

State: Arkansas **Filing Company:** Encompass Indemnity Company
TOI/Sub-TOI: 19.0 Personal Auto/19.0001 Private Passenger Auto (PPA)
Product Name: EI PPA
Project Name/Number: Edge Auto Rate Factor/1519866

Filing at a Glance

Company: Encompass Indemnity Company
Product Name: EI PPA
State: Arkansas
TOI: 19.0 Personal Auto
Sub-TOI: 19.0001 Private Passenger Auto (PPA)
Filing Type: Rate/Rule
Date Submitted: 12/24/2013
SERFF Tr Num: ALSE-129351144
SERFF Status: Closed-Filed
State Tr Num:
State Status:
Co Tr Num: ER-2415

Effective Date: 06/14/2014
Requested (New):
Effective Date: 06/14/2014
Requested (Renewal):
Author(s): Kelly Urban, Andi Colosi
Reviewer(s): Alexa Grissom (primary)
Disposition Date: 02/25/2014
Disposition Status: Filed
Effective Date (New): 06/04/2014
Effective Date (Renewal): 06/04/2014

State Filing Description:

State: Arkansas **Filing Company:** Encompass Indemnity Company
TOI/Sub-TOI: 19.0 Personal Auto/19.0001 Private Passenger Auto (PPA)
Product Name: EI PPA
Project Name/Number: Edge Auto Rate Factor/1519866

General Information

Project Name: Edge Auto Rate Factor Status of Filing in Domicile:
 Project Number: 1519866 Domicile Status Comments:
 Reference Organization: N/A Reference Number:
 Reference Title: Advisory Org. Circular:
 Filing Status Changed: 02/25/2014
 State Status Changed: Deemer Date:
 Created By: Claire Hunter Submitted By: Kelly Urban
 Corresponding Filing Tracking Number: N/A

Filing Description:

With this filing we are revising the Rate Adjustment Factors, Excess Liability rates, and Work Loss Coverage and Accidental Death Benefit rates.

These revisions propose an overall rate change of 5.0%. Further details of our filing are included in Attachments/Exhibits.

Company and Contact

Filing Contact Information

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

Filing Company Information

Encompass Indemnity Company	CoCode: 15130	State of Domicile: Illinois
2775 Sanders Rd.	Group Code: 8	Company Type: Property and
Suite A2-W	Group Name: Allstate	Casualty
Northbrook, IL 60062	FEIN Number: 59-2366357	State ID Number:
(847) 402-5000 ext. [Phone]		

Filing Fees

Fee Required? Yes
 Fee Amount: \$100.00
 Retaliatory? No
 Fee Explanation: Rate/loss cost—changes to loss cost multiplier or independent rate filing \$100
 Per Company: No

Company	Amount	Date Processed	Transaction #
Encompass Indemnity Company	\$100.00	12/24/2013	77780495

State: Arkansas

Filing Company:

Encompass Indemnity Company

TOI/Sub-TOI: 19.0 Personal Auto/19.0001 Private Passenger Auto (PPA)

Product Name: EI PPA

Project Name/Number: Edge Auto Rate Factor/1519866

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Alexa Grissom	02/25/2014	02/25/2014

Objection Letters and Response Letters

Objection Letters

Status	Created By	Created On	Date Submitted
Pending Industry Response	Alexa Grissom	02/18/2014	02/18/2014
Pending Industry Response	Alexa Grissom	01/28/2014	01/28/2014
Pending Industry Response	Alexa Grissom	01/09/2014	01/09/2014

Response Letters

Responded By	Created On	Date Submitted
Andi Colosi	02/18/2014	02/18/2014
Andi Colosi	02/13/2014	02/13/2014
Andi Colosi	01/17/2014	01/17/2014

State: Arkansas
TOI/Sub-TOI: 19.0 Personal Auto/19.0001 Private Passenger Auto (PPA)
Product Name: EI PPA
Project Name/Number: Edge Auto Rate Factor/1519866
Filing Company: Encompass Indemnity Company

Disposition

Disposition Date: 02/25/2014

Effective Date (New): 06/04/2014

Effective Date (Renewal): 06/04/2014

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):
Encompass Indemnity Company	7.600%	5.000%	\$98,281	1,238	\$1,965,614	10.800%	1.800%

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	A-1 Private Passenger Auto Abstract	Filed	Yes
Supporting Document (revised)	APCS-Auto Premium Comparison Survey	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	Auto Indication Memorandum and Exhibits	Filed	Yes
Supporting Document	Underwriting Profit Provision Exhibits	Filed	Yes
Supporting Document	Attachment I - 1/17/14 Objection Response	Filed	Yes
Rate	Motor Vehicle Rate Pages	Filed	Yes
Rate	Motor Vehicle Rules Manual	Filed	Yes
Rate	Personal Umbrella Rules Manual	Filed	Yes
Rate	Territory Definitions and Base Rates	Filed	Yes

State: Arkansas **Filing Company:** Encompass Indemnity Company
TOI/Sub-TOI: 19.0 Personal Auto/19.0001 Private Passenger Auto (PPA)
Product Name: EI PPA
Project Name/Number: Edge Auto Rate Factor/1519866

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	02/18/2014
Submitted Date	02/18/2014
Respond By Date	

Dear Andi Colosi,

Introduction:

This will acknowledge receipt of the captioned filing. Please resubmit the APCS in xls.

Conclusion:

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

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

Sincerely,

Alexa Grissom

State: Arkansas **Filing Company:** Encompass Indemnity Company
TOI/Sub-TOI: 19.0 Personal Auto/19.0001 Private Passenger Auto (PPA)
Product Name: EI PPA
Project Name/Number: Edge Auto Rate Factor/1519866

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	01/28/2014
Submitted Date	01/28/2014
Respond By Date	

Dear Andi Colosi,

Introduction:

This will acknowledge receipt of the captioned filing. Territories should not contain just one or two zip codes. Territory definitions should be amended to include enough risks to be credible.

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

Conclusion:

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

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

Sincerely,

Alexa Grissom

State: Arkansas **Filing Company:** Encompass Indemnity Company
TOI/Sub-TOI: 19.0 Personal Auto/19.0001 Private Passenger Auto (PPA)
Product Name: EI PPA
Project Name/Number: Edge Auto Rate Factor/1519866

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	01/09/2014
Submitted Date	01/09/2014
Respond By Date	

Dear Andi Colosi,

Introduction:

This will acknowledge receipt of the captioned filing. Please submit an exhibit that lists the Territory number and all the zip codes in that territory for each separate territory.

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

Conclusion:

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

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

Sincerely,

Alexa Grissom

SERFF Tracking #:

ALSE-129351144

State Tracking #:

Company Tracking #:

ER-2415

State: Arkansas

Filing Company: Encompass Indemnity Company

TOI/Sub-TOI: 19.0 Personal Auto/19.0001 Private Passenger Auto (PPA)

Product Name: EI PPA

Project Name/Number: Edge Auto Rate Factor/1519866

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	02/18/2014
Submitted Date	02/18/2014

Dear Alexa Grissom,

Introduction:

Hi Alexa: Thanks again for your help! I'm not sure what happened with our previous Excel version of the APCS, so I apologize for that oversight. I've attached a new version here and reopened it to make sure it works - hopefully it does on your end too!

As always, please don't hesitate to contact me if you need anything else.

Andi

Response 1

Comments:

Please see the .xls version of the APCS attached

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	APCS-Auto Premium Comparison Survey
Comments:	
Attachment(s):	06._ER-2415_APCS_EIND_Survey_Form.pdf 06._APCS_EIND_Survey_Form_ER-2415.xls
<i>Previous Version</i>	
Satisfied - Item:	APCS-Auto Premium Comparison Survey
Comments:	
Attachment(s):	06._APCS_EIND_Survey_Form_ER-2415.xlsx 06._ER-2415_APCS_EIND_Survey_Form.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

SERFF Tracking #:

ALSE-129351144

State Tracking #:

Company Tracking #:

ER-2415

State:

Arkansas

Filing Company:

Encompass Indemnity Company

TOI/Sub-TOI:

19.0 Personal Auto/19.0001 Private Passenger Auto (PPA)

Product Name:

EI PPA

Project Name/Number:

Edge Auto Rate Factor/1519866

Sincerely,
Andi Colosi

SERFF Tracking #:

ALSE-129351144

State Tracking #:

Company Tracking #:

ER-2415

State: Arkansas

Filing Company:

Encompass Indemnity Company

TOI/Sub-TOI: 19.0 Personal Auto/19.0001 Private Passenger Auto (PPA)

Product Name: EI PPA

Project Name/Number: Edge Auto Rate Factor/1519866

Response Letter

Response Letter Status Submitted to State
Response Letter Date 02/13/2014
Submitted Date 02/13/2014

Dear Alexa Grissom,

Introduction:

Hi Alexa: Thanks again for talking with us yesterday - we really appreciate your time and help. Please see our response below and let us know if you need anything else.

Have a good afternoon,
Andi

Response 1

Comments:

Per our conference call on 2/11/14, we do not group only one or two zip codes into a territory for determining rates. We are resending our territory and base rate pages formatted to show the territories by coverage that are used to group zip codes into credible groupings.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

Rate Schedule Item Changes					
Item No.	Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing Number	Date Submitted
1	Territory Definitions and Base Rates		Replacement		02/13/2014 By: Andi Colosi

Conclusion:

Sincerely,
Andi Colosi

SERFF Tracking #:

ALSE-129351144

State Tracking #:

Company Tracking #:

ER-2415

State:

Arkansas

Filing Company:

Encompass Indemnity Company

TOI/Sub-TOI:

19.0 Personal Auto/19.0001 Private Passenger Auto (PPA)

Product Name:

EI PPA

Project Name/Number:

Edge Auto Rate Factor/1519866

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	01/17/2014
Submitted Date	01/17/2014

Dear Alexa Grissom,

Introduction:

Hi Alexa: As always, thanks for your help with our filing. Please see our response below and let us know if you have any additional questions or concerns.

Have a great weekend-
Andi

Response 1

Comments:

Please reference Attachment I that lists territory numbers with their corresponding zip codes.

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	Attachment I - 1/17/14 Objection Response
Comments:	
Attachment(s):	Attachment I.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Sincerely,
Andi Colosi

SERFF Tracking #:

ALSE-129351144

State Tracking #:

Company Tracking #:

ER-2415

State: Arkansas

Filing Company: Encompass Indemnity Company

TOI/Sub-TOI: 19.0 Personal Auto/19.0001 Private Passenger Auto (PPA)

Product Name: EI PPA

Project Name/Number: Edge Auto Rate Factor/1519866

Rate Information

Rate data applies to filing.

Filing Method: File and Use

Rate Change Type: Increase

Overall Percentage of Last Rate Revision: 5.000%

Effective Date of Last Rate Revision: 06/14/2013

Filing Method of Last Filing: File and Use

Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
Encompass Indemnity Company	7.600%	5.000%	\$98,281	1,238	\$1,965,614	10.800%	1.800%

SERFF Tracking #:

ALSE-129351144

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

ER-2415

State: Arkansas**Filing Company:**

Encompass Indemnity Company

TOI/Sub-TOI: 19.0 Personal Auto/19.0001 Private Passenger Auto (PPA)**Product Name:** EI PPA**Project Name/Number:** Edge Auto Rate Factor/1519866

Rate/Rule Schedule

Item No.	Schedule Item Status	Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing Number	Attachments
1	Filed 02/25/2014	Motor Vehicle Rate Pages		Replacement	ALSE-128975108	10._ER-2415_Motor_Vehicle_Rate_Pages.pdf
2	Filed 02/25/2014	Motor Vehicle Rules Manual		Replacement	ALSE-128975108	11._ER-2415_Motor_Vehicle_Rules_Manual.pdf
3	Filed 02/25/2014	Personal Umbrella Rules Manual		Replacement	ALSE-128975108	12._ER-2415_Personal_Umbrella_Rules_Manual.pdf
4	Filed 02/25/2014	Territory Definitions and Base Rates		Replacement		Territory Definitions and Base Rates.pdf



ARKANSAS USP PORTFOLIO
MOTOR VEHICLE RATE PAGES
ENCOMPASS INDEMNITY COMPANY



**ARKANSAS USP PORTFOLIO
ENCOMPASS INDEMNITY COMPANY
MOTOR VEHICLE RATE PAGES**

**AUTO PREMIUM CALCULATION
(ROUND TO THE NEAREST DOLLAR AFTER EACH STEP)**

STEP		BI	PD	MED	COMP	COLL
1	TERRITORIAL BASE RATE					
2	RATE ADJUSTMENT FACTOR (RAF)	x 1.305	x 1.289	x 1.188	x 0.968	x 0.969
3	INCREASED LIMIT FACTOR	x	x	x		
4	MODEL YEAR FACTOR				x	x
5	EXPERIENCE GROUP RATING FACTOR	x	x	x	x	x
6	NEW CAR DISCOUNT				x	x
7	REPLACEMENT VALUE FACTOR				x	x
8	STATED AMOUNT BASE PREMIUM					
9	DEDUCTIBLE BY SYMBOL FACTOR (Note: For Stated Amount Coverage, use Price Group Symbol M deductible factors)				x	x
10	COVERAGE OPTION FACTOR	x	x	x	x	x
11	AUTO RATING TIER FACTOR	x	x	x	x	x
12	PRIOR AUTO INSURANCE FACTOR	x	x	x	x	x
13	DRIVER CLASSIFICATION FACTOR	x	x	x	x	x
14	MULTI-CAR RATING FACTOR	x	x	x	x	x
15	MERIT RATING FACTOR	x	x	x	x	x
16	MAJOR VIOLATION SURCHARGE	x	x	x		x
17	NON-VERIFIABLE DRIVING RECORD SURCHARGE	x	x	x	x	x
18	PASSIVE RESTRAINT DISCOUNT			x		
19	ANTI-LOCK BRAKE DISCOUNT	x	x			
20	ANTI-THEFT DEVICE DISCOUNT				x	
21	DRIVER TRAINING DISCOUNT	x	x			x
22	GOOD STUDENT DISCOUNT	x	x	x	x	x
23	RESIDENT STUDENT DISCOUNT	x	x			x
24	MOTOR VEHICLE ACCIDENT PREV DISC	x	x	x		x
25	ACCIDENT/VIOLATION FREE DISCOUNT	x	x	x	x	x
26	POLICY LOSS FREE DISCOUNT	x	x	x	x	x
27	GOOD PAYER DISCOUNT	x	x	x	x	x
28	FUTURE EFFECTIVE DATE DISCOUNT	x	x	x	x	x
29	ENCOMPASS EASY PAY PLAN DISCOUNT	x	x	x	x	x
30	HOMEOWNERSHIP DISCOUNT	x	x	x	x	x
31	PREFERRED PROTECTION DISCOUNT	x	x	x	x	x
32	COLLEGE GRADUATE SCHOL ACHV DISC	x	x	x	x	x
33	ACCIDENTAL AIR BAG DEPLOYMENT				+	
34	FIXED EXPENSE PREMIUM	+	+		+	+
35	GROUP PROGRAM DISCOUNT	x	x	x	x	x
36	CREDIT FOR EXISTING INSURANCE	x	x	x	x	x
37	TOTAL COVERAGE PREMIUM	=	=	=	=	=

38	UM/UIM COVERAGE	Rate	RAF	CFEI	Total
	UM BI PREMIUM		x 1.287	x	
	UIM BI PREMIUM		x 1.287	x	+
	UM PD PREMIUM		x 1.287	x	+
	TOTAL UM/UIM COVERAGE PREMIUM				=

39	MISCELLANEOUS COVERAGES	Rate	Group Program Discount	Total
	EXTENDED TRANSPORTATION PREMIUM		x	+
	TOWING & LABOR PREMIUM		x	+
	ELECTRONIC EQUIPMENT PREMIUM		x	+
	CUSTOMIZATION COMP PREMIUM			+
	CUSTOMIZATION COLLISION PREMIUM			+
	AUTO LOAN/LEASE COMP PREMIUM			+
	AUTO LOAN/LEASE COLL PREMIUM			+
	WORK LOSS PREMIUM		x	+
	DEATH BENEFIT PREMIUM		x	+
	TOTAL MISC COVERAGES PREMIUM			=

40	TOTAL ANNUAL PREMIUM	=
----	-----------------------------	---

NOTES	
Territory:	
Limit:	
Ded(s):	
Model Yr:	
Symbol:	
Class:	
Tier:	
Other:	



**ARKANSAS USP PORTFOLIO
ENCOMPASS INDEMNITY COMPANY
MOTOR VEHICLE RATE PAGES**

**AUTO CUSTOMIZATION PREMIUM CALCULATION
(ROUND TO THE NEAREST DOLLAR AFTER EACH STEP)**

STEP		COMP	COLL
1	TERRITORIAL BASE RATE		
2	RATE ADJUSTMENT FACTOR	x 0.968	x 0.969
3	MODEL YEAR FACTOR	x	x
4	EXP. GRP RATING FACTOR	x	x
5	Amount coverage, use Price Group Symbol M deductible factors)	x	x
6	CUSTOMIZATION AMOUNT		
7	CUSTOMIZATION FACTOR	x	x
8	NEW CAR DISCOUNT	x	x
9	REPLACEMENT VALUE FACTOR		
10	COVERAGE OPTION FACTOR	x	x
11	AUTO RATING TIER FACTOR	x	x
12	AUTO RATING TIER ADJUSTMENT FACTOR	x	x
13	PRIOR AUTO INSURANCE FACTOR	x	x
14	DRIVER CLASSIFICATION FACTOR	x	x
15	MULTI-CAR RATING FACTOR	x	x
16	MERIT RATING FACTOR	x	x
17	MAJOR VIOLATION SURCHARGE		x
18	NON-VERIFIABLE DRIVING RECORD SURCHARGE	x	x
19	ANTI-THEFT DEVICE DISCOUNT	x	
20	DRIVER TRAINING DISCOUNT		x
21	GOOD STUDENT DISCOUNT	x	x
22	RESIDENT STUDENT DISCOUNT		x
23	MOTOR VEHICLE ACCIDENT PREV DISC		x
24	ACCIDENT/VIOLATION FREE DISCOUNT	x	x
25	POLICY LOSS FREE DISCOUNT		x
26	GOOD PAYER DISCOUNT	x	x
27	FUTURE EFFECTIVE DATE DISCOUNT	x	x
28	ENCOMPASS EASY PAY PLAN DISCOUNT	x	x
29	HOMEOWNERSHIP DISCOUNT	x	x
30	PREFERRED PROTECTION DISCOUNT	x	x
31	COLLEGE GRADUATE SCHOL ACHV DISC	x	x
32	CREDIT FOR EXISTING INSURANCE	x	x
33	TOTAL COVERAGE PREMIUM	=	=

**AUTO LOAN/LEASE PREMIUM CALCULATION
(ROUND TO THE NEAREST DOLLAR AFTER EACH STEP)**

STEP		COMP	COLL
1	TERRITORIAL BASE RATE		
2	RATE ADJUSTMENT FACTOR	x 0.968	x 0.969
3	MODEL YEAR FACTOR	x	x
4	EXP. GRP RATING FACTOR	x	x
5	NEW CAR DISCOUNT	x	x
6	DEDUCTIBLE BY SYMBOL FACTOR (Note: For Stated Amount coverage, use Price Group Symbol M deductible factors)	x	x
7	COVERAGE OPTION FACTOR	x	x
8	AUTO RATING TIER FACTOR	x	x
9	AUTO RATING TIER ADJUSTMENT FACTOR	x	x
10	PRIOR AUTO INSURANCE FACTOR	x	x
11	DRIVER CLASSIFICATION FACTOR	x	x
12	MULTI-CAR RATING FACTOR	x	x
13	MERIT RATING FACTOR	x	x
14	MAJOR VIOLATION SURCHARGE		x
15	NON-VERIFIABLE DRIVING RECORD SURCHARGE	x	x
16	ANTI-THEFT DEVICE DISCOUNT	x	
17	DRIVER TRAINING DISCOUNT		x
18	GOOD STUDENT DISCOUNT	x	x
19	RESIDENT STUDENT DISCOUNT		x
20	MOTOR VEHICLE ACCIDENT PREV DISC		x
21	ACCIDENT/VIOLATION FREE DISCOUNT	x	x
22	POLICY LOSS FREE DISCOUNT		x
23	GOOD PAYER DISCOUNT	x	x
24	FUTURE EFFECTIVE DATE DISCOUNT	x	x
25	ENCOMPASS EASY PAY PLAN DISCOUNT	x	x
26	HOMEOWNERSHIP DISCOUNT	x	x
27	PREFERRED PROTECTION DISCOUNT	x	x
28	LOAN/LEASE DEFICIENCY COVERAGE FACTOR	x	x
29	CREDIT FOR EXISTING INSURANCE	x	x
30	TOTAL COVERAGE PREMIUM	=	=



**ARKANSAS USP PORTFOLIO
ENCOMPASS INDEMNITY COMPANY
MOTOR VEHICLE RATE PAGES**

**AUTO PERSONAL UMBRELLA PREMIUM CALCULATION
(ROUND TO THE NEAREST DOLLAR AFTER EACH STEP)**

STEP		PP Autos, Pickups and Vans	Motorcycles	Dune Buggies	Other Misc. Types
1	BASE PREMIUM (\$500,000)				
2	RATE ADJUSTMENT FACTOR	x 1.352	x 1.352	x 1.352	x 1.352
3	PACKAGE DISCOUNT	x		x	
4	YOUTHFUL SURCHARGE	+	+	+	
5	SENIOR DISCOUNT	-			
6	INCREASED LIMIT FACTOR	x	x	x	x
7	MULTI-VEHICLE FACTOR	x			
8	POLICY LOSS FREE FACTOR	x	x	x	x
9	\$100/300 OR \$300,000 UNDERLYING SURCHARGES	+	+	+	+
10	CREDIT FOR EXISTING INSURANCE	x	x	x	x
11	TOTAL MOTOR VEHICLE UMBRELLA PREMIUM	=	=	=	=



**ARKANSAS USP PORTFOLIO
ENCOMPASS INDEMNITY COMPANY
MOTOR VEHICLE RATE PAGES**

**MOTOR HOME LIABILITY PREMIUM CALCULATION
(ROUND TO THE NEAREST DOLLAR AFTER EACH STEP)**

STEP		BI	PD	MED
1	BASE RATE (FROM RULE 12)			
2	RATE ADJUSTMENT FACTOR (FROM RATE PAGES)	x 1.365	x 1.389	x 1.310
3	POLICY LOSS FREE FACTOR	x	x	x
4	MISCELLANEOUS VEHICLE LOSS SURCHARGE	x	x	x
5	ANTI-LOCK BRAKE DISCOUNT	x	x	
6	PASSIVE RESTRAINT DISCOUNT			x
7	FIXED EXPENSE PREMIUM	+	+	
8	CREDIT FOR EXISTING INSURANCE	x	x	x
9	TOTAL COVERAGE PREMIUM	=	=	=

**MOTOR HOME UM/UIM PREMIUM CALCULATION
(ROUND TO THE NEAREST DOLLAR AFTER EACH STEP)**

STEP		UM/UIM BI	UM PD
1	BASE RATE (FROM AUTO RULE 9.A)		
2	RATE ADJUSTMENT FACTOR (FROM RATE PAGES)	x 1.287	x 1.287
3	CREDIT FOR EXISTING INSURANCE	x	x
4	TOTAL COVERAGE PREMIUM	=	=

Note: UM/UIM Premium is vehicle level based on the number of PP autos, vans, pickups, motor homes, motorcycles and antique autos on policy.

**MOTOR HOME/TRAILER PHYSICAL DAMAGE PREMIUM CALCULATION
(ROUND TO THE NEAREST DOLLAR AFTER EACH STEP)**

STEP	MOTOR HOME/TRAILER PHYSICAL DAMAGE COVERAGE	COMP	COLL (MH/RecTrail)	COLL (AllOtherTrailer)
1	ACTUAL CASH VALUE (\$000) (Motor Home or Rec Trailer)			
2	ACTUAL CASH VALUE (\$00) (All Other Trailer)			
3	RATE PER VALUE	x	x	
4	INTERIM SUBTOTAL	=	=	
5	PREMIUM FOR COLLISION BASED ON ACTUAL CASH VALUE			=
6	DEDUCTIBLE BY SYMBOL (M) FACTOR	x	x	x
7	RATE ADJUSTMENT FACTOR (FROM RATE PAGES)	x 0.969	x 0.969	x 0.969
8	POLICY LOSS FREE FACTOR	x	x	x
9	MISCELLANEOUS VEHICLE LOSS SURCHARGE FACTOR	x	x	x
10	SUBTOTAL (USED FOR LOAN/LEASE COVERAGE)	=	=	=
11	FIXED EXPENSE PREMIUM (not applicable to Trailers)	+	+	
12	CREDIT FOR EXISTING INSURANCE	x	x	x
13	TOTAL COVERAGE PREMIUM	=	=	=

**MOTOR HOME LOAN/LEASE PREMIUM CALCULATION
(ROUND TO THE NEAREST DOLLAR AFTER EACH STEP)**

STEP		COMP	COLL
	SUBTOTAL FROM MOTOR HOME PHYSICAL DAMAGE		
1	COVERAGE PREMIUM		
2	AUTO LOAN/LEASE FACTOR	x	x
3	CREDIT FOR EXISTING INSURANCE	x	x
4	TOTAL COVERAGE PREMIUM	=	=

**MOTOR HOME MISCELLANEOUS PREMIUM CALCULATION
(ROUND TO THE NEAREST DOLLAR AFTER EACH STEP)**

STEP		Rate	CFEI	Total
1	ELECTRONIC EQUIPMENT PREMIUM		x	=
2	TOTAL MISC COVERAGES PREMIUM			=

TOTAL ANNUAL PREMIUM	=
-----------------------------	----------



**ARKANSAS USP PORTFOLIO
ENCOMPASS INDEMNITY COMPANY
MOTOR VEHICLE RATE PAGES**

**MISCELLANEOUS VEHICLE LIABILITY PREMIUM CALCULATION
(ROUND TO THE NEAREST DOLLAR AFTER EACH STEP)**

STEP		BI	PD	MED
1	TERRITORIAL BASE RATE			
2	RATE ADJUSTMENT FACTOR (FROM RATE PAGES)	x 1.194	x 1.160	x 1.099
3	INCREASED LIMIT FACTOR	x	x	x
4	MISCELLANEOUS VEHICLE LIABILITY FACTOR	x	x	x
5	POLICY LOSS FREE FACTOR	x	x	x
6	MISCELLANEOUS VEHICLE LOSS SURCHARGE	x	x	x
7	FIXED EXPENSE PREMIUM (ANTIQUÉ AUTOS ONLY)	+	+	
8	CREDIT FOR EXISTING INSURANCE	x	x	x
9	TOTAL COVERAGE PREMIUM	=	=	=

**MISCELLANEOUS VEHICLE UM/UIM PREMIUM CALCULATION
(ROUND TO THE NEAREST DOLLAR AFTER EACH STEP)**

STEP	MOTORCYCLE UM/UIM COVERAGE	UM/UIM BI	UM PD
1	BASE RATE		
2	RATE ADJUSTMENT FACTOR (FROM RATE PAGES)	x 1.287	x 1.287
3	CREDIT FOR EXISTING INSURANCE	x	x
4	TOTAL COVERAGE PREMIUM	=	=

Note: UM/UIM Premium is vehicle level based on the number of PP autos, vans, pickups, motor homes, motorcycles and antique autos on policy.

