

State: Arkansas Filing Company: Foremost Insurance Company Grand Rapids, Michigan

TOI/Sub-TOI: 04.0 Homeowners/04.0002 Mobile Homeowners

Product Name: Manufactured Home Insurance Program

Project Name/Number: /

Filing at a Glance

Company: Foremost Insurance Company Grand Rapids, Michigan

Product Name: Manufactured Home Insurance Program

State: Arkansas

TOI: 04.0 Homeowners

Sub-TOI: 04.0002 Mobile Homeowners

Filing Type: Rate

Date Submitted: 05/13/2013

SERFF Tr Num: FORE-129020898

SERFF Status: Closed-Filed

State Tr Num:

State Status:

Co Tr Num: C-135

Effective Date 09/01/2013

Requested (New):

Effective Date 09/01/2013

Requested (Renewal):

Author(s): Christine Mooney

Reviewer(s): Becky Harrington (primary)

Disposition Date: 07/01/2013

Disposition Status: Filed

Effective Date (New): 09/01/2013

Effective Date (Renewal): 09/01/2013

State Filing Description:

State: Arkansas
Filing Company: Foremost Insurance Company Grand Rapids, Michigan
TOI/Sub-TOI: 04.0 Homeowners/04.0002 Mobile Homeowners
Product Name: Manufactured Home Insurance Program
Project Name/Number: /

General Information

Project Name: Status of Filing in Domicile: Not Filed
 Project Number: Domicile Status Comments:
 Reference Organization: Reference Number:
 Reference Title: Advisory Org. Circular:
 Filing Status Changed: 07/01/2013
 State Status Changed: Deemer Date:
 Created By: Christine Mooney Submitted By: Christine Mooney
 Corresponding Filing Tracking Number:

Filing Description:
 revisions to the rate section

Company and Contact

Filing Contact Information

Kaan Cidanli, Administrator kaan.cidanli@farmersinsurance.com
 PO Box 2450 616-956-3645 [Phone]
 Grand Rapids, MI 49501-2450

Filing Company Information

Foremost Insurance Company	CoCode: 11185	State of Domicile: Michigan
Grand Rapids, Michigan	Group Code: 212	Company Type: Property and
P.O. Box 2450	Group Name:	Casualty
Grand Rapids, MI 49501-2450	FEIN Number: 38-1407533	State ID Number:
(616) 942-3000 ext. [Phone]		

Filing Fees

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

Company	Amount	Date Processed	Transaction #
Foremost Insurance Company Grand Rapids, Michigan	\$100.00	05/13/2013	70220727

State: Arkansas

TOI/Sub-TOI: 04.0 Homeowners/04.0002 Mobile Homeowners

Product Name: Manufactured Home Insurance Program

Project Name/Number: /

Filing Company:

Foremost Insurance Company Grand Rapids, Michigan

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Becky Harrington	07/01/2013	07/01/2013

Objection Letters and Response Letters

Objection Letters

Status	Created By	Created On	Date Submitted
Pending Industry Response	Becky Harrington	06/21/2013	06/21/2013
Pending Industry Response	Becky Harrington	05/24/2013	05/24/2013
Pending Industry Response	Becky Harrington	05/15/2013	05/15/2013

Response Letters

Responded By	Created On	Date Submitted
Christine Mooney	07/01/2013	07/01/2013
Christine Mooney	06/20/2013	06/20/2013
Christine Mooney	05/23/2013	05/23/2013

State: Arkansas
 TOI/Sub-TOI: 04.0 Homeowners/04.0002 Mobile Homeowners
 Product Name: Manufactured Home Insurance Program
 Project Name/Number: /

Filing Company: Foremost Insurance Company Grand Rapids, Michigan

Disposition

Disposition Date: 07/01/2013
 Effective Date (New): 09/01/2013
 Effective Date (Renewal): 09/01/2013
 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):
Foremost Insurance Company Grand Rapids, Michigan	42.800%	9.790%	\$1,085,677	10,339	\$11,089,649	14.000%	0.350%

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document (revised)	NAIC loss cost data entry document	Filed	Yes
Supporting Document	NAIC loss cost data entry document		Yes
Supporting Document	NAIC Loss Cost Filing Document for OTHER than Workers' Comp		Yes
Supporting Document (revised)	Cover Letter, Sections A, B and C, Exhibit	Filed	Yes
Supporting Document	Cover Letter, Sections A, B and C, Exhibit		Yes
Supporting Document	Exhibit	Filed	Yes
Supporting Document	Arkansas Investment Income Exhibit	Filed	Yes
Supporting Document	InScore Model and Exhibit	Filed	No
Rate	Rates	Filed	Yes
Rate	Rates	Filed	Yes
Rate	Rates	Filed	Yes

State: Arkansas
 TOI/Sub-TOI: 04.0 Homeowners/04.0002 Mobile Homeowners
 Product Name: Manufactured Home Insurance Program
 Project Name/Number: /

Filing Company: Foremost Insurance Company Grand Rapids, Michigan

Schedule	Schedule Item	Schedule Item Status	Public Access
Rate	Rates	Filed	Yes
Rate	Rates	Filed	Yes
Rate (revised)	Rates	Filed	Yes
Rate	Rates		Yes
Rate	Rates	Filed	Yes
Rate (revised)	Rates	Filed	Yes
Rate	Rates		Yes
Rate (revised)	Rates	Filed	Yes
Rate	Rates		Yes
Rate (revised)	Rates	Filed	Yes
Rate	Rates		Yes
Rate (revised)	Rates	Filed	Yes
Rate	Rates		Yes
Rate (revised)	Rates	Filed	Yes
Rate	Rates		Yes
Rate	Rates	Filed	Yes
Rate	Rates	Filed	Yes
Rate	Rates	Filed	Yes
Rate (revised)	Rates	Filed	Yes
Rate	Rates		Yes
Rate	Rates	Filed	Yes
Rate	Rates	Filed	Yes
Rate	Rates	Filed	Yes

SERFF Tracking #:

FORE-129020898

State Tracking #:

Company Tracking #:

C-135

State: Arkansas

Filing Company:

Foremost Insurance Company Grand Rapids, Michigan

TOI/Sub-TOI: 04.0 Homeowners/04.0002 Mobile Homeowners

Product Name: Manufactured Home Insurance Program

Project Name/Number: /

Schedule	Schedule Item	Schedule Item Status	Public Access
Rate	Rates	Filed	Yes
Rate	Rates	Filed	Yes
Rate	Rates	Filed	Yes
Rate	Rates	Filed	Yes

State: Arkansas **Filing Company:** Foremost Insurance Company Grand Rapids, Michigan
TOI/Sub-TOI: 04.0 Homeowners/04.0002 Mobile Homeowners
Product Name: Manufactured Home Insurance Program
Project Name/Number: /

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	06/21/2013
Submitted Date	06/21/2013
Respond By Date	

Dear Kaan Cidanli,

Introduction:

This will acknowledge receipt of the recent response.

Objection 1

Comments: The explanation regarding compliance with ACA 23-63-109 stated that weather is a small piece of the credit model; however, the final factors are comprised of 45% weather related losses. The supporting documentation submitted with this filing is insufficient to justify the use of natural cause events in combination with credit as a factor to determine the final rate the insured is charged, pursuant to Directive 2-2009 (tier placement) and ACA 23-63-109. Please revise accordingly.

Objection 2

Comments: Manual pages do not include how no-hits/thin files are treated. Please provide the manual page containing the rule or revise the rate page.

Objection 3

Comments: The overall requested rate change amount has been reviewed by the Commissioner. Please amend the overall amount to 10%.

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:** Foremost Insurance Company Grand Rapids, Michigan

TOI/Sub-TOI: 04.0 Homeowners/04.0002 Mobile Homeowners

Product Name: Manufactured Home Insurance Program

Project Name/Number: /

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	05/24/2013
Submitted Date	05/24/2013
Respond By Date	

Dear Kaan Cidanli,

Introduction:

This will acknowledge receipt of the recent filing.

Objection 1

- Exhibit (Supporting Document)

Comments: The pure premium exhibit is insufficient to support the retrovalidation study factors. In addition, we have been unable to locate the filing in which the scoring model was filed.

Please provide: (1) the actual model; (2) the loss experience (premiums and losses); and a detailed explanation of how the factors by-peril are developed and correlate to the supporting information. Please refer to ACA 23-67-409.

Objection 2

- Cover Letter, Sections A, B and C, Exhibit (Supporting Document)

Comments: It is the Departments position that separately rating of perils relating to weather is in conflict with the Legislative intent of Arkansas Code Annotated § 23-63-109, which is to avoid penalizing insureds for natural cause events beyond their control. We have applied this rationale in the past to the consideration of weather related and catastrophe claims for placement into rating tiers and surcharges. We believe it is appropriate to apply this concept to any rating scheme that might result in the unfair consideration of natural cause events. Please explain how the retro-validation study and developed factors complies with the above.

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:** Foremost Insurance Company Grand Rapids, Michigan

TOI/Sub-TOI: 04.0 Homeowners/04.0002 Mobile Homeowners

Product Name: Manufactured Home Insurance Program

Project Name/Number: /

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	05/15/2013
Submitted Date	05/15/2013
Respond By Date	

Dear Kaan Cidanli,

Introduction:

This will acknowledge receipt of the captioned filing.

Objection 1

- Cover Letter, Sections A, B and C, Exhibit (Supporting Document)

Comments:

All request for rate changes submitted to the Department must include supporting data as required by Arkansas Code Annotated § 23-67-209 (d). Explain the consideration given to all investment income attributable to premiums and to the reserves associated with those premiums and to loss reserve funds.

Objection 2

Comments: Provide the actual loss experience used in the model to develop the indicated factors as required by ACA 23-67-405.

Indicated the possible maximum impact to insureds when the credit score is re-run, but remains in the same score bracket.

Conclusion:

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

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

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

Sincerely,

Becky Harrington

State: Arkansas
TOI/Sub-TOI: 04.0 Homeowners/04.0002 Mobile Homeowners
Product Name: Manufactured Home Insurance Program
Project Name/Number: /

Filing Company: Foremost Insurance Company Grand Rapids, Michigan

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	07/01/2013
Submitted Date	07/01/2013

Dear Becky Harrington,

Introduction:

This is in response to your Objection Letter dated 06/21/2013.

Response 1

Comments:

The credit retrovalidation study has been revised to remove weather related losses. The selected credit factors have been revised as a result of this change.

Related Objection 1

Comments: The explanation regarding compliance with ACA 23-63-109 stated that weather is a small piece of the credit model; however, the final factors are comprised of 45% weather related losses. The supporting documentation submitted with this filing is insufficient to justify the use of natural cause events in combination with credit as a factor to determine the final rate the insured is charged, pursuant to Directive 2-2009 (tier placement) and ACA 23-63-109. Please revise accordingly.

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	Cover Letter, Sections A, B and C, Exhibit
Comments:	
Attachment(s):	Arkansas-Ltr-Summary-Rates.pdf Indications - Sections B's and C's-Property Only (SOP - Non-Hurricane State).pdf Revised Exhibit I Retrovalidation Study.pdf
<i>Previous Version</i>	
Satisfied - Item:	Cover Letter, Sections A, B and C, Exhibit
Comments:	
Attachment(s):	Arkansas-Ltr-Summary-Rates.pdf Indications - Sections B's and C's-Property Only (SOP - Non-Hurricane State).pdf Exhibit I-Retrovalidation Study.pdf

State: Arkansas
TOI/Sub-TOI: 04.0 Homeowners/04.0002 Mobile Homeowners
Product Name: Manufactured Home Insurance Program
Project Name/Number: /

Filing Company: Foremost Insurance Company Grand Rapids, Michigan

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 2

Comments:

The rate page has been revised to include no-hits/thin files.

Related Objection 2

Comments: Manual pages do not include how no-hits/thin files are treated. Please provide the manual page containing the rule or revise the rate page.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

Rate Schedule Item Changes					
Item No.	Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing Number	Date Submitted
1	Rates	Page R-16	Replacement		07/01/2013 By: Christine Mooney
<i>Previous Version</i>					
1	Rates	Page R-16	Replacement		05/13/2013 By: Christine Mooney

Response 3

Comments:

The filing has been amended to result in an overall rate impact of +9.79%. The rate pages, company rate information and NAIC Loss Cost Data Entry Document have been revised as a result of this change.

