

State: Arkansas **First Filing Company:** Horace Mann Insurance Company, ...
TOI/Sub-TOI: 04.0 Homeowners/04.0003 Owner Occupied Homeowners
Product Name: AR Homeowner Rate and Rule Filing
Project Name/Number: AR H030114/AR H030114

Filing at a Glance

Companies: Horace Mann Insurance Company
Teachers Insurance Company

Product Name: AR Homeowner Rate and Rule Filing

State: Arkansas

TOI: 04.0 Homeowners

Sub-TOI: 04.0003 Owner Occupied Homeowners

Filing Type: Rate/Rule

Date Submitted: 10/24/2013

SERFF Tr Num: HRMN-129263182

SERFF Status: Closed-Filed

State Tr Num:

State Status:

Co Tr Num: AR H030114

Effective Date 03/01/2014

Requested (New):

Effective Date 03/01/2014

Requested (Renewal):

Author(s): Mindy Ballard

Reviewer(s): Becky Harrington (primary)

Disposition Date: 11/08/2013

Disposition Status: Filed

Effective Date (New): 03/01/2014

Effective Date (Renewal): 03/01/2014

State Filing Description:

State: Arkansas First Filing Company: Horace Mann Insurance Company, ...
TOI/Sub-TOI: 04.0 Homeowners/04.0003 Owner Occupied Homeowners
Product Name: AR Homeowner Rate and Rule Filing
Project Name/Number: AR H030114/AR H030114

General Information

Project Name: AR H030114 Status of Filing in Domicile: Not Filed
Project Number: AR H030114 Domicile Status Comments: N/A
Reference Organization: N/A Reference Number: N/A
Reference Title: N/A Advisory Org. Circular: N/A
Filing Status Changed: 11/08/2013
State Status Changed: Deemer Date:
Created By: Mindy Ballard Submitted By: Mindy Ballard
Corresponding Filing Tracking Number: N/A

Filing Description:
October 24, 2013

Arkansas Insurance Department
Property & Casualty Division
1200 West Third Street
Little Rock, AR 72201-1904

Attention: Jay Bradford, Commissioner of Insurance

Re: Horace Mann Insurance Company NAIC #300-22578 Fein #59-1027412
Teachers Insurance Company NAIC #300-22683 Fein #23-1742051
Homeowners Program
Rate and Rule Filing
Company Filing Number: AR H030114

Dear Commissioner Bradford,

Horace Mann Insurance Company and Teachers Insurance Company submit for your review the above noted homeowner rate and rule filing. The overall effect of this filing is +19.9%. It is the judgment of the Actuarial Department as well as of management that these rates are neither excessive, inadequate, nor unfairly discriminatory.

The effective date of this filing will be March 1, 2014.

If I can be of further service or if additional information is needed, please do not hesitate to call me toll free at 877-272-0040 option 9, option 3. If you prefer e-mail, my address is melinda.ballard@horacemann.com. Thank you for your attention to this matter.

Sincerely,

Melinda Ballard
Implementation Analyst
Property and Casualty Division
Horace Mann Insurance Company
Teachers Insurance Company

State: Arkansas First Filing Company: Horace Mann Insurance Company, ...
 TOI/Sub-TOI: 04.0 Homeowners/04.0003 Owner Occupied Homeowners
 Product Name: AR Homeowner Rate and Rule Filing
 Project Name/Number: AR H030114/AR H030114

Company and Contact

Filing Contact Information

Melinda Ballard, Implementation Analyst melinda.ballard@horacemann.com
 1 Horace Mann Plaza 217-788-8505 [Phone]
 Springfield, IL 62715 217-535-7171 [FAX]

Filing Company Information

Horace Mann Insurance Company	CoCode: 22578	State of Domicile: Illinois
1 Horace Mann Plaza	Group Code: 300	Company Type: Insurance
Springfield, IL 62715	Group Name:	Company
(217) 789-2500 ext. [Phone]	FEIN Number: 59-1027412	State ID Number:

Teachers Insurance Company	CoCode: 22683	State of Domicile: Illinois
1 Horace Mann Plaza	Group Code: 300	Company Type: Insurance
Springfield, IL 62715	Group Name:	Company
(217) 789-2500 ext. [Phone]	FEIN Number: 23-1742051	State ID Number:

Filing Fees

Fee Required? Yes
 Fee Amount: \$100.00
 Retaliatory? No
 Fee Explanation: The filing fee for this submission is \$100.00.
 Per Company: No

Company	Amount	Date Processed	Transaction #
Horace Mann Insurance Company	\$100.00	10/24/2013	75810625

State: Arkansas
TOI/Sub-TOI: 04.0 Homeowners/04.0003 Owner Occupied Homeowners
Product Name: AR Homeowner Rate and Rule Filing
Project Name/Number: AR H030114/AR H030114

First Filing Company: Horace Mann Insurance Company, ...

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Becky Harrington	11/08/2013	11/08/2013

Objection Letters and Response Letters

Objection Letters

Status	Created By	Created On	Date Submitted
Pending Industry Response	Becky Harrington	11/06/2013	11/06/2013
Pending Industry Response	Becky Harrington	11/04/2013	11/04/2013
Pending Industry Response	Becky Harrington	10/30/2013	10/30/2013
Pending Industry Response	Becky Harrington	10/25/2013	10/25/2013

Response Letters

Responded By	Created On	Date Submitted
Mindy Ballard	11/07/2013	11/07/2013
Mindy Ballard	11/05/2013	11/05/2013
Mindy Ballard	10/30/2013	10/30/2013
Mindy Ballard	10/29/2013	10/29/2013

Amendments

Schedule	Schedule Item Name	Created By	Created On	Date Submitted
Supporting Document	HPCS-Homeowners Premium Comparison Survey	Mindy Ballard	10/24/2013	10/24/2013

State: Arkansas
TOI/Sub-TOI: 04.0 Homeowners/04.0003 Owner Occupied Homeowners
Product Name: AR Homeowner Rate and Rule Filing
Project Name/Number: AR H030114/AR H030114

First Filing Company: Horace Mann Insurance Company, ...

Disposition

Disposition Date: 11/08/2013

Effective Date (New): 03/01/2014

Effective Date (Renewal): 03/01/2014

Status: Filed

Comment:

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
Horace Mann Insurance Company	19.900%	5.100%		72	\$109,787	%	%
Teachers Insurance Company	19.900%	4.900%		380	\$389,077	%	%

Overall Rate Information for Multiple Company Filings

Overall Percentage Rate Indicated For This Filing

19.900%

Overall Percentage Rate Impact For This Filing

5.000%

Effect of Rate Filing-Written Premium Change For This Program

\$0

Effect of Rate Filing - Number of Policyholders Affected

452

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Form RF-2 Loss Costs Only (not for workers' compensation)		Yes
Supporting Document	H-1 Homeowners Abstract	Filed	Yes
Supporting Document (revised)	HPCS-Homeowners Premium Comparison Survey	Filed	Yes
Supporting Document	HPCS-Homeowners Premium Comparison Survey		Yes
Supporting Document	HPCS-Homeowners Premium Comparison Survey		Yes
Supporting Document	HPCS-Homeowners Premium Comparison Survey		Yes
Supporting Document (revised)	NAIC loss cost data entry document	Filed	Yes
Supporting Document	NAIC loss cost data entry document		Yes
Supporting Document	Response to objection letter date 10-25-13	Filed	Yes
Supporting Document	Arkansas Homeowner Rate and Rule Filing	Filed	Yes

SERFF Tracking #:

HRMN-129263182

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

AR H030114

State:

Arkansas

First Filing Company:

Horace Mann Insurance Company, ...

TOI/Sub-TOI:

04.0 Homeowners/04.0003 Owner Occupied Homeowners

Product Name:

AR Homeowner Rate and Rule Filing

Project Name/Number:

AR H030114/AR H030114

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Response to objection letter dated 11-04-13	Filed	Yes
Supporting Document	Response to objection letter dated 11-06-13	Filed	Yes
Rate	Homeowner Rates and Rules Manual	Filed	Yes
Rate (revised)	HMIC Premium Pages	Filed	Yes
Rate	HMIC Premium Pages		Yes
Rate (revised)	TIC Premium Pages	Filed	Yes
Rate	TIC Premium Pages		Yes

State: Arkansas **First Filing Company:** Horace Mann Insurance Company, ...
TOI/Sub-TOI: 04.0 Homeowners/04.0003 Owner Occupied Homeowners
Product Name: AR Homeowner Rate and Rule Filing
Project Name/Number: AR H030114/AR H030114

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	11/06/2013
Submitted Date	11/06/2013
Respond By Date	

Dear Melinda Ballard,

Introduction:

This will acknowledge receipt of the recent response.

Please provide a revised HPCS.

Objection 1

Comments: This requested increase has been reviewed the Commissioner. Please reduce the overall increase to 5%.

Conclusion:

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

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

Sincerely,

Becky Harrington

State: Arkansas **First Filing Company:** Horace Mann Insurance Company, ...
TOI/Sub-TOI: 04.0 Homeowners/04.0003 Owner Occupied Homeowners
Product Name: AR Homeowner Rate and Rule Filing
Project Name/Number: AR H030114/AR H030114

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	11/04/2013
Submitted Date	11/04/2013
Respond By Date	

Dear Melinda Ballard,

Introduction:

This will acknowledge receipt of the recent response.

Objection 1

- Homeowner Rates and Rules Manual, Entire Manual (Rate)

Comments: Pursuant to ACA 23-67-409, provide the 5 year premium/loss experience for Arkansas justifying the change to the credit level tier factors.

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 **First Filing Company:** Horace Mann Insurance Company, ...
TOI/Sub-TOI: 04.0 Homeowners/04.0003 Owner Occupied Homeowners
Product Name: AR Homeowner Rate and Rule Filing
Project Name/Number: AR H030114/AR H030114

Objection Letter

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

Dear Melinda Ballard,

Introduction:

This will acknowledge receipt of the response dated 10/29/13.

Objection 1

Comments: The actuarial support identified as Exhibit II was not included in the initial submission of the filing as the response letter dated 10/29/13 indicates. The only exhibits in this filing at this point are the countrywide Exhibits A and B. The documents may have been attached on the company side, but they did not arrive with the filing. I have checked and re-checked.

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 **First Filing Company:** Horace Mann Insurance Company, ...
TOI/Sub-TOI: 04.0 Homeowners/04.0003 Owner Occupied Homeowners
Product Name: AR Homeowner Rate and Rule Filing
Project Name/Number: AR H030114/AR H030114

Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 10/25/2013
Submitted Date 10/25/2013
Respond By Date

Dear Melinda Ballard,

Introduction:

This will acknowledge receipt of the captioned filing.

Objection 1

- HPCS-Homeowners Premium Comparison Survey (Supporting Document)

Comments: This form has been altered by adding worksheets. This is not permitted.

Objection 2

Comments: All request for rate changes submitted to the Department must include supporting data as required by Arkansas Code Annotated § 23-67-209 and Rule 23, Section 7.A.2. Rate changes are not acceptable without sufficient actuarial justification.

Objection 3

Comments: Please provide the SERFF filing number containing the credit scoring model and experience for rule 6.10 - Credit Level Rating.

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**TOI/Sub-TOI:** 04.0 Homeowners/04.0003 Owner Occupied Homeowners**Product Name:** AR Homeowner Rate and Rule Filing**Project Name/Number:** AR H030114/AR H030114**First Filing Company:** Horace Mann Insurance Company, ...

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	11/07/2013
Submitted Date	11/07/2013

Dear Becky Harrington,

Introduction:

Attached please find our response to the objection letter dated 11-06-2013.

Response 1**Comments:**

Base rates have been revised to reduce the overall premium effect of this filing to 5%. Revised base rates, premium effects and histograms are included with this response. Affected premium pages have also been included. All filing forms have been updated to reflect this change.

Related Objection 1

Comments: This requested increase has been reviewed the Commissioner. Please reduce the overall increase to 5%.

Changed Items:

State: Arkansas
TOI/Sub-TOI: 04.0 Homeowners/04.0003 Owner Occupied Homeowners
Product Name: AR Homeowner Rate and Rule Filing
Project Name/Number: AR H030114/AR H030114

First Filing Company: Horace Mann Insurance Company, ...

Supporting Document Schedule Item Changes

Satisfied - Item:	HPCS-Homeowners Premium Comparison Survey
Comments:	Please note that we do not have a \$500 deductible so we used \$750.00
Attachment(s):	HPCS 3-06i(1) HMIC.pdf HPCS 3-06i(1) HMIC.xls HPCS 3-06i(1) TIC.pdf HPCS 3-06i(1) TIC.xls
<i>Previous Version</i>	
Satisfied - Item:	<i>HPCS-Homeowners Premium Comparison Survey</i>
Comments:	<i>Please note that we do not have a \$500 deductible so we used \$750.00</i>
Attachment(s):	<i>HPCS 3-06i(1) HMIC.pdf HPCS 3-06i(1) TIC.pdf HPCS 3-06i(1) HMIC Upload.xls HPCS 3-06i(1) TIC Upload.xls</i>
<i>Previous Version</i>	
Satisfied - Item:	<i>HPCS-Homeowners Premium Comparison Survey</i>
Comments:	<i>Please note that we do not have a \$500 deductible so we used \$750.00</i>
Attachment(s):	<i>HPCS 3-06i(1) HMIC.pdf HPCS 3-06i(1) TIC.pdf HPCS 3-06i(1) Horace Mann Insurance Company - worksheet.xls HPCS 3-06i(1) Teachers Insurance Company - worksheet.xls</i>
<i>Previous Version</i>	
Satisfied - Item:	<i>HPCS-Homeowners Premium Comparison Survey</i>
Comments:	
Attachment(s):	<i>HPCS 3-06i(1) HMIC.pdf HPCS 3-06i(1) TIC.pdf HPCS 3-06i(1) Horace Mann Insurance Company - worksheet.xls HPCS 3-06i(1) Teachers Insurance Company - worksheet.xls</i>

Satisfied - Item:	NAIC loss cost data entry document
Comments:	
Attachment(s):	Loss Cost Data Entry Document HMIC.pdf Loss Cost Data Entry Document TIC.pdf
<i>Previous Version</i>	
Satisfied - Item:	<i>NAIC loss cost data entry document</i>
Comments:	

SERFF Tracking #:

HRMN-129263182

State Tracking #:

Company Tracking #:

AR H030114

State:

Arkansas

First Filing Company:

Horace Mann Insurance Company, ...

TOI/Sub-TOI:

04.0 Homeowners/04.0003 Owner Occupied Homeowners

Product Name:

AR Homeowner Rate and Rule Filing

Project Name/Number:

AR H030114/AR H030114

Attachment(s):	<i>Loss Cost Data Entry Document HMIC.pdf</i> <i>Loss Cost Data Entry Document TIC.pdf</i>
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Satisfied - Item:	Response to objection letter dated 11-06-13
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Comments:	
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Attachment(s):	Base Rates - Exhibit IV.pdf Effects.pdf Histograms.pdf
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State: Arkansas
TOI/Sub-TOI: 04.0 Homeowners/04.0003 Owner Occupied Homeowners
Product Name: AR Homeowner Rate and Rule Filing
Project Name/Number: AR H030114/AR H030114

First Filing Company: Horace Mann Insurance Company, ...

Supporting Document Schedule Item Changes

Satisfied - Item:	HPCS-Homeowners Premium Comparison Survey
Comments:	Please note that we do not have a \$500 deductible so we used \$750.00
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<i>Previous Version</i>	
Satisfied - Item:	<i>HPCS-Homeowners Premium Comparison Survey</i>
Comments:	<i>Please note that we do not have a \$500 deductible so we used \$750.00</i>
Attachment(s):	<i>HPCS 3-06i(1) HMIC.pdf HPCS 3-06i(1) TIC.pdf HPCS 3-06i(1) HMIC Upload.xls HPCS 3-06i(1) TIC Upload.xls</i>
<i>Previous Version</i>	
Satisfied - Item:	<i>HPCS-Homeowners Premium Comparison Survey</i>
Comments:	<i>Please note that we do not have a \$500 deductible so we used \$750.00</i>
Attachment(s):	<i>HPCS 3-06i(1) HMIC.pdf HPCS 3-06i(1) TIC.pdf HPCS 3-06i(1) Horace Mann Insurance Company - worksheet.xls HPCS 3-06i(1) Teachers Insurance Company - worksheet.xls</i>
<i>Previous Version</i>	
Satisfied - Item:	<i>HPCS-Homeowners Premium Comparison Survey</i>
Comments:	
Attachment(s):	<i>HPCS 3-06i(1) HMIC.pdf HPCS 3-06i(1) TIC.pdf HPCS 3-06i(1) Horace Mann Insurance Company - worksheet.xls HPCS 3-06i(1) Teachers Insurance Company - worksheet.xls</i>

Satisfied - Item:	NAIC loss cost data entry document
Comments:	
Attachment(s):	Loss Cost Data Entry Document HMIC.pdf Loss Cost Data Entry Document TIC.pdf
<i>Previous Version</i>	
Satisfied - Item:	<i>NAIC loss cost data entry document</i>
Comments:	

SERFF Tracking #:

HRMN-129263182

State Tracking #:

Company Tracking #:

AR H030114

State:

Arkansas

First Filing Company:

Horace Mann Insurance Company, ...

TOI/Sub-TOI:

04.0 Homeowners/04.0003 Owner Occupied Homeowners

Product Name:

AR Homeowner Rate and Rule Filing

Project Name/Number:

AR H030114/AR H030114

Attachment(s):	<i>Loss Cost Data Entry Document HMIC.pdf</i> <i>Loss Cost Data Entry Document TIC.pdf</i>
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Satisfied - Item:	Response to objection letter dated 11-06-13
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Comments:	
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Attachment(s):	Base Rates - Exhibit IV.pdf Effects.pdf Histograms.pdf
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State: Arkansas
TOI/Sub-TOI: 04.0 Homeowners/04.0003 Owner Occupied Homeowners
Product Name: AR Homeowner Rate and Rule Filing
Project Name/Number: AR H030114/AR H030114

First Filing Company: Horace Mann Insurance Company, ...

Supporting Document Schedule Item Changes

Satisfied - Item:	HPCS-Homeowners Premium Comparison Survey
Comments:	Please note that we do not have a \$500 deductible so we used \$750.00
Attachment(s):	HPCS 3-06i(1) HMIC.pdf HPCS 3-06i(1) HMIC.xls HPCS 3-06i(1) TIC.pdf HPCS 3-06i(1) TIC.xls
<i>Previous Version</i>	
Satisfied - Item:	<i>HPCS-Homeowners Premium Comparison Survey</i>
Comments:	<i>Please note that we do not have a \$500 deductible so we used \$750.00</i>
Attachment(s):	<i>HPCS 3-06i(1) HMIC.pdf HPCS 3-06i(1) TIC.pdf HPCS 3-06i(1) HMIC Upload.xls HPCS 3-06i(1) TIC Upload.xls</i>
<i>Previous Version</i>	
Satisfied - Item:	<i>HPCS-Homeowners Premium Comparison Survey</i>
Comments:	<i>Please note that we do not have a \$500 deductible so we used \$750.00</i>
Attachment(s):	<i>HPCS 3-06i(1) HMIC.pdf HPCS 3-06i(1) TIC.pdf HPCS 3-06i(1) Horace Mann Insurance Company - worksheet.xls HPCS 3-06i(1) Teachers Insurance Company - worksheet.xls</i>
<i>Previous Version</i>	
Satisfied - Item:	<i>HPCS-Homeowners Premium Comparison Survey</i>
Comments:	
Attachment(s):	<i>HPCS 3-06i(1) HMIC.pdf HPCS 3-06i(1) TIC.pdf HPCS 3-06i(1) Horace Mann Insurance Company - worksheet.xls HPCS 3-06i(1) Teachers Insurance Company - worksheet.xls</i>

Satisfied - Item:	NAIC loss cost data entry document
Comments:	
Attachment(s):	Loss Cost Data Entry Document HMIC.pdf Loss Cost Data Entry Document TIC.pdf
<i>Previous Version</i>	
Satisfied - Item:	<i>NAIC loss cost data entry document</i>
Comments:	

State: Arkansas
TOI/Sub-TOI: 04.0 Homeowners/04.0003 Owner Occupied Homeowners
Product Name: AR Homeowner Rate and Rule Filing
Project Name/Number: AR H030114/AR H030114

First Filing Company: Horace Mann Insurance Company, ...

Attachment(s):	<i>Loss Cost Data Entry Document HMIC.pdf</i> <i>Loss Cost Data Entry Document TIC.pdf</i>
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Satisfied - Item:	Response to objection letter dated 11-06-13
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Comments:	
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Attachment(s):	Base Rates - Exhibit IV.pdf Effects.pdf Histograms.pdf
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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	HMIC Premium Pages	Pages 1-2	Replacement	HRMN-128790214	11/07/2013 By: Mindy Ballard
<i>Previous Version</i>					
1	<i>HMIC Premium Pages</i>	<i>Pages 1-2</i>	<i>Replacement</i>	<i>HRMN-128790214</i>	<i>10/24/2013</i> <i>By: Mindy Ballard</i>
2	TIC Premium Pages	Pages 1-2	Replacement	HRMN-128790214	11/07/2013 By: Mindy Ballard
<i>Previous Version</i>					
2	<i>TIC Premium Pages</i>	<i>Pages 1-2</i>	<i>Replacement</i>	<i>HRMN-128790214</i>	<i>10/24/2013</i> <i>By: Mindy Ballard</i>

Conclusion:

If you have any further questions or concerns, please contact me.

Mindy Ballard
 Implementation Analyst
 Sincerely,
 Mindy Ballard

State: Arkansas
TOI/Sub-TOI: 04.0 Homeowners/04.0003 Owner Occupied Homeowners
Product Name: AR Homeowner Rate and Rule Filing
Project Name/Number: AR H030114/AR H030114

First Filing Company: Horace Mann Insurance Company, ...

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	11/05/2013
Submitted Date	11/05/2013

Dear Becky Harrington,

Introduction:

Attached please find our response to the objection letter dated 11-4-13.

Response 1

Comments:

Attached please find our response to the objection letter dated 11-4-13.

Related Objection 1

Applies To:

- Homeowner Rates and Rules Manual, Entire Manual (Rate)

Comments: Pursuant to ACA 23-67-409, provide the 5 year premium/loss experience for Arkansas justifying the change to the credit level tier factors.

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	Response to objection letter dated 11-04-13
Comments:	Attached please find our response to the objection letter dated 11-04-13.
Attachment(s):	Objection Response 11 04 13.pdf Appendix A.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

If you have any further questions or concerns, please contact me.

Mindy Ballard

Implementation Analyst

Sincerely,

SERFF Tracking #:

HRMN-129263182

State Tracking #:

Company Tracking #:

AR H030114

State:

Arkansas

First Filing Company:

Horace Mann Insurance Company, ...

TOI/Sub-TOI:

04.0 Homeowners/04.0003 Owner Occupied Homeowners

Product Name:

AR Homeowner Rate and Rule Filing

Project Name/Number:

AR H030114/AR H030114

Mindy Ballard

State: Arkansas
TOI/Sub-TOI: 04.0 Homeowners/04.0003 Owner Occupied Homeowners
Product Name: AR Homeowner Rate and Rule Filing
Project Name/Number: AR H030114/AR H030114

First Filing Company: Horace Mann 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:

Becky,

I am so sorry. I forgot to attach our filing memorandum and justification. It has now been attached. Again, please accept my sincerest apologies.

Have a good day.

Mindy Ballard

Implementation Analyst

Response 1

Comments:

Attached please find our filing memorandum and justification.

Related Objection 1

Comments: The actuarial support identified as Exhibit II was not included in the initial submission of the filing as the response letter dated 10/29/13 indicates. The only exhibits in this filing at this point are the countrywide Exhibits A and B. The documents may have been attached on the company side, but they did not arrive with the filing. I have checked and re-checked.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied - Item:	Arkansas Homeowner Rate and Rule Filing
Comments:	Attached please find our Homeowner Rate and Rule Filing.
Attachment(s):	AR Homeowner Rate and Rule Filing.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

SERFF Tracking #:

HRMN-129263182

State Tracking #:

Company Tracking #:

AR H030114

State:

Arkansas

First Filing Company:

Horace Mann Insurance Company, ...

TOI/Sub-TOI:

04.0 Homeowners/04.0003 Owner Occupied Homeowners

Product Name:

AR Homeowner Rate and Rule Filing

Project Name/Number:

AR H030114/AR H030114

If you have any further questions, please contact me.

Mindy Ballard

Implementation Analyst

Sincerely,

Mindy Ballard

SERFF Tracking #:

HRMN-129263182

State Tracking #:

Company Tracking #:

AR H030114

State:

Arkansas

First Filing Company:

Horace Mann Insurance Company, ...

TOI/Sub-TOI:

04.0 Homeowners/04.0003 Owner Occupied Homeowners

Product Name:

AR Homeowner Rate and Rule Filing

Project Name/Number:

AR H030114/AR H030114

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	10/29/2013
Submitted Date	10/29/2013

Dear Becky Harrington,

Introduction:

Attached please find our response to the objection letter dated 10-25-13.

Response 1

Comments:

Attached please find our Homeowners Premium Comparison Survey.

Related Objection 1

Applies To:

- HPCS-Homeowners Premium Comparison Survey (Supporting Document)

Comments: This form has been altered by adding worksheets. This is not permitted.

Changed Items:

State: Arkansas
TOI/Sub-TOI: 04.0 Homeowners/04.0003 Owner Occupied Homeowners
Product Name: AR Homeowner Rate and Rule Filing
Project Name/Number: AR H030114/AR H030114

First Filing Company: Horace Mann Insurance Company, ...

Supporting Document Schedule Item Changes

Satisfied - Item:	HPCS-Homeowners Premium Comparison Survey
Comments:	Please note that we do not have a \$500 deductible so we used \$750.00
Attachment(s):	HPCS 3-06i(1) HMIC.pdf HPCS 3-06i(1) TIC.pdf HPCS 3-06i(1) HMIC Upload.xls HPCS 3-06i(1) TIC Upload.xls
<i>Previous Version</i>	
Satisfied - Item:	<i>HPCS-Homeowners Premium Comparison Survey</i>
Comments:	<i>Please note that we do not have a \$500 deductible so we used \$750.00</i>
Attachment(s):	<i>HPCS 3-06i(1) HMIC.pdf HPCS 3-06i(1) TIC.pdf HPCS 3-06i(1) Horace Mann Insurance Company - worksheet.xls HPCS 3-06i(1) Teachers Insurance Company - worksheet.xls</i>
<i>Previous Version</i>	
Satisfied - Item:	<i>HPCS-Homeowners Premium Comparison Survey</i>
Comments:	
Attachment(s):	<i>HPCS 3-06i(1) HMIC.pdf HPCS 3-06i(1) TIC.pdf HPCS 3-06i(1) Horace Mann Insurance Company - worksheet.xls HPCS 3-06i(1) Teachers Insurance Company - worksheet.xls</i>

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 2

Comments:

Attached please find our response to the objection letter dated 10-25-13.

Related Objection 2

Comments: All request for rate changes submitted to the Department must include supporting data as required by Arkansas Code Annotated § 23-67-209 and Rule 23, Section 7.A.2. Rate changes are not acceptable without sufficient actuarial justification.

Changed Items:

State: Arkansas**First Filing Company:** Horace Mann Insurance Company, ...**TOI/Sub-TOI:** 04.0 Homeowners/04.0003 Owner Occupied Homeowners**Product Name:** AR Homeowner Rate and Rule Filing**Project Name/Number:** AR H030114/AR H030114**Supporting Document Schedule Item Changes**

Satisfied - Item:	Response to objection letter date 10-25-13
Comments:	Attached please find our response to the objection letter dated 10-25-13.
Attachment(s):	Response to Obj Letter 10 25 13.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 3**Comments:**

We implemented the use of credit scoring prior to SERFF tracking numbers. Our filing which introduced the credit model was submitted on November 21, 2000 and was acknowledged by the DOI on December 4, 2000. The credit model we use is Fair Isaac Assist 2.0.

Related Objection 3

Comments: Please provide the SERFF filing number containing the credit scoring model and experience for rule 6.10 - Credit Level Rating.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

If you have any further questions, please let me know. Thank you.

