

State: Arkansas **Filing Company:** Allmerica Financial Benefit Insurance Co
TOI/Sub-TOI: 19.0 Personal Auto/19.0001 Private Passenger Auto (PPA)
Product Name: *PPA- Private Passenger Automobile 2010 and Forwar
Project Name/Number: *PPA- Private Passenger Automobile 2010 and Forward/AR133806100001

Filing at a Glance

Company: Allmerica Financial Benefit Insurance Co
Product Name: *PPA- Private Passenger Automobile 2010 and Forwar
State: Arkansas
TOI: 19.0 Personal Auto
Sub-TOI: 19.0001 Private Passenger Auto (PPA)
Filing Type: Rate
Date Submitted: 08/02/2013
SERFF Tr Num: HNVX-G129143350
SERFF Status: Closed-Filed
State Tr Num:
State Status:
Co Tr Num: AR133806100001

Effective Date 11/01/2013
Requested (New):
Effective Date 11/01/2013
Requested (Renewal):
Author(s): SPI Hanover
Reviewer(s): Alexa Grissom (primary)
Disposition Date: 09/30/2013
Disposition Status: Filed
Effective Date (New): 11/01/2013
Effective Date (Renewal): 11/01/2013

State Filing Description:

State: Arkansas **Filing Company:** Allmerica Financial Benefit Insurance Co
TOI/Sub-TOI: 19.0 Personal Auto/19.0001 Private Passenger Auto (PPA)
Product Name: *PPA- Private Passenger Automobile 2010 and Forwar
Project Name/Number: *PPA- Private Passenger Automobile 2010 and Forward/AR133806100001

General Information

Project Name: *PPA- Private Passenger Automobile 2010 and Status of Filing in Domicile:
 Forward
 Project Number: AR133806100001 Domicile Status Comments:
 Reference Organization: Reference Number:
 Reference Title: Advisory Org. Circular:
 Filing Status Changed: 09/30/2013
 State Status Changed: Deemer Date:
 Created By: SPI Hanover Submitted By: SPI Hanover
 Corresponding Filing Tracking Number:

Filing Description:

We are proposing an overall +4.6% rate change for our Arkansas Private Passenger Connections Auto Program effective 11/01/2013 for new and renewal business. We are adjusting base rates by coverage.

In support of this filing, the following is attached:

- *Actuarial Memorandum and Support
- *Rate Page
- *Required Transmittals Forms

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

Company and Contact

Filing Contact Information

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

Filing Company Information

| | | |
|--|---|-----------------------------|
| Allmerica Financial Benefit Insurance Co | CoCode: 41840 | State of Domicile: Michigan |
| 440 Lincoln Street | Group Code: 88 | Company Type: |
| Worcester, MA 01653 | Group Name: The Hanover Insurance Group | State ID Number: |
| (508) 853-7200 ext. [Phone] | FEIN Number: 23-2643430 | |

Filing Fees

| | |
|------------------|--------------------------------------|
| Fee Required? | Yes |
| Fee Amount: | \$100.00 |
| Retaliatory? | No |
| Fee Explanation: | \$100.00 per Independent Rate Filing |
| Per Company: | No |

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| Company | Amount | Date Processed | Transaction # |
|--|----------|----------------|---------------|
| Allmerica Financial Benefit Insurance Co | \$100.00 | 08/02/2013 | 72541012 |

SERFF Tracking #:

HNVX-G129143350

State Tracking #:

Company Tracking #:

AR133806100001

State: Arkansas

Filing Company:

Allmerica Financial Benefit Insurance Co

TOI/Sub-TOI: 19.0 Personal Auto/19.0001 Private Passenger Auto (PPA)

Product Name: *PPA- Private Passenger Automobile 2010 and Forwar

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Correspondence Summary

Dispositions

| Status | Created By | Created On | Date Submitted |
|--------|---------------|------------|----------------|
| Filed | Alexa Grissom | 09/30/2013 | 09/30/2013 |

Objection Letters and Response Letters

Objection Letters

| Status | Created By | Created On | Date Submitted |
|---------------------------|---------------|------------|----------------|
| Pending Industry Response | Alexa Grissom | 09/17/2013 | 09/17/2013 |
| Pending Industry Response | Alexa Grissom | 08/05/2013 | 08/05/2013 |

Response Letters

| Responded By | Created On | Date Submitted |
|--------------|------------|----------------|
| SPI Hanover | 09/18/2013 | 09/18/2013 |
| SPI Hanover | 08/06/2013 | 08/06/2013 |

Filing Notes

| Subject | Note Type | Created By | Created On | Date Submitted |
|----------------|------------------|-------------|------------|----------------|
| Status Request | Note To Reviewer | SPI Hanover | 09/04/2013 | 09/04/2013 |

State: Arkansas **Filing Company:** Allmerica Financial Benefit Insurance Co
TOI/Sub-TOI: 19.0 Personal Auto/19.0001 Private Passenger Auto (PPA)
Product Name: *PPA- Private Passenger Automobile 2010 and Forwar
Project Name/Number: *PPA- Private Passenger Automobile 2010 and Forward/AR133806100001

Disposition

Disposition Date: 09/30/2013
 Effective Date (New): 11/01/2013
 Effective Date (Renewal): 11/01/2013
 Status: Filed

Comment:

| Company Name: | Overall % Indicated Change: | Overall % Rate Impact: | Written Premium Change for this Program: | # of Policy Holders Affected for this Program: | Written Premium for this Program: | Maximum % Change (where req'd): | Minimum % Change (where req'd): |
|--|-----------------------------|------------------------|--|--|-----------------------------------|---------------------------------|---------------------------------|
| Allmerica Financial Benefit Insurance Co | 9.100% | 4.600% | \$795,637 | 11,689 | \$17,296,446 | 10.400% | 1.800% |

| Schedule | Schedule Item | Schedule Item Status | Public Access |
|-------------------------------|---|----------------------|---------------|
| Supporting Document | A-1 Private Passenger Auto Abstract | Filed | Yes |
| Supporting Document (revised) | APCS-Auto Premium Comparison Survey | Filed | Yes |
| Supporting Document | APCS-Auto Premium Comparison Survey | Filed | Yes |
| Supporting Document | NAIC loss cost data entry document | Filed | Yes |
| Supporting Document | NAIC Loss Cost Filing Document for OTHER than Workers' Comp | Filed | Yes |
| Supporting Document | Explanatory Memorandum | Filed | Yes |
| Supporting Document | Actuarial Support | Filed | Yes |
| Supporting Document | Marked Rate Pages | Filed | Yes |
| Rate | Arkansas Private Passenger Automobile; Semi-Annual Base Rates | Filed | Yes |

State: Arkansas **Filing Company:** Allmerica Financial Benefit Insurance Co
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Objection Letter

| | |
|-------------------------|---------------------------|
| Objection Letter Status | Pending Industry Response |
| Objection Letter Date | 09/17/2013 |
| Submitted Date | 09/17/2013 |
| Respond By Date | |

Dear Susan Whitworth,

Introduction:

This will acknowledge receipt of the captioned filing. The APCS did not pass the test; the name of number of worksheets had been altered. It may be that the name is not in all upper case.

Conclusion:

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

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

*Sincerely,
Alexa Grissom*

State: Arkansas **Filing Company:** Allmerica Financial Benefit Insurance Co
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Objection Letter

| | |
|-------------------------|---------------------------|
| Objection Letter Status | Pending Industry Response |
| Objection Letter Date | 08/05/2013 |
| Submitted Date | 08/05/2013 |
| Respond By Date | |

Dear Susan Whitworth,

Introduction:

This will acknowledge receipt of the captioned filing. Allmerica Financial Benefit Ins. Co. has received numerous rate increases over the past few years. Were such increases taken into consideration when calculating the current rate request?

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.

Conclusion:

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

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

Sincerely,

Alexa Grissom

State: Arkansas **Filing Company:** Allmerica Financial Benefit Insurance Co
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Response Letter

Response Letter Status Submitted to State
 Response Letter Date 09/18/2013
 Submitted Date 09/18/2013

Dear Alexa Grissom,

Introduction:

Thank you for your letter of yesterday regarding this filing. Below is our response.

Response 1

Comments:

Attached is the APCS form. We hope that this form will now pass the test to allow for approval of this filing.

Changed Items:

| Supporting Document Schedule Item Changes | |
|---|---|
| Satisfied - Item: | APCS-Auto Premium Comparison Survey |
| Comments: | |
| Attachment(s): | PPA_Survey_FORM_APCS2012.PDF PPA_Survey_FORM_APCS2012.XLSX |
| <i>Previous Version</i> | |
| Satisfied - Item: | APCS-Auto Premium Comparison Survey |
| Comments: | |
| Attachment(s): | PPA Survey Form APCS.PDF PPA Survey Form APCS.XLS |

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Thank you for your attention and continued review of this filing. Should you have any questions regarding this filing, please let me know.

Sincerely,

SERFF Tracking #:

HNVX-G129143350

State Tracking #:

Company Tracking #:

AR133806100001

State:

Arkansas

Filing Company:

Allmerica Financial Benefit Insurance Co

TOI/Sub-TOI:

19.0 Personal Auto/19.0001 Private Passenger Auto (PPA)

Product Name:

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Project Name/Number:

*PPA- Private Passenger Automobile 2010 and Forward/AR133806100001

SPI Hanover

State: Arkansas **Filing Company:** Allmerica Financial Benefit Insurance Co
TOI/Sub-TOI: 19.0 Personal Auto/19.0001 Private Passenger Auto (PPA)
Product Name: *PPA- Private Passenger Automobile 2010 and Forwar
Project Name/Number: *PPA- Private Passenger Automobile 2010 and Forward/AR133806100001

Response Letter

| | |
|------------------------|--------------------|
| Response Letter Status | Submitted to State |
| Response Letter Date | 08/06/2013 |
| Submitted Date | 08/06/2013 |

Dear Alexa Grissom,

Introduction:

Thank you for your letter of yesterday regarding this filing. Below is our response.

Response 1

Comments:

Yes, the previously approved/implemented rate increases were considered in this rate filing through their inclusion in the calculation of the on-level rate factors.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

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

Sincerely,
SPI Hanover

State: Arkansas **Filing Company:** Allmerica Financial Benefit Insurance Co
TOI/Sub-TOI: 19.0 Personal Auto/19.0001 Private Passenger Auto (PPA)
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Note To Reviewer

Created By:

SPI Hanover on 09/04/2013 02:12 PM

Last Edited By:

Alexa Grissom

Submitted On:

09/30/2013 07:47 AM

Subject:

Status Request

Comments:

Ms. Grissom,

Could we please have a status of your review of this filing?

Thank you,
Susan Whitworth

SERFF Tracking #:

HNVX-G129143350

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

AR133806100001

State:

Arkansas

Filing Company:

Allmerica Financial Benefit Insurance Co

TOI/Sub-TOI:

19.0 Personal Auto/19.0001 Private Passenger Auto (PPA)

Product Name:

*PPA- Private Passenger Automobile 2010 and Forwar

Project Name/Number:

*PPA- Private Passenger Automobile 2010 and Forward/AR133806100001

Rate Information

Rate data applies to filing.

Filing Method:

File and Use

Rate Change Type:

Increase

Overall Percentage of Last Rate Revision:

6.000%

Effective Date of Last Rate Revision:

05/01/2013

Filing Method of Last Filing:

File and Use

Company Rate Information

| Company Name: | Overall % Indicated Change: | Overall % Rate Impact: | Written Premium Change for this Program: | # of Policy Holders Affected for this Program: | Written Premium for this Program: | Maximum % Change (where req'd): | Minimum % Change (where req'd): |
|--|-----------------------------|------------------------|--|--|-----------------------------------|---------------------------------|---------------------------------|
| Allmerica Financial Benefit Insurance Co | 9.100% | 4.600% | \$795,637 | 11,689 | \$17,296,446 | 10.400% | 1.800% |

SERFF Tracking #:

HNWX-G129143350

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

AR133806100001

State:

Arkansas

Filing Company:

Allmerica Financial Benefit Insurance Co

TOI/Sub-TOI:

19.0 Personal Auto/19.0001 Private Passenger Auto (PPA)

Product Name:

*PPA- Private Passenger Automobile 2010 and Forwar

Project Name/Number:

*PPA- Private Passenger Automobile 2010 and Forward/AR133806100001

Rate/Rule Schedule

| Item No. | Schedule Item Status | Exhibit Name | Rule # or Page # | Rate Action | Previous State Filing Number | Attachments |
|----------|----------------------|---|-------------------|-------------|------------------------------|------------------------------------|
| 1 | Filed 09/30/2013 | Arkansas Private Passenger Automobile; Semi-Annual Base Rates | Exhibit 6, Page 1 | Replacement | | AR Base Rates 2013-11-01 Clean.PDF |

**Allmerica Financial Benefit Insurance Company
Private Passenger Automobile**

**State of Arkansas
Effective 11/01/2013
Rate Schedule**

| State of Arkansas Allmerica Financial Benefit Insurance Company Private Passenger Automobile | |
|---|-----------|
| Semi-Annual Base Rates | |
| Coverage | Base Rate |
| Bodily Injury | \$454 |
| Property Damage | \$390 |
| Combined Single Limit | \$826 |
| PIP | \$322 |
| UM BI | \$54 |
| UIM BI | \$58 |
| UM PD | \$34 |
| UM CSL | \$118 |
| UIM CSL | \$117 |
| Comprehensive | \$442 |
| Collision | \$353 |
| Optional Limits Transportation Expense | \$14 |
| Towing & Labor | \$7 |
| Comprehensive Auto Loan/Lease | \$24 |
| Collision Auto Loan/Lease | \$18 |
| Additional Customized Equipment | \$8 |
| <u>Endorsement Rates</u> | |
| Travel Right Endorsement | \$16 |
| Reassurance Plus | \$5 |
| Home Care Services | \$3 |
| Rental Coverage Upgrade | \$5 |
| Roadside Assistance | \$8 |

SERFF Tracking #:

HNVX-G129143350

State Tracking #:

Company Tracking #:

AR133806100001

State:

Arkansas

Filing Company:

Allmerica Financial Benefit Insurance Co

TOI/Sub-TOI:

19.0 Personal Auto/19.0001 Private Passenger Auto (PPA)

Product Name:

*PPA- Private Passenger Automobile 2010 and Forwar

Project Name/Number:

*PPA- Private Passenger Automobile 2010 and Forward/AR133806100001

Supporting Document Schedules

| | |
|--------------------------|-------------------------------------|
| Satisfied - Item: | A-1 Private Passenger Auto Abstract |
| Comments: | |
| Attachment(s): | AR Form A-1 - AFB 20131101.PDF |
| Item Status: | Filed |
| Status Date: | 09/30/2013 |

| | |
|--------------------------|---|
| Satisfied - Item: | APCS-Auto Premium Comparison Survey |
| Comments: | |
| Attachment(s): | PPA_Survey_FORM_APCS2012.PDF PPA_Survey_FORM_APCS2012.XLSX |
| Item Status: | Filed |
| Status Date: | 09/30/2013 |

| | |
|--------------------------|---|
| Satisfied - Item: | NAIC loss cost data entry document |
| Comments: | |
| Attachment(s): | FORM RF-1 Rate Filing Abstract AFB 20131101.PDF |
| Item Status: | Filed |
| Status Date: | 09/30/2013 |

| | |
|-------------------------|---|
| Bypassed - Item: | NAIC Loss Cost Filing Document for OTHER than Workers' Comp |
| Bypass Reason: | N/A to this filing. |
| Attachment(s): | |
| Item Status: | Filed |
| Status Date: | 09/30/2013 |

| | |
|--------------------------|------------------------|
| Satisfied - Item: | Explanatory Memorandum |
| Comments: | |

SERFF Tracking #:

HNVX-G129143350

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

AR133806100001

State:

Arkansas

Filing Company:

Allmerica Financial Benefit Insurance Co

TOI/Sub-TOI:

19.0 Personal Auto/19.0001 Private Passenger Auto (PPA)

Product Name:

*PPA- Private Passenger Automobile 2010 and Forwar

Project Name/Number:

*PPA- Private Passenger Automobile 2010 and Forward/AR133806100001

| | |
|--------------------------|------------------------------------|
| Attachment(s): | Explanatory Memo 20131101.PDF |
| Item Status: | Filed |
| Status Date: | 09/30/2013 |
| Satisfied - Item: | Actuarial Support |
| Comments: | |
| Attachment(s): | Actuarial Support.PDF |
| Item Status: | Filed |
| Status Date: | 09/30/2013 |
| Satisfied - Item: | Marked Rate Pages |
| Comments: | |
| Attachment(s): | AR Base Rates 2013-11-01 DRAFT.PDF |
| Item Status: | Filed |
| Status Date: | 09/30/2013 |

SERFF Tracking #:

HNWX-G129143350

State Tracking #:

Company Tracking #:

AR133806100001

State:

Arkansas

Filing Company:

Allmerica Financial Benefit Insurance Co

TOI/Sub-TOI:

19.0 Personal Auto/19.0001 Private Passenger Auto (PPA)

Product Name:

*PPA- Private Passenger Automobile 2010 and Forwar

Project Name/Number:

*PPA- Private Passenger Automobile 2010 and Forward/AR133806100001

Attachment PPA_Survey_FORM_APCS2012.XLSX is not a PDF document and cannot be reproduced here.

ARKANSAS INSURANCE DEPARTMENT
FORM A-1 PRIVATE PASSENGER AUTOMOBILE ABSTRACT

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

Company Name Allmerica Financial Benefit Insurance Co.
NAIC # (including group #) 088-41840

1. Are there any areas in the State of Arkansas in which your company will not write automobile insurance? Yes No
If yes, list the areas: _____

2. Do you furnish a market for young drivers? Yes No

3. Do require collateral business to support a youthful driver? Yes No

4. Do you insure drivers with an international or foreign driver's license? Yes No

5. Specify the percentage you allow in credit or discounts for the following:

- | | |
|--|-----------|
| a. Driver over 55 | 0% |
| b. Good Student Discount | 5% |
| c. Multi-car Discount | 23%-36% |
| d. Accident Free Discount* | 0% |
| Please Specify Qualification for Discount: | |
| e. <u>Anti-Theft Discount</u> | 25% |
| f. <u>Other (specify)</u> | |
| <u>Homeowner</u> | 9%-16% |
| <u>Account Credit</u> | 1%-6% |
| <u>Paid in Full</u> | 6%-9% |
| <u>Prior Carrier Discount</u> | Up to 10% |
| <u>Advanced Quote Modifier</u> | Up to 10% |

6. Do you have an installment payment plan for automobile insurance? Yes No
If so, what is the fee for installment payments? \$5

7. Does your company utilize a tiered rating plan? Yes No
If so, list the programs and percentage difference and current volume for each plan:

| Program | Percentage Difference | Volume |
|---------|-----------------------|--------|
|---------|-----------------------|--------|

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

| |
|--|
| _____ Signature |
| _____ John J Clark Printed Name |
| _____ Pricing Analyst Title |
| _____ 508-855-3029 Telephone Number |
| _____ jclark@hanover.com Email address |

Private Passenger Auto Premium Comparison Survey Form

FORM APCS - last modified May 2012

NAIC Number: 41840
Company Name: Allmerica Financial Benefit Insurance Comp
Contact Person: Susan Whitworth
Telephone No.: (508)-855-4664
Email Address: swhitworth@hanover.com
Effective Date: 11/1/2013

Assumptions to Use:

- 1 **Liability** -Minimum \$25,000 per person
- 2 **Bodily Injury** \$50,000 per accident
\$25,000 per accident
- 3 **Property Damage** \$100 deductible per accident
- 4 **Comprehensive & Collision** \$250 deductible per accident
- 5 **The insured has elected to accept:**
 Uninsured motorist property and bodily injury equal to liability coverage
 Underinsured bodily injury equal to liability coverage
- 6 **Personal Injury Protection** of \$5,000 for medical, loss wages according to statute and \$5,000 accidental
- 7 **If male and female rates are different, use the highest of the two**

Submit to: Arkansas Insurance Department
 1200 West Third Street
 Little Rock, AR 72201-1904

Telephone: 501-371-2800
 Email as an attachment insurance.pnc@arkansas.gov
 You may also attach to a SERFF filing or submit on a compact disk