Related Objection 3

SERFF Tracking #:

FORE-129020898

State Tracking #:

Company Tracking #:

C-135

State: Arkansas

Filing Company:

Foremost Insurance Company Grand Rapids, Michigan

TOI/Sub-TOI: 04.0 Homeowners/04.0002 Mobile Homeowners

Product Name: Manufactured Home Insurance Program

Project Name/Number: /

Comments: The overall requested rate change amount has been reviewed by the Commissioner. Please amend the overall amount to 10%.

Provide a revised HPCS.

Changed Items:

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

No Form Schedule items changed.

State: Arkansas
 TOI/Sub-TOI: 04.0 Homeowners/04.0002 Mobile Homeowners
 Product Name: Manufactured Home Insurance Program
 Project Name/Number: /

Filing Company: Foremost Insurance Company Grand Rapids, Michigan

Rate Schedule Item Changes

Item No.	Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing Number	Date Submitted
1	Rates	Page R-6	Replacement		07/01/2013 By: Christine Mooney
<i>Previous Version</i>					
1	Rates	Page R-6	Replacement		05/13/2013 By: Christine Mooney
2	Rates	Page R-8	Replacement		07/01/2013 By: Christine Mooney
<i>Previous Version</i>					
2	Rates	Page R-8	Replacement		05/13/2013 By: Christine Mooney
3	Rates	Page R-9	Replacement		07/01/2013 By: Christine Mooney
<i>Previous Version</i>					
3	Rates	Page R-9	Replacement		05/13/2013 By: Christine Mooney
4	Rates	Page R-10	Replacement		07/01/2013 By: Christine Mooney
<i>Previous Version</i>					
4	Rates	Page R-10	Replacement		05/13/2013 By: Christine Mooney
5	Rates	Page R-11	Replacement		07/01/2013 By: Christine Mooney
<i>Previous Version</i>					
5	Rates	Page R-11	Replacement		05/13/2013 By: Christine Mooney

SERFF Tracking #:

FORE-129020898

State Tracking #:

Company Tracking #:

C-135

State: Arkansas

Filing Company:

Foremost Insurance Company Grand Rapids, Michigan

TOI/Sub-TOI: 04.0 Homeowners/04.0002 Mobile Homeowners

Product Name: Manufactured Home Insurance Program

Project Name/Number: /

Rate Schedule Item Changes

6	Rates	Page R-12	Replacement		07/01/2013 By: Christine Mooney
<i>Previous Version</i>					
6	Rates	Page R-12	Replacement		05/13/2013 By: Christine Mooney

Conclusion:

Please withdraw:

Rate Pages R-6, R-8, R-9, R-10, R-11, R-12 and R-16 – Revised Printing 5/13

Please insert:

Rate Pages R-6, R-8, R-9, R-10, R-11, R-12 and R-16 – Revised Printing 6/13

Your attention to our filing is appreciated.

*Very truly yours,
Kaan K. Cidanli
State Filings Administrator*

*Enclosures:
NAIC Loss Cost Data Entry Document
Revised Exhibit I Retrovalidation Study
Revised Rate Pages*

*Sincerely,
Christine Mooney*

State: Arkansas
TOI/Sub-TOI: 04.0 Homeowners/04.0002 Mobile Homeowners
Product Name: Manufactured Home Insurance Program
Project Name/Number: /

Filing Company: Foremost Insurance Company Grand Rapids, Michigan

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	06/20/2013
Submitted Date	06/20/2013

Dear Becky Harrington,

Introduction:

This is in response to your Objection Letter dated 05/24/2013.

Response 1

Comments:

The actual model is the InScore 3.0 HO3/5 07/02 and is attached for your review.

Please see attached exhibit for loss experience by credit tier. Different credit factors by-peril are developed using countrywide data because each peril has similar predictive variables countrywide, and different loss behavior in different states is primarily driven by the different perils impacting each state. In this modeling process, a separate loss model is developed based on countrywide data for each of the following perils:

Total Fire

Partial Fire

Wind

Tornado

Hail

Other Weather (primarily weather-related water damage)

Water

Other

To determine appropriate factors for Arkansas, the distribution of incurred losses by peril in Arkansas is used to weight the individual peril factors together to determine a set of all cause factors that are appropriate for Arkansas. For example, since our loss experience shows total fire losses to be dominant in Arkansas, the countrywide total fire factors dominate the all peril factors for Arkansas.

Related Objection 1

Applies To:

- Exhibit (Supporting Document)

State: Arkansas **Filing Company:** Foremost Insurance Company Grand Rapids, Michigan
TOI/Sub-TOI: 04.0 Homeowners/04.0002 Mobile Homeowners
Product Name: Manufactured Home Insurance Program
Project Name/Number: /

Comments: The pure premium exhibit is insufficient to support the retrovalidation study factors. In addition, we have been unable to locate the filing in which the scoring model was filed.

Please provide: (1) the actual model; (2) the loss experience (premiums and losses); and a detailed explanation of how the factors by-peril are developed and correlate to the supporting information. Please refer to ACA 23-67-409.

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	InScore Model and Exhibit
Comments:	
Attachment(s):	InScore 3.0 HO3 Countrywide Model.pdf AR Manufactured Home Exhibit.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 2

Comments:

Our retrovalidation study and developed factors complies with Arkansas Code Annotated 23-63-109. We are not cancelling or non-renewing any policies as the result of claims arising from natural causes. No policyholders individual loss experience affects their credit factor. Also, since weather is only a small piece of the credit models, no actions are taken solely on the basis of weather.

Related Objection 2

Applies To:

- Cover Letter, Sections A, B and C, Exhibit (Supporting Document)

Comments: It is the Departments position that separately rating of perils relating to weather is in conflict with the Legislative intent of Arkansas Code Annotated § 23-63-109, which is to avoid penalizing insureds for natural cause events beyond their control. We have applied this rationale in the past to the consideration of weather related and catastrophe claims for placement into rating tiers and surcharges. We believe it is appropriate to apply this concept to any rating scheme that might result in the unfair consideration of natural cause events. Please explain how the retro-validation study and developed factors complies with the above.

Changed Items:

SERFF Tracking #:

FORE-129020898

State Tracking #:

Company Tracking #:

C-135

State:

Arkansas

Filing Company:

Foremost Insurance Company Grand Rapids, Michigan

TOI/Sub-TOI:

04.0 Homeowners/04.0002 Mobile Homeowners

Product Name:

Manufactured Home Insurance Program

Project Name/Number:

/

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Your attention to our filing is appreciated.

Very truly yours,

Kaan K. Cidanli

State Filings Administrator

Enclosures:

InScore 3.0 HO3/5 07/02 Model

Exhibit

Sincerely,

Christine Mooney

State: Arkansas
TOI/Sub-TOI: 04.0 Homeowners/04.0002 Mobile Homeowners
Product Name: Manufactured Home Insurance Program
Project Name/Number: /

Filing Company: Foremost Insurance Company Grand Rapids, Michigan

Response Letter

Response Letter Status Submitted to State
 Response Letter Date 05/23/2013
 Submitted Date 05/23/2013

Dear Becky Harrington,

Introduction:

This is in response to your Objection Letter dated 05/15/2013.

Response 1

Comments:

Please refer to the attached exhibit for details.

Related Objection 1

Applies To:

- Cover Letter, Sections A, B and C, Exhibit (Supporting Document)

Comments:

All request for rate changes submitted to the Department must include supporting data as required by Arkansas Code Annotated § 23-67-209 (d). Explain the consideration given to all investment income attributable to premiums and to the reserves associated with those premiums and to loss reserve funds.

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	Arkansas Investment Income Exhibit
Comments:	
Attachment(s):	AR-2012 Investment Income.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 2

Comments:

State: Arkansas
TOI/Sub-TOI: 04.0 Homeowners/04.0002 Mobile Homeowners
Product Name: Manufactured Home Insurance Program
Filing Company: Foremost Insurance Company Grand Rapids, Michigan
Project Name/Number: /

Please refer to the attached exhibit for details.

A policyholder may possibly see a rate increase of 80% as a result of his/her credit score being recalculated.

Related Objection 2

Comments: Provide the actual loss experience used in the model to develop the indicated factors as required by ACA 23-67-405.

Indicated the possible maximum impact to insureds when the credit score is re-run, but remains in the same score bracket.

Changed Items:

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

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Your attention to our filing is appreciated.

Very truly yours,
 Kaan K. Cidanli
 State Filings Administrator

Enclosures: Exhibits
 Sincerely,
 Christine Mooney

State: Arkansas **Filing Company:** Foremost Insurance Company Grand Rapids, Michigan

TOI/Sub-TOI: 04.0 Homeowners/04.0002 Mobile Homeowners

Product Name: Manufactured Home Insurance Program

Project Name/Number: /

Post Submission Update Request Processed On 07/01/2013

Status: Allowed

Created By: Christine Mooney

Processed By: Becky Harrington

Comments: per dept request overall reduced

Company Rate Information:

Company Name:Foremost Insurance Company Grand Rapids, Michigan

Field Name	Requested Change	Prior Value
Overall % Rate Impact	9.790%	19.200%
Written Premium Change for this Program	\$1085677	\$2129213
Maximum %Change (where required)	14.000%	25.200%
Minimum %Change (where required)	0.350%	4.600%

State: Arkansas
TOI/Sub-TOI: 04.0 Homeowners/04.0002 Mobile Homeowners
Product Name: Manufactured Home Insurance Program
Project Name/Number: /

Filing Company: Foremost Insurance Company Grand Rapids, Michigan

Rate Information

Rate data applies to filing.

Filing Method: Prior Approval
Rate Change Type: Increase
Overall Percentage of Last Rate Revision: 20.000%
Effective Date of Last Rate Revision: 09/01/2012
Filing Method of Last Filing: Prior Approval

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):
Foremost Insurance Company Grand Rapids, Michigan	42.800%	9.790%	\$1,085,677	10,339	\$11,089,649	14.000%	0.350%

SERFF Tracking #:

FORE-129020898

State Tracking #:

Company Tracking #:

C-135

State:

Arkansas

Filing Company:

Foremost Insurance Company Grand Rapids, Michigan

TOI/Sub-TOI:

04.0 Homeowners/04.0002 Mobile Homeowners

Product Name:

Manufactured Home Insurance Program

Project Name/Number:

/

Rate/Rule Schedule

State: Arkansas
TOI/Sub-TOI: 04.0 Homeowners/04.0002 Mobile Homeowners
Product Name: Manufactured Home Insurance Program
Project Name/Number: /

Filing Company: Foremost Insurance Company Grand Rapids, Michigan

Item No.	Schedule Item Status	Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing Number	Attachments
1	Filed 07/01/2013	Rates	Page R-1	Replacement		R-1.pdf
2	Filed 07/01/2013	Rates	Page R-2	Replacement		R-2.pdf
3	Filed 07/01/2013	Rates	Page R-3	Replacement		R-3.pdf
4	Filed 07/01/2013	Rates	Page R-4	Replacement		R-4.pdf
5	Filed 07/01/2013	Rates	Page R-5	Replacement		R-5.pdf
6	Filed 07/01/2013	Rates	Page R-6	Replacement		R-6.pdf
7	Filed 07/01/2013	Rates	Page R-7	Replacement		R-7.pdf
8	Filed 07/01/2013	Rates	Page R-8	Replacement		R-8.pdf
9	Filed 07/01/2013	Rates	Page R-9	Replacement		R-9.pdf
10	Filed 07/01/2013	Rates	Page R-10	Replacement		R-10.pdf
11	Filed 07/01/2013	Rates	Page R-11	Replacement		R-11.pdf
12	Filed 07/01/2013	Rates	Page R-12	Replacement		R-12.pdf
13	Filed 07/01/2013	Rates	Page R-13	Replacement		R-13.pdf
14	Filed 07/01/2013	Rates	Page R-14	Replacement		R-14.pdf
15	Filed 07/01/2013	Rates	Page R-15	Replacement		R-15.pdf
16	Filed 07/01/2013	Rates	Page R-16	Replacement		R-16.pdf
17	Filed 07/01/2013	Rates	Page R-17	Replacement		R-17.pdf
18	Filed 07/01/2013	Rates	Page R-18	Replacement		R-18.pdf
19	Filed 07/01/2013	Rates	Page R-19	Replacement		R-19.pdf
20	Filed 07/01/2013	Rates	Page R-20	Replacement		R-20.pdf
21	Filed 07/01/2013	Rates	Page R-21	Replacement		R-21.pdf
22	Filed 07/01/2013	Rates	Page R-22	Replacement		R-22.pdf
23	Filed 07/01/2013	Rates	Page R-23	Withdrawn		

ARKANSAS

MANUFACTURED HOME INSURANCE PROGRAM

ANNUAL RATES/PREMIUMS

DEFINITIONS

AGE OF THE MANUFACTURED HOME

The age of the manufactured home will be determined by subtracting the manufactured home model year from the year in which the manufactured home policy becomes effective (or its renewal).

