

State: Arkansas **Filing Company:** Homesite Insurance Company of the Midwest
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners
Project Name/Number: 2012 Rate Review/AR-HO-12-085

Filing at a Glance

Company: Homesite Insurance Company of the Midwest
Product Name: Homeowners
State: Arkansas
TOI: 04.0 Homeowners
Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Filing Type: Rate/Rule
Date Submitted: 12/20/2012
SERFF Tr Num: HMSS-128802828
SERFF Status: Closed-Filed
State Tr Num:
State Status:
Co Tr Num: AR-HO-12-085

Effective Date 02/01/2013
Requested (New):
Effective Date 03/21/2013
Requested (Renewal):
Author(s): Susan Anderson, Jane Garrison
Reviewer(s): Becky Harrington (primary)
Disposition Date: 05/08/2013
Disposition Status: Filed
Effective Date (New): 08/31/2013
Effective Date (Renewal): 10/18/2013

State Filing Description:
 meeting 5/8/13

State: Arkansas **Filing Company:** Homesite Insurance Company of the Midwest
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners
Project Name/Number: 2012 Rate Review/AR-HO-12-085

General Information

Project Name: 2012 Rate Review	Status of Filing in Domicile: Not Filed
Project Number: AR-HO-12-085	Domicile Status Comments: Homesite Insurance Company of the Midwest is domiciled in North Dakota.
Reference Organization:	Reference Number:
Reference Title:	Advisory Org. Circular:
Filing Status Changed: 05/08/2013	
State Status Changed: 05/08/2013	Deemer Date:
Created By: Jane Garrison	Submitted By: Jane Garrison
Corresponding Filing Tracking Number:	

Filing Description:

Homesite Insurance Company of the Midwest ("Homesite") is proposing revisions to our Form HO 00 03 Homeowner Program, Form HO 00 04 Renter Program, and Form HO 00 06 Condominium Program. The overall rate impact of this revision is 20.0%, comprised of a 20.0% increase to the HO 00 03 Homeowner Program, a 20.0% increase to the HO 00 04 Renter Program and a 20.0% increase to the HO 00 06 Condominium Program. The increase is supported by an all forms rate level indication of +33.8%.

Please refer to the Filing Memorandum, attached under the Supporting Documentation tab, for a complete description of the Company's proposal, as well as the actuarial support for the changes.

Sincerely,

Jane Garrison
 Government Affairs Associate
 617-832-1879

Company and Contact

Filing Contact Information

Susan Anderson, Government Affairs Associate	sanderson@homesite.com
99 Bedford Street	617-832-1342 [Phone]
Boston, MA 02111	617-832-1470 [FAX]

Filing Company Information

Homesite Insurance Company of the Midwest	CoCode: 13927	State of Domicile: North Dakota
99 Bedford Street	Group Code: 1293	Company Type: Homeowners
Boston, MA 02111	Group Name:	State ID Number:
(617) 832-1342 ext. [Phone]	FEIN Number: 45-0282873	

Filing Fees

Fee Required?	Yes
Fee Amount:	\$150.00

State: Arkansas **Filing Company:** Homesite Insurance Company of the Midwest
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
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Project Name/Number: 2012 Rate Review/AR-HO-12-085

Retaliatory? No
Fee Explanation: Filing includes both rates (\$100) and rules (\$50).
Per Company: No

Company	Amount	Date Processed	Transaction #
Homesite Insurance Company of the Midwest	\$150.00	12/20/2012	65933505

SERFF Tracking #:

HMSS-128802828

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

AR-HO-12-085

State:

Arkansas

Filing Company:

Homesite Insurance Company of the Midwest

TOI/Sub-TOI:

04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations

Product Name:

Homeowners

Project Name/Number:

2012 Rate Review/AR-HO-12-085

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Becky Harrington	05/08/2013	05/08/2013

Objection Letters and Response Letters

Objection Letters

Status	Created By	Created On	Date Submitted
No response necessary	Becky Harrington	05/06/2013	05/06/2013
Pending Industry Response	Becky Harrington	04/24/2013	04/24/2013
Pending Industry Response	Becky Harrington	01/02/2013	01/02/2013

Response Letters

Responded By	Created On	Date Submitted
Susan Anderson	05/02/2013	05/02/2013
Susan Anderson	04/22/2013	04/22/2013

State: Arkansas

Filing Company: Homesite Insurance Company of the Midwest

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

Product Name: Homeowners

Project Name/Number: 2012 Rate Review/AR-HO-12-085

Disposition

Disposition Date: 05/08/2013

Effective Date (New): 08/31/2013

Effective Date (Renewal): 10/18/2013

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):
Homesite Insurance Company of the Midwest	33.800%	20.000%	\$420,800	2,166	\$2,104,481	28.200%	0.000%

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Form RF-2 Loss Costs Only (not for workers' compensation)	Filed	No
Supporting Document	H-1 Homeowners Abstract	Filed	Yes
Supporting Document (revised)	HPCS-Homeowners Premium Comparison Survey	Filed	Yes
Supporting Document	HPCS-Homeowners Premium Comparison Survey		Yes
Supporting Document (revised)	NAIC loss cost data entry document	Filed	Yes
Supporting Document	NAIC loss cost data entry document		Yes
Supporting Document (revised)	Filing Memorandum	Filed	Yes
Supporting Document	Filing Memorandum		Yes
Supporting Document	Filing Memorandum		Yes
Rate	Owners Rates - Version 5.3	Filed	Yes
Rate	Owners Rules - Version 5.3	Filed	Yes
Rate	Renters Rates - Version 5.2	Filed	Yes

SERFF Tracking #: HMSS-128802828 State Tracking #: Company Tracking #: AR-HO-12-085

State: Arkansas Filing Company: Homesite Insurance Company of the Midwest
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners
Project Name/Number: 2012 Rate Review/AR-HO-12-085

Schedule	Schedule Item	Schedule Item Status	Public Access
Rate	Renters Rules - Version 5.2	Filed	Yes

State: Arkansas **Filing Company:** Homesite Insurance Company of the Midwest
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners
Project Name/Number: 2012 Rate Review/AR-HO-12-085

Objection Letter

Objection Letter Status No response necessary
Objection Letter Date 05/06/2013
Submitted Date 05/06/2013
Respond By Date

Dear Susan Anderson,

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."

Sincerely,

Becky Harrington

State: Arkansas **Filing Company:** Homesite Insurance Company of the Midwest
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners
Project Name/Number: 2012 Rate Review/AR-HO-12-085

Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 04/24/2013
Submitted Date 04/24/2013
Respond By Date

Dear Susan Anderson,

Introduction:

This will acknowledge receipt of the recent response.

The requested increase is being reviewed by the Commissioner.

Objection 1

- HPCS-Homeowners Premium Comparison Survey (Supporting Document)

Comments:

Form HPCS must be submitted in both Excel spreadsheet and pdf format. Please provide the excel version.

Objection 2

- Filing Memorandum (Supporting Document)

Comments: Exhibit I and V reference "modeled loss ratio" although actual experience was used. Please amend the exhibits.

Objection 3

- NAIC loss cost data entry document (Supporting Document)

Comments: Please update the indicated rate change and 2012 information in the history section.

Objection 4

Comments: Please provide the new effective dates.

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:** Homesite Insurance Company of the Midwest
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners
Project Name/Number: 2012 Rate Review/AR-HO-12-085

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	01/02/2013
Submitted Date	01/02/2013
Respond By Date	02/20/2013

Dear Susan Anderson,

Introduction:

This will acknowledge receipt of the captioned filing.

Objection 1

Comments: The requested increase combined with the previous filing that was effective for renewals on 10/11/12 appears excessive and will not be approved. Please withdraw the filing. You may re-file with updated supporting documentation at a later date.

Conclusion:

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

Effective for all filings made on or after June 1, 2011, Arkansas no longer allows the re-opening of closed filings for corrections, changes in effective dates, scrivener's errors, amendments or substantive changes. Please see the General Instructions for how these events will be handled after the effective date of the change."

Sincerely,

Becky Harrington

State: Arkansas **Filing Company:** Homesite Insurance Company of the Midwest
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners
Project Name/Number: 2012 Rate Review/AR-HO-12-085

Response Letter

Response Letter Status Submitted to State
 Response Letter Date 05/02/2013
 Submitted Date 05/02/2013

Dear Becky Harrington,

Introduction:

Response 1

Comments:

The Excel version has been added under Supporting Documents.

Related Objection 1

Applies To:

- HPCS-Homeowners Premium Comparison Survey (Supporting Document)

Comments:

Form HPCS must be submitted in both Excel spreadsheet and pdf format. Please provide the excel version.

Changed Items:

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

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

State: Arkansas **Filing Company:** Homesite Insurance Company of the Midwest
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners
Project Name/Number: 2012 Rate Review/AR-HO-12-085

Response 2**Comments:**

An updated/revised Filing Memorandum has been added.

Related Objection 2

Applies To:

- Filing Memorandum (Supporting Document)

Comments: Exhibit I and V reference "modeled loss ratio" although actual experience was used. Please amend the exhibits.

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	Filing Memorandum
Comments:	The attached filing memorandum provides a detailed explanation of the changes proposed by this filing, as well as the actuarial support for the revisions.
Attachment(s):	AR Updated Indication Memorandum.pdf
<i>Previous Version</i>	
Satisfied - Item:	<i>Filing Memorandum</i>
Comments:	<i>The attached filing memorandum provides a detailed explanation of the changes proposed by this filing, as well as the actuarial support for the revisions.</i>
Attachment(s):	<i>AR Updated Indication Memorandum.pdf</i>
<i>Previous Version</i>	
Satisfied - Item:	<i>Filing Memorandum</i>
Comments:	<i>The attached filing memorandum provides a detailed explanation of the changes proposed by this filing, as well as the actuarial support for the revisions.</i>
Attachment(s):	<i>AR Filing Memorandum.pdf</i>

No Form Schedule items changed.

State: Arkansas **Filing Company:** Homesite Insurance Company of the Midwest
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners
Project Name/Number: 2012 Rate Review/AR-HO-12-085

No Rate/Rule Schedule items changed.

Response 3

Comments:

An updated Form RF-1 has been added under Supporting Documents.

Related Objection 3

Applies To:

- NAIC loss cost data entry document (Supporting Document)

Comments: Please update the indicated rate change and 2012 information in the history section.

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	NAIC loss cost data entry document
Comments:	
Attachment(s):	FORM RF-1 Rate Filing Abstract.v2.pdf
<i>Previous Version</i>	
Satisfied - Item:	<i>NAIC loss cost data entry document</i>
Comments:	
Attachment(s):	<i>FORM RF-1 Rate Filing Abstract.pdf</i>

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 4

Comments:

At this time, the Company requests updated effective dates of 8/31/2013 for new business and 10/18/2013 for renewal business.

Related Objection 4

Comments: Please provide the new effective dates.

Changed Items:

SERFF Tracking #:

HMSS-128802828

State Tracking #:

Company Tracking #:

AR-HO-12-085

State:

Arkansas

Filing Company:

Homesite Insurance Company of the Midwest

TOI/Sub-TOI:

04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations

Product Name:

Homeowners

Project Name/Number:

2012 Rate Review/AR-HO-12-085

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Sincerely,

Susan Anderson

State: Arkansas **Filing Company:** Homesite Insurance Company of the Midwest
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners
Project Name/Number: 2012 Rate Review/AR-HO-12-085

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	04/22/2013
Submitted Date	04/22/2013

Dear Becky Harrington,

Introduction:

Response 1

Comments:

Thank you very much for the extension on this response and for taking the time to discuss this filing with our counsel, Jeff Thomas. Per that conversation with the Department, please find attached an updated indication memorandum for your review.

Thank you again.

Related Objection 1

Comments: The requested increase combined with the previous filing that was effective for renewals on 10/11/12 appears excessive and will not be approved. Please withdraw the filing. You may re-file with updated supporting documentation at a later date.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied - Item:	Filing Memorandum
Comments:	The attached filing memorandum provides a detailed explanation of the changes proposed by this filing, as well as the actuarial support for the revisions.
Attachment(s):	AR Updated Indication Memorandum.pdf
<i>Previous Version</i>	
Satisfied - Item:	<i>Filing Memorandum</i>
Comments:	<i>The attached filing memorandum provides a detailed explanation of the changes proposed by this filing, as well as the actuarial support for the revisions.</i>
Attachment(s):	<i>AR Filing Memorandum.pdf</i>

SERFF Tracking #:

HMSS-128802828

State Tracking #:

Company Tracking #:

AR-HO-12-085

State:

Arkansas

Filing Company:

Homesite Insurance Company of the Midwest

TOI/Sub-TOI:

04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations

Product Name:

Homeowners

Project Name/Number:

2012 Rate Review/AR-HO-12-085

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Sincerely,

Susan Anderson

SERFF Tracking #:

HMSS-128802828

State Tracking #:

Company Tracking #:

AR-HO-12-085

State:

Arkansas

Filing Company:

Homesite Insurance Company of the Midwest

TOI/Sub-TOI:

04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations

Product Name:

Homeowners

Project Name/Number:

2012 Rate Review/AR-HO-12-085

Rate Information

Rate data applies to filing.

Filing Method:

F&U 20

Rate Change Type:

Increase

Overall Percentage of Last Rate Revision:

20.000%

Effective Date of Last Rate Revision:

08/31/2012

Filing Method of Last Filing:

F&U 20

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):
Homesite Insurance Company of the Midwest	33.800%	20.000%	\$420,800	2,166	\$2,104,481	28.200%	0.000%

State: Arkansas

Filing Company:

Homesite Insurance Company of the Midwest

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

Product Name: Homeowners

Project Name/Number: 2012 Rate Review/AR-HO-12-085

Rate/Rule Schedule

Item No.	Schedule Item Status	Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing Number	Attachments
1	Filed 05/08/2013	Owners Rates - Version 5.3	Complete Manual	New		AR Owners Rates 5.3 (Clean).pdf AR Owners Rates 5.3 (Tracked).pdf
2	Filed 05/08/2013	Owners Rules - Version 5.3	Complete Manual	New		AR Owners Rules 5.3 (Clean).pdf AR Owners Rules 5.3 (Tracked).pdf
3	Filed 05/08/2013	Renters Rates - Version 5.2	Complete Manual	New		AR Renters Rates 5.2 (Clean).pdf AR Renters Rates 5.2 (Tracked).pdf
4	Filed 05/08/2013	Renters Rules - Version 5.2	Complete Manual	New		AR Renters Rules 5.2 (Clean).pdf AR Renters Rules 5.2 (Tracked).pdf

**HOMESITE INSURANCE COMPANY OF THE MIDWEST
HOMEOWNERS POLICY PROGRAM MANUAL**

Territory	HO 00 03	HO 00 06
1	762	563
2	763	563
3	713	563
4	748	563
5	970	608
6	936	608
7	929	608
8	945	608
9	937	608
10	928	608
11	981	608
12	819	608
13	810	608
14	871	608
15	802	608
16	780	608
17	770	608
18	1059	690
19	1052	690
20	1269	657
21	1235	657
22	1178	657
23	1258	690
24	1219	690
25	1161	690
26	1262	690
27	1188	690
28	1159	690
29	1209	690
30	1264	608
31	1277	608
32	1288	608
33	1274	608
34	1345	690
35	1338	690
36	1454	690
37	1467	690
38	1452	690
39	1793	690
40	1809	690
41	1345	690
42	787	608
43	1220	690
44	1088	690
45	1135	690

**HOMESITE INSURANCE COMPANY OF THE MIDWEST
HOMEOWNERS POLICY PROGRAM MANUAL**

Policy Forms	
HO 00 03	1.000
HO 00 06	0.946

2 Family Dwelling	1.20
3 or 4 Family Dwelling	1.30

Expense Fees per policy	
HO 00 03	\$102.00
HO 00 06	\$51.00

Policyholder Responsibility Tiers
(see schedule)

Expense/Loss Experience Modifiers
(see schedule)

Protection/Construction			
Construction	Protection	HO 00 03	HO 00 06
Masonry	Well Protected	1.00	1.00
	Moderately Protected	1.17	1.00
	Poorly Protected	1.96	1.00
Frame	Well Protected	1.13	1.00
	Moderately Protected	1.32	1.00
	Poorly Protected	2.22	1.00

Amount of Insurance			
Amount of Insurance	HO 00 03	Amount of Insurance	HO 00 03
\$50,000	0.691	\$160,000	1.491
\$60,000	0.723	\$170,000	1.551
\$70,000	0.775	\$180,000	1.590
\$80,000	0.849	\$190,000	1.622
\$90,000	0.932	\$200,000	1.663
\$100,000	1.000	\$225,000	1.929
\$110,000	1.096	\$250,000	2.022
\$120,000	1.196	\$275,000	2.238
\$130,000	1.298	\$300,000	2.475
\$140,000	1.398	\$350,000	2.958
\$150,000	1.446	\$400,000	3.445
		Each add'l \$10,000	0.097

Amount of Insurance	HO 00 06	Amount of Insurance	HO 00 06
\$6,000	0.800	\$40,000	1.599
\$10,000	0.850	\$45,000	1.742
\$15,000	0.900	\$50,000	1.880
\$20,000	1.000	\$60,000	2.159
\$25,000	1.147	\$75,000	2.574
\$30,000	1.303	\$90,000	2.990
\$35,000	1.453	\$100,000	3.265
		Each add'l \$1,000	0.028

Rule 205. Minimum Premium	
HO 00 03	\$150.00
HO 00 06	\$125.00

Rule 207. Waiver of Premium	\$ 3.00
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HOMESITE INSURANCE COMPANY OF THE MIDWEST HOMEOWNERS POLICY PROGRAM MANUAL

Rule 302. Loss Settlement Options - Form HO 00 03

A. Functional Replacement Cost				
	Coverage A limit of liability equals less than ___% of replacement value:		80% to 100%	1.00
			79%, but not less than 50%	1.05
			less than 50%	1.10
B. Actual Cash Value	1.25			
C. Special Loss Settlement				
	% of Replacement Value		<u>C.2.a. Factor</u>	<u>C.2.c. Factor</u>
	50%		1.60	0.96
	60%		1.33	0.97
	70%		1.14	0.98

Rule 303. Ordinance or Law Coverage	Factor
B.2. Increased Limit - HO 00 03 (25% Coverage A limit)	1.03

Rule 304. Special Personal Property Coverage	Factor
HO 00 03 (endorsement HH 00 15)	1.16
HO 00 06 (endorsement HH 17 31)	1.24

Rule 401. Superior Construction - Form HO 00 03	0.85
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Rule 402. Townhouse or Row House - Form HO 00 03

Total number of individual family units within the fire division	<u>1 and 2 family dwellings</u>			<u>3 and 4 family dwellings</u>
(number of family well/moderately protected)	1-2 (1 & 3)	3-4 (2)	5-8 (2)	5-8 (4)
poorly protected	1.00	1.10	1.25	1.35
	1.00	1.15	1.30	1.45

An eligible two family owner-occupied dwelling attached to a one family dwelling but not separated by a fire wall would be considered 3 individual family units within a fire division. Four 2 family dwellings not separated by a firewall would be consider

An eligible four family dwelling attached to a three family dwelling but not separated by a fire wall would be considered 7 individual family units within a fire division.

Rule 403. Personal Property (Coverage C) Replacement Cost Coverage

HO 00 03	1.15
HO 00 06	1.35

Rule 404. Protective Devices - Form HO 00 03 Factor

Automatic sprinkler systems in <u>all</u> rooms of the dwelling	0.90
Combination of smoke detectors, dead bolt locks on all entrance doors, and fire extinguishers on the property	1.00
Each central station monitored alarm (fire and burglary)	0.95
Each direct line response to police or fire station	0.95

**HOMESITE INSURANCE COMPANY OF THE MIDWEST
HOMEOWNERS POLICY PROGRAM MANUAL**

Rule 406. Deductibles

Form HO 00 03	Deductible	Coverage A (000s)										
		<= 91.0	115.0	151.5	174.5	195.0	216.5	240.0	268.0	304.5	356.5	>= 998.0
	\$1,000	0.866	0.876	0.881	0.884	0.887	0.897	0.900	0.879	0.898	0.900	0.920
	\$1,000/\$2,500 W&H	0.860	0.871	0.875	0.879	0.882	0.891	0.894	0.874	0.892	0.895	0.915
	\$1,000/\$5,000 W&H	0.853	0.863	0.867	0.871	0.874	0.883	0.886	0.866	0.884	0.887	0.907
	\$1,000/1% W&H	0.869	0.877	0.879	0.882	0.884	0.893	0.895	0.873	0.892	0.893	0.891
	\$1,000/2% W&H	0.863	0.872	0.874	0.876	0.877	0.885	0.887	0.865	0.883	0.884	0.885
	\$1,000/3% W&H	0.860	0.868	0.869	0.871	0.872	0.880	0.881	0.858	0.875	0.872	0.880
	\$1,000/4% W&H	0.857	0.865	0.865	0.867	0.867	0.873	0.872	0.849	0.867	0.869	0.878
	\$1,000/5% W&H	0.854	0.861	0.861	0.860	0.859	0.867	0.869	0.848	0.866	0.867	0.876
	\$1,000/10% W&H	0.840	0.848	0.848	0.851	0.853	0.861	0.862	0.841	0.859	0.861	0.868
	\$2,500	0.774	0.784	0.791	0.796	0.801	0.811	0.824	0.827	0.840	0.844	0.864
	\$2,500/\$5,000 W&H	0.766	0.776	0.783	0.788	0.793	0.803	0.815	0.819	0.832	0.836	0.856
	\$2,500/1% W&H	0.783	0.791	0.794	0.799	0.803	0.812	0.824	0.827	0.839	0.842	0.840
	\$2,500/2% W&H	0.776	0.785	0.789	0.793	0.796	0.805	0.816	0.818	0.830	0.833	0.834
	\$2,500/3% W&H	0.773	0.781	0.784	0.788	0.791	0.800	0.811	0.811	0.822	0.821	0.829
	\$2,500/4% W&H	0.770	0.778	0.781	0.784	0.786	0.793	0.801	0.803	0.815	0.818	0.827
	\$2,500/5% W&H	0.767	0.775	0.777	0.777	0.778	0.787	0.798	0.801	0.813	0.816	0.825
	\$2,500/10% W&H	0.754	0.761	0.764	0.768	0.772	0.781	0.792	0.794	0.807	0.810	0.817

Form HO 00 06	factor	max credit
\$250/500 W&H	1.14	n/a
\$250/1000 W&H	1.11	n/a
\$250/2% W&H	n/a	n/a
\$500	1.00	n/a
\$500/1000 W&H	0.97	\$50
\$500/2% W&H	n/a	n/a
\$1,000	0.85	\$150
\$1000/2% W&H	n/a	n/a
\$2,500	0.75	\$250

Rule 407. Additional Amounts of Insurance - Form HO 00 03

C.1. Additional amount of Coverage A only		Factor
25%		1.03
50%		1.04

Rule 411. Home Purchase - Form HO 00 03

PolicyTerm	Factor
1	0.90
2	0.94
3	0.97
4+	1.00

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Rule 470. Age of Home - Form HO 00 03

<u>age</u>	<u>factor</u>	<u>age</u>	<u>factor</u>
current year	0.70	12	0.94
prior year	0.72	13	0.95
2 years prior	0.74	14	0.95
3	0.76	15	0.95
4	0.78	16 to 20	0.95
5	0.80	21 to 25	1.00
6	0.82	26 to 30	1.00
7	0.84	31 to 35	0.95
8	0.86	36 to 40	0.95
9	0.88	41 to 50	1.00
10	0.90	51 to 60	1.05
11	0.92	Over 60 Years	1.10

Rule 471. Roofing Age/Materials - Form HO 00 03

(see Wind Roof table)

Rule 472. Safe Heat - Form HO 00 03

Solid Fuel	1.25
Oil	1.00
Other	1.00

Rule 480. Mature Owner/Resident

<u>age group</u>	<u>factor</u>	<u>age group</u>	<u>factor</u>
25 and under	1.00	50 to 54	0.90
26 to 32	1.00	55 to 59	0.90
33 to 39	1.00	60 to 64	0.90
40 to 49	1.00	65 to 74	0.90
		75 and older	0.90

Rule 481. Affinity Marketing - Form HO 00 03

(see schedule)

Rule 482. Policy Conversion

<u>HO 00 03 policy year</u>	<u>factor</u>
1st	0.95
2nd	0.96
3rd	0.97
4th	0.98
5th	0.99
6th and ongoing	1.00

Rule 483. Internet Quote/Purc [n/a in Arkansas]

Rule 486. Basic Package Product and Enhanced Package Optional Endorsements - Form HO 00 03

	<u>Factor</u>
Basic Package	1.15
Enhanced Package	1.19

Rule 488. Number of Units - Form HO 00 06

Less than 5	1.10
5 or More	1.00

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Rule 503. Business Property - Increased Limits (rate per \$2,500) \$ 20.00

Rule 505. Earthquake Coverage

C. Loss Assessment Coverage (rate per \$5,000)	<u>Zone</u>	Frame	Masonry	Superior
	1	\$0.50	\$2.20	\$0.90
	2	\$1.15	\$5.70	\$2.35
	3	\$2.50	\$10.25	\$4.20
	4	\$3.50	\$14.45	\$5.95
	5	\$4.95	\$18.90	\$7.75
	6	\$6.85	\$24.75	\$10.15
	7	\$7.90	\$29.60	\$12.15
	8	\$9.80	\$33.05	\$13.55
	9	\$12.45	\$38.25	\$15.70
	10	\$13.15	\$42.85	\$17.60

D. Base Premium
(per \$1,000 of insurance)
5% deductible

Frame

<u>Zone</u>	Column A	Column B	Column C	Column D	Column E	Column F	Column G
1	\$0.10	n/a	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10
2	\$0.23	n/a	\$0.13	\$0.10	\$0.15	\$0.12	\$0.23
3	\$0.50	n/a	\$0.27	\$0.22	\$0.33	\$0.27	\$0.50
4	\$0.70	n/a	\$0.39	\$0.31	\$0.46	\$0.38	\$0.70
5	\$0.99	n/a	\$0.54	\$0.43	\$0.65	\$0.54	\$0.99
6	\$1.37	n/a	\$0.75	\$0.60	\$0.91	\$0.75	\$1.37
7	\$1.58	n/a	\$0.87	\$0.70	\$1.05	\$0.86	\$1.58
8	\$1.96	n/a	\$1.08	\$0.86	\$1.30	\$1.07	\$1.96
9	\$2.49	n/a	\$1.37	\$1.10	\$1.65	\$1.36	\$2.49
10	\$2.63	n/a	\$1.45	\$1.16	\$1.74	\$1.44	\$2.63

Masonry

<u>Zone</u>	Column A	Column B	Column C	Column D	Column E	Column F	Column G
1	\$0.44	n/a	\$0.27	\$0.21	\$0.28	\$0.26	\$0.44
2	\$1.14	n/a	\$0.70	\$0.55	\$0.72	\$0.67	\$1.14
3	\$2.05	n/a	\$1.25	\$1.00	\$1.29	\$1.20	\$2.05
4	\$2.89	n/a	\$1.77	\$1.41	\$1.82	\$1.69	\$2.89
5	\$3.78	n/a	\$2.31	\$1.84	\$2.38	\$2.20	\$3.78
6	\$4.95	n/a	\$3.03	\$2.41	\$3.12	\$2.89	\$4.95
7	\$5.92	n/a	\$3.62	\$2.88	\$3.72	\$3.45	\$5.92
8	\$6.61	n/a	\$4.04	\$3.22	\$4.16	\$3.86	\$6.61
9	\$7.65	n/a	\$4.68	\$3.72	\$4.81	\$4.46	\$7.65
10	\$8.57	n/a	\$5.24	\$4.17	\$5.39	\$5.00	\$8.57

Superior

<u>Zone</u>	Column A	Column B	Column C	Column D	Column E	Column F	Column G
1	\$0.18	n/a	\$0.10	\$0.10	\$0.13	\$0.11	\$0.18
2	\$0.47	n/a	\$0.20	\$0.13	\$0.34	\$0.29	\$0.47
3	\$0.84	n/a	\$0.37	\$0.23	\$0.61	\$0.52	\$0.84
4	\$1.19	n/a	\$0.52	\$0.32	\$0.86	\$0.74	\$1.19
5	\$1.55	n/a	\$0.68	\$0.42	\$1.13	\$0.96	\$1.55
6	\$2.03	n/a	\$0.89	\$0.55	\$1.48	\$1.26	\$2.03
7	\$2.43	n/a	\$1.06	\$0.65	\$1.77	\$1.51	\$2.43
8	\$2.71	n/a	\$1.18	\$0.73	\$1.97	\$1.68	\$2.71
9	\$3.14	n/a	\$1.37	\$0.85	\$2.28	\$1.95	\$3.14
10	\$3.52	n/a	\$1.54	\$0.95	\$2.56	\$2.18	\$3.52

E. Higher Deductibles **[n/a in Arkansas]**
Earthquake Zone Definitions: See Arkansas Territory 1.0

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Rule 507. Coverage A Basic and Increased Limits - Form HO 00 06 \$ 3.30
Increased Limits (rate per \$1,000)

Rule 508. Units Regularly Rented to Others - Form HO 00 06 Factor
1 - 8 weeks per year 1.00
9 or more weeks per year 1.25

Rule 511. Loss Assessment Coverage

Amount of Increase	Total Limit	Charge
\$4,000	\$5,000	\$ 3.00
\$9,000	\$10,000	\$ 6.00
each additional \$5,000		\$ 2.00

Rule 512. Loss of Use - Increased Limit (rate per \$1,000) \$ 2.00

Rule 513. Ordinance or Law Increased Amount of Coverage - Form HO 00 06

Rate per \$1,000
HO 00 06 (25% Coverage A limit) \$2.00

To calculate the increased coverage amount offered and the corresponding premium: for HO 00 06 policies, multiply the total Coverage A amount (\$5,000 base plus any increased limit) by .15, then multiply that result by the HO 00 06 rate per \$1,000.

Rule 514. Other Structures

Increased Limits (rate per \$1,000) \$ 2.00

Rule 515. Personal Property

	Charge
A. Increased Limit (rate per \$1,000)	\$ 2.00
B. Reduction in Limit (credit per \$1,000)	\$ 1.00
C. Increased Special Limits of Liability	
1. Jewelry, Watches, and Furs (rate per \$500)	\$ 15.00
2. Money and Securities (rate per \$100)	
Money	\$ 5.00
Securities	\$ 3.00
3. Silverware, Goldware, and Pewterware (rate per \$500)	\$ 2.50
4. Firearms (rate per \$100)	\$ 3.00
5. Electronic Aparatus (rate per \$500)	\$ 10.00

Rule 516. Personal Property - Scheduled

	rate per \$100
Bicycles	\$6.00
Cameras	\$1.60
Coin Collections	\$1.50
Fine Arts	\$0.30
Furs	\$0.55
Golfers' Equipment	\$1.80
Jewelry	\$1.60
Miscellaneous	\$1.00
Musical Instruments	\$0.90
Silverware	\$0.30
Stamp Collections	\$1.35

Rule 519. Special Computer Coverage (charge per policy) \$12.00

Rule 520. Identity Fraud Expense Coverage (charge per policy) \$35.00

Rule 521. Water Back Up and Sump Overflow (charge per policy) \$34.00

HOMESITE INSURANCE COMPANY OF THE MIDWEST HOMEOWNERS POLICY PROGRAM MANUAL

Rule 471. Roofing Age/Materials - Form HO 00 03

Roof Age	Roof Type	Factor
0	asphalt	1.000
0	built up/tar or gravel	1.000
0	clay tile	1.000
0	composition	1.000
0	concrete tile	1.000
0	other	1.000
0	slate	1.000
0	spanish tile	1.000
0	tin/membrane	1.000
0	wood shake	1.150
0	wood shingles	1.150
1	asphalt	1.007
1	built up/tar or gravel	1.004
1	clay tile	1.004
1	composition	1.007
1	concrete tile	1.004
1	other	1.004
1	slate	1.004
1	spanish tile	1.004
1	tin/membrane	1.004
1	wood shake	1.161
1	wood shingles	1.161
2	asphalt	1.014
2	built up/tar or gravel	1.008
2	clay tile	1.008
2	composition	1.014
2	concrete tile	1.008
2	other	1.008
2	slate	1.008
2	spanish tile	1.008
2	tin/membrane	1.008
2	wood shake	1.171
2	wood shingles	1.171
3	asphalt	1.021
3	built up/tar or gravel	1.011
3	clay tile	1.011
3	composition	1.021
3	concrete tile	1.011
3	other	1.011
3	slate	1.011
3	spanish tile	1.011
3	tin/membrane	1.011
3	wood shake	1.181
3	wood shingles	1.181
4	asphalt	1.028

**HOMESITE INSURANCE COMPANY OF THE MIDWEST
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Roof Age	Roof Type	Factor
4	built up/tar or gravel	1.014
4	clay tile	1.014
4	composition	1.028
4	concrete tile	1.014
4	other	1.014
4	slate	1.014
4	spanish tile	1.014
4	tin/membrane	1.014
4	wood shake	1.190
4	wood shingles	1.190
5	asphalt	1.034
5	built up/tar or gravel	1.017
5	clay tile	1.017
5	composition	1.034
5	concrete tile	1.017
5	other	1.017
5	slate	1.017
5	spanish tile	1.017
5	tin/membrane	1.017
5	wood shake	1.199
5	wood shingles	1.199
6	asphalt	1.041
6	built up/tar or gravel	1.020
6	clay tile	1.020
6	composition	1.041
6	concrete tile	1.020
6	other	1.020
6	slate	1.020
6	spanish tile	1.020
6	tin/membrane	1.020
6	wood shake	1.208
6	wood shingles	1.208
7	asphalt	1.047
7	built up/tar or gravel	1.023
7	clay tile	1.023
7	composition	1.047
7	concrete tile	1.023
7	other	1.023
7	slate	1.023
7	spanish tile	1.023
7	tin/membrane	1.023
7	wood shake	1.216
7	wood shingles	1.216
8	asphalt	1.053
8	built up/tar or gravel	1.026
8	clay tile	1.026
8	composition	1.053

**HOMESITE INSURANCE COMPANY OF THE MIDWEST
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Roof Age	Roof Type	Factor
8	concrete tile	1.026
8	other	1.026
8	slate	1.026
8	spanish tile	1.026
8	tin/membrane	1.026
8	wood shake	1.224
8	wood shingles	1.224
9	asphalt	1.059
9	built up/tar or gravel	1.029
9	clay tile	1.029
9	composition	1.059
9	concrete tile	1.029
9	other	1.029
9	slate	1.029
9	spanish tile	1.029
9	tin/membrane	1.029
9	wood shake	1.232
9	wood shingles	1.232
10	asphalt	1.064
10	built up/tar or gravel	1.031
10	clay tile	1.031
10	composition	1.064
10	concrete tile	1.031
10	other	1.031
10	slate	1.031
10	spanish tile	1.031
10	tin/membrane	1.031
10	wood shake	1.240
10	wood shingles	1.240
11	asphalt	1.069
11	built up/tar or gravel	1.033
11	clay tile	1.033
11	composition	1.069
11	concrete tile	1.033
11	other	1.033
11	slate	1.033
11	spanish tile	1.033
11	tin/membrane	1.033
11	wood shake	1.247
11	wood shingles	1.247
12	asphalt	1.075
12	built up/tar or gravel	1.035
12	clay tile	1.035
12	composition	1.075
12	concrete tile	1.035
12	other	1.035
12	slate	1.035

**HOMESITE INSURANCE COMPANY OF THE MIDWEST
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Roof Age	Roof Type	Factor
12	spanish tile	1.035
12	tin/membrane	1.035
12	wood shake	1.254
12	wood shingles	1.254
13	asphalt	1.079
13	built up/tar or gravel	1.037
13	clay tile	1.037
13	composition	1.079
13	concrete tile	1.037
13	other	1.037
13	slate	1.037
13	spanish tile	1.037
13	tin/membrane	1.037
13	wood shake	1.261
13	wood shingles	1.261
14	asphalt	1.084
14	built up/tar or gravel	1.039
14	clay tile	1.039
14	composition	1.084
14	concrete tile	1.039
14	other	1.039
14	slate	1.039
14	spanish tile	1.039
14	tin/membrane	1.039
14	wood shake	1.268
14	wood shingles	1.268
15	asphalt	1.088
15	built up/tar or gravel	1.041
15	clay tile	1.041
15	composition	1.088
15	concrete tile	1.041
15	other	1.041
15	slate	1.041
15	spanish tile	1.041
15	tin/membrane	1.041
15	wood shake	1.275
15	wood shingles	1.275
16	asphalt	1.093
16	built up/tar or gravel	1.043
16	clay tile	1.043
16	composition	1.093
16	concrete tile	1.043
16	other	1.043
16	slate	1.043
16	spanish tile	1.043
16	tin/membrane	1.043
16	wood shake	1.281

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Roof Age	Roof Type	Factor
16	wood shingles	1.281
17	asphalt	1.097
17	built up/tar or gravel	1.045
17	clay tile	1.045
17	composition	1.097
17	concrete tile	1.045
17	other	1.045
17	slate	1.045
17	spanish tile	1.045
17	tin/membrane	1.045
17	wood shake	1.287
17	wood shingles	1.287
18	asphalt	1.100
18	built up/tar or gravel	1.047
18	clay tile	1.047
18	composition	1.100
18	concrete tile	1.047
18	other	1.047
18	slate	1.047
18	spanish tile	1.047
18	tin/membrane	1.047
18	wood shake	1.293
18	wood shingles	1.293
19	asphalt	1.104
19	built up/tar or gravel	1.049
19	clay tile	1.049
19	composition	1.104
19	concrete tile	1.049
19	other	1.049
19	slate	1.049
19	spanish tile	1.049
19	tin/membrane	1.049
19	wood shake	1.299
19	wood shingles	1.299
20	asphalt	1.107
20	built up/tar or gravel	1.051
20	clay tile	1.051
20	composition	1.107
20	concrete tile	1.051
20	other	1.051
20	slate	1.051
20	spanish tile	1.051
20	tin/membrane	1.051
20	wood shake	1.305
20	wood shingles	1.305
21	asphalt	1.110
21	built up/tar or gravel	1.053

**HOMESITE INSURANCE COMPANY OF THE MIDWEST
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Roof Age	Roof Type	Factor
21	clay tile	1.053
21	composition	1.110
21	concrete tile	1.053
21	other	1.053
21	slate	1.053
21	spanish tile	1.053
21	tin/membrane	1.053
21	wood shake	1.310
21	wood shingles	1.310
22	asphalt	1.113
22	built up/tar or gravel	1.055
22	clay tile	1.055
22	composition	1.113
22	concrete tile	1.055
22	other	1.055
22	slate	1.055
22	spanish tile	1.055
22	tin/membrane	1.055
22	wood shake	1.315
22	wood shingles	1.315
23	asphalt	1.115
23	built up/tar or gravel	1.057
23	clay tile	1.057
23	composition	1.115
23	concrete tile	1.057
23	other	1.057
23	slate	1.057
23	spanish tile	1.057
23	tin/membrane	1.057
23	wood shake	1.320
23	wood shingles	1.320
24	asphalt	1.118
24	built up/tar or gravel	1.058
24	clay tile	1.058
24	composition	1.118
24	concrete tile	1.058
24	other	1.058
24	slate	1.058
24	spanish tile	1.058
24	tin/membrane	1.058
24	wood shake	1.325
24	wood shingles	1.325
25	asphalt	1.120
25	built up/tar or gravel	1.059
25	clay tile	1.059
25	composition	1.120
25	concrete tile	1.059

**HOMESITE INSURANCE COMPANY OF THE MIDWEST
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Roof Age	Roof Type	Factor
25	other	1.059
25	slate	1.059
25	spanish tile	1.059
25	tin/membrane	1.059
25	wood shake	1.330
25	wood shingles	1.330
26	asphalt	1.122
26	built up/tar or gravel	1.060
26	clay tile	1.060
26	composition	1.122
26	concrete tile	1.060
26	other	1.060
26	slate	1.060
26	spanish tile	1.060
26	tin/membrane	1.060
26	wood shake	1.334
26	wood shingles	1.334
27	asphalt	1.123
27	built up/tar or gravel	1.061
27	clay tile	1.061
27	composition	1.123
27	concrete tile	1.061
27	other	1.061
27	slate	1.061
27	spanish tile	1.061
27	tin/membrane	1.061
27	wood shake	1.338
27	wood shingles	1.338
28	asphalt	1.124
28	built up/tar or gravel	1.062
28	clay tile	1.062
28	composition	1.124
28	concrete tile	1.062
28	other	1.062
28	slate	1.062
28	spanish tile	1.062
28	tin/membrane	1.062
28	wood shake	1.342
28	wood shingles	1.342
29	asphalt	1.125
29	built up/tar or gravel	1.063
29	clay tile	1.063
29	composition	1.125
29	concrete tile	1.063
29	other	1.063
29	slate	1.063
29	spanish tile	1.063

**HOMESITE INSURANCE COMPANY OF THE MIDWEST
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Roof Age	Roof Type	Factor
29	tin/membrane	1.063
29	wood shake	1.346
29	wood shingles	1.346
30+	asphalt	1.126
30+	built up/tar or gravel	1.064
30+	clay tile	1.064
30+	composition	1.126
30+	concrete tile	1.064
30+	other	1.064
30+	slate	1.064
30+	spanish tile	1.064
30+	tin/membrane	1.064
30+	wood shake	1.350
30+	wood shingles	1.350

**HOMESITE INSURANCE COMPANY OF THE MIDWEST
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	Personal Liability			Medical Payments		
	\$100,000	\$300,000	\$500,000	\$1,000	\$3,000	\$5,000
Rule 601. Basic and Increased Limits of Liability						
1 and 2 family dwellings	\$ 20.00	\$ 32.00	\$ 39.00	Included	\$ 5.00	\$ 9.00
(additional charge to rates for 1 and 2 family dwellings)						
3 family	\$ 22.00	\$ 35.00	\$ 43.00	Included	\$ 5.00	\$ 9.00
4 family	\$ 24.00	\$ 38.00	\$ 47.00	Included	\$ 5.00	\$ 9.00
Rule 602. Other Insured Location Occupied by Insured (rate per residence)						
1 family	\$ 6.00	\$ 9.00	\$ 11.00			
2 family	\$ 11.00	\$ 18.00	\$ 22.00			
3 family	\$ 22.00	\$ 37.00	\$ 43.00			
4 family	\$ 24.00	\$ 40.00	\$ 47.00			
Rule 603. Residence Employees (per employee, above two)						
	\$ 4.00	\$ 5.00	\$ 6.00	\$ 1.00	\$ 2.00	\$ 3.00
Rule 604. Additional Residence Rented to Others (rate per residence)						
1 family	\$ 23.00	\$ 37.00	\$ 44.00			
2 family	\$ 38.00	\$ 62.00	\$ 74.00			
3 family	\$ 83.00	\$ 137.00	\$ 162.00			
4 family	\$ 83.00	\$ 137.00	\$ 162.00			
Rule 609. Business Pursuits						
	\$ 4.00	\$ 6.00	\$ 7.00	Included	\$ 2.00	\$ 3.00
Rule 610. Personal Injury						
	\$ 10.00	\$ 12.00	\$ 14.00	n/a	n/a	n/a
Rule 612. Outboard Motors and Watercraft (up to 26 feet)						
Outboard Motors						
each 25-50 hp	\$ 6.00	\$ 8.00	\$ 9.00	\$ 3.00	\$ 9.00	\$ 15.00
each 50-150 hp	\$ 10.00	\$ 13.00	\$ 15.00	\$ 4.00	\$ 12.00	\$ 20.00
Inboard and Inboard/Outdrive Motorboats						
under 16 mph	\$ 12.00	\$ 16.00	\$ 18.00	\$ 3.00	\$ 9.00	\$ 15.00
16-30 mph	\$ 24.00	\$ 32.00	\$ 36.00	\$ 4.00	\$ 12.00	\$ 20.00
30-40 mph	\$ 60.00	\$ 80.00	\$ 90.00	\$ 10.00	\$ 30.00	\$ 50.00
Rule 613. Owned Snowmobile (N/A in Arkansas)						
Rule 617. Dangerous Dog Premium						
	\$ 320.00	NA	NA	\$ 30.00	NA	NA
Rule 618. Unsafe Swimming Pool Premium - Form HO 00 03						
	\$ 30.00	\$ 48.00	\$ 60.00	\$ 8.00	\$ 12.00	\$ 15.00

**HOMESITE INSURANCE COMPANY OF THE MIDWEST
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Rule 301.A.6. Expense/Loss Experience Modifiers

<u>Program Identifier</u>	<u>Modifier</u>
GMAC and affiliates "Affinity" marketing and referral programs	1.07
GMAC Insurance Agency independent agency programs	1.18
21st Century and affiliates "Affinity" marketing and referral programs	1.053
Wells Fargo	1.063
All Other	1.00

Rule 481. Affinity Marketing	<u>Factor</u>
	0.90

**HOMESITE INSURANCE COMPANY OF THE MIDWEST
HOMEOWNERS PROGRAM MANUAL**

Rule 301.A.4 Derogatory Reason Code Definitions and Factors - Form HO 00 03

<u>Class</u>	<u>D01</u>	<u>D02</u>	<u>D11</u>	<u>D21</u>	<u>D31</u>	<u>D41</u>	<u>Factor</u>
1	0	0	0	0	0	0	1.00
2	0	0	0	0	0	1	1.11
3	0	0	0	0	1	0	1.11
4	0	0	0	0	1	1	1.38
5	0	0	0	1	0	0	1.11
6	0	0	0	1	0	1	1.38
7	0	0	0	1	1	0	1.38
8	0	0	0	1	1	1	1.38
9	0	0	1	0	0	0	1.11
10	0	0	1	0	0	1	1.38
11	0	0	1	0	1	0	1.38
12	0	0	1	0	1	1	1.38
13	0	0	1	1	0	0	1.38
14	0	0	1	1	0	1	1.38
15	0	0	1	1	1	0	1.38
16	0	0	1	1	1	1	1.38
17	0	1	0	0	0	0	1.65
18	0	1	0	0	0	1	2.18
19	0	1	0	0	1	0	2.18
20	0	1	0	0	1	1	2.18
21	0	1	0	1	0	0	2.18
22	0	1	0	1	0	1	2.18
23	0	1	0	1	1	0	2.18
24	0	1	0	1	1	1	2.18
25	0	1	1	0	0	0	2.18
26	0	1	1	0	0	1	2.18
27	0	1	1	0	1	0	2.18
28	0	1	1	0	1	1	2.18
29	0	1	1	1	0	0	2.18
30	0	1	1	1	0	1	2.18
31	0	1	1	1	1	0	2.18
32	1	0	0	0	0	0	1.11
33	1	0	0	0	0	1	1.38
34	1	0	0	0	1	0	1.38
35	1	0	0	0	1	1	1.38
36	1	0	0	1	0	0	1.38
37	1	0	0	1	0	1	1.38
38	1	0	0	1	1	0	1.38
39	1	0	0	1	1	1	1.38
40	1	0	1	0	0	0	1.38
41	1	0	1	0	0	1	1.38
42	1	0	1	0	1	0	1.38
43	1	0	1	0	1	1	1.38
44	1	0	1	1	0	0	1.38
45	1	0	1	1	0	1	1.38
46	1	0	1	1	1	0	1.38

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**HOMESITE INSURANCE COMPANY OF THE MIDWEST
HOMEOWNERS PROGRAM MANUAL**

Rule 301.A.2 & Rule 301.A.5 Pricing Class Definitions - Form HO 00 03

Insurance Score Class	Trans Union Insurance Risk Score Range
1	950 & Above
2	947-949
3	932-946
4	918-931
5	908-917
6	892-907
7	877-891
8	862-876
9	846-861
10	830-845
11	811-829
12	796-810
13	767-795
14	747-766
15	727-746
16	664-726
17	634-663
18	601-633
19	600 & Below
20	No Hit
21	No Score

Home First Class	Definition
1	not Home First
2	Home First

Customers who are establishing a new business relationship with Homesite without a prior relationship with a Homesite partner are "Home First".

Prior Claims Class	Defintion
1	5+ Years Claim Free
2	0 Non-AOG Claims in 3 or 4 Years
3	1 Non-AOG Claims in 3 Years
4	2 Non-AOG Claims in 3 Years
5	3 Non-AOG Claims in 3 Years
6	4 Non-AOG Claims in 3 Years
7	5+ Non-AOG Claims in 3 Years

Lapse of Insurance Class	Definition
1	No Lapse of Insurance
2	Lapse of Insurance

Lapse of Insurance Class is established as follows:

- a. If there is an applicable "Current Policy Expiration Date", and the "Current Policy Expiration Date" precedes the "Proposed Policy Effective Date" by greater than one day, the policyholder is in Lapse of Insurance Class 2. Otherwise, the policyholder
- b. In the case of a new home purchase, there is no Lapse of Insurance and the policyholder is in Lapse of Insurance Class 1.

