

State: Arkansas **Filing Company:** The Hanover Insurance Company
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: *HOME- Homeowners 2010 and Forward
Project Name/Number: *HOME- Homeowners 2010 and Forward/AR134770100001

Filing at a Glance

Company: The Hanover Insurance Company
Product Name: *HOME- Homeowners 2010 and Forward
State: Arkansas
TOI: 04.0 Homeowners
Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Filing Type: Rate
Date Submitted: 09/25/2013
SERFF Tr Num: HNVX-G129217947
SERFF Status: Closed-Filed
State Tr Num:
State Status:
Co Tr Num: AR134770100001

Effective Date: 12/20/2013
Requested (New):
Effective Date: 12/20/2013
Requested (Renewal):
Author(s): SPI Hanover
Reviewer(s): Becky Harrington (primary)
Disposition Date: 10/23/2013
Disposition Status: Filed
Effective Date (New): 12/20/2013
Effective Date (Renewal): 12/20/2013

State Filing Description:

State: Arkansas **Filing Company:** The Hanover Insurance Company
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: *HOME- Homeowners 2010 and Forward
Project Name/Number: *HOME- Homeowners 2010 and Forward/AR134770100001

General Information

Project Name: *HOME- Homeowners 2010 and Forward	Status of Filing in Domicile:
Project Number: AR134770100001	Domicile Status Comments:
Reference Organization:	Reference Number:
Reference Title:	Advisory Org. Circular:
Filing Status Changed: 10/23/2013	
State Status Changed:	Deemer Date:
Created By: SPI Hanover	Submitted By: SPI Hanover
Corresponding Filing Tracking Number:	

Filing Description:

Based on our business evaluation and with the goal to offer a responsibly competitive product in the Arkansas Homeowners Insurance market, we are proposing the following:

- *Revise Base Rates for Owners policies
- *Revise Personal Umbrella Liability Supplement

In support of this filing, we have attached the following:

- *Actuarial Memorandum and Support
- *Rate Manual Pages
- *Any required transmittal/required filing forms

Thank you for your attention and review of this filing. Should you have any questions or concerns 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

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

Filing Fees

Fee Required?	Yes
Fee Amount:	\$100.00
Retaliatory?	No

State: Arkansas **Filing Company:** The Hanover Insurance Company
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: *HOME- Homeowners 2010 and Forward
Project Name/Number: *HOME- Homeowners 2010 and Forward/AR134770100001

Fee Explanation: \$100.00 for Independent Rate Filing
Per Company: No

Company	Amount	Date Processed	Transaction #
The Hanover Insurance Company	\$100.00	09/25/2013	74449529

State: Arkansas

Filing Company:

The Hanover Insurance Company

TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations

Product Name: *HOME- Homeowners 2010 and Forward

Project Name/Number: *HOME- Homeowners 2010 and Forward/AR134770100001

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Becky Harrington	10/23/2013	10/23/2013

Objection Letters and Response Letters

Objection Letters

Status	Created By	Created On	Date Submitted
Pending Industry Response	Becky Harrington	10/16/2013	10/16/2013
Pending Industry Response	Becky Harrington	10/11/2013	10/11/2013
Pending Industry Response	Becky Harrington	10/07/2013	10/07/2013
Pending Industry Response	Becky Harrington	09/25/2013	09/25/2013
Pending Industry Response	Becky Harrington	09/25/2013	09/25/2013

Response Letters

Responded By	Created On	Date Submitted
SPI Hanover	10/22/2013	10/22/2013
SPI Hanover	10/16/2013	10/16/2013
SPI Hanover	10/10/2013	10/10/2013
SPI Hanover	09/30/2013	09/30/2013
SPI Hanover	09/25/2013	09/25/2013

State: Arkansas

Filing Company: The Hanover Insurance Company

TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations

Product Name: *HOME- Homeowners 2010 and Forward

Project Name/Number: *HOME- Homeowners 2010 and Forward/AR134770100001

Disposition

Disposition Date: 10/23/2013

Effective Date (New): 12/20/2013

Effective Date (Renewal): 12/20/2013

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):
The Hanover Insurance Company	31.500%	9.800%	\$812,729	9,148	\$8,293,156	21.300%	0.000%

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Form RF-2 Loss Costs Only (not for workers' compensation)		Yes
Supporting Document	H-1 Homeowners Abstract	Filed	Yes
Supporting Document (revised)	HPCS-Homeowners Premium Comparison Survey	Filed	Yes
Supporting Document	HPCS-Homeowners Premium Comparison Survey		Yes
Supporting Document (revised)	NAIC loss cost data entry document	Filed	Yes
Supporting Document	NAIC loss cost data entry document		Yes
Supporting Document	Arkansas Explanatory Memorandum	Filed	Yes
Supporting Document (revised)	Rate Manual Pages ~ Marked Copy	Filed	Yes
Supporting Document	Rate Manual Pages ~ Marked Copy		Yes
Supporting Document	Actuarial Support	Filed	Yes
Supporting Document	Exhibit A - Large Loss Experience	Filed	Yes
Supporting Document	Exhibits for 10-10-13 Response	Filed	Yes

SERFF Tracking #:

HN VX-G129217947

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

AR134770100001

State:

Arkansas

Filing Company:

The Hanover Insurance Company

TOI/Sub-TOI:

04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations

Product Name:

*HOME- Homeowners 2010 and Forward

Project Name/Number:

*HOME- Homeowners 2010 and Forward/AR134770100001

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Exhibit C, Exhibit D	Filed	Yes
Rate (revised)	Arkansas Homeowners Manual; The Hanover Insurance Company	Filed	Yes
Rate	Arkansas Homeowners Manual; The Hanover Insurance Company		Yes

State: Arkansas **Filing Company:** The Hanover Insurance Company
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: *HOME- Homeowners 2010 and Forward
Project Name/Number: *HOME- Homeowners 2010 and Forward/AR134770100001

Objection Letter

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

Dear Susan Whitworth,

Introduction:

This will acknowledge receipt of the recent response.

Provide revised effective dates if required to meet your programming deadlines.

Objection 1

Comments: The requested rate change amount has been reviewed by the Commissioner. Please amend the overall increase amount to 10%.

Provide a revised HPCS.

Conclusion:

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

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

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

*Sincerely,
Becky Harrington*

State: Arkansas **Filing Company:** The Hanover Insurance Company
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: *HOME- Homeowners 2010 and Forward
Project Name/Number: *HOME- Homeowners 2010 and Forward/AR134770100001

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	10/11/2013
Submitted Date	10/11/2013
Respond By Date	

Dear Susan Whitworth,

Introduction:

This will acknowledge receipt of the recent response.

Objection 1

Comments: AR is not allowing the use of CAT models (Exhibit 1, page 1 and Exhibit 2) in the development of rate indications. Please re-calculate using actual catastrophe losses in Arkansas.
(I apologize for the oversight).

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."

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Sincerely,
Becky Harrington

State: Arkansas **Filing Company:** The Hanover Insurance Company
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: *HOME- Homeowners 2010 and Forward
Project Name/Number: *HOME- Homeowners 2010 and Forward/AR134770100001

Objection Letter

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

Dear Susan Whitworth,

Introduction:

This will acknowledge receipt of the recent response.

Objection 1

- Actuarial Support (Supporting Document)
- Exhibit A - Large Loss Experience (Supporting Document)

Comments: For comparison, please recalculate the indication using the method of previous filings. (historical data for the five most recent available accident years and removed cat losses and large losses. We would then derive a projected non-cat loss ratio to which we would apply a cat load and large loss load; both derived using longer term data than the most recent five years to smooth/normalize the expected losses resulting from large losses and cats.)

Indicate other states in which the new procedure has been filed and approved.

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."

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*Sincerely,
Becky Harrington*

State: Arkansas **Filing Company:** The Hanover Insurance Company
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: *HOME- Homeowners 2010 and Forward
Project Name/Number: *HOME- Homeowners 2010 and Forward/AR134770100001

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	09/25/2013
Submitted Date	09/25/2013
Respond By Date	

Dear Susan Whitworth,

Introduction:

This will acknowledge receipt of the recent response.

Objection 1

- Actuarial Support (Supporting Document)
- Exhibit A - Large Loss Experience (Supporting Document)

Comments: The 80% excess loss load is significantly more than the load from previous rate filings. Likewise, the 200% weather load appears excessive. Please explain the significant increase compared to previous filings.

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."

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Sincerely,
Becky Harrington

State: Arkansas **Filing Company:** The Hanover Insurance Company
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: *HOME- Homeowners 2010 and Forward
Project Name/Number: *HOME- Homeowners 2010 and Forward/AR134770100001

Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 09/25/2013
Submitted Date 09/25/2013
Respond By Date

Dear Susan Whitworth,

Introduction:

This will acknowledge receipt of the captioned filing.

Objection 1

- Actuarial Support (Supporting Document)

Comments: Please provide supporting documentation showing the development of the Excess Loss Load of 80% and Weather Load of 200% (Exhibit 2, page 1).

Conclusion:

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

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

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

*Sincerely,
Becky Harrington*

SERFF Tracking #:

HNWX-G129217947

State Tracking #:

Company Tracking #:

AR134770100001

State:

Arkansas

Filing Company:

The Hanover Insurance Company

TOI/Sub-TOI:

04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations

Product Name:

*HOME- Homeowners 2010 and Forward

Project Name/Number:

*HOME- Homeowners 2010 and Forward/AR134770100001

Response Letter

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

Dear Becky Harrington,

Introduction:

Thank you for your letter of October 16, 2013 regarding this filing. Below is our response.

Response 1

Comments:

As requested, we have revised our rate change to an overall change of +9.8%. We have also submitted a revised HPCS, RF-1 and marked and clean manual pages reflecting this update.

We have also submitted a Post Submission Update on this same date to revise the information contained within the Rate/Rule Schedule tab.

Related Objection 1

Comments: The requested rate change amount has been reviewed by the Commissioner. Please amend the overall increase amount to 10%.

Provide a revised HPCS.

Changed Items:

SERFF Tracking #:

HNVX-G129217947

State Tracking #:

Company Tracking #:

AR134770100001

State: Arkansas

Filing Company:

The Hanover Insurance Company

TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations

Product Name: *HOME- Homeowners 2010 and Forward

Project Name/Number: *HOME- Homeowners 2010 and Forward/AR134770100001

Supporting Document Schedule Item Changes**Satisfied - Item:** HPCS-Homeowners Premium Comparison Survey**Comments:****Attachment(s):** HO Survey FORM HPCS.PDF
HO Survey FORM HPCS.XLS*Previous Version***Satisfied - Item:** *HPCS-Homeowners Premium Comparison Survey***Comments:****Attachment(s):** *HO Survey FORM HPCS.PDF*
*HO Survey FORM HPCS.XLS***Satisfied - Item:** NAIC loss cost data entry document**Comments:****Attachment(s):** AR RF-1 Rate Filing Abstract Hanover 20131220 v2.PDF*Previous Version***Satisfied - Item:** *NAIC loss cost data entry document***Comments:****Attachment(s):** *AR RF-1 Rate Filing Abstract Hanover 20131220.PDF***Satisfied - Item:** Rate Manual Pages ~ Marked Copy**Comments:****Attachment(s):** AR HO HN 12-20-13 N&R changes only DRAFT v2.PDF*Previous Version***Satisfied - Item:** *Rate Manual Pages ~ Marked Copy***Comments:****Attachment(s):** *AR HO HN 12-20-13 N&R changes only DRAFT.PDF*

SERFF Tracking #:

HNVX-G129217947

State Tracking #:

Company Tracking #:

AR134770100001

State: Arkansas

Filing Company:

The Hanover Insurance Company

TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations

Product Name: *HOME- Homeowners 2010 and Forward

Project Name/Number: *HOME- Homeowners 2010 and Forward/AR134770100001

Supporting Document Schedule Item Changes**Satisfied - Item:** HPCS-Homeowners Premium Comparison Survey**Comments:****Attachment(s):** HO Survey FORM HPCS.PDF
HO Survey FORM HPCS.XLS*Previous Version***Satisfied - Item:** *HPCS-Homeowners Premium Comparison Survey***Comments:****Attachment(s):** *HO Survey FORM HPCS.PDF*
*HO Survey FORM HPCS.XLS***Satisfied - Item:** NAIC loss cost data entry document**Comments:****Attachment(s):** AR RF-1 Rate Filing Abstract Hanover 20131220 v2.PDF*Previous Version***Satisfied - Item:** *NAIC loss cost data entry document***Comments:****Attachment(s):** *AR RF-1 Rate Filing Abstract Hanover 20131220.PDF***Satisfied - Item:** Rate Manual Pages ~ Marked Copy**Comments:****Attachment(s):** AR HO HN 12-20-13 N&R changes only DRAFT v2.PDF*Previous Version***Satisfied - Item:** *Rate Manual Pages ~ Marked Copy***Comments:****Attachment(s):** *AR HO HN 12-20-13 N&R changes only DRAFT.PDF*

SERFF Tracking #:

HNVX-G129217947

State Tracking #:

Company Tracking #:

AR134770100001

State: Arkansas

Filing Company:

The Hanover Insurance Company

TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations

Product Name: *HOME- Homeowners 2010 and Forward

Project Name/Number: *HOME- Homeowners 2010 and Forward/AR134770100001

Supporting Document Schedule Item Changes**Satisfied - Item:** HPCS-Homeowners Premium Comparison Survey**Comments:****Attachment(s):** HO Survey FORM HPCS.PDF
HO Survey FORM HPCS.XLS*Previous Version***Satisfied - Item:** *HPCS-Homeowners Premium Comparison Survey***Comments:****Attachment(s):** *HO Survey FORM HPCS.PDF*
*HO Survey FORM HPCS.XLS***Satisfied - Item:** NAIC loss cost data entry document**Comments:****Attachment(s):** AR RF-1 Rate Filing Abstract Hanover 20131220 v2.PDF*Previous Version***Satisfied - Item:** *NAIC loss cost data entry document***Comments:****Attachment(s):** *AR RF-1 Rate Filing Abstract Hanover 20131220.PDF***Satisfied - Item:** Rate Manual Pages ~ Marked Copy**Comments:****Attachment(s):** AR HO HN 12-20-13 N&R changes only DRAFT v2.PDF*Previous Version***Satisfied - Item:** *Rate Manual Pages ~ Marked Copy***Comments:****Attachment(s):** *AR HO HN 12-20-13 N&R changes only DRAFT.PDF*

SERFF Tracking #:

HNVX-G129217947

State Tracking #:

Company Tracking #:

AR134770100001

State: Arkansas

Filing Company:

The Hanover Insurance Company

TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations

Product Name: *HOME- Homeowners 2010 and Forward

Project Name/Number: *HOME- Homeowners 2010 and Forward/AR134770100001

No Form Schedule items changed.

Rate Schedule Item Changes					
Item No.	Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing Number	Date Submitted
1	Arkansas Homeowners Manual; The Hanover Insurance Company	AR-RS-1-AR-RS-3, 50-52	Replacement	HNVX-G128907671	10/22/2013 By: SPI Hanover
<i>Previous Version</i>					
1	Arkansas Homeowners Manual; The Hanover Insurance Company	AR-RS-1-AR-RS-3, 50-52	Replacement	HNVX-G128907671	09/25/2013 By: SPI Hanover

Conclusion:

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

Sincerely,

SPI Hanover

State: Arkansas
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: *HOME- Homeowners 2010 and Forward
Project Name/Number: *HOME- Homeowners 2010 and Forward/AR134770100001

Filing Company: The Hanover Insurance Company

Response Letter

Response Letter Status Submitted to State
 Response Letter Date 10/16/2013
 Submitted Date 10/16/2013

Dear Becky Harrington,

Introduction:

Thank you for your letter of October 11, 2013 regarding this filing. Below is our response.

Response 1

Comments:

While we intended to use Experience only in selecting our CAT load, we inadvertently used CAT models in making our Condo and Tenant Selections. The previously selected load for Owners remains the same, as it was experience only. We have corrected these selections and the corresponding labeling in Exhibit C. Exhibit D shows the Experience load in comparison to the CAT models.

Related Objection 1

Comments: AR is not allowing the use of CAT models (Exhibit 1, page 1 and Exhibit 2) in the development of rate indications. Please re-calculate using actual catastrophe losses in Arkansas.
 (I apologize for the oversight).

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	Exhibit C, Exhibit D
Comments:	
Attachment(s):	Exhibit C - Revised for CAT loads.PDF Exhibit D - Cat Selection 10-15-13.PDF

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,

SERFF Tracking #:

HNWX-G129217947

State Tracking #:

Company Tracking #:

AR134770100001

State:

Arkansas

Filing Company:

The Hanover Insurance Company

TOI/Sub-TOI:

04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations

Product Name:

*HOME- Homeowners 2010 and Forward

Project Name/Number:

*HOME- Homeowners 2010 and Forward/AR134770100001

SPI Hanover

State:	Arkansas	Filing Company:	The Hanover Insurance Company
TOI/Sub-TOI:	04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations		
Product Name:	*HOME- Homeowners 2010 and Forward		
Project Name/Number:	*HOME- Homeowners 2010 and Forward/AR134770100001		

Response Letter

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

Dear Becky Harrington,

Introduction:

Thank you for your letter of October 7, 2013 regarding this filing. Below is our response.

Response 1

Comments:

While Arkansas is Hanover's first Homeowners filing involving this enhanced method of smoothing, this is the intended method of smoothing for all states going forward. We believe the improved smoothing process decreases variance between years and serves to better prevent overreaction to extreme short term weather trends and shock losses.

Please see attached Exhibit B-Prior Method Indication.

Note the following differences using the prior method:

Line 9b: Previously we were not removing weather losses from our experience.

Line 9c: Previously we were using a higher "Large Loss Threshold". This resulted in less stable experience from year to year. The reduction in the Threshold in our new method helps to further prevent overreaction to really bad or really good years of experience.

Line 9d: Using the previous method, fewer losses were removed from our experience to be smoothed because of the higher threshold in Line 9c. These Excess losses result from individual claims that are above the selected threshold.

Line 9e: Previously the excess loss load was much smaller due to the fewer losses being removed in Line 9d. In this case, the selected load of 8.4% is the average of the prior 7 years of experience, excluding the highest and lowest years, selected from Exhibit B1-Large Loss Experience.

