

**State:** Arkansas **Filing Company:** State Auto Property and Casualty Insurance Company  
**TOI/Sub-TOI:** 30.1 Dwelling Fire/Personal Liability/30.1000 Dwelling Fire/Personal Liability  
**Product Name:** Arkansas Dwelling Fire - Rates and Rules  
**Project Name/Number:** Rates and Rules eff 09-17-13/AR\_DF\_RR\_20130917\_SPC

**Filing at a Glance**

Company: State Auto Property and Casualty Insurance Company  
 Product Name: Arkansas Dwelling Fire - Rates and Rules  
 State: Arkansas  
 TOI: 30.1 Dwelling Fire/Personal Liability  
 Sub-TOI: 30.1000 Dwelling Fire/Personal Liability  
 Filing Type: Rate/Rule  
 Date Submitted: 04/17/2013  
 SERFF Tr Num: STAT-128953216  
 SERFF Status: Closed-Filed  
 State Tr Num:  
 State Status:  
 Co Tr Num: AR\_DF\_RR\_20130917\_SPC  
 Effective Date 09/17/2013  
 Requested (New):  
 Effective Date 09/17/2013  
 Requested (Renewal):  
 Author(s): Doug Griffith, Amanda Scott  
 Reviewer(s): Becky Harrington (primary)  
 Disposition Date: 05/08/2013  
 Disposition Status: Filed  
 Effective Date (New): 09/17/2013  
 Effective Date (Renewal): 09/17/2013

State Filing Description:  
 meeting 5/8/13

**State:** Arkansas **Filing Company:** State Auto Property and Casualty Insurance Company  
**TOI/Sub-TOI:** 30.1 Dwelling Fire/Personal Liability/30.1000 Dwelling Fire/Personal Liability  
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**Project Name/Number:** Rates and Rules eff 09-17-13/AR\_DF\_RR\_20130917\_SPC

**General Information**

Project Name: Rates and Rules eff 09-17-13 Status of Filing in Domicile:  
 Project Number: AR\_DF\_RR\_20130917\_SPC Domicile Status Comments:  
 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: Amanda Scott Submitted By: Amanda Scott  
 Corresponding Filing Tracking Number:

Filing Description:  
 With this filing we are revising our Dwelling Fire program, as detailed in the Summary of Proposed Changes.

We estimate these revisions will result in an overall impact of +18.1%.

Attached are copies of the revised manual pages and Rate Document.

Your consideration and acknowledgement of our filing to become effective September 17, 2013 will be very much appreciated.

(All factors and rates are located within the Rate Document.)

**Company and Contact**

**Filing Contact Information**

Brian Greggila, Actuarial Technician Brian.Greggila@StateAuto.com  
 518 E. Broad Street 614-917-4087 [Phone]  
 Columbus, OH 43215 614-719-0709 [FAX]

**Filing Company Information**

State Auto Property and Casualty Insurance Company	CoCode: 25127	State of Domicile: Iowa
1300 Woodland Ave	Group Code: 175	Company Type: Property and Casualty
PO Box 66150	Group Name:	State ID Number:
West Des Moines, IA 50265-0150	FEIN Number: 57-6010814	
(614) 464-5000 ext. [Phone]		

**Filing Fees**

Fee Required? Yes  
 Fee Amount: \$100.00  
 Retaliatory? No  
 Fee Explanation: \$100 fee for Rate Changes  
 Per Company: No

**State:** Arkansas **Filing Company:** State Auto Property and Casualty Insurance Company

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Company	Amount	Date Processed	Transaction #
State Auto Property and Casualty Insurance Company	\$100.00	04/17/2013	69427403

**State:** Arkansas **Filing Company:** State Auto Property and Casualty Insurance Company  
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## 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	04/22/2013	04/22/2013

### Response Letters

Responded By	Created On	Date Submitted
Amanda Scott	04/30/2013	04/30/2013

**State:** Arkansas **Filing Company:** State Auto Property and Casualty Insurance Company  
**TOI/Sub-TOI:** 30.1 Dwelling Fire/Personal Liability/30.1000 Dwelling Fire/Personal Liability  
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## Disposition

Disposition Date: 05/08/2013  
 Effective Date (New): 09/17/2013  
 Effective Date (Renewal): 09/17/2013  
 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):
State Auto Property and Casualty Insurance Company	18.400%	18.100%	\$206,812	1,211	\$1,144,834	19.100%	12.700%

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Form RF-2 Loss Costs Only (not for workers' compensation)		Yes
Supporting Document	H-1 Homeowners Abstract	Filed	Yes
Supporting Document	HPCS-Homeowners Premium Comparison Survey	Filed	Yes
Supporting Document	NAIC loss cost data entry document	Filed	Yes
Supporting Document (revised)	Exhibits	Filed	Yes
Supporting Document	Exhibits		Yes
Rate	Revised Manual Pages	Filed	Yes
Rate	Rate Document	Filed	Yes

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**State:** Arkansas **Filing Company:** State Auto Property and Casualty Insurance Company  
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## Objection Letter

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

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Dear Brian Greggila,

**Introduction:**

*This will acknowledge receipt of the recent response.*

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

**Conclusion:**

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

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

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

Sincerely,  
Becky Harrington

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**State:** Arkansas **Filing Company:** State Auto Property and Casualty Insurance Company  
**TOI/Sub-TOI:** 30.1 Dwelling Fire/Personal Liability/30.1000 Dwelling Fire/Personal Liability  
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## Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	04/22/2013
Submitted Date	04/22/2013
Respond By Date	

---

Dear Brian Greggila,

### Introduction:

This will acknowledge receipt of the captioned filing.

### Objection 1

- NAIC loss cost data entry document (Supporting Document)

Comments: Please verify the requested percentage change. The indicated for Dwelling extended Cov C is 21.4% while the requested is 12.6%; the overall indicated is 18.4% and the requested is 18.1%.

### Objection 2

- Exhibits (Supporting Document)

Comments: Please explain the complement indication amount of -2.2%. Provide additional supporting documentation.

### Objection 3

- Exhibits (Supporting Document)

Comments: Please provide additional documentation regarding Exhibit V, (10) % Change W/H Losses and (15) % Change Winter Losses.

### Conclusion:

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

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

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

Sincerely,

Becky Harrington

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**State:** Arkansas **Filing Company:** State Auto Property and Casualty Insurance Company  
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## Response Letter

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Response Letter Status	Submitted to State
Response Letter Date	04/30/2013
Submitted Date	04/30/2013

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Dear Becky Harrington,

### **Introduction:**

In response to the objection letter received 04-22-13 we have attached our response below.

### **Response 1**

#### **Comments:**

I confirm the indicated Dwelling Extended Coverage C indication is 21.4% and the requested is 12.6%. I also confirm the overall indicated is 18.4% and the requested is 18.1%. Please refer to Exhibit I- Indications Summary for further confirmation.

### **Related Objection 1**

Applies To:

- NAIC loss cost data entry document (Supporting Document)

Comments: Please verify the requested percentage change. The indicated for Dwelling extended Cov C is 21.4% while the requested is 12.6%; the overall indicated is 18.4% and the requested is 18.1%.

### **Changed Items:**

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

### **Response 2**

#### **Comments:**

The compliment indication of -2.2% as found in row (11) of Exhibit II- Fire Indication is the Companywide Fire Indication. Please refer to Exhibit VII- Companywide Fire Indication for further details.

### **Related Objection 2**

Applies To:

- Exhibits (Supporting Document)

**State:** Arkansas **Filing Company:** State Auto Property and Casualty Insurance Company  
**TOI/Sub-TOI:** 30.1 Dwelling Fire/Personal Liability/30.1000 Dwelling Fire/Personal Liability  
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**Project Name/Number:** Rates and Rules eff 09-17-13/AR\_DF\_RR\_20130917\_SPC

*Comments: Please explain the complement indication amount of -2.2%. Provide additional supporting documentation.*

**Changed Items:**

Supporting Document Schedule Item Changes	
<b>Satisfied - Item:</b>	Exhibits
<b>Comments:</b>	
<b>Attachment(s):</b>	AR DF RR Summary of Proposed Changes.pdf 2013 AR DF Filing Exhibits.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>Exhibits</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>AR DF RR Summary of Proposed Changes.pdf 2013 AR DF Filing Exhibits.pdf</i>

*No Form Schedule items changed.*

*No Rate/Rule Schedule items changed.*

**Response 3**

**Comments:**

*We made adjustments to the Extended Coverage losses that replaced the actual Wind/Hail and Winter losses with expected wind/hail and winter losses in Exhibit V. If we do not smooth our Wind/Hail and Winter losses, the Extended Coverage indication is +46.0% and the overall indication is +34.0%. As a result of these indications remaining above the proposed Extended Coverage impact of +20.9% and proposed overall impact of +18.1%, the impact is supported whether or not the actual Wind/Hail and Winter losses are replaced with the expected losses, as is done in the smoothing procedure. Please refer to Exhibit VIII- Weather Smoothing Procedure for further details on this procedure.*

**Related Objection 3**

*Applies To:*

*- Exhibits (Supporting Document)*

*Comments: Please provide additional documentation regarding Exhibit V, (10) % Change W/H Losses and (15) % Change Winter Losses.*

**Changed Items:**

**State:** Arkansas **Filing Company:** State Auto Property and Casualty Insurance Company  
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### Supporting Document Schedule Item Changes

<b>Satisfied - Item:</b>	Exhibits
<b>Comments:</b>	
<b>Attachment(s):</b>	AR DF RR Summary of Proposed Changes.pdf 2013 AR DF Filing Exhibits.pdf
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>Exhibits</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>AR DF RR Summary of Proposed Changes.pdf 2013 AR DF Filing Exhibits.pdf</i>

*No Form Schedule items changed.*

*No Rate/Rule Schedule items changed.*

**Conclusion:**

*Please let me know if I can be of further assistance.*

Sincerely,

Amanda Scott

**State:** Arkansas **Filing Company:** State Auto Property and Casualty Insurance Company  
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## Rate Information

Rate data applies to filing.

**Filing Method:** File and Use  
**Rate Change Type:** Increase  
**Overall Percentage of Last Rate Revision:** 15.000%  
**Effective Date of Last Rate Revision:** 11/17/2012  
**Filing Method of Last Filing:** File and Use

## Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
State Auto Property and Casualty Insurance Company	18.400%	18.100%	\$206,812	1,211	\$1,144,834	19.100%	12.700%

**SERFF Tracking #:**

STAT-128953216

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

AR\_DF\_RR\_20130917\_SPC

**State:** Arkansas**Filing Company:**

State Auto Property and Casualty Insurance Company

**TOI/Sub-TOI:** 30.1 Dwelling Fire/Personal Liability/30.1000 Dwelling Fire/Personal Liability**Product Name:** Arkansas Dwelling Fire - Rates and Rules**Project Name/Number:** Rates and Rules eff 09-17-13/AR\_DF\_RR\_20130917\_SPC

## 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	Revised Manual Pages	Various Pages	Replacement		2013 AR DF Manual revised pages.pdf
2	Filed 05/08/2013	Rate Document	Entire Document	Replacement		AR DF 2013 Rate Document.pdf

# ARKANSAS DWELLING FIRE PROGRAM

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## ARKANSAS DWELLING FIRE PROGRAM

### 6. ELIGIBILITY

#### B. Coverage B - Other Structures:

1. At the same location as the dwelling eligible for insurance under Coverage A;
2. Not used for business purposes except a permitted incidental occupancy or rented for use as a private garage;
3. At a separate location when used in connection with the insured location but not for business purposes.

Note: It is permissible to extend the Dwelling Policy without additional premium charge to cover the interest of a non-occupant joint owner in the building.  
Use endorsement **DP0441** - Additional Insured

#### C. Coverage C - Personal Property in:

1. A dwelling eligible under Coverage A; or
2. A dwelling with rental apartments including furnishings, equipment and appliances in hall or utility rooms; or
3. Any apartment or condominium unit used as private living quarters of the insured or rented to others furnished.

#### D. Coverage D - Fair Rental Value -

For the loss of the fair rental value of a building, eligible for insurance under Coverage A or Coverage B while uninhabitable as a result of a property loss caused by a peril insured against.

#### E. Coverage E - Additional Living Expense -

For the additional living expenses incurred to maintain the insured's household as a result of property loss caused by a peril insured against.

