

State: Arkansas **Filing Company:** Shelter Mutual Insurance Company
TOI/Sub-TOI: 19.0 Personal Auto/19.0000 Personal Auto Combinations
Product Name: PPA
Project Name/Number: Gilmore/

Filing at a Glance

Company: Shelter Mutual Insurance Company
 Product Name: PPA
 State: Arkansas
 TOI: 19.0 Personal Auto
 Sub-TOI: 19.0000 Personal Auto Combinations
 Filing Type: Rate/Rule
 Date Submitted: 01/16/2014
 SERFF Tr Num: SHEL-129377121
 SERFF Status: Closed-Filed
 State Tr Num:
 State Status:
 Co Tr Num: 03M00114
 Effective Date: 04/09/2014
 Requested (New):
 Effective Date: 04/09/2014
 Requested (Renewal):
 Author(s): Brian Marcks, Phyllis Partise, Dani McCarty
 Reviewer(s): Alexa Grissom (primary)
 Disposition Date: 01/30/2014
 Disposition Status: Filed
 Effective Date (New): 04/01/2014
 Effective Date (Renewal): 04/01/2014

State Filing Description:

State: Arkansas **Filing Company:** Shelter Mutual Insurance Company
TOI/Sub-TOI: 19.0 Personal Auto/19.0000 Personal Auto Combinations
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Project Name/Number: Gilmore/

General Information

Project Name: Gilmore Status of Filing in Domicile:
 Project Number: Domicile Status Comments:
 Reference Organization: Reference Number:
 Reference Title: Advisory Org. Circular:
 Filing Status Changed: 01/30/2014
 State Status Changed: Deemer Date:
 Created By: Brian Marcks Submitted By: Brian Marcks
 Corresponding Filing Tracking Number:

Filing Description:

This filing consists of revised base rates for Liability, Medical Payments, Collision and Comprehensive coverages. Tier factors have been revised. Increased limits factors for Medical Payments have been revised. Collision and Comprehensive deductible factors have been revised. Rate class factors have been revised. Uninsured Motorists Property Damage rates have been revised. The Z2 Trailer Comprehensive factor has been revised. For Motor Homes, the base rate factor for Comprehensive has been revised. The Safe Driver Discount has been revised. A new Advance Purchase Discount has been added. Editorial revisions have also been made.

The overall effect of this filing is expected to be a revenue change of -0.1% or (\$175,619).

Company and Contact

Filing Contact Information

Brian Marcks, Coordinator of Insurance BCMarcks@shelterinsurance.com
 Department Affairs
 1817 West Broadway 573-214-4165 [Phone]
 Columbia, MO 65218 573-446-7317 [FAX]

Filing Company Information

Shelter Mutual Insurance CoCode: 23388 State of Domicile: Missouri
 Company Group Code: 123 Company Type:
 1817 West Broadway Group Name: State ID Number:
 Columbia, MO 65218 FEIN Number: 43-0613000
 (573) 445-8441 ext. [Phone]

Filing Fees

Fee Required? Yes
 Fee Amount: \$100.00
 Retaliatory? No
 Fee Explanation: \$100 per filing.
 Per Company: No

Company	Amount	Date Processed	Transaction #
Shelter Mutual Insurance Company	\$100.00	01/16/2014	78459124

SERFF Tracking #:

SHEL-129377121

State Tracking #:

Company Tracking #:

03M00114

State:

Arkansas

Filing Company:

Shelter Mutual Insurance Company

TOI/Sub-TOI:

19.0 Personal Auto/19.0000 Personal Auto Combinations

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PPA

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Gilmore/

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Alexa Grissom	01/30/2014	01/30/2014

State: Arkansas

Filing Company: Shelter Mutual Insurance Company

TOI/Sub-TOI: 19.0 Personal Auto/19.0000 Personal Auto Combinations

Product Name: PPA

Project Name/Number: Gilmore/

Disposition

Disposition Date: 01/30/2014

Effective Date (New): 04/01/2014

Effective Date (Renewal): 04/01/2014

Status: Filed

Comment:

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
Shelter Mutual Insurance Company	-0.800%	-0.100%	\$-175,619	206,040	\$125,485,656	15.300%	-10.800%

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	A-1 Private Passenger Auto Abstract	Filed	Yes
Supporting Document	APCS-Auto Premium Comparison Survey	Filed	Yes
Supporting Document	NAIC loss cost data entry document	Filed	Yes
Supporting Document	NAIC Loss Cost Filing Document for OTHER than Workers' Comp	Filed	Yes
Supporting Document	Explanatory Memorandum and Supporting Documentation	Filed	Yes
Supporting Document	Histograms	Filed	Yes
Supporting Document	Rate Indications	Filed	Yes
Rate	General Rule Pages	Filed	Yes
Rate	Rate Pages	Filed	Yes

SERFF Tracking #:

SHEL-129377121

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Company Tracking #:

03M00114

State: Arkansas

Filing Company: Shelter Mutual Insurance Company

TOI/Sub-TOI: 19.0 Personal Auto/19.0000 Personal Auto Combinations

Product Name: PPA

Project Name/Number: Gilmore/

Rate Information

Rate data applies to filing.

Filing Method: Prior Approval

Rate Change Type: Decrease

Overall Percentage of Last Rate Revision: -3.000%

Effective Date of Last Rate Revision: 02/05/2013

Filing Method of Last Filing: Prior Approval

Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
Shelter Mutual Insurance Company	-0.800%	-0.100%	\$-175,619	206,040	\$125,485,656	15.300%	-10.800%

SERFF Tracking #:

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

03M00114

State: Arkansas**Filing Company:**

Shelter Mutual Insurance Company

TOI/Sub-TOI: 19.0 Personal Auto/19.0000 Personal Auto Combinations**Product Name:** PPA**Project Name/Number:** Gilmore/

Rate/Rule Schedule

Item No.	Schedule Item Status	Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing Number	Attachments
1	Filed 01/30/2014	General Rule Pages	GR-23, GR-26 and GR-27	Replacement		GR Pages.pdf
2	Filed 01/30/2014	Rate Pages	R-1, R-2, R-3, R-5, R-7, R-9, R-10, R-16 and R-18	Replacement		Rate Pages.pdf

9. OTHER DISCOUNTS

A. SAFE DRIVER DISCOUNT

This discount applies to all private passenger automobiles, as defined in this manual, except those written under the Antique or Limited Use Classic Automobile Rule. This discount also applies to vehicles written under the Motor Home Rule. This discount will apply to the premiums for Liability, Medical Payments and Collision coverages.

(1) New Business

A 12% discount will apply to new Shelter Mutual policies, which meet the following criteria:

- (a) no chargeable accidents (as defined in the Good Driver Plan above or the Experienced Rating Plan in Shelter General) or violations in the past 36 months, and
- (b) no driver exclusion endorsement present on the policy, and
- (c) rate classification of B1, B2, B3, B4, B5, B6, B7, D1, D2, D3, D4, D5, D6, D7, H1, H2, H3, H4, H5, H6, H7, K1, K2, K3, K4, K5, K6, K7, X1, X2, X3, X4, X5, X6, X7, Q1, Q2, Q3, Q4, Q5, A6 and Q7.

Eligibility for the discount is determined for a policy at the time the policy is originally written. A policy qualifying for the discount will receive the discount for the first 36 months the policy is in force, unless one of the following applies:

- (a) in the event of a chargeable accident (as defined in the Good Driver Plan above or the Experienced Rating Plan in Shelter General), the discount will be removed at the next renewal, or
- (b) if a driver exclusion endorsement is added to the policy, the discount will be removed immediately at the time of the policy change, or
- (c) if the policy is changed to a non-qualifying rate classification, the discount will be removed immediately at the time of the policy change.

In addition to the loss of the discount, the occurrence of a chargeable accident (as defined in the Good Driver Plan above or the Experienced Rating Plan in Shelter General) will also result in the policy being assigned to the appropriate Rating Table (as defined in the Good Driver Plan above or the Experienced Rating Plan in Shelter General).

(2) Renewal Business

A 15% discount will apply to Shelter Mutual policies:

- (a) which have been in force in either Shelter Mutual or Shelter General for at least 36 months, and
- (b) which have had no chargeable accidents (as defined in the Good Driver Plan above or the Experienced Rating Plan in Shelter General) within the 36-month period ending 30 days prior to the effective date of the renewal.

A 20% discount will apply to Shelter Mutual policies:

- (a) which have been in force in either Shelter Mutual or Shelter General for at least 72 months, and
- (b) which have had no chargeable accidents (as defined in the Good Driver Plan above or the Experienced Rating Plan in Shelter General) within the 72-month period ending 30 days prior to the effective date of renewal.

9. OTHER DISCOUNTS (Cont.)

F. PAY-IN-FULL DISCOUNT

A 10% Pay-in-Full Discount will apply to all private passenger autos, business use autos and full-use classic autos with a 6 or 12 month policy term and 100% of the term premium is paid at the time of application or renewal date.

G. ADVANCE PURCHASE DISCOUNT

This discount is available to new policies for private passenger autos, business use autos and full-use classic autos purchased by new PPA customers. A new PPA customer for the purpose of this discount is a customer with no current policy for private passenger auto, business use auto or full-use classic auto with Shelter Insurance. A new PPA customer would exclude a customer with a recently-lapsed policy for private passenger auto, business use auto or full-use classic auto with Shelter Insurance, if that policy is still eligible for reinstatement.

Customers with Shelter policies in other lines of business or Shelter auto policies for vehicle types other than private passenger auto, business use auto and full-use classic auto may be considered new PPA customers for the purposes of this discount. Past Shelter customers whose policy for private passenger auto, business use auto or full-use classic auto is permanently lapsed may also qualify for this discount. This discount will apply to the premiums for Liability, Medical Payments and Collision coverages.

All PPA rate classes are eligible for this discount. The discount percent varies by rate class and is shown in the rates section of this manual. For rate classes B1, B2, B3, B4, B5, B6, B7, D1, D2, D3, D4, D5, D6, D7, H1, H2, H3, H4, H5, H6, H7, K1, K2, K3, K4, K5, K6 and K7, the discount percent decreases at the 36-month renewal and then falls off at the 72-month renewal. For other eligible rate classes, the discount falls off at the 36-month renewal period.

Eligibility for the discount is determined for a policy at the time the policy is originally written, and must meet the following criteria:

- 1) application submission date is 7 days or more prior to the first policy effective date;
- 2) an applicant without prior insurance (with need) will not qualify for the discount;
- 3) applicant is a new PPA customer.

The discount for additional auto policies in a family is no longer available when coverage becomes effective for the first private passenger auto policy.

H. RESERVED FOR FUTURE USE

10. SURCHARGES

A. RESERVED FOR FUTURE USE

10. SURCHARGES (Cont.)

B. FINANCIAL RESPONSIBILITY – CERTIFIED RISKS

Most states with Financial Responsibility Laws require filing an original report in the event of any accident causing any Bodily Injury or Property Damage exceeding a certain dollar amount. Agents should help all policyholders file this report, usually referred to as SR-21.

A person may be required to file Form SR-22 with the state as evidence of future financial responsibility after an accident or certain motor vehicle violations in order to obtain a reinstatement of the driver's license.

When a SR-22 filing is required on existing business, the policy will be re-rated to include any violations not counted for within in 36-month period prior to the filing date. These violations will be added to those currently being charged on the policy, provided the violations, involving the applicant or other operator of the vehicle, are not presently being counted on any automobile policy insured with Shelter Insurance Companies.

11. MAXIMUM LIMIT RATING

Collision and Comprehensive coverages are written on a "Maximum Limit Rating" basis for all private passenger automobiles with more than \$5000 customization and private passenger automobiles written under the Antique or Classic Automobile Rule. A similar endorsement is available for those classes defined in the Commercial Automobile section of this manual. Maximum limit rating is not available for passenger automobiles with \$5000 customization or less, motor homes, motorcycles and buses.

The maximum limit of insurance may not be less than 80% of the actual cash value of the vehicle.

12. ADDITIONAL CLASSES, COVERAGES OR LIMITS

THE FOLLOWING INFORMATION IS TO BE USED FOR RENEWAL BUSINESS ONLY. NEW BUSINESS IS NOT TO BE WRITTEN WITH THESE LIMITS OR CLASSES.

A. FARM TRACTORS AND FARM EQUIPMENT

Tractors and equipment used by contractors or agricultural soil movers shall be Class G.

B. FIRE TRUCKS

Fire Trucks shall be assigned to Class F. Comprehensive and Collision coverages are written only on a "Stated Amount" basis. Medical Payments and Accidental Death coverages are not written.

13. AUDIO, VISUAL AND DATA ELECTRONIC EQUIPMENT COVERAGE

Coverage is available for loss in excess of the deductible to any electronic equipment, including any accessories used with such equipment, that receives or transmits audio, visual or data signals and that is not designed solely for reproduction of sound. The equipment or its housing must be permanently installed in the vehicle described in the policy for which this coverage is provided, and it must be designed to be operated solely by use of the power from the auto's electrical system.

THIS COVERAGE IS AVAILABLE FOR THE FOLLOWING RATE CLASSES:

E, F, G, S, T, U, V and Y.

**ARKANSAS
PRIVATE PASSENGER AUTOMOBILE
PREMIUM DETERMINATION CHART**

Primary Coverages

Step	Description	Page	Round	BIPD	MED	UM	UIM	COLL	COMP	Customization		Mounted Camper		Gap		General Consent	
										COLL	COMP	COLL	COMP	COLL	COMP	BIPD	
1	Territorial Base Rate	R-2	¢	+	+	+	+	+	+	+	+	+	+	+	+	+	
2	Tier	R-3	¢	x	x	x	x	x	x					x	x	x	
3	Optional Limit	R-4 & 5	¢	x	x	x	x										x
4	Cost Symbol	R-6	¢					x	x					x	x		
5	Model Year	R-7	¢					x	x					x	x		
6	Deductible	R-7	¢					x	x	x	x	x	x				
7	General Consent Endorsement	R-20	¢														x
8	Rate Class	R-8 & 9	¢	x	x			x	x	x	x	x	x	x	x		
9	Gap Endorsement	R-3	¢											x	x		
10	Driving Record Adjustment	R-10	¢	x	x			x		x		x		x			x
11	Habitual Offender Surcharge	R-10	¢	x	x			x		x		x		x			x
12	Accident Surcharge	R-10	¢	x	x			x		x		x		x			x
13	Safe Driver Discount	R-10	¢	x	x			x		x		x		x			x
14	Passive Restraint Discount	R-10	¢		x												
15	Companion Policy Discount	R-10	¢	x	x			x	x	x	x	x	x	x	x		x
16	Motor Veh. Acc. Prev. Discount	R-10	¢	x				x		x		x		x			x
17	Advance Purchase Discount	R-10	¢	x	x			x		x		x		x			x
18	Pay-In-Full Discount	R-10	¢	x	x	x	x	x	x	x	x	x	x	x	x		x
19	Policy Term	GR-14	¢	x	x	x	x	x	x	x	x	x	x	x	x		x
Total Premium																	

Additional Coverages

Step	Description	Page	Round	ERS	Loss of Use	Acc. Death	UMPD	Rental Reimb	Disability Indem.	Employer's Non-Ownership Liability	Hired Automobile Coverage
1	Premium / Territorial Base Rate	R-2,3 & 19	¢	+	+	+	+	+	+	+	+
2	Optional Limit	R-4	¢		x					x	x
3	Rate Class	R-8 & 9	¢		x						
4	Pay-in-Full Discount	R-10	¢	x	x	x	x	x	x	x	x
5	Policy Term	GR-14	¢	x	x	x	x	x	x	x	x
Total Premium											

TOTAL PREMIUM FOR TERM (Sum of all Total Premiums for all coverages)	=
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Premium Rounding: When rounding to the nearest penny, an amount of .5 cents or more shall be considered a penny.

**ARKANSAS
PRIVATE PASSENGER AUTOMOBILE
TERRITORIAL BASE RATES**

Premiums Shown in This Manual are for a Semi-Annual Policy Term Unless Otherwise Indicated

TERRITORY	BI/PD	MED	COLLISION	COMP	UM	UIM	LOSS	CUSTOMIZATION	
	COVERAGE	COVERAGE	COVERAGE	COVERAGE			OF USE	COLL	COMP
	25/50/25	\$5,000	\$500 DED.	\$100 DED.	25/50	25/50	\$100	\$500 DED	\$100 DED
2	244	39	80	74	7	12	10	12	22
3	243	39	85	59	7	12	9	12	17
4	232	43	72	48	7	12	8	12	14
9	236	41	83	79	7	12	10	12	22
10	211	39	78	73	7	12	9	12	22
11	260	40	77	67	7	12	10	12	22
12	212	39	71	59	7	12	9	12	17
18	189	43	83	82	7	12	9	12	17
19	243	44	81	65	7	12	9	12	17
20	263	44	81	58	7	12	11	12	17
21	182	40	74	81	7	12	11	12	17
22	280	46	84	54	7	12	11	12	17
25	258	44	85	64	7	12	10	12	14
26	212	40	78	69	7	12	9	12	14
27	213	46	84	72	7	12	9	12	14
30	225	41	82	65	7	12	9	12	14
31	181	39	72	66	7	12	9	12	14
32	201	40	77	76	7	12	9	12	14
40	236	44	75	44	7	12	9	12	14
41	282	47	80	50	7	12	9	12	14
42	296	49	86	52	7	12	9	12	14

**ARKANSAS
PRIVATE PASSENGER AUTOMOBILE
ADDITIONAL COVERAGES AND RATING FACTORS**

MUTUAL TIER PLACEMENT (RULE 4)						ACCIDENTAL DEATH (RULE 2.K)												
	<u>BIPD</u>	<u>Med</u>	<u>UM</u>	<u>Coll</u>	<u>Comp</u>	<u>Limit</u>	<u>Premium</u>											
<u>Tier Code</u>	<u>Tier Factor</u>	\$5,000	\$2															
0700	0.72	0.69	0.70	0.69	0.69	\$10,000	\$4											
1000	0.78	0.78	0.78	0.78	0.78	MOUNTED CAMPER UNITS (RULE 2.G) Add the appropriate charges below, by coverage and deductible, to the applicable premiums for the vehicle. Use the factors shown on page R-7 for other deductible options.												
2000	0.90	0.92	0.90	0.92	0.90													
3000	1.04	1.16	1.10	1.12	1.12													
4000	1.16	1.25	1.25	1.25	1.25													
5000	1.18	1.78	1.76	1.28	1.47													
6000	1.22	1.81	1.81	1.30	1.50													
9996	1.04	1.04	1.04	1.04	1.04	\$500 Ded. \$100 Ded.												
9998	1.00	1.00	1.00	1.00	1.00	<u>Rating Value</u>	<u>Collision</u>	<u>Comprehensive</u>										
REIMBURSEMENT FOR EMERGENCY ROAD SERVICE (RULE 2.M) Available in multiples of \$10.00 per disablement.						\$0 - 500	\$2	\$4										
						501 - 1,000	\$4	\$8										
						1,001 - 2,000	\$6	\$12										
						2,001 - 4,000	\$8	\$16										
						over 4,000	\$10	\$20										
REIMBURSEMENT FOR EMERGENCY ROAD SERVICE (RULE 2.M) Available in multiples of \$10.00 per disablement.						UNINSURED MOTORISTS PROPERTY DAMAGE (RULE 2.O)												
						<u>Limit</u>	<u>Premium</u>											
						\$ 25,000	\$14											
						50,000	\$17											
						100,000	\$22											
						200,000	\$30											
						REIMBURSEMENT FOR EMERGENCY ROAD SERVICE (RULE 2.M) Available in multiples of \$10.00 per disablement.						RENTAL REIMBURSEMENT (RULE 2.J)						
															<u>Limit per Day</u>			
												<u>Rate Classes</u>			\$20	\$30	\$40	\$50
												DB, DD, DF, DH, WA, WB, WC, WD, TR, T3, TX, T4, FF, F3, FG, F4			\$10	\$15	\$20	\$25
All other Rate Classes			\$7	\$10	\$14							\$17						
RESERVED FOR FUTURE USE						DISABILITY INDEMNITY (RULE 2.N)												
						<u>Weekly Limit</u>		<u>Premium</u>										
						\$140		\$3										
						RESERVED FOR FUTURE USE						LOAN / LEASE GAP (RULE 2.P)						
												<u>Collision Factor</u>		<u>Comp Factor</u>				
						0.07		0.07										
						RESERVED FOR FUTURE USE						RESERVED FOR FUTURE USE						

**ARKANSAS
PRIVATE PASSENGER AUTOMOBILE
OPTIONAL LIMIT FACTORS**

MEDICAL PAYMENTS	
<u>Limit</u>	<u>Factor</u>
** \$1,000	0.56
** \$2,000	0.81
\$5,000	1.00
\$10,000	1.30
\$25,000	2.29

LOSS OF USE	
<u>Limit</u>	<u>Factor</u>
\$100	1.00
\$150	1.50
\$200	2.00
\$250	2.50

** These limits are not available on business written after 6-17-1981

UNINSURED MOTORISTS										
Base Limits 25/50										
Upper Limits (In Thousand)	Lower Limits (In Thousands)									
	25	50	100	200	250	300	500	750	800	1000
50	1.00	1.25								
100	1.20	1.40	1.47							
200	1.33	1.48	1.52	1.65						
250	1.39	1.55	1.61	1.71	1.79					
300	1.47	1.62	1.70	1.76	1.85	1.93				
500	1.59	1.76	1.82	2.00	2.06	2.12	2.31			
750	1.70	1.87	1.93	2.05	2.12	2.18	2.38	2.44		
800	1.75	1.92	1.98	2.08	2.16	2.22	2.41	2.49	2.53	
1000	1.90	2.02	2.09	2.17	2.24	2.30	2.50	2.65	2.70	2.80

ADDITIONAL UNINSURED MOTORIST FACTORS	
<u>Limit</u>	<u>Factor</u>
2,000,000 / 2,000,000	7.40
3,000,000 / 3,000,000	9.40
4,000,000 / 4,000,000	11.40
5,000,000 / 5,000,000	13.40

UNDERINSURED MOTORISTS										
Base Limits 25/50										
Upper Limits (In Thousand)	Lower Limits (In Thousands)									
	25	50	100	200	250	300	500	750	800	1000
50	1.00	1.30								
100	1.20	1.50	1.60							
200	1.40	1.70	1.90	2.10						
250	1.60	1.90	2.10	2.30	2.40					
300	1.80	2.00	2.20	2.40	2.60	2.70				
500	2.50	2.70	2.80	2.90	3.10	3.20	3.50			
750	2.90	3.10	3.20	3.30	3.50	3.70	4.10	4.20		
800	3.10	3.20	3.30	3.50	3.60	3.80	4.20	4.50	4.60	
1000	3.70	3.80	3.90	4.10	4.30	4.40	4.80	5.10	5.20	5.40

ADDITIONAL UNDERINSURED MOTORIST FACTORS	
<u>Limit</u>	<u>Factor</u>
2,000,000 / 2,000,000	9.40
3,000,000 / 3,000,000	13.20
4,000,000 / 4,000,000	16.80
5,000,000 / 5,000,000	20.20

**ARKANSAS
PRIVATE PASSENGER AUTOMOBILE**

MODEL YEAR FACTORS

Apply only to the coverages of Collision and Comprehensive as shown in the Premium Determination Chart.

Model Year	Collision	Comprehensive
2015	2.61	2.65
2014	2.49	2.52
2013	2.37	2.40
2012	2.26	2.29
2011	2.15	2.18
2010	2.05	2.08
2009	1.95	1.98
2008	1.86	1.89
2007	1.77	1.80
2006	1.69	1.71
2005	1.61	1.63
2004	1.53	1.55
2003	1.46	1.48
2002	1.39	1.41
2001	1.32	1.34
2000 & Prior	1.26	1.28

Unless shown above, the premium for each subsequent model year shall be 5% above the premium for the preceding model year.

The current model year coincides with the current calendar year through September 30. Effective October 1 of each calendar year, the current model year increases by one year and the premiums for vehicles of the fourteenth preceding and earlier model years shall be adjusted to equal the premium for the thirteenth preceding model year.

DEDUCTIBLE FACTORS

COLLISION	
LIMIT	FACTOR
\$50	1.55
100	1.49
200	1.30
250	1.26
500	1.00
750	0.82
1,000	0.75
2,000	0.63

COMPREHENSIVE	
LIMIT	FACTOR
Full	1.30
\$25	1.23
50	1.16
100	1.00
250	0.78
500	0.61
750	0.55
1,000	0.49
2,000	0.35

**ARKANSAS
PRIVATE PASSENGER AUTOMOBILE
RATE CLASSIFICATIONS AND FACTORS**

DRIVERS - AGE 25 AND OVER

Rate Class	Single Auto	Multiple Auto	Rate Class	Single Auto	Multiple Auto	Rate Class	Single Auto	Multiple Auto
B1	0.87	0.71	Q1	0.83	0.67	M1	1.00	0.81
B2	1.00	0.84	Q2	0.96	0.80	M2	1.13	0.95
B3	0.87	0.71	Q3	0.83	0.67	M3	1.00	0.81
B4	1.00	0.84	Q4	0.96	0.80	M4	1.13	0.95
B5	1.09	0.92	Q5	1.09	0.92	M5	1.24	1.05
B6	0.74	0.59	Q6	0.70	0.55	M6	0.84	0.67
B7	0.87	0.71	Q7	0.83	0.67	M7	1.00	0.81
D1	0.70	0.56	H1	0.87	0.71	P1	1.04	0.84
D2	0.83	0.67	H2	1.00	0.84	P2	1.17	0.99
D3	0.70	0.56	H3	0.87	0.71	P3	1.04	0.84
D4	0.83	0.67	H4	1.00	0.84	P4	1.17	0.99
D5	0.91	0.76	H5	1.09	0.92	P5	1.29	1.09
D6	0.61	0.47	H6	0.74	0.59	P6	0.87	0.70
D7	0.70	0.56	H7	0.87	0.71	P7	1.04	0.84
X1	0.87	0.71	K1	0.91	0.75	R1	0.90	0.73
X2	1.03	0.86	K2	1.05	0.88	R2	1.03	0.86
X3	0.87	0.71	K3	0.91	0.75	R3	0.90	0.73
X4	1.03	0.86	K4	1.05	0.88	R4	1.03	0.86
X5	1.13	0.96	K5	1.14	0.97	R5	1.12	0.95
X6	0.75	0.58	K6	0.78	0.63	R6	0.76	0.60
X7	0.90	0.74	K7	0.91	0.75	R7	0.90	0.73
						W1	1.09	0.90
						W2	1.24	1.05
						W3	1.09	0.90
						W4	1.24	1.05
						W5	1.44	1.23
						W6	0.88	0.72
						W7	1.09	0.90
Rate Class	Single Auto	Multiple Auto						
T2	1.10	0.95						

ARKANSAS PRIVATE PASSENGER AUTOMOBILE DISCOUNTS AND SURCHARGES

<p>DRIVING RECORD ADJUSTMENT (RULE 8.A) Applies to the coverages of BIPD, Med Pay and Collision.</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;"><u>Points</u></th> <th style="text-align: center;"><u>Factor</u></th> </tr> </thead> <tbody> <tr><td style="text-align: center;">0-3</td><td style="text-align: center;">1.00</td></tr> <tr><td style="text-align: center;">4-6</td><td style="text-align: center;">1.18</td></tr> <tr><td style="text-align: center;">7-9</td><td style="text-align: center;">1.35</td></tr> <tr><td style="text-align: center;">10-12</td><td style="text-align: center;">1.59</td></tr> <tr><td style="text-align: center;">13-15</td><td style="text-align: center;">1.82</td></tr> <tr><td style="text-align: center;">16-18</td><td style="text-align: center;">2.06</td></tr> <tr><td style="text-align: center;">19-21</td><td style="text-align: center;">2.35</td></tr> <tr><td style="text-align: center;">22-24</td><td style="text-align: center;">2.71</td></tr> <tr><td style="text-align: center;">25-27</td><td style="text-align: center;">3.12</td></tr> <tr><td style="text-align: center;">28-34</td><td style="text-align: center;">3.59</td></tr> <tr><td style="text-align: center;">35-41</td><td style="text-align: center;">4.12</td></tr> <tr><td style="text-align: center;">42-48</td><td style="text-align: center;">4.71</td></tr> <tr><td style="text-align: center;">49+</td><td style="text-align: center;">5.29</td></tr> </tbody> </table> <p>Refer to the Violation Schedule and Driving Record Point Assignment Table in the General Rules pages of the manual.</p>	<u>Points</u>	<u>Factor</u>	0-3	1.00	4-6	1.18	7-9	1.35	10-12	1.59	13-15	1.82	16-18	2.06	19-21	2.35	22-24	2.71	25-27	3.12	28-34	3.59	35-41	4.12	42-48	4.71	49+	5.29	<p>SAFE DRIVER DISCOUNT (RULE 9.A) Applies to the coverages of BIPD, Med Pay and Collision.</p> <table style="width: 100%; border-collapse: collapse;"> <tr><td style="text-align: center;">3 Years</td><td style="text-align: center;">New Business</td><td style="text-align: center;">12%</td></tr> <tr><td style="text-align: center;">3 Years</td><td style="text-align: center;">With Shelter</td><td style="text-align: center;">15%</td></tr> <tr><td style="text-align: center;">6 Years</td><td style="text-align: center;">With Shelter</td><td style="text-align: center;">20%</td></tr> </table> <hr/> <p>PASSIVE RESTRAINT DISCOUNT (RULE 9.B) Applies to the coverage of Med Pay.</p> <table style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 80%;">Air Bag - Driver Side Only</td><td style="text-align: right;">4%</td></tr> <tr><td>Air Bag - Driver & Passenger Side</td><td style="text-align: right;">6%</td></tr> <tr><td>Air Bag & Automatic Seat Belts (Driver & Passenger)</td><td style="text-align: right;">8%</td></tr> </table> <hr/> <p>COMPANION POLICY DISCOUNT (RULE 9.D) Applies to the coverages of BIPD, Med Pay, Coll & Comp.</p> <table style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 60%;">48 Plus Rate Classes</td><td style="text-align: right;">5% or 10%</td></tr> <tr><td>All Other Rate Classes</td><td style="text-align: right;">5%</td></tr> </table> <hr/> <p>MOTOR VEHICLE ACCIDENT PREVENTION COURSE DISC. (RULE 9.E) Applies to the coverages of BIPD and Collision.</p> <table style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 80%;">Qualified Operators 55 and Older</td><td style="text-align: right;">10%</td></tr> </table> <hr/> <p>PAY-IN-FULL DISCOUNT (RULE 9.F) Applies to ALL coverages.</p> <table style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 60%;">Full term premium paid:</td><td style="text-align: right;">10%</td></tr> </table> <hr/> <p>ADVANCE PURCHASE DISCOUNT (RULE 9.G) Applies to the coverages of BIPD, Med Pay and Collision.</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2"></th> <th style="text-align: center;">Rate Classes</th> <th style="text-align: center;">Rate Classes</th> </tr> <tr> <th colspan="2"></th> <th style="text-align: center;"><u>K, H, B & D</u></th> <th style="text-align: center;"><u>All Other</u></th> </tr> </thead> <tbody> <tr><td style="width: 15%;">0 - 3 Years</td><td style="width: 15%;">New Business</td><td style="text-align: center;">9%</td><td style="text-align: center;">5%</td></tr> <tr><td>3 - 6 Years</td><td>with Shelter</td><td style="text-align: center;">6%</td><td style="text-align: center;">0%</td></tr> <tr><td>> 6 Years</td><td>with Shelter</td><td style="text-align: center;">0%</td><td style="text-align: center;">0%</td></tr> </tbody> </table>	3 Years	New Business	12%	3 Years	With Shelter	15%	6 Years	With Shelter	20%	Air Bag - Driver Side Only	4%	Air Bag - Driver & Passenger Side	6%	Air Bag & Automatic Seat Belts (Driver & Passenger)	8%	48 Plus Rate Classes	5% or 10%	All Other Rate Classes	5%	Qualified Operators 55 and Older	10%	Full term premium paid:	10%			Rate Classes	Rate Classes			<u>K, H, B & D</u>	<u>All Other</u>	0 - 3 Years	New Business	9%	5%	3 - 6 Years	with Shelter	6%	0%	> 6 Years	with Shelter	0%	0%
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**ARKANSAS
MOTOR HOMES
PREMIUM DETERMINATION CHART**

Primary Coverages

Step	Description	Page	Round	BIPD	MED	UM	UIM	COLL	COMP	Customization		Gap	
										COLL	COMP	COLL	COMP
1	Territorial Base Rate	R-2	¢	+	+	+	+	+	+	+	+	+	+
2	Tier	R-3	¢	x	x	x	x	x	x			x	x
3	Optional Limit	R-4 & 5	¢	x	x	x	x						
4	Cost Symbol	R-6	¢					x	x			x	x
5	Model Year	R-7	¢					x	x			x	x
6	Deductible	R-7	¢					x	x	x	x		
7	Coverage Adjustment Factor		¢	x .77	x .80	x .90	x .90	x .80	x .86	x .80	x .86	x .80	x .86
8	Gap Endorsement	R-3	¢									x	x
9	Driving Record Adjustment	R-10	¢	x	x			x		x		x	
10	Habitual Offender Surcharge	R-10	¢	x	x			x		x		x	
11	Accident Surcharge	R-10	¢	x	x			x		x		x	
12	Safe Driver Discount	R-10	¢	x	x			x		x		x	
13	Passive Restraint Discount	R-10	¢		x								
14	Companion Policy Discount	R-10	¢	x	x			x	x	x	x	x	x
15	Motor Veh. Acc. Prev. Discount	R-10	¢	x				x		x		x	
16	Policy Term	R-16	¢	x	x	x	x	x	x	x	x	x	x
Total Premium													

Additional Coverages

Step	Description	Page	Round	ERS	Loss of Use	Acc. Death	UMPD	Rental Reimb	Disability Indem.
1	Premium / Territorial Base Rate	R-2 & 3	¢	+	+	+	+	+	+
2	Optional Limit	R-5	¢		x				
3	Coverage Adjustment Factor		¢		x .80				
4	Policy Term	R-16	¢	x	x	x	x	x	x
Total Premium									

TOTAL PREMIUM FOR TERM (Sum of all Total Premiums for all coverages)	=
---	---

The Semi-Annual Premium determined from the above chart will be the Annual Premium for a Motor Home.

