The premium is billed in three installments, 40%, 30%, and 30% of the term premium respectively. The second and third installments include a \$3 installment fee. This option is selected by paying the amount shown as the "Minimum Due" on the premium bill.

**C. MONTHLY ELECTRONIC FUNDS TRANSFER (EFT) PAYMENT PLAN**

The premium is collected in monthly installments through Electronic Funds Transfer (EFT). A \$2 installment fee is applicable to all withdrawals except the initial deposit. To select this option for new and existing business, the following information must be submitted:

- Insured signed and completed EFT authorization
- Voided Check
- 15% premium deposit
- Monthly withdrawals occur on the day of the month that corresponds to the effective date of the policy unless the effective date falls on the 29<sup>th</sup>, 30<sup>th</sup> or 31<sup>st</sup> of the month, in which case, the withdrawal day will be the 1<sup>st</sup>.

Additional notes:

1. Withdrawals will begin on the first available withdrawal date after:
  - a. The policy has been issued or endorsed with the EFT Payment Plan and;
  - b. A letter, allowing the required legal number of days notice, has been sent to the insured and agent detailing the date withdrawals will begin and amount of the withdrawal.
2. Withdrawal amounts are calculated by taking the balance due on the policy and dividing it by the remaining months in the policy term.
3. Withdrawals will continue until FNPAC is notified by the insured at least 5 days before the date of any scheduled transfer that the payment plan is no longer desired.

**FIDELITY NATIONAL PROPERTY & CASUALTY INSURANCE COMPANY  
DWELLING POLICY PROGRAM  
EXCEPTIONS TO ISO GENERAL RULES**

**D. MONTHLY CREDIT CARD  
PAYMENT PLAN**

The premium is collected in monthly installments through a charge to a credit card designated by the insured. A \$4 installment fee is applicable to all monthly charges except for the initial deposit. To select this option for new and existing business, the following information must be submitted:

- Insured signed and completed Monthly Credit Card authorization form
- 15% premium deposit
- Monthly charges occur on the day of the month that corresponds to the effective date of the policy unless the effective date falls on the 29<sup>th</sup>, 30<sup>th</sup> and 31<sup>st</sup> of the month, in which case, the charge day will be the 1<sup>st</sup>.

Additional notes:

1. Charges will begin on the first available charge date after:
  - a. The policy has been issued or endorsed with the Monthly Credit Card Payment Plan and;
  - b. A letter, allowing the required legal number of days notice, has been sent to the insured and agent detailing the date charges will begin and amount of the charge.
2. Charge amounts are calculated by taking the balance due on the policy and dividing it by the remaining months in the policy term.
3. Charges will continue until FNPAC is notified by the insured at least 30 days before the date of any scheduled charge that the payment plan is no longer desired.

**551. NEWLY ACQUIRED PROPERTY DISCOUNT**

This rule has been added as follows:

The following discount shall apply to the Base Premium for a dwelling newly purchased by the named insured.

Year of Policy	Discount
First Year	10%
Second Year	5%
Third & Subsequent Years	0%

**552. MULTI-POLICY DISCOUNT**

This rule has been added as follows:

The base premium shall be reduced by the following discount if the named insured is also the named insured on another policy written by Fidelity National Financial, Inc. or its subsidiaries.

Discount
3%

Note: If this policy is effective prior to any other eligible policy being in effect, the discount is not applicable until the next renewal date. Mid-term changes to take advantage of this discount are not permitted.

**553. EMPLOYEE DISCOUNT**

This rule has been added as follows:

The base premium shall be reduced by the following discount if the named insured is employed by Fidelity National Financial, Inc. or its subsidiaries.

Discount
10%

**554. PROFESSIONAL PROPERTY MANAGEMENT COMPANY DISCOUNT**

This rule has been added as follows:

The base premium shall be reduced by the following discount if the dwelling is being managed by a professional property management company that has been certified by the NARPM (National Association of Residential Property Managers).

Discount
15%

Note: If the documentation necessary to validate that the property management company is certified by the NARPM is provided after the policy has been issued, the discount will be applied on a pro rata basis.

**FIDELITY NATIONAL PROPERTY & CASUALTY INSURANCE COMPANY  
DWELLING POLICY PROGRAM  
EXCEPTIONS TO ISO GENERAL RULES**

**555. CORPORATE OWNED PROPERTY  
SURCHARGE**

This rule has been added as follows:  
The base premium shall be increased by the following charge if the dwelling is owned/titled in the name of corporation, association, business, church, or non-profit organization.

<b>Charge</b>
25%

**556. INSURANCE BUREAU SCORE  
ADJUSTMENT**

This rule has been added as follows:  
The policy premium is subject to modification based on the Insurance Bureau Score developed for the first named insured listed on the policy. The Insurance Bureau Score will be re-evaluated prior to the generation of each subsequent renewal offer. All premiums will be adjusted using the factors shown below.

<b>Insurance Bureau Score</b>	<b>Factor</b>
802 & up	0.590
763 - 801	0.690
735 - 762	0.750
711 - 734	0.865
688 - 710	0.865
664 - 687	0.950
No Score	1.000
639 - 663	1.060
608 - 638	1.150
568 - 607	1.350
567 & below	1.830

**FIDELITY NATIONAL PROPERTY AND CASUALTY INSURANCE  
COMPANY  
DWELLING PROGRAM**

DWELLING FIRE

Loss Cost Multiplier: Owner Occupied Dwelling 1.814  
Non-Owner Occupied Dwelling 2.721

To determine the final rate, multiply the Loss Cost Multiplier by the Loss Costs shown on the rate pages. Refer to the rating example on the next page.

**FIDELITY NATIONAL PROPERTY AND CASUALTY INSURANCE COMPANY  
DWELLING PROGRAM**

DWELLING LIABILITY

Loss Cost Multiplier 1.814

To determine the final rate, multiply the Loss Cost Multiplier by the Loss Costs shown on the rate pages. Refer to the rating example on the next page.

SERFF Tracking #:

FDLY-129070198

State Tracking #:

Company Tracking #:

DWELL-LCM-2013

**State:** Arkansas  
**TOI/Sub-TOI:** 01.0 Property/01.0002 Personal Property (Fire and Allied Lines)  
**Product Name:** Dwelling  
**Project Name/Number:** Dwelling LCM Filing/DWELL-LCM-2013

**Filing Company:** Fidelity National Property and Casualty Insurance Company

## Supporting Document Schedules

<b>Satisfied - Item:</b>	Form RF-1 NAIC Loss Cost Data Entry Document--All P&C Lines
<b>Comments:</b>	
<b>Attachment(s):</b>	Form RF1.pdf
<b>Item Status:</b>	Filed
<b>Status Date:</b>	10/09/2013

<b>Satisfied - Item:</b>	NAIC Loss Cost Filing Document for OTHER than Workers' Comp
<b>Comments:</b>	
<b>Attachment(s):</b>	Form RF-2 - Fire Owner.pdf Form RF-2 - Fire Tenant.pdf Form RF-2 - Liability.pdf Form RF-2.pdf
<b>Item Status:</b>	Filed
<b>Status Date:</b>	10/09/2013

<b>Satisfied - Item:</b>	P&C Actuarial Justification
<b>Comments:</b>	
<b>Attachment(s):</b>	AR_Exhibit C - Net Cost of Reinsurance.pdf AR_Exhibit A - Actuarial Memorandum.pdf AR_Exhibit B - Loss Cost Multiplier Calculation and Supporting Documentation (20% Version).pdf AR_Exhibit D - Estimated Impact (20% Version).pdf AR_Exhibit E - Rate Level Indication & Supporting Documentation.pdf
<b>Item Status:</b>	Filed
<b>Status Date:</b>	10/09/2013

<b>Satisfied - Item:</b>	Reduction In Coverage Notice - FNI726 01 03
<b>Comments:</b>	
<b>Attachment(s):</b>	FN1726 01 13.pdf

**SERFF Tracking #:**

FDLY-129070198

**State Tracking #:**

**Company Tracking #:**

DWELL-LCM-2013

**State:**

Arkansas

**Filing Company:**

Fidelity National Property and Casualty Insurance Company

**TOI/Sub-TOI:**

01.0 Property/01.0002 Personal Property (Fire and Allied Lines)

**Product Name:**

Dwelling

**Project Name/Number:**

Dwelling LCM Filing/DWELL-LCM-2013

<b>Item Status:</b>	Filed
<b>Status Date:</b>	10/09/2013

## NAIC LOSS COST DATA ENTRY DOCUMENT

<b>1.</b>	This filing transmittal is part of Company Tracking #	<b>DWELL-LCM-2013</b>
-----------	---	-----------------------

<b>2.</b>	If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number	<b>Not Applicable</b>
-----------	---	-----------------------

Company Name		Company NAIC Number		
<b>3.</b>	<b>A.</b>	<b>Fidelity National Property &amp; Casualty Insurance Company</b>	<b>B.</b>	<b>4765-16578</b>

Product Coding Matrix Line of Business (i.e., Type of Insurance)		Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)		
<b>4.</b>	<b>A.</b>	<b>Dwelling</b>	<b>B.</b>	<b>Dwelling</b>

<b>5.</b>			<b>FOR LOSS COSTS ONLY</b>				
(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
<b>Fire (Owner Occupied)</b>	<b>76.3%</b>	<b>29.3%</b>	<b>49.1%</b>	<b>1.00</b>	<b>1.814</b>		<b>1.575</b>
<b>Fire (Non-Owner Occupied)</b>	<b>76.3%</b>	<b>29.4%</b>	<b>49.1%</b>	<b>1.50</b>	<b>2.721</b>		<b>2.363</b>
<b>Liability</b>	<b>76.3%</b>	<b>29.3%</b>	<b>49.1%</b>	<b>1.00</b>	<b>1.814</b>		<b>1.575</b>
<b>Extended Cov A (DP3)</b>	<b>n/a</b>	<b>5.0%</b>					
<b>TOTAL OVERALL EFFECT</b>	<b>76.3%</b>	<b>20.0%</b>					

<b>6.</b>		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
<b>2009</b>	<b>2</b>	<b>-6.3%</b>	<b>01/2009</b>	<b>1052</b>	<b>0</b>	<b>0</b>	<b>37%</b>
<b>2009</b>	<b>2</b>	<b>0%</b>	<b>09/2009</b>	<b>1052</b>	<b>0</b>	<b>0</b>	<b>37%</b>
<b>2010</b>	<b>5</b>	<b>-6.2%</b>	<b>06/20/10</b>	<b>980</b>	<b>0</b>	<b>0</b>	<b>19%</b>
<b>2010</b>	<b>5</b>	<b>-12.1%</b>	<b>12/2010</b>	<b>980</b>	<b>0</b>	<b>0</b>	<b>19%</b>
<b>2011</b>	<b>50</b>	<b>0%</b>	<b>08/2011</b>	<b>20,954</b>	<b>2,300</b>	<b>11%</b>	<b>79%</b>
<b>2011</b>	<b>50</b>	<b>-4.7%</b>	<b>10/2011</b>	<b>20,954</b>	<b>2,300</b>	<b>11%</b>	<b>79%</b>
<b>2012</b>	<b>121</b>	<b>+8.5%</b>	<b>12/01/12</b>	<b>62,362</b>	<b>29,904</b>	<b>48%</b>	<b>67%</b>

<b>7.</b>	
Expense Constants	Selected Provisions
A. Total Production Expense	<b>25.3%</b>
B. General Expense	<b>1.7%</b>
C. Taxes, License & Fees	<b>2.1%</b>
D. Underwriting Profit & Contingencies	<b>7.0%</b>
E. Other (Net Cost of Reinsurance, Other Acquisition)	<b>14.7%</b>
<b>F. TOTAL</b>	<b>50.9%</b>

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

**9.** 20.0% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): \_\_\_\_\_

10. **N/A** Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): \_\_\_\_\_

PC RLC

U:LossCostDraft/DataEntry.doc

CALCULATION OF COMPANY LOSS COST MULTIPLIER

**Reset Form**

(EFFECTIVE AUG. 16, 2004)

<b>This filing transmittal is part of Company Tracking #</b>	DWELL-LCM-2013
<b>This filing corresponds to form filing number</b> (Company tracking number of form filing, if applicable)	FDLY-129070197

- Loss Cost Reference Filing** \_\_\_\_\_  **Independent Rate Filing**  
(Advisory Org. & Reference filing #)

If this is a loss cost filing adopting an advisory organization's loss costs, the above insurer hereby declares that it is a member, subscriber or service purchaser of the named advisory organization for this line of insurance. The insurer hereby files (to be deemed to have independently submitted as its own filing) the prospective loss costs in the captioned Reference Filing. The insurer's rates will be the combination of the prospective loss costs and the loss cost multipliers and, if utilized, the expense constants specified in the attachments.

**1. Check one of the following:**

<input checked="" type="checkbox"/>	The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable to future revisions of the advisory organization's prospective loss costs for this line of insurance. The insurer's rates will be the combination of the advisory organization's prospective loss costs and the insurer's loss cost multipliers and if utilized, expense constants specified in the attachments. The rates will apply to policies written on or after the effective date of the advisory organization's prospective loss costs. This authorization is effective until disapproved by the Commissioner, or until amended or withdrawn by the insurer. <b>Note: Some states have statutes that prohibit this option for some lines of business.</b>
<input type="checkbox"/>	The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable only to the above Advisory Organization Reference Filing.

**2. Line, Subline, Coverage, Territory, Class, etc. combination to which this page applies:** Dwelling Fire - Owner Occupied

**3. Loss cost modification:**

**A.** The insurer hereby files to adopt the prospective loss costs in the captioned reference filing (Check One):

- Without Modification (factor = 1.000)  
 With the following modification(s). (Cite the nature and percent modification, and attach supporting data and/or rationale for the modification.) \_\_\_\_\_

**B.** Loss Cost Modification Expressed as a Factor: (See Examples Below) 1.000

Example 1: Loss cost Modification Factor: If your company's loss cost modification is -10%, a factor of .90 (1.000 - .100) should be used.

Example 2: Loss cost Modification Factor: If your company's loss cost modification is =15%, a factor of 1.15 (1.000 + .150) should be used.

NOTE: IF EXPENSE CONSTANTS ARE UTILIZED ATTACH "EXPENSE CONSTANT SUPPLEMENT" OR OTHER SUPPORTING INFORMATION. DO NOT COMPLETE ITEMS 4-8 BELOW.

**4. Development of Expected Loss Ratio. (Attach exhibit detailing insurer expense data and/or other supporting information.)**

		Selected Provisions
A.	Total Production Expense	25.8 %
B.	General Expense	1.7 %
C.	Taxes, Licenses & Fee	2.1 %
D.	Underwriting profit & Contingencies (explain how investment income is taken into account)	7.0 %
E.	Other (explain)	14.2 %
F.	Total	50.8 %

5.	A.	A. Expected Loss Ratio: $ELR = 100\% - 4F = A$	49.1	%
	B.	B. ELR in Decimal Form =	0.49	
6.		Company Formula Loss Cost Multiplier (3B/5B)	2.037	
7.		Company Selected Loss Cost Multiplier = (Attach explanation for any differences between 6 and 7)	<b>1.814</b>	
8.		Rate Level Change for the coverage(s) to which this page applies	+20.0%	

CALCULATION OF COMPANY LOSS COST MULTIPLIER

**Reset Form**

(EFFECTIVE AUG. 16, 2004)

<b>This filing transmittal is part of Company Tracking #</b>	Dwell-LCM-2013
<b>This filing corresponds to form filing number</b> (Company tracking number of form filing, if applicable)	<b>FDLY-129070197</b>

- Loss Cost Reference Filing** \_\_\_\_\_  **Independent Rate Filing**  
(Advisory Org. & Reference filing #)

If this is a loss cost filing adopting an advisory organization's loss costs, the above insurer hereby declares that it is a member, subscriber or service purchaser of the named advisory organization for this line of insurance. The insurer hereby files (to be deemed to have independently submitted as its own filing) the prospective loss costs in the captioned Reference Filing. The insurer's rates will be the combination of the prospective loss costs and the loss cost multipliers and, if utilized, the expense constants specified in the attachments.