Note: Apartment means one or more rooms on one or more floors designed for occupancy by one family for dwelling purposes.

### 7. MANDATORY COVERAGES

#### A. Inflation Protection

This coverage is mandatory for all Broad Form (DP0002) and Special Form (DP0003) policies with building coverage. This coverage provides automatic increases in building coverage at renewal.

#### B. Special State Requirements

Endorsement **DP0103**, Special Provisions (All Forms), shall be attached to all Dwelling Policies.

### 8. DEDUCTIBLES

For available deductible amounts and options, refer to Credits and Charges Rule of this manual.

### 9. POLICY PERIOD/PAYMENT OPTION

- A. Policy Term – One year
- B. Policies written in the dwelling fire program are eligible for the following billing methods:
  1. Direct Bill Mailed Invoices
  2. E-Pay: State Auto's Electronic Funds Transfer to offer automated withdrawals from insured's bank account. Deduction dates will be the policy effective date for dates 1-28. For policies effective the 29<sup>th</sup>, 30<sup>th</sup> or 31<sup>st</sup>, the deduction date will be the 1<sup>st</sup> of the following month. Insured is notified of date and amount of first deduction and thereafter, will receive notification if the deduction amount changes by \$1.00 or more.
  3. All policies billed to a mortgage company must use the invoiced "Full Pay" Option;

State Auto Insurance Companies

## ARKANSAS DWELLING FIRE PROGRAM

### 9. POLICY PERIOD/PAYMENT OPTION (CONT'D)

C. The billing schedule for a new policy may have fewer installments than the chart below based upon when the policy is issued. The renewal terms will have sufficient time to bill all installments as shown.

D. Installment Options and Billing Fees

Twelve-Month Policy Term			
Pay Plan Options	Service Charges per Invoice		Installment Schedule
	E-Pay	Invoices	
Full Pay	\$0.00	\$0.00	Full premium due at inception of policy.
Two-Pay	\$0.00	\$5.00	50% of premium due at inception with balance due in 6 months
Four-Pay	\$0.00	\$5.00	25% of premium due at inception with 25% due each 3 months.
Monthly	\$0.00	\$5.00	Premium is divided into equal monthly installments.

E. Additional Billing Fees may be assessed:

1. NSF (Returned Payment) Fee: \$20.00
2. Late Fee for payments received more than four days after the payment due date: \$10.00.

F. Payment methods accepted:

1. New business down payments:
  - i. Web Down Pay: online submission of down payment using either bank account or credit/debit card branded with VISA® or MasterCard®.
  - ii. Agency Sweep through netXpress if agency elects to participate in this program.
2. Payment Methods Available for Invoiced Installments:
  - i. Mail check to address shown on invoice on remittance stub.
  - ii. Pay online at [www.stateauto.com](http://www.stateauto.com) using either bank account or credit/debit card branded with VISA® or MasterCard®.
  - iii. Pay by phone at 800-444-9950, extension 5118, then follow the prompts, using either bank account or credit/debit card branded with VISA® or MasterCard®.
  - iv. Pay at agent office if agent is participating in Agency Sweep program.

### 10. INCIDENTAL OCCUPANCIES

- A. One of the following incidental occupancies is permitted in a premises eligible for coverage under a Dwelling Policy, if;
1. The policy provides insurance under Coverage A, B or C.
  2. The incidental occupancy is operated by the insured who is the owner or a resident of the premises.
  3. There are not more than two persons at work in the incidental occupancy.

Use Endorsement DP 04 20 -- Permitted Incidental Occupancies

## ARKANSAS DWELLING FIRE PROGRAM

### 17. COVERAGE FOR CERTIFIED TERRORISM LOSS

**A.** The "Terrorism Risk Insurance Act" and accompanying regulations establish a program within the Department of the Treasury in which the Federal Government will share the risk of loss from terrorist attacks with the insurance industry. Federal participation will be triggered when the Secretary of the Treasury certifies an act of terrorism, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism committed by an individual(s) provided the terrorist act results in aggregate losses in excess of \$5 million. With respect to insured losses resulting from a certified act of terrorism, the Federal Government will reimburse individual insurers for: 85% of that portion of the amount of such insured losses that exceeds the applicable insurer retention. The insurer's retention is based on a specified percentage of the insurer's earned premium for the year preceding the loss. Insured losses covered by the program are capped at \$100 billion per year; this provision serves to limit insurers' liability for losses.

**B.** All insurers providing commercial property and casualty insurance are required to participate in the program to the extent of making available coverage for certified acts of terrorism in accordance with the terms and conditions of coverage which apply to other perils. Certain risks written under the Dwelling Policy Program may be considered commercial exposures for the purposes of this act and hence eligible for participation in the program. The following may be considered commercial exposures:

1. 1 – 4 family rental dwellings owned for the business purpose of generating income for the property owner; or
2. Policies on which incidental business premium is more than 25% of total direct earned premium.

**C.** The following applies to those insurers offering Dwelling policies who choose to be eligible for federal reinsurance by making the disclosures needed for such eligibility. An insurer must extend coverage to insureds for losses caused by certified acts of terrorism. The insurer must disclose to the policyholder the premium for losses covered and the federal share of compensation for such losses under the program at the time of offer, purchase and renewal of the policy. Insurers may disclose the premium information on the Declarations or elsewhere in the policy.

**D.** There are no terrorism exclusions in the Dwelling Policy Program. The following endorsement specifies that coverage for certified acts of terrorism is subject to the cap on liability for losses and subject to underlying policy exclusions such as nuclear hazard. Attach endorsement Cap On Losses From Certified Acts Of Terrorism; Disclosure Pursuant To Terrorism Risk Insurance Act Endorsement **DP 05 38 and/or DL2489** (Applicable To Liability Only)

## ARKANSAS DWELLING FIRE PROGRAM

### 25. SINGLE BUILDING DEFINITIONS

All buildings or sections of buildings which are accessible through unprotected openings shall be considered as a single building.

Buildings which are separated by space shall be considered separate buildings.

Buildings or sections of buildings which are separated by an 8 inch masonry party wall 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.

### 26. PROTECTION CLASS

The protection class returned by ISO Location PPC will apply to risks insured under Dwelling Fire Policies.

#### Protection Classification Codes

##### Protection Class

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8 and 8B
- 9
- 10

ARKANSAS DWELLING FIRE RATING STEPS, RATES, AND RELATIVITIES  
EFFECTIVE 09-17-2013

**Dwelling Fire Base Premium Rating Steps**

**FIRE – BUILDING RATING STEPS**

(round to whole dollar after each step, unless otherwise noted)

1. Base Rate X Protection/Construction Relativity
2. Result #1 X Owner/Nonowner Relativity
3. Result #2 X Number of Families Relativity
- Result #3 is the Fire Building Key Premium*
4. Result #3 X Policy Size Relativity (use the relativity for the lesser of the actual coverage amount and the maximum listed in the PSR table)
5. Result #3 X Additional \$10,000 Factor (round result to 2 decimal places)
6. Result #5 X Coverage amount in excess of the maximum listed in PSR table, in ten thousands (round result to 2 decimal places)
7. Result #4 + Result #6
8. Result #7 X Superior Construction Factor
9. Result #8 X Dwelling Under Construction Factor
10. Result #9 X Deductible Factor
11. Result #10 X Employee Discount Factor
12. Result #11 X Loss Experience Rating Factor
13. Result #12 X ACV Wind/Hail Loss to Roof Factor
14. Result #13 X Premium Fire Tax Factor (AZ only)
15. Result #14 X Building Item Condo Unit-Owner Factor (if applicable)
16. Result #15 X Term Factor
- Result #16 is the preliminary Fire Building Base Premium*
17. Result #16 X Capping Factor (round down to nearest whole dollar)
- Result #17 is the final Fire Building Base Premium*

ARKANSAS DWELLING FIRE RATING STEPS, RATES, AND RELATIVITIES  
EFFECTIVE 09-17-2013

**Dwelling Fire Base Premium Rating Steps (continued)**

**FIRE – CONTENTS RATING STEPS**

(round to whole dollar after each step)

1. Base Rate X Protection/Construction Relativity
2. Result #1 X Owner/Nonowner Relativity
3. Result #2 X Number of Families Relativity
- Result #3 is the Fire Contents Key Premium*
4. Result #3 X Policy Size Relativity (use the relativity for the lesser of the actual coverage amount and the maximum listed in the PSR table)
5. Result #3 X Additional \$10,000 Factor (round result to 2 decimal places)
6. Result #5 X Coverage amount in excess of the maximum listed in PSR table, in ten thousands (round result to 2 decimal places)
7. Result #4 + Result #6
8. Result #7 X Superior Construction Factor
9. Result #8 X Deductible Factor
10. Result #9 X Employee Discount Factor
11. Result #10 X Loss Experience Rating Factor
12. Result #11 X ACV Wind/Hail Loss to Roof Factor
13. Result #12 X Premium Fire Tax Factor (AZ only)
14. Result #13 X Term Factor
- Result #14 is the preliminary Fire Contents Base Premium*
15. Result #14 X Capping Factor (round down to nearest whole dollar)
- Result #15 is the final Fire Contents Base Premium*

ARKANSAS DWELLING FIRE RATING STEPS, RATES, AND RELATIVITIES  
EFFECTIVE 09-17-2013

**Dwelling Fire Base Premium Rating Steps (continued)**

**EXTENDED COVERAGE – BUILDING RATING STEPS**

(round to whole dollar after each step, unless otherwise noted)

1. Base Rate X Form (DP2/DP3) Relativity  
*Result #1 is the Extended Coverage Building Key Premium*
2. Result #1 X Policy Size Relativity (use the relativity for the lesser of the actual coverage amount and the maximum listed in the PSR table)
3. Result #1 X Additional \$10,000 Factor (round result to 2 decimal places)
4. Result #3 X Coverage amount in excess of the maximum listed in PSR table, in ten thousands (round result to 2 decimal places)
5. Result #2 + Result #4
6. Result #5 X Dwelling Under Construction Factor
7. Result #6 X Deductible Factor
8. Result #7 X Employee Discount Factor
9. Result #8 X Loss Experience Rating Factor
10. Result #9 X ACV Wind/Hail Loss to Roof Factor
11. Result #10 X Building Item Condo Unit-Owner Factor (if applicable)
12. Result #11 X Term Factor  
*Result #12 is the preliminary Extended Coverage Building Base Premium*
13. Result #12 X Capping Factor (round down to nearest whole dollar)  
*Result #13 is the final Extended Coverage Building Base Premium*

ARKANSAS DWELLING FIRE RATING STEPS, RATES, AND RELATIVITIES  
EFFECTIVE 09-17-2013

**Dwelling Fire Base Premium Rating Steps (continued)**

**EXTENDED COVERAGE – CONTENTS RATING STEPS**

(round to whole dollar after each step, unless otherwise noted)

1. Base Rate X Form (DP2/DP3) Relativity  
*Result #1 is the Extended Coverage Contents Key Premium*
2. Result #1 X Policy Size Relativity (use the relativity for the lesser of the actual coverage amount and the maximum listed in the PSR table)
3. Result #1 X Additional \$10,000 Factor (round result to 2 decimal places)
4. Result #3 X Coverage amount in excess of the maximum listed in PSR table, in ten thousands (round result to 2 decimal places)
5. Result #2 + Result #4
6. Result #5 X Deductible Factor
7. Result #6 X Employee Discount Factor
8. Result #7 X Loss Experience Rating Factor
9. Result #8 X ACV Wind/Hail Loss to Roof Factor
10. Result #9 X Term Factor  
*Result #10 is the preliminary Extended Coverage Contents Base Premium*
  
11. Result #10 X Capping Factor (round down to nearest whole dollar)  
*Result #11 is the final Extended Coverage Contents Base Premium*

ARKANSAS DWELLING FIRE RATING STEPS, RATES, AND RELATIVITIES  
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**Dwelling Fire Base Premium Rating Steps (continued)**

**PROTECTIVE DEVICE CREDIT RATING STEPS**

(round to whole dollar after each step, unless otherwise noted)

1. Final Fire Building Base Premium + Final Extended Coverage Building Base Premium
2. Result #1 X Protective Device Credit (negative %)  
*Result #2 is the final Building Protective Device credit amount*
3. Final Fire Contents Base Premium + Final Extended Coverage Contents Base Premium
4. Result #3 X Protective Device Credit (negative %)  
*Result #4 is the final Contents Protective Device credit amount*
5. Final V&MM Premium X Protective Device Credit (negative %)  
*Result #5 is the final V&MM Protective Device credit amount*

ARKANSAS DWELLING FIRE RATING STEPS, RATES, AND RELATIVITIES  
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**Dwelling Fire Rate Tables A and B Rating Steps**

**RATE TABLE A PREMIUMS RATING STEPS**

Use these steps for the following Endorsements or Coverage Options:

- Other Structures
- Fair Rental Value
- Additional Living Expense
- Plants, Shrubs, Trees (DP-1)

**Fire Rating Steps**

1. Fire Building Key Premium (developed previously)
2. Additional amount per \$10,000 for Coverage A (from Key Factor Table)/10 rounded to 3 decimals.
3. Result #1 X Result #2 rounded to 2 decimals.
4. Result #3 is the Fire Table A rate per \$1,000 of coverage.

