

State: Arkansas **Filing Company:** Pharmacists Mutual Insurance Company
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners
Project Name/Number: AR-HO-12-13-RR/AR-HO-12-13-RR

Filing at a Glance

Company: Pharmacists Mutual Insurance Company
 Product Name: Homeowners
 State: Arkansas
 TOI: 04.0 Homeowners
 Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
 Filing Type: Rate/Rule
 Date Submitted: 08/27/2013
 SERFF Tr Num: PHAR-129146881
 SERFF Status: Closed-Filed
 State Tr Num:
 State Status:
 Co Tr Num: AR-HO-12-13-RR

 Effective Date: 11/01/2013
 Requested (New):
 Effective Date: 12/01/2013
 Requested (Renewal):
 Author(s): Heidi Allen, Damon Berkland, Jocelyn Whitaker
 Reviewer(s): Becky Harrington (primary)
 Disposition Date: 10/16/2013
 Disposition Status: Filed
 Effective Date (New): 11/01/2013
 Effective Date (Renewal): 12/01/2013

State Filing Description:

State: Arkansas **Filing Company:** Pharmacists Mutual Insurance Company
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners
Project Name/Number: AR-HO-12-13-RR/AR-HO-12-13-RR

General Information

Project Name: AR-HO-12-13-RR Status of Filing in Domicile: Authorized
 Project Number: AR-HO-12-13-RR Domicile Status Comments:
 Reference Organization: AAIS Reference Number: AAIS-2012-53LC, AAIS-2012-53R, AAIS-2013-5HOCR
 Reference Title: Countrywide Composite Rating Plan Manual Advisory Org. Circular: 12-1304, 12-1303, 13-0795
 New and Revised Loss Costs Filed & Countrywide Composite Rating Manual New and Revised Rules, Factors, and Territorial Definitions Filed
 Filing Status Changed: 10/16/2013
 State Status Changed: Deemer Date:
 Created By: Damon Berkland Submitted By: Damon Berkland
 Corresponding Filing Tracking Number: PHAR-129146880

Filing Description:

The purpose of this filing is to adopt AAIS-2012-53LC New and Revised Loss Costs and AAIS 2012-53R New and Revised Rules, Factors, and Territorial Definitions as well AAIS-2013-5HOCR. In addition we would also like to submit final base rates for all forms, revise our package discount plan, revise our experience rating plan, and implement insurance scoring. This combination of adoptions and implementations will provide a 19.0% increase.

Company and Contact

Filing Contact Information

Damon Berkland, R&D Analyst damon.berkland@phmic.com
 PO Box 370 800-247-5930 [Phone]
 Algona, IA 50511

Filing Company Information

Pharmacists Mutual Insurance Company	CoCode: 13714	State of Domicile: Iowa
808 Highway 18 West	Group Code: 775	Company Type: Mutual
P.O. Box 370	Group Name: PMC	State ID Number:
Algona, IA 50511	FEIN Number: 42-0223390	
(800) 247-5930 ext. [Phone]		

Filing Fees

Fee Required? Yes
 Fee Amount: \$200.00
 Retaliatory? No

State: Arkansas **Filing Company:** Pharmacists Mutual Insurance Company
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners
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Fee Explanation: NEW 1/1/2010 Rule filing fees. All fees are per filing—not per company or per form—fee is for any number of forms, any number of companies-- i.e. 20 forms 2 companies--one fee. There is an error in our filing fee rule that is currently being corrected. It says form fees are "per form" which is incorrect. It is per filing.
 Forms (new or corrections)--Fee \$50
 Rate/loss cost—changes to loss cost multiplier or independent rate filing \$100
 Loss cost—adopting advisory org loss costs with no change to loss cost multiplier \$50
 Rules—adopting advisory org reference or item filing \$50 NEW eff. 1/01/2010
 Rules-independent rule filing \$50 NEW eff. 1/01/2010

 Rate/loss cost + Rules-adopting advisory org reference + Rules-independent rule filing
 \$100 + \$50 + \$50 = \$200

Per Company: No

Company	Amount	Date Processed	Transaction #
Pharmacists Mutual Insurance Company	\$200.00	08/27/2013	73359182

SERFF Tracking #:

PHAR-129146881

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Company Tracking #:

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State: Arkansas

Filing Company:

Pharmacists Mutual Insurance Company

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

Product Name: Homeowners

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Becky Harrington	10/16/2013	10/16/2013

Objection Letters and Response Letters

Objection Letters

Status	Created By	Created On	Date Submitted
Pending Industry Response	Becky Harrington	09/13/2013	09/13/2013
No response necessary	Becky Harrington	09/11/2013	09/11/2013
Pending Industry Response	Becky Harrington	09/11/2013	09/11/2013
Pending Industry Response	Becky Harrington	08/28/2013	08/28/2013

Response Letters

Responded By	Created On	Date Submitted
Damon Berkland	10/14/2013	10/14/2013
Damon Berkland	10/14/2013	10/14/2013
Damon Berkland	09/11/2013	09/11/2013
Damon Berkland	09/10/2013	09/10/2013

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Disposition

Disposition Date: 10/16/2013
 Effective Date (New): 11/01/2013
 Effective Date (Renewal): 12/01/2013
 Status: Filed

Comment:

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
Pharmacists Mutual Insurance Company	31.300%	7.400%	\$42,250	343	\$570,943	30.000%	-30.500%

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document (revised)	Form RF-2 Loss Costs Only (not for workers' compensation)	Filed	Yes
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	HPCS-Homeowners Premium Comparison Survey		Yes
Supporting Document (revised)	NAIC loss cost data entry document	Filed	Yes
Supporting Document	NAIC loss cost data entry document		Yes
Supporting Document (revised)	Actuarial Support	Filed	Yes
Supporting Document	Actuarial Support		Yes
Supporting Document	Attract One Score Model	Filed	Yes

SERFF Tracking #:

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

AR-HO-12-13-RR

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Filing Company:

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04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations

Product Name:

Homeowners

Project Name/Number:

AR-HO-12-13-RR/AR-HO-12-13-RR

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document (revised)	Manual Rules Changes Side-by-side	Filed	Yes
Supporting Document	Manual Rules Changes Side-by-side		Yes
Supporting Document (revised)	Insurance Score	Filed	No
Supporting Document	Insurance Score		No
Rate (revised)	CW Exception Pages	Filed	Yes
Rate	CW Exception Pages		Yes
Rate (revised)	AR State Specific Exception Pages	Filed	Yes
Rate	AR State Specific Exception Pages		Yes

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TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners
Project Name/Number: AR-HO-12-13-RR/AR-HO-12-13-RR

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	09/13/2013
Submitted Date	09/13/2013
Respond By Date	

Dear Damon Berkland,

Introduction:

The requested increase has been reviewed by the Commissioner.

Please amend the overall increase amount to 10% and individual increases to no more than 30%.

Provide revised effective dates if necessary.

Objection 1

- HPCS-Homeowners Premium Comparison Survey (Supporting Document)

Comments: The Excel version that was submitted is blank. Please provide a completed form.

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:** Pharmacists Mutual Insurance Company
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners
Project Name/Number: AR-HO-12-13-RR/AR-HO-12-13-RR

Objection Letter

Objection Letter Status No response necessary
Objection Letter Date 09/11/2013
Submitted Date 09/11/2013
Respond By Date

Dear Damon Berkland,

Introduction:

This will acknowledge receipt of the recent responses.

Thank you for providing the SERFF number of the previously filed AR exceptions containing the claim history rule. The pages submitted 9/10/13 in response to the original objection were countrywide exceptions, which as noted, did not comply.

This filing is being referred to the Commissioner for review due to the requested increase amount being greater than 6%. Please do not respond at this time.

The Excel version of the HPCS provided in the 9/10/13 response was blank. Correcting this may be addressed after the Commissioner's review, as his recommendation may impact the premiums.

Conclusion:

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

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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:** Pharmacists Mutual Insurance Company
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners
Project Name/Number: AR-HO-12-13-RR/AR-HO-12-13-RR

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	09/11/2013
Submitted Date	09/11/2013
Respond By Date	

Dear Damon Berkland,

Introduction:

This will acknowledge receipt of the recent response.

Objection 1

- CW Exception Pages, All (Rate)

Comments: The claims history section of the Experience Rating Rule as revised does not comply with ACA 23-63-109 and Directive 2-2009. Weather related losses must not be considered as chargeable claims.

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*

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TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners
Project Name/Number: AR-HO-12-13-RR/AR-HO-12-13-RR

Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 08/28/2013
Submitted Date 08/28/2013
Respond By Date

Dear Damon Berkland,

Introduction:

This will acknowledge receipt of the captioned filing.

Objection 1

- HPCS-Homeowners Premium Comparison Survey (Supporting Document)

Comments: Form HPCS must be submitted in both Excel and pdf formats. Please provide an Excel spreadsheet version.

Objection 2

- CW Exception Pages, All (Rate)

Comments: It is the Departments position, based upon ACA 23-63-109 and Directive 2-2009, that weather related and catastrophe losses should not be considered as chargeable claims for tier placement or surcharges. Please amend your rule accordingly.

Objection 3

Comments: Pursuant to ACA 23-67-409, provide premium/loss experience for Arkansas justifying the use of credit information in the development of the insurance score factors.

Objection 4

Comments: Please identify the credit neutral tier.

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 #:

PHAR-129146881

State Tracking #:

Company Tracking #:

AR-HO-12-13-RR

State:

Arkansas

Filing Company:

Pharmacists Mutual Insurance Company

TOI/Sub-TOI:

04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations

Product Name:

Homeowners

Project Name/Number:

AR-HO-12-13-RR/AR-HO-12-13-RR

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	10/14/2013
Submitted Date	10/14/2013

Dear Becky Harrington,

Introduction:

The overall increase has been revised to 7.4% and individual increases to no more than 30%.

Response 1

Comments:

An updated version per the cap of 30% has been added to the filing.

Related Objection 1

Applies To:

- HPCS-Homeowners Premium Comparison Survey (Supporting Document)

Comments: The Excel version that was submitted is blank. Please provide a completed form.

Changed Items:

SERFF Tracking #:

PHAR-129146881

State Tracking #:

Company Tracking #:

AR-HO-12-13-RR

State: Arkansas **Filing Company:** Pharmacists Mutual Insurance Company
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners
Project Name/Number: AR-HO-12-13-RR/AR-HO-12-13-RR

Supporting Document Schedule Item Changes

Satisfied - Item: Form RF-2 Loss Costs Only (not for workers' compensation)

Comments:

Attachment(s): F843AR_010906.pdf
AR HO LCM Support.pdf

Previous Version

Satisfied - Item: *Form RF-2 Loss Costs Only (not for workers' compensation)*

Comments:

Attachment(s): *FORM RF-2 Loss Costs Only (not workers' compensation).pdf*

Satisfied - Item: HPCS-Homeowners Premium Comparison Survey

Comments:

Attachment(s): HO Survey FORM HPCS.xls
HO Survey FORM.pdf

Previous Version

Satisfied - Item: *HPCS-Homeowners Premium Comparison Survey*

Comments:

Attachment(s): *HO Survey FORM.pdf*
HO Survey FORM HPCS.xls

Previous Version

Satisfied - Item: *HPCS-Homeowners Premium Comparison Survey*

Comments:

Attachment(s): *HO Survey FORM.pdf*

Satisfied - Item: NAIC loss cost data entry document

Comments:

Attachment(s): FORM RF-1 Rate Filing Abstract.pdf

SERFF Tracking #:

PHAR-129146881

State Tracking #:

Company Tracking #:

AR-HO-12-13-RR

State: Arkansas **Filing Company:** Pharmacists Mutual Insurance Company
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners
Project Name/Number: AR-HO-12-13-RR/AR-HO-12-13-RR

Previous Version

Satisfied - Item: NAIC loss cost data entry document

Comments:

Attachment(s): FORM RF-1 Rate Filing Abstract.pdf

Satisfied - Item: Actuarial Support

Comments:

Attachment(s): AR HO Rate Filing Memorandum.pdf
AR HO Exhibits 1-9.pdf
AR HO Exhibit R.pdf
Exhibit D.pdf
AR HO Rate Filing Summary.pdf

Previous Version

Satisfied - Item: Actuarial Support

Comments:

Attachment(s): AR HO Exhibits 1-9.pdf
AR HO Rate Filing Summary.pdf
AR HO Exhibit R.pdf
AR HO Rate Filing Memorandum.pdf
Exhibit D.pdf
Exhibit ROE 1-5.pdf

Satisfied - Item: Manual Rules Changes Side-by-side

Comments:

Attachment(s): CW HO Exception Page 01-12 vs 10-13.pdf
AR HO Exception Pages Supplemental Comparison 03-12 vs 11-13.pdf

Previous Version

Satisfied - Item: Manual Rules Changes Side-by-side

Comments:

SERFF Tracking #:

PHAR-129146881

State Tracking #:

Company Tracking #:

AR-HO-12-13-RR

State:

Arkansas

Filing Company:

Pharmacists Mutual Insurance Company

TOI/Sub-TOI:

04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations

Product Name:

Homeowners

Project Name/Number:

AR-HO-12-13-RR/AR-HO-12-13-RR

Attachment(s):	<i>CW HO Exception Page 01-12 vs 09-13 side by side.pdf</i> <i>AR HO Exception Pages Supplemental Comparison 03-12 vs 11-13.pdf</i>
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Satisfied - Item:	Insurance Score
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Comments:	
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Attachment(s):	AR Insurance Scoring Memorandum.pdf AR Exhibit INS.1.pdf AR Exhibit INS.2.pdf
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Previous Version

Satisfied - Item:	<i>Insurance Score</i>
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Comments:	
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Attachment(s):	<i>AR Insurance Scoring Memorandum.pdf</i> <i>AR Exhibit INS. 1.pdf</i> <i>AR Exhibit INS.2.pdf</i>
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PHAR-129146881

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Product Name: Homeowners
Project Name/Number: AR-HO-12-13-RR/AR-HO-12-13-RR

Supporting Document Schedule Item Changes

Satisfied - Item: Form RF-2 Loss Costs Only (not for workers' compensation)

Comments:

Attachment(s): F843AR_010906.pdf
AR HO LCM Support.pdf

Previous Version

Satisfied - Item: *Form RF-2 Loss Costs Only (not for workers' compensation)*

Comments:

Attachment(s): *FORM RF-2 Loss Costs Only (not workers' compensation).pdf*

Satisfied - Item: HPCS-Homeowners Premium Comparison Survey

Comments:

Attachment(s): HO Survey FORM HPCS.xls
HO Survey FORM.pdf

Previous Version

Satisfied - Item: *HPCS-Homeowners Premium Comparison Survey*

Comments:

Attachment(s): *HO Survey FORM.pdf*
HO Survey FORM HPCS.xls

Previous Version

Satisfied - Item: *HPCS-Homeowners Premium Comparison Survey*

Comments:

Attachment(s): *HO Survey FORM.pdf*

Satisfied - Item: NAIC loss cost data entry document

Comments:

Attachment(s): FORM RF-1 Rate Filing Abstract.pdf

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AR-HO-12-13-RR

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TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners
Project Name/Number: AR-HO-12-13-RR/AR-HO-12-13-RR

Previous Version

Satisfied - Item:	<i>NAIC loss cost data entry document</i>
Comments:	
Attachment(s):	<i>FORM RF-1 Rate Filing Abstract.pdf</i>

Satisfied - Item:	Actuarial Support
Comments:	
Attachment(s):	AR HO Rate Filing Memorandum.pdf AR HO Exhibits 1-9.pdf AR HO Exhibit R.pdf Exhibit D.pdf AR HO Rate Filing Summary.pdf

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Comments:	
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Satisfied - Item:	Manual Rules Changes Side-by-side
Comments:	
Attachment(s):	CW HO Exception Page 01-12 vs 10-13.pdf AR HO Exception Pages Supplemental Comparison 03-12 vs 11-13.pdf

Previous Version

Satisfied - Item:	<i>Manual Rules Changes Side-by-side</i>
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SERFF Tracking #:

PHAR-129146881

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AR-HO-12-13-RR

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Pharmacists Mutual Insurance Company

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Product Name: Homeowners
Project Name/Number: AR-HO-12-13-RR/AR-HO-12-13-RR

Supporting Document Schedule Item Changes

Satisfied - Item: Form RF-2 Loss Costs Only (not for workers' compensation)

Comments:

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Comments:

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Comments:	
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Comments:	
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State Tracking #:

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TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners
Project Name/Number: AR-HO-12-13-RR/AR-HO-12-13-RR

Supporting Document Schedule Item Changes

Satisfied - Item: Form RF-2 Loss Costs Only (not for workers' compensation)

Comments:

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Comments:

Attachment(s): FORM RF-1 Rate Filing Abstract.pdf

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State Tracking #:

Company Tracking #:

AR-HO-12-13-RR

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TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners
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Previous Version

Satisfied - Item:	<i>NAIC loss cost data entry document</i>
Comments:	
Attachment(s):	<i>FORM RF-1 Rate Filing Abstract.pdf</i>

Satisfied - Item:	Actuarial Support
Comments:	
Attachment(s):	AR HO Rate Filing Memorandum.pdf AR HO Exhibits 1-9.pdf AR HO Exhibit R.pdf Exhibit D.pdf AR HO Rate Filing Summary.pdf

Previous Version

Satisfied - Item:	<i>Actuarial Support</i>
Comments:	
Attachment(s):	<i>AR HO Exhibits 1-9.pdf</i> <i>AR HO Rate Filing Summary.pdf</i> <i>AR HO Exhibit R.pdf</i> <i>AR HO Rate Filing Memorandum.pdf</i> <i>Exhibit D.pdf</i> <i>Exhibit ROE 1-5.pdf</i>

Satisfied - Item:	Manual Rules Changes Side-by-side
Comments:	
Attachment(s):	CW HO Exception Page 01-12 vs 10-13.pdf AR HO Exception Pages Supplemental Comparison 03-12 vs 11-13.pdf

Previous Version

Satisfied - Item:	<i>Manual Rules Changes Side-by-side</i>
Comments:	

SERFF Tracking #:

PHAR-129146881

State Tracking #:

Company Tracking #:

AR-HO-12-13-RR

State:

Arkansas

Filing Company:

Pharmacists Mutual Insurance Company

TOI/Sub-TOI:

04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations

Product Name:

Homeowners

Project Name/Number:

AR-HO-12-13-RR/AR-HO-12-13-RR

Attachment(s):	<i>CW HO Exception Page 01-12 vs 09-13 side by side.pdf</i> <i>AR HO Exception Pages Supplemental Comparison 03-12 vs 11-13.pdf</i>
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Satisfied - Item:	Insurance Score
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Comments:	
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Attachment(s):	AR Insurance Scoring Memorandum.pdf AR Exhibit INS.1.pdf AR Exhibit INS.2.pdf
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Previous Version

Satisfied - Item:	<i>Insurance Score</i>
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Comments:	
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Attachment(s):	<i>AR Insurance Scoring Memorandum.pdf</i> <i>AR Exhibit INS. 1.pdf</i> <i>AR Exhibit INS.2.pdf</i>
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SERFF Tracking #:

PHAR-129146881

State Tracking #:

Company Tracking #:

AR-HO-12-13-RR

State: Arkansas **Filing Company:** Pharmacists Mutual Insurance Company
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners
Project Name/Number: AR-HO-12-13-RR/AR-HO-12-13-RR

Supporting Document Schedule Item Changes

Satisfied - Item: Form RF-2 Loss Costs Only (not for workers' compensation)

Comments:

Attachment(s): F843AR_010906.pdf
AR HO LCM Support.pdf

Previous Version

Satisfied - Item: *Form RF-2 Loss Costs Only (not for workers' compensation)*

Comments:

Attachment(s): *FORM RF-2 Loss Costs Only (not workers' compensation).pdf*

Satisfied - Item: HPCS-Homeowners Premium Comparison Survey

Comments:

Attachment(s): HO Survey FORM HPCS.xls
HO Survey FORM.pdf

Previous Version

Satisfied - Item: *HPCS-Homeowners Premium Comparison Survey*

Comments:

Attachment(s): *HO Survey FORM.pdf*
HO Survey FORM HPCS.xls

Previous Version

Satisfied - Item: *HPCS-Homeowners Premium Comparison Survey*

Comments:

Attachment(s): *HO Survey FORM.pdf*

Satisfied - Item: NAIC loss cost data entry document

Comments:

Attachment(s): FORM RF-1 Rate Filing Abstract.pdf

SERFF Tracking #:

PHAR-129146881

State Tracking #:

Company Tracking #:

AR-HO-12-13-RR

State: Arkansas **Filing Company:** Pharmacists Mutual Insurance Company
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners
Project Name/Number: AR-HO-12-13-RR/AR-HO-12-13-RR

Previous Version

Satisfied - Item:	<i>NAIC loss cost data entry document</i>
Comments:	
Attachment(s):	<i>FORM RF-1 Rate Filing Abstract.pdf</i>

Satisfied - Item:	Actuarial Support
Comments:	
Attachment(s):	AR HO Rate Filing Memorandum.pdf AR HO Exhibits 1-9.pdf AR HO Exhibit R.pdf Exhibit D.pdf AR HO Rate Filing Summary.pdf

Previous Version

Satisfied - Item:	<i>Actuarial Support</i>
Comments:	
Attachment(s):	<i>AR HO Exhibits 1-9.pdf</i> <i>AR HO Rate Filing Summary.pdf</i> <i>AR HO Exhibit R.pdf</i> <i>AR HO Rate Filing Memorandum.pdf</i> <i>Exhibit D.pdf</i> <i>Exhibit ROE 1-5.pdf</i>

Satisfied - Item:	Manual Rules Changes Side-by-side
Comments:	
Attachment(s):	CW HO Exception Page 01-12 vs 10-13.pdf AR HO Exception Pages Supplemental Comparison 03-12 vs 11-13.pdf

Previous Version

Satisfied - Item:	<i>Manual Rules Changes Side-by-side</i>
Comments:	

SERFF Tracking #:

PHAR-129146881

State Tracking #:

Company Tracking #:

AR-HO-12-13-RR

State:

Arkansas

Filing Company:

Pharmacists Mutual Insurance Company

TOI/Sub-TOI:

04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations

Product Name:

Homeowners

Project Name/Number:

AR-HO-12-13-RR/AR-HO-12-13-RR

Attachment(s):	<i>CW HO Exception Page 01-12 vs 09-13 side by side.pdf</i> <i>AR HO Exception Pages Supplemental Comparison 03-12 vs 11-13.pdf</i>
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Satisfied - Item:	Insurance Score
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Comments:	
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Attachment(s):	AR Insurance Scoring Memorandum.pdf AR Exhibit INS.1.pdf AR Exhibit INS.2.pdf
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Previous Version

Satisfied - Item:	<i>Insurance Score</i>
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Comments:	
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Attachment(s):	<i>AR Insurance Scoring Memorandum.pdf</i> <i>AR Exhibit INS. 1.pdf</i> <i>AR Exhibit INS.2.pdf</i>
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SERFF Tracking #:

PHAR-129146881

State Tracking #:

Company Tracking #:

AR-HO-12-13-RR

State: Arkansas **Filing Company:** Pharmacists Mutual Insurance Company
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners
Project Name/Number: AR-HO-12-13-RR/AR-HO-12-13-RR

Supporting Document Schedule Item Changes

Satisfied - Item: Form RF-2 Loss Costs Only (not for workers' compensation)

Comments:

Attachment(s): F843AR_010906.pdf
AR HO LCM Support.pdf

Previous Version

Satisfied - Item: *Form RF-2 Loss Costs Only (not for workers' compensation)*

Comments:

Attachment(s): *FORM RF-2 Loss Costs Only (not workers' compensation).pdf*

Satisfied - Item: HPCS-Homeowners Premium Comparison Survey

Comments:

Attachment(s): HO Survey FORM HPCS.xls
HO Survey FORM.pdf

Previous Version

Satisfied - Item: *HPCS-Homeowners Premium Comparison Survey*

Comments:

Attachment(s): *HO Survey FORM.pdf*
HO Survey FORM HPCS.xls

Previous Version

Satisfied - Item: *HPCS-Homeowners Premium Comparison Survey*

Comments:

Attachment(s): *HO Survey FORM.pdf*

Satisfied - Item: NAIC loss cost data entry document

Comments:

Attachment(s): FORM RF-1 Rate Filing Abstract.pdf

SERFF Tracking #:

PHAR-129146881

State Tracking #:

Company Tracking #:

AR-HO-12-13-RR

State: Arkansas **Filing Company:** Pharmacists Mutual Insurance Company
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners
Project Name/Number: AR-HO-12-13-RR/AR-HO-12-13-RR

Previous Version

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

Satisfied - Item: Actuarial Support

Comments:

Attachment(s): AR HO Rate Filing Memorandum.pdf
 AR HO Exhibits 1-9.pdf
 AR HO Exhibit R.pdf
 Exhibit D.pdf
 AR HO Rate Filing Summary.pdf

Previous Version

Satisfied - Item: Actuarial Support

Comments:

Attachment(s): AR HO Exhibits 1-9.pdf
 AR HO Rate Filing Summary.pdf
 AR HO Exhibit R.pdf
 AR HO Rate Filing Memorandum.pdf
 Exhibit D.pdf
 Exhibit ROE 1-5.pdf

Satisfied - Item: Manual Rules Changes Side-by-side

Comments:

Attachment(s): CW HO Exception Page 01-12 vs 10-13.pdf
 AR HO Exception Pages Supplemental Comparison 03-12 vs 11-13.pdf

Previous Version

Satisfied - Item: Manual Rules Changes Side-by-side

Comments:

SERFF Tracking #:

PHAR-129146881

State Tracking #:

Company Tracking #:

AR-HO-12-13-RR

State: Arkansas

Filing Company:

Pharmacists Mutual Insurance Company

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

Product Name: Homeowners

Project Name/Number: AR-HO-12-13-RR/AR-HO-12-13-RR

Attachment(s):	<i>CW HO Exception Page 01-12 vs 09-13 side by side.pdf</i> <i>AR HO Exception Pages Supplemental Comparison 03-12 vs 11-13.pdf</i>
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Satisfied - Item:	Insurance Score
Comments:	
Attachment(s):	AR Insurance Scoring Memorandum.pdf AR Exhibit INS.1.pdf AR Exhibit INS.2.pdf
<i>Previous Version</i>	
Satisfied - Item:	Insurance Score
Comments:	
Attachment(s):	<i>AR Insurance Scoring Memorandum.pdf</i> <i>AR Exhibit INS. 1.pdf</i> <i>AR Exhibit INS.2.pdf</i>

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	AR State Specific Exception Pages	All	Replacement	PHAR-127619290	10/14/2013 By: Damon Berkland
<i>Previous Version</i>					
1	<i>AR State Specific Exception Pages</i>	<i>All</i>	<i>Replacement</i>	<i>PHAR-127619290</i>	<i>08/27/2013</i> <i>By: Damon Berkland</i>

Conclusion:

Sincerely,
Damon Berkland

State: Arkansas **Filing Company:** Pharmacists Mutual Insurance Company
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners
Project Name/Number: AR-HO-12-13-RR/AR-HO-12-13-RR

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	10/14/2013
Submitted Date	10/14/2013

Dear Becky Harrington,

Introduction:

Response 1

Comments:

No response necessary

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Sincerely,
Damon Berkland

State: Arkansas **Filing Company:** Pharmacists Mutual Insurance Company
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners
Project Name/Number: AR-HO-12-13-RR/AR-HO-12-13-RR

Response Letter

Response Letter Status Submitted to State
Response Letter Date 09/11/2013
Submitted Date 09/11/2013

Dear Becky Harrington,

Introduction:

Response 1

Comments:

I understand that the CW Exception Pages, All (Rate) do not comply with ACA 23-63-109 and Directive 2-2009. Weather related losses must not be considered as chargeable claims. That is why in AR State Specific Exception Pages, All (Rate) we have a revision to claims history section of the Experience Rating Rule that states...

A loss for which any insurer has made payments on any coverage is considered a claim. This includes all paid losses, excluding any claim adjustment expense, except for:

- 1. claims that resulted from a weather-related event, mine subsidence, earthquake, sinkhole collapse, equipment breakdown or for which payment was made solely for loss involving medical payments;*
- 2. claims that resulted from an event that caused \$25 million or more in total insured property losses and affects a significant number of property and casualty insurance policyholders and property and casualty insurers.*

Note that items 1 and 2 contain the same wording as our previously approved state specific exception pages as those filed in PHAR-127619290

Related Objection 1

Applies To:

- CW Exception Pages, All (Rate)*

Comments: The claims history section of the Experience Rating Rule as revised does not comply with ACA 23-63-109 and Directive 2-2009. Weather related losses must not be considered as chargeable claims.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

*Sincerely,
Damon Berkland*

State: Arkansas **Filing Company:** Pharmacists Mutual Insurance Company
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners
Project Name/Number: AR-HO-12-13-RR/AR-HO-12-13-RR

Response Letter

Response Letter Status Submitted to State
 Response Letter Date 09/10/2013
 Submitted Date 09/10/2013

Dear Becky Harrington,

Introduction:

Response 1

Comments:

Please see attached excel document.

Related Objection 1

Applies To:

- HPCS-Homeowners Premium Comparison Survey (Supporting Document)

Comments: Form HPCS must be submitted in both Excel and pdf formats. Please provide an Excel spreadsheet version.

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	HPCS-Homeowners Premium Comparison Survey
Comments:	
Attachment(s):	HO Survey FORM.pdf HO Survey FORM HPCS.xls
<i>Previous Version</i>	
Satisfied - Item:	HPCS-Homeowners Premium Comparison Survey
Comments:	
Attachment(s):	HO Survey FORM.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

State: Arkansas **Filing Company:** Pharmacists Mutual Insurance Company
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners
Project Name/Number: AR-HO-12-13-RR/AR-HO-12-13-RR

Response 2**Comments:**

Please see attached exception pages

Related Objection 2

Applies To:

- CW Exception Pages, All (Rate)

Comments: It is the Departments position, based upon ACA 23-63-109 and Directive 2-2009, that weather related and catastrophe losses should not be considered as chargeable claims for tier placement or surcharges. Please amend your rule accordingly.

Changed Items:

No Supporting Documents changed.

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	CW Exception Pages	All	Replacement	PHAR-127619290	09/10/2013 By: Damon Berkland
<i>Previous Version</i>					
1	<i>CW Exception Pages</i>	<i>All</i>	<i>Replacement</i>	<i>PHAR-127619290</i>	<i>08/27/2013</i> <i>By: Damon Berkland</i>

Response 3**Comments:**

Please see Insurance Score

Related Objection 3

Comments: Pursuant to ACA 23-67-409, provide premium/loss experience for Arkansas justifying the use of credit information in the development of the insurance score factors.

Changed Items:

SERFF Tracking #:

PHAR-129146881

State Tracking #:

Company Tracking #:

AR-HO-12-13-RR

State:

Arkansas

Filing Company:

Pharmacists Mutual Insurance Company

TOI/Sub-TOI:

04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations

Product Name:

Homeowners

Project Name/Number:

AR-HO-12-13-RR/AR-HO-12-13-RR

Supporting Document Schedule Item Changes

Satisfied - Item:

Insurance Score

Comments:

Attachment(s):

AR Insurance Scoring Memorandum.pdf

AR Exhibit INS.1.pdf

AR Exhibit INS.2.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 4

Comments:

The credit neutral tier is tier 698-700.

Related Objection 4

Comments: Please identify the credit neutral tier.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Sincerely,

Damon Berkland

State: Arkansas **Filing Company:** Pharmacists Mutual Insurance Company
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners
Project Name/Number: AR-HO-12-13-RR/AR-HO-12-13-RR

Post Submission Update Request Processed On 10/16/2013

Status: Allowed
 Created By: Damon Berkland
 Processed By: Becky Harrington
 Comments:

General Information:

Field Name	Requested Change	Prior Value
Effective Date Requested (New)	11/01/2013	10/01/2013

Company Rate Information:

Company Name:Pharmacists Mutual Insurance Company

Field Name	Requested Change	Prior Value
Overall % Rate Impact	7.400%	19.000%
Written Premium Change for this Program	\$42250	\$108479
Maximum %Change (where required)	30.000%	61.100%
Minimum %Change (where required)	-30.500%	-23.800%

SERFF Tracking #:

PHAR-129146881

State Tracking #:

Company Tracking #:

AR-HO-12-13-RR

State:

Arkansas

Filing Company:

Pharmacists Mutual Insurance Company

TOI/Sub-TOI:

04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations

Product Name:

Homeowners

Project Name/Number:

AR-HO-12-13-RR/AR-HO-12-13-RR

Rate Information

Rate data applies to filing.

Filing Method:

File & use

Rate Change Type:

Increase

Overall Percentage of Last Rate Revision:

9.700%

Effective Date of Last Rate Revision:

03/01/2012

Filing Method of Last Filing:

File & Use

Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
Pharmacists Mutual Insurance Company	31.300%	7.400%	\$42,250	343	\$570,943	30.000%	-30.500%

SERFF Tracking #:

PHAR-129146881

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

AR-HO-12-13-RR

State:

Arkansas

Filing Company:

Pharmacists Mutual Insurance Company

TOI/Sub-TOI:

04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations

Product Name:

Homeowners

Project Name/Number:

AR-HO-12-13-RR/AR-HO-12-13-RR

Rate/Rule Schedule

Item No.	Schedule Item Status	Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing Number	Attachments
1	Filed 10/16/2013	CW Exception Pages	All	Replacement	PHAR-127619290	CW HO Exception Pages 10-13.pdf
2	Filed 10/16/2013	AR State Specific Exception Pages	All	Replacement	PHAR-127619290	AR HO Exception Pages 11-13.pdf

PHARMACISTS MUTUAL INSURANCE COMPANY
HOMEOWNERS PROGRAM MANUAL
COUNTRYWIDE

Rule 3.5 has been withdrawn and replaced by the following:

3.5 Waiver of Premium

An additional or return premium due when a policy is endorsed after its inception may be waived, however, return premiums must be refunded at the request of the insured. If the additional premium is less than \$5.00, it will be waived. If the return premium is less than \$5.00, it will be waived.

Rule 4.10 has been added:

4.10 Package Discount

If an insured is eligible for more than one discount below, the discount shall be added and applied separately to each policy, after application of all other premium modifications.

4.10.1 Personal Package Discounts

A. Homeowners/Personal Automobile

If an insured has their Personal Auto and Homeowners/Mobile Homeowners policies with Pharmacists Mutual a premium credit will be given according to the following rules:

1. **Eligibility** - This rule applies only if Personal Auto and Homeowners/Mobile Homeowners policies are written for the same named insured with Pharmacists Mutual.
2. **Premium Discount** - A 15% credit shall apply separately to each policy, after application of all other premium modifications.
3. **Policy Term** - Policies should be written with concurrent inception or expiration dates if possible.

B. Homeowners/Personal Automobile/Personal Umbrella

If the above requirements are met and an insured has their Personal Umbrella policy with Pharmacists Mutual an additional 5% premium credit will be given according to the same aforementioned rules.

4.10.2 Commercial Package Discount

If an insured has their Homeowners/Mobile Homeowners policies and at least one Commercial policy with Pharmacists Mutual a premium credit will be given according to the following rules:

1. **Eligibility** - This rule applies only if Homeowners/Mobile Homeowners and Commercial policies are written for the same named insured with Pharmacists Mutual.
2. **Premium Discount** - A 5% credit shall apply separately to each policy, after application of all other premium modifications.

A Commercial policy is one of the following; Business owners, Commercial Package, Pharmacy Professional Liability, Dentist Professional Liability or Workers' Compensation.

PHARMACISTS MUTUAL INSURANCE COMPANY
HOMEOWNERS PROGRAM MANUAL
COUNTRYWIDE

Rule 5 Deductibles, Table A for Rule 5 has been withdrawn and replaced by the following:

Table A for Rule 5	
All Perils/All Other Perils Deductible	PHMIC Factor
100	1.250
250	1.120
500	1.000
1,000	0.880
2,500	0.800
5,000	0.700
10,000	0.600

Rule 6.1 has been withdrawn and replaced by the following:

6.1 Protective Devices

A premium credit can be given for the installation of approved and properly maintained alarm and/or sprinkler systems. Refer to the company for alarm and sprinkler system eligibility requirements.

Premium Determination – Use the pertinent factor(s) shown in the table for this rule to adjust the premium.

<u>PROTECTIVE DEVICE</u>	<u>FACTOR</u>
Central Station Alarms	
Burglary	0.95
Fire	0.95
Water and/or Temperature Variance Detection	0.95
Fire Department Alarms	0.97
Police Department Alarms	0.97
Local Alarms	0.98
Local Water and/or Temperature Variance Detection Alarms	0.98
Sprinkler Systems	0.97

Endorsement - Attach endorsement HO 6516.

Rule 6.5 Automatic Adjustments of Limits - has been withdrawn and replaced by the following:

6.5 Automatic Adjustments of Limits – Forms HO 0001, HO 0002, HO 0003, And HO 0005

The limits that apply to Coverages A, B, C, and D can be automatically increased on an annual basis.

PHARMACISTS MUTUAL INSURANCE COMPANY
HOMEOWNERS PROGRAM MANUAL
COUNTRYWIDE

Premium Determination – Use the pertinent factor shown in the table for this rule to adjust the premium.

<u>ANNUAL INCREASE</u>	<u>FACTOR</u>
4.0%	1.000
6.0%	1.025
8.0%	1.030
Each Additional 2%	Add 0.010

Endorsement - Attach endorsement HO 2584 and make an entry to show the annual percentage increase that applies.

Rule 6.11 Experience Rating Plan - has been withdrawn and replaced by the following:

Rule 6.11 Experience Rating Plan

Use the Experience Rating Plan to modify the policy premium to recognize an insured's claims history and tenure with the company.

Tenure

Tenure is the consecutive time that a named insured's Homeowners/Mobile Homeowners coverage has been provided by Pharmacists Mutual Insurance Company. The inception date of a policy determines tenure.

For the purposes of determining tenure, a coverage lapse of 30 days or more initiates a new inception date.

The inception date of rewritten business or a new policy written from an existing policy, will be the date the named insured was added to the existing policy.

Claims History

Claims history considers the number and type of property and liability losses experienced by all persons who are insureds under the policy. For the purposes of determining the number of claims in the claims history, a claim is any loss:

1. that occurred with respect to a risk eligible for coverage under this manual or an equivalent Homeowners/Mobile Homeowners coverage program; and
2. that occurred within the 60 month period just before the effective date of application or policy renewal

A policy is considered Claims Free if all adults insured under the policy have had no claims, of any cause of loss, in the previous 60 months. Claims include all losses for which payment is made, excluding any claim adjustment expenses.

A loss for which any insurer has made payments on any coverage is considered a claim. This includes all paid losses, excluding any claim adjustment expense, except for:

PHARMACISTS MUTUAL INSURANCE COMPANY
HOMEOWNERS PROGRAM MANUAL
COUNTRYWIDE

1. claims that resulted from mine subsidence, earthquake, sinkhole collapse, equipment breakdown or for which payment was made solely for loss involving medical payments;
2. claims that resulted from an event that caused \$25 million or more in total insured property losses and affects a significant number of property and casualty insurance policyholders and property and casualty insurers.

If a claim is not considered at the first renewal following the claim, we reserve the right to include the claim at a subsequent renewal.

Multiple policies – If an insured has multiple homeowners policies, claims are only considered under the policy in which claim payment is made. For claims incurred by an insured under a prior policy, claims are applied to the current primary policy.

HIGHER DEDUCTIBLE OPTION

If, at renewal, it is determined that an insured has had a claim during the experience period of \$500 or less, the insured shall have the option to select a higher deductible. If a higher deductible is selected, the claim will not be included in calculation of the experience rating factor.

Premium Determination -- Use the appropriate factor shown in Table 6.11 to adjust the premium.

Tenure	Claims Free	1 Claim	2 Claims	3 Claims	4 Claims	5+ Claims
0-2 years	0.98	1.00	1.35	1.70	2.05	2.40
3-6 years	0.96	0.99	1.25	1.60	1.90	2.40
7-9 years	0.90	0.95	1.20	1.50	1.90	2.40
10+ years	0.80	0.90	1.15	1.50	1.90	2.40

TABLE 6.11

PHARMACISTS MUTUAL INSURANCE COMPANY
HOMEOWNERS PROGRAM MANUAL
COUNTRYWIDE

Rule 6.20 has been added:

6.20 - Roofing Materials Discount

A premium credit may be given for the installation of approved impact resistant roofing materials.

The following requirements must be met in order to be eligible for the discount:

1. Roof must be constructed with material certified under one of the following classifications:

- UL2218* Class 3
- UL2218* Class 4
- FM4473** Class 3
- FM4473** Class 4

* UL2218 - Underwriters' Laboratory Standard 2218 (Impact Standard for Impact Resistance Prepared Roof Covering Materials)

** FM 4473 - Factory Mutual Standard 4473 (Specification Test Standards for Impact Resistant Testing of Rigid Roofing Materials by Impacting with Freezer Ice Balls)

2. The age of the roof must be 20 years or less.
3. Completion of Roofing Installation Information and Certification form.

Premium Determination -- Use the appropriate factor shown below to adjust the premium.

Age of Roof	Factor
0 – 10 years	.90
11 – 20 years	.95
Over 20 years	1.00

PHARMACISTS MUTUAL INSURANCE COMPANY
HOMEOWNERS PROGRAM MANUAL
COUNTRYWIDE

Rule 6.15 has been added:

6.15 – Insurance Scoring

Insurance Score – the highest insurance score of all named insureds on the policy will be used to determine the discount. The discount will apply to the total policy premium EXCEPT Earthquake Equipment Breakdown, Mine Subsidence and Water Back Up and Sump Discharge or Overflow.

See state specific exception pages for Insurance Groups/Tiers and Factors

Rule 7.2 has been withdrawn and replaced by the following:

7.2 Water Back Up and Sump Discharge or Overflow

Coverage for direct physical loss caused by water or matter present in water that backs up through sewers or drains or overflows or discharges from a sump, sump pump or related equipment can be added. Coverage is available in increments of \$1,000, per location.

Premium Determination – Use the rating information shown below. The rating information is for a \$500 deductible. Higher deductible amounts are available. If a higher deductible amount is selected, apply the pertinent deductible factor shown in Rule 5.1. The Personal Package Discount does not apply to this coverage.

	<u>RATE</u>
Per \$1,000 of Insurance	\$8.00

Endorsement - Attach endorsement HO 2708 and make entries to show the limit and deductible that apply.

Rule 7.9.7 has been withdrawn and replaced by the following:

7.9.7 Scheduled Personal Property – Forms HO 0001, HO 0002, HO 0003, HO 0004, HO 0005, And HO 0006

Coverage for scheduled personal property categories listed below can be provided against all risks of direct physical loss, with certain exceptions.

Premium Determination - Use the pertinent rate(s) shown in the table below to adjust the premium.

<u>CATEGORY</u>	<u>RATE per \$100</u>
Audio/Video Equipment	2.00
Sports/Hobby Equipment	1.50
Collectibles/Memorabilia	1.50
Medical Equipment	1.50
Guns	2.00

Endorsement – Attach endorsement HO 3061. Make entries to describe the covered property and show the limits and premiums that apply.

PHARMACISTS MUTUAL INSURANCE COMPANY
HOMEOWNERS PROGRAM MANUAL
COUNTRYWIDE

Rule 7.50 has been added:

7.50 Equipment Breakdown Coverage

Equipment breakdown coverage insures against direct physical loss to covered property caused by an equipment breakdown.

Equipment Breakdown means physical loss or damage originating within boilers, pressure vessels and piping, and other equipment, as well as caused by:

- mechanical breakdown;
- electrical or electronic breakdown; or
- rupture, bursting, bulging, implosion or steam explosion.

Refer to the terms of the endorsement for a complete description of equipment breakdown.

When equipment breakdown coverage is provided, it applies to all locations for which the policy provides coverage under Coverage A and Coverage B.

Subject to a \$500 deductible, the most paid for all damage that is the result of one accident is \$50,000. The equipment breakdown limit does not increase the limits that apply to the property covered.

When the policy is endorsed to include equipment breakdown coverage, the following Incidental Property Coverages are provided for loss caused by an equipment breakdown. These Incidental Property Coverages do not increase the per occurrence limit for equipment breakdown coverage:

1. Expediting Expense - we will pay up to \$3,000 for covered expediting expenses to make temporary repairs, expedite permanent repairs or replacement;
2. Refrigerated Property - we will pay up to \$3,000 for refrigerated property damaged by spoilage;
3. Pollutant Clean Up and Removal - we will pay up to \$3,000 for pollutant clean up and removal for property damaged by an equipment breakdown;
4. Environmental, Safety and Efficiency Improvements - we will pay up to \$3,000 for additional cost to repair or replace damaged equipment with like kind and quality of equipment which qualifies as Green Equipment (as defined) or equipment that is better for the environment, safer, or more energy efficient than the equipment being replaced. This includes the cost for certification or recertification of the equipment, as well as the removal, disposal or recycling of the damaged equipment.

Premium Determination -- There is a flat charge of \$25.00 per insured location. The Personal Package Discount does not apply to this coverage.

Endorsement -- Attach endorsement PM 1517.

PHARMACISTS MUTUAL INSURANCE COMPANY
HOMEOWNERS PROGRAM MANUAL
ARKANSAS

Loss Cost Multiplier

PHARMACISTS MUTUAL INSURANCE COMPANY will use a loss cost multiplier of 1.937 with all "Loss Costs" established by AAIS for our Homeowners Program.

The Base Loss Costs have been withdrawn and replaced by the following:

Forms HO 0001, HO 0002 HO 0003, HO 0005, and HO 0008		Form HO 0004	Form HO 0006
Territory	Rate	Rate	Rate
430	\$817.25	\$59.07	\$51.24
431	\$817.25	\$59.07	\$51.24
432	\$817.25	\$59.07	\$51.24
433	\$817.25	\$59.07	\$51.24
434	\$817.25	\$59.07	\$51.24

Rule 6.11 Experience Rating Plan - has been withdrawn and replaced by the following:

Rule 6.11 Experience Rating Plan

Use the Experience Rating Plan to modify the policy premium to recognize an insured's claims history and tenure with the company.

The Experience Rating Plan allows for the potential application of two separate premium modifications:

Tenure

Tenure is the consecutive time that a named insured's Homeowners/Mobile Homeowners coverage has been provided by Pharmacists Mutual Insurance Company. The inception date of a policy determines tenure.

For the purposes of determining tenure, a coverage lapse of 30 days or more initiates a new inception date.

The inception date of rewritten business or a new policy written from an existing policy, will be the date the named insured was added to the existing policy.

Claims History

Claims history considers the number and type of property and liability losses experienced by all persons who are insureds under the policy. For the purposes of determining the number of claims in the claims history, a claim is any loss:

1. that occurred with respect to a risk eligible for coverage under this manual or an equivalent Homeowners/Mobile Homeowners coverage program; and

PHARMACISTS MUTUAL INSURANCE COMPANY
HOMEOWNERS PROGRAM MANUAL
ARKANSAS

2. that occurred within the 60 month period just before the effective date of application or policy renewal.

A policy is considered Claims Free if all adults insured under the policy have had no claims, of any cause of loss, in the previous 60 months. Claims include all losses for which payment is made, excluding any claim adjustment expenses.

A loss for which any insurer has made payments on any coverage is considered a claim. This includes all paid losses, excluding any claim adjustment expense, except for:

1. claims that resulted from a weather-related event, mine subsidence, earthquake, sinkhole collapse, equipment breakdown or for which payment was made solely for loss involving medical payments;
2. claims that resulted from an event that caused \$25 million or more in total insured property losses and affects a significant number of property and casualty insurance policyholders and property and casualty insurers.

If a claim is not considered at the first renewal following the claim, we reserve the right to include the claim at a subsequent renewal.

Multiple policies – If an insured has multiple homeowners policies, claims are only considered under the policy in which claim payment is made. For claims incurred by an insured under a prior policy, claims are applied to the current primary policy.