**1. Check one of the following:**

<input checked="" type="checkbox"/>	The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable to future revisions of the advisory organization's prospective loss costs for this line of insurance. The insurer's rates will be the combination of the advisory organization's prospective loss costs and the insurer's loss cost multipliers and if utilized, expense constants specified in the attachments. The rates will apply to policies written on or after the effective date of the advisory organization's prospective loss costs. This authorization is effective until disapproved by the Commissioner, or until amended or withdrawn by the insurer. <b>Note: Some states have statutes that prohibit this option for some lines of business.</b>
<input type="checkbox"/>	The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable only to the above Advisory Organization Reference Filing.

**2. Line, Subline, Coverage, Territory, Class, etc. combination to which this page applies:** Dwelling Fire - Tenant Occupied

**3. Loss cost modification:**

**A.** The insurer hereby files to adopt the prospective loss costs in the captioned reference filing (Check One):

- Without Modification (factor = 1.000)  
 With the following modification(s). (Cite the nature and percent modification, and attach supporting data and/or rationale for the modification.) 50%

**B.** Loss Cost Modification Expressed as a Factor: (See Examples Below) 1.50

Example 1: Loss cost Modification Factor: If your company's loss cost modification is -10%, a factor of .90 (1.000 - .100) should be used.

Example 2: Loss cost Modification Factor: If your company's loss cost modification is =15%, a factor of 1.15 (1.000 + .150) should be used.

NOTE: IF EXPENSE CONSTANTS ARE UTILIZED ATTACH "EXPENSE CONSTANT SUPPLEMENT" OR OTHER SUPPORTING INFORMATION. DO NOT COMPLETE ITEMS 4-8 BELOW.

**4. Development of Expected Loss Ratio. (Attach exhibit detailing insurer expense data and/or other supporting information.)**

		Selected Provisions
A.	Total Production Expense	25.8 %
B.	General Expense	1.7 %
C.	Taxes, Licenses & Fee	2.1 %
D.	Underwriting profit & Contingencies (explain how investment income is taken into account)	7.0 %
E.	Other (explain)	14.2 %
F.	Total	50.8 %

5.	A.	A. Expected Loss Ratio: $ELR = 100\% - 4F = A$	49.1	%
	B.	B. ELR in Decimal Form =	0.491	
6.		Company Formula Loss Cost Multiplier (3B/5B)	3.056	
7.		Company Selected Loss Cost Multiplier = (Attach explanation for any differences between 6 and 7)	<b>2.721</b>	
8.		Rate Level Change for the coverage(s) to which this page applies	+20.0	

CALCULATION OF COMPANY LOSS COST MULTIPLIER

**Reset Form**

(EFFECTIVE AUG. 16, 2004)

<b>This filing transmittal is part of Company Tracking #</b>	DWELL-LCM-2013
<b>This filing corresponds to form filing number</b> (Company tracking number of form filing, if applicable)	<b>FDLY-129070197</b>

- Loss Cost Reference Filing** \_\_\_\_\_  **Independent Rate Filing**  
(Advisory Org. & Reference filing #)

If this is a loss cost filing adopting an advisory organization's loss costs, the above insurer hereby declares that it is a member, subscriber or service purchaser of the named advisory organization for this line of insurance. The insurer hereby files (to be deemed to have independently submitted as its own filing) the prospective loss costs in the captioned Reference Filing. The insurer's rates will be the combination of the prospective loss costs and the loss cost multipliers and, if utilized, the expense constants specified in the attachments.

**1. Check one of the following:**

<input checked="" type="checkbox"/>	The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable to future revisions of the advisory organization's prospective loss costs for this line of insurance. The insurer's rates will be the combination of the advisory organization's prospective loss costs and the insurer's loss cost multipliers and if utilized, expense constants specified in the attachments. The rates will apply to policies written on or after the effective date of the advisory organization's prospective loss costs. This authorization is effective until disapproved by the Commissioner, or until amended or withdrawn by the insurer. <b>Note: Some states have statutes that prohibit this option for some lines of business.</b>
<input type="checkbox"/>	The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable only to the above Advisory Organization Reference Filing.

**2. Line, Subline, Coverage, Territory, Class, etc. combination to which this page applies:** Dwelling Liability- Owner & Tenant Occupied

**3. Loss cost modification:**

**A.** The insurer hereby files to adopt the prospective loss costs in the captioned reference filing (Check One):

- Without Modification (factor = 1.000)  
 With the following modification(s). (Cite the nature and percent modification, and attach supporting data and/or rationale for the modification.) \_\_\_\_\_

**B.** Loss Cost Modification Expressed as a Factor: (See Examples Below) 1.000

Example 1: Loss cost Modification Factor: If your company's loss cost modification is -10%, a factor of .90 (1.000 - .100) should be used.

Example 2: Loss cost Modification Factor: If your company's loss cost modification is =15%, a factor of 1.15 (1.000 + .150) should be used.

NOTE: IF EXPENSE CONSTANTS ARE UTILIZED ATTACH "EXPENSE CONSTANT SUPPLEMENT" OR OTHER SUPPORTING INFORMATION. DO NOT COMPLETE ITEMS 4-8 BELOW.

**4. Development of Expected Loss Ratio. (Attach exhibit detailing insurer expense data and/or other supporting information.)**

		Selected Provisions
A.	Total Production Expense	25.8 %
B.	General Expense	1.7 %
C.	Taxes, Licenses & Fee	2.1 %
D.	Underwriting profit & Contingencies (explain how investment income is taken into account)	7.0 %
E.	Other (explain)	14.2 %
F.	Total	50.8 %

5.	A.	A. Expected Loss Ratio: $ELR = 100\% - 4F = A$	49.1	%
	B.	B. ELR in Decimal Form =	0.49	
6.		Company Formula Loss Cost Multiplier (3B/5B)	2.037	
7.		Company Selected Loss Cost Multiplier = (Attach explanation for any differences between 6 and 7)	<b>1.8147</b>	
8.		Rate Level Change for the coverage(s) to which this page applies	+20.0%	

Date: 08/21/2013

Space Reserved for Insurance  
Department Use

**OTHER THAN WORKERS' COMPENSATION  
LOSS COST FILING DOCUMENT COVER FORM**

INSURER RATE FILING  
ADOPTION OF ADVISORY ORGANIZATION  
PROSPECTIVE LOSS COSTS

1. INSURER NAME Fidelity National Property & Casualty Insurance Company  
ADDRESS 2201 Farnam Street, Suite 200  
Omaha, Ne 68102
2. PERSON RESPONSIBLE FOR FILING Barb Rosemann  
TITLE Sr. Product Analyst TELEPHONE # 800-849-6140 ext. 8316
3. INSURER NAIC # 4765-16578
4. LINE OF INSURANCE Dwelling
5. ADVISORY ORGANIZATION N/A
6. PROPOSED RATE LEVEL CHANGE 20.0 % EFFECTIVE DATE 11/15/2013
7. PRIOR RATE LEVEL CHANGE +8.5 % EFFECTIVE DATE 12/01/2012
8. ATTACH "NAIC LOSS COST FILING DOCUMENT—OTHER THAN WORKERS' COMPENSATION" (Use the above document separately for each insurer elected loss cost multiplier.)

**Fidelity National Property & Casualty Insurance Company**  
**Estimated Net Cost of Reinsurance by Policy Form**

<b>Arkansas</b>						
	(1)	(2)	(3)	(4)	(5)	(6)
	Gross AAL All Perils [Note 1]	Distribution based on All Perils AAL (1) ÷ Total (1)	Selected Reinsurance Cost Allocation [Note 2]	Allocated Net Reinsurance Cost [Note 3]	In-force Premium as of 12/31/12 [Note 4]	Net Reins Cost as a % of In-force Premium (6) = (4) ÷ (5)
Policy Form						
Dwlg Fire	\$18,708	24.9%	24.9%	\$13,667	\$95,924	14.2%
HO-3,5	\$55,920	74.3%	74.3%	\$40,851		
HO-4	87	0.1%	0.1%	\$64		
HO-6	522	0.7%	0.7%	\$381		
<b>Total</b>	<b>\$75,237</b>	<b>100.0%</b>	<b>100.0%</b>	<b>\$54,963</b>		

**NOTES:**

1. Column (1) produced using RMS Risklink 11.0 near term frequency with demand surge, excluding storm surge
2. Column (3) Reinsurance Cost Allocation selected using AAL distribution since reinsurance costs are expected to be proportional to AAL
3. Column (4) Total is from Exhibit C-1.2, Column (9). Column (4) = Column (4) Total x Column (3)
4. Column (5) Dwelling Fire premium in-force on policies as of 12/31/12

**Fidelity National Property & Casualty Insurance Company**  
**All Lines of Business**  
**Projected Net Catastrophe Reinsurance Expense**

**Arkansas**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
		Deposit	Rate	All Perils AAL proportion of Countrywide All Perils AAL	Deposit Allocated to Arkansas	Expected Loss Recovery	Expected LAE Recovery	Reinstatement Premium	Net Reinsurance Cost (\$)
Cat Excess Layer	Coverage [Exh C-1.3]	Premium [Exh C-1.3]	on Line (2) / (1)	[Note 1]	(2) x (4)	[Note 2]	[Note 3]	[Note 4]	(5)-(6)-(7)+(8)
Retention	\$10,000,000								
1st Layer	10,000,000	\$3,200,000	32.0%	0.44%	\$14,108	\$258	\$3	\$0	\$13,848
2nd Layer	30,000,000	5,400,000	18.0%	0.44%	23,807	231	2	0	23,574
3rd Layer	50,000,000	4,000,000	8.0%	0.44%	17,635	93	1	0	17,541
<b>Total</b>		<b>\$12,600,000</b>			<b>\$55,550</b>	<b>\$582</b>	<b>\$6</b>	<b>\$1</b>	<b>\$54,963</b>

NOTES:

1. Column (4) is based on Arkansas AAL for All Perils ÷ National AAL for All Perils as follows:

State	EQ (Fire)	EQ (Shake)	HU (NT)	SCS	Total AAL
Arkansas	\$61	\$1,860	\$0	\$73,316	\$75,237
National	449,289	841,361	6,990,599	8,784,193	17,065,441
Ratio					0.44%

2. Column (6) is based on Arkansas policies in-Force on 12/31/12 using RMS RiskLink v11.0 near term frequency with demand surge, excluding storm surge.

3. Column (7) expected LAE recovery is based on Column (6) and DCC-to-Loss ratio of 1.0%. Fidelity does not cede A&O to reinsurers.

4. Column (8) = (5) x [(6) + (7)] ÷ (1).

**Fidelity National Property & Casualty Insurance Company**  
**All Lines of Business**  
**Summary of Catastrophe Reinsurance Contracts**

		(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Reinsurance			Deposit	Rate	Percentage		Placed
Layer	Contract	Retention	Layer	Premium	on Line	Placed	Reinstatements	Premium
					(3) / (2)			(3) x (5)
1st Layer	Property Cat XOL	\$10,000,000	\$10,000,000	\$3,200,000	32.0%	100.0%	1 Pro Rata	\$3,200,000
2nd Layer	Property Cat XOL	20,000,000	30,000,000	5,400,000	18.0%	100.0%	1 Pro Rata	5,400,000
3rd Layer	Property Cat XOL	50,000,000	50,000,000	4,000,000	8.0%	100.0%	1 Pro Rata	4,000,000

**Fidelity National Property & Casualty Insurance Company**  
**Arkansas Dwelling Fire Program**

**Net Cost of Reinsurance**

Fidelity National purchases reinsurance so that the company has the capability to pay claims from catastrophic events. The company's reinsurance program provides coverage up to approximately the 1 in 100 event level. In this filing, the company is including a fixed expense provision for the net cost of reinsurance. This document outlines the calculation of the cost of reinsurance as a net expense factor.

The net reinsurance costs are based on Fidelity National's purchased reinsurance program for the 2012-2013 contract year. Exhibit C-1.3 provides a summary of the limits, attachment points, placement percentages and deposit premiums for each of the company's reinsurance contracts.

Exhibit C-1.2 details the net cost of reinsurance calculation as the ceded reinsurance premiums plus estimated reinstatement premiums less expected loss and LAE recoveries. The reinsurance contracts in this analysis are basic treaties with a reinsurance premium paid for catastrophic coverage with no ceding commission or profit provision. The ceded reinsurance premiums are the deposit amounts specified in the reinsurance contracts. The deposit premiums for each layer are allocated to Arkansas based on the ratio of Arkansas's AAL for all perils to the Countrywide AAL for all perils. The average annual losses (AAL) were used for allocating the reinsurance premiums to Arkansas since reinsurance costs are expected to be proportional to AAL.

The structure of the company's reinsurance program was used to calculate expected (modeled) loss recoveries annually within each reinsured layer for the perils of hurricane, severe convective storm, earthquake - fire following, and earthquake - shake. An LAE factor of 1.01 was used to adjust the modeled losses; this is the loading for DCC expense only since Fidelity does not cede A&O expense to reinsurers. The RMS RiskLink v11 event log for each peril, with loss & LAE by event, was used to determine the expected losses ceded to each reinsurance contract Fidelity National purchased. The net cost in each layer is simply the ceded premium less the expected ceded losses.

In Exhibit C-1.1, the total reinsurance expense for Arkansas from Exhibit C-1.2 is allocated to policy form based on AAL. The net cost of reinsurance expense ratios are then determined as a percent of the in-force premium as of 12/31/12.

**FIDELITY NATIONAL PROPERTY & CASUALTY INSURANCE COMPANY  
ARKANSAS DWELLING FIRE PROGRAM  
ACTUARIAL MEMORANDUM**

Fidelity National Insurance Company is proposing changes to its Dwelling Fire Program that results in an estimated overall rate change of 20.0%. Refer to Exhibit D for the data used to determine this estimate.

The filing consists of the following:

The loss cost multiplier for both Property and Liability coverages are being revised based on the use of the latest available expense figures for the 3 year time period of 2010 through 2012. Additionally, an expense component reflecting the net cost of reinsurance is being introduced. The support for the state specific value for the net cost of reinsurance is provided in Exhibit C.

The revised loss cost multiplier as reflected in Exhibit B will be applicable for both Property and Liability coverages for Owner Occupied residences in addition to the Liability coverages for Tenant Occupied residences and will be used in conjunction with the ISO loss costs. The current loss cost modifier that is being used to produce the loss cost multiplier for Property coverages for Tenant Occupied residences is being maintained.

In addition to the above mentioned changes, the Dwelling Fire program currently automatically affords coverage at a limit of 50% of the Coverage A limit for Specified Additional Amount of Insurance – Coverage A Dwelling in conjunction with ISO policy form DP 00 03 for no additional charge. This coverage is being amended to provide coverage on an optional basis at a limit of 25% of the Coverage A limit with a corresponding 5% charge if this coverage is afforded. The impact of this change is reflected in Exhibit D. Policyholders impacted by this change will be notified of the reduction in coverage during the renewal offer process.

Please refer to the supporting exhibits listed below.