**Extended Coverage Rating Steps**

1. EC Building Key Premium (developed previously)
2. Additional amount per \$10,000 for Coverage A (from Key Factor Table)/10 rounded to 3 decimals.
3. Result #1 X Result #2 rounded to 2 decimals.
4. Result #3 is the EC Table A rate per \$1,000 of coverage.

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**RATE TABLE B PREMIUMS RATING STEPS**

Use these steps for the following Endorsements or Coverage Options:

- Improvements, Alterations and Additions
- Merchandise in Storage

**Fire Rating Steps**

1. Fire Contents Key Premium (developed previously)
2. Additional amount per \$10,000 for Coverage C (from Key Factor Table)/10 rounded to 3 decimals.
3. Result #1 X Result #2 rounded to 2 decimals.
4. Result #3 is the Fire Table B rate per \$1,000 of coverage.

**Extended Coverage Rating Steps**

1. EC Contents Key Premium (developed previously)
2. Additional amount per \$10,000 for Coverage C (from Key Factor Table)/10 rounded to 3 decimals.
3. Result #1 X Result #2 rounded to 2 decimals.
4. Result #3 is the EC Table B rate per \$1,000 of coverage.

ARKANSAS DWELLING FIRE RATING STEPS, RATES, AND RELATIVITIES  
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**Dwelling Fire Optional Coverages Rating Steps**

**VANDALISM AND MALICIOUS MISCHIEF (V&MM) RATING STEPS**

(round to whole dollar after each step, unless otherwise noted)

Use these steps to add V&MM Coverage to Form DP0001

1. V&MM Rate per \$1,000 X Coverage A amount, in thousands
2. Result #1 X Deductible Factor
3. Result #2 X Employee Discount Factor
4. Result #3 X Loss Experience Rating Factor
5. Result #4 X Building Items Condo Unit-Owner Factor (if applicable)
  
6. V&MM Rate per \$1,000 X Coverage C amount, in thousands
7. Result #6 X Extended Coverage All-Peril Deductible Factor
8. Result #7 X Employee Discount Factor
9. Result #8 X Loss Experience Rating Factor
  
10. Result #5 + Result #9
11. Result #10 X Term Factor  
*Result #11 is the preliminary V&MM Premium*
  
12. Result #11 X Capping Factor (round down to nearest whole dollar)  
*Result #12 is the final V&MM Premium*

**OTHER STRUCTURES RATING STEPS**

(round to whole dollar after each step, unless otherwise noted)

1. Other Structures Coverage amount / 1,000
2. Result #1 X Fire Table A rate per \$1,000
3. Result #2 X Fire Deductible Factor

Note A: If Extended Coverage (DP0001) or Broad or Special Coverage (DP0002 or DP0003) applies, follow the steps below. Otherwise, skip to Note B.

4. Other Structures Coverage amount / 1,000
5. Result #4 X EC Table A rate per \$1,000
6. Result #5 X EC Deductible Factor

Note B: If Vandalism & Malicious Mischief applies, follow the steps below. Otherwise, skip to step 10.

7. Other Structures Coverage amount / 1,000
8. Result #7 X V&MM rate per \$1,000
9. Result #8 X Extended Coverage All-Peril Deductible Factor
  
10. Result #3 + Result #6 (if applicable) + Result #9 (if applicable)
11. Result #10 X Employee Discount Factor
12. Result #11 X Term Factor  
*Result #12 is the preliminary Other Structures premium*

13. Result #12 X Capping Factor (round down to nearest whole dollar)  
*Result #13 is the final Other Structures premium*

ARKANSAS DWELLING FIRE RATING STEPS, RATES, AND RELATIVITIES  
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**Dwelling Fire Optional Coverages Rating Steps (continued)**

**FAIR RENTAL VALUE RATING STEPS**

(round to whole dollar after each step, unless otherwise noted)

1. Fair Rental Value Coverage amount / 1,000
2. Result #1 X Fire Table A rate per \$1,000

Note A: If Extended Coverage (DP0001) or Broad or Special Coverage (DP0002 or DP0003) applies, follow steps below. Otherwise, skip to Note B.

3. Fair Rental Value Coverage amount / 1,000
4. Result #3 X EC Table A rate per \$1,000

Note B: If Vandalism & Malicious Mischief applies, follow the steps below. Otherwise, skip to step 8.

5. Fair Rental Value Coverage amount / 1,000
  6. Result #5 X V&MM rate per \$1,000
  7. Result #6 X Extended Coverage All-Peril Deductible Factor
  8. Result #2 + Result #4 (if applicable) + Result #7 (if applicable)
  9. Result #8 X Employee Discount Factor
  10. Result #9 X Term Factor
- Result #10 is the preliminary Fair Rental Value premium*

11. Result #10 X Capping Factor (round down to nearest whole dollar)
- Result #11 is the final Fair Rental Value premium*

**ADDITIONAL LIVING EXPENSE RATING STEPS**

(round to whole dollar after each step, unless otherwise noted)

1. Additional Living Expense Coverage amount / 1,000
2. Result #1 X Fire Table A rate per \$1,000

Note A: If Extended Coverage (DP0001) or Broad or Special Coverage (DP0002 or DP0003) applies, follow steps below. Otherwise, skip to Note B.

3. Additional Living Expense Coverage amount / 1,000
4. Result #3 X EC Table A rate per \$1,000

Note B: If Vandalism & Malicious Mischief applies, follow the steps below. Otherwise, skip to step 8.

5. Additional Living Expense Coverage amount / 1,000
  6. Result #5 X V&MM rate per \$1,000
  7. Result #6 X Extended Coverage All-Peril Deductible Factor
  8. Result #2 + Result #4 (if applicable) + Result #7 (if applicable)
  9. Result #8 X Employee Discount Factor
  10. Result #9 X Term Factor
- Result #10 is the preliminary Additional Living Expense premium*

11. Result #10 X Capping Factor (round down to nearest whole dollar)
- Result #11 is the final Additional Living Expense premium*

ARKANSAS DWELLING FIRE RATING STEPS, RATES, AND RELATIVITIES  
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**Dwelling Fire Optional Coverages Rating Steps (continued)**

**IMPROVEMENTS, ALTERATIONS, & ADDITIONS RATING STEPS**

(round to whole dollar after each step, unless otherwise noted)

*NOTE: This coverage will no longer be available for new business as of 11/15/2009.*

1. Building Additions, Alterations, & Improvements Coverage amount / 1,000
2. Result #1 X Fire Table B rate per \$1,000

Note A: If Extended Coverage (DP0001) or Broad or Special Coverage (DP0002 & DP0003) applies, follow steps below. Otherwise, skip to Note B.

3. Building Additions, Alterations, & Improvements Coverage amount / 1,000
4. Result #3 X EC Table B rate per \$1,000

Note B: If Vandalism & Malicious Mischief applies, follow the steps below.  
Otherwise, skip to step 8.

5. Building Additions, Alterations, & Improvements Coverage amount / 1,000
6. Result #5 X V&MM rate per \$1,000
7. Result #6 X Extended Coverage All-Peril Deductible Factor

8. Result #2 + Result #4 (if applicable) + Result #7 (if applicable)
9. Result #8 X Employee Discount Factor
10. Result #9 X Term Factor

*Result #10 is the preliminary Building Additions, Alterations, & Improvements premium*

11. Result #10 X Capping Factor (round down to nearest whole dollar)  
*Result #11 is the final Building Additions, Alterations, & Improvements premium*

**MERCHANDISE IN STORAGE RATING STEPS**

(round to whole dollar after each step, unless otherwise noted)

1. Merchandise In Storage Coverage amount / 1,000
2. Result #1 X Fire Table B rate per \$1,000

Note A: If Extended Coverage (DP0001) or Broad or Special Coverage (DP0002 or DP0003) applies, follow steps below. Otherwise, skip to Note B.

3. Merchandise In Storage Coverage amount / 1,000
4. Result #3 X EC Table B rate per \$1,000

Note B: If Vandalism & Malicious Mischief applies, follow the steps below.  
Otherwise, skip to step 8.

5. Merchandise In Storage Coverage amount / 1,000
6. Result #5 X V&MM rate per \$1,000
7. Result #6 X Extended Coverage All-Peril Deductible Factor

8. Result #2 + Result #4 (if applicable) + Result #7 (if applicable)
9. Result #8 X Employee Discount Factor
10. Result #9 X Term Factor

*Result #10 is the preliminary Merchandise In Storage premium*

11. Result #10 X Capping Factor (round down to nearest whole dollar)  
*Result #11 is the final Merchandise In Storage premium*

ARKANSAS DWELLING FIRE RATING STEPS, RATES, AND RELATIVITIES  
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**Dwelling Fire Optional Coverages Rating Steps (continued)**

**PLANTS, SHRUBS, AND TREES RATING STEPS**

(round to whole dollar after each step, unless otherwise noted)

1. Plants, Shrubs, and Trees Coverage amount / 1,000

To add Plants, Shrubs, and Trees to form DP0001 only, follow the steps below. For adding windstorm or hail coverage (all forms), see step 5.

2. Result #1 X Fire Table A rate per \$1,000
3. Result #1 X EC Table A rate per \$1,000.
4. Result #2 + Result #3
5. Result #1 X Plants, Shrubs, and Trees -- Windstorm or Hail rate per \$1,000

If Vandalism & Malicious Mischief applies, follow the step below.  
Otherwise, skip to step 8.

6. Result #1 X V&MM rate per \$1,000
7. Result #6 X Extended Coverage All-Peril Deductible Factor
8. Result #4 (DP0001 only) + Result #5 + Result #7 (if applicable)
9. Result #8 X Employee Discount Factor
10. Result #9 X Term Factor

*Result #10 is the preliminary Plants, Shrubs, and Trees premium*

11. Result #10 X Capping Factor (round down to nearest whole dollar)  
*Result #11 is the final Plants, Shrubs, and Trees premium*

**EARTHQUAKE COVERAGE RATING STEPS**

(round to whole dollar after each step, unless otherwise noted)

1. Coverage A amount / 1,000
2. Result #1 X Earthquake Coverage rate per \$1,000
3. Coverage C amount / 1,000
4. Result #3 X Earthquake Coverage rate per \$1,000

*Result #4 must be a minimum of \$1 if Result #3 is greater than zero.*

5. Result #2 + Result #4
6. Result #5 X Earthquake Deductible Factor
7. Result #6 X Employee Discount Factor
8. Result #7 X Term Factor

*Result #8 is the preliminary Earthquake Coverage premium*

9. Result #8 X Capping Factor (round down to nearest whole dollar)  
*Result #9 is the final Earthquake Coverage premium*

ARKANSAS DWELLING FIRE RATING STEPS, RATES, AND RELATIVITIES  
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**Dwelling Fire Optional Coverages Rating Steps (continued)**

**WINDSTORM OR HAIL COVERAGE – AWNINGS, SIGNS, AND OUTDOOR RADIO  
AND TV EQUIPMENT RATING STEPS**

(round to whole dollar after each step, unless otherwise noted)

1. Windstorm or Hail Coverage -- Awnings, Signs, and Outdoor Radio and TV Equipment Coverage amount / 1,000
2. Result #1 X Windstorm or Hail Coverage -- Awnings, Signs, and Outdoor Radio and TV Equipment rate per \$1,000
3. Result #2 X Employee Discount Factor
4. Result #3 X Term Factor  
*Result #4 is the preliminary Windstorm or Hail Coverage -- Awnings, Signs, and Outdoor Radio and TV Equipment premium*
5. Result #4 X Capping Factor (round down to nearest whole dollar)  
*Result #5 is the final Windstorm or Hail Coverage -- Awnings, Signs, and Outdoor Radio and TV Equipment premium*

**CONDITION CHARGE RATING STEPS**

(round to whole dollar after each step, unless otherwise noted)

Use these steps when condition charges apply. The steps should be applied separately to the coverage amounts for Coverage A, Coverage C, and Other Structures

1. Condition Charge Rate per \$1,000\* X Coverage amount, in thousands
2. Result #2 X Employee Discount Factor
3. Result #3 X Term Factor  
*Result #3 is the preliminary Condition Charge*

4. Result #3 X Capping Factor (round down to nearest whole dollar)  
*Result #5 is the final Condition Charge*

\* Condition Charge is determined by adding the charge for each condition that exists at the insured location. If the total charge exceeds \$5.00 per \$1,000, or there is a range of rates provided for a condition that exists, please contact your underwriter to determine acceptance and premium for this risk.

