

**State:** Arkansas **Filing Company:** Allstate Property and Casualty Insurance Company  
**TOI/Sub-TOI:** 04.0 Homeowners/04.0003 Owner Occupied Homeowners  
**Product Name:** AP&C Owners  
**Project Name/Number:** Owners Rate Change /1320813

## Filing at a Glance

Company: Allstate Property and Casualty Insurance Company  
Product Name: AP&C Owners  
State: Arkansas  
TOI: 04.0 Homeowners  
Sub-TOI: 04.0003 Owner Occupied Homeowners  
Filing Type: Rate/Rule  
Date Submitted: 05/24/2013  
SERFF Tr Num: ALSE-129043963  
SERFF Status: Closed-Filed  
State Tr Num:  
State Status:  
Co Tr Num: R25995  
  
Effective Date: 08/19/2013  
Requested (New):  
Effective Date: 10/03/2013  
Requested (Renewal):  
Author(s): Marisol Herrera, Andi Colosi  
Reviewer(s): Becky Harrington (primary)  
Disposition Date: 06/26/2013  
Disposition Status: Filed  
Effective Date (New): 08/19/2013  
Effective Date (Renewal): 10/03/2013

State Filing Description:

**State:** Arkansas **Filing Company:** Allstate Property and Casualty Insurance Company  
**TOI/Sub-TOI:** 04.0 Homeowners/04.0003 Owner Occupied Homeowners  
**Product Name:** AP&C Owners  
**Project Name/Number:** Owners Rate Change /1320813

## General Information

Project Name: Owners Rate Change Status of Filing in Domicile:  
Project Number: 1320813 Domicile Status Comments:  
Reference Organization: Reference Number:  
Reference Title: Advisory Org. Circular:  
Filing Status Changed: 06/26/2013  
State Status Changed: 06/05/2013 Deemer Date:  
Created By: Marisol Herrera Submitted By: Andi Colosi  
Corresponding Filing Tracking Number:

### Filing Description:

With this filing, Allstate is proposing an 7.9% rate level increase on the total Owners premium in Allstate Property and Casualty Insurance Company (AP&C) Owners program in the state of Arkansas. This change to total Owners premium has been achieved through a proposed adjustment to the Rate Adjustment Factor.

Additionally, with this change, Allstate proposes to revise the distinct charge to cover the hurricane and fire following earthquake portion of the net cost of reinsurance in Allstate Property and Casualty Insurance Company for the Owners program in the state of Arkansas. Allstate's revised reinsurance cost will be reflected by revising the Reinsurance Rate Adjustment Factor. The proposed changes to the average Reinsurance Charge for the hurricane and fire following exposure is 11.7%.

The overall impact of changes to total premium and net cost of reinsurance charges set forth in this filing is 8.0%.

Further information regarding these changes can be found in the enclosed attachments.

This change will apply to new business written and renewals processed on or after 8/19/2013 for renewals effective on or after 10/3/2013.

## Company and Contact

### Filing Contact Information

Andi Colosi, State Filings Project Manager andi.colosi@allstate.com  
2775 Sanders Road 847-402-5000 [Phone] 21839 [Ext]  
Suite A2-W 847-402-9757 [FAX]  
Northbrook, IL 60062

### Filing Company Information

Allstate Property and Casualty Insurance Company	CoCode: 17230	State of Domicile: Illinois
2775 Sanders Rd.	Group Code: 8	Company Type: Property and Casualty
Suite A2-W	Group Name: Allstate	State ID Number:
Northbrook, IL 60062	FEIN Number: 36-3341779	
(847) 402-5000 ext. [Phone]		

## Filing Fees

**State:** Arkansas **Filing Company:** Allstate Property and Casualty Insurance Company  
**TOI/Sub-TOI:** 04.0 Homeowners/04.0003 Owner Occupied Homeowners  
**Product Name:** AP&C Owners  
**Project Name/Number:** Owners Rate Change /1320813

Fee Required? Yes  
Fee Amount: \$100.00  
Retaliatory? No  
Fee Explanation:  
Per Company: No

Company	Amount	Date Processed	Transaction #
Allstate Property and Casualty Insurance Company	\$100.00	05/24/2013	70594294

**SERFF Tracking #:**

ALSE-129043963

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

R25995

**State:**

Arkansas

**Filing Company:**

Allstate Property and Casualty Insurance Company

**TOI/Sub-TOI:**

04.0 Homeowners/04.0003 Owner Occupied Homeowners

**Product Name:**

AP&amp;C Owners

**Project Name/Number:**

Owners Rate Change /1320813

## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Filed	Becky Harrington	06/26/2013	06/26/2013

### Objection Letters and Response Letters

#### Objection Letters

Status	Created By	Created On	Date Submitted
Pending Industry Response	Becky Harrington	06/05/2013	06/05/2013
No response necessary	Becky Harrington	05/29/2013	05/29/2013

#### Response Letters

Responded By	Created On	Date Submitted
Andi Colosi	06/21/2013	06/21/2013

**State:** Arkansas  
**TOI/Sub-TOI:** 04.0 Homeowners/04.0003 Owner Occupied Homeowners  
**Product Name:** AP&C Owners  
**Project Name/Number:** Owners Rate Change /1320813

**Filing Company:** Allstate Property and Casualty Insurance Company

## Disposition

Disposition Date: 06/26/2013  
 Effective Date (New): 08/19/2013  
 Effective Date (Renewal): 10/03/2013  
 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):
Allstate Property and Casualty Insurance Company	23.600%	5.000%	\$2,038,251	31,699	\$40,765,020	5.200%	3.800%

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Form RF-2 Loss Costs Only (not for workers' compensation)		Yes
Supporting Document	H-1 Homeowners Abstract	Filed	Yes
Supporting Document (revised)	HPCS-Homeowners Premium Comparison Survey	Filed	Yes
Supporting Document	HPCS-Homeowners Premium Comparison Survey		Yes
Supporting Document	NAIC loss cost data entry document	Filed	Yes
Supporting Document	Actuarial Support	Filed	Yes
Supporting Document	Objection Response - 6/21/13	Filed	Yes
Rate	CheckingList	Filed	Yes
Rate (revised)	ManualPages	Filed	Yes
Rate	ManualPages		Yes
Rate	CheckingListA#1	Filed	Yes

**State:** Arkansas **Filing Company:** Allstate Property and Casualty Insurance Company  
**TOI/Sub-TOI:** 04.0 Homeowners/04.0003 Owner Occupied Homeowners  
**Product Name:** AP&C Owners  
**Project Name/Number:** Owners Rate Change /1320813

## Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	06/05/2013
Submitted Date	06/05/2013
Respond By Date	

Dear Andi Colosi,

**Introduction:**

The requested increase has been reviewed by the Commissioner.

Please amend the overall percentage increase to 5%.

Provide a revised HPCS.

**Conclusion:**

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

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

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

Sincerely,

Becky Harrington

**State:** Arkansas **Filing Company:** Allstate Property and Casualty Insurance Company  
**TOI/Sub-TOI:** 04.0 Homeowners/04.0003 Owner Occupied Homeowners  
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## Objection Letter

Objection Letter Status	No response necessary
Objection Letter Date	05/29/2013
Submitted Date	05/29/2013
Respond By Date	

Dear Andi Colosi,

**Introduction:**

*This will acknowledge receipt of the captioned filing.*

*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

SERFF Tracking #:

ALSE-129043963

State Tracking #:

Company Tracking #:

R25995

State:

Arkansas

Filing Company:

Allstate Property and Casualty Insurance Company

TOI/Sub-TOI:

04.0 Homeowners/04.0003 Owner Occupied Homeowners

Product Name:

AP&C Owners

Project Name/Number:

Owners Rate Change /1320813

## Response Letter

Response Letter Status	Submitted to State
Response Letter Date	06/21/2013
Submitted Date	06/21/2013

Dear Becky Harrington,

### Introduction:

Hi Becky: Thanks for your help with this filing. Please see our response and the attached documents below. If you need anything else, please don't hesitate to let me know.

Thanks and have a great weekend!

Andi

### Response 1

#### Comments:

In compliance with the Arkansas Insurance Departments request, Allstate will amend the filing with an overall rate increase of 5.0%. In order to achieve an overall 5.0% rate increase, Allstate is revising the Rate Adjustment Factors. Please see Exhibit 2 for revised Rate Adjustment Factors.

This amended filing will apply to renewals processed on or after 8/19/2013 for renewals effective on or after 10/3/2013.

Also attached is Actuarial Support, revised Manual Pages, Checking List, and revised HPCS Form.

### Changed Items:

**SERFF Tracking #:**

ALSE-129043963

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

R25995

**State:**

Arkansas

**Filing Company:**

Allstate Property and Casualty Insurance Company

**TOI/Sub-TOI:**

04.0 Homeowners/04.0003 Owner Occupied Homeowners

**Product Name:**

AP&amp;C Owners

**Project Name/Number:**

Owners Rate Change /1320813

**Supporting Document Schedule Item Changes**

<b>Satisfied - Item:</b>	HPCS-Homeowners Premium Comparison Survey
<b>Comments:</b>	
<b>Attachment(s):</b>	HO Survey FORM HPCS.pdf HO Survey FORM HPCS.xlsx
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>HPCS-Homeowners Premium Comparison Survey</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>HO Survey FORM HPCS.xlsx HO Survey FORM HPCS.pdf</i>

<b>Satisfied - Item:</b>	Objection Response - 6/21/13
<b>Comments:</b>	
<b>Attachment(s):</b>	AR APC Response - R25995 .pdf

SERFF Tracking #:

ALSE-129043963

State Tracking #:

Company Tracking #:

R25995

State:

Arkansas

Filing Company:

Allstate Property and Casualty Insurance Company

TOI/Sub-TOI:

04.0 Homeowners/04.0003 Owner Occupied Homeowners

Product Name:

AP&amp;C Owners

Project Name/Number:

Owners Rate Change /1320813

**Supporting Document Schedule Item Changes**

<b>Satisfied - Item:</b>	HPCS-Homeowners Premium Comparison Survey
<b>Comments:</b>	
<b>Attachment(s):</b>	HO Survey FORM HPCS.pdf HO Survey FORM HPCS.xlsx
<i>Previous Version</i>	
<b>Satisfied - Item:</b>	<i>HPCS-Homeowners Premium Comparison Survey</i>
<b>Comments:</b>	
<b>Attachment(s):</b>	<i>HO Survey FORM HPCS.xlsx HO Survey FORM HPCS.pdf</i>

<b>Satisfied - Item:</b>	Objection Response - 6/21/13
<b>Comments:</b>	
<b>Attachment(s):</b>	AR APC Response - R25995 .pdf

No Form Schedule items changed.

**Rate Schedule Item Changes**

Item No.	Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing Number	Date Submitted
1	ManualPages	RFP-4,RFP-14,HOPC 32-1,HOPC-2	Replacement		06/21/2013 By: Andi Colosi
<i>Previous Version</i>					
1	ManualPages	RFP-4,RFP-14,HOPC 32-1,HOPC-2	Replacement		05/24/2013 By: Andi Colosi
2	CheckingListA#1		New		06/21/2013 By: Andi Colosi

**Conclusion:**

**SERFF Tracking #:**

ALSE-129043963

**State Tracking #:**

**Company Tracking #:**

R25995

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**State:**

Arkansas

**Filing Company:**

Allstate Property and Casualty Insurance Company

**TOI/Sub-TOI:**

04.0 Homeowners/04.0003 Owner Occupied Homeowners

**Product Name:**

AP&C Owners

**Project Name/Number:**

Owners Rate Change /1320813

Sincerely,  
Andi Colosi

**State:** Arkansas **Filing Company:** Allstate Property and Casualty Insurance Company  
**TOI/Sub-TOI:** 04.0 Homeowners/04.0003 Owner Occupied Homeowners  
**Product Name:** AP&C Owners  
**Project Name/Number:** Owners Rate Change /1320813

### Post Submission Update Request Processed On 06/26/2013

Status: Allowed  
 Created By: Andi Colosi  
 Processed By: Becky Harrington  
 Comments: Per Dept request

#### Company Rate Information:

Company Name: Allstate Property and Casualty Insurance Company

Field Name	Requested Change	Prior Value
Overall % Indicated Change	23.600%	25.800%
Overall % Rate Impact	5.000%	8.000%
Written Premium Change for this Program	\$2038251	\$3261202
Maximum %Change (where required)	5.200%	8.600%
Minimum %Change (where required)	3.800%	6.200%

SERFF Tracking #:

ALSE-129043963

State Tracking #:

Company Tracking #:

R25995

State:

Arkansas

Filing Company:

Allstate Property and Casualty Insurance Company

TOI/Sub-TOI:

04.0 Homeowners/04.0003 Owner Occupied Homeowners

Product Name:

AP&C Owners

Project Name/Number:

Owners Rate Change /1320813

### Rate Information

Rate data applies to filing.

Filing Method:

File and Use

Rate Change Type:

Increase

Overall Percentage of Last Rate Revision:

19.900%

Effective Date of Last Rate Revision:

08/13/2012

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):
Allstate Property and Casualty Insurance Company	23.600%	5.000%	\$2,038,251	31,699	\$40,765,020	5.200%	3.800%

**SERFF Tracking #:**

ALSE-129043963

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

R25995

**State:**

Arkansas

**Filing Company:**

Allstate Property and Casualty Insurance Company

**TOI/Sub-TOI:**

04.0 Homeowners/04.0003 Owner Occupied Homeowners

**Product Name:**

AP&amp;C Owners

**Project Name/Number:**

Owners Rate Change /1320813

## Rate/Rule Schedule

Item No.	Schedule Item Status	Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing Number	Attachments
1	Filed 06/26/2013	CheckingList		New		R25995 - CheckingList.pdf
2	Filed 06/26/2013	ManualPages	RFP-4,RFP-14,HOPC 32-1,HOPC-2	Replacement		R25995 - Manual.pdf
3	Filed 06/26/2013	CheckingListA#1		New		CheckingList- R25995, A#1.pdf

**CHECKING LIST FOR HOMEOWNERS**

Printing dates are shown on each page to facilitate identification of different editions, but have no direct connection with the effective date of the page.

**INDEX**

Enclosed: Page HOPC-2 dated 08-01-2013

Withdrawn: Page HOPC-2 dated 02-01-2007

**INDEX**

Enclosed: Page HOPC-32-1 dated 08-01-2013

Withdrawn: Page HOPC-32-1 dated 10-01-2005

**PREMIUM SECTION**

Enclosed: Page RFP-4 dated 08-01-2013

Page RFP-14 dated 08-01-2013

Withdrawn: Page RFP-4 dated 08-02-2012

Page RFP-14 dated 08-01-2012

RULE 21 - RESERVED FOR FUTURE USE

RULE 22 – THE GOOD HANDS PEOPLE® DISCOUNT

RULE 23 – AGE OF HOME DISCOUNT

RULE 24 – RATING GROUP CLASSIFICATION

RULE 25 – CLAIM RATING

RULE 26 – CLAIM FREE DISCOUNT

RULE 27 – PARTILALY RENOVATED HOME DISCOUNT

RULE 28 – HOME BUYER DISCOUNT

RULE 29 – RESERVED FOR FUTURE USE

RULE 30 – RESERVED FOR FUTURE USE

RULE 31 – RESERVED FOR FUTURE USE

RULE 32 – RESERVED FOR FUTURE USE

RULE 33 – ROOF RATING

RULE 34 - ALLSTATE® YOUR CHOICE HOME OPTION PACKAGES

RULE 35 – RESERVED FOR FUTURE USE

RULE 36 – CLAIM-FREE BONUS

RULE 37 – CLAIM WAIVER PROGRAM

**RULE 32 – RESERVED FOR FUTURE USE**

**ARKANSAS  
HOMEOWNERS  
RATE FACTOR PAGES**

**Order in  
Calculation**

**2 Rate Adjustment Factor:**

Factor: 2.111

**3 Claim Rating Factor:**

**Rating Groups 1-3**

# of Chargeable Claims in the past 3 years

Total Group B and C	# of C	# of B	Group A					
			0	1	2	3	4	5
0	0	0	0.400	0.540	0.745	1.028	1.419	1.850
1	0	1	0.400	0.540	0.745	1.028	1.419	1.850
1	1	0	0.440	0.594	0.820	1.131	1.561	1.850
2	0	2	0.400	0.540	0.745	1.028	1.419	1.850
2	1	1	0.440	0.594	0.820	1.131	1.561	1.850
2	2	0	0.524	0.707	0.975	1.346	1.850	1.850

Each Additional Chargeable Group A Claim - apply factor of 1.380 to the claim rating factor. The overall Claim Rating Factor shall not exceed 1.85.

Each Additional Chargeable Group B Claim - apply factor of 1.000 to the claim rating factor. The overall Claim Rating Factor shall not exceed 1.85.

Each Additional Chargeable Group C Claim - apply factor of 1.190 to the claim rating factor. The overall Claim Rating Factor shall not exceed 1.85.

**Rating Groups 4-6**

# of Chargeable Claims in the past 3 years

Total Group B and C	# of C	# of B	Group A					
			0	1	2	3	4	5
0	0	0	0.460	0.621	0.857	1.183	1.632	1.850
1	0	1	0.460	0.621	0.857	1.183	1.632	1.850
1	1	0	0.506	0.683	0.943	1.301	1.795	1.850
2	0	2	0.460	0.621	0.857	1.183	1.632	1.850
2	1	1	0.506	0.683	0.943	1.301	1.795	1.850
2	2	0	0.602	0.813	1.122	1.548	1.850	1.850

Each Additional Chargeable Group A Claim - apply factor of 1.380 to the claim rating factor. The overall Claim Rating Factor shall not exceed 1.85.

Each Additional Chargeable Group B Claim - apply factor of 1.000 to the claim rating factor. The overall Claim Rating Factor shall not exceed 1.85.

Each Additional Chargeable Group C Claim - apply factor of 1.190 to the claim rating factor. The overall Claim Rating Factor shall not exceed 1.85.

**Rating Groups 7-9**

# of Chargeable Claims in the past 3 years

Total Group B and C	# of C	# of B	Group A					
			0	1	2	3	4	5
0	0	0	0.490	0.662	0.913	1.260	1.738	1.850
1	0	1	0.490	0.662	0.913	1.260	1.738	1.850
1	1	0	0.539	0.728	1.005	1.385	1.850	1.850
2	0	2	0.490	0.662	0.913	1.260	1.738	1.850
2	1	1	0.539	0.728	1.005	1.385	1.850	1.850
2	2	0	0.641	0.866	1.195	1.649	1.850	1.850

Each Additional Chargeable Group A Claim - apply factor of 1.380 to the claim rating factor. The overall Claim Rating Factor shall not exceed 1.85.

Each Additional Chargeable Group B Claim - apply factor of 1.000 to the claim rating factor. The overall Claim Rating Factor shall not exceed 1.85.

Each Additional Chargeable Group C Claim - apply factor of 1.190 to the claim rating factor. The overall Claim Rating Factor shall not exceed 1.85.

**ARKANSAS  
HOMEOWNERS  
RATE FACTOR PAGES**

Order in  
Calculation

25 Reinsurance Charge

**BASE REINSURANCE CHARGE\*:**

<b>0.054</b>
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\*Charge is per \$1000 of Coverage A Limit

**REINSURANCE LIMIT FACTORS**

COVERAGE A	FACTOR
10,000	10
11,000	11
12,000	12
13,000	13
14,000	14
15,000	15
16,000	16
17,000	17
18,000	18
19,000	19
20,000	20
25,000	25
30,000	30
35,000	35
40,000	40
45,000	45
50,000	50
55,000	55
57,000	57
58,000	58
59,000	59
60,000	60
61,000	61
63,000	63
65,000	65
66,000	66

COVERAGE A	FACTOR
68,000	68
69,000	69
70,000	70
71,000	71
72,000	72
73,000	73
74,000	74
75,000	75
80,000	80
85,000	85
90,000	90
95,000	95
100,000	100
110,000	110
120,000	120
130,000	130
140,000	140
150,000	150
170,000	170
180,000	180
190,000	190
200,000	200
225,000	225
275,000	275
325,000	325
Each Additional 1,000	1

Step #		Select Homeowners	Select Homeowners
1	Base Reinsurance Charge		
2	Rate Adjustment Factor (Round to 3 decimals)	1.081	1.081
3	Reinsurance Limit Factor (Penny Round)	x	x
4	Reinsurance Charge		

**CHECKING LIST FOR HOMEOWNERS**

Printing dates are shown on each page to facilitate identification of different editions, but have no direct connection with the effective date of the page.

**RATE FACTOR PAGES**

Enclosed: Page RFP-4 dated 8-2-2013

Withdrawn: Page RFP-4 dated 8-1-2013

SERFF Tracking #:

ALSE-129043963

State Tracking #:

Company Tracking #:

R25995

State:

Arkansas

Filing Company:

Allstate Property and Casualty Insurance Company

TOI/Sub-TOI:

04.0 Homeowners/04.0003 Owner Occupied Homeowners

Product Name:

AP&amp;C Owners

Project Name/Number:

Owners Rate Change /1320813

## Supporting Document Schedules

<b>Bypassed - Item:</b>	Form RF-2 Loss Costs Only (not for workers' compensation)
<b>Bypass Reason:</b>	NA
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	H-1 Homeowners Abstract
<b>Comments:</b>	
<b>Attachment(s):</b>	FORM H-1.pdf
<b>Item Status:</b>	Filed
<b>Status Date:</b>	06/26/2013

<b>Satisfied - Item:</b>	HPCS-Homeowners Premium Comparison Survey
<b>Comments:</b>	
<b>Attachment(s):</b>	HO Survey FORM HPCS.pdf HO Survey FORM HPCS.xlsx
<b>Item Status:</b>	Filed
<b>Status Date:</b>	06/26/2013

<b>Satisfied - Item:</b>	NAIC loss cost data entry document
<b>Comments:</b>	
<b>Attachment(s):</b>	FORM RF-1 Rate Filing Abstract.pdf
<b>Item Status:</b>	Filed
<b>Status Date:</b>	06/26/2013

<b>Satisfied - Item:</b>	Actuarial Support
<b>Comments:</b>	
<b>Attachment(s):</b>	R25995 Actuarial Support.pdf

SERFF Tracking #:

ALSE-129043963

State Tracking #:

Company Tracking #:

R25995

State:

Arkansas

Filing Company:

Allstate Property and Casualty Insurance Company

TOI/Sub-TOI:

04.0 Homeowners/04.0003 Owner Occupied Homeowners

Product Name:

AP&C Owners

Project Name/Number:

Owners Rate Change /1320813

<b>Item Status:</b>	Filed
<b>Status Date:</b>	06/26/2013
<b>Satisfied - Item:</b>	Objection Response - 6/21/13
<b>Comments:</b>	
<b>Attachment(s):</b>	AR APC Response - R25995 .pdf
<b>Item Status:</b>	Filed
<b>Status Date:</b>	06/26/2013

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 Allstate Property and Casualty Insurance Company

NAIC No. 17230

Group No. 0008

1. If you have had an insurance to value campaign during the experience filing period, describe the campaign and estimate its impact. N/A
  
2. If you use a cost estimator (or some similar method) in order to make sure that dwellings (or contents) are insured at their value, state when this program was started in Arkansas and estimate its impact. Allstate Property and Casualty Insurance Company uses RCT, a Marshall & Swift Boeckh Product. This began in October 2005. RCT is not used to make sure that dwellings are insured at their value. Rather, Allstate Property and Casualty Insurance Company uses the RCT tool to develop an estimate of the minimum amount for which Allstate Property and Casualty Insurance Company will insure a property.
  
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. At the point of sale, it is required that the cost estimator be completed. The new business processing application will require the agency to select a Coverage A limit equal to or greater than the RCT generated estimate.
  
4. If you use an Inflation Guard form or similar type of coverage, describe the coverage(s) and estimate the impact. Allstate's policy contains the Property Insurance Adjustment language. It allows for an adjustment to a policy's Coverage A limit at renewal when there has been a change in the estimated cost to replace a customer's home.
  
5. Specify the percentage given for credit or discounts for the following:
 

a.	Fire Extinguisher	<u>3</u> %
b.	Burglar Alarm	<u>3</u> %
c.	Smoke Alarm	<u>3</u> %
d.	Insured who has both homeowners and auto with your company	<u>25</u> %
e.	Deadbolt Locks	<u>3</u> %
f.	Window or Door Locks	<u>N/A</u> %
g.	Other (specify)	_____ %
	Complete Central Burglar Alarm	<u>4</u> %
	Complete Central Fire Alarm	<u>4</u> %
	Central Home Sprinkler System	<u>4</u> %
  
6. Are there any areas in the State of Arkansas in which your company will not write homeowners insurance? No. Beginning 6/10/13, Allstate Property and Casualty Insurance Company will close and Allstate Vehicle and Property Insurance Company will open for new business.  
 If so, state the areas and explain reason for not writing. N/A
  
7. Specify the form(s) utilized in writing homeowner insurance. Indicate the Arkansas premium volume for each form.
 

Form	Premium Volume
<u>Homeowners</u>	<u>\$40,765,020</u>
  
8. Do you write homeowner risks which have aluminum, steel or vinyl siding? Yes, all three

9. If there is a surcharge on risks with wood heat? No  
If yes, state surcharge N/A  
Does the surcharge apply to conventional fire places? N/A  
If yes, state surcharge N/A

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

Elizabeth Klink  
Signature  
Product Technician  
Title  
847-402-1441  
Telephone Number

AID PC H-1 (4/96)

NAIC Number: 17230  
 Company Name: Allstate Property and Casualty Insurance Company  
 Contact Person: Elizabeth Klink  
 Telephone No.: 847-402-1441  
 Email Address: eklin@allstate.com  
 Effective Date: 8/19/2013

**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](mailto:insurance.pnc@arkansas.gov)  
 You may also attach to a SERFF filing or submit on a cdr disk

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

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

Public Protection Class	Dwelling Value	Washington		Baxter		Craighead		St. Francis		Desha		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$80,000	\$725.85	\$797.81	\$869.76	\$957.53	\$869.76	\$957.53	\$896.09	\$986.76	\$628.74	\$690.17	\$628.74	\$690.17	\$838.18	\$922.42	\$655.66	\$719.41	\$684.32	\$751.59
	\$120,000	\$888.40	\$977.50	\$1,066.60	\$1,175.75	\$1,066.60	\$1,175.75	\$1,099.64	\$1,212.33	\$766.85	\$843.56	\$766.85	\$843.56	\$1,027.65	\$1,132.09	\$800.47	\$880.15	\$835.88	\$919.67
	\$160,000	\$1,028.35	\$1,132.87	\$1,236.80	\$1,364.45	\$1,236.80	\$1,364.45	\$1,274.79	\$1,407.21	\$886.43	\$975.52	\$886.43	\$975.52	\$1,191.06	\$1,313.39	\$925.63	\$1,018.86	\$967.19	\$1,065.19
6	\$80,000	\$740.47	\$876.78	\$887.31	\$1,054.05	\$887.31	\$1,054.05	\$914.23	\$1,086.80	\$641.02	\$757.45	\$641.02	\$757.45	\$855.14	\$1,014.85	\$668.52	\$790.20	\$697.18	\$825.30
	\$120,000	\$906.10	\$1,076.03	\$1,088.43	\$1,295.53	\$1,088.43	\$1,295.53	\$1,122.06	\$1,336.83	\$782.78	\$927.34	\$782.78	\$927.34	\$1,048.29	\$1,247.74	\$816.41	\$968.07	\$852.41	\$1,011.72
	\$160,000	\$1,049.15	\$1,247.47	\$1,262.33	\$1,504.60	\$1,262.33	\$1,504.60	\$1,301.52	\$1,552.11	\$904.84	\$1,073.49	\$904.84	\$1,073.49	\$1,215.41	\$1,448.19	\$944.04	\$1,121.58	\$986.80	\$1,172.66
9	\$80,000	\$870.36	\$1,021.29	\$1,045.27	\$1,229.55	\$1,045.27	\$1,229.55	\$1,077.45	\$1,268.16	\$751.59	\$880.29	\$751.59	\$880.29	\$1,006.66	\$1,183.92	\$783.76	\$918.33	\$818.87	\$959.86
	\$120,000	\$1,067.19	\$1,254.81	\$1,284.91	\$1,514.44	\$1,284.91	\$1,514.44	\$1,325.04	\$1,562.23	\$919.67	\$1,080.17	\$919.67	\$1,080.17	\$1,237.12	\$1,457.80	\$959.79	\$1,127.36	\$1,003.47	\$1,179.29
	\$160,000	\$1,237.38	\$1,457.10	\$1,491.54	\$1,759.94	\$1,491.54	\$1,759.94	\$1,539.04	\$1,815.76	\$1,065.19	\$1,252.22	\$1,065.19	\$1,252.22	\$1,436.31	\$1,694.03	\$1,112.08	\$1,308.04	\$1,163.16	\$1,368.62

**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																		
	\$25,000																		

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

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

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

**HO3 and HO4 only**

Fire Extinguisher	<input type="text" value="3"/>	%	Deadbolt Lock	<input type="text" value="3"/>	%
Burglar Alarm	<input type="text" value="3"/>	%	Window Locks	<input type="text" value="N/A"/>	%
Smoke Alarm	<input type="text" value="3"/>	%	\$1,000 Deductible	<input type="text" value="5-22"/>	%
			Other (specify)		

**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

Complete Central Burglar	4	%
Maximum Credit Allowed		%

WHAT IS YOUR PRICE PER \$1,000 OF COVERAGE?

Highest Risk

\$

\$

Lowest Risk

\$

\$

|

### NAIC LOSS COST DATA ENTRY DOCUMENT

<b>1.</b>	This filing transmittal is part of Company Tracking #	<b>R25995</b>
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<b>2.</b>	If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number	
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Company Name		Company NAIC Number		
<b>3.</b>	<b>A.</b>	<b>Allstate Property and Casualty Insurance Company</b>	<b>B.</b>	<b>17230</b>

Product Coding Matrix Line of Business (i.e., Type of Insurance)		Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)		
<b>4.</b>	<b>A.</b>	<b>Homeowners</b>	<b>B.</b>	<b>Owners</b>

<b>5.</b>			<b>FOR LOSS COSTS ONLY</b>				
(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
<b>Homeowners</b>	<b>25.8%</b>	<b>8.0%</b>					
<b>TOTAL OVERALL EFFECT</b>	<b>25.8%</b>	<b>8.0%</b>					

<b>6.</b>		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
<b>2008</b>	<b>24,322</b>	<b>N/A</b>	<b>N/A</b>	<b>19,975,051</b>	<b>34,761,554</b>	<b>1.74</b>	<b>0.94</b>
<b>2009</b>	<b>32,136</b>	<b>27.7%</b>	<b>6/1/09</b>	<b>25,996,374</b>	<b>36,097,988</b>	<b>1.39</b>	<b>0.54</b>
<b>2010</b>	<b>33,882</b>	<b>N/A</b>	<b>N/A</b>	<b>31,684,601</b>	<b>23,953,276</b>	<b>0.76</b>	<b>0.90</b>
<b>2011</b>	<b>34,192</b>	<b>10.0%</b>	<b>8/8/11</b>	<b>33,333,642</b>	<b>40,225,694</b>	<b>1.21</b>	<b>0.91</b>
<b>2012</b>	<b>32,270</b>	<b>19.9%</b>	<b>8/13/12</b>	<b>33,541,867</b>	<b>20,978,782</b>	<b>0.63</b>	<b>0.58</b>

<b>7.</b>	
Expense Constants	Selected Provisions
A. Total Production Expense	<b>5.5%</b>
B. General Expense	<b>4.9%</b>
C. Taxes, License & Fees	<b>3.3%</b>
D. Underwriting Profit & Contingencies	<b>8.3%</b>
E. Other (Commissions)	<b>2.0 %</b>
<b>F. TOTAL</b>	<b>35.7 %</b>

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

**9.**   8.6 %   Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): \_\_\_\_\_

**10.**   6.2%   Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): \_\_\_\_\_



**ALLSTATE PROPERTY AND CASUALTY INSURANCE COMPANY  
OWNERS  
ARKANSAS**

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**ALLSTATE PROPERTY AND CASUALTY INSURANCE COMPANY  
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**ALLSTATE PROPERTY AND CASUALTY INSURANCE COMPANY  
OWNERS  
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# **ATTACHMENT I**

## **Summary of Disclosures**

**ALLSTATE PROPERTY AND CASUALTY INSURANCE COMPANY  
OWNERS  
ARKANSAS**

**ACTUARIAL STANDARDS OF PRACTICE**

This document confirms compliance with the Actuarial Standards of Practice that are applicable to the preparation of statewide rate filings performed by casualty actuaries as stated in “Applicability Guidelines for Actuarial Standards of Practice” (American Academy of Actuaries, September 2004).

# **ATTACHMENT II**

## **Summary of Rate Level Indication**

**ALLSTATE PROPERTY AND CASUALTY INSURANCE COMPANY  
OWNERS  
ARKANSAS**

**SUMMARY OF THE DEVELOPMENT OF STATEWIDE RATE LEVEL INDICATION**

The calculation of the rate level indication is consistent with the Statement of Principles Regarding Property and Casualty Insurance Ratemaking.

A rate level indication is a test of the adequacy of expected revenues versus expected costs during the future policy period. Therefore, to derive the indicated rate level need accurately, Allstate's historical premium and loss experience needs to be adjusted. In accordance with Section 3.1 of Actuarial Standard of Practice No. 13, *Trending Procedures in Property/Casualty Insurance Ratemaking*, Allstate trends the underlying historical experience for premiums, losses, and fixed expenses to appropriately reflect historical and projected changes in these components of the rate level indications. In addition, historical premiums must be adjusted to reflect the current rate level, and historical losses must be adjusted to reflect expected development over time. All hurricane losses during the experience period were removed and replaced with a provision to reflect those expected losses. Details of these necessary adjustments to the historical data used in the rate level indication are described in this memorandum.

**Attachment VI, Exhibit 1.0** summarizes the indicated and proposed rate changes. The determination of the overall indicated change is included in **Exhibit 1.1**, and described in detail throughout this filing.

**ALLSTATE PROPERTY AND CASUALTY INSURANCE COMPANY  
OWNERS  
ARKANSAS**

**ADJUSTMENTS TO NON-WEATHER LOSSES**

Underlying Data

The data used in the calculation of the rate level indication was selected in accordance with the considerations listed in Section 3.2 of Actuarial Standard of Practice No. 23, *Data Quality*. Please reference **Exhibit 2** for the fiscal accident years used in developing the rate level indications.

Non-weather losses are defined as those whose primary cause of loss was Fire, Theft, Liability, or All Other perils. Allocated loss adjustment expense (ALAE) is included in the losses.

Accident Year Weights

In order to develop a credible measure of the indicated rate level, it is sometimes necessary to use more than one year of historical loss experience. A maximum of five accident years is combined to determine the indicated provision for loss and loss adjustment expense. The number of years used and the credibility per year is based upon a credibility procedure from the paper "On the Credibility of the Pure Premium" (Proceedings of the Casualty Actuarial Society, Vol. LV, 1968), by Mayerson, Jones and Bowers, and the appendix of the paper "Classical Partial Credibility with Application to Trend" (Proceedings of the Casualty Actuarial Society, Vol. LXXIII, 1986), by Venter and actuarial judgment. The analysis was completed using a  $k$  value of 0.075 and a  $P$  value of 90.0%; these parameters reflect the desire that the observed pure premium should be within 100k% of the expected pure premium with probability  $P$ . Assuming a Poisson frequency, an empirical review of the severity size of loss curve provides a gauge of credibility based on the number of claims closed with a payment.

This approach for incorporating credibility in determination of the accident year weights is consistent with the Current Practices and Alternatives detailed in Section 3 of Actuarial Standard of Practice No. 25, *Credibility Procedures Applicable to Accident and Health, Group Term Life, and Property/Casualty Coverages*.

Loss Development

Allstate's standard loss development procedure is to select ultimate accident year losses after analyzing estimates developed using the Link Ratio and Additive methods.

While the Link Ratio method assumes that future development is proportional to losses that have already emerged as of a given evaluation date, the Additive method assumes that future development is proportional to the number of earned exposures in the accident period, where the expected development per exposure is based on historical development patterns per exposure, adjusted to account for differences in frequency and severity over time. Allstate believes the approach of considering two loss development procedures when estimating ultimate losses better upholds the suggestion contained in the *Statement of Principles Regarding Property and Casualty Loss and Loss Adjustment Expense Reserves* that "Ordinarily the actuary will examine

the indications of more than one method when estimating the loss and loss adjustment expense liability for a specific group of claims.”

To calculate estimated ultimate losses using the Link Ratio method, historical age-to-age link ratios are calculated, which represent loss development between different evaluation periods. An average of the historical link ratios is then used to estimate the ultimate level of paid losses to be used in ratemaking. This method assumes that historical loss development patterns can be used to estimate future loss development on current immature claims.

For the Additive loss development method, historical losses are first trended to today’s price level using selected pure premium trends. This is done to avoid distortions due to changes in the underlying loss costs. Please note that the selected pure premium trend that is used in loss development often differs from the selected trend that applies to the underlying data. This is due to both the consideration of the data used when selecting the pure premium trend for the underlying data, as well as the different lengths of trend periods in each analysis. Trended additive amounts per exposure are calculated, which represent trended loss development between different evaluation periods. An average of the historical trended additive amount per exposure is then used to estimate the ultimate trended level of paid losses. Trended age-to-ultimate additive amounts per exposure are multiplied by earned exposures for each accident year to calculate trended losses that have yet to emerge. A final step in the additive method is to detrend the trended losses yet to emerge. Losses are detrended because the application of trend is accounted for in a separate step in the ratemaking process. This method assumes that historical loss development patterns per exposure can be used to estimate future loss development on current immature claims.

Refer to **Exhibits 4.1 through 4.3** for the loss development using both the Link Ratio and Additive methods of loss development. A summary of the estimated ultimate losses using each method as well as the selected ultimate losses is shown in **Exhibit 5**.

#### Loss Adjustment Expenses

Allocated loss adjustment expenses (ALAE) are included in the losses. Losses in the experience period have been adjusted to account for non-hurricane unallocated loss adjustment expenses (ULAE). A provision is developed using countrywide Allstate Insurance Group data.

A three-year average of the ratios of countrywide, combined-lines, calendar year non-hurricane ULAE to countrywide, combined-lines, calendar year non-hurricane incurred losses and allocated loss adjustment expense is used to determine the ULAE provision. The average ratio is then applied to the losses for each year used in the formula calculation. The ULAE ratio that has been used in this filing is shown in **Exhibit 6**.

#### Loss Trend

The past changes in actual frequency and severity on a twelve-month-moving basis (evaluated at each quarter) were analyzed. The data has been adjusted as described below.

Frequency and severity amounts are calculated using the methodology in “The Effect of changing Exposure Levels on Calendar Year Loss Trends” (*Casualty Actuarial Society Forum*, Winter 2005) by Chris Styrsky. This methodology helps to more consistently match losses and

claims paid with the exposures that produced the claims.

**Exhibits 8** display the paid pure premium trends. The credibility level of Allstate loss trend data was analyzed based on the number of claims paid in the latest experience year, which is consistent with the criteria for selecting a credibility procedure outlined in Section 3 of Actuarial Standard of Practice No. 25, *Credibility Procedures Applicable to Accident and Health, Group Term Life, and Property/Casualty Coverages*.

After considering past results, credibility level of Allstate data, and actuarial judgment, annual pure premium trends were selected. The selected trends and projections are displayed in **Exhibit 7**. These annual selections are used to project the data from the average occurrence date of the experience period to the average occurrence date of the future policy period.

This approach for selecting pure premium trends and projections is consistent with the Current Practices and Alternatives detailed in *Appendix 1 – Background and Current Practices of Actuarial Standard of Practice No. 13, Trending Procedures in Property/Casualty Insurance Ratemaking*.

#### Risk Management Adjustment

In October 2011, Allstate implemented a new risk management plan by non-renewing a specifically identified cohort of Allstate Property and Casualty Insurance Company customers with certain characteristics. Because the loss propensity of these customers is no longer reflective of Allstate's projected book of business, it is necessary to adjust the Projected Average Non-Weather Ultimate Loss and LAE in **Exhibit 2 of Attachment VI**. In this exhibit, a Risk Management Non-Weather Loss Adjustment is applied. This factor is developed in **Exhibit 25 of Attachment VI**. To calculate this factor, the Total Non-Weather Pure Premium and the Total Excluding-Risk Management Non-Weather Pure Premium over the latest five years is calculated. The Total Excluding-Risk Management Non Weather Pure Premium excludes exposures and losses from past policyholders who shared the characteristics of the group (and therefore would have been non-renewed). The Risk Management Non-Weather Loss Adjustment factor is calculated by dividing the Total Excluding-Risk Management Non-Weather Pure Premium by the Total Non-Weather Pure Premium.

**ALLSTATE PROPERTY AND CASUALTY INSURANCE COMPANY  
OWNERS  
ARKANSAS**

**ADJUSTMENTS TO WEATHER LOSSES**

The indicated provision for weather losses is determined based on individual frequency and severity components. Allstate has found that separate analyses of frequency and severity for weather losses provide a better estimate of pure premium given the inherent complication of process variance in these losses. The specific base data and methodology for weather losses is explained in detail below.

Underlying Data

Weather losses are defined as those whose primary cause of loss was Water, Wind, Hail, or Lightning perils. Allocated loss adjustment expense (ALAE) is included in the losses. Please note that although Water claims arise from both weather and non-weather events, data limitations currently prevent separate classifications of claims within this peril. All Water claims have been classified as weather events for purposes of this analysis. Please reference **Exhibit 3** for the fiscal accident years used for the severity analysis.

Severity Accident Year Weights

A maximum of five accident years is combined to determine the indicated weather severity provision. The number of years used and the credibility per year is based upon a credibility procedure from the paper "On the Credibility of the Pure Premium" (Proceedings of the Casualty Actuarial Society, Vol. LV, 1968), by Mayerson, Jones and Bowers, and the appendix of the paper "Classical Partial Credibility with Application to Trend" (Proceedings of the Casualty Actuarial Society, Vol. LXXIII, 1986), by Venter and actuarial judgment. The analysis was completed using a k value of 0.05 and a P value of 90.0%; these parameters reflect the desire that the observed severity should be within 100k% of the expected severity with probability P. Unlike its non-weather counterpart, this analysis does not rely on a frequency assumption; rather, an empirical review of the severity size of loss curve provided a gauge of credibility based on the number of claims closed with a payment.

This approach for incorporating credibility in determination of the accident year weights is consistent with the Current Practices and Alternatives detailed in Section 3 of Actuarial Standard of Practice No. 25, *Credibility Procedures Applicable to Accident and Health, Group Term Life, and Property/Casualty Coverages*.

Severity Development

Allstate determines ultimate accident year weather severity using the Link Ratio method, which assumes that future development is proportional to losses that have already emerged as of a given evaluation date. As severities are not considered on a per-exposure basis, no Additive loss development estimate is developed for the weather provision.

To calculate estimated ultimate severities using the Link Ratio method, historical age-to-age link ratios are calculated, which represent loss development between different evaluation periods. An

average of the historical link ratios is then used to estimate the ultimate level of paid losses to be used in ratemaking. This method assumes that historical loss development patterns can be used to estimate future loss development on current immature claims.

Refer to **Exhibit 12.2** for the weather severity loss development using the Link Ratio method. The estimated ultimate severity is shown in **Exhibit 3**.

#### Severity Trend

The past changes in actual severity on a twelve-month-moving basis (evaluated at each quarter) were analyzed.

**Exhibit 11** displays the paid severity trends. The credibility level of Allstate loss trend data was analyzed based on the number of claims paid in the latest experience year, which is consistent with the criteria for selecting a credibility procedure outlined in Section 3 of Actuarial Standard of Practice No. 25, *Credibility Procedures Applicable to Accident and Health, Group Term Life, and Property/Casualty Coverages*.

After considering past results, credibility level of Allstate data, and actuarial judgment, annual severity trends were selected. The selected trends and projections are displayed in **Exhibit 10**. These annual selections are used to project the data from the average occurrence date of the experience period to the average occurrence date of the future policy period.

This approach for selecting severity trends and projections is consistent with the Current Practices and Alternatives detailed in *Appendix 1 – Background and Current Practices of Actuarial Standard of Practice No. 13, Trending Procedures in Property/Casualty Insurance Ratemaking*.

#### Frequency Estimation

**Exhibit 9** displays the number of years of data used to calculate the average frequency for Arkansas for the combined Water, Wind, Hail, and Lightning perils (i.e., weather). Each accident year's claim frequencies are developed to ultimate. The straight average is used as the state estimate of future claims frequency. Note that no trend is applied to this frequency estimate.

To calculate estimated ultimate frequencies using the Link Ratio method, historical age-to-age link ratios are calculated, which represent claim development between different evaluation periods. An average of the historical link ratios is then used to estimate the ultimate level of frequencies to be used in ratemaking. This method assumes that historical claim development patterns can be used to estimate future claim development on current immature claims.

Refer to **Exhibit 12.1** for the weather frequency claim development using the Link Ratio method. The estimated ultimate frequency is shown in **Exhibit 3**.

#### Risk Management Adjustment

In October 2011, Allstate implemented a new risk management plan by non-renewing a specifically identified cohort of Allstate Property and Casualty Insurance Company customers.

Because the loss propensity of these customers is no longer reflective of Allstate's projected book of business, it is necessary to adjust the Projected Ultimate Weather Severity Including LAE in **Exhibit 3 of Attachment VI**. In this exhibit, a Risk Management Loss Adjustment is applied. The factor is developed in **Exhibit 26 of Attachment VI**. To calculate this factor, the Total Weather Pure Premium and the Total Excluding-Risk Management Weather Pure Premium over the latest five years is calculated. The Total Excluding-Risk Management Weather Pure Premium excludes exposures and losses from past policyholders who shared the characteristics of this group (and therefore would have been non-renewed). The Risk Management Weather Loss Adjustment factor is calculated by dividing the Total Excluding Risk-Management Weather Pure Premium by the Total Weather Pure Premium.

