

State: Arkansas **Filing Company:** California Casualty Indemnity Exchange
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners Multiple Peril
Project Name/Number: /

Filing at a Glance

Company: California Casualty Indemnity Exchange
Product Name: Homeowners Multiple Peril
State: Arkansas
TOI: 04.0 Homeowners
Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations
Filing Type: Rate/Rule
Date Submitted: 09/09/2013
SERFF Tr Num: CALC-129193645
SERFF Status: Closed-Filed
State Tr Num:
State Status:
Co Tr Num: AR-13-P-FR-189

Effective Date: 01/01/2014
Requested (New):
Effective Date: 01/01/2014
Requested (Renewal):
Author(s): Vicky Tierney, Kathy Barnard, Yolanda Manuel, Kimberly Abate, Joshua Weiss, Kyle Belvill
Reviewer(s): Becky Harrington (primary)
Disposition Date: 09/23/2013
Disposition Status: Filed
Effective Date (New): 01/01/2014
Effective Date (Renewal): 01/01/2014

State Filing Description:

State: Arkansas **Filing Company:** California Casualty Indemnity Exchange
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
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General Information

Project Name: Status of Filing in Domicile:
 Project Number: Domicile Status Comments:
 Reference Organization: Reference Number:
 Reference Title: Advisory Org. Circular:
 Filing Status Changed: 09/23/2013
 State Status Changed: Deemer Date:
 Created By: Joshua Weiss Submitted By: Joshua Weiss
 Corresponding Filing Tracking Number:

Filing Description:

The Group is filing a rate/rule revision to its Homeowners Multiple Peril line in Arkansas effective January 1, 2014. The premium impact of the filed changes is 19.5% for HO-3, 19.5% for HO-3 MH, 0.0% for HO-4, 0.0% for HO-6, and 19.5% for DP-3, which result in an overall rate change of 18.0%.

The filed manual pages are attached under the Rate/Rule Schedule Tab and a summary of the changes is included in the Summary Filing Memo. The superseded manual pages are attached under the Supporting Documentation tab for reference only.

Company and Contact

Filing Contact Information

Joshua Weiss, Product Development Analyst
 jweiss@calcas.com
 1900 Alameda de las Pulgas
 San Mateo, CA 94403
 650-572-4466 [Phone]
 650-638-1833 [FAX]

Filing Company Information

California Casualty Indemnity Exchange
 1900 Alameda de las Pulgas
 San Mateo, CA 94403-1298
 (800) 288-7765 ext. 4697[Phone]

CoCode: 20117
 Group Code: 33
 Group Name:
 FEIN Number: 94-6064430

State of Domicile: California
 Company Type: Reciprocal Exchange
 State ID Number: 2674

Filing Fees

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

Company	Amount	Date Processed	Transaction #
California Casualty Indemnity Exchange	\$100.00	09/09/2013	73796918

State: Arkansas

Filing Company:

California Casualty Indemnity Exchange

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

Product Name: Homeowners Multiple Peril

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Becky Harrington	09/23/2013	09/23/2013

Objection Letters and Response Letters

Objection Letters

Status	Created By	Created On	Date Submitted
Pending Industry Response	Becky Harrington	09/13/2013	09/13/2013
Pending Industry Response	Becky Harrington	09/09/2013	09/09/2013

Response Letters

Responded By	Created On	Date Submitted
Joshua Weiss	09/18/2013	09/23/2013
Joshua Weiss	09/12/2013	09/12/2013

State: Arkansas **Filing Company:** California Casualty Indemnity Exchange
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Product Name: Homeowners Multiple Peril
Project Name/Number: /

Disposition

Disposition Date: 09/23/2013
 Effective Date (New): 01/01/2014
 Effective Date (Renewal): 01/01/2014
 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):
California Casualty Indemnity Exchange	61.200%	10.000%		226	\$184,625	%	0.000%

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 (revised)	NAIC loss cost data entry document	Filed	Yes
Supporting Document	NAIC loss cost data entry document		Yes
Supporting Document (revised)	Summary Filing Memo and Supporting Actuarial Exhibits	Filed	Yes
Supporting Document	Summary Filing Memo and Supporting Actuarial Exhibits		Yes
Supporting Document	Superseded Manual Pages	Filed	Yes
Rate (revised)	Property UW Manual - Section 4 - Revised Pages	Filed	Yes
Rate	Property UW Manual - Section 4 - Revised Pages		Yes

State: Arkansas **Filing Company:** California Casualty Indemnity Exchange
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners Multiple Peril
Project Name/Number: /

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	09/13/2013
Submitted Date	09/13/2013
Respond By Date	

Dear Joshua Weiss,

Introduction:

This will acknowledge receipt of the recent response.

All rate requests greater than 6% are reviewed by the Commissioner. Pursuant to his review, please reduce the overall increase amount to 10%.

Provide a revised HPCS and RF-1.

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:** California Casualty Indemnity Exchange
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners Multiple Peril
Project Name/Number: /

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	09/09/2013
Submitted Date	09/09/2013
Respond By Date	

Dear Joshua Weiss,

Introduction:

This will acknowledge receipt of the captioned filing.

Objection 1

- Summary Filing Memo and Supporting Actuarial Exhibits (Supporting Document)

Comments: Please provide supporting documentation regarding the roof discount factor calculation.

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 #:

CALC-129193645

State Tracking #:

Company Tracking #:

AR-13-P-FR-189

State:

Arkansas

Filing Company:

California Casualty Indemnity Exchange

TOI/Sub-TOI:

04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations

Product Name:

Homeowners Multiple Peril

Project Name/Number:

/

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	09/18/2013
Submitted Date	09/23/2013

Dear Becky Harrington,

Introduction:

The Company has reduced the overall increase amount to 10%.

Response 1

Comments:

Updates have been made to the following exhibits.

- Property UW Manual - Section 4 - Revised Pages
- HPCS-Homeowners Premium Comparison Survey
- NAIC loss cost data entry document
- Exhibit A

Changed Items:

State: Arkansas **Filing Company:** California Casualty Indemnity Exchange
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners Multiple Peril
Project Name/Number: /

Supporting Document Schedule Item Changes

Satisfied - Item:	HPCS-Homeowners Premium Comparison Survey
Comments:	The HO Survey Form HPCS is attached in both Excel and PDF formats.
Attachment(s):	HO Survey FORM HPCS_CCIE (revised).xls Copy of HO Survey FORM HPCS_CCIE (revised).pdf
<i>Previous Version</i>	
Satisfied - Item:	<i>HPCS-Homeowners Premium Comparison Survey</i>
Comments:	<i>The HO Survey Form HPCS is attached in both Excel and PDF formats.</i>
Attachment(s):	<i>HO Survey FORM HPCS_CCIE.xls HO Survey FORM HPCS_CCIE.pdf</i>

Satisfied - Item:	NAIC loss cost data entry document
Comments:	The NAIC Loss Cost Entry Document is attached (F319AR)
Attachment(s):	F319AR_051205 (revised).pdf
<i>Previous Version</i>	
Satisfied - Item:	<i>NAIC loss cost data entry document</i>
Comments:	<i>The NAIC Loss Cost Entry Document is attached (F319AR)</i>
Attachment(s):	<i>F319AR_051205.pdf</i>

Satisfied - Item:	Summary Filing Memo and Supporting Actuarial Exhibits
Comments:	1. The Summary Filing Memo details the changes for this filing 2. Exhibits I-XI 3. Exhibit A
Attachment(s):	AR-13-P-FR-189 - Explanatory Memo.pdf Exhibit I-XI.pdf Exhibit A (revised).pdf

Previous Version

SERFF Tracking #:

CALC-129193645

State Tracking #:

Company Tracking #:

AR-13-P-FR-189

State:

Arkansas

Filing Company:

California Casualty Indemnity Exchange

TOI/Sub-TOI:

04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations

Product Name:

Homeowners Mutliple Peril

Project Name/Number:

/

Satisfied - Item:	<i>Summary Filing Memo and Supporting Actuarial Exhibits</i>
Comments:	<i>1. The Summary Filing Memo details the changes for this filing 2. Exhibits I-XI 3. Exhibit A</i>
Attachment(s):	<i>AR-13-P-FR-189 - Explanatory Memo.pdf Exhibit I-XI.pdf Exhibit A.pdf</i>

State: Arkansas **Filing Company:** California Casualty Indemnity Exchange
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners Multiple Peril
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Comments:	<i>The NAIC Loss Cost Entry Document is attached (F319AR)</i>
Attachment(s):	<i>F319AR_051205.pdf</i>

Satisfied - Item:	Summary Filing Memo and Supporting Actuarial Exhibits
Comments:	<ol style="list-style-type: none"> 1. The Summary Filing Memo details the changes for this filing 2. Exhibits I-XI 3. Exhibit A
Attachment(s):	AR-13-P-FR-189 - Explanatory Memo.pdf Exhibit I-XI.pdf Exhibit A (revised).pdf
<i>Previous Version</i>	

SERFF Tracking #:

CALC-129193645

State Tracking #:

Company Tracking #:

AR-13-P-FR-189

State:

Arkansas

Filing Company:

California Casualty Indemnity Exchange

TOI/Sub-TOI:

04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations

Product Name:

Homeowners Multiple Peril

Project Name/Number:

/

Satisfied - Item:	<i>Summary Filing Memo and Supporting Actuarial Exhibits</i>
Comments:	<i>1. The Summary Filing Memo details the changes for this filing 2. Exhibits I-XI 3. Exhibit A</i>
Attachment(s):	<i>AR-13-P-FR-189 - Explanatory Memo.pdf Exhibit I-XI.pdf Exhibit A.pdf</i>

State: Arkansas **Filing Company:** California Casualty Indemnity Exchange
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners Multiple Peril
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Supporting Document Schedule Item Changes

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Satisfied - Item:	NAIC loss cost data entry document
Comments:	The NAIC Loss Cost Entry Document is attached (F319AR)
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<i>Previous Version</i>	
Satisfied - Item:	<i>NAIC loss cost data entry document</i>
Comments:	<i>The NAIC Loss Cost Entry Document is attached (F319AR)</i>
Attachment(s):	<i>F319AR_051205.pdf</i>

Satisfied - Item:	Summary Filing Memo and Supporting Actuarial Exhibits
Comments:	<ol style="list-style-type: none"> 1. The Summary Filing Memo details the changes for this filing 2. Exhibits I-XI 3. Exhibit A
Attachment(s):	AR-13-P-FR-189 - Explanatory Memo.pdf Exhibit I-XI.pdf Exhibit A (revised).pdf

Previous Version

SERFF Tracking #:

CALC-129193645

State Tracking #:

Company Tracking #:

AR-13-P-FR-189

State: Arkansas **Filing Company:** California Casualty Indemnity Exchange
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners Multiple Peril
Project Name/Number: /

Satisfied - Item:	<i>Summary Filing Memo and Supporting Actuarial Exhibits</i>
Comments:	<ol style="list-style-type: none"> 1. <i>The Summary Filing Memo details the changes for this filing</i> 2. <i>Exhibits I-XI</i> 3. <i>Exhibit A</i>
Attachment(s):	<i>AR-13-P-FR-189 - Explanatory Memo.pdf</i> <i>Exhibit I-XI.pdf</i> <i>Exhibit A.pdf</i>

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	Property UW Manual - Section 4 - Revised Pages		Replacement		09/23/2013 By: Joshua Weiss
<i>Previous Version</i>					
1	Property UW Manual - Section 4 - Revised Pages		Replacement		09/09/2013 By: Joshua Weiss

Conclusion:

Sincerely,
Joshua Weiss

State: Arkansas **Filing Company:** California Casualty Indemnity Exchange
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners Multiple Peril
Project Name/Number: /

Response Letter

Response Letter Status Submitted to State
Response Letter Date 09/12/2013
Submitted Date 09/12/2013

Dear Becky Harrington,

Introduction:

It was a pleasure talking with you over the phone yesterday.

Response 1

Comments:

As we discussed, the proposed rule change to Underwriting Manual page 4AR.2 involves clarifying the rating procedure for Roof Discount factor calculation, but does not revise the rating factors. This revision adds procedural instructions to clarify when the factors are rounded to the nearest penny or dollar within the rating calculation.

The components that make up the Roof Discount factor are the Roof Class Code and Age of Roof Factors.

The Roof Class Code Factors currently filed for use were previously approved effective 12/1/05 (SERFF # USPH-6GTPE7326/00).

The Age of Roof Factor currently filed for us were previously approved effective 1/1/12 (SERFF # CALC-127823502).

Related Objection 1

Applies To:

- Summary Filing Memo and Supporting Actuarial Exhibits (Supporting Document)

Comments: Please provide supporting documentation regarding the roof discount factor calculation.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

We hope the information provided will assist in your review; please let me know if we can be of further assistance

Sincerely,

Joshua Weiss

State: Arkansas **Filing Company:** California Casualty Indemnity Exchange
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners Multiple Peril
Project Name/Number: /

Rate Information

Rate data applies to filing.

Filing Method:

Rate Change Type: %

Overall Percentage of Last Rate Revision: %

Effective Date of Last Rate Revision:

Filing Method of Last Filing:

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):
California Casualty Indemnity Exchange	61.200%	18.000%	\$33,233	226	\$184,625	22.200%	0.000%

SERFF Tracking #:

CALC-129193645

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

AR-13-P-FR-189

State:

Arkansas

Filing Company:

California Casualty Indemnity Exchange

TOI/Sub-TOI:

04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations

Product Name:

Homeowners Multiple Peril

Project Name/Number:

/

Rate/Rule Schedule

Item No.	Schedule Item Status	Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing Number	Attachments
1	Filed 09/23/2013	Property UW Manual - Section 4 - Revised Pages		Replacement		Property UW Manual - Section 4 - Revised Pages.pdf

Rule 4 Rating Procedures

- * A. Rating is determined by calculating the appropriate Base Premium, selecting the coverages and limits desired, and then applying the discounts and factors for the policy type being rated. The Worksheet on the next page was designed to be used with each policy form by placing the calculations made in the appropriate column. If a particular factor or discount does not apply to a policy form, the applicable cell is grayed out. As you determine the appropriate factor/rate for each discount or endorsement, you should place it in the Factor/Rate column. This factor/rate should be multiplied (x) or added (+) (depending on what is shown in the Calc. column) to the calculated amount already determined for the previous row and found in the appropriate policy form column. The calculation should be rounded to the nearest penny for the first two steps (Base Rate x Base Rate Relativity x Amount of Insurance Relativity), and to the nearest dollar at other steps. The Roof Discount factor calculation should be rounded to the nearest penny for the first two steps (Roof Class Code Factor x Age of Roof Factor), and to the nearest dollar at other steps.

Note that mobile-manufactured homes written on the HO-3 policy form with the MH 04 01 endorsement are separated from non-mobile-manufactured home HO-3 policies in the worksheet. Those mobile-manufactured homes written on the HO-3 policy form with the MH 04 01 endorsement are referred to as HO-3 MH.

- B. The following are the available payment plan options:
1. Annual - This plan requires the insured to pre-pay the policy premium. There are no service charges associated with this option.
 2. 5-Pay Installment - This plan consists of a maximum of 5 installments to be paid during the policy period with each installment including a \$5 service charge. An installment charge is not applied to the initial installment or deposit premium. The maximum amount of service charges that will be paid during any policy period in addition to premium is \$25. Regardless of the number of policies issued per household (property and auto), the \$5 installment charge will apply to only one policy. Any service charge billed prior to cancellation or change in pay plan is non-refundable.
 3. E-Z Pay Installment (Electronic Fund Transfer) – This plan consists of a maximum of 12 installments to be paid during the policy period with each installment including a \$1 service charge. An installment charge is not applied to the initial installment or deposit premium. The maximum amount of service charges that will be paid during any policy period in addition to premium is \$12. Regardless of the number of policies issued per household (property and auto), the \$1 installment charge will apply to only one policy. Any service charge billed prior to cancellation or change in pay plan is non-refundable.
- C. The following are fees that may be charged:
1. A \$10 late fee will be assessed if policy payment is not received by the premium due date or in the event a scheduled EFT deduction is rejected by the insured's banking institution.
 2. A \$40 non-pay cancel rewrite (NPCR) fee will be assessed on policies that have cancelled for non-payment of premium and are rewritten with a lapse to a new policy within 60 days of cancellation. Policies reinstated without a lapse are not charged a fee.
 3. A \$10 non-sufficient funds (NSF) fee will be assessed if any policy premium payment is returned by the insured's banking institution for non-sufficient funds.

* TABLE 1: BASE RATE

Form	Base Rate	Assumption					
		Amount of Insurance	Protection Class	Construction Type	# Units	Deductible	Zone
HO-3, HO-3 MH, DP-3	1900.64	200,000	4	Frame	1 - 2	500	H8
HO-4 & HO-6	284.28	50,000	4		1 - 4	500	H8

* TABLE 2B: BASE RELATIVITY – HO-4 & HO-6 (cont.)

Zone	1-4 FAMILY UNITS										
	Protection Class										
	1	2	3	4	5	6	7	8	8B	9	10
G0	1.29	1.29	1.29	1.29	1.29	1.51	1.51	1.51	1.78	1.78	2.25
G1	1.29	1.29	1.29	1.29	1.29	1.51	1.51	1.51	1.78	1.78	2.25
G2	1.29	1.29	1.29	1.29	1.29	1.51	1.51	1.51	1.78	1.78	2.25
G3	1.29	1.29	1.29	1.29	1.29	1.51	1.51	1.51	1.78	1.78	2.25
G4	1.29	1.29	1.29	1.29	1.29	1.51	1.51	1.51	1.78	1.78	2.25
G5	1.17	1.17	1.17	1.17	1.17	1.37	1.37	1.37	1.62	1.62	2.04
G6	1.36	1.36	1.36	1.36	1.36	1.59	1.59	1.59	1.88	1.88	2.37
G7	1.29	1.29	1.29	1.29	1.29	1.51	1.51	1.51	1.78	1.78	2.25
G8	1.29	1.29	1.29	1.29	1.29	1.51	1.51	1.51	1.78	1.78	2.25
G9	1.00	1.00	1.00	1.00	1.00	1.17	1.17	1.17	1.38	1.38	1.74
H0	1.17	1.17	1.17	1.17	1.17	1.37	1.37	1.37	1.62	1.62	2.04
H1	1.00	1.00	1.00	1.00	1.00	1.17	1.17	1.17	1.38	1.38	1.74
H2	1.00	1.00	1.00	1.00	1.00	1.17	1.17	1.17	1.38	1.38	1.74
H3	1.29	1.29	1.29	1.29	1.29	1.51	1.51	1.51	1.78	1.78	2.25
H4	1.36	1.36	1.36	1.36	1.36	1.59	1.59	1.59	1.88	1.88	2.37
H5	1.17	1.17	1.17	1.17	1.17	1.37	1.37	1.37	1.62	1.62	2.04
H6	1.29	1.29	1.29	1.29	1.29	1.51	1.51	1.51	1.78	1.78	2.25
H7	1.17	1.17	1.17	1.17	1.17	1.37	1.37	1.37	1.62	1.62	2.04
H8	1.00	1.00	1.00	1.00	1.00	1.17	1.17	1.17	1.38	1.38	1.74
H9	1.17	1.17	1.17	1.17	1.17	1.37	1.37	1.37	1.62	1.62	2.04
I0	1.17	1.17	1.17	1.17	1.17	1.37	1.37	1.37	1.62	1.62	2.04
I1	1.17	1.17	1.17	1.17	1.17	1.37	1.37	1.37	1.62	1.62	2.04
I2	1.00	1.00	1.00	1.00	1.00	1.17	1.17	1.17	1.38	1.38	1.74
I3	1.36	1.36	1.36	1.36	1.36	1.59	1.59	1.59	1.88	1.88	2.37

+ = addition(s) * = revision(s) -- = deletion(s)

Rev. 6 (01/01/14)

* TABLE 2B: BASE RELATIVITY – HO-4 & HO-6 (cont.)