DISCOUNTS OFFERED:

| | | |
|------------------------------------|--------------|---|
| PASSIVE RESTRAINT/AIRBAG | 0 | % |
| AUTO/HOMEOWNERS | 3 | % |
| GOOD STUDENT | 5 | % |
| ANTI-THEFT DEVICE | Comp only 25 | % |
| Over 55 Defensive Driver Discount | 5 | % |
| \$250/\$500 Deductible Comp./Coll. | Coll only 9 | % |

| Vehicle | Coverages | Age | Fayetteville | | | | Trumann | | | | Little Rock | | | | Lake Village | | | | Pine Bluff | | | | | | | |
|---|---|-----|--------------|---------|-----------|---------|-------------------|-------------------|---------|---------|-------------|----------|-------------------|-------------------|--------------|----------|-----------|---------|-------------------|-------------------|---------|---------|-----------|---------|-------------------|-------------------|
| | | | Gender | | Female 18 | Male 18 | Male or Female 40 | Male or Female 66 | Gender | | Female 18 | Male 18 | Male or Female 40 | Male or Female 66 | Gender | | Female 18 | Male 18 | Male or Female 40 | Male or Female 66 | Gender | | Female 18 | Male 18 | Male or Female 40 | Male or Female 66 |
| | | | Female | Male | | | | | Female | Male | | | | | Female | Male | | | | | Female | Male | | | | |
| 2008 4.8L Chevrolet Silverado 1500 "LS" regular cab 119" WB | Minimum Liability | | \$2,618 | \$3,294 | \$1,079 | \$1,100 | \$3,576 | \$4,495 | \$1,475 | \$1,501 | \$3,807 | \$4,833 | \$1,530 | \$1,559 | \$3,402 | \$4,275 | \$1,404 | \$1,427 | \$3,649 | \$4,639 | \$1,472 | \$1,501 | | | | |
| | Minimum Liability with Comprehensive and Collision | | \$4,695 | \$6,293 | \$2,017 | \$1,941 | \$6,905 | \$9,341 | \$3,171 | \$2,975 | \$5,844 | \$7,789 | \$2,506 | \$2,419 | \$6,571 | \$8,887 | \$3,018 | \$2,831 | \$6,313 | \$8,508 | \$2,788 | \$2,655 | | | | |
| | 100/300/50 Liability with Comprehensive and Collision | | \$4,314 | \$5,785 | \$1,712 | \$1,663 | \$6,333 | \$8,566 | \$2,669 | \$2,529 | \$5,493 | \$7,333 | \$2,149 | \$2,099 | \$6,030 | \$8,145 | \$2,538 | \$2,410 | \$5,869 | \$7,909 | \$2,375 | \$2,287 | | | | |
| 2009 Ford Explorer "XLT" 2WD, 4 door | Minimum Liability | | \$2,820 | \$3,536 | \$1,163 | \$1,185 | \$3,852 | \$4,830 | \$1,588 | \$1,618 | \$4,099 | \$5,184 | \$1,647 | \$1,676 | \$3,664 | \$4,592 | \$1,511 | \$1,539 | \$3,924 | \$4,977 | \$1,585 | \$1,615 | | | | |
| | Minimum Liability with Comprehensive and Collision | | \$5,206 | \$6,986 | \$2,252 | \$2,158 | \$7,713 | \$10,455 | \$3,588 | \$3,352 | \$6,453 | \$8,598 | \$2,788 | \$2,680 | \$7,340 | \$9,947 | \$3,414 | \$3,187 | \$7,009 | \$9,460 | \$3,132 | \$2,965 | | | | |
| | 100/300/50 Liability with Comprehensive and Collision | | \$4,761 | \$6,396 | \$1,900 | \$1,837 | \$7,045 | \$9,539 | \$2,994 | \$2,828 | \$6,032 | \$8,062 | \$2,379 | \$2,313 | \$6,700 | \$9,079 | \$2,850 | \$2,687 | \$6,484 | \$8,752 | \$2,648 | \$2,537 | | | | |
| 2010 Honda Odyssey "EX" | Minimum Liability | | \$2,203 | \$2,724 | \$940 | \$956 | \$3,013 | \$3,720 | \$1,284 | \$1,306 | \$3,181 | \$3,973 | \$1,312 | \$1,336 | \$2,865 | \$3,538 | \$1,222 | \$1,242 | \$3,048 | \$3,813 | \$1,268 | \$1,291 | | | | |
| | Minimum Liability with Comprehensive and Collision | | \$4,588 | \$6,168 | \$2,021 | \$1,923 | \$6,849 | \$9,307 | \$3,253 | \$3,016 | \$5,527 | \$7,374 | \$2,441 | \$2,330 | \$6,518 | \$8,853 | \$3,094 | \$2,869 | \$6,117 | \$8,270 | \$2,793 | \$2,624 | | | | |
| | 100/300/50 Liability with Comprehensive and Collision | | \$4,152 | \$5,582 | \$1,695 | \$1,624 | \$6,181 | \$8,392 | \$2,699 | \$2,528 | \$5,100 | \$6,816 | \$2,066 | \$1,995 | \$5,881 | \$7,983 | \$2,564 | \$2,403 | \$5,587 | \$7,553 | \$2,346 | \$2,224 | | | | |
| 2011 Toyota Camry 2.5L 4 door Sedan | Minimum Liability | | \$2,566 | \$3,137 | \$1,095 | \$1,112 | \$3,510 | \$4,286 | \$1,499 | \$1,523 | \$3,699 | \$4,569 | \$1,532 | \$1,559 | \$3,340 | \$4,077 | \$1,428 | \$1,451 | \$3,536 | \$4,378 | \$1,476 | \$1,500 | | | | |
| | Minimum Liability with Comprehensive and Collision | | \$7,043 | \$9,613 | \$3,164 | \$2,955 | \$10,837 | \$14,974 | \$5,369 | \$4,859 | \$8,140 | \$11,016 | \$3,720 | \$3,478 | \$10,309 | \$14,246 | \$5,108 | \$4,624 | \$9,367 | \$12,866 | \$4,455 | \$4,087 | | | | |
| | 100/300/50 Liability with Comprehensive and Collision | | \$6,241 | \$8,509 | \$2,591 | \$2,438 | \$9,563 | \$13,196 | \$4,338 | \$3,960 | \$7,336 | \$9,936 | \$3,071 | \$2,894 | \$9,098 | \$12,555 | \$4,127 | \$3,767 | \$8,357 | \$11,468 | \$3,638 | \$3,370 | | | | |
| 2011 Cadillac Seville "CTS" AWD WAG 4 door 3.0L | Minimum Liability | | \$2,348 | \$2,916 | \$994 | \$1,010 | \$3,208 | \$3,982 | \$1,358 | \$1,380 | \$3,395 | \$4,255 | \$1,390 | \$1,418 | \$3,050 | \$3,785 | \$1,288 | \$1,312 | \$3,255 | \$4,084 | \$1,344 | \$1,367 | | | | |
| | Minimum Liability with Comprehensive and Collision | | \$6,178 | \$8,452 | \$2,743 | \$2,574 | \$9,415 | \$13,028 | \$4,583 | \$4,170 | \$7,176 | \$9,740 | \$3,227 | \$3,034 | \$8,956 | \$12,393 | \$4,353 | \$3,964 | \$8,208 | \$11,285 | \$3,835 | \$3,541 | | | | |
| | 100/300/50 Liability with Comprehensive and Collision | | \$5,510 | \$7,531 | \$2,265 | \$2,141 | \$8,372 | \$11,556 | \$3,736 | \$3,433 | \$6,524 | \$8,857 | \$2,690 | \$2,552 | \$7,964 | \$10,993 | \$3,553 | \$3,262 | \$7,381 | \$10,134 | \$3,163 | \$2,950 | | | | |
| 2010 Hyundai Santa Fe SE 4X2 | Minimum Liability | | \$2,434 | \$3,024 | \$1,025 | \$1,042 | \$3,327 | \$4,130 | \$1,402 | \$1,426 | \$3,524 | \$4,417 | \$1,439 | \$1,466 | \$3,167 | \$3,927 | \$1,334 | \$1,357 | \$3,376 | \$4,240 | \$1,391 | \$1,415 | | | | |
| | Minimum Liability with Comprehensive and Collision | | \$5,221 | \$7,053 | \$2,308 | \$2,187 | \$7,875 | \$10,762 | \$3,797 | \$3,491 | \$6,283 | \$8,423 | \$2,794 | \$2,656 | \$7,496 | \$10,237 | \$3,607 | \$3,321 | \$7,000 | \$9,511 | \$3,234 | \$3,018 | | | | |
| | 100/300/50 Liability with Comprehensive and Collision | | \$4,719 | \$6,368 | \$1,928 | \$1,841 | \$7,091 | \$9,678 | \$3,127 | \$2,906 | \$5,788 | \$7,772 | \$2,356 | \$2,263 | \$6,747 | \$9,205 | \$2,974 | \$2,764 | \$6,379 | \$8,666 | \$2,698 | \$2,548 | | | | |

NAIC LOSS COST DATA ENTRY DOCUMENT

| | | |
|-----------|---|----------------|
| 1. | This filing transmittal is part of Company Tracking # | AR133806100001 |
|-----------|---|----------------|

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

| | | | | |
|--------------|-----------|--|-----------|------------------|
| Company Name | | Company NAIC Number | | |
| 3. | A. | Allmerica Financial Benefit Insurance Co. | B. | 088-41840 |

| | | | | |
|--|-----------|---|-----------|---|
| Product Coding Matrix Line of Business (i.e., Type of Insurance) | | Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance) | | |
| 4. | A. | 19.0 Personal Auto | B. | 19.0001 Private Passenger Auto (PPA) |

| 5. | | | FOR LOSS COSTS ONLY | | | | |
|---------------------------------------|--|--|-------------------------------|--|--|---|---|
| (A) COVERAGE (See Instructions) | (B) Indicated % Rate Level Change | (C) Requested % Rate Level Change | (D) Expected Loss Ratio | (E) Loss Cost Modification Factor | (F) Selected Loss Cost Multiplier | (G) Expense Constant (If Applicable) | (H) Co. Current Loss Cost Multiplier |
| BI | 24.5% | 8.7% | N/A | N/A | N/A | N/A | N/A |
| PD | 22.1% | 6.3% | | | | | |
| UM / UIM | 4.2% | 3.5% | | | | | |
| PIP | 17.2% | 14.9% | | | | | |
| Comp | -0.6% | 0.0% | | | | | |
| Coll | -6.6% | 0.0% | | | | | |
| TOTAL OVERALL EFFECT | 9.1% | 4.6% | | | | | |

| 6. | | 5 Year History | Rate Change History | | | | |
|-------------|---------------|-----------------------------|-------------------------------------|----------------------------|-----------------------|------------------|------------------------|
| Year | Policy Count | % of Change | Effective Date | State Earned Premium (000) | Incurred Losses (000) | State Loss Ratio | Countrywide Loss Ratio |
| 2009 | 8,167 | 3.1% 3.3% | 04/01/09 11/19/09 | 8,152 | 4,991 | 61.2% | 69.7% |
| 2010 | 10,191 | N/A | N/A | 11,540 | 7,579 | 65.7% | 71.1% |
| 2011 | 11,918 | 4.5%, 2.5% | 05/01/11, 11/01/11 | 14,783 | 10,135 | 68.6% | 66.0% |
| 2012 | 11,789 | 5.0%, 5.8% | 05/01/12, 12/06/12 | 16,898 | 10,231 | 60.5% | 69.1% |

| 7. | Liability | PhysDam |
|--|---------------------|---------------------|
| Expense Constants | Selected Provisions | Selected Provisions |
| A. Total Production Expense | 16.0% | 16.0% |
| B. General Expense | 10.8 % | 10.8% |
| C. Taxes, License & Fees | 3.0% | 3.0% |
| D. Underwriting Profit & Contingencies | 4.5% | 5.0% |

| | | | | | | | |
|--|--------------|-------------|----------------|---------------------------|---------------------------|--------------|--------------|
| 2013 (Undeveloped losses) | 11689 | 6.0% | 05/4/13 | 8,699 (2013Q2) | 4,255 (2013Q2) | 48.9% | 44.1% |
| | | | | | | | |
| | | | | | | | |

| | | |
|---------------------|-----------------------|-----------------------|
| E. Other (explain) | | |
| Reinsurance ULAE | 0.1% 10.8% | 0.1% 11.3% |
| F. TOTAL | 45.2% | 46.2% |
| | | |

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

9. 10.4% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): **Multiple Territories**

10. 1.8% Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): **Multiple Territories**

**Allmerica Financial Benefit
State of Arkansas
Private Passenger Connections Auto Program**

Effective: November 1, 2013 for Renewal Business and New Business
Explanatory Memorandum

Proposal

We are proposing an overall +4.6% rate change for our Arkansas Private Passenger Connections Auto Program effective 11/01/2013 for new and renewal business. In order to better serve our customers and improve our Connections auto program, we propose to make the following adjustments.

- Revise Base Rates

Overall Rate Change

The rate change that we propose varies by coverage and is shown in *Exhibit 7*.

Base Rates

In order to achieve an overall rate change of 4.6%, we are adjusting base rates by coverage as outlined in *Exhibit 8*. **Due to rate capping, the rate that we will realize from this change this year is 4.1%.**

Exhibit Index

| | |
|-----------|------------------------|
| Exhibit 1 | Indication Summary |
| Exhibit 2 | Indication by Coverage |
| Exhibit 3 | Premium Trends |
| Exhibit 4 | Loss Trends |
| Exhibit 5 | Loss Development |
| Exhibit 6 | Expenses |
| Exhibit 7 | Disruption by coverage |
| Exhibit 8 | Revised Base Rates |

Arkansas

Personal Auto - All Companies Combined - Connections & Non-Connections Rate Indication Summary Exhibit

| <u>Coverage</u> | Retrosp. Annual Loss <u>Trend</u> | Retrosp. Annual Premium <u>Trend</u> | Prosp. Annual Loss <u>Trend</u> | Prosp. Annual Premium <u>Trend</u> | Rate Change <u>Indication +</u> |
|--------------------------------|--|---|--|---|---------------------------------------|
| Bodily Injury * | 7.0% | -3.4% | 8.0% | -2.4% | 24.5% |
| Property Damage * | 2.2% | -4.0% | 2.2% | -3.0% | 22.1% |
| UM/UIM | 0.0% | -1.9% | 0.5% | -1.4% | 4.2% |
| Med Pay | 6.9% | -3.9% | 8.0% | -3.0% | 17.2% |
| PIP | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Comprehensive ** | -2.0% | -3.4% | -3.0% | -1.9% | -0.6% |
| Collision | -1.8% | 1.1% | -2.8% | 1.6% | -6.6% |
| All Liability Coverages: | 4.4% | -3.3% | 4.9% | -2.5% | 18.9% |
| All Physical Damage Coverages: | -1.9% | -0.6% | -2.8% | 0.3% | -4.4% |
| Total | 2.3% | -2.2% | 2.4% | -1.4% | 9.1% |

+Rate indication targets a 95.3% Combined Ratio

* CSL experience is distributed to BI and PD separately.

** Includes Towing, Rental Reimbursement and Sound/Receiving Equip.

Arkansas
Personal Auto - All Companies Combined - Connections & Non-Connections
Total Limits Bodily Injury Rate Indication for Rates Effective 11/1/2013
Includes CSL - BI Experience

| | | Accident Year Ending: | | | | |
|---|---|-----------------------|-----------------|-----------------|-----------------|-----------------|
| | | <u>12/31/08</u> | <u>12/31/09</u> | <u>12/31/10</u> | <u>12/31/11</u> | <u>12/31/12</u> |
| | Earned Premium - BI ONLY | 1,816,939 | 2,152,442 | 2,671,747 | 3,243,334 | 3,628,647 |
| | Written Premium - BI ONLY | 1,931,098 | 2,346,950 | 2,955,923 | 3,468,306 | 3,720,535 |
| 1 | Earned Premium (incl.CSL BI) | 1,971,597 | 2,377,013 | 2,979,291 | 3,675,133 | 4,142,588 |
| | Written Premium (incl.CSL BI) | 2,173,259 | 2,701,562 | 3,562,833 | 4,262,908 | 4,697,449 |
| | Uncapped Earned Premium (Incl.CSL BI) | | | 2,979,291 | 3,680,075 | 4,165,342 |
| | Uncapped Written Premium (incl.CSL BI) | | | 3,562,833 | 4,278,521 | 4,739,884 |
| 2 | Current Rate Level Factor | 1.384 | 1.399 | 1.339 | 1.259 | 1.168 |
| 3 = 1*2 | Premium at CRL | 2,728,421 | 3,325,735 | 3,989,561 | 4,633,595 | 4,863,660 |
| 4a | Annual Prem Trend - Retrospective | -2.6% | -3.1% | -3.3% | -3.4% | -3.4% |
| 5a | Prem Trend Factor - Retrospective | 0.902 | 0.911 | 0.936 | 0.966 | 1.000 |
| 4b | Annual Prem Trend - Prospective | -1.8% | -2.2% | -2.3% | -2.4% | -2.4% |
| 5b | Prem Trend Factor - Prospective | 0.958 | 0.950 | 0.947 | 0.946 | 0.945 |
| 6 = 3*5a*5b | Trended Premium | 2,361,767 | 2,879,991 | 3,537,993 | 4,235,148 | 4,596,502 |
| | Incurred Losses - BI & CSL BI | 942,371 | 1,248,837 | 1,860,568 | 1,570,753 | 2,785,658 |
| 7 | Incurred Loss @ 12/31/12 | 942,371 | 1,248,837 | 1,860,568 | 1,570,753 | 2,785,658 |
| 8 | Loss Development Factor | 0.994 | 0.992 | 0.998 | 1.042 | 1.355 |
| 9 = 7*8 | Est Ultimate Incurred Loss | 936,717 | 1,238,846 | 1,856,847 | 1,636,724 | 3,774,567 |
| 10a | Annual Loss Trend - Retrospective | 7.0% | 7.0% | 7.0% | 7.0% | 7.0% |
| 10b | Loss Trend Factor - Retrospective | 1.311 | 1.225 | 1.145 | 1.070 | 1.000 |
| 11a | Annual Loss Trend - Prospective | 7.8% | 7.9% | 8.0% | 8.0% | 8.0% |
| 11b | Loss Trend Factor - Prospective | 1.188 | 1.189 | 1.192 | 1.192 | 1.192 |
| 12 = 9*10b*11b | Trended Incurred Losses | 1,458,353 | 1,804,125 | 2,535,114 | 2,087,852 | 4,499,045 |
| 13 | ALAE (% of Loss) | 1.8% | 1.8% | 1.8% | 1.8% | 1.8% |
| 14 = 12*(1+13) | Trended Loss & ALAE | 1,484,604 | 1,836,599 | 2,580,747 | 2,125,434 | 4,580,027 |
| 15a = 14÷6 | Projected Loss & ALAE Ratio | 62.9% | 63.8% | 72.9% | 50.2% | 99.6% |
| 16 | Accident Year Weights | 10.0% | 15.0% | 20.0% | 25.0% | 30.0% |
| 17a = Sum(16-15a) | Projected Loss & ALAE Ratio | | | | | 72.9% |
| 19 | Permissible Loss & ALAE Ratio to yield a Combined Ratio of | | | | | 54.7% |
| 20 | Non-Cat Loss Ratio Trend Factor | | | | | 1.261 |
| 21 = 19*20 | Trended Permissible Loss & ALAE Ratio | | | | | 69.0% |
| 22a | Fixed Expense | | | | | 16.3% |
| 22b | Variable Expense (incl Profit) | | | | | 29.0% |
| 23a | Incurred Feature Counts | 256 | 331 | 487 | 487 | 472 |
| 23b | Incurred Feature Count Weight Credibility | 1 | 1 | 1 | 1 | 1 |
| 24b=[17a*23b+21*(1.0-23b)+22a]/(19+22a)-1.0 | Indicated Rate Change - Credibility Weighted | | | | | 24.5% |

Arkansas
Personal Auto - All Companies Combined - Connections & Non-Connections
Total Limits Property Damage Rate Indication for Rates Effective 11/1/2013
Includes CSL - PD Experience

| | | Accident Year Ending: | | | | |
|---|---|-----------------------|-----------|-----------|-----------|--------------|
| | | 12/31/08 | 12/31/09 | 12/31/10 | 12/31/11 | 12/31/12 |
| | Earned Premium - PD ONLY | 1,073,413 | 1,370,345 | 1,776,036 | 2,188,512 | 2,532,905 |
| | Written Premium - PD ONLY | 1,159,674 | 1,549,904 | 1,963,382 | 2,377,666 | 2,651,347 |
| 1 | Earned Premium (Incl.CSL PD) | 1,175,220 | 1,519,137 | 1,980,132 | 2,475,398 | 2,874,520 |
| | Written Premium (incl.CSL PD) | 1,320,691 | 1,785,369 | 2,367,630 | 2,908,252 | 3,304,320 |
| | Uncapped Earned Premium (Incl.CSL PD) | | | 1,980,132 | 2,478,939 | 2,890,069 |
| | Uncapped Written Premium (incl.CSL PD) | | | 2,367,630 | 2,919,224 | 3,333,572 |
| 2 | Current Rate Level Factor | 1.765 | 1.712 | 1.557 | 1.443 | 1.295 |
| 3 = 1-2 | Premium at CRL | 2,073,818 | 2,600,099 | 3,083,770 | 3,577,806 | 3,741,772 |
| 4a | Annual Prem Trend - Retrospective | -3.5% | -3.8% | -3.9% | -3.9% | -4.0% |
| 5a | Prem Trend Factor - Retrospective | 0.868 | 0.891 | 0.924 | 0.961 | 1.000 |
| 4b | Annual Prem Trend - Prospective | -2.7% | -2.9% | -2.9% | -3.0% | -3.0% |
| 5b | Prem Trend Factor - Prospective | 0.940 | 0.936 | 0.934 | 0.934 | 0.933 |
| 6 = 3*5a*5b | Trended Premium | 1,693,114 | 2,169,229 | 2,663,250 | 3,209,288 | 3,492,117 |
| | Incurred Losses - PD & CSL PD | 906,954 | 1,116,457 | 1,629,760 | 1,994,306 | 2,310,805 |
| 7 | Incurred Loss @ 12/31/12 | 906,954 | 1,116,457 | 1,629,760 | 1,994,306 | 2,310,805 |
| 8 | Loss Development Factor | 1.000 | 1.000 | 1.000 | 1.006 | 1.130 |
| 9 = 7*8 | Est Ultimate Incurred Loss | 906,954 | 1,116,457 | 1,629,760 | 2,006,272 | 2,611,210 |
| 10a | Annual Loss Trend - Retrospective | 3.2% | 2.5% | 2.2% | 2.2% | 2.2% |
| 10b | Loss Trend Factor - Retrospective | 1.135 | 1.076 | 1.044 | 1.022 | 1.000 |
| 11a | Annual Loss Trend - Prospective | 3.2% | 2.5% | 2.2% | 2.2% | 2.2% |
| 11b | Loss Trend Factor - Prospective | 1.074 | 1.057 | 1.050 | 1.050 | 1.052 |
| 12 = 9*10b*11b | Trended Incurred Losses | 1,110,127 | 1,272,028 | 1,788,103 | 2,153,414 | 2,745,826 |
| 13 | ALAE (% of Loss) | 1.8% | 1.8% | 1.8% | 1.8% | 1.8% |
| 14 = 12*(1+13) | Trended Loss & ALAE | 1,130,110 | 1,294,924 | 1,820,289 | 2,192,176 | 2,795,250 |
| 15a = 14÷6 | Projected Loss & ALAE Ratio | 66.7% | 59.7% | 68.3% | 68.3% | 80.0% |
| 16 | Accident Year Weights | 10.0% | 15.0% | 20.0% | 25.0% | 30.0% |
| 17a = Sum(16-15a) | Projected Loss & ALAE Ratio | | | | | 70.4% |
| 19 | Permissible Loss & ALAE Ratio to yield a Combined Ratio of | | | | | 54.7% |
| 20 | Non-Cat Loss Ratio Trend Factor | | | | | 1.127 |
| 21 = 19-20 | Trended Permissible Loss & ALAE Ratio | | | | | 61.6% |
| 22a | Fixed Expense | | | | | 16.3% |
| 22b | Variable Expense (incl Profit) | | | | | 29.0% |
| 23a | Incurred Feature Counts | 335 | 497 | 663 | 803 | 1,024 |
| 23b | Incurred Feature Count Weight Credibility | 1 | 1 | 1 | 1 | 1 |
| 24b=[17a*23b+21*(1.0-23b)+22a]/(19+22a)-1.0 | Indicated Rate Change - Credibility Weighted | | | | | 22.1% |