**ORDINANCE OR LAW COVERAGE RATING STEPS**

(round to whole dollar after each step, unless otherwise noted)

1. Preliminary Fire Building Base Premium + Preliminary Extended Coverage Building Base Premium
2. Result #1 X Ordinance or Law percent charge  
*Result #2 is the preliminary Ordinance or Law premium*
3. Result #2 X Capping Factor (round down to nearest whole dollar)  
*Result #3 is the final Ordinance or Law premium*

ARKANSAS DWELLING FIRE RATING STEPS, RATES, AND RELATIVITIES  
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**Dwelling Fire Optional Coverages Rating Steps (continued)**

**BUILDING ITEMS CONDO UNIT-OWNER – STANDARD – DF 17 66 RATING STEPS**  
and  
**BUILDING ITEMS CONDO UNIT OWNER – MODIFIED – DF 17 71 RATING STEPS**

Use Fire – Building Rating Steps and Extended Coverage – Building Rating Steps, using the Building Items Condo Unit-Owner endorsement coverage amount in place of the building coverage amount (the Coverage A limit). Rate contents coverage as usual with the selected contents coverage amount.

**THEFT OF BUILDING MATERIALS RATING STEPS**  
(round to whole dollar after each step, unless otherwise noted)

1. Theft of Building Materials annual premium for amount of coverage selected
2. Result #1 X Employee Discount Factor
3. Result #2 X Term Factor

*Result #3 is the preliminary Theft of Building Materials premium*

4. Result #3 X Capping Factor (round down to nearest whole dollar)
- Result #4 is the final Theft of Building Materials premium*

ARKANSAS DWELLING FIRE RATING STEPS, RATES, AND RELATIVITIES  
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**Dwelling Fire Liability Rating Steps**

**PREMISES LIABILITY (a.k.a. LANDLORDS LIABILITY) RATING STEPS**

(round to whole dollar after each step, unless otherwise noted)

1. Premises (Non-Owner Occupied) Liability Premium + Premises (Non-Owner Occupied) Medical Payment Premium  
(Premiums based on liability or medical payment limit, number of families, and occupancy)
2. Result #1 X Loss Experience Rating Factor
3. Result #2 X Employee Discount Factor
4. Result #3 X Term Factor

*Result #4 is the preliminary Premises Liability premium*

5. Result #4 X Capping Factor (round down to nearest whole dollar)

*Result #5 is the final Premises Liability premium*

**PERSONAL LIABILITY (a.k.a. COMPREHENSIVE PERSONAL LIABILITY) RATING STEPS**

(round to whole dollar after each step, unless otherwise noted)

1. Personal (Owner Occupied) Liability Premium + Personal (Owner Occupied) Medical Payment Premium  
(Premiums based on liability or medical payment limit, number of families, and occupancy)
2. Result #1 X Loss Experience Rating Factor
3. Result #2 X Employee Discount Factor
4. Result #3 X Term Factor

*Result #4 is the preliminary Personal Liability premium*

5. Result #4 X Capping Factor (round down to nearest whole dollar)

*Result #5 is the final Personal Liability premium*

**ARKANSAS DWELLING FIRE RATING STEPS, RATES, AND RELATIVITIES  
EFFECTIVE 09-17-2013**

**Fire**

Forms DP-1, DP-2, and DP-3

<b>Base Class Rates</b>		
<b>Fire Coverage A and C</b>		
	Coverage	
Territory	A	C
30	108	29
31	108	29
32	108	29
33	108	29

<b>Protection Construction Relativities</b>			
<b>Fire Coverage A and C</b>			
		Coverage	
Construction	PC	A	C
Frame	1	0.96	0.96
Frame	2	0.97	0.97
Frame	3	0.98	0.98
Frame	4	0.99	0.99
Frame	5	1.00	1.00
Frame	6	1.01	1.01
Frame	7	1.46	1.28
Frame	8	1.70	1.44
Frame	8B	2.27	1.82
Frame	9	2.40	1.95
Frame	10	3.11	2.48
Masonry	1	0.71	0.71
Masonry	2	0.72	0.72
Masonry	3	0.73	0.73
Masonry	4	0.74	0.74
Masonry	5	0.75	0.75
Masonry	6	0.76	0.76
Masonry	7	1.10	0.93
Masonry	8	1.27	1.04
Masonry	8B	1.50	1.26
Masonry	9	1.59	1.35
Masonry	10	2.10	1.73

ARKANSAS DWELLING FIRE RATING STEPS, RATES, AND RELATIVITIES  
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Fire

Forms DP-1, DP-2, and DP-3

Coverage	Owner/Non-Owner Relativities	
	Non-Owner	Owner
A	1.25	1.00
C	1.00	1.00

Number of Families	Coverage	
	A	C
1	1.00	1.00
2	1.10	1.00
3	1.60	1.30
4	1.60	1.30
5 or more	N/A	1.30

**ARKANSAS DWELLING FIRE RATING STEPS, RATES, AND RELATIVITIES  
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Extended Coverage  
Forms DP-1, DP-2, and DP-3

<b>Base Class Rates</b>		
<b>EC Coverage A and C</b>		
	Coverage	
Territory	A	C
30	109	8
31	109	8
32	109	8
33	109	8

<b>Extended Coverage Form Relativities</b>				
Seasonal or		Policy Form		
Non-Seasonal	Coverage	DP-1	DP-2	DP-3
NonSeasonal	A	1.00	1.50	1.80
	C	1.00	2.30	2.30
Seasonal	A	1.00	1.75	2.10
	C	1.00	2.75	2.75

**ARKANSAS DWELLING FIRE RATING STEPS, RATES, AND RELATIVITIES  
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<b>Key Factors</b>									
Limit of Liability	Fire		EC		Limit of Liability	Fire		EC	
	Cov. A	Cov. C	Cov. A	Cov. C		Cov. A	Cov. C	Cov. A	Cov. C
\$1,000	0.310	0.350	0.566	0.170	\$36,000	1.261	4.900	1.365	6.040
\$2,000	0.346	0.480	0.588	0.330	\$37,000	1.278	5.030	1.388	6.210
\$3,000	0.382	0.610	0.611	0.500	\$38,000	1.294	5.160	1.411	6.380
\$4,000	0.419	0.740	0.634	0.670	\$39,000	1.311	5.290	1.434	6.550
\$5,000	0.455	0.870	0.657	0.830	\$40,000	1.327	5.420	1.456	6.720
\$6,000	0.491	1.000	0.680	1.000	\$41,000	1.343	5.550	1.479	6.890
\$7,000	0.528	1.130	0.703	1.170	\$42,000	1.359	5.680	1.502	7.060
\$8,000	0.564	1.260	0.726	1.340	\$43,000	1.376	5.810	1.525	7.230
\$9,000	0.600	1.390	0.749	1.500	\$44,000	1.392	5.940	1.547	7.400
\$10,000	0.637	1.520	0.771	1.670	\$45,000	1.409	6.070	1.570	7.570
\$11,000	0.673	1.650	0.794	1.840	\$46,000	1.425	6.200	1.593	7.740
\$12,000	0.709	1.780	0.817	2.000	\$47,000	1.441	6.330	1.616	7.910
\$13,000	0.746	1.910	0.840	2.170	\$48,000	1.457	6.460	1.639	8.080
\$14,000	0.782	2.040	0.862	2.330	\$49,000	1.474	6.590	1.662	8.250
\$15,000	0.818	2.170	0.885	2.500	\$50,000	1.490	6.720	1.685	8.420
\$16,000	0.855	2.300	0.908	2.670	\$55,000	1.570	7.370	1.800	9.270
\$17,000	0.891	2.430	0.931	2.840	\$60,000	1.650	8.020	1.915	10.120
\$18,000	0.927	2.560	0.953	3.000	\$65,000	1.730	8.670	2.030	10.970
\$19,000	0.964	2.690	0.977	3.170	\$70,000	1.810	9.320	2.145	11.820
\$20,000	1.000	2.820	1.000	3.340	\$75,000	1.890	9.970	2.260	12.670
\$21,000	1.017	2.950	1.023	3.510	\$80,000	1.970	10.620	2.375	13.520
\$22,000	1.033	3.080	1.046	3.670	\$85,000	2.050	11.270	2.490	14.370
\$23,000	1.049	3.210	1.069	3.840	\$90,000	2.130	11.920	2.605	15.220
\$24,000	1.065	3.340	1.091	4.000	\$95,000	2.210	12.570	2.720	16.070
\$25,000	1.082	3.470	1.114	4.170	\$100,000	2.290	13.220	2.835	16.920
\$26,000	1.098	3.600	1.137	4.340	\$105,000	2.370	13.870	2.950	17.770
\$27,000	1.115	3.730	1.160	4.510	\$110,000	2.450	14.520	3.065	18.620
\$28,000	1.131	3.860	1.182	4.680	\$115,000	2.530	15.170	3.180	19.470
\$29,000	1.147	3.990	1.205	4.850	\$120,000	2.610	15.820	3.295	20.320
\$30,000	1.163	4.120	1.228	5.020	\$125,000	2.690	16.470	3.410	21.170
\$31,000	1.180	4.250	1.251	5.190	\$130,000	2.770	17.120	3.525	22.020
\$32,000	1.196	4.380	1.273	5.360	\$135,000	2.850	17.770	3.640	22.870
\$33,000	1.213	4.510	1.297	5.530	\$140,000	2.930	18.420	3.755	23.720
\$34,000	1.229	4.640	1.320	5.700	\$145,000	3.010	19.070	3.870	24.570
\$35,000	1.245	4.770	1.343	5.870	\$150,000	3.090	19.720	3.985	25.420
					Add'l 10k	0.160	1.300	0.230	1.700

**ARKANSAS DWELLING FIRE RATING STEPS, RATES, AND RELATIVITIES  
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Credits And Charges To The Basic Premium

<b>Superior Construction Factor</b>		
Fire Resistive, Masonry		
Non-Combustible, and		0.50
Non-Combustible		

<b>Dwelling Under Construction Factor</b>		
Named Insured is the Intended Occupant		0.65
Named Insured is not the Intended Occupant		0.65

<b>Deductible Factors</b>		
Deductible	Fire	Extended Coverage
\$1,000	1.00	1.00
\$1,500	0.98	0.90
\$2,500	0.95	0.71
\$5,000	0.90	0.43

<b>Windstorm or Hail Deductible Factors</b>		
<b>Coverage A, B, C, D, Or E And Coverage Options For Buildings And Non-Building Structures</b>		
<b>All Other Perils</b>	<b>Windstorm Or Hail Deductible Amounts</b>	
	<b>\$2,000</b>	<b>\$5,000</b>
<b>Ded. Amt.</b>		
\$1,000	0.84	0.53
\$1,500	0.82	0.51
\$2,500	--	0.47

<b>Loss Experience Rating Factor</b>		
<b>Number of Losses</b>	<b>Surcharge</b>	
	<b>0-9 Years with State Auto</b>	<b>10 Plus Years with State Auto</b>
1	+15%	0%
2 or more	+40%	+25%

