

State: Arkansas **Filing Company:** American Family Home Insurance Company
TOI/Sub-TOI: 04.0 Homeowners/04.0002 Mobile Homeowners
Product Name: Manufactured Home Program
Project Name/Number: Rate/Rule filing/20130506-14

Filing at a Glance

Company: American Family Home Insurance Company
Product Name: Manufactured Home Program
State: Arkansas
TOI: 04.0 Homeowners
Sub-TOI: 04.0002 Mobile Homeowners
Filing Type: Rate/Rule
Date Submitted: 10/11/2013
SERFF Tr Num: AMMH-129240577
SERFF Status: Closed-Filed
State Tr Num:
State Status:
Co Tr Num: 20130506-14

Effective Date: 02/11/2014
Requested (New):
Effective Date: 03/13/2014
Requested (Renewal):
Author(s): Traci Burbage, Susan Crawford
Reviewer(s): Becky Harrington (primary)
Disposition Date: 11/06/2013
Disposition Status: Filed
Effective Date (New): 02/11/2014
Effective Date (Renewal): 03/13/2014

State Filing Description:
Commissioner reviewed 10/21/13

State: Arkansas **Filing Company:** American Family Home Insurance Company
TOI/Sub-TOI: 04.0 Homeowners/04.0002 Mobile Homeowners
Product Name: Manufactured Home Program
Project Name/Number: Rate/Rule filing/20130506-14

General Information

Project Name: Rate/Rule filing Status of Filing in Domicile:
 Project Number: 20130506-14 Domicile Status Comments:
 Reference Organization: Reference Number:
 Reference Title: Advisory Org. Circular:
 Filing Status Changed: 11/06/2013
 State Status Changed: 10/21/2013 Deemer Date:
 Created By: Susan Crawford Submitted By: Traci Burbage
 Corresponding Filing Tracking Number: n/a

Filing Description:
 Please see explanatory memorandum

Company and Contact

Filing Contact Information

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

Filing Company Information

American Family Home Insurance CoCode: 23450 State of Domicile: Florida
 Company Group Code: 361 Company Type: Property and
 1301 Riverplace Blvd, Ste 1300 Group Name: Munich Re Group Casualty
 Jacksonville, FL 32207 FEIN Number: 31-0711074 State ID Number:
 (800) 759-9008 ext. [Phone]

Filing Fees

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

Company	Amount	Date Processed	Transaction #
American Family Home Insurance Company	\$150.00	10/11/2013	75209331

State: Arkansas
TOI/Sub-TOI: 04.0 Homeowners/04.0002 Mobile Homeowners
Product Name: Manufactured Home Program
Project Name/Number: Rate/Rule filing/20130506-14

Filing Company: American Family Home Insurance Company

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Becky Harrington	11/06/2013	11/06/2013

Objection Letters and Response Letters

Objection Letters

Status	Created By	Created On	Date Submitted
Pending Industry Response	Becky Harrington	10/30/2013	10/30/2013
Pending Industry Response	Becky Harrington	10/21/2013	10/21/2013
No response necessary	Becky Harrington	10/16/2013	10/16/2013
Pending Industry Response	Becky Harrington	10/11/2013	10/11/2013

Response Letters

Responded By	Created On	Date Submitted
Susan Crawford	11/04/2013	11/04/2013
Susan Crawford	10/30/2013	10/30/2013
Traci Burbage	10/15/2013	10/15/2013

Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Individual cap	Note To Filer	Becky Harrington	10/23/2013	10/23/2013

State: Arkansas
TOI/Sub-TOI: 04.0 Homeowners/04.0002 Mobile Homeowners
Product Name: Manufactured Home Program
Project Name/Number: Rate/Rule filing/20130506-14

Filing Company: American Family Home Insurance Company

Disposition

Disposition Date: 11/06/2013
 Effective Date (New): 02/11/2014
 Effective Date (Renewal): 03/13/2014
 Status: Filed

Comment:

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
American Family Home Insurance Company	22.000%	10.000%		6,755	\$6,593,711	24.700%	%

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document (revised)	NAIC loss cost data entry document	Filed	Yes
Supporting Document	NAIC loss cost data entry document		Yes
Supporting Document	NAIC loss cost data entry document		Yes
Supporting Document	NAIC Loss Cost Filing Document for OTHER than Workers' Comp		Yes
Supporting Document (revised)	indications	Filed	Yes
Supporting Document	indications		Yes
Supporting Document	indications		Yes
Supporting Document	disruption charts	Filed	Yes
Supporting Document	explanatory	Filed	Yes
Supporting Document	Objection 1 & 7	Filed	Yes
Supporting Document	Objection 3	Filed	Yes
Supporting Document	Objection 5 & 6	Filed	Yes

SERFF Tracking #:

AMMH-129240577

State Tracking #:

Company Tracking #:

20130506-14

State:

Arkansas

Filing Company:

American Family Home Insurance Company

TOI/Sub-TOI:

04.0 Homeowners/04.0002 Mobile Homeowners

Product Name:

Manufactured Home Program

Project Name/Number:

Rate/Rule filing/20130506-14

Schedule	Schedule Item	Schedule Item Status	Public Access
Rate (revised)	AR070MH	Filed	Yes
Rate	AR070MH		Yes
Rate	AR070MH		Yes
Rate	AR070MH		Yes

State: Arkansas **Filing Company:** American Family Home Insurance Company
TOI/Sub-TOI: 04.0 Homeowners/04.0002 Mobile Homeowners
Product Name: Manufactured Home Program
Project Name/Number: Rate/Rule filing/20130506-14

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	10/30/2013
Submitted Date	10/30/2013
Respond By Date	

Dear Susan Crawford,

Introduction:

This will acknowledge receipt of the response dated 10/30/13.

I have been unable to locate the competitor filing to which reference was made. Additionally, the Commissioner's decisions are based upon the information of each filing and the company's rate history. Competitor filings are not normally considered since the loss experience and expenses of other companies does not apply. The exception would be companies within a group.

Please amend the overall increase to 10% as requested.

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:** American Family Home Insurance Company
TOI/Sub-TOI: 04.0 Homeowners/04.0002 Mobile Homeowners
Product Name: Manufactured Home Program
Project Name/Number: Rate/Rule filing/20130506-14

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	10/21/2013
Submitted Date	10/21/2013
Respond By Date	

Dear Susan Crawford,

Introduction:

This will acknowledge receipt of the recent response and review by the Commissioner.

Objection 1

Comments: The retained risk provision proposed does not comply with Arkansas Code Ann. 23-67-209 which required past loss experience to be considered in rating. In addition, Arkansas Code Ann. 23-67-210 requires classes to be based on actual differences in experience and expenses and they must have a probable effect on future losses or expenses. Please amend the filing to remove this provision.

Objection 2

Comments: Please amend the overall increase to 10%. Individual increases may not exceed 25%.

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:** American Family Home Insurance Company
TOI/Sub-TOI: 04.0 Homeowners/04.0002 Mobile Homeowners
Product Name: Manufactured Home Program
Project Name/Number: Rate/Rule filing/20130506-14

Objection Letter

Objection Letter Status	No response necessary
Objection Letter Date	10/16/2013
Submitted Date	10/16/2013
Respond By Date	

Dear Susan Crawford,

Introduction:

This will acknowledge receipt of the recent response.

Objection 1

Comments:

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.

Conclusion:

Sincerely,
Becky Harrington

State: Arkansas **Filing Company:** American Family Home Insurance Company
TOI/Sub-TOI: 04.0 Homeowners/04.0002 Mobile Homeowners
Product Name: Manufactured Home Program
Project Name/Number: Rate/Rule filing/20130506-14

Objection Letter

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

Dear Susan Crawford,

Introduction:

This will acknowledge receipt of the captioned filing.

Objection 1

- indications (Supporting Document)

Comments: Retained Risk Load - We have not allowed other companies to include this type of load in their rate development.

Please provide additional supporting documentation.

Objection 2

- explanatory (Supporting Document)

Comments: Please provide the mandatory minimum new business deductible for tenants.

*Explain the * for \$1000 wind/hail deductible amount. Identify the minimum new business deductible amounts for Owner by-line, package and seasonal by-line programs.*

Objection 3

- explanatory (Supporting Document)

Comments: Provide documentation supporting the claim surcharges.

Objection 4

- explanatory (Supporting Document)

Comments: Provide supporting documentation for the inspection fee amount.

Objection 5

- explanatory (Supporting Document)

Comments: Provide justification for the 18-34 unknown age of insured factor.

Objection 6

- explanatory (Supporting Document)

Comments: Please compare the age of home factors to the previous factors.

Objection 7

Comments: Please provide additional documentation supporting the retained risk load. We have not allowed other companies to use this type of load.

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."

State: Arkansas **Filing Company:** American Family Home Insurance Company
TOI/Sub-TOI: 04.0 Homeowners/04.0002 Mobile Homeowners
Product Name: Manufactured Home Program
Project Name/Number: Rate/Rule filing/20130506-14

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

Sincerely,
Becky Harrington

State: Arkansas
TOI/Sub-TOI: 04.0 Homeowners/04.0002 Mobile Homeowners
Product Name: Manufactured Home Program
Project Name/Number: Rate/Rule filing/20130506-14

Filing Company: American Family Home Insurance Company

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	11/04/2013
Submitted Date	11/04/2013

Dear Becky Harrington,

Introduction:

Response 1

Comments:

We have changed the package base rate to \$785. We have changed the max increase to 24.7%, the overall impact to 10%, and the \$ impact to \$655,717. Revised PR-1 is attached as well as the revised NAIC Loss Cost Dat Entry document.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied - Item:	NAIC loss cost data entry document
Comments:	
Attachment(s):	F319AR_NAIC Loss Cost Data Entry Doc-revised 11-4-13.pdf
<i>Previous Version</i>	
Satisfied - Item:	NAIC loss cost data entry document
Comments:	
Attachment(s):	F319AR_NAIC Loss Cost Data Entry Doc- 070- Revised.pdf
<i>Previous Version</i>	
Satisfied - Item:	NAIC loss cost data entry document
Comments:	
Attachment(s):	NAIC Loss Cost Data Entry Doc- 070.pdf

No Form Schedule items changed.

SERFF Tracking #:

AMMH-129240577

State Tracking #:

Company Tracking #:

20130506-14

State: Arkansas

Filing Company:

American Family Home Insurance Company

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

Product Name: Manufactured Home Program

Project Name/Number: Rate/Rule filing/20130506-14

Rate Schedule Item Changes

Item No.	Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing Number	Date Submitted
1	AR070MH	EC1-2, T-1, D-1, BR-1, PR-1, RR-1, TR-1, SD-1	Replacement		11/04/2013 By: Susan Crawford
<i>Previous Version</i>					
1	AR070MH	EC1-2, T-1, D-1, BR-1, PR-1, RR-1, TR-1, SD-1	Replacement		10/30/2013 By: Susan Crawford
<i>Previous Version</i>					
1	AR070MH	EC1-2, T-1, D-1, BR-1, PR-1, RR-1, TR-1, SD-1	Replacement		10/15/2013 By: Traci Burbage
<i>Previous Version</i>					
1	AR070MH	EC1-2, T-1, D-1, BR-1, PR-1, RR-1, TR-1, SD-1	Replacement		10/11/2013 By: Traci Burbage

Conclusion:

Sincerely,
Susan Crawford

State: Arkansas
TOI/Sub-TOI: 04.0 Homeowners/04.0002 Mobile Homeowners
Product Name: Manufactured Home Program
Project Name/Number: Rate/Rule filing/20130506-14

Filing Company: American Family Home Insurance Company

Response Letter

Response Letter Status Submitted to State
 Response Letter Date 10/30/2013
 Submitted Date 10/30/2013

Dear Becky Harrington,

Introduction:

Response 1

Comments:

Since the retained risk load has no impact on our desired rate increase, we have removed it from the indication. See attached revised indication.

Related Objection 1

Comments: The retained risk provision proposed does not comply with Arkansas Code Ann. 23-67-209 which required past loss experience to be considered in rating. In addition, Arkansas Code Ann. 23-67-210 requires classes to be based on actual differences in experience and expenses and they must have a probable effect on future losses or expenses. Please amend the filing to remove this provision.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied - Item:	indications
Comments:	
Attachment(s):	MH Std 070_AR_1Q13_filing_v2.pdf
<i>Previous Version</i>	
Satisfied - Item:	indications
Comments:	
Attachment(s):	MH Std 070_AR_1Q13.pdf
<i>Previous Version</i>	
Satisfied - Item:	indications
Comments:	
Attachment(s):	MH Std 070_AR_1Q13.pdf

State: Arkansas
TOI/Sub-TOI: 04.0 Homeowners/04.0002 Mobile Homeowners
Product Name: Manufactured Home Program
Project Name/Number: Rate/Rule filing/20130506-14

Filing Company: American Family Home Insurance Company

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 2

Comments:

We have routinely suppressed our impacts over the last few years in an effort to mitigate current customer impacts, and while we truly appreciate the Departments guidance and willingness to work with us, we nevertheless feel that our proposal is fully justified and we'd like to get rate adequate so as to limit the quantity and magnitude of future changes, to the benefit of all parties, including our customers. Furthermore, our competitors most recently approved rate impact was +20%, and totals over 41% since 2010. We have revised our overall impact to 14.9% which we feel is neither unreasonable, or discriminatory to our customers given our +21.4% overall indication. Please see the attached revised NAIC Loss Cost Data Entry document.

We have revised our package base rate to \$829 (previously \$847). We have also revised the Manufactured Home Rental Rates, Territory 51 as follows:

\$250 Dedt. - \$3.52 (previously \$3.53)

\$500 Dedt - \$3.16 (previously \$3.17)

\$1000 Dedt - \$2.59 (previously \$2.60)

\$2500 Dedt - \$1.85 (previously \$1.86)

Revised pages PR-1 and RR-1 are attached.

Related Objection 2

Comments: Please amend the overall increase to 10%. Individual increases may not exceed 25%.

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	NAIC loss cost data entry document
Comments:	
Attachment(s):	F319AR_NAIC Loss Cost Data Entry Doc- 070- Revised.pdf
<i>Previous Version</i>	
Satisfied - Item:	NAIC loss cost data entry document
Comments:	
Attachment(s):	NAIC Loss Cost Data Entry Doc- 070.pdf

SERFF Tracking #:

AMMH-129240577

State Tracking #:

Company Tracking #:

20130506-14

State: Arkansas

Filing Company:

American Family Home Insurance Company

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

Product Name: Manufactured Home Program

Project Name/Number: Rate/Rule filing/20130506-14

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	AR070MH	EC1-2, T-1, D-1, BR-1, PR-1, RR-1, TR-1, SD-1	Replacement		10/30/2013 By: Susan Crawford
<i>Previous Version</i>					
1	AR070MH	EC1-2, T-1, D-1, BR-1, PR-1, RR-1, TR-1, SD-1	Replacement		10/15/2013 By: Traci Burbage
<i>Previous Version</i>					
1	AR070MH	EC1-2, T-1, D-1, BR-1, PR-1, RR-1, TR-1, SD-1	Replacement		10/11/2013 By: Traci Burbage

Conclusion:

Please let me know if you have any additional questions/concerns.