POLICY TERM FACTORS

SEMI-ANNUAL TERM	
All Coverages	0.80

**ARKANSAS
TRAILERS - CLASS Z2
PREMIUM DETERMINATION CHART
(Annual Premiums)**

Primary Coverages

Step	Description	Page	Round	BIPD	COLL	COMP
1	Territorial Base Rate*	R-2, 18	¢	+	+	+
2	Tier	R-3	¢	x	x	x
3	Optional Limit	R-4 & 5	¢	x	x	x
4	Cost Symbol	R-19	¢		x	x
5	Model Year	R-7	¢		x	x
6	Deductible	R-7	¢		x	x
7	Trailer Factor	R-18	¢		x	x
8	Policy Term	R-18	¢	x	x	x
Total Premium						

Additional Coverages

Step	Description	Page	Round	Customization		ERS
				Coll	Comp	
1	Territorial Base Rate	R-2 & 3	¢	+	+	+
2	Deductible	R-7	¢	x	x	
3	Policy Term	R-18	¢	x	x	x
Total Premium						

TOTAL PREMIUM FOR TERM (Sum of all Total Premiums for all coverages)	=
---	---

The Semi-Annual Premium determined from the above chart will be the Annual Premium for a Z2 Trailer.

For Bodily Injury/Property Damage coverage, these factors are those of the towing unit.

COVERAGE	BASE RATES - All Territories
BIPD	24

COVERAGE	TRAILER FACTOR
Collision	0.392
Comprehensive	1.145

POLICY TERM FACTORS

SEMI-ANNUAL TERM	
All Coverages	0.80

SERFF Tracking #:

SHEL-129377121

State Tracking #:

Company Tracking #:

03M00114

State: Arkansas

Filing Company:

Shelter Mutual Insurance Company

TOI/Sub-TOI: 19.0 Personal Auto/19.0000 Personal Auto Combinations

Product Name: PPA

Project Name/Number: Gilmore/

Supporting Document Schedules

Satisfied - Item:	A-1 Private Passenger Auto Abstract
Comments:	Please see attachment.
Attachment(s):	ARFORMA1 PPA Mut 1-2014.pdf A-1 Attachment 1-2014.pdf
Item Status:	Filed
Status Date:	01/30/2014

Satisfied - Item:	APCS-Auto Premium Comparison Survey
Comments:	Please see attachments.
Attachment(s):	Premium Comparison (APCS).pdf Premium Comparison (APCS).xls
Item Status:	Filed
Status Date:	01/30/2014

Satisfied - Item:	NAIC loss cost data entry document
Comments:	Please see attachment.
Attachment(s):	ARRFARF1 Mut 1-2014.pdf
Item Status:	Filed
Status Date:	01/30/2014

Bypassed - Item:	NAIC Loss Cost Filing Document for OTHER than Workers' Comp
Bypass Reason:	This is an independent rate, rule filing.
Attachment(s):	
Item Status:	Filed
Status Date:	01/30/2014

Satisfied - Item:	Explanatory Memorandum and Supporting Documentation
Comments:	Please see attachments.
Attachment(s):	Explanatory Memorandum.pdf Exhibit A.pdf Exhibits C thru J.pdf
Item Status:	Filed
Status Date:	01/30/2014

Satisfied - Item:	Histograms
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SERFF Tracking #:

SHEL-129377121

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

03M00114

State:

Arkansas

Filing Company:

Shelter Mutual Insurance Company

TOI/Sub-TOI:

19.0 Personal Auto/19.0000 Personal Auto Combinations

Product Name:

PPA

Project Name/Number:

Gilmore/

Comments:	Please see attachments.
Attachment(s):	PPA Histogram.pdf Motor Home Histogram.pdf Z2 Trailer Histogram.pdf
Item Status:	Filed
Status Date:	01/30/2014
Satisfied - Item:	Rate Indications
Comments:	Please see attachment.
Attachment(s):	Exhibit B.pdf
Item Status:	Filed
Status Date:	01/30/2014

ARKANSAS INSURANCE DEPARTMENT

FORM A-1 PRIVATE PASSENGER AUTOMOBILE 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 private passenger auto rate/rule submissions that do not alter the information contained herein need not include this form.

Company Name Shelter Mutual Insurance Company
NAIC # (including group #) 23388

1. Are there any areas in the State of Arkansas in which your company will not write automobile insurance? Yes No

If yes, list the areas: However, in order to provide service, we normally do not write business in areas where we do not have agent representation.

2. Do you furnish a market for young drivers? Yes No

3. Do you require collateral business to support a youthful driver? Yes No

4. Do you insure drivers with an international or foreign driver's license? Yes No

5. Specify the percentage you allow in credit or discounts for the following:

- a. Driver over 55 0 %
- b. Good Student Discount 1 - 25 %
- c. Multi-car Discount 3 - 23 %
- d. Accident Free Discount* 12 - 20 %

Please Specify Qualification for Discount:

15% for 3 years accident free / 20% for 6 years and 12% for New Business with 3 years accident free

- e. Anti-Theft Discount 0 %
- f. Other (specify) See attached %

6. Do you have an installment payment plan for automobile insurance? Yes No
If so, what is the fee for installment payments? _____

7. Does your company utilize a tiered rating plan? Yes No

If so, list the programs and percentage difference and current volume for each plan:

Program	Percentage Difference	Volume
<u>See Attached</u>		

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

Signature
Brian Marcks

Printed Name
Coordinator of Insurance Department Affairs

Title
(573)214-4165

Telephone Number
BCMarcks@ShelterInsurance.com

Email Address

Private Passenger Auto Premium Comparison Survey Form
FORM APCS - last modified May 2012

NAIC Number: 23388
 Company Name: Shelter Mutual Insurance Company
 Contact Person: Brian Marcks
 Telephone No.: 573-214-4165
 Email Address: bmarcks@shelterinsurance.com
 Effective Date: 4/9/2014

Assumptions to Use:

- 1 Liability -Minimum \$25,000 per person
- 2 Bodily Injury \$50,000 per accident
\$25,000 per accident
- 3 Property Damage \$100 deductible per accident
- 4 Comprehensive & Collision \$250 deductible per accident
- 5 The insured has elected to accept:
 Uninsured motorist property and bodily injury equal to liability coverage
 Underinsured bodily injury equal to liability coverage
- 6 Personal Injury Protection of \$5,000 for medical, loss wages according to statute and \$5,000 accidental death
- 7 If male and female rates are different, use the highest of the two

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 compact disk

DISCOUNTS OFFERED:

PASSIVE RESTRAINT/AIRBAG	* 4/6/8	%
AUTO/HOMEOWNERS	5/10	%
GOOD STUDENT	1-25	%
ANTI-THEFT DEVICE	0	%
Over 55 Defensive Driver Discount	10	%
\$250/\$500 Deductible Comp./Coll.		%

*Included in 6 month quote.

Vehicle	Coverages	Gender	Age	Fayetteville				Trumann				Little Rock				Lake Village				Pine Bluff			
				Female	Male	Male or Female	Male or Female	Female	Male	Male or Female	Male or Female	Female	Male	Male or Female	Male or Female	Female	Male	Male or Female	Male or Female	Female	Male	Male or Female	Male or Female
				18	18	40	66	18	18	40	66	18	18	40	66	18	18	40	66	18	18	40	66
2008 4.8L Chevrolet Silverado 1500 "LS" Regular Cab 119"WB	Minimum Liability			479.83	647.42	179.59	149.92	568.82	769.38	209.49	173.97	620.79	840.60	226.94	188.01	444.86	599.48	167.85	140.46	581.11	786.24	213.61	177.29
	Minimum Liability with Comprehensive and Collision			1,163.46	1,583.52	409.24	341.29	1,321.06	1,693.41	462.18	377.28	1,327.18	1,808.81	464.22	378.92	1,293.20	1,762.28	452.82	369.74	1,236.01	1,688.81	424.74	344.57
	100/300/50 Liability with Comprehensive and Collision			1,146.71	1,554.85	412.57	345.71	1,274.55	1,670.89	466.84	383.67	1,324.06	1,799.55	472.15	387.96	1,250.07	1,698.10	447.26	367.94	1,222.11	1,668.76	421.86	342.79
2009 Ford Explorer "XL" 2WD, 4 door	Minimum Liability			479.83	647.42	179.59	149.92	568.82	769.38	209.49	173.97	620.79	840.60	226.94	188.01	444.86	599.48	167.85	140.46	581.11	786.24	213.61	177.29
	Minimum Liability with Comprehensive and Collision			1,147.82	1,566.82	404.92	338.10	1,308.14	1,675.70	457.83	373.79	1,313.48	1,790.03	459.62	375.22	1,279.48	1,743.45	448.21	366.04	1,222.27	1,670.00	420.13	340.85
	100/300/50 Liability with Comprehensive and Collision			1,135.00	1,541.39	408.62	342.87	1,263.08	1,655.16	462.98	380.57	1,311.93	1,782.93	468.08	384.68	1,237.85	1,681.36	443.17	364.64	1,209.99	1,652.14	417.79	339.50
2010 Honda Odyssey "EX"	Minimum Liability			479.83	647.42	179.59	149.92	568.82	769.38	209.49	173.97	620.79	840.60	226.94	188.01	444.86	599.48	167.85	140.46	581.11	786.24	213.61	177.29
	Minimum Liability with Comprehensive and Collision			1,300.03	1,771.65	454.95	379.91	1,472.52	1,901.02	513.05	418.22	1,467.69	2,001.41	511.42	416.90	1,464.89	1,997.58	510.49	416.14	1,384.66	1,892.56	474.68	384.74
	100/300/50 Liability with Comprehensive and Collision			1,266.96	1,722.18	453.48	379.86	1,408.48	1,854.47	511.83	419.86	1,448.42	1,970.00	513.93	421.56	1,401.88	1,906.19	498.26	408.97	1,353.60	1,848.99	466.04	378.31
2011 Toyota Camry 2.5L 4 door Sedan	Minimum Liability			479.83	647.42	179.59	149.92	568.82	769.38	209.49	173.97	620.79	840.60	226.94	188.01	444.86	599.48	167.85	140.46	581.11	786.24	213.61	177.29
	Minimum Liability with Comprehensive and Collision			1,233.44	1,679.24	432.21	361.21	1,399.11	1,800.38	488.38	398.36	1,399.12	1,907.42	488.39	398.37	1,381.82	1,883.75	482.59	393.69	1,312.35	1,793.45	450.39	365.20
	100/300/50 Liability with Comprehensive and Collision			1,208.11	1,639.68	433.33	363.34	1,343.57	1,765.50	490.01	402.32	1,387.73	1,886.83	493.55	405.17	1,328.52	1,805.65	473.63	389.15	1,289.61	1,761.28	444.53	361.02
2011 Cadillac Seville "CTS" AWD Wag 4 door 3.0L	Minimum Liability			479.83	647.42	179.59	149.92	568.82	769.38	209.49	173.97	620.79	840.60	226.94	188.01	444.86	599.48	167.85	140.46	581.11	786.24	213.61	177.29
	Minimum Liability with Comprehensive and Collision			1,600.92	2,184.63	556.56	465.80	1,806.55	2,358.87	625.25	508.49	1,764.23	2,407.85	611.02	497.04	1,850.13	2,525.62	639.88	520.26	1,703.93	2,330.18	581.92	471.04
	100/300/50 Liability with Comprehensive and Collision			1,533.11	2,087.17	543.08	455.84	1,704.01	2,259.54	611.10	499.74	1,710.74	2,329.57	602.05	492.46	1,742.63	2,373.23	612.73	501.07	1,636.00	2,236.07	560.90	454.65
2010 Hyundai Santa Fe SE 4x2	Minimum Liability			479.83	647.42	179.59	149.92	568.82	769.38	209.49	173.97	620.79	840.60	226.94	188.01	444.86	599.48	167.85	140.46	581.11	786.24	213.61	177.29
	Minimum Liability with Comprehensive and Collision			1,300.03	1,771.17	454.95	379.91	1,472.52	1,901.02	513.05	418.22	1,467.69	2,001.41	511.42	416.90	1,464.89	1,997.58	510.49	416.14	1,384.66	1,892.56	474.68	384.74
	100/300/50 Liability with Comprehensive and Collision			1,266.96	1,722.18	453.48	379.86	1,408.48	1,854.47	511.83	419.86	1,448.42	1,970.00	513.93	421.56	1,401.88	1,906.19	498.26	408.97	1,353.60	1,848.99	466.04	378.31

FORM RF-1 Rate Filing Abstract NAIC LOSS COST DATA ENTRY DOCUMENT

1.	This filing transmittal is part of Company Tracking #	03M00114
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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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3.		A.	Company Name	B.	Company NAIC Number
			Shelter Mutual Insurance Company		23388

4.		A.	Product Coding Matrix Line of Business (i.e., Type of Insurance)	B.	Product Coding Matrix Line of Business (i.e., Sub-type of Insurance)
			19.1 and 21.1		19.1000 and 21.1000

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	(D) Expected Loss Ratio	FOR LOSS COSTS ONLY			
				(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
BI/PD	2.3	2.5					
Medical Payments	20.1	15.6					
UM / UIM	-5.5	-1.0					
Collision	-3.6	-3.3					
Comprehensive	-8.0	-6.6					
TOTAL OVERALL EFFECT	-0.8	-0.1					

6. 5 Year History		Rate Change History					
Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
2012	203,185	-3.0	02-05-2013	121,035	71,305	58.9	67.1
2011	200,806	+4.5	01-26-2011	119,513	75,564	63.2	70.0
2010	199,393	+4.0	12-29-2009	115,052	74,213	64.5	69.4
2009	202,446	-5.4	3-22-2007	109,464	76,964	70.3	71.4
2008	203,130	-6.1	3-28-2005	105,134	75,788	72.1	67.0

7.	
Expense Constants	Selected Provisions
A. Total Production Expense	15.8 / 15.8
B. General Expense	7.2 / 7.2
C. Taxes, Licenses & Fees	2.9 / 2.9
D. Underwriting Profit & Contingencies	1.4 / 4.0
E. Other (explain)	
F. TOTAL	27.3 / 29.9

- 8.** _____ Apply Loss Cost Factors to Future filings? (Y or N)
- 9.** +15.3 Estimated Maximum Rate Increase for any Insured (%) Territory (if applicable): _____
- 10.** -10.8 Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): _____

SHELTER MUTUAL INSURANCE COMPANY
PRIVATE PASSENGER AUTOMOBILE
ARKANSAS
EXPLANATORY MEMORANDUM

Synopsis

This filing consists of revised base rates for Liability, Medical Payments, Collision and Comprehensive coverages. Tier factors have been revised. Increased Limits factors for Medical Payments have been revised. Collision and Comprehensive Deductible factors have been revised. Rate Class factors have been revised. Uninsured Motorists Property Damage rates have been revised. The Z2 Trailer Comprehensive factor has been revised. For Motor Homes, the Base Rate Factor for Comprehensive have been revised. The Safe Driver Discount has been revised. A new Advance Purchase Discount has been added. Editorial revisions have been made.

The overall effect of this filing is expected to be a revenue decrease of 0.1%, or approximately (\$175,619) as shown on Exhibit A.

Actuarial Analysis

Exhibit B portrays our methodology for establishing the needed overall rate level changes by coverage indicated by our own loss history. Our filing reflects our management's decision to adjust rates in the direction of these trends.

The significant new feature included in this filing is the introduction of an Advance Purchase Discount. This discount is targeted toward customers who do not have existing Private Passenger Autos with Shelter and who demonstrate the foresight to secure replacement insurance coverage in advance of the expiration of their current coverage. We do not have experience of our own to use as justification for this discount. Instead, we have modeled our discount after similar discounts filed by several of our competitors.

Private Passenger Base Rates

For Private Passenger Liability, Medical Payments, Collision, and Comprehensive coverages, our proposed base rate changes for each coverage were selected based on our indicated statewide needs for each coverage, and the rate effect of the other changes being made in this filing. Please refer to Exhibit C.

Tier Factors

The factors for tier 700 has been decreased for the coverages of Medical Payments, Uninsured Motorists, Collision and Comprehensive; the factors for tiers 2000 and 3000 have been increased for the coverage of Medical Payments; and the factor for tier 3000 has increased for the coverage of Comprehensive. Please refer to Exhibit D.

Medical Payment – Optional Limit Factors

The optional limit factor for \$25,000 has been increased. Please refer to Exhibit E.

Deductible Factors

For the coverage of Collision, the deductible factors for \$1,000 and \$2,000 have been increased; and for Comprehensive, the factors for \$250, \$500 and \$750 have been increased. Please refer to Exhibit F.

Rate Class Factors

Factors for rate classes X1 thru X7 have been increased. Please refer to Exhibit G.

Uninsured Motorists Property Damage Rates

The Uninsured Motorists Property Damage rates increased for all limits. Please refer to Exhibit H.

Z2 Trailers Coverage Factors

The factor for Comprehensive coverage has been increased. Please refer to Exhibit I.

Motor Home Base Rate Adjustment Factors

The factor for Comprehensive coverage has been increased. Please refer to Exhibit J.

Safe Driver Discount

The New Business Safe Driver Discount has been revised to include rate classes K1 thru K7, X1 thru X7 and Q1 thru Q7. Also, the inclusion of a driver exclusion endorsement on the policy will no longer be criteria to not qualify for this discount. Please refer to manual page GR-23, Rule 9.A. (1).

Advance Purchase Discount

This discount is available to new policies for private passenger autos, business use autos and full-use classic autos purchased by new PPA customers. A new PPA customer for the purpose of this discount is a customer with no current policy for private passenger auto, business use auto or full-use classic auto with Shelter Insurance. A new PPA customer would exclude a customer with a recently-lapsed policy for private passenger auto, business use auto or full-use classic auto with Shelter Insurance, if that policy is still eligible for reinstatement.

Customers with Shelter policies in other lines of business or Shelter auto policies for vehicle types other than private passenger auto, business use auto and full-use classic auto may be considered new PPA customers for the purposes of this discount. Past Shelter customers whose policy for private passenger auto, business use auto or full-use classic auto is permanently lapsed may also qualify for this discount. This discount will apply to the premiums for Liability, Medical Payments and Collision coverages.

All PPA rate classes are eligible for this discount. The discount percent varies by rate class and is shown in the rates section of this manual. For rate classes B1, B2, B3, B4, B5, B6, B7, D1, D2, D3, D4, D5, D6, D7, H1, H2, H3, H4, H5, H6, H7, K1, K2, K3, K4, K5, K6 and K7, the discount percent decreases at the 36-month renewal and then falls off at the 72-month renewal. For other eligible rate classes, the discount falls off at the 36-month renewal period.

Eligibility for the discount is determined for a policy at the time the policy is originally written, and must meet the following criteria:

- 1) application submission date is 7 days or more prior to the first policy effective date;
- 2) an applicant without prior insurance (with need) will not qualify for the discount;
- 3) applicant is a new PPA customer.

The discount for additional auto policies in a family is no longer available when coverage becomes effective for the first private passenger auto policy.

The Premium Determination chart has been revised to show the addition of this discount. Please refer to manual pages GR-26, Rule 9.G., and pages R-1 and R-10.

Editorial Changes

Editorial revisions include removing asterisks and a footnote, from the premium determination chart on page R-18, which no longer apply. Also, the General Rules (GR) pages have been renumbered due to the insertion of the Advance Purchase Discount.

Exhibits

Information in support of this filing is set forth in the following exhibits:

	<u>Exhibits</u>
Estimated Revenue Change	A
Rate Indications	B
Base Rate Comparison	C
Tier Factor Comparison	D
Medical Payments Optional Limits Factor Comparison	E
Deductible Relativity Comparison	F
Rate Class Factor Comparison and Statistical Data	G
Uninsured Motorist Property Damage Comparison and Statistical Data	H
Z2 Trailer Coverage Factor Comparison	I
Motor Home Base Rate adjustment Factor Comparison	J
Histograms	K

Arkansas Mutual PPA Estimated Revenue Change by Coverage

Coverage	Annualized Policy Premium	Base Rate	Tier	Rate Class	Limit	Deductible	Model Year	Merit Table	Cost Symbol		Total % Change	Total \$ Change
Liability	51,344,347	2.2%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.5%	1,267,626
PIP/Med Pay	5,303,374	14.8%	0.1%	0.3%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	15.6%	827,665
UM	2,389,825	0.0%	-1.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-1.0%	-24,787
UIM	3,685,275	0.0%	-1.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-1.1%	-42,005
UMPD	4,150,204	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	8.6%	355,772
Subtotal:	66,873,024	2.9%	-0.1%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3.6%	2,384,270
Coll	29,908,088	-3.8%	-0.5%	0.3%	0.0%	0.8%	0.0%	0.0%	0.0%	0.0%	-3.3%	-979,681
Comp	23,818,281	-10.5%	-0.4%	0.6%	0.0%	3.3%	0.0%	0.0%	0.0%	0.0%	-6.6%	-1,573,970
Subtotal:	53,726,369	-6.8%	-0.4%	0.4%	0.0%	1.9%	0.0%	0.0%	0.0%	0.0%	-4.8%	-2,553,650
Total:	120,599,393	-1.4%	-0.2%	0.3%	0.0%	0.8%	0.0%	0.0%	0.0%	0.0%	-0.1%	-169,381
<u>Supplemental Coverages</u>												
Rental Reimbursement	797,505										0.0%	0
Emergency Roadside Service	769,938										0.0%	0
Accidental Death	1,292,125										0.0%	0
Motorcycles	2,026,693	0.0%	-0.3%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%	-0.3%	-6,239
Grand Total	125,485,656	-1.4%	-0.2%	0.3%	0.0%	0.8%	0.0%	0.0%	0.0%	0.0%	-0.1%	-175,619

**SHELTER MUTUAL AUTOMOBILE
ARKANSAS
BASE RATE COMPARISON**

Exhibit C

BODILY INJURY - PROPERTY DAMAGE

<u>Territory</u>	<u>Current Factor</u>	<u>Proposed Factor</u>	<u>Percent Change</u>
2	236	244	3.4%
3	235	243	3.4%
4	237	232	-2.1%
9	229	236	3.1%
10	204	211	3.4%
11	265	260	-1.9%
12	205	212	3.4%
18	183	189	3.3%
19	235	243	3.4%
20	255	263	3.1%
21	176	182	3.4%
22	271	280	3.3%
25	250	258	3.2%
26	216	212	-1.9%
27	206	213	3.4%
30	218	225	3.2%
31	185	181	-2.2%
32	189	201	6.3%
40	229	236	3.1%
41	273	282	3.3%
42	287	296	3.1%

MEDICAL PAYMENTS

<u>Territory</u>	<u>Current Factor</u>	<u>Proposed Factor</u>	<u>Percent Change</u>
2	34	39	14.7%
3	34	39	14.7%
4	37	43	16.2%
9	36	41	13.9%
10	34	39	14.7%
11	35	40	14.3%
12	34	39	14.7%
18	37	43	16.2%
19	38	44	15.8%
20	38	44	15.8%
21	35	40	14.3%
22	40	46	15.0%
25	38	44	15.8%
26	35	40	14.3%
27	40	46	15.0%
30	36	41	13.9%
31	34	39	14.7%
32	35	40	14.3%
40	38	44	15.8%
41	41	47	14.6%
42	43	49	14.0%

COLLISION

<u>Territory</u>	<u>Current Factor</u>	<u>Proposed Factor</u>	<u>Percent Change</u>
2	83	80	-3.6%
3	84	85	1.2%
4	75	72	-4.0%
9	91	83	-8.8%
10	85	78	-8.2%
11	80	77	-3.8%
12	74	71	-4.1%
18	86	83	-3.5%
19	84	81	-3.6%
20	84	81	-3.6%
21	77	74	-3.9%
22	87	84	-3.4%
25	89	85	-4.5%
26	85	78	-8.2%
27	87	84	-3.4%
30	81	82	1.2%
31	79	72	-8.9%
32	80	77	-3.8%
40	78	75	-3.8%
41	83	80	-3.6%
42	94	86	-8.5%

COMPREHENSIVE

<u>Territory</u>	<u>Current Factor</u>	<u>Proposed Factor</u>	<u>Percent Change</u>
2	82	74	-9.8%
3	69	59	-14.5%
4	56	48	-14.3%
9	88	79	-10.2%
10	81	73	-9.9%
11	78	67	-14.1%
12	66	59	-10.6%
18	87	82	-5.7%
19	72	65	-9.7%
20	64	58	-9.4%
21	90	81	-10.0%
22	60	54	-10.0%
25	71	64	-9.9%
26	77	69	-10.4%
27	80	72	-10.0%
30	76	65	-14.5%
31	73	66	-9.6%
32	80	76	-5.0%
40	49	44	-10.2%
41	55	50	-9.1%
42	58	52	-10.3%

**SHELTER MUTUAL AUTOMOBILE
ARKANSAS
TIER FACTOR COMPARISON**

Exhibit D

	<u>Description</u>	<u>Tier Code</u>	<u>Current Factor</u>	<u>Proposed Factor</u>	<u>Percent Change</u>
Liability	Tier 700	700	.72	.72	0.0%
	Tier 1000	1000	.78	.78	0.0%
	Tier 2000	2000	.90	.90	0.0%
	Tier 3000	3000	1.04	1.04	0.0%
	Tier 4000	4000	1.16	1.16	0.0%
	Tier 5000	5000	1.18	1.18	0.0%
	Tier 6000	6000	1.22	1.22	0.0%
	Tier 9996	9996	1.04	1.04	0.0%
	Tier 9998	9998	1.00	1.00	0.0%
Medical Payments	Tier 700	700	.70	.69	-1.4%
	Tier 1000	1000	.78	.78	0.0%
	Tier 2000	2000	.90	.92	2.2%
	Tier 3000	3000	1.14	1.16	1.8%
	Tier 4000	4000	1.25	1.25	0.0%
	Tier 5000	5000	1.78	1.78	0.0%
	Tier 6000	6000	1.81	1.81	0.0%
	Tier 9996	9996	1.04	1.04	0.0%
	Tier 9998	9998	1.00	1.00	0.0%
Uninsured Motorists	Tier 700	700	.72	.70	-2.8%
	Tier 1000	1000	.78	.78	0.0%
	Tier 2000	2000	.90	.90	0.0%
	Tier 3000	3000	1.10	1.10	0.0%
	Tier 4000	4000	1.25	1.25	0.0%
	Tier 5000	5000	1.76	1.76	0.0%
	Tier 6000	6000	1.81	1.81	0.0%
	Tier 9996	9996	1.04	1.04	0.0%
	Tier 9998	9998	1.00	1.00	0.0%
Collision	Tier 700	700	.70	.69	-1.4%
	Tier 1000	1000	.78	.78	0.0%
	Tier 2000	2000	.92	.92	0.0%
	Tier 3000	3000	1.12	1.12	0.0%
	Tier 4000	4000	1.25	1.25	0.0%
	Tier 5000	5000	1.28	1.28	0.0%
	Tier 6000	6000	1.30	1.30	0.0%
	Tier 9996	9996	1.04	1.04	0.0%
	Tier 9998	9998	1.00	1.00	0.0%
Comprehensive	Tier 700	700	.70	.69	-1.4%
	Tier 1000	1000	.78	.78	0.0%
	Tier 2000	2000	.90	.90	0.0%
	Tier 3000	3000	1.10	1.12	1.8%
	Tier 4000	4000	1.25	1.25	0.0%
	Tier 5000	5000	1.47	1.47	0.0%
	Tier 6000	6000	1.50	1.50	0.0%
	Tier 9996	9996	1.04	1.04	0.0%
	Tier 9998	9998	1.00	1.00	0.0%