Mindy Ballard

Implementation Analyst

Sincerely,

Mindy Ballard

State: Arkansas
TOI/Sub-TOI: 04.0 Homeowners/04.0003 Owner Occupied Homeowners
Product Name: AR Homeowner Rate and Rule Filing
Project Name/Number: AR H030114/AR H030114

First Filing Company: Horace Mann Insurance Company, ...

Amendment Letter

Submitted Date: 10/24/2013

Comments:

I forgot to mention in the comment box of the Homeowners Premium Comparison Survey component that we do not have a \$500 deductible. Therefore, we used \$750.00. I am resubmitting our documents with this note in the comment box.

Changed Items:

No Form Schedule Items Changed.

No Rate Schedule Items Changed.

Supporting Document Schedule Item Changes	
Satisfied - Item:	HPCS-Homeowners Premium Comparison Survey
Comments:	Please note that we do not have a \$500 deductible so we used \$750.00
Attachment(s):	HPCS 3-06i(1) HMIC.pdf HPCS 3-06i(1) TIC.pdf HPCS 3-06i(1) Horace Mann Insurance Company - worksheet.xls HPCS 3-06i(1) Teachers Insurance Company - worksheet.xls
<i>Previous Version</i>	
Satisfied - Item:	<i>HPCS-Homeowners Premium Comparison Survey</i>
Comments:	
Attachment(s):	<i>HPCS 3-06i(1) HMIC.pdf HPCS 3-06i(1) TIC.pdf HPCS 3-06i(1) Horace Mann Insurance Company - worksheet.xls HPCS 3-06i(1) Teachers Insurance Company - worksheet.xls</i>

State: Arkansas
TOI/Sub-TOI: 04.0 Homeowners/04.0003 Owner Occupied Homeowners
Product Name: AR Homeowner Rate and Rule Filing
Project Name/Number: AR H030114/AR H030114

First Filing Company: Horace Mann Insurance Company, ...

Rate Information

Rate data applies to filing.

Filing Method: File and Use
Rate Change Type: Increase
Overall Percentage of Last Rate Revision: 5.000%
Effective Date of Last Rate Revision: 03/01/2013
Filing Method of Last Filing: File and Use

Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
Horace Mann Insurance Company	19.900%	11.600%	\$12,709	72	\$109,787	19.600%	-13.500%
Teachers Insurance Company	19.900%	11.200%	\$43,386	380	\$389,077	19.700%	-13.800%

SERFF Tracking #:

HRMN-129263182

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

AR H030114

State: Arkansas**First Filing Company:** Horace Mann Insurance Company, ...**TOI/Sub-TOI:** 04.0 Homeowners/04.0003 Owner Occupied Homeowners**Product Name:** AR Homeowner Rate and Rule Filing**Project Name/Number:** AR H030114/AR H030114

Rate/Rule Schedule

Item No.	Schedule Item Status	Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing Number	Attachments
1	Filed 11/08/2013	Homeowner Rates and Rules Manual	Entire Manual	Replacement	HRMN-128790214	AR Homeowner Rates and Rules Manual.pdf
2	Filed 11/08/2013	HMIC Premium Pages	Pages 1-2	Replacement	HRMN-128790214	Premium Pages - HMIC.pdf
3	Filed 11/08/2013	TIC Premium Pages	Pages 1-2	Replacement	HRMN-128790214	Premium Pages - TIC.pdf

**HORACE MANN INSURANCE COMPANY
TEACHERS INSURANCE COMPANY
ARKANSAS
HOMEOWNER RULES AND RATES**

1.0 ELIGIBILITY

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- 1.3 Condominiums
- 1.4 Co-owner Occupancy
- 1.5 Dwellings Under Construction
- 1.6 Seasonal Dwellings
- 1.7 Ineligible Occupancies

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- 2.2 Liability Coverages - Liability (Mandatory)
- 2.3 Package Policy Requirements

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- 3.2 Annual Policy Term
- 3.3 Continuous Renewal Plan
- 3.4 Additional Interests
- 3.5 Transfer or Assignment
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5.0 DEDUCTIBLES

- 5.1 Flat and Percentage Deductibles - All Perils
- 5.2 Reserved for Future Use
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6.0 PREMIUM MODIFICATIONS

- 6.1 Reserved for Future Use
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- 6.4 Year of Construction - Forms 1, 2, 3
- 6.5 Multi-Line Discount - All Forms
- 6.6 Reserved for Future Use
- 6.7 Protective Device Credits - All Forms
- 6.8 Home-Buyer Loyalty Credit - Forms 3 & 4
- 6.9 Roof Surfacing Surcharge - Forms 1, 2, 3
- 6.10 Credit Level Rating - Forms 1, 2, 3

Effective 3/1/2014

**HORACE MANN INSURANCE COMPANY
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HOMEOWNER RULES AND RATES**

6.11 Claim Record/Persistency Rating Plan - All Forms

6.12 Reserved for Future Use

7.0 OPTIONAL SECTION I PROPERTY COVERAGES

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7.3 Private Structures

7.4 Personal Property

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7.6 Motorized Vehicles

7.7 Additional Living Costs and Loss of Rent

7.8 Tenant's Improvements - Form 4

7.9 Fire Department Service Charge

7.10 Scheduled Personal Property

7.11 Scheduled Glass

7.12 Refrigerated Food Products

7.13 Electronic Data Processing Equipment - Increased Limits

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7.16 Homeowners Association Loss Assessment

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7.19 Water Damage (Sewers and Drains)

8.0 OPTIONAL SECTION II LIABILITY COVERAGES

8.1 Additional Residence Premises - Rented to Others

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8.3 Waterbed Liability - Form 4

8.4 Office, Professional, Private School or Studio Occupancy

8.5 Watercraft

9.0 ADDITIONAL AND SECONDARY LOCATIONS

9.1 Secondary Locations

9.2 Credit for Liability Coverages

10.0 SPECIAL ENDORSEMENTS

10.1 Survivor's Waiver of Premium - Forms 1, 2, 3

10.3 Identity Fraud Advocacy Services

**HORACE MANN INSURANCE COMPANY
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ARKANSAS
HOMEOWNER RULES AND RATES**

1.0 ELIGIBILITY

**HORACE MANN INSURANCE COMPANY
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HOMEOWNER RULES AND RATES**

1.1 Owner Occupied

A policy may be issued to an owner-occupant of a dwelling used only for private residential purposes and occupied by no more than four families and no more than two boarders or roomers per family

Use Form 1, 2, 3

**HORACE MANN INSURANCE COMPANY
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ARKANSAS
HOMEOWNER RULES AND RATES**

1.2 Tenant Occupied

A policy may be issued to the tenant (non-owner) of a dwelling or apartment if the residence occupied by the insured is used only for residential purposes and is occupied by no more than one additional family or two boarders or roomers.

Use Form 4

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ARKANSAS
HOMEOWNER RULES AND RATES**

1.3 Condominiums

A policy may be issued to the owner of a condominium unit if the residence occupied by the insured is used only for residential purposes and is occupied by no more than one additional family or two boarders or roomers.

Use Form 4 and HM-31

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ARKANSAS
HOMEOWNER RULES AND RATES**

1.4 Co-owner Occupancy

A policy may be issued to one of the co-owners provided each occupies separate apartments within the dwelling.

Use Form 1, 2, 3

A Form 4 policy may be issued to the other co-owner(s).

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HOMEOWNER RULES AND RATES**

1.5 Dwellings Under Construction

A policy may be issued to cover the interest of the intended owner-occupant of a dwelling under construction.

Use Form 1 for estimated completed value.

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HOMEOWNER RULES AND RATES**

1.6 Seasonal Dwellings

A policy may be issued to cover a seasonal dwelling.

Use Form 1. If other form, refer to Company.

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ARKANSAS
HOMEOWNER RULES AND RATES**

1.7 Ineligible Occupancies

The following are ineligible for coverage under this manual:

- Property to which dwelling fire forms or rates apply.

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ARKANSAS
HOMEOWNER RULES AND RATES**

2.0 PROGRAM DESCRIPTION

The following is a general description of the coverages provided by the Homeowner forms. The policy forms state the complete conditions.

**HORACE MANN INSURANCE COMPANY
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ARKANSAS
HOMEOWNER RULES AND RATES**

2.1 Property Coverages - Property (Mandatory)

- Coverage A - Residence
- Coverage B - Private Structures
- Coverage C - Personal Property
- Coverage D - Additional Living Costs and Loss of Rent

2.1.1 Forms 1 and 2 cover the residence, private structures, personal property and additional living costs against losses resulting from the perils indicated below.

	<u>Form 1</u>	<u>Form 2</u>
Fire or Lightning	X	X
Windstorm or Hail.....	X	X
Explosion.....	X	X
Riot or Civil Commotion.....	X	X
Aircraft.....	X	X
Vehicles.....	X	X
Smoke	X	X
Vandalism.....	X	X
Glass Breakage.....	X	X
Theft.....	X	X
Falling Objects.....		X
Weight of Ice, Snow or Sleet.....		X
Collapse of Building.....		X
Sudden and Accidental Tearing Apart, Burning or Bulging		X
Accidental Discharge of Liquids or Steam.....		X
Freezing		X
Sudden and Accidental Damage from Electrical Currents		X

2.1.2 Form 3 cover the residence, private structures and additional living costs against all physical loss, with certain exceptions. Personal property is covered for the perils shown for Form 2.

2.1.3 Form 4 covers personal property including the insured's interest in building additions and improvements and additional living expense against loss by the perils shown for Form 2.

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ARKANSAS
HOMEOWNER RULES AND RATES**

2.2 Liability Coverages - Liability (Mandatory)

Personal Liability - Pays on behalf of the insured for damages due to bodily injury or property damage caused by an occurrence related to the insured's premises or personal activities.

Medical Payments to Others - Pays medical expenses incurred by persons, who are not insureds, if the bodily injury occurs in connection with the insured's premises or personal activities.

**HORACE MANN INSURANCE COMPANY
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ARKANSAS
HOMEOWNER RULES AND RATES**

2.3 Package Policy Requirements

For the **Homeowner Policy**, the recommended minimum limits of liability are as follows:

<u>Property Coverages</u>	<u>Form 1</u>	<u>Form 2</u>	<u>Form 3</u>	<u>Tenant Form 4</u>	<u>Condo Form 6</u>
Residence	\$25,000	\$50,000	\$50,000		
Private Structures	10% of lim. on res.	10% of lim. on res.	10% of lim. on res.		
Personal Property	50%* of lim. on res.	50%* of lim. on res.	60%* of lim. on res.	\$12,000	\$18,000
Additional Living Costs	10%** of lim. on res.	20%+ of lim. on res.	60%+ of lim. on res.	20% of lim. on personal property	40% of lim. on personal property

* 30% for dwellings occupied by three or four families

** 5% for dwellings occupied by three or four families

+ 10% for dwellings occupied by three or four families

<u>Liability Coverages</u>	<u>Forms 1,2,3,4,6</u>
Personal Liability	\$100,000 each occurrence
Medical Payments to Others	\$ 500 each person \$25,000 each accident

**HORACE MANN INSURANCE COMPANY
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ARKANSAS
HOMEOWNER RULES AND RATES**

3.0 POLICY WRITING INSTRUCTIONS

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ARKANSAS
HOMEOWNER RULES AND RATES**

3.1 Inception Time

The policy will take effect at 12:01 a.m.

Show time on Declarations Page

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ARKANSAS
HOMEOWNER RULES AND RATES**

3.2 Annual Policy Term

Policies are written for annual terms only.

**HORACE MANN INSURANCE COMPANY
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HOMEOWNER RULES AND RATES**

3.3 Continuous Renewal Plan

The policy may be continued for successive terms by payment of the required premium.

Attach Endorsement CC-H10001

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ARKANSAS
HOMEOWNER RULES AND RATES**

3.4 Additional Interests

The policy may cover the interests of additional owners at no additional premium. This coverage is limited to the building and premises liability.

Attach Endorsement HM-41

3.4.1 Additional Interests – Described Location

A Tenant policy (HM-4) can be endorsed to cover the insurable Interest of a person or organization in the described location shown on the endorsement or on the declarations page. No premium charge or credit applies.

Make entries to show the names, addresses, and fax numbers of the or organizations and the extent of their interests in the rental property.

Attach endorsement HM-6034

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HOMEOWNER RULES AND RATES**

3.5 Transfer or Assignment

The Policy may be endorsed to effect transfer to another location within the same state (Form 4 only). Assignment of coverage from one insured to another is not allowed. A new application is required.

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ARKANSAS
HOMEOWNER RULES AND RATES**

3.6 Reserved for Future Use

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ARKANSAS
HOMEOWNER RULES AND RATES**

3.7 Cancellation or Reductions in Limits of Liability or Coverages

Mandatory coverages may not be cancelled unless the entire policy is cancelled.

The policy must be cancelled in accordance with the terms of applicable cancellation provisions.

If the policy or non-mandatory coverages are cancelled or the amount of insurance is reduced:

- By the company; or
In the event of foreclosure of the mortgage on the insured real property; or
In the event of relocation if a Company policy is issued at new location; or
In the event of the sale of property if other properties are insured by the Company:

Compute return premium pro rata.

- By the insured:

Compute return premium pro rata.

**HORACE MANN INSURANCE COMPANY
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ARKANSAS
HOMEOWNER RULES AND RATES**

4.0 PREMIUM DETERMINATION

Annual premiums and rates are shown in the State Rate Pages. The basic policy premiums are for property and liability coverages.

**HORACE MANN INSURANCE COMPANY
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ARKANSAS
HOMEOWNER RULES AND RATES**

4.1 Calculation of Premium

Any computations for additional coverages or additional amounts of insurance are to be rounded separately to the nearest dollar. Fifty cents or more is to be considered as a dollar.

The premium is computed as follows:

- 4.1.1** Determine the base premium by using the rate pages.
- 4.1.2** Add to 4.1.1 any townhouse/row house charge (if applicable).
- 4.1.3** The condominium discount is applied to 4.1.2 (if applicable).
- 4.1.4** The premium from 4.1.2 should then be adjusted for any revised limit of Coverage C (except Tenants and Condominiums).
- 4.1.5** The proper charge or credit for deductible is applied to the premium from 4.1.4. (This is the basic premium.)
- 4.1.6** The Year of Construction Factor is applied to the premium from 4.1.5 (if applicable). The dollar amount is applied to the 4.1.14 premium.
- 4.1.7** The Protective Device Credit is applied to the premium from 4.1.5 (if applicable). The dollar amount of credit is subtracted from the 4.1.14 premium.
- 4.1.8** The Multi-Line Discount is applied to the premium from 4.1.5 (if applicable). The dollar amount of credit is subtracted from the 4.1.14 premium.
- 4.1.9** The Claim Record/Persistency Rating Plan is applied to the premium from 4.1.5 (if applicable). The dollar amount is applied to the 4.1.14 premium.
- 4.1.10** The Home-Buyer Loyalty Credit is applied to the premium from 4.1.5 (if applicable). The dollar amount of credit is subtracted from the 4.1.14 premium.
- 4.1.11** The charge for replacement cost on contents is applied to the premium from 4.1.5 (if applicable). The dollar amount is applied to the 4.1.14 premium.
- 4.1.12** The Roof Surfacing Surcharge is applied to the premium from 4.1.5 (if applicable). The dollar amount is applied to the 4.1.14 premium.
- 4.1.13** The Woodburning Device Surcharge is applied to the premium from 4.1.11 (if applicable). The dollar amount is applied to the 4.1.14 premium.
- 4.1.14** Add the additional premium for all mandatory or optional property coverages and all mandatory or optional liability coverages.
- 4.1.15** Apply the credit level factor to the premium from 4.1.14.
- 4.1.16** Add the installment fee amount when applicable.

**HORACE MANN INSURANCE COMPANY
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ARKANSAS
HOMEOWNER RULES AND RATES**

4.2 Changes in Liability Limits

Liability coverage limits may be increased or decreased. The premiums are shown below.

1 or 2 Family:

<u>Liability/Med Payments</u>	<u>Rate</u>
\$100,000/\$500	\$-1
\$200,000/\$500	\$10
\$300,000/\$500	\$18
Each Add'l \$500 of Med Payments	\$1

**HORACE MANN INSURANCE COMPANY
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ARKANSAS
HOMEOWNER RULES AND RATES**

4.3 Other Liability Exposures

Liability coverage for the following exposures is required if they exist. The additional premium is shown below.

4.3.1 Three or four family dwellings

3 Family:

<u>Liability/Med Payments</u>	<u>Rate</u>
\$100,000/\$500	\$16
\$200,000/\$500	\$19
\$300,000/\$500	\$21
Each Add'l \$500 of Med Payments	\$1

4 Family:

<u>Liability/Med Payments</u>	<u>Rate</u>
\$100,000/\$500	\$18
\$200,000/\$500	\$21
\$300,000/\$500	\$23
Each Add'l \$500 of Med Payments	\$1

4.3.2 All additional or secondary residence premises where the named insured or spouse maintains a residence, other than business or farm properties.

<u>Liability/Med Payments</u>	<u>Rate</u>
\$100,000/\$500	\$6
\$200,000/\$500	\$8
\$300,000/\$500	\$8
Each Add'l \$500 of Med Payments	\$1

4.3.3 All residence employees of the named insured or spouse not covered or not required to be covered by workers' compensation insurance. A charge is required for residence employees in excess of two.

<u>Liability/Med Payments</u>	<u>Rate</u>
\$100,000/\$500	\$6
\$200,000/\$500	\$8
\$300,000/\$500	\$8
Each Add'l \$500 of Med Payments	\$1

4.3.4 Incidental office, professional, private school or studio occupancies by the named insured on residential premises of the named insured. Refer to Rule 8.4.

**HORACE MANN INSURANCE COMPANY
TEACHERS INSURANCE COMPANY
ARKANSAS
HOMEOWNER RULES AND RATES**

4.4 Mid-term Changes

- 4.4.1** The limits of liability may be changed or coverages added or deleted during the policy term. Compute the premium on a pro rata basis using the same rates in effect when the current policy premiums were calculated.
- 4.4.2** Changes which result in return or additional premium of \$3 or less will not be billed or returned to the insured unless requested in writing.

**HORACE MANN INSURANCE COMPANY
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ARKANSAS
HOMEOWNER RULES AND RATES**

4.5 Reserved for Future Use

**HORACE MANN INSURANCE COMPANY
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ARKANSAS
HOMEOWNER RULES AND RATES**

4.6 Row and Townhouses

The premium for an eligible one or two family owner-occupied dwelling in a townhouse or row house is determined as shown below.

Family Units in Fire Division:	<u>1-2</u>	<u>3-4</u>	<u>5-8</u>
Increase Basic Premium by:	-	10%	25%

An eligible two family owner-occupied dwelling is considered two individual units when determining the number of family units within a fire division.

**HORACE MANN INSURANCE COMPANY
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ARKANSAS
HOMEOWNER RULES AND RATES**

4.7 Reserved for Future Use

**HORACE MANN INSURANCE COMPANY
TEACHERS INSURANCE COMPANY
ARKANSAS
HOMEOWNER RULES AND RATES**

4.8 Payment Plans

A payment plan is available if:

- a. the policy meets minimum premium requirements listed below:

<u>Plan</u>	<u>Minimum Premium</u>
Full	None
Two Pay	\$100
Three Pay	\$200
Four Pay	None

- b. the policy is not a mortgagee pay policy.

Installment fees are listed below.

<u>Payment Plan</u>	<u>Fee per Installment</u>	<u>Total</u>
Full Pay	None	None
Two Pay	\$2.00 (1 installment)	\$2.00
Three Pay	\$3.00 (2 installments)	\$6.00
Four Pay	\$4.00 (3 installments)	\$12.00

**HORACE MANN INSURANCE COMPANY
TEACHERS INSURANCE COMPANY
ARKANSAS
HOMEOWNER RULES AND RATES**

4.9 Non-Sufficient Funds

Policyholders' payments of premium that are returned due to Non-Sufficient Funds (NSF) will result in a service charge on a per occurrence basis.

The service charge for non-sufficient funds will be \$25 per occurrence.

**HORACE MANN INSURANCE COMPANY
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ARKANSAS
HOMEOWNER RULES AND RATES**

4.10 Electronic Fund Transfer

1. Installment payments by EFT shall be made on a monthly basis.
2. For new business, the initial payment shall be the equivalent of two months premium for the 12-month term; the remaining monthly payments shall be of equal amounts. For renewals, there shall be equal monthly payments.

**HORACE MANN INSURANCE COMPANY
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ARKANSAS
HOMEOWNER RULES AND RATES**

5.0 DEDUCTIBLES

The deductible amount is shown on the Declarations Page.

**HORACE MANN INSURANCE COMPANY
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ARKANSAS
HOMEOWNER RULES AND RATES**

5.1 Flat and Percentage Deductibles - All Perils

The policy may be issued with one of the following options at the premium credit shown below.

HM-1,2,3 Deductible Options	Coverage A Amount					
	<\$125,000	\$125,001 - \$175,000	\$175,001 - \$250,000	\$250,001 - \$350,000	\$350,001 - \$500,000	>\$500,000
750	*	*	*	*	*	*
1,000	-5%	-5%	-4%	-4%	-4%	-3%
1,500	-16%	-15%	-12%	-8%	-7%	-6%
2,500	-27%	-23%	-23%	-21%	-19%	-17%
5,000	-49%	-43%	-38%	-35%	-30%	-28%
1% of Coverage A#	-13%	-15%	-18%	-22%	-23%	-30%

Deductible Options	% of Credit HM-4,6
500	*
750	-12%
1,000	-24%
1,500	-30%
2,500	-37%
5,000	-49%

*See Basic Policy Premiums

#Subject to a \$100,000 minimum Coverage A

**HORACE MANN INSURANCE COMPANY
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ARKANSAS
HOMEOWNER RULES AND RATES**

5.2 Reserved for Future Use

**HORACE MANN INSURANCE COMPANY
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HOMEOWNER RULES AND RATES**

5.3 Wind and Hail Deductible – Forms 1, 2, 3

When a policy is issued with a \$1,000, \$1,500, or \$2,500 deductible, the deductible amount that applies to wind and hail losses may be increased to 1% of the Coverage A amount. Apply the premium credit shown below.

HM-1,2,3 Deductible Options	Coverage A Amount					
	<\$125,000	\$125,001 - \$175,000	\$175,001 - \$250,000	\$250,001 - \$350,000	\$350,001 - \$500,000	>\$500,000
1,000/1% W & H	-11%	-11%	-11%	-14%	-14%	-16%
1,500/1% W & H	-14%	-15%	-18%	-18%	-19%	-20%
2,500/1% W & H	-16%	-19%	-21%	-22%	-23%	-29%

Attach Endorsement HM-405

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HOMEOWNER RULES AND RATES**

6.0 PREMIUM MODIFICATIONS

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6.1 Reserved for Future Use

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6.2 Reserved for Future Use

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6.3 Woodburning Device Surcharge - All Forms

A surcharge will be applicable if the property has a woodburning device.

The surcharge is 6% with a minimum charge of \$25.

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HOMEOWNER RULES AND RATES**

6.4 Year of Construction - Forms 1, 2, 3

An adjustment will apply to the basic policy premium depending upon the age of the dwelling. The age is determined by subtracting the year of construction from the effective date year.

<u>Age in Years</u>	<u>Rate Adjustment</u>
0-1	-20%
2	-18%
3	-16%
4	-14%
5	-12%
6	-10%
7	-5%
8-34	0%
35-44	+5%
45 or more	+10%

Please note (-) implies a credit, (+) implies a surcharge.

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6.5 Multi-Line Discount - All Forms

A discount to the basic policy premium will be allowed if the named insured has an auto, life, and/or annuity policy with us. Auto policies written on motorcycles, motorhomes, snowmobiles, utility trailers, recreational trailers, kit cars, antique vehicles, electric cars or golf carts will not qualify the homeowner policy for the discount.

A 16 percent discount applies if the policyholder is an educator and has at least one policy with us in two or more of the following lines: Auto, Life, and Annuity.

A 10 percent discount applies if the policyholder is a non-educator and has at least one policy with us in two or more of the following lines: Auto, Life, and Annuity.

A 10 percent discount applies if the policyholder is an educator and has at least one policy with us in only one of the following lines: Auto, Life, or Annuity.

An 8 percent discount applies if the policyholder is a non-educator and has at least one policy with us in only one of the following lines: Auto, Life, or Annuity.

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6.6 Reserved for Future Use

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6.7 Protective Device Credits - All Forms

The premium credits shown below may be allowed for the installation of the following approved and properly maintained alarm systems:

Fire Alarm reporting to either the Fire Department or reporting to a Central Station

Burglar Alarm reporting to either the Police Department or reporting to a Central Station.

Fire and Burglar Alarms reporting to either the Police and Fire Departments, or reporting to a Central Station.

Only one discount from above may be applied per policy. Policyholders applying for the protective device discount must meet the following requirements:

- A. Documentation (i.e. statement from alarm company) must be provided that proves the applicant has contracted for services (i.e. Burglar and/or Fire) for which this discount applies. This discount must include the following four items:
 - 1. the client's name,
 - 2. the specific services that will be rendered,
 - 3. the specific location covered, and
 - 4. recent date (within 6 months of policy effective date)
- B. The documentation referenced in A. must be maintained in the agent's office and be available for audit.

	<u>Credit</u>
Burglar Alarm reporting to a Central Station <i>or</i> Burglar Alarm reporting to the Police Department	5%
Fire Alarm reporting to a Central Station <i>or</i> Fire Alarm reporting to the Fire Department <i>or</i> Fire Sprinkler System	5%
Fire Alarm Reporting to a Central Station or Fire Department or a Fire Sprinkler System <i>and</i> Burglar Alarm Reporting to a Central Station or Police Department	10%

Only one credit from above may be applied per policy.

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6.8 Home-Buyer Loyalty Credit - Forms 3 & 4

A 8% credit to the basic policy premium will be allowed if the named insured is insured with us under a HM-4 tenant policy and converts to a HM-3 homeowner policy or a HM-4 condominium owner policy without any interruption in coverage. This is a one-time credit for the initial policy term.

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6.9 Roof Surfacing Surcharge - Forms 1, 2, 3

A 10% surcharge will be applicable if the property has a shake shingle type roof.

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HOMEOWNER RULES AND RATES**

6.10 Credit Level Rating - Forms 1, 2, 3

All Form 1, 2 and 3 policies are subject to credit level rating. The applicable rating level is determined using the credit score of the primary named insured. Level 7 should be used for applicants or policyholders who will not allow the use of their credit.

See below for the credit level rate adjustments.

<u>Credit Level</u>	<u>Rate Adjustment</u>
A	-21%
B	-21%
C	-17%
D	-17%
E	-9%
F	-8%
G	-2%
H	0%
J	0%
K	+30%
L	+68%
M	+90%
9	-16%
7	+90%
6	-16%

Please note (-) implies a credit, (+) implies a surcharge.

**HORACE MANN INSURANCE COMPANY
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6.11 Claim Record/Persistency Rating Plan - All Forms

An adjustment will apply to the basic policy premium based on the claim record and length of time insured with Horace Mann Insurance Companies.

A. Consecutive years insured with us

The years insured with us are determined by the number of consecutive years (ending with the current renewal date) the named insured has had our homeowners, tenant or condominium policy covering the primary residence or its contents.

Reinstatement: if a policy is reinstated, the number of consecutive years with us which applied at the time of cancellation or nonrenewal will be used, provided the policy was reinstated within twelve months. The period of time away from us does not count.

B. Number of qualified paid claims in the last three years

The number of claims is determined by the number of qualified paid claims the policyholder has had in the last three years (ending three months prior to the current renewal effective date). A qualified claim is considered to be any non-weather, non-catastrophe, or non-mine subsidence related claim which results in a paid loss during this three year period. The following are NOT considered qualified claims: losses which only have payments under Medical Payments coverage; losses which occurred prior to the named insured's current tenure with us; or losses for which subrogation payments have been received.

The basic premium will be adjusted according to the following:

Consecutive years insured with us	Number of qualified paid claims in the last three years.				
	<u>0</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4+</u>
0-2	0%	+5%	+35%	+55%	+85%
3-5	0%	+5%	+35%	+55%	+85%
6-8	-5%	0%	+30%	+55%	+85%
9+	-5%	0%	+20%	+55%	+85%

Please note (-) implies a credit, (+) implies a surcharge.