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**MODELED LOSSES**

Allstate separately identifies and accounts for its exposure to loss due to the occurrence of hurricane or other modeled events within a state. Allstate does not believe that available historical data for hurricane losses accurately represents the exposure to expected hurricane loss in Arkansas. As such, in accordance with Actuarial Standard of Practice No. 39- Treatment of Catastrophe Losses in Property/Casualty Insurance Ratemaking, it is Allstate's standard practice to use a model which is based on a combination of historical insurance and non-insurance data. **Attachment III** describes the modeled provision in detail.

More specifically, given the low frequency, high severity nature of hurricane activity, Allstate believes that using historical data is not the most predictive approach of developing a Hurricane Provision per Amount of Insurance Year (AIY). Using a model provides a more stable result as it mitigates the volatility found in historical insurance data.

However, to be consistent with past Arkansas filings and with the hope of expediting the review of this filing, Allstate has selected its hurricane provision based on actual hurricane loss experience. Note that because of the Hurricane Provision, hurricane losses have been removed from the analysis performed to develop the Weather Loss and LAE.

**Attachment VI, Exhibit 14** shows the development of the Hurricane Provision Based on 20 Years of Historical Data, the Modeled Hurricane Provision per AIY , and the selected provision.

Please note that in developing the Provision for Modeled Loss and LAE, the Amount of Insurance Years (AIY's) are used as an exposure base. One AIY is equal to \$1,000 of Coverage in force for one year. The AIY's must be adjusted to represent the AIY's that we expect to be in force during the policy period. **Exhibit 24** shows the average AIY trend for Arkansas. A 1.5% provision is selected to project the AIY's to the average earned date of the proposed policy period.

This approach for selecting AIY projections is consistent with the Current Practices and Alternatives detailed in *Appendix 1 – Background and Current Practices* of Actuarial Standard of Practice No. 13, *Trending Procedures in Property/Casualty Insurance Ratemaking*.

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**EXPENSES AND PROFIT PROVISION**

The expense provisions described below were derived in accordance with Section 3.2, Determining Expense Provisions, of Actuarial Standard of Practice No. 29, *Expense Provisions in Property/Casualty Insurance Ratemaking*.

**Exhibit 15** shows the expense provisions used in developing the current fixed and variable expense ratios, as well as the underwriting profit and debt provisions.

**Fixed Expenses**

Provisions

*General and Other Acquisition Expense*

The provisions for general expense and other acquisition expense are based on countrywide data. To develop the provision for general and other acquisition expenses, a three-year average of countrywide, combined-lines, calendar year incurred expense divided by countrywide calendar year direct earned premium was calculated. Because premiums charged for the net cost of reinsurance (NCOR) do not include provisions for general and other acquisition expenses, the earned premium used in the development of the general and other acquisition expenses is countrywide direct earned premium less countrywide NCOR premium. The provision for other acquisition expense has been reduced by the amount of installment fees collected. In addition, the provision has been adjusted for premiums written off.

*Licenses & Fees*

A provision for licenses and fees that do not vary by premium size is determined by taking the arithmetic average ratio of these licenses and fees from the latest three calendar years in Arkansas. The provision for licenses and fees is considered, along with the general and other acquisition expense provisions, to be a fixed expense and is shown in **Exhibit 15**.

The expense provisions for general and other acquisition expenses are developed on **Exhibits 16 and 17**.

Rate Need Calculations

In developing the dollar provision for general and other acquisition expenses used in the calculation of the rate level need, the three-year average expense ratio is applied to the average earned group premium of Arkansas. The group average earned premium is developed using the same three-year period used in the calculation of the countrywide expense ratio. The provision is then adjusted for the trend expected to occur from the midpoint of the three years used in the calculation of the average earned premium to the average earned date of the proposed policy period to derive the provision included in the rate level indications.

### Trend (Inflation)

The method used to calculate the fixed expense trend is similar to the method used by the Insurance Services Office (I.S.O.) and other competitors to determine a fixed expense trend. The method utilizes the CPI (Consumer Price Index) and the ECI (Employment Cost Index – Insurance Carriers, Agents, Brokers, & Service) and is discussed by Geoffrey Todd Werner, FCAS, MAAA in his paper *Incorporation of Fixed Expenses*, which was published in the *CAS Forum* (Winter 2004). Based on a review of the historical indices, an annual percentage change is selected for each index. These selected annual percent changes are then weighted together using the distribution of the Allstate expenditures in the latest calendar year for the two broad expense categories that these indices represent. This method is expected to produce stable and reasonable estimates of the true trend in fixed expenses and is consistent with the Current Practices and Alternatives detailed in *Appendix I – Background and Current Practices of Actuarial Standard of Practice No. 13, Trending Procedures in Property/Casualty Insurance Ratemaking*. This trend is applied to all fixed expenses. The factor to adjust for subsequent change in Fixed Expense is shown in **Exhibit 18**.

## **Variable Expenses**

### Commission and Brokerage Expense

The proposed commission and brokerage expense provision has been developed from the most recent calendar year commission and brokerage incurred expense ratio in Arkansas. The provision is shown in **Exhibit 15**.

### Taxes

The provision for taxes is determined by taking the currently prescribed Arkansas premium tax ratio and adding to that the arithmetic average ratio of other assessments that vary by the size of the premium from the latest three or five calendar years. The provision is shown in **Exhibit 15**.

### Underwriting Profit Provision

Allstate performs two separate cost of capital analyses in the estimation of its cost of equity. The first uses the Fama-French Three-factor Model (FF3F), which reflects developments in the field of financial economics as published in the *Casualty Actuarial Society Forum, Winter, 2004 and in Journal of Risk and Insurance, Vol. 72, No. 3, September 2005* (“Estimating the Cost of Equity Capital For Property-Liability Insurers” by J. David Cummins and Richard D. Phillips). The second is a Discounted Cash Flow (DCF) analysis, which estimates the expected future cash flows to investors in order to gauge the proper cost of equity. Once both the DCF and FF3F estimates had been calculated, Allstate selected a cost of equity of 9.5%, which reflected the outcomes of both analyses.

An analysis of premium, loss and expense cash flows is used to calculate the investment income on policyholder supplied funds (PHSF). This methodology is one of the two examples given in Actuarial Standard of Practice, No. 30, *Treatment of Profit and Contingency Provisions and the Cost of Capital in Property/Casualty Insurance Ratemaking*, as appropriate methods for recognizing investment income from insurance operations (page 4).

The calculations detailing this investment income analysis are found in **Exhibit 19**. The expected investment yield rate (applied as a force of interest) used to discount losses and expenses includes anticipated net investment income and anticipated capital gains, both realized and unrealized. Operating cash flows are discounted to the average time of earnings of premium and profit for the policy year, rather than to the start of the policy year.

The final pre-tax underwriting profit provision at present value is shown in **Exhibit 15** as well.

The underwriting profit provision will not apply to the retained risk provision.

#### Debt Provision

The cost of debt is listed as a separate provision in the Variable Expense and Profit Ratio. The debt provision amount is shown in **Exhibit 15**.

#### Contingency Provision

The contingency provision of 2% is shown in **Exhibit 14**. Additional support on the selected contingency provision is shown on **Exhibit 20** and throughout **Attachment V**. Please note that the contingency provision does not apply to the retained risk provision.

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**RETAINED RISK PROVISION**

Allstate calculated an indicated retained risk provision in determining the rate level need in Arkansas. This provision is meant to provide appropriate returns on the high-layer retained hurricane exposure. **Attachment IV** describes the development of the retained risk provision per Amount of Insurance Year (AIY). **Exhibit 13** displays the retained risk provision per AIY used in Arkansas. Please note that in developing the Provision for Modeled Loss and LAE and Retained Risk, the Amount of Insurance Years (AIY's) are used as an exposure base. One AIY is equal to \$1,000 of Coverage in force for one year. The AIY's must be adjusted to represent the AIY's that we expect to be in force during the policy period. **Exhibit 24** shows the average AIY trend. We have selected a 1.5% provision to project the AIY's to the average earned date of the proposed policy period. This approach for selecting AIY projections is consistent with the Current Practices and Alternatives detailed in *Appendix 1 – Background and Current Practices* of Actuarial Standard of Practice No. 13, *Trending Procedures in Property/Casualty Insurance Ratemaking*.

The methodology used to develop this retained risk provision is based upon the approach detailed in the presentation “Quantifying Risk Load for Property Catastrophe Exposure” by David Appel from the 2010 Casualty Actuarial Society Ratemaking and Product Management Seminar (<http://www.casact.org/education/rpm/2010/handouts/RR3-Appel.pdf>).

However, Allstate proposes to remove the retained risk provision from this filing in order to comply with comments from the Arkansas Insurance Department. The selected retained risk provision of 0.00 can be found on **Exhibit 13**.

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**ADJUSTMENTS TO PREMIUMS**

Current Rate Level

All premiums in the experience period were adjusted to current rate level. Allstate applies the “Miller-Davis-Karlinski” method to adjust premiums since it more accurately calculates factors to current rate level in instances when exposures are changing throughout the year, whether through growth, shrinkage or seasonality. When exposures are, in fact, written uniformly throughout the year, this method produces approximately the same answers as the parallelogram method.

The Miller-Davis-Karlinski method is also used to bring premiums to current rate level prior to calculating the changes in average premium used in the premium trends.

Premium Trend

In addition to bringing premiums to current rate level, changes in the average written premium at the current premium level were reviewed. Unlike losses, premium is relatively stable. Only the latest year of premium is used in the calculation of the indication, which eliminates the need for premium trend. Premium projections are still selected to account for shifts in the distribution of various underlying factors. Given that the effects on losses caused by these shifts are reflected in the loss projections, it is important that Allstate also account for the anticipated future changes in premiums.

The projected average earned premium as well as the calculation of the premium projection factor is displayed in **Exhibits 21** and **22**, respectively. This annual projection is used to project the data from the average occurrence date of the most recent experience period to the average occurrence date of the future policy period. Premium trend data is provided in **Exhibit 23**.

This approach for selecting a premium projection is consistent with the Current Practices and Alternatives detailed in *Appendix 1 – Background and Current Practices* of Actuarial Standard of Practice No. 13, *Trending Procedures in Property/Casualty Insurance Ratemaking*.

Risk Management Adjustment

In October 2011, Allstate implemented a new risk management plan by non-renewing a specifically identified cohort of Allstate Property and Casualty Insurance Company customers with certain characteristics. The average premium of these customers is not reflective of Allstate’s projected book of business. Allstate considered making an adjustment to the Projected Average Earned Premium at Current Rates because a portion of the Projected Earned Premium at Current Rates contains customers within this cohort. Due to the fact that this revision would be negligible, Allstate has chosen to not make a risk management adjustment for the Projected Average Earned Premium at Current Rates.

# **ATTACHMENT III**

## **Modeled Loss Provision**

**ALLSTATE INSURANCE GROUP  
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**DEVELOPMENT OF THE HURRICANE PROVISION  
BASED ON THE 2011/2010 AIR VERSION 13.0 HURRICANE MODEL  
IN THE STATEWIDE RATE LEVEL INDICATION  
EXPLANATORY MEMORANDUM**

I. INTRODUCTION

**The Casualty Actuarial Society Statement of Principles Regarding Property and Casualty Ratemaking defines a rate as “...an estimate of the expected value of future costs” and further states that “a rate provides for all costs associated with the transfer of risk”. Rates are therefore an estimate of the costs for the policies to which the rates will apply. In our property ratemaking we assume that the proposed rates will apply to the policies written for one year from the effective date of the rates. Each provision of the rate is based on an estimate of the costs associated with those policies.**

Losses expected from a hurricane are significantly different than losses expected from other types of loss events. Hurricanes are unique because of the large potential impact such storms can have on the company's solvency and because of the relatively low frequency of such events.

The significant variation in the frequency of different magnitudes of hurricanes diminishes the accuracy of historical hurricane loss experience for projecting expected loss levels for the policies to which proposed rates will apply. Average expected recurrence periods for the larger, more severe storms are so long that many external variables will change in the time periods between occurrences. For example, the area of southern Florida hit by Hurricane Andrew in 1992 was last hit by a major hurricane, Hurricane Betsy, in 1965. The type, number, value, vulnerability and geographical distribution of exposed properties in the area impacted by Hurricane Andrew are very different than those of the exposed properties in 1965. Actual loss statistics from a hurricane that occurred many years ago are not easily adjusted for the type, number, value, and vulnerability of present day structures.

Since historical hurricane losses cannot be used to accurately estimate current hurricane loss potential, Allstate has contracted with an outside vendor, AIR Worldwide (AIR), which uses an alternative methodology based on Monte Carlo simulation to arrive at Allstate's expected annual hurricane losses. This approach involves the development of computer programs that describe in detail the frequency of hurricanes, their meteorological characteristics, and their effects on exposed properties. A high-speed computer then simulates a large set of hypothetical hurricanes and estimates the resulting property losses based on Allstate's exposure.

In order to estimate the potential loss from hurricanes, 100,000 scenario years of potential hurricanes are simulated. This large number of simulations attempts to ensure that the resulting

probability distribution of losses converges to a stable representative distribution of potential annual hurricane loss.

The pattern of simulated hurricanes is representative of what has occurred historically because meteorological data on the actual events since 1900 were used to estimate the parameters of the AIR hurricane simulation model. The meteorological sources used to develop the model are the most complete and accurate databases available from various agencies of the National Weather Service and the National Oceanic and Atmospheric Administration (NOAA), including the National Hurricane Center.

This explanatory memorandum incorporates text taken directly from documents supplied to Allstate by AIR Worldwide (AIR) and should not be copied or distributed without the express, written permission of AIR.

## II. HURRICANE PARAMETERS AND WIND SPEED ESTIMATION

### HURRICANE PARAMETERS

The primary characteristics of hurricanes used to simulate each storm and resulting wind speeds are:

1. Hurricane Frequency
2. Landfall Location
3. Central Pressure
4. Radius of Maximum Winds
5. Forward Speed
6. Track Angle at Landfall
7. Storm Track
8. Gradient Wind Reduction Factor
9. Peak Weighting Factor

The probability distributions for several of these variables (2-6) are estimated for coastal segments of equal length from Texas to Maine. Random samples are generated from the probability distributions of these input variables to assign values to the variables for each simulated hurricane.

#### 1. Hurricane Frequency

More than one hundred years of history, spanning the period 1900-2008, were used to estimate the parameters of the annual frequency distribution.

#### 2. Landfall Location

There are 62 segments of fifty nautical miles in the AIR hurricane simulation model, totaling 3,100 nautical miles of coastline. Of these, segment 29 in Southern Florida is split into two parts, one of which represents Key West in Florida. Historical landfalls are tabulated by the 62 segments and the frequencies are then smoothed to produce an estimate of the landfall probability for each segment. A cumulative probability distribution of landfall locations is developed for the entire coastline. Once a landfall segment has been selected from this distribution, the exact landfall location is selected from a uniform distribution within the segment.

### 3. Central Pressure

Central pressure is the lowest sea-level pressure at the center of the hurricane. This variable is the primary determinant of hurricane wind speed. All else being equal, wind speeds increase as the central pressure decreases, or more precisely, as the difference between the central and peripheral pressure increases. Distributions are first fitted to historical central pressure data for each hundred nautical mile coastal segment. Separate distributions are then estimated for larger regions defined based on broad meteorological differences. The final distribution used for each segment is a mixture, with appropriate weights applied, of the regional distributions and the segment distribution.

### 4. Radius of Maximum Winds

Radius of Maximum Winds ( $R_{\max}$ ) is the distance from the storm's center (eye) to the point where the strongest winds are found. The  $R_{\max}$  of stochastic events is estimated using a procedure that relates the  $R_{\max}$  to the central pressure of the storm and to latitude. The  $R_{\max}$  is allowed to vary after landfall over the life of the storm.

### 5. Forward Speed

Forward Speed is the speed at which a hurricane moves from point to point. The parameters of the distribution of forward speed at landfall are estimated for each coastal segments. The lower bound of the distribution of forward speed is three nautical miles. The upper bound is dependent on latitude. Forward speed is allowed to vary after landfall based on historical distributions.

## 6. Track Angle at Landfall

Track Angle at Landfall is the angle between track direction and due north at landfall location. Separate distributions for track angle at landfall are estimated for segments of coastline that have variable orientation.

## 7. Storm Track

A times-series model is employed to reflect dependent variables in the historical data to produce simulated storm tracks. The track direction of each simulated hurricane has the capability to curve and recurve on a fully probabilistic basis using conditional probability matrices. Thus, the AIR hurricane simulation model has the ability to propagate a storm track that accurately imitates actual storm motion.

## 8. Gradient Wind Reduction Factor (GWRF)

The model uses a stochastic GWRF, which varies from storm to storm according to a probability distribution. The probability distribution is developed based on dropsonde data for the period 2002-2005 along with published literature.

## 9. Peak Weighting Factor (PWF)

The PWF is a stochastic parameter used to reflect the vertical slant of the hurricane eye. The PWF and GWRF are generated jointly using a bounded Bivariate Normal distribution.

## HURRICANE WIND SPEED ESTIMATION

Once the key parameters have been generated, the meteorological relationships among them are used to develop a complete time profile of wind speeds for each location affected by the storm. This involves the following calculations for each simulated hurricane:

1. Gradient-Level Wind Speed
2. Adjustment to surface (10-meter) level
3. Storm Asymmetry
4. Storm Decay (Filling)
5. Radial Decay (Storm Center-Relative Wind Speed)
6. Adjustment of Wind Speed for Surface Friction and Averaging Time

### 1. Maximum Gradient-Level Wind Speed

A maximum upper-level (or gradient-level) wind speed is determined based on central and peripheral pressures, as well as radius of maximum winds and latitude coordinates. The upper level wind is then determined above the location of interest by adjusting the

maximum value based on the distance of location from the eye of the storm. This is done using an expected radial gradient wind profile derived from the scientific literature. This wind, called the gradient-level wind speed, is estimated over a 10-minute averaging time.

## 2. Adjustment to surface (10-meter) level

The gradient-level wind is then reduced to a 10-meter height level through application of a scaling factor and a spatial relationship adjustment. The gradient-wind adjustment factor (GWRF) that is used is a variable factor that represents the observed relationship between gradient-level winds and those measured at a 10-m height. The spatial adjustment accounts for differences in the GWRF relationship between the core and the periphery of the storm. The resulting wind represents the surface-level (10-meter) wind speed over an open water surface.

## 3. Storm Asymmetry

An asymmetry factor is calculated based on the forward speed of the hurricane and the relationship between the track direction and the surface wind direction. Since storms in the Northern Hemisphere rotate counterclockwise, this factor is added to the wind speeds calculated to the right of the hurricane track and is subtracted from those calculated to the left of the hurricane track. The wind field's asymmetry is therefore a function of how quickly the storm is propagating.

## 4. Storm Decay (Filling)

Once over land, the hurricane moves away from its source of energy, i.e., warm ocean water. Central pressure rises and as a result, the eye "fills" and winds degrade. Filling equations used in the AIR model estimate the reduction in over-land wind speed as a function of time since landfall, rather than distance. A fast moving storm can produce damaging winds further inland than a slow moving storm with the same landfall intensity (wind speed). Some storms can also reintensify after landfall, in accordance with historical data, but central pressure cannot be lower than the central pressure at landfall. The filling equations vary by coastal region and smoothing is performed to ensure that there are no unrealistic jumps between regions.

## 5. Radial Decay (Storm Center-Relative Wind Speed)

The wind speed in any five-digit zip code is dependent on the distance of the zip code centroid from the eye of the storm. The estimated wind speed at any point within the hurricane is dependent on the radius of maximum winds ( $R_{max}$ ), the distance between the eye of the storm and the centroid of the zip code area, the translational factor between upper-level winds and surface-level wind speeds, and the vertical slant in the eye of a hurricane. As a zip code centroid lies farther from the eyewall, the winds decay until they reach an ambient level at the periphery of the storm.

## 6. Adjustment of Wind Speeds for Surface Friction and Averaging Time

Differences in surface terrain also affect wind speeds. The roughness of the underlying surface induces friction which tends to slow down the winds, and induces turbulence effects which tend to generate short-lived gusts. The friction and gust effects are estimated based on the roughness of the surface over which the wind passes and from which direction the winds are coming.

A friction factor is calculated to capture surface roughness at each affected site and the associated decrease in wind speed that results from surface obstacles. Estimates of surface roughness are derived from digital US Geological Survey (USGS) land use/land cover data. Each terrain type has a different “roughness value” that will lead to different frictional effects on wind speeds at different locations. In general, the rougher the terrain the larger the effect of friction on wind speeds.

As soon as a storm crosses the coastline, there is an immediate reduction in wind speed. The reduction factors reach equilibrium values when the terrain is homogeneous over sufficiently large areas such that the surface winds come in balance with the surface. Thus, most local variability occurs when the underlying surface is diverse.

A gust factor is calculated to capture the effects of surface turbulence and is also associated with the roughness of the terrain. Smooth surfaces impart only a small turbulent effect. The adjustment for rougher surfaces is more substantial since rough surfaces tend to generate short-lived gusts which will translate to a stronger maximum 1-minute sustained wind speed. The gust factor is computed using the same USGS land use data set as is used for the friction calculation. The final adjusted wind represents a 1-minute at a 10-meter height that accounts for the impacts of the local environment and the forward motion of the storm.

## III. DAMAGE ESTIMATION AND DEMAND SURGE

AIR engineers have developed damage functions that describe the interaction between buildings, (including both structural and nonstructural components) and their contents, and the local wind speeds to which they are exposed. These functions relate the mean damage level as well as the variability of damage to wind speed at each location. Because different structural types will experience different degrees of damage, the damage functions vary according to construction class, occupancy, and height. The model estimates a complete distribution around the mean level of damage for each local wind speed and each structural type. Losses are calculated by applying the appropriate damage function to the replacement value of the insured property.

The AIR damage functions capture the effects of wind duration as well as the effect of peak wind speed. The longer a property experiences severe wind speeds, the greater the damage. The

hurricane damageability relationships incorporate well-documented engineering studies published by wind engineers and other experts outside of AIR. They also incorporate the results of post-hurricane field surveys performed by AIR engineers. These relationships are continually refined and validated based on actual client companies' loss data.

Any major hurricane event causes an increase in demand for materials and services to repair and rebuild damaged property. This can put pressure on costs, resulting in higher than expected costs. Therefore, AIR applies aggregate demand surge functions to loss estimates to take into account the combined effects of events clustered in both time and geography.

#### IV. LOSS CALCULATION

##### ALLSTATE EXPOSURE DETAIL

Allstate has supplied AIR with a detailed exposure database containing insured values by policy level and ZIP Code for each line of business, construction, and deductible combination. Damage functions relating wind speed and wind duration to the percentage of property damaged for varying types of coverage and construction are used to produce loss estimates by zip code for each simulated hurricane.

##### MODELED LOSS ESTIMATES

Losses estimated from 100,000 years of simulated potential hurricanes are summed and divided by 100,000 to produce the expected annual losses from all hurricanes for each ZIP Code. ZIP Code loss estimates are then aggregated to produce expected annual loss by county and state.

Hurricane factors are then calculated as the total loss estimate for a given ZIP Code, county, or state divided by the total insured value in thousands of dollars (amount of insurance years). This factor is applied to the expected average amount of insurance years in the determination of the overall rate level indication.

##### ADJUSTMENTS TO MODELED LOSS ESTIMATES

As advances in science and changes in claim payment behaviors evolve, Allstate re-evaluates how it currently reflects modeled hurricane losses in ratemaking. At times it is necessary to adjust the modeled losses to more accurately estimate the Property and Casualty industry's risk from hurricanes. Note that all adjustments made to the modeled losses are under continual development and may change in the future as Allstate learns more about the changing risk environment. Modeled loss estimates include adjustments for:

1. Atlantic Warm Sea Surface Temperature
2. Loss Adjustment Expenses

## 1. Atlantic Warm Sea Surface Temperature Adjustment

Meteorological research has identified correlations between naturally varying ocean temperatures and hurricane activity originating in the Atlantic that affects both the Gulf and the Atlantic coastlines. The active 2004 and 2005 hurricane seasons have heightened Allstate's awareness of such relationships. Scientists have concluded that the climate is presently undergoing a cycle of warmer than average sea surface temperatures which is expected to result in increased hurricane activity in the United States. It is well known that the ocean is able to retain heat for very long periods of time, a physical characteristic known as persistence. Due to the ocean's long-term persistence and the associated ocean current cycle known as the Atlantic Thermohaline Circulation, most scientists believe that the Atlantic Ocean is likely to remain warmer than average for the next several years.

### Methodology:

The AIR WSST hurricane catalog (using 50,000 years of simulations) is a catalog developed to account for the impact of warm sea surface temperatures in the Atlantic Ocean on hurricane landfall activity. The WSST catalog is based on AIR's standard hurricane catalog with adjustments made to landfall frequencies by region to reflect the expected impact of warmer-than-average sea surface temperatures. All of the model components aside from the catalog are that of the AIR Atlantic Tropical Cyclone Model, Version 13.

The AIR WSST catalog was used to calculate an Average Annual Loss net of deductible and gross of reinsurance (referred to as "Gross AAL"). In addition, the AIR standard hurricane catalog (using the first 50,000 years of simulations) was used to calculate a Gross AAL. The WSST Factor was developed by taking the ratio of the Gross AAL from the WSST hurricane catalog to the Gross AAL from the standard hurricane model.

$$\text{Indicated WSST Factor} = \frac{\text{Gross AAL from AIR WSST hurricane catalog}}{\text{Gross AAL from AIR standard hurricane catalog}}$$

The WSST Factors were calculated for each state and line of business and rounded to 3 decimals.

### Data:

2011/2010 WSST Factors	
<u>State</u>	<u>Factor</u>
AR	1.124

\* Uses 50,000 Years

## 2. Loss Adjustment Expenses

Loss Adjustment Expenses (LAE), both allocated and unallocated, represent the costs of adjusting, investigating and settling losses due to the hurricane peril. Allocated expenses are incurred while investigating and settling claims and are considered allocated because they can be linked directly to a claim file. Unallocated expenses are associated with processing claims but cannot be linked directly to a claim file. Modeled hurricane losses provided by AIR do not include LAE. Therefore it is necessary to develop a LAE provision to be applied to these losses for use in pricing and hurricane exposure management. In order to account for the LAEs associated with hurricane losses, we have applied a factor of 1.17 to the modeled losses for all property lines. The selection of this provision was based on a study of the LAE associated with hurricane losses for Allstate.

Methodology:

### Allocated Loss Adjustment Expense (ALAE)

Loss and allocated loss adjustment expense data for hurricane events from 1998 through 2010 was analyzed. Tropical storms are not included in the LAE analysis, as they are not simulated in the modeled loss data. A ratio of allocated loss adjustment expenses to losses was developed.

### Unallocated Loss Adjustment Expense (ULAE)

Loss and unallocated loss adjustment expense data for hurricane events from the time period of 1998 through 2010 was analyzed. A ratio of unallocated loss adjustment expenses to losses was developed.

Allstate Insurance Group Allstate Personal and Commercial Lines Combined Loss Adjustment Expense Analysis - Hurricane Peril	
ALAE	1.8%
ULAE	<u>16.4%</u>
Total	18.2%
 Selected:	 17.0%

## V. ACTUARIAL STANDARDS OF PRACTICE

The rules and procedures as set forth in Actuarial Standard of Practice No. 38, *Using Models Outside the Actuary's Area of Expertise (Property and Casualty)* were applied in reviewing the modeled losses.

# **ATTACHMENT IV**

## **Retained Risk Provision**

**ALLSTATE INSURANCE GROUP  
OWNERS  
ARKANSAS**

**DEVELOPMENT OF RETAINED RISK PROVISION BASED ON MODELED  
EXPOSURE**

Allstate includes a provision in the rates to cover the risk of exposing its capital to large catastrophic events. This retained risk provision (RRP) is intended to provide appropriate compensation to Allstate relative to its retained, high-layer modeled risk. The provision described below is consistent with the rules and procedures set forth in the Actuarial Standard of Practice No. 38, *Using Models Outside the Actuary's Area of Expertise (Property and Casualty)* and Actuarial Standard of Practice No. 39, *Treatment of Catastrophe Losses in Property/Casualty Insurance Ratemaking*.

The procedure for developing the RRP calls for identifying the portion of catastrophic losses that will be retained by Allstate and then estimating the cost to Allstate of holding the capital required to pay such losses. To measure the amount of retained losses, Allstate's actual reinsurance contracts are applied to the modeled losses based on the 2011/2010 AIR Version 13.0 Hurricane and Earthquake Model for Arkansas. This provides an estimate of the portion of the losses that will be covered by Allstate's reinsurance contracts and the amounts that will be retained by Allstate. Once the retained losses in excess of a 1-in-5-year event (i.e., 20% annual occurrence probability) have been determined, we then calculate the appropriate compensation for exposure to such losses by using data from capital markets – specifically the market for catastrophe bonds. The details of the procedures used to determine the magnitude of retained losses at various occurrence probabilities, and the investor-required compensation for bearing the risk of those losses, are explained in more detail below.

Catastrophe bonds are one of a class of financial instruments known collectively as “insurance linked securities (ILS).” ILS have payoffs conditional on future contingent events, such as the occurrence of hurricanes. While there are a variety of ILS traded in today's capital markets, the most common and prominent of these are catastrophe bonds, which are bonds that may default on both principal and interest if a specific catastrophic event occurs.

Typically a catastrophe bond is issued by an insurance company with a provision that if a specified catastrophic event (e.g., hurricane in Florida, earthquake in California, winter storm in Europe, etc.) of a particular magnitude occurs, the issuer may default on the payment of principal and/or interest on the bond. In that respect, the bond functions similarly to reinsurance – once the “attachment point” is breached, the insurer receives a benefit that at maximum is equal to the face amount of the bond. When catastrophe bonds are sold, investors naturally demand a yield premium as compensation for the risk of default.

Mechanically, when catastrophe bonds are sold, the issuer deposits the proceeds of the sale into a segregated account which pays interest at the risk free rate. However, because of the default risk, the yields on such bonds must be higher than the risk free rate. Thus, the interest in excess of the risk free rate is an excellent basis for measuring the risk premium that the marketplace has

established for bearing catastrophe exposure. Furthermore, since insurers face the same risk of catastrophic loss as investors, the risk premiums paid in capital markets provide an appropriate measure of the compensation required for the insurer as well.

There are several reasons why this is a particularly useful way to quantify a RRP in ratemaking. First, the data are drawn directly from capital markets, meaning they reflect the consensus of all investors as to the compensation required for bearing catastrophe risk. Second, they reflect exactly the types of risks to which insurers are exposed when they write property coverage in catastrophe prone states; as such they represent an appropriate estimate of the return demanded for the catastrophe exposure. Third, the entire analysis is free of assumptions regarding insurer-specific factors such as cost of capital, leverage, and investment income. Finally, the data required to adapt this information to insurance ratemaking is readily available and reported regularly at annual (or more frequent) intervals.

The data used in the calculation of the rate retained risk provision was selected in accordance with the considerations listed in Section 3.2 of Actuarial Standard of Practice No. 23, *Data Quality*. As regards the data, the sources Allstate relies upon are the annual publications of Lane Financial LLC, the most prominent analyst of the ILS market in the US. Annually, Lane Financial provides a summary of all newly issued catastrophe bonds, which includes information on the following critical variables:

- Face amount of bond
- Insured peril
- Yield spread to risk free rate (the excess return or risk premium on the bond)
- Probability of first loss (the probability that the insured event will cause any loss of principal or interest)
- Probability of exhaustion (the probability that the loss will be large enough to exhaust the entire principal of the bond)
- Expected value of loss (the annual average loss given the probability of attachment and exhaustion, expressed as a percent of the face amount of the bond)

Allstate uses this data to develop the appropriate RRP by state, line, and company in the following manner. First, profit multiples are calculated, which are obtained by subtracting the expected value of loss from the excess return on the bond, and then dividing that quantity by the expected loss. This profit multiple is essentially a measure of the profit an investor expects per dollar of expected loss on the bond. However, as might be expected, the amount of profit that investors require per dollar of loss depends on the riskiness of the losses themselves. For bonds that are extremely risky (i.e., that have very low probabilities of attachment) the profit multiples are considerably higher than for less risky instruments. Therefore, when the data are compiled, the profit multiples are computed for each bond, and a regression curve is fit to the profit multiple data. The average profit multiples for each layer are then determined using the fitted curve, for the following layers: those with attachment probabilities of 20% - 10%, 10% - 5%, 5% - 2%, 2% - 1%, 1% - 0.4%, and less than 0.4%. As expected, these profit multiples increase as the attachment probabilities decrease. The selected profit multiples used in the calculation of the Retained Risk Provision for Arkansas Allstate Property and Casualty Insurance Company Owners are shown in **Exhibit 1** of this attachment.

The next step is to apply these profit multiples to the amount of modeled losses retained by Allstate. To do this, the amount of retained modeled losses are compiled by layer, where the layers are defined by occurrence probabilities in the same ranges as the profit multiples described above. Given the expected retained losses within each layer and the required profit per dollar of loss as measured by the profit multiples, the RRP (in dollars) is calculated by multiplying the expected retained losses within each layer by the corresponding profit multiple and summing across the layers. This result can be used to estimate the appropriate compensation to Allstate for its retained modeled exposure.

These calculations are performed using annual aggregate modeled losses since Allstate's surplus is exposed to multiple events in the same year. The aggregate annual occurrence probabilities are determined by using all modeled losses in Arkansas using the AIR model event sets.

The AIR model produces 50,000 years of modeled losses, which are initially ranked from high to low. The loss sizes are determined for each of the occurrence probabilities that are used to define the loss layers (0.4%, 1%, 2%, 5%, 10%, and 20%). For example, the 1-in-100-year loss (1% probability) is the amount of modeled loss in the 500<sup>th</sup> largest year (1% of 50,000), the 1-in-250-year loss (0.4% probability) is the amount of modeled loss in the 200<sup>th</sup> largest year, etc. Once the loss sizes are determined for the boundaries of each layer, all expected losses from the AIR model are distributed into these layers of loss.

Next, the amount of losses in each layer that are covered by Allstate's reinsurance contracts is determined by applying Allstate's reinsurance contracts to the modeled losses. The following items need to be considered when applying Allstate's reinsurance contracts:

- For events that impact more than one state, the reinsured losses are allocated to each affected state proportional to those events' expected losses in each state.
- Allstate's nationwide (excluding New Jersey and Florida) reinsurance contract is a per occurrence excess-of-loss contract that covers catastrophe losses in a year, subject to the terms and limits of that contract.
- The reinsurance coverage provided by the nationwide contract is applied to each state proportional to each state's expected losses in the reinsured layer.
- Some states have multiple reinsurance contracts that provide coverage for various types of catastrophe losses – these may include state-specific reinsurance contracts in addition to the nationwide contract.
- Additional considerations are required when there are multiple events in a year to ensure that the reinsured losses are allocated properly to each state.

Allstate's retained losses for each event are derived by subtracting the losses covered by reinsurance from the total expected losses. In some years, the retained losses exceed the total amount of Allstate's statutory surplus. Those years with retained losses in excess of Allstate's surplus are identified and Arkansas's portion of the excess losses is determined proportional to the retained losses in that year. The losses in excess of Allstate's statutory surplus are subtracted from the retained losses to determine the exposed losses covered by Allstate's surplus.

The indicated RRP is then developed by applying the profit multiple indicated by capital markets to the exposed Arkansas losses covered by surplus in each layer. The dollars of RRP are summed across the layers, and a diversification factor is applied to account for the fact that Allstate is a multi-line, multi-state company, to determine the total RRP. The calculation of the total diversified RRP for Arkansas Allstate Property and Casualty Insurance Company Owners is shown on **Exhibit 2** of this attachment.

Finally, the dollars of calculated RRP are divided by Amount of Insurance Years (AIYs) to develop an indicated per-AIY charge.

**ALLSTATE INSURANCE GROUP**

**Summary of Catastrophe Bond Profit Multiples**  
*Based on Short-Term Cat Bonds issued between 2006 and 2012*  
*for All U.S. bonds with a probability of loss between 0.05% and 20.00%*

<u>Probability</u>	<u># of Cat Bonds</u>	<u>Average Size of Issue (\$ Millions)</u>	<u>Profit Multiple</u> <sup>1</sup>
less than 0.4%	4	\$49.4	18.30
0.4% to 1%	25	180.1	8.22
1% to 2%	41	134.1	5.35
2% to 5%	65	91.3	3.54
5% to 10%	24	59.6	2.16
10% to 20%	7	27.1	1.55
Total	166	\$106.9	4.76

Source: Lane Financial LLC, Annual Securitization Reviews

<sup>1</sup> Based on fitted regression of all cat bonds selected

**Allstate Property and Casualty Insurance Company**  
**Owners**  
**Arkansas**

**Development of Retained Risk Provision**  
All Perils excl. EQ-Shake Peril

	(1)	(2)	(3)	(4) = (1) - (2) - (3)	(5)	(6) = (4) x (5)
Layer	Probability of Attaching	Expected Loss	Reinsured Loss	Exposed Losses Above Surplus	Exposed Losses Covered by Surplus	Retained Risk Provision by Layer
1	100.0%	\$0	\$0	\$0	\$0	\$0
2	20.0%	\$1,418	\$7	\$0	\$1,411	2,186
3	10.0%	\$21,172	\$323	\$0	\$20,848	45,033
4	5.0%	\$58,581	\$3,011	\$0	\$55,571	196,720
5	2.0%	\$58,861	\$4,730	\$0	\$54,131	289,603
6	1.0%	\$65,192	\$8,681	\$0	\$56,511	464,520
7	0.4%	\$138,815	\$53,599	\$0	\$85,216	1,559,450
<b>Total</b>		<b>\$344,038</b>	<b>\$70,350</b>	<b>\$1</b>	<b>\$273,688</b>	<b>\$2,557,512</b>

(7) Diversification Factor: 0.402

(8) Total Diversified Retained Risk Provision (in \$): \$1,027,187  
= (6) Total \* (7)

(9) Arkansas AP&C Owners AIYs\*: 6,564,797

(10) Indicated Retained Risk Provision per AIY: 0.156  
= (8) / (9)

(11) Selected Retained Risk Provision per AIY: 0.000

\*1 AIY = One Amount of Insurance Years = \$1000 of Coverage in Force for One Year

Notes: Losses include loss and 17.0% LAE

# **ATTACHMENT V**

## **Contingency Factor Support Explanatory Memorandum**

**ALLSTATE PROPERTY AND CASUALTY INSURANCE COMPANY  
OWNERS  
ARKANSAS**

**CONTINGENCY FACTOR SUPPORT  
EXPLANATORY MEMORANDUM**

This memo provides explanation regarding Allstate's methodology for calculating a contingency provision to be used in its Homeowner rate level.

Actuarial Standard of Practice (ASOP) No. 30, *Treatment of Profit and Contingency Provisions and the Cost of Capital in Property/Casualty Insurance Ratemaking*, defines the contingency provision for ratemaking purposes as follows: A provision for the expected differences, if any, between the estimated costs and the average actual costs, that cannot be eliminated by changes in other components of the ratemaking process. ASOP No. 30 goes on to state that:

- The actuary should include a contingency provision in the rates if assumptions used in ratemaking produce cost estimates that are not expected to equal average actual costs, and if the difference cannot be eliminated by changes in other components of the ratemaking process.
- While estimated costs are intended to equal average actual costs over time, differences between estimated and actual risk transfer costs may be expected in any given year. If a difference persists, the difference should be reflected in the ratemaking calculations as a contingency provision. The contingency provision is not intended to measure the variability of results and is not expected to contribute to profit.

Estimating the impact of costs that “cannot be eliminated by changes in other components of the ratemaking process” can be a challenge, and there has not yet emerged an ideal methodology for it.<sup>1</sup> Steven G. Lehmann, in his paper titled *Contingency Margins in Rate Calculations* notes, “How do you measure the ‘unmeasurable’? Some may argue that measurement of the contingency factor is impossible because, by their very nature, contingencies are events which are not susceptible to treatment in the normal ratemaking approach – things you cannot plan for” (pg 227). As a result, historically, some actuaries have simply built in a provision that seemed “reasonable” using actuarial judgment. Conversely, Allstate has completed two different analyses intended to help give guidance as to what is a reasonable contingency provision. One approach is to determine what portion of historical losses came from events that were not intended to be covered. The other approach is to compare expected losses to actual losses over a long period of time to see if a difference persists. Each approach is described in detail below.

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<sup>1</sup> CAS literature has been surprisingly quiet on contingency provision methodology. The most recent paper addressing the issue was written in 1985 by Steven G Lehmann.

### Unexpected Loss Analysis

Even if an actuary has available relevant, credible data and uses the best, state-of-the-art actuarial techniques, there may still be instances where estimated future costs differ from actual future costs. The factors causing this situation to occur are outside the actuary's ability to predict and the insurer's ability to control. Examples would include (but not be limited to) court decisions, legislative action, and media influence on the public's behavior.

In spite of the inability to foresee specific events, an insurer may look back at recent history and identify past events that triggered unexpected payments. Given the highly regulated nature of the property and casualty insurance industry and the large amounts of money that flow through an insurance organization, it is reasonable to assume that adverse court decisions and similar unexpected events will occur again in the future. Courts and regulatory bodies are likely to continue to respond to lawsuits and other attempts at unexpected application of an insurance policy's coverage. As outlined in the Actuarial Standard of Practice referenced above, these events should be accounted for in ratemaking in the form of a contingency provision.

The unexpected loss methodology for calculating a contingency provision allows for more specificity around the type of events that are included. We have reviewed loss experience and have identified a number of representative events that are appropriate to a contingency provision, due to their unanticipated nature. Considered events include the following: court decisions redefining the cause of loss for earth movement- and landslide-related loss, sinkholes, failure to disclose (in connection with sale of a home), oil tank leakage, foundation slab losses, mold, methamphetamine lab damage, legislated exceptions to policy language, flooding, lead paint poisoning, imminent collapse, terrorism, radiant floor heating systems, dog bites, and drug cartel wars. Identifying these events through Allstate claim file narratives allows us to exclude claims that are not appropriate to a contingency provision, such as normal low frequency, high severity events and regulatory delay situations. The effect of inflation is also excluded.

Some of these losses are too old to obtain reliable loss data at the claim level of detail. Some of these losses are too new to have worked into our data yet. Some events are excluded because, even with sophisticated computer programs, losses are not specifically tracked and so can't be separated from other loss data for inclusion in Allstate's computations. Some events simply did not produce a frequency of loss to materially impact our calculations. However, each event mentioned above illustrates that unforeseen loss does occur. This can be the case when a legislative or court decision expands the scope of Allstate's policy coverage, or when the media unexpectedly focuses attention on a health issue or other item of public concern. Other as-yet-unknown influences that Allstate cannot predict or price for will also likely affect claims payments in the future.

In order to estimate an appropriate contingency provision, we have selected a group of events from the above list of considered events (including oil tanks, slab losses, mold and flooding) for which we can obtain more detailed loss data. It is not our intention to price these specifically named events, but to use these events as a proxy for unforeseen events occurring in the future. Issues which triggered payments over several years cannot be considered "unexpected" for an indefinite period of time. In these cases, we have judgmentally included losses from the first

three years following the initial event. After three years we assume that these losses are present in our indications data and that we have priced sufficiently for the event's exposure in our rates. Some events are of shorter duration and so fewer than three years of losses are included in the calculations. Note also that data includes some low frequency, high severity losses. Such losses are more appropriately accounted for with a long-term provision rather than in a contingency provision, and Allstate does calculate an adequate weather provision (theoretically sound and calculated over a sufficiently long period of time). However, the legislative, media and other influences that generate unexpected losses can also affect such losses. Therefore, these losses are included in our analysis when they stem from one of the issues in question. Losses are included for Allstate's Owners, Renters and Condo forms.

**Exhibit 20** shows the sum of all claims divided by countrywide homeowners accident year non-catastrophe losses from 1996 – 2003, adjusted for expense provisions. This time period was chosen to match the time period of losses readily available to us (our claim files older than 1996 cannot be effectively reviewed to extract specific losses). Our analysis was completed in 2004, and due to systems modifications since then, retrieving data at this level of detail would require extensive effort. Losses for some events have been adjusted downward to reflect the fact that, despite the sophistication of our analysis, some claims unrelated to the issue in question can be unintentionally included in the loss totals.

#### Expected Loss Versus Actual Loss Analysis

As noted above, ASOP 30 states: "While estimated costs are intended to equal average actual costs over time, differences between estimated and actual risk transfer costs may be expected in any given year. If a difference persists, the difference should be reflected in the ratemaking calculations as a contingency provision." Thus, the goal of Allstate's second analysis is to determine if there is a persistent difference between actual and expected losses.

In this approach, Allstate's rate-level indication methodology was replicated for historical non-catastrophe losses, and the estimate of a future year's losses is compared to the actual losses for that year. For example, data from 1997, 1998, and 1999 is used to calculate an estimate of losses for the year 2000. This estimate is then compared to the actual losses for the year 2000. This process was repeated using data going back to 1992. However, note that, we have opted to allow the actual losses to develop for three additional years in order to have an actual loss value that is close to its ultimate value. As a result, the most recent data used in the analysis will always lag behind the current year by approximately three years.

**Exhibit 20** shows the results of the historical comparison of expected and actual losses. This long-term difference is then divided by total losses to get a percentage, and is then adjusted for expense provisions.