Exhibit B	Loss Cost Multiplier Calculation and Supporting Documentation
Exhibit C	Net Cost of Reinsurance
Exhibit D	Estimated Rate Impact
Exhibit E	Rate Level Indication & Supporting Documentation

# Fidelity National P & C Insurance Company

## Arkansas Dwelling Fire Program

### Loss Cost Multiplier Calculation

1. Line & Subline Dwelling Fire (Property) - Owner Occupied	
<hr/>	
2. Company Selected Loss Cost Modification Factor	1.00
<b>3. Development of Expected Loss Ratio</b>	<b>Selected Provisions</b>
A. Commission	25.3%
B. Other Acquisition Expense	0.5%
C. General Expense	1.7%
D. Taxes, Licenses & Fees	2.1%
E. Underwriting Profit (Loss) & Contingencies	7.0%
F. Other (explain) <sup>1</sup>	14.2%
G. Total	50.9%
4A. Expected Loss & Loss Adjustment Expense Ratio (100% - 3G.)	49.1%
4B. Expected Loss & Loss Adjustment Expense Ratio in decimal form	0.49
5. Company Loss Cost Multiplier (2. divided by 4B.)	2.037
6. Company Selected Loss Cost Multiplier	1.814

Footnote:

1. The figures represent the net cost of reinsurance for the program. Refer to Exhibit C for support.

# Fidelity National P & C Insurance Company

## Arkansas Dwelling Fire Program

### Loss Cost Multiplier Calculation

1. Line & Subline <u>Dwelling Fire (Property) - Tenant Occupied</u>	
2. Company Selected Loss Cost Modification Factor	1.50
<b>3. Development of Expected Loss Ratio</b>	<b>Selected Provisions</b>
A. Commission	25.3%
B. Other Acquisition Expense	0.5%
C. General Expense	1.7%
D. Taxes, Licenses & Fees	2.1%
E. Underwriting Profit (Loss) & Contingencies	7.0%
F. Other (explain) <sup>1</sup>	14.2%
G. Total	50.9%
4A. Expected Loss & Loss Adjustment Expense Ratio (100% - 3G.)	49.1%
4B. Expected Loss & Loss Adjustment Expense Ratio in decimal form	0.49
5. Company Loss Cost Multiplier (2. divided by 4B.)	3.056
6. Company Selected Loss Cost Multiplier	2.721

Footnote:

1. The figures represent the net cost of reinsurance for the program. Refer to Exhibit C for support.

# Fidelity National P & C Insurance Company

## Arkansas Dwelling Fire Program

### Loss Cost Multiplier Calculation

1. Line & Subline <u>Dwelling Fire (Liability) - Owner Occupied</u>	
2. Company Selected Loss Cost Modification Factor	1.00
<b>3. Development of Expected Loss Ratio</b>	<b>Selected Provisions</b>
A. Commission	25.3%
B. Other Acquisition Expense	0.5%
C. General Expense	1.7%
D. Taxes, Licenses & Fees	2.1%
E. Underwriting Profit (Loss) & Contingencies	7.0%
F. Other (explain) <sup>1</sup>	14.2%
G. Total	50.9%
4A. Expected Loss & Loss Adjustment Expense Ratio (100% - 3G.)	49.1%
4B. Expected Loss & Loss Adjustment Expense Ratio in decimal form	0.49
5. Company Loss Cost Multiplier (2. divided by 4B.)	2.037
6. Company Selected Loss Cost Multiplier	1.814

Footnote:

1. The figures represent the net cost of reinsurance for the program. Refer to Exhibit C for support.

# Fidelity National P & C Insurance Company

## Arkansas Dwelling Fire Program

### Loss Cost Multiplier Calculation

1. Line & Subline <u>Dwelling Fire (Liability) - Tenant Occupied</u>	
2. Company Selected Loss Cost Modification Factor	1.00
<b>3. Development of Expected Loss Ratio</b>	<b>Selected Provisions</b>
A. Commission	25.3%
B. Other Acquisition Expense	0.5%
C. General Expense	1.7%
D. Taxes, Licenses & Fees	2.1%
E. Underwriting Profit (Loss) & Contingencies	7.0%
F. Other (explain) <sup>1</sup>	14.2%
G. Total	50.9%
4A. Expected Loss & Loss Adjustment Expense Ratio (100% - 3G.)	49.1%
4B. Expected Loss & Loss Adjustment Expense Ratio in decimal form	0.49
5. Company Loss Cost Multiplier (2. divided by 4B.)	2.037
6. Company Selected Loss Cost Multiplier	1.814

Footnote:

1. The figures represent the net cost of reinsurance for the program. Refer to Exhibit C for support.

# Fidelity National P & C Insurance Group

## Arkansas Dwelling Fire Program

### Permissible Loss Ratio Calculation

#### Dwelling Fire & Allied Lines

Underwriting Expenses				1
	2010	2011	2012	
General Expenses	146,000	154,000	193,000	From IEE, Part III ASL 1 & 2.1
Other Acquisition Costs	66,000	61,000	0	From IEE, Part III ASL 1 & 2.1
Earned Premium	7,358,000	10,029,000	11,818,000	From IEE, Part III ASL 1 & 2.1
General Expenses	2.0%	1.5%	1.6%	Ratios to Earned Premium
Other Acquisition Costs	0.9%	0.6%	0.0%	Ratios to Earned Premium
General Expenses			<b>1.7%</b>	Three Year Average Ratio
Other Acquisition Costs			<b>0.5%</b>	Three Year Average Ratio
	2010	2011	2012	
Commission & Brokerage	2,002	9,614	23,714	From State Page 14
Taxes, Licenses, & Fees	178	872	1,818	From State Page 14
Written Premium	7,944	37,836	93,895	From State Page 14
Commission & Brokerage	25.2%	25.4%	25.3%	Ratios to Written Premium
Taxes, Licenses, & Fees	2.2%	2.3%	1.9%	Ratios to Written Premium
Commission & Brokerage			<b>25.3%</b>	Three Year Average Ratio
Taxes, Licenses, & Fees			<b>2.1%</b>	Three Year Average Ratio

Permissible Loss Ratio		2
	Calculated	Selected
1) Underwriting Expenses (Box 1)	29.7%	29.7%
2) Investment Income (Exhibit B-1.1)	2.4%	2.4%
3) Profit & Contingency Provision (Exhibit B-1.1)	9.4%	9.4%
4) Net Cost of Reinsurance (Exhibit C)	14.2%	14.2%
5) Total Underwriting Expenses (1)-(2)+(3)+(4)		50.9%
<b>6) Permissible Loss Ratio 1-(5)</b>		<b>49.1%</b>

## Fidelity National P & C Insurance Group

### Dwelling Fire Countrywide

#### Expected Total Return

(1) Expected Underwriting Profit and Contingencies - Before Tax	<b>7.0%</b>
(2) Investment Income on Unearned and Advance Premium Reserves	1.4%
(3) Investment Income on Loss and LAE Reserves	1.0%
(4) Other Income	0.0%
(5) Expected Insurance Operating Profit, Before Tax	<b>9.4%</b>
(6) Investment Income on Statutory Surplus	4.4%
(7) Federal Income Tax equals greater of: (Lines 1+4) x 20% + (Lines 2+3+6) x (AMT Tax Rate) and (Lines 1+4) x 35% + (Lines 2+3+6) x (Reg Tax Rate)	4.1%
(8) Expected Total Return, After Tax (%Direct)	9.6%
(9) Target Direct Written Premium to Surplus	1.25
(10) Expected Total Return on Statutory Surplus	12.1%
(11) SAP to GAAP Surplus adjustment factor	1.2216
(12) Expected Total Return on GAAP Surplus (Net Worth)	<b>9.9%</b>

#### Notes

- (1) Selected by company
- (2) Exhibit B-1.2
- (3) Exhibit B-1.3
- (4) 2010 Annual Statement P. 4, Line 15. / P. 4, Line 1
- (5) Sum of (1) - (4)
- (6) Exhibit B-1.4, Line (4)
- (7) See Exhibit B-1.5 for Tax Rates
- (8) = (5) + (6) - (7)
- (9) Assume Direct Premium to Surplus Ratio of 1.25
- (10) = (8) \* (9)
- (11) Exhibit B-1.6, Column (6)
- (12) = (10) / (11)

## Fidelity National P & C Insurance Group

### Dwelling Fire Countrywide

#### Estimated Investment Income from Reserves for Unearned and Advance Premium

Direct: Dwelling Fire

	Prior Year Premium Reserves (1)	Current Year Premium Reserves (2)	Earned Premium (3)	Mean Reserve for Unearned and Advance Premiums, as a Ratio to Earned Premium (4)	Agents' Balance or Uncollected Premium (5)	Delayed Remission of Premiums Ratio of Agents' Balances or Uncollected Premium to Unearned and Advance Premium (3 years) (6)
2010	4,242	4,741	8,710	0.516	642	13.5%
2011	4,741	5,410	10,029	0.506	466	8.6%
2012	5,410	7,010	11,818	0.525	680	9.7%
3 Year Average				0.516		10.6%

(7) Expenses incurred at Beginning of Policy Term (as a % of Written Premium)

(a) Commissions	25.3%
(b) 50% of Other Acq & General Expenses	1.1%
(c) Taxes	2.1%
(d) Total	28.5%

(8) Mean Unearned and Advance Premium Reserve Adjusted  
for Agents' Balances, Uncollected Premiums, and Prepaid  
Expenses

(4) \* [1.00 - (6) - (7d)] 0.3138

(9) Adjusted for Tax on Prepaid Expenses 0.3101

(4) - (1d) \* 10% \* 0.20 \* 35%

(10) Investment Yield, Before Tax (Exhibit B-1.4) 4.4%

(11) Investment Income, as a % of Earned Premium 1.4%

(5) \* (6)

Notes:

(1), (2), (3) From IEE, Part III, Page 6

(4) =Average[(1),(2)] / (3)

(5) From IEE, Part III, Page 6

(6) =(5) / (2)

(7) From Exhibit B-1.0 (weighted average commission rate)

(8) = (4b) \* [1 - (6b) - (7d)]

(9) Assumes the unearned premium reserve will increase at a growth rate of 10%;

= (8) - (4b)\*(.1)\*(.2)\*(.35)

(10) From Investment Rate of Return Exhibit

(11) = (9) \* (10)

# Fidelity National P & C Insurance Group

## Dwelling Fire Countrywide

### Estimated Investment Income from Reserves for Losses and Loss Adjustment Expenses

Direct: Dwelling Fire

	Prior Year Loss Reserves (1)	Current Year Loss Reserves (2)	Incurred Losses & LAE (3)	Mean Reserve for Losses & LAE, as a Ratio to Incurred Losses & LAE (4)
2008	3,297	1,541	5,208	0.464
2009	1,541	1,341	3,754	0.384
2010	1,341	3,077	6,657	0.332
2011	3,077	2,122	8,885	0.293
2012	2,122	2,408	8,252	0.274
5 Year Average				0.349

(5) Expenses incurred at Beginning of Policy Term (as a % of Written Premium)	
(a) Commissions	25.3%
(b) Other Acquisition Expenses	0.0%
(c) General Expenses	1.7%
(d) Taxes	2.1%
(e) Underwriting Profit	7.0%
(f) Total	36.2%
(6) Permissible Loss and LAE (% of Earned Premium)	63.8%
(7) Expected Mean Reserves for Losses and Loss Expenses as a Ratio to Earned Premium	0.2231
(8) Investment Yield, Before Tax	4.4%
(9) Investment Income, as a % of Earned Premium (5) * (6)	1.0%

#### Notes:

- (1), (2), (3) From IEE Part III, Page 6  
(4) =Average[(1),(2)] / (3)  
(5) From Exhibit B-1.0 (weighted average commission rate)  
(6) = 1 - (5f)  
(7) = (4a) \* (6)  
(8) From Investment Rate of Return Exhibit B-1.4  
(9) = (7) \* (8)

# Fidelity National P & C Insurance Group

## Dwelling Fire Countrywide

Investment Rate of Return  
As a Percent of Mean Invested Assets

(1) **Historical Investment Income**

Year	Net Investment Yields		
	Total Investment Income	Total Capital Gain/Loss	Total Investment Income w/ Capital Gain/Loss
2010	2.8%	0.4%	3.2%
2011	3.3%	1.0%	4.3%
2012	2.8%	2.9%	5.8%
(2) <b>Latest Three Year Average</b>	3.0%	1.4%	4.4%
(3) <b>Latest Year</b>	2.8%	2.9%	5.8%
(4) <b>Selected</b>	<b>3.0%</b>	<b>1.4%</b>	<b>4.4%</b>

Data Source: Annual Statement, Pages 2 and 12.

# Fidelity National P & C Insurance Group

## Dwelling Fire Countrywide

### Average Federal Tax Rate on Investment Income

<u>Investment Type</u>	<u>Investment Income</u> 2010 through 2012	<u>Distribution</u>	<u>Current Tax Rate</u>	
			<u>Regular</u>	<u>AMT</u>
Bonds (Taxable)	17,024,821	63.1%	35.0%	20.0%
Bonds (Tax Exempt)	7,701,962	28.5%	5.3%	15.8%
Stocks (Unaffiliated)	2,196,006	8.1%	14.2%	17.0%
Other (Net of Depreciation)	78,977	0.3%	35.0%	20.0%
<b>Total</b>	<b>27,001,766</b>		<b>24.8%</b>	<b>18.5%</b>

#### Item Sources:

Investment Income from Annual Statement, Page 12, Exhibit of Net Investment Income.

#### **Current Tax Rate computed according to the 1986 Tax Reform Act, as amended:**

Under this Act, 15% of formerly tax-exempt income from securities purchased after August 7, 1986 is taxable. 30% of stock dividends are taxed at 35% and 70% are taxed at 15% of 35%:

Ordinary Income	35.0%
Tax Exempt Bonds	$5.3\% = 0.15 * 35\%$
Stock Dividends	$14.2\% = (0.30 + 0.70 * 0.15) * 35\%$

#### **AMT is computed according to the 1986 Tax Reform Act Alternative Minimum Tax:**

Under the Alternative Minimum Tax, a rate of 20% applies to the sum of regular tax income and 75% of tax exempt income. The estimated effective AMT will be:

Ordinary Income	20.0%
Tax Exempt Bonds	$15.8\% = (0.15 + 0.85 * 0.75) * 20\%$
Stock Dividends	$17.0\% = (0.30 + 0.70 * (0.15 + 0.85 * 0.75)) * 20\%$

# Fidelity National P & C Insurance Group

## Dwelling Fire Countrywide

### Expected Total Return - Adjustment to GAAP

2012	Statutory Surplus Based on Direct Written Prem Ratio of 1.25 (1)	Provision for Reinsurance (2)	Non-Admitted Assets (3)	Equity in the Unearned and Adv Prem Res (4)	Total Adjustments (5)	GAAP Surplus Adj Factor (6)
2012	110,060	-	282	24,111	24,393	<b>1.2216</b>

### Calculation of Equity in the Unearned and Advance Premium Reserve:

	Commission and Brokerage Expense Incurred (7)	Taxes, Licenses, and Fees Incurred (8)	Other Acquisition Expenses Incurred (9)	General Expenses Incurred (10)	Total (11)	Direct Written Premium (12)	Ending Unearned and Advanced Premium Reserve (13)	Equity in the Unearned and Advance Premium Reserve (14)
2012	44,550	3,917	-	2,421	49,677	162,079	78,667	24,111

#### Notes:

- (1) From Annual Statement, Page 3, Line 37, Column 1
- (2) From Annual Statement, Page 3, Line 16, Column 1
- (3) From Annual Statement, Page 13, Line 26, Column 1
- (4) = (14)
- (5) = (2) + (3) + (4)
- (6) = [(5) + (1)] / (1)
- (7) From IEE, Part III, Column 23, Line 35 minus Line 2.3
- (8) From IEE, Part III, Column 25, Line 35 minus Line 2.3
- (9) From IEE, Part III, Column 27, Line 35 minus Line 2.3
- (10) From IEE, Part III, Column 29, Line 35 minus Line 2.3
- (11) = (7) + (8) + [(9) / 2] + [(10) / 2]
- (12) From IEE, Part III, Column 1, Line 35 minus Line 2.3
- (13) From IEE, Part III, Column 19, Line 35 minus Line 2.3
- (14) = (13) \* (11) / (12)

Fidelity National Property and Casualty Insurance Company  
 Utah Dwelling Fire Program  
 Support for Estimated Rate and Revenue Impact

**(1) Proposed Loss Cost Multipliers for Owner and Tenant Occupied residences**

Occupancy Type	Coverage Type	2012 Earned Premium	Current LCM	Proposed LCM	% Change	\$ Change
Owner	Property	1,313	1.575	1.814	15.2%	200
	Liability	40	1.575	1.814	15.2%	6
Tenant	Property	57,730	2.362	2.721	15.2%	8,775
	Liability	3,280	1.575	1.814	15.2%	499
<b>Total</b>		<b>62,363</b>			<b>15.2%</b>	<b>9,480</b>

**(2) Specified Additional Amount of Insurance – Coverage A**

Coverage	2012 Earned Premium	Current Factor	Proposed Factor	% Change	\$ Change
Coverage premiums affected by the change	60,323	1.00	1.05	5.0%	3,016
Coverage premiums not affected by the change	2,040	1.00	1.00	0.0%	-
<b>Total</b>	<b>62,363</b>			<b>4.8%</b>	<b>3,016</b>

**Combined Impact of Changes**

	\$ Change
(1) Proposed Loss Cost Multipliers for Owner and Tenant Occupied residences	9,480
(2) Specified Additional Amount of Insurance – Coverage A	3,016
(3) Total = (1) + (2)	12,496
(4) 2012 Earned Premium	62,363
<b>(5) Rate Impact = [(1) + (2)] / (4)</b>	<b>20.0%</b>
<b>(6) Revenue Impact = (3) / (4)</b>	<b>20.0%</b>