HIGHER DEDUCTIBLE OPTION

If, at renewal, it is determined that an insured has had a claim during the experience period of \$500 or less, the insured shall have the option to select a higher deductible. If a higher deductible is selected, the claim will not be included in calculation of the experience rating factor.

Premium Determination -- Use the appropriate factor shown in Table 6.11 to adjust the premium.

Tenure	Claims Free	1 Claim	2 Claims	3 Claims	4 Claims	5+ Claims
0-2 years	0.98	1.00	1.35	1.70	2.05	2.40
3-6 years	0.96	0.99	1.25	1.60	1.90	2.40
7-9 years	0.90	0.95	1.20	1.50	1.90	2.40
10+ years	0.80	0.90	1.15	1.50	1.90	2.40

TABLE 6.11

PHARMACISTS MUTUAL INSURANCE COMPANY
HOMEOWNERS PROGRAM MANUAL
ARKANSAS

Table A for Rule 6.15 Insurance Scoring

Score Group	Factor	Score Group	Factor
<525	1.00	717-719	1.00
525-535	1.00	720-722	1.00
536-546	1.00	723-726	1.00
547-557	1.00	727-729	1.00
558-567	1.00	730-732	1.00
568-578	1.00	733-736	1.00
579-589	1.00	737-739	1.00
590-599	1.00	740-742	1.00
600-605	1.00	743-745	1.00
606-610	1.00	746-749	1.00
611-616	1.00	750-754	1.00
617-621	1.00	755-759	1.00
622-627	1.00	760-764	1.00
628-632	1.00	765-769	1.00
633-636	1.00	770-774	1.00
637-640	1.00	775-780	1.00
641-644	1.00	781-787	0.98
645-649	1.00	788-794	0.95
650-653	1.00	795-801	0.95
654-657	1.00	802-808	0.95
658-661	1.00	809-815	0.95
662-664	1.00	816-822	0.95
665-667	1.00	823-829	0.95
668-670	1.00	830-839	0.95
671-673	1.00	840-849	0.95
674-676	1.00	850-865	0.95
677-679	1.00	866-880	0.95
680-683	1.00	881-900	0.95
684-685	1.00	901-920	0.95
686-688	1.00	>920	0.95
689-691	1.00	Scoring Not Attempted	1.00
692-694	1.00		
695-697	1.00		
698-700	1.00	Extraordinary Life Circumstance	1.00
701-702	1.00	No Hit/Thin File	1.00
703-704	1.00	No Score	1.00
705-707	1.00		
708-710	1.00		
711-713	1.00		
714-716	1.00		

SERFF Tracking #:

PHAR-129146881

State Tracking #:

Company Tracking #:

AR-HO-12-13-RR

State:

Arkansas

Filing Company:

Pharmacists Mutual Insurance Company

TOI/Sub-TOI:

04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations

Product Name:

Homeowners

Project Name/Number:

AR-HO-12-13-RR/AR-HO-12-13-RR

Supporting Document Schedules

Satisfied - Item:	Form RF-2 Loss Costs Only (not for workers' compensation)
Comments:	
Attachment(s):	F843AR_010906.pdf AR HO LCM Support.pdf
Item Status:	Filed
Status Date:	10/16/2013

Satisfied - Item:	H-1 Homeowners Abstract
Comments:	
Attachment(s):	AR FORM H-1.pdf AR FORM H-1 5.g Other.pdf
Item Status:	Filed
Status Date:	10/16/2013

Satisfied - Item:	HPCS-Homeowners Premium Comparison Survey
Comments:	
Attachment(s):	HO Survey FORM HPCS.xls HO Survey FORM.pdf
Item Status:	Filed
Status Date:	10/16/2013

Satisfied - Item:	NAIC loss cost data entry document
Comments:	
Attachment(s):	FORM RF-1 Rate Filing Abstract.pdf
Item Status:	Filed
Status Date:	10/16/2013

Satisfied - Item:	Actuarial Support
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SERFF Tracking #:

PHAR-129146881

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

AR-HO-12-13-RR

State:

Arkansas

Filing Company:

Pharmacists Mutual Insurance Company

TOI/Sub-TOI:

04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations

Product Name:

Homeowners

Project Name/Number:

AR-HO-12-13-RR/AR-HO-12-13-RR

Comments:	
Attachment(s):	AR HO Rate Filing Memorandum.pdf AR HO Exhibits 1-9.pdf AR HO Exhibit R.pdf Exhibit D.pdf AR HO Rate Filing Summary.pdf
Item Status:	Filed
Status Date:	10/16/2013

Satisfied - Item:	Attract One Score Model
Comments:	
Attachment(s):	Attract One Model.pdf
Item Status:	Filed
Status Date:	10/16/2013

Satisfied - Item:	Manual Rules Changes Side-by-side
Comments:	
Attachment(s):	CW HO Exception Page 01-12 vs 10-13.pdf AR HO Exception Pages Supplemental Comparison 03-12 vs 11-13.pdf
Item Status:	Filed
Status Date:	10/16/2013

Satisfied - Item:	Insurance Score
Comments:	
Attachment(s):	AR Insurance Scoring Memorandum.pdf AR Exhibit INS.1.pdf AR Exhibit INS.2.pdf
Item Status:	Filed
Status Date:	10/16/2013

FORM RF2-Reference filing abstract NAIC LOSS COST FILING DOCUMENT—OTHER THAN WORKERS' COMPENSATION

CALCULATION OF COMPANY LOSS COST MULTIPLIER

This filing transmittal is part of Company Tracking #	AR-HO-12-13-RR
This filing corresponds to form filing number (Company tracking number of form filing, if applicable)	

- Loss Cost Reference Filing** AAIS-2012-53LC **Independent Rate Filing**
(Advisory Org, & Reference filing #)

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

1. Check one of the following:

- The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable to future revisions of the advisory organization's prospective loss costs for this line of insurance. The insurer's rates will be the combination of the advisory organization's prospective loss costs and the insurer's loss cost multipliers and if utilized, expense constants specified in the attachments. The rates will apply to policies written on or after the effective date of the advisory organization's prospective loss costs. This authorization is effective until disapproved by the Commissioner, or until amended or withdrawn by the insurer.

Note: Some states have statutes that prohibit this option for some lines of business.

- The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable only to the above Advisory Organization Reference Filing.

2. Line, Subline, Coverage, Territory, Class, etc. combination to which this page applies: 04.0 Homeowners

3. Loss cost modification:

A. The insurer hereby files to adopt the prospective loss costs in the captioned reference filing:

(Check One):

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

B. Loss Cost Modification Expressed as a Factor: (See Examples Below) 1.32

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

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

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

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

		Selected Provisions	
A.	Total Production Expense	16.0	%
B.	General Expense	7.0	%
C.	Taxes, Licenses & Fee	2.0	%
D.	Underwriting profit & Contingencies (explain how investment income is taken into account)	6.8	%
E.	Other (explain)		%
F.	Total	31.8	%

5.	A.	Expected Loss Ratio: $ELR = 100\% - 4F = A$	68.2	%
	B.	ELR in Decimal Form =		
6.		Company Formula Loss Cost Multiplier (3B/5B)	1.937	
7.		Company Selected Loss Cost Multiplier = (Attach explanation for any differences between 6 and 7)	1.937	
8.		Rate Level Change for the coverage(s) to which this page applies	7.4	

Modification Support	Percentage Discount	Expressed as a Factor
	[1]	[2]
[A] Insurance Scoring	1.1%	1.011
[B] Experience Rating	9.7%	1.108
[C] Package Discount	15.2%	1.179

[D] Total Modification 1.32

$$[A2] = 1/(1-[A1])$$

$$[B2] = 1/(1-[B1])$$

$$[C2] = 1/(1-[C1])$$

$$[D2] = [A2] * [B2] * [C2]$$

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 Pharmacists Mutual Insurance Company

NAIC # (including group #) 13714 (0775)

- 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.

We use RCT, an MS & B product to produce our cost estimates.

- 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 have a requirement of 80% for replacement cost coverage

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

Inflation Guard is available as an extra coverage for our Forms 3 and 5. There is no additional premium charge if the insured selects an Inflation Guard of 4%. Additional percentages are available for 6%, 8% and additional 2% increments. If this coverage is selected, the limits for Coverages A,B, C and D will be increased annually by the percentage selected.

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

- a. Fire Extinguisher 0 %
b. Burglar Alarm 5 %
c. Smoke Alarm 0 %
d. Insured who has both homeowners and auto with your

company

- e. Deadbolt Locks 0 %
f. Window or Door Locks 0 %
g. Other (specify) %
%
%

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
Form 3,4,5,6		\$570,943

8. Do you write homeower 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.

damon.berkland@adroot.phmic.com Digitally signed by damon.berkland@adroot.phmic.com
 DN: cn=damon.berkland@adroot.phmic.com
 Date: 2013.08.27 10:30:08 -0500
 Signature
Damon Berkland
 Printed Name
Product Development Specialist
 Title
515.395.7322
 Telephone Number
damon.berkland@phmic.com
 Email address

5.g Other (specify)	
Central Station Alarm	5%
Police/Fire Dept Alarm	3%
Sprinkler Systems	3%
Temperature Variance	2%
Detection	
Local Alarms	2%

NAIC Number:	13714
Company Name:	Pharmacists Mutual Insurance Company
Contact Person:	Damon Berkland
Telephone No.:	515.395.7322
Email Address:	damon.berkland@phmic.com
Effective Date:	11/1/13 New Business 12/1/13 Renewal Business

**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

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

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

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	\$644.00	\$718.00	\$644.00	\$718.00	\$644.00	\$718.00	\$644.00	\$718.00	\$644.00	\$718.00	\$644.00	\$718.00	\$644.00	\$718.00	\$644.00	\$718.00	\$644.00	\$718.00
	\$120,000	\$819.00	\$914.00	\$819.00	\$914.00	\$819.00	\$914.00	\$819.00	\$914.00	\$819.00	\$914.00	\$819.00	\$914.00	\$819.00	\$914.00	\$819.00	\$914.00	\$819.00	\$914.00
	\$160,000	\$1,018.00	\$1,137.00	\$1,018.00	\$1,137.00	\$1,018.00	\$1,137.00	\$1,018.00	\$1,137.00	\$1,018.00	\$1,137.00	\$1,018.00	\$1,137.00	\$1,018.00	\$1,137.00	\$1,018.00	\$1,137.00	\$1,018.00	\$1,137.00
6	\$80,000	\$644.00	\$718.00	\$644.00	\$718.00	\$644.00	\$718.00	\$644.00	\$718.00	\$644.00	\$718.00	\$644.00	\$718.00	\$644.00	\$718.00	\$644.00	\$718.00	\$644.00	\$718.00
	\$120,000	\$819.00	\$914.00	\$819.00	\$914.00	\$819.00	\$914.00	\$819.00	\$914.00	\$819.00	\$914.00	\$819.00	\$914.00	\$819.00	\$914.00	\$819.00	\$914.00	\$819.00	\$914.00
	\$160,000	\$1,018.00	\$1,137.00	\$1,018.00	\$1,137.00	\$1,018.00	\$1,137.00	\$1,018.00	\$1,137.00	\$1,018.00	\$1,137.00	\$1,018.00	\$1,137.00	\$1,018.00	\$1,137.00	\$1,018.00	\$1,137.00	\$1,018.00	\$1,137.00
9	\$80,000	\$1,023.00	\$1,182.00	\$1,023.00	\$1,182.00	\$1,023.00	\$1,182.00	\$1,023.00	\$1,182.00	\$1,023.00	\$1,182.00	\$1,023.00	\$1,182.00	\$1,023.00	\$1,182.00	\$1,023.00	\$1,182.00	\$1,023.00	\$1,182.00
	\$120,000	\$1,307.00	\$1,512.00	\$1,307.00	\$1,512.00	\$1,307.00	\$1,512.00	\$1,307.00	\$1,512.00	\$1,307.00	\$1,512.00	\$1,307.00	\$1,512.00	\$1,307.00	\$1,512.00	\$1,307.00	\$1,512.00	\$1,307.00	\$1,512.00
	\$160,000	\$1,632.00	\$1,892.00	\$1,632.00	\$1,892.00	\$1,632.00	\$1,892.00	\$1,632.00	\$1,892.00	\$1,632.00	\$1,892.00	\$1,632.00	\$1,892.00	\$1,632.00	\$1,892.00	\$1,632.00	\$1,892.00	\$1,632.00	\$1,892.00

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	\$102.00	\$107.00	\$102.00	\$107.00	\$102.00	\$107.00	\$102.00	\$107.00	\$102.00	\$107.00	\$102.00	\$107.00	\$102.00	\$107.00	\$102.00	\$107.00	\$102.00	\$107.00
	\$15,000	\$152.00	\$162.00	\$152.00	\$162.00	\$152.00	\$162.00	\$152.00	\$162.00	\$152.00	\$162.00	\$152.00	\$162.00	\$152.00	\$162.00	\$152.00	\$162.00	\$152.00	\$162.00
	\$25,000	\$200.00	\$215.00	\$200.00	\$215.00	\$200.00	\$215.00	\$200.00	\$215.00	\$200.00	\$215.00	\$200.00	\$215.00	\$200.00	\$215.00	\$200.00	\$215.00	\$200.00	\$215.00
6	\$5,000	\$102.00	\$107.00	\$102.00	\$107.00	\$102.00	\$107.00	\$102.00	\$107.00	\$102.00	\$107.00	\$102.00	\$107.00	\$102.00	\$107.00	\$102.00	\$107.00	\$102.00	\$107.00
	\$15,000	\$152.00	\$162.00	\$152.00	\$162.00	\$152.00	\$162.00	\$152.00	\$162.00	\$152.00	\$162.00	\$152.00	\$162.00	\$152.00	\$162.00	\$152.00	\$162.00	\$152.00	\$162.00
	\$25,000	\$200.00	\$215.00	\$200.00	\$215.00	\$200.00	\$215.00	\$200.00	\$215.00	\$200.00	\$215.00	\$200.00	\$215.00	\$200.00	\$215.00	\$200.00	\$215.00	\$200.00	\$215.00
9	\$5,000	\$124.00	\$142.00	\$124.00	\$142.00	\$124.00	\$142.00	\$124.00	\$142.00	\$124.00	\$142.00	\$124.00	\$142.00	\$124.00	\$142.00	\$124.00	\$142.00	\$124.00	\$142.00
	\$15,000	\$200.00	\$232.00	\$200.00	\$232.00	\$200.00	\$232.00	\$200.00	\$232.00	\$200.00	\$232.00	\$200.00	\$232.00	\$200.00	\$232.00	\$200.00	\$232.00	\$200.00	\$232.00
	\$25,000	\$270.00	\$318.00	\$270.00	\$318.00	\$270.00	\$318.00	\$270.00	\$318.00	\$270.00	\$318.00	\$270.00	\$318.00	\$270.00	\$318.00	\$270.00	\$318.00	\$270.00	\$318.00

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

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

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

HO3 and HO4 only

Fire Extinguisher	<input type="text"/> %	Deadbolt Lock	<input type="text"/> %
Burglar Alarm	<input type="text"/> %	Window Locks	<input type="text"/> %
Smoke Alarm	<input type="text"/> %	\$1,000 Deductible	<input type="text"/> %
		Other (specify)	<input type="text"/> %

EARTHQUAKE INSURANCE

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

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

WHAT IS YOUR PERCENTAGE DEDUCTIBLE? %

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

Maximum Credit Allowed	%	Lowest Risk	\$		\$	
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NAIC LOSS COST DATA ENTRY DOCUMENT (EFFECTIVE AUG. 16, 2004)

1. This filing transmittal is part of Company Tracking # AR-HO-12-13-RR

2. If filing is an adoption of an advisory organization loss cost filing, give name of advisory organization and Reference/Item Filing Number AAIS-2012-53LC

3. A. Pharmacists Mutual Insurance Companies Company Name
 B. 13714 Company NAIC Number

4. A. 04.0 Homeowners Product Coding Matrix Line of Business (i.e., Type of Insurance)
 B. 04.0000 Homeowners Sub-TOI Combinations Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)

5. FOR LOSS COSTS ONLY

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
Homeowners-all policy forms	31.3	7.4	68.2%	1.32	1.937	n/a	1.138 all form except 4.1.181 form 4
TOTAL OVERALL EFFECT	31.3	7.4					

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	426	0.0%		555,648	2,104,020	378.7%	110.1%
2009	404	0.0%		565,659	228,868	40.4%	94.7%
2010	392	0.0%		561,868	127,935	22.8%	94.5%
2011	376	0.0%		557,758	592,194	106.2%	96.2%
2012	343	9.7%	3/12/2012	555,527	239,156	43.1%	66.2%

7.

Expense Constants	Selected Provisions
A. Total Production Expense	n/a
B. General Expense	
C. Taxes, License & Fees	
D. Underwriting Profit & Contingencies	
E. Other (explain)	
F. TOTAL	

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

PHARMACISTS MUTUAL INSURANCE COMPANY

Homeowners ARKANSAS Rate/Rule Filing Memorandum

Pharmacists Mutual Insurance Company (PMIC) is a member and subscriber of AAIS for its homeowners program in your state. The purpose of this filing is to adopt their most recent revisions included in the following AAIS filings:

Countrywide manual revision – program enhancements:

Rate/Rule:	AAIS-2012-53R
Loss cost:	AAIS-2012-53LC
New/Revised endorsements:	AAIS-2012-5HOF AAIS-2012-5HO CR

In conjunction with these revisions we are introducing insurance scoring in our Homeowners program based on the Attract One Model and have developed deductible factors based on company experience and are modifying our experience rating. We are submitting, for your review and consideration, our Countrywide Homeowners Manual Exception Pages, edition 11-13 and State Supplement Pages. Please refer to the Exceptions Pages section below for a detailed description of the changes.

Exhibits R1, R2 and R3 present our final rates by territory and form type, and illustrate our capping of the loss cost revision for AAIS-2012-53LC as we did not implement the full revision of AAIS-2011-4LC.

Exhibit D presents our revised Table A, All Perils/All Other Perils Deductible Factors for Rule 5 Deductibles. Factors were selected so as to minimize the impact on current policyholders.

PMIC's indicted change is +31.3%. The overall effect of this filing is an increase of 7.4%. The attached Filing Summary highlights the rate changes by coverage type and in total for our present book of business. We are requesting that this filing become effective for all new policies written on or after November 1, 2013 and for all renewal policies on or after December 1, 2013

Exhibit 1

Exhibit 1 presents the rate level indication for accident years 2008 – 2012 as of 12/31/2012. Actual earned premiums have been adjusted to current manual rates and losses have been developed to an ultimate settlement value and trended to the midpoint of the period that the rates are expected to be in effect. The resulting loss ratio is then

compared to the expected loss ratio producing a gross indication. A credibility value has been assigned to the company data based on reported claim counts. The weighted indicated change is +31.3%.

Exhibit 2

Exhibit 2 contains company rate change history and the calculations of current rate level factors.

Exhibit 3

Exhibit 3 contains the calculation of PHMIC annual exposure trend factors.

Exhibit 4

Exhibit 4 the Adjusted Earned Premium is calculated by applying the Current Rate Level Factors (Exhibit 2)and Exposure Trend Factors (Exhibit 3) to the accident year Actual Earned Premium.

Exhibit 5

Exhibit 5 contains PMIC's loss development through 2012 from Schedule P – Part 1A – Homeowners/Farmowners. The selected loss link ratios are most reflective of what we expect in the future, and represent the ratios used to measure company reserves for this line.

Exhibit 6

Exhibit 6 contains the calculation of PHMIC annual loss trend factors.

Exhibit 7

Exhibit 7 the Trended Ultimate Losses are calculated by applying the Loss Development Factors (Exhibit 5) and Loss Trend Factors (Exhibit 6) to the accident year Actual Reported Losses.

Exhibit 8

Exhibit 8 contains PMIC's Countrywide and SS Underwriting Expense History for the homeowners line. Selected Total Underwriting Expenses of 25% are used in this filing because that is our anticipated long-term expense ratio.

Exhibit 9

Exhibit 9 contains the calculation of the value of credibility assigned to the company data in the indications.

Exceptions Pages

Pharmacists Mutual Insurance Company (PhMIC) is filing revised Homeowners Manual Exception Pages in conjunction with the adoption of the AAIS revised manual and forms.

Changes noted are as compared to PhMIC Exception Pages, edition 01-12.

1. Rule 4.10 Personal Package Discount –
 - a. We are increasing our current homeowners/personal auto package discount and introducing discounts for personal umbrella and commercial policies.

2. Rule 6.10 Experience Rating Plan –
 - a. We are introducing a rate and rule revision to better reflect the type and frequency of losses we incur.

Tenure	Claims Free	<u>1 Claim</u> 0 Qualifying	<u>2 Claims</u> 1 Qualifying	<u>3 Claims</u> 2 Qualifying	<u>4 Claims</u> 3 Qualifying	<u>5+ Claims</u> 4 Qualifying
0-2 years	0.98	1.00	1.35	1.70	2.05	2.40
3-6 years	0.96	0.99	1.25	1.60	1.90	2.40
7-9 years	0.90	0.95	1.20	1.50	1.90	2.40
10+ years	0.80	0.90	1.15	1.50	1.90	2.40

TABLE 6.10

3. Rule 6.15 Insurance Scoring Plan –
 - a. We are introducing insurance coring to our Homeowners program to align with our personal auto program.

Supplement Page

We are filing a state Homeowners Manual Exception Page Supplement, edition 11-13. These pages illustrate our final rates by form type and territory as well as provide the insurance score rate factors.