**HORACE MANN INSURANCE COMPANY
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6.12 Reserved for Future Use

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7.0 OPTIONAL SECTION I PROPERTY COVERAGES

**HORACE MANN INSURANCE COMPANY
TEACHERS INSURANCE COMPANY
ARKANSAS
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7.2 Automatic Adjustment of Limits

7.2.1 Automatic Adjustment of Limits - Forms 1, 2, 3

For Forms HM-1, HM-2, and HM-3, the limits that apply to coverages A, B, C, and D will be automatically increased on an annual basis.

Attach Endorsement CC-H06066

7.2.2 Tenant and Condominium Unit Owners Inflation Protection Coverage - Form 4

This endorsement provides for adjustments in the limits of liability for property coverages to track with our building cost indices.

Attach Endorsement CC-H06023

**HORACE MANN INSURANCE COMPANY
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7.3 Private Structures

7.3.1 Increased Limits - An additional amount of insurance may be written on a specific private structure at the additional premium shown below.

Rate per additional \$1,000 of insurance: \$4.00

Attach Endorsement HM-48

7.3.2 Rented to Others - Coverage may be provided for a private structure on the described premises rented or held for rental to others, used for residential purposes and occupied by no more than two families.

Rate per additional \$1,000 of insurance: \$6.00

Refer to Rule 8.2 for the liability coverage.

Attach Endorsement ML-40

7.3.3 With Incidental Occupancies - Coverage for a private structure on the described premises with an office, professional, private school or studio occupancy may be provided at the rate shown above for Private Structures Rented to Others.

Refer to Rule 8.4 for the liability coverage.

Attach Endorsement ML-42

**HORACE MANN INSURANCE COMPANY
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7.4 Personal Property

7.4.1 Increased Limit - The Coverage C limit of liability may be increased at the additional premium shown below.

Rate per additional \$1,000 of insurance: \$0.50

Show limit on Declarations Page

7.4.2 Reduced Limit - For one or two family dwellings, the Coverage C limit may be reduced to not less than 40% of the Coverage A limit on Forms 1 and 2 and 50% of the Coverage A limit on Form 3 at the credit shown below. This reduction is not permitted when Endorsement ML-42 is attached.

Rate per additional \$1,000 of insurance: \$0.50 credit

Show limit on Declarations Page

7.4.3 In Rental Units - Personal property of the insured located in the rental portion of the dwelling or private structure, not occupied by the insured, may be covered at the additional premium shown below.

Rate per additional \$1,000 of insurance: \$9.00

Attach Endorsement ML-152

**HORACE MANN INSURANCE COMPANY
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7.5 Replacement Value - Personal Property - Forms 3, 4

Personal property may be insured for replacement value at the additional charge shown below.

Increase Basic Policy Premium adjusted for any deductible charge or credit, insurance-to-value credit (HM-3), and any increased Coverage C charge (HM-3) by the following percentages:

HM-3	8%	Minimum Charge	\$20
HM-4	15%	Minimum Charge	\$15

Attach Endorsement HM-55

**HORACE MANN INSURANCE COMPANY
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7.6 Motorized Vehicles

The \$2,500 limit for motorized vehicles used to service the insured premises and not licensed for use on public roads may be increased at the additional premium shown below.

Rate per additional \$1,000 of insurance: \$6.00

Attach Endorsement ML-65

**HORACE MANN INSURANCE COMPANY
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7.7 Additional Living Costs and Loss of Rent

Coverage D may be increased at the additional premium shown below.

Rate per additional \$1,000 of insurance: \$4.00

Show limit on Declarations Page

**HORACE MANN INSURANCE COMPANY
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7.8 Tenant's Improvements - Form 4

The 20% of Coverage C limit for improvements on the insured premises may be increased at the additional premium shown below.

Rate per additional \$1,000 of insurance: \$4.00

Attach Endorsement ML-30

**HORACE MANN INSURANCE COMPANY
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7.9 Fire Department Service Charge

The \$500 limit for fire department service charges may be increased at the additional premium shown below. The maximum additional amount available is \$500.

Rate per additional \$100 of insurance: \$2.00

Attach Endorsement ML-30

**HORACE MANN INSURANCE COMPANY
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7.10 Scheduled Personal Property

7.10.1 Personal Property Coverage

Coverage may be provided for physical loss, with certain exceptions, on scheduled personal property. Rates are shown below.

	<u>Amount of Insurance</u>	<u>Rate Per Amount</u>	<u>Max Add'l Amount</u>
Jewelry			
Pulaski County	\$100	\$1.35	None
Remainder of State	\$100	\$1.00	None
Furs, etc.	\$100	\$0.35	None
Cameras - Amateur	\$100	\$1.50	None
Musical Instruments - Amateur	\$100	\$0.75	None
Silverware, Goldware, etc.	\$100	\$0.20	None
Golfers Equipment	\$100	\$1.50	None
Fine Arts	\$100	\$0.20	None
Stamp Collections	\$100	\$0.70	None
Coin Collections	\$100	\$1.70	None
Bicycles	\$100	\$10.00	None

All other categories of personal property to be scheduled, refer to Home Office.

Minimum annual premium for each category - \$1.00

Minimum annual premium - \$25.00

Attach Endorsement HM-61

7.10.2 Personal Articles Coverage

Coverage may be provided for physical loss, with certain exceptions, on scheduled personal articles.

Sports Cards and Collectors Cards	\$100	\$5.00	None
Sports Memorabilia	\$100	\$5.00	None
Cellular Phones	\$100	\$2.00	None
Personal Computers and Equipment	\$100	\$2.00	None
Guns and Gun Equipment	\$100	\$2.00	None
Sports Equipment	\$100	\$2.00	None
Cameras – Professional	\$100	\$2.50	None
Musical Instr. – Professional	\$100	\$3.00	None

Minimum annual premium - \$25.00

Attach CC-I00012

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7.11 Scheduled Glass

Coverage may be provided for specific items of glass.

Rate per additional \$100 of insurance: \$2.00

Attach Endorsement ML-68

**HORACE MANN INSURANCE COMPANY
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ARKANSAS
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7.12 Refrigerated Food Products

Coverage may be provided for loss or damage to food products contained in a freezer or refrigerated unit. The maximum additional amount of coverage is \$1,000.

Rate per additional \$500 of insurance: \$5.00

Attach Endorsement ML-155

**HORACE MANN INSURANCE COMPANY
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7.13 Electronic Data Processing Equipment - Increased Limits

The \$3,000 limit on premises (\$2,000 limit on premises of a student away from home) for electronic data processing equipment may be increased. The maximum additional amount of insurance is \$7,000.

Rate per additional \$1,000 of insurance: \$4.00

Attach Endorsement CC-H06030

**HORACE MANN INSURANCE COMPANY
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7.15 Additional Coverage Endorsement - Forms 3 & 4

The following limits for the Coverage C, Personal Property, may be increased by the following additional amounts at the additional premium charge shown below.

	<u>Policy Limit</u>	<u>ACE Amount</u>	<u>Total Limit</u>
Money, Bank Notes, etc.	\$ 100	\$ 100	\$ 200
Securities, Commercial Paper, Stamps, etc.	500	500	1,000
Jewelry, Watches, etc.	1,000	1,000	2,000
Silverware, etc.	2,000	1,000	3,000
Guns, etc.	1,000	1,000	2,000
Motorized Vehicles used to service the insured prem.	2,500	1,000	3,500
Refrigerated Products	0	1,000	1,000
Vandalism Deductible	Policy Ded.	50% Reduction	50% of policy ded.

<u>Policy Form</u>	<u>Charge</u>
HM-3	\$36.00
HM-4 (Tenant)	30.00
HM-4 (Condo)	32.00

Attach Endorsement CC-H06040

**HORACE MANN INSURANCE COMPANY
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7.16 Homeowners Association Loss Assessment

The policy may be extended to cover loss assessment charged to the insured by the homeowners association as a result of a loss due to a covered peril. The additional premium is shown below.

<u>Limit of Liability</u>	<u>Premium</u>
1st \$ 1,000	\$10.00
Next 4,000	\$6.00
Next 5,000	\$4.00
Each Add'l 5,000 (up to \$50,000)	\$2.00

Attach Endorsement ML-50

**HORACE MANN INSURANCE COMPANY
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HOMEOWNER RULES AND RATES**

7.17 Condominium Unit-Owners Supplemental Coverages

7.17.1 Unit-Owners Additions and Alterations

Special Coverage - Coverage may be provided for all direct physical loss unless excluded. The additional premium is \$2.00

Attach Endorsement HM-32

Increased Limit - The 20% of Coverage C limit may be increased at the premium shown below.

	<u>Rates per \$1,000 of Insurance</u>
Increased Limit - Basic Coverage Attach HM-31	\$2.00
Increased Limit - Special Coverage Attach HM-32	\$3.00

Show amount of increase on Endorsement HM-31 or HM-32

7.17.2 Unit Rental to Others

Personal property of the insured may be covered while the unit is rented to others. The additional premium is 25% of the Basic Policy premium.

Attach Endorsement ML-33

7.17.3 Loss Assessment

The policy may be extended to cover loss assessment charged to the insured by the association of condominium unit-owners as a result of loss due to a covered peril. The additional premium is shown below.

<u>Limit of Liability</u>	<u>Premium</u>
1st \$ 1,000	\$10.00
Next 4,000	\$6.00
Next 5,000	\$4.00
Each Add'l 5,000 (up to \$50,000)	\$2.00

Attached Endorsement ML-50

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7.18 Reserved for Future Use

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7.19 Water Damage (Sewers and Drains)

This endorsement provides coverage for losses due to sewer and drain backup. The limits and rates are shown below.

The effective date of this endorsement for in force risks will be 12:01 A.M. local time, on the 5th calendar day after the request for this additional coverage has been received by the company. The effective date for new risks will be the original date coverage is written.

<u>Limit</u>	<u>Rate</u>
\$3,000 per occurrence/\$6,000 per policy term	\$24
\$10,000 per occurrence/\$20,000 per policy term	\$48
\$20,000 per occurrence/\$40,000 per policy term	\$72

Attach Endorsement HM-208

**HORACE MANN INSURANCE COMPANY
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8.0 OPTIONAL SECTION II LIABILITY COVERAGES

All mandatory or optional Liability Coverages must be written at the same limit.

**HORACE MANN INSURANCE COMPANY
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8.1 Additional Residence Premises - Rented to Others

Coverage may be provided for additional one or two family residence premises rented to others, owned by the named insured or spouse, at the additional premium shown below.

<u>Liability/Med Payments</u>	<u>1 Family</u>	<u>2 Family</u>
\$100,000/\$500	\$32	\$44
\$200,000/\$500	\$36	\$51
\$300,000/\$500	\$40	\$57
Each Add'l \$500 of Med Payments	\$1	\$1

Attach Endorsement ML-70

**HORACE MANN INSURANCE COMPANY
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8.2 Private Structures - Rented to Others

If coverage is provided under property coverages for private structures rented to others, apply the additional liability premium shown below for Additional Residence Premises - Rented to Others. Refer to Rule 7.3.2 for the property coverage.

Attach Endorsement ML-40

**HORACE MANN INSURANCE COMPANY
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8.3 Waterbed Liability - Form 4

Coverage may be provided for the property damage liability of an insured arising out of the ownership or use of a waterbed on the insured premises. Coverage for medical payments is not applicable. The additional premium is shown below.

<u>Liability</u>	<u>Rate</u>
\$100,000	\$20
\$200,000	\$22
\$300,000	\$24

Attach Endorsement ML-209

**HORACE MANN INSURANCE COMPANY
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8.4 Office, Professional, Private School or Studio Occupancy

Incidental office, professional, private school or studio occupancies are permitted provided:

- the premises are occupied principally for residential purposes; and
- there is no other business conducted on the premises.

Coverage may be provided for liability of an insured arising from:

- An office, professional, private school or studio occupancy in the dwelling or in a separate structure on the premises. The limit for Coverage C must be at least:

Forms 1, 2
60% of Coverage A
or 35% for dwellings
occupied by 3 or 4
families.

Form 3
70% of Coverage A
or 40% for dwellings
occupied by 3 or 4
families.

Refer to Rule 7.3.3 for the property coverage, if applicable.

- Professional instruction given by the insured in the dwelling. The insured employs no assistants and the dwelling has not been altered to accommodate the occupancy.
- An office, professional, private school or studio occupancy in an additional residence premises occupied by the insured, other than the described premises.

<u>Liability/Med Payments</u>	<u>On Premises</u>	<u>Instruction Only</u>	<u>Off Premises</u>
\$100,000/\$500	\$16	\$2	\$14
\$200,000/\$500	\$20	\$4	\$16
\$300,000/\$500	\$20	\$4	\$18
Each Add'l \$500 of Med Payments	\$4	\$1	\$1

This charge applies for each such exposure.
Attach Endorsement ML-42

**HORACE MANN INSURANCE COMPANY
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8.5 Watercraft

Coverage may be provided for watercraft not covered by the policy at the premiums shown below.

- For rating purposes, combine the horsepower of all outboard motors used together with any single watercraft owned by the insured.
- Sailboats 26 to 40 feet inclusive equipped with auxiliary power are classed as inboard motor boats.

* Liability/Med Payments

- (1) 100,000/500
- (2) 200,000/500
- (3) 300,000/500

	<u>Limits*</u>			Each Add'l \$500 of Med Payments
	(1)	(2)	(3)	
Watercraft(+)				
Each Outboard Motor				
26-50 HP	7	8	9	2
Over 50 HP	12	14	16	3
 Inboard or Inboard - Outboard Motorboats And Sailboats Under 16 MPH				
Less than 26 Ft.	16	19	21	2
26 to 40 Ft.	35	41	47	4
Over 40 Ft.	68	79	90	6
 16-30 MPH				
Less than 26 Ft.	33	39	44	3
26 to 40 Ft.	55	64	73	6
Over 40 Ft.	102	119	135	9
 Over 30 MPH				
Less than 26 Ft.	42	49	56	6
26 to 40 Ft.	102	119	135	9
 Sailboats - No Auxiliary Power				
26 to 40 Ft.	33	39	44	3

(+) Note: Charge Not Applicable if the watercraft is:

1. powered by outboard motor 25 horsepower or less.
2. powered by inboard/outboard or inboard motor 50 horsepower or less.
3. a sailboat 25 feet or less.

Attach Endorsement ML-75

**HORACE MANN INSURANCE COMPANY
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9.0 ADDITIONAL AND SECONDARY LOCATIONS

**HORACE MANN INSURANCE COMPANY
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9.1 Secondary Locations

A separate policy may be written to cover secondary locations meeting the requirements of Rule 1. Liability Coverages may be omitted if eligible for credits as described in Rule 9.2.

**HORACE MANN INSURANCE COMPANY
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9.2 Credit for Liability Coverages

Liability Coverages may be omitted from the policy covering the additional or secondary location. The policy must be endorsed or amended to indicate that liability coverage for the additional or secondary location is provided by the homeowner policy covering the primary location. Apply the premium credit for the liability coverages shown below.

Credit for Liability Coverage:	\$10.00
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**HORACE MANN INSURANCE COMPANY
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10.0 SPECIAL ENDORSEMENTS

**HORACE MANN INSURANCE COMPANY
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10.1 Survivor's Waiver of Premium - Forms 1, 2, 3

The first renewal premium under the policy may be waived following an accidental death of the named insured or spouse, if a resident of the household at time of death, at no additional cost. The survivor must be a resident of the household at the time the renewal premium is due.

Attach Endorsement CC-P06003

**HORACE MANN INSURANCE COMPANY
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10.3 Identity Fraud Advocacy Services

We will provide the insured with access to an advocate who will provide Identity Fraud Advocacy Services described in this endorsement. Services are subject to the terms of this endorsement and the terms of the homeowner policy to which it is attached, except as amended by this endorsement.

The endorsement is automatically included if the insured is an educator.

The endorsement charge is \$20 if the insured is a non-educator.

Attach Endorsement HM-686

Horace Mann Insurance Company - 04

State - Arkansas - 03
750 Flat Deductible - All Section 1 Perils

Forms 1,2,3 Annual Premiums
\$100,000/1,000 Liability Limits

Column 1	Column 2
Territory	Base Rate
13	1,921
14 *	3,590
44	1,959
51	1,726
60	1,258
63	1,528
65	1,902
67	1,423
68	1,413
70	1,917
71	1,876
72	1,601
73	1,604
74	1,879
75	1,592

***Note: Territory 14 can only be written in Protection Class 1-5**

Column 3	Column 4	Column 5
Protection Class See Rate Derivation Page		
1-3	M	1.00
1-3	F	1.10
4-5	M	1.04
4-5	F	1.18
6	M	1.18
6	F	1.31
7	M	1.32
7	F	1.46
8	M	1.65
8	F	1.85
9	M	2.00
9	F	2.30
10	M	2.50
10	F	2.80

Column 6	Column 7
Coverage A Amount	Coverage A Relativity
25,000	0.421
30,000	0.425
35,000	0.431
40,000	0.436
45,000	0.440
50,000	0.445
55,000	0.480
60,000	0.487
65,000	0.503
70,000	0.524
75,000	0.543
80,000	0.576
85,000	0.611
90,000	0.645
95,000	0.667
100,000	0.687
105,000	0.719
110,000	0.750
115,000	0.787
120,000	0.822
125,000	0.858
130,000	0.893
135,000	0.930
140,000	0.955
145,000	0.975
150,000	1.000
155,000	1.002
160,000	1.010
165,000	1.026
170,000	1.045
175,000	1.064
180,000	1.084
185,000	1.106
190,000	1.127
195,000	1.154
200,000	1.181
205,000	1.210
210,000	1.239
215,000	1.269
220,000	1.299
225,000	1.329
230,000	1.359
235,000	1.389
240,000	1.419
245,000	1.449
250,000	1.479
Each Add'l	
5,000	0.030

- 1 Choose the Territory in which the property is located in Column 1. Refer to your Territory Pages.
- 2 Choose the corresponding Base Rate for that Territory in Column 2.
- 3 Choose the protection class in Column 3 and find the corresponding relativity in Column 4 or Column 5. See Protection Class Derivation on Rate Derivation Instruction Page).
- 4 Multiply Step 2 by Step 3 and round to the nearest dollar.
- 5 For Form 1 or 2, take the rate from Step 4 and multiply it by .98 and round to the nearest dollar.
- 6 Choose the Coverage A amount, Column 6, and find the corresponding Coverage A Relativity, Column 7. (See Additional Amount and Interpolation Rule on Rate Derivation Instruction Page).
- 7 Multiply the amount from Step 4 or Step 5 by the Coverage A Relativity from Step 6 and round to the nearest dollar. This is your Basic Premium before endorsements are added.
- 8 Go to the Homeowner Rules Pages and follow the rating algorithm for deductible options and endorsements.

Rate Effective Date: 3/1/2014

Horace Mann Insurance Company - 04

**State - Arkansas - 03
500 Flat Deductible - All Section 1 Perils**

**Forms 4,6 Annual Premiums
\$100,000/1,000 Liability Limits**

Column 1	Column 2
Territory	Base Rate
13	145
14 *	203
44	145
51	166
60	166
63	166
65	166
67	166
68	166
70	166
71	177
72	166
73	166
74	180
75	166

Column 3	Column 4	Column 5
Protection Class See Rate Derivation Page		
1-4	M	1.000
1-4	F	1.000
5-6	M	1.100
5-6	F	1.100
7-8	M	1.330
7-8	F	1.330
9	M	1.900
9	F	1.900
10	M	1.995
10	F	1.995

Column 8	
Condo Discount	Territories
20%	All

Column 6	Column 7
Coverage C Amount	Coverage C Relativity
5,000	0.830
10,000	0.870
15,000	1.000
20,000	1.220
25,000	1.380
30,000	1.560
35,000	1.740
40,000	1.910
45,000	2.060
50,000	2.200
55,000	2.400
60,000	2.600
Each Add'l	
5,000	0.200

***Note: Territory 14
can only be written in
Protection Class 1-6**

- 1 Choose Territory in which property is located in Column 1. Refer to your Territory Pages. Find the corresponding Base Rate in Column 2.
- 2 Choose protection class in Column 3, and find corresponding Relativity in Column 4 or Column 5. (See Protection Class Derivation Instruction Page.)
- 3 Multiply the Base Rate from Step 1 by the protection class relativity from Step 2 and round to the nearest dollar.
- 4 If the risk is located in a building with 1-4 units, go to Step 5. If the risk is located in a building with 5 or more units multiply the amount from Step 3 by 1.25 and round to the nearest dollar.
- 5 Choose Coverage C amount, Column 6 and find corresponding Coverage C Relativity, Column 7 (See Additional Amount Rule or Interpolation Rule on Rate Derivation Instruction Page).
- 6 Multiply amount from Step 4 by Coverage C Relativity from Step 5 and round to the nearest dollar. This is your basic Premium before endorsements are added unless you are rating an owner occupied Condo then go to Step 7.
- 7 If you are rating a Condo policy, and the Condo is owner occupied, multiply step 6 by correct discount from column 8 and round to the nearest dollar. This would now be your basic premium before the endorsements are added.
- 8 Go to Homeowner Rules pages and follow rating algorithm for deductible options and endorsements.

Rate Effective Date: 3/1/2014

Teachers Insurance Company - 08

**State - Arkansas - 03
750 Flat Deductible - All Section 1 Perils**

**Form 3 Annual Premiums
\$100,000/1,000 Liability Limits**

Column 1	Column 2
Territory	Base Rate
13	1,506
14 *	2,290
44	1,520
51	1,355
60	960
63	1,198
65	1,495
67	1,111
68	1,071
70	1,197
71	1,469
72	1,254
73	1,265
74	1,457
75	1,246

Column 3	Column 4	Column 5
Protection Class See Rate Derivation Page		
1-3	M	1.00
1-3	F	1.10
4-5	M	1.04
4-5	F	1.18
6	M	1.18
6	F	1.31
7	M	1.32
7	F	1.46
8	M	1.65
8	F	1.85
9	M	2.00
9	F	2.30
10	M	2.50
10	F	2.80

Column 6	Column 7
Coverage A Amount	Coverage A Relativity
25,000	0.421
30,000	0.425
35,000	0.431
40,000	0.436
45,000	0.440
50,000	0.445
55,000	0.480
60,000	0.487
65,000	0.503
70,000	0.524
75,000	0.543
80,000	0.576
85,000	0.611
90,000	0.645
95,000	0.667
100,000	0.687
105,000	0.719
110,000	0.750
115,000	0.787
120,000	0.822
125,000	0.858
130,000	0.893
135,000	0.930
140,000	0.955
145,000	0.975
150,000	1.000
155,000	1.002
160,000	1.010
165,000	1.026
170,000	1.045
175,000	1.064
180,000	1.084
185,000	1.106
190,000	1.127
195,000	1.154
200,000	1.181
205,000	1.210
210,000	1.239
215,000	1.269
220,000	1.299
225,000	1.329
230,000	1.359
235,000	1.389
240,000	1.419
245,000	1.449
250,000	1.479
Each Add'l	
5,000	0.030

***Note: Territory 14
can only be written in
Protection Class 1-5**

- 1 Choose the Territory in which the property is located in Column 1. Refer to your Territory Pages.
- 2 Choose the corresponding Base Rate for that Territory in Column 2.
- 3 Choose the protection class in Column 3 and find the corresponding relativity in Column 4 or Column 5. See Protection Class Derivation on Rate Derivation Instruction Page).
- 4 Multiply Step 2 by Step 3 and round to the nearest dollar.
- 5 Choose the Coverage A amount, Column 6, and find the corresponding Coverage A Relativity, Column 7. (See Additional Amount and Interpolation Rule on Rate Derivation Instruction Page).
- 6 Multiply the amount from Step 4 or Step 5 by the Coverage A Relativity from Step 6 and round to the nearest dollar. This is your Basic Premium before endorsements are added.
- 7 Go to the Homeowner Rules Pages and follow the rating algorithm for deductible options and endorsements.

Rate Effective Date: 3/1/2014

Teachers Insurance Company - 08

**State - Arkansas - 03
500 Flat Deductible - All Section 1 Perils**

**Forms 4,6 Annual Premiums
\$100,000/1,000 Liability Limits**

Column 1	Column 2
Territory	Base Rate
13	130
14 *	184
44	130
51	130
60	130
63	130
65	135
67	130
68	130
70	130
71	155
72	130
73	130
74	130
75	130

Column 3	Column 4	Column 5
Protection Class See Rate Derivation Page		
1-4	M	1.000
1-4	F	1.000
5-6	M	1.100
5-6	F	1.100
7-8	M	1.330
7-8	F	1.330
9	M	1.900
9	F	1.900
10	M	1.995
10	F	1.995

Column 8
Condo Discount Territories
35% All

Column 6	Column 7
Coverage C Amount	Coverage C Relativity
5,000	0.830
10,000	0.870
15,000	1.000
20,000	1.220
25,000	1.380
30,000	1.560
35,000	1.740
40,000	1.910
45,000	2.060
50,000	2.200
55,000	2.400
60,000	2.600
Each Add'l	
5,000	0.200

***Note: Territory 14
can only be written in
Protection Class 1-6**

- 1 Choose Territory in which property is located in Column 1. Refer to your Territory Pages. Find the corresponding Base Rate in Column 2.
- 2 Choose protection class in Column 3, and find corresponding Relativity in Column 4 or Column 5. (See Protection Class Derivation Instruction Page.)
- 3 Multiply the Base Rate from Step 1 by the protection class relativity from Step 2 and round to the nearest dollar.
- 4 If the risk is located in a building with 1-4 units, go to Step 5. If the risk is located in a building with 5 or more units multiply the amount from Step 3 by 1.25 and round to the nearest dollar.
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- 6 Multiply amount from Step 4 by Coverage C Relativity from Step 5 and round to the nearest dollar. This is your basic Premium before endorsements are added unless you are rating an owner occupied Condo then go to Step 7.
- 7 If you are rating a Condo policy, and the Condo is owner occupied, multiply step 6 by correct discount from column 8 and round to the nearest dollar. This would now be your basic premium before the endorsements are added.
- 8 Go to Homeowner Rules pages and follow rating algorithm for deductible options and endorsements.

Rate Effective Date: 3/1/2014

State: Arkansas
TOI/Sub-TOI: 04.0 Homeowners/04.0003 Owner Occupied Homeowners
Product Name: AR Homeowner Rate and Rule Filing
Project Name/Number: AR H030114/AR H030114

First Filing Company: Horace Mann Insurance Company, ...

Supporting Document Schedules

Satisfied - Item:	H-1 Homeowners Abstract
Comments:	
Attachment(s):	Homeowner Abstract HMIC.pdf Homeowner Abstract TIC.pdf
Item Status:	Filed
Status Date:	11/08/2013
Satisfied - Item:	HPCS-Homeowners Premium Comparison Survey
Comments:	Please note that we do not have a \$500 deductible so we used \$750.00
Attachment(s):	HPCS 3-06i(1) HMIC.pdf HPCS 3-06i(1) HMIC.xls HPCS 3-06i(1) TIC.pdf HPCS 3-06i(1) TIC.xls
Item Status:	Filed
Status Date:	11/08/2013
Satisfied - Item:	NAIC loss cost data entry document
Comments:	
Attachment(s):	Loss Cost Data Entry Document HMIC.pdf Loss Cost Data Entry Document TIC.pdf
Item Status:	Filed
Status Date:	11/08/2013
Satisfied - Item:	Response to objection letter date 10-25-13
Comments:	Attached please find our response to the objection letter dated 10-25-13.
Attachment(s):	Response to Obj Letter 10 25 13.pdf
Item Status:	Filed
Status Date:	11/08/2013
Satisfied - Item:	Arkansas Homeowner Rate and Rule Filing
Comments:	Attached please find our Homeowner Rate and Rule Filing.
Attachment(s):	AR Homeowner Rate and Rule Filing.pdf
Item Status:	Filed
Status Date:	11/08/2013
Satisfied - Item:	Response to objection letter dated 11-04-13

SERFF Tracking #:

HRMN-129263182

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

AR H030114

State:

Arkansas

First Filing Company:

Horace Mann Insurance Company, ...