**ARKANSAS DWELLING FIRE RATING STEPS, RATES, AND RELATIVITIES  
EFFECTIVE 09-17-2013**

Credits And Charges To The Basic Premium

<b>Protective Device Credit</b>						<b>Credits</b>	
						Dwelling	Contents
Central Station Reporting Fire Alarm						-10%	-5%
Fire Department Reporting Fire Alarm						-10%	-5%
Local Fire Alarm						-5%	-3%
Automatic Sprinklers in all areas including attics, bathrooms, closets, attached structures						-15%	-10%
Automatic Sprinklers in all areas except attic, bathroom, closet, and attached structure areas that are protected by a fire detector						-5%	-3%
Smoke Detectors						-2%	-2%
<b>Maximum Policy Credit Allowed Is</b>						15%	

<b>ACV Wind/Hail Loss To Roof Factor</b>
N/A in Arkansas

**ARKANSAS DWELLING FIRE RATING STEPS, RATES, AND RELATIVITIES  
EFFECTIVE 09-17-2013**

Optional Coverages

<b>Vandalism And Malicious Mischief -- Form DP-1 Only</b>			
Rates per \$1,000 of Coverage			
<b>Seasonal &amp; Not Vacant</b>	<b>Vacant</b>	<b>Builders Risk</b>	<b>All Other</b>
\$0.57	\$9.19	\$0.12	\$0.12

<b>Plants, Shrubs, and Trees -- Windstorm or Hail Coverage</b>	
Rates per \$1,000	
<b>DP-1</b>	<b>DP-2 or DP-3</b>
\$55	\$55

<b>Earthquake Coverage</b>			
The following rates per \$1,000 shall apply:			
	<b>Territory 1</b>	<b>Territory 2</b>	
Masonry	\$1.46	\$0.92	
Frame	\$0.68	\$0.37	
Superior	\$0.68	\$0.34	
<b>Earthquake Deductible Factors</b>			
Deductible Percentage	Frame	Masonry	Superior
5%	1.00	1.00	1.00
10%	0.85	0.91	0.82
15%	0.71	0.83	0.65
20%	0.58	0.76	0.49
25%	0.46	0.70	0.34

<b>Windstorm or Hail Coverage- Awnings, Signs, and Outdoor Radio and TV Equipment -- All Forms</b>
Rate per \$1,000
\$55

<b>Building Items Condo Unit-Owner Factors</b>	
Standard, DF 1766	1.00
Modified, DF 1771	1.25

**ARKANSAS DWELLING FIRE RATING STEPS, RATES, AND RELATIVITIES  
EFFECTIVE 09-17-2013**

Optional Coverages

<b>Condition Charges</b>
Rate per \$1,000
\$2.40

<b>Ordinance Or Law Coverage</b>		
<b>DP-1</b>		
<b>Percentage of Coverage A</b>		
<b>Total Amount</b>	<b>Percent Charge</b>	
10%	3%	
25%	8%	
50%	15%	
75%	23%	
<b>DP-2 and DP-3</b>		
<b>Increase In Amount</b>	<b>Total Amount</b>	<b>Percent Charge</b>
15%	25%	5%
40%	50%	12%
65%	75%	20%
90%	100%	27%

<b>Theft of Building Materials</b>	
Coverage Amount	Annual Premium
\$2,000	\$35

ARKANSAS DWELLING FIRE RATING STEPS, RATES, AND RELATIVITIES  
EFFECTIVE 09-17-2013

Liability Premiums

LIABILITY- COVERAGE L			
Number of Families	Limit Of Liability	Occupancy	
		Non-Owner	Owner
1	\$50,000	\$17	\$16
1	\$100,000	\$19	\$18
1	\$200,000	\$22	\$21
1	\$300,000	\$24	\$23
1	\$400,000	\$25	\$24
1	\$500,000	\$26	\$25
2	\$50,000	\$27	\$26
2	\$100,000	\$30	\$29
2	\$200,000	\$35	\$34
2	\$300,000	\$38	\$37
2	\$400,000	\$40	\$39
2	\$500,000	\$41	\$41
3	\$50,000	\$60	\$33
3	\$100,000	\$65	\$36
3	\$200,000	\$75	\$42
3	\$300,000	\$81	\$46
3	\$400,000	\$85	\$49
3	\$500,000	\$89	\$51
4	\$50,000	\$73	\$41
4	\$100,000	\$80	\$45
4	\$200,000	\$93	\$53
4	\$300,000	\$100	\$58
4	\$400,000	\$105	\$61
4	\$500,000	\$109	\$64

\* Note: For 5+ family dwellings where contents-only coverage is provided, use the 1 family rates.

ARKANSAS DWELLING FIRE RATING STEPS, RATES, AND RELATIVITIES  
EFFECTIVE 09-17-2013

Medical Payments Premiums

MEDICAL PAYMENTS - COVERAGE M			
Number of Families	Medical Payments Limit	Occupancy	
		Non-Owner	Owner
1	\$500	\$1	\$1
1	\$1,000	\$1	\$3
1	\$2,000	\$2	\$6
1	\$3,000	\$3	\$9
1	\$4,000	\$4	\$12
1	\$5,000	\$5	\$15
2	\$500	\$1	\$3
2	\$1,000	\$2	\$5
2	\$2,000	\$3	\$8
2	\$3,000	\$4	\$11
2	\$4,000	\$5	\$14
2	\$5,000	\$6	\$17
3	\$500	\$2	\$4
3	\$1,000	\$3	\$6
3	\$2,000	\$4	\$9
3	\$3,000	\$5	\$12
3	\$4,000	\$6	\$15
3	\$5,000	\$7	\$18
4	\$500	\$3	\$6
4	\$1,000	\$4	\$8
4	\$2,000	\$5	\$11
4	\$3,000	\$6	\$14
4	\$4,000	\$7	\$17
4	\$5,000	\$8	\$20

\* Note: For 5+ family dwellings where contents-only coverage is provided, use the 1 family rates.

**State:** Arkansas **Filing Company:** State Auto Property and Casualty Insurance Company  
**TOI/Sub-TOI:** 30.1 Dwelling Fire/Personal Liability/30.1000 Dwelling Fire/Personal Liability  
**Product Name:** Arkansas Dwelling Fire - Rates and Rules  
**Project Name/Number:** Rates and Rules eff 09-17-13/AR\_DF\_RR\_20130917\_SPC

## Supporting Document Schedules

<b>Satisfied - Item:</b>	H-1 Homeowners Abstract
<b>Comments:</b>	
<b>Attachment(s):</b>	AID PC H-1 - SAPC.pdf
<b>Item Status:</b>	Filed
<b>Status Date:</b>	05/08/2013

<b>Satisfied - Item:</b>	HPCS-Homeowners Premium Comparison Survey
<b>Comments:</b>	
<b>Attachment(s):</b>	HO Survey Form HPCS.xls HO Survey Form HPCS.pdf
<b>Item Status:</b>	Filed
<b>Status Date:</b>	05/08/2013

<b>Satisfied - Item:</b>	NAIC loss cost data entry document
<b>Comments:</b>	
<b>Attachment(s):</b>	AR DF PC RLC - SAPC.pdf
<b>Item Status:</b>	Filed
<b>Status Date:</b>	05/08/2013

<b>Satisfied - Item:</b>	Exhibits
<b>Comments:</b>	
<b>Attachment(s):</b>	AR DF RR Summary of Proposed Changes.pdf 2013 AR DF Filing Exhibits.pdf
<b>Item Status:</b>	Filed
<b>Status Date:</b>	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 State Auto Property and Casualty Insurance Company

NAIC # (including group #) 25127

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

There were not any insurance to value campaigns during the experience filing period.

- 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 we entered the state in 1981, we required a square foot estimator with all applications. We currently use MSB's replacement cost estimator and make it available to our agents.

- 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.

DP0001: no minimum insurance to value.
DP0002 and DP0003: the actual cash value must be no less than 75% of the insured value.

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

Effective 07/01/11 we applied a 5.5% inflation factor.
(Not applicable to DP0001 or contents-only policies.)

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

- a. Fire Extinguisher N/A %
b. Burglar Alarm N/A %
c. Smoke Alarm \* %
d. Insured who has both homeowners and auto with your company N/A %
e. Deadbolt Locks N/A %
f. Window or Door Locks N/A %
g. Other (specify) \* %

\*PLEASE REFER TO PAGE RD-19 of the RATE DOCUMENT FOR THE PROTECTIVE DEVICE CREDITS.

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

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

Form	Premium Volume
DP0001	41,215
DP0002	62,937
DP0003	935,058

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

9. Is there a surcharge on risks with wood heat? No, as of 11/17/12 we listed new business as ineligible.  
 If yes, state the surcharge N/A  
 Does the surcharge apply to conventional fire places? No  
 If yes, state the surcharge N/A

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

**Brian Greggila**  
Digitally signed by Brian Greggila  
 DN: cn=Brian Greggila, ou=State Auto Insurance Companies, ou=Personal Insurance, email=brian.greggila@stateauto.com, c=US  
 Date: 2013.04.10 12:26:27 -0500

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Signature

---

Brian Greggila

---

Printed Name

---

Actuarial Technician

---

Title

---

614-917-4087

---

Telephone Number

---

Brian.Greggila@StateAuto.com

---

Email address

NAIC Number: 25127  
 Company Name: State Auto Property & Casualty Insurance Company  
 Contact Person: Brian Greggila  
 Telephone No.: 614-917-4087  
 Email Address: Brian.Greggila@stateauto.com  
 Effective Date: 09/17/2013

**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																		
	\$120,000																		
	\$160,000																		
6	\$80,000																		
	\$120,000																		
	\$160,000																		
9	\$80,000																		
	\$120,000																		
	\$160,000																		

**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																		
	\$15,000																		
	\$25,000																		
6	\$5,000																		
	\$15,000																		
	\$25,000																		
9	\$5,000																		
	\$15,000	Please note that the following assumptions have also been made for the purposes of these premium calculations: Coverage C (personal property) limit of liability = \$5,000, non-owner occupied, 1 family, non-seasonal dwelling.																	
	\$25,000	Also, a \$1,000 all-peril deductible has been used for each category.																	

**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	\$617.00	\$690.00	\$617.00	\$690.00	\$617.00	\$690.00	\$617.00	\$690.00	\$617.00	\$690.00	\$617.00	\$690.00	\$617.00	\$690.00	\$617.00	\$690.00	\$617.00	\$690.00
	\$120,000	\$830.00	\$925.00	\$830.00	\$925.00	\$830.00	\$925.00	\$830.00	\$925.00	\$830.00	\$925.00	\$830.00	\$925.00	\$830.00	\$925.00	\$830.00	\$925.00	\$830.00	\$925.00
	\$160,000	\$1,045.00	\$1,161.00	\$1,045.00	\$1,161.00	\$1,045.00	\$1,161.00	\$1,045.00	\$1,161.00	\$1,045.00	\$1,161.00	\$1,045.00	\$1,161.00	\$1,045.00	\$1,161.00	\$1,045.00	\$1,161.00	\$1,045.00	\$1,161.00
6	\$80,000	\$626.00	\$697.00	\$626.00	\$697.00	\$626.00	\$697.00	\$626.00	\$697.00	\$626.00	\$697.00	\$626.00	\$697.00	\$626.00	\$697.00	\$626.00	\$697.00	\$626.00	\$697.00
	\$120,000	\$842.00	\$934.00	\$842.00	\$934.00	\$842.00	\$934.00	\$842.00	\$934.00	\$842.00	\$934.00	\$842.00	\$934.00	\$842.00	\$934.00	\$842.00	\$934.00	\$842.00	\$934.00
	\$160,000	\$1,059.00	\$1,172.00	\$1,059.00	\$1,172.00	\$1,059.00	\$1,172.00	\$1,059.00	\$1,172.00	\$1,059.00	\$1,172.00	\$1,059.00	\$1,172.00	\$1,059.00	\$1,172.00	\$1,059.00	\$1,172.00	\$1,059.00	\$1,172.00
9	\$80,000	\$862.00	\$1,091.00	\$862.00	\$1,091.00	\$862.00	\$1,091.00	\$862.00	\$1,091.00	\$862.00	\$1,091.00	\$862.00	\$1,091.00	\$862.00	\$1,091.00	\$862.00	\$1,091.00	\$862.00	\$1,091.00
	\$120,000	\$1,149.00	\$1,449.00	\$1,149.00	\$1,449.00	\$1,149.00	\$1,449.00	\$1,149.00	\$1,449.00	\$1,149.00	\$1,449.00	\$1,149.00	\$1,449.00	\$1,149.00	\$1,449.00	\$1,149.00	\$1,449.00	\$1,149.00	\$1,449.00
	\$160,000	\$1,438.00	\$1,807.00	\$1,438.00	\$1,807.00	\$1,438.00	\$1,807.00	\$1,438.00	\$1,807.00	\$1,438.00	\$1,807.00	\$1,438.00	\$1,807.00	\$1,438.00	\$1,807.00	\$1,438.00	\$1,807.00	\$1,438.00	\$1,807.00