Sincerely,

Susan Crawford

SERFF Tracking #:

AMMH-129240577

State Tracking #:

Company Tracking #:

20130506-14

State:

Arkansas

Filing Company:

American Family Home Insurance Company

TOI/Sub-TOI:

04.0 Homeowners/04.0002 Mobile Homeowners

Product Name:

Manufactured Home Program

Project Name/Number:

Rate/Rule filing/20130506-14

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	10/15/2013
Submitted Date	10/15/2013

Dear Becky Harrington,

Introduction:

In response to your objection dated 10/11,

Response 1

Comments:

See attached: *MH Std 070_AR_1Q13_DOIObjectionRiskLoad.xlsm*

Related Objection 1

Applies To:

- indications (Supporting Document)

Comments: Retained Risk Load - We have not allowed other companies to include this type of load in their rate development. Please provide additional supporting documentation.

Changed Items:

SERFF Tracking #:

AMMH-129240577

State Tracking #:

Company Tracking #:

20130506-14

State:

Arkansas

Filing Company:

American Family Home Insurance Company

TOI/Sub-TOI:

04.0 Homeowners/04.0002 Mobile Homeowners

Product Name:

Manufactured Home Program

Project Name/Number:

Rate/Rule filing/20130506-14

Supporting Document Schedule Item Changes**Satisfied - Item:**

indications

Comments:**Attachment(s):**

MH Std 070_AR_1Q13.pdf

*Previous Version***Satisfied - Item:***indications***Comments:****Attachment(s):***MH Std 070_AR_1Q13.pdf***Satisfied - Item:**

Objection 1 & 7

Comments:**Attachment(s):**Objection 1 and 7- Retained Risk Load.pdf
MH Std 070_AR_1Q13_DOIObjectionRiskLoad.pdf**Supporting Document Schedule Item Changes****Satisfied - Item:**

indications

Comments:**Attachment(s):**

MH Std 070_AR_1Q13.pdf

*Previous Version***Satisfied - Item:***indications***Comments:****Attachment(s):***MH Std 070_AR_1Q13.pdf***Satisfied - Item:**

Objection 1 & 7

Comments:**Attachment(s):**Objection 1 and 7- Retained Risk Load.pdf
MH Std 070_AR_1Q13_DOIObjectionRiskLoad.pdf

State: Arkansas
TOI/Sub-TOI: 04.0 Homeowners/04.0002 Mobile Homeowners
Product Name: Manufactured Home Program
Project Name/Number: Rate/Rule filing/20130506-14

Filing Company: American Family Home Insurance Company

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 2

Comments:

Tenant Deductible Options: The mandatory minimum (and only) new business deductible for Tenant is and has been \$250. We are just clarifying that it applies to all other perils. The coverage includes a \$500 Burglary Deductible.

The * references a note that *the \$1,000 Wind/Hail Deductible should not apply to programs with an all other peril deductible that is equal to or greater than Wind/Hail Deductible. See revised Deductible Tab attached with the original filing which replaces the deductible tab within the original.

The minimum new business deductible for Owner Byline, Package, and Seasonal Byline is \$500.

Related Objection 2

Applies To:

- explanatory (Supporting Document)

Comments: Please provide the mandatory minimum new business deductible for tenants.

Explain the * for \$1000 wind/hail deductible amount. Identify the minimum new business deductible amounts for Owner by-line, package and seasonal by-line programs.

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	AR070MH	EC1-2, T-1, D-1, BR-1, PR-1, RR-1, TR-1, SD-1	Replacement		10/15/2013 By: Traci Burbage
<i>Previous Version</i>					
1	AR070MH	EC1-2, T-1, D-1, BR-1, PR-1, RR-1, TR-1, SD-1	Replacement		10/11/2013 By: Traci Burbage

State: Arkansas

Filing Company:

American Family Home Insurance Company

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

Product Name: Manufactured Home Program

Project Name/Number: Rate/Rule filing/20130506-14

Response 3**Comments:**

See attached: *Objection 3- Claims Surcharge Filing Exhibit.pdf*

Related Objection 3

Applies To:

- explanatory (Supporting Document)

Comments: Provide documentation supporting the claim surcharges.

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	Objection 3
Comments:	
Attachment(s):	Objection 3- Claims Surcharge Filing Exhibit.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 4**Comments:**

Inspection Fee- Our current estimate of how long it takes to review an inspection is 9 minutes. That does not include any follow-up correspondence that might ensue after the initial review, nor the attendant mail costs of that correspondence. The average cost per inspection is \$31.75. Given all of that, \$35 per inspection is reasonable to recoup our cost of the inspection itself and any ancillary expenses.

Related Objection 4

Applies To:

- explanatory (Supporting Document)

Comments: Provide supporting documentation for the inspection fee amount.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

State: Arkansas
TOI/Sub-TOI: 04.0 Homeowners/04.0002 Mobile Homeowners
Product Name: Manufactured Home Program
Project Name/Number: Rate/Rule filing/20130506-14

Filing Company: American Family Home Insurance Company

No Rate/Rule Schedule items changed.

Response 5

Comments:

See attached: *Objection 5 and 6- Determination of Revised Relativities.pdf*

Related Objection 5

Applies To:

- explanatory (Supporting Document)

Comments: Provide justification for the 18-34 unknown age of insured factor.

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	Objection 5 & 6
Comments:	
Attachment(s):	Objection 5 and 6 - Determination of Revised Relativities.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 6

Comments:

See attached: *Objection 5 and 6- Determination of Revised Relativities.pdf*

Related Objection 6

Applies To:

- explanatory (Supporting Document)

Comments: Please compare the age of home factors to the previous factors.

Changed Items:

State: Arkansas**Filing Company:**

American Family Home Insurance Company

TOI/Sub-TOI: 04.0 Homeowners/04.0002 Mobile Homeowners**Product Name:** Manufactured Home Program**Project Name/Number:** Rate/Rule filing/20130506-14**Supporting Document Schedule Item Changes**

Satisfied - Item:	Objection 5 & 6
Comments:	
Attachment(s):	Objection 5 and 6 - Determination of Revised Relativities.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 7**Comments:**

Objection 7: same as Objection 1

Related Objection 7

Comments: Please provide additional documentation supporting the retained risk load. We have not allowed other companies to use this type of load.

Changed Items:**Supporting Document Schedule Item Changes**

Satisfied - Item:	Objection 1 & 7
Comments:	
Attachment(s):	Objection 1 and 7- Retained Risk Load.pdf MH Std 070_AR_1Q13_DOIObjectionRiskLoad.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Thank you for your time and attention to this filing.

Sincerely,

Traci Burbage

State: Arkansas **Filing Company:** American Family Home Insurance Company
TOI/Sub-TOI: 04.0 Homeowners/04.0002 Mobile Homeowners
Product Name: Manufactured Home Program
Project Name/Number: Rate/Rule filing/20130506-14

Note To Filer

Created By:

Becky Harrington on 10/23/2013 09:12 AM

Last Edited By:

Becky Harrington

Submitted On:

11/06/2013 07:42 AM

Subject:

Individual cap

Comments:

The individual cap may be not exceed 30% for this filing, excluding the claims surcharge.

I apologize for the ovresight.

State: Arkansas **Filing Company:** American Family Home Insurance Company
TOI/Sub-TOI: 04.0 Homeowners/04.0002 Mobile Homeowners
Product Name: Manufactured Home Program
Project Name/Number: Rate/Rule filing/20130506-14

Post Submission Update Request Processed On 10/23/2013

Status: Allowed
Created By: Susan Crawford
Processed By: Becky Harrington
Comments: Effective date changed

General Information:

Field Name	Requested Change	Prior Value
Effective Date Requested (Renew)	03/13/2014	02/11/2014

SERFF Tracking #:

AMMH-129240577

State Tracking #:

Company Tracking #:

20130506-14

State: Arkansas
 TOI/Sub-TOI: 04.0 Homeowners/04.0002 Mobile Homeowners
 Product Name: Manufactured Home Program
 Project Name/Number: Rate/Rule filing/20130506-14

Filing Company: American Family Home Insurance Company

Rate Information

Rate data applies to filing.

Filing Method: File & Use
 Rate Change Type: Increase
 Overall Percentage of Last Rate Revision: 10.000%
 Effective Date of Last Rate Revision: 12/09/2012
 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):
American Family Home Insurance Company	22.000%	17.000%	\$1,110,416	6,755	\$6,593,711	59.700%	-36.900%

SERFF Tracking #:

AMMH-129240577

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

20130506-14

State:

Arkansas

Filing Company:

American Family Home Insurance Company

TOI/Sub-TOI:

04.0 Homeowners/04.0002 Mobile Homeowners

Product Name:

Manufactured Home Program

Project Name/Number:

Rate/Rule filing/20130506-14

Rate/Rule Schedule

Item No.	Schedule Item Status	Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing Number	Attachments
1	Filed 11/06/2013	AR070MH	EC1-2, T-1, D-1, BR-1, PR-1, RR-1, TR-1, SD-1	Replacement		Page RR-1.pdf page PR-1 (revised 11-4-13).pdf

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

RENTAL/COMMERCIAL RATES

Coverage: Comprehensive - Including Flood and Earthquake
Rate: Rates shown are for \$100 of coverage or any part thereof:

Deductible	Coverage For:	Territory 50	Territory 51
\$250 *Maximum Per Occurrence Deductible \$2,500	Manufactured Home	\$2.53	\$3.52
	Other Structures	\$2.03	\$2.83
	Personal Property	\$2.03	\$2.83
\$500 *Maximum Per Occurrence Deductible \$5,000	Manufactured Home	\$2.27	\$3.16
	Other Structures	\$1.82	\$2.54
	Personal Property	\$1.82	\$2.54
\$1000 *Maximum Per Occurrence Deductible \$10,000	Manufactured Home	\$1.86	\$2.59
	Other Structures	\$1.49	\$2.09
	Personal Property	\$1.49	\$2.09
\$2500 *Maximum Per Occurrence Deductible \$25,000	Manufactured Home	\$1.33	\$1.85
	Other Structures	\$1.06	\$1.49
	Personal Property	\$1.06	\$1.49

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

ARKANSAS AMERICAN FAMILY HOME INSURANCE COMPANY MANUFACTURED HOME PROGRAM
--

OWNER PACKAGE RATES

Owner Package Manufactured Home

Comprehensive Risk Including Flood and Earthquake

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

Coverage	Flat Base Rate	Min Rate Value	Min Val Accept	UVRC Code	Cov Relativity
Package	\$785.00	\$7,000	\$1,000	JL	1.000

OWNER AND SEASONAL PAGE RATING FACTORS

Territory	Factor
50	1.00
51	1.48

Location	Factor
In Park	1.000
Out of Park	1.060

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

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

Age of Insured	Factor
18 - 34 Unknown	1.050
35 - 49	1.000
50 - 64	0.930
65 +	0.890

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

SERFF Tracking #:

AMMH-129240577

State Tracking #:

Company Tracking #:

20130506-14

State:

Arkansas

Filing Company:

American Family Home Insurance Company

TOI/Sub-TOI:

04.0 Homeowners/04.0002 Mobile Homeowners

Product Name:

Manufactured Home Program

Project Name/Number:

Rate/Rule filing/20130506-14

Supporting Document Schedules

Satisfied - Item:	NAIC loss cost data entry document
Comments:	
Attachment(s):	F319AR_NAIC Loss Cost Data Entry Doc-revised 11-4-13.pdf
Item Status:	Filed
Status Date:	11/06/2013

Satisfied - Item:	indications
Comments:	
Attachment(s):	MH Std 070_AR_1Q13_filing_v2.pdf
Item Status:	Filed
Status Date:	11/06/2013

Satisfied - Item:	disruption charts
Comments:	
Attachment(s):	AR 070 Disruption Charts.pdf
Item Status:	Filed
Status Date:	11/06/2013

Satisfied - Item:	explanatory
Comments:	
Attachment(s):	Explanatory Memorandum.pdf
Item Status:	Filed
Status Date:	11/06/2013

Satisfied - Item:	Objection 1 & 7
Comments:	

SERFF Tracking #:

AMMH-129240577

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

20130506-14

State:

Arkansas

Filing Company:

American Family Home Insurance Company

TOI/Sub-TOI:

04.0 Homeowners/04.0002 Mobile Homeowners

Product Name:

Manufactured Home Program

Project Name/Number:

Rate/Rule filing/20130506-14

Attachment(s):	Objection 1 and 7- Retained Risk Load.pdf MH Std 070_AR_1Q13_DOIObjectionRiskLoad.pdf
Item Status:	Filed
Status Date:	11/06/2013

Satisfied - Item:	Objection 3
Comments:	
Attachment(s):	Objection 3- Claims Surcharge Filing Exhibit.pdf
Item Status:	Filed
Status Date:	11/06/2013

Satisfied - Item:	Objection 5 & 6
Comments:	
Attachment(s):	Objection 5 and 6 - Determination of Revised Relativities.pdf
Item Status:	Filed
Status Date:	11/06/2013

NAIC LOSS COST DATA ENTRY DOCUMENT

1.	This filing transmittal is part of Company Tracking #	20130506-14
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2.	If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number	n/a
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Company Name		Company NAIC Number		
3.	A.	American Family Home Insurance Company	B.	361-23469

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

5.			FOR LOSS COSTS ONLY				
(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
10101	24.4	12.1					
10111	-3.9	-0.5					
10301	0.4	0.4					
10511	24.8	11.8					
TOTAL OVERALL EFFECT	21.5	10.0					

6.		5 Year History	Rate Change History				
Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
2012	9,062	10.0%	1/8/13	9,812,175	4,581,644	55.4%	46.7%
2011	11,950	6.0%	10/1/11	10,291,455	9,525,706	92.6%	70.4%
2010	12,525	12.0%	10/1/10	9,668,830	5,554,036	57.4%	48.7%
2009	12,842	14.3%	6/1/09	8,956,335	7,537,287	84.2%	53.6%
2008	13,669	0.0	-	8,712,841	7,983,995	91.6%	78.8%

7.	
Expense Constants	Selected Provisions
A. Total Production Expense	23.1%
B. General Expense	8.5%
C. Taxes, License & Fees	4.3%
D. Underwriting Profit & Contingencies	11.2%
E. Other (explain)	1.8% (reins)
F. TOTAL	48.9%

- 8.** _____ Apply Lost Cost Factors to Future filings? (Y or N)
- 9.** _____ Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): 24.7%
- 10.** _____ Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): -36.9%

American Family Home Insurance Company
Arkansas
Manufactured Home Standard

Exhibit 1
Page 1

Proposed Effective Date: 12/15/2013

<u>Class</u>	<u>Premium in Force at 3/31/2013</u>	<u>Premium in Force Distribution</u>	<u>Indication</u>
Manufactured Home-Byline	\$961,496	12.8%	-3.9%
Manufactured Home-Package	\$6,289,711	83.5%	24.4%
Rental	\$208,044	2.8%	0.4%
Seasonal-Byline	\$73,687	1.0%	24.8%
All Classes	\$7,532,938	100.0%	21.4%