PHARMACISTS MUTUAL INSURANCE COMPANY

Exhibit 1

**HOMEOWNERS
Rate Level Indications at 12/31/2012
ARKANSAS**

	Accident Year					
	2008	2009	2010	2011	2012	Total
(1) Adjusted Earned Premium (Exhibit 4)	766,549	750,781	715,950	675,446	626,633	3,535,360
(2) Developed - Trended Losses (Exhibit 7)	344,397	1,545,256	1,577,313	258,619	367,066	4,092,650
(3) Actual Loss Ratio (2) / (1)	44.9%	205.8%	220.3%	38.3%	58.6%	115.8%
(4) Expected Loss Ratio (Exhibit 8)						57.8%
(5) Indicated Change ((3) / (4)) - 1.00						100.3%
(6) Credibility (Exhibit 10)						26.9%
(7) Complement 1.0 - (6)						73.1%
(8) Annual Trend (Exhibit 3 & 6)*						5.9%
(9) Weighted Indicated Change (5) * (6) + (7) * (8)						31.3%
(10) Selected Change						7.4%

* [(1.0 + Selected Annual Loss Trend) / (1.0 + Selected Annual Exposure Trend)] -1

PHARMACISTS MUTUAL INSURANCE COMPANY

Exhibit 2

**HOMEOWNERS
Rate Level History
ARKANSAS**

Property & General Liability		
Effective Date	Rate Change	Cumulative Index
7/1/2004	initial	1.00
7/1/2005	10.4%	1.10
7/1/2006	3.6%	1.14
7/1/2007	0.0%	1.14
7/1/2008	0.0%	1.14
7/1/2009	0.0%	1.14
5/1/2010	1.9%	1.17
5/1/2011	0.0%	1.17
3/1/2012	9.7%	1.28

PHARMACISTS MUTUAL INSURANCE COMPANY

**HOMEOWNERS
Rate Level History
ARKANSAS**

Year	Average Rate Level	Current Rate Level
2004	1.000	1.28
2005	1.262	1.26
2006	1.166	1.17
2007	1.123	1.12
2008	1.118	1.12
2009	1.118	1.12
2010	1.113	1.11
2011	1.098	1.10
2012	1.061	1.06

PHARMACISTS MUTUAL INSURANCE COMPANY

Exhibit 3

**HOMEOWNERS
Exposure Trend
ARKANSAS**

Selected Annual Exposure Trend

3.9%

Assumed Effective Date

11/1/2013

AY	(1)	(2)	(3)	(4)	(5)
2008	7/1/2008	5/1/2014	5.833	1.039	1.250
2009	7/1/2009	5/1/2014	4.833	1.039	1.203
2010	7/1/2010	5/1/2014	3.833	1.039	1.158
2011	7/1/2011	5/1/2014	2.833	1.039	1.114
2012	7/1/2012	5/1/2014	1.833	1.039	1.073

- (1) Average Written Date for experience years
- (2) Trend Date, average written date when new rates are expected to be in effect
- (3) Number of years between (1) and (2)
- (4) Annual Exposure Trend - source: Internal CW reports & Company judgement
- (5) Trend Factor

PHARMACISTS MUTUAL INSURANCE COMPANY

Exhibit 4

**HOMEOWNERS
Adjusted Earned Premium
ARKANSAS**

(1)	(2)	(3)	(4)	(5)
Accident Year	Actual Earned Premium	Current Rate Level Factor	Exposure Trend Factor	Adjusted Earned Premium
2008	548,581	1.118	1.250	766,549
2009	558,251	1.118	1.203	750,781
2010	555,481	1.113	1.158	715,950
2011	551,918	1.098	1.114	675,446
2012	550,691	1.061	1.073	626,633

Source: (2) Internal Reports
(3) Exhibit 2
(4) Exhibit 3
(5) = (2) * (3) * (4)

PHARMACISTS MUTUAL INSURANCE COMPANY
PROJECTED DIRECT & ASSUMED ULTIMATE LOSSES BASED ON REPORTED LOSS DEVELOPMENT
 Schedule P - Part 1A - Homeowners/Farmowners

Exhibit 5

Direct & Assumed Cumulative Losses Reported (\$000's)										
Accident Year	Months of Development									
	12	24	36	48	60	72	84	96	108	120
2003	3,923	3,943	3,959	3,992	3,962	3,961	3,959	3,934	3,934	3,934
2004	4,009	4,192	4,302	4,294	4,112	4,112	4,112	4,112	4,112	
2005	6,017	6,421	6,470	6,488	6,675	6,674	6,676	6,676		
2006	4,939	5,412	5,382	5,378	5,372	5,330	5,335			
2007	6,548	6,612	6,701	6,699	6,698	6,699				
2008	8,277	8,415	8,289	8,315	8,277					
2009	6,802	7,220	7,204	7,141						
2010	7,264	7,496	7,521							
2011	7,031	7,599								
2012	7,457									

Direct & Assumed Reported Loss Link Ratios										
Accident Year	Development Intervals									
	12:24	24:36	36:48	48:60	60:72	72:84	84:96	96:108	108:120	120:Ult
2003	1.005	1.004	1.008	0.992	1.000	0.999	0.994	1.000	1.000	0.000
2004	1.046	1.026	0.998	0.958	1.000	1.000	1.000	1.000	0.000	
2005	1.067	1.008	1.003	1.029	1.000	1.000	1.000	0.000		
2006	1.096	0.994	0.999	0.999	0.992	1.001	0.000			
2007	1.010	1.013	1.000	1.000	1.000	0.000				
2008	1.017	0.985	1.003	0.995	0.000					
2009	1.061	0.998	0.991	0.000						
2010	1.032	1.003	0.000							
2011	1.081									

Summary of Direct & Assumed Link Ratios										
	Development Intervals									
	12:24	24:36	36:48	48:60	60:72	72:84	84:96	96:108	108:120	120:Ult
Average	1.046	1.004	1.000	0.996	0.998	1.000	0.998	1.000	1.000	
3 Yr. Wght. Avg.	1.058	0.995	0.998	0.998	0.998	1.000	0.998			
Excl H-L	1.045	1.003	1.001	0.997	1.000	1.000	0.998	1.000	1.000	
Weighted Average	1.046	1.002	1.000	0.998	0.998	1.000	0.998	1.000	1.000	
Selected	1.055	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Cumulative	1.055	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

	2012	2011	2010	2009	2008
Loss Dev Factor	1.055	1.000	1.000	1.000	1.000

PHARMACISTS MUTUAL INSURANCE COMPANY

Exhibit 6

**HOMEOWNERS
Loss Trend
ARKANSAS**

Selected Annual Loss Trend 10.0%
Assumed Effective Date 11/1/2013

AY	(1)	(2)	(3)	(4)	(5)
2008	7/1/2008	11/1/2014	6.333	1.100	1.829
2009	7/1/2009	11/1/2014	5.333	1.100	1.662
2010	7/1/2010	11/1/2014	4.333	1.100	1.511
2011	7/1/2011	11/1/2014	3.333	1.100	1.374
2012	7/1/2012	11/1/2014	2.333	1.100	1.249

- (1) Average Loss Date for experience years
- (2) Trend Date, average loss date when new rates are expected to be in effect
- (3) Number of years between (1) and (2)
- (4) Annual Exposure Trend - source: Internal CW reports & Company judgement
- (5) Trend Factor

PHARMACISTS MUTUAL INSURANCE COMPANY

Exhibit 7

**HOMEOWNERS
Trended Ultimate Losses
ARKANSAS**

(1) Accident Year	(2) Actual Reported Losses	(3) Loss Development Factor	(4) Loss Trend Factor	(5) Trended Ultimate Losses
2008	188,330	1.000	1.829	344,397
2009	929,508	1.000	1.662	1,545,256
2010	1,043,671	1.000	1.511	1,577,313
2011	188,234	1.000	1.374	258,619
2012	278,562	1.055	1.249	367,066

Source: (2) Internal Reports
(3) Exhibit 5
(4) Exhibit 6
(5) = (2) * (3) * (4)

PHARMACISTS MUTUAL INSURANCE COMPANY

Exhibit 8

HOMEOWNERS
Underwriting Expense History
ARKANSAS

Countrywide (\$000's omitted)												
	2008		2009		2010		2011		2012		Total	
	Dollars	Percent	Dollars	Percent								
Written Premium	\$7,857		\$7,714		\$7,680		\$7,693		\$7,884		\$38,828	
Earned Premium	7,884		7,827		7,666		7,717		7,781		\$38,875	
Commission and Brokerage (W)	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	\$0	0.0%
Other Acquisition Expense (W)	1,191	15.2%	1,206	15.6%	1,244	16.2%	1,246	16.2%	1,221	15.5%	\$6,108	15.7%
General Expense (E)	541	6.9%	558	7.1%	569	7.4%	569	7.4%	578	7.4%	\$2,815	7.2%
Taxes, Licenses, and Fees (W)	176	2.2%	157	2.0%	147	1.9%	151	2.0%	164	2.1%	\$795	2.0%
Incurring Loss	\$8,679		\$7,410		\$7,241		\$7,426		\$5,150		\$35,906	
Defense Expense	186	2.1%	194	2.6%	35	0.5%	252	3.4%	448	8.7%	\$1,115	3.1%
Adjusting Expense	1,134	13.1%	1,059	14.3%	1,285	17.7%	1,269	17.1%	1,015	19.7%	\$5,762	16.0%
Total LAE	1,320	15.2%	1,253	16.9%	1,320	18.2%	1,521	20.5%	1,463	28.4%	\$6,877	19.2%

State of Arkansas (Actual Dollars)												
	2008		2009		2010		2011		2012		Total	
	Dollars	Percent	Dollars	Percent	Dollars	Percent	Dollars	Percent	Dollars	Percent	Dollars	Percent
Written Premium	\$555,794		\$563,646		\$564,652		\$547,098		\$570,943		\$2,802,133	
Earned Premium	555,648		565,659		561,688		557,758		555,527		\$2,796,280	
Commission and Brokerage (W)	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	\$0	0.0%
Taxes, Licenses, and Fees (W)	17,547	3.2%	17,167	3.0%	17,567	3.1%	17,201	3.1%	18,036	3.2%	\$87,518	3.1%
Incurring Loss	\$2,104,201		\$228,868		\$127,935		\$592,194		\$239,156		\$3,292,354	
Defense Expense	73,659	3.5%	(61,520)	-26.9%	(7,032)	-5.5%	20,396	3.4%	24,511	10.2%	\$50,014	1.5%

Selected Expense Provisions	
Commission and Brokerage	0.0%
Other Acquisition Expense	16.0%
General Expense	7.0%
Taxes, Licenses, and Fees	2.0%
Total Underwriting Expenses	25.0%
Profit Provision	6.8%
Total Expense Provision	31.8%
Expected Loss & LAE Ratio	68.2%
Loss Adjustment Expense Ratio	18.0%
Expected Loss Ratio	57.8%

PHARMACISTS MUTUAL INSURANCE COMPANY

Exhibit 9

**HOMEOWNERS
Credibility
ARKANSAS**

If we assume a Poisson claim distribution, then CV is the coefficient of variation where:
CV = standard deviation/mean

Then the number of claims for full credibility = $N = n * (1 + CV^2)$

Based on a review of actual company data a coefficient of variation of 2.2 has been selected. This would imply that the number of claims needed for full credibility would be: 6,319

Partial Credibility = $(\text{Actual number of claims} / N)^{.5}$

Accident Year	Claims Reported	Claims for Full Cred	Credibility
2008	71		
2009	73		
2010	156		
2011	79		
2012	78		
Total	457	6,319	26.9%

PHARMACISTS MUTUAL INSURANCE COMPANY

Exhibit R1

**HOMEOWNERS
ARKANSAS**

FORMS HO 0001, HO 0002, HO 0003, HO 0005, AND HO 0008

Current Territory	New Territory	PMIC Current Rate	PMIC New Rate	PMIC Change
430	430	\$619.13	\$817.25	32.0%
431	431	\$619.13	\$817.25	32.0%
432	432	\$619.13	\$817.25	32.0%
433	433	\$619.13	\$817.25	32.0%
433	434	\$619.13	\$817.25	32.0%

PHARMACISTS MUTUAL INSURANCE COMPANY

Exhibit R2

**HOMEOWNERS
ARKANSAS**

FORM HO 0004

Current Territory	New Territory	PMIC Current Rate	PMIC New Rate	PMIC Change
430	430	\$ 44.75	\$ 59.07	32.0%
431	431	\$ 44.75	\$ 59.07	32.0%
432	432	\$ 44.75	\$ 59.07	32.0%
433	433	\$ 44.75	\$ 59.07	32.0%
433	434	\$ 44.75	\$ 59.07	32.0%

PHARMACISTS MUTUAL INSURANCE COMPANY

Exhibit R3

**HOMEOWNERS
ARKANSAS**

FORM HO 0006

Current Territory	New Territory	PMIC Current Rate	PMIC New Rate	PMIC Change
430	430	\$ 38.82	\$ 51.24	32.0%
431	431	\$ 38.82	\$ 51.24	32.0%
432	432	\$ 38.82	\$ 51.24	32.0%
433	433	\$ 38.82	\$ 51.24	32.0%
433	434	\$ 38.82	\$ 51.24	32.0%

PHARMACISTS MUTUAL INSURANCE COMPANY

Exhibit D

**HOMEOWNERS
Policy Deducible Factors
COUNTRYWIDE**

Deductible Categories	Trended Ground Up Losses	Indicated Deductible Factors \$0 Ded Base	Adjusted Deductible Factors \$500 Ded Base	Selected Deductible Factors \$500 Ded Base
	[1]	[2]	[3]	[4]
-	78,953,975	1.000	1.044	n/a
100	78,291,375	0.992	1.035	1.250
250	77,297,657	0.979	1.022	1.120
500	75,645,263	0.958	1.000	1.000
1,000	72,432,257	0.917	0.958	0.880
2,500	64,254,464	0.814	0.849	0.800
5,000	54,215,379	0.687	0.717	0.700
10,000	40,810,023	0.517	0.539	0.600

Source: [1] Trended Ground Up Losses (2004-2011)
 [2] = [1] / 78,953,975
 [3] = [2] / 0.958
 [4] Selected Deductible Factors

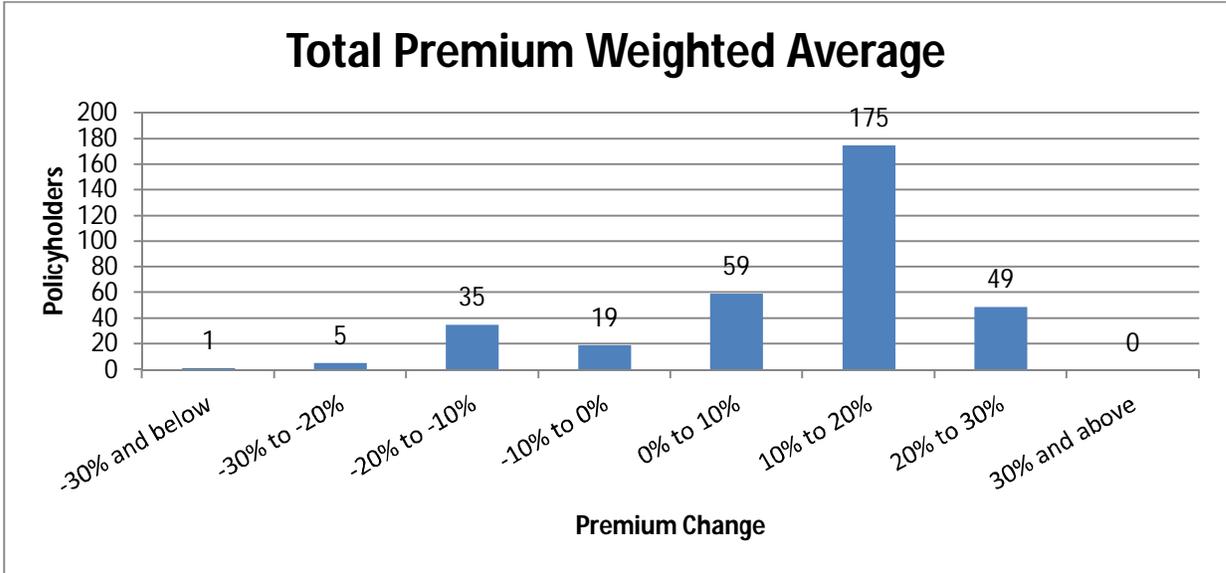
Deductible Categories	Selected Deductible Factors	Current Deductible Factors	% Change
	[4]	[5]	[6]
-	n/a	n/a	n/a
100	1.250	1.250	0.0%
250	1.120	1.120	0.0%
500	1.000	1.000	0.0%
1,000	0.880	0.880	0.0%
2,500	0.800	0.810	-1.0%
5,000	0.700	n/a	n/a
10,000	0.600	n/a	n/a

[5] AAIS Current Deductible Factors
 [6] [4] - [5]

Pharmacists Mutual Insurance Company

HOMEOWNERS
Filing Summary
ARKANSAS

	Written Premium	Base Rate	Deductible Factors	Package Discount	Insurance Scoring	Experience Rating	Revised Premium	Total Change
Total All Coverages	\$570,943	32.0%	-0.1%	-11.4%	-1.1%	-7.0%	\$613,193	7.4%



Not subject to Freedom of Information Act, confidential information pursuant to A.C.A. §23-67-409(b).

PHARMACISTS MUTUAL INSURANCE COMPANY
HOMEOWNERS PROGRAM MANUAL
COUNTRYWIDE

Rule 3.5 has been withdrawn and replaced by the following:

3.5 Waiver of Premium

An additional or return premium due when a policy is endorsed after its inception may be waived, however, return premiums must be refunded at the request of the insured. If the additional premium is less than \$5.00, it will be waived. If the return premium is less than \$5.00, it will be waived.

Rule 4.10 has been added:

4.10 ~~Personal~~ Package Discount

If an insured is eligible for more than one discount below, the discount shall be added and applied separately to each policy, after application of all other premium modifications.

4.10.1 Personal Package Discounts

A. Homeowners/Personal Automobile

If an insured has their Personal Auto and Homeowners/Mobile Homeowners policies with Pharmacists Mutual a premium credit will be given according to the following rules:

1. **Eligibility** - This rule applies only if Personal Auto and Homeowners/Mobile Homeowners policies are written for the same named insured with Pharmacists Mutual.
2. **Premium Discount** - A ~~5~~¹⁵% credit shall apply separately to each policy, after application of all other premium modifications.
3. **Policy Term** - Policies should be written with concurrent inception or expiration dates if possible.

B. Homeowners/Personal Automobile/Personal Umbrella

If the above requirements are met and an insured has their Personal Umbrella policy with Pharmacists Mutual an additional 5% premium credit will be given according to the same aforementioned rules.

4.10.2 Commercial Package Discount

If an insured has their Homeowners/Mobile Homeowners policies and at least one Commercial policy with Pharmacists Mutual a premium credit will be given according to the following rules:

1. **Eligibility** - This rule applies only if Homeowners/Mobile Homeowners and Commercial policies are written for the same named insured with Pharmacists Mutual.
2. **Premium Discount** - A 5% credit shall apply separately to each policy, after application of all other premium modifications.

A Commercial policy is one of the following: Business owners, Commercial Package, Pharmacy Professional Liability, Dentist Professional Liability or Workers' Compensation.

PHARMACISTS MUTUAL INSURANCE COMPANY
HOMEOWNERS PROGRAM MANUAL
COUNTRYWIDE

Rule 5 Deductibles, Table A for Rule 5 has been withdrawn and replaced by the following:

<u>Table A for Rule 5</u>	
<u>All Perils/All Other Perils Deductible</u>	<u>PHMIC Factor</u>
<u>100</u>	<u>1.250</u>
<u>250</u>	<u>1.120</u>
<u>500</u>	<u>1.000</u>
<u>1,000</u>	<u>0.880</u>
<u>2,500</u>	<u>0.800</u>
<u>5,000</u>	<u>0.700</u>
<u>10,000</u>	<u>0.600</u>

Rule 6.1 has been withdrawn and replaced by the following:

6.1 Protective Devices

A premium credit can be given for the installation of approved and properly maintained alarm and/or sprinkler systems. Refer to the company for alarm and sprinkler system eligibility requirements.

Premium Determination – Use the pertinent factor(s) shown in the table for this rule to adjust the premium.

<u>PROTECTIVE DEVICE</u>	<u>FACTOR</u>
Central Station Alarms	
Burglary	0.95
Fire	0.95
Water and/or Temperature Variance Detection	0.95
Fire Department Alarms	0.97
Police Department Alarms	0.97
Local Alarms	0.98
Local Water and/or Temperature Variance Detection Alarms	0.98
Sprinkler Systems	0.97

Endorsement - Attach endorsement HO 6516.

Rule 6.5 Automatic Adjustments of Limits - has been withdrawn and replaced by the following:

6.5 Automatic Adjustments of Limits – Forms HO 0001, HO 0002, HO 0003, And HO 0005

The limits that apply to Coverages A, B, C, and D can be automatically increased on an annual basis.

PHARMACISTS MUTUAL INSURANCE COMPANY
HOMEOWNERS PROGRAM MANUAL
COUNTRYWIDE

Premium Determination – Use the pertinent factor shown in the table for this rule to adjust the premium.

<u>ANNUAL INCREASE</u>	<u>FACTOR</u>
4.0%	1.000
6.0%	1.025
8.0%	1.030
Each Additional 2%	Add 0.010

Endorsement - Attach endorsement HO 2584 and make an entry to show the annual percentage increase that applies.

Rule 6.4011 Experience Rating Plan - has been withdrawn and replaced by the following:

Rule 6.4011 Experience Rating Plan

Use the Experience Rating Plan to modify the policy premium to recognize an insured's claims history and tenure with the company.

~~The Experience Rating Plan allows for the potential application of two separate premium modifications:~~

- ~~1. A premium credit or debit that reflects both the policyholder's claims history and tenure with the company, and~~
- ~~2. For qualifying policyholders, an additional claims free premium credit.~~

Tenure

Tenure is the consecutive time that a named insured's Homeowners/Mobile Homeowners coverage has been provided by Pharmacists Mutual Insurance Company. The inception date of a policy determines tenure.

For the purposes of determining tenure, a coverage lapse of 30 days or more initiates a new inception date.

The inception date of rewritten business or a new policy written from an existing policy, will be the date the named insured was added to the existing policy.

Claims History

Claims history considers the number and type of property and liability losses experienced by all persons who are insureds under the policy. For the purposes of determining the number of claims in the claims history, a claim is any loss:

1. that occurred with respect to a risk eligible for coverage under this manual or an equivalent Homeowners/Mobile Homeowners coverage program; and
2. that occurred within the ~~7260~~ month period just before the effective date of application or policy renewal; ~~date on which an application for a new policy is made or the date on which a renewal policy is prepared.~~

A policy is considered Claims Free if:

PHARMACISTS MUTUAL INSURANCE COMPANY
HOMEOWNERS PROGRAM MANUAL
COUNTRYWIDE

- ~~1. at least one named insured must have a minimum of 72 months of consecutive coverage history, and~~
2. all adults insured under the policy have had no claims, of any cause of loss, in the previous ~~72~~60 months. Claims include all losses for which payment is made, excluding any claim adjustment expenses.

~~Qualifying claims include all claims~~ A loss for which any insurer has made payments on any coverage is considered a claim. This includes all paid losses, excluding any claim adjustment expense, except for:

- ~~1. the most recent weather-related claim;~~
2. claims that resulted from mine subsidence, earthquake, sinkhole collapse, equipment breakdown or for which payment was made solely for loss involving medical payments;
3. claims that resulted from an event that caused \$25 million or more in total insured property losses and affects a significant number of property and casualty insurance policyholders and property and casualty insurers.

If a claim is not considered at the first renewal following the claim, we reserve the right to include the claim at a subsequent renewal.

Multiple policies – If an insured has multiple homeowners policies, claims are only considered under the policy in which claim payment is made. For claims incurred by an insured under a prior policy, claims are applied to the current primary policy.

HIGHER DEDUCTIBLE OPTION

If, at renewal, it is determined that an insured has had a claim during the experience period of \$500 or less, the insured shall have the option to select a higher deductible. If a higher deductible is selected, the claim will not be included in calculation of the experience rating factor.

Premium Determination -- Use the appropriate factor shown in Table 6.10 to adjust the premium.

Tenure	Claims Free	<u>1 Claim</u> 0 Qualifying	<u>2 Claims</u> 1 Qualifying	<u>3 Claims</u> 2 Qualifying	<u>4 Claims</u> 3 Qualifying	<u>5+ Claims</u> 4 Qualifying
0-2 years	0.98	1.00	1.35	1.70	2.05	2.40
3-6 years	0.96	0.99	1.25	1.60	1.90	2.40
7-9 years	0.90	0.95	1.20	1.50	1.90	2.40
10+ years	0.80	0.90	1.15	1.50	1.90	2.40

TABLE 6.10

PHARMACISTS MUTUAL INSURANCE COMPANY
HOMEOWNERS PROGRAM MANUAL
COUNTRYWIDE

Rule 6.20 has been added:

6.20 - Roofing Materials Discount

A premium credit may be given for the installation of approved impact resistant roofing materials.

The following requirements must be met in order to be eligible for the discount:

1. Roof must be constructed with material certified under one of the following classifications:

- UL2218* Class 3
- UL2218* Class 4
- FM4473** Class 3
- FM4473** Class 4

* UL2218 - Underwriters' Laboratory Standard 2218 (Impact Standard for Impact Resistance Prepared Roof Covering Materials)

** FM 4473 - Factory Mutual Standard 4473 (Specification Test Standards for Impact Resistant Testing of Rigid Roofing Materials by Impacting with Freezer Ice Balls)

2. The age of the roof must be 20 years or less.

3. Completion of Roofing Installation Information and Certification form.

Premium Determination -- Use the appropriate factor shown below to adjust the premium.

Age of Roof	Factor
0 – 10 years	.90
11 – 20 years	.95
Over 20 years	1.00

PHARMACISTS MUTUAL INSURANCE COMPANY
HOMEOWNERS PROGRAM MANUAL
COUNTRYWIDE

Rule 6.15 has been added:

6.15 – Insurance Scoring

Insurance Score – the highest insurance score of all named insureds on the policy will be used to determine the discount. The discount will apply to the total policy premium EXCEPT Earthquake Equipment Breakdown, Mine Subsidence and Water Back Up and Sump Discharge or Overflow.

See state specific exception pages for Insurance Groups/Tiers and Factors

Rule 7.2 has been withdrawn and replaced by the following:

7.2 Water Back Up and Sump Discharge or Overflow

Coverage for direct physical loss caused by water or matter present in water that backs up through sewers or drains or overflows or discharges from a sump, sump pump or related equipment can be added. Coverage is available in increments of \$1,000, per location.