Zone	5+ FAMILY UNITS										
	Protection Class										
	1	2	3	4	5	6	7	8	8B	9	10
G0	1.29	1.29	1.29	1.29	1.29	1.51	1.51	1.51	1.78	1.78	2.25
G1	1.29	1.29	1.29	1.29	1.29	1.51	1.51	1.51	1.78	1.78	2.25
G2	1.29	1.29	1.29	1.29	1.29	1.51	1.51	1.51	1.78	1.78	2.25
G3	1.29	1.29	1.29	1.29	1.29	1.51	1.51	1.51	1.78	1.78	2.25
G4	1.29	1.29	1.29	1.29	1.29	1.51	1.51	1.51	1.78	1.78	2.25
G5	1.17	1.17	1.17	1.17	1.17	1.37	1.37	1.37	1.62	1.62	2.04
G6	1.36	1.36	1.36	1.36	1.36	1.59	1.59	1.59	1.88	1.88	2.37
G7	1.29	1.29	1.29	1.29	1.29	1.51	1.51	1.51	1.78	1.78	2.25
G8	1.29	1.29	1.29	1.29	1.29	1.51	1.51	1.51	1.78	1.78	2.25
G9	1.00	1.00	1.00	1.00	1.00	1.17	1.17	1.17	1.38	1.38	1.74
H0	1.17	1.17	1.17	1.17	1.17	1.37	1.37	1.37	1.62	1.62	2.04
H1	1.00	1.00	1.00	1.00	1.00	1.17	1.17	1.17	1.38	1.38	1.74
H2	1.00	1.00	1.00	1.00	1.00	1.17	1.17	1.17	1.38	1.38	1.74
H3	1.29	1.29	1.29	1.29	1.29	1.51	1.51	1.51	1.78	1.78	2.25
H4	1.36	1.36	1.36	1.36	1.36	1.59	1.59	1.59	1.88	1.88	2.37
H5	1.17	1.17	1.17	1.17	1.17	1.37	1.37	1.37	1.62	1.62	2.04
H6	1.29	1.29	1.29	1.29	1.29	1.51	1.51	1.51	1.78	1.78	2.25
H7	1.17	1.17	1.17	1.17	1.17	1.37	1.37	1.37	1.62	1.62	2.04
H8	1.00	1.00	1.00	1.00	1.00	1.17	1.17	1.17	1.38	1.38	1.74
H9	1.17	1.17	1.17	1.17	1.17	1.37	1.37	1.37	1.62	1.62	2.04
I0	1.17	1.17	1.17	1.17	1.17	1.37	1.37	1.37	1.62	1.62	2.04
I1	1.17	1.17	1.17	1.17	1.17	1.37	1.37	1.37	1.62	1.62	2.04
I2	1.00	1.00	1.00	1.00	1.00	1.17	1.17	1.17	1.38	1.38	1.74
I3	1.36	1.36	1.36	1.36	1.36	1.59	1.59	1.59	1.88	1.88	2.37

+ = addition(s) * = revision(s) -- = deletion(s)

Rev. 6 (01/01/14)

* TABLE 4A: FORM RELATIVITY

<u>Form</u>	<u>Factor</u>
HO-3	1.000
HO-3 MH	1.359
DP-3	0.933
HO-4	1.000

TABLE 4B: FORM RELATIVITY- HO-6

<u>ZONE</u>	<u>Factor</u> <u>(HO-6)</u>		<u>ZONE</u>	<u>Factor</u> <u>(HO-6)</u>		<u>ZONE</u>	<u>Factor</u> <u>(HO-6)</u>
A0	0.893		C8	0.893		F6	1.172
A1	0.839		C9	0.893		F7	0.990
A2	1.172		D0	0.893		F8	0.893
A3	1.172		D1	0.839		F9	0.893
A4	1.172		D2	0.839		G0	0.854
A5	0.893		D3	0.990		G1	0.893
A6	0.893		D4	0.893		G2	0.854
A7	1.172		D5	0.990		G3	0.893
A8	0.839		D6	0.893		G4	0.893
A9	0.893		D7	0.990		G5	0.990
B0	0.990		D8	0.893		G6	0.893
B1	0.990		D9	0.893		G7	0.893
B2	0.893		E0	0.893		G8	0.893
B3	0.893		E1	1.172		G9	1.172
B4	0.990		E2	0.893		H0	0.990
B5	0.990		E3	1.172		H1	1.172
B6	1.172		E4	1.172		H2	1.172
B7	0.839		E5	0.893		H3	0.893
B8	0.893		E6	0.839		H4	0.839
B9	0.893		E7	0.893		H5	0.990
C0	0.839		E8	1.172		H6	0.893
C1	0.839		E9	0.893		H7	0.990
C2	0.990		F0	0.990		H8	1.172
C3	1.172		F1	0.893		H9	0.947
C4	0.839		F2	1.172		I0	0.990
C5	1.122		F3	0.893		I1	0.990
C6	0.893		F4	0.893		I2	1.172
C7	0.990		F5	0.893		I3	0.839

+ = addition(s) * = revision(s) -- = deletion(s)

Rev. 6 (01/01/14)

* TABLE 8: UTILITY RATING PLAN

<u>Years</u>	<u>Factor Adjustment (HO-3 only)</u>		
	<u>A¹</u>	<u>B¹</u>	<u>C¹</u>
0	-0.08	-0.06	-0.02
1	-0.07	-0.05	-0.02
2	-0.07	-0.04	-0.01
3	-0.05	-0.04	-0.01
4	-0.04	-0.03	-0.01
5	-0.04	-0.02	0.00
6	-0.04	-0.01	0.00
7	-0.03	-0.01	0.00
8	-0.02	-0.01	0.00
9	-0.01	-0.01	0.00
10	0.00	0.00	0.00
11-39	0.00	0.00	0.00
40+	0.02	0.02	0.02

Utility Rating Plan Factor = 1 + A + B + C.

¹ A: Electrical service.
B: Heating and cooling system.
C: Plumbing.

*

TABLE 9: HOME ALERT PROTECTION (Endorsement HO 04 16)

Alarm Device						Factors	
Fire/Smoke			Burglar			HO-3, HO-3 MH	HO-4 & HO-6
Local	Complete ¹	Report to police/fire dept/central station	Local	Complete ²	Report to police/fire dept/central station		
X							0.98
			X				0.97
X			X				0.95
	X					0.95	0.95
				X		0.95	0.95
	X			X		0.93	0.90
		X				0.93	0.90
					X	0.93	0.90
		X		X		0.91	0.87
	X				X	0.91	0.87
		X			X	0.89	0.85

¹ Complete fire/smoke: fire extinguisher on every floor, or detectors activate a digital dialer.
² Complete burglar: dead bolt locks on all exterior doors.
Only one factor may be applied to a policy.

TABLE 10: AUTOMATIC SPRINKLER DISCOUNT (Endorsement HO 04 16)

<u>Type</u>	<u>Factor</u> (all forms, except DP-3)
Complete ¹	0.90
Partial ²	0.95

¹ Automatic sprinklers in all areas including bathrooms, attics, closets and attached structures.
² Automatic sprinklers totally or partially omitted in bathrooms, attics, closets and attached structures.

State: Arkansas **Filing Company:** California Casualty Indemnity Exchange
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: Homeowners Multiple Peril
Project Name/Number: /

Supporting Document Schedules

Satisfied - Item:	H-1 Homeowners Abstract
Comments:	The H-1 ed1-06 (F503AR) is attached
Attachment(s):	H-1 Homeowners Abstract.pdf
Item Status:	Filed
Status Date:	09/23/2013

Satisfied - Item:	HPCS-Homeowners Premium Comparison Survey
Comments:	The HO Survey Form HPCS is attached in both Excel and PDF formats.
Attachment(s):	HO Survey FORM HPCS_CCIE (revised).xls Copy of HO Survey FORM HPCS_CCIE (revised).pdf
Item Status:	Filed
Status Date:	09/23/2013

Satisfied - Item:	NAIC loss cost data entry document
Comments:	The NAIC Loss Cost Entry Document is attached (F319AR)
Attachment(s):	F319AR_051205 (revised).pdf
Item Status:	Filed
Status Date:	09/23/2013

Satisfied - Item:	Summary Filing Memo and Supporting Actuarial Exhibits
Comments:	<ol style="list-style-type: none"> 1. The Summary Filing Memo details the changes for this filing 2. Exhibits I-XI 3. Exhibit A
Attachment(s):	AR-13-P-FR-189 - Explanatory Memo.pdf Exhibit I-XI.pdf Exhibit A (revised).pdf

SERFF Tracking #:

CALC-129193645

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

AR-13-P-FR-189

State:

Arkansas

Filing Company:

California Casualty Indemnity Exchange

TOI/Sub-TOI:

04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations

Product Name:

Homeowners Multiple Peril

Project Name/Number:

/

Item Status:	Filed
Status Date:	09/23/2013
Satisfied - Item:	Superseded Manual Pages
Comments:	The Superseded Manual pages are attached for reference.
Attachment(s):	Property UW Manual - Section 4 - Superseded Pages.pdf
Item Status:	Filed
Status Date:	09/23/2013

ARKANSAS INSURANCE DEPARTMENT
FORM H-1 HOMEOWNERS ABSTRACT

INSTRUCTIONS: All questions must be answered. If the answer is "none" or "not applicable", so state. If all questions are not answered, the filing will not be accepted for review by the Department. Use a separate abstract for each Company if filing for a group. Subsequent homeowners rate/rule submissions that do not alter the information contained herein need not include this form.

Company Name California Casualty Indemnity Exchange

NAIC No. 20117 GROUP No. 033

1. If you have had an insurance to value campaign during the experience filing period, describe the campaign and estimate its impact.
We did not have insurance to value campaign during the experience filing period.

2. If you use a cost estimator (or some similar method) in order to make sure that dwellings (or contents) are insured at their value, state when this program was started in Arkansas and estimate its impact.
The Residential Component Technology (RCT) from Marshal & Swift Boeckh (MS/B) is used to estimate replacement cost.

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.
The amount of insurance for HO-3 and DP-3 policies is required to be at least 50% of the replacement value.
The amount of insurance for mobilehome policies is required to be at least 80% of the replacement value.

4. If you use an Inflation Guard form or similar type of coverage, describe the coverage(s) and estimate the impact.
An inflation guard is used to maintain adequate levels of insurance to value. Inflation guard factors are updated annually based on cost of construction changes. Inflation guard factors will not affect new policyholders, as they only impact renewal policies.

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

a. Fire Extinguisher	<u>0</u> %
b. Burglar Alarm	<u>Up to 10</u> %
c. Smoke Alarm	<u>Up to 10</u> %
d. Insured who has both homeowners and auto with your company	<u>Up to 15</u> %
e. Deadbolt Locks	<u>0</u> %
f. Window or Door Locks	<u>0</u> %
g. Other (Specify)	_____ %
<u>Automatic Sprinkler</u>	<u>Up to 10</u> %
<u>Fire Resistive</u>	<u>Up to 30</u> %

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

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

<u>FORM</u>	<u>PREMIUM VOLUME</u>
HO-3	160,518
HO-4	13,081
HO-6	1,556
DP-3	9,470

8. Do you write homeowner risks which have aluminum, steel or vinyl siding? Yes

9. Is there a surcharge on risks with wood heat? No

If yes, state surcharge _____

Does the surcharge apply to conventional fire places? No

If yes, state surcharge _____

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



Signature

Kyle Belvill

Printed Name

Assistant Vice President*, State Filings Manager

Title

(719) 532 - 8360

Telephone Number

kbelvill@calcas.com

Email Address

*Officer of California Casualty Management Co., Attorney in fact for
California Casualty Indemnity Exchange

NAIC Number: 20117
 Company Name: California Casualty Indemnity Exchange
 Contact Person: Cemal Duyar
 Telephone No.: 650-572-4675
 Email Address: cduyar@calcas.com
 Effective Date: 1/1/2014

**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	\$822.00	\$942.00	\$519.00	\$593.00	\$1,024.00	\$1,172.00	\$1,062.00	\$1,209.00	\$583.00	\$666.00	\$610.00	\$702.00	\$666.00	\$758.00	\$859.00	\$988.00	\$1,016.00	\$1,162.00
	\$120,000	\$1,069.00	\$1,227.00	\$676.00	\$772.00	\$1,334.00	\$1,525.00	\$1,382.00	\$1,572.00	\$759.00	\$867.00	\$795.00	\$915.00	\$867.00	\$987.00	\$1,118.00	\$1,285.00	\$1,322.00	\$1,514.00
	\$160,000	\$1,307.00	\$1,497.00	\$826.00	\$942.00	\$1,628.00	\$1,861.00	\$1,687.00	\$1,920.00	\$929.00	\$1,060.00	\$972.00	\$1,117.00	\$1,060.00	\$1,205.00	\$1,366.00	\$1,570.00	\$1,613.00	\$1,847.00
6	\$80,000	\$932.00	\$1,044.00	\$583.00	\$657.00	\$1,162.00	\$1,310.00	\$1,200.00	\$1,348.00	\$657.00	\$740.00	\$694.00	\$777.00	\$758.00	\$850.00	\$978.00	\$1,098.00	\$1,154.00	\$1,293.00
	\$120,000	\$1,214.00	\$1,358.00	\$759.00	\$855.00	\$1,514.00	\$1,704.00	\$1,562.00	\$1,752.00	\$855.00	\$963.00	\$903.00	\$1,011.00	\$987.00	\$1,107.00	\$1,274.00	\$1,430.00	\$1,501.00	\$1,680.00
	\$160,000	\$1,482.00	\$1,658.00	\$929.00	\$1,045.00	\$1,847.00	\$2,081.00	\$1,906.00	\$2,140.00	\$1,045.00	\$1,176.00	\$1,103.00	\$1,235.00	\$1,205.00	\$1,351.00	\$1,555.00	\$1,746.00	\$1,832.00	\$2,052.00
9	\$80,000	\$2,800.00	\$3,179.00	\$1,770.00	\$2,000.00	\$3,491.00	\$3,952.00	\$3,602.00	\$4,072.00	\$1,981.00	\$2,250.00	\$2,093.00	\$2,369.00	\$2,277.00	\$2,571.00	\$2,940.00	\$3,326.00	\$3,464.00	\$3,924.00
	\$120,000	\$3,642.00	\$4,132.00	\$2,302.00	\$2,602.00	\$4,538.00	\$5,136.00	\$4,682.00	\$5,293.00	\$2,577.00	\$2,924.00	\$2,721.00	\$3,080.00	\$2,960.00	\$3,343.00	\$3,822.00	\$4,323.00	\$4,503.00	\$5,101.00
	\$160,000	\$4,445.00	\$5,043.00	\$2,811.00	\$3,176.00	\$5,539.00	\$6,269.00	\$5,715.00	\$6,460.00	\$3,147.00	\$3,571.00	\$3,321.00	\$3,759.00	\$3,614.00	\$4,080.00	\$4,665.00	\$5,277.00	\$5,496.00	\$6,225.00

Survey Form for HO4 (Renters) - Use \$500 Flat Deductible (Named perils for personal property, actual cash value for loss, liability and medical payments for others included)

Public Protection Class	Property Value	Washington		Baxter		Craighead		St. Francis		Arkansas		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$5,000																		
	\$15,000																		
	\$25,000	\$149.00	\$149.00	\$149.00	\$149.00	\$177.00	\$177.00	\$206.00	\$206.00	\$195.00	\$195.00	\$195.00	\$195.00	\$195.00	\$195.00	\$149.00	\$149.00	\$195.00	\$195.00
6	\$5,000																		
	\$15,000																		
	\$25,000	\$177.00	\$177.00	\$177.00	\$177.00	\$207.00	\$207.00	\$242.00	\$242.00	\$230.00	\$230.00	\$230.00	\$230.00	\$230.00	\$230.00	\$177.00	\$177.00	\$230.00	\$230.00
9	\$5,000																		
	\$15,000																		
	\$25,000	\$209.00	\$209.00	\$209.00	\$209.00	\$246.00	\$246.00	\$287.00	\$287.00	\$272.00	\$272.00	\$272.00	\$272.00	\$272.00	\$272.00	\$209.00	\$209.00	\$272.00	\$272.00

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

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

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

HO3 and HO4 only

Fire Extinguisher	0 %	Deadbolt Lock	0 %
Burglar Alarm	Up to 10 %	Window Locks	0 %
Smoke Alarm	Up to 10 %	\$1,000 Deductible	Up to 13 %
		Other (specify)	
		Sprinkler	Up to 10 %
		Maximum Credit Allowed	

EARTHQUAKE INSURANCE

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

ARE YOU CURRENTLY WRITING EARTHQUAKE COVERAGE IN ARKANSAS?	No	(yes or no)
WHAT IS YOUR PERCENTAGE DEDUCTIBLE?		%
WHAT IS YOUR PRICE PER \$1,000 OF COVERAGE?	Zone	
	Highest Risk	\$
	Lowest Risk	\$

NAIC LOSS COST DATA ENTRY DOCUMENT

1.	This filing transmittal is part of Company Tracking #	AR-13-P-FR-189
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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.	California Casualty Group	B.	20117

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.	4.0 Homeowners	B.	4.0 Homeowners

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
Homeowners	70.5	10.0					
TOTAL OVERALL EFFECT	70.5	10.0					

6.		5 Year History		Rate Change History			
Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
2008	71	N/A	N/A	44.1	3.1	7.1%	51.3
2009	106	N/A	N/A	67.3	36.6	54.5%	51.8
2010	153	N/A	N/A	101.8	404.8	397.5%	59.0
2011	194	N/A	N/A	126.3	151.2	119.7%	61.1
2012	226	15.0	1/1/2012	163.3	67.8	41.5%	49.6
2013	N/A	10.0	1/1/2013	N/A	N/A	N/A	N/A

7.	
Expense Constants	Selected Provisions
A. Total Production Expense	19.7
B. General Expense	6.6
C. Taxes, License & Fees	3.4
D. Underwriting Profit & Contingencies	0.9
E. Other (explain)	16.3 (A & O)
F. TOTAL	46.8

- 8.** _____ Apply Lost Cost Factors to Future filings? (Y or N)
- 9.** _____ Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): 12.4%
- 10.** _____ Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): 0.0%

**CALIFORNIA CASUALTY INDEMNITY EXCHANGE
HOMEOWNERS MULTIPLE PERIL – ARKANSAS
EFFECTIVE DATE: 1/1/2014**

RATES AND RULES FILING MEMORANDUM

California Casualty Group (The Group) markets its products exclusively through affinity groups. Because of The Group's policyholder-owned orientation and its unique marketing approach, The Group works closely with these affinity groups to keep in tune with their views and the insurance needs of their members. The Group has historically tried to offer a high quality product to its insureds at a competitive price while providing a high level of service and maintaining financial integrity. The Group's pricing decisions traditionally are designed to balance these somewhat conflicting objectives.

I. RATE LEVEL INDICATIONS

The indicated rate level change for Arkansas Homeowners for all forms combined is shown in **Exhibit I**. Five calendar/accident years of premium and loss experience ending 12/31/2012 were used to develop the indicated change. For countrywide exhibits, The Group's experience was used.

Premium Adjustments

Exhibits II through **V** show the three-step development of projected earned premiums. In the first step, direct earned premiums are adjusted to the current rate level using on-level factors developed from the estimated effects of past rate changes. These estimated effects, shown in **Exhibit II** by policy form, depend on the distribution of business at the time the evaluations were made and may not be realized if the mix of business changes. From the amounts and dates of these estimated effects, current level factors are calculated based on the standard parallelogram method as shown in **Exhibit III**. The resulting current level premiums estimate the premium dollars that would have been earned if the superceded rates had been charged during the entire experience period.