TOI/Sub-TOI:

04.0 Homeowners/04.0003 Owner Occupied Homeowners

Product Name:

AR Homeowner Rate and Rule Filing

Project Name/Number:

AR H030114/AR H030114

Comments:	Attached please find our response to the objection letter dated 11-04-13.
Attachment(s):	Objection Response 11 04 13.pdf Appendix A.pdf
Item Status:	Filed
Status Date:	11/08/2013
Satisfied - Item:	Response to objection letter dated 11-06-13
Comments:	
Attachment(s):	Base Rates - Exhibit IV.pdf Effects.pdf Histograms.pdf
Item Status:	Filed
Status Date:	11/08/2013

ARKANSAS INSURANCE DEPARTMENT

FORM H-1 HOMEOWNERS ABSTRACT

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

Company Name Horace Mann Insurance Company

NAIC # (including group #) 300-22578

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

None

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

We use a cost estimator for new business but not for renewal business. We have been using a cost estimator for over 20 years.

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

We require a dwelling to be insured for 100% of its replacement value as determined by our replacement cost estimator.

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

We use an optional endorsement, "Automatic Adjustment of Limits", which increases coverage A, B, C, and D by 3.5% automatically upon renewal. The overall premium impact is approximately 2.9%.

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

- a. Fire Extinguisher 0 %
- b. Burglar Alarm 5 %
- c. Smoke Alarm 5 %
- d. Insured who has both homeowners and auto with your 8 %

company

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

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

None

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

Form	Premium Volume
HM-1	\$697
HM-2	\$4,202
HM-3	\$104,016
HM-4	\$872
HM-6	\$0

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

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

Yes

If yes, state the surcharge

6%

Does the surcharge apply to conventional fire places?

No

If yes, state the surcharge

N/A

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



Signature

Nick Hinzman

Printed Name

Actuarial Assistant

Title

217-789-2500 *5443

Telephone Number

Nicholas.Hinzman@horacemann.com

Email address

ARKANSAS INSURANCE DEPARTMENT

FORM H-1 HOMEOWNERS ABSTRACT

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

Company Name Teachers Insurance Company

NAIC # (including group #) 300-22578

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

None

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

We use a cost estimator for new business but not for renewal business. We have been using a cost estimator for over 20 years.

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

We require a dwelling to be insured for 100% of its replacement value as determined by our replacement cost estimator.

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

We use an optional endorsement, "Automatic Adjustment of Limits", which increases coverage A, B, C, and D by 3.5% automatically upon renewal. The overall premium impact is approximately 2.9%.

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

- a. Fire Extinguisher 0 %
b. Burglar Alarm 5 %
c. Smoke Alarm 5 %
d. Insured who has both homeowners and auto with your 8 %

company

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

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

None

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

Form	Premium Volume
HM-1	\$0
HM-2	\$0
HM-3	\$376,983
HM-4	\$12,094
HM-6	\$0

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

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

Yes

If yes, state the surcharge

6%

Does the surcharge apply to conventional fire places?

No

If yes, state the surcharge

N/A

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



Signature

Nick Hinzman

Printed Name

Actuarial Assistant

Title

217-789-2500 *5443

Telephone Number

Nicholas.Hinzman@horacemann.com

Email address

NAIC Number: 300-22578
 Company Name: Horace Mann Insurance Company
 Contact Person: Melinda Ballard
 Telephone No.: 217-855-8505
 Email Address: Melinda.Ballard@horacemann.com
 Effective Date: 3/1/2014

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

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

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

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

Public Protection Class	Dwelling Value	Washington		Baxter		Craighead		St. Francis		Desha		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$80,000	\$725.00	\$798.00	\$725.00	\$798.00	\$1,104.00	\$1,214.00	\$1,081.00	\$1,189.00	\$1,104.00	\$1,214.00	\$880.00	\$968.00	\$880.00	\$968.00	\$820.00	\$902.00	\$1,106.00	\$1,217.00
	\$120,000	\$1,034.00	\$1,137.00	\$1,034.00	\$1,137.00	\$1,576.00	\$1,734.00	\$1,542.00	\$1,696.00	\$1,576.00	\$1,734.00	\$1,256.00	\$1,382.00	\$1,256.00	\$1,382.00	\$1,170.00	\$1,287.00	\$1,579.00	\$1,737.00
	\$160,000	\$1,271.00	\$1,398.00	\$1,271.00	\$1,398.00	\$1,936.00	\$2,130.00	\$1,895.00	\$2,085.00	\$1,936.00	\$2,130.00	\$1,543.00	\$1,697.00	\$1,543.00	\$1,697.00	\$1,437.00	\$1,581.00	\$1,940.00	\$2,134.00
6	\$80,000	\$856.00	\$950.00	\$856.00	\$950.00	\$1,303.00	\$1,446.00	\$1,276.00	\$1,416.00	\$1,303.00	\$1,446.00	\$1,038.00	\$1,153.00	\$1,038.00	\$1,153.00	\$968.00	\$1,074.00	\$1,305.00	\$1,449.00
	\$120,000	\$1,220.00	\$1,355.00	\$1,220.00	\$1,355.00	\$1,860.00	\$2,065.00	\$1,820.00	\$2,020.00	\$1,860.00	\$2,065.00	\$1,482.00	\$1,645.00	\$1,482.00	\$1,645.00	\$1,381.00	\$1,533.00	\$1,863.00	\$2,068.00
	\$160,000	\$1,500.00	\$1,665.00	\$1,500.00	\$1,665.00	\$2,284.00	\$2,536.00	\$2,236.00	\$2,482.00	\$2,284.00	\$2,536.00	\$1,821.00	\$2,021.00	\$1,821.00	\$2,021.00	\$1,696.00	\$1,882.00	\$2,289.00	\$2,541.00
9	\$80,000	\$1,450.00	\$1,668.00	\$1,450.00	\$1,668.00	\$2,208.00	\$2,539.00	\$2,162.00	\$2,486.00	\$2,208.00	\$2,539.00	\$1,760.00	\$2,024.00	\$1,760.00	\$2,024.00	\$1,640.00	\$1,886.00	\$2,212.00	\$2,544.00
	\$120,000	\$2,068.00	\$2,378.00	\$2,068.00	\$2,378.00	\$3,152.00	\$3,625.00	\$3,084.00	\$3,547.00	\$3,152.00	\$3,625.00	\$2,512.00	\$2,889.00	\$2,512.00	\$2,889.00	\$2,340.00	\$2,691.00	\$3,158.00	\$3,632.00
	\$160,000	\$2,542.00	\$2,923.00	\$2,542.00	\$2,923.00	\$3,872.00	\$4,453.00	\$3,790.00	\$4,359.00	\$3,872.00	\$4,453.00	\$3,086.00	\$3,549.00	\$3,086.00	\$3,549.00	\$2,874.00	\$3,305.00	\$3,880.00	\$4,462.00

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

Public Protection Class	Property Value	Washington		Baxter		Craighead		St. Francis		Arkansas		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$5,000	\$138.00	\$138.00	\$138.00	\$138.00	\$138.00	\$138.00	\$147.00	\$147.00	\$138.00	\$138.00	\$138.00	\$138.00	\$138.00	\$138.00	\$138.00	\$138.00	\$120.00	\$120.00
	\$15,000	\$166.00	\$166.00	\$166.00	\$166.00	\$166.00	\$166.00	\$177.00	\$177.00	\$166.00	\$166.00	\$166.00	\$166.00	\$166.00	\$166.00	\$166.00	\$166.00	\$145.00	\$145.00
	\$25,000	\$229.00	\$229.00	\$229.00	\$229.00	\$229.00	\$229.00	\$244.00	\$244.00	\$229.00	\$229.00	\$229.00	\$229.00	\$229.00	\$229.00	\$229.00	\$229.00	\$200.00	\$200.00
6	\$5,000	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00	\$162.00	\$162.00	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00	\$152.00	\$132.00	\$132.00
	\$15,000	\$183.00	\$183.00	\$183.00	\$183.00	\$183.00	\$183.00	\$195.00	\$195.00	\$183.00	\$183.00	\$183.00	\$183.00	\$183.00	\$183.00	\$183.00	\$183.00	\$160.00	\$160.00
	\$25,000	\$252.00	\$252.00	\$252.00	\$252.00	\$252.00	\$252.00	\$268.00	\$268.00	\$252.00	\$252.00	\$252.00	\$252.00	\$252.00	\$252.00	\$252.00	\$252.00	\$220.00	\$220.00
9	\$5,000	\$262.00	\$262.00	\$262.00	\$262.00	\$262.00	\$262.00	\$279.00	\$279.00	\$262.00	\$262.00	\$262.00	\$262.00	\$262.00	\$262.00	\$262.00	\$262.00	\$228.00	\$228.00
	\$15,000	\$315.00	\$315.00	\$315.00	\$315.00	\$315.00	\$315.00	\$336.00	\$336.00	\$315.00	\$315.00	\$315.00	\$315.00	\$315.00	\$315.00	\$315.00	\$315.00	\$276.00	\$276.00
	\$25,000	\$435.00	\$435.00	\$435.00	\$435.00	\$435.00	\$435.00	\$464.00	\$464.00	\$435.00	\$435.00	\$435.00	\$435.00	\$435.00	\$435.00	\$435.00	\$435.00	\$380.00	\$380.00

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

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

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

HO3 and HO4 only

Fire Extinguisher	n/a	%	Deadbolt Lock	n/a	%
Burglar Alarm	5	%	Window Locks	n/a	%
Smoke Alarm	5	%	\$1,000 Deductible	5	%
			Other (specify)		%
			Maximum Credit Allowed		%

EARTHQUAKE INSURANCE

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

ARE YOU CURRENTLY WRITING EARTHQUAKE COVERAGE IN ARKANSAS?	no	(yes or no)
WHAT IS YOUR PERCENTAGE DEDUCTIBLE?		%
WHAT IS YOUR PRICE PER \$1,000 OF COVERAGE?		
	Zone	
	Highest Risk	\$
	Lowest Risk	\$
	Brick	
	Frame	

NAIC Number: 300-22578
 Company Name: Teachers Insurance Company
 Contact Person: Melinda Ballard
 Telephone No.: 217-855-8505
 Email Address: Melinda.Ballard@horacemann.com
 Effective Date: 3/1/2014

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

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

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

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

Public Protection Class	Dwelling Value	Washington		Baxter		Craighead		St. Francis		Desha		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$80,000	\$553.00	\$608.00	\$553.00	\$608.00	\$689.00	\$758.00	\$846.00	\$931.00	\$689.00	\$758.00	\$690.00	\$759.00	\$690.00	\$759.00	\$640.00	\$704.00	\$867.00	\$954.00
	\$120,000	\$789.00	\$868.00	\$789.00	\$868.00	\$984.00	\$1,082.00	\$1,208.00	\$1,329.00	\$984.00	\$1,082.00	\$985.00	\$1,084.00	\$985.00	\$1,084.00	\$913.00	\$1,004.00	\$1,238.00	\$1,362.00
	\$160,000	\$970.00	\$1,067.00	\$970.00	\$1,067.00	\$1,209.00	\$1,330.00	\$1,484.00	\$1,632.00	\$1,209.00	\$1,330.00	\$1,210.00	\$1,331.00	\$1,210.00	\$1,331.00	\$1,122.00	\$1,234.00	\$1,521.00	\$1,673.00
6	\$80,000	\$653.00	\$724.00	\$653.00	\$724.00	\$813.00	\$903.00	\$998.00	\$1,108.00	\$813.00	\$903.00	\$814.00	\$904.00	\$814.00	\$904.00	\$755.00	\$838.00	\$1,023.00	\$1,136.00
	\$120,000	\$931.00	\$1,034.00	\$931.00	\$1,034.00	\$1,161.00	\$1,289.00	\$1,425.00	\$1,582.00	\$1,161.00	\$1,289.00	\$1,162.00	\$1,290.00	\$1,162.00	\$1,290.00	\$1,077.00	\$1,196.00	\$1,461.00	\$1,622.00
	\$160,000	\$1,145.00	\$1,271.00	\$1,145.00	\$1,271.00	\$1,427.00	\$1,584.00	\$1,751.00	\$1,944.00	\$1,427.00	\$1,584.00	\$1,428.00	\$1,585.00	\$1,428.00	\$1,585.00	\$1,324.00	\$1,470.00	\$1,795.00	\$1,993.00
9	\$80,000	\$1,106.00	\$1,272.00	\$1,106.00	\$1,272.00	\$1,378.00	\$1,585.00	\$1,692.00	\$1,946.00	\$1,378.00	\$1,585.00	\$1,380.00	\$1,587.00	\$1,380.00	\$1,587.00	\$1,280.00	\$1,472.00	\$1,734.00	\$1,994.00
	\$120,000	\$1,578.00	\$1,815.00	\$1,578.00	\$1,815.00	\$1,968.00	\$2,263.00	\$2,416.00	\$2,778.00	\$1,968.00	\$2,263.00	\$1,970.00	\$2,266.00	\$1,970.00	\$2,266.00	\$1,826.00	\$2,100.00	\$2,476.00	\$2,847.00
	\$160,000	\$1,940.00	\$2,231.00	\$1,940.00	\$2,231.00	\$2,418.00	\$2,781.00	\$2,968.00	\$3,413.00	\$2,418.00	\$2,781.00	\$2,420.00	\$2,783.00	\$2,420.00	\$2,783.00	\$2,244.00	\$2,581.00	\$3,042.00	\$3,498.00

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

Public Protection Class	Property Value	Washington		Baxter		Craighead		St. Francis		Arkansas		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$5,000	\$108.00	\$108.00	\$108.00	\$108.00	\$108.00	\$108.00	\$129.00	\$129.00	\$108.00	\$108.00	\$108.00	\$108.00	\$108.00	\$108.00	\$108.00	\$108.00	\$108.00	\$108.00
	\$15,000	\$130.00	\$130.00	\$130.00	\$130.00	\$130.00	\$130.00	\$155.00	\$155.00	\$130.00	\$130.00	\$130.00	\$130.00	\$130.00	\$130.00	\$130.00	\$130.00	\$130.00	\$130.00
	\$25,000	\$179.00	\$179.00	\$179.00	\$179.00	\$179.00	\$179.00	\$214.00	\$214.00	\$179.00	\$179.00	\$179.00	\$179.00	\$179.00	\$179.00	\$179.00	\$179.00	\$179.00	\$179.00
6	\$5,000	\$119.00	\$119.00	\$119.00	\$119.00	\$119.00	\$119.00	\$142.00	\$142.00	\$119.00	\$119.00	\$119.00	\$119.00	\$119.00	\$119.00	\$119.00	\$119.00	\$119.00	\$119.00
	\$15,000	\$143.00	\$143.00	\$143.00	\$143.00	\$143.00	\$143.00	\$171.00	\$171.00	\$143.00	\$143.00	\$143.00	\$143.00	\$143.00	\$143.00	\$143.00	\$143.00	\$143.00	\$143.00
	\$25,000	\$197.00	\$197.00	\$197.00	\$197.00	\$197.00	\$197.00	\$235.00	\$235.00	\$197.00	\$197.00	\$197.00	\$197.00	\$197.00	\$197.00	\$197.00	\$197.00	\$197.00	\$197.00
9	\$5,000	\$205.00	\$205.00	\$205.00	\$205.00	\$205.00	\$205.00	\$245.00	\$245.00	\$205.00	\$205.00	\$205.00	\$205.00	\$205.00	\$205.00	\$205.00	\$205.00	\$205.00	\$205.00
	\$15,000	\$247.00	\$247.00	\$247.00	\$247.00	\$247.00	\$247.00	\$295.00	\$295.00	\$247.00	\$247.00	\$247.00	\$247.00	\$247.00	\$247.00	\$247.00	\$247.00	\$247.00	\$247.00
	\$25,000	\$340.00	\$340.00	\$340.00	\$340.00	\$340.00	\$340.00	\$407.00	\$407.00	\$340.00	\$340.00	\$340.00	\$340.00	\$340.00	\$340.00	\$340.00	\$340.00	\$340.00	\$340.00

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

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

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

HO3 and HO4 only

Fire Extinguisher	n/a	%	Deadbolt Lock	n/a	%
Burglar Alarm	5	%	Window Locks	n/a	%
Smoke Alarm	5	%	\$1,000 Deductible	5	%
			Other (specify)		%
			Maximum Credit Allowed		%

EARTHQUAKE INSURANCE

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

ARE YOU CURRENTLY WRITING EARTHQUAKE COVERAGE IN ARKANSAS?	no	(yes or no)
WHAT IS YOUR PERCENTAGE DEDUCTIBLE?		%
WHAT IS YOUR PRICE PER \$1,000 OF COVERAGE?		
	Zone	
	Highest Risk	\$
	Lowest Risk	\$
	Brick	
	Frame	

NAIC LOSS COST DATA ENTRY DOCUMENT (EFFECTIVE AUG. 16, 2004)

1. This filing transmittal is part of Company Tracking # _____

2. If filing is an adoption of an advisory organization loss cost filing, give name of advisory organization and Reference/Item Filing Number _____

Company Name	Company NAIC Number
A. Horace Mann Insurance Company	B. 300-22578

Product Coding Matrix Line of Business (i.e., Type of Insurance)	Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)
A. Homeowner Multi-Peril	B. _____

5.

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	FOR LOSS COSTS ONLY				
			(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
Forms 1, 2, 3	+19.9%	+5.1%					
Forms 4, 6	+19.9%	+4.7%					
TOTAL OVERALL EFFECT	+19.9%	+5.1%					

6. 5 Year History Rate Change History

Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
2009	76	7.7%	4/1/2009	88	26	30%	51%
2010	73	12.8%	4/15/2010	88	8	9%	56%
2011	66	-0.1%	9/1/2011	95	19	20%	66%
2012	66	--	--	99	3	3%	42%
2013	72	2.9%	3/1/2013	104	2	2%	51%

7.

Expense Constants	Selected Provisions
A. Total Production Expense	16.8%
B. General Expense	10.8%
C. Taxes, License & Fees	3.6%
D. Underwriting Profit & Contingencies	15.0%
E. Other (explain)	1.9% (Reinsurance)
F. TOTAL	48.1%

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

9. +12.6% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): _____ 60

10. -18.5% Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): _____ 73

NAIC LOSS COST DATA ENTRY DOCUMENT (EFFECTIVE AUG. 16, 2004)

1. This filing transmittal is part of Company Tracking # _____

2. If filing is an adoption of an advisory organization loss cost filing, give name of advisory organization and Reference/Item Filing Number _____

Company Name	Company NAIC Number
A. Teachers Insurance Company	B. 300-22578

Product Coding Matrix Line of Business (i.e., Type of Insurance)	Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)
A. Homeowner Multi-Peril	B. _____

5.

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	FOR LOSS COSTS ONLY				
			(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
Forms 1,2,3	+19.9%	+4.9%					
Forms 4,6	+19.9%	+5.5%					
TOTAL OVERALL EFFECT	+19.9%	+4.9%					

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
2009	161	5.0%	4/1/2009	162	296	183%	71%
2010	151	11.3%	4/15/2010	165	46	28%	77%
2011	149	0.0%	9/1/2011	185	121	65%	87%
2012	170	--	--	203	97	48%	47%
2013	380	5.8%	3/1/2013	305	75	25%	69%

7.

Expense Constants	Selected Provisions
A. Total Production Expense	16.8%
B. General Expense	10.8%
C. Taxes, License & Fees	3.6%
D. Underwriting Profit & Contingencies	15.0%
E. Other (explain)	1.9% (Reinsurance)
F. TOTAL	48.1%

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

9. +13.0% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): _____ 60

10. -19.0% Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): _____ 68

Objection Letter for HRMN-129263182

SERFF Tracking

HRMN-129263182

State:

Arkansas

Objection Letter Date: 10/25/2013

Response Letter Date: 10/29/2013

[Objection 1](#)

Comments:

HPCS-Homeowners Premium Comparison Survey has been altered by adding worksheets. This is not permitted.

RESPONSE: We have removed the additional sheets and re-attached them to this filing as HPCS 3-06i(1) HMIC Upload.xls and HPCS 3-06i(1) TIC Upload.xls.

[Objection 2](#)

Comments:

All request for rate changes submitted to the Department must include supporting data as required by Arkansas Code Annotated § 23-67-209 and Rule 23, Section 7.A.2. Rate changes are not acceptable without sufficient actuarial justification.

RESPONSE: Actuarial support for our overall rate change is included in exhibit II of our initial filing submission. We have also attached our Countrywide Indication calculation in Exhibit A of this response.

For your convenience, we have provided the information Per Rule 23, Code 7.A.2 below:

Loss Data is accident year. We have not provided AR specific LDF's because we've historically only had several hundred policies in the state which is not enough to develop reliable loss development factors, therefore countrywide data is used to determine our loss development factors as displayed in Exhibit II page 1 of our original submission.

The methods used in this filing do not differ from the last filing; however there is one difference in AR compared to our methods countrywide. Per a prior objection from a previous filing, we are using actual wind losses to calculate our indication. Our standard practice is to use expected wind losses which is derived by blending a state specific long term actual wind loss load with a modeled wind loss load using the AIR/Clasic2 model. The expected wind losses for AR are \$469,284 compared to \$329,821 as shown in our indication calculation.

We make adjustments for large losses as detailed in note (7) on Exhibit II page 2 of our original submission. We have actual excess losses in the amount of \$139,152. Our large loss adjustment removes this amount and loads in \$118,317.

The calculation of investment income can be seen in Exhibit B of this response. Support for our profit provision is provided in Exhibit III of our original submission.

Our underwriting expenses are displayed in Exhibit II page 6.

Our trend procedure and calculation are detailed in Exhibit II page 5 of the original submission.

Credibility is assigned to AR based on the note shown on Exhibit II page 1 of the original submission.

Items in Code 7.A.2 that were not addressed by the above are not applicable.

[Objection 3](#)

Comments:

Please provide the SERFF filing number containing the credit scoring model and experience for rule 6.10 - Credit Level Rating.

RESPONSE: We implemented the use of credit scoring prior to SERFF tracking #'s. Our filing which introduced the credit model was submitted November 21st, 2000 and acknowledged by the DOI on December 4, 2000. The credit model we use is Fair Isaac Assist 2.0.

Horace Mann, Teachers and Horace Mann Property & Casualty Combined Companies

COUNTRYWIDE

Homeowner Indicated Rate Level Adjustment

Year Ending	Direct Earned Premium	Direct Incurred Losses	Unadjusted Loss Ratio	Total Premium Adjustment Factor	Adjusted Earned Premium (1)
6/30/2009	\$178,416,509	\$129,141,588	0.724	1.202	\$214,456,644
6/30/2010	\$184,178,058	\$126,556,975	0.687	1.188	\$218,803,533
6/30/2011	\$186,022,199	\$147,593,251	0.793	1.131	\$210,391,107
6/30/2012	\$185,836,856	\$108,373,703	0.583	1.067	\$198,287,925
6/30/2013	\$189,290,063	\$87,090,033	0.460	1.043	\$197,429,536
Totals:	\$923,743,685	\$598,755,550	0.648		\$1,039,368,745

Year Ending	Wind Losses	Avg Annual Wind Losses	Loss Development Factors	Historical Loss Trend Factor	Projected Loss Trend Factor
6/30/2009	\$60,807,947	\$48,953,636	1.004	1.178	1.022
6/30/2010	\$46,224,546	\$50,943,533	1.010	1.131	1.022
6/30/2011	\$75,104,378	\$50,533,550	1.020	1.085	1.022
6/30/2012	\$56,263,634	\$48,981,336	1.061	1.042	1.022
6/30/2013	\$38,538,206	\$48,873,104	1.191	1.000	1.022

Totals:	\$276,938,711	\$248,285,158
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Year Ending	Adjusted Losses	Loss Adjustment Expenses	Adjusted Losses & LAE (2)	Adjusted Loss and LAE Ratio	Weight
6/30/2009	\$131,770,789	\$19,330,774	\$151,101,564	0.705	0.10
6/30/2010	\$147,780,411	\$21,679,386	\$169,459,797	0.774	0.15
6/30/2011	\$137,126,067	\$20,116,393	\$157,242,460	0.747	0.20
6/30/2012	\$115,204,085	\$16,900,439	\$132,104,524	0.666	0.25
6/30/2013	\$116,367,740	\$17,071,147	\$133,438,887	0.676	0.30
Totals:	\$648,249,093	\$95,098,139	\$743,347,231	0.705	1.00

Five Year Weighted Adjusted Loss Ratio (3)	0.705
Permissible Loss Ratio (4)	0.533
Complement of Credibility (5)	0.549
Credibility Factor (6)	1.000
Credibility Weighted Loss Ratio (7)	0.705

Fixed Expense Provision (8)	0.202
Variable Expense (9)	0.265

Indicated Rate Level Adjustment (10)	23.5%
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- (1) Adjusted to current rate level by premium trend adjustment factors.
- (2) Adjusted for loss development, large losses, trend, modeled wind and LAE.
- (3) Using standard weights of 0.10, 0.15, 0.20, 0.25 & 0.30 applied to adjusted loss ratios for the experience period.
- (4) Calculated from budgeted expense allocations and reinsurance load.
- (5) Trended Permissible Loss Ratio as calculated in our "Complement of Credibility".
- (6) Using the formula $Z = (1.5 * P) / (P + 5000000)$, where P equals the adjusted premiums for the past five calendar years.
- (7) Five year weighted adjusted loss ratio is credibility weighted with the trended expected loss ratio using the formula $(5 \text{ Year Average Loss Ratio} \& \text{ LAE} * \text{Credibility Factor}) + (\text{Complement of Credibility} * (1 - \text{Credibility Factor}))$
- (8) Fixed expenses assuming 90% of Other Acquisition, 90% of General, and 100% of Reinsurance expenses are fixed.
- (9) Variable expenses = 1 - Permissible Loss Ratio - Fixed Expense Provision
- (10) Indication calculated as : $[(\text{Credibility Weighted LR} + \text{Fixed Expense Provision}) / (1 - \text{Variable Expense})] - 1$

	<u>2013</u>
(1) Dividend Payout Ratio	24.90%
(2) Return on GAAP Equity	11.77%
(3) BOY equity to BOY Equity	100.00%
(4) = (2)*(3) Portion of ROE paid out in div	2.93%
(5)=(2)+(3)-(4) EOY Equity to BOY Equity	108.84%
(6) = (1+(5))/2 Average Equity	104.42%
(7) II on Average Equity Funds	3.97% Three years average from 2010 to 2012
(8)=(6)*(7) II on Avg Equity Funds to BOY Equity	4.15% = II on Average Equity Funds * II on Avg Equity Funds to Boy Equity
(9) GAAP Equity to Capital	81.53% From 3 year average equity to capital ratio
(10) = (8)*(9) II on equity as a percent of total Capital	3.38% =Current GAAP Equity to Capital times II on Avg Equity Funds to BOY Equity

2012 Investment Income
in thousands

	(1)	(2)	(3)=(1)/(2)
	Annualized Investment Plan Return on Average <u>Invested Assets</u>	2012 Average <u>Invested Assets</u>	Percent Return <u>On Invested Asset Base</u>
Corporate Investments			
After-tax investment income net of investment expense	206,100		3.44%
After-tax Realized capital gains	17,600		0.29%
Total	223,700	5,984,803	3.74%

2011 Investment Income
in thousands

	(1)	(2)	(3)=(1)/(2)
	Annualized Investment Plan Return on Average <u>Invested Assets</u>	2011 Average <u>Invested Assets</u>	Percent Return <u>On Invested Asset Base</u>
Corporate Investments			
After-tax investment income net of investment expense	194,800		3.62%
After-tax Realized capital gains	24,505		0.46%
Total	219,305	5,375,566	4.08%

2010 Investment Income
in thousands

	(1)	(2)	(3)=(1)/(2)
	Annualized Investment Plan Return on Average <u>Invested Assets</u>	2010 Average <u>Invested Assets</u>	Percent Return <u>On Invested Asset Base</u>
Corporate Investments			
After-tax investment income net of investment expense	184,300		3.82%
After-tax Realized capital gains	15,470		0.32%
Total	199,770	4,824,124	4.14%

Three year average (2010 - 2012) Investment Income
in thousands

	(1)	(2)	(3)=(1)/(2)
	Annualized Investment Plan Return on Average <u>Invested Assets</u>	2006-2009 Average <u>Invested Assets</u>	Percent Return <u>On Invested Asset Base</u>
Corporate Investments			
After-tax investment income net of investment expense	585,200		3.62%
After-tax Realized capital gains	57,575		0.36%
Total	642,775	16,184,492	3.97%

**Horace Mann Insurance Company
Teachers Insurance Company
Arkansas
Homeowners
Filing Memorandum**

Horace Mann Insurance Company and Teachers Insurance Company submit for your review and approval this Homeowners Rate and Rule filing for Arkansas. The overall premium effect of this revision is +11.2% as calculated in Exhibit I.