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

**HO3 and HO4 only**

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

**EARTHQUAKE INSURANCE**

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

ARE YOU CURRENTLY WRITING EARTHQUAKE COVERAGE IN ARKANSAS?  (yes or no)  
 WHAT IS YOUR PERCENTAGE DEDUCTIBLE?  %

Zone Brick Frame

			%	WHAT IS YOUR PRICE PER \$1,000 OF COVERAGE?	Highest Risk	\$		\$	
	<i>Maximum Credit Allowed</i>		%		Lowest Risk	\$		\$	

I

### NAIC LOSS COST DATA ENTRY DOCUMENT

1. This filing transmittal is part of Company Tracking #	AR_DF_RR_20130917_SPC
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2. If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number	Insurance Services Office (ISO)
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Company Name		Company NAIC Number		
3.	A.	State Auto Property & Casualty Insurance Company	B.	25127

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.	30.1 Dwelling/Personal Liability	B.	30.1000 Dwelling Fire/Personal Liability

5.			FOR LOSS COSTS ONLY				
(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
Dwelling Fire – Cov. A	+14.1%	+13.9%					
Dwelling Fire – Cov. C	+14.1%	+15.4%					
Dwelling Extended – Cov. A	+21.4%	+21.0%					
Dwelling Extended – Cov. C	+21.4%	+12.6%					
Liability	n/a	n/a					
TOTAL OVERALL EFFECT	+18.4%	+18.1%					

6.		5 Year History	Rate Change History				
Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
2007	1215	0%	12/17/07	560	81	14.5%	75.5%
2008	1286	11.4%	11/15/08	644	1459	226.6%	92.4%
2009	1468	14.4%	11/15/09	775	818	105.5%	88.6%
2011	1342	9.8%	07/18/11	922	942	102.2%	79.2%
2012	1225	15.0%	11/17/12	989	617	70.1%	51.2%

7.	
Expense Constants	Selected Provisions
A. Total Production Expense	N/A
B. General Expense	N/A
C. Taxes, License & Fees	N/A
D. Underwriting Profit & Contingencies	N/A
E. Other (explain)	N/A
F. TOTAL	N/A

8.   N   Apply Lost Cost Factors to Future filings? (Y or N)
9.        Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): +19.1% (Uniform Territory Relativities)
10.        Estimated Maximum Rate Decrease for any Insured (%). Territory (if applicable): 0.0% (Uniform Territory Relativities)

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## Summary of Proposed Changes

Arkansas - Dwelling Fire Program  
State Auto Property & Casualty Insurance Company  
Page 1 of 1

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### 1. Base Rates:

Base rates will be revising on Fire A & C and Extended Coverage A & C. The impact of the Fire A base rate change targets an overall adequacy impact of approximately +13.9% on Fire A premiums. The impact of the Fire C base rate change targets an overall adequacy impact of approximately +15.4% on Fire C premiums. The impact of the Extended Coverage A base rate change targets an overall adequacy impact of approximately +21.0% on Extended Coverage A premiums. The impact of the Extended Coverage C base rate change targets an overall adequacy impact of approximately +12.6% on Extended Coverage C premiums.

### 2. V&MM Rating:

We will be applying a deductible factor to the V&MM portion of the Optional Coverage premium, where V&MM is applicable. Please refer to the updated pages RD-7 through RD-10 in the Rate Document.

### 3. Capping:

We will maintain the 20% cap on premium at renewal to policies, absent any changes in underwriting characteristics.

### 4. Miscellaneous Manual Revisions:

We are revising our manual as outlined in the following table:

Rule Name and Description of Change	New Rule # and New Page #	Old Rule # and Old Page #
Table of Contents – Revised page numbers for clarification.		
Policy Period/Payment Option – Revised formatting and wording for clarification..	Rule 9, Pages 4 and 5	Rule 9, Pages 4 and 5
Coverage For Certified Terrorism Loss – Revised wording for clarification.	Rule 17, Page 7	Rule 17, Page 7
Protection Class – revised wording for clarification.	Rule 26, Page 19	Rule 26, Page 19

State Auto Insurance Companies  
Dwelling Rate and Rule Filing – Arkansas

**Index of Exhibits**

<b>Exhibit I</b>	Indications Summary
<b>Exhibit II</b>	Fire Indication
<b>Exhibit III</b>	Extended Coverage Indication
<b>Exhibit IV</b>	Fire Premiums and Losses
<b>Exhibit V</b>	Extended Coverage Premiums and Losses
<b>Exhibit VI</b>	Impact Distribution
<b>Exhibit VII</b>	Companywide Fire Indication
<b>Exhibit VIII</b>	Weather Smoothing Support

**Arkansas  
Dwelling Program  
Overall Impact**

<u>FIRE</u>	YE 02/2013 Uncapped On-Level Written Premium	<u>Credibility Weighted Indicated Changes</u>		<u>Adequacy Impact</u>		<u>Proposed Change</u>	
		<u>Percent Change</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Dollar Change</u>
Coverage							
Building	\$ 384,052	14.1%	\$ 54,007	13.9%	\$ 53,368	13.9%	\$ 53,368
Contents	\$ 12,034	14.1%	\$ 1,692	15.4%	\$ 1,857	15.4%	\$ 1,857
<b>Both</b>	<b>\$ 396,087</b>	<b>14.1%</b>	<b>\$ 55,699</b>	<b>13.9%</b>	<b>\$ 55,224</b>	<b>13.9%</b>	<b>\$ 55,224</b>
 <u>EXTENDED COVERAGE</u>							
	YE 02/2013 Uncapped On-Level Written Premium	<u>Indicated Change</u>		<u>Key Premium</u>		<u>Proposed Change</u>	
Coverage		<u>Percent Change</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Dollar Change</u>
Building	\$ 716,185	21.4%	\$ 153,234	21.0%	\$ 150,522	21.0%	\$ 150,522
Contents	\$ 8,481	21.4%	\$ 1,815	12.6%	\$ 1,065	12.6%	\$ 1,065
<b>Both</b>	<b>\$ 724,667</b>	<b>21.4%</b>	<b>\$ 155,048</b>	<b>20.9%</b>	<b>\$ 151,587</b>	<b>20.9%</b>	<b>\$ 151,587</b>
 <u>LIABILITY</u>							
	YE 02/2013 Uncapped On-Level Written Premium	<u>Indicated Change</u>		<u>Key Premium</u>		<u>Proposed Change</u>	
Coverage		<u>Percent Change</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Dollar Change</u>
<b>Total</b>	<b>\$ 24,081</b>	<b>0.0%</b>	<b>\$ -</b>	<b>0.0%</b>	<b>\$ -</b>	<b>0.0%</b>	<b>\$ -</b>
<b>OVERALL TOTAL</b>	<b>\$ 1,144,834</b>	<b>18.4%</b>	<b>\$ 210,747</b>	<b>18.1%</b>	<b>\$ 206,812</b>	<b>18.1%</b>	<b>\$ 206,812</b>

**State Auto Insurance Companies**  
**Arkansas Dwelling Fire**

**FIRE**

Rate Level Indications -- Assumed Effective Date 09/17/2013

Accident Year	(1) On-Level Earned Premiums	(2) Exposures	(3) Adjusted Incurred Loss & LAE	(4) (3) / (1) Loss & LAE Ratio	(5) Weights
2007	372,895	1,073	199,252	53.4%	0.100
2008	410,033	1,200	272,750	66.5%	0.150
2009	453,328	1,342	488,236	107.7%	0.200
2010	452,029	1,353	93,833	20.8%	0.250
2011	430,922	1,307	392,291	91.0%	0.300
	2,119,207	6,275	1,446,361	68.3%	1.000

(7)	Weighted Experience Loss & LAE Ratio .....	69.4%
(8)	Permissible Loss & LAE Ratio (A) .....	54.7%
(9)	Indicated Rate Level Change Before Credibility .....	26.8%
(10)	Credibility (B) .....	0.56
(11)	Complement Indication (C) .....	-2.2%
(12)	Credibility Weighted Indication (D) .....	14.1%

Other Acquisition Expense	11.9%
General Expenses	6.5%
Commissions Expense	15.9%
Taxes, Misc. Fees	3.2%
Profit & Contingencies (E)	7.8%
<u>Expense Ratio</u>	<u>45.3%</u>

- (2) Exposures are approximated by earned premium months.
- (A) Permissible Loss Ratio = 1 - Expense Ratio
- (B) Credibility Standard = 20000
- (C) Complement Indication is the companywide indication for Fire.
- (D) Credibility Weighted Indication = [Row (10) x Row (9)] + [(1 - Row (10)) x Row (11)]
- (E) Includes Offset For Investment Income

**State Auto Insurance Companies  
Arkansas Dwelling Fire**

**EXTENDED COVERAGE**

Rate Level Indications -- Assumed Effective Date 09/17/2013

Accident Year	(1) On-Level Earned Premiums	(2) Exposures	(3) Adjusted Incurred Loss & LAE	(4) (3) / (1) Loss & LAE Ratio	(5) Weights
2007	730,892	1,072	524,350	71.7%	0.100
2008	811,074	1,198	554,842	68.4%	0.150
2009	889,955	1,340	577,855	64.9%	0.200
2010	871,742	1,352	651,163	74.7%	0.250
2011	813,265	1,304	624,217	76.8%	0.300
	4,116,928	6,266	2,932,427	71.2%	1.000

(7)	Weighted Experience Loss & LAE Ratio .....	72.1%
(8)	Permissible Loss & LAE Ratio (A) .....	54.6%
(9)	Indicated Rate Level Change Before Credibility .....	32.1%
(10)	Credibility (B) .....	0.56
(11)	Complement Indication (C) .....	7.8%
(12)	Credibility Weighted Indication (D) .....	21.4%

Other Acquisition Expense	11.7%
General Expenses	6.8%
Commissions Expense	15.9%
Taxes, Misc. Fees	3.2%
Profit & Contingencies (E)	7.8%
<b>Expense Ratio</b>	<b>45.4%</b>

- (2) Exposures are approximated by earned premium months.
- (A) Permissible Loss Ratio = 1 - Expense Ratio
- (B) Credibility Standard = 20000
- (C) Complement Indication is the companywide indication for Extended Coverage.
- (D) Credibility Weighted Indication = [Row (10) x Row (9)] + [(1 - Row (10)) x Row (11)]
- (E) Includes Offset For Investment Income

State Auto Insurance Companies  
Arkansas Dwelling Fire  
Premiums and Losses

**FIRE**Calendar Year Earned Premium

(1) Calendar Year	(2) EPOL	(3) Current Amount Factor	(4) Trended Projection Factor	(5) Adjusted Earned Premium
2007	304,778	1.121	1.091	372,895
2008	347,399	1.081	1.091	410,033
2009	397,928	1.044	1.091	453,328
2010	402,178	1.030	1.091	452,029
2011	394,929	1.000	1.091	430,922
Total	1,847,211			2,119,207

(3) Premium-weighted average of the factors for Coverage A and Coverage C.

(4) Premium-weighted average of annual projection factors for Coverage A and Coverage C trended from 07/01/2011 to 09/17/2014.

Accident Year Incurred Loss and Expense

(1) Accident Year	(2) Incurred Loss & ALAE	(3) ULAE Factor	(4) Incurred Loss & LAE	(5) Retrospective Trend Factor	(6) Prospective Trend Factor	(7) Adjusted Incurred Loss & LAE
2007	107,197	1.051	112,686	1.400	1.263	199,252
2008	159,622	1.051	167,796	1.287	1.263	272,750
2009	310,850	1.051	326,769	1.183	1.263	488,236
2010	64,958	1.051	68,285	1.088	1.263	93,833
2011	295,471	1.051	310,602	1.000	1.263	392,291
Total	938,097		986,139			1,446,361

(3) ULAE Factor is for ASL 1.0

(5) Retrospective loss trend of 8.8% per year from our AR Homeowners indications.