The second and third steps in the development of the projected premiums are motivated by the need to account for the trend in the Arkansas premium. This trend is driven by changes in the average amount of insurance and other shifts in the mix of business. In the second step, the current level premiums are trended to 7/1/2012, the midpoint of the latest year in the experience period. The historical premium trend factors used here are shown in **Exhibit IV**.

In the final step, the premiums are trended from the midpoint of the latest year in the experience period to the average earned date of the projected policy year for the filed rates (i.e., from 7/1/2012 to 1/1/2015). The derivation of the projection factors by form is shown in **Exhibit V**.

Loss and Defense & Cost Containment Expense Adjustments

Exhibits VI through **VIII** show the loss and defense & cost containment expense adjustments. Losses and defense & cost containment expenses incurred for accidents occurred between 1/1/2008 and 12/31/2012 evaluated as of 12/31/2012. Loss reserves are on an undiscounted basis.

Exhibit VI shows the derivation of the excess factor. Replacing large, unpredictable losses with a smooth average of the long-term cost of such losses provides a more stable base for ratemaking. For this purpose, an adjustment was made in that the accident year losses and defense & cost containment expenses are capped based on the variations in the trended pure premiums. In addition, the catastrophe adjustment factor is applied to reflect that reinsurance has been purchased for protection from a catastrophic event. In **Exhibit I**, the accident year incurred losses and defense & cost containment expenses (DCC) shown in column (6) are on a net basis. However, the Earned Premiums shown in column (1) are on a direct basis. In order to derive direct projected losses and DCC in column (11), the Excess Factor (column (7)) was applied to the net losses (column (6)). Therefore, the loss ratio in column (12) is the ratio of direct projected losses and DCC (column (11)) to direct projected earned premium (column (5)). The catastrophe adjustment factor is based on the reinsurance contract.

Exhibit VII shows the derivation of loss development factors to adjust accident period incurred losses and defense & cost containment expenses as of 12/31/2012 to an ultimate settlement basis. The companywide "current-to-ultimate" factors for different accident periods are selected from the results of applying a variety of estimation techniques.

In addition to the excess factor and the loss development factor, losses, similar to premiums, undergo adjustments to bring them to the current level and to project them to the average date of loss for the projection period. **Exhibit VIII** shows the development of the necessary adjustments. The first of these two adjustments, the historical loss trend factor, brings the losses to the midpoint of the latest period (i.e., 7/1/2012). The second adjustment needed to establish projected losses is the loss projection factor. This factor moves the losses from 7/1/2012 to 1/1/2015, the average loss date under the filed rates. These factors are shown in **Exhibit VIII**. Pages 2 through 4 of **Exhibit VIII** show separate trends for frequency, severity and pure premium for all forms combined, excluding catastrophes. Pages 5 through 7 of **Exhibit VIII** show separate trends for frequency, severity and pure premium for HO-3 and DP-3. Pages 8 through 10 of **Exhibit VIII** show separate trends for frequency, severity and pure premium for HO-4 and HO-6.

Indication

Exhibit IX shows The Group's expenses anticipated in the projected rating period. The premium tax load is Arkansas's current rate.

The underwriting profit load in **Exhibit X** reflects the inherent risk of writing Homeowners Insurance in Arkansas. It has been reduced to reflect investment income as shown in **Exhibit XI**.

Each of the projected loss ratios shown in Exhibit I represents an estimate of the loss ratio for the policy year beginning 1/1/2014. The weighted indicated loss ratio was calculated as a weighted average of the individual accident year's loss ratios. Based on this information, the indicated rate change is 70.5%. The Group is filing an overall rate change of 18.0%.

II. FILED RATE CHANGES AND PREMIUM EFFECTS

In this filing, The Group is filing the following changes: base rates and form relativities.

Exhibit A, page 1 summarizes the filed changes. As shown, the premium impact of the filed changes are 19.5% for HO-3, 19.5% for HO-3 MH, 0.0% for HO-4, 0.0% for HO-6, and 19.5% for DP-3, which result in an overall rate change of 18.0%.

Exhibit A, page 2 explains the premium effect of the filed base rates.

Exhibit A, page 3 explains the premium effect of the filed form relativities.

III. PROPOSED RULE CHANGES

For this filing, the CCIE Homeowners and Dwelling Property Underwriting Manual was revised in response to the rate/rule revision. The manual includes the underwriting and rating rules for both the Homeowners and Personal Dwelling Property Programs for the ease of use for end users. Although most of the manual applies to both programs, some portions apply only to the Homeowners or Dwelling Property programs.

Clean copies of the filed manual pages are attached under the Rate/Rule Schedule Tab; changes are indicated by a “+” sign for additions, a “*” sign for revisions, and a “--” for deletions.

The superseded manual pages are attached under the Supporting Documentation Tab for reference.

A summary of the changes is shown below:

SECTION 4 – RATING

- | | |
|---------------|---|
| 4AR.2 | A. Rating Procedures
Add Roof discount factor calculation |
| 4AR.10 | Table 1: Base Rate
Revise Rate for Form HO-3, HO-3 MH and DP-3 |
| 4AR.16 | Table 2B: Base Relativity- HO-4 & HO-6 (Cont.)
Correct Table Number from 2A to 2B |
| 4AR.18 | Table 2B: Base Relativity- HO-4 & HO-6 (Cont.)
Correct Table Number from 2A to 2B |

- 4AR.21** **Table 4A: Form Relativity**
Revise Factors for HO-3 MH and DP-3
- 4AR.24** **Table 8: Utility Rating Plan**
Amend footnote “*” to “1”
- 4AR.25** **Table 10: Automatic Sprinkler Discount (Endorsement HO 04 16)**
- Amend footnote “*” to “1”
 - Amend footnote “**” to “2”

CALIFORNIA CASUALTY GROUP
HOMEOWNERS MULTIPLE PERIL - ARKANSAS
RATE LEVEL INDICATIONS

		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
Time Period		EARNED PREMIUM	CURR LEVEL FCTR	HIST PREM TREND FCTR	PREM PROJ FCTR	PROJECTED EARNED PREMIUM	CAPPED INCURRED LOSS	EXCESS FACTOR	LDF	HIST LOSS TREND FCTR	LOSS PROJ FCTR	ADJUSTED INCURRED LOSS	ADJ LR %	WTS	WTD LR %	FXD EXP %	VAR EXP %	IND CHG %
HO-3	1Q2012-4Q2012	138,810	1.190	1.000	1.030	169,969	54,567	1.536	1.133	1.000	1.103	104,743	61.6	0.30				
	1Q2011-4Q2011	103,445	1.288	1.024	1.030	140,388	145,434	1.536	1.013	1.040	1.103	259,583	184.9	0.25				
	1Q2010-4Q2010	85,099	1.288	1.049	1.030	118,310	172,265	1.536	1.002	1.082	1.103	316,417	267.4	0.20				
	1Q2009-4Q2009	53,865	1.288	1.074	1.030	76,670	34,359	1.536	1.001	1.125	1.103	65,553	85.5	0.15				
	1Q2008-4Q2008	33,760	1.288	1.100	1.030	49,217	2,674	1.536	1.001	1.170	1.103	5,306	10.8	0.10	132.1	41.2	5.6	83.6
HO-4	1Q2012-4Q2012	13,424	1.050	1.000	1.025	14,433	13,206	1.536	1.133	1.000	0.973	22,362	154.9	0.30				
	1Q2011-4Q2011	12,360	1.050	1.003	1.025	13,329	3,161	1.536	1.013	0.989	0.973	4,733	35.5	0.25				
	1Q2010-4Q2010	7,761	1.050	1.006	1.025	8,395	0	1.536	1.002	0.978	0.973	0	0.0	0.20				
	1Q2009-4Q2009	6,295	1.050	1.009	1.025	6,829	2,265	1.536	1.001	0.967	0.973	3,277	48.0	0.15				
	1Q2008-4Q2008	4,362	1.050	1.012	1.025	4,746	465	1.536	1.001	0.957	0.973	666	14.0	0.10	63.9	41.2	5.6	11.4
HO-6	1Q2012-4Q2012	1,345	1.050	1.000	1.077	1,520	0	1.536	1.133	1.000	0.973	0	0.0	0.30				
	1Q2011-4Q2011	940	1.050	1.043	1.077	1,107	0	1.536	1.013	0.989	0.973	0	0.0	0.25				
	1Q2010-4Q2010	915	1.050	1.088	1.077	1,125	0	1.536	1.002	0.978	0.973	0	0.0	0.20				
	1Q2009-4Q2009	692	1.050	1.135	1.077	888	0	1.536	1.001	0.967	0.973	0	0.0	0.15				
	1Q2008-4Q2008	536	1.050	1.183	1.077	717	0	1.536	1.001	0.957	0.973	0	0.0	0.10	0.0	41.2	5.6	-56.3
DP-3	1Q2012-4Q2012	9,711	1.190	1.000	0.927	10,702	0	1.536	1.133	1.000	1.103	0	0.0	0.30				
	1Q2011-4Q2011	9,539	1.288	0.965	0.927	10,980	2,631	1.536	1.013	1.040	1.103	4,696	42.8	0.25				
	1Q2010-4Q2010	8,060	1.288	0.931	0.927	8,950	4,284	1.536	1.002	1.082	1.103	7,869	87.9	0.20				
	1Q2009-4Q2009	6,398	1.288	0.899	0.927	6,861	0	1.536	1.001	1.125	1.103	0	0.0	0.15				
	1Q2008-4Q2008	5,409	1.288	0.867	0.927	5,594	0	1.536	1.001	1.170	1.103	0	0.0	0.10	28.3	41.2	5.6	-26.3
TOTAL	1Q2012-4Q2012	163,290				196,624	67,773					127,105	64.6	0.30				
	1Q2011-4Q2011	126,284				165,804	151,226					269,012	162.2	0.25				
	1Q2010-4Q2010	101,836				136,780	176,550					324,286	237.1	0.20				
	1Q2009-4Q2009	67,250				91,248	36,624					68,830	75.4	0.15				
	1Q2008-4Q2008	44,067				60,274	3,139					5,972	9.9	0.10	119.7	41.2	5.6	70.5

CALIFORNIA CASUALTY GROUP
HOMEOWNERS MULTIPLE PERIL - ARKANSAS
RATE LEVEL INDICATIONS
LINE NOTES

Column Notes

- | | |
|-------------------------------------|--|
| (1) Earned Premium | Balanced to Annual Statement |
| (2) Current Level Factor | Factor that brings prior years premium to current rate level. |
| (3) Historical Premium Trend Factor | This adjustment accounts for the fact that both the average coverage amount and the risk characteristics of the book of business change over time. This factor adjusts all premiums to an average policy date of 07/01/2012. |
| (4) Premium Projection Factor | This factor projects premiums from 07/01/2012 to 01/01/2015, the average earned date under the filed rate changes. |
| (5) Projected Earned Premium | Equals $(1) \times (2) \times (3) \times (4) \times (.999)$. Factor of .999 is an adjustment for uncollectable premium. |
| (6) Capped Incurred Loss & DCC | Accident year incurred loss, capped for catastrophes. |
| (7) Excess Factor | See Exhibit VI. |
| (8) Loss Development Factor | See Exhibit VII, page 1. |
| (9) Historical Loss Trend Factor | This factor adjusts all losses to 07/01/2012 accident date, the average accident date of the last experience period. |
| (10) Loss Projection Factor | This factor projects losses from 07/01/2012 to 01/01/2015, the average accident date under the proposed rate changes. |
| (11) Adjusted Incurred Loss & DCC | Equals $(6) \times (7) \times (8) \times (9) \times (10)$. |
| (12) Adjusted Loss Ratio | Equals $(11) / (5)$. |
| (13) Weights | Weights are assigned to give more recognition to more recent accident years. |
| (14) Weighted Loss Ratio | Equals the sum of $(12) \times (13)$. |
| (15) Fixed Expense Ratio | See Exhibit IX, page 2. |
| (16) Variable Expense Ratio | See Exhibit IX, page 2. |
| (17) Indicated Change | Equals $[(14) + (15)] / [100 - (16)] - 1$. |

CALIFORNIA CASUALTY GROUP
HOMEOWNERS MULTIPLE PERIL - ARKANSAS
RATE LEVEL CHANGE HISTORY

<u>Effective Date</u>	<u>HO-3</u>	<u>HO-4</u>	<u>HO-6</u>	<u>DP-3</u>	<u>Total</u>	<u>Description</u>
01/01/12	16.5%	0.0%	0.0%	16.5%	15.0%	Base rates, form relativities, AOI, persistency factors, new home discount factors, 55+/retired discount and roof discount - age of roof.
01/01/13	10.6%	5.0%	5.0%	10.6%	10.0%	Base rates, form relativities, base rate relativities, AOI factors, persistency and claims factors, auto-home discount, and endorsements.

CALIFORNIA CASUALTY GROUP
HOMEOWNERS MULTIPLE PERIL - ARKANSAS
CURRENT LEVEL FACTORS

The following factors are derived using the parallelogram method:

<u>Time Period</u>	<u>HO-3</u>	<u>HO-4</u>	<u>HO-6</u>	<u>DP-3</u>
1Q2012-4Q2012	1.190	1.050	1.050	1.190
1Q2011-4Q2011	1.288	1.050	1.050	1.288
1Q2010-4Q2010	1.288	1.050	1.050	1.288
1Q2009-4Q2009	1.288	1.050	1.050	1.288
1Q2008-4Q2008	1.288	1.050	1.050	1.288

CALIFORNIA CASUALTY GROUP
HOMEOWNERS MULTIPLE PERIL - ARKANSAS
DERIVATION OF HISTORICAL PREMIUM TREND

STEP 1 - AVERAGE ON-LEVEL PREMIUM PER POLICY

	(a)	(b)	(c)	(d)	(e)
<u>Form</u>	<u>1Q2012-4Q2012</u>	<u>1Q2011-4Q2011</u>	<u>1Q2010-4Q2010</u>	<u>1Q2009-4Q2009</u>	<u>1Q2008-4Q2008</u>
HO-3	1081.8	1061.0	1052.9	1014.6	982.6
HO-4	251.1	249.7	235.5	243.2	248.8
HO-6	409.4	370.3	359.0	363.5	346.5
DP-3	858.7	884.8	922.4	930.1	992.6

STEP 2 - SELECTED HISTORICAL PREMIUM TREND

	(a)	(b)	(c)	(d)	(e)
<u>Form</u>	<u>1Q2012-4Q2012</u>	<u>1Q2011-4Q2011</u>	<u>1Q2010-4Q2010</u>	<u>1Q2009-4Q2009</u>	<u>Selected</u>
	=[STEP 1 (a)]/ [STEP 1(b)] - 1	=[STEP 1 (b)]/ [STEP 1(c)] - 1	=[STEP 1 (c)]/ [STEP 1(d)] - 1	=[STEP 1 (d)]/ [STEP 1(e)] - 1	
HO-3	2.0%	0.8%	3.8%	3.3%	2.4%
HO-4	0.6%	6.0%	-3.2%	-2.2%	0.3%
HO-6	10.6%	3.1%	-1.2%	4.9%	4.3%
DP-3	-3.0%	-4.1%	-0.8%	-6.3%	-3.5%

STEP 3 - FACTOR FOR PREMIUM EFFECT

	(a)	(b)	(c)	(d)	(e)
<u>FORM</u>	<u>1Q2012-4Q2012</u>	<u>1Q2011-4Q2011</u>	<u>1Q2010-4Q2010</u>	<u>1Q2009-4Q2009</u>	<u>1Q2008-4Q2008</u>
	= 1	=[1+(STEP 2 (e))]	=[1+(STEP 2 (e))^2]	=[1+(STEP 2 (e))^3]	=[1+(STEP 2 (e))^4]
HO-3	1.000	1.024	1.049	1.074	1.100
HO-4	1.000	1.003	1.006	1.009	1.012
HO-6	1.000	1.043	1.088	1.135	1.183
DP-3	1.000	0.965	0.931	0.899	0.867
Average*	1.000	1.018	1.037	1.052	1.064

* Average is weighted with on-level earned premium.

CALIFORNIA CASUALTY GROUP
HOMEOWNERS MULTIPLE PERIL - ARKANSAS
DERIVATION OF FUTURE PREMIUM TREND

STEP 1 - AVERAGE ON-LEVEL PREMIUM PER POLICY

Form	(a) 1Q2012-4Q2012	(b) 1Q2011-4Q2011	(c) 1Q2010-4Q2010	(d) 1Q2009-4Q2009	(e) 1Q2008-4Q2008
HO-3	1081.8	1061.0	1052.9	1014.6	982.6
HO-4	251.1	249.7	235.5	243.2	248.8
HO-6	409.4	370.3	359.0	363.5	346.5
DP-3	858.7	884.8	922.4	930.1	992.6

STEP 2 - SELECTED FUTURE PREMIUM TREND

Form	(a) =[STEP 1 (a)]/ [STEP 1(b)] - 1 1Q2012-4Q2012	(b) =[STEP 1 (b)]/ [STEP 1(c)] - 1 1Q2011-4Q2011	(c) =[STEP 1 (c)]/ [STEP 1(d)] - 1 1Q2010-4Q2010	(d) =[STEP 1 (d)]/ [STEP 1(e)] - 1 1Q2009-4Q2009	(e) Selected
HO-3	2.0%	0.8%	3.8%	3.3%	1.2%
HO-4	0.6%	6.0%	-3.2%	-2.2%	1.0%
HO-6	10.6%	3.1%	-1.2%	4.9%	3.0%
DP-3	-3.0%	-4.1%	-0.8%	-6.3%	-3.0%

STEP 3 - FUTURE PREMIUM TREND PERIOD

Future Period Construction

(i) Proposed Effective Date	1/1/2014
(ii) Projected Average Accident/Earned Date	1/1/2015
(iv) Mid-Point of Most Recent Experience Period	7/1/2012
(v) Exponent for Trend (in Years)	2.504

STEP 4 - FACTOR FOR PREMIUM EFFECT

FORM	(a) =[1+(STEP 2 (e))]^[STEP 3 (v)] 1Q2012-4Q2012	(b) =[1+(STEP 2 (e))]^[STEP 3 (v)] 1Q2011-4Q2011	(c) =[1+(STEP 2 (e))]^[STEP 3 (v)] 1Q2010-4Q2010	(d) =[1+(STEP 2 (e))]^[STEP 3 (v)] 1Q2009-4Q2009	(e) =[1+(STEP 2 (e))]^[STEP 3 (v)] 1Q2008-4Q2008
HO-3	1.030	1.030	1.030	1.030	1.030
HO-4	1.025	1.025	1.025	1.025	1.025
HO-6	1.077	1.077	1.077	1.077	1.077
DP-3	0.927	0.927	0.927	0.927	0.927
Average*	1.024	1.024	1.024	1.024	1.024

* Average is weighted with on-level earned premium.