In Exhibit II, you will find our indication calculation and all indication supporting exhibits. Page 1 of Exhibit II is our five-year experience and indication calculation of +19.9%. An explanation of our indication calculation can be found on Page 2.

Exhibit II, page 3 shows our premium trend calculation, which accounts for shifts in the distribution of various rating characteristics such as increased Coverage A amounts and deductible changes. The on-level factors used in the calculation of our premium trend are shown in Exhibit II, page 4. The method for our premium trend calculation is taken from the article “An Introduction to Premium Trend”. A copy of the article can be provided upon request.

Our adjusted losses are derived by first developing our losses to an ultimate settlement basis and applying a historical loss trend factor. We then finish the derivation by applying a projected loss trend factor. The trend factors used to adjust our losses are based on both frequency and severity trends as described and calculated in Exhibit II, page 5.

Our individual years’ loss ratios are then weighted equally to arrive at the five-year loss ratio. This loss ratio is then credibility weighted with our trended permissible loss ratio to determine our credibility weighted loss ratio. We then add our fixed expenses, divide by the complement of our variable expenses and subtract unity to arrive at our final indication. Our fixed and variable expenses are detailed in Exhibit II, page 6.

The calculations for our underwriting profit provision along with supporting data and assumptions can be found in Exhibit III.

We are making the following changes with this filing:

- 1) **Base Rate Revisions** – We are revising base rates for all forms in all territories. These revisions can be found in Exhibit IV.
- 2) **NEA Member Discount** – We are eliminating the National Educators Association (NEA) Member discount. Effects are shown in Exhibit V.
- 3) **Credit Tier Factors** – We are revising credit tier factors for increased pricing segmentation and pricing continuity while limiting the effect on current policyholders. Effects can be seen in Exhibit VI.
- 4) **Protection Class Factors** – We are revising protection class 10 factors toward indicated values. Effects can be seen in Exhibit VII.

- 5) **Water Back Up Limits** – We are introducing two new limit options for water back-up coverage. \$10,000 per occurrence/\$20,000 per policy term and \$20,000 per occurrence/\$40,000 per policy term. Rates for the new limits can be seen in Exhibit VIII.
- 6) **Cancellation or Reduction of Limits** – We are revising rule 3.7. All premium returns due to a mid-term cancellation or reduction of limits by the policyholder will now be calculated 100% pro rata.
- 7) **Manual Changes -**
 - Rules/State Rates Manuals – We are combining the Rules and State Rates documents into a single document and formatting such that the rate is located next to the corresponding rule. Additionally, only one rule will be displayed per page for simplified maintenance and the ability to more effectively archive changes to the manual pages.
 - HMIC and TIC Premiums – The current HMIC Premiums and TIC Premiums documents are being combined into one document. All pages are being updated to reflect the proposed base rates and proposed protection class factors.

Our revised manual pages are attached at the end of the filing. Histograms summarizing the impacts are attached as Exhibit IX. The above changes will become effective on 3/1/2014 for new and renewal business.

**Horace Mann Insurance Company
Teachers Insurance Company
Arkansas
Homeowners
Filing Table of Contents**

Premium Effects.....	Exhibit I
Indication and Indication Supporting Exhibits	Exhibit II
Underwriting Profit and Supporting Exhibits	Exhibit III
Base Rate Exhibit.....	Exhibit IV
NEA Discount Exhibit	Exhibit V
Credit Tier Exhibit	Exhibit VI
Protection Class Exhibit.....	Exhibit VII
Water Back Up Exhibit.....	Exhibit VIII
Histograms	Exhibit IX
Revised Manual Pages	

**Horace Mann Insurance Company - Teachers Insurance Company
Arkansas
Proposed Territorial Premium Effects**

Current Territory	Form 1,2&3	Form 4&6	Total
13	10.7%	7.4%	10.6%
14	13.6%	14.8%	13.8%
44	14.1%	0.0%	14.1%
51	17.5%	0.0%	17.5%
60	11.9%	9.4%	11.7%
63	11.3%	12.0%	11.3%
65	9.2%	0.0%	9.2%
67	11.5%	13.5%	11.6%
68	10.7%	8.9%	10.7%
70	12.3%	8.8%	12.2%
71	9.8%	0.0%	9.8%
72	12.0%	0.0%	12.0%
73	8.3%	8.0%	8.3%
74	15.0%	0.0%	15.0%
75	0.0%	14.6%	14.6%
	11.3%	9.7%	11.2%

Horace Mann Insurance Company

Current Territory	Form 1,2&3	Form 4&6	Total
13	12.0%	0.0%	12.0%
14	0.0%	0.0%	0.0%
44	12.0%	0.0%	12.0%
51	17.9%	0.0%	17.9%
60	11.9%	10.4%	11.8%
63	11.4%	0.0%	11.4%
65	12.0%	0.0%	12.0%
67	11.8%	0.0%	11.8%
68	11.4%	8.5%	11.2%
70	12.8%	0.0%	12.8%
71	12.0%	0.0%	12.0%
72	0.0%	0.0%	0.0%
73	7.1%	0.0%	7.1%
74	15.0%	0.0%	15.0%
75	0.0%	0.0%	0.0%
	11.6%	9.5%	11.6%

Teachers Insurance Company

Current Territory	Form 3	Form 4&6	Total
13	10.5%	7.4%	10.4%
14	13.6%	14.8%	13.8%
44	17.1%	0.0%	17.1%
51	17.3%	0.0%	17.3%
60	11.8%	9.3%	11.7%
63	11.3%	12.0%	11.3%
65	8.4%	0.0%	8.4%
67	11.4%	13.5%	11.5%
68	10.6%	9.8%	10.6%
70	12.2%	8.8%	12.0%
71	9.4%	0.0%	9.4%
72	12.0%	0.0%	12.0%
73	9.3%	8.0%	9.2%
74	0.0%	0.0%	0.0%
75	0.0%	14.6%	14.6%
	11.2%	9.7%	11.2%

Horace Mann and Teachers Combined Companies
ARKANSAS
Homeowner Indicated Rate Level Adjustment

Year Ending	Direct Earned Premium	Direct Incurred Losses	Unadjusted Loss Ratio	Total Premium Adjustment Factor	Adjusted Earned Premium (1)
6/30/2009	\$248,381	\$322,410	1.298	0.876	\$217,582
6/30/2010	\$251,014	\$54,325	0.216	0.866	\$217,378
6/30/2011	\$277,616	\$139,144	0.501	0.814	\$225,979
6/30/2012	\$299,490	\$100,500	0.336	0.811	\$242,886
6/30/2013	\$405,752	\$77,115	0.190	0.833	\$337,991

Totals:	\$1,482,253	\$693,494	0.468		\$1,241,817
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Year Ending	Actual Wind Losses	Loaded Wind Losses (2)	Loss Development Factors	Historical Loss Trend Factor	Projected Loss Trend Factor
6/30/2009	\$56,954	\$56,954	1.003	1.259	1.044
6/30/2010	\$46,110	\$46,110	1.010	1.189	1.044
6/30/2011	\$115,703	\$115,703	1.022	1.122	1.044
6/30/2012	\$47,814	\$47,814	1.053	1.059	1.044
6/30/2013	\$63,240	\$63,240	1.211	1.000	1.044

Totals:	\$329,821	\$329,821			
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Year Ending	Adjusted Losses	Loss Adjustment Expenses	Adjusted Losses & LAE (3)	Adjusted Loss and LAE Ratio	Weight
6/30/2009	\$270,130	\$39,628	\$309,758	1.424	0.20
6/30/2010	\$94,598	\$13,878	\$108,476	0.499	0.20
6/30/2011	\$192,078	\$28,178	\$220,255	0.975	0.20
6/30/2012	\$143,294	\$21,021	\$164,315	0.677	0.20
6/30/2013	\$138,038	\$20,250	\$158,288	0.468	0.20

Totals:	\$838,137	\$122,955	\$961,092	0.808	1.00
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Five Year Weighted Adjusted Loss Ratio (4)	0.808
Permissible Loss Ratio (5)	0.519
Complement of Credibility (6)	0.589
Credibility Factor (7)	0.298
Credibility Weighted Loss Ratio (8)	0.654

Fixed Expense Provision (9)	0.158
Variable Expense (10)	0.323

Indicated Rate Level Adjustment (11)	19.9%
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- (1) Adjusted to current rate level by premium trend adjustment factors.
- (2) Modeled wind losses were not used to develop the indication. This column is set equal to the actual wind losses.
- (3) Adjusted for loss development, large losses, trend, modeled wind and LAE.
- (4) Using standard weights of 0.20, 0.20, 0.20, 0.20 & 0.20 applied to adjusted loss ratios for the experience period.
- (5) Calculated from budgeted expense allocations and reinsurance load.
- (6) Trended Permissible Loss Ratio as calculated in our "Complement of Credibility".
- (7) Using the formula $Z = (1.5 * P) / (P + 5000000)$, where P equals the adjusted premiums for the past five calendar years.
- (8) Five year weighted adjusted loss ratio is credibility weighted with the trended expected loss ratio using the formula $(5 \text{ Year Average Loss Ratio} \& \text{ LAE} * \text{Credibility Factor}) + (\text{Complement of Credibility} * (1 - \text{Credibility Factor}))$
- (9) Fixed expenses assuming 90% of Other Acquisition, 90% of General, and 100% of Reinsurance expenses are fixed.
- (10) Variable expenses = 1 - Permissible Loss Ratio - Fixed Expense Provision
- (11) Indication calculated as : $[(\text{Credibility Weighted LR} + \text{Fixed Expense Provision}) / (1 - \text{Variable Expense})] - 1$

Supplementary Page to the ARKANSAS Homeowners Rate Indication
Horace Mann and Teachers Combined Companies

(1) Data

Lagged earned premium, losses, and exposures were used in this indication. The loss development factors utilized in this indication were derived also using lagged data.

(2) Premium Trend Adjustment Factors

These factors were applied to each fiscal year's earned premiums to bring them up to current rate level and to account for distributional shifts.

(3) Loss Trend

The loss trend was determined using the historical data. There are two steps- historical and projected trend. The losses were first trended from the midpoint of the experience period to the midpoint of the latest experience year, and then projects from the midpoint of the latest experience year to the midpoint of the projected period. The loss trend was then applied to the incurred losses.

(4) Permissible Loss Ratio (PLR)

The Permissible Loss Ratio is calculated using the complement of our Budgeted Expense Ratio. The Budgeted Expense Ratio is developed after reviewing our latest three years expense ratios derived from the Insurance Expense Exhibits. This expense ratio includes a 15.0% Profit and Contingency Loading.

(5) Loss Ratio Credibility Procedure

First, the adjusted fiscal accident year loss ratios are credibility weighted using a 20-20-20-20 weighting scheme to get the Actual Loss Ratio (ALR). The credibility assigned to the ALR is assigned using the formula: $Z = (1.5 * AEP) / (AEP + \$5,000,000)$ where Z is the credibility factor and AEP is 5 years total of Adjusted Earned Premium. The data is assumed to be fully credible if there is \$10 million in adjusted earned premiums over the experience period. The formula for the credibility weighted loss ratio is $CWLR = (ALR)(Z) + (PLR)(1 - Z)$.

(6) Indicated Rate Level Adjustment (IRLA)

The Indicated Rate Level Adjustment is calculated using the ratio of the CWLR plus the fixed expense provision to the complement of the variable expenses. The formula is: $IRLA = ((CWLR + Fixed Expense) / (1 - Variable Expenses)) - 1$.

(7) Average Annual Large Loss Procedure

We replaced our actual non-wind/hail losses in excess of \$35,000 with a credibility weighted large loss load. Credibility was assigned to our data using a modified version of the $n/(n+k)$ formula. In our formula, k is the mean of the variance of sampled relativities (sampled using the bootstrapping procedure) divided by the variance of the state relativities. For n we use the inverse square of the coefficient of variation of the relativities (μ^2/σ^2). We then applied this credibility weighted factor to a countrywide large loss to amount of insurance years factor based upon our most recent ten years of data. By using this approach we are able to balance the stability of a long-term estimate of large loss potential with the responsiveness of more recent data. These large losses are included as a load to our indication for expected large losses.

Horace Mann and Teachers Combined Companies
ARKANSAS
Premium Adjustment Factor Calculation

	(1)	(2)	(3)							(4)	(5)	(6)
Year Ending	Exposures	Earned Premium	Average Premium @ CRL	Historical Premium Trend	Years of Historical Trend	Projected Premium Trend	Years of Projected Trend	Step1 Trend Factor	Step2 Trend Factor	Total Premium Trend Factor	On level Factor	Total Premium Adjustment Factor
6/30/2009	237	248,381	\$1,304	-3.0%	4.00	-10.0%	2.17	0.885	0.796	0.704	1.244	0.876
6/30/2010	224	251,014	\$1,337	-3.0%	3.00	-10.0%	2.17	0.913	0.796	0.726	1.193	0.866
6/30/2011	215	277,616	\$1,403	-3.0%	2.00	-10.0%	2.17	0.941	0.796	0.749	1.086	0.814
6/30/2012	236	299,490	\$1,332	-3.0%	1.00	-10.0%	2.17	0.970	0.796	0.772	1.050	0.811
6/30/2013	358	405,752	\$1,186	-3.0%	0.00	-10.0%	2.17	1.000	0.796	0.796	1.047	0.833

Earned Premiums at current rate level are projected to 03/01/2015 using a historical annual rate of change of -3.0% and a projected annual rate of change of -10.0%

Combined Companies
ARKANSAS
Earned Premium On-Level Factors

Experience Year Ending	On-Level Factor
6/30/2009	1.244
6/30/2010	1.193
6/30/2011	1.086
6/30/2012	1.050
6/30/2013	1.047

Renewal Effective Date	Forms Combined Effect
4/15/2009	6.0%
4/15/2010	11.9%
6/1/2011	0.0%
9/1/2011	0.0%
3/1/2013	5.0%

Horace Mann and Teachers Combined Companies ARKANSAS Loss Trend Calculation

Historical Severity Trend

Form	Distribution Weight	Indicated Severity Change			Selected Severity Change			Standard Error			Credibility			Credibility Weighted Change	Selected Severity Change
		HM State	HM Countrywide	Fast Track State	HM State	HM Countrywide	Fast Track State	HM State	HM Countrywide	Fast Track State	HM State	HM Countrywide	Fast Track State		
1, 2, 3	100.0%	-11.9%	2.8%	5.3%	5.3%	1.5%	5.3%	7,371	649	601	0.145	0.428	0.428	3.6%	3.6%
4 & 6	0.0%	-12.5%	-0.3%	2.5%	0.0%	0.0%	0.0%	4	783	638	0.997	0.001	0.001	0.0%	
Total	100.0%	-11.9%	2.8%	5.3%	5.3%	1.5%	5.3%	7,371	649	601	0.145	0.428	0.428	3.6%	

Projected Severity Trend

Form	Distribution Weight	Indicated Severity Change			Selected Severity Change			Standard Error			Credibility			Credibility Weighted Change	Selected Severity Change
		HM State	HM Countrywide	Fast Track State	HM State	HM Countrywide	Fast Track State	HM State	HM Countrywide	Fast Track State	HM State	HM Countrywide	Fast Track State		
1, 2, 3	100.0%	94.0%	1.9%	2.5%	4.8%	2.0%	4.8%	3,384	634	613	0.269	0.365	0.365	3.7%	3.7%
4 & 6	0.0%	0.0%	-6.9%	-8.0%	-2.0%	-2.0%	-2.0%	0	695	559	1.000	0.000	0.000	-2.0%	
Total	100.0%	94.0%	1.9%	2.5%	4.8%	2.0%	4.8%	3,384	634	613	0.269	0.365	0.365	3.7%	

Historical Frequency Trend

Form	Distribution Weight	Indicated Frequency Change			Selected Frequency Change			Standard Error			Credibility			Credibility Weighted Change	Selected Frequency Change
		HM State	HM Countrywide	Fast Track State	HM State	HM Countrywide	Fast Track State	HM State	HM Countrywide	Fast Track State	HM State	HM Countrywide	Fast Track State		
1, 2, 3	100.0%	-3.5%	3.9%	2.5%	2.0%	2.5%	2.0%	0.06650	0.00524	0.00866	0.173	0.414	0.414	2.2%	2.2%
4 & 6	0.0%	1.3%	5.4%	1.9%	1.8%	5.0%	1.8%	0.13075	0.00251	0.00152	0.030	0.485	0.485	3.3%	
Total	100.0%	-3.5%	3.9%	2.5%	2.0%	2.5%	2.0%	0.06650	0.00524	0.00866	0.173	0.414	0.414	2.2%	

Projected Frequency Trend

Form	Distribution Weight	Indicated Frequency Change			Selected Frequency Change			Standard Error			Credibility			Credibility Weighted Change	Selected Frequency Change
		HM State	HM Countrywide	Fast Track State	HM State	HM Countrywide	Fast Track State	HM State	HM Countrywide	Fast Track State	HM State	HM Countrywide	Fast Track State		
1, 2, 3	100.0%	-43.3%	-9.2%	-19.1%	-2.0%	-1.0%	-2.0%	0.02389	0.00345	0.00720	0.308	0.346	0.346	-1.7%	-1.7%
4 & 6	0.0%	0.0%	-5.5%	-2.6%	0.0%	-1.0%	0.0%	0.00000	0.00192	0.00219	1.000	0.000	0.000	0.0%	
Total	100.0%	-43.3%	-9.2%	-19.1%	-2.0%	-1.0%	-2.0%	0.02389	0.00345	0.00720	0.308	0.346	0.346	-1.7%	

Historical Trend factor calculation				
Year Ending	Years of Historical Trend	Severity Trend Factor	Frequency Trend Factor	Pure Premium Trend Factor
6/30/2009	4.00	1.154	1.091	1.259
6/30/2010	3.00	1.113	1.068	1.189
6/30/2011	2.00	1.074	1.045	1.122
6/30/2012	1.00	1.036	1.022	1.059
6/30/2013	0.00	1.000	1.000	1.000

Projected Trend factor calculation				
Year Ending	Years of Projected Trend	Severity Trend Factor	Frequency Trend Factor	Pure Premium Trend Factor
6/30/2009	2.17	1.083	0.965	1.044
6/30/2010	2.17	1.083	0.965	1.044
6/30/2011	2.17	1.083	0.965	1.044
6/30/2012	2.17	1.083	0.965	1.044
6/30/2013	2.17	1.083	0.965	1.044

Notes:

- (1) The average earned date of premium is approximately 12 months after the proposed effective date of 03/01/2014
- (2) The loss trend factor trends losses first from the midpoint of the experience period to the midpoint of the latest experience year, and then projects from the midpoint of the latest experience year to the midpoint of the projected period, which is 12 months after proposed effective date.
- (3) Trend Factor = (1 + Historical Trend %)^ Years of Historical Period * (1 + Projected Trend %)^ Years of Projected Period
- (4) Pure Premium Trend Factor = Severity Trend Factor * Frequency Trend Factor
- (5) Credibility assigned to HM State data = 1 / (1 + HM State SE / (HM CW SE + FT State SE))

*Frequency and Severity Trend are derived from Adjusted Quarterly data.

Horace Mann\Teachers\Horace Mann P&C Insurance Companies Combined
Arkansas
Expense Exhibit
Homeowners
(\$ x1000)

	2010		2011		2012	
	\$	%	\$	%	\$	%
Direct Written Premiums	175,654		174,055		176,662	
Direct Earned Premiums	175,923		173,811		175,590	
Direct Commissions (W)	11,705	6.7%	11,920	6.8%	12,710	7.2%
Other Acquisition Expenses (E)	8,299	4.7%	7,562	4.4%	6,265	3.6%
General Expenses (E)	19,544	11.1%	18,016	10.4%	20,968	11.9%
Taxes, Licenses & Fees (W)	4,946	2.8%	4,736	2.7%	5,055	2.9%
		25.3%		24.3%		25.6%

Anticipated 2013 Permissible Loss Ratio

	Total	Fixed	Variable
Commissions	12.3%	0.0%	12.3%
Other Acquisition Expenses*	4.5%	4.1%	0.4%
General Expenses*	10.8%	9.8%	1.0%
Taxes, Licenses & Fees	3.6%	0.0%	3.6%
Reinsurance Expense	1.9%	1.9%	0.0%
Underwriting Profit & Contingencies	<u>15.0%</u>	<u>0.0%</u>	<u>15.0%</u>
Total Expenses & Profit	48.1%	15.8%	32.3%
Permissible Loss Ratio	51.9%		

NOTE: Captions designated by (W) are ratioed to written premiums;
those by (E) are ratioed to earned premiums.

* Other Acquisitions and General Expenses based off Countrywide data from Horace Mann, Teachers, Horace Mann Property & Casualty, and Horace Mann Lloyds Insurance Companies

HORACE MANN INSURANCE COMPANIES

Calculation of Cost of Equity Capital
Using the Fama French Method

		<u>2013</u>
(1)	Market Beta	1.28
(2)	Market Risk Premium	6.70%
(3)=(1) * (2)	Total Market Risk	8.58%
(4)	Size Risk Premium	1.18%
(5)	Value Risk Premium	-0.15%
(6)	Rf	2.41%
(7)= (3)+(4)+(5)	FF k=	12.02%

Notes:

- a)
- b)

Notes:

Total Market Risk = Market Beta * Market Risk Premium

FF k (Fama French cost of equity capital) =

Total Market Risk + Size Risk Premium + Value Risk Premium + Rf

HORACE MANN INSURANCE COMPANIES

Calculation of Fair Rate of Return

		<u>2013</u>
(1)	Fama French Cost of Equity Capital (k)	12.02%
(2)	MV/BV (m)	0.924
(3)	Dividend Payout (d)	0.25
(4)	Fair return to firm	11.77%

Note:

- a) Fair rate of return $\frac{m * k}{d + (1-d)m}$
- b) MV/BV used 10 year average
- c) Divident Payout use 5 year average from Exhibit 13
- d) Fama French Cost of Equity Capital from Exhibit 2

HORACE MANN INSURANCE COMPANIES

Calculation of the Weighted Average Cost of Capital

		<u>2013</u>
(1)	Pre-tax Cost of Debt	13,591
(2)	Tax Rate	35%
(3)=(1)*(2)	After Tax Cost of Debt	8,834
(4)	Book Value of Debt	199,800
(5)=(3)/(4)	Cost of Debt	4.42%
(6)	Book Value of Equity	1,049,433
(7)	ROE	11.77%
(8)=(4)+(6)	Total Capital	1,249,233
	WACC	10.60%

Note

- a) Dollar mount in thousand
- b) Book value of Debt is subject to adjust
- c) Book value of Equity is 3 years average from Exhibit 12
- d) ROE from Exhibit 2

HORACE MANN INSURANCE COMPANIES
Calculation of Underwriting Profit Provision
Homeowners

		<u>2013</u>
(1)	WACC	10.60%
(2)	Estimated Investment Income on Capital	3.38%
(3)=(1)-(2)	After-tax Operating Profit	7.22%
(4)	Ratio of Gross Premium to Capital, 3-Year Average	0.543
(5)	After-tax Operating Profit to Premium	13.30%
(6)	Investment Gain from Policy Cash Flow	1.0%
(7)	Other P&C Income	0.29%
(8)=(5)-(6)-(7)	After-tax Underwriting Profit Provision	11.98%
(9)	Tax Rate	35.00%
(10)=(8)/(1-(9))	Pre-tax Underwriting Profit Provision	18.42%
(11)	Selection	15.00%

**Horace Mann Insurance Company
Arkansas
Derivation of Base Rates & Effects
Form 1,2&3**

		(1)	(3)	(7)	(8)	(9)	(10)
Current Territory	Territory Definition	PIF Weight	Current Base Rate	Rating Factor Change Effect	Proposed Base Rate	Base Rate Effect	Rating Premium Effect
13	Remainder of Pulaski County	1%	1823	0.0%	2042	12.0%	12.0%
14	Pulaski County: Little Rock; Zip Codes 72201-09	0%	3406	0.0%	3815	12.0%	0.0%
44	Crittenden, Lawrence and Poinsett Counties	1%	1859	0.0%	2082	12.0%	12.0%
51	Pulaski County: North Little Rock; Zip Codes 72114-19	1%	1638	5.2%	1835	12.0%	17.9%
60	Baxter, Benton, Carroll and Washington Counties	28%	1194	-0.1%	1337	12.0%	11.9%
63	Arkansas, Bradley, Calhoun, Conway, Dallas, Drew, Franklin, Lafayette, Little River, Lonoke, Miller, Mississippi, Monroe, Ouachita, Pike, Polk, Union and Yell Counties	18%	1450	-0.5%	1624	12.0%	11.4%
65	Ashley, Clay, Hot Springs, Howard, Jackson, White and Woodruff	4%	1805	0.0%	2022	12.0%	12.0%
67	Boone, Madison, Marion, Newton, Perry, Searcy, Sebastian and Van Buren Counties	10%	1350	-0.1%	1512	12.0%	11.8%
68	Cleburne, Faulkner, Garland, Independence, Logan and Scott Counties	6%	1341	-0.5%	1502	12.0%	11.4%
70	Clark, Cleveland, Craighead, Desha, Grant, Hempstead, Jefferson, Montgomery, Nevada and Prairie Counties	12%	1819	0.7%	2037	12.0%	12.8%
71	Cross, Lee, Phillips and St. Francis Counties	3%	1780	0.0%	1994	12.0%	12.0%
72	Fulton, Greene, Izard, Sharp and Stone Counties	0%	1519	0.0%	1701	12.0%	0.0%
73	Crawford and Saline Counties	10%	1522	-4.4%	1705	12.0%	7.1%
74	Chicot, Columbia, Lincoln, Randolph and Sevier Counties	4%	1783	2.7%	1997	12.0%	15.0%
75	Johnson and Pope Counties	0%	1510	0.0%	1691	12.0%	0.0%
Total		100%	1467	-0.4%	1643	12.0%	11.6%

Current Base Coverage: \$150,000 Covg. A, \$750 Flat Deductible, Masonry, Protection Class 1-3, \$100,000/1,000 Liability Limits
Proposed Base Coverage: \$150,000 Covg. A, \$750 Flat Deductible, Masonry, Protection Class 1-3, \$100,000/1,000 Liability Limits

- (8) Proposed Base Rate = (Current Base Rate x Territorial Relativity Adjustment Factor) x (1+Desired SW Effect)
- (9) Base Rate Effect = Proposed Base Rate / Re-Based Current Base Rate -1
- (10) Rating Premium Effect- Effect calculated based solely on revisions to rates and changes in our rating algorithms.