(6) Prospective loss trend of 7.5% per year from our most recent AR Homeowners indications trended to 09/17/2014.

**EXTENDED COVERAGE**

Calendar Year Earned Premium

(1) Calendar Year	(2) Earned Premium	(3) Current Amount Factor	(4) Trended Projection Factor	(5) Adjusted Earned Premium
2007	579,021	1.141	1.106	730,892
2008	671,285	1.093	1.106	811,074
2009	767,271	1.049	1.106	889,955
2010	762,417	1.034	1.106	871,742
2011	735,483	1.000	1.106	813,265
<b>Total</b>	<b>3,515,477</b>			<b>4,116,928</b>

- (3) Premium-weighted average of the factors for Coverage A and Coverage C.
- (4) Premium-weighted average of annual projection factors for Coverage A and Coverage C trended from 07/01/2011 to 09/17/2014.

Accident Year Incurred Loss and Expense

(1) Accident Year	(2) Total EC Incurred Loss & ALAE	(3) Earned Exposures	(4) Total EC Non-Weather Incurred Loss & ALAE	(5) Non-Weather Retrospective Trend Factor	(6) Trended Total EC Non-Weather Incurred Loss & ALAE	(7) Total EC Wind/Hail Incurred Loss & ALAE	(8) Selected Severity Trend from Wind Pure Premium Sheet	(9) Trended Total EC Wind/Hail Incurred Loss & ALAE	(10) % Change W/H Losses From Home	(11) Tot. Trended Adjusted EC Wind/Hail Incurred Loss & ALAE
2007	78,824	1,072	58,066	1.400	81,293	20,758	1.390	28,854		321,685
2008	1,174,280	1,198	52,481	1.287	67,543	1,121,799	1.280	1,435,902		359,338
2009	537,344	1,340	36,536	1.183	43,222	408,154	1.179	481,213		402,053
2010	307,813	1,352	87,359	1.088	95,046	218,351	1.086	237,129		405,541
2011	613,259	1,304	88,596	1.000	88,596	517,316	1.000	517,316		391,340
<b>Total</b>	<b>2,711,521</b>	<b>6,266</b>	<b>323,038</b>		<b>375,700</b>	<b>2,286,378</b>		<b>2,700,415</b>	<b>-30.4%</b>	<b>1,879,957</b>

  

(12) Total EC Winter Incurred Loss & ALAE	(13) Selected Severity Trend from Winter Pure Premium Sheet	(14) Trended Total EC Winter Incurred Loss & ALAE	(15) % Change Winter Losses From Home	(16) Tot. Trended Adjusted EC Winter Incurred Loss & ALAE	(17) Non-Weather Prospective Trend Factor	(18) Wind/Hail Prospective Trend Factor	(19) Winter Prospective Trend Factor	(20) Total Trended (6) x (17) + (11) x (18) + (16) x (19)	(21) ULAE Factor	(22) Adjusted Incurred Loss & LAE
0	1.215	0		21,859	1.263	1.157	1.100	498,906	1.051	524,350
0	1.158	0		24,417	1.263	1.157	1.100	527,920	1.051	554,842
92,655	1.102	102,106		27,320	1.263	1.157	1.100	549,816	1.051	577,855
2,103	1.050	2,208		27,557	1.263	1.157	1.100	619,566	1.051	651,163
7,347	1.000	7,347		26,592	1.263	1.157	1.100	593,928	1.051	624,217
<b>102,105</b>		<b>111,661</b>	<b>14.4%</b>	<b>127,743</b>				<b>2,790,136</b>		<b>2,932,427</b>

- (5) Non-cat retrospective loss trend of 8.8% per year from our AR Homeowners indications trended to 07/01/2011.
- (8) Severity trend of 8.6% applied to each year's EC Wind/Hail Incurred Loss & ALAE. 8.6% is the Homeowners W/H loss severity trend used in determining the Wind Pure Premium.
- (10) -30.4% is the total decrease in Homeowners Wind/Hail losses resulting from the Wind smoothing procedure of replacing actual Wind/Hail losses with expected Wind/Hail losses based on the calculated Wind Pure Premium.
- (11) Total from (9) is adjusted by -30.4% (column (10)). The annual totals in column (11) equal the earned exposures for the year divided by the 5 year total earned exposures times the 5 year total in column (11).
- (13) Severity trend of 5.0% applied to each year's EC Winter Incurred Loss & ALAE. 5.0% is the Homeowners Winter loss severity trend used in determining the Winter Pure Premium.
- (15) 14.4% is the total increase in Homeowners Winter losses resulting from the Winter smoothing procedure of replacing actual Winter losses with expected Winter losses based on the calculated Winter Pure Premium.
- (16) Total from (14) is adjusted by 14.4% (column (15)). The annual totals in column (16) equal the earned exposures for the year divided by the 5 year total earned exposures times the 5 year total in column (16).
- (17) - (19) Non-cat prospective loss trends from our most recent AR Homeowners indications trended to 09/17/2014.
- (21) ULAE Factor is for ASL 2.1

State Auto Insurance Companies  
 Percent and Dollar Impact Distribution Tables  
 Arkansas Dwelling Fire

<b>Adequacy Impact from Rate Change</b>
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<u>Impact Range</u>	<u>Percent of Policies Impacted</u>	<u>Dollar Change</u>	<u>Percent of Policies Impacted</u>
Below -10%	0.00%	\$0-	0.00%
-10% to -5.1%	0.00%	\$0-\$50	2.01%
-5% to -0.01%	0.00%	\$50-\$100	16.05%
0% to 4.9%	0.00%	\$100-\$150	33.11%
5% to 9.99%	0.00%	\$150-\$200	25.75%
10% to 14.99%	1.00%	\$200-\$250	10.37%
15% to 19.99%	99.00%	\$250-\$300	5.35%
20.0% to 24.99%	0.00%	\$300-\$350	3.34%
25.0% to 29.99%	0.00%	\$350-\$400	1.34%
30.0% to 34.99%	0.00%	\$400-\$500	1.34%
35.0% to 39.99%	0.00%	\$500-\$600	0.67%
40.0%+	0.00%	\$600+	0.67%
Maximum Increase:	19.1%	Maximum Increase (\$):	\$882
Minimum Increase:	12.7%	Minimum Increase (\$):	\$30

Based on policies in-force 02/28/13 that have renewed since the prior rate change (renewals) on 11/17/12.  
 Does not include the impacts of the inflation guard or unwinding the prior cap.

State Auto Insurance Companies  
Companywide Dwelling Fire

**FIRE**  
Companywide

Accident Year	(1) On-Level Earned Premiums	(2) Exposures	(3) Adjusted Incurred Loss & LAE	(4) (3) / (1) Loss & LAE Ratio	(5) Weights
2007	14,475,554	37,905	9,732,736	67.2%	0.100
2008	14,719,694	38,741	6,838,870	46.5%	0.150
2009	15,249,159	40,515	9,100,978	59.7%	0.200
2010	15,156,322	41,046	7,743,615	51.1%	0.250
2011	14,242,567	39,627	7,322,623	51.4%	0.300
	<u>73,843,297</u>	<u>197,833</u>	<u>40,738,823</u>	<u>55.2%</u>	<u>1.000</u>

(7)	Weighted Experience Loss & LAE Ratio .....	53.8%
(8)	Permissible Loss & LAE Ratio (A) .....	55.0%
(9)	Indicated Rate Level Change Before Credibility .....	-2.2%
(10)	Credibility .....	1.00
(11)	Complement Indication (B) .....	-2.2%
(12)	Credibility Weighted Indication (C) .....	-2.2%

Other Acquisition Expense	11.9%
General Expenses	6.5%
Commissions Expense	15.9%
Taxes, Misc. Fees	2.9%
Profit & Contingencies (D)	7.8%
<u>Expense Ratio</u>	<u>45.0%</u>

- (2) Exposures are approximated by earned premium months.
- (A) Permissible Loss Ratio = 1 - Expense Ratio
- (B) Complement Indication is the companywide indication for Fire.
- (C) Credibility Weighted Indication = [Row (10) x Row (9)] + [(1 - Row (10)) x Row (11)]
- (D) Includes Offset For Investment Income



State Auto Insurance Companies  
Arkansas Homeowners

**(1) Expected Wind/Hail Losses**

Year	(1) Trended W/H Pure Premium	(2) Earned House Years	(3) Trended Non-Cat Prospective Loss Trend	(4) (1) * (2) * (3) Expected Wind/Hail Losses
2008	531.19	9,471	1.131	5,687,528
2009	531.19	11,258	1.131	6,760,623
2010	531.19	12,272	1.131	7,369,833
2011	531.19	11,686	1.131	7,017,887
2012	531.19	11,030	1.131	6,623,960
		55,718		<b>33,459,832</b>

**(2) Actual Ultimate Wind/Hail Losses**

Year	(1) Total Adjusted Wind/Hail Losses	(2) Annual Selected Non- Cat Retrospective Loss Trend	(3) Trended Non-Cat Prospective Loss Trend	(4) (1) * (2) * (3) Actual Ultimate Wind/Hail Losses
2008	12,542,773	1.390	1.131	19,705,791
2009	6,292,736	1.280	1.131	9,105,606
2010	5,188,598	1.179	1.131	6,914,939
2011	8,611,951	1.086	1.131	10,570,824
2012	1,566,175	1.000	1.131	1,770,585
	34,202,234	8.6%		<b>48,067,745</b>

State Auto Insurance Companies  
Arkansas Dwelling Fire

**Computation of the Percent Change Winter Losses from Home**

	<b><u>Used in Dwelling Fire Indications</u></b>
(1) Expected Winter Losses	<b>\$2,900,636</b>
(2) Actual Ultimate Winter Losses	
Total Adjusted Winter Losses	\$2,043,853
Annual Selected Non-Cat Retrospective Trend	5.0%
	<b><u>\$2,535,705</u></b>
Percent Change Winter Losses = ((1) / (2)) - 1	 <b>14.4%</b>

State Auto Insurance Companies  
Arkansas Homeowners

Arkansas Dwelling Fire

**(1) Expected Winter Losses**

Year	(1) Trended Winter Pure Premium	(2) Earned House Years	(3) Trended Non-Cat Prospective Loss Trend	(4) (1) * (2) * (3) Expected Winter Losses
2008	48.05	9,471	1.083	493,052
2009	48.05	11,258	1.083	586,079
2010	48.05	12,272	1.083	638,892
2011	48.05	11,686	1.083	608,381
2012	48.05	11,030	1.083	574,232
		55,718		<b>2,900,636</b>

**(2) Actual Ultimate Winter Losses**

Year	(1) Total Adjusted Winter Losses	(2) Annual Selected Non- Cat Retrospective Loss Trend	(3) Trended Non-Cat Prospective Loss Trend	(4) (1) * (2) * (3) Actual Ultimate Winter Losses
2008	2,834	1.215	1.083	3,731
2009	1,668,721	1.158	1.083	2,092,627
2010	280,996	1.102	1.083	335,610
2011	89,079	1.050	1.083	101,330
2012	2,223	1.000	1.083	2,408
	2,043,853	5.0%		<b>2,535,705</b>

**State:** Arkansas **Filing Company:** State Auto Property and Casualty Insurance Company  
**TOI/Sub-TOI:** 30.1 Dwelling Fire/Personal Liability/30.1000 Dwelling Fire/Personal Liability  
**Product Name:** Arkansas Dwelling Fire - Rates and Rules  
**Project Name/Number:** Rates and Rules eff 09-17-13/AR\_DF\_RR\_20130917\_SPC

## 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)
04/15/2013		Supporting Document	Exhibits	04/30/2013	AR DF RR Summary of Proposed Changes.pdf 2013 AR DF Filing Exhibits.pdf (Superseded)

State Auto Insurance Companies  
Dwelling Rate and Rule Filing – Arkansas

**Index of Exhibits**

<b>Exhibit I</b>	Indications Summary
<b>Exhibit II</b>	Fire Indication
<b>Exhibit III</b>	Extended Coverage Indication
<b>Exhibit IV</b>	Fire Premiums and Losses
<b>Exhibit V</b>	Extended Coverage Premiums and Losses
<b>Exhibit VI</b>	Impact Distribution