**MISCELLANEOUS VEHICLE PHYSICAL DAMAGE PREMIUM CALCULATION
(ROUND TO THE NEAREST DOLLAR AFTER EACH STEP)**

STEP		COMP	COLL
1	ACTUAL CASH VALUE OR STATED AMOUNT (\$00)		
2	RATE PER \$100 OF ACTUAL CASH VALUE OR STATED AMOUNT	x	x
3	DEDUCTIBLE BY SYMBOL (M) FACTOR	x	x
4	RATE ADJUSTMENT FACTOR (FROM RATE PAGES)	x 0.895	x 0.874
5	POLICY LOSS FREE FACTOR	x	x
6	MISCELLANEOUS VEHICLE LOSS SURCHARGE	x	x
7	FIXED EXPENSE PREMIUM (ANTIQUÉ AUTOS ONLY)	+	+
8	CREDIT FOR EXISTING INSURANCE	x	x
9	TOTAL COVERAGE PREMIUM	=	=

**MISCELLANEOUS VEHICLE MISCELLANEOUS PREMIUM CALCULATION **
(ROUND TO THE NEAREST DOLLAR AFTER EACH STEP)**

STEP		Rate	CFEI	Total
1	EXTENDED TRANSPORTATION & RENTAL RE PREMIUM		x	+
2	TOWING & LABOR PREMIUM		x	+
3	ELECTRONIC EQUIPMENT PREMIUM		x	+
4	TOTAL MISC COVERAGES PREMIUM			=

** These coverages are not available for snowmobiles, ATVs or dune buggies.



**ARKANSAS USP PORTFOLIO
ENCOMPASS INDEMNITY COMPANY
MOTOR VEHICLE RATE PAGES**

TERRITORY DEFINITIONS BY ZIP CODE

ZIP CODE	CITY	COUNTY	TERRITORY CODE
71601	PINE BLUFF	JEFFERSON	101
71602	PINE BLUFF	JEFFERSON	102
71602	WHITE HALL	JEFFERSON	102
71603	PINE BLUFF	JEFFERSON	103
71630	ARKANSAS CITY	DESHA	104
71631	BANKS	BRADLEY	105
71635	CROSSETT	ASHLEY	106
71638	COLLINS	CHICOT	107
71638	DERMOTT	CHICOT	107
71639	DUMAS	DESHA	108
71640	EUDORA	CHICOT	109
71642	FOUNTAIN HILL	ASHLEY	106
71643	GOULD	LINCOLN	104
71644	GRADY	LINCOLN	110
71646	HAMBURG	ASHLEY	106
71646	HAMBURG	DREW	106
71647	HERMITAGE	BRADLEY	111
71651	JERSEY	BRADLEY	112
71652	KINGSLAND	CLEVELAND	107
71653	LAKE VILLAGE	CHICOT	113
71654	MC GEHEE	DESHA	104
71655	MONTICELLO	DREW	114
71658	MONTROSE	ASHLEY	107
71660	NEW EDINBURG	CLEVELAND	107
71661	PARKDALE	ASHLEY	106
71662	PICKENS	DESHA	104
71663	PORTLAND	ASHLEY	115
71665	RISON	CLEVELAND	116
71667	STAR CITY	LINCOLN	117
71670	TILLAR	DESHA	114
71671	WARREN	BRADLEY	107
71674	WATSON	DESHA	104
71675	WILMAR	DREW	107
71676	WILMOT	ASHLEY	109
71677	WINCHESTER	DREW	107
71678	YORKTOWN	LINCOLN	110
71701	CAMDEN	OUACHITA	118
71701	EAST CAMDEN	OUACHITA	118
71720	BEARDEN	OUACHITA	119
71722	BLUFF CITY	NEVADA	120
71725	CARTHAGE	DALLAS	116
71726	CHIDESTER	OUACHITA	120
71730	EL DORADO	UNION	112
71740	EMERSON	COLUMBIA	112
71742	FORDYCE	DALLAS	107
71743	GURDON	CLARK	121
71744	HAMPTON	CALHOUN	122
71745	HARRELL	CALHOUN	105
71747	HUTTIG	UNION	112
71748	IVAN	DALLAS	116
71749	JUNCTION CITY	UNION	112
71751	LOUANN	OUACHITA	118
71752	MC NEIL	COLUMBIA	123
71753	MAGNOLIA	COLUMBIA	124
71753	VILLAGE	COLUMBIA	124
71758	MOUNT HOLLY	UNION	118



**ARKANSAS USP PORTFOLIO
ENCOMPASS INDEMNITY COMPANY
MOTOR VEHICLE RATE PAGES**

TERRITORY DEFINITIONS BY ZIP CODE

ZIP CODE	CITY	COUNTY	TERRITORY CODE
71601	PINE BLUFF	JEFFERSON	101
71762	SMACKOVER	UNION	112
71763	MANNING	DALLAS	119
71763	SPARKMAN	DALLAS	119
71764	STEPHENS	OUACHITA	125
71765	STRONG	UNION	112
71766	THORNTON	CALHOUN	107
71768	URBANA	UNION	112
71769	VILLAGE	COLUMBIA	124
71770	WALDO	COLUMBIA	123
71772	WHELEN SPRINGS	CLARK	121
71801	HOPE	HEMPSTEAD	126
71822	ASHDOWN	LITTLE RIVER	126
71825	BLEVINS	HEMPSTEAD	126
71826	BRADLEY	LAFAYETTE	126
71827	BUCKNER	LAFAYETTE	127
71828	CALE	NEVADA	128
71831	COLUMBUS	HEMPSTEAD	126
71832	DE QUEEN	SEVIER	126
71833	DIERKS	HOWARD	126
71834	DODDRIDGE	MILLER	126
71835	EMMET	NEVADA	128
71836	FOREMAN	LITTLE RIVER	126
71837	FOUKE	MILLER	126
71838	FULTON	HEMPSTEAD	126
71839	GARLAND CITY	LAFAYETTE	126
71841	GILLHAM	SEVIER	129
71842	HORATIO	SEVIER	126
71845	LEWISVILLE	LAFAYETTE	126
71846	LOCKESBURG	SEVIER	126
71847	MC CASKILL	HEMPSTEAD	126
71851	MINERAL SPRINGS	HOWARD	126
71852	NASHVILLE	HOWARD	126
71853	OGDEN	LITTLE RIVER	126
71854	TEXARKANA	MILLER	126
71855	OZAN	HEMPSTEAD	126
71857	PRESCOTT	NEVADA	121
71858	ROSSTON	NEVADA	125
71859	SARATOGA	HOWARD	126
<u>71859</u>	<u>SARATOGA</u>	<u>HEMPSTEAD</u>	<u>126</u>
71860	STAMPS	COLUMBIA	126
71860	STAMPS	COLUMBIA	126
71861	TAYLOR	COLUMBIA	127
71862	WASHINGTON	HEMPSTEAD	126
71864	WILLISVILLE	NEVADA	127
71865	WILTON	LITTLE RIVER	126
71866	WINTHROP	LITTLE RIVER	126
71901	FOUNTAIN LAKE	GARLAND	102
71901	HOT SPRINGS	GARLAND	102
71901	HOT SPRINGS NATIONAL PARK	GARLAND	102
71901	HOT SPRINGS NATIONAL PARK	HOT SPRINGS	102
71909	HOT SPRINGS	GARLAND	130
71909	HOT SPRINGS VILLAGE	GARLAND	130
<u>71909</u>	<u>HOT SPRINGS VILLAGE</u>	<u>SALINE</u>	<u>130</u>
71913	HOT SPRINGS	GARLAND	130
71913	HOT SPRINGS NATIONAL PARK	GARLAND	130
<u>71913</u>	<u>HOT SPRINGS NATIONAL PARK</u>	<u>HOT SPRINGS</u>	<u>130</u>
71913	LAKE HAMILTON	GARLAND	130
71921	AMITY	CLARK	131
71921	AMITY	HOT SPRINGS	131
71922	ANTOINE	PIKE	132



**ARKANSAS USP PORTFOLIO
ENCOMPASS INDEMNITY COMPANY
MOTOR VEHICLE RATE PAGES**

TERRITORY DEFINITIONS BY ZIP CODE

ZIP CODE	CITY	COUNTY	TERRITORY CODE
71601	PINE BLUFF	JEFFERSON	101
71923	ARKADELPHIA	CLARK	133
71923	ARKADELPHIA	HOT SPRINGS	133
71929	BISMARCK	HOT SPRINGS	134
71933	BONNERDALE	HOT SPRINGS	135
<u>71933</u>	<u>BONNERDALE</u>	<u>GARLAND</u>	<u>135</u>
<u>71933</u>	<u>BONNERDALE</u>	<u>MONTGOMERY</u>	<u>135</u>
71935	CADDO GAP	MONTGOMERY	136
71937	COVE	POLK	137
71937	HATTON	POLK	137
71940	DELIGHT	PIKE	132
71941	DONALDSON	HOT SPRINGS	116
71942	FRIENDSHIP	HOT SPRINGS	138
71943	GLENWOOD	PIKE	128
<u>71943</u>	<u>GLENWOOD</u>	<u>HOT SPRINGS</u>	<u>128</u>
71944	GRANNIS	POLK	137
71945	HATFIELD	POLK	139
71949	JESSIEVILLE	GARLAND	140
71950	KIRBY	PIKE	141
71952	LANGLEY	PIKE	128
71953	MENA	POLK	139
71956	BUCKVILLE	GARLAND	130
71956	MOUNTAIN PINE	GARLAND	130
71957	MOUNT IDA	MONTGOMERY	142
71958	MURFREESBORO	PIKE	128
71959	NEWHOPE	PIKE	128
71960	NORMAN	MONTGOMERY	139
71961	ODEN	MONTGOMERY	143
71961	PINE RIDGE	MONTGOMERY	143
71962	OKOLONA	CLARK	141
71964	PEARCY	GARLAND	130
71964	PEARCY	HOT SPRINGS	130
71965	PENCIL BLUFF	MONTGOMERY	143
71968	ROYAL	GARLAND	135
71969	SIMS	MONTGOMERY	143
71970	STORY	MONTGOMERY	143
71971	UMPIRE	HOWARD	128
71972	VANDERVOORT	POLK	139
71973	WICKES	POLK	137
72001	ADONA	PERRY	144
72002	ALEXANDER	PULASKI	145
72002	ALEXANDER	SALINE	145
72003	ALMYRA	ARKANSAS	146
72004	ALTHEIMER	JEFFERSON	147
72005	AMAGON	JACKSON	148
72005	BALCH	JACKSON	148
72006	AUGUSTA	WOODRUFF	146
72007	AUSTIN	LONOKE	149
72010	BALD KNOB	WHITE	150
72011	BAUXITE	SALINE	151
72012	BEEBE	WHITE	147
72013	BEE BRANCH	VAN BUREN	152
72014	BEEDEVILLE	JACKSON	153
72015	BENTON	SALINE	154



**ARKANSAS USP PORTFOLIO
ENCOMPASS INDEMNITY COMPANY
MOTOR VEHICLE RATE PAGES**

TERRITORY DEFINITIONS BY ZIP CODE

ZIP CODE	CITY	COUNTY	TERRITORY CODE
71601	PINE BLUFF	JEFFERSON	101
72015	HASKELL	SALINE	154
72015	TULL	SALINE	154
72016	BIGELOW	PERRY	155
72017	BISCOE	PRAIRIE	147
72019	BENTON	SALINE	154
72020	BRADFORD	WHITE	156
72021	BRINKLEY	MONROE	157
72022	BRYANT	SALINE	145
72023	CABOT	LONOKE	158
72023	CABOT	PULASKI	158
72024	CARLISLE	LONOKE	147
72024	CARLISLE	PRAIRIE	147
72025	CASA	PERRY	159
72026	CASSCOE	ARKANSAS	146
72027	CENTER RIDGE	CONWAY	152
72028	CHOCTAW	VAN BUREN	160
72029	CLARENDON	MONROE	161
72030	CLEVELAND	CONWAY	162
72031	CLINTON	VAN BUREN	160
72032	CONWAY	FAULKNER	147
72034	CONWAY	FAULKNER	163
72036	COTTON PLANT	WOODRUFF	146
72038	CROCKETTS BLUFF	ARKANSAS	146
72039	DAMASCUS	FAULKNER	164
72039	TWIN GROVES	FAULKNER	164
72040	DES ARC	PRAIRIE	161
72041	DE VALLS BLUFF	PRAIRIE	147
72042	DE WITT	ARKANSAS	165
72044	EDGEMONT	CLEBURNE	166
72045	EL PASO	WHITE	163
72046	ENGLAND	LONOKE	163
72047	ENOLA	FAULKNER	147
72048	ETHEL	ARKANSAS	167
72051	FOX	STONE	162
72052	GARNER	WHITE	147
72055	GILLET	ARKANSAS	168
72057	GRAPEVINE	GRANT	101
72058	GREENBRIER	FAULKNER	147
72060	GRIFFITHVILLE	WHITE	161
72063	HATTIEVILLE	CONWAY	169
72064	HAZEN	PRAIRIE	147
72065	HENSLEY	PULASKI	170
72065	HENSLEY	SALINE	170
72066	HICKORY PLAINS	PRAIRIE	147
72067	GREERS FERRY	CLEBURNE	171
72067	HIGDEN	CLEBURNE	171
72068	HIGGINSON	WHITE	161
72069	HOLLY GROVE	MONROE	172
72070	HOUSTON	PERRY	173
72072	HUMNOKE	LONOKE	147
72073	HUMPHREY	ARKANSAS	147



**ARKANSAS USP PORTFOLIO
ENCOMPASS INDEMNITY COMPANY
MOTOR VEHICLE RATE PAGES**

TERRITORY DEFINITIONS BY ZIP CODE

ZIP CODE	CITY	COUNTY	TERRITORY CODE
71601	PINE BLUFF	JEFFERSON	101
72076	GRAVEL RIDGE	LONOKE	158
72076	JACKSONVILLE	LONOKE	158
72076	GRAVEL RIDGE	PULASKI	158
72076	JACKSONVILLE	PULASKI	158
72079	JEFFERSON	JEFFERSON	174
72080	JERUSALEM	CONWAY	162
72081	JUDSONIA	WHITE	150
72081	STEPROCK	WHITE	150
72082	KENSETT	WHITE	175
72083	KEO	LONOKE	163
72084	LEOLA	GRANT	116
72084	LEOLA	HOT SPRINGS	116
72086	LONOKE	LONOKE	163
72087	LONSDALE	GARLAND	135
72088	FAIRFIELD BAY	VAN BUREN	176
72088	SHIRLEY	VAN BUREN	176
72101	FAIR OAKS	WOODRUFF	153
72101	HOWELL	WOODRUFF	153
72101	MC CRORY	WOODRUFF	153
72102	MC RAE	WHITE	147
72103	MABELVALE	PULASKI	177
72103	SHANNON HILLS	PULASKI	177
72103	MABELVALE	SALINE	177
72104	MALVERN	HOT SPRINGS	178
72105	JONES MILL	HOT SPRINGS	102
72106	MAYFLOWER	FAULKNER	163
72110	MORRILTON	CONWAY	179
72110	OPPELO	CONWAY	179
72111	MOUNT VERNON	FAULKNER	147
72111	MOUNT VERNON	WHITE	147
72112	NEWPORT	JACKSON	180
72113	MAUMELLE	PULASKI	181
72114	NORTH LITTLE ROCK	PULASKI	181
72114	NORTH LITTLE ROCK	PULASKI	181
72116	NORTH LITTLE ROCK	PULASKI	181
72116	NORTH LITTLE ROCK	PULASKI	181
72116	SHERWOOD	PULASKI	181
72117	NORTH LITTLE ROCK	PULASKI	181
72117	NORTH LITTLE ROCK	PULASKI	181
72117	SHERWOOD	PULASKI	181
72118	NORTH LITTLE ROCK	PULASKI	181
72118	NORTH LITTLE ROCK	PULASKI	181
72120	NORTH LITTLE ROCK	FAULKNER	182
72120	SHERWOOD	PULASKI	182
72121	PANGBURN	WHITE	183



**ARKANSAS USP PORTFOLIO
ENCOMPASS INDEMNITY COMPANY
MOTOR VEHICLE RATE PAGES**

TERRITORY DEFINITIONS BY ZIP CODE

ZIP CODE	CITY	COUNTY	TERRITORY CODE
71601	PINE BLUFF	JEFFERSON	101
72121	PANGBURN	CLEBURNE	183
72122	PARON	SALINE	184
72122	PARON	PULASKI	184
72125	PERRY	PERRY	173
72126	PERRYVILLE	PERRY	185
72127	PLUMERVILLE	CONWAY	147
72128	POYEN	GRANT	186
72128	POYEN	HOT SPRINGS	186
72129	PRATTSVILLE	GRANT	187
72130	PRIM	CLEBURNE	176
72131	QUITMAN	CLEBURNE	175
72132	REDFIELD	JEFFERSON	170
72133	REYDELL	JEFFERSON	168
72134	ROE	MONROE	147
72135	ROLAND	PULASKI	155
72136	ROMANCE	WHITE	147
72137	ROSE BUD	WHITE	147
72140	SAINT CHARLES	ARKANSAS	188
72141	SCOTLAND	VAN BUREN	162
72142	SCOTT	PULASKI	189
72143	GEORGETOWN	WHITE	147
72143	SEARCY	WHITE	147
72150	SHERIDAN	GRANT	102
72152	SHERILL	JEFFERSON	163
72153	SHIRLEY	VAN BUREN	171
72156	SOLGOHACHIA	CONWAY	190
72157	SPRINGFIELD	CONWAY	147
72160	STUTTGART	ARKANSAS	161
72165	THIDA	INDEPENDENCE	191
72166	TICHNOR	ARKANSAS	104
72167	TRASKWOOD	GRANT	154
72167	TRASKWOOD	HOT SPRINGS	154
72168	TUCKER	JEFFERSON	163
72170	ULM	PRAIRIE	147
72173	HOLLAND	FAULKNER	147
72173	VILONIA	FAULKNER	147
72175	WABBASEKA	JEFFERSON	147
72176	WARD	LONOKE	163
72179	WILBURN	CLEBURNE	192
72201	LITTLE ROCK	PULASKI	193
72201	LITTLE ROCK	PULASKI	193
72202	LITTLE ROCK	PULASKI	194
72202	LITTLE ROCK	PULASKI	194
72204	LITTLE ROCK	PULASKI	193
72204	LITTLE ROCK	PULASKI	193
72205	LITTLE ROCK	PULASKI	193
72205	LITTLE ROCK	PULASKI	193



**ARKANSAS USP PORTFOLIO
ENCOMPASS INDEMNITY COMPANY
MOTOR VEHICLE RATE PAGES**

TERRITORY DEFINITIONS BY ZIP CODE

ZIP CODE	CITY	COUNTY	TERRITORY CODE
71601	PINE BLUFF	JEFFERSON	101
72206	LITTLE ROCK	PULASKI	195
72206	LITTLE ROCK	PULASKI	195
72207	CAMMACK VILLAGE	PULASKI	193
72207	LITTLE ROCK	PULASKI	193
72207	LITTLE ROCK	PULASKI	193
72209	LITTLE ROCK	PULASKI	195
72209	LITTLE ROCK	PULASKI	195
72210	LITTLE ROCK	PULASKI	177
72210	LITTLE ROCK	PULASKI	177
72210	LITTLE ROCK	SALINE	177
72211	LITTLE ROCK	PULASKI	196
72211	LITTLE ROCK	PULASKI	196
72212	LITTLE ROCK	PULASKI	197
72212	LITTLE ROCK	PULASKI	197
72223	LITTLE ROCK	PULASKI	198
72223	LITTLE ROCK	PULASKI	198
72227	LITTLE ROCK	PULASKI	193
72227	LITTLE ROCK	PULASKI	193
72301	WEST MEMPHIS	CRITTENDEN	199
72310	ARMOREL	MISSISSIPPI	200
72311	AUBREY	LEE	201
72313	BASSETT	MISSISSIPPI	202
72314	BIRDEYE	CROSS	204
72315	BLYTHEVILLE	MISSISSIPPI	200
72315	GOSNELL	MISSISSIPPI	200
72320	BRICKEYS	LEE	153
72321	BURDETTE	MISSISSIPPI	203
72324	BIRDEYE	CROSS	204
72324	CHERRY VALLEY	CROSS	204
72326	COLT	SAINT FRANCIS	199
72327	CRAWFORDSVILLE	CRITTENDEN	199
72328	CRUMROD	PHILLIPS	188
72329	DRIVER	MISSISSIPPI	203
72330	DYESS	MISSISSIPPI	203
72331	EARLE	CRITTENDEN	202
72331	TWIST	CROSS	202
72332	EDMONDSON	CRITTENDEN	202
72333	ELAINE	PHILLIPS	188
72335	FORREST CITY	SAINT FRANCIS	153
72338	FRENCHMANS BAYOU	MISSISSIPPI	205
72339	GILMORE	CRITTENDEN	202
72340	GOODWIN	SAINT FRANCIS	206
72341	HAYNES	LEE	153
72342	HELENA	PHILLIPS	201
72346	HETH	SAINT FRANCIS	153
72347	HICKORY RIDGE	CROSS	204
72348	HORSESHOE LAKE	CRITTENDEN	153
72348	HORSESHOE LAKE	SAINT FRANCIS	153
72348	HUGHES	SAINT FRANCIS	153
72348	HUGHES	CRITTENDEN	153
72350	JOINER	MISSISSIPPI	207
72351	KEISER	MISSISSIPPI	200
72354	LEPANTO	POINSETT	203
72355	LEXA	LEE	201
72358	LUXORA	MISSISSIPPI	203
72360	MARIANNA	LEE	153
72364	MARION	CRITTENDEN	199
72365	MARKED TREE	POINSETT	203
72366	MARVELL	PHILLIPS	201



**ARKANSAS USP PORTFOLIO
ENCOMPASS INDEMNITY COMPANY
MOTOR VEHICLE RATE PAGES**

TERRITORY DEFINITIONS BY ZIP CODE

ZIP CODE	CITY	COUNTY	TERRITORY CODE
71601	PINE BLUFF	JEFFERSON	101
72367	MELLWOOD	PHILLIPS	167
72368	MORO	LEE	153
72369	ONEIDA	PHILLIPS	188
72370	OSCEOLA	MISSISSIPPI	203
72372	PALESTINE	SAINT FRANCIS	208
72373	PARKIN	CROSS	202
72374	POPLAR GROVE	PHILLIPS	201
72376	PROCTOR	CRITTENDEN	153
72379	SNOW LAKE	DESHA	104
72384	TURRELL	CRITTENDEN	202
72386	TYRONZA	POINSETT	205
72390	WEST HELENA	PHILLIPS	201
72392	WHEATLEY	SAINT FRANCIS	209
72394	ROUND POND	SAINT FRANCIS	205
72394	WIDENER	SAINT FRANCIS	205
72395	WILSON	MISSISSIPPI	210
72396	WYNNE	CROSS	202
72401	JONESBORO	CRAIGHEAD	211
72404	JONESBORO	CRAIGHEAD	212
72410	ALICIA	LAWRENCE	213
72411	BAY	CRAIGHEAD	214
72412	BEECH GROVE	GREENE	215
72413	BIGGERS	RANDOLPH	216
72414	BLACK OAK	CRAIGHEAD	203
72415	BLACK ROCK	LAWRENCE	217
72416	BONO	CRAIGHEAD	218
72416	BONO	GREENE	218
72417	BROOKLAND	CRAIGHEAD	211
72419	CARAWAY	CRAIGHEAD	203
72421	CASH	CRAIGHEAD	215
72422	CORNING	CLAY	215
72424	DATTO	CLAY	219
72425	DELAPLAINE	GREENE	219
72426	DELL	MISSISSIPPI	200
72428	ETOWAH	MISSISSIPPI	200
72429	FISHER	POINSETT	220
72430	GREENWAY	CLAY	215
72432	HARRISBURG	POINSETT	220
72433	HOXIE	LAWRENCE	215
72434	IMBODEN	LAWRENCE	217
72435	KNOBEL	CLAY	219
72436	LAFE	GREENE	215
72437	LAKE CITY	CRAIGHEAD	215
72438	LEACHVILLE	MISSISSIPPI	200
72440	LYNN	LAWRENCE	221
72441	MC DOUGAL	CLAY	215
72442	MANILA	MISSISSIPPI	200
72443	MARMADUKE	GREENE	215
72444	MAYNARD	RANDOLPH	216
72445	MINTURN	LAWRENCE	215
72447	MONETTE	CRAIGHEAD	200
72449	O KEAN	RANDOLPH	216
72450	PARAGOULD	GREENE	215
72453	PEACH ORCHARD	CLAY	219
72454	PIGGOTT	CLAY	215
72455	POCAHONTAS	RANDOLPH	216
72456	POLLARD	CLAY	215
72457	PORTIA	LAWRENCE	217
72458	POWHATAN	LAWRENCE	213
72459	RAVENDEN	LAWRENCE	222
72460	RAVENDEN SPRINGS	RANDOLPH	223
72461	RECTOR	CLAY	215
72464	SAINT FRANCIS	CLAY	215



**ARKANSAS USP PORTFOLIO
ENCOMPASS INDEMNITY COMPANY
MOTOR VEHICLE RATE PAGES**

TERRITORY DEFINITIONS BY ZIP CODE

ZIP CODE	CITY	COUNTY	TERRITORY CODE
71601	PINE BLUFF	JEFFERSON	101
72465	SEDGWICK	LAWRENCE	218
72466	SMITHVILLE	LAWRENCE	221
72467	STATE UNIVERSITY	CRAIGHEAD	224
72469	CALAMINE	LAWRENCE	225
72469	STRAWBERRY	LAWRENCE	225
<u>72469</u>	<u>STRAWBERRY</u>	<u>SHARP</u>	<u>225</u>
72470	SUCCESS	CLAY	215
72471	SWIFTON	JACKSON	226
72472	TRUMANN	POINSETT	218
72473	TUCKERMAN	JACKSON	227
72476	COLLEGE CITY	LAWRENCE	215
72476	WALNUT RIDGE	LAWRENCE	215
72478	WARM SPRINGS	RANDOLPH	216
72479	WEINER	POINSETT	214
72482	WILLIFORD	SHARP	228
72501	BATESVILLE	INDEPENDENCE	225
72512	HORSESHOE BEND	IZARD	228
72513	ASH FLAT	SHARP	228
72515	BEXAR	FULTON	229
72517	BROCKWELL	IZARD	230
72519	CALICO ROCK	IZARD	152
72519	JORDAN	IZARD	152
72520	CAMP	FULTON	230
72521	CAVE CITY	SHARP	225
<u>72521</u>	<u>CAVE CITY</u>	<u>INDEPENDENCE</u>	<u>225</u>
72522	CHARLOTTE	INDEPENDENCE	225
72523	CONCORD	CLEBURNE	231
72524	CORD	INDEPENDENCE	227
72526	CUSHMAN	INDEPENDENCE	225
72527	DESHA	INDEPENDENCE	225
72528	DOLPH	IZARD	229
72529	CHEROKEE VILLAGE	SHARP	228
72529	HARDY	SHARP	228
72530	DRASCO	CLEBURNE	232
72531	ELIZABETH	FULTON	229
72532	EVENING SHADE	SHARP	233
72533	FIFTY SIX	STONE	166
72534	FLORAL	INDEPENDENCE	231
72536	FRANKLIN	IZARD	228
72537	GAMALIEL	BAXTER	234
72538	GEPP	FULTON	234
72539	GLENCOE	FULTON	228
72540	GUION	IZARD	225
72542	HARDY	SHARP	228
72543	HEBER SPRINGS	CLEBURNE	175
72544	HENDERSON	BAXTER	234
72546	IDA	CLEBURNE	160
72550	LOCUST GROVE	INDEPENDENCE	231
72553	MAGNESS	INDEPENDENCE	225
72554	MAMMOTH SPRING	FULTON	228
72555	MARCELLA	STONE	235
72556	BOSWELL	IZARD	221



**ARKANSAS USP PORTFOLIO
ENCOMPASS INDEMNITY COMPANY
MOTOR VEHICLE RATE PAGES**

TERRITORY DEFINITIONS BY ZIP CODE

ZIP CODE	CITY	COUNTY	TERRITORY CODE
71601	PINE BLUFF	JEFFERSON	101
72556	MELBOURNE	IZARD	221
72556	ZION	IZARD	221
72560	HANOVER	STONE	166
72560	MOUNTAIN VIEW	STONE	166
72561	MOUNT PLEASANT	IZARD	221
72562	NEWARK	INDEPENDENCE	227
72564	OIL TROUGH	INDEPENDENCE	236
72565	OXFORD	IZARD	230
72566	PINEVILLE	IZARD	229
72567	PLEASANT GROVE	STONE	231
72568	PLEASANT PLAINS	INDEPENDENCE	225
72568	PLEASANT PLAINS	WHITE	225
72569	POUGHKEEPSIE	SHARP	225
72571	ROSIE	INDEPENDENCE	225
72572	SAFFELL	LAWRENCE	225
72573	SAGE	IZARD	228
72576	SALEM	FULTON	230
72577	SIDNEY	SHARP	225
72578	STURKIE	FULTON	230
72579	SULPHUR ROCK	INDEPENDENCE	225
72581	TUMBLING SHOALS	CLEBURNE	237
72583	VIOLA	FULTON	229
72584	VIOLET HILL	IZARD	230
72585	WIDEMAN	IZARD	229
72587	WISEMAN	IZARD	228
72601	HARRISON	BOONE	238
72610	ALCO	STONE	166
72611	ALPENA	BOONE	239
72616	BERRYVILLE	CARROLL	240
72617	BIG FLAT	BAXTER	234
72619	BULL SHOALS	MARION	234
72623	CLARKRIDGE	BAXTER	234
72624	COMPTON	NEWTON	239
72626	COTTER	BAXTER	234
72628	DEER	NEWTON	241
72629	DENNARD	VAN BUREN	162
72631	BUSCH	CARROLL	240
72631	EUREKA SPRINGS	CARROLL	240
72631	HOLIDAY ISLAND	CARROLL	240
72632	EUREKA SPRINGS	CARROLL	240
72633	EVERTON	MARION	238
72634	FLIPPIN	MARION	242
72635	GASSVILLE	BAXTER	234
72638	GREEN FOREST	CARROLL	239
72639	COZAHOME	SEARCY	152
72639	HARRIET	SEARCY	152
72640	HASTY	NEWTON	243
72641	JASPER	NEWTON	243
72642	LAKEVIEW	BAXTER	234
72644	LEAD HILL	BOONE	238
72645	LESLIE	SEARCY	152
72648	DOGPATCH	NEWTON	152
72648	MARBLE FALLS	NEWTON	152
72650	MARSHALL	SEARCY	152
72651	MIDWAY	BAXTER	234
72653	MOUNTAIN HOME	BAXTER	234
72653	SALESVILLE	BAXTER	234
72653	MOUNTAIN HOME	MARION	234
72655	BASS	NEWTON	152
72655	MOUNT JUDEA	NEWTON	152
72658	NORFORK	BAXTER	234
72658	OLD JOE	BAXTER	234
72660	OAK GROVE	CARROLL	244
72661	OAKLAND	MARION	234
72662	OMAHA	BOONE	245
72663	ONIA	STONE	166
72666	PARTHENON	NEWTON	241
72668	PEEL	MARION	242
72669	PINDALL	SEARCY	242
72670	PONCA	NEWTON	243
72675	SAINT JOE	SEARCY	239
72679	TILLY	POPE	162



**ARKANSAS USP PORTFOLIO
ENCOMPASS INDEMNITY COMPANY
MOTOR VEHICLE RATE PAGES**

TERRITORY DEFINITIONS BY ZIP CODE

ZIP CODE	CITY	COUNTY	TERRITORY CODE
71601	PINE BLUFF	JEFFERSON	101
72680	ALCO	STONE	166
72680	TIMBO	STONE	166
72682	BRUNO	BOONE	239
72682	VALLEY SPRINGS	BOONE	239
72683	VENDOR	NEWTON	243
72685	WESTERN GROVE	NEWTON	239
72686	WITTS SPRINGS	SEARCY	243
72687	YELLVILLE	MARION	242
72701	DURHAM	WASHINGTON	246
72701	FAYETTEVILLE	WASHINGTON	246
72703	FAYETTEVILLE	WASHINGTON	246
72704	FAYETTEVILLE	WASHINGTON	247
72704	WHEELER	WASHINGTON	247
72712	BENTONVILLE	BENTON	248
72714	BELLA VISTA	BENTON	248
72715	BELLA VISTA	BENTON	248
72717	CANEHILL	WASHINGTON	249
72718	CAVE SPRINGS	BENTON	250
72719	CENTERTON	BENTON	248
72721	COMBS	MADISON	244
72722	DECATUR	BENTON	248
72727	ELKINS	WASHINGTON	251
72729	EVANSVILLE	WASHINGTON	249
72730	FARMINGTON	WASHINGTON	246
72732	GARFIELD	BENTON	252
72734	GENTRY	BENTON	250
72734	SPRINGTOWN	BENTON	250
72736	GRAVETTE	BENTON	248
72738	HINDSVILLE	MADISON	253
72739	BELLA VISTA	BENTON	248
72739	HIWASSE	BENTON	248
72740	HUNTSVILLE	MADISON	254
72740	HUNTSVILLE	MADISON	254
72740	HUNTSVILLE	CARROLL	254
72742	KINGSTON	MADISON	255
72744	LINCOLN	WASHINGTON	249
72745	LOWELL	BENTON	250
72747	MAYSVILLE	BENTON	248
72749	MORROW	WASHINGTON	249
72751	PEA RIDGE	BENTON	256
72752	PETTIGREW	MADISON	241
72753	PRAIRIE GROVE	WASHINGTON	246
72756	ROGERS	BENTON	249
72758	ROGERS	BENTON	257
72760	SAINT PAUL	MADISON	254
72761	SILOAM SPRINGS	BENTON	250
72762	SPRINGDALE	WASHINGTON	250
72762	SPRINGDALE	BENTON	250
72764	SPRINGDALE	WASHINGTON	250
72764	BETHEL HEIGHTS	BENTON	250
72764	BETHEL HEIGHTS	WASHINGTON	250
72764	SPRINGDALE	BENTON	250
72768	SULPHUR SPRINGS	BENTON	248



