
State: Arkansas **Filing Company:** Auto-Owners Insurance Company
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: Arkansas Homeowners
Project Name/Number: Arkansas Homeowners Rate & Rule/HOM-AR-01-06/13/2013-01

Filing at a Glance

Company: Auto-Owners Insurance Company
Product Name: Arkansas Homeowners
State: Arkansas
TOI: 04.0 Homeowners
Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Filing Type: Rate/Rule
Date Submitted: 03/22/2013
SERFF Tr Num: AOIC-128908520
SERFF Status: Closed-Filed
State Tr Num:
State Status:
Co Tr Num: HOM-AR-01-06/13/2013-01

Effective Date: 06/13/2013
Requested (New):
Effective Date: 07/19/2013
Requested (Renewal):
Author(s): Cindy LeClear, Dave Roland, Kristi Walker
Reviewer(s): Becky Harrington (primary)
Disposition Date: 05/16/2013
Disposition Status: Filed
Effective Date (New): 06/13/2013
Effective Date (Renewal): 07/19/2013

State Filing Description:
referred to Commissioner

State: Arkansas **Filing Company:** Auto-Owners Insurance Company
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: Arkansas Homeowners
Project Name/Number: Arkansas Homeowners Rate & Rule/HOM-AR-01-06/13/2013-01

General Information

Project Name: Arkansas Homeowners Rate & Rule Status of Filing in Domicile: Not Filed
 Project Number: HOM-AR-01-06/13/2013-01 Domicile Status Comments:
 Reference Organization: Reference Number:
 Reference Title: Advisory Org. Circular:
 Filing Status Changed: 05/16/2013
 State Status Changed: 05/08/2013 Deemer Date:
 Created By: Kristi Walker Submitted By: Kristi Walker
 Corresponding Filing Tracking Number:

Filing Description:

We are making rate and rule changes to our Arkansas Homeowners program. Please refer to the explanatory memorandum for further details.

Company and Contact

Filing Contact Information

Cindy LeClear, Assistant Manager leclear.cindy@aoins.com
 P.O. Box 30660 517-703-2406 [Phone]
 Lansing, MI 48909-8160 517-323-8796 [FAX]

Filing Company Information

Auto-Owners Insurance Company CoCode: 18988 State of Domicile: Michigan
 P.O. Box 30660 Group Code: 280 Company Type: PC
 Lansing, MI 48909-8160 Group Name: Auto-Owners Ins State ID Number:
 (800) 346-0346 ext. [Phone] Group
FEIN Number: 38-0315280

Filing Fees

Fee Required? Yes
 Fee Amount: \$100.00
 Retaliatory? No
 Fee Explanation: Auto-Owners Insurance Company - \$100.00
 Per Company: No

Company	Amount	Date Processed	Transaction #
Auto-Owners Insurance Company	\$100.00	03/22/2013	68710058

State: Arkansas
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: Arkansas Homeowners
Project Name/Number: Arkansas Homeowners Rate & Rule/HOM-AR-01-06/13/2013-01

Filing Company: Auto-Owners Insurance Company

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Becky Harrington	05/16/2013	05/16/2013

Objection Letters and Response Letters

Objection Letters

Status	Created By	Created On	Date Submitted
Pending Industry Response	Becky Harrington	05/08/2013	05/08/2013
No response necessary	Becky Harrington	04/17/2013	04/17/2013
Pending Industry Response	Becky Harrington	03/22/2013	03/22/2013

Response Letters

Responded By	Created On	Date Submitted
Kristi Walker	05/14/2013	05/16/2013
Kristi Walker	04/04/2013	04/12/2013

State: Arkansas
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: Arkansas Homeowners
Project Name/Number: Arkansas Homeowners Rate & Rule/HOM-AR-01-06/13/2013-01

Filing Company: Auto-Owners Insurance Company

Disposition

Disposition Date: 05/16/2013

Effective Date (New): 06/13/2013

Effective Date (Renewal): 07/19/2013

Status: Filed

Comment:

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
Auto-Owners Insurance Company	161.700%	12.800%	\$1,397,836	9,602	\$10,914,731	25.000%	-13.500%

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	HPCS-Homeowners Premium Comparison Survey	Filed	Yes
Supporting Document	NAIC loss cost data entry document	Filed	Yes
Supporting Document	Actuarial Support	Filed	Yes
Supporting Document (revised)	Explanatory Memorandum	Filed	Yes
Supporting Document	Explanatory Memorandum		Yes
Supporting Document	Insurance Score Exhibit	Filed	Yes
Rate	Limited Liability Company	Filed	Yes
Rate	Eligibility Form 3 and Premier Plus	Filed	Yes
Rate	Eligibility Form 4	Filed	Yes
Rate	Eligibility Form 6	Filed	Yes

State: Arkansas **Filing Company:** Auto-Owners Insurance Company
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: Arkansas Homeowners
Project Name/Number: Arkansas Homeowners Rate & Rule/HOM-AR-01-06/13/2013-01

Schedule	Schedule Item	Schedule Item Status	Public Access
Rate	Applications	Filed	Yes
Rate	Definitions	Filed	Yes
Rate	Location Minimum Premium	Filed	Yes
Rate	Mandatory Coverages, Forms and Endorsements	Filed	Yes
Rate	Watercraft Liability	Filed	Yes
Rate	Age of Construction Discount	Filed	Yes
Rate	Alarm System Discounts	Filed	Yes
Rate	Claim Free Discount	Filed	Yes
Rate	Coverage A Less Than 100% Replacement Cost Charge	Filed	Yes
Rate (revised)	Deductibles	Filed	Yes
Rate	Deductibles		Yes
Rate	Experience Discount	Filed	Yes
Rate	Market Value Surcharge	Filed	Yes
Rate	Multi-Policy Discounts	Filed	Yes
Rate	Paid in Full Discount	Filed	Yes
Rate	Paid Loss Surcharge	Filed	Yes
Rate	Protected Subdivision Discount	Filed	Yes
Rate	Roof Discount/Surcharge	Filed	Yes
Rate	Year of Construction Surcharge	Filed	Yes
Rate	Dwelling Under Construction	Filed	Yes
Rate	Guaranteed Home Replacement Cost Coverage	Filed	Yes
Rate	Ordinance or Law Coverage	Filed	Yes
Rate	Form 3 - Amount of Insurance Relativities	Filed	Yes

State: Arkansas

Filing Company:

Auto-Owners Insurance Company

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

Product Name: Arkansas Homeowners

Project Name/Number: Arkansas Homeowners Rate & Rule/HOM-AR-01-06/13/2013-01

Schedule	Schedule Item	Schedule Item Status	Public Access
Rate (revised)	Form 3 - Base Rates	Filed	Yes
Rate	Form 3 - Base Rates		Yes
Rate	Form 3 - Protection Class Relativities	Filed	Yes
Rate	Form 3 - Territory Relativities	Filed	Yes
Rate	Form 4 - Base Rates	Filed	Yes
Rate	Form 4 - Protection Class Relativities	Filed	Yes
Rate	Form 6 - Base Rates	Filed	Yes
Rate	Form 6 - Protection Class Relativities	Filed	Yes
Rate	Location Minimum Rates	Filed	Yes
Rate	Location Minimum Relativities	Filed	Yes
Rate	Rating Procedure - Form 3, 4, and 6	Filed	Yes
Rate	Watercraft Liability Rates	Filed	Yes
Rate	Age of Construction Relativities	Filed	Yes
Rate	Age of Insured Relativities	Filed	Yes
Rate	Alarm System Relativities	Filed	Yes
Rate	Claim Free Relativities	Filed	Yes
Rate	Coverage A Less Than 100% Relativities	Filed	Yes
Rate	Deductible Relativities	Filed	Yes
Rate	Experience Discount Relativities	Filed	Yes
Rate	Guaranteed Home Replacement Cost Exclusion Relativities	Filed	Yes
Rate	Insurance Score Rating Tiers	Filed	Yes
Rate	Market Value Relativities	Filed	Yes

State: Arkansas **Filing Company:** Auto-Owners Insurance Company
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: Arkansas Homeowners
Project Name/Number: Arkansas Homeowners Rate & Rule/HOM-AR-01-06/13/2013-01

Schedule	Schedule Item	Schedule Item Status	Public Access
Rate	Mortgage Free Relativities	Filed	Yes
Rate	Multi-Policy Relativities	Filed	Yes
Rate	Paid in Full Relativities	Filed	Yes
Rate	Paid Loss Surcharge Relativities	Filed	Yes
Rate	Protected Subdivision Relativities	Filed	Yes
Rate	Roof Relativities	Filed	Yes
Rate	Year of Construction Relativities	Filed	Yes
Rate	Guaranteed Home Replacement Cost Relativities	Filed	Yes
Rate	Ordinance or Law Coverage Relativities	Filed	Yes
Rate	Water Backup Relativities - Form 3	Filed	Yes
Rate	Water Backup Rating Procedure	Filed	Yes
Rate	Adjusted Value Endorsement - Form 3 Only	Filed	Yes
Rate	Construction Types	Filed	Yes
Rate	Dwelling Under Construction Surcharge	Filed	Yes
Rate	Guaranteed Home Replacement Cost Exclusion	Filed	Yes
Rate	Number of Families/Units	Filed	Yes
Rate	Primary Occupancy	Filed	Yes
Rate	Seasonal Occupancy	Filed	Yes
Rate	Secondary Occupancy	Filed	Yes

State: Arkansas **Filing Company:** Auto-Owners Insurance Company
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: Arkansas Homeowners
Project Name/Number: Arkansas Homeowners Rate & Rule/HOM-AR-01-06/13/2013-01

Objection Letter

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

Dear Cindy LeClear,

Introduction:

This will acknowledge review of the requested increase by the Commissioner.

Please cap individual increases at 25%.

Conclusion:

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

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

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

*Sincerely,
Becky Harrington*

State: Arkansas **Filing Company:** Auto-Owners Insurance Company
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: Arkansas Homeowners
Project Name/Number: Arkansas Homeowners Rate & Rule/HOM-AR-01-06/13/2013-01

Objection Letter

Objection Letter Status	No response necessary
Objection Letter Date	04/17/2013
Submitted Date	04/17/2013
Respond By Date	

Dear Cindy LeClear,

Introduction:

This will acknowledge receipt of the recent response.

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

Conclusion:

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

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

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

Sincerely,

Becky Harrington

State: Arkansas **Filing Company:** Auto-Owners Insurance Company
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: Arkansas Homeowners
Project Name/Number: Arkansas Homeowners Rate & Rule/HOM-AR-01-06/13/2013-01

Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 03/22/2013
Submitted Date 03/22/2013
Respond By Date

Dear Cindy LeClear,

Introduction:

This will acknowledge receipt of the captioned filing.

Objection 1

- Insurance Score Rating Tiers, AOAQZ108 (Rate)

Comments: Provide additional supporting documentation for the age variation changes. Explain why the age variation is appropriate for the higher tiers, but not the lower tiers.

Provide loss ratios for all tiers. Provide an exhibit showing the percentage changes in tier 46-50's factors.

Objection 2

- Deductibles, AOUQZ388 (Rate)

Comments: AR is not allowing separate mandatory wind/hail deductibles. Please amend the rule.

Objection 3

- Location Minimum Relativities, AOAQZ098 (Rate)

Comments: Provide supporting documentation for the factors. Please confirm that it is possible for a \$250 minimum premium to be reduced to \$65 if the insured chooses a \$2500 flat deductible. Please indicate the coverage limit that is likely to develop the minimum premium.

Objection 4

- Actuarial Support (Supporting Document)

Comments: Please provide additional supporting documentation for the changes to the Paid loss surcharge 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 **Filing Company:** Auto-Owners Insurance Company
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: Arkansas Homeowners
Project Name/Number: Arkansas Homeowners Rate & Rule/HOM-AR-01-06/13/2013-01

Response Letter

Response Letter Status Submitted to State
 Response Letter Date 05/14/2013
 Submitted Date 05/16/2013

Dear Becky Harrington,

Introduction:

Please see the respons below.

Response 1

Comments:

Policies will be capped at a 25% increase. Form 3 base rates have been modified for this revision. Please see the updated explanatory memorandum and Form 3 base rates manual page.

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	Explanatory Memorandum
Comments:	
Attachment(s):	AR HO Explanatory Memorandum 6.13.13.pdf
<i>Previous Version</i>	
Satisfied - Item:	Explanatory Memorandum
Comments:	
Attachment(s):	AR HO Explanatory Memorandum 6.13.13.pdf

No Form Schedule items changed.

SERFF Tracking #:

AOIC-128908520

State Tracking #:

Company Tracking #:

HOM-AR-01-06/13/2013-01

State: Arkansas

Filing Company: Auto-Owners Insurance Company

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

Product Name: Arkansas Homeowners

Project Name/Number: Arkansas Homeowners Rate & Rule/HOM-AR-01-06/13/2013-01

Rate Schedule Item Changes

Item No.	Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing Number	Date Submitted
1	Form 3 - Base Rates	AOAQZ090	Replacement	AOAQZ070	05/16/2013 By: Kristi Walker
<i>Previous Version</i>					
1	Form 3 - Base Rates	AOAQZ090	Replacement	AOAQZ070	03/22/2013 By: Kristi Walker

Conclusion:

Thank you!

Sincerely,

Kristi Walker

State: Arkansas **Filing Company:** Auto-Owners Insurance Company
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: Arkansas Homeowners
Project Name/Number: Arkansas Homeowners Rate & Rule/HOM-AR-01-06/13/2013-01

Response Letter

Response Letter Status Submitted to State
 Response Letter Date 04/04/2013
 Submitted Date 04/12/2013

Dear Becky Harrington,

Introduction:

Please see our responses to the objections below.

Response 1

Comments:

Generalized Linear Modeling demonstrated that the age component of the insurance score factors is predictive for tiers 29-50 for the groupings ages 54 and under, ages 55 through 74, and ages 75 and older. Based on this analysis we have moved toward eliminating the age deviation on tiers 1-28, and consolidating into the three age groupings mentioned above for tiers 29-50. In addition to these changes, a separate analysis on companywide data indicated a +12% change on tiers 1-5 and a -23% change on tiers 46-50. Please refer to the Insurance Score Exhibit under the Supporting Documentation tab for loss ratios and percent changes.

Related Objection 1

Applies To:

- Insurance Score Rating Tiers, AOAQZ108 (Rate)

Comments: Provide additional supporting documentation for the age variation changes. Explain why the age variation is appropriate for the higher tiers, but not the lower tiers.

Provide loss ratios for all tiers. Provide an exhibit showing the percentage changes in tier 46-50's factors.

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	Insurance Score Exhibit
Comments:	
Attachment(s):	AR HO Insurance Score.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

State: Arkansas **Filing Company:** Auto-Owners Insurance Company
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: Arkansas Homeowners
Project Name/Number: Arkansas Homeowners Rate & Rule/HOM-AR-01-06/13/2013-01

Response 2**Comments:**

We have revised the deductible rule page to show a minimum \$1,000 flat deductible for Form 3 and Premier Plus.

Related Objection 2

Applies To:

- Deductibles, AOUQZ388 (Rate)

Comments: AR is not allowing separate mandatory wind/hail deductibles. Please amend the rule.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

Rate Schedule Item Changes					
Item No.	Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing Number	Date Submitted
1	Deductibles	AOUQZ388	Replacement	AOUQZ343	04/12/2013 By: Kristi Walker
<i>Previous Version</i>					
1	<i>Deductibles</i>	<i>AOUQZ388</i>	<i>Replacement</i>	<i>AOUQZ343</i>	<i>03/22/2013 By: Kristi Walker</i>

Response 3**Comments:**

Percent Minimum Premium relativities are based on percent differences between the deductible relativities.

The location minimum relativities is the percentage of the base premium that we need to charge for any given policy. There is not one coverage limit that will cause a policy to hit minimum premium. Any coverage A amount in combination with various discounts (example: newer age of construction, high policy deductible, high insurance score) could cause that policy to fall below the minimum premium amount. The policy would be charged the greater of the \$250 dollar minimum or the application of the location minimum relativity. In the example of a policy with a \$2,500 deductible, the policy's minimum premium would be the greater of \$250 or 26% of the base premium.

Related Objection 3

Applies To:

State: Arkansas **Filing Company:** Auto-Owners Insurance Company
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: Arkansas Homeowners
Project Name/Number: Arkansas Homeowners Rate & Rule/HOM-AR-01-06/13/2013-01

- Location Minimum Relativities, AOAQZ098 (Rate)

Comments: Provide supporting documentation for the factors. Please confirm that it is possible for a \$250 minimum premium to be reduced to \$65 if the insured chooses a \$2500 flat deductible. Please indicate the coverage limit that is likely to develop the minimum premium.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 4

Comments:

The Paid Loss Surcharge changes are based on Generalized Linear Modeling (GLM). The GLM indicated relativities are shown on the "Claim Free, Experience Discount, and Paid Loss Surcharge Exhibit" attached under the Actuarial Support item in the Supporting Documentation tab.

Related Objection 4

Applies To:

- Actuarial Support (Supporting Document)

Comments: Please provide additional supporting documentation for the changes to the Paid loss surcharge factors.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Thank you.

Sincerely,

Kristi Walker

State: Arkansas **Filing Company:** Auto-Owners Insurance Company
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: Arkansas Homeowners
Project Name/Number: Arkansas Homeowners Rate & Rule/HOM-AR-01-06/13/2013-01

Post Submission Update Request Processed On 05/16/2013

Status: Allowed
Created By: Kristi Walker
Processed By: Becky Harrington
Comments: Max increase changed

Company Rate Information:

Company Name:Auto-Owners Insurance Company

Field Name	Requested Change	Prior Value
Written Premium Change for this Program	\$1397836	\$1396175
Maximum %Change (where required)	25.000%	42.500%
Minimum %Change (where required)	-13.500%	-13.600%

SERFF Tracking #:

AOIC-128908520

State Tracking #:

Company Tracking #:

HOM-AR-01-06/13/2013-01

State: Arkansas
 TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
 Product Name: Arkansas Homeowners
 Project Name/Number: Arkansas Homeowners Rate & Rule/HOM-AR-01-06/13/2013-01

Filing Company: Auto-Owners Insurance Company

Rate Information

Rate data applies to filing.

Filing Method: File and Use
 Rate Change Type: Increase
 Overall Percentage of Last Rate Revision: 0.300%
 Effective Date of Last Rate Revision: 12/17/2012
 Filing Method of Last Filing: File and Use

Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
Auto-Owners Insurance Company	161.700%	12.800%	\$1,397,836	9,602	\$10,914,731	25.000%	-13.500%

SERFF Tracking #:

AOIC-128908520

State Tracking #:

Company Tracking #:

HOM-AR-01-06/13/2013-01

State:

Arkansas

Filing Company:

Auto-Owners Insurance Company

TOI/Sub-TOI:

04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations

Product Name:

Arkansas Homeowners

Project Name/Number:

Arkansas Homeowners Rate & Rule/HOM-AR-01-06/13/2013-01

Rate/Rule Schedule

State: Arkansas
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: Arkansas Homeowners
Project Name/Number: Arkansas Homeowners Rate & Rule/HOM-AR-01-06/13/2013-01

Filing Company: Auto-Owners Insurance Company

Item No.	Schedule Item Status	Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing Number	Attachments
1	Filed 05/16/2013	Limited Liability Company	AOUQZ380	New		AOUQZ380.pdf
2	Filed 05/16/2013	Eligibility Form 3 and Premier Plus	AOUQZ403	Replacement	AOUQZ356	AOUQZ403.pdf
3	Filed 05/16/2013	Eligibility Form 4	AOUQZ404	Replacement	AOUQZ219	AOUQZ404.pdf
4	Filed 05/16/2013	Eligibility Form 6	AOUQZ405	Replacement	AOUQZ012	AOUQZ405.pdf
5	Filed 05/16/2013	Applications	AOUQZ378	Replacement	AOUQZ014	AOUQZ378.pdf
6	Filed 05/16/2013	Definitions	AOUQZ379	Replacement	AOUQZ357	AOUQZ379.pdf
7	Filed 05/16/2013	Location Minimum Premium	AOUQZ381	Replacement	AOUQZ308	AOUQZ381.pdf
8	Filed 05/16/2013	Mandatory Coverages, Forms and Endorsements	AOUQZ382	Replacement	AOUQZ289	AOUQZ382.pdf
9	Filed 05/16/2013	Watercraft Liability	AOUQZ383	Replacement	AOUQZ061	AOUQZ383.pdf
10	Filed 05/16/2013	Age of Construction Discount	AOUQZ384	Replacement	AOUQZ339	AOUQZ384.pdf
11	Filed 05/16/2013	Alarm System Discounts	AOUQZ385	Replacement	AOUQZ340	AOUQZ385.pdf
12	Filed 05/16/2013	Claim Free Discount	AOUQZ386	Replacement	AOUQZ342	AOUQZ386.pdf
13	Filed 05/16/2013	Coverage A Less Than 100% Replacement Cost Charge	AOUQZ387	Replacement	AOUQZ358	AOUQZ387.pdf
14	Filed 05/16/2013	Deductibles	AOUQZ388	Replacement	AOUQZ343	AOUQZ388.pdf
15	Filed 05/16/2013	Experience Discount	AOUQZ389	New		AOUQZ389.pdf
16	Filed 05/16/2013	Market Value Surcharge	AOUQZ390	Replacement	AOUQZ063	AOUQZ390.pdf
17	Filed 05/16/2013	Multi-Policy Discounts	AOUQZ391	Replacement	AOUQZ346	AOUQZ391.pdf
18	Filed 05/16/2013	Paid in Full Discount	AOUQZ392	Replacement	AOUQZ257	AOUQZ392.pdf
19	Filed 05/16/2013	Paid Loss Surcharge	AOUQZ393	Replacement	AOUQZ347	AOUQZ393.pdf
20	Filed 05/16/2013	Protected Subdivision Discount	AOUQZ394	Replacement	AOUQZ348	AOUQZ394.pdf

State: Arkansas **Filing Company:** Auto-Owners Insurance Company
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: Arkansas Homeowners
Project Name/Number: Arkansas Homeowners Rate & Rule/HOM-AR-01-06/13/2013-01

21	Filed 05/16/2013	Roof Discount/Surcharge	AOUQZ395	Replacement	AOUQZ350	AOUQZ395.pdf
22	Filed 05/16/2013	Year of Construction Surcharge	AOUQZ396	Replacement	AOUQZ298	AOUQZ396.pdf
23	Filed 05/16/2013	Dwelling Under Construction	AOUQZ398	Replacement	AOUQZ351	AOUQZ398.pdf
24	Filed 05/16/2013	Guaranteed Home Replacement Cost Coverage	AOUQZ399	Replacement	AOUQZ352	AOUQZ399.pdf
25	Filed 05/16/2013	Ordinance or Law Coverage	AOUQZ401	Replacement	AOUQZ302	AOUQZ401.pdf
26	Filed 05/16/2013	Form 3 - Amount of Insurance Relativities	AOAQZ089	Replacement	AOAQZ069	AOAQZ089.pdf
27	Filed 05/16/2013	Form 3 - Base Rates	AOAQZ090	Replacement	AOAQZ070	AOAQZ090.pdf
28	Filed 05/16/2013	Form 3 - Protection Class Relativities	AOAQZ091	Replacement	AOAQZ071	AOAQZ091.pdf
29	Filed 05/16/2013	Form 3 - Territory Relativities	AOAQZ092	Replacement	AOAQZ072	AOAQZ092.pdf
30	Filed 05/16/2013	Form 4 - Base Rates	AOAQZ093	Replacement	AOAQZ074	AOAQZ093.pdf
31	Filed 05/16/2013	Form 4 - Protection Class Relativities	AOAQZ094	Replacement	AOAQZ076	AOAQZ094.pdf
32	Filed 05/16/2013	Form 6 - Base Rates	AOAQZ095	Replacement	AOAQZ079	AOAQZ095.pdf
33	Filed 05/16/2013	Form 6 - Protection Class Relativities	AOAQZ096	Replacement	AOAQZ081	AOAQZ096.pdf
34	Filed 05/16/2013	Location Minimum Rates	AOAQZ097	New		AOAQZ097.pdf
35	Filed 05/16/2013	Location Minimum Relativities	AOAQZ098	New		AOAQZ098.pdf
36	Filed 05/16/2013	Rating Procedure - Form 3, 4, and 6	AOAQZ099	Replacement	AOAQZ087	AOAQZ099.pdf
37	Filed 05/16/2013	Watercraft Liability Rates	AOAQZ121	New		AOAQZ121.pdf
38	Filed 05/16/2013	Age of Construction Relativities	AOAQZ100	New		AOAQZ100.pdf

State: Arkansas
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: Arkansas Homeowners
Project Name/Number: Arkansas Homeowners Rate & Rule/HOM-AR-01-06/13/2013-01

Filing Company:

Auto-Owners Insurance Company

39	Filed 05/16/2013	Age of Insured Relativities	AOAQZ101	Replacement	AOUQZ067	AOAQZ101.pdf
40	Filed 05/16/2013	Alarm System Relativities	AOAQZ102	New		AOAQZ102.pdf
41	Filed 05/16/2013	Claim Free Relativities	AOAQZ103	Replacement	AOAQZ068	AOAQZ103.pdf
42	Filed 05/16/2013	Coverage A Less Than 100% Relativities	AOAQZ104	New		AOAQZ104.pdf
43	Filed 05/16/2013	Deductible Relativities	AOAQZ105	New		AOAQZ105.pdf
44	Filed 05/16/2013	Experience Discount Relativities	AOAQZ106	New		AOAQZ106.pdf
45	Filed 05/16/2013	Guaranteed Home Replacement Cost Exclusion Relativities	AOAQZ107	New		AOAQZ107.pdf
46	Filed 05/16/2013	Insurance Score Rating Tiers	AOAQZ108	Replacement	AOAQZ063	AOAQZ108.pdf
47	Filed 05/16/2013	Market Value Relativities	AOAQZ109	New		AOAQZ109.pdf
48	Filed 05/16/2013	Mortgage Free Relativities	AOAQZ110	Replacement	AOAQZ083	AOAQZ110.pdf
49	Filed 05/16/2013	Multi-Policy Relativities	AOAQZ111	New		AOAQZ111.pdf
50	Filed 05/16/2013	Paid in Full Relativities	AOAQZ112	New		AOAQZ112.pdf
51	Filed 05/16/2013	Paid Loss Surcharge Relativities	AOAQZ113	New		AOAQZ113.pdf
52	Filed 05/16/2013	Protected Subdivision Relativities	AOAQZ114	New		AOAQZ114.pdf
53	Filed 05/16/2013	Roof Relativities	AOAQZ115	New		AOAQZ115.pdf
54	Filed 05/16/2013	Year of Construction Relativities	AOAQZ116	New		AOAQZ116.pdf
55	Filed 05/16/2013	Guaranteed Home Replacement Cost Relativities	AOAQZ117	New		AOAQZ117.pdf

State: Arkansas
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: Arkansas Homeowners
Project Name/Number: Arkansas Homeowners Rate & Rule/HOM-AR-01-06/13/2013-01

Filing Company: Auto-Owners Insurance Company

56	Filed 05/16/2013	Ordinance or Law Coverage Relativities	AOAQZ118	New		AOAQZ118.pdf
57	Filed 05/16/2013	Water Backup Relativities - Form 3	AOAQZ119	Replacement	AOAQZ086	AOAQZ119.pdf
58	Filed 05/16/2013	Water Backup Rating Procedure	AOAQZ120	Replacement	AOAQZ084	AOAQZ120.pdf
59	Filed 05/16/2013	Adjusted Value Endorsement - Form 3 Only		Withdrawn	AOUQZ032	
60	Filed 05/16/2013	Construction Types		Withdrawn	AOUQZ338	
61	Filed 05/16/2013	Dwelling Under Construction Surcharge		Withdrawn	AOUQZ344	
62	Filed 05/16/2013	Guaranteed Home Replacement Cost Exclusion		Withdrawn	AOUQZ317	
63	Filed 05/16/2013	Number of Families/Units		Withdrawn	AOUQZ163	
64	Filed 05/16/2013	Primary Occupancy		Withdrawn	AOUQZ164	
65	Filed 05/16/2013	Seasonal Occupancy		Withdrawn	AOUQZ165	
66	Filed 05/16/2013	Secondary Occupancy		Withdrawn	AOUQZ166	

LIMITED LIABILITY COMPANY

An endorsement is available to allow a Limited Liability Company (LLC) to be written as a named insured on a Homeowners policy if the following criteria is met:

1. The home is deeded solely in the name of an LLC; and
2. The LLC was created for the sole purpose of estate planning; and
3. The home is occupied by members of the LLC.

By adding this endorsement, the policy provides liability insurance for the Limited Liability Company shown as a named insured in the Declarations of this policy that arises out of the ownership, maintenance or use of the residence premises as a residence premises only. It is also important to note that in order for any individuals residing in the home to have personal liability coverage they must also be listed as a named insured.

A completed LLC Questionnaire is required upon submission. All other Homeowners Eligibility requirements apply. Coverage may not be bound if multiple entities have an interest in the property.

There is no charge for this endorsement.

Form {{57371 (AR)}} attaches to the policy.

HOMEOWNERS – FORM 3 AND PREMIER PLUS

APPLICANTS WHO ARE ELIGIBLE FOR COVERAGE ACCORDING TO OUR UNDERWRITING RULES MAY NOT BE ACCEPTABLE BECAUSE OF CERTAIN CHARACTERISTICS.

Some potential applicants, because of unusual elements of exposure presented, are not desirable for coverage. These and any other factors affecting the potential for loss will be considered by our underwriters when determining acceptability of applicants. Whenever our rules indicate "Do Not Bind", please submit an unbound copy of any application to underwriting and include all facts pertaining to the exposure addressed by the "Do Not Bind" rule.

Homeowners Form 3 and Premier Plus

[Age Of Construction](#)
[Business Exposures](#)
[Construction](#)
[Do Not Bind](#)
[Farming Exposures](#)

[Heating Systems](#)
[Market Value](#)
[Maximum Amounts Of Insurance](#)
[Minimum Amounts Of Insurance](#)
[Occupancy Permissible](#)

[Occupancy Required](#)
[Photograph Requirement](#)
[Previous Insurance History](#)
[Protection Class](#)
[Required Supporting Coverage](#)

AGE OF CONSTRUCTION**Premier Plus**

Primary – Home must be constructed within the past 25 years.

**Secondary/Seasonal – Home must be constructed within the past 40 years if named insured is under age 65.

Home must be constructed within the past 50 years if named insured is age 65 or older.

Premier

Primary - Home must be constructed within the past 40 years if named insured is under age 65.

Home must be constructed within the past 50 years if named insured is age 65 years old or older.

Secondary/Seasonal-All considered.

Standard

All considered.

Secondary/Seasonal-All considered.

BUSINESS EXPOSURES

Business Exposures (See {{AR HO Incidental Business Occupancy}} rule.)

Premier Plus

Incidental occupancies only.

No partnerships or corporations*.
*An LLC may be written as a Named Insured when the home is deeded in the name of the LLC. Please see {{AR HO Limited Liability Company}}.