AUXILIARY HEATING DEVICE

An auxiliary heating device is a wood, coal, kerosene heater or any other supplemental heating system, not installed by the original manufactured home manufacturer.

*

FARM OR RANCH

Farm or farming means the ownership or use of land for cultivation of agricultural products. However, farm or farming does not include the ownership or use of land for the cultivation of a personal garden.

Ranch or ranching means the ownership or use of land for the raising of livestock such as cattle, sheep or horses.

ARKANSAS

MANUFACTURED HOME INSURANCE PROGRAM

ANNUAL RATES/PREMIUMS
(Continued)

DEFINITIONS (continued)

OUT OF PARK

Manufactured homes not located in a Park.

PARK

A planned and named community of manufactured homes which have permanently installed water, electricity and sewage utility services; which are collectively managed; and whose residents recognize common bylaws or rules. Also, those homes located within an incorporated city to town (This sentence is only available to policies in force prior to June 1, 2008.).

SECONDARY RESIDENCE

A secondary residence is defined as a manufactured home which is occupied on an irregular and noncontinuous basis or on a continuous basis, but less than five (5) consecutive months a year. It may not be rented to others.

ARKANSAS

MANUFACTURED HOME INSURANCE PROGRAM

ANNUAL RATES/PREMIUMS
(Continued)

TERRITORIES

Territory A consists of the following counties:

Remainder of State

Territory B consists of the following counties:

Chicot
Clay
Crittenden

Desha
Greene
Lee

Mississippi
Phillips

Territory C consists of the following counties:

Ashley
Calhoun
Clark
Columbia
Dallas
Hempstead

Hot Spring
Howard
Lafayette
Little River
Miller
Nevada

Ouachita
Pike
Sevier
Union

Territory D consists of the following counties:

Benton
Boone

Carroll
Madison

Washington

ARKANSAS

MANUFACTURED HOME INSURANCE PROGRAM

ANNUAL RATES/PREMIUMS
 (Continued)

RATING - MINIMUM REQUIREMENTS

Each policy will provide at least these minimum Amounts of Insurance/Limits of Liability and coverage relationships:

Primary Residence

<u>Coverages</u>	<u>Amount of Insurance/Limit of Liability</u>
Coverage A - Dwelling	Amount of Insurance
Coverage B - Other Structures	† 10% of the Coverage A - Dwelling Amount of Insurance
Coverage C - Personal Property	† 40% of the Coverage A - Dwelling Amount of Insurance
Liability	
Coverage E - Personal Liability	\$50,000 Limit of Liability
Coverage F - Medical Payments To Others	\$500 Limit of Liability
Damage To Property Of Others	\$500 Limit of Liability

NOTE:

The Minimum Amounts of Insurance

	Minimum Amount of Insurance
Coverage A – Dwelling	\$ 5,000
Coverage B – Other Structures	500
Coverage C – Personal Property	2,000

† How To Determine the Amount of Insurance for Coverage B – Other Structures and Coverage C – Personal Property

Coverage B – Other Structures

- Step 1. Round the amount of insurance for Coverage A down to the nearest \$1,000
- Step 2. Multiply the amount of insurance for Coverage A, determined in Step 1., by the percentage shown for this coverage, and then round the result to the nearest hundred, subject to the application of the minimum amount of insurance for this coverage.

Coverage C – Personal Property

- Step 1. Round the amount of insurance for Coverage A down to the nearest \$1,000
- Step 2. Multiply the amount of insurance for Coverage A, determined in Step 1., by the percentage shown for this coverage, and then round the result to the nearest hundred, subject to the application of the minimum amount of insurance for this coverage.

ARKANSAS

MANUFACTURED HOME INSURANCE PROGRAM

ANNUAL RATES/PREMIUMS
(Continued)

RATING - MINIMUM REQUIREMENTS (Continued)

Each policy will provide at least these minimum Amounts of Insurance/Limits of Liability and coverage relationships:

Secondary Residence

<u>Coverages</u>	<u>Amount of Insurance/Limit of Liability</u>
Coverage A - Dwelling	Amount of Insurance
Coverage B - Other Structures	Subject to a minimum of \$500
Coverage C - Personal Property	Subject to a minimum of \$2,000

Tenant

<u>Coverages</u>	<u>Amount of Insurance/Limit of Liability</u>
Coverage C - Personal Property	\$5,000 Amount of Insurance
Liability	
Coverage E - Personal Liability	\$50,000 Limit of Liability
Coverage F - Medical Payments To Others	\$500 Limit of Liability
Damage To Property Of Others	\$500 Limit of Liability

ARKANSAS

MANUFACTURED HOME INSURANCE PROGRAM

ANNUAL RATES/PREMIUMS
(Continued)

HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES
HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES – PROPERTY COVERAGE ONLY

* COVERAGE A - DWELLING

Primary Residence
\$500 Deductible

Manufactured Home 11 Years Old or Older

Out of Park

Named Insured Under 50 Years of Age

Territory A

<u>Rating Base</u>	<u>Premium</u>
First \$5,999	\$524.48
Between \$6,000 and \$9,999, for each additional \$1,000 or any part thereof, ADD:	28.32
Between \$10,000 and \$19,999, for each additional \$1,000 or any part thereof, ADD:	16.13
Between \$20,000 and \$39,999, for each additional \$1,000 or any part thereof, ADD:	12.22
Over \$39,999, for each additional \$1,000 or any part thereof, ADD:	9.21

ARKANSAS

MANUFACTURED HOME INSURANCE PROGRAM

ANNUAL RATES/PREMIUMS
(Continued)

HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES
HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES – PROPERTY COVERAGE ONLY

* COVERAGE A - DWELLING

Primary Residence
\$500 Deductible

Manufactured Home 11 Years Old or Older

Out of Park

Named Insured Under 50 Years of Age

Territory B

<u>Rating Base</u>	<u>Premium</u>
First \$5,999	\$714.80
Between \$6,000 and \$9,999, for each additional \$1,000 or any part thereof, ADD:	57.18
Between \$10,000 and \$19,999, for each additional \$1,000 or any part thereof, ADD:	32.56
Between \$20,000 and \$39,999, for each additional \$1,000 or any part thereof, ADD:	27.80
Over \$39,999, for each additional \$1,000 or any part thereof, ADD:	27.80

ARKANSAS

MANUFACTURED HOME INSURANCE PROGRAM

ANNUAL RATES/PREMIUMS
(Continued)

HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES
HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES – PROPERTY COVERAGE ONLY

* COVERAGE A - DWELLING

Primary Residence
\$500 Deductible

Manufactured Home 11 Years Old or Older

Out of Park

Named Insured Under 50 Years of Age

Territory C

<u>Rating Base</u>	<u>Premium</u>
First \$5,999	\$524.48
Between \$6,000 and \$9,999, for each additional \$1,000 or any part thereof, ADD:	28.32
Between \$10,000 and \$19,999, for each additional \$1,000 or any part thereof, ADD:	16.13
Between \$20,000 and \$39,999, for each additional \$1,000 or any part thereof, ADD:	12.22
Over \$39,999, for each additional \$1,000 or any part thereof, ADD:	9.21

ARKANSAS

MANUFACTURED HOME INSURANCE PROGRAM

ANNUAL RATES/PREMIUMS
(Continued)

HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES
HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES – PROPERTY COVERAGE ONLY

* COVERAGE A - DWELLING

Primary Residence
\$500 Deductible

Manufactured Home 11 Years Old or Older

Out of Park

Named Insured Under 50 Years of Age

Territory D

<u>Rating Base</u>	<u>Premium</u>
First \$5,999	\$404.42
Between \$6,000 and \$9,999, for each additional \$1,000 or any part thereof, ADD:	17.84
Between \$10,000 and \$19,999, for each additional \$1,000 or any part thereof, ADD:	10.17
Between \$20,000 and \$39,999, for each additional \$1,000 or any part thereof, ADD:	7.69
Over \$39,999, for each additional \$1,000 or any part thereof, ADD:	5.80

ARKANSAS

MANUFACTURED HOME INSURANCE PROGRAM

ANNUAL RATES/PREMIUMS
(Continued)

HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES
HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES – PROPERTY COVERAGE ONLY

* COVERAGE B - OTHER STRUCTURES

Primary and Secondary Residence
\$500 Deductible

Out of Park

Named Insured Under 50 Years of Age

<u>Territory</u>	<u>Amount of Insurance</u>	<u>Premium</u>	<u>For Each Additional \$100</u>
A	\$100	\$14.11	\$ 1.30
B	100	23.90	2.39
C	100	14.12	1.31
D	100	11.30	1.05

ARKANSAS

MANUFACTURED HOME INSURANCE PROGRAM

ANNUAL RATES/PREMIUMS
(Continued)

HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES
HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES – PROPERTY COVERAGE ONLY

* COVERAGE C - PERSONAL PROPERTY

Primary and Secondary Residence
\$500 Deductible

Out of Park

Named Insured Under 50 Years of Age

<u>Territory</u>	<u>Amount of Insurance</u>	<u>Premium</u>	<u>For Each Additional \$100</u>
A	\$100	\$116.67	\$ 1.38
B	100	175.55	2.27
C	100	116.67	1.38
D	100	88.70	1.04

ARKANSAS

MANUFACTURED HOME INSURANCE PROGRAM

ANNUAL RATES/PREMIUMS
(Continued)

TENANT INSURANCE

* COVERAGE C - PERSONAL PROPERTY

\$500 Deductible

<u>Amount of Insurance</u>	<u>Premium</u>	<u>For Each Additional \$100</u>
\$100	\$171.57	\$ 2.75

ARKANSAS

MANUFACTURED HOME INSURANCE PROGRAM

ANNUAL RATES/PREMIUMS
(Continued)

HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES
TENANT INSURANCE

COVERAGE E - PERSONAL LIABILITY

Primary and Secondary Residence and Tenant

(Includes \$500 Coverage F - Medical Payments to Others and \$500 Damage to Property of Others)

<u>Limit</u>	<u>Premiums</u>
\$ 25,000	\$28
50,000	35
100,000	46
300,000	84
500,000	98

COVERAGE F - MEDICAL PAYMENTS TO OTHERS

Primary and Secondary Residence and Tenant

<u>To Increase Limit To</u>	<u>Additional Premium</u>
\$1,000	\$4

ARKANSAS

MANUFACTURED HOME INSURANCE PROGRAM

ANNUAL RATES/PREMIUMS
(Continued)

PREMIUM MODIFIERS

* APPLICATION OF PREMIUM MODIFIERS

The premium modifiers will be applied to Coverage A - Dwelling, Coverage B - Other Structures and Coverage C - Personal Property premiums, if applicable, in the following order:

- | | |
|---|------------------------------|
| 1. Secondary Residence | 6. Multi-Policy |
| 2. Named Insured 50 Years of Age or Older | 7. Deductible |
| 3. In Park Manufactured Home | 8. Insurance Score |
| 4. Age of Manufactured Home | 9. Farm or Ranch |
| 5. Channel of Distribution | 10. Auxiliary Heating Device |

AGE OF THE MANUFACTURED HOME

Primary and Secondary Residence

Multiply the Coverage A – Dwelling premiums by the appropriate premium modifier.