Arkansas
Personal Auto - All Companies Combined - Connections & Non-Connections
Total Limits Uninsured/Underinsured Motorists Rate Indication for Rates Effective 11/1/2013

| | Accident Year Ending: | | | | | |
|---|---|-----------------|-----------------|-----------------|-----------------|-------------|
| | <u>12/31/08</u> | <u>12/31/09</u> | <u>12/31/10</u> | <u>12/31/11</u> | <u>12/31/12</u> | |
| 1 | Earned Premium | 788,844 | 1,019,592 | 1,347,082 | 1,658,182 | 1,929,746 |
| | Written Premium | 868,885 | 1,152,357 | 1,506,324 | 1,789,796 | 2,035,824 |
| | Uncapped Earned Premium | | | 1,347,082 | 1,660,167 | 1,939,313 |
| | Uncapped Written Premium | | | 1,506,324 | 1,795,912 | 2,055,232 |
| 2 | Current Rate Level Factor | 1.529 | 1.538 | 1.437 | 1.382 | 1.256 |
| 3 = 1-2 | Premium at CRL | 1,206,349 | 1,567,978 | 1,935,867 | 2,294,153 | 2,436,239 |
| 4a | Annual Prem Trend - Retrospective | -1.4% | -1.8% | -1.9% | -1.9% | -1.9% |
| 5a | Prem Trend Factor - Retrospective | 0.947 | 0.949 | 0.963 | 0.981 | 1.000 |
| 4b | Annual Prem Trend - Prospective | -0.9% | -1.3% | -1.4% | -1.4% | -1.4% |
| 5b | Prem Trend Factor - Prospective | 0.980 | 0.972 | 0.969 | 0.968 | 0.967 |
| 6 = 3*5a*5b | Trended Premium | 1,121,525 | 1,445,763 | 1,806,855 | 2,177,400 | 2,356,161 |
| | Incurred Loss Evaluated @ 12/31/12 | 554,117 | 512,747 | 542,713 | 1,554,702 | 683,121 |
| 7 | Net Incurred Losses | 554,117 | 512,747 | 542,713 | 1,554,702 | 683,121 |
| 8 | Loss Development Factor | 0.998 | 1.001 | 1.035 | 1.273 | 1.975 |
| 9 = 7*8 | Est Ultimate Incurred Loss | 553,009 | 513,260 | 561,708 | 1,979,136 | 1,349,164 |
| 10a | Annual Loss Trend - Retrospective | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| 10b | Loss Trend Factor - Retrospective | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| 11a | Annual Loss Trend - Prospective | 0.9% | 0.7% | 0.5% | 0.6% | 0.5% |
| 11b | Loss Trend Factor - Prospective | 1.020 | 1.015 | 1.012 | 1.013 | 1.012 |
| 12 = 9*10b*11b | Trended Incurred Losses | 564,095 | 521,151 | 568,489 | 2,005,254 | 1,365,051 |
| 13 | ALAE (% of Loss) | 1.8% | 1.8% | 1.8% | 1.8% | 1.8% |
| 14 = 12*(1+13) | Trended Loss & ALAE | 574,249 | 530,531 | 578,721 | 2,041,348 | 1,389,622 |
| 15a = 14÷6 | Projected Loss & ALAE Ratio | 51.2% | 36.7% | 32.0% | 93.8% | 59.0% |
| 16 | Accident Year Weights | 10.0% | 15.0% | 20.0% | 25.0% | 30.0% |
| 17a = Sum(16-15a) | Projected Loss & ALAE Ratio | | | | | 58.2% |
| 19 | Permissible Loss & ALAE Ratio to yield a Combined Ratio of | 95.5% | | | | 54.7% |
| 20 | Non-Cat Loss Ratio Trend Factor | | | | | 1.046 |
| 21 = 19*20 | Trended Permissible Loss & ALAE Ratio | | | | | 57.2% |
| 22a | Fixed Expense | | | | | 16.3% |
| 22b | Variable Expense (incl Profit) | | | | | 29.0% |
| 23a | Incurred Feature Counts | 75 | 124 | 119 | 171 | 175 |
| | Incurred Feature Count Weight | 1 | 1 | 1 | 1 | 1 |
| 23b | Credibility | | | | | 0.452 |
| 24b=[17a*23b+21*(1.0-23b)+22a]/(19+22a)-1.0 | Indicated Rate Change - Credibility Weighted | | | | | 4.2% |

Arkansas
Personal Auto - All Companies Combined - Connections & Non-Connections
PIP Rate Indication for Rates Effective 11/1/2013

| | Accident Year Ending: | | | | | |
|---|---|-----------------|-----------------|-----------------|-----------------|--------------|
| | <u>12/31/08</u> | <u>12/31/09</u> | <u>12/31/10</u> | <u>12/31/11</u> | <u>12/31/12</u> | |
| 1 | Earned Premium | 156,602 | 173,765 | 335,946 | 492,381 | 679,664 |
| | Written Premium | 70,424 | 49,143 | 36,755 | 28,231 | 21,492 |
| | Uncapped Earned Premium | | | 335,946 | 492,381 | 679,664 |
| | Uncapped Written Premium | | | 36,755 | 28,231 | 21,492 |
| 2 | Current Rate Level Factor | 3.826 | 4.502 | 2.757 | 2.169 | 1.639 |
| 3 = 1-2 | Premium at CRL | 599,231 | 782,285 | 926,210 | 1,068,007 | 1,114,045 |
| 4a | Annual Prem Trend - Retrospective | -3.5% | -3.8% | -3.9% | -3.9% | -3.9% |
| 5a | Prem Trend Factor - Retrospective | 0.869 | 0.891 | 0.924 | 0.961 | 1.000 |
| 4b | Annual Prem Trend - Prospective | -2.7% | -2.9% | -2.9% | -3.0% | -3.0% |
| 5b | Prem Trend Factor - Prospective | 0.940 | 0.936 | 0.934 | 0.934 | 0.933 |
| 6 = 3*5a*5b | Trended Premium | 490,048 | 652,630 | 799,913 | 958,013 | 1,039,740 |
| | Incurred Loss Evaluated @ 12/31/12 | 273,012 | 227,673 | 358,317 | 547,968 | 568,695 |
| 7 | Net Incurred Losses | 273,012 | 227,673 | 358,317 | 547,968 | 568,695 |
| 8 | Loss Development Factor | 0.998 | 0.998 | 1.002 | 1.021 | 0.994 |
| 9 = 7*8 | Est Ultimate Incurred Loss | 272,466 | 227,218 | 359,034 | 559,476 | 565,283 |
| 10a | Annual Loss Trend - Retrospective | 5.7% | 5.7% | 6.9% | 6.9% | 6.9% |
| 10b | Loss Trend Factor - Retrospective | 1.251 | 1.184 | 1.142 | 1.069 | 1.000 |
| 11a | Annual Loss Trend - Prospective | 7.2% | 7.3% | 7.9% | 8.0% | 8.0% |
| 11b | Loss Trend Factor - Prospective | 1.173 | 1.174 | 1.191 | 1.192 | 1.192 |
| 12 = 9*10b*11b | Trended Incurred Losses | 401,187 | 316,664 | 488,200 | 713,026 | 673,804 |
| 13 | ALAE (% of Loss) | 1.8% | 1.8% | 1.8% | 1.8% | 1.8% |
| 14 = 12*(1+13) | Trended Loss & ALAE | 408,408 | 322,364 | 496,987 | 725,860 | 685,932 |
| 15a = 14÷6 | Projected Loss & ALAE Ratio | 83.3% | 49.4% | 62.1% | 75.8% | 66.0% |
| 16 | Accident Year Weights | 10.0% | 15.0% | 20.0% | 25.0% | 30.0% |
| 17a = Sum(16-15a) | Projected Loss & ALAE Ratio | | | | | 66.9% |
| 19 | Permissible Loss & ALAE Ratio to yield a Combined Ratio of | 95.5% | | | | 54.7% |
| 20 | Non-Cat Loss Ratio Trend Factor | | | | | 1.277 |
| 21 = 19*20 | Trended Permissible Loss & ALAE Ratio | | | | | 69.8% |
| 22a | Fixed Expense | | | | | 16.3% |
| 22b | Variable Expense (incl Profit) | | | | | 29.0% |
| 23a | Incurred Feature Counts | 468 | 395 | 833 | 811 | 903 |
| | Incurred Feature Count Weight | 1 | 1 | 1 | 1 | 1 |
| 23b | Credibility | | | | | 1.000 |
| 24b=[17a*23b+21*(1.0-23b)+22a]/(19+22a)-1.0 | Indicated Rate Change - Credibility Weighted | | | | | 17.2% |

Arkansas
Personal Auto - All Companies Combined - Connections & Non-Connections
Comprehensive, Towing, Rental Reimbursement and Sound Equipment Rate Indication Indication for Rates Effective 11/1/2013

| | | Accident Year Ending: | | | | |
|--|---|-----------------------|-----------------|-----------------|-----------------|-----------------|
| | | <u>12/31/08</u> | <u>12/31/09</u> | <u>12/31/10</u> | <u>12/31/11</u> | <u>12/31/12</u> |
| 1 | Earned Premium | 845,297 | 1,111,965 | 1,616,480 | 2,138,729 | 2,511,516 |
| | Written Premium | 914,015 | 1,294,074 | 1,873,059 | 2,341,687 | 2,652,541 |
| | Uncapped Earned Premium | | | 1,616,480 | 2,140,761 | 2,520,373 |
| | Uncapped Written Premium | | | 1,873,059 | 2,348,078 | 2,670,439 |
| 2 | Current Rate Level Factor | 1.674 | 1.705 | 1.488 | 1.372 | 1.247 |
| 3 = 1-2 | Premium at CRL | 1,415,180 | 1,895,626 | 2,405,369 | 2,937,142 | 3,143,941 |
| 4a | Annual Prem Trend - Retrospective | -1.9% | -2.9% | -3.2% | -3.3% | -3.4% |
| 5a | Prem Trend Factor - Retrospective | 0.931 | 0.918 | 0.938 | 0.967 | 1.000 |
| 4b | Annual Prem Trend - Prospective | -0.6% | -1.4% | -1.7% | -1.8% | -1.9% |
| 5b | Prem Trend Factor - Prospective | 0.986 | 0.968 | 0.962 | 0.959 | 0.957 |
| 6 = 3*5a*5b | Trended Premium | 1,310,491 | 1,689,311 | 2,172,017 | 2,723,597 | 3,009,932 |
| 7a | Incurred Loss Evaluated @ 12/31/12 | 662,193 | 903,786 | 942,217 | 1,976,211 | 1,074,034 |
| 7b | Catastrophe Losses | 67,823 | 82,018 | 15,778 | 668,427 | 54,207 |
| 7c = 7a-7b | Net Incurred Losses | 594,370 | 821,768 | 926,439 | 1,307,784 | 1,019,827 |
| 8 | Loss Development Factor | 1.000 | 0.999 | 1.000 | 1.001 | 1.079 |
| 9 = 7c*8 | Est Ultimate Incurred Loss | 594,370 | 820,946 | 926,439 | 1,309,092 | 1,100,393 |
| 10a | Annual Loss Trend - Retrospective | -2.6% | -2.2% | -2.2% | -2.1% | -2.0% |
| 10b | Loss Trend Factor - Retrospective | 0.901 | 0.937 | 0.957 | 0.979 | 1.000 |
| 11a | Annual Loss Trend - Prospective | -3.4% | -3.1% | -3.1% | -3.1% | -3.0% |
| 11b | Loss Trend Factor - Prospective | 0.924 | 0.930 | 0.931 | 0.932 | 0.932 |
| 12 = 9*10b*11b | Trended Incurred Losses | 495,258 | 715,815 | 825,512 | 1,194,116 | 1,025,615 |
| 13 | ALAE (% of Loss) | 1.0% | 1.0% | 1.0% | 1.0% | 1.0% |
| 14 = 12*(1+13) | Trended Loss & ALAE | 500,210 | 722,974 | 833,767 | 1,206,058 | 1,035,871 |
| 15a = 14+6 | Projected Loss & ALAE Ratio | 38.2% | 42.8% | 38.4% | 44.3% | 34.4% |
| 16 | Accident Year Weights | 10.0% | 15.0% | 20.0% | 25.0% | 30.0% |
| 17a = Sum(16-15a) | Projected Loss Ratio (Excluding Catastrophes) | | | | | 39.3% |
| 19a | Hurricane Loss & ALAE Ratio | | | | | 0.0% |
| 19b | Other Catastrophes Loss & ALAE Ratio | | | | | 13.4% |
| 19c | Permissible Loss & ALAE Ratio Excluding Catastrophes to yield a Combined Ratio of | 95.0% | | | | 40.3% |
| 20a | Cat Annual Loss Trend | | | | | 0.0% |
| 20b | Cat Loss Ratio Trend Factor | | | | | 1.045 |
| 20c | Non-Cat Loss Ratio Trend Factor | | | | | 0.974 |
| 21a = 19a*20b | Trended Hurricane Loss & ALAE Ratio | | | | | 0.0% |
| 21b = 19b*20b | Trended Other Catastrophes Loss & ALAE Ratio | | | | | 14.0% |
| 21c = 19c*20c | Trended Permissible Loss & ALAE Ratio Excluding Catastrophes | | | | | 39.3% |
| 22a | Fixed Expense | | | | | 16.7% |
| 22b | Variable Expense (incl Profit) | | | | | 29.5% |
| 23a | Incurred Feature Counts | 804 | 1,111 | 1,559 | 2,397 | 1,986 |
| | Incurred Feature Count Weight | 1 | 1 | 1 | 1 | 1 |
| 23b | Credibility | | | | | 1.000 |
| 24b=[17a*23b+21c*(1.0-23b)+22a+21a+21b]/(19+22a+21a) | Indicated Rate Change - Credibility Weighted | | | | | -0.6% |

Arkansas
Personal Auto - All Companies Combined - Connections & Non-Connections
Collision Rate Indication for Rates Effective 11/1/2013

| | Accident Year Ending: | | | | | |
|---|---|-----------------|-----------------|-----------------|-----------------|--------------|
| | <u>12/31/08</u> | <u>12/31/09</u> | <u>12/31/10</u> | <u>12/31/11</u> | <u>12/31/12</u> | |
| 1 | Earned Premium | 2,503,632 | 3,329,498 | 4,096,002 | 4,924,177 | 5,183,248 |
| | Written Premium | 2,905,035 | 3,649,039 | 4,478,914 | 5,181,997 | 5,152,110 |
| | Uncapped Earned Premium | | | 4,096,002 | 4,928,698 | 5,201,327 |
| | Uncapped Written Premium | | | 4,478,914 | 5,196,310 | 5,185,257 |
| 2 | Current Rate Level Factor | 0.972 | 0.910 | 0.927 | 0.942 | 0.978 |
| 3 = 1-2 | Premium at CRL | 2,434,622 | 3,028,304 | 3,795,386 | 4,644,714 | 5,087,192 |
| 4a | Annual Prem Trend - Retrospective | 1.7% | 1.3% | 1.2% | 1.1% | 1.1% |
| 5a | Prem Trend Factor - Retrospective | 1.072 | 1.041 | 1.024 | 1.011 | 1.000 |
| 4b | Annual Prem Trend - Prospective | 2.4% | 1.9% | 1.7% | 1.6% | 1.6% |
| 5b | Prem Trend Factor - Prospective | 1.055 | 1.044 | 1.040 | 1.037 | 1.036 |
| 6 = 3*5a*5b | Trended Premium | 2,758,540 | 3,291,800 | 4,040,063 | 4,871,855 | 5,272,818 |
| | Incurred Loss Evaluated @ 12/31/12 | 1,355,766 | 1,503,603 | 2,091,663 | 2,699,458 | 2,925,650 |
| 7 | Net Incurred Losses | 1,355,766 | 1,503,603 | 2,091,663 | 2,699,458 | 2,925,650 |
| 8 | Loss Development Factor | 1.000 | 1.000 | 0.999 | 0.993 | 0.989 |
| 9 = 7*8 | Est Ultimate Incurred Loss | 1,355,766 | 1,503,603 | 2,089,571 | 2,680,562 | 2,893,468 |
| 10a | Annual Loss Trend - Retrospective | -0.3% | -1.3% | -1.7% | -1.9% | -1.8% |
| 10b | Loss Trend Factor - Retrospective | 0.993 | 0.963 | 0.967 | 0.981 | 1.000 |
| 11a | Annual Loss Trend - Prospective | -1.1% | -2.2% | -2.7% | -2.8% | -2.8% |
| 11b | Loss Trend Factor - Prospective | 0.977 | 0.951 | 0.941 | 0.936 | 0.938 |
| 12 = 9*10b*11b | Trended Incurred Losses | 1,328,479 | 1,383,077 | 1,901,884 | 2,464,109 | 2,714,672 |
| 13 | ALAE (% of Loss) | 1.0% | 1.0% | 1.0% | 1.0% | 1.0% |
| 14 = 12*(1+13) | Trended Loss & ALAE | 1,341,764 | 1,396,908 | 1,920,903 | 2,488,750 | 2,741,818 |
| 15a = 14÷6 | Projected Loss & ALAE Ratio | 48.6% | 42.4% | 47.5% | 51.1% | 52.0% |
| 16 | Accident Year Weights | 10.0% | 15.0% | 20.0% | 25.0% | 30.0% |
| 17a = Sum(16-15a) | Projected Loss & ALAE Ratio | | | | | 49.1% |
| 19 | Permissible Loss & ALAE Ratio to yield a Combined Ratio of | 95.0% | | | | 53.8% |
| 20 | Non-Cat Loss Ratio Trend Factor | | | | | 0.905 |
| 21 = 19*20 | Trended Permissible Loss & ALAE Ratio | | | | | 48.7% |
| 22a | Fixed Expense | | | | | 16.7% |
| 22b | Variable Expense (incl Profit) | | | | | 29.5% |
| 23a | Incurred Feature Counts | 419 | 593 | 808 | 1,096 | 1,146 |
| | Incurred Feature Count Weight | 1 | 1 | 1 | 1 | 1 |
| 23b | Credibility | | | | | 1.000 |
| 24b=[17a*23b+21*(1.0-23b)+22a]/(19+22a)-1.0 | Indicated Rate Change - Credibility Weighted | | | | | -6.6% |

Earned Premium at Current Rate Level

| Rolling AY-QTR Ending | BI | PD | UM | PIP | CM | CL |
|-----------------------|-----------|-----------|-----------|-------|-----------|-----------|
| 200804 | 1,616,149 | 1,195,595 | 796,830 | 0 | 947,698 | 1,834,729 |
| 200901 | 1,823,191 | 1,344,263 | 915,423 | 0 | 1,092,746 | 2,086,917 |
| 200902 | 2,005,093 | 1,474,936 | 1,018,746 | 0 | 1,218,768 | 2,312,073 |
| 200903 | 2,159,887 | 1,585,803 | 1,109,738 | 8 | 1,332,096 | 2,511,977 |
| 200904 | 2,309,053 | 1,690,283 | 1,194,276 | 81 | 1,440,445 | 2,709,529 |
| 201001 | 2,456,924 | 1,791,769 | 1,277,149 | 222 | 1,549,177 | 2,909,090 |
| 201002 | 2,606,521 | 1,892,231 | 1,362,041 | 390 | 1,662,907 | 3,125,666 |
| 201003 | 2,761,938 | 1,995,386 | 1,449,713 | 582 | 1,786,905 | 3,359,197 |
| 201004 | 2,909,649 | 2,093,657 | 1,536,954 | 746 | 1,911,294 | 3,596,191 |
| 201101 | 3,048,792 | 2,188,110 | 1,622,373 | 884 | 2,036,245 | 3,839,655 |
| 201102 | 3,184,047 | 2,281,576 | 1,706,157 | 1,006 | 2,162,348 | 4,080,461 |
| 201103 | 3,312,867 | 2,373,015 | 1,786,131 | 1,162 | 2,281,727 | 4,308,788 |
| 201104 | 3,435,020 | 2,459,597 | 1,860,525 | 1,328 | 2,388,763 | 4,517,462 |
| 201201 | 3,538,980 | 2,533,524 | 1,923,840 | 1,487 | 2,480,828 | 4,703,146 |
| 201202 | 3,605,888 | 2,581,186 | 1,967,348 | 1,703 | 2,541,834 | 4,845,984 |
| 201203 | 3,632,488 | 2,599,167 | 1,988,869 | 1,888 | 2,572,029 | 4,938,775 |
| 201204 | 3,635,680 | 2,601,568 | 1,996,265 | 2,001 | 2,586,284 | 5,002,079 |

Earned Car Years

| Rolling AY-QTR Ending | BI | PD | UM | PIP | CM | CL |
|-----------------------|--------|--------|--------|-----|--------|--------|
| 200804 | 8,042 | 8,042 | 16,672 | 0 | 7,312 | 7,114 |
| 200901 | 9,089 | 9,090 | 19,013 | 0 | 8,329 | 8,073 |
| 200902 | 10,080 | 10,081 | 21,195 | 0 | 9,297 | 8,951 |
| 200903 | 11,010 | 11,010 | 23,216 | 1 | 10,239 | 9,763 |
| 200904 | 11,969 | 11,969 | 25,253 | 9 | 11,251 | 10,602 |
| 201001 | 12,931 | 12,931 | 27,263 | 25 | 12,284 | 11,427 |
| 201002 | 13,924 | 13,924 | 29,371 | 44 | 13,413 | 12,309 |
| 201003 | 14,918 | 14,918 | 31,549 | 65 | 14,649 | 13,242 |
| 201004 | 15,883 | 15,883 | 33,731 | 83 | 15,953 | 14,183 |
| 201101 | 16,819 | 16,819 | 35,872 | 99 | 17,270 | 15,132 |
| 201102 | 17,757 | 17,757 | 37,998 | 112 | 18,575 | 16,072 |
| 201103 | 18,658 | 18,658 | 39,982 | 130 | 19,768 | 16,946 |
| 201104 | 19,495 | 19,495 | 41,769 | 148 | 20,795 | 17,732 |
| 201201 | 20,225 | 20,225 | 43,327 | 165 | 21,666 | 18,405 |
| 201202 | 20,730 | 20,730 | 44,406 | 187 | 22,277 | 18,877 |
| 201203 | 21,003 | 21,003 | 45,039 | 206 | 22,635 | 19,150 |
| 201204 | 21,149 | 21,149 | 45,381 | 217 | 22,857 | 19,309 |

Note: Liability exposure uses BI, PhysDAM uses CL and Total uses Liability.