No more than 33% of the dwelling's total floor space.

Child Care: No more than 3 children.

Bed and Breakfast operations are not eligible.

Premier

Same as Premier Plus.

Same as Premier Plus.

Same as Premier Plus.

Same as Premier Plus.

Bed and Breakfast operations with no more than 3 guests are eligible.

Standard

Same as Premier Plus.

Same as Premier Plus.

Same as Premier Plus.

Same as Premier Plus.

Same as Premier.

CONSTRUCTION**Premier Plus****Premier****Standard**

Freestanding residential dwellings and condominiums.	Same as Premier Plus.	Same as Premier Plus.
Manufactured homes are not eligible under the Homeowners program.	Same as Premier Plus.	Same as Premier Plus.
Modular homes are not eligible.	Same as Premier Plus.	Same as Premier Plus.
Town Houses and Row Houses are not eligible.	Individually owned Town Houses and Row Houses (not condominium units) with not more than 2 families per unit with each unit having exterior entrances.	Same as Premier.
Wood shake or wood shingle roofs are not eligible.	Same as Premier Plus.	Same as Premier Plus.
Do not bind if undergoing significant renovation.	Same as Premier Plus.	Same as Premier Plus.
Do not bind if the foundation is not continuous and/or open foundation.	Same as Premier Plus.	Same as Premier Plus
Do not bind if the original construction was for other than residential purposes.	Same as Premier Plus.	Same as Premier Plus.
Dwellings constructed with material containing asbestos are not eligible.	Same as Premier Plus.	Same as Premier Plus.
Non-standard construction homes are not eligible. This includes dwellings of unique construction materials and methodology like geodesic domes, earth rammed, true adobe, straw bale, or others that may be considered unique.	Same as Premier Plus.	Same as Premier Plus.

DO NOT BIND (GENERAL)

Premier Plus	Premier	Standard
If more than 2 secured interests on the property.	Same as Premier Plus.	Same as Premier Plus.
If any trained guard dogs or any dogs of a breed generally accepted as aggressive are kept on the premises.	Same as Premier Plus.	Same as Premier Plus.
If any insured is a public official, professional athlete, entertainer or other public personality.	Same as Premier Plus.	Same as Premier Plus.
If inaccessible to fire or police.	Same as Premier Plus.	Same as Premier Plus.
If not in clear view from at least 2 other dwellings.	Same as Premier Plus.	Same as Premier Plus.
If applicant has filed bankruptcy, had repossessions, court judgments or substantially past due mortgage, utility or property tax payments within the past 5 years.	Same as Premier Plus.	Same as Premier Plus.
If the Protection Class is a 9 or 10 and Coverage A is \$1 million or greater.	Same as Premier Plus.	Same as Premier Plus.
For all other Protection Classes if Coverage A is \$1.5 million or greater.	Same as Premier Plus.	Same as Premier Plus.

If multiple entities have an interest in the property.

Same as Premier Plus.

Same as Premier Plus.

FARMING EXPOSURES

Farming Exposures (See {{AR HO Incidental Farm Coverage}} rule.

Premier Plus

Premier

Standard

Incidental Farming only.

Same as Premier Plus.

Same as Premier Plus.

Cannot be primary occupation of an insured.

Same as Premier Plus.

Same as Premier Plus.

No more than 5 large or 20 medium farm animals or 50 Poultry.

Same as Premier Plus.

Same as Premier Plus.

No more than 360 acres farmed by an insured.

Same as Premier Plus.

Same as Premier Plus.

HEATING SYSTEMS

Premier Plus

Premier

Standard

Solid fuel heating considered. Do not bind unless submitted with a photo of the appliance and a completed survey.

Same as Premier Plus.

Same as Premier Plus.

Dwelling must have an operational heating system which delivers heat directed to all finished living areas to be eligible.

Same as Premier Plus.

Same as Premier Plus.

MARKET VALUE

Premier Plus

Premier

Standard

Primary – 90% or more of Replacement Cost.

Primary – 50% or more of Replacement Cost.

Primary – If less than 50% of replacement cost, the Market Value Surcharge will apply.

**Secondary/Seasonal – 50% or more of Replacement Cost.

Secondary/Seasonal – 50% or more of Replacement Cost.

Secondary/Seasonal – 50% or more of Replacement Cost.

MAXIMUM AMOUNTS OF INSURANCE

Premier Plus

Premier

Standard

\$1,000,000

\$2,000,000

All considered.

MINIMUM AMOUNTS OF INSURANCE

Premier Plus

Premier

Standard

Primary
\$325,000

Primary
Under Age 65 - \$125,000
Age 65 or Older - \$100,000

Primary
\$80,000

**Secondary/Seasonal
\$100,000

Secondary/Seasonal
\$50,000

Secondary/Seasonal
Same as Premier.

100% of Replacement Cost.

Same as Premier Plus.

80% of Replacement Cost.

OCCUPANCY (PERMISSIBLE)

Premier Plus

Premier

Standard

Unoccupied while under new construction (The named insured must be the intended owner occupant).	Same as Premier Plus.	Same as Premier Plus.
Occupied by the purchaser in a long-term land contract.	Same as Premier Plus.	Same as Premier Plus.
Do not bind if vacant or being renovated.	Same as Premier Plus.	Same as Premier Plus.
Do not bind if deeded to an estate.	Same as Premier Plus.	Same as Premier Plus.
An LLC may be written as a Named Insured when the home is deeded in the name of the LLC. Please see {{AR HO Limited Liability Company}}.	Same as Premier Plus.	Same as Premier Plus.

OCCUPANCY (REQUIRED)

Premier Plus	Premier	Standard
By the owner or person named in a life lease agreement.	Same as Premier Plus.	Same as Premier Plus.
No more than 2 families.	Same as Premier Plus.	Same as Premier Plus.
No more than 2 boarders per family.	Same as Premier Plus.	Same as Premier Plus.

PHOTOGRAPHS

Premier Plus	Premier	Standard
Photograph(s) of location dwellings will be ordered by the Company for all Form 3 and Premier Plus new business and or changed locations.	Same as Premier Plus.	Same as Premier Plus.

PREVIOUS INSURANCE HISTORY

Premier Plus	Premier	Standard
No paid non-weather* related losses within the past 36 months.	No paid non-weather* related losses in the past 36 months.	No paid non-weather* related losses in the past 36 months. Necessary repairs as a result of prior paid losses must be completed and/or the condition creating or increasing the likelihood of loss must have been mitigated where possible. All prior loss activity is subject to underwriting review and acceptance.
*Weather related losses include direct damage caused by wind, hail, lightning or the weight of ice and snow.	Same as Premier Plus.	Same as Premier Plus.

PROTECTION CLASS

Premier Plus	Premier	Standard
Primary – PC 1-8. PC 8B, PC 9 or 10 are eligible if the dwelling qualifies for the Protected Subdivision Discount or the named insured is age 50 or older AND the dwelling is visible from at least two other residences AND is accessible to fire and police department vehicles by roads designed and maintained to allow service in all seasons.	Primary – PC 1-8. PC 8B, PC 9 or 10 are eligible if the dwelling qualifies for the Protected Subdivision Discount or the named insured is age 50 or older AND the dwelling is visible from at least two other residences AND is accessible to fire and police department vehicles by roads designed and maintained to allow service in all seasons.	All locations considered.

**Secondary/Seasonal – All locations considered.

Secondary/Seasonal-Same as Premier Plus.

Secondary/Seasonal-Same as Premier Plus.

REQUIRED SUPPORTING COVERAGE

Premier Plus

For Secondary/Seasonal homes with a coverage A of \$1.5 million or greater, the supporting Automobile policy must be written in an Auto-Owners Group Company.

Premier

Same as Premier Plus.

Standard

Same as Premier Plus.

****Reduced eligibility criteria apply to secondary/seasonal dwellings written for policyholders who also insure their primary dwelling under the same or separate Premier Plus policy. Refer to listed primary eligibility criteria for all other secondary/seasonal locations. Locations not qualifying for the Premier Plus form cannot be written on the same policy with locations covered by the form.**

HOMEOWNERS – FORM 4

[Business Farm Exposures](#)
[Do Not Bind](#)
[Heating Systems](#)

[Minimum Amounts Of Insurance](#)
[Occupancy](#)
[Previous Insurance History](#)

[Protection Class](#)

BUSINESS/FARM EXPOSURES**Premier**

Same as Form 3.

Standard

Same as Form 3.

DO NOT BIND (GENERAL)**Premier**

Do not bind if filed bankruptcy, had repossessions, court judgments or substantially past due mortgage, utility or property tax payments within the past five years.

Standard

Same as Premier.

HEATING SYSTEMS**Premier**

No solid fuel heating.

Standard

Solid fuel heating considered. Do not bind unless submitted with a photo of the appliance and a completed survey.

MINIMUM AMOUNTS OF INSURANCE**Premier**

\$15,000 – Primary

Standard

\$6,000 – Primary
 \$4,000 – Secondary/Seasonal

OCCUPANCY**Premier**

Non-owner occupants of a dwelling, apartment or condominium unit.

Occupants of mobile homes are not eligible.

Standard

Same as Premier.

Same as Premier.

PREVIOUS INSURANCE HISTORY**Premier**

Age 65 and older: No more than 1 non-weather related paid loss in the past 36 months

Age 64 and under: No non-weather related paid losses in the past 36 months.

Standard

Age 65 and older: No more than 2 non-weather related paid losses in the past 36 months.

Age 64 and under: No more than 1 non-weather related paid loss in the past 36 months.

PROTECTION CLASS**Premier**

PC 1-8. PC 8B, PC 9 or 10 are eligible if the named insured is age 50 or older AND the dwelling is visible from at least two other residences AND is accessible to fire and police department vehicles by roads designed and maintained to allow service in all seasons.

Standard

All considered.

HOMEOWNERS – FORM 6

[Age Of Construction](#)
[Business Farm Exposures](#)
[Do Not Bind](#)

[Heating Systems](#)
[Minimum Amounts Of Insurance](#)
[Occupancy](#)

[Previous Insurance History](#)
[Protection Class](#)

BUSINESS/FARM EXPOSURES**Premier**

Same as Form 3.

Standard

Same as Form 3.

DO NOT BIND (GENERAL)**Premier**

If **applicant has** filed bankruptcy, had repossessions, court judgments or substantially past due mortgage, utility or property tax payments within the past 5 years.

If more than 2 secured interests on the property.

If multiple entities have an interest in the property.

Standard

Same as Premier.

Same as Premier.

Same as Premier.

HEATING SYSTEMS**Premier**

No solid fuel heating.

Standard

Solid fuel heating considered. Do not bind unless submitted with a photo of the appliance and a completed survey.

MINIMUM AMOUNTS OF INSURANCE**Premier**

\$25,000 – Primary

\$6,000 – Secondary/Seasonal

Standard

\$6,000 – Primary

\$4,000 – Secondary/Seasonal

OCCUPANCY**Premier**

Owner-occupant* of a dwelling or apartment unit included within a condominium or cooperative association.

*An LLC may be written as a Named Insured when the home is deeded in the name of the LLC. Please see {{AR HO Limited Liability Company}}.

Standard

Same as Premier.

PREVIOUS INSURANCE HISTORY**Premier**

Age 65 and older: No more than 1 paid non-weather related loss in the past 36 months.

Age 64 and under: No paid non-weather related losses in the past 36 months.

Standard

Age 65 and older: No more than 2 paid non-weather related losses in the past 36 months.

Age 64 and under: No more than 1 paid non-weather related loss in the past 36 months.

PROTECTION CLASS**Premier****Standard**

PC 1-8. PC 8B, PC 9 or 10 are eligible if the named insured is age 50 or older AND the dwelling is visible from at least two other residences AND is accessible to fire and police department vehicles by roads designed and maintained to allow service in all seasons. All locations considered.

APPLICATIONS

A completed application is required to issue a policy.

Use Auto-Owners Homeowners Application – {{17809 (AR)}}.

DEFINITIONS**A. Construction Types**

Aluminum (F) (Rate as Frame)	A dwelling with exterior walls of combustible construction covered with metal or vinyl types of siding.
Asbestos Siding (A)	A dwelling with exterior walls constructed of asbestos fiber materials.
Cement Fiber Board Siding (C)	A dwelling with at least 67% of its exterior walls constructed of masonry, masonry veneer and cement fiber materials in combination is classified as cement fiber.
Fire Division	That part of a building separated by fire walls which are composed of at least 8 inches of masonry or 6 inches of reinforced concrete with no unprotected openings, which pierces or extends to the underside of the exterior roof.
Fire Resistive (R) (Rate as Masonry)	A dwelling with walls, floor, and roof constructed entirely of masonry or fire resistive materials with a Fire Resistance rating of not less than one hour is classified as fire resistive.
Frame (F)	A dwelling with exterior walls of combustible construction, including walls with metal, stucco, or metal lath and plaster on combustible supports is classified as frame.
Log (L)	A dwelling with exterior walls of solid log construction. If exterior walls are log veneer or log siding, the dwelling should be classified as frame.
Manufactured (P)	Manufactured homes are built and transported on steel chassis that are never removed. Manufactured homes conform only to HUD code, and are not required to meet the same local, state, and regional building codes as site-built homes.
Masonry (M)	A dwelling with at least 67% of its exterior walls constructed of brick, concrete, concrete block, adobe, tile, or other masonry materials is classified as masonry.
Masonry Veneer (V) (Rate as Masonry)	A dwelling with at least 67% of its walls constructed of combustible construction veneered with masonry materials is classified as masonry veneer.
Mixed Construction	A dwelling shall be classified as frame construction when the wall area of frame construction exceeds 33% of the total wall area.
Modular	Modular homes are built off site to conventional building standards (2X4 construction, asphalt shingles on a pitched roof, etc.). The home is then transported and anchored to a continuous foundation on a premises owned by the insured and taxed as real property.

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B. Continuous Foundation

A continuous foundation means a crawl space or basement foundation meeting the following characteristics:

1. If a crawl space, the foundation must:
 - a. consist of at least 8 inch thick concrete block or poured concrete walls set atop concrete footings set far enough below grade to satisfy local site-built construction standards; and
 - b. provide the primary structural support to the floor of the home; and
 - c. consist of a continuous enclosed structure (other than venting openings); and
 - d. be constructed prior to the placement of the home on its final site location.
2. If a basement, the foundation must:
 - a. meet all of requirements 1.a, b, c and d above; or
 - b. consist of at least 2 x 6 treated framing members covered by 3/4 inch treated sheathing with proper sealing materials applied to repel moisture and insects, set atop concrete footings; and
 - c. have a poured concrete slab floor; and

- d. meet requirements 1.b, c and d above.

Pillars of solid or block concrete set at intervals beneath the flooring structure along with a decorative fascia of brick, wood or other material set in place beneath the perimeter edge of the home do not satisfy the requirement for eligibility within the Homeowners program.

C. Number of Families/Units

Number of Families/Units is defined as the number of residential dwelling units within a fire division.

D. Occupancy

Primary Occupancy

Owner occupied dwellings occupied 365 days during the calendar year.

Seasonal Occupancy

Owner occupied dwellings occupied less than 180 days during the calendar year.

Secondary Occupancy

Owner occupied dwellings occupied more than 180 days but less than 365 days during the calendar year.

LOCATION MINIMUM PREMIUM

A minimum premium shall apply to each location.

For the applicable charges, please refer to {{AR HO Location Minimum Relativities}} and {{AR HO Location Minimum Rates}}.

“Location Minimum Premium Applies” or “Minimum Base Premium Applies” appears on the policy Declarations.

MANDATORY COVERAGES, FORMS AND ENDORSEMENTS

- A. It is mandatory that insurance be written for all coverages provided under both Sections I and II of the Homeowners policy.
- B. Section II (Personal Liability Protection) of the policy requires coverage for the following exposures and the additional premium **must** be charged when such exposure(s) exist:
1. All additional residence premises where the named insured or spouse maintain a residence other than business or farm properties, except when the policy covers a secondary/seasonal dwelling and the insured has a separate Homeowners policy on his primary residence.
 2. Coverage for business property is limited under Section I. Bodily injury or property damage from a business owned or controlled by an insured is excluded under Section II of the Homeowners policy. If an incidental business occupancy is permitted by the Company to be covered under a Homeowners policy, it is required that the policy be endorsed, at an additional premium charge, to cover the exposure. When a permitted exposure exists, refer to the {{AR HO Incidental Business Occupancy}} Rule.
 3. Eligible farm animals. Refer to the {{AR HO Incidental Farm Coverage}} Rule.
- C. The Adjusted Value Provision is part of all policies. This provision automatically adjusts semi-annually or annually (depending on policy term) the policy limits of insurance by the percentage change in construction costs during the past six months or twelve months (Form 3 and Premier Plus) or the Consumer Price Index (Forms 4 and 6).
- D. Certain forms and endorsements are attached to policies to modify the basic policy to comply with state requirements and/or company program revisions. They are:
1. Arkansas Amendatory Endorsement – Form 4 {{17591 (AR)}}
 2. Arkansas Amendatory Endorsement – Forms 3 and 6 {{17589 (AR)}}
 3. Arkansas Cancellation and Nonrenewal – All Forms {{17588 (AR)}}
 4. Arkansas Uninsured Recreational Vehicle Coverage {{17565 (AR)}}
- E. **Limitation-Fungi Remediation Cost**
These forms limit coverage for remediation costs for ensuing mold losses arising from a covered peril with the following coverage limits:

COMPANY	COVERAGE LIMIT
Auto-Owners Standard	\$15,000
Auto-Owners Premier	\$10,000

{{17914 (AR)}} attaches to all Form 3 policies.

{{17920 (AR)}} attached to Premier Plus policies.

{{17915 (AR)}} attaches to all Form 4 policies.

{{17916 (AR)}} attaches to all Form 6 policies.

WATERCRAFT LIABILITY

All forms include liability and medical payments coverage for boats with an inboard or inboard/outdrive motor power of 175 horsepower or less (excluding water jet propelled under 16 feet); boats powered by one or more outboard motors with 120 total horsepower or less; or sailboats less than 26 feet. Coverage for boats that do not meet the above criteria is provided in the same limits as Coverage E of the policy.

Provide the following for this endorsement: horsepower, length and description of watercraft. Provide the maximum miles per hour for rating the watercraft.

Coverage is subject to underwriting approval based on the driving history of all members of the household.

Please refer to {{AR HO Watercraft Liability Rates}}.

“Watercraft Liability”, length, MPH, type and boat description appear on the policy Declarations and Form {{17448 (AR)}} is attached.

AGE OF CONSTRUCTION DISCOUNT – Forms 3, 6 and Premier Plus Only

Dwellings occupied by the insured are eligible for an Age of Construction Discount, [dependent upon the age of construction](#).

[For discounts, please refer to {{AR HO Age of Construction Relativities}}.](#)

Age = Policy term year minus year of construction of the dwelling.

“Age of Construction Discount” appears on the policy Declarations.

Note: Discount not available for dwellings under construction.

ALARM SYSTEM DISCOUNTS**Central Station Premises Alarm System Discount**

A premium discount is available for an approved and properly maintained fire or burglary alarm system reporting to a central station.

Application of the Discount

1. The discount may be applied to new business, renewals or mid-term for eligible homeowners who provide proof of an active Central Station Alarm.
2. **Verification** of an active alarm will be required every **three** years.

"Central Station Premises Alarm System Discount" appears on the policy Declarations and Central Station Premises Alarm System Endorsement Form {{17676 (AR)}} is attached.

- NOTE:**
1. Not available if Local Alarm System Discount applies.
 2. Not available for dwellings under construction.

Local Alarm System Discount

A premium discount is available for an approved and properly maintained alarm system that sounds at the premises only and is not tied in or monitored by a central station service.

"Local Alarm System Discount" appears on the policy Declarations and Local Alarm System Endorsement Form {{17675 (AR)}} is attached.

- NOTE:**
1. Not available if Central Station Premises Alarm System Discount applies.
 2. Not available for dwellings under construction.

For discounts, please refer to {{AR HO Alarm System Relativities}}.

CLAIM FREE DISCOUNT

Insureds are eligible for the discount when there have been no paid claims in the past **four years**. Losses directly attributable to an event identified as Catastrophic by the Property Claim Service (PCS) will not be considered.

{{AR HO Claim Free Relativities}}

“Claim Free Discount” appears on the policy Declarations.

COVERAGE A LESS THAN 100% REPLACEMENT COST CHARGE

When a policy is written for at least 80% but less than 100% of Replacement Cost, a charge is applied.

For the applicable surcharge, please refer to {{AR HO Coverage A Less Than 100% Relativities}}.

"Coverage A Less Than 100% Replacement Cost Charge" appears on the policy Declarations.

DEDUCTIBLES

Deductibles apply to all Section I losses unless stated otherwise in the policy form.

Minimum deductibles are required for new business and endorsements as follows:

Policy Type	Minimum Deductible
Form 3	\$1,000 All Perils Deductible
Premier Plus	\$1,000 All Perils Deductible
Form 4	\$250 All Perils Deductible
Form 6	\$250 All Perils Deductible

For the deductible options and applicable relativities, refer to {{AR HO Deductible Relativities}}.

The deductible is shown on the policy Declarations.

EXPERIENCE DISCOUNT

A discount will apply to an insured who has only one paid loss in the past four years. Losses directly attributable to an event identified as Catastrophic by the Property Claim Service (PCS) will not be considered.

{{AR HO Experience Discount Relativities}}

“Experience Discount” will appear on the policy Declarations.

MARKET VALUE SURCHARGE (Auto-Owners Standard Program only)

Dwellings with market value below 50% of the replacement cost of the dwelling may be eligible for a Homeowners Form 3 policy provided the dwelling is insured to at least 80% of the replacement cost of the dwelling. One of the following loss settlement options must be selected:

A. Replacement Cost Coverage

"Market Value Surcharge – Replacement Cost" will print on the policy Declarations.

B. Repair Cost Coverage

"Market Value Surcharge – Repair Cost" will print on the policy Declarations and Form {{17575 (AR)}} is attached.

Damaged property will be repaired to similar condition or appearance that existed prior to the loss. Building materials and methods of similar kind and quality, which are currently and commonly available without extraordinary expense, will be used.

For the applicable charges, please refer to {{AR HO Market Value Relativities}}.

Note: If Coverage A is less than 100% replacement cost, the Coverage A Less Than 100% Surcharge will also apply.

MULTI-POLICY DISCOUNTS

The Multi-Policy Discounts may be applied to primary, secondary and seasonal residences and will also apply to all boats, recreational vehicles and other scheduled items.

The discounts may be applied to new business, renewals or mid-term, to eligible policies with concurrent or nonconcurrent policy anniversaries.

If a qualifying policy is canceled, the Homeowners policy is eligible for the corresponding Multi-Policy Discount until the next policy anniversary except when cancellation is for underwriting reasons. When cancellation is for underwriting reasons, the discount will be removed from the Homeowners policy by endorsement effective on the date of cancellation.

Refer to {{AR HO Rating Procedure}} for rating information.

Home/Auto Multi-Policy Discount

A Homeowners policy will be eligible for a Home/Auto Multi-Policy Discount when the named insured of a Homeowners policy also owns an Auto-Owners Group Company Automobile* policy.

"Home/Auto Multi-Policy Discount" appears on the policy Declarations.

*An Automobile policy is any policy that insures your private passenger automobiles, including an Automobile policy or Garage Liability (Division 1) policy issued to your business if you own the business.

Home/Life Multi-Policy Discount

A Homeowners policy will be eligible for a Home/Life Multi-Policy Discount when the named insured of the Homeowners policy also owns (or is the named insured on) an Auto-Owners:

1. Life policy, excluding health and group life;
2. Annuity policy with a cash value of \$2,000 or greater;
3. Disability Income policy (Item 235) with a monthly benefit of \$1,000 or greater, or Disability Income Policy (Item 260);
or
4. Long Term Care policy.

"Home/Life Multi-Policy Discount" appears on the policy Declarations.

Home/Umbrella Multi-Policy Discount

A Homeowners policy will be eligible for a Home/Umbrella Multi-Policy Discount when the named insured of the Homeowners policy also owns an Auto-Owners Umbrella* policy.

"Home/Umbrella Multi-Policy Discount" appears on the policy Declarations.

*A qualifying Umbrella policy is an Executive Umbrella policy or a Farm Umbrella policy (where applicable, i.e. secondary or seasonal home).

For discounts, please refer to {{AR HO Multi-Policy Relativities}}.

PAID IN FULL DISCOUNT

A Homeowners policy is eligible for the Paid In Full Discount when the full six or twelve-month policy premium is paid in full by the due date on the premium invoice.

The discount will apply the entire policy term. Each subsequent renewal will require full premium payment in order for the discount to continue to apply.

For the applicable discount, please refer to {{AR HO Paid in Full Relativities}}.

Refer to {{AR HO Rating Procedure}} for rating information.

The discount is available on all company bill payment plans, excluding escrow direct bill.

The discount will apply to primary, secondary or seasonal residences and will also apply to all boats and other scheduled items attached to the Homeowners policy.

"Paid In Full Discount" appears on the policy Declarations.

PAID LOSS SURCHARGE

A Paid Loss Surcharge will be applied to policies demonstrating a loss frequency exposure. All losses, **except weather* and PCS Catastrophic losses**, for which an amount was paid, relating to current or previous residencies **in the past 36 months will be applicable for this rule**. Continuously insured means either this policy or this policy in combination with a previous policy rewritten to this policy has been in effect for 3 years. Multi-Policy includes: Auto, Life and Umbrella.

Note: Policies may be non-renewed if the loss exposure is determined to be greater than the indicated surcharge can address.

*Weather losses shall include only direct damage caused by wind, hail, lightning or the weight of ice and snow.

Please refer to {{AR HO Paid Loss Surcharge Relativities}} for the applicable surcharge.

"Paid Loss Surcharge Applies" prints on the policy Declarations page.

PROTECTED SUBDIVISION DISCOUNT – Form 3 and Premier Plus Only

Policies rated as a protection class 8B, 9 or 10 are eligible for a Protected Subdivision Discount if the following conditions are met:

1. The residence is located within a subdivision consisting of ten (10) or more homes.
2. The residence is within view of other occupied residences.
3. The residence is located within 5 miles of the primary responding fire department which has a mutual aid agreement with another fire department.
4. The residence is located within 1,000 feet of a fire hydrant or the fire department has the ability to transport at least 2,500 gallons of water in a single trip when responding to a call.
5. The dwelling was constructed within the past 25 years.
6. Replacement cost of the dwelling is \$100,000 or greater.
7. Coverage A is written to 100% of the actual replacement cost.

For the applicable discount, please refer to {{AR HO Protected Subdivision Relativities}}.

“Protected Subdivision Discount” appears on the policy Declarations.

Note: Discount not available for dwellings under construction.

ROOF DISCOUNT/SURCHARGE – Form 3 and Premier Plus

Dwellings are eligible for a discount or a surcharge, dependent upon the **age and** type of roofing material.

Please refer to {{AR HO Roof Relativities}} for the applicable surcharge or discount.

Age = Policy term year minus year roof construction was completed.

If the roof of the dwelling is of mixed types, it shall be classified according to the predominant type of roof composition.

Hail Resistive means any non-wood material earning an impact rating of Class 3 or 4 per Underwriters Laboratory standard 2218.

Asphalt Extended Life must have a manufacturer's warranty of at least 40 years and may withstand winds of 80 miles per hour or more.

If the roof has been replaced, proof of replacement will be required. Underwriting will accept documentation such as a receipt, an invoice or a signed statement from a licensed contractor.

"Roof Discount" or "Roof Surcharge" appears on the policy Declarations.

Wood roofs are ineligible.

Note: Discount/Surcharge not available for dwellings under construction.

YEAR OF CONSTRUCTION SURCHARGE – Form 3, 6 and Premier Plus

Dwellings may be subject to a surcharge, dependent upon the year of construction.

For the applicable charge, refer to {{AR HO Year of Construction Relativities}}.

"Year of Construction Surcharge" appears on the policy Declarations.

DWELLING UNDER CONSTRUCTION – Form 3 and Premier Plus

This endorsement provides coverage for a dwelling under construction. Theft of building materials are covered up to 100% of the Coverage A Limit of Insurance. The policy must be written at the beginning of construction and must be supervised by a licensed contractor or financed by a regulated mortgagee. The named insured must be the intended owner occupant.

Coverage is provided for the insured's personal property, such as tools and equipment, while it is at the dwelling under construction. Theft coverage for this personal property is limited to 10% of the Coverage C Limit of Insurance. For theft coverage to apply to personal property at the dwelling under construction, it must be stored in a locked building.

If requested, Personal Property, Additional Living Expense/Loss of Rents, Personal Liability and Medical Payments may be extended to a temporary residence.

If requested, a contractor's insurable interest may be added, subject to the policy deductible.

The coverage provided in this endorsement shall apply for a term not to exceed one year.

"Dwelling Under Construction" and "Theft of Building Materials" appear on the policy Declarations. Form {{17127 (AR)}} is attached to Form 3, {{17903 (AR)}}, and {{17406 (AR)}} is attached to Premier Plus, {{17909 (AR)}}.

"Temporary Residence Premises Coverage" and the property address also appear on the Declarations when coverage is extended to a temporary location.

Form {{17174 (AR)}} appears on the Declarations when coverage for the contractor's interest is provided.

GUARANTEED HOME REPLACEMENT COST COVERAGE – Form 3 and Premier Plus Only

This coverage provides replacement of the dwelling at the insured location or elsewhere in excess of the insured amount. Some limitations apply. Refer to the endorsement for details. Policies subject to the Market Value Surcharge are not eligible for this coverage.

Dwellings located in Protection Classes 1-8 are eligible.

Dwellings located in Protection Classes 8B, 9 and 10 are eligible if:

1. the dwelling qualifies for the Protected Subdivision Discount {{AR HO Protected Subdivision Discount}} **or**
2. the named insured is age 50 or older
3. the dwelling is visible from at least two other residences
4. **the dwelling** is accessible to fire and **police** department vehicles by roads designed and maintained to allow service in all seasons.

Dwellings covered against earthquake damage and located in any of the following counties are not eligible: Clay, Craighead, Crittenden, Cross, Greene, Jackson, Lawrence, Mississippi, Poinsett, Randolph, St. Francis, and Woodruff.

Manufactured and Modular homes are not eligible.

Home must be insured 100% to value and constructed within the past 40 years.

Home must have a minimum Coverage A amount of \$100,000.

Home must have a Coverage A amount less than \$1,500,000.

This endorsement is not available on dwellings under construction.

Homes of unique construction or built from materials that cannot be duplicated because of their unique, antique or artistic characteristics are not eligible. Examples include, but are not limited to, log homes, irreplaceable stained glass windows, murals painted by well known artists, antique or one of kind lighting or other fixtures, elaborate moldings or carvings on mantels, balustrades, etc.

“Guaranteed Home Replacement Cost” appears on the policy Declarations. Form {{17662 (AR)}} is attached to **Form 3 Homeowners policies and Form {{57160 (AR)}} is attached to Premier Plus Homeowners policies.**

Please refer to {{AR HO Guaranteed Home Replacement Cost Relativities}}.