<u>Age of Manufactured Home</u>	<u>Premium Modifier</u>
Under 3	.84
3 – 4	.88
5 – 6	.92
7 – 10	.96

AUXILIARY HEATING DEVICE

Primary and Secondary Residence and Tenant

A \$50 charge applies when the manufactured home or other structure is equipped with an auxiliary heating device.

ARKANSAS

MANUFACTURED HOME INSURANCE PROGRAM

ANNUAL RATES/PREMIUMS
(Continued)

PREMIUM MODIFIERS (continued)

CHANNEL OF DISTRIBUTION
Primary and Secondary Residence

<u>Channel of Distribution</u>	<u>Premium Modifier</u>
Agent	1.00
Direct	0.92

Multiply Coverage A – Dwelling, Coverage B – Other Structures and Coverage C – Personal Property by the appropriate premium modifier.

DEDUCTIBLE

Multiply the Coverage A – Dwelling, Coverage B – Other Structures, and Coverage C – Personal Property premiums by the appropriate deductible factor.

<u>Deductible Amount</u>	<u>Coverage</u>	<u>Deductible Factors</u>		
		<u>Primary Residence</u>	<u>Secondary Residence</u>	<u>Tenant</u>
\$100	Coverage A – Dwelling	1.10	1.10	N/A
	Coverage B – Other Structures	1.10	1.10	N/A
	Coverage C – Personal Property	1.10	1.10	1.10
\$250	Coverage A – Dwelling	1.06	1.06	N/A
	Coverage B – Other Structures	1.06	1.06	N/A
	Coverage C – Personal Property	1.06	1.06	1.06
\$500	Coverage A – Dwelling	Included	Included	N/A
	Coverage B – Other Structures	Included	Included	N/A
	Coverage C – Personal Property	Included	Included	Included
\$750	Coverage A – Dwelling	.95	.95	N/A
	Coverage B – Other Structures	.95	.95	N/A
	Coverage C – Personal Property	.95	.95	.95
\$950	Coverage A – Dwelling	.92	.92	N/A
	Coverage B – Other Structures	.92	.92	N/A
	Coverage C – Personal Property	.92	.92	.92

FARM OR RANCH
Primary Residence

Increase the premium for Coverage A - Dwelling by \$25 when the manufactured home is used as a Farm or Ranch.

Foremost® Insurance Company
Grand Rapids, Michigan

ARKANSAS

MANUFACTURED HOME INSURANCE PROGRAM

ANNUAL RATES/PREMIUMS
 (Continued)

PREMIUM MODIFIERS (continued)

INSURANCE SCORE
 Primary and Secondary Residence

Insurance Score I

Insurance Score I is only applicable to policies with an original inception prior to the implementation of the filing designated Company File #C-135.

<u>Insurance Score</u>	<u>Factor</u>	<u>Insurance Score</u>	<u>Factor</u>
<450	1.90	625 - 649	1.05
450 - 474	1.70	650 - 674	1.00
475 - 499	1.50	675 - 699	1.00
500 - 524	1.30	700 - 724	1.00
525 - 549	1.25	725 - 749	1.00
550 - 574	1.20	750 - 774	.95
575 - 599	1.15	775 - 799	.95
600 - 624	1.10	800+	.90

Multiply the Coverage A - Dwelling, Coverage B - Other Structures, and Coverage C - Personal Property premiums by the appropriate factor.

* Insurance Score II

Insurance Score II is only applicable to policies with an insurance score calculated on or after the implementation of the filing designated Company File #C-135.

<u>Insurance Score</u>	<u>Factor</u>	<u>Insurance Score</u>	<u>Factor</u>
<375	2.29	600 - 624	1.06
375 - 399	2.09	625 - 649	1.00
400 - 424	1.92	650 - 674	.95
425 - 449	1.76	675 - 699	.90
450 - 474	1.62	700 - 724	.90
475 - 499	1.50	725 - 749	.90
500 - 524	1.39	750 - 774	.90
525 - 549	1.29	775 - 799	.90
550 - 574	1.21	800+	.90
575 - 599	1.13	No Score	1.00
		No Hit	1.00

Multiply the Coverage A - Dwelling, Coverage B - Other Structures, and Coverage C - Personal Property premiums by the appropriate factor.

The insurance score will be calculated for new business and for the renewal of the third term since the previously used insurance score was first applied. For the terms in which an insurance score is not automatically calculated, the insurance score will be calculated at renewal at the insured's request. Change of occupancy may activate this modifier during the policy term.

The factor for the insurance score will also be subject to modification in the event of an extraordinary life event which has an adverse effect on the insurance score. An extraordinary life event includes catastrophic illness or injury, death of a spouse, child or parent, temporary loss of employment, divorce, identity fraud, including theft of identity, military deployment overseas, or any similar life event.

ARKANSAS

MANUFACTURED HOME INSURANCE PROGRAM

ANNUAL RATES/PREMIUMS
 (Continued)

PREMIUM MODIFIERS (continued)

IN PARK MANUFACTURED HOME
 Primary and Secondary Residence

Multiply the Coverage A – Dwelling, Coverage B – Other Structures and Coverage C – Personal Property premiums by the appropriate premium modifier when the manufactured home is located in park.

<u>Territory</u>	<u>Premium Modifier</u>
A	.87
B	.87
C	.87
D	.95

* MULTI-POLICY
 Primary and Secondary Residence and Tenant

Apply a factor of .95 when the named insured maintains one or more personal lines or life insurance policies with any insurer in the National Association of Insurance Commissioners Group Code 0212. If the only other policy is a Term, Whole Life, Universal Life or Variable Life Policy, it must have a face amount of \$50,000 or greater, be issued to an adult and be in-force when the policy is written.

This premium modifier applies to the annual rates/premiums for Coverage A – Dwelling, Coverage B – Other Structures and Coverage C – Personal Property.

NAMED INSURED 50 YEARS OF AGE OR OLDER
 Primary and Secondary Residence

Multiply the Coverage A – Dwelling, Coverage B – Other Structures, and Coverage C – Personal Property premiums by the appropriate premium modifier when the Named Insured is 50 Years of Age or Older.

<u>Territory</u>	<u>Premium Modifier</u>
A	.84
B	1.00
C	.84
D	.90

SECONDARY RESIDENCE
 \$500 Deductible

Increase the premium for Coverage A - Dwelling by \$10 when the manufactured home is used as a Secondary Residence.

ARKANSAS

MANUFACTURED HOME INSURANCE PROGRAM

ANNUAL RATES/PREMIUMS
(Continued)

HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES
HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES – PROPERTY COVERAGE ONLY

\$1,500 HAIL AND WINDSTORM DEDUCTIBLE

Primary and Secondary Residence

Reduce the premium for Coverage A – Dwelling by \$25

\$1,500 WATER LOSS DEDUCTIBLE

Primary and Secondary Residence

Reduce the premium for Coverage A – Dwelling by \$20

30-DAY TRIP COVERAGE

Primary and Secondary Residence

\$75 per policy

ADDITIONAL COVERAGE

Primary Residence

\$5 per policy

ADDITIONAL RESIDENCE - OWNER-OCCUPIED

Primary Residence

\$25 per policy

COVERAGE C - PERSONAL PROPERTY INCREASE IN
SPECIAL AMOUNT OF INSURANCE FOR TOOLS

Primary Residence

\$5 per policy

COVERAGE C - PERSONAL PROPERTY INCREASE IN
SPECIAL AMOUNT OF INSURANCE FOR VEHICLES OR CONVEYANCES

Primary and Secondary Residence

\$80 per policy

ARKANSAS

MANUFACTURED HOME INSURANCE PROGRAM

ANNUAL RATES/PREMIUMS
(Continued)

HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES
HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES – PROPERTY COVERAGE ONLY

COVERAGE C - PERSONAL PROPERTY INCREASE IN
SPECIAL AMOUNT OF INSURANCE FOR WATERCRAFT

Primary and Secondary Residence

\$40 per policy

DWELLING REPLACEMENT COST PAYMENT METHOD FOR PARTIAL LOSS
OTHER STRUCTURES REPLACEMENT COST PAYMENT METHOD FOR TOTAL AND PARTIAL LOSS

Primary and Secondary Residence

\$50 per policy

EARTHQUAKE

10% Earthquake Deductible (\$1,000 minimum)

Primary and Secondary Residence

<u>Amount of Insurance for Coverage A - Dwelling</u>	<u>Premium</u>	
	<u>Territories A, C and D</u>	<u>Territory B</u>
First \$100	\$10.10	\$10.15
For Each Additional \$100	.10	.15

EXCESS DWELLING COVERAGE
(Including Non-Structural Hail Losses)
Primary and Secondary Residence

\$55 per policy

HOBBY FARM OR RANCH AND ANIMAL LIABILITY

Primary Residence

\$25 per policy

ARKANSAS

MANUFACTURED HOME INSURANCE PROGRAM

ANNUAL RATES/PREMIUMS
(Continued)

HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES
HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES – PROPERTY COVERAGE ONLY

INCIDENTAL BUSINESS LIABILITY

Primary Residence

\$25 per policy

INCREASED WATERCRAFT LIABILITY TO 125 HORSEPOWER

Primary and Secondary Residence

\$50 per policy

PERSONAL INJURY

Primary Residence

\$20 per policy

REPLACEMENT COST PERSONAL PROPERTY

Primary Residence

<u>Amount of Insurance</u>	<u>Premium</u>	<u>For Each Additional \$100</u>
\$100	\$20.15	\$.15

SCHEDULED PERSONAL PROPERTY COVERAGE

Primary Residence

Rates per \$100 of Insurance

Jewelry	\$ 1.32
Furs	.40
Cameras	1.80
Golfer's Equipment/Tools	1.32
Stamps	.66
Coins	1.75
Firearms	2.23
Fine Arts/Silverware/Trading Cards	2.50
Musical Instruments	.72

ARKANSAS

MANUFACTURED HOME INSURANCE PROGRAM

ANNUAL RATES/PREMIUMS
(Continued)

HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES
HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES – PROPERTY COVERAGE ONLY

UNRELATED NAMED INSURED
Primary and Secondary Residence

\$25 per policy

WATER DAMAGE FROM SEWERS AND DRAINS
Primary and Secondary Residence

\$75 per policy

ARKANSAS

MANUFACTURED HOME INSURANCE PROGRAM

ANNUAL RATES/PREMIUMS
(Continued)

HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES
HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES – PROPERTY COVERAGE ONLY
TENANT INSURANCE

IDENTITY FRAUD EXPENSE AND MANAGEMENT

\$25 per policy

IDENTITY FRAUD EXPENSE AND MANAGEMENT INCLUDING CREDIT MONITORING

\$65 per policy

TENANT INSURANCE

TENANT EARTHQUAKE

10% Earthquake Deductible (\$1,000 minimum)

\$15 per policy

State: Arkansas
TOI/Sub-TOI: 04.0 Homeowners/04.0002 Mobile Homeowners
Product Name: Manufactured Home Insurance Program
Filing Company: Foremost Insurance Company Grand Rapids, Michigan
Project Name/Number: /

Supporting Document Schedules

Satisfied - Item:	NAIC loss cost data entry document
Comments:	
Attachment(s):	NAIC Loss Cost Data Entry Document.pdf
Item Status:	Filed
Status Date:	07/01/2013

Satisfied - Item:	Cover Letter, Sections A, B and C, Exhibit
Comments:	
Attachment(s):	Arkansas-Ltr-Summary-Rates.pdf Indications - Sections B's and C's-Property Only (SOP - Non-Hurricane State).pdf Revised Exhibit I Retrovalidation Study.pdf
Item Status:	Filed
Status Date:	07/01/2013

Satisfied - Item:	Exhibit
Comments:	
Attachment(s):	AR FIC Exhibit.pdf
Item Status:	Filed
Status Date:	07/01/2013

Satisfied - Item:	Arkansas Investment Income Exhibit
Comments:	
Attachment(s):	AR-2012 Investment Income.pdf
Item Status:	Filed
Status Date:	07/01/2013

NAIC LOSS COST DATA ENTRY DOCUMENT

1.	This filing transmittal is part of Company Tracking #	C-135
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2.	If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number	n/a
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	Company Name	Company NAIC Number
3.	A. Foremost Insurance Company Grand Rapids, Michigan	B. 212-11185