Average Earned Premium at Current Rate Level

| Rolling AY-QTR Ending | BI | PD | UM | PIP | CM | CL |
|-----------------------|-----|-----|----|-----|-----|-----|
| 200804 | 201 | 149 | 48 | | 130 | 258 |
| 200901 | 201 | 148 | 48 | | 131 | 259 |
| 200902 | 199 | 146 | 48 | | 131 | 258 |
| 200903 | 196 | 144 | 48 | 9 | 130 | 257 |
| 200904 | 193 | 141 | 47 | 9 | 128 | 256 |
| 201001 | 190 | 139 | 47 | 9 | 126 | 255 |
| 201002 | 187 | 136 | 46 | 9 | 124 | 254 |
| 201003 | 185 | 134 | 46 | 9 | 122 | 254 |
| 201004 | 183 | 132 | 46 | 9 | 120 | 254 |
| 201101 | 181 | 130 | 45 | 9 | 118 | 254 |
| 201102 | 179 | 128 | 45 | 9 | 116 | 254 |
| 201103 | 178 | 127 | 45 | 9 | 115 | 254 |
| 201104 | 176 | 126 | 45 | 9 | 115 | 255 |
| 201201 | 175 | 125 | 44 | 9 | 115 | 256 |
| 201202 | 174 | 125 | 44 | 9 | 114 | 257 |
| 201203 | 173 | 124 | 44 | 9 | 114 | 258 |
| 201204 | 172 | 123 | 44 | 9 | 113 | 259 |

Year Over Year

| Latest 4 Quarters Ending | BI | PD | UM | PIP | CM | CL |
|--------------------------|-------|-------|-------|------|-------|-------|
| 200904 | -4.0% | -5.0% | -1.0% | | -1.2% | -0.9% |
| 201004 | -5.0% | -6.7% | -3.7% | 1.8% | -6.4% | -0.8% |
| 201104 | -3.8% | -4.3% | -2.2% | 0.4% | -4.1% | 0.5% |
| 201204 | -2.4% | -2.5% | -1.2% | 2.2% | -1.5% | 1.7% |

| | | | | | | |
|---------------|-------|-------|-------|------|-------|------|
| Latest 4 Year | -3.8% | -4.6% | -2.1% | | -3.3% | 0.1% |
| Latest 3 Year | -3.8% | -4.5% | -2.4% | 1.5% | -4.0% | 0.5% |
| Latest 2 Year | -3.1% | -3.4% | -1.7% | 1.3% | -2.8% | 1.1% |

Fitted Annual Premium Trend*

| | | | | | | |
|--------------|-------|-------|-------|------|-------|-------|
| 4 Year Trend | -4.2% | -5.0% | -2.5% | | -4.2% | -0.1% |
| 3 Year Trend | -3.7% | -4.4% | -2.3% | 1.1% | -4.1% | 0.5% |
| 2 Year Trend | -3.1% | -3.3% | -1.6% | 1.4% | -2.6% | 1.1% |
| 1 Year Trend | -2.4% | -2.5% | -1.2% | 2.4% | -1.5% | 1.7% |

* Log Fit

| Selected Trends | BI | PD | UM | PIP | CM | CL |
|------------------------|-------|-------|-------|-------|-------|------|
| Retrospective | -3.5% | -4.0% | -2.0% | -4.0% | -3.5% | 1.0% |
| Prospective | -2.5% | -3.0% | -1.5% | -3.0% | -2.0% | 1.5% |

Earned Premium at Current Rate Level

| Rolling AY-QTR Ending | BI | PD | UM | MP | CM | CL |
|-----------------------|---------|---------|---------|---------|---------|---------|
| 200804 | 674,426 | 407,534 | 252,213 | 131,434 | 301,035 | 599,499 |
| 200901 | 564,383 | 343,832 | 206,314 | 110,234 | 251,328 | 503,402 |
| 200902 | 481,785 | 295,876 | 171,608 | 94,117 | 214,130 | 431,168 |
| 200903 | 420,535 | 259,723 | 147,678 | 82,097 | 186,425 | 377,568 |
| 200904 | 373,730 | 231,826 | 129,484 | 73,044 | 164,275 | 334,610 |
| 201001 | 337,360 | 209,754 | 115,837 | 65,904 | 147,156 | 301,119 |
| 201002 | 305,760 | 190,138 | 104,893 | 59,809 | 132,603 | 272,693 |
| 201003 | 278,666 | 173,285 | 95,324 | 54,813 | 120,122 | 246,832 |
| 201004 | 251,067 | 156,231 | 86,248 | 49,728 | 109,561 | 223,727 |
| 201101 | 223,484 | 139,479 | 77,202 | 44,480 | 99,078 | 200,612 |
| 201102 | 200,895 | 125,323 | 69,845 | 40,079 | 90,776 | 182,257 |
| 201103 | 182,802 | 113,633 | 63,519 | 36,194 | 83,401 | 166,873 |
| 201104 | 167,316 | 103,552 | 58,064 | 32,960 | 77,174 | 154,138 |
| 201201 | 152,931 | 93,995 | 53,251 | 30,159 | 71,059 | 142,765 |
| 201202 | 139,923 | 85,452 | 48,716 | 27,423 | 64,778 | 131,343 |
| 201203 | 126,689 | 76,842 | 44,636 | 24,823 | 59,360 | 121,266 |
| 201204 | 114,678 | 68,951 | 41,165 | 22,537 | 54,403 | 112,074 |

Earned Car Years

| Rolling AY-QTR Ending | BI | PD | UM | MP | CM | CL |
|-----------------------|-------|-------|-------|-------|-------|-------|
| 200804 | 2,407 | 2,407 | 4,522 | 2,308 | 1,995 | 1,947 |
| 200901 | 1,988 | 1,988 | 3,719 | 1,891 | 1,627 | 1,587 |
| 200902 | 1,662 | 1,662 | 3,098 | 1,567 | 1,344 | 1,309 |
| 200903 | 1,438 | 1,438 | 2,676 | 1,346 | 1,147 | 1,116 |
| 200904 | 1,272 | 1,272 | 2,369 | 1,186 | 999 | 973 |
| 201001 | 1,152 | 1,152 | 2,151 | 1,072 | 892 | 868 |
| 201002 | 1,057 | 1,057 | 1,978 | 986 | 811 | 789 |
| 201003 | 965 | 965 | 1,812 | 904 | 736 | 715 |
| 201004 | 866 | 866 | 1,631 | 815 | 664 | 643 |
| 201101 | 769 | 769 | 1,450 | 727 | 592 | 574 |
| 201102 | 695 | 695 | 1,311 | 661 | 535 | 519 |
| 201103 | 634 | 634 | 1,189 | 603 | 486 | 471 |
| 201104 | 586 | 586 | 1,091 | 557 | 445 | 432 |
| 201201 | 540 | 540 | 1,003 | 516 | 407 | 396 |
| 201202 | 487 | 487 | 900 | 463 | 364 | 354 |
| 201203 | 438 | 438 | 812 | 418 | 330 | 321 |
| 201204 | 397 | 397 | 744 | 381 | 300 | 293 |

Note: Liability exposure uses BI, PhysDam uses CL and Total uses Liability.

Average Earned Premium at Current Rate Level

| Rolling AY-QTR Ending | BI | PD | UM | MP | CM | CL |
|-----------------------|-----|-----|----|----|-----|-----|
| 200804 | 280 | 169 | 56 | 57 | 151 | 308 |
| 200901 | 284 | 173 | 55 | 58 | 154 | 317 |
| 200902 | 290 | 178 | 55 | 60 | 159 | 329 |
| 200903 | 292 | 181 | 55 | 61 | 163 | 338 |
| 200904 | 294 | 182 | 55 | 62 | 164 | 344 |
| 201001 | 293 | 182 | 54 | 61 | 165 | 347 |
| 201002 | 289 | 180 | 53 | 61 | 164 | 346 |
| 201003 | 289 | 180 | 53 | 61 | 163 | 345 |
| 201004 | 290 | 180 | 53 | 61 | 165 | 348 |
| 201101 | 291 | 181 | 53 | 61 | 167 | 349 |
| 201102 | 289 | 180 | 53 | 61 | 170 | 351 |
| 201103 | 288 | 179 | 53 | 60 | 172 | 354 |
| 201104 | 285 | 177 | 53 | 59 | 174 | 357 |
| 201201 | 283 | 174 | 53 | 58 | 174 | 360 |
| 201202 | 287 | 176 | 54 | 59 | 178 | 371 |
| 201203 | 289 | 176 | 55 | 59 | 180 | 377 |
| 201204 | 289 | 174 | 55 | 59 | 181 | 382 |

Year Over Year

| Latest 4 Quarters Ending | BI | PD | UM | MP | CM | CL |
|--------------------------|-------|-------|-------|-------|------|-------|
| 200904 | 4.9% | 7.7% | -2.0% | 8.1% | 8.9% | 11.7% |
| 201004 | -1.3% | -1.0% | -3.2% | -0.9% | 0.4% | 1.1% |
| 201104 | -1.6% | -2.1% | 0.6% | -2.9% | 5.1% | 2.6% |
| 201204 | 1.2% | -1.6% | 4.0% | -0.2% | 4.4% | 7.1% |

| | | | | | | |
|---------------|-------|-------|-------|-------|------|------|
| Latest 4 Year | 0.8% | 0.6% | -0.2% | 0.9% | 4.7% | 5.6% |
| Latest 3 Year | -0.6% | -1.6% | 0.4% | -1.4% | 3.3% | 3.6% |
| Latest 2 Year | -0.2% | -1.9% | 2.3% | -1.6% | 4.8% | 4.8% |

Fitted Annual Premium Trend*

| | | | | | | |
|--------------|-------|-------|-------|-------|------|------|
| 4 Year Trend | 0.0% | -0.1% | -0.6% | -0.1% | 4.0% | 4.2% |
| 3 Year Trend | -0.6% | -1.6% | 0.7% | -1.6% | 3.8% | 3.4% |
| 2 Year Trend | -0.4% | -2.2% | 2.0% | -1.9% | 4.8% | 5.0% |
| 1 Year Trend | 1.9% | -0.9% | 4.7% | 0.4% | 4.8% | 7.6% |

* Log Fit

| Selected Trends | BI | PD | UM | MP | CM | CL |
|-----------------|------|-------|------|-------|------|------|
| Retrospective | 0.0% | -1.5% | 1.0% | -1.5% | 4.0% | 4.0% |
| Prospective | 0.0% | -1.5% | 1.5% | -1.5% | 4.5% | 5.0% |

ARKANSAS
PERSONAL AUTOMOBILE - BODILY INJURY

FREQUENCY TREND - CNX

| 4 Qtrs. Ending | Hanover | | Industry |
|----------------|---------------------------|------------------------------|------------------------|
| | CY Paid Feature Frequency | AY Est Ult Feature Frequency | Paid Feature Frequency |
| | 12-09 | 0.7% | 0.8% |
| 3-10 | 0.7% | 0.8% | 0.8% |
| 6-10 | 0.8% | 0.9% | 0.8% |
| 9-10 | 0.8% | 0.9% | 0.8% |
| 12-10 | 0.8% | 0.9% | 0.8% |
| 3-11 | 0.8% | 0.9% | 0.8% |
| 6-11 | 0.7% | 0.8% | 0.8% |
| 9-11 | 0.7% | 0.8% | 0.8% |
| 12-11 | 0.7% | 0.8% | 0.8% |
| 3-12 | 0.8% | 1.0% | 0.8% |
| 6-12 | 0.8% | 0.9% | 0.8% |
| 9-12 | 0.9% | 0.9% | 0.8% |
| 12-12 | 0.8% | 0.9% | |

| FITTED ANNUAL RATE OF CHANGE | | | |
|------------------------------|---------|------|-------|
| Period | CY | | AY |
| | 3 Years | 3.9% | 3.6% |
| 2 Years | 3.5% | 2.2% | -1.3% |
| Latest Year | 22.1% | 2.1% | 5.8% |

Selected Trends

| | |
|---------------|------|
| Retrospective | 2.0% |
| Prospective | 2.0% |

ARKANSAS
PERSONAL AUTOMOBILE - BODILY INJURY

SEVERITY TREND - CNX

| 4 Qtrs. Ending | Hanover | | Industry |
|----------------|--------------------------|-----------------------------|-----------------------|
| | CY Average Paid Severity | AY Average Est Ult Severity | Average Paid Severity |
| | 12-09 | 4,791 | 5,981 |
| 3-10 | 5,964 | 6,610 | 10,260 |
| 6-10 | 6,456 | 6,606 | 10,150 |
| 9-10 | 6,473 | 6,260 | 10,317 |
| 12-10 | 6,151 | 7,218 | 10,529 |
| 3-11 | 5,848 | 6,779 | 12,481 |
| 6-11 | 5,751 | 7,672 | 12,721 |
| 9-11 | 5,812 | 8,220 | 12,734 |
| 12-11 | 5,191 | 6,755 | 12,760 |
| 3-12 | 5,984 | 8,463 | 10,801 |
| 6-12 | 5,286 | 8,196 | 10,770 |
| 9-12 | 5,308 | 9,104 | 10,923 |
| 12-12 | 7,948 | 10,399 | |

| FITTED ANNUAL RATE OF CHANGE | | | |
|------------------------------|---------|-------|--------|
| Period | CY | | AY |
| | 3 Years | 2.4% | 16.0% |
| 2 Years | 4.0% | 18.2% | 0.1% |
| Latest Year | 34.0% | 45.4% | -17.3% |

Selected Trends

| | |
|---------------|------|
| Retrospective | 5.0% |
| Prospective | 6.0% |

ARKANSAS
PERSONAL AUTOMOBILE - BODILY INJURY

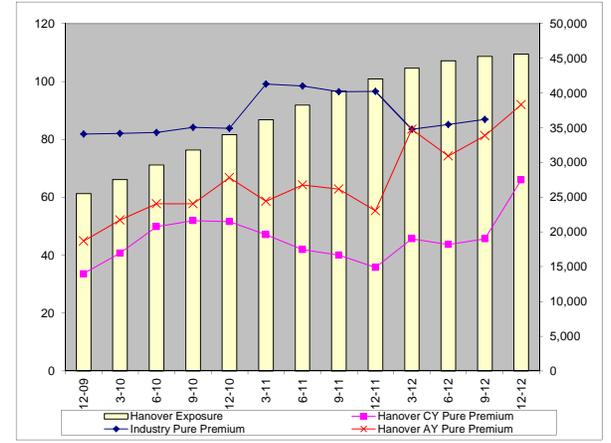
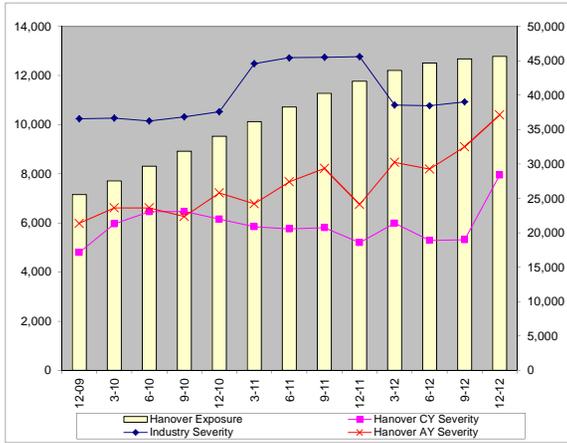
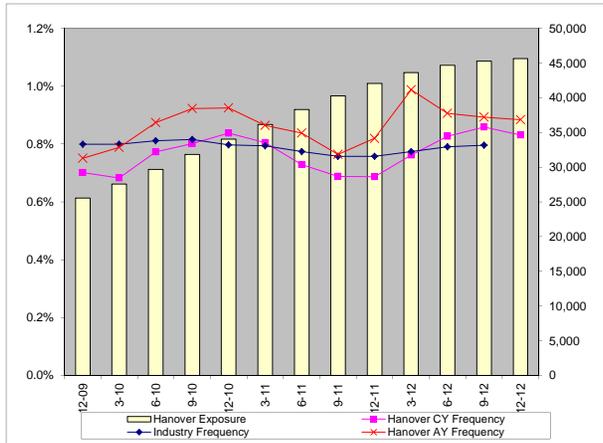
PURE PREMIUM - CNX

| 4 Qtrs. Ending | Hanover | | Industry |
|----------------|-------------------------|-------------------------|----------------------|
| | CY Average Pure Premium | AY Average Pure Premium | Average Pure Premium |
| | 12-09 | 34 | 45 |
| 3-10 | 41 | 52 | 82 |
| 6-10 | 50 | 58 | 82 |
| 9-10 | 52 | 58 | 84 |
| 12-10 | 52 | 67 | 84 |
| 3-11 | 47 | 59 | 99 |
| 6-11 | 42 | 64 | 98 |
| 9-11 | 40 | 63 | 96 |
| 12-11 | 36 | 55 | 97 |
| 3-12 | 46 | 84 | 84 |
| 6-12 | 44 | 74 | 85 |
| 9-12 | 46 | 81 | 87 |
| 12-12 | 66 | 92 | |

| FITTED ANNUAL RATE OF CHANGE | | | |
|------------------------------|---------|-------|--------|
| Period | CY | | AY |
| | 3 Years | 6.4% | 20.1% |
| 2 Years | 7.7% | 20.8% | -1.3% |
| Latest Year | 63.7% | 48.4% | -12.5% |

Selected Trends

| | |
|---------------|------|
| Retrospective | 7.0% |
| Prospective | 8.0% |



ARKANSAS
PERSONAL AUTOMOBILE - PROPERTY DAMAGE

FREQUENCY TREND - CNX

| 4 Qtrs. Ending | Hanover | | Industry |
|----------------|-------------------|---------------------------|------------------------|
| | CY | AY | Paid Feature Frequency |
| | Feature Frequency | Est Ult Feature Frequency | |
| 12-09 | 1.5% | 1.6% | 3.0% |
| 3-10 | 1.4% | 1.4% | 3.0% |
| 6-10 | 1.5% | 1.5% | 3.0% |
| 9-10 | 1.5% | 1.6% | 3.0% |
| 12-10 | 1.6% | 1.6% | 3.0% |
| 3-11 | 1.5% | 1.6% | 2.9% |
| 6-11 | 1.5% | 1.5% | 2.9% |
| 9-11 | 1.4% | 1.5% | 2.9% |
| 12-11 | 1.4% | 1.5% | 2.9% |
| 3-12 | 1.5% | 1.6% | 2.9% |
| 6-12 | 1.6% | 1.6% | 3.0% |
| 9-12 | 1.6% | 1.6% | 2.9% |
| 12-12 | 1.7% | 1.7% | |

| FITTED ANNUAL RATE OF CHANGE | | | |
|------------------------------|---------|---------|----------|
| Period | Hanover | Hanover | Industry |
| | CY | AY | |
| 3 Years | 3.4% | 2.7% | -1.0% |
| 2 Years | 4.8% | 2.5% | -0.7% |
| Latest Year | 16.9% | 7.9% | 2.6% |

| | |
|---------------|------|
| Retrospective | 1.0% |
| Prospective | 1.0% |

ARKANSAS
PERSONAL AUTOMOBILE - PROPERTY DAMAGE

SEVERITY TREND - CNX

| 4 Qtrs. Ending | Hanover | | Industry |
|----------------|--------------|---------|--------------|
| | CY | AY | Average Paid |
| | Average Paid | Est Ult | |
| 12-09 | 2,771 | 2,557 | 2,943 |
| 3-10 | 2,528 | 2,466 | 2,960 |
| 6-10 | 2,571 | 2,651 | 2,969 |
| 9-10 | 2,563 | 2,760 | 2,966 |
| 12-10 | 2,702 | 2,849 | 2,966 |
| 3-11 | 2,942 | 2,983 | 2,977 |
| 6-11 | 2,898 | 3,084 | 2,989 |
| 9-11 | 3,020 | 3,085 | 2,994 |
| 12-11 | 2,948 | 3,045 | 3,022 |
| 3-12 | 2,968 | 3,111 | 3,012 |
| 6-12 | 3,036 | 2,931 | 3,054 |
| 9-12 | 2,946 | 2,888 | 3,034 |
| 12-12 | 3,015 | 2,936 | |

| FITTED ANNUAL RATE OF CHANGE | | | |
|------------------------------|---------|---------|----------|
| Period | Hanover | Hanover | Industry |
| | CY | AY | |
| 3 Years | 5.8% | 5.8% | 1.3% |
| 2 Years | 3.5% | -0.5% | 1.4% |
| Latest Year | 1.5% | -5.7% | 1.5% |

| | |
|---------------|------|
| Retrospective | 1.0% |
| Prospective | 1.0% |

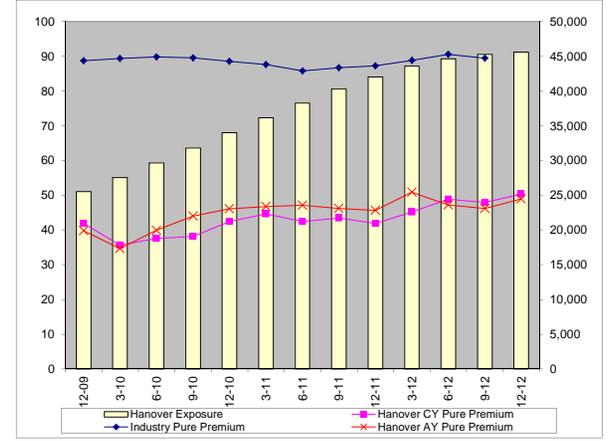
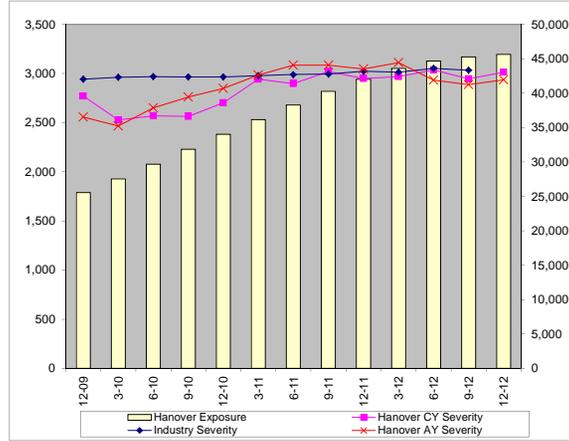
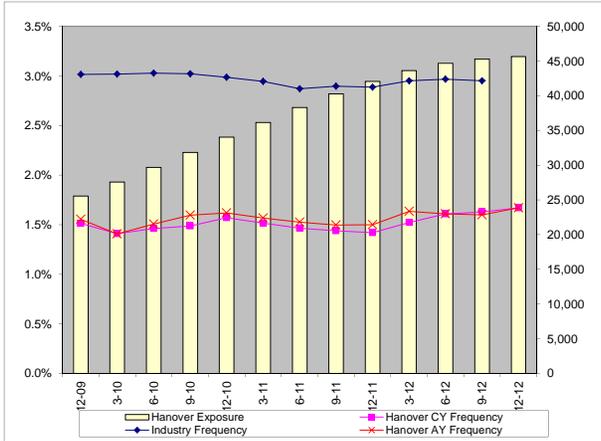
ARKANSAS
PERSONAL AUTOMOBILE - PROPERTY DAMAGE