This endorsement coverage is automatically provided on a Premier Plus policy, however, Guaranteed Home Replacement Cost coverage may be excluded from the Premier Plus policy for a credit. **“Guaranteed Home Replacement Cost Exclusion” appears on the policy Declarations and Form {{17089 (AR)}} is attached.**

Please refer to {{AR HO Guaranteed Home Replacement Cost Exclusion Relativities}} for this credit.

ORDINANCE OR LAW COVERAGE - Form 3, 6 and Premier Plus

The policy may be endorsed or may automatically provide coverage against loss resulting from ordinances or laws that regulate construction, repair or demolition of property. Policies subject to the Market Value Surcharge are not eligible for this coverage.

1. Coverage up to Coverage A limits:

"Ordinance or Law Coverage" appears on the policy Declarations and Form {{17369 (AR)}} is attached when the full Ordinance or Law Coverage option is purchased.

2. Auto-Owners Standard- Coverage up to 10% of Coverage A limits:

"Ordinance or Law Coverage" appears on the policy Declarations and Form {{17555 (AR)}} is attached.

3. Auto-Owners Premier/Premier Plus:

10% of Coverage A is automatically provided unless the full Ordinance or Law Coverage is purchased.

"Ordinance or Law Endorsement" appears on the policy Declarations and Form {{17555 (AR)}} is attached when the automatic coverage applies. This is not an additional amount of insurance.

Refer to {{AR HO Ordinance or Law Coverage Relativities}} for applicable charges.

Auto-Owners

HOMEOWNERS
ARKANSAS
FORM 3 AND PREMIER PLUS
AMOUNT OF INSURANCE RELATIVITIES

Cov A Amt	Relativity		Cov A Amt	Relativity		Cov A Amt	Relativity
50,000	0.680		144,000	1.418		1,000,000	10.418
52,000	0.692		146,000	1.432		1,500,000	16.766
54,000	0.705		148,000	1.447		2,000,000	23.070
56,000	0.717		150,000	1.462		2,500,000	29.436
58,000	0.730		152,000	1.477		3,000,000	35.863
60,000	0.742		154,000	1.492		3,500,000	42.350
62,000	0.754		156,000	1.507		4,000,000	48.899
64,000	0.767		158,000	1.522			
66,000	0.779		160,000	1.536			
68,000	0.792		162,000	1.551		Each	
70,000	0.804		164,000	1.567		Add'l	
72,000	0.816		166,000	1.582		10,000	0.127
74,000	0.829		168,000	1.597			
76,000	0.842		170,000	1.613			
78,000	0.857		172,000	1.628			
80,000	0.872		174,000	1.643			
82,000	0.886		176,000	1.660			
84,000	0.901		178,000	1.677			
86,000	0.916		180,000	1.695			
88,000	0.931		182,000	1.712			
90,000	0.946		184,000	1.729			
92,000	0.960		186,000	1.745			
94,000	0.975		188,000	1.761			
96,000	0.990		190,000	1.778			
98,000	1.005		192,000	1.794			
100,000	1.020		194,000	1.811			
102,000	1.039		196,000	1.829			
104,000	1.059		198,000	1.845			
106,000	1.077		200,000	1.866			
108,000	1.097		210,000	1.982			
110,000	1.116		220,000	2.061			
112,000	1.135		230,000	2.130			
114,000	1.155		240,000	2.241			
116,000	1.173		250,000	2.331			
118,000	1.192		260,000	2.470			
120,000	1.212		270,000	2.575			
122,000	1.231		280,000	2.665			
124,000	1.251		290,000	2.780			
126,000	1.269		300,000	2.862			
128,000	1.288		350,000	3.358			
130,000	1.308		400,000	3.898			
132,000	1.327		450,000	4.442			
134,000	1.345		500,000	4.992			
136,000	1.359		600,000	5.996			
138,000	1.374		700,000	6.974			
140,000	1.389		800,000	7.954			
142,000	1.403		900,000	9.087			

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HOMEOWNERS
ARKANSAS
FORM 3 AND PREMIER PLUS
BASE RATES

Auto-Owners	
Standard Program	1272.26
Premier Program	1145.03
Premier Plus Program	1087.78

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Auto-Owners

HOMEOWNERS
ARKANSAS
FORM 3 AND PREMIER PLUS
PROTECTION CLASS RELATIVITIES

PROTECTION CLASS	FRAME	MASONRY	CEMENT FIBER	MANUFACTURED
1	1.060	0.950	1.010	1.170
2	1.060	0.950	1.010	1.170
3	1.060	0.950	1.010	1.170
4	1.120	1.000	1.060	1.230
5	1.150	1.060	1.090	1.270
6	1.200	1.120	1.140	1.320
7	1.370	1.280	1.300	1.510
8	1.950	1.600	1.850	2.150
9	2.250	1.920	2.140	2.480
10	2.930	2.520	2.780	3.220
8B	2.140	1.820	2.030	2.350

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Auto-Owners

HOMEOWNERS
ARKANSAS
FORM 3 AND PREMIER PLUS
TERRITORY RELATIVITIES

Territory	Relativity
1	0.900
2	0.920
3	1.100
4	1.000
5	1.120
6	0.950
7	1.000
8	1.120
9	1.120
10	1.010
11	1.120
12	0.970
13	1.220
14	1.120
15	1.120
16	1.350
17	1.190
18	1.250

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HOMEOWNERS
ARKANSAS
FORM 4
BASE RATES

Auto-Owners	
Standard Program	207.17
Premier Program	186.45

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Auto-Owners

HOMEOWNERS
ARKANSAS
FORM 4
PROTECTION CLASS RELATIVITIES

PROTECTION CLASS	FRAME	MASONRY	CEMENT FIBER	MANUFACTURED
1	1.000	1.000	1.000	1.000
2	1.000	1.000	1.000	1.000
3	1.000	1.000	1.000	1.000
4	1.000	1.000	1.000	1.000
5	1.070	1.070	1.070	1.070
6	1.070	1.070	1.070	1.070
7	1.170	1.170	1.170	1.170
8	1.200	1.200	1.200	1.200
9	1.550	1.550	1.550	1.550
10	1.550	1.550	1.550	1.550
8B	1.470	1.470	1.470	1.470

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HOMEOWNERS
ARKANSAS
FORM 6
BASE RATES

Auto-Owners	
Standard Program	472.82
Premier Program	425.54

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Auto-Owners

HOMEOWNERS
ARKANSAS
FORM 6
PROTECTION CLASS RELATIVITIES

PROTECTION CLASS	FRAME	MASONRY	CEMENT FIBER	MANUFACTURED
1	1.000	1.000	1.000	1.000
2	1.000	1.000	1.000	1.000
3	1.000	1.000	1.000	1.000
4	1.000	1.000	1.000	1.000
5	1.070	1.070	1.070	1.070
6	1.070	1.070	1.070	1.070
7	1.170	1.170	1.170	1.170
8	1.200	1.200	1.200	1.200
9	1.550	1.550	1.550	1.550
10	1.550	1.550	1.550	1.550
8B	1.470	1.470	1.470	1.470

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Auto-Owners

HOMEOWNERS
ARKANSAS
LOCATION MINIMUM RATES

	Minimum Rate
Form 3	\$250
Form 4	\$100
Form 6	\$125

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Auto-Owners

HOMEOWNERS
ARKANSAS
LOCATION MINIMUM RELATIVITIES

Form 3 and Premier Plus	
Deductible	Relativity
\$500 AOP/\$1,000 Wind/Hail	0.301
\$500 AOP/\$2,000 Wind/Hail	0.285
\$500 AOP/\$5,000 Wind/Hail	0.272
\$500 AOP/\$10,000 Wind/Hail	0.261
\$1,000 Flat	0.295
\$1,000 AOP/\$2,000 Wind/Hail	0.279
\$1,000 AOP/\$5,000 Wind/Hail	0.266
\$1,000 AOP/\$10,000 Wind/Hail	0.255
\$1,500 Flat	0.281
\$1,500 AOP/\$2,000 Wind/Hail	0.274
\$1,500 AOP/\$5,000 Wind/Hail	0.261
\$1,500 AOP/\$10,000 Wind/Hail	0.250
\$2,500 Flat	0.260
\$2,500 AOP/\$5,000 Wind/Hail	0.253
\$2,500 AOP/\$10,000 Wind/Hail	0.243
\$5,000 Flat	0.249
\$5,000 AOP/\$10,000 Wind/Hail	0.239
\$10,000 Flat	0.232
\$15,000 Flat	0.219
\$20,000 Flat	0.207
	Relativity
Form 4	0.230
	Relativity
Form 6	0.260

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Auto-Owners**HOMEOWNERS
ARKANSAS****RATING PROCEDURE**

- I. Determine the base premium by following these steps:
 - A. Utilizing the Protection Class Selection and Construction Definitions, determine the Protection Class relativity.
 - B. Multiply the result of step A by the Number of Family relativity and round to three decimals (Form 4 and 6 only).
 - C. Utilizing the Territory Descriptions, determine the Territory relativity.
 - D. Multiply the result of step C by the result of step B and round to three decimals.
 - E. Multiply the result of step D by the Base Rate and round to two decimals.
 - F. Multiply the result of step E by the Amount of Insurance relativity and round to the nearest dollar to determine the base premium. If the correct amount of coverage is not shown, interpolation is necessary. Determine the coverage amounts and relativities immediately preceding and following the desired amount. Follow steps 1 through 11.
 1. Record the low Amount of Insurance relativity.
 2. Record the high Amount of Insurance relativity.
 3. Subtract the low coverage amount from the desired coverage.
 4. Subtract the low coverage amount from the high coverage amount.
 5. Divide step 3 by step 4.
 6. Subtract step 1 from step 2.
 7. Multiply step 5 by step 6.
 8. Add step 7 to the Amount of Insurance relativity.
 9. Round step 8 to the nearest thousandth to obtain the desired Amount of Insurance relativity.
 10. Multiply the result of step E by step 9 and round to the nearest dollar to determine the base premium.
 11. If the coverage amount is greater than what is printed in the charts, use the each additional \$10,000 relativity, interpolating when necessary.
- II. If rating a semi-annual policy, multiply the base premium by 0.50 and round to the nearest cent.
- III. Multiply the Premium Adjustment discount and surcharge factors (except for the Group, Mortgage Free, Paid Loss, Claim Free, Experience Discount, Home/Life Multi-Policy, Home/Auto Multi-Policy, Home/Umbrella Multi-Policy, Insurance Score, Age of Insured and Paid in Full factors), cent rounding after each step.
- IV. Multiply by the Additional Coverage factors, cent rounding after each step.
- V. Add flat dollar and rate per increment Premium Adjustments.
- VI. Add flat dollar and rate per increment charges for Additional Coverages (except for Earthquake and Form 3 Water Backup coverages).
- VII. Multiply by the Group factor and cent round.
- VIII. Multiply by the Mortgage Free factor and cent round.
- IX. Multiply by the Paid Loss Surcharge factor and cent round.
- X. Multiply by the Claim Free factor and cent round.
- XI. Multiply by the Experience Discount factor and cent round.
- XII. Multiply by the Home/Auto Multi-Policy factor and cent round.
- XIII. Multiply by the Home/Umbrella Multi-Policy factor and cent round.

- XIV. Multiply by the Insurance Score factor and cent round.
- XV. Add the Earthquake premium to the result of step XIV.
- XVI. Multiply by the Age of Insured factor and cent round.
- XVII. Add the total Form 3 Water Backup premium.
- XVIII. Compare the result of step XVII to step I and apply the location minimum.
- XIX. Multiply by the Home/Life Multi-Policy factor and cent round.
- XX. Multiply by the Paid in Full factor and cent round.
- XXI. Add Personal Inland Marine premiums for Personal Articles, Boats and Recreational Vehicles.

PERSONAL INLAND MARINE ATTACHED TO HOMEOWNERS POLICIES

Personal Inland Marine (PIM) premiums are not calculated in the same manner as Homeowners policies. Group, Multi-Policy, Insurance Score, Age of Insured and Paid in Full Discounts also apply to Personal Articles, Boats and Recreational Vehicles attached to a Homeowners policy. These are rated as follows:

- A. Determine the rate, or tiered rates, for each item from the PIM manual. Unless otherwise noted, round to the nearest cent in calculations.

For Boat-Motor-Trailer Physical Damage/Uninsured Watercraft/RVs: Develop the premium for each item from the applicable manual. Refer to the rating sequence in the boat manual. Unless otherwise noted, round to the nearest dollar. (NOTE: Boat liability premiums are located in the Homeowners manual and are calculated according to the rating procedures for Homeowners policies. They are not considered in these rating procedures.)

- B. SEMI-ANNUAL POLICY (For jewelry semi-annual, see item C.)
Multiply the annual rate by 0.50 and truncate.

Boat-Motor-Trailer Physical Damage/Uninsured Watercraft/RVs: Multiply the premium by 0.50.

- C. DEDUCTIBLE

All items (excluding Jewelry/Boats/RVs): Multiply the rate, or the tiered rates, in the previous step by the appropriate number of 100's to get the premium. For each item, multiply the premium by the deductible discount and subtract from the premium of the item.

Jewelry: Apply the deductible discount, round, and subtract from the rate in step A. For a semi-annual policy, multiply the prior rate by 0.50 and truncate. Multiply the prior rate by the number of 100's to get the premium. For outside vault items greater than \$15,000:

1. Multiply the prior rate by the rate-up factor for each increment.
2. Multiply this new rate by the number of 100's for each increment.
3. Add the premiums.

Boats: See the boat rating sequence.

RVs: Choose the applicable rate based on deductible.

- D. Apply the Group Discount and subtract from the result of the previous step.
- E. Apply the Home/Auto Multi-Policy Discount and subtract from the result of the previous step.
- F. Apply the Home/Life Multi-Policy Discount and subtract from the result of the previous step.
- G. Apply the Insurance Score Factor and subtract from the result of the previous step.
- H. Apply the Home/Umbrella Multi-Policy Discount and subtract from the result of the previous step.

- I. Apply the Age of Insured Discount and subtract from the result of the previous step.
- J. Apply the Paid in Full Discount and subtract from the result of the previous step.

MIDTERM POLICY CHANGES

- 1. Follow the applicable steps using rates from the policy effective date for old policy limits. Prorate the result for the remaining policy period to obtain the return premium for the policy change.
- 2. Follow the applicable steps using rates from the policy effective date for new policy limits. Prorate the result for the remaining policy period to obtain the additional premium for the policy change.
- 3. Determine the difference between the previous two steps.

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Auto-Owners

HOMEOWNERS
ARKANSAS
WATERCRAFT LIABILITY RATES

Coverage E	\$100,000	\$200,000	\$300,000	\$500,000	\$1,000,000
Inboards, Inboard/Outdrive Over 175 HP					
Under 31 MPH					
Under 26 ft.	20	22	24	30	44
26 to 40 ft.	48	51	53	57	97
Over 40 ft.	89	94	98	107	182
31-50 MPH					
Under 26 ft.	35	38	40	43	75
26 to 40 ft.	66	69	72	79	135
Over 40 ft.	117	122	127	138	240
Over 50 MPH					
Under 26 ft.	81	85	89	97	170
26 to 40 ft.	117	122	127	138	240
Outboards Over 120 HP					
All Lengths	28	29	30	37	61
Sailboats					
26 to 40 ft.	35	40	45	52	90
Waterjet Powered Boats					
Under 16 ft.	36	41	46	62	94

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Auto-Owners

HOMEOWNERS
ARKANSAS
AGE OF CONSTRUCTION RELATIVITIES

Age of Home	Relativity
0	0.780
1	0.800
2	0.810
3	0.820
4	0.830
5	0.850
6	0.870
7	0.880
8	0.890
9	0.910
10	0.930
11	0.950
12	0.960
13	0.970
14	0.980
15	0.990
≥16	1.000

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Auto-Owners

HOMEOWNERS
ARKANSAS
AGE OF INSURED RELATIVITIES

Age of Insured	Relativity	Age of Insured	Relativity
≤18	1.000	47	0.894
19	1.000	48	0.894
20	1.000	49	0.894
21	1.000	50	0.857
22	1.000	51	0.857
23	1.000	52	0.857
24	1.000	53	0.857
25	1.000	54	0.857
26	1.000	55	0.794
27	1.000	56	0.794
28	1.000	57	0.785
29	1.000	58	0.777
30	1.000	59	0.770
31	1.000	60	0.763
32	0.994	61	0.755
33	0.987	62	0.748
34	0.980	63	0.745
35	0.974	64	0.745
36	0.966	65	0.727
37	0.958	66	0.721
38	0.950	67	0.715
39	0.941	68	0.709
40	0.933	69	0.703
41	0.925	70	0.696
42	0.916	71	0.693
43	0.907	72	0.688
44	0.898	73	0.669
45	0.894	74	0.669
46	0.894	≥75	0.669

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Auto-Owners

HOMEOWNERS
ARKANSAS
ALARM SYSTEM RELATIVITIES

	Relativity
Central Station	0.900
Local Alarm	0.950

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Auto-Owners

HOMEOWNERS
ARKANSAS
CLAIM FREE RELATIVITIES

	Relativity
Claim Free	0.900

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Auto-Owners

HOMEOWNERS
ARKANSAS
COVERAGE A LESS THAN 100% RELATIVITIES

	Relativity
Coverage A Less Than 100% Replacement Cost	1.120

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Auto-Owners

HOMEOWNERS
ARKANSAS
DEDUCTIBLE RELATIVITIES

Form 3 and Premier Plus	
Deductible	Relativity
\$500 AOP/\$1,000 Wind/Hail	0.936
\$500 AOP/\$2,000 Wind/Hail	0.866
\$500 AOP/\$5,000 Wind/Hail	0.809
\$500 AOP/\$10,000 Wind/Hail	0.765
\$1,000 Flat	0.910
\$1,000 AOP/\$2,000 Wind/Hail	0.840
\$1,000 AOP/\$5,000 Wind/Hail	0.783
\$1,000 AOP/\$10,000 Wind/Hail	0.739
\$1,500 Flat	0.850
\$1,500 AOP/\$2,000 Wind/Hail	0.818
\$1,500 AOP/\$5,000 Wind/Hail	0.761
\$1,500 AOP/\$10,000 Wind/Hail	0.717
\$2,500 Flat	0.760
\$2,500 AOP/\$5,000 Wind/Hail	0.728
\$2,500 AOP/\$10,000 Wind/Hail	0.684
\$5,000 Flat	0.710
\$5,000 AOP/\$10,000 Wind/Hail	0.666
\$10,000 Flat	0.640
\$15,000 Flat	0.580
\$20,000 Flat	0.530

Forms 4 and 6	
Deductible	Relativity
\$250 Flat	1.080
\$500 Flat	1.000
\$1,000 Flat	0.920
\$1,500 Flat	0.910
\$2,500 Flat	0.900
\$5,000 Flat	0.880
\$10,000 Flat	0.850
\$15,000 Flat	0.820
\$20,000 Flat	0.780

Edition Date: 06/13/13

Auto-Owners

HOMEOWNERS
ARKANSAS
EXPERIENCE DISCOUNT RELATIVITIES

	Relativity
Experience Discount	0.970

Edition Date: 06/13/13

Auto-Owners

HOMEOWNERS
ARKANSAS
GUARANTEED HOME REPLACEMENT COST EXCLUSION RELATIVITIES

	Relativity
Guaranteed Home Replacement Cost Exclusion	0.950

Edition Date: 06/13/13

Auto-Owners

**HOMEOWNERS
INSURANCE SCORE RATING TIERS**

ARKANSAS

AGE OF SCORED INSURED

INSURANCE SCORE	TIER	24 & Under	25 to 29	30 to 34	35 to 39	40 to 44	45 to 49	50 to 54	55 to 59	60 to 64	65 to 69	70 to 74	75 to 79	80 & Over
		FACTOR												
985 - 997	50	0.614	0.633	0.651	0.652	0.661	0.680	0.699	0.717	0.736	0.754	0.800	0.819	0.847
961 - 984	49	0.624	0.642	0.661	0.661	0.670	0.690	0.709	0.727	0.746	0.765	0.812	0.832	0.860
937 - 960	48	0.632	0.652	0.671	0.671	0.680	0.700	0.719	0.737	0.757	0.776	0.824	0.843	0.872
913 - 936	47	0.642	0.661	0.680	0.680	0.690	0.710	0.729	0.749	0.768	0.787	0.836	0.856	0.885
892 - 912	46	0.650	0.670	0.690	0.690	0.700	0.720	0.740	0.759	0.779	0.799	0.848	0.867	0.897
876 - 891	45	0.660	0.680	0.700	0.700	0.710	0.730	0.750	0.770	0.790	0.810	0.860	0.880	0.910
863 - 875	44	0.671	0.690	0.710	0.710	0.721	0.739	0.758	0.778	0.799	0.818	0.865	0.884	0.912
851 - 862	43	0.682	0.700	0.719	0.720	0.730	0.748	0.766	0.786	0.807	0.825	0.870	0.887	0.914
840 - 850	42	0.693	0.711	0.729	0.732	0.741	0.757	0.775	0.795	0.816	0.833	0.874	0.891	0.916
829 - 839	41	0.705	0.721	0.739	0.742	0.752	0.768	0.783	0.803	0.825	0.841	0.879	0.895	0.917
819 - 828	40	0.717	0.732	0.749	0.753	0.763	0.777	0.791	0.811	0.834	0.849	0.884	0.898	0.919
811 - 818	39	0.729	0.742	0.759	0.763	0.774	0.787	0.800	0.820	0.843	0.857	0.889	0.902	0.921
805 - 810	38	0.741	0.753	0.770	0.774	0.784	0.796	0.808	0.828	0.853	0.865	0.894	0.906	0.923
801 - 804	37	0.753	0.765	0.780	0.786	0.795	0.807	0.817	0.837	0.862	0.873	0.899	0.910	0.925
797 - 800	36	0.766	0.776	0.791	0.797	0.807	0.817	0.826	0.846	0.871	0.881	0.904	0.913	0.927
793 - 796	35	0.779	0.787	0.802	0.808	0.818	0.827	0.835	0.855	0.881	0.889	0.909	0.917	0.929
790 - 792	34	0.792	0.799	0.813	0.819	0.830	0.837	0.844	0.864	0.890	0.897	0.914	0.921	0.931
786 - 789	33	0.805	0.811	0.824	0.832	0.842	0.848	0.853	0.873	0.900	0.906	0.919	0.925	0.932
782 - 785	32	0.818	0.823	0.835	0.843	0.854	0.858	0.862	0.882	0.910	0.914	0.924	0.928	0.934
778 - 781	31	0.832	0.835	0.847	0.855	0.866	0.868	0.871	0.891	0.920	0.923	0.930	0.932	0.936
775 - 777	30	0.846	0.847	0.858	0.868	0.878	0.880	0.881	0.901	0.930	0.931	0.935	0.936	0.938
772 - 774	29	0.860	0.860	0.870	0.880	0.890	0.890	0.890	0.910	0.940	0.940	0.940	0.940	0.940
769 - 771	28	0.871	0.871	0.879	0.889	0.900	0.905	0.906	0.925	0.957	0.961	0.964	0.966	0.968
765 - 768	27	0.882	0.882	0.890	0.900	0.911	0.917	0.919	0.939	0.973	0.980	0.988	0.992	0.996
761 - 764	26	0.893	0.893	0.900	0.911	0.921	0.932	0.934	0.954	0.989	1.002	1.014	1.019	1.025
757 - 760	25	0.904	0.904	0.910	0.920	0.931	0.945	0.950	0.969	1.007	1.023	1.039	1.047	1.055
752 - 756	24	0.916	0.916	0.921	0.931	0.942	0.960	0.966	0.983	1.025	1.045	1.065	1.077	1.087
747 - 751	23	0.924	0.924	0.928	0.938	0.948	0.970	0.976	0.995	1.038	1.063	1.088	1.101	1.113
742 - 746	22	0.932	0.932	0.934	0.944	0.955	0.979	0.987	1.006	1.051	1.082	1.111	1.127	1.142
736 - 741	21	0.940	0.940	0.941	0.951	0.961	0.989	0.999	1.017	1.065	1.100	1.135	1.152	1.170
727 - 735	20	0.948	0.948	0.948	0.958	0.969	0.999	1.010	1.030	1.080	1.119	1.159	1.180	1.200
720 - 726	19	0.966	0.966	0.968	0.979	0.994	1.032	1.051	1.079	1.131	1.167	1.202	1.220	1.240
713 - 719	18	0.984	0.984	0.987	1.000	1.022	1.064	1.093	1.132	1.185	1.217	1.246	1.263	1.281
706 - 712	17	1.002	1.002	1.007	1.023	1.048	1.098	1.137	1.187	1.241	1.270	1.292	1.307	1.323
697 - 705	16	1.023	1.023	1.029	1.046	1.076	1.134	1.183	1.243	1.301	1.324	1.340	1.353	1.367
684 - 696	15	1.042	1.042	1.050	1.069	1.105	1.169	1.230	1.302	1.362	1.380	1.389	1.400	1.412
674 - 683	14	1.061	1.061	1.072	1.092	1.134	1.207	1.280	1.363	1.425	1.438	1.440	1.449	1.459
668 - 673	13	1.136	1.136	1.145	1.164	1.204	1.274	1.343	1.421	1.478	1.491	1.493	1.502	1.510
662 - 667	12	1.214	1.214	1.223	1.243	1.281	1.345	1.409	1.481	1.536	1.546	1.548	1.555	1.563
655 - 661	11	1.299	1.299	1.307	1.325	1.360	1.420	1.479	1.545	1.593	1.602	1.605	1.611	1.617
649 - 654	10	1.390	1.390	1.397	1.414	1.445	1.499	1.553	1.611	1.654	1.661	1.664	1.669	1.674
643 - 648	9	1.486	1.486	1.491	1.508	1.534	1.582	1.628	1.678	1.716	1.722	1.724	1.728	1.732
633 - 642	8	1.589	1.589	1.593	1.608	1.631	1.670	1.709	1.749	1.780	1.786	1.787	1.790	1.792
621 - 632	7	1.699	1.699	1.701	1.715	1.731	1.763	1.793	1.824	1.847	1.851	1.851	1.852	1.854
608 - 620	6	1.818	1.818	1.818	1.828	1.839	1.859	1.881	1.901	1.918	1.918	1.918	1.918	1.918
596 - 607	5	1.905	1.905	1.905	1.916	1.928	1.949	1.972	1.993	2.010	2.010	2.011	2.011	2.011
583 - 595	4	1.996	1.996	1.996	2.007	2.019	2.042	2.065	2.088	2.106	2.107	2.107	2.107	2.107
571 - 582	3	2.092	2.092	2.092	2.104	2.116	2.140	2.164	2.188	2.207	2.208	2.209	2.209	2.209
558 - 570	2	2.193	2.193	2.193	2.205	2.218	2.243	2.268	2.293	2.313	2.314	2.314	2.314	2.314
1 - 557	1	2.298	2.298	2.298	2.311	2.324	2.351	2.378	2.404	2.425	2.425	2.425	2.425	2.425
		TIER MAPPED TO												
99A	No Hit	18	18	18	18	19	20	21	23	26	27	28	28	28
99B	No Score	18	18	18	18	19	20	21	23	26	27	28	28	28
		FACTOR												
99C	Neutral	0.832	0.835	0.847	0.855	0.866	0.868	0.871	0.891	0.920	0.923	0.930	0.932	0.936
999	Not Scored	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

Edition Date: 06/13/13

Auto-Owners

HOMEOWNERS
ARKANSAS
MARKET VALUE RELATIVITIES

	Relativity
Replacement Cost	1.250
Repair Cost	1.100

Edition Date: 06/13/13

Auto-Owners

HOMEOWNERS
ARKANSAS
FORM 3 AND PREMIER PLUS
MORTGAGE FREE RELATIVITIES

Policyholder Age	≤50	51-70	71-85	≥86	Unknown
Coverage A Limit					
\$0-\$59,999	0.911	0.911	0.911	0.911	0.911
\$60,000-\$69,999	0.913	0.912	0.911	0.911	0.911
\$70,000-\$79,999	0.915	0.914	0.911	0.911	0.911
\$80,000-\$89,999	0.917	0.915	0.911	0.911	0.911
\$90,000-\$99,999	0.919	0.916	0.911	0.911	0.911
\$100,000-\$109,999	0.922	0.917	0.911	0.911	0.911
\$110,000-\$119,999	0.924	0.918	0.911	0.911	0.911
\$120,000-\$129,999	0.925	0.919	0.911	0.911	0.911
\$130,000-\$139,999	0.927	0.921	0.911	0.911	0.911
\$140,000-\$149,999	0.929	0.922	0.911	0.911	0.911
\$150,000-\$159,999	0.931	0.923	0.911	0.911	0.911
\$160,000-\$169,999	0.933	0.924	0.911	0.911	0.911
\$170,000-\$179,999	0.936	0.926	0.911	0.911	0.911
\$180,000-\$189,999	0.938	0.927	0.911	0.911	0.911
\$190,000-\$199,999	0.940	0.928	0.911	0.911	0.911
\$200,000-\$209,999	0.942	0.929	0.911	0.911	0.911
\$210,000-\$224,999	0.953	0.931	0.911	0.911	0.911
≥\$225,000	0.953	0.932	0.911	0.911	0.911

Edition Date: 06/13/13

Auto-Owners

HOMEOWNERS
ARKANSAS
MULTI-POLICY RELATIVITIES

	Age	Relativity
Home/Auto Multi-Policy	<35	0.850
	36-40	0.864
	>41	0.870
Home/Life Multi-Policy	All Ages	0.950
Home/Umbrella Multi-Policy	All Ages	0.950

Edition Date: 06/13/13

Auto-Owners

HOMEOWNERS
ARKANSAS
PAID IN FULL RELATIVITIES

	Relativity
No Score	0.930
All Others	0.950

Edition Date: 06/13/13

Auto-Owners

HOMEOWNERS
ARKANSAS
PAID LOSS SURCHARGE RELATIVITIES

Number of paid losses within 3 years	Continuously insured for 3 or more years with an Auto-Owners Group company and the sum of all paid claims exceeds \$2,500		Continuously insured less than 3 years with an Auto-Owners Group company and the sum of all paid claims exceeds \$1,000	
	65+ and MPD	All Other	65+ and MPD	All Other
2	1.500	1.600	1.600	1.650
3	1.900	2.000	2.000	2.100
4 or more	2.250	2.300	2.300	2.500