**HOMESITE INSURANCE COMPANY OF THE MIDWEST
HOMEOWNERS PROGRAM MANUAL**

Rule 301.A.2 & Rule 301.A.5 Pricing Class Factors - Form HO 00 03

Pricing Class	Insurance Score Class	Home First Class	Prior Claims Class	Lapse of Insurance Class	Term 1	Term 2	Term 3	Term 4 +
					Pricing Class Factor	Pricing Class Factor	Pricing Class Factor	Pricing Class Factor
1	1	1	1	2	0.88	0.88	0.88	0.88
2	1	1	1	1	0.65	0.65	0.65	0.65
3	1	1	2	2	1.04	1.04	1.04	1.04
4	1	1	2	1	0.77	0.77	0.77	0.77
5	1	1	3	2	1.55	1.55	1.55	1.55
6	1	1	3	1	1.15	1.15	1.15	1.15
7	1	1	4	2	1.66	1.66	1.66	1.66
8	1	1	4	1	1.23	1.23	1.23	1.23
9	1	1	5	2	1.78	1.78	1.78	1.78
10	1	1	5	1	1.32	1.32	1.32	1.32
11	1	1	6	2	1.90	1.90	1.90	1.90
12	1	1	6	1	1.41	1.41	1.41	1.41
13	1	1	7	2	2.04	2.04	2.04	2.04
14	1	1	7	1	1.51	1.51	1.51	1.51
15	1	2	1	2	0.93	0.91	0.90	0.88
16	1	2	1	1	0.69	0.68	0.67	0.65
17	1	2	2	2	1.09	1.07	1.06	1.04
18	1	2	2	1	0.81	0.80	0.78	0.77
19	1	2	3	2	1.63	1.60	1.58	1.55
20	1	2	3	1	1.20	1.19	1.17	1.15
21	1	2	4	2	1.75	1.72	1.69	1.66
22	1	2	4	1	1.29	1.27	1.25	1.23
23	1	2	5	2	1.87	1.84	1.81	1.78
24	1	2	5	1	1.38	1.36	1.34	1.32
25	1	2	6	2	2.00	1.97	1.93	1.90
26	1	2	6	1	1.48	1.46	1.43	1.41
27	1	2	7	2	2.14	2.10	2.07	2.04
28	1	2	7	1	1.58	1.56	1.53	1.51
29	2	1	1	2	0.88	0.88	0.88	0.88
30	2	1	1	1	0.65	0.65	0.65	0.65
31	2	1	2	2	1.04	1.04	1.04	1.04
32	2	1	2	1	0.77	0.77	0.77	0.77
33	2	1	3	2	1.55	1.55	1.55	1.55
34	2	1	3	1	1.15	1.15	1.15	1.15
35	2	1	4	2	1.66	1.66	1.66	1.66
36	2	1	4	1	1.23	1.23	1.23	1.23
37	2	1	5	2	1.78	1.78	1.78	1.78
38	2	1	5	1	1.32	1.32	1.32	1.32
39	2	1	6	2	1.90	1.90	1.90	1.90
40	2	1	6	1	1.41	1.41	1.41	1.41
41	2	1	7	2	2.04	2.04	2.04	2.04
42	2	1	7	1	1.51	1.51	1.51	1.51
43	2	2	1	2	0.93	0.91	0.90	0.88
44	2	2	1	1	0.69	0.68	0.67	0.65
45	2	2	2	2	1.09	1.07	1.06	1.04
46	2	2	2	1	0.81	0.80	0.78	0.77
47	2	2	3	2	1.63	1.60	1.58	1.55
48	2	2	3	1	1.20	1.19	1.17	1.15
49	2	2	4	2	1.75	1.72	1.69	1.66
50	2	2	4	1	1.29	1.27	1.25	1.23
51	2	2	5	2	1.87	1.84	1.81	1.78
52	2	2	5	1	1.38	1.36	1.34	1.32
53	2	2	6	2	2.00	1.97	1.93	1.90
54	2	2	6	1	1.48	1.46	1.43	1.41
55	2	2	7	2	2.14	2.10	2.07	2.04
56	2	2	7	1	1.58	1.56	1.53	1.51
57	3	1	1	2	0.90	0.90	0.90	0.90
58	3	1	1	1	0.66	0.66	0.66	0.66
59	3	1	2	2	1.05	1.05	1.05	1.05
60	3	1	2	1	0.78	0.78	0.78	0.78
61	3	1	3	2	1.57	1.57	1.57	1.57
62	3	1	3	1	1.16	1.16	1.16	1.16
63	3	1	4	2	1.68	1.68	1.68	1.68
64	3	1	4	1	1.25	1.25	1.25	1.25
65	3	1	5	2	1.80	1.80	1.80	1.80
66	3	1	5	1	1.33	1.33	1.33	1.33
67	3	1	6	2	1.93	1.93	1.93	1.93

**HOMESITE INSURANCE COMPANY OF THE MIDWEST
HOMEOWNERS PROGRAM MANUAL**

Pricing Class	Insurance Score Class	Home First Class	Prior Claims Class	Lapse of Insurance Class	Term 1	Term 2	Term 3	Term 4 +
					Pricing Class Factor	Pricing Class Factor	Pricing Class Factor	Pricing Class Factor
68	3	1	6	1	1.43	1.43	1.43	1.43
69	3	1	7	2	2.06	2.06	2.06	2.06
70	3	1	7	1	1.53	1.53	1.53	1.53
71	3	2	1	2	0.94	0.92	0.91	0.90
72	3	2	1	1	0.70	0.68	0.67	0.66
73	3	2	2	2	1.11	1.09	1.07	1.05
74	3	2	2	1	0.82	0.81	0.79	0.78
75	3	2	3	2	1.65	1.62	1.60	1.57
76	3	2	3	1	1.22	1.20	1.18	1.16
77	3	2	4	2	1.77	1.74	1.71	1.68
78	3	2	4	1	1.31	1.29	1.27	1.25
79	3	2	5	2	1.89	1.86	1.83	1.80
80	3	2	5	1	1.40	1.38	1.36	1.33
81	3	2	6	2	2.02	1.99	1.96	1.93
82	3	2	6	1	1.50	1.47	1.45	1.43
83	3	2	7	2	2.17	2.13	2.10	2.06
84	3	2	7	1	1.61	1.58	1.55	1.53
85	4	1	1	2	0.92	0.92	0.92	0.92
86	4	1	1	1	0.68	0.68	0.68	0.68
87	4	1	2	2	1.08	1.08	1.08	1.08
88	4	1	2	1	0.80	0.80	0.80	0.80
89	4	1	3	2	1.61	1.61	1.61	1.61
90	4	1	3	1	1.19	1.19	1.19	1.19
91	4	1	4	2	1.73	1.73	1.73	1.73
92	4	1	4	1	1.28	1.28	1.28	1.28
93	4	1	5	2	1.85	1.85	1.85	1.85
94	4	1	5	1	1.37	1.37	1.37	1.37
95	4	1	6	2	1.98	1.98	1.98	1.98
96	4	1	6	1	1.46	1.46	1.46	1.46
97	4	1	7	2	2.12	2.12	2.12	2.12
98	4	1	7	1	1.57	1.57	1.57	1.57
99	4	2	1	2	0.96	0.95	0.93	0.92
100	4	2	1	1	0.71	0.70	0.69	0.68
101	4	2	2	2	1.13	1.12	1.10	1.08
102	4	2	2	1	0.84	0.83	0.81	0.80
103	4	2	3	2	1.69	1.66	1.64	1.61
104	4	2	3	1	1.25	1.23	1.21	1.19
105	4	2	4	2	1.81	1.79	1.76	1.73
106	4	2	4	1	1.34	1.32	1.30	1.28
107	4	2	5	2	1.94	1.91	1.88	1.85
108	4	2	5	1	1.44	1.41	1.39	1.37
109	4	2	6	2	2.08	2.04	2.01	1.98
110	4	2	6	1	1.54	1.51	1.49	1.46
111	4	2	7	2	2.22	2.19	2.15	2.12
112	4	2	7	1	1.65	1.62	1.59	1.57
113	5	1	1	2	0.95	0.95	0.95	0.95
114	5	1	1	1	0.71	0.71	0.71	0.71
115	5	1	2	2	1.12	1.12	1.12	1.12
116	5	1	2	1	0.83	0.83	0.83	0.83
117	5	1	3	2	1.67	1.67	1.67	1.67
118	5	1	3	1	1.24	1.24	1.24	1.24
119	5	1	4	2	1.79	1.79	1.79	1.79
120	5	1	4	1	1.33	1.33	1.33	1.33
121	5	1	5	2	1.92	1.92	1.92	1.92
122	5	1	5	1	1.42	1.42	1.42	1.42
123	5	1	6	2	2.05	2.05	2.05	2.05
124	5	1	6	1	1.52	1.52	1.52	1.52
125	5	1	7	2	2.20	2.20	2.20	2.20
126	5	1	7	1	1.63	1.63	1.63	1.63
127	5	2	1	2	1.00	0.98	0.97	0.95
128	5	2	1	1	0.74	0.73	0.72	0.71
129	5	2	2	2	1.18	1.16	1.14	1.12
130	5	2	2	1	0.87	0.86	0.84	0.83
131	5	2	3	2	1.75	1.72	1.70	1.67
132	5	2	3	1	1.30	1.28	1.26	1.24
133	5	2	4	2	1.88	1.85	1.82	1.79
134	5	2	4	1	1.39	1.37	1.35	1.33
135	5	2	5	2	2.01	1.98	1.95	1.92
136	5	2	5	1	1.49	1.47	1.44	1.42

**HOMESITE INSURANCE COMPANY OF THE MIDWEST
HOMEOWNERS PROGRAM MANUAL**

Pricing Class	Insurance Score Class	Home First Class	Prior Claims Class	Lapse of Insurance Class	Term 1	Term 2	Term 3	Term 4 +
					Pricing Class Factor	Pricing Class Factor	Pricing Class Factor	Pricing Class Factor
137	5	2	6	2	2.15	2.12	2.09	2.05
138	5	2	6	1	1.59	1.57	1.54	1.52
139	5	2	7	2	2.31	2.27	2.23	2.20
140	5	2	7	1	1.71	1.68	1.65	1.63
141	6	1	1	2	1.03	1.03	1.03	1.03
142	6	1	1	1	0.77	0.77	0.77	0.77
143	6	1	2	2	1.22	1.22	1.22	1.22
144	6	1	2	1	0.90	0.90	0.90	0.90
145	6	1	3	2	1.81	1.81	1.81	1.81
146	6	1	3	1	1.34	1.34	1.34	1.34
147	6	1	4	2	1.94	1.94	1.94	1.94
148	6	1	4	1	1.44	1.44	1.44	1.44
149	6	1	5	2	2.08	2.08	2.08	2.08
150	6	1	5	1	1.54	1.54	1.54	1.54
151	6	1	6	2	2.22	2.22	2.22	2.22
152	6	1	6	1	1.65	1.65	1.65	1.65
153	6	1	7	2	2.38	2.38	2.38	2.38
154	6	1	7	1	1.76	1.76	1.76	1.76
155	6	2	1	2	1.08	1.07	1.05	1.03
156	6	2	1	1	0.80	0.79	0.78	0.77
157	6	2	2	2	1.28	1.26	1.24	1.22
158	6	2	2	1	0.95	0.93	0.92	0.90
159	6	2	3	2	1.90	1.87	1.84	1.81
160	6	2	3	1	1.41	1.39	1.36	1.34
161	6	2	4	2	2.04	2.01	1.98	1.94
162	6	2	4	1	1.51	1.49	1.46	1.44
163	6	2	5	2	2.18	2.15	2.11	2.08
164	6	2	5	1	1.62	1.59	1.57	1.54
165	6	2	6	2	2.33	2.30	2.26	2.22
166	6	2	6	1	1.73	1.70	1.67	1.65
167	6	2	7	2	2.50	2.46	2.42	2.38
168	6	2	7	1	1.85	1.82	1.79	1.76
169	7	1	1	2	1.04	1.04	1.04	1.04
170	7	1	1	1	0.77	0.77	0.77	0.77
171	7	1	2	2	1.23	1.23	1.23	1.23
172	7	1	2	1	0.91	0.91	0.91	0.91
173	7	1	3	2	1.83	1.83	1.83	1.83
174	7	1	3	1	1.36	1.36	1.36	1.36
175	7	1	4	2	1.97	1.97	1.97	1.97
176	7	1	4	1	1.46	1.46	1.46	1.46
177	7	1	5	2	2.10	2.10	2.10	2.10
178	7	1	5	1	1.56	1.56	1.56	1.56
179	7	1	6	2	2.25	2.25	2.25	2.25
180	7	1	6	1	1.67	1.67	1.67	1.67
181	7	1	7	2	2.41	2.41	2.41	2.41
182	7	1	7	1	1.78	1.78	1.78	1.78
183	7	2	1	2	1.10	1.08	1.06	1.04
184	7	2	1	1	0.81	0.80	0.79	0.77
185	7	2	2	2	1.29	1.27	1.25	1.23
186	7	2	2	1	0.96	0.94	0.93	0.91
187	7	2	3	2	1.92	1.89	1.86	1.83
188	7	2	3	1	1.42	1.40	1.38	1.36
189	7	2	4	2	2.06	2.03	2.00	1.97
190	7	2	4	1	1.53	1.50	1.48	1.46
191	7	2	5	2	2.21	2.17	2.14	2.10
192	7	2	5	1	1.63	1.61	1.58	1.56
193	7	2	6	2	2.36	2.32	2.29	2.25
194	7	2	6	1	1.75	1.72	1.69	1.67
195	7	2	7	2	2.53	2.49	2.45	2.41
196	7	2	7	1	1.87	1.84	1.81	1.78
197	8	1	1	2	1.07	1.07	1.07	1.07
198	8	1	1	1	0.79	0.79	0.79	0.79
199	8	1	2	2	1.26	1.26	1.26	1.26
200	8	1	2	1	0.93	0.93	0.93	0.93
201	8	1	3	2	1.87	1.87	1.87	1.87
202	8	1	3	1	1.39	1.39	1.39	1.39
203	8	1	4	2	2.01	2.01	2.01	2.01
204	8	1	4	1	1.49	1.49	1.49	1.49
205	8	1	5	2	2.15	2.15	2.15	2.15

**HOMESITE INSURANCE COMPANY OF THE MIDWEST
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Pricing Class	Insurance Score Class	Home First Class	Prior Claims Class	Lapse of Insurance Class	Term 1	Term 2	Term 3	Term 4 +
					Pricing Class Factor	Pricing Class Factor	Pricing Class Factor	Pricing Class Factor
206	8	1	5	1	1.59	1.59	1.59	1.59
207	8	1	6	2	2.30	2.30	2.30	2.30
208	8	1	6	1	1.70	1.70	1.70	1.70
209	8	1	7	2	2.46	2.46	2.46	2.46
210	8	1	7	1	1.82	1.82	1.82	1.82
211	8	2	1	2	1.12	1.10	1.09	1.07
212	8	2	1	1	0.83	0.82	0.80	0.79
213	8	2	2	2	1.32	1.30	1.28	1.26
214	8	2	2	1	0.98	0.96	0.95	0.93
215	8	2	3	2	1.96	1.93	1.90	1.87
216	8	2	3	1	1.45	1.43	1.41	1.39
217	8	2	4	2	2.11	2.08	2.04	2.01
218	8	2	4	1	1.56	1.54	1.51	1.49
219	8	2	5	2	2.25	2.22	2.18	2.15
220	8	2	5	1	1.67	1.64	1.62	1.59
221	8	2	6	2	2.41	2.37	2.34	2.30
222	8	2	6	1	1.79	1.76	1.73	1.70
223	8	2	7	2	2.58	2.54	2.50	2.46
224	8	2	7	1	1.91	1.88	1.85	1.82
225	9	1	1	2	1.09	1.09	1.09	1.09
226	9	1	1	1	0.81	0.81	0.81	0.81
227	9	1	2	2	1.28	1.28	1.28	1.28
228	9	1	2	1	0.95	0.95	0.95	0.95
229	9	1	3	2	1.91	1.91	1.91	1.91
230	9	1	3	1	1.42	1.42	1.42	1.42
231	9	1	4	2	2.05	2.05	2.05	2.05
232	9	1	4	1	1.52	1.52	1.52	1.52
233	9	1	5	2	2.19	2.19	2.19	2.19
234	9	1	5	1	1.62	1.62	1.62	1.62
235	9	1	6	2	2.35	2.35	2.35	2.35
236	9	1	6	1	1.74	1.74	1.74	1.74
237	9	1	7	2	2.51	2.51	2.51	2.51
238	9	1	7	1	1.86	1.86	1.86	1.86
239	9	2	1	2	1.14	1.13	1.11	1.09
240	9	2	1	1	0.85	0.83	0.82	0.81
241	9	2	2	2	1.35	1.32	1.30	1.28
242	9	2	2	1	1.00	0.98	0.97	0.95
243	9	2	3	2	2.01	1.97	1.94	1.91
244	9	2	3	1	1.49	1.46	1.44	1.42
245	9	2	4	2	2.15	2.12	2.09	2.05
246	9	2	4	1	1.60	1.57	1.55	1.52
247	9	2	5	2	2.30	2.27	2.23	2.19
248	9	2	5	1	1.71	1.68	1.65	1.62
249	9	2	6	2	2.46	2.42	2.39	2.35
250	9	2	6	1	1.83	1.80	1.77	1.74
251	9	2	7	2	2.64	2.60	2.56	2.51
252	9	2	7	1	1.96	1.92	1.89	1.86
253	10	1	1	2	1.12	1.12	1.12	1.12
254	10	1	1	1	0.83	0.83	0.83	0.83
255	10	1	2	2	1.32	1.32	1.32	1.32
256	10	1	2	1	0.98	0.98	0.98	0.98
257	10	1	3	2	1.97	1.97	1.97	1.97
258	10	1	3	1	1.46	1.46	1.46	1.46
259	10	1	4	2	2.12	2.12	2.12	2.12
260	10	1	4	1	1.57	1.57	1.57	1.57
261	10	1	5	2	2.26	2.26	2.26	2.26
262	10	1	5	1	1.68	1.68	1.68	1.68
263	10	1	6	2	2.42	2.42	2.42	2.42
264	10	1	6	1	1.79	1.79	1.79	1.79
265	10	1	7	2	2.59	2.59	2.59	2.59
266	10	1	7	1	1.92	1.92	1.92	1.92
267	10	2	1	2	1.18	1.16	1.14	1.12
268	10	2	1	1	0.87	0.86	0.85	0.83
269	10	2	2	2	1.39	1.37	1.35	1.32
270	10	2	2	1	1.03	1.01	1.00	0.98
271	10	2	3	2	2.07	2.04	2.00	1.97
272	10	2	3	1	1.53	1.51	1.49	1.46
273	10	2	4	2	2.22	2.19	2.15	2.12
274	10	2	4	1	1.65	1.62	1.59	1.57

**HOMESITE INSURANCE COMPANY OF THE MIDWEST
HOMEOWNERS PROGRAM MANUAL**

Pricing Class	Insurance Score Class	Home First Class	Prior Claims Class	Lapse of Insurance Class	Term 1	Term 2	Term 3	Term 4 +
					Pricing Class Factor	Pricing Class Factor	Pricing Class Factor	Pricing Class Factor
275	10	2	5	2	2.38	2.34	2.30	2.26
276	10	2	5	1	1.76	1.73	1.70	1.68
277	10	2	6	2	2.54	2.50	2.46	2.42
278	10	2	6	1	1.88	1.85	1.82	1.79
279	10	2	7	2	2.72	2.68	2.64	2.59
280	10	2	7	1	2.02	1.98	1.95	1.92
281	11	1	1	2	1.15	1.15	1.15	1.15
282	11	1	1	1	0.85	0.85	0.85	0.85
283	11	1	2	2	1.35	1.35	1.35	1.35
284	11	1	2	1	1.00	1.00	1.00	1.00
285	11	1	3	2	2.01	2.01	2.01	2.01
286	11	1	3	1	1.49	1.49	1.49	1.49
287	11	1	4	2	2.16	2.16	2.16	2.16
288	11	1	4	1	1.60	1.60	1.60	1.60
289	11	1	5	2	2.31	2.31	2.31	2.31
290	11	1	5	1	1.71	1.71	1.71	1.71
291	11	1	6	2	2.47	2.47	2.47	2.47
292	11	1	6	1	1.83	1.83	1.83	1.83
293	11	1	7	2	2.65	2.65	2.65	2.65
294	11	1	7	1	1.96	1.96	1.96	1.96
295	11	2	1	2	1.20	1.19	1.17	1.15
296	11	2	1	1	0.89	0.88	0.86	0.85
297	11	2	2	2	1.42	1.39	1.37	1.35
298	11	2	2	1	1.05	1.03	1.02	1.00
299	11	2	3	2	2.11	2.08	2.05	2.01
300	11	2	3	1	1.56	1.54	1.52	1.49
301	11	2	4	2	2.27	2.23	2.20	2.16
302	11	2	4	1	1.68	1.65	1.63	1.60
303	11	2	5	2	2.42	2.38	2.35	2.31
304	11	2	5	1	1.80	1.77	1.74	1.71
305	11	2	6	2	2.59	2.55	2.51	2.47
306	11	2	6	1	1.92	1.89	1.86	1.83
307	11	2	7	2	2.78	2.73	2.69	2.65
308	11	2	7	1	2.06	2.02	1.99	1.96
309	12	1	1	2	1.20	1.20	1.20	1.20
310	12	1	1	1	0.89	0.89	0.89	0.89
311	12	1	2	2	1.42	1.42	1.42	1.42
312	12	1	2	1	1.05	1.05	1.05	1.05
313	12	1	3	2	2.11	2.11	2.11	2.11
314	12	1	3	1	1.56	1.56	1.56	1.56
315	12	1	4	2	2.27	2.27	2.27	2.27
316	12	1	4	1	1.68	1.68	1.68	1.68
317	12	1	5	2	2.42	2.42	2.42	2.42
318	12	1	5	1	1.80	1.80	1.80	1.80
319	12	1	6	2	2.59	2.59	2.59	2.59
320	12	1	6	1	1.92	1.92	1.92	1.92
321	12	1	7	2	2.78	2.78	2.78	2.78
322	12	1	7	1	2.06	2.06	2.06	2.06
323	12	2	1	2	1.27	1.24	1.23	1.20
324	12	2	1	1	0.94	0.92	0.91	0.89
325	12	2	2	2	1.49	1.46	1.44	1.42
326	12	2	2	1	1.10	1.08	1.07	1.05
327	12	2	3	2	2.22	2.18	2.15	2.11
328	12	2	3	1	1.64	1.62	1.59	1.56
329	12	2	4	2	2.38	2.34	2.31	2.27
330	12	2	4	1	1.76	1.74	1.71	1.68
331	12	2	5	2	2.55	2.50	2.47	2.42
332	12	2	5	1	1.89	1.85	1.83	1.80
333	12	2	6	2	2.72	2.68	2.64	2.59
334	12	2	6	1	2.02	1.98	1.95	1.92
335	12	2	7	2	2.92	2.87	2.83	2.78
336	12	2	7	1	2.16	2.13	2.09	2.06
337	13	1	1	2	1.26	1.26	1.26	1.26
338	13	1	1	1	0.94	0.94	0.94	0.94
339	13	1	2	2	1.49	1.49	1.49	1.49
340	13	1	2	1	1.10	1.10	1.10	1.10
341	13	1	3	2	2.21	2.21	2.21	2.21
342	13	1	3	1	1.64	1.64	1.64	1.64
343	13	1	4	2	2.38	2.38	2.38	2.38

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Pricing Class	Insurance Score Class	Home First Class	Prior Claims Class	Lapse of Insurance Class	Term 1	Term 2	Term 3	Term 4 +
					Pricing Class Factor	Pricing Class Factor	Pricing Class Factor	Pricing Class Factor
344	13	1	4	1	1.76	1.76	1.76	1.76
345	13	1	5	2	2.54	2.54	2.54	2.54
346	13	1	5	1	1.88	1.88	1.88	1.88
347	13	1	6	2	2.72	2.72	2.72	2.72
348	13	1	6	1	2.01	2.01	2.01	2.01
349	13	1	7	2	2.91	2.91	2.91	2.91
350	13	1	7	1	2.16	2.16	2.16	2.16
351	13	2	1	2	1.33	1.30	1.28	1.26
352	13	2	1	1	0.98	0.97	0.95	0.94
353	13	2	2	2	1.56	1.53	1.51	1.49
354	13	2	2	1	1.16	1.14	1.12	1.10
355	13	2	3	2	2.32	2.29	2.25	2.21
356	13	2	3	1	1.72	1.69	1.67	1.64
357	13	2	4	2	2.49	2.45	2.42	2.38
358	13	2	4	1	1.85	1.82	1.79	1.76
359	13	2	5	2	2.67	2.62	2.58	2.54
360	13	2	5	1	1.98	1.94	1.91	1.88
361	13	2	6	2	2.85	2.81	2.76	2.72
362	13	2	6	1	2.11	2.08	2.05	2.01
363	13	2	7	2	3.06	3.01	2.96	2.91
364	13	2	7	1	2.26	2.23	2.19	2.16
365	14	1	1	2	1.32	1.32	1.32	1.32
366	14	1	1	1	0.98	0.98	0.98	0.98
367	14	1	2	2	1.55	1.55	1.55	1.55
368	14	1	2	1	1.15	1.15	1.15	1.15
369	14	1	3	2	2.31	2.31	2.31	2.31
370	14	1	3	1	1.71	1.71	1.71	1.71
371	14	1	4	2	2.48	2.48	2.48	2.48
372	14	1	4	1	1.84	1.84	1.84	1.84
373	14	1	5	2	2.65	2.65	2.65	2.65
374	14	1	5	1	1.97	1.97	1.97	1.97
375	14	1	6	2	2.84	2.84	2.84	2.84
376	14	1	6	1	2.10	2.10	2.10	2.10
377	14	1	7	2	3.04	3.04	3.04	3.04
378	14	1	7	1	2.25	2.25	2.25	2.25
379	14	2	1	2	1.39	1.36	1.34	1.32
380	14	2	1	1	1.03	1.01	0.99	0.98
381	14	2	2	2	1.63	1.60	1.58	1.55
382	14	2	2	1	1.21	1.19	1.17	1.15
383	14	2	3	2	2.43	2.39	2.35	2.31
384	14	2	3	1	1.80	1.77	1.74	1.71
385	14	2	4	2	2.61	2.57	2.53	2.48
386	14	2	4	1	1.93	1.90	1.87	1.84
387	14	2	5	2	2.79	2.74	2.70	2.65
388	14	2	5	1	2.06	2.03	2.00	1.97
389	14	2	6	2	2.98	2.93	2.89	2.84
390	14	2	6	1	2.21	2.17	2.14	2.10
391	14	2	7	2	3.20	3.14	3.09	3.04
392	14	2	7	1	2.37	2.33	2.29	2.25
393	15	1	1	2	1.39	1.39	1.39	1.39
394	15	1	1	1	1.03	1.03	1.03	1.03
395	15	1	2	2	1.63	1.63	1.63	1.63
396	15	1	2	1	1.21	1.21	1.21	1.21
397	15	1	3	2	2.43	2.43	2.43	2.43
398	15	1	3	1	1.80	1.80	1.80	1.80
399	15	1	4	2	2.61	2.61	2.61	2.61
400	15	1	4	1	1.94	1.94	1.94	1.94
401	15	1	5	2	2.79	2.79	2.79	2.79
402	15	1	5	1	2.07	2.07	2.07	2.07
403	15	1	6	2	2.99	2.99	2.99	2.99
404	15	1	6	1	2.21	2.21	2.21	2.21
405	15	1	7	2	3.20	3.20	3.20	3.20
406	15	1	7	1	2.37	2.37	2.37	2.37
407	15	2	1	2	1.46	1.43	1.41	1.39
408	15	2	1	1	1.08	1.06	1.05	1.03
409	15	2	2	2	1.72	1.69	1.66	1.63
410	15	2	2	1	1.27	1.25	1.23	1.21
411	15	2	3	2	2.56	2.51	2.48	2.43
412	15	2	3	1	1.89	1.86	1.83	1.80

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Pricing Class	Insurance Score Class	Home First Class	Prior Claims Class	Lapse of Insurance Class	Term 1	Term 2	Term 3	Term 4 +
					Pricing Class Factor	Pricing Class Factor	Pricing Class Factor	Pricing Class Factor
413	15	2	4	2	2.74	2.70	2.66	2.61
414	15	2	4	1	2.03	2.00	1.97	1.94
415	15	2	5	2	2.93	2.89	2.84	2.79
416	15	2	5	1	2.17	2.14	2.10	2.07
417	15	2	6	2	3.14	3.09	3.04	2.99
418	15	2	6	1	2.33	2.29	2.25	2.21
419	15	2	7	2	3.36	3.31	3.26	3.20
420	15	2	7	1	2.49	2.45	2.41	2.37
421	16	1	1	2	1.50	1.50	1.50	1.50
422	16	1	1	1	1.11	1.11	1.11	1.11
423	16	1	2	2	1.77	1.77	1.77	1.77
424	16	1	2	1	1.31	1.31	1.31	1.31
425	16	1	3	2	2.64	2.64	2.64	2.64
426	16	1	3	1	1.95	1.95	1.95	1.95
427	16	1	4	2	2.83	2.83	2.83	2.83
428	16	1	4	1	2.10	2.10	2.10	2.10
429	16	1	5	2	3.02	3.02	3.02	3.02
430	16	1	5	1	2.24	2.24	2.24	2.24
431	16	1	6	2	3.24	3.24	3.24	3.24
432	16	1	6	1	2.40	2.40	2.40	2.40
433	16	1	7	2	3.47	3.47	3.47	3.47
434	16	1	7	1	2.57	2.57	2.57	2.57
435	16	2	1	2	1.58	1.55	1.53	1.50
436	16	2	1	1	1.17	1.15	1.13	1.11
437	16	2	2	2	1.86	1.83	1.80	1.77
438	16	2	2	1	1.38	1.35	1.33	1.31
439	16	2	3	2	2.77	2.72	2.68	2.64
440	16	2	3	1	2.05	2.02	1.99	1.95
441	16	2	4	2	2.97	2.92	2.88	2.83
442	16	2	4	1	2.20	2.17	2.13	2.10
443	16	2	5	2	3.18	3.12	3.08	3.02
444	16	2	5	1	2.35	2.31	2.28	2.24
445	16	2	6	2	3.40	3.34	3.29	3.24
446	16	2	6	1	2.52	2.48	2.44	2.40
447	16	2	7	2	3.64	3.58	3.53	3.47
448	16	2	7	1	2.70	2.65	2.61	2.57
449	17	1	1	2	1.65	1.65	1.65	1.65
450	17	1	1	1	1.22	1.22	1.22	1.22
451	17	1	2	2	1.94	1.94	1.94	1.94
452	17	1	2	1	1.44	1.44	1.44	1.44
453	17	1	3	2	2.90	2.90	2.90	2.90
454	17	1	3	1	2.15	2.15	2.15	2.15
455	17	1	4	2	3.11	3.11	3.11	3.11
456	17	1	4	1	2.30	2.30	2.30	2.30
457	17	1	5	2	3.32	3.32	3.32	3.32
458	17	1	5	1	2.46	2.46	2.46	2.46
459	17	1	6	2	3.56	3.56	3.56	3.56
460	17	1	6	1	2.64	2.64	2.64	2.64
461	17	1	7	2	3.81	3.81	3.81	3.81
462	17	1	7	1	2.82	2.82	2.82	2.82
463	17	2	1	2	1.74	1.71	1.68	1.65
464	17	2	1	1	1.29	1.26	1.24	1.22
465	17	2	2	2	2.04	2.01	1.98	1.94
466	17	2	2	1	1.51	1.49	1.46	1.44
467	17	2	3	2	3.04	2.99	2.95	2.90
468	17	2	3	1	2.25	2.22	2.18	2.15
469	17	2	4	2	3.27	3.21	3.16	3.11
470	17	2	4	1	2.42	2.38	2.34	2.30
471	17	2	5	2	3.49	3.43	3.38	3.32
472	17	2	5	1	2.59	2.54	2.50	2.46
473	17	2	6	2	3.74	3.67	3.62	3.56
474	17	2	6	1	2.77	2.72	2.68	2.64
475	17	2	7	2	4.00	3.94	3.88	3.81
476	17	2	7	1	2.96	2.92	2.87	2.82
477	18	1	1	2	1.81	1.81	1.81	1.81
478	18	1	1	1	1.34	1.34	1.34	1.34
479	18	1	2	2	2.13	2.13	2.13	2.13
480	18	1	2	1	1.58	1.58	1.58	1.58
481	18	1	3	2	3.18	3.18	3.18	3.18

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Pricing Class	Insurance Score Class	Home First Class	Prior Claims Class	Lapse of Insurance Class	Term 1	Term 2	Term 3	Term 4 +
					Pricing Class Factor	Pricing Class Factor	Pricing Class Factor	Pricing Class Factor
482	18	1	3	1	2.35	2.35	2.35	2.35
483	18	1	4	2	3.41	3.41	3.41	3.41
484	18	1	4	1	2.53	2.53	2.53	2.53
485	18	1	5	2	3.65	3.65	3.65	3.65
486	18	1	5	1	2.70	2.70	2.70	2.70
487	18	1	6	2	3.90	3.90	3.90	3.90
488	18	1	6	1	2.89	2.89	2.89	2.89
489	18	1	7	2	4.18	4.18	4.18	4.18
490	18	1	7	1	3.10	3.10	3.10	3.10
491	18	2	1	2	1.90	1.87	1.84	1.81
492	18	2	1	1	1.41	1.39	1.37	1.34
493	18	2	2	2	2.24	2.20	2.17	2.13
494	18	2	2	1	1.66	1.63	1.61	1.58
495	18	2	3	2	3.34	3.28	3.23	3.18
496	18	2	3	1	2.47	2.43	2.39	2.35
497	18	2	4	2	3.58	3.53	3.47	3.41
498	18	2	4	1	2.65	2.61	2.57	2.53
499	18	2	5	2	3.83	3.77	3.71	3.65
500	18	2	5	1	2.84	2.79	2.75	2.70
501	18	2	6	2	4.10	4.03	3.97	3.90
502	18	2	6	1	3.04	2.99	2.94	2.89
503	18	2	7	2	4.39	4.32	4.25	4.18
504	18	2	7	1	3.25	3.20	3.15	3.10
505	19	1	1	2	2.03	2.03	2.03	2.03
506	19	1	1	1	1.50	1.50	1.50	1.50
507	19	1	2	2	2.39	2.39	2.39	2.39
508	19	1	2	1	1.77	1.77	1.77	1.77
509	19	1	3	2	3.56	3.56	3.56	3.56
510	19	1	3	1	2.64	2.64	2.64	2.64
511	19	1	4	2	3.82	3.82	3.82	3.82
512	19	1	4	1	2.83	2.83	2.83	2.83
513	19	1	5	2	4.09	4.09	4.09	4.09
514	19	1	5	1	3.03	3.03	3.03	3.03
515	19	1	6	2	4.37	4.37	4.37	4.37
516	19	1	6	1	3.24	3.24	3.24	3.24
517	19	1	7	2	4.68	4.68	4.68	4.68
518	19	1	7	1	3.47	3.47	3.47	3.47
519	19	2	1	2	2.13	2.10	2.07	2.03
520	19	2	1	1	1.58	1.55	1.53	1.50
521	19	2	2	2	2.51	2.47	2.43	2.39
522	19	2	2	1	1.86	1.83	1.80	1.77
523	19	2	3	2	3.74	3.68	3.62	3.56
524	19	2	3	1	2.77	2.72	2.68	2.64
525	19	2	4	2	4.01	3.95	3.89	3.82
526	19	2	4	1	2.97	2.93	2.88	2.83
527	19	2	5	2	4.29	4.22	4.16	4.09
528	19	2	5	1	3.18	3.13	3.08	3.03
529	19	2	6	2	4.59	4.52	4.45	4.37
530	19	2	6	1	3.40	3.35	3.29	3.24
531	19	2	7	2	4.92	4.84	4.76	4.68
532	19	2	7	1	3.64	3.58	3.53	3.47
533	20	1	1	2	1.10	1.10	1.10	1.10
534	20	1	1	1	0.82	0.82	0.82	0.82
535	20	1	2	2	1.30	1.30	1.30	1.30
536	20	1	2	1	0.96	0.96	0.96	0.96
537	20	1	3	2	1.93	1.93	1.93	1.93
538	20	1	3	1	1.43	1.43	1.43	1.43
539	20	1	4	2	2.07	2.07	2.07	2.07
540	20	1	4	1	1.54	1.54	1.54	1.54
541	20	1	5	2	2.22	2.22	2.22	2.22
542	20	1	5	1	1.64	1.64	1.64	1.64
543	20	1	6	2	2.37	2.37	2.37	2.37
544	20	1	6	1	1.76	1.76	1.76	1.76
545	20	1	7	2	2.54	2.54	2.54	2.54
546	20	1	7	1	1.88	1.88	1.88	1.88
547	20	2	1	2	1.16	1.14	1.12	1.10
548	20	2	1	1	0.86	0.84	0.83	0.82
549	20	2	2	2	1.36	1.34	1.32	1.30
550	20	2	2	1	1.01	0.99	0.98	0.96

**HOMESITE INSURANCE COMPANY OF THE MIDWEST
HOMEOWNERS PROGRAM MANUAL**

Pricing Class	Insurance Score Class	Home First Class	Prior Claims Class	Lapse of Insurance Class	Term 1	Term 2	Term 3	Term 4 +
					Pricing Class Factor	Pricing Class Factor	Pricing Class Factor	Pricing Class Factor
551	20	2	3	2	2.03	1.99	1.96	1.93
552	20	2	3	1	1.50	1.48	1.45	1.43
553	20	2	4	2	2.18	2.14	2.11	2.07
554	20	2	4	1	1.61	1.59	1.56	1.54
555	20	2	5	2	2.33	2.29	2.25	2.22
556	20	2	5	1	1.72	1.70	1.67	1.64
557	20	2	6	2	2.49	2.45	2.41	2.37
558	20	2	6	1	1.84	1.81	1.79	1.76
559	20	2	7	2	2.67	2.62	2.58	2.54
560	20	2	7	1	1.98	1.94	1.91	1.88
561	21	1	1	2	1.10	1.10	1.10	1.10
562	21	1	1	1	0.82	0.82	0.82	0.82
563	21	1	2	2	1.30	1.30	1.30	1.30
564	21	1	2	1	0.96	0.96	0.96	0.96
565	21	1	3	2	1.93	1.93	1.93	1.93
566	21	1	3	1	1.43	1.43	1.43	1.43
567	21	1	4	2	2.07	2.07	2.07	2.07
568	21	1	4	1	1.54	1.54	1.54	1.54
569	21	1	5	2	2.22	2.22	2.22	2.22
570	21	1	5	1	1.64	1.64	1.64	1.64
571	21	1	6	2	2.37	2.37	2.37	2.37
572	21	1	6	1	1.76	1.76	1.76	1.76
573	21	1	7	2	2.54	2.54	2.54	2.54
574	21	1	7	1	1.88	1.88	1.88	1.88
575	21	2	1	2	1.16	1.14	1.12	1.10
576	21	2	1	1	0.86	0.84	0.83	0.82
577	21	2	2	2	1.36	1.34	1.32	1.30
578	21	2	2	1	1.01	0.99	0.98	0.96
579	21	2	3	2	2.03	1.99	1.96	1.93
580	21	2	3	1	1.50	1.48	1.45	1.43
581	21	2	4	2	2.18	2.14	2.11	2.07
582	21	2	4	1	1.61	1.59	1.56	1.54
583	21	2	5	2	2.33	2.29	2.25	2.22
584	21	2	5	1	1.72	1.70	1.67	1.64
585	21	2	6	2	2.49	2.45	2.41	2.37
586	21	2	6	1	1.84	1.81	1.79	1.76
587	21	2	7	2	2.67	2.62	2.58	2.54
588	21	2	7	1	1.98	1.94	1.91	1.88

HOMESITE INSURANCE COMPANY OF THE MIDWEST HOMEOWNERS POLICY PROGRAM MANUAL

Policyholder Responsibility Tiers

Prior Claim Tier

Tier	Prior Claim Group
1	5 or More Years Clean
2	3 or 4 Years Clean
3	1 Claim in 3 Years
4	2 Claims in 3 Years
5	3 Claims in 3 Years
6	4 or more Claims in 3 Years

Rule 301.A.2 & Rule 301.A.5 Credit Tier Definitions - Form HO 00 06

Trans Union Insurance

Risk Score Range	Tier
950 & Above	1
947-949	2
932-946	3
918-931	4
908-917	5
892-907	6
877-891	7
862-876	8
846-861	9
830-845	10
811-829	11
796-810	12
767-795	13
747-766	14
727-746	15
664-726	16
634-663	17
601-633	18
600 & Below	19

Applications for which a credit score is not returned (such as No Hit or No Score) will be assigned a Trans Union Assist Score of 815.

Note: For tiering purposes, policyholders with only claims arising from natural causes will be considered to be 3 to 4 years clean.

No Prior Insurance/Lapse of Insurance Rating Factor

**HOMESITE INSURANCE COMPANY OF THE MIDWEST
HOMEOWNERS POLICY PROGRAM MANUAL**

Rule 301.A. 2 & Rule 301.A.5 Policyholder Responsibility Tiers - Form HO 00 06

Credit Tiers

Tier	HO 00 06
1	0.40
2	0.40
3	0.40
4	0.40
5	0.40
6	0.45
7	0.45
8	0.45
9	0.45
10	0.45
11	0.45
12	0.49
13	0.52
14	0.55
15	0.59
16	0.67
17	0.77
18	0.84
19	1.00

Prior Claim Tiers

Tier	HO 00 06
1	0.90
2	1.00
3	1.25
4	1.55
5	1.85
6	2.25

No Prior Insurance/Lapse of Insurance Rating Factor

HO 00 06
1.35

**HOMESITE INSURANCE COMPANY OF THE MIDWEST
HOMEOWNERS POLICY PROGRAM MANUAL**

Territory	HO 00 03		HO 00 06	
1	673	762	425	563
2	674	763	425	563
3	568	713	425	563
4	596	748	425	563
5	788	970	459	608
6	760	936	459	608
7	740	929	459	608
8	753	945	459	608
9	746	937	459	608
10	732	928	459	608
11	781	981	459	608
12	723	819	459	608
13	627	810	459	608
14	674	871	459	608
15	708	802	459	608
16	689	780	459	608
17	680	770	459	608
18	835	1059	521	690
19	830	1052	521	690
20	1,031	1269	496	657
21	1,003	1235	496	657
22	957	1178	496	657
23	992	1258	521	690
24	943	1219	521	690
25	943	1161	521	690
26	976	1262	521	690
27	965	1188	521	690
28	914	1159	521	690
29	935	1209	521	690
30	997	1264	459	608
31	1,007	1277	459	608
32	1,016	1288	459	608
33	1,005	1274	459	608
34	1,061	1345	521	690
35	1,055	1338	521	690
36	1,125	1454	521	690
37	1,135	1467	521	690
38	1,123	1452	521	690
39	1,414	1793	521	690
40	1,427	1809	521	690
41	1,061	1345	521	690
42	627	787	459	608
43	962	1220	521	690
44	858	1088	521	690
45	895	1135	521	690

HOMESITE INSURANCE COMPANY OF THE MIDWEST HOMEOWNERS POLICY PROGRAM MANUAL

Policy Forms	
HO 00 03	1.000
HO 00 06	0.946

2 Family Dwelling	1.20
3 or 4 Family Dwelling	1.30

Expense Fees per policy	
HO 00 03	\$102.00
HO 00 06	\$51.00

Policyholder Responsibility Tiers
(see schedule)

Expense/Loss Experience Modifiers
(see schedule)

Protection/Construction					
Construction	Protection		HO 00 03	HO 00 06	
2	Masonry	Well Protected	4	1.00	1.00
		Moderately Protected	7	1.17	1.00
		Poorly Protected	9	1.96	1.00
4	Frame	Well Protected	11	1.13	1.00
		Moderately Protected	17	1.32	1.00
		Poorly Protected	19	2.22	1.00

Amount of Insurance				
Amount of Insurance	HO 00 03	Amount of Insurance	HO 00 03	
\$50,000	0.691	\$160,000	1.491	
\$60,000	0.723	\$170,000	1.551	
\$70,000	0.775	\$180,000	1.590	
\$80,000	0.849	\$190,000	1.622	
\$90,000	0.932	\$200,000	1.663	
\$100,000	1.000	\$225,000	1.929	
\$110,000	1.096	\$250,000	2.022	
\$120,000	1.196	\$275,000	2.238	
\$130,000	1.298	\$300,000	2.475	
\$140,000	1.398	\$350,000	2.958	
\$150,000	1.446	\$400,000	3.445	
		Each add'l \$10,000	0.097	

Amount of Insurance	HO 00 06	Amount of Insurance	HO 00 06
\$6,000	0.800	\$40,000	1.599
\$10,000	0.850	\$45,000	1.742
\$15,000	0.900	\$50,000	1.880
\$20,000	1.000	\$60,000	2.159
\$25,000	1.147	\$75,000	2.574
\$30,000	1.303	\$90,000	2.990
\$35,000	1.453	\$100,000	3.265
		Each add'l \$1,000	0.028

Rule 205. Minimum Premium	
HO 00 03	\$150.00
HO 00 06	\$125.00

Rule 207. Waiver of Premium	\$ 3.00
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HOMESITE INSURANCE COMPANY OF THE MIDWEST HOMEOWNERS POLICY PROGRAM MANUAL

Rule 302. Loss Settlement Options - Form HO 00 03

A. Functional Replacement Cost				
	Coverage A limit of liability equals less than ___% of replacement value:		80% to 100%	1.00
			79%, but not less than 50%	1.05
			less than 50%	1.10
B. Actual Cash Value	1.25			
C. Special Loss Settlement	% of Replacement Value	<u>C.2.a. Factor</u>	<u>C.2.c. Factor</u>	
	50%	1.60	0.96	
	60%	1.33	0.97	
	70%	1.14	0.98	

Rule 303. Ordinance or Law Coverage

B.2. Increased Limit - HO 00 03 (25% Coverage A limit)	Factor	1.03
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Rule 304. Special Personal Property Coverage

HO 00 03 (endorsement HH 00 15)	Factor	1.16
HO 00 06 (endorsement HH 17 31)		1.24

Rule 401. Superior Construction - Form HO 00 03

0.85

Rule 402. Townhouse or Row House - Form HO 00 03

Total number of individual family units within the fire division	<u>1 and 2 family dwellings</u>			<u>3 and 4 family dwellings</u>
(number of family well/moderately protected)	1-2 (1 & 3)	3-4 (2)	5-8 (2)	5-8 (4)
poorly protected	1.00	1.10	1.25	1.35
	1.00	1.15	1.30	1.45

An eligible two family owner-occupied dwelling attached to a one family dwelling but not separated by a fire wall would be considered 3 individual family units within a fire division. Four 2 family dwellings not separated by a firewall would be consider

An eligible four family dwelling attached to a three family dwelling but not separated by a fire wall would be considered 7 individual family units within a fire division.

Rule 403. Personal Property (Coverage C) Replacement Cost Coverage

HO 00 03	1.15
HO 00 06	1.35

Rule 404. Protective Devices - Form HO 00 03

Automatic sprinkler systems in <u>all</u> rooms of the dwelling	Factor	0.90
Combination of smoke detectors, dead bolt locks on all entrance doors, and fire extinguishers on the property		1.00
Each central station monitored alarm (fire and burglary)		0.95
Each direct line response to police or fire station		0.95

HOMESITE INSURANCE COMPANY OF THE MIDWEST HOMEOWNERS POLICY PROGRAM MANUAL

Rule 406. Deductibles

Form HO 00 03

Deductible	Coverage A (000s)										
	<= 91.0	115.0	151.5	174.5	195.0	216.5	240.0	268.0	304.5	356.5	>= 998.0
\$1,000	0.866	0.876	0.881	0.884	0.887	0.897	0.900	0.879	0.898	0.900	0.920
\$1,000/\$2,500 W&H	0.860	0.871	0.875	0.879	0.882	0.891	0.894	0.874	0.892	0.895	0.915
\$1,000/\$5,000 W&H	0.853	0.863	0.867	0.871	0.874	0.883	0.886	0.866	0.884	0.887	0.907
\$1,000/1% W&H	0.869	0.877	0.879	0.882	0.884	0.893	0.895	0.873	0.892	0.893	0.891
\$1,000/2% W&H	0.863	0.872	0.874	0.876	0.877	0.885	0.887	0.865	0.883	0.884	0.885
\$1,000/3% W&H	0.860	0.868	0.869	0.871	0.872	0.880	0.881	0.858	0.875	0.872	0.880
\$1,000/4% W&H	0.857	0.865	0.865	0.867	0.867	0.873	0.872	0.849	0.867	0.869	0.878
\$1,000/5% W&H	0.854	0.861	0.861	0.860	0.859	0.867	0.869	0.848	0.866	0.867	0.876
\$1,000/10% W&H	0.840	0.848	0.848	0.851	0.853	0.861	0.862	0.841	0.859	0.861	0.868
\$2,500	0.774	0.784	0.791	0.796	0.801	0.811	0.824	0.827	0.840	0.844	0.864
\$2,500/\$5,000 W&H	0.766	0.776	0.783	0.788	0.793	0.803	0.815	0.819	0.832	0.836	0.856
\$2,500/1% W&H	0.783	0.791	0.794	0.799	0.803	0.812	0.824	0.827	0.839	0.842	0.840
\$2,500/2% W&H	0.776	0.785	0.789	0.793	0.796	0.805	0.816	0.818	0.830	0.833	0.834
\$2,500/3% W&H	0.773	0.781	0.784	0.788	0.791	0.800	0.811	0.811	0.822	0.821	0.829
\$2,500/4% W&H	0.770	0.778	0.781	0.784	0.786	0.793	0.801	0.803	0.815	0.818	0.827
\$2,500/5% W&H	0.767	0.775	0.777	0.777	0.778	0.787	0.798	0.801	0.813	0.816	0.825
\$2,500/10% W&H	0.754	0.761	0.764	0.768	0.772	0.781	0.792	0.794	0.807	0.810	0.817

Form HO 00 06	factor	max credit
\$250/500 W&H	1.14	n/a
\$250/1000 W&H	1.11	n/a
\$250/2% W&H	n/a	n/a
\$500	1.00	n/a
\$500/1000 W&H	0.97	\$50
\$500/2% W&H	n/a	n/a
\$1,000	0.85	\$150
\$1000/2% W&H	n/a	n/a
\$2,500	0.75	\$250

Rule 407. Additional Amounts of Insurance - Form HO 00 03

C.1. Additional amount of Coverage A only		Factor
25%		1.03
50%		1.04

Rule 411. Home Purchase - Form HO 00 03

PolicyTerm	Factor
1	0.90
2	0.94
3	0.97
4+	1.00

**HOMESITE INSURANCE COMPANY OF THE MIDWEST
HOMEOWNERS POLICY PROGRAM MANUAL**

Rule 470. Age of Home - Form HO 00 03

<u>age</u>	<u>factor</u>	<u>age</u>	<u>factor</u>
current year	0.70	12	0.94
prior year	0.72	13	0.95
2 years prior	0.74	14	0.95
3	0.76	15	0.95
4	0.78	16 to 20	0.95
5	0.80	21 to 25	1.00
6	0.82	26 to 30	1.00
7	0.84	31 to 35	0.95
8	0.86	36 to 40	0.95
9	0.88	41 to 50	1.00
10	0.90	51 to 60	1.05
11	0.92	Over 60 Years	1.10

Rule 471. Roofing Age/Materials - Form HO 00 03

(see Wind Roof table)

Rule 472. Safe Heat - Form HO 00 03

Solid Fuel	1.25
Oil	1.00
Other	1.00

Rule 480. Mature Owner/Resident

<u>age group</u>	<u>factor</u>	<u>age group</u>	<u>factor</u>
25 and under	1.00	50 to 54	0.90
26 to 32	1.00	55 to 59	0.90
33 to 39	1.00	60 to 64	0.90
40 to 49	1.00	65 to 74	0.90
		75 and older	0.90

Rule 481. Affinity Marketing - Form HO 00 03

(see schedule)

Rule 482. Policy Conversion

<u>HO 00 03 policy year</u>	<u>factor</u>
1st	0.95
2nd	0.96
3rd	0.97
4th	0.98
5th	0.99
6th and ongoing	1.00

Rule 483. Internet Quote/Purc [n/a in Arkansas]

Rule 486. Basic Package Product and Enhanced Package Optional Endorsements - Form HO 00 03

	<u>Factor</u>
Basic Package	1.15
Enhanced Package	1.19

Rule 488. Number of Units - Form HO 00 06

Less than 5	1.10
5 or More	1.00

HOMESITE INSURANCE COMPANY OF THE MIDWEST HOMEOWNERS POLICY PROGRAM MANUAL

Rule 503. Business Property - Increased Limits (rate per \$2,500) \$ 20.00

Rule 505. Earthquake Coverage

C. Loss Assessment Coverage (rate per \$5,000)	<u>Zone</u>	Frame	Masonry	Superior
	1	\$0.50	\$2.20	\$0.90
	2	\$1.15	\$5.70	\$2.35
	3	\$2.50	\$10.25	\$4.20
	4	\$3.50	\$14.45	\$5.95
	5	\$4.95	\$18.90	\$7.75
	6	\$6.85	\$24.75	\$10.15
	7	\$7.90	\$29.60	\$12.15
	8	\$9.80	\$33.05	\$13.55
	9	\$12.45	\$38.25	\$15.70
	10	\$13.15	\$42.85	\$17.60

D. Base Premium
(per \$1,000 of insurance)
5% deductible

Frame

<u>Zone</u>	Column A	Column B	Column C	Column D	Column E	Column F	Column G
1	\$0.10	n/a	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10
2	\$0.23	n/a	\$0.13	\$0.10	\$0.15	\$0.12	\$0.23
3	\$0.50	n/a	\$0.27	\$0.22	\$0.33	\$0.27	\$0.50
4	\$0.70	n/a	\$0.39	\$0.31	\$0.46	\$0.38	\$0.70
5	\$0.99	n/a	\$0.54	\$0.43	\$0.65	\$0.54	\$0.99
6	\$1.37	n/a	\$0.75	\$0.60	\$0.91	\$0.75	\$1.37
7	\$1.58	n/a	\$0.87	\$0.70	\$1.05	\$0.86	\$1.58
8	\$1.96	n/a	\$1.08	\$0.86	\$1.30	\$1.07	\$1.96
9	\$2.49	n/a	\$1.37	\$1.10	\$1.65	\$1.36	\$2.49
10	\$2.63	n/a	\$1.45	\$1.16	\$1.74	\$1.44	\$2.63

Masonry

<u>Zone</u>	Column A	Column B	Column C	Column D	Column E	Column F	Column G
1	\$0.44	n/a	\$0.27	\$0.21	\$0.28	\$0.26	\$0.44
2	\$1.14	n/a	\$0.70	\$0.55	\$0.72	\$0.67	\$1.14
3	\$2.05	n/a	\$1.25	\$1.00	\$1.29	\$1.20	\$2.05
4	\$2.89	n/a	\$1.77	\$1.41	\$1.82	\$1.69	\$2.89
5	\$3.78	n/a	\$2.31	\$1.84	\$2.38	\$2.20	\$3.78
6	\$4.95	n/a	\$3.03	\$2.41	\$3.12	\$2.89	\$4.95
7	\$5.92	n/a	\$3.62	\$2.88	\$3.72	\$3.45	\$5.92
8	\$6.61	n/a	\$4.04	\$3.22	\$4.16	\$3.86	\$6.61
9	\$7.65	n/a	\$4.68	\$3.72	\$4.81	\$4.46	\$7.65
10	\$8.57	n/a	\$5.24	\$4.17	\$5.39	\$5.00	\$8.57

Superior

<u>Zone</u>	Column A	Column B	Column C	Column D	Column E	Column F	Column G
1	\$0.18	n/a	\$0.10	\$0.10	\$0.13	\$0.11	\$0.18
2	\$0.47	n/a	\$0.20	\$0.13	\$0.34	\$0.29	\$0.47
3	\$0.84	n/a	\$0.37	\$0.23	\$0.61	\$0.52	\$0.84
4	\$1.19	n/a	\$0.52	\$0.32	\$0.86	\$0.74	\$1.19
5	\$1.55	n/a	\$0.68	\$0.42	\$1.13	\$0.96	\$1.55
6	\$2.03	n/a	\$0.89	\$0.55	\$1.48	\$1.26	\$2.03
7	\$2.43	n/a	\$1.06	\$0.65	\$1.77	\$1.51	\$2.43
8	\$2.71	n/a	\$1.18	\$0.73	\$1.97	\$1.68	\$2.71
9	\$3.14	n/a	\$1.37	\$0.85	\$2.28	\$1.95	\$3.14
10	\$3.52	n/a	\$1.54	\$0.95	\$2.56	\$2.18	\$3.52

E. Higher Deductibles **[n/a in Arkansas]**
Earthquake Zone Definitions: See Arkansas Territory 1.0

**HOMESITE INSURANCE COMPANY OF THE MIDWEST
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Rule 507. Coverage A Basic and Increased Limits - Form HO 00 06 \$ 3.30
Increased Limits (rate per \$1,000)

Rule 508. Units Regularly Rented to Others - Form HO 00 06 Factor
1 - 8 weeks per year 1.00
9 or more weeks per year 1.25

Rule 511. Loss Assessment Coverage

Amount of Increase	Total Limit	Charge
\$4,000	\$5,000	\$ 3.00
\$9,000	\$10,000	\$ 6.00
each additional \$5,000		\$ 2.00

Rule 512. Loss of Use - Increased Limit (rate per \$1,000) \$ 2.00

Rule 513. Ordinance or Law Increased Amount of Coverage - Form HO 00 06

Rate per \$1,000
HO 00 06 (25% Coverage A limit) \$2.00

To calculate the increased coverage amount offered and the corresponding premium: for HO 00 06 policies, multiply the total Coverage A amount (\$5,000 base plus any increased limit) by .15, then multiply that result by the HO 00 06 rate per \$1,000.