Line 9f: Because no weather losses were removed previously, we did not add in an average weather load.

Related Objection 1

Applies To:

- Actuarial Support (Supporting Document)
- Exhibit A - Large Loss Experience (Supporting Document)

SERFF Tracking #:

HNVX-G129217947

State Tracking #:

Company Tracking #:

AR134770100001

State: Arkansas

Filing Company:

The Hanover Insurance Company

TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations

Product Name: *HOME- Homeowners 2010 and Forward

Project Name/Number: *HOME- Homeowners 2010 and Forward/AR134770100001

Comments: For comparison, please recalculate the indication using the method of previous filings. (historical data for the five most recent available accident years and removed cat losses and large losses. We would then derive a projected non-cat loss ratio to which we would apply a cat load and large loss load; both derived using longer term data than the most recent five years to smooth/normalize the expected losses resulting from large losses and cats.)

Indicate other states in which the new procedure has been filed and approved.

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	Exhibits for 10-10-13 Response
Comments:	
Attachment(s):	Exhibit B-Prior Method Indication.PDF Exhibit B1-Large Loss Experience.PDF

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:** The Hanover Insurance Company
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: *HOME- Homeowners 2010 and Forward
Project Name/Number: *HOME- Homeowners 2010 and Forward/AR134770100001

Response Letter

Response Letter Status Submitted to State
Response Letter Date 09/30/2013
Submitted Date 09/30/2013

Dear Becky Harrington,

Introduction:

Thank you for your letter of September 25, 2013 regarding this filing. Below is our response.

Response 1

Comments:

In previous filings, the method applied in developing the indication took historical data for the five most recent available accident years and removed cat losses and large losses. We would then derive a projected non-cat loss ratio to which we would apply a cat load and large loss load; both derived using longer term data than the most recent five years to smooth/normalize the expected losses resulting from large losses and cats.

In this filing, we now have the ability to more easily extract weather losses from our data. So while we previously backed out only cat and large losses from our historical losses, we now also back out all non-cat weather losses. We still take a longer term view of cats and large losses, but we now also take a longer term view of weather losses. This allows us to smooth/normalize those types of losses so as to not be overreactive in the indications due to volatility in recent non-cat weather events in the data.

The methods used to derive the cat load and large loss load still result in a load as a percentage of losses. The difference now is that those percentages are applied to a smaller loss number since weather losses are now removed from our experience so they can be smoothed.

In essence, more losses have been removed from the data in order to be smoothed, resulting in a higher load.

An exhibit which shows our historical large losses and non-cat weather losses as a percentage of non-cat, non-large loss, non-weather losses was included in our previous response.

Related Objection 1

Applies To:

- Actuarial Support (Supporting Document)
- Exhibit A - Large Loss Experience (Supporting Document)

Comments: The 80% excess loss load is significantly more than the load from previous rate filings. Likewise, the 200% weather load appears excessive. Please explain the significant increase compared to previous filings.

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 or concerns, please contact our office.

Sincerely,
SPI Hanover

State: Arkansas **Filing Company:** The Hanover Insurance Company
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: *HOME- Homeowners 2010 and Forward
Project Name/Number: *HOME- Homeowners 2010 and Forward/AR134770100001

Response Letter

Response Letter Status Submitted to State
 Response Letter Date 09/25/2013
 Submitted Date 09/25/2013

Dear Becky Harrington,

Introduction:

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

Response 1

Comments:

Hanover uses \$100,000 as the Large Loss threshold, which is then de-trended for previous years' experience. Please see support Exhibit A.

Related Objection 1

Applies To:

- Actuarial Support (Supporting Document)

Comments: Please provide supporting documentation showing the development of the Excess Loss Load of 80% and Weather Load of 200% (Exhibit 2, page 1).

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	Exhibit A - Large Loss Experience
Comments:	
Attachment(s):	Exhibit A - Large Loss Experience.PDF

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, please contact our office.

Sincerely,

SPI Hanover

State: Arkansas **Filing Company:** The Hanover Insurance Company
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: *HOME- Homeowners 2010 and Forward
Project Name/Number: *HOME- Homeowners 2010 and Forward/AR134770100001

Post Submission Update Request Processed On 10/23/2013

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

Company Rate Information:

Company Name: The Hanover Insurance Company

Field Name	Requested Change	Prior Value
Overall % Rate Impact	9.800%	15.200%
Written Premium Change for this Program	\$812729	\$1260560
Maximum %Change (where required)	21.300%	25.000%

SERFF Tracking #:

HNVX-G129217947

State Tracking #:

Company Tracking #:

AR134770100001

State: Arkansas

Filing Company: The Hanover Insurance Company

TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations

Product Name: *HOME- Homeowners 2010 and Forward

Project Name/Number: *HOME- Homeowners 2010 and Forward/AR134770100001

Rate Information

Rate data applies to filing.

Filing Method: File and Use

Rate Change Type: Increase

Overall Percentage of Last Rate Revision: 0.000%

Effective Date of Last Rate Revision: 06/18/2013

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):
The Hanover Insurance Company	31.500%	9.800%	\$812,729	9,148	\$8,293,156	21.300%	0.000%

SERFF Tracking #:

HNVX-G129217947

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

AR134770100001

State:

Arkansas

Filing Company:

The Hanover Insurance Company

TOI/Sub-TOI:

04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations

Product Name:

*HOME- Homeowners 2010 and Forward

Project Name/Number:

*HOME- Homeowners 2010 and Forward/AR134770100001

Rate/Rule Schedule

Item No.	Schedule Item Status	Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing Number	Attachments
1	Filed 10/23/2013	Arkansas Homeowners Manual; The Hanover Insurance Company	AR-RS-1-AR-RS-3, 50-52	Replacement	HNVX-G128907671	AR HO HN 12-20-13 N&R changes only Clean v2.PDF

HANOVER

ARKANSAS HOMEOWNERS

ANNOUNCEMENT OF REVISIONS

MANUAL PAGES INCLUDED HEREWITH:

ENTIRE HOMEOWNERS MANUAL

Revised pages with this revision:

Rate StructureAR-RS-1 thru AR-RS-3
State Pages.....50-52

SUMMARY OF CHANGE

- Revised HO-3 Base Rates
- Revised Umbrella Rates

EFFECTIVE DATE: December 20, 2013 New and Renewal

5. RATE STRUCTURE

HO-00-03

\$30,000 BASE RATES

\$1,000 DEDUCTIBLE COVERAGE

Terr	Prem. Group	Rate
31	001	1058
	002	1176
	003	1282
	004	1460
	005	2097
	006	3494
	007	5028
	008	1456
	009	1642
	010	2469
	011	4774
37	012	1072
	013	1192
	014	1299
	015	1480
	016	2126
	017	3542
	018	5097
	019	1476
	020	1664
	021	2503
	022	4839
42	023	1064
	024	1183
	025	1290
	026	1469
	027	2111
	028	3516
	029	5060
	030	1466
	031	1652
	032	2485
	033	4804

Terr	Prem. Group	Rate
49	034	851
	035	946
	036	1031
	037	1174
	038	1687
	039	2810
	040	4044
	041	1171
	042	1320
	043	1986
	044	3839
50	045	1442
	046	1604
	047	1748
	048	1991
	049	2861
	050	4766
	051	6858
	052	1987
	053	2239
	054	3368
	055	6511
51	056	1460
	057	1624
	058	1770
	059	2016
	060	2896
	061	4825
	062	6943
	063	2011
	064	2267
	065	3410
	066	6592

Terr	Prem. Group	Rate
52	089	952
	090	1059
	091	1154
	092	1314
	093	1889
	094	3146
	095	4528
	096	1312
	097	1478
	098	2223
	099	4299
53	100	962
	101	1070
	102	1166
	103	1328
	104	1909
	105	3180
	106	4576
	107	1325
	108	1494
	109	2247
	110	4344
54	067	1618
	068	1799
	069	1961
	070	2233
	071	3209
	072	5346
	073	7694
	074	2229
	075	2512
	076	3778
	077	7304

5. RATE STRUCTURE

HO-00-03

\$30,000 BASE RATES

\$1,000 DEDUCTIBLE COVERAGE

Terr	Prem. Group	Rate
55	111	943
	112	1049
	113	1143
	114	1302
	115	1871
	116	3117
	117	4485
	118	1299
	119	1465
	120	2202
	121	4258
56	122	923
	123	1027
	124	1119
	125	1274
	126	1831
	127	3050
	128	4390
	129	1272
	130	1433
	131	2155
	132	4167
61	155	933
	156	1038
	157	1131
	158	1288
	159	1851
	160	3084
	161	4437
	162	1285
	163	1449
	164	2179
	165	4213

Terr	Prem. Group	Rate
62	078	788
	079	876
	080	955
	081	1087
	082	1562
	083	2603
	084	3746
	085	1085
	086	1223
	087	1839
	088	3556
63	133	952
	134	1059
	135	1154
	136	1314
	137	1889
	138	3146
	139	4528
	140	1312
	141	1478
	142	2223
	143	4299
64	144	1381
	145	1535
	146	1674
	147	1906
	148	2739
	149	4563
	150	6566
	151	1902
	152	2144
	153	3224
	154	6233

Terr	Prem. Group	Rate
65	166	952
	167	1059
	168	1154
	169	1314
	170	1889
	171	3146
	172	4528
	173	1312
	174	1478
	175	2223
	176	4299
66	210	1352
	211	1503
	212	1638
	213	1866
	214	2681
	215	4466
	216	6427
	217	1862
	218	2099
	219	3156
	220	6102
67	232	994
	233	1105
	234	1204
	235	1372
	236	1971
	237	3283
	238	4725
	239	1369
	240	1543
	241	2320
	242	4486

5. RATE STRUCTURE

HO-00-03

\$30,000 BASE RATES

\$1,000 DEDUCTIBLE COVERAGE

Terr	Prem. Group	Rate
68	243	1138
	244	1265
	245	1379
	246	1571
	247	2257
	248	3760
	249	5411
	250	1567
	251	1767
	252	2657
	253	5137
69	254	1329
	255	1478
	256	1611
	257	1835
	258	2637
	259	4393
	260	6321
	261	1831
	262	2064
	263	3104
	264	6001
70	276	999
	277	1111
	278	1211
	279	1379
	280	1982
	281	3302
	282	4751
	283	1376
	284	1551
	285	2333
	286	4511

Terr	Prem. Group	Rate
71	287	1105
	288	1228
	289	1339
	290	1524
	291	2190
	292	3649
	293	5251
	294	1521
	295	1715
	296	2579
	297	4986
72	221	985
	222	1095
	223	1193
	224	1359
	225	1953
	226	3254
	227	4682
	228	1356
	229	1529
	230	2299
	231	4445
73	265	998
	266	1110
	267	1210
	268	1378
	269	1980
	270	3298
	271	4746
	272	1375
	273	1550
	274	2330
	275	4506

Terr	Prem. Group	Rate
74	177	1268
	178	1410
	179	1537
	180	1750
	181	2514
	182	4189
	183	6028
	184	1746
	185	1968
	186	2960
	187	5723
75	199	1202
	200	1336
	201	1457
	202	1659
	203	2384
	204	3971
	205	5714
	206	1655
	207	1866
	208	2806
	209	5425
76	188	1156
	189	1285
	190	1401
	191	1596
	192	2293
	193	3819
	194	5496
	195	1592
	196	1795
	197	2699
	198	5218

9. STATE PAGES – PERSONAL UMBRELLA LIABILITY SUPPLEMENT

9.2 RATES AND RULES

1. Exposure Charges - for the first \$1,000,000 of Coverage Limits

Automobile Underlying Limit of Liability	100/300/100 or 300 CSL	250/500/100 or 500 CSL	500/500/100
Initial Auto	131	77	57
Additional Auto	72	37	24
INEXPERIENCED DRIVER			
Less than 3 years	134	69	46
Over 3, less than 6 years	59	31	20

The following premium charges anticipate that the underlying limit meets or exceeds required minimum eligibility amounts.

Homeowners		Recreational Vehicle	
Initial Residence	84	Not Licensed	37
Add'l residences or farms (each)	32	Licensed	53
Office, Private School or studio	24		
Rental Property			
Per each living unit.	24		
Example: Duplex = 2 units. 4 Plex = 4 units.			

9. STATE PAGES – PERSONAL UMBRELLA LIABILITY SUPPLEMENT

9.2 RATES AND RULES (continued)

Watercraft Rating Methodology

Underlying Limit	Territory	Watercraft				
		Category 1	Category 2	Category 3	Category 4	Category 5
300 CSL	All	\$ 35.00	\$ 59.00	\$ 95.00	\$ 134.00	\$ 172.00
250/500/100 or 500 CSL	All	\$ 35.00	\$ 59.00	\$ 95.00	\$ 134.00	\$ 172.00
500/500/100 or 1M CSL	All	\$ 35.00	\$ 59.00	\$ 95.00	\$ 134.00	\$ 172.00

per watercraft per watercraft per watercraft per watercraft per watercraft

Category of Watercraft

- 1 Personal Watercraft
- 2 Watercraft under 26 ft in length
- 3 Watercraft 26' to 40' - Rated speed under 30 m.p.h.
- 4 Watercraft 26' to 40' - Rated speed 30 m.p.h. and greater
- 5 Watercraft 40' or over in length

Personal Watercraft definition:

Personal watercraft means any motorized watercraft that is 15 feet or less in hull length as manufactured, has as its primary source of propulsion an inboard motor powering a jet pump and is capable of carrying one or more persons in a sitting, standing or kneeling position. Personal watercraft includes, but is not limited to, a jet ski, wet bike, surf jet and miniature speedboat.

2. Minimum Premiums

Underlying	1M	2M	3M	4M	5M
100/300/100	\$193	\$299	\$424	\$501	\$560
250/500/100	\$161	\$250	\$354	\$419	\$467
500/500/100	\$161	\$250	\$354	\$419	\$467

3. Premium Credits - Higher Self Insured Retention Limits

When the risk has a self-insured retention limit that exceeds the minimum for the exposure, the following premium credits may be applied to the annual premium charge for the risk. **These credits shall not be applied to the MINIMUM PREMIUM for the policy.**

A self-insured retention that exceeds the minimum for the exposure:

\$500 in lieu of \$250	\$2.00 Cr.
\$1,000 in lieu of \$500	\$4.00 Cr.
\$5,000 in lieu of \$1,000	\$5.00 Cr.
\$10,000 in lieu of \$5,000	\$7.00 Cr.

9. STATE PAGES – PERSONAL UMBRELLA LIABILITY SUPPLEMENT

9.2 RATES AND RULES (continued)

4. Increased Limits

Multiply the premium computed or the minimum premium (whichever is higher) for the \$1,000,000 limit in the state rate pages by the factor for the higher limit of liability based on the underlying coverage limits you have selected.

UMBRELLA LIMIT	100/300/100 or 300 CSL	250/500/100 or 500 CSL	<u>500/500/100</u>
\$2,000,000	1.55	1.55	1.55
\$3,000,000	2.20	2.20	2.20
\$4,000,000	2.60	2.60	2.60
\$5,000,000	2.90	2.90	2.90

5. Automobile Insurance Surcharge

A \$20 surcharge will be applied to all policies where the underlying automobile insurance coverage is not with a Hanover Insurance Group Property and Casualty Company.

SERFF Tracking #:

HNVX-G129217947

State Tracking #:

Company Tracking #:

AR134770100001

State:

Arkansas

Filing Company:

The Hanover Insurance Company

TOI/Sub-TOI:

04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations

Product Name:

*HOME- Homeowners 2010 and Forward

Project Name/Number:

*HOME- Homeowners 2010 and Forward/AR134770100001

Supporting Document Schedules

Satisfied - Item:	H-1 Homeowners Abstract
Comments:	
Attachment(s):	AR H-1.PDF
Item Status:	Filed
Status Date:	10/23/2013

Satisfied - Item:	HPCS-Homeowners Premium Comparison Survey
Comments:	
Attachment(s):	HO Survey FORM HPCS.PDF HO Survey FORM HPCS.XLS
Item Status:	Filed
Status Date:	10/23/2013

Satisfied - Item:	NAIC loss cost data entry document
Comments:	
Attachment(s):	AR RF-1 Rate Filing Abstract Hanover 20131220 v2.PDF
Item Status:	Filed
Status Date:	10/23/2013

Satisfied - Item:	Arkansas Explanatory Memorandum
Comments:	
Attachment(s):	AR Home Memo 20131220.PDF
Item Status:	Filed
Status Date:	10/23/2013

Satisfied - Item:	Rate Manual Pages ~ Marked Copy
Comments:	

SERFF Tracking #:

HNVX-G129217947

State Tracking #:

Company Tracking #:

AR134770100001

State: Arkansas **Filing Company:** The Hanover Insurance Company
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: *HOME- Homeowners 2010 and Forward
Project Name/Number: *HOME- Homeowners 2010 and Forward/AR134770100001

Attachment(s):	AR HO HN 12-20-13 N&R changes only DRAFT v2.PDF
Item Status:	Filed
Status Date:	10/23/2013

Satisfied - Item:	Actuarial Support
Comments:	
Attachment(s):	Actuarial Support.PDF
Item Status:	Filed
Status Date:	10/23/2013

Satisfied - Item:	Exhibit A - Large Loss Experience
Comments:	
Attachment(s):	Exhibit A - Large Loss Experience.PDF
Item Status:	Filed
Status Date:	10/23/2013

Satisfied - Item:	Exhibits for 10-10-13 Response
Comments:	
Attachment(s):	Exhibit B-Prior Method Indication.PDF Exhibit B1-Large Loss Experience.PDF
Item Status:	Filed
Status Date:	10/23/2013

Satisfied - Item:	Exhibit C, Exhibit D
Comments:	
Attachment(s):	Exhibit C - Revised for CAT loads.PDF Exhibit D - Cat Selection 10-15-13.PDF
Item Status:	Filed
Status Date:	10/23/2013

ARKANSAS INSURANCE DEPARTMENT

FORM H-1 HOMEOWNERS ABSTRACT

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

Company Name The Hanover Insurance Company
NAIC # (including group #) 0088-22292

1. If you have had an insurance to value campaign during the experience filing period, describe the campaign and estimate its impact.

Not applicable.