Premium Determination – Use the rating information shown below. The rating information is for a \$500 deductible. Higher deductible amounts are available. If a higher deductible amount is selected, apply the pertinent deductible factor shown in Rule 5.1. The Personal Package Discount does not apply to this coverage.

	<u>RATE</u>
Per \$1,000 of Insurance	\$8.00

Endorsement - Attach endorsement HO 2708 and make entries to show the limit and deductible that apply.

Rule 7.9.7 has been withdrawn and replaced by the following:

7.9.7 Scheduled Personal Property – Forms HO 0001, HO 0002, HO 0003, HO 0004, HO 0005, And HO 0006

Coverage for scheduled personal property categories listed below can be provided against all risks of direct physical loss, with certain exceptions.

Premium Determination - Use the pertinent rate(s) shown in the table below to adjust the premium.

<u>CATEGORY</u>	<u>RATE per \$100</u>
Audio/Video Equipment	2.00
Sports/Hobby Equipment	1.50
Collectibles/Memorabilia	1.50
Medical Equipment	1.50
Guns	2.00

Endorsement – Attach endorsement HO 3061. Make entries to describe the covered property and show the limits and premiums that apply.

PHARMACISTS MUTUAL INSURANCE COMPANY
HOMEOWNERS PROGRAM MANUAL
COUNTRYWIDE

Rule 7.50 has been added:

7.50 Equipment Breakdown Coverage

Equipment breakdown coverage insures against direct physical loss to covered property caused by an equipment breakdown.

Equipment Breakdown means physical loss or damage originating within boilers, pressure vessels and piping, and other equipment, as well as caused by:

- mechanical breakdown;
- electrical or electronic breakdown; or
- rupture, bursting, bulging, implosion or steam explosion.

Refer to the terms of the endorsement for a complete description of equipment breakdown.

When equipment breakdown coverage is provided, it applies to all locations for which the policy provides coverage under Coverage A and Coverage B.

Subject to a \$500 deductible, the most paid for all damage that is the result of one accident is \$50,000. The equipment breakdown limit does not increase the limits that apply to the property covered.

When the policy is endorsed to include equipment breakdown coverage, the following Incidental Property Coverages are provided for loss caused by an equipment breakdown. These Incidental Property Coverages do not increase the per occurrence limit for equipment breakdown coverage:

1. Expediting Expense - we will pay up to \$3,000 for covered expediting expenses to make temporary repairs, expedite permanent repairs or replacement;
2. Refrigerated Property - we will pay up to \$3,000 for refrigerated property damaged by spoilage;
3. Pollutant Clean Up and Removal - we will pay up to \$3,000 for pollutant clean up and removal for property damaged by an equipment breakdown;
4. Environmental, Safety and Efficiency Improvements - we will pay up to \$3,000 for additional cost to repair or replace damaged equipment with like kind and quality of equipment which qualifies as Green Equipment (as defined) or equipment that is better for the environment, safer, or more energy efficient than the equipment being replaced. This includes the cost for certification or recertification of the equipment, as well as the removal, disposal or recycling of the damaged equipment.

Premium Determination -- There is a flat charge of \$25.00 per insured location. The Personal Package Discount does not apply to this coverage.

Endorsement -- Attach endorsement PM 1517.

PHARMACISTS MUTUAL INSURANCE COMPANY
HOMEOWNERS PROGRAM MANUAL
ARKANSAS

Rule 6.4011 Experience Rating Plan - has been withdrawn and replaced by the following:

Rule 6.4011 Experience Rating Plan

Use the Experience Rating Plan to modify the policy premium to recognize an insured's claims history and tenure with the company.

~~The Experience Rating Plan allows for the potential application of two separate premium modifications:~~

- ~~1. A premium credit or debit that reflects both the policyholder's claims history and tenure with the company, and~~
- ~~2. For qualifying policyholders, an additional claims free premium credit.~~

Tenure

Tenure is the consecutive time that a named insured's Homeowners/Mobile Homeowners coverage has been provided by Pharmacists Mutual Insurance Company. The inception date of a policy determines tenure.

For the purposes of determining tenure, a coverage lapse of 30 days or more initiates a new inception date.

The inception date of rewritten business or a new policy written from an existing policy, will be the date the named insured was added to the existing policy.

Claims History

Claims history considers the number and type of property and liability losses experienced by all persons who are insureds under the policy. For the purposes of determining the number of claims in the claims history, a claim is any loss:

1. that occurred with respect to a risk eligible for coverage under this manual or an equivalent Homeowners/Mobile Homeowners coverage program; and
2. that occurred within the ~~7260~~ month period just before the effective date of application or policy renewal ~~date on which an application for a new policy is made or the date on which a renewal policy is prepared.~~

A policy is considered Claims Free if:

- ~~1. at least one named insured must have a minimum of 72 months of consecutive coverage history, and~~
2. all adults insured under the policy have had no claims, of any cause of loss, in the previous ~~7260~~ months. Claims include all losses for which payment is made, excluding any claim adjustment expenses.

~~Qualifying claims include all claims~~ A loss for which any insurer has made payments on any coverage is considered a claim. This includes all paid losses, excluding any claim adjustment expense, except for:

- ~~1. the most recent weather-related claim;~~
2. claims that resulted from a weather-related event, claims that resulted from mine subsidence, earthquake, sinkhole collapse, equipment breakdown or for which payment was made solely for loss involving medical payments;

PHARMACISTS MUTUAL INSURANCE COMPANY
HOMEOWNERS PROGRAM MANUAL
ARKANSAS

3. claims that resulted from an event that caused \$25 million or more in total insured property losses and affects a significant number of property and casualty insurance policyholders and property and casualty insurers.

If a claim is not considered at the first renewal following the claim, we reserve the right to include the claim at a subsequent renewal.

Multiple policies – If an insured has multiple homeowners policies, claims are only considered under the policy in which claim payment is made. For claims incurred by an insured under a prior policy, claims are applied to the current primary policy.

HIGHER DEDUCTIBLE OPTION

If, at renewal, it is determined that an insured has had a claim during the experience period of \$500 or less, the insured shall have the option to select a higher deductible. If a higher deductible is selected, the claim will not be included in calculation of the experience rating factor.

Premium Determination -- Use the appropriate factor shown in Table 6.10 to adjust the premium.

Tenure	Claims Free	<u>1 Claim</u> 0- Qualifying	<u>2 Claims</u> 1 Qualifying	<u>3 Claims</u> 2 Qualifying	<u>4 Claims</u> 3 Qualifying	<u>5+ Claims</u> 4 Qualifying
0-2 years	0.98	1.00	1.35	1.70	2.05	2.40
3-6 years	0.96	0.99	1.25	1.60	1.90	2.40
7-9 years	0.90	0.95	1.20	1.50	1.90	2.40
10+ years	0.80	0.90	1.15	1.50	1.90	2.40

TABLE 6.10

PHARMACISTS MUTUAL INSURANCE COMPANY
HOMEOWNERS PROGRAM MANUAL
ARKANSAS

~~The Base Loss Costs have been withdrawn and replaced by the following:~~

~~FORMS HO 0001, HO 0002, HO 0003, HO 0005, AND HO 0008~~

<u>Territory</u>	<u>Rate</u>
130	\$619.13
131	\$619.13
132	\$619.13
133	\$619.13

PHARMACISTS MUTUAL INSURANCE COMPANY
HOMEOWNERS PROGRAM MANUAL
ARKANSAS

~~FORM HO 0004~~

<u>Territory</u>	<u>Rate</u>
130	\$44.75
131	\$44.75
132	\$44.75
133	\$44.75

PHARMACISTS MUTUAL INSURANCE COMPANY
HOMEOWNERS PROGRAM MANUAL
ARKANSAS

~~FORM HO-0006~~

<u>Territory</u>	<u>Rate</u>
130	\$38.82
131	\$38.82
132	\$38.82
133	\$38.82

PHARMACISTS MUTUAL INSURANCE COMPANY
HOMEOWNERS PROGRAM MANUAL
ARKANSAS

Loss Cost Multiplier

PHARMACISTS MUTUAL INSURANCE COMPANY will use a loss cost multiplier of 1.937 with all "Loss Costs" established by AAIS for our Homeowners Program.

The Base Loss Costs have been withdrawn and replaced by the following:

<u>Forms HO 0001, HO 0002</u>		<u>Form</u>	<u>Form</u>
<u>HO 0003, HO 0005, and HO 0008</u>		<u>HO 0004</u>	<u>HO 0006</u>
<u>Territory</u>	<u>Rate</u>	<u>Rate</u>	<u>Rate</u>
<u>430</u>	<u>\$817.25</u>	<u>\$59.07</u>	<u>\$51.24</u>
<u>431</u>	<u>\$817.25</u>	<u>\$59.07</u>	<u>\$51.24</u>
<u>432</u>	<u>\$817.25</u>	<u>\$59.07</u>	<u>\$51.24</u>
<u>433</u>	<u>\$817.25</u>	<u>\$59.07</u>	<u>\$51.24</u>
<u>434</u>	<u>\$817.25</u>	<u>\$59.07</u>	<u>\$51.24</u>

PHARMACISTS MUTUAL INSURANCE COMPANY
HOMEOWNERS PROGRAM MANUAL
ARKANSAS

Table A for Rule 6.15 Insurance Scoring

<u>Score Group</u>	<u>Factor</u>	<u>Score Group</u>	<u>Factor</u>
<u><525</u>	<u>1.00</u>	<u>723-726</u>	<u>1.00</u>
<u>525-535</u>	<u>1.00</u>	<u>727-729</u>	<u>1.00</u>
<u>536-546</u>	<u>1.00</u>	<u>730-732</u>	<u>1.00</u>
<u>547-557</u>	<u>1.00</u>	<u>733-736</u>	<u>1.00</u>
<u>558-567</u>	<u>1.00</u>	<u>737-739</u>	<u>1.00</u>
<u>568-578</u>	<u>1.00</u>	<u>740-742</u>	<u>1.00</u>
<u>579-589</u>	<u>1.00</u>	<u>743-745</u>	<u>1.00</u>
<u>590-599</u>	<u>1.00</u>	<u>746-749</u>	<u>1.00</u>
<u>600-605</u>	<u>1.00</u>	<u>750-754</u>	<u>1.00</u>
<u>606-610</u>	<u>1.00</u>	<u>755-759</u>	<u>1.00</u>
<u>611-616</u>	<u>1.00</u>	<u>760-764</u>	<u>1.00</u>
<u>617-621</u>	<u>1.00</u>	<u>765-769</u>	<u>1.00</u>
<u>622-627</u>	<u>1.00</u>	<u>770-774</u>	<u>1.00</u>
<u>628-632</u>	<u>1.00</u>	<u>775-780</u>	<u>1.00</u>
<u>633-636</u>	<u>1.00</u>	<u>781-787</u>	<u>0.98</u>
<u>637-640</u>	<u>1.00</u>	<u>788-794</u>	<u>0.95</u>
<u>641-644</u>	<u>1.00</u>	<u>795-801</u>	<u>0.95</u>
<u>645-649</u>	<u>1.00</u>	<u>802-808</u>	<u>0.95</u>
<u>650-653</u>	<u>1.00</u>	<u>809-815</u>	<u>0.95</u>
<u>654-657</u>	<u>1.00</u>	<u>816-822</u>	<u>0.95</u>
<u>658-667</u>	<u>1.00</u>	<u>823-829</u>	<u>0.95</u>
<u>668-670</u>	<u>1.00</u>	<u>830-839</u>	<u>0.95</u>
<u>671-673</u>	<u>1.00</u>	<u>840-849</u>	<u>0.95</u>
<u>674-676</u>	<u>1.00</u>	<u>850-865</u>	<u>0.95</u>
<u>677-679</u>	<u>1.00</u>	<u>866-880</u>	<u>0.95</u>
<u>680-683</u>	<u>1.00</u>	<u>881-900</u>	<u>0.95</u>
<u>684-685</u>	<u>1.00</u>	<u>901-920</u>	<u>0.95</u>
<u>686-688</u>	<u>1.00</u>	<u>>920</u>	<u>0.95</u>
<u>689-691</u>	<u>1.00</u>	<u>Scoring Not Attempted</u>	<u>1.00</u>
<u>692-694</u>	<u>1.00</u>		
<u>695-697</u>	<u>1.00</u>		
<u>698-700</u>	<u>1.00</u>	<u>Extraordinary Life Circumstance</u>	<u>1.00</u>
<u>701-702</u>	<u>1.00</u>	<u>No Hit/Thin File</u>	<u>1.00</u>
<u>703-704</u>	<u>1.00</u>	<u>No Score</u>	<u>1.00</u>
<u>705-707</u>	<u>1.00</u>		
<u>708-710</u>	<u>1.00</u>		
<u>711-713</u>	<u>1.00</u>		
<u>714-716</u>	<u>1.00</u>		
<u>717-719</u>	<u>1.00</u>		
<u>720-722</u>	<u>1.00</u>		

Not subject to Freedom of Information Act, confidential information pursuant to A.C.A. §23-67-409(b).

State: Arkansas

Filing Company:

Pharmacists Mutual Insurance Company

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

Product Name: Homeowners

Project Name/Number: AR-HO-12-13-RR/AR-HO-12-13-RR

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)
09/05/2013		Supporting Document	HPCS-Homeowners Premium Comparison Survey	10/14/2013	HO Survey FORM.pdf (Superseded) HO Survey FORM HPCS.xls (Superseded)
08/27/2013		Supporting Document	Manual Rules Changes Side-by-side	09/10/2013	CW HO Exception Page 01-12 vs 09-13 side by side.pdf (Superseded) AR HO Exception Pages Supplemental Comparison 03-12 vs 11-13.pdf (Superseded)
08/27/2013		Supporting Document	Actuarial Support	10/14/2013	AR HO Exhibits 1-9.pdf (Superseded) AR HO Rate Filing Summary.pdf (Superseded) AR HO Exhibit R.pdf (Superseded) AR HO Rate Filing Memorandum.pdf (Superseded) Exhibit D.pdf (Superseded) Exhibit ROE 1-5.pdf (Superseded)
08/05/2013		Rate	CW Exception Pages	09/10/2013	CW HO Exception Pages 11-13.pdf (Superseded)
08/05/2013		Rate	AR State Specific Exception Pages	09/10/2013	AR HO Exception Pages Supplemental 11-13.pdf (Superseded)

SERFF Tracking #:

PHAR-129146881

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

AR-HO-12-13-RR

State:

Arkansas

Filing Company:

Pharmacists Mutual Insurance Company

TOI/Sub-TOI:

04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations

Product Name:

Homeowners

Project Name/Number:

AR-HO-12-13-RR/AR-HO-12-13-RR

Creation Date	Schedule Item Status	Schedule	Schedule Item Name	Replacement Creation Date	Attached Document(s)
08/05/2013		Supporting Document	Form RF-2 Loss Costs Only (not for workers' compensation)	10/14/2013	FORM RF-2 Loss Costs Only (not workers' compensation).pdf (Superseded)
08/05/2013		Supporting Document	HPCS-Homeowners Premium Comparison Survey	09/05/2013	HO Survey FORM.pdf
08/05/2013		Supporting Document	NAIC loss cost data entry document	10/14/2013	FORM RF-1 Rate Filing Abstract.pdf (Superseded)

SERFF Tracking #:

PHAR-129146881

State Tracking #:

Company Tracking #:

AR-HO-12-13-RR

State:

Arkansas

Filing Company:

Pharmacists Mutual Insurance Company

TOI/Sub-TOI:

04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations

Product Name:

Homeowners

Project Name/Number:

AR-HO-12-13-RR/AR-HO-12-13-RR

Attachment HO Survey FORM HPCS.xls is not a PDF document and cannot be reproduced here.

NAIC Number:	13714
Company Name:	Pharmacists Mutual Insurance Company
Contact Person:	Damon Berkland
Telephone No.:	515.395.7322
Email Address:	damon.berkland@phmic.com
Effective Date:	10/1/13 New Business 12/1/13 Renewal Business

**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

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

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

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	\$781.00	\$871.00	\$781.00	\$871.00	\$781.00	\$871.00	\$781.00	\$871.00	\$781.00	\$871.00	\$781.00	\$871.00	\$781.00	\$871.00	\$781.00	\$871.00	\$781.00	\$871.00
	\$120,000	\$995.00	\$1,111.00	\$995.00	\$1,111.00	\$995.00	\$1,111.00	\$995.00	\$1,111.00	\$995.00	\$1,111.00	\$995.00	\$1,111.00	\$995.00	\$1,111.00	\$995.00	\$1,111.00	\$995.00	\$1,111.00
	\$160,000	\$1,239.00	\$1,386.00	\$1,239.00	\$1,386.00	\$1,239.00	\$1,386.00	\$1,239.00	\$1,386.00	\$1,239.00	\$1,386.00	\$1,239.00	\$1,386.00	\$1,239.00	\$1,386.00	\$1,239.00	\$1,386.00	\$1,239.00	\$1,386.00
6	\$80,000	\$781.00	\$871.00	\$781.00	\$871.00	\$781.00	\$871.00	\$781.00	\$871.00	\$781.00	\$871.00	\$781.00	\$871.00	\$781.00	\$871.00	\$781.00	\$871.00	\$781.00	\$871.00
	\$120,000	\$995.00	\$1,111.00	\$995.00	\$1,111.00	\$995.00	\$1,111.00	\$995.00	\$1,111.00	\$995.00	\$1,111.00	\$995.00	\$1,111.00	\$995.00	\$1,111.00	\$995.00	\$1,111.00	\$995.00	\$1,111.00
	\$160,000	\$1,239.00	\$1,386.00	\$1,239.00	\$1,386.00	\$1,239.00	\$1,386.00	\$1,239.00	\$1,386.00	\$1,239.00	\$1,386.00	\$1,239.00	\$1,386.00	\$1,239.00	\$1,386.00	\$1,239.00	\$1,386.00	\$1,239.00	\$1,386.00
9	\$80,000	\$1,244.00	\$1,439.00	\$1,244.00	\$1,439.00	\$1,244.00	\$1,439.00	\$1,244.00	\$1,439.00	\$1,244.00	\$1,439.00	\$1,244.00	\$1,439.00	\$1,244.00	\$1,439.00	\$1,244.00	\$1,439.00	\$1,244.00	\$1,439.00
	\$120,000	\$1,593.00	\$1,845.00	\$1,593.00	\$1,845.00	\$1,593.00	\$1,845.00	\$1,593.00	\$1,845.00	\$1,593.00	\$1,845.00	\$1,593.00	\$1,845.00	\$1,593.00	\$1,845.00	\$1,593.00	\$1,845.00	\$1,593.00	\$1,845.00
	\$160,000	\$1,994.00	\$2,312.00	\$1,994.00	\$2,312.00	\$1,994.00	\$2,312.00	\$1,994.00	\$2,312.00	\$1,994.00	\$2,312.00	\$1,994.00	\$2,312.00	\$1,994.00	\$2,312.00	\$1,994.00	\$2,312.00	\$1,994.00	\$2,312.00

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	\$114.00	\$123.00	\$114.00	\$123.00	\$114.00	\$123.00	\$114.00	\$123.00	\$114.00	\$123.00	\$114.00	\$123.00	\$114.00	\$123.00	\$114.00	\$123.00	\$114.00	\$123.00
	\$15,000	\$174.00	\$188.00	\$174.00	\$188.00	\$174.00	\$188.00	\$174.00	\$188.00	\$174.00	\$188.00	\$174.00	\$188.00	\$174.00	\$188.00	\$174.00	\$188.00	\$174.00	\$188.00
	\$25,000	\$232.00	\$254.00	\$232.00	\$254.00	\$232.00	\$254.00	\$232.00	\$254.00	\$232.00	\$254.00	\$232.00	\$254.00	\$232.00	\$254.00	\$232.00	\$254.00	\$232.00	\$254.00
6	\$5,000	\$114.00	\$123.00	\$114.00	\$123.00	\$114.00	\$123.00	\$114.00	\$123.00	\$114.00	\$123.00	\$114.00	\$123.00	\$114.00	\$123.00	\$114.00	\$123.00	\$114.00	\$123.00
	\$15,000	\$174.00	\$188.00	\$174.00	\$188.00	\$174.00	\$188.00	\$174.00	\$188.00	\$174.00	\$188.00	\$174.00	\$188.00	\$174.00	\$188.00	\$174.00	\$188.00	\$174.00	\$188.00
	\$25,000	\$232.00	\$254.00	\$232.00	\$254.00	\$232.00	\$254.00	\$232.00	\$254.00	\$232.00	\$254.00	\$232.00	\$254.00	\$232.00	\$254.00	\$232.00	\$254.00	\$232.00	\$254.00
9	\$5,000	\$144.00	\$167.00	\$144.00	\$167.00	\$144.00	\$167.00	\$144.00	\$167.00	\$144.00	\$167.00	\$144.00	\$167.00	\$144.00	\$167.00	\$144.00	\$167.00	\$144.00	\$167.00
	\$15,000	\$237.00	\$276.00	\$237.00	\$276.00	\$237.00	\$276.00	\$237.00	\$276.00	\$237.00	\$276.00	\$237.00	\$276.00	\$237.00	\$276.00	\$237.00	\$276.00	\$237.00	\$276.00
	\$25,000	\$322.00	\$383.00	\$322.00	\$383.00	\$322.00	\$383.00	\$322.00	\$383.00	\$322.00	\$383.00	\$322.00	\$383.00	\$322.00	\$383.00	\$322.00	\$383.00	\$322.00	\$383.00

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

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

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

HO3 and HO4 only

Fire Extinguisher	<input type="text"/> %	Deadbolt Lock	<input type="text"/> %
Burglar Alarm	<input type="text"/> %	Window Locks	<input type="text"/> %
Smoke Alarm	<input type="text"/> %	\$1,000 Deductible	<input type="text"/> %
		Other (specify)	<input type="text"/> %

EARTHQUAKE INSURANCE

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

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

WHAT IS YOUR PERCENTAGE DEDUCTIBLE? %

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

Maximum Credit Allowed	%	Lowest Risk	\$		\$	
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PHARMACISTS MUTUAL INSURANCE COMPANY
HOMEOWNERS PROGRAM MANUAL
COUNTRYWIDE

Rule 3.5 has been withdrawn and replaced by the following:

3.5 Waiver of Premium

An additional or return premium due when a policy is endorsed after its inception may be waived, however, return premiums must be refunded at the request of the insured. If the additional premium is less than \$5.00, it will be waived. If the return premium is less than \$5.00, it will be waived.

Rule 4.10 has been added:

4.10 ~~Personal~~ Package Discount

If an insured is eligible for more than one discount below, the discount shall be added and applied separately to each policy, after application of all other premium modifications.

4.10.1 Personal Package Discounts

A. Homeowners/Personal Automobile

If an insured has their Personal Auto and Homeowners/Mobile Homeowners policies with Pharmacists Mutual a premium credit will be given according to the following rules:

1. **Eligibility** - This rule applies only if Personal Auto and Homeowners/Mobile Homeowners policies are written for the same named insured with Pharmacists Mutual.
2. **Premium Discount** - A ~~5~~¹⁵% credit shall apply separately to each policy, after application of all other premium modifications.
3. **Policy Term** - Policies should be written with concurrent inception or expiration dates if possible.

B. Homeowners/Personal Automobile/Personal Umbrella

If the above requirements are met and an insured has their Personal Umbrella policy with Pharmacists Mutual an additional 5% premium credit will be given according to the same aforementioned rules.

4.10.2 Commercial Package Discount

If an insured has their Homeowners/Mobile Homeowners policies and at least one Commercial policy with Pharmacists Mutual a premium credit will be given according to the following rules:

1. **Eligibility** - This rule applies only if Homeowners/Mobile Homeowners and Commercial policies are written for the same named insured with Pharmacists Mutual.
2. **Premium Discount** - A 5% credit shall apply separately to each policy, after application of all other premium modifications.

A Commercial policy is one of the following: Business owners, Commercial Package, Pharmacy Professional Liability, Dentist Professional Liability or Workers' Compensation.