Explanatory Memorandum

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

Assumptions and Methodologies

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

Explanatory Memorandum

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

Explanatory Memorandum

7. The Permissible Loss and LAE Ratio Fixed Expense Ratio and Variable Permissible Loss Ratio Calculations may be found in Exhibit 9. This calculation includes determination of a profit provision.
 - a. The derivation of the Pre-Paid Commissions and Taxes, Licenses and Fees may be found at the bottom of this exhibit. Other Acquisition and General Expenses are based on Countrywide, Company Data for the Program being evaluated. The Reinsurance Expense is designed to cover the cost of our catastrophe and excess of loss experience contracts. It is a net provision determined by reinsurance premium minus estimated reinsurance recoveries.
 - b. Beginning in mid-2012, a Retained Risk Load is being introduced to account for the risk of expected catastrophic losses that are not covered by the reinsurance program. As reinsurance costs have risen, American Modern's catastrophe retention level has increased significantly, necessitating the inclusion of this load.
 - c. The Profit Provision is based on a 15% Targeted After Tax Return on Equity and a 1.8:1 Targeted Premium to Surplus Ratio.
 - d. Return on Investment Income is based on the Clifford/Sterling Formula. This calculation, and an explanation of the calculation, may be found in Exhibit 10.
8. The Complement of Credibility is the Trended Permissible Loss Ratio. A Loss Ratio Trend is determined based on the prospective premium and loss trends. A time exponent based on the time from our last revision to the proposed effective date, capped at 1 years, is applied. Exhibit 11 contains the calculations.
9. Credibility is based on the square root rule, with full credibility at 40000 Earned Exposures.
10. The Credibility Weighted Loss and LAE Ratio is calculated by credibility weighting the Weighted Experience Loss & LAE Ratio and the Complement of Credibility - Trended Permissible.
11. The Indicated Rate Level Change is calculated as the $((\text{Credibility Weighted Loss \& LAE Ratio} + \text{Fixed Expense Ratio}) / \text{Variable Expense Ratio}) - 1$

**American Family Home Insurance Company
Arkansas
Manufactured Home Standard
All Classes**

**Exhibit 2
Page 1**

Rate Level Indications

	Accident Year Ending				
	3/31/2009	3/31/2010	3/31/2011	3/31/2012	3/31/2013
(1) Earned Exposures	13,552	13,074	12,659	12,114	9,912
(2) Earned Premium	8,840,146	9,071,365	9,819,247	10,423,970	9,189,814
(3) Rate Level Adjustment Factor	1.299	1.298	1.279	1.176	1.107
(4) Current Level Earned Premium	11,485,815	11,773,787	12,563,351	12,255,512	10,171,302
(5) Premium Trend Factor	1.201	1.154	1.108	1.065	1.023
(6) Trended Current Level Earned Premium	13,794,464	13,586,950	13,920,192	13,052,120	10,405,242
(7) Total Incurred Losses & ALAE	7,389,862	6,958,546	5,113,797	9,790,349	4,281,129
(8) Catastrophe Incurred Losses and ALAE	2,399,861	920,587	913,089	3,419,199	65,587
(9) IL & ALAE Excl Cat	4,990,001	6,037,959	4,200,708	6,371,150	4,215,542
(10) Incurred Loss & ALAE Trend Factor	1.568	1.421	1.289	1.168	1.059
(11) Incurred Loss & ALAE Development Factor	0.999	0.997	0.994	0.992	1.012
(12) ULAE Factor (to IL & ALAE)	1.011	1.011	1.011	1.011	1.011
(13) Trended Adjusted IL & LAE Excl Cat	7,902,478	8,648,296	5,441,429	7,463,173	4,567,526
(14) Catastrophe Factor	0.241	0.241	0.241	0.241	0.241
(15) Trended Adjusted Cat Incurred Loss & LAE	1,904,497	2,084,239	1,311,384	1,798,625	1,100,774
(16) Total Trended Adjusted Incurred Loss & LAE	9,806,975	10,732,535	6,752,813	9,261,798	5,668,300
(17) Adjusted Loss & LAE Ratio *	0.711	0.790	0.485	0.710	0.545
(18) Accident Year Weights	0.10	0.15	0.20	0.25	0.30
(19) Non-Catastrophe Reported Claim Counts	1,326	1,611	1,101	1,483	1,061
(20) Weighted Experience Loss & LAE Ratio					0.628
(21) Permissible Loss & LAE Ratio					0.514
(22) Fixed Expense Ratio					0.018
(23) Variable Expense Ratio					0.468
(24) Complement of Credibility - Trended Permissible					0.523
(25) Credibility (Square Root Rule, Full Credibility = 40000 Earned Exposures)					1.000
(26) Credibility Weighted Loss & LAE Ratio					0.628
(27) Credibility Weighted Indicated Rate Level Change					21.4%

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

Exhibit 2
Page 2

Rate Level Indications

	Accident Year Ending				
	3/31/2009	3/31/2010	3/31/2011	3/31/2012	3/31/2013
(1) Earned Exposures	2,253	1,779	1,564	1,402	1,251
(2) Earned Premium	1,395,214	1,184,343	1,126,779	1,115,565	1,030,262
(3) Rate Level Adjustment Factor	1.166	1.141	1.091	1.011	0.996
(4) Current Level Earned Premium	1,626,476	1,351,792	1,228,863	1,127,522	1,026,236
(5) Premium Trend Factor	1.201	1.154	1.108	1.065	1.023
(6) Trended Current Level Earned Premium	1,953,397	1,559,967	1,361,580	1,200,811	1,049,840
(7) Total Incurred Losses & ALAE	835,873	536,633	409,066	739,032	199,031
(8) Catastrophe Incurred Losses and ALAE	279,732	61,274	55,467	205,846	4,827
(9) IL & ALAE Excl Cat	556,141	475,359	353,599	533,186	194,204
(10) Incurred Loss & ALAE Trend Factor	1.568	1.421	1.289	1.168	1.059
(11) Incurred Loss & ALAE Development Factor	0.999	0.997	0.994	0.992	1.012
(12) ULAE Factor (to IL & ALAE)	1.011	1.011	1.011	1.011	1.011
(13) Trended Adjusted IL & LAE Excl Cat	880,740	680,867	458,038	624,574	210,419
(14) Catastrophe Factor	0.241	0.241	0.241	0.241	0.241
(15) Trended Adjusted Cat Incurred Loss & LAE	212,258	164,089	110,387	150,522	50,711
(16) Total Trended Adjusted Incurred Loss & LAE	1,092,998	844,956	568,425	775,096	261,130
(17) Adjusted Loss & LAE Ratio *	0.560	0.542	0.417	0.645	0.249
(18) Accident Year Weights	0.10	0.15	0.20	0.25	0.30
(19) Non-Catastrophe Reported Claim Counts	191	151	135	169	101
(20) Weighted Experience Loss & LAE Ratio					0.457
(21) Permissible Loss & LAE Ratio					0.514
(22) Fixed Expense Ratio					0.018
(23) Variable Expense Ratio					0.468
(24) Complement of Credibility - Trended Permissible					0.523
(25) Credibility (Square Root Rule, Full Credibility = 40000 Earned Exposures)					0.454
(26) Credibility Weighted Loss & LAE Ratio					0.493
(27) Credibility Weighted Indicated Rate Level Change					-3.9%

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

Exhibit 2
Page 3

Rate Level Indications

	Accident Year Ending				
	3/31/2009	3/31/2010	3/31/2011	3/31/2012	3/31/2013
(1) Earned Exposures	10,686	10,649	10,454	10,032	8,039
(2) Earned Premium	7,145,133	7,572,524	8,360,626	8,964,682	7,838,611
(3) Rate Level Adjustment Factor	1.336	1.333	1.315	1.202	1.125
(4) Current Level Earned Premium	9,547,645	10,096,863	10,993,671	10,775,390	8,819,992
(5) Premium Trend Factor	1.201	1.154	1.108	1.065	1.023
(6) Trended Current Level Earned Premium	11,466,721	11,651,780	12,180,988	11,475,790	9,022,852
(7) Total Incurred Losses & ALAE	6,280,846	6,325,845	4,605,585	8,510,504	3,944,553
(8) Catastrophe Incurred Losses and ALAE	2,086,362	822,658	849,827	3,029,474	57,956
(9) IL & ALAE Excl Cat	4,194,484	5,503,187	3,755,758	5,481,031	3,886,597
(10) Incurred Loss & ALAE Trend Factor	1.568	1.421	1.289	1.168	1.059
(11) Incurred Loss & ALAE Development Factor	0.999	0.997	0.994	0.992	1.012
(12) ULAE Factor (to IL & ALAE)	1.011	1.011	1.011	1.011	1.011
(13) Trended Adjusted IL & LAE Excl Cat	6,642,648	7,882,331	4,865,059	6,420,486	4,211,115
(14) Catastrophe Factor	0.241	0.241	0.241	0.241	0.241
(15) Trended Adjusted Cat Incurred Loss & LAE	1,600,878	1,899,642	1,172,479	1,547,337	1,014,879
(16) Total Trended Adjusted Incurred Loss & LAE	8,243,526	9,781,973	6,037,538	7,967,823	5,225,994
(17) Adjusted Loss & LAE Ratio *	0.719	0.840	0.496	0.694	0.579
(18) Accident Year Weights	0.10	0.15	0.20	0.25	0.30
(19) Non-Catastrophe Reported Claim Counts	1,101	1,425	941	1,274	923
(20) Weighted Experience Loss & LAE Ratio					0.644
(21) Permissible Loss & LAE Ratio					0.514
(22) Fixed Expense Ratio					0.018
(23) Variable Expense Ratio					0.468
(24) Complement of Credibility - Trended Permissible					0.523
(25) Credibility (Square Root Rule, Full Credibility = 40000 Earned Exposures)					1.000
(26) Credibility Weighted Loss & LAE Ratio					0.644
(27) Credibility Weighted Indicated Rate Level Change					24.4%

**American Family Home Insurance Company
Arkansas
Manufactured Home Standard
Rental**

**Exhibit 2
Page 4**

Rate Level Indications

	Accident Year Ending				
	3/31/2009	3/31/2010	3/31/2011	3/31/2012	3/31/2013
(1) Earned Exposures	503	535	527	555	507
(2) Earned Premium	235,059	247,984	258,396	260,205	237,873
(3) Rate Level Adjustment Factor	1.014	1.014	1.014	1.014	1.014
(4) Current Level Earned Premium	238,350	251,455	262,014	263,848	241,131
(5) Premium Trend Factor	1.201	1.154	1.108	1.065	1.023
(6) Trended Current Level Earned Premium	286,258	290,180	290,311	280,998	246,677
(7) Total Incurred Losses & ALAE	112,885	87,192	65,852	234,334	120,268
(8) Catastrophe Incurred Losses and ALAE	31,883	34,475	-	137,077	2,804
(9) IL & ALAE Excl Cat	81,001	52,717	65,852	97,257	117,464
(10) Incurred Loss & ALAE Trend Factor	1.568	1.421	1.289	1.168	1.059
(11) Incurred Loss & ALAE Development Factor	0.999	0.997	0.994	0.992	1.012
(12) ULAE Factor (to IL & ALAE)	1.011	1.011	1.011	1.011	1.011
(13) Trended Adjusted IL & LAE Excl Cat	128,279	75,507	85,302	113,927	127,272
(14) Catastrophe Factor	0.241	0.241	0.241	0.241	0.241
(15) Trended Adjusted Cat Incurred Loss & LAE	30,915	18,197	20,558	27,456	30,673
(16) Total Trended Adjusted Incurred Loss & LAE	159,194	93,704	105,860	141,383	157,945
(17) Adjusted Loss & LAE Ratio *	0.556	0.323	0.365	0.503	0.640
(18) Accident Year Weights	0.10	0.15	0.20	0.25	0.30
(19) Non-Catastrophe Reported Claim Counts	22	26	15	28	27
(20) Weighted Experience Loss & LAE Ratio					0.495
(21) Permissible Loss & LAE Ratio					0.514
(22) Fixed Expense Ratio					0.018
(23) Variable Expense Ratio					0.468
(24) Complement of Credibility - Trended Permissible					0.523
(25) Credibility (Square Root Rule, Full Credibility = 40000 Earned Exposures)					0.256
(26) Credibility Weighted Loss & LAE Ratio					0.516
(27) Credibility Weighted Indicated Rate Level Change					0.4%

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

Exhibit 2
Page 5

Rate Level Indications

	Accident Year Ending				
	3/31/2009	3/31/2010	3/31/2011	3/31/2012	3/31/2013
(1) Earned Exposures	108	107	110	123	114
(2) Earned Premium	64,176	65,951	72,813	82,980	82,909
(3) Rate Level Adjustment Factor	1.134	1.109	1.074	1.063	1.011
(4) Current Level Earned Premium	72,780	73,112	78,170	88,213	83,784
(5) Premium Trend Factor	1.201	1.154	1.108	1.065	1.023
(6) Trended Current Level Earned Premium	87,409	84,371	86,612	93,947	85,711
(7) Total Incurred Losses & ALAE	160,258	8,877	33,294	306,479	17,277
(8) Catastrophe Incurred Losses and ALAE	1,884	2,181	7,794	46,803	-
(9) IL & ALAE Excl Cat	158,374	6,696	25,500	259,677	17,277
(10) Incurred Loss & ALAE Trend Factor	1.568	1.421	1.289	1.168	1.059
(11) Incurred Loss & ALAE Development Factor	0.999	0.997	0.994	0.992	1.012
(12) ULAE Factor (to IL & ALAE)	1.011	1.011	1.011	1.011	1.011
(13) Trended Adjusted IL & LAE Excl Cat	250,812	9,591	33,031	304,186	18,719
(14) Catastrophe Factor	0.241	0.241	0.241	0.241	0.241
(15) Trended Adjusted Cat Incurred Loss & LAE	60,446	2,311	7,961	73,309	4,511
(16) Total Trended Adjusted Incurred Loss & LAE	311,258	11,902	40,992	377,495	23,230
(17) Adjusted Loss & LAE Ratio *	3.561	0.141	0.473	4.018	0.271
(18) Accident Year Weights	0.10	0.15	0.20	0.25	0.30
(19) Non-Catastrophe Reported Claim Counts	12	9	10	12	10
(20) Weighted Experience Loss & LAE Ratio					1.558
(21) Permissible Loss & LAE Ratio					0.514
(22) Fixed Expense Ratio					0.018
(23) Variable Expense Ratio					0.468
(24) Complement of Credibility - Trended Permissible					0.523
(25) Credibility (Square Root Rule, Full Credibility = 40000 Earned Exposures)					0.119
(26) Credibility Weighted Loss & LAE Ratio					0.646
(27) Credibility Weighted Indicated Rate Level Change					24.8%

American Family Home Insurance Company
Arkansas
Manufactured Home Standard
All Classes