# **ATTACHMENT VI**

## **Rate Level Indication Exhibits**

Allstate Property and Casualty Insurance Company  
Owners  
Arkansas

Summary of Rate Level Changes

	<b>Premium Distribution at Current Rates</b>	<b>Indicated Change</b>	<b>Selected Change</b>
Variable Package Premium	91.2%	N/A	8.7%
Fixed Expense Premium	5.1%	N/A	N/C
Additional Coverages	2.9%	N/A	N/C
<b>Total Owners (non-NCOR)</b>	<b>99.2%</b>	<b>25.9%</b>	<b>7.9%</b>
NCOR	0.8%	11.7%	11.7%
<b>Total Owners</b>	<b>100.0%</b>	<b>25.8%</b>	<b>8.0%</b>

\*NCOR = Net Cost of Reinsurance

Allstate Property and Casualty Insurance Company  
Owners  
Arkansas

Determination of Statewide Rate Level Indication

1) Indicated Provision for Loss and Loss Adjustment Expense [ (a) + (b) + (c) + (d) ]	\$1,031.87
a) Non-Weather Loss and LAE	\$334.38
b) Weather Loss and LAE	\$683.71
c) Low-Layer Retained and Ceded Hurricane Loss and LAE	\$2.14
d) High-Layer Retained Hurricane Loss and LAE	\$11.64
2) Current Fixed Expense Ratio	10.5 %
3) Three Year Average Earned Premium	\$936.66
4) Current Dollar Provision for Fixed Expense [ (2) x (3) ]	\$98.35
5) Factor to Adjust for Subsequent Change in Fixed Expense	1.102
6) Indicated Provision for Fixed Expense [ (4) x (5) ]	\$108.38
7) Variable Expense, Contingencies Ratio, and Profit Ratio [ (a) + (b) + (c) ]	26.6 %
a) Variable Expense Ratio (including Commissions, Taxes, and Debt Provision)	16.3 %
b) Contingencies Ratio	2.0 %
c) Profit Ratio	8.3 %
8) Selected Retained Risk Provision	\$0.00
9) Indicated Average Premium [ (a) + (b) ]	\$1,553.47
a) Non-Weather Loss and LAE	\$1,553.47
Weather Loss and LAE	
Low-Layer Retained and Ceded Hurricane Loss and LAE	
High-Layer Retained Hurricane Loss and LAE	
Fixed Expense	
[ (1a) + (1b) + (1c) + (1d) + (6) ] / [ 1 -(7 Total) ]	
b) Retained Risk Provision (8) / [ 1 - (7a) ]	\$0.00
10) Projected Average Earned Premium at Current Rates	\$1,233.75
11) Indicated Rate Level Change [ (9 Total) / (10) - 1.0 ]	25.9 %

Allstate Property and Casualty Insurance Company  
Owners  
Arkansas

Development of Provision for Non-Weather Loss and LAE  
Non-Weather Peril excluding Earthquake

Fiscal Year Ending	(1) Earned Exposures	(2) Accident Year * Non-Weather Ultimate Loss	(3) Non-Weather Ultimate Loss and LAE	(4) Factor to Adjust Losses for Pure Premium Trend	(5) Projected Non- Weather Ultimate Loss and LAE	(6) Projected Average Non-Weather Loss and LAE	(7) Risk Mgt Non- Weather Loss Adjustment	(8) Adjusted Projected Average Non- Weather Loss and LAE	(9) Experience Year Weights
12/31/2008	26,216	8,761,000	\$10,048,867	0.939	\$9,435,886	\$359.93	0.820	\$295.14	20%
12/31/2009	32,135	14,889,000	\$17,077,683	0.949	16,206,721	504.33	0.820	\$413.55	20%
12/31/2010	33,883	14,866,000	\$17,051,302	0.958	16,335,147	482.10	0.820	\$395.32	20%
12/31/2011	34,191	8,731,000	\$10,014,457	0.968	9,693,994	283.52	0.820	\$232.49	20%
12/31/2012	32,270	11,766,000	\$13,495,602	0.978	13,198,699	409.01	0.820	\$335.39	20%
<b>(10) Indicated Provision for Non-Weather Loss and LAE</b>								\$334.38	

\* Evaluated at 12 months

Allstate Property and Casualty Insurance Company  
Owners  
Arkansas

Development of Provision for Weather Loss and LAE  
Total Weather Peril

Accident Year* Ending	(1) Accident Year * Ultimate Severity	(2) Ultimate Severity incl. LAE	(3) Severity Trend Factor	(4) Projected Ultimate Severity incl. LAE	(5) Risk Mgt Loss Adjustment	(6) Adjusted Projected Ultimate Severity incl. LAE	(7) Experience Year Weights
12/31/2010	\$4,971.99	\$5,702.87	1.231	7,020.23	0.970	\$6,809.62	24%
12/31/2011	\$5,670.41	\$6,503.96	1.172	7,622.64	0.970	\$7,393.96	38%
12/31/2012	\$4,260.76	\$4,887.09	1.117	5,458.88	0.970	\$5,295.11	38%
<b>(8) Indicated Provision for Severity Including All LAE</b>						\$6,456.16	
<b>(9) Indicated Provision for Frequency</b>						10.59%	
<b>(10) Indicated Provision for Weather Loss and LAE</b>						\$683.71	

\* Evaluated at 12 months

Allstate Insurance Group  
Owners  
Arkansas

Calculation of Loss Development Factors  
Non-Weather Peril excluding Earthquake

Incurring Losses †

Fiscal Accident Year Ending 12/31	12 Months	24 Months	36 Months	48 Months	60 Months	72 Months	84 Months‡	Earned Exposures
2001							4,744,255	35,907
2002						6,451,640	7,013,342	30,495
2003					6,259,972	6,271,624	6,286,774	40,220
2004				5,417,243	5,417,323	5,415,236	5,415,236	45,361
2005			5,224,376	5,232,110	5,237,283	5,236,747	5,208,763	48,589
2006		9,983,963	10,099,611	10,059,511	10,073,229	10,072,914	10,074,512	52,159
2007	11,904,681	12,946,513	12,990,133	13,044,953	13,071,211	13,064,297		57,038
2008	14,956,854	15,276,445	15,428,846	15,433,783	15,435,542			59,242
2009	18,806,058	19,806,248	19,737,013	19,825,582				60,230
2010	17,710,093	19,276,389	19,463,319					58,381
2011	12,252,597	13,089,209						55,750
2012	14,479,750							50,982

**Selected Trend:** 8.0%

Trended Incurring Losses

Fiscal Accident Year Ending 12/31	12 Months	24 Months	36 Months	48 Months	60 Months	72 Months	84 Months‡
2001							11,061,890
2002						13,928,607	15,141,279
2003					12,513,713	12,537,005	12,567,290
2004				10,026,939	10,027,087	10,023,224	10,023,224
2005			8,953,662	8,966,917	8,975,783	8,974,864	8,926,904
2006		15,843,295	16,026,813	15,963,180	15,984,948	15,984,449	15,986,984
2007	17,491,882	19,022,675	19,086,767	19,167,316	19,205,897	19,195,738	
2008	20,348,635	20,783,435	20,990,775	20,997,491	20,999,884		
2009	23,690,217	24,950,168	24,862,952	24,974,524			
2010	20,657,052	22,483,980	22,702,015				
2011	13,232,805	14,136,346					
2012	14,479,750						

Trended Additive Amounts per Exposure

Development	12 to 24	24 to 36	36 to 48	48 to 60	60 to 72	72 to 84
4th Prior	26.838	3.518	0.273	0.003	0.579	39.766*
3rd Prior	7.339	1.124	-1.220	0.182	-0.085	0.753
2nd Prior	20.919	3.500	1.412	0.417	-0.019	0.000
1st Prior	31.293	-1.448	0.113	0.676	-0.010	-0.987
Latest	16.207	3.735	1.852	0.040	-0.178	0.049
5 Year Excluding Outlier	20.49	2.04	0.54	0.27	0.03	-0.08
Selected:	20.49	2.04	0.54	0.27	0.03	-0.08

\*Excluded Outlier

**Selected Methodology** Additive Method

Loss Development Period ( months ):	12 - 84	24 - 84	36 - 84	48 - 84	60 - 84
Additive Amt per Exp:	23.29	2.80	0.76	0.22	-0.05
Selected Ultimate Loss & ALAE:	11,765,765	8,730,592	14,865,438	14,888,836	8,760,555

†Includes ALAE

‡Includes supplemental reserves in addition to case reserves

Allstate Property and Casualty Insurance Company

Year	Trended Age-to-Ult Additive Amt Per Exposure	Earned Exposures	Trended Losses Yet To Emerge	De-Trended Losses Yet To Emerge	Incurred Loss & ALAE	Ultimate Loss & ALAE
2008	-0.05	26,216	-1,311	-964	8,761,519	8,760,555
2009	0.22	32,135	7,070	5,612	14,883,224	14,888,836
2010	0.76	33,883	25,751	22,077	14,843,361	14,865,438
2011	2.80	34,191	95,735	88,644	8,641,948	8,730,592
2012	23.29	32,270	751,568	751,568	11,014,197	11,765,765

Allstate Insurance Group  
Owners  
Arkansas

Calculation of Loss Development Factors  
Liability  
Incurred Losses †

Fiscal Accident Year Ending 12/31	12 Months	24 Months	36 Months	48 Months	60 Months	72 Months	84 Months‡
2001							134,034
2002						469,096	1,030,798
2003					160,252	171,904	187,165
2004				160,792	160,872	158,605	158,605
2005			210,057	214,463	222,526	223,819	198,765
2006		411,161	435,804	457,639	459,075	459,075	459,075
2007	213,503	326,802	328,630	383,847	403,309	388,491	
2008	278,777	440,442	566,854	577,971	577,971		
2009	293,242	357,601	418,918	385,848			
2010	233,878	427,609	610,094				
2011	252,178	192,248					
2012	440,699						

Link Ratios

Development	12 to 24	24 to 36	36 to 48	48 to 60	60 to 72	72 to 84
4th Prior	1.531	1.060	1.021	1.000	1.073	2.197*
3rd Prior	1.580	1.006	1.050	1.038	0.986	1.089
2nd Prior	1.219	1.287	1.168	1.003	1.006	1.000
1st Prior	1.828	1.171	1.020	1.051	1.000	0.888
Latest	0.762	1.427	0.921	1.000	0.963	1.000
5 Year Excluding Outliers:	1.384	1.190	1.036	1.018	1.006	0.994
Selected:	1.384	1.190	1.036	1.018	1.006	0.994

\*Excluded outlier

Selected Methodology

Link Ratio Method

Loss Development Period ( months ):	12 - 84	24 - 84	36 - 84	48 - 84	60 - 84
Loss Development Factor:	1.737	1.255	1.055	1.018	1.000

†Includes ALAE

‡Includes supplemental reserves in addition to case reserves

Allstate Property and Casualty Insurance Company

Year	Incurred Loss	Factor to Ultimate	Ultimate Loss & ALAE
2008	\$368,437	1.000	368,437
2009	\$257,219	1.018	261,849
2010	\$494,105	1.055	521,281
2011	\$138,457	1.255	173,764
2012	\$361,747	1.737	628,355

Allstate Insurance Group  
Owners  
Arkansas

Calculation of Loss Development Factors  
Non-Weather Excluding Liability  
Incurred Losses †

Fiscal Accident Year Ending 12/31	12 Months	24 Months	36 Months	48 Months	60 Months	72 Months	84 Months‡
2001							4,610,221
2002						5,982,544	5,982,544
2003					6,099,720	6,099,720	6,099,609
2004				5,256,451	5,256,451	5,256,631	5,256,631
2005			5,014,319	5,017,647	5,014,757	5,012,928	5,009,998
2006		9,572,802	9,663,807	9,601,872	9,614,154	9,613,839	9,615,437
2007	11,691,178	12,619,711	12,661,503	12,661,106	12,667,902	12,675,806	
2008	14,678,077	14,836,003	14,861,992	14,855,812	14,857,571		
2009	18,512,816	19,448,647	19,318,095	19,439,734			
2010	17,476,215	18,848,780	18,853,225				
2011	12,000,419	12,896,961					
2012	14,039,051						

	Link Ratios					
Development	12 to 24	24 to 36	36 to 48	48 to 60	60 to 72	72 to 84
4th Prior	1.079	1.010	1.001	1.000	1.000	1.000
3rd Prior	1.011	1.003	0.994	0.999	1.000	1.000
2nd Prior	1.051	1.002	1.000	1.001	1.000	1.000
1st Prior	1.079	0.993	1.000	1.001	1.000	0.999
Latest	1.075	1.000	1.006	1.000	1.001	1.000
5 Year Average:	1.059	1.002	1.000	1.000	1.000	1.000
Selected:	1.059	1.002	1.000	1.000	1.000	1.000

**Selected Methodology**

Link Ratio Method

Loss Development Period ( months ):	12 - 84	24 - 84	36 - 84	48 - 84	60 - 84
Loss Development Factor:	1.061	1.002	1.000	1.000	1.000

†Includes ALAE

‡Includes supplemental reserves in addition to case reserves

**Allstate Property and Casualty Insurance Company**

Year	Incurred Loss	Factor to Ultimate	Ultimate Loss & ALAE
2008	\$8,393,082	1.000	8,393,082
2009	\$14,626,005	1.000	14,626,005
2010	\$14,349,256	1.000	14,349,256
2011	\$8,503,491	1.002	8,520,498
2012	\$10,652,450	1.061	11,302,249

Allstate Property and Casualty Insurance Company  
Arkansas  
Owners

Ultimate Losses & ALAE  
Total Non-Weather Peril

<b>Ultimate Losses &amp; ALAE</b>			
<b><u>Year</u></b>	<b><u>Link Ratio Estimate*</u></b>	<b><u>Additive Estimate</u></b>	<b><u>Selected</u></b>
2008	8,761,519	8,760,555	8,761,000
2009	14,887,854	14,888,836	14,889,000
2010	14,870,537	14,865,438	14,866,000
2011	8,694,262	8,730,592	8,731,000
2012	11,930,604	11,765,765	11,766,000

\* Link Ratio includes Liability and All Excluding Liability, excluding Earthquake.

**ALLSTATE INSURANCE GROUP\***

**Countrywide Expense Experience  
Unallocated Loss Adjustment Expense (Adjusting and Other Expense) Factors\*\***

**2009, 2010 & 2011**

	<u>2009 - 2011</u>
1. Direct Losses and Allocated Loss Adjustment Expense Incurred excluding Earthquake and Hurricane Losses	\$ 43,201,888
2. Direct Unallocated Loss Adjustment Expense Incurred excluding Earthquake and Hurricane	\$ 6,356,078
3. Ratio (2)/(1)	0.147
4. Proposed Provision	0.147

\* Allstate Insurance Company, Allstate Indemnity Company, Allstate Property and Casualty Insurance Company  
Allstate County Mutual Insurance Company, Allstate Fire & Casualty, Northbrook Indemnity, and Allstate Texas Lloyds

\*\* Includes Personal Property Lines and Private Passenger Automobile Insurance

(000 Omitted)

Allstate Property and Casualty Insurance Company  
Owners  
Arkansas

Calculation of Pure Premium Trend Factor

<u>Peril</u>	Selected Annual Pure Premium Impacts	
	<u>Historical</u>	<u>Projected</u>
Non-Weather Peril excluding Earthquake	-1.00%	-1.00%

	<u>4th Prior Year</u>	<u>3rd Prior Year</u>	<u>2nd Prior Year</u>	<u>1st Prior Year</u>	<u>Current Year</u>
1) Loss Trend Projection Date	10/3/2014	10/3/2014	10/3/2014	10/3/2014	10/3/2014
2) Mid-Point of Current Year's Experience Period	6/30/2012	6/30/2012	6/30/2012	6/30/2012	6/30/2012
3) Experience Period Ended	12/31/2008	12/31/2009	12/31/2010	12/31/2011	12/31/2012
4) Midpoint of Experience Period	6/30/2008	6/30/2009	6/30/2010	6/30/2011	6/30/2012
5) Historical: Number of Years from (4) to (2)	4.000	3.000	2.000	1.000	0.000
6) Projected: Number of Years from (2) to (1)	2.260	2.260	2.260	2.260	2.260

Calculation of Trend Factors

(a) Historical Pure Premium Factors are the Annual Historical Impacts plus unity compounded for the number of years in (5)

(b) Projected Pure Premium Factors are the Annual Projected Impacts plus unity compounded for the number of years in (6)

(c) Factor to Adjust Losses for Pure Premium Trend = (a) x (b)

Allstate Property and Casualty Insurance Company  
Owners  
Arkansas

Loss Trends - Pure Premium  
Non-Weather Peril excluding Earthquake

Year Ending	Actual Paid Pure		Exponential Curve of Best Fit		
	Premium	Annual Change	24 pt.	12 pt.	6 pt.
03/07	532.99	2,924.95 %	420.75		
06/07	329.10	155.09	415.67		
09/07	429.37	146.15	410.65		
12/07	388.83	57.91	405.69		
03/08	377.20	-29.23	400.79		
06/08	357.52	8.64	395.95		
09/08	346.43	-19.32	391.17		
12/08	337.88	-13.10	386.45		
03/09	375.85	-0.36	381.78		
06/09	349.10	-2.36	377.17		
09/09	390.91	12.84	372.62		
12/09	437.90	29.60	368.12		
03/10	442.05	17.62	363.67	432.05	
06/10	437.87	25.43	359.28	415.46	
09/10	395.31	1.13	354.94	399.51	
12/10	372.97	-14.83	350.66	384.17	
03/11	370.26	-16.24	346.42	369.41	
06/11	372.52	-14.93	342.24	355.23	
09/11	344.40	-12.88	338.11	341.59	312.04
12/11	310.35	-16.79	334.02	328.47	309.35
03/12	264.97	-28.44	329.99	315.86	306.70
06/12	281.78	-24.36	326.00	303.73	304.06
09/12	328.07	-4.74	322.07	292.07	301.45
12/12	309.75	-0.19	318.18	280.86	298.86
Regression			24 pt.	12 pt.	6 pt.
Avg Annual Percent Change Based on Best Fit:			-4.74 %	-14.50 %	-3.39 %
State Credibility based on 723 Paid Claims					
In Year Ending 12/2012:			26 %	26 %	26 %

Allstate Insurance Group  
Owners  
Arkansas

Provision for Weather Frequency

(1) Accident Year Ending	(2) Earned Exposures	(3) Accident Year * Paid Claims	(4) Accident Year Paid Frequency	(5) Accident Year Ultimate Paid Frequency
1988	48,389	3,454	7.14%	7.14%
1989	49,696	6,408	12.89%	12.89%
1990	50,237	4,701	9.36%	9.36%
1991	48,759	5,012	10.28%	10.28%
1992	44,726	3,743	8.37%	8.37%
1993	41,327	2,778	6.72%	6.72%
1994	39,352	4,447	11.30%	11.30%
1995	38,666	3,232	8.36%	8.36%
1996	38,269	9,391	24.54%	24.54%
1997	38,091	2,418	6.35%	6.35%
1998	38,208	2,583	6.76%	6.76%
1999	37,930	5,935	15.65%	15.65%
2000	37,616	8,198	21.79%	21.79%
2001	35,907	2,653	7.39%	7.39%
2002	30,495	2,155	7.07%	7.07%
2003	40,220	2,442	6.07%	6.07%
2004	45,361	2,198	4.85%	4.85%
2005	48,589	2,296	4.73%	4.73%
2006	52,159	5,344	10.25%	10.25%
2007	57,038	2,268	3.98%	3.98%
2008	59,242	11,810	19.94%	19.94%
2009	60,230	13,322	22.12%	22.12%
2010	58,381	4,054	6.94%	6.95%
2011	55,750	9,240	16.57%	16.62%
2012	50,982	2,576	5.05%	5.35%
<b>(6) Arkansas Weather Frequency Provision</b>				<b>10.59%</b>

\* Evaluated at 12 months

Allstate Property and Casualty Insurance Company  
Owners  
Arkansas

Calculation of Weather Loss Severity Trend Factor

<u>Peril</u>	Selected Annual Pure Premium Impacts	
	<u>Historical</u>	<u>Projected</u>
Weather Peril	5.00%	5.00%

	<u>2nd Prior Year</u>	<u>1st Prior Year</u>	<u>Current Year</u>
1) Loss Trend Projection Date	10/3/2014	10/3/2014	10/3/2014
2) Mid-Point of Current Year's Experience Period	6/30/2012	6/30/2012	6/30/2012
3) Experience Period Ended	12/31/2010	12/31/2011	12/31/2012
4) Midpoint of Experience Period	6/30/2010	6/30/2011	6/30/2012
5) Historical: Number of Years from (4) to (2)	2.000	1.000	0.000
6) Projected: Number of Years from (2) to (1)	2.260	2.260	2.260

Calculation of Trend Factors

(a) Historical Weather Loss Severity Factors are the Annual Historical Impacts plus unity compounded for the number of years in (5)

(b) Projected Weather Loss Severity Factors are the Annual Projected Impacts plus unity compounded for the number of years in (6)

(c) Factor to Adjust Losses for Weather Loss Severity Trend = (a) x (b)

Allstate Property and Casualty Insurance Company  
Owners  
Arkansas

Loss Trends - Severity  
Total Weather Peril

Year Ending	Actual Paid		Exponential Curve of Best Fit	
	Severity	Annual Change	12 pt.	6 pt.
03/10	4,677.85	16.13	4,805.27	
06/10	5,013.77	46.94	4,868.54	
09/10	5,020.96	38.36	4,932.65	
12/10	4,931.68	30.68	4,997.60	
03/11	4,824.90	3.14	5,063.41	
06/11	4,833.20	-3.60	5,130.08	
09/11	5,215.70	3.88	5,197.63	5,589.77
12/11	5,469.59	10.91	5,266.08	5,538.10
03/12	5,602.62	16.12	5,335.42	5,486.91
06/12	6,313.09	30.62	5,405.67	5,436.19
09/12	5,574.47	6.88	5,476.85	5,385.94
12/12	4,718.04	-13.74	5,548.97	5,336.15
Regression			12 pt.	6 pt.
Avg Annual Percent Change Based on Best Fit:			5.37 %	-3.65 %
State Credibility based on 1829 Paid Claims				
In Year Ending 12/2012:			41 %	41 %

Allstate Insurance Group  
Owners  
Arkansas

Calculation of Frequency Development Factors  
Weather Peril  
Paid Frequency

Accident Year Ending	<u>12 Months</u>	<u>24 Months</u>	<u>36 Months</u>	<u>48 Months</u>	<u>60 Months</u>	<u>72 Months</u>	<u>84 Months</u>	
2001							7.39%	
2002						7.07%	7.07%	
2003					6.07%	6.07%	6.07%	
2004				4.85%	4.85%	4.85%	4.85%	
2005			4.71%	4.72%	4.72%	4.73%	4.73%	
2006		10.20%	10.22%	10.24%	10.24%	10.25%	10.25%	
2007	3.69%	3.96%	3.97%	3.98%	3.98%	3.98%		
2008	19.27%	19.90%	19.93%	19.93%	19.94%			
2009	20.91%	22.10%	22.12%	22.12%				
2010	6.53%	6.94%	6.94%					
2011	15.71%	16.57%						
2012	5.05%							
			<b>Link Ratios</b>					
<u>Development</u>	<u>12 to 24</u>	<u>24 to 36</u>	<u>36 to 48</u>	<u>48 to 60</u>	<u>60 to 72</u>	<u>72 to 84</u>		
4th Prior	1.074	1.003	1.002	1.000	1.001	1.000		
3rd Prior	1.033	1.003	1.002	1.000	1.000	1.000		
2nd Prior	1.057	1.001	1.001	1.000	1.000	1.000		
1st Prior	1.061	1.001	1.000	1.000	1.000	1.000		
Latest	1.055	1.001	1.000	1.000	1.000	1.000		
3 Year Average:	1.058	1.001	1.000	1.000	1.000	1.000		
5 Year Average:	1.056	1.002	1.001	1.000	1.000	1.000		
5 Year Excluding High/Low Outliers:	1.058	1.002	1.001	1.000	1.000	1.000		
5 Year Excluding Outliers:	1.056	1.002	1.001	1.000	1.000	1.000		
Selected:	1.056	1.002	1.001	1.000	1.000	1.000		

**Selected Methodology**

Link Ratio Method

	<u>12 - 84</u>	<u>24 - 84</u>	<u>36 - 84</u>	<u>48 - 84</u>	<u>60 - 84</u>
<b>Development Period ( months ):</b>					
<b>Frequency Development Factor:</b>	1.059	1.003	1.001	1.000	1.000
<b>Selected Ultimate Frequency:</b>	5.35%	16.62%	6.95%	22.12%	19.94%

**Allstate Insurance Group**

<u>Year</u>	<u>Paid Frequency</u>	<u>Factor to Ultimate</u>	<u>Ultimate Frequency</u>
2008	19.94%	1.000	19.94%
2009	22.12%	1.000	22.12%
2010	6.94%	1.001	6.95%
2011	16.57%	1.003	16.62%
2012	5.05%	1.059	5.35%

Allstate Insurance Group  
Owners  
Arkansas

Calculation of Severity Development Factors  
Weather Peril  
Paid Severity

Fiscal Accident Year Ending 12/31	12 Months	24 Months	36 Months	48 Months	60 Months	72 Months	84 Months
2001							1,632
2002						1,819	1,819
2003					2,205	2,210	2,210
2004				2,412	2,412	2,412	2,412
2005			2,991	3,010	3,010	3,012	3,013
2006		4,632	4,638	4,642	4,644	4,645	4,655
2007	3,556	3,659	3,676	3,680	3,684	3,684	
2008	4,328	4,458	4,472	4,474	4,474		
2009	3,155	3,308	3,312	3,312			
2010	4,460	4,653	4,661				
2011	5,190	5,363					
2012	3,877						

Development	Link Ratios					
	12 to 24	24 to 36	36 to 48	48 to 60	60 to 72	72 to 84
4th Prior	1.029	1.001	1.006	1.000	1.002	1.000
3rd Prior	1.030	1.005	1.001	1.000	1.000	1.000
2nd Prior	1.049	1.003	1.001	1.001	1.001	1.000
1st Prior	1.043	1.001	1.000	1.001	1.000	1.000
Latest	1.033	1.002	1.000	1.000	1.000	1.002
3 Year Average:	1.042	1.002	1.000	1.001	1.000	1.001
5 Year Average:	1.037	1.002	1.002	1.000	1.001	1.000
5 Year Excluding High/Low Outliers:	1.035	1.002	1.001	1.000	1.000	1.000
5 Year Excluding Outliers:	1.037	1.002	1.002	1.000	1.001	1.000
Selected:	1.037	1.002	1.002	1.000	1.001	1.000

**Selected Methodology**

Link Ratio Method

Development Period ( months ):	12 - 84	24 - 84	36 - 84
Severity Development Factor:	1.042	1.005	1.003

**Allstate Insurance Group**

Year	Paid Severity	Factor to Ultimate	Ultimate Severity
2010	4,957.12	1.003	4,971.99
2011	5,642.20	1.005	5,670.41
2012	4,089.02	1.042	4,260.76

Allstate Property and Casualty Insurance Company  
Owners  
Arkansas

Development of Provision for Hurricane Loss and LAE and Retained Risk

1) Selected Hurricane Provision Per AIY Including All LAE	0.069
2) Indicated Retained Risk Provision Per AIY	0.156
3) Selected Retained Risk Provision Per AIY	0.000
4) Earned Exposures	32,270
5) Earned AIY	6,233,151
6) Average Earned AIY (5)/(4)	193.16
7) Factor to Adjust to Projected Average AIY Level	1.034
8) Average AIY Projected to 10/3/2014 (6)*(7)	199.73
9) Proportion of High-Layer Retained Modeled Losses to Total Modeled Losses	0.845
10) Expected Hurricane Pure Premium (1)*(8)	\$13.78
a) Low-Layer Retained and Ceded Hurricane Pure Premium [1 - (9)]*(10 Total)	\$2.14
b) High-Layer Retained Hurricane Pure Premium (9)*(10 Total)	\$11.64
11) Selected Retained Risk Provision (3)*(8)	\$0.00

\*1 AIY = One Amount of Insurance Years = \$1000 of Coverage in Force for One Year

Allstate Insurance Group  
Owners  
Arkansas

## Calculation of Hurricane Provision Per AIY

<b>(1)</b> <b>Calendar</b> <b>Year</b>	<b>(2)</b> <b>Amount of</b> <b>Insurance</b> <b>Years</b>	<b>(3)</b> <b>Hurricane</b> <b>Incurred</b> <b>Loss</b>	<b>(4)</b> <b>Hurricane</b> <b>Damage</b> <b>Ratio</b>
1993	2,727,049	0	0.000
1994	2,724,363	0	0.000
1995	2,811,400	0	0.000
1996	2,902,531	0	0.000
1997	3,060,318	0	0.000
1998	3,209,377	0	0.000
1999	3,229,207	0	0.000
2000	3,313,371	0	0.000
2001	3,480,822	0	0.000
2002	3,831,204	7,984	0.002
2003	4,375,955	580	0.000
2004	5,168,560	0	0.000
2005	6,090,328	469,009	0.077
2006	7,198,275	70,583	0.010
2007	8,633,590	56,944	0.007
2008	9,460,454	4,993,336	0.528
2009	9,970,261	521,406	0.052
2010	9,773,260	93,529	0.010
2011	9,493,760	4,946	0.001
2012	8,861,551	328,492	0.004
<b>Total</b>	<b>110,315,636</b>	<b>6,546,810</b>	<b>0.059</b>

<b>(5) Hurricane Provision Per AIY</b>	0.059
<b>(6) Indicated Hurricane Provision Per AIY Including LAE Based on 20 Years of Historical Data</b>	0.069
<b>(7) Indicated Modeled Hurricane Provision Per AIY Including LAE</b>	0.035
<b>(8) Selected Hurricane Provision Per AIY Including LAE</b>	0.069

Allstate Property and Casualty Insurance Company  
Owners  
Arkansas

Summary of Expense Provisions

	<u>Percent Fixed</u>	<u>Expense Provision</u>
Commissions	0 %	11.7 %
Taxes †	0	3.2
Licenses and Fees	100	0.1
Other Acquisition	100	5.5
General Expense	100	4.9
Debt Provision	0	1.4
Contingency Provision	0	2.0
Profit Provision	0	8.3

† State Taxes - Does not include Federal Income Tax

**ALLSTATE INSURANCE GROUP\***

Countrywide Experience for General Expenses

	General Expense**		
	2009	2010	2011
1. Direct Premium Earned Less Reinsurance Premium***	21,698,432	21,675,897	21,446,209
2. General Expense Incurred	1,011,399	1,018,249	1,124,614
3. Ratio (2)/(1)	0.0466	0.0470	0.0524
4. Three Year Average			0.0487
5. Proposed Provision			0.049

\* Allstate Insurance Company, Allstate Property and Casualty Insurance Company, Allstate Indemnity Company, Northbrook Indemnity Company, Allstate Fire & Casualty Insurance Company and Allstate County Mutual

\*\* Data includes Personal Property Lines (excluding Earthquake) and Private Passenger Automobile Insurance

\*\*\* Premiums for Net Cost of Reinsurance (NCOR) do not include provisions for General Expenses. Therefore, direct premiums must be reduced by NCOR premiums to get the premium base upon which the general expense provision is applied.

(000's) omitted

**ALLSTATE INSURANCE GROUP\***

Personal Property Lines

Countrywide Experience for Other Acquisition Expenses\*

	Other Acquisition Expense		
	2009	2010	2011
1. Direct Premium Earned Less Reinsurance Premium**	21,698,432	21,675,897	21,446,209
2. Other Acquisition Expense Incurred	1,259,684	1,459,795	1,369,771
3. Ratio (2)/(1)	0.0581	0.0673	0.0639
4. Three Year Average			0.0631
5. Adjusted Three Year Average***			0.0548
6. Proposed Provision			0.055

\* Allstate Insurance Company, Allstate Property and Casualty Insurance Company, Allstate Indemnity Company, Northbrook Indemnity Company, Allstate Fire & Casualty and Allstate County Mutual. Data includes Personal Property Lines and Private Passenger Automobile Insurance

\*\* Premiums for Net Cost of Reinsurance (NCOR) do not include provisions for General and Other Acquisition expenses. Therefore, direct premiums must be reduced by NCOR premiums to get the premium base upon which general and other acquisition expense provisions are applied.

\*\*\* Reduced by 1.01% to reflect the amount of Installment Fees collected for Allstate Insurance Group Personal Property Lines and includes a 0.18% provision for Allstate Insurance Group Personal Property Lines premiums written off.

(000's) omitted

Allstate Property and Casualty Insurance Company  
Owners  
Arkansas

Factor to Adjust for Subsequent Change in Fixed Expense  
(For calendar years 2009-2011 )

1) Average Earned Date of Experience Period	6/30/2010
2) Average Earned Date of Proposed Policy Period	10/3/2014
3) Number of Years from (1) to (2)	4.260
4) Selected Annual Impact	2.30%
5) Factor to Adjust for Subsequent Change in Fixed Expense [ 1.0 + (4) ] ^ (3)	1.102

Allstate Property and Casualty Insurance Company  
Owners  
Arkansas  
Investment Income

Calculation of Present Value, as of the Average Earning Date of a  
Policy Year, of all Income and Outgo @ 1.7% †force of interest,  
assuming an Operating Profit of 6.20% and twelve month Policy  
Terms

Years From Start of Policy Year	Cumulative Percent of Losses Paid	Yearly Percent of Losses Paid	Time from Start of Policy Year	Discounted‡ to Average Time of Profit @ 1.7%	Discounted Payments
1	31.9 %	31.90 %	0.60	1.007	32.1 %
2	95.0	63.10	1.40	0.993	62.7
3	98.7	3.70	2.30	0.978	3.6
4	99.2	0.50	3.40	0.960	0.5
5	99.7	0.50	4.20	0.947	0.5
Subsequent	100.0	0.30	6.80	0.906	0.3
<b>Total</b>					99.7 %
<b>Expected Losses and Loss Expense Ratio</b>					62.9 %
<b>Present Value of Loss and Loss Expense Payments</b>					62.7 %
General Expense		4.9 %	0.75	1.004	4.9 %
Other Acquisition		5.5 %	0.63	1.006	5.5 %
Taxes		3.2 %	0.76	1.004	3.2 %
Licenses and Fees		0.1 %	0.76	1.004	0.1 %
Commissions		11.7 %	0.58	1.007	11.8 %
Debt Provision		1.4 %	1.00	1.000	1.4 %
Contingency Provision		2.0 %	1.00	1.000	2.0 %
Profit		8.3 %	1.00	1.000	8.3 %
<b>Total Present Value of Outgo</b>					99.9 %
<b>Premiums</b>		100.0 %	0.57	1.007	100.7 %
<b>Difference, Present Value of Income Less Present Value of Outgo</b>					0.8 %

†Discount rate from Investment Department forecast

‡exp (force of interest x (timing of profit being earned – timing of cash flow))

**ALLSTATE INSURANCE GROUP**

Personal Property Lines

**Unexpected Loss Analysis (1996 - 2003)**

Unexpected Event Losses	388,265,584
Total 1996-2003 Non-catastrophe Loss	13,106,665,945
Percent of Loss	3.0%
<b>Percent Adjusted for Expenses</b>	<b>2.6%</b>

**Expected Loss Versus Actual Loss Analysis (1992 - 2008)**

Total Expected Losses	27,812,571,837
Total Actual Losses	29,008,300,190
Difference	1,195,728,354
Percentage Difference	4.1%
<b>Percent Adjusted for Expenses</b>	<b>3.6%</b>

<b>Selected Contingency Provision:</b>	<b>2.0%</b>
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Allstate Property and Casualty Insurance Company  
Owners  
Arkansas

Calculation of Premium Trend Factor

<u>Peril</u>	Selected Annual Premium Impacts <u>Projected</u>
Total All Peril excluding EQ	-1.00%
	<u>Current Year</u>
1) Average Earned Date of Proposed Policy Period	10/3/2014
2) Mid-Point of Current Year's Experience Period	6/30/2012
3) Experience Period Ended	12/31/2012
4) Midpoint of Experience Period	6/30/2012
5) Historical: Number of Years from (4) to (2)	0.000
6) Projected: Number of Years from (2) to (1)	2.260

Calculation of Trend Factors

- (a) Historical Premium Factors are the Annual Historical Impacts plus unity compounded for the number of years in (5)
- (b) Projected Premium Factors are the Annual Projected Impacts plus unity compounded for the number of years in (6)
- (c) Factor to Adjust to Projected Premium Level = (a) x (b)

Allstate Property and Casualty Insurance Company  
Owners  
Arkansas

Development of Projected Average Earned Premium

Fiscal Year Ending	(1) Earned Exposures	(2) Earned Premium at Current Rates	(3) Factor to Adjust to Projected Premium Level	(4) Projected Earned Premium at Current Rates (2) x (3)	(5) Projected Average Earned Premium at Current Rates (4) / (1)	(6) Experience Year Weights
12/31/2012	32,270	\$40,708,795	0.978	\$39,813,202	\$1,233.75	100 %
					(7) Projected Average Earned Premium at Current Rates	\$1,233.75

Allstate Property and Casualty Insurance Company  
Owners  
Arkansas

Premium Trends

Exponential Curve of Best Fit

Year Ending	Average Written		Exponential Curve of Best Fit		
	Premium @ CRL	Annual Change	20 pt.	12 pt.	6 pt.
03/08	\$1,300.10	5.75 %	\$1,315.49		
06/08	1,305.67	4.21	1,312.12		
09/08	1,308.03	2.54	1,308.75		
12/08	1,311.00	1.61	1,305.39		
03/09	1,316.57	1.27	1,302.04		
06/09	1,319.99	1.10	1,298.70		
09/09	1,313.38	0.41	1,295.36		
12/09	1,300.60	-0.79	1,292.04		
03/10	1,286.32	-2.30	1,288.72	\$1,274.73	
06/10	1,269.36	-3.84	1,285.42	1,273.31	
09/10	1,259.79	-4.08	1,282.12	1,271.90	
12/10	1,258.71	-3.22	1,278.83	1,270.48	
03/11	1,265.36	-1.63	1,275.54	1,269.07	
06/11	1,273.25	0.31	1,272.27	1,267.66	
09/11	1,279.21	1.54	1,269.00	1,266.25	\$1,279.15
12/11	1,274.81	1.28	1,265.75	1,264.84	1,273.53
03/12	1,268.80	0.27	1,262.50	1,263.44	1,267.94
06/12	1,259.04	-1.12	1,259.26	1,262.03	1,262.37
09/12	1,255.51	-1.85	1,256.03	1,260.63	1,256.82
12/12	1,253.74	-1.65	1,252.80	1,259.23	1,251.30
Regression			20 pt.	12 pt.	6 pt.
Avg Annual Percent Change Based on Best Fit:			-1.02%	-0.44%	-1.75%



Allstate Property and Casualty Insurance Company  
Owners  
Arkansas

Development of Risk Management Loss Adjustment - Non-Weather Losses

(1) Accident Year Ending 12/31	(2) Total Earned Exposures	(3) Total Non-Weather Losses	(4) Overall Pure Premium	(5) Total Excluding Risk- Mgt Exposures	(6) Total Excluding Risk Mgt Non-Weather Losses	(7) Excluding Risk Mgt Pure Premium	(8) Risk Mgt Non- Weather Loss Adjustment
2008	25,537	8,761,000	\$343.07	20,974	4,666,364	\$222.49	0.649
2009	32,247	14,889,000	\$461.71	26,540	10,601,113	\$399.44	0.865
2010	33,921	14,866,000	\$438.26	28,588	10,427,275	\$364.74	0.832
2011	34,232	8,731,000	\$255.06	29,742	6,101,546	\$205.15	0.804
2012	32,339	11,766,000	\$363.83	30,539	10,132,525	\$331.79	0.912
<b>Total</b>	<b>158,275</b>	<b>59,013,000</b>	<b>\$372.85</b>	<b>136,383</b>	<b>41,928,823</b>	<b>\$307.43</b>	<b>0.825</b>
<b>(9) Selected Risk Management Non-Weather Loss Adjustment</b>							<b>0.820</b>

Allstate Property and Casualty Insurance Company  
Owners  
Arkansas

Development of Risk Management Loss Adjustment - Weather Losses

(1) Accident Year Ending 12/31	(2) Total Earned Exposures	(3) Total Weather Losses	(4) Overall Pure Premium	(5) Total Excluding Risk Mgt Exposures	(6) Total Excluding Risk Mgt Weather Losses	(7) Excluding Risk Mgt Pure Premium	(8) Risk Mgt Weather Loss Adjustment
2008	25,537	22,080,422	\$864.65	20,974	17,306,098	\$825.13	0.954
2009	32,247	21,508,063	\$666.97	26,540	17,219,003	\$648.80	0.973
2010	33,921	11,545,120	\$340.36	28,588	9,950,509	\$348.07	1.023
2011	34,232	30,823,832	\$900.45	29,742	27,080,566	\$910.51	1.011
2012	32,339	6,966,820	\$215.43	30,539	6,437,085	\$210.78	0.978
<b>Total</b>	<b>158,275</b>	<b>92,924,257</b>	<b>\$587.10</b>	<b>136,383</b>	<b>77,993,261</b>	<b>\$571.87</b>	<b>0.974</b>
<b>(9) Selected Risk Management Weather Loss Adjustment</b>							<b>0.970</b>

## **ATTACHMENT VII**

### **Explanatory Memos for Revision of Distinct Charge for Net Cost Reinsurance**

**ALLSTATE INSURANCE GROUP  
OWNERS  
ARKANSAS**

**DEFINITIONS**

Please note that throughout this filing, the following terms and their definitions are used:

AIY – 1 AIY = One Amount of Insurance Year = \$1,000 of Coverage In Force for One Year

Homeowners Policy – An owners, condo, co-op, or renters policy.

Owners Policy – a policy which covers a freestanding dwelling or townhome that is not classified as a manufactured home.

**ALLSTATE INSURANCE GROUP  
OWNERS  
ARKANSAS**

**2012 REINSURANCE CONTRACT SUMMARY**

Allstate has a Reinsurance Intermediary Broker Contract with Aon Benfield, which encompasses the marketing and placement of our catastrophe reinsurance programs.

Since the 2006 inception of Allstate's catastrophe reinsurance program, our exposure to wind loss has been materially reduced and we have nearly eliminated our exposure to earthquake loss. Similar to our 2011 program, we have designed our 2012 program to respond to these exposure changes by including coverage for multiple perils, in addition to hurricanes and earthquakes, in all agreements except for the Kentucky agreement which provides coverage for earthquakes and fires following earthquakes.

Our program includes a Nationwide Per Occurrence Excess Catastrophe Reinsurance program reinsuring our personal lines property and auto excess catastrophe losses resulting from multiple perils in all states other than New Jersey and Florida. For June 1, 2012 to May 31, 2013, the program consists of two agreements: a Per Occurrence Excess Catastrophe Reinsurance agreement that provides \$3.725 billion of reinsurance coverage above the retention with reinstatement of limits\* in the first five of the seven layers, and a Top and Drop Excess Catastrophe Reinsurance contract which includes Coverage A and Coverage B and does not include a reinstatement of limits.

Our 2012 reinsurance program also includes separate Florida and New Jersey agreements which are designed separately from the other components of the program to address the distinct needs of our separately capitalized legal entities in those states. New Jersey catastrophe losses are reinsured under three contracts which expire on May 31, 2013, May 31, 2014, and May 31, 2015. In addition, Allstate Protection has separate reinsurance contracts in Pennsylvania and Kentucky to address exposures unique to those states.

A description of the catastrophe reinsurance agreements that reinsure Allstate Protection as of June 1, 2012 follows:

**Nationwide excluding Florida and New Jersey**

- The Per Occurrence Excess Catastrophe Reinsurance agreement reinsures personal lines property and auto excess catastrophe losses caused by multiple perils under Seven Layers of coverage as follows:

First Layer: \$250 million limit in excess of a \$500 million retention and after an initial \$250 million in losses "otherwise recoverable" has been satisfied, 1 reinstatement  
Second Layer: \$250 million limit in excess of a \$750 million retention, 1 reinstatement  
Third Layer: \$500 million limit in excess of a \$1 billion retention, 1 reinstatement  
Fourth Layer: \$750 million limit in excess of a \$1.5 billion retention, 1 reinstatement  
Fifth Layer: \$1 billion limit in excess of a \$2.25 billion retention, 1 reinstatement  
Sixth Layer: \$500 million limit in excess of a \$3.25 billion retention, no reinstatement  
Seventh Layer: \$475 million limit in excess of a \$3.75 billion retention, no reinstatement

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\* A reinstatement of limits provision allows a cedent to reinstate the full amount of a per occurrence limit, after payment of a loss, capped at the reinsurance contract's limit.

We employ a multi-year approach to placing this reinsurance coverage to lessen the amount of reinsurance being placed in the market in any one year. Coverage for the First through the Fifth Layers comprises three contracts, each contract providing one third of 95% of the total limit and expiring as of May 31, 2013, 2014 and 2015. Coverage for the Sixth Layer is 82.33% placed and consists of five contracts; two existing contracts expiring May 31, 2013 and May 31, 2014 and providing 31.67% of the placed limit, and three newly placed contracts expiring May 31, 2013, May 31, 2014, and May 31, 2015 and providing, in total, 50.67% of the placed limit. The Seventh Layer consists of one contract expiring May 31, 2013, and is 82.43% placed.

Unlike the other layers, the Sixth and Seventh Layers are not subject to reinstatement. Further, the newly placed contracts do not have a prepaid reinstatement limit thus requiring premium for the reinstatement of limits. In addition to the retention applicable to the First Layer, the Companies must incur \$250 million in losses “otherwise recoverable” under the First Layer each contract year before this Layer attaches. Losses from multiple qualifying occurrences, in excess of \$500 million per occurrence, can apply to this \$250 million threshold. Reinsurance premium is subject to redetermination for exposure changes at each anniversary.