**ARKANSAS USP PORTFOLIO
ENCOMPASS INDEMNITY COMPANY
MOTOR VEHICLE RATE PAGES**

TERRITORY DEFINITIONS BY ZIP CODE

ZIP CODE	CITY	COUNTY	TERRITORY CODE
71601	PINE BLUFF	JEFFERSON	101
72769	SUMMERS	WASHINGTON	249
72773	WESLEY	MADISON	240
72774	WEST FORK	WASHINGTON	258
72776	WITTER	MADISON	254
72801	RUSSELLVILLE	POPE	169
72802	RUSSELLVILLE	POPE	169
72820	ALIX	FRANKLIN	244
72821	ALTUS	FRANKLIN	244
72821	WIEDERKEHR VILLAGE	FRANKLIN	244
72823	APPLETON	POPE	169
72823	ATKINS	POPE	169
72823	BLACKWELL	POPE	169
72823	BLACKWELL	CONWAY	169
72824	BELLEVILLE	YELL	259
72826	BLUE MOUNTAIN	LOGAN	260
72827	BLUFFTON	YELL	139
72828	BRIGGSVILLE	YELL	261
72830	CLARKSVILLE	JOHNSON	244
72832	COAL HILL	JOHNSON	244
72833	DANVILLE	YELL	261
72834	DARDANELLE	YELL	259
72835	DELAWARE	LOGAN	262
72837	DOVER	POPE	162
72838	GRAVELLY	YELL	139
72839	HAGARVILLE	JOHNSON	241
72840	HARTMAN	JOHNSON	244
72840	HUNT	JOHNSON	244
72841	HARVEY	SCOTT	139
72842	HAVANA	YELL	263
72842	WAVELAND	YELL	263
72843	HECTOR	POPE	162
72845	KNOXVILLE	JOHNSON	162
72846	LAMAR	JOHNSON	162
72847	LONDON	POPE	162
72851	NEW BLAINE	LOGAN	262
72852	OARK	JOHNSON	241
72853	OLA	YELL	159
72854	OZONE	JOHNSON	241
72855	PARIS	LOGAN	244
72856	PELSOR	POPE	243
72856	PELSOR	NEWTON	243
72857	PLAINVIEW	YELL	264
72858	POTTSVILLE	POPE	265
72860	ROVER	YELL	261
72863	SCRANTON	LOGAN	244
72865	SUBIACO	LOGAN	244
72901	FORT SMITH	SEBASTIAN	266
72903	FORT SMITH	SEBASTIAN	266
72904	FORT SMITH	SEBASTIAN	266
72908	FORT SMITH	SEBASTIAN	266
72916	BONANZA	SEBASTIAN	266
72916	FORT SMITH	SEBASTIAN	266
72921	ALMA	CRAWFORD	267
72923	BARLING	SEBASTIAN	267
72924	BATES	SCOTT	139
72926	BOLES	SCOTT	139
72927	BOONEVILLE	LOGAN	268
72928	BRANCH	FRANKLIN	260
72930	CECIL	FRANKLIN	244
72932	CEDARVILLE	CRAWFORD	269
72933	CHARLESTON	FRANKLIN	240
72934	CHESTER	CRAWFORD	270
72935	DYER	CRAWFORD	270
72936	GREENWOOD	SEBASTIAN	266
72937	HACKETT	SEBASTIAN	266
72938	HARTFORD	SEBASTIAN	271
72940	HUNTINGTON	SEBASTIAN	272
72941	CENTRAL CITY	SEBASTIAN	273
72941	LAVACA	SEBASTIAN	273
72943	MAGAZINE	LOGAN	240
72944	MANSFIELD	SCOTT	139
72946	MOUNTAINBURG	CRAWFORD	270



**ARKANSAS USP PORTFOLIO
ENCOMPASS INDEMNITY COMPANY
MOTOR VEHICLE RATE PAGES**

TERRITORY DEFINITIONS BY ZIP CODE

ZIP CODE	CITY	COUNTY	TERRITORY CODE
71601	PINE BLUFF	JEFFERSON	101
72947	MULBERRY	CRAWFORD	240
72948	NATURAL DAM	CRAWFORD	274
72949	OZARK	FRANKLIN	244
72950	PARKS	SCOTT	139
72951	RATCLIFF	LOGAN	275
72952	RUDY	CRAWFORD	276
72955	UNIONTOWN	CRAWFORD	277
72956	VAN BUREN	CRAWFORD	266
72958	BATES	SCOTT	139
72958	WALDRON	SCOTT	139
72959	WINSLOW	WASHINGTON	258



**ARKANSAS
ENCOMPASS INDEMNITY COMPANY
MOTOR VEHICLE RATE PAGES**

COMPREHENSIVE DEDUCTIBLES BY SYMBOL & MODEL YEAR FACTORS

COMPREHENSIVE PRICE GROUP SYMBOL FACTORS						
PGS	\$100	\$150	\$250	\$500	\$1,000	\$2,500
M	0.21	0.18	0.13	0.09	0.07	0.05
O	0.29	0.25	0.19	0.14	0.11	0.09
S	0.42	0.36	0.29	0.22	0.17	0.13
T	0.57	0.51	0.44	0.37	0.29	0.23
U	0.75	0.69	0.62	0.54	0.41	0.31
V	0.92	0.85	0.77	0.66	0.50	0.38
W	1.08	1.00	0.92	0.79	0.59	0.44
N	1.24	1.14	1.04	0.90	0.68	0.51
P	1.39	1.29	1.17	1.02	0.79	0.61
Q	1.52	1.42	1.30	1.15	0.92	0.74
R	1.66	1.56	1.44	1.29	1.06	0.87
G	1.87	1.76	1.63	1.46	1.22	1.02
I	2.15	2.02	1.89	1.69	1.42	1.19
K	2.48	2.34	2.19	1.97	1.66	1.40
C	3.01	2.85	2.67	2.41	2.05	1.74
D	3.69	3.49	3.27	2.95	2.50	2.12
E	4.29	4.04	3.76	3.37	2.80	2.33
F	5.02	4.72	4.40	3.94	3.27	2.71
H	5.75	5.40	5.04	4.51	3.74	3.10
J	6.47	6.08	5.67	5.08	4.21	3.49
L	7.20	6.76	6.31	5.65	4.68	3.88

MODEL YEAR	COMP FACTOR
2014	1.418
2013	1.338
2012	1.262
2011	1.191
2010	1.124
2009	1.060
2008	1.000
2007	0.971
2006	0.943
2005	0.915
2004 & Prior	0.888
2003	0.863
2002 & Prior	0.863

Multiply by 6% for each subsequent model years not shown

COMPREHENSIVE PRICE GROUP SYMBOL FACTORS FULL GLASS						
PGS	\$100	\$150	\$250	\$500	\$1,000	\$2,500
M	0.24	0.22	0.19	0.14	0.11	0.09
O	0.32	0.29	0.24	0.20	0.13	0.08
S	0.46	0.43	0.35	0.29	0.20	0.14
T	0.63	0.56	0.47	0.40	0.30	0.23
U	0.80	0.73	0.62	0.53	0.41	0.32
V	0.96	0.91	0.79	0.67	0.53	0.42
W	1.15	1.07	0.95	0.82	0.63	0.48
N	1.27	1.21	1.09	0.93	0.70	0.53
P	1.40	1.34	1.21	1.02	0.77	0.58
Q	1.43	1.35	1.22	1.04	0.78	0.59
R	1.48	1.40	1.28	1.07	0.82	0.63
G	1.61	1.52	1.40	1.21	0.96	0.76
I	1.79	1.71	1.56	1.39	1.14	0.93
K	2.06	1.97	1.82	1.62	1.38	1.18
C	2.56	2.48	2.32	1.99	1.75	1.54
D	3.32	3.20	2.97	2.60	2.26	1.96
E	4.12	3.94	3.65	3.25	2.82	2.45
F	4.82	4.60	4.26	3.80	3.31	2.88
H	5.52	5.26	4.88	4.35	3.79	3.30
J	6.21	5.93	5.50	4.90	4.26	3.70
L	6.91	6.59	6.11	5.45	4.74	4.12



**ARKANSAS
ENCOMPASS INDEMNITY COMPANY
MOTOR VEHICLE RATE PAGES**

COLLISION DEDUCTIBLES BY SYMBOL & MODEL YEAR FACTORS

COLLISION PRICE GROUP SYMBOL FACTORS						
PGS	\$100	\$150	\$250	\$500	\$1,000	\$2,500
M	0.73	0.68	0.59	0.45	0.24	0.18
O	0.88	0.83	0.74	0.59	0.37	0.29
S	1.00	0.95	0.86	0.68	0.47	0.38
T	1.10	1.06	0.99	0.78	0.56	0.46
U	1.27	1.23	1.15	0.94	0.67	0.56
V	1.40	1.36	1.28	1.06	0.77	0.66
W	1.51	1.47	1.40	1.17	0.86	0.74
N	1.63	1.59	1.51	1.27	0.95	0.82
P	1.76	1.72	1.63	1.38	1.03	0.90
Q	1.91	1.85	1.73	1.49	1.12	0.97
R	2.06	1.99	1.85	1.59	1.21	1.04
G	2.22	2.14	1.99	1.71	1.33	1.14
I	2.40	2.32	2.18	1.87	1.51	1.31
K	2.62	2.54	2.38	2.06	1.68	1.46
C	2.97	2.88	2.69	2.37	1.91	1.68
D	3.40	3.28	3.05	2.69	2.12	1.85
E	3.55	3.44	3.23	2.79	2.22	1.93
F	3.96	3.85	3.62	3.13	2.49	2.18
H	4.38	4.26	4.00	3.46	2.76	2.41
J	4.81	4.67	4.38	3.79	3.03	2.64
L	5.23	5.08	4.78	4.14	3.29	2.88

MODEL YEAR	COLL FACTOR
2014	1.587
2013	1.469
2012	1.360
2011	1.259
2010	1.166
2009	1.080
2008	1.000
2007	0.935
2006	0.873
2005	0.816
2004 & Prior	0.763
2003	0.713
2002 & Prior	0.713

Multiply by 8% for each subsequent model years not shown

**ARKANSAS
ENCOMPASS INDEMNITY COMPANY
MOTOR VEHICLE RULES**

4. CLASSIFICATIONS

This rule does not apply to risks rated in accordance with the Miscellaneous Types Rule unless otherwise specified. Refer to rate pages for classification factors and statistical codes.

A. Driver And Auto Classifications

Autos owned by an individual or owned jointly by two or more relatives or resident individuals are classified according to the age, sex and marital status of the operators, and the use of the auto. Refer to the rate pages for the applicable classification factor.

Private Passenger Autos owned by corporations, co-partnerships, or unincorporated associations, other than leased autos, are not eligible.

~~**Exception:** An owned private passenger auto principally furnished to a specified individual shall be classified and rated as if owned by that individual. This rule does not apply to autos, which are eligible for rating as van pools in a Commercial Automobile Manual.~~

(1) Age, Sex and Marital Status Classifications

- a. AGE means the age attained on the last birthday.
- b. MARRIED means a married person living with his or her spouse.

Exception: Military Service: A person in active military service with the armed forces of the United States of America is not considered a resident in the applicant's household unless this person customarily operates the auto.

(2) Auto Use Classifications

- a. BUSINESS USE means that the use of the auto is required by or customarily involved in the duties of the applicant or any other person customarily operating the auto, in an occupation, profession or business, other than going to or from the principal place of occupation, profession or business.

Exceptions:

1. For liability coverage only, an auto used in the business of the U.S. Government by one of its employees shall be classified as WORK USE.
2. If an auto is owned by a corporation, co-partnership or unincorporated association and the corporation, co-partnership or unincorporated association provides insurance coverage for that auto for its business use but not its personal use, the auto shall be classified as PLEASURE USE.

B. Work Loss Coverage

(1). Limits: Maximum per person--

- (1) For an Income Earner--\$140 per week for 52 weeks.
- (2) For a Non-Income Earner--\$70 per week for 52 weeks.

(2). Rates:

(a) All Eligible Motor Vehicles

- Charge \$6.43 per car, per year.
- The Classification and SDIP Rules do NOT apply.

C. Accidental Death Benefit

(1). Limits: Maximum per person--\$5,000.

(2). Rates:

(a) All Eligible Motor Vehicles

- Charge \$3.86 per car, per year.
- The Classification and SDIP Rules do NOT apply.

Q. Good Payer Discount

The Good Payer Discount rating factors on the Motor Vehicle Rate Pages will be applied to the otherwise applicable rates for Split Limit or Single Limit Liability, Medical Expenses, Comprehensive, and Collision coverages for all private passenger autos, vans and pickups on the policy when the policy meets the following eligibility requirements:

1. Initial Qualification: All private passenger autos, vans and pickups on the policy, written in Encompass Indemnity Company, will initially qualify for the discount for all policies with an effective date on or after January 25, 2010.
2. Subsequent Qualification: The policy will be evaluated prior to each renewal to determine whether the policy qualifies for the discount at such renewal. The discount will be removed from all private passenger autos, vans and pickups on the policy if a cancellation notice for non-payment of vehicle premiums was sent during the most recent prior 12-month period ending 45 days prior to the renewal effective date. Otherwise, the discount will apply to all private passenger autos, pickups and vans on the policy at renewal.

12. MISCELLANEOUS TYPES

A. GENERAL MISCELLANEOUS TYPES RULES

All miscellaneous type vehicles are available under all coverage options: Special Value, Special, Deluxe and Elite.

(1) Reserved for Future Use Loss Surcharges

~~The loss surcharge program for miscellaneous vehicles will operate as follows:~~

~~Losses incurred while operating a miscellaneous vehicle will produce surcharges on that particular vehicle. A chargeable loss is a loss resulting in:~~

~~a.—bodily injury or death; or~~

~~b.—total damage to all property including the insured's property in excess of \$1,000.~~

~~**Exception:** Losses resulting only in Comprehensive claims are not chargeable.~~

~~For chargeable losses multiply the total base premium by the following factors:~~

One loss within 3 years	—1.30
Two losses within 3 years	—2.15
Three losses within 3 years	—2.75
Four losses within 3 years	—3.45

~~Surcharges apply to the whole premium except Fixed Expense Premiums and Uninsured/Underinsured Motorists charge.~~

(2) Loss Free Discount

No loss free discount applies to miscellaneous types.

(3) Personal Umbrella Coverage —Refer to the Personal Umbrella Coverage Section of this manual.

(4) Physical Damage Deductibles

For deductibles, apply the appropriate deductible by Symbol (M) factors from the rate pages.

(5) Fixed Expense Premiums

The auto fixed expense premiums apply to the following miscellaneous type vehicles: motor homes, registered dune buggies and antique autos.

B. TRAILERS DESIGNED FOR USE WITH PRIVATE PASSENGER AUTOS

LIABILITY AND MEDICAL EXPENSES COVERAGES

Universal Security affords Liability and Medical Expenses coverages to trailers designed for use with a private passenger auto, pickup or van without additional premium charge and without specific description of the trailer.

Exceptions: Coverage is not provided for a trailer:

- (1) used for business purposes with other than a private passenger auto or owned pickup or van, or
- (2) when no auto is owned by the insured, or
- (3) located for use as a residence or premises.

**ARKANSAS
ENCOMPASS INDEMNITY COMPANY
PERSONAL UMBRELLA RULES**

5. ANNUAL RATES - BASIC LIMITS

A. Motor Vehicle Liability (rates apply per vehicle)

(1) Autos, pickups, vans and registered dune buggies

<u>Classification</u>	<u>Class Code</u>	<u>BASIC LIMIT RATES</u>		<u>\$100/300 or \$300,000</u>
		<u>All Territories</u>	<u>All Territories</u>	<u>UNDERLYING LIMIT</u>
				<u>FLAT CHARGE</u>
All Operators	7010XX	\$97		<u>\$15.24</u>
Youthful Surcharge:				
Operators Under Age 21	7710XX	<u>\$24.12</u>		<u>\$2.54</u>
Operators Age 21 to 24	7510XX	<u>\$24.12</u>		<u>\$2.54</u>

Senior Discount:

Operators Age 50 and above	7310XX	<u>\$20.31</u>		<u>\$1.27</u>
----------------------------	--------	----------------	--	---------------

If two or more vehicles above are insured under the same policy apply a factor of 0.80 to the above rates. (Class Code: Single Car XXXX01, Multi Car XXXX02)

If personal umbrella coverage is written on a package policy, apply a factor of 0.67 to the All Operators basic limit rate above. The definition of a package can be found in the General Rules.

(2) Other Miscellaneous Type Vehicles

<u>Vehicle</u>	<u>Class Code</u>	<u>BASIC LIMIT RATES</u>		<u>\$100/300 or \$300,000</u>
		<u>All Territories</u>	<u>All Territories</u>	<u>UNDERLYING LIMIT</u>
				<u>FLAT CHARGE</u>
Motor Homes	703000	\$22		<u>\$ 2.54</u>
Snowmobiles	704000	\$19		<u>\$ 2.54</u>
All-Terrain Vehicles	705000	\$19		<u>\$ 2.54</u>
Non-Registered Dune Buggies	706000	\$22		<u>\$ 2.54</u>
Golf Carts	707000	\$22		<u>\$ 2.54</u>
Antique Autos	708000	\$22		<u>\$ 2.54</u>

Note: The youthful surcharge should be added for each youthful operator for which coverage is to apply. The senior discount is then applied to any remaining vehicles. The number of youthful surcharges and senior discounts should not exceed the number of motor vehicles on the policy.



**ARKANSAS USP PORTFOLIO
ENCOMPASS INDEMNITY COMPANY
MOTOR VEHICLE RATE PAGES
TERRITORY DEFINITIONS BY ZIP CODE**

ZIP CODE	CITY	COUNTY	BI Territory Code	PD Territory Code	MED Territory Code	Comp Territory Code	Coll Territory Code
71601	PINE BLUFF	JEFFERSON	111	206	510	410	303
71602	PINE BLUFF	JEFFERSON	111	206	510	410	305
71602	WHITE HALL	JEFFERSON	111	206	510	410	305
71603	PINE BLUFF	JEFFERSON	111	210	510	410	303
71630	ARKANSAS CITY	DESHA	103	210	508	412	303
71631	BANKS	BRADLEY	105	204	510	408	303
71635	CROSSETT	ASHLEY	103	210	512	408	306
71638	COLLINS	CHICOT	103	210	510	412	303
71638	DERMOTT	CHICOT	103	210	510	412	303
71639	DUMAS	DESHA	103	206	508	412	303
71640	EUDORA	CHICOT	103	210	512	408	303
71642	FOUNTAIN HILL	ASHLEY	103	210	512	408	306
71643	GOULD	LINCOLN	103	210	508	412	303
71644	GRADY	LINCOLN	103	206	510	412	303
71646	HAMBURG	ASHLEY	103	210	512	408	306
71646	HAMBURG	DREW	103	210	512	408	306
71647	HERMITAGE	BRADLEY	103	204	510	408	306
71651	JERSEY	BRADLEY	105	204	512	408	306
71652	KINGSLAND	CLEVELAND	103	210	510	412	303
71653	LAKE VILLAGE	CHICOT	103	210	512	412	303
71654	MC GEHEE	DESHA	103	210	508	412	303
71655	MONTICELLO	DREW	103	210	510	412	306
71658	MONROSE	ASHLEY	103	210	510	412	303
71660	NEW EDINBURG	CLEVELAND	103	210	510	412	303
71661	PARKDALE	ASHLEY	103	210	512	408	306
71662	PICKENS	DESHA	103	210	508	412	303
71663	PORTLAND	ASHLEY	103	210	512	412	306
71665	RISON	CLEVELAND	103	210	510	410	303
71667	STAR CITY	LINCOLN	103	206	510	412	306
71670	TILLAR	DESHA	103	210	510	412	306
71671	WARREN	BRADLEY	103	210	510	412	303
71674	WATSON	DESHA	103	210	508	412	303
71675	WILMAR	DREW	103	210	510	412	303
71676	WILMOT	ASHLEY	103	210	512	408	303
71677	WINCHESTER	DREW	103	210	510	412	303
71678	YORKTOWN	LINCOLN	103	206	510	412	303
71701	CAMDEN	OUACHITA	100	209	510	408	306
71701	EAST CAMDEN	OUACHITA	100	209	510	408	306
71720	BEARDEN	OUACHITA	100	209	510	412	303
71722	BLUFF CITY	NEVADA	100	209	510	412	306
71725	CARTHAGE	DALLAS	103	210	510	410	303
71726	CHIDESTER	OUACHITA	100	209	510	412	306
71730	EL DORADO	UNION	105	204	512	408	306
71740	EMERSON	COLUMBIA	105	204	512	408	306
71742	FORDYCE	DALLAS	103	210	510	412	303
71743	GURDON	CLARK	100	209	510	410	306
71744	HAMPTON	CALHOUN	103	204	510	408	303
71745	HARRELL	CALHOUN	105	204	510	408	303
71747	HUTTIG	UNION	105	204	512	408	306
71748	IVAN	DALLAS	103	210	510	410	303
71749	JUNCTION CITY	UNION	105	204	512	408	306
71751	LOUANN	OUACHITA	100	209	510	408	306
71752	MC NEIL	COLUMBIA	100	209	510	408	304
71753	MAGNOLIA	COLUMBIA	105	204	510	408	304
71753	VILLAGE	COLUMBIA	105	204	510	408	304
71758	MOUNT HOLLY	UNION	100	209	510	408	306
71762	SMACKOVER	UNION	105	204	512	408	306
71763	MANNING	DALLAS	100	209	510	412	303
71763	SPARKMAN	DALLAS	100	209	510	412	303
71764	STEPHENS	OUACHITA	100	209	512	408	306
71765	STRONG	UNION	105	204	512	408	306
71766	THORNTON	CALHOUN	103	210	510	412	303
71768	URBANA	UNION	105	204	512	408	306
71769	VILLAGE	COLUMBIA	105	204	510	408	304
71770	WALDO	COLUMBIA	100	209	510	408	304
71772	WHELEN SPRINGS	CLARK	100	209	510	410	306
71801	HOPE	HEMPSTEAD	109	201	507	407	310
71822	ASHDOWN	LITTLE RIVER	109	201	507	407	310
71825	BLEVINS	HEMPSTEAD	109	201	507	407	310
71826	BRADLEY	LAFAYETTE	109	201	507	407	310
71827	BUCKNER	LAFAYETTE	100	209	512	408	304
71828	CALE	NEVADA	100	209	510	412	304
71831	COLUMBUS	HEMPSTEAD	109	201	507	407	310
71832	DE QUEEN	SEVIER	109	201	507	407	310
71833	DIERKS	HOWARD	109	201	507	407	310
71834	DODDRIDGE	MILLER	109	201	507	407	310
71835	EMMET	NEVADA	100	209	510	412	304
71836	FOREMAN	LITTLE RIVER	109	201	507	407	310
71837	FOUKE	MILLER	109	201	507	407	310
71838	FULTON	HEMPSTEAD	109	201	507	407	310
71839	GARLAND CITY	LAFAYETTE	109	201	507	407	310
71841	GILLHAM	SEVIER	100	209	512	410	304
71842	HORATIO	SEVIER	109	201	507	407	310
71845	LEWISVILLE	LAFAYETTE	109	201	507	407	310
71846	LOCKESBURG	SEVIER	109	201	507	407	310
71847	MC CASKILL	HEMPSTEAD	109	201	507	407	310
71851	MINERAL SPRINGS	HOWARD	109	201	507	407	310
71852	NASHVILLE	HOWARD	109	201	507	407	310
71853	OGDEN	LITTLE RIVER	109	201	507	407	310
71854	TEXARKANA	MILLER	109	201	507	407	310
71855	OZAN	HEMPSTEAD	109	201	507	407	310
71857	PRESCOTT	NEVADA	100	209	510	410	306
71858	ROSSSTON	NEVADA	100	209	512	408	306
71859	SARATOGA	HOWARD	109	201	507	407	310
71859	SARATOGA	HEMPSTEAD	109	201	507	407	310
71860	STAMPS	COLUMBIA	109	201	507	407	310
71860	STAMPS	COLUMBIA	109	201	507	407	310
71861	TAYLOR	COLUMBIA	100	209	512	408	304
71862	WASHINGTON	HEMPSTEAD	109	201	507	407	310
71864	WILLISVILLE	NEVADA	100	209	512	408	304
71865	WILTON	LITTLE RIVER	109	201	507	407	310
71866	WINTHROP	LITTLE RIVER	109	201	507	407	310
71901	FOUNTAIN LAKE	GARLAND	111	206	510	410	305
71901	HOT SPRINGS	GARLAND	111	206	510	410	305
71901	HOT SPRINGS NATIONAL PARK	GARLAND	111	206	510	410	305



**ARKANSAS USP PORTFOLIO
ENCOMPASS INDEMNITY COMPANY
MOTOR VEHICLE RATE PAGES
TERRITORY DEFINITIONS BY ZIP CODE**

ZIP CODE	CITY	COUNTY	BI Territory Code	PD Territory Code	MED Territory Code	Comp Territory Code	Coll Territory Code
71601	PINE BLUFF	JEFFERSON	111	206	510	410	303
71901	HOT SPRINGS NATIONAL PARK	HOT SPRINGS	111	206	510	410	305
71909	HOT SPRINGS	GARLAND	111	206	510	410	304
71909	HOT SPRINGS VILLAGE	GARLAND	111	206	510	410	304
71909	HOT SPRINGS VILLAGE	SALINE	111	206	510	410	304
71913	HOT SPRINGS	GARLAND	111	206	510	410	304
71913	HOT SPRINGS NATIONAL PARK	GARLAND	111	206	510	410	304
71913	HOT SPRINGS NATIONAL PARK	HOT SPRINGS	111	206	510	410	304
71913	LAKE HAMILTON	GARLAND	111	206	510	410	304
71921	AMITY	CLARK	100	210	510	412	305
71921	AMITY	HOT SPRINGS	100	210	510	412	305
71922	ANTOINE	PIKE	100	209	512	412	306
71923	ARKADELPHIA	CLARK	103	210	510	410	306
71923	ARKADELPHIA	HOT SPRINGS	103	210	510	410	306
71929	BISMARCK	HOT SPRINGS	103	210	510	410	305
71933	BONNERDALE	HOT SPRINGS	111	210	510	410	304
71933	BONNERDALE	GARLAND	111	210	510	410	304
71933	BONNERDALE	MONTGOMERY	111	210	510	410	304
71935	CADDO GAP	MONTGOMERY	111	209	510	410	304
71937	COVE	POLK	104	209	512	410	304
71937	HATTON	POLK	104	209	512	410	304
71940	DELIGHT	PIKE	100	209	512	412	306
71941	DONALDSON	HOT SPRINGS	103	210	510	410	303
71942	FRIENDSHIP	HOT SPRINGS	111	210	510	410	306
71943	GLENWOOD	PIKE	100	209	510	412	304
71943	GLENWOOD	HOT SPRINGS	100	209	510	412	304
71944	GRANNIS	POLK	104	209	512	410	304
71945	HATFIELD	POLK	104	209	510	410	304
71949	JESSIEVILLE	GARLAND	104	210	500	410	304
71950	KIRBY	PIKE	100	209	510	412	305
71952	LANGLEY	PIKE	100	209	510	412	304
71953	MENA	POLK	104	209	510	410	304
71956	BUCKVILLE	GARLAND	111	206	510	410	304
71956	MOUNTAIN PINE	GARLAND	111	206	510	410	304
71957	MOUNT IDA	MONTGOMERY	104	210	510	410	304
71958	MURFREESBORO	PIKE	100	209	510	412	304
71959	NEWHOPE	PIKE	100	209	510	412	304
71960	NORMAN	MONTGOMERY	104	209	510	410	304
71961	ODEN	MONTGOMERY	104	205	510	410	304
71961	PINE RIDGE	MONTGOMERY	104	205	510	410	304
71962	OKOLONA	CLARK	100	209	510	412	305
71964	PEARCY	GARLAND	111	206	510	410	304
71964	PEARCY	HOT SPRINGS	111	206	510	410	304
71965	PENCIL BLUFF	MONTGOMERY	104	205	510	410	304
71968	ROYAL	GARLAND	111	210	510	410	304
71969	SIMS	MONTGOMERY	104	205	510	410	304
71970	STORY	MONTGOMERY	104	205	510	410	304
71971	UMPIRE	HOWARD	100	209	510	412	304
71972	VANDERVOORT	POLK	104	209	510	410	304
71973	WICKES	POLK	104	209	512	410	304
72001	ADONA	PERRY	111	205	500	409	303
72002	ALEXANDER	PULASKI	111	212	510	409	305
72002	ALEXANDER	SALINE	111	212	510	409	305
72003	ALMYRA	ARKANSAS	103	202	511	406	303
72004	ALTHEIMER	JEFFERSON	103	205	511	409	303
72005	AMAGON	JACKSON	103	202	508	408	301
72005	BALCH	JACKSON	103	202	508	408	301
72006	AUGUSTA	WOODRUFF	103	202	511	406	303
72007	AUSTIN	LONOKE	103	205	512	402	303
72010	BALD KNOB	WHITE	103	205	511	411	301
72011	BAUXITE	SALINE	111	212	510	410	305
72012	BEEBE	WHITE	103	205	511	409	303
72013	BEE BRANCH	VAN BUREN	110	200	501	405	301
72014	BEEDEVILLE	JACKSON	112	202	508	408	307
72015	BENTON	SALINE	106	211	500	404	311
72015	HASKELL	SALINE	106	211	500	404	311
72015	TULL	SALINE	106	211	500	404	311
72016	BIGELOW	PERRY	111	210	500	409	312
72017	BISCOE	PRAIRIE	103	205	511	409	303
72019	BENTON	SALINE	106	211	500	404	311
72020	BRADFORD	WHITE	103	205	508	406	303
72021	BRINKLEY	MONROE	112	205	511	406	303
72022	BRYANT	SALINE	111	212	510	409	305
72023	CABOT	LONOKE	107	206	512	402	306
72023	CABOT	PULASKI	107	206	512	402	306
72024	CARLISLE	LONOKE	103	205	511	409	303
72024	CARLISLE	PRAIRIE	103	205	511	409	303
72025	CASA	PERRY	104	205	510	409	312
72026	CASSCOE	ARKANSAS	103	202	511	406	303
72027	CENTER RIDGE	CONWAY	110	200	501	405	301
72028	CHOCTAW	VAN BUREN	100	200	511	411	301
72029	CLARENDON	MONROE	103	202	511	409	303
72030	CLEVELAND	CONWAY	100	200	501	411	301
72031	CLINTON	VAN BUREN	100	200	511	411	301
72032	CONWAY	FAULKNER	103	205	511	409	303
72034	CONWAY	FAULKNER	103	205	511	402	303
72036	COTTON PLANT	WOODRUFF	103	202	511	406	303
72038	CROCKETTS BLUFF	ARKANSAS	103	202	511	406	303
72039	DAMASCUS	FAULKNER	104	200	511	411	301
72039	TWIN GROVES	FAULKNER	104	200	511	411	301
72040	DES ARC	PRAIRIE	103	202	511	409	303
72041	DE VALLS BLUFF	PRAIRIE	103	205	511	409	303
72042	DE WITT	ARKANSAS	103	210	508	406	307
72044	EDGEMONT	CLEBURNE	100	200	501	411	300
72045	EL PASO	WHITE	103	205	511	402	303
72046	ENGLAND	LONOKE	103	205	511	402	303
72047	ENOLA	FAULKNER	103	205	511	409	303
72048	ETHEL	ARKANSAS	103	202	508	412	307
72051	FOX	STONE	100	200	501	411	301
72052	GARNER	WHITE	103	205	511	409	303
72055	GILLET	ARKANSAS	103	210	511	406	303
72057	GRAPEVINE	GRANT	111	206	510	410	303
72058	GREENBRIER	FAULKNER	103	205	511	409	303
72060	GRIFFITHVILLE	WHITE	103	202	511	409	303
72063	HATTIEVILLE	CONWAY	104	205	501	411	301