PHARMACISTS MUTUAL INSURANCE COMPANY
HOMEOWNERS PROGRAM MANUAL
COUNTRYWIDE

[Rule 5 Deductibles, Table A for Rule 5 has been withdrawn and replaced by the following:](#)

<u>Table A for Rule 5</u>	
<u>All Perils/All Other Perils Deductible</u>	<u>PHMIC Factor</u>
<u>100</u>	<u>1.250</u>
<u>250</u>	<u>1.120</u>
<u>500</u>	<u>1.000</u>
<u>1,000</u>	<u>0.880</u>
<u>2,500</u>	<u>0.800</u>
<u>5,000</u>	<u>0.700</u>
<u>10,000</u>	<u>0.600</u>

Rule 6.1 has been withdrawn and replaced by the following:

6.1 Protective Devices

A premium credit can be given for the installation of approved and properly maintained alarm and/or sprinkler systems. Refer to the company for alarm and sprinkler system eligibility requirements.

Premium Determination – Use the pertinent factor(s) shown in the table for this rule to adjust the premium.

<u>PROTECTIVE DEVICE</u>	<u>FACTOR</u>
Central Station Alarms	
Burglary	0.95
Fire	0.95
Water and/or Temperature Variance Detection	0.95
Fire Department Alarms	0.97
Police Department Alarms	0.97
Local Alarms	0.98
Local Water and/or Temperature Variance Detection Alarms	0.98
Sprinkler Systems	0.97

Endorsement - Attach endorsement HO 6516.

Rule 6.5 Automatic Adjustments of Limits - has been withdrawn and replaced by the following:

6.5 Automatic Adjustments of Limits – Forms HO 0001, HO 0002, HO 0003, And HO 0005

The limits that apply to Coverages A, B, C, and D can be automatically increased on an annual basis.

PHARMACISTS MUTUAL INSURANCE COMPANY
HOMEOWNERS PROGRAM MANUAL
COUNTRYWIDE

Premium Determination – Use the pertinent factor shown in the table for this rule to adjust the premium.

<u>ANNUAL INCREASE</u>	<u>FACTOR</u>
4.0%	1.000
6.0%	1.025
8.0%	1.030
Each Additional 2%	Add 0.010

Endorsement - Attach endorsement HO 2584 and make an entry to show the annual percentage increase that applies.

Rule 6.4011 Experience Rating Plan - has been withdrawn and replaced by the following:

Rule 6.4011 Experience Rating Plan

Use the Experience Rating Plan to modify the policy premium to recognize an insured's claims history and tenure with the company.

~~The Experience Rating Plan allows for the potential application of two separate premium modifications:~~

- ~~1. A premium credit or debit that reflects both the policyholder's claims history and tenure with the company, and~~
- ~~2. For qualifying policyholders, an additional claims free premium credit.~~

Tenure

Tenure is the consecutive time that a named insured's Homeowners/Mobile Homeowners coverage has been provided by Pharmacists Mutual Insurance Company. The inception date of a policy determines tenure.

For the purposes of determining tenure, a coverage lapse of 30 days or more initiates a new inception date.

The inception date of rewritten business or a new policy written from an existing policy, will be the date the named insured was added to the existing policy.

Claims History

Claims history considers the number and type of property and liability losses experienced by all persons who are insureds under the policy. For the purposes of determining the number of claims in the claims history, a claim is any loss:

1. that occurred with respect to a risk eligible for coverage under this manual or an equivalent Homeowners/Mobile Homeowners coverage program; and
2. that occurred within the ~~7260~~ month period just before the effective date of application or policy renewal; ~~date on which an application for a new policy is made or the date on which a renewal policy is prepared.~~

A policy is considered Claims Free if:

PHARMACISTS MUTUAL INSURANCE COMPANY
HOMEOWNERS PROGRAM MANUAL
COUNTRYWIDE

- ~~1. at least one named insured must have a minimum of 72 months of consecutive coverage history, and~~
2. all adults insured under the policy have had no claims, of any cause of loss, in the previous ~~72~~60 months. Claims include all losses for which payment is made, excluding any claim adjustment expenses.

~~Qualifying claims include all claims~~ A loss for which any insurer has made payments on any coverage is considered a claim. This includes all paid losses, excluding any claim adjustment expense, except for:

- ~~1. the most recent weather-related claim;~~
2. claims that resulted from mine subsidence, earthquake, sinkhole collapse, equipment breakdown or for which payment was made solely for loss involving medical payments;
3. claims that resulted from an event that caused \$25 million or more in total insured property losses and affects a significant number of property and casualty insurance policyholders and property and casualty insurers.

If a claim is not considered at the first renewal following the claim, we reserve the right to include the claim at a subsequent renewal.

Multiple policies – If an insured has multiple homeowners policies, claims are only considered under the policy in which claim payment is made. For claims incurred by an insured under a prior policy, claims are applied to the current primary policy.

HIGHER DEDUCTIBLE OPTION

If, at renewal, it is determined that an insured has had a claim during the experience period of \$500 or less, the insured shall have the option to select a higher deductible. If a higher deductible is selected, the claim will not be included in calculation of the experience rating factor.

Premium Determination -- Use the appropriate factor shown in Table 6.10 to adjust the premium.

Tenure	Claims Free	<u>1 Claim</u> 0 Qualifying	<u>2 Claims</u> 1 Qualifying	<u>3 Claims</u> 2 Qualifying	<u>4 Claims</u> 3 Qualifying	<u>5+ Claims</u> 4 Qualifying
0-2 years	0.98	1.00	1.35	1.70	2.05	2.40
3-6 years	0.96	0.99	1.25	1.60	1.90	2.40
7-9 years	0.90	0.95	1.20	1.50	1.90	2.40
10+ years	0.80	0.90	1.15	1.50	1.90	2.40

TABLE 6.10

PHARMACISTS MUTUAL INSURANCE COMPANY
HOMEOWNERS PROGRAM MANUAL
COUNTRYWIDE

Rule 6.20 has been added:

6.20 - Roofing Materials Discount

A premium credit may be given for the installation of approved impact resistant roofing materials.

The following requirements must be met in order to be eligible for the discount:

1. Roof must be constructed with material certified under one of the following classifications:

- UL2218* Class 3
- UL2218* Class 4
- FM4473** Class 3
- FM4473** Class 4

* UL2218 - Underwriters' Laboratory Standard 2218 (Impact Standard for Impact Resistance Prepared Roof Covering Materials)

** FM 4473 - Factory Mutual Standard 4473 (Specification Test Standards for Impact Resistant Testing of Rigid Roofing Materials by Impacting with Freezer Ice Balls)

2. The age of the roof must be 20 years or less.

3. Completion of Roofing Installation Information and Certification form.

Premium Determination -- Use the appropriate factor shown below to adjust the premium.

Age of Roof	Factor
0 – 10 years	.90
11 – 20 years	.95
Over 20 years	1.00

PHARMACISTS MUTUAL INSURANCE COMPANY
HOMEOWNERS PROGRAM MANUAL
COUNTRYWIDE

Rule 6.15 has been added:

6.15 – Insurance Scoring

Insurance Score – the highest insurance score of all named insureds on the policy will be used to determine the discount. The discount will apply to the total policy premium EXCEPT Earthquake Equipment Breakdown, Mine Subsidence and Water Back Up and Sump Discharge or Overflow.

See state specific exception pages for Insurance Groups/Tiers and Factors

Rule 7.2 has been withdrawn and replaced by the following:

7.2 Water Back Up and Sump Discharge or Overflow

Coverage for direct physical loss caused by water or matter present in water that backs up through sewers or drains or overflows or discharges from a sump, sump pump or related equipment can be added. Coverage is available in increments of \$1,000, per location.

Premium Determination – Use the rating information shown below. The rating information is for a \$500 deductible. Higher deductible amounts are available. If a higher deductible amount is selected, apply the pertinent deductible factor shown in Rule 5.1. The Personal Package Discount does not apply to this coverage.

	<u>RATE</u>
Per \$1,000 of Insurance	\$8.00

Endorsement - Attach endorsement HO 2708 and make entries to show the limit and deductible that apply.

Rule 7.9.7 has been withdrawn and replaced by the following:

7.9.7 Scheduled Personal Property – Forms HO 0001, HO 0002, HO 0003, HO 0004, HO 0005, And HO 0006

Coverage for scheduled personal property categories listed below can be provided against all risks of direct physical loss, with certain exceptions.

Premium Determination - Use the pertinent rate(s) shown in the table below to adjust the premium.

<u>CATEGORY</u>	<u>RATE per \$100</u>
Audio/Video Equipment	2.00
Sports/Hobby Equipment	1.50
Collectibles/Memorabilia	1.50
Medical Equipment	1.50
Guns	2.00

Endorsement – Attach endorsement HO 3061. Make entries to describe the covered property and show the limits and premiums that apply.

PHARMACISTS MUTUAL INSURANCE COMPANY
HOMEOWNERS PROGRAM MANUAL
COUNTRYWIDE

Rule 7.50 has been added:

7.50 Equipment Breakdown Coverage

Equipment breakdown coverage insures against direct physical loss to covered property caused by an equipment breakdown.

Equipment Breakdown means physical loss or damage originating within boilers, pressure vessels and piping, and other equipment, as well as caused by:

- mechanical breakdown;
- electrical or electronic breakdown; or
- rupture, bursting, bulging, implosion or steam explosion.

Refer to the terms of the endorsement for a complete description of equipment breakdown.

When equipment breakdown coverage is provided, it applies to all locations for which the policy provides coverage under Coverage A and Coverage B.

Subject to a \$500 deductible, the most paid for all damage that is the result of one accident is \$50,000. The equipment breakdown limit does not increase the limits that apply to the property covered.

When the policy is endorsed to include equipment breakdown coverage, the following Incidental Property Coverages are provided for loss caused by an equipment breakdown. These Incidental Property Coverages do not increase the per occurrence limit for equipment breakdown coverage:

1. Expediting Expense - we will pay up to \$3,000 for covered expediting expenses to make temporary repairs, expedite permanent repairs or replacement;
2. Refrigerated Property - we will pay up to \$3,000 for refrigerated property damaged by spoilage;
3. Pollutant Clean Up and Removal - we will pay up to \$3,000 for pollutant clean up and removal for property damaged by an equipment breakdown;
4. Environmental, Safety and Efficiency Improvements - we will pay up to \$3,000 for additional cost to repair or replace damaged equipment with like kind and quality of equipment which qualifies as Green Equipment (as defined) or equipment that is better for the environment, safer, or more energy efficient than the equipment being replaced. This includes the cost for certification or recertification of the equipment, as well as the removal, disposal or recycling of the damaged equipment.

Premium Determination -- There is a flat charge of \$25.00 per insured location. The Personal Package Discount does not apply to this coverage.

Endorsement -- Attach endorsement PM 1517.

PHARMACISTS MUTUAL INSURANCE COMPANY
HOMEOWNERS PROGRAM MANUAL
ARKANSAS

~~Rule 6.10 Experience Rating Plan~~ has been withdrawn and replaced by the following:

~~Rule 6.10 Experience Rating Plan~~

~~Use the Experience Rating Plan to modify the policy premium to recognize an insured's claims history and tenure with the company.~~

~~The Experience Rating Plan allows for the potential application of two separate premium modifications:~~

- ~~1. A premium credit or debit that reflects both the policyholder's claims history and tenure with the company, and~~
- ~~2. For qualifying policyholders, an additional claims free premium credit.~~

Tenure

~~Tenure is the consecutive time that a named insured's Homeowners/Mobile Homeowners coverage has been provided by Pharmacists Mutual Insurance Company. The inception date of a policy determines tenure.~~

~~For the purposes of determining tenure, a coverage lapse of 30 days or more initiates a new inception date.~~

Claims History

~~Claims history considers the number and type of property and liability losses experienced by all persons who are insureds under the policy. For the purposes of determining the number of claims in the claims history, a claim is any loss:~~

- ~~1. that occurred with respect to a risk eligible for coverage under this manual or an equivalent Homeowners/Mobile Homeowners coverage program; and~~
- ~~2. that occurred within the 72 month period just before the date on which an application for a new policy is made or the date on which a renewal policy is prepared.~~

~~A policy is considered Claims Free if:~~

- ~~1. at least one named insured must have a minimum of 72 months of consecutive coverage history, and~~
- ~~2. all adults insured under the policy have had no claims, of any cause of loss, in the previous 72 months.~~

PHARMACISTS MUTUAL INSURANCE COMPANY
HOMEOWNERS PROGRAM MANUAL
ARKANSAS

~~Qualifying claims include all claims for which any insurer has made payments on any coverage. This includes all paid losses, excluding any claim adjustment expense, except for:~~

- ~~1. claims that resulted from a weather-related event, mine subsidence, earthquake, sinkhole collapse, equipment breakdown or for which payment was made solely for loss involving medical payments;~~
- ~~2. claims that resulted from an event that caused \$25 million or more in total insured property losses and affects a significant number of property and casualty insurance policyholders and property and casualty insurers.~~

~~If a claim is not considered at the first renewal following the claim, we reserve the right to include the claim at a subsequent renewal.~~

~~**Premium Determination**—Use the appropriate factor shown in Table 6.10 to adjust the premium.~~

Tenure	Claims-Free	0- Qualifying	1- Qualifying	2- Qualifying	3- Qualifying	4+ Qualifying
0-2 years	0.98	1.00	1.35	1.70	2.05	2.40
3-6 years	0.96	0.99	1.25	1.60	1.90	2.40
7-9 years	0.90	0.95	1.20	1.50	1.90	2.40
10+ years	0.80	0.90	1.15	1.50	1.90	2.40

TABLE 6.10

PHARMACISTS MUTUAL INSURANCE COMPANY
HOMEOWNERS PROGRAM MANUAL
ARKANSAS

~~The Base Loss Costs have been withdrawn and replaced by the following:~~

~~FORMS HO 0001, HO 0002, HO 0003, HO 0005, AND HO 0008~~

<u>Territory</u>	<u>Rate</u>
130	\$619.13
131	\$619.13
132	\$619.13
133	\$619.13

PHARMACISTS MUTUAL INSURANCE COMPANY
HOMEOWNERS PROGRAM MANUAL
ARKANSAS

FORM HO 0004

<u>Territory</u>	<u>Rate</u>
130	\$44.75
131	\$44.75
132	\$44.75
133	\$44.75

PHARMACISTS MUTUAL INSURANCE COMPANY
HOMEOWNERS PROGRAM MANUAL
ARKANSAS

~~FORM HO-0006~~

<u>Territory</u>	<u>Rate</u>
130	\$38.82
131	\$38.82
132	\$38.82
133	\$38.82

PHARMACISTS MUTUAL INSURANCE COMPANY

HOMEOWNERS PROGRAM MANUAL

ARKANSAS

Loss Cost Multiplier

PHARMACISTS MUTUAL INSURANCE COMPANY will use a loss cost multiplier of 2.116 with all "Loss Costs" established by AAIS for our Homeowners Program.

The Base Loss Costs have been withdrawn and replaced by the following:

	<u>Forms HO 0001, HO 0002 HO 0003, HO 0005, and HO 0008</u>	<u>Form HO 0004</u>	<u>Form HO 0006</u>
<u>Territory</u>	<u>Rate</u>	<u>Rate</u>	<u>Rate</u>
<u>430</u>	<u>\$1,002.99</u>	<u>\$72.50</u>	<u>\$62.89</u>
<u>431</u>	<u>\$1,002.99</u>	<u>\$72.50</u>	<u>\$62.89</u>
<u>432</u>	<u>\$1,002.99</u>	<u>\$72.50</u>	<u>\$62.89</u>
<u>433</u>	<u>\$1,002.99</u>	<u>\$72.50</u>	<u>\$62.89</u>
<u>434</u>	<u>\$1,002.99</u>	<u>\$72.50</u>	<u>\$62.89</u>

PHARMACISTS MUTUAL INSURANCE COMPANY
HOMEOWNERS PROGRAM MANUAL
ARKANSAS

Table A for Rule 6.15 Insurance Scoring

<u>Score Group</u>	<u>Factor</u>	<u>Score Group</u>	<u>Factor</u>
<u><525</u>	<u>1.00</u>	<u>723-726</u>	<u>0.98</u>
<u>525-535</u>	<u>1.00</u>	<u>727-729</u>	<u>0.97</u>
<u>536-546</u>	<u>1.00</u>	<u>730-732</u>	<u>0.97</u>
<u>547-557</u>	<u>1.00</u>	<u>733-736</u>	<u>0.97</u>
<u>558-567</u>	<u>1.00</u>	<u>737-739</u>	<u>0.95</u>
<u>568-578</u>	<u>1.00</u>	<u>740-742</u>	<u>0.95</u>
<u>579-589</u>	<u>1.00</u>	<u>743-745</u>	<u>0.93</u>
<u>590-599</u>	<u>1.00</u>	<u>746-749</u>	<u>0.93</u>
<u>600-605</u>	<u>1.00</u>	<u>750-754</u>	<u>0.91</u>
<u>606-610</u>	<u>1.00</u>	<u>755-759</u>	<u>0.90</u>
<u>611-616</u>	<u>1.00</u>	<u>760-764</u>	<u>0.88</u>
<u>617-621</u>	<u>1.00</u>	<u>765-769</u>	<u>0.86</u>
<u>622-627</u>	<u>1.00</u>	<u>770-774</u>	<u>0.84</u>
<u>628-632</u>	<u>1.00</u>	<u>775-780</u>	<u>0.84</u>
<u>633-636</u>	<u>1.00</u>	<u>781-787</u>	<u>0.82</u>
<u>637-640</u>	<u>1.00</u>	<u>788-794</u>	<u>0.81</u>
<u>641-644</u>	<u>1.00</u>	<u>795-801</u>	<u>0.79</u>
<u>645-649</u>	<u>1.00</u>	<u>802-808</u>	<u>0.77</u>
<u>650-653</u>	<u>1.00</u>	<u>809-815</u>	<u>0.75</u>
<u>654-657</u>	<u>1.00</u>	<u>816-822</u>	<u>0.75</u>
<u>658-667</u>	<u>1.00</u>	<u>823-829</u>	<u>0.73</u>
<u>668-670</u>	<u>1.00</u>	<u>830-839</u>	<u>0.73</u>
<u>671-673</u>	<u>1.00</u>	<u>840-849</u>	<u>0.72</u>
<u>674-676</u>	<u>1.00</u>	<u>850-865</u>	<u>0.70</u>
<u>677-679</u>	<u>1.00</u>	<u>866-880</u>	<u>0.69</u>
<u>680-683</u>	<u>1.00</u>	<u>881-900</u>	<u>0.69</u>
<u>684-685</u>	<u>1.00</u>	<u>901-920</u>	<u>0.69</u>
<u>686-688</u>	<u>1.00</u>	<u>>920</u>	<u>0.69</u>
<u>689-691</u>	<u>1.00</u>	<u>Scoring Not Attempted</u>	<u>1.00</u>
<u>692-694</u>	<u>1.00</u>		<u>1.00</u>
<u>695-697</u>	<u>1.00</u>		<u>1.00</u>
<u>698-700</u>	<u>1.00</u>	<u>Extraordinary Life Circumstance</u>	<u>1.00</u>
<u>701-702</u>	<u>1.00</u>	<u>No Hit/Thin File</u>	<u>1.00</u>
<u>703-704</u>	<u>1.00</u>	<u>No Score</u>	<u>1.00</u>
<u>705-707</u>	<u>1.00</u>		
<u>708-710</u>	<u>1.00</u>		
<u>711-713</u>	<u>1.00</u>		
<u>714-716</u>	<u>1.00</u>		
<u>717-719</u>	<u>1.00</u>		
<u>720-722</u>	<u>0.98</u>		

PHARMACISTS MUTUAL INSURANCE COMPANY
HOMEOWNERS PROGRAM MANUAL
ARKANSAS

PHARMACISTS MUTUAL INSURANCE COMPANY

Exhibit 1

**HOMEOWNERS
Rate Level Indications at 12/31/2012
ARKANSAS**

	Accident Year					
	2008	2009	2010	2011	2012	Total
(1) Adjusted Earned Premium (Exhibit 4)	766,549	750,781	715,950	675,446	626,633	3,535,360
(2) Developed - Trended Losses (Exhibit 7)	344,397	1,545,256	1,577,313	258,619	367,066	4,092,650
(3) Actual Loss Ratio (2) / (1)	44.9%	205.8%	220.3%	38.3%	58.6%	115.8%
(4) Expected Loss Ratio (Exhibit 8)						57.8%
(5) Indicated Change ((3) / (4)) - 1.00						100.3%
(6) Credibility (Exhibit 10)						26.9%
(7) Complement 1.0 - (6)						73.1%
(8) Annual Trend (Exhibit 3 & 6)*						5.9%
(9) Weighted Indicated Change (5) * (6) + (7) * (8)						31.3%
(10) Selected Change						19.0%

* [(1.0 + Selected Annual Loss Trend) / (1.0 + Selected Annual Exposure Trend)] -1

PHARMACISTS MUTUAL INSURANCE COMPANY

Exhibit 2

**HOMEOWNERS
Rate Level History
ARKANSAS**

Property & General Liability		
Effective Date	Rate Change	Cumulative Index
7/1/2004	initial	1.00
7/1/2005	10.4%	1.10
7/1/2006	3.6%	1.14
7/1/2007	0.0%	1.14
7/1/2008	0.0%	1.14
7/1/2009	0.0%	1.14
5/1/2010	1.9%	1.17
5/1/2011	0.0%	1.17
3/1/2012	9.7%	1.28

PHARMACISTS MUTUAL INSURANCE COMPANY

**HOMEOWNERS
Rate Level History
ARKANSAS**

Year	Average Rate Level	Current Rate Level
2004	1.000	1.28
2005	1.262	1.26
2006	1.166	1.17
2007	1.123	1.12
2008	1.118	1.12
2009	1.118	1.12
2010	1.113	1.11
2011	1.098	1.10
2012	1.061	1.06

PHARMACISTS MUTUAL INSURANCE COMPANY

Exhibit 3

**HOMEOWNERS
Exposure Trend
ARKANSAS**

Selected Annual Exposure Trend

3.9%

Assumed Effective Date

11/1/2013

AY	(1)	(2)	(3)	(4)	(5)
2008	7/1/2008	5/1/2014	5.833	1.039	1.250
2009	7/1/2009	5/1/2014	4.833	1.039	1.203
2010	7/1/2010	5/1/2014	3.833	1.039	1.158
2011	7/1/2011	5/1/2014	2.833	1.039	1.114
2012	7/1/2012	5/1/2014	1.833	1.039	1.073

- (1) Average Written Date for experience years
- (2) Trend Date, average written date when new rates are expected to be in effect
- (3) Number of years between (1) and (2)
- (4) Annual Exposure Trend - source: Internal CW reports & Company judgement
- (5) Trend Factor

PHARMACISTS MUTUAL INSURANCE COMPANY

Exhibit 4

**HOMEOWNERS
Adjusted Earned Premium
ARKANSAS**

(1)	(2)	(3)	(4)	(5)
Accident Year	Actual Earned Premium	Current Rate Level Factor	Exposure Trend Factor	Adjusted Earned Premium
2008	548,581	1.118	1.250	766,549
2009	558,251	1.118	1.203	750,781
2010	555,481	1.113	1.158	715,950
2011	551,918	1.098	1.114	675,446
2012	550,691	1.061	1.073	626,633

Source: (2) Internal Reports
(3) Exhibit 2
(4) Exhibit 3
(5) = (2) * (3) * (4)

PHARMACISTS MUTUAL INSURANCE COMPANY
PROJECTED DIRECT & ASSUMED ULTIMATE LOSSES BASED ON REPORTED LOSS DEVELOPMENT
 Schedule P - Part 1A - Homeowners/Farmowners

Exhibit 5

Direct & Assumed Cumulative Losses Reported (\$000's)										
Accident Year	Months of Development									
	12	24	36	48	60	72	84	96	108	120
2003	3,923	3,943	3,959	3,992	3,962	3,961	3,959	3,934	3,934	3,934
2004	4,009	4,192	4,302	4,294	4,112	4,112	4,112	4,112	4,112	
2005	6,017	6,421	6,470	6,488	6,675	6,674	6,676	6,676		
2006	4,939	5,412	5,382	5,378	5,372	5,330	5,335			
2007	6,548	6,612	6,701	6,699	6,698	6,699				
2008	8,277	8,415	8,289	8,315	8,277					
2009	6,802	7,220	7,204	7,141						
2010	7,264	7,496	7,521							
2011	7,031	7,599								
2012	7,457									