Rule 514. Other Structures

Increased Limits (rate per \$1,000) \$ 2.00

Rule 515. Personal Property

	Charge
A. Increased Limit (rate per \$1,000)	\$ 2.00
B. Reduction in Limit (credit per \$1,000)	\$ 1.00
C. Increased Special Limits of Liability	
1. Jewelry, Watches, and Furs (rate per \$500)	\$ 15.00
2. Money and Securities (rate per \$100)	
Money	\$ 5.00
Securities	\$ 3.00
3. Silverware, Goldware, and Pewterware (rate per \$500)	\$ 2.50
4. Firearms (rate per \$100)	\$ 3.00
5. Electronic Aparatus (rate per \$500)	\$ 10.00

Rule 516. Personal Property - Scheduled

	rate per \$100
Bicycles	\$6.00
Cameras	\$1.60
Coin Collections	\$1.50
Fine Arts	\$0.30
Furs	\$0.55
Golfers' Equipment	\$1.80
Jewelry	\$1.60
Miscellaneous	\$1.00
Musical Instruments	\$0.90
Silverware	\$0.30
Stamp Collections	\$1.35

Rule 519. Special Computer Coverage (charge per policy) \$12.00

Rule 520. Identity Fraud Expense Coverage (charge per policy) \$35.00

Rule 521. Water Back Up and Sump Overflow (charge per policy) \$34.00

HOMESITE INSURANCE COMPANY OF THE MIDWEST HOMEOWNERS POLICY PROGRAM MANUAL

Rule 471. Roofing Age/Materials - Form HO 00 03

Roof Age	Roof Type	Factor
0	asphalt	1.000
0	built up/tar or gravel	1.000
0	clay tile	1.000
0	composition	1.000
0	concrete tile	1.000
0	other	1.000
0	slate	1.000
0	spanish tile	1.000
0	tin/membrane	1.000
0	wood shake	1.150
0	wood shingles	1.150
1	asphalt	1.007
1	built up/tar or gravel	1.004
1	clay tile	1.004
1	composition	1.007
1	concrete tile	1.004
1	other	1.004
1	slate	1.004
1	spanish tile	1.004
1	tin/membrane	1.004
1	wood shake	1.161
1	wood shingles	1.161
2	asphalt	1.014
2	built up/tar or gravel	1.008
2	clay tile	1.008
2	composition	1.014
2	concrete tile	1.008
2	other	1.008
2	slate	1.008
2	spanish tile	1.008
2	tin/membrane	1.008
2	wood shake	1.171
2	wood shingles	1.171
3	asphalt	1.021
3	built up/tar or gravel	1.011
3	clay tile	1.011
3	composition	1.021
3	concrete tile	1.011
3	other	1.011
3	slate	1.011
3	spanish tile	1.011
3	tin/membrane	1.011
3	wood shake	1.181
3	wood shingles	1.181
4	asphalt	1.028

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Roof Age	Roof Type	Factor
4	built up/tar or gravel	1.014
4	clay tile	1.014
4	composition	1.028
4	concrete tile	1.014
4	other	1.014
4	slate	1.014
4	spanish tile	1.014
4	tin/membrane	1.014
4	wood shake	1.190
4	wood shingles	1.190
5	asphalt	1.034
5	built up/tar or gravel	1.017
5	clay tile	1.017
5	composition	1.034
5	concrete tile	1.017
5	other	1.017
5	slate	1.017
5	spanish tile	1.017
5	tin/membrane	1.017
5	wood shake	1.199
5	wood shingles	1.199
6	asphalt	1.041
6	built up/tar or gravel	1.020
6	clay tile	1.020
6	composition	1.041
6	concrete tile	1.020
6	other	1.020
6	slate	1.020
6	spanish tile	1.020
6	tin/membrane	1.020
6	wood shake	1.208
6	wood shingles	1.208
7	asphalt	1.047
7	built up/tar or gravel	1.023
7	clay tile	1.023
7	composition	1.047
7	concrete tile	1.023
7	other	1.023
7	slate	1.023
7	spanish tile	1.023
7	tin/membrane	1.023
7	wood shake	1.216
7	wood shingles	1.216
8	asphalt	1.053
8	built up/tar or gravel	1.026
8	clay tile	1.026
8	composition	1.053

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Roof Age	Roof Type	Factor
8	concrete tile	1.026
8	other	1.026
8	slate	1.026
8	spanish tile	1.026
8	tin/membrane	1.026
8	wood shake	1.224
8	wood shingles	1.224
9	asphalt	1.059
9	built up/tar or gravel	1.029
9	clay tile	1.029
9	composition	1.059
9	concrete tile	1.029
9	other	1.029
9	slate	1.029
9	spanish tile	1.029
9	tin/membrane	1.029
9	wood shake	1.232
9	wood shingles	1.232
10	asphalt	1.064
10	built up/tar or gravel	1.031
10	clay tile	1.031
10	composition	1.064
10	concrete tile	1.031
10	other	1.031
10	slate	1.031
10	spanish tile	1.031
10	tin/membrane	1.031
10	wood shake	1.240
10	wood shingles	1.240
11	asphalt	1.069
11	built up/tar or gravel	1.033
11	clay tile	1.033
11	composition	1.069
11	concrete tile	1.033
11	other	1.033
11	slate	1.033
11	spanish tile	1.033
11	tin/membrane	1.033
11	wood shake	1.247
11	wood shingles	1.247
12	asphalt	1.075
12	built up/tar or gravel	1.035
12	clay tile	1.035
12	composition	1.075
12	concrete tile	1.035
12	other	1.035
12	slate	1.035

**HOMESITE INSURANCE COMPANY OF THE MIDWEST
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Roof Age	Roof Type	Factor
12	spanish tile	1.035
12	tin/membrane	1.035
12	wood shake	1.254
12	wood shingles	1.254
13	asphalt	1.079
13	built up/tar or gravel	1.037
13	clay tile	1.037
13	composition	1.079
13	concrete tile	1.037
13	other	1.037
13	slate	1.037
13	spanish tile	1.037
13	tin/membrane	1.037
13	wood shake	1.261
13	wood shingles	1.261
14	asphalt	1.084
14	built up/tar or gravel	1.039
14	clay tile	1.039
14	composition	1.084
14	concrete tile	1.039
14	other	1.039
14	slate	1.039
14	spanish tile	1.039
14	tin/membrane	1.039
14	wood shake	1.268
14	wood shingles	1.268
15	asphalt	1.088
15	built up/tar or gravel	1.041
15	clay tile	1.041
15	composition	1.088
15	concrete tile	1.041
15	other	1.041
15	slate	1.041
15	spanish tile	1.041
15	tin/membrane	1.041
15	wood shake	1.275
15	wood shingles	1.275
16	asphalt	1.093
16	built up/tar or gravel	1.043
16	clay tile	1.043
16	composition	1.093
16	concrete tile	1.043
16	other	1.043
16	slate	1.043
16	spanish tile	1.043
16	tin/membrane	1.043
16	wood shake	1.281

**HOMESITE INSURANCE COMPANY OF THE MIDWEST
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Roof Age	Roof Type	Factor
16	wood shingles	1.281
17	asphalt	1.097
17	built up/tar or gravel	1.045
17	clay tile	1.045
17	composition	1.097
17	concrete tile	1.045
17	other	1.045
17	slate	1.045
17	spanish tile	1.045
17	tin/membrane	1.045
17	wood shake	1.287
17	wood shingles	1.287
18	asphalt	1.100
18	built up/tar or gravel	1.047
18	clay tile	1.047
18	composition	1.100
18	concrete tile	1.047
18	other	1.047
18	slate	1.047
18	spanish tile	1.047
18	tin/membrane	1.047
18	wood shake	1.293
18	wood shingles	1.293
19	asphalt	1.104
19	built up/tar or gravel	1.049
19	clay tile	1.049
19	composition	1.104
19	concrete tile	1.049
19	other	1.049
19	slate	1.049
19	spanish tile	1.049
19	tin/membrane	1.049
19	wood shake	1.299
19	wood shingles	1.299
20	asphalt	1.107
20	built up/tar or gravel	1.051
20	clay tile	1.051
20	composition	1.107
20	concrete tile	1.051
20	other	1.051
20	slate	1.051
20	spanish tile	1.051
20	tin/membrane	1.051
20	wood shake	1.305
20	wood shingles	1.305
21	asphalt	1.110
21	built up/tar or gravel	1.053

**HOMESITE INSURANCE COMPANY OF THE MIDWEST
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Roof Age	Roof Type	Factor
21	clay tile	1.053
21	composition	1.110
21	concrete tile	1.053
21	other	1.053
21	slate	1.053
21	spanish tile	1.053
21	tin/membrane	1.053
21	wood shake	1.310
21	wood shingles	1.310
22	asphalt	1.113
22	built up/tar or gravel	1.055
22	clay tile	1.055
22	composition	1.113
22	concrete tile	1.055
22	other	1.055
22	slate	1.055
22	spanish tile	1.055
22	tin/membrane	1.055
22	wood shake	1.315
22	wood shingles	1.315
23	asphalt	1.115
23	built up/tar or gravel	1.057
23	clay tile	1.057
23	composition	1.115
23	concrete tile	1.057
23	other	1.057
23	slate	1.057
23	spanish tile	1.057
23	tin/membrane	1.057
23	wood shake	1.320
23	wood shingles	1.320
24	asphalt	1.118
24	built up/tar or gravel	1.058
24	clay tile	1.058
24	composition	1.118
24	concrete tile	1.058
24	other	1.058
24	slate	1.058
24	spanish tile	1.058
24	tin/membrane	1.058
24	wood shake	1.325
24	wood shingles	1.325
25	asphalt	1.120
25	built up/tar or gravel	1.059
25	clay tile	1.059
25	composition	1.120
25	concrete tile	1.059

**HOMESITE INSURANCE COMPANY OF THE MIDWEST
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Roof Age	Roof Type	Factor
25	other	1.059
25	slate	1.059
25	spanish tile	1.059
25	tin/membrane	1.059
25	wood shake	1.330
25	wood shingles	1.330
26	asphalt	1.122
26	built up/tar or gravel	1.060
26	clay tile	1.060
26	composition	1.122
26	concrete tile	1.060
26	other	1.060
26	slate	1.060
26	spanish tile	1.060
26	tin/membrane	1.060
26	wood shake	1.334
26	wood shingles	1.334
27	asphalt	1.123
27	built up/tar or gravel	1.061
27	clay tile	1.061
27	composition	1.123
27	concrete tile	1.061
27	other	1.061
27	slate	1.061
27	spanish tile	1.061
27	tin/membrane	1.061
27	wood shake	1.338
27	wood shingles	1.338
28	asphalt	1.124
28	built up/tar or gravel	1.062
28	clay tile	1.062
28	composition	1.124
28	concrete tile	1.062
28	other	1.062
28	slate	1.062
28	spanish tile	1.062
28	tin/membrane	1.062
28	wood shake	1.342
28	wood shingles	1.342
29	asphalt	1.125
29	built up/tar or gravel	1.063
29	clay tile	1.063
29	composition	1.125
29	concrete tile	1.063
29	other	1.063
29	slate	1.063
29	spanish tile	1.063

**HOMESITE INSURANCE COMPANY OF THE MIDWEST
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Roof Age	Roof Type	Factor
29	tin/membrane	1.063
29	wood shake	1.346
29	wood shingles	1.346
30+	asphalt	1.126
30+	built up/tar or gravel	1.064
30+	clay tile	1.064
30+	composition	1.126
30+	concrete tile	1.064
30+	other	1.064
30+	slate	1.064
30+	spanish tile	1.064
30+	tin/membrane	1.064
30+	wood shake	1.350
30+	wood shingles	1.350

**HOMESITE INSURANCE COMPANY OF THE MIDWEST
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	Personal Liability			Medical Payments		
	\$100,000	\$300,000	\$500,000	\$1,000	\$3,000	\$5,000
Rule 601. Basic and Increased Limits of Liability						
1 and 2 family dwellings	\$ 20.00	\$ 32.00	\$ 39.00	Included	\$ 5.00	\$ 9.00
(additional charge to rates for 1 and 2 family dwellings)						
3 family	\$ 22.00	\$ 35.00	\$ 43.00	Included	\$ 5.00	\$ 9.00
4 family	\$ 24.00	\$ 38.00	\$ 47.00	Included	\$ 5.00	\$ 9.00
Rule 602. Other Insured Location Occupied by Insured (rate per residence)						
1 family	\$ 6.00	\$ 9.00	\$ 11.00			
2 family	\$ 11.00	\$ 18.00	\$ 22.00			
3 family	\$ 22.00	\$ 37.00	\$ 43.00			
4 family	\$ 24.00	\$ 40.00	\$ 47.00			
Rule 603. Residence Employees (per employee, above two)						
	\$ 4.00	\$ 5.00	\$ 6.00	\$ 1.00	\$ 2.00	\$ 3.00
Rule 604. Additional Residence Rented to Others (rate per residence)						
1 family	\$ 23.00	\$ 37.00	\$ 44.00			
2 family	\$ 38.00	\$ 62.00	\$ 74.00			
3 family	\$ 83.00	\$ 137.00	\$ 162.00			
4 family	\$ 83.00	\$ 137.00	\$ 162.00			
Rule 609. Business Pursuits						
	\$ 4.00	\$ 6.00	\$ 7.00	Included	\$ 2.00	\$ 3.00
Rule 610. Personal Injury						
	\$ 10.00	\$ 12.00	\$ 14.00	n/a	n/a	n/a
Rule 612. Outboard Motors and Watercraft (up to 26 feet)						
Outboard Motors						
each 25-50 hp	\$ 6.00	\$ 8.00	\$ 9.00	\$ 3.00	\$ 9.00	\$ 15.00
each 50-150 hp	\$ 10.00	\$ 13.00	\$ 15.00	\$ 4.00	\$ 12.00	\$ 20.00
Inboard and Inboard/Outdrive Motorboats						
under 16 mph	\$ 12.00	\$ 16.00	\$ 18.00	\$ 3.00	\$ 9.00	\$ 15.00
16-30 mph	\$ 24.00	\$ 32.00	\$ 36.00	\$ 4.00	\$ 12.00	\$ 20.00
30-40 mph	\$ 60.00	\$ 80.00	\$ 90.00	\$ 10.00	\$ 30.00	\$ 50.00
Rule 613. Owned Snowmobile (N/A in Arkansas)						
Rule 617. Dangerous Dog Premium						
	\$ 320.00	NA	NA	\$ 30.00	NA	NA
Rule 618. Unsafe Swimming Pool Premium - Form HO 00 03						
	\$ 30.00	\$ 48.00	\$ 60.00	\$ 8.00	\$ 12.00	\$ 15.00

**HOMESITE INSURANCE COMPANY OF THE MIDWEST
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Rule 301.A.6. Expense/Loss Experience Modifiers

<u>Program Identifier</u>	<u>Modifier</u>
GMAC and affiliates "Affinity" marketing and referral programs	1.07
GMAC Insurance Agency independent agency programs	1.18
AIG 21st Century and affiliates "Affinity" marketing and referral programs	1.053
Wells Fargo	1.063
All Other	1.00

Rule 481. Affinity Marketing

<u>Factor</u>
0.90

**HOMESITE INSURANCE COMPANY OF THE MIDWEST
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Rule 301.A.4 Derogatory Reason Code Definitions and Factors - Form HO 00 03

<u>Class</u>	<u>D01</u>	<u>D02</u>	<u>D11</u>	<u>D21</u>	<u>D31</u>	<u>D41</u>	<u>Factor</u>
1	0	0	0	0	0	0	1.00
2	0	0	0	0	0	1	1.11
3	0	0	0	0	1	0	1.11
4	0	0	0	0	1	1	1.38
5	0	0	0	1	0	0	1.11
6	0	0	0	1	0	1	1.38
7	0	0	0	1	1	0	1.38
8	0	0	0	1	1	1	1.38
9	0	0	1	0	0	0	1.11
10	0	0	1	0	0	1	1.38
11	0	0	1	0	1	0	1.38
12	0	0	1	0	1	1	1.38
13	0	0	1	1	0	0	1.38
14	0	0	1	1	0	1	1.38
15	0	0	1	1	1	0	1.38
16	0	0	1	1	1	1	1.38
17	0	1	0	0	0	0	1.65
18	0	1	0	0	0	1	2.18
19	0	1	0	0	1	0	2.18
20	0	1	0	0	1	1	2.18
21	0	1	0	1	0	0	2.18
22	0	1	0	1	0	1	2.18
23	0	1	0	1	1	0	2.18
24	0	1	0	1	1	1	2.18
25	0	1	1	0	0	0	2.18
26	0	1	1	0	0	1	2.18
27	0	1	1	0	1	0	2.18
28	0	1	1	0	1	1	2.18
29	0	1	1	1	0	0	2.18
30	0	1	1	1	0	1	2.18
31	0	1	1	1	1	0	2.18
32	1	0	0	0	0	0	1.11
33	1	0	0	0	0	1	1.38
34	1	0	0	0	1	0	1.38
35	1	0	0	0	1	1	1.38
36	1	0	0	1	0	0	1.38
37	1	0	0	1	0	1	1.38
38	1	0	0	1	1	0	1.38
39	1	0	0	1	1	1	1.38
40	1	0	1	0	0	0	1.38
41	1	0	1	0	0	1	1.38
42	1	0	1	0	1	0	1.38
43	1	0	1	0	1	1	1.38
44	1	0	1	1	0	0	1.38
45	1	0	1	1	0	1	1.38
46	1	0	1	1	1	0	1.38

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**HOMESITE INSURANCE COMPANY OF THE MIDWEST
HOMEOWNERS PROGRAM MANUAL**

Rule 301.A.2 & Rule 301.A.5 Pricing Class Definitions - Form HO 00 03

Insurance Score Class	Trans Union Insurance Risk Score Range
1	950 & Above
2	947-949
3	932-946
4	918-931
5	908-917
6	892-907
7	877-891
8	862-876
9	846-861
10	830-845
11	811-829
12	796-810
13	767-795
14	747-766
15	727-746
16	664-726
17	634-663
18	601-633
19	600 & Below
20	No Hit
21	No Score

Home First Class	Definition
1	not Home First
2	Home First

Customers who are establishing a new business relationship with Homesite without a prior relationship with a Homesite partner are "Home First".

Prior Claims Class	Defintion
1	5+ Years Claim Free
2	0 Non-AOG Claims in 3 or 4 Years
3	1 Non-AOG Claims in 3 Years
4	2 Non-AOG Claims in 3 Years
5	3 Non-AOG Claims in 3 Years
6	4 Non-AOG Claims in 3 Years
7	5+ Non-AOG Claims in 3 Years

Lapse of Insurance Class	Definition
1	No Lapse of Insurance
2	Lapse of Insurance

~~Customers who have a lapse of insurance are in class 2, others are in class 1.~~

Lapse of Insurance Class is established as follows:

- a. If there is an applicable "Current Policy Expiration Date", and the "Current Policy Expiration Date" precedes the "Proposed Policy Effective Date" by greater than one day, the policyholder is in Lapse of Insurance Class 2. Otherwise, the policyholder
- b. In the case of a new home purchase, there is no Lapse of Insurance and the policyholder is in Lapse of Insurance Class 1.

**HOMESITE INSURANCE COMPANY OF THE MIDWEST
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Rule 301.A.2 & Rule 301.A.5 Pricing Class Factors - Form HO 00 03

Pricing Class	Insurance Score Class	Home First Class	Prior Claims Class	Lapse of Insurance Class	Term 1	Term 2		Term 3		Term 4 +
					Pricing Class Factor	Pricing Class Factor		Pricing Class Factor		Pricing Class Factor
1	1	1	1	2	0.88	0.88		0.88		0.88
2	1	1	1	1	0.65	0.65		0.65		0.65
3	1	1	2	2	1.04	1.04		1.04		1.04
4	1	1	2	1	0.77	0.77		0.77		0.77
5	1	1	3	2	1.55	1.55		1.55		1.55
6	1	1	3	1	1.15	1.15		1.15		1.15
7	1	1	4	2	1.66	1.66		1.66		1.66
8	1	1	4	1	1.23	1.23		1.23		1.23
9	1	1	5	2	1.78	1.78		1.78		1.78
10	1	1	5	1	1.32	1.32		1.32		1.32
11	1	1	6	2	1.90	1.90		1.90		1.90
12	1	1	6	1	1.41	1.41		1.41		1.41
13	1	1	7	2	2.04	2.04		2.04		2.04
14	1	1	7	1	1.51	1.51		1.51		1.51
15	1	2	1	2	0.93	0.91		0.90		0.88
16	1	2	1	1	0.69	0.68		0.67		0.65
17	1	2	2	2	1.09	1.07		1.06		1.04
18	1	2	2	1	0.81	0.80		0.78		0.77
19	1	2	3	2	1.63	1.60		1.57	1.58	1.55
20	1	2	3	1	1.20	1.19		1.17		1.15
21	1	2	4	2	1.75	1.72		1.69		1.66
22	1	2	4	1	1.29	1.27		1.25		1.23
23	1	2	5	2	1.87	1.84		1.81		1.78
24	1	2	5	1	1.38	1.36		1.34		1.32
25	1	2	6	2	2.00	1.97		1.93		1.90
26	1	2	6	1	1.48	1.46		1.43		1.41
27	1	2	7	2	2.14	2.11	2.10	2.07		2.04
28	1	2	7	1	1.58	1.56		1.53		1.51
29	2	1	1	2	0.88	0.88		0.88		0.88
30	2	1	1	1	0.65	0.65		0.65		0.65
31	2	1	2	2	1.04	1.04		1.04		1.04
32	2	1	2	1	0.77	0.77		0.77		0.77
33	2	1	3	2	1.55	1.55		1.55		1.55
34	2	1	3	1	1.15	1.15		1.15		1.15
35	2	1	4	2	1.66	1.66		1.66		1.66
36	2	1	4	1	1.23	1.23		1.23		1.23
37	2	1	5	2	1.78	1.78		1.78		1.78
38	2	1	5	1	1.32	1.32		1.32		1.32
39	2	1	6	2	1.90	1.90		1.90		1.90
40	2	1	6	1	1.41	1.41		1.41		1.41
41	2	1	7	2	2.04	2.04		2.04		2.04
42	2	1	7	1	1.51	1.51		1.51		1.51
43	2	2	1	2	0.93	0.91		0.90		0.88
44	2	2	1	1	0.69	0.68		0.67		0.65
45	2	2	2	2	1.09	1.07		1.06		1.04
46	2	2	2	1	0.81	0.80		0.78		0.77
47	2	2	3	2	1.63	1.60		1.57	1.58	1.55
48	2	2	3	1	1.20	1.19		1.17		1.15
49	2	2	4	2	1.75	1.72		1.69		1.66
50	2	2	4	1	1.29	1.27		1.25		1.23
51	2	2	5	2	1.87	1.84		1.81		1.78
52	2	2	5	1	1.38	1.36		1.34		1.32
53	2	2	6	2	2.00	1.97		1.93		1.90
54	2	2	6	1	1.48	1.46		1.43		1.41
55	2	2	7	2	2.14	2.11	2.10	2.07		2.04
56	2	2	7	1	1.58	1.56		1.53		1.51
57	3	1	1	2	0.90	0.90		0.90		0.90
58	3	1	1	1	0.66	0.66		0.66		0.66
59	3	1	2	2	1.05	1.05		1.05		1.05
60	3	1	2	1	0.78	0.78		0.78		0.78
61	3	1	3	2	1.57	1.57		1.57		1.57
62	3	1	3	1	1.16	1.16		1.16		1.16
63	3	1	4	2	1.68	1.68		1.68		1.68
64	3	1	4	1	1.25	1.25		1.25		1.25
65	3	1	5	2	1.80	1.80		1.80		1.80
66	3	1	5	1	1.33	1.33		1.33		1.33
67	3	1	6	2	1.93	1.93		1.93		1.93

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Pricing Class	Insurance Score Class	Home First Class	Prior Claims Class	Lapse of Insurance Class	Term 1	Term 2		Term 3		Term 4 +
					Pricing Class Factor	Pricing Class Factor		Pricing Class Factor		Pricing Class Factor
68	3	1	6	1	1.43	1.43		1.43		1.43
69	3	1	7	2	2.06	2.06		2.06		2.06
70	3	1	7	1	1.53	1.53		1.53		1.53
71	3	2	1	2	0.94	0.92		0.91		0.90
72	3	2	1	1	0.70	0.69	0.68	0.67		0.66
73	3	2	2	2	1.11	1.09		1.07		1.05
74	3	2	2	1	0.82	0.81		0.79		0.78
75	3	2	3	2	1.65	1.62		1.60		1.57
76	3	2	3	1	1.22	1.20		1.18		1.16
77	3	2	4	2	1.77	1.74		1.71		1.68
78	3	2	4	1	1.31	1.29		1.27		1.25
79	3	2	5	2	1.89	1.86		1.83		1.80
80	3	2	5	1	1.40	1.38		1.36		1.33
81	3	2	6	2	2.02	1.99		1.96		1.93
82	3	2	6	1	1.50	1.47		1.45		1.43
83	3	2	7	2	2.17	2.13		2.10		2.06
84	3	2	7	1	1.61	1.58		1.55		1.53
85	4	1	1	2	0.92	0.92		0.92		0.92
86	4	1	1	1	0.68	0.68		0.68		0.68
87	4	1	2	2	1.08	1.08		1.08		1.08
88	4	1	2	1	0.80	0.80		0.80		0.80
89	4	1	3	2	1.61	1.61		1.61		1.61
90	4	1	3	1	1.19	1.19		1.19		1.19
91	4	1	4	2	1.73	1.73		1.73		1.73
92	4	1	4	1	1.28	1.28		1.28		1.28
93	4	1	5	2	1.85	1.85		1.85		1.85
94	4	1	5	1	1.37	1.37		1.37		1.37
95	4	1	6	2	1.98	1.98		1.98		1.98
96	4	1	6	1	1.46	1.46		1.46		1.46
97	4	1	7	2	2.12	2.12		2.12		2.12
98	4	1	7	1	1.57	1.57		1.57		1.57
99	4	2	1	2	0.96	0.95		0.93		0.92
100	4	2	1	1	0.71	0.70		0.69		0.68
101	4	2	2	2	1.13	1.12		1.10		1.08
102	4	2	2	1	0.84	0.83		0.81		0.80
103	4	2	3	2	1.69	1.66		1.64		1.61
104	4	2	3	1	1.25	1.23		1.21		1.19
105	4	2	4	2	1.81	1.79		1.76		1.73
106	4	2	4	1	1.34	1.32		1.30		1.28
107	4	2	5	2	1.94	1.91		1.88		1.85
108	4	2	5	1	1.44	1.41		1.39		1.37
109	4	2	6	2	2.08	2.04		2.01		1.98
110	4	2	6	1	1.54	1.51		1.49		1.46
111	4	2	7	2	2.22	2.19		2.15		2.12
112	4	2	7	1	1.65	1.62		1.59		1.57
113	5	1	1	2	0.95	0.95		0.95		0.95
114	5	1	1	1	0.71	0.71		0.71		0.71
115	5	1	2	2	1.12	1.12		1.12		1.12
116	5	1	2	1	0.83	0.83		0.83		0.83
117	5	1	3	2	1.67	1.67		1.67		1.67
118	5	1	3	1	1.24	1.24		1.24		1.24
119	5	1	4	2	1.79	1.79		1.79		1.79
120	5	1	4	1	1.33	1.33		1.33		1.33
121	5	1	5	2	1.92	1.92		1.92		1.92
122	5	1	5	1	1.42	1.42		1.42		1.42
123	5	1	6	2	2.05	2.05		2.05		2.05
124	5	1	6	1	1.52	1.52		1.52		1.52
125	5	1	7	2	2.20	2.20		2.20		2.20
126	5	1	7	1	1.63	1.63		1.63		1.63
127	5	2	1	2	1.00	0.98		0.97		0.95
128	5	2	1	1	0.74	0.73		0.72		0.71
129	5	2	2	2	1.18	1.16		1.14		1.12
130	5	2	2	1	0.87	0.86		0.84		0.83
131	5	2	3	2	1.75	1.73	1.72	1.70		1.67
132	5	2	3	1	1.30	1.28		1.26		1.24
133	5	2	4	2	1.88	1.85		1.82		1.79
134	5	2	4	1	1.39	1.37		1.35		1.33
135	5	2	5	2	2.01	1.98		1.95		1.92
136	5	2	5	1	1.49	1.47		1.44		1.42

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					Pricing Class Factor	Pricing Class Factor		Pricing Class Factor		Pricing Class Factor
137	5	2	6	2	2.15	2.12		2.08	2.09	2.05
138	5	2	6	1	1.59	1.57		1.54		1.52
139	5	2	7	2	2.31	2.27		2.23		2.20
140	5	2	7	1	1.71	1.68		1.65		1.63
141	6	1	1	2	1.03	1.03		1.03		1.03
142	6	1	1	1	0.77	0.77		0.77		0.77
143	6	1	2	2	1.22	1.22		1.22		1.22
144	6	1	2	1	0.90	0.90		0.90		0.90
145	6	1	3	2	1.81	1.81		1.81		1.81
146	6	1	3	1	1.34	1.34		1.34		1.34
147	6	1	4	2	1.94	1.94		1.94		1.94
148	6	1	4	1	1.44	1.44		1.44		1.44
149	6	1	5	2	2.08	2.08		2.08		2.08
150	6	1	5	1	1.54	1.54		1.54		1.54
151	6	1	6	2	2.22	2.22		2.22		2.22
152	6	1	6	1	1.65	1.65		1.65		1.65
153	6	1	7	2	2.38	2.38		2.38		2.38
154	6	1	7	1	1.76	1.76		1.76		1.76
155	6	2	1	2	1.08	1.07		1.05		1.03
156	6	2	1	1	0.80	0.79		0.78		0.77
157	6	2	2	2	1.28	1.26		1.24		1.22
158	6	2	2	1	0.95	0.93		0.92		0.90
159	6	2	3	2	1.90	1.87		1.84		1.81
160	6	2	3	1	1.41	1.39		1.36		1.34
161	6	2	4	2	2.04	2.01		1.98		1.94
162	6	2	4	1	1.51	1.49		1.46		1.44
163	6	2	5	2	2.18	2.15		2.11		2.08
164	6	2	5	1	1.62	1.59		1.56	1.57	1.54
165	6	2	6	2	2.33	2.30		2.26		2.22
166	6	2	6	1	1.73	1.70		1.67		1.65
167	6	2	7	2	2.50	2.46		2.42		2.38
168	6	2	7	1	1.85	1.82		1.79		1.76
169	7	1	1	2	1.04	1.04		1.04		1.04
170	7	1	1	1	0.77	0.77		0.77		0.77
171	7	1	2	2	1.23	1.23		1.23		1.23
172	7	1	2	1	0.91	0.91		0.91		0.91
173	7	1	3	2	1.83	1.83		1.83		1.83
174	7	1	3	1	1.36	1.36		1.36		1.36
175	7	1	4	2	1.97	1.97		1.97		1.97
176	7	1	4	1	1.46	1.46		1.46		1.46
177	7	1	5	2	2.10	2.10		2.10		2.10
178	7	1	5	1	1.56	1.56		1.56		1.56
179	7	1	6	2	2.25	2.25		2.25		2.25
180	7	1	6	1	1.67	1.67		1.67		1.67
181	7	1	7	2	2.41	2.41		2.41		2.41
182	7	1	7	1	1.78	1.78		1.78		1.78
183	7	2	1	2	1.10	1.08		1.06		1.04
184	7	2	1	1	0.81	0.80		0.79		0.77
185	7	2	2	2	1.29	1.27		1.25		1.23
186	7	2	2	1	0.96	0.94		0.93		0.91
187	7	2	3	2	1.92	1.89		1.86		1.83
188	7	2	3	1	1.42	1.40		1.38		1.36
189	7	2	4	2	2.06	2.03		2.00		1.97
190	7	2	4	1	1.53	1.50		1.48		1.46
191	7	2	5	2	2.21	2.17		2.14		2.10
192	7	2	5	1	1.63	1.61		1.58		1.56
193	7	2	6	2	2.36	2.32		2.29		2.25
194	7	2	6	1	1.75	1.72		1.69		1.67
195	7	2	7	2	2.53	2.49		2.45		2.41
196	7	2	7	1	1.87	1.84		1.81		1.78
197	8	1	1	2	1.07	1.07		1.07		1.07
198	8	1	1	1	0.79	0.79		0.79		0.79
199	8	1	2	2	1.26	1.26		1.26		1.26
200	8	1	2	1	0.93	0.93		0.93		0.93
201	8	1	3	2	1.87	1.87		1.87		1.87
202	8	1	3	1	1.39	1.39		1.39		1.39
203	8	1	4	2	2.01	2.01		2.01		2.01
204	8	1	4	1	1.49	1.49		1.49		1.49
205	8	1	5	2	2.15	2.15		2.15		2.15

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Pricing Class	Insurance Score Class	Home First Class	Prior Claims Class	Lapse of Insurance Class	Term 1	Term 2		Term 3		Term 4 +
					Pricing Class Factor	Pricing Class Factor		Pricing Class Factor		Pricing Class Factor
206	8	1	5	1	1.59	1.59		1.59		1.59
207	8	1	6	2	2.30	2.30		2.30		2.30
208	8	1	6	1	1.70	1.70		1.70		1.70
209	8	1	7	2	2.46	2.46		2.46		2.46
210	8	1	7	1	1.82	1.82		1.82		1.82
211	8	2	1	2	1.12	1.10		4.08	1.09	1.07
212	8	2	1	1	0.83	0.82		0.80		0.79
213	8	2	2	2	1.32	1.30		1.28		1.26
214	8	2	2	1	0.98	0.96		0.95		0.93
215	8	2	3	2	1.96	1.93		1.90		1.87
216	8	2	3	1	1.45	1.43		1.41		1.39
217	8	2	4	2	2.11	2.08		2.04		2.01
218	8	2	4	1	1.56	1.54		1.51		1.49
219	8	2	5	2	2.25	2.22		2.18		2.15
220	8	2	5	1	1.67	1.64		1.62		1.59
221	8	2	6	2	2.41	2.37		2.34		2.30
222	8	2	6	1	1.79	1.76		1.73		1.70
223	8	2	7	2	2.58	2.54		2.50		2.46
224	8	2	7	1	1.91	1.88		1.85		1.82
225	9	1	1	2	1.09	1.09		1.09		1.09
226	9	1	1	1	0.81	0.81		0.81		0.81
227	9	1	2	2	1.28	1.28		1.28		1.28
228	9	1	2	1	0.95	0.95		0.95		0.95
229	9	1	3	2	1.91	1.91		1.91		1.91
230	9	1	3	1	1.42	1.42		1.42		1.42
231	9	1	4	2	2.05	2.05		2.05		2.05
232	9	1	4	1	1.52	1.52		1.52		1.52
233	9	1	5	2	2.19	2.19		2.19		2.19
234	9	1	5	1	1.62	1.62		1.62		1.62
235	9	1	6	2	2.35	2.35		2.35		2.35
236	9	1	6	1	1.74	1.74		1.74		1.74
237	9	1	7	2	2.51	2.51		2.51		2.51
238	9	1	7	1	1.86	1.86		1.86		1.86
239	9	2	1	2	1.14	1.13		1.11		1.09
240	9	2	1	1	0.85	0.83		0.82		0.81
241	9	2	2	2	1.35	4.33	1.32	1.30		1.28
242	9	2	2	1	1.00	0.98		0.97		0.95
243	9	2	3	2	2.01	1.97		1.94		1.91
244	9	2	3	1	1.49	1.46		1.44		1.42
245	9	2	4	2	2.15	2.12		2.09		2.05
246	9	2	4	1	1.60	1.57		1.55		1.52
247	9	2	5	2	2.30	2.27		2.23		2.19
248	9	2	5	1	1.71	1.68		1.65		1.62
249	9	2	6	2	2.46	2.43	2.42	2.39		2.35
250	9	2	6	1	1.83	1.80		1.77		1.74
251	9	2	7	2	2.64	2.60		2.56		2.51
252	9	2	7	1	1.96	1.92		1.89		1.86
253	10	1	1	2	1.12	1.12		1.12		1.12
254	10	1	1	1	0.83	0.83		0.83		0.83
255	10	1	2	2	1.32	1.32		1.32		1.32
256	10	1	2	1	0.98	0.98		0.98		0.98
257	10	1	3	2	1.97	1.97		1.97		1.97
258	10	1	3	1	1.46	1.46		1.46		1.46
259	10	1	4	2	2.12	2.12		2.12		2.12
260	10	1	4	1	1.57	1.57		1.57		1.57
261	10	1	5	2	2.26	2.26		2.26		2.26
262	10	1	5	1	1.68	1.68		1.68		1.68
263	10	1	6	2	2.42	2.42		2.42		2.42
264	10	1	6	1	1.79	1.79		1.79		1.79
265	10	1	7	2	2.59	2.59		2.59		2.59
266	10	1	7	1	1.92	1.92		1.92		1.92
267	10	2	1	2	1.18	1.16		1.14		1.12
268	10	2	1	1	0.87	0.86		0.85		0.83
269	10	2	2	2	1.39	1.37		1.35		1.32
270	10	2	2	1	1.03	1.01		1.00		0.98
271	10	2	3	2	2.07	2.04		2.00		1.97
272	10	2	3	1	1.53	1.51		4.48	1.49	1.46
273	10	2	4	2	2.22	2.19		2.15		2.12
274	10	2	4	1	1.65	1.62		1.59		1.57

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Pricing Class	Insurance Score Class	Home First Class	Prior Claims Class	Lapse of Insurance Class	Term 1	Term 2		Term 3		Term 4 +
					Pricing Class Factor	Pricing Class Factor		Pricing Class Factor		Pricing Class Factor
275	10	2	5	2	2.38	2.34		2.30		2.26
276	10	2	5	1	1.76	1.73		1.70		1.68
277	10	2	6	2	2.54	2.50		2.46		2.42
278	10	2	6	1	1.88	1.85		1.82		1.79
279	10	2	7	2	2.72	2.68		2.64		2.59
280	10	2	7	1	2.02	1.98		1.95		1.92
281	11	1	1	2	1.15	1.15		1.15		1.15
282	11	1	1	1	0.85	0.85		0.85		0.85
283	11	1	2	2	1.35	1.35		1.35		1.35
284	11	1	2	1	1.00	1.00		1.00		1.00
285	11	1	3	2	2.01	2.01		2.01		2.01
286	11	1	3	1	1.49	1.49		1.49		1.49
287	11	1	4	2	2.16	2.16		2.16		2.16
288	11	1	4	1	1.60	1.60		1.60		1.60
289	11	1	5	2	2.31	2.31		2.31		2.31
290	11	1	5	1	1.71	1.71		1.71		1.71
291	11	1	6	2	2.47	2.47		2.47		2.47
292	11	1	6	1	1.83	1.83		1.83		1.83
293	11	1	7	2	2.65	2.65		2.65		2.65
294	11	1	7	1	1.96	1.96		1.96		1.96
295	11	2	1	2	1.20	1.19		1.17		1.15
296	11	2	1	1	0.89	0.88		0.86		0.85
297	11	2	2	2	1.42	1.40	1.39	1.37		1.35
298	11	2	2	1	1.05	1.03		1.02		1.00
299	11	2	3	2	2.11	2.08		2.05		2.01
300	11	2	3	1	1.56	1.54		1.51	1.52	1.49
301	11	2	4	2	2.27	2.23		2.20		2.16
302	11	2	4	1	1.68	1.65		1.63		1.60
303	11	2	5	2	2.42	2.39	2.38	2.35		2.31
304	11	2	5	1	1.80	1.77		1.74		1.71
305	11	2	6	2	2.59	2.55		2.51		2.47
306	11	2	6	1	1.92	1.89		1.86		1.83
307	11	2	7	2	2.78	2.73		2.69		2.65
308	11	2	7	1	2.06	2.03	2.02	1.99		1.96
309	12	1	1	2	1.20	1.20		1.20		1.20
310	12	1	1	1	0.89	0.89		0.89		0.89
311	12	1	2	2	1.42	1.42		1.42		1.42
312	12	1	2	1	1.05	1.05		1.05		1.05
313	12	1	3	2	2.11	2.11		2.11		2.11
314	12	1	3	1	1.56	1.56		1.56		1.56
315	12	1	4	2	2.27	2.27		2.27		2.27
316	12	1	4	1	1.68	1.68		1.68		1.68
317	12	1	5	2	2.42	2.42		2.42		2.42
318	12	1	5	1	1.80	1.80		1.80		1.80
319	12	1	6	2	2.59	2.59		2.59		2.59
320	12	1	6	1	1.92	1.92		1.92		1.92
321	12	1	7	2	2.78	2.78		2.78		2.78
322	12	1	7	1	2.06	2.06		2.06		2.06
323	12	2	1	2	1.27	1.25	1.24	1.22	1.23	1.20
324	12	2	1	1	0.94	0.92		0.91		0.89
325	12	2	2	2	1.49	1.46		1.44		1.42
326	12	2	2	1	1.10	1.09	1.08	1.07		1.05
327	12	2	3	2	2.22	2.18		2.15		2.11
328	12	2	3	1	1.64	1.62		1.59		1.56
329	12	2	4	2	2.38	2.34		2.31		2.27
330	12	2	4	1	1.76	1.74		1.71		1.68
331	12	2	5	2	2.55	2.50		2.46	2.47	2.42
332	12	2	5	1	1.89	1.86	1.85	1.83		1.80
333	12	2	6	2	2.72	2.68		2.64		2.59
334	12	2	6	1	2.02	1.99	1.98	1.95		1.92
335	12	2	7	2	2.92	2.87		2.82	2.83	2.78
336	12	2	7	1	2.16	2.13		2.09		2.06
337	13	1	1	2	1.26	1.26		1.26		1.26
338	13	1	1	1	0.94	0.94		0.94		0.94
339	13	1	2	2	1.49	1.49		1.49		1.49
340	13	1	2	1	1.10	1.10		1.10		1.10
341	13	1	3	2	2.21	2.21		2.21		2.21
342	13	1	3	1	1.64	1.64		1.64		1.64
343	13	1	4	2	2.38	2.38		2.38		2.38

**HOMESITE INSURANCE COMPANY OF THE MIDWEST
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Pricing Class	Insurance Score Class	Home First Class	Prior Claims Class	Lapse of Insurance Class	Term 1	Term 2		Term 3		Term 4 +
					Pricing Class Factor	Pricing Class Factor		Pricing Class Factor		Pricing Class Factor
344	13	1	4	1	1.76	1.76		1.76		1.76
345	13	1	5	2	2.54	2.54		2.54		2.54
346	13	1	5	1	1.88	1.88		1.88		1.88
347	13	1	6	2	2.72	2.72		2.72		2.72
348	13	1	6	1	2.01	2.01		2.01		2.01
349	13	1	7	2	2.91	2.91		2.91		2.91
350	13	1	7	1	2.16	2.16		2.16		2.16
351	13	2	1	2	1.33	1.30		1.28		1.26
352	13	2	1	1	0.98	0.97		0.95		0.94
353	13	2	2	2	1.56	1.53		1.51		1.49
354	13	2	2	1	1.16	1.14		1.12		1.10
355	13	2	3	2	2.32	2.29		2.25		2.21
356	13	2	3	1	1.72	1.69		1.67		1.64
357	13	2	4	2	2.49	2.46	2.45	2.42		2.38
358	13	2	4	1	1.85	1.82		1.79		1.76
359	13	2	5	2	2.67	2.62		2.58		2.54
360	13	2	5	1	1.98	1.94		1.91		1.88
361	13	2	6	2	2.85	2.81		2.76		2.72
362	13	2	6	1	2.11	2.08		2.05		2.01
363	13	2	7	2	3.06	3.01		2.96		2.91
364	13	2	7	1	2.26	2.23		2.19		2.16
365	14	1	1	2	1.32	1.32		1.32		1.32
366	14	1	1	1	0.98	0.98		0.98		0.98
367	14	1	2	2	1.55	1.55		1.55		1.55
368	14	1	2	1	1.15	1.15		1.15		1.15
369	14	1	3	2	2.31	2.31		2.31		2.31
370	14	1	3	1	1.71	1.71		1.71		1.71
371	14	1	4	2	2.48	2.48		2.48		2.48
372	14	1	4	1	1.84	1.84		1.84		1.84
373	14	1	5	2	2.65	2.65		2.65		2.65
374	14	1	5	1	1.97	1.97		1.97		1.97
375	14	1	6	2	2.84	2.84		2.84		2.84
376	14	1	6	1	2.10	2.10		2.10		2.10
377	14	1	7	2	3.04	3.04		3.04		3.04
378	14	1	7	1	2.25	2.25		2.25		2.25
379	14	2	1	2	1.39	1.36		1.34		1.32
380	14	2	1	1	1.03	1.01		0.99		0.98
381	14	2	2	2	1.63	1.60		1.58		1.55
382	14	2	2	1	1.21	1.19		1.17		1.15
383	14	2	3	2	2.43	2.39		2.35		2.31
384	14	2	3	1	1.80	1.77		1.74		1.71
385	14	2	4	2	2.61	2.57		2.53		2.48
386	14	2	4	1	1.93	1.90		1.87		1.84
387	14	2	5	2	2.79	2.74		2.70		2.65
388	14	2	5	1	2.06	2.03		2.00		1.97
389	14	2	6	2	2.98	2.94	2.93	2.89		2.84
390	14	2	6	1	2.21	2.17		2.14		2.10
391	14	2	7	2	3.20	3.14		3.09		3.04
392	14	2	7	1	2.37	2.33		2.29		2.25
393	15	1	1	2	1.39	1.39		1.39		1.39
394	15	1	1	1	1.03	1.03		1.03		1.03
395	15	1	2	2	1.63	1.63		1.63		1.63
396	15	1	2	1	1.21	1.21		1.21		1.21
397	15	1	3	2	2.43	2.43		2.43		2.43
398	15	1	3	1	1.80	1.80		1.80		1.80
399	15	1	4	2	2.61	2.61		2.61		2.61
400	15	1	4	1	1.94	1.94		1.94		1.94
401	15	1	5	2	2.79	2.79		2.79		2.79
402	15	1	5	1	2.07	2.07		2.07		2.07
403	15	1	6	2	2.99	2.99		2.99		2.99
404	15	1	6	1	2.21	2.21		2.21		2.21
405	15	1	7	2	3.20	3.20		3.20		3.20
406	15	1	7	1	2.37	2.37		2.37		2.37
407	15	2	1	2	1.46	1.43		1.41		1.39
408	15	2	1	1	1.08	1.06		1.05		1.03
409	15	2	2	2	1.72	1.69		1.66		1.63
410	15	2	2	1	1.27	1.25		1.23		1.21
411	15	2	3	2	2.56	2.52	2.51	2.47	2.48	2.43
412	15	2	3	1	1.89	1.86		1.83		1.80