#### **Nationwide Top and Drop Contract**

- The Top and Drop Excess Catastrophe Reinsurance contract reinsures personal lines property and auto excess catastrophe losses caused by multiple perils under a three year term contract expiring May 31, 2014. The reinsurance limit may be used for Coverage A, Coverage B or a combination of both and is not subject to reinstatement. For June 1, 2012 to May 31, 2013, Coverage A provides 12.67% of \$500 million in limits in excess of a \$3.25 billion retention which completes the 95% placement of the Sixth Layer of the Per Occurrence agreement described above. Coverage B provides 25.32% of \$250 million in limits in excess of a \$750 million retention. In addition to this retention, the Company must incur \$500 million in losses “otherwise recoverable” under Coverage B during each contract year before Coverage B attaches. Losses from multiple qualifying occurrences, in excess of \$750 million per occurrence, can apply to this \$500 million threshold. Coverage B is essentially a third limit for the Second Layer of the Per Occurrence Excess Catastrophe Reinsurance agreement described above. The reinsurance premium for the contract is subject to redetermination for exposure changes at each anniversary.

**ALLSTATE INSURANCE GROUP  
OWNERS  
ARKANSAS**

**EXPLANATION OF ADJUSTMENTS MADE TO PROVIDED  
LOSS RECOVERIES**

With this filing, Allstate is revising the distinct charge to cover the net cost of reinsurance in Arkansas. The net cost of reinsurance represents the incremental cost of the contracts to Allstate. It is equal to the expected reinsurance premium for all applicable contracts less expected reinsurance recoveries under these contracts. This calculation is consistent with the Provision for Reinsurance discussed in section 3.7 of Actuarial Standards of Practice No. 29, *Expense Provisions in Property/Casualty Ratemaking*.

The expected loss recoveries have been allocated to the state and line of business level for Allstate Insurance Group; allocation to the company level was not available. The actual reinsurance premium and expected reinstatement premium, net of the expected Aon Benfield premium adjustment provision, has been distributed to the individual states and lines of business in proportion to their expected loss recovery as determined by the Warm Sea Surface Temperature (WSST) catalogue, including demand surge. Allstate has relied on modeled losses provided by reinsurance intermediary Aon Benfield. The Nationwide Per Occurrence Excess reinsurance agreements and the Top and Drop reinsurance contract includes coverage for non-recoupable Texas Windstorm Insurance Association (TWIA) assessments up to \$100,000,000 in assessments for any one contract year, which are not included in the modeled data. Therefore, Allstate independently calculated expected losses for this component and included them in determining expected loss recoveries and distributing the expected reinsurance premium.

For purposes of calculating the net cost of reinsurance, the modeled losses, including WSST and demand surge, have been modified to reflect the Claim Adjustment Fee stated in the reinsurance contracts. The purpose of the Claim Adjustment Fee is to cover Allstate's loss adjustment expense associated with covered events. The inclusion of this adjustment increases the expected recoveries under the contract, resulting in a lower net cost of reinsurance.

ADJUSTMENT	ADJUSTMENT FACTOR
Claim Adjustment Fee (Contract Year 2011, 2012)	
Earthquake (Shake & Fire Following)	1.170
Hurricane	1.160

Please refer to **Appendix A** of this attachment for the schedule portions of each contract, which include participation percentages for the nationwide reinsurance contracts. **Appendix B** of this attachment includes a description of the process used to allocate nationwide reinsurance premium to the brand, state, and line level. In addition, it includes details on the calculation of the reinsurance premium allocated to Allstate Arkansas Homeowners.

**ALLSTATE INSURANCE GROUP  
OWNERS  
ARKANSAS**

**DETERMINATION OF THE REINSURANCE RATE ADJUSTMENT FACTOR  
EXPLANATORY MEMORANDUM**

**Attachment VIII, Exhibit 1** outlines the development of the required reinsurance rate adjustment factor. An explanation, with references to supporting exhibits, is provided below.

1. Reinsurance Premium:  
Includes actual reinsurance premium and expected reinstatement premium, net of the expected Aon Benfield premium adjustment provision.
  
2. Loss Savings Due to Reinsurance:  
The provided loss recoveries under the reinsurance contracts, including adjustments as mentioned on **Attachment VII, Page 4**.
  
3. Net Cost of Reinsurance: {(1) - (2)}  
The provided loss recoveries are subtracted from the expected reinsurance premium to determine the net cost of reinsurance.
  
4. Variable Expenses:  
Expense ratio for commissions, taxes, profit, and debt.
  
5. Net Cost of Reinsurance Including Variable Expenses: {(3) / [1-(4)]}
  
6. Adjusted AIY x Current Reinsurance Base Charge:  
This amount represents the reinsurance charge collected, based on expected AIYs, if the reinsurance Rate Adjustment Factor was set to 1.000.
  
7. Required Reinsurance Rate Adjustment Factor: {(5) / (6)}  
The reinsurance rate adjustment factor represents the amount by which the reinsurance base charge is to be adjusted, in order to collect the net cost of reinsurance including commissions, taxes, profit and debt determined in row 5.

# **APPENDIX A**

## **Participation Percentages**

(Amended: June 1, 2012)

**Schedule B**  
**Excess Catastrophe**  
**Reinsurance Contract - Nationwide**  
**Effective: June 1, 2011**

Allstate Insurance Company  
Individually and on behalf of any and all affiliated companies, which now or in the future  
underwrite business covered by this Contract  
and

Allstate Indemnity Company  
Northbrook, Illinois

Allstate County Mutual Insurance Company  
Irving, Texas

Allstate Fire and Casualty Insurance Company  
Northbrook, Illinois

Allstate Property and Casualty Insurance Company  
Northbrook, Illinois

Allstate Texas Lloyd's  
Irving, Texas

Allstate Vehicle and Property Insurance Company  
Northbrook, Illinois

Encompass Home and Auto Insurance Company  
Northbrook, Illinois

Encompass Indemnity Company  
Northbrook, Illinois

Encompass Independent Insurance Company  
Northbrook, Illinois

Encompass Insurance Company  
Northbrook, Illinois

Encompass Insurance Company of America  
Northbrook, Illinois

Encompass Insurance Company of Massachusetts  
Boston, Massachusetts

Encompass Property and Casualty Company  
Northbrook, Illinois

Northbrook Indemnity Company  
Northbrook, Illinois

and

North Light Specialty Insurance Company  
Northbrook, Illinois

**Participation Percentages  
By Brand**

<b>Personal Lines</b>				
	<b>Allstate</b>	<b>Encompass</b>	<b>North Light</b>	<b>Total</b>
	92.57%	6.68%	0.75%	100.00%

**Participation Percentages  
By Brand and State**

<b>Personal Lines</b>				
<b>State</b>	<b>Allstate</b>	<b>Encompass</b>	<b>Total</b>	
Alabama	1.08%	0.64%	29.89%	
Alaska	0.00%	0.00%	0.00%	
Arizona	0.00%	0.00%	0.00%	
Arkansas	0.16%	0.06%	0.01%	
California	7.85%	6.09%	0.00%	
Colorado	0.00%	0.00%	0.00%	
Connecticut	4.71%	6.28%	0.47%	
Delaware	0.32%	1.30%	0.19%	
District of Columbia	0.13%	0.23%	0.00%	
Georgia	5.39%	10.50%	1.82%	
Hawaii	0.00%	0.00%	0.00%	
Idaho	0.00%	0.00%	0.00%	
Illinois	0.54%	0.23%	0.00%	
Indiana	0.21%	0.01%	0.00%	
Iowa	0.00%	0.00%	0.00%	
Kansas	0.00%	0.00%	0.00%	
Kentucky	0.44%	0.62%	0.00%	
Louisiana	9.59%	15.13%	13.87%	
Maine	0.29%	0.02%	0.00%	
Maryland	1.96%	6.25%	0.31%	
Massachusetts	0.00%	2.53%	0.00%	
Michigan	0.00%	0.00%	0.00%	
Minnesota	0.00%	0.00%	0.00%	
Mississippi	3.56%	0.00%	27.11%	
Missouri	0.04%	0.01%	0.00%	
Montana	0.00%	0.00%	0.00%	
Nebraska	0.00%	0.00%	0.00%	
Nevada	0.32%	0.08%	0.00%	
New Hampshire	0.43%	0.20%	0.00%	
New Mexico	0.00%	0.00%	0.00%	
New York	16.58%	24.14%	0.00%	
North Carolina	7.05%	4.11%	2.21%	
North Dakota	0.00%	0.00%	0.00%	
Ohio	0.81%	0.77%	0.00%	
Oklahoma	0.04%	0.00%	0.00%	
Oregon	0.43%	0.14%	0.00%	
Pennsylvania	4.15%	6.66%	0.00%	
Rhode Island	1.85%	1.11%	0.00%	
South Carolina	8.29%	3.26%	20.65%	
South Dakota	0.00%	0.00%	0.00%	
Tennessee	0.80%	0.40%	0.02%	
Texas	16.47%	4.18%	1.62%	
Utah	0.00%	0.00%	0.00%	

Vermont	0.06%	0.06%	0.00%
Virginia	4.85%	2.47%	1.82%
Washington	1.41%	1.73%	0.01%
West Virginia	0.19%	0.79%	0.00%
Wisconsin	0.00%	0.00%	0.00%
Wyoming	0.00%	0.00%	0.00%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

**Allstate Personal Lines  
Participation Percentages  
By Line of Business**

State	Auto	Mobile Home	Residential Fire	Homeowners	Renters	Landlords Package Policy	Condominiums	Total
Alabama	13.66%	7.39%	0.00%	69.28%	2.86%	5.04%	1.77%	100.00%
Alaska	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Arizona	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Arkansas	5.50%	2.10%	0.00%	84.55%	0.96%	6.75%	0.14%	100.00%
California	2.55%	0.11%	0.01%	84.48%	2.56%	8.06%	2.23%	100.00%
Colorado	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Connecticut	2.51%	0.40%	0.00%	92.85%	0.92%	1.22%	2.10%	100.00%
Delaware	2.51%	5.68%	0.00%	83.71%	0.89%	3.40%	3.81%	100.00%
District of Columbia	1.37%	0.00%	0.00%	82.62%	2.18%	10.10%	3.73%	100.00%
Georgia	2.70%	1.64%	0.00%	87.21%	0.53%	7.44%	0.48%	100.00%
Hawaii	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Idaho	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Illinois	2.42%	0.29%	0.00%	87.81%	0.80%	5.03%	3.65%	100.00%
Indiana	2.76%	1.67%	0.00%	88.20%	0.89%	5.94%	0.54%	100.00%
Iowa	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Kansas	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Kentucky	1.76%	3.98%	0.00%	87.06%	0.93%	5.65%	0.62%	100.00%
Louisiana	7.08%	0.81%	0.00%	90.68%	0.86%	0.07%	0.50%	100.00%
Maine	1.75%	8.78%	0.54%	79.13%	0.80%	7.94%	1.06%	100.00%
Maryland	2.96%	0.69%	0.00%	88.16%	1.05%	5.10%	2.04%	100.00%
Massachusetts	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Michigan	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Minnesota	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Mississippi	6.86%	0.00%	0.00%	91.79%	0.51%	0.75%	0.09%	100.00%
Missouri	4.58%	0.76%	0.00%	84.85%	1.37%	7.49%	0.95%	100.00%
Montana	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Nebraska	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Nevada	1.06%	0.09%	0.00%	79.96%	1.51%	16.58%	0.80%	100.00%
New Hampshire	2.38%	1.53%	0.00%	90.70%	0.99%	2.91%	1.49%	100.00%
New Mexico	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
New York	3.75%	0.17%	0.18%	86.85%	1.51%	2.70%	4.84%	100.00%
North Carolina	4.99%	3.80%	0.00%	79.15%	1.35%	9.40%	1.31%	100.00%
North Dakota	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Ohio	2.40%	1.46%	0.00%	89.66%	0.66%	5.01%	0.81%	100.00%
Oklahoma	4.90%	4.79%	0.00%	82.36%	0.72%	7.02%	0.21%	100.00%
Oregon	5.88%	0.72%	0.00%	76.27%	2.06%	13.99%	1.08%	100.00%
Pennsylvania	2.01%	0.76%	0.00%	89.24%	0.50%	6.82%	0.67%	100.00%
Rhode Island	1.81%	0.68%	0.00%	86.97%	0.80%	8.69%	1.05%	100.00%
South Carolina	6.74%	3.29%	0.00%	80.76%	1.21%	5.86%	2.14%	100.00%
South Dakota	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Tennessee	3.23%	2.78%	0.00%	85.04%	0.84%	7.50%	0.61%	100.00%
Texas	8.78%	1.11%	0.00%	86.30%	1.58%	1.53%	0.70%	100.00%
Utah	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Vermont	2.35%	3.81%	0.00%	87.33%	1.39%	2.93%	2.19%	100.00%
Virginia	3.28%	0.91%	0.00%	86.08%	1.88%	6.67%	1.18%	100.00%
Washington	3.62%	0.25%	0.00%	82.08%	1.53%	10.98%	1.54%	100.00%
West Virginia	2.73%	9.09%	0.00%	83.80%	0.42%	3.75%	0.21%	100.00%
Wisconsin	4.18%	0.00%	0.00%	87.72%	1.86%	4.72%	1.52%	100.00%
Wyoming	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**Encompass Personal Lines  
Participation Percentages  
By Line of Business**

State	Auto	Residential Fire	Homeowners			Total
			Homeowners	Renters	Condominiums	
Alabama	3.20%	3.22%	93.01%	0.30%	0.27%	100.00%
Alaska	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Arizona	100.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Arkansas	2.55%	1.90%	94.36%	0.24%	0.95%	100.00%
California	0.82%	15.80%	80.90%	0.54%	1.94%	100.00%
Colorado	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Connecticut	1.13%	5.92%	91.42%	0.36%	1.17%	100.00%
Delaware	1.80%	3.67%	89.66%	0.17%	4.70%	100.00%
District of Columbia	0.61%	9.78%	85.67%	0.69%	3.25%	100.00%
Georgia	1.58%	4.53%	92.84%	0.38%	0.67%	100.00%
Idaho	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Illinois	3.20%	0.85%	91.37%	0.48%	4.10%	100.00%
Indiana	2.01%	2.36%	91.56%	0.53%	3.54%	100.00%
Kansas	100.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Kentucky	0.97%	2.78%	94.04%	0.51%	1.70%	100.00%
Louisiana	1.67%	6.41%	88.79%	0.53%	2.60%	100.00%
Maine	0.48%	4.18%	94.76%	0.02%	0.56%	100.00%
Maryland	1.74%	3.37%	91.99%	0.41%	2.49%	100.00%
Massachusetts	5.11%	4.25%	89.12%	0.19%	1.33%	100.00%
Michigan	100.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Minnesota	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Mississippi	100.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Missouri	2.85%	1.18%	94.55%	0.35%	1.07%	100.00%
Montana	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Nebraska	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Nevada	1.11%	8.82%	86.90%	0.30%	2.87%	100.00%
New Hampshire	1.84%	2.81%	93.46%	0.49%	1.40%	100.00%
New Mexico	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
New York	1.36%	4.59%	90.38%	0.90%	2.77%	100.00%
North Carolina	2.93%	3.10%	92.27%	0.83%	0.87%	100.00%
North Dakota	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Ohio	1.48%	3.33%	93.61%	0.37%	1.21%	100.00%
Oklahoma	4.95%	6.84%	85.30%	0.35%	2.56%	100.00%
Oregon	4.39%	7.75%	86.34%	0.78%	0.74%	100.00%
Pennsylvania	1.76%	4.07%	91.47%	1.04%	1.66%	100.00%
Rhode Island	1.43%	2.93%	93.97%	0.23%	1.44%	100.00%
South Carolina	3.22%	3.22%	92.99%	0.19%	0.38%	100.00%
South Dakota	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Tennessee	1.37%	3.10%	92.99%	0.54%	2.00%	100.00%
Texas	3.07%	7.97%	83.78%	2.32%	2.86%	100.00%
Utah	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Vermont	0.75%	1.70%	93.82%	0.31%	3.42%	100.00%
Virginia	1.78%	3.63%	93.12%	0.42%	1.05%	100.00%
Washington	3.09%	5.78%	89.02%	0.75%	1.36%	100.00%
West Virginia	1.93%	1.53%	95.72%	0.29%	0.53%	100.00%

Wisconsin	1.82%	0.71%	95.69%	0.00%	1.78%	100.00%
Wyoming	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**North Light Personal Lines  
Participation Percentages  
By Line of Business**

State	Homeowners	Landlords Package Policy	Total
Alabama	99.01%	0.99%	100.00%
Arkansas	100.00%	0.00%	100.00%
Connecticut	95.53%	4.47%	100.00%
Delaware	96.73%	3.27%	100.00%
Georgia	91.94%	8.06%	100.00%
Louisiana	98.71%	1.29%	100.00%
Maryland	93.81%	6.19%	100.00%
Mississippi	97.12%	2.88%	100.00%
Missouri	100.00%	0.00%	100.00%
Nevada	100.00%	0.00%	100.00%
North Carolina	92.18%	7.82%	100.00%
Oklahoma	100.00%	0.00%	100.00%
Oregon	100.00%	0.00%	100.00%
Pennsylvania	0.00%	100.00%	100.00%
South Carolina	98.21%	1.79%	100.00%
Tennessee	85.14%	14.86%	100.00%
Texas	99.95%	0.05%	100.00%
Virginia	94.01%	5.99%	100.00%
Washington	100.00%	0.00%	100.00%

**Schedule B**  
**Excess Catastrophe**  
**Reinsurance Contract - Nationwide**  
**Effective: June 1, 2012**

Allstate Insurance Company  
Individually and on behalf of any and all affiliated companies, which now or in the future  
underwrite business covered by this Contract  
and

Allstate Indemnity Company  
Northbrook, Illinois  
Allstate County Mutual Insurance Company  
Irving, Texas  
Allstate Fire and Casualty Insurance Company  
Northbrook, Illinois  
Allstate Property and Casualty Insurance Company  
Northbrook, Illinois  
Allstate Texas Lloyd's  
Irving, Texas  
Allstate Vehicle and Property Insurance Company  
Northbrook, Illinois  
Encompass Home and Auto Insurance Company  
Northbrook, Illinois  
Encompass Indemnity Company  
Northbrook, Illinois  
Encompass Independent Insurance Company  
Northbrook, Illinois  
Encompass Insurance Company  
Northbrook, Illinois  
Encompass Insurance Company of America  
Northbrook, Illinois  
Encompass Insurance Company of Massachusetts  
Boston, Massachusetts  
Encompass Property and Casualty Company  
Northbrook, Illinois  
Northbrook Indemnity Company  
Northbrook, Illinois  
and  
North Light Specialty Insurance Company  
Northbrook, Illinois

**Participation Percentages  
By Brand**

<b>Personal Lines</b>				
	<b>Allstate</b>	<b>Encompass</b>	<b>North Light</b>	<b>Total</b>
	92.57%	6.68%	0.75%	100.00%

**Participation Percentages  
By Brand and State**

<b>Personal Lines</b>			
<b>State</b>	<b>Allstate</b>	<b>Encompass</b>	<b>Total</b>
Alabama	1.08%	0.63%	29.87%
Alaska	0.00%	0.00%	0.00%
Arizona	0.00%	0.00%	0.00%
Arkansas	0.16%	0.06%	0.01%
California	7.87%	6.11%	0.00%
Colorado	0.00%	0.00%	0.00%
Connecticut	4.72%	6.29%	0.47%
Delaware	0.32%	1.30%	0.19%
District of Columbia	0.13%	0.23%	0.00%
Georgia	5.38%	10.47%	1.82%
Hawaii	0.00%	0.00%	0.00%
Idaho	0.00%	0.00%	0.00%
Illinois	0.54%	0.23%	0.00%
Indiana	0.21%	0.01%	0.00%
Iowa	0.00%	0.00%	0.00%
Kansas	0.00%	0.00%	0.00%
Kentucky	0.43%	0.62%	0.00%
Louisiana	9.59%	15.13%	13.88%
Maine	0.29%	0.02%	0.00%
Maryland	1.96%	6.24%	0.31%
Massachusetts	0.00%	2.53%	0.00%
Michigan	0.00%	0.00%	0.00%
Minnesota	0.00%	0.00%	0.00%
Mississippi	3.55%	0.00%	27.11%
Missouri	0.04%	0.01%	0.00%
Montana	0.00%	0.00%	0.00%
Nebraska	0.00%	0.00%	0.00%
Nevada	0.32%	0.08%	0.00%
New Hampshire	0.43%	0.20%	0.00%
New Mexico	0.00%	0.00%	0.00%
New York	16.61%	24.18%	0.00%
North Carolina	7.04%	4.10%	2.21%
North Dakota	0.00%	0.00%	0.00%
Ohio	0.81%	0.77%	0.00%
Oklahoma	0.04%	0.00%	0.00%
Oregon	0.43%	0.14%	0.00%
Pennsylvania	4.16%	6.67%	0.00%
Rhode Island	1.85%	1.11%	0.00%
South Carolina	8.28%	3.25%	20.66%
South Dakota	0.00%	0.00%	0.00%
Tennessee	0.79%	0.40%	0.02%

Texas	16.46%	4.18%	1.62%
Utah	0.00%	0.00%	0.00%
Vermont	0.06%	0.06%	0.00%
Virginia	4.85%	2.47%	1.82%
Washington	1.41%	1.72%	0.01%
West Virginia	0.19%	0.79%	0.00%
Wisconsin	0.00%	0.00%	0.00%
Wyoming	0.00%	0.00%	0.00%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

**Allstate Personal Lines  
Participation Percentages  
By Line of Business**

State	Auto	Mobile Home	Residential Fire	Landlords Package Policy			Condominiums	Total
				Homeowners	Renters			
Alabama	13.66%	7.39%	0.00%	69.28%	2.86%	5.04%	1.77%	100.00%
Alaska	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Arizona	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Arkansas	5.49%	2.10%	0.00%	84.55%	0.96%	6.76%	0.14%	100.00%
California	2.55%	0.11%	0.01%	84.48%	2.56%	8.06%	2.23%	100.00%
Colorado	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Connecticut	2.51%	0.40%	0.00%	92.85%	0.92%	1.22%	2.10%	100.00%
Delaware	2.51%	5.68%	0.00%	83.71%	0.89%	3.40%	3.81%	100.00%
District of Columbia	1.37%	0.00%	0.00%	82.62%	2.18%	10.10%	3.73%	100.00%
Georgia	2.70%	1.64%	0.00%	87.21%	0.53%	7.44%	0.48%	100.00%
Hawaii	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Idaho	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Illinois	2.42%	0.29%	0.00%	87.82%	0.80%	5.03%	3.64%	100.00%
Indiana	2.76%	1.67%	0.00%	88.20%	0.89%	5.94%	0.54%	100.00%
Iowa	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Kansas	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Kentucky	1.77%	3.99%	0.00%	87.04%	0.93%	5.65%	0.62%	100.00%
Louisiana	7.08%	0.81%	0.00%	90.68%	0.86%	0.07%	0.50%	100.00%
Maine	1.75%	8.78%	0.54%	79.14%	0.79%	7.94%	1.06%	100.00%
Maryland	2.96%	0.69%	0.00%	88.16%	1.05%	5.10%	2.04%	100.00%
Massachusetts	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Michigan	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Minnesota	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Mississippi	6.86%	0.00%	0.00%	91.79%	0.51%	0.75%	0.09%	100.00%
Missouri	4.58%	0.76%	0.00%	84.86%	1.37%	7.48%	0.95%	100.00%
Montana	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Nebraska	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Nevada	1.06%	0.09%	0.00%	79.96%	1.51%	16.58%	0.80%	100.00%
New Hampshire	2.38%	1.53%	0.00%	90.70%	0.99%	2.91%	1.49%	100.00%
New Mexico	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
New York	3.75%	0.17%	0.18%	86.85%	1.51%	2.70%	4.84%	100.00%
North Carolina	4.99%	3.80%	0.00%	79.15%	1.35%	9.40%	1.31%	100.00%
North Dakota	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Ohio	2.40%	1.46%	0.00%	89.66%	0.66%	5.01%	0.81%	100.00%
Oklahoma	4.90%	4.79%	0.00%	82.36%	0.72%	7.02%	0.21%	100.00%
Oregon	5.87%	0.72%	0.00%	76.28%	2.06%	13.99%	1.08%	100.00%
Pennsylvania	2.01%	0.76%	0.00%	89.24%	0.50%	6.82%	0.67%	100.00%
Rhode Island	1.81%	0.68%	0.00%	86.97%	0.80%	8.69%	1.05%	100.00%
South Carolina	6.74%	3.29%	0.00%	80.77%	1.21%	5.86%	2.13%	100.00%
South Dakota	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Tennessee	3.23%	2.78%	0.00%	85.04%	0.84%	7.50%	0.61%	100.00%
Texas	8.79%	1.11%	0.00%	86.29%	1.58%	1.53%	0.70%	100.00%
Utah	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Vermont	2.35%	3.81%	0.00%	87.33%	1.39%	2.93%	2.19%	100.00%
Virginia	3.28%	0.91%	0.00%	86.08%	1.88%	6.67%	1.18%	100.00%
Washington	3.61%	0.25%	0.00%	82.10%	1.52%	10.98%	1.54%	100.00%
West Virginia	2.73%	9.09%	0.00%	83.80%	0.42%	3.75%	0.21%	100.00%
Wisconsin	4.18%	0.00%	0.00%	87.72%	1.86%	4.72%	1.52%	100.00%
Wyoming	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**Encompass Personal Lines  
Participation Percentages  
By Line of Business**

State	Residential		Homeowners	Renters	Condominiums	Total
	Auto	Fire				
Alabama	3.20%	3.22%	93.01%	0.30%	0.27%	100.00%
Alaska	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Arizona	100.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Arkansas	2.55%	1.90%	94.36%	0.24%	0.95%	100.00%
California	0.82%	15.80%	80.90%	0.54%	1.94%	100.00%
Colorado	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Connecticut	1.13%	5.92%	91.42%	0.36%	1.17%	100.00%
Delaware	1.80%	3.67%	89.67%	0.17%	4.69%	100.00%
District of Columbia	0.61%	9.78%	85.67%	0.69%	3.25%	100.00%
Georgia	1.58%	4.53%	92.84%	0.38%	0.67%	100.00%
Idaho	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Illinois	3.20%	0.85%	91.39%	0.47%	4.09%	100.00%
Indiana	2.01%	2.36%	91.56%	0.53%	3.54%	100.00%
Kansas	100.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Kentucky	0.97%	2.78%	94.04%	0.51%	1.70%	100.00%
Louisiana	1.67%	6.41%	88.79%	0.53%	2.60%	100.00%
Maine	0.48%	4.18%	94.76%	0.02%	0.56%	100.00%
Maryland	1.74%	3.37%	91.99%	0.41%	2.49%	100.00%
Massachusetts	5.11%	4.25%	89.12%	0.19%	1.33%	100.00%
Michigan	100.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Minnesota	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Mississippi	100.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Missouri	2.85%	1.18%	94.55%	0.35%	1.07%	100.00%
Montana	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Nebraska	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Nevada	1.11%	8.82%	86.90%	0.30%	2.87%	100.00%
New Hampshire	1.84%	2.81%	93.46%	0.49%	1.40%	100.00%
New Mexico	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
New York	1.36%	4.60%	90.37%	0.90%	2.77%	100.00%
North Carolina	2.93%	3.10%	92.27%	0.83%	0.87%	100.00%
North Dakota	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Ohio	1.48%	3.33%	93.61%	0.37%	1.21%	100.00%
Oklahoma	4.95%	6.84%	85.30%	0.35%	2.56%	100.00%
Oregon	4.38%	7.75%	86.35%	0.78%	0.74%	100.00%
Pennsylvania	1.76%	4.06%	91.48%	1.04%	1.66%	100.00%
Rhode Island	1.43%	2.93%	93.97%	0.23%	1.44%	100.00%
South Carolina	3.22%	3.22%	92.99%	0.19%	0.38%	100.00%
South Dakota	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Tennessee	1.37%	3.10%	92.99%	0.54%	2.00%	100.00%
Texas	3.07%	7.96%	83.79%	2.32%	2.86%	100.00%
Utah	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Vermont	0.75%	1.70%	93.82%	0.31%	3.42%	100.00%
Virginia	1.78%	3.63%	93.12%	0.42%	1.05%	100.00%
Washington	3.09%	5.78%	89.02%	0.75%	1.36%	100.00%
West Virginia	1.93%	1.53%	95.73%	0.29%	0.52%	100.00%
Wisconsin	1.82%	0.71%	95.69%	0.00%	1.78%	100.00%
Wyoming	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**North Light Personal Lines  
Participation Percentages  
By Line of Business**

State	Homeowners	Landlords Package Policy	Total
Alabama	99.01%	0.99%	100.00%
Arkansas	100.00%	0.00%	100.00%
Connecticut	95.53%	4.47%	100.00%
Delaware	96.73%	3.27%	100.00%
Georgia	91.94%	8.06%	100.00%
Louisiana	98.71%	1.29%	100.00%
Maryland	93.81%	6.19%	100.00%
Mississippi	97.12%	2.88%	100.00%
Missouri	100.00%	0.00%	100.00%
Nevada	100.00%	0.00%	100.00%
North Carolina	92.18%	7.82%	100.00%
Oklahoma	100.00%	0.00%	100.00%
Oregon	100.00%	0.00%	100.00%
Pennsylvania	0.00%	100.00%	100.00%
South Carolina	98.21%	1.79%	100.00%
Tennessee	85.13%	14.87%	100.00%
Texas	99.95%	0.05%	100.00%
Virginia	94.01%	5.99%	100.00%
Washington	100.00%	0.00%	100.00%

(Amended: June 1, 2012)

**Schedule B**  
**Excess Catastrophe**  
**Reinsurance Contract - Nationwide**  
**Effective: June 1, 2011**

Allstate Insurance Company  
Individually and on behalf of any and all affiliated companies, which now or in the future  
underwrite business covered by this Contract  
and

Allstate Indemnity Company  
Northbrook, Illinois  
Allstate County Mutual Insurance Company  
Irving, Texas  
Allstate Fire and Casualty Insurance Company  
Northbrook, Illinois  
Allstate Property and Casualty Insurance Company  
Northbrook, Illinois  
Allstate Texas Lloyd's  
Irving, Texas  
Allstate Vehicle and Property Insurance Company  
Northbrook, Illinois  
Encompass Home and Auto Insurance Company  
Northbrook, Illinois  
Encompass Indemnity Company  
Northbrook, Illinois  
Encompass Independent Insurance Company  
Northbrook, Illinois  
Encompass Insurance Company  
Northbrook, Illinois  
Encompass Insurance Company of America  
Northbrook, Illinois  
Encompass Insurance Company of Massachusetts  
Boston, Massachusetts  
Encompass Property and Casualty Company  
Northbrook, Illinois  
Northbrook Indemnity Company  
Northbrook, Illinois  
and  
North Light Specialty Insurance Company  
Northbrook, Illinois

**Participation Percentages  
By Brand**

<b>Personal Lines</b>				
	<b>Allstate</b>	<b>Encompass</b>	<b>North Light</b>	<b>Total</b>
	92.57%	6.68%	0.75%	100.00%

**Participation Percentages  
By Brand and State**

<b>Personal Lines</b>				
<b>State</b>	<b>Allstate</b>	<b>Encompass</b>	<b>Total</b>	
Alabama	1.08%	0.64%	29.89%	
Alaska	0.00%	0.00%	0.00%	
Arizona	0.00%	0.00%	0.00%	
Arkansas	0.16%	0.06%	0.01%	
California	7.85%	6.09%	0.00%	
Colorado	0.00%	0.00%	0.00%	
Connecticut	4.71%	6.28%	0.47%	
Delaware	0.32%	1.30%	0.19%	
District of Columbia	0.13%	0.23%	0.00%	
Georgia	5.39%	10.50%	1.82%	
Hawaii	0.00%	0.00%	0.00%	
Idaho	0.00%	0.00%	0.00%	
Illinois	0.54%	0.23%	0.00%	
Indiana	0.21%	0.01%	0.00%	
Iowa	0.00%	0.00%	0.00%	
Kansas	0.00%	0.00%	0.00%	
Kentucky	0.44%	0.62%	0.00%	
Louisiana	9.59%	15.13%	13.87%	
Maine	0.29%	0.02%	0.00%	
Maryland	1.96%	6.25%	0.31%	
Massachusetts	0.00%	2.53%	0.00%	
Michigan	0.00%	0.00%	0.00%	
Minnesota	0.00%	0.00%	0.00%	
Mississippi	3.56%	0.00%	27.11%	
Missouri	0.04%	0.01%	0.00%	
Montana	0.00%	0.00%	0.00%	
Nebraska	0.00%	0.00%	0.00%	
Nevada	0.32%	0.08%	0.00%	
New Hampshire	0.43%	0.20%	0.00%	
New Mexico	0.00%	0.00%	0.00%	
New York	16.58%	24.14%	0.00%	
North Carolina	7.05%	4.11%	2.21%	
North Dakota	0.00%	0.00%	0.00%	
Ohio	0.81%	0.77%	0.00%	
Oklahoma	0.04%	0.00%	0.00%	
Oregon	0.43%	0.14%	0.00%	
Pennsylvania	4.15%	6.66%	0.00%	
Rhode Island	1.85%	1.11%	0.00%	
South Carolina	8.29%	3.26%	20.65%	
South Dakota	0.00%	0.00%	0.00%	
Tennessee	0.80%	0.40%	0.02%	
Texas	16.47%	4.18%	1.62%	
Utah	0.00%	0.00%	0.00%	

Vermont	0.06%	0.06%	0.00%
Virginia	4.85%	2.47%	1.82%
Washington	1.41%	1.73%	0.01%
West Virginia	0.19%	0.79%	0.00%
Wisconsin	0.00%	0.00%	0.00%
Wyoming	0.00%	0.00%	0.00%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

**Allstate Personal Lines  
Participation Percentages  
By Line of Business**

State	Auto	Mobile Home	Residential Fire	Homeowners	Renters	Landlords Package Policy	Condominiums	Total
Alabama	13.66%	7.39%	0.00%	69.28%	2.86%	5.04%	1.77%	100.00%
Alaska	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Arizona	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Arkansas	5.50%	2.10%	0.00%	84.55%	0.96%	6.75%	0.14%	100.00%
California	2.55%	0.11%	0.01%	84.48%	2.56%	8.06%	2.23%	100.00%
Colorado	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Connecticut	2.51%	0.40%	0.00%	92.85%	0.92%	1.22%	2.10%	100.00%
Delaware	2.51%	5.68%	0.00%	83.71%	0.89%	3.40%	3.81%	100.00%
District of Columbia	1.37%	0.00%	0.00%	82.62%	2.18%	10.10%	3.73%	100.00%
Georgia	2.70%	1.64%	0.00%	87.21%	0.53%	7.44%	0.48%	100.00%
Hawaii	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Idaho	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Illinois	2.42%	0.29%	0.00%	87.81%	0.80%	5.03%	3.65%	100.00%
Indiana	2.76%	1.67%	0.00%	88.20%	0.89%	5.94%	0.54%	100.00%
Iowa	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Kansas	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Kentucky	1.76%	3.98%	0.00%	87.06%	0.93%	5.65%	0.62%	100.00%
Louisiana	7.08%	0.81%	0.00%	90.68%	0.86%	0.07%	0.50%	100.00%
Maine	1.75%	8.78%	0.54%	79.13%	0.80%	7.94%	1.06%	100.00%
Maryland	2.96%	0.69%	0.00%	88.16%	1.05%	5.10%	2.04%	100.00%
Massachusetts	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Michigan	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Minnesota	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Mississippi	6.86%	0.00%	0.00%	91.79%	0.51%	0.75%	0.09%	100.00%
Missouri	4.58%	0.76%	0.00%	84.85%	1.37%	7.49%	0.95%	100.00%
Montana	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Nebraska	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Nevada	1.06%	0.09%	0.00%	79.96%	1.51%	16.58%	0.80%	100.00%
New Hampshire	2.38%	1.53%	0.00%	90.70%	0.99%	2.91%	1.49%	100.00%
New Mexico	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
New York	3.75%	0.17%	0.18%	86.85%	1.51%	2.70%	4.84%	100.00%
North Carolina	4.99%	3.80%	0.00%	79.15%	1.35%	9.40%	1.31%	100.00%
North Dakota	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Ohio	2.40%	1.46%	0.00%	89.66%	0.66%	5.01%	0.81%	100.00%
Oklahoma	4.90%	4.79%	0.00%	82.36%	0.72%	7.02%	0.21%	100.00%
Oregon	5.88%	0.72%	0.00%	76.27%	2.06%	13.99%	1.08%	100.00%
Pennsylvania	2.01%	0.76%	0.00%	89.24%	0.50%	6.82%	0.67%	100.00%
Rhode Island	1.81%	0.68%	0.00%	86.97%	0.80%	8.69%	1.05%	100.00%
South Carolina	6.74%	3.29%	0.00%	80.76%	1.21%	5.86%	2.14%	100.00%
South Dakota	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Tennessee	3.23%	2.78%	0.00%	85.04%	0.84%	7.50%	0.61%	100.00%
Texas	8.78%	1.11%	0.00%	86.30%	1.58%	1.53%	0.70%	100.00%
Utah	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Vermont	2.35%	3.81%	0.00%	87.33%	1.39%	2.93%	2.19%	100.00%
Virginia	3.28%	0.91%	0.00%	86.08%	1.88%	6.67%	1.18%	100.00%
Washington	3.62%	0.25%	0.00%	82.08%	1.53%	10.98%	1.54%	100.00%
West Virginia	2.73%	9.09%	0.00%	83.80%	0.42%	3.75%	0.21%	100.00%
Wisconsin	4.18%	0.00%	0.00%	87.72%	1.86%	4.72%	1.52%	100.00%
Wyoming	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**Encompass Personal Lines  
Participation Percentages  
By Line of Business**

State	Auto	Residential Fire	Homeowners			Total
			Homeowners	Renters	Condominiums	
Alabama	3.20%	3.22%	93.01%	0.30%	0.27%	100.00%
Alaska	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Arizona	100.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Arkansas	2.55%	1.90%	94.36%	0.24%	0.95%	100.00%
California	0.82%	15.80%	80.90%	0.54%	1.94%	100.00%
Colorado	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Connecticut	1.13%	5.92%	91.42%	0.36%	1.17%	100.00%
Delaware	1.80%	3.67%	89.66%	0.17%	4.70%	100.00%
District of Columbia	0.61%	9.78%	85.67%	0.69%	3.25%	100.00%
Georgia	1.58%	4.53%	92.84%	0.38%	0.67%	100.00%
Idaho	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Illinois	3.20%	0.85%	91.37%	0.48%	4.10%	100.00%
Indiana	2.01%	2.36%	91.56%	0.53%	3.54%	100.00%
Kansas	100.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Kentucky	0.97%	2.78%	94.04%	0.51%	1.70%	100.00%
Louisiana	1.67%	6.41%	88.79%	0.53%	2.60%	100.00%
Maine	0.48%	4.18%	94.76%	0.02%	0.56%	100.00%
Maryland	1.74%	3.37%	91.99%	0.41%	2.49%	100.00%
Massachusetts	5.11%	4.25%	89.12%	0.19%	1.33%	100.00%
Michigan	100.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Minnesota	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Mississippi	100.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Missouri	2.85%	1.18%	94.55%	0.35%	1.07%	100.00%
Montana	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Nebraska	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Nevada	1.11%	8.82%	86.90%	0.30%	2.87%	100.00%
New Hampshire	1.84%	2.81%	93.46%	0.49%	1.40%	100.00%
New Mexico	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
New York	1.36%	4.59%	90.38%	0.90%	2.77%	100.00%
North Carolina	2.93%	3.10%	92.27%	0.83%	0.87%	100.00%
North Dakota	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Ohio	1.48%	3.33%	93.61%	0.37%	1.21%	100.00%
Oklahoma	4.95%	6.84%	85.30%	0.35%	2.56%	100.00%
Oregon	4.39%	7.75%	86.34%	0.78%	0.74%	100.00%
Pennsylvania	1.76%	4.07%	91.47%	1.04%	1.66%	100.00%
Rhode Island	1.43%	2.93%	93.97%	0.23%	1.44%	100.00%
South Carolina	3.22%	3.22%	92.99%	0.19%	0.38%	100.00%
South Dakota	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Tennessee	1.37%	3.10%	92.99%	0.54%	2.00%	100.00%
Texas	3.07%	7.97%	83.78%	2.32%	2.86%	100.00%
Utah	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Vermont	0.75%	1.70%	93.82%	0.31%	3.42%	100.00%
Virginia	1.78%	3.63%	93.12%	0.42%	1.05%	100.00%
Washington	3.09%	5.78%	89.02%	0.75%	1.36%	100.00%
West Virginia	1.93%	1.53%	95.72%	0.29%	0.53%	100.00%

Wisconsin	1.82%	0.71%	95.69%	0.00%	1.78%	100.00%
Wyoming	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**North Light Personal Lines  
Participation Percentages  
By Line of Business**

State	Homeowners	Landlords Package Policy	Total
Alabama	99.01%	0.99%	100.00%
Arkansas	100.00%	0.00%	100.00%
Connecticut	95.53%	4.47%	100.00%
Delaware	96.73%	3.27%	100.00%
Georgia	91.94%	8.06%	100.00%
Louisiana	98.71%	1.29%	100.00%
Maryland	93.81%	6.19%	100.00%
Mississippi	97.12%	2.88%	100.00%
Missouri	100.00%	0.00%	100.00%
Nevada	100.00%	0.00%	100.00%
North Carolina	92.18%	7.82%	100.00%
Oklahoma	100.00%	0.00%	100.00%
Oregon	100.00%	0.00%	100.00%
Pennsylvania	0.00%	100.00%	100.00%
South Carolina	98.21%	1.79%	100.00%
Tennessee	85.14%	14.86%	100.00%
Texas	99.95%	0.05%	100.00%
Virginia	94.01%	5.99%	100.00%
Washington	100.00%	0.00%	100.00%

(Amended: June 1, 2012)

**Schedule A**

**Top and Drop Excess Catastrophe  
Reinsurance Contract  
Effective: June 1, 2011**

issued to and by and between

Allstate Insurance Company

Individually and on behalf of any and all affiliated companies, which now or in the future  
underwrite business covered by this Contract

and

Allstate Indemnity Company

Northbrook, Illinois

Allstate County Mutual Insurance Company

Irving, Texas

Allstate Fire and Casualty Insurance Company

Northbrook, Illinois

Allstate Property and Casualty Insurance Company

Northbrook, Illinois

Allstate Texas Lloyd's

Irving, Texas

Allstate Vehicle and Property Insurance Company

Northbrook, Illinois

Encompass Home and Auto Insurance Company

Northbrook, Illinois

Encompass Indemnity Company

Northbrook, Illinois

Encompass Independent Insurance Company

Northbrook, Illinois

Encompass Insurance Company

Northbrook, Illinois

Encompass Insurance Company of America

Northbrook, Illinois

Encompass Insurance Company of Massachusetts

Boston, Massachusetts

Encompass Property and Casualty Company

Northbrook, Illinois

Northbrook Indemnity Company

Northbrook, Illinois

and

North Light Specialty Insurance Company

Northbrook, Illinois

**Participation Percentages  
By Brand**

Personal Lines				
	Allstate	Encompass	North Light	Total
	92.27%	7.33%	0.40%	100.00%

**Participation Percentages  
By Brand and State**

Personal Lines				
State	Allstate	Encompass	North Light	
Alabama	0.41%	0.21%		19.21%
Alaska	0.00%	0.00%		0.00%
Arizona	0.00%	0.00%		0.00%
Arkansas	0.05%	0.02%		0.01%
California	11.93%	8.93%		0.00%
Colorado	0.00%	0.00%		0.00%
Connecticut	7.06%	8.94%		1.29%
Delaware	0.34%	1.41%		0.35%
District of Columbia	0.11%	0.19%		0.00%
Georgia	3.05%	4.90%		1.63%
Hawaii	0.00%	0.00%		0.00%
Idaho	0.00%	0.00%		0.00%
Illinois	0.53%	0.20%		0.00%
Indiana	0.14%	0.01%		0.00%
Iowa	0.00%	0.00%		0.00%
Kansas	0.00%	0.00%		0.00%
Kentucky	0.12%	0.11%		0.00%
Louisiana	9.50%	14.74%		19.11%
Maine	0.30%	0.02%		0.00%
Maryland	1.63%	5.10%		0.53%
Massachusetts	0.00%	2.35%		0.00%
Michigan	0.00%	0.00%		0.00%
Minnesota	0.00%	0.00%		0.00%
Mississippi	1.82%	0.00%		28.49%
Missouri	0.01%	0.00%		0.00%
Montana	0.00%	0.00%		0.00%
Nebraska	0.00%	0.00%		0.00%
Nevada	0.42%	0.09%		0.00%
New Hampshire	0.49%	0.21%		0.00%
New Mexico	0.00%	0.00%		0.00%
New York	24.79%	32.95%		0.00%
North Carolina	3.92%	2.01%		2.05%
North Dakota	0.00%	0.00%		0.00%
Ohio	0.50%	0.43%		0.00%
Oklahoma	0.01%	0.00%		0.00%
Oregon	0.34%	0.10%		0.01%
Pennsylvania	5.60%	7.68%		0.00%
Rhode Island	1.74%	0.94%		0.00%
South Carolina	5.73%	2.08%		23.14%
South Dakota	0.00%	0.00%		0.00%
Tennessee	0.31%	0.20%		0.01%
Texas	14.43%	2.95%		1.90%
Utah	0.00%	0.00%		0.00%
Vermont	0.08%	0.07%		0.00%

Virginia	3.50%	1.63%	2.26%
Washington	1.02%	1.09%	0.01%
West Virginia	0.12%	0.44%	0.00%
Wisconsin	0.00%	0.00%	0.00%
Wyoming	0.00%	0.00%	0.00%
<b>GRAND TOTALS</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