CALIFORNIA CASUALTY GROUP
HOMEOWNERS MULTIPLE PERIL - ARKANSAS

DERIVATION OF EXCESS FACTOR AND CAPPED INCURRED LOSSES & DCC

Accident Period	(1) Earned Exposure	(2) Net Incurred Losses & DCC @ 12/31/2012	(3) LDF	(4) (2)x(3) Ultimate Losses & DCC	(5) (4)/(1) Pure Premium	(6) Cost Trend Factor	(7) (5)x(6) Trended Pure Premium	(8) Capped Trended Pure Premium	(9) (7)/(8) Cat Factor	(10) (2)/(9) Capped Incurred Losses & DCC	(11) (2)-(10) Excess Losses & DCC	(12) (10)x(17) Excess Loaded Incurred Losses & DCC
1Q2006-4Q2006	25	1,277	1.000	1,277	51	1.236	63	63	1.000	1,277	0	1,934
1Q2007-4Q2007	53	7,086	1.000	7,086	133	1.200	160	160	1.000	7,086	0	10,730
1Q2008-4Q2008	71	3,139	1.001	3,142	44	1.165	51	51	1.000	3,139	0	4,753
1Q2009-4Q2009	106	36,624	1.001	36,661	345	1.122	386	386	1.000	36,624	0	55,462
1Q2010-4Q2010	153	404,754	1.002	405,563	2,657	1.080	2,869	1,251	2.293	176,550	228,204	267,358
1Q2011-4Q2011	194	151,225	1.013	153,191	789	1.039	820	820	1.000	151,225	0	229,008
1Q2012-4Q2012	226	67,773	1.133	76,787	340	1.000	340	340	1.000	67,773	0	102,632
Total		671,878								443,674	228,204	671,878
5 Year Total		663,515										659,214

Derivation of pure premium cap (assume (7) is lognormally distributed):

(13)	Mean of [log(7)]	5.660
(14)	Standard deviation of [log(7)]	1.420
(15)	Log(cap) with Prob[log(7) > log(cap)] = .15	7.132
(16)	Selected pure premium cap = exp(15)	1,251.22

Excess Factor:

(17)	Indicated Excess Factor = ((2) Total / (10) Total)	1.514
(18)	Catastrophe Adjustment Factor	0.022
(19)	Adjusted Excess Factor = (17) + (18)	1.536

Notes:

- (1): Estimated earned exposure is the average of policies in force at two consecutive period ends.
- (3): Loss Development Factors are from column 8 of Exhibit I.
- (6): 1Q2008-4Q2008 to 1Q2012-4Q2012 Cost Trend Factors are calculated based on column 9 of Exhibit I.
- (8): (7) are capped at (16).
- (18): Reflects the cost of property catastrophe reinsurance.

CALIFORNIA CASUALTY GROUP
HOMEOWNERS MULTIPLE PERIL - COUNTRYWIDE EXCEPT CA
INCURRED LOSS AND DCC AT 12/31/2012

Year	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	Incurred Loss	Paid Loss	Incurred LDF	Medial LDF	Incurred LDF	Medial LDF	Incurred Ultimates LDF	Medial LDF	Paid Ultimates LDF	Medial LDF	Selected	Selected Age to Ult. LDF
1Q2012-4Q2012	17,695,468	14,378,901	1.132	1.134	1.394	1.398	20,031,270	20,066,661	20,044,187	20,101,703	20,048,965	1.133
1Q2011-4Q2011	20,448,347	20,159,843	1.014	1.012	1.047	1.040	20,734,624	20,693,727	21,107,356	20,966,237	20,714,175	1.013
1Q2010-4Q2010	19,242,803	18,811,320	1.001	1.002	1.017	1.015	19,262,045	19,281,288	19,131,112	19,093,490	19,271,667	1.002
1Q2009-4Q2009	18,440,611	18,019,004	1.001	1.001	1.007	1.007	18,459,052	18,459,052	18,145,137	18,145,137	18,459,052	1.001
1Q2008-4Q2008	16,004,488	15,968,549	1.001	1.001	1.006	1.006	16,020,492	16,020,492	16,064,360	16,064,360	16,020,492	1.001
1Q2007-4Q2007	11,373,450	11,303,641	1.001	1.001	1.002	1.002	11,384,823	11,384,823	11,326,248	11,326,248	11,384,823	1.001
1Q2006-4Q2006	9,909,605	9,909,605	1.001	1.001	1.002	1.002	9,919,515	9,919,515	9,929,424	9,929,424	9,919,515	1.001
1Q2005-4Q2005	10,274,278	10,266,669	1.000	1.000	1.000	1.000	10,274,278	10,274,278	10,266,669	10,266,669	10,274,278	1.000
1Q2004-4Q2004	10,549,425	10,549,425	1.000	1.000	1.000	1.000	10,549,425	10,549,425	10,549,425	10,549,425	10,549,425	1.000

Column Notes:

- (1) : Total incurred losses by accident period as of December 31, 2012
- (2) : Total incurred losses by accident period as of December 31, 2012
- (3) : Factor-weighted incurred age-to-ultimate factors based on five year average.
- (4) : Medial incurred age-to-ultimate factors based on six year average (excluding Min and Max).
- (5) : Factor-weighted paid age-to-ultimate factors based on five year average.
- (6) : Medial paid age-to-ultimate factors based on six year average (excluding Min and Max).
- (7) : (1) x (3)
- (8) : (1) x (4)
- (9) : (2) x (5)
- (10) : (2) x (6)
- (11) : Ultimate loss selection based on calculated incurred and paid ultimates in columns (7)-(10), with more emphasis on incurred methods in more recent years.
- (12) : (11) / (1) and judgement.

CALIFORNIA CASUALTY GROUP
HOMEOWNERS MULTIPLE PERIL - COUNTRYWIDE EXCEPT CA
INCURRED LOSS AND DCC AT 12/31/2012

ALL STATES EXCEPT CA COMBINED INCURRED LOSSES AND DCC:

Age	<u>1Q2004-4Q2004</u>	<u>1Q2005-4Q2005</u>	<u>1Q2006-4Q2006</u>	<u>1Q2007-4Q2007</u>	<u>1Q2008-4Q2008</u>	<u>1Q2009-4Q2009</u>	<u>1Q2010-4Q2010</u>	<u>1Q2011-4Q2011</u>	<u>1Q2012-4Q2012</u>
12	9,865,388	9,452,844	8,563,589	10,346,133	14,222,608	15,556,627	16,808,345	18,980,882	17,695,468
24	10,558,401	10,379,990	9,826,377	11,343,588	15,774,335	18,108,988	19,024,733	20,448,347	
36	10,588,846	10,149,820	9,906,465	11,396,515	15,983,832	18,575,723	19,242,803		
48	10,691,214	10,172,184	9,943,734	11,373,059	16,013,334	18,440,611			
60	10,607,097	10,221,439	9,952,560	11,386,234	16,004,488				
72	10,607,595	10,274,372	9,906,722	11,373,450					
84	10,543,485	10,274,278	9,909,605						
96	10,549,449	10,274,278							
108	10,549,425								

AGE-TO-AGE FACTORS:

Age	<u>1Q2004-4Q2004</u>	<u>1Q2005-4Q2005</u>	<u>1Q2006-4Q2006</u>	<u>1Q2007-4Q2007</u>	<u>1Q2008-4Q2008</u>	<u>1Q2009-4Q2009</u>	<u>1Q2010-4Q2010</u>	<u>1Q2011-4Q2011</u>	<u>1Q2012-4Q2012</u>
12-24	1.070	1.098	1.147	1.096	1.109	1.164	1.132	1.077	-
24-36	1.003	0.978	1.008	1.005	1.013	1.026	1.011	-	-
36-48	1.010	1.002	1.004	0.998	1.002	0.993	-	-	-
48-60	0.992	1.005	1.001	1.001	0.999	-	-	-	-
60-72	1.000	1.005	0.995	0.999	-	-	-	-	-
72-84	0.994	1.000	1.000	-	-	-	-	-	-
84-96	1.001	1.000	-	-	-	-	-	-	-
96-108	1.000	-	-	-	-	-	-	-	-
108- Ult	-	-	-	-	-	-	-	-	-

AGE-TO-ULTIMATE FACTOR CALCULATIONS:

Age	<u>Factor Weighted 5-Year Average</u>		<u>Medial 6-Year Average (Excluding Min and Max)</u>	
	<u>Age-to-Age</u>	<u>Age-to-Ult</u>	<u>Age-to-Age</u>	<u>Age-to-Ult</u>
12-24	1.116	1.132	1.121	1.134
24-36	1.013	1.014	1.009	1.012
36-48	1.000	1.001	1.002	1.002
48-60	1.000	1.001	1.000	1.001
60-72	1.000	1.001	1.000	1.001
72-84	1.000	1.001	1.000	1.001
84-96	1.001	1.001	1.001	1.001
96-108	1.000	1.000	1.000	1.000
108- Ult	1.000	1.000	1.000	1.000

CALIFORNIA CASUALTY GROUP
HOMEOWNERS MULTIPLE PERIL - COUNTRYWIDE EXCEPT CA
INCURRED LOSS AND DCC AT 12/31/2012

ALL STATES EXCEPT CA COMBINED PAID LOSSES AND DCC:

Age	1Q2004-4Q2004	1Q2005-4Q2005	1Q2006-4Q2006	1Q2007-4Q2007	1Q2008-4Q2008	1Q2009-4Q2009	1Q2010-4Q2010	1Q2011-4Q2011	1Q2012-4Q2012
12	7,725,461	6,925,303	6,590,139	8,214,464	11,120,850	12,362,699	14,404,913	15,551,282	14,378,901
24	10,167,554	9,950,051	9,484,630	11,059,421	15,177,438	16,961,672	18,458,959	20,159,843	
36	10,426,170	10,109,917	9,648,782	11,253,841	15,901,624	17,696,323	18,811,320		
48	10,499,249	10,140,554	9,876,119	11,268,212	15,949,652	18,019,004			
60	10,500,262	10,159,595	9,888,509	11,287,014	15,968,549				
72	10,501,661	10,266,763	9,904,182	11,303,641					
84	10,503,075	10,266,669	9,909,605						
96	10,549,449	10,266,669							
108	10,549,425								

AGE-TO-AGE FACTORS:

Age	1Q2004-4Q2004	1Q2005-4Q2005	1Q2006-4Q2006	1Q2007-4Q2007	1Q2008-4Q2008	1Q2009-4Q2009	1Q2010-4Q2010	1Q2011-4Q2011	1Q2012-4Q2012
12-24	1.316	1.437	1.439	1.346	1.365	1.372	1.281	1.296	-
24-36	1.025	1.016	1.017	1.018	1.048	1.043	1.019	-	-
36-48	1.007	1.003	1.024	1.001	1.003	1.018	-	-	-
48-60	1.000	1.002	1.001	1.002	1.001	-	-	-	-
60-72	1.000	1.011	1.002	1.001	-	-	-	-	-
72-84	1.000	1.000	1.001	-	-	-	-	-	-
84-96	1.004	1.000	-	-	-	-	-	-	-
96-108	1.000	-	-	-	-	-	-	-	-
108- Ult	-	-	-	-	-	-	-	-	-

AGE-TO-ULTIMATE FACTOR CALCULATIONS:

Age	Factor Weighted 5-Year Average		Medial 6-Year Average (Excluding Min and Max)	
	Age-to-Age	Age-to-Ult	Age-to-Age	Age-to-Ult
12-24	1.332	1.394	1.345	1.398
24-36	1.029	1.047	1.024	1.040
36-48	1.010	1.017	1.008	1.015
48-60	1.001	1.007	1.001	1.007
60-72	1.004	1.006	1.004	1.006
72-84	1.000	1.002	1.000	1.002
84-96	1.002	1.002	1.002	1.002
96-108	1.000	1.000	1.000	1.000
108- Ult	1.000	1.000	1.000	1.000

CALIFORNIA CASUALTY GROUP
HOMEOWNERS MULTIPLE PERIL - STATE OF ARKANSAS

DERIVATION OF LOSS TREND FACTORS

HISTORICAL COST TREND FACTORS

Selected Historical Annual Loss Trend

DP-3 and HO-3	4.0%
HO-4 and HO-6	-1.1%

Current Cost Factors

	<u>1Q2012-4Q2012</u>	<u>1Q2011-4Q2011</u>	<u>1Q2010-4Q2010</u>	<u>1Q2009-4Q2009</u>	<u>1Q2008-4Q2008</u>
HO-3	1.000	1.040	1.082	1.125	1.170
HO-4	1.000	0.989	0.978	0.967	0.957
HO-6	1.000	0.989	0.978	0.967	0.957
DP-3	1.000	1.040	1.082	1.125	1.170

LOSS PROJECTION FACTORS

Selected Future Annual Loss Trend

DP-3 and HO-3	4.0%
HO-4 and HO-6	-1.1%

Dates for Trend Period Calculation

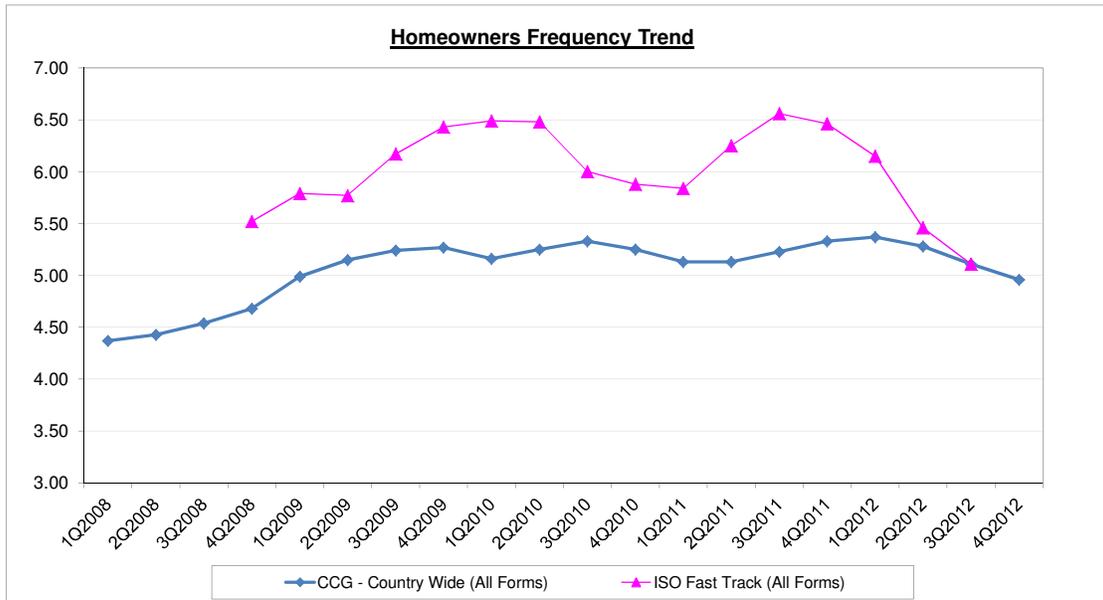
Midpoint of Most Recent Experience Period	7/1/2012
Effective Date	1/1/2014
Average Loss Date	1/1/2015

Loss Projection Factors

DP-3 and HO-3	1.103
HO-4 and HO-6	0.973

**California Casualty Group
Homeowners Multiple Peril - State of Arkansas
Loss Trend Selection - Frequency
All Policy Forms Combined**

Data Point	Qtr. / Year	California Casualty (All Forms) - Countrywide Catastrophes Excluded				ISO Fast Track (All Forms) - Arkansas Catastrophes Excluded			
		Rolling Frequency	20 Point Fitted	12 Point Fitted	6 Point Fitted	Rolling Frequency	16 Point Fitted	12 Point Fitted	6 Point Fitted
1	1Q2008	4.37	4.72						
2	2Q2008	4.43	4.75						
3	3Q2008	4.54	4.79						
4	4Q2008	4.68	4.82			5.52	6.09		
5	1Q2009	4.99	4.86			5.79	6.08		
6	2Q2009	5.15	4.89			5.77	6.07		
7	3Q2009	5.24	4.93			6.17	6.06		
8	4Q2009	5.27	4.96			6.43	6.04	6.52	
9	1Q2010	5.16	5.00	5.26		6.49	6.03	6.44	
10	2Q2010	5.25	5.03	5.25		6.48	6.02	6.36	
11	3Q2010	5.33	5.07	5.24		6.00	6.01	6.27	
12	4Q2010	5.25	5.11	5.23		5.88	6.00	6.19	
13	1Q2011	5.13	5.14	5.22		5.84	5.99	6.12	
14	2Q2011	5.13	5.18	5.21		6.25	5.98	6.04	6.70
15	3Q2011	5.23	5.22	5.21	5.37	6.56	5.97	5.96	6.40
16	4Q2011	5.33	5.25	5.20	5.30	6.46	5.96	5.88	6.11
17	1Q2012	5.37	5.29	5.19	5.24	6.15	5.95	5.81	5.84
18	2Q2012	5.28	5.33	5.18	5.18	5.46	5.94	5.73	5.58
19	3Q2012	5.11	5.37	5.17	5.12	5.11	5.93	5.66	5.33
20	4Q2012	4.96	5.41	5.16	5.06				
Trend			3.0%	-0.8%	-4.5%		-0.7%	-5.0%	-16.7%
R-Squared			0.45	0.08	0.54		0.01	0.36	0.73

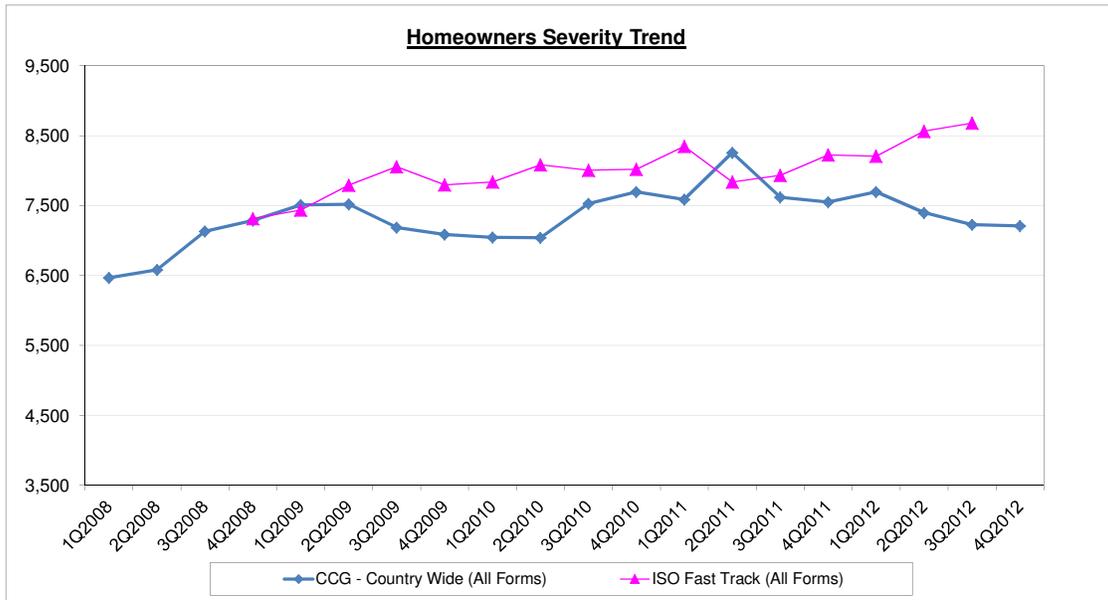


Trend Selection

Form	Historical	Future
DP-3 / HO-3	1.0%	1.0%
HO-4 / HO-6	-3.0%	-3.0%

**California Casualty Group
Homeowners Multiple Peril - State of Arkansas
Loss Trend Selection - Severity
All Policy Forms Combined**