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Pricing Class	Insurance Score Class	Home First Class	Prior Claims Class	Lapse of Insurance Class	Term 1	Term 2		Term 3		Term 4 +
					Pricing Class Factor	Pricing Class Factor		Pricing Class Factor		Pricing Class Factor
413	15	2	4	2	2.74	2.70		2.66		2.61
414	15	2	4	1	2.03	2.00		1.97		1.94
415	15	2	5	2	2.93	2.89		2.84		2.79
416	15	2	5	1	2.17	2.14		2.10		2.07
417	15	2	6	2	3.14	3.09		3.04		2.99
418	15	2	6	1	2.33	2.29		2.25		2.21
419	15	2	7	2	3.36	3.31		3.26		3.20
420	15	2	7	1	2.49	2.45		2.41		2.37
421	16	1	1	2	1.50	1.50		1.50		1.50
422	16	1	1	1	1.11	1.11		1.11		1.11
423	16	1	2	2	1.77	1.77		1.77		1.77
424	16	1	2	1	1.31	1.31		1.31		1.31
425	16	1	3	2	2.64	2.64		2.64		2.64
426	16	1	3	1	1.95	1.95		1.95		1.95
427	16	1	4	2	2.83	2.83		2.83		2.83
428	16	1	4	1	2.10	2.10		2.10		2.10
429	16	1	5	2	3.02	3.02		3.02		3.02
430	16	1	5	1	2.24	2.24		2.24		2.24
431	16	1	6	2	3.24	3.24		3.24		3.24
432	16	1	6	1	2.40	2.40		2.40		2.40
433	16	1	7	2	3.47	3.47		3.47		3.47
434	16	1	7	1	2.57	2.57		2.57		2.57
435	16	2	1	2	1.58	1.55		1.53		1.50
436	16	2	1	1	1.17	1.15		1.13		1.11
437	16	2	2	2	1.86	1.83		1.80		1.77
438	16	2	2	1	1.38	1.35		1.33		1.31
439	16	2	3	2	2.77	2.72		2.68		2.64
440	16	2	3	1	2.05	2.02		1.98	1.99	1.95
441	16	2	4	2	2.97	2.92		2.88		2.83
442	16	2	4	1	2.20	2.17		2.13		2.10
443	16	2	5	2	3.18	3.12		3.07	3.08	3.02
444	16	2	5	1	2.35	2.31		2.28		2.24
445	16	2	6	2	3.40	3.34		3.29		3.24
446	16	2	6	1	2.52	2.48		2.44		2.40
447	16	2	7	2	3.64	3.58		3.52	3.53	3.47
448	16	2	7	1	2.70	2.65		2.61		2.57
449	17	1	1	2	1.65	1.65		1.65		1.65
450	17	1	1	1	1.22	1.22		1.22		1.22
451	17	1	2	2	1.94	1.94		1.94		1.94
452	17	1	2	1	1.44	1.44		1.44		1.44
453	17	1	3	2	2.90	2.90		2.90		2.90
454	17	1	3	1	2.15	2.15		2.15		2.15
455	17	1	4	2	3.11	3.11		3.11		3.11
456	17	1	4	1	2.30	2.30		2.30		2.30
457	17	1	5	2	3.32	3.32		3.32		3.32
458	17	1	5	1	2.46	2.46		2.46		2.46
459	17	1	6	2	3.56	3.56		3.56		3.56
460	17	1	6	1	2.64	2.64		2.64		2.64
461	17	1	7	2	3.81	3.81		3.81		3.81
462	17	1	7	1	2.82	2.82		2.82		2.82
463	17	2	1	2	1.74	1.71		1.68		1.65
464	17	2	1	1	1.29	1.26		1.24		1.22
465	17	2	2	2	2.04	2.01		1.98		1.94
466	17	2	2	1	1.51	1.49		1.46		1.44
467	17	2	3	2	3.04	2.99		2.94	2.95	2.90
468	17	2	3	1	2.25	2.22		2.18		2.15
469	17	2	4	2	3.27	3.21		3.16		3.11
470	17	2	4	1	2.42	2.38		2.34		2.30
471	17	2	5	2	3.49	3.44	3.43	3.38		3.32
472	17	2	5	1	2.59	2.54		2.50		2.46
473	17	2	6	2	3.74	3.68	3.67	3.62		3.56
474	17	2	6	1	2.77	2.72		2.68		2.64
475	17	2	7	2	4.00	3.94		3.87	3.88	3.81
476	17	2	7	1	2.96	2.92		2.87		2.82
477	18	1	1	2	1.81	1.81		1.81		1.81
478	18	1	1	1	1.34	1.34		1.34		1.34
479	18	1	2	2	2.13	2.13		2.13		2.13
480	18	1	2	1	1.58	1.58		1.58		1.58
481	18	1	3	2	3.18	3.18		3.18		3.18

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Pricing Class	Insurance Score Class	Home First Class	Prior Claims Class	Lapse of Insurance Class	Term 1	Term 2		Term 3		Term 4 +
					Pricing Class Factor	Pricing Class Factor		Pricing Class Factor		Pricing Class Factor
482	18	1	3	1	2.35	2.35		2.35		2.35
483	18	1	4	2	3.41	3.41		3.41		3.41
484	18	1	4	1	2.53	2.53		2.53		2.53
485	18	1	5	2	3.65	3.65		3.65		3.65
486	18	1	5	1	2.70	2.70		2.70		2.70
487	18	1	6	2	3.90	3.90		3.90		3.90
488	18	1	6	1	2.89	2.89		2.89		2.89
489	18	1	7	2	4.18	4.18		4.18		4.18
490	18	1	7	1	3.10	3.10		3.10		3.10
491	18	2	1	2	1.90	1.87		1.84		1.81
492	18	2	1	1	1.41	1.39		1.37		1.34
493	18	2	2	2	2.24	2.20		2.17		2.13
494	18	2	2	1	1.66	1.63		1.61		1.58
495	18	2	3	2	3.34	3.28		3.23		3.18
496	18	2	3	1	2.47	2.43		2.39		2.35
497	18	2	4	2	3.58	3.53		3.47		3.41
498	18	2	4	1	2.65	2.61		2.57		2.53
499	18	2	5	2	3.83	3.77		3.71		3.65
500	18	2	5	1	2.84	2.79		2.75		2.70
501	18	2	6	2	4.10	4.03		3.97		3.90
502	18	2	6	1	3.04	2.99		2.94		2.89
503	18	2	7	2	4.39	4.32		4.25		4.18
504	18	2	7	1	3.25	3.20		3.15		3.10
505	19	1	1	2	2.03	2.03		2.03		2.03
506	19	1	1	1	1.50	1.50		1.50		1.50
507	19	1	2	2	2.39	2.39		2.39		2.39
508	19	1	2	1	1.77	1.77		1.77		1.77
509	19	1	3	2	3.56	3.56		3.56		3.56
510	19	1	3	1	2.64	2.64		2.64		2.64
511	19	1	4	2	3.82	3.82		3.82		3.82
512	19	1	4	1	2.83	2.83		2.83		2.83
513	19	1	5	2	4.09	4.09		4.09		4.09
514	19	1	5	1	3.03	3.03		3.03		3.03
515	19	1	6	2	4.37	4.37		4.37		4.37
516	19	1	6	1	3.24	3.24		3.24		3.24
517	19	1	7	2	4.68	4.68		4.68		4.68
518	19	1	7	1	3.47	3.47		3.47		3.47
519	19	2	1	2	2.13	2.10		2.06	2.07	2.03
520	19	2	1	1	1.58	1.55		1.53		1.50
521	19	2	2	2	2.51	2.47		2.43		2.39
522	19	2	2	1	1.86	1.83		1.80		1.77
523	19	2	3	2	3.74	3.68		3.62		3.56
524	19	2	3	1	2.77	2.73	2.72	2.68		2.64
525	19	2	4	2	4.01	3.95		3.89		3.82
526	19	2	4	1	2.97	2.93		2.88		2.83
527	19	2	5	2	4.29	4.22		4.16	4.16	4.09
528	19	2	5	1	3.18	3.13		3.08		3.03
529	19	2	6	2	4.59	4.52		4.45		4.37
530	19	2	6	1	3.40	3.35		3.29		3.24
531	19	2	7	2	4.92	4.84		4.76		4.68
532	19	2	7	1	3.64	3.58		3.53		3.47
533	20	1	1	2	1.10	1.10		1.10		1.10
534	20	1	1	1	0.82	0.82		0.82		0.82
535	20	1	2	2	1.30	1.30		1.30		1.30
536	20	1	2	1	0.96	0.96		0.96		0.96
537	20	1	3	2	1.93	1.93		1.93		1.93
538	20	1	3	1	1.43	1.43		1.43		1.43
539	20	1	4	2	2.07	2.07		2.07		2.07
540	20	1	4	1	1.54	1.54		1.54		1.54
541	20	1	5	2	2.22	2.22		2.22		2.22
542	20	1	5	1	1.64	1.64		1.64		1.64
543	20	1	6	2	2.37	2.37		2.37		2.37
544	20	1	6	1	1.76	1.76		1.76		1.76
545	20	1	7	2	2.54	2.54		2.54		2.54
546	20	1	7	1	1.88	1.88		1.88		1.88
547	20	2	1	2	1.16	1.14		1.12		1.10
548	20	2	1	1	0.86	0.84		0.83		0.82
549	20	2	2	2	1.36	1.34		1.32		1.30
550	20	2	2	1	1.01	0.99		0.98		0.96

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Pricing Class	Insurance Score Class	Home First Class	Prior Claims Class	Lapse of Insurance Class	Term 1	Term 2		Term 3		Term 4 +
					Pricing Class Factor	Pricing Class Factor		Pricing Class Factor		Pricing Class Factor
551	20	2	3	2	2.03	2.00	1.99	1.96		1.93
552	20	2	3	1	1.50	1.48		1.45		1.43
553	20	2	4	2	2.18	2.14		2.11		2.07
554	20	2	4	1	1.61	1.59		1.56		1.54
555	20	2	5	2	2.33	2.29		2.25		2.22
556	20	2	5	1	1.72	1.70		1.67		1.64
557	20	2	6	2	2.49	2.45		2.41		2.37
558	20	2	6	1	1.84	1.82	1.81	1.79		1.76
559	20	2	7	2	2.67	2.62		2.58		2.54
560	20	2	7	1	1.98	1.94		1.91		1.88
561	21	1	1	2	1.10	1.10		1.10		1.10
562	21	1	1	1	0.82	0.82		0.82		0.82
563	21	1	2	2	1.30	1.30		1.30		1.30
564	21	1	2	1	0.96	0.96		0.96		0.96
565	21	1	3	2	1.93	1.93		1.93		1.93
566	21	1	3	1	1.43	1.43		1.43		1.43
567	21	1	4	2	2.07	2.07		2.07		2.07
568	21	1	4	1	1.54	1.54		1.54		1.54
569	21	1	5	2	2.22	2.22		2.22		2.22
570	21	1	5	1	1.64	1.64		1.64		1.64
571	21	1	6	2	2.37	2.37		2.37		2.37
572	21	1	6	1	1.76	1.76		1.76		1.76
573	21	1	7	2	2.54	2.54		2.54		2.54
574	21	1	7	1	1.88	1.88		1.88		1.88
575	21	2	1	2	1.16	1.14		1.12		1.10
576	21	2	1	1	0.86	0.84		0.83		0.82
577	21	2	2	2	1.36	1.34		1.32		1.30
578	21	2	2	1	1.01	0.99		0.98		0.96
579	21	2	3	2	2.03	2.00	1.99	1.96		1.93
580	21	2	3	1	1.50	1.48		1.45		1.43
581	21	2	4	2	2.18	2.14		2.11		2.07
582	21	2	4	1	1.61	1.59		1.56		1.54
583	21	2	5	2	2.33	2.29		2.25		2.22
584	21	2	5	1	1.72	1.70		1.67		1.64
585	21	2	6	2	2.49	2.45		2.41		2.37
586	21	2	6	1	1.84	1.82	1.81	1.79		1.76
587	21	2	7	2	2.67	2.62		2.58		2.54
588	21	2	7	1	1.98	1.94		1.91		1.88

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Policyholder Responsibility Tiers

Prior Claim Tier

Tier	Prior Claim Group
1	5 or More Years Clean
2	3 or 4 Years Clean
3	1 Claim in 3 Years
4	2 Claims in 3 Years
5	3 Claims in 3 Years
6	4 or more Claims in 3 Years

Rule 301.A.2 & Rule 301.A.5 Credit Tier Definitions - Form HO 00 06

Trans Union Insurance

Risk Score Range	Tier
950 & Above	1
947-949	2
932-946	3
918-931	4
908-917	5
892-907	6
877-891	7
862-876	8
846-861	9
830-845	10
811-829	11
796-810	12
767-795	13
747-766	14
727-746	15
664-726	16
634-663	17
601-633	18
600 & Below	19

Applications for which a credit score is not returned (such as No Hit or No Score) will be assigned a Trans Union Assist Score of 815.

Note: For tiering purposes, policyholders with only claims arising from natural causes will be considered to be 3 to 4 years clean.

No Prior Insurance/Lapse of Insurance Rating Factor

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Rule 301.A. 2 & Rule 301.A.5 Policyholder Responsibility Tiers - Form HO 00 06

Credit Tiers

Tier	HO 00 06
1	0.40
2	0.40
3	0.40
4	0.40
5	0.40
6	0.45
7	0.45
8	0.45
9	0.45
10	0.45
11	0.45
12	0.49
13	0.52
14	0.55
15	0.59
16	0.67
17	0.77
18	0.84
19	1.00

Prior Claim Tiers

Tier	HO 00 06
1	0.90
2	1.00
3	1.25
4	1.55
5	1.85
6	2.25

No Prior Insurance/Lapse of Insurance Rating Factor

HO 00 06
1.35

HOMESITE INSURANCE COMPANY OF THE MIDWEST HOMEOWNERS POLICY PROGRAM MANUAL

The Homeowners Policy Program provides property and liability coverages, using the forms and endorsements specified in this Manual. This Manual contains the rules and classifications governing the writing of the Homeowners Policy. The rules, rates, forms and endorsements of the Company for each coverage shall govern in all cases not specifically provided for in this Manual.

101. LIMITS OF LIABILITY AND COVERAGE RELATIONSHIPS

A. The limits of liability required under the Homeowners policy are as follows:

1. Section I – Property Damage

<u>Coverage</u>	<u>HO 00 03</u>	<u>HO 00 06</u>
A Dwelling Minimum Limit	Refer to the state pages	For HO 00 06 refer to Rule 507.A.
B Other Structures	10% of A	---
C Personal Property	50% of A	Refer to the state pages
D Loss of Use	20% of A	40% of C – HO 00 06

2. Section II – Liability (All Forms: Refer to the state pages.)

Coverage E – Personal Liability

Coverage F – Medical Payments to Others

Unless otherwise stated, Coverage E limits apply on an “occurrence” basis;

Coverage F limits on an “each person” basis.

B. All Forms

The limit of liability for Coverages C or D of Section I and E or F of Section II may be increased.

C. Form HO 00 03

Under Coverage B of Section I, an additional amount of insurance may be written on a specific structure

D. Form HO 00 03

Under Coverage C of Section I, it is permissible to reduce the limit of liability to an amount not less than 40% of the limit on the dwelling.

E. Form HO 00 06

The limit of liability for Coverage A of Section I may be increased.

102. DESCRIPTION OF COVERAGES

A. Section I Coverages – Property Damage

The following is a general description of the coverages provided by the individual Homeowners Policy forms. The policy shall be consulted for exact contract conditions.

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	HO 00 03	HO 00 06
Fire or Lightning	Yes Cov. C	Yes
Windstorm or Hail, Explosion, Riot or civil commotion, Aircraft, Vehicles or Smoke	Yes Cov. C	Yes
Vandalism or malicious mischief	Yes Cov. C	Yes
Theft	Yes Cov. C	Yes
Volcanic eruption	Yes Cov. C	Yes
Falling objects, Weight of ice, snow or sleet, Accidental discharge of water or steam, Sudden and accidental tearing apart of a heating system or appliance, Freezing, Sudden accidental damage from electrical current	Yes Cov. C	Yes
Additional risks with certain exceptions (Special Coverage)	Yes Cov. A, B & D	No

B. Section II Coverages – Liability – All Forms

Coverage E – Personal Liability

Coverage F – Medical Payments to Others

1. Personal Liability – Covers payment on behalf of any insured for all sums which the insured shall become legally obligated to pay as damages because of bodily injury or property damage arising out of an insured's premises or personal activities.
2. Medical Payments to Others – Covers medical expenses incurred by persons, other than the insured, who sustain bodily injury caused by an accident arising out of an insured's premises or personal activities.

103. MANDATORY COVERAGES

It is mandatory that insurance be written for all coverages provided under both Sections I and II of the Homeowners Policy.

104. ELIGIBILITY

A. Form HO 00 03

A Homeowners Policy may be issued:

1. To the owner-occupant(s) of a dwelling which is used exclusively for private residential purposes (except as provided in Rule 104.E) and contains not more than 2 families and with not more than 2 boarders or roomers per family; or
2. To the purchaser-occupant(s) who has entered into a long term installment contract for the purchase of the dwelling and who occupies the dwelling but to whom title does not pass from the seller until all the terms of the installment contract have been satisfied. The seller retains title until completion of the payments and in no way acts as a mortgagee. The seller's interest in the building and premises liability may be covered using Endorsement HO 04 41 – Additional Insured; or

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3. To the occupant of a dwelling under a life estate arrangement when the Coverage A amount is at least 80% of the dwelling's replacement cost. The owner's interest in the building and premises liability may be covered using Endorsement HO 04 41 – Additional Insured; or
4. To cover dwellings in the course of construction provided:
 - a. The policy is issued only in the name of the intended owner-occupant(s) of the dwelling;
 - b. The dwelling will be eligible for coverage under Rule 104 upon completion; and
 - c. The dwelling is scheduled to be occupied within the next 60 days.
5. When a 2 family dwelling is occupied by co-owners, each occupying distinct living quarters with separate entrances. Given these circumstances, a Homeowners Policy providing building coverage may be issued to only one of the co-owner occupants of the dwelling. The policy may be endorsed to cover the interest of the other co-owner(s) in the building and for premises liability. A separate Renters Policy HO 00 04 may be issued to the co-owner(s) occupying the other apartment in the dwelling.

It is permissible to extend the Homeowners Policy, without additional premium charge, to cover the interest of a non-occupant joint owner in the building and for premises liability.

Use Endorsement HO 04 41 – Additional Insured.
6. Three or Four Family Dwelling
Use Number of Family Code 6 for Three or Four Family Dwellings except as provided in E. below.
 - a. A Homeowners Policy may be issued to the owner-occupant of a 3 or 4 family dwelling in the same manner as a 1 or 2 family dwelling.
 - b. The limits of liability, under Rule 101, applying to Coverage B – Other Structures and Coverage C – Personal Property, are revised as follows:
 - (1) Coverage B – Other Structures; 5% of Coverage A for a 3 or 4 family dwelling.
 - (2) Coverage C – Personal Property; 30% of Coverage A for a 3 family dwelling and 25% of Coverage A for a 4 family dwelling.
 - c. To develop the BASE PREMIUM, multiply the BASE PREMIUM by the appropriate factor on the state rate pages.
 - d. Refer to Rule 402 in the state rate pages when the dwelling unit is in a town or row house structure.
 - e. Refer to Rule 601 in the state rate pages for the liability rates.

Use Endorsement HO 04 44, Residence Premises – Three or Four Family Dwelling, where applicable.
- B. Form HO 00 06
A Homeowners Policy may be issued to the owner(s) of a condominium or cooperative unit which is used exclusively for residential purposes (except as provided in Rule 104.E), and is not occupied by more than one additional family or more than two boarders or roomers.
- C. Subject to all other sections of this rule, a Homeowners Policy may be issued to cover a seasonal dwelling, for risks on which the Company also insures the primary residence.

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- D. A Homeowners Policy shall not be issued to cover any mobile home, trailer home, or house trailer. Their contents may be covered under the rules provided in the HO 00 04 manual.
- E. Certain business occupancies are permitted, provided:
 - 1. The premises is occupied principally for private residential purposes; and
 - 2. There is no other business occupancy on the premises.When the business is conducted on the residence premises, refer to Rule 609 for Section II Coverage.
- F. A Homeowners Policy shall not be issued to cover any property to which farm forms or rates apply under the rules of the Company. In no event shall a policy be issued to provide Section I property damage coverage to any property situated on premises used for farming purposes.

105. SECONDARY RESIDENCE PREMISES

- A. Homeowners coverage on a secondary residence premises shall be provided under a separate policy. The rules of this Manual apply except that Section II Coverage is not mandatory for the secondary residence policy when the same company insures the initial and secondary residence.
- B. When coverage is provided on the initial and secondary residence premises under separate policies in the same company add the charge for Other Insured Location Occupied by Insured, developed from Rule 602, to the policy covering the initial residence.
Coding Note: Coverage E limit of liability is reported blank for the secondary location. Status Code 4 if seasonal dwelling; Code 3 otherwise.

106. PROTECTION CLASSIFICATION CODES AND INFORMATION

Codes

Protection Class	Code
Well Protected	01
Moderately Protected	07
Poorly Protected	09

- B. Protection Information
The location of the building(s) determines its fire protection classification as follows:
 - 1. Well Protected
Buildings located within five road miles of a responding fire department and:
 - a. within 1,000 feet of a fire hydrant; or
 - b. within 1,000 feet of a year-round water source of at least 3,500 gallons and the responding fire department is equipped to respond with pumper truck capabilities; or
 - c. the responding fire department is equipped to respond with pumper/tanker truck capabilities of at least 3,500 gallons
 - 2. Moderately Protected
Buildings located within five road miles of a responding fire department but not otherwise qualified as Well Protected.
 - 3. Poorly Protected
Buildings that do not qualify for the Well Protected or Moderately Protected classifications are to be classified as Poorly Protected.

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107. CONSTRUCTION DEFINITIONS

- A. Frame
Exterior wall of wood or other combustible construction, including wood iron-clad, stucco on wood or plaster or combustible supports. (Use Construction Code 1.)
Aluminum or plaster siding over frame. (Use Construction Code 5.)
- B. Masonry Veneer
Exterior walls of combustible construction veneered with brick or stone. (Use Construction Code 2.)
- C. Masonry
Exterior walls constructed of masonry materials such as adobe, brick, concrete, gypsum block, hollow concrete block, stone, tile or similar materials and floors and roof of combustible construction (Disregarding floors resting directly on the ground). (Use Construction Code 3.)
- D. Superior Construction
(Use Construction Code 4.)
 - 1. Non-Combustible
Exterior walls and floors and roof constructed of, and supported by metal, asbestos, gypsum, or other non-combustible materials.
 - 2. Masonry Non-Combustible
Exterior walls constructed of masonry materials (as described in C. above) and floors and roof of metal or other non-combustible materials.
 - 3. Fire Resistive
Exterior walls and floors and roof constructed of masonry or other fire resistive materials.

Note: Mixed (Masonry/Frame) – a combination of both frame and masonry construction shall be classed and coded as frame when the exterior walls of frame construction (including gables) exceed 33 1/3% of the total exterior wall area; otherwise class and code as masonry.

108. SEASONAL DWELLING DEFINITION

A seasonal dwelling is a dwelling with continuous unoccupancy of three or more consecutive months during any one year period.

109. SINGLE BUILDING DEFINITION

- A. All buildings or sections of buildings which are accessible through unprotected openings shall be considered as a single building.
- B. Buildings which are separated by space shall be considered separate buildings.
- C. Buildings or sections of buildings which are separated by:
 - 1. A 6 inch reinforced concrete or an 8 inch masonry party wall; or
 - 2. A documented minimum two-hour non-combustible wall which has been laboratory tested for independent structural integrity under fire conditions; which pierces or rises to the underside of the roof and which pierces or extends to the inner side of the exterior wall shall be considered separate buildings.Accessibility between buildings with independent walls or through masonry, party walls described above shall be protected by at least a Class A Fire Door installed in a masonry wall section.

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201. POLICY PERIOD

The policy may be written for a period of:

- A. One year and may be extended for successive policy periods by extension certificate based upon the premiums, forms, and endorsements then in effect for the Company.
- B. Less than one year on a pro rata basis and may be extended for successive policy periods based upon the premiums, forms and endorsements then in effect for the Company.

202. CHANGES OR CANCELLATIONS

- A. It shall not be permissible to cancel any of the mandatory coverages in the policy unless the entire policy is cancelled.
- B. If insurance is increased, cancelled or reduced, the additional or return premium shall be computed on a pro rata basis.

203. MANUAL PREMIUM REVISION

A manual premium revision shall be made in accordance with the following procedures:

- A. The effective date of such revision shall be as announced.
- B. The revision shall apply to any policy or endorsement in the manner outlined in the announcement or the revision.
- C. Unless otherwise provided at the time of the announcement of the premium revision, the revision shall not affect in-force policy forms, endorsements or premiums until the policy is renewed.

204. (Reserved for future use.)

205. MINIMUM PREMIUM

Refer to Statistical Plan for coding requirements.

The minimum annual premium shown on the state rate pages shall be charged for each policy. The minimum premium may include all chargeable endorsements or coverages if written at the inception of the policy.

206. TRANSFER OR ASSIGNMENT

Subject to the consent of the Company, all the rules of this manual and any necessary adjustment or premium, a policy may be endorsed to effect:

- A. Transfer to another location within the same state; or
- B. Assignment from one insured to another in the event of transfer of title of the dwelling.

207. WAIVER OF PREMIUM

Does not affect coding

When a policy is endorsed after the inception date, refer to the state rate pages for the amount of additional or return premium that may be waived.

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208. WHOLE DOLLAR PREMIUM RULE

Does not affect coding.

Each premium shown on the policy and endorsements shall be rounded to the nearest whole dollar. A premium of fifty cents (\$.50) or more shall be rounded to the next higher whole dollar.

In the event of cancellation by the Company, the return premium may be carried to the next higher whole dollar.

209. RESTRICTION OF INDIVIDUAL POLICIES

If a policy would not be issued because of unusual circumstances or exposures, the named insured may request a restriction of the policy provided no reduction in the premium is allowed. The Company will review the request, signed by the named insured, and the policy may be issued at the Company's sole discretion.

210. REFER TO COMPANY

Whenever a risk is rated on a Refer to Company basis, each company is responsible for complying with regulatory or statutory rate filing requirements.

270. PAYMENT PLANS / FEES

- A. The total premium of any policy is due and payable at the beginning of the policy term, unless the policy is issued on an installment plan.
- B. For policies issued on an installment plan, the following fees apply to each installment after the down payment:
 - 1. \$5.00 to each payment for billed policies.
 - 2. \$3.00 to each payment for policies paid by electronic funds transfer.
- C. A fee of \$10.00 is added if a check is returned or electronic funds transfer refused due to insufficient funds. A \$15.00 fee is added if a cancellation notice is sent because an installment payment was not received by the date due.

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301. PREMIUM COMPUTATION

- A. The premium is computed as follows:
1. The BASE PREMIUM is the product of the following rates and factors shown in the rate pages of this manual, rounded to the nearest dollar:
 - a. To be included in all cases:
 - i. Territory Base Rate
 - ii. Policy Form Factor
 - iii. Protection/Construction Factor
 - iv. Amount of Insurance Factor by Coverage A for Form HO 00 03
 - v. Amount of Insurance Factor by Coverage C for Form HO 00 06
 - b. To be included when applicable:
 - i. Multiple Family Dwelling (applies to any two-family dwelling as well as any three or four family dwelling referenced in Rule 104.A.6.)
 - ii. Secondary Residence Premises (Rule 105)
 - iii. Functional Replacement Cost Loss Settlement (Rule 302.A.)
 - iv. Special Loss Settlement (Rule 302.C.)
 - v. Ordinance or Law Coverage – Increased Limit (Rule 303.B.)
 - vi. Special Personal Property Coverage (Rule 304)
 2. Apply the applicable tier factors to the total of Step 1, rounding the new total to the nearest dollar. This is the TIERED BASE PREMIUM.
 3. Determine the associated factors for the desired deductible and any applicable TIERED BASE PREMIUM modifications (All 300- and 400-series Rules not mentioned in Rule 301.A.1.b except Rule 481). Multiply the TIERED BASE PREMIUM developed in Step 2 by the product of these factors. For Form HO 00 06, if the deductible factor is such that:

$$[1 - \text{Deductible Factor}] * \text{Tiered Base Premium} > \text{Max Deductible Credit},$$

then revise the Deductible Factor to:

$$\text{Deductible Factor} = 1 - [\text{Max Deductible Credit} / \text{Tiered Base Premium}]$$

4. Determine all liability increased limits and/or optional liability coverages (600-series Rules), calculating each item individually.
5. Apply any applicable rating tier factor to the total of Step 4, rounding the new total to the nearest dollar. Add the total of these items to the result of Step 3.
6. Calculate the premiums for any other mandatory or optional property or liability coverages that apply, calculating each item individually, rounding each total to the nearest dollar.
7. Add together the sum of Step 5 plus all Step 6 items and add any applicable policy expense fee(s), then apply any applicable expense or loss experience modifier (additive or factor) to that total.
8. Multiply the result of Step 7 by the affinity marketing factor (Rule 481), rounding the total to the nearest dollar. The result is the total policy premium.

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B. Interpolation Example

1. When the desired limit of liability is less than the highest limit shown, interpolate the amount of insurance factor using the nearest limit above and below the desired limit.

Example

\$203,000 desired limit; the nearest limits are \$200,000 and \$205,000.

For \$200,000 the factor is 2.837; for \$205,000 the factor is 2.937. Figure the difference between the two factors and divide by 5. This provides a factor per \$1,000.

2.937

-2.837

.100 ÷ 5 = .02

Multiply the factor per \$1,000 times 3, and add 2.837; the factor for \$200,000.

.02

x 3

.06 + 2.837 = 2.897

The result, 2.897, is the amount of insurance factor for this example.

2. The factors shown in the above interpolation example are for illustration only and are not necessarily the factors shown in the Amount of Insurance Table of this Manual.

302. LOSS SETTLEMENT OPTIONS – FORM HO 00 03

The policy provides building loss settlement on a replacement cost basis if, at the time of loss, the amount of insurance on the damaged building represents at least 80% of the full replacement cost of the building immediately before the loss.

A. Functional Replacement Cost Loss Settlement

Coding: To be determined.

1. The policy may be endorsed to provide building loss settlement exclusively on a functional replacement cost basis if, at the time of loss, the amount of insurance on the damaged building is 80% or more of the functional replacement cost of the building immediately before the loss. Functional Replacement Cost means the amount which it would cost to repair or replace the damaged building with less costly common construction materials and methods, which are functionally equivalent to obsolete, antique or custom construction materials and methods.
2. Develop the BASE PREMIUM in accordance with Rule 301 for the amount of insurance selected for this option.

Use Endorsement HO 05 30 Functional Replacement Cost Loss Settlement.

B. Actual Cash Value Loss Settlement

Coding: To be determined.

1. The policy may be endorsed to provide building loss settlement exclusively on an actual cash value basis if, on the inception date of the policy, the Coverage A limit of liability selected by the insured is less than 80% of the full replacement cost of the dwelling.
2. The premium is computed by multiplying the BASE PREMIUM by the appropriate factor from the state rate pages.

Use Endorsement HO 04 81 Actual Cash Value Loss Settlement.

C. Special Loss Settlement

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Exception Code 5

1. This percentage amount may be modified to 50%, 60% or 70% of replacement value without affecting the loss settlement provisions. If this option is selected, the Coverage A limit of liability representing 50%, 60% or 70% of replacement value is to be shown in the policy declarations.
2. To develop the BASE PREMIUM for the Coverage A limit of liability shown in the policy declarations:
 - a. Multiply the Coverage A limit of liability by the appropriate factor from the state rate pages and round to the nearest \$1,000.
 - b. Develop a BASE PREMIUM in accordance with Rule 301 for the amount of insurance computed in C.2.a. above.
 - c. Multiply the premium determined in C.2.b. by the appropriate factor from the state rate pages.

Use Endorsement HO 04 56 Special Loss Settlement.

303. ORDINANCE OR LAW COVERAGE – ALL FORMS

A. Basic Limit

The policy automatically provides up to 10% of the Coverage A limit of liability to pay for the increased costs necessary to comply with the enforcement of an ordinance or law.

Use Ordinance or Law Coverage Code 2.

B. Increased Limit

1. The policy may be endorsed to increase the basic ordinance or law coverage amount, as noted below, to accommodate the increased costs known or estimated by the insured for materials and labor to repair or replace the damaged property and to demolish the undamaged portion of damaged property and clear the site of resulting debris according to the ordinance or law.

Use Ordinance or Law Coverage Code 3.

2. Premium

- a. Form HO 00 03: To develop the BASE PREMIUM, multiply the premium developed in accordance with Rule 301 by the appropriate factor from the state rate pages.
- b. Form HO 00 06: see Rule 513 for rating instructions.

For all forms, use Endorsement HO 04 77 Ordinance or Law – Increased Amount of Coverage.

304. SPECIAL PERSONAL PROPERTY COVERAGE

A. Form HO 00 03 (Status Code 7)

1. Coverages A and B under Form HO 00 03 are insured against additional risks of physical loss subject to certain exclusions. Coverage C is insured against perils named in the form.
2. The policy may be endorsed to insure Coverage C against additional risks of physical loss subject to certain exclusions.
(When any of the Rule 302 Loss Settlement Options is used, this option may not be used.)
3. Multiply the BASE PREMIUM developed in accordance with Rule 301 by the appropriate factor from the state rate pages.

Use Endorsement HH 00 15 Special Personal Property Coverage – HO 00 03 only.

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- B. Form HO 00 06 (Status Code 7)
1. Coverage C under Form HO 00 06 is insured against perils named in the form. The policy may be endorsed to insure Coverage C against additional risks of physical loss subject to certain exclusions.
 2. This option may only be used when the condominium or cooperative unit is owner occupied.
 3. Multiply the BASE PREMIUM developed in accordance with Rule 301 by the appropriate factor from the state rate pages.
- Use Endorsement HH 17 31 Unit-Owners – Coverage C – Special Coverage – HO 00 06 Only.

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401. SUPERIOR CONSTRUCTION – FORM HO 00 03

The premium for a dwelling or apartment unit in a building of superior construction is computed by multiplying the masonry BASE PREMIUM for a comparable dwelling or condominium unit by the appropriate factor from the state rate pages.

402. TOWNHOUSE OR ROW HOUSE – FORM HO 00 03

The premium for an eligible dwelling in a town or row house structure is computed by multiplying the BASE PREMIUM by the appropriate factor on the state rate pages.

403. PERSONAL PROPERTY (COVERAGE C) REPLACEMENT COST COVERAGE

Coding Note: Subline Code 03 (403 if 50 character format) applies instead of Subline Codes listed on the state rate pages.

- A. The premium to extend the limit of liability for Coverage C to include Replacement Cost Coverage, is computed by multiplying the BASE PREMIUM including any premium adjustment for Coverage C limits by the appropriate factor on the state rate pages.
- B. Replacement Cost Coverage also applies to articles or classes of property separately described and specifically insured in this policy, as listed in the Scheduled Personal Property endorsement.

Use Endorsement HO 04 90 Personal Property Replacement Cost.

404. PROTECTIVE DEVICES – FORM HO 00 03

Does not affect coding.

Approved and properly maintained installations of burglar alarms, fire alarms, and automatic sprinklers in the dwelling may be recognized for a reduced premium.

Refer to the state rate pages for installation types and applicable credits.

Use Endorsement HO 04 16 Premises Alarm or Fire Protection System.

405. AUTOMATIC ADJUSTMENT OF LIMITS – FORM HO 00 03

The limits that apply to Coverages A, B, C, and D will be automatically adjusted on an annual basis, based on a residential building cost index provided by a major appraisal company, subject to a minimum increase of 5%.

406. DEDUCTIBLES

All policies are subject to a deductible that applies to loss from all Section I perils, except Earthquake and Windstorm. Refer to the Earthquake Coverage rule for applicable deductible provision.

A. Premium Computation

To compute the premium for this provision, multiply the TIERED BASE PREMIUM by a factor determined as follows:

1. For Form HO 00 06, refer to the state rate pages to determine the appropriate factor for the selected deductible.
2. For Form HO 00 03, determine the desired deductible and the applicable limit of liability. Then, using the deductible table within the state rate pages, interpolate the deductible factor in accordance with the example below.

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[NOTE: The factors shown in the below interpolation example are for illustration only and are not necessarily the factors shown in the deductible table of this manual]

Example: \$1,000 desired deductible
 \$230,000 limit of liability (“Amount of Insurance”, or “Coverage A”)

- i. On the deductible table, the factor for a \$1,000 deductible at a limit of \$216,500 is 0.879, and the factor for a \$1,000 deductible at a limit of \$240,000 is 0.882. The factor for a \$1,000 deductible at a limit of \$230,000 is therefore interpolated as 0.881, according to the following calculation:

$$(0.882 - 0.879) / (240 - 216.5) = 0.0001276$$

$$0.0001276 * (230 - 216.5) = 0.002$$

$$0.002 + 0.879 = 0.881$$

Example: \$1,200 desired deductible

In the case where a deductible is made available but not shown in the table, continue the process from A.2.i above with the next steps below, interpolating between flat dollar or percentage deductibles shown as appropriate.

- ii. On the deductible table, the factor for a \$2,500 deductible at a limit of \$216,500 is 0.769, and the factor for a \$2,500 deductible at a limit of \$240,000 is 0.785. The factor for a \$2,500 deductible at a limit of \$230,000 is therefore interpolated as 0.778, according to the following calculation:

$$(0.785 - 0.769) / (240 - 216.5) = 0.00068$$

$$0.00068 * (230 - 216.5) = 0.009$$

$$0.009 + 0.769 = 0.778$$

- iii. Since the factor for a \$1,000 deductible at a limit of \$230,000 is 0.881, and the factor for a \$2,500 deductible at a limit of \$230,000 is 0.778, the factor for a \$1,200 deductible at a limit of \$230,000 is interpolated as 0.867, according to the following calculation:

$$(0.881 - 0.778) / (2500 - 1000) = 0.0000686$$

$$0.0000686 * (1200 - 1000) = 0.014$$

$$0.881 - 0.014 = 0.867$$

B. Windstorm or Hail Deductibles – Form HO 00 03

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The following deductible options are used in conjunction with the deductible applicable to All Other Section I perils. Refer to the state rate pages for available options, factors, and applicable minimum and maximum premium charges.

a. Percentage Deductibles

- (1) A percentage deductible of the Coverage A limit of liability is available when the dollar amount of the percentage deductible selected exceeds the amount of the deductible applicable to All Other Section I perils.
- (2) Attach Endorsement HO 03 12 – Windstorm or Hail Percentage Deductible to the policy and enter on the policy declarations the percentage amount that applies to Windstorm or Hail and the dollar amount that applies to All Other Section I perils.

Example:

Deductible – Section I \$250 except Windstorm or Hail 1% of Coverage A limit.

Deductible – Section I \$100 except:

- \$250 for Theft of Personal Property; and
- Windstorm or Hail 2% of the Coverage A limit.

- (3) In the event of a Windstorm or Hail loss to covered property, the dollar amount is deducted from the total of the loss for all coverages.

Example:

Coverage	Limit of Liability	1% Deductible	Amount of Loss Before Deductible	After Deductible
A	\$100,000	\$1,000	\$ 7,500	---
B	10,000		1,350	---
C	50,000		3,000	---
D	20,000		<u>660</u>	<u>---</u>
			\$12,510	\$11,510

- (4) The factors displayed on the state rate pages incorporate the factors for the All Perils Deductibles. Do not use the factors for the All Perils Deductibles when rating a policy with a higher Windstorm or Hail deductible. Interpolate the deductible factor in accordance with the example in Rule 406.A.2.

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- b. Higher Fixed-Dollar Deductibles –
 - (1) Higher fixed-dollar deductibles are available when the dollar amount of the higher fixed-dollar deductible selected exceeds the amount of the deductible applicable to All Other Section I Perils.
 - (2) Attach Endorsement HH 80 06- Windstorm or Hail Fixed-dollar Deductible and separately enter, on the policy declarations, the deductible amounts that apply to Windstorm or Hail and All Other Section I Perils.
Example:
Deductible – Section I \$250
except \$1,000 for Windstorm or Hail.
 - (3) The factors displayed on the state rate pages incorporate the factors for the All Perils Deductibles. Do not use the factors for the All Perils Deductibles when rating a policy with a higher Windstorm or Hail deductible.
 - (4) Refer to the state rate pages for the appropriate factors.

407. ADDITIONAL AMOUNTS OF INSURANCE – FORM HO 00 03

- A. The policy provides loss settlement for buildings insured under Coverage A or B on a replacement cost basis without deduction for depreciation, if, at the time of loss, the amount of insurance on the damaged building is 80% or more of the replacement cost of the building immediately before the loss.
- B. The policy may be endorsed to provide additional insurance for Coverage A when loss, to the dwelling building, exceeds the limit of liability shown in the policy declarations.
- C. When either of the following options is selected, the Coverage A limit of liability shall be at least 100% of the full replacement cost of the dwelling building at the policy inception or at the time the endorsement is added to the policy:
 - 1. Specified Additional Amount of Insurance for Coverage A Only
Coding Note: Use the Subline of Business Codes indicated below for the applicable option. (Codes for the 150 character format)

Option	25%	50%
With Replacement Cost for Coverage C	32 (432)	34 (434)
Without Replacement Cost for Coverage C	31 (431)	33 (433)

 - a. An additional amount of insurance equal to 25% or 50% of the Coverage A limit of liability may be selected. This additional amount is available when loss to the dwelling building exceeds the Coverage A limit of liability shown in the Declarations.
The additional amount cannot be applied to any other coverage nor does it increase the Coverage A limit.
 - b. The premium for this option is computed by multiplying the BASE PREMIUM by the appropriate factor shown on the state rate pages.
Use Endorsement HO 23 47, Excess Dwelling Coverage (Specified Additional Amount of Insurance for Coverage A Only) HO 00 03 only.

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D. Do not use this endorsement when the Special Loss Settlement Endorsement or any other endorsement which modifies the required percentage of replacement value is attached to the policy.

408. ACTUAL CASH VALUE LOSS SETTLEMENT – WINDSTORM OR HAIL LOSSES TO ROOF SURFACING [N/A in Arkansas]

411. HOME PURCHASE RATING – FORM HO 00 03

Newly purchased homes insured on a HO0003 are eligible for discount credit applied to base premium. This credit does not apply to re-financed homes. Refer to the state rate pages for the discount factors.

470. AGE OF HOME – FORM HO 00 03

To compute the premium for this provision, multiply the BASE PREMIUM by the appropriate factor shown on the state rate pages. Do not apply the factor to optional coverages or higher limits of Section I or Section II coverages. Do not apply the factor mid-term.

471. ROOFING AGE/MATERIALS – FORM HO 00 03

Multiply the BASE PREMIUM by the appropriate factor shown on the state rate pages based on the age and type of roofing material and the location of the dwelling.

472. SAFE HEAT

When the primary heating system in the residence is a solid-fuel burning system, or when the residence contains a wood-burning stove, apply the factor shown on the state rate pages according to the Premium Computation Rule 301.A.

480. MATURE OWNER/RESIDENT

When either or both the named insured(s) are 50 years of age or older, multiply the BASE PREMIUM by the applicable factor shown on the state rate pages.

481. AFFINITY MARKETING

Rating factors shown on the state rate pages apply according to the Premium Computation Rule 301.A.8 when the coverage is placed through a Homesite affinity partner and the named insured also maintains an account with a Homesite affinity partner or membership in an approved group.

482. POLICY CONVERSION

If the named insured replaces a current Homesite tenants or unit-owners policy with a Homesite owners form policy, multiply the BASE PREMIUM by the appropriate factor shown on the state rate pages.

483. INTERNET QUOTE/PURCHASE [N/A in Arkansas]

When the initial quote is made and coverage is bound for a new business policy through the company's web site *www.homesite.com*, multiply the BASE PREMIUM by the appropriate factor shown on the state rate pages.

486. BASIC PACKAGE PRODUCT AND ENHANCED PACKAGE PRODUCT OPTIONAL ENDORSEMENTS - FORM HO 00 03

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Coding Note: Does not affect coding.

- A. Basic or Enhanced Coverage may be added.
- B. Basic Package - The following may be packaged to provide additional coverage:
 - 1. HO 23 47 Excess Dwelling Coverage (Specified Additional Amount of Insurance for Coverage A Only) with the option of 25%
 - 2. HO 0490 Personal Property Replacement Cost
 - 3. The limit of liability for Coverage C increased to 70% of coverage A
 - 4. HH 0015 Special Personal Property Coverage
- C. Enhanced Package - The following may be packaged to provide additional coverage:
 - 1. HO 23 47 Excess Dwelling Coverage (Specified Additional Amount of Insurance for Coverage A Only) with the option of 50%
 - 2. HO 0490 Personal Property Replacement Cost
 - 3. The limit of liability for Coverage C increased to 70% of coverage A
 - 4. HH 0015 Special Personal Property Coverage
 - 5. HO 2482 Personal Injury
 - 6. HO 0466 Coverage C Increased Special Limits of Liability with the special limit of liability for Jewelry, Watches and Furs increased by \$4000 to provide a maximum of coverage of \$5000.
- D. Premium Computation
Refer to state company rate pages for applicable factors and flat fees.

488. NUMBER OF UNITS – FORM HO 00 06

Based on the number of apartment units in the apartment complex, apply the factor shown on the state rate pages according to the Premium Computation Rule 301.A.2.

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SECTION I COVERAGES – PROPERTY

501. (Reserved for future use.)

502. (Reserved for future use.)

503. BUSINESS PROPERTY – INCREASED LIMITS

Does not affect coding.

A. The \$2,500 limit of liability for business property on the residence premises may be increased to \$10,000 in increments of \$2,500. Charge the rate for each \$2,500 increase shown in the state rate pages. The limit of liability in excess of \$2,500 does not apply to:

1. Business property in storage or held as a sample or for sale or delivery after sale;
2. Business property pertaining to a business actually conducted on the residence premises. (This exposure is addressed by HO 04 42 – Permitted Incidental Occupancies.)

B. When the on-premises limit is increased, the off-premises limit of \$250 is automatically increased, at no additional charge, to an amount that is 10 percent of the total on-premises limit of liability.

Use Endorsement HO 04 12 Increased Limits of Business Property.

504. (Reserved for future use.)

505. EARTHQUAKE COVERAGE

Coding Note: Code as a separate Earthquake record with Subline Code 60 (460 if 150 character format).

A. The policy may be endorsed to provide coverage against a loss resulting from the peril of Earthquake. This peril shall apply to all Section I Coverages for the same limits provided in the policy.

Use Endorsement HO 04 54 Earthquake.

B. Deductible

A deductible percentage amount of 5% of the limit of liability for:

1. Coverage A for Form HO 00 03; and
2. Coverage C for Form HO 00 06;

is included in this rule.

In the event of an Earthquake loss to covered property, the dollar amount is deducted from the total of the loss for Coverages A, B, and C.

Earthquake rates are displayed for the 5% deductible in the state rate pages.

C. Loss Assessment Coverage

The policy may also be endorsed to cover loss assessment resulting from loss by this peril. The limit of liability shall be based on the insured's proportionate interest in the total value of all collectively owned buildings and structures of the corporation or association of property owners. Refer to the state rate pages for rates.

Use Endorsement HO 04 36 for all Forms.

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D. Base Premium

Develop the base premium as follows:

1. From the state rate pages:
 - a. Determine whether Construction Table A, B, and/or C applies.
 - b. Determine the Earthquake Zone.
2. For Form HO 00 03, add the results of the following three steps:
 - a. Multiply the Coverage A limit by the rate found in Column A of the table.
 - b. If the Coverage C limit is increased, multiply the rate found in Column D by the amount of the increase; and
 - c. If the Coverage D limit is increased, multiply the rate found in Column F by the amount of the increase.
3. For Form HO 00 06, add the results of the following three steps:
 - a. Multiply the Coverage C limit by the rate found in Column C of the table.
 - b. Multiply the Coverage A limit by the rate found in E of the table; and
 - c. If the Coverage D limit is increased, multiply the rate found in Row F by the amount of the increase.
4. Building or Non-Building Structure Items - All Forms
Multiply the rate in Row F of the table by the appropriate limit of liability for Other Building or Structure options. (e.g. - Other Structures - HO 04 40, HO 04 48 and HO 04 92).
5. Ordinance or Law - Basic and Increased Limit - All Forms
Multiply the rate determined in D.2.a, D.3.b, and/or D.4 above by the Ordinance or Law total amount of insurance. This includes basic and, if applicable, increased amounts.

E. Premium for Higher Deductibles [N/A in Arkansas]

Multiply the base premium determined in D. above by the appropriate factor shown on the state rate pages.

506. (Reserved for future use.)

507. FORM HO 00 06 COVERAGE A DWELLING BASIC AND INCREASED LIMITS – HO 00 06

A. Basic Limits

The policy automatically provides a basic Coverage A limit of \$5,000 on a named perils basis. If increased limits are not desired, enter “\$5,000” under Coverage A – Dwelling on the Declarations pages.

Limit Code 1

B. Increased Limits

The basic limit may be increased. Use the rating information shown on the state rate pages.

Report Limit Code as follows:

Limits	Code
\$5,001 - \$ 9,999	2
10,000 – 19,999	3
20,000 – 29,999	4
30,000 – 39,999	5
40,000 – 49,999	6

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50,000 – 59,999	7
60,000 – 69,999	8
70,000 and Over	9

508. FORM HO 00 06 UNITS REGULARLY RENTED TO OTHERS

Status Code 6

- A. There is no coverage for Coverage C – Personal Property and Section II Liability when the residence premises is regularly rented or held for rental to others. The policy may be endorsed, however, to provide such coverage, including Theft.
 - B. The Coverage C minimum limit of liability may be waived when the value of the insured's personal property in the rented unit is less than \$10,000.
 - C. Multiply the Coverage C BASE PREMIUM (reflecting the credit or surcharge for optional deductibles) by the appropriate factor shown on the state rate pages.
- Use Endorsement HO 17 33 Unit-Owners Rental to Others.

509. (Reserved for future use.)

510. (Reserved for future use.)

511. LOSS ASSESSMENT COVERAGE

Coding Note: Status Code 6 when HO 17 33 also used; Code 2 otherwise.

The policy automatically provides, at no additional charge, \$1,000 of loss assessment coverage, excluding Earthquake, for assessments relating to the residence premises. This limit may be increased. Refer to the state rate pages for the additional rate. Endorsement HO 04 35 does not cover loss to property under Section I caused by Earthquake.

Use Endorsement HO 04 35 Loss Assessment Coverage.

512. LOSS OF USE – INCREASED LIMIT

Does not affect coding.

When the limit of liability for Coverage D is increased, charge the rate per \$1,000 of additional insurance shown in the state rate pages.

513. ORDINANCE OR LAW INCREASED AMOUNT OF COVERAGE – HO 00 06

- A. The basic amount of coverage may be initially increased to 25% of the HO 00 06 Coverage A limit (Coverage Code 3).
- B. Premium
 - 1. The premium for this additional coverage is determined based on the dollar amount of increase, represented by the increased percentage amount selected above the basic limit.
 - 2. Refer to the state rate pages for the premium for each additional \$1,000 of insurance.