## Fidelity National Property & Casualty Insurance Company

### Dwelling Policy Program

#### Historical Premium and Loss Experience

#### Arkansas

	(1)	(2)	(3)	(4)	(5)	(6)
				= (2) x (3)	7.6%	= (4) x (5)
Calendar Year	Written Premium	Earned Premium	On-level Factor	Earned Premium @ CRL	Premium Trend Factor	Projected Earned Premium
2008	825	1,467	1.126	1,652	1.572	2,597
2009	1,009	1,052	1.107	1,165	1.461	1,703
2010	7,459	3,132	1.099	3,443	1.358	4,675
2011	37,868	20,954	1.092	22,888	1.262	28,881
2012	<u>98,285</u>	<u>62,362</u>	1.080	<u>67,360</u>	1.172	<u>78,975</u>
Total	145,446	88,968		96,508		116,831

	(7)	(8)	(9)	(10)	(11)	(12)
	Case Incurred L+DCC Excl. Cats	Ultimate Devel. Factor	= (7) x (8) Ultimate Incurred L+DCC	1.1%	= (9) x (10) Projected Ultimate L+DCC	= (11) ÷ (6) Projected L+DCC Ratio
Accident Year	Case Incurred L+DCC Excl. Cats	Ultimate Devel. Factor	Ultimate Incurred L+DCC	Loss Trend Factor	Projected Ultimate L+DCC	Projected L+DCC Ratio
2008	8,147	0.998	8,131	1.073	8,721	335.9%
2009	0	1.002	0	1.061	0	0.0%
2010	0	1.008	0	1.049	0	0.0%
2011	7,376	1.027	7,576	1.037	7,854	27.2%
2012	<u>25,112</u>	1.091	<u>27,394</u>	1.025	<u>28,078</u>	<u>35.6%</u>
Total	40,635		43,101		44,654	38.2%

(13)	Projected Arkansas Loss & DCC Ratio Excl. Cat Load=(12)	38.2%
(14)	5-Year Total Arkansas Earned House Years	120
(15)	Credibility of Arkansas data = $\sqrt{[(14) / 500,000]^1}$	1.5%
(16)	Projected Countrywide Loss & DCC Ratio Excl. Cat Load - Exhibit E-2	56.4%
(17)	Credibility Weighted Projected Loss & DCC Ratio Excl. Catastrophe Load	56.1%
(18)	A & O Loss Adjustment Expense Ratio - Exhibit E-6	12.0%
(19)	Projected Loss & LAE Ratio Excl. Catastrophe Load=(17) x [1 + (18)]	62.9%
(20)	Catastrophe Load <sup>2</sup>	23.7%
(21)	Projected Loss & LAE Ratio Including Catastrophe Load=(19) + (20)	86.6%
(22)	Permissible Loss & LAE Ratio - Exhibit B	49.1%
(23)	Indicated Rate Change	76.3%
(24)	Selected Rate Change	20.0%

1 - A full credibility standard of 500,000 house years is used

2 - Catastrophe load is the modeled expected losses from RMS Risklink v11 using policy data from the company as of 12/31/2012.

**Fidelity National Property & Casualty Insurance Company**

Dwelling Policy Program

Historical Premium and Loss Experience

Countrywide

	(1)	(2)	(3)	(4)	(5)	(6)
				= (2) x (3)	-2.8%	= (4) x (5)
Calendar	Written	Earned	On-level	Earned	Premium	Projected
Year	Premium	Premium	Factor	Premium	Trend	Earned
				@ CRL	Factor	Premium
2008	9,500,233	10,292,096	1.011	10,401,360	0.838	8,712,232
2009	9,001,332	9,190,859	1.003	9,221,194	0.862	7,948,672
2010	9,679,483	9,143,915	1.007	9,209,962	0.887	8,170,213
2011	11,242,655	10,451,883	1.016	10,619,129	0.913	9,694,658
2012	<u>15,113,839</u>	<u>12,964,182</u>	1.030	<u>13,347,820</u>	0.940	<u>12,541,695</u>
Total	54,537,541	52,042,935		52,799,466		47,067,469

	(7)	(8)	(9)	(10)	(11)	(12)
	Case		= (7) x (8)	1.1%	= (9) x (10)	= (11) ÷ (6)
Accident	Incurred	Ultimate	Ultimate	Loss	Projected	Projected
Year	L+DCC	Devel.	Incurred	Trend	Ultimate	L+DCC
	Excl. Cats	Factor	L+DCC	Factor	L+DCC	Ratio
2008	6,448,226	0.998	6,435,027	1.073	6,902,673	79.2%
2009	4,115,605	1.002	4,123,655	1.061	4,373,342	55.0%
2010	4,072,523	1.008	4,103,802	1.049	4,303,103	52.7%
2011	4,265,682	1.027	4,381,421	1.037	4,542,285	46.9%
2012	<u>6,728,886</u>	1.091	<u>7,340,457</u>	1.025	<u>7,523,730</u>	<u>60.0%</u>
Total	25,630,922		26,384,363		27,645,133	58.7%

(13) Projected Countrywide Loss & DCC Ratio Excl. Cat Load: (12) wtd. (.10/.15/.20/.25/.30) 56.4%

# Fidelity National Property & Casualty Insurance Company

## Dwelling Policy Program

Experience as of December 31, 2012

Countrywide

Cumulative DIRECT Incurred Losses and Incurred DCC excluding Catastrophes									
Accident Year	Months of Development								
	12	24	36	48	60	72	84	96	108
2002									
2003	0	0	0	0	0	0	0	0	
2004	338,280	244,318	207,326	207,377	207,377	207,377	207,377	207,377	207,377
2005	1,212,149	1,760,715	1,907,075	1,765,168	1,765,168	1,765,168	1,765,168	1,765,168	0
2006	4,456,259	4,769,310	4,662,710	4,758,441	4,832,441	4,812,659	4,812,659	0	0
2007	5,991,364	6,424,641	6,498,958	6,638,738	6,684,665	6,634,353	0	0	0
2008	6,366,141	6,522,071	6,542,542	6,415,409	6,448,226	0	0	0	0
2009	3,911,283	3,879,241	3,960,849	4,115,605	0	0	0	0	0
2010	3,168,922	3,746,991	4,072,523	0	0	0	0	0	0
2011	4,136,863	4,265,682	0	0	0	0	0	0	0
2012	6,728,886	0	0	0	0	0	0	0	0

Link Ratios									
Accident Year	Development Interval in Months								
	12:24	24:36	36:48	48:60	60:72	72:84	84:96	96:108	108:Ult
2002	--	--	--	--	--	--	--	--	--
2003	--	--	--	--	--	--	--	--	--
2004	0.722	0.849	1.000	1.000	1.000	1.000	1.000	1.000	
2005	1.453	1.083	0.926	1.000	1.000	1.000	1.000		
2006	1.070	0.978	1.021	1.016	0.996	1.000			
2007	1.072	1.012	1.022	1.007	0.992				
2008	1.024	1.003	0.981	1.005					
2009	0.992	1.021	1.039						
2010	1.182	1.087							
2011	1.031								
3 yr Wtd Avg	1.060	1.030	1.010	1.009	0.995	1.000			
Weighted Avg	1.069	1.018	1.005	1.008	0.995	1.000	1.000	1.000	
Avg Excl HI/LO	1.062	1.019	1.006	1.004	0.998	1.000	0.200	1.000	
Selected	1.062	1.019	1.006	1.004	0.998	1.000	1.000	1.000	
Cumulative	1.091	1.027	1.008	1.002	0.998	1.000	1.000	1.000	1.000

**Fidelity National Property & Casualty Insurance Company**  
Dwelling Policy Program

Premium and Loss Trend Factors

Selected Average Annual Premium Trend (AR)	7.6%				
<b>I. CALCULATION OF PREMIUM TREND FACTORS</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Average Earned Date of Calendar Year	7/1/08	7/1/09	7/1/10	7/1/11	7/1/12
Average Earned Date of Proposed Effective Period	9/1/14	9/1/14	9/1/14	9/1/14	9/1/14
Number of Years	6.17	5.17	4.17	3.17	2.17
Premium Trend Factors	1.572	1.461	1.358	1.262	1.172

Selected Average Annual Premium Trend (CW)	-2.8%				
<b>I. CALCULATION OF PREMIUM TREND FACTORS</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Average Earned Date of Calendar Year	7/1/08	7/1/09	7/1/10	7/1/11	7/1/12
Average Earned Date of Proposed Effective Period	9/1/14	9/1/14	9/1/14	9/1/14	9/1/14
Number of Years	6.17	5.17	4.17	3.17	2.17
Premium Trend Factors	0.838	0.862	0.887	0.913	0.940

Selected Average Annual Loss Trend (AR & CW)	1.1%				
<b>II. CALCULATION OF PREMIUM TREND FACTORS</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Average Accident Date of Experience Period	7/1/08	7/1/09	7/1/10	7/1/11	7/1/12
Average Accident Date of Proposed Effective Period	9/1/14	9/1/14	9/1/14	9/1/14	9/1/14
Number of Years	6.17	5.17	4.17	3.17	2.17
Loss Trend Factors	1.073	1.061	1.049	1.037	1.025

NOTES:

Premium trends based on exponential fit of calendar year average earned premiums at current rate level.

##

Loss trend based on Insurance Service Office circulars LI-DP-2012-089 dated 7/17/2012 and LI-DL-2013-045 dated 5/29/2013, and are a weighted average of fire, extended coverage and liability trends.

**Fidelity National Property & Casualty Insurance Company**

Dwelling Policy Program

Premium Trend Calculation

Arkansas

Calendar Year	Earned Premium @ CRL	Earned House Yrs	Average Earned Prem	Exponential Fitted Avg. EP
2008	\$1,652	2	\$671.40	\$603.50
2009	\$1,165	2	\$585.55	\$649.41
2010	\$3,443	5	\$637.57	\$698.81
2011	\$22,888	28	\$804.50	\$751.96
2012	\$67,360	82	\$826.41	\$809.16

Exponential Fitted Trend 7.6%

Countrywide

Calendar Year	Earned Premium @ CRL	Earned House Yrs	Average Earned Prem	Exponential Fitted Avg. EP
2008	\$10,401,360	14,959	\$695.32	\$716.93
2009	\$9,221,194	13,064	\$705.85	\$696.64
2010	\$9,209,962	13,094	\$703.37	\$676.92
2011	\$10,619,129	16,043	\$661.92	\$657.76
2012	\$13,347,820	21,459	\$622.01	\$639.15

Exponential Fitted Trend -2.8%

# Fidelity National Property & Casualty Insurance Company

## Dwelling Policy Program

### Loss Adjustment Expense Ratio

<b>A&amp;O Ratio</b>					
	(1)	(2)	(3)	(4) (1)+(2)	(5) (3)/(4)
<b>Accident Year</b>	<b>Calendar Yr. Incurred Losses</b>	<b>Calendar Yr. Incurred DCC</b>	<b>Calendar Yr. Incurred A&amp;O</b>	<b>Calendar Yr. Incurred Loss + DCC</b>	<b>Ratio of A&amp;O to Loss + DCC</b>
2010	7,025	203	468	7,228	6.47%
2011	9,378	95	1,362	9,473	14.38%
2012	7,201	75	1,155	7,276	15.87%
Total	23,604	373	2,985	23,977	12.45%
				3 yr. average	12.24%
				<b>Selected:</b>	<b>12.00%</b>

Data is from Insurance Expense Exhibit, Part III

**Fidelity National Property & Casualty Insurance Company**

Dwelling Policy Program

Catastrophe Load

Average Annual Loss by peril:

State	Earthquake (Fire)	Earthquake (Shake)	Hurricane (Near Term)	Severe Convective Storm (SCS)	Total AAL
Arkansas	\$19	\$0	\$0	\$18,689	\$18,708

Earned Premium @ CRL for 2012 = \$78,975

Catastrophe Load = 23.7%

NOTE:

RMSv11 Model expected losses using policy data from company as of 12/31/2012 and reflecting demand surge and near term frequency for hurricane

# Fidelity National Property & Casualty Insurance Company

## Dwelling Policy Program

### Arkansas Current Rate Level Factors

[1] Renewal Effective Date	[2] Historical Rate Level Changes	[3] Cumulative Rate Level Indices	[4] Percent of Calendar Year by Filing				
			12/31/08	12/31/09	12/31/10	12/31/11	12/31/12
24 mos prior		1.000	0.0%	0.0%	0.0%	0.0%	0.0%
1/1/2007	-2.2%	0.978	<b>34.7%</b>	0.0%	0.0%	0.0%	0.0%
11/1/2007	-0.5%	0.973	<b>65.3%</b>	<b>50.0%</b>	0.0%	0.0%	0.0%
1/1/2009	9.1%	1.062	0.0%	<b>8.0%</b>	<b>0.3%</b>	0.0%	0.0%
2/1/2009	-6.0%	0.998	0.0%	<b>42.0%</b>	<b>91.0%</b>	<b>17.0%</b>	0.0%
8/1/2010	-0.3%	0.995	0.0%	0.0%	<b>8.7%</b>	<b>41.0%</b>	<b>0.3%</b>
2/1/2011	2.1%	1.016	0.0%	0.0%	0.0%	<b>33.3%</b>	<b>16.7%</b>
8/1/2011	0.2%	1.018	0.0%	0.0%	0.0%	<b>5.6%</b>	<b>11.1%</b>
10/1/2011	-0.2%	1.015	0.0%	0.0%	0.0%	<b>3.1%</b>	<b>71.6%</b>
12/1/2012	8.1%	1.097	0.0%	0.0%	0.0%	0.0%	<b>0.3%</b>

	Calendar Year ending:				
	12/31/08	12/31/09	12/31/10	12/31/11	12/31/12
[5] Weighted Average Rate Level	0.975	0.991	0.998	1.004	1.016
[6] Current Index	1.097	1.097	1.097	1.097	1.097
[7] Current Rate Level Factors	1.126	1.107	1.099	1.092	1.080

- [1] Renewal effective date of rate change  
 [2] Historic rate level changes filed by company  
 [3] Product of all rate changes during the period = ([3] row above) x (1 + [2])  
 [4] Calculated using parallelogram method  
 [5] Weighted average rate level = vector product of [3] and [4] 20%  
 [6] Current index = last row entry in [3]  
 [7] Current rate level factors = [6] ÷ [5]

**FIDELITY NATIONAL INSURANCE COMPANY  
FIDELITY NATIONAL PROPERTY AND CASUALTY INSURANCE COMPANY  
DWELLING FIRE PROGRAM  
NOTICE TO POLICYHOLDER – REDUCTION IN COVERAGE**

**THE COVERAGE IN YOUR POLICY HAS CHANGED. PLEASE READ THIS NOTICE CAREFULLY.**

**CAUTION: NO COVERAGE IS PROVIDED BY THIS NOTICE, NOR CAN IT BE CONSTRUED TO REPLACE ANY PROVISION OF YOUR POLICY. YOU SHOULD READ YOUR POLICY AND REVIEW YOUR DECLARATION PAGE FOR COMPLETE INFORMATION ON THE COVERAGES THAT YOU ARE PROVIDED. IF THERE IS A CONFLICT BETWEEN THE POLICY AND THIS NOTICE, THE POLICY SHALL PREVAIL.**

There has been a change to your renewal policy which constitutes a reduction in coverage. Effective this renewal, endorsement FN1204, Specified Additional Amount of Insurance for Coverage A – Dwelling, has been revised. In the event of a covered loss that resulted in damages in excess of the Coverage A limit of liability, this endorsement previously provided an additional amount of insurance up to 50% of the Coverage A limit of liability if the dwelling was insured to 100% of the replacement cost value at the time of loss. The additional amount of insurance provided by this endorsement has been reduced to 25% of the Coverage A limit of liability. The dwelling still must be insured to 100% of the replacement cost value at the time of loss for the endorsement to apply.

If you have any questions, please do not hesitate to call your agent or our Customer Service Department at 1-800-849-6140.