Data Point	Qtr. / Year	California Casualty (All Forms) - Countrywide Catastrophes Excluded				ISO Fast Track (All Forms) - Arkansas Catastrophes Excluded			
		Rolling Severity	20 Point Fitted	12 Point Fitted	6 Point Fitted	Rolling Severity	16 Point Fitted	12 Point Fitted	6 Point Fitted
1	1Q2008	6,465	6,975						
2	2Q2008	6,581	7,010						
3	3Q2008	7,130	7,046						
4	4Q2008	7,284	7,082			7,311	7,539		
5	1Q2009	7,507	7,118			7,436	7,599		
6	2Q2009	7,517	7,154			7,792	7,659		
7	3Q2009	7,186	7,190			8,053	7,720		
8	4Q2009	7,084	7,227			7,797	7,781	7,798	
9	1Q2010	7,045	7,264	7,440		7,835	7,843	7,856	
10	2Q2010	7,040	7,301	7,447		8,083	7,905	7,914	
11	3Q2010	7,525	7,338	7,455		8,004	7,968	7,973	
12	4Q2010	7,693	7,375	7,462		8,020	8,031	8,032	
13	1Q2011	7,587	7,412	7,469		8,348	8,095	8,092	
14	2Q2011	8,254	7,450	7,476		7,835	8,159	8,152	7,810
15	3Q2011	7,616	7,488	7,483	7,687	7,932	8,224	8,213	7,977
16	4Q2011	7,548	7,526	7,490	7,590	8,222	8,289	8,274	8,147
17	1Q2012	7,697	7,564	7,497	7,494	8,205	8,355	8,336	8,321
18	2Q2012	7,397	7,603	7,505	7,399	8,562	8,422	8,398	8,498
19	3Q2012	7,228	7,642	7,512	7,306	8,679	8,489	8,460	8,680
20	4Q2012	7,207	7,680	7,519	7,213				
Trend			2.0%	0.4%	-5.0%		3.2%	3.0%	8.8%
R-Squared			0.30	0.01	0.75		0.70	0.59	0.95

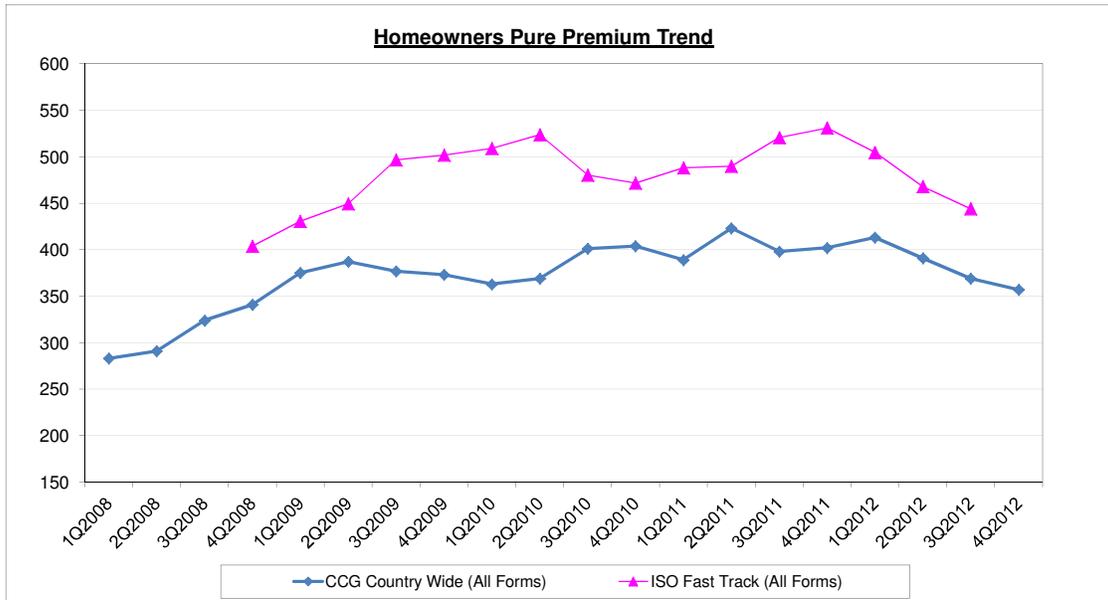


Trend Selection

Form	Historical	Future
	DP-3 / HO-3	3.0%
HO-4 / HO-6	2.0%	2.0%

**California Casualty Group
Homeowners Multiple Peril - State of Arkansas
Loss Trend Selection - Pure Premium
All Policy Forms Combined**

Data Point	Qtr. / Year	California Casualty (All Forms) - Countrywide Catastrophes Excluded				ISO Fast Track (All Forms) - Arkansas Catastrophes Excluded			
		Rolling Pure Prem.	20 Point Fitted	12 Point Fitted	6 Point Fitted	Rolling Pure Prem.	16 Point Fitted	12 Point Fitted	6 Point Fitted
1	1Q2008	283	329						
2	2Q2008	291	333						
3	3Q2008	324	337						
4	4Q2008	341	341			404	459		
5	1Q2009	375	346			431	462		
6	2Q2009	387	350			449	465		
7	3Q2009	377	354			497	468		
8	4Q2009	373	358			502	470	509	
9	1Q2010	363	363	391		509	473	506	
10	2Q2010	369	367	391		524	476	503	
11	3Q2010	401	372	390		480	479	500	
12	4Q2010	404	376	390		472	482	498	
13	1Q2011	389	381	390		488	485	495	
14	2Q2011	423	386	390		490	488	492	523
15	3Q2011	398	390	389	412	521	491	490	511
16	4Q2011	402	395	389	402	531	494	487	498
17	1Q2012	413	400	389	393	505	497	484	486
18	2Q2012	391	405	388	383	468	500	482	474
19	3Q2012	369	410	388	374	444	504	479	462
20	4Q2012	357	415	388	365				
Trend			5.1%	-0.3%	-9.2%		2.5%	-2.2%	-9.4%
R-Squared			0.45	0.00	0.68		0.15	0.14	0.47

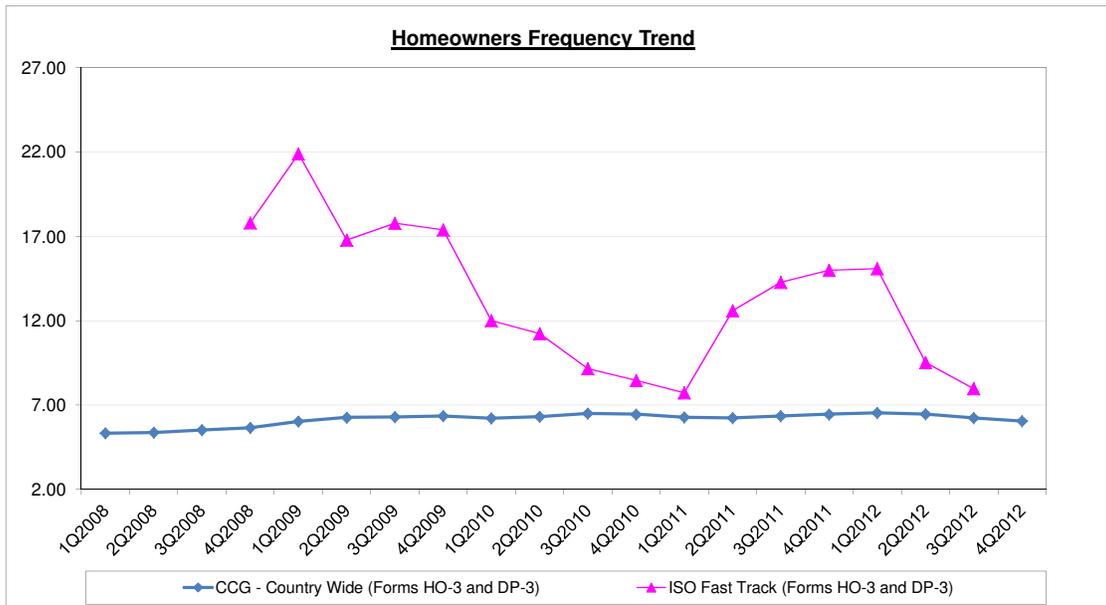


Trend Selection

Form	Historical	Future
DP-3 / HO-3	4.0%	4.0%
HO-4 / HO-6	-1.1%	-1.1%

**California Casualty Group
Homeowners Multiple Peril - State of Arkansas
Loss Trend Selection - Frequency
Policy Forms HO-3 and DP-3**

Data Point	Qtr. / Year	California Casualty (HO3 DP3 Forms) - Countrywide Catastrophes Excluded				ISO Fast Track (HO-3 and DP-3) - Arkansas Catastrophes Included			
		Rolling Frequency	20 Point Fitted	12 Point Fitted	6 Point Fitted	Rolling Frequency	16 Point Fitted	12 Point Fitted	6 Point Fitted
1	1Q2008	5.33	5.70						
2	2Q2008	5.37	5.75						
3	3Q2008	5.52	5.79						
4	4Q2008	5.65	5.84						
5	1Q2009	6.02	5.88			17.80	17.38		
6	2Q2009	6.26	5.92			21.89	16.68		
7	3Q2009	6.29	5.97			16.78	16.01		
8	4Q2009	6.34	6.01			17.78	15.37		
9	1Q2010	6.21	6.06	6.37		17.38	14.75	12.22	
10	2Q2010	6.31	6.11	6.36		12.00	14.15	12.04	
11	3Q2010	6.50	6.15	6.36		11.23	13.58	11.87	
12	4Q2010	6.45	6.20	6.35		9.16	13.04	11.71	
13	1Q2011	6.27	6.25	6.35		8.46	12.51	11.54	
14	2Q2011	6.24	6.30	6.34		7.72	12.01	11.38	
15	3Q2011	6.35	6.34	6.33	6.51	12.59	11.53	11.22	15.48
16	4Q2011	6.45	6.39	6.33	6.44	14.27	11.06	11.06	14.01
17	1Q2012	6.53	6.44	6.32	6.38	14.99	10.62	10.90	12.68
18	2Q2012	6.46	6.49	6.31	6.31	15.07	10.19	10.75	11.47
19	3Q2012	6.24	6.54	6.31	6.25	9.52	9.78	10.59	10.38
20	4Q2012	6.04	6.59	6.30	6.18	7.97	9.39	10.44	9.40
Trend			3.1%	-0.5%	-4.0%		-15.1%	-5.6%	-32.9%
R-Squared			0.50	0.02	0.45		0.36	0.03	0.49

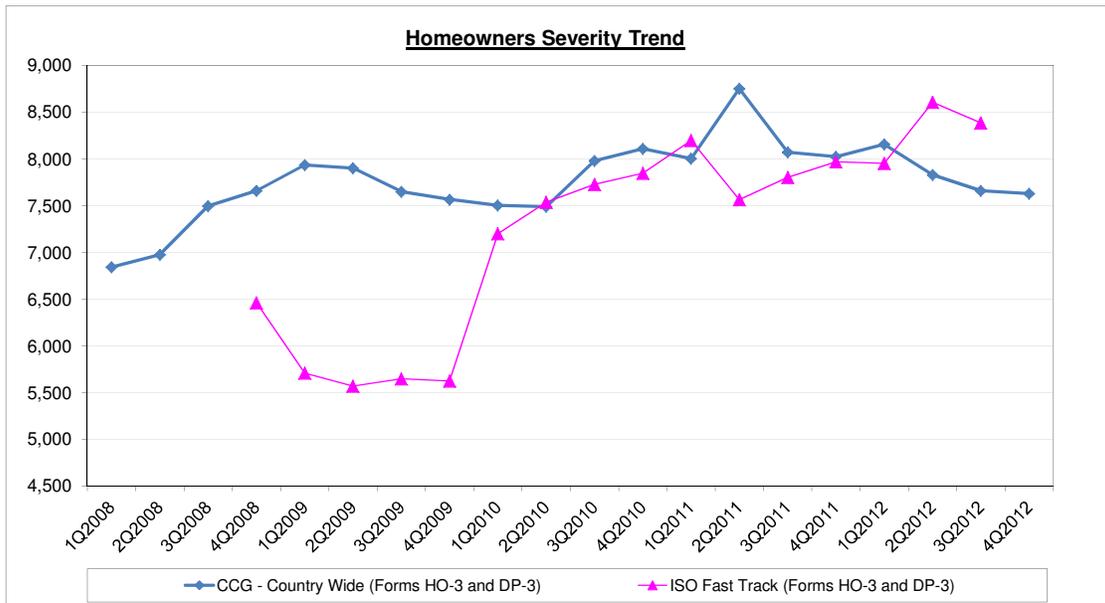


Trend Selection

Form	Historical	Future
DP-3 / HO-3	1.0%	1.0%
HO-4 / HO-6	-3.0%	-3.0%

**California Casualty Group
Homeowners Multiple Peril - State of Arkansas
Loss Trend Selection - Severity
Policy Forms HO-3 and DP-3**

Data Point	Qtr. / Year	California Casualty (HO3 DP3 Forms) - Countrywide Catastrophes Excluded				ISO Fast Track (HO-3 and DP-3) - Arkansas Catastrophes Included			
		Rolling Severity	20 Point Fitted	12 Point Fitted	6 Point Fitted	Rolling Severity	16 Point Fitted	12 Point Fitted	6 Point Fitted
1	1Q2008	6,841	7,374						
2	2Q2008	6,975	7,413						
3	3Q2008	7,496	7,452						
4	4Q2008	7,658	7,491			6,462	5,800		
5	1Q2009	7,934	7,530			5,707	5,965		
6	2Q2009	7,901	7,570			5,570	6,134		
7	3Q2009	7,650	7,609			5,647	6,309		
8	4Q2009	7,565	7,649			5,622	6,488	6,769	
9	1Q2010	7,501	7,689	7,895		7,198	6,672	6,923	
10	2Q2010	7,490	7,730	7,900		7,535	6,862	7,081	
11	3Q2010	7,980	7,770	7,906		7,728	7,057	7,242	
12	4Q2010	8,107	7,811	7,912		7,845	7,258	7,406	
13	1Q2011	8,004	7,852	7,918		8,196	7,464	7,575	
14	2Q2011	8,752	7,893	7,924		7,563	7,676	7,747	7,587
15	3Q2011	8,071	7,935	7,929	8,156	7,800	7,895	7,923	7,764
16	4Q2011	8,024	7,977	7,935	8,050	7,968	8,119	8,104	7,945
17	1Q2012	8,154	8,019	7,941	7,944	7,950	8,350	8,288	8,131
18	2Q2012	7,829	8,061	7,947	7,840	8,604	8,587	8,476	8,320
19	3Q2012	7,659	8,103	7,952	7,737	8,384	8,831	8,669	8,514
20	4Q2012	7,629	8,145	7,958	7,636				
Trend			2.1%	0.3%	-5.1%		11.9%	9.4%	9.7%
R-Squared			0.32	0.00	0.77		0.73	0.56	0.83

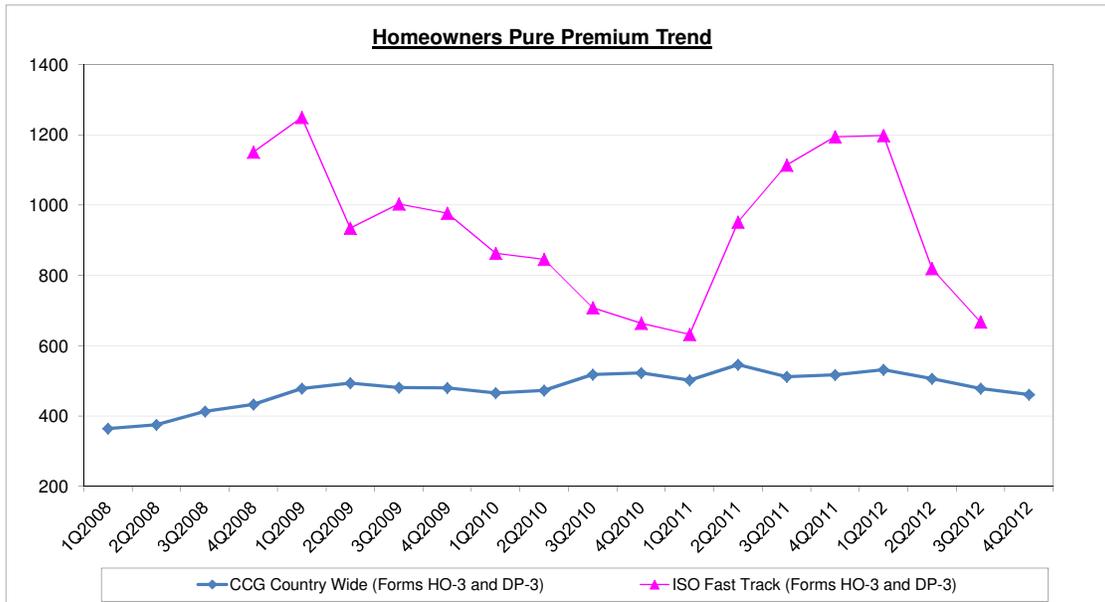


Trend Selection

Form	Historical	Future
DP-3 / HO-3	3.0%	3.0%
HO-4 / HO-6	2.0%	2.0%

**California Casualty Group
Homeowners Multiple Peril - State of Arkansas
Loss Trend Selection - Pure Premium
Policy Forms HO-3 and DP-3**

Data Point	Qtr. / Year	<u>California Casualty (HO3 DP3 Forms) - Countrywide</u> <u>Catastrophes Excluded</u>				<u>ISO Fast Track (HO-3 and DP-3) - Arkansas</u> <u>Catastrophes Included</u>			
		Rolling Pure Prem.	20 Point Fitted	12 Point Fitted	6 Point Fitted	Rolling Pure Prem.	16 Point Fitted	12 Point Fitted	6 Point Fitted
1	1Q2008	364	420						
2	2Q2008	375	426						
3	3Q2008	413	431						
4	4Q2008	433	437			1151	1008		
5	1Q2009	478	443			1249	995		
6	2Q2009	494	448			935	982		
7	3Q2009	481	454			1004	969		
8	4Q2009	480	460			977	957	827	
9	1Q2010	466	466	503		863	944	834	
10	2Q2010	473	472	503		846	932	841	
11	3Q2010	518	478	503		708	920	848	
12	4Q2010	523	484	502		664	908	855	
13	1Q2011	502	490	502		632	896	862	
14	2Q2011	546	497	502		952	885	869	1175
15	3Q2011	512	503	502	530	1113	873	876	1088
16	4Q2011	517	510	502	518	1194	862	883	1007
17	1Q2012	532	516	502	506	1198	851	891	933
18	2Q2012	506	523	502	495	819	840	898	864
19	3Q2012	478	530	502	483	668	829	905	800
20	4Q2012	461	537	501	472				
Trend			5.3%	-0.2%	-8.9%		-5.1%	3.3%	-26.5%
R-Squared			0.48	0.00	0.66		0.08	0.02	0.38

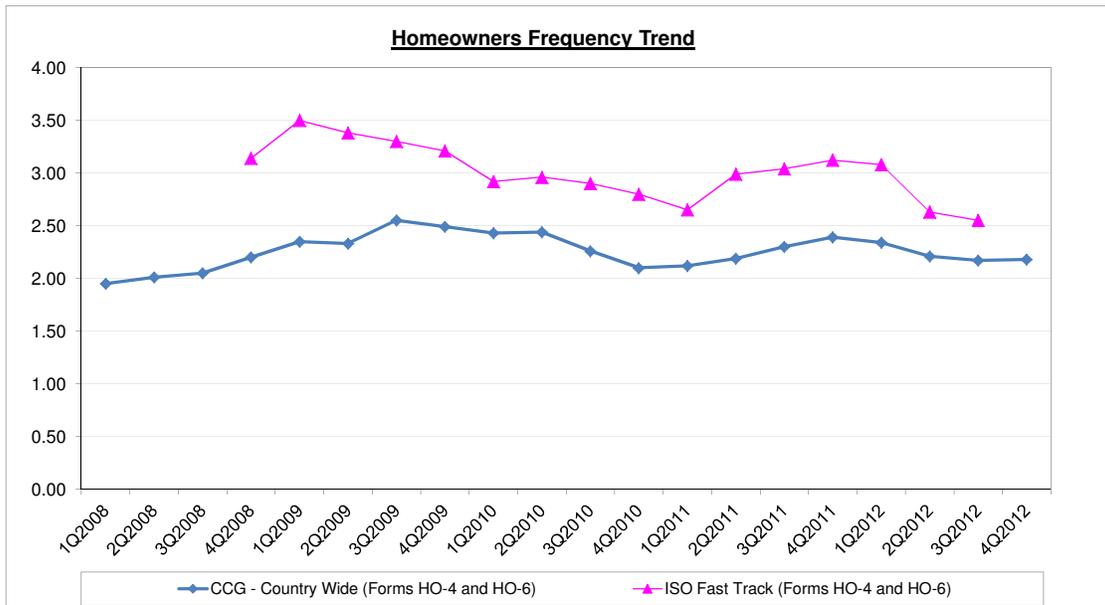


Trend Selection

Form	Historical	Future
DP-3 / HO-3	4.0%	4.0%
HO-4 / HO-6	-1.1%	-1.1%

**California Casualty Group
Homeowners Multiple Peril - State of Arkansas
Loss Trend Selection - Frequency
Policy Forms HO-4 and HO-6**