**SHELTER MUTUAL AUTOMOBILE
ARKANSAS
MEDICAL PAYMENTS OPTIONAL LIMITS**

Exhibit E

COVERAGE FACTOR COMPARISON

Limit	Current Factor	Proposed Factor	Percent Change
1,000	.56	.56	0.0%
2,000	.81	.81	0.0%
5,000	1.00	1.00	0.0%
10,000	1.30	1.30	0.0%
25,000	2.08	2.29	10.1%

**SHELTER MUTUAL AUTOMOBILE
ARKANSAS
DEDUCTIBLE RELATIVITY COMPARISON**

Exhibit F

COLLISION

<u>Deductible</u>	<u>Current Factor</u>	<u>Proposed Factor</u>	<u>Percent Change</u>
50	1.55	1.55	0.0%
100	1.49	1.49	0.0%
200	1.30	1.30	0.0%
250	1.26	1.26	0.0%
500	1.00	1.00	0.0%
750	.82	.82	0.0%
1000	.72	.75	4.2%
2000	.60	.63	5.0%

COMPREHENSIVE

<u>Deductible</u>	<u>Current Factor</u>	<u>Proposed Factor</u>	<u>Percent Change</u>
0	1.30	1.30	0.0%
25	1.23	1.23	0.0%
50	1.16	1.16	0.0%
100	1.00	1.00	0.0%
250	.74	.78	5.4%
500	.58	.61	5.2%
750	.53	.55	3.8%
1000	.49	.49	0.0%
2000	.35	.35	0.0%

SHELTER MUTUAL AUTOMOBILE ARKANSAS

Exhibit G

RATE CLASS RELATIVITY COMPARISON

"N" REPRESENTS MULTIPLE AUTOMOBILE DISCOUNT

	Rate Class	Current	Proposed	Percent Change		Rate Class	Current	Proposed	Percent Change
Adult	B1	.87	.87	0.0%	Adult - 48 Plus	D1	.70	.70	0.0%
	B2	1.00	1.00	0.0%		D2	.83	.83	0.0%
	B3	.87	.87	0.0%		D3	.70	.70	0.0%
	B4	1.00	1.00	0.0%		D4	.83	.83	0.0%
	B5	1.09	1.09	0.0%		D5	.91	.91	0.0%
	B6	.74	.74	0.0%		D6	.61	.61	0.0%
	B7	.87	.87	0.0%		D7	.70	.70	0.0%
	B1N	.71	.71	0.0%		D1N	.56	.56	0.0%
	B2N	.84	.84	0.0%		D2N	.67	.67	0.0%
	B3N	.71	.71	0.0%		D3N	.56	.56	0.0%
	B4N	.84	.84	0.0%		D4N	.67	.67	0.0%
	B5N	.92	.92	0.0%		D5N	.76	.76	0.0%
	B6N	.59	.59	0.0%		D6N	.47	.47	0.0%
	B7N	.71	.71	0.0%		D7N	.56	.56	0.0%
Adult - 48 Plus	X1	.84	.87	3.6%	Adult - 48 Plus	Q1	.83	.83	0.0%
	X2	.99	1.03	4.0%		Q2	.96	.96	0.0%
	X3	.84	.87	3.6%		Q3	.83	.83	0.0%
	X4	.99	1.03	4.0%		Q4	.96	.96	0.0%
	X5	1.09	1.13	3.7%		Q5	1.09	1.09	0.0%
	X6	.72	.75	4.2%		Q6	.70	.70	0.0%
	X7	.87	.90	3.4%		Q7	.83	.83	0.0%
	X1N	.68	.71	4.4%		Q1N	.67	.67	0.0%
	X2N	.83	.86	3.6%		Q2N	.80	.80	0.0%
	X3N	.68	.71	4.4%		Q3N	.67	.67	0.0%
	X4N	.83	.86	3.6%		Q4N	.80	.80	0.0%
	X5N	.92	.96	4.3%		Q5N	.92	.92	0.0%
	X6N	.56	.58	3.6%		Q6N	.55	.55	0.0%
	X7N	.71	.74	4.2%		Q7N	.67	.67	0.0%
Married Male - Age 30-34	H1	.87	.87	0.0%	Married Male - Age 25-29	K1	.91	.91	0.0%
	H2	1.00	1.00	0.0%		K2	1.05	1.05	0.0%
	H3	.87	.87	0.0%		K3	.91	.91	0.0%
	H4	1.00	1.00	0.0%		K4	1.05	1.05	0.0%
	H5	1.09	1.09	0.0%		K5	1.14	1.14	0.0%
	H6	.74	.74	0.0%		K6	.78	.78	0.0%
	H7	.87	.87	0.0%		K7	.91	.91	0.0%
	H1N	.71	.71	0.0%		K1N	.75	.75	0.0%
	H2N	.84	.84	0.0%		K2N	.88	.88	0.0%
	H3N	.71	.71	0.0%		K3N	.75	.75	0.0%
	H4N	.84	.84	0.0%		K4N	.88	.88	0.0%
	H5N	.92	.92	0.0%		K5N	.97	.97	0.0%
	H6N	.59	.59	0.0%		K6N	.63	.63	0.0%
	H7N	.71	.71	0.0%		K7N	.75	.75	0.0%

SHELTER MUTUAL AUTOMOBILE ARKANSAS

Exhibit G

RATE CLASS RELATIVITY COMPARISON

"N" REPRESENTS MULTIPLE AUTOMOBILE DISCOUNT

		Rate Class	Current	Proposed	Percent Change			Rate Class	Current	Proposed	Percent Change
Unmarried Female - Principal Age 30-34		M1	1.00	1.00	0.0%	Unmarried Female - Principal Age 25-29		P1	1.04	1.04	0.0%
		M2	1.13	1.13	0.0%			P2	1.17	1.17	0.0%
		M3	1.00	1.00	0.0%			P3	1.04	1.04	0.0%
		M4	1.13	1.13	0.0%			P4	1.17	1.17	0.0%
		M5	1.24	1.24	0.0%			P5	1.29	1.29	0.0%
		M6	.84	.84	0.0%			P6	.87	.87	0.0%
		M7	1.00	1.00	0.0%			P7	1.04	1.04	0.0%
		M1N	.81	.81	0.0%			P1N	.84	.84	0.0%
		M2N	.95	.95	0.0%			P2N	.99	.99	0.0%
		M3N	.81	.81	0.0%			P3N	.84	.84	0.0%
		M4N	.95	.95	0.0%			P4N	.99	.99	0.0%
		M5N	1.05	1.05	0.0%			P5N	1.09	1.09	0.0%
		M6N	.67	.67	0.0%			P6N	.70	.70	0.0%
		M7N	.81	.81	0.0%			P7N	.84	.84	0.0%
Unmarried Male - Principal Age 30-34		R1	.90	.90	0.0%	Unmarried Male - Principal Age 25-29		W1	1.09	1.09	0.0%
		R2	1.03	1.03	0.0%			W2	1.24	1.24	0.0%
		R3	.90	.90	0.0%			W3	1.09	1.09	0.0%
		R4	1.03	1.03	0.0%			W4	1.24	1.24	0.0%
		R5	1.12	1.12	0.0%			W5	1.44	1.44	0.0%
		R6	.76	.76	0.0%			W6	.88	.88	0.0%
		R7	.90	.90	0.0%			W7	1.09	1.09	0.0%
		R1N	.73	.73	0.0%			W1N	.90	.90	0.0%
		R2N	.86	.86	0.0%			W2N	1.05	1.05	0.0%
		R3N	.73	.73	0.0%			W3N	.90	.90	0.0%
		R4N	.86	.86	0.0%			W4N	1.05	1.05	0.0%
		R5N	.95	.95	0.0%			W5N	1.23	1.23	0.0%
		R6N	.60	.60	0.0%			W6N	.72	.72	0.0%
		R7N	.73	.73	0.0%			W7N	.90	.90	0.0%
Married Male - Principal Under Age 25		T5	1.34	1.34	0.0%	Business Use					
		TH	1.84	1.84	0.0%			T2	1.10	1.10	0.0%
		w/DT	1.69	1.69	0.0%			T2N	.95	.95	0.0%
		F5	1.15	1.15	0.0%						
		FH	1.58	1.58	0.0%						
		w/DT	1.42	1.42	0.0%						
		T5N	1.23	1.23	0.0%						
		THN	1.73	1.73	0.0%						
		w/DT	1.58	1.58	0.0%						
		F5N	1.03	1.03	0.0%						
	FHN	1.45	1.45	0.0%							
	w/DT	1.31	1.31	0.0%							

SHELTER MUTUAL AUTOMOBILE ARKANSAS

Exhibit G

RATE CLASS RELATIVITY COMPARISON

"N" REPRESENTS MULTIPLE AUTOMOBILE DISCOUNT

		Rate Class	Current	Proposed	Percent Change			Rate Class	Current	Proposed	Percent Change
Unmarried Female - Occasional Under Age 25		DB	1.32	1.32	0.0%	Unmarried Female - Principal Under Age 25		DF	1.64	1.64	0.0%
		w/GS	1.18	1.18	0.0%			w/GS	1.43	1.43	0.0%
		DD	2.19	2.19	0.0%			DH	2.59	2.59	0.0%
		w/GS	2.06	2.06	0.0%			w/GS	2.47	2.47	0.0%
		w/DT	2.00	2.00	0.0%			w/DT	2.34	2.34	0.0%
		w/Both	1.89	1.89	0.0%			w/Both	2.25	2.25	0.0%
		WA	1.08	1.08	0.0%			WC	1.41	1.41	0.0%
		w/GS	1.00	1.00	0.0%			w/GS	1.27	1.27	0.0%
		WB	1.79	1.79	0.0%			WD	2.19	2.19	0.0%
		w/GS	1.65	1.65	0.0%			w/GS	2.06	2.06	0.0%
		w/DT	1.64	1.64	0.0%			w/DT	2.00	2.00	0.0%
		w/Both	1.54	1.54	0.0%			w/Both	1.89	1.89	0.0%
		DBN	1.13	1.13	0.0%			DFN	1.43	1.43	0.0%
		w/GS	1.01	1.01	0.0%			w/GS	1.25	1.25	0.0%
		DDN	1.97	1.97	0.0%			DHN	2.33	2.33	0.0%
		w/GS	1.84	1.84	0.0%			w/GS	2.24	2.24	0.0%
		w/DT	1.78	1.78	0.0%			w/DT	2.11	2.11	0.0%
		w/Both	1.68	1.68	0.0%			w/Both	2.03	2.03	0.0%
		WAN	.91	.91	0.0%			WCN	1.22	1.22	0.0%
		w/GS	.81	.81	0.0%			w/GS	1.08	1.08	0.0%
	WBN	1.56	1.56	0.0%		WDN	1.97	1.97	0.0%		
	w/GS	1.46	1.46	0.0%		w/GS	1.84	1.84	0.0%		
	w/DT	1.43	1.43	0.0%		w/DT	1.78	1.78	0.0%		
	w/Both	1.33	1.33	0.0%		w/Both	1.68	1.68	0.0%		
Unmarried Male - Occasional Under Age 25		TR	1.42	1.42	0.0%	Unmarried Male - Principal Under Age 25		TX	1.84	1.84	0.0%
		w/GS	1.14	1.14	0.0%			w/GS	1.46	1.46	0.0%
		T3	2.43	2.43	0.0%			T4	3.55	3.55	0.0%
		w/GS	1.87	1.87	0.0%			w/GS	2.68	2.68	0.0%
		w/DT	2.15	2.15	0.0%			w/DT	3.19	3.19	0.0%
		w/Both	1.67	1.67	0.0%			w/Both	2.45	2.45	0.0%
		FF	1.23	1.23	0.0%			FG	1.58	1.58	0.0%
		w/GS	.99	.99	0.0%			w/GS	1.28	1.28	0.0%
		F3	2.07	2.07	0.0%			F4	3.11	3.11	0.0%
		w/GS	1.59	1.59	0.0%			w/GS	2.40	2.40	0.0%
		w/DT	1.83	1.83	0.0%			w/DT	2.77	2.77	0.0%
		w/Both	1.42	1.42	0.0%			w/Both	2.14	2.14	0.0%
		TRN	1.31	1.31	0.0%			TXN	1.73	1.73	0.0%
		w/GS	1.03	1.03	0.0%			w/GS	1.35	1.35	0.0%
		T3N	2.31	2.31	0.0%			T4N	3.43	3.43	0.0%
		w/GS	1.75	1.75	0.0%			w/GS	2.57	2.57	0.0%
		w/DT	2.03	2.03	0.0%			w/DT	3.07	3.07	0.0%
		w/Both	1.54	1.54	0.0%			w/Both	2.34	2.34	0.0%
		FFN	1.11	1.11	0.0%			FGN	1.45	1.45	0.0%
		w/GS	.88	.88	0.0%			w/GS	1.14	1.14	0.0%
	F3N	1.95	1.95	0.0%		F4N	2.99	2.99	0.0%		
	w/GS	1.48	1.48	0.0%		w/GS	2.27	2.27	0.0%		
	w/DT	1.71	1.71	0.0%		w/DT	2.65	2.65	0.0%		
	w/Both	1.31	1.31	0.0%		w/Both	2.03	2.03	0.0%		

**SHELTER MUTUAL AUTOMOBILE
ARKANSAS
UMPD OPTIONAL LIMITS**

Exhibit H

RATE COMPARISON

Limit	Current Rate	Proposed Rate	Percent Change
25,000	13	14	7.7%
50,000	15	17	13.3%
100,000	20	22	10.0%
200,000	27	30	11.1%

**SHELTER MUTUAL AUTOMOBILE
ARKANSAS
Z2 TRAILERS**

Exhibit I

COVERAGE FACTOR COMPARISON

Coverage	Current Factor	Proposed Factor	Percent Change
Collision	.392	.392	0.0%
Comprehensive	1.07	1.145	7.0%

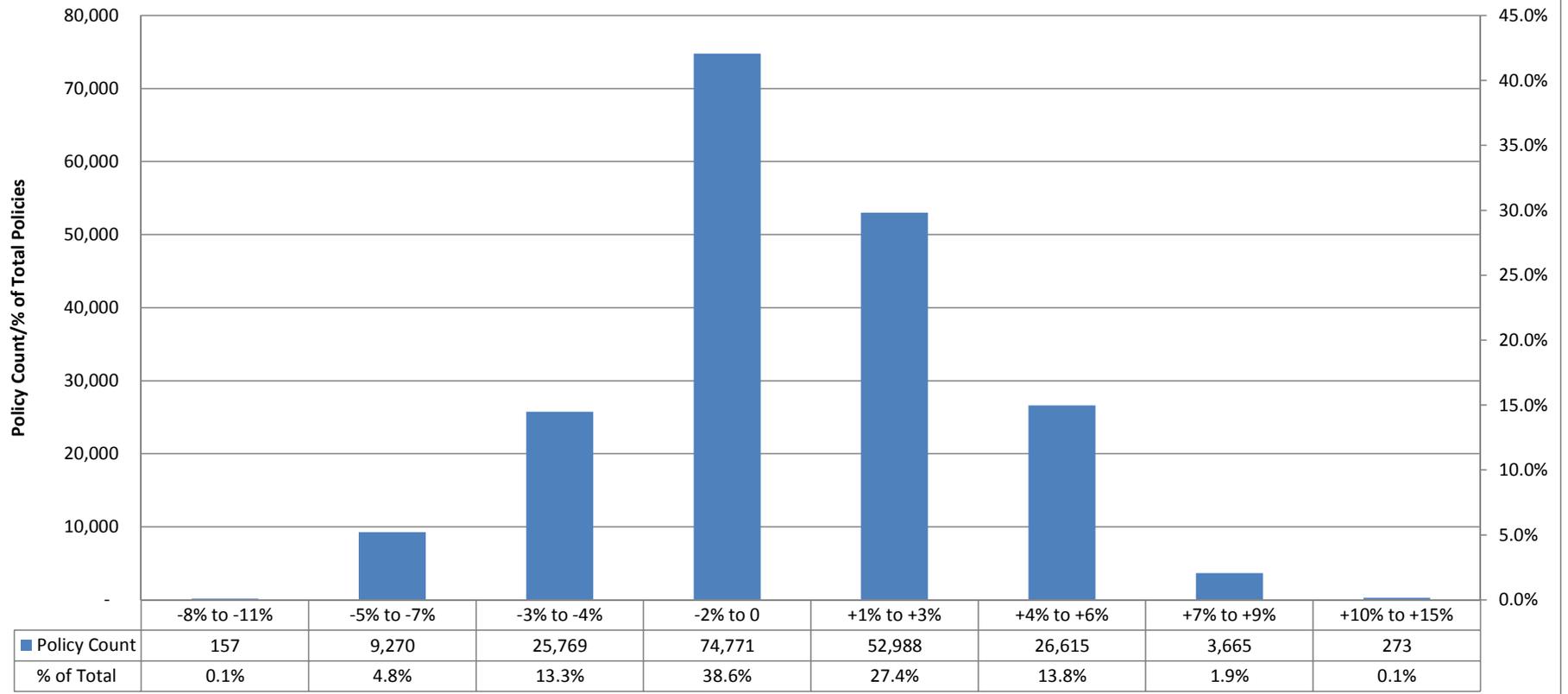
**SHELTER MUTUAL AUTOMOBILE
ARKANSAS
MOTOR HOME BASE RATE ADJUSTMENT**

Exhibit J

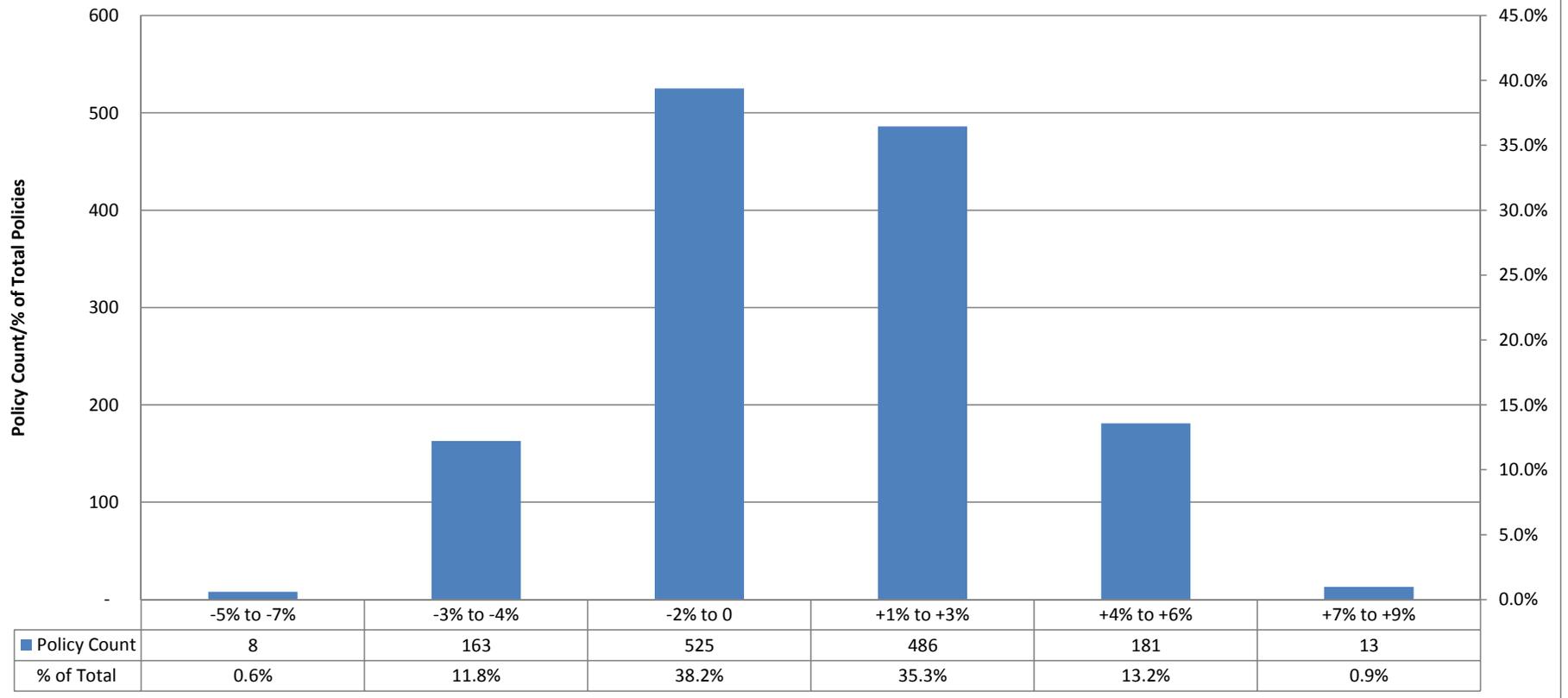
COVERAGE FACTOR COMPARISON

<u>Coverage</u>	<u>Current Factor</u>	<u>Proposed Factor</u>	<u>Percent Change</u>
Liability	.77	.77	0.0%
Med Pay	.80	.80	0.0%
UM	.90	.90	0.0%
UIM	.90	.90	0.0%
Collision	.80	.80	0.0%
Comprehensive	.80	.86	7.5%

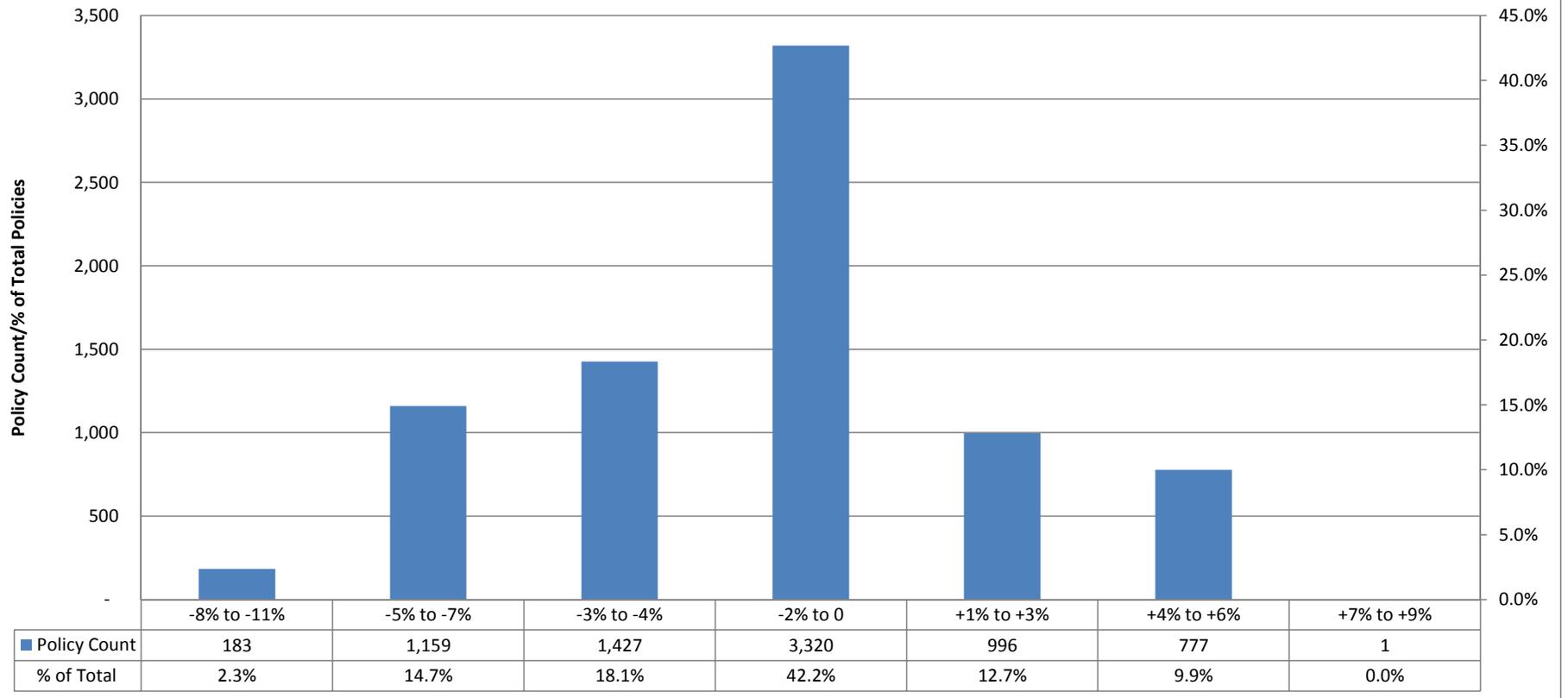
Arkansas Impact Distribution Private Passenger (w/T2 & Full Use Classics)



Arkansas Impact Distribution Motor Homes



Arkansas Impact Distribution Z2 Trailers



Shelter Mutual Insurance Company

Arkansas

Private Passenger Automobile

Explanatory Memorandum of Attached Exhibits Developing Indicated Rate Level Change by Coverage

Exhibit B.I – Summary of Indicated Rate Level Change by Coverage

This summary exhibit details the earned premium at current rates, the indicated rate level change and the indicated dollar need by coverage.

Exhibit B.II.a to B.II.e – Indicated Rate Level Change by Coverage

These exhibits show all calculations used to develop the indicated rate level change by coverage. Generally, accident year losses are adjusted to anticipated levels at the average loss date and fiscal year premiums are adjusted to current rates. The formula loss ratio is then compared to the expected loss ratio, after credibility, for indicated rate level change. All development of adjustment factors and expected loss ratios are detailed in subsequent exhibits.

Exhibit B.III.a to B.III.f – Projected Ultimate Accident Year Loss, Allocated LAE and Accident Year Claim Count

These exhibits show the development of fiscal accident year losses including allocated loss adjustment expense and fiscal accident year claims to an ultimate basis. All coverages are developed to 72 months.

Exhibit B.IV.a to B.IV.f – Development of Combined Trend and Projection Factor by Coverage

These exhibits display the calculation of factors to trend and project losses to the expected average loss date. The average policy is for a six-month term; therefore, the average loss date is nine months after the proposed effective date. These factors are applied to ultimate incurred loss and loss adjustment expense.

Exhibit B.V.a to B.V.e – Development of Earned Current Rate Level Factors by Coverage

These exhibits show the written effective dates and rate changes used to calculate current rate level factors on an earned basis. These factors are applied to fiscal year earned premium to bring past premiums to current rates. The method used to calculate the factors is commonly known as the "Parallelogram Method".

Exhibit B.VI – Development of Unallocated Loss Adjustment Factor

This exhibit shows the three-year average unallocated loss adjustment expense ratio for the latest available three years. These factors are applied to ultimate incurred loss and loss adjustment expense. Separate ratios are calculated for Liability excluding Property Damage, Property Damage Liability and Physical Damage.

Exhibit B.VII.a to B.VII.b – Calculation of Expected Loss Ratio

These exhibits show the calculation of expected loss ratio separately for Liability and Physical Damage. The development of expense ratios used in calculating the expected loss ratios are included.

Exhibit B.VIII.a – Calculation of Factor to Adjust Fixed Costs

This exhibit shows average consumer price indices for the last twenty quarters, which is considered in the selection of trend and projection factors. Exponential regression is used to fit 20, 12 and 6 point curves.

Shelter Mutual Insurance Company

Exhibit B.I

Arkansas

Private Passenger Automobile

Summary of Indicated Rate Level Change by Coverage

Coverage	Fiscal Year Ending 9/30/2013 Earned Premium at Current Rates	Indicated Rate Level Change	
		in Percent	in Dollars
Combined Bodily Injury and Property Damage	\$49,919,215	2.3%	\$1,143,069
Medical Payments	\$5,204,592	20.1%	\$1,046,123
Uninsured/Underinsured Motorist	\$6,110,290	-5.5%	-\$336,066
Total Liability	\$61,234,097	3.0%	\$1,853,126
Collision	\$27,903,765	-3.6%	-\$1,004,536
Comprehensive	\$21,776,896	-8.0%	-\$1,742,152
Total Physical Damage	\$49,680,661	-5.5%	-\$2,746,688
Total	\$110,914,758	-0.8%	-\$893,562

Arkansas

Private Passenger Automobile

Combined Bodily Injury and Property Damage Indicated Rate Level Change

	Fiscal Year Ending 9/30/2011	Fiscal Year Ending 9/30/2012	Fiscal Year Ending 9/30/2013
1. Combined BI and PD Earned Premiums	\$50,468,022	\$50,737,145	\$50,922,263
2. Current Rate Level Factor (Exhibit B.V)	0.9943	0.9660	0.9803
3. Premium at Current Rates	\$50,179,024	\$49,012,082	\$49,919,215
Bodily Injury Only			
4. Incurred Loss and Allocated Loss Adjustment Expense (Exhibit B.III.a.1)	\$15,178,593	\$14,790,346	\$17,338,326
5. Factor to Trend and Project Losses to 1/1/2015 (Exhibit B.IV.a)	1.117	1.085	1.053
6. Unallocated Loss Adjustment Expense Factor (Exhibit B.VI)	1.082	1.082	1.082
7. Trended Loss and Loss Adjustment Expense	\$18,346,790	\$17,355,931	\$19,755,097
Property Damage Only			
8. Incurred Loss and Allocated Loss Adjustment Expense (Exhibit B.III.b.1)	\$15,003,466	\$15,277,947	\$16,903,919
9. Factor to Trend and Project Losses to 1/1/2015 (Exhibit B.IV.b)	1.077	1.056	1.036
10. Unallocated Loss Adjustment Expense Factor (Exhibit B.VI)	1.082	1.082	1.082
11. Trended Loss and Loss Adjustment Expense	\$17,484,322	\$17,453,823	\$18,934,683
12. Combined BI and PD Trended Loss and LAE	\$35,831,112	\$34,809,754	\$38,689,780
13. Formula Loss Ratio	71.4%	71.0%	77.5%
14. Experience Year Weight	20.0%	30.0%	50.0%
15. Weighted Formula Loss Ratio		74.3%	
16. Credibility		100.0%	
17. Trended Expected Loss Ratio (19. X 23. ** 1)		74.5%	
18. Credibility Weighted Formula Loss Ratio (15. X 16.) + (17. X (1 - 16.))		74.3%	
19. Expected Loss Ratio (Exhibit B.VII.a.1)		72.7%	
20. Indicated Rate Level Change for Variable Expenses (18. / 19.) - 1		2.3%	
21. Current Provision for Variable Expenses of Commissions, Taxes and Profit (Exhibit B.VII.a.1)		15.8%	
22. Current Provision for Fixed Expenses of General and Other Acquisition Expense (Exhibit B.VII.a.1)		11.5%	
23. Factor to Trend Fixed Costs (Exhibit B.VIII.a)		1.025	
24. Trended Fixed Costs (22. X (23.** 1)		11.8%	
25. Indicated Rate Level Change with Provision for Fixed and Variable Expenses ((18. + 24.) / (1.000 - 21.)) - 1.000		2.3%	

Indications are based on effective date of 04/01/2014.