**ARKANSAS USP PORTFOLIO
ENCOMPASS INDEMNITY COMPANY
MOTOR VEHICLE RATE PAGES**

TERRITORY DEFINITIONS BY ZIP CODE

ZIP CODE	CITY	COUNTY	BI Territory Code	PD Territory Code	MED Territory Code	Comp Territory Code	Coll Territory Code
71601	PINE BLUFF	JEFFERSON	111	206	510	410	303
72064	HAZEN	PRAIRIE	103	205	511	409	303
72065	HENSLEY	PULASKI	111	206	511	409	312
72065	HENSLEY	SALINE	111	206	511	409	312
72066	HICKORY PLAINS	PRAIRIE	103	205	511	409	303
72067	GREERS FERRY	CLEBURNE	104	200	511	411	303
72067	HIGDEN	CLEBURNE	104	200	511	411	303
72068	HIGGINSON	WHITE	103	202	511	409	303
72069	HOLLY GROVE	MONROE	103	202	511	406	307
72070	HOUSTON	PERRY	111	210	500	409	303
72072	HUMNOKE	LONOKE	103	205	511	409	303
72073	HUMPHREY	ARKANSAS	103	205	511	409	303
72076	GRAVEL RIDGE	LONOKE	107	206	512	402	306
72076	JACKSONVILLE	LONOKE	107	206	512	402	306
72076	GRAVEL RIDGE	PULASKI	107	206	512	402	306
72076	JACKSONVILLE	PULASKI	107	206	512	402	306
72079	JEFFERSON	JEFFERSON	111	206	510	409	305
72080	JERUSALEM	CONWAY	100	200	501	411	301
72081	JUDSONIA	WHITE	103	205	511	411	301
72081	STEPROCK	WHITE	103	205	511	411	301
72082	KENSETT	WHITE	103	205	511	409	301
72083	KEO	LONOKE	103	205	511	402	303
72084	LEOLA	GRANT	103	210	510	410	303
72084	LEOLA	HOT SPRINGS	103	210	510	410	303
72086	LONOKE	LONOKE	103	205	511	402	303
72087	LONSDALE	GARLAND	111	210	510	410	304
72088	FAIRFIELD BAY	VAN BUREN	100	200	511	411	303
72088	SHIRLEY	VAN BUREN	100	200	511	411	303
72101	FAIR OAKS	WOODRUFF	112	202	508	408	307
72101	HOWELL	WOODRUFF	112	202	508	408	307
72101	MC CRODY	WOODRUFF	112	202	508	408	307
72102	MC RAE	WHITE	103	205	511	409	303
72103	MABELVALE	PULASKI	108	207	505	403	308
72103	SHANNON HILLS	PULASKI	108	207	505	403	308
72103	MABELVALE	SALINE	108	207	505	403	308
72104	MALVERN	HOT SPRINGS	111	210	510	410	305
72105	JONES MILL	HOT SPRINGS	111	206	510	410	305
72106	MAYFLOWER	FAULKNER	103	205	511	402	303
72110	MORRILTON	CONWAY	111	205	510	409	303
72110	OPPELO	CONWAY	111	205	510	409	303
72111	MOUNT VERNON	FAULKNER	103	205	511	409	303
72111	MOUNT VERNON	WHITE	103	205	511	409	303
72112	NEWPORT	JACKSON	103	202	508	412	303
72113	MAUMELLE	PULASKI	107	208	512	402	306
72114	NORTH LITTLE ROCK	PULASKI	107	208	512	402	306
72114	NORTH LITTLE ROCK	PULASKI	107	208	512	402	306
72116	NORTH LITTLE ROCK	PULASKI	107	208	512	402	306
72116	NORTH LITTLE ROCK	PULASKI	107	208	512	402	306
72116	SHERWOOD	PULASKI	107	208	512	402	306
72117	NORTH LITTLE ROCK	PULASKI	107	208	512	402	306
72117	NORTH LITTLE ROCK	PULASKI	107	208	512	402	306
72117	SHERWOOD	PULASKI	107	208	512	402	306
72118	NORTH LITTLE ROCK	PULASKI	107	208	512	402	306
72118	NORTH LITTLE ROCK	PULASKI	107	208	512	402	306
72120	NORTH LITTLE ROCK	FAULKNER	107	205	511	402	303
72120	SHERWOOD	PULASKI	107	205	511	402	303
72121	PANGBURN	WHITE	103	205	508	409	303
72121	PANGBURN	CLEBURNE	103	205	508	409	303
72122	PARON	SALINE	111	210	500	410	304
72122	PARON	PULASKI	111	210	500	410	304
72125	PERRY	PERRY	111	210	500	409	303
72126	PERRYVILLE	PERRY	111	205	500	410	312
72127	PLUMERVILLE	CONWAY	103	205	511	409	303
72128	POYEN	GRANT	111	210	500	410	305
72128	POYEN	HOT SPRINGS	111	210	500	410	305
72129	PRATTSVILLE	GRANT	103	210	500	410	305
72130	PRIM	CLEBURNE	100	200	511	411	303
72131	QUITMAN	CLEBURNE	103	205	511	409	301
72132	REDFIELD	JEFFERSON	111	206	511	409	312
72133	REYDELL	JEFFERSON	103	210	511	406	303
72134	ROE	MONROE	103	205	511	409	303
72135	ROLAND	PULASKI	111	210	500	409	312
72136	ROMANCE	WHITE	103	205	511	409	303
72137	ROSE BUD	WHITE	103	205	511	409	303
72140	SAINT CHARLES	ARKANSAS	103	202	508	406	307
72141	SCOTLAND	VAN BUREN	100	200	501	411	301
72142	SCOTT	PULASKI	103	208	511	402	306
72143	GEORGETOWN	WHITE	103	205	511	409	303
72143	SEARCY	WHITE	103	205	511	409	303
72150	SHERIDAN	GRANT	111	206	510	410	305
72152	SHERRILL	JEFFERSON	103	205	511	402	303
72153	SHIRLEY	VAN BUREN	104	200	511	411	303
72156	SOLGOHACHIA	CONWAY	111	205	511	409	303
72157	SPRINGFIELD	CONWAY	103	205	511	409	303
72160	STUTTGART	ARKANSAS	103	202	511	409	303
72165	THIDA	INDEPENDENCE	102	205	508	406	303
72166	TICHNOR	ARKANSAS	103	210	508	412	303
72167	TRASKWOOD	GRANT	106	211	500	404	311
72167	TRASKWOOD	HOT SPRINGS	106	211	500	404	311
72168	TUCKER	JEFFERSON	103	205	511	402	303
72170	ULM	PRAIRIE	103	205	511	409	303
72173	HOLLAND	FAULKNER	103	205	511	409	303
72173	VILONIA	FAULKNER	103	205	511	409	303
72175	WABBASEKA	JEFFERSON	103	205	511	409	303
72176	WARD	LONOKE	103	205	511	402	303
72179	WILBURN	CLEBURNE	103	205	508	409	301
72201	LITTLE ROCK	PULASKI	108	207	505	400	308
72201	LITTLE ROCK	PULASKI	108	207	505	400	308
72202	LITTLE ROCK	PULASKI	108	207	506	400	308
72202	LITTLE ROCK	PULASKI	108	207	506	400	308
72204	LITTLE ROCK	PULASKI	108	207	505	400	308
72204	LITTLE ROCK	PULASKI	108	207	505	400	308
72205	LITTLE ROCK	PULASKI	108	207	505	400	308
72205	LITTLE ROCK	PULASKI	108	207	505	400	308
72206	LITTLE ROCK	PULASKI	108	207	506	403	308



**ARKANSAS USP PORTFOLIO
ENCOMPASS INDEMNITY COMPANY
MOTOR VEHICLE RATE PAGES**

TERRITORY DEFINITIONS BY ZIP CODE

ZIP CODE	CITY	COUNTY	BI Territory Code	PD Territory Code	MED Territory Code	Comp Territory Code	Coll Territory Code
71601	PINE BLUFF	JEFFERSON	111	206	510	410	303
72206	LITTLE ROCK	PULASKI	108	207	506	403	308
72207	CAMMACK VILLAGE	PULASKI	108	207	505	400	308
72207	LITTLE ROCK	PULASKI	108	207	505	400	308
72207	LITTLE ROCK	PULASKI	108	207	505	400	308
72209	LITTLE ROCK	PULASKI	108	207	506	403	308
72209	LITTLE ROCK	PULASKI	108	207	506	403	308
72210	LITTLE ROCK	PULASKI	108	207	505	403	308
72210	LITTLE ROCK	PULASKI	108	207	505	403	308
72210	LITTLE ROCK	SALINE	108	207	505	403	308
72211	LITTLE ROCK	PULASKI	111	207	500	400	308
72211	LITTLE ROCK	PULASKI	111	207	500	400	308
72212	LITTLE ROCK	PULASKI	108	207	500	400	308
72212	LITTLE ROCK	PULASKI	108	207	500	400	308
72223	LITTLE ROCK	PULASKI	106	207	500	403	308
72223	LITTLE ROCK	PULASKI	106	207	500	403	308
72227	LITTLE ROCK	PULASKI	108	207	505	400	308
72227	LITTLE ROCK	PULASKI	108	207	505	400	308
72301	WEST MEMPHIS	CRITTENDEN	112	212	508	408	307
72310	ARMOREL	MISSISSIPPI	102	202	504	412	303
72311	AUBREY	LEE	112	202	508	406	307
72313	BASSETT	MISSISSIPPI	105	212	508	408	307
72314	BIRDEYE	CROSS	103	202	508	408	303
72315	BLYTHEVILLE	MISSISSIPPI	102	202	504	412	303
72315	GOSNELL	MISSISSIPPI	102	202	504	412	303
72320	BRICKEYS	LEE	112	202	508	408	307
72321	BURDETTE	MISSISSIPPI	102	202	504	408	303
72324	BIRDEYE	CROSS	103	202	508	408	303
72324	CHERRY VALLEY	CROSS	103	202	508	408	303
72326	COLT	SAINT FRANCIS	112	212	508	408	307
72327	CRAWFORDSVILLE	CRITTENDEN	112	212	508	408	307
72328	CRUMROD	PHILLIPS	103	202	508	406	307
72329	DRIVER	MISSISSIPPI	102	202	504	408	303
72330	DYESS	MISSISSIPPI	102	202	504	408	303
72331	EARLE	CRITTENDEN	105	212	508	408	307
72331	TWIST	CROSS	105	212	508	408	307
72332	EDMONDSON	CRITTENDEN	105	212	508	408	307
72333	ELAINE	PHILLIPS	103	202	508	406	307
72335	FORREST CITY	SAINT FRANCIS	112	202	508	408	307
72338	FRENCHMANS BAYOU	MISSISSIPPI	105	202	508	408	307
72339	GILMORE	CRITTENDEN	105	212	508	408	307
72340	GOODWIN	SAINT FRANCIS	103	202	511	408	303
72341	HAYNES	LEE	112	202	508	408	307
72342	HELENA	PHILLIPS	112	202	508	406	307
72346	HETH	SAINT FRANCIS	112	202	508	408	307
72347	HICKORY RIDGE	CROSS	103	202	508	408	303
72348	HORSESHOE LAKE	CRITTENDEN	112	202	508	408	307
72348	HORSESHOE LAKE	SAINT FRANCIS	112	202	508	408	307
72348	HUGHES	SAINT FRANCIS	112	202	508	408	307
72348	HUGHES	CRITTENDEN	112	202	508	408	307
72350	JOINER	MISSISSIPPI	105	202	504	408	307
72351	KEISER	MISSISSIPPI	102	202	504	412	303
72354	LEPANTO	POINSETT	102	202	504	408	303
72355	LEXA	LEE	112	202	508	406	307
72358	LUXORA	MISSISSIPPI	102	202	504	408	303
72360	MARIANNA	LEE	112	202	508	408	307
72364	MARION	CRITTENDEN	112	212	508	408	307
72365	MARKED TREE	POINSETT	102	202	504	408	303
72366	MARVELL	PHILLIPS	112	202	508	406	307
72367	MELLWOOD	PHILLIPS	103	202	508	412	307
72368	MORO	LEE	112	202	508	408	307
72369	ONEIDA	PHILLIPS	103	202	508	406	307
72370	OSCEOLA	MISSISSIPPI	102	202	504	408	303
72372	PALESTINE	SAINT FRANCIS	103	202	511	408	307
72373	PARKIN	CROSS	105	212	508	408	307
72374	POPLAR GROVE	PHILLIPS	112	202	508	406	307
72376	PROCTOR	CRITTENDEN	112	202	508	408	307
72379	SNOW LAKE	DESHA	103	210	508	412	303
72384	TURRELL	CRITTENDEN	105	212	508	408	307
72386	TYRONZA	POINSETT	105	202	508	408	307
72390	WEST HELENA	PHILLIPS	112	202	508	406	307
72392	WHEATLEY	SAINT FRANCIS	112	202	511	406	303
72394	ROUND POND	SAINT FRANCIS	105	202	508	408	307
72394	WIDENER	SAINT FRANCIS	105	202	508	408	307
72395	WILSON	MISSISSIPPI	102	202	504	408	307
72396	WYNNE	CROSS	105	212	508	408	307
72401	JONESBORO	CRAIGHEAD	102	208	504	408	301
72404	JONESBORO	CRAIGHEAD	103	208	504	412	303
72410	ALICIA	LAWRENCE	100	200	502	412	301
72411	BAY	CRAIGHEAD	103	208	504	408	303
72412	BEECH GROVE	GREENE	102	202	504	412	301
72413	BIGGERS	RANDOLPH	102	202	502	412	300
72414	BLACK OAK	CRAIGHEAD	102	202	504	408	303
72415	BLACK ROCK	LAWRENCE	100	200	502	412	300
72416	BONO	CRAIGHEAD	102	202	504	408	301
72416	BONO	GREENE	102	202	504	408	301
72417	BROOKLAND	CRAIGHEAD	102	208	504	408	301
72419	CARAWAY	CRAIGHEAD	102	202	504	408	303
72421	CASH	CRAIGHEAD	102	202	504	412	301
72422	CORNING	CLAY	102	202	504	412	301
72424	DATTO	CLAY	102	202	502	412	301
72425	DELAPLAINE	GREENE	102	202	502	412	301
72426	DELL	MISSISSIPPI	102	202	504	412	303
72428	ETOWAH	MISSISSIPPI	102	202	504	412	303
72429	FISHER	POINSETT	103	208	504	408	301
72430	GREENWAY	CLAY	102	202	504	412	301
72432	HARRISBURG	POINSETT	103	208	504	408	301
72433	HOXIE	LAWRENCE	102	202	504	412	301
72434	IMBODEN	LAWRENCE	100	200	502	412	300
72435	KNOBEL	CLAY	102	202	502	412	301
72436	LAFE	GREENE	102	202	504	412	301
72437	LAKE CITY	CRAIGHEAD	102	202	504	412	301
72438	LEACHVILLE	MISSISSIPPI	102	202	504	412	303
72440	LYNN	LAWRENCE	100	200	502	406	301
72441	MC DOUGAL	CLAY	102	202	504	412	301



**ARKANSAS USP PORTFOLIO
ENCOMPASS INDEMNITY COMPANY
MOTOR VEHICLE RATE PAGES**

TERRITORY DEFINITIONS BY ZIP CODE

ZIP CODE	CITY	COUNTY	BI Territory Code	PD Territory Code	MED Territory Code	Comp Territory Code	Coll Territory Code
71601	PINE BLUFF	JEFFERSON	111	206	510	410	303
72442	MANILA	MISSISSIPPI	102	202	504	412	303
72443	MARMADUKE	GREENE	102	202	504	412	301
72444	MAYNARD	RANDOLPH	102	202	502	412	300
72445	MINTURN	LAWRENCE	102	202	504	412	301
72447	MONETTE	CRAIGHEAD	102	202	504	412	303
72449	O KEAN	RANDOLPH	102	202	502	412	300
72450	PARAGOULD	GREENE	102	202	504	412	301
72453	PEACH ORCHARD	CLAY	102	202	502	412	301
72454	PIGGOTT	CLAY	102	202	504	412	301
72455	POCAHONTAS	RANDOLPH	102	202	502	412	300
72456	POLLARD	CLAY	102	202	504	412	301
72457	PORTIA	LAWRENCE	100	200	502	412	300
72458	POWHATAN	LAWRENCE	100	200	502	412	301
72459	RAVENDEN	LAWRENCE	102	200	502	406	300
72460	RAVENDEN SPRINGS	RANDOLPH	102	200	502	412	300
72461	RECTOR	CLAY	102	202	504	412	301
72464	SAINTE FRANCIS	CLAY	102	202	504	412	301
72465	SEDGWICK	LAWRENCE	102	202	504	408	301
72466	SMITHVILLE	LAWRENCE	100	200	502	406	301
72467	STATE UNIVERSITY	CRAIGHEAD	102	208	504	412	301
72469	CALAMINE	LAWRENCE	100	200	508	406	301
72469	STRAWBERRY	LAWRENCE	100	200	508	406	301
72469	STRAWBERRY	SHARP	100	200	508	406	301
72470	SUCCESS	CLAY	102	202	504	412	301
72471	SWIFTON	JACKSON	100	202	508	406	303
72472	TRUMANN	POINSETT	102	202	504	408	301
72473	TUCKERMAN	JACKSON	102	200	508	412	303
72476	COLLEGE CITY	LAWRENCE	102	202	504	412	301
72476	WALNUT RIDGE	LAWRENCE	102	202	504	412	301
72478	WARM SPRINGS	RANDOLPH	102	202	502	412	300
72479	WEINER	POINSETT	103	208	504	408	303
72482	WILLIFORD	SHARP	100	200	502	406	300
72501	BATESVILLE	INDEPENDENCE	100	200	508	406	301
72512	HORSESHOE BEND	IZARD	100	200	502	406	300
72513	ASH FLAT	SHARP	100	200	502	406	300
72515	BEXAR	FULTON	104	200	502	411	301
72517	BROCKWELL	IZARD	104	200	502	406	300
72519	CALICO ROCK	IZARD	110	200	501	405	301
72519	JORDAN	IZARD	110	200	501	405	301
72520	CAMP	FULTON	104	200	502	406	300
72521	CAVE CITY	SHARP	100	200	508	406	301
72521	CAVE CITY	INDEPENDENCE	100	200	508	406	301
72522	CHARLOTTE	INDEPENDENCE	100	200	508	406	301
72523	CONCORD	CLEBURNE	100	200	508	411	301
72524	CORD	INDEPENDENCE	102	200	508	412	303
72526	CUSHMAN	INDEPENDENCE	100	200	508	406	301
72527	DESHA	INDEPENDENCE	100	200	508	406	301
72528	DOLPH	IZARD	104	200	502	411	301
72529	CHEROKEE VILLAGE	SHARP	100	200	502	406	300
72529	HARDY	SHARP	100	200	502	406	300
72530	DRASCO	CLEBURNE	100	205	511	411	303
72531	ELIZABETH	FULTON	104	200	502	411	301
72532	EVENING SHADE	SHARP	100	200	508	406	300
72533	FIFTY SIX	STONE	100	200	501	411	300
72534	FLORAL	INDEPENDENCE	100	200	508	411	301
72536	FRANKLIN	IZARD	100	200	502	406	300
72537	GAMALIEL	BAXTER	104	200	502	411	300
72538	GEPP	FULTON	104	200	502	411	300
72539	GLENCOE	FULTON	100	200	502	406	300
72540	GUION	IZARD	100	200	508	406	301
72542	HARDY	SHARP	100	200	502	406	300
72543	HEBER SPRINGS	CLEBURNE	103	205	511	409	301
72544	HENDERSON	BAXTER	104	200	502	411	300
72546	IDA	CLEBURNE	100	200	511	411	301
72550	LOCUST GROVE	INDEPENDENCE	100	200	508	411	301
72553	MAGNESS	INDEPENDENCE	100	200	508	406	301
72554	MAMMOTH SPRING	FULTON	100	200	502	406	300
72555	MARCELLA	STONE	100	200	511	411	300
72556	BOSWELL	IZARD	100	200	502	406	301
72556	MELBOURNE	IZARD	100	200	502	406	301
72556	ZION	IZARD	100	200	502	406	301
72560	HANOVER	STONE	100	200	501	411	300
72560	MOUNTAIN VIEW	STONE	100	200	501	411	300
72561	MOUNT PLEASANT	IZARD	100	200	502	406	301
72562	NEWARK	INDEPENDENCE	102	200	508	412	303
72564	OIL TROUGH	INDEPENDENCE	102	200	508	412	301
72565	OXFORD	IZARD	104	200	502	406	300
72566	PINEVILLE	IZARD	104	200	502	411	301
72567	PLEASANT GROVE	STONE	100	200	508	411	301
72568	PLEASANT PLAINS	INDEPENDENCE	100	200	508	406	301
72568	PLEASANT PLAINS	WHITE	100	200	508	406	301
72569	POUGHKEEPSIE	SHARP	100	200	508	406	301
72571	ROSIE	INDEPENDENCE	100	200	508	406	301
72572	SAFFELL	LAWRENCE	100	200	508	406	301
72573	SAGE	IZARD	100	200	502	406	300
72576	SALEM	FULTON	104	200	502	406	300
72577	SIDNEY	SHARP	100	200	508	406	301
72578	STURKIE	FULTON	104	200	502	406	300
72579	SULPHUR ROCK	INDEPENDENCE	100	200	508	406	301
72581	TUMBLING SHOALS	CLEBURNE	100	200	511	409	301
72583	VIOLA	FULTON	104	200	502	411	301
72584	VIOLET HILL	IZARD	104	200	502	406	300
72585	WIDEMAN	IZARD	104	200	502	411	301
72587	WISEMAN	IZARD	100	200	502	406	300
72601	HARRISON	BOONE	110	209	501	405	300
72610	ALCO	STONE	100	200	501	411	300
72611	ALPENA	BOONE	110	209	501	405	301
72616	BERRYVILLE	CARROLL	101	209	501	403	300
72617	BIG FLAT	BAXTER	104	200	502	411	300
72619	BULL SHOALS	MARION	104	200	502	411	300
72623	CLARKRIDGE	BAXTER	104	200	502	411	300
72624	COMPTON	NEWTON	110	209	501	405	301
72626	COTTER	BAXTER	104	200	502	411	300
72628	DEER	NEWTON	101	200	501	405	300



**ARKANSAS USP PORTFOLIO
ENCOMPASS INDEMNITY COMPANY
MOTOR VEHICLE RATE PAGES
TERRITORY DEFINITIONS BY ZIP CODE**

ZIP CODE	CITY	COUNTY	BI Territory Code	PD Territory Code	MED Territory Code	Comp Territory Code	Coll Territory Code
71601	PINE BLUFF	JEFFERSON	111	206	510	410	303
72629	DENNARD	VAN BUREN	100	200	501	411	301
72631	BUSCH	CARROLL	101	209	501	403	300
72631	EUREKA SPRINGS	CARROLL	101	209	501	403	300
72631	HOLIDAY ISLAND	CARROLL	101	209	501	403	300
72632	EUREKA SPRINGS	CARROLL	101	209	501	403	300
72633	EVERTON	MARION	110	209	501	405	300
72634	FLIPPIN	MARION	104	200	501	411	300
72635	GASSVILLE	BAXTER	104	200	502	411	300
72638	GREEN FOREST	CARROLL	110	209	501	405	301
72639	COZAHOME	SEARCY	110	200	501	405	301
72639	HARRIET	SEARCY	110	200	501	405	301
72640	HASTY	NEWTON	101	200	501	405	301
72641	JASPER	NEWTON	101	200	501	405	301
72642	LAKEVIEW	BAXTER	104	200	502	411	300
72644	LEAD HILL	BOONE	110	209	501	405	300
72645	LESLIE	SEARCY	110	200	501	405	301
72648	DOGPATCH	NEWTON	110	200	501	405	301
72648	MARBLE FALLS	NEWTON	110	200	501	405	301
72650	MARSHALL	SEARCY	110	200	501	405	301
72651	MIDWAY	BAXTER	104	200	502	411	300
72653	MOUNTAIN HOME	BAXTER	104	200	502	411	300
72653	SALESVILLE	BAXTER	104	200	502	411	300
72653	MOUNTAIN HOME	MARION	104	200	502	411	300
72655	BASS	NEWTON	110	200	501	405	301
72655	MOUNT JUDEA	NEWTON	110	200	501	405	301
72658	NORFORK	BAXTER	104	200	502	411	300
72658	OLD JOE	BAXTER	104	200	502	411	300
72660	OAK GROVE	CARROLL	101	209	501	405	300
72661	OAKLAND	MARION	104	200	502	411	300
72662	OMAHA	BOONE	101	209	501	405	301
72663	ONIA	STONE	100	200	501	411	300
72666	PARTHENON	NEWTON	101	200	501	405	300
72668	PEEL	MARION	104	200	501	411	300
72669	PINDALL	SEARCY	104	200	501	411	300
72670	PONCA	NEWTON	101	200	501	405	301
72675	SAINT JOE	SEARCY	110	209	501	405	301
72679	TILLY	POPE	100	200	501	411	301
72680	ALCO	STONE	100	200	501	411	300
72680	TIMBO	STONE	100	200	501	411	300
72682	BRUNO	BOONE	110	209	501	405	301
72682	VALLEY SPRINGS	BOONE	110	209	501	405	301
72683	VENDOR	NEWTON	101	200	501	405	301
72685	WESTERN GROVE	NEWTON	110	209	501	405	301
72686	WITTS SPRINGS	SEARCY	101	200	501	405	301
72687	YELLVILLE	MARION	104	200	501	411	300
72701	DURHAM	WASHINGTON	101	211	503	401	302
72701	FAYETTEVILLE	WASHINGTON	101	211	503	401	302
72703	FAYETTEVILLE	WASHINGTON	101	211	503	401	302
72704	FAYETTEVILLE	WASHINGTON	101	211	503	402	302
72704	WHEELER	WASHINGTON	101	211	503	402	302
72712	BENTONVILLE	BENTON	101	202	503	402	302
72714	BELLA VISTA	BENTON	101	202	503	402	302
72715	BELLA VISTA	BENTON	101	202	503	402	302
72717	CANEHILL	WASHINGTON	101	203	503	401	302
72718	CAVE SPRINGS	BENTON	101	203	503	402	302
72719	CENTERTON	BENTON	101	202	503	402	302
72721	COMBS	MADISON	101	209	501	405	300
72722	DECATUR	BENTON	101	202	503	402	302
72727	ELKINS	WASHINGTON	101	209	509	401	309
72729	EVANSVILLE	WASHINGTON	101	203	503	401	302
72730	FARMINGTON	WASHINGTON	101	211	503	401	302
72732	GARFIELD	BENTON	101	203	501	403	300
72734	GENTRY	BENTON	101	203	503	402	302
72734	SPRINGTOWN	BENTON	101	203	503	402	302
72736	GRAVETTE	BENTON	101	202	503	402	302
72738	HINDSVILLE	MADISON	101	209	503	401	300
72739	BELLA VISTA	BENTON	101	202	503	402	302
72739	HIWASSE	BENTON	101	202	503	402	302
72740	HUNTSVILLE	MADISON	101	209	501	403	302
72740	HUNTSVILLE	MADISON	101	209	501	403	302
72740	HUNTSVILLE	CARROLL	101	209	501	403	302
72742	KINGSTON	MADISON	101	200	501	403	300
72744	LINCOLN	WASHINGTON	101	203	503	401	302
72745	LOWELL	BENTON	101	203	503	402	302
72747	MAYSVILLE	BENTON	101	202	503	402	302
72749	MORROW	WASHINGTON	101	203	503	401	302
72751	PEA RIDGE	BENTON	101	202	503	403	302
72752	PETTIGREW	MADISON	101	200	501	405	300
72753	PRAIRIE GROVE	WASHINGTON	101	211	503	401	302
72756	ROGERS	BENTON	101	203	503	401	302
72758	ROGERS	BENTON	101	202	503	401	302
72760	SAINT PAUL	MADISON	101	209	501	403	302
72761	SILAM SPRINGS	BENTON	101	203	503	402	302
72762	SPRINGDALE	WASHINGTON	101	203	503	402	302
72762	SPRINGDALE	BENTON	101	203	503	402	302
72764	SPRINGDALE	WASHINGTON	101	203	503	402	302
72764	BETHEL HEIGHTS	BENTON	101	203	503	402	302
72764	BETHEL HEIGHTS	WASHINGTON	101	203	503	402	302
72764	SPRINGDALE	BENTON	101	203	503	402	302
72768	SULPHUR SPRINGS	BENTON	101	202	503	402	302
72769	SUMMERS	WASHINGTON	101	203	503	401	302
72773	WESLEY	MADISON	101	209	501	403	300
72774	WEST FORK	WASHINGTON	101	206	509	409	309
72776	WITTER	MADISON	101	209	501	403	302
72801	RUSSELLVILLE	POPE	104	205	501	411	301
72802	RUSSELLVILLE	POPE	104	205	501	411	301
72820	ALIX	FRANKLIN	101	209	501	405	300
72821	ALTUS	FRANKLIN	101	209	501	405	300
72821	WIEDERKEHR VILLAGE	FRANKLIN	101	209	501	405	300
72823	APPLETON	POPE	104	205	501	411	301
72823	ATKINS	POPE	104	205	501	411	301
72823	BLACKWELL	POPE	104	205	501	411	301
72823	BLACKWELL	CONWAY	104	205	501	411	301
72824	BELLEVILLE	YELL	104	205	510	409	301