Exhibit 3

Rate History

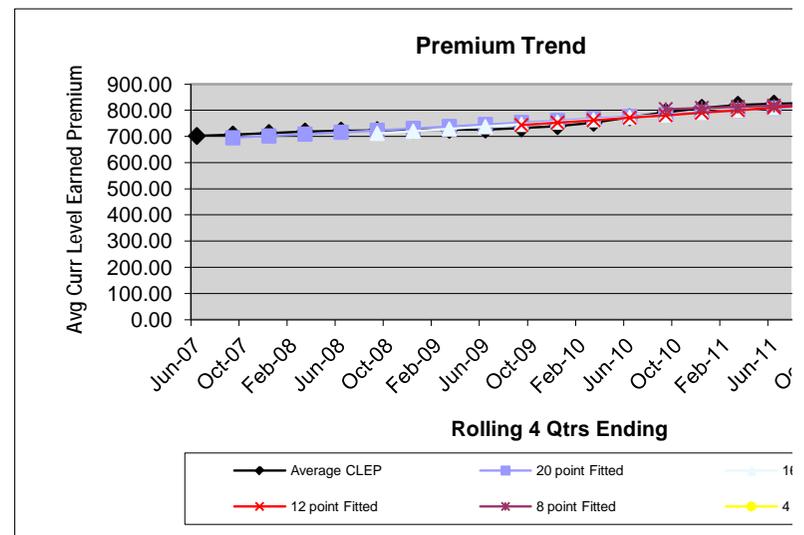
Rates Changes by Class					
Effective Date	All Classes	Manufacture d Home- Byline	Manufacture d Home- Package	Rental	Seasonal- Byline
1/8/2013	10.0%	-0.4%	11.6%	1.4%	0.0%
10/1/2011	6.0%	0.0%	6.9%	0.0%	7.2%
10/1/2010	12.0%	10.7%	12.7%	0.0%	0.0%
6/1/2009	7.8%	5.2%	8.5%	0.0%	5.1%
4/1/2008	0.0%	0.0%	0.0%	0.0%	0.0%
9/1/2007	4.4%	4.5%	4.5%	0.0%	6.3%

Rate Level Adjustment Factor					
Accident Year Ending	All Classes	Manufacture d Home- Byline	Manufacture d Home- Package	Rental	Seasonal- Byline
3/31/2009	1.299	1.166	1.336	1.014	1.134
3/31/2010	1.298	1.141	1.333	1.014	1.109
3/31/2011	1.279	1.091	1.315	1.014	1.074
3/31/2012	1.176	1.011	1.202	1.014	1.063
3/31/2013	1.107	0.996	1.125	1.014	1.011

Premium Trend

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

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

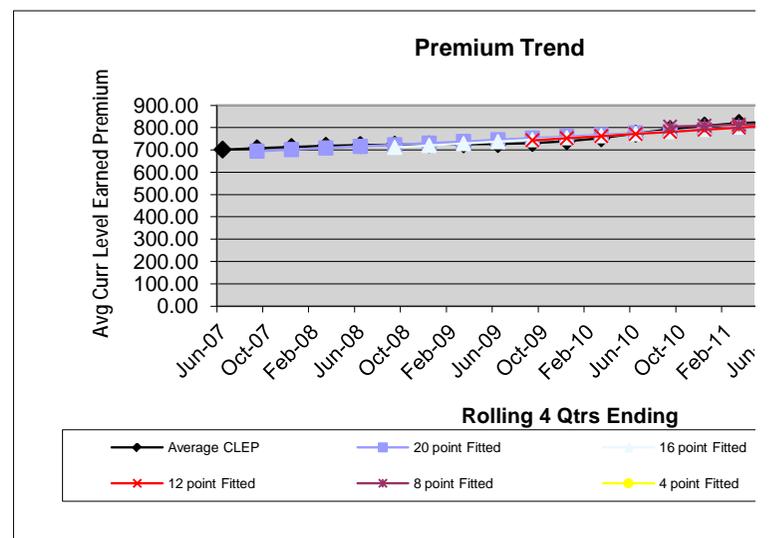


Accident Year Ending	Trend Period						Trend Factor
	Historical			Prospective			
	Beginning	End	Time(Yrs)	Beginning	End	Time(Yrs)	
3/31/2009	9/30/2008	2/15/2013	4.375	2/15/2013	12/15/2014	1.833	1.201
3/31/2010	9/30/2009	2/15/2013	3.375	2/15/2013	12/15/2014	1.833	1.154
3/31/2011	9/30/2010	2/15/2013	2.375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

Premium Trend

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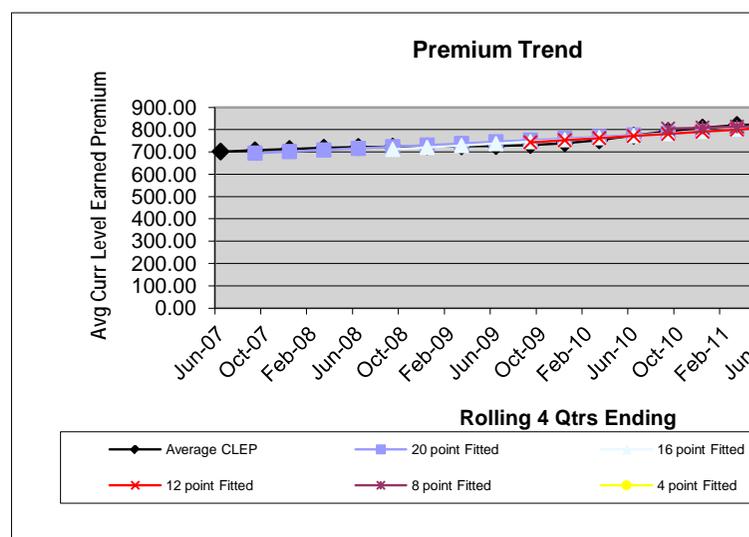


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	Historical			Prospective			
	Beginning	End	Time(Yrs)	Beginning	End	Time(Yrs)	
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3/31/2013	9/30/2012	2/15/2013	0.375	2/15/2013	12/15/2014	1.833	1.023

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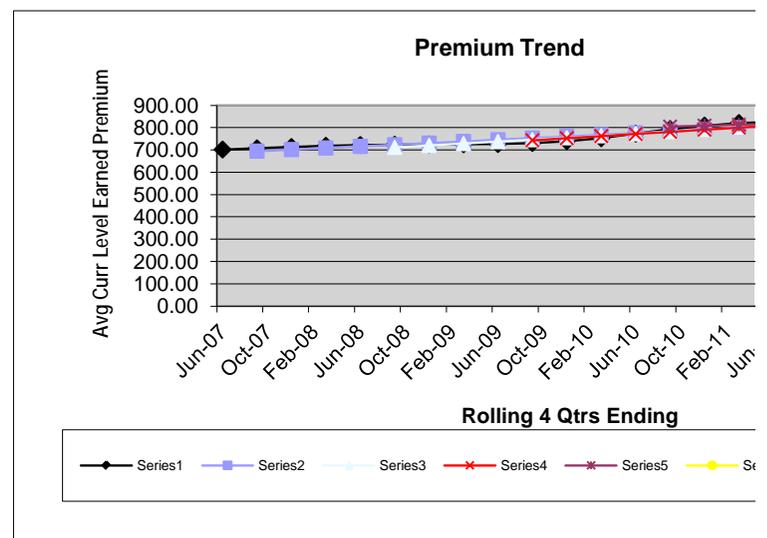


Accident Year Ending	Trend Period						Trend Factor
	Historical			Prospective			
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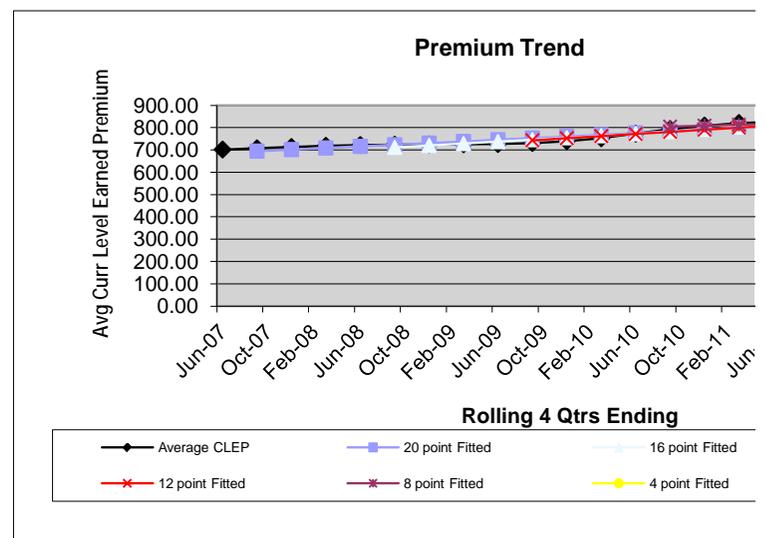


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Loss Trend

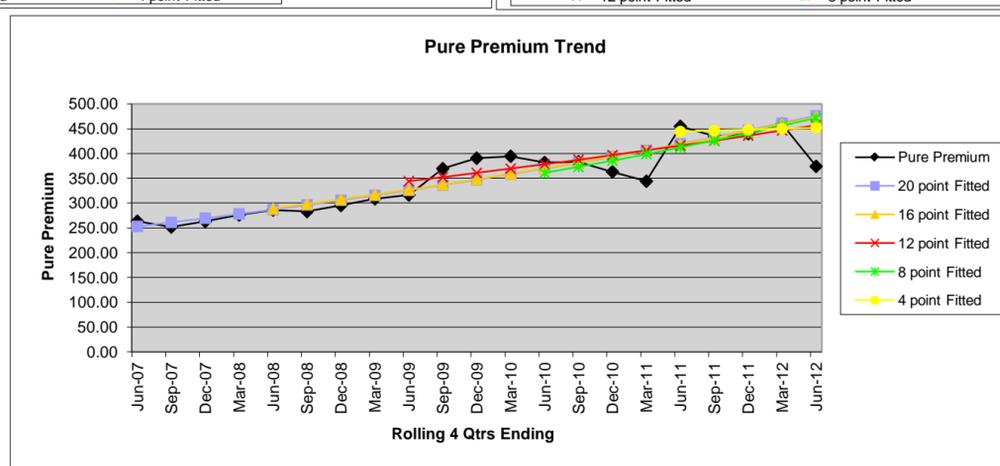
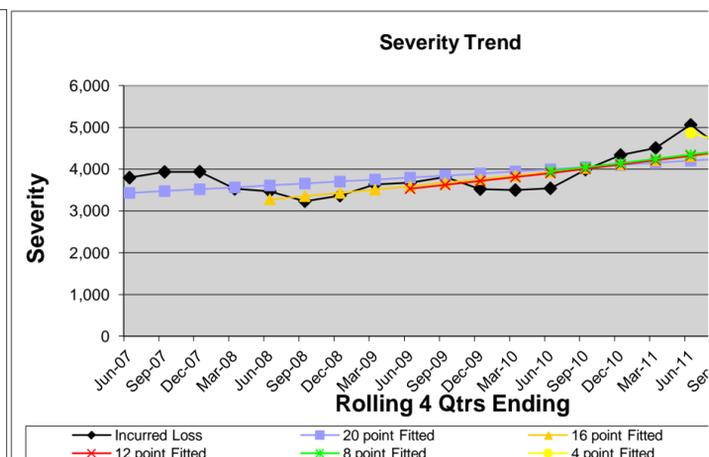
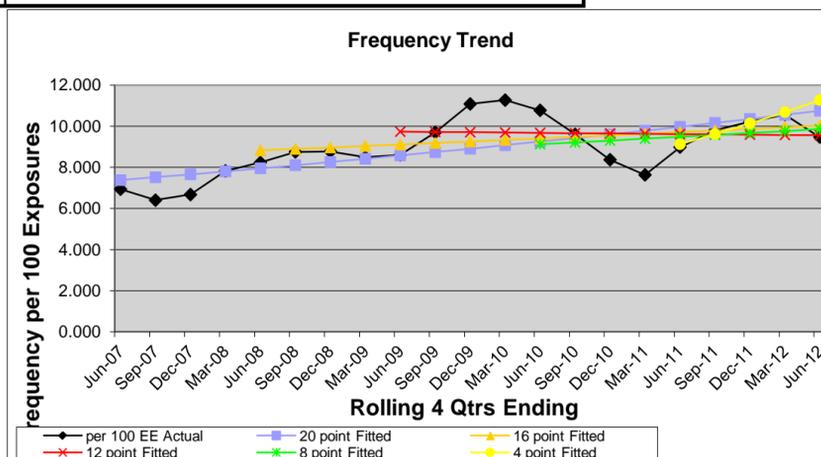
Loss Trend Based on Arkansas - American Modern Insurance Group Data Excluding Catastrophe Losses

Accident Period 4 Qtrs Ending	Ultimate Reported Claim Counts	Ultimate Non-Cat Incurred Loss & ALAE	Earned Exposures	Frequency					Severity						
				Frequency per 100 EE Actual	20 point Fitted	16 point Fitted	12 point Fitted	8 point Fitted	4 point Fitted	Average Incurred Loss	20 point Fitted	16 point Fitted	12 point Fitted	8 point Fitted	4 point Fitted
6/30/2007	1,860	7,061,277	26,798	6.940	7.380						3,797	3,430			
9/30/2007	1,722	6,773,059	26,884	6.405	7.521						3,933	3,474			
12/31/2007	1,798	7,083,636	26,933	6.677	7.664						3,939	3,519			
3/31/2008	2,112	7,451,240	26,978	7.829	7.809						3,528	3,564			
6/30/2008	2,231	7,745,304	27,079	8.237	7.958	8.826					3,472	3,609	3,276		
9/30/2008	2,384	7,706,854	27,234	8.754	8.109	8.897					3,233	3,655	3,352		
12/31/2008	2,403	8,089,016	27,385	8.776	8.263	8.968					3,366	3,702	3,430		
3/31/2009	2,337	8,496,252	27,515	8.492	8.420	9.040					3,636	3,750	3,509		
6/30/2009	2,372	8,719,086	27,557	8.608	8.580	9.113	9.740				3,676	3,798	3,590	3,533	
9/30/2009	2,665	10,143,888	27,449	9.708	8.744	9.186	9.725				3,807	3,846	3,673	3,623	
12/31/2009	3,027	10,660,454	27,297	11.087	8.910	9.260	9.710				3,522	3,895	3,758	3,716	
3/31/2010	3,062	10,715,061	27,160	11.274	9.079	9.335	9.696				3,499	3,945	3,845	3,811	
6/30/2010	2,924	10,354,770	27,128	10.778	9.252	9.410	9.681	9.127			3,541	3,996	3,934	3,908	3,952
9/30/2010	2,620	10,450,770	27,270	9.608	9.428	9.485	9.666	9.215			3,989	4,047	4,025	4,008	4,048
12/31/2010	2,308	10,011,510	27,563	8.374	9.607	9.562	9.652	9.305			4,338	4,099	4,119	4,110	4,145
3/31/2011	2,129	9,594,437	27,876	7.638	9.790	9.639	9.637	9.395			4,506	4,151	4,214	4,215	4,245
6/30/2011	2,532	12,810,354	28,171	8.990	9.976	9.716	9.622	9.487	9.127		5,059	4,204	4,312	4,323	4,347
9/30/2011	2,785	12,353,034	28,404	9.807	10.165	9.794	9.608	9.579	9.623		4,435	4,258	4,411	4,433	4,451
12/31/2011	2,911	12,527,546	28,474	10.224	10.359	9.873	9.593	9.672	10.145		4,303	4,312	4,513	4,546	4,558
3/31/2012	3,000	13,041,909	28,373	10.573	10.556	9.952	9.579	9.766	10.695		4,347	4,368	4,618	4,663	4,629
6/30/2012	2,651	10,464,653	27,976	9.475	10.756	10.032	9.564	9.861	11.276		3,948	4,423	4,725	4,782	4,010

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

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

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



Loss & ALAE Development

Data shown is Countrywide Consolidated American Modern Insurance Group MH Standard

Cumulative Incurred Loss and ALAE Development

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

Historical Development Factors

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

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

Selected Factors	3 to 6	6 to 9	9 to 12	12 to 15	15 to 18	18 to 21	21 to 24	24 to 27	27 to 30	30 to 33	33 to 36	36 to 39
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Catastrophe Factor