Data Point	Qtr. / Year	<u>California Casualty (HO4 HO6) - Countrywide</u> <u>Catastrophes Excluded</u>				<u>ISO Fast Track (HO-4 and HO-6) - Arkansas</u> <u>Catastrophes Included</u>			
		Rolling Frequency	20 Point Fitted	12 Point Fitted	6 Point Fitted	Rolling Frequency	16 Point Fitted	12 Point Fitted	6 Point Fitted
1	1Q2008	1.95	2.20						
2	2Q2008	2.01	2.20						
3	3Q2008	2.05	2.21						
4	4Q2008	2.20	2.21			3.14	3.31		
5	1Q2009	2.35	2.22			3.50	3.27		
6	2Q2009	2.33	2.22			3.38	3.23		
7	3Q2009	2.55	2.23			3.30	3.18		
8	4Q2009	2.49	2.23			3.21	3.14	3.04	
9	1Q2010	2.43	2.24	2.32		2.92	3.10	3.01	
10	2Q2010	2.44	2.24	2.31		2.96	3.06	2.99	
11	3Q2010	2.26	2.25	2.30		2.90	3.02	2.96	
12	4Q2010	2.10	2.26	2.29		2.80	2.98	2.93	
13	1Q2011	2.12	2.26	2.28		2.65	2.94	2.91	
14	2Q2011	2.19	2.27	2.26		2.99	2.90	2.88	3.16
15	3Q2011	2.30	2.27	2.25	2.37	3.04	2.86	2.86	3.05
16	4Q2011	2.39	2.28	2.24	2.32	3.12	2.83	2.84	2.94
17	1Q2012	2.34	2.28	2.23	2.28	3.08	2.79	2.81	2.84
18	2Q2012	2.21	2.29	2.22	2.24	2.63	2.75	2.79	2.74
19	3Q2012	2.17	2.29	2.21	2.20	2.55	2.72	2.76	2.65
20	4Q2012	2.18	2.30	2.20	2.17				
Trend			0.9%	-1.8%	-6.5%		-4.9%	-3.5%	-13.1%
R-Squared			0.03	0.12	0.67		0.49	0.18	0.58

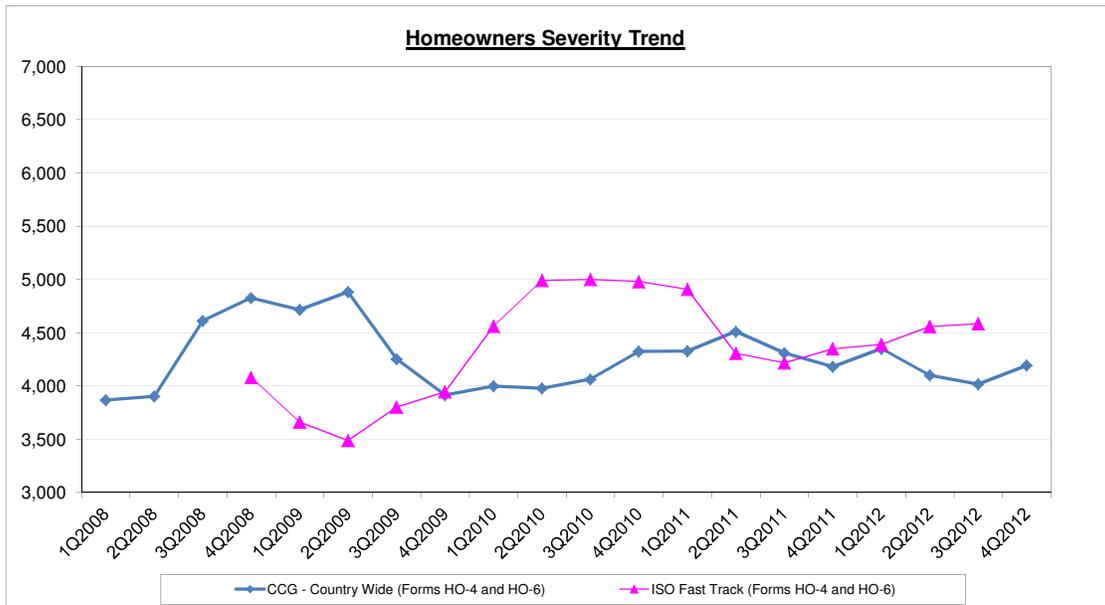


Trend Selection

Form	Historical	Future
DP-3 / HO-3	1.0%	1.0%
HO-4 / HO-6	-3.0%	-3.0%

**California Casualty Group
Homeowners Multiple Peril - State of Arkansas
Loss Trend Selection - Severity
Policy Forms HO-4 and HO-6**

Data Point	Qtr. / Year	California Casualty (HO4 HO6) - Countrywide Catastrophes Excluded				ISO Fast Track (HO-4 and HO-6) - Arkansas Catastrophes Included			
		Rolling Severity	20 Point Fitted	12 Point Fitted	6 Point Fitted	Rolling Severity	16 Point Fitted	12 Point Fitted	6 Point Fitted
1	1Q2008	3,868	4,330						
2	2Q2008	3,905	4,322						
3	3Q2008	4,612	4,314						
4	4Q2008	4,828	4,307						
5	1Q2009	4,716	4,299			4,082	3,953		
6	2Q2009	4,885	4,291			3,663	4,002		
7	3Q2009	4,253	4,284			3,489	4,052		
8	4Q2009	3,915	4,276			3,803	4,103		
9	1Q2010	4,001	4,269	4,150		3,945	4,155	4,605	
10	2Q2010	3,980	4,261	4,158		4,562	4,207	4,596	
11	3Q2010	4,064	4,253	4,166		4,991	4,259	4,587	
12	4Q2010	4,326	4,246	4,174		5,000	4,313	4,577	
13	1Q2011	4,328	4,238	4,182		4,981	4,367	4,568	
14	2Q2011	4,512	4,231	4,190		4,909	4,421	4,559	
15	3Q2011	4,310	4,223	4,198	4,287	4,307	4,477	4,550	4,229
16	4Q2011	4,183	4,216	4,206	4,249	4,219	4,533	4,541	4,296
17	1Q2012	4,351	4,208	4,214	4,210	4,349	4,589	4,532	4,365
18	2Q2012	4,101	4,201	4,222	4,172	4,392	4,647	4,523	4,435
19	3Q2012	4,018	4,193	4,230	4,134	4,559	4,705	4,514	4,506
20	4Q2012	4,193	4,186	4,238	4,097	4,586	4,764	4,505	4,578
Trend			-0.7%	0.8%	-3.6%		5.1%	-0.8%	6.6%
R-Squared			0.02	0.03	0.32		0.28	0.01	0.83

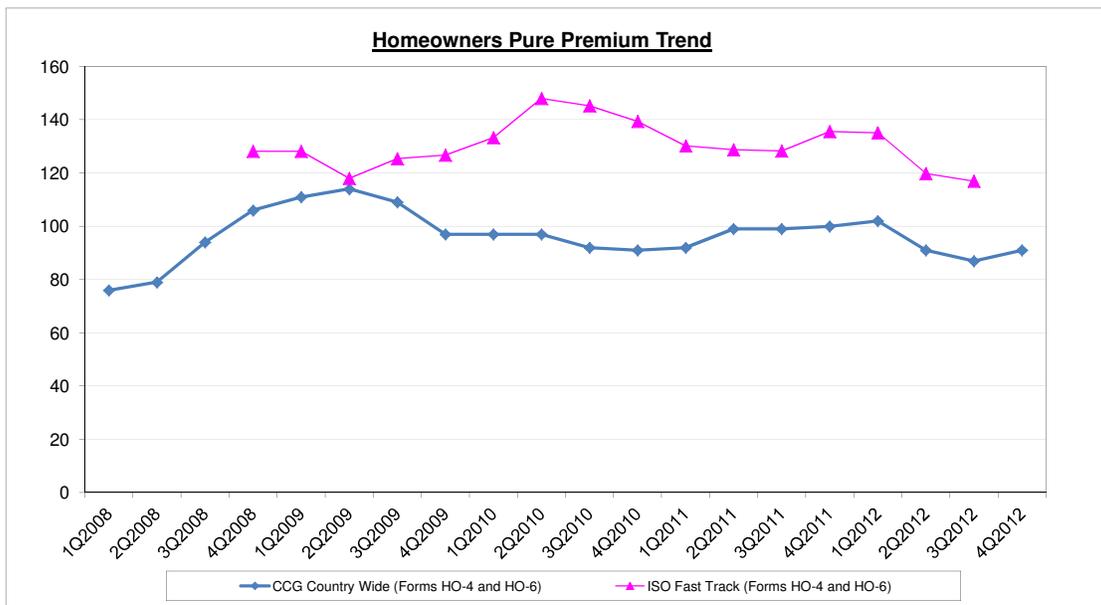


Trend Selection

Form	Historical	Future
DP-3 / HO-3	3.0%	3.0%
HO-4 / HO-6	2.0%	2.0%

**California Casualty Group
Homeowners Multiple Peril - State of Arkansas
Loss Trend Selection - Pure Premium
Policy Forms HO-4 and HO-6**

Data Point	Qtr. / Year	California Casualty (HO4 HO6) - Countrywide Catastrophes Excluded				ISO Fast Track (HO-4 and HO-6) - Arkansas Catastrophes Included			
		Rolling Pure Prem.	20 Point Fitted	12 Point Fitted	6 Point Fitted	Rolling Pure Prem.	16 Point Fitted	12 Point Fitted	6 Point Fitted
1	1Q2008	76	95						
2	2Q2008	79	95						
3	3Q2008	94	95						
4	4Q2008	106	96			128	131		
5	1Q2009	111	96			128	131		
6	2Q2009	114	96			118	131		
7	3Q2009	109	96			125	131		
8	4Q2009	97	96			127	131	140	
9	1Q2010	97	96	96		133	130	139	
10	2Q2010	97	96	96		148	130	137	
11	3Q2010	92	96	96		145	130	136	
12	4Q2010	91	96	96		139	130	134	
13	1Q2011	92	96	95		130	130	133	
14	2Q2011	99	96	95		129	130	131	134
15	3Q2011	99	96	95	102	128	130	130	131
16	4Q2011	100	96	94	99	136	130	128	128
17	1Q2012	102	96	94	96	135	130	127	126
18	2Q2012	91	96	94	94	120	129	126	124
19	3Q2012	87	96	93	91	117	129	124	121
20	4Q2012	91	96	93	89				
Trend			0.0%	-1.1%	-10.1%		-0.3%	-4.2%	-7.5%
R-Squared			0.00	0.06	0.62		0.00	0.31	0.36



Trend Selection

Form	Historical	Future
DP-3 / HO-3	4.0%	4.0%
HO-4 / HO-6	-1.1%	-1.1%

CALIFORNIA CASUALTY GROUP
HOMEOWNERS MULTIPLE PERIL
EXPENSE RATIO FOR RATEMAKING
(% OF DIRECT EARNED PREMIUM)

		<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>Projected</u>
(1)	Direct Premiums Earned	68,851,662	70,485,823	72,475,537	100.0%	100.0%	100.0%	100.0%
(2)	Direct Premiums Written	69,649,637	71,462,593	73,727,999	100.0%	100.0%	100.0%	100.0%
(3)	Commissions and Brokerage Expenses	853,073	986,708	857,319	1.2%	1.4%	1.2%	1.3%
(4)	Other Acquisition	11,855,000	13,090,000	13,987,000	17.2%	18.6%	19.3%	18.4%
(5)	General Expenses	4,743,000	4,635,000	4,504,000	6.9%	6.6%	6.2%	6.6%
(6)	Taxes Licenses and Fees	3,447	3,643	4,386	4.0%	3.1%	3.2%	3.4%
(7)	A & O	11,093,000	10,988,000	12,509,000	16.1%	15.6%	17.3%	16.3%
(8)	Profit							0.9%
(9)	Total							46.8%

Insurance Expense Exhibit, Part III years 2009, 2010 and 2011 for line 4, 5, and 7. All items are expressed both in dollars and as a percent of earned premium, except (2), (3) and (6), which are expressed as percentages of written premium. Arkansas Page 14. Taxes (6) expressed as percentage of Page 14 Arkansas Written Premium.

(8) = See Exh IX p2, line (6)

(9) = Sum of lines (3) to (8).

CALIFORNIA CASUALTY GROUP
HOMEOWNERS MULTIPLE PERIL

DERIVATION OF PERMISSIBLE LOSS RATIO FOR RATEMAKING
(% OF DIRECT EARNED PREMIUM)

	<u>% of Earned</u>
Commission	1.3%
Other Acquisition	18.4%
General Expenses	6.6%
Taxes, Licenses and Fees	3.4%
A & O	16.3%
Profit	0.9%
Total Expenses	46.8%
Fixed Expenses	41.2%
Variable Expenses	5.6%
Permissible Loss Ratio	53.2%

CALIFORNIA CASUALTY GROUP
HOMEOWNERS MULTIPLE PERIL - COUNTRYWIDE

RATE OF RETURN CALCULATIONS

	<u>Income Statement Item</u>	<u>Amount</u>	<u>Comments</u>
(1)	Premium	\$1.000	Adequate premium.
(2.1)	Investment Income		
	a) from Surplus	0.029	Ratios to premium.
	b) from UEPR	0.000	From Exhibit X
	c) from Loss Res.	<u>0.012</u>	Page 2.
	d) Total	0.041	
(2.2)	Installment Charge and Service Fee	0.002	Ratios to premium from Exhibit X Page 2.
(3)	Losses and DCC	0.532	Fixed with respect to premium.
(4)	Expenses	0.459	Ratio to premium excluding Underwriting Profit (Loss).
(5)	Underwriting Profit (Loss)	0.009	(1) - (3) - (4)
(6)	Federal Income Tax on U/W	0.003	(5) x 0.35
(7)	Total Return	0.049	(5) - (6) + (2.1) + (2.2)
(8)	Surplus	0.978	(1)/(Premium-to-Surplus) From Exhibit X, Page 2-3
(9)	Return on Surplus	5.0%	(7) / (8) x 100%
(10)	Return on Premium	4.9%	(7) / (1) x 100%

CALIFORNIA CASUALTY GROUP
HOMEOWNERS MULTIPLE PERIL - COUNTRYWIDE

INVESTMENT INCOME 2011

Investment Income was allocated by line of insurance following the method in the Insurance Expense Exhibit using California Casualty's 2011 Annual Statement.

I. Investment

a) Surplus

(1) Mean Net Unearned Premium Reserve (All Lines)	109,134,500
(2) Mean Net Loss and LAE Reserve (All Lines)	135,528,000
(3) Net Earned Premium (All Lines)	214,675,000
(4) Mean Surplus (All Lines)	336,646,282
(5) Surplus Ratio	0.7329
(6) Mean Net Unearned Premium Reserve	26,157,500
(7) Mean Net Loss and LAE Reserve	20,868,500
(8) Net Earned Premium	49,701,000
(9) Surplus Allocable to Each Line (Net Basis)	70,891,218

b) Direct Unearned Premium Reserve

(1) Mean Direct Unearned Premium Reserve	37,367,000
(2) Mean Direct Delayed Remission of Premiums	0.7384
(3) Direct Prepaid Expense	0.2560
(4) Adjusted Mean Direct UEPR	207,707

c) Mean Direct Loss and LAE Reserve

29,741,000

II. After-Tax Investment Income

(1) After-tax Investment Yield	3.0%
(2) After-Tax Investment Income	
(a) From Surplus	2,091,291
(b) From Direct UEPR	6,127
(c) From Direct Loss and LAE Reserves	<u>877,360</u>
(d) Total	2,974,778

III. After-Tax Investment Income Ratio to DEP

(1) Direct Earned Premium	72,476,000
(2) After-Tax Investment Income Ratio to DEP	
(a) From Surplus	2.9%
(b) From Direct UEPR	0.0%
(c) From Direct Loss and LAE Reserves	1.2%
(d) Total	4.1%

IV. Premium-to-Surplus Ratio

1.022

V. After-tax Installment Charge and Service Fee

(1) Pre-tax Installment Charge and Service Fee	263,022
(2) After-tax Installment Charge and Service Fee	170,964
(3) After-tax Installment Charge and Service Fee to DEP	0.24%

Line Notes for page 2

I. Investment

a) Surplus

- (1) From Annual Statement, Page 7, part 1A, column 5, average of current and prior year line TOTALS
- (2) Annual Statement, Page 10, part 2a, columns 8 + 9, average of current and prior year line TOTALS
- (3) 2011 IEE, Part II, column 3.
- (4) Annual Statement, Page 3, line 35, average of current and prior year.
- (5) $(4) / \{(1) + (2) + (3)\}$

- (6) From Annual Statement, Page 7, part 1A, column 5, average of current and prior year by line of business.
- (7) Annual Statement, Page 10, part 2a, columns 8 + 9, average of current and prior year by line of business.
- (8) 2011 IEE, Part III, column 3.
- (9) $(5) \times \{(6) + (7) + (8)\}$

b) Direct Unearned Premium Reserve

- (1) 2011 IEE, Part III, column 19 by line of business.
- (2) Ratio of Annual Statement, Page 2, lines 13.1 + 13.2, average of current and prior year allocated to line of business by direct written premium divided by (1).
- (3) 2011 IEE, Part III, columns 23 + 25 + 27 + (1/2 of column 29 by line of business), divided by 2011 IEE, Part III, column 1 by line of business.
- (4) $(1) \times \{1 - (2) - (3)\}$

c) Mean Direct Loss and LAE Reserve

2011 IEE, Part III, columns 13 + 15 + 17

II. After-Tax Investment Income

- (1) See Exh XI Page 1, AFTER-TAX INVESTMENT YIELD CALCULATION
- (2) (a) = (1) x I.(a).(9)
(b) = (1) x I.(b).(4)
(c) = (1) x I.(c)

III. After-Tax Investment Income Ratio to DEP

- (1) 2011 IEE, Part III, column 3 by line of business.
- (2) (a) = II.(2).(a) / (1)
(b) = II.(2).(b) / (1)
(c) = II.(2).(c) / (1)

IV. Premium-to-Surplus

III.(1) / I.(a).(9)

V. After-tax Installment Charge and Service Fee

- (1) 2011 Annual Statement, Schedule T, column 8 for Homeowners Multiple Peril.
- (2) $(2) = (1) \times (1 - 0.35)$
- (3) $(3) = (2) / III.(1)$

CALIFORNIA CASUALTY GROUP
HOMEOWNERS MULTIPLE PERIL - COUNTRYWIDE
INVESTMENT INCOME REPORT
AFTER - TAX INVESTMENT YIELD CALCULATION

INVESTMENT INCOME

The pre-tax investment yield for each of the last 10 years, which is calculated as the ratio of net investment income from Annual Statement Page 4, line 8, to the mean invested assets (Annual Statement Page 2, line 8A) has been as follows:

2002	4.0%	2007	5.2%
2003	3.4%	2008	5.2%
2004	3.1%	2009	4.0%
2005	3.8%	2010	3.6%
2006	5.0%	2011	3.4%
a) 10 Year Average		4.1%	
b) 5 Year Average		4.3%	
c) Selected Pre-Tax Yield		3.3%	
d) Tax Rate		29.2%	Refer to page 2
e) Yield After Tax		2.3%	{[1 - (d)] x (c)}

REALIZED CAPITAL GAIN

Realized capital gains have varied from -4.1% to 5.2% of mean invested assets over the last 20 years. 1.0% was selected.

f) Selected Realized Capital Pre-Tax Gain	1.0%	
g) Tax Rate	35.0%	
h) Yield After Tax	0.7%	{[1 - (g)] x (f)}

TOTAL INVESTMENT YIELD

i) Total After-Tax Yield	3.0%	{(e) + (h)}
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CALIFORNIA CASUALTY GROUP
HOMEOWNERS MULTIPLE PERIL - COUNTRYWIDE

AVERAGE MARGINAL FEDERAL INCOME TAX RATE ON INVESTMENT INCOME

	<u>Asset Allocation</u> (1)	<u>Expected Return</u> (2)	(Net of Expense) <u>Estimated Distribution</u> (3)	<u>Tax Rate</u> (4)	<u>Tax</u> (5)
Investment Income					
Cash & Short-Term Investments	2.5%	0.00%	0.0%	35.0%	0.0%
Bonds (Taxable)	71.0%	1.70%	81.9%	35.0%	28.7%
Bonds (Tax Exempt)	15.0%	1.54%	15.7%	5.3%	0.8%
Stocks (Unaffiliated)	11.5%	1.00%	7.8%	20.4%	1.6%
Investment Expenses			<u>-5.3%</u>	<u>35.0%</u>	<u>-1.9%</u>
Total	100.0%		100%		29.2%

Notes: (1), (2) and (3) are from the Forecast.