**ARKANSAS USP PORTFOLIO
ENCOMPASS INDEMNITY COMPANY
MOTOR VEHICLE RATE PAGES**

TERRITORY DEFINITIONS BY ZIP CODE

ZIP CODE	CITY	COUNTY	BI Territory Code	PD Territory Code	MED Territory Code	Comp Territory Code	Coll Territory Code
71601	PINE BLUFF	JEFFERSON	111	206	510	410	303
72826	BLUE MOUNTAIN	LOGAN	101	209	505	403	300
72827	BLUFFTON	YELL	104	209	510	410	304
72828	BRIGGSVILLE	YELL	104	205	510	410	312
72830	CLARKSVILLE	JOHNSON	101	209	501	405	300
72832	COAL HILL	JOHNSON	101	209	501	405	300
72833	DANVILLE	YELL	104	205	510	410	312
72834	DARDANELLE	YELL	104	205	510	409	301
72835	DELAWARE	LOGAN	101	205	510	411	301
72837	DOVER	POPE	100	200	501	411	301
72838	GRAVELLY	YELL	104	209	510	410	304
72839	HAGARVILLE	JOHNSON	101	200	501	405	300
72840	HARTMAN	JOHNSON	101	209	501	405	300
72840	HUNT	JOHNSON	101	209	501	405	300
72841	HARVEY	SCOTT	104	209	510	410	304
72842	HAVANA	YELL	101	209	510	409	301
72842	WAVELAND	YELL	101	209	510	409	301
72843	HECTOR	POPE	100	200	501	411	301
72845	KNOXVILLE	JOHNSON	100	200	501	411	301
72846	LAMAR	JOHNSON	100	200	501	411	301
72847	LONDON	POPE	100	200	501	411	301
72851	NEW BLAINE	LOGAN	101	205	510	411	301
72852	OARK	JOHNSON	101	200	501	405	300
72853	OLA	YELL	104	205	510	409	312
72854	OZONE	JOHNSON	101	200	501	405	300
72855	PARIS	LOGAN	101	209	501	405	300
72856	PELSOR	POPE	101	200	501	405	301
72856	PELSOR	NEWTON	101	200	501	405	301
72857	PLAINVIEW	YELL	111	205	510	410	312
72858	POTTSVILLE	POPE	104	205	510	411	301
72860	ROVER	YELL	104	205	510	410	312
72863	SCRANTON	LOGAN	101	209	501	405	300
72865	SUBIACO	LOGAN	101	209	501	405	300
72901	FORT SMITH	SEBASTIAN	110	211	505	403	300
72903	FORT SMITH	SEBASTIAN	110	211	505	403	300
72904	FORT SMITH	SEBASTIAN	110	211	505	403	300
72908	FORT SMITH	SEBASTIAN	110	211	505	403	300
72916	BONANZA	SEBASTIAN	110	211	505	403	300
72916	FORT SMITH	SEBASTIAN	110	211	505	403	300
72921	ALMA	CRAWFORD	101	211	505	403	300
72923	BARLING	SEBASTIAN	101	211	505	403	300
72924	BATES	SCOTT	104	209	510	410	304
72926	BOLES	SCOTT	104	209	510	410	304
72927	BOONEVILLE	LOGAN	104	209	510	409	301
72928	BRANCH	FRANKLIN	101	209	505	403	300
72930	CECIL	FRANKLIN	101	209	501	405	300
72932	CEDARVILLE	CRAWFORD	101	211	503	403	300
72933	CHARLESTON	FRANKLIN	101	209	501	403	300
72934	CHESTER	CRAWFORD	101	211	503	405	302
72935	DYER	CRAWFORD	101	211	503	405	302
72936	GREENWOOD	SEBASTIAN	110	211	505	403	300
72937	HACKETT	SEBASTIAN	110	211	505	403	300
72938	HARTFORD	SEBASTIAN	104	209	510	410	301
72940	HUNTINGTON	SEBASTIAN	104	206	510	409	301
72941	CENTRAL CITY	SEBASTIAN	101	206	501	409	300
72941	LAVACA	SEBASTIAN	101	206	501	409	300
72943	MAGAZINE	LOGAN	101	209	501	403	300
72944	MANSFIELD	SCOTT	104	209	510	410	304
72946	MOUNTAINBURG	CRAWFORD	101	211	503	405	302
72947	MULBERRY	CRAWFORD	101	209	501	403	300
72948	NATURAL DAM	CRAWFORD	110	211	503	403	302
72949	OZARK	FRANKLIN	101	209	501	405	300
72950	PARKS	SCOTT	104	209	510	410	304
72951	RATCLIFF	LOGAN	104	209	501	409	300
72952	RUDY	CRAWFORD	101	211	505	403	302
72955	UNIONTOWN	CRAWFORD	110	211	505	403	302
72956	VAN BUREN	CRAWFORD	110	211	505	403	300
72958	BATES	SCOTT	104	209	510	410	304
72958	WALDRON	SCOTT	104	209	510	410	304
72959	WINSLOW	WASHINGTON	101	206	509	409	309



**ARKANSAS USP PORTFOLIO
ENCOMPASS INDEMNITY COMPANY
MOTOR VEHICLE RATE PAGES**

AUTO BASE RATES

BI Territory	BI \$100/300	PD Territory	PD \$50,000	MED Territory	MED \$5,000	COMP Territory	COMP	COLL Territory	COLL
100	189	200	135	500	15	400	155	300	398
101	192	201	131	501	19	401	160	301	457
102	221	202	152	502	24	402	178	302	439
103	232	203	151	503	24	403	205	303	476
104	236	204	163	504	25	404	232	304	486
105	248	205	169	505	25	405	253	305	510
106	269	206	171	506	26	406	282	306	535
107	303	207	194	507	25	407	280	307	559
108	305	208	215	508	32	408	377	308	553
109	172	209	146	509	25	409	216	309	462
110	224	210	159	510	26	410	244	310	441
111	283	211	162	511	27	411	267	311	485
112	321	212	204	512	30	412	310	312	583

FIXED EXPENSE PREMIUMS

BI	PD	MED	COMP	COLL
\$16	\$11		\$5	\$11

SERFF Tracking #:

ALSE-129351144

State Tracking #:

Company Tracking #:

ER-2415

State: Arkansas

Filing Company:

Encompass Indemnity Company

TOI/Sub-TOI: 19.0 Personal Auto/19.0001 Private Passenger Auto (PPA)

Product Name: EI PPA

Project Name/Number: Edge Auto Rate Factor/1519866

Supporting Document Schedules

Satisfied - Item:	A-1 Private Passenger Auto Abstract
Comments:	
Attachment(s):	07._ER-2415_StateFilingFormA-1.pdf
Item Status:	Filed
Status Date:	02/25/2014

Satisfied - Item:	APCS-Auto Premium Comparison Survey
Comments:	
Attachment(s):	06._ER-2415_APCS_EIND_Survey_Form.pdf 06._APCS_EIND_Survey_Form_ER-2415.xls
Item Status:	Filed
Status Date:	02/25/2014

Satisfied - Item:	NAIC loss cost data entry document
Comments:	
Attachment(s):	08._ER-2415_StateFilingForm_FORM_RF-1_Rate_Filing_Abstract.pdf
Item Status:	Filed
Status Date:	02/25/2014

Satisfied - Item:	NAIC Loss Cost Filing Document for OTHER than Workers' Comp
Comments:	
Attachment(s):	08._ER-2415_StateFilingForm_FORM_RF-1_Rate_Filing_Abstract.pdf
Item Status:	Filed
Status Date:	02/25/2014

Satisfied - Item:	Auto Indication Memorandum and Exhibits
Comments:	
Attachment(s):	03._ER-2415_Auto_Indication_Memo.pdf 04._ER-2415_Auto_Indication_Exhibits.pdf
Item Status:	Filed
Status Date:	02/25/2014

Satisfied - Item:	Underwriting Profit Provision Exhibits
Comments:	
Attachment(s):	09._ER-2415_DUPP_Exhibits.pdf

SERFF Tracking #:

ALSE-129351144

State Tracking #:

Company Tracking #:

ER-2415

State:

Arkansas

Filing Company:

Encompass Indemnity Company

TOI/Sub-TOI:

19.0 Personal Auto/19.0001 Private Passenger Auto (PPA)

Product Name:

EI PPA

Project Name/Number:

Edge Auto Rate Factor/1519866

Item Status:	Filed
Status Date:	02/25/2014
Satisfied - Item:	Attachment I - 1/17/14 Objection Response
Comments:	
Attachment(s):	Attachment I.pdf
Item Status:	Filed
Status Date:	02/25/2014

ARKANSAS INSURANCE DEPARTMENT

FORM A-1
Rev. 4/98

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 homeowners rate/rule submission that do not alter the information contained herein need not include this form.

Company Name Encompass Indemnity Company

NAIC No. 15130 Group No. 008

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

2. Do you furnish a market for young drivers? Yes
Over age 65 drivers? Yes

3. Do you require collateral business to support a youthful driver risk? Yes

4. Do you insure driver with an international or foreign driver's license? Yes

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

- a. Driver Over 55 10 %
- b. Good Student Discount 5-15 %
- c. Multi-car Discount See below %

Rate varies based on # Operators/#Vehicles/Age of youngest operator

- d. Accident Free Discount* 5 %

* 5% discount applied to the total base premiums for BI, PD, CSL, Med, Comp and Coll. For initial qualification, all drivers on the policy must be free of chargeable accidents and major violations during the 60 months immediately preceding the policy effective date.

- e. Anti-theft Discount 5-15 %
- f. Other (specify) Anti-lock Break/Passive Restraint 5-30 %

6. Do you have an installment payment plan for automobile insurance? Yes
If so, what is the fee for installment payments? For each installment, a \$5 charge shall be added.

7. Does you company utilize a tiered rating plan? Yes

8. If so, list the programs and percentage difference. State the current volume for each program.
The Encompass Indemnity Company expanded multi-tier rating structure is comprised of 1024 tiers based on unique combinations of IS, Prior BI Limit, Years with Prior Carrier, Current BI Limit, and Lapse.

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

Richard Yates
Signature
Technician Analyst
Title
(847)402-9329
Telephone Number

Private Passenger Auto Premium Comparison Survey Form

FORM APCS - last modified August 2005

NAIC Number: 008-15130
Company Name: Encompass Indemnity Company
Contact Person: Rich Yates
Telephone No.: 847-402-9329
Email Address: ryatf@allstate.com
Effective Date: 6/14/2014

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
 501-371-2800
Telephone: insurance.pnc@arkansas.gov
 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	30	%
AUTO/HOMEOWNERS	5-10	%
GOOD STUDENT	5-15	%
ANTI-THEFT DEVICE	5-15	%
Over 55 Defensive Driver Discount	10	%
\$250/\$500 Deductible Comp./Coll.	N/A	%

Vehicle	Coverages	Gender	Age	Fayetteville				Trumann				Little Rock				Lake Village				Pine Bluff			
				Female 18	Male 18	Male or Female 40	Male or Female 66	Female 18	Male 18	Male or Female 40	Male or Female 66	Female 18	Male 18	Male or Female 40	Male or Female 66	Female 18	Male 18	Male or Female 40	Male or Female 66	Female 18	Male 18	Male or Female 40	Male or Female 66
				1999 Chevrolet Silverado 1500 2WD "LS" regular cab 119" WB	Minimum Liability			\$889	\$896	\$301	\$285	\$934	\$942	\$311	\$293	\$1,209	\$1,219	\$373	\$349	\$981	\$989	\$321	\$302
	Minimum Liability with Comprehensive and Collision			\$2,090	\$2,182	\$649	\$570	\$2,524	\$2,661	\$787	\$664	\$2,642	\$2,750	\$781	\$687	\$2,502	\$2,630	\$771	\$658	\$2,528	\$2,644	\$765	\$662
	100/300/50 Liability with Comprehensive and Collision			\$1,948	\$2,028	\$591	\$528	\$2,346	\$2,468	\$702	\$604	\$2,461	\$2,556	\$699	\$624	\$2,326	\$2,438	\$689	\$600	\$2,361	\$2,464	\$687	\$604
2003 Ford Explorer "XLT" 2WD, 4 door	Minimum Liability			\$772	\$777	\$274	\$260	\$810	\$816	\$282	\$266	\$990	\$1,049	\$334	\$314	\$801	\$809	\$291	\$275	\$961	\$969	\$313	\$297
	Minimum Liability with Comprehensive and Collision			\$1,935	\$2,019	\$607	\$537	\$2,275	\$2,395	\$714	\$610	\$2,395	\$2,546	\$730	\$646	\$2,227	\$2,339	\$706	\$610	\$2,306	\$2,410	\$701	\$615
	100/300/50 Liability with Comprehensive and Collision			\$1,794	\$1,867	\$554	\$500	\$2,106	\$2,211	\$641	\$559	\$2,264	\$2,352	\$654	\$588	\$2,106	\$2,205	\$634	\$558	\$2,143	\$2,234	\$635	\$564
2003 Honda Odyssey "EX"	Minimum Liability			\$737	\$742	\$266	\$253	\$773	\$779	\$273	\$259	\$991	\$1,000	\$323	\$304	\$813	\$820	\$282	\$267	\$916	\$924	\$303	\$288
	Minimum Liability with Comprehensive and Collision			\$2,259	\$2,366	\$696	\$611	\$2,667	\$2,817	\$826	\$700	\$2,835	\$2,964	\$838	\$736	\$2,663	\$2,805	\$815	\$699	\$2,669	\$2,800	\$803	\$698
	100/300/50 Liability with Comprehensive and Collision			\$2,064	\$2,067	\$621	\$554	\$2,437	\$2,569	\$725	\$625	\$2,587	\$2,699	\$733	\$654	\$2,431	\$2,555	\$716	\$624	\$2,445	\$2,560	\$710	\$625
2005 Toyota Camry LE 3.0L 4 door Sedan	Minimum Liability			\$848	\$855	\$291	\$275	\$890	\$898	\$299	\$282	\$1,143	\$1,153	\$357	\$334	\$938	\$946	\$310	\$285	\$1,056	\$1,066	\$334	\$316
	Minimum Liability with Comprehensive and Collision			\$2,855	\$2,993	\$851	\$745	\$3,326	\$3,513	\$999	\$847	\$3,590	\$3,757	\$1,032	\$905	\$3,338	\$3,517	\$982	\$820	\$3,347	\$3,514	\$979	\$849
	100/300/50 Liability with Comprehensive and Collision			\$2,581	\$2,702	\$739	\$656	\$3,010	\$3,174	\$858	\$738	\$3,243	\$3,388	\$882	\$782	\$3,018	\$3,174	\$851	\$739	\$3,037	\$3,182	\$845	\$741
2003 Cadillac Seville "STS" 4 door Sedan	Minimum Liability			\$785	\$791	\$277	\$262	\$774	\$831	\$285	\$269	\$1,057	\$1,066	\$338	\$317	\$867	\$875	\$294	\$271	\$977	\$986	\$316	\$300
	Minimum Liability with Comprehensive and Collision			\$3,727	\$3,935	\$1,102	\$944	\$4,527	\$4,879	\$1,378	\$1,130	\$4,605	\$4,851	\$1,322	\$1,137	\$4,504	\$4,786	\$1,340	\$1,074	\$4,396	\$4,653	\$1,289	\$1,088
	100/300/50 Liability with Comprehensive and Collision			\$3,325	\$3,506	\$929	\$806	\$4,099	\$4,365	\$1,150	\$955	\$4,104	\$4,316	\$1,100	\$956	\$4,026	\$4,273	\$1,118	\$940	\$3,938	\$4,162	\$1,081	\$922
1998 Chevrolet Cavalier LS 4D Sedan	Minimum Liability			\$747	\$752	\$268	\$255	\$783	\$790	\$276	\$261	\$1,004	\$1,013	\$326	\$306	\$824	\$831	\$284	\$263	\$928	\$936	\$305	\$290
	Minimum Liability with Comprehensive and Collision			\$1,864	\$1,943	\$585	\$522	\$2,145	\$2,252	\$673	\$582	\$2,364	\$2,460	\$707	\$629	\$2,164	\$2,266	\$671	\$567	\$2,205	\$2,301	\$671	\$593
	100/300/50 Liability with Comprehensive and Collision			\$1,727	\$1,796	\$537	\$487	\$1,984	\$2,079	\$607	\$535	\$2,187	\$2,270	\$635	\$573	\$2,000	\$2,090	\$605	\$538	\$2,048	\$2,132	\$610	\$546

NAIC LOSS COST DATA ENTRY DOCUMENT

1.	This filing transmittal is part of Company Tracking #	ER-2415
-----------	---	----------------

2.	If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number	
-----------	---	--

Company Name		Company NAIC Number		
3.	A.	Encompass Indemnity Company	B.	15130

Product Coding Matrix Line of Business (i.e., Type of Insurance)		Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)		
4.	A.	Auto – Liability 19.0, Auto – Physical Damage 21.0	B.	

5.			FOR LOSS COSTS ONLY				
(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
Bodily Injury	21.0%	10.4%					
Property Damage	26.1%	10.4%					
Medical Payments	246.4%	10.7%					
Uninsured/Underinsured	51.8%	10.4%					
Collision	-18.0%	0.0%					
Comprehensive	-4.2%	0.0%					
TOTAL OVERALL EFFECT	7.6%	5.0%					

6.		5 Year History	Rate Change History					
Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio	
2008	2,895	0.0%	N/A	3,680	1,919	52.1%	57.7%	
2009	2,052	0.0%	N/A	3,227	2,480	76.9%	68.0%	
2010	1,305	0.0%	1/25/10	2,428	1,184	76.9%	58.9%	
2011	1,042	0.0%	5/2/11	1,784	1,001	78.2%	58.7%	
2012	1,078	3.0%	4/30/12	1,616	1,363	84.3%	68.3%	

7.	
Expense Constants	Selected Provisions
A. Total Production Expense	16.6%
B. General Expense	9.2%
C. Taxes, License & Fees	Liab: 3.3% Phys Dmg: 3.4%
D. Underwriting Profit & Contingencies	Liab: 6.7% Phys Dmg: 8.8%
E. Other (Debt Provision)	1.4%
F. TOTAL	Liab: 37.2% Phys Dmg: 39.4%

- 8.** N Apply Lost Cost Factors to Future filings? (Y or N)
- 9.** 10.8% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): 264
- 10.** Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable):

NAIC LOSS COST DATA ENTRY DOCUMENT

1.	This filing transmittal is part of Company Tracking #	ER-2415
-----------	---	----------------

2.	If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number	
-----------	---	--

	Company Name	Company NAIC Number
3.	A. Encompass Indemnity Company	B. 15130

	Product Coding Matrix Line of Business (i.e., Type of Insurance)	Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)
4.	A. Auto – Liability 19.0, Auto – Physical Damage 21.0	B.

5.			FOR LOSS COSTS ONLY				
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
COVERAGE (See Instructions)	Indicated % Rate Level Change	Requested % Rate Level Change	Expected Loss Ratio	Loss Cost Modification Factor	Selected Loss Cost Multiplier	Expense Constant (If Applicable)	Co. Current Loss Cost Multiplier
Bodily Injury	21.0%	10.4%					
Property Damage	26.1%	10.4%					
Medical Payments	246.4%	10.7%					
Uninsured/Underinsured	51.8%	10.4%					
Collision	-18.0%	0.0%					
Comprehensive	-4.2%	0.0%					
TOTAL OVERALL EFFECT	7.6%	5.0%					

6.	5 Year History	Rate Change History					
Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
2008	2,895	0.0%	N/A	3,680	1,919	52.1%	57.7%
2009	2,052	0.0%	N/A	3,227	2,480	76.9%	68.0%
2010	1,305	0.0%	1/25/10	2,428	1,184	76.9%	58.9%
2011	1,042	0.0%	5/2/11	1,784	1,001	78.2%	58.7%
2012	1,078	3.0%	4/30/12	1,616	1,363	84.3%	68.3%

7.		
	Expense Constants	Selected Provisions
	A. Total Production Expense	16.6%
	B. General Expense	9.2%
	C. Taxes, License & Fees	Liab: 3.3% Phys Dmg: 3.4%
	D. Underwriting Profit & Contingencies	Liab: 6.7% Phys Dmg: 8.8%
	E. Other (Debt Provision)	1.4%
	F. TOTAL	Liab: 37.2% Phys Dmg: 39.4%

- 8.** N Apply Lost Cost Factors to Future filings? (Y or N)
- 9.** 10.8% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): 264
- 10.** Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable):

Encompass Indemnity Company
Private Passenger Automobile
Arkansas

TABLE OF CONTENTS

I. Summary of Changes and Summary Exhibits

II. Auto Statewide Rate Level Indications

Overview of Auto Indication Methodology
Adjustments to Premium in Detail
Adjustments to Losses in Detail
Catastrophe Adjustments in Detail
Expense and Profit Provision Support

SUMMARY OF CHANGES AND SUMMARY EXHIBITS

The chart below summarizes the indicated and proposed rate level changes included in this filing. For purposes of this memorandum, Encompass Insurance Group contains data elements from Encompass Indemnity Company and Encompass Insurance Company of America.

Coverage*	Encompass Insurance Group Written Premium at CRL	Encompass Indemnity Company Written Premium at CRL	Encompass Insurance Group Indicated Rate Level Change	Encompass Indemnity Company Proposed Rate Level Change
Bodily Injury	\$593,804	\$475,131	21.0%	10.4%
Property Damage	\$365,721	\$287,666	26.1%	10.4%
Medical Payment	\$3,997	\$2,847	246.4%	10.7%
Uninsured/Underinsured Motorists	\$215,305	\$178,650	51.8%	10.4%
Liability Subtotal	\$1,178,827	\$944,249	29.0%	10.4%
Collision	\$812,642	\$699,596	-18.0%	0.0%
Comprehensive	\$381,783	\$321,724	-4.2%	0.0%
Physical Damage Subtotal	\$1,194,425	\$1,021,320	-13.6%	0.0%
Overall	\$2,373,252	\$1,965,614	7.6%	5.0%

*In order to calculate the total indicated rate level need for Arkansas, premium and loss information for Motor Vehicle Personal Umbrella Liability coverage is included with the premium and loss information for the Bodily Injury coverage. Additionally, premium and loss information for miscellaneous coverages and vehicles are included with the premium and loss information for their corresponding coverages.

The filing contains the following revisions:

Rate Adjustment Factors

The Rate Adjustment Factors have been revised in order to reach the desired impact shown above. Please refer to the Motor Vehicle Rate Pages for the revised factors.

Work Loss Coverage

Encompass has revised the rate for Work Loss Benefit Coverage with this filing in order to reach the desired impact shown above. Please reference Rule 9.P.2.B of the Motor Vehicle Rules Manual for the revised rate.

Accidental Death Benefit Coverage

The Accidental Death Benefit rate has been revised with this filing in order to reach the desired impact shown above. Please reference Rule 9.P.2.C of the Motor Vehicle Rules Manual for the revised rate.

Excess Liability Rates

The Excess Liability Rates have been revised in order to reach the desired impact shown above. Please refer to Rule 5.A of the Personal Umbrella Rules Manual for the revised rates.

Comprehensive and Collision Model Year Factors

Comprehensive and Collision Model Year Factors have been added for 2014 and per current Rule 6.D of the Motor Vehicle Rules Manual, the premiums for the eleventh preceding and earlier model years were adjusted to equal the premiums for the tenth preceding model year. Please refer to the Motor Vehicle Rate Pages for the revised factors.

Editorial Revisions:

Driver and Auto Classifications

An editorial revision has been made to the Driver and Auto Classifications rule. Please refer to Rule 4.A of the Motor Vehicle Rules Manual for the revised rule.

Territory Definitions

The Territory Definitions pages have been updated to reflect additional zip code, city, and county combinations that were not previously accounted for. This is an editorial change only, as any policyholders in those zip codes are already receiving the correct territory classification. Please refer to the Motor Vehicle Rate Pages for the revisions.

Loss Surcharges

An editorial revision has been made to the Miscellaneous Types rule to clarify that Encompass does not surcharge for losses incurred while operating miscellaneous vehicles. Please refer to Rule 12.A for the revised rule.

OVERVIEW OF AUTO INDICATION METHODOLOGY

Exhibits 1 – 11 of this section show the determination of the statewide rate level indication for Arkansas. The objective of this process is to determine the indicated rate level need. This is done by evaluating the adequacy of the present rates to pay for Encompass' best estimate of losses and expenses, including a reasonable profit margin that will be incurred from annual policies written in the year after the proposed effective date.

Encompass is utilizing a combined company indication methodology for its Private Passenger Auto indication, which represents the rate need for the state of Arkansas as a whole. The Statewide Rate Level Indication has been developed using combined data elements from Encompass Insurance Group. The aggregation of underlying data should provide a more stable, responsive, and credible basis for evaluation; as such, a complement of credibility will not be used for the Bodily Injury, Property Damage, Uninsured/Underinsured Motorists, Comprehensive, and Collision indications.

With this filing, Encompass will use a complement of credibility when determining the indications for Medical Payments. The complement of credibility is obtained by applying a relativity to the Bodily Injury Indicated Provision for Loss and LAE. By doing this, Encompass can still reflect differences in the Medical Payments Pure Premium (i.e. trends) compared to the Bodily Injury Pure Premium, while having the advantage of applying the relativity to a more stable base of the Bodily Injury data, which Encompass feels is an appropriate complement. Ten years of Medical Payments Unlimited Pure Premiums to Bodily Injury Unlimited Pure Premiums have been reviewed and a relativity was selected based off of this. The data to support the relativity selection is shown in **Exhibit 2.B**. The selected relativity is then applied to the Bodily Injury Indicated Provision for Loss and LAE to develop the complement of credibility for the Medical Payments Indicated Provision for Loss and LAE. Please refer to **Exhibit 2.A** for the final complement of credibility for the Medical Payments indications.

The statewide rate level indication is based on data from five rolling accident years for Bodily Injury, Property Damage, Medical Payments, Uninsured/Underinsured Motorists, Comprehensive, and Collision coverages with losses ending June 30, 2013, evaluated as of September 30, 2013.

Experience Year Weights

In order to develop a credible measure of the indicated rate level, it is sometimes necessary to use more than one year of historical loss experience. Data for up to five experience years is combined to determine the indicated provision for loss and loss adjustment expense for each coverage. The number of years needed to determine the rate level indication for each coverage is derived from a credibility procedure based upon the number of paid claims and the distribution of claims for each coverage. This method also allows us to determine the weight to apply to each year of experience. The credibility procedure that was used is more fully described in the paper "On the Credibility of the Pure Premium" (Proceedings of the Casualty Actuarial Society, Vol. LV, 1968) by Mayerson, Jones and Bowers. The analysis for each coverage was completed using a k value of 10.0% and a P value of 90.0%; these parameters reflect the desire that the observed pure premium should be within k of the expected pure premium with probability P .

The weights applied to the loss experience for the experience years are determined for each coverage by the distribution of earned exposures over those years. The weights are based on the exposure distribution rather than the claim distribution in order to lessen the impact of volatility that can occur in the claim distribution. The initial calculated weight for a given year is limited to the weight for the subsequent year and the final weights are calculated proportionate to the limited weights to total 100%. Please refer to **Exhibit 4** for the experience year weights shown by coverage.

ADJUSTMENTS TO PREMIUMS

Current Rate Level Factors

Encompass uses a methodology that assumes that exposures are written uniformly by quarter, using a procedure described in a discussion by Frank Karlinski of the paper entitled "A Refined Model for Premium Adjustment", by David Miller and George Davis. (Mr. Karlinski's discussion appeared in the Proceedings of the Casualty Actuarial Society (PCAS), Vol. LXIV, 1977, and the paper by Miller and Davis appeared in the PCAS, Vol LXIII, 1976). This method (which is referred to as "Miller-Davis-Karlinski") more accurately calculates factors to current rate level in instances when exposures are changing throughout the year, whether through growth, shrinkage or seasonality. (When exposures are, in fact, written uniformly throughout the year, this method produces approximately the same answers as the parallelogram method.)

Premium Trend Factors

In addition to bringing premiums to current rate level, changes in the average written premium at the current rate level were reviewed. Unlike losses, premium is relatively stable. As the statewide rate level indication is developed using a Pure Premium methodology, only the latest year of premium is used as a basis for determining the indicated rate level change, which eliminates the need for historical annual premium trends. Prospective annual premium trends are still selected to account for expected shifts in the distribution of various rating characteristics such as driver classification, increased limits, model year and price group symbols (PGS) / Insurance Services Office (ISO) symbols. Since the effects on losses caused by these shifts are reflected in the loss projections, it is important that Encompass also account for the anticipated future changes in premiums. These selections are used to project the data from the average earned date of the experience period to the average earned date of the future policy period. Selected annual premium trends and overall premium trend factors for all coverages are shown in **Exhibit 5.A**. Encompass Insurance Group trend data is included as **Exhibit 5.B** to this attachment.

ADJUSTMENTS TO LOSSES

Loss Development

The losses for a given accident year may not have been fully determined at the evaluation date of this review. As such, the losses must be adjusted to an ultimate settlement basis. This is accomplished by analyzing historical patterns of incurred loss development for liability coverage and paid loss development for physical damage coverages and selecting loss development factors. Encompass Insurance Group data has been considered in the selection of the loss development factors. Losses used in the analysis include allocated loss adjustment expenses but exclude catastrophes in order to minimize distortions. Age-to-age factors are selected for each coverage using total limits losses and are then used to calculate loss development factors. Additional analysis of losses limited to \$100,000 per claim is performed to develop limited losses to ultimate for Bodily Injury coverage and Uninsured/Underinsured Motorists coverage. The selected loss development factors that have been used in this filing are shown in **Exhibit 6**.

Excess Loss Provision

An excess loss provision is included to account for the expected exposure to large, fortuitous losses. Total ultimate losses for Bodily Injury coverage and Uninsured/Underinsured Motorists coverage are estimated by multiplying losses capped at \$100,000 per claim by a limited loss development factor and then by an excess loss factor. Encompass Insurance Group data has been considered in the selection of the excess loss provision. The excess loss factor is the selected ratio of ultimate unlimited losses to ultimate limited losses. The selected excess loss factors used in this filing are shown in **Exhibit 7**.

Loss Trend

The historical losses from the experience period are adjusted to account for expected differences in historical and future cost levels. While loss development factors adjust losses and allocated loss adjustment expenses (ALAE) to an ultimate settlement basis, they do not reflect the prospective rate of change in the occurrence of accidents (frequency) or in the cost of accidents (severity). To properly adjust historical costs to future cost levels, a loss trend adjustment is applied.

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

For each coverage, the annual selections are used to project the data from the average occurrence date of the experience period to the average occurrence date of the future policy period. These selected trends are displayed in **Exhibit 8.A**. The calculations of loss trend factors are also shown in **Exhibit 8.A**. Encompass Insurance Group trend data is included in **Exhibit 8.B**. Please note that Encompass has selected trend and projection factors separately for each coverage.

Loss Adjustment Expenses

Losses in the experience period for each coverage have been adjusted to account for unallocated loss adjustment expenses (ULAE). A provision is developed using countrywide Encompass Insurance Group data in combined-lines form.

A three-year average of the ratios of countrywide, combined-lines, calendar year ULAE to countrywide, combined-lines, calendar year incurred losses is used to determine the ULAE provision. The average ratio is then applied to the losses for each coverage for each year used in the formula calculation. The ULAE ratio that has been used in this filing is shown in **Exhibit 4**.

Allocated loss adjustment expenses are included in both incurred losses and paid losses.