Arkansas

Private Passenger Automobile

Medical Payments Indicated Rate Level Change

	Fiscal Year Ending 9/30/2011	Fiscal Year Ending 9/30/2012	Fiscal Year Ending 9/30/2013
1. Earned Premium	\$4,742,675	\$4,761,023	\$4,967,635
2. Current Rate Level Factor (Exhibit B.V)	1.1254	1.0860	1.0477
3. Premium at Current Rates	\$5,337,406	\$5,170,471	\$5,204,592
4. Incurred Loss and Allocated Loss Adjustment Expense (Exhibit B.III.c.1)	\$3,916,637	\$3,769,463	\$4,194,717
5. Factor to Trend and Project Losses to 1/1/2015 (Exhibit B.IV.c)	1.117	1.085	1.053
6. Unallocated Loss Adjustment Expense Factor (Exhibit B.VI)	1.082	1.082	1.082
7. Trended Loss and Loss Adjustment Expense	\$4,733,624	\$4,425,236	\$4,779,234
8. Formula Loss Ratio	88.7%	85.6%	91.8%
9. Experience Year Weight	20.0%	30.0%	50.0%
10. Weighted Formula Loss Ratio		89.3%	
11. Credibility		100.0%	
12. Trended Expected Loss Ratio (14. X 18. ** 1)		74.5%	
13. Credibility Weighted Formula Loss Ratio (10. X 11.) + (12. X (1 - 11.))		89.3%	
14. Expected Loss Ratio (Exhibit B.VII.a.1)		72.7%	
15. Indicated Rate Level Change for Variable Expenses (13. / 14.) - 1		22.8%	
16. Current Provision for Variable Expenses of Commissions, Taxes and Profit (Exhibit B.VII.a.1)		15.8%	
17. Current Provision for Fixed Expenses of General and Other Acquisition Expense (Exhibit B.VII.a.1)		11.5%	
18. Factor to Trend Fixed Costs (Exhibit B.VIII.a)		1.025	
19. Trended Fixed Costs (17. X (18.** 1)		11.8%	
20. Indicated Rate Level Change with Provision for Fixed and Variable Expenses ((13. + 19.) / (1.000 - 16.)) - 1.000		<u>20.1%</u>	

Indications are based on effective date of 04/01/2014.

Arkansas

Private Passenger Automobile

Uninsured/Underinsured Motorist Indicated Rate Level Change

	Fiscal Year Ending 9/30/2011	Fiscal Year Ending 9/30/2012	Fiscal Year Ending 9/30/2013
1. Earned Premium	\$6,307,727	\$6,187,021	\$6,138,527
2. Current Rate Level Factor (Exhibit B.V)	0.9920	0.9920	0.9954
3. Premium at Current Rates	\$6,257,265	\$6,137,525	\$6,110,290
4. Incurred Loss and Allocated Loss Adjustment Expense (Exhibit B.III.d.1)	\$3,428,284	\$3,420,247	\$3,706,322
5. Factor to Trend and Project Losses to 1/1/2015 (Exhibit B.IV.d)	1.117	1.085	1.053
6. Unallocated Loss Adjustment Expense Factor (Exhibit B.VI)	1.082	1.082	1.082
7. Trended Loss and Loss Adjustment Expense	\$4,143,403	\$4,015,267	\$4,222,783
8. Formula Loss Ratio	66.2%	65.4%	69.1%
9. Experience Year Weight	20.0%	30.0%	50.0%
10. Weighted Formula Loss Ratio		67.4%	
11. Credibility		95.0%	
12. Trended Expected Loss Ratio (14. X 18. ** 1)		74.5%	
13. Credibility Weighted Formula Loss Ratio (10. X 11.) + (12. X (1 - 11.))		67.8%	
14. Expected Loss Ratio (Exhibit B.VII.a.1)		72.7%	
15. Indicated Rate Level Change for Variable Expenses (13. / 14.) - 1		-6.7%	
16. Current Provision for Variable Expenses of Commissions, Taxes and Profit (Exhibit B.VII.a.1)		15.8%	
17. Current Provision for Fixed Expenses of General and Other Acquisition Expense (Exhibit B.VII.a.1)		11.5%	
18. Factor to Trend Fixed Costs (Exhibit B.VIII.a)		1.025	
19. Trended Fixed Costs (17. X (18.** 1)		11.8%	
20. Indicated Rate Level Change with Provision for Fixed and Variable Expenses ((13. + 19.) / (1.000 - 16.)) - 1.000		-5.5%	

Indications are based on effective date of 04/01/2014.

Arkansas

Private Passenger Automobile

Collision Indicated Rate Level Change

	Fiscal Year Ending 9/30/2011	Fiscal Year Ending 9/30/2012	Fiscal Year Ending 9/30/2013
1. Earned Premium	\$27,524,900	\$28,092,187	\$29,069,450
2. Current Rate Level Factor (Exhibit B.V)	0.9302	0.9320	0.9599
3. Model Year Symbol Drift Factor (Exhibit B.II.d.2)	1.2075	1.1484	1.0921
4. Trended Premium at Current Rates	\$30,916,421	\$30,067,315	\$30,473,702
5. Incurred Loss and Allocated Loss Adjustment Expense (Exhibit B.III.e.1)	\$17,244,141	\$17,027,638	\$18,197,980
6. Factor to Trend and Project Losses to 1/1/2015 (Exhibit B.IV.e)	1.077	1.056	1.036
7. Unallocated Loss Adjustment Expense Factor (Exhibit B.VI)	1.098	1.098	1.098
8. Trended Loss and Loss Adjustment Expense	\$20,391,990	\$19,743,342	\$20,700,712
9. Formula Loss Ratio	66.0%	65.7%	67.9%
10. Experience Year Weight	20.0%	30.0%	50.0%
11. Weighted Formula Loss Ratio		66.9%	
12. Credibility		100.0%	
13. Trended Expected Loss Ratio (15. X 19. ** 1)		71.9%	
14. Credibility Weighted Formula Loss Ratio (10. X 11.) + (13. X (1 - 11.))		66.9%	
15. Expected Loss Ratio (Exhibit B.VII.b.1)		70.1%	
16. Indicated Rate Level Change for Variable Expenses (14. / 15.) - 1		-4.6%	
17. Current Provision for Variable Expenses of Commissions, Taxes and Profit (Exhibit B.VII.b.1)		18.4%	
18. Current Provision for Fixed Expenses of General and Other Acquisition Expense (Exhibit B.VII.b.1)		11.5%	
19. Factor to Trend Fixed Costs (Exhibit B.VIII.a)		1.025	
20. Trended Fixed Costs (18. X (19.** 1)		11.8%	
21. Indicated Rate Level Change with Provision for Fixed and Variable Expenses ((14. + 20.) / (1.000 - 17.)) - 1.000		-3.6%	

Indications are based on effective date of 04/01/2014.

**Shelter Mutual Private Passenger Automobile
Calculation of Collision Model Year & Symbol Drift Premium Trend Factor**

Arkansas Calculation of Model Year Premium Trend Factor for Collision Coverage

Model Year	Distribution FYE 12/2010	X	Model Year Factor	=	Weighted Factor	Distribution FYE 12/2011	X	Model Year Factor	=	Weighted Factor	Distribution FYE 12/2012	X	Model Year Factor	=	Weighted Factor
2013	0.00		2.37		0.00	0.00		2.37		0.00	0.78		2.37		1.86
2012	0.00		2.26		0.00	0.61		2.26		1.38	6.29		2.26		14.21
2011	0.74		2.15		1.60	5.79		2.15		12.45	7.45		2.15		16.03
2010	5.22		2.05		10.71	6.76		2.05		13.87	6.94		2.05		14.24
2009	6.15		1.95		11.99	6.20		1.95		12.08	5.97		1.95		11.64
2008	9.11		1.86		16.94	9.07		1.86		16.87	8.73		1.86		16.25
2007	10.19		1.77		18.05	10.01		1.77		17.72	9.44		1.77		16.71
2006	9.18		1.69		15.52	8.81		1.69		14.88	8.08		1.69		13.66
2005	9.56		1.61		15.39	8.98		1.61		14.46	8.17		1.61		13.16
2004	9.13		1.53		13.96	8.38		1.53		12.83	7.65		1.53		11.71
2003	7.84		1.46		11.44	7.06		1.46		10.31	6.28		1.46		9.17
2002	7.01		1.39		9.74	6.21		1.39		8.63	5.40		1.39		7.51
2001	5.88		1.32		7.76	5.08		1.32		6.71	4.37		1.32		5.76
2000	4.88		1.26		6.15	4.22		1.26		5.32	3.65		1.26		4.60
Prior	15.11		1.26		19.04	12.80		1.26		16.13	10.77		1.26		13.58
	100.00				158.28	100.00				163.65	100.00				170.08
										% Change = 3.39					% Change = 3.93

Arkansas Calculation of Symbol Drift Premium Trend Factor for Collision Coverage

Cost Symbol	Distribution FYE 12/2010	X	Cost Symbol Factor	=	Weighted Factor	Distribution FYE 12/2011	X	Cost Symbol Factor	=	Weighted Factor	Distribution FYE 12/2012	X	Cost Symbol Factor	=	Weighted Factor
<8	0.72		0.00		0.00	0.71		0.00		0.00	0.67		0.00		0.00
8	1.04		0.85		0.89	0.89		0.85		0.76	0.75		0.85		0.64
9	1.15		0.93		1.07	0.97		0.93		0.90	0.80		0.93		0.74
10	1.54		1.00		1.54	1.32		1.00		1.32	1.12		1.00		1.12
11	1.86		1.07		1.99	1.59		1.07		1.70	1.41		1.07		1.51
12	2.89		1.15		3.33	2.57		1.15		2.95	2.27		1.15		2.61
13	3.34		1.18		3.94	3.05		1.18		3.60	2.69		1.18		3.17
14	3.38		1.21		4.09	3.08		1.21		3.73	2.77		1.21		3.35
15	4.06		1.26		5.12	3.83		1.26		4.82	3.48		1.26		4.38
16	4.10		1.31		5.37	3.88		1.31		5.09	3.58		1.31		4.68
17	4.23		1.35		5.71	4.00		1.35		5.40	3.85		1.35		5.19
18	5.17		1.37		7.08	4.94		1.37		6.77	4.76		1.37		6.52
19	4.96		1.40		6.94	4.76		1.40		6.66	4.49		1.40		6.29
20-21	9.67		1.43		13.82	9.39		1.43		13.43	9.10		1.43		13.01
22-24	13.84		1.55		21.45	14.42		1.55		22.35	14.81		1.55		22.96
25-29	17.32		1.66		28.76	18.00		1.66		29.88	18.92		1.66		31.41
30-34	10.19		1.76		17.94	10.71		1.76		18.85	11.22		1.76		19.75
35-39	5.56		1.90		10.57	6.14		1.90		11.66	6.67		1.90		12.67
40-44	2.36		2.00		4.72	2.70		2.00		5.41	3.13		2.00		6.26
>44	2.61		2.34		6.10	3.04		2.34		7.12	3.52		2.34		8.23
	100.00				150.44	100.00				152.41	100.00				154.51
										% Change = 1.31					% Change = 1.38

Selected Model Year Premium Trend Factor = **3.75%**
 Selected Symbol Drift Premium Trend Factor = **1.35%**
 Combined Premium Trend Factor = **5.2%**

Arkansas

Private Passenger Automobile

Comprehensive Indicated Rate Level Change

	Fiscal Year Ending 9/30/2011	Fiscal Year Ending 9/30/2012	Fiscal Year Ending 9/30/2013
1. Earned Premium	\$19,028,500	\$20,733,781	\$21,914,960
2. Current Rate Level Factor (Exhibit B.V)	1.0437	0.9890	0.9937
3. Model Year Symbol Drift Factor (Exhibit B.II.e.2)	1.1987	1.1422	1.0884
4. Trended Premium at Current Rates	\$23,806,237	\$23,421,622	\$23,701,973
5. Incurred Loss and Allocated Loss Adjustment Expense (Exhibit B.III.f.1)	\$17,800,109	\$10,810,029	\$10,937,256
6. Excess Loss (Exhibit B.II.e.3)	5,664,859	0	0
7. Incurred Less Excess	\$12,135,250	\$10,810,029	\$10,937,256
8. Excess Loss Factor (Exhibit B.II.e.3)	1.141	1.141	1.141
9. Factor to Trend and Project Losses to 1/1/2015 (Exhibit B.IV.f)	1.077	1.056	1.036
10. Unallocated Loss Adjustment Expense Factor (Exhibit B.VI)	1.098	1.098	1.098
11. Trended Loss and Loss Adjustment Expense	\$16,373,910	\$14,301,407	\$14,195,677
12. Formula Loss Ratio	68.8%	61.1%	59.9%
13. Experience Year Weight	33.3%	33.3%	33.3%
14. Weighted Formula Loss Ratio		63.3%	
15. Credibility		100.0%	
16. Trended Expected Loss Ratio (18. X 22. ** 1)		71.9%	
17. Credibility Weighted Formula Loss Ratio (14. X 15.) + (16. X (1 - 15.))		63.3%	
18. Expected Loss Ratio (Exhibit B.VII.b.1)		70.1%	
19. Indicated Rate Level Change for Variable Expenses (17. / 18.) - 1		-9.7%	
20. Current Provision for Variable Expenses of Commissions, Taxes and Profit (Exhibit B.VII.b.1)		18.4%	
21. Current Provision for Fixed Expenses of General and Other Acquisition Expense (Exhibit B.VII.b.1)		11.5%	
22. Factor to Trend Fixed Costs (Exhibit B.VIII.a)		1.025	
23. Trended Fixed Costs (21. X (22.** 1)		11.8%	
24. Indicated Rate Level Change with Provision for Fixed and Variable Expenses ((17. + 23.) / (1.000 - 20.)) - 1.000		-8.0%	

Indications are based on effective date of 04/01/2014.

Shelter Mutual Private Passenger Automobile Calculation of Comprehensive Model Year & Symbol Drift Premium Trend Factor

Arkansas Calculation of Model Year Premium Trend Factor for Comprehensive Coverage

Model Year	Distribution FYE 12/2010	X	Model Year Factor	=	Weighted Factor	Distribution FYE 12/2011	X	Model Year Factor	=	Weighted Factor	Distribution FYE 12/2012	X	Model Year Factor	=	Weighted Factor
2013	0.00		2.40		0.00	0.00		2.40		0.00	0.77		2.40		1.85
2012	0.00		2.29		0.00	0.60		2.29		1.37	6.18		2.29		14.15
2011	0.73		2.18		1.60	5.69		2.18		12.41	7.32		2.18		15.97
2010	5.14		2.08		10.68	6.65		2.08		13.84	6.83		2.08		14.20
2009	6.04		1.98		11.96	6.10		1.98		12.07	5.87		1.98		11.63
2008	8.96		1.89		16.93	8.92		1.89		16.87	8.60		1.89		16.25
2007	10.03		1.80		18.05	9.85		1.80		17.73	9.29		1.80		16.72
2006	9.05		1.71		15.48	8.69		1.71		14.85	7.98		1.71		13.65
2005	9.42		1.63		15.36	8.87		1.63		14.46	8.09		1.63		13.19
2004	9.01		1.55		13.97	8.30		1.55		12.87	7.59		1.55		11.77
2003	7.77		1.48		11.51	7.02		1.48		10.39	6.27		1.48		9.27
2002	7.00		1.41		9.87	6.22		1.41		8.77	5.43		1.41		7.66
2001	5.90		1.34		7.90	5.13		1.34		6.87	4.44		1.34		5.95
2000	4.93		1.28		6.31	4.30		1.28		5.50	3.74		1.28		4.79
Prior	16.01		1.28		20.49	13.66		1.28		17.48	11.59		1.28		14.84
	100.00				160.12	100.00				165.48	100.00				171.88
										% Change = 3.35					% Change = 3.87

Arkansas Calculation of Symbol Drift Premium Trend Factor for Comprehensive Coverage

Cost Symbol	Distribution FYE 12/2010	X	Cost Symbol Factor	=	Weighted Factor	Distribution FYE 12/2011	X	Cost Symbol Factor	=	Weighted Factor	Distribution FYE 12/2012	X	Cost Symbol Factor	=	Weighted Factor
<8	0.82		0.00		0.00	0.80		0.00		0.00	0.75		0.00		0.00
8	1.17		0.84		0.98	1.00		0.84		0.84	0.86		0.84		0.72
9	1.24		0.94		1.16	1.04		0.94		0.98	0.86		0.94		0.81
10	1.62		1.00		1.62	1.39		1.00		1.39	1.19		1.00		1.19
11	1.93		1.08		2.08	1.65		1.08		1.78	1.47		1.08		1.58
12	2.95		1.13		3.33	2.63		1.13		2.97	2.34		1.13		2.65
13	3.38		1.17		3.95	3.09		1.17		3.62	2.74		1.17		3.20
14	3.43		1.23		4.22	3.14		1.23		3.86	2.82		1.23		3.47
15	4.09		1.26		5.15	3.85		1.26		4.85	3.51		1.26		4.42
16	4.11		1.30		5.35	3.90		1.30		5.07	3.59		1.30		4.67
17	4.25		1.33		5.65	4.02		1.33		5.35	3.87		1.33		5.15
18	5.16		1.35		6.96	4.95		1.35		6.68	4.76		1.35		6.43
19	4.94		1.37		6.77	4.76		1.37		6.52	4.50		1.37		6.17
20-21	9.60		1.39		13.35	9.35		1.39		12.99	9.06		1.39		12.59
22-24	13.73		1.46		20.05	14.34		1.46		20.93	14.73		1.46		21.50
25-29	17.14		1.64		28.10	17.81		1.64		29.21	18.73		1.64		30.71
30-34	10.06		1.88		18.91	10.57		1.88		19.86	11.08		1.88		20.82
35-39	5.49		2.15		11.81	6.06		2.15		13.03	6.58		2.15		14.14
40-44	2.32		0.00		0.00	2.66		0.00		0.00	3.09		0.00		0.00
>44	2.57		3.06		7.88	3.00		3.06		9.19	3.47		3.06		10.60
	100.00				147.33	100.00				149.11	100.00				150.85
										% Change = 1.21					% Change = 1.17

Selected Model Year Premium Trend Factor = **3.70%**
 Selected Symbol Drift Premium Trend Factor = **1.20%**
 Combined Premium Trend Factor = **4.9%**

Shelter Mutual AND General Insurance Company

Exhibit B.II.e.3

Arkansas

Private Passenger Automobile - Comprehensive

Development of Excess Wind and Hail Loss Factor

Fiscal Accident Year	(1) Wind and Hail Loss	(2) Total Loss	(3) Wind/Non-Wind (1) / (2-1)	Rank	(4) If (3)>1.5xM then (3)-M	(5) Excess Wind Loss	(6) Total Loss Less Excess
9/1990	859,644	5,035,242	0.2059	8	-		
9/1991	936,060	5,341,467	0.2125	9	-		
9/1992	1,175,130	5,381,418	0.2794	14	-		
9/1993	745,912	4,932,480	0.1782	7	-		
9/1994	2,304,644	7,073,567	0.4833	17	0.2189		
9/1995	1,523,140	6,647,931	0.2972	15	-		
9/1996	7,045,781	13,126,141	1.1588	23	0.8944		
9/1997	1,908,210	9,188,016	0.2621	12	-		
9/1998	1,170,583	8,066,441	0.1698	6	-		
9/1999	4,254,013	12,534,496	0.5137	19	0.2493		
9/2000	2,158,770	10,253,639	0.2667	13	-		
9/2001	2,053,114	10,764,990	0.2357	10	-		
9/2002	3,531,116	11,970,845	0.4184	18	0.154		
9/2003	2,567,065	9,364,362	0.3777	16	-		
9/2004	1,648,212	7,972,165	0.2606	11	-		
9/2005	1,019,268	7,298,116	0.1623	3	-		
9/2006	4,950,948	11,705,119	0.7330	21	0.4686		
9/2007	655,248	7,288,035	0.0988	1	-		
9/2008	12,819,267	20,868,829	1.5925	24	1.3281		
9/2009	4,949,937	14,213,397	0.5344	20	0.27		
9/2010	1,565,200	11,195,395	0.1625	4	-		
9/2011	8,461,835	18,321,103	0.8583	22	0.5939	5,664,859	12,135,250
9/2012	1,592,512	11,145,979	0.1667	5	-	0	10,810,029
9/2013	1,154,773	11,128,529	0.1158	2	-	0	10,937,256
			9.7443		4.1772		

Median (M) (Rank 12 + Rank 13) / 2	=	0.2644	Excess Factor	=	$\frac{1.0 + \text{Average Ratio}}{1.0 + \text{Average Ratio} - \text{Average Excess}}$
Median x 1.5	=	0.3966		=	$\frac{1.0 + 0.406}{1.0 + 0.406 - 0.1741}$
Average Wind to Non-Wind Ratio	=	0.4060		=	<u>1.141</u>
Average Excess Ratio	=	0.1741	Selected		<u>1.141</u>

**Shelter Mutual Insurance Company
Private Passenger Auto - Bodily Injury Liability
Projected Ultimate Loss and Allocated Loss Adjustment Expense**

Companywide Paid Loss & Paid ALAE

Fiscal Year-End	Valuation Period (In Months)									
	@12	@24	@36	@48	@60	@72	@84	@96	@108	@120
9/30/2004	20,894,876	55,970,463	72,145,019	80,509,375	83,498,420	85,113,941	85,557,226	85,901,193	85,960,374	86,121,541
9/30/2005	18,565,647	50,372,685	66,366,760	74,228,764	76,641,796	78,263,530	78,828,006	79,062,319	79,201,768	
9/30/2006	20,550,788	50,130,341	65,434,272	73,508,000	77,237,711	78,397,603	79,270,301	79,771,235		
9/30/2007	18,766,453	51,451,216	67,777,178	76,802,604	79,907,850	81,793,666	82,142,727			
9/30/2008	20,116,605	54,713,620	70,568,828	78,693,517	81,442,493	82,928,468				
9/30/2009	21,637,005	60,003,221	79,316,318	87,565,975	92,282,272					
9/30/2010	22,117,634	64,523,328	83,819,066	93,007,135						
9/30/2011	20,249,598	61,873,389	82,584,111							
9/30/2012	21,878,513	64,181,207								
9/30/2013	24,977,510									

Companywide Reported Loss & Paid ALAE

Fiscal Year-End	Valuation Period (In Months)									
	@12	@24	@36	@48	@60	@72	@84	@96	@108	@120
9/30/2004	90,100,504	84,676,116	85,513,789	86,727,487	86,576,146	86,506,621	86,426,790	86,336,622	86,301,624	86,350,541
9/30/2005	82,336,229	74,938,424	77,743,797	79,193,814	79,250,023	79,437,528	79,446,046	79,581,069	79,511,518	
9/30/2006	85,441,447	76,423,424	78,724,401	79,894,807	80,503,225	80,516,393	80,674,801	80,608,735		
9/30/2007	82,993,029	78,987,926	81,838,551	83,062,837	82,870,408	83,120,512	83,004,165			
9/30/2008	83,009,530	80,919,210	84,122,076	85,022,379	85,573,354	84,651,068				
9/30/2009	94,427,500	90,405,783	95,089,890	96,278,329	96,320,272					
9/30/2010	102,424,202	97,943,831	100,942,726	101,818,116						
9/30/2011	101,979,052	97,633,631	99,539,079							
9/30/2012	101,332,131	95,576,638								
9/30/2013	107,739,639									

Companywide Claims with Payment

Fiscal Year-End	Valuation Period (In Months)									
	@12	@24	@36	@48	@60	@72	@84	@96	@108	@120
9/30/2004	7,710	8,182	8,227	8,258	8,268	8,337	8,351	8,353	8,354	8,354
9/30/2005	6,959	7,368	7,417	7,445	7,589	7,624	7,630	7,630	7,630	
9/30/2006	6,815	7,210	7,271	7,538	7,593	7,602	7,606	7,607		
9/30/2007	7,150	7,695	8,044	8,138	8,146	8,155	8,157			
9/30/2008	8,687	9,161	9,202	9,223	9,230	9,232				
9/30/2009	9,838	10,331	10,381	10,401	10,404					
9/30/2010	10,611	11,053	11,102	11,117						
9/30/2011	10,580	11,034	11,071							
9/30/2012	10,512	11,031								
9/30/2013	10,982									

Companywide Selected Incurred Loss & ALAE

Fiscal Accident Year	Cumulative Reported Losses (2)	Ultimate Development Factors (3)	Estimated Incurred Loss & ALAE (4) = (2) x (3)	Valuation Period (In Months)			Selected Incurred Loss & ALAE (8)	Cumulative Paid Claim Count (9)	Ultimate Development Factors (10)	Estimated Incurred Claim Count (11) = (9) x (10)
				Cumulative Paid Losses (5)	Ultimate Development Factors (6)	Estimated Incurred Loss & ALAE (7) = (5) x (6)				
9/30/2004	86,350,541	1.0001	86,359,176	86,121,541	1.0001	86,130,153	86,359,176	8,354	1.0000	8,354
9/30/2005	79,511,518	1.0002	79,527,421	79,201,768	1.0013	79,304,740	79,527,421	7,630	1.0000	7,630
9/30/2006	80,608,735	1.0003	80,632,920	79,771,235	1.0029	80,002,747	80,632,920	7,607	1.0000	7,607
9/30/2007	83,004,165	1.0004	83,037,372	82,142,727	1.0084	82,834,218	83,037,372	8,157	1.0001	8,158
9/30/2008	84,651,068	1.0005	84,693,402	82,928,468	1.0147	84,145,058	84,693,402	9,232	1.0006	9,238
9/30/2009	96,320,272	1.0007	96,387,715	92,282,272	1.0344	95,452,626	96,387,715	10,404	1.0012	10,416
9/30/2010	101,818,116	1.0034	102,164,511	93,007,135	1.0825	100,675,803	102,164,511	11,117	1.0022	11,141
9/30/2011	99,539,079	1.0159	101,126,191	82,584,111	1.2015	99,226,645	101,126,191	11,071	1.0042	11,118
9/30/2012	95,576,638	1.0515	100,499,091	64,181,207	1.5860	101,791,995	100,499,091	11,031	1.0088	11,128
9/30/2013	107,739,639	1.0068	108,473,757	24,977,510	4.5994	114,862,235	108,473,757	10,982	1.0593	11,633
3-yr Total			310,099,039			315,900,875	310,099,039			
10-yr Total			922,901,556			924,446,219	922,901,556			

Arkansas Paid Loss & Paid ALAE

Fiscal Year-End	Valuation Period (In Months)									
	@12	@24	@36	@48	@60	@72	@84	@96	@108	@120
9/30/2004	4,702,261	10,652,761	12,520,806	13,999,223	14,349,353	14,456,657	14,481,900	14,526,197	14,529,294	14,535,912
9/30/2005	4,411,680	10,073,489	13,193,426	14,924,222	15,215,008	15,395,809	15,476,914	15,557,356	15,557,356	
9/30/2006	4,418,832	9,381,258	11,607,231	13,175,677	13,587,595	13,699,752	13,721,148	13,725,098		
9/30/2007	3,725,237	9,071,338	11,341,961	13,106,359	13,589,442	13,615,169	13,650,492			
9/30/2008	4,745,073	11,172,337	13,861,611	15,037,998	15,239,330	15,464,632				
9/30/2009	5,205,657	12,517,634	14,709,236	15,939,775	16,523,250					
9/30/2010	4,592,631	11,529,143	14,546,269	16,303,121						
9/30/2011	4,423,777	9,655,884	12,424,954							
9/30/2012	4,354,054	10,893,823								
9/30/2013	5,070,178									

Arkansas Reported Loss & Paid ALAE

Fiscal Year-End	Valuation Period (In Months)									
	@12	@24	@36	@48	@60	@72	@84	@96	@108	@120
9/30/2004	16,408,758	15,012,887	14,801,392	14,977,607	14,702,203	14,657,657	14,595,400	14,578,197	14,581,294	14,570,912
9/30/2005	15,918,940	14,170,814	15,196,979	15,649,817	15,513,454	15,494,809	15,540,914	15,589,356	15,570,356	
9/30/2006	16,625,748	14,180,409	13,899,146	14,159,158	13,947,095	13,896,652	13,740,148	13,725,098		
9/30/2007	16,666,691	13,839,160	13,656,730	13,967,659	13,867,142	13,725,769	13,700,492			
9/30/2008	18,033,649	15,994,755	16,025,542	15,873,896	16,154,830	15,910,132				
9/30/2009	19,878,708	17,549,196	17,194,986	17,048,884	16,978,250					
9/30/2010	20,286,296	17,756,862	17,912,174	17,655,121						
9/30/2011	17,724,148	15,021,111	15,087,917							
9/30/2012	17,849,317	14,614,304								
9/30/2013	20,155,243									