	Product Coding Matrix Line of Business (i.e., Type of Insurance)	Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)
4.	A. 4.0000	B. 4.0002

5.			FOR LOSS COSTS ONLY				
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
COVERAGE (See Instructions)	Indicated % Rate Level Change	Requested % Rate Level Change	Expected Loss Ratio	Loss Cost Modification Factor	Selected Loss Cost Multiplier	Expense Constant (If Applicable)	Co. Current Loss Cost Multiplier
Manufactured Home	+42.8%	+9.79%					
TOTAL OVERALL EFFECT	+42.8%	+9.79%					

6.	5 Year History	Rate Change History					
Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
2008	11,430			7,932	9,040	114.0	90.2
2009	11,305	+0.4	6/1/09	8,065	9,705	120.3	58.7
2010	10,801	+15.8	6/1/10	8,399	7,124	84.8	53.6
2011	10,385	+14.4	11/1/11	9,087	9,213	101.4	65.5
2012	11,090	+20.0	9/1/12	10,155	5,082	50.0	48.5

7.		
	Expense Constants	Selected Provisions
	A. Total Production Expense	15.6
	B. General Expense	17.85
	C. Taxes, License & Fees	3.86
	D. Underwriting Profit & Contingencies	8.00
	E. Other (explain) *	2.3
	F. TOTAL	47.61

* unallocated loss adjustment expense and reinsurance

- 8.** N Apply Lost Cost Factors to Future filings? (Y or N)
- 9.** 14.0% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): _____
- 10.** .35% Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): _____

Foremost® Insurance Company
Grand Rapids, Michigan

ADMINISTRATIVE OFFICES
5600 Beech Tree Lane
Caledonia, Michigan 49316-0050

MAILING ADDRESS
ATTN: STATE FILINGS DEPT.
P.O. Box 2450
Grand Rapids, Michigan 49501-2450

May 13, 2013

Honorable Jay Bradford
Commissioner of Insurance
Arkansas Insurance Department
1200 West Third Street
Little Rock, Arkansas 72201-1904

RE: Foremost Insurance Company Grand Rapids, Michigan
NAIC #212-11185
Manufactured Home Insurance Program
Revision to the Rate Section
Company Tracking Number: C-135

Dear Commissioner Bradford:

We submit this filing for your formal stamp of approval or acknowledgment.

The enclosed Summary of Revisions has been developed to assist with your review of our filing. The overall effect of this filing is +19.2%.

The following rule of implementation will apply:

This filing will be effective for all new and renewal policies written to be effective on and after September 1, 2013. No policy effective prior to the above date is to be cancelled and rewritten to take advantage of or to avoid the application of this filing except at the request of the insured.

Your attention to our filing is appreciated.

Very truly yours,

Kaan K. Cidanli
State Filings Administrator
State Filings
Phone No. (616) 956-3645
Fax No. (616) 956-2093
e-mail: kaan.cidanli@foremost.com

KKC/cm

Enclosures: \$100 EFT
NAIC Loss Cost Data Entry Document
Section A – Summary of Revisions, 5/13
Sections B and C
Exhibit I – Retrovalidation Study
Rate Pages

ARKANSAS

MANUFACTURED HOME INSURANCE PROGRAM

CONTENTS

SECTION	PAGE NUMBER
Section A – Summary of Revisions	A-1 thru A-3
Section B – Supporting Experience	B-1 thru B-7
Section C – Explanatory Material	C-1 thru C-6
Exhibit I – Retrovalidation Study	

ARKANSAS

MANUFACTURED HOME INSURANCE PROGRAM

SECTION A – SUMMARY OF REVISIONS

RATE SECTION

Our last rate level adjustment was effective on September 1, 2012, for new and renewal business, resulting in an overall effect of +20.0%.

RATE LEVEL ADJUSTMENT

In this filing, we are proposing to amend our annual rates/premiums for Section I – Your Property Coverages, Coverage A – Dwelling, Coverage B – Other Structures, and Coverage C – Personal Property. Attached are Section B – Supporting Experience and Section C – Explanatory Material that show how our experience developed and why rate action is necessary. The indicated and proposed rate level adjustments are as follows:

<u>Coverage</u>	<u>Indicated Change</u>	<u>Proposed Change</u>
Section I – Your Property Coverages		
Statewide	+42.80%	+19.20%
Territory A	+47.50%	+19.97%
Territory B	+6.10%	+6.01%
Territory C	+23.50%	+22.00%
Territory D	+33.60%	+13.58%

In addition, we are proposing the following changes:

DEFINITIONS

Insurance Score

We are removing the definitions for Fire and Auto Combined Evaluation Tool (FACET) Score and Extraordinary Life Event, as this language has now been incorporated under Insurance Score on Rate Page R-16.

PREMIUM MODIFIERS

Application of Premium Modifiers

“Fire and Auto Combined Evaluation Tool (FACET) Score” has been changed to “Insurance Score”.

The list of premium modifiers has changed order.

ARKANSAS

MANUFACTURED HOME INSURANCE PROGRAM

SECTION A – SUMMARY OF REVISIONS

RATE SECTION (continued)

INSURANCE SCORE

“Insurance Score” has replaced Fire and Auto Combined Evaluation Tool (FACET) Score as the name of this premium modifier. We have divided our insurance score premium modifier into Insurance Score I and Insurance Score II.

Insurance Score I

Policies with an original inception prior to the implementation of this filing will remain with Insurance Score I until the score is recalculated.

Insurance Score II

Insurance Score II is available to policies with an original inception on or after the implementation of this filing and their subsequent renewals and policies with an original inception date prior to the implementation of this filing whose score is recalculated as part of the renewal process.

For details and support, refer to Exhibit I – Retrovalidation Study.

MULTI-POLICY

The description of this modifier is changed to remove “universal” from “variable universal life policy” and to add “Universal Life” for clarity.

OVERALL EFFECT

The combined overall effect of these changes is +19.2%

ARKANSAS

MANUFACTURED HOME INSURANCE PROGRAM

SECTION A – SUMMARY OF REVISIONS

RATE SECTION (continued)

REPLACEMENT OF MANUAL PAGES

Please withdraw:

Rate Page R-1 – Revised Printing 11/09
Rate Page R-2 – Revised Printing 9/11
Rate Pages R-3 thru R-6 – Revised Printing 11/09
Rate Pages R-7 thru R-10 – Revised Printing 6/12
Rate Pages R-11 and R-12 – Revised Printing 5/12
Rate Page R-13 – Revised Printing 6/12
Rate Page R-14 – Revised Printing 11/09
Rate Pages R-15 and R-16 – Revised Printing 1/10
Rate Page R-17 – Revised Printing 5/12
Rate Page R-18 – Revised Printing 6/12
Rate Page R-19 – Revised Printing 3/23/11
Rate Pages R-20 thru R-22 – Revised Printing 3/11
Rate Page R-23 – Original Printing 3/11

Please insert:

Rate Pages R-1 thru R-22 – Revised Printing 5/13

Foremost Insurance Company
Arkansas
Manufactured Home Insurance Program

Section B - Supporting Experience

Summary of Rate Level Changes:

Set forth on page B-2 is a summary of the indicated and proposed changes developed on subsequent pages.

Section I - Your Property Coverages, Indicated Rate Level Based on Standard Ratemaking Procedure

Using standard ratemaking procedures, the needed rate level adjustment for the state is developed on pages B-3-7

Foremost Insurance Company
Arkansas
Manufactured Home Insurance Program

Section B - Supporting Experience

Summary of Rate Level Changes

<u>Coverage</u>	<u>Indicated Change</u>	<u>Proposed Change</u>
Section I - Your Property Coverages		
Statewide	42.80%	19.20%
Territory A	47.50%	19.97%
Territory B	6.10%	6.01%
Territory C	23.50%	22.00%
Territory D	33.60%	13.58%

Foremost Insurance Company
Arkansas
Statewide
Manufactured Home Insurance Program

Section B - Supporting Experience
Development of Indicated Rate Level
Section I - Your Property Coverages

Year	(1) Earned Premium At Current Premium Levels	(2) Incurred Losses and Allocated Loss Adjustment Expense	(3) Current Cost Factor
2008	\$12,356,020	\$8,511,607	1.14
2009	\$12,510,737	\$9,484,982	1.12
2010	\$12,598,889	\$6,901,742	1.09
2011	\$12,009,499	\$9,275,970	1.06
2012	\$12,041,013	\$4,608,162	1.02
Year	(4) Incurred Losses at Current Cost Levels (2) X (3)	(5) Trended Incurred Losses (4) X 1.086	(6) Adjusted Loss Ratios (5) / (1)
2008	\$9,703,232	\$10,537,710	0.853
2009	\$10,623,180	\$11,536,773	0.922
2010	\$7,522,899	\$8,169,868	0.648
2011	\$9,832,528	\$10,678,125	0.889
2012	\$4,700,325	\$5,104,553	0.424

(7)	Aggregate Loss Ratio [sum of (5) / sum of (1)] =	0.748
(8)	Total number of claims =	11,189
(9)	Credibility [Square Root (# of claims / 1,082)] =	1.000
(10)	Credibility Complement (Expected Loss Ratio) =	0.524
(11)	Credibility Weighted Loss Ratio =	0.748
(12)	Indicated Premium Adjustment =	42.8%

Foremost Insurance Company
Arkansas
Territory A
Manufactured Home Insurance Program

Section B - Supporting Experience
Development of Indicated Rate Level
Section I - Your Property Coverages

Year	(1) Earned Premium At Current Premium Levels	(2) Incurred Losses and Allocated Loss Adjustment Expense	(3) Current Cost Factor
2008	\$9,391,014	\$7,285,951	1.14
2009	\$9,463,866	\$7,024,831	1.12
2010	\$9,509,428	\$5,270,361	1.09
2011	\$8,997,939	\$7,157,294	1.06
2012	\$8,926,003	\$3,384,014	1.02
Year	(4) Incurred Losses at Current Cost Levels (2) X (3)	(5) Trended Incurred Losses (4) X 1.086	(6) Adjusted Loss Ratios (5) / (1)
2008	\$8,305,984	\$9,020,299	0.961
2009	\$7,867,811	\$8,544,443	0.903
2010	\$5,744,693	\$6,238,737	0.656
2011	\$7,586,732	\$8,239,191	0.916
2012	\$3,451,694	\$3,748,540	0.420

(7)	Aggregate Loss Ratio [sum of (5) / sum of (1)] =	0.773
(8)	Total number of claims =	8,340
(9)	Credibility [Square Root (# of claims / 1,082)] =	1.000
(10)	Credibility Compliment (Expected Loss Ratio) =	0.524
(11)	Credibility Weighted Loss Ratio =	0.773
(12)	Indicated Premium Adjustment =	47.5%

Foremost Insurance Company
Arkansas
Territory B
Manufactured Home Insurance Program

Section B - Supporting Experience
Development of Indicated Rate Level
Section I - Your Property Coverages

Year	(1) Earned Premium At Current Premium Levels	(2) Incurred Losses and Allocated Loss Adjustment Expense	(3) Current Cost Factor
2008	\$147,665	\$56,946	1.14
2009	\$153,809	\$152,474	1.12
2010	\$143,841	\$22,157	1.09
2011	\$138,840	\$109,782	1.06
2012	\$133,788	\$39,677	1.02
Year	(4) Incurred Losses at Current Cost Levels (2) X (3)	(5) Trended Incurred Losses (4) X 1.086	(6) Adjusted Loss Ratios (5) / (1)
2008	\$64,918	\$70,501	0.477
2009	\$170,771	\$185,457	1.206
2010	\$24,151	\$26,228	0.182
2011	\$116,369	\$126,377	0.910
2012	\$40,471	\$43,952	0.329

(7)	Aggregate Loss Ratio [sum of (5) / sum of (1)] =	0.630
(8)	Total number of claims =	97
(9)	Credibility [Square Root (# of claims / 1,082)] =	0.299
(10)	Credibility Compliment (Expected Loss Ratio) =	0.524
(11)	Credibility Weighted Loss Ratio =	0.556
(12)	Indicated Premium Adjustment =	6.1%