PURE PREMIUM - CNX

| 4 Qtrs. Ending | Hanover | | Industry |
|----------------|----------------------|--------------|----------------------|
| | CY | AY | Average Pure Premium |
| | Average Pure Premium | Pure Premium | |
| 12-09 | 42 | 40 | 89 |
| 3-10 | 36 | 35 | 89 |
| 6-10 | 38 | 40 | 90 |
| 9-10 | 38 | 44 | 90 |
| 12-10 | 42 | 46 | 89 |
| 3-11 | 45 | 47 | 88 |
| 6-11 | 42 | 47 | 86 |
| 9-11 | 43 | 46 | 87 |
| 12-11 | 42 | 46 | 87 |
| 3-12 | 45 | 51 | 89 |
| 6-12 | 49 | 47 | 91 |
| 9-12 | 48 | 46 | 89 |
| 12-12 | 50 | 49 | |

| FITTED ANNUAL RATE OF CHANGE | | | |
|------------------------------|---------|---------|----------|
| Period | Hanover | Hanover | Industry |
| | CY | AY | |
| 3 Years | 9.4% | 8.6% | 0.3% |
| 2 Years | 8.5% | 2.0% | 0.7% |
| Latest Year | 18.7% | 1.7% | 4.1% |

| | |
|---------------|------|
| Retrospective | 2.0% |
| Prospective | 2.0% |



FREQUENCY TREND - CNX

| 4 Qtrs. Ending | Hanover | | Industry |
|----------------|---------------------------|------------------------------|------------------------|
| | CY Paid Feature Frequency | AY Est Ult Feature Frequency | Paid Feature Frequency |
| 12-09 | 0.3% | 0.3% | 0.8% |
| 3-10 | 0.3% | 0.4% | 0.8% |
| 6-10 | 0.3% | 0.3% | 0.8% |
| 9-10 | 0.3% | 0.3% | 0.8% |
| 12-10 | 0.3% | 0.2% | 0.8% |
| 3-11 | 0.3% | 0.3% | 0.8% |
| 6-11 | 0.2% | 0.3% | 0.8% |
| 9-11 | 0.2% | 0.3% | 0.8% |
| 12-11 | 0.3% | 0.3% | 0.8% |
| 3-12 | 0.3% | 0.3% | 0.8% |
| 6-12 | 0.3% | 0.3% | 0.8% |
| 9-12 | 0.3% | 0.3% | 0.8% |
| 12-12 | 0.3% | 0.3% | 0.8% |

| Period | FITTED ANNUAL RATE OF CHANGE | | |
|-------------|------------------------------|-------|----------|
| | CY | AY | Industry |
| | 3 Years | 1.1% | -2.0% |
| 2 Years | 14.4% | 13.1% | -1.3% |
| Latest Year | 29.5% | 5.9% | 5.8% |

| | |
|---------------|------|
| Retrospective | 0.0% |
| Prospective | 0.5% |

SEVERITY TREND - CNX

| 4 Qtrs. Ending | Hanover | | Industry |
|----------------|-----------------------|--------------------------|-----------------------|
| | Average Paid Severity | Average Est Ult Severity | Average Paid Severity |
| 12-09 | 4,182 | 5,659 | 10,241 |
| 3-10 | 4,024 | 6,753 | 10,260 |
| 6-10 | 4,951 | 6,298 | 10,150 |
| 9-10 | 7,102 | 6,588 | 10,317 |
| 12-10 | 8,326 | 7,000 | 10,529 |
| 3-11 | 8,068 | 9,997 | 12,481 |
| 6-11 | 7,661 | 9,320 | 12,721 |
| 9-11 | 8,315 | 15,859 | 12,734 |
| 12-11 | 6,202 | 13,051 | 12,760 |
| 3-12 | 10,391 | 11,174 | 10,801 |
| 6-12 | 11,168 | 11,981 | 10,770 |
| 9-12 | 10,909 | 8,044 | 10,923 |
| 12-12 | 11,167 | 9,193 | |

| Period | FITTED ANNUAL RATE OF CHANGE | | |
|-------------|------------------------------|--------|----------|
| | CY | AY | Industry |
| | 3 Years | 38.2% | 23.6% |
| 2 Years | 22.6% | 4.0% | 0.1% |
| Latest Year | 63.2% | -33.8% | -17.3% |

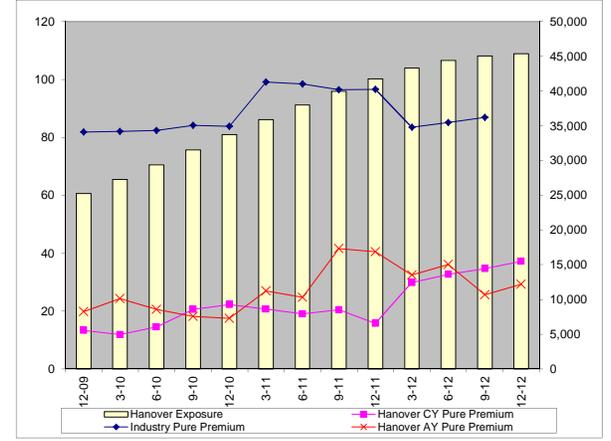
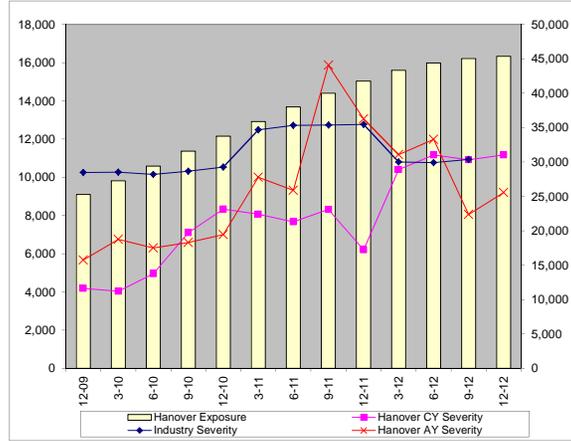
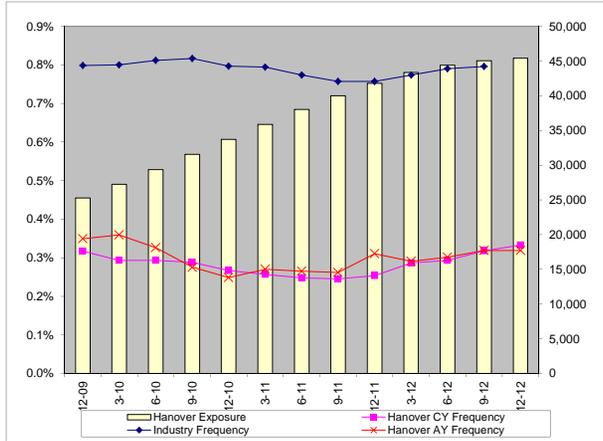
| | |
|---------------|------|
| Retrospective | 0.0% |
| Prospective | 0.0% |

PURE PREMIUM - CNX

| 4 Qtrs. Ending | Hanover | | Industry |
|----------------|----------------------|----------------------|----------------------|
| | Average Pure Premium | Average Pure Premium | Average Pure Premium |
| 12-09 | 13 | 20 | 82 |
| 3-10 | 12 | 24 | 82 |
| 6-10 | 14 | 21 | 82 |
| 9-10 | 20 | 18 | 84 |
| 12-10 | 22 | 17 | 84 |
| 3-11 | 21 | 27 | 99 |
| 6-11 | 19 | 25 | 98 |
| 9-11 | 20 | 42 | 96 |
| 12-11 | 16 | 41 | 97 |
| 3-12 | 30 | 32 | 84 |
| 6-12 | 33 | 36 | 85 |
| 9-12 | 35 | 26 | 87 |
| 12-12 | 37 | 29 | |

| Period | FITTED ANNUAL RATE OF CHANGE | | |
|-------------|------------------------------|--------|----------|
| | CY | AY | Industry |
| | 3 Years | 39.8% | 21.2% |
| 2 Years | 40.2% | 17.6% | -1.3% |
| Latest Year | 111.3% | -29.8% | -12.5% |

| | |
|---------------|------|
| Retrospective | 0.0% |
| Prospective | 0.5% |



ARKANSAS
PERSONAL AUTOMOBILE - COLLISION

FREQUENCY TREND - CNX

| 4 Qtrs. Ending | Hanover | | Industry |
|----------------|-------------------|---------------------------|------------------------|
| | CY | AY | Paid Feature Frequency |
| | Feature Frequency | Est Ult Feature Frequency | Feature Frequency |
| 12-09 | 3.6% | 3.6% | 5.6% |
| 3-10 | 3.7% | 3.7% | 5.7% |
| 6-10 | 3.6% | 3.6% | 5.7% |
| 9-10 | 3.7% | 3.8% | 5.7% |
| 12-10 | 3.7% | 3.8% | 5.6% |
| 3-11 | 3.8% | 3.9% | 5.5% |
| 6-11 | 3.9% | 4.1% | 5.4% |
| 9-11 | 3.8% | 4.0% | 5.3% |
| 12-11 | 4.0% | 4.1% | 5.3% |
| 3-12 | 4.1% | 4.1% | 5.2% |
| 6-12 | 3.9% | 3.8% | 5.2% |
| 9-12 | 3.8% | 3.8% | 5.2% |
| 12-12 | 3.8% | 3.7% | |

| FITTED ANNUAL RATE OF CHANGE | | | |
|------------------------------|---------|----------|-------|
| Period | Hanover | Industry | AY |
| 3 Years | 2.9% | 2.2% | -3.1% |
| 2 Years | 0.6% | -1.6% | -4.2% |
| Latest Year | -8.0% | -9.4% | -1.4% |

Selected Trends

| | |
|---------------|-------|
| Retrospective | -1.0% |
| Prospective | -1.5% |

ARKANSAS
PERSONAL AUTOMOBILE - COLLISION

SEVERITY TREND - CNX

| 4 Qtrs. Ending | Hanover | | Industry |
|----------------|---------------|------------------|-----------------------|
| | CY | AY | Average Paid Severity |
| | Paid Severity | Est Ult Severity | Paid Severity |
| 12-09 | 3,522 | 3,492 | 3,069 |
| 3-10 | 3,561 | 3,578 | 3,084 |
| 6-10 | 3,623 | 3,554 | 3,067 |
| 9-10 | 3,687 | 3,493 | 3,084 |
| 12-10 | 3,651 | 3,726 | 3,099 |
| 3-11 | 3,751 | 3,617 | 3,166 |
| 6-11 | 3,673 | 3,699 | 3,228 |
| 9-11 | 3,738 | 3,730 | 3,279 |
| 12-11 | 3,792 | 3,644 | 3,355 |
| 3-12 | 3,710 | 3,730 | 3,280 |
| 6-12 | 3,693 | 3,602 | 3,303 |
| 9-12 | 3,652 | 3,693 | 3,287 |
| 12-12 | 3,778 | 3,759 | |

| FITTED ANNUAL RATE OF CHANGE | | | |
|------------------------------|---------|----------|-------|
| Period | Hanover | Industry | AY |
| 3 Years | 1.6% | 1.9% | 3.2% |
| 2 Years | 0.4% | 0.3% | 3.8% |
| Latest Year | -0.9% | 2.1% | -0.4% |

Selected Trends

| | |
|---------------|-------|
| Retrospective | -1.0% |
| Prospective | -1.5% |

ARKANSAS
PERSONAL AUTOMOBILE - COLLISION

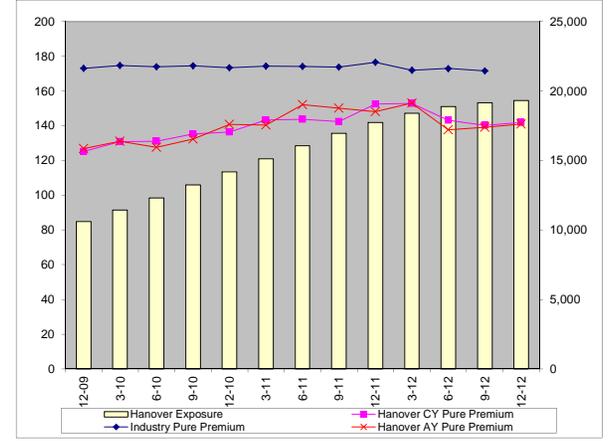
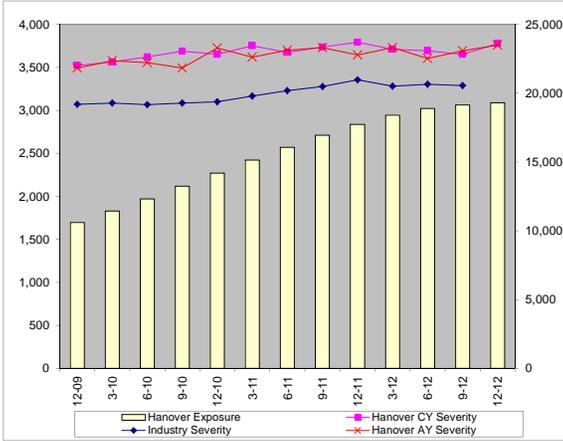
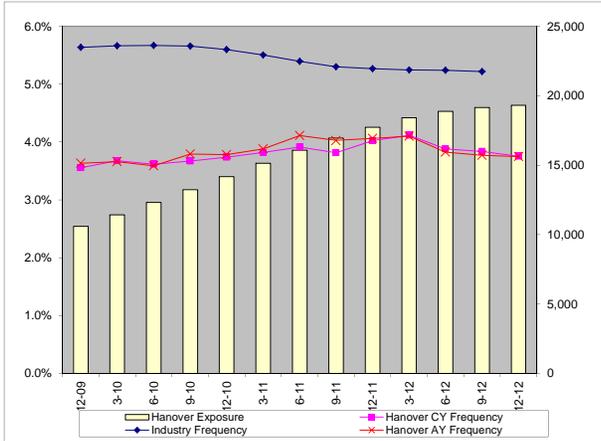
PURE PREMIUM - CNX

| 4 Qtrs. Ending | Hanover | | Industry |
|----------------|--------------|--------------|----------------------|
| | CY | AY | Average Pure Premium |
| | Pure Premium | Pure Premium | Pure Premium |
| 12-09 | 125 | 127 | 173 |
| 3-10 | 131 | 131 | 175 |
| 6-10 | 131 | 128 | 174 |
| 9-10 | 135 | 132 | 175 |
| 12-10 | 136 | 141 | 173 |
| 3-11 | 143 | 140 | 174 |
| 6-11 | 144 | 152 | 174 |
| 9-11 | 143 | 150 | 174 |
| 12-11 | 152 | 148 | 177 |
| 3-12 | 153 | 153 | 172 |
| 6-12 | 143 | 138 | 173 |
| 9-12 | 140 | 139 | 172 |
| 12-12 | 142 | 141 | |

| FITTED ANNUAL RATE OF CHANGE | | | |
|------------------------------|---------|----------|-------|
| Period | Hanover | Industry | AY |
| 3 Years | 4.6% | 4.1% | 0.0% |
| 2 Years | 1.0% | -1.3% | -0.6% |
| Latest Year | -8.8% | -7.5% | -1.9% |

Selected Trends

| | |
|---------------|-------|
| Retrospective | -2.0% |
| Prospective | -3.0% |



FREQUENCY TREND - CNX

| 4 Qtrs. Ending | Hanover | | Industry |
|----------------|-------------------|---------------------------|------------------------|
| | CY | AY | Paid Feature Frequency |
| | Feature Frequency | Est Ult Feature Frequency | |
| 12-09 | 8.5% | 8.7% | 8.1% |
| 3-10 | 8.6% | 8.9% | 8.3% |
| 6-10 | 8.6% | 8.5% | 8.3% |
| 9-10 | 8.6% | 8.7% | 7.8% |
| 12-10 | 8.5% | 8.8% | 7.8% |
| 3-11 | 8.8% | 8.9% | 7.5% |
| 6-11 | 9.2% | 9.6% | 8.8% |
| 9-11 | 9.3% | 9.5% | 9.2% |
| 12-11 | 9.4% | 9.5% | 9.1% |
| 3-12 | 8.9% | 8.9% | 9.1% |
| 6-12 | 8.4% | 8.2% | 7.5% |
| 9-12 | 8.5% | 8.5% | 7.1% |
| 12-12 | 8.7% | 8.9% | |

| FITTED ANNUAL RATE OF CHANGE | | | | |
|------------------------------|---------|-------|----------|----|
| Period | Hanover | | Industry | |
| | CY | AY | CY | AY |
| 3 Years | 0.8% | 0.2% | 0.0% | |
| 2 Years | -1.7% | -2.7% | -0.9% | |
| Latest Year | -7.7% | -6.7% | -25.6% | |

Selected Trends

| | |
|---------------|-------|
| Retrospective | -1.0% |
| Prospective | -1.5% |

SEVERITY TREND - CNX

| 4 Qtrs. Ending | Hanover | | Industry |
|----------------|---------------|------------------|-----------------------|
| | CY | AY | Average Paid Severity |
| | Paid Severity | Est Ult Severity | |
| 12-09 | 797 | 800 | 1,403 |
| 3-10 | 803 | 778 | 1,381 |
| 6-10 | 729 | 649 | 1,312 |
| 9-10 | 629 | 619 | 1,149 |
| 12-10 | 639 | 629 | 1,135 |
| 3-11 | 607 | 631 | 1,092 |
| 6-11 | 646 | 664 | 1,474 |
| 9-11 | 664 | 670 | 1,543 |
| 12-11 | 664 | 644 | 1,571 |
| 3-12 | 656 | 634 | 1,597 |
| 6-12 | 588 | 564 | 1,280 |
| 9-12 | 563 | 557 | 1,235 |
| 12-12 | 513 | 537 | |

| FITTED ANNUAL RATE OF CHANGE | | | | |
|------------------------------|---------|--------|----------|----|
| Period | Hanover | | Industry | |
| | CY | AY | CY | AY |
| 3 Years | -10.4% | -9.3% | 1.6% | |
| 2 Years | -8.3% | -8.8% | 10.3% | |
| Latest Year | -23.5% | -17.8% | -22.9% | |

Selected Trends

| | |
|---------------|-------|
| Retrospective | -1.0% |
| Prospective | -1.5% |

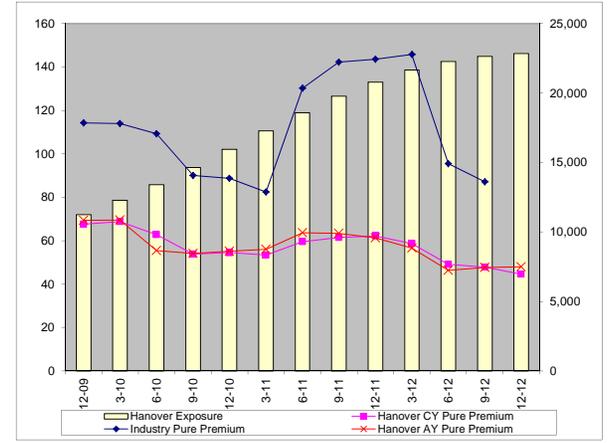
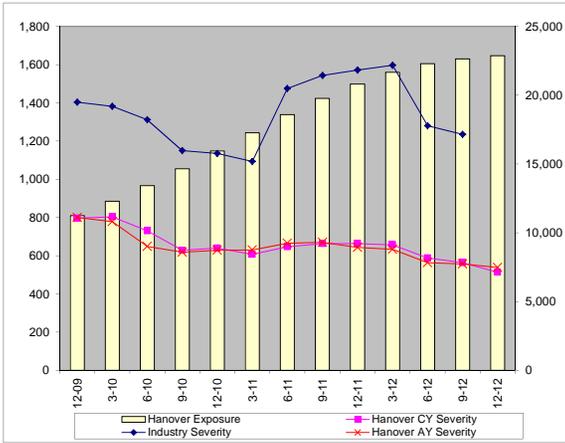
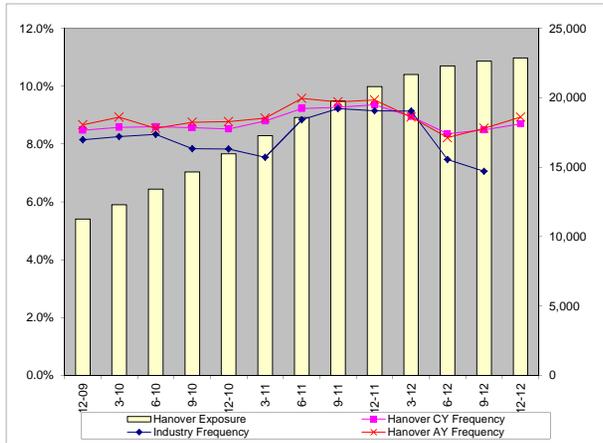
PURE PREMIUM - CNX

| 4 Qtrs. Ending | Hanover | | Industry |
|----------------|--------------|--------------|----------------------|
| | CY | AY | Average Pure Premium |
| | Pure Premium | Pure Premium | |
| 12-09 | 68 | 69 | 114 |
| 3-10 | 69 | 69 | 114 |
| 6-10 | 63 | 55 | 109 |
| 9-10 | 54 | 54 | 90 |
| 12-10 | 54 | 55 | 89 |
| 3-11 | 53 | 56 | 82 |
| 6-11 | 60 | 64 | 130 |
| 9-11 | 61 | 63 | 142 |
| 12-11 | 62 | 61 | 144 |
| 3-12 | 59 | 57 | 146 |
| 6-12 | 49 | 46 | 96 |
| 9-12 | 48 | 48 | 87 |
| 12-12 | 45 | 48 | |

| FITTED ANNUAL RATE OF CHANGE | | | | |
|------------------------------|---------|--------|----------|----|
| Period | Hanover | | Industry | |
| | CY | AY | CY | AY |
| 3 Years | -9.7% | -9.1% | 1.6% | |
| 2 Years | -9.9% | -11.3% | 9.3% | |
| Latest Year | -29.4% | -23.3% | -42.6% | |

Selected Trends

| | |
|---------------|-------|
| Retrospective | -2.0% |
| Prospective | -3.0% |



FREQUENCY TREND - LEG

| 4 Qtrs. Ending | Hanover | | Industry |
|----------------|-------------------|----------------------------|-------------------|
| | CY | AY | Paid Feature |
| | Feature Frequency | Est Ulti Feature Frequency | Feature Frequency |
| 12-09 | 1.3% | 1.6% | 0.8% |
| 3-10 | 1.5% | 1.4% | 0.8% |
| 6-10 | 2.0% | 1.3% | 0.8% |
| 9-10 | 1.8% | 1.5% | 0.8% |
| 12-10 | 2.1% | 0.5% | 0.8% |
| 3-11 | 2.0% | 0.7% | 0.8% |
| 6-11 | 1.4% | 1.1% | 0.8% |
| 9-11 | 1.3% | 0.9% | 0.8% |
| 12-11 | 1.5% | 1.0% | 0.8% |
| 3-12 | 1.6% | 0.7% | 0.8% |
| 6-12 | 1.0% | 0.6% | 0.8% |
| 9-12 | 0.9% | 3.7% | 0.8% |
| 12-12 | 0.5% | 4.9% | |

| FITTED ANNUAL RATE OF CHANGE | | | | |
|------------------------------|---------|----------|---------|----------|
| Period | CY | | AY | |
| | Hanover | Industry | Hanover | Industry |
| 3 Years | -24.6% | 18.1% | -1.3% | |
| 2 Years | -44.5% | 125.2% | -1.3% | |
| Latest Year | -67.6% | 622.7% | 5.8% | |