Direct & Assumed Reported Loss Link Ratios										
Accident Year	Development Intervals									
	12:24	24:36	36:48	48:60	60:72	72:84	84:96	96:108	108:120	120:Ult
2003	1.005	1.004	1.008	0.992	1.000	0.999	0.994	1.000	1.000	0.000
2004	1.046	1.026	0.998	0.958	1.000	1.000	1.000	1.000	0.000	
2005	1.067	1.008	1.003	1.029	1.000	1.000	1.000	0.000		
2006	1.096	0.994	0.999	0.999	0.992	1.001	0.000			
2007	1.010	1.013	1.000	1.000	1.000	0.000				
2008	1.017	0.985	1.003	0.995	0.000					
2009	1.061	0.998	0.991	0.000						
2010	1.032	1.003	0.000							
2011	1.081									

Summary of Direct & Assumed Link Ratios										
	Development Intervals									
	12:24	24:36	36:48	48:60	60:72	72:84	84:96	96:108	108:120	120:Ult
Average	1.046	1.004	1.000	0.996	0.998	1.000	0.998	1.000	1.000	
3 Yr. Wght. Avg.	1.058	0.995	0.998	0.998	0.998	1.000	0.998			
Excl H-L	1.045	1.003	1.001	0.997	1.000	1.000	0.998	1.000	1.000	
Weighted Average	1.046	1.002	1.000	0.998	0.998	1.000	0.998	1.000	1.000	
Selected	1.055	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Cumulative	1.055	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

	2012	2011	2010	2009	2008
Loss Dev Factor	1.055	1.000	1.000	1.000	1.000

PHARMACISTS MUTUAL INSURANCE COMPANY

Exhibit 6

**HOMEOWNERS
Loss Trend
ARKANSAS**

Selected Annual Loss Trend 10.0%
Assumed Effective Date 11/1/2013

AY	(1)	(2)	(3)	(4)	(5)
2008	7/1/2008	11/1/2014	6.333	1.100	1.829
2009	7/1/2009	11/1/2014	5.333	1.100	1.662
2010	7/1/2010	11/1/2014	4.333	1.100	1.511
2011	7/1/2011	11/1/2014	3.333	1.100	1.374
2012	7/1/2012	11/1/2014	2.333	1.100	1.249

- (1) Average Loss Date for experience years
- (2) Trend Date, average loss date when new rates are expected to be in effect
- (3) Number of years between (1) and (2)
- (4) Annual Exposure Trend - source: Internal CW reports & Company judgement
- (5) Trend Factor

PHARMACISTS MUTUAL INSURANCE COMPANY

Exhibit 7

**HOMEOWNERS
Trended Ultimate Losses
ARKANSAS**

(1) Accident Year	(2) Actual Reported Losses	(3) Loss Development Factor	(4) Loss Trend Factor	(5) Trended Ultimate Losses
2008	188,330	1.000	1.829	344,397
2009	929,508	1.000	1.662	1,545,256
2010	1,043,671	1.000	1.511	1,577,313
2011	188,234	1.000	1.374	258,619
2012	278,562	1.055	1.249	367,066

Source: (2) Internal Reports
(3) Exhibit 5
(4) Exhibit 6
(5) = (2) * (3) * (4)

PHARMACISTS MUTUAL INSURANCE COMPANY

Exhibit 8

**HOMEOWNERS
Underwriting Expense History
ARKANSAS**

Countrywide (\$000's omitted)												
	2008		2009		2010		2011		2012		Total	
	Dollars	Percent	Dollars	Percent								
Written Premium	\$7,857		\$7,714		\$7,680		\$7,693		\$7,884		\$38,828	
Earned Premium	7,884		7,827		7,666		7,717		7,781		\$38,875	
Commission and Brokerage (W)	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	\$0	0.0%
Other Acquisition Expense (W)	1,191	15.2%	1,206	15.6%	1,244	16.2%	1,246	16.2%	1,221	15.5%	\$6,108	15.7%
General Expense (E)	541	6.9%	558	7.1%	569	7.4%	569	7.4%	578	7.4%	\$2,815	7.2%
Taxes, Licenses, and Fees (W)	176	2.2%	157	2.0%	147	1.9%	151	2.0%	164	2.1%	\$795	2.0%
Incurring Loss	\$8,679		\$7,410		\$7,241		\$7,426		\$5,150		\$35,906	
Defense Expense	186	2.1%	194	2.6%	35	0.5%	252	3.4%	448	8.7%	\$1,115	3.1%
Adjusting Expense	1,134	13.1%	1,059	14.3%	1,285	17.7%	1,269	17.1%	1,015	19.7%	\$5,762	16.0%
Total LAE	1,320	15.2%	1,253	16.9%	1,320	18.2%	1,521	20.5%	1,463	28.4%	\$6,877	19.2%

State of Arkansas (Actual Dollars)												
	2008		2009		2010		2011		2012		Total	
	Dollars	Percent	Dollars	Percent	Dollars	Percent	Dollars	Percent	Dollars	Percent	Dollars	Percent
Written Premium	\$555,794		\$563,646		\$564,652		\$547,098		\$570,943		\$2,802,133	
Earned Premium	555,648		565,659		561,688		557,758		555,527		\$2,796,280	
Commission and Brokerage (W)	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	\$0	0.0%
Taxes, Licenses, and Fees (W)	17,547	3.2%	17,167	3.0%	17,567	3.1%	17,201	3.1%	18,036	3.2%	\$87,518	3.1%
Incurring Loss	\$2,104,201		\$228,868		\$127,935		\$592,194		\$239,156		\$3,292,354	
Defense Expense	73,659	3.5%	(61,520)	-26.9%	(7,032)	-5.5%	20,396	3.4%	24,511	10.2%	\$50,014	1.5%

Selected Expense Provisions	
Commission and Brokerage	0.0%
Other Acquisition Expense	16.0%
General Expense	7.0%
Taxes, Licenses, and Fees	2.0%
Total Underwriting Expenses	25.0%
Profit Provision	6.8%
Total Expense Provision	31.8%
Expected Loss & LAE Ratio	68.2%
Loss Adjustment Expense Ratio	18.0%
Expected Loss Ratio	57.8%

PHARMACISTS MUTUAL INSURANCE COMPANY

Exhibit 9

**HOMEOWNERS
Credibility
ARKANSAS**

If we assume a Poisson claim distribution, then CV is the coefficient of variation where:
CV = standard deviation/mean

Then the number of claims for full credibility = $N = n * (1 + CV^2)$

Based on a review of actual company data a coefficient of variation of 2.2 has been selected. This would imply that the number of claims needed for full credibility would be: 6,319

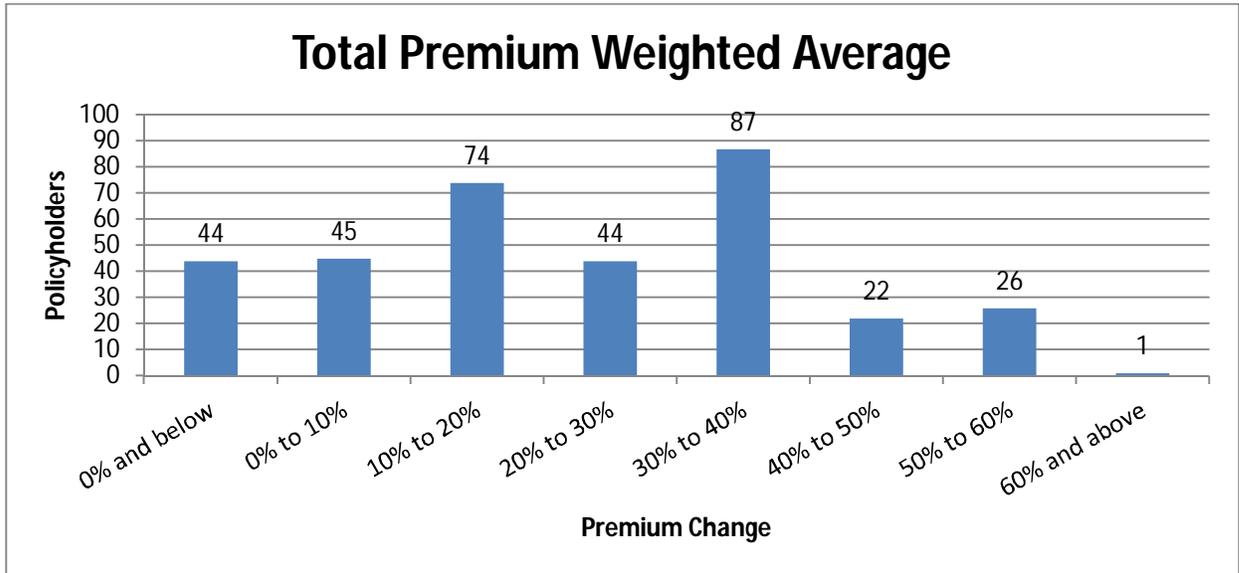
Partial Credibility = $(\text{Actual number of claims} / N)^{.5}$

Accident Year	Claims Reported	Claims for Full Cred	Credibility
2008	71		
2009	73		
2010	156		
2011	79		
2012	78		
Total	457	6,319	26.9%

Pharmacists Mutual Insurance Company

HOMEOWNERS
Filing Summary
ARKANSAS

	Annualized Premium	Base Rate	Deductible Factors	Package Discount	Insurance Scoring	Experience Rating	Revised Premium	Total Change
Total All Coverages	\$588,353	62.0%	-0.1%	-15.1%	-9.6%	-9.7%	\$700,230	19.0%



PHARMACISTS MUTUAL INSURANCE COMPANY

Exhibit R1

**HOMEOWNERS
ARKANSAS**

FORMS HO 0001, HO 0002, HO 0003, HO 0005, AND HO 0008

Current Territory	New Territory	PMIC Current Rate	PMIC New Rate	PMIC Change
430	430	\$619.13	\$1,002.99	62.0%
431	431	\$619.13	\$1,002.99	62.0%
432	432	\$619.13	\$1,002.99	62.0%
433	433	\$619.13	\$1,002.99	62.0%
433	434	\$619.13	\$1,002.99	62.0%

PHARMACISTS MUTUAL INSURANCE COMPANY

Exhibit R2

**HOMEOWNERS
ARKANSAS**

FORM HO 0004

Current Territory	New Territory	PMIC Current Rate	PMIC New Rate	PMIC Change
430	430	\$ 44.75	\$72.50	62.0%
431	431	\$ 45.75	\$72.50	58.5%
432	432	\$ 46.75	\$72.50	55.1%
433	433	\$ 47.75	\$72.50	51.8%
433	434	\$ 48.75	\$72.50	48.7%

PHARMACISTS MUTUAL INSURANCE COMPANY

Exhibit R3

**HOMEOWNERS
ARKANSAS**

FORM HO 0006

Current Territory	New Territory	PMIC Current Rate	PMIC New Rate	PMIC Change
430	430	\$ 38.82	\$ 62.89	62.0%
431	431	\$ 38.82	\$ 62.89	62.0%
432	432	\$ 38.82	\$ 62.89	62.0%
433	433	\$ 38.82	\$ 62.89	62.0%
433	434	\$ 38.82	\$ 62.89	62.0%

PHARMACISTS MUTUAL INSURANCE COMPANY

Homeowners ARKANSAS Rate/Rule Filing Memorandum

Pharmacists Mutual Insurance Company (PMIC) is a member and subscriber of AAIS for its homeowners program in your state. The purpose of this filing is to adopt their most recent revisions included in the following AAIS filings:

Countrywide manual revision – program enhancements:

Rate/Rule:	AAIS-2012-53R
Loss cost:	AAIS-2012-53LC
New/Revised endorsements:	AAIS-2012-5HOF AAIS-2012-5HO CR

In conjunction with these revisions we are introducing insurance scoring in our Homeowners program based on the Attract One Model and have developed deductible factors based on company experience and are modifying our experience rating. We are submitting, for your review and consideration, our Countrywide Homeowners Manual Exception Pages, edition 11-13 and State Supplement Pages. Please refer to the Exceptions Pages section below for a detailed description of the changes.

Exhibits R1, R2 and R3 present our final rates by territory and form type, and illustrate our capping of the loss cost revision for AAIS-2012-53LC as we did not implement the full revision of AAIS-2011-4LC.

Exhibit D presents our revised Table A, All Perils/All Other Perils Deductible Factors for Rule 5 Deductibles. Factors were selected so as to minimize the impact on current policyholders.

PMIC's indicted change is +31.3%. The overall effect of this filing is an increase of 19.0%. The attached Filing Summary highlights the rate changes by coverage type and in total for our present book of business. We are requesting that this filing become effective for all new policies written on or after October 1, 2013 and for all renewal policies on or after December 1, 2013

Exhibit 1

Exhibit 1 presents the rate level indication for accident years 2008 – 2012 as of 12/31/2012. Actual earned premiums have been adjusted to current manual rates and losses have been developed to an ultimate settlement value and trended to the midpoint of the period that the rates are expected to be in effect. The resulting loss ratio is then

compared to the expected loss ratio producing a gross indication. A credibility value has been assigned to the company data based on reported claim counts. The weighted indicated change is +31.3%.

Exhibit 2

Exhibit 2 contains company rate change history and the calculations of current rate level factors.

Exhibit 3

Exhibit 3 contains the calculation of PHMIC annual exposure trend factors.

Exhibit 4

Exhibit 4 the Adjusted Earned Premium is calculated by applying the Current Rate Level Factors (Exhibit 2)and Exposure Trend Factors (Exhibit 3) to the accident year Actual Earned Premium.

Exhibit 5

Exhibit 5 contains PMIC's loss development through 2012 from Schedule P – Part 1A – Homeowners/Farmowners. The selected loss link ratios are most reflective of what we expect in the future, and represent the ratios used to measure company reserves for this line.

Exhibit 6

Exhibit 6 contains the calculation of PHMIC annual loss trend factors.

Exhibit 7

Exhibit 7 the Trended Ultimate Losses are calculated by applying the Loss Development Factors (Exhibit 5) and Loss Trend Factors (Exhibit 6) to the accident year Actual Reported Losses.

Exhibit 8

Exhibit 8 contains PMIC's Countrywide and SS Underwriting Expense History for the homeowners line. Selected Total Underwriting Expenses of 25% are used in this filing because that is our anticipated long-term expense ratio.

Exhibit 9

Exhibit 9 contains the calculation of the value of credibility assigned to the company data in the indications.

Exceptions Pages

Pharmacists Mutual Insurance Company (PhMIC) is filing revised Homeowners Manual Exception Pages in conjunction with the adoption of the AAIS revised manual and forms.

Changes noted are as compared to PhMIC Exception Pages, edition 01-12.

1. Rule 4.10 Personal Package Discount –
 - a. We are increasing our current homeowners/personal auto package discount and introducing discounts for personal umbrella and commercial policies.

2. Rule 6.10 Experience Rating Plan –
 - a. We are introducing a rate and rule revision to better reflect the type and frequency of losses we incur.

Tenure	Claims Free	<u>1 Claim</u> 0 Qualifying	<u>2 Claims</u> 1 Qualifying	<u>3 Claims</u> 2 Qualifying	<u>4 Claims</u> 3 Qualifying	<u>5+ Claims</u> 4 Qualifying
0-2 years	0.98	1.00	1.35	1.70	2.05	2.40
3-6 years	0.96	0.99	1.25	1.60	1.90	2.40
7-9 years	0.90	0.95	1.20	1.50	1.90	2.40
10+ years	0.80	0.90	1.15	1.50	1.90	2.40

TABLE 6.10

3. Rule 6.15 Insurance Scoring Plan –
 - a. We are introducing insurance coring to our Homeowners program to align with our personal auto program.

Supplement Page

We are filing a state Homeowners Manual Exception Page Supplement, edition 11-13. These pages illustrate our final rates by form type and territory as well as provide the insurance score rate factors.

PHARMACISTS MUTUAL INSURANCE COMPANY

Exhibit D

**HOMEOWNERS
Policy Deducible Factors
COUNTRYWIDE**

Deductible Categories	Trended Ground Up Losses	Indicated Deductible Factors \$0 Ded Base	Adjusted Deductible Factors \$500 Ded Base	Selected Deductible Factors \$500 Ded Base
	[1]	[2]	[3]	[4]
-	78,953,975	1.000	1.044	n/a
100	78,291,375	0.992	1.035	1.250
250	77,297,657	0.979	1.022	1.120
500	75,645,263	0.958	1.000	1.000
1,000	72,432,257	0.917	0.958	0.880
2,500	64,254,464	0.814	0.849	0.800
5,000	54,215,379	0.687	0.717	0.700
10,000	40,810,023	0.517	0.539	0.600

Source: [1] Trended Ground Up Losses (2004-2011)
 [2] = [1] / 78,953,975
 [3] = [2] / 0.958
 [4] Selected Deductible Factors

Deductible Categories	Selected Deductible Factors	Current Deductible Factors	% Change
	[4]	[5]	[6]
-	n/a	n/a	n/a
100	1.250	1.250	0.0%
250	1.120	1.120	0.0%
500	1.000	1.000	0.0%
1,000	0.880	0.880	0.0%
2,500	0.800	0.810	-1.0%
5,000	0.700	n/a	n/a
10,000	0.600	n/a	n/a

[5] AAIS Current Deductible Factors
 [6] [4] - [5]

**PHARMACISTS MUTUAL INSURANCE COMPANY
HOMEOWNERS**

Calculation of Return on Equity

Exhibit ROE 1

Estimated Target Rate of Return on Equity
(From Exhibit ROE 5)

10.0%

	Percent of Premium		Percent of Surplus	
	Pre-Tax	After Tax	Pre-Tax	After Tax
A. Investment Income from Unearned Premium and Loss Reserves (From Exhibit 2)	1.4%	1.1%	1.8%	1.5%
B. Investment Income from Surplus (From Exhibit 2)	2.2%	1.7%	2.8%	2.2%
C. Underwriting Profit Provision (From Exhibit 3)	7.3%	4.8%	9.5%	6.3%
D. Total Sources of Return on Equity (Sum of B, C, and D)	10.9%	7.7%	14.2%	10.0%

NOTES:

Premium to Surplus Ratio of 1.3 based on Exhibit ROE 5

Investment Income taxed at effective rate of 0.214

Underwriting Profit taxed at corporate rate of 0.340

**PHARMACISTS MUTUAL INSURANCE COMPANY
HOMEOWNERS**

Exhibit ROE 2

**Estimated Investment Earnings on Unearned Premium
Reserves and on Loss Reserves as of 12/31/2012**

A. Unearned Premium Reserve			
1.	Direct Earned Premium for Latest Available Year		\$7,717
2.	Mean Unearned Premium Reserve: (1) x 51.8%		\$3,996
3.	Deduction for Prepaid Expenses		
	Commission and Brokerage Expense	8.0%	
	Taxes, Licenses and Fees	2.0%	
	50% of Other Acquisition Expense	4.0%	
	50% of Company Operating Expense	3.8%	
	Total		17.8%
4	Total Prepaid Expenses (2) x (3)		\$709
5	Net Subject to Investment (2) - (4)		\$3,287
B. Delayed Remission of Premium (Agents' Balances)			
1.	Direct Earned Premium (A.1)		\$7,717
2.	Average Agents' Balance		27.7%
3.	Delayed Remission (1) x (2)		\$2,135
C. Loss Reserves			
1.	Direct Earned Premium (A.1)		\$7,717
2a.	Expected Incurred Losses and Loss Adjustment Ratio		67.7%
2b.	Expected Incurred Losses and Loss		\$5,221
3a.	Expected Mean Loss and LAE Reserve/Incurred Ratio		0.497
3b.	Expected Mean Loss and LAE Reserves (3a)		\$2,595
D.	Net Subject to Investment (A.5.) - (B.3.) + (C.3b.)		\$3,747
E.	Average Rate of Return on Invested Assets		2.8%
F.	Investment Earnings on Net Subject to Investment (D) x (E)		\$106
G.	Average Rate of Return as a % of Direct Earned Premium (F) / (A.1)		1.4%
H.	Average rate of Return as a % of Direct Earned Premium After Federal Income Taxes (G) x (1-0.2140)		1.1%

**PHARMACISTS MUTUAL INSURANCE COMPANY
HOMEOWNERS**

Exhibit ROE 2

**Estimated Investment Earnings on Unearned Premium
Reserves and on Loss Reserves as of 12/31/2012**

EXPLANATORY NOTES

Line A.1 Direct earned premiums are from Page 14 of the Annual Statement for line of insurance for the latest available year. \$7,717

Line A.2 Mean Unearned Premium Reserve

The mean direct unearned premium reserve is determined by multiplying the direct earned premium in line (A.1) by the countrywide ratio of the mean direct unearned premium reserve to the direct earned premium for the latest calendar year for the line of insurance.

1. Direct Earned Premium for the latest calendar year	\$7,717
2. Direct Unearned Premium Reserve as of the end of prior year	3,945
3. Direct Unearned Premium Reserve as of end of latest year	4,047
4. Mean Direct Unearned Premium Reserve [(2) + (3)] / 2	3,996
5. Ratio (4)/(1)	51.8%

Line A.3 Deduction for prepaid expenses:

Production costs and a large part of the other company expenses are incurred when the policy is written, but before the premium is paid. Therefore, the deduction for these expenses is determined by use of the provision for expenses used in our ratemaking procedure.

Line B.2 Delayed Remission of Premium:

This deduction is necessary because of delay in collection and remission of premium to the companies beyond the effective dates of the policies. Funds for the unearned premium reserve required during the initial days of all policies must be taken from the company's surplus.
(000's omitted)

1. Net Earned Premium for the latest calendar year	\$100,589
2. Net Agents' Balances as of end of prior year	27,828
3. Net Agents' Balances as of end of latest year	27,830
4. Mean Agents' Balances 1/2 [(2) + (3)]	27,829
5. Ratio (4)/(1)	27.7%

The above percentage include the effect of agents' balances or uncollected premiums overdue for more than 90 days.

**PHARMACISTS MUTUAL INSURANCE COMPANY
HOMEOWNERS**

Exhibit ROE 2

**Estimated Investment Earnings on Unearned Premium
Reserves and on Loss Reserves as of 12/31/2012**

Line C.2 Expected Loss and LAE Ratio

The expected loss and LAE ratio is calculated by using an iterative approach. This ratio is dependent upon the underwriting expenses, the investment income from operations, the investment income from surplus, and the income tax on the underwriting profit. However, the investment income from operations and the underwriting profit are dependent on the expected loss and LAE ratio, as well as the target return on equity (ROE.) Starting with an initial value for the expected loss ratio, the values were calculated and recalculated until the values stabilized. The implied underwriting profit as well as the resulting components are shown in Exhibit 3. The resulting underwriting profit load implies a 10% ROE.