Foremost Insurance Company
Arkansas
Territory C
Manufactured Home Insurance Program

Section B - Supporting Experience
Development of Indicated Rate Level
Section I - Your Property Coverages

Year	(1) Earned Premium At Current Premium Levels	(2) Incurred Losses and Allocated Loss Adjustment Expense	(3) Current Cost Factor
2008	\$1,424,956	\$802,313	1.14
2009	\$1,429,931	\$595,593	1.12
2010	\$1,420,798	\$1,008,027	1.09
2011	\$1,344,544	\$857,610	1.06
2012	\$1,398,610	\$579,201	1.02
Year	(4) Incurred Losses at Current Cost Levels (2) X (3)	(5) Trended Incurred Losses (4) X 1.086	(6) Adjusted Loss Ratios (5) / (1)
2008	\$914,637	\$993,296	0.697
2009	\$667,064	\$724,432	0.507
2010	\$1,098,749	\$1,193,241	0.840
2011	\$909,067	\$987,247	0.734
2012	\$590,785	\$641,593	0.459

(7)	Aggregate Loss Ratio [sum of (5) / sum of (1)] =	0.647
(8)	Total number of claims =	1,238
(9)	Credibility [Square Root (# of claims / 1,082)] =	1.000
(10)	Credibility Compliment (Expected Loss Ratio) =	0.524
(11)	Credibility Weighted Loss Ratio =	0.647
(12)	Indicated Premium Adjustment =	23.5%

Foremost Insurance Company
Arkansas
Territory D
Manufactured Home Insurance Program

Section B - Supporting Experience
Development of Indicated Rate Level
Section I - Your Property Coverages

Year	(1) Earned Premium At Current Premium Levels	(2) Incurred Losses and Allocated Loss Adjustment Expense	(3) Current Cost Factor
2008	\$1,392,385	\$366,397	1.14
2009	\$1,463,132	\$1,712,084	1.12
2010	\$1,524,821	\$601,197	1.09
2011	\$1,528,177	\$1,151,284	1.06
2012	\$1,582,613	\$605,270	1.02
Year	(4) Incurred Losses at Current Cost Levels (2) X (3)	(5) Trended Incurred Losses (4) X 1.086	(6) Adjusted Loss Ratios (5) / (1)
2008	\$417,693	\$453,615	0.326
2009	\$1,917,534	\$2,082,442	1.423
2010	\$655,305	\$711,661	0.467
2011	\$1,220,361	\$1,325,312	0.867
2012	\$617,375	\$670,469	0.424

(7)	Aggregate Loss Ratio [sum of (5) / sum of (1)] =	0.700
(8)	Total number of claims =	1,514
(9)	Credibility [Square Root (# of claims / 1,082)] =	1.000
(10)	Credibility Compliment (Expected Loss Ratio) =	0.524
(11)	Credibility Weighted Loss Ratio =	0.700
(12)	Indicated Premium Adjustment =	33.6%

Foremost Insurance Company
Arkansas
Manufactured Home Insurance Program

Section C - Explanatory Material

Contents

	<u>Pages</u>
Explanatory Memorandum	C-2
Cost Index (Trend) Supplement	C-3-6

Foremost Insurance Company
Arkansas
Manufactured Home Insurance Program

Section C - Explanatory Material

Explanatory Memorandum

Calculation of Indicated Rate Adjustment

The following is a detailed explanation of the calculation of the indicated adjustments developed in Section B, pages B-3 through B-7. The purpose of this calculation is to test whether the present premiums are sufficient to pay losses and allow for a reasonable profit.

EXPERIENCE PERIOD

The underlying experience is that of Foremost Insurance Company in the state of Arkansas. Experience for the five year review period is on an accident year losses incurred and calendar year earned premium basis.

EARNED PREMIUM

Before reported experience can be utilized to evaluate premium level adequacy, it must be adjusted to reflect current conditions. The earned premium is adjusted (Column 1) to what it would be if present rate levels had been charged during the experience period.

INCURRED LOSSES

Losses should reflect as nearly as possible the current dollar requirements needed to meet today's costs. The losses in column 2 reflect non-hurricane losses. The factors in column 3 bring losses to a Current Cost Level (Column 4). A trend factor then projects these losses to an anticipated level 12 months beyond the anticipated effective date of the filing (Column 5).

With premiums at current premium levels (Column 1) and losses projected as previously noted, an aggregate loss ratio over the 5 year experience period is calculated (sum of Column 5 divided by the sum of Column 1).

CREDIBILITY

Credibility is based on 1,082 claims as the standard for full credibility; confer Longley Cook's "An Introduction to Credibility Theory" published by the Casualty Actuarial Society.

BALANCE POINT OR EXPECTED LOSS RATIO

The balance point loss ratio is the complement of the provision in the rates for expenses, investment income, and an underwriting profit and contingency factor. This underwriting profit follows if losses and expenses do not exceed those anticipated. These provisions as a percentage of premium are set forth below:

General and Other Acquisition	20.2%
Production Cost Allowance	15.6%
Taxes, Licenses and Fees	3.9%
<u>Underwriting Profit & Contingencies</u>	<u>8.0%</u>
Total	47.6%
Expected Loss and ALAE Ratio (ELR)	52.4%

Foremost Insurance Company
Arkansas
Manufactured Home Insurance Program

Section C - Explanatory Material

Explanatory Memorandum

Cost Index Supplement

A rate level formula is intended to produce indications of needed movement to the overall rate levels in keeping with standards as set forth in the rate regulatory laws. Such standards require that due consideration be given to past and prospective loss and expense experience, to catastrophe and other contingencies, and a reasonable allowance for underwriting profit. The prospective premium level established is intended to reflect all these factors during the period of application to the end that this premium level is adequate and reasonable.

In reviewing experience attention is given to adjustment of premiums to current premium levels. Need for a similar adjustment on the loss side is evident. In the study resulting in the recommendation of this adjustment in Manufactured Homeowners ratemaking, Foremost management sought a simplified method that would be suitable for translating prior year's losses into current and future dollars requirements. After investigation of the many indices available from either governmental or other statistical reporting agencies, it was concluded that a reasonable and logical adjustment could be attained if the Producer Price Index were applied to the Section I - Your Property Coverages.

The Producer Price Index measures the average change over time in the selling prices received by domestic producers for manufactured homes, and manufacturing. The Producer Price Index is produced monthly by the Bureau of Labor Statistics of the U.S. Department of Labor.

An explanation of the implementation of the Current Cost and Trending Procedures employed in this filing follows.

Foremost Insurance Company
Arkansas
Manufactured Home Insurance Program

Section C - Explanatory Material

Explanatory Memorandum

Descriptions of Index Development

PART A

This is the quarterly average of the Producer Price Index (PPI)

PART B

This shows the development of the Current Cost Factors. These are based on the Average Annual PPI data for the years under review. These annual cost indices are related to the latest quarterly average PPI to develop the Current Cost Factors shown in Column (2) of Pages B-3 through B-7.

PART C

The Trend Factor is developed through the use of the Least Squares Method to determine the Line of Best Fit. The slope (or average quarterly increment) and the midpoint of the segment of the line of best fit defining the latest quarter of information are then used to determine a factor to project the line into the future twelve months beyond the revision date. The factor thus determined is the Trend Factor used in Column (5) on Pages B-3 through B-7.

Foremost Insurance Company
Arkansas
Manufactured Home Insurance Program

Section C - Explanatory Material

Development of Current Cost Factors (CCF) and Trended Cost Factors (TCF)

Quarter Ending December, 2012

PART A: Establishment of quarterly averages for the "Manufactured Home" ("MH PPI") component of the Producer Price Index compiled monthly by the U.S. Department of Labor, Bureau of Labor Statistics. (Base: June, 1981 = 100)

Month	3 Mo. Avg.		3 Mo. Avg.		3 Mo. Avg.	
	MH PPI		MH PPI		MH PPI	
	2010		2011		2012	
01	227.4		235.8		245.1	
02	227.2		236.3		245.5	
03	229.1	227.9	237.8	236.6	246.1	245.6
	2010		2011		2012	
04	229.9		238.1		246.6	
05	230.4		238.6		248.4	
06	231.2	230.5	239.5	238.7	249.7	248.2
	2010		2011		2012	
07	235.5		242.0		250.5	
08	235.4		242.5		251.2	
09	235.4	235.4	243.7	242.7	251.4	251.0
	2010		2011		2012	
10	235.5		244.0		252.6	
11	235.5		244.2		255.0	
12	235.7	235.6	244.1	244.1	255.0	254.2

PART B: Use of average annual MH PPI values to calculate current cost factors (CCF).

Current Cost Factors
Based on Average MH PPI Values
Quarter Ending December, 2012

Year	4th Qtr		Annual Avg.	=	CCF
2001	254.2	/	170.0	=	1.50
2002	254.2	/	172.6	=	1.47
2003	254.2	/	175.8	=	1.45
2004	254.2	/	190.0	=	1.34
2005	254.2	/	204.4	=	1.24
2006	254.2	/	212.4	=	1.20
2007	254.2	/	214.7	=	1.18
2008	254.2	/	222.6	=	1.14
2009	254.2	/	226.3	=	1.12
2010	254.2	/	232.4	=	1.09
2011	254.2	/	240.5	=	1.06
2012	254.2	/	249.7	=	1.02

Foremost Insurance Company
Arkansas
Manufactured Home Insurance Program

Section C - Explanatory Material

Development of Current Cost Factors (CCF) and Trended Cost Factors (TCF)

Quarter Ending December, 2012

PART C: Computation of trended PPI cost factor (TCF)

Calendar Year Ending	PPI	
	Average PPI	Fitted Values
2003	175.8	183.9
2004	190.0	191.3
2005	204.4	198.6
2006	212.4	205.9
2007	214.7	213.2
2008	222.6	220.5
2009	226.3	227.9
2010	232.4	235.2
2011	240.5	242.5
2012	249.7	249.8

With linear fitting, line takes the form:	$Y = MX + B$
M = Average quarterly increment	7.32
X = Number of Years	10
B = Y intercept	176.61

- (1) Fitted MH PPI trend at midpoint of 2012
(M x #qtrs) + B = 249.81
- (2) Average Annual rate of change $\{ [(1) \div (B) - 1] \div (\# \text{ years}) \} + 1$ 1.041
- (3) Midpoint of latest PPI Quarter 11/14/12
- (4) Effective Date of Proposed Change 12/01/13
- (5) Twelve months past proposed Effective Date 12/01/14
- (6) Number of years to trend forward 2.047
Years elapsed from (3) to (5).
- (7) Trended Cost Factor 1.086
(To 12/01/14)

EXHIBIT I
RETROVALIDATION STUDY

Foremost has performed a retrovalidation study to determine the factors to be used with the Credit-Based Insurance Risk Assessment Score. This retrovalidation study used data from 2007 through 2009, and was prepared with the assistance of the Equifax credit bureau. To increase the credibility of the results, the data was analyzed by peril on a countrywide basis. Multivariate loss models for the dwelling coverage were built that included all of the major rating parameters. Shown below are the credit factors by peril that result from this modeling process. These by peril factors are weighted together by a distribution selected by examining short and long term loss trends in the state over a ten year period.