1. Subtract 1.00 from the applicable relativity above.
2. Multiply by the number of locations relativity.

Number of Locations	Relativity
1	1.000
2	0.500
3+	0.330

3. Add 1.00. This relativity will be applied to each location on the policy.

Edition Date: 06/13/13

Auto-Owners

HOMEOWNERS
ARKANSAS
PROTECTED SUBDIVISION RELATIVITIES

	Relativity
Protected Subdivision	0.940

Edition Date: 06/13/13

Auto-Owners

HOMEOWNERS
ARKANSAS
ROOF RELATIVITIES

Age of Roof	Roofing Material								
	Hail Resistive					Non-Hail Resistive			
	Tile	Concrete	Metal	Asphalt	Other	Asphalt	Metal	Other	Asphalt Extended Life
0	0.840	0.840	0.840	0.840	0.840	0.940	0.940	0.940	0.940
1	0.850	0.850	0.850	0.850	0.850	0.950	0.950	0.950	0.950
2	0.850	0.850	0.850	0.850	0.850	0.950	0.950	0.950	0.950
3	0.860	0.860	0.860	0.860	0.860	0.960	0.960	0.960	0.960
4	0.860	0.860	0.860	0.860	0.860	0.960	0.960	0.960	0.960
5	0.870	0.870	0.870	0.870	0.870	0.970	0.970	0.970	0.970
6	0.870	0.870	0.870	0.870	0.870	0.970	0.970	0.970	0.970
7	0.880	0.880	0.880	0.880	0.880	0.980	0.980	0.980	0.980
8	0.880	0.880	0.880	0.880	0.880	0.980	0.980	0.980	0.980
9	0.890	0.890	0.890	0.890	0.890	0.990	0.990	0.990	0.990
10	0.900	0.900	0.900	0.900	0.900	1.000	1.000	1.000	1.000
11	0.900	0.900	0.910	0.910	0.910	1.000	1.000	1.000	1.000
12	0.900	0.900	0.920	0.920	0.920	1.000	1.000	1.000	1.000
13	0.900	0.900	0.930	0.930	0.930	1.000	1.000	1.000	1.000
14	0.900	0.900	0.940	0.940	0.940	1.000	1.000	1.000	1.000
15	0.900	0.900	0.950	0.950	0.950	1.000	1.000	1.000	1.000
16	0.900	0.900	0.950	0.950	0.950	1.010	1.010	1.010	1.000
17	0.900	0.900	0.950	0.950	0.950	1.020	1.020	1.020	1.000
18	0.900	0.900	0.950	0.950	0.950	1.030	1.030	1.030	1.000
19	0.900	0.900	0.950	0.950	0.950	1.040	1.040	1.040	1.000
20	0.900	0.900	0.950	0.950	0.950	1.050	1.050	1.050	1.000
21	0.900	0.900	0.950	0.950	0.950	1.060	1.060	1.060	1.000
22	0.900	0.900	0.950	0.950	0.950	1.070	1.070	1.070	1.000
23	0.900	0.900	0.950	0.950	0.950	1.080	1.080	1.080	1.000
24	0.900	0.900	0.950	0.950	0.950	1.090	1.090	1.090	1.000
25	0.900	0.900	0.950	0.950	0.950	1.100	1.100	1.100	1.000
26	0.900	0.900	0.950	0.950	0.950	1.100	1.100	1.100	1.010
27	0.900	0.900	0.950	0.950	0.950	1.100	1.100	1.100	1.020
28	0.900	0.900	0.950	0.950	0.950	1.100	1.100	1.100	1.030
29	0.900	0.900	0.950	0.950	0.950	1.100	1.100	1.100	1.040
30	0.900	0.900	0.950	0.950	0.950	1.100	1.100	1.100	1.050
31	0.900	0.900	0.950	0.960	0.960	1.100	1.100	1.100	1.060
32	0.900	0.900	0.950	0.970	0.970	1.100	1.100	1.100	1.070
33	0.900	0.900	0.950	0.980	0.980	1.100	1.100	1.100	1.080
34	0.900	0.900	0.950	0.990	0.990	1.100	1.100	1.100	1.090
35	0.900	0.900	0.950	1.000	1.000	1.100	1.100	1.100	1.100
36	0.900	0.900	0.950	1.010	1.010	1.100	1.100	1.100	1.100
37	0.900	0.900	0.950	1.020	1.020	1.100	1.100	1.100	1.100
38	0.900	0.900	0.950	1.030	1.030	1.100	1.100	1.100	1.100
39	0.900	0.900	0.950	1.040	1.040	1.100	1.100	1.100	1.100
≥40	0.900	0.900	0.950	1.050	1.050	1.100	1.100	1.100	1.100

Edition Date: 06/13/13

Auto-Owners

HOMEOWNERS
ARKANSAS
YEAR OF CONSTRUCTION RELATIVITIES

Construction Year	Relativity
≥1995	1.000
1990 - 1994	1.020
1989	1.039
1984 - 1988	1.000
1971 - 1983	1.040
1952 - 1970	1.000
1950 - 1951	1.030
1941 - 1949	1.020
≤1940	1.000

Edition Date: 06/13/13

Auto-Owners

HOMEOWNERS
ARKANSAS
GUARANTEED HOME REPLACEMENT COST RELATIVITIES

	Relativity
Guaranteed Home Replacement Cost	1.050

Edition Date: 06/13/13

Auto-Owners

HOMEOWNERS
ARKANSAS
ORDINANCE OR LAW COVERAGE RELATIVITIES

	Relativity
Full	1.100
10%	1.020

Edition Date: 06/13/13

Auto-Owners

HOMEOWNERS
ARKANSAS
FORM 3 AND PREMIER PLUS
WATER BACKUP RELATIVITIES

Water Backup Limit	
\$5,000	1.000
\$10,000	2.667
\$15,000	4.667
\$20,000	6.333
\$25,000	8.000
\$30,000	10.667
\$35,000	11.134
\$40,000	11.601
\$45,000	12.068
\$50,000	12.535
\$55,000	13.000

Base Rate
\$15.00

Mortgage Free Relativity
0.930

Edition Date: 06/13/13

Auto-Owners

HOMEOWNERS
ARKANSAS
FORM 3 AND PREMIER PLUS
WATER BACKUP RATING ALGORITHM

Step	Rating Algorithm
1	Base Rate
2	x Water Backup Limit Relativity
3	x Mortgage Free Relativity
4	x Paid Loss Surcharge Relativity
5	x Claim Free Relativity
6	x Experience Discount Relativity
7	x Home/Auto Multi-Policy Relativity
8	x Insurance Score Relativity
9	x Age of Insured Relativity
10	= Final Water Backup Premium

Edition Date: 06/13/13

SERFF Tracking #:

AOIC-128908520

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

HOM-AR-01-06/13/2013-01

State:

Arkansas

Filing Company:

Auto-Owners Insurance Company

TOI/Sub-TOI:

04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations

Product Name:

Arkansas Homeowners

Project Name/Number:

Arkansas Homeowners Rate & Rule/HOM-AR-01-06/13/2013-01

Supporting Document Schedules

Satisfied - Item:	H-1 Homeowners Abstract
Comments:	
Attachment(s):	H-1 Homeowners Abstract.pdf
Item Status:	Filed
Status Date:	05/16/2013

Satisfied - Item:	HPCS-Homeowners Premium Comparison Survey
Comments:	The Form 3 premiums reflect a \$500 AOP/\$1,000 Wind/Hail Deductible as we do not offer a \$500 Flat Deductible.
Attachment(s):	AR HO Premium Comparison Survey.pdf AR HO Premium Comparison Survey.xlsx
Item Status:	Filed
Status Date:	05/16/2013

Satisfied - Item:	NAIC loss cost data entry document
Comments:	
Attachment(s):	FORM RF-1 Rate Filing Abstract.pdf
Item Status:	Filed
Status Date:	05/16/2013

Satisfied - Item:	Actuarial Support
Comments:	

SERFF Tracking #:

AOIC-128908520

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

HOM-AR-01-06/13/2013-01

State:

Arkansas

Filing Company:

Auto-Owners Insurance Company

TOI/Sub-TOI:

04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations

Product Name:

Arkansas Homeowners

Project Name/Number:

Arkansas Homeowners Rate & Rule/HOM-AR-01-06/13/2013-01

Attachment(s):	AR HO Indications.pdf Amount of Insurance Exhibit.pdf Claim Free, Experience Discount, and Paid Loss Surcharge Exhibit.pdf Age of Insured Exhibit.pdf Premium Adjustments Exhibit.pdf Age of Construction Exhibit.pdf Year of Construction Exhibit.pdf Mortgage Free Exhibit.pdf Proposed Distribution Chart.pdf
Item Status:	Filed
Status Date:	05/16/2013
Satisfied - Item:	Explanatory Memorandum
Comments:	
Attachment(s):	AR HO Explanatory Memorandum 6.13.13.pdf
Item Status:	Filed
Status Date:	05/16/2013
Satisfied - Item:	Insurance Score Exhibit
Comments:	
Attachment(s):	AR HO Insurance Score.pdf
Item Status:	Filed
Status Date:	05/16/2013

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 Auto-Owners Insurance Company

NAIC # (including group #) 18988-280

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

N/A

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.

Effective for Arkansas August 15, 2005. We estimate all dwellings to be insured to value.

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.

Premier Plus and Auto-Owners Premier program minimum amount of insurance must be 100% of the replacement cost. Auto-Owners Standard program minimum amount of insurance must be 80% or more of the replacement cost. Secondary and Seasonal homes follow these same rules for each program.

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

We use an Adjusted Value Factor to calculate the estimated rise in cost annually.

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

- | | |
|---|---------------------|
| a. Fire Extinguisher | <u>3*</u> % |
| b. Burglar Alarm | <u>Up to 10</u> % |
| c. Smoke Alarm | <u>3*</u> % |
| d. Insured who has both homeowners and auto with your company | <u>13-15</u> % |
| e. Deadbolt Locks | <u>3*</u> % |
| f. Window or Door Locks | <u>None</u> % |
| g. Other (specify) | <u> </u> % |
| | <u> </u> % |

*Must have all 30%

6. Are there any areas in the State of Arkansas In which your company will not write homeowners insurance? If so, state the areas and explain reason for not writing.
 No

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

Form	Premium Volume
Homeowners Form 3	10,767,436
Homeowners Form 4	84,332
Homeowners Form 6	62,963

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 \$125 in Dwelling, \$50 in Outbuilding
 Does the surcharge apply to conventional fire places? No
 If yes, state the surcharge _____

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

Cindy LeClear Digitally signed by Cindy LeClear
 DN: cn=Cindy LeClear, ou=Arkansas Insurance Group, ou=Personal Property Actuarial, email=cindyleclear@aoins.com, c=US
 Date: 2013.03.18 16:26:44 -0500

Signature

Cindy LeClear

Printed Name

Assistant Manager, Personal Property Actuarial

Title

(517) 703-2406

Telephone Number

LeClear.Cindy@aoins.com

Email address

NAIC Number:	18988
Company Name:	Auto-Owners Insurance Company
Contact Person:	Kristi Walker
Telephone No.:	(517) 323-1438
Email Address:	walker.kristi@aoins.com
Effective Date:	6/13/2013

**Homeowners Premium Comparison Survey Form
FORM HP3S - 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	\$906.98	\$1,011.82	\$887.33	\$989.35	\$1,330.99	\$1,484.50	\$1,330.99	\$1,484.50	\$1,232.71	\$1,374.98	\$1,232.71	\$1,374.98	\$1,232.71	\$1,374.98	\$985.61	\$1,099.80	\$1,173.74	\$1,308.53
	\$120,000	\$1,260.79	\$1,405.87	\$1,232.71	\$1,375.92	\$1,850.47	\$2,063.88	\$1,850.47	\$2,063.88	\$1,712.88	\$1,910.38	\$1,712.88	\$1,910.38	\$1,712.88	\$1,910.38	\$1,370.30	\$1,528.49	\$1,630.51	\$1,818.65
	\$160,000	\$1,597.75	\$1,782.14	\$1,562.18	\$1,743.77	\$2,344.68	\$2,615.18	\$2,344.68	\$2,615.18	\$2,171.52	\$2,421.43	\$2,171.52	\$2,421.43	\$2,171.52	\$2,421.43	\$1,736.28	\$1,937.52	\$2,066.69	\$2,304.43
6	\$80,000	\$1,068.91	\$1,145.66	\$1,045.51	\$1,120.39	\$1,568.74	\$1,681.06	\$1,568.74	\$1,681.06	\$1,452.67	\$1,556.57	\$1,452.67	\$1,556.57	\$1,452.67	\$1,556.57	\$1,161.58	\$1,244.88	\$1,383.41	\$1,481.69
	\$120,000	\$1,485.43	\$1,592.14	\$1,453.61	\$1,557.50	\$2,179.94	\$2,336.26	\$2,179.94	\$2,336.26	\$2,018.95	\$2,163.10	\$2,018.95	\$2,163.10	\$2,018.95	\$2,163.10	\$1,615.54	\$1,730.66	\$1,922.54	\$2,059.20
	\$160,000	\$1,882.30	\$2,018.02	\$1,842.05	\$1,974.02	\$2,763.07	\$2,960.57	\$2,763.07	\$2,960.57	\$2,559.02	\$2,741.54	\$2,559.02	\$2,741.54	\$2,559.02	\$2,741.54	\$2,047.03	\$2,193.05	\$2,436.41	\$2,609.57
9	\$80,000	\$1,832.69	\$2,148.12	\$1,792.44	\$2,101.32	\$2,689.13	\$3,152.45	\$2,689.13	\$3,152.45	\$2,489.76	\$2,918.45	\$2,489.76	\$2,918.45	\$2,489.76	\$2,918.45	\$1,991.81	\$2,334.38	\$2,370.89	\$2,778.05
	\$120,000	\$2,546.86	\$2,984.90	\$2,491.63	\$2,920.32	\$3,737.45	\$4,381.42	\$3,737.45	\$4,381.42	\$3,461.33	\$4,056.62	\$3,461.33	\$4,056.62	\$3,461.33	\$4,056.62	\$2,768.69	\$3,245.11	\$3,294.72	\$3,861.94
	\$160,000	\$3,227.33	\$3,783.31	\$3,158.06	\$3,700.94	\$4,737.10	\$5,552.35	\$4,737.10	\$5,552.35	\$4,386.10	\$5,140.51	\$4,386.10	\$5,140.51	\$4,386.10	\$5,140.51	\$3,509.06	\$4,111.85	\$4,176.43	\$4,894.34

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	\$122.00	\$122.00	\$122.00	\$122.00	\$155.00	\$155.00	\$155.00	\$155.00	\$149.00	\$149.00	\$149.00	\$149.00	\$149.00	\$149.00	\$124.00	\$124.00	\$131.00	\$131.00
	\$15,000	\$203.00	\$203.00	\$203.00	\$203.00	\$259.00	\$259.00	\$259.00	\$259.00	\$249.00	\$249.00	\$249.00	\$249.00	\$249.00	\$249.00	\$207.00	\$207.00	\$218.00	\$218.00
	\$25,000	\$272.00	\$272.00	\$272.00	\$272.00	\$347.00	\$347.00	\$347.00	\$347.00	\$333.00	\$333.00	\$333.00	\$333.00	\$333.00	\$333.00	\$278.00	\$278.00	\$291.00	\$291.00
6	\$5,000	\$130.00	\$130.00	\$130.00	\$130.00	\$166.00	\$166.00	\$166.00	\$166.00	\$160.00	\$160.00	\$160.00	\$160.00	\$160.00	\$160.00	\$133.00	\$133.00	\$140.00	\$140.00
	\$15,000	\$217.00	\$217.00	\$217.00	\$217.00	\$277.00	\$277.00	\$277.00	\$277.00	\$266.00	\$266.00	\$266.00	\$266.00	\$266.00	\$266.00	\$222.00	\$222.00	\$233.00	\$233.00
	\$25,000	\$291.00	\$291.00	\$291.00	\$291.00	\$371.00	\$371.00	\$371.00	\$371.00	\$356.00	\$356.00	\$356.00	\$356.00	\$356.00	\$356.00	\$297.00	\$297.00	\$312.00	\$312.00
9	\$5,000	\$189.00	\$189.00	\$189.00	\$189.00	\$241.00	\$241.00	\$241.00	\$241.00	\$231.00	\$231.00	\$231.00	\$231.00	\$231.00	\$231.00	\$193.00	\$193.00	\$202.00	\$202.00
	\$15,000	\$315.00	\$315.00	\$315.00	\$315.00	\$402.00	\$402.00	\$402.00	\$402.00	\$385.00	\$385.00	\$385.00	\$385.00	\$385.00	\$385.00	\$321.00	\$321.00	\$337.00	\$337.00
	\$25,000	\$422.00	\$422.00	\$422.00	\$422.00	\$538.00	\$538.00	\$538.00	\$538.00	\$516.00	\$516.00	\$516.00	\$516.00	\$516.00	\$516.00	\$430.00	\$430.00	\$452.00	\$452.00

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	-3%	Deadbolt Lock	N/A%
Burglar Alarm	-10%	Window Locks	N/A%
Smoke Alarm	N/A%	\$1,000 Deductible	-9%
		Other (specify)	
		Maximum Credit Allowed	N/A%

EARTHQUAKE INSURANCE

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

ARE YOU CURRENTLY WRITING EARTHQUAKE COVERAGE IN ARKANSAS?	yes (yes or no)	
WHAT IS YOUR PERCENTAGE DEDUCTIBLE?	5, 10, 15 %	
WHAT IS YOUR PRICE PER \$1,000 OF COVERAGE?	Zone	
	Brick	Frame
	Highest Risk \$ 2.88	\$ 2.04
	Lowest Risk \$ 0.41	\$ 0.32

NAIC LOSS COST DATA ENTRY DOCUMENT

1.	This filing transmittal is part of Company Tracking #	HOM-AR-01-06/13/2013-01
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2.	If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number	N/A
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	Company Name	Company NAIC Number
3.	A. Auto-Owners Insurance Company	B. 280-18988

	Product Coding Matrix Line of Business (i.e., Type of Insurance)	Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)
4.	A. 04.0 Homeowners	B. 04.000 Homeowners Sub-TOI Combinations

5.			FOR LOSS COSTS ONLY				
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
COVERAGE (See Instructions)	Indicated % Rate Level Change	Requested % Rate Level Change	Expected Loss Ratio	Loss Cost Modification Factor	Selected Loss Cost Multiplier	Expense Constant (If Applicable)	Co. Current Loss Cost Multiplier
Form 3	165.0	13.0					
Form 4	-87.0	0.0					
Form 6	2.5	0.1					
TOTAL OVERALL EFFECT	161.7	12.8					

6.	5 Year History	Rate Change History					
Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
06/11-06/12	9,270	14.7	06/13/12	9,020.3	7,650.3	87.1	84.3
06/10-06/11	9,106	14.7	06/13/11	7,257.3	15,776.4	223.1	117.1
06/09-06/10	6,789	9.8	02/15/10	4,883.7	7,740.1	162.7	92.0
06/08-06/09	4,780	N/A	N/A	3,359.9	7,843.8	239.6	108.8
06/07-06/08	3,316	N/A	N/A	2,274.2	3,526.6	159.2	97.2

7.		
	Expense Constants	Selected Provisions
	A. Total Production Expense	18.0
	B. General Expense	1.6
	C. Taxes, License & Fees	3.5
	D. Underwriting Profit & Contingencies	10.6
	E. Other (Other Acquisition and Reinsurance Expense)	5.8
	F. TOTAL	39.5

- 8.** N Apply Lost Cost Factors to Future filings? (Y or N)
- 9.** 42.5 Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): _____ 11 _____
- 10.** -13.6 Estimated Maximum Rate Decrease for any Insured (%). Territory (if applicable): _____ 2 _____

Auto-Owners Insurance

Homeowners

Arkansas

Determination of Rate Level Indications

Twelve month period ending 6/2012

Coverage	1 Year Current Level Earned Premium	Projected Loss Ratio	Permissible Loss Ratio	Indicated Rate Level Change
Form 3 Total	10,163,650	160.3%	60.5%	165.0%
Form 4 Total	90,461	7.8%	59.9%	-87.0%
Form 6 Total	70,410	62.9%	61.4%	2.5%
Total	10,324,521	158.3%	60.5%	161.7%

Auto-Owners Insurance

Homeowners
Arkansas
Form 3 Total

Determination of Rate Level Indications for Accident Year Data

	<u>Jun-08</u>	<u>Jun-09</u>	<u>Jun-10</u>	<u>Jun-11</u>	<u>Jun-12</u>
(1) <i>Current Level Trended Premiums</i>	3,111,425	4,631,788	6,644,545	8,935,719	10,163,650
(2) <i>Trended Incurred Losses and ALAE</i>	5,165,024	9,809,989	11,731,217	12,775,854	13,851,353
(3) <i>Projected Loss Ratio</i> <i>(2)/(1)</i>	166.0%	211.8%	176.6%	143.0%	136.3%
(4) <i>Weights</i>	10.0%	15.0%	20.0%	25.0%	30.0%
(5) <i>Weighted Projected Loss Ratio</i>					160.3%
(6) <i>Net Projected Loss Ratio</i>					160.3%
(7) <i>Permissible Loss Ratio</i>					60.5%
(8) <i>Indicated Rate Level Change</i> <i>(6)/(7)</i>					165.0%

Past Rate Changes

<u>New Business</u>	<u>Renewal Business</u>	<u>Percent Change</u>
11/15/2007	12/21/2007	-2.0 %
02/15/2010	03/23/2010	10.0 %
06/13/2011	07/19/2011	15.0 %
06/13/2012	07/19/2012	15.0 %
12/17/2012	01/22/2013	0.3 %

Auto-Owners Insurance

Homeowners
Arkansas

Calculation of Premium Trend Factors

	Experience Period	Form 3 Total	
		<i>Developed</i>	<i>Selected</i>
(1) <i>Current Premium Trend Factor</i> <i>Latest Avg. Written Premium ÷</i> <i>Historic Avg. Earned Premium at</i> <i>current level</i>	2008	1.003	1.003
	2009	0.989	0.989
	2010	0.975	0.975
	2011	0.945	0.945
	2012	0.947	0.947
(2) <i>Calculated Proj Premium Trend</i>		0.00%	0.00%
(3) <i>Trend Start Date</i>	2008	7/1/2007	
	2009	7/1/2008	
	2010	7/1/2009	
	2011	7/1/2010	
	2012	7/1/2011	
(4) <i>Trend End Date</i> <i>6 months past renewal date of</i> <i>7/19/2013</i>	2008	1/17/2014	
	2009	1/17/2014	
	2010	1/17/2014	
	2011	1/17/2014	
	2012	1/17/2014	
(6) <i>Years of Trend Extension Proj</i> <i># of Years between the Premium</i> <i>Trends midpoint and (4)</i> <i>1/1/2012</i>	2008	2.044	
	2009	2.044	
	2010	2.044	
	2011	2.044	
	2012	2.044	
(7) <i>Premium Trend Factor</i> <i>(1)*[1+(2)]^(6)</i>	2008	1.003	
	2009	0.989	
	2010	0.975	
	2011	0.945	
	2012	0.947	

Auto-Owners Insurance

Homeowners
Arkansas

Calculation of Current Level Trended Premiums

Part	Year	Earned Premiums	Current Level Factor	Premium Trend Factor	Current Level Trended Premiums
		(1)	(2)	(3)	(4)
Form 3 Total	2008	\$2,163,277	1.4347	1.003	\$3,111,425
	2009	\$3,215,237	1.4562	0.989	\$4,631,788
	2010	\$4,686,595	1.4541	0.975	\$6,644,545
	2011	\$6,957,248	1.3594	0.945	\$8,935,719
	2012	\$8,639,559	1.2425	0.947	\$10,163,650

Notes

- (1) Actual Earned Premiums
- (2) Per Parallelogram Method
- (3) See Calculation of Premium Trend Factor
- (4) (1) * (2) * (3)

Auto-Owners Insurance

Homeowners

Arkansas

Form 3 Total

Ultimate Losses

Form 3 Total

Experience Period	Losses Less Large and Cats	Cat Losses Smoothed	Large Less Large Cats Smoothed	Final Ultimate Loss	ULAE Acc Year	Final Ultimate Loss With Factor
2008	1,930,553	1,260,891	193,412	3,384,856	1.0220	3,459,323
2009	4,770,330	1,874,037	287,464	6,931,831	1.0220	7,084,331
2010	5,787,221	2,731,635	419,014	8,937,870	1.0220	9,134,503
2011	5,818,108	4,055,109	622,025	10,495,242	1.0220	10,726,137
2012	6,460,818	5,035,663	772,436	12,268,917	1.0220	12,538,833

Arkansas
Homeowners
Auto-Owners Insurance Group
Form 3 Total
Period Ending 6/2012
All Reviewable Coverages
Loss Development Exhibit

3/13/2013

LOSSES - Losses Less Large and Cats : Incurred Amount

Accident Year	12	24	36	48	60	72	84	96	108	120
7/1/02 - 6/30/03										
7/1/03 - 6/30/04										
7/1/04 - 6/30/05										
7/1/05 - 6/30/06	163,392	153,556	133,707	133,707	133,707	133,707	133,707			
7/1/06 - 6/30/07	1,022,186	1,353,384	1,335,210	1,291,113	1,292,028	1,292,028				
7/1/07 - 6/30/08	2,014,368	1,942,534	1,916,770	1,920,625	1,928,665					
7/1/08 - 6/30/09	3,856,503	4,737,313	4,777,901	4,763,508						
7/1/09 - 6/30/10	5,504,361	5,768,979	5,771,393							
7/1/10 - 6/30/11	5,622,790	5,770,894								
7/1/11 - 6/30/12	5,963,091									

RATIOS - Standard Method

Accident Year	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
7/1/02 - 6/30/03									
7/1/03 - 6/30/04									
7/1/04 - 6/30/05									
7/1/05 - 6/30/06	0.9398	0.8707	1.0000	1.0000	1.0000	1.0000			
7/1/06 - 6/30/07	1.3240	0.9866	0.9670	1.0007	1.0000				
7/1/07 - 6/30/08	0.9643	0.9867	1.0020	1.0042					
7/1/08 - 6/30/09	1.2284	1.0086	0.9970						
7/1/09 - 6/30/10	1.0481	1.0004							
7/1/10 - 6/30/11	1.0263								

AVERAGE RATIOS - Standard Method

Average Type	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
1 Year Average	1.0263	1.0004	0.9970	1.0042	1.0000	1.0000			
2 Year Average	1.0372	1.0045	0.9995	1.0024	1.0000	1.0000			
3 Year Average	1.1009	0.9986	0.9887	1.0016	1.0000	1.0000			
4 Year Average	1.0668	0.9956	0.9915	1.0016	1.0000	1.0000			
5 Year Average	1.1182	0.9706	0.9915	1.0016	1.0000	1.0000			
6 Year Average	1.0885	0.9706	0.9915	1.0016	1.0000	1.0000			
7 Year Average	1.0885	0.9706	0.9915	1.0016	1.0000	1.0000			
8 Year Average	1.0885	0.9706	0.9915	1.0016	1.0000	1.0000			
9 Year Average	1.0885	0.9706	0.9915	1.0016	1.0000	1.0000			
Middle 3 of 5	1.1009	0.9912	0.9880	1.0004	1.0000				
Middle 5 of 7	1.0414	0.9611	0.9880	1.0004	1.0000				
3 Year Volume Weighted	1.0863	1.0014	0.9932	1.0027	1.0000	1.0000			
5 Year Volume Weighted	1.0862	0.9985	0.9933	1.0027	1.0000	1.0000			
7 Year Volume Weighted	1.0849	0.9985	0.9933	1.0027	1.0000	1.0000			
9 Year Volume Weighted	1.0849	0.9985	0.9933	1.0027	1.0000	1.0000			

SELECTED AND CUSTOM RATIOS - Standard Method

Accident Year	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th	
Selected Custom	< 1.0478	< 0.9954	< 0.9985	< 0.9971	< 0.9989	< 0.9996	< 0.9989	< 1.0001	< 1.0013	< 1.0000
Cumulative	1.0371	0.9898	0.9944	0.9959	0.9988	0.9999	1.0003	1.0014	1.0013	1.0000
Ratio to Ultimate	0.9642	1.0103	1.0056	1.0041	1.0012	1.0001	0.9997	0.9986	0.9987	1.0000

Arkansas
Homeowners
Auto-Owners Insurance Group
Form 3 Total
Period Ending 6/2012
All Reviewable Coverages
Loss Development Exhibit

3/13/2013

LOSSES - Losses Less Large and Cats : Incurred Amount

Accident Year	12	24	36	48	60	72	84	96	108	120
7/1/02 - 6/30/03										
7/1/03 - 6/30/04										
7/1/04 - 6/30/05										
7/1/05 - 6/30/06	163,392	153,556	133,707	133,707	133,707	133,707	133,707			
7/1/06 - 6/30/07	1,022,186	1,353,384	1,335,210	1,291,113	1,292,028	1,292,028				
7/1/07 - 6/30/08	2,014,368	1,942,534	1,916,770	1,920,625	1,928,665					
7/1/08 - 6/30/09	3,856,503	4,737,313	4,777,901	4,763,508						
7/1/09 - 6/30/10	5,504,361	5,768,979	5,771,393							
7/1/10 - 6/30/11	5,622,790	5,770,894								
7/1/11 - 6/30/12	5,963,091									

RATIOS - Percent Premium Method

Accident Year	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
7/1/02 - 6/30/03									
7/1/03 - 6/30/04									
7/1/04 - 6/30/05									
7/1/05 - 6/30/06	-0.0526	-0.1061	0.0000	0.0000	0.0000	0.0000			
7/1/06 - 6/30/07	0.3244	-0.0178	-0.0432	0.0009	0.0000				
7/1/07 - 6/30/08	-0.0332	-0.0119	0.0018	0.0037					
7/1/08 - 6/30/09	0.2739	0.0126	-0.0045						
7/1/09 - 6/30/10	0.0565	0.0005							
7/1/10 - 6/30/11	0.0213								

AVERAGE RATIOS - Percent Premium Method

Average Type	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
1 Year Average	0.0213	0.0005	-0.0045	0.0037	0.0000	0.0000			
2 Year Average	0.0389	0.0066	-0.0013	0.0023	0.0000	0.0000			
3 Year Average	0.1172	0.0004	-0.0153	0.0015	0.0000	0.0000			
4 Year Average	0.0796	-0.0042	-0.0115	0.0015	0.0000	0.0000			
5 Year Average	0.1286	-0.0245	-0.0115	0.0015	0.0000	0.0000			
6 Year Average	0.0984	-0.0245	-0.0115	0.0015	0.0000	0.0000			
7 Year Average	0.0984	-0.0245	-0.0115	0.0015	0.0000	0.0000			
8 Year Average	0.0984	-0.0245	-0.0115	0.0015	0.0000	0.0000			
9 Year Average	0.0984	-0.0245	-0.0115	0.0015	0.0000	0.0000			
Middle 3 of 5	0.1172	-0.0097	-0.0159	0.0005	0.0000				
Middle 5 of 7	0.0532	-0.0338	-0.0159	0.0005	0.0000				
3 Year Volume Weighted	0.0992	0.0032	-0.0094	0.0025	0.0000	0.0000			
5 Year Volume Weighted	0.0972	-0.0001	-0.0093	0.0025	0.0000	0.0000			
7 Year Volume Weighted	0.0959	-0.0001	-0.0093	0.0025	0.0000	0.0000			
9 Year Volume Weighted	0.0959	-0.0001	-0.0093	0.0025	0.0000	0.0000			