**State:** Arkansas **Filing Company:** Fidelity National Property and Casualty Insurance Company  
**TOI/Sub-TOI:** 01.0 Property/01.0002 Personal Property (Fire and Allied Lines)  
**Product Name:** Dwelling  
**Project Name/Number:** Dwelling LCM Filing/DWELL-LCM-2013

## 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)
10/07/2013		Supporting Document	P&C Actuarial Justification	10/08/2013	AR_Exhibit A - Actuarial Memorandum.pdf (Superseded) AR_Exhibit B - Loss Cost Multiplier Calculation and Supporting Documentation.pdf (Superseded) AR_Exhibit C - Net Cost of Reinsurance.pdf AR_Exhibit D - Estimated Impact.pdf (Superseded) AR_Exhibit E - Rate Level Indication Supporting Documentation - REVISED.pdf (Superseded)
08/21/2013		Rate	Dwelling Fire - LCM	10/08/2013	AR dwelling fire lcm - LCM Filing.pdf (Superseded)
08/21/2013		Rate	Dwelling Liability - LCM	10/08/2013	AR dwelling liab lcm - LCM Filing.pdf (Superseded)
06/11/2013		Supporting Document	Form RF-1 NAIC Loss Cost Data Entry Document--All P&C Lines	10/08/2013	Form RF1.pdf (Superseded)
06/11/2013		Supporting Document	NAIC Loss Cost Filing Document for OTHER than Workers' Comp	10/08/2013	Form RF-2 - Fire Owner.pdf (Superseded) Form RF-2 - Fire Tenant.pdf (Superseded) Form RF-2 - Liability.pdf (Superseded)

**SERFF Tracking #:**

FDLY-129070198

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

DWELL-LCM-2013

**State:** Arkansas**Filing Company:**

Fidelity National Property and Casualty Insurance Company

**TOI/Sub-TOI:** 01.0 Property/01.0002 Personal Property (Fire and Allied Lines)**Product Name:** Dwelling**Project Name/Number:** Dwelling LCM Filing/DWELL-LCM-2013

Creation Date	Schedule Item Status	Schedule	Schedule Item Name	Replacement Creation Date	Attached Document(s)
06/11/2013		Supporting Document	P&C Actuarial Justification	10/07/2013	AR_Exhibit A - Actuarial Memorandum.pdf AR_Exhibit B - Loss Cost Multiplier Calculation and Supporting Documentation.pdf AR_Exhibit C - Net Cost of Reinsurance.pdf AR_Exhibit D - Estimated Impact.pdf AR_Exhibit E - Rate Level Indication & Supporting Documentation.pdf (Superceded)

**FIDELITY NATIONAL PROPERTY & CASUALTY INSURANCE COMPANY  
ARKANSAS DWELLING FIRE PROGRAM  
ACTUARIAL MEMORANDUM**

Fidelity National Insurance Company is proposing changes to its Dwelling Fire Program that results in an estimated overall rate change of 34.2%. Refer to Exhibit D for the data used to determine this estimate.

The filing consists of the following:

The loss cost multiplier for both Property and Liability coverages are being revised based on the use of the latest available expense figures for the 3 year time period of 2010 through 2012. Additionally, an expense component reflecting the net cost of reinsurance is being introduced. The support for the state specific value for the net cost of reinsurance is provided in Exhibit C.

The revised loss cost multiplier as reflected in Exhibit B will be applicable for both Property and Liability coverages for Owner Occupied residences in addition to the Liability coverages for Tenant Occupied residences and will be used in conjunction with the ISO loss costs. The current loss cost modifier that is being used to produce the loss cost multiplier for Property coverages for Tenant Occupied residences is being maintained.

In addition to the above mentioned changes, the Dwelling Fire program currently automatically affords coverage at a limit of 50% of the Coverage A limit for Specified Additional Amount of Insurance – Coverage A Dwelling in conjunction with ISO policy form DP 00 03 for no additional charge. This coverage is being amended to provide coverage on an optional basis at a limit of 25% of the Coverage A limit with a corresponding 5% charge if this coverage is afforded. The impact of this change is reflected in Exhibit D. Policyholders impacted by this change will be notified of the reduction in coverage during the renewal offer process.

Please refer to the supporting exhibits listed below.

Exhibit B	Loss Cost Multiplier Calculation and Supporting Documentation
Exhibit C	Net Cost of Reinsurance
Exhibit D	Estimated Rate Impact
Exhibit E	Rate Level Indication & Supporting Documentation

# Fidelity National P & C Insurance Company

## Arkansas Dwelling Fire Program

### Loss Cost Multiplier Calculation

1. Line & Subline <u>Dwelling Fire (Property) - Owner Occupied</u>	
2. Company Selected Loss Cost Modification Factor	1.00
<b>3. Development of Expected Loss Ratio</b>	<b>Selected Provisions</b>
A. Commission	25.3%
B. Other Acquisition Expense	0.5%
C. General Expense	1.7%
D. Taxes, Licenses & Fees	2.1%
E. Underwriting Profit (Loss) & Contingencies	7.0%
F. Other (explain) <sup>1</sup>	14.2%
G. Total	50.9%
4A. Expected Loss & Loss Adjustment Expense Ratio (100% - 3G.)	49.1%
4B. Expected Loss & Loss Adjustment Expense Ratio in decimal form	0.49
5. Company Loss Cost Multiplier (2. divided by 4B.)	2.037
6. Company Selected Loss Cost Multiplier	2.037

Footnote:

1. The figures represent the net cost of reinsurance for the program. Refer to Exhibit C for support.

# Fidelity National P & C Insurance Company

## Arkansas Dwelling Fire Program

### Loss Cost Multiplier Calculation

1. Line & Subline <u>Dwelling Fire (Property) - Tenant Occupied</u>	
2. Company Selected Loss Cost Modification Factor	1.50
3. <b>Development of Expected Loss Ratio</b>	<b>Selected Provisions</b>
A. Commission	25.3%
B. Other Acquisition Expense	0.5%
C. General Expense	1.7%
D. Taxes, Licenses & Fees	2.1%
E. Underwriting Profit (Loss) & Contingencies	7.0%
F. Other (explain) <sup>1</sup>	14.2%
G. Total	50.9%
4A. Expected Loss & Loss Adjustment Expense Ratio (100% - 3G.)	49.1%
4B. Expected Loss & Loss Adjustment Expense Ratio in decimal form	0.49
5. Company Loss Cost Multiplier (2. divided by 4B.)	3.056
6. Company Selected Loss Cost Multiplier	3.056

Footnote:

1. The figures represent the net cost of reinsurance for the program. Refer to Exhibit C for support.

# Fidelity National P & C Insurance Company

## Arkansas Dwelling Fire Program

### Loss Cost Multiplier Calculation

1. Line & Subline <u>Dwelling Fire (Liability) - Owner Occupied</u>	
2. Company Selected Loss Cost Modification Factor	1.00
<b>3. Development of Expected Loss Ratio</b>	<b>Selected Provisions</b>
A. Commission	25.3%
B. Other Acquisition Expense	0.5%
C. General Expense	1.7%
D. Taxes, Licenses & Fees	2.1%
E. Underwriting Profit (Loss) & Contingencies	7.0%
F. Other (explain) <sup>1</sup>	14.2%
G. Total	50.9%
4A. Expected Loss & Loss Adjustment Expense Ratio (100% - 3G.)	49.1%
4B. Expected Loss & Loss Adjustment Expense Ratio in decimal form	0.49
5. Company Loss Cost Multiplier (2. divided by 4B.)	2.037
6. Company Selected Loss Cost Multiplier	2.037

Footnote:

1. The figures represent the net cost of reinsurance for the program. Refer to Exhibit C for support.

# Fidelity National P & C Insurance Company

## Arkansas Dwelling Fire Program

### Loss Cost Multiplier Calculation

1. Line & Subline <u>Dwelling Fire (Liability) - Tenant Occupied</u>	
2. Company Selected Loss Cost Modification Factor	1.00
<b>3. Development of Expected Loss Ratio</b>	<b>Selected Provisions</b>
A. Commission	25.3%
B. Other Acquisition Expense	0.5%
C. General Expense	1.7%
D. Taxes, Licenses & Fees	2.1%
E. Underwriting Profit (Loss) & Contingencies	7.0%
F. Other (explain) <sup>1</sup>	14.2%
G. Total	50.9%
4A. Expected Loss & Loss Adjustment Expense Ratio (100% - 3G.)	49.1%
4B. Expected Loss & Loss Adjustment Expense Ratio in decimal form	0.49
5. Company Loss Cost Multiplier (2. divided by 4B.)	2.037
6. Company Selected Loss Cost Multiplier	2.037

Footnote:

1. The figures represent the net cost of reinsurance for the program. Refer to Exhibit C for support.

# Fidelity National P & C Insurance Group

## Arkansas Dwelling Fire Program

### Permissible Loss Ratio Calculation

#### Dwelling Fire & Allied Lines

<b>Underwriting Expenses</b>				<b>1</b>
	<b>2010</b>	<b>2011</b>	<b>2012</b>	
General Expenses	146,000	154,000	193,000	From IEE, Part III ASL 1 & 2.1
Other Acquisition Costs	66,000	61,000	0	From IEE, Part III ASL 1 & 2.1
Earned Premium	7,358,000	10,029,000	11,818,000	From IEE, Part III ASL 1 & 2.1
General Expenses	2.0%	1.5%	1.6%	Ratios to Earned Premium
Other Acquisition Costs	0.9%	0.6%	0.0%	Ratios to Earned Premium
General Expenses			<b>1.7%</b>	Three Year Average Ratio
Other Acquisition Costs			<b>0.5%</b>	Three Year Average Ratio
	<b>2010</b>	<b>2011</b>	<b>2012</b>	
Commission & Brokerage	2,002	9,614	23,714	From State Page 14
Taxes, Licenses, & Fees	178	872	1,818	From State Page 14
Written Premium	7,944	37,836	93,895	From State Page 14
Commission & Brokerage	25.2%	25.4%	25.3%	Ratios to Written Premium
Taxes, Licenses, & Fees	2.2%	2.3%	1.9%	Ratios to Written Premium
Commission & Brokerage			<b>25.3%</b>	Three Year Average Ratio
Taxes, Licenses, & Fees			<b>2.1%</b>	Three Year Average Ratio

<b>Permissible Loss Ratio</b>			<b>2</b>
	<b>Calculated</b>	<b>Selected</b>	
1) Underwriting Expenses (Box 1)	29.7%	29.7%	
2) Investment Income (Exhibit B-1.1)	2.4%	2.4%	
3) Profit & Contingency Provision (Exhibit B-1.1)	9.4%	9.4%	
4) Net Cost of Reinsurance (Exhibit C)	14.2%	14.2%	
5) Total Underwriting Expenses (1)-(2)+(3)+(4)		50.9%	
<b>6) Permissible Loss Ratio 1-(5)</b>		<b>49.1%</b>	

## Fidelity National P & C Insurance Group

### Dwelling Fire Countrywide

#### Expected Total Return

(1) Expected Underwriting Profit and Contingencies - Before Tax	<b>7.0%</b>
(2) Investment Income on Unearned and Advance Premium Reserves	1.4%
(3) Investment Income on Loss and LAE Reserves	1.0%
(4) Other Income	0.0%
(5) Expected Insurance Operating Profit, Before Tax	<b>9.4%</b>
(6) Investment Income on Statutory Surplus	4.4%
(7) Federal Income Tax equals greater of: (Lines 1+4) x 20% + (Lines 2+3+6) x (AMT Tax Rate) and (Lines 1+4) x 35% + (Lines 2+3+6) x (Reg Tax Rate)	4.1%
(8) Expected Total Return, After Tax (%Direct)	9.6%
(9) Target Direct Written Premium to Surplus	1.25
(10) Expected Total Return on Statutory Surplus	12.1%
(11) SAP to GAAP Surplus adjustment factor	1.2216
(12) Expected Total Return on GAAP Surplus (Net Worth)	<b>9.9%</b>

#### Notes

- (1) Selected by company
- (2) Exhibitb-1.2
- (3) Exhibit B-1.3
- (4) 2010 Annual Statement P. 4, Line 15. / P. 4, Line 1
- (5) Sum of (1) - (4)
- (6) Exhibit B-1.4, Line (4)
- (7) See Exhibit B-1.5 for Tax Rates
- (8) = (5) + (6) - (7)
- (9) Assume Direct Premium to Surplus Ratio of 1.25
- (10) = (8) \* (9)
- (11) Exhibit B-1.6, Column (6)
- (12) = (10) / (11)

# Fidelity National P & C Insurance Group

## Dwelling Fire Countrywide

### Estimated Investment Income from Reserves for Unearned and Advance Premium

Direct: Dwelling Fire

	Prior Year Premium Reserves (1)	Current Year Premium Reserves (2)	Earned Premium (3)	Mean Reserve for Unearned and Advance Premiums, as a Ratio to Earned Premium (4)	Agents' Balance or Uncollected Premium (5)	Premiums Ratio of Agents' Balances or Uncollected Premium to Unearned and Advance Premium (3 years) (6)
2010	4,242	4,741	8,710	0.516	642	13.5%
2011	4,741	5,410	10,029	0.506	466	8.6%
2012	5,410	7,010	11,818	0.525	680	9.7%
3 Year Average				0.516		10.6%

(7) Expenses incurred at Beginning of Policy Term (as a % of Written Premium)

(a) Commissions	25.3%
(b) 50% of Other Acq & General Expenses	1.1%
(c) Taxes	2.1%
(d) Total	28.5%

(8) Mean Unearned and Advance Premium Reserve Adjusted  
for Agents' Balances, Uncollected Premiums, and Prepaid  
Expenses

(4) \* [1.00 - (6) - (7d)] 0.3138

(9) Adjusted for Tax on Prepaid Expenses 0.3101

(4) - (1d) \* 10% \* 0.20 \* 35%

(10) Investment Yield, Before Tax (Exhibit B-1.4) 4.4%

(11) Investment Income, as a % of Earned Premium 1.4%

(5) \* (6)

Notes:

(1), (2), (3) From IEE, Part III, Page 6

(4) =Average[(1),(2)] / (3)

(5) From IEE, Part III, Page 6

(6) =(5) / (2)

(7) From Exhibit B-1.0 (weighted average commission rate)

(8) = (4b) \* [1 - (6b) - (7d)]

(9) Assumes the unearned premium reserve will increase at a growth rate of 10%;

= (8) - (4b)\*(.1)\*(.2)\*(.35)

(10) From Investment Rate of Return Exhibit

(11) = (9) \* (10)

# Fidelity National P & C Insurance Group

## Dwelling Fire Countrywide

### Estimated Investment Income from Reserves for Losses and Loss Adjustment Expenses

Direct: Dwelling Fire

	Prior Year Loss Reserves (1)	Current Year Loss Reserves (2)	Incurred Losses & LAE (3)	Mean Reserve for Losses & LAE, as a Ratio to Incurred Losses & LAE (4)
2008	3,297	1,541	5,208	0.464
2009	1,541	1,341	3,754	0.384
2010	1,341	3,077	6,657	0.332
2011	3,077	2,122	8,885	0.293
2012	2,122	2,408	8,252	0.274
5 Year Average				0.349

(5) Expenses incurred at Beginning of Policy Term (as a % of Written Premium)	
(a) Commissions	25.3%
(b) Other Acquisition Expenses	0.0%
(c) General Expenses	1.7%
(d) Taxes	2.1%
(e) Underwriting Profit	7.0%
(f) Total	36.2%
(6) Permissible Loss and LAE (% of Earned Premium)	63.8%
(7) Expected Mean Reserves for Losses and Loss Expenses as a Ratio to Earned Premium	0.2231
(8) Investment Yield, Before Tax	4.4%
(9) Investment Income, as a % of Earned Premium (5) * (6)	1.0%

#### Notes:

- (1), (2), (3) From IEE Part III, Page 6  
(4) = Average[(1),(2)] / (3)  
(5) From Exhibit B-1.0 (weighted average commission rate)  
(6) = 1 - (5f)  
(7) = (4a) \* (6)  
(8) From Investment Rate of Return Exhibit B-1.4  
(9) = (7) \* (8)

# Fidelity National P & C Insurance Group

## Dwelling Fire Countrywide

Investment Rate of Return  
As a Percent of Mean Invested Assets

(1) **Historical Investment Income**

Year	Net Investment Yields		
	Total Investment Income	Total Capital Gain/Loss	Total Investment Income w/ Capital Gain/Loss
2010	2.8%	0.4%	3.2%
2011	3.3%	1.0%	4.3%
2012	2.8%	2.9%	5.8%
(2) <b>Latest Three Year Average</b>	3.0%	1.4%	4.4%
(3) <b>Latest Year</b>	2.8%	2.9%	5.8%
(4) <b>Selected</b>	<b>3.0%</b>	<b>1.4%</b>	<b>4.4%</b>

Data Source: Annual Statement, Pages 2 and 12.