Arkansas Claims with Payment

Fiscal Year-End	Valuation Period (In Months)									
	@12	@24	@36	@48	@60	@72	@84	@96	@108	@120
9/30/2004	1,617	1,697	1,706	1,716	1,717	1,727	1,730	1,730	1,731	1,731
9/30/2005	1,532	1,612	1,614	1,619	1,636	1,649	1,649	1,649	1,649	
9/30/2006	1,505	1,583	1,589	1,629	1,652	1,652	1,653	1,653		
9/30/2007	1,581	1,669	1,751	1,771	1,771	1,772	1,772			
9/30/2008	1,939	2,039	2,045	2,050	2,051	2,051				
9/30/2009	2,082	2,167	2,174	2,175	2,175					
9/30/2010	2,255	2,346	2,356	2,360						
9/30/2011	2,162	2,250	2,252							
9/30/2012	2,216	2,304								
9/30/2013	2,360									

Arkansas Selected Incurred Loss & ALAE

Fiscal Accident Year	Cumulative Reported Losses (2)	Ultimate Development Factors (3)	Estimated Incurred Loss & ALAE (4) = (2) x (3)	Valuation Period (In Months)			Selected Incurred Loss & ALAE (8)	Cumulative Paid Claim Count (9)	Ultimate Development Factors (10)	Estimated Incurred Claim Count (11) = (9) x (10)
				Cumulative Paid Losses (5)	Ultimate Development Factors (6)	Estimated Incurred Loss & ALAE (7) = (5) x (6)				
9/30/2004	14,570,912	1.0000	14,570,912	14,535,912	1.0000	14,535,912	14,570,912	1,731	1.0000	1,731
9/30/2005	15,570,356	1.0000	15,570,356	15,557,356	1.0000	15,557,356	15,570,356	1,649	1.0000	1,649
9/30/2006	13,725,098	1.0000	13,725,098	13,725,098	1.0005	13,731,960	13,725,098	1,653	1.0000	1,653
9/30/2007	13,700,492	1.0000	13,700,492	13,650,492	1.0030	13,691,461	13,700,492	1,772	1.0001	1,772
9/30/2008	15,910,132	1.0001	15,911,723	15,464,632	1.0080	15,588,600	15,911,723	2,051	1.0006	2,052
9/30/2009	16,978,250	1.0003	16,983,344	16,523,250	1.0181	16,822,262	16,983,344	2,175	1.0012	2,178
9/30/2010	17,655,121	1.0030	17,708,101	16,303,121	1.0486	17,096,093	17,708,101	2,360	1.0022	2,365
9/30/2011	15,087,917	1.0060	15,178,593	12,424,954	1.1640	14,462,518	15,178,593	2,252	1.0042	2,261
9/30/2012	14,614,304	1.0120	14,790,346	10,893,823	1.4666	15,977,175	14,790,346	2,304	1.0088	2,324
9/30/2013	20,155,243	0.8602	17,338,326	5,070,178	3.5932	18,218,346	17,338,326	2,360	1.0492	2,476
3-yr Total			47,307,265			48,658,039	47,307,265			
10-yr Total			155,477,290			155,681,683	155,477,291			

**Shelter Mutual Insurance Company
Private Passenger Auto - Property Damage Liability
Projected Ultimate Loss and Allocated Loss Adjustment Expense**

Companywide Paid Loss & Paid ALAE

Fiscal Year-End	Valuation Period (In Months)									
	@12	@24	@36	@48	@60	@72	@84	@96	@108	@120
9/30/2004	52,481,612	60,677,732	61,053,951	61,249,377	61,279,463	61,301,869	61,321,490	61,313,850	61,313,837	61,315,546
9/30/2005	52,134,632	59,197,412	59,514,110	59,639,667	59,681,849	59,681,799	59,682,472	59,683,012	59,683,012	59,683,012
9/30/2006	52,003,443	59,241,830	59,428,617	59,562,580	59,633,063	59,633,294	59,637,243	59,637,243	59,637,243	59,637,243
9/30/2007	54,916,426	62,992,340	63,228,023	63,422,808	63,434,112	63,440,205	63,441,885	63,441,885	63,441,885	63,441,885
9/30/2008	57,873,342	65,269,169	65,666,712	65,800,374	65,827,668	65,840,129	65,840,129	65,840,129	65,840,129	65,840,129
9/30/2009	59,846,495	67,753,929	68,167,299	68,223,198	68,267,852	68,267,852	68,267,852	68,267,852	68,267,852	68,267,852
9/30/2010	66,400,383	74,358,630	74,729,474	74,802,354	74,802,354	74,802,354	74,802,354	74,802,354	74,802,354	74,802,354
9/30/2011	67,842,504	76,752,006	77,312,443	77,312,443	77,312,443	77,312,443	77,312,443	77,312,443	77,312,443	77,312,443
9/30/2012	67,274,436	76,067,432	76,067,432	76,067,432	76,067,432	76,067,432	76,067,432	76,067,432	76,067,432	76,067,432
9/30/2013	72,429,570	72,429,570	72,429,570	72,429,570	72,429,570	72,429,570	72,429,570	72,429,570	72,429,570	72,429,570

Companywide Reported Loss & Paid ALAE

Fiscal Year-End	Valuation Period (In Months)									
	@12	@24	@36	@48	@60	@72	@84	@96	@108	@120
9/30/2004	61,433,720	61,154,580	61,317,503	61,384,958	61,342,399	61,340,884	61,335,505	61,324,165	61,324,152	61,322,361
9/30/2005	60,535,084	59,586,424	59,684,012	59,728,552	59,723,588	59,699,256	59,696,398	59,696,938	59,694,162	59,694,162
9/30/2006	61,054,073	59,576,302	59,576,302	59,576,302	59,576,302	59,576,302	59,576,302	59,576,302	59,576,302	59,576,302
9/30/2007	62,924,819	63,357,510	63,347,729	63,501,977	63,483,281	63,455,859	63,452,685	63,452,685	63,452,685	63,452,685
9/30/2008	65,947,824	65,678,361	65,812,929	65,879,699	65,856,468	65,854,529	65,854,529	65,854,529	65,854,529	65,854,529
9/30/2009	68,575,125	68,238,479	68,326,368	68,319,075	68,314,602	68,314,602	68,314,602	68,314,602	68,314,602	68,314,602
9/30/2010	75,793,616	74,732,564	74,948,670	74,916,604	74,916,604	74,916,604	74,916,604	74,916,604	74,916,604	74,916,604
9/30/2011	77,591,993	77,233,513	77,484,226	77,484,226	77,484,226	77,484,226	77,484,226	77,484,226	77,484,226	77,484,226
9/30/2012	76,716,382	76,501,147	76,501,147	76,501,147	76,501,147	76,501,147	76,501,147	76,501,147	76,501,147	76,501,147
9/30/2013	83,128,621	83,128,621	83,128,621	83,128,621	83,128,621	83,128,621	83,128,621	83,128,621	83,128,621	83,128,621

Companywide Claims with Payment

Fiscal Year-End	Valuation Period (In Months)									
	@12	@24	@36	@48	@60	@72	@84	@96	@108	@120
9/30/2004	30,122	30,939	30,982	31,013	31,019	31,033	31,035	31,035	31,035	31,036
9/30/2005	29,388	30,119	30,153	30,168	30,194	30,202	30,203	30,203	30,203	30,203
9/30/2006	28,604	29,322	29,352	29,404	29,430	29,434	29,436	29,436	29,436	29,436
9/30/2007	29,852	30,925	31,010	31,047	31,050	31,050	31,050	31,050	31,050	31,050
9/30/2008	30,071	31,030	31,064	31,075	31,075	31,076	31,076	31,076	31,076	31,076
9/30/2009	31,828	32,792	32,817	32,825	32,826	32,826	32,826	32,826	32,826	32,826
9/30/2010	34,271	35,220	35,258	35,263	35,263	35,263	35,263	35,263	35,263	35,263
9/30/2011	34,498	35,476	35,503	35,503	35,503	35,503	35,503	35,503	35,503	35,503
9/30/2012	33,880	34,932	34,932	34,932	34,932	34,932	34,932	34,932	34,932	34,932
9/30/2013	34,762	34,762	34,762	34,762	34,762	34,762	34,762	34,762	34,762	34,762

Companywide Selected Incurred Loss & ALAE

Fiscal Accident Year	Cumulative Reported Losses	Ultimate Development Factors	Estimated Incurred Loss & ALAE (4) = (2) x (3)	Cumulative Paid Losses	Ultimate Development Factors	Estimated Incurred Loss & ALAE (7) = (5) x (6)	Selected Incurred Loss & ALAE (8)	Cumulative Claim Count	Ultimate Development Factors	Estimated Incurred Claim Count (11) = (9) x (10)
9/30/2004	61,322,361	1.0000	61,322,361	61,315,546	1.0000	61,315,546	61,322,361	31,036	1.0000	31,036
9/30/2005	59,694,162	1.0000	59,694,162	59,690,562	1.0000	59,690,562	59,694,162	30,203	1.0000	30,203
9/30/2006	59,637,243	1.0000	59,637,243	59,637,243	1.0000	59,637,243	59,637,243	29,436	1.0000	29,436
9/30/2007	63,452,685	1.0000	63,452,685	63,441,885	1.0000	63,441,885	63,452,685	31,050	1.0000	31,050
9/30/2008	65,854,529	1.0000	65,854,529	65,840,129	1.0000	65,840,129	65,854,529	31,076	1.0000	31,076
9/30/2009	68,314,602	1.0000	68,314,602	68,267,852	1.0002	68,281,505	68,314,602	32,826	1.0000	32,826
9/30/2010	74,916,604	1.0001	74,924,096	74,802,354	1.0007	74,854,723	74,924,096	35,263	1.0002	35,270
9/30/2011	77,484,226	1.0005	77,522,972	77,312,443	1.0020	77,467,146	77,522,972	35,503	1.0006	35,524
9/30/2012	76,501,147	1.0034	76,761,365	76,067,432	1.0083	76,699,827	76,761,365	34,932	1.0015	34,984
9/30/2013	83,128,621	0.9989	83,036,031	83,036,031	1.1404	82,598,877	83,036,031	34,762	1.0315	35,859
3-yr Total			237,320,367	237,320,367		236,765,851	237,320,368			
10-yr Total			690,520,045	690,520,045		689,827,444	690,520,046			

Arkansas Paid Loss & Paid ALAE

Fiscal Year-End	Valuation Period (In Months)									
	@12	@24	@36	@48	@60	@72	@84	@96	@108	@120
9/30/2004	10,825,463	12,095,816	12,158,253	12,187,208	12,189,346	12,191,883	12,191,883	12,191,883	12,191,883	12,192,683
9/30/2005	11,228,942	12,518,768	12,594,768	12,671,383	12,682,555	12,682,555	12,682,555	12,682,555	12,682,555	12,682,555
9/30/2006	11,347,867	12,826,551	12,878,400	12,900,590	12,904,090	12,904,090	12,904,090	12,904,090	12,904,090	12,904,090
9/30/2007	11,158,478	12,781,819	12,829,181	12,887,464	12,885,611	12,887,872	12,887,872	12,887,872	12,887,872	12,887,872
9/30/2008	12,403,283	13,833,585	13,861,508	13,865,558	13,864,684	13,864,637	13,864,637	13,864,637	13,864,637	13,864,637
9/30/2009	12,333,760	13,687,922	13,759,483	13,767,262	13,767,262	13,767,262	13,767,262	13,767,262	13,767,262	13,767,262
9/30/2010	14,249,869	15,562,357	15,627,438	15,634,964	15,634,964	15,634,964	15,634,964	15,634,964	15,634,964	15,634,964
9/30/2011	13,516,568	14,915,481	14,965,076	14,965,076	14,965,076	14,965,076	14,965,076	14,965,076	14,965,076	14,965,076
9/30/2012	13,610,985	15,156,433	15,156,433	15,156,433	15,156,433	15,156,433	15,156,433	15,156,433	15,156,433	15,156,433
9/30/2013	14,978,896	14,978,896	14,978,896	14,978,896	14,978,896	14,978,896	14,978,896	14,978,896	14,978,896	14,978,896

Arkansas Reported Loss & Paid ALAE

Fiscal Year-End	Valuation Period (In Months)									
	@12	@24	@36	@48	@60	@72	@84	@96	@108	@120
9/30/2004	12,173,113	12,177,263	12,207,653	12,225,197	12,213,961	12,205,598	12,198,498	12,198,498	12,198,498	12,195,798
9/30/2005	12,684,190	12,590,725	12,623,843	12,685,883	12,686,255	12,686,255	12,686,255	12,686,255	12,686,255	12,682,555
9/30/2006	12,798,940	12,885,023	12,898,742	12,900,590	12,904,090	12,904,090	12,904,090	12,904,090	12,904,090	12,904,090
9/30/2007	12,499,951	12,839,581	12,836,581	12,894,764	12,889,311	12,887,872	12,887,872	12,887,872	12,887,872	12,887,872
9/30/2008	13,677,479	13,879,925	13,875,908	13,869,158	13,864,684	13,864,637	13,864,637	13,864,637	13,864,637	13,864,637
9/30/2009	13,591,935	13,763,522	13,790,586	13,792,462	13,788,862	13,788,862	13,788,862	13,788,862	13,788,862	13,788,862
9/30/2010	15,624,628	15,626,969	15,648,850	15,649,964	15,649,964	15,649,964	15,649,964	15,649,964	15,649,964	15,649,964
9/30/2011	14,907,416	15,001,064	14,995,968	14,995,968	14,995,968	14,995,968	14,995,968	14,995,968	14,995,968	14,995,968
9/30/2012	15,198,476	15,226,155	15,226,155	15,226,155	15,226,155	15,226,155	15,226,155	15,226,155	15,226,155	15,226,155
9/30/2013	16,746,138	16,746,138	16,746,138	16,746,138	16,746,138	16,746,138	16,746,138	16,746,138	16,746,138	16,746,138

Arkansas Claims with Payment

Fiscal Year-End	Valuation Period (In Months)									
	@12	@24	@36	@48	@60	@72	@84	@96	@108	@120
9/30/2004	5,790	5,924	5,930	5,936	5,937	5,944	5,945	5,945	5,945	5,945
9/30/2005	5,826	5,929	5,931	5,933	5,936	5,937	5,937	5,937	5,937	5,937
9/30/2006	5,691	5,804	5,808	5,817	5,822	5,822	5,822	5,822	5,822	5,822
9/30/2007	5,818	5,980	5,996	6,001	6,001	6,001	6,001	6,001	6,001	6,001
9/30/2008	5,715	5,892	5,895	5,897	5,897	5,898	5,898	5,898	5,898	5,898
9/30/2009	5,729	5,917	5,922	5,925	5,925	5,925	5,925	5,925	5,925	5,925
9/30/2010	6,331	6,506	6,510	6,510	6,510	6,510	6,510	6,510	6,510	6,510
9/30/2011	6,190	6,360	6							

**Shelter Mutual Insurance Company
Private Passenger Auto - Medical Payments
Projected Ultimate Loss and Allocated Loss Adjustment Expense**

Companywide Paid Loss & Paid ALAE

Fiscal Year-End	Valuation Period (In Months)									
	@12	@24	@36	@48	@60	@72	@84	@96	@108	@120
9/30/2004	9,026,512	12,341,604	12,283,771	12,177,125	12,154,370	12,169,231	12,168,962	12,164,971	12,164,146	12,163,576
9/30/2005	8,769,667	11,588,975	11,726,188	11,692,866	11,683,081	11,700,620	11,717,518	11,716,186	11,715,493	
9/30/2006	8,857,866	11,709,747	11,764,734	11,736,959	11,719,750	11,712,700	11,705,410	11,704,715		
9/30/2007	8,842,654	11,614,047	11,606,363	11,533,374	11,523,556	11,544,716	11,548,238			
9/30/2008	8,595,885	11,138,524	11,244,272	11,167,635	11,156,661	11,183,370				
9/30/2009	9,132,224	11,940,902	12,097,779	12,093,610	12,086,038					
9/30/2010	10,972,311	13,701,744	13,908,505	13,936,599						
9/30/2011	10,764,832	13,988,586	14,134,346							
9/30/2012	10,169,819	13,203,590								
9/30/2013	10,492,055									

Companywide Reported Loss & Paid ALAE

Fiscal Year-End	Valuation Period (In Months)									
	@12	@24	@36	@48	@60	@72	@84	@96	@108	@120
9/30/2004	13,859,800	12,453,053	12,332,616	12,189,425	12,173,652	12,169,231	12,172,962	12,164,971	12,164,146	12,163,576
9/30/2005	13,182,011	11,686,325	11,750,816	11,702,266	11,690,670	11,708,620	11,717,518	11,716,186	11,715,493	
9/30/2006	13,991,153	11,815,952	11,830,323	11,766,826	11,728,150	11,712,700	11,705,410	11,704,715		
9/30/2007	13,079,744	11,793,684	11,667,231	11,570,733	11,532,294	11,549,916	11,549,238			
9/30/2008	13,226,799	11,433,400	11,361,987	11,216,174	11,195,199	11,195,391				
9/30/2009	14,307,836	12,385,935	12,216,653	12,153,075	12,117,217					
9/30/2010	16,327,259	14,144,414	14,093,507	13,997,527						
9/30/2011	16,130,048	14,470,556	14,290,026							
9/30/2012	15,091,012	13,528,806								
9/30/2013	15,583,429									

Companywide Claims with Payment

Fiscal Year-End	Valuation Period (In Months)									
	@12	@24	@36	@48	@60	@72	@84	@96	@108	@120
9/30/2004	9,005	9,515	9,557	9,571	9,581	9,623	9,634	9,636	9,636	9,636
9/30/2005	8,309	8,763	8,825	8,849	8,902	8,922	8,926	8,927	8,927	
9/30/2006	8,125	8,604	8,634	8,760	8,778	8,780	8,781	8,781		
9/30/2007	7,379	7,687	7,876	7,902	7,905	7,907	7,910			
9/30/2008	5,463	5,737	5,758	5,772	5,773	5,775				
9/30/2009	5,914	6,213	6,254	6,266	6,268					
9/30/2010	6,443	6,770	6,811	6,821						
9/30/2011	6,368	6,721	6,770							
9/30/2012	6,006	6,352								
9/30/2013	6,115									

Companywide Selected Incurred Loss & ALAE

Fiscal Accident Year	Cumulative Reported Losses (1)	Ultimate Development Factors (2)	Estimated Incurred Loss & ALAE (3)	Estimated Incurred Loss & ALAE (4) = (2) x (3)	Valuation Period (In Months)			Selected Incurred Loss & ALAE (8)	Cumulative Paid Claim Count (9)	Ultimate Development Factors (10)	Estimated Incurred Claim Count (11) = (9) x (10)
					@60 (5)	@72 (6)	@84 (7) = (5) x (6)				
9/30/2004	12,163,576	1.0000	12,163,576	12,163,576	1.0000	12,163,576	12,163,576	9,636	1.0000	9,636	
9/30/2005	11,715,493	1.0000	11,715,493	11,715,493	1.0000	11,715,493	11,715,493	8,927	1.0000	8,927	
9/30/2006	11,704,715	0.9999	11,703,545	11,704,715	1.0000	11,704,715	11,703,545	8,781	1.0000	8,781	
9/30/2007	11,549,238	0.9996	11,544,619	11,548,238	1.0001	11,549,393	11,544,619	7,910	1.0002	7,912	
9/30/2008	11,195,391	0.9991	11,185,318	11,183,370	1.0003	11,186,726	11,185,318	5,775	1.0006	5,778	
9/30/2009	12,117,217	0.9981	12,094,208	12,086,038	1.0005	12,092,082	12,094,208	6,268	1.0011	6,275	
9/30/2010	13,997,527	0.9956	13,936,020	13,936,599	1.0010	13,950,540	13,936,020	6,821	1.0019	6,834	
9/30/2011	14,290,026	0.9896	14,141,870	14,134,346	1.0017	14,158,389	14,141,870	6,770	1.0039	6,796	
9/30/2012	13,528,806	0.9807	13,268,045	13,203,590	1.0137	13,384,763	13,268,045	6,352	1.0109	6,421	
9/30/2013	15,583,429	0.8728	13,601,930	10,492,055	1.3158	13,805,556	13,601,930	6,115	1.0691	6,537	
3-yr Total			41,011,845			41,348,708	41,011,845				
10-yr Total			#####			125,711,233	125,354,624				

Arkansas Paid Loss & Paid ALAE

Fiscal Year-End	Valuation Period (In Months)									
	@12	@24	@36	@48	@60	@72	@84	@96	@108	@120
9/30/2004	2,412,531	2,919,935	2,819,555	2,742,209	2,708,996	2,708,804	2,707,810	2,703,904	2,703,119	2,702,559
9/30/2005	2,170,724	2,769,985	2,649,752	2,593,085	2,586,384	2,585,278	2,589,907	2,589,490	2,589,373	
9/30/2006	2,232,828	2,728,499	2,651,116	2,601,403	2,600,468	2,597,031	2,589,766	2,589,490	2,589,702	
9/30/2007	2,403,815	2,778,911	2,741,836	2,674,189	2,665,266	2,669,769	2,669,256			
9/30/2008	2,664,521	3,205,749	3,135,173	3,094,240	3,089,259	3,088,526				
9/30/2009	2,511,791	2,975,076	2,928,889	2,912,535	2,909,966					
9/30/2010	2,958,616	3,495,578	3,502,259	3,529,732						
9/30/2011	3,049,304	3,852,342	3,920,247							
9/30/2012	2,870,242	3,805,124								
9/30/2013	3,357,039									

Arkansas Reported Loss & Paid ALAE

Fiscal Year-End	Valuation Period (In Months)									
	@12	@24	@36	@48	@60	@72	@84	@96	@108	@120
9/30/2004	3,623,665	2,929,035	2,823,684	2,742,209	2,712,796	2,708,804	2,711,810	2,703,904	2,703,119	2,702,559
9/30/2005	3,517,710	2,799,401	2,652,540	2,593,085	2,589,773	2,585,278	2,589,907	2,589,490	2,589,373	
9/30/2006	3,680,550	2,760,873	2,655,516	2,609,803	2,600,468	2,597,031	2,589,766	2,589,490	2,589,702	
9/30/2007	3,615,424	2,804,478	2,741,836	2,674,189	2,665,266	2,669,769	2,669,256			
9/30/2008	4,020,026	3,260,130	3,153,378	3,102,240	3,097,259	3,088,526				
9/30/2009	4,011,836	3,052,848	2,943,277	2,916,535	2,913,966					
9/30/2010	4,559,624	3,551,206	3,516,643	3,529,732						
9/30/2011	4,519,627	3,918,530	3,944,247							
9/30/2012	4,254,155	3,843,546								
9/30/2013	4,805,795									

Arkansas Claims with Payment

Fiscal Year-End	Valuation Period (In Months)									
	@12	@24	@36	@48	@60	@72	@84	@96	@108	@120
9/30/2004	2,699	2,827	2,841	2,846	2,847	2,872	2,875	2,876	2,876	2,876
9/30/2005	2,426	2,544	2,547	2,550	2,578	2,581	2,582	2,582	2,582	
9/30/2006	2,564	2,695	2,699	2,755	2,761	2,761	2,761	2,761		
9/30/2007	2,309	2,395	2,480	2,485	2,485	2,485	2,485			
9/30/2008	1,778	1,855	1,864	1,870	1,870	1,870				
9/30/2009	1,746	1,814	1,823	1,828	1,828					
9/30/2010	1,837	1,929	1,938	1,940						
9/30/2011	1,808	1,895	1,908							
9/30/2012	1,647	1,741								
9/30/2013	1,830									

Arkansas Selected Incurred Loss & ALAE

Fiscal Accident Year	Cumulative Reported Losses (1)	Ultimate Development Factors (2)	Estimated Incurred Loss & ALAE (3)	Estimated Incurred Loss & ALAE (4) = (2) x (3)	Valuation Period (In Months)			Selected Incurred Loss & ALAE (8)	Cumulative Paid Claim Count (9)	Ultimate Development Factors (10)	Estimated Incurred Claim Count (11) = (9) x (10)
					@60 (5)	@72 (6)	@84 (7) = (5) x (6)				
9/30/2004	2,702,559	1.0000	2,702,559	2,702,559	1.0000	2,702,559	2,702,559	2,876	1.0000	2,876	
9/30/2005	2,589,373	1.0000	2,589,373	2,589,373	1.0000	2,589,373	2,589,373	2,582	1.0000	2,582	
9/30/2006	2,589,702	0.9999	2,589,443	2,589,702	1.0000	2,589,702	2,589,443	2,761	1.0000	2,761	
9/30/2007	2,669,256	0.9996	2,668,189	2,669,256	1.0001	2,669,256	2,668,189	2,485	1.0002	2,485	
9/30/2008	3,088,526	0.9995	3,086,982	3,088,526	1.0003	3,089,453	3,086,982	1,870	1.0006	1,871	
9/30/2009	2,913,966	0.9985	2,909,595	2,909,966	1.0005	2,911,421	2,909,595	1,828	1.0011	1,830	
9/30/2010	3,529,732	0.9985	3,524,437	3,529,732	1.0010	3,533,262	3,524,437	1,940	1.0019	1,944	
9/30/2011	3,944,247	0.9930	3,916,637	3,920,247	1.0017	3,926,915	3,916,637	1,908	1.0039	1,915	
9/30/2012	3,843,546	0.9807	3,769,463	3,805,124	1.0137	3,857,335	3,769,463	1,741	1.0109	1,760	
9/30/2013	4,805,795	0.8728	4,194,717	3,357,039	1.3178	4,424,034	4,194,717	1,830	1.0665	1,952	
3-yr Total			11,880,818			12,208,284	11,880,817				
10-yr Total			31,951,395			32,293,577	31,951,395				

**Shelter Mutual Insurance Company
Private Passenger Auto - Uninsured/Underinsured Motorist
Projected Ultimate Loss and Allocated Loss Adjustment Expense**

Companywide Paid Loss & Paid ALAE

Fiscal Year-End	Valuation Period (In Months)									
	@12	@24	@36	@48	@60	@72	@84	@96	@108	@120
9/30/2004	3,251,341	9,443,182	12,000,841	13,610,608	14,461,570	14,586,002	14,773,284	14,830,071	14,825,784	14,830,802
9/30/2005	3,176,458	9,804,835	11,874,330	14,253,173	15,129,728	15,203,867	15,294,911	15,659,815	15,628,699	
9/30/2006	3,144,941	9,653,953	13,337,376	14,763,138	16,251,000	16,441,629	16,774,268	16,776,401		
9/30/2007	2,939,142	10,172,577	13,768,092	15,075,878	15,762,201	16,406,813	16,877,413			
9/30/2008	3,714,967	10,855,634	14,178,232	16,562,268	17,550,623	18,435,256				
9/30/2009	4,026,512	13,062,244	17,536,904	20,735,519	21,666,522					
9/30/2010	4,728,471	12,146,543	16,057,046	19,146,529						
9/30/2011	3,270,572	11,597,576	16,463,075							
9/30/2012	4,146,471	12,489,254								
9/30/2013	3,985,573									

Companywide Reported Loss & Paid ALAE

Fiscal Year-End	Valuation Period (In Months)									
	@12	@24	@36	@48	@60	@72	@84	@96	@108	@120
9/30/2004	13,328,247	14,883,244	15,382,235	15,029,608	15,229,070	14,903,252	15,010,784	14,905,071	14,900,784	14,905,802
9/30/2005	12,132,232	14,301,507	15,467,892	15,718,874	15,904,228	15,650,981	15,574,026	15,768,429	15,660,313	
9/30/2006	13,259,629	15,867,244	16,522,641	16,770,808	17,248,837	17,153,767	17,078,268	17,021,401		
9/30/2007	12,797,465	16,135,389	16,949,895	16,772,882	16,693,355	16,833,692	17,110,792			
9/30/2008	14,417,467	17,568,235	19,327,301	19,288,663	18,809,347	18,939,251				
9/30/2009	17,713,916	23,215,509	23,258,896	23,806,269	23,772,547					
9/30/2010	21,025,916	22,457,366	22,740,975	22,562,824						
9/30/2011	19,335,393	22,387,004	22,416,703							
9/30/2012	20,633,773	23,408,154								
9/30/2013	21,312,317									

Companywide Claims with Payment

Fiscal Year-End	Valuation Period (In Months)									
	@12	@24	@36	@48	@60	@72	@84	@96	@108	@120
9/30/2004	1,156	1,450	1,515	1,545	1,558	1,654	1,676	1,683	1,689	1,694
9/30/2005	1,001	1,253	1,333	1,366	1,480	1,514	1,520	1,523	1,523	
9/30/2006	915	1,193	1,259	1,479	1,520	1,531	1,535	1,536		
9/30/2007	968	1,217	1,472	1,509	1,519	1,525	1,530			
9/30/2008	1,016	1,237	1,306	1,339	1,346	1,350				
9/30/2009	1,151	1,507	1,612	1,640	1,655					
9/30/2010	1,276	1,561	1,673	1,703						
9/30/2011	1,085	1,400	1,501							
9/30/2012	1,063	1,368								
9/30/2013	1,088									