**Arkansas  
Dwelling Program  
Overall Impact**

<u>FIRE</u>	YE 02/2013 Uncapped On-Level Written Premium	<u>Credibility Weighted Indicated Changes</u>		<u>Adequacy Impact</u>		<u>Proposed Change</u>	
		<u>Percent Change</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Dollar Change</u>
Coverage							
Building	\$ 384,052	14.1%	\$ 54,007	13.9%	\$ 53,368	13.9%	\$ 53,368
Contents	\$ 12,034	14.1%	\$ 1,692	15.4%	\$ 1,857	15.4%	\$ 1,857
<b>Both</b>	<b>\$ 396,087</b>	<b>14.1%</b>	<b>\$ 55,699</b>	<b>13.9%</b>	<b>\$ 55,224</b>	<b>13.9%</b>	<b>\$ 55,224</b>
 <u>EXTENDED COVERAGE</u>							
	YE 02/2013 Uncapped On-Level Written Premium	<u>Indicated Change</u>		<u>Key Premium</u>		<u>Proposed Change</u>	
Coverage		<u>Percent Change</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Dollar Change</u>
Building	\$ 716,185	21.4%	\$ 153,234	21.0%	\$ 150,522	21.0%	\$ 150,522
Contents	\$ 8,481	21.4%	\$ 1,815	12.6%	\$ 1,065	12.6%	\$ 1,065
<b>Both</b>	<b>\$ 724,667</b>	<b>21.4%</b>	<b>\$ 155,048</b>	<b>20.9%</b>	<b>\$ 151,587</b>	<b>20.9%</b>	<b>\$ 151,587</b>
 <u>LIABILITY</u>							
	YE 02/2013 Uncapped On-Level Written Premium	<u>Indicated Change</u>		<u>Key Premium</u>		<u>Proposed Change</u>	
Coverage		<u>Percent Change</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Dollar Change</u>
<b>Total</b>	<b>\$ 24,081</b>	<b>0.0%</b>	<b>\$ -</b>	<b>0.0%</b>	<b>\$ -</b>	<b>0.0%</b>	<b>\$ -</b>
<b>OVERALL TOTAL</b>	<b>\$ 1,144,834</b>	<b>18.4%</b>	<b>\$ 210,747</b>	<b>18.1%</b>	<b>\$ 206,812</b>	<b>18.1%</b>	<b>\$ 206,812</b>

**State Auto Insurance Companies**  
**Arkansas Dwelling Fire**

**FIRE**

Rate Level Indications -- Assumed Effective Date 09/17/2013

Accident Year	(1) On-Level Earned Premiums	(2) Exposures	(3) Adjusted Incurred Loss & LAE	(4) (3) / (1) Loss & LAE Ratio	(5) Weights
2007	372,895	1,073	199,252	53.4%	0.100
2008	410,033	1,200	272,750	66.5%	0.150
2009	453,328	1,342	488,236	107.7%	0.200
2010	452,029	1,353	93,833	20.8%	0.250
2011	430,922	1,307	392,291	91.0%	0.300
	<u>2,119,207</u>	<u>6,275</u>	<u>1,446,361</u>	<u>68.3%</u>	<u>1.000</u>

(7)	Weighted Experience Loss & LAE Ratio .....	69.4%
(8)	Permissible Loss & LAE Ratio (A) .....	54.7%
(9)	Indicated Rate Level Change Before Credibility .....	26.8%
(10)	Credibility (B) .....	0.56
(11)	Complement Indication (C) .....	-2.2%
(12)	Credibility Weighted Indication (D) .....	14.1%

Other Acquisition Expense	11.9%
General Expenses	6.5%
Commissions Expense	15.9%
Taxes, Misc. Fees	3.2%
Profit & Contingencies (E)	7.8%
<u>Expense Ratio</u>	<u>45.3%</u>

- (2) Exposures are approximated by earned premium months.
- (A) Permissible Loss Ratio = 1 - Expense Ratio
- (B) Credibility Standard = 20000
- (C) Complement Indication is the companywide indication for Fire.
- (D) Credibility Weighted Indication = [Row (10) x Row (9)] + [(1 - Row (10)) x Row (11)]
- (E) Includes Offset For Investment Income

**State Auto Insurance Companies  
Arkansas Dwelling Fire**

**EXTENDED COVERAGE**

Rate Level Indications -- Assumed Effective Date 09/17/2013

Accident Year	(1) On-Level Earned Premiums	(2) Exposures	(3) Adjusted Incurred Loss & LAE	(4) (3) / (1) Loss & LAE Ratio	(5) Weights
2007	730,892	1,072	524,350	71.7%	0.100
2008	811,074	1,198	554,842	68.4%	0.150
2009	889,955	1,340	577,855	64.9%	0.200
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	4,116,928	6,266	2,932,427	71.2%	1.000

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- (D) Credibility Weighted Indication = [Row (10) x Row (9)] + [(1 - Row (10)) x Row (11)]
- (E) Includes Offset For Investment Income

State Auto Insurance Companies  
Arkansas Dwelling Fire  
Premiums and Losses

**FIRE**Calendar Year Earned Premium

(1) Calendar Year	(2) EPOL	(3) Current Amount Factor	(4) Trended Projection Factor	(5) Adjusted Earned Premium
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Total	1,847,211			2,119,207

(3) Premium-weighted average of the factors for Coverage A and Coverage C.

(4) Premium-weighted average of annual projection factors for Coverage A and Coverage C trended from 07/01/2011 to 09/17/2014.

Accident Year Incurred Loss and Expense

(1) Accident Year	(2) Incurred Loss & ALAE	(3) ULAE Factor	(4) Incurred Loss & LAE	(5) Retrospective Trend Factor	(6) Prospective Trend Factor	(7) Adjusted Incurred Loss & LAE
2007	107,197	1.051	112,686	1.400	1.263	199,252
2008	159,622	1.051	167,796	1.287	1.263	272,750
2009	310,850	1.051	326,769	1.183	1.263	488,236
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Total	938,097		986,139			1,446,361

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(5) Retrospective loss trend of 8.8% per year from our AR Homeowners indications.

(6) Prospective loss trend of 7.5% per year from our most recent AR Homeowners indications trended to 09/17/2014.

**EXTENDED COVERAGE**

Calendar Year Earned Premium

(1) Calendar Year	(2) Earned Premium	(3) Current Amount Factor	(4) Trended Projection Factor	(5) Adjusted Earned Premium
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<b>Total</b>	<b>3,515,477</b>			<b>4,116,928</b>

- (3) Premium-weighted average of the factors for Coverage A and Coverage C.
- (4) Premium-weighted average of annual projection factors for Coverage A and Coverage C trended from 07/01/2011 to 09/17/2014.

Accident Year Incurred Loss and Expense

(1) Accident Year	(2) Total EC Incurred Loss & ALAE	(3) Earned Exposures	(4) Total EC Non-Weather Incurred Loss & ALAE	(5) Non-Weather Retrospective Trend Factor	(6) Trended Total EC Non-Weather Incurred Loss & ALAE	(7) Total EC Wind/Hail Incurred Loss & ALAE	(8) Selected Severity Trend from Wind Pure Premium Sheet	(9) Trended Total EC Wind/Hail Incurred Loss & ALAE	(10) % Change W/H Losses From Home	(11) Tot. Trended Adjusted EC Wind/Hail Incurred Loss & ALAE
2007	78,824	1,072	58,066	1.400	81,293	20,758	1.390	28,854		321,685
2008	1,174,280	1,198	52,481	1.287	67,543	1,121,799	1.280	1,435,902		359,338
2009	537,344	1,340	36,536	1.183	43,222	408,154	1.179	481,213		402,053
2010	307,813	1,352	87,359	1.088	95,046	218,351	1.086	237,129		405,541
2011	613,259	1,304	88,596	1.000	88,596	517,316	1.000	517,316		391,340
<b>Total</b>	<b>2,711,521</b>	<b>6,266</b>	<b>323,038</b>		<b>375,700</b>	<b>2,286,378</b>		<b>2,700,415</b>	<b>-30.4%</b>	<b>1,879,957</b>

  

(12) Total EC Winter Incurred Loss & ALAE	(13) Selected Severity Trend from Winter Pure Premium Sheet	(14) Trended Total EC Winter Incurred Loss & ALAE	(15) % Change Winter Losses From Home	(16) Tot. Trended Adjusted EC Winter Incurred Loss & ALAE	(17) Non-Weather Prospective Trend Factor	(18) Wind/Hail Prospective Trend Factor	(19) Winter Prospective Trend Factor	(20) Total Trended (6) x (17) + (11) x (18) + (16) x (19)	(21) ULAE Factor	(22) Adjusted Incurred Loss & LAE
0	1.215	0		21,859	1.263	1.157	1.100	498,906	1.051	524,350
0	1.158	0		24,417	1.263	1.157	1.100	527,920	1.051	554,842
92,655	1.102	102,106		27,320	1.263	1.157	1.100	549,816	1.051	577,855
2,103	1.050	2,208		27,557	1.263	1.157	1.100	619,566	1.051	651,163
7,347	1.000	7,347		26,592	1.263	1.157	1.100	593,928	1.051	624,217
<b>102,105</b>		<b>111,661</b>	<b>14.4%</b>	<b>127,743</b>				<b>2,790,136</b>		<b>2,932,427</b>

- (5) Non-cat retrospective loss trend of 8.8% per year from our AR Homeowners indications trended to 07/01/2011.
- (8) Severity trend of 8.6% applied to each year's EC Wind/Hail Incurred Loss & ALAE. 8.6% is the Homeowners W/H loss severity trend used in determining the Wind Pure Premium.
- (10) -30.4% is the total decrease in Homeowners Wind/Hail losses resulting from the Wind smoothing procedure of replacing actual Wind/Hail losses with expected Wind/Hail losses based on the calculated Wind Pure Premium.
- (11) Total from (9) is adjusted by -30.4% (column (10)). The annual totals in column (11) equal the earned exposures for the year divided by the 5 year total earned exposures times the 5 year total in column (11).
- (13) Severity trend of 5.0% applied to each year's EC Winter Incurred Loss & ALAE. 5.0% is the Homeowners Winter loss severity trend used in determining the Winter Pure Premium.
- (15) 14.4% is the total increase in Homeowners Winter losses resulting from the Winter smoothing procedure of replacing actual Winter losses with expected Winter losses based on the calculated Winter Pure Premium.
- (16) Total from (14) is adjusted by 14.4% (column (15)). The annual totals in column (16) equal the earned exposures for the year divided by the 5 year total earned exposures times the 5 year total in column (16).
- (17) - (19) Non-cat prospective loss trends from our most recent AR Homeowners indications trended to 09/17/2014.
- (21) ULAE Factor is for ASL 2.1

State Auto Insurance Companies  
 Percent and Dollar Impact Distribution Tables  
 Arkansas Dwelling Fire

<b>Adequacy Impact from Rate Change</b>
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<u>Impact Range</u>	<u>Percent of Policies Impacted</u>	<u>Dollar Change</u>	<u>Percent of Policies Impacted</u>
Below -10%	0.00%	\$0-	0.00%
-10% to -5.1%	0.00%	\$0-\$50	2.01%
-5% to -0.01%	0.00%	\$50-\$100	16.05%
0% to 4.9%	0.00%	\$100-\$150	33.11%
5% to 9.99%	0.00%	\$150-\$200	25.75%
10% to 14.99%	1.00%	\$200-\$250	10.37%
15% to 19.99%	99.00%	\$250-\$300	5.35%
20.0% to 24.99%	0.00%	\$300-\$350	3.34%
25.0% to 29.99%	0.00%	\$350-\$400	1.34%
30.0% to 34.99%	0.00%	\$400-\$500	1.34%
35.0% to 39.99%	0.00%	\$500-\$600	0.67%
40.0%+	0.00%	\$600+	0.67%
Maximum Increase:	19.1%	Maximum Increase (\$):	\$882
Minimum Increase:	12.7%	Minimum Increase (\$):	\$30

Based on policies in-force 02/28/13 that have renewed since the prior rate change (renewals) on 11/17/12.  
 Does not include the impacts of the inflation guard or unwinding the prior cap.