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

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

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

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

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

Exhibit 8

Unallocated Loss Adjustment Expense

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

Consolidated American Modern Insurance Group Data

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

Determination of Permissible Loss Ratio

	Calendar Year					Budget	Selected
	2007	2008	2009	2010	2011	2012	
(1) Pre-Paid Commissions	24.9%	25.2%	24.8%	23.5%	23.5%	18.7%	18.7%
(2) Contingent Commissions	1.2%	1.6%	0.6%	1.3%	0.9%	0.6%	0.6%
(3) Other Acquisition Expense	3.7%	4.1%	4.1%	3.2%	3.0%	3.8%	3.8%
(4) General Expense	9.2%	9.1%	9.4%	7.3%	7.2%	8.5%	8.5%
(5) Taxes, Licenses and Fees	3.8%	4.1%	3.9%	4.5%	4.5%		4.3%
(6) Reinsurance Expense						1.8%	1.8%
(7) Retained Risk Load							0.0%
(8) Total Expense							37.7%
Profit Loading Provision							
(9a) After Tax Return on Equity Goal						15.0%	
(9b) Target Premium to Surplus Ratio						1.8:1	
(9c) After Tax Return on Premium [(a)/(b)]						8.3%	
(9d) After Tax Return Generated by Inv Income						1.2%	
(9e) After Tax Return Needed From Underwriting Profit [(c) - (d)]						7.1%	
(9f) Before Tax Return Needed from Underwriting Profit [(e)/(1.00 - .35)]						10.9%	
(9g) Selected Profit Provision							10.9%
(10) Total Expenses and Profit Provision [(8) + (9)]							48.6%
(11) Permissible Loss & LAE Ratio [(1.000 - (10))]							51.4%
(12) Fixed Expense Ratio (100% of Reins Expense and Retained Risk Load)							1.8%
(13) Variable Expense Ratio							46.8%

Data applied to calculate commission ratio:	Calendar Year				
	2007	2008	2009	2010	2011
AFH Arkansas Manufactured Home Standard Wr Prem	8,288,167	8,981,000	8,910,964	9,609,966	10,460,674
AFH Arkansas Manufactured Home Standard Pd Comm	2,062,885	2,265,233	2,213,876	2,255,410	2,457,972

Data applied to calculate Taxes, Licenses and Fees:	Calendar Year				
	2007	2008	2009	2010	2011
AFH Arkansas Written Premium from all AS Lines	8,925,342	9,409,637	9,688,895	10,550,507	11,350,185
AFH Arkansas Taxes, Licenses & Fees from all AS Lines	339,124	385,795	382,711	469,498	505,083

Investment Income Calculation

Estimated Investment Earnings on Unearned Premium and Loss Reserves

A. Unearned Premium Reserve		
(1)	Direct Earned Premium for 2011	\$ 465,644,966
(2)	Mean Unearned Premium Reserve Ratio	46.5%
(3)	Mean Unearned Premium Reserve (1) x (2)	\$ 216,294,522
(4)	Deduction for Prepaid Expenses and Federal Taxes Payable	
(a)	Commission	19.3%
(b)	50% of Other Acquisition	1.9%
(c)	50% of General Expenses	4.3%
(d)	Taxes, Licenses, and Fees	4.3%
(e)	Reinsurance Expense	1.8%
(f)	Subtotal	31.6%
(g)	Federal Taxes Payable	7.0%
(4T)	Total Deductions	38.6%
(5)	Unearned Premium Reserve Subject to Investment (3) x [1.0 - (4T)]	\$ 132,912,984
B. Delayed Remission of Premium (Agent's Balances)		
(1)	Agent's Balance or Uncollected Premium to Unearned Premium	
(a)	Average Agent's Balance	\$ 185,476,434
(b)	Direct Unearned Premium 2011 (All Lines)	\$ 502,468,432
(c)	Ratio (a) / (b)	36.9%
(d)	Direct Unearned Premium 2011 (ASLOB 4 - Homeowners)	\$ 262,435,853
(2)	Delayed Remission (1c) x (1d)	\$ 96,873,083
C. Loss and Loss Adjustment Expense Reserve		
(1)	Expected Loss and Loss Adjustment Expense Ratio	51.4%
(2)	Expected Losses and Loss Adjustment Expenses (A.1) x (C.1)	\$ 239,341,513
(3)	Percent of Mean Loss & ALAE Reserves to Incurred Loss & ALAE	
(a)	2011 Mean Loss & ALAE Reserve to Incurred Loss & ALAE Ratio	20.0%
(b)	2010 Mean Loss & ALAE Reserve to Incurred Loss & ALAE Ratio	26.6%
(c)	Average of Mean Loss Reserve to Incurred Loss Ratios 1/2 x [(a) + (b)]	23.3%
(4)	Expected Mean Loss Reserves (2) x (3c) x .958	\$ 53,383,716
D.	Net Subject to Investment	\$ 89,423,617
	(A.5) - (B.2) + (C.4)	
E.	Before Tax Rate of Return	2.5%
	[Exhibit 10, Page 2]	
F.	Average Rate of Return as a % of Direct Earned Premium	0.5%
	[(D) x (E)] / (A.1)]	
G.	Before Tax Investment Income Return (Including Surplus)	1.9%
	(F) + [(E) x (1.0/Premium to Surplus Ratio)]	
H.	After Tax Average Rate of Return as a Percent of Direct Earned Premium	
(1)	Average Federal Tax Rate on Inv. Inc. (Exhibit 10, Page 2)	33.7%
(2)	After Tax Return Generated by Investment Income (G) x [1.0 - (H.1)]	1.2%

Investment Income Calculation

Average Federal Tax Rate on Investment Income

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

Notes:

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

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

Investment Income as a Percentage of Invested Assets

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

Selected 2012 Rate of Return

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

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

By Line Explanation of Investment Income Calculation

Line A-1

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

Line A-2, A-3

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

Line A-4

Deductions for prepaid expenses:

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

Line A-4 Federal Taxes Payable

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

Line B-1

Delayed remission of premium:

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

Line B-1(c)

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

Line C-1

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

Line C-3

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

Line C-4

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

Line E

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

Line H-1

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

Complement of Credibility Calculation

	All Classes	Manufacture d Home- Byline	Manufacture d Home- Package	Rental	Seasonal- Byline
(1) Permissible Loss & LAE Ratio	0.514	0.514	0.514	0.514	0.514
(2) Proposed Renewal Effective Date	12/15/2013	12/15/2013	12/15/2013	12/15/2013	12/15/2013
(3) Effective Date of Current Rates	1/8/2013	1/8/2013	1/8/2013	1/8/2013	1/8/2013
(4) Time Period in Years $\{[(2) - (3)] / 365\}$ **	0.936	0.936	0.936	0.936	0.936
(5) Annual Premium Trend	0.4%	0.4%	0.4%	0.4%	0.4%
(6) Annual Loss Trend	2.2%	2.2%	2.2%	2.2%	2.2%
(7) Ann Loss Ratio Trend $\{[1 + (6)] / [1 + (5)] - 1\}$	1.8%	1.8%	1.8%	1.8%	1.8%
(8) Selected Trend Factor $\{[1 + (7)] ^ (4)\}$	1.017	1.017	1.017	1.017	1.017
(9) Complement of Credibility = $\{(1) * (8)\}$	0.523	0.523	0.523	0.523	0.523

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

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

Lower Bound (> x)	Right Bound (x <=)	Policy Counts	Percentage Change
Inf.	-100%	0	
-100%	-90%	0	
-90%	-80%	0	
-80%	-70%	0	
-70%	-60%	0	
-60%	-50%	0	
-50%	-45%	0	
-45%	-40%	0	
-40%	-35%	3	-36%
-35%	-30%	14	-31%
-30%	-25%	8	-29%
-25%	-20%	27	-22%
-20%	-15%	30	-18%
-15%	-10%	2	-14%
-10%	-5%	29	-6%
-5%	0%	975	-1%
0%	5%	422	1%
5%	10%	30	8%
10%	15%	551	14%
15%	20%	2,188	19%
20%	25%	2,284	23%
25%	30%	192	28%
30%	35%	0	
35%	40%	0	
40%	45%	0	
45%	50%	0	
50%	60%	0	
60%	70%	0	
70%	80%	0	
80%	90%	0	
90%	100%	0	
100%	Inf.	0	

070 Disruption Chart- With Non-Weather Claims Surcharge

Lower Bound (> x)	Right Bound (x <=)	Policy Counts	Percentage Change
Inf.	-100%	0	
-100%	-90%	0	
-90%	-80%	0	
-80%	-70%	0	
-70%	-60%	0	
-60%	-50%	0	
-50%	-45%	0	
-45%	-40%	0	
-40%	-35%	3	-36%
-35%	-30%	14	-31%
-30%	-25%	8	-29%
-25%	-20%	26	-22%
-20%	-15%	28	-18%
-15%	-10%	2	-14%
-10%	-5%	29	-6%
-5%	0%	933	-1%
0%	5%	409	1%
5%	10%	29	8%
10%	15%	528	14%
15%	20%	2,124	18%
20%	25%	2,174	23%
25%	30%	189	28%
30%	35%	0	
35%	40%	5	38%
40%	45%	25	43%
45%	50%	91	49%
50%	60%	138	54%
60%	70%	0	
70%	80%	0	
80%	90%	0	
90%	100%	0	
100%	Inf.	0	

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

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

The overall impact of these changes is +17%. Please note the maximum increase to any one insured would be 59.7%; this is including the proposed non weather claims surcharging. The maximum increase not including the non weather claims surcharge would be 29.5%. Per Becky Harrington's conversation with Steve Mackie in June 2013, we are providing two disruption charts; with the surcharge and without the surcharge as support.

We are requesting these changes be made effective 02/11/14 for new business and 03/13/14 for renewal business.

ELIGIBILITY AND COVERAGES

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

TERRITORY DEFINITIONS

- We have removed Ashley County from Territory 51. Ashley County will now be included in Territory 50, Remainder of State

DEDUCTIBLES

- We will now offer a \$250 All Other Peril Deductible for the Tenant Program. The \$250 All Peril Deductible will now be available for renewal business only

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

- We have revised base rates for Owner/Seasonal Byline and Owner Package programs

- We have revised Age of Insured bands for Owner/Seasonal Byline and Owner Package programs (added “Unknown” in 18 – 34 band)
- We have revised our Age of Home relativities for Owner and Seasonal Byline and Owner Package Programs
- We have revised the Manufactured Home, Other Structures, and Personal Property rates for Rental/Commercial programs
- We have revised rates for the Tenant program

Surcharges and Discounts

- We have added an Inspection Fee Surcharge (New Business Only)
- We have added a Non Weather Claim Count Surcharge

Derivation of Retained Risk Load

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	
Layer	Limit	Retention	CW Hypothetical Premium	Hypothetical Reinstatement Premium	CW All Perils Expected Retained Loss*	Reinsurer/Broker Transaction Costs and General Expenses	Marginal Risk Load/Profit Percent	
							1 - [(5)+(6)]/[(3)+(4)]	
1	20,000,000	20,000,000	10,215,857	3,556,515	9,100,580	1,505,887	23.0%	
2	20,000,000	40,000,000	8,162,857	1,823,872	5,481,792	1,152,365	33.6%	
3	40,000,000	60,000,000	12,762,635	1,777,415	6,537,573	1,748,013	43.0%	
Total			31,141,349	7,157,802	21,119,944	4,406,265	33.4%	[c]
						Countrywide 2012 Hypothetical Reinsurance Premium:	31,141,349	(1)
						Estimated Hypothetical Reinstatement Premium:	7,157,802	(2)
						Total Hypothetical Reinsurance Premium:	38,299,151	[a]=(1)+(2)
						CW All Perils Expected Retained Loss:	21,119,944	(3)
						Reinsurer/Broker Transaction Costs and General Expenses:	4,406,265	(4)
						Total Hypothetical Ceded Loss and Reinsurer/Broker Expenses:	25,526,209	[b]=(3)+(4)
						Hypothetical Risk Load/Profit Margin:	33.4%	[c]=1 - [b]/[a]
						AR AFH Manufactured Home Standard Allocated Retained Risk Expense:	27,257	[d]
						AR AFH Manufactured Home Standard In Force Premium:	10,612,494	[e]
						AR AFH Manufactured Home Standard Final Retained Risk Load:	0.3%	[f]=[d]/[e]

*Modeled using RMS v.11 LT Adjusted for LAE, Flood & Non Modeled Products

American Modern is utilizing a load to cover the risk of exposing its capital to large catastrophic events. The retained risk load (RRL) is intended to provide appropriate compensation to American Modern relative to its retained, high-layer catastrophic risk.

The procedure used to develop the retained risk load consists of identifying the portion of catastrophic losses that will be retained by American Modern and then estimating the cost to American Modern of holding the capital required to pay such losses. The 2012 reinsurance program requires American Modern to retain the first \$100 million of hurricane losses. Accordingly, we have chosen to define retained catastrophic losses as those in the \$80 million x \$20 million layer. The selection of \$20 million considers our historical level of reinsurance retention, and is consistent with the return on equity and premium to surplus ratio selections used in the calculation of the profit provision. The retained losses in this layer were modeled using RMS v.11 LT modeling, adjusted for LAE, Flood and Non-modeled products and are shown as Item (3), above.

Once the retained losses for this layer have been determined, we calculate the appropriate compensation for exposure to such losses by using a hypothetical reinsurance policy. Our goal is to determine the amount of premium a reinsurer would charge for a risk load and profit on this policy. Our Reinsurance Broker provided a "technical" price for this layer of reinsurance and one reinstatement (Items (1) and (2)), as well as an estimate of the transaction costs (for both the broker and reinsurer) and reinsurer general expenses (Item (4)). The difference between the cost of the hypothetical reinsurance policy (Item [a]) and the sum of the expected retained loss for these layers and the hypothetical transaction costs and general expenses (Item [b]) represents the reinsurer's risk load and profit provisions.

The resulting risk load and profit dollars are allocated to product, program, state and company based upon each segment's contribution to the total hypothetical recoverable losses. These allocated risk load/profit dollars are then compared to the corresponding premium to determine the risk load as a ratio.

Derivation of Retained Risk Load

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	
Layer	Limit	Retention	CW Hypothetical Premium	Hypothetical Reinstatement Premium	CW All Perils Expected Retained Loss*	Reinsurer/Broker Transaction Costs and General Expenses	Marginal Risk Load/Profit Percent	1 - [(5)+(6)]/[(3)+(4)]
1	20,000,000	20,000,000	10,215,857	3,556,515	9,100,580	1,505,887	23.0%	
2	20,000,000	40,000,000	8,162,857	1,823,872	5,481,792	1,152,365	33.6%	
3	40,000,000	60,000,000	12,762,635	1,777,415	6,537,573	1,748,013	43.0%	
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			Countrywide 2012 Hypothetical Reinsurance Premium:			31,141,349	(1)	
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			Total Hypothetical Reinsurance Premium:			38,299,151	[a]=(1)+(2)	
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						Hypothetical Risk Load/Profit Margin:	33.4%	[c]=1 - [b]/[a]
			AR AFH Manufactured Home Standard Allocated Retained Risk Expense:			27,257	[d]	
			AR AFH Manufactured Home Standard In Force Premium:			10,612,494	[e]	
			AR AFH Manufactured Home Standard Final Retained Risk Load:			0.3%	[f]=[d]/[e]	

*Modeled using RMS v.11 LT Adjusted for LAE, Flood & Non Modeled Products

American Modern is utilizing a load to cover the risk of exposing its capital to large catastrophic events. The retained risk load (RRL) is intended to provide appropriate compensation to American Modern relative to its retained, high-layer catastrophic risk.