Companywide Selected Incurred Loss & ALAE

Fiscal Accident Year	Cumulative Reported Losses (1)	Ultimate Development Factors (2)	Estimated Incurred Loss & ALAE (3)	Cumulative Paid Losses (4) = (2) x (3)	Ultimate Development Factors (5)	Estimated Incurred Loss & ALAE (6)	Selected Incurred Loss & ALAE (7) = (5) x (6)	Cumulative Paid Claim Count (8)	Ultimate Development Factors (9)	Estimated Incurred Claim Count (10)	Selected Incurred Claim Count (11) = (9) x (10)
9/30/2004	14,905,802	1.0000	14,905,802	14,830,802	1.0001	14,832,285	14,905,802	1,694	1.0005	1,695	1,695
9/30/2005	15,660,313	1.0000	15,660,313	15,628,699	1.0002	15,631,825	15,660,313	1,523	1.0010	1,525	1,525
9/30/2006	17,021,401	1.0000	17,021,401	16,776,401	1.0007	16,788,147	17,021,401	1,536	1.0020	1,539	1,539
9/30/2007	17,110,792	1.0000	17,110,792	16,877,413	1.0017	16,906,118	17,110,792	1,530	1.0030	1,535	1,535
9/30/2008	18,939,251	1.0002	18,943,039	18,435,256	1.0217	18,835,943	18,943,039	1,350	1.0050	1,357	1,357
9/30/2009	23,772,547	1.0006	23,786,812	21,666,522	1.0626	23,022,937	23,786,812	1,655	1.0090	1,670	1,670
9/30/2010	22,562,824	1.0013	22,592,167	19,146,529	1.1157	21,362,441	22,592,167	1,703	1.0161	1,730	1,730
9/30/2011	22,416,703	1.0054	22,537,884	16,463,075	1.3166	21,674,736	22,537,884	1,501	1.0339	1,552	1,552
9/30/2012	23,408,154	1.0215	23,911,250	12,489,254	1.7905	22,362,392	23,911,250	1,368	1.1062	1,513	1,513
9/30/2013	21,312,317	1.1696	24,927,072	3,985,573	5.5506	22,122,499	24,927,072	1,088	1.4248	1,550	1,550
3-yr Total			71,376,206			66,159,627	71,376,206				
10-yr Total			201,396,533			193,539,324	201,396,532				

Arkansas Paid Loss & Paid ALAE

Fiscal Year-End	Valuation Period (In Months)									
	@12	@24	@36	@48	@60	@72	@84	@96	@108	@120
9/30/2004	531,089	2,005,547	2,489,929	2,716,662	2,839,053	2,873,597	2,870,258	2,865,577	2,870,181	2,875,079
9/30/2005	486,766	2,098,003	2,396,504	2,605,962	2,642,433	2,688,113	2,738,791	2,757,805	2,757,523	
9/30/2006	759,879	2,274,503	2,681,790	2,805,303	2,931,041	3,032,767	3,064,728	3,064,572		
9/30/2007	340,429	1,604,893	2,251,657	2,297,863	2,373,496	2,389,303	2,387,046			
9/30/2008	1,701,877	2,865,464	3,234,190	3,685,937	3,771,713	3,821,224				
9/30/2009	833,688	1,997,601	2,623,894	3,045,245	3,202,590					
9/30/2010	618,099	1,914,435	2,488,359	2,910,803						
9/30/2011	552,136	1,894,895	2,447,667							
9/30/2012	512,183	1,766,517								
9/30/2013	781,482									

Arkansas Reported Loss & Paid ALAE

Fiscal Year-End	Valuation Period (In Months)									
	@12	@24	@36	@48	@60	@72	@84	@96	@108	@120
9/30/2004	2,681,266	3,107,047	3,161,629	3,092,162	3,107,053	2,938,597	2,965,258	2,910,577	2,915,181	2,920,079
9/30/2005	2,429,963	2,952,253	2,885,254	2,853,462	2,840,933	2,808,613	2,841,321	2,802,805	2,757,523	
9/30/2006	2,499,879	3,254,503	3,234,469	3,210,636	3,113,041	3,082,767	3,114,728	3,114,572		
9/30/2007	2,378,198	2,656,523	2,709,786	2,573,993	2,573,026	2,446,183	2,401,425			
9/30/2008	3,711,766	3,704,889	4,011,365	4,189,465	3,994,567	3,957,224				
9/30/2009	3,505,925	3,535,367	3,800,910	3,897,745	3,675,090					
9/30/2010	3,351,737	3,215,721	3,347,359	3,210,803						
9/30/2011	3,748,548	3,427,251	3,534,667							
9/30/2012	3,077,183	3,358,457								
9/30/2013	3,568,004									

Arkansas Claims with Payment

Fiscal Year-End	Valuation Period (In Months)									
	@12	@24	@36	@48	@60	@72	@84	@96	@108	@120
9/30/2004	244	287	302	309	312	338	343	346	347	350
9/30/2005	213	257	267	273	306	315	317	318	318	
9/30/2006	189	248	260	301	311	312	313	314		
9/30/2007	193	237	295	305	306	306	306			
9/30/2008	244	273	286	298	298	299				
9/30/2009	257	299	317	325	325					
9/30/2010	244	279	293	297						
9/30/2011	263	310	324							
9/30/2012	211	256								
9/30/2013	252									

Arkansas Selected Incurred Loss & ALAE

Fiscal Accident Year	Cumulative Reported Losses (1)	Ultimate Development Factors (2)	Estimated Incurred Loss & ALAE (3)	Cumulative Paid Losses (4) = (2) x (3)	Ultimate Development Factors (5)	Estimated Incurred Loss & ALAE (6)	Selected Incurred Loss & ALAE (7) = (5) x (6)	Cumulative Paid Claim Count (8)	Ultimate Development Factors (9)	Estimated Incurred Claim Count (10)	Selected Incurred Claim Count (11) = (9) x (10)
9/30/2004	2,920,079	1.0000	2,920,079	2,875,079	1.0000	2,875,079	2,920,079	350	1.0005	350	350
9/30/2005	2,757,523	1.0000	2,757,523	2,757,523	1.0000	2,757,523	2,757,523	318	1.0010	318	318
9/30/2006	3,114,572	1.0000	3,114,572	3,064,572	1.0000	3,064,572	3,114,572	314	1.0020	315	315
9/30/2007	2,401,425	1.0000	2,401,425	2,387,046	1.0010	2,389,433	2,401,425	306	1.0030	307	307
9/30/2008	3,957,224	1.0000	3,957,224	3,821,224	1.0110	3,863,296	3,957,224	299	1.0050	300	300
9/30/2009	3,675,090	0.9900	3,638,339	3,202,590	1.0262	3,286,418	3,638,339	325	1.0090	328	328
9/30/2010	3,210,803	0.9603	3,083,334	2,910,803	1.0621	3,091,538	3,083,334	297	1.0161	302	302
9/30/2011	3,534,667	0.9699	3,428,284	2,447,667	1.2214	2,989,592	3,428,284	324	1.0415	337	337
9/30/2012	3,358,457	1.0184	3,420,247	1,766,517	1.5878	2,804,922	3,420,247	256	1.0988	281	281
9/30/2013	3,568,004	1.0388	3,706,322	781,482	5.3986	4,218,915	3,706,322	252	1.2966	327	327
3-yr Total			10,554,852			10,013,429	10,554,853				
10-yr Total			32,427,349			31,341,289	32,427,349				

**Shelter Mutual Insurance Company
Private Passenger Auto - Collision
Projected Ultimate Loss and Allocated Loss Adjustment Expense**

Companywide Paid Loss & Paid ALAE

Fiscal Year-End	Valuation Period (In Months)									
	@12	@24	@36	@48	@60	@72	@84	@96	@108	@120
9/30/2004	73,512,142	73,473,212	73,285,972	73,204,715	73,144,362	73,097,970	73,054,202	73,035,279	73,010,612	72,992,490
9/30/2005	72,171,377	71,995,217	71,822,735	71,725,571	71,677,036	71,636,383	71,603,215	71,577,031	71,560,529	
9/30/2006	71,196,686	71,689,709	71,567,633	71,487,305	71,434,728	71,395,439	71,353,119	71,326,173		
9/30/2007	75,792,802	76,519,302	76,294,098	76,224,858	76,190,454	76,159,240	76,124,723			
9/30/2008	77,776,621	78,924,106	78,799,152	78,785,540	78,744,513	78,745,335				
9/30/2009	80,614,460	81,515,412	81,414,538	81,359,334	81,289,130					
9/30/2010	87,336,364	87,423,542	87,377,277	87,303,966						
9/30/2011	86,486,101	86,496,436	86,387,081							
9/30/2012	85,066,154	85,892,964								
9/30/2013	89,996,115									

Companywide Reported Loss & Paid ALAE

Fiscal Year-End	Valuation Period (In Months)									
	@12	@24	@36	@48	@60	@72	@84	@96	@108	@120
9/30/2004	82,188,410	73,554,546	73,315,462	73,209,215	73,150,870	73,097,970	73,054,202	73,035,279	73,010,612	72,992,490
9/30/2005	80,080,492	72,055,734	71,842,264	71,734,642	71,686,112	71,636,383	71,603,215	71,577,031	71,560,529	
9/30/2006	79,313,943	71,771,927	71,603,608	71,501,462	71,434,728	71,395,439	71,353,119	71,326,173		
9/30/2007	81,912,611	76,633,878	76,300,040	76,224,858	76,190,454	76,159,240	76,124,723			
9/30/2008	84,263,954	78,959,861	78,834,532	78,800,870	78,744,513	78,745,335				
9/30/2009	87,854,733	81,600,112	81,446,238	81,359,334	81,289,130					
9/30/2010	94,393,389	87,475,973	87,403,477	87,303,966						
9/30/2011	93,549,704	86,537,036	86,387,081							
9/30/2012	91,850,698	85,957,964								
9/30/2013	97,569,418									

Companywide Claims with Payment

Fiscal Year-End	Valuation Period (In Months)									
	@12	@24	@36	@48	@60	@72	@84	@96	@108	@120
9/30/2004	38,332	39,169	39,216	39,237	39,248	39,366	39,405	39,422	39,431	39,438
9/30/2005	36,934	37,736	37,763	37,772	37,928	37,968	37,977	37,984	37,990	
9/30/2006	36,105	36,930	36,959	37,174	37,220	37,238	37,254	37,259		
9/30/2007	37,301	38,215	38,486	38,524	38,537	38,544	38,549			
9/30/2008	34,744	35,538	35,571	35,578	35,580	35,581				
9/30/2009	36,988	37,780	37,815	37,823	37,825					
9/30/2010	39,911	40,788	40,835	40,844						
9/30/2011	39,997	40,897	40,928							
9/30/2012	38,836	39,906								
9/30/2013	39,628									

Companywide Selected Incurred Loss & ALAE

Fiscal Accident Year (1)	Cumulative Reported Losses (2)	Ultimate Development Factors (3)	Estimated Incurred Loss & ALAE (4) = (2) x (3)	Cumulative Paid Losses (5)	Ultimate Development Factors (6)	Estimated Incurred Loss & ALAE (7) = (5) x (6)	Selected Incurred Loss & ALAE (8)	Cumulative Paid Claim Count (9)	Ultimate Development Factors (10)	Estimated Incurred Claim Count (11) = (9) x (10)
9/30/2005	71,560,529	1.0000	71,560,529	71,560,529	1.0000	71,560,529	71,560,529	37,990	1.0001	37,994
9/30/2006	71,326,173	0.9999	71,319,040	71,326,173	0.9999	71,319,040	71,319,040	37,259	1.0002	37,266
9/30/2007	76,124,723	0.9997	76,101,887	76,124,723	0.9997	76,101,887	76,101,887	38,549	1.0004	38,564
9/30/2008	78,745,335	0.9993	78,690,225	78,745,335	0.9993	78,690,225	78,690,225	35,581	1.0006	35,602
9/30/2009	81,299,130	0.9988	81,201,610	81,289,130	0.9988	81,191,622	81,201,610	37,825	1.0008	37,855
9/30/2010	87,303,966	0.9981	87,138,205	87,303,966	0.9981	87,138,205	87,138,205	40,844	1.0011	40,889
9/30/2011	86,387,081	0.9969	86,119,593	86,387,081	0.9972	86,145,460	86,119,593	40,928	1.0014	40,985
9/30/2012	85,957,964	0.9952	85,546,128	85,957,964	0.9961	85,558,507	85,546,128	39,906	1.0024	40,002
9/30/2013	97,569,418	0.9260	90,353,365	89,996,115	1.0017	90,147,696	90,353,365	39,628	1.0285	40,756
3-yr Total			262,019,086			261,851,663	262,019,086			
10-yr Total			801,023,072			800,845,661	801,023,072			

Arkansas Paid Loss & Paid ALAE

Fiscal Year-End	Valuation Period (In Months)									
	@12	@24	@36	@48	@60	@72	@84	@96	@108	@120
9/30/2004	14,583,479	14,626,568	14,612,976	14,608,208	14,609,074	14,608,013	14,605,118	14,604,504	14,601,130	14,600,119
9/30/2005	14,886,050	14,827,464	14,808,510	14,795,272	14,786,037	14,784,668	14,784,611	14,783,953	14,781,988	
9/30/2006	15,473,925	15,406,788	15,407,812	15,391,113	15,380,310	15,378,779	15,378,151	15,370,714		
9/30/2007	15,130,772	15,287,988	15,225,615	15,211,877	15,211,262	15,206,704	15,205,676			
9/30/2008	15,995,393	16,228,460	16,214,396	16,209,110	16,209,110	16,264,440	16,262,734			
9/30/2009	16,812,686	16,901,159	16,884,285	16,878,113	16,878,220					
9/30/2010	18,111,363	17,917,817	17,924,706	17,918,990						
9/30/2011	17,371,845	17,329,406	17,297,702							
9/30/2012	16,730,285	17,104,612								
9/30/2013	18,332,397									

Arkansas Reported Loss & Paid ALAE

Fiscal Year-End	Valuation Period (In Months)									
	@12	@24	@36	@48	@60	@72	@84	@96	@108	@120
9/30/2004	15,964,227	14,640,435	14,617,476	14,608,208	14,609,495	14,608,013	14,605,118	14,604,504	14,601,130	14,600,119
9/30/2005	16,423,449	14,845,464	14,813,010	14,795,272	14,789,529	14,784,668	14,784,611	14,783,953	14,781,988	
9/30/2006	16,907,414	15,425,915	15,416,412	15,391,113	15,380,310	15,378,779	15,378,151	15,370,714		
9/30/2007	16,114,961	15,303,620	15,225,615	15,211,877	15,211,262	15,206,704	15,205,676			
9/30/2008	17,185,854	16,243,210	16,223,846	16,209,110	16,209,110	16,264,440	16,262,734			
9/30/2009	18,091,475	16,916,959	16,905,385	16,878,113	16,878,220					
9/30/2010	19,267,359	17,923,117	17,935,006	17,918,990						
9/30/2011	18,672,090	17,339,406	17,297,702							
9/30/2012	17,873,238	17,109,612								
9/30/2013	19,651,358									

Arkansas Claims with Payment

Fiscal Year-End	Valuation Period (In Months)									
	@12	@24	@36	@48	@60	@72	@84	@96	@108	@120
9/30/2004	7,711	7,883	7,893	7,897	7,898	7,910	7,913	7,916	7,917	7,917
9/30/2005	7,729	7,864	7,868	7,871	7,878	7,882	7,882	7,882	7,883	
9/30/2006	7,646	7,821	7,830	7,853	7,859	7,860	7,862	7,863		
9/30/2007	7,458	7,624	7,661	7,665	7,666	7,666	7,666			
9/30/2008	6,759	6,907	6,912	6,912	6,913	6,913				
9/30/2009	6,975	7,126	7,130	7,133	7,134					
9/30/2010	7,573	7,741	7,755	7,756						
9/30/2011	7,664	7,628	7,634							
9/30/2012	7,490	7,682								
9/30/2013	7,747									

Arkansas Selected Incurred Loss & ALAE

Fiscal Accident Year (1)	Cumulative Reported Losses (2)	Ultimate Development Factors (3)	Estimated Incurred Loss & ALAE (4) = (2) x (3)	Cumulative Paid Losses (5)	Ultimate Development Factors (6)	Estimated Incurred Loss & ALAE (7) = (5) x (6)	Selected Incurred Loss & ALAE (8)	Cumulative Paid Claim Count (9)	Ultimate Development Factors (10)	Estimated Incurred Claim Count (11) = (9) x (10)
9/30/2005	14,781,988	1.0000	14,781,988	14,781,988	1.0000	14,781,988	14,781,988	7,883	1.0001	7,884
9/30/2006	15,370,714	0.9999	15,369,176	15,370,714	0.9999	15,369,176	15,369,176	7,863	1.0002	7,865
9/30/2007	15,205,676	0.9997	15,201,114	15,205,676	0.9997	15,201,114	15,201,114	7,666	1.0004	7,669
9/30/2008	16,262,734	0.9993	16,251,352	16,262,734	0.9993	16,251,352	16,251,352	6,913	1.0006	6,917
9/30/2009	16,878,220	0.9988	16,857,974	16,878,220	0.9988	16,857,974	16,857,974	7,134	1.0008	7,140
9/30/2010	17,918,990	0.9981	17,884,968	17,918,990	0.9981	17,884,968	17,884,968	7,756	1.0011	7,765
9/30/2011	17,297,702	0.9969	17,244,141	17,297,702	0.9972	17,249,321	17,244,141	7,834	1.0014	7,845
9/30/2012	17,109,612	0.9952	17,027,638	17,109,612	0.9961	17,038,008	17,027,638	7,682	1.0024	7,700
9/30/2013	19,651,358	0.9260	18,197,980	18,332,397	1.0017	18,363,274	18,197,980	7,747	1.0285	7,968
3-yr Total			52,469,759			52,650,604	52,469,759			
10-yr Total			163,416,451			163,597,296	163,416,450			

**Shelter Mutual Insurance Company
Private Passenger Auto - Comprehensive
Projected Ultimate Loss and Allocated Loss Adjustment Expense**

Companywide Paid Loss & Paid ALAE

Fiscal Year-End	Valuation Period (In Months)									
	@12	@24	@36	@48	@60	@72	@84	@96	@108	@120
9/30/2004	42,030,365	44,008,047	44,017,597	44,033,065	44,047,237	44,047,070	44,050,076	44,072,775	44,072,793	44,072,209
9/30/2005	33,967,371	36,764,733	36,793,976	36,802,986	36,805,846	36,796,895	36,791,722	36,788,983	36,787,299	
9/30/2006	58,391,318	61,143,395	61,202,746	61,270,668	61,269,135	61,254,129	61,253,380	61,252,717		
9/30/2007	35,220,315	37,123,831	37,165,626	37,157,457	37,165,637	37,167,318	37,169,583			
9/30/2008	67,467,873	70,452,527	70,817,788	70,945,054	70,953,382	70,951,925				
9/30/2009	59,251,718	62,108,450	62,144,660	62,146,044	62,163,253					
9/30/2010	57,952,532	61,269,277	61,482,284	61,507,819						
9/30/2011	80,792,967	83,932,755	84,095,474							
9/30/2012	71,576,013	75,205,799								
9/30/2013	75,136,283									

Companywide Reported Loss & Paid ALAE

Fiscal Year-End	Valuation Period (In Months)									
	@12	@24	@36	@48	@60	@72	@84	@96	@108	@120
9/30/2004	43,690,884	44,020,239	44,027,474	44,036,815	44,047,237	44,047,070	44,050,076	44,072,775	44,072,793	44,072,209
9/30/2005	35,944,525	36,793,526	36,810,555	36,805,586	36,805,846	36,796,895	36,795,722	36,788,983	36,787,299	
9/30/2006	61,064,008	61,193,546	61,242,870	61,270,668	61,271,735	61,256,729	61,255,980	61,255,317		
9/30/2007	37,188,145	37,144,654	37,165,626	37,161,457	37,165,637	37,167,318	37,169,583			
9/30/2008	70,053,222	70,476,527	70,829,688	70,945,198	70,957,382	70,955,925				
9/30/2009	61,553,267	62,144,538	62,163,027	62,158,624	62,163,253					
9/30/2010	61,051,240	61,290,401	61,482,284	61,512,019						
9/30/2011	83,580,696	83,973,606	84,095,774							
9/30/2012	74,018,847	75,233,351								
9/30/2013	77,620,431									

Companywide Claims with Payment

Fiscal Year-End	Valuation Period (In Months)									
	@12	@24	@36	@48	@60	@72	@84	@96	@108	@120
9/30/2004	47,324	49,630	49,687	49,700	49,709	49,722	49,727	49,728	49,729	49,729
9/30/2005	41,356	43,553	43,600	43,614	43,634	43,643	43,647	43,648	43,652	
9/30/2006	49,722	51,605	51,669	51,697	51,717	51,722	51,724	51,725		
9/30/2007	36,785	38,468	38,523	38,538	38,546	38,547	38,548			
9/30/2008	48,040	49,667	49,737	49,762	49,768	49,772				
9/30/2009	45,336	47,273	47,349	47,368	47,373					
9/30/2010	50,500	52,646	52,722	52,749						
9/30/2011	57,510	59,554	59,651							
9/30/2012	50,479	52,752								
9/30/2013	48,015									

Companywide Selected Incurred Loss & ALAE

Fiscal Accident Year	Cumulative Reported Losses (1)	Ultimate Development Factors (2)	Estimated Incurred Loss & ALAE (3)	Cumulative Paid Losses (4) = (2) x (3)	Ultimate Development Factors (5)	Estimated Incurred Loss & ALAE (6)	Selected Incurred Loss & ALAE (7) = (5) x (6)	Cumulative Paid Claim Count (8)	Ultimate Development Factors (9)	Estimated Incurred Claim Count (10)	Estimated Incurred Claim Count (11) = (9) x (10)
9/30/2005	36,787,299	1.0000	36,787,299	36,787,299	1.0000	36,787,299	36,787,299	43,652	1.0000	43,652	43,652
9/30/2006	61,255,317	1.0000	61,255,317	61,252,717	1.0000	61,252,717	61,255,317	51,725	1.0000	51,725	51,725
9/30/2007	37,169,583	1.0000	37,169,583	37,169,583	1.0000	37,169,583	37,169,583	38,548	1.0000	38,548	38,548
9/30/2008	70,955,925	1.0000	70,955,925	70,951,925	1.0000	70,951,925	70,955,925	49,772	1.0000	49,772	49,772
9/30/2009	62,163,253	1.0000	62,163,253	62,163,253	1.0000	62,163,253	62,163,253	47,373	1.0001	47,378	47,378
9/30/2010	61,512,019	1.0001	61,518,170	61,507,819	1.0002	61,520,121	61,518,170	52,749	1.0003	52,765	52,765
9/30/2011	84,095,774	1.0007	84,154,646	84,095,474	1.0008	84,162,760	84,154,646	59,651	1.0008	59,699	59,699
9/30/2012	75,233,351	1.0029	75,451,648	75,205,799	1.0033	75,454,138	75,451,648	52,752	1.0025	52,884	52,884
9/30/2013	77,620,431	1.0110	78,476,205	75,136,283	1.0525	79,078,227	78,476,205	48,015	1.0446	50,157	50,157
3-yr Total			238,082,499			238,695,125	238,082,499				
10-yr Total			612,004,256			612,612,232	612,004,255				

Arkansas Paid Loss & Paid ALAE

Fiscal Year-End	Valuation Period (In Months)									
	@12	@24	@36	@48	@60	@72	@84	@96	@108	@120
9/30/2004	7,105,887	7,430,841	7,395,533	7,396,625	7,396,805	7,396,705	7,396,405	7,396,275	7,396,600	7,396,500
9/30/2005	6,503,353	6,899,516	6,893,799	6,895,675	6,894,656	6,894,689	6,894,689	6,894,689	6,894,689	6,894,689
9/30/2006	10,624,406	11,089,588	11,102,961	11,133,468	11,129,755	11,128,778	11,128,738	11,128,738		
9/30/2007	6,528,829	6,852,308	6,852,367	6,843,781	6,845,608	6,845,608	6,845,608			
9/30/2008	19,179,249	19,823,529	19,880,959	19,896,011	19,899,831	19,902,845				
9/30/2009	13,254,164	13,761,349	13,768,679	13,775,241	13,779,735					
9/30/2010	10,361,741	10,803,523	10,827,668	10,835,792						
9/30/2011	17,303,726	17,765,561	17,787,657							
9/30/2012	10,077,695	10,773,840								
9/30/2013	10,305,803									

Arkansas Reported Loss & Paid ALAE

Fiscal Year-End	Valuation Period (In Months)									
	@12	@24	@36	@48	@60	@72	@84	@96	@108	@120
9/30/2004	7,355,119	7,432,385	7,400,127	7,396,625	7,396,805	7,396,705	7,396,405	7,396,275	7,396,600	7,396,500
9/30/2005	6,853,885	6,901,116	6,894,099	6,895,675	6,894,656	6,894,689	6,894,689	6,894,689	6,894,689	6,894,689
9/30/2006	11,094,070	11,100,346	11,105,561	11,133,468	11,132,355	11,131,378	11,131,338	11,131,338		
9/30/2007	6,927,186	6,854,519	6,852,367	6,847,781	6,845,608	6,845,608	6,845,608			
9/30/2008	19,608,137	19,827,329	19,881,259	19,896,011	19,899,831	19,902,845				
9/30/2009	13,668,657	13,766,649	13,772,679	13,775,241	13,779,735					
9/30/2010	10,808,202	10,812,423	10,827,668	10,835,792						
9/30/2011	17,835,664	17,790,112	17,787,657							
9/30/2012	10,454,550	10,778,753								
9/30/2013	10,817,986									

Arkansas Claims with Payment

Fiscal Year-End	Valuation Period (In Months)									
	@12	@24	@36	@48	@60	@72	@84	@96	@108	@120
9/30/2004	9,912	10,432	10,443	10,445	10,446	10,449	10,451	10,451	10,452	10,452
9/30/2005	8,789	9,310	9,320	9,321	9,324	9,324	9,324	9,324	9,324	9,324
9/30/2006	10,455	10,898	10,915	10,919	10,922	10,922	10,923	10,923		
9/30/2007	8,206	8,562	8,578	8,583	8,585	8,585				
9/30/2008	12,062	12,408	12,427	12,432	12,434	12,435				
9/30/2009	9,999	10,412	10,430	10,433	10,436					
9/30/2010	10,617	10,977	10,990	10,996						
9/30/2011	12,442	12,859	12,876							
9/30/2012	9,735	10,115								
9/30/2013	9,555									

Arkansas Selected Incurred Loss & ALAE

Fiscal Accident Year	Cumulative Reported Losses (1)	Ultimate Development Factors (2)	Estimated Incurred Loss & ALAE (3)	Cumulative Paid Losses (4) = (2) x (3)	Ultimate Development Factors (5)	Estimated Incurred Loss & ALAE (6)	Selected Incurred Loss & ALAE (7) = (5) x (6)	Cumulative Paid Claim Count (8)	Ultimate Development Factors (9)	Estimated Incurred Claim Count (10)	Estimated Incurred Claim Count (11) = (9) x (10)
9/30/2005	6,894,689	1.0000	6,894,689	6,894,689	1.0000	6,894,689	6,894,689	9,324	1.0000	9,324	9,324
9/30/2006	11,131,338	1.0000	11,131,338	11,128,738	1.0000	11,128,738	11,131,338	10,923	1.0000	10,923	10,923
9/30/2007	6,845,608	1.0000	6,845,608	6,845,608	1.0000	6,845,608	6,845,608	8,585	1.0000	8,585	8,585
9/30/2008	19,902,845	1.0000	19,902,845	19,902,845	1.0000	19,902,845	19,902,845	12,435	1.0000	12,435	12,435
9/30/2009	13,779,735	1.0000	13,779,735	13,779,735	1.0000	13,779,735	13,779,735	10,436	1.0001	10,437	10,437
9/30/2010	10,835,792	1.0001	10,836,875	10,835,792	1.0002	10,837,959	10,836,875	10,996	1.0003	10,999	10,999
9/30/2011	17,787,657	1.0007	17,800,109	17,787,657	1.0008	17,801,889	17,800,109	12,876	1.0008	12,886	12,886
9/30/2012	10,778,753	1.0029	10,810,029	10,778,753	1.0023	10,798,634	10,810,029	10,115	1.0025	10,140	10,140
9/30/2013	10,817,986	1.0110	10,937,256	10,305,803	1.0424	10,742,701	10,937,256	9,555	1.0376	9,914	9,914
3-yr Total			39,547,394			39,343,224	39,547,394				
10-yr Total			116,334,985			116,129,298	116,334,984				

**Shelter Mutual Insurance Company
Arkansas**

**Private Passenger Automobile - Bodily Injury
Development of Combined Trend and Projection Factor**

Severity Trends - Shelter Mutual Companywide					
Fiscal Acc Year	Projected Ultimate Loss and LAE (Exh. B.III.a.1)	Projected Ultimate Claims (Exh. B.III.a.1)	Projected Ultimate Severity	Curve of Best Fit 12 Point	6 Point
12/2010	100,493,079	11,268	8,918	9,001	
3/2011	100,720,498	11,150	9,033	9,009	
6/2011	99,610,447	11,083	8,988	9,016	
9/2011	101,126,191	11,118	9,096	9,024	
12/2011	101,197,772	11,037	9,169	9,031	
3/2012	99,884,900	11,129	8,975	9,038	
6/2012	102,284,226	11,225	9,112	9,046	9,025
9/2012	100,499,091	11,128	9,031	9,053	9,037
12/2012	102,443,615	11,309	9,059	9,061	9,049
3/2013	103,898,402	11,609	8,950	9,068	9,061
6/2013	104,019,391	11,740	8,860	9,076	9,073
9/2013	108,473,757	11,633	9,325	9,083	9,085
Annual Percentage Change				0.33%	0.53%
r^2				0.048	0.020

Frequency Trends - Shelter Mutual Companywide					
Fiscal Acc Year	Projected Ultimate Claims (Exh. B.III.a.1)	Earned Exposures	Projected Frequency X 100	Curve of Best Fit 12 Point	6 Point
12/2010	11,268	957,539	1.18	1.15	
3/2011	11,150	960,233	1.16	1.15	
6/2011	11,083	961,458	1.15	1.16	
9/2011	11,118	961,582	1.16	1.16	
12/2011	11,037	960,674	1.15	1.17	
3/2012	11,129	959,055	1.16	1.18	
6/2012	11,225	956,425	1.17	1.18	1.15
9/2012	11,128	953,679	1.17	1.19	1.15
12/2012	11,309	952,210	1.19	1.20	1.16
3/2013	11,609	952,173	1.22	1.20	1.16
6/2013	11,740	954,307	1.23	1.21	1.17
9/2013	11,633	957,341	1.22	1.21	1.18
Annual Percentage Change			1.68%	2.61%	
r^2			0.615	0.841	