**Allstate Personal Lines  
Participation Percentages  
By Line of Business**

State	Auto	Mobile Home	Residential Fire	Landlords Package Policy		Condominiums	Total	
				Homeowners	Renters			
Alabama	12.13%	6.74%	0.00%	71.96%	2.44%	5.21%	1.52%	100.00%
Alaska	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Arizona	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Arkansas	3.39%	4.00%	0.00%	86.06%	0.51%	5.80%	0.24%	100.00%
California	1.67%	0.09%	0.01%	85.88%	2.40%	7.93%	2.02%	100.00%
Colorado	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Connecticut	2.41%	0.34%	0.00%	92.90%	0.97%	1.23%	2.15%	100.00%
Delaware	2.64%	5.26%	0.00%	83.88%	0.98%	3.49%	3.75%	100.00%
District of Columbia	1.24%	0.00%	0.00%	82.98%	1.98%	10.29%	3.51%	100.00%
Georgia	2.50%	1.37%	0.00%	87.44%	0.52%	7.71%	0.46%	100.00%
Hawaii	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Idaho	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Illinois	1.82%	0.16%	0.00%	89.45%	0.70%	4.54%	3.33%	100.00%
Indiana	2.48%	1.64%	0.00%	88.57%	0.79%	5.99%	0.53%	100.00%
Iowa	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Kansas	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Kentucky	2.76%	6.77%	0.00%	82.56%	0.85%	5.99%	1.07%	100.00%
Louisiana	7.59%	0.56%	0.00%	90.29%	0.92%	0.05%	0.59%	100.00%
Maine	1.77%	8.70%	0.53%	79.34%	0.77%	7.88%	1.01%	100.00%
Maryland	3.07%	0.72%	0.00%	87.82%	1.09%	5.08%	2.22%	100.00%
Massachusetts	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Michigan	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Minnesota	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Mississippi	7.22%	0.00%	0.00%	91.35%	0.52%	0.81%	0.10%	100.00%
Missouri	3.20%	1.45%	0.00%	86.31%	0.85%	7.44%	0.75%	100.00%
Montana	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Nebraska	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Nevada	0.87%	0.10%	0.00%	79.98%	1.46%	16.74%	0.85%	100.00%
New Hampshire	2.40%	1.45%	0.00%	90.85%	0.97%	2.89%	1.44%	100.00%
New Mexico	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
New York	3.82%	0.15%	0.19%	86.16%	1.68%	2.76%	5.24%	100.00%
North Carolina	5.28%	3.31%	0.00%	79.37%	1.36%	9.35%	1.33%	100.00%
North Dakota	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Ohio	2.28%	1.29%	0.00%	90.01%	0.65%	4.98%	0.79%	100.00%
Oklahoma	5.60%	5.05%	0.00%	81.55%	0.68%	6.93%	0.19%	100.00%
Oregon	2.75%	0.52%	0.00%	80.75%	1.40%	14.02%	0.56%	100.00%
Pennsylvania	1.99%	0.61%	0.00%	89.11%	0.55%	7.01%	0.73%	100.00%
Rhode Island	1.92%	0.63%	0.00%	86.82%	0.83%	8.74%	1.06%	100.00%
South Carolina	6.59%	2.99%	0.00%	81.53%	1.20%	5.96%	1.73%	100.00%
South Dakota	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Tennessee	2.80%	4.41%	0.00%	84.53%	0.68%	6.88%	0.70%	100.00%
Texas	9.71%	0.89%	0.00%	86.01%	1.57%	1.13%	0.69%	100.00%
Utah	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Vermont	2.30%	3.76%	0.00%	87.63%	1.32%	2.89%	2.10%	100.00%
Virginia	3.22%	0.78%	0.00%	86.14%	1.83%	6.88%	1.15%	100.00%

Washington	2.05%	0.20%	0.00%	84.54%	1.15%	11.19%	0.87%	100.00%
West Virginia	2.61%	8.52%	0.00%	84.40%	0.41%	3.86%	0.20%	100.00%
Wisconsin	4.03%	0.00%	0.00%	87.86%	1.86%	4.73%	1.52%	100.00%
Wyoming	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**Encompass Personal Lines  
Participation Percentages  
By Line of Business**

State	Auto	Residential Fire	Homeowners	Renters	Condominiums	Total
Alabama	2.95%	3.32%	93.15%	0.31%	0.27%	100.00%
Alaska	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Arizona	100.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Arkansas	2.07%	2.27%	94.10%	0.26%	1.30%	100.00%
California	0.54%	16.10%	81.27%	0.48%	1.61%	100.00%
Colorado	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Connecticut	1.05%	6.08%	91.34%	0.35%	1.18%	100.00%
Delaware	1.72%	3.64%	90.29%	0.16%	4.19%	100.00%
District of Columbia	0.55%	9.87%	85.91%	0.63%	3.04%	100.00%
Georgia	1.59%	4.61%	92.76%	0.36%	0.68%	100.00%
Idaho	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Illinois	1.26%	0.88%	93.87%	0.40%	3.59%	100.00%
Indiana	1.82%	2.43%	91.65%	0.52%	3.58%	100.00%
Kansas	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Kentucky	2.17%	3.36%	92.59%	0.46%	1.42%	100.00%
Louisiana	1.97%	6.36%	88.39%	0.60%	2.68%	100.00%
Maine	0.49%	4.26%	94.69%	0.03%	0.53%	100.00%
Maryland	1.68%	3.32%	92.04%	0.39%	2.57%	100.00%
Massachusetts	4.67%	4.36%	89.61%	0.18%	1.18%	100.00%
Michigan	100.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Minnesota	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Mississippi	100.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Missouri	2.50%	1.58%	94.26%	0.45%	1.21%	100.00%
Montana	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Nebraska	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Nevada	0.91%	8.91%	86.60%	0.29%	3.29%	100.00%
New Hampshire	1.87%	2.80%	93.51%	0.46%	1.36%	100.00%
New Mexico	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
New York	1.41%	4.62%	90.17%	0.93%	2.87%	100.00%
North Carolina	3.15%	3.07%	92.02%	0.85%	0.91%	100.00%
North Dakota	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Ohio	1.41%	3.30%	93.82%	0.35%	1.12%	100.00%
Oklahoma	5.72%	6.38%	85.29%	0.31%	2.30%	100.00%
Oregon	2.05%	7.51%	89.77%	0.31%	0.36%	100.00%
Pennsylvania	1.75%	4.00%	91.49%	1.02%	1.74%	100.00%
Rhode Island	1.48%	2.90%	93.95%	0.23%	1.44%	100.00%
South Carolina	2.83%	3.40%	93.18%	0.20%	0.39%	100.00%
South Dakota	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Tennessee	1.10%	3.06%	93.40%	0.41%	2.03%	100.00%
Texas	3.21%	8.46%	82.92%	2.47%	2.94%	100.00%
Utah	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Vermont	0.72%	1.70%	94.01%	0.29%	3.28%	100.00%
Virginia	1.76%	3.76%	93.04%	0.41%	1.03%	100.00%
Washington	1.79%	5.90%	91.19%	0.38%	0.74%	100.00%
West Virginia	1.77%	1.56%	95.90%	0.28%	0.49%	100.00%
Wisconsin	1.71%	0.71%	95.79%	0.00%	1.79%	100.00%
Wyoming	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**North Light Personal Lines  
Participation Percentages  
By Line of Business**

State	Homeowners	Landlords Package Policy	Total
Alabama	99.07%	0.93%	100.00%
Arkansas	100.00%	0.00%	100.00%
Connecticut	95.57%	4.43%	100.00%
Delaware	97.01%	2.99%	100.00%
Georgia	91.95%	8.05%	100.00%
Louisiana	98.65%	1.35%	100.00%
Maryland	93.90%	6.10%	100.00%
Mississippi	97.34%	2.66%	100.00%
Missouri	100.00%	0.00%	100.00%
Nevada	100.00%	0.00%	100.00%
North Carolina	92.24%	7.76%	100.00%
Oklahoma	100.00%	0.00%	100.00%
Oregon	100.00%	0.00%	100.00%
Pennsylvania	0.00%	100.00%	100.00%
South Carolina	97.85%	2.15%	100.00%
Tennessee	76.91%	23.09%	100.00%
Texas	100.00%	0.00%	100.00%
Virginia	94.08%	5.92%	100.00%
Washington	100.00%	0.00%	100.00%

**Schedule A**

**Excess Catastrophe  
Reinsurance Contract - Nationwide  
Effective: June 1, 2012**

Allstate Insurance Company  
Individually and on behalf of any and all affiliated companies, which now or in the future  
underwrite business covered by this Contract  
and

Allstate Indemnity Company  
Northbrook, Illinois

Allstate County Mutual Insurance Company  
Irving, Texas

Allstate Fire and Casualty Insurance Company  
Northbrook, Illinois

Allstate Property and Casualty Insurance Company  
Northbrook, Illinois

Allstate Texas Lloyd's  
Irving, Texas

Allstate Vehicle and Property Insurance Company  
Northbrook, Illinois

Encompass Home and Auto Insurance Company  
Northbrook, Illinois

Encompass Indemnity Company  
Northbrook, Illinois

Encompass Independent Insurance Company  
Northbrook, Illinois

Encompass Insurance Company  
Northbrook, Illinois

Encompass Insurance Company of America  
Northbrook, Illinois

Encompass Insurance Company of Massachusetts  
Boston, Massachusetts

Encompass Property and Casualty Company  
Northbrook, Illinois

Northbrook Indemnity Company  
Northbrook, Illinois

and

North Light Specialty Insurance Company  
Northbrook, Illinois

**Participation Percentages  
By Brand**

Personal Lines				
	Allstate	Encompass	North Light	Total
	92.20%	7.40%	0.40%	100.00%

**Participation Percentages  
By Brand and State**

State	Personal Lines		
	Allstate	Encompass	Total
Alabama	0.43%	0.22%	21.28%
Alaska	0.00%	0.00%	0.00%
Arizona	0.00%	0.00%	0.00%
Arkansas	0.05%	0.02%	0.01%
California	11.74%	8.55%	0.00%
Colorado	0.00%	0.00%	0.00%
Connecticut	7.39%	9.29%	1.35%
Delaware	0.34%	1.43%	0.35%
District of Columbia	0.11%	0.19%	0.00%
Georgia	3.00%	4.76%	1.58%
Hawaii	0.00%	0.00%	0.00%
Idaho	0.00%	0.00%	0.00%
Illinois	0.60%	0.23%	0.00%
Indiana	0.14%	0.01%	0.00%
Iowa	0.00%	0.00%	0.00%
Kansas	0.00%	0.00%	0.00%
Kentucky	0.12%	0.11%	0.00%
Louisiana	9.04%	14.25%	17.59%
Maine	0.29%	0.02%	0.00%
Maryland	1.62%	5.11%	0.52%
Massachusetts	0.00%	2.36%	0.00%
Michigan	0.00%	0.00%	0.00%
Minnesota	0.00%	0.00%	0.00%
Mississippi	1.87%	0.00%	29.63%
Missouri	0.01%	0.00%	0.00%
Montana	0.00%	0.00%	0.00%
Nebraska	0.00%	0.00%	0.00%
Nevada	0.33%	0.07%	0.00%
New Hampshire	0.50%	0.21%	0.00%
New Mexico	0.00%	0.00%	0.00%
New York	25.99%	34.18%	0.00%
North Carolina	3.38%	1.68%	1.64%
North Dakota	0.00%	0.00%	0.00%
Ohio	0.47%	0.41%	0.00%
Oklahoma	0.01%	0.00%	0.00%
Oregon	0.31%	0.09%	0.01%
Pennsylvania	5.86%	7.87%	0.00%
Rhode Island	1.74%	0.93%	0.00%
South Carolina	5.58%	2.04%	22.11%
South Dakota	0.00%	0.00%	0.00%
Tennessee	0.31%	0.19%	0.01%
Texas	14.30%	2.88%	1.69%
Utah	0.00%	0.00%	0.00%

Vermont	0.08%	0.07%	0.00%
Virginia	3.40%	1.55%	2.22%
Washington	0.88%	0.92%	0.01%
West Virginia	0.11%	0.36%	0.00%
Wisconsin	0.00%	0.00%	0.00%
Wyoming	0.00%	0.00%	0.00%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

**Allstate Personal Lines  
Participation Percentages  
By Line of Business**

State	Auto	Mobile Home	Residential Fire	Homeowners		Landlords Package Policy	Condominiums	Total
				Homeowners	Renters			
Alabama	12.71%	6.53%	0.00%	71.50%	2.59%	5.12%	1.55%	100.00%
Alaska	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Arizona	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Arkansas	3.06%	4.05%	0.00%	86.43%	0.50%	5.72%	0.24%	100.00%
California	1.55%	0.09%	0.01%	86.21%	2.32%	7.91%	1.91%	100.00%
Colorado	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Connecticut	2.40%	0.34%	0.00%	92.90%	0.98%	1.22%	2.16%	100.00%
Delaware	2.66%	5.10%	0.00%	83.97%	1.00%	3.53%	3.74%	100.00%
District of Columbia	1.22%	0.00%	0.00%	82.98%	1.97%	10.33%	3.50%	100.00%
Georgia	2.48%	1.32%	0.00%	87.54%	0.52%	7.68%	0.46%	100.00%
Hawaii	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Idaho	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Illinois	1.84%	0.15%	0.00%	89.55%	0.69%	4.48%	3.29%	100.00%
Indiana	2.47%	1.66%	0.00%	88.57%	0.79%	5.99%	0.52%	100.00%
Iowa	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Kansas	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Kentucky	2.74%	6.71%	0.00%	82.55%	0.85%	6.04%	1.11%	100.00%
Louisiana	7.63%	0.51%	0.00%	90.29%	0.91%	0.05%	0.61%	100.00%
Maine	1.75%	8.85%	0.53%	79.30%	0.76%	7.84%	0.97%	100.00%
Maryland	3.09%	0.71%	0.00%	87.77%	1.10%	5.09%	2.24%	100.00%
Massachusetts	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Michigan	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Minnesota	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Mississippi	7.37%	0.00%	0.00%	91.17%	0.53%	0.83%	0.10%	100.00%
Missouri	3.12%	1.51%	0.00%	86.35%	0.81%	7.43%	0.78%	100.00%
Montana	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Nebraska	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Nevada	0.62%	0.12%	0.00%	80.02%	1.37%	17.07%	0.80%	100.00%
New Hampshire	2.38%	1.45%	0.00%	90.90%	0.96%	2.89%	1.42%	100.00%
New Mexico	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
New York	3.85%	0.14%	0.20%	86.10%	1.70%	2.76%	5.25%	100.00%
North Carolina	5.27%	3.23%	0.00%	79.50%	1.35%	9.31%	1.34%	100.00%
North Dakota	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Ohio	2.26%	1.26%	0.00%	90.00%	0.65%	5.03%	0.80%	100.00%
Oklahoma	5.53%	5.02%	0.00%	81.60%	0.68%	6.98%	0.19%	100.00%
Oregon	1.84%	0.57%	0.00%	81.68%	1.25%	14.22%	0.44%	100.00%
Pennsylvania	2.00%	0.59%	0.00%	89.04%	0.57%	7.06%	0.74%	100.00%
Rhode Island	1.92%	0.63%	0.00%	86.85%	0.83%	8.72%	1.05%	100.00%
South Carolina	6.52%	2.99%	0.00%	81.56%	1.21%	5.99%	1.73%	100.00%
South Dakota	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Tennessee	2.71%	4.41%	0.00%	84.61%	0.67%	6.89%	0.71%	100.00%
Texas	9.78%	0.86%	0.00%	85.95%	1.58%	1.14%	0.69%	100.00%
Utah	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Vermont	2.28%	3.74%	0.00%	87.67%	1.32%	2.90%	2.09%	100.00%

Virginia	3.23%	0.74%	0.00%	86.07%	1.86%	6.93%	1.17%	100.00%
Washington	1.39%	0.17%	0.00%	85.30%	1.08%	11.27%	0.79%	100.00%
West Virginia	2.59%	8.15%	0.00%	84.78%	0.41%	3.88%	0.19%	100.00%
Wisconsin	4.03%	0.00%	0.00%	87.86%	1.86%	4.73%	1.52%	100.00%
Wyoming	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**Encompass Personal Lines  
Participation Percentages  
By Line of Business**

State	Auto	Residential			Total
		Fire	Homeowners	Renters	
Alabama	3.04%	3.33%	93.06%	0.31%	100.00%
Alaska	0.00%	0.00%	0.00%	0.00%	0.00%
Arizona	100.00%	0.00%	0.00%	0.00%	100.00%
Arkansas	1.96%	2.24%	94.20%	0.26%	100.00%
California	0.50%	16.12%	81.40%	0.45%	100.00%
Colorado	0.00%	0.00%	0.00%	0.00%	0.00%
Connecticut	1.04%	6.12%	91.29%	0.36%	100.00%
Delaware	1.70%	3.64%	90.38%	0.16%	100.00%
District of Columbia	0.54%	9.90%	85.90%	0.62%	100.00%
Georgia	1.60%	4.59%	92.77%	0.36%	100.00%
Idaho	0.00%	0.00%	0.00%	0.00%	0.00%
Illinois	1.24%	0.88%	93.95%	0.39%	100.00%
Indiana	1.80%	2.42%	91.73%	0.51%	100.00%
Kansas	0.00%	0.00%	0.00%	0.00%	0.00%
Kentucky	2.19%	3.36%	92.56%	0.45%	100.00%
Louisiana	2.01%	6.39%	88.29%	0.61%	100.00%
Maine	0.49%	4.23%	94.74%	0.03%	100.00%
Maryland	1.66%	3.33%	92.06%	0.39%	100.00%
Massachusetts	4.60%	4.36%	89.70%	0.17%	100.00%
Michigan	100.00%	0.00%	0.00%	0.00%	100.00%
Minnesota	0.00%	0.00%	0.00%	0.00%	0.00%
Mississippi	100.00%	0.00%	0.00%	0.00%	100.00%
Missouri	2.45%	1.46%	94.44%	0.42%	100.00%
Montana	0.00%	0.00%	0.00%	0.00%	0.00%
Nebraska	0.00%	0.00%	0.00%	0.00%	0.00%
Nevada	0.69%	9.27%	86.21%	0.24%	100.00%
New Hampshire	1.87%	2.82%	93.51%	0.45%	100.00%
New Mexico	0.00%	0.00%	0.00%	0.00%	0.00%
New York	1.42%	4.62%	90.20%	0.92%	100.00%
North Carolina	3.11%	3.03%	92.04%	0.86%	100.00%
North Dakota	0.00%	0.00%	0.00%	0.00%	0.00%
Ohio	1.40%	3.32%	93.82%	0.35%	100.00%
Oklahoma	5.37%	6.04%	86.15%	0.28%	100.00%
Oregon	1.40%	7.45%	90.65%	0.22%	100.00%
Pennsylvania	1.76%	3.99%	91.47%	1.02%	100.00%
Rhode Island	1.48%	2.89%	93.96%	0.23%	100.00%
South Carolina	2.77%	3.43%	93.21%	0.20%	100.00%
South Dakota	0.00%	0.00%	0.00%	0.00%	0.00%
Tennessee	1.09%	3.09%	93.43%	0.41%	100.00%
Texas	3.23%	8.48%	82.87%	2.48%	100.00%
Utah	0.00%	0.00%	0.00%	0.00%	0.00%
Vermont	0.71%	1.71%	94.02%	0.29%	100.00%
Virginia	1.75%	3.78%	93.01%	0.41%	100.00%
Washington	1.23%	6.00%	91.78%	0.33%	100.00%
West Virginia	1.77%	1.60%	95.90%	0.27%	100.00%
Wisconsin	1.71%	0.71%	95.79%	0.00%	100.00%
Wyoming	0.00%	0.00%	0.00%	0.00%	0.00%

**North Light Personal Lines  
Participation Percentages  
By Line of Business**

State	Homeowners	Landlords Package Policy	Total
Alabama	99.07%	0.93%	100.00%
Arkansas	100.00%	0.00%	100.00%
Connecticut	95.61%	4.39%	100.00%
Delaware	97.09%	2.91%	100.00%
Georgia	92.03%	7.97%	100.00%
Louisiana	98.71%	1.29%	100.00%
Maryland	93.97%	6.03%	100.00%
Mississippi	97.34%	2.66%	100.00%
Missouri	100.00%	0.00%	100.00%
Nevada	100.00%	0.00%	100.00%
North Carolina	92.77%	7.23%	100.00%
Oklahoma	100.00%	0.00%	100.00%
Oregon	100.00%	0.00%	100.00%
Pennsylvania	0.00%	100.00%	100.00%
South Carolina	97.81%	2.19%	100.00%
Tennessee	78.35%	21.65%	100.00%
Texas	100.00%	0.00%	100.00%
Virginia	94.06%	5.94%	100.00%
Washington	100.00%	0.00%	100.00%

**Schedule A**

**Excess Catastrophe  
Reinsurance Contract - Nationwide  
Effective: June 1, 2012**

Allstate Insurance Company  
Individually and on behalf of any and all affiliated companies, which now or in the future  
underwrite business covered by this Contract  
and

Allstate Indemnity Company  
Northbrook, Illinois

Allstate County Mutual Insurance Company  
Irving, Texas

Allstate Fire and Casualty Insurance Company  
Northbrook, Illinois

Allstate Property and Casualty Insurance Company  
Northbrook, Illinois

Allstate Texas Lloyd's  
Irving, Texas

Allstate Vehicle and Property Insurance Company  
Northbrook, Illinois

Encompass Home and Auto Insurance Company  
Northbrook, Illinois

Encompass Indemnity Company  
Northbrook, Illinois

Encompass Independent Insurance Company  
Northbrook, Illinois

Encompass Insurance Company  
Northbrook, Illinois

Encompass Insurance Company of America  
Northbrook, Illinois

Encompass Insurance Company of Massachusetts  
Boston, Massachusetts

Encompass Property and Casualty Company  
Northbrook, Illinois

Northbrook Indemnity Company  
Northbrook, Illinois

and

North Light Specialty Insurance Company  
Northbrook, Illinois

**Participation Percentages  
By Brand**

Personal Lines				
	Allstate	Encompass	North Light	Total
	92.25%	7.35%	0.40%	100.00%

**Participation Percentages  
By Brand and State**

State	Personal Lines		
	Allstate	Encompass	Total
Alabama	0.42%	0.21%	19.45%
Alaska	0.00%	0.00%	0.00%
Arizona	0.00%	0.00%	0.00%
Arkansas	0.05%	0.02%	0.00%
California	12.06%	9.01%	0.00%
Colorado	0.00%	0.00%	0.00%
Connecticut	7.08%	8.95%	1.30%
Delaware	0.34%	1.40%	0.35%
District of Columbia	0.11%	0.19%	0.00%
Georgia	3.03%	4.88%	1.65%
Hawaii	0.00%	0.00%	0.00%
Idaho	0.00%	0.00%	0.00%
Illinois	0.54%	0.20%	0.00%
Indiana	0.14%	0.01%	0.00%
Iowa	0.00%	0.00%	0.00%
Kansas	0.00%	0.00%	0.00%
Kentucky	0.12%	0.11%	0.00%
Louisiana	9.41%	14.75%	18.75%
Maine	0.30%	0.02%	0.00%
Maryland	1.61%	5.06%	0.51%
Massachusetts	0.00%	2.36%	0.00%
Michigan	0.00%	0.00%	0.00%
Minnesota	0.00%	0.00%	0.00%
Mississippi	1.84%	0.00%	28.86%
Missouri	0.01%	0.00%	0.00%
Montana	0.00%	0.00%	0.00%
Nebraska	0.00%	0.00%	0.00%
Nevada	0.42%	0.09%	0.00%
New Hampshire	0.49%	0.21%	0.00%
New Mexico	0.00%	0.00%	0.00%
New York	24.82%	32.98%	0.00%
North Carolina	3.94%	2.02%	2.07%
North Dakota	0.00%	0.00%	0.00%
Ohio	0.50%	0.43%	0.00%
Oklahoma	0.01%	0.00%	0.00%
Oregon	0.35%	0.10%	0.01%
Pennsylvania	5.60%	7.66%	0.00%
Rhode Island	1.76%	0.94%	0.00%
South Carolina	5.66%	2.06%	22.99%
South Dakota	0.00%	0.00%	0.00%
Tennessee	0.30%	0.20%	0.01%
Texas	14.34%	2.91%	1.80%
Utah	0.00%	0.00%	0.00%

Vermont	0.08%	0.07%	0.00%
Virginia	3.51%	1.63%	2.24%
Washington	1.04%	1.10%	0.01%
West Virginia	0.12%	0.43%	0.00%
Wisconsin	0.00%	0.00%	0.00%
Wyoming	0.00%	0.00%	0.00%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

**Allstate Personal Lines  
Participation Percentages  
By Line of Business**

State	Auto	Mobile Home	Residential Fire	Landlords Package Policy			Condominiums	Total
				Homeowners	Renters			
Alabama	12.13%	6.74%	0.00%	71.96%	2.44%	5.21%	1.52%	100.00%
Alaska	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Arizona	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Arkansas	3.08%	4.07%	0.00%	86.28%	0.50%	5.83%	0.24%	100.00%
California	1.67%	0.09%	0.01%	85.88%	2.40%	7.93%	2.02%	100.00%
Colorado	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Connecticut	2.41%	0.34%	0.00%	92.90%	0.97%	1.23%	2.15%	100.00%
Delaware	2.64%	5.21%	0.00%	83.91%	0.99%	3.50%	3.75%	100.00%
District of Columbia	1.24%	0.00%	0.00%	82.99%	1.98%	10.28%	3.51%	100.00%
Georgia	2.50%	1.35%	0.00%	87.48%	0.52%	7.69%	0.46%	100.00%
Hawaii	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Idaho	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Illinois	1.82%	0.15%	0.00%	89.46%	0.70%	4.54%	3.33%	100.00%
Indiana	2.48%	1.64%	0.00%	88.57%	0.79%	5.99%	0.53%	100.00%
Iowa	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Kansas	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Kentucky	2.80%	6.89%	0.00%	82.36%	0.85%	6.02%	1.08%	100.00%
Louisiana	7.57%	0.54%	0.00%	90.32%	0.92%	0.05%	0.60%	100.00%
Maine	1.77%	8.70%	0.53%	79.34%	0.77%	7.88%	1.01%	100.00%
Maryland	3.07%	0.71%	0.00%	87.85%	1.09%	5.07%	2.21%	100.00%
Massachusetts	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Michigan	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Minnesota	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Mississippi	7.23%	0.00%	0.00%	91.33%	0.52%	0.82%	0.10%	100.00%
Missouri	3.04%	1.45%	0.00%	86.48%	0.84%	7.43%	0.76%	100.00%
Montana	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Nebraska	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Nevada	0.87%	0.10%	0.00%	79.98%	1.46%	16.74%	0.85%	100.00%
New Hampshire	2.39%	1.45%	0.00%	90.86%	0.97%	2.89%	1.44%	100.00%
New Mexico	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
New York	3.83%	0.15%	0.20%	86.12%	1.69%	2.76%	5.25%	100.00%
North Carolina	5.29%	3.30%	0.00%	79.35%	1.37%	9.36%	1.33%	100.00%
North Dakota	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Ohio	2.28%	1.29%	0.00%	90.01%	0.65%	4.98%	0.79%	100.00%
Oklahoma	5.60%	5.05%	0.00%	81.55%	0.68%	6.93%	0.19%	100.00%
Oregon	2.75%	0.52%	0.00%	80.75%	1.40%	14.02%	0.56%	100.00%
Pennsylvania	2.00%	0.61%	0.00%	89.10%	0.56%	7.00%	0.73%	100.00%
Rhode Island	1.92%	0.63%	0.00%	86.82%	0.83%	8.74%	1.06%	100.00%
South Carolina	6.60%	2.99%	0.00%	81.49%	1.21%	5.95%	1.76%	100.00%
South Dakota	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Tennessee	2.71%	4.39%	0.00%	84.63%	0.67%	6.89%	0.71%	100.00%
Texas	9.74%	0.87%	0.00%	86.00%	1.57%	1.12%	0.70%	100.00%
Utah	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Vermont	2.30%	3.75%	0.00%	87.64%	1.32%	2.89%	2.10%	100.00%

Virginia	3.21%	0.78%	0.00%	86.16%	1.82%	6.88%	1.15%	100.00%
Washington	2.05%	0.20%	0.00%	84.54%	1.15%	11.19%	0.87%	100.00%
West Virginia	2.60%	8.48%	0.00%	84.44%	0.41%	3.87%	0.20%	100.00%
Wisconsin	4.03%	0.00%	0.00%	87.86%	1.86%	4.73%	1.52%	100.00%
Wyoming	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**Encompass Personal Lines  
Participation Percentages  
By Line of Business**

State	Auto	Residential Fire	Homeowners	Renters	Condominiums	Total
Alabama	2.95%	3.32%	93.15%	0.31%	0.27%	100.00%
Alaska	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Arizona	100.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Arkansas	1.98%	2.26%	94.21%	0.26%	1.29%	100.00%
California	0.54%	16.10%	81.27%	0.48%	1.61%	100.00%
Colorado	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Connecticut	1.05%	6.08%	91.35%	0.35%	1.17%	100.00%
Delaware	1.71%	3.64%	90.33%	0.16%	4.16%	100.00%
District of Columbia	0.55%	9.86%	85.92%	0.63%	3.04%	100.00%
Georgia	1.59%	4.61%	92.76%	0.36%	0.68%	100.00%
Idaho	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Illinois	1.25%	0.88%	93.88%	0.40%	3.59%	100.00%
Indiana	1.82%	2.42%	91.66%	0.52%	3.58%	100.00%
Kansas	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Kentucky	2.24%	3.38%	92.53%	0.45%	1.40%	100.00%
Louisiana	1.97%	6.37%	88.37%	0.60%	2.69%	100.00%
Maine	0.50%	4.26%	94.68%	0.03%	0.53%	100.00%
Maryland	1.67%	3.32%	92.08%	0.39%	2.54%	100.00%
Massachusetts	4.68%	4.36%	89.59%	0.18%	1.19%	100.00%
Michigan	100.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Minnesota	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Mississippi	100.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Missouri	2.41%	1.58%	94.35%	0.45%	1.21%	100.00%
Montana	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Nebraska	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Nevada	0.91%	8.91%	86.60%	0.29%	3.29%	100.00%
New Hampshire	1.87%	2.80%	93.51%	0.46%	1.36%	100.00%
New Mexico	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
New York	1.41%	4.62%	90.17%	0.93%	2.87%	100.00%
North Carolina	3.16%	3.07%	92.01%	0.85%	0.91%	100.00%
North Dakota	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Ohio	1.41%	3.30%	93.82%	0.35%	1.12%	100.00%
Oklahoma	5.72%	6.38%	85.29%	0.31%	2.30%	100.00%
Oregon	2.05%	7.51%	89.77%	0.31%	0.36%	100.00%
Pennsylvania	1.75%	4.00%	91.49%	1.02%	1.74%	100.00%
Rhode Island	1.48%	2.90%	93.95%	0.23%	1.44%	100.00%
South Carolina	2.84%	3.42%	93.16%	0.20%	0.38%	100.00%
South Dakota	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Tennessee	1.09%	3.05%	93.41%	0.41%	2.04%	100.00%
Texas	3.22%	8.48%	82.89%	2.47%	2.94%	100.00%
Utah	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Vermont	0.72%	1.70%	94.00%	0.29%	3.29%	100.00%
Virginia	1.75%	3.76%	93.05%	0.41%	1.03%	100.00%
Washington	1.79%	5.90%	91.19%	0.38%	0.74%	100.00%
West Virginia	1.76%	1.56%	95.91%	0.28%	0.49%	100.00%
Wisconsin	1.71%	0.71%	95.79%	0.00%	1.79%	100.00%
Wyoming	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**North Light Personal Lines  
Participation Percentages  
By Line of Business**

State	Homeowners	Landlords Package Policy	Total
Alabama	99.07%	0.93%	100.00%
Arkansas	100.00%	0.00%	100.00%
Connecticut	95.58%	4.42%	100.00%
Delaware	97.03%	2.97%	100.00%
Georgia	91.95%	8.05%	100.00%
Louisiana	98.71%	1.29%	100.00%
Maryland	93.97%	6.03%	100.00%
Mississippi	97.34%	2.66%	100.00%
Missouri	100.00%	0.00%	100.00%
Nevada	100.00%	0.00%	100.00%
North Carolina	92.24%	7.76%	100.00%
Oklahoma	100.00%	0.00%	100.00%
Oregon	100.00%	0.00%	100.00%
Pennsylvania	0.00%	100.00%	100.00%
South Carolina	97.84%	2.16%	100.00%
Tennessee	77.12%	22.88%	100.00%
Texas	100.00%	0.00%	100.00%
Virginia	94.07%	5.93%	100.00%
Washington	100.00%	0.00%	100.00%

**Schedule A**

**Excess Catastrophe  
Reinsurance Contract - Nationwide  
Effective: June 1, 2012**

Allstate Insurance Company  
Individually and on behalf of any and all affiliated companies, which now or in the future  
underwrite business covered by this Contract  
and

Allstate Indemnity Company  
Northbrook, Illinois

Allstate County Mutual Insurance Company  
Irving, Texas

Allstate Fire and Casualty Insurance Company  
Northbrook, Illinois

Allstate Property and Casualty Insurance Company  
Northbrook, Illinois

Allstate Texas Lloyd's  
Irving, Texas

Allstate Vehicle and Property Insurance Company  
Northbrook, Illinois

Encompass Home and Auto Insurance Company  
Northbrook, Illinois

Encompass Indemnity Company  
Northbrook, Illinois

Encompass Independent Insurance Company  
Northbrook, Illinois

Encompass Insurance Company  
Northbrook, Illinois

Encompass Insurance Company of America  
Northbrook, Illinois

Encompass Insurance Company of Massachusetts  
Boston, Massachusetts

Encompass Property and Casualty Company  
Northbrook, Illinois

Northbrook Indemnity Company  
Northbrook, Illinois

and

North Light Specialty Insurance Company  
Northbrook, Illinois

**Participation Percentages  
By Brand**

Personal Lines				
	Allstate	Encompass	North Light	Total
	92.20%	7.40%	0.40%	100.00%

**Participation Percentages  
By Brand and State**

State	Personal Lines		
	Allstate	Encompass	Total
Alabama	0.43%	0.22%	21.28%
Alaska	0.00%	0.00%	0.00%
Arizona	0.00%	0.00%	0.00%
Arkansas	0.05%	0.02%	0.01%
California	11.74%	8.55%	0.00%
Colorado	0.00%	0.00%	0.00%
Connecticut	7.39%	9.29%	1.35%
Delaware	0.34%	1.43%	0.35%
District of Columbia	0.11%	0.19%	0.00%
Georgia	3.00%	4.76%	1.58%
Hawaii	0.00%	0.00%	0.00%
Idaho	0.00%	0.00%	0.00%
Illinois	0.60%	0.23%	0.00%
Indiana	0.14%	0.01%	0.00%
Iowa	0.00%	0.00%	0.00%
Kansas	0.00%	0.00%	0.00%
Kentucky	0.12%	0.11%	0.00%
Louisiana	9.04%	14.25%	17.59%
Maine	0.29%	0.02%	0.00%
Maryland	1.62%	5.11%	0.52%
Massachusetts	0.00%	2.36%	0.00%
Michigan	0.00%	0.00%	0.00%
Minnesota	0.00%	0.00%	0.00%
Mississippi	1.87%	0.00%	29.63%
Missouri	0.01%	0.00%	0.00%
Montana	0.00%	0.00%	0.00%
Nebraska	0.00%	0.00%	0.00%
Nevada	0.33%	0.07%	0.00%
New Hampshire	0.50%	0.21%	0.00%
New Mexico	0.00%	0.00%	0.00%
New York	25.99%	34.18%	0.00%
North Carolina	3.38%	1.68%	1.64%
North Dakota	0.00%	0.00%	0.00%
Ohio	0.47%	0.41%	0.00%
Oklahoma	0.01%	0.00%	0.00%
Oregon	0.31%	0.09%	0.01%
Pennsylvania	5.86%	7.87%	0.00%
Rhode Island	1.74%	0.93%	0.00%
South Carolina	5.58%	2.04%	22.11%
South Dakota	0.00%	0.00%	0.00%
Tennessee	0.31%	0.19%	0.01%
Texas	14.30%	2.88%	1.69%
Utah	0.00%	0.00%	0.00%

Vermont	0.08%	0.07%	0.00%
Virginia	3.40%	1.55%	2.22%
Washington	0.88%	0.92%	0.01%
West Virginia	0.11%	0.36%	0.00%
Wisconsin	0.00%	0.00%	0.00%
Wyoming	0.00%	0.00%	0.00%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

**Allstate Personal Lines  
Participation Percentages  
By Line of Business**

State	Auto	Mobile Home	Residential Fire	Homeowners		Landlords Package Policy	Condominiums	Total
				Homeowners	Renters			
Alabama	12.71%	6.53%	0.00%	71.50%	2.59%	5.12%	1.55%	100.00%
Alaska	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Arizona	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Arkansas	3.06%	4.05%	0.00%	86.43%	0.50%	5.72%	0.24%	100.00%
California	1.55%	0.09%	0.01%	86.21%	2.32%	7.91%	1.91%	100.00%
Colorado	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Connecticut	2.40%	0.34%	0.00%	92.90%	0.98%	1.22%	2.16%	100.00%
Delaware	2.66%	5.10%	0.00%	83.97%	1.00%	3.53%	3.74%	100.00%
District of Columbia	1.22%	0.00%	0.00%	82.98%	1.97%	10.33%	3.50%	100.00%
Georgia	2.48%	1.32%	0.00%	87.54%	0.52%	7.68%	0.46%	100.00%
Hawaii	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Idaho	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Illinois	1.84%	0.15%	0.00%	89.55%	0.69%	4.48%	3.29%	100.00%
Indiana	2.47%	1.66%	0.00%	88.57%	0.79%	5.99%	0.52%	100.00%
Iowa	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Kansas	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Kentucky	2.74%	6.71%	0.00%	82.55%	0.85%	6.04%	1.11%	100.00%
Louisiana	7.63%	0.51%	0.00%	90.29%	0.91%	0.05%	0.61%	100.00%
Maine	1.75%	8.85%	0.53%	79.30%	0.76%	7.84%	0.97%	100.00%
Maryland	3.09%	0.71%	0.00%	87.77%	1.10%	5.09%	2.24%	100.00%
Massachusetts	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Michigan	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Minnesota	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Mississippi	7.37%	0.00%	0.00%	91.17%	0.53%	0.83%	0.10%	100.00%
Missouri	3.12%	1.51%	0.00%	86.35%	0.81%	7.43%	0.78%	100.00%
Montana	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Nebraska	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Nevada	0.62%	0.12%	0.00%	80.02%	1.37%	17.07%	0.80%	100.00%
New Hampshire	2.38%	1.45%	0.00%	90.90%	0.96%	2.89%	1.42%	100.00%
New Mexico	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
New York	3.85%	0.14%	0.20%	86.10%	1.70%	2.76%	5.25%	100.00%
North Carolina	5.27%	3.23%	0.00%	79.50%	1.35%	9.31%	1.34%	100.00%
North Dakota	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Ohio	2.26%	1.26%	0.00%	90.00%	0.65%	5.03%	0.80%	100.00%
Oklahoma	5.53%	5.02%	0.00%	81.60%	0.68%	6.98%	0.19%	100.00%
Oregon	1.84%	0.57%	0.00%	81.68%	1.25%	14.22%	0.44%	100.00%
Pennsylvania	2.00%	0.59%	0.00%	89.04%	0.57%	7.06%	0.74%	100.00%
Rhode Island	1.92%	0.63%	0.00%	86.85%	0.83%	8.72%	1.05%	100.00%
South Carolina	6.52%	2.99%	0.00%	81.56%	1.21%	5.99%	1.73%	100.00%
South Dakota	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Tennessee	2.71%	4.41%	0.00%	84.61%	0.67%	6.89%	0.71%	100.00%
Texas	9.78%	0.86%	0.00%	85.95%	1.58%	1.14%	0.69%	100.00%
Utah	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Vermont	2.28%	3.74%	0.00%	87.67%	1.32%	2.90%	2.09%	100.00%

Virginia	3.23%	0.74%	0.00%	86.07%	1.86%	6.93%	1.17%	100.00%
Washington	1.39%	0.17%	0.00%	85.30%	1.08%	11.27%	0.79%	100.00%
West Virginia	2.59%	8.15%	0.00%	84.78%	0.41%	3.88%	0.19%	100.00%
Wisconsin	4.03%	0.00%	0.00%	87.86%	1.86%	4.73%	1.52%	100.00%
Wyoming	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**Encompass Personal Lines  
Participation Percentages  
By Line of Business**

State	Auto	Residential			Total
		Fire	Homeowners	Renters	
Alabama	3.04%	3.33%	93.06%	0.31%	100.00%
Alaska	0.00%	0.00%	0.00%	0.00%	0.00%
Arizona	100.00%	0.00%	0.00%	0.00%	100.00%
Arkansas	1.96%	2.24%	94.20%	0.26%	100.00%
California	0.50%	16.12%	81.40%	0.45%	100.00%
Colorado	0.00%	0.00%	0.00%	0.00%	0.00%
Connecticut	1.04%	6.12%	91.29%	0.36%	100.00%
Delaware	1.70%	3.64%	90.38%	0.16%	100.00%
District of Columbia	0.54%	9.90%	85.90%	0.62%	100.00%
Georgia	1.60%	4.59%	92.77%	0.36%	100.00%
Idaho	0.00%	0.00%	0.00%	0.00%	0.00%
Illinois	1.24%	0.88%	93.95%	0.39%	100.00%
Indiana	1.80%	2.42%	91.73%	0.51%	100.00%
Kansas	0.00%	0.00%	0.00%	0.00%	0.00%
Kentucky	2.19%	3.36%	92.56%	0.45%	100.00%
Louisiana	2.01%	6.39%	88.29%	0.61%	100.00%
Maine	0.49%	4.23%	94.74%	0.03%	100.00%
Maryland	1.66%	3.33%	92.06%	0.39%	100.00%
Massachusetts	4.60%	4.36%	89.70%	0.17%	100.00%
Michigan	100.00%	0.00%	0.00%	0.00%	100.00%
Minnesota	0.00%	0.00%	0.00%	0.00%	0.00%
Mississippi	100.00%	0.00%	0.00%	0.00%	100.00%
Missouri	2.45%	1.46%	94.44%	0.42%	100.00%
Montana	0.00%	0.00%	0.00%	0.00%	0.00%
Nebraska	0.00%	0.00%	0.00%	0.00%	0.00%
Nevada	0.69%	9.27%	86.21%	0.24%	100.00%
New Hampshire	1.87%	2.82%	93.51%	0.45%	100.00%
New Mexico	0.00%	0.00%	0.00%	0.00%	0.00%
New York	1.42%	4.62%	90.20%	0.92%	100.00%
North Carolina	3.11%	3.03%	92.04%	0.86%	100.00%
North Dakota	0.00%	0.00%	0.00%	0.00%	0.00%
Ohio	1.40%	3.32%	93.82%	0.35%	100.00%
Oklahoma	5.37%	6.04%	86.15%	0.28%	100.00%
Oregon	1.40%	7.45%	90.65%	0.22%	100.00%
Pennsylvania	1.76%	3.99%	91.47%	1.02%	100.00%
Rhode Island	1.48%	2.89%	93.96%	0.23%	100.00%
South Carolina	2.77%	3.43%	93.21%	0.20%	100.00%
South Dakota	0.00%	0.00%	0.00%	0.00%	0.00%
Tennessee	1.09%	3.09%	93.43%	0.41%	100.00%
Texas	3.23%	8.48%	82.87%	2.48%	100.00%
Utah	0.00%	0.00%	0.00%	0.00%	0.00%
Vermont	0.71%	1.71%	94.02%	0.29%	100.00%
Virginia	1.75%	3.78%	93.01%	0.41%	100.00%
Washington	1.23%	6.00%	91.78%	0.33%	100.00%
West Virginia	1.77%	1.60%	95.90%	0.27%	100.00%
Wisconsin	1.71%	0.71%	95.79%	0.00%	100.00%
Wyoming	0.00%	0.00%	0.00%	0.00%	0.00%

**North Light Personal Lines  
Participation Percentages  
By Line of Business**

State	Homeowners	Landlords Package Policy	Total
Alabama	99.07%	0.93%	100.00%
Arkansas	100.00%	0.00%	100.00%
Connecticut	95.61%	4.39%	100.00%
Delaware	97.09%	2.91%	100.00%
Georgia	92.03%	7.97%	100.00%
Louisiana	98.71%	1.29%	100.00%
Maryland	93.97%	6.03%	100.00%
Mississippi	97.34%	2.66%	100.00%
Missouri	100.00%	0.00%	100.00%
Nevada	100.00%	0.00%	100.00%
North Carolina	92.77%	7.23%	100.00%
Oklahoma	100.00%	0.00%	100.00%
Oregon	100.00%	0.00%	100.00%
Pennsylvania	0.00%	100.00%	100.00%
South Carolina	97.81%	2.19%	100.00%
Tennessee	78.35%	21.65%	100.00%
Texas	100.00%	0.00%	100.00%
Virginia	94.06%	5.94%	100.00%
Washington	100.00%	0.00%	100.00%

## Allstate Insurance Company

## 2012-13 Participating Reinsurers in Nationwide Contracts

Reinsurer	Nationwide Occurrence - Total							
	Layer 1	Layer 2	Layer 3	Layer 4	Layer 5	Layer 6	T/D	Layer 7
<b>United States</b>								
Allianz Global Risks US (Nephila)	X	-	X	X	-	-	-	-
Everest Re	X	X	X	X	X	X	-	X
Houston Casualty Company	-	-	-	-	-	-	-	X
Mapfre Re	-	-	-	-	X	X	-	X
Munich Re America	X	X	X	X	X	X	-	-
National Union Fire Insurance Company of Pittsburgh, PA	-	-	-	-	-	-	-	X
Odyssey America Re	X	X	X	X	X	-	-	X
Swiss Re (UW Re)	X	X	X	X	X	X	-	X
Transatlantic Re	-	X	X	X	X	X	-	X
<b>Bermuda</b>								
ACE Tempest	X	X	X	X	X	X	-	X
Alterra Bermuda	X	X	X	X	X	-	-	-
Amlin Bermuda	X	X	X	X	-	-	-	-
Arch Re	X	X	X	X	X	-	-	X
Ariel Syndicate 1910	X	X	X	X	X	X	-	X
Aspen Insurance Ltd. BDA	-	X	X	X	X	X	-	X
AWAC	X	-	X	X	X	X	-	X
AXIS	-	-	-	X	X	-	-	X
Catlin Insurance Ltd	X	X	X	X	X	X	-	-
DaVinci	-	X	X	X	X	X	X	X
Endurance	X	X	X	-	-	-	-	-
Flagstone	X	X	X	X	X	X	-	-
Hannover Re	-	X	X	X	X	X	-	X
Hiscox Bermuda	X	X	X	X	X	-	-	-
Lancashire	-	-	-	-	-	X	-	-
Montpelier	X	X	X	X	X	X	-	X
PaCRe	-	-	-	-	-	-	-	X
Partner Re	-	X	X	X	X	X	-	-
Platinum Bermuda	-	X	X	X	-	-	-	-
Ren Re	-	X	X	X	X	X	X	X
Tokio (Elementum)	-	-	-	-	X	X	-	X
Validus	X	X	X	X	X	X	-	X
XL Re	X	X	X	X	X	X	-	X
<b>Europe/Asia</b>								
Allianz Risk Transfer	-	-	-	-	-	-	-	X
China Re	-	-	-	-	-	-	-	X
Fubon	-	-	-	-	-	-	-	X
Hannover Germany (Katarsis and Credit Suisse)	-	-	-	-	-	-	-	X
Munich	X	X	X	X	X	X	-	-
Scor	X	X	X	X	X	X	-	X
Sirius International	-	X	X	X	X	-	-	-
Taiping Re	-	-	-	-	-	-	-	X
<b>London*</b>								
Amlin Syndicate - 2001	X	X	X	X	X	-	-	X
Antares Syndicate - 1274	-	-	-	-	-	-	-	X
ARK Syndicate - 4020	-	-	-	-	-	-	-	X
ARK NOA Syndicate- 3902	-	-	-	X	-	-	-	X
Arrow Syndicate - 1910	X	X	-	-	-	-	-	-
Ascot Syndicate - 1414	-	-	-	-	-	-	-	X
Beazley Syndicate - 2623	-	-	-	-	-	-	-	X
Beazley Syndicate - 623	-	-	-	-	-	-	-	X
Catlin Syndicate - 2003	X	X	X	-	X	-	-	-
Faraday Syndicate - 435	-	X	-	-	-	-	-	X
Hardy Syndicate - 382	-	-	-	-	-	-	-	X
Hiscox Syndicate - 33	X	X	X	X	-	-	-	X
Ren Re Syndicate - 1458	-	X	X	X	X	X	-	X
Novae Synd.2007 (fka SVB 2147)	-	-	X	X	X	-	-	X
Talbot Syndicate - 1183	X	X	X	X	X	X	-	X
<b>Hedge Funds</b>								
Nephila (Poseidon)	-	-	-	-	-	X	-	-

## **APPENDIX B**

### **Calculations Underlying the Allocation of Multistate Reinsurance Premium Costs to Arkansas**

# Participation in Ceded Premiums For Reinsurance Contracts

June 01, 2012 through May 31, 2013

## Purpose

Create a single process for identifying participation in ceded premiums for reinsurance contracts by business unit, state, company, and line of business.