Selected Trends

| | |
|---------------|------|
| Retrospective | 3.0% |
| Prospective | 3.0% |

SEVERITY TREND - LEG

| 4 Qtrs. Ending | Hanover | | Industry |
|----------------|----------|-------------------|--------------|
| | CY | AY | Average Paid |
| | Severity | Est Ulti Severity | Severity |
| 12-09 | 14,882 | 8,884 | 10,241 |
| 3-10 | 13,890 | 9,972 | 10,260 |
| 6-10 | 7,936 | 11,619 | 10,150 |
| 9-10 | 12,607 | 10,730 | 10,317 |
| 12-10 | 11,054 | 5,729 | 10,529 |
| 3-11 | 13,685 | 7,737 | 12,481 |
| 6-11 | 19,323 | 6,507 | 12,721 |
| 9-11 | 9,195 | 7,077 | 12,734 |
| 12-11 | 8,560 | 8,576 | 12,760 |
| 3-12 | 6,111 | 7,184 | 10,801 |
| 6-12 | 5,064 | 8,002 | 10,770 |
| 9-12 | 5,409 | 8,459 | 10,923 |
| 12-12 | 4,629 | 7,480 | |

| FITTED ANNUAL RATE OF CHANGE | | | | |
|------------------------------|---------|----------|---------|----------|
| Period | CY | | AY | |
| | Hanover | Industry | Hanover | Industry |
| 3 Years | -30.6% | -8.1% | 4.8% | |
| 2 Years | -46.4% | 12.5% | 0.1% | |
| Latest Year | -41.8% | -4.3% | -17.3% | |

Selected Trends

| | |
|---------------|------|
| Retrospective | 4.0% |
| Prospective | 4.0% |

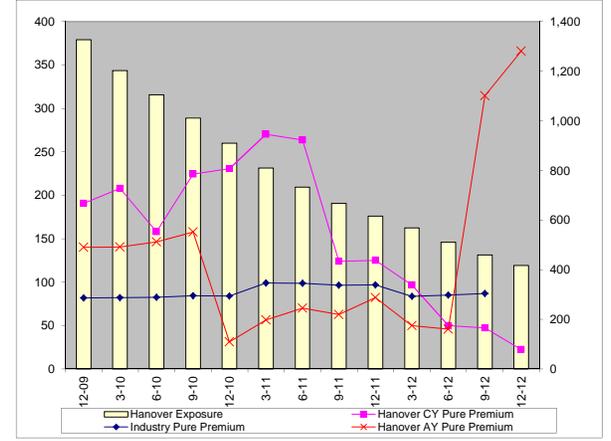
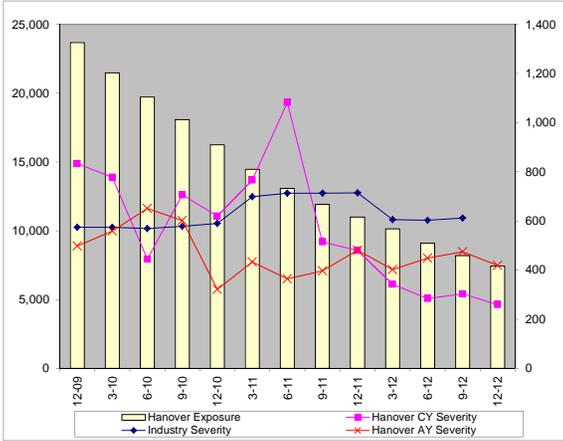
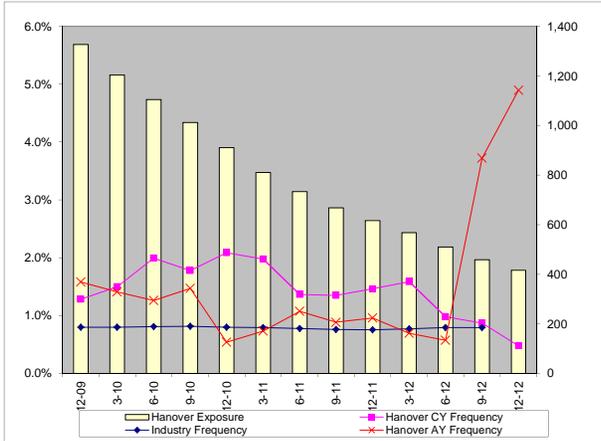
PURE PREMIUM - LEG

| 4 Qtrs. Ending | Hanover | | Industry |
|----------------|--------------|--------------|----------------------|
| | CY | AY | Average Pure Premium |
| | Pure Premium | Pure Premium | Pure Premium |
| 12-09 | 191 | 140 | 82 |
| 3-10 | 208 | 140 | 82 |
| 6-10 | 158 | 146 | 82 |
| 9-10 | 224 | 158 | 84 |
| 12-10 | 231 | 31 | 84 |
| 3-11 | 270 | 56 | 99 |
| 6-11 | 264 | 70 | 98 |
| 9-11 | 124 | 63 | 96 |
| 12-11 | 125 | 82 | 97 |
| 3-12 | 97 | 50 | 84 |
| 6-12 | 50 | 46 | 85 |
| 9-12 | 47 | 315 | 87 |
| 12-12 | 22 | 366 | |

| FITTED ANNUAL RATE OF CHANGE | | | | |
|------------------------------|---------|----------|---------|----------|
| Period | CY | | AY | |
| | Hanover | Industry | Hanover | Industry |
| 3 Years | -47.7% | 8.5% | 3.4% | |
| 2 Years | -70.2% | 153.3% | -1.3% | |
| Latest Year | -81.2% | 591.6% | -12.5% | |

Selected Trends

| | |
|---------------|------|
| Retrospective | 7.0% |
| Prospective | 7.0% |



FREQUENCY TREND - LEG

| 4 Qtrs. Ending | Hanover | | Industry |
|----------------|-------------------|---------------------------|------------------------|
| | CY | AY | Paid Feature Frequency |
| | Feature Frequency | Est Ult Feature Frequency | |
| 12-09 | 3.6% | 3.3% | 3.0% |
| 3-10 | 3.0% | 2.8% | 3.0% |
| 6-10 | 3.2% | 3.0% | 3.0% |
| 9-10 | 3.0% | 3.0% | 3.0% |
| 12-10 | 2.9% | 2.9% | 3.0% |
| 3-11 | 3.1% | 3.2% | 2.9% |
| 6-11 | 4.2% | 4.4% | 2.9% |
| 9-11 | 3.7% | 3.3% | 2.9% |
| 12-11 | 3.4% | 3.3% | 2.9% |
| 3-12 | 3.3% | 3.2% | 2.9% |
| 6-12 | 2.4% | 2.6% | 3.0% |
| 9-12 | 3.1% | 3.3% | 2.9% |
| 12-12 | 4.3% | 4.6% | |

| FITTED ANNUAL RATE OF CHANGE | | | | |
|------------------------------|---------|-------|----------|----|
| Period | Hanover | | Industry | |
| | CY | AY | CY | AY |
| 3 Years | 2.0% | 5.7% | -1.0% | |
| 2 Years | 2.3% | 5.8% | -0.7% | |
| Latest Year | 16.6% | 33.5% | 2.6% | |

| Selected Trends | | |
|-----------------|--|------|
| Retrospective | | 3.0% |
| Prospective | | 3.0% |

SEVERITY TREND - LEG

| 4 Qtrs. Ending | Hanover | | Industry |
|----------------|--------------|---------|--------------|
| | CY | AY | Average Paid |
| | Average Paid | Est Ult | Severity |
| 12-09 | 2,294 | 2,306 | 2,943 |
| 3-10 | 2,941 | 2,478 | 2,960 |
| 6-10 | 3,041 | 2,512 | 2,969 |
| 9-10 | 2,892 | 2,486 | 2,966 |
| 12-10 | 2,590 | 2,155 | 2,966 |
| 3-11 | 2,039 | 2,001 | 2,977 |
| 6-11 | 2,240 | 2,281 | 2,989 |
| 9-11 | 2,576 | 2,648 | 2,994 |
| 12-11 | 3,232 | 3,324 | 3,022 |
| 3-12 | 3,283 | 3,256 | 3,012 |
| 6-12 | 3,160 | 3,124 | 3,054 |
| 9-12 | 3,602 | 3,415 | 3,034 |
| 12-12 | 2,735 | 2,556 | |

| FITTED ANNUAL RATE OF CHANGE | | | | |
|------------------------------|---------|--------|----------|----|
| Period | Hanover | | Industry | |
| | CY | AY | CY | AY |
| 3 Years | 7.5% | 11.7% | 1.3% | |
| 2 Years | 21.0% | 23.1% | 1.4% | |
| Latest Year | -9.2% | -17.4% | 1.5% | |

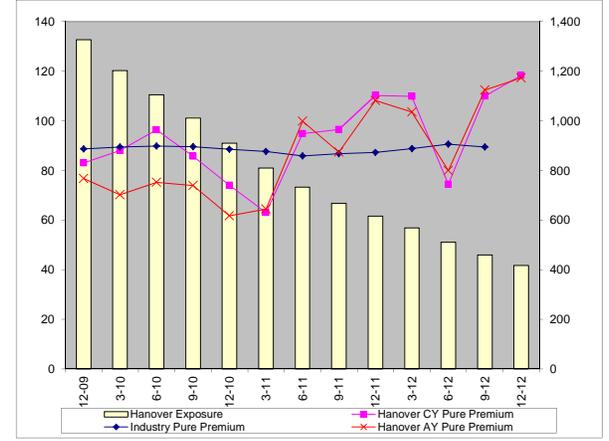
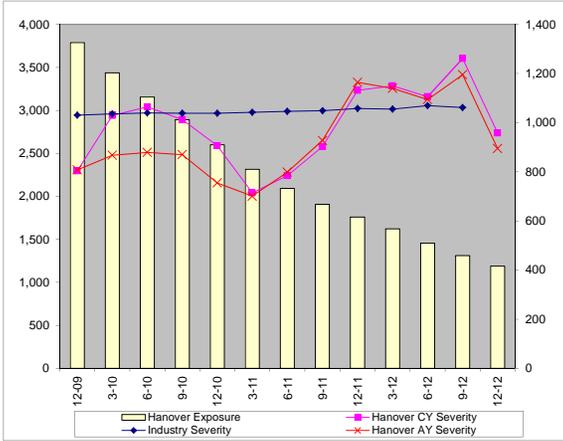
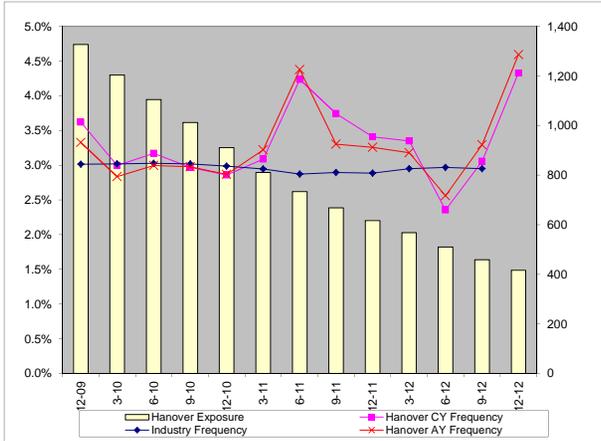
| Selected Trends | | |
|-----------------|--|------|
| Retrospective | | 4.0% |
| Prospective | | 4.0% |

PURE PREMIUM - LEG

| 4 Qtrs. Ending | Hanover | | Industry |
|----------------|----------------------|---------|----------------------|
| | CY | AY | Average Pure Premium |
| | Average Pure Premium | Est Ult | Premium |
| 12-09 | 83 | 77 | 89 |
| 3-10 | 88 | 70 | 89 |
| 6-10 | 96 | 75 | 90 |
| 9-10 | 86 | 74 | 90 |
| 12-10 | 74 | 62 | 89 |
| 3-11 | 63 | 64 | 88 |
| 6-11 | 95 | 100 | 86 |
| 9-11 | 96 | 87 | 87 |
| 12-11 | 110 | 108 | 87 |
| 3-12 | 110 | 104 | 89 |
| 6-12 | 74 | 80 | 91 |
| 9-12 | 110 | 112 | 89 |
| 12-12 | 118 | 117 | |

| FITTED ANNUAL RATE OF CHANGE | | | | |
|------------------------------|---------|-------|----------|----|
| Period | Hanover | | Industry | |
| | CY | AY | CY | AY |
| 3 Years | 9.6% | 18.1% | 0.3% | |
| 2 Years | 23.7% | 30.3% | 0.7% | |
| Latest Year | 5.9% | 10.3% | 4.1% | |

| Selected Trends | | |
|-----------------|--|------|
| Retrospective | | 7.0% |
| Prospective | | 7.0% |



FREQUENCY TREND - LEG

SEVERITY TREND - LEG

PURE PREMIUM - LEG

| 4 Qtrs. Ending | Hanover | | Industry |
|----------------|---------------------------|------------------------------|------------------------|
| | CY Paid Feature Frequency | AY Est Ult Feature Frequency | Paid Feature Frequency |
| | 12-09 | 0.3% | 0.2% |
| 3-10 | 0.3% | 0.2% | 0.8% |
| 6-10 | 0.3% | 0.2% | 0.8% |
| 9-10 | 0.3% | 0.2% | 0.8% |
| 12-10 | 0.1% | 0.1% | 0.8% |
| 3-11 | 0.3% | 0.3% | 0.8% |
| 6-11 | 0.3% | 0.3% | 0.8% |
| 9-11 | 0.3% | 0.3% | 0.8% |
| 12-11 | 0.5% | 0.5% | 0.8% |
| 3-12 | 0.3% | 0.1% | 0.8% |
| 6-12 | 0.3% | 0.1% | 0.8% |
| 9-12 | 0.5% | 0.3% | 0.8% |
| 12-12 | 0.3% | 0.1% | |

| FITTED ANNUAL RATE OF CHANGE | | | | |
|------------------------------|---------|--------|----------|----|
| Period | Hanover | | Industry | |
| | CY | AY | CY | AY |
| 3 Years | 9.8% | -8.0% | -1.3% | |
| 2 Years | 35.5% | -20.9% | -1.3% | |
| Latest Year | -31.1% | -42.8% | 5.8% | |

| Selected Trends | | |
|-----------------|--|------|
| Retrospective | | 0.0% |
| Prospective | | 2.5% |

| 4 Qtrs. Ending | Hanover | | Industry |
|----------------|--------------------------|-----------------------------|-----------------------|
| | CY Average Paid Severity | AY Average Est Ult Severity | Average Paid Severity |
| | 12-09 | 14,342 | 3,867 |
| 3-10 | 18,997 | 5,044 | 10,260 |
| 6-10 | 15,082 | 4,367 | 10,150 |
| 9-10 | 14,900 | 4,818 | 10,317 |
| 12-10 | 396 | 2,128 | 10,529 |
| 3-11 | 2,451 | 4,190 | 12,481 |
| 6-11 | 2,903 | 4,905 | 12,721 |
| 9-11 | 3,260 | 4,955 | 12,734 |
| 12-11 | 6,441 | 5,402 | 12,760 |
| 3-12 | 9,248 | 9,067 | 10,801 |
| 6-12 | 9,128 | 9,292 | 10,770 |
| 9-12 | 7,441 | 5,560 | 10,923 |
| 12-12 | 20,689 | 4,202 | |

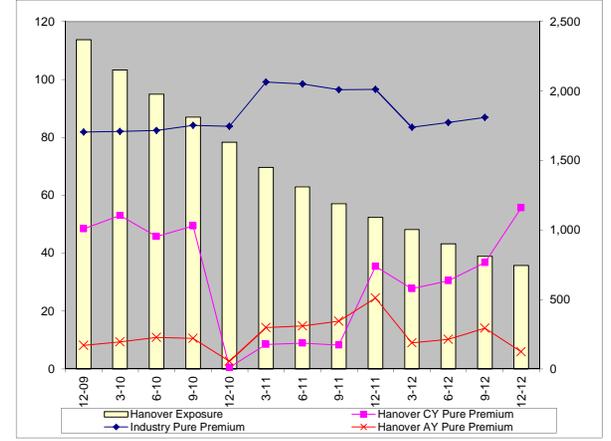
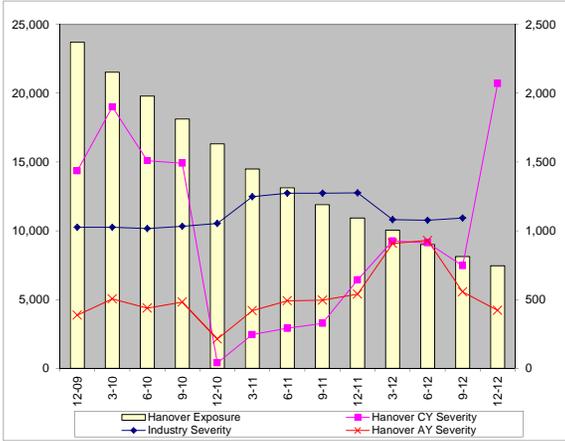
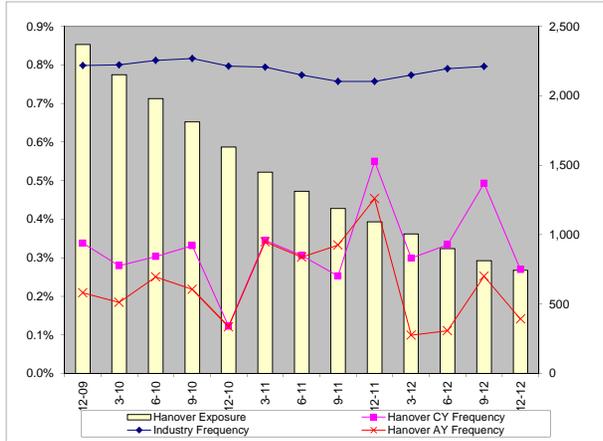
| FITTED ANNUAL RATE OF CHANGE | | | | |
|------------------------------|---------|--------|----------|----|
| Period | Hanover | | Industry | |
| | CY | AY | CY | AY |
| 3 Years | -0.1% | 19.0% | 4.8% | |
| 2 Years | 347.8% | 43.8% | 0.1% | |
| Latest Year | 133.2% | -32.7% | -17.3% | |

| Selected Trends | | |
|-----------------|--|------|
| Retrospective | | 0.0% |
| Prospective | | 2.5% |

| 4 Qtrs. Ending | Hanover | | Industry |
|----------------|-------------------------|-------------------------|----------------------|
| | CY Average Pure Premium | AY Average Pure Premium | Average Pure Premium |
| | 12-09 | 48 | 8 |
| 3-10 | 53 | 9 | 82 |
| 6-10 | 46 | 11 | 82 |
| 9-10 | 49 | 11 | 84 |
| 12-10 | 0 | 3 | 84 |
| 3-11 | 8 | 14 | 99 |
| 6-11 | 9 | 15 | 98 |
| 9-11 | 8 | 16 | 96 |
| 12-11 | 35 | 24 | 97 |
| 3-12 | 28 | 9 | 84 |
| 6-12 | 30 | 10 | 85 |
| 9-12 | 37 | 14 | 87 |
| 12-12 | 56 | 6 | |

| FITTED ANNUAL RATE OF CHANGE | | | | |
|------------------------------|---------|--------|----------|----|
| Period | Hanover | | Industry | |
| | CY | AY | CY | AY |
| 3 Years | 9.6% | 9.5% | 3.4% | |
| 2 Years | 506.8% | 13.8% | -1.3% | |
| Latest Year | 60.7% | -61.5% | -12.5% | |

| Selected Trends | | |
|-----------------|--|------|
| Retrospective | | 0.0% |
| Prospective | | 5.0% |



FREQUENCY TREND - LEG

| 4 Qtrs. Ending | Hanover | | Industry |
|----------------|----------------------|-----------------------------------|------------------------|
| | CY Feature Frequency | AY Paid Est Ult Feature Frequency | Paid Feature Frequency |
| 12-09 | 4.5% | 4.2% | 5.6% |
| 3-10 | 3.9% | 4.0% | 5.7% |
| 6-10 | 3.4% | 4.4% | 5.7% |
| 9-10 | 4.5% | 4.5% | 5.7% |
| 12-10 | 4.8% | 4.8% | 5.6% |
| 3-11 | 5.4% | 5.4% | 5.5% |
| 6-11 | 6.2% | 5.8% | 5.4% |
| 9-11 | 4.9% | 4.9% | 5.3% |
| 12-11 | 3.7% | 3.7% | 5.3% |
| 3-12 | 2.8% | 2.5% | 5.2% |
| 6-12 | 2.5% | 1.7% | 5.2% |
| 9-12 | 2.2% | 2.8% | 5.2% |
| 12-12 | 4.1% | 4.1% | 5.2% |

| FITTED ANNUAL RATE OF CHANGE | | | | |
|------------------------------|---------|---------|----------|----------|
| Period | CY | | AY | |
| | Hanover | Hanover | Industry | Industry |
| 3 Years | -13.9% | -16.6% | -3.1% | -3.1% |
| 2 Years | -31.7% | -31.9% | -4.2% | -4.2% |
| Latest Year | -1.7% | 12.8% | -1.4% | -1.4% |

Selected Trends
Retrospective 2.5%
Prospective 2.5%

SEVERITY TREND - LEG

| 4 Qtrs. Ending | Hanover | | Industry |
|----------------|-----------------------|----------------------------------|-----------------------|
| | Average Paid Severity | AY Average Est Ult Paid Severity | Average Paid Severity |
| 12-09 | 3,472 | 3,714 | 3,069 |
| 3-10 | 4,065 | 3,943 | 3,084 |
| 6-10 | 4,116 | 3,555 | 3,067 |
| 9-10 | 2,837 | 3,135 | 3,084 |
| 12-10 | 3,153 | 2,907 | 3,099 |
| 3-11 | 3,134 | 2,901 | 3,166 |
| 6-11 | 3,576 | 3,295 | 3,228 |
| 9-11 | 3,376 | 3,050 | 3,279 |
| 12-11 | 3,916 | 3,431 | 3,355 |
| 3-12 | 3,357 | 4,575 | 3,280 |
| 6-12 | 1,381 | 4,211 | 3,303 |
| 9-12 | 3,264 | 7,124 | 3,287 |
| 12-12 | 6,585 | 7,020 | 3,287 |

| FITTED ANNUAL RATE OF CHANGE | | | | |
|------------------------------|---------|---------|----------|----------|
| Period | CY | | AY | |
| | Hanover | Hanover | Industry | Industry |
| 3 Years | -1.3% | 21.8% | 3.2% | 3.2% |
| 2 Years | 8.0% | 60.7% | 3.8% | 3.8% |
| Latest Year | 49.9% | 111.7% | -0.4% | -0.4% |