Severity Trends - Shelter Mutual Arkansas					
Fiscal Acc Year	Projected Ultimate Loss and LAE (Exh. B.III.a.1)	Projected Ultimate Claims (Exh. B.III.a.1)	Projected Ultimate Severity	Curve of Best Fit 12 Point	6 Point
12/2010	17,752,494	2,319	7,655	7,154	
3/2011	17,519,572	2,274	7,704	7,073	
6/2011	15,663,849	2,280	6,870	6,994	
9/2011	15,178,593	2,261	6,713	6,915	
12/2011	14,546,789	2,209	6,585	6,837	
3/2012	14,042,687	2,315	6,066	6,760	
6/2012	15,229,485	2,348	6,486	6,684	6,366
9/2012	14,790,346	2,324	6,364	6,609	6,436
12/2012	15,893,087	2,417	6,576	6,535	6,506
3/2013	15,866,032	2,464	6,439	6,461	6,577
6/2013	15,799,668	2,468	6,402	6,388	6,649
9/2013	17,338,326	2,476	7,003	6,316	6,722
Annual Percentage Change				-4.43%	4.44%
r^2				0.318	0.332

Frequency Trends - Shelter Mutual Arkansas					
Fiscal Acc Year	Projected Ultimate Claims (Exh. B.III.a.1)	Earned Exposures	Projected Frequency X 100	Curve of Best Fit 12 Point	6 Point
12/2010	2,319	192,089	1.21	1.16	
3/2011	2,274	192,050	1.18	1.18	
6/2011	2,280	191,918	1.19	1.19	
9/2011	2,261	191,671	1.18	1.20	
12/2011	2,209	191,358	1.15	1.21	
3/2012	2,315	190,921	1.21	1.22	
6/2012	2,348	190,371	1.23	1.23	1.23
9/2012	2,324	189,879	1.22	1.24	1.24
12/2012	2,417	189,689	1.27	1.25	1.26
3/2013	2,464	189,911	1.30	1.27	1.27
6/2013	2,468	190,694	1.29	1.28	1.29
9/2013	2,476	191,832	1.29	1.29	1.31
Annual Percentage Change			4.03%	5.65%	
r^2			0.695	0.726	

Severity Trends - Fast Track Arkansas					
Fiscal Acc Year	Incurred Loss and LAE	Paid Claims	Severity	Curve of Best Fit 12 Point	6 Point
6/2010	118,070,189	11,632	10,150	11,160	
9/2010	121,030,272	11,731	10,317	11,192	
12/2010	120,970,388	11,489	10,529	11,225	
3/2011	143,471,241	11,495	12,481	11,258	
6/2011	143,093,858	11,249	12,721	11,291	
9/2011	140,726,004	11,051	12,734	11,324	
12/2011	141,420,475	11,083	12,760	11,357	11,690
3/2012	122,855,845	11,374	10,801	11,390	11,513
6/2012	125,558,583	11,658	10,770	11,423	11,338
9/2012	128,477,008	11,762	10,923	11,457	11,166
12/2012	131,052,992	11,728	11,174	11,490	10,997
3/2013	130,181,918	11,621	11,202	11,524	10,830
Annual Percentage Change				1.18%	-5.93%
r^2				0.015	0.201

Frequency Trends - Fast Track Arkansas					
Fiscal Acc Year	Paid Claims	Earned Exposures	Frequency X 100	Curve of Best Fit 12 Point	6 Point
6/2010	11,632	1,433,939	0.81	0.80	
9/2010	11,731	1,437,566	0.82	0.80	
12/2010	11,489	1,442,671	0.80	0.79	
3/2011	11,495	1,448,146	0.79	0.79	
6/2011	11,249	1,454,126	0.77	0.79	
9/2011	11,051	1,459,512	0.76	0.79	
12/2011	11,083	1,464,291	0.76	0.79	0.77
3/2012	11,374	1,470,906	0.77	0.78	0.77
6/2012	11,658	1,474,949	0.79	0.78	0.78
9/2012	11,762	1,478,733	0.80	0.78	0.78
12/2012	11,728	1,481,786	0.79	0.78	0.79
3/2013	11,621	1,482,070	0.78	0.78	0.79
Annual Percentage Change			0.00%	2.60%	
r^2			0.150	0.386	

Trend Factor					
Fiscal Acc Year	Midpoint of Experience Period	Number of Years to 9/30/2013	Selected Severity	Selected Frequency	Combined Trend Factor
9/30/2009	4/01/2009	4.5000	1.1423	1.0000	1.1423
9/30/2010	4/01/2010	3.5000	1.1090	1.0000	1.1090
9/30/2011	4/01/2011	2.5000	1.0767	1.0000	1.0767
9/30/2012	4/01/2012	1.5000	1.0453	1.0000	1.0453
9/30/2013	4/01/2013	0.5000	1.0149	1.0000	1.0149

Projection Factor				Combined Trend and Projection Factor
Years from 9/30/2013 to 1/01/2015	Selected Severity	Selected Frequency	Combined Projection Factor	
1.2548	1.0378	1.0000	1.0378	1.1855
1.2548	1.0378	1.0000	1.0378	1.1509
1.2548	1.0378	1.0000	1.0378	1.1174
1.2548	1.0378	1.0000	1.0378	1.0848
1.2548	1.0378	1.0000	1.0378	1.0533

**Shelter Mutual Insurance Company
Arkansas**

**Private Passenger Automobile - Property Damage
Development of Combined Trend and Projection Factor**

Severity Trends - Shelter Mutual Companywide					
Fiscal Acc Year	Projected Ultimate Loss and LAE (Exh. B.III.b.1)	Projected Ultimate Claims (Exh. B.III.b.1)	Projected Ultimate Severity	Curve of Best Fit 12 Point	6 Point
12/2010	75,902,898	35,493	2,139	2,130	
3/2011	76,222,987	35,520	2,146	2,142	
6/2011	76,095,134	35,426	2,148	2,153	
9/2011	77,522,972	35,524	2,182	2,164	
12/2011	77,401,086	35,478	2,182	2,176	
3/2012	77,060,710	35,361	2,179	2,187	
6/2012	77,651,341	35,439	2,191	2,199	2,170
9/2012	76,761,365	34,984	2,194	2,210	2,191
12/2012	77,134,573	35,183	2,192	2,222	2,213
3/2013	78,740,189	35,479	2,219	2,234	2,235
6/2013	80,292,389	35,949	2,234	2,246	2,257
9/2013	83,036,031	35,859	2,316	2,258	2,279
Annual Percentage Change				2.17%	4.02%
r^2				0.784	0.739

Frequency Trends - Shelter Mutual Companywide					
Fiscal Acc Year	Projected Ultimate Claims (Exh. B.III.b.1)	Earned Exposures	Projected Frequency X 100	Curve of Best Fit 12 Point	6 Point
12/2010	35,493	957,539	3.71	3.68	
3/2011	35,520	960,233	3.70	3.69	
6/2011	35,426	961,458	3.68	3.69	
9/2011	35,524	961,582	3.69	3.69	
12/2011	35,478	960,674	3.69	3.70	
3/2012	35,361	959,055	3.69	3.70	
6/2012	35,439	956,425	3.71	3.71	3.68
9/2012	34,984	953,679	3.67	3.71	3.69
12/2012	35,183	952,210	3.69	3.72	3.69
3/2013	35,479	952,173	3.73	3.72	3.69
6/2013	35,949	954,307	3.77	3.73	3.70
9/2013	35,859	957,341	3.75	3.73	3.70
Annual Percentage Change				0.54%	0.27%
r^2				0.343	0.594

Severity Trends - Shelter Mutual Arkansas					
Fiscal Acc Year	Projected Ultimate Loss and LAE (Exh. B.III.b.1)	Projected Ultimate Claims (Exh. B.III.b.1)	Projected Ultimate Severity	Curve of Best Fit 12 Point	6 Point
12/2010	15,425,454	6,415	2,405	2,350	
3/2011	15,488,660	6,467	2,395	2,357	
6/2011	15,154,579	6,372	2,378	2,365	
9/2011	15,003,466	6,367	2,356	2,373	
12/2011	14,842,780	6,339	2,342	2,381	
3/2012	14,832,682	6,367	2,330	2,389	
6/2012	15,120,178	6,439	2,348	2,397	2,348
9/2012	15,277,947	6,405	2,385	2,405	2,376
12/2012	15,712,250	6,540	2,402	2,413	2,404
3/2013	16,008,354	6,590	2,429	2,421	2,433
6/2013	16,364,397	6,707	2,440	2,429	2,462
9/2013	16,903,919	6,728	2,512	2,437	2,492
Annual Percentage Change				1.33%	4.88%
r^2				0.330	0.937

Frequency Trends - Shelter Mutual Arkansas					
Fiscal Acc Year	Projected Ultimate Claims (Exh. B.III.b.1)	Earned Exposures	Projected Frequency X 100	Curve of Best Fit 12 Point	6 Point
12/2010	6,415	192,089	3.34	3.29	
3/2011	6,467	192,050	3.37	3.31	
6/2011	6,372	191,918	3.32	3.33	
9/2011	6,367	191,671	3.32	3.35	
12/2011	6,339	191,358	3.31	3.36	
3/2012	6,367	190,921	3.33	3.38	
6/2012	6,439	190,371	3.38	3.40	3.37
9/2012	6,405	189,879	3.37	3.42	3.40
12/2012	6,540	189,689	3.45	3.44	3.43
3/2013	6,590	189,911	3.47	3.45	3.47
6/2013	6,707	190,694	3.52	3.47	3.50
9/2013	6,728	191,832	3.51	3.49	3.53
Annual Percentage Change				2.05%	3.82%
r^2				0.718	0.886

Severity Trends - Fast Track Arkansas					
Fiscal Acc Year	Incurred Loss and LAE	Paid Claims	Severity	Curve of Best Fit 12 Point	6 Point
6/2010	128,830,339	43,396	2,969	2,950	
9/2010	128,734,758	43,407	2,966	2,961	
12/2010	127,791,244	43,082	2,966	2,972	
3/2011	126,919,940	42,634	2,977	2,983	
6/2011	124,755,438	41,739	2,989	2,994	
9/2011	126,525,878	42,254	2,994	3,005	
12/2011	127,724,549	42,260	3,022	3,016	3,010
3/2012	130,670,918	43,377	3,012	3,028	3,024
6/2012	133,568,007	43,740	3,054	3,039	3,038
9/2012	132,333,862	43,614	3,034	3,050	3,053
12/2012	132,025,125	43,415	3,041	3,061	3,067
3/2013	132,584,719	42,630	3,110	3,073	3,082
Annual Percentage Change				1.49%	1.92%
r^2				0.850	0.607

Frequency Trends - Fast Track Arkansas					
Fiscal Acc Year	Paid Claims	Earned Exposures	Frequency X 100	Curve of Best Fit 12 Point	6 Point
6/2010	43,396	1,433,939	3.03	2.99	
9/2010	43,407	1,437,566	3.02	2.98	
12/2010	43,082	1,442,671	2.99	2.97	
3/2011	42,634	1,448,146	2.94	2.96	
6/2011	41,739	1,454,126	2.87	2.96	
9/2011	42,254	1,459,512	2.90	2.95	
12/2011	42,260	1,464,291	2.89	2.94	2.94
3/2012	43,377	1,470,906	2.95	2.93	2.93
6/2012	43,740	1,474,949	2.97	2.92	2.93
9/2012	43,614	1,478,733	2.95	2.91	2.93
12/2012	43,415	1,481,786	2.93	2.91	2.92
3/2013	42,630	1,482,070	2.88	2.90	2.92
Annual Percentage Change				-1.02%	-0.34%
r^2				0.313	0.037

Trend Factor					
Fiscal Acc Year	Midpoint of Experience Period	Number of Years to 9/30/2013	Selected Severity	Selected Frequency	Combined Trend Factor
9/30/2009	4/01/2009	4.5000	1.0932	1.0000	1.0932
9/30/2010	4/01/2010	3.5000	1.0718	1.0000	1.0718
9/30/2011	4/01/2011	2.5000	1.0508	1.0000	1.0508
9/30/2012	4/01/2012	1.5000	1.0301	1.0000	1.0301
9/30/2013	4/01/2013	0.5000	1.0100	1.0000	1.0100

Projection Factor				Combined Trend and Projection Factor
Years from 9/30/2013 to 1/01/2015	Selected Severity	Selected Frequency	Combined Projection Factor	
1.2548	1.0252	1.0000	1.0252	1.1207
1.2548	1.0252	1.0000	1.0252	1.0988
1.2548	1.0252	1.0000	1.0252	1.0773
1.2548	1.0252	1.0000	1.0252	1.0561
1.2548	1.0252	1.0000	1.0252	1.0355

**Shelter Mutual Insurance Company
Arkansas**

**Private Passenger Automobile - Medical Payments
Development of Combined Trend and Projection Factor**

Severity Trends - Shelter Mutual Companywide					
Fiscal Acc Year	Projected Ultimate Loss and LAE (Exh. B.III.c.1)	Projected Ultimate Claims (Exh. B.III.c.1)	Projected Ultimate Severity	Curve of Best Fit 12 Point	6 Point
12/2010	14,250,039	6,825	2,088	2,094	
3/2011	14,215,742	6,892	2,063	2,083	
6/2011	13,821,484	6,781	2,038	2,073	
9/2011	14,141,870	6,796	2,081	2,062	
12/2011	13,769,240	6,691	2,058	2,051	
3/2012	13,705,923	6,597	2,078	2,041	
6/2012	13,921,226	6,600	2,109	2,030	2.053
9/2012	13,268,045	6,421	2,066	2,020	2.034
12/2012	12,633,022	6,467	1,953	2,010	2.014
3/2013	12,737,160	6,589	1,933	1,999	1.995
6/2013	12,481,649	6,589	1,894	1,989	1.975
9/2013	13,601,930	6,537	2,081	1,979	1.957
Annual Percentage Change				-2.03%	-3.79%
r^2				0.281	0.161

Frequency Trends - Shelter Mutual Companywide					
Fiscal Acc Year	Projected Ultimate Claims (Exh. B.III.c.1)	Earned Exposures	Projected Frequency X 100	Curve of Best Fit 12 Point	6 Point
12/2010	6,825	570,408	1.20	1.19	
3/2011	6,892	570,362	1.21	1.19	
6/2011	6,781	569,538	1.19	1.19	
9/2011	6,796	568,085	1.20	1.19	
12/2011	6,691	565,946	1.18	1.19	
3/2012	6,597	563,320	1.17	1.19	
6/2012	6,600	560,182	1.18	1.18	1.19
9/2012	6,421	556,878	1.15	1.18	1.19
12/2012	6,467	554,124	1.17	1.18	1.19
3/2013	6,589	552,148	1.19	1.18	1.19
6/2013	6,589	551,120	1.20	1.18	1.19
9/2013	6,537	550,593	1.19	1.18	1.19
Annual Percentage Change			0.00%	0.00%	
r^2			0.103	0.430	

Severity Trends - Shelter Mutual Arkansas					
Fiscal Acc Year	Projected Ultimate Loss and LAE (Exh. B.III.c.1)	Projected Ultimate Claims (Exh. B.III.c.1)	Projected Ultimate Severity	Curve of Best Fit 12 Point	6 Point
12/2010	3,653,166	1,940	1,883	1,966	
3/2011	3,757,279	1,942	1,935	1,979	
6/2011	3,843,647	1,934	1,987	1,993	
9/2011	3,916,637	1,915	2,045	2,006	
12/2011	3,906,645	1,872	2,087	2,020	
3/2012	3,923,990	1,875	2,093	2,034	
6/2012	3,861,083	1,820	2,121	2,048	2.102
9/2012	3,769,463	1,760	2,142	2,062	2.093
12/2012	3,742,928	1,829	2,046	2,076	2.083
3/2013	3,819,153	1,888	2,023	2,090	2,074
6/2013	3,858,180	1,934	1,995	2,104	2,064
9/2013	4,194,717	1,952	2,149	2,119	2.055
Annual Percentage Change				2.76%	-1.82%
r^2				0.363	0.071

Frequency Trends - Shelter Mutual Arkansas					
Fiscal Acc Year	Projected Ultimate Claims (Exh. B.III.c.1)	Earned Exposures	Projected Frequency X 100	Curve of Best Fit 12 Point	6 Point
12/2010	1,940	145,997	1.33	1.31	
3/2011	1,942	145,639	1.33	1.31	
6/2011	1,934	145,211	1.33	1.31	
9/2011	1,915	144,721	1.32	1.31	
12/2011	1,872	144,163	1.30	1.31	
3/2012	1,875	143,521	1.31	1.31	
6/2012	1,820	142,842	1.27	1.32	1.25
9/2012	1,760	142,226	1.24	1.32	1.27
12/2012	1,829	141,832	1.29	1.32	1.30
3/2013	1,888	141,749	1.33	1.32	1.32
6/2013	1,934	141,994	1.36	1.32	1.35
9/2013	1,952	142,477	1.37	1.32	1.37
Annual Percentage Change			0.00%	7.87%	
r^2			0.012	0.858	

Trend Factor					
Fiscal Acc Year	Midpoint of Experience Period	Number of Years to 9/30/2013	Selected Severity 3.00%	Selected Frequency 0.00%	Combined Trend Factor
9/30/2009	4/01/2009	4.5000	1.1423	1.0000	1.1423
9/30/2010	4/01/2010	3.5000	1.1090	1.0000	1.1090
9/30/2011	4/01/2011	2.5000	1.0767	1.0000	1.0767
9/30/2012	4/01/2012	1.5000	1.0453	1.0000	1.0453
9/30/2013	4/01/2013	0.5000	1.0149	1.0000	1.0149

Projection Factor				Combined Trend and Projection Factor
Years from 9/30/2013 to 1/01/2015	Selected Severity 3.00%	Selected Frequency 0.00%	Combined Projection Factor	
1.2548	1.0378	1.0000	1.0378	1.1855
1.2548	1.0378	1.0000	1.0378	1.1509
1.2548	1.0378	1.0000	1.0378	1.1174
1.2548	1.0378	1.0000	1.0378	1.0848
1.2548	1.0378	1.0000	1.0378	1.0533

**Shelter Mutual Insurance Company
Arkansas**

**Private Passenger Automobile - Uninsured Motorist
Development of Combined Trend and Projection Factor**

Severity Trends - Shelter Mutual Companywide					
Fiscal Acc Year	Projected Ultimate Loss and LAE (Exh. B.III.d.1)	Projected Ultimate Claims (Exh. B.III.d.1)	Projected Ultimate Severity	Curve of Best Fit 12 Point	6 Point
12/2010	23,271,498	1,723	13,506	13,739	
3/2011	22,942,466	1,692	13,559	13,956	
6/2011	21,727,195	1,565	13,883	14,177	
9/2011	22,537,884	1,552	14,522	14,400	
12/2011	22,388,266	1,519	14,739	14,628	
3/2012	22,799,995	1,482	15,385	14,859	
6/2012	24,935,317	1,558	16,005	15,094	15,788
9/2012	23,911,250	1,513	15,804	15,332	15,768
12/2012	24,324,582	1,558	15,613	15,574	15,749
3/2013	25,744,591	1,669	15,425	15,820	15,729
6/2013	25,738,593	1,659	15,515	16,070	15,709
9/2013	24,927,072	1,550	16,082	16,324	15,690
Annual Percentage Change				6.47%	-0.49%
r^2				0.789	0.019

Frequency Trends - Shelter Mutual Companywide					
Fiscal Acc Year	Projected Ultimate Claims (Exh. B.III.d.1)	Earned Exposures	Projected Frequency X 100	Curve of Best Fit 12 Point	6 Point
12/2010	1,723	797,022	0.22	0.20	
3/2011	1,692	797,945	0.21	0.20	
6/2011	1,565	797,588	0.20	0.20	
9/2011	1,552	796,382	0.19	0.20	
12/2011	1,519	794,647	0.19	0.20	
3/2012	1,482	792,516	0.19	0.20	
6/2012	1,558	789,584	0.20	0.20	0.20
9/2012	1,513	786,411	0.19	0.20	0.20
12/2012	1,558	783,805	0.20	0.20	0.20
3/2013	1,669	782,067	0.21	0.20	0.20
6/2013	1,659	781,835	0.21	0.20	0.20
9/2013	1,550	782,297	0.20	0.20	0.20
Annual Percentage Change			0.00%	0.00%	0.00%
r^2			0.010	0.247	

Severity Trends - Shelter Mutual Arkansas					
Fiscal Acc Year	Projected Ultimate Loss and LAE (Exh. B.III.d.1)	Projected Ultimate Claims (Exh. B.III.d.1)	Projected Ultimate Severity	Curve of Best Fit 12 Point	6 Point
12/2010	3,318,685	321	10,339	10,004	
3/2011	3,334,835	331	10,075	10,140	
6/2011	3,465,026	338	10,252	10,277	
9/2011	3,428,284	337	10,173	10,416	
12/2011	3,288,799	326	10,088	10,557	
3/2012	3,517,298	338	10,406	10,700	
6/2012	3,342,927	313	10,680	10,845	11,321
9/2012	3,420,247	281	12,172	10,992	11,334
12/2012	3,217,807	277	11,617	11,141	11,346
3/2013	3,210,725	292	10,996	11,291	11,359
6/2013	3,662,636	322	11,375	11,444	11,372
9/2013	3,706,322	327	11,334	11,599	11,384
Annual Percentage Change				5.52%	0.44%
r^2				0.587	0.002

Frequency Trends - Shelter Mutual Arkansas					
Fiscal Acc Year	Projected Ultimate Claims (Exh. B.III.d.1)	Earned Exposures	Projected Frequency X 100	Curve of Best Fit 12 Point	6 Point
12/2010	321	171,331	0.19	0.20	
3/2011	331	171,229	0.19	0.19	
6/2011	338	171,047	0.20	0.19	
9/2011	337	170,751	0.20	0.19	
12/2011	326	170,387	0.19	0.19	
3/2012	338	169,923	0.20	0.19	
6/2012	313	169,384	0.18	0.18	0.17
9/2012	281	168,894	0.17	0.18	0.17
12/2012	277	168,628	0.16	0.18	0.17
3/2013	292	168,695	0.17	0.18	0.18
6/2013	322	169,205	0.19	0.18	0.18
9/2013	327	170,010	0.19	0.18	0.18
Annual Percentage Change			0.00%	5.88%	
r^2			0.219	0.266	

Trend Factor					
Fiscal Acc Year	Midpoint of Experience Period	Number of Years to 9/30/2013	Selected Severity 3.00%	Selected Frequency 0.00%	Combined Trend Factor
9/30/2009	4/01/2009	4.5000	1.1423	1.0000	1.1423
9/30/2010	4/01/2010	3.5000	1.1090	1.0000	1.1090
9/30/2011	4/01/2011	2.5000	1.0767	1.0000	1.0767
9/30/2012	4/01/2012	1.5000	1.0453	1.0000	1.0453
9/30/2013	4/01/2013	0.5000	1.0149	1.0000	1.0149

Projection Factor				Combined Trend and Projection Factor
Years from 9/30/2013 to 1/01/2015	Selected Severity 3.00%	Selected Frequency 0.00%	Combined Projection Factor	
1.2548	1.0378	1.0000	1.0378	1.1855
1.2548	1.0378	1.0000	1.0378	1.1509
1.2548	1.0378	1.0000	1.0378	1.1174
1.2548	1.0378	1.0000	1.0378	1.0848
1.2548	1.0378	1.0000	1.0378	1.0533

**Shelter Mutual Insurance Company
Arkansas**

**Private Passenger Automobile - Collision
Development of Combined Trend and Projection Factor**

Severity Trends - Shelter Mutual Companywide					
Fiscal Acc Year	Projected Ultimate Loss and LAE (Exh. B.III.e.1)	Projected Ultimate Claims (Exh. B.III.e.1)	Projected Ultimate Severity	Curve of Best Fit 12 Point	6 Point
12/2010	86,563,165	40,880	2,117	2,085	
3/2011	85,848,246	40,959	2,096	2,090	
6/2011	85,253,919	41,010	2,079	2,096	
9/2011	86,119,593	40,985	2,101	2,101	
12/2011	86,045,962	41,110	2,093	2,106	
3/2012	84,050,060	40,095	2,096	2,112	
6/2012	85,272,442	40,225	2,120	2,117	2,105
9/2012	85,546,128	40,002	2,139	2,122	2,115
12/2012	84,051,463	39,964	2,103	2,128	2,126
3/2013	85,466,306	40,561	2,107	2,133	2,137
6/2013	86,027,111	40,830	2,107	2,139	2,148
9/2013	90,353,365	40,756	2,217	2,144	2,159
Annual Percentage Change				1.04%	2.08%
r^2				0.308	0.228

Frequency Trends - Shelter Mutual Companywide					
Fiscal Acc Year	Projected Ultimate Claims (Exh. B.III.e.1)	Earned Exposures	Projected Frequency X 100	Curve of Best Fit 12 Point	6 Point
12/2010	40,880	660,232	6.19	6.18	
3/2011	40,959	660,726	6.20	6.18	
6/2011	41,010	660,469	6.21	6.18	
9/2011	40,985	659,487	6.21	6.19	
12/2011	41,110	657,974	6.25	6.19	
3/2012	40,095	656,117	6.11	6.20	
6/2012	40,225	653,832	6.15	6.20	6.18
9/2012	40,002	651,588	6.14	6.21	6.18
12/2012	39,964	649,912	6.15	6.21	6.18
3/2013	40,561	648,994	6.25	6.22	6.19
6/2013	40,830	649,307	6.29	6.22	6.19
9/2013	40,756	650,230	6.27	6.23	6.20
Annual Percentage Change				0.32%	0.32%
r^2				0.094	0.798

Severity Trends - Shelter Mutual Arkansas					
Fiscal Acc Year	Projected Ultimate Loss and LAE (Exh. B.III.e.1)	Projected Ultimate Claims (Exh. B.III.e.1)	Projected Ultimate Severity	Curve of Best Fit 12 Point	6 Point
12/2010	17,782,119	7,743	2,297	2,222	
3/2011	17,587,382	7,865	2,236	2,220	
6/2011	17,448,013	7,857	2,221	2,218	
9/2011	17,244,141	7,845	2,198	2,217	
12/2011	17,052,112	7,881	2,164	2,215	
3/2012	16,700,609	7,712	2,166	2,213	
6/2012	16,766,993	7,725	2,170	2,212	2,178
9/2012	17,027,638	7,700	2,211	2,210	2,192
12/2012	17,364,794	7,833	2,217	2,208	2,205
3/2013	17,609,408	7,981	2,206	2,207	2,218
6/2013	17,478,604	8,004	2,184	2,205	2,232
9/2013	18,197,980	7,968	2,284	2,203	2,246
Annual Percentage Change				-0.32%	2.46%
r^2				0.019	0.418

Frequency Trends - Shelter Mutual Arkansas					
Fiscal Acc Year	Projected Ultimate Claims (Exh. B.III.e.1)	Earned Exposures	Projected Frequency X 100	Curve of Best Fit 12 Point	6 Point
12/2010	7,743	133,991	5.78	5.81	
3/2011	7,865	133,816	5.88	5.83	
6/2011	7,857	133,574	5.88	5.85	
9/2011	7,845	133,235	5.89	5.87	
12/2011	7,881	132,845	5.93	5.89	
3/2012	7,712	132,415	5.82	5.90	
6/2012	7,725	131,990	5.85	5.92	5.86
9/2012	7,700	131,642	5.85	5.94	5.90
12/2012	7,833	131,471	5.96	5.96	5.94
3/2013	7,981	131,549	6.07	5.98	5.99
6/2013	8,004	131,976	6.06	6.00	6.03
9/2013	7,968	132,677	6.01	6.02	6.08
Annual Percentage Change				1.35%	3.05%
r^2				0.580	0.700

Severity Trends - Fast Track Arkansas					
Fiscal Acc Year	Incurred Loss and LAE	Paid Claims	Severity	Curve of Best Fit 12 Point	6 Point
6/2010	176,125,546	57,419	3,067	3,094	
9/2010	176,723,246	57,299	3,084	3,118	
12/2010	175,684,428	56,685	3,099	3,143	
3/2011	176,815,267	55,850	3,166	3,168	
6/2011	177,049,471	54,850	3,228	3,193	
9/2011	177,021,917	53,993	3,279	3,218	
12/2011	180,347,924	53,753	3,355	3,243	3,310
3/2012	176,298,681	53,749	3,280	3,269	3,310
6/2012	177,680,312	53,799	3,303	3,295	3,310
9/2012	176,668,770	53,745	3,287	3,321	3,311
12/2012	175,283,619	53,464	3,279	3,347	3,311
3/2013	179,266,177	53,352	3,360	3,374	3,311
Annual Percentage Change				3.21%	0.03%
r^2				0.775	0.000

Frequency Trends - Fast Track Arkansas					
Fiscal Acc Year	Paid Claims	Earned Exposures	Frequency X 100	Curve of Best Fit 12 Point	6 Point
6/2010	57,419	1,012,483	5.67	5.65	
9/2010	57,299	1,012,319	5.66	5.60	
12/2010	56,685	1,013,068	5.60	5.55	
3/2011	55,850	1,014,352	5.51	5.49	
6/2011	54,850	1,016,590	5.40	5.44	
9/2011	53,993	1,018,734	5.30	5.39	
12/2011	53,753	1,020,968	5.26	5.34	5.27
3/2012	53,749	1,024,755	5.25	5.29	5.25
6/2012	53,799	1,027,168	5.24	5.24	5.23
9/2012	53,745	1,029,988	5.22	5.20	5.21
12/2012	53,464	1,032,664	5.18	5.15	5.19
3/2013	53,352	1,033,874	5.16	5.10	5.17
Annual Percentage Change				-3.59%	-1.52%
r^2				0.918	0.941

Trend Factor					
Fiscal Acc Year	Midpoint of Experience Period	Number of Years to 9/30/2013	Selected Severity	Selected Frequency	Combined Trend Factor
9/30/2009	4/01/2009	4.5000	1.0932	1.0000	1.0932
9/30/2010	4/01/2010	3.5000	1.0718	1.0000	1.0718
9/30/2011	4/01/2011	2.5000	1.0508	1.0000	1.0508
9/30/2012	4/01/2012	1.5000	1.0301	1.0000	1.0301
9/30/2013	4/01/2013	0.5000	1.0100	1.0000	1.0100

Projection Factor				Combined Trend and Projection Factor
Years from 9/30/2013 to 1/01/2015	Selected Severity	Selected Frequency	Combined Projection Factor	
1.2548	1.0252	1.0000	1.0252	1.1207
1.2548	1.0252	1.0000	1.0252	1.0988
1.2548	1.0252	1.0000	1.0252	1.0773
1.2548	1.0252	1.0000	1.0252	1.0561
1.2548	1.0252	1.0000	1.0252	1.0355