# Fidelity National P & C Insurance Group

## Dwelling Fire Countrywide

### Average Federal Tax Rate on Investment Income

<u>Investment Type</u>	<u>Investment Income</u> <u>2010 through 2012</u>	<u>Distribution</u>	<u>Current Tax Rate</u>	
			<u>Regular</u>	<u>AMT</u>
Bonds (Taxable)	17,024,821	63.1%	35.0%	20.0%
Bonds (Tax Exempt)	7,701,962	28.5%	5.3%	15.8%
Stocks (Unaffiliated)	2,196,006	8.1%	14.2%	17.0%
Other (Net of Depreciation)	78,977	0.3%	35.0%	20.0%
Total	27,001,766		<b>24.8%</b>	<b>18.5%</b>

#### Item Sources:

Investment Income from Annual Statement, Page 12, Exhibit of Net Investment Income.

#### **Current Tax Rate computed according to the 1986 Tax Reform Act, as amended:**

Under this Act, 15% of formerly tax-exempt income from securities purchased after August 7, 1986 is taxable. 30% of stock dividends are taxed at 35% and 70% are taxed at 15% of 35%:

Ordinary Income	35.0%
Tax Exempt Bonds	5.3% = 0.15 * 35%
Stock Dividends	14.2% = (0.30 + 0.70 * 0.15) * 35%

#### **AMT is computed according to the 1986 Tax Reform Act Alternative Minimum Tax:**

Under the Alternative Minimum Tax, a rate of 20% applies to the sum of regular tax income and 75% of tax exempt income. The estimated effective AMT will be:

Ordinary Income	20.0%
Tax Exempt Bonds	15.8% = (0.15 + 0.85*0.75) * 20%
Stock Dividends	17.0% = (0.30 + 0.70 * (0.15 + 0.85 * 0.75)) * 20%

# Fidelity National P & C Insurance Group

## Dwelling Fire Countrywide

### Expected Total Return - Adjustment to GAAP

2012	Statutory Surplus Based on Direct Written Prem Ratio of 1.25 (1)	Provision for Reinsurance (2)	Non-Admitted Assets (3)	Equity in the Unearned and Adv Prem Res (4)	Total Adjustments (5)	GAAP Surplus Adj Factor (6)
2012	110,060	-	282	24,111	24,393	<b>1.2216</b>

### Calculation of Equity in the Unearned and Advance Premium Reserve:

	Commission and Brokerage Expense Incurred (7)	Taxes, Licenses, and Fees Incurred (8)	Other Acquisition Expenses Incurred (9)	General Expenses Incurred (10)	Total (11)	Direct Written Premium (12)	Ending Unearned and Advanced Premium Reserve (13)	Equity in the Unearned and Advance Premium Reserve (14)
2012	44,550	3,917	-	2,421	49,677	162,079	78,667	24,111

#### Notes:

- (1) From Annual Statement, Page 3, Line 37, Column 1
- (2) From Annual Statement, Page 3, Line 16, Column 1
- (3) From Annual Statement, Page 13, Line 26, Column 1
- (4) = (14)
- (5) = (2) + (3) + (4)
- (6) = [(5) + (1)] / (1)
- (7) From IEE, Part III, Column 23, Line 35 minus Line 2.3
- (8) From IEE, Part III, Column 25, Line 35 minus Line 2.3
- (9) From IEE, Part III, Column 27, Line 35 minus Line 2.3
- (10) From IEE, Part III, Column 29, Line 35 minus Line 2.3
- (11) = (7) + (8) + [(9) / 2] + [(10) / 2]
- (12) From IEE, Part III, Column 1, Line 35 minus Line 2.3
- (13) From IEE, Part III, Column 19, Line 35 minus Line 2.3
- (14) = (13) \* (11) / (12)

**(1) Proposed Loss Cost Multipliers for Owner and Tenant Occupied residences**

Occupancy Type	Coverage Type	2012 Earned Premium	Current LCM	Proposed LCM	% Change	\$ Change
Owner	Property	1,313	1.575	2.037	29.3%	385
	Liability	40	1.575	2.037	29.3%	12
Tenant	Property	57,730	2.362	3.056	29.4%	16,973
	Liability	3,280	1.575	2.037	29.3%	961
<b>Total</b>		<b>62,363</b>			<b>29.4%</b>	<b>18,331</b>

**(2) Specified Additional Amount of Insurance – Coverage A**

Coverage	2012 Earned Premium	Current Factor	Proposed Factor	% Change	\$ Change
Coverage premiums affected by the change	60,323	1.00	1.05	5.0%	3,016
Coverage premiums not affected by the change	2,040	1.00	1.00	0.0%	-
<b>Total</b>	<b>62,363</b>			<b>4.8%</b>	<b>3,016</b>

**Combined Impact of Changes**

	\$ Change
(1) Proposed Loss Cost Multipliers for Owner and Tenant Occupied residences	18,331
(2) Specified Additional Amount of Insurance – Coverage A	3,016
(3) Total = (1) + (2)	21,347
(4) 2012 Earned Premium	62,363
<b>(5) Rate Impact = [(1) + (2)] / (4)</b>	<b>34.2%</b>
<b>(6) Revenue Impact = (3) / (4)</b>	<b>34.2%</b>

## Fidelity National Property & Casualty Insurance Company

### Dwelling Policy Program

#### Historical Premium and Loss Experience

#### Arkansas

	(1)	(2)	(3)	(4)	(5)	(6)
				= (2) x (3)	7.6%	= (4) x (5)
Calendar	Written	Earned	On-level	Earned	Premium	Projected
Year	Premium	Premium	Factor	Premium	Trend	Earned
				@ CRL	Factor	Premium
2008	825	1,467	1.126	1,652	1.572	2,597
2009	1,009	1,052	1.107	1,165	1.461	1,703
2010	7,459	3,132	1.099	3,443	1.358	4,675
2011	37,868	20,954	1.092	22,888	1.262	28,881
2012	<u>98,285</u>	<u>62,362</u>	1.080	<u>67,360</u>	1.172	<u>78,975</u>
Total	145,446	88,968		96,508		116,831

	(7)	(8)	(9)	(10)	(11)	(12)
	Case		= (7) x (8)	1.1%	= (9) x (10)	= (11) ÷ (6)
Accident	Incurred	Ultimate	Ultimate	Loss	Projected	Projected
Year	L+DCC	Devel.	Incurred	Trend	Ultimate	L+DCC
	Excl. Cats	Factor	L+DCC	Factor	L+DCC	Ratio
2008	8,147	0.998	8,131	1.073	8,721	335.9%
2009	0	1.002	0	1.061	0	0.0%
2010	0	1.008	0	1.049	0	0.0%
2011	7,376	1.027	7,576	1.037	7,854	27.2%
2012	<u>25,112</u>	1.091	<u>27,394</u>	1.025	<u>28,078</u>	<u>35.6%</u>
Total	40,635		43,101		44,654	38.2%

(13)	Projected Arkansas Loss & DCC Ratio Excl. Cat Load=(12)	38.2%
(14)	5-Year Total Arkansas Earned House Years	120
(15)	Credibility of Arkansas data = $\sqrt{[(14) / 500,000]^1}$	1.5%
(16)	Projected Countrywide Loss & DCC Ratio Excl. Cat Load - Exhibit E-2	56.4%
(17)	Credibility Weighted Projected Loss & DCC Ratio Excl. Catastrophe Load	56.1%
(18)	A & O Loss Adjustment Expense Ratio - Exhibit E-6	12.0%
(19)	Projected Loss & LAE Ratio Excl. Catastrophe Load=(17) x [1 + (18)]	62.9%
(20)	Arkansas Catastrophe Factor - Exhibit E-7	1.179
(21)	Projected Loss & LAE Ratio Including Catastrophe Load=(19) x (20)	74.1%
(22)	Permissible Loss & LAE Ratio - Exhibit B	49.1%
(23)	Indicated Rate Change	50.9%
(24)	Selected Rate Change	34.2%

1 - A full credibility standard of 500,000 house years is used

### Fidelity National Property & Casualty Insurance Company

#### Dwelling Policy Program

#### Historical Premium and Loss Experience

#### Countrywide

	(1)	(2)	(3)	(4)	(5)	(6)
				= (2) x (3)	-2.8%	= (4) x (5)
Calendar	Written	Earned	On-level	Earned	Premium	Projected
Year	Premium	Premium	Factor	Premium	Trend	Earned
				@ CRL	Factor	Premium
2008	9,500,233	10,292,096	1.011	10,401,360	0.838	8,712,232
2009	9,001,332	9,190,859	1.003	9,221,194	0.862	7,948,672
2010	9,679,483	9,143,915	1.007	9,209,962	0.887	8,170,213
2011	11,242,655	10,451,883	1.016	10,619,129	0.913	9,694,658
2012	<u>15,113,839</u>	<u>12,964,182</u>	1.030	<u>13,347,820</u>	0.940	<u>12,541,695</u>
Total	54,537,541	52,042,935		52,799,466		47,067,469

	(7)	(8)	(9)	(10)	(11)	(12)
	Case		= (7) x (8)	1.1%	= (9) x (10)	= (11) ÷ (6)
Accident	Incurred	Ultimate	Ultimate	Loss	Projected	Projected
Year	L+DCC	Devel.	Incurred	Trend	Ultimate	L+DCC
	Excl. Cats	Factor	L+DCC	Factor	L+DCC	Ratio
2008	6,448,226	0.998	6,435,027	1.073	6,902,673	79.2%
2009	4,115,605	1.002	4,123,655	1.061	4,373,342	55.0%
2010	4,072,523	1.008	4,103,802	1.049	4,303,103	52.7%
2011	4,265,682	1.027	4,381,421	1.037	4,542,285	46.9%
2012	<u>6,728,886</u>	1.091	<u>7,340,457</u>	1.025	<u>7,523,730</u>	<u>60.0%</u>
Total	25,630,922		26,384,363		27,645,133	58.7%

(13) Projected Countrywide Loss & DCC Ratio Excl. Cat Load: (12) wtd. (.10/.15/.20/.25/.30) 56.4%

# Fidelity National Property & Casualty Insurance Company

## Dwelling Policy Program

Experience as of December 31, 2012

Countrywide

Cumulative DIRECT Incurred Losses and Incurred DCC excluding Catastrophes									
Accident Year	Months of Development								
	12	24	36	48	60	72	84	96	108
2002									
2003	0	0	0	0	0	0	0	0	
2004	338,280	244,318	207,326	207,377	207,377	207,377	207,377	207,377	207,377
2005	1,212,149	1,760,715	1,907,075	1,765,168	1,765,168	1,765,168	1,765,168	1,765,168	0
2006	4,456,259	4,769,310	4,662,710	4,758,441	4,832,441	4,812,659	4,812,659	0	0
2007	5,991,364	6,424,641	6,498,958	6,638,738	6,684,665	6,634,353	0	0	0
2008	6,366,141	6,522,071	6,542,542	6,415,409	6,448,226	0	0	0	0
2009	3,911,283	3,879,241	3,960,849	4,115,605	0	0	0	0	0
2010	3,168,922	3,746,991	4,072,523	0	0	0	0	0	0
2011	4,136,863	4,265,682	0	0	0	0	0	0	0
2012	6,728,886	0	0	0	0	0	0	0	0

Link Ratios									
Accident Year	Development Interval in Months								
	12:24	24:36	36:48	48:60	60:72	72:84	84:96	96:108	108:Ult
2002	--	--	--	--	--	--	--	--	--
2003	--	--	--	--	--	--	--	--	--
2004	0.722	0.849	1.000	1.000	1.000	1.000	1.000	1.000	
2005	1.453	1.083	0.926	1.000	1.000	1.000	1.000		
2006	1.070	0.978	1.021	1.016	0.996	1.000			
2007	1.072	1.012	1.022	1.007	0.992				
2008	1.024	1.003	0.981	1.005					
2009	0.992	1.021	1.039						
2010	1.182	1.087							
2011	1.031								
3 yr Wtd Avg	1.060	1.030	1.010	1.009	0.995	1.000			
Weighted Avg	1.069	1.018	1.005	1.008	0.995	1.000	1.000	1.000	
Avg Excl HI/LO	1.062	1.019	1.006	1.004	0.998	1.000	1.000	1.000	
Selected	1.062	1.019	1.006	1.004	0.998	1.000	1.000	1.000	
Cumulative	1.091	1.027	1.008	1.002	0.998	1.000	1.000	1.000	1.000

**Fidelity National Property & Casualty Insurance Company**  
Dwelling Policy Program

Premium and Loss Trend Factors

Selected Average Annual Premium Trend (AR)	7.6%				
<b>I. CALCULATION OF PREMIUM TREND FACTORS</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Average Earned Date of Calendar Year	7/1/08	7/1/09	7/1/10	7/1/11	7/1/12
Average Earned Date of Proposed Effective Period	9/1/14	9/1/14	9/1/14	9/1/14	9/1/14
Number of Years	6.17	5.17	4.17	3.17	2.17
Premium Trend Factors	1.572	1.461	1.358	1.262	1.172

Selected Average Annual Premium Trend (CW)	-2.8%				
<b>I. CALCULATION OF PREMIUM TREND FACTORS</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Average Earned Date of Calendar Year	7/1/08	7/1/09	7/1/10	7/1/11	7/1/12
Average Earned Date of Proposed Effective Period	9/1/14	9/1/14	9/1/14	9/1/14	9/1/14
Number of Years	6.17	5.17	4.17	3.17	2.17
Premium Trend Factors	0.838	0.862	0.887	0.913	0.940

Selected Average Annual Loss Trend (AR & CW)	1.1%				
<b>II. CALCULATION OF PREMIUM TREND FACTORS</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Average Accident Date of Experience Period	7/1/08	7/1/09	7/1/10	7/1/11	7/1/12
Average Accident Date of Proposed Effective Period	9/1/14	9/1/14	9/1/14	9/1/14	9/1/14
Number of Years	6.17	5.17	4.17	3.17	2.17
Loss Trend Factors	1.073	1.061	1.049	1.037	1.025

NOTES:

Premium trends based on exponential fit of calendar year average earned premiums at current rate level.

Loss trend based on Insurance Service Office circulars LI-DP-2012-089 dated 7/17/2012 and LI-DL-2013-045 dated 5/29/2013, and are a weighted average of fire, extended coverage and liability trends.