SELECTED AND CUSTOM RATIOS - Percent Premium Method

Accident Year	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th	
Selected Custom	< 0.0318	< -0.0030	< -0.0009	< -0.0017	< -0.0006	< -0.0002	< -0.0008	< 0.0001	< 0.0010	< 0.0000
Cumulative	0.0257	-0.0061	-0.0031	-0.0022	-0.0005	0.0001	0.0003	0.0011	0.0010	0.0000

Arkansas
Homeowners
Auto-Owners Insurance Group
Form 3 Total
Period Ending 6/2012
All Reviewable Coverages
Loss Development Exhibit

3/13/2013

LOSSES - Losses Less Large and Cats : Paid Amount

Accident Year	12	24	36	48	60	72	84	96	108	120
7/1/02 - 6/30/03										
7/1/03 - 6/30/04										
7/1/04 - 6/30/05										
7/1/05 - 6/30/06	23,192	53,556	133,707	133,707	133,707	133,707	133,707			
7/1/06 - 6/30/07	916,436	1,320,307	1,333,935	1,291,113	1,292,028	1,292,028				
7/1/07 - 6/30/08	1,451,592	1,905,827	1,915,570	1,918,075	1,928,665					
7/1/08 - 6/30/09	3,104,099	4,732,300	4,758,108	4,763,508						
7/1/09 - 6/30/10	4,461,434	5,621,265	5,753,485							
7/1/10 - 6/30/11	4,424,041	5,699,668								
7/1/11 - 6/30/12	4,869,249									

RATIOS - Standard Method

Accident Year	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
7/1/02 - 6/30/03									
7/1/03 - 6/30/04									
7/1/04 - 6/30/05									
7/1/05 - 6/30/06	2.3092	2.4966	1.0000	1.0000	1.0000	1.0000			
7/1/06 - 6/30/07	1.4407	1.0103	0.9679	1.0007	1.0000				
7/1/07 - 6/30/08	1.3129	1.0051	1.0013	1.0055					
7/1/08 - 6/30/09	1.5245	1.0055	1.0011						
7/1/09 - 6/30/10	1.2600	1.0235							
7/1/10 - 6/30/11	1.2883								

AVERAGE RATIOS - Standard Method

Average Type	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
1 Year Average	1.2883	1.0235	1.0011	1.0055	1.0000	1.0000			
2 Year Average	1.2742	1.0145	1.0012	1.0031	1.0000	1.0000			
3 Year Average	1.3576	1.0114	0.9901	1.0021	1.0000	1.0000			
4 Year Average	1.3464	1.0111	0.9926	1.0021	1.0000	1.0000			
5 Year Average	1.3653	1.3082	0.9926	1.0021	1.0000	1.0000			
6 Year Average	1.5226	1.3082	0.9926	1.0021	1.0000	1.0000			
7 Year Average	1.5226	1.3082	0.9926	1.0021	1.0000	1.0000			
8 Year Average	1.5226	1.3082	0.9926	1.0021	1.0000	1.0000			
9 Year Average	1.5226	1.3082	0.9926	1.0021	1.0000	1.0000			
Middle 3 of 5	1.3473	1.0131	0.9897	1.0004	1.0000				
Middle 5 of 7	1.3653	1.0111	0.9897	1.0004	1.0000				
3 Year Volume Weighted	1.3389	1.0137	0.9956	1.0034	1.0000	1.0000			
5 Year Volume Weighted	1.3428	1.0192	0.9957	1.0034	1.0000	1.0000			
7 Year Volume Weighted	1.3443	1.0192	0.9957	1.0034	1.0000	1.0000			
9 Year Volume Weighted	1.3443	1.0192	0.9957	1.0034	1.0000	1.0000			

SELECTED AND CUSTOM RATIOS - Standard Method

Accident Year	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th	
Selected Custom	< 1.3950	< 1.0273	< 1.0099	< 1.0052	< 1.0019	< 1.0010	< 1.0000	< 1.0002	< 1.0008	< 1.0000
Cumulative	1.4605	1.0469	1.0191	1.0091	1.0039	1.0020	1.0010	1.0010	1.0008	1.0000
Ratio to Ultimate	0.6847	0.9552	0.9812	0.9910	0.9961	0.9980	0.9990	0.9990	0.9992	1.0000

Arkansas
Homeowners
Auto-Owners Insurance Group
Form 3 Total
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All Reviewable Coverages
Loss Development Exhibit

3/13/2013

LOSSES - Losses Less Large and Cats : Paid Amount

Accident Year	12	24	36	48	60	72	84	96	108	120
7/1/02 - 6/30/03										
7/1/03 - 6/30/04										
7/1/04 - 6/30/05										
7/1/05 - 6/30/06	23,192	53,556	133,707	133,707	133,707	133,707	133,707			
7/1/06 - 6/30/07	916,436	1,320,307	1,333,935	1,291,113	1,292,028	1,292,028				
7/1/07 - 6/30/08	1,451,592	1,905,827	1,915,570	1,918,075	1,928,665					
7/1/08 - 6/30/09	3,104,099	4,732,300	4,758,108	4,763,508						
7/1/09 - 6/30/10	4,461,434	5,621,265	5,753,485							
7/1/10 - 6/30/11	4,424,041	5,699,668								
7/1/11 - 6/30/12	4,869,249									

RATIOS - Percent Premium Method

Accident Year	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
7/1/02 - 6/30/03									
7/1/03 - 6/30/04									
7/1/04 - 6/30/05									
7/1/05 - 6/30/06	0.1622	0.4283	0.0000	0.0000	0.0000	0.0000			
7/1/06 - 6/30/07	0.3955	0.0133	-0.0419	0.0009	0.0000				
7/1/07 - 6/30/08	0.2100	0.0045	0.0012	0.0049					
7/1/08 - 6/30/09	0.5064	0.0080	0.0017						
7/1/09 - 6/30/10	0.2475	0.0282							
7/1/10 - 6/30/11	0.1834								

AVERAGE RATIOS - Percent Premium Method

Average Type	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
1 Year Average	0.1834	0.0282	0.0017	0.0049	0.0000	0.0000			
2 Year Average	0.2154	0.0181	0.0014	0.0029	0.0000	0.0000			
3 Year Average	0.3124	0.0136	-0.0130	0.0019	0.0000	0.0000			
4 Year Average	0.2868	0.0135	-0.0098	0.0019	0.0000	0.0000			
5 Year Average	0.3086	0.0965	-0.0098	0.0019	0.0000	0.0000			
6 Year Average	0.2842	0.0965	-0.0098	0.0019	0.0000	0.0000			
7 Year Average	0.2842	0.0965	-0.0098	0.0019	0.0000	0.0000			
8 Year Average	0.2842	0.0965	-0.0098	0.0019	0.0000	0.0000			
9 Year Average	0.2842	0.0965	-0.0098	0.0019	0.0000	0.0000			
Middle 3 of 5	0.2843	0.0165	-0.0136	0.0005	0.0000				
Middle 5 of 7	0.2397	0.0135	-0.0136	0.0005	0.0000				
3 Year Volume Weighted	0.2909	0.0167	-0.0057	0.0032	0.0000	0.0000			
5 Year Volume Weighted	0.2894	0.0180	-0.0056	0.0032	0.0000	0.0000			
7 Year Volume Weighted	0.2892	0.0180	-0.0056	0.0032	0.0000	0.0000			
9 Year Volume Weighted	0.2892	0.0180	-0.0056	0.0032	0.0000	0.0000			

SELECTED AND CUSTOM RATIOS - Percent Premium Method

Accident Year	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th	
Selected Custom	< 0.1756	< 0.0163	< 0.0058	< 0.0028	< 0.0010	< 0.0006	< -0.0001	< 0.0001	< 0.0001	< 0.0000
Cumulative	0.2022	0.0266	0.0103	0.0045	0.0017	0.0007	0.0001	0.0002	0.0001	0.0000

Arkansas
Homeowners
Auto-Owners Insurance Group
Form 3 Total
Period Ending 6/2012
All Reviewable Coverages
Loss Development Exhibit

3/13/2013

LOSSES - Large Less Large Cats : Incurred Amount

Accident Year	12	24	36	48	60	72	84	96	108	120
7/1/02 - 6/30/03										
7/1/03 - 6/30/04										
7/1/04 - 6/30/05										
7/1/05 - 6/30/06	0	0	0	0	0	0	0			
7/1/06 - 6/30/07	64,249	84,469	84,789	85,269	85,821	95,039				
7/1/07 - 6/30/08	0	0	0	0	0					
7/1/08 - 6/30/09	1,175,806	1,177,138	1,177,138	1,177,138						
7/1/09 - 6/30/10	496,690	634,754	546,190							
7/1/10 - 6/30/11	268,931	279,480								
7/1/11 - 6/30/12	355,019									

RATIOS - Standard Method

Accident Year	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
7/1/02 - 6/30/03									
7/1/03 - 6/30/04									
7/1/04 - 6/30/05									
7/1/05 - 6/30/06									
7/1/06 - 6/30/07	1.3147	1.0038	1.0057	1.0065	1.1074				
7/1/07 - 6/30/08									
7/1/08 - 6/30/09	1.0011	1.0000	1.0000						
7/1/09 - 6/30/10	1.2780	0.8605							
7/1/10 - 6/30/11	1.0392								

AVERAGE RATIOS - Standard Method

Average Type	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
1 Year Average	1.0392	0.8605	1.0000		1.1074				
2 Year Average	1.1586	0.9302	1.0000	1.0065	1.1074				
3 Year Average	1.1061	0.9302	1.0028	1.0065	1.1074				
4 Year Average	1.1061	0.9548	1.0028	1.0065	1.1074				
5 Year Average	1.1582	0.9548	1.0028	1.0065	1.1074				
6 Year Average	1.1582	0.9548	1.0028	1.0065	1.1074				
7 Year Average	1.1582	0.9548	1.0028	1.0065	1.1074				
8 Year Average	1.1582	0.9548	1.0028	1.0065	1.1074				
9 Year Average	1.1582	0.9548	1.0028	1.0065	1.1074				
Middle 3 of 5	1.1061	0.9303	1.0000						
Middle 5 of 7	1.1061	0.9303	1.0000						
3 Year Volume Weighted	1.0772	0.9511	1.0004	1.0065	1.1074				
5 Year Volume Weighted	1.0848	0.9535	1.0004	1.0065	1.1074				
7 Year Volume Weighted	1.0848	0.9535	1.0004	1.0065	1.1074				
9 Year Volume Weighted	1.0848	0.9535	1.0004	1.0065	1.1074				

SELECTED AND CUSTOM RATIOS - Standard Method

Accident Year	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th	
Selected Custom	< 1.2886	< 1.0012	< 0.9566	< 0.9673	< 1.0063	< 0.9869	< 0.9959	< 1.0028	< 1.0004	< 1.0000
Cumulative	1.1845	0.9192	0.9181	0.9598	0.9922	0.9860	0.9991	1.0032	1.0004	1.0000
Ratio to Ultimate	0.8442	1.0879	1.0892	1.0419	1.0078	1.0142	1.0009	0.9968	0.9996	1.0000

Arkansas
Homeowners
Auto-Owners Insurance Group
Form 3 Total
Period Ending 6/2012
All Reviewable Coverages
Loss Development Exhibit

3/13/2013

LOSSES - Cat Losses : Incurred Amount

Accident Year	12	24	36	48	60	72	84	96	108	120
7/1/02 - 6/30/03										
7/1/03 - 6/30/04										
7/1/04 - 6/30/05										
7/1/05 - 6/30/06	3,328	3,328	3,328	3,328	3,328	3,328	3,328			
7/1/06 - 6/30/07	84,948	124,718	117,463	117,463	117,463	117,463				
7/1/07 - 6/30/08	1,139,451	1,236,317	1,236,317	1,236,317	1,236,317					
7/1/08 - 6/30/09	2,715,089	3,183,198	3,205,814	3,175,079						
7/1/09 - 6/30/10	480,676	533,404	537,574							
7/1/10 - 6/30/11	9,351,175	10,587,519								
7/1/11 - 6/30/12	0									

RATIOS - Standard Method

Accident Year	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
7/1/02 - 6/30/03									
7/1/03 - 6/30/04									
7/1/04 - 6/30/05									
7/1/05 - 6/30/06	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000			
7/1/06 - 6/30/07	1.4682	0.9418	1.0000	1.0000	1.0000				
7/1/07 - 6/30/08	1.0850	1.0000	1.0000	1.0000					
7/1/08 - 6/30/09	1.1724	1.0071	0.9904						
7/1/09 - 6/30/10	1.1097	1.0078							
7/1/10 - 6/30/11	1.1322								

AVERAGE RATIOS - Standard Method

Average Type	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
1 Year Average	1.1322	1.0078	0.9904	1.0000	1.0000	1.0000			
2 Year Average	1.1210	1.0074	0.9952	1.0000	1.0000	1.0000			
3 Year Average	1.1381	1.0050	0.9968	1.0000	1.0000	1.0000			
4 Year Average	1.1248	0.9892	0.9976	1.0000	1.0000	1.0000			
5 Year Average	1.1935	0.9913	0.9976	1.0000	1.0000	1.0000			
6 Year Average	1.1613	0.9913	0.9976	1.0000	1.0000	1.0000			
7 Year Average	1.1613	0.9913	0.9976	1.0000	1.0000	1.0000			
8 Year Average	1.1613	0.9913	0.9976	1.0000	1.0000	1.0000			
9 Year Average	1.1613	0.9913	0.9976	1.0000	1.0000	1.0000			
Middle 3 of 5	1.1381	1.0024	0.9968	1.0000	1.0000				
Middle 5 of 7	1.0999	0.9872	0.9968	1.0000	1.0000				
3 Year Volume Weighted	1.1400	1.0054	0.9933	1.0000	1.0000	1.0000			
5 Year Volume Weighted	1.1375	1.0038	0.9933	1.0000	1.0000	1.0000			
7 Year Volume Weighted	1.1375	1.0038	0.9933	1.0000	1.0000	1.0000			
9 Year Volume Weighted	1.1375	1.0038	0.9933	1.0000	1.0000	1.0000			

SELECTED AND CUSTOM RATIOS - Standard Method

Accident Year	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
Selected Custom	< 1.2218	< 0.9992	< 1.0002	< 1.0003	< 1.0003	< 1.0001	< 1.0000	< 1.0000	< 1.0000
Cumulative	1.2219	1.0001	1.0009	1.0007	1.0004	1.0001	1.0000	1.0000	1.0000
Ratio to Ultimate	0.8184	0.9999	0.9991	0.9993	0.9996	0.9999	1.0000	1.0000	1.0000

Auto-Owners Insurance

Homeowners
Arkansas

Calculation of Loss Trends

Frequency

	Experience Period	Form 3 Total	
		CL	Proj
(1) <i>Calculated Loss Trend</i>		5.00%	2.00%
(2) <i>Selected Loss Trend</i>		5.00%	2.00%
(3) <i>Trend Start Date</i>	2008	1/1/2008	
	2009	1/1/2009	
	2010	1/1/2010	
	2011	1/1/2011	
	2012	1/1/2012	
(4) <i>Trend End Date</i>	2008	7/19/2014	
<i>12 months past renewal date of</i>	2009	7/19/2014	
<i>7/19/2013</i>	2010	7/19/2014	
	2011	7/19/2014	
	2012	7/19/2014	
(5) <i>Years of Trend Extension CL</i>	2008	4.000	
<i># of Years between (3) and the</i>	2009	3.000	
<i>midpoint of Loss Trends</i>	2010	2.000	
<i>1/1/2012</i>	2011	1.000	
	2012	0.000	
(6) <i>Years of Trend Extension Proj</i>	2008	2.549	
<i># of Years between (4) and the</i>	2009	2.549	
<i>midpoint of Loss Trends</i>	2010	2.549	
<i>1/1/2012</i>	2011	2.549	
	2012	2.549	
(7) <i>Loss Trend Factor</i>	2008	1.278	
$((1+(2)_{CL})^{(5)}) * ((1+(2)_{Proj})^{(6)})$	2009	1.218	
	2010	1.160	
	2011	1.104	
	2012	1.052	

Auto-Owners Insurance

Homeowners
Arkansas

Calculation of Loss Trends

Average Paid

	Experience Period	Form 3 Total	
		CL	Proj
(1) Calculated Loss Trend		2.69%	1.94%
(2) Selected Loss Trend		2.69%	1.94%
(3) Trend Start Date	2008	1/1/2008	
	2009	1/1/2009	
	2010	1/1/2010	
	2011	1/1/2011	
	2012	1/1/2012	
(4) Trend End Date	2008	7/19/2014	
<i>12 months past renewal date of</i>	2009	7/19/2014	
<i>7/19/2013</i>	2010	7/19/2014	
	2011	7/19/2014	
	2012	7/19/2014	
(5) Years of Trend Extension CL	2008	4.000	
<i># of Years between (3) and the</i>	2009	3.000	
<i>midpoint of Loss Trends</i>	2010	2.000	
<i>1/1/2012</i>	2011	1.000	
	2012	0.000	
(6) Years of Trend Extension Proj	2008	2.549	
<i># of Years between (4) and the</i>	2009	2.549	
<i>midpoint of Loss Trends</i>	2010	2.549	
<i>1/1/2012</i>	2011	2.549	
	2012	2.549	
(7) Loss Trend Factor	2008	1.168	
$((1+(2)_{CL})^{(5)}) * ((1+(2)_{Proj})^{(6)})$	2009	1.137	
	2010	1.108	
	2011	1.079	
	2012	1.050	

Arkansas
Loss Trends Exhibit
Auto-Owners Insurance Group
Homeowners - Form 3 Total

LOSS TRENDS
REPORT

Actuarial
03/13/2013

All Reviewable Coverages

Qtr/Yr	Statewide						Fast Track Data Ending 03/2012					
	Written Units	Paid Count	Paid Amount	Freq	Average Paid	Pure Premium	Written Units	Paid Count	Paid Amount	Freq	Average Paid	Pure Premium
09/2007	2,404	89	1,394,529	37.03	15,668.87	580.18						
12/2007	2,680	108	1,703,041	40.30	15,768.90	635.44	304,167	15,116	99,637,573	49.70	6,591.53	327.58
03/2008	2,925	138	1,655,476	47.19	11,996.20	566.07	307,664	15,295	102,012,182	49.71	6,669.64	331.57
06/2008	3,275	191	1,955,834	58.33	10,239.97	597.27	310,981	16,706	114,017,789	53.72	6,824.96	366.64
09/2008	3,643	254	2,246,173	69.73	8,843.20	616.64	314,171	17,851	125,424,311	56.82	7,026.18	399.22
12/2008	3,976	288	3,391,571	72.43	11,776.29	852.99	316,393	18,120	138,279,123	57.27	7,631.30	437.05
03/2009	4,274	321	3,832,610	75.11	11,939.60	896.75	318,006	18,884	148,080,366	59.38	7,841.58	465.65
06/2009	4,702	347	4,402,371	73.80	12,686.95	936.28	319,616	18,903	154,813,956	59.14	8,189.91	484.37
09/2009	5,101	416	5,447,616	81.55	13,095.23	1,067.91	320,701	20,442	169,393,094	63.74	8,286.52	528.20
12/2009	5,729	509	5,008,648	88.84	9,840.17	874.22	321,485	21,398	169,955,818	66.56	7,942.60	528.66
03/2010	6,297	543	5,333,083	86.24	9,821.52	846.99	321,992	21,924	172,426,775	68.09	7,864.75	535.50
06/2010	6,754	775	6,724,561	114.74	8,676.85	995.61	320,337	21,701	178,316,394	67.74	8,216.97	556.65
09/2010	7,445	792	5,874,366	106.38	7,417.13	789.07	316,193	19,743	163,124,793	62.44	8,262.41	515.90
12/2010	7,961	752	6,022,131	94.46	8,008.15	756.44	311,551	19,029	159,815,375	61.08	8,398.52	512.97
03/2011	8,392	791	6,668,756	94.26	8,430.79	794.65	306,323	18,713	164,688,513	61.09	8,800.75	537.63
06/2011	8,977	651	5,937,956	72.52	9,121.28	661.46	304,324	19,974	163,920,219	65.63	8,206.68	538.64
09/2011	9,127	701	6,530,419	76.80	9,315.86	715.47	306,880	21,304	175,937,305	69.42	8,258.42	573.31
12/2011	9,094	822	7,630,353	90.39	9,282.67	839.09	309,881	21,209	180,666,437	68.44	8,518.39	583.02
03/2012	9,204	816	7,196,859	88.66	8,819.68	781.95	314,094	20,418	172,747,416	65.01	8,460.55	549.99
06/2012	9,216	804	6,711,840	87.24	8,348.06	728.31						

Composition: 12 MTD LAE: ✓ Bad Faith: Cats: Refund Assessment: Large Losses: ✓

Auto-Owners Insurance

Homeowners
Arkansas
Form 3 Total

Development of the Permissible Loss Ratio

(1)	<i>Commission and Brokerage Expense</i>	18.0%
(2)	<i>Other Acquisitions</i>	5.6%
(3)	<i>General Expenses</i>	1.6%
(4)	<i>Tax, License, and Fees</i>	3.5%
(5)	<i>Reinsurance Expense</i>	0.2%
(6)	<i>Total Expenses</i> <i>(1)+(2)+(3)+(4)+(5)</i>	28.9%
(7)	<i>Profit and Contingency</i>	10.6%
(8)	<i>Permissible Loss Ratio</i> <i>1 - ((6) + (7))</i>	60.5%

**Expense Exhibit - Homeowners
Auto-Owners Insurance Group
Arkansas**

All Reviewable Coverages - Form 3 Total

	12 MTD Ending 6 / 2008		12 MTD Ending 6 / 2009		12 MTD Ending 6 / 2010		12 MTD Ending 6 / 2011		12 MTD Ending 6 / 2012	
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
<u>Loss Experience</u>										
Written Premium	2,674,550		3,837,342		5,679,229		8,137,944		9,224,285	
Earned Premium	2,163,277	100.0	3,215,237	100.0	4,686,595	100.0	6,957,248	100.0	8,639,559	100.0
Incurred Amount	3,302,228	152.6	7,316,284	227.6	7,475,698	159.5	15,149,505	217.8	7,100,496	82.2
Allocated LAE	250,962	11.6	464,855	14.5	242,955	5.2	834,042	12.0	135,823	1.6
Unallocated LAE	176,800	8.2	385,455	12.0	470,312	10.0	639,031	9.2	708,459	8.2
<u>Total Losses</u>	<u>3,729,990</u>	<u>172.4</u>	<u>8,166,594</u>	<u>254.1</u>	<u>8,188,965</u>	<u>174.7</u>	<u>16,622,578</u>	<u>239.0</u>	<u>7,944,778</u>	<u>92.0</u>
<u>Expenses Incurred</u>										
Commission and Brokerage *	464,334	17.4	635,832	16.6	931,754	16.4	1,493,823	18.4	1,616,891	17.5
Other Acquisitions (2)	80,472	3.7	122,129	3.8	211,534	4.5	275,042	4.0	340,428	3.9
General Expenses (2)	20,561	1.0	30,235	0.9	55,236	1.2	74,678	1.1	94,475	1.1
Tax, License, and Fees *	93,727	3.5	122,900	3.2	176,406	3.1	265,152	3.3	367,179	4.0
<u>Total Expenses</u>	<u>659,094</u>	<u>25.6</u>	<u>911,096</u>	<u>24.5</u>	<u>1,374,930</u>	<u>25.2</u>	<u>2,108,695</u>	<u>26.8</u>	<u>2,418,972</u>	<u>26.5</u>
Total Losses and Expenses	4,389,084	198.0	9,077,690	278.6	9,563,895	199.9	18,731,273	265.8	10,363,751	118.5
Gain from Underwriting	-2,225,807	-98.0	-5,862,452	-178.6	-4,877,300	-99.9	-11,774,026	-165.8	-1,724,192	-18.5

<u>Loss Experience</u>	3 Year Total		4 Year Total		5 Year Total	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
Written Premium	23,041,458		26,878,800		29,553,350	
Earned Premium	20,283,401	100.0	23,498,638	100.0	25,661,916	100.0
Incurred Amount	29,725,699	146.6	37,041,984	157.6	40,344,211	157.2
Allocated LAE	1,212,820	6.0	1,677,675	7.1	1,928,637	7.5
Unallocated LAE	1,817,803	9.0	2,203,258	9.4	2,380,058	9.3
<u>Total Losses</u>	<u>32,756,322</u>	<u>161.5</u>	<u>40,922,916</u>	<u>174.2</u>	<u>44,652,906</u>	<u>174.0</u>

<u>Expenses Incurred</u>	3 Year Total	4 Year Total	5 Year Total
Commission and Brokerage *	4,042,467	4,678,299	5,142,633
Other Acquisitions (2)	827,004	949,133	1,029,605
General Expenses (2)	224,388	254,624	275,185
Tax, License, and Fees *	808,737	931,636	1,025,363
<u>Reinsurance Expenses *</u>	<u>5,902,597</u>	<u>6,813,692</u>	<u>7,472,787</u>
Total Expenses	38,658,919	47,736,609	52,125,693
Total Losses and Expenses	-18,375,518	-24,237,970	-26,463,777
Gain from Underwriting	-87.7	-100.2	-100.0

* - Ratios Calculated to Written Premium (1)Uses Companywide Info (2)Uses AO Group Info # - Uses Combined Coverage Info

+ - FIGA Excluded @ - Guaranty Fund Expenses Excluded Earthquake Excluded

Auto-Owners Insurance

Homeowners

Arkansas

Form 4 Total

Determination of Rate Level Indications for Accident Year Data

	<u>Jun-08</u>	<u>Jun-09</u>	<u>Jun-10</u>	<u>Jun-11</u>	<u>Jun-12</u>
(1) <i>Current Level Trended Premiums</i>	21,159	32,943	45,396	72,129	90,461
(2) <i>Trended Incurred Losses and ALAE</i>	2,310	1,962	6,118	4,006	5,195
(3) <i>Projected Loss Ratio</i> <i>(2)/(1)</i>	10.9%	6.0%	13.5%	5.6%	5.7%
(4) <i>Weights</i>	10.0%	15.0%	20.0%	25.0%	30.0%
(5) <i>Weighted Projected Loss Ratio</i>					7.8%
(6) <i>Net Projected Loss Ratio</i>					7.8%
(7) <i>Permissible Loss Ratio</i>					59.9%
(8) <i>Indicated Rate Level Change</i> <i>(6)/(7)</i>					-87.0%

Past Rate Changes

<u>New Business</u>	<u>Renewal Business</u>	<u>Percent Change</u>
11/15/2007	12/21/2007	0.0 %
02/15/2010	03/23/2010	0.0 %
06/13/2011	07/19/2011	0.1 %
06/13/2012	07/19/2012	0.0 %
12/17/2012	01/22/2013	0.4 %

Auto-Owners Insurance

Homeowners
Arkansas

Calculation of Premium Trend Factors

	Experience Period	Form 4 Total	
		<i>Developed</i>	<i>Selected</i>
(1) <i>Current Premium Trend Factor</i> <i>Latest Avg. Written Premium ÷</i> <i>Historic Avg. Earned Premium at</i> <i>current level</i>	2008	0.956	0.956
	2009	0.957	0.957
	2010	0.977	0.977
	2011	1.003	1.003
	2012	0.997	0.997
(2) <i>Calculated Proj Premium Trend</i>		-0.29%	-0.29%
(3) <i>Trend Start Date</i>	2008	7/1/2007	
	2009	7/1/2008	
	2010	7/1/2009	
	2011	7/1/2010	
	2012	7/1/2011	
(4) <i>Trend End Date</i> <i>6 months past renewal date of</i> <i>7/19/2013</i>	2008	1/17/2014	
	2009	1/17/2014	
	2010	1/17/2014	
	2011	1/17/2014	
	2012	1/17/2014	
(6) <i>Years of Trend Extension Proj</i> <i># of Years between the Premium</i> <i>Trends midpoint and (4)</i> <i>1/1/2012</i>	2008	2.044	
	2009	2.044	
	2010	2.044	
	2011	2.044	
	2012	2.044	
(7) <i>Premium Trend Factor</i> <i>(1)*[1+(2)]^(6)</i>	2008	0.951	
	2009	0.951	
	2010	0.971	
	2011	0.997	
	2012	0.991	

Auto-Owners Insurance

Homeowners
Arkansas

Calculation of Current Level Trended Premiums

Part	Year	Earned Premiums	Current Level Factor	Premium Trend Factor	Current Level Trended Premiums
		(1)	(2)	(3)	(4)
Form 4 Total	2008	\$22,131	1.0058	0.951	\$21,159
	2009	\$34,430	1.0057	0.951	\$32,943
	2010	\$46,495	1.0057	0.971	\$45,396
	2011	\$71,965	1.0057	0.997	\$72,129
	2012	\$90,810	1.0051	0.991	\$90,461

Notes

- (1) Actual Earned Premiums
- (2) Per Parallelogram Method
- (3) See Calculation of Premium Trend Factor
- (4) (1) * (2) * (3)

Auto-Owners Insurance

Homeowners

Arkansas

Form 4 Total

Ultimate Losses

Form 4 Total

Experience Period	Losses Less Cats	Cat Losses Smoothed	Final Ultimate Loss	ULAE Acc Year	Final Ultimate Loss With Factor
2008	1,416	57	1,473	1.0220	1,505
2009	1,254	88	1,342	1.0220	1,372
2010	4,374	119	4,493	1.0220	4,592
2011	2,974	184	3,158	1.0220	3,227
2012	4,162	233	4,395	1.0220	4,492

Arkansas
Homeowners
Auto-Owners Insurance Group
Form 4 Total
Period Ending 6/2012
All Reviewable Coverages
Loss Development Exhibit

3/13/2013

LOSSES - Losses Less Cats : Incurred Amount

Accident Year	12	24	36	48	60	72	84	96	108	120
7/1/02 - 6/30/03										
7/1/03 - 6/30/04										
7/1/04 - 6/30/05										
7/1/05 - 6/30/06										
7/1/06 - 6/30/07	386	386	386	386	386	386				
7/1/07 - 6/30/08	1,417	1,417	1,417	1,417	1,417					
7/1/08 - 6/30/09	1,242	1,242	1,242	1,242						
7/1/09 - 6/30/10	5,893	4,568	4,568							
7/1/10 - 6/30/11	3,175	3,175								
7/1/11 - 6/30/12	3,191									

RATIOS - Standard Method

Accident Year	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
7/1/02 - 6/30/03									
7/1/03 - 6/30/04									
7/1/04 - 6/30/05									
7/1/05 - 6/30/06									
7/1/06 - 6/30/07	1.0000	1.0000	1.0000	1.0000	1.0000				
7/1/07 - 6/30/08	1.0000	1.0000	1.0000	1.0000					
7/1/08 - 6/30/09	1.0000	1.0000	1.0000						
7/1/09 - 6/30/10	0.7752	1.0000							
7/1/10 - 6/30/11	1.0000								