CATASTROPHE ADJUSTMENTS

In order to more appropriately account for catastrophes with Comprehensive coverage, all actual catastrophe losses during the experience period were removed. A catastrophe loss provision based upon 25 years of data in Arkansas is used to account for catastrophes, as shown in **Exhibit 4**. This catastrophe loss provision was calculated by dividing total catastrophe losses by total Comprehensive coverage incurred losses excluding catastrophes over the 25-year period. As developed in **Exhibit 9**, the resulting catastrophe provision is 18.0%.

EXPENSE & PROFIT PROVISION

Exhibit 10.1 shows the expense provisions used in developing the current fixed and variable expense provisions.

General and Other Acquisition Expense

The provisions for general expense and other acquisition expense are based on countrywide data, excluding involuntary business. Since the methods and procedures that incur these expenses are uniform within each state, it is a reasonable assumption that these expense provisions are uniform across all states. To develop the provision for other acquisition and general expenses, a three-year average of countrywide, combined-lines, calendar year incurred expense divided by countrywide calendar year direct earned premium was calculated. Line specific adjustments to other acquisition expenses are made, such as the reduction by the amount of installment fees collected and the adjustment for premiums written off.

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

Licenses and Fees

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

Fixed Expense Trend (Inflation)

The fixed expense trend utilized in the calculation of the indicated fixed expense provision consists of two components – a trend for General & Other Acquisition expenses and a trend for Licenses & Fees.

The method used to calculate the fixed expense trend for General & Other Acquisition expenses is similar to the method used by the Insurance Services Office (I.S.O.) and other competitors to determine a fixed expense trend. The method utilizes the CPI (Consumer Price Index) and the ECI (Employment Cost Index – Insurance Carriers, Agents, Brokers, & Service) and is discussed by Geoffrey Todd Werner, FCAS, MAAA in his paper Incorporation of Fixed Expenses, which was published in the *CAS Forum* (Winter 2004). Based on a review of the historical indices, an annual percentage change is selected for each index. These selected annual percent changes are then weighted together using the distribution of the Allstate expenditures in the latest calendar year for the two broad expense categories that these indices represent. This method is expected to produce stable and reasonable estimates of the true trend in General & Other Acquisition expenses and is consistent with the Current Practices and Alternatives detailed in Section 4 of Actuarial Standard of Practice No. 13, *Trending Procedures in Property/Casualty Insurance Ratemaking*.

In addition to the General & Other Acquisition expenses, Licenses & Fees are also considered as fixed expenses. Licenses & fees are generally constant in the absence of state action; therefore, the fixed expense trend should only be applied to the General & Other Acquisition portions of the fixed expenses. To accomplish this, Encompass calculates a weighted average of two trends: the fixed expense trend for general and other acquisition (as calculated using the method described in the paragraph above) and a 0.0% trend for licenses and fees. This weighted-average trend can then be applied to the entire fixed expense provision.

Exhibit 10.2 shows the derivation of the Factor to Adjust for Subsequent Change in Fixed Expense.

Commission and Brokerage Expense and Taxes

The proposed commission and brokerage expense provision has been developed from the actual calendar year 2012 commission and brokerage incurred expense ratio in Arkansas. The provision for taxes reflects the actual state premium tax and, where applicable, other premium-related taxes such as Fire Marshall taxes and Municipal taxes.

Underwriting Profit Provision

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

An analysis of premium, loss and expense cash flows is used to calculate the investment income on policyholder supplied funds (PHSF). This methodology is one of the two examples given in Actuarial Standard of Practice, No. 30 as appropriate methods for recognizing investment income from insurance operations (page 4).

The calculations detailing this investment income analysis are found in **Exhibits 11.1 & 11.2** for liability and physical damage coverages, respectively. The rate (applied as a force of interest) used to discount losses and expenses includes anticipated net investment income and anticipated capital gains, both realized and unrealized. Operating cash flows are discounted to the average time of earnings of premium and profit for the policy year, rather than to the start of the policy year.

Please refer to the attached document titled “The Development of the Underwriting Profit Provision” for more information.

Encompass Insurance Group
Private Passenger Auto
Arkansas

Table of Contents

Exhibit 1 -	Summary of Changes
Exhibit 2 -	Development of Statewide Rate Level Indication 2.A - Statewide Rate Level Indication 2.B - Pure Premium Relativities 2.C - Statewide Credibility
Exhibit 3 -	Development of Projected Average Earned Premium at Current Rates
Exhibit 4 -	Development of Provision for Loss and LAE

Adjustments to Earned Premium

Exhibit 5 -	Premium Trends 5.A - Calculation of Premium Trend Factor 5.B - Premium Trends
-------------	---

Adjustments to Incurred Losses

Exhibit 6 -	Loss + ALAE Development Factors
Exhibit 7 -	Excess Loss Provision
Exhibit 8 -	Pure Premium Trends 8.A - Calculation of Pure Premium Trend Factor 8.B - Pure Premium Trends (Encompass)
Exhibit 9 -	Catastrophe Insurance Losses (Comprehensive)

Expenses

Exhibit 10 -	Summary of Expense Provisions
Exhibit 11 -	Summary of Profit and Debt Provisions

Encompass Insurance Group
Private Passenger Auto
Arkansas

Exhibit 1

Summary of Changes

<u>Coverage</u>	Encompass Insurance Group Written Premium At CRL	Encompass Indemnity Company Written Premium At CRL	Encompass Insurance Group Indicated Rate Level Change	Encompass Indemnity Company Filed Rate Level Change
Bodily Injury	\$593,804	\$475,131	21.0%	10.4%
Property Damage	365,721	287,666	26.1%	10.4%
Medical Payments	3,997	2,847	246.4%	10.7%
Uninsured / Underinsured Motorist	215,305	178,650	51.8%	10.4%
Liability Subtotal	1,178,827	944,294	29.0%	10.4%
Collision	\$812,642	\$699,596	-18.0%	0.0%
Comprehensive	381,783	321,724	-4.2%	0.0%
Physical Damage Subtotal	1,194,425	1,021,320	-13.6%	0.0%
TOTAL AUTOMOBILE	2,373,252	1,965,614	7.6%	5.0%

Encompass Insurance Group
Private Passenger Auto
Arkansas

Exhibit 2.A.1

Development of Statewide Rate Level Indication - Bodily Injury

1)	Current Fixed Expense Ratio (Exhibit 10.1)	10.9 %
2)	Three Year Average Earned Premium	\$185.53
3)	Current Dollar Provision for Fixed Expense = [(1) x (2)]	\$20.22
4)	Factor to Adjust for Subsequent Change in Fixed Expense (Exhibit 10.2)	1.081
5)	Indicated Provision for Fixed Expense = [(3) x (4)]	\$21.86
6)	Variable Expense and Profit Ratio (Exhibit 10.1)	26.3 %
7)	Indicated Provision for Loss and LAE (Exhibit 4.1)	\$144.50
8)	Indicated Average Premium = [(7) + (5)] / [1 - (6)]	\$225.73
9)	Projected Average Earned Premium at Current Rates (Exhibit 3.1)	\$186.58
10)	Indicated Rate Level Change = [(8) / (9) - 1]	21.0 %

Encompass Insurance Group
Private Passenger Auto
Arkansas

Exhibit 2.A.2

Development of Statewide Rate Level Indication - Property Damage

1)	Current Fixed Expense Ratio (Exhibit 10.1)	10.9 %
2)	Three Year Average Earned Premium	\$120.52
3)	Current Dollar Provision for Fixed Expense = [(1) x (2)]	\$13.14
4)	Factor to Adjust for Subsequent Change in Fixed Expense (Exhibit 10.2)	1.081
5)	Indicated Provision for Fixed Expense = [(3) x (4)]	\$14.20
6)	Variable Expense and Profit Ratio (Exhibit 10.1)	26.3 %
7)	Indicated Provision for Loss and LAE (Exhibit 4.2)	\$88.02
8)	Indicated Average Premium = [(7) + (5)] / [1 - (6)]	\$138.70
9)	Projected Average Earned Premium at Current Rates (Exhibit 3.2)	\$110.01
10)	Indicated Rate Level Change = [(8) / (9) - 1]	26.1 %

Encompass Insurance Group
Private Passenger Auto
Arkansas

Exhibit 2.A.3

Development of Statewide Rate Level Indication - Medical Payments

1)	Current Fixed Expense Ratio (Exhibit 10.1)	10.9 %
2)	Three Year Average Earned Premium	\$12.97
3)	Current Dollar Provision for Fixed Expense = [(1) x (2)]	\$1.41
4)	Factor to Adjust for Subsequent Change in Fixed Expense (Exhibit 10.2)	1.081
5)	Indicated Provision for Fixed Expense = [(3) x (4)]	\$1.52
6)	Variable Expense and Profit Ratio (Exhibit 10.1)	26.3 %
7)	Indicated Provision for Loss and LAE (Exhibit 4.3)	\$32.35
8)	Complement of Credibility = { [Exhibit 2.A.1 (7)] x [Exhibit 2.B] }	\$28.90
9)	Credibility (Exhibit 2.C)	15.0 %
10)	Credibility Weighted Non-Cat Indicated Provision for Loss and LAE = [(7) x (9)] + [(8) x [1 - (9)]]	\$29.42
11)	Indicated Average Premium = [(10) + (5)] / [1 - (6)]	\$41.98
12)	Projected Average Earned Premium at Current Rates (Exhibit 3.3)	\$12.12
13)	Indicated Rate Level Change = [(11) / (12) - 1]	246.4 %

Encompass Insurance Group
Private Passenger Auto
Arkansas

Exhibit 2.A.4

Development of Statewide Rate Level Indication - Uninsured/Underinsured Motorist

1)	Current Fixed Expense Ratio (Exhibit 10.1)	10.9 %
2)	Three Year Average Earned Premium	\$59.26
3)	Current Dollar Provision for Fixed Expense = [(1) x (2)]	\$6.46
4)	Factor to Adjust for Subsequent Change in Fixed Expense (Exhibit 10.2)	1.081
5)	Indicated Provision for Fixed Expense = [(3) x (4)]	\$6.98
6)	Variable Expense and Profit Ratio (Exhibit 10.1)	26.3 %
7)	Indicated Provision for Loss and LAE (Exhibit 4.4)	\$75.81
8)	Indicated Average Premium = [(7) + (5)] / [1 - (6)]	\$112.33
9)	Projected Average Earned Premium at Current Rates (Exhibit 3.5)	\$74.02
10)	Indicated Rate Level Change = [(8) / (9) - 1]	51.8 %

Encompass Insurance Group
Private Passenger Auto
Arkansas

Exhibit 2.A.5

Development of Statewide Rate Level Indication - Collision

1)	Current Fixed Expense Ratio (Exhibit 10.1)	11.0 %
2)	Three Year Average Earned Premium	\$355.14
3)	Current Dollar Provision for Fixed Expense = [(1) x (2)]	\$39.07
4)	Factor to Adjust for Subsequent Change in Fixed Expense (Exhibit 10.2)	1.081
5)	Indicated Provision for Fixed Expense = [(3) x (4)]	\$42.23
6)	Variable Expense and Profit Ratio (Exhibit 10.1)	28.4 %
7)	Indicated Provision for Loss and LAE (Exhibit 4.5)	\$156.63
8)	Indicated Average Premium = [(7) + (5)] / [1 - (6)]	\$277.74
9)	Projected Average Earned Premium at Current Rates (Exhibit 3.5)	\$338.76
10)	Indicated Rate Level Change = [(8) / (9) - 1]	-18.0 %

Encompass Insurance Group
Private Passenger Auto
Arkansas

Exhibit 2.A.6

Development of Statewide Rate Level Indication - Comprehensive

1)	Current Fixed Expense Ratio (Exhibit 10.1)	11.0 %
2)	Three Year Average Earned Premium	\$172.61
3)	Current Dollar Provision for Fixed Expense = [(1) x (2)]	\$18.99
4)	Factor to Adjust for Subsequent Change in Fixed Expense (Exhibit 10.2)	1.081
5)	Indicated Provision for Fixed Expense = [(3) x (4)]	\$20.53
6)	Variable Expense and Profit Ratio (Exhibit 10.1)	28.4 %
7)	Indicated Provision for Loss and LAE (Exhibit 4.6)	\$86.06
8)	Indicated Average Premium = [(7) + (5)] / [1 - (6)]	\$148.87
9)	Projected Average Earned Premium at Current Rates (Exhibit 3.6)	\$155.42
10)	Indicated Rate Level Change = [(8) / (9) -1]	-4.2 %

Encompass Insurance Group
Private Passenger Auto
Arkansas

Medical Payments vs. Bodily Injury Non-Cat Loss + ALAE Pure Premium Relativities

Year Ending	Bodily Injury Pure Premium	Medical Payments Pure Premium	Relativity
6/30/2004	75	9	0.118
6/30/2005	284	1	0.002
6/30/2006	355	16	0.045
6/30/2007	136	0	0.000
6/30/2008	95	40	0.424
6/30/2009	111	80	0.722
6/30/2010	119	23	0.193
6/30/2011	116	45	0.388
6/30/2012	59	4	0.068
6/30/2013	110	3	0.028
		Straight Average	0.199
		Weighted Average	0.161
		Selected Ratio	0.200

Encompass Insurance Group
Private Passenger Auto
Arkansas

Determination of Statewide Credibility

	(1)	(2)	(3)
<u>Coverage</u>	<u>Claim Count</u>	<u>Full Credibility Standard</u>	<u>Statewide Credibility</u>
MED	21	687	15.0%

Encompass Insurance Group
Private Passenger Auto
Arkansas

Exhibit 3.1

Development of Projected Average Earned Premium at Current Rates - Bodily Injury

	(1)	(2)	(3) (Exhibit 5.A)	(4) = (2) x (3)	(5) = (4) / (1)	(6)
Fiscal Year <u>Ending</u>	<u>Earned Exposures</u>	<u>Earned Premium at Current Rates</u>	<u>Factor to Adjust to Projected Premium Level</u>	<u>Projected Earned Premium at Current Rates</u>	<u>Projected Average Earned Premium at Current Rates</u>	<u>Experience Year Weights</u>
6/30/2013	2,812	\$594,872	0.882	\$524,677	\$186.58	100 %
					(7) Projected Average Earned Premium At Current Rates \$186.58	

Encompass Insurance Group
Private Passenger Auto
Arkansas

Exhibit 3.2

Development of Projected Average Earned Premium at Current Rates - Property Damage

	(1)	(2)	(3) (Exhibit 5.A)	(4) = (2) x (3)	(5) = (4) / (1)	(6)
Fiscal Year <u>Ending</u>	<u>Earned Exposures</u>	<u>Earned Premium at Current Rates</u>	<u>Factor to Adjust to Projected Premium Level</u>	<u>Projected Earned Premium at Current Rates</u>	<u>Projected Average Earned Premium at Current Rates</u>	<u>Experience Year Weights</u>
6/30/2013	2,811	\$369,460	0.837	\$309,238	\$110.01	100 %
					(7) Projected Average Earned Premium At Current Rates \$110.01	

Encompass Insurance Group
Private Passenger Auto
Arkansas

Exhibit 3.3

Development of Projected Average Earned Premium at Current Rates - Medical Payments

	(1)	(2)	(3) (Exhibit 5.A)	(4) = (2) x (3)	(5) = (4) / (1)	(6)
Fiscal Year <u>Ending</u>	<u>Earned Exposures</u>	<u>Earned Premium at Current Rates</u>	<u>Factor to Adjust to Projected Premium Level</u>	<u>Projected Earned Premium at Current Rates</u>	<u>Projected Average Earned Premium at Current Rates</u>	<u>Experience Year Weights</u>
6/30/2013	255	\$3,504	0.882	\$3,091	\$12.12	100 %

(7) Projected Average Earned Premium At Current Rates \$12.12

Encompass Insurance Group
Private Passenger Auto
Arkansas

Exhibit 3.4

Development of Projected Average Earned Premium at Current Rates - Uninsured/Underinsured Motorist

	(1)	(2)	(3) (Exhibit 5.A)	(4) = (2) x (3)	(5) = (4) / (1)	(6)
Fiscal Year <u>Ending</u>	<u>Earned Exposures</u>	<u>Earned Premium at Current Rates</u>	<u>Factor to Adjust to Projected Premium Level</u>	<u>Projected Earned Premium at Current Rates</u>	<u>Projected Average Earned Premium at Current Rates</u>	<u>Experience Year Weights</u>
6/30/2013	2,812	\$198,232	1.050	\$208,144	\$74.02	100 %

(7) Projected Average Earned Premium At Current Rates \$74.02

Encompass Insurance Group
Private Passenger Auto
Arkansas

Exhibit 3.5

Development of Projected Average Earned Premium at Current Rates - Collision

	(1)	(2)	(3) (Exhibit 5.A)	(4) = (2) x (3)	(5) = (4) / (1)	(6)
Fiscal Year <u>Ending</u>	<u>Earned Exposures</u>	<u>Earned Premium at Current Rates</u>	<u>Factor to Adjust to Projected Premium Level</u>	<u>Projected Earned Premium at Current Rates</u>	<u>Projected Average Earned Premium at Current Rates</u>	<u>Experience Year Weights</u>
6/30/2013	2,131	\$730,674	0.988	\$721,906	\$338.76	100 %
					(7) Projected Average Earned Premium At Current Rates \$338.76	

Encompass Insurance Group
Private Passenger Auto
Arkansas

Exhibit 3.6

Development of Projected Average Earned Premium at Current Rates - Comprehensive

	(1)	(2)	(3) (Exhibit 5.A)	(4) = (2) x (3)	(5) = (4) / (1)	(6)
Fiscal Year <u>Ending</u>	<u>Earned Exposures</u>	<u>Earned Premium at Current Rates</u>	<u>Factor to Adjust to Projected Premium Level</u>	<u>Projected Earned Premium at Current Rates</u>	<u>Projected Average Earned Premium at Current Rates</u>	<u>Experience Year Weights</u>
6/30/2013	2,158	\$352,308	0.952	\$335,397	\$155.42	100 %

(7) Projected Average Earned Premium At Current Rates \$155.42

Encompass Insurance Group
Private Passenger Auto
Arkansas

Exhibit 4.1

Development of Provision for Loss and LAE - Bodily Injury

	(1)	(2)	(3)	(4) = (2) * (1+ (3))	(5) Exhibit 7	(6) (Exhibit 8.A)	(7) = (4) x (5) x (6)	(8) = (7) / (1)	(9)
Fiscal Year Ending	<u>Earned Exposures</u>	Developed Limited Ex-Cat Losses and ALAE	<u>ULAE Provision</u>	Developed Limited Ex-Cat Losses and LAE	Excess Loss Provision	Factor to Adjust Losses for Pure Premium Trend	<u>Projected Ultimate Loss and LAE</u>	<u>Projected Average Loss and LAE</u>	Experience Year Weights
6/30/2009	6,473	\$823,478	0.146	\$943,706	1.250	0.748	\$882,365	\$136.31	20 %
6/30/2010	5,085	645,331	0.146	739,549	1.250	0.804	\$743,246	\$146.16	20
6/30/2011	3,666	486,839	0.146	557,917	1.250	0.865	\$603,248	\$164.55	20
6/30/2012	2,947	186,612	0.146	213,857	1.250	0.930	\$248,609	\$84.36	20
6/30/2013	2,812	375,194	0.146	429,972	1.250	1.000	\$537,465	\$191.13	20
							\$144.50		

(10) Indicated Provision for Loss and LAE

Encompass Insurance Group
Private Passenger Auto
Arkansas

Exhibit 4.2

Development of Provision for Loss and LAE - Property Damage

	(1)	(2)	(3)	(4) = (2) * (1+ (3))	(5) (Exhibit 8.A)	(6) = (4) x (5)	(7) = (6) / (1)	(8)
Fiscal Year Ending	Earned Exposures	Developed Ex-Cat Losses and ALAE	ULAE Provision	Developed Ex-Cat Losses and LAE	Factor to Adjust Losses for Pure Premium Trend	Projected Ultimate Loss and LAE	Projected Average Loss and LAE	Experience Year Weights
6/30/2009	6,473	\$502,586	0.146	\$575,964	0.922	\$531,039	\$82.04	20 %
6/30/2010	5,085	565,961	0.146	648,591	0.941	610,324	120.02	20
6/30/2011	3,666	222,270	0.146	254,721	0.960	244,532	66.70	20
6/30/2012	2,946	222,314	0.146	254,772	0.980	249,677	84.75	20
6/30/2013	2,811	212,417	0.146	243,430	1.000	243,430	86.60	20
						(9) Indicated Provision for Loss and LAE	\$88.02	

Encompass Insurance Group
Private Passenger Auto
Arkansas

Exhibit 4.3

Development of Provision for Loss and LAE - Medical Payments

	(1)	(2)	(3)	(4) = (2) * (1+ (3))	(5) (Exhibit 8.A)	(6) = (4) x (5)	(7) = (6) / (1)	(8)
Fiscal Year Ending	Earned Exposures	Developed Ex-Cat Losses and ALAE	ULAE Provision	Developed Ex-Cat Losses and LAE	Factor to Adjust Losses for Pure Premium Trend	Projected Ultimate Loss and LAE	Projected Average Loss and LAE	Experience Year Weights
6/30/2009	505	\$46,729	0.146	\$53,551	0.748	\$40,056	\$79.32	20 %
6/30/2010	400	10,555	0.146	12,096	0.804	9,725	24.31	20
6/30/2011	296	15,000	0.146	17,190	0.865	14,869	50.23	20
6/30/2012	256	1,065	0.146	1,220	0.930	1,135	4.43	20
6/30/2013	255	768	0.146	880	1.000	880	3.45	20
						(9) Indicated Provision for Loss and LAE	\$32.35	

Encompass Insurance Group
Private Passenger Auto
Arkansas

Exhibit 4.4

Development of Provision for Loss and LAE - Uninsured / Underinsured Motorist

	(1)	(2)	(3)	(4) = (2) * (1+ (3))	(5) Exhibit 7	(6) (Exhibit 8.A)	(7) = (4) x (5) x (6)	(8) = (7) / (1)	(9)
Fiscal Year Ending	<u>Earned Exposures</u>	Developed Limited Ex-Cat Losses and ALAE	<u>ULAE Provision</u>	Developed Limited Ex-Cat Losses and LAE	Excess Loss Provision	Factor to Adjust Losses for Pure Premium Trend	<u>Projected Ultimate Loss and LAE</u>	<u>Projected Average Loss and LAE</u>	Experience Year <u>Weights</u>
6/30/2009	6,473	\$216,377	0.146	\$247,968	1.220	1.000	\$302,521	\$46.74	20 %
6/30/2010	5,085	251,782	0.146	288,542	1.220	1.000	\$352,021	\$69.23	20
6/30/2011	3,666	40,936	0.146	46,913	1.220	1.000	\$57,234	\$15.61	20
6/30/2012	2,947	98,253	0.146	112,598	1.220	1.000	\$137,370	\$46.61	20
6/30/2013	2,812	403,943	0.146	462,919	1.220	1.000	\$564,761	\$200.84	20
							\$75.81		

(10) Indicated Provision for Loss and LAE

Encompass Insurance Group
Private Passenger Auto
Arkansas

Exhibit 4.5

Development of Provision for Loss and LAE - Collision

	(1)	(2)	(3)	(4) = (2) * (1+ (3))	(5) (Exhibit 8.A)	(6) = (4) x (5)	(7) = (6) / (1)	(8)
Fiscal Year Ending	<u>Earned Exposures</u>	<u>Developed Ex-Cat Losses and ALAE</u>	<u>ULAE Provision</u>	<u>Developed Ex-Cat Losses and LAE</u>	<u>Factor to Adjust Losses for Pure Premium Trend</u>	<u>Projected Ultimate Loss and LAE</u>	<u>Projected Average Loss and LAE</u>	<u>Experience Year Weights</u>
6/30/2009	4,368	\$597,394	0.146	\$684,614	0.945	\$646,960	\$148.11	20 %
6/30/2010	3,518	691,676	0.146	792,661	0.964	764,125	217.20	20
6/30/2011	2,639	319,363	0.146	365,990	0.984	360,134	136.47	20
6/30/2012	2,140	224,437	0.146	257,205	1.004	258,234	120.67	20
6/30/2013	2,131	291,574	0.146	334,144	1.025	342,498	160.72	20
						(9) Indicated Provision for Loss and LAE	\$156.63	

Encompass Insurance Group
Private Passenger Auto
Arkansas

Exhibit 4.6

Development of Provision for Loss and LAE - Comprehensive

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
			(Exhibit 9)	= (2) x [1+(3)]		= (4) * (1+ (5))	(Exhibit 8.A)	= (6) x (7)	= (8) / (1)	
Fiscal Year Ending	Earned Exposures	Developed Ex-Cat Losses and ALAE	Average Catastrophe Factor	Developed Losses and ALAE	ULAE Provision	Developed Losses and LAE	Factor to Adjust Losses for Pure Premium Trend	Projected Ultimate Loss and LAE	Projected Average Loss and LAE	Experience Year Weights
6/30/2009	4,471	\$317,390	0.18	\$374,520	0.146	\$429,200	0.922	\$395,722	\$88.51	20 %
6/30/2010	3,595	263,223	0.18	310,603	0.146	355,951	0.941	334,950	93.17	20
6/30/2011	2,690	158,104	0.18	186,563	0.146	213,801	0.960	205,249	76.30	20
6/30/2012	2,174	125,509	0.18	148,101	0.146	169,724	0.980	166,330	76.51	20
6/30/2013	2,158	152,858	0.18	180,372	0.146	206,706	1.000	206,706	95.79	20

(11) Indicated Provision for Loss and LAE

\$86.06

Encompass Insurance Group
Private Passenger Auto
Arkansas

Exhibit 5.A

Calculation of Premium Trend Factor

<u>Coverage</u>	<u>Projected</u>
Bodily Injury	-5.00%
Property Damage	-7.00%
Medical Payments	-5.00%
Uninsured / Underinsured Motorist	2.00%
Collision	-0.50%
Comprehensive	-2.00%

Calculation of Trend Period

	<u>Current Year</u>
1) Average Earned Date of Proposed Policy Period	6/14/2015
2) Mid-Point of Current Year's Experience Period	12/31/2012
3) Experience Period Ended	6/30/2013
4) Midpoint of Experience Period	12/31/2012
5) Historical: Number of Years from (4) to (2)	0.000
6) Projected: Number of Years from (2) to (1)	2.452

Factor to Adjust to Projected Premium Level

<u>Coverage</u>	<u>Current Year</u>
Bodily Injury	0.882
Property Damage	0.837
Medical Payments	0.882
Uninsured / Underinsured Motorist	1.050
Collision	0.988
Comprehensive	0.952

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

Encompass Insurance Group
Private Passenger Auto
Arkansas

Exhibit 5.B.1

Average Written Premium Trends - Bodily Injury

Year Ending	Average Written Premium @ CRL	Annual % Change	Exponential Curve of Best Fit (\$)		
			20 pt.	12 pt.	6 pt.
12/07	\$248.37	-12.4			
03/08	243.97	-10.4			
06/08	240.83	-8.1			
09/08	234.97	-7.8			
12/08	230.78	-7.1	233.49		
03/09	227.44	-6.8	232.05		
06/09	225.90	-6.2	230.62		
09/09	223.07	-5.1	229.20		
12/09	223.67	-3.1	227.79		
03/10	222.71	-2.1	226.39		
06/10	223.63	-1.0	224.99		
09/10	227.62	2.0	223.60		
12/10	229.43	2.6	222.23	234.48	
03/11	231.52	4.0	220.86	231.13	
06/11	228.66	2.3	219.50	227.83	
09/11	226.50	-0.5	218.14	224.58	
12/11	221.32	-3.5	216.80	221.37	
03/12	218.29	-5.7	215.46	218.21	
06/12	217.19	-5.0	214.14	215.09	218.52
09/12	215.18	-5.0	212.82	212.02	214.15
12/12	210.27	-5.0	211.51	208.99	209.87
03/13	206.49	-5.4	210.20	206.00	205.67
06/13	201.09	-7.4	208.91	203.06	201.56
09/13	197.08	-8.4	207.62	200.16	197.53
Regression			20 pt.	12 pt.	6 pt.
Avg Annual Percent Change Based on Best Fit:			-2.4 %	-5.6 %	-7.8 %

Encompass Insurance Group
Private Passenger Auto
Arkansas

Exhibit 5.B.2

Average Written Premium Trends - Property Damage

Year Ending	Average Written Premium @ CRL	Annual % Change	Exponential Curve of Best Fit (\$)		
			20 pt.	12 pt.	6 pt.
12/07	\$168.05	-9.7			
03/08	166.12	-7.5			
06/08	164.33	-5.9			
09/08	160.14	-6.5			
12/08	156.85	-6.7	158.98		
03/09	154.21	-7.2	157.11		
06/09	152.01	-7.5	155.25		
09/09	149.96	-6.4	153.42		
12/09	148.99	-5.0	151.61		
03/10	147.92	-4.1	149.82		
06/10	146.89	-3.4	148.06		
09/10	148.44	-1.0	146.31		
12/10	149.29	0.2	144.58	152.31	
03/11	149.47	1.1	142.88	149.32	
06/11	147.23	0.2	141.19	146.39	
09/11	145.07	-2.3	139.53	143.52	
12/11	141.06	-5.5	137.88	140.70	
03/12	137.37	-8.1	136.25	137.94	
06/12	136.43	-7.3	134.65	135.23	136.67
09/12	133.70	-7.8	133.06	132.58	133.46
12/12	130.21	-7.7	131.49	129.98	130.32
03/13	127.77	-7.0	129.94	127.42	127.26
06/13	123.80	-9.3	128.40	124.92	124.27
09/13	121.42	-9.2	126.89	122.47	121.35
Regression			20 pt.	12 pt.	6 pt.
Avg Annual Percent Change Based on Best Fit:			-4.6 %	-7.6 %	-9.1 %

Encompass Insurance Group
Private Passenger Auto
Arkansas

Exhibit 5.B.3

Average Written Premium Trends - Medical Payments

Year Ending	Average Written Premium @ CRL	Annual % Change	Exponential Curve of Best Fit (\$)		
			20 pt.	12 pt.	6 pt.
12/07	\$17.22	-13.5			
03/08	17.36	-6.6			
06/08	17.57	-1.9			
09/08	16.99	-6.3			
12/08	16.46	-4.4	17.16		
03/09	16.82	-3.1	16.89		
06/09	16.53	-5.9	16.63		
09/09	15.84	-6.8	16.37		
12/09	15.90	-3.4	16.12		
03/10	15.40	-8.4	15.87		
06/10	15.11	-8.6	15.62		
09/10	15.21	-4.0	15.38		
12/10	15.56	-2.1	15.14	16.43	
03/11	15.49	0.6	14.91	15.98	
06/11	15.82	4.7	14.68	15.54	
09/11	15.91	4.6	14.45	15.12	
12/11	14.93	-4.1	14.23	14.70	
03/12	14.53	-6.2	14.01	14.30	
06/12	14.25	-9.9	13.79	13.91	14.23
09/12	13.45	-15.5	13.58	13.52	13.70
12/12	13.27	-11.1	13.37	13.15	13.19
03/13	13.06	-10.1	13.16	12.79	12.70
06/13	12.09	-15.2	12.95	12.44	12.23
09/13	11.69	-13.1	12.75	12.10	11.77
Regression			20 pt.	12 pt.	6 pt.
Avg Annual Percent Change Based on Best Fit:			-6.1 %	-10.5 %	-14.1 %