2. If you use a cost estimator (or some similar method) in order to make sure that dwellings (or contents) are insured at their value, state when this program was started in Arkansas and estimate its impact.

For our companies already being used, a cost estimator has been required since 1985 on all new submissions. The Boeckh value guide is distributed to our agents; however we will accept cost estimators from other sources.

3. If you require a minimum relationship between the amount of insurance to be written and the replacement value of the dwelling (contents) in order to purchase insurance, describe the procedures that are used.

We require between 80 – 100% of the estimated replacement to be written. However, when guaranteed dwelling replacement cost is written the dwelling must be insured at 100% of the replacement cost.

4. If you use an Inflation Guard form or similar type of coverage, describe the coverage(s) and estimate the impact.

Inflation guard endorsement 231-0600 is currently used on all policies. The endorsement tells the insured that the Company will increase coverage at each renewal as determined by an appraisal firm.

5. Specify the percentage given for credit or discounts for the following:

a. Fire Extinguisher	0 %
b. Burglar Alarm	7 %
c. Smoke Alarm	4 %
d. Insured who has both homeowners and auto with your company	30 %
e. Deadbolt Locks	0 %
f. Window or Door Locks	0 %
g. Other (specify)	

Combination of fire extinguisher, smoke alarm, and deadbolt locks **7%**

Approved automatic sprinkler **12 %**

Non-Smoke discount **1 %**

Loss Free Credit 3 years **5 %**

Loss Free Credit 4 years **5 %**

Loss Free Credit 5+ years **10 %**

New home discount **7-28 %**

Deductible credits up to **31 %**

6. Are there any areas in the State of Arkansas In which your company will not write homeowners insurance? If so, state the areas and explain reason for not writing.

No

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

Form	Premium Volume
HO - 3	\$8,293,156
HO - 4	\$ 127,568
HO - 6	\$ 53,540

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

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

No

If yes, state the surcharge

N/A

Does the surcharge apply to conventional fire places?

N/A

If yes, state the surcharge

N/A

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



Signature

Victoria M. Wilson

Printed Name

PL Sr. Product Analyst

Title

508-855-6550

Telephone Number

vwilson@hanover.com

Email address

NAIC Number: 22292
 Company Name: The Hanover Insurance Company
 Contact Person: Susan Whitworth
 Telephone No.: (505) 855 3285
 Email Address: swhitworth@hanover.com
 Effective Date: 12/20/2013 Renewal & New

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

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

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

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

Public Protection Class	Dwelling Value	Washington		Baxter		Craighead		St. Francis		Desha		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$80,000	\$1,095	\$1,219	\$1,095	\$1,219	\$1,861	\$2,070	\$1,588	\$1,765	\$1,588	\$1,765	\$1,556	\$1,729	\$1,529	\$1,700	\$1,149	\$1,278	\$1,233	\$1,371
	\$120,000	\$1,259	\$1,401	\$1,259	\$1,401	\$2,140	\$2,380	\$1,827	\$2,031	\$1,827	\$2,031	\$1,789	\$1,988	\$1,758	\$1,956	\$1,322	\$1,469	\$1,418	\$1,577
	\$160,000	\$1,627	\$1,810	\$1,627	\$1,810	\$2,765	\$3,074	\$2,360	\$2,623	\$2,360	\$2,623	\$2,311	\$2,569	\$2,271	\$2,526	\$1,707	\$1,898	\$1,832	\$2,037
6	\$80,000	\$1,327	\$1,509	\$1,327	\$1,509	\$2,256	\$2,564	\$1,925	\$2,187	\$1,925	\$2,187	\$1,884	\$2,141	\$1,852	\$2,106	\$1,393	\$1,583	\$1,494	\$1,698
	\$120,000	\$1,527	\$1,735	\$1,527	\$1,735	\$2,594	\$2,948	\$2,214	\$2,516	\$2,214	\$2,516	\$2,166	\$2,463	\$2,131	\$2,421	\$1,602	\$1,820	\$1,718	\$1,952
	\$160,000	\$1,972	\$2,242	\$1,972	\$2,242	\$3,351	\$3,809	\$2,862	\$3,250	\$2,862	\$3,250	\$2,800	\$3,182	\$2,753	\$3,129	\$2,070	\$2,352	\$2,220	\$2,522
9	\$80,000	\$3,619	\$5,208	\$3,619	\$5,208	\$6,149	\$8,850	\$5,248	\$7,552	\$5,248	\$7,552	\$5,137	\$7,393	\$5,053	\$7,271	\$3,798	\$5,464	\$4,075	\$5,863
	\$120,000	\$4,161	\$5,990	\$4,161	\$5,990	\$7,072	\$10,177	\$6,036	\$8,684	\$6,036	\$8,684	\$5,907	\$8,501	\$5,811	\$8,361	\$4,368	\$6,284	\$4,685	\$6,742
	\$160,000	\$5,377	\$7,739	\$5,377	\$7,739	\$9,137	\$13,150	\$7,799	\$11,222	\$7,799	\$11,222	\$7,633	\$10,985	\$7,508	\$10,804	\$5,644	\$8,120	\$6,054	\$8,711

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

Public Protection Class	Property Value	Washington		Baxter		Craighead		St. Francis		Arkansas		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$5,000																		
	\$15,000																		
	\$25,000	\$222	\$222	\$222	\$222	\$222	\$222	\$222	\$222	\$222	\$222	\$222	\$222	\$222	\$222	\$222	\$222	\$222	\$222
6	\$5,000																		
	\$15,000																		
	\$25,000	\$244	\$244	\$244	\$244	\$244	\$244	\$244	\$244	\$244	\$244	\$244	\$244	\$244	\$244	\$244	\$244	\$244	\$244
9	\$5,000																		
	\$15,000																		
	\$25,000	\$532	\$532	\$532	\$532	\$532	\$532	\$532	\$532	\$532	\$532	\$532	\$532	\$532	\$532	\$532	\$532	\$532	\$532

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

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

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

HO3 and HO4 only

Fire Extinguisher	0%	Deadbolt Lock	0%
Burglar Alarm	7%	Window Locks	0%
Smoke Alarm	4%	\$1,000 Deductible	0%
		Other (specify)	
		Non-Smoke	1%

EARTHQUAKE INSURANCE

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

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

WHAT IS YOUR PERCENTAGE DEDUCTIBLE? 10%

WHAT IS YOUR PRICE PER \$1,000 OF COVERAGE? Zone Highest Risk \$ 1.8 \$ 1.7

Maximum Credit Allowed	45%	Lowest Risk	\$ 0.9	\$ 0.35
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I

FORM RF-1 Rate Filing Abstract NAIC LOSS COST DATA ENTRY DOCUMENT

1.	This filing transmittal is part of Company Tracking #	AR134770100001
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. The Hanover Insurance Company	B.	0088-22292

Product Coding Matrix Line of Business (i.e., Type of Insurance)		Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)	
4.	A. 4.0000	B.	4.0000

5.

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	FOR LOSS COSTS ONLY			
			(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)
HO 2,3	31.9%	10.0%				
HO 4	-5.6%	0.7%				
HO 6	0.7%	0.4%				
TOTAL OVERALL EFFECT	31.5%	9.8%				

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
2008	836	3.0%	5/05/2008	\$760	\$978	128.7%	52.4%
2009	2,135	5.0%	06/04/2009	\$926	\$1,381	149.2%	49.3%
2010	5,463	4.3%	06/04/2010	\$3,396	1,298	38.2%	62.4%
2011	8,136	7.0%	09/15/2011	\$6,532	\$8,586	131.4%	80.5%
2012	9,148	25.0%	12/20/2012	\$8,759	\$5,268	60.1%	61.0%

7.

Expense Constants	Selected Provisions
A. Total Production Expense	15.8%
B. General Expense	10.3%
C. Taxes, License & Fees	3.2%
D. Underwriting Profit & Contingencies	11.9%
E. Other (explain) reinsurance	1.5%
F. TOTAL	42.7%

8.	N	Apply Lost Cost Factors to Future filings? (Y or N)	
9.	21.3%	Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): Multiple Territories	
10.	0.0%	Estimated Maximum Rate Decrease for any Insured (%). Territory (if applicable): Multiple Territories	

EXPLANATORY MEMORANDUM
ARKANSAS HOMEOWNERS
Hanover Insurance Company
Effective 12/20/2013 for New and Renewal Business

Summary of Proposed Changes

Based on our business evaluation and with the goal to offer a responsibly competitive product in the Arkansas Homeowners Insurance market, we are proposing the following:

- Revise Base Rates for Owners policies
- Revise Personal Umbrella Liability Supplement

Overall Rate Change

Based on the data through the 2nd quarter of 2013, the overall indicated change is +31.5% (*Exhibit 1*). We propose to adjust the following rating elements to realize a capped overall increase of 14.9% (15.2% uncapped). The change in Condos and Tenants is due solely to the alignment of the *Personal Umbrella Liability Supplement (Outlined below)*.

Form	Capped Rate Effect	Uncapped Rate Effect
Condos	0.4%	0.4%
Owners	15.2%	15.5%
Tenant	0.7%	0.7%
All Forms Combined	14.9%	15.2%

Base Rate

By adjusting our base rates for Owners forms +18.0% we will achieve **+14.7%** rate impact.

Personal Umbrella Liability Supplement

We would like to replace our current personal umbrella liability supplement with those rates approved in our standalone personal umbrella filing, SERFF filing # HNVX-G128767867, effective February 23, 2013 for new and renewal business. For consistency between umbrella rates, we would like to adopt the approved standalone filing for use in conjunction with our current homeowners filing. The overall rate effect on the Hanover Insurance Company book of business is **+0.5%**.

Overall Indication Description

General Philosophy

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

Overall Indication

The following is a detailed explanation of the indication calculation shown in *Exhibit 1*. The overall indicated rate increase is +31.5%.

Description of Actuarial Calculations

Data

The underlying experience is that of all Hanover Insurance Companies operating in Arkansas in the most recent 5 year period. Experience for the most recently available five year review period is on a calendar/accident year basis.

On-Level Premiums

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

Premium Trend

The current rate level earned premium and average adjusted earned premium are developed for each of the past 5 accident years, shown in *Exhibit 3*. Earned house years are used as the exposure base. The fitted premium trend is an exponential fit of the average adjusted earned premium of the past 5 years.

Losses

Actual incurred losses for accident years ending 06/30/09 to 06/30/13 as of 06/30/13 are shown in row 7 of *Exhibit 2*. Non-hurricane catastrophe losses are displayed and removed in rows 8 and 9 of *Exhibit 2*. A non-hurricane catastrophe load is added in later.

Loss Development

Regional data was used to select loss development factors and countrywide data is used to select condo and tenant loss development factors (*Exhibit 4*). Loss development factors are applied to generate the Estimated Ultimate Incurred Loss (*row 11, Exhibit 2*).

Loss Trend Selections

Loss trend selections (*Exhibit 5*) were made after reviewing ISO industry and Hanover loss data for Arkansas, the Southern Region and Countrywide.

Five-Year Projected Loss and LAE ratio

The 5-Year Projected Loss and LAE ratio results from using 5%, 15%, 20%, 25%, and 35% weights by accident year for Owners and equal 20% weighting for Condos and Tenants (*row 18, Exhibit 2*).

Credibility

We use classical credibility. The full credibility standard during the five-year experience period is 40,000 exposures for Owners; 25,000 exposures for Condo & Tenant.

Permissible Loss Ratio

Exhibit 6 shows selected expense provisions. Prospective Arkansas Homeowners commission rates, General and Other Acquisition expenses, and ULAE/premium ratio were selected. Expected Arkansas Taxes, Licenses, & Fees were calculated based on ISO's expense circular.

Exhibit Index

Exhibit 1	Indication Summary
Exhibit 2	Indication by Coverage
Exhibit 3	Premium Trend
Exhibit 4	Loss Development
Exhibit 5	Loss Trend
Exhibit 6	Expenses
Exhibit 7	Rate Impact by Form

HANOVER

ARKANSAS HOMEOWNERS

ANNOUNCEMENT OF REVISIONS

MANUAL PAGES INCLUDED HEREWITH:

ENTIRE HOMEOWNERS MANUAL

Revised pages with this revision:

Rate Structure	AR-RS-1 thru AR-RS-3
State Pages.....	50-52

SUMMARY OF CHANGE

- Revised HO-3 Base Rates
- Revised Umbrella Rates

EFFECTIVE DATE: December 20, 2013 New and Renewal

5. RATE STRUCTURE

HO-00-03

\$30,000 BASE RATES

\$1,000 DEDUCTIBLE COVERAGE

Terr	Prem. Group	Rate
31	001	1058
	002	1176
	003	1282
	004	1460
	005	2097
	006	3494
	007	5028
	008	1456
	009	1642
	010	2469
	011	4774
37	012	1072
	013	1192
	014	1299
	015	1480
	016	2126
	017	3542
	018	5097
	019	1476
	020	1664
	021	2503
	022	4839
42	023	1064
	024	1183
	025	1290
	026	1469
	027	2111
	028	3516
	029	5060
	030	1466
	031	1652
	032	2485
	033	4804

Terr	Prem. Group	Rate
49	034	851
	035	946
	036	1031
	037	1174
	038	1687
	039	2810
	040	4044
	041	1171
	042	1320
	043	1986
	044	3839
50	045	1442
	046	1604
	047	1748
	048	1991
	049	2861
	050	4766
	051	6858
	052	1987
	053	2239
	054	3368
	055	6511
51	056	1460
	057	1624
	058	1770
	059	2016
	060	2896
	061	4825
	062	6943
	063	2011
	064	2267
	065	3410
	066	6592

Terr	Prem. Group	Rate
52	089	952
	090	1059
	091	1154
	092	1314
	093	1889
	094	3146
	095	4528
	096	1312
	097	1478
	098	2223
	099	4299
53	100	962
	101	1070
	102	1166
	103	1328
	104	1909
	105	3180
	106	4576
	107	1325
	108	1494
	109	2247
	110	4344
54	067	1618
	068	1799
	069	1961
	070	2233
	071	3209
	072	5346
	073	7694
	074	2229
	075	2512
	076	3778
	077	7304

5. RATE STRUCTURE

HO-00-03

\$30,000 BASE RATES

\$1,000 DEDUCTIBLE COVERAGE

Terr	Prem. Group	Rate
55	111	943
	112	1049
	113	1143
	114	1302
	115	1871
	116	3117
	117	4485
	118	1299
	119	1465
	120	2202
	121	4258
56	122	923
	123	1027
	124	1119
	125	1274
	126	1831
	127	3050
	128	4390
	129	1272
	130	1433
	131	2155
	132	4167
61	155	933
	156	1038
	157	1131
	158	1288
	159	1851
	160	3084
	161	4437
	162	1285
	163	1449
	164	2179
	165	4213

Terr	Prem. Group	Rate
62	078	788
	079	876
	080	955
	081	1087
	082	1562
	083	2603
	084	3746
	085	1085
	086	1223
	087	1839
	088	3556
63	133	952
	134	1059
	135	1154
	136	1314
	137	1889
	138	3146
	139	4528
	140	1312
	141	1478
	142	2223
	143	4299
64	144	1381
	145	1535
	146	1674
	147	1906
	148	2739
	149	4563
	150	6566
	151	1902
	152	2144
	153	3224
	154	6233

Terr	Prem. Group	Rate
65	166	952
	167	1059
	168	1154
	169	1314
	170	1889
	171	3146
	172	4528
	173	1312
	174	1478
	175	2223
	176	4299
66	210	1352
	211	1503
	212	1638
	213	1866
	214	2681
	215	4466
	216	6427
	217	1862
	218	2099
	219	3156
	220	6102
67	232	994
	233	1105
	234	1204
	235	1372
	236	1971
	237	3283
	238	4725
	239	1369
	240	1543
	241	2320
	242	4486

5. RATE STRUCTURE

HO-00-03

\$30,000 BASE RATES

\$1,000 DEDUCTIBLE COVERAGE

Terr	Prem. Group	Rate
68	243	1138
	244	1265
	245	1379
	246	1571
	247	2257
	248	3760
	249	5411
	250	1567
	251	1767
	252	2657
	253	5137
69	254	1329
	255	1478
	256	1611
	257	1835
	258	2637
	259	4393
	260	6321
	261	1831
	262	2064
	263	3104
	264	6001
70	276	999
	277	1111
	278	1211
	279	1379
	280	1982
	281	3302
	282	4751
	283	1376
	284	1551
	285	2333
	286	4511

Terr	Prem. Group	Rate
71	287	1105
	288	1228
	289	1339
	290	1524
	291	2190
	292	3649
	293	5251
	294	1521
	295	1715
	296	2579
	297	4986
72	221	985
	222	1095
	223	1193
	224	1359
	225	1953
	226	3254
	227	4682
	228	1356
	229	1529
	230	2299
	231	4445
73	265	998
	266	1110
	267	1210
	268	1378
	269	1980
	270	3298
	271	4746
	272	1375
	273	1550
	274	2330
	275	4506

Terr	Prem. Group	Rate
74	177	1268
	178	1410
	179	1537
	180	1750
	181	2514
	182	4189
	183	6028
	184	1746
	185	1968
	186	2960
	187	5723
75	199	1202
	200	1336
	201	1457
	202	1659
	203	2384
	204	3971
	205	5714
	206	1655
	207	1866
	208	2806
	209	5425
76	188	1156
	189	1285
	190	1401
	191	1596
	192	2293
	193	3819
	194	5496
	195	1592
	196	1795
	197	2699
	198	5218

9. STATE PAGES – PERSONAL UMBRELLA LIABILITY SUPPLEMENT

9.2 RATES AND RULES

1. Exposure Charges - for the first \$1,000,000 of Coverage Limits

Automobile Underlying Limit of Liability	100/300/100 or 300 CSL	250/500/100 or 500 CSL	500/500/100
Initial Auto	131	77	57
Additional Auto	72	37	24
INEXPERIENCED DRIVER			
Less than 3 years	134	69	46
Over 3, less than 6 years	59	31	20

The following premium charges anticipate that the underlying limit meets or exceeds required minimum eligibility amounts.

Homeowners		Recreational Vehicle	
Initial Residence	84	Not Licensed	37
Add'l residences or farms (each)	32	Licensed	53
Office, Private School or studio	24		
Rental Property			
Per each living unit.	24		
Example: Duplex = 2 units. 4 Plex = 4 units.			