**Shelter Mutual Insurance Company
Arkansas**

**Private Passenger Automobile - Comprehensive
Development of Combined Trend and Projection Factor**

Severity Trends - Shelter Mutual Companywide						
Fiscal Acc Year	Projected Ultimate Loss and LAE (Exh. B.III.f.1)	Projected Ultimate Claims (Exh. B.III.f.1)	Projected Ultimate Severity	Curve of Best Fit 12 Point	6 Point	
12/2010	39,143,136	43,919	891	926		
3/2011	39,766,856	43,115	922	938		
6/2011	41,008,959	42,585	963	951		
9/2011	41,931,093	42,728	981	964		
12/2011	42,439,131	42,731	993	977		
3/2012	43,081,517	42,432	1,015	990		
6/2012	42,019,045	41,569	1,011	1,003	1,017	
9/2012	42,056,143	40,417	1,041	1,016	1,024	
12/2012	41,300,119	39,933	1,034	1,030	1,030	
3/2013	40,763,226	40,069	1,017	1,044	1,037	
6/2013	42,117,464	40,712	1,035	1,057	1,044	
9/2013	42,438,286	39,800	1,066	1,072	1,051	
Annual Percentage Change				5.51%	2.64%	
r^2				0.834	0.434	

Frequency Trends - Shelter Mutual Companywide						
Fiscal Acc Year	Projected Ultimate Claims (Exh. B.III.f.1)	Earned Exposures	Projected Frequency X 100	Curve of Best Fit 12 Point	6 Point	
12/2010	43,919	681,910	6.44	6.40		
3/2011	43,115	682,403	6.32	6.35		
6/2011	42,585	682,111	6.24	6.31		
9/2011	42,728	681,086	6.27	6.27		
12/2011	42,731	679,526	6.29	6.22		
3/2012	42,432	677,633	6.26	6.18		
6/2012	41,569	675,306	6.16	6.14	6.40	
9/2012	40,417	672,963	6.01	6.09	6.35	
12/2012	39,933	671,223	5.95	6.05	6.31	
3/2013	40,069	670,242	5.98	6.01	6.27	
6/2013	40,712	670,458	6.07	5.97	6.22	
9/2013	39,800	671,333	5.93	5.93	6.18	
Annual Percentage Change				-2.63%	-2.68%	
r^2				0.843	0.343	

Severity Trends - Shelter Mutual Arkansas						
Fiscal Acc Year	Projected Ultimate Loss and LAE (Exh. B.III.f.1)	Projected Ultimate Claims (Exh. B.III.f.1)	Projected Ultimate Severity	Curve of Best Fit 12 Point	6 Point	
12/2010	8,570,582	10,179	842	905		
3/2011	8,515,321	9,809	868	916		
6/2011	9,102,257	9,663	942	927		
9/2011	9,538,406	9,683	985	938		
12/2011	9,773,811	9,609	1,017	950		
3/2012	9,964,200	9,568	1,041	961		
6/2012	9,297,112	9,454	983	973	968	
9/2012	9,249,092	9,443	979	984	976	
12/2012	9,522,822	9,808	971	996	984	
3/2013	9,594,957	9,899	969	1,008	992	
6/2013	9,732,998	9,796	994	1,020	1,000	
9/2013	9,820,848	9,519	1,032	1,032	1,008	
Annual Percentage Change				4.88%	3.28%	
r^2				0.450	0.432	

Frequency Trends - Shelter Mutual Arkansas						
Fiscal Acc Year	Projected Ultimate Claims (Exh. B.III.f.1)	Earned Exposures	Projected Frequency X 100	Curve of Best Fit 12 Point	6 Point	
12/2010	10,179	136,307	7.47	7.21		
3/2011	9,809	136,133	7.21	7.21		
6/2011	9,663	135,887	7.11	7.20		
9/2011	9,683	135,536	7.14	7.20		
12/2011	9,609	135,142	7.11	7.20		
3/2012	9,568	134,713	7.10	7.19		
6/2012	9,454	134,296	7.04	7.19	7.13	
9/2012	9,443	133,962	7.05	7.18	7.15	
12/2012	9,808	133,802	7.33	7.18	7.18	
3/2013	9,899	133,900	7.39	7.17	7.20	
6/2013	9,796	134,338	7.29	7.17	7.23	
9/2013	9,519	135,045	7.05	7.17	7.25	
Annual Percentage Change				-0.14%	1.40%	
r^2				0.011	0.075	

Severity Trends - Fast Track Arkansas						
Fiscal Acc Year	Incurred Loss and LAE	Paid Claims	Severity	Curve of Best Fit 12 Point	6 Point	
6/2010	113,611,326	86,616	1,312	1,276		
9/2010	93,540,860	81,414	1,149	1,282		
12/2010	92,378,494	81,400	1,135	1,287		
3/2011	85,862,521	78,595	1,092	1,292		
6/2011	136,211,079	92,389	1,474	1,298		
9/2011	149,172,941	96,684	1,543	1,303		
12/2011	150,928,922	96,088	1,571	1,309	1,565	
3/2012	153,896,368	96,394	1,597	1,314	1,471	
6/2012	101,039,586	78,910	1,280	1,320	1,382	
9/2012	92,461,982	74,855	1,235	1,325	1,299	
12/2012	89,209,429	74,224	1,202	1,331	1,221	
3/2013	89,395,033	73,612	1,214	1,336	1,147	
Annual Percentage Change				1.67%	-22.03%	
r^2				0.012	0.784	

Frequency Trends - Fast Track Arkansas						
Fiscal Acc Year	Paid Claims	Earned Exposures	Frequency X 100	Curve of Best Fit 12 Point	6 Point	
6/2010	86,616	1,039,220	8.33	8.58		
9/2010	81,414	1,039,504	7.83	8.47		
12/2010	81,400	1,040,757	7.82	8.35		
3/2011	78,595	1,042,569	7.54	8.25		
6/2011	92,389	1,045,465	8.84	8.14		
9/2011	96,684	1,048,203	9.22	8.03		
12/2011	96,088	1,050,899	9.14	7.92	9.08	
3/2012	96,394	1,055,163	9.14	7.82	8.51	
6/2012	78,910	1,057,951	7.46	7.72	7.98	
9/2012	74,855	1,061,119	7.05	7.62	7.48	
12/2012	74,224	1,064,105	6.98	7.52	7.01	
3/2013	73,612	1,065,578	6.91	7.42	6.57	
Annual Percentage Change				-5.12%	-22.80%	
r^2				0.188	0.824	

Trend Factor					
Fiscal Acc Year	Midpoint of Experience Period	Number of Years to 9/30/2013	Selected Severity 2.00%	Selected Frequency 0.00%	Combined Trend Factor
9/30/2009	4/01/2009	4.5000	1.0932	1.0000	1.0932
9/30/2010	4/01/2010	3.5000	1.0718	1.0000	1.0718
9/30/2011	4/01/2011	2.5000	1.0508	1.0000	1.0508
9/30/2012	4/01/2012	1.5000	1.0301	1.0000	1.0301
9/30/2013	4/01/2013	0.5000	1.0100	1.0000	1.0100

Projection Factor				Combined Trend and Projection Factor
Years from 9/30/2013 to 1/01/2015	Selected Severity 2.00%	Selected Frequency 0.00%	Combined Projection Factor	
1.2548	1.0252	1.0000	1.0252	1.1207
1.2548	1.0252	1.0000	1.0252	1.0988
1.2548	1.0252	1.0000	1.0252	1.0773
1.2548	1.0252	1.0000	1.0252	1.0561
1.2548	1.0252	1.0000	1.0252	1.0355

**Shelter Mutual Insurance Company
Private Passenger Automobile
Arkansas**

Current Rate Level Factors as of September 30, 2013

The parallelogram method was used to develop the current rate level factors shown below given the following rate change history. The effective dates of the changes shown are for renewal business.

Current Rate Level Factors by Coverage

<u>Fiscal Year Ending</u>	Bodily Injury / Property Damage	Medical Payments	Uninsured Motorist	Collision	Comprehensive	Total
September 30, 2009	1.1203	1.3404	0.9920	0.8772	1.1874	1.0542
September 30, 2010	1.0628	1.2348	0.9920	0.9064	1.1394	1.0300
September 30, 2011	0.9943	1.1254	0.9920	0.9302	1.0437	0.9908
September 30, 2012	0.9660	1.0860	0.9920	0.9320	0.9890	0.9700
September 30, 2013	0.9803	1.0477	0.9954	0.9599	0.9937	0.9826

Rate Change History by Coverage (Percent Changes)

<u>Effective Date</u>	Bodily Injury / Property Damage	Medical Payments	Uninsured Motorist	Collision	Comprehensive	Total
December 29, 2009	9.2 %	14.6 %	0.0 %	-5.5 %	7.2 %	4.0 %
January 26, 2011	6.2 %	7.7 %	0.0 %	-0.4 %	12.0 %	4.5 %
February 5, 2013	-3.4 %	8.6 %	-0.8 %	-6.8 %	-1.1 %	-3.0 %

Shelter Mutual Insurance Company
Private Passenger Automobile
Companywide
Development of Unallocated Loss Adjustment Factor

Exhibit B.VI

Liability, excluding Property Damage

Note: Amounts in 000's	2010	2011	2012	Total
1. Direct Loss and Allocated Loss Adjustment Expense Incurred	\$145,894	\$141,780	\$146,580	\$434,254
2. Direct Unallocated Loss Adjustment Expense Incurred	\$12,998	\$9,478	\$13,017	\$35,493
3. Ratio of Direct ULAE Incurred to Direct Loss and ALAE Incurred	8.9%	6.7%	8.9%	8.2%

Property Damage Liability

Note: Amounts in 000's	2010	2011	2012	Total
1. Direct Loss and Allocated Loss Adjustment Expense Incurred	\$87,164	\$84,705	\$87,573	\$259,443
2. Direct Unallocated Loss Adjustment Expense Incurred	\$7,766	\$5,662	\$7,777	\$21,205
3. Ratio of Direct ULAE Incurred to Direct Loss and ALAE Incurred	8.9%	6.7%	8.9%	8.2%

Physical Damage

Note: Amounts in 000's	2010	2011	2012	Total
1. Direct Loss and Allocated Loss Adjustment Expense Incurred	\$155,955	\$180,745	\$166,170	\$502,870
2. Direct Unallocated Loss Adjustment Expense Incurred	\$16,884	\$14,556	\$17,757	\$49,197
3. Ratio of Direct ULAE Incurred to Direct Loss and ALAE Incurred	10.8%	8.1%	10.7%	9.8%

Source: Insurance Expense Exhibit

Shelter Mutual Insurance Company

Arkansas

Private Passenger Liability

Calculation of Expected Loss Ratio

Commission and Brokerage (a)			11.5%
Other Acquisition Expense (a)			4.3%
General Expense (a)			7.2%
Arkansas Taxes, Licenses and Fees (b)			2.9%
Profit and Contingencies		5.0%	
Less Investment Credit on Policyholder Funds (c)	-	3.6%	
Net Profit and Contingencies			1.4%
Sub-total			27.3%
Available for Losses and Loss Adjustment Expense			72.7%

(a) From attached Companywide Expense Ratios

(b) 2012 Premium Tax ratio in Arkansas

(c) From attached calculation of Investment Income Credit on Policyholder Funds

Shelter Mutual Insurance Company

Arkansas

Private Passenger Liability

Calculation of Investment Income Credit on Policyholder Funds

A. Unearned Premium Reserve		
(1) Direct Earned Premium for Calendar Year 2012	\$	67,798,962
(2) Mean Unearned Premium Reserve: (1.) x 0.263	\$	17,831,127
(3) Deductions for Prepaid Expenses:		
a. Brokerage and Commission	11.5%	
b. 50% of Other Acquisition Expense	2.2%	
c. 50% of General Expense	3.6%	
d. Taxes, Licenses and Fees	2.9%	
e. Total		20.2%
(4) Net Unearned Premium Subject to Investment: (2.) x (1 - (3.))	\$	14,229,239
B. Loss Reserves		
1. Direct Earned Premium for Calendar Year 2012	\$	67,798,962
2. Expected Incurred Loss and Loss Adjustment: (1.) x 0.741	\$	50,239,031
3. Expected Mean Loss Reserve: (2.) x 0.888	\$	44,612,260
C. Net Subject to Investment: A.4 + B.3	\$	58,841,499
D. Average Rate of Return		0.0546
E. Investment Earnings on Net Subject to Investment: C x D	\$	3,212,746
F. Average Rate of Return as a Percent of Direct Premium Earned: E / A.1		4.7%
G. Average Rate of Return as a Percent of Direct Premium Earned After Federal Income Tax: F x 0.771		3.6%

Please refer to the attached explanatory memorandum for details by line

Explanatory Memorandum re Investment Income - Arkansas - Private Passenger Liability

Line A.1 - Direct earned premium as shown on page 14 for the State of Arkansas, Private Passenger Liability, for Calendar Year 2012.

Line A.2 - The mean unearned premium reserve is determined by multiplying the direct earned premium in Line A.1 by the mean unearned premium ratio developed below.

1. Direct Earned Premium for Calendar Year 2012	\$ 67,798,962
2. Unearned Premium Reserve as of 12/31/2011	\$ 17,740,452
3. Unearned Premium Reserve as of 12/31/2012	\$ 17,933,393
4. Mean Unearned Premium Reserve: ((2.) + (3.)) / 2	\$ 17,836,923
5. Mean Unearned Premium Ratio: (4.) / (1.)	0.263

Line A.3 - Production and half of other company expenses are incurred with the initial writing and processing of insurance policies, exclusive of claim adjustment expenses. As these expenses are in effect prepaid, the funds will not be available to invest on behalf of the policyholder. The deduction for these expenses is determined by use of the provisions for expenses used in our ratemaking procedures as shown.

Line B.2 - The expected loss and loss adjustment ratio reflects expense provisions used in this filing with no provision for profit.

Line B.3 - The expected mean loss reserve is determined by multiplying the expected incurred loss in Line B.2 by the mean loss and loss adjustment reserve ratio as shown below.

1. Incurred Losses for Calendar Year 2011	\$ 36,956,104
2. Incurred Losses for Calendar Year 2012	\$ 39,949,828
3. Loss Reserves as of 12/31/2010	\$ 35,679,627
4. Loss Reserves as of 12/31/2011	\$ 33,143,517
5. Loss Reserves as of 12/31/2012	\$ 34,257,411
6. Mean Loss Reserve 2011	\$ 34,411,572
7. Mean Loss Reserve 2012	\$ 33,700,464
8. 2011 Ratio: (6.) / (1.)	0.931
9. 2012 Ratio: (7.) / (2.)	0.844
10. Mean Ratio: ((8.) + (9.)) / 2	0.888

Explanatory Memorandum re Investment Income - Continued

- Line D - The rate of return is the ratio of Net Income Earned and Net Realized Capital Gains/Losses to Mean Cash and Invested Assets. Due to the inherent variability of Capital Gains/Losses, we have used the most recent ten years of data. All data shown below is from the annual statement

1. Cash and Invested Assets 2010	0	\$	1,785,588,727
2. Cash and Invested Assets 2011	0	\$	1,721,432,518
3. Cash and Invested Assets 2012	0	\$	1,937,420,334
4. Net Investment Income Earned 2011	0	\$	68,549,235
5. Net Investment Income Earned 2012	0	\$	65,643,862
6. Mean Cash and Invested Assets 2011: (2. + 3.) / 2	0	\$	1,753,510,623
7. Mean Cash and Invested Assets 2012: (2. + 3.) / 2	0	\$	1,829,426,426
8. Mean Rate of Return: (4. + 5.) / (6. + 7.)			0.0375
9. Mean Cash and Invested Assets 2003 - 2012	0	\$	16,036,569,686
10. Net Realized Capital Gains/Losses 2003 - 2012	0	\$	274,719,839
11. Mean Rate of Return: 10. / 9.			0.0171
12. Total Rate of Return: 8. + 11.			0.0546

- Line G - The average rate of Federal Income Tax was determined by applying the expected average tax rate for Net Investment Income and the expected tax rate applicable to Net Realized Capital Gains/Losses to the rates of return calculated in Line D.

	<u>Rate of Return</u>	<u>Federal Tax Rate</u>
Net Investment Income Earned	0.0375	0.174 (A)
Net Realized Capital Gains/Losses	0.0171	0.350
Total	0.0546	0.229

- (A) The expected average rate of Federal Income Tax on Net Investment Income was determined by applying the expected 2013 tax rates to the distribution of investment income earned for the years 2011 and 2012. The calculations are shown below:

Type of Investment	Net Income Earned (1)			Tax Rate	Federal Tax
	2011	2012	Total		
Bonds (Taxable)	\$ 16,367,297	\$ 13,379,920	\$ 29,747,217	0.350	\$ 10,411,526
Bonds (Tax Exempt)	\$ 36,263,741	\$ 36,017,145	\$ 72,280,886	0.053	\$ 3,830,887
Stocks	\$ 7,492,773	\$ 8,306,445	\$ 15,799,218	0.210	\$ 3,317,836
Short Term	\$ 17,062	\$ 25,247	\$ 42,310	0.350	\$ 14,808
Real Estate	\$ 3,568,478	\$ 3,205,702	\$ 6,774,180	0.350	\$ 2,370,963
Other Investments	\$ 4,839,883	\$ 4,709,403	\$ 9,549,286	0.350	\$ 3,342,250
Total	\$ 68,549,235	\$ 65,643,862	\$ 134,193,097	0.174	\$ 23,288,270

- (1) Investment deductions have been allocated to the appropriate type in the following manner:
- Real Estate - Income Earned less depreciation (Page 6, Line 12), Real Estate Expenses and Taxes (Page 11, Lines 19 and 20, Column 3).
 - All Other - Investment Expenses less Real Estate Expenses and Taxes prorated by income earned to total income earned less Real Estate Income.

Shelter Mutual Insurance Company

Companywide

Private Passenger Liability

Development of Expense Ratios

Note: 000 s omitted.	2010	2011	2012	Total
1.) Direct Commission and Brokerage	\$ 38,938	\$ 37,709	\$ 39,879	\$ 116,526
2.) Direct Written Premium	329,747	340,008	345,409	1,015,164
Ratio: 1 / 2	11.8%	11.1%	11.5%	11.5%
3.) Other Acquisition Expense	\$ 13,465	\$ 13,750	\$ 15,900	\$ 43,115
4.) Direct Earned Premium	325,780	338,970	343,684	1,008,434
Ratio: 3 / 4	4.1%	4.1%	4.6%	4.3%
5.) General Expense	\$ 24,306	\$ 23,873	\$ 24,592	\$ 72,771
6.) Direct Earned Premium	325,780	338,970	343,684	1,008,434
Ratio: 5 / 6	7.5%	7.0%	7.2%	7.2%
7.) Taxes, Licenses and Fees	\$ 8,358	\$ 8,145	\$ 8,522	\$ 25,025
8.) Direct Written Premium	329,747	340,008	345,409	1,015,164
Ratio: 7 / 8	2.5%	2.4%	2.5%	2.5%
9.) Direct Loss Adjustment Expense	\$ 29,255	\$ 23,581	\$ 30,631	\$ 83,467
10.) Direct Losses Incurred	224,567	218,044	224,316	666,927
Ratio: 9 / 10	13.0%	10.8%	13.7%	12.5%

Source: Insurance Expense Exhibit.

Shelter Mutual Insurance Company

Arkansas

Private Passenger Physical Damage

Calculation of Expected Loss Ratio

Commission and Brokerage (a)		11.5%
Other Acquisition Expense (a)		4.3%
General Expense (a)		7.2%
Arkansas Taxes, Licenses and Fees (b)		2.9%
Profit and Contingencies	5.0%	
Less Investment Credit on Policyholder Funds (c) -	1.0%	
Net Profit and Contingencies		4.0%
Sub-total		29.9%
Available for Losses and Loss Adjustment Expense		70.1%

(a) From attached Companywide Expense Ratios

(b) 2012 Premium Tax ratio in Arkansas

(c) From attached calculation of Investment Income Credit on Policyholder Funds

Shelter Mutual Insurance Company

Arkansas

Private Passenger Physical Damage

Calculation of Investment Income Credit on Policyholder Funds

A. Unearned Premium Reserve		
(1) Direct Earned Premium for Calendar Year 2012	\$	53,158,137
(2) Mean Unearned Premium Reserve: (1.) x 0.27	\$	14,352,697
(3) Deductions for Prepaid Expenses:		
a. Brokerage and Commission	11.5%	
b. 50% of Other Acquisition Expense	2.2%	
c. 50% of General Expense	3.6%	
d. Taxes, Licenses and Fees	2.9%	
e. Total		20.2%
(4) Net Unearned Premium Subject to Investment: (2.) x (1 - (3.))	\$	11,453,452
B. Loss Reserves		
1. Direct Earned Premium for Calendar Year 2012	\$	53,158,137
2. Expected Incurred Loss and Loss Adjustment: (1.) x 0.741	\$	39,390,180
3. Expected Mean Loss Reserve: (2.) x 0.029	\$	1,142,315
C. Net Subject to Investment: A.4 + B.3	\$	12,595,767
D. Average Rate of Return		0.0546
E. Investment Earnings on Net Subject to Investment: C x D	\$	687,729
F. Average Rate of Return as a Percent of Direct Premium Earned: E / A.1		1.3%
G. Average Rate of Return as a Percent of Direct Premium Earned After Federal Income Tax: F x 0.771		1.0%

Please refer to the attached explanatory memorandum for details by line

Explanatory Memorandum re Investment Income - Arkansas - Private Passenger Physical Damage

Line A.1 - Direct earned premium as shown on page 14 for the State of Arkansas, Private Passenger Physical Damage, for Calendar Year 2012.

Line A.2 - The mean unearned premium reserve is determined by multiplying the direct earned premium in Line A.1 by the mean unearned premium ratio developed below.

1. Direct Earned Premium for Calendar Year 2012	\$ 53,158,137
2. Unearned Premium Reserve as of 12/31/2011	\$ 13,945,651
3. Unearned Premium Reserve as of 12/31/2012	\$ 14,723,566
4. Mean Unearned Premium Reserve: ((2.) + (3.)) / 2	\$ 14,334,608
5. Mean Unearned Premium Ratio: (4.) / (1.)	0.270

Line A.3 - Production and half of other company expenses are incurred with the initial writing and processing of insurance policies, exclusive of claim adjustment expenses. As these expenses are in effect prepaid, the funds will not be available to invest on behalf of the policyholder. The deduction for these expenses is determined by use of the provisions for expenses used in our ratemaking procedures as shown.

Line B.2 - The expected loss and loss adjustment ratio reflects expense provisions used in this filing with no provision for profit.

Line B.3 - The expected mean loss reserve is determined by multiplying the expected incurred loss in Line B.2 by the mean loss and loss adjustment reserve ratio as shown below.

1. Incurred Losses for Calendar Year 2011	\$ 36,912,201
2. Incurred Losses for Calendar Year 2012	\$ 29,166,337
3. Loss Reserves as of 12/31/2010	\$ 911,951
4. Loss Reserves as of 12/31/2011	\$ 1,030,297
5. Loss Reserves as of 12/31/2012	\$ 789,012
6. Mean Loss Reserve 2011	\$ 971,124
7. Mean Loss Reserve 2012	\$ 909,654
8. 2011 Ratio: (6.) / (1.)	0.026
9. 2012 Ratio: (7.) / (2.)	0.031
10. Mean Ratio: ((8.) + (9.)) / 2	0.029

Explanatory Memorandum re Investment Income - Continued

Line D - The rate of return is the ratio of Net Income Earned and Net Realized Capital Gains/Losses to Mean Cash and Invested Assets. Due to the inherent variability of Capital Gains/Losses, we have used the most recent ten years of data. All data shown below is from the annual statement

1. Cash and Invested Assets 2010	0	\$	1,785,588,727
2. Cash and Invested Assets 2011	0	\$	1,721,432,518
3. Cash and Invested Assets 2012	0	\$	1,937,420,334
4. Net Investment Income Earned 2011	0	\$	68,549,235
5. Net Investment Income Earned 2012	0	\$	65,643,862
6. Mean Cash and Invested Assets 2011: (2. + 3.) / 2	0	\$	1,753,510,623
7. Mean Cash and Invested Assets 2012: (2. + 3.) / 2	0	\$	1,829,426,426
8. Mean Rate of Return: (4. + 5.) / (6. + 7.)			0.0375
9. Mean Cash and Invested Assets 2003 - 2012	0	\$	16,036,569,686
10. Net Realized Capital Gains/Losses 2003 - 2012	0	\$	274,719,839
11. Mean Rate of Return: 10. / 9.			0.0171
12. Total Rate of Return: 8. + 11.			0.0546

Line G - The average rate of Federal Income Tax was determined by applying the expected average tax rate for Net Investment Income and the expected tax rate applicable to Net Realized Capital Gains/Losses to the rates of return calculated in Line D.

	<u>Rate of Return</u>	<u>Federal Tax Rate</u>
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Total	0.0546	0.229

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Bonds (Tax Exempt)	\$ 36,263,741	\$ 36,017,145	\$ 72,280,886	0.053	\$ 3,830,887
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Short Term	\$ 17,062	\$ 25,247	\$ 42,310	0.350	\$ 14,808
Real Estate	\$ 3,568,478	\$ 3,205,702	\$ 6,774,180	0.350	\$ 2,370,963
Other Investments	\$ 4,839,883	\$ 4,709,403	\$ 9,549,286	0.350	\$ 3,342,250
Total	\$ 68,549,235	\$ 65,643,862	\$ 134,193,097	0.174	\$ 23,288,270

(1) Investment deductions have been allocated to the appropriate type in the following manner:

Real Estate - Income Earned less depreciation (Page 6, Line 12), Real Estate Expenses and Taxes (Page 11, Lines 19 and 20, Column 3).

All Other - Investment Expenses less Real Estate Expenses and Taxes prorated by income earned to total income earned less Real Estate Income.

Shelter Mutual Insurance Company

Companywide

Private Passenger Physical Damage

Development of Expense Ratios

Note: 000 s omitted.	2010	2011	2012	Total
1.) Direct Commission and Brokerage	\$ 28,266	\$ 27,606	\$ 29,700	\$ 85,572
2.) Direct Written Premium	237,524	249,142	256,322	742,988
Ratio: 1 / 2	11.9%	11.1%	11.6%	11.5%
3.) Other Acquisition Expense	\$ 9,701	\$ 10,080	\$ 11,797	\$ 31,578
4.) Direct Earned Premium	234,876	246,996	253,652	735,524
Ratio: 3 / 4	4.1%	4.1%	4.7%	4.3%
5.) General Expense	\$ 17,511	\$ 17,502	\$ 18,245	\$ 53,259
6.) Direct Earned Premium	234,876	246,996	253,652	735,524
Ratio: 5 / 6	7.5%	7.1%	7.2%	7.2%
7.) Taxes, Licenses and Fees	\$ 5,949	\$ 5,769	\$ 6,060	\$ 17,778
8.) Direct Written Premium	237,524	249,142	256,322	742,988
Ratio: 7 / 8	2.5%	2.3%	2.4%	2.4%
9.) Direct Loss Adjustment Expense	\$ 17,137	\$ 15,524	\$ 18,656	\$ 51,317
10.) Direct Losses Incurred	155,702	179,777	165,271	500,750
Ratio: 9 / 10	11.0%	8.6%	11.3%	10.2%

Source: Insurance Expense Exhibit.

**Shelter Insurance Companies
Private Passenger Automobile
Calculation of Factor to Adjust Fixed Costs**

Exhibit B.VIII.a

Quarter Ending	20-Point		12-Point		6-Point	
	Actual	Fitted	Actual	Fitted	Actual	Fitted
Sep-08	219.3	212.1				
Dec-08	213.1	213.1				
Mar-09	212.0	214.2				
Jun-09	214.3	215.2				
Sep-09	215.7	216.3				
Dec-09	216.2	217.3				
Mar-10	217.0	218.4				
Jun-10	218.1	219.5				
Sep-10	218.3	220.6	218.3	219.5		
Dec-10	218.9	221.6	218.9	220.8		
Mar-11	221.7	222.7	221.7	222.1		
Jun-11	225.5	223.8	225.5	223.4		
Sep-11	226.5	224.9	226.5	224.7		
Dec-11	226.1	226.0	226.1	226.0		
Mar-12	227.9	227.1	227.9	227.3	227.9	228.3
Jun-12	229.8	228.3	229.8	228.6	229.8	229.2
Sep-12	230.3	229.4	230.3	229.9	230.3	230.1
Dec-12	230.4	230.5	230.4	231.3	230.4	231.0
Mar-13	231.7	231.6	231.7	232.6	231.7	231.9
Jun-13	233.0	232.8	233.0	234.0	233.0	232.8
r ²		0.898		0.932		0.933
Annual Change		2.0%		2.3%		1.6%
Selected Factor to Trend Fixed Costs						2.5%

Note: Fitted columns are generated using exponential regression...(y=exp^{a+bx}).

**Shelter Insurance Companies
Private Passenger Automobile**

Exhibit B.VIII.b

Trend of Medical Component in the Consumer Price Index

Quarter Ending	20-Point		12-Point		6-Point	
	Actual	Fitted	Actual	Fitted	Actual	Fitted
Sep-08	364.5	365.0				
Dec-08	366.5	368.0				
Mar-09	371.8	371.0				
Jun-09	374.8	374.0				
Sep-09	376.7	377.1				
Dec-09	379.2	380.1				
Mar-10	385.2	383.2				
Jun-10	387.9	386.4				
Sep-10	389.0	389.5	389.0	389.2		
Dec-10	391.6	392.7	391.6	392.4		
Mar-11	396.2	395.9	396.2	395.6		
Jun-11	399.2	399.1	399.2	398.9		
Sep-11	400.9	402.3	400.9	402.2		
Dec-11	404.6	405.6	404.6	405.5		
Mar-12	410.0	408.9	410.0	408.8	410.0	410.8
Jun-12	413.8	412.3	413.8	412.2	413.8	413.5
Sep-12	417.3	415.6	417.3	415.5	417.3	416.3
Dec-12	418.6	419.0	418.6	419.0	418.6	419.0
Mar-13	422.7	422.4	422.7	422.4	422.7	421.8
Jun-13	423.6	425.9	423.6	425.9	423.6	424.6
r ²		0.996		0.990		0.972
Annual Change		3.3%		3.3%		2.7%

Note: Fitted columns are generated using exponential regression...(y=exp^{a+bx}).