Encompass Insurance Group
Private Passenger Auto
Arkansas

Exhibit 5.B.4

Average Written Premium Trends - Uninsured / Underinsured Motorist

Year Ending	Average Written Premium @ CRL	Annual % Change	Exponential Curve of Best Fit (\$)		
			20 pt.	12 pt.	6 pt.
12/07	\$66.82	-14.68			
03/08	65.33	-13.37			
06/08	64.50	-9.49			
09/08	63.33	-7.22			
12/08	63.28	-5.30	63.48		
03/09	63.69	-2.51	63.90		
06/09	63.75	-1.16	64.32		
09/09	64.22	1.41	64.75		
12/09	64.82	2.43	65.17		
03/10	65.40	2.68	65.61		
06/10	66.23	3.89	66.04		
09/10	67.51	5.12	66.48		
12/10	68.24	5.28	66.91	67.58	
03/11	68.10	4.13	67.36	67.92	
06/11	68.26	3.07	67.80	68.26	
09/11	68.23	1.07	68.25	68.60	
12/11	68.69	0.66	68.70	68.95	
03/12	68.78	1.00	69.16	69.29	
06/12	69.21	1.39	69.61	69.64	69.39
09/12	69.68	2.13	70.07	69.99	69.86
12/12	70.71	2.94	70.54	70.34	70.33
03/13	71.03	3.27	71.00	70.69	70.80
06/13	71.31	3.03	71.47	71.04	71.27
09/13	71.46	2.55	71.94	71.40	71.75
Regression			20 pt.	12 pt.	6 pt.
Avg Annual Percent Change Based on Best Fit:			2.7 %	2.0 %	2.7 %

Encompass Insurance Group
Private Passenger Auto
Arkansas

Exhibit 5.B.5

Average Written Premium Trends - Collision

Year Ending	Average Written Premium @ CRL	Annual % Change	Exponential Curve of Best Fit (\$)		
			20 pt.	12 pt.	6 pt.
12/07	\$330.85	4.6			
03/08	335.52	5.6			
06/08	340.93	6.6			
09/08	344.84	6.8			
12/08	341.91	3.3	345.26		
03/09	340.41	1.5	345.00		
06/09	341.16	0.1	344.75		
09/09	342.59	-0.7	344.49		
12/09	344.21	0.7	344.24		
03/10	347.99	2.2	343.98		
06/10	348.39	2.1	343.73		
09/10	346.75	1.2	343.47		
12/10	346.22	0.6	343.22	346.22	
03/11	349.19	0.3	342.96	345.44	
06/11	342.57	-1.7	342.71	344.66	
09/11	345.93	-0.2	342.46	343.89	
12/11	341.33	-1.4	342.20	343.11	
03/12	338.99	-2.9	341.95	342.34	
06/12	343.44	0.3	341.70	341.57	341.04
09/12	339.23	-1.9	341.44	340.80	340.58
12/12	339.17	-0.6	341.19	340.03	340.13
03/13	339.21	0.1	340.94	339.27	339.67
06/13	336.51	-2.0	340.69	338.50	339.22
09/13	341.88	0.8	340.43	337.74	338.77
Regression			20 pt.	12 pt.	6 pt.
Avg Annual Percent Change Based on Best Fit:			-0.3 %	-0.9 %	-0.5 %

Encompass Insurance Group
Private Passenger Auto
Arkansas

Exhibit 5.B.6

Average Written Premium Trends - Comprehensive

Year Ending	Average Written Premium @ CRL	Annual % Change	Exponential Curve of Best Fit (\$)		
			20 pt.	12 pt.	6 pt.
12/07	\$171.87	5.6			
03/08	173.14	5.2			
06/08	175.76	5.8			
09/08	176.77	5.5			
12/08	175.52	2.1	177.19		
03/09	174.75	0.9	176.14		
06/09	174.41	-0.8	175.09		
09/09	174.83	-1.1	174.04		
12/09	174.55	-0.6	173.01		
03/10	175.93	0.7	171.98		
06/10	173.73	-0.4	170.95		
09/10	171.04	-2.2	169.94		
12/10	167.11	-4.3	168.92	167.00	
03/11	167.07	-5.0	167.92	166.26	
06/11	164.07	-5.6	166.92	165.52	
09/11	164.09	-4.1	165.92	164.78	
12/11	163.98	-1.9	164.93	164.05	
03/12	163.17	-2.3	163.95	163.32	
06/12	163.72	-0.2	162.98	162.59	163.85
09/12	163.02	-0.7	162.01	161.87	162.71
12/12	161.44	-1.6	161.04	161.15	161.59
03/13	160.64	-1.6	160.08	160.43	160.47
06/13	158.85	-3.0	159.13	159.72	159.36
09/13	158.55	-2.7	158.18	159.00	158.25
Regression			20 pt.	12 pt.	6 pt.
Avg Annual Percent Change Based on Best Fit:			-2.4 %	-1.8 %	-2.7 %

Encompass Insurance Group
Private Passenger Auto
Arkansas

Exhibit 6.1.a

Incurred Loss + ALAE Development Factors - Limited Bodily Injury

Fiscal Accident Year Ending	<u>15 Months</u>	<u>27 Months</u>	<u>39 Months</u>	<u>51 Months</u>	<u>63 Months</u>	<u>75 Months</u>	<u>87 Months</u>	<u>99 Months</u>	<u>111 Months</u>	<u>123 Months</u>	
6/30/2000									1,849,191	1,849,191	
6/30/2001								2,128,199	2,128,199	2,128,199	
6/30/2002							1,610,181	1,610,248	1,610,248	1,610,248	
6/30/2003						887,343	887,343	887,343	887,343	887,343	
6/30/2004					578,296	593,992	597,911	597,911	597,911	597,911	
6/30/2005				1,723,924	1,686,849	1,731,275	1,731,275	1,731,275	1,731,275		
6/30/2006			966,218	951,837	931,066	931,066	931,066	931,066			
6/30/2007		786,637	807,942	823,394	833,815	833,815	833,815				
6/30/2008	538,345	721,873	760,735	757,879	773,857	761,894					
6/30/2009	667,304	705,128	758,502	798,200	808,124						
6/30/2010	519,289	614,767	606,954	612,849							
6/30/2011	356,019	361,183	433,130								
6/30/2012	153,146	145,223									
6/30/2013	230,605										
				Link Ratios							
<u>Development</u>	<u>15 to 27</u>	<u>27 to 39</u>	<u>39 to 51</u>	<u>51 to 63</u>	<u>63 to 75</u>	<u>75 to 87</u>	<u>87 to 99</u>	<u>99 to 111</u>	<u>111 to 123</u>		
4th Prior	1.341	1.027	0.985	0.978	1.027	1.000	1.000	1.000	1.000		
3rd Prior	1.057	1.054	1.019	0.978	1.026	1.007	1.000	1.000	1.000		
2nd Prior	1.184	1.076	0.996	1.013	1.000	1.000	1.000	1.000	1.000		
1st Prior	1.015	0.987	1.052	1.021	1.000	1.000	1.000	1.000	1.000		
Latest	0.948	1.199	1.010	1.012	0.985	1.000	1.000	1.000	1.000		
Volume Weighted 4 Yr Mean	1.077	1.065	1.020	1.005	1.008	1.001	1.000	1.000	1.000		
Countrywide selected:	1.266	1.143	1.068	1.033	1.013	1.006	1.000	1.000	1.000		
Loss Development Period (months):	<u>15 - 123</u>	<u>27 - 123</u>	<u>39 - 123</u>	<u>51 - 123</u>	<u>63 - 123</u>	<u>75 - 123</u>	<u>87 - 123</u>	<u>99 - 123</u>	<u>111 - 123</u>		
Loss Development Factor:	1.627	1.285	1.124	1.053	1.019	1.006	1.000	1.000	1.000		

†Includes ALAE

Encompass Insurance Group
Private Passenger Auto
Arkansas

Exhibit 6.1.b

Incurred Loss + ALAE Development Factors - Unlimited Bodily Injury

Fiscal Accident Year Ending	15 Months	27 Months	39 Months	51 Months	63 Months	75 Months	87 Months	99 Months	111 Months	123 Months
6/30/2000									1,874,191	1,874,191
6/30/2001								2,278,199	2,278,199	2,278,199
6/30/2002							1,610,181	1,610,248	1,610,248	1,610,248
6/30/2003						887,343	887,343	887,343	887,343	887,343
6/30/2004					578,296	593,992	597,911	597,911	597,911	597,911
6/30/2005				2,866,652	2,829,577	2,874,003	2,874,003	2,874,003	2,874,003	2,874,003
6/30/2006			2,116,218	2,101,837	2,081,066	2,081,066	2,081,066	2,081,066		
6/30/2007		811,637	902,942	918,394	928,815	928,815	928,815			
6/30/2008	538,345	721,873	760,735	757,879	773,857	761,894				
6/30/2009	667,304	705,128	758,502	798,200	808,124					
6/30/2010	584,289	649,767	641,954	647,849						
6/30/2011	356,019	361,183	433,130							
6/30/2012	153,146	145,223								
6/30/2013	230,605									
				Link Ratios						
<u>Development</u>	<u>15 to 27</u>	<u>27 to 39</u>	<u>39 to 51</u>	<u>51 to 63</u>	<u>63 to 75</u>	<u>75 to 87</u>	<u>87 to 99</u>	<u>99 to 111</u>	<u>111 to 123</u>	
4th Prior	1.341	1.112	0.993	0.987	1.027	1.000	1.000	1.000	1.000	1.000
3rd Prior	1.057	1.054	1.017	0.990	1.016	1.007	1.000	1.000	1.000	1.000
2nd Prior	1.112	1.076	0.996	1.011	1.000	1.000	1.000	1.000	1.000	1.000
1st Prior	1.015	0.988	1.052	1.021	1.000	1.000	1.000	1.000	1.000	1.000
Latest	0.948	1.199	1.009	1.012	0.985	1.000	1.000	1.000	1.000	1.000
Volume Weighted 4 Yr Mean	1.057	1.064	1.019	1.003	1.005	1.001	1.000	1.000	1.000	1.000
Countrywide selected:	1.298	1.164	1.085	1.038	1.022	1.008	1.000	1.000	1.000	1.000
Loss Development Period (months):	<u>15 - 123</u>	<u>27 - 123</u>	<u>39 - 123</u>	<u>51 - 123</u>	<u>63 - 123</u>	<u>75 - 123</u>	<u>87 - 123</u>	<u>99 - 123</u>	<u>111 - 123</u>	
Loss Development Factor:	1.753	1.350	1.160	1.069	1.030	1.008	1.000	1.000	1.000	

†Includes ALAE

Encompass Insurance Group
Private Passenger Auto
Arkansas

Exhibit 6.2

Incurred Loss + ALAE Development Factors - Property Damage

Fiscal Accident Year Ending	15 Months	27 Months	39 Months	51 Months	63 Months	75 Months	87 Months	99 Months	111 Months	123 Months
6/30/2000									1,236,420	1,236,420
6/30/2001								1,336,940	1,336,940	1,336,940
6/30/2002							1,194,300	1,194,300	1,194,300	1,194,300
6/30/2003						891,241	891,241	891,241	891,241	891,241
6/30/2004					374,885	374,885	374,885	374,885	374,885	374,885
6/30/2005				400,677	400,677	400,677	400,677	400,677	400,677	400,677
6/30/2006			397,139	398,888	398,888	398,888	398,888	398,888		
6/30/2007		467,986	467,986	467,986	467,986	467,986	467,986			
6/30/2008	436,715	456,548	447,948	447,948	447,948	447,948				
6/30/2009	457,738	499,628	502,585	502,585	502,585					
6/30/2010	516,232	565,960	565,960	565,960						
6/30/2011	218,555	223,271	222,271							
6/30/2012	222,770	221,870								
6/30/2013	200,772									
				Link Ratios						
<u>Development</u>	<u>15 to 27</u>	<u>27 to 39</u>	<u>39 to 51</u>	<u>51 to 63</u>	<u>63 to 75</u>	<u>75 to 87</u>	<u>87 to 99</u>	<u>99 to 111</u>	<u>111 to 123</u>	
4th Prior	1.045	1.000	1.004	1.000	1.000	1.000	1.000	1.000	1.000	1.000
3rd Prior	1.092	0.981	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2nd Prior	1.096	1.006	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1st Prior	1.022	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Latest	0.996	0.996	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Volume Weighted 3 Yr Mean	1.056	1.002	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Selected:	1.056	1.002	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Loss Development Period (months):	<u>15 - 123</u>	<u>27 - 123</u>	<u>39 - 123</u>	<u>51 - 123</u>	<u>63 - 123</u>	<u>75 - 123</u>	<u>87 - 123</u>	<u>99 - 123</u>	<u>111 - 123</u>	
Loss Development Factor:	1.058	1.002	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

†Includes ALAE

Encompass Insurance Group
Private Passenger Auto
Arkansas

Exhibit 6.3

Incurred Loss + ALAE Development Factors - Medical Payments

Fiscal Accident	<u>15 Months</u>	<u>27 Months</u>	<u>39 Months</u>	<u>51 Months</u>	<u>63 Months</u>	<u>75 Months</u>	<u>87 Months</u>	<u>99 Months</u>	<u>111 Months</u>	<u>123 Months</u>		
<u>Year Ending</u>												
6/30/2000									15,647	15,647		
6/30/2001								10,940	10,940	10,940		
6/30/2002							5,721	5,721	5,721	5,721		
6/30/2003						13,714	13,714	13,714	13,714	13,714		
6/30/2004					5,288	5,288	5,288	5,288	5,288	5,288		
6/30/2005				5,299	5,299	5,299	5,299	5,299	5,299	5,299		
6/30/2006			8,014	8,014	8,014	8,014	8,014	8,014				
6/30/2007		5,000	0	0	0	0	0					
6/30/2008	0	21,126	21,126	23,886	23,886	23,886						
6/30/2009	48,514	46,729	46,729	46,729	46,729							
6/30/2010	11,000	10,555	10,555	10,555								
6/30/2011	15,000	15,000	15,000									
6/30/2012	1,065	1,065										
6/30/2013	751											
				Link Ratios								
<u>Development</u>	<u>15 to 27</u>	<u>27 to 39</u>	<u>39 to 51</u>	<u>51 to 63</u>	<u>63 to 75</u>	<u>75 to 87</u>	<u>87 to 99</u>	<u>99 to 111</u>	<u>111 to 123</u>			
4th Prior	1.000	0.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000			
3rd Prior	0.963	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000			
2nd Prior	0.960	1.000	1.131	1.000	1.000	1.000	1.000	1.000	1.000			
1st Prior	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000			
Latest	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000			
Volume Weighted 4 Yr Mean	0.970	1.000	1.035	1.000	1.000	1.000	1.000	1.000	1.000			
Countrywide selected:	1.022	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000			
Loss Development Period (months):	<u>15 - 123</u>	<u>27 - 123</u>	<u>39 - 123</u>	<u>51 - 123</u>	<u>63 - 123</u>	<u>75 - 123</u>	<u>87 - 123</u>	<u>99 - 123</u>	<u>111 - 123</u>			
Loss Development Factor:	1.022	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000			

†Includes ALAE

Encompass Insurance Group
Private Passenger Auto
Arkansas

Exhibit 6.4.a

Incurred Loss + ALAE Development Factors - Limited UM + UIM

Fiscal Accident	<u>15 Months</u>	<u>27 Months</u>	<u>39 Months</u>	<u>51 Months</u>	<u>63 Months</u>	<u>75 Months</u>	<u>87 Months</u>	<u>99 Months</u>	<u>111 Months</u>	<u>123 Months</u>	
<u>Year Ending</u>											
6/30/2000									381,933	381,933	
6/30/2001								455,943	467,943	467,943	
6/30/2002							372,179	372,179	372,179	372,179	
6/30/2003						466,553	466,553	466,553	466,553	466,553	
6/30/2004					525,217	545,988	547,388	547,388	547,388	547,388	
6/30/2005				100,091	100,091	100,091	100,091	100,091	100,091	100,091	
6/30/2006			27,774	27,774	27,774	27,774	27,774	27,774			
6/30/2007		154,445	197,243	185,320	185,320	185,320	185,320				
6/30/2008	168,201	296,564	258,564	306,730	283,374	283,374					
6/30/2009	257,766	220,549	209,818	210,481	209,060						
6/30/2010	152,785	236,860	236,860	236,860							
6/30/2011	20,478	35,845	35,845								
6/30/2012	77,446	75,233									
6/30/2013	236,225										
				Link Ratios							
<u>Development</u>	<u>15 to 27</u>	<u>27 to 39</u>	<u>39 to 51</u>	<u>51 to 63</u>	<u>63 to 75</u>	<u>75 to 87</u>	<u>87 to 99</u>	<u>99 to 111</u>	<u>111 to 123</u>		
4th Prior	1.763	1.277	1.000	1.000	1.040	1.000	1.000	1.026	1.000		
3rd Prior	0.856	0.872	0.940	1.000	1.000	1.003	1.000	1.000	1.000		
2nd Prior	1.550	0.951	1.186	1.000	1.000	1.000	1.000	1.000	1.000		
1st Prior	1.750	1.000	1.003	0.924	1.000	1.000	1.000	1.000	1.000		
Latest	0.971	1.000	1.000	0.993	1.000	1.000	1.000	1.000	1.000		
Volume Weighted 3 Yr Mean	1.388	0.978	1.069	0.965	1.000	1.000	1.000	1.000	1.000		
Countrywide selected:	1.309	1.144	1.074	1.027	1.022	1.013	1.000	1.000	1.000		
Loss Development Period (months):	<u>15 - 123</u>	<u>27 - 123</u>	<u>39 - 123</u>	<u>51 - 123</u>	<u>63 - 123</u>	<u>75 - 123</u>	<u>87 - 123</u>	<u>99 - 123</u>	<u>111 - 123</u>		
Loss Development Factor:	1.710	1.306	1.142	1.063	1.035	1.013	1.000	1.000	1.000		

†Includes ALAE

Encompass Insurance Group
Private Passenger Auto
Arkansas

Exhibit 6.4.b

Incurred Loss + ALAE Development Factors - Unlimited UM + UIM

Fiscal Accident Year Ending	15 Months	27 Months	39 Months	51 Months	63 Months	75 Months	87 Months	99 Months	111 Months	123 Months	
6/30/2000									381,933	381,933	
6/30/2001								455,943	467,943	467,943	
6/30/2002							372,179	372,179	372,179	372,179	
6/30/2003						516,553	516,553	516,553	516,553	516,553	
6/30/2004					525,217	545,988	547,388	547,388	547,388	547,388	
6/30/2005				100,091	100,091	100,091	100,091	100,091	100,091	100,091	
6/30/2006			27,774	27,774	27,774	27,774	27,774	27,774			
6/30/2007		154,445	197,243	185,320	185,320	185,320	185,320				
6/30/2008	168,201	296,564	258,564	306,730	283,374	283,374					
6/30/2009	257,766	220,549	209,818	210,481	209,060						
6/30/2010	302,785	386,860	386,860	386,860							
6/30/2011	20,478	35,845	35,845								
6/30/2012	77,446	75,233									
6/30/2013	536,225										
				Link Ratios							
<u>Development</u>	<u>15 to 27</u>	<u>27 to 39</u>	<u>39 to 51</u>	<u>51 to 63</u>	<u>63 to 75</u>	<u>75 to 87</u>	<u>87 to 99</u>	<u>99 to 111</u>	<u>111 to 123</u>		
4th Prior	1.763	1.277	1.000	1.000	1.040	1.000	1.000	1.026	1.000		
3rd Prior	0.856	0.872	0.940	1.000	1.000	1.003	1.000	1.000	1.000		
2nd Prior	1.278	0.951	1.186	1.000	1.000	1.000	1.000	1.000	1.000		
1st Prior	1.750	1.000	1.003	0.924	1.000	1.000	1.000	1.000	1.000		
Latest	0.971	1.000	1.000	0.993	1.000	1.000	1.000	1.000	1.000		
Volume Weighted 3 Yr Mean	1.243	0.983	1.057	0.965	1.000	1.000	1.000	1.000	1.000		
Countrywide selected:	1.307	1.153	1.082	1.037	1.026	1.013	1.000	1.000	1.000		
Loss Development Period (months):	<u>15 - 123</u>	<u>27 - 123</u>	<u>39 - 123</u>	<u>51 - 123</u>	<u>63 - 123</u>	<u>75 - 123</u>	<u>87 - 123</u>	<u>99 - 123</u>	<u>111 - 123</u>		
Loss Development Factor:	1.757	1.345	1.166	1.078	1.039	1.013	1.000	1.000	1.000		

†Includes ALAE

Encompass Insurance Group
Private Passenger Auto
Arkansas

Exhibit 6.5

Paid Loss + ALAE Development Factors - Collision

Fiscal Accident Year Ending	<u>15 Months</u>	<u>27 Months</u>	<u>39 Months</u>	<u>51 Months</u>	<u>63 Months</u>	<u>75 Months</u>	<u>87 Months</u>	<u>99 Months</u>	<u>111 Months</u>	<u>123 Months</u>
6/30/2000									1,624,923	1,624,923
6/30/2001								2,319,268	2,319,268	2,319,268
6/30/2002							1,443,927	1,443,927	1,443,927	1,443,927
6/30/2003						955,548	955,548	955,548	955,548	955,548
6/30/2004					663,357	663,357	663,357	663,357	663,357	663,357
6/30/2005				544,853	544,853	544,853	544,865	544,865	544,865	544,865
6/30/2006			593,554	593,554	593,554	593,554	593,554	593,554		
6/30/2007		644,348	644,458	644,278	644,063	643,921	643,921			
6/30/2008	523,199	530,561	531,396	531,121	530,871	530,706				
6/30/2009	606,237	594,928	597,060	597,392	597,392					
6/30/2010	704,997	707,713	692,027	691,676						
6/30/2011	339,137	319,719	319,364							
6/30/2012	224,435	224,435								
6/30/2013	293,039									
				Link Ratios						
<u>Development</u>	<u>15 to 27</u>	<u>27 to 39</u>	<u>39 to 51</u>	<u>51 to 63</u>	<u>63 to 75</u>	<u>75 to 87</u>	<u>87 to 99</u>	<u>99 to 111</u>	<u>111 to 123</u>	
4th Prior	1.014	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
3rd Prior	0.981	1.002	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2nd Prior	1.004	1.004	0.999	1.000	1.000	1.000	1.000	1.000	1.000	
1st Prior	0.943	0.978	1.001	1.000	1.000	1.000	1.000	1.000	1.000	
Latest	1.000	0.999	0.999	1.000	1.000	1.000	1.000	1.000	1.000	
5 Yr Mean Ex-HiLo	0.995	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
Selected:	0.995	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
Loss Development Period (months):	<u>15 - 123</u>	<u>27 - 123</u>	<u>39 - 123</u>	<u>51 - 123</u>	<u>63 - 123</u>	<u>75 - 123</u>	<u>87 - 123</u>	<u>99 - 123</u>	<u>111 - 123</u>	
Loss Development Factor:	0.995	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	

†Includes ALAE

Encompass Insurance Group
Private Passenger Auto
Arkansas

Exhibit 6.6

Paid Loss + ALAE Development Factors - Comprehensive

Fiscal Accident										
<u>Year Ending</u>	<u>15 Months</u>	<u>27 Months</u>	<u>39 Months</u>	<u>51 Months</u>	<u>63 Months</u>	<u>75 Months</u>	<u>87 Months</u>	<u>99 Months</u>	<u>111 Months</u>	<u>123 Months</u>
6/30/2000									791,682	791,682
6/30/2001								1,201,448	1,201,448	1,201,448
6/30/2002							904,968	904,968	904,968	904,968
6/30/2003						526,075	526,075	526,075	526,075	526,075
6/30/2004					415,838	415,838	415,803	415,803	415,803	415,803
6/30/2005				183,548	183,548	183,548	183,548	183,548	183,548	183,548
6/30/2006			212,404	212,404	212,404	212,404	212,404	212,404		
6/30/2007		316,742	316,742	316,742	316,971	316,971	317,511			
6/30/2008	277,778	289,468	289,468	289,468	289,468	289,468				
6/30/2009	310,195	318,001	317,389	317,389	317,389					
6/30/2010	263,487	263,853	263,223	263,223						
6/30/2011	145,579	158,104	158,104							
6/30/2012	126,648	125,635								
6/30/2013	149,568									
				Link Ratios						
<u>Development</u>	<u>15 to 27</u>	<u>27 to 39</u>	<u>39 to 51</u>	<u>51 to 63</u>	<u>63 to 75</u>	<u>75 to 87</u>	<u>87 to 99</u>	<u>99 to 111</u>	<u>111 to 123</u>	
4th Prior	1.042	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
3rd Prior	1.025	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2nd Prior	1.001	0.998	1.000	1.001	1.000	1.000	1.000	1.000	1.000	
1st Prior	1.086	0.998	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
Latest	0.992	1.000	1.000	1.000	1.000	1.002	1.000	1.000	1.000	
Volume Weighted 4 Yr Mean	1.023	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
Selected:	1.023	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
Loss Development Period (months):	<u>15 - 123</u>	<u>27 - 123</u>	<u>39 - 123</u>	<u>51 - 123</u>	<u>63 - 123</u>	<u>75 - 123</u>	<u>87 - 123</u>	<u>99 - 123</u>	<u>111 - 123</u>	
Loss Development Factor:	1.022	0.999	1.000	1.000	1.000	1.000	1.000	1.000	1.000	

†Includes ALAE

Encompass Insurance Group
Private Passenger Auto
Arkansas

Exhibit 7

Excess Loss Provision

BODILY INJURY

Fiscal Accident Year Ending	Ultimate Total Ex-Cat Losses + ALAE	Ultimate Limited Ex-Cat Losses + ALAE	Total/Limited
6/30/2004	597,910	597,910	1.00
6/30/2005	2,874,002	1,731,274	1.66
6/30/2006	2,081,067	931,067	2.24
6/30/2007	928,817	833,817	1.11
6/30/2008	767,989	766,465	1.00
6/30/2009	832,368	823,478	1.01
6/30/2010	692,552	645,331	1.07
6/30/2011	502,432	486,839	1.03
6/30/2012	196,051	186,612	1.05
6/30/2013	404,251	375,194	1.08
Weighted Average			1.34
Straight Average			1.23
Selected			1.25

UNINSURED / UNDERINSURED MOTORIST

Fiscal Accident Year Ending	Ultimate Total Ex-Cat Losses + ALAE	Ultimate Limited Ex-Cat Losses + ALAE	Total/Limited
6/30/2004	547,388	547,388	1.00
6/30/2005	100,092	100,092	1.00
6/30/2006	27,774	27,774	1.00
6/30/2007	185,319	185,319	1.00
6/30/2008	287,058	287,058	1.00
6/30/2009	217,213	216,377	1.00
6/30/2010	417,035	251,782	1.66
6/30/2011	41,796	40,936	1.02
6/30/2012	101,187	98,253	1.03
6/30/2013	942,146	403,943	2.33
Weighted Average			1.33
Straight Average			1.20
Selected			1.22

Encompass Insurance Group
Private Passenger Auto
Arkansas

Exhibit 8.A

Calculation of Pure Premium Trend Factor

<u>Coverage</u>	<u>Selected Annual Pure Premium Impacts</u>	
	<u>Historical</u>	<u>Projected</u>
Bodily Injury	-7.00%	0.00%
Property Damage	-2.00%	0.00%
Medical Payments	-7.00%	0.00%
Uninsured / Underinsured Motorist	0.00%	0.00%
Collision	-2.00%	1.00%
Comprehensive	-2.00%	0.00%

	<u>Calculation of Trend Period</u>				
	<u>4th Prior Year</u>	<u>3rd Prior Year</u>	<u>2nd Prior Year</u>	<u>1st Prior Year</u>	<u>Current Year</u>
1) Loss Trend Projection Date	6/14/2015	6/14/2015	6/14/2015	6/14/2015	6/14/2015
2) Mid-Point of Current Year's Experience Period	12/31/2012	12/31/2012	12/31/2012	12/31/2012	12/31/2012
3) Experience Period Ended	6/30/2009	6/30/2010	6/30/2011	6/30/2012	6/30/2013
4) Midpoint of Experience Period	12/31/2008	12/31/2009	12/31/2010	12/31/2011	12/31/2012
5) Historical: Number of Years from (4) to (2)	4.000	3.000	2.000	1.000	0.000
6) Projected: Number of Years from (2) to (1)	2.452	2.452	2.452	2.452	2.452

<u>Coverage</u>	<u>Factor to Adjust Losses for Pure Premium Trend</u>				
	<u>4th Prior Year</u>	<u>3rd Prior Year</u>	<u>2nd Prior Year</u>	<u>1st Prior Year</u>	<u>Current Year</u>
Bodily Injury	0.748	0.804	0.865	0.930	1.000
Property Damage	0.922	0.941	0.960	0.980	1.000
Medical Payments	0.748	0.804	0.865	0.930	1.000
Uninsured / Underinsured Motorist	1.000	1.000	1.000	1.000	1.000
Collision	0.945	0.964	0.984	1.004	1.025
Comprehensive	0.922	0.941	0.960	0.980	1.000

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

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

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

Encompass Insurance Group
Private Passenger Auto
Arkansas

Exhibit 8.B.1

Pure Premium Trends - Bodily Injury

Year Ending	Actual Paid Pure Premium	Annual % Change	Exponential Curve of Best Fit (\$)		
			20 pt.	12 pt.	6 pt.
12/07	\$137.16	-41.1			
03/08	146.64	-31.7			
06/08	142.41	59.0			
09/08	80.39	-42.4			
12/08	104.36	-23.9	151.71		
03/09	108.74	-25.9	147.51		
06/09	113.10	-20.6	143.43		
09/09	155.38	93.3	139.46		
12/09	160.20	53.5	135.60		
03/10	152.51	40.3	131.84		
06/10	157.95	39.7	128.19		
09/10	163.77	5.4	124.64		
12/10	145.25	-9.3	121.19	143.15	
03/11	159.33	4.5	117.84	135.07	
06/11	153.60	-2.8	114.58	127.44	
09/11	107.09	-34.6	111.40	120.24	
12/11	109.95	-24.3	108.32	113.45	
03/12	110.96	-30.4	105.32	107.04	
06/12	75.50	-50.9	102.40	101.00	73.53
09/12	80.60	-24.7	99.57	95.29	77.44
12/12	76.40	-30.5	96.81	89.91	81.56
03/13	80.10	-27.8	94.13	84.84	85.90
06/13	94.47	25.1	91.53	80.04	90.47
09/13	97.73	21.3	88.99	75.52	95.28
Regression			20 pt.	12 pt.	6 pt.
Avg Annual Percent Change Based on Best Fit:			-10.6 %	-20.7 %	23.0 %