AVERAGE RATIOS - Standard Method

Average Type	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
1 Year Average	1.0000	1.0000	1.0000	1.0000	1.0000				
2 Year Average	0.8876	1.0000	1.0000	1.0000	1.0000				
3 Year Average	0.9251	1.0000	1.0000	1.0000	1.0000				
4 Year Average	0.9438	1.0000	1.0000	1.0000	1.0000				
5 Year Average	0.9550	1.0000	1.0000	1.0000	1.0000				
6 Year Average	0.9550	1.0000	1.0000	1.0000	1.0000				
7 Year Average	0.9550	1.0000	1.0000	1.0000	1.0000				
8 Year Average	0.9550	1.0000	1.0000	1.0000	1.0000				
9 Year Average	0.9550	1.0000	1.0000	1.0000	1.0000				
Middle 3 of 5	1.0000	1.0000	1.0000	1.0000					
Middle 5 of 7	0.9438	1.0000	1.0000	1.0000					
3 Year Volume Weighted	0.8715	1.0000	1.0000	1.0000	1.0000				
5 Year Volume Weighted	0.8906	1.0000	1.0000	1.0000	1.0000				
7 Year Volume Weighted	0.8906	1.0000	1.0000	1.0000	1.0000				
9 Year Volume Weighted	0.8906	1.0000	1.0000	1.0000	1.0000				

SELECTED AND CUSTOM RATIOS - Standard Method

Accident Year	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
Selected Custom	< 0.9801	< 0.9851	< 0.9563	< 0.9929	< 1.0002	< 0.9993	< 1.0002	< 0.9999	< 1.0000
Cumulative	0.9164	0.9350	0.9491	0.9925	0.9996	0.9994	1.0001	0.9999	1.0000
Ratio to Ultimate	1.0912	1.0695	1.0536	1.0076	1.0004	1.0006	0.9999	1.0001	1.0000

Arkansas
Homeowners
Auto-Owners Insurance Group
Form 4 Total
Period Ending 6/2012
All Reviewable Coverages
Loss Development Exhibit

3/13/2013

LOSSES - Losses Less Cats : Incurred Amount

Accident Year	12	24	36	48	60	72	84	96	108	120
7/1/02 - 6/30/03										
7/1/03 - 6/30/04										
7/1/04 - 6/30/05										
7/1/05 - 6/30/06										
7/1/06 - 6/30/07	386	386	386	386	386	386				
7/1/07 - 6/30/08	1,417	1,417	1,417	1,417	1,417					
7/1/08 - 6/30/09	1,242	1,242	1,242	1,242						
7/1/09 - 6/30/10	5,893	4,568	4,568							
7/1/10 - 6/30/11	3,175	3,175								
7/1/11 - 6/30/12	3,191									

RATIOS - Percent Premium Method

Accident Year	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
7/1/02 - 6/30/03									
7/1/03 - 6/30/04									
7/1/04 - 6/30/05									
7/1/05 - 6/30/06									
7/1/06 - 6/30/07	0.0000	0.0000	0.0000	0.0000	0.0000				
7/1/07 - 6/30/08	0.0000	0.0000	0.0000	0.0000					
7/1/08 - 6/30/09	0.0000	0.0000	0.0000						
7/1/09 - 6/30/10	-0.0285	0.0000							
7/1/10 - 6/30/11	0.0000								

AVERAGE RATIOS - Percent Premium Method

Average Type	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
1 Year Average	0.0000	0.0000	0.0000	0.0000	0.0000				
2 Year Average	-0.0142	0.0000	0.0000	0.0000	0.0000				
3 Year Average	-0.0095	0.0000	0.0000	0.0000	0.0000				
4 Year Average	-0.0071	0.0000	0.0000	0.0000	0.0000				
5 Year Average	-0.0057	0.0000	0.0000	0.0000	0.0000				
6 Year Average	-0.0057	0.0000	0.0000	0.0000	0.0000				
7 Year Average	-0.0057	0.0000	0.0000	0.0000	0.0000				
8 Year Average	-0.0057	0.0000	0.0000	0.0000	0.0000				
9 Year Average	-0.0057	0.0000	0.0000	0.0000	0.0000				
Middle 3 of 5	0.0000	0.0000	0.0000	0.0000					
Middle 5 of 7	-0.0071	0.0000	0.0000	0.0000					
3 Year Volume Weighted	-0.0163	0.0000	0.0000	0.0000	0.0000				
5 Year Volume Weighted	-0.0139	0.0000	0.0000	0.0000	0.0000				
7 Year Volume Weighted	-0.0139	0.0000	0.0000	0.0000	0.0000				
9 Year Volume Weighted	-0.0139	0.0000	0.0000	0.0000	0.0000				

SELECTED AND CUSTOM RATIOS - Percent Premium Method

Accident Year	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th	
Selected Custom	< -0.0109	< -0.0053	< -0.0136	< -0.0028	< 0.0001	< -0.0003	< 0.0001	< -0.0001	< 0.0000	< 0.0000
Cumulative	-0.0328	-0.0219	-0.0166	-0.0030	-0.0002	-0.0003	0.0000	-0.0001	0.0000	0.0000

Arkansas
Homeowners
Auto-Owners Insurance Group
Form 4 Total
Period Ending 6/2012
All Reviewable Coverages
Loss Development Exhibit

3/13/2013

LOSSES - Losses Less Cats : Paid Amount

Accident Year	12	24	36	48	60	72	84	96	108	120
7/1/02 - 6/30/03										
7/1/03 - 6/30/04										
7/1/04 - 6/30/05										
7/1/05 - 6/30/06										
7/1/06 - 6/30/07	386	386	386	386	386	386				
7/1/07 - 6/30/08	1,417	1,417	1,417	1,417	1,417					
7/1/08 - 6/30/09	1,242	1,242	1,242	1,242						
7/1/09 - 6/30/10	4,568	4,568	4,568							
7/1/10 - 6/30/11	3,175	3,175								
7/1/11 - 6/30/12	641									

RATIOS - Standard Method

Accident Year	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
7/1/02 - 6/30/03									
7/1/03 - 6/30/04									
7/1/04 - 6/30/05									
7/1/05 - 6/30/06									
7/1/06 - 6/30/07	1.0000	1.0000	1.0000	1.0000	1.0000				
7/1/07 - 6/30/08	1.0000	1.0000	1.0000	1.0000					
7/1/08 - 6/30/09	1.0000	1.0000	1.0000						
7/1/09 - 6/30/10	1.0000	1.0000							
7/1/10 - 6/30/11	1.0000								

AVERAGE RATIOS - Standard Method

Average Type	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
1 Year Average	1.0000	1.0000	1.0000	1.0000	1.0000				
2 Year Average	1.0000	1.0000	1.0000	1.0000	1.0000				
3 Year Average	1.0000	1.0000	1.0000	1.0000	1.0000				
4 Year Average	1.0000	1.0000	1.0000	1.0000	1.0000				
5 Year Average	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000			
6 Year Average	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000			
7 Year Average	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000			
8 Year Average	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000		
9 Year Average	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000		
Middle 3 of 5	1.0000	1.0000	1.0000	1.0000					
Middle 5 of 7	1.0000	1.0000	1.0000	1.0000					
3 Year Volume Weighted	1.0000	1.0000	1.0000	1.0000	1.0000				
5 Year Volume Weighted	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000			
7 Year Volume Weighted	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000			
9 Year Volume Weighted	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000			

SELECTED AND CUSTOM RATIOS - Standard Method

Accident Year	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
Selected Custom	< 1.2750	< 1.0226	< 1.0172	< 1.0096	< 1.0007	< 0.9993	< 1.0000	< 1.0000	< 1.0000
Cumulative	1.3390	1.0502	1.0270	1.0096	1.0000	0.9993	1.0000	1.0000	1.0000
Ratio to Ultimate	0.7468	0.9522	0.9737	0.9905	1.0000	1.0007	1.0000	1.0000	1.0000

Arkansas
Homeowners
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LOSSES - Losses Less Cats : Paid Amount

Accident Year	12	24	36	48	60	72	84	96	108	120
7/1/02 - 6/30/03										
7/1/03 - 6/30/04										
7/1/04 - 6/30/05										
7/1/05 - 6/30/06										
7/1/06 - 6/30/07	386	386	386	386	386	386				
7/1/07 - 6/30/08	1,417	1,417	1,417	1,417	1,417					
7/1/08 - 6/30/09	1,242	1,242	1,242	1,242						
7/1/09 - 6/30/10	4,568	4,568	4,568							
7/1/10 - 6/30/11	3,175	3,175								
7/1/11 - 6/30/12	641									

RATIOS - Percent Premium Method

Accident Year	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
7/1/02 - 6/30/03									
7/1/03 - 6/30/04									
7/1/04 - 6/30/05									
7/1/05 - 6/30/06									
7/1/06 - 6/30/07	0.0000	0.0000	0.0000	0.0000	0.0000				
7/1/07 - 6/30/08	0.0000	0.0000	0.0000	0.0000					
7/1/08 - 6/30/09	0.0000	0.0000	0.0000						
7/1/09 - 6/30/10	0.0000	0.0000							
7/1/10 - 6/30/11	0.0000								

AVERAGE RATIOS - Percent Premium Method

Average Type	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
1 Year Average	0.0000	0.0000	0.0000	0.0000	0.0000				
2 Year Average	0.0000	0.0000	0.0000	0.0000	0.0000				
3 Year Average	0.0000	0.0000	0.0000	0.0000	0.0000				
4 Year Average	0.0000	0.0000	0.0000	0.0000	0.0000				
5 Year Average	0.0000	0.0000	0.0000	0.0000	0.0000				
6 Year Average	0.0000	0.0000	0.0000	0.0000	0.0000				
7 Year Average	0.0000	0.0000	0.0000	0.0000	0.0000				
8 Year Average	0.0000	0.0000	0.0000	0.0000	0.0000				
9 Year Average	0.0000	0.0000	0.0000	0.0000	0.0000				
Middle 3 of 5	0.0000	0.0000	0.0000	0.0000					
Middle 5 of 7	0.0000	0.0000	0.0000	0.0000					
3 Year Volume Weighted	0.0000	0.0000	0.0000	0.0000	0.0000				
5 Year Volume Weighted	0.0000	0.0000	0.0000	0.0000	0.0000				
7 Year Volume Weighted	0.0000	0.0000	0.0000	0.0000	0.0000				
9 Year Volume Weighted	0.0000	0.0000	0.0000	0.0000	0.0000				

SELECTED AND CUSTOM RATIOS - Percent Premium Method

Accident Year	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
Selected Custom	< 0.0660	< 0.0086	< 0.0063	< 0.0036	< 0.0006	< -0.0003	< 0.0000	< 0.0000	< 0.0000
Cumulative	0.0848	0.0188	0.0102	0.0039	0.0003	-0.0003	0.0000	0.0000	0.0000

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LOSSES - Cat Losses : Incurred Amount

Accident Year	12	24	36	48	60	72	84	96	108	120
7/1/02 - 6/30/03										
7/1/03 - 6/30/04										
7/1/04 - 6/30/05										
7/1/05 - 6/30/06										
7/1/06 - 6/30/07	0	0	0	0	0	0				
7/1/07 - 6/30/08	0	0	0	0	0					
7/1/08 - 6/30/09	2,550	600	600	600						
7/1/09 - 6/30/10	0	0	0							
7/1/10 - 6/30/11	2,640	110								
7/1/11 - 6/30/12	0									

RATIOS - Standard Method

Accident Year	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
7/1/02 - 6/30/03									
7/1/03 - 6/30/04									
7/1/04 - 6/30/05									
7/1/05 - 6/30/06									
7/1/06 - 6/30/07									
7/1/07 - 6/30/08									
7/1/08 - 6/30/09	0.2353	1.0000	1.0000						
7/1/09 - 6/30/10									
7/1/10 - 6/30/11	0.0417								

AVERAGE RATIOS - Standard Method

Average Type	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
1 Year Average	0.0417		1.0000						
2 Year Average	0.0417	1.0000	1.0000						
3 Year Average	0.1385	1.0000	1.0000						
4 Year Average	0.1385	1.0000	1.0000						
5 Year Average	0.1385	1.0000	1.0000						
6 Year Average	0.1385	1.0000	1.0000						
7 Year Average	0.1385	1.0000	1.0000						
8 Year Average	0.1385	1.0000	1.0000						
9 Year Average	0.1385	1.0000	1.0000						
Middle 3 of 5	0.0417								
Middle 5 of 7	0.0417								
3 Year Volume Weighted	0.1368	1.0000	1.0000						
5 Year Volume Weighted	0.1368	1.0000	1.0000						
7 Year Volume Weighted	0.1368	1.0000	1.0000						
9 Year Volume Weighted	0.1368	1.0000	1.0000						

SELECTED AND CUSTOM RATIOS - Standard Method

Accident Year	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
Selected Custom	< 0.8211	< 1.0000	< 1.0000	< 1.0000	< 1.0000	< 1.0000	< 1.0000	< 1.0000	< 1.0000
Cumulative	0.8211	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Ratio to Ultimate	1.2179	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

Auto-Owners Insurance

Homeowners
Arkansas

Calculation of Loss Trends

Frequency

	Experience Period	Form 4 Total	
		CL	Proj
(1) Calculated Loss Trend		3.41%	2.00%
(2) Selected Loss Trend		3.41%	2.00%
(3) Trend Start Date	2008	1/1/2008	
	2009	1/1/2009	
	2010	1/1/2010	
	2011	1/1/2011	
	2012	1/1/2012	
(4) Trend End Date	2008	7/19/2014	
<i>12 months past renewal date of</i>	2009	7/19/2014	
<i>7/19/2013</i>	2010	7/19/2014	
	2011	7/19/2014	
	2012	7/19/2014	
(5) Years of Trend Extension CL	2008	4.000	
<i># of Years between (3) and the</i>	2009	3.000	
<i>midpoint of Loss Trends</i>	2010	2.000	
<i>1/1/2012</i>	2011	1.000	
	2012	0.000	
(6) Years of Trend Extension Proj	2008	2.549	
<i># of Years between (4) and the</i>	2009	2.549	
<i>midpoint of Loss Trends</i>	2010	2.549	
<i>1/1/2012</i>	2011	2.549	
	2012	2.549	
(7) Loss Trend Factor	2008	1.203	
$((1+(2)_{CL})^{(5)}) * ((1+(2)_{Proj})^{(6)})$	2009	1.163	
	2010	1.125	
	2011	1.088	
	2012	1.052	

Auto-Owners Insurance

Homeowners
Arkansas

Calculation of Loss Trends

Average Paid

	Experience Period	Form 4 Total	
		CL	Proj
(1) Calculated Loss Trend		3.79%	3.79%
(2) Selected Loss Trend		3.79%	3.79%
(3) Trend Start Date	2008	1/1/2008	
	2009	1/1/2009	
	2010	1/1/2010	
	2011	1/1/2011	
	2012	1/1/2012	
(4) Trend End Date	2008	7/19/2014	
<i>12 months past renewal date of</i>	2009	7/19/2014	
<i>7/19/2013</i>	2010	7/19/2014	
	2011	7/19/2014	
	2012	7/19/2014	
(5) Years of Trend Extension CL	2008	4.000	
<i># of Years between (3) and the</i>	2009	3.000	
<i>midpoint of Loss Trends</i>	2010	2.000	
<i>1/1/2012</i>	2011	1.000	
	2012	0.000	
(6) Years of Trend Extension Proj	2008	2.549	
<i># of Years between (4) and the</i>	2009	2.549	
<i>midpoint of Loss Trends</i>	2010	2.549	
<i>1/1/2012</i>	2011	2.549	
	2012	2.549	
(7) Loss Trend Factor	2008	1.276	
$((1+(2)_{CL})^{(5)}) * ((1+(2)_{Proj})^{(6)})$	2009	1.229	
	2010	1.185	
	2011	1.141	
	2012	1.100	

Arkansas
Loss Trends Exhibit
Auto-Owners Insurance Group
Homeowners - Form 4 Total

All Reviewable Coverages

Qtr/Yr	Statewide						Fast Track Data Ending 03/2012					
	Written Units	Paid Count	Paid Amount	Freq	Average Paid	Pure Premium	Written Units	Paid Count	Paid Amount	Freq	Average Paid	Pure Premium
09/2007	68	1	386	14.73	386.34	5.69						
12/2007	83	2	1,142	24.10	570.76	13.75	27,632	617	2,309,783	22.33	3,743.57	83.59
03/2008	89	3	1,417	33.63	472.17	15.88	28,385	644	2,593,150	22.69	4,026.63	91.36
06/2008	96	3	1,417	31.32	472.17	14.79	29,320	680	2,855,407	23.19	4,199.13	97.39
09/2008	112	4	2,658	35.81	664.51	23.80	30,385	720	2,992,624	23.70	4,156.42	98.49
12/2008	117	2	1,517	17.11	758.25	12.97	31,243	763	3,241,490	24.42	4,248.35	103.75
03/2009	129	1	1,242	7.78	1,241.50	9.65	32,054	791	3,258,333	24.68	4,119.26	101.65
06/2009	138	1	1,242	7.26	1,241.50	9.02	32,812	806	3,100,670	24.56	3,846.99	94.50
09/2009	145	0	0	0.00	0.00	0.00	33,474	832	3,439,653	24.86	4,134.20	102.76
12/2009	160	1	1,010	6.25	1,010.00	6.31	34,063	834	3,631,296	24.48	4,354.07	106.61
03/2010	179	2	3,343	11.16	1,671.67	18.66	34,694	845	3,869,053	24.36	4,578.76	111.52
06/2010	196	3	4,568	15.35	1,522.77	23.37	35,163	873	4,469,811	24.83	5,120.06	127.12
09/2010	233	4	4,568	17.15	1,142.08	19.59	35,533	894	4,427,114	25.16	4,952.03	124.59
12/2010	261	3	5,219	11.49	1,739.74	19.99	35,974	894	4,428,424	24.85	4,953.49	123.10
03/2011	290	3	4,386	10.36	1,462.08	15.15	36,392	899	4,395,343	24.70	4,889.15	120.78
06/2011	322	3	3,175	9.31	1,058.30	9.85	37,319	974	4,175,134	26.10	4,286.59	111.88
09/2011	346	2	3,175	5.77	1,587.46	9.17	38,715	1,018	4,298,947	26.29	4,222.93	111.04
12/2011	333	2	1,521	6.00	760.32	4.56	40,158	1,067	4,631,463	26.57	4,340.64	115.33
03/2012	334	1	20	3.00	20.30	0.06	41,822	1,101	4,908,311	26.33	4,458.05	117.36
06/2012	321	2	641	6.23	320.25	1.99						

Auto-Owners Insurance

Homeowners
Arkansas
Form 4 Total

Development of the Permissible Loss Ratio

(1)	<i>Commission and Brokerage Expense</i>	18.2%
(2)	<i>Other Acquisitions</i>	5.6%
(3)	<i>General Expenses</i>	1.6%
(4)	<i>Tax, License, and Fees</i>	3.9%
(5)	<i>Reinsurance Expense</i>	0.1%
(6)	<i>Total Expenses</i> <i>(1)+(2)+(3)+(4)+(5)</i>	29.4%
(7)	<i>Profit and Contingency</i>	10.6%
(8)	<i>Permissible Loss Ratio</i> <i>1 - ((6) + (7))</i>	60.0%

**Expense Exhibit - Homeowners
Auto-Owners Insurance Group
Arkansas**

All Reviewable Coverages - Form 4 Total

	12 MTD Ending 6 / 2008		12 MTD Ending 6 / 2009		12 MTD Ending 6 / 2010		12 MTD Ending 6 / 2011		12 MTD Ending 6 / 2012	
	Amount	Ratio								
<u>Loss Experience</u>										
Written Premium	30,506		38,320		54,973		89,893		89,199	
Earned Premium	22,131	100.0	34,430	100.0	46,495	100.0	71,965	100.0	90,810	100.0
Incurred Amount	1,072	4.8	3,477	10.1	4,400	9.5	4,271	5.9	568	0.6
Allocated LAE	1,198	5.4	1,157	3.4	-595	-1.3	3,712	5.2	-3,773	-4.2
Unallocated LAE	414	1.9	113	0.3	113	0.2	1,129	1.6	-788	-0.9
<u>Total Losses</u>	<u>2,683</u>	<u>12.1</u>	<u>4,746</u>	<u>13.8</u>	<u>3,917</u>	<u>8.4</u>	<u>9,112</u>	<u>12.7</u>	<u>-3,994</u>	<u>-4.5</u>
<u>Expenses Incurred</u>										
Commission and Brokerage *	5,090	16.7	6,396	16.7	8,926	16.2	16,774	18.7	15,889	17.8
Other Acquisitions (2)	823	3.7	1,308	3.8	2,099	4.5	2,845	4.0	3,578	3.9
General Expenses (2)	210	1.0	324	0.9	548	1.2	772	1.1	993	1.1
Tax, License, and Fees *	848	2.8	711	1.9	1,875	3.4	3,155	3.5	4,025	4.5
<u>Total Expenses</u>	<u>6,972</u>	<u>24.2</u>	<u>8,739</u>	<u>23.3</u>	<u>13,448</u>	<u>25.3</u>	<u>23,546</u>	<u>27.3</u>	<u>24,485</u>	<u>27.3</u>
Total Losses and Expenses	9,655	36.3	13,485	37.1	17,365	33.7	32,658	40.0	20,492	22.8
Gain from Underwriting	12,476	63.7	20,945	62.9	29,130	66.3	39,306	60.0	70,319	77.2

	3 Year Total		4 Year Total		5 Year Total	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
<u>Loss Experience</u>						
Written Premium	234,066		272,385		302,891	
Earned Premium	209,270	100.0	243,699	100.0	265,831	100.0
Incurred Amount	9,238	4.4	12,715	5.2	13,787	5.2
Allocated LAE	-656	-0.3	501	0.2	1,698	0.6
Unallocated LAE	453	0.2	566	0.2	980	0.4
<u>Total Losses</u>	<u>9,036</u>	<u>4.3</u>	<u>13,782</u>	<u>5.7</u>	<u>16,465</u>	<u>6.2</u>
<u>Expenses Incurred</u>						
Commission and Brokerage *	41,589	17.8	47,985	17.6	53,075	17.5
Other Acquisitions (2)	8,522	4.1	9,830	4.0	10,653	4.0
General Expenses (2)	2,313	1.1	2,637	1.1	2,848	1.1
Tax, License, and Fees *	9,055	3.9	9,766	3.6	10,614	3.5
<u>Reinsurance Expenses *</u>	<u>61,479</u>	<u>26.9</u>	<u>70,218</u>	<u>26.3</u>	<u>77,190</u>	<u>26.1</u>
Total Expenses	70,515	31.2	84,000	32.0	93,655	32.3
Total Losses and Expenses	138,755	68.8	159,699	68.0	172,176	67.7
Gain from Underwriting						

* - Ratios Calculated to Written Premium (1)Uses Companywide Info (2)Uses AO Group Info # - Uses Combined Coverage Info

+ - FIGA Excluded @ - Guaranty Fund Expenses Excluded Earthquake Excluded

Auto-Owners Insurance

Homeowners
Arkansas
Form 6 Total

Determination of Rate Level Indications for Accident Year Data

	<u>Jun-08</u>	<u>Jun-09</u>	<u>Jun-10</u>	<u>Jun-11</u>	<u>Jun-12</u>
(1) <i>Current Level Trended Premiums</i>	26,355	36,320	47,598	62,102	70,410
(2) <i>Trended Incurred Losses and ALAE</i>	1,360	66,584	23,641	5,189	53,728
(3) <i>Projected Loss Ratio</i> <i>(2)/(1)</i>	5.2%	183.3%	49.7%	8.4%	76.3%
(4) <i>Weights</i>	10.0%	15.0%	20.0%	25.0%	30.0%
(5) <i>Weighted Projected Loss Ratio</i>					62.9%
(6) <i>Net Projected Loss Ratio</i>					62.9%
(7) <i>Permissible Loss Ratio</i>					61.4%
(8) <i>Indicated Rate Level Change</i> <i>(6)/(7)</i>					2.5%

Past Rate Changes

<u>New Business</u>	<u>Renewal Business</u>	<u>Percent Change</u>
11/15/2007	12/21/2007	0.0 %
02/15/2010	03/23/2010	0.0 %
06/13/2011	07/19/2011	-0.1 %
06/13/2012	07/19/2012	0.1 %
12/17/2012	01/22/2013	0.1 %

Auto-Owners Insurance

Homeowners
Arkansas

Calculation of Premium Trend Factors

	Experience Period	Form 6 Total	
		Developed	Selected
(1) <i>Current Premium Trend Factor</i> <i>Latest Avg. Written Premium ÷</i> <i>Historic Avg. Earned Premium at</i> <i>current level</i>	2008	1.117	1.117
	2009	1.095	1.095
	2010	0.997	0.997
	2011	1.023	1.023
	2012	1.001	1.001
(2) <i>Calculated Proj Premium Trend</i>		0.72%	0.72%
(3) <i>Trend Start Date</i>	2008	7/1/2007	
	2009	7/1/2008	
	2010	7/1/2009	
	2011	7/1/2010	
	2012	7/1/2011	
(4) <i>Trend End Date</i> <i>6 months past renewal date of</i> <i>7/19/2013</i>	2008	1/17/2014	
	2009	1/17/2014	
	2010	1/17/2014	
	2011	1/17/2014	
	2012	1/17/2014	
(6) <i>Years of Trend Extension Proj</i> <i># of Years between the Premium</i> <i>Trends midpoint and (4)</i> <i>1/1/2012</i>	2008	2.044	
	2009	2.044	
	2010	2.044	
	2011	2.044	
	2012	2.044	
(7) <i>Premium Trend Factor</i> <i>(1)*[1+(2)]^(6)</i>	2008	1.134	
	2009	1.111	
	2010	1.012	
	2011	1.039	
	2012	1.016	

Auto-Owners Insurance

Homeowners
Arkansas

Calculation of Current Level Trended Premiums

Part	Year	Earned Premiums	Current Level Factor	Premium Trend Factor	Current Level Trended Premiums
		(1)	(2)	(3)	(4)
Form 6 Total	2008	\$23,231	1.0008	1.134	\$26,355
	2009	\$32,676	1.0007	1.111	\$36,320
	2010	\$46,992	1.0008	1.012	\$47,598
	2011	\$59,755	1.0007	1.039	\$62,102
	2012	\$69,233	1.0010	1.016	\$70,410

Notes

- (1) Actual Earned Premiums
- (2) Per Parallelogram Method
- (3) See Calculation of Premium Trend Factor
- (4) (1) * (2) * (3)

Auto-Owners Insurance

Homeowners

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Form 6 Total

Ultimate Losses

Form 6 Total

Experience Period	Losses Less Cats	Cat Losses Smoothed	Final Ultimate Loss	ULAE Acc Year	Final Ultimate Loss With Factor
2008	5	1,008	1,013	1.0220	1,035
2009	49,650	1,417	51,067	1.0220	52,190
2010	16,638	2,038	18,676	1.0220	19,087
2011	1,630	2,592	4,222	1.0220	4,315
2012	42,031	3,003	45,034	1.0220	46,025

Arkansas
Homeowners
Auto-Owners Insurance Group
Form 6 Total
Period Ending 6/2012
All Reviewable Coverages
Loss Development Exhibit

3/13/2013

LOSSES - Losses Less Cats : Incurred Amount

Accident Year	12	24	36	48	60	72	84	96	108	120
7/1/02 - 6/30/03										
7/1/03 - 6/30/04										
7/1/04 - 6/30/05										
7/1/05 - 6/30/06										
7/1/06 - 6/30/07	560	560	560	560	560	560				
7/1/07 - 6/30/08										
7/1/08 - 6/30/09	90,100	49,608	49,608	49,608						
7/1/09 - 6/30/10	16,628	16,628	16,628							
7/1/10 - 6/30/11	1,616	1,616								
7/1/11 - 6/30/12	39,193									

RATIOS - Standard Method

Accident Year	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
7/1/02 - 6/30/03									
7/1/03 - 6/30/04									
7/1/04 - 6/30/05									
7/1/05 - 6/30/06									
7/1/06 - 6/30/07	1.0000	1.0000	1.0000	1.0000	1.0000				
7/1/07 - 6/30/08									
7/1/08 - 6/30/09	0.5506	1.0000	1.0000						
7/1/09 - 6/30/10	1.0000	1.0000							
7/1/10 - 6/30/11	1.0000								

AVERAGE RATIOS - Standard Method

Average Type	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
1 Year Average	1.0000	1.0000	1.0000		1.0000				
2 Year Average	1.0000	1.0000	1.0000	1.0000	1.0000				
3 Year Average	0.8502	1.0000	1.0000	1.0000	1.0000				
4 Year Average	0.8502	1.0000	1.0000	1.0000	1.0000				
5 Year Average	0.8876	1.0000	1.0000	1.0000	1.0000	1.0000			
6 Year Average	0.8876	1.0000	1.0000	1.0000	1.0000	1.0000			
7 Year Average	0.8876	1.0000	1.0000	1.0000	1.0000	1.0000			
8 Year Average	0.8876	1.0000	1.0000	1.0000	1.0000	1.0000			
9 Year Average	0.8876	1.0000	1.0000	1.0000	1.0000	1.0000			
Middle 3 of 5	0.8502	1.0000	1.0000						
Middle 5 of 7	0.8502	1.0000	1.0000						
3 Year Volume Weighted	0.6263	1.0000	1.0000	1.0000	1.0000				
5 Year Volume Weighted	0.6282	1.0000	1.0000	1.0000	1.0000				
7 Year Volume Weighted	0.6282	1.0000	1.0000	1.0000	1.0000				
9 Year Volume Weighted	0.6282	1.0000	1.0000	1.0000	1.0000				

SELECTED AND CUSTOM RATIOS - Standard Method

Accident Year	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
Selected Custom	< 0.9921	< 0.9806	< 0.9925	< 0.9997	< 1.0015	< 0.9983	< 1.0000	< 1.0000	< 1.0000
Cumulative	0.9651	0.9728	0.9920	0.9995	0.9998	0.9983	1.0000	1.0000	1.0000
Ratio to Ultimate	1.0362	1.0280	1.0081	1.0005	1.0002	1.0017	1.0000	1.0000	1.0000

Arkansas
Homeowners
Auto-Owners Insurance Group
Form 6 Total
Period Ending 6/2012
All Reviewable Coverages
Loss Development Exhibit

3/13/2013

LOSSES - Losses Less Cats : Incurred Amount

Accident Year	12	24	36	48	60	72	84	96	108	120
7/1/02 - 6/30/03										
7/1/03 - 6/30/04										
7/1/04 - 6/30/05										
7/1/05 - 6/30/06										
7/1/06 - 6/30/07	560	560	560	560	560	560				
7/1/07 - 6/30/08										
7/1/08 - 6/30/09	90,100	49,608	49,608	49,608						
7/1/09 - 6/30/10	16,628	16,628	16,628							
7/1/10 - 6/30/11	1,616	1,616								
7/1/11 - 6/30/12	39,193									

RATIOS - Percent Premium Method

Accident Year	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
7/1/02 - 6/30/03									
7/1/03 - 6/30/04									
7/1/04 - 6/30/05									
7/1/05 - 6/30/06									
7/1/06 - 6/30/07	0.0000	0.0000	0.0000	0.0000	0.0000				
7/1/07 - 6/30/08									
7/1/08 - 6/30/09	-1.2392	0.0000	0.0000						
7/1/09 - 6/30/10	0.0000	0.0000							
7/1/10 - 6/30/11	0.0000								