(4)*: Under the 1986 Tax Reform Act, 15% of formerly tax-exempt income purchased after August 7, 1986, is now taxable. Thus the effective tax rates are calculated as follows:

Ordinary Income 35.0%

Tax Exempt Bonds (*) 5.3% = 0.15 X 35.0%

Stock Dividends (*) 20.4% = (0.3+(0.7x0.15))x35%x70%+35%x30%

(5) = (3)*(4).

CALIFORNIA CASUALTY GROUP
HOMEOWNERS MULTIPLE PERIL - ARKANSAS

PREMIUM EFFECT

	<u>Reference</u>	<u>HO-3</u>	<u>HO-3 MH</u>	<u>HO-4</u>	<u>HO-6</u>	<u>DP-3</u>	<u>Total</u>
Base Rate	Page 2	11.2%	11.2%	0.0%	0.0%	11.2%	
Form Relativity	Page 3	0.0%	-0.4%	0.0%	0.0%	0.1%	
Total		10.9%	10.9%	0.0%	0.0%	10.9%	10.0%

CALIFORNIA CASUALTY GROUP
HOMEOWNERS MULTIPLE PERIL - ARKANSAS

PREMIUM EFFECT
BASE RATE

	<u>HO-3</u>	<u>HO-3MH</u>	<u>DP-3</u>	<u>Total</u>
Superseded Base Rate	1709.11	1709.11	1709.11	
Filed Base Rate	1900.64	1900.64	1900.64	
Premium Effect	11.2%	11.2%	11.2%	10.3%

Note: Premium Effect = Filed / Superseded - 1

CALIFORNIA CASUALTY GROUP
HOMEOWNERS MULTIPLE PERIL - ARKANSAS

PREMIUM EFFECT
FORM RELATIVITY

	<u>HO-3</u>	Factor <u>HO-3MH</u>	<u>DP-3</u>	<u>Total</u>
Superceded	1.000	1.364	0.932	
Filed	1.000	1.359	0.933	
Premium Effect	0.0%	-0.4%	0.1%	0.0%

Note: Premium Effect = Filed / Superceded - 1

Rule 4 Rating Procedures

A. Rating is determined by calculating the appropriate Base Premium, selecting the coverages and limits desired, and then applying the discounts and factors for the policy type being rated. The Worksheet on the next page was designed to be used with each policy form by placing the calculations made in the appropriate column. If a particular factor or discount does not apply to a policy form, the applicable cell is grayed out. As you determine the appropriate factor/rate for each discount or endorsement, you should place it in the Factor/Rate column. This factor/rate should be multiplied (x) or added (+) (depending on what is shown in the Calc. column) to the calculated amount already determined for the previous row and found in the appropriate policy form column. The calculation should be rounded to the nearest penny for the first two steps (Base Rate x Base Rate Relativity x Amount of Insurance Relativity), and to the nearest dollar at other steps.

Note that mobile-manufactured homes written on the HO-3 policy form with the MH 04 01 endorsement are separated from non-mobile-manufactured home HO-3 policies in the worksheet. Those mobile-manufactured homes written on the HO-3 policy form with the MH 04 01 endorsement are referred to as HO-3 MH.

B. The following are the available payment plan options:

1. Annual - This plan requires the insured to pre-pay the policy premium. There are no service charges associated with this option.
2. 5-Pay Installment - This plan consists of a maximum of 5 installments to be paid during the policy period with each installment including a \$5 service charge. An installment charge is not applied to the initial installment or deposit premium. The maximum amount of service charges that will be paid during any policy period in addition to premium is \$25. Regardless of the number of policies issued per household (property and auto), the \$5 installment charge will apply to only one policy. Any service charge billed prior to cancellation or change in pay plan is non-refundable.
3. E-Z Pay Installment (Electronic Fund Transfer) – This plan consists of a maximum of 12 installments to be paid during the policy period with each installment including a \$1 service charge. An installment charge is not applied to the initial installment or deposit premium. The maximum amount of service charges that will be paid during any policy period in addition to premium is \$12. Regardless of the number of policies issued per household (property and auto), the \$1 installment charge will apply to only one policy. Any service charge billed prior to cancellation or change in pay plan is non-refundable.

* C. The following are fees that may be charged:

1. A \$10 late fee will be assessed if policy payment is not received by the premium due date or in the event a scheduled EFT deduction is rejected by the insured's banking institution.
2. A \$40 non-pay cancel rewrite (NPCR) fee will be assessed on policies that have cancelled for non-payment of premium and are rewritten with a lapse to a new policy within 60 days of cancellation. Policies reinstated without a lapse are not charged a fee.
3. A \$10 non-sufficient funds (NSF) fee will be assessed if any policy premium payment is returned by the insured's banking institution for non-sufficient funds.

+ = addition(s) * = revision(s) -- = deletion(s)

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* TABLE 1: BASE RATE

Form	Base Rate	Assumption					
		Amount of Insurance	Protection Class	Construction Type	# Units	Deductible	Zone
HO-3, HO-3 MH, DP-3	1709.11	200,000	4	Frame	1 - 2	500	H8
HO-4 & HO-6	284.28	50,000	4		1 - 4	500	H8

* TABLE 2A: BASE RELATIVITY – HO-4 & HO-6 (cont.)

Zone	1-4 FAMILY UNITS										
	Protection Class										
	1	2	3	4	5	6	7	8	8B	9	10
G0	1.29	1.29	1.29	1.29	1.29	1.51	1.51	1.51	1.78	1.78	2.25
G1	1.29	1.29	1.29	1.29	1.29	1.51	1.51	1.51	1.78	1.78	2.25
G2	1.29	1.29	1.29	1.29	1.29	1.51	1.51	1.51	1.78	1.78	2.25
G3	1.29	1.29	1.29	1.29	1.29	1.51	1.51	1.51	1.78	1.78	2.25
G4	1.29	1.29	1.29	1.29	1.29	1.51	1.51	1.51	1.78	1.78	2.25
G5	1.17	1.17	1.17	1.17	1.17	1.37	1.37	1.37	1.62	1.62	2.04
G6	1.36	1.36	1.36	1.36	1.36	1.59	1.59	1.59	1.88	1.88	2.37
G7	1.29	1.29	1.29	1.29	1.29	1.51	1.51	1.51	1.78	1.78	2.25
G8	1.29	1.29	1.29	1.29	1.29	1.51	1.51	1.51	1.78	1.78	2.25
G9	1.00	1.00	1.00	1.00	1.00	1.17	1.17	1.17	1.38	1.38	1.74
H0	1.17	1.17	1.17	1.17	1.17	1.37	1.37	1.37	1.62	1.62	2.04
H1	1.00	1.00	1.00	1.00	1.00	1.17	1.17	1.17	1.38	1.38	1.74
H2	1.00	1.00	1.00	1.00	1.00	1.17	1.17	1.17	1.38	1.38	1.74
H3	1.29	1.29	1.29	1.29	1.29	1.51	1.51	1.51	1.78	1.78	2.25
H4	1.36	1.36	1.36	1.36	1.36	1.59	1.59	1.59	1.88	1.88	2.37
H5	1.17	1.17	1.17	1.17	1.17	1.37	1.37	1.37	1.62	1.62	2.04
H6	1.29	1.29	1.29	1.29	1.29	1.51	1.51	1.51	1.78	1.78	2.25
H7	1.17	1.17	1.17	1.17	1.17	1.37	1.37	1.37	1.62	1.62	2.04
H8	1.00	1.00	1.00	1.00	1.00	1.17	1.17	1.17	1.38	1.38	1.74
H9	1.17	1.17	1.17	1.17	1.17	1.37	1.37	1.37	1.62	1.62	2.04
I0	1.17	1.17	1.17	1.17	1.17	1.37	1.37	1.37	1.62	1.62	2.04
I1	1.17	1.17	1.17	1.17	1.17	1.37	1.37	1.37	1.62	1.62	2.04
I2	1.00	1.00	1.00	1.00	1.00	1.17	1.17	1.17	1.38	1.38	1.74
I3	1.36	1.36	1.36	1.36	1.36	1.59	1.59	1.59	1.88	1.88	2.37

+ = addition(s) * = revision(s) -- = deletion(s)

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* TABLE 2A: BASE RELATIVITY – HO-4 & HO-6 (cont.)

Zone	5+ FAMILY UNITS										
	Protection Class										
	1	2	3	4	5	6	7	8	8B	9	10
G0	1.29	1.29	1.29	1.29	1.29	1.51	1.51	1.51	1.78	1.78	2.25
G1	1.29	1.29	1.29	1.29	1.29	1.51	1.51	1.51	1.78	1.78	2.25
G2	1.29	1.29	1.29	1.29	1.29	1.51	1.51	1.51	1.78	1.78	2.25
G3	1.29	1.29	1.29	1.29	1.29	1.51	1.51	1.51	1.78	1.78	2.25
G4	1.29	1.29	1.29	1.29	1.29	1.51	1.51	1.51	1.78	1.78	2.25
G5	1.17	1.17	1.17	1.17	1.17	1.37	1.37	1.37	1.62	1.62	2.04
G6	1.36	1.36	1.36	1.36	1.36	1.59	1.59	1.59	1.88	1.88	2.37
G7	1.29	1.29	1.29	1.29	1.29	1.51	1.51	1.51	1.78	1.78	2.25
G8	1.29	1.29	1.29	1.29	1.29	1.51	1.51	1.51	1.78	1.78	2.25
G9	1.00	1.00	1.00	1.00	1.00	1.17	1.17	1.17	1.38	1.38	1.74
H0	1.17	1.17	1.17	1.17	1.17	1.37	1.37	1.37	1.62	1.62	2.04
H1	1.00	1.00	1.00	1.00	1.00	1.17	1.17	1.17	1.38	1.38	1.74
H2	1.00	1.00	1.00	1.00	1.00	1.17	1.17	1.17	1.38	1.38	1.74
H3	1.29	1.29	1.29	1.29	1.29	1.51	1.51	1.51	1.78	1.78	2.25
H4	1.36	1.36	1.36	1.36	1.36	1.59	1.59	1.59	1.88	1.88	2.37
H5	1.17	1.17	1.17	1.17	1.17	1.37	1.37	1.37	1.62	1.62	2.04
H6	1.29	1.29	1.29	1.29	1.29	1.51	1.51	1.51	1.78	1.78	2.25
H7	1.17	1.17	1.17	1.17	1.17	1.37	1.37	1.37	1.62	1.62	2.04
H8	1.00	1.00	1.00	1.00	1.00	1.17	1.17	1.17	1.38	1.38	1.74
H9	1.17	1.17	1.17	1.17	1.17	1.37	1.37	1.37	1.62	1.62	2.04
I0	1.17	1.17	1.17	1.17	1.17	1.37	1.37	1.37	1.62	1.62	2.04
I1	1.17	1.17	1.17	1.17	1.17	1.37	1.37	1.37	1.62	1.62	2.04
I2	1.00	1.00	1.00	1.00	1.00	1.17	1.17	1.17	1.38	1.38	1.74
I3	1.36	1.36	1.36	1.36	1.36	1.59	1.59	1.59	1.88	1.88	2.37

+ = addition(s) * = revision(s) -- = deletion(s)

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* TABLE 4A: FORM RELATIVITY

<u>Form</u>	<u>Factor</u>
HO-3	1.000
HO-3 MH	1.364
DP-3	0.932
HO-4	1.000

* TABLE 4B: FORM RELATIVITY- HO-6

<u>ZONE</u>	<u>Factor</u> <u>(HO-6)</u>		<u>ZONE</u>	<u>Factor</u> <u>(HO-6)</u>		<u>ZONE</u>	<u>Factor</u> <u>(HO-6)</u>
A0	0.893		C8	0.893		F6	1.172
A1	0.839		C9	0.893		F7	0.990
A2	1.172		D0	0.893		F8	0.893
A3	1.172		D1	0.839		F9	0.893
A4	1.172		D2	0.839		G0	0.854
A5	0.893		D3	0.990		G1	0.893
A6	0.893		D4	0.893		G2	0.854
A7	1.172		D5	0.990		G3	0.893
A8	0.839		D6	0.893		G4	0.893
A9	0.893		D7	0.990		G5	0.990
B0	0.990		D8	0.893		G6	0.893
B1	0.990		D9	0.893		G7	0.893
B2	0.893		E0	0.893		G8	0.893
B3	0.893		E1	1.172		G9	1.172
B4	0.990		E2	0.893		H0	0.990
B5	0.990		E3	1.172		H1	1.172
B6	1.172		E4	1.172		H2	1.172
B7	0.839		E5	0.893		H3	0.893
B8	0.893		E6	0.839		H4	0.839
B9	0.893		E7	0.893		H5	0.990
C0	0.839		E8	1.172		H6	0.893
C1	0.839		E9	0.893		H7	0.990
C2	0.990		F0	0.990		H8	1.172
C3	1.172		F1	0.893		H9	0.947
C4	0.839		F2	1.172		I0	0.990
C5	1.122		F3	0.893		I1	0.990
C6	0.893		F4	0.893		I2	1.172
C7	0.990		F5	0.893		I3	0.839

+ = addition(s) * = revision(s) -- = deletion(s)

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TABLE 8: UTILITY RATING PLAN

<u>Years</u>	<u>Factor Adjustment (HO-3 only)</u>		
	<u>A*</u>	<u>B*</u>	<u>C*</u>
0	-0.08	-0.06	-0.02
1	-0.07	-0.05	-0.02
2	-0.07	-0.04	-0.01
3	-0.05	-0.04	-0.01
4	-0.04	-0.03	-0.01
5	-0.04	-0.02	0.00
6	-0.04	-0.01	0.00
7	-0.03	-0.01	0.00
8	-0.02	-0.01	0.00
9	-0.01	-0.01	0.00
10	0.00	0.00	0.00
11-39	0.00	0.00	0.00
40+	0.02	0.02	0.02

Utility Rating Plan Factor = $1 + A + B + C.$

* A: Electrical service.
 B: Heating and cooling system.
 C: Plumbing.

*

TABLE 9: HOME ALERT PROTECTION (Endorsement HO 04 16)

Alarm Device						Factors	
Fire/Smoke			Burglar			HO-3, HO-3 MH	HO-4 & HO-6
Local	Complete ¹	Report to police/fire dept/central station	Local	Complete ²	Report to police/fire dept/central station		
X							0.98
			X				0.97
X			X				0.95
	X					0.95	0.95
				X		0.95	0.95
	X			X		0.93	0.90
		X				0.93	0.90
					X	0.93	0.90
		X		X		0.91	0.87
	X				X	0.91	0.87
		X			X	0.89	0.85

¹ Complete fire/smoke: fire extinguisher on every floor, or detectors activate a digital dialer.

² Complete burglar: dead bolt locks on all exterior doors.

Only one factor may be applied to a policy.

TABLE 10: AUTOMATIC SPRINKLER DISCOUNT (Endorsement HO 04 16)

Type	Factor (all forms, except DP-3)
Complete*	0.90
Partial**	0.95

*: Automatic sprinklers in all areas including bathrooms, attics, closets and attached structures.

** : Automatic sprinklers totally or partially omitted in bathrooms, attics, closets and attached structures.

+ = addition(s) * = revision(s) -- = deletion(s)

Rev. 4 (01/01/13)

State: Arkansas

Filing Company:

California Casualty Indemnity Exchange

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

Product Name: Homeowners Multiple Peril

Project Name/Number: /

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)
09/09/2013		Supporting Document	Summary Filing Memo and Supporting Actuarial Exhibits	09/18/2013	AR-13-P-FR-189 - Explanatory Memo.pdf Exhibit I-XI.pdf Exhibit A.pdf (Superseded)
09/06/2013		Rate	Property UW Manual - Section 4 - Revised Pages	09/18/2013	Property UW Manual - Section 4 - Revised Pages.pdf (Superseded)
09/06/2013		Supporting Document	HPCS-Homeowners Premium Comparison Survey	09/18/2013	HO Survey FORM HPCS_CCIE.xls (Superseded) HO Survey FORM HPCS_CCIE.pdf (Superseded)
09/06/2013		Supporting Document	NAIC loss cost data entry document	09/18/2013	F319AR_051205.pdf (Superseded)

CALIFORNIA CASUALTY GROUP
HOMEOWNERS MULTIPLE PERIL - ARKANSAS

PREMIUM EFFECT

	<u>Reference</u>	<u>HO-3</u>	<u>HO-3 MH</u>	<u>HO-4</u>	<u>HO-6</u>	<u>DP-3</u>	<u>Total</u>
Base Rate	Page 2	20.0%	20.0%	0.0%	0.0%	20.0%	
Form Relativity	Page 3	0.0%	-0.6%	0.0%	0.0%	0.2%	
Total		19.5%	19.5%	0.0%	0.0%	19.5%	18.0%

CALIFORNIA CASUALTY GROUP
HOMEOWNERS MULTIPLE PERIL - ARKANSAS

PREMIUM EFFECT
BASE RATE

	<u>HO-3</u>	<u>HO-3MH</u>	<u>DP-3</u>	<u>Total</u>
Superseded Base Rate	1709.11	1709.11	1709.11	
Filed Base Rate	2051.76	2051.76	2051.76	
Premium Effect	20.0%	20.0%	20.0%	18.4%

Note: Premium Effect = Filed / Superseded - 1

CALIFORNIA CASUALTY GROUP
HOMEOWNERS MULTIPLE PERIL - ARKANSAS

PREMIUM EFFECT
FORM RELATIVITY

	<u>HO-3</u>	Factor <u>HO-3MH</u>	<u>DP-3</u>	<u>Total</u>
Superseded	1.000	1.364	0.932	
Filed	1.000	1.356	0.934	
Premium Effect	0.0%	-0.6%	0.2%	0.0%

Note: Premium Effect = Filed / Superseded - 1

Rule 4 Rating Procedures

- * A. Rating is determined by calculating the appropriate Base Premium, selecting the coverages and limits desired, and then applying the discounts and factors for the policy type being rated. The Worksheet on the next page was designed to be used with each policy form by placing the calculations made in the appropriate column. If a particular factor or discount does not apply to a policy form, the applicable cell is grayed out. As you determine the appropriate factor/rate for each discount or endorsement, you should place it in the Factor/Rate column. This factor/rate should be multiplied (x) or added (+) (depending on what is shown in the Calc. column) to the calculated amount already determined for the previous row and found in the appropriate policy form column. The calculation should be rounded to the nearest penny for the first two steps (Base Rate x Base Rate Relativity x Amount of Insurance Relativity), and to the nearest dollar at other steps. The Roof Discount factor calculation should be rounded to the nearest penny for the first two steps (Roof Class Code Factor x Age of Roof Factor), and to the nearest dollar at other steps.