Line C.3 Mean Loss and LAE Reserves

The expected mean loss and loss expense reserves are determined by multiplying the expected incurred loss and loss expense in line (C.2) by the countrywide ratio of the mean loss and loss adjustment reserves to the incurred losses and loss adjustment expenses in the latest and prior calendar years. This ratio includes an adjustment for the estimated Federal Income Taxes payable due to discounting of loss reserves. (Source: Insurance Expense Exhibits) (000's omitted)

1. Incurred Loss and LAE for prior calendar year	\$8,947
2. Incurred Loss and LAE for current calendar year	\$6,613
3. Loss & LAE Reserves as of end of two years previous	\$3,772
4. Loss & LAE Reserves as of end of prior year	\$3,767
5. Loss & LAE Reserves as of end of current year	\$4,044
6. Mean Loss and LAE Reserves for prior year [(3) + (4)] / 2	\$3,770
7. Mean Loss and LAE Reserves for current year [(4) + (5)] / 2	\$3,906
8. Reserved/Incurred Ratio (6) / (1)	0.4213
9. Reserved/Incurred Ratio (7) / (2)	0.5906
10. Average of Reserved/Incurred Ratios [(8) + (9)] / 2	0.5059
11. Selected Mean Loss Reserve	0.5059
12. Estimated Reserve Discount	0.0517
13. Federal Taxes Payable (% of Reserves): (12) x .34	0.0176
14. After-tax Reserve/Incurred Ratio (11) x [1.0 - (13)]	0.4970

Line E Average Rate of Return

The rate of return is the ratio of net investment income earned plus realized capital gains to cash and invested assets (including interest, dividends, and real estate income due and accrued). (000's omitted)

<u>Year</u>	Net Investment Income Earned (In Thousands of Dollars)	Mean Cash and Invested Assets (In Thousands of Dollars)	(1)/(2) Rate of Return
Latest	\$5,414	\$189,185	2.9%
Prior	\$5,534	\$172,331	3.2%
Total	\$10,948	\$361,516	3.0%

<u>Year</u>	Realized Capital Gains (or Losses) (In Thousands of Dollars)	Mean Cash and Invested Assets (In Thousands of Dollars)	Rate of Return
Latest 5 Years	(\$319)	\$166,290	-0.2%

Total Rate of Return: Net Investment Income Earned and Net Realized Capital Gains (or Losses)	2.8%
--	------

**PHARMACISTS MUTUAL INSURANCE COMPANY
HOMEOWNERS**

Exhibit ROE 2

**Estimated Investment Earnings on Unearned Premium
Reserves and on Loss Reserves as of 12/31/2012**

Line H Federal Income Tax Adjustment on the Rate of Return

The average rate of Federal Income Tax was determined by applying the appropriate tax rates to the distribution of investment income earned and realized capital gains for the latest year. (000's omitted)

	<u>Investment Income Earned</u>	<u>Tax Rate</u>
<u>Bonds</u>		
Taxable	\$3,204	34.0%
Non-Taxable	\$2,232	5.1%
Total	\$5,436	22.1%
 <u>Stocks (B)</u>		
Taxable	\$633	13.8%
Mortgage Loans and Real Estate	\$0	
Real Estate	\$323	
Collateral Loans	\$0	
Cash & Short Term Investments	\$7	
All Other	\$21	
Sub-Total	\$351	34.0%
Total	\$6,420	22.0%
Realized Capital Gains (Non-Affiliates)	-\$177	34.0%
Investment Deductions	\$1,435	34.0%
Net Investment Income Earned	\$4,808	17.9%

Notes

(A) 100% of the income on tax-exempt bonds is subject to proration; that is, 15% of that income is taxed at a full corporate income tax rate of 34%. The applicable tax rate is thus 5.1% ($1 \times .15 \times .34 = .051$).

(B) 30% of dividend income is subject to the full corporate income tax rate of 34%. 12.8% of the remaining dividend income on stocks is subject to proration; that is, 15% of the remaining 70% of dividend income is taxed at a rate of 34%. The applicable tax rate is thus $((.30 \times .34) + (1 \times .70 \times .15 \times .34) = .1377)$.

PHARMACISTS MUTUAL INSURANCE COMPANY

Exhibit ROE 3

HOMEOWNERS

Calculation of Permissible Loss and LAE Ratio

Rate of Return Implied Permissible Loss and LAE Ratio		
(1)	Total Underwriting Expenses (Exhibit 8)	25.0%
(2)	Permissible Loss and LAE Ratio = 1.00 + (6) + (7) - (1) - (5) - (8)	67.7%
(3)	Total Loss and Expense = (1) + (2)	92.7%
(4)	Underwriting Profit Provision = 1.00 - (3)	7.3440%
(5)	Income Tax on Underwriting Profit = 0.34 x (4)	2.5%
(6)	Investment Income from Operations - After Tax = Exhibit ROE 2, Page 2 - Line H	1.1%
(7)	Investment Income from Surplus - After Tax = [1.00/(9)] x Exhibit ROE 2, Page 2, Line E x (1.00 - 0.214)	1.7%
(8)	Return as a Percent of Premium = (10)/(9)	7.7%
(9)	Premium to Surplus Ratio (Exhibit ROE 5)	1.3
(10)	Desired After Tax Return on Equity (Exhibit ROE 4)	10.0%

CONSOLIDATED INDUSTRY TOTALS - PROPERTY/CASUALTY

Exhibit ROE 4

Total Return on Policyholders' Surplus
(in millions)

	(1)	(2)	(3)	(4)	(5)	(6)
Year	Beginning of Year PHS	Net Income	Other Gain/Loss in PHS	\$ Total Return	Ending PHS	% Total Return
2002	294,538	9,169	(12,560)	(3,391)	291,147	-1.2%
2003	290,582	31,229	32,038	63,267	353,849	21.8%
2004	354,468	40,530	7,265	47,795	402,263	13.5%
2005	401,389	48,796	(11,455)	37,341	438,730	9.3%
2006	435,348	67,594	(1,735)	65,859	501,207	15.1%
2007	502,859	65,573	(31,244)	34,329	537,188	6.8%
2008	538,671	3,562	(67,052)	(63,490)	475,181	-11.8%
2009	477,640	31,348	22,620	53,968	531,608	11.3%
2010	532,366	39,663	8,423	48,086	580,452	9.0%
2011	585,266	20,688	(31,513)	(10,825)	574,441	-1.8%
TOTAL	4,413,127	358,152	(85,213)	272,939	4,686,066	6.2%
				Average All Years:		7.2%
				Average Last 9 Years:		8.1%
				Average Last 4 Years:		1.7%
				Selected:		10.0%

Source: A.M. Best's Aggregates & Averages -- Property/Casualty

PHARMACISTS MUTUAL INSURANCE COMPANY

Exhibit ROE 5

2011 Premium to Surplus Ratios

Calendar Year	Direct Earned Premium	Surplus	Leverage Ratio
	(000 omitted)		
2012	\$100,589	\$78,215	1.286
	Selected Premium to Surplus Factor:		1.3

PHARMACISTS MUTUAL INSURANCE COMPANY
HOMEOWNERS PROGRAM MANUAL
COUNTRYWIDE

Rule 3.5 has been withdrawn and replaced by the following:

3.5 Waiver of Premium

An additional or return premium due when a policy is endorsed after its inception may be waived, however, return premiums must be refunded at the request of the insured. If the additional premium is less than \$5.00, it will be waived. If the return premium is less than \$5.00, it will be waived.

Rule 4.10 has been added:

4.10 ~~Personal~~ Package Discount

If an insured is eligible for more than one discount below, the discount shall be added and applied separately to each policy, after application of all other premium modifications.

4.10.1 Personal Package Discounts

A. Homeowners/Personal Automobile

If an insured has their Personal Auto and Homeowners/Mobile Homeowners policies with Pharmacists Mutual a premium credit will be given according to the following rules:

1. **Eligibility** - This rule applies only if Personal Auto and Homeowners/Mobile Homeowners policies are written for the same named insured with Pharmacists Mutual.
2. **Premium Discount** - A ~~5~~**15%** credit shall apply separately to each policy, after application of all other premium modifications.
3. **Policy Term** - Policies should be written with concurrent inception or expiration dates if possible.

B. Homeowners/Personal Automobile/Personal Umbrella

If the above requirements are met and an insured has their Personal Umbrella policy with Pharmacists Mutual an additional 5% premium credit will be given according to the same aforementioned rules.

4.10.2 Commercial Package Discount

If an insured has their Homeowners/Mobile Homeowners policies and at least one Commercial policy with Pharmacists Mutual a premium credit will be given according to the following rules:

1. **Eligibility** - This rule applies only if Homeowners/Mobile Homeowners and Commercial policies are written for the same named insured with Pharmacists Mutual.
2. **Premium Discount** - A 5% credit shall apply separately to each policy, after application of all other premium modifications.

A Commercial policy is one of the following: Business owners, Commercial Package, Pharmacy Professional Liability, Dentist Professional Liability or Workers' Compensation.

PHARMACISTS MUTUAL INSURANCE COMPANY
HOMEOWNERS PROGRAM MANUAL
COUNTRYWIDE

[Rule 5 Deductibles, Table A for Rule 5 has been withdrawn and replaced by the following:](#)

<u>Table A for Rule 5</u>	
<u>All Perils/All Other Perils Deductible</u>	<u>PHMIC Factor</u>
<u>100</u>	<u>1.250</u>
<u>250</u>	<u>1.120</u>
<u>500</u>	<u>1.000</u>
<u>1,000</u>	<u>0.880</u>
<u>2,500</u>	<u>0.800</u>
<u>5,000</u>	<u>0.700</u>
<u>10,000</u>	<u>0.600</u>

Rule 6.1 has been withdrawn and replaced by the following:

6.1 Protective Devices

A premium credit can be given for the installation of approved and properly maintained alarm and/or sprinkler systems. Refer to the company for alarm and sprinkler system eligibility requirements.

Premium Determination – Use the pertinent factor(s) shown in the table for this rule to adjust the premium.

<u>PROTECTIVE DEVICE</u>	<u>FACTOR</u>
Central Station Alarms	
Burglary	0.95
Fire	0.95
Water and/or Temperature Variance Detection	0.95
Fire Department Alarms	0.97
Police Department Alarms	0.97
Local Alarms	0.98
Local Water and/or Temperature Variance Detection Alarms	0.98
Sprinkler Systems	0.97

Endorsement - Attach endorsement HO 6516.

Rule 6.5 Automatic Adjustments of Limits - has been withdrawn and replaced by the following:

6.5 Automatic Adjustments of Limits – Forms HO 0001, HO 0002, HO 0003, And HO 0005

The limits that apply to Coverages A, B, C, and D can be automatically increased on an annual basis.

PHARMACISTS MUTUAL INSURANCE COMPANY
HOMEOWNERS PROGRAM MANUAL
COUNTRYWIDE

Premium Determination – Use the pertinent factor shown in the table for this rule to adjust the premium.

<u>ANNUAL INCREASE</u>	<u>FACTOR</u>
4.0%	1.000
6.0%	1.025
8.0%	1.030
Each Additional 2%	Add 0.010

Endorsement - Attach endorsement HO 2584 and make an entry to show the annual percentage increase that applies.

Rule 6.4011 Experience Rating Plan - has been withdrawn and replaced by the following:

Rule 6.4011 Experience Rating Plan

Use the Experience Rating Plan to modify the policy premium to recognize an insured's claims history and tenure with the company.

~~The Experience Rating Plan allows for the potential application of two separate premium modifications:~~

- ~~1. A premium credit or debit that reflects both the policyholder's claims history and tenure with the company, and~~
- ~~2. For qualifying policyholders, an additional claims free premium credit.~~

Tenure

Tenure is the consecutive time that a named insured's Homeowners/Mobile Homeowners coverage has been provided by Pharmacists Mutual Insurance Company. The inception date of a policy determines tenure.

For the purposes of determining tenure, a coverage lapse of 30 days or more initiates a new inception date.

[The inception date of rewritten business or a new policy written from an existing policy, will be the date the named insured was added to the existing policy.](#)

Claims History

Claims history considers the number and type of property and liability losses experienced by all persons who are insureds under the policy. For the purposes of determining the number of claims in the claims history, a claim is any loss:

1. that occurred with respect to a risk eligible for coverage under this manual or an equivalent Homeowners/Mobile Homeowners coverage program; and
2. that occurred within the ~~7260~~ month period just before the [effective date of application or policy renewal](#); date on which an application for a new policy is made or the date on which a renewal policy is prepared.

A policy is considered Claims Free if:

PHARMACISTS MUTUAL INSURANCE COMPANY
HOMEOWNERS PROGRAM MANUAL
COUNTRYWIDE

1. at least one named insured must have a minimum of ~~72~~60 months of consecutive coverage history, and
2. all adults insured under the policy have had no claims, of any cause of loss, in the previous ~~72~~60 months. Claims include all losses for which payment is made, excluding any claim adjustment expenses.

~~Qualifying claims include all claims~~ A loss for which any insurer has made payments on any coverage is considered a claim. This includes all paid losses, excluding any claim adjustment expense, except for:

- ~~1. the most recent weather-related claim;~~
2. claims that resulted from mine subsidence, earthquake, sinkhole collapse, equipment breakdown or for which payment was made solely for loss involving medical payments;
3. claims that resulted from an event that caused \$25 million or more in total insured property losses and affects a significant number of property and casualty insurance policyholders and property and casualty insurers.

If a claim is not considered at the first renewal following the claim, we reserve the right to include the claim at a subsequent renewal.

Multiple policies – If an insured has multiple homeowners policies, claims are only considered under the policy in which claim payment is made. For claims incurred by an insured under a prior policy, claims are applied to the current primary policy.

HIGHER DEDUCTIBLE OPTION

If, at renewal, it is determined that an insured has had a claim during the experience period of \$500 or less, the insured shall have the option to select a higher deductible. If a higher deductible is selected, the claim will not be included in calculation of the experience rating factor.

Premium Determination -- Use the appropriate factor shown in Table 6.10 to adjust the premium.

Tenure	Claims Free	<u>1 Claim</u> 0- Qualifying	<u>2 Claims</u> 1 Qualifying	<u>3 Claims</u> 2 Qualifying	<u>4 Claims</u> 3 Qualifying	<u>5+ Claims</u> 4 Qualifying
0-2 years	0.98	1.00	1.35	1.70	2.05	2.40
3-6 years	0.96	0.99	1.25	1.60	1.90	2.40
7-9 years	0.90	0.95	1.20	1.50	1.90	2.40
10+ years	0.80	0.90	1.15	1.50	1.90	2.40

TABLE 6.10

PHARMACISTS MUTUAL INSURANCE COMPANY
HOMEOWNERS PROGRAM MANUAL
COUNTRYWIDE

Rule 6.20 has been added:

6.20 - Roofing Materials Discount

A premium credit may be given for the installation of approved impact resistant roofing materials.

The following requirements must be met in order to be eligible for the discount:

1. Roof must be constructed with material certified under one of the following classifications:

- UL2218* Class 3
- UL2218* Class 4
- FM4473** Class 3
- FM4473** Class 4

* UL2218 - Underwriters' Laboratory Standard 2218 (Impact Standard for Impact Resistance Prepared Roof Covering Materials)

** FM 4473 - Factory Mutual Standard 4473 (Specification Test Standards for Impact Resistant Testing of Rigid Roofing Materials by Impacting with Freezer Ice Balls)

2. The age of the roof must be 20 years or less.
3. Completion of Roofing Installation Information and Certification form.

Premium Determination -- Use the appropriate factor shown below to adjust the premium.

Age of Roof	Factor
0 – 10 years	.90
11 – 20 years	.95
Over 20 years	1.00

PHARMACISTS MUTUAL INSURANCE COMPANY
HOMEOWNERS PROGRAM MANUAL
COUNTRYWIDE

Rule 6.15 has been added:

6.15 – Insurance Scoring

Insurance Score – the highest insurance score of all named insureds on the policy will be used to determine the discount. The discount will apply to the total policy premium EXCEPT Earthquake Equipment Breakdown, Mine Subsidence and Water Back Up and Sump Discharge or Overflow.

See state specific exception pages for Insurance Groups/Tiers and Factors

Rule 7.2 has been withdrawn and replaced by the following:

7.2 Water Back Up and Sump Discharge or Overflow

Coverage for direct physical loss caused by water or matter present in water that backs up through sewers or drains or overflows or discharges from a sump, sump pump or related equipment can be added. Coverage is available in increments of \$1,000, per location.

Premium Determination – Use the rating information shown below. The rating information is for a \$500 deductible. Higher deductible amounts are available. If a higher deductible amount is selected, apply the pertinent deductible factor shown in Rule 5.1. The Personal Package Discount does not apply to this coverage.

	<u>RATE</u>
Per \$1,000 of Insurance	\$8.00

Endorsement - Attach endorsement HO 2708 and make entries to show the limit and deductible that apply.

Rule 7.9.7 has been withdrawn and replaced by the following:

7.9.7 Scheduled Personal Property – Forms HO 0001, HO 0002, HO 0003, HO 0004, HO 0005, And HO 0006

Coverage for scheduled personal property categories listed below can be provided against all risks of direct physical loss, with certain exceptions.

Premium Determination - Use the pertinent rate(s) shown in the table below to adjust the premium.

<u>CATEGORY</u>	<u>RATE per \$100</u>
Audio/Video Equipment	2.00
Sports/Hobby Equipment	1.50
Collectibles/Memorabilia	1.50
Medical Equipment	1.50
Guns	2.00

Endorsement – Attach endorsement HO 3061. Make entries to describe the covered property and show the limits and premiums that apply.

PHARMACISTS MUTUAL INSURANCE COMPANY
HOMEOWNERS PROGRAM MANUAL
COUNTRYWIDE

Rule 7.50 has been added:

7.50 Equipment Breakdown Coverage

Equipment breakdown coverage insures against direct physical loss to covered property caused by an equipment breakdown.

Equipment Breakdown means physical loss or damage originating within boilers, pressure vessels and piping, and other equipment, as well as caused by:

- mechanical breakdown;
- electrical or electronic breakdown; or
- rupture, bursting, bulging, implosion or steam explosion.

Refer to the terms of the endorsement for a complete description of equipment breakdown.

When equipment breakdown coverage is provided, it applies to all locations for which the policy provides coverage under Coverage A and Coverage B.

Subject to a \$500 deductible, the most paid for all damage that is the result of one accident is \$50,000. The equipment breakdown limit does not increase the limits that apply to the property covered.

When the policy is endorsed to include equipment breakdown coverage, the following Incidental Property Coverages are provided for loss caused by an equipment breakdown. These Incidental Property Coverages do not increase the per occurrence limit for equipment breakdown coverage:

1. Expediting Expense - we will pay up to \$3,000 for covered expediting expenses to make temporary repairs, expedite permanent repairs or replacement;
2. Refrigerated Property - we will pay up to \$3,000 for refrigerated property damaged by spoilage;
3. Pollutant Clean Up and Removal - we will pay up to \$3,000 for pollutant clean up and removal for property damaged by an equipment breakdown;
4. Environmental, Safety and Efficiency Improvements - we will pay up to \$3,000 for additional cost to repair or replace damaged equipment with like kind and quality of equipment which qualifies as Green Equipment (as defined) or equipment that is better for the environment, safer, or more energy efficient than the equipment being replaced. This includes the cost for certification or recertification of the equipment, as well as the removal, disposal or recycling of the damaged equipment.

Premium Determination -- There is a flat charge of \$25.00 per insured location. The Personal Package Discount does not apply to this coverage.

Endorsement -- Attach endorsement PM 1517.

PHARMACISTS MUTUAL INSURANCE COMPANY
HOMEOWNERS PROGRAM MANUAL
ARKANSAS

Loss Cost Multiplier

PHARMACISTS MUTUAL INSURANCE COMPANY will use a loss cost multiplier of 2.116 with all "Loss Costs" established by AAIS for our Homeowners Program.

The Base Loss Costs have been withdrawn and replaced by the following:

	Forms HO 0001, HO 0002 HO 0003, HO 0005, and HO 0008	Form HO 0004	Form HO 0006
<u>Territory</u>	<u>Rate</u>	<u>Rate</u>	<u>Rate</u>
430	\$1,002.99	\$72.50	\$62.89
431	\$1,002.99	\$72.50	\$62.89
432	\$1,002.99	\$72.50	\$62.89
433	\$1,002.99	\$72.50	\$62.89
434	\$1,002.99	\$72.50	\$62.89

PHARMACISTS MUTUAL INSURANCE COMPANY
HOMEOWNERS PROGRAM MANUAL
ARKANSAS

Table A for Rule 6.15 Insurance Scoring

Score Group	Factor	Score Group	Factor
<525	1.00	723-726	0.98
525-535	1.00	727-729	0.97
536-546	1.00	730-732	0.97
547-557	1.00	733-736	0.97
558-567	1.00	737-739	0.95
568-578	1.00	740-742	0.95
579-589	1.00	743-745	0.93
590-599	1.00	746-749	0.93
600-605	1.00	750-754	0.91
606-610	1.00	755-759	0.90
611-616	1.00	760-764	0.88
617-621	1.00	765-769	0.86
622-627	1.00	770-774	0.84
628-632	1.00	775-780	0.84
633-636	1.00	781-787	0.82
637-640	1.00	788-794	0.81
641-644	1.00	795-801	0.79
645-649	1.00	802-808	0.77
650-653	1.00	809-815	0.75
654-657	1.00	816-822	0.75
658-667	1.00	823-829	0.73
668-670	1.00	830-839	0.73
671-673	1.00	840-849	0.72
674-676	1.00	850-865	0.70
677-679	1.00	866-880	0.69
680-683	1.00	881-900	0.69
684-685	1.00	901-920	0.69
686-688	1.00	>920	0.69
689-691	1.00	Scoring Not Attempted	1.00
692-694	1.00		
695-697	1.00	Extraordinary Life Circumstance	1.00
698-700	1.00		
701-702	1.00	No Hit/Thin File	1.00
703-704	1.00	No Score	1.00
705-707	1.00		
708-710	1.00		
711-713	1.00		
714-716	1.00		
717-719	1.00		
720-722	0.98		

FORM RF2-Reference filing abstract NAIC LOSS COST FILING DOCUMENT—OTHER THAN WORKERS' COMPENSATION

CALCULATION OF COMPANY LOSS COST MULTIPLIER

This filing transmittal is part of Company Tracking #	AR-HO-12-13-RR
This filing corresponds to form filing number (Company tracking number of form filing, if applicable)	

- Loss Cost Reference Filing** AAIS-2012-53LC **Independent Rate Filing**
(Advisory Org, & Reference filing #)

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

1. Check one of the following:

- The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable to future revisions of the advisory organization's prospective loss costs for this line of insurance. The insurer's rates will be the combination of the advisory organization's prospective loss costs and the insurer's loss cost multipliers and if utilized, expense constants specified in the attachments. The rates will apply to policies written on or after the effective date of the advisory organization's prospective loss costs. This authorization is effective until disapproved by the Commissioner, or until amended or withdrawn by the insurer.

Note: Some states have statutes that prohibit this option for some lines of business.

- The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable only to the above Advisory Organization Reference Filing.

2. Line, Subline, Coverage, Territory, Class, etc. combination to which this page applies: 04.0 Homeowners

3. Loss cost modification:

A. The insurer hereby files to adopt the prospective loss costs in the captioned reference filing:

(Check One):

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

B. Loss Cost Modification Expressed as a Factor: (See Examples Below) 1.44

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

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

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

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

		Selected Provisions	
A.	Total Production Expense	16.0	%
B.	General Expense	7.0	%
C.	Taxes, Licenses & Fee	2.0	%
D.	Underwriting profit & Contingencies (explain how investment income is taken into account)	6.8	%
E.	Other (explain)		%
F.	Total	31.8	%

5.	A.	Expected Loss Ratio: $ELR = 100\% - 4F = A$	68.2	%
	B.	ELR in Decimal Form =		
6.		Company Formula Loss Cost Multiplier (3B/5B)	2.116	
7.		Company Selected Loss Cost Multiplier = (Attach explanation for any differences between 6 and 7)	2.116	
8.		Rate Level Change for the coverage(s) to which this page applies	19.0	

NAIC LOSS COST DATA ENTRY DOCUMENT

1.	This filing transmittal is part of Company Tracking #	AR-HO-12-13-RR
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2.	If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number	AAIS-2012-53C
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Company Name		Company NAIC Number	
3.	A. Pharmacists Mutual Insurance Companies	B.	13714

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. 04.0 Homeowners	B.	04.0000 Homeowners Sub-TOI Combinations

(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)	(H) Co. Current Loss Cost Multiplier
Homeowners –all policy forms	31.3%	19.0%	68.2%	1.44	2.116	n/a	1.138 all forms except 4 1.181 form 4
TOTAL OVERALL EFFECT	31.3%	19.0%					

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	4266	0.0%		555,648	2,104,201	378.7%	110.1%
2009	404	0.0%		565,659	228,868	40.4%	94.7%
2010	392	0.0%		561,688	127,935	22.8%	94.5%
2011		0.0%		557,758	592,194	106.2%	96.2%
2012		9.7%	3/1/2012	555,527	239,156	43.1%	66.2%

Expense Constants	Selected Provisions
A. Total Production Expense	n/a
B. General Expense	
C. Taxes, License & Fees	
D. Underwriting Profit & Contingencies	
E. Other (explain)	
F. TOTAL	

8. Y Apply Lost Cost Factors to Future filings? (Y or N)
9. Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): 61.1%
10. Estimated Maximum Rate Decrease for any Insured (%). Territory (if applicable): -23.8%