9. STATE PAGES – PERSONAL UMBRELLA LIABILITY SUPPLEMENT

9.2 RATES AND RULES (continued)

Watercraft Rating Methodology

Underlying Limit	Territory	Watercraft				
		Category 1	Category 2	Category 3	Category 4	Category 5
300 CSL	All	\$ 35.00	\$ 59.00	\$ 95.00	\$ 134.00	\$ 172.00
250/500/100 or 500 CSL	All	\$ 35.00	\$ 59.00	\$ 95.00	\$ 134.00	\$ 172.00
500/500/100 or 1M CSL	All	\$ 35.00	\$ 59.00	\$ 95.00	\$ 134.00	\$ 172.00
		per watercraft				

Category of Watercraft

- 1 Personal Watercraft
- 2 Watercraft under 26 ft in length
- 3 Watercraft 26' to 40' - Rated speed under 30 m.p.h.
- 4 Watercraft 26' to 40' - Rated speed 30 m.p.h. and greater
- 5 Watercraft 40' or over in length

Personal Watercraft definition:

Personal watercraft means any motorized watercraft that is 15 feet or less in hull length as manufactured, has as its primary source of propulsion an inboard motor powering a jet pump and is capable of carrying one or more persons in a sitting, standing or kneeling position. Personal watercraft includes, but is not limited to, a jet ski, wet bike, surf jet and miniature speedboat.

2. Minimum Premiums

Underlying	1M	2M	3M	4M	5M
100/300/100	\$193	\$299	\$424	\$501	\$560
250/500/100	\$161	\$250	\$354	\$419	\$467
500/500/100	\$161	\$250	\$354	\$419	\$467

3. Premium Credits - Higher Self Insured Retention Limits

When the risk has a self-insured retention limit that exceeds the minimum for the exposure, the following premium credits may be applied to the annual premium charge for the risk. **These credits shall not be applied to the MINIMUM PREMIUM for the policy.**

A self-insured retention that exceeds the minimum for the exposure:

\$500 in lieu of \$250	\$2.00 Cr.
\$1,000 in lieu of \$500	\$4.00 Cr.
\$5,000 in lieu of \$1,000	\$5.00 Cr.
\$10,000 in lieu of \$5,000	\$7.00 Cr.

9. STATE PAGES – PERSONAL UMBRELLA LIABILITY SUPPLEMENT

9.2 RATES AND RULES (continued)

4. Increased Limits

Multiply the premium computed or the minimum premium (whichever is higher) for the \$1,000,000 limit in the state rate pages by the factor for the higher limit of liability based on the underlying coverage limits you have selected.

UMBRELLA LIMIT	100/300/100 or 300 CSL	250/500/100 or 500 CSL	<u>500/500/100</u>
\$2,000,000	1.55	1.55	1.55
\$3,000,000	2.20	2.20	2.20
\$4,000,000	2.60	2.60	2.60
\$5,000,000	2.90	2.90	2.90

5. Automobile Insurance Surcharge

A \$20 surcharge will be applied to all policies where the underlying automobile insurance coverage is not with a Hanover Insurance Group Property and Casualty Company.

Arkansas
Homeowners - All Companies Combined
Rate Indication for Rates Effective 12/20/13 - Summary Exhibit

	Selected Retrospective	Selected Prospective	Selected Retrospective	Selected Prospective	Underwriting Profit Provision	Non-CAT Target Loss & ALAE Ratio	Modeled Cats Loss & ALAE Ratio	<u>Indication</u>
	<u>Annual Loss Trend</u>	<u>Annual Loss Trend</u>	<u>Annual Premium Trend</u>	<u>Annual Premium Trend</u>				
Homeowners	3.0%	1.0%	0.0%	0.0%	11.9%	25.5%	24.8%	31.9%
Condo	3.0%	3.0%	-1.0%	-2.0%	11.9%	48.2%	3.0%	0.7%
<u>Tenant</u>	<u>3.0%</u>	<u>3.0%</u>	<u>-3.0%</u>	<u>-4.0%</u>	<u>11.9%</u>	<u>49.2%</u>	<u>2.5%</u>	<u>-5.6%</u>
Total	3.0%	1.0%	0.0%	0.0%	11.9%	25.8%	24.5%	31.5%

Arkansas Homeowners - All Companies Combined
Homeowners Form Rate Indication for Rates Effective 12/20/13
Dollars in Thousands

		Accident Year Ending:				
		<u>6/30/2009</u>	<u>6/30/2010</u>	<u>6/30/2011</u>	<u>6/30/2012</u>	<u>6/30/2013</u>
1a	Earned Premium	6,145	7,641	10,428	12,761	13,670
1b	Endorsement Premium	259	335	545	744	829
1c	Uncapped Earned Premium	6,145	7,641	10,426	12,754	13,748
1d	Uncapped Endorsement Premium	259	335	545	743	834
2	On-Level Factor - Owners	1.453	1.388	1.274	1.192	1.091
3 = (1c-1d):(2) + 1d	Premium at CRL	8,809	10,479	13,135	15,057	14,922
	Non-Rate OLF	1.000	1.000	1.000	1.000	1.000
4a	Annual Premium Trend - Retrospective	0.0%	0.0%	0.0%	0.0%	0.0%
5a	Premium Trend Factor - Retrospective	1.000	1.000	1.000	1.000	1.000
4b	Annual Premium Trend - Prospective	0.0%	0.0%	0.0%	0.0%	0.0%
5b	Premium Trend Factor - Prospective	1.000	1.000	1.000	1.000	1.000
6 = 3-5a-5b	Trended Premium	8,809	10,479	13,135	15,057	14,922
7	Incurred Loss Evaluated @ 6/30/13	6,764	4,834	21,262	6,361	6,041
8	Catastrophe Incurred Losses	1,951	444	15,257	112	403
9a = 7-8	Non-Cat Incurred Losses	4,814	4,390	6,005	6,249	5,638
9b	Weather Loss	3,199	3,214	4,242	2,575	2,284
9c	Large Loss Threshold	89	92	94	97	100
9d	Excess Loss above Threshold excl. Weather	562	367	732	2,096	1,631
9e	Excess Loss Load	80.0%	80.0%	80.0%	80.0%	80.0%
9f	Weather Load	200.0%	200.0%	200.0%	200.0%	200.0%
9=(9a-9b-9d)*(1+9d+9e)	Adjusted Non-Cat Incurred Losses	4,000	3,074	3,922	5,998	6,550
10	Loss OLF	1.00	1.00	1.00	1.00	1.00
10a	Loss Development Factor:	1.000	1.000	0.994	1.000	1.162
11 = 9*10*10a	Est. Ultimate Incurred Loss Non-Cat	4,000	3,074	3,897	5,995	7,611
12a	Est. Annual Loss Trend - Retrospective	3.0%	3.0%	3.0%	3.0%	3.0%
13a	Loss Trend Factor - Retrospective	1.126	1.093	1.061	1.030	1.000
12b	Est. Annual Loss Trend - Prospective	1.0%	1.0%	1.0%	1.0%	1.0%
13b	Loss Trend Factor - Prospective	1.020	1.020	1.020	1.020	1.020
14 = 13a-13b-11	Trended Incurred Losses	4,591	3,426	4,217	6,298	7,762
15	ALAE (% of Loss)	0.8%	0.8%	0.8%	0.8%	0.8%
16 = (1.00 +15)-14	Trended Loss & ALAE	4,628	3,454	4,251	6,349	7,824
17 = 16+6	Projected Loss & ALAE Ratio	52.5%	33.0%	32.4%	42.2%	52.4%
18	Accident Year Weights	5.0%	15.0%	20.0%	25.0%	35.0%
20a	Hurricane Loss & ALAE Ratio					0.0%
20b	Other Catastrophes Loss & ALAE Ratio					24.8%
20c	Permissible Loss & ALAE Ratio Excluding All Catastrophes to yield a Combined Ratio of	88.1%				25.5%
21a	Cat Loss Annual Trend - Prospective					5.9%
21b	Cat Loss Ratio Trend Factor - Prospective					1.120
21c = 13b/5b	NonCat Loss Ratio Trend Factor - Prospective					1.020
22a = 21b-20a	Trended Hurricane Loss & ALAE Ratio					0.0%
22b = 21b-20b	Trended Other Catastrophes Loss & ALAE Ratio					27.8%
22c = 21c-20c	Trended Permissible Loss & ALAE Ratio Excluding All Catastrophes					26.0%
	Selected Complement of Credibility					26.0%
23a	Fixed Expense					13.6%
23b	Variable Expense(incl Profit)					36.1%
24a	Earned House Years	7,605	9,095	11,300	12,933	12,930
24b	Credibility					100.0%
25= 19a-24b + 22c (1-24b)	Credibility-Adjusted Loss & ALAE Ratio Excluding All Catastrophes					42.9%
27 =(25+22a+22b+23a) / (1-23b)- Indicated Rate Change - Credibility Weighted						31.9%

Arkansas Homeowners - All Companies Combined
Condominium Form Rate Indication for Rates Effective 12/20/13
Dollars in Thousands

		Accident Year Ending:				
		<u>06/30/09</u>	<u>06/30/10</u>	<u>06/30/11</u>	<u>06/30/12</u>	<u>06/30/13</u>
1a	Earned Premium	38	51	60	80	78
1b	Uncapped Earned Premium	38	51	60	79	78
2	On-Level Factor	1.001	0.990	0.996	1.000	1.000
3 = 1-2	Premium at CRL	38	50	60	79	78
	Non-Rate OLF	1.000	1.000	1.000	1.000	1.000
4a	Annual Premium Trend - Retrospective	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%
5a	Premium Trend Factor - Retrospective	0.961	0.970	0.980	0.990	1.000
4b	Annual Premium Trend - Prospective	-2.0%	-2.0%	-2.0%	-2.0%	-2.0%
5b	Premium Trend Factor - Prospective	0.961	0.961	0.961	0.961	0.961
6 = 3-5a-5b	Trended Premium	36	47	57	76	75
7	Incurred Loss Evaluated @ 6/30/13	3	16	2	34	0
8	Catastrophe Incurred Losses	0	0	0	0	0
9 = 7-8	Non-Cat Incurred Losses	3	16	2	34	0
	Loss OLF for Regulatory Changes	1.00	1.00	1.00	1.00	1.00
10	Loss Development Factor:	1.000	1.000	0.983	0.996	1.096
11 = 9-10	Estim. Ultimate Incurred Loss Non-Cat	3	16	2	34	0
12a	Est. Annual Loss Trend - Retrospective	3.0%	3.0%	3.0%	3.0%	3.0%
13a	Loss Trend Factor - Retrospective	1.126	1.093	1.061	1.030	1.000
12b	Est. Annual Loss Trend - Prospective	3.0%	3.0%	3.0%	3.0%	3.0%
13b	Loss Trend Factor - Prospective	1.060	1.060	1.060	1.060	1.060
14 = 13a-13b-11	Trended Incurred Losses	3	19	2	37	0
15	ALAE (% of Loss)	0.9%	0.9%	0.9%	0.9%	0.9%
16 = (1.00 +15)-14	Trended Loss & ALAE	3	19	2	37	0
17 = 16+6	Projected Loss & ALAE Ratio	9.2%	40.1%	3.6%	49.1%	0.0%
18	Accident Year Weights	20.0%	20.0%	20.0%	20.0%	20.0%
20a	Hurricane Loss & ALAE Ratio					0.0%
20b	Other Catastrophes Loss & ALAE Ratio					3.0%
20c	Permissible Loss & ALAE Ratio Excluding All Catastrophes to yield a Combined Ratio of		88.1%			48.2%
21a	Cat Loss Annual Trend - Prospective					5.9%
21b	Cat Loss Ratio Trend Factor - Prospective					1.165
21c = 13b/5b	NonCat Loss Ratio Trend Factor - Prospective					1.103
22a = 21b-20a	Trended Hurricane Loss & ALAE Ratio					0.0%
22b = 21b-20b	Trended Other Catastrophes Loss & ALAE Ratio					3.5%
22c = 21c-20c	Trended Permissible Loss & ALAE Ratio Excluding All Catastrophes					53.2%
	Selected Complement of Credibility					53.2%
23a	Fixed Expense					12.7%
23b	Variable Expense (incl Profit)					36.1%
24a	Earned House Years	77	96	116	145	147
24b	Credibility					15.2%
25 = 19a-24b + 22c (1-24b)	Credibility-Adjusted Loss & ALAE Ratio Excluding All Catastrophes					48.2%
27 = (25+22a+22b+23a) / (1-23b)	Indicated Rate Change - Credibility Weighted					0.7%

Arkansas Homeowners - All Companies Combined
Tenant Form Rate Indication for Rates Effective 12/20/13
Dollars in Thousands

		Accident Year Ending:				
		<u>06/30/09</u>	<u>06/30/10</u>	<u>06/30/11</u>	<u>06/30/12</u>	<u>06/30/13</u>
1a	Earned Premium	63	77	106	137	127
1b	Uncapped Earned Premium	63	77	106	137	127
2	On-Level Factor	0.976	0.964	0.982	0.997	1.001
3 = 1b-2	Premium at CRL	61	74	104	136	127
	Non-Rate OLF	1.000	1.000	1.000	1.000	1.000
4a	Annual Premium Trend - Retrospective	-3.0%	-3.0%	-3.0%	-3.0%	-3.0%
5a	Premium Trend Factor - Retrospective	0.885	0.913	0.941	0.970	1.000
4b	Annual Premium Trend - Prospective	-4.0%	-4.0%	-4.0%	-4.0%	-4.0%
5b	Premium Trend Factor - Prospective	0.923	0.923	0.923	0.923	0.923
6 = 3-5a-5b	Trended Premium	50	63	90	122	117
7	Incurred Loss Evaluated @ 6/30/13	0	1	18	27	6
8	Catastrophe Incurred Losses	0	0	0	0	0
9 = 7-8	Non-Cat Incurred Losses	0	1	18	27	6
	Loss OLF for Regulatory Changes	1.00	1.00	1.00	1.00	1.00
10	Loss Development Factor:	1.000	1.000	0.997	0.983	1.037
11 = 9-10	Estim. Ultimate Incurred Loss Non-Cat	0	1	18	26	6
12a	Est. Annual Loss Trend - Retrospective	3.0%	3.0%	3.0%	3.0%	3.0%
13a	Loss Trend Factor - Retrospective	1.126	1.093	1.061	1.030	1.000
12b	Est. Annual Loss Trend - Prospective	3.0%	3.0%	3.0%	3.0%	3.0%
13b	Loss Trend Factor - Prospective	1.060	1.060	1.060	1.060	1.060
14 = 13a-13b-11	Trended Incurred Losses	0	1	21	29	6
15	ALAE (% of Loss)	0.9%	0.9%	0.9%	0.9%	0.9%
16 = (1.00 +15)-14	Trended Loss & ALAE	0	1	21	29	6
17 = 16+6	Projected Loss & ALAE Ratio	0.5%	1.5%	23.0%	23.9%	5.2%
18	Accident Year Weights	20.0%	20.0%	20.0%	20.0%	20.0%
19a = Sum(18-17)	Projected (Formula Weighted) Loss&ALAE Ratio Excluding All Catastrophes					10.8%
20a	Hurricane Loss & ALAE Ratio					0.0%
20b	Other Catastrophes Loss & ALAE Ratio					2.5%
20c	Permissible Loss & ALAE Ratio Excluding All Catastrophes to yield a Combined Ratio of		88.1%			49.2%
21a	Cat Loss Annual Trend - Prospective					5.9%
21b	Cat Loss Ratio Trend Factor - Prospective					1.214
21c = 13b/5b	NonCat Loss Ratio Trend Factor - Prospective					1.149
22a = 21b-20a	Trended Hurricane Loss & ALAE Ratio					0.0%
22b = 21b-20b	Trended Other Catastrophes Loss & ALAE Ratio					3.0%
22c = 21c-20c	Trended Permissible Loss & ALAE Ratio Excluding All Catastrophes Selected Complement of Credibility					56.5%
23a	Fixed Expense					12.3%
23b	Variable Expense(incl Profit)					36.1%
24a	Earned House Years	183	230	324	420	416
24b	Credibility					25.1%
25 = 19a-24b + 22c (1-24b)	Credibility-Adjusted Loss & ALAE Ratio Excluding All Catastrophes					45.1%
27 =(25+22a+22b+23a) / (1-23b)	Indicated Rate Change - Credibility Weighted					-5.6%

HO Premium Trend Analysis (Average On-Level Premium Method)
State AR

Earned Premium at Current Rate Level

AY-QTR Ending	OWN	CON	TEN
2009Q2	7,994,476	38,621	61,783
2009Q3	8,189,801	42,161	61,892
2009Q4	8,535,220	45,225	63,693
2010Q1	8,976,408	48,026	68,924
2010Q2	9,552,108	50,053	74,380
2010Q3	10,193,897	52,557	82,117
2010Q4	10,827,375	55,253	88,985
2011Q1	11,403,317	57,022	94,698
2011Q2	11,900,795	59,855	102,452
2011Q3	12,356,532	63,918	110,660
2011Q4	12,778,462	68,806	120,292
2012Q1	13,188,354	74,632	129,865
2012Q2	13,502,174	79,480	136,345
2012Q3	13,677,625	82,023	138,444
2012Q4	13,704,696	81,271	136,563
2013Q1	13,627,363	80,110	131,823
2013Q2	13,394,549	78,214	126,546

Earned House Years

AY-QTR Ending	OWN	CON	TEN
2009Q2	7,605	77	183
2009Q3	7,852	83	186
2009Q4	8,200	87	196
2010Q1	8,604	92	212
2010Q2	9,095	96	230
2010Q3	9,655	101	254
2010Q4	10,217	107	276
2011Q1	10,775	110	296
2011Q2	11,300	116	324
2011Q3	11,799	123	352
2011Q4	12,256	129	380
2012Q1	12,647	138	404
2012Q2	12,933	145	420
2012Q3	13,074	149	428
2012Q4	13,124	149	429
2013Q1	13,100	149	424
2013Q2	12,930	147	416