514. OTHER STRUCTURES

- A. When insurance is written on a specific structure on the residence premises for increased limits, the rates per \$1,000 of insurance mentioned below shall apply separately to each structure.
- B. Increased Limits
Does not affect coding.

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Premium: Refer to the state rate pages.
Use Endorsement HO 04 48 Other Structures.

515. PERSONAL PROPERTY

A. Increased Limit

Does not affect coding.

The limit of liability for Coverage C may be increased. Charge the additional rate per \$1,000 of insurance shown in the state rate pages.

B. Reduction in Limit

Does not affect coding.

The limit of liability for Coverage C may be reduced to an amount not less than 40% of the limit for Coverage A. The credit per \$1,000 is shown in the state rate pages.

C. Increased Special Limits of Liability

Does not affect coding.

1. Jewelry, Watches and Furs

The special limit of liability of \$1,000 for theft of jewelry, watches and furs may be increased to a maximum of \$5,000 but not exceeding \$1,000 for any one article.

Charge the additional rate per \$1,000 shown in the state rate pages.

2. Money and Securities

The special limit of liability of \$200 on money may be increased to a maximum of \$1,000. The \$1,000 limit on securities may be increased to a maximum of \$2,000. Charge the additional rate per \$100 shown in the state rate pages.

3. Silverware, Goldware, and Pewterware

The special limit of liability of \$2,500 for loss by theft of silverware, etc., may be increased to a maximum of \$10,000 in increments of \$500. Charge the additional rate per \$500 shown in the state rate pages.

4. Firearms

The special limit of liability of \$2,000 for loss by theft of firearms may be increased to a maximum of \$6,000 in increments of \$100. Charge the additional rate per \$100 shown in the state rate pages.

5. Electronic Apparatus

a. The policy provides coverage, as described below, for loss of electronic apparatus equipped to be operated from the electrical system of a motor vehicle or motorized land conveyance while retaining its capability or being operated by other sources of power:

(1) Up to \$1,000 for apparatus in or upon a motor vehicle or motorized land conveyance, and

(2) Up to \$1,000 for apparatus not in or upon a motor vehicle that is away from the residence premises and used for business.

b. Each of these limits may be increased to a maximum of \$5,000 in increments of \$500. Charge the additional rate per \$500 shown in the state rate pages.

Use Endorsement HO 04 65 Coverage C Increased Special Limits of Liability unless endorsements HH 00 15 for HO 00 03 or HH 17 31 for HO 00 06 are attached. If these endorsements are included, use endorsement HO 04 66 for Coverage C Increased Special Limits of Liability.

D. Refrigerated Personal Property – All Forms

Does not affect coding.

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1. The policy includes by endorsement \$500 of coverage for covered property stored in freezers or refrigerators on the residence premises for loss caused by power service interruption or mechanical failure.
 2. A deductible of \$100 applies.
 3. There is no additional charge for this coverage.
- Use Endorsement HO 04 98 Refrigerated Property Coverage with all policies.

516. PERSONAL PROPERTY – SCHEDULED

Coding Note: Code as a separate Inland Marine record with Subline Code 70 (470 if 150 character format).

Coverage may be provided on scheduled personal property subject to the rules and rates of the Company.

Use Endorsement HO 04 61 Scheduled Personal Property.

517. (Reserved for future use.)

518. (Reserved for future use.)

519. SPECIAL COMPUTER COVERAGE – ALL FORMS EXCEPT HO 00 03 WITH HH 00 15 OR HO 00 06 WITH HH 17 31

Status Code

All Forms except HO 00 06: Code 2

HO 00 06: Code 6 when HO 17 33 also used; Code 2 otherwise

The policy may be endorsed to insure computers and related equipment against additional risks of physical loss subject to certain exclusions. Charge the additional rate shown in the state rate pages.

Use Endorsement HO 04 14 Special Computer Coverage.

520. (Reserved for future use.)

521. WATER BACK UP AND SUMP OVERFLOW

Code as a separate record with Exception Code 1.

A. The policy may be endorsed to provide coverage for loss resulting from water which backs up through sewers or drains or which overflows from a sump. The limit of liability available under this option is \$5,000.

B. A deductible of \$250 applies. No other deductible option is available.

C. Charge the rate shown on the state rate pages.

Use Endorsement HO 04 95 Water Back Up and Sump Overflow.

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SECTION II COVERAGES

PERSONAL LIABILITY AND MEDICAL PAYMENTS TO OTHERS

601. RESIDENCE PREMISES – BASIC AND INCREASED LIMITS OTHER EXPOSURES – BASIC AND INCREASED LIMITS

- A. Residence Premises
 - 1. Minimum limits of liability for Coverage E (Personal Liability) and Coverage F (Medical Payments to Others) are shown in Rule 301 in the state rate pages.
 - 1. Refer to the state rate pages Rule 601 for rates.
 - 3. If increased limits are written, then the same limits must apply to any Other Exposures covered under the policy, unless otherwise stated.
- B. Other Exposures
 - 1. There is an additional charge for Other Exposures listed in the following rules.
 - 2. The minimum limits for Other Exposures are the same as the limits for the Residence Premises, unless otherwise indicated.
 - 3. For increased limits for Other Exposures, refer to the state rate pages.
 - 4. If increased limits are written, then the same limits must apply to the Residence Premises, unless otherwise stated.

602. OTHER INSURED LOCATION OCCUPIED BY INSURED

- Does not affect coding.
- A. Section II Coverage may be provided on locations, other than the residence premises, where an insured resides, but which are insured for Section I Coverage under another insurance program or by another company.
 - B. Make the appropriate charge for each other insured location shown in the Declarations of this policy. If the insured location is in another state, refer to the manual for that state.
 - C. Premium – Refer to the state rate pages.

603. RESIDENCE EMPLOYEES

- A. There is no additional charge for up to two residence employees.
- B. Refer to the state rate pages to determine the premium when there are more than two residence employees.
- C. Charges do not apply to employees working less than half of the customary full time or to whom workers' compensation exclusion applies as stated in Section II of the policy.

604. ADDITIONAL RESIDENCE RENTED TO OTHERS

- Status Code 2
- A. The policy may be endorsed to provide coverage when an additional residence is rented to others.
 - B. Premium – Refer to the state rate pages.
Use Endorsement HO 24 70 Additional Residence Rented to Others.

605. (Reserved for future use.)

606. (Reserved for future use.)

607. (Reserved for future use.)

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608. (Reserved for future use.)

609. BUSINESS PURSUITS

Status Code 2

- A. The policy may be endorsed to provide coverage for the liability of the insured arising out of business activities. Coverage is excluded if the insured owns the business, is a partner or maintains financial control in the business.
- B. Refer to the state rate pages for eligible business activities and rates.
Use Endorsement HO 24 71 Business Pursuits.

610. PERSONAL INJURY

Coding Notes: Use Class Code 994 and code as a separate Personal Liability record with Subline Code 80 (480 if 150 character format).

- A. Liability coverage for personal injury to others, such as false arrest, libel or invasion of privacy, may be added to the policy.
- B. Premium: Refer to the state rate pages.
Use Endorsement HO 24 82 Personal Injury.

611. (Reserved for future use.)

612. OUTBOARD MOTORS AND WATERCRAFT

Coding Note: Code as a separate Personal Liability record with Subline Code 80 (480 if 150 character format). Exposure coding (number of watercraft) is required.

- A. Coverage is included in the policy form, at no additional charge, for watercraft powered by an outboard engine or motor or combination of outboard engines or motors of up to 25 horsepower, and sailboats less than 26 feet in overall length with or without auxiliary power.
- B. Coverage is available, for an additional premium, for watercraft up to 26 feet in length powered by outboard engines or motors exceeding 25 horsepower, Inboard or Inboard-Outdrive engines or motors.
Accumulate total horsepower if two or more engines or motors are regularly used together with any single watercraft owned by insured.
- C. Coverage must be written to expiration of the policy. It is permissible, however, to stipulate for all watercraft eligible in this rule, the navigational period of each year. Premium shall be adjusted on a pro rata basis.
- D. For boats not described above, coverage is not permitted under the Homeowners Policy
- E. The premium in the state where the Insured's residence premises is located shall apply. However, if the insured owns another residence premises in a different state and principally operates the boat from that residence, apply the premium for that state.
- F. Premium: Refer to the state rate pages.
Use Endorsement HO 24 75 Watercraft.

613. OWNED SNOWMOBILE [N/A in Arkansas]

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Coding Note: Code as a separate Personal Liability record with Subline Code 80 (480 if 150 character format). Exposure coding (number of snowmobiles) is required.

- A. The policy may be endorsed to provide coverage when a snowmobile is used off of the insured location.
- B. Rate each snowmobile owned by the named insured or any other insured separately. This charge is the minimum annual premium for each snowmobile for any period within a policy year.
- C. Premium: Refer to the state rate pages.
Use Endorsement HO 24 64 Snowmobile.

614. (Reserved for future use.)

615. (Reserved for future use.)

616. NO GUN TRAINING SURCHARGE

When guns are present and locked on the residence premises, but none of the named insureds have completed a gun safety training course, apply the applicable premium shown on the state rate pages.

617. DANGEROUS DOG PREMIUM

When dangerous dogs are present, apply the applicable premium shown on the state rate pages.

618. UNSAFE SWIMMING POOL PREMIUM – FORM HO 00 03

When an unsafe swimming pool is on the property, apply the applicable premium shown on the state rate pages.

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SPECIAL STATE REQUIREMENTS

001. Special Provisions Endorsement – HO 01 03
Use this endorsement with all Homeowners policies.

002. No Coverage for Home Day Care Business – HO 04 96
This endorsement details the exclusions and restrictions of the policy with respect to a home day care exposure. Use this endorsement with all Homeowners policies.

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The Homeowners Policy Program provides property and liability coverages, using the forms and endorsements specified in this Manual. This Manual contains the rules and classifications governing the writing of the Homeowners Policy. The rules, rates, forms and endorsements of the Company for each coverage shall govern in all cases not specifically provided for in this Manual.

101. LIMITS OF LIABILITY AND COVERAGE RELATIONSHIPS

A. The limits of liability required under the Homeowners policy are as follows:

1. Section I – Property Damage

Coverage	HO 00 03	HO 00 06
A Dwelling Minimum Limit	Refer to the state pages	For HO 00 06 refer to Rule 507.A.
B Other Structures	10% of A	---
C Personal Property	50% of A	Refer to the state pages
D Loss of Use	20% of A	40% of C – HO 00 06

2. Section II – Liability (All Forms: Refer to the state pages.)

Coverage E – Personal Liability

Coverage F – Medical Payments to Others

Unless otherwise stated, Coverage E limits apply on an “occurrence” basis;

Coverage F limits on an “each person” basis.

B. All Forms

The limit of liability for Coverages C or D of Section I and E or F of Section II may be increased.

C. Form HO 00 03

Under Coverage B of Section I, an additional amount of insurance may be written on a specific structure

D. Form HO 00 03

Under Coverage C of Section I, it is permissible to reduce the limit of liability to an amount not less than 40% of the limit on the dwelling.

E. Form HO 00 06

The limit of liability for Coverage A of Section I may be increased.

102. DESCRIPTION OF COVERAGES

A. Section I Coverages – Property Damage

The following is a general description of the coverages provided by the individual Homeowners Policy forms. The policy shall be consulted for exact contract conditions.

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	HO 00 03	HO 00 06
Fire or Lightning	Yes Cov. C	Yes
Windstorm or Hail, Explosion, Riot or civil commotion, Aircraft, Vehicles or Smoke	Yes Cov. C	Yes
Vandalism or malicious mischief	Yes Cov. C	Yes
Theft	Yes Cov. C	Yes
Volcanic eruption	Yes Cov. C	Yes
Falling objects, Weight of ice, snow or sleet, Accidental discharge of water or steam, Sudden and accidental tearing apart of a heating system or appliance, Freezing, Sudden accidental damage from electrical current	Yes Cov. C	Yes
Additional risks with certain exceptions (Special Coverage)	Yes Cov. A, B & D	No

B. Section II Coverages – Liability – All Forms

Coverage E – Personal Liability

Coverage F – Medical Payments to Others

1. Personal Liability – Covers payment on behalf of any insured for all sums which the insured shall become legally obligated to pay as damages because of bodily injury or property damage arising out of an insured's premises or personal activities.
2. Medical Payments to Others – Covers medical expenses incurred by persons, other than the insured, who sustain bodily injury caused by an accident arising out of an insured's premises or personal activities.

103. MANDATORY COVERAGES

It is mandatory that insurance be written for all coverages provided under both Sections I and II of the Homeowners Policy.

104. ELIGIBILITY

A. Form HO 00 03

A Homeowners Policy may be issued:

1. To the owner-occupant(s) of a dwelling which is used exclusively for private residential purposes (except as provided in Rule 104.E) and contains not more than 2 families and with not more than 2 boarders or roomers per family; or
2. To the purchaser-occupant(s) who has entered into a long term installment contract for the purchase of the dwelling and who occupies the dwelling but to whom title does not pass from the seller until all the terms of the installment contract have been satisfied. The seller retains title until completion of the payments and in no way acts as a mortgagee. The seller's interest in the building and premises liability may be covered using Endorsement HO 04 41 – Additional Insured; or

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3. To the occupant of a dwelling under a life estate arrangement when the Coverage A amount is at least 80% of the dwelling's replacement cost. The owner's interest in the building and premises liability may be covered using Endorsement HO 04 41 – Additional Insured; or
 4. To cover dwellings in the course of construction provided:
 - a. The policy is issued only in the name of the intended owner-occupant(s) of the dwelling;
 - b. The dwelling will be eligible for coverage under Rule 104 upon completion; and
 - c. The dwelling is scheduled to be occupied within the next 60 days.
 5. When a 2 family dwelling is occupied by co-owners, each occupying distinct living quarters with separate entrances. Given these circumstances, a Homeowners Policy providing building coverage may be issued to only one of the co-owner occupants of the dwelling. The policy may be endorsed to cover the interest of the other co-owner(s) in the building and for premises liability. A separate Renters Policy HO 00 04 may be issued to the co-owner(s) occupying the other apartment in the dwelling.

It is permissible to extend the Homeowners Policy, without additional premium charge, to cover the interest of a non-occupant joint owner in the building and for premises liability.

Use Endorsement HO 04 41 – Additional Insured.
 6. Three or Four Family Dwelling
Use Number of Family Code 6 for Three or Four Family Dwellings except as provided in E. below.
 - a. A Homeowners Policy may be issued to the owner-occupant of a 3 or 4 family dwelling in the same manner as a 1 or 2 family dwelling.
 - b. The limits of liability, under Rule 101, applying to Coverage B – Other Structures and Coverage C – Personal Property, are revised as follows:
 - (1) Coverage B – Other Structures; 5% of Coverage A for a 3 or 4 family dwelling.
 - (2) Coverage C – Personal Property; 30% of Coverage A for a 3 family dwelling and 25% of Coverage A for a 4 family dwelling.
 - c. To develop the BASE PREMIUM, multiply the BASE PREMIUM by the appropriate factor on the state rate pages.
 - d. Refer to Rule 402 in the state rate pages when the dwelling unit is in a town or row house structure.
 - e. Refer to Rule 601 in the state rate pages for the liability rates.

Use Endorsement HO 04 44, Residence Premises – Three or Four Family Dwelling, where applicable.
- B. Form HO 00 06
A Homeowners Policy may be issued to the owner(s) of a condominium or cooperative unit which is used exclusively for residential purposes (except as provided in Rule 104.E), and is not occupied by more than one additional family or more than two boarders or roomers.
- C. Subject to all other sections of this rule, a Homeowners Policy may be issued to cover a seasonal dwelling, for risks on which the Company also insures the primary residence.

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- D. A Homeowners Policy shall not be issued to cover any mobile home, trailer home, or housetrailer. Their contents may be covered under the rules provided in the HO 00 04 manual.
- E. Certain business occupancies are permitted, provided:
 - 1. The premises is occupied principally for private residential purposes; and
 - 2. There is no other business occupancy on the premises.When the business is conducted on the residence premises, refer to Rule 609 for Section II Coverage.
- F. A Homeowners Policy shall not be issued to cover any property to which farm forms or rates apply under the rules of the Company. In no event shall a policy be issued to provide Section I property damage coverage to any property situated on premises used for farming purposes.

105. SECONDARY RESIDENCE PREMISES

- A. Homeowners coverage on a secondary residence premises shall be provided under a separate policy. The rules of this Manual apply except that Section II Coverage is not mandatory for the secondary residence policy when the same company insures the initial and secondary residence.
- B. When coverage is provided on the initial and secondary residence premises under separate policies in the same company add the charge for Other Insured Location Occupied by Insured, developed from Rule 602, to the policy covering the initial residence.
Coding Note: Coverage E limit of liability is reported blank for the secondary location. Status Code 4 if seasonal dwelling; Code 3 otherwise.

106. PROTECTION CLASSIFICATION CODES AND INFORMATION

Codes

Protection Class	Code
Well Protected	01
Moderately Protected	07
Poorly Protected	09

- B. Protection Information
The location of the building(s) determines its fire protection classification as follows:
 - 1. Well Protected
Buildings located within five road miles of a responding fire department and:
 - a. within 1,000 feet of a fire hydrant; or
 - b. within 1,000 feet of a year-round water source of at least 3,500 gallons and the responding fire department is equipped to respond with pumper truck capabilities; or
 - c. the responding fire department is equipped to respond with pumper/tanker truck capabilities of at least 3,500 gallons
 - 2. Moderately Protected
Buildings located within five road miles of a responding fire department but not otherwise qualified as Well Protected.
 - 3. Poorly Protected
Buildings that do not qualify for the Well Protected or Moderately Protected classifications are to be classified as Poorly Protected.

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107. CONSTRUCTION DEFINITIONS

- A. Frame
Exterior wall of wood or other combustible construction, including wood iron-clad, stucco on wood or plaster or combustible supports. (Use Construction Code 1.)
Aluminum or plaster siding over frame. (Use Construction Code 5.)
- B. Masonry Veneer
Exterior walls of combustible construction veneered with brick or stone. (Use Construction Code 2.)
- C. Masonry
Exterior walls constructed of masonry materials such as adobe, brick, concrete, gypsum block, hollow concrete block, stone, tile or similar materials and floors and roof of combustible construction (Disregarding floors resting directly on the ground). (Use Construction Code 3.)
- D. Superior Construction
(Use Construction Code 4.)
 - 1. Non-Combustible
Exterior walls and floors and roof constructed of, and supported by metal, asbestos, gypsum, or other non-combustible materials.
 - 2. Masonry Non-Combustible
Exterior walls constructed of masonry materials (as described in C. above) and floors and roof of metal or other non-combustible materials.
 - 3. Fire Resistive
Exterior walls and floors and roof constructed of masonry or other fire resistive materials.

Note: Mixed (Masonry/Frame) – a combination of both frame and masonry construction shall be classed and coded as frame when the exterior walls of frame construction (including gables) exceed 33 1/3% of the total exterior wall area; otherwise class and code as masonry.

108. SEASONAL DWELLING DEFINITION

A seasonal dwelling is a dwelling with continuous unoccupancy of three or more consecutive months during any one year period.

109. SINGLE BUILDING DEFINITION

- A. All buildings or sections of buildings which are accessible through unprotected openings shall be considered as a single building.
- B. Buildings which are separated by space shall be considered separate buildings.
- C. Buildings or sections of buildings which are separated by:
 - 1. A 6 inch reinforced concrete or an 8 inch masonry party wall; or
 - 2. A documented minimum two-hour non-combustible wall which has been laboratory tested for independent structural integrity under fire conditions; which pierces or rises to the underside of the roof and which pierces or extends to the inner side of the exterior wall shall be considered separate buildings.Accessibility between buildings with independent walls or through masonry, party walls described above shall be protected by at least a Class A Fire Door installed in a masonry wall section.

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201. POLICY PERIOD

The policy may be written for a period of:

- A. One year and may be extended for successive policy periods by extension certificate based upon the premiums, forms, and endorsements then in effect for the Company.
- B. Less than one year on a pro rata basis and may be extended for successive policy periods based upon the premiums, forms and endorsements then in effect for the Company.

202. CHANGES OR CANCELLATIONS

- A. It shall not be permissible to cancel any of the mandatory coverages in the policy unless the entire policy is cancelled.
- B. If insurance is increased, cancelled or reduced, the additional or return premium shall be computed on a pro rata basis.

203. MANUAL PREMIUM REVISION

A manual premium revision shall be made in accordance with the following procedures:

- A. The effective date of such revision shall be as announced.
- B. The revision shall apply to any policy or endorsement in the manner outlined in the announcement or the revision.
- C. Unless otherwise provided at the time of the announcement of the premium revision, the revision shall not affect in-force policy forms, endorsements or premiums until the policy is renewed.

204. (Reserved for future use.)

205. MINIMUM PREMIUM

Refer to Statistical Plan for coding requirements.

The minimum annual premium shown on the state rate pages shall be charged for each policy. The minimum premium may include all chargeable endorsements or coverages if written at the inception of the policy.

206. TRANSFER OR ASSIGNMENT

Subject to the consent of the Company, all the rules of this manual and any necessary adjustment or premium, a policy may be endorsed to effect:

- A. Transfer to another location within the same state; or
- B. Assignment from one insured to another in the event of transfer of title of the dwelling.

207. WAIVER OF PREMIUM

Does not affect coding

When a policy is endorsed after the inception date, refer to the state rate pages for the amount of additional or return premium that may be waived.

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208. WHOLE DOLLAR PREMIUM RULE

Does not affect coding.

Each premium shown on the policy and endorsements shall be rounded to the nearest whole dollar. A premium of fifty cents (\$.50) or more shall be rounded to the next higher whole dollar.

In the event of cancellation by the Company, the return premium may be carried to the next higher whole dollar.

209. RESTRICTION OF INDIVIDUAL POLICIES

If a policy would not be issued because of unusual circumstances or exposures, the named insured may request a restriction of the policy provided no reduction in the premium is allowed. The Company will review the request, signed by the named insured, and the policy may be issued at the Company's sole discretion.

210. REFER TO COMPANY

Whenever a risk is rated on a Refer to Company basis, each company is responsible for complying with regulatory or statutory rate filing requirements.

270. PAYMENT PLANS / FEES

- A. The total premium of any policy is due and payable at the beginning of the policy term, unless the policy is issued on an installment plan.
- B. For policies issued on an installment plan, the following fees apply to each installment after the down payment:
 - 1. \$5.00 to each payment for billed policies.
 - 2. \$3.00 to each payment for policies paid by electronic funds transfer.
- C. A fee of \$10.00 is added if a check is returned or electronic funds transfer refused due to insufficient funds. A \$15.00 fee is added if a cancellation notice is sent because an installment payment was not received by the date due.

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301. PREMIUM COMPUTATION

A. The premium is computed as follows:

1. The BASE PREMIUM is the product of the following rates and factors shown in the rate pages of this manual, rounded to the nearest dollar:
 - a. To be included in all cases:
 - i. Territory Base Rate
 - ii. Policy Form Factor
 - iii. Protection/Construction Factor
 - iv. Amount of Insurance Factor by Coverage A for Form HO 00 03
 - v. Amount of Insurance Factor by Coverage C for Form HO 00 06
 - b. To be included when applicable:
 - i. Multiple Family Dwelling (applies to any two-family dwelling as well as any three or four family dwelling referenced in Rule 104.A.6.)
 - ii. Secondary Residence Premises (Rule 105)
 - iii. Functional Replacement Cost Loss Settlement (Rule 302.A.)
 - iv. Special Loss Settlement (Rule 302.C.)
 - v. Ordinance or Law Coverage – Increased Limit (Rule 303.B.)
 - vi. Special Personal Property Coverage (Rule 304)
2. Apply the applicable tier factors to the total of Step 1, rounding the new total to the nearest dollar. This is the TIERED BASE PREMIUM.
3. Determine the associated factors for the desired deductible and any applicable TIERED BASE PREMIUM modifications (All 300- and 400-series Rules not mentioned in Rule 301.A.1.b except Rule 481). Multiply the TIERED BASE PREMIUM developed in Step 2 by the product of these factors. For Form HO 00 06, if the deductible factor is such that:

$[1 - \text{Deductible Factor}] * \text{Tiered Base Premium} > \text{Max Deductible Credit}$,

then revise the Deductible Factor to:

$\text{Deductible Factor} = 1 - [\text{Max Deductible Credit} / \text{Tiered Base Premium}]$

4. ~~4.~~ Determine all liability increased limits and/or optional liability coverages (600-series Rules), calculating each item individually.
5. Apply any applicable rating tier factor to the total of Step 4, rounding the new total to the nearest dollar. Add the total of these items to the result of Step 3.
6. Calculate the premiums for any other mandatory or optional property or liability coverages that apply, calculating each item individually, rounding each total to the nearest dollar.
7. Add together the sum of Step 5 plus all Step 6 items and add any applicable policy expense fee(s), then apply any applicable expense or loss experience modifier (additive or factor) to that total.
8. Multiply the result of Step 7 by the affinity marketing factor (Rule 481), rounding the total to the nearest dollar. The result is the total policy premium.

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B. Interpolation Example

1. When the desired limit of liability is less than the highest limit shown, interpolate the amount of insurance factor using the nearest limit above and below the desired limit.

Example

\$203,000 desired limit; the nearest limits are \$200,000 and \$205,000.

For \$200,000 the factor is 2.837; for \$205,000 the factor is 2.937. Figure the difference between the two factors and divide by 5. This provides a factor per \$1,000.

2.937

-2.837

.100 ÷ 5 = .02

Multiply the factor per \$1,000 times 3, and add 2.837; the factor for \$200,000.

.02

x 3

.06 + 2.837 = 2.897

The result, 2.897, is the amount of insurance factor for this example.

2. The factors shown in the above interpolation example are for illustration only and are not necessarily the factors shown in the Amount of Insurance Table of this Manual.

302. LOSS SETTLEMENT OPTIONS – FORM HO 00 03

The policy provides building loss settlement on a replacement cost basis if, at the time of loss, the amount of insurance on the damaged building represents at least 80% of the full replacement cost of the building immediately before the loss.

A. Functional Replacement Cost Loss Settlement

Coding: To be determined.

1. The policy may be endorsed to provide building loss settlement exclusively on a functional replacement cost basis if, at the time of loss, the amount of insurance on the damaged building is 80% or more of the functional replacement cost of the building immediately before the loss. Functional Replacement Cost means the amount which it would cost to repair or replace the damaged building with less costly common construction materials and methods, which are functionally equivalent to obsolete, antique or custom construction materials and methods.
2. Develop the BASE PREMIUM in accordance with Rule 301 for the amount of insurance selected for this option.

Use Endorsement HO 05 30 Functional Replacement Cost Loss Settlement.

B. Actual Cash Value Loss Settlement

Coding: To be determined.

1. The policy may be endorsed to provide building loss settlement exclusively on an actual cash value basis if, on the inception date of the policy, the Coverage A limit of liability selected by the insured is less than 80% of the full replacement cost of the dwelling.
2. The premium is computed by multiplying the BASE PREMIUM by the appropriate factor from the state rate pages.

Use Endorsement HO 04 81 Actual Cash Value Loss Settlement.

C. Special Loss Settlement

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Exception Code 5

1. This percentage amount may be modified to 50%, 60% or 70% of replacement value without affecting the loss settlement provisions. If this option is selected, the Coverage A limit of liability representing 50%, 60% or 70% of replacement value is to be shown in the policy declarations.
2. To develop the BASE PREMIUM for the Coverage A limit of liability shown in the policy declarations:
 - a. Multiply the Coverage A limit of liability by the appropriate factor from the state rate pages and round to the nearest \$1,000.
 - b. Develop a BASE PREMIUM in accordance with Rule 301 for the amount of insurance computed in C.2.a. above.
 - c. Multiply the premium determined in C.2.b. by the appropriate factor from the state rate pages.

Use Endorsement HO 04 56 Special Loss Settlement.

303. ORDINANCE OR LAW COVERAGE – ALL FORMS

A. Basic Limit

The policy automatically provides up to 10% of the Coverage A limit of liability to pay for the increased costs necessary to comply with the enforcement of an ordinance or law.

Use Ordinance or Law Coverage Code 2.

B. Increased Limit

1. The policy may be endorsed to increase the basic ordinance or law coverage amount, as noted below, to accommodate the increased costs known or estimated by the insured for materials and labor to repair or replace the damaged property and to demolish the undamaged portion of damaged property and clear the site of resulting debris according to the ordinance or law.

Use Ordinance or Law Coverage Code 3.

2. Premium

- a. Form HO 00 03: To develop the BASE PREMIUM, multiply the premium developed in accordance with Rule 301 by the appropriate factor from the state rate pages.
- b. Form HO 00 06: see Rule 513 for rating instructions.

For all forms, use Endorsement HO 04 77 Ordinance or Law – Increased Amount of Coverage.

304. SPECIAL PERSONAL PROPERTY COVERAGE

A. Form HO 00 03 (Status Code 7)

1. Coverages A and B under Form HO 00 03 are insured against additional risks of physical loss subject to certain exclusions. Coverage C is insured against perils named in the form.
2. The policy may be endorsed to insure Coverage C against additional risks of physical loss subject to certain exclusions.
(When any of the Rule 302 Loss Settlement Options is used, this option may not be used.)
3. Multiply the BASE PREMIUM developed in accordance with Rule 301 by the appropriate factor from the state rate pages.

Use Endorsement HH 00 15 Special Personal Property Coverage – HO 00 03 only.

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- B. Form HO 00 06 (Status Code 7)
1. Coverage C under Form HO 00 06 is insured against perils named in the form. The policy may be endorsed to insure Coverage C against additional risks of physical loss subject to certain exclusions.
 2. This option may only be used when the condominium or cooperative unit is owner occupied.
 3. Multiply the BASE PREMIUM developed in accordance with Rule 301 by the appropriate factor from the state rate pages.
- Use Endorsement HH 17 31 Unit-Owners – Coverage C – Special Coverage – HO 00 06 Only.

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401. SUPERIOR CONSTRUCTION – FORM HO 00 03

The premium for a dwelling or apartment unit in a building of superior construction is computed by multiplying the masonry BASE PREMIUM for a comparable dwelling or condominium unit by the appropriate factor from the state rate pages.

402. TOWNHOUSE OR ROW HOUSE – FORM HO 00 03

The premium for an eligible dwelling in a town or row house structure is computed by multiplying the BASE PREMIUM by the appropriate factor on the state rate pages.

403. PERSONAL PROPERTY (COVERAGE C) REPLACEMENT COST COVERAGE

Coding Note: Subline Code 03 (403 if 50 character format) applies instead of Subline Codes listed on the state rate pages.

- A. The premium to extend the limit of liability for Coverage C to include Replacement Cost Coverage, is computed by multiplying the BASE PREMIUM including any premium adjustment for Coverage C limits by the appropriate factor on the state rate pages.
- B. Replacement Cost Coverage also applies to articles or classes of property separately described and specifically insured in this policy, as listed in the Scheduled Personal Property endorsement.

Use Endorsement HO 04 90 Personal Property Replacement Cost.

404. PROTECTIVE DEVICES – FORM HO 00 03

Does not affect coding.

Approved and properly maintained installations of burglar alarms, fire alarms, and automatic sprinklers in the dwelling may be recognized for a reduced premium. Refer to the state rate pages for installation types and applicable credits. Use Endorsement HO 04 16 Premises Alarm or Fire Protection System.

405. AUTOMATIC ADJUSTMENT OF LIMITS – FORM HO 00 03

The limits that apply to Coverages A, B, C, and D will be automatically adjusted on an annual basis, based on a residential building cost index provided by a major appraisal company, subject to a minimum increase of 5%.

406. DEDUCTIBLES

All policies are subject to a deductible that applies to loss from all Section I perils, except Earthquake and Windstorm. Refer to the Earthquake Coverage rule for applicable deductible provision.

A. Premium Computation

To compute the premium for this provision, multiply the TIERED BASE PREMIUM by a factor determined as follows:

1. For Form HO 00 06, refer to the state rate pages to determine the appropriate factor for the selected deductible.
2. For Form HO 00 03, determine the desired deductible and the applicable limit of liability. Then, using the deductible table within the state rate pages, interpolate the deductible factor in accordance with the example below.

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[NOTE: The factors shown in the below interpolation example are for illustration only and are not necessarily the factors shown in the deductible table of this manual]

Example: \$1,000 desired deductible
 \$230,000 limit of liability ("Amount of Insurance", or "Coverage A")

- i. On the deductible table, the factor for a \$1,000 deductible at a limit of \$216,500 is 0.879, and the factor for a \$1,000 deductible at a limit of \$240,000 is 0.882. The factor for a \$1,000 deductible at a limit of \$230,000 is therefore interpolated as 0.881, according to the following calculation:

$$(0.882 - 0.879) / (240 - 216.5) = 0.0001276$$

$$0.0001276 * (230 - 216.5) = 0.002$$

$$0.002 + 0.879 = 0.881$$

Example: \$1,200 desired deductible

In the case where a deductible is made available but not shown in the table, continue the process from A.2.i above with the next steps below, interpolating between flat dollar or percentage deductibles shown as appropriate.

- ii. On the deductible table, the factor for a \$2,500 deductible at a limit of \$216,500 is 0.769, and the factor for a \$2,500 deductible at a limit of \$240,000 is 0.785. The factor for a \$2,500 deductible at a limit of \$230,000 is therefore interpolated as 0.778, according to the following calculation:

$$(0.785 - 0.769) / (240 - 216.5) = 0.00068$$

$$0.00068 * (230 - 216.5) = 0.009$$

$$0.009 + 0.769 = 0.778$$

- iii. Since the factor for a \$1,000 deductible at a limit of \$230,000 is 0.881, and the factor for a \$2,500 deductible at a limit of \$230,000 is 0.778, the factor for a \$1,200 deductible at a limit of \$230,000 is interpolated as 0.867, according to the following calculation:

$$(0.881 - 0.778) / (2500 - 1000) = 0.000686$$

$$0.000686 * (1200 - 1000) = 0.014$$

$$0.881 - 0.014 = 0.867$$

B. Windstorm or Hail Deductibles – Form HO 00 03

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The following deductible options are used in conjunction with the deductible applicable to All Other Section I perils. Refer to the state rate pages for available options, factors, and applicable minimum and maximum premium charges.

a. Percentage Deductibles

- (1) A percentage deductible of the Coverage A limit of liability is available when the dollar amount of the percentage deductible selected exceeds the amount of the deductible applicable to All Other Section I perils.
- (2) Attach Endorsement HO 03 12 – Windstorm or Hail Percentage Deductible to the policy and enter on the policy declarations the percentage amount that applies to Windstorm or Hail and the dollar amount that applies to All Other Section I perils.

Example:

Deductible – Section I \$250 except Windstorm or Hail 1% of Coverage A limit.

Deductible – Section I \$100 except:

- \$250 for Theft of Personal Property; and
- Windstorm or Hail 2% of the Coverage A limit.

- (3) In the event of a Windstorm or Hail loss to covered property, the dollar amount is deducted from the total of the loss for all coverages.

Example:

Coverage	Limit of Liability	1% Deductible	Amount of Loss Before Deductible	After Deductible
A	\$100,000	\$1,000	\$ 7,500	---
B	10,000		1,350	---
C	50,000		3,000	---
D	20,000		660	---
			\$12,510	\$11,510

- (4) The factors displayed on the state rate pages incorporate the factors for the All Perils Deductibles. Do not use the factors for the All Perils Deductibles when rating a policy with a higher Windstorm or Hail deductible. Interpolate the deductible factor in accordance with the example in Rule 406.A.2.

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- b. Higher Fixed-Dollar Deductibles –
 - (1) Higher fixed-dollar deductibles are available when the dollar amount of the higher fixed-dollar deductible selected exceeds the amount of the deductible applicable to All Other Section I Perils.
 - (2) Attach Endorsement HH 80 06- Windstorm or Hail Fixed-dollar Deductible and separately enter, on the policy declarations, the deductible amounts that apply to Windstorm or Hail and All Other Section I Perils.
Example:
Deductible – Section I \$250
except \$1,000 for Windstorm or Hail.
 - (3) The factors displayed on the state rate pages incorporate the factors for the All Perils Deductibles. Do not use the factors for the All Perils Deductibles when rating a policy with a higher Windstorm or Hail deductible.
 - (4) Refer to the state rate pages for the appropriate factors.

407. ADDITIONAL AMOUNTS OF INSURANCE – FORM HO 00 03

- A. The policy provides loss settlement for buildings insured under Coverage A or B on a replacement cost basis without deduction for depreciation, if, at the time of loss, the amount of insurance on the damaged building is 80% or more of the replacement cost of the building immediately before the loss.
- B. The policy may be endorsed to provide additional insurance for Coverage A when loss, to the dwelling building, exceeds the limit of liability shown in the policy declarations.
- C. When either of the following options is selected, the Coverage A limit of liability shall be at least 100% of the full replacement cost of the dwelling building at the policy inception or at the time the endorsement is added to the policy:
 - 1. Specified Additional Amount of Insurance for Coverage A Only
Coding Note: Use the Subline of Business Codes indicated below for the applicable option. (Codes for the 150 character format)

Option	25%	50%
With Replacement Cost for Coverage C	32 (432)	34 (434)
Without Replacement Cost for Coverage C	31 (431)	33 (433)

 - a. An additional amount of insurance equal to 25% or 50% of the Coverage A limit of liability may be selected. This additional amount is available when loss to the dwelling building exceeds the Coverage A limit of liability shown in the Declarations.
The additional amount cannot be applied to any other coverage nor does it increase the Coverage A limit.
 - b. The premium for this option is computed by multiplying the BASE PREMIUM by the appropriate factor shown on the state rate pages.
Use Endorsement HO 23 47, Excess Dwelling Coverage (Specified Additional Amount of Insurance for Coverage A Only) HO 00 03 only.

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- D. Do not use this endorsement when the Special Loss Settlement Endorsement or any other endorsement which modifies the required percentage of replacement value is attached to the policy.
- 408. ACTUAL CASH VALUE LOSS SETTLEMENT – WINDSTORM OR HAIL LOSSES TO ROOF SURFACING [N/A in Arkansas]**
- 411. HOME PURCHASE RATING – FORM HO 00 03**
Newly purchased homes insured on a HO0003 are eligible for discount credit applied to base premium. This credit does not apply to re-financed homes. Refer to the state rate pages for the discount factors.
- 470. AGE OF HOME – FORM HO 00 03**
To compute the premium for this provision, multiply the BASE PREMIUM by the appropriate factor shown on the state rate pages. Do not apply the factor to optional coverages or higher limits of Section I or Section II coverages. Do not apply the factor mid-term.
- 471. ROOFING AGE/MATERIALS – FORM HO 00 03**
Multiply the BASE PREMIUM by the appropriate factor shown on the state rate pages based on the age and type of roofing material and the location of the dwelling.
- 472. SAFE HEAT**
When the primary heating system in the residence is a solid-fuel burning system, or when the residence contains a wood-burning stove, apply the factor shown on the state rate pages according to the Premium Computation Rule 301.A.
- 480. MATURE OWNER/RESIDENT**
When either or both the named insured(s) are 50 years of age or older, multiply the BASE PREMIUM by the applicable factor shown on the state rate pages.
- 481. AFFINITY MARKETING**
Rating factors shown on the state rate pages apply according to the Premium Computation Rule 301.A.8 when the coverage is placed through a Homesite affinity partner and the named insured also maintains an account with a Homesite affinity partner or membership in an approved group.
- 482. POLICY CONVERSION**
If the named insured replaces a current Homesite tenants or unit-owners policy with a Homesite owners form policy, multiply the BASE PREMIUM by the appropriate factor shown on the state rate pages.
- 483. INTERNET QUOTE/PURCHASE [N/A in Arkansas]**
When the initial quote is made and coverage is bound for a new business policy through the company's web site *www.homesite.com*, multiply the BASE PREMIUM by the appropriate factor shown on the state rate pages.
- 486. BASIC PACKAGE PRODUCT AND ENHANCED PACKAGE PRODUCT OPTIONAL ENDORSEMENTS - FORM HO 00 03**

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Coding Note: Does not affect coding.

- A. Basic or Enhanced Coverage may be added.
- B. Basic Package - The following may be packaged to provide additional coverage:
 - 1. HO 23 47 Excess Dwelling Coverage (Specified Additional Amount of Insurance for Coverage A Only) with the option of 25%
 - 2. HO 0490 Personal Property Replacement Cost
 - 3. The limit of liability for Coverage C increased to 70% of coverage A
 - 4. HH 0015 Special Personal Property Coverage
- C. Enhanced Package - The following may be packaged to provide additional coverage:
 - 1. HO 23 47 Excess Dwelling Coverage (Specified Additional Amount of Insurance for Coverage A Only) with the option of 50%
 - 2. HO 0490 Personal Property Replacement Cost
 - 3. The limit of liability for Coverage C increased to 70% of coverage A
 - 4. HH 0015 Special Personal Property Coverage
 - 5. HO 2482 Personal Injury
 - 6. HO 0466 Coverage C Increased Special Limits of Liability with the special limit of liability for Jewelry, Watches and Furs increased by \$4000 to provide a maximum of coverage of \$5000.
- D. Premium Computation
Refer to state company rate pages for applicable factors and flat fees.

488. NUMBER OF UNITS – FORM HO 00 06

Based on the number of apartment units in the apartment complex, apply the factor shown on the state rate pages according to the Premium Computation Rule 301.A.2.

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SECTION I COVERAGES – PROPERTY

501. (Reserved for future use.)

502. (Reserved for future use.)

503. BUSINESS PROPERTY – INCREASED LIMITS

Does not affect coding.

- A. The \$2,500 limit of liability for business property on the residence premises may be increased to \$10,000 in increments of \$2,500. Charge the rate for each \$2,500 increase shown in the state rate pages. The limit of liability in excess of \$2,500 does not apply to:
1. Business property in storage or held as a sample or for sale or delivery after sale;
 2. Business property pertaining to a business actually conducted on the residence premises. (This exposure is addressed by HO 04 42 – Permitted Incidental Occupancies.)
- B. When the on-premises limit is increased, the off-premises limit of \$250 is automatically increased, at no additional charge, to an amount that is 10 percent of the total on-premises limit of liability.

Use Endorsement HO 04 12 Increased Limits of Business Property.

504. (Reserved for future use.)

505. EARTHQUAKE COVERAGE

Coding Note: Code as a separate Earthquake record with Subline Code 60 (460 if 150 character format).

- A. The policy may be endorsed to provide coverage against a loss resulting from the peril of Earthquake. This peril shall apply to all Section I Coverages for the same limits provided in the policy.
Use Endorsement HO 04 54 Earthquake.
- B. Deductible
A deductible percentage amount of 5% of the limit of liability for:
1. Coverage A for Form HO 00 03; and
 2. Coverage C for Form HO 00 06;
- is included in this rule.
In the event of an Earthquake loss to covered property, the dollar amount is deducted from the total of the loss for Coverages A, B, and C.
Earthquake rates are displayed for the 5% deductible in the state rate pages.
- C. Loss Assessment Coverage
The policy may also be endorsed to cover loss assessment resulting from loss by this peril. The limit of liability shall be based on the insured's proportionate interest in the total value of all collectively owned buildings and structures of the corporation or association of property owners. Refer to the state rate pages for rates.
Use Endorsement HO 04 36 for all Forms.

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D. Base Premium

Develop the base premium as follows:

1. From the state rate pages:
 - a. Determine whether Construction Table A, B, and/or C applies.
 - b. Determine the Earthquake Zone.
2. For Form HO 00 03, add the results of the following three steps:
 - a. Multiply the Coverage A limit by the rate found in Column A of the table.
~~However, if HO 00 15 is attached, multiply the Coverage A limit by the rate found in Column G of the table;~~
 - b. If the Coverage C limit is increased, multiply the rate found in Column D by the amount of the increase; and
 - c. If the Coverage D limit is increased, multiply the rate found in Column F by the amount of the increase.
3. For Form HO 00 06, add the results of the following three steps:
 - a. Multiply the Coverage C limit by the rate found in Column C of the table.
~~However, if HO 17 31 is attached, do not include this step in the base premium calculation;~~
 - b. Multiply the Coverage A limit by the rate found in E of the table; and
 - c. If the Coverage D limit is increased, multiply the rate found in Row F by the amount of the increase.
4. Building or Non-Building Structure Items - All Forms
Multiply the rate in Row F of the table by the appropriate limit of liability for Other Building or Structure options. (e.g. - Other Structures - HO 04 40, HO 04 48 and HO 04 92).
5. Ordinance or Law - Basic and Increased Limit - All Forms
Multiply the rate determined in D.2.a, D.3.b, and/or D.4 above by the Ordinance or Law total amount of insurance. This includes basic and, if applicable, increased amounts.

E. Premium for Higher Deductibles **[N/A in Arkansas]**

Multiply the base premium determined in D. above by the appropriate factor shown on the state rate pages.

506. (Reserved for future use.)

507. FORM HO 00 06 COVERAGE A DWELLING BASIC AND INCREASED LIMITS – HO 00 06

A. Basic Limits

The policy automatically provides a basic Coverage A limit of \$5,000 on a named perils basis. If increased limits are not desired, enter “\$5,000” under Coverage A – Dwelling on the Declarations pages.

Limit Code 1

B. Increased Limits

The basic limit may be increased. Use the rating information shown on the state rate pages.

Report Limit Code as follows:

Limits	Code
\$5,001 - \$ 9,999	2

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10,000 – 19,999	3
20,000 – 29,999	4
30,000 – 39,999	5
40,000 – 49,999	6
50,000 – 59,999	7
60,000 – 69,999	8
70,000 and Over	9

508. FORM HO 00 06 UNITS REGULARLY RENTED TO OTHERS

Status Code 6

- A. There is no coverage for Coverage C – Personal Property and Section II Liability when the residence premises is regularly rented or held for rental to others. The policy may be endorsed, however, to provide such coverage, including Theft.
 - B. The Coverage C minimum limit of liability may be waived when the value of the insured's personal property in the rented unit is less than \$10,000.
 - C. Multiply the Coverage C BASE PREMIUM (reflecting the credit or surcharge for optional deductibles) by the appropriate factor shown on the state rate pages.
- Use Endorsement HO 17 33 Unit-Owners Rental to Others.

509. (Reserved for future use.)

510. (Reserved for future use.)

511. LOSS ASSESSMENT COVERAGE

Coding Note: Status Code 6 when HO 17 33 also used; Code 2 otherwise.

The policy automatically provides, at no additional charge, \$1,000 of loss assessment coverage, excluding Earthquake, for assessments relating to the residence premises. This limit may be increased. Refer to the state rate pages for the additional rate. Endorsement HO 04 35 does not cover loss to property under Section I caused by Earthquake.

Use Endorsement HO 04 35 Loss Assessment Coverage.

512. LOSS OF USE – INCREASED LIMIT

Does not affect coding.

When the limit of liability for Coverage D is increased, charge the rate per \$1,000 of additional insurance shown in the state rate pages.

513. ORDINANCE OR LAW INCREASED AMOUNT OF COVERAGE – HO 00 06

- A. The basic amount of coverage may be initially increased to 25% of the HO 00 06 Coverage A limit (Coverage Code 3).
- B. Premium
 - 1. The premium for this additional coverage is determined based on the dollar amount of increase, represented by the increased percentage amount selected above the basic limit.
 - 2. Refer to the state rate pages for the premium for each additional \$1,000 of insurance.

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514. OTHER STRUCTURES

- A. When insurance is written on a specific structure on the residence premises for increased limits, the rates per \$1,000 of insurance mentioned below shall apply separately to each structure.
- B. Increased Limits
Does not affect coding.
Premium: Refer to the state rate pages.
Use Endorsement HO 04 48 Other Structures.

515. PERSONAL PROPERTY

- A. Increased Limit
Does not affect coding.
The limit of liability for Coverage C may be increased. Charge the additional rate per \$1,000 of insurance shown in the state rate pages.
- B. Reduction in Limit
Does not affect coding.
The limit of liability for Coverage C may be reduced to an amount not less than 40% of the limit for Coverage A. The credit per \$1,000 is shown in the state rate pages.
- C. Increased Special Limits of Liability
Does not affect coding.
 - 1. Jewelry, Watches and Furs
The special limit of liability of \$1,000 for theft of jewelry, watches and furs may be increased to a maximum of \$5,000 but not exceeding \$1,000 for any one article. Charge the additional rate per \$1,000 shown in the state rate pages.
 - 2. Money and Securities
The special limit of liability of \$200 on money may be increased to a maximum of \$1,000. The \$1,000 limit on securities may be increased to a maximum of \$2,000. Charge the additional rate per \$100 shown in the state rate pages.
 - 3. Silverware, Goldware, and Pewterware
The special limit of liability of \$2,500 for loss by theft of silverware, etc., may be increased to a maximum of \$10,000 in increments of \$500. Charge the additional rate per \$500 shown in the state rate pages.
 - 4. Firearms
The special limit of liability of \$2,000 for loss by theft of firearms may be increased to a maximum of \$6,000 in increments of \$100. Charge the additional rate per \$100 shown in the state rate pages.
 - 5. Electronic Apparatus
 - a. The policy provides coverage, as described below, for loss of electronic apparatus equipped to be operated from the electrical system of a motor vehicle or motorized land conveyance while retaining its capability or being operated by other sources of power:
 - (1) Up to \$1,000 for apparatus in or upon a motor vehicle or motorized land conveyance, and
 - (2) Up to \$1,000 for apparatus not in or upon a motor vehicle that is away from the residence premises and used for business.
 - b. Each of these limits may be increased to a maximum of \$5,000 in increments of \$500. Charge the additional rate per \$500 shown in the state rate pages.

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Use Endorsement HO 04 65 Coverage C Increased Special Limits of Liability unless endorsements HH 00 15 for HO 00 03 or HH 17 31 for HO 00 06 are attached. If these endorsements are included, use endorsement HO 04 66 for Coverage C Increased Special Limits of Liability.

~~Use Endorsement HO 04 66 Coverage C Increased Special Limits of Liability for HO 00 03 with HH 00 15 or HO 00 06 with HH 17 31.~~

D. Refrigerated Personal Property – All Forms

Does not affect coding.

1. The policy includes by endorsement \$500 of coverage for covered property stored in freezers or refrigerators on the residence premises for loss caused by power service interruption or mechanical failure.
2. A deductible of \$100 applies.
3. There is no additional charge for this coverage.

Use Endorsement HO 04 98 Refrigerated Property Coverage with all policies.

516. PERSONAL PROPERTY – SCHEDULED

Coding Note: Code as a separate Inland Marine record with Subline Code 70 (470 if 150 character format).

Coverage may be provided on scheduled personal property subject to the rules and rates of the Company.

Use Endorsement HO 04 61 Scheduled Personal Property.

517. (Reserved for future use.)

518. (Reserved for future use.)

519. SPECIAL COMPUTER COVERAGE – ALL FORMS EXCEPT HO 00 03 WITH HH 00 15 OR HO 00 06 WITH HH 17 31

Status Code

All Forms except HO 00 06: Code 2

HO 00 06: Code 6 when HO 17 33 also used; Code 2 otherwise

The policy may be endorsed to insure computers and related equipment against additional risks of physical loss subject to certain exclusions. Charge the additional rate shown in the state rate pages.

Use Endorsement HO 04 14 Special Computer Coverage.

520. (Reserved for future use.)

521. WATER BACK UP AND SUMP OVERFLOW

Code as a separate record with Exception Code 1.