## Fidelity National Property & Casualty Insurance Company

### Dwelling Policy Program

#### Premium Trend Calculation

#### Arkansas

Calendar Year	Earned Premium @ CRL	Earned House Yrs	Average Earned Prem	Exponential Fitted Avg. EP
2008	\$1,652	2	\$671.40	\$603.50
2009	\$1,165	2	\$585.55	\$649.41
2010	\$3,443	5	\$637.57	\$698.81
2011	\$22,888	28	\$804.50	\$751.96
2012	\$67,360	82	\$826.41	\$809.16

Exponential Fitted Trend 7.6%

#### Countrywide

Calendar Year	Earned Premium @ CRL	Earned House Yrs	Average Earned Prem	Exponential Fitted Avg. EP
2008	\$10,401,360	14,959	\$695.32	\$716.93
2009	\$9,221,194	13,064	\$705.85	\$696.64
2010	\$9,209,962	13,094	\$703.37	\$676.92
2011	\$10,619,129	16,043	\$661.92	\$657.76
2012	\$13,347,820	21,459	\$622.01	\$639.15

Exponential Fitted Trend -2.8%

## Fidelity National Property & Casualty Insurance Company

### Dwelling Policy Program

#### Loss Adjustment Expense Ratio

<b>A&amp;O Ratio</b>					
(1)	(2)	(3)	(4)	(5)	
(1)+(2)	(3)/(4)				
<b>Accident Year</b>	<b>Calendar Yr. Incurred Losses</b>	<b>Calendar Yr. Incurred DCC</b>	<b>Calendar Yr. Incurred A&amp;O</b>	<b>Calendar Yr. Incurred Loss + DCC</b>	<b>Ratio of A&amp;O to Loss + DCC</b>
2010	7,025	203	468	7,228	6.47%
2011	9,378	95	1,362	9,473	14.38%
2012	7,201	75	1,155	7,276	15.87%
Total	23,604	373	2,985	23,977	12.45%
				3 yr. average	12.24%
				<b>Selected:</b>	<b>12.00%</b>

Data is from Insurance Expense Exhibit, Part III

**Fidelity National Property & Casualty Insurance Company**  
Dwelling Policy Program

Calculation of Arkansas Catastrophe Factor

Coverage	Aggregate Loss Costs at Current Level (1)	Arkansas State Excess Factor (2)	Aggregate Loss Costs Excluding Excess (3) = (1)/(2)	Excess Loss Costs (4) = (1)-(3)	Arkansas Catastrophe Factor (5) = (4)/(3)
Fire	2,850,600	1.000	2,850,600	0	
Extended Coverage	2,522,444	1.492	1,690,646	831,798	
Personal Liability	118,590	1.000	118,590	0	
<b>TOTAL</b>	<b>5,491,634</b>		<b>4,659,836</b>	<b>831,798</b>	<b>0.179</b>

NOTE:

- Fire & Extended Coverage aggregate loss costs from ISO Circular LI-DP-2012-089, page A-3
- Personal Liability aggregate loss costs from ISO Circular LI-DL-2013-045, Section B, page 9
- Arkansas State excess factor from ISO Circular LI-DP-2012-089, page C-20

# Fidelity National Property & Casualty Insurance Company

## Dwelling Policy Program

### Arkansas Current Rate Level Factors

[1] Renewal Effective Date	[2] Historical Rate Level Changes	[3] Cumulative Rate Level Indices	[4] Percent of Calendar Year by Filing				
			12/31/08	12/31/09	12/31/10	12/31/11	12/31/12
24 mos prior		1.000	0.0%	0.0%	0.0%	0.0%	0.0%
1/1/2007	-2.2%	0.978	<b>34.7%</b>	0.0%	0.0%	0.0%	0.0%
11/1/2007	-0.5%	0.973	<b>65.3%</b>	<b>50.0%</b>	0.0%	0.0%	0.0%
1/1/2009	9.1%	1.062	0.0%	<b>8.0%</b>	<b>0.3%</b>	0.0%	0.0%
2/1/2009	-6.0%	0.998	0.0%	<b>42.0%</b>	<b>91.0%</b>	<b>17.0%</b>	0.0%
8/1/2010	-0.3%	0.995	0.0%	0.0%	<b>8.7%</b>	<b>41.0%</b>	<b>0.3%</b>
2/1/2011	2.1%	1.016	0.0%	0.0%	0.0%	<b>33.3%</b>	<b>16.7%</b>
8/1/2011	0.2%	1.018	0.0%	0.0%	0.0%	<b>5.6%</b>	<b>11.1%</b>
10/1/2011	-0.2%	1.015	0.0%	0.0%	0.0%	<b>3.1%</b>	<b>71.6%</b>
12/1/2012	8.1%	1.097	0.0%	0.0%	0.0%	0.0%	<b>0.3%</b>

	Calendar Year ending:				
	12/31/08	12/31/09	12/31/10	12/31/11	12/31/12
[5] Weighted Average Rate Level	0.975	0.991	0.998	1.004	1.016
[6] Current Index	1.097	1.097	1.097	1.097	1.097
[7] Current Rate Level Factors	1.126	1.107	1.099	1.092	1.080

- [1] Renewal effective date of rate change  
 [2] Historic rate level changes filed by company  
 [3] Product of all rate changes during the period = ([3] row above) x (1 + [2])  
 [4] Calculated using parallelogram method  
 [5] Weighted average rate level = vector product of [3] and [4]  
 [6] Current index = last row entry in [3]  
 [7] Current rate level factors = [6] ÷ [5]

**FIDELITY NATIONAL PROPERTY AND CASUALTY INSURANCE COMPANY  
DWELLING PROGRAM**

DWELLING FIRE

Loss Cost Multiplier: Owner Occupied Dwelling 2.037  
Non-Owner Occupied Dwelling 3.056

To determine the final rate, multiply the Loss Cost Multiplier by the Loss Costs shown on the rate pages. Refer to the rating example on the next page.

**FIDELITY NATIONAL PROPERTY AND CASUALTY INSURANCE COMPANY  
DWELLING PROGRAM**

DWELLING LIABILITY

Loss Cost Multiplier 2.037

To determine the final rate, multiply the Loss Cost Multiplier by the Loss Costs shown on the rate pages. Refer to the rating example on the next page.

### NAIC LOSS COST DATA ENTRY DOCUMENT

<b>1.</b>	This filing transmittal is part of Company Tracking #	<b>DWELL-LCM-2013</b>
-----------	---	-----------------------

<b>2.</b>	If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number	<b>Not Applicable</b>
-----------	---	-----------------------

Company Name		Company NAIC Number		
<b>3.</b>	<b>A.</b>	<b>Fidelity National Property &amp; Casualty Insurance Company</b>	<b>B.</b>	<b>4765-16578</b>

Product Coding Matrix Line of Business (i.e., Type of Insurance)		Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)		
<b>4.</b>	<b>A.</b>	<b>Dwelling</b>	<b>B.</b>	<b>Dwelling</b>

<b>5.</b>			<b>FOR LOSS COSTS ONLY</b>				
(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
<b>Fire (Owner Occupied)</b>	<b>76.3%</b>	<b>29.3%</b>	<b>49.1%</b>	<b>1.00</b>	<b>2.037</b>		<b>1.575</b>
<b>Fire (Non-Owner Occupied)</b>	<b>76.3%</b>	<b>29.4%</b>	<b>49.1%</b>	<b>1.50</b>	<b>3.056</b>		<b>2.363</b>
<b>Liability</b>	<b>76.3%</b>	<b>29.3%</b>	<b>49.1%</b>	<b>1.00</b>	<b>2.037</b>		<b>1.575</b>
<b>Extended Cov A (DP3)</b>	<b>n/a</b>	<b>5.0%</b>					
<b>TOTAL OVERALL EFFECT</b>	<b>76.3%</b>	<b>34.2%</b>					

<b>6.</b>		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
<b>2009</b>	<b>2</b>	<b>-6.3%</b>	<b>01/2009</b>	<b>1052</b>	<b>0</b>	<b>0</b>	<b>37%</b>
<b>2009</b>	<b>2</b>	<b>0%</b>	<b>09/2009</b>	<b>1052</b>	<b>0</b>	<b>0</b>	<b>37%</b>
<b>2010</b>	<b>5</b>	<b>-6.2%</b>	<b>06/20/10</b>	<b>980</b>	<b>0</b>	<b>0</b>	<b>19%</b>
<b>2010</b>	<b>5</b>	<b>-12.1%</b>	<b>12/2010</b>	<b>980</b>	<b>0</b>	<b>0</b>	<b>19%</b>
<b>2011</b>	<b>50</b>	<b>0%</b>	<b>08/2011</b>	<b>20,954</b>	<b>2,300</b>	<b>11%</b>	<b>79%</b>
<b>2011</b>	<b>50</b>	<b>-4.7%</b>	<b>10/2011</b>	<b>20,954</b>	<b>2,300</b>	<b>11%</b>	<b>79%</b>
<b>2012</b>	<b>121</b>	<b>+8.5%</b>	<b>12/01/12</b>	<b>62,362</b>	<b>29,904</b>	<b>48%</b>	<b>67%</b>

<b>7.</b>	
Expense Constants	Selected Provisions
A. Total Production Expense	<b>25.3%</b>
B. General Expense	<b>1.7%</b>
C. Taxes, License & Fees	<b>2.1%</b>
D. Underwriting Profit & Contingencies	<b>7.0%</b>
E. Other (Net Cost of Reinsurance, Other Acquisition)	<b>14.7%</b>
<b>F. TOTAL</b>	<b>50.9%</b>

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

**9.** 35.9% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): \_\_\_\_\_

10. **N/A** Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): \_\_\_\_\_

PC RLC

U:LossCostDraft/DataEntry.doc

CALCULATION OF COMPANY LOSS COST MULTIPLIER

**Reset Form**

(EFFECTIVE AUG. 16, 2004)

<b>This filing transmittal is part of Company Tracking #</b>	DWELL-LCM-2013
<b>This filing corresponds to form filing number</b> (Company tracking number of form filing, if applicable)	<b>FDLY-129070197</b>

- Loss Cost Reference Filing** \_\_\_\_\_  **Independent Rate Filing**  
(Advisory Org. & Reference filing #)

If this is a loss cost filing adopting an advisory organization's loss costs, the above insurer hereby declares that it is a member, subscriber or service purchaser of the named advisory organization for this line of insurance. The insurer hereby files (to be deemed to have independently submitted as its own filing) the prospective loss costs in the captioned Reference Filing. The insurer's rates will be the combination of the prospective loss costs and the loss cost multipliers and, if utilized, the expense constants specified in the attachments.

**1. Check one of the following:**

<input checked="" type="checkbox"/>	The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable to future revisions of the advisory organization's prospective loss costs for this line of insurance. The insurer's rates will be the combination of the advisory organization's prospective loss costs and the insurer's loss cost multipliers and if utilized, expense constants specified in the attachments. The rates will apply to policies written on or after the effective date of the advisory organization's prospective loss costs. This authorization is effective until disapproved by the Commissioner, or until amended or withdrawn by the insurer. <b>Note: Some states have statutes that prohibit this option for some lines of business.</b>
<input type="checkbox"/>	The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable only to the above Advisory Organization Reference Filing.

**2. Line, Subline, Coverage, Territory, Class, etc. combination to which this page applies:** Dwelling Fire - Owner Occupied

**3. Loss cost modification:**

**A.** The insurer hereby files to adopt the prospective loss costs in the captioned reference filing (Check One):

- Without Modification (factor = 1.000)  
 With the following modification(s). (Cite the nature and percent modification, and attach supporting data and/or rationale for the modification.) \_\_\_\_\_

**B.** Loss Cost Modification Expressed as a Factor: (See Examples Below) 1.000

Example 1: Loss cost Modification Factor: If your company's loss cost modification is -10%, a factor of .90 (1.000 - .100) should be used.

Example 2: Loss cost Modification Factor: If your company's loss cost modification is =15%, a factor of 1.15 (1.000 + .150) should be used.

NOTE: IF EXPENSE CONSTANTS ARE UTILIZED ATTACH "EXPENSE CONSTANT SUPPLEMENT" OR OTHER SUPPORTING INFORMATION. DO NOT COMPLETE ITEMS 4-8 BELOW.

**4. Development of Expected Loss Ratio. (Attach exhibit detailing insurer expense data and/or other supporting information.)**

		Selected Provisions
A.	Total Production Expense	25.8 %
B.	General Expense	1.7 %
C.	Taxes, Licenses & Fee	2.1 %
D.	Underwriting profit & Contingencies (explain how investment income is taken into account)	7.0 %
E.	Other (explain)	14.2 %
F.	Total	50.8 %

5.	A.	A. Expected Loss Ratio: $ELR = 100\% - 4F = A$	49.1	%
	B.	B. ELR in Decimal Form =	0.49	
6.		Company Formula Loss Cost Multiplier (3B/5B)	2.037	
7.		Company Selected Loss Cost Multiplier = (Attach explanation for any differences between 6 and 7)	<b>2.037</b>	
8.		Rate Level Change for the coverage(s) to which this page applies	+34.2%	

CALCULATION OF COMPANY LOSS COST MULTIPLIER

**Reset Form**

(EFFECTIVE AUG. 16, 2004)

<b>This filing transmittal is part of Company Tracking #</b>	Dwell-LCM-2013
<b>This filing corresponds to form filing number</b> (Company tracking number of form filing, if applicable)	<b>FDLY-129070197</b>

- Loss Cost Reference Filing** \_\_\_\_\_  **Independent Rate Filing**  
(Advisory Org. & Reference filing #)

If this is a loss cost filing adopting an advisory organization's loss costs, the above insurer hereby declares that it is a member, subscriber or service purchaser of the named advisory organization for this line of insurance. The insurer hereby files (to be deemed to have independently submitted as its own filing) the prospective loss costs in the captioned Reference Filing. The insurer's rates will be the combination of the prospective loss costs and the loss cost multipliers and, if utilized, the expense constants specified in the attachments.

**1. Check one of the following:**

<input checked="" type="checkbox"/>	The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable to future revisions of the advisory organization's prospective loss costs for this line of insurance. The insurer's rates will be the combination of the advisory organization's prospective loss costs and the insurer's loss cost multipliers and if utilized, expense constants specified in the attachments. The rates will apply to policies written on or after the effective date of the advisory organization's prospective loss costs. This authorization is effective until disapproved by the Commissioner, or until amended or withdrawn by the insurer. <b>Note: Some states have statutes that prohibit this option for some lines of business.</b>
<input type="checkbox"/>	The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable only to the above Advisory Organization Reference Filing.

**2. Line, Subline, Coverage, Territory, Class, etc. combination to which this page applies:** Dwelling Fire - Tenant Occupied

**3. Loss cost modification:**

**A.** The insurer hereby files to adopt the prospective loss costs in the captioned reference filing (Check One):

- Without Modification (factor = 1.000)  
 With the following modification(s). (Cite the nature and percent modification, and attach supporting data and/or rationale for the modification.) 50%

**B.** Loss Cost Modification Expressed as a Factor: (See Examples Below) 1.50

Example 1: Loss cost Modification Factor: If your company's loss cost modification is -10%, a factor of .90 (1.000 - .100) should be used.

Example 2: Loss cost Modification Factor: If your company's loss cost modification is =15%, a factor of 1.15 (1.000 + .150) should be used.

NOTE: IF EXPENSE CONSTANTS ARE UTILIZED ATTACH "EXPENSE CONSTANT SUPPLEMENT" OR OTHER SUPPORTING INFORMATION. DO NOT COMPLETE ITEMS 4-8 BELOW.

**4. Development of Expected Loss Ratio. (Attach exhibit detailing insurer expense data and/or other supporting information.)**

		Selected Provisions
A.	Total Production Expense	25.8 %
B.	General Expense	1.7 %
C.	Taxes, Licenses & Fee	2.1 %
D.	Underwriting profit & Contingencies (explain how investment income is taken into account)	7.0 %
E.	Other (explain)	14.2 %
F.	Total	50.8 %

5.	A.	A. Expected Loss Ratio: $ELR = 100\% - 4F = A$	49.1	%
	B.	B. ELR in Decimal Form =	0.491	
6.		Company Formula Loss Cost Multiplier (3B/5B)	3.056	
7.		Company Selected Loss Cost Multiplier = (Attach explanation for any differences between 6 and 7)	<b>3.056</b>	
8.		Rate Level Change for the coverage(s) to which this page applies	+34.2%	

**CALCULATION OF COMPANY LOSS COST MULTIPLIER**

**Reset Form**

(EFFECTIVE AUG. 16, 2004)

<b>This filing transmittal is part of Company Tracking #</b>	DWELL-LCM-2013
<b>This filing corresponds to form filing number</b> (Company tracking number of form filing, if applicable)	<b>FDLY-129070197</b>

- Loss Cost Reference Filing** \_\_\_\_\_  **Independent Rate Filing**  
(Advisory Org. & Reference filing #)

If this is a loss cost filing adopting an advisory organization's loss costs, the above insurer hereby declares that it is a member, subscriber or service purchaser of the named advisory organization for this line of insurance. The insurer hereby files (to be deemed to have independently submitted as its own filing) the prospective loss costs in the captioned Reference Filing. The insurer's rates will be the combination of the prospective loss costs and the loss cost multipliers and, if utilized, the expense constants specified in the attachments.

**1. Check one of the following:**

<input checked="" type="checkbox"/>	The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable to future revisions of the advisory organization's prospective loss costs for this line of insurance. The insurer's rates will be the combination of the advisory organization's prospective loss costs and the insurer's loss cost multipliers and if utilized, expense constants specified in the attachments. The rates will apply to policies written on or after the effective date of the advisory organization's prospective loss costs. This authorization is effective until disapproved by the Commissioner, or until amended or withdrawn by the insurer. <b>Note: Some states have statutes that prohibit this option for some lines of business.</b>
<input type="checkbox"/>	The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable only to the above Advisory Organization Reference Filing.