Average Earned Premium at Current Rate Level

AY-QTR Ending	OWN	CON	TEN
2009Q2	1,051	499	338
2009Q3	1,043	509	333
2009Q4	1,041	517	325
2010Q1	1,043	520	324
2010Q2	1,050	522	324
2010Q3	1,056	521	323
2010Q4	1,060	519	322
2011Q1	1,058	518	319
2011Q2	1,053	514	316
2011Q3	1,047	521	314
2011Q4	1,043	533	316
2012Q1	1,043	541	321
2012Q2	1,044	548	324
2012Q3	1,046	551	324
2012Q4	1,044	544	319
2013Q1	1,040	537	311
2013Q2	1,036	533	304

Year Over Year

Latest 4 Quarters Ending	OWN	CON	TEN
2010Q2	-0.1%	4.6%	-4.3%
2011Q2	0.3%	-1.4%	-2.5%
2012Q2	-0.9%	6.5%	2.7%
2013Q2	-0.8%	-2.6%	-6.2%
Latest 4 Year	-0.4%	1.7%	-2.6%
Latest 3 Year	-0.5%	0.7%	-2.1%
Latest 2 Year	-0.8%	1.8%	-1.9%

Fitted Annual Premium Trend*

4 Year Trend	-0.2%	1.8%	-1.5%
3 Year Trend	-0.6%	1.8%	-1.1%
2 Year Trend	-0.5%	2.0%	-1.1%
1 Year Trend	-0.8%	-3.1%	-6.6%

* Log Fit

Selected Trends	OWN	CON	TEN
Retrospective	0.0%	-1.0%	-2.0%
Prospective	0.0%	-2.0%	-3.0%

Hanover Property and Casualty Insurance Companies

South (AL, AR, GA, LA, MO, MS, NC, OK, SC, TN, TX, VA)
 Homeowners - Owners Form + Sewer/Sump Endorsement, 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.
200406	14,562,874	15,768,033	15,807,998	15,767,093	15,794,656	15,974,156	15,974,156	15,974,156	15,978,218	15,978,218
200506	12,173,274	13,330,150	13,477,033	13,453,959	13,396,147	13,384,492	13,384,492	13,384,493	13,384,493	
200606	18,024,593	18,922,784	18,812,291	18,751,035	18,723,990	18,703,991	18,648,991	18,648,991		
200706	19,589,937	20,982,089	21,104,871	21,001,232	21,010,412	20,854,765	20,859,098			
200806	24,837,048	28,305,504	28,708,558	28,566,310	28,580,510	28,536,610				
200906	42,339,861	50,814,422	51,429,345	51,191,011	51,230,957					
201006	43,433,194	47,685,333	47,252,428	47,244,658						
201106	32,845,877	41,339,018	41,344,948							
201206	33,424,953	38,353,845								
201306	34,502,846									

Acc. Yr.	Link Ratios									
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-Ult.
200406	1.083	1.003	0.997	1.002	1.011	1.000	1.000	1.000	1.000	1.000
200506	1.095	1.011	0.998	0.996	0.999	1.000	1.000	1.000		
200606	1.050	0.994	0.997	0.999	0.999	0.997	1.000			
200706	1.071	1.006	0.995	1.000	0.993	1.000				
200806	1.140	1.014	0.995	1.000	0.998					
200906	1.200	1.012	0.995	1.001						
201006	1.098	0.991	1.000							
201106	1.259	1.000								
201206	1.147									
201306										

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	1.168	1.001	0.997	1.001	0.997	0.999	1.000	1.000	1.000	1.000
5-yr	1.169	1.005	0.996	0.999	1.000	0.999	1.000	1.000	1.000	1.000
all-yr	1.127	1.004	0.997	1.000	1.000	0.999	1.000	1.000	1.000	1.000
all-yr wtd.	1.142	1.003	0.997	1.000	0.999	0.999	1.000	1.000	1.000	1.000
5-yr x/ hi,low	1.162	1.006	0.996	1.000	0.999					
SELECTED	1.162	1.006	0.996	1.000	0.999	0.999	1.000	1.000	1.000	1.000
ULTIMATE	1.162	1.000	0.994	0.998	0.998	0.999	1.000	1.000	1.000	1.000

Hanover Property and Casualty Insurance Companies

Countrywide

Homeowners - Condos Form, 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.
200406	3,473,869	3,843,018	3,866,814	3,789,155	3,711,448	3,716,027	3,716,027	3,716,027	3,716,027	3,716,027
200506	3,863,924	4,702,753	4,646,732	4,571,623	4,562,931	4,565,149	4,565,149	4,565,149	4,565,149	
200606	4,330,966	5,044,747	4,851,655	4,512,995	4,538,437	4,563,185	4,554,185	4,554,185		
200706	4,030,941	4,591,194	4,782,092	4,775,780	4,745,515	4,720,515	4,720,515			
200806	5,673,470	6,312,533	6,419,826	6,225,976	6,128,994	6,120,949				
200906	6,109,008	5,898,846	6,008,339	5,995,397	5,945,907					
201006	4,687,174	5,074,725	5,093,408	5,158,505						
201106	5,759,262	6,537,291	6,533,201							
201206	5,537,219	6,110,450								
201306	5,412,427									

Acc. Yr.	Link Ratios									
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-Ult.
200406	1.106	1.006	0.980	0.979	1.001	1.000	1.000	1.000	1.000	1.000
200506	1.217	0.988	0.984	0.998	1.000	1.000	1.000	1.000		1.000
200606	1.165	0.962	0.930	1.006	1.005	0.998	1.000			
200706	1.139	1.042	0.999	0.994	0.995	1.000				
200806	1.113	1.017	0.970	0.984	0.999					
200906	0.966	1.019	0.998	0.992						
201006	1.083	1.004	1.013							
201106	1.135	0.999								
201206	1.104									
201306										

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	1.107	1.007	0.993	0.990	1.000	0.999	1.000	1.000	1.000	1.000
5-yr	1.080	1.016	0.982	0.995	1.000	1.000	1.000	1.000	1.000	1.000
all-yr	1.114	1.005	0.982	0.992	1.000	1.000	1.000	1.000	1.000	1.000
all-yr wtd.	1.107	1.005	0.982	0.992	1.000	0.999	1.000	1.000	1.000	1.000
5-yr x/ hi,low	1.100	1.013	0.989	0.995	1.000					
SELECTED	1.100	1.013	0.989	0.995	1.000	1.000	1.000	1.000	1.000	1.000
ULTIMATE	1.096	0.996	0.983	0.995	1.000	1.000	1.000	1.000	1.000	1.000

Hanover Property and Casualty Insurance Companies

Countrywide

Homeowners - Tenants Form, 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.
200406	3,327,455	3,955,705	3,781,493	3,827,438	3,762,552	3,822,982	3,822,982	3,892,982	3,892,982	3,892,982
200506	1,834,837	1,945,911	1,894,442	1,864,889	1,864,661	1,864,646	1,864,596	1,864,571	1,864,571	
200606	2,618,470	2,668,519	2,407,386	2,322,176	2,342,241	2,342,031	2,306,804	2,306,646		
200706	2,020,100	2,041,585	2,011,655	2,005,434	2,003,784	2,003,784	2,003,784			
200806	2,385,913	2,665,567	2,862,649	2,863,143	2,823,068	2,822,568				
200906	2,715,920	2,504,843	2,431,291	2,430,991	2,422,930					
201006	2,772,185	2,887,641	2,834,681	2,829,118						
201106	2,474,108	2,571,650	2,551,323							
201206	3,348,615	3,622,081								
201306	3,443,331									

Acc. Yr.	Link Ratios									
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-Ult.
200406	1.189	0.956	1.012	0.983	1.016	1.000	1.018	1.000	1.000	1.000
200506	1.061	0.974	0.984	1.000	1.000	1.000	1.000	1.000		
200606	1.019	0.902	0.965	1.009	1.000	0.985	1.000			
200706	1.011	0.985	0.997	0.999	1.000	1.000				
200806	1.117	1.074	1.000	0.986	1.000					
200906	0.922	0.971	1.000	0.997						
201006	1.042	0.982	0.998							
201106	1.039	0.992								
201206	1.082									
201306										

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	1.054	0.981	0.999	0.994	1.000	0.995	1.006	1.000	1.000	1.000
5-yr	1.040	1.001	0.992	0.998	1.003	0.996	1.006	1.000	1.000	1.000
all-yr	1.053	0.979	0.994	0.996	1.003	0.996	1.006	1.000	1.000	1.000
all-yr wtd.	1.058	0.978	0.996	0.994	1.005	0.996	1.009	1.000	1.000	1.000
5-yr x/ hi,low	1.054	0.986	0.998	0.999	1.000					
SELECTED	1.054	0.986	0.998	0.999	1.000	1.000	1.000	1.000	1.000	1.000
ULTIMATE	1.037	0.983	0.997	0.999	1.000	1.000	1.000	1.000	1.000	1.000

ARKANSAS
HOMEOWNERS - HAN OWNERS FORMS EX CATS

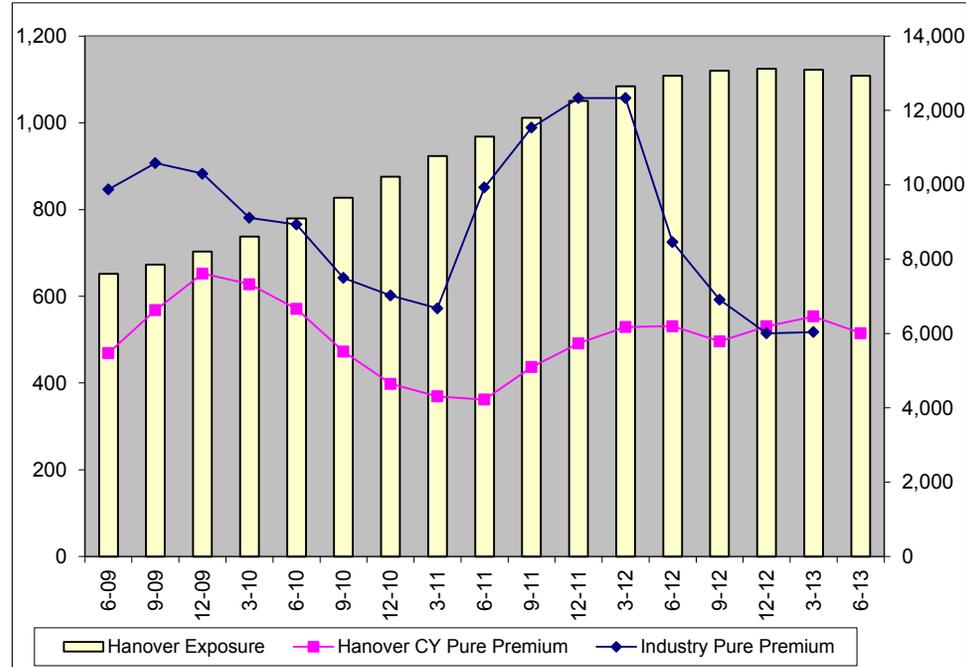
PURE PREMIUM

4 Qtrs. Ending	Hanover	Industry
	CY Average Pure Premium	Average Pure Premium
6-09	469	847
9-09	568	907
12-09	652	883
3-10	628	781
6-10	571	766
9-10	472	643
12-10	398	602
3-11	369	572
6-11	362	851
9-11	437	989
12-11	491	1,057
3-12	529	1,057
6-12	531	725
9-12	496	592
12-12	531	515
3-13	554	518
6-13	515	

EXPONENTIAL FIT		
ANNUAL RATE OF CHANGE		
Period	CY	
	Hanover	Industry
4 Years	-1.2%	-9.2%
3 Years	7.2%	-5.9%
2 Years	15.9%	-19.8%
Latest Year	2.0%	-50.7%

Selected Trends
Retrospective
Prospective

Retrospective	3.0%
Prospective	1.0%



ARKANSAS

HOMEOWNERS - CONDO FORM

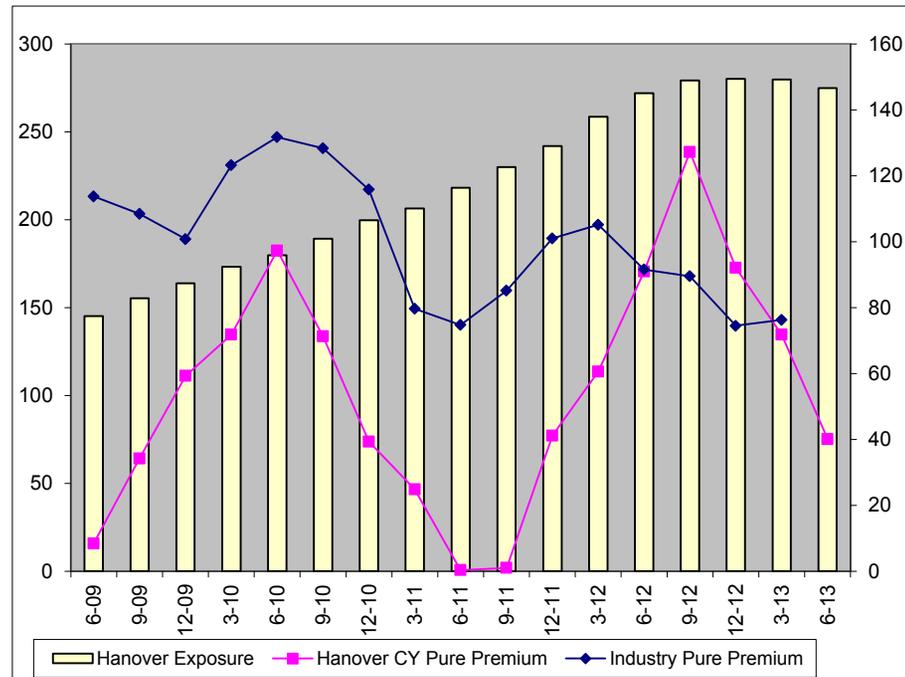
PURE PREMIUM

4 Qtrs. Ending	Hanover	Industry
	CY Average Pure Premium	Average Pure Premium
6-09	16	213
9-09	64	203
12-09	111	189
3-10	135	231
6-10	182	247
9-10	134	241
12-10	74	217
3-11	47	149
6-11	1	140
9-11	2	160
12-11	77	189
3-12	114	197
6-12	171	172
9-12	239	168
12-12	173	140
3-13	135	143
6-13	75	

EXPONENTIAL FIT		
ANNUAL RATE OF CHANGE		
Period	CY	
	Hanover	Industry
4 Years	20.9%	-9.9%
3 Years	49.8%	-14.3%
2 Years	891.8%	-1.2%
Latest Year	-58.7%	-28.8%

Selected Trends
Retrospective
Prospective

Retrospective	3.0%
Prospective	3.0%



ARKANSAS

HOMEOWNERS - TENANTS FORM

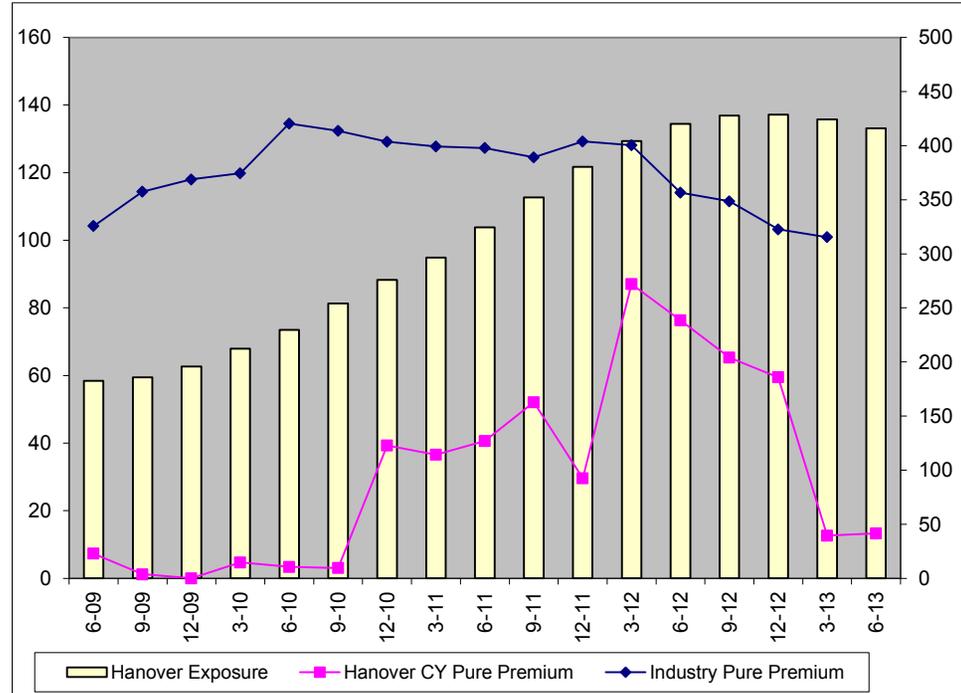
PURE PREMIUM

4 Qtrs. Ending	Hanover	Industry
	CY Average Pure Premium	Average Pure Premium
6-09	7	104
9-09	1	114
12-09	0	118
3-10	5	120
6-10	3	135
9-10	3	132
12-10	39	129
3-11	37	128
6-11	41	127
9-11	52	125
12-11	30	129
3-12	87	128
6-12	76	114
9-12	65	112
12-12	60	103
3-13	13	101
6-13	13	

EXPONENTIAL FIT		
ANNUAL RATE OF CHANGE		
Period	CY	
	Hanover	Industry
4 Years	1158.0%	-1.4%
3 Years	56.4%	-7.2%
2 Years	-39.8%	-12.0%
Latest Year	-87.2%	-20.6%

Selected Trends
Retrospective
Prospective

Retrospective	3.0%
Prospective	3.0%



**Arkansas Homeowners
Development of Target Loss & ALAE Ratio**

Owners Form							
	<u>2010</u>	<u>2011</u>	<u>2012</u>	Average	Selected Provision	% Fixed Expense	% Variable Expense
Commissions	15.5%	15.2%	14.8%	15.2%	14.6%	0%	100%
Contingent Commissions					1.2%	0%	100%
General & Other Acq.	22.5%	18.7%	15.6%	18.9%	10.3%	50%	50%
Taxes, Licenses, and Fees					3.2%	0%	100%
ULAE/Premium	3.9%	4.6%	4.7%	4.4%	7.0%	100%	0%
Profit and Contingency					11.9%	0%	100%
Other Fixed Expense Load					1.5%	100%	0%
Total Fixed Expense						13.6%	
Total Variable Expense							36.1%
Total Expenses					49.7%		
Target Loss & ALAE Ratio					50.3%		
ALAE/Loss	1.8%	2.6%	1.5%	2.0%	0.8%		