Arkansas Selected Distribution Of Loss By Peril

Total fire*	Partial fire	Wind	Tornado	Hail	Weather	Water	Other
38%	5%	12%	10%	10%	13%	10%	2%

Modeled Countrywide By Peril Credit Factors

Score	Modeled Countrywide By Peril Credit Factors								All Peril Credit Factors Baseline	Rebased Selected Credit Factors
	Total fire	Partial fire	Wind	Tornado	Hail	Weather	Water	Other		
No Score	1.50	2.64	1.00	1.00	1.00	1.00	0.87	0.91	1.26	1.00
No Hit	1.50	2.64	1.00	1.00	1.00	1.00	0.87	0.91	1.26	1.00
No Information	1.50	2.64	1.00	1.00	1.00	1.00	0.87	0.91	1.26	1.00
< 375	3.79	2.88	1.00	1.00	1.00	1.00	1.97	2.18	2.29	2.29
>= 375, < 400	3.35	2.61	1.00	1.00	1.00	1.00	1.84	2.01	2.09	2.09
>= 400, < 425	2.97	2.37	1.00	1.00	1.00	1.00	1.72	1.86	1.92	1.92
>= 425, < 450	2.63	2.16	1.00	1.00	1.00	1.00	1.60	1.71	1.76	1.76
>= 450, < 475	2.33	1.96	1.00	1.00	1.00	1.00	1.50	1.58	1.62	1.62
>= 475, < 500	2.07	1.78	1.00	1.00	1.00	1.00	1.41	1.45	1.50	1.50
>= 500, < 525	1.83	1.62	1.00	1.00	1.00	1.00	1.32	1.36	1.39	1.39
>= 525, < 550	1.62	1.47	1.00	1.00	1.00	1.00	1.25	1.28	1.29	1.29
>= 550, < 575	1.44	1.33	1.00	1.00	1.00	1.00	1.18	1.20	1.21	1.21
>= 575, < 600	1.27	1.21	1.00	1.00	1.00	1.00	1.11	1.13	1.13	1.13
>= 600, < 625	1.13	1.10	1.00	1.00	1.00	1.00	1.05	1.06	1.06	1.06
>= 625, < 650	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
>= 650, < 675	0.89	0.91	1.00	1.00	1.00	1.00	0.95	0.94	0.95	0.95
>= 675, < 700	0.78	0.83	1.00	1.00	1.00	1.00	0.91	0.88	0.90	0.90
>= 700, < 725	0.70	0.75	1.00	1.00	1.00	1.00	0.86	0.83	0.85	0.90
>= 725, < 750	0.62	0.68	1.00	1.00	1.00	1.00	0.81	0.78	0.81	0.90
>= 750, < 775	0.55	0.62	1.00	1.00	1.00	1.00	0.77	0.73	0.78	0.90
>= 775, < 800	0.48	0.56	1.00	1.00	1.00	1.00	0.73	0.69	0.75	0.90
>= 800	0.43	0.51	1.00	1.00	1.00	1.00	0.69	0.65	0.72	0.90

* Defined as a fire loss where the incurred amount is equal to or greater than 80% of the Coverage A - Dwelling insured value.

Arkansas
Foremost Insurance Company
Manufactured Home Insurance Program
2009 Data

Credit Bin	Actual Pure Premium
No Score	1,030
<375	3,668
>=375, <400	281
>=400, <425	1,058
>=425, <450	929
>=450, <475	1,098
>=475, <500	1,289
>=500, <525	1,039
>=525, <550	1,119
>=550, <575	817
>=575, <600	1,012
>=600, <625	590
>=625, <650	742
>=650, <675	610
>=675, <700	419
>=700, <725	552
>=725, <750	367
>=750, <775	258
>=775, <800	270
>=800	304

2012

FOREMOST INSURANCE COMPANY

Arkansas Investment Income

Manufactured Home

Estimated Investment Earnings on Unearned Premium Reserves and on Loss Reserves

A. Unearned Premium Reserve			
1. Direct earned premium for calendar year ended December 31, 2012.			477,530,561
2. Mean unearned premium reserve			265,077,728
3. Percentage total of prepaid expense			
a. Production Cost Allowance		15.6%	
b. Taxes, licenses and fees		3.9%	
c. 50% of expenses (see p.5, b)		10.1%	
d. Total		29.6%	
4. Deduction for Federal Income Taxes Payable			7.0%
5. Dollar total of prepaid expense (Line A.2 x (Line A.3.d. + Line A.4))			97,018,448
6. Subject to investment (Line A.2 - Line A.5)			168,059,280
B. Delayed Remission Of Premiums			
1. Direct Earned Premium			477,530,561
2. Average Agents' Balances			0.247
3. Delayed Remission (Line B.1 x Line B.2)			117,950,049
C. Loss Reserve			
1. Direct earned premium			477,530,561
2. Expected Incurred Loss & ALAE	0.525 x Line C.1		250,703,545
3. Expected Mean Loss Reserves	0.320 x Line C.2		80,225,134
D. Net Subject to Investment (Line A.6 - Line B.3 + Line C.3)			130,334,365
E. 2012 After Tax Rate of Return			0.028
F. Investment Earnings on Net Subject to Investment (Line D x Line E)			3,650,624
G. Average Rate of Return as a Percent of Earned Premium After Federal Income Taxes (Line F / Line A.1)			0.0076
H. Investment Income Factor (1+ Line G)			1.0076

2012

FOREMOST INSURANCE COMPANY

Arkansas Investment Income

Manufactured Home

Line A-1

Earned premiums are 2012 data for Countrywide Manufactured Home Insurance for Foremost Insurance Company.

Line A-2

The estimated mean unearned premium reserve for 1 year of business is determined by adding together the estimated unearned premium reserves for December 31, 2011, and December 31, 2012, and dividing by 2.

1. Estimated Unearned Premium Reserve for 1 year business as of 12/31/11	\$ 230,049,308
2. Estimated Unearned Premium Reserve for 1 year business as of 12/31/12	\$ 300,106,148
3. Mean Unearned Premium Reserve (.5 x [Line 1+Line 2])	\$ 265,077,728

Line A-3

Deduction for prepaid expenses:

Production costs and a large part of the other company expenses in connection with the writing and handling of Manufactured Home insurance policies, exclusive of claim adjustment expenses, are incurred when the policy is written and before the premium is paid. Therefore, the deduction for these expenses is determined by use of the provisions for expenses used in our ratemaking procedures as shown (See page 5).

Line A-4

The Tax Reform Act of 1996 taxes 20% of the unearned premium reserve. At a corporate tax of 35%, this tax equals 7.0% ($.20 \times .35 = .070$) of the unearned premium reserve.

Line B-2

Delayed remission of premium:

This deduction is necessary because of delay in collection and remission of premium to the company, which amounts to approximately 60 to 75 days after the effective dates of the policies. Therefore, funds for the unearned premium reserves required during the initial days of all policies must be taken from the company's surplus.

2012

FOREMOST INSURANCE COMPANY

Arkansas Investment Income

Manufactured Home

Line B-2 (cont)

Based on Countrywide data for Foremost Insurance Company, agents' premiums due less than 90 days amount to 24.6% of direct earned premiums. Agents' balances for premiums due over 90 days amount to 0.1%. The total % of agents' balances in the course of collection amounts to 24.7% based on the following:

1. Direct Earned Premium for Calendar Year 2012	\$	1,398,329,338
2. Agents' Balances at 12/31/11 (under 90 days)	\$	313,786,000
3. Agents' Balances at 12/31/12 (under 90 days)	\$	372,842,000
4. Mean Agents' Balances under 90 days (Line 2 + Line 3) / 2	\$	343,314,000
5. Line 4 / Line 1		0.246
6. Agents' Balances at 12/31/11 (over 90 days)	\$	1,920,071
7. Agents' Balances at 12/31/12 (over 90 days)	\$	821,563
8. Mean Agents' Balances over 90 days (Line 6 + Line 7) / 2	\$	1,370,817
9. Line 8 / Line 1		0.001
10. Line 5 + Line 9		0.247

Line C-2

The expected loss and allocated loss adjustment expense ratio is the balance point loss ratio used in the current rate filing (See page 5).

Line C-3

The expected mean loss reserve is determined by multiplying the expected incurred losses in line (2) by the ratio of the mean loss and loss adjustment reserves to the incurred losses and loss adjustment expenses in 2012 for Countrywide Manufactured Home insurance for Foremost Insurance Company.

1. Incurred Losses* for Calendar Year 2012	\$	233,496,715
2. Loss Reserves* as of 12/31/11	\$	78,453,476
3. Loss Reserves* as of 12/31/12	\$	71,054,359
4. Mean Loss Reserve* (.5 x [Line 2 + Line 3])	\$	74,753,918
5. Line 4 / Line 1		0.320

*Including allocated loss adjustment

2012

FOREMOST INSURANCE COMPANY

Arkansas Investment Income

Manufactured Home

Line E

The after-tax rate of return is based on a profile of the company's investment portfolio as follows:

<u>Category</u>	2012 Investment Income Earned	Tax Rate	After- Tax Portion	2012 After-Tax Investment Income
Taxable*	\$39,241,138	0.350	0.650	\$25,506,740
Non-Taxable	4,730,126	0.053	0.948	\$4,481,794
Stocks*	11,250	0.142	0.858	\$9,655
Bond Discount Amortization	<u>517,073</u>	0.350	0.650	<u>\$336,097</u>
Total	44,499,587			\$30,334,287
Expenses	<u>448,409</u>	0.350	0.650	<u>\$291,466</u>
Net Investment Income Earned	44,051,178	0.318	0.682	\$30,042,821

Invested Assets as of 12/31/11** 1,040,146,928

Invested Assets as of 12/31/12** 1,105,027,238

Average Invested Assets** \$1,072,587,083

After-Tax Rate of Return

$$\$30,042,821 \quad / \quad \$1,072,587,083 \quad = \quad 0.0280 \quad = \quad 2.80\%$$

*Net of internal company transactions.

**Net of affiliates.

2012

FOREMOST INSURANCE COMPANY

Arkansas Investment Income

Manufactured Home

BALANCE POINT (OR EXPECTED) LOSS RATIO

A. Production Cost Allowance	15.6%
B. General and Other Acquisitions	20.2%
C. Taxes, Licenses, and Fees	3.9%
D. Underwriting Profit and Contingencies	7.8%
Total	47.5%
Expected Loss and ALAE Ratio (ELR)	52.5%
Total	100.0%

2012

FOREMOST INSURANCE COMPANY

Arkansas Investment Income

Manufactured Home

Development of Expected Operating Ratio

Operating Return:

1) Earned Premium	100.0%
- 2) Expected Losses	52.5%
- 3) Production Cost Allowance	15.6%
- 4) General and Other Acquisition	20.2%
- 5) Premium Taxes, Licenses and Fees	3.9%
= 6) Before Federal Income Tax (FIT) Underwriting Margin	7.8%
- 7) Federal Income Tax (.35 * Line 6)	2.7%
= 8) After Tax Underwriting Margin	5.1%
+ 9) After Tax Investment Income from Loss Reserves and Unearned Premium (Exhibit IV, Line G)	0.76%
= 10) After Tax Return from Insurance Operations Operating Ratio	5.8%

Total Rate of Return:

11) Statutory Premium to Surplus Ratio =	2.032
12) Convert line 10 to After Tax Return on Statutory Surplus (Line 10 x Line 11)	11.9%
13) After Tax Investment Income Rate of Return (Exhibit IV, Line E)	2.80%
14) Total Return on Statutory Surplus After FIT (Line 12 + Line 13)	14.7%

Foremost Insurance Group

Return on Equity for Financial Services Companies

<u>Year</u>	<u>Return</u>
1992	15.8%
1993	17.8%
1994	15.5%
1995	17.2%
1996	17.2%
1997	18.5%
1998	18.1%
1999	18.7%
2000	18.5%
2001	14.5%
2002	14.9%
2003	16.7%
2004	15.6%
2005	17.0%
2006	17.2%
2007	11.3%
2008	2.9%
2009	7.0%
2010	9.0%
2011	10.0%
20 Year Linear Average	14.7%

State: Arkansas
TOI/Sub-TOI: 04.0 Homeowners/04.0002 Mobile Homeowners
Product Name: Manufactured Home Insurance Program
Project Name/Number: /

Filing Company: Foremost Insurance Company Grand Rapids, Michigan

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)
05/13/2013		Rate	Rates	07/01/2013	R-16.pdf (Superseded)
05/13/2013		Rate	Rates	07/01/2013	R-12.pdf (Superseded)
05/13/2013		Rate	Rates	07/01/2013	R-8.pdf (Superseded)
05/13/2013		Rate	Rates	07/01/2013	R-9.pdf (Superseded)
05/13/2013		Rate	Rates	07/01/2013	R-10.pdf (Superseded)
05/13/2013		Rate	Rates	07/01/2013	R-11.pdf (Superseded)
05/13/2013		Rate	Rates	07/01/2013	R-6.pdf (Superseded)
05/13/2013		Supporting Document	Cover Letter, Sections A, B and C, Exhibit	07/01/2013	Arkansas-Ltr-Summary-Rates.pdf Indications - Sections B's and C's- Property Only (SOP - Non-Hurricane State).pdf Exhibit I-Retrovalidation Study.pdf (Superseded)
05/08/2013		Supporting Document	NAIC loss cost data entry document	07/01/2013	FORM RF-1 Rate Filing Abstract.pdf (Superseded)

Foremost® Insurance Company
Grand Rapids, Michigan

ARKANSAS

MANUFACTURED HOME INSURANCE PROGRAM

ANNUAL RATES/PREMIUMS
 (Continued)

PREMIUM MODIFIERS (continued)

* INSURANCE SCORE
 Primary and Secondary Residence

Insurance Score I

Insurance Score I is only applicable to policies with an original inception prior to the implementation of the filing designated Company File #C-135.