AVERAGE RATIOS - Percent Premium Method

Average Type	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
1 Year Average	0.0000	0.0000	0.0000		0.0000				
2 Year Average	0.0000	0.0000	0.0000	0.0000	0.0000				
3 Year Average	-0.4131	0.0000	0.0000	0.0000	0.0000				
4 Year Average	-0.4131	0.0000	0.0000	0.0000	0.0000				
5 Year Average	-0.3098	0.0000	0.0000	0.0000	0.0000				
6 Year Average	-0.3098	0.0000	0.0000	0.0000	0.0000				
7 Year Average	-0.3098	0.0000	0.0000	0.0000	0.0000				
8 Year Average	-0.3098	0.0000	0.0000	0.0000	0.0000				
9 Year Average	-0.3098	0.0000	0.0000	0.0000	0.0000				
Middle 3 of 5	-0.4131	0.0000	0.0000						
Middle 5 of 7	-0.4131	0.0000	0.0000						
3 Year Volume Weighted	-1.0305	0.0000	0.0000	0.0000	0.0000				
5 Year Volume Weighted	-1.0252	0.0000	0.0000	0.0000	0.0000				
7 Year Volume Weighted	-1.0252	0.0000	0.0000	0.0000	0.0000				
9 Year Volume Weighted	-1.0252	0.0000	0.0000	0.0000	0.0000				

SELECTED AND CUSTOM RATIOS - Percent Premium Method

Accident Year	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th		
Selected Custom	< -0.0040	< -0.0110	< -0.0039	< -0.0002	< 0.0007	< -0.0010	< 0.0000	< 0.0000	< 0.0000	< 0.0000	< 0.0000
Cumulative	-0.0194	-0.0154	-0.0044	-0.0005	-0.0003	-0.0010	0.0000	0.0000	0.0000	0.0000	0.0000

Arkansas
Homeowners
Auto-Owners Insurance Group
Form 6 Total
Period Ending 6/2012
All Reviewable Coverages
Loss Development Exhibit

3/13/2013

LOSSES - Losses Less Cats : Paid Amount

Accident Year	12	24	36	48	60	72	84	96	108	120
7/1/02 - 6/30/03										
7/1/03 - 6/30/04										
7/1/04 - 6/30/05										
7/1/05 - 6/30/06										
7/1/06 - 6/30/07	560	560	560	560	560	560				
7/1/07 - 6/30/08										
7/1/08 - 6/30/09	62,499	49,608	49,608	49,608						
7/1/09 - 6/30/10	16,628	16,628	16,628							
7/1/10 - 6/30/11	1,616	1,616								
7/1/11 - 6/30/12	38,768									

RATIOS - Standard Method

Accident Year	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
7/1/02 - 6/30/03									
7/1/03 - 6/30/04									
7/1/04 - 6/30/05									
7/1/05 - 6/30/06									
7/1/06 - 6/30/07	1.0000	1.0000	1.0000	1.0000	1.0000				
7/1/07 - 6/30/08									
7/1/08 - 6/30/09	0.7937	1.0000	1.0000						
7/1/09 - 6/30/10	1.0000	1.0000							
7/1/10 - 6/30/11	1.0000								

AVERAGE RATIOS - Standard Method

Average Type	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
1 Year Average	1.0000	1.0000	1.0000		1.0000				
2 Year Average	1.0000	1.0000	1.0000	1.0000	1.0000				
3 Year Average	0.9312	1.0000	1.0000	1.0000	1.0000				
4 Year Average	0.9312	1.0000	1.0000	1.0000	1.0000				
5 Year Average	0.9484	1.0000	1.0000	1.0000	1.0000				
6 Year Average	0.9484	1.0000	1.0000	1.0000	1.0000				
7 Year Average	0.9484	1.0000	1.0000	1.0000	1.0000				
8 Year Average	0.9484	1.0000	1.0000	1.0000	1.0000				
9 Year Average	0.9484	1.0000	1.0000	1.0000	1.0000				
Middle 3 of 5	0.9312	1.0000	1.0000						
Middle 5 of 7	0.9312	1.0000	1.0000						
3 Year Volume Weighted	0.8403	1.0000	1.0000	1.0000	1.0000				
5 Year Volume Weighted	0.8414	1.0000	1.0000	1.0000	1.0000				
7 Year Volume Weighted	0.8414	1.0000	1.0000	1.0000	1.0000				
9 Year Volume Weighted	0.8414	1.0000	1.0000	1.0000	1.0000				

SELECTED AND CUSTOM RATIOS - Standard Method

Accident Year	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
Selected Custom	< 1.2713	< 1.0178	< 1.0056	< 1.0025	< 1.0010	< 1.0007	< 1.0000	< 1.0000	< 1.0000
Cumulative	1.3066	1.0278	1.0098	1.0042	1.0017	1.0007	1.0000	1.0000	1.0000
Ratio to Ultimate	0.7653	0.9729	0.9903	0.9958	0.9983	0.9993	1.0000	1.0000	1.0000

Arkansas
Homeowners
Auto-Owners Insurance Group
Form 6 Total
Period Ending 6/2012
All Reviewable Coverages
Loss Development Exhibit

3/13/2013

LOSSES - Losses Less Cats : Paid Amount

Accident Year	12	24	36	48	60	72	84	96	108	120
7/1/02 - 6/30/03										
7/1/03 - 6/30/04										
7/1/04 - 6/30/05										
7/1/05 - 6/30/06										
7/1/06 - 6/30/07	560	560	560	560	560	560				
7/1/07 - 6/30/08										
7/1/08 - 6/30/09	62,499	49,608	49,608	49,608						
7/1/09 - 6/30/10	16,628	16,628	16,628							
7/1/10 - 6/30/11	1,616	1,616								
7/1/11 - 6/30/12	38,768									

RATIOS - Percent Premium Method

Accident Year	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
7/1/02 - 6/30/03									
7/1/03 - 6/30/04									
7/1/04 - 6/30/05									
7/1/05 - 6/30/06									
7/1/06 - 6/30/07	0.0000	0.0000	0.0000	0.0000	0.0000				
7/1/07 - 6/30/08									
7/1/08 - 6/30/09	-0.3945	0.0000	0.0000						
7/1/09 - 6/30/10	0.0000	0.0000							
7/1/10 - 6/30/11	0.0000								

AVERAGE RATIOS - Percent Premium Method

Average Type	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
1 Year Average	0.0000	0.0000	0.0000		0.0000				
2 Year Average	0.0000	0.0000	0.0000	0.0000	0.0000				
3 Year Average	-0.1315	0.0000	0.0000	0.0000	0.0000				
4 Year Average	-0.1315	0.0000	0.0000	0.0000	0.0000				
5 Year Average	-0.0986	0.0000	0.0000	0.0000	0.0000	0.0000			
6 Year Average	-0.0986	0.0000	0.0000	0.0000	0.0000	0.0000			
7 Year Average	-0.0986	0.0000	0.0000	0.0000	0.0000	0.0000			
8 Year Average	-0.0986	0.0000	0.0000	0.0000	0.0000	0.0000			
9 Year Average	-0.0986	0.0000	0.0000	0.0000	0.0000	0.0000			
Middle 3 of 5	-0.1315	0.0000	0.0000						
Middle 5 of 7	-0.1315	0.0000	0.0000						
3 Year Volume Weighted	-0.3054	0.0000	0.0000	0.0000	0.0000				
5 Year Volume Weighted	-0.3033	0.0000	0.0000	0.0000	0.0000	0.0000			
7 Year Volume Weighted	-0.3033	0.0000	0.0000	0.0000	0.0000	0.0000			
9 Year Volume Weighted	-0.3033	0.0000	0.0000	0.0000	0.0000	0.0000			

SELECTED AND CUSTOM RATIOS - Percent Premium Method

Accident Year	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
Selected Custom	< 0.1150	< 0.0118	< 0.0025	< 0.0010	< 0.0007	< 0.0008	< 0.0000	< 0.0000	< 0.0000
Cumulative	0.1318	0.0168	0.0050	0.0025	0.0015	0.0008	0.0000	0.0000	0.0000

Arkansas
Homeowners
Auto-Owners Insurance Group
Form 6 Total
Period Ending 6/2012
All Reviewable Coverages
Loss Development Exhibit

3/13/2013

LOSSES - Cat Losses : Incurred Amount

Accident Year	12	24	36	48	60	72	84	96	108	120
7/1/02 - 6/30/03										
7/1/03 - 6/30/04										
7/1/04 - 6/30/05										
7/1/05 - 6/30/06										
7/1/06 - 6/30/07	0	0	0	0	0	0				
7/1/07 - 6/30/08										
7/1/08 - 6/30/09	0	0	0	0						
7/1/09 - 6/30/10	0	0	0							
7/1/10 - 6/30/11	3,429	10,612								
7/1/11 - 6/30/12	0									

RATIOS - Standard Method

Accident Year	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
7/1/02 - 6/30/03									
7/1/03 - 6/30/04									
7/1/04 - 6/30/05									
7/1/05 - 6/30/06									
7/1/06 - 6/30/07									
7/1/07 - 6/30/08									
7/1/08 - 6/30/09									
7/1/09 - 6/30/10									
7/1/10 - 6/30/11	3.0948								

AVERAGE RATIOS - Standard Method

Average Type	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
1 Year Average	3.0948								
2 Year Average	3.0948								
3 Year Average	3.0948								
4 Year Average	3.0948								
5 Year Average	3.0948								
6 Year Average	3.0948								
7 Year Average	3.0948								
8 Year Average	3.0948								
9 Year Average	3.0948								
Middle 3 of 5									
Middle 5 of 7									
3 Year Volume Weighted	3.0948								
5 Year Volume Weighted	3.0948								
7 Year Volume Weighted	3.0948								
9 Year Volume Weighted	3.0948								

SELECTED AND CUSTOM RATIOS - Standard Method

Accident Year	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
Selected Custom	< 0.8869	< 0.9951	< 1.0009	< 1.0000	< 1.0000	< 1.0000	< 1.0000	< 1.0000	< 1.0000
Cumulative	0.8833	0.9960	1.0009	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Ratio to Ultimate	1.1321	1.0040	0.9991	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

Auto-Owners Insurance

Homeowners
Arkansas

Calculation of Loss Trends

Frequency

	Experience Period	Form 6 Total	
		CL	Proj
(1) <i>Calculated Loss Trend</i>		-5.00%	-2.00%
(2) <i>Selected Loss Trend</i>		-5.00%	-2.00%
(3) <i>Trend Start Date</i>	2008	1/1/2008	
	2009	1/1/2009	
	2010	1/1/2010	
	2011	1/1/2011	
	2012	1/1/2012	
(4) <i>Trend End Date</i>	2008	7/19/2014	
<i>12 months past renewal date of</i>	2009	7/19/2014	
<i>7/19/2013</i>	2010	7/19/2014	
	2011	7/19/2014	
	2012	7/19/2014	
(5) <i>Years of Trend Extension CL</i>	2008	4.000	
<i># of Years between (3) and the</i>	2009	3.000	
<i>midpoint of Loss Trends</i>	2010	2.000	
<i>1/1/2012</i>	2011	1.000	
	2012	0.000	
(6) <i>Years of Trend Extension Proj</i>	2008	2.549	
<i># of Years between (4) and the</i>	2009	2.549	
<i>midpoint of Loss Trends</i>	2010	2.549	
<i>1/1/2012</i>	2011	2.549	
	2012	2.549	
(7) <i>Loss Trend Factor</i>	2008	0.774	
$((1+(2)_{CL})^{(5)}) * ((1+(2)_{Proj})^{(6)})$	2009	0.814	
	2010	0.857	
	2011	0.902	
	2012	0.950	

Auto-Owners Insurance

Homeowners
Arkansas

Calculation of Loss Trends

Average Paid

	Experience Period	Form 6 Total	
		CL	Proj
(1) <i>Calculated Loss Trend</i>		8.43%	8.43%
(2) <i>Selected Loss Trend</i>		8.43%	8.43%
(3) <i>Trend Start Date</i>	2008	1/1/2008	
	2009	1/1/2009	
	2010	1/1/2010	
	2011	1/1/2011	
	2012	1/1/2012	
(4) <i>Trend End Date</i>	2008	7/19/2014	
<i>12 months past renewal date of</i>	2009	7/19/2014	
<i>7/19/2013</i>	2010	7/19/2014	
	2011	7/19/2014	
	2012	7/19/2014	
(5) <i>Years of Trend Extension CL</i>	2008	4.000	
<i># of Years between (3) and the</i>	2009	3.000	
<i>midpoint of Loss Trends</i>	2010	2.000	
<i>1/1/2012</i>	2011	1.000	
	2012	0.000	
(6) <i>Years of Trend Extension Proj</i>	2008	2.549	
<i># of Years between (4) and the</i>	2009	2.549	
<i>midpoint of Loss Trends</i>	2010	2.549	
<i>1/1/2012</i>	2011	2.549	
	2012	2.549	
(7) <i>Loss Trend Factor</i>	2008	1.699	
$((1+(2)_{CL})^{(5)}) * ((1+(2)_{Proj})^{(6)})$	2009	1.567	
	2010	1.445	
	2011	1.333	
	2012	1.229	

Arkansas
Loss Trends Exhibit
Auto-Owners Insurance Group
Homeowners - Form 6 Total

LOSS TRENDS
REPORT

Actuarial
03/13/2013

All Reviewable Coverages

Qtr/Yr	Statewide						Fast Track Data Ending 03/2012					
	Written Units	Paid Count	Paid Amount	Freq	Average Paid	Pure Premium	Written Units	Paid Count	Paid Amount	Freq	Average Paid	Pure Premium
09/2007	48	1	560	21.01	559.75	11.76						
12/2007	48	1	560	20.70	559.75	11.59	4,446	183	610,266	41.16	3,334.79	137.26
03/2008	54	1	560	18.66	559.75	10.44	4,517	186	611,435	41.18	3,287.28	135.36
06/2008	63	0	0	0.00	0.00	0.00	4,587	187	683,834	40.77	3,656.87	149.08
09/2008	64	0	0	0.00	0.00	0.00	4,653	187	691,522	40.19	3,697.98	148.62
12/2008	69	0	35,964	0.00	0.00	520.47	4,695	179	798,124	38.13	4,458.79	169.99
03/2009	77	3	54,006	38.91	18,002.08	700.47	4,730	187	913,119	39.53	4,882.99	193.05
06/2009	80	4	62,499	50.31	15,624.75	786.15	4,759	194	915,421	40.76	4,718.66	192.36
09/2009	88	4	66,958	45.51	16,739.47	761.75	4,777	192	878,531	40.19	4,575.68	183.91
12/2009	94	8	44,631	85.29	5,578.82	475.81	4,787	194	860,045	40.53	4,433.22	179.66
03/2010	94	6	11,753	64.10	1,958.86	125.57	4,804	232	1,050,741	48.29	4,529.06	218.72
06/2010	96	6	3,737	62.37	622.83	38.85	4,801	244	1,131,494	50.82	4,637.27	235.68
09/2010	110	6	-722	54.74	-120.31	-6.59	4,773	212	1,071,263	44.42	5,053.13	224.44
12/2010	117	3	-12,743	25.55	-4,247.72	-108.54	4,741	188	952,427	39.65	5,066.10	200.89
03/2011	130	2	2,092	15.43	1,046.11	16.14	4,690	147	643,505	31.34	4,377.59	137.21
06/2011	137	1	1,616	7.30	1,615.65	11.79	4,670	124	561,993	26.55	4,532.20	120.34
09/2011	139	1	1,616	7.20	1,615.65	11.64	4,689	148	684,898	31.56	4,627.69	146.06
12/2011	135	3	27,459	22.19	9,153.12	203.10	4,701	168	818,472	35.74	4,871.86	174.11
03/2012	138	6	33,695	43.64	5,615.77	245.05	4,737	163	865,277	34.41	5,308.45	182.66
06/2012	130	6	38,768	46.08	6,461.32	297.76						

Auto-Owners Insurance

Homeowners
Arkansas
Form 6 Total

Development of the Permissible Loss Ratio

(1)	<i>Commission and Brokerage Expense</i>	17.9%
(2)	<i>Other Acquisitions</i>	5.6%
(3)	<i>General Expenses</i>	1.6%
(4)	<i>Tax, License, and Fees</i>	2.7%
(5)	<i>Reinsurance Expense</i>	0.1%
(6)	<i>Total Expenses</i> <i>(1)+(2)+(3)+(4)+(5)</i>	27.9%
(7)	<i>Profit and Contingency</i>	10.6%
(8)	<i>Permissible Loss Ratio</i> <i>1 - ((6) + (7))</i>	61.5%

**Expense Exhibit - Homeowners
Auto-Owners Insurance Group
Arkansas**

All Reviewable Coverages - Form 6 Total

	12 MTD Ending 6 / 2008		12 MTD Ending 6 / 2009		12 MTD Ending 6 / 2010		12 MTD Ending 6 / 2011		12 MTD Ending 6 / 2012	
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
<u>Loss Experience</u>										
Written Premium	28,531		39,360		49,191		68,964		66,863	
Earned Premium	23,231	100.0	32,676	100.0	46,992	100.0	59,755	100.0	69,233	100.0
Incurred Amount	-50	-0.2	85,777	262.5	-22,900	-48.7	4,557	7.6	44,528	64.3
Allocated LAE	729	3.1	3,447	10.5	548	1.2	2,545	4.3	-1,168	-1.7
Unallocated LAE	269	1.2	3,940	12.1	315	0.7	665	1.1	2,515	3.6
<u>Total Losses</u>	<u>948</u>	<u>4.1</u>	<u>93,165</u>	<u>285.1</u>	<u>-22,038</u>	<u>-46.8</u>	<u>7,767</u>	<u>13.0</u>	<u>45,876</u>	<u>66.2</u>
<u>Expenses Incurred</u>										
Commission and Brokerage *	4,999	17.5	6,569	16.7	7,987	16.2	12,717	18.4	11,598	17.3
Other Acquisitions (2)	864	3.7	1,241	3.8	2,121	4.5	2,362	4.0	2,728	3.9
General Expenses (2)	221	1.0	307	0.9	554	1.2	641	1.1	757	1.1
Tax, License, and Fees *	1,110	3.9	1,150	2.9	1,212	2.5	1,835	2.7	1,961	2.9
<u>Total Expenses</u>	<u>7,194</u>	<u>26.1</u>	<u>9,267</u>	<u>24.3</u>	<u>11,875</u>	<u>24.4</u>	<u>17,556</u>	<u>26.2</u>	<u>17,045</u>	<u>25.2</u>
Total Losses and Expenses	8,142	30.2	102,432	309.4	-10,163	-22.4	25,323	39.2	62,920	91.4
Gain from Underwriting	15,089	69.8	-69,756	-209.4	57,155	122.4	34,433	60.8	6,313	8.6

<u>Loss Experience</u>	3 Year Total		4 Year Total		5 Year Total	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
Written Premium	185,018		224,378		252,909	
Earned Premium	175,980	100.0	208,656	100.0	231,886	100.0
Incurred Amount	26,185	14.9	111,962	53.7	111,912	48.3
Allocated LAE	1,924	1.1	5,372	2.6	6,101	2.6
Unallocated LAE	3,495	2.0	7,435	3.6	7,704	3.3
<u>Total Losses</u>	<u>31,605</u>	<u>18.0</u>	<u>124,769</u>	<u>59.8</u>	<u>125,717</u>	<u>54.2</u>

<u>Expenses Incurred</u>						
Commission and Brokerage *	32,303	17.5	38,872	17.3	43,871	17.3
Other Acquisitions (2)	7,211	4.1	8,453	4.0	9,317	4.0
General Expenses (2)	1,952	1.1	2,260	1.1	2,480	1.1
Tax, License, and Fees *	5,008	2.7	6,158	2.7	7,268	2.9
<u>Reinsurance Expenses *</u>	<u>46,475</u>	<u>25.4</u>	<u>55,742</u>	<u>25.1</u>	<u>62,936</u>	<u>25.3</u>
Total Expenses	78,080	43.4	180,512	84.9	188,653	79.5
Gain from Underwriting	97,900	56.6	28,144	15.1	43,233	20.5

* - Ratios Calculated to Written Premium (1)Uses Companywide Info (2)Uses AO Group Info # - Uses Combined Coverage Info

+ - FIGA Excluded @ - Guaranty Fund Expenses Excluded Earthquake Excluded

ARKANSAS HOMEOWNERS
 AMOUNT OF INSURANCE RELATIVITIES
 FORM 3

Coverage A Amount				
	Present	Indicated	Proposed	% Chg
10,000	0.620	0.753	0.680	9.7%
20,000	0.620	0.782	0.680	9.7%
30,000	0.633	0.813	0.680	7.4%
32,000	0.636	0.819	0.680	6.9%
34,000	0.639	0.825	0.680	6.4%
36,000	0.641	0.832	0.680	6.1%
38,000	0.644	0.838	0.680	5.6%
40,000	0.647	0.844	0.680	5.1%
42,000	0.649	0.851	0.680	4.8%
44,000	0.652	0.857	0.680	4.3%
46,000	0.655	0.864	0.680	3.8%
48,000	0.657	0.869	0.680	3.5%
50,000	0.660	0.876	0.680	3.0%
52,000	0.672	0.883	0.692	3.0%
54,000	0.685	0.888	0.705	2.9%
56,000	0.697	0.895	0.717	2.9%
58,000	0.710	0.901	0.730	2.8%
60,000	0.722	0.908	0.742	2.8%
62,000	0.734	0.914	0.754	2.7%
64,000	0.747	0.920	0.767	2.7%
66,000	0.759	0.930	0.779	2.6%
68,000	0.772	0.941	0.792	2.6%
70,000	0.784	0.953	0.804	2.6%
72,000	0.796	0.965	0.816	2.5%
74,000	0.809	0.976	0.829	2.5%
76,000	0.822	0.989	0.842	2.4%
78,000	0.837	1.003	0.857	2.4%
80,000	0.852	1.016	0.872	2.3%
82,000	0.866	1.030	0.886	2.3%
84,000	0.881	1.043	0.901	2.3%
86,000	0.896	1.054	0.916	2.2%
88,000	0.911	1.063	0.931	2.2%
90,000	0.926	1.072	0.946	2.2%
92,000	0.940	1.081	0.960	2.1%
94,000	0.955	1.090	0.975	2.1%
96,000	0.970	1.101	0.990	2.1%
98,000	0.985	1.112	1.005	2.0%
100,000	1.000	1.122	1.020	2.0%
102,000	1.019	1.134	1.039	2.0%
104,000	1.038	1.145	1.059	2.0%
106,000	1.056	1.158	1.077	2.0%
108,000	1.075	1.170	1.097	2.0%
110,000	1.094	1.184	1.116	2.0%
112,000	1.113	1.197	1.135	2.0%
114,000	1.132	1.209	1.155	2.0%
116,000	1.150	1.223	1.173	2.0%
118,000	1.169	1.236	1.192	2.0%
120,000	1.188	1.250	1.212	2.0%
122,000	1.207	1.263	1.231	2.0%
124,000	1.226	1.276	1.251	2.0%
126,000	1.244	1.290	1.269	2.0%
128,000	1.263	1.304	1.288	2.0%
130,000	1.282	1.317	1.308	2.0%
132,000	1.301	1.332	1.327	2.0%
134,000	1.320	1.345	1.345	1.9%
136,000	1.338	1.359	1.359	1.6%
138,000	1.357	1.374	1.374	1.2%
140,000	1.376	1.389	1.389	0.9%
142,000	1.395	1.403	1.403	0.6%
144,000	1.414	1.418	1.418	0.3%

Coverage A Amount				
	Present	Indicated	Proposed	% Chg
146,000	1.432	1.432		
148,000	1.451	1.447	1.447	-0.3%
150,000	1.470	1.462	1.462	-0.6%
152,000	1.487	1.477	1.477	-0.7%
154,000	1.504	1.492	1.492	-0.8%
156,000	1.522	1.507	1.507	-1.0%
158,000	1.539	1.522	1.522	-1.1%
160,000	1.556	1.536	1.536	-1.3%
162,000	1.573	1.551	1.551	-1.4%
164,000	1.590	1.567	1.567	-1.5%
166,000	1.608	1.582	1.582	-1.6%
168,000	1.625	1.597	1.597	-1.7%
170,000	1.642	1.613	1.613	-1.8%
172,000	1.659	1.628	1.628	-1.9%
174,000	1.676	1.643	1.643	-2.0%
176,000	1.694	1.659	1.660	-2.0%
178,000	1.711	1.677	1.677	-2.0%
180,000	1.728	1.695	1.695	-1.9%
182,000	1.745	1.712	1.712	-1.9%
184,000	1.762	1.729	1.729	-1.9%
186,000	1.780	1.745	1.745	-1.9%
188,000	1.797	1.760	1.761	-2.0%
190,000	1.814	1.774	1.778	-2.0%
192,000	1.831	1.789	1.794	-2.0%
194,000	1.848	1.804	1.811	-2.0%
196,000	1.866	1.822	1.829	-2.0%
198,000	1.883	1.844	1.845	-2.0%
200,000	1.900	1.866	1.866	-1.8%
210,000	1.991	1.982	1.982	-0.4%
220,000	2.082	2.061	2.061	-1.0%
230,000	2.173	2.123	2.130	-2.0%
240,000	2.287	2.193	2.241	-2.0%
250,000	2.379	2.293	2.331	-2.0%
260,000	2.470	2.470	2.470	0.0%
270,000	2.562	2.575	2.575	0.5%
280,000	2.654	2.665	2.665	0.4%
290,000	2.746	2.780	2.780	1.2%
300,000	2.838	2.862	2.862	0.8%

ARKANSAS HOMEOWNERS
CLAIM FREE DISCOUNT, EXPERIENCE DISCOUNT,
AND PAID LOSS SURCHARGE

Claim Free/Experience Discount	Present	Indicated	Proposed	% Chg
0 Claims	0.95	0.85	0.90	-5.3%
1 Claim	1.00	0.95	0.97	-3.0%

Paid Loss Surcharge			Present	Indicated	Proposed	% Chg
Continuously insured for 3+ years with Auto-Owners Group and sum of all paid claims exceeds \$2500	Multi-Policy and 65 or over	2	1.30	1.65	1.50	15.4%
		3	1.50	1.97	1.90	26.7%
		4 or more	1.75	2.31	2.25	28.6%
	If Not Both	2	1.40	1.65	1.60	14.3%
		3	1.75	2.00	2.00	14.3%
		4 or more	2.10	2.31	2.30	9.5%
Continuously insured for less than 3 years with Auto-Owners Group and sum of all paid claims exceeds \$1000	Multi-Policy and 65 or over	2	1.40	1.65	1.60	14.3%
		3	1.75	2.00	2.00	14.3%
		4 or more	2.10	2.31	2.30	9.5%
	If Not Both	2	1.50	1.65	1.65	10.0%

ARKANSAS HOMEOWNERS
AGE OF INSURED DISCOUNT

Policyholder Age	All Companies Combined				
	Present	Indicated	Proposed	Rebased	% Chg
18	1.000	1.055	1.020	1.000	2.0%
19	1.000	1.055	1.020	1.000	2.0%
20	1.000	1.055	1.020	1.000	2.0%
21	1.000	1.055	1.020	1.000	2.0%
22	1.000	1.055	1.020	1.000	2.0%
23	1.000	1.055	1.020	1.000	2.0%
24	1.000	1.055	1.020	1.000	2.0%
25	1.000	1.055	1.020	1.000	2.0%
26	1.000	1.047	1.020	1.000	2.0%
27	1.000	1.043	1.020	1.000	2.0%
28	1.000	1.038	1.020	1.000	2.0%
29	1.000	1.032	1.020	1.000	2.0%
30	1.000	1.027	1.020	1.000	2.0%
31	1.000	1.021	1.020	1.000	2.0%
32	1.000	1.014	1.014	0.994	1.4%
33	1.000	1.007	1.007	0.987	0.7%
34	1.000	1.000	1.000	0.980	0.0%
35	0.992	0.993	0.993	0.974	0.1%
36	0.983	0.985	0.985	0.966	0.2%
37	0.974	0.977	0.977	0.958	0.3%
38	0.971	0.969	0.969	0.950	-0.2%
39	0.971	0.960	0.960	0.941	-1.1%
40	0.946	0.952	0.952	0.933	0.6%
41	0.936	0.943	0.943	0.925	0.7%
42	0.931	0.934	0.934	0.916	0.3%
43	0.931	0.925	0.925	0.907	-0.6%
44	0.931	0.916	0.916	0.898	-1.6%
45	0.931	0.907	0.912	0.894	-2.0%
46	0.931	0.898	0.912	0.894	-2.0%
47	0.931	0.889	0.912	0.894	-2.0%
48	0.931	0.880	0.912	0.894	-2.0%
49	0.931	0.871	0.912	0.894	-2.0%
50	0.892	0.862	0.874	0.857	-2.0%
51	0.892	0.853	0.874	0.857	-2.0%
52	0.892	0.844	0.874	0.857	-2.0%
53	0.892	0.835	0.874	0.857	-2.0%
54	0.892	0.827	0.874	0.857	-2.0%
55	0.794	0.818	0.810	0.794	2.0%
56	0.794	0.810	0.810	0.794	2.0%
57	0.792	0.801	0.801	0.785	1.1%
58	0.785	0.793	0.793	0.777	1.0%
59	0.778	0.785	0.785	0.770	0.9%
60	0.775	0.778	0.778	0.763	0.4%
61	0.775	0.770	0.770	0.755	-0.6%
62	0.775	0.763	0.763	0.748	-1.5%
63	0.775	0.755	0.760	0.745	-1.9%
64	0.775	0.748	0.760	0.745	-1.9%
65	0.742	0.742	0.742	0.727	0.0%
66	0.737	0.735	0.735	0.721	-0.3%
67	0.733	0.729	0.729	0.715	-0.5%
68	0.729	0.723	0.723	0.709	-0.8%
69	0.725	0.717	0.717	0.703	-1.1%
70	0.696	0.712	0.710	0.696	2.0%
71	0.696	0.707	0.707	0.693	1.6%
72	0.696	0.702	0.702	0.688	0.9%
73	0.696	0.674	0.682	0.669	-2.0%
74	0.696	0.674	0.682	0.669	-2.0%
75+	0.696	0.674	0.682	0.669	-2.0%

ARKANSAS HOMEOWNERS
PREMIUM ADJUSTMENTS

Premium Adjustments	All Companies Combined			
	Present	Indicated	Proposed	% Chg
Alarm System				
None	1.000	1.000		
Central Station Premises	0.880	1.000	0.900	2.3%
Local	0.930	1.000	0.950	2.2%
Cov A Less Than Replacement Cost				
No	1.000			
Yes	1.100	1.173	1.120	1.8%
Multi-Policy				
Auto				
No	1.000	1.000		
Yes (Age 18-35)	0.860	0.811	0.850	-1.2%
Yes (Age 36-40)	0.860	0.864	0.864	0.5%
Yes (Age 41-65)	0.860	0.893	0.870	1.2%
Yes (Age 66-70)	0.860	0.905	0.870	1.2%
Age (Age 71+)	0.860	0.938	0.870	1.2%
Protected Subdivision				
No	1.000	1.000		
Yes	0.920	0.977	0.940	2.2%