**Teachers Insurance Company
Arkansas
Derivation of Base Rates & Effects
Form 3**

		(1)	(3)	(7)	(8)	(9)	(10)
Current Territory	Territory Definition	PIF Weight	Current Base Rate	Rating Factor Change Effect	Proposed Base Rate	Base Rate Effect	Rating Premium Effect
13	Remainder of Pulaski County	3%	1429	-1.2%	1599	11.9%	10.5%
14	Pulaski County: Little Rock; Zip Codes 72201-09	1%	2173	1.5%	2432	11.9%	13.6%
44	Crittenden, Lawrence and Poinsett Counties	0%	1442	4.6%	1614	11.9%	17.1%
51	Pulaski County: North Little Rock; Zip Codes 72114-19	1%	1286	4.9%	1439	11.9%	17.3%
60	Baxter, Benton, Carroll and Washington Counties	38%	911	0.0%	1019	11.9%	11.8%
63	Arkansas, Bradley, Calhoun, Conway, Dallas, Drew, Franklin, Lafayette, Little River, Lonoke, Miller, Mississippi, Monroe, Ouachita, Pike, Polk, Union and Yell Counties	11%	1137	-0.5%	1272	11.9%	11.3%
65	Ashley, Clay, Hot Springs, Howard, Jackson, White and Woodruff	4%	1418	-3.1%	1587	11.9%	8.4%
67	Boone, Madison, Marion, Newton, Perry, Searcy, Sebastian and Van Buren Counties	6%	1054	-0.4%	1179	11.9%	11.4%
68	Cleburne, Faulkner, Garland, Independence, Logan and Scott Counties	8%	1016	-1.2%	1137	11.9%	10.6%
70	Clark, Cleveland, Craighead, Desha, Grant, Hempstead, Jefferson, Montgomery, Nevada and Prairie Counties	18%	1136	0.3%	1271	11.9%	12.2%
71	Cross, Lee, Phillips and St. Francis Counties	5%	1394	-2.2%	1560	11.9%	9.4%
72	Fulton, Greene, Iazard, Sharp and Stone Counties	1%	1190	0.1%	1332	11.9%	12.0%
73	Crawford and Saline Counties	4%	1200	-2.4%	1343	11.9%	9.3%
74	Chicot, Columbia, Lincoln, Randolph and Sevier Counties	0%	1382	0.0%	1546	11.9%	0.0%
75	Johnson and Pope Counties	0%	1182	0.0%	1323	11.9%	0.0%
Total		100%	1081	-0.6%	1209	11.9%	11.2%

Current Base Coverage: \$150,000 Covg. A, \$750 Flat Deductible, Masonry, Protection Class 1-3, \$100,000/1,000 Liability Limits
Proposed Base Coverage: \$150,000 Covg. A, \$750 Flat Deductible, Masonry, Protection Class 1-3, \$100,000/1,000 Liability Limits

- (8) Proposed Base Rate = (Current Base Rate x Territorial Relativity Adjustment Factor) x (1+Desired SW Effect)
- (9) Base Rate Effect = Proposed Base Rate / Re-Based Current Base Rate -1
- (10) Rating Premium Effect- Effect calculated based solely on revisions to rates and changes in our rating algorithms.

**Horace Mann Insurance Company
Arkansas
Derivation of Base Rates & Effects
Form 4&6**

Current Territory	Territory Definition	(1) PIF Weight	(3) Current Base Rate	(7) Rating Factor Change Effect	(8) Proposed Base Rate	(9) Base Rate Effect	(10) Rating Premium Effect
13	Remainder of Pulaski County	0%	138	0.0%	152	10.1%	0.0%
14	Pulaski County: Little Rock; Zip Codes 72201-09	0%	193	0.0%	212	9.8%	0.0%
44	Crittenden, Lawrence and Poinsett Counties	0%	138	0.0%	152	10.1%	0.0%
51	Pulaski County: North Little Rock; Zip Codes 72114-19	0%	158	0.0%	174	10.1%	0.0%
60	Baxter, Benton, Carroll and Washington Counties	75%	158	0.2%	174	10.1%	10.4%
63	Arkansas, Bradley, Calhoun, Conway, Dallas, Drew, Franklin, Lafayette, Little River, Lonoke, Miller, Mississippi, Monroe, Ouachita, Pike, Polk, Union and Yell Counties	0%	158	0.0%	174	10.1%	0.0%
65	Ashley, Clay, Hot Springs, Howard, Jackson, White and Woodruff Counties	0%	158	0.0%	174	10.1%	0.0%
67	Boone, Madison, Marion, Newton, Perry, Searcy, Sebastian and Van Buren Counties	0%	158	0.0%	174	10.1%	0.0%
68	Cleburne, Faulkner, Garland, Independence, Logan and Scott Counties	25%	158	-1.5%	174	10.1%	8.5%
70	Clark, Cleveland, Craighead, Desha, Grant, Hempstead, Jefferson, Montgomery, Nevada and Prairie Counties	0%	158	0.0%	174	10.1%	0.0%
71	Cross, Lee, Phillips and St. Francis Counties	0%	169	0.0%	186	10.1%	0.0%
72	Fulton, Greene, Izard, Sharp and Stone Counties	0%	158	0.0%	174	10.1%	0.0%
73	Crawford and Saline Counties	0%	158	0.0%	174	10.1%	0.0%
74	Chicot, Columbia, Lincoln, Randolph and Sevier Counties	0%	171	0.0%	188	9.9%	0.0%
75	Johnson and Pope Counties	0%	158	0.0%	174	10.1%	0.0%
Total		100%	158	-0.6%	174	10.1%	9.5%

Current Base Coverage: \$15,000 Covg. C, \$500 Flat Deductible, Protection Class 1-4, \$100,000/1,000 Liability Limits

Proposed Base Coverage: \$15,000 Covg. C, \$500 Flat Deductible, Protection Class 1-4, \$100,000/1,000 Liability Limits

(8) Proposed Base Rate = (Current Base Rate x Territorial Relativity Adjustment Factor) x (1+Desired SW Effect)

(9) Base Rate Effect = Proposed Base Rate / Re-Based Current Base Rate -1

(10) Rating Premium Effect- Effect calculated based solely on revisions to rates and changes in our rating algorithms.

**Teachers Insurance Company
Arkansas
Derivation of Base Rates & Effects
Form 4&6**

		(1)	(3)	(7)	(8)	(9)	(10)
Current Territory	Territory Definition	PIF Weight	Current Base Rate	Rating Factor Change Effect	Proposed Base Rate	Base Rate Effect	Rating Premium Effect
13	Remainder of Pulaski County	3%	124	-2.1%	136	9.7%	7.4%
14	Pulaski County: Little Rock; Zip Codes 72201-09	3%	175	4.1%	193	10.3%	14.8%
44	Crittenden, Lawrence and Poinsett Counties	0%	124	0.0%	136	9.7%	0.0%
51	Pulaski County: North Little Rock; Zip Codes 72114-19	0%	124	0.0%	136	9.7%	0.0%
60	Baxter, Benton, Carroll and Washington Counties	68%	124	-0.3%	136	9.7%	9.3%
63	Arkansas, Bradley, Calhoun, Conway, Dallas, Drew, Franklin, Lafayette, Little River, Lonoke, Miller, Mississippi, Monroe, Ouachita, Pike, Polk, Union and Yell Counties	2%	124	2.1%	136	9.7%	12.0%
65	Ashley, Clay, Hot Springs, Howard, Jackson, White and Woodruff Counties	0%	129	0.0%	142	10.1%	0.0%
67	Boone, Madison, Marion, Newton, Perry, Searcy, Sebastian and Van Buren Counties	5%	124	3.5%	136	9.7%	13.5%
68	Cleburne, Faulkner, Garland, Independence, Logan and Scott Counties	2%	124	0.1%	136	9.7%	9.8%
70	Clark, Cleveland, Craighead, Desha, Grant, Hempstead, Jefferson, Montgomery, Nevada and Prairie Counties	15%	124	-0.8%	136	9.7%	8.8%
71	Cross, Lee, Phillips and St. Francis Counties	0%	148	0.0%	163	10.1%	0.0%
72	Fulton, Greene, Izard, Sharp and Stone Counties	0%	124	0.0%	136	9.7%	0.0%
73	Crawford and Saline Counties	2%	124	-1.5%	136	9.7%	8.0%
74	Chicot, Columbia, Lincoln, Randolph and Sevier Counties	0%	124	0.0%	136	9.7%	0.0%
75	Johnson and Pope Counties	2%	124	4.5%	136	9.7%	14.6%
Total		100%	126	0.0%	138	9.7%	9.7%

Current Base Coverage: \$15,000 Covg. C, \$500 Flat Deductible, Protection Class 1-4, \$100,000/1,000 Liability Limits

Proposed Base Coverage: \$15,000 Covg. C, \$500 Flat Deductible, Protection Class 1-4, \$100,000/1,000 Liability Limits

(8) Proposed Base Rate = (Current Base Rate x Territorial Relativity Adjustment Factor) x (1+Desired SW Effect)

(9) Base Rate Effect = Proposed Base Rate / Re-Based Current Base Rate -1

(10) Rating Premium Effect- Effect calculated based solely on revisions to rates and changes in our rating algorithms.

Horace Mann Insurance Company
Arkansas
Forms 1, 2 & 3
NEA Member Discount

Current Status	Premium Weight	Current Factor	Proposed Factor	Effect
Member	0.168	0.95	1.00	5.3%
Non-Member	0.832	1.00	1.00	0.0%

Totals	1.000	0.992	1.000	0.9%
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Horace Mann Insurance Company
Arkansas
Forms 4 & 6
NEA Member Discount

Current Status	Premium Weight	Current Factor	Proposed Factor	Effect
Member	0.000	0.95	1.00	5.3%
Non-Member	1.000	1.00	1.00	0.0%

Totals	1.000	1.000	1.000	0.0%
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Teachers Insurance Company
Arkansas
Form 3
NEA Member Discount

Current Status	Premium Weight	Current Factor	Proposed Factor	Effect
Member	0.280	0.95	1.00	5.3%
Non-Member	0.720	1.00	1.00	0.0%

Totals	1.000	0.986	1.000	1.5%
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Teachers Insurance Company
Arkansas
Forms 4 & 6
NEA Member Discount

Current Status	Premium Weight	Current Factor	Proposed Factor	Effect
Member	0.192	0.95	1.00	5.3%
Non-Member	0.808	1.00	1.00	0.0%

Totals	1.000	0.990	1.000	1.0%
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**Horace Mann Insurance Company
Arkansas**

**Homeowners - Forms 1, 2 & 3
Insurance Score Tier Rating Relativities**

Tier	Premium Weight	Current Factor	Proposed Factor	% Change
A	0.093	0.79	0.79	0.0%
B	0.151	0.79	0.79	0.0%
C	0.059	0.83	0.83	0.0%
D	0.156	0.83	0.83	0.0%
E	0.077	0.92	0.91	-1.1%
F	0.044	0.92	0.92	0.0%
G	0.062	1.00	0.98	-2.0%
H	0.071	1.00	1.00	0.0%
J	0.039	1.00	1.00	0.0%
K	0.024	1.68	1.30	-22.6%
L	0.062	1.68	1.68	0.0%
6	0.097	0.83	0.84	1.2%
7	0.000	1.90	1.90	0.0%
M	0.023	1.90	1.90	0.0%
9	0.043	0.83	0.84	1.2%
Total	1.000	0.96	0.95	-0.6%

**Teachers Insurance Company
Arkansas**

**Homeowners - Form 3
Insurance Score Tier Rating Relativities**

Tier	Premium Weight	Current Factor	Proposed Factor	% Change
A	0.056	0.79	0.79	0.0%
B	0.182	0.79	0.79	0.0%
C	0.103	0.83	0.83	0.0%
D	0.138	0.83	0.83	0.0%
E	0.155	0.92	0.91	-1.1%
F	0.072	0.92	0.92	0.0%
G	0.070	1.00	0.98	-2.0%
H	0.046	1.00	1.00	0.0%
J	0.025	1.00	1.00	0.0%
K	0.049	1.68	1.30	-22.6%
L	0.047	1.68	1.68	0.0%
6	0.040	0.83	0.84	1.2%
7	0.000	1.90	1.90	0.0%
M	0.013	1.90	1.90	0.0%
9	0.006	0.83	0.84	1.2%
Total	1.000	0.96	0.94	-1.4%

Horace Mann Insurance Company
Arkansas

Homeowners - Forms 1, 2 & 3
Protection Class Relativities

Protection Class	Construction	Premium Weight	Current Relativity	Indicated Relativity	Select Relativity	% Change
1	Masonry	0.006	1.000	1.000	1.000	0.0%
	Frame	0.000	1.100	1.100	1.100	0.0%
2	Masonry	0.137	1.000	1.044	1.000	0.0%
	Frame	0.027	1.100	1.148	1.100	0.0%
3	Masonry	0.184	1.000	1.093	1.000	0.0%
	Frame	0.101	1.100	1.203	1.100	0.0%
4	Masonry	0.036	1.040	1.150	1.040	0.0%
	Frame	0.053	1.180	1.265	1.180	0.0%
5	Masonry	0.092	1.040	1.215	1.040	0.0%
	Frame	0.009	1.180	1.337	1.180	0.0%
6	Masonry	0.070	1.180	1.289	1.180	0.0%
	Frame	0.046	1.310	1.418	1.310	0.0%
7	Masonry	0.051	1.320	1.373	1.320	0.0%
	Frame	0.023	1.460	1.511	1.460	0.0%
8	Masonry	0.042	1.650	1.469	1.650	0.0%
	Frame	0.020	1.850	1.615	1.850	0.0%
9	Masonry	0.016	2.000	1.576	2.000	0.0%
	Frame	0.063	2.300	1.734	2.300	0.0%
10	Masonry	0.023	3.250	2.366	2.500	-23.1%
	Frame	0.000	3.650	2.603	2.800	-23.3%

Total		1.000	1.277	1.260	-0.005	-0.5%
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Teachers Insurance Company
Arkansas

Homeowners - Form 3
Protection Class Relativities

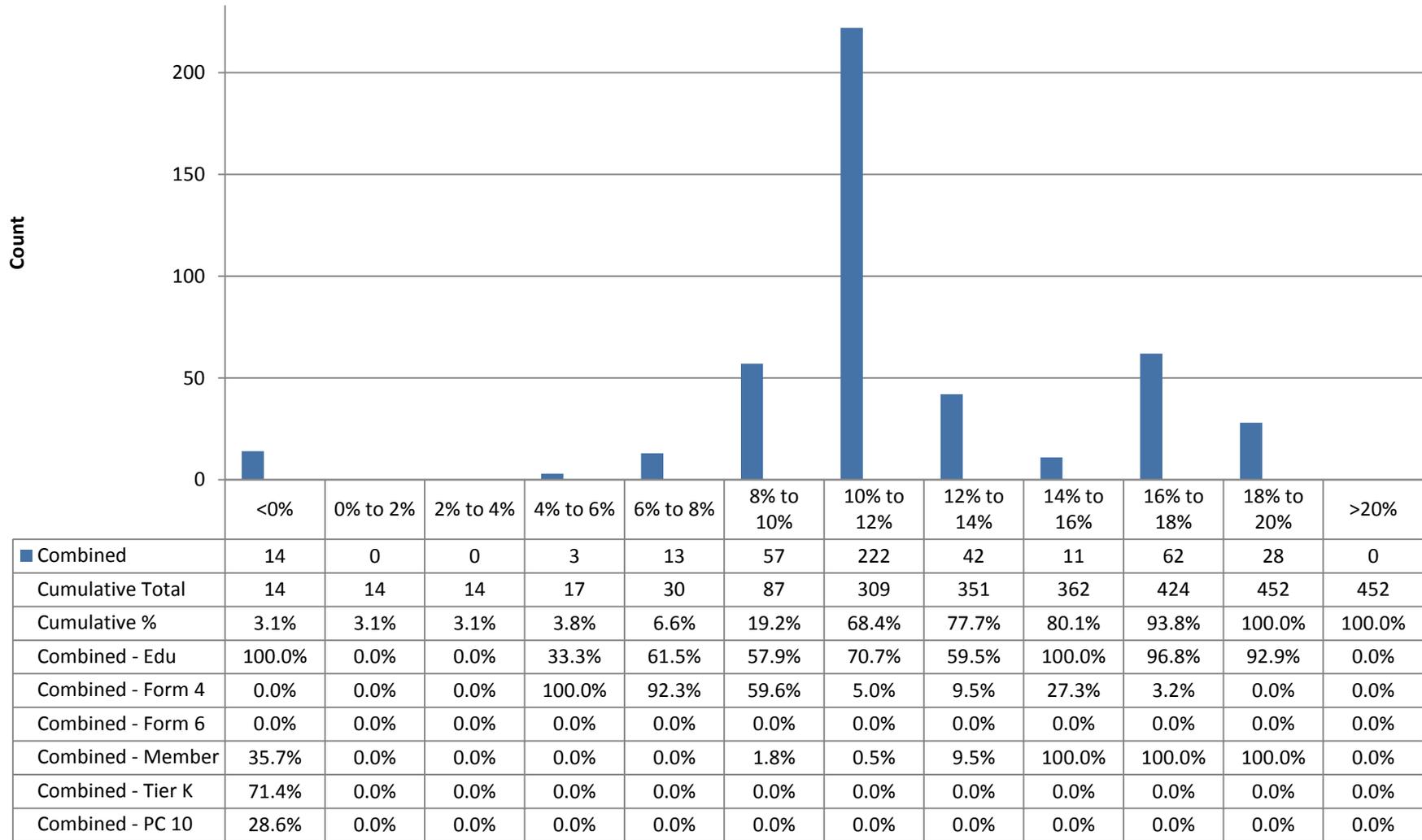
Protection Class	Construction	Premium Weight	Current Relativity	Indicated Relativity	Select Relativity	% Change
1	Masonry	0.000	1.000	1.000	1.000	0.0%
	Frame	0.000	1.100	1.100	1.100	0.0%
2	Masonry	0.110	1.000	1.044	1.000	0.0%
	Frame	0.058	1.100	1.148	1.100	0.0%
3	Masonry	0.102	1.000	1.093	1.000	0.0%
	Frame	0.044	1.100	1.203	1.100	0.0%
4	Masonry	0.159	1.040	1.150	1.040	0.0%
	Frame	0.073	1.180	1.265	1.180	0.0%
5	Masonry	0.115	1.040	1.215	1.040	0.0%
	Frame	0.059	1.180	1.337	1.180	0.0%
6	Masonry	0.064	1.180	1.289	1.180	0.0%
	Frame	0.060	1.310	1.418	1.310	0.0%
7	Masonry	0.005	1.320	1.373	1.320	0.0%
	Frame	0.015	1.460	1.511	1.460	0.0%
8	Masonry	0.013	1.650	1.469	1.650	0.0%
	Frame	0.032	1.850	1.615	1.850	0.0%
9	Masonry	0.044	2.000	1.576	2.000	0.0%
	Frame	0.027	2.300	1.734	2.300	0.0%
10	Masonry	0.020	3.250	2.366	2.500	-23.1%
	Frame	0.000	3.650	2.603	2.800	-23.3%

Total		1.000	1.243	1.271	1.229	-0.5%
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Arkansas
Horace Mann & Teachers Insurance Companies
Water Damage (Sewers and Drains)

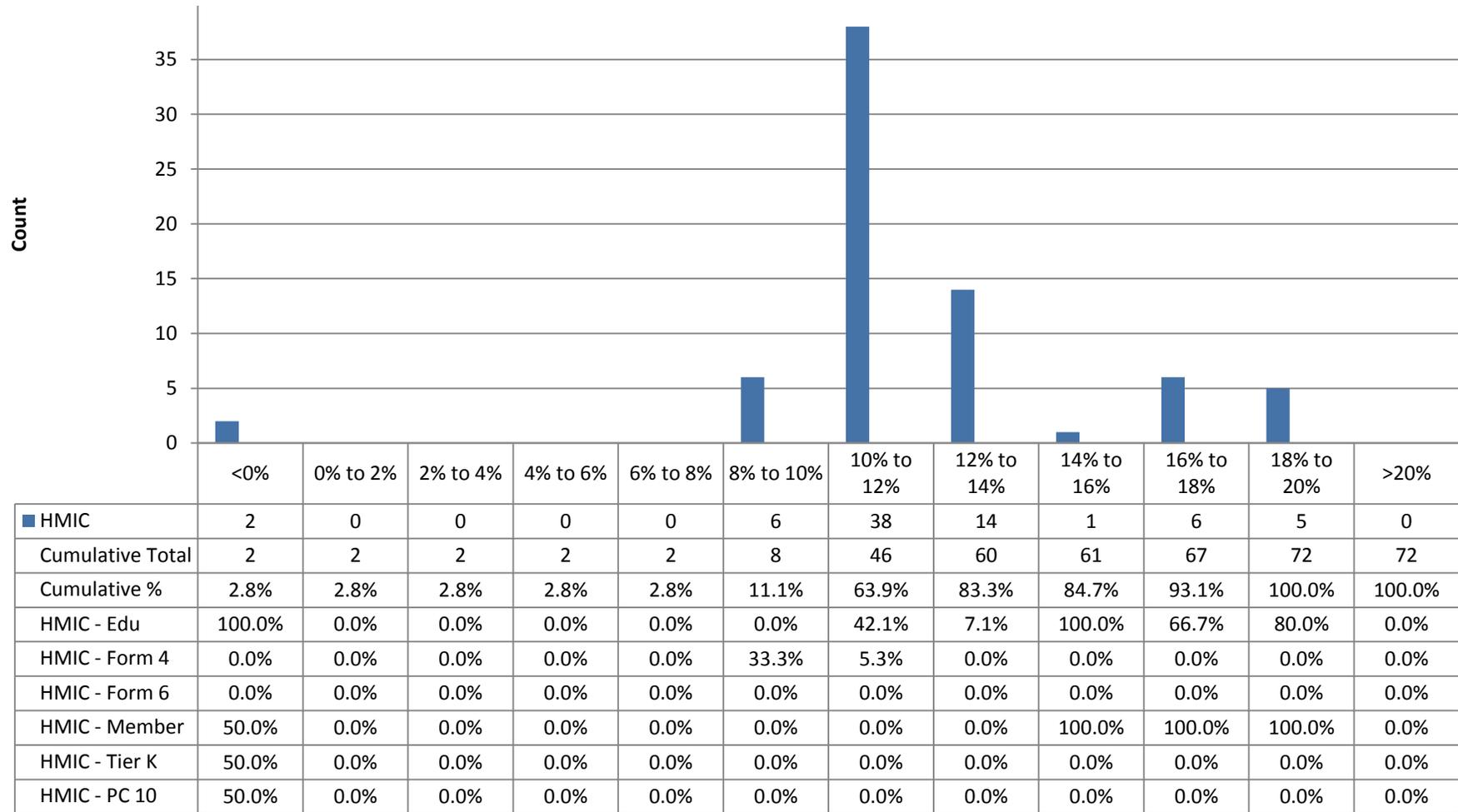
Limits	Rate
\$3,000 per occurrence/ \$6,000 per policy term	\$24
\$10,000 per occurrence/ \$20,000 per policy term	\$48
\$20,000 per occurrence/ \$40,000 per policy term	\$72

ARKANSAS HISTOGRAM Total Premium Combined Companies



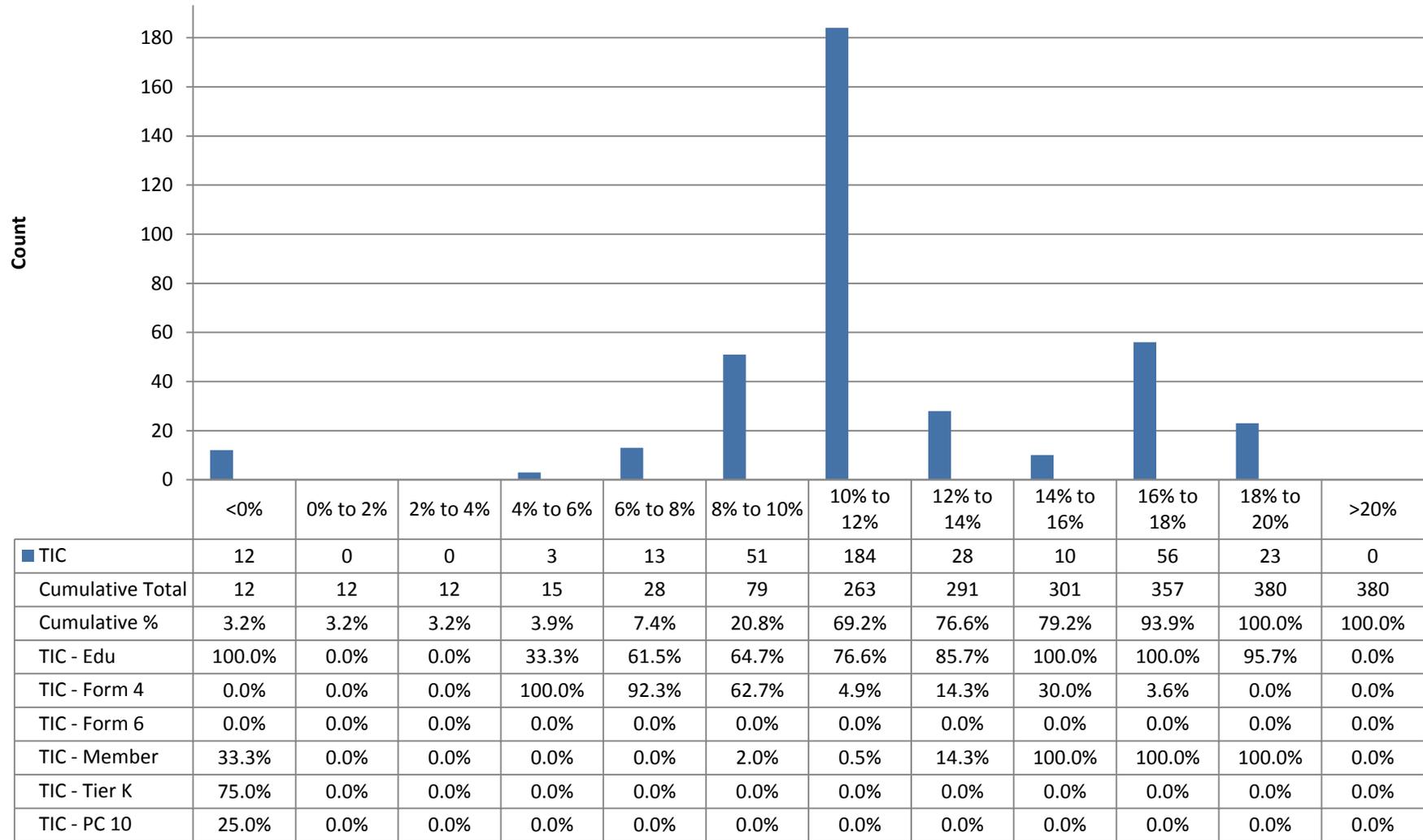
% Diff

ARKANSAS HISTOGRAM Total Premium Horace Mann Insurance Company



% Diff

ARKANSAS HISTOGRAM Total Premium Teachers Insurance Company



% Diff

Objection Letter for HRMN-129263182

SERFF Tracking Number:

HRMN-129263182

State:

Arkansas

Objection Letter Date: 11/04/2013

Response Date: 11/5/2013

[Objection 1](#)

Pursuant to ACA 23-67-409, provide the 5 year premium/loss experience for Arkansas justifying the change to the credit level tier factors.

[Response 1](#)

Over the past five years, a total of only 1,181 exposures have been earned in Arkansas. Of the 15 credit rating groups, no group has enough earned exposures over the last five years to provide a credible indicated rating factor using Arkansas specific data per the regulation above. With this response, a 5-Year countrywide experience study has been provided as Appendix A.

Loss data, column (2) of the appendix, has not been adjusted for large losses, wind losses, or catastrophes. The consistent upward trend in the indicated rating factor, column (6), as the Insurance Score decreases suggests that Insurance Score is a significant rating variable.

While the countrywide indicated factors suggest Insurance Score is a significant rating variable, they also suggest that the current disparity in rating factors in Arkansas is too high. In particular, the previous rating factor jump from tier J to K of 1.00 to 1.68 seemed excessive for two similar rating groups. This jump was reduced while minimizing the overall effect on current policyholders and keeping all per policy premium effects below the +20% cap.