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The resulting risk load and profit dollars are allocated to product, program, state and company based upon each segment's contribution to the total hypothetical recoverable losses. These allocated risk load/profit dollars are then compared to the corresponding premium to determine the risk load as a ratio.

American Family Home Insurance Company
State of Arkansas
Mobile Home Standard

Introduction of Claims Surcharge

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

The following surcharges will be used:

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

The Claims Surcharge will not be applied to optional coverages.

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

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

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

**Mobile Home Standard
Determination of Revised Rating Relativities**

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

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

Age of Insured

Insured Age	CW Modeled Exposures	AR AFH/070 2013 Written Premium	Final Adjusted Model	Indicated Relativity	Current Relativity	Proposed Relativity	Rebased Impact
18 -34; Unknown	0.85%	648,241	1.12	1.12	1.05	1.05	0.0%
35 - 49	44.61%	2,081,689	1.00	1.00	1.00	1.00	0.0%
50 - 64	21.98%	2,207,352	0.93	0.93	0.93	0.93	0.0%
65 +	32.56%	1,706,541	0.84	0.84	0.89	0.89	0.0%
Total	100%	6,643,823					0.0%

Age of Unit

Unit Age	CW Modeled Exposures	AR AFH/070 2013 Written Premium	Final Adjusted Model	Indicated Relativity	Current Relativity	Proposed Relativity	Rebased Impact
New - 1	7.41%	404,907	0.80	0.80	0.83	0.80	-3.2%
2 - 3	6.65%	559,089	0.85	0.85	0.89	0.85	-3.5%
4 - 5	7.67%	591,268	0.93	0.93	0.92	0.90	-0.3%
6 - 10	30.55%	1,554,637	1.00	1.00	1.00	1.00	2.6%
11 - 15	17.13%	2,114,591	1.19	1.19	1.09	1.12	3.5%
16 - 20	7.91%	1,119,957	1.31	1.31	1.22	1.24	-4.0%
21 +	22.67%	299,374	1.34	1.34	1.22	1.30	2.1%
Total	100%	6,643,823					0.0%

State: Arkansas
TOI/Sub-TOI: 04.0 Homeowners/04.0002 Mobile Homeowners
Product Name: Manufactured Home Program
Project Name/Number: Rate/Rule filing/20130506-14

Filing Company: American Family Home Insurance Company

Superseded Schedule Items

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

Creation Date	Schedule Item Status	Schedule	Schedule Item Name	Replacement Creation Date	Attached Document(s)
10/30/2013		Supporting Document	NAIC loss cost data entry document	11/04/2013	F319AR_NAIC Loss Cost Data Entry Doc- 070- Revised.pdf (Superseded)
10/30/2013		Rate	AR070MH	11/04/2013	Page PR-1.pdf (Superseded) Page RR-1.pdf
10/15/2013		Rate	AR070MH	10/30/2013	AR070MH-A.pdf (Superseded) AR070MH-B_deductible page.pdf (Superseded)
10/15/2013		Supporting Document	indications	10/30/2013	MH Std 070_AR_1Q13.pdf (Superseded)
10/11/2013		Rate	AR070MH	10/15/2013	AR070MH-A.pdf
10/09/2013		Supporting Document	indications	10/15/2013	MH Std 070_AR_1Q13.pdf
10/09/2013		Supporting Document	NAIC loss cost data entry document	10/30/2013	NAIC Loss Cost Data Entry Doc-070.pdf (Superseded)

NAIC LOSS COST DATA ENTRY DOCUMENT

1.	This filing transmittal is part of Company Tracking #	20130506-14
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2.	If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number	n/a
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Company Name		Company NAIC Number		
3.	A.	American Family Home Insurance Company	B.	361-23469

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

5.			FOR LOSS COSTS ONLY				
(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
10101	24.4	18.0					
10111	-3.9	-0.5					
10301	0.4	0.4					
10511	24.8	11.8					
TOTAL OVERALL EFFECT	21.5	14.9					

6.		5 Year History	Rate Change History				
Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
2012	9,062	10.0%	1/8/13	9,812,175	4,581,644	55.4%	46.7%
2011	11,950	6.0%	10/1/11	10,291,455	9,525,706	92.6%	70.4%
2010	12,525	12.0%	10/1/10	9,668,830	5,554,036	57.4%	48.7%
2009	12,842	14.3%	6/1/09	8,956,335	7,537,287	84.2%	53.6%
2008	13,669	0.0	-	8,712,841	7,983,995	91.6%	78.8%

7.	
Expense Constants	Selected Provisions
A. Total Production Expense	23.1%
B. General Expense	8.5%
C. Taxes, License & Fees	4.3%
D. Underwriting Profit & Contingencies	11.2%
E. Other (explain)	1.8% (reins)
F. TOTAL	48.9%

- 8.** _____ Apply Lost Cost Factors to Future filings? (Y or N)
- 9.** _____ Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): 26.6%
- 10.** _____ Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): -36.9%

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

OWNER PACKAGE RATES

Owner Package Manufactured Home

Comprehensive Risk Including Flood and Earthquake

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

Coverage	Flat Base Rate	Min Rate Value	Min Val Accept	UVRC Code	Cov Relativity
Package	\$829.00	\$7,000	\$1,000	JL	1.000

OWNER AND SEASONAL PAGE RATING FACTORS

Territory	Factor
50	1.00
51	1.48

Location	Factor
In Park	1.000
Out of Park	1.060

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

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

Age of Insured	Factor
18 - 34 Unknown	1.050
35 - 49	1.000
50 - 64	0.930
65 +	0.890

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

ELIGIBILITY AND COVERAGES

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

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

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

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

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

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

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

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

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

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

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

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

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

TERRITORY DEFINITION

Unless otherwise indicated, the rates and/or premiums apply to the entire state.

Territory 50	Territory 51
Remainder of State	Chicot
	Clay
	Crittenden
	Cross
	Desha
	Greene
	Jackson
	Lawrence
	Lee
	Mississippi
	Phillips
	Poinsett
	Randolph
	St. Francis
	Woodruff

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

DEDUCTIBLES

The Deductible is applicable per home, per loss occurrence

Owner Byline, Owner Package, and Seasonal Byline Programs

Comprehensive Coverage Including Flood and Earthquake

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

- \$500 All Other Peril Deductible
- Earthquake Deductible which is 10% of the total amount of insurance per coverage with a minimum of \$1,000.

Optional Deductibles

The deductible may be changed by applying the following premiums.

The change in deductible does not apply to the Earthquake deductible.

<u>Deductible</u>	<u>Premium</u>
\$250	\$25.00
\$500	Included
\$750	(\$30.00)
\$1,000	(\$40.00)
\$1,000 Wind/Hail* (5Y)	(\$30.00)

Tenant Program

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

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

Rental Programs

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

- Multiple Deductible options as shown on the rate page
- Earthquake Deductible which is 10% of the total amount of insurance per coverage with a minimum of \$1,000.

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

OWNER AND SEASONAL BYLINE RATES

Comprehensive Including Flood and Earthquake

Coverage	Flat Base Rate	Min Rate Value	Min Val Accept	UVRC Code	Cov Relativity
Owner Byline	\$463.00	\$5,000	\$1,000	JL	1.000
Seasonal Byline	\$511.00	\$5,000	\$1,000	JL	1.000

OWNER AND SEASONAL BYLINE RATING FACTORS

Territory	Factor
50	1.00
51	1.48

Location	Factor
In Park	1.000
Out of Park	1.060

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

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

Age of Insured	Factor
18 - 34 Unknown	1.050
35 - 49	1.000
50 - 64	0.930
65 +	0.890

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

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

OWNER PACKAGE RATES

Owner Package Manufactured Home

Comprehensive Risk Including Flood and Earthquake

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

Coverage	Flat Base Rate	Min Rate Value	Min Val Accept	UVRC Code	Cov Relativity
Package	\$847.00	\$7,000	\$1,000	JL	1.000

OWNER AND SEASONAL PAGE RATING FACTORS

Territory	Factor
50	1.00
51	1.48

Location	Factor
In Park	1.000
Out of Park	1.060

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

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

Age of Insured	Factor
18 - 34 Unknown	1.050
35 - 49	1.000
50 - 64	0.930
65 +	0.890

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

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

RENTAL/COMMERCIAL RATES

Coverage: Comprehensive - Including Flood and Earthquake
 Rate: Rates shown are for \$100 of coverage or any part thereof:

Deductible	Coverage For:	Territory 50	Territory 51
\$250 *Maximum Per Occurrence Deductible \$2,500	Manufactured Home	\$2.53	\$3.53
	Other Structures	\$2.03	\$2.83
	Personal Property	\$2.03	\$2.83
\$500 *Maximum Per Occurrence Deductible \$5,000	Manufactured Home	\$2.27	\$3.17
	Other Structures	\$1.82	\$2.54
	Personal Property	\$1.82	\$2.54
\$1000 *Maximum Per Occurrence Deductible \$10,000	Manufactured Home	\$1.86	\$2.60
	Other Structures	\$1.49	\$2.09
	Personal Property	\$1.49	\$2.09
\$2500 *Maximum Per Occurrence Deductible \$25,000	Manufactured Home	\$1.33	\$1.86
	Other Structures	\$1.06	\$1.49
	Personal Property	\$1.06	\$1.49

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

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

TENANT RATES

Personal Property Coverage
Named Perils including Burglary

Personal Property Coverage Amount	Territory 50	Territory 51
\$5,000	\$180.00	\$180.00
For each additional \$1,000 or any part thereof, add:	\$14.40	\$14.40

* \$50,000 maximum Personal Property Coverage

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

SURCHARGES & DISCOUNTS

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

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

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

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

DEDUCTIBLES

The Deductible is applicable per home, per loss occurrence

Owner Byline, Owner Package, and Seasonal Byline Programs

Comprehensive Coverage Including Flood and Earthquake

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

- \$500 All Other Peril Deductible
- Earthquake Deductible which is 10% of the total amount of insurance per coverage with a minimum of \$1,000.

Optional Deductibles

The deductible may be changed by applying the following premiums.

The change in deductible does not apply to the Earthquake deductible.

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

Tenant Program

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

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

Rental Programs

The rates and/or premium shown herein for all coverage on manufactured homes, personal

- Multiple Deductible options as shown on the rate page
- Earthquake Deductible which is 10% of the total amount of insurance per coverage with a minimum of \$1,000.

Owner Byline, Seasonal Byline, and Rental/Commercial Optional Deductible *

The deductible may be changed by applying the following premiums.

The change in deductible applies only to wind and/or hail peril.

<u>Deductible</u>	<u>Premium</u>
\$1,000	-\$30.00

* The \$1,000 Wind/Hail Deductible should not apply to programs with an all other peril deductible

American Family Home Insurance Company
Arkansas
Manufactured Home Standard

Exhibit 1
Page 1

Proposed Effective Date: 12/15/2013

<u>Class</u>	<u>Premium in Force at 3/31/2013</u>	<u>Premium in Force Distribution</u>	<u>Indication</u>
Manufactured Home-Byline	\$961,496	12.8%	-3.8%
Manufactured Home-Package	\$6,289,711	83.5%	25.0%
Rental	\$208,044	2.8%	0.6%
Seasonal-Byline	\$73,687	1.0%	25.0%
All Classes	\$7,532,938	100.0%	22.0%

Explanatory Memorandum

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

Assumptions and Methodologies

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

Explanatory Memorandum

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

Explanatory Memorandum

7. The Permissible Loss and LAE Ratio Fixed Expense Ratio and Variable Permissible Loss Ratio Calculations may be found in Exhibit 9. This calculation includes determination of a profit provision.
 - a. The derivation of the Pre-Paid Commissions and Taxes, Licenses and Fees may be found at the bottom of this exhibit. Other Acquisition and General Expenses are based on Countrywide, Company Data for the Program being evaluated. The Reinsurance Expense is designed to cover the cost of our catastrophe and excess of loss experience contracts. It is a net provision determined by reinsurance premium minus estimated reinsurance recoveries.
 - b. Beginning in mid-2012, a Retained Risk Load is being introduced to account for the risk of expected catastrophic losses that are not covered by the reinsurance program. As reinsurance costs have risen, American Modern's catastrophe retention level has increased significantly, necessitating the inclusion of this load.
 - c. The Profit Provision is based on a 15% Targeted After Tax Return on Equity and a 1.8:1 Targeted Premium to Surplus Ratio.
 - d. Return on Investment Income is based on the Clifford/Sterling Formula. This calculation, and an explanation of the calculation, may be found in Exhibit 10.
8. The Complement of Credibility is the Trended Permissible Loss Ratio. A Loss Ratio Trend is determined based on the prospective premium and loss trends. A time exponent based on the time from our last revision to the proposed effective date, capped at 1 years, is applied. Exhibit 11 contains the calculations.
9. Credibility is based on the square root rule, with full credibility at 40000 Earned Exposures.
10. The Credibility Weighted Loss and LAE Ratio is calculated by credibility weighting the Weighted Experience Loss & LAE Ratio and the Complement of Credibility - Trended Permissible.
11. The Indicated Rate Level Change is calculated as the $((\text{Credibility Weighted Loss \& LAE Ratio} + \text{Fixed Expense Ratio}) / \text{Variable Expense Ratio}) - 1$

American Family Home Insurance Company
Arkansas
Manufactured Home Standard
All Classes

Exhibit 2
Page 1

Rate Level Indications

	Accident Year Ending				
	3/31/2009	3/31/2010	3/31/2011	3/31/2012	3/31/2013
(1) Earned Exposures	13,552	13,074	12,659	12,114	9,912
(2) Earned Premium	8,840,146	9,071,365	9,819,247	10,423,970	9,189,814
(3) Rate Level Adjustment Factor	1.299	1.298	1.279	1.176	1.107
(4) Current Level Earned Premium	11,485,815	11,773,787	12,563,351	12,255,512	10,171,302
(5) Premium Trend Factor	1.201	1.154	1.108	1.065	1.023
(6) Trended Current Level Earned Premium	13,794,464	13,586,950	13,920,192	13,052,120	10,405,242
(7) Total Incurred Losses & ALAE	7,389,862	6,958,546	5,113,797	9,790,349	4,281,129
(8) Catastrophe Incurred Losses and ALAE	2,399,861	920,587	913,089	3,419,199	65,587
(9) IL & ALAE Excl Cat	4,990,001	6,037,959	4,200,708	6,371,150	4,215,542
(10) Incurred Loss & ALAE Trend Factor	1.568	1.421	1.289	1.168	1.059
(11) Incurred Loss & ALAE Development Factor	0.999	0.997	0.994	0.992	1.012
(12) ULAE Factor (to IL & ALAE)	1.011	1.011	1.011	1.011	1.011
(13) Trended Adjusted IL & LAE Excl Cat	7,902,478	8,648,296	5,441,429	7,463,173	4,567,526
(14) Catastrophe Factor	0.241	0.241	0.241	0.241	0.241
(15) Trended Adjusted Cat Incurred Loss & LAE	1,904,497	2,084,239	1,311,384	1,798,625	1,100,774
(16) Total Trended Adjusted Incurred Loss & LAE	9,806,975	10,732,535	6,752,813	9,261,798	5,668,300
(17) Adjusted Loss & LAE Ratio *	0.711	0.790	0.485	0.710	0.545
(18) Accident Year Weights	0.10	0.15	0.20	0.25	0.30
(19) Non-Catastrophe Reported Claim Counts	1,326	1,611	1,101	1,483	1,061
(20) Weighted Experience Loss & LAE Ratio					0.628
(21) Permissible Loss & LAE Ratio					0.511
(22) Fixed Expense Ratio					0.021
(23) Variable Expense Ratio					0.468
(24) Complement of Credibility - Trended Permissible					0.520
(25) Credibility (Square Root Rule, Full Credibility = 40000 Earned Exposures)					1.000
(26) Credibility Weighted Loss & LAE Ratio					0.628
(27) Credibility Weighted Indicated Rate Level Change					22.0%