- A. The policy may be endorsed to provide coverage for loss resulting from water which backs up through sewers or drains or which overflows from a sump. The limit of liability available under this option is \$5,000.
 - B. A deductible of \$250 applies. No other deductible option is available.
 - C. Charge the rate shown on the state rate pages.
- Use Endorsement HO 04 95 Water Back Up and Sump Overflow.

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SECTION II COVERAGES PERSONAL LIABILITY AND MEDICAL PAYMENTS TO OTHERS

601. RESIDENCE PREMISES – BASIC AND INCREASED LIMITS OTHER EXPOSURES – BASIC AND INCREASED LIMITS

- A. Residence Premises
 - 1. Minimum limits of liability for Coverage E (Personal Liability) and Coverage F (Medical Payments to Others) are shown in Rule 301 in the state rate pages.
 - 1. Refer to the state rate pages Rule 601 for rates.
 - 3. If increased limits are written, then the same limits must apply to any Other Exposures covered under the policy, unless otherwise stated.
- B. Other Exposures
 - 1. There is an additional charge for Other Exposures listed in the following rules.
 - 2. The minimum limits for Other Exposures are the same as the limits for the Residence Premises, unless otherwise indicated.
 - 3. For increased limits for Other Exposures, refer to the state rate pages.
 - 4. If increased limits are written, then the same limits must apply to the Residence Premises, unless otherwise stated.

602. OTHER INSURED LOCATION OCCUPIED BY INSURED

Does not affect coding.

- A. Section II Coverage may be provided on locations, other than the residence premises, where an insured resides, but which are insured for Section I Coverage under another insurance program or by another company.
- B. Make the appropriate charge for each other insured location shown in the Declarations of this policy. If the insured location is in another state, refer to the manual for that state.
- C. Premium – Refer to the state rate pages.

603. RESIDENCE EMPLOYEES

- A. There is no additional charge for up to two residence employees.
- B. Refer to the state rate pages to determine the premium when there are more than two residence employees.
- C. Charges do not apply to employees working less than half of the customary full time or to whom workers' compensation exclusion applies as stated in Section II of the policy.

604. ADDITIONAL RESIDENCE RENTED TO OTHERS

Status Code 2

- A. The policy may be endorsed to provide coverage when an additional residence is rented to others.
 - B. Premium – Refer to the state rate pages.
- Use Endorsement HO 24 70 Additional Residence Rented to Others.

605. (Reserved for future use.)

606. (Reserved for future use.)

607. (Reserved for future use.)

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608. (Reserved for future use.)

609. BUSINESS PURSUITS

Status Code 2

- A. The policy may be endorsed to provide coverage for the liability of the insured arising out of business activities. Coverage is excluded if the insured owns the business, is a partner or maintains financial control in the business.
- B. Refer to the state rate pages for eligible business activities and rates.
Use Endorsement HO 24 71 Business Pursuits.

610. PERSONAL INJURY

Coding Notes: Use Class Code 994 and code as a separate Personal Liability record with Subline Code 80 (480 if 150 character format).

- A. Liability coverage for personal injury to others, such as false arrest, libel or invasion of privacy, may be added to the policy.
- B. Premium: Refer to the state rate pages.
Use Endorsement HO 24 82 Personal Injury.

611. (Reserved for future use.)

612. OUTBOARD MOTORS AND WATERCRAFT

Coding Note: Code as a separate Personal Liability record with Subline Code 80 (480 if 150 character format). Exposure coding (number of watercraft) is required.

- A. Coverage is included in the policy form, at no additional charge, for watercraft powered by an outboard engine or motor or combination of outboard engines or motors of up to 25 horsepower, and sailboats less than 26 feet in overall length with or without auxiliary power.
- B. Coverage is available, for an additional premium, for watercraft up to 26 feet in length powered by outboard engines or motors exceeding 25 horsepower, Inboard or Inboard-Outdrive engines or motors.
Accumulate total horsepower if two or more engines or motors are regularly used together with any single watercraft owned by insured.
- C. Coverage must be written to expiration of the policy. It is permissible, however, to stipulate for all watercraft eligible in this rule, the navigational period of each year. Premium shall be adjusted on a pro rata basis.
- D. For boats not described above, coverage is not permitted under the Homeowners Policy
- E. The premium in the state where the Insured's residence premises is located shall apply. However, if the insured owns another residence premises in a different state and principally operates the boat from that residence, apply the premium for that state.
- F. Premium: Refer to the state rate pages.
Use Endorsement HO 24 75 Watercraft.

613. OWNED SNOWMOBILE [N/A in Arkansas]

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Coding Note: Code as a separate Personal Liability record with Subline Code 80 (480 if 150 character format). Exposure coding (number of snowmobiles) is required.

- A. The policy may be endorsed to provide coverage when a snowmobile is used off of the insured location.
- B. Rate each snowmobile owned by the named insured or any other insured separately. This charge is the minimum annual premium for each snowmobile for any period within a policy year.
- C. Premium: Refer to the state rate pages.
Use Endorsement HO 24 64 Snowmobile.

614. (Reserved for future use.)

615. (Reserved for future use.)

616. NO GUN TRAINING SURCHARGE

When guns are present and locked on the residence premises, but none of the named insureds have completed a gun safety training course, apply the applicable premium shown on the state rate pages.

617. DANGEROUS DOG PREMIUM

When dangerous dogs are present, apply the applicable premium shown on the state rate pages.

618. UNSAFE SWIMMING POOL PREMIUM – FORM HO 00 03

When an unsafe swimming pool is on the property, apply the applicable premium shown on the state rate pages.

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SPECIAL STATE REQUIREMENTS

- 001. Special Provisions Endorsement – HO 01 03
Use this endorsement with all Homeowners policies.

- 002. No Coverage for Home Day Care Business – HO 04 96
This endorsement details the exclusions and restrictions of the policy with respect to a home day care exposure. Use this endorsement with all Homeowners policies.

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Territory	HO 00 04
1	103
2	103
3	103
4	103
5	113
6	113
7	113
8	113
9	113
10	113
11	113
12	113
13	113
14	113
15	113
16	113
17	113
18	128
19	128
20	122
21	122
22	122
23	128
24	128
25	128
26	128
27	128
28	128
29	128
30	113
31	113
32	113
33	113
34	128
35	128
36	128
37	128
38	128
39	128
40	128
41	128
42	113
43	128
44	128
45	128

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Expense Fees per policy

HO 00 04 \$34.00

Amount of	HO 00 04	Amount of	HO 00 04
\$ 6,000	0.800	\$ 40,000	1.470
\$ 10,000	0.850	\$ 45,000	1.575
\$ 15,000	0.900	\$ 50,000	1.856
\$ 20,000	1.000	\$ 60,000	2.268
\$ 25,000	1.100	\$ 75,000	2.646
\$ 30,000	1.200	\$ 90,000	3.011
\$ 35,000	1.365	\$ 100,000	3.263
		Each add'l \$1,000	0.025

Rule 205. Minimum Premium

HO 00 04 \$ 125.00

Rule 207. Waiver of Premium

\$ 3.00

Rule 403. Personal Property (Coverage C) Replacement Cost Coverage

HO 00 04 1.35

Rule 406. Deductibles

	HO 00 04	
	<u>factor</u>	<u>max credit</u>
\$250/500 W&H	1.14	n/a
\$250/1000 W&H	1.11	n/a
\$500	1.00	n/a
\$500/1000 W&H	0.97	\$50
\$1,000	0.85	\$150
\$2,500	0.75	\$250

Rule 480. Mature Owner/Resident

<u>age group</u>	<u>factor</u>	<u>age group</u>	<u>factor</u>
25 and under	1.00	50 to 54	0.90
26 to 32	1.00	55 to 59	0.90
33 to 39	1.00	60 to 64	0.90
40 to 49	1.00	65 to 74	0.90
		75 and older	0.90

Rule 481. Affinity Marketing

(see schedule)

Rule 488. Number of Units

1	1.75
2 or 3	1.30
4 or more	1.00

Rule 503. Business Property - Increased Limits (rate per \$2,500)

\$ 20.00

**HOMESITE INSURANCE COMPANY OF THE MIDWEST
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Rule 505. Earthquake Coverage

C. Loss Assessment Coverage (rate per \$5,000)	<u>Zone</u>	
	1	\$2.20
	2	\$5.70
	3	\$10.25
	4	\$14.45
	5	\$18.90
	6	\$24.75
	7	\$29.60
	8	\$33.05
	9	\$38.25
	10	\$42.85

D. Base Premium
(per \$1,000 of insurance)
5% deductible

<u>Zone</u>	Column A	Column B	Column C	Column D	Column E	Column F	Column G
1	n/a	\$0.24	n/a	n/a	n/a	\$0.26	n/a
2	n/a	\$0.61	n/a	n/a	n/a	\$0.67	n/a
3	n/a	\$1.10	n/a	n/a	n/a	\$1.20	n/a
4	n/a	\$1.55	n/a	n/a	n/a	\$1.69	n/a
5	n/a	\$2.03	n/a	n/a	n/a	\$2.20	n/a
6	n/a	\$2.66	n/a	n/a	n/a	\$2.89	n/a
7	n/a	\$3.18	n/a	n/a	n/a	\$3.45	n/a
8	n/a	\$3.55	n/a	n/a	n/a	\$3.86	n/a
9	n/a	\$4.11	n/a	n/a	n/a	\$4.46	n/a
10	n/a	\$4.60	n/a	n/a	n/a	\$5.00	n/a

E. Higher Deductibles **[n/a in Arkansas]**

Earthquake Zone Definitions
Zone 1: See Arkansas Territory 1.0

Rule 511. Loss Assessment Coverage

Amount of Increase	Total Limit	Charge
\$4,000	\$5,000	\$ 3.00
\$9,000	\$10,000	\$ 6.00
each additional \$5,000		\$ 2.00

Rule 512. Loss of Use - Increased Limit (rate per \$1,000) \$ 2.00

Rule 513. Ordinance or Law Increased Amount of Coverage - HO 00 04

HO 00 04 (100% Building Additions & Alterations limit)	Rate per \$1,000 \$2.00
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To calculate the increased coverage amount offered and the corresponding premium: for HO 00 04 policies, multiply the Coverage C amount by .09, then multiply that result by the HO 00 04 rate per \$1,000.

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Rule 515. Personal Property	Charge
A. Increased Special Limits of Liability	
1. Jewelry, Watches, and Furs (rate per \$500)	\$ 7.50
2. Money and Securities (rate per \$100)	
Money	\$ 5.00
Securities	\$ 3.00
3. Silverware, Goldware, and Pewterware (rate per \$500)	\$ 2.50
4. Firearms (rate per \$100)	\$ 3.00
5. Electronic Aparatus (rate per \$500)	\$ 10.00

Rule 516. Personal Property - Scheduled

	rate per \$100
Bicycles	\$6.00
Cameras	\$1.60
Coin Collections	\$1.50
Fine Arts	\$0.30
Furs	\$0.55
Golfers' Equipment	\$1.80
Jewelry	\$1.60
Miscellaneous	\$1.00
Musical Instruments	\$0.90
Silverware	\$0.30
Stamp Collections	\$1.35

Rule 519. Special Computer Coverage (charge per policy) \$12.00

Rule 520. Identity Fraud Expense Coverage (charge per policy) \$35.00

Rule 521. Water Back Up and Sump Overflow (charge per policy) \$34.00

HOMESITE INSURANCE COMPANY OF THE MIDWEST RENTERS POLICY PROGRAM MANUAL

	Personal Liability			Medical Payments		
	\$100,000	\$300,000	\$500,000	\$1,000	\$3,000	\$5,000
Rule 601. Basic and Increased Limits of Liability						
1 and 2 family dwellings	\$ 20.00	\$ 32.00	\$ 39.00	Included	\$ 5.00	\$ 9.00
(additional charge to rates for 1 and 2 family dwellings)						
3 family	\$ 22.00	\$ 35.00	\$ 43.00	Included	\$ 5.00	\$ 9.00
4 family	\$ 24.00	\$ 38.00	\$ 47.00	Included	\$ 5.00	\$ 9.00
Rule 602. Other Insured Location Occupied by Insured (rate per residence)						
1 family	\$ 6.00	\$ 9.00	\$ 11.00			
2 family	\$ 11.00	\$ 18.00	\$ 22.00			
3 family	\$ 22.00	\$ 37.00	\$ 43.00			
4 family	\$ 24.00	\$ 40.00	\$ 47.00			
Rule 604. Additional Residence Rented to Others (rate per residence)						
1 family	\$ 23.00	\$ 37.00	\$ 44.00			
2 family	\$ 38.00	\$ 62.00	\$ 74.00			
3 family	\$ 83.00	\$ 137.00	\$ 162.00			
4 family	\$ 83.00	\$ 137.00	\$ 162.00			
Rule 609. Business Pursuits						
	\$ 4.00	\$ 6.00	\$ 7.00	Included	\$ 2.00	\$ 3.00
Rule 610. Personal Injury						
	\$ 10.00	\$ 12.00	\$ 14.00	n/a	n/a	n/a
Rule 612. Outboard Motors and Watercraft (up to 26 feet)						
Outboard Motors						
each 25-50 hp	\$ 6.00	\$ 8.00	\$ 9.00	\$ 3.00	\$ 9.00	\$ 15.00
each 50-150 hp	\$ 10.00	\$ 13.00	\$ 15.00	\$ 4.00	\$ 12.00	\$ 20.00
Inboard and Inboard/Outdrive Motorboats						
under 16 mph	\$ 12.00	\$ 16.00	\$ 18.00	\$ 3.00	\$ 9.00	\$ 15.00
16-30 mph	\$ 24.00	\$ 32.00	\$ 36.00	\$ 4.00	\$ 12.00	\$ 20.00
30-40 mph	\$ 60.00	\$ 80.00	\$ 90.00	\$ 10.00	\$ 30.00	\$ 50.00
Rule 613. Owned Snowmobile (N/A in Arkansas)						
Rule 617. Dangerous Dog Premium						
	\$ 320.00	NA	NA	\$ 30.00	NA	NA

**HOMESITE INSURANCE COMPANY OF THE MIDWEST
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Rule 301.A.6. Expense/Loss Experience Modifiers

<u>Program Identifier</u>	<u>Modifier</u>
GMAC and affiliates "Affinity" marketing and referral programs	1.07
GMAC Insurance Agency independent agency programs	1.18
21st Century and affiliates "Affinity" marketing and referral programs	1.053
Wells Fargo	1.063
All Other	1.00

Rule 481. Affinity Marketing

<u>Factor</u>
0.90

**HOMESITE INSURANCE COMPANY OF THE MIDWEST
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Policyholder Responsibility Tiers

Number of Residents Tier

1 or 2	1.00
3 or 4	1.30
5 or more	1.63

Insurance Score Tiers

Trans Union Insurance Risk		
Score Range	Tier	Rating Factor
950 & Above	1	0.83
947-949	2	0.84
932-946	3	0.85
918-931	4	0.87
908-917	5	0.91
892-907	6	0.94
877-891	7	0.98
862-876	8	1.00
846-861	9	1.06
830-845	10	1.15
811-829	11	1.27
796-810	12	1.42
767-795	13	1.58
747-766	14	1.72
727-746	15	1.89
664-726	16	2.16
634-663	17	2.43
601-633	18	2.65
600 & Below	19	2.98
No Hit	20	1.95
No Score	21	1.95

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Territory	HO 00 04	
1	82	103
2	82	103
3	82	103
4	82	103
5	90	113
6	90	113
7	90	113
8	90	113
9	90	113
10	90	113
11	90	113
12	90	113
13	90	113
14	90	113
15	90	113
16	90	113
17	90	113
18	102	128
19	102	128
20	97	122
21	97	122
22	97	122
23	102	128
24	102	128
25	102	128
26	102	128
27	102	128
28	102	128
29	102	128
30	90	113
31	90	113
32	90	113
33	90	113
34	102	128
35	102	128
36	102	128
37	102	128
38	102	128
39	102	128
40	102	128
41	102	128
42	90	113
43	102	128
44	102	128
45	102	128

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RENTERS POLICY PROGRAM MANUAL**

Expense Fees per policy

HO 00 04 \$34.00

Amount of	HO 00 04	Amount of	HO 00 04
\$ 6,000	0.800	\$ 40,000	1.470
\$ 10,000	0.850	\$ 45,000	1.575
\$ 15,000	0.900	\$ 50,000	1.856
\$ 20,000	1.000	\$ 60,000	2.268
\$ 25,000	1.100	\$ 75,000	2.646
\$ 30,000	1.200	\$ 90,000	3.011
\$ 35,000	1.365	\$ 100,000	3.263
		Each add'l \$1,000	0.025

Rule 205. Minimum Premium

HO 00 04 \$ 125.00

Rule 207. Waiver of Premium

\$ 3.00

Rule 403. Personal Property (Coverage C) Replacement Cost Coverage

HO 00 04 1.35

Rule 406. Deductibles

	HO 00 04	
	<u>factor</u>	<u>max credit</u>
\$250/500 W&H	1.14	n/a
\$250/1000 W&H	1.11	n/a
\$500	1.00	n/a
\$500/1000 W&H	0.97	\$50
\$1,000	0.85	\$150
\$2,500	0.75	\$250

Rule 480. Mature Owner/Resident

<u>age group</u>	<u>factor</u>	<u>age group</u>	<u>factor</u>
25 and under	1.00	50 to 54	0.90
26 to 32	1.00	55 to 59	0.90
33 to 39	1.00	60 to 64	0.90
40 to 49	1.00	65 to 74	0.90
		75 and older	0.90

Rule 481. Affinity Marketing

(see schedule)

Rule 488. Number of Units

1	1.75
2 or 3	1.30
4 or more	1.00

Rule 503. Business Property - Increased Limits (rate per \$2,500)

\$ 20.00

**HOMESITE INSURANCE COMPANY OF THE MIDWEST
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Rule 505. Earthquake Coverage

C. Loss Assessment Coverage (rate per \$5,000)	<u>Zone</u>	
	1	\$2.20
	2	\$5.70
	3	\$10.25
	4	\$14.45
	5	\$18.90
	6	\$24.75
	7	\$29.60
	8	\$33.05
	9	\$38.25
	10	\$42.85

D. Base Premium
(per \$1,000 of insurance)
5% deductible

<u>Zone</u>	Column A	Column B	Column C	Column D	Column E	Column F	Column G
1	n/a	\$0.24	n/a	n/a	n/a	\$0.26	n/a
2	n/a	\$0.61	n/a	n/a	n/a	\$0.67	n/a
3	n/a	\$1.10	n/a	n/a	n/a	\$1.20	n/a
4	n/a	\$1.55	n/a	n/a	n/a	\$1.69	n/a
5	n/a	\$2.03	n/a	n/a	n/a	\$2.20	n/a
6	n/a	\$2.66	n/a	n/a	n/a	\$2.89	n/a
7	n/a	\$3.18	n/a	n/a	n/a	\$3.45	n/a
8	n/a	\$3.55	n/a	n/a	n/a	\$3.86	n/a
9	n/a	\$4.11	n/a	n/a	n/a	\$4.46	n/a
10	n/a	\$4.60	n/a	n/a	n/a	\$5.00	n/a

E. Higher Deductibles **[n/a in Arkansas]**

Earthquake Zone Definitions
Zone 1: See Arkansas Territory 1.0

Rule 511. Loss Assessment Coverage

Amount of Increase	Total Limit	Charge
\$4,000	\$5,000	\$ 3.00
\$9,000	\$10,000	\$ 6.00
each additional \$5,000		\$ 2.00

Rule 512. Loss of Use - Increased Limit (rate per \$1,000) \$ 2.00

Rule 513. Ordinance or Law Increased Amount of Coverage - HO 00 04

HO 00 04 (100% Building Additions & Alterations limit)	Rate per \$1,000 \$2.00
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To calculate the increased coverage amount offered and the corresponding premium: for HO 00 04 policies, multiply the Coverage C amount by .09, then multiply that result by the HO 00 04 rate per \$1,000.

**HOMESITE INSURANCE COMPANY OF THE MIDWEST
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Rule 515. Personal Property	Charge
A. Increased Special Limits of Liability	
1. Jewelry, Watches, and Furs (rate per \$500)	\$ 7.50
2. Money and Securities (rate per \$100)	
Money	\$ 5.00
Securities	\$ 3.00
3. Silverware, Goldware, and Pewterware (rate per \$500)	\$ 2.50
4. Firearms (rate per \$100)	\$ 3.00
5. Electronic Aparatus (rate per \$500)	\$ 10.00

Rule 516. Personal Property - Scheduled

	rate per \$100
Bicycles	\$6.00
Cameras	\$1.60
Coin Collections	\$1.50
Fine Arts	\$0.30
Furs	\$0.55
Golfers' Equipment	\$1.80
Jewelry	\$1.60
Miscellaneous	\$1.00
Musical Instruments	\$0.90
Silverware	\$0.30
Stamp Collections	\$1.35

Rule 519. Special Computer Coverage (charge per policy) \$12.00

Rule 520. Identity Fraud Expense Coverage (charge per policy) \$35.00

Rule 521. Water Back Up and Sump Overflow (charge per policy) \$34.00

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	Personal Liability			Medical Payments		
	\$100,000	\$300,000	\$500,000	\$1,000	\$3,000	\$5,000
Rule 601. Basic and Increased Limits of Liability						
1 and 2 family dwellings	\$ 20.00	\$ 32.00	\$ 39.00	Included	\$ 5.00	\$ 9.00
(additional charge to rates for 1 and 2 family dwellings)						
3 family	\$ 22.00	\$ 35.00	\$ 43.00	Included	\$ 5.00	\$ 9.00
4 family	\$ 24.00	\$ 38.00	\$ 47.00	Included	\$ 5.00	\$ 9.00
Rule 602. Other Insured Location Occupied by Insured (rate per residence)						
1 family	\$ 6.00	\$ 9.00	\$ 11.00			
2 family	\$ 11.00	\$ 18.00	\$ 22.00			
3 family	\$ 22.00	\$ 37.00	\$ 43.00			
4 family	\$ 24.00	\$ 40.00	\$ 47.00			
Rule 604. Additional Residence Rented to Others (rate per residence)						
1 family	\$ 23.00	\$ 37.00	\$ 44.00			
2 family	\$ 38.00	\$ 62.00	\$ 74.00			
3 family	\$ 83.00	\$ 137.00	\$ 162.00			
4 family	\$ 83.00	\$ 137.00	\$ 162.00			
Rule 609. Business Pursuits						
	\$ 4.00	\$ 6.00	\$ 7.00	Included	\$ 2.00	\$ 3.00
Rule 610. Personal Injury						
	\$ 10.00	\$ 12.00	\$ 14.00	n/a	n/a	n/a
Rule 612. Outboard Motors and Watercraft (up to 26 feet)						
Outboard Motors						
each 25-50 hp	\$ 6.00	\$ 8.00	\$ 9.00	\$ 3.00	\$ 9.00	\$ 15.00
each 50-150 hp	\$ 10.00	\$ 13.00	\$ 15.00	\$ 4.00	\$ 12.00	\$ 20.00
Inboard and Inboard/Outdrive Motorboats						
under 16 mph	\$ 12.00	\$ 16.00	\$ 18.00	\$ 3.00	\$ 9.00	\$ 15.00
16-30 mph	\$ 24.00	\$ 32.00	\$ 36.00	\$ 4.00	\$ 12.00	\$ 20.00
30-40 mph	\$ 60.00	\$ 80.00	\$ 90.00	\$ 10.00	\$ 30.00	\$ 50.00
Rule 613. Owned Snowmobile (N/A in Arkansas)						
Rule 617. Dangerous Dog Premium						
	\$ 320.00	NA	NA	\$ 30.00	NA	NA

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Rule 301.A.6. Expense/Loss Experience Modifiers

<u>Program Identifier</u>	<u>Modifier</u>
GMAC and affiliates "Affinity" marketing and referral programs	1.07
GMAC Insurance Agency independent agency programs	1.18
AIG 21st Century and affiliates "Affinity" marketing and referral programs	1.053
Wells Fargo	1.063
All Other	1.00

Rule 481. Affinity Marketing

<u>Factor</u>
0.90

**HOMESITE INSURANCE COMPANY OF THE MIDWEST
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Policyholder Responsibility Tiers

Number of Residents Tier

1 or 2	1.00
3 or 4	1.30
5 or more	1.63

Insurance Score Tiers

Trans Union Insurance Risk		
Score Range	Tier	Rating Factor
950 & Above	1	0.83
947-949	2	0.84
932-946	3	0.85
918-931	4	0.87
908-917	5	0.91
892-907	6	0.94
877-891	7	0.98
862-876	8	1.00
846-861	9	1.06
830-845	10	1.15
811-829	11	1.27
796-810	12	1.42
767-795	13	1.58
747-766	14	1.72
727-746	15	1.89
664-726	16	2.16
634-663	17	2.43
601-633	18	2.65
600 & Below	19	2.98
No Hit	20	1.95
No Score	21	1.95

~~Note: For tiering purposes, policyholders with only claims arising from natural causes will be considered to be 3 to 4 years clean.~~

HOMESITE INSURANCE COMPANY OF THE MIDWEST RENTERS POLICY PROGRAM MANUAL

The Renters Policy Program provides property and liability coverages, using the forms and endorsements specified in this Manual. This Manual contains the rules and classifications governing the writing of the Renters Policy. The rules, rates, forms and endorsements of the Company for each coverage shall govern in all cases not specifically provided for in this Manual.

101. LIMITS OF LIABILITY AND COVERAGE RELATIONSHIPS

A. The limits of liability required under the Renters policy are as follows:

1. Section I – Property Damage

Coverage	HO 00 04
C Personal Property	Refer to the state pages
D Loss of Use	20% of C

2. Section II – Liability

Coverage E – Personal Liability

Coverage F – Medical Payments to Others

Unless otherwise stated, Coverage E limits apply on an “occurrence” basis;

Coverage F limits on an “each person” basis.

B. The limit of liability for Coverages C or D of Section I and E or F of Section II may be increased.

102. DESCRIPTION OF COVERAGES

A. Section I Coverages – Property Damage

The following is a general description of the coverages provided by the individual Renters Policy forms. The policy shall be consulted for exact contract conditions.

	HO 00 04
Fire or Lightning	Yes
Windstorm or Hail, Explosion, Riot or civil commotion, Aircraft, Vehicles or Smoke	Yes
Vandalism or malicious mischief	Yes
Theft	Yes
Volcanic eruption	Yes
Falling objects, Weight of ice, snow or sleet, Accidental discharge of water or steam, Sudden and accidental tearing apart of a heating system or appliance, Freezing, Sudden accidental damage from electrical current	Yes
Additional risks with certain exceptions (Special Coverage)	No

B. Section II Coverages – Liability

Coverage E – Personal Liability

Coverage F – Medical Payments to Others

HOMESITE INSURANCE COMPANY OF THE MIDWEST

RENTERS POLICY PROGRAM MANUAL

1. Personal Liability – Covers payment on behalf of any insured for all sums which the insured shall become legally obligated to pay as damages because of bodily injury or property damage arising out of an insured's premises or personal activities.
2. Medical Payments to Others – Covers medical expenses incurred by persons, other than the insured, who sustain bodily injury caused by an accident arising out of an insured's premises or personal activities.

103. MANDATORY COVERAGES

It is mandatory that insurance be written for all coverages provided under both Sections I and II of the Renters Policy.

104. ELIGIBILITY

A. Form HO 00 04

A Renters Policy may be issued to:

1. The tenant(s) (non-owner) of a dwelling or an apartment situated in any building; or
2. The owner-occupant(s) of a dwelling, co-operative unit or of a building containing an apartment not otherwise eligible for a Property Policy under Rule 104.A. of the HO3 property rules manual provided the residence premises occupied by the insured is used exclusively for residential purposes (except as provided in Rule 104.D.) and is not occupied by more than one additional family or more than two boarders or roomers.

B. A Renters Policy shall not be issued to cover any mobile home, trailer home, or housetrailer. Their contents may be covered under Rule 104.A.

D. Certain business occupancies are permitted, provided:

1. The premises is occupied principally for private residential purposes; and
2. There is no other business occupancy on the premises.

E. A Renters Policy shall not be issued to cover any property to which farm forms or rates apply under the rules of the Company. In no event shall a policy be issued to provide Section I property damage coverage to any property situated on premises used for farming purposes.

105. SECONDARY RESIDENCE PREMISES

A. Homeowners coverage on a secondary residence premises shall be provided under a separate policy. The rules of this Manual apply except that Section II Coverage is not mandatory for the secondary residence policy when the same company insures the initial and secondary residence.

B. When coverage is provided on the initial and secondary residence premises under separate policies in the same company add the charge for Other Insured Location Occupied by Insured, developed from Rule 602, to the policy covering the initial residence.

Coding Note: Coverage E limit of liability is reported blank for the secondary location. Status Code 4 if seasonal dwelling; Code 3 otherwise.

108. (Reserved for future use.)

109. (Reserved for future use.)

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201. POLICY PERIOD

The policy may be written for a period of:

- A. One year and may be extended for successive policy periods by extension certificate based upon the premiums, forms, and endorsements then in effect for the Company.
- B. Less than one year on a pro rata basis and may be extended for successive policy periods based upon the premiums, forms and endorsements then in effect for the Company.

202. CHANGES OR CANCELLATIONS

- A. It shall not be permissible to cancel any of the mandatory coverages in the policy unless the entire policy is cancelled.
- B. If insurance is increased, cancelled or reduced, the additional or return premium shall be computed on a pro rata basis.

203. MANUAL PREMIUM REVISION

A manual premium revision shall be made in accordance with the following procedures:

- A. The effective date of such revision shall be as announced.
- B. The revision shall apply to any policy or endorsement in the manner outlined in the announcement or the revision.
- C. Unless otherwise provided at the time of the announcement of the premium revision, the revision shall not affect in-force policy forms, endorsements or premiums until the policy is renewed.

204. (Reserved for future use.)

205. MINIMUM PREMIUM

Refer to Statistical Plan for coding requirements.

The minimum annual premium shown on the state rate pages shall be charged for each policy. The minimum premium may include all chargeable endorsements or coverages if written at the inception of the policy.

206. TRANSFER OR ASSIGNMENT

Subject to the consent of the Company, all the rules of this manual and any necessary adjustment or premium, a policy may be endorsed to effect:

- A. Transfer to another location within the same state.

207. WAIVER OF PREMIUM

Does not affect coding

When a policy is endorsed after the inception date, refer to the state rate pages for the amount of additional or return premium that may be waived.

208. WHOLE DOLLAR PREMIUM RULE

Does not affect coding.

Each premium shown on the policy and endorsements shall be rounded to the nearest whole dollar. A premium of fifty cents (\$.50) or more shall be rounded to the next higher whole dollar.

In the event of cancellation by the Company, the return premium may be carried to the next higher whole dollar.

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209. RESTRICTION OF INDIVIDUAL POLICIES

If a policy would not be issued because of unusual circumstances or exposures, the named insured may request a restriction of the policy provided no reduction in the premium is allowed. The Company will review the request, signed by the named insured, and the policy may be issued at the Company's sole discretion.

210. REFER TO COMPANY

Whenever a risk is rated on a Refer to Company basis, each company is responsible for complying with regulatory or statutory rate filing requirements.

270. PAYMENT PLANS / FEES

- A. The total premium of any policy is due and payable at the beginning of the policy term, unless the policy is issued on an installment plan.
- B. For policies issued on an installment plan, the following fees apply to each installment after the down payment:
 1. \$5.00 to each payment for billed policies.
 2. \$3.00 to each payment for policies paid by electronic funds transfer.
- C. A fee of \$10.00 is added if a check is returned or electronic funds transfer refused due to insufficient funds. A \$15.00 fee is added if a cancellation notice is sent because an installment payment was not received by the date due.

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301. PREMIUM COMPUTATION

- A. The premium is computed as follows:
1. Determine the policy BASE PREMIUM based on the amount of Coverage C, as applicable, multiplying the territory base rate by the amount of insurance rating factors shown in the base rate pages of this manual.
 2. Determine the associated factors for the desired deductible and any applicable BASE PREMIUM modifications (300- and 400-series Rules except Rule 481). Multiply the BASE PREMIUM developed in Step 1 by the product of these factors. If the deductible factor is such that:

$$[1 - \text{Deductible Factor}] * \text{Base Premium} > \text{Max Deductible Credit},$$

then revise the Deductible Factor to:

$$\text{Deductible Factor} = 1 - [\text{Max Deductible Credit} / \text{Base Premium}]$$

3. Determine all liability increased limits and/or optional liability coverages (600-series Rules), calculating each item individually. Add the total of these items to the result of Step 2.
 4. Apply any applicable rating tier factor to the total of Step 3, rounding the new total to the nearest dollar.
 5. Calculate the premiums for any other mandatory or optional property or liability coverages that apply, calculating each item individually, rounding each total to the nearest dollar.
 6. Add together the results of Step 4 and Step 5, and add any applicable policy expense fee(s) shown on the state rate pages. Then apply any applicable expense or loss experience modifier (additive or factor) to that total.
 7. Multiply the result of Step 6 by the affinity marketing factor (Rule 481), rounding the new total to the nearest dollar. The result is the total policy premium.
- B. When any of the following coverage options apply, develop the BASE PREMIUM according to the instructions provided in the rules of this manual:
1. Secondary Residence Premises (Rule 105)

C. Interpolation Example

1. When the desired limit of liability is less than the highest limit shown, interpolate the amount of insurance factor using the nearest limit above and below the desired limit.

Example

\$203,000 desired limit; the nearest limits are \$200,000 and \$205,000.

For \$200,000 the factor is 2.837; for \$205,000 the factor is 2.937. Figure the difference between the two factors and divide by 5. This provides a factor per \$1,000.

2.937

-2.837

.100 ÷ 5 = .02

Multiply the factor per \$1,000 times 3, and add 2.837; the factor for \$200,000.

.02

x 3

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$$.06 + 2.837 = 2.897$$

The result, 2.897, is the amount of insurance factor for this example.

2. The factors shown in the above interpolation example are for illustration only and are not necessarily the factors shown in the Amount of Insurance Table of this Manual.

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403. PERSONAL PROPERTY (COVERAGE C) REPLACEMENT COST COVERAGE

Coding Note: Subline Code 03 (403 if 50 character format) applies instead of Subline Codes listed on the state rate pages.

- A. The premium to extend the limit of liability for Coverage C to include Replacement Cost Coverage, is computed by applying the factor shown on the state rate pages according to the Premium Computation Rule 301.A.2.
- B. Replacement Cost Coverage also applies to articles or classes of property separately described and specifically insured in this policy, as listed in the Scheduled Personal Property endorsement.

Use Endorsement HO 04 90 Personal Property Replacement Cost.

406. DEDUCTIBLES

All policies are subject to a deductible that applies to loss from all Section I perils, except Earthquake. Refer to the Earthquake Coverage rule for applicable deductible provision.

A. Base Deductible

\$500 Deductible (Type Code 50).

B. Optional Deductibles

The All Other Perils deductible amount may be reduced from \$500 to \$250. Refer to the state rate pages for the appropriate factors. The following options are subject to the minimum and maximum additional premium charges listed on the state rate pages.

- 1. \$100 Deductible (Type Code 5, Size Code 10) – HO 00 04 **[N/A in Arkansas]**
- 2. \$250 Theft Deductible – HO 00 04 except with HO 17 31. **[N/A in Arkansas]**
(Theft Indicator Code 3)

The theft deductible applies to Coverage C – Personal Property and is available only when a \$100 deductible applies to All Other Perils.

- 3. \$250 Deductible (Type Code 5, Size Code 25)

C. Optional Higher Deductibles

- 1. All Other Perils Deductibles (Type Code 5)

To compute the premium for this provision, multiply the BASE PREMIUM by the appropriate factor shown on the state rate pages for the selected option, subject to the listed minimum and maximum additional premium charges.

- 2. Windstorm or Hail Deductibles

The following deductible options are used in conjunction with the deductible applicable to All Other Section I perils. Refer to the state rate pages for available options, factors, and applicable minimum and maximum premium charges.

a. Higher Fixed-Dollar Deductibles

- (1) Higher fixed-dollar deductibles are available when the dollar amount of the higher fixed-dollar deductible selected exceeds the amount of the deductible applicable to All Other Section I Perils.
- (2) Attach Endorsement HH 80 06-Windstorm or Hail Fixed-dollar Deductible and separately enter, on the policy declarations, the deductible amounts that apply to Windstorm or Hail and All Other Section I Perils.

Example:

Deductible – Section I \$250
except \$1,000 for Windstorm or Hail.

- (3) The factors displayed on the state rate pages incorporate the factors for the All Perils Deductibles. Do not use the factors for the All Perils

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Deductibles when rating a policy with a higher Windstorm or Hail deductible.

- (4) To compute the premium for this provision, multiply the BASE PREMIUM by the appropriate factor shown on the state rate pages for the selected option.

480. MATURE OWNER/RESIDENT

Using the age of the oldest named insured(s), determine the appropriate factor and apply the factor shown on the state rate pages according to the Premium Computation Rule 301.A.2.

481. AFFINITY MARKETING

Rating factors shown on the state rate pages apply according to the Premium Computation Rule 301.A.7 when the coverage is placed through a Homesite affinity partner and the named insured also maintains an account with a Homesite affinity partner or membership in an approved group.

488. NUMBER OF UNITS

Based on the number of apartment units in the apartment complex, apply the factor shown on the state rate pages according to the Premium Computation Rule 301.A.2.

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SECTION I COVERAGES – PROPERTY

501. (Reserved for future use.)

502. (Reserved for future use.)

503. BUSINESS PROPERTY – INCREASED LIMITS

Does not affect coding.

A. The \$2,500 limit of liability for business property on the residence premises may be increased to \$10,000 in increments of \$2,500. Charge the rate for each \$2,500 increase shown in the state rate pages. The limit of liability in excess of \$2,500 does not apply to:

1. Business property in storage or held as a sample or for sale or delivery after sale;
2. Business property pertaining to a business actually conducted on the residence premises. (This exposure is addressed by HO 04 42 – Permitted Incidental Occupancies.)

B. When the on-premises limit is increased, the off-premises limit of \$250 is automatically increased, at no additional charge, to an amount that is 10 percent of the total on-premises limit of liability.

Use Endorsement HO 04 12 Increased Limits of Business Property.

504. (Reserved for future use.)

505. EARTHQUAKE COVERAGE

Coding Note: Code as a separate Earthquake record with Subline Code 60 (460 if 150 character format).

A. The policy may be endorsed to provide coverage against a loss resulting from the peril of Earthquake. This peril shall apply to all Section I Coverages for the same limits provided in the policy.

Use Endorsement HO 04 54 Earthquake.

B. Deductible

A deductible percentage amount of 5% of the limit of liability for Coverage C.

In the event of an Earthquake loss to covered property, the dollar amount is deducted from the total of the loss for Coverage C.

Earthquake rates are displayed for the 5% deductible in the state rate pages.

C. Loss Assessment Coverage

The policy may also be endorsed to cover loss assessment resulting from loss by this peril. The limit of liability shall be based on the insured's proportionate interest in the total value of all collectively owned buildings and structures of the corporation or association of property owners. Refer to the state rate pages for rates.

Use Endorsement HO 04 36 for all Forms.

D. Base Premium

Develop the base premium as follows:

1. From the state rate pages:
 - a. Determine the Earthquake Zone.
2. For Form H0 00 04, add the results of the following two steps:
 - a. Multiply the Coverage C limit by the rate found in Column B of the table; and
 - b. If the Coverage D limit is increased, multiply the rate found in Column F by the amount of the increase.

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3. Ordinance or Law
Multiply the rate determined in D.2.a, above by the Ordinance or Law total amount of insurance.
 - E. Premium for Higher Deductibles **[N/A in Arkansas]**
Multiply the base premium determined in D. above by the appropriate factor shown on the state rate pages.
- 510.** (Reserved for future use.)
- 511. LOSS ASSESSMENT COVERAGE**
Coding Note: Status Code 6 when HO 17 33 also used; Code 2 otherwise.
The policy automatically provides, at no additional charge, \$1,000 of loss assessment coverage, excluding Earthquake, for assessments relating to the residence premises. This limit may be increased. Refer to the state rate pages for the additional rate. Endorsement HO 04 35 does not cover loss to property under Section I caused by Earthquake.
Use Endorsement HO 04 35 Loss Assessment Coverage.
- 512. LOSS OF USE – INCREASED LIMIT**
Does not affect coding.
When the limit of liability for Coverage D is increased, charge the rate per \$1,000 of additional insurance shown in the state rate pages.
- 513. ORDINANCE OR LAW INCREASED AMOUNT OF COVERAGE**
 - A. The policy may be endorsed to provide ordinance or law coverage up to 100% of the Building Additions and Alterations limit to accommodate the increased costs known or estimated by the insured for materials and labor to repair or replace the damaged property and to demolish the undamaged portion of damaged property and clear the site of resulting debris according to the ordinance or law.
 - B. Premium
 1. The premium for this additional coverage is determined based on the dollar amount of increase, represented by the increased percentage amount selected above the basic limit.
 2. Refer to the state rate pages for the premium for each additional \$1,000 of insurance.
- 515. PERSONAL PROPERTY**
 - A. Increased Special Limits of Liability
Does not affect coding.
 1. Jewelry, Watches and Furs
The special limit of liability of \$1,000 for theft of jewelry, watches and furs may be increased to a maximum of \$5,000 but not exceeding \$1,000 for any one article. Charge the additional rate per \$500 shown in the state rate pages.
 2. Money and Securities
The special limit of liability of \$200 on money may be increased to a maximum of \$1,000. The \$1,000 limit on securities may be increased to a maximum of \$2,000. Charge the additional rate per \$100 shown in the state rate pages.
 3. Silverware, Goldware, and Pewterware

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The special limit of liability of \$2,500 for loss by theft of silverware, etc., may be increased to a maximum of \$10,000 in increments of \$500. Charge the additional rate per \$500 shown in the state rate pages.

4. Firearms

The special limit of liability of \$2,000 for loss by theft of firearms may be increased to a maximum of \$6,000 in increments of \$100. Charge the additional rate per \$100 shown in the state rate pages.

5. Electronic Apparatus

a. The policy provides coverage, as described below, for loss of electronic apparatus equipped to be operated from the electrical system of a motor vehicle or motorized land conveyance while retaining its capability or being operated by other sources of power:

- (1) Up to \$1,000 for loss to electronic apparatus, used to transmit, record, receive or reproduce sound, while in or upon a motor vehicle or other motorized land conveyance, if the electronic apparatus is equipped to be operated by power from the electrical system of the vehicle or conveyance while retaining its capability of being operated by other sources of power. Electronic apparatus includes:
- a. Accessories or antennas; or
 - b. Tapes, wires, records, discs or other media ;
- for use with any electronic apparatus used to transmit, record, receive, or reproduce sound.

b. Each of these limits may be increased to a maximum of \$5,000 in increments of \$500. Charge the additional rate per \$500 shown in the state rate pages.

Use Endorsement HO 04 65 Coverage C Increased Special Limits of Liability.

516. PERSONAL PROPERTY – SCHEDULED

Coding Note: Code as a separate Inland Marine record with Subline Code 70 (470 if 150 character format).

Coverage may be provided on scheduled personal property subject to the rules and rates of the Company.

Use Endorsement HO 04 61 Scheduled Personal Property.

517. (Reserved for future use.)

518. (Reserved for future use.)

519. SPECIAL COMPUTER COVERAGE –

Status Code

Code 2

The policy may be endorsed to insure computers and related equipment against additional risks of physical loss subject to certain exclusions. Charge the additional rate shown in the state rate pages.

Use Endorsement HO 04 14 Special Computer Coverage.

520. IDENTITY FRAUD EXPENSE COVERAGE

A. Coverage Description

When the optional Identity Fraud Expense Coverage endorsement is attached to the policy, \$15,000 of coverage is available to pay for expenses incurred by an

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insured as a direct result of any one identity fraud first discovered or learned of during the policy period. Such expenses include the costs for notarizing fraud affidavits or similar documents; certified mail sent to law enforcement, financial institutions and credit agencies; lost income resulting from time taken off work to meet with or talk to law enforcement or credit agencies; loan application fees for reapplying for a loan when the application is rejected solely because the lender received incorrect credit information; and reasonable attorney's fees incurred to defend lawsuits brought against the insured and to remove criminal or civil judgments.

B. Limits Of Liability

Up to \$15,000 coverage will be provided for the identity fraud of an insured discovered or first learned of during the policy period.

C. Premium Computation

Refer to state company rates for additional charge.

D. Endorsements

1. Use Identity Fraud Expense Coverage Endorsement HH 80 99 0605.
2. This endorsement provides complete details on coverages, definitions and additional policy conditions applicable to this coverage.

521. WATER BACK UP AND SUMP OVERFLOW

Code as a separate record with Exception Code 1.

A. The policy may be endorsed to provide coverage for loss resulting from water which backs up through sewers or drains or which overflows from a sump. The limit of liability available under this option is \$5,000.

B. A deductible of \$250 applies. No other deductible option is available.

C. Charge the rate shown on the state rate pages.

Use Endorsement HO 04 95 Water Back Up and Sump Overflow.

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SECTION II COVERAGES

PERSONAL LIABILITY AND MEDICAL PAYMENTS TO OTHERS

601. RESIDENCE PREMISES – BASIC AND INCREASED LIMITS OTHER EXPOSURES – BASIC AND INCREASED LIMITS

- A. Residence Premises
 - 1. Minimum limits of liability for Coverage E (Personal Liability) and Coverage F (Medical Payments to Others) are shown in Rule 301 in the state rate pages.
 - 1. Refer to the state rate pages Rule 601 for rates.
 - 3. If increased limits are written, then the same limits must apply to any Other Exposures covered under the policy, unless otherwise stated.
- B. Other Exposures
 - 1. There is an additional charge for Other Exposures listed in the following rules.
 - 2. The minimum limits for Other Exposures are the same as the limits for the Residence Premises, unless otherwise indicated.
 - 3. For increased limits for Other Exposures, refer to the state rate pages.
 - 4. If increased limits are written, then the same limits must apply to the Residence Premises, unless otherwise stated.

602. OTHER INSURED LOCATION OCCUPIED BY INSURED

Does not affect coding.

- A. Section II Coverage may be provided on locations, other than the residence premises, where an insured resides, but which are insured for Section I Coverage under another insurance program or by another company.
- B. Make the appropriate charge for each other insured location shown in the Declarations of this policy. If the insured location is in another state, refer to the manual for that state.
- C. Premium – Refer to the state rate pages.

604. ADDITIONAL RESIDENCE RENTED TO OTHERS

Status Code 2

- A. The policy may be endorsed to provide coverage when an additional residence is rented to others.
- B. Premium – Refer to the state rate pages.
Use Endorsement HO 24 70 Additional Residence Rented to Others.

605. (Reserved for future use.)

606. (Reserved for future use.)

607. (Reserved for future use.)

609. BUSINESS PURSUITS

Status Code 2

- A. The policy may be endorsed to provide coverage for the liability of the insured arising out of business activities. Coverage is excluded if the insured owns the business, is a partner or maintains financial control in the business.
- B. Refer to the state rate pages for eligible business activities and rates.
Use Endorsement HO 24 71 Business Pursuits.

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610. PERSONAL INJURY

Coding Notes: Use Class Code 994 and code as a separate Personal Liability record with Subline Code 80 (480 if 150 character format).

- A. Liability coverage for personal injury to others, such as false arrest, libel or invasion of privacy, may be added to the policy.
- B. Premium: Refer to the state rate pages.
Use Endorsement HO 24 82 Personal Injury.

611. (Reserved for future use.)

612. OUTBOARD MOTORS AND WATERCRAFT

Coding Note: Code as a separate Personal Liability record with Subline Code 80 (480 if 150 character format). Exposure coding (number of watercraft) is required.

- A. Coverage is included in the policy form, at no additional charge, for watercraft powered by an outboard engine or motor or combination of outboard engines or motors of up to 25 horsepower, and sailboats less than 26 feet in overall length with or without auxiliary power.
- B. Coverage is available, for an additional premium, for watercraft up to 26 feet in length powered by outboard engines or motors exceeding 25 horsepower, Inboard or Inboard-Outdrive engines or motors.
Accumulate total horsepower if two or more engines or motors are regularly used together with any single watercraft owned by insured.
- C. Coverage must be written to expiration of the policy. It is permissible, however, to stipulate for all watercraft eligible in this rule, the navigational period of each year. Premium shall be adjusted on a pro rata basis.
- D. For boats not described above, coverage is not permitted under the Renters Policy
- E. The premium in the state where the Insured's residence premises is located shall apply. However, if the insured owns another residence premises in a different state and principally operates the boat from that residence, apply the premium for that state.
- F. Premium: Refer to the state rate pages.
Use Endorsement HO 24 75 Watercraft.

613. OWNED SNOWMOBILE [N/A in Arkansas]

Coding Note: Code as a separate Personal Liability record with Subline Code 80 (480 if 150 character format). Exposure coding (number of snowmobiles) is required.

- A. The policy may be endorsed to provide coverage when a snowmobile is used off of the insured location.
- B. Rate each snowmobile owned by the named insured or any other insured separately. This charge is the minimum annual premium for each snowmobile for any period within a policy year.
- C. Premium: Refer to the state rate pages.
Use Endorsement HO 24 64 Snowmobile.

614. (Reserved for future use.)

615. (Reserved for future use.)

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617. DANGEROUS DOG PREMIUM

When dangerous dogs are present, apply the applicable premium shown on the state rate pages.

SPECIAL STATE REQUIREMENTS

- 001. Special Provisions Endorsement – HO 01 03
Use this endorsement with all Renters policies.

- 002. No Coverage for Home Day Care Business – HO 04 96
This endorsement details the exclusions and restrictions of the policy with respect to a home day care exposure. Use this endorsement with all Renters policies.

HOMESITE INSURANCE COMPANY OF THE MIDWEST RENTERS POLICY PROGRAM MANUAL

The Renters Policy Program provides property and liability coverages, using the forms and endorsements specified in this Manual. This Manual contains the rules and classifications governing the writing of the Renters Policy. The rules, rates, forms and endorsements of the Company for each coverage shall govern in all cases not specifically provided for in this Manual.

101. LIMITS OF LIABILITY AND COVERAGE RELATIONSHIPS

A. The limits of liability required under the Renters policy are as follows:

1. Section I – Property Damage

Coverage	HO 00 04
C Personal Property	Refer to the state pages
D Loss of Use	20% of C

2. Section II – Liability

Coverage E – Personal Liability

Coverage F – Medical Payments to Others

Unless otherwise stated, Coverage E limits apply on an “occurrence” basis;

Coverage F limits on an “each person” basis.

B. The limit of liability for Coverages C or D of Section I and E or F of Section II may be increased.

102. DESCRIPTION OF COVERAGES

A. Section I Coverages – Property Damage

The following is a general description of the coverages provided by the individual Renters Policy forms. The policy shall be consulted for exact contract conditions.