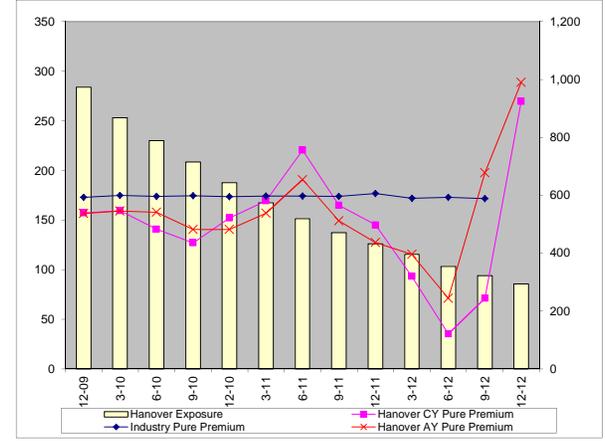
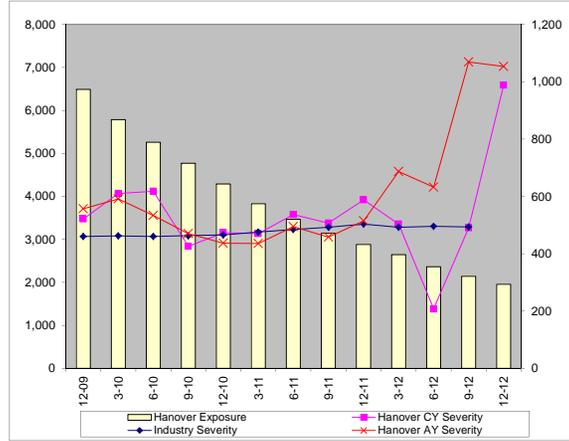
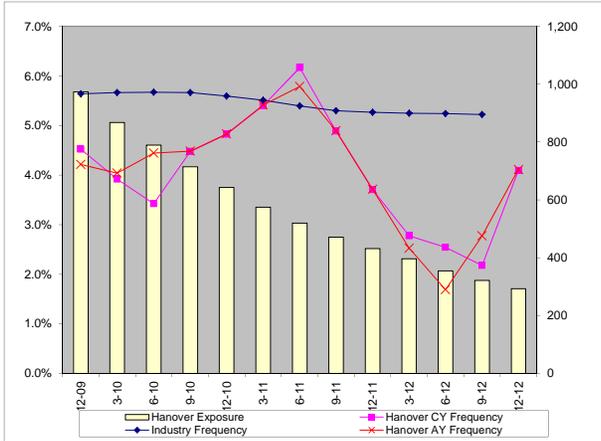
Selected Trends
Retrospective 2.5%
Prospective 2.5%

PURE PREMIUM - LEG

| 4 Qtrs. Ending | Hanover | | Industry |
|----------------|----------------------|-------------------------|----------------------|
| | Average Pure Premium | AY Average Pure Premium | Average Pure Premium |
| 12-09 | 157 | 156 | 173 |
| 3-10 | 159 | 159 | 175 |
| 6-10 | 141 | 158 | 174 |
| 9-10 | 127 | 141 | 175 |
| 12-10 | 152 | 140 | 173 |
| 3-11 | 169 | 157 | 174 |
| 6-11 | 220 | 191 | 174 |
| 9-11 | 165 | 149 | 174 |
| 12-11 | 145 | 127 | 177 |
| 3-12 | 93 | 116 | 172 |
| 6-12 | 35 | 71 | 173 |
| 9-12 | 71 | 198 | 172 |
| 12-12 | 269 | 289 | 172 |

| FITTED ANNUAL RATE OF CHANGE | | | | |
|------------------------------|---------|---------|----------|----------|
| Period | CY | | AY | |
| | Hanover | Hanover | Industry | Industry |
| 3 Years | -15.0% | 1.6% | 0.0% | 0.0% |
| 2 Years | -26.2% | 9.4% | -0.6% | -0.6% |
| Latest Year | 47.2% | 138.7% | -1.9% | -1.9% |

Selected Trends
Retrospective 5.0%
Prospective 5.0%



FREQUENCY TREND - LEG

| 4 Qtrs. Ending | Hanover | | Industry |
|----------------|-------------------|---------------------------|------------------------|
| | CY | AY | Paid Feature Frequency |
| | Feature Frequency | Est Ult Feature Frequency | |
| 12-09 | 7.4% | 6.6% | 8.1% |
| 3-10 | 7.4% | 7.0% | 8.3% |
| 6-10 | 7.8% | 8.0% | 8.3% |
| 9-10 | 7.7% | 8.0% | 7.8% |
| 12-10 | 8.4% | 8.7% | 7.8% |
| 3-11 | 9.5% | 9.3% | 7.5% |
| 6-11 | 10.1% | 9.5% | 8.8% |
| 9-11 | 10.5% | 10.1% | 9.2% |
| 12-11 | 10.6% | 9.7% | 9.1% |
| 3-12 | 10.3% | 9.6% | 9.1% |
| 6-12 | 9.1% | 9.4% | 7.5% |
| 9-12 | 10.0% | 9.5% | 7.1% |
| 12-12 | 12.3% | 12.6% | |

| FITTED ANNUAL RATE OF CHANGE | | | |
|------------------------------|---------|---------|----------|
| Period | Hanover | Hanover | Industry |
| | CY | AY | |
| 3 Years | 15.6% | 16.3% | 0.0% |
| 2 Years | 10.2% | 10.1% | -0.9% |
| Latest Year | 11.8% | 22.7% | -25.6% |

Selected Trends

| | |
|---------------|-------|
| Retrospective | -2.5% |
| Prospective | -2.5% |

SEVERITY TREND - LEG

| 4 Qtrs. Ending | Hanover | | Industry |
|----------------|-----------------------|-----------------------|-----------------------|
| | CY | AY | Average Paid Severity |
| | Est Ult Paid Severity | Est Ult Paid Severity | |
| 12-09 | 608 | 633 | 1,403 |
| 3-10 | 605 | 524 | 1,381 |
| 6-10 | 601 | 594 | 1,312 |
| 9-10 | 568 | 596 | 1,149 |
| 12-10 | 772 | 799 | 1,135 |
| 3-11 | 787 | 832 | 1,092 |
| 6-11 | 861 | 1,036 | 1,474 |
| 9-11 | 1,093 | 1,043 | 1,543 |
| 12-11 | 803 | 790 | 1,571 |
| 3-12 | 856 | 869 | 1,597 |
| 6-12 | 720 | 356 | 1,280 |
| 9-12 | 279 | 373 | 1,235 |
| 12-12 | 392 | 397 | |

| FITTED ANNUAL RATE OF CHANGE | | | |
|------------------------------|---------|---------|----------|
| Period | Hanover | Hanover | Industry |
| | CY | AY | |
| 3 Years | -8.7% | -10.8% | 1.6% |
| 2 Years | -34.8% | -39.5% | 10.3% |
| Latest Year | -64.0% | -58.9% | -22.9% |

Selected Trends

| | |
|---------------|-------|
| Retrospective | -2.5% |
| Prospective | -2.5% |

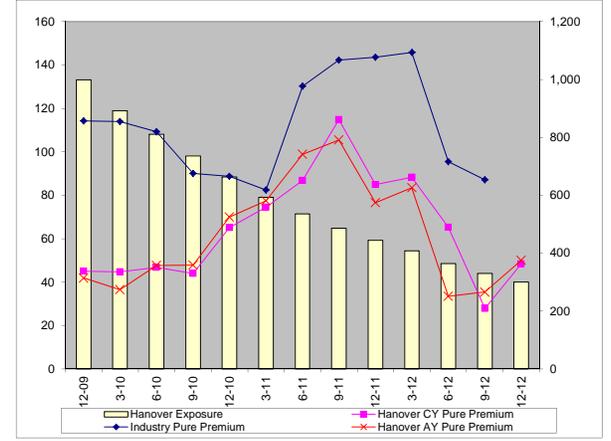
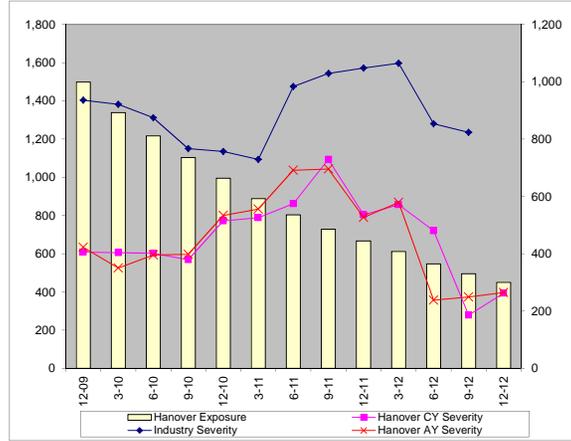
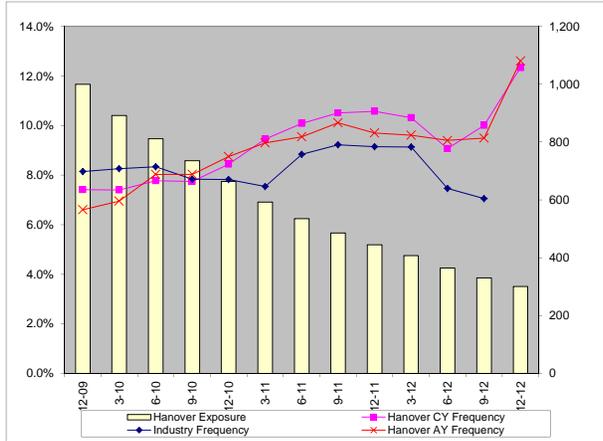
PURE PREMIUM - LEG

| 4 Qtrs. Ending | Hanover | | Industry |
|----------------|--------------|--------------|----------------------|
| | CY | AY | Average Pure Premium |
| | Pure Premium | Pure Premium | Pure Premium |
| 12-09 | 45 | 42 | 114 |
| 3-10 | 45 | 36 | 114 |
| 6-10 | 47 | 48 | 109 |
| 9-10 | 44 | 48 | 90 |
| 12-10 | 65 | 70 | 89 |
| 3-11 | 74 | 77 | 82 |
| 6-11 | 87 | 99 | 130 |
| 9-11 | 115 | 105 | 142 |
| 12-11 | 85 | 77 | 144 |
| 3-12 | 88 | 83 | 146 |
| 6-12 | 65 | 33 | 96 |
| 9-12 | 28 | 35 | 87 |
| 12-12 | 48 | 50 | |

| FITTED ANNUAL RATE OF CHANGE | | | |
|------------------------------|---------|---------|----------|
| Period | Hanover | Hanover | Industry |
| | CY | AY | |
| 3 Years | 5.5% | 3.7% | 1.6% |
| 2 Years | -28.2% | -33.4% | 9.3% |
| Latest Year | -59.8% | -49.5% | -42.6% |

Selected Trends

| | |
|---------------|-------|
| Retrospective | -5.0% |
| Prospective | -5.0% |



Hanover Property and Casualty Insurance Companies

South (AL,AR,GA,KY,LA,MO,MS,NC,OK,SC,TN,VA)

PPA - Bodily Injury, Data Net of Cats

Direct Case Incurred Losses (000)

| Acc. Yr. Ending | Actual Data as of: | | | | | | | | | | |
|--------------------|--------------------|---------|---------|---------|---------|---------|---------|---------|----------|----------|----------|
| | 12 mos. | 24 mos. | 36 mos. | 48 mos. | 60 mos. | 72 mos. | 84 mos. | 96 mos. | 108 mos. | 120 mos. | Ultimate |
| 200312 | 8,521 | 11,402 | 12,497 | 12,512 | 12,564 | 12,317 | 12,317 | 12,317 | 12,317 | 12,317 | 12,317 |
| 200412 | 9,182 | 11,653 | 12,602 | 12,943 | 12,796 | 12,690 | 12,682 | 12,704 | 12,704 | | 12,704 |
| 200512 | 7,405 | 10,055 | 11,019 | 11,448 | 11,046 | 11,050 | 11,078 | 11,078 | | | 11,078 |
| 200612 | 14,274 | 17,595 | 18,234 | 18,158 | 18,280 | 18,082 | 18,079 | | | | 18,097 |
| 200712 | 20,847 | 26,027 | 27,635 | 27,944 | 28,096 | 27,991 | | | | | 28,047 |
| 200812 | 19,420 | 27,414 | 28,607 | 28,783 | 28,766 | | | | | | 28,594 |
| 200912 | 20,906 | 26,982 | 28,415 | 28,441 | | | | | | | 28,213 |
| 201012 | 21,166 | 25,530 | 26,235 | | | | | | | | 26,183 |
| 201112 | 15,569 | 21,197 | | | | | | | | | 22,088 |
| 201212 | 20,845 | | | | | | | | | | 28,245 |
| | | | | | | | | | | | 215,566 |

| Acc. Yr. | Link Ratios | | | | | | | | | |
|----------|-------------|-------|-------|-------|-------|-------|-------|--------|---------|----------|
| | 12-24 | 24-36 | 36-48 | 48-60 | 60-72 | 72-84 | 84-96 | 96-108 | 108-120 | 120-Ult. |
| 200312 | 1.338 | 1.096 | 1.001 | 1.004 | 0.980 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| 200412 | 1.269 | 1.081 | 1.027 | 0.989 | 0.992 | 0.999 | 1.002 | 1.000 | | |
| 200512 | 1.358 | 1.096 | 1.039 | 0.965 | 1.000 | 1.003 | 1.000 | | | |
| 200612 | 1.233 | 1.036 | 0.996 | 1.007 | 0.989 | 1.000 | | | | |
| 200712 | 1.248 | 1.062 | 1.011 | 1.005 | 0.996 | | | | | |
| 200812 | 1.412 | 1.044 | 1.006 | 0.999 | | | | | | |
| 200912 | 1.291 | 1.053 | 1.001 | | | | | | | |
| 201012 | 1.206 | 1.028 | | | | | | | | |
| 201112 | 1.362 | | | | | | | | | |
| 201212 | | | | | | | | | | |

| Method | Average Link Ratios | | | | | | | | | |
|----------------|---------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 12-24 | 24-36 | 36-48 | 48-60 | 60-72 | 72-84 | 84-96 | 96-108 | 108-120 | 120-Ult. |
| 3-yr | 1.286 | 1.041 | 1.006 | 1.004 | 0.995 | 1.001 | 1.001 | 1.000 | 1.000 | 1.000 |
| 5-yr | 1.304 | 1.044 | 1.011 | 0.993 | 0.992 | 1.000 | 1.001 | 1.000 | 1.000 | 1.000 |
| all-yr | 1.302 | 1.062 | 1.012 | 0.995 | 0.992 | 1.000 | 1.001 | 1.000 | 1.000 | 1.000 |
| all-yr wtd. | 1.295 | 1.055 | 1.009 | 0.998 | 0.992 | 1.000 | 1.001 | 1.000 | 1.000 | 1.000 |
| 5-yr x/ hi,low | 1.300 | 1.044 | 1.006 | 0.998 | 0.992 | | | | | |
| SELECTED | 1.300 | 1.044 | 1.006 | 0.998 | 0.992 | 1.001 | 1.001 | 1.000 | 1.000 | 1.000 |
| ULTIMATE | 1.355 | 1.042 | 0.998 | 0.992 | 0.994 | 1.002 | 1.001 | 1.000 | 1.000 | 1.000 |

Hanover Property and Casualty Insurance Companies

South (AL,AR,GA,KY,LA,MO,MS,NC,OK,SC,TN,VA)

PPA - PIP , Data Net of Cats

Direct Case Incurred Losses (000)

| Acc. Yr. Ending | Actual Data as of: | | | | | | | | | | |
|--------------------|--------------------|---------|---------|---------|---------|---------|---------|---------|----------|----------|----------|
| | 12 mos. | 24 mos. | 36 mos. | 48 mos. | 60 mos. | 72 mos. | 84 mos. | 96 mos. | 108 mos. | 120 mos. | Ultimate |
| 200312 | 1,307 | 1,438 | 1,492 | 1,489 | 1,494 | 1,495 | 1,493 | 1,493 | 1,493 | 1,493 | 1,493 |
| 200412 | 1,479 | 1,389 | 1,405 | 1,509 | 1,519 | 1,519 | 1,519 | 1,516 | 1,516 | | 1,516 |
| 200512 | 1,486 | 1,359 | 1,398 | 1,424 | 1,426 | 1,423 | 1,423 | 1,423 | | | 1,423 |
| 200612 | 2,581 | 2,340 | 2,412 | 2,410 | 2,407 | 2,409 | 2,404 | | | | 2,401 |
| 200712 | 3,818 | 3,544 | 3,641 | 3,612 | 3,611 | 3,613 | | | | | 3,606 |
| 200812 | 4,480 | 4,419 | 4,465 | 4,494 | 4,492 | | | | | | 4,483 |
| 200912 | 4,362 | 4,377 | 4,438 | 4,465 | | | | | | | 4,456 |
| 201012 | 3,358 | 3,176 | 3,231 | | | | | | | | 3,237 |
| 201112 | 3,411 | 3,367 | | | | | | | | | 3,438 |
| 201212 | 2,627 | | | | | | | | | | 2,611 |
| | | | | | | | | | | | 28,664 |

| Acc. Yr. | Link Ratios | | | | | | | | | |
|----------|-------------|-------|-------|-------|-------|-------|-------|--------|---------|----------|
| | 12-24 | 24-36 | 36-48 | 48-60 | 60-72 | 72-84 | 84-96 | 96-108 | 108-120 | 120-Ult. |
| 200312 | 1.100 | 1.037 | 0.998 | 1.004 | 1.000 | 0.999 | 1.000 | 1.000 | 1.000 | 1.000 |
| 200412 | 0.939 | 1.012 | 1.074 | 1.006 | 1.000 | 1.000 | 0.998 | 1.000 | | |
| 200512 | 0.915 | 1.029 | 1.018 | 1.001 | 0.998 | 1.000 | 1.000 | | | |
| 200612 | 0.907 | 1.031 | 0.999 | 0.999 | 1.001 | 0.998 | | | | |
| 200712 | 0.928 | 1.027 | 0.992 | 1.000 | 1.001 | | | | | |
| 200812 | 0.987 | 1.010 | 1.007 | 1.000 | | | | | | |
| 200912 | 1.003 | 1.014 | 1.006 | | | | | | | |
| 201012 | 0.946 | 1.017 | | | | | | | | |
| 201112 | 0.987 | | | | | | | | | |
| 201212 | | | | | | | | | | |

| Method | Average Link Ratios | | | | | | | | | |
|----------------|---------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 12-24 | 24-36 | 36-48 | 48-60 | 60-72 | 72-84 | 84-96 | 96-108 | 108-120 | 120-Ult. |
| 3-yr | 0.979 | 1.014 | 1.001 | 0.999 | 1.000 | 0.999 | 0.999 | 1.000 | 1.000 | 1.000 |
| 5-yr | 0.970 | 1.020 | 1.004 | 1.001 | 1.000 | 0.999 | 0.999 | 1.000 | 1.000 | 1.000 |
| all-yr | 0.968 | 1.022 | 1.013 | 1.002 | 1.000 | 0.999 | 0.999 | 1.000 | 1.000 | 1.000 |
| all-yr wtd. | 0.967 | 1.020 | 1.008 | 1.001 | 1.000 | 0.999 | 0.999 | 1.000 | 1.000 | 1.000 |
| 5-yr x/ hi,low | 0.973 | 1.019 | 1.004 | 1.000 | 1.000 | | | | | |
| SELECTED | 0.973 | 1.019 | 1.004 | 1.000 | 1.000 | 0.999 | 0.999 | 1.000 | 1.000 | 1.000 |
| ULTIMATE | 0.994 | 1.021 | 1.002 | 0.998 | 0.998 | 0.998 | 0.999 | 1.000 | 1.000 | 1.000 |

Hanover Property and Casualty Insurance Companies
 South (AL,AR,GA,KY,LA,MO,MS,NC,OK,SC,TN,VA)
 PPA - Uninsured/Underinsured Motorist, Data Net of Cats
 Direct Case Incurred Losses (000)

| Acc. Yr. Ending | Actual Data as of: | | | | | | | | | | |
|--------------------|--------------------|---------|---------|---------|---------|---------|---------|---------|----------|----------|----------|
| | 12 mos. | 24 mos. | 36 mos. | 48 mos. | 60 mos. | 72 mos. | 84 mos. | 96 mos. | 108 mos. | 120 mos. | Ultimate |
| 200312 | 2,663 | 3,367 | 3,573 | 3,575 | 3,522 | 3,500 | 3,508 | 3,507 | 3,507 | 3,507 | 3,507 |
| 200412 | 1,768 | 2,807 | 3,029 | 3,475 | 3,386 | 3,402 | 3,418 | 3,418 | 3,418 | | 3,418 |
| 200512 | 2,036 | 3,252 | 3,739 | 3,636 | 3,711 | 3,720 | 3,710 | 3,712 | | | 3,712 |
| 200612 | 3,651 | 5,584 | 5,753 | 6,141 | 6,143 | 6,185 | 6,136 | | | | 6,136 |
| 200712 | 4,244 | 6,303 | 7,868 | 8,226 | 8,401 | 8,299 | | | | | 8,282 |
| 200812 | 4,607 | 7,022 | 8,162 | 8,405 | 8,307 | | | | | | 8,290 |
| 200912 | 3,985 | 6,166 | 7,894 | 8,100 | | | | | | | 8,108 |
| 201012 | 3,827 | 6,055 | 8,006 | | | | | | | | 8,287 |
| 201112 | 4,300 | 7,842 | | | | | | | | | 9,983 |
| 201212 | 4,022 | | | | | | | | | | 7,944 |
| | | | | | | | | | | | 67,666 |

| Acc. Yr. | Link Ratios | | | | | | | | | |
|----------|-------------|-------|-------|-------|-------|-------|-------|--------|---------|----------|
| | 12-24 | 24-36 | 36-48 | 48-60 | 60-72 | 72-84 | 84-96 | 96-108 | 108-120 | 120-Ult. |
| 200312 | 1.264 | 1.061 | 1.001 | 0.985 | 0.994 | 1.002 | 1.000 | 1.000 | 1.000 | 1.000 |
| 200412 | 1.588 | 1.079 | 1.147 | 0.974 | 1.005 | 1.005 | 1.000 | 1.000 | | |
| 200512 | 1.597 | 1.150 | 0.972 | 1.021 | 1.002 | 0.997 | 1.001 | | | |
| 200612 | 1.529 | 1.030 | 1.067 | 1.000 | 1.007 | 0.992 | | | | |
| 200712 | 1.485 | 1.248 | 1.046 | 1.021 | 0.988 | | | | | |
| 200812 | 1.524 | 1.162 | 1.030 | 0.988 | | | | | | |
| 200912 | 1.547 | 1.280 | 1.026 | | | | | | | |
| 201012 | 1.582 | 1.322 | | | | | | | | |
| 201112 | 1.824 | | | | | | | | | |
| 201212 | | | | | | | | | | |

| Method | Average Link Ratios | | | | | | | | | |
|-----------------|---------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 12-24 | 24-36 | 36-48 | 48-60 | 60-72 | 72-84 | 84-96 | 96-108 | 108-120 | 120-Ult. |
| 3-yr | 1.651 | 1.255 | 1.034 | 1.003 | 0.999 | 0.998 | 1.000 | 1.000 | 1.000 | 1.000 |
| 5-yr | 1.593 | 1.209 | 1.028 | 1.001 | 0.999 | 0.999 | 1.000 | 1.000 | 1.000 | 1.000 |
| all-yr | 1.549 | 1.167 | 1.041 | 0.998 | 0.999 | 0.999 | 1.000 | 1.000 | 1.000 | 1.000 |
| all-yr wtd. | 1.557 | 1.184 | 1.038 | 1.000 | 0.998 | 0.998 | 1.000 | 1.000 | 1.000 | 1.000 |
| 5-yr x/ hi,low | 1.551 | 1.230 | 1.034 | 1.003 | 1.000 | | | | | |
| SELECTED | 1.551 | 1.230 | 1.034 | 1.003 | 1.000 | 0.998 | 1.000 | 1.000 | 1.000 | 1.000 |
| ULTIMATE | 1.975 | 1.273 | 1.035 | 1.001 | 0.998 | 0.998 | 1.000 | 1.000 | 1.000 | 1.000 |