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

Exhibit 2
Page 2

Rate Level Indications

	Accident Year Ending				
	3/31/2009	3/31/2010	3/31/2011	3/31/2012	3/31/2013
(1) Earned Exposures	2,253	1,779	1,564	1,402	1,251
(2) Earned Premium	1,395,214	1,184,343	1,126,779	1,115,565	1,030,262
(3) Rate Level Adjustment Factor	1.166	1.141	1.091	1.011	0.996
(4) Current Level Earned Premium	1,626,476	1,351,792	1,228,863	1,127,522	1,026,236
(5) Premium Trend Factor	1.201	1.154	1.108	1.065	1.023
(6) Trended Current Level Earned Premium	1,953,397	1,559,967	1,361,580	1,200,811	1,049,840
(7) Total Incurred Losses & ALAE	835,873	536,633	409,066	739,032	199,031
(8) Catastrophe Incurred Losses and ALAE	279,732	61,274	55,467	205,846	4,827
(9) IL & ALAE Excl Cat	556,141	475,359	353,599	533,186	194,204
(10) Incurred Loss & ALAE Trend Factor	1.568	1.421	1.289	1.168	1.059
(11) Incurred Loss & ALAE Development Factor	0.999	0.997	0.994	0.992	1.012
(12) ULAE Factor (to IL & ALAE)	1.011	1.011	1.011	1.011	1.011
(13) Trended Adjusted IL & LAE Excl Cat	880,740	680,867	458,038	624,574	210,419
(14) Catastrophe Factor	0.241	0.241	0.241	0.241	0.241
(15) Trended Adjusted Cat Incurred Loss & LAE	212,258	164,089	110,387	150,522	50,711
(16) Total Trended Adjusted Incurred Loss & LAE	1,092,998	844,956	568,425	775,096	261,130
(17) Adjusted Loss & LAE Ratio *	0.560	0.542	0.417	0.645	0.249
(18) Accident Year Weights	0.10	0.15	0.20	0.25	0.30
(19) Non-Catastrophe Reported Claim Counts	191	151	135	169	101
(20) Weighted Experience Loss & LAE Ratio					0.457
(21) Permissible Loss & LAE Ratio					0.511
(22) Fixed Expense Ratio					0.021
(23) Variable Expense Ratio					0.468
(24) Complement of Credibility - Trended Permissible					0.520
(25) Credibility (Square Root Rule, Full Credibility = 40000 Earned Exposures)					0.454
(26) Credibility Weighted Loss & LAE Ratio					0.491
(27) Credibility Weighted Indicated Rate Level Change					-3.8%

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

Exhibit 2
Page 3

Rate Level Indications

	Accident Year Ending				
	3/31/2009	3/31/2010	3/31/2011	3/31/2012	3/31/2013
(1) Earned Exposures	10,686	10,649	10,454	10,032	8,039
(2) Earned Premium	7,145,133	7,572,524	8,360,626	8,964,682	7,838,611
(3) Rate Level Adjustment Factor	1.336	1.333	1.315	1.202	1.125
(4) Current Level Earned Premium	9,547,645	10,096,863	10,993,671	10,775,390	8,819,992
(5) Premium Trend Factor	1.201	1.154	1.108	1.065	1.023
(6) Trended Current Level Earned Premium	11,466,721	11,651,780	12,180,988	11,475,790	9,022,852
(7) Total Incurred Losses & ALAE	6,280,846	6,325,845	4,605,585	8,510,504	3,944,553
(8) Catastrophe Incurred Losses and ALAE	2,086,362	822,658	849,827	3,029,474	57,956
(9) IL & ALAE Excl Cat	4,194,484	5,503,187	3,755,758	5,481,031	3,886,597
(10) Incurred Loss & ALAE Trend Factor	1.568	1.421	1.289	1.168	1.059
(11) Incurred Loss & ALAE Development Factor	0.999	0.997	0.994	0.992	1.012
(12) ULAE Factor (to IL & ALAE)	1.011	1.011	1.011	1.011	1.011
(13) Trended Adjusted IL & LAE Excl Cat	6,642,648	7,882,331	4,865,059	6,420,486	4,211,115
(14) Catastrophe Factor	0.241	0.241	0.241	0.241	0.241
(15) Trended Adjusted Cat Incurred Loss & LAE	1,600,878	1,899,642	1,172,479	1,547,337	1,014,879
(16) Total Trended Adjusted Incurred Loss & LAE	8,243,526	9,781,973	6,037,538	7,967,823	5,225,994
(17) Adjusted Loss & LAE Ratio *	0.719	0.840	0.496	0.694	0.579
(18) Accident Year Weights	0.10	0.15	0.20	0.25	0.30
(19) Non-Catastrophe Reported Claim Counts	1,101	1,425	941	1,274	923
(20) Weighted Experience Loss & LAE Ratio					0.644
(21) Permissible Loss & LAE Ratio					0.511
(22) Fixed Expense Ratio					0.021
(23) Variable Expense Ratio					0.468
(24) Complement of Credibility - Trended Permissible					0.520
(25) Credibility (Square Root Rule, Full Credibility = 40000 Earned Exposures)					1.000
(26) Credibility Weighted Loss & LAE Ratio					0.644
(27) Credibility Weighted Indicated Rate Level Change					25.0%

American Family Home Insurance Company
Arkansas
Manufactured Home Standard
Rental

Exhibit 2
Page 4

Rate Level Indications

	Accident Year Ending				
	3/31/2009	3/31/2010	3/31/2011	3/31/2012	3/31/2013
(1) Earned Exposures	503	535	527	555	507
(2) Earned Premium	235,059	247,984	258,396	260,205	237,873
(3) Rate Level Adjustment Factor	1.014	1.014	1.014	1.014	1.014
(4) Current Level Earned Premium	238,350	251,455	262,014	263,848	241,131
(5) Premium Trend Factor	1.201	1.154	1.108	1.065	1.023
(6) Trended Current Level Earned Premium	286,258	290,180	290,311	280,998	246,677
(7) Total Incurred Losses & ALAE	112,885	87,192	65,852	234,334	120,268
(8) Catastrophe Incurred Losses and ALAE	31,883	34,475	-	137,077	2,804
(9) IL & ALAE Excl Cat	81,001	52,717	65,852	97,257	117,464
(10) Incurred Loss & ALAE Trend Factor	1.568	1.421	1.289	1.168	1.059
(11) Incurred Loss & ALAE Development Factor	0.999	0.997	0.994	0.992	1.012
(12) ULAE Factor (to IL & ALAE)	1.011	1.011	1.011	1.011	1.011
(13) Trended Adjusted IL & LAE Excl Cat	128,279	75,507	85,302	113,927	127,272
(14) Catastrophe Factor	0.241	0.241	0.241	0.241	0.241
(15) Trended Adjusted Cat Incurred Loss & LAE	30,915	18,197	20,558	27,456	30,673
(16) Total Trended Adjusted Incurred Loss & LAE	159,194	93,704	105,860	141,383	157,945
(17) Adjusted Loss & LAE Ratio *	0.556	0.323	0.365	0.503	0.640
(18) Accident Year Weights	0.10	0.15	0.20	0.25	0.30
(19) Non-Catastrophe Reported Claim Counts	22	26	15	28	27
(20) Weighted Experience Loss & LAE Ratio					0.495
(21) Permissible Loss & LAE Ratio					0.511
(22) Fixed Expense Ratio					0.021
(23) Variable Expense Ratio					0.468
(24) Complement of Credibility - Trended Permissible					0.520
(25) Credibility (Square Root Rule, Full Credibility = 40000 Earned Exposures)					0.256
(26) Credibility Weighted Loss & LAE Ratio					0.514
(27) Credibility Weighted Indicated Rate Level Change					0.6%

**American Family Home Insurance Company
Arkansas
Manufactured Home Standard
Seasonal-Byline**

**Exhibit 2
Page 5**

Rate Level Indications

	Accident Year Ending				
	3/31/2009	3/31/2010	3/31/2011	3/31/2012	3/31/2013
(1) Earned Exposures	108	107	110	123	114
(2) Earned Premium	64,176	65,951	72,813	82,980	82,909
(3) Rate Level Adjustment Factor	1.134	1.109	1.074	1.063	1.011
(4) Current Level Earned Premium	72,780	73,112	78,170	88,213	83,784
(5) Premium Trend Factor	1.201	1.154	1.108	1.065	1.023
(6) Trended Current Level Earned Premium	87,409	84,371	86,612	93,947	85,711
(7) Total Incurred Losses & ALAE	160,258	8,877	33,294	306,479	17,277
(8) Catastrophe Incurred Losses and ALAE	1,884	2,181	7,794	46,803	-
(9) IL & ALAE Excl Cat	158,374	6,696	25,500	259,677	17,277
(10) Incurred Loss & ALAE Trend Factor	1.568	1.421	1.289	1.168	1.059
(11) Incurred Loss & ALAE Development Factor	0.999	0.997	0.994	0.992	1.012
(12) ULAE Factor (to IL & ALAE)	1.011	1.011	1.011	1.011	1.011
(13) Trended Adjusted IL & LAE Excl Cat	250,812	9,591	33,031	304,186	18,719
(14) Catastrophe Factor	0.241	0.241	0.241	0.241	0.241
(15) Trended Adjusted Cat Incurred Loss & LAE	60,446	2,311	7,961	73,309	4,511
(16) Total Trended Adjusted Incurred Loss & LAE	311,258	11,902	40,992	377,495	23,230
(17) Adjusted Loss & LAE Ratio *	3.561	0.141	0.473	4.018	0.271
(18) Accident Year Weights	0.10	0.15	0.20	0.25	0.30
(19) Non-Catastrophe Reported Claim Counts	12	9	10	12	10
(20) Weighted Experience Loss & LAE Ratio					1.558
(21) Permissible Loss & LAE Ratio					0.511
(22) Fixed Expense Ratio					0.021
(23) Variable Expense Ratio					0.468
(24) Complement of Credibility - Trended Permissible					0.520
(25) Credibility (Square Root Rule, Full Credibility = 40000 Earned Exposures)					0.119
(26) Credibility Weighted Loss & LAE Ratio					0.644
(27) Credibility Weighted Indicated Rate Level Change					25.0%

American Family Home Insurance Company
Arkansas
Manufactured Home Standard
All Classes

Exhibit 3

Rate History

Rates Changes by Class

Effective Date	All Classes	Manufacture d Home- Byline	Manufacture d Home- Package	Rental	Seasonal- Byline
1/8/2013	10.0%	-0.4%	11.6%	1.4%	0.0%
10/1/2011	6.0%	0.0%	6.9%	0.0%	7.2%
10/1/2010	12.0%	10.7%	12.7%	0.0%	0.0%
6/1/2009	7.8%	5.2%	8.5%	0.0%	5.1%
4/1/2008	0.0%	0.0%	0.0%	0.0%	0.0%
9/1/2007	4.4%	4.5%	4.5%	0.0%	6.3%

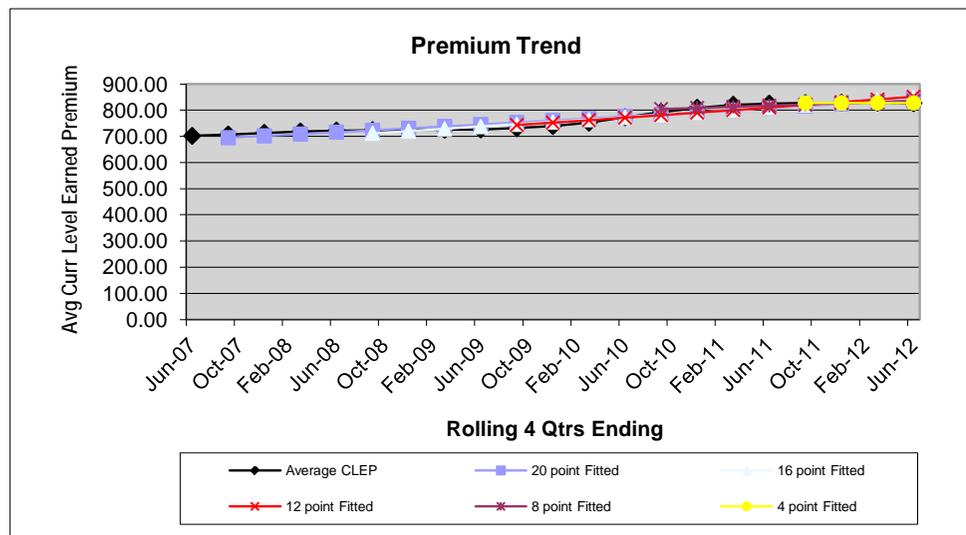
Rate Level Adjustment Factor

Accident Year Ending	All Classes	Manufacture d Home- Byline	Manufacture d Home- Package	Rental	Seasonal- Byline
3/31/2009	1.299	1.166	1.336	1.014	1.134
3/31/2010	1.298	1.141	1.333	1.014	1.109
3/31/2011	1.279	1.091	1.315	1.014	1.074
3/31/2012	1.176	1.011	1.202	1.014	1.063
3/31/2013	1.107	0.996	1.125	1.014	1.011