Horace Mann Companies
Countrywide
Homeowners - Forms 1,2, & 3
Credit Tier Factors

Tier	Insurance Score	(1) 5-Year Exposures	(2) 5-Year Total Losses	(3)=(2)/(1) 5-Year Pure Premium	(4) Fixed Expense Per Exposure	(5)=(3)+(4) Pure Premium and Fixed Expenses	(6)=(5)/(5H) Countrywide Indicated Factor	(7) Arkansas Current Factor	(8) Arkansas Selected Factor	(9)=(8)/(7)-1 Effect
A	824+	46,260	19,638,211	424.52	209.30	633.82	0.72	0.79	0.79	0.0%
B	784-823	142,427	71,358,310	501.02	209.30	710.32	0.81	0.79	0.79	0.0%
C	760-783	76,194	43,066,436	565.22	209.30	774.52	0.88	0.83	0.83	0.0%
D	724-759	92,994	53,082,177	570.81	209.30	780.11	0.89	0.83	0.83	0.0%
E	685-723	89,497	58,767,944	656.65	209.30	865.95	0.98	0.92	0.91	-1.1%
F	659-684	50,280	37,378,224	743.40	209.30	952.70	1.08	0.92	0.92	0.0%
G	622-658	44,937	29,693,977	660.79	209.30	870.09	0.99	1.00	0.98	-2.0%
H	593-621	28,643	19,245,120	671.90	209.30	881.20	1.00	1.00	1.00	0.0%
J	557-592	29,818	21,690,401	727.44	209.30	936.74	1.06	1.00	1.00	0.0%
K	504-556	23,434	17,860,415	762.17	209.30	971.47	1.10	1.68	1.30	-22.6%
L	400-503	30,224	26,741,594	884.79	209.30	1094.09	1.24	1.68	1.68	0.0%
M	<400	9,815	9,300,779	947.62	209.30	1156.92	1.31	1.90	1.90	0.0%
6	No Score	5,867	4,705,494	802.08	209.30	1011.38	1.15	1.90	1.90	0.0%
7	No Permission	19	0	0.00	209.30	209.30	0.24	0.83	0.84	1.2%
9	No Hit	5,802	2,762,318	476.06	209.30	685.36	0.78	0.83	0.84	1.2%
Total		676,210	415,291,399	614.15	209.30	823.45				-1.2%

Horace Mann Insurance Company
Arkansas
Derivation of Base Rates & Effects
Form 1,2&3

		(1)	(3)	(7)	(8)	(9)	(10)
Current Territory	Territory Definition	PIF Weight	Current Base Rate	Rating Factor Change Effect	Proposed Base Rate	Base Rate Effect	Rating Premium Effect
13	Remainder of Pulaski County	1%	1823	0.0%	1921	5.4%	5.3%
14	Pulaski County: Little Rock; Zip Codes 72201-09	0%	3406	0.0%	3590	5.4%	0.0%
44	Crittenden, Lawrence and Poinsett Counties	1%	1859	0.0%	1959	5.4%	5.4%
51	Pulaski County: North Little Rock; Zip Codes 72114-19	1%	1638	5.3%	1726	5.4%	10.9%
60	Baxter, Benton, Carroll and Washington Counties	28%	1194	0.1%	1258	5.4%	5.4%
63	Arkansas, Bradley, Calhoun, Conway, Dallas, Drew, Franklin, Lafayette, Little River, Lonoke, Miller, Mississippi, Monroe, Ouachita, Pike, Polk, Union and Yell Counties	18%	1450	-0.5%	1528	5.4%	4.9%
65	Ashley, Clay, Hot Springs, Howard, Jackson, White and Woodruff Counties	4%	1805	0.0%	1902	5.4%	5.4%
67	Boone, Madison, Marion, Newton, Perry, Searcy, Sebastian and Van Buren Counties	10%	1350	0.0%	1423	5.4%	5.4%
68	Cleburne, Faulkner, Garland, Independence, Logan and Scott Counties	6%	1341	-0.4%	1413	5.4%	4.9%
70	Clark, Cleveland, Craighead, Desha, Grant, Hempstead, Jefferson, Montgomery, Nevada and Prairie Counties	12%	1819	0.9%	1917	5.4%	6.3%
71	Cross, Lee, Phillips and St. Francis Counties	3%	1780	0.4%	1876	5.4%	5.8%
72	Fulton, Greene, Iazard, Sharp and Stone Counties	0%	1519	0.0%	1601	5.4%	0.0%
73	Crawford and Saline Counties	10%	1522	-4.3%	1604	5.4%	0.9%
74	Chicot, Columbia, Lincoln, Randolph and Sevier Counties	4%	1783	2.7%	1879	5.4%	8.2%
75	Johnson and Pope Counties	0%	1510	0.0%	1592	5.4%	0.0%
Total		100%	1467	-0.2%	1546	5.4%	5.1%

Current Base Coverage: \$150,000 Covg. A, \$750 Flat Deductible, Masonry, Protection Class 1-3, \$100,000/1,000 Liability Limits

Proposed Base Coverage: \$150,000 Covg. A, \$750 Flat Deductible, Masonry, Protection Class 1-3, \$100,000/1,000 Liability Limits

(8) Proposed Base Rate = (Current Base Rate x Territorial Relativity Adjustment Factor) x (1+Desired SW Effect)

(9) Base Rate Effect = Proposed Base Rate / Re-Based Current Base Rate -1

(10) Rating Premium Effect- Effect calculated based solely on revisions to rates and changes in our rating algorithms.

**Teachers Insurance Company
Arkansas
Derivation of Base Rates & Effects
Form 1,2&3**

		(1)	(3)	(7)	(8)	(9)	(10)
Current Territory	Territory Definition	PIF Weight	Current Base Rate	Rating Factor Change Effect	Proposed Base Rate	Base Rate Effect	Rating Premium Effect
13	Remainder of Pulaski County	3%	1429	-1.2%	1506	5.4%	4.2%
14	Pulaski County: Little Rock; Zip Codes 72201-09	1%	2173	1.6%	2290	5.4%	7.0%
44	Crittenden, Lawrence and Poinsett Counties	0%	1442	4.7%	1520	5.4%	10.3%
51	Pulaski County: North Little Rock; Zip Codes 72114-19	1%	1286	5.1%	1355	5.4%	10.8%
60	Baxter, Benton, Carroll and Washington Counties	38%	911	0.1%	960	5.4%	5.5%
63	Arkansas, Bradley, Calhoun, Conway, Dallas, Drew, Franklin, Lafayette, Little River, Lonoke, Miller, Mississippi, Monroe, Ouachita, Pike, Polk, Union and Yell Counties	11%	1137	-0.3%	1198	5.4%	5.0%
65	Ashley, Clay, Hot Springs, Howard, Jackson, White and Woodruff Counties	4%	1418	-3.1%	1495	5.4%	2.2%
67	Boone, Madison, Marion, Newton, Perry, Searcy, Sebastian and Van Buren Counties	6%	1054	-0.1%	1111	5.4%	5.3%
68	Cleburne, Faulkner, Garland, Independence, Logan and Scott Counties	8%	1016	-1.0%	1071	5.4%	4.3%
70	Clark, Cleveland, Craighead, Desha, Grant, Hempstead, Jefferson, Montgomery, Nevada and Prairie Counties	18%	1136	0.5%	1197	5.4%	5.9%
71	Cross, Lee, Phillips and St. Francis Counties	5%	1394	-2.2%	1469	5.4%	3.1%
72	Fulton, Greene, Izard, Sharp and Stone Counties	1%	1190	0.0%	1254	5.4%	5.4%
73	Crawford and Saline Counties	4%	1200	-2.1%	1265	5.4%	3.2%
74	Chicot, Columbia, Lincoln, Randolph and Sevier Counties	0%	1382	0.0%	1457	5.4%	0.0%
75	Johnson and Pope Counties	0%	1182	0.0%	1246	5.4%	0.0%
Total		100%	1081	-0.4%	1139	5.4%	4.9%

Current Base Coverage: \$150,000 Covg. A, \$750 Flat Deductible, Masonry, Protection Class 1-3, \$100,000/1,000 Liability Limits
Proposed Base Coverage: \$150,000 Covg. A, \$750 Flat Deductible, Masonry, Protection Class 1-3, \$100,000/1,000 Liability Limits

- (8) Proposed Base Rate = (Current Base Rate x Territorial Relativity Adjustment Factor) x (1+Desired SW Effect)
- (9) Base Rate Effect = Proposed Base Rate / Re-Based Current Base Rate -1
- (10) Rating Premium Effect- Effect calculated based solely on revisions to rates and changes in our rating algorithms.

**Horace Mann Insurance Company
Arkansas
Derivation of Base Rates & Effects
Form 4&6**

Current Territory	Territory Definition	(1) PIF Weight	(3) Current Base Rate	(7) Rating Factor Change Effect	(8) Proposed Base Rate	(9) Base Rate Effect	(10) Rating Premium Effect
13	Remainder of Pulaski County	0%	138	0.0%	145	5.1%	0.0%
14	Pulaski County: Little Rock; Zip Codes 72201-09	0%	193	0.0%	203	5.2%	0.0%
44	Crittenden, Lawrence and Poinsett Counties	0%	138	0.0%	145	5.1%	0.0%
51	Pulaski County: North Little Rock; Zip Codes 72114-19	0%	158	0.0%	166	5.1%	0.0%
60	Baxter, Benton, Carroll and Washington Counties	75%	158	0.0%	166	5.1%	5.1%
63	Arkansas, Bradley, Calhoun, Conway, Dallas, Drew, Franklin, Lafayette, Little River, Lonoke, Miller, Mississippi, Monroe, Ouachita, Pike, Polk, Union and Yell Counties	0%	158	0.0%	166	5.1%	0.0%
65	Ashley, Clay, Hot Springs, Howard, Jackson, White and Woodruff Counties	0%	158	0.0%	166	5.1%	0.0%
67	Boone, Madison, Marion, Newton, Perry, Searcy, Sebastian and Van Buren Counties	0%	158	0.0%	166	5.1%	0.0%
68	Cleburne, Faulkner, Garland, Independence, Logan and Scott Counties	25%	158	-0.8%	166	5.1%	4.3%
70	Clark, Cleveland, Craighead, Desha, Grant, Hempstead, Jefferson, Montgomery, Nevada and Prairie Counties	0%	158	0.0%	166	5.1%	0.0%
71	Cross, Lee, Phillips and St. Francis Counties	0%	169	0.0%	177	4.7%	0.0%
72	Fulton, Greene, Izard, Sharp and Stone Counties	0%	158	0.0%	166	5.1%	0.0%
73	Crawford and Saline Counties	0%	158	0.0%	166	5.1%	0.0%
74	Chicot, Columbia, Lincoln, Randolph and Sevier Counties	0%	171	0.0%	180	5.3%	0.0%
75	Johnson and Pope Counties	0%	158	0.0%	166	5.1%	0.0%
Total		100%	158	-0.3%	166	5.1%	4.7%

Current Base Coverage: \$15,000 Covg. C, \$500 Flat Deductible, Protection Class 1-4, \$100,000/1,000 Liability Limits

Proposed Base Coverage: \$15,000 Covg. C, \$500 Flat Deductible, Protection Class 1-4, \$100,000/1,000 Liability Limits

(8) Proposed Base Rate = (Current Base Rate x Territorial Relativity Adjustment Factor) x (1+Desired SW Effect)

(9) Base Rate Effect = Proposed Base Rate / Re-Based Current Base Rate -1

(10) Rating Premium Effect- Effect calculated based solely on revisions to rates and changes in our rating algorithms.

**Teachers Insurance Company
Arkansas
Derivation of Base Rates & Effects
Form 4&6**

		(1)	(3)	(7)	(8)	(9)	(10)
Current Territory	Territory Definition	PIF Weight	Current Base Rate	Rating Factor Change Effect	Proposed Base Rate	Base Rate Effect	Rating Premium Effect
13	Remainder of Pulaski County	3%	124	-0.8%	130	4.8%	4.0%
14	Pulaski County: Little Rock; Zip Codes 72201-09	3%	175	3.8%	184	5.1%	9.1%
44	Crittenden, Lawrence and Poinsett Counties	0%	124	0.0%	130	4.8%	0.0%
51	Pulaski County: North Little Rock; Zip Codes 72114-19	0%	124	0.0%	130	4.8%	0.0%
60	Baxter, Benton, Carroll and Washington Counties	68%	124	0.2%	130	4.8%	5.1%
63	Arkansas, Bradley, Calhoun, Conway, Dallas, Drew, Franklin, Lafayette, Little River, Lonoke, Miller, Mississippi, Monroe, Ouachita, Pike, Polk, Union and Yell Counties	2%	124	3.0%	130	4.8%	8.0%
65	Ashley, Clay, Hot Springs, Howard, Jackson, White and Woodruff Counties	0%	129	0.0%	135	4.7%	0.0%
67	Boone, Madison, Marion, Newton, Perry, Searcy, Sebastian and Van Buren Counties	5%	124	3.8%	130	4.8%	8.8%
68	Cleburne, Faulkner, Garland, Independence, Logan and Scott Counties	2%	124	0.3%	130	4.8%	5.2%
70	Clark, Cleveland, Craighead, Desha, Grant, Hempstead, Jefferson, Montgomery, Nevada and Prairie Counties	15%	124	-0.1%	130	4.8%	4.7%
71	Cross, Lee, Phillips and St. Francis Counties	0%	148	0.0%	155	4.7%	0.0%
72	Fulton, Greene, Izard, Sharp and Stone Counties	0%	124	0.0%	130	4.8%	0.0%
73	Crawford and Saline Counties	2%	124	-0.9%	130	4.8%	3.8%
74	Chicot, Columbia, Lincoln, Randolph and Sevier Counties	0%	124	0.0%	130	4.8%	0.0%
75	Johnson and Pope Counties	2%	124	4.5%	130	4.8%	9.6%
Total		100%	126	0.6%	132	4.9%	5.5%

Current Base Coverage: \$15,000 Covg. C, \$500 Flat Deductible, Protection Class 1-4, \$100,000/1,000 Liability Limits

Proposed Base Coverage: \$15,000 Covg. C, \$500 Flat Deductible, Protection Class 1-4, \$100,000/1,000 Liability Limits

(8) Proposed Base Rate = (Current Base Rate x Territorial Relativity Adjustment Factor) x (1+Desired SW Effect)

(9) Base Rate Effect = Proposed Base Rate / Re-Based Current Base Rate -1

(10) Rating Premium Effect- Effect calculated based solely on revisions to rates and changes in our rating algorithms.

**Horace Mann Insurance Company - Teachers Insurance Company
Arkansas
Proposed Territorial Premium Effects**

Current Territory	Form 1,2&3	Form 4&6	Total
13	4.3%	4.0%	4.3%
14	7.0%	9.1%	7.4%
44	7.4%	0.0%	7.4%
51	10.8%	0.0%	10.8%
60	5.5%	5.1%	5.5%
63	5.0%	8.0%	5.0%
65	2.9%	0.0%	2.9%
67	5.3%	8.8%	5.4%
68	4.4%	4.5%	4.4%
70	6.0%	4.7%	5.9%
71	3.5%	0.0%	3.5%
72	5.4%	0.0%	5.4%
73	2.1%	3.8%	2.2%
74	8.2%	0.0%	8.2%
75	0.0%	9.6%	9.6%

5.0%	5.4%	5.0%
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Horace Mann Insurance Company

Current Territory	Form 1,2&3	Form 4&6	Total
13	5.3%	0.0%	5.3%
14	0.0%	0.0%	0.0%
44	5.4%	0.0%	5.4%
51	10.9%	0.0%	10.9%
60	5.4%	5.1%	5.4%
63	4.9%	0.0%	4.9%
65	5.4%	0.0%	5.4%
67	5.4%	0.0%	5.4%
68	4.9%	4.3%	4.9%
70	6.3%	0.0%	6.3%
71	5.8%	0.0%	5.8%
72	0.0%	0.0%	0.0%
73	0.9%	0.0%	0.9%
74	8.2%	0.0%	8.2%
75	0.0%	0.0%	0.0%

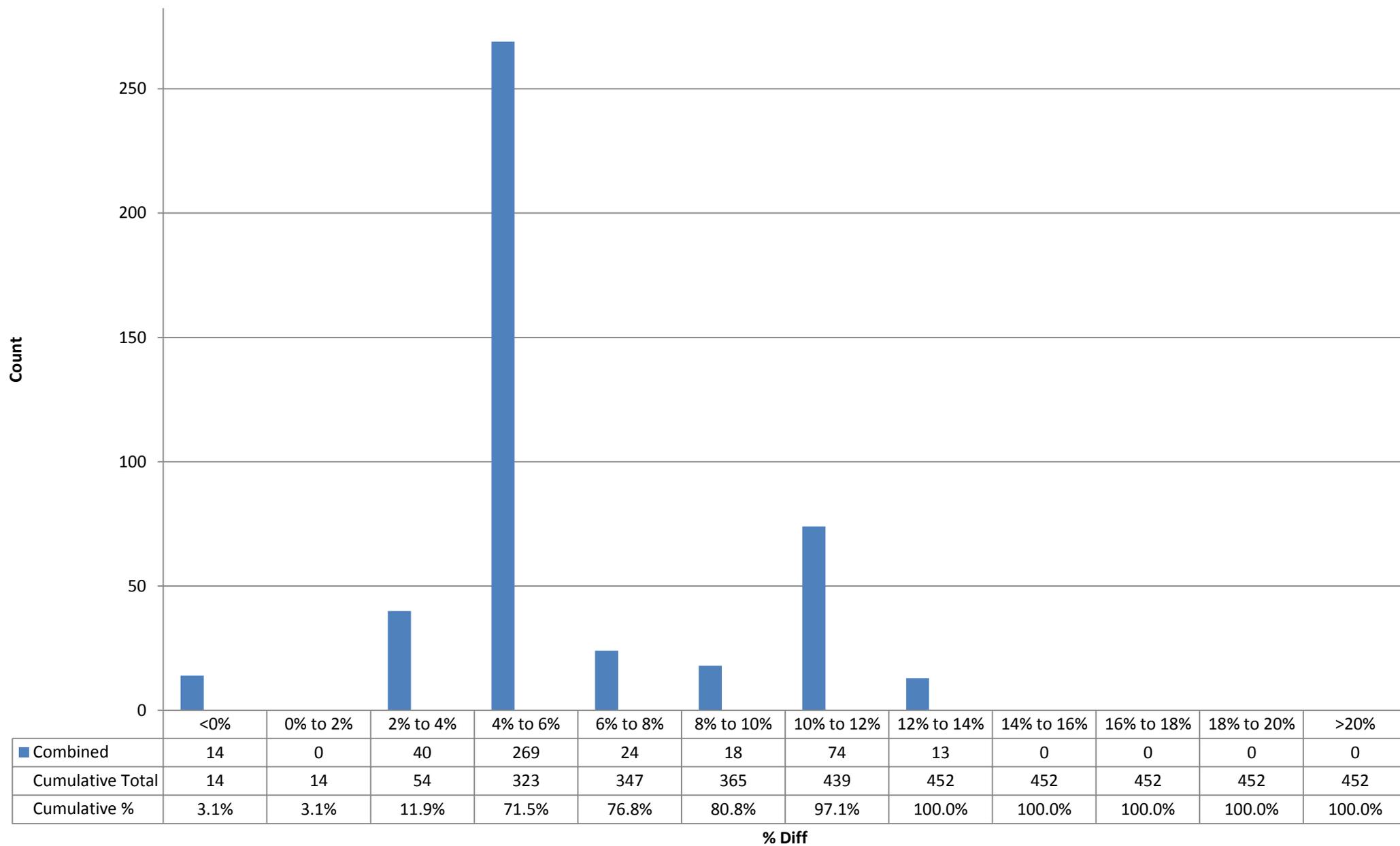
5.1%	4.7%	5.1%
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Teachers Insurance Company

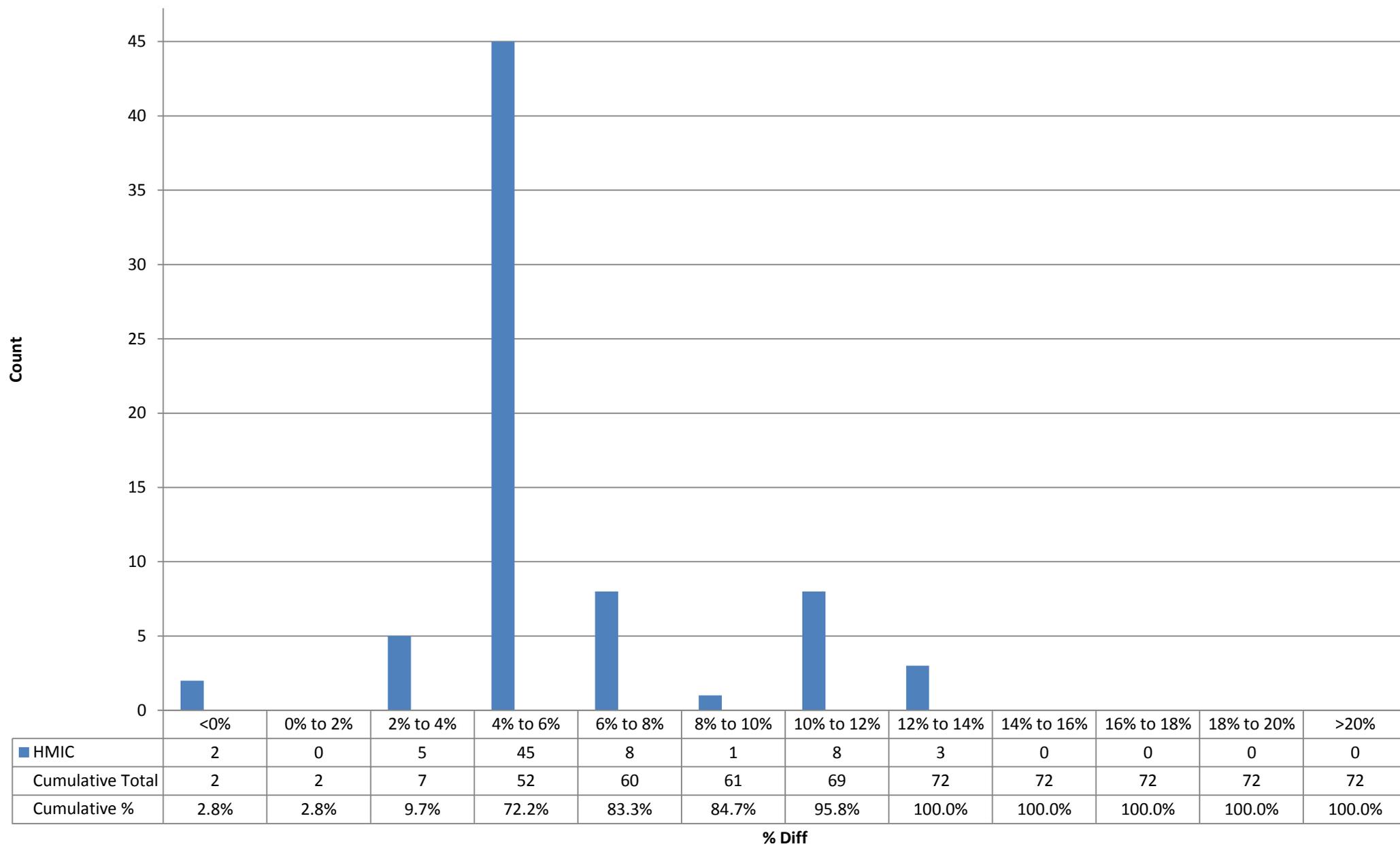
Current Territory	Form 1,2&3	Form 4&6	Total
13	4.2%	4.0%	4.2%
14	7.0%	9.1%	7.4%
44	10.3%	0.0%	10.3%
51	10.8%	0.0%	10.8%
60	5.5%	5.1%	5.5%
63	5.0%	8.0%	5.1%
65	2.2%	0.0%	2.2%
67	5.3%	8.8%	5.3%
68	4.3%	5.2%	4.3%
70	5.9%	4.7%	5.8%
71	3.1%	0.0%	3.1%
72	5.4%	0.0%	5.4%
73	3.2%	3.8%	3.2%
74	0.0%	0.0%	0.0%
75	0.0%	9.6%	9.6%

4.9%	5.5%	4.9%
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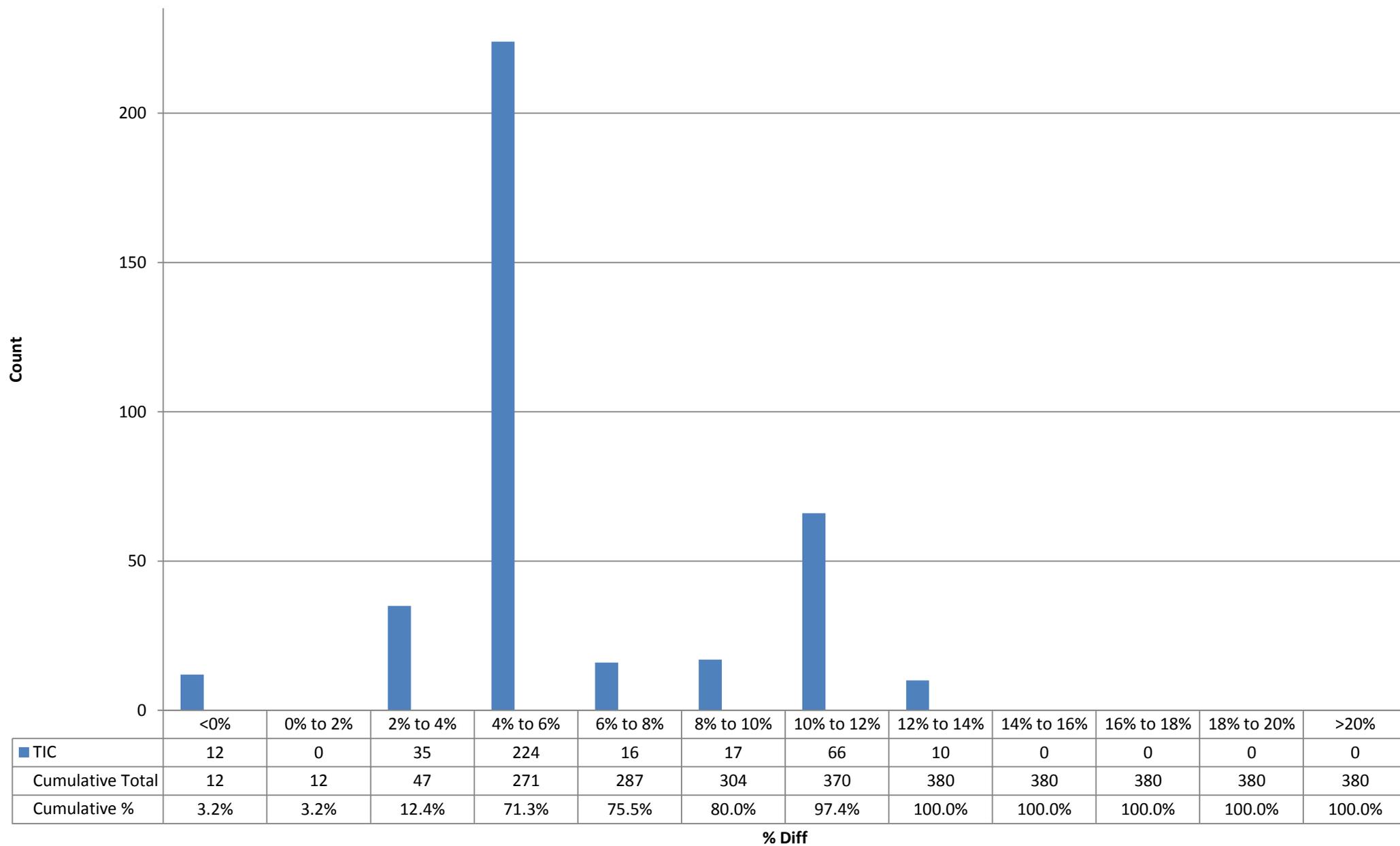
ARKANSAS HISTOGRAM Total Premium Combined Companies



ARKANSAS HISTOGRAM Total Premium Horace Mann Insurance Company



ARKANSAS HISTOGRAM Total Premium Teachers Insurance Company



State: Arkansas
TOI/Sub-TOI: 04.0 Homeowners/04.0003 Owner Occupied Homeowners
Product Name: AR Homeowner Rate and Rule Filing
Project Name/Number: AR H030114/AR H030114