	HO 00 04
Fire or Lightning	Yes
Windstorm or Hail, Explosion, Riot or civil commotion, Aircraft, Vehicles or Smoke	Yes
Vandalism or malicious mischief	Yes
Theft	Yes
Volcanic eruption	Yes
Falling objects, Weight of ice, snow or sleet, Accidental discharge of water or steam, Sudden and accidental tearing apart of a heating system or appliance, Freezing, Sudden accidental damage from electrical current	Yes
Additional risks with certain exceptions (Special Coverage)	No

B. Section II Coverages – Liability

Coverage E – Personal Liability

Coverage F – Medical Payments to Others

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1. Personal Liability – Covers payment on behalf of any insured for all sums which the insured shall become legally obligated to pay as damages because of bodily injury or property damage arising out of an insured's premises or personal activities.
2. Medical Payments to Others – Covers medical expenses incurred by persons, other than the insured, who sustain bodily injury caused by an accident arising out of an insured's premises or personal activities.

103. MANDATORY COVERAGES

It is mandatory that insurance be written for all coverages provided under both Sections I and II of the Renters Policy.

104. ELIGIBILITY

A. Form HO 00 04

A Renters Policy may be issued to:

1. The tenant(s) (non-owner) of a dwelling or an apartment situated in any building; or
2. The owner-occupant(s) of a dwelling, co-operative unit or of a building containing an apartment not otherwise eligible for a Property Policy under Rule 104.A. of the HO3 property rules manual provided the residence premises occupied by the insured is used exclusively for residential purposes (except as provided in Rule 104.D.) and is not occupied by more than one additional family or more than two boarders or roomers.

B. A Renters Policy shall not be issued to cover any mobile home, trailer home, or housetrailer. Their contents may be covered under Rule 104.A.

D. Certain business occupancies are permitted, provided:

1. The premises is occupied principally for private residential purposes; and
2. There is no other business occupancy on the premises.

E. A Renters Policy shall not be issued to cover any property to which farm forms or rates apply under the rules of the Company. In no event shall a policy be issued to provide Section I property damage coverage to any property situated on premises used for farming purposes.

105. SECONDARY RESIDENCE PREMISES

A. Homeowners coverage on a secondary residence premises shall be provided under a separate policy. The rules of this Manual apply except that Section II Coverage is not mandatory for the secondary residence policy when the same company insures the initial and secondary residence.

B. When coverage is provided on the initial and secondary residence premises under separate policies in the same company add the charge for Other Insured Location Occupied by Insured, developed from Rule 602, to the policy covering the initial residence.

Coding Note: Coverage E limit of liability is reported blank for the secondary location. Status Code 4 if seasonal dwelling; Code 3 otherwise.

108. (Reserved for future use.)

109. (Reserved for future use.)

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201. POLICY PERIOD

The policy may be written for a period of:

- A. One year and may be extended for successive policy periods by extension certificate based upon the premiums, forms, and endorsements then in effect for the Company.
- B. Less than one year on a pro rata basis and may be extended for successive policy periods based upon the premiums, forms and endorsements then in effect for the Company.

202. CHANGES OR CANCELLATIONS

- A. It shall not be permissible to cancel any of the mandatory coverages in the policy unless the entire policy is cancelled.
- B. If insurance is increased, cancelled or reduced, the additional or return premium shall be computed on a pro rata basis.

203. MANUAL PREMIUM REVISION

A manual premium revision shall be made in accordance with the following procedures:

- A. The effective date of such revision shall be as announced.
- B. The revision shall apply to any policy or endorsement in the manner outlined in the announcement or the revision.
- C. Unless otherwise provided at the time of the announcement of the premium revision, the revision shall not affect in-force policy forms, endorsements or premiums until the policy is renewed.

204. (Reserved for future use.)

205. MINIMUM PREMIUM

Refer to Statistical Plan for coding requirements.

The minimum annual premium shown on the state rate pages shall be charged for each policy. The minimum premium may include all chargeable endorsements or coverages if written at the inception of the policy.

206. TRANSFER OR ASSIGNMENT

Subject to the consent of the Company, all the rules of this manual and any necessary adjustment or premium, a policy may be endorsed to effect:

- A. Transfer to another location within the same state.

207. WAIVER OF PREMIUM

Does not affect coding

When a policy is endorsed after the inception date, refer to the state rate pages for the amount of additional or return premium that may be waived.

208. WHOLE DOLLAR PREMIUM RULE

Does not affect coding.

Each premium shown on the policy and endorsements shall be rounded to the nearest whole dollar. A premium of fifty cents (\$.50) or more shall be rounded to the next higher whole dollar.

In the event of cancellation by the Company, the return premium may be carried to the next higher whole dollar.

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209. RESTRICTION OF INDIVIDUAL POLICIES

If a policy would not be issued because of unusual circumstances or exposures, the named insured may request a restriction of the policy provided no reduction in the premium is allowed. The Company will review the request, signed by the named insured, and the policy may be issued at the Company's sole discretion.

210. REFER TO COMPANY

Whenever a risk is rated on a Refer to Company basis, each company is responsible for complying with regulatory or statutory rate filing requirements.

270. PAYMENT PLANS / FEES

- A. The total premium of any policy is due and payable at the beginning of the policy term, unless the policy is issued on an installment plan.
- B. For policies issued on an installment plan, the following fees apply to each installment after the down payment:
 1. \$5.00 to each payment for billed policies.
 2. \$3.00 to each payment for policies paid by electronic funds transfer.
- C. A fee of \$10.00 is added if a check is returned or electronic funds transfer refused due to insufficient funds. A \$15.00 fee is added if a cancellation notice is sent because an installment payment was not received by the date due.

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301. PREMIUM COMPUTATION

A. The premium is computed as follows:

1. Determine the policy BASE PREMIUM based on the amount of Coverage C, as applicable, multiplying the territory base rate by the amount of insurance rating factors shown in the base rate pages of this manual.
2. Determine the associated factors for the desired deductible and any applicable BASE PREMIUM modifications (300- and 400-series Rules except Rule 481). Multiply the BASE PREMIUM developed in Step 1 by the product of these factors. If the deductible factor is such that:

$$[1 - \text{Deductible Factor}] * \text{Base Premium} > \text{Max Deductible Credit},$$

then revise the Deductible Factor to:

$$\text{Deductible Factor} = 1 - [\text{Max Deductible Credit} / \text{Base Premium}]$$

3. Determine all liability increased limits and/or optional liability coverages (600-series Rules), calculating each item individually. Add the total of these items to the result of Step 2.
4. Apply any applicable rating tier factor to the total of Step 3, rounding the new total to the nearest dollar.
5. Calculate the premiums for any other mandatory or optional property or liability coverages that apply, calculating each item individually, rounding each total to the nearest dollar.
6. Add together the results of Step 4 and Step 5, and add any applicable policy expense fee(s) shown on the state rate pages. Then apply any applicable expense or loss experience modifier (additive or factor) to that total.
7. Multiply the result of Step 6 by the affinity marketing factor (Rule 481), rounding the new total to the nearest dollar. The result is the total policy premium.

B. When any of the following coverage options apply, develop the BASE PREMIUM according to the instructions provided in the rules of this manual:

1. Secondary Residence Premises (Rule 105)

C. Interpolation Example

1. When the desired limit of liability is less than the highest limit shown, interpolate the amount of insurance factor using the nearest limit above and below the desired limit.

Example

\$203,000 desired limit; the nearest limits are \$200,000 and \$205,000.

For \$200,000 the factor is 2.837; for \$205,000 the factor is 2.937. Figure the difference between the two factors and divide by 5. This provides a factor per \$1,000.

2.937

-2.837

.100 ÷ 5 = .02

Multiply the factor per \$1,000 times 3, and add 2.837; the factor for \$200,000.

.02

x 3

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$$.06 + 2.837 = 2.897$$

The result, 2.897, is the amount of insurance factor for this example.

2. The factors shown in the above interpolation example are for illustration only and are not necessarily the factors shown in the Amount of Insurance Table of this Manual.

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403. PERSONAL PROPERTY (COVERAGE C) REPLACEMENT COST COVERAGE

Coding Note: Subline Code 03 (403 if 50 character format) applies instead of Subline Codes listed on the state rate pages.

- A. The premium to extend the limit of liability for Coverage C to include Replacement Cost Coverage, is computed by applying the factor shown on the state rate pages according to the Premium Computation Rule 301.A.2.
- B. Replacement Cost Coverage also applies to articles or classes of property separately described and specifically insured in this policy, as listed in the Scheduled Personal Property endorsement.

Use Endorsement HO 04 90 Personal Property Replacement Cost.

406. DEDUCTIBLES

All policies are subject to a deductible that applies to loss from all Section I perils, except Earthquake. Refer to the Earthquake Coverage rule for applicable deductible provision.

A. Base Deductible

\$500 Deductible (Type Code 50).

B. Optional Deductibles

The All Other Perils deductible amount may be reduced from \$500 to \$250. Refer to the state rate pages for the appropriate factors. The following options are subject to the minimum and maximum additional premium charges listed on the state rate pages.

- 1. \$100 Deductible (Type Code 5, Size Code 10) – HO 00 04 **[N/A in Arkansas]**
- 2. \$250 Theft Deductible – HO 00 04 except with HO 17 31. **[N/A in Arkansas]**
(Theft Indicator Code 3)

The theft deductible applies to Coverage C – Personal Property and is available only when a \$100 deductible applies to All Other Perils.

- 3. \$250 Deductible (Type Code 5, Size Code 25)

C. Optional Higher Deductibles

- 1. All Other Perils Deductibles (Type Code 5)

To compute the premium for this provision, multiply the BASE PREMIUM by the appropriate factor shown on the state rate pages for the selected option, subject to the listed minimum and maximum additional premium charges.

- 2. Windstorm or Hail Deductibles

The following deductible options are used in conjunction with the deductible applicable to All Other Section I perils. Refer to the state rate pages for available options, factors, and applicable minimum and maximum premium charges.

a. Higher Fixed-Dollar Deductibles

(1) Higher fixed-dollar deductibles are available when the dollar amount of the higher fixed-dollar deductible selected exceeds the amount of the deductible applicable to All Other Section I Perils.

(2) Attach Endorsement HH 80 06-Windstorm or Hail Fixed-dollar Deductible and separately enter, on the policy declarations, the deductible amounts that apply to Windstorm or Hail and All Other Section I Perils.

Example:

Deductible – Section I \$250
except \$1,000 for Windstorm or Hail.

(3) The factors displayed on the state rate pages incorporate the factors for the All Perils Deductibles. Do not use the factors for the All Perils

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Deductibles when rating a policy with a higher Windstorm or Hail deductible.

- (4) To compute the premium for this provision, multiply the BASE PREMIUM by the appropriate factor shown on the state rate pages for the selected option.

480. MATURE OWNER/RESIDENT

Using the age of the oldest named insured(s), determine the appropriate factor and apply the factor shown on the state rate pages according to the Premium Computation Rule 301.A.2.

481. AFFINITY MARKETING

Rating factors shown on the state rate pages apply according to the Premium Computation Rule 301.A.7 when the coverage is placed through a Homesite affinity partner and the named insured also maintains an account with a Homesite affinity partner or membership in an approved group.

488. NUMBER OF UNITS

Based on the number of apartment units in the apartment complex, apply the factor shown on the state rate pages according to the Premium Computation Rule 301.A.2.

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SECTION I COVERAGES – PROPERTY

501. (Reserved for future use.)

502. (Reserved for future use.)

503. BUSINESS PROPERTY – INCREASED LIMITS

Does not affect coding.

A. The \$2,500 limit of liability for business property on the residence premises may be increased to \$10,000 in increments of \$2,500. Charge the rate for each \$2,500 increase shown in the state rate pages. The limit of liability in excess of \$2,500 does not apply to:

1. Business property in storage or held as a sample or for sale or delivery after sale;
2. Business property pertaining to a business actually conducted on the residence premises. (This exposure is addressed by HO 04 42 – Permitted Incidental Occupancies.)

B. When the on-premises limit is increased, the off-premises limit of \$250 is automatically increased, at no additional charge, to an amount that is 10 percent of the total on-premises limit of liability.

Use Endorsement HO 04 12 Increased Limits of Business Property.

504. (Reserved for future use.)

505. EARTHQUAKE COVERAGE

Coding Note: Code as a separate Earthquake record with Subline Code 60 (460 if 150 character format).

A. The policy may be endorsed to provide coverage against a loss resulting from the peril of Earthquake. This peril shall apply to all Section I Coverages for the same limits provided in the policy.

Use Endorsement HO 04 54 Earthquake.

B. Deductible

A deductible percentage amount of 5% of the limit of liability for Coverage C.

In the event of an Earthquake loss to covered property, the dollar amount is deducted from the total of the loss for Coverage C.

Earthquake rates are displayed for the 5% deductible in the state rate pages.

C. Loss Assessment Coverage

The policy may also be endorsed to cover loss assessment resulting from loss by this peril. The limit of liability shall be based on the insured's proportionate interest in the total value of all collectively owned buildings and structures of the corporation or association of property owners. Refer to the state rate pages for rates.

Use Endorsement HO 04 36 for all Forms.

D. Base Premium

Develop the base premium as follows:

1. From the state rate pages:
 - a. Determine the Earthquake Zone.
2. For Form H0 00 04, add the results of the following two steps:
 - a. Multiply the Coverage C limit by the rate found in Row-Column B of the table;
 - and

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- b. If the Coverage D limit is increased, multiply the rate found in Row-Column F by the amount of the increase.
- 3. Ordinance or Law
Multiply the rate determined in D.2.a, above by the Ordinance or Law total amount of insurance.
- E. Premium for Higher Deductibles **[N/A in Arkansas]**
Multiply the base premium determined in D. above by the appropriate factor shown on the state rate pages.

510. (Reserved for future use.)

511. LOSS ASSESSMENT COVERAGE

Coding Note: Status Code 6 when HO 17 33 also used; Code 2 otherwise.

The policy automatically provides, at no additional charge, \$1,000 of loss assessment coverage, excluding Earthquake, for assessments relating to the residence premises.

This limit may be increased. Refer to the state rate pages for the additional rate.

Endorsement HO 04 35 does not cover loss to property under Section I caused by Earthquake.

Use Endorsement HO 04 35 Loss Assessment Coverage.

512. LOSS OF USE – INCREASED LIMIT

Does not affect coding.

When the limit of liability for Coverage D is increased, charge the rate per \$1,000 of additional insurance shown in the state rate pages.

513. ORDINANCE OR LAW INCREASED AMOUNT OF COVERAGE

A. The policy may be endorsed to provide ordinance or law coverage up to 100% of the Building Additions and Alterations limit to accommodate the increased costs known or estimated by the insured for materials and labor to repair or replace the damaged property and to demolish the undamaged portion of damaged property and clear the site of resulting debris according to the ordinance or law.

B. Premium

1. The premium for this additional coverage is determined based on the dollar amount of increase, represented by the increased percentage amount selected above the basic limit.
2. Refer to the state rate pages for the premium for each additional \$1,000 of insurance.

515. PERSONAL PROPERTY

A. Increased Special Limits of Liability

Does not affect coding.

1. Jewelry, Watches and Furs

The special limit of liability of \$1,000 for theft of jewelry, watches and furs may be increased to a maximum of \$5,000 but not exceeding \$1,000 for any one article.

Charge the additional rate per \$500 shown in the state rate pages.

2. Money and Securities

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The special limit of liability of \$200 on money may be increased to a maximum of \$1,000. The \$1,000 limit on securities may be increased to a maximum of \$2,000. Charge the additional rate per \$100 shown in the state rate pages.

3. Silverware, Goldware, and Pewterware

The special limit of liability of \$2,500 for loss by theft of silverware, etc., may be increased to a maximum of \$10,000 in increments of \$500. Charge the additional rate per \$500 shown in the state rate pages.

4. Firearms

The special limit of liability of \$2,000 for loss by theft of firearms may be increased to a maximum of \$6,000 in increments of \$100. Charge the additional rate per \$100 shown in the state rate pages.

5. Electronic Apparatus

a. The policy provides coverage, as described below, for loss of electronic apparatus equipped to be operated from the electrical system of a motor vehicle or motorized land conveyance while retaining its capability or being operated by other sources of power:

(1) Up to \$1,000 for loss to electronic apparatus, used to transmit, record, receive or reproduce sound, while in or upon a motor vehicle or other motorized land conveyance, if the electronic apparatus is equipped to be operated by power from the electrical system of the vehicle or conveyance while retaining its capability of being operated by other sources of power. Electronic apparatus includes:

a. Accessories or antennas; or

b. Tapes, wires, records, discs or other media ;

for use with any electronic apparatus used to transmit, record, receive, or reproduce sound.

b. Each of these limits may be increased to a maximum of \$5,000 in increments of \$500. Charge the additional rate per \$500 shown in the state rate pages.

Use Endorsement HO 04 65 Coverage C Increased Special Limits of Liability.

516. PERSONAL PROPERTY – SCHEDULED

Coding Note: Code as a separate Inland Marine record with Subline Code 70 (470 if 150 character format).

Coverage may be provided on scheduled personal property subject to the rules and rates of the Company.

Use Endorsement HO 04 61 Scheduled Personal Property.

517. (Reserved for future use.)

518. (Reserved for future use.)

519. SPECIAL COMPUTER COVERAGE –

Status Code

Code 2

The policy may be endorsed to insure computers and related equipment against additional risks of physical loss subject to certain exclusions. Charge the additional rate shown in the state rate pages.

Use Endorsement HO 04 14 Special Computer Coverage.

HOMESITE INSURANCE COMPANY OF THE MIDWEST RENTERS POLICY PROGRAM MANUAL

520. IDENTITY FRAUD EXPENSE COVERAGE

A. Coverage Description

When the optional Identity Fraud Expense Coverage endorsement is attached to the policy, \$15,000 of coverage is available to pay for expenses incurred by an insured as a direct result of any one identity fraud first discovered or learned of during the policy period. Such expenses include the costs for notarizing fraud affidavits or similar documents; certified mail sent to law enforcement, financial institutions and credit agencies; lost income resulting from time taken off work to meet with or talk to law enforcement or credit agencies; loan application fees for reapplying for a loan when the application is rejected solely because the lender received incorrect credit information; and reasonable attorney's fees incurred to defend lawsuits brought against the insured and to remove criminal or civil judgments.

B. Limits Of Liability

Up to \$15,000 coverage will be provided for the identity fraud of an insured discovered or first learned of during the policy period.

C. Premium Computation

Refer to state company rates for additional charge.

D. Endorsements

1. Use Identity Fraud Expense Coverage Endorsement HH 80 99 0605.
2. This endorsement provides complete details on coverages, definitions and additional policy conditions applicable to this coverage.

521. WATER BACK UP AND SUMP OVERFLOW

Code as a separate record with Exception Code 1.

A. The policy may be endorsed to provide coverage for loss resulting from water which backs up through sewers or drains or which overflows from a sump. The limit of liability available under this option is \$5,000.

B. A deductible of \$250 applies. No other deductible option is available.

C. Charge the rate shown on the state rate pages.

Use Endorsement HO 04 95 Water Back Up and Sump Overflow.

HOMESITE INSURANCE COMPANY OF THE MIDWEST RENTERS POLICY PROGRAM MANUAL

SECTION II COVERAGES

PERSONAL LIABILITY AND MEDICAL PAYMENTS TO OTHERS

601. RESIDENCE PREMISES – BASIC AND INCREASED LIMITS OTHER EXPOSURES – BASIC AND INCREASED LIMITS

- A. Residence Premises
 - 1. Minimum limits of liability for Coverage E (Personal Liability) and Coverage F (Medical Payments to Others) are shown in Rule 301 in the state rate pages.
 - 1. Refer to the state rate pages Rule 601 for rates.
 - 3. If increased limits are written, then the same limits must apply to any Other Exposures covered under the policy, unless otherwise stated.
- B. Other Exposures
 - 1. There is an additional charge for Other Exposures listed in the following rules.
 - 2. The minimum limits for Other Exposures are the same as the limits for the Residence Premises, unless otherwise indicated.
 - 3. For increased limits for Other Exposures, refer to the state rate pages.
 - 4. If increased limits are written, then the same limits must apply to the Residence Premises, unless otherwise stated.

602. OTHER INSURED LOCATION OCCUPIED BY INSURED

Does not affect coding.

- A. Section II Coverage may be provided on locations, other than the residence premises, where an insured resides, but which are insured for Section I Coverage under another insurance program or by another company.
- B. Make the appropriate charge for each other insured location shown in the Declarations of this policy. If the insured location is in another state, refer to the manual for that state.
- C. Premium – Refer to the state rate pages.

604. ADDITIONAL RESIDENCE RENTED TO OTHERS

Status Code 2

- A. The policy may be endorsed to provide coverage when an additional residence is rented to others.
- B. Premium – Refer to the state rate pages.
Use Endorsement HO 24 70 Additional Residence Rented to Others.

605. (Reserved for future use.)

606. (Reserved for future use.)

607. (Reserved for future use.)

609. BUSINESS PURSUITS

Status Code 2

HOMESITE INSURANCE COMPANY OF THE MIDWEST RENTERS POLICY PROGRAM MANUAL

- A. The policy may be endorsed to provide coverage for the liability of the insured arising out of business activities. Coverage is excluded if the insured owns the business, is a partner or maintains financial control in the business.
- B. Refer to the state rate pages for eligible business activities and rates.
Use Endorsement HO 24 71 Business Pursuits.

610. PERSONAL INJURY

Coding Notes: Use Class Code 994 and code as a separate Personal Liability record with Subline Code 80 (480 if 150 character format).

- A. Liability coverage for personal injury to others, such as false arrest, libel or invasion of privacy, may be added to the policy.
- B. Premium: Refer to the state rate pages.
Use Endorsement HO 24 82 Personal Injury.

611. (Reserved for future use.)

612. OUTBOARD MOTORS AND WATERCRAFT

Coding Note: Code as a separate Personal Liability record with Subline Code 80 (480 if 150 character format). Exposure coding (number of watercraft) is required.

- A. Coverage is included in the policy form, at no additional charge, for watercraft powered by an outboard engine or motor or combination of outboard engines or motors of up to 25 horsepower, and sailboats less than 26 feet in overall length with or without auxiliary power.
- B. Coverage is available, for an additional premium, for watercraft up to 26 feet in length powered by outboard engines or motors exceeding 25 horsepower, Inboard or Inboard-Outdrive engines or motors.
Accumulate total horsepower if two or more engines or motors are regularly used together with any single watercraft owned by insured.
- C. Coverage must be written to expiration of the policy. It is permissible, however, to stipulate for all watercraft eligible in this rule, the navigational period of each year. Premium shall be adjusted on a pro rata basis.
- D. For boats not described above, coverage is not permitted under the Renters Policy
- E. The premium in the state where the Insured's residence premises is located shall apply. However, if the insured owns another residence premises in a different state and principally operates the boat from that residence, apply the premium for that state.
- F. Premium: Refer to the state rate pages.
Use Endorsement HO 24 75 Watercraft.

613. OWNED SNOWMOBILE [N/A in Arkansas]

Coding Note: Code as a separate Personal Liability record with Subline Code 80 (480 if 150 character format). Exposure coding (number of snowmobiles) is required.

- A. The policy may be endorsed to provide coverage when a snowmobile is used off of the insured location.
- B. Rate each snowmobile owned by the named insured or any other insured separately. This charge is the minimum annual premium for each snowmobile for any period within a policy year.
- C. Premium: Refer to the state rate pages.

HOMESITE INSURANCE COMPANY OF THE MIDWEST RENTERS POLICY PROGRAM MANUAL

Use Endorsement HO 24 64 Snowmobile.

614. (Reserved for future use.)

615. (Reserved for future use.)

617. DANGEROUS DOG PREMIUM

When dangerous dogs are present, apply the applicable premium shown on the state rate pages.

SPECIAL STATE REQUIREMENTS

001. Special Provisions Endorsement – HO 01 03
Use this endorsement with all Renters policies.

002. No Coverage for Home Day Care Business – HO 04 96
This endorsement details the exclusions and restrictions of the policy with respect to a home day care exposure. Use this endorsement with all Renters policies.

State: Arkansas **Filing Company:** Homesite Insurance Company of the Midwest
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners
Project Name/Number: 2012 Rate Review/AR-HO-12-085

Supporting Document Schedules

Satisfied - Item:	H-1 Homeowners Abstract
Comments:	The completed questionnaire is attached.
Attachment(s):	AR H-1 Homeowners Abstract.pdf
Item Status:	Filed
Status Date:	05/08/2013

Satisfied - Item:	HPCS-Homeowners Premium Comparison Survey
Comments:	
Attachment(s):	AR Homeowners Premium Comparison Survey.pdf AR Homeowners Premium Comparison Survey.xls
Item Status:	Filed
Status Date:	05/08/2013

Satisfied - Item:	NAIC loss cost data entry document
Comments:	
Attachment(s):	FORM RF-1 Rate Filing Abstract.v2.pdf
Item Status:	Filed
Status Date:	05/08/2013

Satisfied - Item:	Filing Memorandum
Comments:	The attached filing memorandum provides a detailed explanation of the changes proposed by this filing, as well as the actuarial support for the revisions.
Attachment(s):	AR Updated Indication Memorandum.pdf
Item Status:	Filed
Status Date:	05/08/2013

ARKANSAS INSURANCE DEPARTMENT

FORM H-1 HOMEOWNERS ABSTRACT

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

Company Name Homesite Insurance Company of the Midwest
NAIC # (including group#) 13927

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

Homesite re-evaluates ITV upon renewal each year using the property characteristics provide by the customer and the 360 Value replacement cost engine. Per rule 405, the limits that apply to Coverages A, B, C, and D will be automatically adjusted on an annual basis, subject to a minimum increase of 5%. Homesite observed an aggregate 4.0% decline in the average Coverage A on its renewal book from 2009 to 2012, driven by mix of business.

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.

When Homesite entered the Arkansas market, we used Marshall and Swift. In July 2009 we switched to Xactware (360 Value). In June 2011, Homesite worked with Xactware to optimize the inputs to their 360 Value replacement cost engine. The impact of this change has not been determined as a new business moratorium has been in place since August 2011. Additionally, in July 2012 the inputs were optimized further, though no new business HO-3 policies were written in AR after the change was implemented so the impact is unknown.

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.

Homesite strongly encourages that policyholders insure their dwellings for full replacement value as determined by 360 Value.

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

Homesite does not offer an Inflation Guard endorsement per se, but we do recalculate the replacement value of a dwelling at every renewal using information provided by 360 Value. For additional information please see response to Question 1.

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

- a. Fire Extinguisher 0%
- b. Burglar Alarm 5%
- c. Smoke Alarm 0%
- d. Insured who has both homeowners and auto with your company Not applicable
- e. Deadbolt Locks 0%
- f. Window or Door Locks 0%
- g. Other (specify)
 - Direct line response to police or fire station* 5%
 - Automatic sprinkler systems in all rooms of the dwelling* 10%
 - Central station monitored alarm* 5%

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.

Homesite currently does not write Homeowners (HO-3) new business in Arkansas. However, Homesite is writing renters (HO-4) and condo (HO-6) new business.

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

<i>Form</i>	<i>Premium Volume</i>
<i>Form HO 00 03</i>	<i>\$1,503,010</i>
<i>Form HO 00 04</i>	<i>\$254,703</i>
<i>Form HO 00 06</i>	<i>\$7,980</i>

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

9. Is there a surcharge on risks with wood heat?
If yes, state the surcharge.

Yes
25% of base premium

Does the surcharge apply to conventional fire places? Only if the fireplace is the primary heat source for the residence.

If yes, state the surcharge.

Not applicable

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



Signature
Megan Camanocha

Printed Name
Pricing Associate

Title
617-832-1352

Telephone Number
mcamanocha@homesite.com

Email address

NAIC Number: 13927
 Company Name: Homesite Insurance Company of the Midwest
 Contact Person: Megan Camanocha
 Telephone No.: 617-832-1352
 Email Address: mcamanocha@homesite.com
 Effective Date:

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

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

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

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

Public Protection Class	Dwelling Value	Washington		Baxter		Craighead		St. Francis		Desha		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$80,000	\$596.00	\$658.00	\$565.00	\$623.00	\$909.00	\$1,012.00	\$960.00	\$1,069.00	\$955.00	\$1,064.00	\$875.00	\$973.00	\$1,036.00	\$1,155.00	\$631.00	\$697.00	\$912.00	\$1,015.00
	\$120,000	\$799.00	\$888.00	\$755.00	\$837.00	\$1,246.00	\$1,392.00	\$1,318.00	\$1,474.00	\$1,312.00	\$1,467.00	\$1,197.00	\$1,337.00	\$1,427.00	\$1,597.00	\$849.00	\$944.00	\$1,250.00	\$1,397.00
	\$160,000	\$972.00	\$1,083.00	\$916.00	\$1,020.00	\$1,532.00	\$1,716.00	\$1,622.00	\$1,818.00	\$1,615.00	\$1,809.00	\$1,470.00	\$1,646.00	\$1,759.00	\$1,972.00	\$1,034.00	\$1,153.00	\$1,537.00	\$1,722.00
6	\$80,000	\$596.00	\$658.00	\$565.00	\$623.00	\$909.00	\$1,012.00	\$960.00	\$1,069.00	\$955.00	\$1,064.00	\$875.00	\$973.00	\$1,036.00	\$1,155.00	\$631.00	\$697.00	\$912.00	\$1,015.00
	\$120,000	\$799.00	\$888.00	\$755.00	\$837.00	\$1,246.00	\$1,392.00	\$1,318.00	\$1,474.00	\$1,312.00	\$1,467.00	\$1,197.00	\$1,337.00	\$1,427.00	\$1,597.00	\$849.00	\$944.00	\$1,250.00	\$1,397.00
	\$160,000	\$972.00	\$1,083.00	\$916.00	\$1,020.00	\$1,532.00	\$1,716.00	\$1,622.00	\$1,818.00	\$1,615.00	\$1,809.00	\$1,470.00	\$1,646.00	\$1,759.00	\$1,972.00	\$1,034.00	\$1,153.00	\$1,537.00	\$1,722.00
9	\$80,000	\$1,054.00	\$1,178.00	\$992.00	\$1,108.00	\$1,667.00	\$1,873.00	\$1,766.00	\$1,985.00	\$1,758.00	\$1,975.00	\$1,600.00	\$1,796.00	\$1,916.00	\$2,154.00	\$1,122.00	\$1,255.00	\$1,673.00	\$1,880.00
	\$120,000	\$1,452.00	\$1,629.00	\$1,365.00	\$1,530.00	\$2,328.00	\$2,621.00	\$2,469.00	\$2,781.00	\$2,457.00	\$2,767.00	\$2,232.00	\$2,512.00	\$2,683.00	\$3,023.00	\$1,550.00	\$1,740.00	\$2,337.00	\$2,631.00
	\$160,000	\$1,791.00	\$2,012.00	\$1,681.00	\$1,888.00	\$2,888.00	\$3,256.00	\$3,066.00	\$3,457.00	\$3,050.00	\$3,439.00	\$2,768.00	\$3,119.00	\$3,333.00	\$3,759.00	\$1,913.00	\$2,151.00	\$2,899.00	\$3,268.00

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

Public Protection Class	Property Value	Washington		Baxter		Craighead		St. Francis		Arkansas		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$5,000	\$125.00	\$125.00	\$125.00	\$125.00	\$129.00	\$129.00	\$139.00	\$139.00	\$139.00	\$139.00	\$139.00	\$139.00	\$139.00	\$139.00	\$129.00	\$129.00	\$135.00	\$135.00
	\$15,000	\$147.00	\$147.00	\$147.00	\$147.00	\$156.00	\$156.00	\$169.00	\$169.00	\$169.00	\$169.00	\$169.00	\$169.00	\$169.00	\$169.00	\$156.00	\$156.00	\$164.00	\$164.00
	\$25,000	\$167.00	\$167.00	\$167.00	\$167.00	\$178.00	\$178.00	\$195.00	\$195.00	\$195.00	\$195.00	\$195.00	\$195.00	\$195.00	\$195.00	\$178.00	\$178.00	\$188.00	\$188.00
6	\$5,000	\$125.00	\$125.00	\$125.00	\$125.00	\$129.00	\$129.00	\$139.00	\$139.00	\$139.00	\$139.00	\$139.00	\$139.00	\$139.00	\$139.00	\$129.00	\$129.00	\$135.00	\$135.00
	\$15,000	\$147.00	\$147.00	\$147.00	\$147.00	\$156.00	\$156.00	\$169.00	\$169.00	\$169.00	\$169.00	\$169.00	\$169.00	\$169.00	\$169.00	\$156.00	\$156.00	\$164.00	\$164.00
	\$25,000	\$167.00	\$167.00	\$167.00	\$167.00	\$178.00	\$178.00	\$195.00	\$195.00	\$195.00	\$195.00	\$195.00	\$195.00	\$195.00	\$195.00	\$178.00	\$178.00	\$188.00	\$188.00
9	\$5,000	\$125.00	\$125.00	\$125.00	\$125.00	\$129.00	\$129.00	\$139.00	\$139.00	\$139.00	\$139.00	\$139.00	\$139.00	\$139.00	\$139.00	\$129.00	\$129.00	\$135.00	\$135.00
	\$15,000	\$147.00	\$147.00	\$147.00	\$147.00	\$156.00	\$156.00	\$169.00	\$169.00	\$169.00	\$169.00	\$169.00	\$169.00	\$169.00	\$169.00	\$156.00	\$156.00	\$164.00	\$164.00
	\$25,000	\$167.00	\$167.00	\$167.00	\$167.00	\$178.00	\$178.00	\$195.00	\$195.00	\$195.00	\$195.00	\$195.00	\$195.00	\$195.00	\$195.00	\$178.00	\$178.00	\$188.00	\$188.00

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	0 %	Deadbolt Lock	0 %
Burglar Alarm	5 %	Window Locks	0 %
Smoke Alarm	0 %	\$1,000 Deductible	**11.4 %
		Other (specify)	
		Maximum Credit Allowed	

EARTHQUAKE INSURANCE

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

ARE YOU CURRENTLY WRITING EARTHQUAKE COVERAGE IN ARKANSAS?	Yes (yes or no)
WHAT IS YOUR PERCENTAGE DEDUCTIBLE?	5 %
WHAT IS YOUR PRICE PER \$1,000 OF COVERAGE?	Zone Highest Risk \$ ***8.57 Lowest Risk \$ 0.44
	Brick \$ 2.63 Frame \$ 0.10

* Please note that for HO3 Policy, the minimum deductible amount for all perils is 1,000

** The 1,000 deductible discount is calculated by using average coverage A amount

*** This is the price per 1,000 of coverage A

NAIC LOSS COST DATA ENTRY DOCUMENT

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

2. If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number **N/A**

		Company Name		Company NAIC Number
3.	A.	Homesite Insurance Company of the Midwest	B.	13927

		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.		B.	

5.

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	FOR LOSS COSTS ONLY				
			(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
HO 00 03 Homeowners		20.0%					
HO 00 04 Renters		20.0%					
HO 00 06 Condominium		20.0%					
TOTAL OVERALL EFFECT	34.7%	20.0%					

6. 5 Year History Rate Change History

Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
2008	1,380			1,013	705	70%	62%
2009	1,503	9.5%	7/17/2009	1,108	1,365	123%	66%
2010	1,912			1,331	1,743	131%	75%
2011	2,307	15.0%	8/5/2011	1,722	2,724	158%	83%
2012	2,061	20.0%	8/31/2012	1,761	1,310	74%	70%

7.

Expense Constants	Selected Provisions
A. Total Production Expense	17.0%
B. General Expense	0.9%
C. Taxes, License & Fees	3.3%
D. Underwriting Profit & Contingencies	10.0%
E. Other (explain) ULAE	5.8%
Reinsurance	1.4%
F. TOTAL	38.4%

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

9. 28.2% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): _____

10. 0.0% Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): _____

**Arkansas Filing Memorandum
Homesite Insurance Company of the Midwest
Filing #AR-HO-12-085**

Homesite Insurance Company of the Midwest (“Homesite”) is providing a revised rate level indication, updated with experience through the end of 2012. Assumptions used to arrive at the indicated rate level were kept consistent with those used in the originally filed indication. The overall rate impact of this filing remains at +20.0%, which continues to be supported by the updated rate level indication of +34.7%. Following is actuarial support for the proposed rate change. This includes information about the indicated rate level, target expense ratio, and target loss ratio.

Indicated Rate Level

Exhibit I shows the calculation of the indicated rate level for Homesite’s business in Arkansas.

Arkansas Homesite - All Forms	Target Eff. Date					6/1/2013 Exhibit I
	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>Total</u>
	1/08 - 12/08	1/09 - 12/09	1/10 - 12/10	1/11 - 12/11	1/12 - 12/12	
(1) Earned Exposures	1,229	1,398	1,684	2,229	2,198	8,738
(2) Earned Premium	1,012,969	1,108,250	1,331,179	1,721,618	1,760,765	6,934,780
(3) Uncapped Earned Premium at Current Rates	1,262,869	1,363,363	1,728,399	2,297,785	2,179,173	
(4) Premium Trend Factors	1.122	1.091	1.063	1.035	1.015	
(5) Trended Earned Premium (2) x (3)	1,416,472	1,486,943	1,837,354	2,378,904	2,212,122	9,331,796
(6) Claim Count	111	150	156	215	162	794
(7) Incurred Losses and ALAE, Excluding Catastrophe Losses at 01/01/2013	260,140	1,010,055	1,667,686	2,147,403	1,229,880	6,315,164
(8) Loss Development Factors	1.001	0.998	1.000	1.021	1.078	
(9) Pure Premium Trend Factors	1.453	1.358	1.269	1.186	1.109	
(10) Developed and Trended Losses (7) x (8) x (9)	378,202	1,369,236	2,116,054	2,601,256	1,469,248	7,933,995
(11) Developed and Trended Non-Catastrophe Losses Pure Premium (10) / (1)	308	980	1,257	1,167	668	908
(12) Pure Non-Catastrophe Losses Loss Ratio (7) / (2)	25.7%	91.1%	125.3%	124.7%	69.8%	91.1%
(13) Developed and Trended Non-Catastrophe Loss Ratio (10) / (5)	26.7%	92.1%	115.2%	109.3%	66.4%	85.0%
(14) Target Loss Ratio						61.6%
(15) Catastrophe Load						15.2%
(16) Credibility (square root of total (1) / 40,000)						46.7%
(17) Complement of Credibility: Pure Premium Region consists of: AR, MO, OK, TN						564
(18) Credibility Weighted Pure Premium (11) x (16) + (17) x [1 - (16)]						725
(19) Credibility Weighted Non-Catastrophe Loss Ratio (14) x (18) / (11)						67.9%
(20) Loss Ratio including Catastrophe Load (15) + (19)						83.0%
(21) Indicated Rate Need (20) / (14) - 1						34.7%
Selected Rate Change						20.0%

The following methods have been used to develop the rate level indication:

Premium, lines (1)–(4):

Earned premium has been brought to the current rate level using extension of exposures and adjusted for premium trend. Homesite selected premium trend factors of +2.5%, -3.1% and -1.5% for forms HO 00 03, HO 00 04 and HO 00 06 respectively to bring past premiums to current. These selections were based on Homesite’s experience in Arkansas from fourth quarter of 2008 through the fourth quarter of 2012. An exponential regression was done on the average earned premium at current rate level from Homesite’s experience in Arkansas. Exhibit II shows the calculation of premium trend factors.

AR Premium Trends

Exhibit II

Homesite AR data for All Forms

Year	Quarter	Period	Average EP	Average EP	Average EP	Log of Average EP	Log of Average EP	Log of Average EP
			at Current Rates HO3	at Current Rates HO4	at Current Rates HO6	at Current Rates HO3	at Current Rates HO4	at Current Rates HO6
2008	QTR 4	1	1,258	425	594	7.137	6.053	6.387
2009	QTR 1	2	1,255	425	607	7.135	6.051	6.409
2009	QTR 2	3	1,251	425	610	7.132	6.052	6.413
2009	QTR 3	4	1,247	422	602	7.128	6.045	6.401
2009	QTR 4	5	1,243	419	595	7.125	6.037	6.389
2010	QTR 1	6	1,248	416	595	7.129	6.031	6.389
2010	QTR 2	7	1,262	416	603	7.140	6.030	6.402
2010	QTR 3	8	1,284	416	618	7.158	6.031	6.426
2010	QTR 4	9	1,304	413	624	7.173	6.024	6.437
2011	QTR 1	10	1,319	412	620	7.185	6.021	6.430
2011	QTR 2	11	1,333	413	610	7.195	6.023	6.414
2011	QTR 3	12	1,343	411	597	7.203	6.018	6.391
2011	QTR 4	13	1,354	409	586	7.211	6.015	6.374
2012	QTR 1	14	1,339	398	565	7.200	5.986	6.337
2012	QTR 2	15	1,336	384	562	7.198	5.951	6.331
2012	QTR 3	16	1,344	373	567	7.203	5.921	6.340
2012	QTR 4	17	1,355	362	574	7.211	5.891	6.353
Exponential Regression						HO3	HO4	HO6
Projected Annual Changes Using 6-Period Trend						0.2%	-10.3%	-3.4%
Projected Annual Changes Using 8-Period Trend						0.9%	-7.6%	-5.2%
Projected Annual Changes Using 12-Period Trend						2.8%	-4.5%	-3.2%
Projected Annual Changes Using 17-Period Trend						2.5%	-3.1%	-1.5%
Selected Trend from Average Written Date for Calendar Year to Average Written Date for Latest Period in Premium Trend Data						HO3	HO4	HO6
Selected Trend from Last Day of Experience Period to Average Written Date for Proposed Rates						2.5%	-3.1%	-1.5%
						HO3	HO4	HO6
						0.9%	-7.6%	-5.2%

Homesite expects the premium trend to begin leveling off therefore, the 8-period trend factors of +0.9%, -7.6%, and -5.2% were selected to project premiums to the future exposure period for forms HO 00 03, HO 00 04 and HO 00 06 respectively.

Loss, lines (5)–(10):

Incurred losses (including all loss adjustment expense) have been developed to ultimate. Exhibit III contains the data used to develop the factors.

Exhibit III

Homesite Countrywide data for All Forms, Excluding Catastrophes

LOSS DEVELOPMENT 3Q 2004 THROUGH 4Q 2012								
AY	12	24	36	48	60	72	84	96
1Q05-4Q05	58,669,347	60,565,749	62,461,134	62,502,248	62,433,403	62,372,226	62,149,202	62,195,589
1Q06-4Q06	81,915,392	83,140,427	84,722,356	84,054,893	85,273,048	85,331,248	85,039,304	
1Q07-4Q07	91,306,952	97,793,160	98,171,716	98,141,042	97,780,229	98,317,744		
1Q08-4Q08	105,219,333	118,436,063	121,600,650	122,082,044	121,518,273			
1Q09-4Q09	162,732,123	167,445,039	170,615,864	171,549,189				
1Q10-4Q10	206,420,871	213,900,733	218,384,728					
1Q11-4Q11	234,419,542	259,753,490						
1Q12-4Q12	246,881,475							

LOSS DEVELOPMENT FACTORS								
AY	12 - 24	24 - 36	36 - 48	48 - 60	60 - 72	72 - 84	84 - 96	96 - Ult
1Q05-4Q05	1.0323	1.0313	1.0007	0.9989	0.9990	0.9964	1.0007	1.0000
1Q06-4Q06	1.0150	1.0190	0.9921	1.0145	1.0007	0.9966	-	-
1Q07-4Q07	1.0710	1.0039	0.9997	0.9963	1.0055	-	-	-
1Q08-4Q08	1.1256	1.0267	1.0040	0.9954	-	-	-	-
1Q09-4Q09	1.0290	1.0189	1.0055	-	-	-	-	-
1Q10-4Q10	1.0362	1.0210	-	-	-	-	-	-
1Q11-4Q11	1.1081	-	-	-	-	-	-	-
1Q12-4Q12	-	-	-	-	-	-	-	-
Mean	1.0596	1.0201	1.0004	1.0013	1.0017	0.9965	1.0007	1.0000
Mean x-hilo	1.0553	1.0214	1.0014	0.9976	1.0007	0.9965	1.0007	1.0000
Geo. mean	1.0589	1.0201	1.0004	1.0012	1.0017	0.9965	1.0007	1.0000
Wgt Ave	1.0642	1.0198	1.0014	1.0006	1.0022	0.9965	1.0007	1.0000
Selected	1.0553	1.0214	1.0014	0.9976	1.0007	1.0000	1.0000	1.0000
Cumulative	12 - Ult	24 - Ult	36 - Ult	48 - Ult	60 - Ult	72 - Ult	84 - Ult	96 - Ult
	1.078	1.021	1.000	0.998	1.001	1.000	1.000	1.000

Homesite selected a pure premium trend factor of 7.0% for forms HO 00 03, HO 00 04 and HO 00 06 to bring past losses to the last day of the experience period. A pure premium trend factor of 5.0% was selected for forms HO 00 03, HO 00 04 and HO 00 06 to bring past losses from the last day of the experience period to the proposed average date of loss. The pure premium trend was selected based on Fast Track data (excluding catastrophes) as well as Homesite experience for Arkansas specifically and the region. Exhibit IVa contains the Fast Track data that excludes catastrophes and shows the results of fitting an exponential regression line to the data. Exhibit IVb contains form HO 00 03 Homesite experience for Arkansas and the surrounding states of Oklahoma, Tennessee, and Missouri. Exhibit IVc contains form HO 00 03 Homesite experience for Arkansas only. The selected trends of 7.0% and 5.0% are essentially a weighted average of the 17 period trend results for all of the above with the largest weight given to industry results.

AR Average Loss, Frequency, and Pure Premium Trends
ISO Fast Track Data for All Forms, Excluding Catastrophes

Exhibit IVa

Year	Quarter	Period	Average Losses	Annual Change in Severity	Log of Severity	Frequency	Annual Change in Frequency	Log of Frequency	Pure Premium	Annual Change in Pure Premium	Log of Pure Premium
2008	3RD	1	6,835		8.83	5.49		1.70	375.01		5.93
2008	4TH	2	7,311		8.90	5.52		1.71	403.87		6.00
2009	1ST	3	7,436		8.91	5.79		1.76	430.62		6.07
2009	2ND	4	7,792		8.96	5.77		1.75	449.39		6.11
2009	3RD	5	8,053	17.8%	8.99	6.17	12.4%	1.82	496.55	32.4%	6.21
2009	4TH	6	7,797	6.6%	8.96	6.43	16.5%	1.86	501.69	24.2%	6.22
2010	1ST	7	7,835	5.4%	8.97	6.49	12.1%	1.87	508.81	18.2%	6.23
2010	2ND	8	8,083	3.7%	9.00	6.48	12.4%	1.87	523.76	16.5%	6.26
2010	3RD	9	8,004	-0.6%	8.99	6.00	-2.7%	1.79	480.07	-3.3%	6.17
2010	4TH	10	8,020	2.9%	8.99	5.88	-8.6%	1.77	471.75	-6.0%	6.16
2011	1ST	11	8,348	6.5%	9.03	5.84	-10.0%	1.77	487.92	-4.1%	6.19
2011	2ND	12	7,835	-3.1%	8.97	6.25	-3.5%	1.83	489.88	-6.5%	6.19
2011	3RD	13	7,932	-0.9%	8.98	6.56	9.5%	1.88	520.71	8.5%	6.26
2011	4TH	14	8,222	2.5%	9.01	6.46	9.8%	1.87	530.98	12.6%	6.27
2012	1ST	15	8,205	-1.7%	9.01	6.15	5.2%	1.82	504.67	3.4%	6.22
2012	2ND	16	8,562	9.3%	9.06	5.46	-12.6%	1.70	467.74	-4.5%	6.15
2012	3RD	17	8,679	9.4%	9.07	5.11	-22.1%	1.63	443.77	-14.8%	6.10

<u>Exponential Regression</u>			<u>Average Loss</u>	<u>Frequency</u>	<u>Pure Premium</u>
Projected Annual Changes Using 6-Period Trend			8.8%	-16.8%	-9.4%
Projected Annual Changes Using 12-Period Trend			3.01%	-5.02%	-2.16%
Projected Annual Changes Using 17-Period Trend			3.95%	0.14%	4.09%

AR Average Loss, Frequency, and Pure Premium Trends
Homesite MO, TN, AR, OK Experience for HO 00 03, Excluding Catastrophes

Exhibit IVb

Year	Quarter	Period	Average Losses	Annual Change in Severity	Log of Severity	Frequency	Annual Change in Frequency	Log of Frequency	Pure Premium	Annual Change in Pure Premium	Log of Pure Premium
2008	QTR 4	1	3,159		8.06	16.37		2.80	517		6.25
2009	QTR 1	2	3,119		8.05	15.45		2.74	482		6.18
2009	QTR 2	3	3,285		8.10	14.37		2.67	472		6.16
2009	QTR 3	4	3,707		8.22	14.09		2.65	522		6.26
2009	QTR 4	5	4,289	35.8%	8.36	13.88	-15.2%	2.63	595	15.1%	6.39
2010	QTR 1	6	4,749	52.3%	8.47	13.66	-11.6%	2.61	648	34.5%	6.47
2010	QTR 2	7	4,973	51.4%	8.51	13.78	-4.2%	2.62	685	45.1%	6.53
2010	QTR 3	8	4,994	34.7%	8.52	13.78	-2.2%	2.62	688	31.8%	6.53
2010	QTR 4	9	4,585	6.9%	8.43	13.56	-2.3%	2.61	622	4.5%	6.43
2011	QTR 1	10	4,408	-7.2%	8.39	13.59	-0.5%	2.61	599	-7.6%	6.40
2011	QTR 2	11	4,382	-11.9%	8.39	13.75	-0.2%	2.62	603	-12.0%	6.40
2011	QTR 3	12	4,490	-10.1%	8.41	14.17	2.8%	2.65	636	-7.5%	6.46
2011	QTR 4	13	4,550	-0.8%	8.42	14.97	10.4%	2.71	681	9.5%	6.52
2012	QTR 1	14	4,484	1.7%	8.41	15.38	13.2%	2.73	690	15.2%	6.54
2012	QTR 2	15	4,524	3.2%	8.42	15.24	10.9%	2.72	690	14.5%	6.54
2012	QTR 3	16	4,541	1.1%	8.42	14.81	4.5%	2.70	673	5.7%	6.51
2012	QTR 4	17	5,722	25.8%	8.65	13.10	-12.5%	2.57	749	10.0%	6.62

<u>Exponential Regression</u>			<u>Average Loss</u>	<u>Frequency</u>	<u>Pure Premium</u>
Projected Annual Changes Using 6-Period Trend			14.9%	-4.8%	9.3%
Projected Annual Changes Using 12-Period Trend			0.77%	2.62%	3.41%
Projected Annual Changes Using 17-Period Trend			10.24%	-0.87%	9.28%

AR Average Loss, Frequency, and Pure Premium Trends
Homesite Experience for HO 00 03, Excluding Catastrophes

Exhibit IVc

Year	Quarter	Period	Average Losses	Annual Change in Severity	Log of Severity	Frequency	Annual Change in Frequency	Log of Frequency	Pure Premium	Annual Change in Pure Premium	Log of Pure Premium
2008	QTR 4	1	1,917		7.56	14.03		2.64	269		5.59
2009	QTR 1	2	2,622		7.87	14.93		2.70	391		5.97
2009	QTR 2	3	3,635		8.20	14.58		2.68	530		6.27
2009	QTR 3	4	4,153		8.33	15.07		2.71	626		6.44
2009	QTR 4	5	5,055	163.7%	8.53	16.82	19.9%	2.82	850	216.2%	6.75
2010	QTR 1	6	6,854	161.4%	8.83	18.91	26.7%	2.94	1,296	231.1%	7.17
2010	QTR 2	7	6,856	88.6%	8.83	20.36	39.6%	3.01	1,396	163.3%	7.24
2010	QTR 3	8	6,796	63.6%	8.82	19.40	28.7%	2.97	1,318	110.6%	7.18
2010	QTR 4	9	6,194	22.5%	8.73	17.91	6.5%	2.89	1,110	30.5%	7.01
2011	QTR 1	10	4,798	-30.0%	8.48	15.86	-16.1%	2.76	761	-41.3%	6.63
2011	QTR 2	11	4,125	-39.8%	8.32	14.57	-28.4%	2.68	601	-56.9%	6.40
2011	QTR 3	12	6,370	-6.3%	8.76	15.11	-22.1%	2.72	962	-27.0%	6.87
2011	QTR 4	13	7,547	21.8%	8.93	15.96	-10.9%	2.77	1,205	8.6%	7.09
2012	QTR 1	14	7,682	60.1%	8.95	15.28	-3.7%	2.73	1,174	54.3%	7.07
2012	QTR 2	15	8,100	96.4%	9.00	14.10	-3.2%	2.65	1,142	90.0%	7.04
2012	QTR 3	16	6,348	-0.3%	8.76	12.81	-15.2%	2.55	813	-15.5%	6.70
2012	QTR 4	17	8,196	8.6%	9.01	10.67	-33.2%	2.37	874	-27.4%	6.77

<u>Exponential Regression</u>			<u>Average Loss</u>	<u>Frequency</u>	<u>Pure Premium</u>
Projected Annual Changes Using 6-Period Trend			9.5%	-24.7%	-17.5%
Projected Annual Changes Using 12-Period Trend			7.81%	-17.13%	-10.66%
Projected Annual Changes Using 17-Period Trend			28.67%	-4.92%	22.35%

Credibility Weighted Non-Modeled Loss Ratio, lines (12)-(18):

The Homesite prospective non-catastrophe loss ratio shown in line 13 of Exhibit I above is 85.0% before the application of credibility. Credibility of 46.7% is assigned to the Homesite data in Arkansas using a full credibility standard of 40,000 earned exposures and the square root rule. The complement of credibility is the developed and trended non-modeled losses pure premium of a larger group of states within close geographic proximity to Arkansas and believed to have similar non-catastrophe weather patterns. These states are listed in Exhibit 1 under line 17.