Premium Trend

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

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



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

Loss Trend

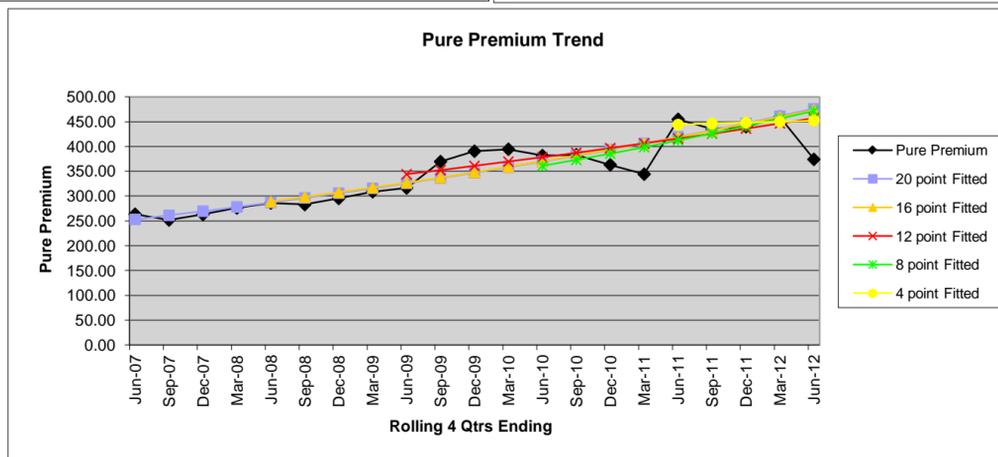
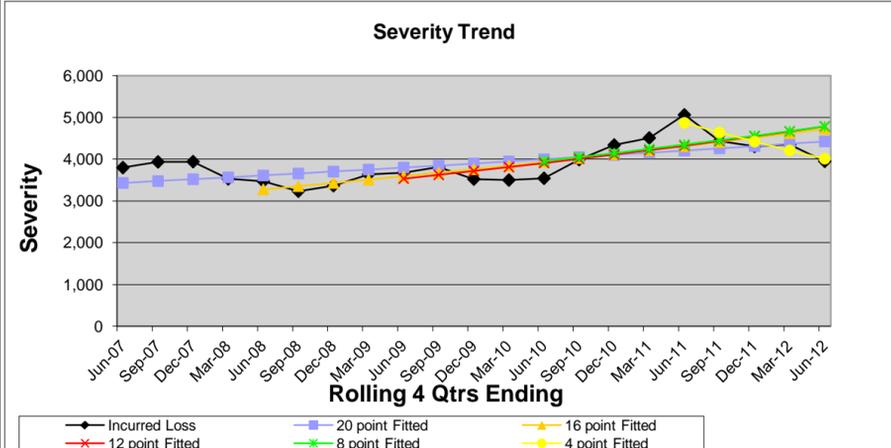
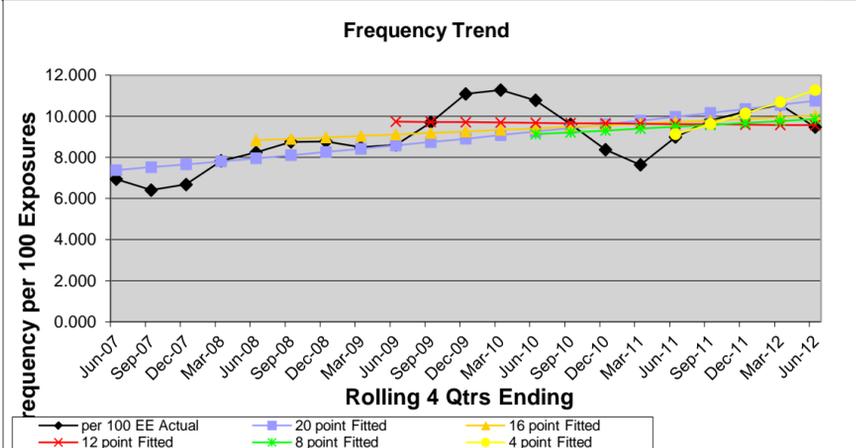
Loss Trend Based on Arkansas - American Modern Insurance Group Data Excluding Catastrophe Losses

Accident Period 4 Qtrs Ending	Ultimate Reported Claim Counts	Ultimate Non-Cat Incurred Loss & ALAE	Earned Exposures	Frequency					Severity					
				Frequency per 100 EE Actual	20 point Fitted	16 point Fitted	12 point Fitted	8 point Fitted	4 point Fitted	Average Incurred Loss	20 point Fitted	16 point Fitted	12 point Fitted	8 point Fitted
6/30/2007	1,860	7,061,277	26,798	6.940	7.380					3,797	3,430			
9/30/2007	1,722	6,773,059	26,884	6.405	7.521					3,933	3,474			
12/31/2007	1,798	7,083,636	26,933	6.677	7.664					3,939	3,519			
3/31/2008	2,112	7,451,240	26,978	7.829	7.809					3,528	3,564			
6/30/2008	2,231	7,745,304	27,079	8.237	7.958	8.826				3,472	3,609	3,276		
9/30/2008	2,384	7,706,854	27,234	8.754	8.109	8.897				3,233	3,655	3,352		
12/31/2008	2,403	8,089,016	27,385	8.776	8.263	8.968				3,366	3,702	3,430		
3/31/2009	2,337	8,496,252	27,515	8.492	8.420	9.040				3,636	3,750	3,509		
6/30/2009	2,372	8,719,086	27,557	8.608	8.580	9.113	9.740			3,676	3,798	3,590	3,533	
9/30/2009	2,665	10,143,888	27,449	9.708	8.744	9.186	9.725			3,807	3,846	3,673	3,623	
12/31/2009	3,027	10,660,454	27,297	11.087	8.910	9.260	9.710			3,522	3,895	3,758	3,716	
3/31/2010	3,062	10,715,061	27,160	11.274	9.079	9.335	9.696			3,499	3,945	3,845	3,811	
6/30/2010	2,924	10,354,770	27,128	10.778	9.252	9.410	9.681	9.127		3,541	3,996	3,934	3,908	3,952
9/30/2010	2,620	10,450,770	27,270	9.608	9.428	9.485	9.666	9.215		3,989	4,047	4,025	4,008	4,048
12/31/2010	2,308	10,011,510	27,563	8.374	9.607	9.562	9.652	9.305		4,338	4,099	4,119	4,110	4,145
3/31/2011	2,129	9,594,437	27,876	7.638	9.790	9.639	9.637	9.395		4,506	4,151	4,214	4,215	4,245
6/30/2011	2,532	12,810,354	28,171	8.990	9.976	9.716	9.622	9.487	9.127	5,059	4,204	4,312	4,323	4,347
9/30/2011	2,785	12,353,034	28,404	9.807	10.165	9.794	9.608	9.579	9.623	4,435	4,258	4,411	4,433	4,451
12/31/2011	2,911	12,527,546	28,474	10.224	10.359	9.873	9.593	9.672	10.145	4,303	4,312	4,513	4,546	4,558
3/31/2012	3,000	13,041,909	28,373	10.573	10.556	9.952	9.579	9.766	10.695	4,347	4,368	4,618	4,663	4,629
6/30/2012	2,651	10,464,653	27,976	9.475	10.756	10.032	9.564	9.861	11.276	3,948	4,423	4,725	4,782	4,010

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

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

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



Loss & ALAE Development

Data shown is Countrywide Consolidated American Modern Insurance Group MH Standard

Cumulative Incurred Loss and ALAE Development

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

Historical Development Factors

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

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

Selected Factors	3 to 6	6 to 9	9 to 12	12 to 15	15 to 18	18 to 21	21 to 24	24 to 27	27 to 30	30 to 33	33 to 36	36 to 39	39 to 42	42 to 45	45 to 48	48 to 51	51 to 54	54 to 57	57 to 60	60 to 63	63
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Catastrophe Factor

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

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

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

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

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

Exhibit 8

Unallocated Loss Adjustment Expense

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

Consolidated American Modern Insurance Group Data

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

Determination of Permissible Loss Ratio

	Calendar Year					Budget	Selected
	2007	2008	2009	2010	2011	2012	
(1) Pre-Paid Commissions	24.9%	25.2%	24.8%	23.5%	23.5%	18.7%	18.7%
(2) Contingent Commissions	1.2%	1.6%	0.6%	1.3%	0.9%	0.6%	0.6%
(3) Other Acquisition Expense	3.7%	4.1%	4.1%	3.2%	3.0%	3.8%	3.8%
(4) General Expense	9.2%	9.1%	9.4%	7.3%	7.2%	8.5%	8.5%
(5) Taxes, Licenses and Fees	3.8%	4.1%	3.9%	4.5%	4.5%		4.3%
(6) Reinsurance Expense						1.8%	1.8%
(7) Retained Risk Load							0.3%
(8) Total Expense							38.0%
Profit Loading Provision							
(9a) After Tax Return on Equity Goal						15.0%	
(9b) Target Premium to Surplus Ratio						1.8:1	
(9c) After Tax Return on Premium [(a)/(b)]						8.3%	
(9d) After Tax Return Generated by Inv Income						1.2%	
(9e) After Tax Return Needed From Underwriting Profit [(c) - (d)]						7.1%	
(9f) Before Tax Return Needed from Underwriting Profit [(e)/(1.00 - .35)]						10.9%	
(9g) Selected Profit Provision							10.9%
(10) Total Expenses and Profit Provision [(8) + (9)]							48.9%
(11) Permissible Loss & LAE Ratio [(1.000 - (10))]							51.1%
(12) Fixed Expense Ratio (100% of Reins Expense and Retained Risk Load)							2.1%
(13) Variable Expense Ratio							46.8%

Data applied to calculate commission ratio:	Calendar Year				
	2007	2008	2009	2010	2011
AFH Arkansas Manufactured Home Standard Wr Prem	8,288,167	8,981,000	8,910,964	9,609,966	10,460,674
AFH Arkansas Manufactured Home Standard Pd Comm	2,062,885	2,265,233	2,213,876	2,255,410	2,457,972

Data applied to calculate Taxes, Licenses and Fees:	Calendar Year				
	2007	2008	2009	2010	2011
AFH Arkansas Written Premium from all AS Lines	8,925,342	9,409,637	9,688,895	10,550,507	11,350,185
AFH Arkansas Taxes, Licenses & Fees from all AS Lines	339,124	385,795	382,711	469,498	505,083

Investment Income Calculation

Estimated Investment Earnings on Unearned Premium and Loss Reserves

A. Unearned Premium Reserve		
(1)	Direct Earned Premium for 2011	\$ 465,644,966
(2)	Mean Unearned Premium Reserve Ratio	46.5%
(3)	Mean Unearned Premium Reserve (1) x (2)	\$ 216,294,522
(4)	Deduction for Prepaid Expenses and Federal Taxes Payable	
(a)	Commission	19.3%
(b)	50% of Other Acquisition	1.9%
(c)	50% of General Expenses	4.3%
(d)	Taxes, Licenses, and Fees	4.3%
(e)	Reinsurance Expense	1.8%
(f)	Subtotal	31.6%
(g)	Federal Taxes Payable	7.0%
(4T)	Total Deductions	38.6%
(5)	Unearned Premium Reserve Subject to Investment (3) x [1.0 - (4T)]	\$ 132,912,984
B. Delayed Remission of Premium (Agent's Balances)		
(1)	Agent's Balance or Uncollected Premium to Unearned Premium	
(a)	Average Agent's Balance	\$ 185,476,434
(b)	Direct Unearned Premium 2011 (All Lines)	\$ 502,468,432
(c)	Ratio (a) / (b)	36.9%
(d)	Direct Unearned Premium 2011 (ASLOB 4 - Homeowners)	\$ 262,435,853
(2)	Delayed Remission (1c) x (1d)	\$ 96,873,083
C. Loss and Loss Adjustment Expense Reserve		
(1)	Expected Loss and Loss Adjustment Expense Ratio	51.1%
(2)	Expected Losses and Loss Adjustment Expenses (A.1) x (C.1)	\$ 237,944,578
(3)	Percent of Mean Loss & ALAE Reserves to Incurred Loss & ALAE	
(a)	2011 Mean Loss & ALAE Reserve to Incurred Loss & ALAE Ratio	20.0%
(b)	2010 Mean Loss & ALAE Reserve to Incurred Loss & ALAE Ratio	26.6%
(c)	Average of Mean Loss Reserve to Incurred Loss Ratios 1/2 x [(a) + (b)]	23.3%
(4)	Expected Mean Loss Reserves (2) x (3c) x .958	\$ 53,072,137
D.	Net Subject to Investment	\$ 89,112,038
	(A.5) - (B.2) + (C.4)	
E.	Before Tax Rate of Return	2.5%
	[Exhibit 10, Page 2]	
F.	Average Rate of Return as a % of Direct Earned Premium	0.5%
	[(D) x (E)] / (A.1)]	
G.	Before Tax Investment Income Return (Including Surplus)	1.9%
	(F) + [(E) x (1.0/Premium to Surplus Ratio)]	
H.	After Tax Average Rate of Return as a Percent of Direct Earned Premium	
(1)	Average Federal Tax Rate on Inv. Inc. (Exhibit 10, Page 2)	33.7%
(2)	After Tax Return Generated by Investment Income (G) x [1.0 - (H.1)]	1.2%

Investment Income Calculation

Average Federal Tax Rate on Investment Income

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

Notes:

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

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

Investment Income as a Percentage of Invested Assets

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

Selected 2012 Rate of Return

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

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

By Line Explanation of Investment Income Calculation

Line A-1

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

Line A-2, A-3

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

Line A-4

Deductions for prepaid expenses:

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

Line A-4 Federal Taxes Payable

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

Line B-1

Delayed remission of premium:

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

Line B-1(c)

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

Line C-1

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

Line C-3

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

Line C-4

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

Line E

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

Line H-1

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

Complement of Credibility Calculation

	All Classes	Manufacture d Home- Byline	Manufacture d Home- Package	Rental	Seasonal- Byline
(1) Permissible Loss & LAE Ratio	0.511	0.511	0.511	0.511	0.511
(2) Proposed Renewal Effective Date	12/15/2013	12/15/2013	12/15/2013	12/15/2013	12/15/2013
(3) Effective Date of Current Rates	1/8/2013	1/8/2013	1/8/2013	1/8/2013	1/8/2013
(4) Time Period in Years $\{[(2) - (3)] / 365\}^{**}$	0.936	0.936	0.936	0.936	0.936
(5) Annual Premium Trend	0.4%	0.4%	0.4%	0.4%	0.4%
(6) Annual Loss Trend	2.2%	2.2%	2.2%	2.2%	2.2%
(7) Ann Loss Ratio Trend $\{[1 + (6)] / [1 + (5)] - 1\}$	1.8%	1.8%	1.8%	1.8%	1.8%
(8) Selected Trend Factor $\{[1 + (7)] ^ (4)\}$	1.017	1.017	1.017	1.017	1.017
(9) Complement of Credibility = $\{(1) * (8)\}$	0.520	0.520	0.520	0.520	0.520

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

NAIC LOSS COST DATA ENTRY DOCUMENT

1.	This filing transmittal is part of Company Tracking #	20130506-14
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2.	If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number	n/a
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Company Name		Company NAIC Number		
3.	A.	American Family Home Insurance Company	B.	361-23469

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

5.			FOR LOSS COSTS ONLY				
(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
10101	25.0	20.5					
10111	-3.8	-0.5					
10301	0.6	0.6					
10511	25.0	11.8					
TOTAL OVERALL EFFECT	22.0	17.0					

6.		5 Year History	Rate Change History				
Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
2012	9,062	10.0%	1/8/13	9,812,175	4,581,644	55.4%	46.7%
2011	11,950	6.0%	10/1/11	10,291,455	9,525,706	92.6%	70.4%
2010	12,525	12.0%	10/1/10	9,668,830	5,554,036	57.4%	48.7%
2009	12,842	14.3%	6/1/09	8,956,335	7,537,287	84.2%	53.6%
2008	13,669	0.0	-	8,712,841	7,983,995	91.6%	78.8%

7.	
Expense Constants	Selected Provisions
A. Total Production Expense	23.1%
B. General Expense	8.5%
C. Taxes, License & Fees	4.3%
D. Underwriting Profit & Contingencies	11.2%
E. Other (explain)	1.8% (reins)
F. TOTAL	48.9%

- 8.** _____ Apply Lost Cost Factors to Future filings? (Y or N)
- 9.** _____ Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): 29.5%
- 10.** _____ Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): -36.9%