Note that mobile-manufactured homes written on the HO-3 policy form with the MH 04 01 endorsement are separated from non-mobile-manufactured home HO-3 policies in the worksheet. Those mobile-manufactured homes written on the HO-3 policy form with the MH 04 01 endorsement are referred to as HO-3 MH.

- B. The following are the available payment plan options:
1. Annual - This plan requires the insured to pre-pay the policy premium. There are no service charges associated with this option.
 2. 5-Pay Installment - This plan consists of a maximum of 5 installments to be paid during the policy period with each installment including a \$5 service charge. An installment charge is not applied to the initial installment or deposit premium. The maximum amount of service charges that will be paid during any policy period in addition to premium is \$25. Regardless of the number of policies issued per household (property and auto), the \$5 installment charge will apply to only one policy. Any service charge billed prior to cancellation or change in pay plan is non-refundable.
 3. E-Z Pay Installment (Electronic Fund Transfer) – This plan consists of a maximum of 12 installments to be paid during the policy period with each installment including a \$1 service charge. An installment charge is not applied to the initial installment or deposit premium. The maximum amount of service charges that will be paid during any policy period in addition to premium is \$12. Regardless of the number of policies issued per household (property and auto), the \$1 installment charge will apply to only one policy. Any service charge billed prior to cancellation or change in pay plan is non-refundable.
- C. The following are fees that may be charged:
1. A \$10 late fee will be assessed if policy payment is not received by the premium due date or in the event a scheduled EFT deduction is rejected by the insured's banking institution.
 2. A \$40 non-pay cancel rewrite (NPCR) fee will be assessed on policies that have cancelled for non-payment of premium and are rewritten with a lapse to a new policy within 60 days of cancellation. Policies reinstated without a lapse are not charged a fee.
 3. A \$10 non-sufficient funds (NSF) fee will be assessed if any policy premium payment is returned by the insured's banking institution for non-sufficient funds.

* TABLE 1: BASE RATE

Form	Base Rate	Assumption					
		Amount of Insurance	Protection Class	Construction Type	# Units	Deductible	Zone
HO-3, HO-3 MH, DP-3	2051.76	200,000	4	Frame	1 - 2	500	H8
HO-4 & HO-6	284.28	50,000	4		1 - 4	500	H8

* TABLE 2B: BASE RELATIVITY – HO-4 & HO-6 (cont.)

Zone	1-4 FAMILY UNITS										
	Protection Class										
	1	2	3	4	5	6	7	8	8B	9	10
G0	1.29	1.29	1.29	1.29	1.29	1.51	1.51	1.51	1.78	1.78	2.25
G1	1.29	1.29	1.29	1.29	1.29	1.51	1.51	1.51	1.78	1.78	2.25
G2	1.29	1.29	1.29	1.29	1.29	1.51	1.51	1.51	1.78	1.78	2.25
G3	1.29	1.29	1.29	1.29	1.29	1.51	1.51	1.51	1.78	1.78	2.25
G4	1.29	1.29	1.29	1.29	1.29	1.51	1.51	1.51	1.78	1.78	2.25
G5	1.17	1.17	1.17	1.17	1.17	1.37	1.37	1.37	1.62	1.62	2.04
G6	1.36	1.36	1.36	1.36	1.36	1.59	1.59	1.59	1.88	1.88	2.37
G7	1.29	1.29	1.29	1.29	1.29	1.51	1.51	1.51	1.78	1.78	2.25
G8	1.29	1.29	1.29	1.29	1.29	1.51	1.51	1.51	1.78	1.78	2.25
G9	1.00	1.00	1.00	1.00	1.00	1.17	1.17	1.17	1.38	1.38	1.74
H0	1.17	1.17	1.17	1.17	1.17	1.37	1.37	1.37	1.62	1.62	2.04
H1	1.00	1.00	1.00	1.00	1.00	1.17	1.17	1.17	1.38	1.38	1.74
H2	1.00	1.00	1.00	1.00	1.00	1.17	1.17	1.17	1.38	1.38	1.74
H3	1.29	1.29	1.29	1.29	1.29	1.51	1.51	1.51	1.78	1.78	2.25
H4	1.36	1.36	1.36	1.36	1.36	1.59	1.59	1.59	1.88	1.88	2.37
H5	1.17	1.17	1.17	1.17	1.17	1.37	1.37	1.37	1.62	1.62	2.04
H6	1.29	1.29	1.29	1.29	1.29	1.51	1.51	1.51	1.78	1.78	2.25
H7	1.17	1.17	1.17	1.17	1.17	1.37	1.37	1.37	1.62	1.62	2.04
H8	1.00	1.00	1.00	1.00	1.00	1.17	1.17	1.17	1.38	1.38	1.74
H9	1.17	1.17	1.17	1.17	1.17	1.37	1.37	1.37	1.62	1.62	2.04
I0	1.17	1.17	1.17	1.17	1.17	1.37	1.37	1.37	1.62	1.62	2.04
I1	1.17	1.17	1.17	1.17	1.17	1.37	1.37	1.37	1.62	1.62	2.04
I2	1.00	1.00	1.00	1.00	1.00	1.17	1.17	1.17	1.38	1.38	1.74
I3	1.36	1.36	1.36	1.36	1.36	1.59	1.59	1.59	1.88	1.88	2.37

+ = addition(s) * = revision(s) -- = deletion(s)

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* TABLE 2B: BASE RELATIVITY – HO-4 & HO-6 (cont.)

Zone	5+ FAMILY UNITS										
	Protection Class										
	1	2	3	4	5	6	7	8	8B	9	10
G0	1.29	1.29	1.29	1.29	1.29	1.51	1.51	1.51	1.78	1.78	2.25
G1	1.29	1.29	1.29	1.29	1.29	1.51	1.51	1.51	1.78	1.78	2.25
G2	1.29	1.29	1.29	1.29	1.29	1.51	1.51	1.51	1.78	1.78	2.25
G3	1.29	1.29	1.29	1.29	1.29	1.51	1.51	1.51	1.78	1.78	2.25
G4	1.29	1.29	1.29	1.29	1.29	1.51	1.51	1.51	1.78	1.78	2.25
G5	1.17	1.17	1.17	1.17	1.17	1.37	1.37	1.37	1.62	1.62	2.04
G6	1.36	1.36	1.36	1.36	1.36	1.59	1.59	1.59	1.88	1.88	2.37
G7	1.29	1.29	1.29	1.29	1.29	1.51	1.51	1.51	1.78	1.78	2.25
G8	1.29	1.29	1.29	1.29	1.29	1.51	1.51	1.51	1.78	1.78	2.25
G9	1.00	1.00	1.00	1.00	1.00	1.17	1.17	1.17	1.38	1.38	1.74
H0	1.17	1.17	1.17	1.17	1.17	1.37	1.37	1.37	1.62	1.62	2.04
H1	1.00	1.00	1.00	1.00	1.00	1.17	1.17	1.17	1.38	1.38	1.74
H2	1.00	1.00	1.00	1.00	1.00	1.17	1.17	1.17	1.38	1.38	1.74
H3	1.29	1.29	1.29	1.29	1.29	1.51	1.51	1.51	1.78	1.78	2.25
H4	1.36	1.36	1.36	1.36	1.36	1.59	1.59	1.59	1.88	1.88	2.37
H5	1.17	1.17	1.17	1.17	1.17	1.37	1.37	1.37	1.62	1.62	2.04
H6	1.29	1.29	1.29	1.29	1.29	1.51	1.51	1.51	1.78	1.78	2.25
H7	1.17	1.17	1.17	1.17	1.17	1.37	1.37	1.37	1.62	1.62	2.04
H8	1.00	1.00	1.00	1.00	1.00	1.17	1.17	1.17	1.38	1.38	1.74
H9	1.17	1.17	1.17	1.17	1.17	1.37	1.37	1.37	1.62	1.62	2.04
I0	1.17	1.17	1.17	1.17	1.17	1.37	1.37	1.37	1.62	1.62	2.04
I1	1.17	1.17	1.17	1.17	1.17	1.37	1.37	1.37	1.62	1.62	2.04
I2	1.00	1.00	1.00	1.00	1.00	1.17	1.17	1.17	1.38	1.38	1.74
I3	1.36	1.36	1.36	1.36	1.36	1.59	1.59	1.59	1.88	1.88	2.37

+ = addition(s) * = revision(s) -- = deletion(s)

Rev. 6 (01/01/14)

* TABLE 4A: FORM RELATIVITY

<u>Form</u>	<u>Factor</u>
HO-3	1.000
HO-3 MH	1.356
DP-3	0.934
HO-4	1.000

TABLE 4B: FORM RELATIVITY- HO-6

<u>ZONE</u>	<u>Factor</u> <u>(HO-6)</u>		<u>ZONE</u>	<u>Factor</u> <u>(HO-6)</u>		<u>ZONE</u>	<u>Factor</u> <u>(HO-6)</u>
A0	0.893		C8	0.893		F6	1.172
A1	0.839		C9	0.893		F7	0.990
A2	1.172		D0	0.893		F8	0.893
A3	1.172		D1	0.839		F9	0.893
A4	1.172		D2	0.839		G0	0.854
A5	0.893		D3	0.990		G1	0.893
A6	0.893		D4	0.893		G2	0.854
A7	1.172		D5	0.990		G3	0.893
A8	0.839		D6	0.893		G4	0.893
A9	0.893		D7	0.990		G5	0.990
B0	0.990		D8	0.893		G6	0.893
B1	0.990		D9	0.893		G7	0.893
B2	0.893		E0	0.893		G8	0.893
B3	0.893		E1	1.172		G9	1.172
B4	0.990		E2	0.893		H0	0.990
B5	0.990		E3	1.172		H1	1.172
B6	1.172		E4	1.172		H2	1.172
B7	0.839		E5	0.893		H3	0.893
B8	0.893		E6	0.839		H4	0.839
B9	0.893		E7	0.893		H5	0.990
C0	0.839		E8	1.172		H6	0.893
C1	0.839		E9	0.893		H7	0.990
C2	0.990		F0	0.990		H8	1.172
C3	1.172		F1	0.893		H9	0.947
C4	0.839		F2	1.172		I0	0.990
C5	1.122		F3	0.893		I1	0.990
C6	0.893		F4	0.893		I2	1.172
C7	0.990		F5	0.893		I3	0.839

+ = addition(s) * = revision(s) -- = deletion(s)

Rev. 6 (01/01/14)

* TABLE 8: UTILITY RATING PLAN

<u>Years</u>	<u>Factor Adjustment (HO-3 only)</u>		
	<u>A¹</u>	<u>B¹</u>	<u>C¹</u>
0	-0.08	-0.06	-0.02
1	-0.07	-0.05	-0.02
2	-0.07	-0.04	-0.01
3	-0.05	-0.04	-0.01
4	-0.04	-0.03	-0.01
5	-0.04	-0.02	0.00
6	-0.04	-0.01	0.00
7	-0.03	-0.01	0.00
8	-0.02	-0.01	0.00
9	-0.01	-0.01	0.00
10	0.00	0.00	0.00
11-39	0.00	0.00	0.00
40+	0.02	0.02	0.02

Utility Rating Plan Factor = 1 + A + B + C.

¹ A: Electrical service.
B: Heating and cooling system.
C: Plumbing.

*

TABLE 9: HOME ALERT PROTECTION (Endorsement HO 04 16)

Alarm Device						Factors	
Fire/Smoke			Burglar			HO-3, HO-3 MH	HO-4 & HO-6
Local	Complete ¹	Report to police/fire dept/central station	Local	Complete ²	Report to police/fire dept/central station		
X							0.98
			X				0.97
X			X				0.95
	X					0.95	0.95
				X		0.95	0.95
	X			X		0.93	0.90
		X				0.93	0.90
					X	0.93	0.90
		X		X		0.91	0.87
	X				X	0.91	0.87
		X			X	0.89	0.85

¹ Complete fire/smoke: fire extinguisher on every floor, or detectors activate a digital dialer.
² Complete burglar: dead bolt locks on all exterior doors.
Only one factor may be applied to a policy.

TABLE 10: AUTOMATIC SPRINKLER DISCOUNT (Endorsement HO 04 16)

<u>Type</u>	<u>Factor</u> (all forms, except DP-3)
Complete ¹	0.90
Partial ²	0.95

¹ Automatic sprinklers in all areas including bathrooms, attics, closets and attached structures.
² Automatic sprinklers totally or partially omitted in bathrooms, attics, closets and attached structures.

NAIC Number: 20117
 Company Name: California Casualty Indemnity Exchange
 Contact Person: Cemal Duyar
 Telephone No.: 650-572-4675
 Email Address: cduyar@calcas.com
 Effective Date: 1/1/2014

**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	\$888.00	\$1,018.00	\$561.00	\$640.00	\$1,107.00	\$1,266.00	\$1,147.00	\$1,305.00	\$630.00	\$719.00	\$660.00	\$759.00	\$719.00	\$818.00	\$929.00	\$1,067.00	\$1,097.00	\$1,256.00
	\$120,000	\$1,156.00	\$1,324.00	\$730.00	\$834.00	\$1,441.00	\$1,646.00	\$1,491.00	\$1,699.00	\$820.00	\$936.00	\$859.00	\$988.00	\$936.00	\$1,066.00	\$1,208.00	\$1,388.00	\$1,427.00	\$1,634.00
	\$160,000	\$1,413.00	\$1,616.00	\$893.00	\$1,019.00	\$1,758.00	\$2,010.00	\$1,822.00	\$2,073.00	\$1,003.00	\$1,144.00	\$1,050.00	\$1,207.00	\$1,144.00	\$1,302.00	\$1,476.00	\$1,696.00	\$1,744.00	\$1,995.00
6	\$80,000	\$1,007.00	\$1,126.00	\$630.00	\$709.00	\$1,256.00	\$1,415.00	\$1,295.00	\$1,455.00	\$709.00	\$798.00	\$749.00	\$838.00	\$818.00	\$918.00	\$1,058.00	\$1,186.00	\$1,246.00	\$1,395.00
	\$120,000	\$1,311.00	\$1,466.00	\$820.00	\$924.00	\$1,634.00	\$1,841.00	\$1,686.00	\$1,891.00	\$924.00	\$1,040.00	\$975.00	\$1,091.00	\$1,066.00	\$1,196.00	\$1,376.00	\$1,544.00	\$1,621.00	\$1,814.00
	\$160,000	\$1,601.00	\$1,790.00	\$1,003.00	\$1,128.00	\$1,995.00	\$2,247.00	\$2,058.00	\$2,310.00	\$1,128.00	\$1,270.00	\$1,191.00	\$1,333.00	\$1,302.00	\$1,460.00	\$1,680.00	\$1,885.00	\$1,979.00	\$2,215.00
9	\$80,000	\$3,025.00	\$3,433.00	\$1,912.00	\$2,160.00	\$3,769.00	\$4,267.00	\$3,889.00	\$4,395.00	\$2,140.00	\$2,428.00	\$2,260.00	\$2,558.00	\$2,458.00	\$2,777.00	\$3,173.00	\$3,591.00	\$3,740.00	\$4,237.00
	\$120,000	\$3,933.00	\$4,461.00	\$2,485.00	\$2,809.00	\$4,900.00	\$5,546.00	\$5,056.00	\$5,714.00	\$2,783.00	\$3,158.00	\$2,938.00	\$3,326.00	\$3,196.00	\$3,610.00	\$4,125.00	\$4,669.00	\$4,861.00	\$5,507.00
	\$160,000	\$4,800.00	\$5,444.00	\$3,034.00	\$3,429.00	\$5,982.00	\$6,769.00	\$6,170.00	\$6,974.00	\$3,397.00	\$3,854.00	\$3,586.00	\$4,059.00	\$3,901.00	\$4,405.00	\$5,035.00	\$5,698.00	\$5,934.00	\$6,721.00

Survey Form for HO4 (Renters) - Use \$500 Flat Deductible (Named perils for personal property, actual cash value for loss, liability and medical payments for others included)

Public Protection Class	Property Value	Washington		Baxter		Craighead		St. Francis		Arkansas		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$5,000																		
	\$15,000																		
	\$25,000	\$149.00	\$149.00	\$149.00	\$149.00	\$177.00	\$177.00	\$206.00	\$206.00	\$195.00	\$195.00	\$195.00	\$195.00	\$195.00	\$195.00	\$195.00	\$149.00	\$149.00	\$195.00
6	\$5,000																		
	\$15,000																		
	\$25,000	\$177.00	\$177.00	\$177.00	\$177.00	\$207.00	\$207.00	\$242.00	\$242.00	\$230.00	\$230.00	\$230.00	\$230.00	\$230.00	\$230.00	\$230.00	\$177.00	\$177.00	\$230.00
9	\$5,000																		
	\$15,000																		
	\$25,000	\$209.00	\$209.00	\$209.00	\$209.00	\$246.00	\$246.00	\$287.00	\$287.00	\$272.00	\$272.00	\$272.00	\$272.00	\$272.00	\$272.00	\$272.00	\$209.00	\$209.00	\$272.00

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

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

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

HO3 and HO4 only

Fire Extinguisher %
 Burglar Alarm %
 Smoke Alarm %
 Deadbolt Lock %
 Window Locks %
 \$1,000 Deductible %
 Other (specify) %

EARTHQUAKE INSURANCE

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

ARE YOU CURRENTLY WRITING EARTHQUAKE COVERAGE IN ARKANSAS? (yes or no)

WHAT IS YOUR PERCENTAGE DEDUCTIBLE? %

WHAT IS YOUR PRICE PER \$1,000 OF COVERAGE?
 Zone Highest Risk \$ Brick Frame

Maximum Credit Allowed	%	Lowest Risk	\$		\$	
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NAIC LOSS COST DATA ENTRY DOCUMENT

1.	This filing transmittal is part of Company Tracking #	AR-13-P-FR-189
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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. California Casualty Group	B. 20117

	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. 4.0 Homeowners	B. 4.0 Homeowners

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
Homeowners	70.5	18.0					
TOTAL OVERALL EFFECT	70.5	18.0					

6. 5 Year History		Rate Change History					
Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
2008	71	N/A	N/A	44.1	3.1	7.1%	51.3
2009	106	N/A	N/A	67.3	36.6	54.5%	51.8
2010	153	N/A	N/A	101.8	404.8	397.5%	59.0
2011	194	N/A	N/A	126.3	151.2	119.7%	61.1
2012	226	15.0	1/1/2012	163.3	67.8	41.5%	49.6
2013	N/A	10.0	1/1/2013	N/A	N/A	N/A	N/A

7.	
Expense Constants	Selected Provisions
A. Total Production Expense	19.7
B. General Expense	6.6
C. Taxes, License & Fees	3.4
D. Underwriting Profit & Contingencies	0.9
E. Other (explain)	16.3 (A & O)
F. TOTAL	46.8

- 8.** N Apply Lost Cost Factors to Future filings? (Y or N)
- 9.** Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): 22.2%
- 10.** Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): 0.0%