**Arkansas Homeowners
Development of Target Loss & ALAE Ratio**

Condo Form							
	<u>2010</u>	<u>2011</u>	<u>2012</u>	Average	Selected Provision	% Fixed Expense	% Variable Expense
Commissions	15.0%	15.0%	14.9%	15.0%	14.6%	0%	100%
Contingent Commissions					1.2%	0%	100%
General & Other Acq.	22.5%	18.7%	15.6%	18.9%	10.3%	50%	50%
Taxes, Licenses, and Fees					3.2%	0%	100%
ULAE/Premium	3.9%	4.6%	4.7%	4.4%	6.8%	100%	0%
Profit and Contingency					11.9%	0%	100%
Other Fixed Expense Load					0.7%	100%	0%
Total Fixed Expense						12.7%	
Total Variable Expense							36.1%
Total Expenses					48.8%		
Target Loss & ALAE Ratio					51.2%		
ALAE/Loss	1.8%	2.6%	1.5%	2.0%	0.9%		

**Arkansas Homeowners
Development of Target Loss & ALAE Ratio**

Tenants Form							
	<u>2010</u>	<u>2011</u>	<u>2012</u>	Average	Selected Provision	% Fixed Expense	% Variable Expense
Commissions	15.2%	15.0%	14.9%	15.0%	14.6%	0%	100%
Contingent Commissions					1.2%	0%	100%
General & Other Acq.	22.5%	18.7%	15.6%	18.9%	10.3%	50%	50%
Taxes, Licenses, and Fees					3.2%	0%	100%
ULAE/Premium	3.9%	4.6%	4.7%	4.4%	6.8%	100%	0%
Profit and Contingency					11.9%	0%	100%
Other Fixed Expense Load					0.3%	100%	0%
Total Fixed Expense						12.3%	
Total Variable Expense							36.1%
Total Expenses					48.3%		
Target Loss & ALAE Ratio					51.7%		
ALAE/Loss	1.8%	2.6%	1.5%	2.0%	0.9%		

State of Arkansas Homeowners Rates Effective 12/20/2013 Ren, 12/20/2013 NB Hanover Insurance Rate Impact by Form						
Form	Policy Count	% of Policies	Onlevel WP	Proposed WP	Account Credit & Cred Cap	Total Changes
Condo	109	1.2%	62,568	62,834	0.0%	0.4%
Owner	8,526	94.3%	10,570,453	12,206,803	0.0%	15.5%
Tenant	406	4.5%	139,000	139,956	0.0%	0.7%
Total	9,041	100.0%	10,772,021	12,409,593	0.0%	15.2%

Homeowners Weather & Large Loss Analysis
As of 18 months old

State AR
Region South

Accident Year	AR Threshold (000s)	State of AR									
		Total Loss	Total Count	Weather Loss	Weather Count	Non-Weather Large Loss	Non-Weather Weather Large Count	Non-Weather Excess Loss	Non-Weather Limited Loss	Excess / Non-Weather Limited Loss	Weather/Non-Weather Limited Loss
2000	70	1011438	386	819189	291	-	-	0	192249	0.0%	426.1%
2001	72	784364	304	541814	228	77,500	1	5258	237292	2.2%	228.3%
2002	74	1748844	366	836568	265	485,317	2	336498	575777	58.4%	145.3%
2003	77	2544645	401	1380251	330	873,921	5	490713	673681	72.8%	204.9%
2004	79	1673940	251	849361	185	627,193	3	390371	434208	89.9%	195.6%
2005	81	1099116	253	652560	196	185,456	1	104146	342409	30.4%	190.6%
2006	84	2455495	317	1078137	253	1,248,222	5	829480	547878	151.4%	196.8%
2007	86	1795538	243	631574	181	872,720	3	613938	550026	111.6%	114.8%
2008	89	1904851	386	1575960	326	146,993	1	58144	270747	21.5%	582.1%
2009	92	5649673	631	3597973	554	1,475,057	8	742943	1308757	56.8%	274.9%
2010	94	4138383	579	3096762	499	516,476	3	233697	807923	28.9%	383.3%
2011	97	7271245	735	4461766	639	2,205,385	7	1525773	1283706	118.9%	347.6%
2012	100	7600931	617	2385721	484	4,218,458	14	2818458	2396752	117.6%	99.5%
Total		39678463	5469	21907638	4431	12,932,698	53	8149419	9621406	84.7%	227.7%

Average

3-yr	88.5%	276.8%
5-yr	68.7%	337.5%
7-yr	86.7%	285.6%
10-yr	80.0%	259.0%
12-yr	71.7%	247.0%
15-yr	66.2%	260.8%
All-yr	66.2%	260.8%

Average Excl Hi/Lo

5-yr	67.8%	335.3%
6-yr	78.7%	280.2%
7-yr	86.8%	263.5%
10-yr	78.4%	238.6%
12-yr	70.7%	228.2%
15-yr	64.5%	246.2%
All-yr	64.5%	246.2%

Weighted by Non-Weather Limited Loss

3-yr	102.0%	221.6%
5-yr	88.6%	249.2%
7-yr	95.2%	234.8%
10-yr	90.6%	228.8%
12-yr	86.4%	223.7%
15-yr	84.7%	227.7%
All-yr	84.7%	227.7%

Prior Selected		
Initial Selected	73.0%	262.6%
Weight	36.8%	35.6%
Default Selected	84.7%	227.7%
Final Selected	80.0%	200.0%

Arkansas
Homeowners - All Companies Combined
Rate Indication for Rates Effective 12/20/13 - Summary Exhibit

	Selected Retrospective	Selected Prospective	Selected Retrospective	Selected Prospective	Underwriting Profit Provision	Non-CAT Target Loss & ALAE Ratio	Modeled Cats Loss & ALAE Ratio	Indication
	Annual Loss Trend	Annual Loss Trend	Annual Premium Trend	Annual Premium Trend				
Homeowners	3.0%	1.0%	0.0%	0.0%	11.9%	25.5%	24.8%	34.2%
Condo	3.0%	3.0%	-1.0%	-2.0%	11.9%	48.2%	3.0%	0.7%
Tenant	<u>3.0%</u>	<u>3.0%</u>	<u>-3.0%</u>	<u>-4.0%</u>	<u>11.9%</u>	<u>49.2%</u>	<u>2.5%</u>	<u>-5.6%</u>
Total	3.0%	1.0%	0.0%	0.0%	11.9%	25.8%	24.5%	33.7%

Arkansas Homeowners - All Companies Combined
Homeowners Form Rate Indication for Rates Effective 12/20/13
Dollars in Thousands

		Accident Year Ending:				
		<u>6/30/2009</u>	<u>6/30/2010</u>	<u>6/30/2011</u>	<u>6/30/2012</u>	<u>6/30/2013</u>
1a	Earned Premium	6,145	7,641	10,428	12,761	13,670
1b	Endorsement Premium	259	335	545	744	829
1c	Uncapped Earned Premium	6,145	7,641	10,426	12,754	13,748
1d	Uncapped Endorsement Premium	259	335	545	743	834
2	On-Level Factor - Owners	1.453	1.388	1.274	1.192	1.091
3 = (1c-1d)·(2) + 1d	Premium at CRL	8,809	10,479	13,135	15,057	14,922
	Non-Rate OLF	1.000	1.000	1.000	1.000	1.000
4a	Annual Premium Trend - Retrospective	0.0%	0.0%	0.0%	0.0%	0.0%
5a	Premium Trend Factor - Retrospective	1.000	1.000	1.000	1.000	1.000
4b	Annual Premium Trend - Prospective	0.0%	0.0%	0.0%	0.0%	0.0%
5b	Premium Trend Factor - Prospective	1.000	1.000	1.000	1.000	1.000
6 = 3-5a-5b	Trended Premium	8,809	10,479	13,135	15,057	14,922
7	Incurred Loss Evaluated @ 6/30/13	6,764	4,834	21,262	6,361	6,041
8	Catastrophe Incurred Losses	1,951	444	15,257	112	403
9a = 7-8	Non-Cat Incurred Losses	4,814	4,390	6,005	6,249	5,638
9b	Weather Loss	0	0	0	0	0
9c	Large Loss Threshold	185	190	196	202	210
9d	Excess Loss above Threshold	184	111	437	1,127	1,066
9e	Excess Loss Load	8.4%	8.4%	8.4%	8.4%	8.4%
9f	Weather Load	0.0%	0.0%	0.0%	0.0%	0.0%
9=(9a-9b-9d)·(1+9d+9e)	Adjusted Non-Cat Incurred Losses	5,018	4,638	6,035	5,551	4,955
10	Loss OLF	1.00	1.00	1.00	1.00	1.00
10a	Loss Development Factor:	1.000	1.000	0.994	1.000	1.162
11 = 9*10*10a	Est. Ultimate Incurred Loss Non-Cat	5,018	4,638	5,997	5,549	5,758
12a	Est. Annual Loss Trend - Retrospective	3.0%	3.0%	3.0%	3.0%	3.0%
13a	Loss Trend Factor - Retrospective	1.126	1.093	1.061	1.030	1.000
12b	Est. Annual Loss Trend - Prospective	1.0%	1.0%	1.0%	1.0%	1.0%
13b	Loss Trend Factor - Prospective	1.020	1.020	1.020	1.020	1.020
14 = 13a-13b-11	Trended Incurred Losses	5,761	5,169	6,489	5,829	5,872
15	ALAE (% of Loss)	0.8%	0.8%	0.8%	0.8%	0.8%
16 = (1.00 +15)-14	Trended Loss & ALAE	5,807	5,211	6,541	5,876	5,919
17 = 16÷6	Projected Loss & ALAE Ratio	65.9%	49.7%	49.8%	39.0%	39.7%
18	Accident Year Weights	5.0%	15.0%	20.0%	25.0%	35.0%
20a	Hurricane Loss & ALAE Ratio					0.0%
20b	Other Catastrophes Loss & ALAE Ratio					24.8%
20c	Permissible Loss & ALAE Ratio Excluding All Catastrophes to yield a Combined Ratio of	88.1%				25.5%
21a	Cat Loss Annual Trend - Prospective					5.9%
21b	Cat Loss Ratio Trend Factor - Prospective					1.120
21c = 13b/5b	NonCat Loss Ratio Trend Factor - Prospective					1.020
22a = 21b-20a	Trended Hurricane Loss & ALAE Ratio					0.0%
22b = 21b-20b	Trended Other Catastrophes Loss & ALAE Ratio					27.8%
22c = 21c-20c	Trended Permissible Loss & ALAE Ratio Excluding All Catastrophes					26.0%
	Selected Complement of Credibility					26.0%
23a	Fixed Expense					13.6%
23b	Variable Expense(incl Profit)					36.1%
24a	Earned House Years	7,605	9,095	11,300	12,933	12,930
24b	Credibility					100.0%
25 = 19a-24b + 22c (1-24b)	Credibility-Adjusted Loss & ALAE Ratio Excluding All Catastrophes					44.4%
27 = (25+22a+22b+23a) / (1-23b)- Indicated Rate Change - Credibility Weighted						34.2%

Homeowners Weather & Large Loss Analysis
As of 18 months old

State AR

Region South

Accident Year	AR Threshold (000s)	State of AR									
		Total Loss	Total Count	Weather Loss	Weather Count	Large Loss	Large Count	Excess Loss	Limited Loss	Excess / Limited Loss	Weather/Limited Loss
1992	115	-	-	-	-	-	-	-	-	-	-
1993	119	-	-	-	-	-	-	-	-	-	-
1994	122	-	-	-	-	-	-	-	-	-	-
1995	126	-	-	-	-	-	-	-	-	-	-
1996	130	-	-	-	-	-	-	-	-	-	-
1997	134	-	-	-	-	-	-	-	-	-	-
1998	138	-	-	-	-	-	-	-	-	-	-
1999	142	-	-	-	-	-	-	-	-	-	-
2000	146	1011438	386	0	0	302,613	3	-135175	1146613	-11.8%	0.0%
2001	150	784364	304	0	0	77,500	1	-72807	857171	-8.5%	0.0%
2002	155	1748844	366	0	0	560,222	3	95773	1653070	5.8%	0.0%
2003	159	2544645	401	0	0	1,145,629	6	188865	2355780	8.0%	0.0%
2004	164	1673940	251	0	0	876,007	5	54785	1619155	3.4%	0.0%
2005	169	1099116	253	0	0	185,456	1	16284	1082832	1.5%	0.0%
2006	174	2455495	317	0	0	1,248,222	5	376987	2078508	18.1%	0.0%
2007	179	1795538	243	0	0	872,720	3	334297	1461241	22.9%	0.0%
2008	185	1904851	386	0	0	146,993	1	-37866	1942717	-1.9%	0.0%
2009	190	5649673	631	0	0	1,768,817	10	-135227	5784901	-2.3%	0.0%
2010	196	4138383	579	0	0	516,476	3	-71873	4210256	-1.7%	0.0%
2011	202	7271245	735	0	0	2,711,592	11	489592	6781653	7.2%	0.0%
2012	210	7600931	617	0	0	4,218,458	14	1278458	6322473	20.2%	0.0%
Total		39678463	5469	0	0	14,630,704	66	2382093	37296370	6.4%	0.0%

Average

3-yr	8.6%	0.0%
5-yr	4.3%	0.0%
7-yr	8.9%	0.0%
10-yr	7.5%	0.0%
12-yr	6.1%	0.0%
15-yr	4.7%	0.0%
All-yr	4.7%	0.0%

Average Excl Hi/Lo

5-yr	1.2%	0.0%
6-yr	5.9%	0.0%
7-yr	8.4%	0.0%
10-yr	6.9%	0.0%
12-yr	5.8%	0.0%
15-yr	4.5%	0.0%
All-yr	4.5%	0.0%

Weighted by Limited Loss

3-yr	9.8%	0.0%
5-yr	6.1%	0.0%
7-yr	7.8%	0.0%
10-yr	7.4%	0.0%
12-yr	7.0%	0.0%
15-yr	6.4%	0.0%
All-yr	6.4%	0.0%

Prior Selected

Initial Selected

Weight

Default Selected

Final Selected

5.3%	0.0%
35.4%	
6.4%	0.0%
7 yr x hi lo	8.4% 0.0%

Arkansas
Homeowners - All Companies Combined
Rate Indication for Rates Effective 12/20/13 - Summary Exhibit

	Selected Retrospective	Selected Prospective	Selected Retrospective	Selected Prospective	Underwriting Profit Provision	Non-CAT Target Loss & ALAE Ratio	Cats Loss & ALAE Ratio	Indication
	Annual Loss Trend	Annual Loss Trend	Annual Premium Trend	Annual Premium Trend				
Homeowners	3.0%	1.0%	0.0%	0.0%	11.9%	25.5%	24.8%	31.9%
Condo	3.0%	3.0%	-1.0%	-2.0%	11.9%	50.1%	1.1%	0.1%
Tenant	<u>3.0%</u>	<u>3.0%</u>	<u>-3.0%</u>	<u>-4.0%</u>	<u>11.9%</u>	<u>50.8%</u>	<u>0.9%</u>	<u>-6.5%</u>
Total	3.0%	1.0%	0.0%	0.0%	11.9%	25.8%	24.5%	31.5%

Arkansas Homeowners - All Companies Combined
Homeowners Form Rate Indication for Rates Effective 12/20/13
Dollars in Thousands

		Accident Year Ending:				
		<u>6/30/2009</u>	<u>6/30/2010</u>	<u>6/30/2011</u>	<u>6/30/2012</u>	<u>6/30/2013</u>
1a	Earned Premium	6,145	7,641	10,428	12,761	13,670
1b	Endorsement Premium	259	335	545	744	829
1c	Uncapped Earned Premium	6,145	7,641	10,426	12,754	13,748
1d	Uncapped Endorsement Premium	259	335	545	743	834
2	On-Level Factor - Owners	1.453	1.388	1.274	1.192	1.091
3 = (1c-1d)-(2) + 1d	Premium at CRL	8,809	10,479	13,135	15,057	14,922
	Non-Rate OLF	1.000	1.000	1.000	1.000	1.000
4a	Annual Premium Trend - Retrospective	0.0%	0.0%	0.0%	0.0%	0.0%
5a	Premium Trend Factor - Retrospective	1.000	1.000	1.000	1.000	1.000
4b	Annual Premium Trend - Prospective	0.0%	0.0%	0.0%	0.0%	0.0%
5b	Premium Trend Factor - Prospective	1.000	1.000	1.000	1.000	1.000
6 = 3-5a-5b	Trended Premium	8,809	10,479	13,135	15,057	14,922
7	Incurred Loss Evaluated @ 6/30/13	6,764	4,834	21,262	6,361	6,041
8	Catastrophe Incurred Losses	1,951	444	15,257	112	403
9a = 7-8	Non-Cat Incurred Losses	4,814	4,390	6,005	6,249	5,638
9b	Weather Loss	3,199	3,214	4,242	2,575	2,284
9c	Large Loss Threshold	89	92	94	97	100
9d	Excess Loss above Threshold excl. Weather	562	367	732	2,096	1,631
9e	Excess Loss Load	80.0%	80.0%	80.0%	80.0%	80.0%
9f	Weather Load	200.0%	200.0%	200.0%	200.0%	200.0%
9=(9a-9b-9d)*(1+9d+9e)	Adjusted Non-Cat Incurred Losses	4,000	3,074	3,922	5,998	6,550
10	Loss OLF	1.00	1.00	1.00	1.00	1.00
10a	Loss Development Factor:	1.000	1.000	0.994	1.000	1.162
11 = 9*10*10a	Est. Ultimate Incurred Loss Non-Cat	4,000	3,074	3,897	5,995	7,611
12a	Est. Annual Loss Trend - Retrospective	3.0%	3.0%	3.0%	3.0%	3.0%
13a	Loss Trend Factor - Retrospective	1.126	1.093	1.061	1.030	1.000
12b	Est. Annual Loss Trend - Prospective	1.0%	1.0%	1.0%	1.0%	1.0%
13b	Loss Trend Factor - Prospective	1.020	1.020	1.020	1.020	1.020
14 = 13a-13b-11	Trended Incurred Losses	4,591	3,426	4,217	6,298	7,762
15	ALAE (% of Loss)	0.8%	0.8%	0.8%	0.8%	0.8%
16 = (1.00 +15)-14	Trended Loss & ALAE	4,628	3,454	4,251	6,349	7,824
17 = 16÷6	Projected Loss & ALAE Ratio	52.5%	33.0%	32.4%	42.2%	52.4%
18	Accident Year Weights	5.0%	15.0%	20.0%	25.0%	35.0%
20a	Hurricane Loss & ALAE Ratio					0.0%
20b	Other Catastrophes Loss & ALAE Ratio					24.8%
20c	Permissible Loss & ALAE Ratio Excluding All Catastrophes to yield a Combined Ratio of	88.1%				25.5%
21a	Cat Loss Annual Trend - Prospective					5.9%
21b	Cat Loss Ratio Trend Factor - Prospective					1.120
21c = 13b/5b	NonCat Loss Ratio Trend Factor - Prospective					1.020
22a = 21b-20a	Trended Hurricane Loss & ALAE Ratio					0.0%
22b = 21b-20b	Trended Other Catastrophes Loss & ALAE Ratio					27.8%
22c = 21c-20c	Trended Permissible Loss & ALAE Ratio Excluding All Catastrophes					26.0%
	Selected Complement of Credibility					26.0%
23a	Fixed Expense					13.6%
23b	Variable Expense(incl Profit)					36.1%
24a	Earned House Years	7,605	9,095	11,300	12,933	12,930
24b	Credibility					100.0%
25 = 19a-24b + 22c (1-24b)	Credibility-Adjusted Loss & ALAE Ratio Excluding All Catastrophes					42.9%
27 = (25+22a+22b+23a) / (1-23b)- Indicated Rate Change - Credibility Weighted						31.9%