**2. Line, Subline, Coverage, Territory, Class, etc. combination to which this page applies:** Dwelling Liability- Owner & Tenant Occupied

**3. Loss cost modification:**

**A.** The insurer hereby files to adopt the prospective loss costs in the captioned reference filing (Check One):

- Without Modification (factor = 1.000)  
 With the following modification(s). (Cite the nature and percent modification, and attach supporting data and/or rationale for the modification.) \_\_\_\_\_

**B.** Loss Cost Modification Expressed as a Factor: (See Examples Below) 1.000

Example 1: Loss cost Modification Factor: If your company's loss cost modification is -10%, a factor of .90 (1.000 - .100) should be used.

Example 2: Loss cost Modification Factor: If your company's loss cost modification is =15%, a factor of 1.15 (1.000 + .150) should be used.

NOTE: IF EXPENSE CONSTANTS ARE UTILIZED ATTACH "EXPENSE CONSTANT SUPPLEMENT" OR OTHER SUPPORTING INFORMATION. DO NOT COMPLETE ITEMS 4-8 BELOW.

**4. Development of Expected Loss Ratio. (Attach exhibit detailing insurer expense data and/or other supporting information.)**

		Selected Provisions
A.	Total Production Expense	25.8 %
B.	General Expense	1.7 %
C.	Taxes, Licenses & Fee	2.1 %
D.	Underwriting profit & Contingencies (explain how investment income is taken into account)	7.0 %
E.	Other (explain)	14.2 %
F.	Total	50.8 %

5.	A. Expected Loss Ratio: $ELR = 100\% - 4F = A$	49.1	%
	B. ELR in Decimal Form =	0.49	
6.	Company Formula Loss Cost Multiplier (3B/5B)	2.037	
7.	Company Selected Loss Cost Multiplier = (Attach explanation for any differences between 6 and 7)	<b>2.037</b>	
8.	Rate Level Change for the coverage(s) to which this page applies	+34.2%	

## Fidelity National Property & Casualty Insurance Company

### Dwelling Policy Program

#### Historical Premium and Loss Experience

#### Arkansas

	(1)	(2)	(3)	(4)	(5)	(6)
				= (2) x (3) Earned Premium @ CRL	<span style="border: 1px solid black;">7.6%</span> Premium Trend Factor	= (4) x (5) Projected Earned Premium
Calendar Year	Written Premium	Earned Premium	On-level Factor			
2008	825	1,467	1.126	1,652	1.572	2,597
2009	1,009	1,052	1.107	1,165	1.461	1,703
2010	7,459	3,132	1.099	3,443	1.358	4,675
2011	37,868	20,954	1.092	22,888	1.262	28,881
2012	<u>98,285</u>	<u>62,362</u>	1.080	<u>67,360</u>	1.172	<u>78,975</u>
Total	145,446	88,968		96,508		116,831

	(7)	(8)	(9)	(10)	(11)	(12)
	Case Incurred L+DCC Excl. Cats	Ultimate Devel. Factor	= (7) x (8) Ultimate Incurred L+DCC	<span style="border: 1px solid black;">1.1%</span> Loss Trend Factor	= (9) x (10) Projected Ultimate L+DCC	= (11) ÷ (6) Projected L+DCC Ratio
Accident Year						
2008	8,147	0.998	8,131	1.073	8,721	335.9%
2009	0	1.002	0	1.061	0	0.0%
2010	0	1.008	0	1.049	0	0.0%
2011	7,376	1.027	7,576	1.037	7,854	27.2%
2012	<u>25,112</u>	1.091	<u>27,394</u>	1.025	<u>28,078</u>	<u>35.6%</u>
Total	40,635		43,101		44,654	38.2%

(13)	Projected Arkansas Loss & DCC Ratio Excl. Cat Load=(12)	38.2%
(14)	5-Year Total Arkansas Earned House Years	120
(15)	Credibility of Arkansas data = $\sqrt{[(14) / 500,000]^1}$	1.5%
(16)	Projected Countrywide Loss & DCC Ratio Excl. Cat Load - Exhibit E-2	56.4%
(17)	Credibility Weighted Projected Loss & DCC Ratio Excl. Catastrophe Load	56.1%
(18)	A & O Loss Adjustment Expense Ratio - Exhibit E-6	12.0%
(19)	Projected Loss & LAE Ratio Excl. Catastrophe Load=(17) x [1 + (18)]	62.9%
(20)	Catastrophe Load <sup>2</sup>	23.7%
(21)	Projected Loss & LAE Ratio Including Catastrophe Load=(19) + (20)	86.6%
(22)	Permissible Loss & LAE Ratio - Exhibit B	49.1%
(23)	Indicated Rate Change	76.3%
(24)	Selected Rate Change	<span style="border: 1px solid black;">34.2%</span>

1 - A full credibility standard of 500,000 house years is used

2 - Catastrophe load is the modeled expected losses from RMS Risklink v11 using policy data from the company as of 12/31/2012.

**Fidelity National Property & Casualty Insurance Company**

Dwelling Policy Program

Historical Premium and Loss Experience

Countrywide

	(1)	(2)	(3)	(4)	(5)	(6)
				= (2) x (3) Earned Premium @ CRL	-2.8% Premium Trend Factor	= (4) x (5) Projected Earned Premium
Calendar Year	Written Premium	Earned Premium	On-level Factor			
2008	9,500,233	10,292,096	1.011	10,401,360	0.838	8,712,232
2009	9,001,332	9,190,859	1.003	9,221,194	0.862	7,948,672
2010	9,679,483	9,143,915	1.007	9,209,962	0.887	8,170,213
2011	11,242,655	10,451,883	1.016	10,619,129	0.913	9,694,658
2012	<u>15,113,839</u>	<u>12,964,182</u>	1.030	<u>13,347,820</u>	0.940	<u>12,541,695</u>
Total	54,537,541	52,042,935		52,799,466		47,067,469

	(7)	(8)	(9)	(10)	(11)	(12)
	Case Incurred L+DCC Excl. Cats	Ultimate Devel. Factor	= (7) x (8) Ultimate Incurred L+DCC	1.1% Loss Trend Factor	= (9) x (10) Projected Ultimate L+DCC	= (11) ÷ (6) Projected L+DCC Ratio
Accident Year						
2008	6,448,226	0.998	6,435,027	1.073	6,902,673	79.2%
2009	4,115,605	1.002	4,123,655	1.061	4,373,342	55.0%
2010	4,072,523	1.008	4,103,802	1.049	4,303,103	52.7%
2011	4,265,682	1.027	4,381,421	1.037	4,542,285	46.9%
2012	<u>6,728,886</u>	1.091	<u>7,340,457</u>	1.025	<u>7,523,730</u>	<u>60.0%</u>
Total	25,630,922		26,384,363		27,645,133	58.7%

(13) Projected Countrywide Loss & DCC Ratio Excl. Cat Load: (12) wtd. (.10/.15/.20/.25/.30) 56.4%

# Fidelity National Property & Casualty Insurance Company

## Dwelling Policy Program

Experience as of December 31, 2012

Countrywide

Cumulative DIRECT Incurred Losses and Incurred DCC excluding Catastrophes									
Accident Year	Months of Development								
	12	24	36	48	60	72	84	96	108
2002									
2003	0	0	0	0	0	0	0	0	
2004	338,280	244,318	207,326	207,377	207,377	207,377	207,377	207,377	207,377
2005	1,212,149	1,760,715	1,907,075	1,765,168	1,765,168	1,765,168	1,765,168	1,765,168	0
2006	4,456,259	4,769,310	4,662,710	4,758,441	4,832,441	4,812,659	4,812,659	0	0
2007	5,991,364	6,424,641	6,498,958	6,638,738	6,684,665	6,634,353	0	0	0
2008	6,366,141	6,522,071	6,542,542	6,415,409	6,448,226	0	0	0	0
2009	3,911,283	3,879,241	3,960,849	4,115,605	0	0	0	0	0
2010	3,168,922	3,746,991	4,072,523	0	0	0	0	0	0
2011	4,136,863	4,265,682	0	0	0	0	0	0	0
2012	6,728,886	0	0	0	0	0	0	0	0

Link Ratios									
Accident Year	Development Interval in Months								
	12:24	24:36	36:48	48:60	60:72	72:84	84:96	96:108	108:Ult
2002	--	--	--	--	--	--	--	--	--
2003	--	--	--	--	--	--	--	--	--
2004	0.722	0.849	1.000	1.000	1.000	1.000	1.000	1.000	
2005	1.453	1.083	0.926	1.000	1.000	1.000	1.000		
2006	1.070	0.978	1.021	1.016	0.996	1.000			
2007	1.072	1.012	1.022	1.007	0.992				
2008	1.024	1.003	0.981	1.005					
2009	0.992	1.021	1.039						
2010	1.182	1.087							
2011	1.031								
3 yr Wtd Avg	1.060	1.030	1.010	1.009	0.995	1.000			
Weighted Avg	1.069	1.018	1.005	1.008	0.995	1.000	1.000	1.000	
Avg Excl HI/LO	1.062	1.019	1.006	1.004	0.998	1.000	1.000	1.000	
Selected	1.062	1.019	1.006	1.004	0.998	1.000	1.000	1.000	
Cumulative	1.091	1.027	1.008	1.002	0.998	1.000	1.000	1.000	1.000

## Fidelity National Property & Casualty Insurance Company

### Dwelling Policy Program

#### Premium and Loss Trend Factors

Selected Average Annual Premium Trend (AR)	7.6%				
I. CALCULATION OF PREMIUM TREND FACTORS	2008	2009	2010	2011	2012
Average Earned Date of Calendar Year	7/1/08	7/1/09	7/1/10	7/1/11	7/1/12
Average Earned Date of Proposed Effective Period	9/1/14	9/1/14	9/1/14	9/1/14	9/1/14
Number of Years	6.17	5.17	4.17	3.17	2.17
Premium Trend Factors	1.572	1.461	1.358	1.262	1.172

Selected Average Annual Premium Trend (CW)	-2.8%				
I. CALCULATION OF PREMIUM TREND FACTORS	2008	2009	2010	2011	2012
Average Earned Date of Calendar Year	7/1/08	7/1/09	7/1/10	7/1/11	7/1/12
Average Earned Date of Proposed Effective Period	9/1/14	9/1/14	9/1/14	9/1/14	9/1/14
Number of Years	6.17	5.17	4.17	3.17	2.17
Premium Trend Factors	0.838	0.862	0.887	0.913	0.940

Selected Average Annual Loss Trend (AR & CW)	1.1%				
II. CALCULATION OF PREMIUM TREND FACTORS	2008	2009	2010	2011	2012
Average Accident Date of Experience Period	7/1/08	7/1/09	7/1/10	7/1/11	7/1/12
Average Accident Date of Proposed Effective Period	9/1/14	9/1/14	9/1/14	9/1/14	9/1/14
Number of Years	6.17	5.17	4.17	3.17	2.17
Loss Trend Factors	1.073	1.061	1.049	1.037	1.025

**NOTES:**

Premium trends based on exponential fit of calendar year average earned premiums at current rate level.

Loss trend based on Insurance Service Office circulars LI-DP-2012-089 dated 7/17/2012 and LI-DL-2013-045 dated 5/29/2013, and are a weighted average of fire, extended coverage and liability trends.

## Fidelity National Property & Casualty Insurance Company

Dwelling Policy Program

### Premium Trend Calculation

#### Arkansas

Calendar Year	Earned Premium @ CRL	Earned House Yrs	Average Earned Prem	Exponential Fitted Avg. EP
2008	\$1,652	2	\$671.40	\$603.50
2009	\$1,165	2	\$585.55	\$649.41
2010	\$3,443	5	\$637.57	\$698.81
2011	\$22,888	28	\$804.50	\$751.96
2012	\$67,360	82	\$826.41	\$809.16

Exponential Fitted Trend 7.6%

#### Countrywide

Calendar Year	Earned Premium @ CRL	Earned House Yrs	Average Earned Prem	Exponential Fitted Avg. EP
2008	\$10,401,360	14,959	\$695.32	\$716.93
2009	\$9,221,194	13,064	\$705.85	\$696.64
2010	\$9,209,962	13,094	\$703.37	\$676.92
2011	\$10,619,129	16,043	\$661.92	\$657.76
2012	\$13,347,820	21,459	\$622.01	\$639.15

Exponential Fitted Trend -2.8%

## Fidelity National Property & Casualty Insurance Company

### Dwelling Policy Program

#### Loss Adjustment Expense Ratio

<b>A&amp;O Ratio</b>					
(1)	(2)	(3)	(4)	(5)	
Calendar Yr. Incurred Losses	Calendar Yr. Incurred DCC	Calendar Yr. Incurred A&O	(1)+(2) Calendar Yr. Incurred Loss + DCC	(3)/(4)	Ratio of A&O to Loss + DCC
2010	7,025	203	468	7,228	6.47%
2011	9,378	95	1,362	9,473	14.38%
2012	7,201	75	1,155	7,276	15.87%
Total	23,604	373	2,985	23,977	12.45%
				3 yr. average	12.24%
				<b>Selected:</b>	<b>12.00%</b>

Data is from Insurance Expense Exhibit, Part III

**Fidelity National Property & Casualty Insurance Company**

Dwelling Policy Program

Catastrophe Load

Average Annual Loss by peril:

State	Earthquake (Fire)	Earthquake (Shake)	Hurricane (Near Term)	Severe Convective Storm (SCS)	Total AAL
Arkansas	\$19	\$0	\$0	\$18,689	\$18,708

Earned Premium @ CRL for 2012 = \$78,975

Catastrophe Load = 23.7%

NOTE:

RMSv11 Model expected losses using policy data from company as of 12/31/2012 and reflecting demand surge and near term frequency for hurricane

# Fidelity National Property & Casualty Insurance Company

## Dwelling Policy Program

### Arkansas Current Rate Level Factors

[1] Renewal Effective Date	[2] Historical Rate Level Changes	[3] Cumulative Rate Level Indices	[4] Percent of Calendar Year by Filing				
			12/31/08	12/31/09	12/31/10	12/31/11	12/31/12
24 mos prior		1.000	0.0%	0.0%	0.0%	0.0%	0.0%
1/1/2007	-2.2%	0.978	<b>34.7%</b>	0.0%	0.0%	0.0%	0.0%
11/1/2007	-0.5%	0.973	<b>65.3%</b>	<b>50.0%</b>	0.0%	0.0%	0.0%
1/1/2009	9.1%	1.062	0.0%	<b>8.0%</b>	<b>0.3%</b>	0.0%	0.0%
2/1/2009	-6.0%	0.998	0.0%	<b>42.0%</b>	<b>91.0%</b>	<b>17.0%</b>	0.0%
8/1/2010	-0.3%	0.995	0.0%	0.0%	<b>8.7%</b>	<b>41.0%</b>	<b>0.3%</b>
2/1/2011	2.1%	1.016	0.0%	0.0%	0.0%	<b>33.3%</b>	<b>16.7%</b>
8/1/2011	0.2%	1.018	0.0%	0.0%	0.0%	<b>5.6%</b>	<b>11.1%</b>
10/1/2011	-0.2%	1.015	0.0%	0.0%	0.0%	<b>3.1%</b>	<b>71.6%</b>
12/1/2012	8.1%	1.097	0.0%	0.0%	0.0%	0.0%	<b>0.3%</b>

	Calendar Year ending:				
	12/31/08	12/31/09	12/31/10	12/31/11	12/31/12
[5] Weighted Average Rate Level	0.975	0.991	0.998	1.004	1.016
[6] Current Index	1.097	1.097	1.097	1.097	1.097
[7] Current Rate Level Factors	1.126	1.107	1.099	1.092	1.080

- [1] Renewal effective date of rate change  
 [2] Historic rate level changes filed by company  
 [3] Product of all rate changes during the period = ([3] row above) x (1 + [2])  
 [4] Calculated using parallelogram method  
 [5] Weighted average rate level = vector product of [3] and [4]  
 [6] Current index = last row entry in [3]  
 [7] Current rate level factors = [6] ÷ [5]