Arkansas Personal Auto Development of Target Loss & ALAE Ratio

| LIABILITY | | | | | | | | |
|------------------|---|-------------|-------------|-------------|---------------------------|-------------------------------|----------------------------|-------------------------------|
| | | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>3-Year Average</u> | <u>Selected Provision</u> | <u>% Fixed Expense</u> | <u>% Variable Expense</u> |
| (1) | Commission | 15.0% | 14.9% | 14.8% | 14.9% | 13.3% | 0% | 100% |
| (2) | Contingent Commission | | | | | 2.8% | 0% | 100% |
| (3) | General & Other Acq. | 11.4% | 10.5% | 9.3% | 10.4% | 10.8% | 50% | 50% |
| (4) | Taxes, Licenses, and Fees | | | | | 3.0% | 0% | 100% |
| (5) | ULAE/Premium | 7.2% | 8.1% | 7.5% | 7.6% | 10.8% | 100% | 0% |
| (6) | Other Fixed Expense Load | | | | | 0.1% | 100% | 0% |
| (7) | Profit and Contingency | | | | | 4.5% | 0% | 100% |
| | (8) = sum((1),(2),(3),(4),(5),(6),(7) * % Fixed) | | | | | 16.3% | | |
| | (9) = sum((1),(2),(3),(4),(5),(6),(7) * % Variable) | | | | | 29.0% | | |
| | (10) = (8) + (9) | | | | | 45.3% | | |
| | (11) = 1.00 - (11) | | | | | 54.7% | | |
| (9) | ALAE/Loss | 2.1% | 2.1% | 1.2% | 1.8% | 1.8% | | |

| COLLISION | | | | | | | | |
|------------------|---|-------------|-------------|-------------|----------------|-------------------------------|----------------------------|-------------------------------|
| | | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>Average</u> | <u>Selected Provision</u> | <u>% Fixed Expense</u> | <u>% Variable Expense</u> |
| (1) | Commission | 15.1% | 15.0% | 14.9% | 15.0% | 13.3% | 0% | 100% |
| (2) | Contingent Commission | | | | | 2.8% | 0% | 100% |
| (3) | General & Other Acq. | 6.8% | 6.5% | 8.6% | 7.3% | 10.8% | 50% | 50% |
| (4) | Taxes, Licenses, and Fees | | | | | 3.0% | 0% | 100% |
| (5) | ULAE/Premium | 12.1% | 11.7% | 14.0% | 12.6% | 11.3% | 100% | 0% |
| (6) | Other Fixed Expense Load | | | | | 0.1% | 100% | 0% |
| (7) | Profit and Contingency | | | | | 5.0% | 0% | 100% |
| | (8) = sum((1),(2),(3),(4),(5),(6),(7) * % Fixed) | | | | | 16.7% | | |
| | (9) = sum((1),(2),(3),(4),(5),(6),(7) * % Variable) | | | | | 29.5% | | |
| | (10) = (8) + (9) | | | | | 46.2% | | |
| | (11) = 1.00 - (11) | | | | | 53.8% | | |
| (9) | ALAE/Loss | 1.1% | 0.7% | 0.9% | 0.9% | 1.0% | | |

| COMPREHENSIVE | | | | | | | | |
|----------------------|---|-------------|-------------|-------------|----------------|-------------------------------|----------------------------|-------------------------------|
| | | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>Average</u> | <u>Selected Provision</u> | <u>% Fixed Expense</u> | <u>% Variable Expense</u> |
| (1) | Commission | 15.1% | 15.0% | 14.9% | 15.0% | 13.3% | 0% | 100% |
| (2) | Contingent Commission | | | | | 2.8% | 0% | 100% |
| (3) | General & Other Acq. | 6.8% | 6.5% | 8.6% | 7.3% | 10.8% | 50% | 50% |
| (4) | Taxes, Licenses, and Fees | | | | | 3.0% | 0% | 100% |
| (5) | ULAE/Premium | 12.1% | 11.7% | 14.0% | 12.6% | 11.3% | 100% | 0% |
| (6) | Other Fixed Expense Load | | | | | 0.1% | 100% | 0% |
| (7) | Profit and Contingency | | | | | 5.0% | 0% | 100% |
| | (8) = sum((1),(2),(3),(4),(5),(6),(7) * % Fixed) | | | | | 16.7% | | |
| | (9) = sum((1),(2),(3),(4),(5),(6),(7) * % Variable) | | | | | 29.5% | | |
| | (10) = (8) + (9) | | | | | 46.2% | | |
| | (11) = 1.00 - (11) | | | | | 53.8% | | |
| (10) | ALAE/Loss | 1.1% | 0.7% | 0.9% | 0.9% | 1.0% | | |
| (7) | Other Catastrophes Load | | | | | 13.3% | | |

Allmerica Financial Benefit Insurance Company
Arkansas Connections Auto
Proposed Changes by Coverage

| Coverage | Current On-Level Written Premium* | Proposed Written Premium* | Proposed Total % Change* | Proposed Total Capped% Change |
|----------------------|-----------------------------------|---------------------------|--------------------------|-------------------------------|
| Bodily Injury | \$4,026,791 | \$4,375,125 | 8.7% | |
| Comb. Single Limits | \$1,049,787 | \$1,130,948 | 7.7% | |
| Property Damage | \$3,131,111 | \$3,328,370 | 6.3% | |
| PIP | \$1,074,756 | \$1,234,837 | 14.9% | |
| Uninsured BI | \$720,362 | \$745,073 | 3.4% | |
| Underinsured BI | \$879,259 | \$914,592 | 4.0% | |
| Uninsured CSL | \$149,078 | \$154,629 | 3.7% | |
| Underinsured CSL | \$161,338 | \$166,580 | 3.2% | |
| Uninsured PD | \$473,286 | \$486,572 | 2.8% | |
| Collision | \$4,811,652 | \$4,811,652 | 0.0% | |
| Comprehensive | \$2,097,349 | \$2,097,349 | 0.0% | |
| OLTE | \$324,375 | \$324,375 | 0.0% | |
| Reassurance Plus | \$1,770 | \$1,770 | 0.0% | |
| Recovery Care | \$294 | \$294 | 0.0% | |
| Roadside Assistance | \$192,391 | \$192,391 | 0.0% | |
| Travel Right | \$19,869 | \$19,869 | 0.0% | |
| Upgraded Rental | \$1,775 | \$1,775 | 0.0% | |
| All Coverages | 19,115,243 | 19,986,201 | 4.6% | 4.1% |

* 6-Month Premiums have been annualized when combined with 12-Month Premiums.

Allmerica Financial Benefit Insurance Company
Arkansas Connections Auto
Policyholder Disruption by Percent Change

| Percent Change | Number of Policyholders | Cumulative % of Policyholders | Current On-Level Written Premium* | Proposed Written Premium* | Average Uncapped % Change* |
|----------------|-------------------------|-------------------------------|-----------------------------------|---------------------------|----------------------------|
| < -40% | 0 | 0% | 0 | 0 | 0.0% |
| [-40%, -30%) | 0 | 0% | 0 | 0 | 0.0% |
| [-30%, -20%) | 0 | 0% | 0 | 0 | 0.0% |
| [-20%, -15%) | 0 | 0% | 0 | 0 | 0.0% |
| [-15%, -10%) | 0 | 0% | 0 | 0 | 0.0% |
| [-10%, -8%) | 0 | 0% | 0 | 0 | 0.0% |
| [-8%, -6%) | 0 | 0% | 0 | 0 | 0.0% |
| [-6%, -4%) | 0 | 0% | 0 | 0 | 0.0% |
| [-4%, -2%) | 0 | 0% | 0 | 0 | 0.0% |
| [-2%, 0%) | 0 | 0% | 0 | 0 | 0.0% |
| [0%, 2%) | 3 | 0% | 4,177 | 4,253 | 1.8% |
| [2%, 4%) | 3,028 | 26% | 5,219,310 | 5,401,407 | 3.5% |
| [4%, 6%) | 7,312 | 88% | 12,269,259 | 12,845,360 | 4.7% |
| [6%, 8%) | 1,125 | 98% | 1,407,177 | 1,501,806 | 6.7% |
| [8%, 10%) | 220 | 100% | 214,799 | 232,801 | 8.4% |
| [10%, 15%) | 1 | 100% | 521 | 575 | 10.4% |
| [15%, 20%) | 0 | 100% | 0 | 0 | 0.0% |
| [20%, 30%) | 0 | 100% | 0 | 0 | 0.0% |
| [30%, 40%) | 0 | 100% | 0 | 0 | 0.0% |
| >= 40% | 0 | 100% | 0 | 0 | 0.0% |
| Total | 11,689 | 100.0% | 19,115,243 | 19,986,202 | 4.6% |

* 6-Month Premiums have been annualized when combined with 12-Month Premiums.

State of Arkansas
Connections Auto
Base Rates - effective NB 11/01/2013 and RB 11/01/2013

| Coverage | Current | Proposed | Change |
|-----------------|----------------|-----------------|---------------|
| BI | \$426 | \$454 | 6.6% |
| CSL | \$784 | \$826 | 5.4% |
| PIP | \$280 | \$322 | 15.0% |
| PD | \$386 | \$390 | 1.0% |
| UMBI | \$52 | \$54 | 3.8% |
| UIMBI | \$56 | \$58 | 3.6% |
| UM CSL | \$113 | \$118 | 4.4% |
| UIM CSL | \$112 | \$117 | 4.5% |
| UMPD | \$33 | \$34 | 3.0% |

**Allmerica Financial Benefit Insurance Company
Private Passenger Automobile**

**State of Arkansas
Effective 11/01/2013
Rate Schedule**

| State of Arkansas Allmerica Financial Benefit Insurance Company Private Passenger Automobile | |
|---|-----------|
| Semi-Annual Base Rates | |
| Coverage | Base Rate |
| Bodily Injury | \$454 |
| Property Damage | \$390 |
| Combined Single Limit | \$826 |
| PIP | \$322 |
| UM BI | \$54 |
| UIM BI | \$58 |
| UM PD | \$34 |
| UM CSL | \$118 |
| UIM CSL | \$117 |
| Comprehensive | \$442 |
| Collision | \$353 |
| Optional Limits Transportation Expense | \$14 |
| Towing & Labor | \$7 |
| Comprehensive Auto Loan/Lease | \$24 |
| Collision Auto Loan/Lease | \$18 |
| Additional Customized Equipment | \$8 |
| <u>Endorsement Rates</u> | |
| Travel Right Endorsement | \$16 |
| Reassurance Plus | \$5 |
| Home Care Services | \$3 |
| Rental Coverage Upgrade | \$5 |
| Roadside Assistance | \$8 |

SERFF Tracking #:

HNVX-G129143350

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

AR133806100001

State:

Arkansas

Filing Company:

Allmerica Financial Benefit Insurance Co

TOI/Sub-TOI:

19.0 Personal Auto/19.0001 Private Passenger Auto (PPA)

Product Name:

*PPA- Private Passenger Automobile 2010 and Forwar

Project Name/Number:

*PPA- Private Passenger Automobile 2010 and Forward/AR133806100001

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) |
|---------------|----------------------|---------------------|-------------------------------------|---------------------------|--|
| 08/02/2013 | Filed 09/30/2013 | Supporting Document | APCS-Auto Premium Comparison Survey | 09/18/2013 | PPA Survey Form APCS.PDF (Superceded) PPA Survey Form APCS.XLS (Superceded) |

SERFF Tracking #:

HNWX-G129143350

State Tracking #:

Company Tracking #:

AR133806100001

State:

Arkansas

Filing Company:

Allmerica Financial Benefit Insurance Co

TOI/Sub-TOI:

19.0 Personal Auto/19.0001 Private Passenger Auto (PPA)

Product Name:

*PPA- Private Passenger Automobile 2010 and Forwar

Project Name/Number:

*PPA- Private Passenger Automobile 2010 and Forward/AR133806100001

Attachment PPA Survey Form APCS.XLS is not a PDF document and cannot be reproduced here.

Private Passenger Auto Premium Comparison Survey Form
FORM APCS - last modified August 2005

NAIC Number: 0088-41840
 Company Name: Allmerica Financial Benefit Insurance Company
 Contact Person: Susan Whitworth
 Telephone No.: (508)-855-4664
 Email Address: swhitworth@hanover.com
 Effective Date: 11/1/2013

Assumptions to Use:

- 1 Liability -Minimum: \$25,000 per person
- 2 Bodily Injury \$50,000 per accident
\$25,000 per accident
- 3 Property Damage \$100 deductible per accident
- 4 Comprehensive & Collision \$250 deductible per accident
- 5 The insured has elected to accept:
 Uninsured motorist property and bodily injury equal to liability coverage
 Underinsured bodily injury equal to liability coverage
- 6 Personal Injury Protection of \$5,000 for medical, loss wages according to statute and \$5,000 accidental
- 7 If male and female rates are different, use the highest of the two

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

DISCOUNTS OFFERED:

| | | |
|------------------------------------|--------------|---|
| PASSIVE RESTRAINT/AIRBAG | 0 | % |
| AUTO/HOMEOWNERS | 3 | % |
| GOOD STUDENT | 5 | % |
| ANTI-THEFT DEVICE | Comp only 25 | % |
| Over 55 Defensive Driver Discount | 5 | % |
| \$250/\$500 Deductible Comp./Coll. | Coll only 9 | % |

| Vehicle | Coverages | Gender | Age | Fayetteville | | | | Trumann | | | | Little Rock | | | | Lake Village | | | | Pine Bluff | | | |
|--|---|--------|-----|--------------|---------|----------------|----------------|----------|----------|----------------|----------------|-------------|----------|----------------|----------------|--------------|----------|----------------|----------------|------------|----------|----------------|----------------|
| | | | | Female | Male | Male or Female | Male or Female | Female | Male | Male or Female | Male or Female | Female | Male | Male or Female | Male or Female | Female | Male | Male or Female | Male or Female | Female | Male | Male or Female | Male or Female |
| | | | | 18 | 18 | 40 | 66 | 18 | 18 | 40 | 66 | 18 | 18 | 40 | 66 | 18 | 18 | 40 | 66 | 18 | 18 | 40 | 66 |
| 2008 4.8L Chevrolet Silverado 1500 LS ⁺ regular cab 119" WB | Minimum Liability | | | \$2,618 | \$3,294 | \$1,079 | \$1,100 | \$3,576 | \$4,495 | \$1,475 | \$1,501 | \$3,807 | \$4,833 | \$1,530 | \$1,559 | \$3,402 | \$4,275 | \$1,404 | \$1,427 | \$3,649 | \$4,639 | \$1,472 | \$1,501 |
| | Minimum Liability with Comprehensive and Collision | | | \$4,695 | \$6,293 | \$2,017 | \$1,941 | \$6,905 | \$9,341 | \$3,171 | \$2,975 | \$5,844 | \$7,789 | \$2,506 | \$2,419 | \$6,571 | \$8,887 | \$3,018 | \$2,831 | \$6,313 | \$8,508 | \$2,788 | \$2,655 |
| | 100/300/50 Liability with Comprehensive and Collision | | | \$4,314 | \$5,785 | \$1,712 | \$1,663 | \$6,333 | \$8,566 | \$2,669 | \$2,529 | \$5,493 | \$7,333 | \$2,149 | \$2,099 | \$6,030 | \$8,145 | \$2,538 | \$2,410 | \$5,869 | \$7,909 | \$2,375 | \$2,287 |
| 2009 Ford Explorer XLT 2WD, 4 door | Minimum Liability | | | \$2,820 | \$3,536 | \$1,163 | \$1,185 | \$3,852 | \$4,830 | \$1,588 | \$1,618 | \$4,099 | \$5,184 | \$1,647 | \$1,676 | \$3,664 | \$4,592 | \$1,511 | \$1,539 | \$3,924 | \$4,977 | \$1,585 | \$1,615 |
| | Minimum Liability with Comprehensive and Collision | | | \$5,206 | \$6,986 | \$2,252 | \$2,158 | \$7,713 | \$10,455 | \$3,588 | \$3,352 | \$6,453 | \$8,598 | \$2,788 | \$2,680 | \$7,340 | \$9,947 | \$3,414 | \$3,187 | \$7,009 | \$9,460 | \$3,132 | \$2,965 |
| | 100/300/50 Liability with Comprehensive and Collision | | | \$4,761 | \$6,396 | \$1,900 | \$1,837 | \$7,045 | \$9,539 | \$2,994 | \$2,828 | \$6,032 | \$8,062 | \$2,379 | \$2,313 | \$6,700 | \$9,079 | \$2,850 | \$2,687 | \$6,484 | \$8,752 | \$2,648 | \$2,537 |
| 2010 Honda Odyssey EX | Minimum Liability | | | \$2,203 | \$2,724 | \$940 | \$956 | \$3,013 | \$3,720 | \$1,284 | \$1,306 | \$3,181 | \$3,973 | \$1,312 | \$1,336 | \$2,865 | \$3,538 | \$1,222 | \$1,242 | \$3,048 | \$3,813 | \$1,268 | \$1,291 |
| | Minimum Liability with Comprehensive and Collision | | | \$4,588 | \$6,168 | \$2,021 | \$1,923 | \$6,849 | \$9,307 | \$3,253 | \$3,016 | \$5,527 | \$7,374 | \$2,441 | \$2,330 | \$6,518 | \$8,853 | \$3,094 | \$2,869 | \$6,117 | \$8,270 | \$2,793 | \$2,624 |
| | 100/300/50 Liability with Comprehensive and Collision | | | \$4,152 | \$5,582 | \$1,695 | \$1,624 | \$6,181 | \$8,392 | \$2,699 | \$2,528 | \$5,100 | \$6,816 | \$2,066 | \$1,995 | \$5,881 | \$7,983 | \$2,564 | \$2,403 | \$5,587 | \$7,553 | \$2,346 | \$2,224 |
| 2011 Toyota Camry 2.5L 4 door Sedan | Minimum Liability | | | \$2,566 | \$3,137 | \$1,095 | \$1,112 | \$3,510 | \$4,286 | \$1,499 | \$1,523 | \$3,699 | \$4,569 | \$1,532 | \$1,559 | \$3,340 | \$4,077 | \$1,428 | \$1,451 | \$3,536 | \$4,378 | \$1,476 | \$1,500 |
| | Minimum Liability with Comprehensive and Collision | | | \$7,043 | \$9,613 | \$3,164 | \$2,955 | \$10,837 | \$14,974 | \$5,369 | \$4,859 | \$8,140 | \$11,016 | \$3,720 | \$3,478 | \$10,309 | \$14,246 | \$5,108 | \$4,624 | \$9,367 | \$12,866 | \$4,455 | \$4,087 |
| | 100/300/50 Liability with Comprehensive and Collision | | | \$6,241 | \$8,509 | \$2,591 | \$2,438 | \$9,563 | \$13,196 | \$4,338 | \$3,960 | \$7,336 | \$9,936 | \$3,071 | \$2,894 | \$9,098 | \$12,555 | \$4,127 | \$3,767 | \$8,357 | \$11,468 | \$3,638 | \$3,370 |
| 2011 Cadillac Seville CTS AWD WAG 4 door 3.0L | Minimum Liability | | | \$2,348 | \$2,916 | \$994 | \$1,010 | \$3,208 | \$3,982 | \$1,358 | \$1,380 | \$3,395 | \$4,255 | \$1,390 | \$1,418 | \$3,050 | \$3,785 | \$1,288 | \$1,312 | \$3,255 | \$4,084 | \$1,344 | \$1,367 |
| | Minimum Liability with Comprehensive and Collision | | | \$6,178 | \$8,452 | \$2,743 | \$2,574 | \$9,415 | \$13,028 | \$4,583 | \$4,170 | \$7,176 | \$9,740 | \$3,227 | \$3,034 | \$8,956 | \$12,393 | \$4,353 | \$3,964 | \$8,208 | \$11,285 | \$3,835 | \$3,541 |
| | 100/300/50 Liability with Comprehensive and Collision | | | \$5,510 | \$7,531 | \$2,265 | \$2,141 | \$8,372 | \$11,556 | \$3,736 | \$3,433 | \$6,524 | \$8,857 | \$2,690 | \$2,552 | \$7,964 | \$10,993 | \$3,553 | \$3,262 | \$7,381 | \$10,134 | \$3,163 | \$2,950 |
| 2010 Hyundai Santa Fe SE 4X2 | Minimum Liability | | | \$2,434 | \$3,024 | \$1,025 | \$1,042 | \$3,327 | \$4,130 | \$1,402 | \$1,426 | \$3,524 | \$4,417 | \$1,439 | \$1,466 | \$3,167 | \$3,927 | \$1,334 | \$1,357 | \$3,376 | \$4,240 | \$1,391 | \$1,415 |
| | Minimum Liability with Comprehensive and Collision | | | \$5,221 | \$7,053 | \$2,308 | \$2,187 | \$7,875 | \$10,762 | \$3,797 | \$3,491 | \$6,283 | \$8,423 | \$2,794 | \$2,656 | \$7,496 | \$10,237 | \$3,607 | \$3,321 | \$7,000 | \$9,511 | \$3,234 | \$3,018 |
| | 100/300/50 Liability with Comprehensive and Collision | | | \$4,719 | \$6,368 | \$1,928 | \$1,841 | \$7,091 | \$9,678 | \$3,127 | \$2,906 | \$5,788 | \$7,772 | \$2,356 | \$2,263 | \$6,747 | \$9,205 | \$2,974 | \$2,764 | \$6,379 | \$8,666 | \$2,698 | \$2,548 |