Arkansas Homeowners - All Companies Combined
Condominium Form Rate Indication for Rates Effective 12/20/13
Dollars in Thousands

		Accident Year Ending:				
		<u>06/30/09</u>	<u>06/30/10</u>	<u>06/30/11</u>	<u>06/30/12</u>	<u>06/30/13</u>
1a	Earned Premium	38	51	60	80	78
1b	Uncapped Earned Premium	38	51	60	79	78
2	On-Level Factor	1.001	0.990	0.996	1.000	1.000
3 = 1-2	Premium at CRL	38	50	60	79	78
	Non-Rate OLF	1.000	1.000	1.000	1.000	1.000
4a	Annual Premium Trend - Retrospective	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%
5a	Premium Trend Factor - Retrospective	0.961	0.970	0.980	0.990	1.000
4b	Annual Premium Trend - Prospective	-2.0%	-2.0%	-2.0%	-2.0%	-2.0%
5b	Premium Trend Factor - Prospective	0.961	0.961	0.961	0.961	0.961
6 = 3-5a-5b	Trended Premium	36	47	57	76	75
7	Incurred Loss Evaluated @ 6/30/13	3	16	2	34	0
8	Catastrophe Incurred Losses	0	0	0	0	0
9 = 7-8	Non-Cat Incurred Losses	3	16	2	34	0
	Loss OLF for Regulatory Changes	1.00	1.00	1.00	1.00	1.00
10	Loss Development Factor:	1.000	1.000	0.983	0.996	1.096
11 = 9-10	Estim. Ultimate Incurred Loss Non-Cat	3	16	2	34	0
12a	Est. Annual Loss Trend - Retrospective	3.0%	3.0%	3.0%	3.0%	3.0%
13a	Loss Trend Factor - Retrospective	1.126	1.093	1.061	1.030	1.000
12b	Est. Annual Loss Trend - Prospective	3.0%	3.0%	3.0%	3.0%	3.0%
13b	Loss Trend Factor - Prospective	1.060	1.060	1.060	1.060	1.060
14 = 13a-13b-11	Trended Incurred Losses	3	19	2	37	0
15	ALAE (% of Loss)	0.9%	0.9%	0.9%	0.9%	0.9%
16 = (1.00 +15)-14	Trended Loss & ALAE	3	19	2	37	0
17 = 16÷6	Projected Loss & ALAE Ratio	9.2%	40.1%	3.6%	49.1%	0.0%
18	Accident Year Weights	20.0%	20.0%	20.0%	20.0%	20.0%
20a	Hurricane Loss & ALAE Ratio					0.0%
20b	Other Catastrophes Loss & ALAE Ratio					1.1%
20c	Permissible Loss & ALAE Ratio Excluding All Catastrophes to yield a Combined Ratio of	88.1%				50.1%
21a	Cat Loss Annual Trend - Prospective					5.9%
21b	Cat Loss Ratio Trend Factor - Prospective					1.165
21c = 13b/5b	NonCat Loss Ratio Trend Factor - Prospective					1.103
22a = 21b-20a	Trended Hurricane Loss & ALAE Ratio					0.0%
22b = 21b-20b	Trended Other Catastrophes Loss & ALAE Ratio					1.3%
22c = 21c-20c	Trended Permissible Loss & ALAE Ratio Excluding All Catastrophes					55.3%
	Selected Complement of Credibility					55.3%
23a	Fixed Expense					12.7%
23b	Variable Expense(incl Profit)					36.1%
24a	Earned House Years	77	96	116	145	147
24b	Credibility					15.2%
25= 19a-24b + 22c-(1-24b)	Credibility-Adjusted Loss & ALAE Ratio Excluding All Catastrophes					50.0%
27 =(25+22a+22b+23a) / (1-23b)	Indicated Rate Change - Credibility Weighted					0.1%

Arkansas Homeowners - All Companies Combined
Tenant Form Rate Indication for Rates Effective 12/20/13
Dollars in Thousands

		Accident Year Ending:				
		<u>06/30/09</u>	<u>06/30/10</u>	<u>06/30/11</u>	<u>06/30/12</u>	<u>06/30/13</u>
1a	Earned Premium	63	77	106	137	127
1b	Uncapped Earned Premium	63	77	106	137	127
2	On-Level Factor	0.976	0.964	0.982	0.997	1.001
3 = 1b-2	Premium at CRL	61	74	104	136	127
	Non-Rate OLF	1.000	1.000	1.000	1.000	1.000
4a	Annual Premium Trend - Retrospective	-3.0%	-3.0%	-3.0%	-3.0%	-3.0%
5a	Premium Trend Factor - Retrospective	0.885	0.913	0.941	0.970	1.000
4b	Annual Premium Trend - Prospective	-4.0%	-4.0%	-4.0%	-4.0%	-4.0%
5b	Premium Trend Factor - Prospective	0.923	0.923	0.923	0.923	0.923
6 = 3-5a-5b	Trended Premium	50	63	90	122	117
7	Incurred Loss Evaluated @ 6/30/13	0	1	18	27	6
8	Catastrophe Incurred Losses	0	0	0	0	0
9 = 7-8	Non-Cat Incurred Losses	0	1	18	27	6
	Loss OLF for Regulatory Changes	1.00	1.00	1.00	1.00	1.00
10	Loss Development Factor:	1.000	1.000	0.997	0.983	1.037
11 = 9-10	Estim. Ultimate Incurred Loss Non-Cat	0	1	18	26	6
12a	Est. Annual Loss Trend - Retrospective	3.0%	3.0%	3.0%	3.0%	3.0%
13a	Loss Trend Factor - Retrospective	1.126	1.093	1.061	1.030	1.000
12b	Est. Annual Loss Trend - Prospective	3.0%	3.0%	3.0%	3.0%	3.0%
13b	Loss Trend Factor - Prospective	1.060	1.060	1.060	1.060	1.060
14 = 13a-13b-11	Trended Incurred Losses	0	1	21	29	6
15	ALAE (% of Loss)	0.9%	0.9%	0.9%	0.9%	0.9%
16 = (1.00 +15)-14	Trended Loss & ALAE	0	1	21	29	6
17 = 16÷6	Projected Loss & ALAE Ratio	0.5%	1.5%	23.0%	23.9%	5.2%
18	Accident Year Weights	20.0%	20.0%	20.0%	20.0%	20.0%
19a = Sum(18-17)	Projected (Formula Weighted) Loss&ALAE Ratio Excluding All Catastrophes					10.8%
20a	Hurricane Loss & ALAE Ratio					0.0%
20b	Other Catastrophes Loss & ALAE Ratio					0.9%
20c	Permissible Loss & ALAE Ratio Excluding All Catastrophes to yield a Combined Ratio of		88.1%			50.8%
21a	Cat Loss Annual Trend - Prospective					5.9%
21b	Cat Loss Ratio Trend Factor - Prospective					1.214
21c = 13b/5b	NonCat Loss Ratio Trend Factor - Prospective					1.149
22a = 21b-20a	Trended Hurricane Loss & ALAE Ratio					0.0%
22b = 21b-20b	Trended Other Catastrophes Loss & ALAE Ratio					1.1%
22c = 21c-20c	Trended Permissible Loss & ALAE Ratio Excluding All Catastrophes Selected Complement of Credibility					58.3%
23a	Fixed Expense					12.3%
23b	Variable Expense(incl Profit)					36.1%
24a	Earned House Years	183	230	324	420	416
24b	Credibility					25.1%
25 = 19a-24b + 22c-(1-24b)	Credibility-Adjusted Loss & ALAE Ratio Excluding All Catastrophes					46.4%
27 = (25+22a+22b+23a) / (1-23b)	Indicated Rate Change - Credibility Weighted					-6.5%

Homeowners Selected CAT loads

Owners Form

State	FTWP ¹ @ 6/30/12	TIV @ 6/30/12 (‘000)	Prem per TIV/100	Hurricane			Other Wind				Winter Freeze				Earthquake			Total CAT %
				RMS	AIR	Selected	RMS	AIR	Experience	Selected	RMS	AIR	Experience	Selected	RMS	AIR	Selected	
AR	15,868,302	6,910,001	0.23	0.0%	0.4%	0.0%	21.0%	26.4%	22.2%	22.2%	2.3%	2.5%	2.4%	2.4%	0.5%	0.5%	0.0%	24.6%

Tenants Form

State	FTWP ¹ @ 6/30/12	TIV @ 6/30/12 (‘000)	Prem per TIV/100	Hurricane			Other Wind				Winter Freeze				Earthquake			Total CAT %
				RMS	AIR	Selected	RMS	AIR	Experience	Selected	RMS	AIR	Experience	Selected	RMS	AIR	Selected	
AR	160,827	27,707	0.58	0.0%	0.0%	0.0%	1.5%	4.6%	0.2%	0.2%	0.2%	0.1%	0.7%	0.7%	0.0%	0.0%	0.0%	0.9%

Condo Form

State	FTWP ¹ @ 6/30/12	TIV @ 6/30/12 (‘000)	Prem per TIV/100	Hurricane			Other Wind				Winter Freeze				Earthquake			Total CAT %
				RMS	AIR	Selected	RMS	AIR	Experience	Selected	RMS	AIR	Experience	Selected	RMS	AIR	Selected	
AR	95,054	22,905	0.41	0.0%	0.1%	0.0%	5.9%	7.2%	0.3%	0.3%	1.0%	0.7%	0.7%	0.7%	0.2%	0.2%	0.0%	1.1%

State: Arkansas

Filing Company:

The Hanover Insurance Company

TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations

Product Name: *HOME- Homeowners 2010 and Forward

Project Name/Number: *HOME- Homeowners 2010 and Forward/AR134770100001

Superseded Schedule Items

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

Creation Date	Schedule Item Status	Schedule	Schedule Item Name	Replacement Creation Date	Attached Document(s)
09/25/2013		Supporting Document	HPCS-Homeowners Premium Comparison Survey	10/22/2013	HO Survey FORM HPCS.PDF (Superseded) HO Survey FORM HPCS.XLS (Superseded)
09/25/2013		Supporting Document	NAIC loss cost data entry document	10/22/2013	AR RF-1 Rate Filing Abstract Hanover 20131220.PDF (Superseded)
09/25/2013		Supporting Document	Rate Manual Pages ~ Marked Copy	10/22/2013	AR HO HN 12-20-13 N&R changes only DRAFT.PDF (Superseded)
09/25/2013		Rate	Arkansas Homeowners Manual; The Hanover Insurance Company	10/22/2013	AR HO HN 12-20-13 N&R changes only Clean.PDF (Superseded)

NAIC Number: 22292
 Company Name: The Hanover Insurance Company
 Contact Person: Susan Whitworth
 Telephone No.: (505) 855 4664
 Email Address: swhitworth@hanover.com
 Effective Date: 12/20/2013 Renewal & New

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

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

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

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

Public Protection Class	Dwelling Value	Washington		Baxter		Craighead		St. Francis		Desha		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$80,000	\$1,159	\$1,289	\$1,159	\$1,289	\$1,971	\$2,191	\$1,681	\$1,870	\$1,681	\$1,870	\$1,646	\$1,831	\$1,620	\$1,800	\$1,217	\$1,354	\$1,306	\$1,452
	\$120,000	\$1,333	\$1,483	\$1,333	\$1,483	\$2,267	\$2,520	\$1,934	\$2,150	\$1,934	\$2,150	\$1,893	\$2,106	\$1,863	\$2,070	\$1,399	\$1,557	\$1,501	\$1,669
	\$160,000	\$1,723	\$1,916	\$1,723	\$1,916	\$2,930	\$3,256	\$2,499	\$2,779	\$2,499	\$2,779	\$2,446	\$2,720	\$2,407	\$2,675	\$1,809	\$2,012	\$1,940	\$2,157
6	\$80,000	\$1,406	\$1,598	\$1,406	\$1,598	\$2,389	\$2,715	\$2,038	\$2,316	\$2,038	\$2,316	\$1,996	\$2,267	\$1,962	\$2,230	\$1,475	\$1,676	\$1,583	\$1,798
	\$120,000	\$1,616	\$1,837	\$1,616	\$1,837	\$2,747	\$3,121	\$2,344	\$2,664	\$2,344	\$2,664	\$2,295	\$2,607	\$2,257	\$2,565	\$1,696	\$1,928	\$1,820	\$2,068
	\$160,000	\$2,089	\$2,374	\$2,089	\$2,374	\$3,550	\$4,033	\$3,028	\$3,442	\$3,028	\$3,442	\$2,966	\$3,369	\$2,915	\$3,314	\$2,191	\$2,490	\$2,352	\$2,671
9	\$80,000	\$3,833	\$5,515	\$3,833	\$5,515	\$6,512	\$9,371	\$5,556	\$7,997	\$5,556	\$7,997	\$5,441	\$7,829	\$5,350	\$7,699	\$4,021	\$5,787	\$4,314	\$6,208
	\$120,000	\$4,407	\$6,343	\$4,407	\$6,343	\$7,488	\$10,777	\$6,390	\$9,195	\$6,390	\$9,195	\$6,256	\$9,003	\$6,152	\$8,852	\$4,624	\$6,655	\$4,962	\$7,139
	\$160,000	\$5,695	\$8,195	\$5,695	\$8,195	\$9,676	\$13,924	\$8,257	\$11,882	\$8,257	\$11,882	\$8,084	\$11,632	\$7,949	\$11,440	\$5,975	\$8,598	\$6,411	\$9,224

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

Public Protection Class	Property Value	Washington		Baxter		Craighead		St. Francis		Arkansas		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$5,000																		
	\$15,000																		
	\$25,000	\$222	\$222	\$222	\$222	\$222	\$222	\$222	\$222	\$222	\$222	\$222	\$222	\$222	\$222	\$222	\$222	\$222	\$222
6	\$5,000																		
	\$15,000																		
	\$25,000	\$244	\$244	\$244	\$244	\$244	\$244	\$244	\$244	\$244	\$244	\$244	\$244	\$244	\$244	\$244	\$244	\$244	\$244
9	\$5,000																		
	\$15,000																		
	\$25,000	\$532	\$532	\$532	\$532	\$532	\$532	\$532	\$532	\$532	\$532	\$532	\$532	\$532	\$532	\$532	\$532	\$532	\$532

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

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

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

HO3 and HO4 only

Fire Extinguisher	0 %	Deadbolt Lock	0 %
Burglar Alarm	7 %	Window Locks	0 %
Smoke Alarm	4 %	\$1,000 Deductible	0 %
		Other (specify)	
		Non-Smoke	1 %

EARTHQUAKE INSURANCE

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

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

WHAT IS YOUR PERCENTAGE DEDUCTIBLE? 10 %

WHAT IS YOUR PRICE PER \$1,000 OF COVERAGE? Zone Highest Risk \$ 1.8 \$ 1.7

Maximum Credit Allowed	45%	Lowest Risk	\$ 0.9	\$ 0.35
------------------------	-----	-------------	--------	---------

I

FORM RF-1 Rate Filing Abstract NAIC LOSS COST DATA ENTRY DOCUMENT

1.	This filing transmittal is part of Company Tracking #	AR134770100001
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. The Hanover Insurance Company	B.	0088-22292

Product Coding Matrix Line of Business (i.e., Type of Insurance)		Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)	
4.	A. 4.0	B.	4.0000

5.

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	FOR LOSS COSTS ONLY			
			(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)
HO 2,3	31.9%	15.5%				
HO 4	-5.6%	0.7%				
HO 6	0.7%	0.4%				
TOTAL OVERALL EFFECT	31.5%	15.2%				

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
2008	836	3.0%	5/05/2008	\$760	\$978	128.7%	52.4%
2009	2,135	5.0%	06/04/2009	\$926	\$1,381	149.2%	49.3%
2010	5,463	4.3%	06/04/2010	\$3,396	1,298	38.2%	62.4%
2011	8,136	7.0%	09/15/2011	\$6,532	\$8,586	131.4%	80.5%
2012	9,148	25.0%	12/20/2012	\$8,759	\$5,268	60.1%	61.0%

7.