<u>Insurance Score</u>	<u>Factor</u>	<u>Insurance Score</u>	<u>Factor</u>
<450	1.90	625 - 649	1.05
450 - 474	1.70	650 - 674	1.00
475 - 499	1.50	675 - 699	1.00
500 - 524	1.30	700 - 724	1.00
525 - 549	1.25	725 - 749	1.00
550 - 574	1.20	750 - 774	.95
575 - 599	1.15	775 - 799	.95
600 - 624	1.10	800+	.90

Multiply the Coverage A - Dwelling, Coverage B - Other Structures, and Coverage C - Personal Property premiums by the appropriate factor.

Insurance Score II

Insurance Score II is only applicable to policies with an insurance score calculated on or after the implementation of the filing designated Company File #C-135.

<u>Insurance Score</u>	<u>Factor</u>	<u>Insurance Score</u>	<u>Factor</u>
<375	2.69	600 - 624	1.08
375 - 399	2.44	625 - 649	1.00
400 - 424	2.21	650 - 674	.93
425 - 449	2.01	675 - 699	.90
450 - 474	1.83	700 - 724	.90
475 - 499	1.67	725 - 749	.90
500 - 524	1.52	750 - 774	.90
525 - 549	1.40	775 - 799	.90
550 - 574	1.28	800+	.90
575 - 599	1.18		

Multiply the Coverage A - Dwelling, Coverage B - Other Structures, and Coverage C - Personal Property premiums by the appropriate factor.

The insurance score will be calculated for new business and for the renewal of the third term since the previously used insurance score was first applied. For the terms in which an insurance score is not automatically calculated, the insurance score will be calculated at renewal at the insured's request. Change of occupancy may activate this modifier during the policy term.

The factor for the insurance score will also be subject to modification in the event of an extraordinary life event which has an adverse effect on the insurance score. An extraordinary life event includes catastrophic illness or injury, death of a spouse, child or parent, temporary loss of employment, divorce, identity fraud, including theft of identity, military deployment overseas, or any similar life event.

ARKANSAS

MANUFACTURED HOME INSURANCE PROGRAM

ANNUAL RATES/PREMIUMS
(Continued)

TENANT INSURANCE

* COVERAGE C - PERSONAL PROPERTY

\$500 Deductible

<u>Amount of Insurance</u>	<u>Premium</u>	<u>For Each Additional \$100</u>
\$100	\$190.63	\$ 3.05

ARKANSAS

MANUFACTURED HOME INSURANCE PROGRAM

ANNUAL RATES/PREMIUMS
(Continued)

HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES
HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES – PROPERTY COVERAGE ONLY

* COVERAGE A - DWELLING

Primary Residence
\$500 Deductible

Manufactured Home 11 Years Old or Older

Out of Park

Named Insured Under 50 Years of Age

Territory C

<u>Rating Base</u>	<u>Premium</u>
First \$5,999	\$573.20
Between \$6,000 and \$9,999, for each additional \$1,000 or any part thereof, ADD:	30.95
Between \$10,000 and \$19,999, for each additional \$1,000 or any part thereof, ADD:	17.63
Between \$20,000 and \$39,999, for each additional \$1,000 or any part thereof, ADD:	13.35
Over \$39,999, for each additional \$1,000 or any part thereof, ADD:	10.07

ARKANSAS

MANUFACTURED HOME INSURANCE PROGRAM

ANNUAL RATES/PREMIUMS
(Continued)

HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES
HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES – PROPERTY COVERAGE ONLY

* COVERAGE A - DWELLING

Primary Residence
\$500 Deductible

Manufactured Home 11 Years Old or Older

Out of Park

Named Insured Under 50 Years of Age

Territory D

<u>Rating Base</u>	<u>Premium</u>
First \$5,999	\$441.98
Between \$6,000 and \$9,999, for each additional \$1,000 or any part thereof, ADD:	19.50
Between \$10,000 and \$19,999, for each additional \$1,000 or any part thereof, ADD:	11.11
Between \$20,000 and \$39,999, for each additional \$1,000 or any part thereof, ADD:	8.40
Over \$39,999, for each additional \$1,000 or any part thereof, ADD:	6.34

ARKANSAS

MANUFACTURED HOME INSURANCE PROGRAM

ANNUAL RATES/PREMIUMS
(Continued)

HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES
HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES – PROPERTY COVERAGE ONLY

* COVERAGE B - OTHER STRUCTURES

Primary and Secondary Residence
\$500 Deductible

Out of Park

Named Insured Under 50 Years of Age

<u>Territory</u>	<u>Amount of Insurance</u>	<u>Premium</u>	<u>For Each Additional \$100</u>
A	\$100	\$15.43	\$ 1.43
B	100	23.90	2.39
C	100	15.43	1.43
D	100	12.34	1.14

ARKANSAS

MANUFACTURED HOME INSURANCE PROGRAM

ANNUAL RATES/PREMIUMS
(Continued)

HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES
HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES – PROPERTY COVERAGE ONLY

* COVERAGE C - PERSONAL PROPERTY

Primary and Secondary Residence
\$500 Deductible

Out of Park

Named Insured Under 50 Years of Age

<u>Territory</u>	<u>Amount of Insurance</u>	<u>Premium</u>	<u>For Each Additional \$100</u>
A	\$100	\$127.52	\$ 1.52
B	100	175.55	2.27
C	100	127.52	1.52
D	100	96.94	1.14

ARKANSAS

MANUFACTURED HOME INSURANCE PROGRAM

ANNUAL RATES/PREMIUMS
(Continued)

HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES
HOMEOWNERS INSURANCE FOR MANUFACTURED HOMES – PROPERTY COVERAGE ONLY

* COVERAGE A - DWELLING

Primary Residence
\$500 Deductible

Manufactured Home 11 Years Old or Older

Out of Park

Named Insured Under 50 Years of Age

Territory A

<u>Rating Base</u>	<u>Premium</u>
First \$5,999	\$573.20
Between \$6,000 and \$9,999, for each additional \$1,000 or any part thereof, ADD:	30.95
Between \$10,000 and \$19,999, for each additional \$1,000 or any part thereof, ADD:	17.63
Between \$20,000 and \$39,999, for each additional \$1,000 or any part thereof, ADD:	13.35
Over \$39,999, for each additional \$1,000 or any part thereof, ADD:	10.07

EXHIBIT I
RETROVALIDATION STUDY

Foremost has performed a retrovalidation study to determine the factors to be used with the Credit-Based Insurance Risk Assessment Score. This retrovalidation study used data from 2007 through 2009, and was prepared with the assistance of the Equifax credit bureau. To increase the credibility of the results, the data was analyzed by peril on a countrywide basis. Multivariate loss models for the dwelling coverage were built that included all of the major rating parameters. Shown below are the credit factors by peril that result from this modeling process. These by peril factors are weighted together by a distribution selected by examining short and long term loss trends in the state over a ten year period.

Arkansas Selected Distribution Of Loss By Peril

Total fire*	Partial fire	Wind	Tornado	Hail	Weather	Water	Other
38%	5%	12%	10%	10%	13%	10%	2%

Modeled Countrywide By Peril Credit Factors

Score	Modeled Countrywide By Peril Credit Factors								All Peril Credit Factors Baseline	Rebased Selected Credit Factors
	Total fire	Partial fire	Wind	Tornado	Hail	Weather	Water	Other		
No Score	1.50	2.64	0.91	1.04	0.99	0.94	0.87	0.91	1.24	1.00
No Hit	1.50	2.64	0.91	1.04	0.99	0.94	0.87	0.91	1.24	1.00
No Information	1.50	2.64	0.91	1.04	0.99	0.94	0.87	0.91	1.24	1.00
< 375	3.79	2.88	1.84	2.11	1.41	2.18	1.97	2.18	2.69	2.69
>= 375, < 400	3.35	2.61	1.74	1.94	1.36	2.01	1.84	2.01	2.44	2.44
>= 400, < 425	2.97	2.37	1.65	1.78	1.31	1.86	1.72	1.86	2.21	2.21
>= 425, < 450	2.63	2.16	1.56	1.65	1.26	1.72	1.60	1.71	2.01	2.01
>= 450, < 475	2.33	1.96	1.48	1.53	1.22	1.60	1.50	1.58	1.83	1.83
>= 475, < 500	2.07	1.78	1.40	1.42	1.18	1.49	1.41	1.45	1.67	1.67
>= 500, < 525	1.83	1.62	1.32	1.33	1.14	1.38	1.32	1.36	1.52	1.52
>= 525, < 550	1.62	1.47	1.25	1.25	1.11	1.29	1.25	1.28	1.40	1.40
>= 550, < 575	1.44	1.33	1.18	1.17	1.08	1.21	1.18	1.20	1.28	1.28
>= 575, < 600	1.27	1.21	1.12	1.11	1.05	1.13	1.11	1.13	1.18	1.18
>= 600, < 625	1.13	1.10	1.06	1.05	1.02	1.06	1.05	1.06	1.08	1.08
>= 625, < 650	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
>= 650, < 675	0.89	0.91	0.95	0.96	0.98	0.94	0.95	0.94	0.93	0.93
>= 675, < 700	0.78	0.83	0.89	0.92	0.96	0.89	0.91	0.88	0.86	0.90
>= 700, < 725	0.70	0.75	0.85	0.88	0.95	0.84	0.86	0.83	0.80	0.90
>= 725, < 750	0.62	0.68	0.80	0.85	0.94	0.80	0.81	0.78	0.74	0.90
>= 750, < 775	0.55	0.62	0.76	0.83	0.94	0.76	0.77	0.73	0.69	0.90
>= 775, < 800	0.48	0.56	0.72	0.80	0.93	0.72	0.73	0.69	0.65	0.90
>= 800	0.43	0.51	0.68	0.79	0.93	0.69	0.69	0.65	0.61	0.90

* Defined as a fire loss where the incurred amount is equal to or greater than 80% of the Coverage A - Dwelling insured value.

NAIC LOSS COST DATA ENTRY DOCUMENT

1.	This filing transmittal is part of Company Tracking #	C-135
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2.	If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number	n/a
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Company Name		Company NAIC Number	
3.	A. Foremost Insurance Company Grand Rapids, Michigan	B.	212-11185

Product Coding Matrix Line of Business (i.e., Type of Insurance)		Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)	
4.	A. 4.0000	B.	4.0002

5.			FOR LOSS COSTS ONLY				
(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
Manufactured Home	+42.8%	+19.2%					
TOTAL OVERALL EFFECT	+42.8%	+19.2%					

6.		5 Year History	Rate Change History					
Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio	
2008	11,430			7,932	9,040	114.0	90.2	
2009	11,305	+0.4	6/1/09	8,065	9,705	120.3	58.7	
2010	10,801	+15.8	6/1/10	8,399	7,124	84.8	53.6	
2011	10,385	+14.4	11/1/11	9,087	9,213	101.4	65.5	
2012	11,090	+20.0	9/1/12	10,155	5,082	50.0	48.5	

7.	
Expense Constants	Selected Provisions
A. Total Production Expense	15.6
B. General Expense	17.85
C. Taxes, License & Fees	3.86
D. Underwriting Profit & Contingencies	8.00
E. Other (explain) *	2.3
F. TOTAL	47.61

* unallocated loss adjustment expense and reinsurance

8. N Apply Lost Cost Factors to Future filings? (Y or N)
9. 25.2% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): _____
10. 4.6% Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): _____