The target loss and expense ratio shown in line 14 is used to determine the final indication. Exhibit V details the development of the target loss and expense ratio which considers actual 2009, 2010 and 2011 expenses for the Homesite Insurance Company of the Midwest. All expenses shown except the reinsurance expense are actual expenses-to-premium from Homesite's IEE for the company except for state taxes and fees which were selected based on the ISO tax circular AS-HO-2010-023. The reinsurance expense assigned to Arkansas is a portion of Homesite's total net cost of reinsurance protection for both catastrophe and non-catastrophe loss.

Arkansas: Target Expense & Target Loss Ratio Exhibit

Exhibit V

	Expense Category Subtotal	Homesite 2009 Actual	Homesite 2010 Actual	Homesite 2011 Actual	Selected
1	Unallocated Loss Adjustment Expense	8.8%	5.3%	6.4%	5.8%
2	Commissions & Brokerage	5.9%	6.1%	4.6%	4.6%
3	Other Acquisition Cost	15.1%	13.8%	12.4%	12.4%
4	Other General Expense	1.3%	1.2%	0.9%	0.9%
5	State Premium Tax	3.3%	3.3%	3.3%	3.3%
6	Total Expenses Before Cost of Reinsurance [1] + [2] + [3] + [4] + [5]	34.4%	29.8%	27.6%	27.0%
7	Reinsurance Expense				1.4%
8	Total Expenses [6] + [7]				28.4%
9	Profit Provision				10.0%
10	Target Loss Ratio 100% - [8] - [9]				61.6%
11	Catastrophe Load				15.2%
12	Target Non-Modeled Loss Ratio [10] - [11]				46.5%

The profit provision is the before-tax portion of premium necessary to realize Homesite's countrywide target return on equity given the capital required to support Arkansas's catastrophe exposure. The surplus allocated to Arkansas is that required to support catastrophic weather losses not covered by Homesite's reinsurance program. Modeled annual aggregate losses from weather events that exceed the expected losses retained under the attachment point of the Catastrophe treaty as well as the tail value at risk related to loss events "out the top" (above the upper limit) of the catastrophe treaty were generated based on an RMS analysis of all policies in force as of 3/31/2012. In addition, a portion of expected reinstatement premium has been allocated to Arkansas given both the countrywide and Arkansas specific exposure of the catastrophe treaty to loss.

The target non-modeled loss ratio is simply the target loss ratio less the 15.2% Catastrophe provision. Exhibit VI below shows the calculation of the catastrophe load. Homesite's catastrophe experience in Arkansas from 2005 through fourth quarter 2012 was used to calculate the catastrophe as a percentage of premiums for each year. A straight average of all years was selected as the catastrophe load.

Arkansas: Catastrophe Load**Exhibit VI**

Year	(1) Premium	(2) Cat Loss	(3) = (2) / (1) Cat Loss Ratio
2005	525,719	5,347	1.0%
2006	689,683	165,669	24.0%
2007	877,366	-	0.0%
2008	1,117,240	413,406	37.0%
2009	1,189,837	304,584	25.6%
2010	1,528,215	27,227	1.8%
2011	1,778,062	520,802	29.3%
2012	1,700,760	45,374	2.7%
			15.2%

The Homesite indication after inclusion of the expected catastrophe cost ratio of 15.2% is determined using the standard actuarial loss ratio method (shown as line 21). The indicated rate need of +34.7% is the difference between the total experience loss ratio of 83% (line 20) and the expected loss ratio of 61.6% (line 14) for Arkansas.

State: Arkansas **Filing Company:** Homesite Insurance Company of the Midwest
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners
Project Name/Number: 2012 Rate Review/AR-HO-12-085

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)
04/22/2013		Supporting Document	Filing Memorandum	05/02/2013	AR Updated Indication Memorandum.pdf (Superseded)
12/19/2012		Supporting Document	Filing Memorandum	04/22/2013	AR Filing Memorandum.pdf (Superseded)
12/10/2012		Supporting Document	HPCS-Homeowners Premium Comparison Survey	05/02/2013	AR Homeowners Premium Comparison Survey.pdf
12/10/2012		Supporting Document	NAIC loss cost data entry document	05/02/2013	FORM RF-1 Rate Filing Abstract.pdf (Superseded)

**Arkansas Filing Memorandum
Homesite Insurance Company of the Midwest
Filing #AR-HO-12-085**

Homesite Insurance Company of the Midwest (“Homesite”) is providing a revised rate level indication, updated with experience through the end of 2012. Assumptions used to arrive at the indicated rate level were kept consistent with those used in the originally filed indication. The overall rate impact of this filing remains at +20.0%, which continues to be supported by the updated rate level indication of +34.7%. Following is actuarial support for the proposed rate change. This includes information about the indicated rate level, target expense ratio, and target loss ratio.

Indicated Rate Level

Exhibit I shows the calculation of the indicated rate level for Homesite’s business in Arkansas.

Arkansas Homesite - All Forms	Target Eff. Date					6/1/2013 Exhibit I
	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>Total</u>
	1/08 - 12/08	1/09 - 12/09	1/10 - 12/10	1/11 - 12/11	1/12 - 12/12	
(1) Earned Exposures	1,229	1,398	1,684	2,229	2,198	8,738
(2) Earned Premium	1,012,969	1,108,250	1,331,179	1,721,618	1,760,765	6,934,780
(3) Uncapped Earned Premium at Current Rates	1,262,869	1,363,363	1,728,399	2,297,785	2,179,173	
(4) Premium Trend Factors	1.122	1.091	1.063	1.035	1.015	
(5) Trended Earned Premium (2) x (3)	1,416,472	1,486,943	1,837,354	2,378,904	2,212,122	9,331,796
(6) Claim Count	111	150	156	215	162	794
(7) Incurred Losses and ALAE, Excluding Catastrophe Losses at 01/01/2013	260,140	1,010,055	1,667,686	2,147,403	1,229,880	6,315,164
(8) Loss Development Factors	1.001	0.998	1.000	1.021	1.078	
(9) Pure Premium Trend Factors	1.453	1.358	1.269	1.186	1.109	
(10) Developed and Trended Losses (7) x (8) x (9)	378,202	1,369,236	2,116,054	2,601,256	1,469,248	7,933,995
(11) Developed and Trended Non-Modeled Losses Pure Premium (10) / (1)	308	980	1,257	1,167	668	908
(12) Pure Non-Modeled Losses Loss Ratio (7) / (2)	25.7%	91.1%	125.3%	124.7%	69.8%	91.1%
(13) Developed and Trended Non-Modeled Loss Ratio (10) / (5)	26.7%	92.1%	115.2%	109.3%	66.4%	85.0%
(14) Target Loss Ratio						61.6%
(15) Modeled Loss Ratio						15.2%
(16) Credibility (square root of total (1) / 40,000)						46.7%
(17) Complement of Credibility: Pure Premium Region consists of: AR, MO, OK, TN						564
(18) Credibility Weighted Pure Premium (11) x (16) + (17) x [1 - (16)]						725
(19) Credibility Weighted Non-Modeled Loss Ratio (14) x (18) / (11)						67.9%
(20) Loss Ratio including Modeled Losses (15) + (19)						83.0%
(21) Indicated Rate Need (20) / (14) - 1						34.7%
Selected Rate Change						20.0%

The following methods have been used to develop the rate level indication:

Premium, lines (1)–(4):

Earned premium has been brought to the current rate level using extension of exposures and adjusted for premium trend. Homesite selected premium trend factors of +2.5%, -3.1% and -1.5% for forms HO 00 03, HO 00 04 and HO 00 06 respectively to bring past premiums to current. These selections were based on Homesite’s experience in Arkansas from fourth quarter of 2008 through the fourth quarter of 2012. An exponential regression was done on the average earned premium at current rate level from Homesite’s experience in Arkansas. Exhibit II shows the calculation of premium trend factors.

AR Premium Trends

Exhibit II

Homesite AR data for All Forms

Year	Quarter	Period	Average EP	Average EP	Average EP	Log of Average EP	Log of Average EP	Log of Average EP
			at Current Rates HO3	at Current Rates HO4	at Current Rates HO6	at Current Rates HO3	at Current Rates HO4	at Current Rates HO6
2008	QTR 4	1	1,258	425	594	7.137	6.053	6.387
2009	QTR 1	2	1,255	425	607	7.135	6.051	6.409
2009	QTR 2	3	1,251	425	610	7.132	6.052	6.413
2009	QTR 3	4	1,247	422	602	7.128	6.045	6.401
2009	QTR 4	5	1,243	419	595	7.125	6.037	6.389
2010	QTR 1	6	1,248	416	595	7.129	6.031	6.389
2010	QTR 2	7	1,262	416	603	7.140	6.030	6.402
2010	QTR 3	8	1,284	416	618	7.158	6.031	6.426
2010	QTR 4	9	1,304	413	624	7.173	6.024	6.437
2011	QTR 1	10	1,319	412	620	7.185	6.021	6.430
2011	QTR 2	11	1,333	413	610	7.195	6.023	6.414
2011	QTR 3	12	1,343	411	597	7.203	6.018	6.391
2011	QTR 4	13	1,354	409	586	7.211	6.015	6.374
2012	QTR 1	14	1,339	398	565	7.200	5.986	6.337
2012	QTR 2	15	1,336	384	562	7.198	5.951	6.331
2012	QTR 3	16	1,344	373	567	7.203	5.921	6.340
2012	QTR 4	17	1,355	362	574	7.211	5.891	6.353
Exponential Regression						HO3	HO4	HO6
Projected Annual Changes Using 6-Period Trend						0.2%	-10.3%	-3.4%
Projected Annual Changes Using 8-Period Trend						0.9%	-7.6%	-5.2%
Projected Annual Changes Using 12-Period Trend						2.8%	-4.5%	-3.2%
Projected Annual Changes Using 17-Period Trend						2.5%	-3.1%	-1.5%
Selected Trend from Average Written Date for Calendar Year to Average Written Date for Latest Period in Premium Trend Data						HO3	HO4	HO6
Selected Trend from Last Day of Experience Period to Average Written Date for Proposed Rates						2.5%	-3.1%	-1.5%
						HO3	HO4	HO6
						0.9%	-7.6%	-5.2%

Homesite expects the premium trend to begin leveling off therefore, the 8-period trend factors of +0.9%, -7.6%, and -5.2% were selected to project premiums to the future exposure period for forms HO 00 03, HO 00 04 and HO 00 06 respectively.

Loss, lines (5)–(10):

Incurred losses (including all loss adjustment expense) have been developed to ultimate. Exhibit III contains the data used to develop the factors.

Exhibit III

Homesite Countrywide data for All Forms, Excluding Catastrophes

LOSS DEVELOPMENT 3Q 2004 THROUGH 4Q 2012								
AY	12	24	36	48	60	72	84	96
1Q05-4Q05	58,669,347	60,565,749	62,461,134	62,502,248	62,433,403	62,372,226	62,149,202	62,195,589
1Q06-4Q06	81,915,392	83,140,427	84,722,356	84,054,893	85,273,048	85,331,248	85,039,304	
1Q07-4Q07	91,306,952	97,793,160	98,171,716	98,141,042	97,780,229	98,317,744		
1Q08-4Q08	105,219,333	118,436,063	121,600,650	122,082,044	121,518,273			
1Q09-4Q09	162,732,123	167,445,039	170,615,864	171,549,189				
1Q10-4Q10	206,420,871	213,900,733	218,384,728					
1Q11-4Q11	234,419,542	259,753,490						
1Q12-4Q12	246,881,475							

LOSS DEVELOPMENT FACTORS								
AY	12 - 24	24 - 36	36 - 48	48 - 60	60 - 72	72 - 84	84 - 96	96 - Ult
1Q05-4Q05	1.0323	1.0313	1.0007	0.9989	0.9990	0.9964	1.0007	1.0000
1Q06-4Q06	1.0150	1.0190	0.9921	1.0145	1.0007	0.9966	-	-
1Q07-4Q07	1.0710	1.0039	0.9997	0.9963	1.0055	-	-	-
1Q08-4Q08	1.1256	1.0267	1.0040	0.9954	-	-	-	-
1Q09-4Q09	1.0290	1.0189	1.0055	-	-	-	-	-
1Q10-4Q10	1.0362	1.0210	-	-	-	-	-	-
1Q11-4Q11	1.1081	-	-	-	-	-	-	-
1Q12-4Q12	-	-	-	-	-	-	-	-
Mean	1.0596	1.0201	1.0004	1.0013	1.0017	0.9965	1.0007	1.0000
Mean x-hilo	1.0553	1.0214	1.0014	0.9976	1.0007	0.9965	1.0007	1.0000
Geo. mean	1.0589	1.0201	1.0004	1.0012	1.0017	0.9965	1.0007	1.0000
Wgt Ave	1.0642	1.0198	1.0014	1.0006	1.0022	0.9965	1.0007	1.0000
Selected	1.0553	1.0214	1.0014	0.9976	1.0007	1.0000	1.0000	1.0000
Cumulative	12 - Ult	24 - Ult	36 - Ult	48 - Ult	60 - Ult	72 - Ult	84 - Ult	96 - Ult
	1.078	1.021	1.000	0.998	1.001	1.000	1.000	1.000

Homesite selected a pure premium trend factor of 7.0% for forms HO 00 03, HO 00 04 and HO 00 06 to bring past losses to the last day of the experience period. A pure premium trend factor of 5.0% was selected for forms HO 00 03, HO 00 04 and HO 00 06 to bring past losses from the last day of the experience period to the proposed average date of loss. The pure premium trend was selected based on Fast Track data (excluding catastrophes) as well as Homesite experience for Arkansas specifically and the region. Exhibit IVa contains the Fast Track data that excludes catastrophes and shows the results of fitting an exponential regression line to the data. Exhibit IVb contains form HO 00 03 Homesite experience for Arkansas and the surrounding states of Oklahoma, Tennessee, and Missouri. Exhibit IVc contains form HO 00 03 Homesite experience for Arkansas only. The selected trends of 7.0% and 5.0% are essentially a weighted average of the 17 period trend results for all of the above with the largest weight given to industry results.

AR Average Loss, Frequency, and Pure Premium Trends
ISO Fast Track Data for All Forms, Excluding Catastrophes

Exhibit IVa

Year	Quarter	Period	Average Losses	Annual Change in Severity	Log of Severity	Frequency	Annual Change in Frequency	Log of Frequency	Pure Premium	Annual Change in Pure Premium	Log of Pure Premium
2008	3RD	1	6,835		8.83	5.49		1.70	375.01		5.93
2008	4TH	2	7,311		8.90	5.52		1.71	403.87		6.00
2009	1ST	3	7,436		8.91	5.79		1.76	430.62		6.07
2009	2ND	4	7,792		8.96	5.77		1.75	449.39		6.11
2009	3RD	5	8,053	17.8%	8.99	6.17	12.4%	1.82	496.55	32.4%	6.21
2009	4TH	6	7,797	6.6%	8.96	6.43	16.5%	1.86	501.69	24.2%	6.22
2010	1ST	7	7,835	5.4%	8.97	6.49	12.1%	1.87	508.81	18.2%	6.23
2010	2ND	8	8,083	3.7%	9.00	6.48	12.4%	1.87	523.76	16.5%	6.26
2010	3RD	9	8,004	-0.6%	8.99	6.00	-2.7%	1.79	480.07	-3.3%	6.17
2010	4TH	10	8,020	2.9%	8.99	5.88	-8.6%	1.77	471.75	-6.0%	6.16
2011	1ST	11	8,348	6.5%	9.03	5.84	-10.0%	1.77	487.92	-4.1%	6.19
2011	2ND	12	7,835	-3.1%	8.97	6.25	-3.5%	1.83	489.88	-6.5%	6.19
2011	3RD	13	7,932	-0.9%	8.98	6.56	9.5%	1.88	520.71	8.5%	6.26
2011	4TH	14	8,222	2.5%	9.01	6.46	9.8%	1.87	530.98	12.6%	6.27
2012	1ST	15	8,205	-1.7%	9.01	6.15	5.2%	1.82	504.67	3.4%	6.22
2012	2ND	16	8,562	9.3%	9.06	5.46	-12.6%	1.70	467.74	-4.5%	6.15
2012	3RD	17	8,679	9.4%	9.07	5.11	-22.1%	1.63	443.77	-14.8%	6.10
Exponential Regression									Average Loss	Frequency	Pure Premium
Projected Annual Changes Using 6-Period Trend									8.8%	-16.8%	-9.4%
Projected Annual Changes Using 12-Period Trend									3.01%	-5.02%	-2.16%
Projected Annual Changes Using 17-Period Trend									3.95%	0.14%	4.09%

AR Average Loss, Frequency, and Pure Premium Trends
Homesite MO, TN, AR, OK Experience for HO 00 03, Excluding Catastrophes

Exhibit IVb

Year	Quarter	Period	Average Losses	Annual Change in Severity	Log of Severity	Frequency	Annual Change in Frequency	Log of Frequency	Pure Premium	Annual Change in Pure Premium	Log of Pure Premium
2008	QTR 4	1	3,159		8.06	16.37		2.80	517		6.25
2009	QTR 1	2	3,119		8.05	15.45		2.74	482		6.18
2009	QTR 2	3	3,285		8.10	14.37		2.67	472		6.16
2009	QTR 3	4	3,707		8.22	14.09		2.65	522		6.26
2009	QTR 4	5	4,289	35.8%	8.36	13.88	-15.2%	2.63	595	15.1%	6.39
2010	QTR 1	6	4,749	52.3%	8.47	13.66	-11.6%	2.61	648	34.5%	6.47
2010	QTR 2	7	4,973	51.4%	8.51	13.78	-4.2%	2.62	685	45.1%	6.53
2010	QTR 3	8	4,994	34.7%	8.52	13.78	-2.2%	2.62	688	31.8%	6.53
2010	QTR 4	9	4,585	6.9%	8.43	13.56	-2.3%	2.61	622	4.5%	6.43
2011	QTR 1	10	4,408	-7.2%	8.39	13.59	-0.5%	2.61	599	-7.6%	6.40
2011	QTR 2	11	4,382	-11.9%	8.39	13.75	-0.2%	2.62	603	-12.0%	6.40
2011	QTR 3	12	4,490	-10.1%	8.41	14.17	2.8%	2.65	636	-7.5%	6.46
2011	QTR 4	13	4,550	-0.8%	8.42	14.97	10.4%	2.71	681	9.5%	6.52
2012	QTR 1	14	4,484	1.7%	8.41	15.38	13.2%	2.73	690	15.2%	6.54
2012	QTR 2	15	4,524	3.2%	8.42	15.24	10.9%	2.72	690	14.5%	6.54
2012	QTR 3	16	4,541	1.1%	8.42	14.81	4.5%	2.70	673	5.7%	6.51
2012	QTR 4	17	5,722	25.8%	8.65	13.10	-12.5%	2.57	749	10.0%	6.62
Exponential Regression									Average Loss	Frequency	Pure Premium
Projected Annual Changes Using 6-Period Trend									14.9%	-4.8%	9.3%
Projected Annual Changes Using 12-Period Trend									0.77%	2.62%	3.41%
Projected Annual Changes Using 17-Period Trend									10.24%	-0.87%	9.28%

AR Average Loss, Frequency, and Pure Premium Trends
Homesite Experience for HO 00 03, Excluding Catastrophes

Exhibit IVc

Year	Quarter	Period	Average Losses	Annual Change in Severity	Log of Severity	Frequency	Annual Change in Frequency	Log of Frequency	Pure Premium	Annual Change in Pure Premium	Log of Pure Premium
2008	QTR 4	1	1,917		7.56	14.03		2.64	269		5.59
2009	QTR 1	2	2,622		7.87	14.93		2.70	391		5.97
2009	QTR 2	3	3,635		8.20	14.58		2.68	530		6.27
2009	QTR 3	4	4,153		8.33	15.07		2.71	626		6.44
2009	QTR 4	5	5,055	163.7%	8.53	16.82	19.9%	2.82	850	216.2%	6.75
2010	QTR 1	6	6,854	161.4%	8.83	18.91	26.7%	2.94	1,296	231.1%	7.17
2010	QTR 2	7	6,856	88.6%	8.83	20.36	39.6%	3.01	1,396	163.3%	7.24
2010	QTR 3	8	6,796	63.6%	8.82	19.40	28.7%	2.97	1,318	110.6%	7.18
2010	QTR 4	9	6,194	22.5%	8.73	17.91	6.5%	2.89	1,110	30.5%	7.01
2011	QTR 1	10	4,798	-30.0%	8.48	15.86	-16.1%	2.76	761	-41.3%	6.63
2011	QTR 2	11	4,125	-39.8%	8.32	14.57	-28.4%	2.68	601	-56.9%	6.40
2011	QTR 3	12	6,370	-6.3%	8.76	15.11	-22.1%	2.72	962	-27.0%	6.87
2011	QTR 4	13	7,547	21.8%	8.93	15.96	-10.9%	2.77	1,205	8.6%	7.09
2012	QTR 1	14	7,682	60.1%	8.95	15.28	-3.7%	2.73	1,174	54.3%	7.07
2012	QTR 2	15	8,100	96.4%	9.00	14.10	-3.2%	2.65	1,142	90.0%	7.04
2012	QTR 3	16	6,348	-0.3%	8.76	12.81	-15.2%	2.55	813	-15.5%	6.70
2012	QTR 4	17	8,196	8.6%	9.01	10.67	-33.2%	2.37	874	-27.4%	6.77
Exponential Regression									Average Loss	Frequency	Pure Premium
Projected Annual Changes Using 6-Period Trend									9.5%	-24.7%	-17.5%
Projected Annual Changes Using 12-Period Trend									7.81%	-17.13%	-10.66%
Projected Annual Changes Using 17-Period Trend									28.67%	-4.92%	22.35%

Credibility Weighted Non-Modeled Loss Ratio, lines (12)-(18):

The Homesite prospective non-catastrophe loss ratio shown in line 13 of Exhibit I above is 85.0% before the application of credibility. Credibility of 46.7% is assigned to the Homesite data in Arkansas using a full credibility standard of 40,000 earned exposures and the square root rule. The complement of credibility is the developed and trended non-modeled losses pure premium of a larger group of states within close geographic proximity to Arkansas and believed to have similar non-catastrophe weather patterns. These states are listed in Exhibit 1 under line 17.

The target loss and expense ratio shown in line 14 is used to determine the final indication. Exhibit V details the development of the target loss and expense ratio which considers actual 2009, 2010 and 2011 expenses for the Homesite Insurance Company of the Midwest. All expenses shown except the reinsurance expense are actual expenses-to-premium from Homesite's IEE for the company except for state taxes and fees which were selected based on the ISO tax circular AS-HO-2010-023. The reinsurance expense assigned to Arkansas is a portion of Homesite's total net cost of reinsurance protection for both catastrophe and non-catastrophe loss.

Arkansas: Target Expense & Target Loss Ratio Exhibit

Exhibit V

	Expense Category Subtotal	Homesite 2009 Actual	Homesite 2010 Actual	Homesite 2011 Actual	Selected
1	Unallocated Loss Adjustment Expense	8.8%	5.3%	6.4%	5.8%
2	Commissions & Brokerage	5.9%	6.1%	4.6%	4.6%
3	Other Acquisition Cost	15.1%	13.8%	12.4%	12.4%
4	Other General Expense	1.3%	1.2%	0.9%	0.9%
5	State Premium Tax	3.3%	3.3%	3.3%	3.3%
6	Total Expenses Before Cost of Reinsurance [1] + [2] + [3] + [4] + [5]	34.4%	29.8%	27.6%	27.0%
7	Reinsurance Expense				1.4%
8	Total Expenses [6] + [7]				28.4%
9	Profit Provision				10.0%
10	Target Loss Ratio 100% - [8] - [9]				61.6%
11	Modeled Loss Ratio				15.2%
12	Target Non-Modeled Loss Ratio [10] - [11]				46.5%

The profit provision is the before-tax portion of premium necessary to realize Homesite's countrywide target return on equity given the capital required to support Arkansas's catastrophe exposure. The surplus allocated to Arkansas is that required to support catastrophic weather losses not covered by Homesite's reinsurance program. Modeled annual aggregate losses from weather events that exceed the expected losses retained under the attachment point of the Catastrophe treaty as well as the tail value at risk related to loss events "out the top" (above the upper limit) of the catastrophe treaty were generated based on an RMS analysis of all policies in force as of 3/31/2012. In addition, a portion of expected reinstatement premium has been allocated to Arkansas given both the countrywide and Arkansas specific exposure of the catastrophe treaty to loss.

The target non-modeled loss ratio is simply the target loss ratio less the 15.2% Catastrophe provision. Exhibit VI below shows the calculation of the catastrophe load. Homesite's catastrophe experience in Arkansas from 2005 through fourth quarter 2012 was used to calculate the catastrophe as a percentage of premiums for each year. A straight average of all years was selected as the catastrophe load.

Arkansas: Catastrophe Load**Exhibit VI**

Year	(1) Premium	(2) Cat Loss	(3) = (2) / (1) Cat Loss Ratio
2005	525,719	5,347	1.0%
2006	689,683	165,669	24.0%
2007	877,366	-	0.0%
2008	1,117,240	413,406	37.0%
2009	1,189,837	304,584	25.6%
2010	1,528,215	27,227	1.8%
2011	1,778,062	520,802	29.3%
2012	1,700,760	45,374	2.7%
			15.2%

The Homesite indication after inclusion of the expected catastrophe cost ratio of 15.2% is determined using the standard actuarial loss ratio method (shown as line 21). The indicated rate need of +34.7% is the difference between the total experience loss ratio of 83% (line 20) and the expected loss ratio of 61.6% (line 14) for Arkansas.

**Arkansas Filing Memorandum
Homesite Insurance Company of the Midwest
Filing # AR-HO-12-085**

Homesite Insurance Company of the Midwest (“Homesite”) is proposing revisions to our Form HO 00 03 Homeowner Program, Form HO 00 04 Renter Program, and Form HO 00 06 Condominium Program. The overall rate impact of this revision is 20.0%, comprised of a 20.0% increase to the HO 00 03 Homeowner Program, a 20.0% increase to the HO 00 04 Renter Program and a 20.0% increase to the HO 00 06 Condominium Program. The increase is supported by an all forms rate level indication of +33.8%. Following is actuarial support for the proposed rate change. This includes information about the indicated rate level, target expense ratio, and target loss ratio.

Indicated Rate Level

Exhibit I shows the calculation of the indicated rate level for Homesite’s business in Arkansas.

Arkansas	Target Eff. Date					3/1/2013
Homesite - All Forms	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	Exhibit I <u>Total</u>
	10/07 - 9/08	10/08 - 9/09	10/09 - 9/10	10/10 - 9/11	10/11 - 9/12	
(1) Earned Premium	937,545	1,107,323	1,253,005	1,640,439	1,775,924	6,714,235
(2) Uncapped Earned Premium at Current Rates	1,164,652	1,361,271	1,604,414	2,203,790	2,265,936	
(3) Premium Trend Factors	1.123	1.092	1.066	1.041	1.020	
(4) Trended Earned Premium (2) x (3)	1,308,187	1,486,971	1,710,794	2,294,477	2,311,676	9,112,105
(5) Incurred Losses and ALAE, Excluding Catastrophe Losses at 10/01/2012	294,960	1,040,076	1,413,153	2,182,221	718,934	5,649,343
(6) Loss Development Factors	1.000	1.001	1.003	1.028	1.077	
(7) Pure Premium Trend Factors	1.509	1.408	1.313	1.225	1.143	
(8) Developed and Trended Losses (5) x (6) x (7)	444,987	1,464,934	1,861,480	2,748,193	884,772	7,404,366
(9) Pure Non-Modeled Losses Loss Ratio (5) / (1)	31.5%	93.9%	112.8%	133.0%	40.5%	84.1%
(10) Developed and Trended Non-Modeled Loss Ratio (8) / (4)	34.0%	98.5%	108.8%	119.8%	38.3%	81.3%
(11) Claim Count	99	141	148	215	154	757
(12) Earned Exposures	1,123	1,384	1,589	2,104	2,256	8,455
(13) Developed and Trended Non-Modeled Losses Pure Premium (8) / (12)	396	1,059	1,171	1,306	392	876
(14) Credibility (square root of total (12) / 40,000)						46%
(15) Target Loss Ratio						60.9%
(16) Developed and Trended Regional Non-Modeled Losses Pure Premium: Complement of Credibility Region consists of: AR, MO, OK, TN						577
(17) Credibility Weighted Pure Premium (13) x (14) + (16) x [1 - (14)]						714
(18) Credibility Weighted Non-Modeled Loss Ratio (10) x (17) / (13)						66.3%
(19) Selected Catastrophe Ratio						15.2%
(20) Loss Ratio including Modeled Losses (18) + (19)						81.5%
(21) Indicated Rate Need (20) / (15) - 1						33.8%
Selected Rate Change						20.0%

The following methods have been used to develop the rate level indication:

Premium, lines (1)–(4):

Earned premium has been brought to the current rate level using extension of exposures and adjusted for premium trend. Homesite selected premium trend factors of +2.4%, -2.2% and -0.9% for forms HO 00 03, HO 00 04 and HO 00 06 respectively to bring past premiums to current. These selections were based on Homesite’s experience in Arkansas from third quarter of 2008 through the third quarter of 2012. An exponential regression was done on the average earned premium at current rate level from Homesite’s experience in Arkansas. Exhibit II shows the calculation of premium trend factors.

AR Premium Trends

Exhibit II

Homesite AR data for All Forms

Year	Quarter	Period	Average EP	Average EP	Average EP	Log of Average EP	Log of Average EP	Log of Average EP
			at Current Rates HO3	at Current Rates HO4	at Current Rates HO6	at Current Rates HO3	at Current Rates HO4	at Current Rates HO6
2008	QTR 3	1	1,255	414	574	7.135	6.027	6.353
2008	QTR 4	2	1,258	425	594	7.137	6.053	6.387
2009	QTR 1	3	1,255	425	607	7.135	6.051	6.409
2009	QTR 2	4	1,251	425	610	7.132	6.052	6.413
2009	QTR 3	5	1,247	422	602	7.128	6.045	6.401
2009	QTR 4	6	1,243	419	595	7.125	6.037	6.389
2010	QTR 1	7	1,248	416	595	7.129	6.031	6.389
2010	QTR 2	8	1,262	416	603	7.140	6.030	6.402
2010	QTR 3	9	1,284	416	618	7.158	6.031	6.426
2010	QTR 4	10	1,303	413	624	7.173	6.023	6.436
2011	QTR 1	11	1,322	413	621	7.187	6.024	6.431
2011	QTR 2	12	1,340	415	613	7.200	6.029	6.418
2011	QTR 3	13	1,354	414	601	7.211	6.026	6.398
2011	QTR 4	14	1,338	404	579	7.199	6.001	6.361
2012	QTR 1	15	1,331	395	561	7.193	5.980	6.330
2012	QTR 2	16	1,335	384	562	7.197	5.951	6.332
2012	QTR 3	17	1,350	375	572	7.208	5.927	6.349
Exponential Regression						HO3	HO4	HO6
Projected Annual Changes Using 6-Period Trend						-0.1%	-8.3%	-6.4%
Projected Annual Changes Using 8-Period Trend						1.2%	-5.6%	-6.5%
Projected Annual Changes Using 12-Period Trend						3.2%	-3.3%	-2.6%
Projected Annual Changes Using 17-Period Trend						2.4%	-2.2%	-0.9%
Selected Trend from Average Written Date for Calendar Year to Average Written Date for Latest Period in Premium Trend Data								
						HO3	HO4	HO6
						2.4%	-2.2%	-0.9%
Selected Trend from Average Written Date for Latest Period in Premium Trend Data to Average Written Date for Proposed Rates								
						HO3	HO4	HO6
						1.2%	-5.6%	-6.5%

The premium trend is trending downward therefore, the 8-period trend factors of +1.2%, -5.6%, and -6.5% were selected to project premiums to the future exposure period for forms HO 00 03, HO 00 04 and HO 00 06 respectively.

Loss, lines (5)-(10):

Incurred losses (including all loss adjustment expense) have been developed to ultimate. Exhibit III contains the data used to develop the factors.

Exhibit III

Homesite Countrywide data for All Forms, Excluding Catastrophes

LOSS DEVELOPMENT 4Q 2003 THROUGH 1Q 2012								
AY	12	24	36	48	60	72	84	96
4Q04-3Q05	50,646,778	52,266,859	54,125,594	54,890,876	54,893,376	54,947,363	54,690,326	54,870,830
4Q05-3Q06	79,780,845	80,161,062	82,095,120	82,030,090	82,716,446	82,694,520	82,358,834	
4Q06-3Q07	88,536,364	93,456,045	95,460,480	96,067,031	95,919,196	95,845,249		
4Q07-3Q08	102,912,911	112,774,563	115,902,851	115,612,385	115,794,036			
4Q08-3Q09	154,688,674	161,223,204	164,267,838	164,603,275				
4Q09-3Q10	189,764,804	195,746,923	200,856,875					
4Q10-3Q11	241,318,513	260,009,069						
4Q11-3Q12	238,206,935							

LOSS DEVELOPMENT FACTORS								
AY	12 - 24	24 - 36	36 - 48	48 - 60	60 - 72	72 - 84	84 - 96	96 - Ult
4Q04-3Q05	1.0320	1.0356	1.0141	1.0000	1.0010	0.9953	1.0033	1.0000
4Q05-3Q06	1.0048	1.0241	0.9992	1.0084	0.9997	0.9959	-	-
4Q06-3Q07	1.0556	1.0214	1.0064	0.9985	0.9992	-	-	-
4Q07-3Q08	1.0958	1.0277	0.9975	1.0016	-	-	-	-
4Q08-3Q09	1.0422	1.0189	1.0020	-	-	-	-	-
4Q09-3Q10	1.0315	1.0261	-	-	-	-	-	-
4Q10-3Q11	1.0775	-	-	-	-	-	-	-
4Q11-3Q12	-	-	-	-	-	-	-	-
Mean	1.0485	1.0256	1.0038	1.0021	1.0000	0.9956	1.0033	1.0000
Mean x-hilo	1.0478	1.0249	1.0025	1.0008	0.9997	0.9956	1.0033	1.0000
Geo. mean	1.0481	1.0256	1.0038	1.0021	1.0000	0.9956	1.0033	1.0000
Wgt Ave	1.0529	1.0246	1.0026	1.0021	0.9998	0.9957	1.0033	1.0000
Selected	1.0478	1.0249	1.0025	1.0008	0.9997	1.0000	1.0000	1.0000
Cumulative	12 - Ult	24 - Ult	36 - Ult	48 - Ult	60 - Ult	72 - Ult	84 - Ult	96 - Ult
	1.077	1.028	1.003	1.001	1.000	1.000	1.000	1.000

Homesite selected a pure premium trend factor of 7.2% for forms HO 00 03, HO 00 04 and HO 00 06 to bring past losses to future. The pure premium trend was selected based on Fast Track data (excluding catastrophes) and is supported by Homesite experience in Arkansas and surrounding states. Exhibit IV contains the Fast Track data that excludes catastrophes and shows the results of fitting an exponential regression line to the data. Also provided is a comparison of industry trend to Homesite experience (Exhibit IVa).

Year	Quarter	Period	Average Losses	Annual Change in Severity	Log of Severity	Frequency	Annual Change in Frequency	Log of Frequency	Pure Premium	Annual Change in Pure Premium	Log of Pure Premium
2008	2ND	1	6,732		8.81	5.20		1.65	350.12		5.86
2008	3RD	2	6,835		8.83	5.49		1.70	375.01		5.93
2008	4TH	3	7,311		8.90	5.52		1.71	403.87		6.00
2009	1ST	4	7,436		8.91	5.79		1.76	430.62		6.07
2009	2ND	5	7,792	15.8%	8.96	5.77	10.9%	1.75	449.39	28.4%	6.11
2009	3RD	6	8,053	17.8%	8.99	6.17	12.4%	1.82	496.55	32.4%	6.21
2009	4TH	7	7,797	6.6%	8.96	6.43	16.5%	1.86	501.69	24.2%	6.22
2010	1ST	8	7,835	5.4%	8.97	6.49	12.1%	1.87	508.81	18.2%	6.23
2010	2ND	9	8,083	3.7%	9.00	6.48	12.4%	1.87	523.76	16.5%	6.26
2010	3RD	10	8,004	-0.6%	8.99	6.00	-2.7%	1.79	480.07	-3.3%	6.17
2010	4TH	11	8,020	2.9%	8.99	5.88	-8.6%	1.77	471.75	-6.0%	6.16
2011	1ST	12	8,348	6.5%	9.03	5.84	-10.0%	1.77	487.92	-4.1%	6.19
2011	2ND	13	7,835	-3.1%	8.97	6.25	-3.5%	1.83	489.88	-6.5%	6.19
2011	3RD	14	7,932	-0.9%	8.98	6.56	9.5%	1.88	520.71	8.5%	6.26
2011	4TH	15	8,222	2.5%	9.01	6.46	9.8%	1.87	530.98	12.6%	6.27
2012	1ST	16	8,205	-1.7%	9.01	6.15	5.2%	1.82	504.67	3.4%	6.22
2012	2ND	17	8,562	9.3%	9.06	5.46	-12.6%	1.70	467.74	-4.5%	6.15

Exponential Regression	Average Loss	Frequency	Pure Premium
Projected Annual Changes Using 6-Period Trend	3.5%	-4.5%	-1.2%
Projected Annual Changes Using 12-Period Trend	1.9%	-2.2%	-0.3%
Projected Annual Changes Using 17-Period Trend	4.4%	2.6%	7.2%
Trend Selection	HO3	HO4	HO6
Selected Pure Premium Trend from Average Date of Loss for Accident Year to Last Day of Experience Period	7.2%	7.2%	7.2%
Selected Pure Premium Trend from Last Day of Experience Period to Average Date of Loss for Proposed Rates	7.2%	7.2%	7.2%

	ISO			Homesite Experience AR		
	HO3	HO4	HO6	HO3	HO4	HO6
6	-1.2%	-1.2%	-1.2%	25.7%	-67.0%	0.0%
12	-0.3%	-0.3%	-0.3%	-5.4%	20.2%	209.6%
17	7.2%	7.2%	7.2%	33.3%	26.9%	114.9%

	Experience Period	Forecast Period
Time period:	17	17
Source	ISO	ISO
HO3	7.2%	7.2%
HO4	7.2%	7.2%
HO6	7.2%	7.2%

	HO3	HO4	HO6
	9.6%	-34.3%	-35.4%
	2.8%	-2.4%	30.9%
	8.7%	8.9%	64.4%

Credibility Weighted Non-Modeled Loss Ratio, lines (12)-(18):

The Homesite prospective non-catastrophe loss ratio shown in line 10 of Exhibit I above is 81.3% before the application of credibility. Credibility of 46% is assigned to the Homesite data in Arkansas using a full credibility standard of 40,000 earned exposures and the square root rule. The complement of credibility is the developed and trended non-modeled losses pure premium of a larger group of states within close geographic proximity to Arkansas and believed to have similar non-catastrophe weather patterns. These states are listed in Exhibit 1 under line 16.

The target loss and expense ratio shown in line 15 is used to determine the final indication. Exhibit V details the development of the target loss and expense ratio which considers actual 2009, 2010 and 2011 expenses for the Homesite Insurance Company of the Midwest. All expenses shown except the reinsurance expense are actual expenses-to-earned-premium from Homesite's IEE for the company except for state taxes and fees which were selected based on the ISO tax circular AS-HO-2010-023. The reinsurance expense assigned to Arkansas is a portion of Homesite's total net cost of reinsurance protection for both catastrophe and non-catastrophe loss.

	Expense Category Subtotal	Homesite 2009 Actual	Homesite 2010 Actual	Homesite 2011 Actual	Selected
1	Unallocated Loss Adjustment Expense	8.8%	5.3%	6.4%	5.8%
2	Commissions & Brokerage	5.9%	6.1%	4.6%	4.6%
3	Other Acquisition Cost	15.1%	13.8%	12.4%	12.4%
4	Other General Expense	1.3%	1.2%	0.9%	0.9%
5	State Premium Tax	3.3%	3.3%	3.3%	3.3%
6	Total Expenses Before Cost of Reinsurance [1] + [2] + [3] + [4] + [5]	34.4%	29.8%	27.6%	27.0%
7	Reinsurance Expense				2.1%
8	Total Expenses [6] + [7]				29.1%
9	Profit Provision				10.0%
10	Target Loss Ratio 100% - [8] - [9]				60.9%
11	Selected Catastrophe Ratio				15.2%
12	Target Non-Modeled Loss Ratio [10] - [11]				45.7%

The profit provision is the before-tax portion of premium necessary to realize Homesite's countrywide target return on equity given the capital required to support Arkansas's catastrophe exposure. The surplus allocated to Arkansas is that required to support catastrophic weather losses not covered by Homesite's reinsurance program. Modeled annual aggregate losses from weather events that exceed the expected losses retained under the attachment point of the Catastrophe treaty as well as the tail value at risk related to loss events "out the top" (above the upper limit) of the catastrophe treaty were generated based on an RMS analysis of all policies in force as of 3/31/2012. In addition, a portion of expected reinstatement premium has been allocated to Arkansas given both the countrywide and Arkansas specific exposure of the catastrophe treaty to loss.

The target non-modeled loss ratio is simply the target loss ratio less the 15.2% Catastrophe provision. Exhibit VI below shows the calculation of the catastrophe load. Homesite's catastrophe experience in Arkansas from 2005 through third quarter 2012 was used to calculate the catastrophe as a percentage of premiums for each year. A straight average of all years was selected as the catastrophe load. This can be further supported using industry experience.

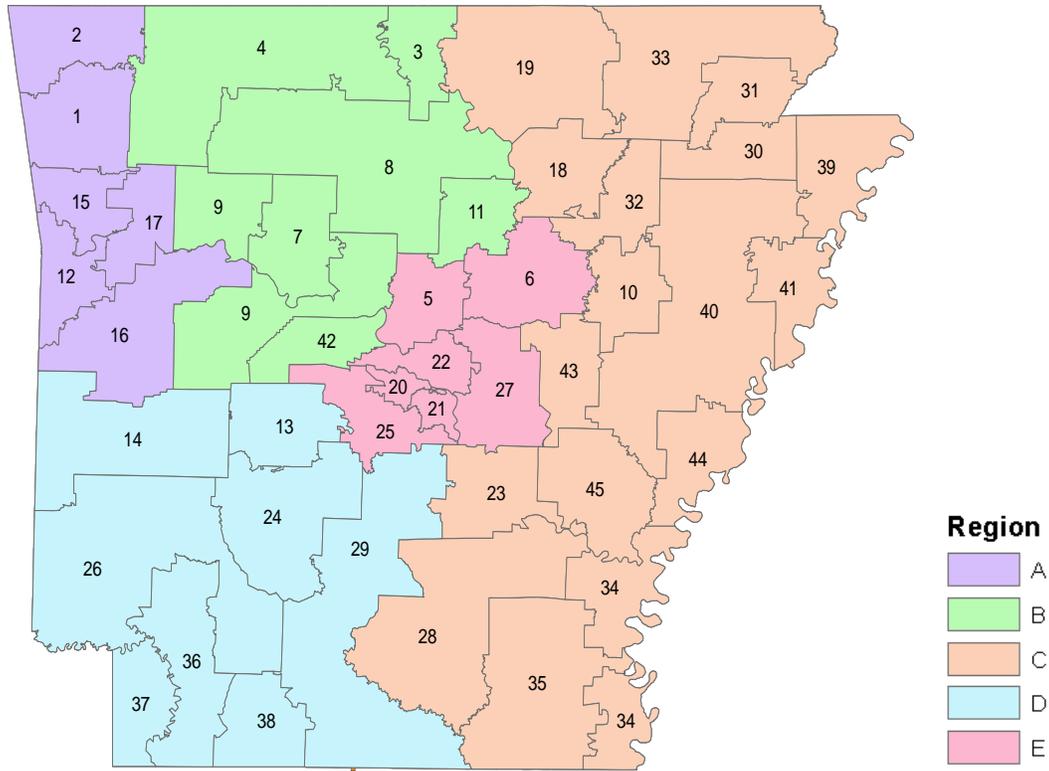
Arkansas: Catastrophe Load		Exhibit VI	
Year	(1) Premium	(2) Cat Loss	(3) = (2) / (1) Cat Loss Ratio
2005	525,719	5,347	1.0%
2006	689,683	165,669	24.0%
2007	877,366	-	0.0%
2008	1,117,240	413,406	37.0%
2009	1,189,837	304,584	25.6%
2010	1,528,215	27,227	1.8%
2011	1,778,062	520,402	29.3%
2012	1,743,349	47,382	2.7%
			15.2%

The Homesite indication after inclusion of the expected catastrophe cost ratio of 15.2% is determined using the standard actuarial loss ratio method (shown as line 21). The indicated rate need of +33.8% is the difference between the actual loss ratio (line 20) and the expected loss ratio (line 15) for Arkansas.

Form HO 00 03 Homeowner Program Changes

Base Rates

Homesite has conducted a review of its territory relativities for the HO 00 03 program. No changes to the territory definitions are being proposed. Loss experience from 10/1/2007 through 9/30/2012 was analyzed for each territory. Only non-liability losses were included, and only the portion of the premium covering non-liability losses was considered. Premium was calculated using the extension of exposures method to rate each policy with Homesite's currently filed rates in Arkansas. Losses were developed to ultimate and trend was applied to losses and premium. Because most territories are not by themselves sufficiently credible, Homesite grouped its territories into 5 regions, as shown on the map below. The determination of the groupings was based on patterns in the loss ratios and geographic location.



Region	Earned Exposures	Trended and Developed Non-Liability Losses	Trended Non-Liability Premium @ Proposed Level	Adjusted Non-Liability Loss Ratio	Indicated Change	Credibility	Credibility-Weighted Change
A	1,734	1,039,125	2,143,275	48.5%	-40.7%	20.8%	-8%
B	1,444	1,491,883	1,638,785	91.0%	11.4%	19.0%	2%
C	778	1,116,612	1,151,299	97.0%	18.7%	14.0%	3%
D	1,125	1,545,699	1,425,538	108.4%	32.7%	16.8%	5%
E	1,170	1,504,169	1,837,100	81.9%	0.2%	17.1%	0%
Total	6,253	6,697,488	8,195,997	81.7%	0.0%	39.5%	0%

After adjusting relativities, base rates were offset by 23.1% to produce an overall impact of 20.0% to the total premium.

Form HO 00 04 Renter Program Changes

Base Rates

Homesite is proposing a flat increase of 25.6% to the existing base rates to achieve an overall impact for HO 00 04 of +20.0%.

Form HO 00 06 Condominium Program Changes

Base Rates

Homesite is proposing a flat increase of 32.4% to the existing base rates to achieve an overall impact for HO 00 06 of +20.0%.

Clerical Changes to Page Display

Protection/Construction

Protection and construction class descriptions in Owners Rates Manual have been changed to match the protection and construction class descriptions in Owners Rules Manual, Rule 106. A. The revision is shown in page #2 in the updated Owners Rates Manual pages.

Personal Property

Rule 515.C. in the Owners Rules Manual has been revised to make the endorsement application more clear.

Lapse Tier Clarification

The determination of the appropriate Lapse tier was clarified in the Owners Rates Manual.

HO 00 03 Pricing Class Factors

A small selection of the HO 00 03 pricing class factors in the Owners Rates Manual have been revised to correct inconsistencies due to rounding.

HO 00 04 Earthquake Clarification

When calculating the earthquake premium using Rule 505 the Renters Rules Manual now correctly references 'Column B' and 'Column F' instead of 'Row B' and 'Row F'.

HO 00 04 Policyholder Responsibility Tiers

The note regarding use of claims for tiering purposes have been removed from the Renters Rates Manual since claims are not used for tiering purposes for HO 00 04.

Experience Modifiers

"AIG and affiliates" is renamed to "21st Century and affiliates" in both the Owners Rates Manual and the Renters Rates Manual.

NAIC LOSS COST DATA ENTRY DOCUMENT

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

2. If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number **N/A**

		Company Name		Company NAIC Number
3.	A.	Homesite Insurance Company of the Midwest	B.	13927

		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.		B.	

5.

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	FOR LOSS COSTS ONLY				
			(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
HO 00 03 Homeowners		20.0%					
HO 00 04 Renters		20.0%					
HO 00 06 Condominium		20.0%					
TOTAL OVERALL EFFECT	33.8%	20.0%					

6. 5 Year History Rate Change History

Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
2008	1,380			1,013	705	70%	63%
2009	1,503	9.5%	7/17/2009	1,108	1,362	123%	66%
2010	1,912			1,331	1,735	130%	75%
2011	2,307	15.0%	8/5/2011	1,722	2,719	158%	82%
2012*	2,082	20.0%	8/31/2012	1,328	489	37%	59%

* 2012 data is through third quarter 2012

7.

Expense Constants	Selected Provisions
A. Total Production Expense	17.0%
B. General Expense	0.9%
C. Taxes, License & Fees	3.3%
D. Underwriting Profit & Contingencies	10.0%
E. Other (explain) ULAE	5.8%
Reinsurance	2.1%
F. TOTAL	39.1%

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

9. 28.2% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): _____

10. 0.0% Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): _____