First Filing Company: Horace Mann 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)
10/29/2013		Supporting Document	HPCS-Homeowners Premium Comparison Survey	11/07/2013	HPCS 3-06i(1) HMIC.pdf (Superceded) HPCS 3-06i(1) TIC.pdf (Superceded) HPCS 3-06i(1) HMIC Upload.xls (Superceded) HPCS 3-06i(1) TIC Upload.xls (Superceded)
10/24/2013		Supporting Document	HPCS-Homeowners Premium Comparison Survey	10/29/2013	HPCS 3-06i(1) HMIC.pdf HPCS 3-06i(1) TIC.pdf HPCS 3-06i(1) Horace Mann Insurance Company - worksheet.xls (Superceded) HPCS 3-06i(1) Teachers Insurance Company - worksheet.xls (Superceded)
10/24/2013		Rate	HMIC Premium Pages	11/07/2013	Premium Pages for HMIC.pdf (Superceded)
10/24/2013		Rate	TIC Premium Pages	11/07/2013	Premium Pages for TIC.pdf (Superceded)
10/23/2013		Supporting Document	HPCS-Homeowners Premium Comparison Survey	10/24/2013	HPCS 3-06i(1) HMIC.pdf HPCS 3-06i(1) TIC.pdf HPCS 3-06i(1) Horace Mann Insurance Company - worksheet.xls HPCS 3-06i(1) Teachers Insurance Company - worksheet.xls
10/23/2013		Supporting Document	NAIC loss cost data entry document	11/07/2013	Loss Cost Data Entry Document HMIC.pdf (Superceded) Loss Cost Data Entry Document TIC.pdf (Superceded)

NAIC Number: 300-22578
 Company Name: Horace Mann Insurance Company
 Contact Person: Melinda Ballard
 Telephone No.: 217-855-8505
 Email Address: Melinda.Ballard@horacemann.com
 Effective Date: 3/1/2014

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

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

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

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

Public Protection Class	Dwelling Value	Washington		Baxter		Craighead		St. Francis		Desha		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$80,000	\$770.00	\$847.00	\$770.00	\$847.00	\$1,173.00	\$1,290.00	\$1,149.00	\$1,264.00	\$1,173.00	\$1,290.00	\$935.00	\$1,029.00	\$935.00	\$1,029.00	\$871.00	\$958.00	\$1,176.00	\$1,294.00
	\$120,000	\$1,099.00	\$1,209.00	\$1,099.00	\$1,209.00	\$1,674.00	\$1,841.00	\$1,639.00	\$1,803.00	\$1,674.00	\$1,841.00	\$1,335.00	\$1,469.00	\$1,335.00	\$1,469.00	\$1,243.00	\$1,367.00	\$1,679.00	\$1,847.00
	\$160,000	\$1,350.00	\$1,485.00	\$1,350.00	\$1,485.00	\$2,057.00	\$2,263.00	\$2,014.00	\$2,215.00	\$2,057.00	\$2,263.00	\$1,640.00	\$1,804.00	\$1,640.00	\$1,804.00	\$1,527.00	\$1,680.00	\$2,062.00	\$2,268.00
6	\$80,000	\$909.00	\$1,009.00	\$909.00	\$1,009.00	\$1,384.00	\$1,537.00	\$1,356.00	\$1,505.00	\$1,384.00	\$1,537.00	\$1,103.00	\$1,225.00	\$1,103.00	\$1,225.00	\$1,028.00	\$1,141.00	\$1,388.00	\$1,541.00
	\$120,000	\$1,297.00	\$1,440.00	\$1,297.00	\$1,440.00	\$1,975.00	\$2,193.00	\$1,934.00	\$2,147.00	\$1,975.00	\$2,193.00	\$1,575.00	\$1,749.00	\$1,575.00	\$1,749.00	\$1,467.00	\$1,628.00	\$1,981.00	\$2,199.00
	\$160,000	\$1,593.00	\$1,769.00	\$1,593.00	\$1,769.00	\$2,427.00	\$2,695.00	\$2,377.00	\$2,638.00	\$2,427.00	\$2,695.00	\$1,935.00	\$2,148.00	\$1,935.00	\$2,148.00	\$1,802.00	\$2,000.00	\$2,433.00	\$2,701.00
9	\$80,000	\$1,540.00	\$1,771.00	\$1,540.00	\$1,771.00	\$2,346.00	\$2,698.00	\$2,298.00	\$2,643.00	\$2,346.00	\$2,698.00	\$1,870.00	\$2,151.00	\$1,870.00	\$2,151.00	\$1,742.00	\$2,003.00	\$2,352.00	\$2,705.00
	\$120,000	\$2,198.00	\$2,528.00	\$2,198.00	\$2,528.00	\$3,348.00	\$3,850.00	\$3,278.00	\$3,770.00	\$3,348.00	\$3,850.00	\$2,670.00	\$3,071.00	\$2,670.00	\$3,071.00	\$2,486.00	\$2,859.00	\$3,358.00	\$3,862.00
	\$160,000	\$2,700.00	\$3,105.00	\$2,700.00	\$3,105.00	\$4,114.00	\$4,731.00	\$4,028.00	\$4,632.00	\$4,114.00	\$4,731.00	\$3,280.00	\$3,772.00	\$3,280.00	\$3,772.00	\$3,054.00	\$3,512.00	\$4,124.00	\$4,743.00

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

Public Protection Class	Property Value	Washington		Baxter		Craighead		St. Francis		Arkansas		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$5,000	\$144.00	\$144.00	\$144.00	\$144.00	\$144.00	\$144.00	\$154.00	\$154.00	\$144.00	\$144.00	\$144.00	\$144.00	\$144.00	\$144.00	\$144.00	\$144.00	\$126.00	\$126.00
	\$15,000	\$174.00	\$174.00	\$174.00	\$174.00	\$174.00	\$174.00	\$186.00	\$186.00	\$174.00	\$174.00	\$174.00	\$174.00	\$174.00	\$174.00	\$174.00	\$174.00	\$152.00	\$152.00
	\$25,000	\$240.00	\$240.00	\$240.00	\$240.00	\$240.00	\$240.00	\$257.00	\$257.00	\$240.00	\$240.00	\$240.00	\$240.00	\$240.00	\$240.00	\$240.00	\$240.00	\$210.00	\$210.00
6	\$5,000	\$158.00	\$158.00	\$158.00	\$158.00	\$158.00	\$158.00	\$169.00	\$169.00	\$158.00	\$158.00	\$158.00	\$158.00	\$158.00	\$158.00	\$158.00	\$158.00	\$139.00	\$139.00
	\$15,000	\$191.00	\$191.00	\$191.00	\$191.00	\$191.00	\$191.00	\$205.00	\$205.00	\$191.00	\$191.00	\$191.00	\$191.00	\$191.00	\$191.00	\$191.00	\$191.00	\$167.00	\$167.00
	\$25,000	\$264.00	\$264.00	\$264.00	\$264.00	\$264.00	\$264.00	\$283.00	\$283.00	\$264.00	\$264.00	\$264.00	\$264.00	\$264.00	\$264.00	\$264.00	\$264.00	\$231.00	\$231.00
9	\$5,000	\$274.00	\$274.00	\$274.00	\$274.00	\$274.00	\$274.00	\$293.00	\$293.00	\$274.00	\$274.00	\$274.00	\$274.00	\$274.00	\$274.00	\$274.00	\$274.00	\$239.00	\$239.00
	\$15,000	\$331.00	\$331.00	\$331.00	\$331.00	\$331.00	\$331.00	\$353.00	\$353.00	\$331.00	\$331.00	\$331.00	\$331.00	\$331.00	\$331.00	\$331.00	\$331.00	\$289.00	\$289.00
	\$25,000	\$456.00	\$456.00	\$456.00	\$456.00	\$456.00	\$456.00	\$488.00	\$488.00	\$456.00	\$456.00	\$456.00	\$456.00	\$456.00	\$456.00	\$456.00	\$456.00	\$399.00	\$399.00

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

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

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

HO3 and HO4 only

Fire Extinguisher	n/a	%	Deadbolt Lock	n/a	%
Burglar Alarm	5	%	Window Locks	n/a	%
Smoke Alarm	5	%	\$1,000 Deductible	5	%
			Other (specify)		%
			Maximum Credit Allowed		%

EARTHQUAKE INSURANCE

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

ARE YOU CURRENTLY WRITING EARTHQUAKE COVERAGE IN ARKANSAS?	no	(yes or no)	
WHAT IS YOUR PERCENTAGE DEDUCTIBLE?		%	
WHAT IS YOUR PRICE PER \$1,000 OF COVERAGE?	Zone	Brick	Frame
	Highest Risk	\$	\$
	Lowest Risk	\$	\$

NAIC Number: 300-22578
 Company Name: Teachers Insurance Company
 Contact Person: Melinda Ballard
 Telephone No.: 217-855-8505
 Email Address: Melinda.Ballard@horacemann.com
 Effective Date: 3/1/2014

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

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

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

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

Public Protection Class	Dwelling Value	Washington		Baxter		Craighead		St. Francis		Desha		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$80,000	\$587.00	\$646.00	\$587.00	\$646.00	\$732.00	\$805.00	\$899.00	\$989.00	\$732.00	\$805.00	\$733.00	\$806.00	\$733.00	\$806.00	\$679.00	\$747.00	\$921.00	\$1,013.00
	\$120,000	\$838.00	\$922.00	\$838.00	\$922.00	\$1,045.00	\$1,150.00	\$1,282.00	\$1,410.00	\$1,045.00	\$1,150.00	\$1,046.00	\$1,151.00	\$1,046.00	\$1,151.00	\$969.00	\$1,066.00	\$1,314.00	\$1,445.00
	\$160,000	\$1,029.00	\$1,132.00	\$1,029.00	\$1,132.00	\$1,284.00	\$1,412.00	\$1,576.00	\$1,734.00	\$1,284.00	\$1,412.00	\$1,285.00	\$1,414.00	\$1,285.00	\$1,414.00	\$1,191.00	\$1,310.00	\$1,615.00	\$1,777.00
6	\$80,000	\$693.00	\$769.00	\$693.00	\$769.00	\$864.00	\$959.00	\$1,061.00	\$1,178.00	\$864.00	\$959.00	\$865.00	\$960.00	\$865.00	\$960.00	\$801.00	\$889.00	\$1,087.00	\$1,207.00
	\$120,000	\$989.00	\$1,098.00	\$989.00	\$1,098.00	\$1,233.00	\$1,369.00	\$1,513.00	\$1,679.00	\$1,233.00	\$1,369.00	\$1,234.00	\$1,370.00	\$1,234.00	\$1,370.00	\$1,143.00	\$1,269.00	\$1,551.00	\$1,721.00
	\$160,000	\$1,214.00	\$1,348.00	\$1,214.00	\$1,348.00	\$1,515.00	\$1,682.00	\$1,860.00	\$2,065.00	\$1,515.00	\$1,682.00	\$1,516.00	\$1,683.00	\$1,516.00	\$1,683.00	\$1,405.00	\$1,560.00	\$1,906.00	\$2,116.00
9	\$80,000	\$1,174.00	\$1,350.00	\$1,174.00	\$1,350.00	\$1,464.00	\$1,684.00	\$1,798.00	\$2,068.00	\$1,464.00	\$1,684.00	\$1,466.00	\$1,686.00	\$1,466.00	\$1,686.00	\$1,358.00	\$1,562.00	\$1,842.00	\$2,118.00
	\$120,000	\$1,676.00	\$1,927.00	\$1,676.00	\$1,927.00	\$2,090.00	\$2,404.00	\$2,564.00	\$2,949.00	\$2,090.00	\$2,404.00	\$2,092.00	\$2,406.00	\$2,092.00	\$2,406.00	\$1,938.00	\$2,229.00	\$2,628.00	\$3,022.00
	\$160,000	\$2,058.00	\$2,367.00	\$2,058.00	\$2,367.00	\$2,568.00	\$2,953.00	\$3,152.00	\$3,625.00	\$2,568.00	\$2,953.00	\$2,570.00	\$2,956.00	\$2,570.00	\$2,956.00	\$2,382.00	\$2,739.00	\$3,230.00	\$3,715.00

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

Public Protection Class	Property Value	Washington		Baxter		Craighead		St. Francis		Arkansas		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$5,000	\$113.00	\$113.00	\$113.00	\$113.00	\$113.00	\$113.00	\$135.00	\$135.00	\$113.00	\$113.00	\$113.00	\$113.00	\$113.00	\$113.00	\$113.00	\$113.00	\$113.00	\$113.00
	\$15,000	\$136.00	\$136.00	\$136.00	\$136.00	\$136.00	\$136.00	\$163.00	\$163.00	\$136.00	\$136.00	\$136.00	\$136.00	\$136.00	\$136.00	\$136.00	\$136.00	\$136.00	\$136.00
	\$25,000	\$188.00	\$188.00	\$188.00	\$188.00	\$188.00	\$188.00	\$225.00	\$225.00	\$188.00	\$188.00	\$188.00	\$188.00	\$188.00	\$188.00	\$188.00	\$188.00	\$188.00	\$188.00
6	\$5,000	\$124.00	\$124.00	\$124.00	\$124.00	\$124.00	\$124.00	\$149.00	\$149.00	\$124.00	\$124.00	\$124.00	\$124.00	\$124.00	\$124.00	\$124.00	\$124.00	\$124.00	\$124.00
	\$15,000	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$179.00	\$179.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00
	\$25,000	\$207.00	\$207.00	\$207.00	\$207.00	\$207.00	\$207.00	\$248.00	\$248.00	\$207.00	\$207.00	\$207.00	\$207.00	\$207.00	\$207.00	\$207.00	\$207.00	\$207.00	\$207.00
9	\$5,000	\$215.00	\$215.00	\$215.00	\$215.00	\$215.00	\$215.00	\$257.00	\$257.00	\$215.00	\$215.00	\$215.00	\$215.00	\$215.00	\$215.00	\$215.00	\$215.00	\$215.00	\$215.00
	\$15,000	\$258.00	\$258.00	\$258.00	\$258.00	\$258.00	\$258.00	\$310.00	\$310.00	\$258.00	\$258.00	\$258.00	\$258.00	\$258.00	\$258.00	\$258.00	\$258.00	\$258.00	\$258.00
	\$25,000	\$357.00	\$357.00	\$357.00	\$357.00	\$357.00	\$357.00	\$428.00	\$428.00	\$357.00	\$357.00	\$357.00	\$357.00	\$357.00	\$357.00	\$357.00	\$357.00	\$357.00	\$357.00

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

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

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

HO3 and HO4 only

Fire Extinguisher	<input type="text" value="n/a"/>	%	Deadbolt Lock	<input type="text" value="n/a"/>	%
Burglar Alarm	<input type="text" value="5"/>	%	Window Locks	<input type="text" value="n/a"/>	%
Smoke Alarm	<input type="text" value="5"/>	%	\$1,000 Deductible	<input type="text" value="5"/>	%
			Other (specify)	<input type="text"/>	%
			Maximum Credit Allowed	<input type="text"/>	%

EARTHQUAKE INSURANCE

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

ARE YOU CURRENTLY WRITING EARTHQUAKE COVERAGE IN ARKANSAS?	<input type="text" value="no"/>	(yes or no)	
WHAT IS YOUR PERCENTAGE DEDUCTIBLE?	<input type="text"/>	%	
WHAT IS YOUR PRICE PER \$1,000 OF COVERAGE?	Zone	Brick	Frame
	Highest Risk	\$ <input type="text"/>	\$ <input type="text"/>
	Lowest Risk	\$ <input type="text"/>	\$ <input type="text"/>

Horace Mann Insurance Company - 04

State - Arkansas - 03
750 Flat Deductible - All Section 1 Perils

Forms 1,2,3 Annual Premiums
\$100,000/1,000 Liability Limits

Column 1	Column 2
Territory	Base Rate
13	2,042
14 *	3,815
44	2,082
51	1,835
60	1,337
63	1,624
65	2,022
67	1,512
68	1,502
70	2,037
71	1,994
72	1,701
73	1,705
74	1,997
75	1,691

***Note: Territory 14 can only be written in Protection Class 1-5**

Column 3	Column 4	Column 5
Protection Class See Rate Derivation Page		
1-3	M	1.00
1-3	F	1.10
4-5	M	1.04
4-5	F	1.18
6	M	1.18
6	F	1.31
7	M	1.32
7	F	1.46
8	M	1.65
8	F	1.85
9	M	2.00
9	F	2.30
10	M	2.50
10	F	2.80

Column 6	Column 7
Coverage A Amount	Coverage A Relativity
25,000	0.421
30,000	0.425
35,000	0.431
40,000	0.436
45,000	0.440
50,000	0.445
55,000	0.480
60,000	0.487
65,000	0.503
70,000	0.524
75,000	0.543
80,000	0.576
85,000	0.611
90,000	0.645
95,000	0.667
100,000	0.687
105,000	0.719
110,000	0.750
115,000	0.787
120,000	0.822
125,000	0.858
130,000	0.893
135,000	0.930
140,000	0.955
145,000	0.975
150,000	1.000
155,000	1.002
160,000	1.010
165,000	1.026
170,000	1.045
175,000	1.064
180,000	1.084
185,000	1.106
190,000	1.127
195,000	1.154
200,000	1.181
205,000	1.210
210,000	1.239
215,000	1.269
220,000	1.299
225,000	1.329
230,000	1.359
235,000	1.389
240,000	1.419
245,000	1.449
250,000	1.479
Each Add'l	
5,000	0.030

- 1 Choose the Territory in which the property is located in Column 1. Refer to your Territory Pages.
- 2 Choose the corresponding Base Rate for that Territory in Column 2.
- 3 Choose the protection class in Column 3 and find the corresponding relativity in Column 4 or Column 5. See Protection Class Derivation on Rate Derivation Instruction Page).
- 4 Multiply Step 2 by Step 3 and round to the nearest dollar.
- 5 For Form 1 or 2, take the rate from Step 4 and multiply it by .98 and round to the nearest dollar.
- 6 Choose the Coverage A amount, Column 6, and find the corresponding Coverage A Relativity, Column 7. (See Additional Amount and Interpolation Rule on Rate Derivation Instruction Page).
- 7 Multiply the amount from Step 4 or Step 5 by the Coverage A Relativity from Step 6 and round to the nearest dollar. This is your Basic Premium before endorsements are added.
- 8 Go to the Homeowner Rules Pages and follow the rating algorithm for deductible options and endorsements.

Rate Effective Date: 3/1/2014

Horace Mann Insurance Company - 04

**State - Arkansas - 03
500 Flat Deductible - All Section 1 Perils**

**Forms 4,6 Annual Premiums
\$100,000/1,000 Liability Limits**

Column 1	Column 2
Territory	Base Rate
13	152
14 *	212
44	152
51	174
60	174
63	174
65	174
67	174
68	174
70	174
71	186
72	174
73	174
74	188
75	174

Column 3	Column 4	Column 5
Protection Class See Rate Derivation Page		
1-4	M	1.000
1-4	F	1.000
5-6	M	1.100
5-6	F	1.100
7-8	M	1.330
7-8	F	1.330
9	M	1.900
9	F	1.900
10	M	1.995
10	F	1.995

Column 8	
Condo Discount	Territories
20%	All

Column 6	Column 7
Coverage C Amount	Coverage C Relativity
5,000	0.830
10,000	0.870
15,000	1.000
20,000	1.220
25,000	1.380
30,000	1.560
35,000	1.740
40,000	1.910
45,000	2.060
50,000	2.200
55,000	2.400
60,000	2.600
Each Add'l	
5,000	0.200

***Note: Territory 14
can only be written in
Protection Class 1-6**

- 1 Choose Territory in which property is located in Column 1. Refer to your Territory Pages. Find the corresponding Base Rate in Column 2.
- 2 Choose protection class in Column 3, and find corresponding Relativity in Column 4 or Column 5. (See Protection Class Derivation Instruction Page.)
- 3 Multiply the Base Rate from Step 1 by the protection class relativity from Step 2 and round to the nearest dollar.
- 4 If the risk is located in a building with 1-4 units, go to Step 5. If the risk is located in a building with 5 or more units multiply the amount from Step 3 by 1.25 and round to the nearest dollar.
- 5 Choose Coverage C amount, Column 6 and find corresponding Coverage C Relativity, Column 7 (See Additional Amount Rule or Interpolation Rule on Rate Derivation Instruction Page).
- 6 Multiply amount from Step 4 by Coverage C Relativity from Step 5 and round to the nearest dollar. This is your basic Premium before endorsements are added unless you are rating an owner occupied Condo then go to Step 7.
- 7 If you are rating a Condo policy, and the Condo is owner occupied, multiply step 6 by correct discount from column 8 and round to the nearest dollar. This would now be your basic premium before the endorsements are added.
- 8 Go to Homeowner Rules pages and follow rating algorithm for deductible options and endorsements.

Rate Effective Date: 3/1/2014

Teachers Insurance Company - 08

**State - Arkansas - 03
750 Flat Deductible - All Section 1 Perils**

**Form 3 Annual Premiums
\$100,000/1,000 Liability Limits**

Column 1	Column 2
Territory	Base Rate
13	1,599
14 *	2,432
44	1,614
51	1,439
60	1,019
63	1,272
65	1,587
67	1,179
68	1,137
70	1,271
71	1,560
72	1,332
73	1,343
74	1,546
75	1,323

Column 3	Column 4	Column 5
Protection Class See Rate Derivation Page		
1-3	M	1.00
1-3	F	1.10
4-5	M	1.04
4-5	F	1.18
6	M	1.18
6	F	1.31
7	M	1.32
7	F	1.46
8	M	1.65
8	F	1.85
9	M	2.00
9	F	2.30
10	M	2.50
10	F	2.80

Column 6	Column 7
Coverage A Amount	Coverage A Relativity
25,000	0.421
30,000	0.425
35,000	0.431
40,000	0.436
45,000	0.440
50,000	0.445
55,000	0.480
60,000	0.487
65,000	0.503
70,000	0.524
75,000	0.543
80,000	0.576
85,000	0.611
90,000	0.645
95,000	0.667
100,000	0.687
105,000	0.719
110,000	0.750
115,000	0.787
120,000	0.822
125,000	0.858
130,000	0.893
135,000	0.930
140,000	0.955
145,000	0.975
150,000	1.000
155,000	1.002
160,000	1.010
165,000	1.026
170,000	1.045
175,000	1.064
180,000	1.084
185,000	1.106
190,000	1.127
195,000	1.154
200,000	1.181
205,000	1.210
210,000	1.239
215,000	1.269
220,000	1.299
225,000	1.329
230,000	1.359
235,000	1.389
240,000	1.419
245,000	1.449
250,000	1.479
Each Add'l	
5,000	0.030

***Note: Territory 14 can only be written in Protection Class 1-5**

- 1 Choose the Territory in which the property is located in Column 1. Refer to your Territory Pages.
- 2 Choose the corresponding Base Rate for that Territory in Column 2.
- 3 Choose the protection class in Column 3 and find the corresponding relativity in Column 4 or Column 5. See Protection Class Derivation on Rate Derivation Instruction Page).
- 4 Multiply Step 2 by Step 3 and round to the nearest dollar.
- 5 Choose the Coverage A amount, Column 6, and find the corresponding Coverage A Relativity, Column 7. (See Additional Amount and Interpolation Rule on Rate Derivation Instruction Page).
- 6 Multiply the amount from Step 4 or Step 5 by the Coverage A Relativity from Step 6 and round to the nearest dollar. This is your Basic Premium before endorsements are added.
- 7 Go to the Homeowner Rules Pages and follow the rating algorithm for deductible options and endorsements.

Rate Effective Date: 3/1/2014

Teachers Insurance Company - 08

**State - Arkansas - 03
500 Flat Deductible - All Section 1 Perils**

**Forms 4,6 Annual Premiums
\$100,000/1,000 Liability Limits**

Column 1	Column 2
Territory	Base Rate
13	136
14 *	193
44	136
51	136
60	136
63	136
65	142
67	136
68	136
70	136
71	163
72	136
73	136
74	136
75	136

Column 3	Column 4	Column 5
Protection Class See Rate Derivation Page		
1-4	M	1.000
1-4	F	1.000
5-6	M	1.100
5-6	F	1.100
7-8	M	1.330
7-8	F	1.330
9	M	1.900
9	F	1.900
10	M	1.995
10	F	1.995

Column 8
Condo Discount Territories
35% All

Column 6	Column 7
Coverage C Amount	Coverage C Relativity
5,000	0.830
10,000	0.870
15,000	1.000
20,000	1.220
25,000	1.380
30,000	1.560
35,000	1.740
40,000	1.910
45,000	2.060
50,000	2.200
55,000	2.400
60,000	2.600
Each Add'l	
5,000	0.200

***Note: Territory 14
can only be written in
Protection Class 1-6**

- 1 Choose Territory in which property is located in Column 1. Refer to your Territory Pages. Find the corresponding Base Rate in Column 2.
- 2 Choose protection class in Column 3, and find corresponding Relativity in Column 4 or Column 5. (See Protection Class Derivation Instruction Page.)
- 3 Multiply the Base Rate from Step 1 by the protection class relativity from Step 2 and round to the nearest dollar.
- 4 If the risk is located in a building with 1-4 units, go to Step 5. If the risk is located in a building with 5 or more units multiply the amount from Step 3 by 1.25 and round to the nearest dollar.
- 5 Choose Coverage C amount, Column 6 and find corresponding Coverage C Relativity, Column 7 (See Additional Amount Rule or Interpolation Rule on Rate Derivation Instruction Page).
- 6 Multiply amount from Step 4 by Coverage C Relativity from Step 5 and round to the nearest dollar. This is your basic Premium before endorsements are added unless you are rating an owner occupied Condo then go to Step 7.
- 7 If you are rating a Condo policy, and the Condo is owner occupied, multiply step 6 by correct discount from column 8 and round to the nearest dollar. This would now be your basic premium before the endorsements are added.
- 8 Go to Homeowner Rules pages and follow rating algorithm for deductible options and endorsements.

Rate Effective Date: 3/1/2014

NAIC LOSS COST DATA ENTRY DOCUMENT (EFFECTIVE AUG. 16, 2004)

1. This filing transmittal is part of Company Tracking # _____

2. If filing is an adoption of an advisory organization loss cost filing, give name of advisory organization and Reference/Item Filing Number _____

Company Name	Company NAIC Number
3. A. Horace Mann Insurance Company	B. 300-22578

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. Homeowner Multi-Peril	B. _____

5.

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	FOR LOSS COSTS ONLY			
			(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)
Forms 1, 2, 3	+19.9%	+11.6%				
Forms 4, 6	+19.9%	+9.5%				
TOTAL OVERALL EFFECT	+19.9%	+11.6%				

6. 5 Year History Rate Change History

Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
2009	76	7.7%	4/1/2009	88	26	30%	51%
2010	73	12.8%	4/15/2010	88	8	9%	56%
2011	66	-0.1%	9/1/2011	95	19	20%	66%
2012	66	--	--	99	3	3%	42%
2013	72	2.9%	3/1/2013	104	2	2%	51%

7.

Expense Constants	Selected Provisions
A. Total Production Expense	16.8%
B. General Expense	10.8%
C. Taxes, License & Fees	3.6%
D. Underwriting Profit & Contingencies	15.0%
E. Other (explain)	1.9% (Reinsurance)
F. TOTAL	48.1%

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

9. +19.6% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): _____ 60

10. -13.5% Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): _____ 73

NAIC LOSS COST DATA ENTRY DOCUMENT (EFFECTIVE AUG. 16, 2004)

1. This filing transmittal is part of Company Tracking # _____

2. If filing is an adoption of an advisory organization loss cost filing, give name of advisory organization and Reference/Item Filing Number _____

Company Name	Company NAIC Number
A. Teachers Insurance Company	B. 300-22578

Product Coding Matrix Line of Business (i.e., Type of Insurance)	Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)
A. Homeowner Multi-Peril	B. _____

5.

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	FOR LOSS COSTS ONLY				
			(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
Forms 1,2,3	+19.9%	+11.2%					
Forms 4,6	+19.9%	+9.7%					
TOTAL OVERALL EFFECT	+19.9%	+11.2%					

6. 5 Year History Rate Change History

Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
2009	161	5.0%	4/1/2009	162	296	183%	71%
2010	151	11.3%	4/15/2010	165	46	28%	77%
2011	149	0.0%	9/1/2011	185	121	65%	87%
2012	170	--	--	203	97	48%	47%
2013	380	5.8%	3/1/2013	305	75	25%	69%

7.

Expense Constants	Selected Provisions
A. Total Production Expense	16.8%
B. General Expense	10.8%
C. Taxes, License & Fees	3.6%
D. Underwriting Profit & Contingencies	15.0%
E. Other (explain)	1.9% (Reinsurance)
F. TOTAL	48.1%

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

9. +19.7% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): _____ 60

10. -13.8% Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): _____ 60