ARKANSAS HOMEOWNERS
AGE OF CONSTRUCTION

Construction Age	Present	Indicated	Proposed	% Chg
Less than Year	0.79	0.78	0.78	-1.3%
5	0.84	0.88	0.85	1.2%
6	0.85	0.90	0.87	2.4%
7	0.86	0.92	0.88	2.3%
8	0.87	0.94	0.89	2.3%
9	0.89	0.96	0.91	2.2%
10	0.91	0.98	0.93	2.2%
11	0.93	1.00	0.95	2.2%
12	0.94	1.00	0.96	2.1%
13	0.95	1.00	0.97	2.1%
14	0.96	1.00	0.98	2.1%
15	0.97	1.00	0.99	2.1%
16	0.98	1.00	1.00	2.0%
17	0.99	1.00	1.00	1.0%

ARKANSAS HOMEOWNERS
YEAR OF CONSTRUCTION

Construction Year	Present	Indicated	Proposed	% Chg
1990-1994	1.000	1.039	1.020	2.0%
1989	1.020	1.039	1.039	1.9%
1984-1988	1.020	1.000	1.000	-2.0%
1971-1983	1.020	1.053	1.040	2.0%
1970	1.020	1.000	1.000	-2.0%
1952-1969	1.010	1.000	1.000	-1.0%
1950-1951	1.010	1.049	1.030	2.0%
1941-1949	1.000	1.049	1.020	2.0%

ARKANSAS HOMEOWNERS
MORTGAGE FREE DISCOUNT
FORM 3

Present

Coverage A Limit/Policyholder Age	Mortgage Free (Yes)				
	18-50	51-70	71-85	86+	Unknown
>= 0, < 60,000	0.930	0.930	0.930	0.930	0.930
>= 60,000, < 70,000	0.932	0.931	0.930	0.930	0.930
>= 70,000, < 80,000	0.934	0.933	0.930	0.930	0.930
>= 80,000, < 90,000	0.936	0.934	0.930	0.930	0.930
>= 90,000, < 100,000	0.938	0.935	0.930	0.930	0.930
>= 100,000, < 110,000	0.941	0.936	0.930	0.930	0.930
>= 110,000, < 120,000	0.943	0.937	0.930	0.930	0.930
>= 120,000, < 130,000	0.944	0.938	0.930	0.930	0.930
>= 130,000, < 140,000	0.946	0.940	0.930	0.930	0.930
>= 140,000, < 150,000	0.948	0.941	0.930	0.930	0.930
>= 150,000, < 160,000	0.950	0.942	0.930	0.930	0.930
>= 160,000, < 170,000	0.952	0.943	0.930	0.930	0.930
>= 170,000, < 180,000	0.955	0.945	0.930	0.930	0.930
>= 180,000, < 190,000	0.957	0.946	0.930	0.930	0.930
>= 190,000, < 200,000	0.959	0.947	0.930	0.930	0.930
>= 200,000, < 210,000	0.961	0.948	0.930	0.930	0.930
>= 210,000, < 225,000	0.963	0.950	0.930	0.930	0.930
>= 225,000	0.965	0.951	0.930	0.930	0.930

Indicated

Coverage A Limit/Policyholder Age	Mortgage Free (Yes)				
	18-50	51-70	71-85	86+	Unknown
>= 0, < 60,000	0.850	0.850	0.850	0.850	0.850
>= 60,000, < 70,000	0.850	0.850	0.850	0.850	0.850
>= 70,000, < 80,000	0.850	0.850	0.850	0.850	0.850
>= 80,000, < 90,000	0.850	0.850	0.850	0.850	0.850
>= 90,000, < 100,000	0.850	0.850	0.850	0.850	0.850
>= 100,000, < 110,000	0.850	0.850	0.850	0.850	0.850
>= 110,000, < 120,000	0.850	0.850	0.850	0.850	0.850
>= 120,000, < 130,000	0.854	0.850	0.850	0.850	0.850
>= 130,000, < 140,000	0.865	0.850	0.850	0.850	0.850
>= 140,000, < 150,000	0.877	0.850	0.850	0.850	0.850
>= 150,000, < 160,000	0.888	0.850	0.850	0.850	0.850
>= 160,000, < 170,000	0.899	0.850	0.850	0.850	0.850
>= 170,000, < 180,000	0.910	0.850	0.850	0.850	0.850
>= 180,000, < 190,000	0.921	0.850	0.850	0.850	0.850
>= 190,000, < 200,000	0.931	0.859	0.850	0.850	0.850
>= 200,000, < 210,000	0.941	0.868	0.850	0.850	0.850
>= 210,000, < 225,000	0.953	0.878	0.859	0.859	0.850
>= 225,000	0.953	0.878	0.859	0.859	0.850

Proposed

Coverage A Limit/Policyholder Age	Mortgage Free (Yes)				
	18-50	51-70	71-85	86+	Unknown
>= 0, < 60,000	0.911	0.911	0.911	0.911	0.911
>= 60,000, < 70,000	0.913	0.912	0.911	0.911	0.911
>= 70,000, < 80,000	0.915	0.914	0.911	0.911	0.911
>= 80,000, < 90,000	0.917	0.915	0.911	0.911	0.911
>= 90,000, < 100,000	0.919	0.916	0.911	0.911	0.911
>= 100,000, < 110,000	0.922	0.917	0.911	0.911	0.911
>= 110,000, < 120,000	0.924	0.918	0.911	0.911	0.911
>= 120,000, < 130,000	0.925	0.919	0.911	0.911	0.911
>= 130,000, < 140,000	0.927	0.921	0.911	0.911	0.911
>= 140,000, < 150,000	0.929	0.922	0.911	0.911	0.911
>= 150,000, < 160,000	0.931	0.923	0.911	0.911	0.911
>= 160,000, < 170,000	0.933	0.924	0.911	0.911	0.911
>= 170,000, < 180,000	0.936	0.926	0.911	0.911	0.911
>= 180,000, < 190,000	0.938	0.927	0.911	0.911	0.911
>= 190,000, < 200,000	0.940	0.928	0.911	0.911	0.911
>= 200,000, < 210,000	0.942	0.929	0.911	0.911	0.911
>= 210,000, < 225,000	0.953	0.931	0.911	0.911	0.911
>= 225,000	0.953	0.932	0.911	0.911	0.911

Percent Change

Coverage A Limit/Policyholder Age	Mortgage Free (Yes)				
	18-50	51-70	71-85	86+	Unknown
>= 0, < 60,000	-2.0%	-2.0%	-2.0%	-2.0%	-2.0%
>= 60,000, < 70,000	-2.0%	-2.0%	-2.0%	-2.0%	-2.0%
>= 70,000, < 80,000	-2.0%	-2.0%	-2.0%	-2.0%	-2.0%
>= 80,000, < 90,000	-2.0%	-2.0%	-2.0%	-2.0%	-2.0%
>= 90,000, < 100,000	-2.0%	-2.0%	-2.0%	-2.0%	-2.0%
>= 100,000, < 110,000	-2.0%	-2.0%	-2.0%	-2.0%	-2.0%
>= 110,000, < 120,000	-2.0%	-2.0%	-2.0%	-2.0%	-2.0%
>= 120,000, < 130,000	-2.0%	-2.0%	-2.0%	-2.0%	-2.0%
>= 130,000, < 140,000	-2.0%	-2.0%	-2.0%	-2.0%	-2.0%
>= 140,000, < 150,000	-2.0%	-2.0%	-2.0%	-2.0%	-2.0%
>= 150,000, < 160,000	-2.0%	-2.0%	-2.0%	-2.0%	-2.0%
>= 160,000, < 170,000	-2.0%	-2.0%	-2.0%	-2.0%	-2.0%
>= 170,000, < 180,000	-2.0%	-2.0%	-2.0%	-2.0%	-2.0%
>= 180,000, < 190,000	-2.0%	-2.0%	-2.0%	-2.0%	-2.0%
>= 190,000, < 200,000	-2.0%	-2.0%	-2.0%	-2.0%	-2.0%
>= 200,000, < 210,000	-2.0%	-2.0%	-2.0%	-2.0%	-2.0%
>= 210,000, < 225,000	-1.0%	-2.0%	-2.0%	-2.0%	-2.0%
>= 225,000	-1.2%	-2.0%	-2.0%	-2.0%	-2.0%

Proposed Distribution Chart

Percent Range	Form 3	Form 4	Form 6
40 and Over	2	0	0
30.0 to 39.9	42	0	0
25.0 to 29.9	130	0	0
20.0 to 24.9	747	0	0
15.0 to 19.9	2,118	2	0
12.5 to 14.9	1,677	0	0
10.0 to 12.4	1,669	0	0
7.5 to 9.9	1,381	4	5
5.0 to 7.4	811	9	3
2.5 to 4.9	352	59	12
0.0 to 2.4	144	67	32
-2.5 to -0.1	79	61	55
-5.0 to -2.6	16	79	16
-5.1 and Under	7	20	3
Total	9,175	301	126

Form 3:

Of the 174 policies that are increasing 25% or more, 169 have the \$1,000 deductible and 130 have 1 or more claim. These factors along with other increases being made are the reason for the increases.

Auto-Owners Insurance Group
Arkansas Homeowners
Explanatory Memorandum

All Forms

1. Introduce an Experience Discount using 4 years of prior claims to determine eligibility, and include the discount in the Water Backup algorithm. Please see manual pages AOUQZ389, AOAQZ099, AOAQZ106, AOAQZ119, and AOAQZ120.
 - This change is based on Generalized Linear Modeling. Please see “Claim Free, Experience Discount, and Paid Loss Surcharge Exhibit” attached under the Actuarial Support item in the Supporting Documentation Tab.
2. Modify the Claim Free Discount and use 4 years of prior claims rather than 3 years to determine eligibility. Please see manual pages AOUQZ386 and AOAQZ103.
 - This change is based on Generalized Linear Modeling. Please see “Claim Free, Experience Discount, and Paid Loss Surcharge Exhibit” attached under the Actuarial Support item in the Supporting Documentation Tab.
3. Modify the Paid Loss Surcharge, and separate the rates from the rule page. Please see manual pages AOUQZ393 and AOAQZ113.
 - This change is based on Generalized Linear Modeling. Please see “Claim Free, Experience Discount, and Paid Loss Surcharge Exhibit” attached under the Actuarial Support item in the Supporting Documentation Tab.
4. Modify the Age of Insured relativities. Please see manual page AOAQZ101.
 - This change is based on Generalized Linear Modeling. Please see the “Age of Insured Exhibit” attached under the Actuarial Support item in the Supporting Documentation tab.
5. Modify the Home/Auto Multi-Policy relativities, and separate the rates from the rule page. Please see manual pages AOUQZ391 and AOAQZ111.
 - This change is based on Generalized Linear Modeling. Please see the “Premium Adjustments Exhibit” attached under the Actuarial Support item in the Supporting Documentation tab.
6. Modify Insurance Score relativities. Please see manual page AOAQZ108.
 - We are starting to remove the age variation with each of the lower tiers. For the higher tiers, we are increasing the discounts based on the loss ratios. These changes are being made on a companywide basis.

Tier	3 Yr Companywide Actual Loss Ratio
46	84%
47	80%
48	79%
49	46%
50	1%
Total	99%

7. Modify the Central Station Premises Alarm System Discount and Local Alarm System Discount, clarify that verification of an active Central Station Premises Alarm System will be requested every three years, and separate the rates from the rule page. Please see manual pages AOUQZ385 and AOAQZ102.
 - This change is based on Generalized Linear Modeling. Please see the “Premium Adjustments Exhibit” attached under the Actuarial Support item in the Supporting Documentation tab.

Auto-Owners Insurance Group
Arkansas Homeowners
Explanatory Memorandum

All Forms (continued)

8. Introduce Protection Class relativities for Manufactured Homes and rate 10% higher than Frame for Form 3 only. Please see manual pages AOAQZ091, AOAQZ094, and AOAQZ096.
 - These changes are being implemented companywide due to poor loss experience. The companywide loss ratio is 111.2% for this construction type compared to the total loss ratio of 102.5%.
9. Modify Deductible relativities for Form 3 and Premier Plus, introduce new wind/hail options, introduce a mandatory \$2,000 wind/hail deductible for Form 3 and Premier Plus for homes with Coverage A \$500,001 or greater, and separate rates from the rule page. Please see manual pages AOUQZ388 and AOAQZ105.
 - We are modifying deductibles based on indicated relativities using the Loss Elimination Ratio Method and competitor analysis.
10. Modify the Percent Minimum Premium for Form 3 and Premier Plus to vary by deductible, and separate the rates from the rule page. Please see manual pages AOUQZ381, AOAQZ097, and AOAQZ098.
 - These changes are being made so that a policyholder that is hitting the minimum percent premium will see a reduction in premium when switching to a higher deductible.
11. Allow Limited Liability Companies as a Named Insured. Please see manual pages AOUQZ380, AOUQZ403, and AOUQZ405.
12. Obsolete the Adjusted Value Endorsement, Construction Types, Number of Families/Units, Primary Occupancy, Seasonal Occupancy, and Secondary Occupancy rule pages.
13. Modify the Applications General Rules page to remove reference to an ACORD application. Please see manual page AOUQZ378.
14. Modify the Definitions General Rules page to clarify the continuous foundation definition, add the asbestos siding definition, and to include construction types, number of families/units, and occupancy. Please see manual page AOUQZ379.
15. Modify the Mandatory Coverages, Forms and Endorsement General Rules page to remove reference to the Adjusted Value Endorsement being an optional coverage. Please see manual page AOUQZ382.
16. Modify the Watercraft Liability rule page to include "Coverage is subject to underwriting approval based on the driving history of all members of the household," and separate the rates from the rule page. Rates are not changing at this time. Please see manual pages AOUQZ383 and AOAQZ121.
17. Modify the Paid in Full Discount rule page to remove reference to the Maximum Discount, and separate the rates from the rule page. Rates are not changing at this time. Please see manual pages AOUQZ392 and AOAQZ112.
18. Modify the Ordinance or Law rule page to remove reference to the Declarations limits revisions on endorsements, and separate the rates from the rule page. Rates are not changing at this time. Please see manual pages AOUQZ401 and AOAQZ118.

Form 3

19. Separate the rates from the rule page on the Market Value Surcharge page. Rates are not changing at this time. Please see manual pages AOUQZ390 and AOAQZ109.
20. Modify the Construction, Do Not Bind, Occupancy, and Previous Insurance History eligibility. Please see manual page AOUQZ403.
21. Modify the Guaranteed Home Replacement Cost rule page to include the Guaranteed Home Replacement Cost Exclusion rules, obsolete the Guaranteed Home Replacement Cost Exclusion rule page, clarify that the rule also applies to Premier Plus, clarify the maximum Coverage A amount, and separate the rates from the rule page. Rates are not changing at this time. Please see manual pages AOUQZ399, AOAQZ107, and AOAQZ117.

Auto-Owners Insurance Group
Arkansas Homeowners
Explanatory Memorandum

Form 3 (continued)

22. Modify Coverage A Amount of Insurance relativities. Please see manual page AOAQZ089.
- Please see the “Amount of Insurance Exhibit” attached under the Actuarial Support item in the Supporting Documentation tab.
23. Modify the Coverage A Less Than 100% Replacement Cost Surcharge, and separate the rate from the rule page. Please see manual pages AOUQZ387 and AOAQZ104.
- Please see the “Premium Adjustments Exhibit” attached under the Actuarial Support item in the Supporting Documentation tab.
24. Modify the Age of Construction Discount, and separate the rates from the rule page. Please see manual pages AOUQZ384 and AOAQZ100.
- This change is based on Generalized Linear Modeling. Please see the “Age of Construction Exhibit” attached under the Actuarial Support item in the Supporting Documentation tab.
25. Modify the Year of Construction Surcharge, and separate the rates from the rule page. Please see manual pages AOUQZ396 and AOAQZ116.
- This change is based on Generalized Linear Modeling. Please see the “Year of Construction Exhibit” attached under the Actuarial Support item in the Supporting Documentation tab.
26. Modify the Protected Subdivision Discount, clarify that the dwelling must be located within five miles of the responding fire department, and separate the rate from the rule page. Please see manual page AOUQZ394 and AOAQZ114.
- This change is based on Generalized Linear Modeling. Please see the “Premium Adjustments Exhibit” attached under the Actuarial Support item in the Supporting Documentation tab.
27. Modify the Mortgage Free relativities. Please see manual page AOAQZ110.
- This change is based on Generalized Linear Modeling. Please see the “Mortgage Free Exhibit” attached under the Actuarial Support item in the Supporting Documentation tab.
28. Modify the Roof Discount/Surcharge and separate the rates from the rule page. Please see manual pages AOUQZ395 and AOAQZ115.
- For the 5 year period ending June 2012, 68.7% of our losses in Arkansas occurred from wind, hail, and lightning. It is our understanding that aged roofs are more susceptible to wind and hail losses and the ability of a roof to withstand repeated exposure to hail quickly deteriorates after 10 years. It has also been cited that Asphalt shingles will have a dramatically shorter lifespan in warmer climates such as Arkansas, than in cooler climates.
29. Eliminate the Dwelling Under Construction Surcharge, and obsolete the Premium Adjustment rule page. Please see manual page AOUQZ398. This change is based on Generalized Linear Modeling.
30. Modify Territory relativities as shown below. Please see manual page AOAQZ092.

Territory	Present	Proposed	5 Year Actual Loss Ratio
4	0.98	1.00	409%
6	0.97	0.95	55%
17	1.17	1.19	213%
Form 3 Total			165%

Auto-Owners Insurance Group
Arkansas Homeowners
Explanatory Memorandum

Form 3 (continued)

31. Implement a 25% cap on Form 3 increases.
32. Modify the Premier Plus deviation, and increase the base rates 17.6% for an overall increase of 13.0%. Please see manual page AOAQZ090.
 - The 5 Year Actual Loss Ratio for Premier Plus is 202% compared to the statewide total loss ratio of 166%.

Form 4

33. Remove the binding restriction and revise the occupancy eligibility. Please see manual page AOUQZ404.
34. Increase the base rates 5.6% for an overall no change. Please see manual page AOAQZ093.

Form 6

35. Revise the binding eligibility. Please see manual page AOUQZ405.
36. Increase the base rates 7.6% for an overall 0.1% change. Please see manual page AOAQZ095.

	Percent Changes				
	Tier 50	Tier 49	Tier 48	Tier 47	Tier 46
24 & Under	-2.1%	-1.0%	0.0%	1.1%	2.0%
25 to 29	-2.2%	-1.1%	0.0%	0.9%	2.0%
30 to 34	-2.3%	-1.2%	-0.1%	0.7%	1.9%
35 to 39	-5.0%	-4.1%	-3.0%	-2.0%	-1.0%
40 to 44	-7.6%	-6.7%	-5.7%	-4.7%	-3.7%
45 to 49	-7.5%	-6.5%	-5.5%	-4.6%	-3.6%
50 to 54	-7.4%	-6.5%	-5.5%	-4.6%	-3.5%
55 to 59	-7.4%	-6.4%	-5.5%	-4.5%	-3.6%
60 to 64	-7.3%	-6.4%	-5.4%	-4.4%	-3.5%
65 to 69	-7.3%	-6.4%	-5.4%	-4.4%	-3.4%
70 to 74	-7.2%	-6.2%	-5.2%	-4.2%	-3.2%
75 to 79	-7.1%	-6.1%	-5.2%	-4.1%	-3.2%
80 & Over	-7.0%	-6.0%	-5.1%	-4.1%	-3.1%

3 Year Actual Loss Ratios

	Arkansas	Companywide
Tiers 1-20	126%	107%
Tiers 21-25	195%	128%
Tiers 26-30	259%	109%
Tiers 31-35	213%	103%
Tiers 36-50	146%	101%
Tier 41	122%	104%
Tier 42	105%	107%
Tier 43	311%	101%
Tier 44	84%	110%
Tier 45	145%	105%
Tier 46	52%	84%
Tier 47	54%	80%
Tier 48	63%	79%
Tier 49	0%	46%
Tier 50	0%	1%
Total	156%	99%

State: Arkansas **Filing Company:** Auto-Owners Insurance Company
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: Arkansas Homeowners
Project Name/Number: Arkansas Homeowners Rate & Rule/HOM-AR-01-06/13/2013-01

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)
03/14/2013		Supporting Document	Explanatory Memorandum	05/14/2013	AR HO Explanatory Memorandum 6.13.13.pdf (Superseded)
02/21/2013		Rate	Form 3 - Base Rates	05/14/2013	AOAQZ090.pdf (Superseded)
02/21/2013		Rate	Deductibles	04/05/2013	AOUQZ388.pdf (Superseded)

Auto-Owners Insurance Group
Arkansas Homeowners
Explanatory Memorandum

All Forms

1. Introduce an Experience Discount using 4 years of prior claims to determine eligibility, and include the discount in the Water Backup algorithm. Please see manual pages AOUQZ389, AOAQZ099, AOAQZ106, AOAQZ119, and AOAQZ120.
 - This change is based on Generalized Linear Modeling. Please see “Claim Free, Experience Discount, and Paid Loss Surcharge Exhibit” attached under the Actuarial Support item in the Supporting Documentation Tab.
2. Modify the Claim Free Discount and use 4 years of prior claims rather than 3 years to determine eligibility. Please see manual pages AOUQZ386 and AOAQZ103.
 - This change is based on Generalized Linear Modeling. Please see “Claim Free, Experience Discount, and Paid Loss Surcharge Exhibit” attached under the Actuarial Support item in the Supporting Documentation Tab.
3. Modify the Paid Loss Surcharge, and separate the rates from the rule page. Please see manual pages AOUQZ393 and AOAQZ113.
 - This change is based on Generalized Linear Modeling. Please see “Claim Free, Experience Discount, and Paid Loss Surcharge Exhibit” attached under the Actuarial Support item in the Supporting Documentation Tab.
4. Modify the Age of Insured relativities. Please see manual page AOAQZ101.
 - This change is based on Generalized Linear Modeling. Please see the “Age of Insured Exhibit” attached under the Actuarial Support item in the Supporting Documentation tab.
5. Modify the Home/Auto Multi-Policy relativities, and separate the rates from the rule page. Please see manual pages AOUQZ391 and AOAQZ111.
 - This change is based on Generalized Linear Modeling. Please see the “Premium Adjustments Exhibit” attached under the Actuarial Support item in the Supporting Documentation tab.
6. Modify Insurance Score relativities. Please see manual page AOAQZ108.
 - We are starting to remove the age variation with each of the lower tiers. For the higher tiers, we are increasing the discounts based on the loss ratios. These changes are being made on a companywide basis.

Tier	3 Yr Companywide Actual Loss Ratio
46	84%
47	80%
48	79%
49	46%
50	1%
Total	99%

7. Modify the Central Station Premises Alarm System Discount and Local Alarm System Discount, clarify that verification of an active Central Station Premises Alarm System will be requested every three years, and separate the rates from the rule page. Please see manual pages AOUQZ385 and AOAQZ102.
 - This change is based on Generalized Linear Modeling. Please see the “Premium Adjustments Exhibit” attached under the Actuarial Support item in the Supporting Documentation tab.

Auto-Owners Insurance Group
Arkansas Homeowners
Explanatory Memorandum

All Forms (continued)

8. Introduce Protection Class relativities for Manufactured Homes and rate 10% higher than Frame for Form 3 only. Please see manual pages AOAQZ091, AOAQZ094, and AOAQZ096.
 - These changes are being implemented companywide due to poor loss experience. The companywide loss ratio is 111.2% for this construction type compared to the total loss ratio of 102.5%.
9. Modify Deductible relativities for Form 3 and Premier Plus, introduce new wind/hail options, introduce a mandatory \$2,000 wind/hail deductible for Form 3 and Premier Plus for homes with Coverage A \$500,001 or greater, and separate rates from the rule page. Please see manual pages AOUQZ388 and AOAQZ105.
 - We are modifying deductibles based on indicated relativities using the Loss Elimination Ratio Method and competitor analysis.
10. Modify the Percent Minimum Premium for Form 3 and Premier Plus to vary by deductible, and separate the rates from the rule page. Please see manual pages AOUQZ381, AOAQZ097, and AOAQZ098.
 - These changes are being made so that a policyholder that is hitting the minimum percent premium will see a reduction in premium when switching to a higher deductible.
11. Allow Limited Liability Companies as a Named Insured. Please see manual pages AOUQZ380, AOUQZ403, and AOUQZ405.
12. Obsolete the Adjusted Value Endorsement, Construction Types, Number of Families/Units, Primary Occupancy, Seasonal Occupancy, and Secondary Occupancy rule pages.
13. Modify the Applications General Rules page to remove reference to an ACORD application. Please see manual page AOUQZ378.
14. Modify the Definitions General Rules page to clarify the continuous foundation definition, add the asbestos siding definition, and to include construction types, number of families/units, and occupancy. Please see manual page AOUQZ379.
15. Modify the Mandatory Coverages, Forms and Endorsement General Rules page to remove reference to the Adjusted Value Endorsement being an optional coverage. Please see manual page AOUQZ382.
16. Modify the Watercraft Liability rule page to include "Coverage is subject to underwriting approval based on the driving history of all members of the household," and separate the rates from the rule page. Rates are not changing at this time. Please see manual pages AOUQZ383 and AOAQZ121.
17. Modify the Paid in Full Discount rule page to remove reference to the Maximum Discount, and separate the rates from the rule page. Rates are not changing at this time. Please see manual pages AOUQZ392 and AOAQZ112.
18. Modify the Ordinance or Law rule page to remove reference to the Declarations limits revisions on endorsements, and separate the rates from the rule page. Rates are not changing at this time. Please see manual pages AOUQZ401 and AOAQZ118.

Form 3

19. Separate the rates from the rule page on the Market Value Surcharge page. Rates are not changing at this time. Please see manual pages AOUQZ390 and AOAQZ109.
20. Modify the Construction, Do Not Bind, Occupancy, and Previous Insurance History eligibility. Please see manual page AOUQZ403.
21. Modify the Guaranteed Home Replacement Cost rule page to include the Guaranteed Home Replacement Cost Exclusion rules, obsolete the Guaranteed Home Replacement Cost Exclusion rule page, clarify that the rule also applies to Premier Plus, clarify the maximum Coverage A amount, and separate the rates from the rule page. Rates are not changing at this time. Please see manual pages AOUQZ399, AOAQZ107, and AOAQZ117.

Auto-Owners Insurance Group
Arkansas Homeowners
Explanatory Memorandum

Form 3 (continued)

22. Modify Coverage A Amount of Insurance relativities. Please see manual page AOAQZ089.
- Please see the “Amount of Insurance Exhibit” attached under the Actuarial Support item in the Supporting Documentation tab.
23. Modify the Coverage A Less Than 100% Replacement Cost Surcharge, and separate the rate from the rule page. Please see manual pages AOUQZ387 and AOAQZ104.
- Please see the “Premium Adjustments Exhibit” attached under the Actuarial Support item in the Supporting Documentation tab.
24. Modify the Age of Construction Discount, and separate the rates from the rule page. Please see manual pages AOUQZ384 and AOAQZ100.
- This change is based on Generalized Linear Modeling. Please see the “Age of Construction Exhibit” attached under the Actuarial Support item in the Supporting Documentation tab.
25. Modify the Year of Construction Surcharge, and separate the rates from the rule page. Please see manual pages AOUQZ396 and AOAQZ116.
- This change is based on Generalized Linear Modeling. Please see the “Year of Construction Exhibit” attached under the Actuarial Support item in the Supporting Documentation tab.
26. Modify the Protected Subdivision Discount, clarify that the dwelling must be located within five miles of the responding fire department, and separate the rate from the rule page. Please see manual page AOUQZ394 and AOAQZ114.
- This change is based on Generalized Linear Modeling. Please see the “Premium Adjustments Exhibit” attached under the Actuarial Support item in the Supporting Documentation tab.
27. Modify the Mortgage Free relativities. Please see manual page AOAQZ110.
- This change is based on Generalized Linear Modeling. Please see the “Mortgage Free Exhibit” attached under the Actuarial Support item in the Supporting Documentation tab.
28. Modify the Roof Discount/Surcharge and separate the rates from the rule page. Please see manual pages AOUQZ395 and AOAQZ115.
- For the 5 year period ending June 2012, 68.7% of our losses in Arkansas occurred from wind, hail, and lightning. It is our understanding that aged roofs are more susceptible to wind and hail losses and the ability of a roof to withstand repeated exposure to hail quickly deteriorates after 10 years. It has also been cited that Asphalt shingles will have a dramatically shorter lifespan in warmer climates such as Arkansas, than in cooler climates.
29. Eliminate the Dwelling Under Construction Surcharge, and obsolete the Premium Adjustment rule page. Please see manual page AOUQZ398. This change is based on Generalized Linear Modeling.
30. Modify Territory relativities as shown below. Please see manual page AOAQZ092.

Territory	Present	Proposed	5 Year Actual Loss Ratio
4	0.98	1.00	409%
6	0.97	0.95	55%
17	1.17	1.19	213%
Form 3 Total			165%

Auto-Owners Insurance Group
Arkansas Homeowners
Explanatory Memorandum

Form 3 (continued)

31. Modify the Premier Plus deviation, and increase the base rates 17.5% for an overall increase of 13.0%. Please see manual page AOAQZ090.
- The 5 Year Actual Loss Ratio for Premier Plus is 202% compared to the statewide total loss ratio of 166%.

Form 4

32. Remove the binding restriction and revise the occupancy eligibility. Please see manual page AOUQZ404.
33. Increase the base rates 5.6% for an overall no change. Please see manual page AOAQZ093.

Form 6

34. Revise the binding eligibility. Please see manual page AOUQZ405.
35. Increase the base rates 7.6% for an overall 0.1% change. Please see manual page AOAQZ095.

HOMEOWNERS
ARKANSAS
FORM 3 AND PREMIER PLUS
BASE RATES

Auto-Owners	
Standard Program	1271.18
Premier Program	1144.06
Premier Plus Program	1086.86

Edition Date: 06/13/13

DEDUCTIBLES

Deductibles apply to all Section I losses unless stated otherwise in the policy form.

Minimum deductibles are required for new business and endorsements as follows:

Policy Type	Amount of Coverage A	Minimum Deductible
Form 3	\$500,000 or lower	\$500 AOP/\$1,000 Wind/Hail Deductible
Premier Plus		\$1,000 All Perils Deductible
Form 3	\$500,001 or higher	\$500 AOP/\$2,000 Wind/Hail Deductible
Premier Plus		\$1,000 AOP/\$2,000 Wind/Hail Deductible
Form 4	N/A	\$250 All Perils Deductible
Form 6	Any	\$250 All Perils Deductible

For the deductible options and applicable relativities, refer to {{AR HO Deductible Relativities}}.

The deductible is shown on the policy Declarations.