## Requirements

The process should be reasonable, supportable, and acceptable to Pricing so that the information will be as consistent as possible with cost estimates that Pricing will incorporate into the rates. In addition, this process should rely on information provided by AonBenfield (i.e., an independent, third-party) to the extent possible; however, there should be due diligence in understanding the development of information provided by AonBenfield.

## Process

1. Allstate provides AonBenfield with countrywide personal lines property and auto exposure data for Allstate, and Encompass, and personal lines property exposure data for North Light Specialty for the modeled perils (Hurricane, Shake and Fire Following Earthquake). The exposure data sent contains the characteristics necessary for AonBenfield to process the exposures through catastrophe models. Below are the details of the exposure data sent:
  - a. Policy level Shake property exposures for Allstate and Encompass
  - b. ZIP aggregated Fire Following property exposures for Allstate and Encompass and policy level Fire Following property exposures for North Light
  - c. Policy level Hurricane property exposures for Encompass and North Light and for Allstate a mixture of policy level and ZIP aggregated property exposures
  - d. ZIP aggregated auto exposures
2. AonBenfield processes the exposure data through AIR Worldwide (AIR) CLASIC/2 catastrophe modeling software using a 50,000-year simulation. AIR's Warm Sea-Surface Temperature catalog with demand surge was utilized to generate modeled hurricane losses.
3. AonBenfield provides Allstate with expected loss recoveries under each reinsurance contract by business unit, state, line of business, and peril, as well as an "Event Loss Table." Notes:
  - a. The expected loss recoveries provided by AonBenfield reflect all inuring relationships between reinsurance contracts as well as reinstatement provisions.
  - b. Allstate's Catastrophe Modeling Team, using the "Event Loss File" provided by AonBenfield, validates the expected loss recoveries provided by AonBenfield.
4. Allstate modified the "Event Loss File" provided by AonBenfield to reflect potential non-recoupable assessments (up to \$100 million for any one contract year) from the Texas Windstorm Insurance Association (TWIA). Specifically, Non-recoupable TWIA assessments – Allstate Wind Pool policies were modeled and losses adjusted to an industry level in order to calculate estimated non-recoupable TWIA assessments for each simulated year, which were distributed to each modeled event within that year using loss distribution for the events. Finally, assessments were distributed by business unit and line of business based on written premium distribution provided by Pricing. These potential losses are covered by the Nationwide catastrophe per occurrence excess of loss contracts.

5. Using the modified “Event Loss File,” Allstate’s Catastrophe modeling Team recalculated expected loss recoveries under each reinsurance contract by business unit, state, line of business, and peril. These expected loss recoveries were then utilized to calculate participation percentages as follows:
  - a. First by business unit rounding to four decimal places and re-indexing, if necessary, to ensure that the total equals 100.00%.
  - b. Then by business unit and state, rounding to four decimal places and re-indexing, if necessary, to ensure the total equals 100.00%.
  - c. And lastly, by state, line of business, and peril for Allstate, Encompass and North Light. Again, rounding to four decimal places and re-indexing to ensure the total equals 100.00%. Participation percentages are then summed to the state and line of business level within each business unit.
6. These participation percentages, which are based on AIR’s Warm Sea-Surface Temperature catalog, are provided to AonBenfield for inclusion in reinsurance contracts. Refer to Appendix A.
7. Attached file “Appendix A – 2012-13 Participating Reinsurers” lists participating reinsurers for the Nationwide contracts for different layers.
8. Please refer to Appendix B, Exhibit I for details about the expected recoveries.
9. Please refer to Appendix B, Exhibit II-VI for details about the participation percentages.
10. Please refer to Appendix B, Exhibit VII for details about the participation percentages, reinsurance premiums and expected recoveries for Homeowners for the state of Arkansas.

**Arkansas**  
**Expected Loss Recoveries and Premium Distributions**

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VI	1-6	Participation by State & Line of Business for North Light Personal Lines
VII	1	Reinsurance Premium Calculation - Homeowners

### Nationwide Reinsurance Cover\* Expected Loss Recoveries

Reinsurance Contract	Inception	Expiration	State	Business Unit	Line of Business	Earthquake			Total	Percent of	
						Fire Following	Shake	Hurricane		Total	State
Nationwide	2011	2013	AR	APL	Auto	0	1,590	562	2,152		5.50%
Nationwide	2011	2013	AR	APL	Mobil Home	97	0	724	821		2.10%
Nationwide	2011	2013	AR	APL	Homeowners	17,229	0	15,894	33,123		84.55%
Nationwide	2011	2013	AR	APL	Renters	283	0	94	376		0.96%
Nationwide	2011	2013	AR	APL	Landlords	1,494	0	1,153	2,647		6.75%
Nationwide	2011	2013	AR	APL	Condos	13	0	44	57		0.14%
				<b>APL</b>	<b>Total</b>	<b>19,116</b>	<b>1,590</b>	<b>18,471</b>	<b>39,177</b>	<b>0.16%</b>	<b>100.00%</b>
Nationwide	2011	2013	AR	EPL	Auto	0	13	14	27		2.55%
Nationwide	2011	2013	AR	EPL	Res Fire	3	0	17	20		1.90%
Nationwide	2011	2013	AR	EPL	Homeowners	330	0	682	1,012		94.36%
Nationwide	2011	2013	AR	EPL	Renters	1	0	2	3		0.24%
Nationwide	2011	2013	AR	EPL	Condo	1	0	9	10		0.95%
				<b>EPL</b>	<b>Total</b>	<b>335</b>	<b>13</b>	<b>725</b>	<b>1,073</b>	<b>0.06%</b>	<b>100.00%</b>
Nationwide	2011	2013	AR	NPL	Homeowners	7	0	8	15		100.00%
				<b>NPL</b>	<b>Total</b>	<b>7</b>	<b>0</b>	<b>8</b>	<b>15</b>	<b>0.01%</b>	<b>100.00%</b>
			<b>AR</b>	<b>Total</b>		<b>19,458</b>	<b>1,603</b>	<b>19,204</b>	<b>40,264</b>		
Nationwide	2011	2013	Other	APL	Auto	0	80,968	1,183,672	1,264,640		
Nationwide	2011	2013	Other	APL	Mobile Home	4,175	803	311,638	316,615		
Nationwide	2011	2013	Other	APL	Res Fire	400	0	7,987	8,387		
Nationwide	2011	2013	Other	APL	Homeowners	2,360,472	51,546	19,173,995	21,586,014		
Nationwide	2011	2013	Other	APL	Renters	68,483	467	264,374	333,324		
Nationwide	2011	2013	Other	APL	Landlords	242,342	2,675	860,526	1,105,543		
Nationwide	2011	2013	Other	APL	Condos	76,908	298	373,497	450,703		
				<b>APL</b>	<b>Total</b>	<b>2,752,780</b>	<b>136,758</b>	<b>22,175,689</b>	<b>25,065,227</b>		
Nationwide	2011	2013	Other	EPL	Auto	0	2,309	30,173	32,482		
Nationwide	2011	2013	Other	EPL	Res Fire	20,015	169	78,499	98,683		
Nationwide	2011	2013	Other	EPL	Homeowners	130,926	6,723	1,492,191	1,629,840		
Nationwide	2011	2013	Other	EPL	Renters	1,319	43	10,871	12,233		
Nationwide	2011	2013	Other	EPL	Condos	4,249	153	31,395	35,798		
				<b>EPL</b>	<b>Total</b>	<b>156,509</b>	<b>9,397</b>	<b>1,643,130</b>	<b>1,809,036</b>		
Nationwide	2011	2013	Other	NPL	Homeowners	312	0	198,479	198,791		
Nationwide	2011	2013	Other	NPL	Landlords	7	0	4,267	4,274		
				<b>NPL</b>	<b>Total</b>	<b>319</b>	<b>0</b>	<b>202,746</b>	<b>203,065</b>		
			<b>Other</b>	<b>Total</b>		<b>2,909,608</b>	<b>146,155</b>	<b>24,021,565</b>	<b>27,077,328</b>		
			<b>Total</b>			<b>2,929,065</b>	<b>147,758</b>	<b>24,040,769</b>	<b>27,117,592</b>		

\* Notes:

1. Excludes Florida and New Jersey
2. Based on AIR v13 50K Warm Sea-Surface Temperature (near-term) Catalog with Demand Surge

### Nationwide Reinsurance Cover\* Expected Loss Recoveries

Reinsurance Contract	Inception	Expiration	State	Business Unit	Line of Business	Earthquake			Total	Percent of	
						Fire Following	Shake	Hurricane		Total	State
Nationwide	2011	2014	AR	APL	Auto	0	1,590	562	2,152		5.50%
Nationwide	2011	2014	AR	APL	Mobil Home	97	0	724	821		2.10%
Nationwide	2011	2014	AR	APL	Homeowners	17,229	0	15,894	33,124		84.55%
Nationwide	2011	2014	AR	APL	Renters	283	0	94	376		0.96%
Nationwide	2011	2014	AR	APL	Landlords	1,494	0	1,153	2,647		6.75%
Nationwide	2011	2014	AR	APL	Condos	13	0	44	57		0.14%
				<b>APL</b>	<b>Total</b>	<b>19,116</b>	<b>1,590</b>	<b>18,471</b>	<b>39,177</b>	<b>0.16%</b>	<b>100.00%</b>
Nationwide	2011	2014	AR	EPL	Auto	0	13	14	27		2.55%
Nationwide	2011	2014	AR	EPL	Res Fire	3	0	17	20		1.90%
Nationwide	2011	2014	AR	EPL	Homeowners	330	0	682	1,012		94.36%
Nationwide	2011	2014	AR	EPL	Renters	1	0	2	3		0.24%
Nationwide	2011	2014	AR	EPL	Condo	1	0	9	10		0.95%
				<b>EPL</b>	<b>Total</b>	<b>335</b>	<b>13</b>	<b>725</b>	<b>1,073</b>	<b>0.06%</b>	<b>100.00%</b>
Nationwide	2011	2014	AR	NPL	Homeowners	7	0	8	15		100.00%
				<b>NPL</b>	<b>Total</b>	<b>7</b>	<b>0</b>	<b>8</b>	<b>15</b>	<b>0.01%</b>	<b>100.00%</b>
			<b>AR</b>	<b>Total</b>		<b>19,458</b>	<b>1,603</b>	<b>19,204</b>	<b>40,264</b>		
Nationwide	2011	2014	Other	APL	Auto	0	80,969	1,183,691	1,264,661		
Nationwide	2011	2014	Other	APL	Mobile Home	4,175	803	311,641	316,619		
Nationwide	2011	2014	Other	APL	Res Fire	400	0	7,987	8,387		
Nationwide	2011	2014	Other	APL	Homeowners	2,360,532	51,547	19,174,321	21,586,400		
Nationwide	2011	2014	Other	APL	Renters	68,485	467	264,379	333,331		
Nationwide	2011	2014	Other	APL	Landlords	242,348	2,675	860,539	1,105,562		
Nationwide	2011	2014	Other	APL	Condos	76,910	298	373,505	450,713		
				<b>APL</b>	<b>Total</b>	<b>2,752,850</b>	<b>136,759</b>	<b>22,176,063</b>	<b>25,065,672</b>		
Nationwide	2011	2014	Other	EPL	Auto	0	2,309	30,174	32,483		
Nationwide	2011	2014	Other	EPL	Res Fire	20,015	169	78,501	98,685		
Nationwide	2011	2014	Other	EPL	Homeowners	130,929	6,723	1,492,220	1,629,872		
Nationwide	2011	2014	Other	EPL	Renters	1,319	43	10,871	12,233		
Nationwide	2011	2014	Other	EPL	Condos	4,249	153	31,396	35,799		
				<b>EPL</b>	<b>Total</b>	<b>156,513</b>	<b>9,398</b>	<b>1,643,161</b>	<b>1,809,071</b>		
Nationwide	2011	2014	Other	NPL	Homeowners	312	0	198,481	198,793		
Nationwide	2011	2014	Other	NPL	Landlords	7	0	4,267	4,274		
				<b>NPL</b>	<b>Total</b>	<b>319</b>	<b>0</b>	<b>202,748</b>	<b>203,067</b>		
			<b>Other</b>	<b>Total</b>		<b>2,909,682</b>	<b>146,157</b>	<b>24,021,972</b>	<b>27,077,811</b>		
			<b>Total</b>			<b>2,929,139</b>	<b>147,759</b>	<b>24,041,176</b>	<b>27,118,075</b>		

\* Notes:

1. Excludes Florida and New Jersey
2. Based on AIR v13 50K Warm Sea-Surface Temperature (near-term) Catalog with Demand Surge

### Nationwide Reinsurance Cover\* Expected Loss Recoveries

Reinsurance Contract	Inception	Expiration	State	Business Unit	Line of Business	Earthquake			Total	Percent of	
						Fire Following	Shake	Hurricane		Total	State
Nationwide	2012	2013	AR	APL	Auto	0	0	59	59		3.06%
Nationwide	2012	2013	AR	APL	Mobil Home	0	0	78	78		4.05%
Nationwide	2012	2013	AR	APL	Homeowners	0	0	1,656	1,656		86.43%
Nationwide	2012	2013	AR	APL	Renters	0	0	10	10		0.50%
Nationwide	2012	2013	AR	APL	Landlords	0	0	110	110		5.72%
Nationwide	2012	2013	AR	APL	Condos	0	0	5	5		0.24%
				<b>APL</b>	<b>Total</b>	<b>0</b>	<b>0</b>	<b>1,916</b>	<b>1,916</b>	<b>0.05%</b>	<b>100.00%</b>
Nationwide	2012	2013	AR	EPL	Auto	0	0	1	1		1.96%
Nationwide	2012	2013	AR	EPL	Res Fire	0	0	2	2		2.24%
Nationwide	2012	2013	AR	EPL	Homeowners	0	0	67	67		94.20%
Nationwide	2012	2013	AR	EPL	Renters	0	0	0	0		0.26%
Nationwide	2012	2013	AR	EPL	Condo	0	0	1	1		1.34%
				<b>EPL</b>	<b>Total</b>	<b>0</b>	<b>0</b>	<b>71</b>	<b>71</b>	<b>0.02%</b>	<b>100.00%</b>
Nationwide	2012	2013	AR	NPL	Homeowners	0	0	1	1		100.00%
				<b>NPL</b>	<b>Total</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>0.01%</b>	<b>100.00%</b>
			<b>AR</b>	<b>Total</b>		<b>0</b>	<b>0</b>	<b>1,988</b>	<b>1,988</b>		
Nationwide	2012	2013	Other	APL	Auto	0	10,092	172,622	182,714		
Nationwide	2012	2013	Other	APL	Mobile Home	588	0	29,430	30,018		
Nationwide	2012	2013	Other	APL	Res Fire	107	0	1,975	2,081		
Nationwide	2012	2013	Other	APL	Homeowners	519,172	530	2,879,113	3,398,814		
Nationwide	2012	2013	Other	APL	Renters	14,302	4	41,138	55,444		
Nationwide	2012	2013	Other	APL	Landlords	47,513	7	111,760	159,281		
Nationwide	2012	2013	Other	APL	Condos	18,215	35	70,749	88,998		
				<b>APL</b>	<b>Total</b>	<b>599,896</b>	<b>10,669</b>	<b>3,306,785</b>	<b>3,917,350</b>		
Nationwide	2012	2013	Other	EPL	Auto	0	267	4,866	5,133		
Nationwide	2012	2013	Other	EPL	Res Fire	4,743	1	13,755	18,499		
Nationwide	2012	2013	Other	EPL	Homeowners	29,353	101	252,406	281,859		
Nationwide	2012	2013	Other	EPL	Renters	295	2	1,921	2,219		
Nationwide	2012	2013	Other	EPL	Condos	1,000	5	5,807	6,812		
				<b>EPL</b>	<b>Total</b>	<b>35,391</b>	<b>376</b>	<b>278,754</b>	<b>314,522</b>		
Nationwide	2012	2013	Other	NPL	Homeowners	6	0	16,447	16,454		
Nationwide	2012	2013	Other	NPL	Landlords	0	0	366	366		
				<b>NPL</b>	<b>Total</b>	<b>7</b>	<b>0</b>	<b>16,814</b>	<b>16,820</b>		
			<b>Other</b>	<b>Total</b>		<b>635,294</b>	<b>11,045</b>	<b>3,602,353</b>	<b>4,248,692</b>		
			<b>Total</b>			<b>635,294</b>	<b>11,045</b>	<b>3,604,341</b>	<b>4,250,680</b>		

\* Notes:

1. Excludes Florida and New Jersey
2. Based on AIR v13 50K Warm Sea-Surface Temperature (near-term) Catalog with Demand Surge

### Nationwide Reinsurance Cover\* Expected Loss Recoveries

Reinsurance Contract	Inception	Expiration	State	Business Unit	Line of Business	Earthquake			Total	Percent of	
						Fire Following	Shake	Hurricane		Total	State
Nationwide	2012	2014	AR	APL	Auto	0	0	3	3		3.08%
Nationwide	2012	2014	AR	APL	Mobil Home	0	0	3	3		4.07%
Nationwide	2012	2014	AR	APL	Homeowners	0	0	70	70		86.28%
Nationwide	2012	2014	AR	APL	Renters	0	0	0	0		0.50%
Nationwide	2012	2014	AR	APL	Landlords	0	0	5	5		5.83%
Nationwide	2012	2014	AR	APL	Condos	0	0	0	0		0.24%
				<b>APL</b>	<b>Total</b>	<b>0</b>	<b>0</b>	<b>81</b>	<b>81</b>	<b>0.05%</b>	<b>100.00%</b>
Nationwide	2012	2014	AR	EPL	Auto	0	0	0	0		1.98%
Nationwide	2012	2014	AR	EPL	Res Fire	0	0	0	0		2.26%
Nationwide	2012	2014	AR	EPL	Homeowners	0	0	3	3		94.21%
Nationwide	2012	2014	AR	EPL	Renters	0	0	0	0		0.26%
Nationwide	2012	2014	AR	EPL	Condo	0	0	0	0		1.29%
				<b>EPL</b>	<b>Total</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>3</b>	<b>0.02%</b>	<b>100.00%</b>
Nationwide	2012	2014	AR	NPL	Homeowners	0	0	0	0		100.00%
				<b>NPL</b>	<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	<b>100.00%</b>
			<b>AR</b>	<b>Total</b>		<b>0</b>	<b>0</b>	<b>84</b>	<b>84</b>		
Nationwide	2012	2014	Other	APL	Auto	0	495	7,678	8,173		
Nationwide	2012	2014	Other	APL	Mobile Home	28	0	1,366	1,394		
Nationwide	2012	2014	Other	APL	Res Fire	5	0	84	89		
Nationwide	2012	2014	Other	APL	Homeowners	23,558	22	127,457	151,037		
Nationwide	2012	2014	Other	APL	Renters	671	0	1,807	2,479		
Nationwide	2012	2014	Other	APL	Landlords	2,202	0	5,001	7,204		
Nationwide	2012	2014	Other	APL	Condos	843	1	3,052	3,897		
				<b>APL</b>	<b>Total</b>	<b>27,308</b>	<b>518</b>	<b>146,446</b>	<b>174,273</b>		
Nationwide	2012	2014	Other	EPL	Auto	0	13	214	228		
Nationwide	2012	2014	Other	EPL	Res Fire	220	0	603	823		
Nationwide	2012	2014	Other	EPL	Homeowners	1,348	4	11,085	12,437		
Nationwide	2012	2014	Other	EPL	Renters	14	0	84	98		
Nationwide	2012	2014	Other	EPL	Condos	47	0	254	300		
				<b>EPL</b>	<b>Total</b>	<b>1,628</b>	<b>18</b>	<b>12,240</b>	<b>13,886</b>		
Nationwide	2012	2014	Other	NPL	Homeowners	0	0	730	730		
Nationwide	2012	2014	Other	NPL	Landlords	0	0	17	17		
				<b>NPL</b>	<b>Total</b>	<b>0</b>	<b>0</b>	<b>747</b>	<b>747</b>		
			<b>Other</b>	<b>Total</b>		<b>28,936</b>	<b>536</b>	<b>159,433</b>	<b>188,905</b>		
			<b>Total</b>			<b>28,936</b>	<b>536</b>	<b>159,517</b>	<b>188,990</b>		

\* Notes:

1. Excludes Florida and New Jersey
2. Based on AIR v13 50K Warm Sea-Surface Temperature (near-term) Catalog with Demand Surge

### Nationwide Reinsurance Cover\* Expected Loss Recoveries

Reinsurance Contract	Inception	Expiration	State	Business Unit	Line of Business	Earthquake			Total	Percent of	
						Fire Following	Shake	Hurricane		Total	State
Nationwide	2012	2015	AR	APL	Auto	0	1,589	564	2,153		5.49%
Nationwide	2012	2015	AR	APL	Mobil Home	97	0	725	823		2.10%
Nationwide	2012	2015	AR	APL	Homeowners	17,224	0	15,933	33,157		84.55%
Nationwide	2012	2015	AR	APL	Renters	283	0	94	377		0.96%
Nationwide	2012	2015	AR	APL	Landlords	1,493	0	1,156	2,649		6.76%
Nationwide	2012	2015	AR	APL	Condos	13	0	44	57		0.14%
				<b>APL</b>	<b>Total</b>	<b>19,110</b>	<b>1,589</b>	<b>18,516</b>	<b>39,215</b>	<b>0.16%</b>	<b>100.00%</b>
Nationwide	2012	2015	AR	EPL	Auto	0	13	14	27		2.55%
Nationwide	2012	2015	AR	EPL	Res Fire	3	0	17	20		1.90%
Nationwide	2012	2015	AR	EPL	Homeowners	330	0	684	1,014		94.36%
Nationwide	2012	2015	AR	EPL	Renters	1	0	2	3		0.24%
Nationwide	2012	2015	AR	EPL	Condo	1	0	9	10		0.95%
				<b>EPL</b>	<b>Total</b>	<b>335</b>	<b>13</b>	<b>727</b>	<b>1,074</b>	<b>0.06%</b>	<b>100.00%</b>
Nationwide	2012	2015	AR	NPL	Homeowners	7	0	8	15		100.00%
				<b>NPL</b>	<b>Total</b>	<b>7</b>	<b>0</b>	<b>8</b>	<b>15</b>	<b>0.01%</b>	<b>100.00%</b>
			<b>AR</b>	<b>Total</b>		<b>19,451</b>	<b>1,602</b>	<b>19,251</b>	<b>40,304</b>		
Nationwide	2012	2015	Other	APL	Auto	0	81,254	1,188,131	1,269,385		
Nationwide	2012	2015	Other	APL	Mobile Home	4,191	803	312,400	317,393		
Nationwide	2012	2015	Other	APL	Res Fire	403	0	8,037	8,440		
Nationwide	2012	2015	Other	APL	Homeowners	2,374,556	51,544	19,248,173	21,674,273		
Nationwide	2012	2015	Other	APL	Renters	68,884	467	265,428	334,779		
Nationwide	2012	2015	Other	APL	Landlords	243,652	2,674	863,403	1,109,729		
Nationwide	2012	2015	Other	APL	Condos	77,415	299	375,300	453,014		
				<b>APL</b>	<b>Total</b>	<b>2,769,101</b>	<b>137,041</b>	<b>22,260,872</b>	<b>25,167,014</b>		
Nationwide	2012	2015	Other	EPL	Auto	0	2,316	30,299	32,615		
Nationwide	2012	2015	Other	EPL	Res Fire	20,147	169	78,854	99,170		
Nationwide	2012	2015	Other	EPL	Homeowners	131,733	6,724	1,498,698	1,637,154		
Nationwide	2012	2015	Other	EPL	Renters	1,327	43	10,920	12,291		
Nationwide	2012	2015	Other	EPL	Condos	4,277	153	31,545	35,976		
				<b>EPL</b>	<b>Total</b>	<b>157,484</b>	<b>9,406</b>	<b>1,650,316</b>	<b>1,817,205</b>		
Nationwide	2012	2015	Other	NPL	Homeowners	312	0	198,876	199,188		
Nationwide	2012	2015	Other	NPL	Landlords	7	0	4,276	4,283		
				<b>NPL</b>	<b>Total</b>	<b>319</b>	<b>0</b>	<b>203,152</b>	<b>203,471</b>		
			<b>Other</b>	<b>Total</b>		<b>2,926,904</b>	<b>146,447</b>	<b>24,114,340</b>	<b>27,187,691</b>		
			<b>Total</b>			<b>2,946,355</b>	<b>148,049</b>	<b>24,133,591</b>	<b>27,227,995</b>		

\* Notes:

1. Excludes Florida and New Jersey
2. Based on AIR v13 50K Warm Sea-Surface Temperature (near-term) Catalog with Demand Surge

### Nationwide Reinsurance Cover\* Expected Loss Recoveries

Reinsurance Contract	Inception	Expiration	State	Business Unit	Line of Business	Earthquake			Total	Percent of	
						Fire Following	Shake	Hurricane		Total	State
Nationwide	Top and Drop		AR	APL	Auto	0	1	8	9		3.39%
Nationwide	Top and Drop		AR	APL	Mobil Home	0	0	11	11		4.00%
Nationwide	Top and Drop		AR	APL	Homeowners	6	0	233	239		86.06%
Nationwide	Top and Drop		AR	APL	Renters	0	0	1	1		0.51%
Nationwide	Top and Drop		AR	APL	Landlords	0	0	16	16		5.80%
Nationwide	Top and Drop		AR	APL	Condos	0	0	1	1		0.24%
				<b>APL</b>	<b>Total</b>	<b>6</b>	<b>1</b>	<b>270</b>	<b>278</b>	<b>0.05%</b>	<b>100.00%</b>
Nationwide	Top and Drop		AR	EPL	Auto	0	0	0	0		2.07%
Nationwide	Top and Drop		AR	EPL	Res Fire	0	0	0	0		2.27%
Nationwide	Top and Drop		AR	EPL	Homeowners	0	0	10	10		94.10%
Nationwide	Top and Drop		AR	EPL	Renters	0	0	0	0		0.26%
Nationwide	Top and Drop		AR	EPL	Condo	0	0	0	0		1.30%
				<b>EPL</b>	<b>Total</b>	<b>0</b>	<b>0</b>	<b>10</b>	<b>10</b>	<b>0.02%</b>	<b>100.00%</b>
Nationwide	Top and Drop		AR	NPL	Homeowners	0	0	0	0		100.00%
				<b>NPL</b>	<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.01%</b>	<b>100.00%</b>
			<b>AR</b>	<b>Total</b>		<b>6</b>	<b>1</b>	<b>281</b>	<b>288</b>		
Nationwide	Top and Drop		Other	APL	Auto	0	1,604	25,206	26,810		
Nationwide	Top and Drop		Other	APL	Mobile Home	90	0	4,524	4,614		
Nationwide	Top and Drop		Other	APL	Res Fire	15	0	273	289		
Nationwide	Top and Drop		Other	APL	Homeowners	76,248	84	418,039	494,371		
Nationwide	Top and Drop		Other	APL	Renters	2,172	1	5,922	8,095		
Nationwide	Top and Drop		Other	APL	Landlords	7,128	2	16,385	23,515		
Nationwide	Top and Drop		Other	APL	Condos	2,729	5	9,967	12,700		
				<b>APL</b>	<b>Total</b>	<b>88,383</b>	<b>1,695</b>	<b>480,316</b>	<b>570,395</b>		
Nationwide	Top and Drop		Other	EPL	Auto	0	43	702	745		
Nationwide	Top and Drop		Other	EPL	Res Fire	713	0	1,968	2,681		
Nationwide	Top and Drop		Other	EPL	Homeowners	4,361	15	36,224	40,599		
Nationwide	Top and Drop		Other	EPL	Renters	44	0	274	319		
Nationwide	Top and Drop		Other	EPL	Condos	151	1	828	980		
				<b>EPL</b>	<b>Total</b>	<b>5,269</b>	<b>59</b>	<b>39,996</b>	<b>45,324</b>		
Nationwide	Top and Drop		Other	NPL	Homeowners	1	0	2,393	2,394		
Nationwide	Top and Drop		Other	NPL	Landlords	0	0	54	54		
				<b>NPL</b>	<b>Total</b>	<b>1</b>	<b>0</b>	<b>2,447</b>	<b>2,448</b>		
			<b>Other</b>	<b>Total</b>		<b>93,653</b>	<b>1,754</b>	<b>522,760</b>	<b>618,167</b>		
			<b>Total</b>			<b>93,660</b>	<b>1,755</b>	<b>523,040</b>	<b>618,455</b>		

\* Notes:

1. Excludes Florida and New Jersey
2. Based on AIR v13 50K Warm Sea-Surface Temperature (near-term) Catalog with Demand Surge

**Participation in the Nationwide Reinsurance Cover\*  
By Business Unit**

Reinsurance Contract	Inception	Expiration	Personal Lines			Total
			Allstate	Encompass	North Light	
Nationwide	2011	2013	92.57%	6.68%	0.75%	100.00%
Nationwide	2011	2014	92.57%	6.68%	0.75%	100.00%
Nationwide	2012	2013	92.20%	7.40%	0.40%	100.00%
Nationwide	2012	2014	92.25%	7.35%	0.40%	100.00%
Nationwide	2012	2015	92.57%	6.68%	0.75%	100.00%
Nationwide	Top and Drop		92.27%	7.33%	0.40%	100.00%

\* Notes:

1. Excludes Florida and New Jersey
2. Based on AIR v13 50K Warm Sea-Surface Temperature (near-term) Catalog with Demand Surge

**Participation in the Nationwide Reinsurance Cover\*  
By State & Business Unit**

Reinsurance Contract	Inception	Expiration	State	Personal Lines		
				Allstate	Encompass	North Light
Nationwide	2011	2013	AL	1.08%	0.64%	29.90%
Nationwide	2011	2013	AR	0.16%	0.06%	0.01%
Nationwide	2011	2013	AZ	0.00%	0.00%	0.00%
Nationwide	2011	2013	CA	7.85%	6.09%	0.00%
Nationwide	2011	2013	CT	4.71%	6.28%	0.47%
Nationwide	2011	2013	DC	0.13%	0.23%	0.00%
Nationwide	2011	2013	DE	0.32%	1.30%	0.19%
Nationwide	2011	2013	GA	5.39%	10.50%	1.82%
Nationwide	2011	2013	IA	0.00%	0.00%	0.00%
Nationwide	2011	2013	IL	0.54%	0.23%	0.00%
Nationwide	2011	2013	IN	0.21%	0.01%	0.00%
Nationwide	2011	2013	KS	0.00%	0.00%	0.00%
Nationwide	2011	2013	KY	0.44%	0.62%	0.00%
Nationwide	2011	2013	LA	9.59%	15.13%	13.87%
Nationwide	2011	2013	MA	0.00%	2.53%	0.00%
Nationwide	2011	2013	MD	1.96%	6.25%	0.31%
Nationwide	2011	2013	ME	0.29%	0.02%	0.00%
Nationwide	2011	2013	MI	0.00%	0.00%	0.00%
Nationwide	2011	2013	MO	0.04%	0.01%	0.00%
Nationwide	2011	2013	MS	3.56%	0.00%	27.10%
Nationwide	2011	2013	NC	7.05%	4.11%	2.21%
Nationwide	2011	2013	NH	0.43%	0.20%	0.00%
Nationwide	2011	2013	NV	0.32%	0.08%	0.00%
Nationwide	2011	2013	NY	16.58%	24.14%	0.00%
Nationwide	2011	2013	OH	0.81%	0.77%	0.00%
Nationwide	2011	2013	OK	0.04%	0.00%	0.00%
Nationwide	2011	2013	OR	0.43%	0.14%	0.00%
Nationwide	2011	2013	PA	4.15%	6.66%	0.00%
Nationwide	2011	2013	RI	1.85%	1.11%	0.00%
Nationwide	2011	2013	SC	8.29%	3.26%	20.65%
Nationwide	2011	2013	TN	0.80%	0.40%	0.02%
Nationwide	2011	2013	TX	16.47%	4.18%	1.62%
Nationwide	2011	2013	VA	4.85%	2.47%	1.82%
Nationwide	2011	2013	VT	0.06%	0.06%	0.00%
Nationwide	2011	2013	WA	1.41%	1.73%	0.01%
Nationwide	2011	2013	WI	0.00%	0.00%	0.00%
Nationwide	2011	2013	WV	0.19%	0.79%	0.00%
			Total	100.00%	100.00%	100.00%

\* Notes:

1. Excludes Florida and New Jersey
2. Based on AIR v13 50K Warm Sea-Surface Temperature (near-term) Catalog with Demand Surge

**Participation in the Nationwide Reinsurance Cover\*  
By State & Business Unit**

Reinsurance Contract	Inception	Expiration	State	Personal Lines		
				Allstate	Encompass	North Light
Nationwide	2011	2014	AL	1.08%	0.64%	29.89%
Nationwide	2011	2014	AR	0.16%	0.06%	0.01%
Nationwide	2011	2014	AZ	0.00%	0.00%	0.00%
Nationwide	2011	2014	CA	7.85%	6.09%	0.00%
Nationwide	2011	2014	CT	4.71%	6.28%	0.47%
Nationwide	2011	2014	DC	0.13%	0.23%	0.00%
Nationwide	2011	2014	DE	0.32%	1.30%	0.19%
Nationwide	2011	2014	GA	5.39%	10.50%	1.82%
Nationwide	2011	2014	IA	0.00%	0.00%	0.00%
Nationwide	2011	2014	IL	0.54%	0.23%	0.00%
Nationwide	2011	2014	IN	0.21%	0.01%	0.00%
Nationwide	2011	2014	KS	0.00%	0.00%	0.00%
Nationwide	2011	2014	KY	0.44%	0.62%	0.00%
Nationwide	2011	2014	LA	9.59%	15.13%	13.87%
Nationwide	2011	2014	MA	0.00%	2.53%	0.00%
Nationwide	2011	2014	MD	1.96%	6.25%	0.31%
Nationwide	2011	2014	ME	0.29%	0.02%	0.00%
Nationwide	2011	2014	MI	0.00%	0.00%	0.00%
Nationwide	2011	2014	MO	0.04%	0.01%	0.00%
Nationwide	2011	2014	MS	3.56%	0.00%	27.11%
Nationwide	2011	2014	NC	7.05%	4.11%	2.21%
Nationwide	2011	2014	NH	0.43%	0.20%	0.00%
Nationwide	2011	2014	NV	0.32%	0.08%	0.00%
Nationwide	2011	2014	NY	16.58%	24.14%	0.00%
Nationwide	2011	2014	OH	0.81%	0.77%	0.00%
Nationwide	2011	2014	OK	0.04%	0.00%	0.00%
Nationwide	2011	2014	OR	0.43%	0.14%	0.00%
Nationwide	2011	2014	PA	4.15%	6.66%	0.00%
Nationwide	2011	2014	RI	1.85%	1.11%	0.00%
Nationwide	2011	2014	SC	8.29%	3.26%	20.65%
Nationwide	2011	2014	TN	0.80%	0.40%	0.02%
Nationwide	2011	2014	TX	16.47%	4.18%	1.62%
Nationwide	2011	2014	VA	4.85%	2.47%	1.82%
Nationwide	2011	2014	VT	0.06%	0.06%	0.00%
Nationwide	2011	2014	WA	1.41%	1.73%	0.01%
Nationwide	2011	2014	WI	0.00%	0.00%	0.00%
Nationwide	2011	2014	WV	0.19%	0.79%	0.00%
			Total	100.00%	100.00%	100.00%

\* Notes:

1. Excludes Florida and New Jersey
2. Based on AIR v13 50K Warm Sea-Surface Temperature (near-term) Catalog with Demand Surge

### Participation in the Nationwide Reinsurance Cover\* By State & Business Unit

Reinsurance Contract	Inception	Expiration	State	Personal Lines		
				Allstate	Encompass	North Light
Nationwide	2012	2013	AL	0.43%	0.22%	21.28%
Nationwide	2012	2013	AR	0.05%	0.02%	0.01%
Nationwide	2012	2013	AZ	0.00%	0.00%	0.00%
Nationwide	2012	2013	CA	11.74%	8.55%	0.00%
Nationwide	2012	2013	CT	7.39%	9.29%	1.35%
Nationwide	2012	2013	DC	0.11%	0.19%	0.00%
Nationwide	2012	2013	DE	0.34%	1.43%	0.35%
Nationwide	2012	2013	GA	3.00%	4.76%	1.58%
Nationwide	2012	2013	IA	0.00%	0.00%	0.00%
Nationwide	2012	2013	IL	0.60%	0.23%	0.00%
Nationwide	2012	2013	IN	0.14%	0.01%	0.00%
Nationwide	2012	2013	KY	0.12%	0.11%	0.00%
Nationwide	2012	2013	LA	9.04%	14.25%	17.59%
Nationwide	2012	2013	MA	0.00%	2.36%	0.00%
Nationwide	2012	2013	MD	1.62%	5.11%	0.52%
Nationwide	2012	2013	ME	0.29%	0.02%	0.00%
Nationwide	2012	2013	MI	0.00%	0.00%	0.00%
Nationwide	2012	2013	MO	0.01%	0.00%	0.00%
Nationwide	2012	2013	MS	1.87%	0.00%	29.63%
Nationwide	2012	2013	NC	3.38%	1.68%	1.64%
Nationwide	2012	2013	NH	0.50%	0.21%	0.00%
Nationwide	2012	2013	NV	0.33%	0.07%	0.00%
Nationwide	2012	2013	NY	25.99%	34.18%	0.00%
Nationwide	2012	2013	OH	0.47%	0.41%	0.00%
Nationwide	2012	2013	OK	0.01%	0.00%	0.00%
Nationwide	2012	2013	OR	0.31%	0.09%	0.01%
Nationwide	2012	2013	PA	5.86%	7.87%	0.00%
Nationwide	2012	2013	RI	1.74%	0.93%	0.00%
Nationwide	2012	2013	SC	5.58%	2.04%	22.11%
Nationwide	2012	2013	TN	0.31%	0.19%	0.01%
Nationwide	2012	2013	TX	14.30%	2.88%	1.69%
Nationwide	2012	2013	VA	3.40%	1.55%	2.22%
Nationwide	2012	2013	VT	0.08%	0.07%	0.00%
Nationwide	2012	2013	WA	0.88%	0.92%	0.01%
Nationwide	2012	2013	WI	0.00%	0.00%	0.00%
Nationwide	2012	2013	WV	0.11%	0.36%	0.00%
			Total	100.00%	100.00%	100.00%

\* Notes:

1. Excludes Florida and New Jersey
2. Based on AIR v13 50K Warm Sea-Surface Temperature (near-term) Catalog with Demand Surge

**Participation in the Nationwide Reinsurance Cover\*  
By State & Business Unit**

Reinsurance Contract	Inception	Expiration	State	Personal Lines		
				Allstate	Encompass	North Light
Nationwide	2012	2014	AL	0.42%	0.21%	19.45%
Nationwide	2012	2014	AR	0.05%	0.02%	0.00%
Nationwide	2012	2014	AZ	0.00%	0.00%	0.00%
Nationwide	2012	2014	CA	12.06%	9.01%	0.00%
Nationwide	2012	2014	CT	7.08%	8.95%	1.30%
Nationwide	2012	2014	DC	0.11%	0.19%	0.00%
Nationwide	2012	2014	DE	0.34%	1.40%	0.35%
Nationwide	2012	2014	GA	3.03%	4.88%	1.65%
Nationwide	2012	2014	IA	0.00%	0.00%	0.00%
Nationwide	2012	2014	IL	0.54%	0.20%	0.00%
Nationwide	2012	2014	IN	0.14%	0.01%	0.00%
Nationwide	2012	2014	KY	0.12%	0.11%	0.00%
Nationwide	2012	2014	LA	9.41%	14.75%	18.75%
Nationwide	2012	2014	MA	0.00%	2.36%	0.00%
Nationwide	2012	2014	MD	1.61%	5.06%	0.51%
Nationwide	2012	2014	ME	0.30%	0.02%	0.00%
Nationwide	2012	2014	MI	0.00%	0.00%	0.00%
Nationwide	2012	2014	MO	0.01%	0.00%	0.00%
Nationwide	2012	2014	MS	1.84%	0.00%	28.86%
Nationwide	2012	2014	NC	3.94%	2.02%	2.07%
Nationwide	2012	2014	NH	0.49%	0.21%	0.00%
Nationwide	2012	2014	NV	0.42%	0.09%	0.00%
Nationwide	2012	2014	NY	24.82%	32.98%	0.00%
Nationwide	2012	2014	OH	0.50%	0.43%	0.00%
Nationwide	2012	2014	OK	0.01%	0.00%	0.00%
Nationwide	2012	2014	OR	0.35%	0.10%	0.01%
Nationwide	2012	2014	PA	5.60%	7.66%	0.00%
Nationwide	2012	2014	RI	1.76%	0.94%	0.00%
Nationwide	2012	2014	SC	5.66%	2.06%	22.99%
Nationwide	2012	2014	TN	0.30%	0.20%	0.01%
Nationwide	2012	2014	TX	14.34%	2.91%	1.80%
Nationwide	2012	2014	VA	3.51%	1.63%	2.24%
Nationwide	2012	2014	VT	0.08%	0.07%	0.00%
Nationwide	2012	2014	WA	1.04%	1.10%	0.01%
Nationwide	2012	2014	WI	0.00%	0.00%	0.00%
Nationwide	2012	2014	WV	0.12%	0.43%	0.00%
			Total	100.00%	100.00%	100.00%

\* Notes:

1. Excludes Florida and New Jersey
2. Based on AIR v13 50K Warm Sea-Surface Temperature (near-term) Catalog with Demand Surge