Expense Constants	Selected Provisions
A. Total Production Expense	15.8%
B. General Expense	10.3%
C. Taxes, License & Fees	3.2%
D. Underwriting Profit & Contingencies	11.9%
E. Other (explain) reinsurance	1.5%
F. TOTAL	42.7%

8.	N	Apply Lost Cost Factors to Future filings? (Y or N)	
9.	25.0%	Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): Multiple Territories	
10.	0.0%	Estimated Maximum Rate Decrease for any Insured (%). Territory (if applicable): Multiple Territories	

HANOVER

ARKANSAS HOMEOWNERS

ANNOUNCEMENT OF REVISIONS

MANUAL PAGES INCLUDED HEREWITH:

ENTIRE HOMEOWNERS MANUAL

Revised pages with this revision:

Rate Structure	AR-RS-1 thru AR-RS-3
State Pages.....	50-52

SUMMARY OF CHANGE

- Revised HO-3 Base Rates
- Revised Umbrella Rates

EFFECTIVE DATE: December 20, 2013 New and Renewal

5. RATE STRUCTURE

HO-00-03

\$30,000 BASE RATES

\$1,000 DEDUCTIBLE COVERAGE

Terr	Prem. Group	Rate
31	001	1120
	002	1245
	003	1357
	004	1546
	005	2221
	006	3700
	007	5324
	008	1542
	009	1739
	010	2614
	011	5055
37	012	1135
	013	1262
	014	1376
	015	1567
	016	2251
	017	3751
	018	5397
	019	1563
	020	1762
	021	2650
	022	5124
42	023	1127
	024	1253
	025	1366
	026	1555
	027	2235
	028	3723
	029	5358
	030	1552
	031	1750
	032	2631
	033	5087

Terr	Prem. Group	Rate
49	034	901
	035	1001
	036	1091
	037	1243
	038	1786
	039	2976
	040	4282
	041	1240
	042	1398
	043	2103
	044	4065
50	045	1527
	046	1698
	047	1851
	048	2108
	049	3029
	050	5047
	051	7262
	052	2104
	053	2371
	054	3566
	055	6895
51	056	1546
	057	1719
	058	1874
	059	2134
	060	3067
	061	5109
	062	7352
	063	2130
	064	2401
	065	3610
	066	6980

Terr	Prem. Group	Rate
52	089	1008
	090	1121
	091	1222
	092	1392
	093	2000
	094	3332
	095	4795
	096	1389
	097	1566
	098	2354
	099	4552
53	100	1019
	101	1133
	102	1235
	103	1407
	104	2021
	105	3367
	106	4845
	107	1404
	108	1582
	109	2379
	110	4600
54	067	1714
	068	1905
	069	2077
	070	2365
	071	3398
	072	5661
	073	8147
	074	2360
	075	2660
	076	4000
	077	7735

5. RATE STRUCTURE

HO-00-03
 \$30,000 BASE RATES
 \$1,000 DEDUCTIBLE COVERAGE

Terr	Prem. Group	Rate
55	111	999
	112	1111
	113	1211
	114	1379
	115	1981
	116	3301
	117	4750
	118	1376
	119	1551
	120	2332
	121	4509
56	122	978
	123	1087
	124	1185
	125	1349
	126	1939
	127	3230
	128	4648
	129	1346
	130	1518
	131	2282
	132	4413
61	155	988
	156	1099
	157	1198
	158	1364
	159	1960
	160	3265
	161	4699
	162	1361
	163	1534
	164	2307
	165	4461

Terr	Prem. Group	Rate
62	078	834
	079	928
	080	1011
	081	1151
	082	1654
	083	2756
	084	3966
	085	1149
	086	1295
	087	1948
	088	3766
63	133	1008
	134	1121
	135	1222
	136	1392
	137	2000
	138	3332
	139	4795
	140	1389
	141	1566
	142	2354
	143	4552
64	144	1462
	145	1626
	146	1772
	147	2018
	148	2900
	149	4831
	150	6952
	151	2014
	152	2270
	153	3414
	154	6601

Terr	Prem. Group	Rate
65	166	1008
	167	1121
	168	1222
	169	1392
	170	2000
	171	3332
	172	4795
	173	1389
	174	1566
	175	2354
	176	4552
66	210	1431
	211	1592
	212	1735
	213	1976
	214	2839
	215	4730
	216	6806
	217	1971
	218	2222
	219	3342
	220	6462
67	232	1052
	233	1170
	234	1275
	235	1452
	236	2087
	237	3477
	238	5003
	239	1449
	240	1634
	241	2457
	242	4750

5. RATE STRUCTURE

HO-00-03

\$30,000 BASE RATES

\$1,000 DEDUCTIBLE COVERAGE

Terr	Prem. Group	Rate
68	243	1205
	244	1340
	245	1461
	246	1663
	247	2390
	248	3982
	249	5730
	250	1660
	251	1871
	252	2814
	253	5440
69	254	1408
	255	1565
	256	1706
	257	1943
	258	2792
	259	4651
	260	6693
	261	1939
	262	2186
	263	3287
	264	6355
70	276	1058
	277	1177
	278	1282
	279	1461
	280	2099
	281	3496
	282	5031
	283	1457
	284	1643
	285	2471
	286	4777

Terr	Prem. Group	Rate
71	1170	991
	1300	1102
	1417	1201
	1614	1368
	2320	1966
	3864	3275
	5561	4713
	1611	1365
	1816	1539
	2731	2314
	5279	4474
72	1043	884
	1159	983
	1264	1071
	1439	1220
	2068	1753
	3445	2920
	4958	4202
	1436	1217
	1619	1372
	2435	2063
	4707	3989
73	1057	896
	1175	996
	1281	1086
	1459	1236
	2096	1776
	3492	2960
	5026	4259
	1456	1234
	1641	1391
	2468	2091
	4771	4043

Terr	Prem. Group	Rate
74	177	1343
	178	1493
	179	1627
	180	1853
	181	2663
	182	4436
	183	6383
	184	1849
	185	2084
	186	3135
	187	6060
75	199	1273
	200	1415
	201	1542
	202	1757
	203	2524
	204	4205
	205	6051
	206	1753
	207	1976
	208	2971
	209	5745
76	188	1224
	189	1361
	190	1483
	191	1690
	192	2428
	193	4044
	194	5820
	195	1686
	196	1900
	197	2858
	198	5525

9. STATE PAGES – PERSONAL UMBRELLA LIABILITY SUPPLEMENT

9.2 RATES AND RULES

1. Exposure Charges - for the first \$1,000,000 of Coverage Limits

Automobile Underlying Limit of Liability	100/300/100 or 300 CSL	250/500/100 or 500 CSL	500/500/100
Initial Auto	131	77	57
Additional Auto	72	37	24
INEXPERIENCED DRIVER			
Less than 3 years	134	69	46
Over 3, less than 6 years	59	31	20

The following premium charges anticipate that the underlying limit meets or exceeds required minimum eligibility amounts.

Homeowners		Recreational Vehicle	
Initial Residence	84	Not Licensed	37
Add'l residences or farms (each)	32	Licensed	53
Office, Private School or studio	24		
Rental Property			
Per each living unit.	24		
Example: Duplex = 2 units. 4 Plex = 4 units.			

9. STATE PAGES – PERSONAL UMBRELLA LIABILITY SUPPLEMENT

9.2 RATES AND RULES (continued)

Watercraft Rating Methodology

Underlying Limit	Territory	Watercraft				
		Category 1	Category 2	Category 3	Category 4	Category 5
300 CSL	All	\$ 35.00	\$ 59.00	\$ 95.00	\$ 134.00	\$ 172.00
250/500/100 or 500 CSL	All	\$ 35.00	\$ 59.00	\$ 95.00	\$ 134.00	\$ 172.00
500/500/100 or 1M CSL	All	\$ 35.00	\$ 59.00	\$ 95.00	\$ 134.00	\$ 172.00
		per watercraft				

Category of Watercraft

- 1 Personal Watercraft
- 2 Watercraft under 26 ft in length
- 3 Watercraft 26' to 40' - Rated speed under 30 m.p.h.
- 4 Watercraft 26' to 40' - Rated speed 30 m.p.h. and greater
- 5 Watercraft 40' or over in length

Personal Watercraft definition:

Personal watercraft means any motorized watercraft that is 15 feet or less in hull length as manufactured, has as its primary source of propulsion an inboard motor powering a jet pump and is capable of carrying one or more persons in a sitting, standing or kneeling position. Personal watercraft includes, but is not limited to, a jet ski, wet bike, surf jet and miniature speedboat.

2. Minimum Premiums

Underlying	1M	2M	3M	4M	5M
100/300/100	\$193	\$299	\$424	\$501	\$560
250/500/100	\$161	\$250	\$354	\$419	\$467
500/500/100	\$161	\$250	\$354	\$419	\$467

3. Premium Credits - Higher Self Insured Retention Limits

When the risk has a self-insured retention limit that exceeds the minimum for the exposure, the following premium credits may be applied to the annual premium charge for the risk. **These credits shall not be applied to the MINIMUM PREMIUM for the policy.**

A self-insured retention that exceeds the minimum for the exposure:

\$500 in lieu of \$250	\$2.00 Cr.
\$1,000 in lieu of \$500	\$4.00 Cr.
\$5,000 in lieu of \$1,000	\$5.00 Cr.
\$10,000 in lieu of \$5,000	\$7.00 Cr.

9. STATE PAGES – PERSONAL UMBRELLA LIABILITY SUPPLEMENT

9.2 RATES AND RULES (continued)

4. Increased Limits

Multiply the premium computed or the minimum premium (whichever is higher) for the \$1,000,000 limit in the state rate pages by the factor for the higher limit of liability based on the underlying coverage limits you have selected.

UMBRELLA LIMIT	100/300/100 or 300 CSL	250/500/100 or 500 CSL	<u>500/500/100</u>
\$2,000,000	1.55	1.55	1.55
\$3,000,000	2.20	2.20	2.20
\$4,000,000	2.60	2.60	2.60
\$5,000,000	2.90	2.90	2.90

5. Automobile Insurance Surcharge

A \$20 surcharge will be applied to all policies where the underlying automobile insurance coverage is not with a Hanover Insurance Group Property and Casualty Company.

HANOVER

ARKANSAS HOMEOWNERS

ANNOUNCEMENT OF REVISIONS

MANUAL PAGES INCLUDED HEREWITH:

ENTIRE HOMEOWNERS MANUAL

Revised pages with this revision:

Rate StructureAR-RS-1 thru AR-RS-3
State Pages.....50-52

SUMMARY OF CHANGE

- Revised HO-3 Base Rates
- Revised Umbrella Rates

EFFECTIVE DATE: December 20, 2013 New and Renewal

5. RATE STRUCTURE

HO-00-03

\$30,000 BASE RATES

\$1,000 DEDUCTIBLE COVERAGE

Terr	Prem. Group	Rate
31	001	1120
	002	1245
	003	1357
	004	1546
	005	2221
	006	3700
	007	5324
	008	1542
	009	1739
	010	2614
	011	5055
37	012	1135
	013	1262
	014	1376
	015	1567
	016	2251
	017	3751
	018	5397
	019	1563
	020	1762
	021	2650
	022	5124
42	023	1127
	024	1253
	025	1366
	026	1555
	027	2235
	028	3723
	029	5358
	030	1552
	031	1750
	032	2631
	033	5087

Terr	Prem. Group	Rate
49	034	901
	035	1001
	036	1091
	037	1243
	038	1786
	039	2976
	040	4282
	041	1240
	042	1398
	043	2103
	044	4065
50	045	1527
	046	1698
	047	1851
	048	2108
	049	3029
	050	5047
	051	7262
	052	2104
	053	2371
	054	3566
	055	6895
51	056	1546
	057	1719
	058	1874
	059	2134
	060	3067
	061	5109
	062	7352
	063	2130
	064	2401
	065	3610
	066	6980

Terr	Prem. Group	Rate
52	089	1008
	090	1121
	091	1222
	092	1392
	093	2000
	094	3332
	095	4795
	096	1389
	097	1566
	098	2354
	099	4552
53	100	1019
	101	1133
	102	1235
	103	1407
	104	2021
	105	3367
	106	4845
	107	1404
	108	1582
	109	2379
	110	4600
54	067	1714
	068	1905
	069	2077
	070	2365
	071	3398
	072	5661
	073	8147
	074	2360
	075	2660
	076	4000
	077	7735

5. RATE STRUCTURE

HO-00-03

\$30,000 BASE RATES

\$1,000 DEDUCTIBLE COVERAGE

Terr	Prem. Group	Rate
55	111	999
	112	1111
	113	1211
	114	1379
	115	1981
	116	3301
	117	4750
	118	1376
	119	1551
	120	2332
	121	4509
56	122	978
	123	1087
	124	1185
	125	1349
	126	1939
	127	3230
	128	4648
	129	1346
	130	1518
	131	2282
	132	4413
61	155	988
	156	1099
	157	1198
	158	1364
	159	1960
	160	3265
	161	4699
	162	1361
	163	1534
	164	2307
	165	4461

Terr	Prem. Group	Rate
62	078	834
	079	928
	080	1011
	081	1151
	082	1654
	083	2756
	084	3966
	085	1149
	086	1295
	087	1948
	088	3766
63	133	1008
	134	1121
	135	1222
	136	1392
	137	2000
	138	3332
	139	4795
	140	1389
	141	1566
	142	2354
	143	4552
64	144	1462
	145	1626
	146	1772
	147	2018
	148	2900
	149	4831
	150	6952
	151	2014
	152	2270
	153	3414
	154	6601

Terr	Prem. Group	Rate
65	166	1008
	167	1121
	168	1222
	169	1392
	170	2000
	171	3332
	172	4795
	173	1389
	174	1566
	175	2354
	176	4552
66	210	1431
	211	1592
	212	1735
	213	1976
	214	2839
	215	4730
	216	6806
	217	1971
	218	2222
	219	3342
	220	6462
67	232	1052
	233	1170
	234	1275
	235	1452
	236	2087
	237	3477
	238	5003
	239	1449
	240	1634
	241	2457
	242	4750

5. RATE STRUCTURE

HO-00-03

\$30,000 BASE RATES

\$1,000 DEDUCTIBLE COVERAGE

Terr	Prem. Group	Rate
68	243	1205
	244	1340
	245	1461
	246	1663
	247	2390
	248	3982
	249	5730
	250	1660
	251	1871
	252	2814
	253	5440
69	254	1408
	255	1565
	256	1706
	257	1943
	258	2792
	259	4651
	260	6693
	261	1939
	262	2186
	263	3287
	264	6355
70	276	1058
	277	1177
	278	1282
	279	1461
	280	2099
	281	3496
	282	5031
	283	1457
	284	1643
	285	2471
	286	4777

Terr	Prem. Group	Rate
71	1170	991
	1300	1102
	1417	1201
	1614	1368
	2320	1966
	3864	3275
	5561	4713
	1611	1365
	1816	1539
	2731	2314
	5279	4474
72	1043	884
	1159	983
	1264	1071
	1439	1220
	2068	1753
	3445	2920
	4958	4202
	1436	1217
	1619	1372
	2435	2063
	4707	3989
73	1057	896
	1175	996
	1281	1086
	1459	1236
	2096	1776
	3492	2960
	5026	4259
	1456	1234
	1641	1391
	2468	2091
	4771	4043

Terr	Prem. Group	Rate
74	177	1343
	178	1493
	179	1627
	180	1853
	181	2663
	182	4436
	183	6383
	184	1849
	185	2084
	186	3135
	187	6060
75	199	1273
	200	1415
	201	1542
	202	1757
	203	2524
	204	4205
	205	6051
	206	1753
	207	1976
	208	2971
	209	5745
76	188	1224
	189	1361
	190	1483
	191	1690
	192	2428
	193	4044
	194	5820
	195	1686
	196	1900
	197	2858
	198	5525

9. STATE PAGES – PERSONAL UMBRELLA LIABILITY SUPPLEMENT

9.2 RATES AND RULES

1. Exposure Charges - for the first \$1,000,000 of Coverage Limits

Automobile Underlying Limit of Liability	100/300/100 or 300 CSL	250/500/100 or 500 CSL	500/500/100
Initial Auto	131	77	57
Additional Auto	72	37	24
INEXPERIENCED DRIVER			
Less than 3 years	134	69	46
Over 3, less than 6 years	59	31	20

The following premium charges anticipate that the underlying limit meets or exceeds required minimum eligibility amounts.

Homeowners		Recreational Vehicle	
Initial Residence	84	Not Licensed	37
Add'l residences or farms (each)	32	Licensed	53
Office, Private School or studio	24		
Rental Property			
Per each living unit.	24		
Example: Duplex = 2 units. 4 Plex = 4 units.			

9. STATE PAGES – PERSONAL UMBRELLA LIABILITY SUPPLEMENT

9.2 RATES AND RULES (continued)

Watercraft Rating Methodology

Underlying Limit	Territory	Watercraft				
		Category 1	Category 2	Category 3	Category 4	Category 5
300 CSL	All	\$ 35.00	\$ 59.00	\$ 95.00	\$ 134.00	\$ 172.00
250/500/100 or 500 CSL	All	\$ 35.00	\$ 59.00	\$ 95.00	\$ 134.00	\$ 172.00
500/500/100 or 1M CSL	All	\$ 35.00	\$ 59.00	\$ 95.00	\$ 134.00	\$ 172.00

per watercraft per watercraft per watercraft per watercraft per watercraft

Category of Watercraft

- 1 Personal Watercraft
- 2 Watercraft under 26 ft in length
- 3 Watercraft 26' to 40' - Rated speed under 30 m.p.h.
- 4 Watercraft 26' to 40' - Rated speed 30 m.p.h. and greater
- 5 Watercraft 40' or over in length

Personal Watercraft definition:

Personal watercraft means any motorized watercraft that is 15 feet or less in hull length as manufactured, has as its primary source of propulsion an inboard motor powering a jet pump and is capable of carrying one or more persons in a sitting, standing or kneeling position. Personal watercraft includes, but is not limited to, a jet ski, wet bike, surf jet and miniature speedboat.

2. Minimum Premiums

Underlying	1M	2M	3M	4M	5M
100/300/100	\$193	\$299	\$424	\$501	\$560
250/500/100	\$161	\$250	\$354	\$419	\$467
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3. Premium Credits - Higher Self Insured Retention Limits

When the risk has a self-insured retention limit that exceeds the minimum for the exposure, the following premium credits may be applied to the annual premium charge for the risk. **These credits shall not be applied to the MINIMUM PREMIUM for the policy.**

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9. STATE PAGES – PERSONAL UMBRELLA LIABILITY SUPPLEMENT

9.2 RATES AND RULES (continued)

4. Increased Limits

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