**Participation in the Nationwide Reinsurance Cover\*  
By State & Business Unit**

Reinsurance Contract	Inception	Expiration	State	Personal Lines		
				Allstate	Encompass	North Light
Nationwide	2012	2015	AL	1.08%	0.63%	29.87%
Nationwide	2012	2015	AR	0.16%	0.06%	0.01%
Nationwide	2012	2015	AZ	0.00%	0.00%	0.00%
Nationwide	2012	2015	CA	7.87%	6.11%	0.00%
Nationwide	2012	2015	CT	4.72%	6.29%	0.47%
Nationwide	2012	2015	DC	0.13%	0.23%	0.00%
Nationwide	2012	2015	DE	0.32%	1.30%	0.19%
Nationwide	2012	2015	GA	5.38%	10.47%	1.82%
Nationwide	2012	2015	IA	0.00%	0.00%	0.00%
Nationwide	2012	2015	IL	0.54%	0.23%	0.00%
Nationwide	2012	2015	IN	0.21%	0.01%	0.00%
Nationwide	2012	2015	KS	0.00%	0.00%	0.00%
Nationwide	2012	2015	KY	0.43%	0.62%	0.00%
Nationwide	2012	2015	LA	9.59%	15.13%	13.88%
Nationwide	2012	2015	MA	0.00%	2.53%	0.00%
Nationwide	2012	2015	MD	1.96%	6.24%	0.31%
Nationwide	2012	2015	ME	0.29%	0.02%	0.00%
Nationwide	2012	2015	MI	0.00%	0.00%	0.00%
Nationwide	2012	2015	MO	0.04%	0.01%	0.00%
Nationwide	2012	2015	MS	3.55%	0.00%	27.11%
Nationwide	2012	2015	NC	7.04%	4.10%	2.21%
Nationwide	2012	2015	NH	0.43%	0.20%	0.00%
Nationwide	2012	2015	NV	0.32%	0.08%	0.00%
Nationwide	2012	2015	NY	16.61%	24.18%	0.00%
Nationwide	2012	2015	OH	0.81%	0.77%	0.00%
Nationwide	2012	2015	OK	0.04%	0.00%	0.00%
Nationwide	2012	2015	OR	0.43%	0.14%	0.00%
Nationwide	2012	2015	PA	4.16%	6.67%	0.00%
Nationwide	2012	2015	RI	1.85%	1.11%	0.00%
Nationwide	2012	2015	SC	8.28%	3.25%	20.66%
Nationwide	2012	2015	TN	0.79%	0.40%	0.02%
Nationwide	2012	2015	TX	16.46%	4.18%	1.62%
Nationwide	2012	2015	VA	4.85%	2.47%	1.82%
Nationwide	2012	2015	VT	0.06%	0.06%	0.00%
Nationwide	2012	2015	WA	1.41%	1.72%	0.01%
Nationwide	2012	2015	WI	0.00%	0.00%	0.00%
Nationwide	2012	2015	WV	0.19%	0.79%	0.00%
			Total	100.00%	100.00%	100.00%

\* Notes:

1. Excludes Florida and New Jersey
2. Based on AIR v13 50K Warm Sea-Surface Temperature (near-term) Catalog with Demand Surge

### Participation in the Nationwide Reinsurance Cover\* By State & Business Unit

Reinsurance Contract	Inception	Expiration	State	Personal Lines		
				Allstate	Encompass	North Light
Nationwide	Top and Drop		AL	0.41%	0.21%	19.21%
Nationwide	Top and Drop		AR	0.05%	0.02%	0.01%
Nationwide	Top and Drop		AZ	0.00%	0.00%	0.00%
Nationwide	Top and Drop		CA	11.93%	8.93%	0.00%
Nationwide	Top and Drop		CT	7.06%	8.94%	1.29%
Nationwide	Top and Drop		DC	0.11%	0.19%	0.00%
Nationwide	Top and Drop		DE	0.34%	1.41%	0.35%
Nationwide	Top and Drop		GA	3.05%	4.90%	1.63%
Nationwide	Top and Drop		IA	0.00%	0.00%	0.00%
Nationwide	Top and Drop		IL	0.53%	0.20%	0.00%
Nationwide	Top and Drop		IN	0.14%	0.01%	0.00%
Nationwide	Top and Drop		KY	0.12%	0.11%	0.00%
Nationwide	Top and Drop		LA	9.50%	14.74%	19.11%
Nationwide	Top and Drop		MA	0.00%	2.35%	0.00%
Nationwide	Top and Drop		MD	1.63%	5.10%	0.53%
Nationwide	Top and Drop		ME	0.30%	0.02%	0.00%
Nationwide	Top and Drop		MI	0.00%	0.00%	0.00%
Nationwide	Top and Drop		MO	0.01%	0.00%	0.00%
Nationwide	Top and Drop		MS	1.82%	0.00%	28.49%
Nationwide	Top and Drop		NC	3.92%	2.01%	2.05%
Nationwide	Top and Drop		NH	0.49%	0.21%	0.00%
Nationwide	Top and Drop		NV	0.42%	0.09%	0.00%
Nationwide	Top and Drop		NY	24.79%	32.95%	0.00%
Nationwide	Top and Drop		OH	0.50%	0.43%	0.00%
Nationwide	Top and Drop		OK	0.01%	0.00%	0.00%
Nationwide	Top and Drop		OR	0.34%	0.10%	0.01%
Nationwide	Top and Drop		PA	5.60%	7.68%	0.00%
Nationwide	Top and Drop		RI	1.74%	0.94%	0.00%
Nationwide	Top and Drop		SC	5.73%	2.08%	23.14%
Nationwide	Top and Drop		TN	0.31%	0.20%	0.01%
Nationwide	Top and Drop		TX	14.43%	2.95%	1.90%
Nationwide	Top and Drop		VA	3.50%	1.63%	2.26%
Nationwide	Top and Drop		VT	0.08%	0.07%	0.00%
Nationwide	Top and Drop		WA	1.02%	1.09%	0.01%
Nationwide	Top and Drop		WI	0.00%	0.00%	0.00%
Nationwide	Top and Drop		WV	0.12%	0.44%	0.00%
			Total	100.00%	100.00%	100.00%

\* Notes:

1. Excludes Florida and New Jersey
2. Based on AIR v13 50K Warm Sea-Surface Temperature (near-term) Catalog with Demand Surge

**Participation in the Nationwide Reinsurance Cover\*  
By State & Line of Business for Allstate Personal Lines**

Reinsurance Contract	Inception	Expiration	State	Auto	Mobile	Residential	Homeowners	Renters	Landlords	Condominiums	Total
					Home	Fire			Package		
Nationwide	2011	2013	AL	13.66%	7.39%	0.00%	69.28%	2.86%	5.04%	1.77%	100.00%
Nationwide	2011	2013	AR	5.50%	2.10%	0.00%	84.55%	0.96%	6.75%	0.14%	100.00%
Nationwide	2011	2013	AZ	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Nationwide	2011	2013	CA	2.55%	0.11%	0.01%	84.48%	2.56%	8.06%	2.23%	100.00%
Nationwide	2011	2013	CT	2.51%	0.40%	0.00%	92.85%	0.92%	1.22%	2.10%	100.00%
Nationwide	2011	2013	DC	1.37%	0.00%	0.00%	82.62%	2.18%	10.10%	3.73%	100.00%
Nationwide	2011	2013	DE	2.51%	5.68%	0.00%	83.71%	0.89%	3.40%	3.81%	100.00%
Nationwide	2011	2013	GA	2.70%	1.64%	0.00%	87.21%	0.53%	7.44%	0.48%	100.00%
Nationwide	2011	2013	IA	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Nationwide	2011	2013	IL	2.42%	0.29%	0.00%	87.81%	0.80%	5.03%	3.65%	100.00%
Nationwide	2011	2013	IN	2.76%	1.67%	0.00%	88.20%	0.89%	5.94%	0.54%	100.00%
Nationwide	2011	2013	KS	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Nationwide	2011	2013	KY	1.76%	3.98%	0.00%	87.06%	0.93%	5.65%	0.62%	100.00%
Nationwide	2011	2013	LA	7.08%	0.81%	0.00%	90.68%	0.86%	0.07%	0.50%	100.00%
Nationwide	2011	2013	MA	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Nationwide	2011	2013	MD	2.96%	0.69%	0.00%	88.16%	1.05%	5.10%	2.04%	100.00%
Nationwide	2011	2013	ME	1.75%	8.78%	0.54%	79.13%	0.80%	7.94%	1.06%	100.00%
Nationwide	2011	2013	MI	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Nationwide	2011	2013	MO	4.58%	0.76%	0.00%	84.85%	1.37%	7.49%	0.95%	100.00%
Nationwide	2011	2013	MS	6.86%	0.00%	0.00%	91.79%	0.51%	0.75%	0.09%	100.00%
Nationwide	2011	2013	NC	4.99%	3.80%	0.00%	79.15%	1.35%	9.40%	1.31%	100.00%
Nationwide	2011	2013	NH	2.38%	1.53%	0.00%	90.70%	0.99%	2.91%	1.49%	100.00%
Nationwide	2011	2013	NV	1.06%	0.09%	0.00%	79.96%	1.51%	16.58%	0.80%	100.00%
Nationwide	2011	2013	NY	3.75%	0.17%	0.18%	86.85%	1.51%	2.70%	4.84%	100.00%
Nationwide	2011	2013	OH	2.40%	1.46%	0.00%	89.66%	0.66%	5.01%	0.81%	100.00%
Nationwide	2011	2013	OK	4.90%	4.79%	0.00%	82.36%	0.72%	7.02%	0.21%	100.00%
Nationwide	2011	2013	OR	5.88%	0.72%	0.00%	76.27%	2.06%	13.99%	1.08%	100.00%
Nationwide	2011	2013	PA	2.01%	0.76%	0.00%	89.24%	0.50%	6.82%	0.67%	100.00%
Nationwide	2011	2013	RI	1.81%	0.68%	0.00%	86.97%	0.80%	8.69%	1.05%	100.00%
Nationwide	2011	2013	SC	6.74%	3.29%	0.00%	80.76%	1.21%	5.86%	2.14%	100.00%
Nationwide	2011	2013	TN	3.23%	2.78%	0.00%	85.04%	0.84%	7.50%	0.61%	100.00%
Nationwide	2011	2013	TX	8.78%	1.11%	0.00%	86.30%	1.58%	1.53%	0.70%	100.00%
Nationwide	2011	2013	VA	3.28%	0.91%	0.00%	86.08%	1.88%	6.67%	1.18%	100.00%
Nationwide	2011	2013	VT	2.35%	3.81%	0.00%	87.33%	1.39%	2.93%	2.19%	100.00%
Nationwide	2011	2013	WA	3.62%	0.25%	0.00%	82.08%	1.53%	10.98%	1.54%	100.00%
Nationwide	2011	2013	WI	4.18%	0.00%	0.00%	87.72%	1.86%	4.72%	1.52%	100.00%
Nationwide	2011	2013	WV	2.73%	9.09%	0.00%	83.80%	0.42%	3.75%	0.21%	100.00%

\* Notes:

1. Excludes Florida and New Jersey
2. Based on AIR v13 50K Warm Sea-Surface Temperature (near-term) Catalog with Demand Surge

**Participation in the Nationwide Reinsurance Cover\*  
By State & Line of Business for Allstate Personal Lines**

Reinsurance Contract	Inception	Expiration	State	Auto	Mobile	Residential	Homeowners	Renters	Landlords	Condominiums	Total
					Home	Fire			Package		
Nationwide	2011	2014	AL	13.66%	7.39%	0.00%	69.28%	2.86%	5.04%	1.77%	100.00%
Nationwide	2011	2014	AR	5.50%	2.10%	0.00%	84.55%	0.96%	6.75%	0.14%	100.00%
Nationwide	2011	2014	AZ	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Nationwide	2011	2014	CA	2.55%	0.11%	0.01%	84.48%	2.56%	8.06%	2.23%	100.00%
Nationwide	2011	2014	CT	2.51%	0.40%	0.00%	92.85%	0.92%	1.22%	2.10%	100.00%
Nationwide	2011	2014	DC	1.37%	0.00%	0.00%	82.62%	2.18%	10.10%	3.73%	100.00%
Nationwide	2011	2014	DE	2.51%	5.68%	0.00%	83.71%	0.89%	3.40%	3.81%	100.00%
Nationwide	2011	2014	GA	2.70%	1.64%	0.00%	87.21%	0.53%	7.44%	0.48%	100.00%
Nationwide	2011	2014	IA	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Nationwide	2011	2014	IL	2.42%	0.29%	0.00%	87.81%	0.80%	5.03%	3.65%	100.00%
Nationwide	2011	2014	IN	2.76%	1.67%	0.00%	88.20%	0.89%	5.94%	0.54%	100.00%
Nationwide	2011	2014	KS	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Nationwide	2011	2014	KY	1.76%	3.98%	0.00%	87.06%	0.93%	5.65%	0.62%	100.00%
Nationwide	2011	2014	LA	7.08%	0.81%	0.00%	90.68%	0.86%	0.07%	0.50%	100.00%
Nationwide	2011	2014	MA	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Nationwide	2011	2014	MD	2.96%	0.69%	0.00%	88.16%	1.05%	5.10%	2.04%	100.00%
Nationwide	2011	2014	ME	1.75%	8.78%	0.54%	79.13%	0.80%	7.94%	1.06%	100.00%
Nationwide	2011	2014	MI	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Nationwide	2011	2014	MO	4.58%	0.76%	0.00%	84.85%	1.37%	7.49%	0.95%	100.00%
Nationwide	2011	2014	MS	6.86%	0.00%	0.00%	91.79%	0.51%	0.75%	0.09%	100.00%
Nationwide	2011	2014	NC	4.99%	3.80%	0.00%	79.15%	1.35%	9.40%	1.31%	100.00%
Nationwide	2011	2014	NH	2.38%	1.53%	0.00%	90.70%	0.99%	2.91%	1.49%	100.00%
Nationwide	2011	2014	NV	1.06%	0.09%	0.00%	79.96%	1.51%	16.58%	0.80%	100.00%
Nationwide	2011	2014	NY	3.75%	0.17%	0.18%	86.85%	1.51%	2.70%	4.84%	100.00%
Nationwide	2011	2014	OH	2.40%	1.46%	0.00%	89.66%	0.66%	5.01%	0.81%	100.00%
Nationwide	2011	2014	OK	4.90%	4.79%	0.00%	82.36%	0.72%	7.02%	0.21%	100.00%
Nationwide	2011	2014	OR	5.88%	0.72%	0.00%	76.27%	2.06%	13.99%	1.08%	100.00%
Nationwide	2011	2014	PA	2.01%	0.76%	0.00%	89.24%	0.50%	6.82%	0.67%	100.00%
Nationwide	2011	2014	RI	1.81%	0.68%	0.00%	86.97%	0.80%	8.69%	1.05%	100.00%
Nationwide	2011	2014	SC	6.74%	3.29%	0.00%	80.76%	1.21%	5.86%	2.14%	100.00%
Nationwide	2011	2014	TN	3.23%	2.78%	0.00%	85.04%	0.84%	7.50%	0.61%	100.00%
Nationwide	2011	2014	TX	8.78%	1.11%	0.00%	86.30%	1.58%	1.53%	0.70%	100.00%
Nationwide	2011	2014	VA	3.28%	0.91%	0.00%	86.08%	1.88%	6.67%	1.18%	100.00%
Nationwide	2011	2014	VT	2.35%	3.81%	0.00%	87.33%	1.39%	2.93%	2.19%	100.00%
Nationwide	2011	2014	WA	3.62%	0.25%	0.00%	82.08%	1.53%	10.98%	1.54%	100.00%
Nationwide	2011	2014	WI	4.18%	0.00%	0.00%	87.72%	1.86%	4.72%	1.52%	100.00%
Nationwide	2011	2014	WV	2.73%	9.09%	0.00%	83.80%	0.42%	3.75%	0.21%	100.00%

\* Notes:

1. Excludes Florida and New Jersey
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**Participation in the Nationwide Reinsurance Cover\*  
By State & Line of Business for Allstate Personal Lines**

Reinsurance Contract	Inception	Expiration	State	Auto	Mobile	Residential	Homeowners	Renters	Landlords	Condominiums	Total
					Home	Fire			Package		
Nationwide	2012	2013	AL	12.71%	6.53%	0.00%	71.50%	2.59%	5.12%	1.55%	100.00%
Nationwide	2012	2013	AR	3.06%	4.05%	0.00%	86.43%	0.50%	5.72%	0.24%	100.00%
Nationwide	2012	2013	AZ	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Nationwide	2012	2013	CA	1.55%	0.09%	0.01%	86.21%	2.32%	7.91%	1.91%	100.00%
Nationwide	2012	2013	CT	2.40%	0.34%	0.00%	92.90%	0.98%	1.22%	2.16%	100.00%
Nationwide	2012	2013	DC	1.22%	0.00%	0.00%	82.98%	1.97%	10.33%	3.50%	100.00%
Nationwide	2012	2013	DE	2.66%	5.10%	0.00%	83.97%	1.00%	3.53%	3.74%	100.00%
Nationwide	2012	2013	GA	2.48%	1.32%	0.00%	87.54%	0.52%	7.68%	0.46%	100.00%
Nationwide	2012	2013	IA	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Nationwide	2012	2013	IL	1.84%	0.15%	0.00%	89.55%	0.69%	4.48%	3.29%	100.00%
Nationwide	2012	2013	IN	2.47%	1.66%	0.00%	88.57%	0.79%	5.99%	0.52%	100.00%
Nationwide	2012	2013	KY	2.74%	6.71%	0.00%	82.55%	0.85%	6.04%	1.11%	100.00%
Nationwide	2012	2013	LA	7.63%	0.51%	0.00%	90.29%	0.91%	0.05%	0.61%	100.00%
Nationwide	2012	2013	MA	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Nationwide	2012	2013	MD	3.09%	0.71%	0.00%	87.77%	1.10%	5.09%	2.24%	100.00%
Nationwide	2012	2013	ME	1.75%	8.85%	0.53%	79.30%	0.76%	7.84%	0.97%	100.00%
Nationwide	2012	2013	MI	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Nationwide	2012	2013	MO	3.12%	1.51%	0.00%	86.35%	0.81%	7.43%	0.78%	100.00%
Nationwide	2012	2013	MS	7.37%	0.00%	0.00%	91.17%	0.53%	0.83%	0.10%	100.00%
Nationwide	2012	2013	NC	5.27%	3.23%	0.00%	79.50%	1.35%	9.31%	1.34%	100.00%
Nationwide	2012	2013	NH	2.38%	1.45%	0.00%	90.90%	0.96%	2.89%	1.42%	100.00%
Nationwide	2012	2013	NV	0.62%	0.12%	0.00%	80.02%	1.37%	17.07%	0.80%	100.00%
Nationwide	2012	2013	NY	3.85%	0.14%	0.20%	86.10%	1.70%	2.76%	5.25%	100.00%
Nationwide	2012	2013	OH	2.26%	1.26%	0.00%	90.00%	0.65%	5.03%	0.80%	100.00%
Nationwide	2012	2013	OK	5.53%	5.02%	0.00%	81.60%	0.68%	6.98%	0.19%	100.00%
Nationwide	2012	2013	OR	1.84%	0.57%	0.00%	81.68%	1.25%	14.22%	0.44%	100.00%
Nationwide	2012	2013	PA	2.00%	0.59%	0.00%	89.04%	0.57%	7.06%	0.74%	100.00%
Nationwide	2012	2013	RI	1.92%	0.63%	0.00%	86.85%	0.83%	8.72%	1.05%	100.00%
Nationwide	2012	2013	SC	6.52%	2.99%	0.00%	81.56%	1.21%	5.99%	1.73%	100.00%
Nationwide	2012	2013	TN	2.71%	4.41%	0.00%	84.61%	0.67%	6.89%	0.71%	100.00%
Nationwide	2012	2013	TX	9.78%	0.86%	0.00%	85.95%	1.58%	1.14%	0.69%	100.00%
Nationwide	2012	2013	VA	3.23%	0.74%	0.00%	86.07%	1.86%	6.93%	1.17%	100.00%
Nationwide	2012	2013	VT	2.28%	3.74%	0.00%	87.67%	1.32%	2.90%	2.09%	100.00%
Nationwide	2012	2013	WA	1.39%	0.17%	0.00%	85.30%	1.08%	11.27%	0.79%	100.00%
Nationwide	2012	2013	WI	4.03%	0.00%	0.00%	87.86%	1.86%	4.73%	1.52%	100.00%
Nationwide	2012	2013	WV	2.59%	8.15%	0.00%	84.78%	0.41%	3.88%	0.19%	100.00%

\* Notes:

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**Participation in the Nationwide Reinsurance Cover\*  
By State & Line of Business for Allstate Personal Lines**

Reinsurance Contract	Inception	Expiration	State	Auto	Mobile	Residential	Homeowners	Renters	Landlords	Condominiums	Total
					Home	Fire			Package Policy		
Nationwide	2012	2014	AL	12.13%	6.74%	0.00%	71.96%	2.44%	5.21%	1.52%	100.00%
Nationwide	2012	2014	AR	3.08%	4.07%	0.00%	86.28%	0.50%	5.83%	0.24%	100.00%
Nationwide	2012	2014	AZ	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Nationwide	2012	2014	CA	1.67%	0.09%	0.01%	85.88%	2.40%	7.93%	2.02%	100.00%
Nationwide	2012	2014	CT	2.41%	0.34%	0.00%	92.90%	0.97%	1.23%	2.15%	100.00%
Nationwide	2012	2014	DC	1.24%	0.00%	0.00%	82.99%	1.98%	10.28%	3.51%	100.00%
Nationwide	2012	2014	DE	2.64%	5.21%	0.00%	83.91%	0.99%	3.50%	3.75%	100.00%
Nationwide	2012	2014	GA	2.50%	1.35%	0.00%	87.48%	0.52%	7.69%	0.46%	100.00%
Nationwide	2012	2014	IA	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Nationwide	2012	2014	IL	1.82%	0.15%	0.00%	89.46%	0.70%	4.54%	3.33%	100.00%
Nationwide	2012	2014	IN	2.48%	1.64%	0.00%	88.57%	0.79%	5.99%	0.53%	100.00%
Nationwide	2012	2014	KY	2.80%	6.89%	0.00%	82.36%	0.85%	6.02%	1.08%	100.00%
Nationwide	2012	2014	LA	7.57%	0.54%	0.00%	90.32%	0.92%	0.05%	0.60%	100.00%
Nationwide	2012	2014	MA	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Nationwide	2012	2014	MD	3.07%	0.71%	0.00%	87.85%	1.09%	5.07%	2.21%	100.00%
Nationwide	2012	2014	ME	1.77%	8.70%	0.53%	79.34%	0.77%	7.88%	1.01%	100.00%
Nationwide	2012	2014	MI	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Nationwide	2012	2014	MO	3.04%	1.45%	0.00%	86.48%	0.84%	7.43%	0.76%	100.00%
Nationwide	2012	2014	MS	7.23%	0.00%	0.00%	91.33%	0.52%	0.82%	0.10%	100.00%
Nationwide	2012	2014	NC	5.29%	3.30%	0.00%	79.35%	1.37%	9.36%	1.33%	100.00%
Nationwide	2012	2014	NH	2.39%	1.45%	0.00%	90.86%	0.97%	2.89%	1.44%	100.00%
Nationwide	2012	2014	NV	0.87%	0.10%	0.00%	79.98%	1.46%	16.74%	0.85%	100.00%
Nationwide	2012	2014	NY	3.83%	0.15%	0.20%	86.12%	1.69%	2.76%	5.25%	100.00%
Nationwide	2012	2014	OH	2.28%	1.29%	0.00%	90.01%	0.65%	4.98%	0.79%	100.00%
Nationwide	2012	2014	OK	5.60%	5.05%	0.00%	81.55%	0.68%	6.93%	0.19%	100.00%
Nationwide	2012	2014	OR	2.75%	0.52%	0.00%	80.75%	1.40%	14.02%	0.56%	100.00%
Nationwide	2012	2014	PA	2.00%	0.61%	0.00%	89.10%	0.56%	7.00%	0.73%	100.00%
Nationwide	2012	2014	RI	1.92%	0.63%	0.00%	86.82%	0.83%	8.74%	1.06%	100.00%
Nationwide	2012	2014	SC	6.60%	2.99%	0.00%	81.49%	1.21%	5.95%	1.76%	100.00%
Nationwide	2012	2014	TN	2.71%	4.39%	0.00%	84.63%	0.67%	6.89%	0.71%	100.00%
Nationwide	2012	2014	TX	9.74%	0.87%	0.00%	86.00%	1.57%	1.12%	0.70%	100.00%
Nationwide	2012	2014	VA	3.21%	0.78%	0.00%	86.16%	1.82%	6.88%	1.15%	100.00%
Nationwide	2012	2014	VT	2.30%	3.75%	0.00%	87.64%	1.32%	2.89%	2.10%	100.00%
Nationwide	2012	2014	WA	2.05%	0.20%	0.00%	84.54%	1.15%	11.19%	0.87%	100.00%
Nationwide	2012	2014	WI	4.03%	0.00%	0.00%	87.86%	1.86%	4.73%	1.52%	100.00%
Nationwide	2012	2014	WV	2.60%	8.48%	0.00%	84.44%	0.41%	3.87%	0.20%	100.00%

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**Participation in the Nationwide Reinsurance Cover\*  
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Reinsurance Contract	Inception	Expiration	State	Auto	Mobile	Residential	Homeowners	Renters	Landlords	Condominiums	Total
					Home	Fire			Package Policy		
Nationwide	2012	2015	AL	13.66%	7.39%	0.00%	69.28%	2.86%	5.04%	1.77%	100.00%
Nationwide	2012	2015	AR	5.49%	2.10%	0.00%	84.55%	0.96%	6.76%	0.14%	100.00%
Nationwide	2012	2015	AZ	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Nationwide	2012	2015	CA	2.55%	0.11%	0.01%	84.48%	2.56%	8.06%	2.23%	100.00%
Nationwide	2012	2015	CT	2.51%	0.40%	0.00%	92.85%	0.92%	1.22%	2.10%	100.00%
Nationwide	2012	2015	DC	1.37%	0.00%	0.00%	82.62%	2.18%	10.10%	3.73%	100.00%
Nationwide	2012	2015	DE	2.51%	5.68%	0.00%	83.71%	0.89%	3.40%	3.81%	100.00%
Nationwide	2012	2015	GA	2.70%	1.64%	0.00%	87.21%	0.53%	7.44%	0.48%	100.00%
Nationwide	2012	2015	IA	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Nationwide	2012	2015	IL	2.42%	0.29%	0.00%	87.82%	0.80%	5.03%	3.64%	100.00%
Nationwide	2012	2015	IN	2.76%	1.67%	0.00%	88.20%	0.89%	5.94%	0.54%	100.00%
Nationwide	2012	2015	KS	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Nationwide	2012	2015	KY	1.77%	3.99%	0.00%	87.04%	0.93%	5.65%	0.62%	100.00%
Nationwide	2012	2015	LA	7.08%	0.81%	0.00%	90.68%	0.86%	0.07%	0.50%	100.00%
Nationwide	2012	2015	MA	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Nationwide	2012	2015	MD	2.96%	0.69%	0.00%	88.16%	1.05%	5.10%	2.04%	100.00%
Nationwide	2012	2015	ME	1.75%	8.78%	0.54%	79.14%	0.79%	7.94%	1.06%	100.00%
Nationwide	2012	2015	MI	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Nationwide	2012	2015	MO	4.58%	0.76%	0.00%	84.86%	1.37%	7.48%	0.95%	100.00%
Nationwide	2012	2015	MS	6.86%	0.00%	0.00%	91.79%	0.51%	0.75%	0.09%	100.00%
Nationwide	2012	2015	NC	4.99%	3.80%	0.00%	79.15%	1.35%	9.40%	1.31%	100.00%
Nationwide	2012	2015	NH	2.38%	1.53%	0.00%	90.70%	0.99%	2.91%	1.49%	100.00%
Nationwide	2012	2015	NV	1.06%	0.09%	0.00%	79.96%	1.51%	16.58%	0.80%	100.00%
Nationwide	2012	2015	NY	3.75%	0.17%	0.18%	86.85%	1.51%	2.70%	4.84%	100.00%
Nationwide	2012	2015	OH	2.40%	1.46%	0.00%	89.66%	0.66%	5.01%	0.81%	100.00%
Nationwide	2012	2015	OK	4.90%	4.79%	0.00%	82.36%	0.72%	7.02%	0.21%	100.00%
Nationwide	2012	2015	OR	5.87%	0.72%	0.00%	76.28%	2.06%	13.99%	1.08%	100.00%
Nationwide	2012	2015	PA	2.01%	0.76%	0.00%	89.24%	0.50%	6.82%	0.67%	100.00%
Nationwide	2012	2015	RI	1.81%	0.68%	0.00%	86.97%	0.80%	8.69%	1.05%	100.00%
Nationwide	2012	2015	SC	6.74%	3.29%	0.00%	80.77%	1.21%	5.86%	2.13%	100.00%
Nationwide	2012	2015	TN	3.23%	2.78%	0.00%	85.04%	0.84%	7.50%	0.61%	100.00%
Nationwide	2012	2015	TX	8.79%	1.11%	0.00%	86.29%	1.58%	1.53%	0.70%	100.00%
Nationwide	2012	2015	VA	3.28%	0.91%	0.00%	86.08%	1.88%	6.67%	1.18%	100.00%
Nationwide	2012	2015	VT	2.35%	3.81%	0.00%	87.33%	1.39%	2.93%	2.19%	100.00%
Nationwide	2012	2015	WA	3.61%	0.25%	0.00%	82.10%	1.52%	10.98%	1.54%	100.00%
Nationwide	2012	2015	WI	4.18%	0.00%	0.00%	87.72%	1.86%	4.72%	1.52%	100.00%
Nationwide	2012	2015	WV	2.73%	9.09%	0.00%	83.80%	0.42%	3.75%	0.21%	100.00%

\* Notes:

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**Participation in the Nationwide Reinsurance Cover\*  
By State & Line of Business for Allstate Personal Lines**

Reinsurance Contract	Inception	Expiration	State	Auto	Mobile	Residential	Homeowners	Renters	Landlords	Condominiums	Total
					Home	Fire			Package		
Nationwide	Top and Drop		AL	12.13%	6.74%	0.00%	71.96%	2.44%	5.21%	1.52%	100.00%
Nationwide	Top and Drop		AR	3.39%	4.00%	0.00%	86.06%	0.51%	5.80%	0.24%	100.00%
Nationwide	Top and Drop		AZ	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Nationwide	Top and Drop		CA	1.67%	0.09%	0.01%	85.88%	2.40%	7.93%	2.02%	100.00%
Nationwide	Top and Drop		CT	2.41%	0.34%	0.00%	92.90%	0.97%	1.23%	2.15%	100.00%
Nationwide	Top and Drop		DC	1.24%	0.00%	0.00%	82.98%	1.98%	10.29%	3.51%	100.00%
Nationwide	Top and Drop		DE	2.64%	5.26%	0.00%	83.88%	0.98%	3.49%	3.75%	100.00%
Nationwide	Top and Drop		GA	2.50%	1.37%	0.00%	87.44%	0.52%	7.71%	0.46%	100.00%
Nationwide	Top and Drop		IA	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Nationwide	Top and Drop		IL	1.82%	0.16%	0.00%	89.45%	0.70%	4.54%	3.33%	100.00%
Nationwide	Top and Drop		IN	2.48%	1.64%	0.00%	88.57%	0.79%	5.99%	0.53%	100.00%
Nationwide	Top and Drop		KY	2.76%	6.77%	0.00%	82.56%	0.85%	5.99%	1.07%	100.00%
Nationwide	Top and Drop		LA	7.59%	0.56%	0.00%	90.29%	0.92%	0.05%	0.59%	100.00%
Nationwide	Top and Drop		MA	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Nationwide	Top and Drop		MD	3.07%	0.72%	0.00%	87.82%	1.09%	5.08%	2.22%	100.00%
Nationwide	Top and Drop		ME	1.77%	8.70%	0.53%	79.34%	0.77%	7.88%	1.01%	100.00%
Nationwide	Top and Drop		MI	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Nationwide	Top and Drop		MO	3.20%	1.45%	0.00%	86.31%	0.85%	7.44%	0.75%	100.00%
Nationwide	Top and Drop		MS	7.22%	0.00%	0.00%	91.35%	0.52%	0.81%	0.10%	100.00%
Nationwide	Top and Drop		NC	5.28%	3.31%	0.00%	79.37%	1.36%	9.35%	1.33%	100.00%
Nationwide	Top and Drop		NH	2.40%	1.45%	0.00%	90.85%	0.97%	2.89%	1.44%	100.00%
Nationwide	Top and Drop		NV	0.87%	0.10%	0.00%	79.98%	1.46%	16.74%	0.85%	100.00%
Nationwide	Top and Drop		NY	3.82%	0.15%	0.19%	86.16%	1.68%	2.76%	5.24%	100.00%
Nationwide	Top and Drop		OH	2.28%	1.29%	0.00%	90.01%	0.65%	4.98%	0.79%	100.00%
Nationwide	Top and Drop		OK	5.60%	5.05%	0.00%	81.55%	0.68%	6.93%	0.19%	100.00%
Nationwide	Top and Drop		OR	2.75%	0.52%	0.00%	80.75%	1.40%	14.02%	0.56%	100.00%
Nationwide	Top and Drop		PA	1.99%	0.61%	0.00%	89.11%	0.55%	7.01%	0.73%	100.00%
Nationwide	Top and Drop		RI	1.92%	0.63%	0.00%	86.82%	0.83%	8.74%	1.06%	100.00%
Nationwide	Top and Drop		SC	6.59%	2.99%	0.00%	81.53%	1.20%	5.96%	1.73%	100.00%
Nationwide	Top and Drop		TN	2.80%	4.41%	0.00%	84.53%	0.68%	6.88%	0.70%	100.00%
Nationwide	Top and Drop		TX	9.71%	0.89%	0.00%	86.01%	1.57%	1.13%	0.69%	100.00%
Nationwide	Top and Drop		VA	3.22%	0.78%	0.00%	86.14%	1.83%	6.88%	1.15%	100.00%
Nationwide	Top and Drop		VT	2.30%	3.76%	0.00%	87.63%	1.32%	2.89%	2.10%	100.00%
Nationwide	Top and Drop		WA	2.05%	0.20%	0.00%	84.54%	1.15%	11.19%	0.87%	100.00%
Nationwide	Top and Drop		WI	4.03%	0.00%	0.00%	87.86%	1.86%	4.73%	1.52%	100.00%
Nationwide	Top and Drop		WV	2.61%	8.52%	0.00%	84.40%	0.41%	3.86%	0.20%	100.00%

\* Notes:

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**Participation in the Nationwide Reinsurance Cover\*  
By State & Line of Business for Encompass Personal Lines**

Reinsurance Contract	Inception	Expiration	State	Residential					Total
				Auto	Fire	Homeowners	Renters	Condominiums	
Nationwide	2011	2013	AL	3.20%	3.22%	93.01%	0.30%	0.27%	100.00%
Nationwide	2011	2013	AR	2.55%	1.90%	94.36%	0.24%	0.95%	100.00%
Nationwide	2011	2013	AZ	100.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Nationwide	2011	2013	CA	0.82%	15.80%	80.90%	0.54%	1.94%	100.00%
Nationwide	2011	2013	CT	1.13%	5.92%	91.42%	0.36%	1.17%	100.00%
Nationwide	2011	2013	DC	0.61%	9.78%	85.67%	0.69%	3.25%	100.00%
Nationwide	2011	2013	DE	1.80%	3.67%	89.66%	0.17%	4.70%	100.00%
Nationwide	2011	2013	GA	1.58%	4.53%	92.84%	0.38%	0.67%	100.00%
Nationwide	2011	2013	IL	3.20%	0.85%	91.37%	0.48%	4.10%	100.00%
Nationwide	2011	2013	IN	2.01%	2.36%	91.56%	0.53%	3.54%	100.00%
Nationwide	2011	2013	KS	100.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Nationwide	2011	2013	KY	0.97%	2.78%	94.04%	0.51%	1.70%	100.00%
Nationwide	2011	2013	LA	1.67%	6.41%	88.79%	0.53%	2.60%	100.00%
Nationwide	2011	2013	MA	5.11%	4.25%	89.12%	0.19%	1.33%	100.00%
Nationwide	2011	2013	MD	1.74%	3.37%	91.99%	0.41%	2.49%	100.00%
Nationwide	2011	2013	ME	0.48%	4.18%	94.76%	0.02%	0.56%	100.00%
Nationwide	2011	2013	MI	100.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Nationwide	2011	2013	MO	2.85%	1.18%	94.55%	0.35%	1.07%	100.00%
Nationwide	2011	2013	MS	100.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Nationwide	2011	2013	NC	2.93%	3.10%	92.27%	0.83%	0.87%	100.00%
Nationwide	2011	2013	NH	1.84%	2.81%	93.46%	0.49%	1.40%	100.00%
Nationwide	2011	2013	NV	1.11%	8.82%	86.90%	0.30%	2.87%	100.00%
Nationwide	2011	2013	NY	1.36%	4.59%	90.38%	0.90%	2.77%	100.00%
Nationwide	2011	2013	OH	1.48%	3.33%	93.61%	0.37%	1.21%	100.00%
Nationwide	2011	2013	OK	4.95%	6.84%	85.30%	0.35%	2.56%	100.00%
Nationwide	2011	2013	OR	4.39%	7.75%	86.34%	0.78%	0.74%	100.00%
Nationwide	2011	2013	PA	1.76%	4.07%	91.47%	1.04%	1.66%	100.00%
Nationwide	2011	2013	RI	1.43%	2.93%	93.97%	0.23%	1.44%	100.00%
Nationwide	2011	2013	SC	3.22%	3.22%	92.99%	0.19%	0.38%	100.00%
Nationwide	2011	2013	TN	1.37%	3.10%	92.99%	0.54%	2.00%	100.00%
Nationwide	2011	2013	TX	3.07%	7.97%	83.78%	2.32%	2.86%	100.00%
Nationwide	2011	2013	VA	1.78%	3.63%	93.12%	0.42%	1.05%	100.00%
Nationwide	2011	2013	VT	0.75%	1.70%	93.82%	0.31%	3.42%	100.00%
Nationwide	2011	2013	WA	3.09%	5.78%	89.02%	0.75%	1.36%	100.00%
Nationwide	2011	2013	WI	1.82%	0.71%	95.69%	0.00%	1.78%	100.00%
Nationwide	2011	2013	WV	1.93%	1.53%	95.72%	0.29%	0.53%	100.00%

\* Notes:

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**Participation in the Nationwide Reinsurance Cover\*  
By State & Line of Business for Encompass Personal Lines**

Reinsurance Contract	Inception	Expiration	State	Residential					Total
				Auto	Fire	Homeowners	Renters	Condominiums	
Nationwide	2011	2014	AL	3.20%	3.22%	93.01%	0.30%	0.27%	100.00%
Nationwide	2011	2014	AR	2.55%	1.90%	94.36%	0.24%	0.95%	100.00%
Nationwide	2011	2014	AZ	100.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Nationwide	2011	2014	CA	0.82%	15.80%	80.90%	0.54%	1.94%	100.00%
Nationwide	2011	2014	CT	1.13%	5.92%	91.42%	0.36%	1.17%	100.00%
Nationwide	2011	2014	DC	0.61%	9.78%	85.67%	0.69%	3.25%	100.00%
Nationwide	2011	2014	DE	1.80%	3.67%	89.66%	0.17%	4.70%	100.00%
Nationwide	2011	2014	GA	1.58%	4.53%	92.84%	0.38%	0.67%	100.00%
Nationwide	2011	2014	IL	3.20%	0.85%	91.37%	0.48%	4.10%	100.00%
Nationwide	2011	2014	IN	2.01%	2.36%	91.56%	0.53%	3.54%	100.00%
Nationwide	2011	2014	KS	100.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Nationwide	2011	2014	KY	0.97%	2.78%	94.04%	0.51%	1.70%	100.00%
Nationwide	2011	2014	LA	1.67%	6.41%	88.79%	0.53%	2.60%	100.00%
Nationwide	2011	2014	MA	5.11%	4.25%	89.12%	0.19%	1.33%	100.00%
Nationwide	2011	2014	MD	1.74%	3.37%	91.99%	0.41%	2.49%	100.00%
Nationwide	2011	2014	ME	0.48%	4.18%	94.76%	0.02%	0.56%	100.00%
Nationwide	2011	2014	MI	100.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Nationwide	2011	2014	MO	2.85%	1.18%	94.55%	0.35%	1.07%	100.00%
Nationwide	2011	2014	MS	100.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Nationwide	2011	2014	NC	2.93%	3.10%	92.27%	0.83%	0.87%	100.00%
Nationwide	2011	2014	NH	1.84%	2.81%	93.46%	0.49%	1.40%	100.00%
Nationwide	2011	2014	NV	1.11%	8.82%	86.90%	0.30%	2.87%	100.00%
Nationwide	2011	2014	NY	1.36%	4.59%	90.38%	0.90%	2.77%	100.00%
Nationwide	2011	2014	OH	1.48%	3.33%	93.61%	0.37%	1.21%	100.00%
Nationwide	2011	2014	OK	4.95%	6.84%	85.30%	0.35%	2.56%	100.00%
Nationwide	2011	2014	OR	4.39%	7.75%	86.34%	0.78%	0.74%	100.00%
Nationwide	2011	2014	PA	1.76%	4.07%	91.47%	1.04%	1.66%	100.00%
Nationwide	2011	2014	RI	1.43%	2.93%	93.97%	0.23%	1.44%	100.00%
Nationwide	2011	2014	SC	3.22%	3.22%	92.99%	0.19%	0.38%	100.00%
Nationwide	2011	2014	TN	1.37%	3.10%	92.99%	0.54%	2.00%	100.00%
Nationwide	2011	2014	TX	3.07%	7.97%	83.78%	2.32%	2.86%	100.00%
Nationwide	2011	2014	VA	1.78%	3.63%	93.12%	0.42%	1.05%	100.00%
Nationwide	2011	2014	VT	0.75%	1.70%	93.82%	0.31%	3.42%	100.00%
Nationwide	2011	2014	WA	3.09%	5.78%	89.02%	0.75%	1.36%	100.00%
Nationwide	2011	2014	WI	1.82%	0.71%	95.69%	0.00%	1.78%	100.00%
Nationwide	2011	2014	WV	1.93%	1.53%	95.72%	0.29%	0.53%	100.00%

\* Notes:

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**Participation in the Nationwide Reinsurance Cover\*  
By State & Line of Business for Encompass Personal Lines**

Reinsurance Contract	Inception	Expiration	State	Residential					Total
				Auto	Fire	Homeowners	Renters	Condominiums	
Nationwide	2012	2013	AL	3.04%	3.33%	93.06%	0.31%	0.26%	100.00%
Nationwide	2012	2013	AR	1.96%	2.24%	94.20%	0.26%	1.34%	100.00%
Nationwide	2012	2013	AZ	100.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Nationwide	2012	2013	CA	0.50%	16.12%	81.40%	0.45%	1.53%	100.00%
Nationwide	2012	2013	CT	1.04%	6.12%	91.29%	0.36%	1.19%	100.00%
Nationwide	2012	2013	DC	0.54%	9.90%	85.90%	0.62%	3.04%	100.00%
Nationwide	2012	2013	DE	1.70%	3.64%	90.38%	0.16%	4.12%	100.00%
Nationwide	2012	2013	GA	1.60%	4.59%	92.77%	0.36%	0.68%	100.00%
Nationwide	2012	2013	IL	1.24%	0.88%	93.95%	0.39%	3.54%	100.00%
Nationwide	2012	2013	IN	1.80%	2.42%	91.73%	0.51%	3.54%	100.00%
Nationwide	2012	2013	KY	2.19%	3.36%	92.56%	0.45%	1.44%	100.00%
Nationwide	2012	2013	LA	2.01%	6.39%	88.29%	0.61%	2.70%	100.00%
Nationwide	2012	2013	MA	4.60%	4.36%	89.70%	0.17%	1.17%	100.00%
Nationwide	2012	2013	MD	1.66%	3.33%	92.06%	0.39%	2.56%	100.00%
Nationwide	2012	2013	ME	0.49%	4.23%	94.74%	0.03%	0.51%	100.00%
Nationwide	2012	2013	MI	100.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Nationwide	2012	2013	MO	2.45%	1.46%	94.44%	0.42%	1.23%	100.00%
Nationwide	2012	2013	MS	100.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Nationwide	2012	2013	NC	3.11%	3.03%	92.04%	0.86%	0.96%	100.00%
Nationwide	2012	2013	NH	1.87%	2.82%	93.51%	0.45%	1.35%	100.00%
Nationwide	2012	2013	NV	0.69%	9.27%	86.21%	0.24%	3.59%	100.00%
Nationwide	2012	2013	NY	1.42%	4.62%	90.20%	0.92%	2.84%	100.00%
Nationwide	2012	2013	OH	1.40%	3.32%	93.82%	0.35%	1.11%	100.00%
Nationwide	2012	2013	OK	5.37%	6.04%	86.15%	0.28%	2.16%	100.00%
Nationwide	2012	2013	OR	1.40%	7.45%	90.65%	0.22%	0.28%	100.00%
Nationwide	2012	2013	PA	1.76%	3.99%	91.47%	1.02%	1.76%	100.00%
Nationwide	2012	2013	RI	1.48%	2.89%	93.96%	0.23%	1.44%	100.00%
Nationwide	2012	2013	SC	2.77%	3.43%	93.21%	0.20%	0.39%	100.00%
Nationwide	2012	2013	TN	1.09%	3.09%	93.43%	0.41%	1.98%	100.00%
Nationwide	2012	2013	TX	3.23%	8.48%	82.87%	2.48%	2.94%	100.00%
Nationwide	2012	2013	VA	1.75%	3.78%	93.01%	0.41%	1.05%	100.00%
Nationwide	2012	2013	VT	0.71%	1.71%	94.02%	0.29%	3.27%	100.00%
Nationwide	2012	2013	WA	1.23%	6.00%	91.78%	0.33%	0.66%	100.00%
Nationwide	2012	2013	WI	1.71%	0.71%	95.79%	0.00%	1.79%	100.00%
Nationwide	2012	2013	WV	1.77%	1.60%	95.90%	0.27%	0.46%	100.00%

\* Notes:

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**Participation in the Nationwide Reinsurance Cover\*  
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Reinsurance Contract	Inception	Expiration	State	Residential					Total
				Auto	Fire	Homeowners	Renters	Condominiums	
Nationwide	2012	2014	AL	2.95%	3.32%	93.15%	0.31%	0.27%	100.00%
Nationwide	2012	2014	AR	1.98%	2.26%	94.21%	0.26%	1.29%	100.00%
Nationwide	2012	2014	AZ	100.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Nationwide	2012	2014	CA	0.54%	16.10%	81.27%	0.48%	1.61%	100.00%
Nationwide	2012	2014	CT	1.05%	6.08%	91.35%	0.35%	1.17%	100.00%
Nationwide	2012	2014	DC	0.55%	9.86%	85.92%	0.63%	3.04%	100.00%
Nationwide	2012	2014	DE	1.71%	3.64%	90.33%	0.16%	4.16%	100.00%
Nationwide	2012	2014	GA	1.59%	4.61%	92.76%	0.36%	0.68%	100.00%
Nationwide	2012	2014	IL	1.25%	0.88%	93.88%	0.40%	3.59%	100.00%
Nationwide	2012	2014	IN	1.82%	2.42%	91.66%	0.52%	3.58%	100.00%
Nationwide	2012	2014	KY	2.24%	3.38%	92.53%	0.45%	1.40%	100.00%
Nationwide	2012	2014	LA	1.97%	6.37%	88.37%	0.60%	2.69%	100.00%
Nationwide	2012	2014	MA	4.68%	4.36%	89.59%	0.18%	1.19%	100.00%
Nationwide	2012	2014	MD	1.67%	3.32%	92.08%	0.39%	2.54%	100.00%
Nationwide	2012	2014	ME	0.50%	4.26%	94.68%	0.03%	0.53%	100.00%
Nationwide	2012	2014	MI	100.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Nationwide	2012	2014	MO	2.41%	1.58%	94.35%	0.45%	1.21%	100.00%
Nationwide	2012	2014	MS	100.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Nationwide	2012	2014	NC	3.16%	3.07%	92.01%	0.85%	0.91%	100.00%
Nationwide	2012	2014	NH	1.87%	2.80%	93.51%	0.46%	1.36%	100.00%
Nationwide	2012	2014	NV	0.91%	8.91%	86.60%	0.29%	3.29%	100.00%
Nationwide	2012	2014	NY	1.41%	4.62%	90.17%	0.93%	2.87%	100.00%
Nationwide	2012	2014	OH	1.41%	3.30%	93.82%	0.35%	1.12%	100.00%
Nationwide	2012	2014	OK	5.72%	6.38%	85.29%	0.31%	2.30%	100.00%
Nationwide	2012	2014	OR	2.05%	7.51%	89.77%	0.31%	0.36%	100.00%
Nationwide	2012	2014	PA	1.75%	4.00%	91.49%	1.02%	1.74%	100.00%
Nationwide	2012	2014	RI	1.48%	2.90%	93.95%	0.23%	1.44%	100.00%
Nationwide	2012	2014	SC	2.84%	3.42%	93.16%	0.20%	0.38%	100.00%
Nationwide	2012	2014	TN	1.09%	3.05%	93.41%	0.41%	2.04%	100.00%
Nationwide	2012	2014	TX	3.22%	8.48%	82.89%	2.47%	2.94%	100.00%
Nationwide	2012	2014	VA	1.75%	3.76%	93.05%	0.41%	1.03%	100.00%
Nationwide	2012	2014	VT	0.72%	1.70%	94.00%	0.29%	3.29%	100.00%
Nationwide	2012	2014	WA	1.79%	5.90%	91.19%	0.38%	0.74%	100.00%
Nationwide	2012	2014	WI	1.71%	0.71%	95.79%	0.00%	1.79%	100.00%
Nationwide	2012	2014	WV	1.76%	1.56%	95.91%	0.28%	0.49%	100.00%

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Reinsurance Contract	Inception	Expiration	State	Residential					Total
				Auto	Fire	Homeowners	Renters	Condominiums	
Nationwide	2012	2015	AL	3.20%	3.22%	93.01%	0.30%	0.27%	100.00%
Nationwide	2012	2015	AR	2.55%	1.90%	94.36%	0.24%	0.95%	100.00%
Nationwide	2012	2015	AZ	100.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Nationwide	2012	2015	CA	0.82%	15.80%	80.90%	0.54%	1.94%	100.00%
Nationwide	2012	2015	CT	1.13%	5.92%	91.42%	0.36%	1.17%	100.00%
Nationwide	2012	2015	DC	0.61%	9.78%	85.67%	0.69%	3.25%	100.00%
Nationwide	2012	2015	DE	1.80%	3.67%	89.67%	0.17%	4.69%	100.00%
Nationwide	2012	2015	GA	1.58%	4.53%	92.84%	0.38%	0.67%	100.00%
Nationwide	2012	2015	IL	3.20%	0.85%	91.39%	0.47%	4.09%	100.00%
Nationwide	2012	2015	IN	2.01%	2.36%	91.56%	0.53%	3.54%	100.00%
Nationwide	2012	2015	KS	100.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Nationwide	2012	2015	KY	0.97%	2.78%	94.04%	0.51%	1.70%	100.00%
Nationwide	2012	2015	LA	1.67%	6.41%	88.79%	0.53%	2.60%	100.00%
Nationwide	2012	2015	MA	5.11%	4.25%	89.12%	0.19%	1.33%	100.00%
Nationwide	2012	2015	MD	1.74%	3.37%	91.99%	0.41%	2.49%	100.00%
Nationwide	2012	2015	ME	0.48%	4.18%	94.76%	0.02%	0.56%	100.00%
Nationwide	2012	2015	MI	100.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Nationwide	2012	2015	MO	2.85%	1.18%	94.55%	0.35%	1.07%	100.00%
Nationwide	2012	2015	MS	100.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Nationwide	2012	2015	NC	2.93%	3.10%	92.27%	0.83%	0.87%	100.00%
Nationwide	2012	2015	NH	1.84%	2.81%	93.46%	0.49%	1.40%	100.00%
Nationwide	2012	2015	NV	1.11%	8.82%	86.90%	0.30%	2.87%	100.00%
Nationwide	2012	2015	NY	1.36%	4.60%	90.37%	0.90%	2.77%	100.00%
Nationwide	2012	2015	OH	1.48%	3.33%	93.61%	0.37%	1.21%	100.00%
Nationwide	2012	2015	OK	4.95%	6.84%	85.30%	0.35%	2.56%	100.00%
Nationwide	2012	2015	OR	4.38%	7.75%	86.35%	0.78%	0.74%	100.00%
Nationwide	2012	2015	PA	1.76%	4.06%	91.48%	1.04%	1.66%	100.00%
Nationwide	2012	2015	RI	1.43%	2.93%	93.97%	0.23%	1.44%	100.00%
Nationwide	2012	2015	SC	3.22%	3.22%	92.99%	0.19%	0.38%	100.00%
Nationwide	2012	2015	TN	1.37%	3.10%	92.99%	0.54%	2.00%	100.00%
Nationwide	2012	2015	TX	3.07%	7.96%	83.79%	2.32%	2.86%	100.00%
Nationwide	2012	2015	VA	1.78%	3.63%	93.12%	0.42%	1.05%	100.00%
Nationwide	2012	2015	VT	0.75%	1.70%	93.82%	0.31%	3.42%	100.00%
Nationwide	2012	2015	WA	3.09%	5.78%	89.02%	0.75%	1.36%	100.00%
Nationwide	2012	2015	WI	1.82%	0.71%	95.69%	0.00%	1.78%	100.00%
Nationwide	2012	2015	WV	1.93%	1.53%	95.73%	0.29%	0.52%	100.00%

\* Notes:

1. Excludes Florida and New Jersey
2. Based on AIR v13 50K Warm Sea-Surface Temperature (near-term) Catalog with Demand Surge

**Participation in the Nationwide Reinsurance Cover\*  
By State & Line of Business for Encompass Personal Lines**

Reinsurance Contract	Inception	Expiration	State	Residential					Total
				Auto	Fire	Homeowners	Renters	Condominiums	
Nationwide	Top and Drop		AL	2.95%	3.32%	93.15%	0.31%	0.27%	100.00%
Nationwide	Top and Drop		AR	2.07%	2.27%	94.10%	0.26%	1.30%	100.00%
Nationwide	Top and Drop		AZ	100.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Nationwide	Top and Drop		CA	0.54%	16.10%	81.27%	0.48%	1.61%	100.00%
Nationwide	Top and Drop		CT	1.05%	6.08%	91.34%	0.35%	1.18%	100.00%
Nationwide	Top and Drop		DC	0.55%	9.87%	85.91%	0.63%	3.04%	100.00%
Nationwide	Top and Drop		DE	1.72%	3.64%	90.29%	0.16%	4.19%	100.00%
Nationwide	Top and Drop		GA	1.59%	4.61%	92.76%	0.36%	0.68%	100.00%
Nationwide	Top and Drop		IL	1.26%	0.88%	93.87%	0.40%	3.59%	100.00%
Nationwide	Top and Drop		IN	1.82%	2.43%	91.65%	0.52%	3.58%	100.00%
Nationwide	Top and Drop		KY	2.17%	3.36%	92.59%	0.46%	1.42%	100.00%
Nationwide	Top and Drop		LA	1.97%	6.36%	88.39%	0.60%	2.68%	100.00%
Nationwide	Top and Drop		MA	4.67%	4.36%	89.61%	0.18%	1.18%	100.00%
Nationwide	Top and Drop		MD	1.68%	3.32%	92.04%	0.39%	2.57%	100.00%
Nationwide	Top and Drop		ME	0.49%	4.26%	94.69%	0.03%	0.53%	100.00%
Nationwide	Top and Drop		MI	100.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Nationwide	Top and Drop		MO	2.50%	1.58%	94.26%	0.45%	1.21%	100.00%
Nationwide	Top and Drop		MS	100.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Nationwide	Top and Drop		NC	3.15%	3.07%	92.02%	0.85%	0.91%	100.00%
Nationwide	Top and Drop		NH	1.87%	2.80%	93.51%	0.46%	1.36%	100.00%
Nationwide	Top and Drop		NV	0.91%	8.91%	86.60%	0.29%	3.29%	100.00%
Nationwide	Top and Drop		NY	1.41%	4.62%	90.17%	0.93%	2.87%	100.00%
Nationwide	Top and Drop		OH	1.41%	3.30%	93.82%	0.35%	1.12%	100.00%
Nationwide	Top and Drop		OK	5.72%	6.38%	85.29%	0.31%	2.30%	100.00%
Nationwide	Top and Drop		OR	2.05%	7.51%	89.77%	0.31%	0.36%	100.00%
Nationwide	Top and Drop		PA	1.75%	4.00%	91.49%	1.02%	1.74%	100.00%
Nationwide	Top and Drop		RI	1.48%	2.90%	93.95%	0.23%	1.44%	100.00%
Nationwide	Top and Drop		SC	2.83%	3.40%	93.18%	0.20%	0.39%	100.00%
Nationwide	Top and Drop		TN	1.10%	3.06%	93.40%	0.41%	2.03%	100.00%
Nationwide	Top and Drop		TX	3.21%	8.46%	82.92%	2.47%	2.94%	100.00%
Nationwide	Top and Drop		VA	1.76%	3.76%	93.04%	0.41%	1.03%	100.00%
Nationwide	Top and Drop		VT	0.72%	1.70%	94.01%	0.29%	3.28%	100.00%
Nationwide	Top and Drop		WA	1.79%	5.90%	91.19%	0.38%	0.74%	100.00%
Nationwide	Top and Drop		WI	1.71%	0.71%	95.79%	0.00%	1.79%	100.00%
Nationwide	Top and Drop		WV	1.77%	1.56%	95.90%	0.28%	0.49%	100.00%

\* Notes:

1. Excludes Florida and New Jersey
2. Based on AIR v13 50K Warm Sea-Surface Temperature (near-term) Catalog with Demand Surge

**Participation in the Nationwide Reinsurance Cover\*  
By State & Line of Business for North Light Personal Lines**

<u>Reinsurance Contract</u>	<u>Inception</u>	<u>Expiration</u>	<u>State</u>	<u>Homeowners</u>	<u>Landlords Package Policy</u>	<u>Total</u>
Nationwide	2011	2013	AL	99.01%	0.99%	100.00%
Nationwide	2011	2013	AR	100.00%	0.00%	100.00%
Nationwide	2011	2013	CT	95.53%	4.47%	100.00%
Nationwide	2011	2013	DE	96.73%	3.27%	100.00%
Nationwide	2011	2013	GA	91.94%	8.06%	100.00%
Nationwide	2011	2013	LA	98.71%	1.29%	100.00%
Nationwide	2011	2013	MD	93.81%	6.19%	100.00%
Nationwide	2011	2013	MO	100.00%	0.00%	100.00%
Nationwide	2011	2013	MS	97.12%	2.88%	100.00%
Nationwide	2011	2013	NC	92.18%	7.82%	100.00%
Nationwide	2011	2013	NV	100.00%	0.00%	100.00%
Nationwide	2011	2013	OK	100.00%	0.00%	100.00%
Nationwide	2011	2013	OR	100.00%	0.00%	100.00%
Nationwide	2011	2013	PA	0.00%	100.00%	100.00%
Nationwide	2011	2013	SC	98.21%	1.79%	100.00%
Nationwide	2011	2013	TN	85.14%	14.86%	100.00%
Nationwide	2011	2013	TX	99.95%	0.05%	100.00%
Nationwide	2011	2013	VA	94.01%	5.99%	100.00%
Nationwide	2011	2013	WA	100.00%	0.00%	100.00%

\* Notes:

1. Excludes Florida and New Jersey
2. Based on AIR v13 50K Warm Sea-Surface Temperature (near-term) Catalog with Demand Surge

**Participation in the Nationwide Reinsurance Cover\*  
By State & Line of Business for North Light Personal Lines**

<u>Reinsurance Contract</u>	<u>Inception</u>	<u>Expiration</u>	<u>State</u>	<u>Homeowners</u>	<u>Landlords Package Policy</u>	<u>Total</u>
Nationwide	2011	2014	AL	99.01%	0.99%	100.00%
Nationwide	2011	2014	AR	100.00%	0.00%	100.00%
Nationwide	2011	2014	CT	95.53%	4.47%	100.00%
Nationwide	2011	2014	DE	96.73%	3.27%	100.00%
Nationwide	2011	2014	GA	91.94%	8.06%	100.00%
Nationwide	2011	2014	LA	98.71%	1.29%	100.00%
Nationwide	2011	2014	MD	93.81%	6.19%	100.00%
Nationwide	2011	2014	MO	100.00%	0.00%	100.00%
Nationwide	2011	2014	MS	97.12%	2.88%	100.00%
Nationwide	2011	2014	NC	92.18%	7.82%	100.00%
Nationwide	2011	2014	NV	100.00%	0.00%	100.00%
Nationwide	2011	2014	OK	100.00%	0.00%	100.00%
Nationwide	2011	2014	OR	100.00%	0.00%	100.00%
Nationwide	2011	2014	PA	0.00%	100.00%	100.00%
Nationwide	2011	2014	SC	98.21%	1.79%	100.00%
Nationwide	2011	2014	TN	85.14%	14.86%	100.00%
Nationwide	2011	2014	TX	99.95%	0.05%	100.00%
Nationwide	2011	2014	VA	94.01%	5.99%	100.00%
Nationwide	2011	2014	WA	100.00%	0.00%	100.00%

\* Notes:

1. Excludes Florida and New Jersey
2. Based on AIR v13 50K Warm Sea-Surface Temperature (near-term) Catalog with Demand Surge

**Participation in the Nationwide Reinsurance Cover\*  
By State & Line of Business for North Light Personal Lines**

<u>Reinsurance Contract</u>	<u>Inception</u>	<u>Expiration</u>	<u>State</u>	<u>Homeowners</u>	<u>Landlords Package Policy</u>	<u>Total</u>
Nationwide	2012	2013	AL	99.07%	0.93%	100.00%
Nationwide	2012	2013	AR	100.00%	0.00%	100.00%
Nationwide	2012	2013	CT	95.61%	4.39%	100.00%
Nationwide	2012	2013	DE	97.09%	2.91%	100.00%
Nationwide	2012	2013	GA	92.03%	7.97%	100.00%
Nationwide	2012	2013	LA	98.71%	1.29%	100.00%
Nationwide	2012	2013	MD	93.97%	6.03%	100.00%
Nationwide	2012	2013	MO	100.00%	0.00%	100.00%
Nationwide	2012	2013	MS	97.34%	2.66%	100.00%
Nationwide	2012	2013	NC	92.77%	7.23%	100.00%
Nationwide	2012	2013	NV	100.00%	0.00%	100.00%
Nationwide	2012	2013	OK	100.00%	0.00%	100.00%
Nationwide	2012	2013	OR	100.00%	0.00%	100.00%
Nationwide	2012	2013	PA	0.00%	100.00%	100.00%
Nationwide	2012	2013	SC	97.81%	2.19%	100.00%
Nationwide	2012	2013	TN	78.35%	21.65%	100.00%
Nationwide	2012	2013	TX	100.00%	0.00%	100.00%
Nationwide	2012	2013	VA	94.06%	5.94%	100.00%
Nationwide	2012	2013	WA	100.00%	0.00%	100.00%

\* Notes:

1. Excludes Florida and New Jersey
2. Based on AIR v13 50K Warm Sea-Surface Temperature (near-term) Catalog with Demand Surge

**Participation in the Nationwide Reinsurance Cover\*  
By State & Line of Business for North Light Personal Lines**

<u>Reinsurance Contract</u>	<u>Inception</u>	<u>Expiration</u>	<u>State</u>	<u>Homeowners</u>	<u>Landlords Package Policy</u>	<u>Total</u>
Nationwide	2012	2014	AL	99.07%	0.93%	100.00%
Nationwide	2012	2014	AR	100.00%	0.00%	100.00%
Nationwide	2012	2014	CT	95.58%	4.42%	100.00%
Nationwide	2012	2014	DE	97.03%	2.97%	100.00%
Nationwide	2012	2014	GA	91.95%	8.05%	100.00%
Nationwide	2012	2014	LA	98.71%	1.29%	100.00%
Nationwide	2012	2014	MD	93.97%	6.03%	100.00%
Nationwide	2012	2014	MO	100.00%	0.00%	100.00%
Nationwide	2012	2014	MS	97.34%	2.66%	100.00%
Nationwide	2012	2014	NC	92.24%	7.76%	100.00%
Nationwide	2012	2014	NV	100.00%	0.00%	100.00%
Nationwide	2012	2014	OK	100.00%	0.00%	100.00%
Nationwide	2012	2014	OR	100.00%	0.00%	100.00%
Nationwide	2012	2014	PA	0.00%	100.00%	100.00%
Nationwide	2012	2014	SC	97.84%	2.16%	100.00%
Nationwide	2012	2014	TN	77.12%	22.88%	100.00%
Nationwide	2012	2014	TX	100.00%	0.00%	100.00%
Nationwide	2012	2014	VA	94.07%	5.93%	100.00%
Nationwide	2012	2014	WA	100.00%	0.00%	100.00%

\* Notes:

1. Excludes Florida and New Jersey
2. Based on AIR v13 50K Warm Sea-Surface Temperature (near-term) Catalog with Demand Surge

**Participation in the Nationwide Reinsurance Cover\*  
By State & Line of Business for North Light Personal Lines**

<u>Reinsurance Contract</u>	<u>Inception</u>	<u>Expiration</u>	<u>State</u>	<u>Homeowners</u>	<u>Landlords Package Policy</u>	<u>Total</u>
Nationwide	2012	2015	AL	99.01%	0.99%	100.00%
Nationwide	2012	2015	AR	100.00%	0.00%	100.00%
Nationwide	2012	2015	CT	95.53%	4.47%	100.00%
Nationwide	2012	2015	DE	96.73%	3.27%	100.00%
Nationwide	2012	2015	GA	91.94%	8.06%	100.00%
Nationwide	2012	2015	LA	98.71%	1.29%	100.00%
Nationwide	2012	2015	MD	93.81%	6.19%	100.00%
Nationwide	2012	2015	MO	100.00%	0.00%	100.00%
Nationwide	2012	2015	MS	97.12%	2.88%	100.00%
Nationwide	2012	2015	NC	92.18%	7.82%	100.00%
Nationwide	2012	2015	NV	100.00%	0.00%	100.00%
Nationwide	2012	2015	OK	100.00%	0.00%	100.00%
Nationwide	2012	2015	OR	100.00%	0.00%	100.00%
Nationwide	2012	2015	PA	0.00%	100.00%	100.00%
Nationwide	2012	2015	SC	98.21%	1.79%	100.00%
Nationwide	2012	2015	TN	85.13%	14.87%	100.00%
Nationwide	2012	2015	TX	99.95%	0.05%	100.00%
Nationwide	2012	2015	VA	94.01%	5.99%	100.00%
Nationwide	2012	2015	WA	100.00%	0.00%	100.00%

\* Notes:

1. Excludes Florida and New Jersey
2. Based on AIR v13 50K Warm Sea-Surface Temperature (near-term) Catalog with Demand Surge

**Participation in the Nationwide Reinsurance Cover\*  
By State & Line of Business for North Light Personal Lines**

<u>Reinsurance Contract</u>	<u>Inception</u>	<u>Expiration</u>	<u>State</u>	<u>Homeowners</u>	Landlords Package <u>Policy</u>	<u>Total</u>
Nationwide	Top and Drop		AL	99.07%	0.93%	100.00%
Nationwide	Top and Drop		AR	100.00%	0.00%	100.00%
Nationwide	Top and Drop		CT	95.57%	4.43%	100.00%
Nationwide	Top and Drop		DE	97.01%	2.99%	100.00%
Nationwide	Top and Drop		GA	91.95%	8.05%	100.00%
Nationwide	Top and Drop		LA	98.65%	1.35%	100.00%
Nationwide	Top and Drop		MD	93.90%	6.10%	100.00%
Nationwide	Top and Drop		MO	100.00%	0.00%	100.00%
Nationwide	Top and Drop		MS	97.34%	2.66%	100.00%
Nationwide	Top and Drop		NC	92.24%	7.76%	100.00%
Nationwide	Top and Drop		NV	100.00%	0.00%	100.00%
Nationwide	Top and Drop		OK	100.00%	0.00%	100.00%
Nationwide	Top and Drop		OR	100.00%	0.00%	100.00%
Nationwide	Top and Drop		PA	0.00%	100.00%	100.00%
Nationwide	Top and Drop		SC	97.85%	2.15%	100.00%
Nationwide	Top and Drop		TN	76.91%	23.09%	100.00%
Nationwide	Top and Drop		TX	100.00%	0.00%	100.00%
Nationwide	Top and Drop		VA	94.08%	5.92%	100.00%
Nationwide	Top and Drop		WA	100.00%	0.00%	100.00%

\* Notes:

1. Excludes Florida and New Jersey
2. Based on AIR v13 50K Warm Sea-Surface Temperature (near-term) Catalog with Demand Surge

**Reinsurance Premium Calculation\***  
**ARKANSAS**

**Homeowners**

<u>Reinsurance Contract</u>	<u>Gross Premium</u>	<u>AonBenfield Premium Adjustment</u>	<u>Net Premium</u>	<u>APL Distribution</u>	<u>AR Distribution</u>	<u>Homeowners Distribution</u>	<u>Distribution of Total Contract</u>	<u>APL Homeowners Premium</u>	<u>APL Homeowners Expected Recoveries</u>
Nationwide									
Incept 2011; Expire 2013	136,179,375	7.6%	125,829,743	92.57%	0.16%	84.55%	0.13%	157,575	33,123
Incept 2011; Expire 2014	136,182,625	7.6%	125,832,746	92.57%	0.16%	84.55%	0.13%	157,579	33,124
Incept 2012; Expire 2013	34,022,353	7.6%	31,436,654	92.20%	0.05%	86.43%	0.04%	12,526	1,656
Incept 2012; Expire 2014	1,340,586	7.6%	1,238,701	92.25%	0.05%	86.28%	0.04%	493	70
Incept 2012; Expire 2015	134,325,615	7.6%	124,116,868	92.57%	0.16%	84.55%	0.13%	155,430	33,157
Top and Drop	7,599,600	7.6%	7,022,030	92.27%	0.05%	86.06%	0.04%	2,788	239
<b>Total</b>	<b>449,650,154</b>		<b>415,476,742</b>					<b>486,390</b>	<b>101,369</b>

\* Notes:

1. Excludes Florida and New Jersey
2. Based on AIR v13 50K Warm Sea-Surface Temperature (near-term) Catalog with Demand Surge

## **ATTACHMENT VIII**

### **Exhibits for Revision of Distinct Charge for Net Cost of Reinsurance**

**ALLSTATE INSURANCE GROUP  
OWNERS  
ARKANSAS  
DETERMINATION OF THE REINSURANCE RATE ADJUSTMENT FACTOR**

	<u><b>2012</b></u>
1. Reinsurance Premium	\$486,390
a. Reinsurance Premium for Nationwide Contract	\$486,390
2. Loss Savings Due to Reinsurance	\$101,369
a. Loss Savings Due to Reinsurance for Nationwide Contract	\$101,369
3. Net Cost of Reinsurance: (1) - (2)	\$385,021
4. Variable Expenses	24.6%
5. Net Cost of Reinsurance Including Variable Expenses: (3) / [1 - (4)]	\$510,638
6. Adjusted AIYs x Current Reinsurance Base Charges	\$472,434
7. Required Reinsurance Rate Adjustment Factor (5) / (6)	1.081

	<u><b>Current</b></u>	<u><b>Proposed</b></u>	<u><b>Percent Change *</b></u>
Proposed Change in Reinsurance Rate Adjustment Factor	0.968	1.081	11.7%

\* 11.7% is the Rate Adjustment Factor percent change, which results in an 11.7% indicated change to Reinsurance Premium as shown on Attachment VI, Exhibit 1.0

# **ATTACHMENT IX**

## **Rate Level Summary of Impacts**

**ALLSTATE PROPERTY AND CASUALTY INSURANCE COMPANY  
OWNERS  
ARKANSAS**

**RATE LEVEL IMPACT OF REVISIONS**

The impacts shown below have been measured using an extension of exposures method and a snapshot of policyholders in Allstate Property and Casualty Insurance Company.

**Revision of the Rate Adjustment Factor**

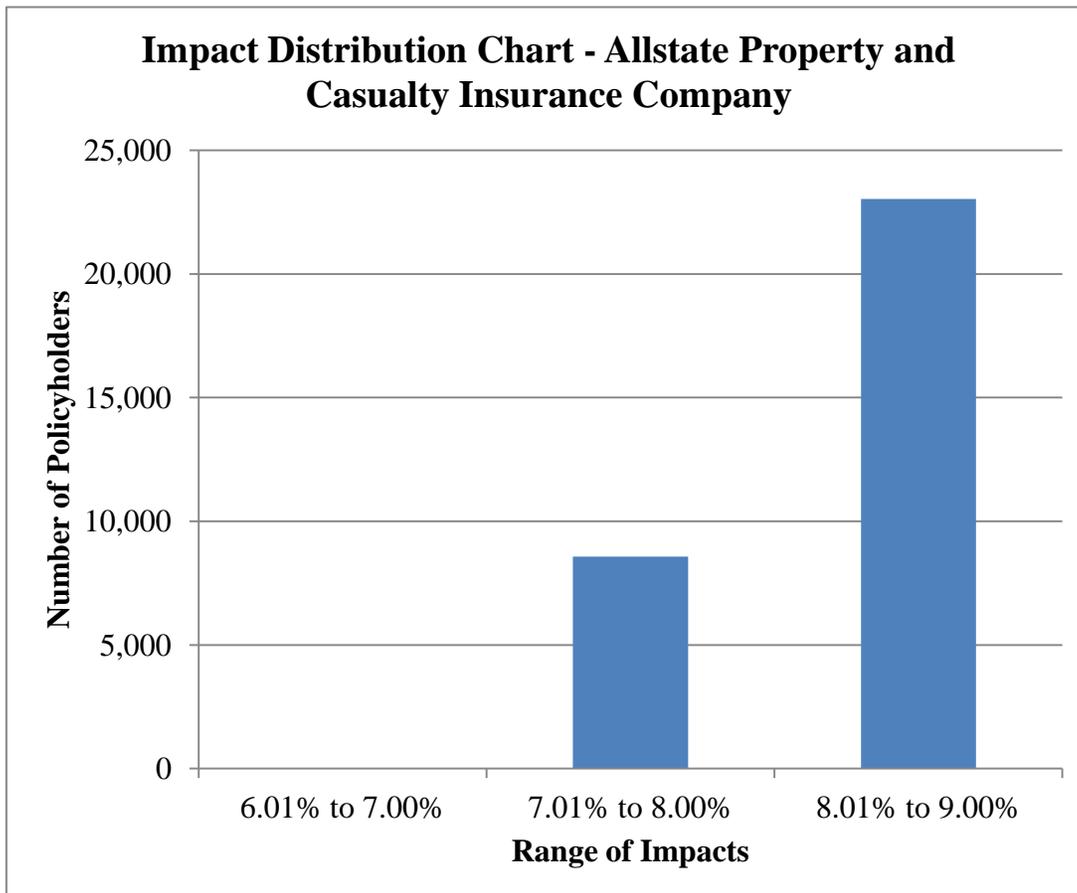
To achieve the proposed rate level change for the rating program, the Rate Adjustment Factors (RAF) will be revised. The proposed Rate Adjustment Factors will achieve the selected rate level change on a variable package premium basis as shown in **Attachment VI Exhibit 1.0**.

<b>Policy Form</b>	<b>Current RAF</b>	<b>Proposed RAF</b>	<b>Total Owners Rate Level Impact</b>
Homeowners and Select Homeowners	2.005	2.179	7.9%
<b>Combined</b>			<b>7.9%</b>

An impact distribution chart has been provided on Page 2 of this Attachment.

**ALLSTATE PROPERTY AND CASUALTY INSURANCE COMPANY  
OWNERS  
ARKANSAS**

**IMPACT DISTRIBUTION CHART**



# **ATTACHMENT X**

## **Summary of Manual Changes**

**ALLSTATE PROPERTY AND CASUALTY INSURANCE COMPANY  
OWNERS  
ARKANSAS**

**SUMMARY OF MANUAL CHANGES**

**RULE PAGES**

- HOPC -2        Replaced Title Rule 32 – Miles to Fire Department Rating with Rule 32 -  
Reserved for Future Use. Please note this is a clerical revision.
- HOPC- 32-1    Removed Rule 32- Miles to Fire Department Rating. Please note this is a  
clerical revision.

**RATE PAGES**

- RFP - 4        Revised Rate Adjustment Factor
- RFP - 14       Revised Reinsurance Rate Adjustment Factor

June 21, 2013

**RE: Allstate Property and Casualty Insurance Company  
Arkansas  
Company File #R25995**

In compliance with the Arkansas Insurance Department's request, Allstate will amend the filing with an overall rate increase of 5.0%. In order to achieve an overall 5.0% rate increase, Allstate is revising the Rate Adjustment Factors. Please see Exhibit 2 for revised Rate Adjustment Factors.

This amended filing will apply to renewals processed on or after 8/19/2013 for renewals effective on or after 10/3/2013.

Also attached is Actuarial Support, revised Manual Pages, Checking List, and revised HPCS Form.

**ALLSTATE PROPERTY AND CASUALTY INSURANCE COMPANY  
OWNERS  
ARKANSAS**

**INDEX**

**Attachment I – Actuarial Support**

Exhibit 1	Summary of Rate Level Changes
Exhibit 2	Rate Level Impact of Revisions
Exhibit 3	Impact of Distribution Chart

# **ATTACHMENT I**

## **Actuarial Support**

**ALLSTATE PROPERTY AND CASUALTY INSURANCE COMPANY  
OWNERS  
ARKANSAS**

Summary of Rate Level Changes

	<b>Premium Distribution at Current Rates</b>	<b>Indicated Change</b>	<b>Selected Change</b>
Variable Package Premium	91.2%	26.0%	5.3%
Fixed Expense Premium	5.1%	0.0%	0.0%
Additional Coverages	2.9%	0.0%	0.0%
<b>Total Owners (non-NCOR)</b>	<b>99.2%</b>	<b>23.7%</b>	<b>4.9%</b>
NCOR	0.8%	11.7%	11.7%
<b>Total Owners</b>	<b>100.0%</b>	<b>23.6%</b>	<b>5.0%</b>

\*NCOR = Net Cost of Reinsurance

**ALLSTATE PROPERTY AND CASUALTY INSURANCE COMPANY  
OWNERS  
ARKANSAS**

**RATE LEVEL IMPACT OF REVISIONS**

The impacts shown below have been measured using an extension of exposures method and a snapshot of policyholders in Allstate Property and Casualty Insurance Company.

**Revision of the Rate Adjustment Factor**

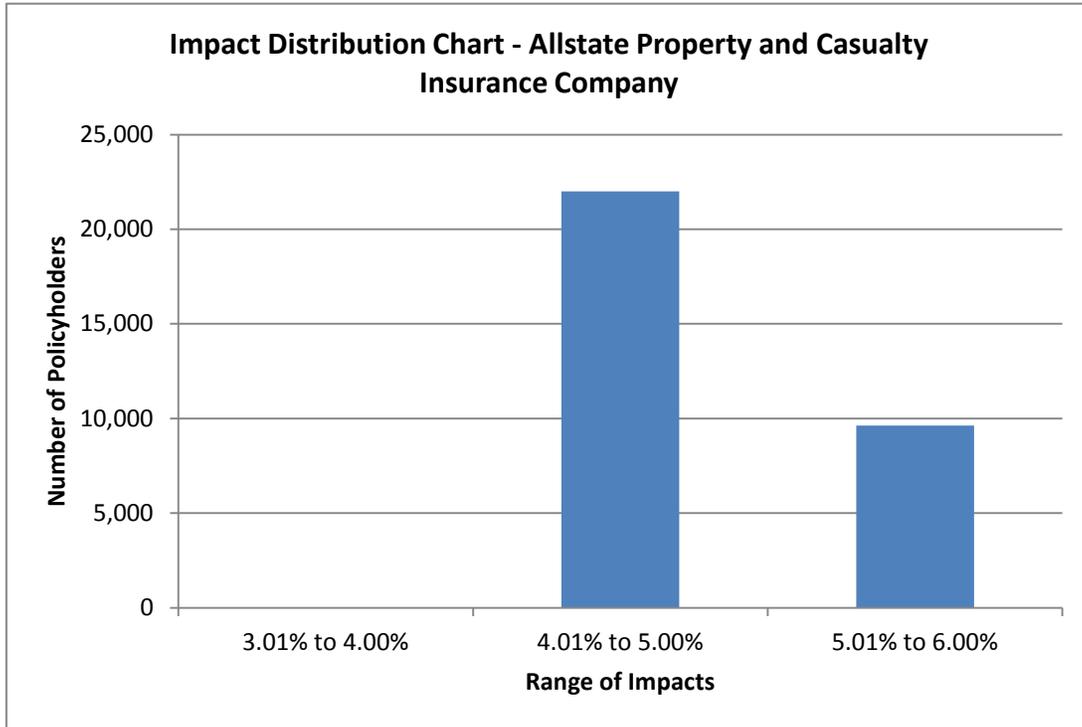
To achieve the proposed rate level change for the rating program, the Rate Adjustment Factors (RAF) will be revised. The proposed Rate Adjustment Factors will achieve the selected rate level change on a variable package premium basis as shown in **Attachment I Exhibit 1**.

<b>Policy Form</b>	<b>Current RAF</b>	<b>Proposed RAF</b>	<b>Total Owners Rate Level Impact</b>
Homeowners and Select Homeowners	2.005	2.111	4.9%
<b>Combined</b>			<b>4.9%</b>

An impact distribution chart has been provided on Exhibit 3 of this Attachment.

**ALLSTATE PROPERTY AND CASUALTY INSURANCE COMPANY  
OWNERS  
ARKANSAS**

**IMPACT DISTRIBUTION CHART**



**SERFF Tracking #:**

ALSE-129043963

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

R25995

**State:**

Arkansas

**Filing Company:**

Allstate Property and Casualty Insurance Company

**TOI/Sub-TOI:**

04.0 Homeowners/04.0003 Owner Occupied Homeowners

**Product Name:**

AP&amp;C Owners

**Project Name/Number:**

Owners Rate Change /1320813

## 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)
05/24/2013		Rate	ManualPages	06/21/2013	R25995 - Manual.pdf (Superseded)
05/23/2013		Supporting Document	HPCS-Homeowners Premium Comparison Survey	06/21/2013	HO Survey FORM HPCS.xlsx (Superseded) HO Survey FORM HPCS.pdf (Superseded)

RULE 21 - RESERVED FOR FUTURE USE

RULE 22 – THE GOOD HANDS PEOPLE® DISCOUNT

RULE 23 – AGE OF HOME DISCOUNT

RULE 24 – RATING GROUP CLASSIFICATION

RULE 25 – CLAIM RATING

RULE 26 – CLAIM FREE DISCOUNT

RULE 27 – PARTILALY RENOVATED HOME DISCOUNT

RULE 28 – HOME BUYER DISCOUNT

RULE 29 – RESERVED FOR FUTURE USE

RULE 30 – RESERVED FOR FUTURE USE

RULE 31 – RESERVED FOR FUTURE USE

RULE 32 – RESERVED FOR FUTURE USE

RULE 33 – ROOF RATING

RULE 34 - ALLSTATE® YOUR CHOICE HOME OPTION PACKAGES

RULE 35 – RESERVED FOR FUTURE USE

RULE 36 – CLAIM-FREE BONUS

RULE 37 – CLAIM WAIVER PROGRAM

**RULE 32 – RESERVED FOR FUTURE USE**

**ARKANSAS  
HOMEOWNERS  
RATE FACTOR PAGES**

**Order in  
Calculation**

**2 Rate Adjustment Factor:**

Factor: 2.179

**3 Claim Rating Factor:**

**Rating Groups 1-3**

# of Chargeable Claims in the past 3 years

			Group A					
			0	1	2	3	4	5
Total Group B and C	# of C	# of B						
0	0	0	0.400	0.540	0.745	1.028	1.419	1.850
1	0	1	0.400	0.540	0.745	1.028	1.419	1.850
1	1	0	0.440	0.594	0.820	1.131	1.561	1.850
2	0	2	0.400	0.540	0.745	1.028	1.419	1.850
2	1	1	0.440	0.594	0.820	1.131	1.561	1.850
2	2	0	0.524	0.707	0.975	1.346	1.850	1.850

Each Additional Chargeable Group A Claim - apply factor of 1.380 to the claim rating factor. The overall Claim Rating Factor shall not exceed 1.85.  
 Each Additional Chargeable Group B Claim - apply factor of 1.000 to the claim rating factor. The overall Claim Rating Factor shall not exceed 1.85.  
 Each Additional Chargeable Group C Claim - apply factor of 1.190 to the claim rating factor. The overall Claim Rating Factor shall not exceed 1.85.

**Rating Groups 4-6**

# of Chargeable Claims in the past 3 years

			Group A					
			0	1	2	3	4	5
Total Group B and C	# of C	# of B						
0	0	0	0.460	0.621	0.857	1.183	1.632	1.850
1	0	1	0.460	0.621	0.857	1.183	1.632	1.850
1	1	0	0.506	0.683	0.943	1.301	1.795	1.850
2	0	2	0.460	0.621	0.857	1.183	1.632	1.850
2	1	1	0.506	0.683	0.943	1.301	1.795	1.850
2	2	0	0.602	0.813	1.122	1.548	1.850	1.850

Each Additional Chargeable Group A Claim - apply factor of 1.380 to the claim rating factor. The overall Claim Rating Factor shall not exceed 1.85.  
 Each Additional Chargeable Group B Claim - apply factor of 1.000 to the claim rating factor. The overall Claim Rating Factor shall not exceed 1.85.  
 Each Additional Chargeable Group C Claim - apply factor of 1.190 to the claim rating factor. The overall Claim Rating Factor shall not exceed 1.85.

**Rating Groups 7-9**

# of Chargeable Claims in the past 3 years

			Group A					
			0	1	2	3	4	5
Total Group B and C	# of C	# of B						
0	0	0	0.490	0.662	0.913	1.260	1.738	1.850
1	0	1	0.490	0.662	0.913	1.260	1.738	1.850
1	1	0	0.539	0.728	1.005	1.385	1.850	1.850
2	0	2	0.490	0.662	0.913	1.260	1.738	1.850
2	1	1	0.539	0.728	1.005	1.385	1.850	1.850
2	2	0	0.641	0.866	1.195	1.649	1.850	1.850

Each Additional Chargeable Group A Claim - apply factor of 1.380 to the claim rating factor. The overall Claim Rating Factor shall not exceed 1.85.  
 Each Additional Chargeable Group B Claim - apply factor of 1.000 to the claim rating factor. The overall Claim Rating Factor shall not exceed 1.85.  
 Each Additional Chargeable Group C Claim - apply factor of 1.190 to the claim rating factor. The overall Claim Rating Factor shall not exceed 1.85.

**ARKANSAS  
HOMEOWNERS  
RATE FACTOR PAGES**

Order in  
Calculation

25 Reinsurance Charge

**BASE REINSURANCE CHARGE\*:**

<b>0.054</b>
--------------

\*Charge is per \$1000 of Coverage A Limit

**REINSURANCE LIMIT FACTORS**

COVERAGE A	FACTOR
10,000	10
11,000	11
12,000	12
13,000	13
14,000	14
15,000	15
16,000	16
17,000	17
18,000	18
19,000	19
20,000	20
25,000	25
30,000	30
35,000	35
40,000	40
45,000	45
50,000	50
55,000	55
57,000	57
58,000	58
59,000	59
60,000	60
61,000	61
63,000	63
65,000	65
66,000	66

COVERAGE A	FACTOR
68,000	68
69,000	69
70,000	70
71,000	71
72,000	72
73,000	73
74,000	74
75,000	75
80,000	80
85,000	85
90,000	90
95,000	95
100,000	100
110,000	110
120,000	120
130,000	130
140,000	140
150,000	150
170,000	170
180,000	180
190,000	190
200,000	200
225,000	225
275,000	275
325,000	325
Each Additional 1,000	1

Step #		Select Homeowners	Select Homeowners
1	Base Reinsurance Charge		
2	Rate Adjustment Factor (Round to 3 decimals)	1.081	1.081
3	Reinsurance Limit Factor (Penny Round)	x	x
4	Reinsurance Charge		

NAIC Number: 17230  
 Company Name: Allstate Property and Casualty Insurance Company  
 Contact Person: Andi Colosi  
 Telephone No.: 847-402-1839  
 Email Address: afonk@allstate.com  
 Effective Date: 8/19/2013

**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	\$749.75	\$824.03	\$898.30	\$988.89	\$898.30	\$988.89	\$925.48	\$1,019.07	\$649.52	\$712.92	\$649.52	\$712.92	\$865.70	\$952.65	\$677.30	\$743.11	\$706.88	\$776.32
	\$120,000	\$918.86	\$1,010.83	\$1,102.80	\$1,215.48	\$1,102.80	\$1,215.48	\$1,136.90	\$1,253.23	\$793.40	\$872.57	\$793.40	\$872.57	\$1,062.60	\$1,170.41	\$828.11	\$910.34	\$864.66	\$951.15
	\$160,000	\$1,064.66	\$1,172.54	\$1,279.80	\$1,411.58	\$1,279.80	\$1,411.58	\$1,319.03	\$1,455.72	\$918.16	\$1,010.11	\$918.16	\$1,010.11	\$1,232.61	\$1,358.88	\$958.61	\$1,054.85	\$1,001.53	\$1,102.67
6	\$80,000	\$764.85	\$905.56	\$916.42	\$1,088.52	\$916.42	\$1,088.52	\$944.20	\$1,122.34	\$662.20	\$782.37	\$662.20	\$782.37	\$883.22	\$1,048.06	\$690.59	\$816.18	\$720.16	\$852.41
	\$120,000	\$937.14	\$1,112.54	\$1,125.34	\$1,339.12	\$1,125.34	\$1,339.12	\$1,160.04	\$1,381.75	\$809.85	\$959.06	\$809.85	\$959.06	\$1,083.92	\$1,289.79	\$844.58	\$1,001.10	\$881.71	\$1,046.16
	\$160,000	\$1,086.12	\$1,290.83	\$1,306.16	\$1,556.24	\$1,306.16	\$1,556.24	\$1,346.61	\$1,605.28	\$937.17	\$1,111.24	\$937.17	\$1,111.24	\$1,257.74	\$1,498.01	\$977.62	\$1,160.90	\$1,021.76	\$1,213.61
9	\$80,000	\$898.91	\$1,054.71	\$1,079.45	\$1,269.68	\$1,079.45	\$1,269.68	\$1,112.68	\$1,309.53	\$776.32	\$909.18	\$776.32	\$909.18	\$1,039.61	\$1,222.58	\$809.54	\$948.43	\$845.78	\$991.30
	\$120,000	\$1,103.41	\$1,297.09	\$1,328.15	\$1,565.07	\$1,328.15	\$1,565.07	\$1,369.56	\$1,614.40	\$951.15	\$1,116.81	\$951.15	\$1,116.81	\$1,278.82	\$1,506.60	\$992.57	\$1,165.53	\$1,037.63	\$1,219.13
	\$160,000	\$1,280.42	\$1,507.21	\$1,542.77	\$1,819.80	\$1,542.77	\$1,819.80	\$1,591.80	\$1,877.43	\$1,102.67	\$1,295.74	\$1,102.67	\$1,295.74	\$1,485.75	\$1,751.77	\$1,151.08	\$1,353.35	\$1,203.80	\$1,415.87

**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																		
	\$25,000																		

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

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

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

**HO3 and HO4 only**

Fire Extinguisher	<input type="text" value="3"/>	%	Deadbolt Lock	<input type="text" value="3"/>	%
Burglar Alarm	<input type="text" value="3"/>	%	Window Locks	<input type="text" value="N/A"/>	%
Smoke Alarm	<input type="text" value="3"/>	%	\$1,000 Deductible	<input type="text" value="5-22"/>	%
			Other (specify)		

**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

Complete Central Burglar	4	%
Maximum Credit Allowed		%

WHAT IS YOUR PRICE PER \$1,000 OF COVERAGE?

Highest Risk

\$

\$

Lowest Risk

\$

\$

|