Encompass Insurance Group
Private Passenger Auto
Arkansas

Exhibit 8.B.2

Pure Premium Trends - Property Damage

Year Ending	Actual Paid Pure Premium	Annual % Change	Exponential Curve of Best Fit (\$)		
			20 pt.	12 pt.	6 pt.
12/07	\$65.91	-18.6			
03/08	66.25	-20.2			
06/08	70.71	-9.1			
09/08	71.94	-2.8			
12/08	67.30	2.1	83.07		
03/09	66.05	-0.3	82.67		
06/09	70.35	-0.5	82.27		
09/09	81.42	13.2	81.87		
12/09	91.53	36.0	81.47		
03/10	96.04	45.4	81.08		
06/10	91.78	30.5	80.68		
09/10	96.38	18.4	80.29		
12/10	89.03	-2.7	79.90	89.01	
03/11	88.29	-8.1	79.52	86.86	
06/11	79.91	-12.9	79.13	84.76	
09/11	73.33	-23.9	78.75	82.71	
12/11	85.26	-4.2	78.37	80.70	
03/12	82.98	-6.0	77.99	78.75	
06/12	81.29	1.7	77.61	76.85	83.18
09/12	80.93	10.4	77.23	74.99	78.93
12/12	72.38	-15.1	76.86	73.17	74.89
03/13	72.93	-12.1	76.48	71.40	71.07
06/13	72.00	-11.4	76.11	69.68	67.43
09/13	60.30	-25.5	75.74	67.99	63.99
<u>Regression</u>			<u>20 pt.</u>	<u>12 pt.</u>	<u>6 pt.</u>
Avg Annual Percent Change Based on Best Fit:			-1.9 %	-9.3 %	-18.9 %

Encompass Insurance Group
Private Passenger Auto
Arkansas

Exhibit 8.B.3

Pure Premium Trends - Medical Payments

Year Ending	Actual Paid Pure Premium	Annual % Change	Exponential Curve of Best Fit (\$)		
			20 pt.	12 pt.	6 pt.
12/07	\$5.31	-67.1			
03/08	5.26	-35.0			
06/08	8.80	203.5			
09/08	10.12	612.7			
12/08	52.57	890.0	123.80		
03/09	92.15	1,651.9	103.70		
06/09	107.64	1,123.2	86.86		
09/09	121.71	1,102.7	72.76		
12/09	86.91	65.3	60.95		
03/10	40.44	-56.1	51.05		
06/10	27.80	-74.2	42.76		
09/10	30.47	-75.0	35.82		
12/10	12.35	-85.8	30.00	43.43	
03/11	13.18	-67.4	25.13	34.38	
06/11	33.65	21.0	21.05	27.22	
09/11	23.35	-23.4	17.63	21.55	
12/11	55.78	351.7	14.77	17.06	
03/12	55.69	322.5	12.37	13.51	
06/12	40.18	19.4	10.36	10.70	21.79
09/12	40.18	72.1	8.68	8.47	12.41
12/12	.59	-98.9	7.27	6.70	7.06
03/13	3.03	-94.6	6.09	5.31	4.02
06/13	2.95	-92.7	5.10	4.20	2.29
09/13	2.69	-93.3	4.27	3.33	1.30
Regression			20 pt.	12 pt.	6 pt.
Avg Annual Percent Change Based on Best Fit:			-50.8 %	-60.7 %	-89.5 %

Encompass Insurance Group
Private Passenger Auto
Arkansas

Exhibit 8.B.4

Pure Premium Trends - Uninsured / Underinsured Motorist

Year Ending	Actual Paid Pure Premium	Annual % Change	Exponential Curve of Best Fit (\$)		
			20 pt.	12 pt.	6 pt.
12/07	\$18.47	148.6			
03/08	23.49	173.1			
06/08	22.42	254.8			
09/08	28.72	76.3			
12/08	42.08	127.8	44.09		
03/09	38.65	64.5	43.01		
06/09	43.13	92.4	41.96		
09/09	60.27	109.9	40.94		
12/09	56.60	34.5	39.94		
03/10	52.63	36.2	38.96		
06/10	51.13	18.6	38.01		
09/10	34.88	-42.1	37.08		
12/10	28.26	-50.1	36.17	22.29	
03/11	25.15	-52.2	35.29	23.34	
06/11	27.18	-46.8	34.43	24.44	
09/11	13.26	-62.0	33.59	25.58	
12/11	27.05	-4.3	32.77	26.79	
03/12	29.01	15.4	31.97	28.05	
06/12	44.23	62.7	31.19	29.37	31.14
09/12	38.94	193.7	30.42	30.75	32.27
12/12	20.00	-26.1	29.68	32.19	33.43
03/13	33.31	14.8	28.96	33.71	34.64
06/13	14.79	-66.6	28.25	35.29	35.89
09/13	91.54	135.1	27.56	36.95	37.19
Regression			20 pt.	12 pt.	6 pt.
Avg Annual Percent Change Based on Best Fit:			-9.4 %	20.2 %	15.3 %

Encompass Insurance Group
Private Passenger Auto
Arkansas

Exhibit 8.B.5

Pure Premium Trends - Collision

Year Ending	Actual Paid Pure Premium	Annual % Change	Exponential Curve of Best Fit (\$)		
			20 pt.	12 pt.	6 pt.
12/07	\$118.76	-15.8			
03/08	126.14	-11.0			
06/08	119.97	-16.5			
09/08	131.08	-1.2			
12/08	136.80	15.2	157.17		
03/09	132.68	5.2	154.88		
06/09	131.65	9.7	152.62		
09/09	155.71	18.8	150.39		
12/09	166.21	21.5	148.19		
03/10	178.35	34.4	146.03		
06/10	182.57	38.7	143.90		
09/10	181.65	16.7	141.80		
12/10	162.33	-2.3	139.73	129.90	
03/11	148.48	-16.8	137.69	128.94	
06/11	142.63	-21.9	135.68	127.99	
09/11	114.72	-36.9	133.70	127.05	
12/11	114.94	-29.2	131.75	126.11	
03/12	94.44	-36.4	129.83	125.18	
06/12	91.80	-35.6	127.93	124.25	97.65
09/12	94.53	-17.6	126.06	123.33	106.77
12/12	131.69	14.6	124.22	122.42	116.73
03/13	149.85	58.7	122.41	121.52	127.63
06/13	156.29	70.3	120.62	120.62	139.54
09/13	123.56	30.7	118.86	119.73	152.57
Regression			20 pt.	12 pt.	6 pt.
Avg Annual Percent Change Based on Best Fit:			-5.7 %	-2.9 %	42.9 %

Encompass Insurance Group
Private Passenger Auto
Arkansas

Exhibit 8.B.6

Pure Premium Trends - Comprehensive

Year Ending	Actual Paid Pure Premium	Annual % Change	Exponential Curve of Best Fit (\$)		
			20 pt.	12 pt.	6 pt.
12/07	\$66.99	46.9			
03/08	56.03	-3.8			
06/08	67.36	10.4			
09/08	62.01	-1.2			
12/08	70.04	4.6	73.14		
03/09	80.90	44.4	72.41		
06/09	66.65	-1.1	71.70		
09/09	84.90	36.9	70.99		
12/09	81.33	16.1	70.29		
03/10	81.09	0.2	69.60		
06/10	80.86	21.3	68.91		
09/10	60.65	-28.6	68.23		
12/10	52.94	-34.9	67.56	53.49	
03/11	45.65	-43.7	66.89	54.83	
06/11	52.76	-34.8	66.23	56.20	
09/11	53.23	-12.2	65.58	57.61	
12/11	63.97	20.8	64.93	59.05	
03/12	72.31	58.4	64.29	60.53	
06/12	63.12	19.6	63.66	62.05	75.96
09/12	77.22	45.1	63.03	63.61	72.19
12/12	81.70	27.7	62.41	65.20	68.60
03/13	67.94	-6.0	61.79	66.84	65.20
06/13	65.13	3.2	61.18	68.51	61.96
09/13	50.78	-34.2	60.58	70.23	58.88
<u>Regression</u>			<u>20 pt.</u>	<u>12 pt.</u>	<u>6 pt.</u>
Avg Annual Percent Change Based on Best Fit:			-3.9 %	10.4 %	-18.4 %

Encompass Insurance Group
Private Passenger Auto
Arkansas

Exhibit 9

Catastrophe Insurance Losses - Comprehensive

<u>Accident Year</u>	<u>Arkansas</u>		<u>Incurred Losses Excluding Catastrophes</u>
	<u>Total Incurred Losses</u>	<u>Catastrophe Losses</u>	
1988	\$166,983	\$0	\$166,983
1989	\$474,358	\$185,136	\$289,222
1990	\$216,650	\$12,351	\$204,299
1991	\$270,041	\$37,037	\$233,004
1992	\$162,071	\$12,092	\$149,979
1993	\$173,924	\$4,957	\$168,967
1994	\$193,051	\$7,414	\$185,638
1995	\$210,902	\$22,328	\$188,575
1996	\$328,063	\$78,351	\$249,713
1997	\$211,270	\$42,498	\$168,773
1998	\$308,361	\$5,250	\$303,111
1999	\$914,285	\$204,275	\$704,373
2000	\$1,085,777	\$62,910	\$1,022,866
2001	\$1,054,563	\$38,331	\$1,016,232
2002	\$767,092	\$36,711	\$730,380
2003	\$567,999	\$18,734	\$549,264
2004	\$211,839	\$2,485	\$209,354
2005	\$222,793	\$0	\$222,792
2006	\$379,493	\$124,254	\$255,778
2007	\$296,155	\$12,230	\$283,925
2008	\$576,745	\$262,262	\$314,484
2009	\$408,755	\$73,755	\$335,000
2010	\$159,606	\$5,992	\$153,613
2011	\$432,832	\$264,644	\$170,739
2012	\$154,710	\$1,982	\$152,728
		\$1,515,979	\$8,429,790

Selected Catastrophe Provision:

18.0%

Encompass Insurance Group
Private Passenger Auto
Arkansas

Exhibit 10.1

Summary of Expense Provisions

	Liability Expense Provision				Uninsured / Underinsured
	Percent Fixed	Bodily Injury	Property Damage	Medical Payments	Motorist
Commissions	0 %	15.1 %	15.1 %	15.1 %	15.1 %
Taxes †	0	3.1	3.1	3.1	3.1
Licenses and Fees	100	0.2	0.2	0.2	0.2
Other Acquisition	100	1.5	1.5	1.5	1.5
General Expense	100	9.2	9.2	9.2	9.2
Profit Provision	0	6.7	6.7	6.7	6.7
Debt Provision	0	1.4	1.4	1.4	1.4

	Physical Damage Expense Provision		
	Percent Fixed	Collision	Comprehensive
Commissions	0 %	15.1 %	15.1 %
Taxes †	0	3.1	3.1
Licenses and Fees	100	0.3	0.3
Other Acquisition	100	1.5	1.5
General Expense	100	9.2	9.2
Profit Provision	0	8.8	8.8
Debt Provision	0	1.4	1.4

† State Taxes - Does not include Federal Income Tax

Encompass Insurance Group
Private Passenger Auto
Arkansas

Exhibit 10.2

Factor to Adjust for Subsequent Change in Fixed Expense*

1) Average Earned Date of Experience Period	6/30/2011
2) Average Earned Date of Proposed Policy Period	6/14/2015
3) Number of Years from (1) to (2)	4.0
4) Selected Annual Impact	2.00 %
5) Factor to Adjust for Subsequent Change in Fixed Expense = [1 + (4)] ^ (3)	1.081

*For calendar years 2010-2012

Encompass Insurance Group
Private Passenger Auto
Arkansas

Exhibit 11.1

Investment Income - Liability Coverages

Calculation of Present Value, as of the Average Earning Date of a Policy Year, of all Income and Outgo @ 1.4% †force of interest, assuming an Operating Profit of 5.90% and twelve month Policy Terms

Years From Start of Policy Year	Cumulative Percent of Losses Paid	Yearly Percent of Losses Paid	Time from Start of Policy Year	Discounted‡ to Average Time of Profit @ 1.4%	Discounted Payments
1	14.7 %	14.7 %	0.68	1.004	14.8 %
2	51.3	36.6	1.39	0.995	36.4
3	70.5	19.2	2.46	0.980	18.8
4	82.8	12.3	3.46	0.966	11.9
5	91.2	8.4	4.45	0.953	8.0
6	95.5	4.3	5.42	0.940	4.0
Subsequent	100.0	4.5	7.45	0.914	4.1
Total					98.0 %
Expected Losses and Loss Expense Ratio					62.8 %
Present Value of Loss and Loss Expense Payments					61.5 %
General Expense		9.2 %	0.75	1.004	9.2 %
Other Acquisition		1.5 %	0.63	1.005	1.5 %
Taxes		3.1 %	0.77	1.003	3.1 %
Licenses and Fees		0.2 %	0.77	1.003	0.2 %
Commissions		15.1 %	0.58	1.006	15.2 %
Debt Provision		1.4 %	1.00	1.000	1.4 %
Profit		6.7 %	1.00	1.000	6.7 %
Total Present Value of Outgo					98.8 %
Premiums		100.0 %	0.71	1.004	100.4 %
Difference, Present Value of Income Less Present Value of Outgo					1.6 %

†Discount rate from Investment Department forecast

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

Encompass Insurance Group
Private Passenger Auto
Arkansas

Exhibit 11.2

Investment Income - Physical Damage Coverages

Calculation of Present Value, as of the Average Earning Date of a Policy Year, of all Income and Outgo @ 1.4% †force of interest, assuming an Operating Profit of 5.90% and twelve month Policy Terms

<u>Years From Start of Policy Year</u>	<u>Cumulative Percent of Losses Paid</u>	<u>Yearly Percent of Losses Paid</u>	<u>Time from Start of Policy Year</u>	<u>Discounted‡ to Average Time of Profit @ 1.4%</u>	<u>Discounted Payments</u>
1	50.6 %	50.6 %	0.65	1.005	50.9 %
2	100.3	49.7	1.16	0.998	49.6
Subsequent	100.0	-0.3	2.31	0.982	-0.3
Total					100.2 %
Expected Losses and Loss Expense Ratio					60.6 %
Present Value of Loss and Loss Expense Payments					60.7 %
General Expense		9.2 %	0.75	1.004	9.2 %
Other Acquisition		1.5 %	0.63	1.005	1.5 %
Taxes		3.1 %	0.77	1.003	3.1 %
Licenses and Fees		0.3 %	0.77	1.003	0.3 %
Commissions		15.1 %	0.58	1.006	15.2 %
Debt Provision		1.4 %	1.00	1.000	1.4 %
Profit		8.8 %	1.00	1.000	8.8 %
Total Present Value of Outgo					100.2 %
Premiums		100.0 %	0.71	1.004	100.4 %
Difference, Present Value of Income Less Present Value of Outgo					0.2 %

†Discount rate from Investment Department forecast

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



DETERMINATION OF THE UNDERWRITING PROFIT PROVISION

ALLSTATE GROUP

October, 2012

Table of Contents

Section 1: The Fair and Reasonable Return	Pg 2
<i>Standards For Fair Returns</i>	Pg 2
<i>Cost of Equity Capital</i>	Pg 3
<i>Estimating the Cost of Equity Capital with the Fama-French Model</i>	Pg 4
<i>Full Information Betas</i>	Pg 8
<i>Allstate's Cost of Equity Capital Using Fama-French</i>	Pg 9
<i>Estimating the Cost of Equity Capital with the Discounted Cash Flow Model</i>	Pg 11
<i>Allstate's Cost of Equity Capital Selection</i>	Pg 14
Section 2: Development the Underwriting Profit Provision	
From a Given Cost of Equity	Pg 15
<i>Step (1): Average Market Value of Equity</i>	Pg 16
<i>Step (2): Cost of Equity (%)</i>	Pg 16
<i>Step (3): Cost of Equity (\$)</i>	Pg 17
<i>Step (4): Dividend Payout Ratio</i>	Pg 17
<i>Step (5): Average Market-to-book Ratio</i>	Pg 17
<i>Step (6): Income Due Shareholders</i>	Pg 17
<i>Step (7): Income Needed by Allstate</i>	Pg 17
<i>Step (8): Investment Income on Equity</i>	Pg 18
<i>Step (9): Operating Income Needed</i>	Pg 19
<i>Step (10): Earned Premium</i>	Pg 19
<i>Step (11): Operating Ratio</i>	Pg 19
<i>Step (12): Investment Income on Policyholder-supplied Funds</i>	Pg 19
<i>Step (13): After-tax Underwriting Profit Provision</i>	Pg 20
<i>Step (14): Tax Rate</i>	Pg 20
<i>Step (15): Pre-tax Underwriting Profit Provision</i>	Pg 21

Section 1: The Fair and Reasonable Return

Standards for Fair Returns

In pricing its insurance products, Allstate seeks to produce a fair and reasonable return from its insurance operations. Generally, what constitutes a fair and reasonable return involves many factors. In the context of ratemaking, the Supreme Court of the United States examined the level of return that constitutes a fair return for a regulated business in two landmark cases; *Federal Power Commission, et al. v. Hope Natural Gas Co.*, 320 U.S. 591 (1944) and *Bluefield Waterworks & Improvement Co. v. Public Service Commission of West Virginia, et al.*, 262 U.S. 679 (1923).

In *Hope Natural Gas*, the court adopted the capital attraction standard, under which the following questions are asked: Is the current rate of return excessive? Is the industry attracting capital and holding it? How risky is the business in comparison with others? Is the industry over-capitalized? Would the industry make better use of its capital if rates were more adequate? The Court concisely summarized the essential components of what we believe to be a fair and reasonable return:

"From the investor or company point of view it is important that there be enough revenue not only for operating expenses, but also for the capital costs of the business. These include service on the debt and dividends on the stock ... By that standard the return to the equity owner should be commensurate with returns on investments in other enterprises having corresponding risks. That return, moreover, should be sufficient to assure confidence in the financial integrity of the enterprise, so as to maintain its credit and to attract capital."¹

In the *Bluefield Waterworks* case, the Court discussed in greater detail the requirement that a regulated enterprise must be permitted to charge such rates as will produce a return comparable to other businesses having corresponding risks. The Court explained:

¹ *Hope Natural Gas*, 320 U.S. at 603 (citations omitted).

"A public utility is entitled to such rates as will permit it to earn a return upon the value of the property which it employs for the convenience of the public equal to that generally being made at the same time and in the same general part of the country on investments in other business undertakings which are attended by corresponding risks and uncertainties, but it has no constitutional right to profits such as are realized or anticipated in highly profitable enterprises or speculative ventures. The return . . . should be reasonably sufficient to assure confidence in the financial soundness of the utility, and should be adequate, under efficient and economical management, to maintain and support its credit, and enable it to raise the money necessary for the proper discharge of its public duties."²

Accordingly, for a return to be a fair return, it must meet the following minimum standards that have been recognized by the United States Supreme Court:

1. The return to the firm should be sufficient to attract capital.
2. The return to the shareholder should be commensurate with returns on alternative investments of comparable risk.
3. The return to the firm should be commensurate with returns to other unregulated firms of comparable risk.

This paper will now examine how the components of Allstate's underwriting profit provision are designed to meet each of these standards.

Cost of Equity Capital

Insurance companies incur multiple expenses when writing insurance policies – for example, agent commissions, premium taxes, and personnel salaries, among other things. Another expense that is

² Bluefield Waterworks, 262 U.S. at 692.

incurred is the cost of raising and holding the capital that is required to support the business being written. This expense, known as the cost of equity capital, is included in the rate as what is typically called the “profit provision.”

A firm’s cost of equity capital is the rate of return that investors expect to earn on the market value of the investment. Allstate’s cost of equity capital was estimated, and a corresponding profit provision was derived, using the methodologies described in the remainder of this paper.

Allstate utilized two major cost of capital estimation techniques to determine its result – the Fama-French Three-factor Method, and the Discounted Cash Flow Method. Each method is described in detail below.

Estimating the Cost of Equity Capital with the Fama-French Three-factor Model

Modern financial theory teaches that investors demand higher returns from risky investments. The higher return is necessary to induce investors to assume the risk. Therefore, for our purposes, it is necessary to estimate the financial risk of property/casualty insurance so that we can calculate the appropriate return to investors.

According to traditional capital market theory, the return on any given stock is partly driven by the return on the overall market and partly driven by idiosyncratic factors that are not correlated with the overall market. The relationship or co-variability between a given stock’s return and the return on the market is measured by a statistic called “beta”. Equilibrium returns, according to theory, are linearly related to risk as measured by beta. Intuitively, beta is a measure of the tendency of the return on a stock to move with the market portfolio and provides an indication of the volatility of a security’s return relative to the market as a whole. A security with a beta of one is a security with average market risk. A beta of 1.5 indicates that when the return on the market portfolio exceeds the risk-free return by 10%, then the return on the security tends to exceed the risk-free return by 15%; and when the return on the market is 10% less than the risk-free return, the return on the security tends to be 15% less than the risk-free return. Thus, a beta value that is greater than 1.00 indicates a greater than average risk. A beta of 0.5, on the other hand, indicates that when the return on the market portfolio exceeds the risk-free return by 10%, then the return on the security

tends to exceed the risk-free return by 5%; and when the return on the market portfolio is 10% less than the risk-free return, the return on the security tends to be 5% less than the risk-free return. Thus, a beta less than one indicates less than average risk.

Historically, the capital asset pricing model (CAPM) has been widely used to estimate the cost of equity capital. CAPM is simple in its logic and directly reflects the beta risk measure outlined above. CAPM holds that the return on a stock should reflect the co-variability of the stock with the market portfolio, because this component of risk cannot be diversified away by investors. According to CAPM the return on a stock should not reflect the idiosyncratic component of the return, which can be diversified away by holding an appropriately structured portfolio. The CAPM cost of equity capital estimate requires only three values: an estimate of the firm's beta, a risk-free rate of return, and the expected return on the total market portfolio. The CAPM cost of capital is then simply determined as the sum of the risk-free rate plus a risk premium equal to the product of the stock's beta coefficient and the expected return on the market portfolio in excess of the risk-free rate. Expressed mathematically, the CAPM formula is:

$$r = r_f + \beta(r_m - r_f),$$

where r_f is the risk-free rate of return, r_m the expected equity-market rate of return, and r the stock's expected rate of return. β measures the riskiness of the stock's return relative to that of the equity market.

Since the late 1980's, researchers have observed that CAPM's ability to explain and predict the average returns of many investment opportunities can be improved by incorporating additional factors into the analysis. The most widely recognized multi-factor model is the "Fama-French three-factor model."³ Fama and French have shown that from the 1960's both small stocks and value stocks have returned more than what the traditional CAPM has predicted. In addition to the

³ Fama, Eugene F., and Kenneth R. French, 1992, "The Cross-Section of Expected Stock Returns," *Journal of Finance* 47: 427-465.

Fama, Eugene F., and Kenneth R. French, 1993, "Common Risk Factors In the Returns on Stocks and Bonds," *Journal of Financial Economics* 39: 3-56.

Fama, Eugene F., and Kenneth R. French, 1996, "Size and Book-to-Market Factors in Earnings and Returns," *Journal of Finance* 50: 131-155.

usual market-risk premium ($r_m - r_f$), they utilize two other variables: size premium (π_s) and value premium (π_h).⁴ The size premium is the excess of the return of a portfolio of small-cap stocks over that of a portfolio of large-cap stocks. The value premium is the excess of the return of a portfolio of high book-value-to-market-value stocks over that of a portfolio of low book-value-to-market-value stocks.⁵ Shown in Appendix 1, Exhibit 1 are the long-term averages of the market-risk, small-stock, and value-stock premia from the Fama-French database, which derives from the database of the Center for Research in Security Prices. The Fama-French model regresses a stock's monthly return against monthly returns from the three factors, or in equation form:

$$r - r_f = \alpha + \beta_m (r_m - r_f) + \beta_s \pi_s + \beta_h \pi_h + \varepsilon$$

As before, r_f is the risk-free rate of return for the month observed. But r is now the observed return of the stock for that month. To predict returns we use expected values, but the regression equation explains actual, random observations (hence the error term ε). Similarly, r_m is the actual return of the equity market. The variables π_s and π_h measure by how much small-cap stocks outperformed large-cap stocks, and by how much high book-to-market stocks outperformed low ones. Negative values indicate underperformance. Though an intercept term α is estimated, economic theory states that in the long run it should be zero. Hence, in predicting stock returns it is ignored.

Thus, three betas are estimated, which measure the stock's sensitivity to the three factors. Note that the π -variables are not related to the risk-free return r_f , since they are differences of the returns on one equity portfolio from the returns on another equity portfolio.

The Fama-French model is a multi-factor model that reduces to the CAPM if β_s and β_h are constrained to zero. Therefore, it must explain more stock-return variance than does the CAPM. In a subsequent paper⁶, Fama and French argued that the R-squared of their model is markedly

⁴ The notation is from a paper of J. David Cummins and Richard D. Phillips, "Estimating the Cost of Equity Capital for Property-Liability Insurers."

⁵ The details of how Fama and French define these portfolios, how they periodically rebalance them, and their historic performance are freely available at <http://mba.tuck.dartmouth.edu/pages/faculty/ken.french>.

⁶ Fama, Eugene F. and Kenneth R. French, 1993, "Common Risk Factors in the Returns on Stocks and Bonds," *Journal of Financial Economics* 39: 3-56.

better than that for CAPM, and that β_s and β_h are significantly different from zero, even after controlling for the overall market.⁷ Extensive research since 1992 has shown that factors other than the CAPM market systematic risk factor play an important role in explaining the cross-section of expected stock returns. As Fama and French note:

“...the available evidence suggests that the three-factor model...is a parsimonious description of returns and average returns. The model captures much of the variation in the cross-section of average stock returns, and it absorbs most of the anomalies that have plagued the CAPM.”⁸

The Fama-French model has been subject to the most extensive testing and validation of any multiple factor model.

In addition, we have used a technique for measuring the beta that has been shown to improve accuracy. In estimating the beta coefficients of asset pricing models such as the CAPM and Fama-French models, this technique is known as the sum-beta adjustment (Ibbotson, *SBI Valuation Edition 2004*, 109-114). The sum-beta method is used to obtain unbiased estimates of the beta coefficients of the risk factors of asset pricing models, when either the individual stock and/or some of the stocks that comprise the risk factors are infrequently traded. Research shows that there is a downward bias in the estimate of the risk factors for shares that trade infrequently.⁹ Although Allstate’s stock is frequently traded, we cannot directly compare Allstate’s estimated risk factors to those of other companies without first adjusting for the amount of trading in each firm’s stock. The adjustment is quite simple – unbiased estimates of the beta coefficients are obtained – in the case of the Fama-French model, by regressing the excess return of the stock on the

⁷ R-squared is a widely accepted measure of the goodness-of-fit of a regression model. It measures the proportion of the variability in the dependent variable of the model (in this case, the excess return of a stock) that is explained by the model.

⁸ Fama, Eugene F. and Kenneth R. French, 1996, “Multifactor Explanations of Asset Pricing Anomalies,” *The Journal of Finance* 51: 56.

⁹ Dimson, Elroy, 1979, “Risk Measurement When Shares are Subject to Infrequent Trading,” *Journal of Financial Economics* 7: 197-226.

contemporaneous risk factors and the previous month's factors.¹⁰ In symbols, the sum-beta version of the Fama-French model is:

$$r - r_f = \alpha + \beta_{m0}(r_{m0} - r_{f0}) + \beta_{m1}(r_{m1} - r_{f1}) + \beta_{s0}\pi_{s0} + \beta_{s1}\pi_{s1} + \beta_{h0}\pi_{h0} + \beta_{h1}\pi_{h1} + \varepsilon$$

In this version there are six beta terms, and their subscripts are augmented with 0 and 1. The stock's excess return is thereby related to the market, size, and value returns of the current period (period 0), as well as to those of the previous period (period 1). Otherwise, all the variables are defined as they were in the three-factor Fama-French model previously discussed.

After estimating the long-term relationships between the stock's excess return and the factors, the unbiased beta coefficient for each factor is obtained by adding the current and lagged beta — hence the term “sum-beta.” With unbiased estimates of the beta coefficients, the cost of equity capital is then determined by multiplying the long-term average risk premium for each factor by the appropriate sum-beta and then summing across the three factors.

Full-Information Betas

Allstate follows the lead of Cummins and Phillips in their application of the full-information adjustment to the Fama-French model.¹¹ From the CRSP data, betas are estimated for rolling sixty-month periods for the thousands of companies in the CRSP database. For more than five thousand of these companies, the S&P/Compustat database provides sales figures by North American Industry Classification System (NAICS) segment. This allows us to define 26 high-level, homogenous business segments, one of which is property/casualty insurance. Each firm can then be treated as a unique mixture of these business segments. In other words, we can decompose the Fama-French betas of the companies in the sample into Fama-French betas of idealized business segments, in particular, those of the property/casualty segment. The details

¹⁰ In applying the sum-beta method, it is important for reasons of consistency to apply the model to stocks that trade frequently as well as to infrequently traded stocks. In the former case, the sum-beta adjustment does not significantly affect the cost of capital estimates.

¹¹ J. David Cummins and Richard D. Phillips, “Estimating the Cost of Equity Capital for Property-Liability Insurers.”

of this procedure are given in the earlier cited working paper of Cummins and Phillips, but in brief, we estimate the industry-segment betas of the following seemingly-unrelated-regression (SUR)¹² model:

$$\begin{aligned}\beta_{mi} &= \sum_j \beta_{mj} \omega_{ij} + \varepsilon_{mi} \\ \beta_{si} &= \sum_j \beta_{sj} \omega_{ij} + \gamma_s \ln(MV_i) + \varepsilon_{si} \\ \beta_{hi} &= \sum_j \beta_{hj} \omega_{ij} + \gamma_h \ln(BV_i / MV_i) + \varepsilon_{hi}\end{aligned}$$

Subscript i indexes the actual companies, subscript j the industry segments. The independent variable ω_{ij} is the participation of the i^{th} firm in the j^{th} segment, and summing it over all j values with i constant equals one. For example, Allstate's exposure is about 18% in the life-insurance segment and 82% in the property/casualty segment. From the firm Fama-French betas (the betas with the i subscript), the model estimates the industry-segment betas (the full-information betas, those with the j subscript). The gamma terms level the size (s) and value (h) attributes of companies in order to make their industry-group betas independent of size and value. The SUR feature estimates and incorporates the covariance between the triad of error terms. Allstate decomposed sum-betas and weighted the error terms of the regression according to the market value of the companies, as did Cummins and Phillips.

Allstate's Cost of Equity Capital Estimate Using Fama-French

Investors expect higher returns from equity investments because equity investments are riskier than risk-free investments, such as Treasury Bills. This additional return over and above a risk-free return is commonly referred to as a risk premium.

The attached Appendix 1, Exhibit 1 presents the three risk premia necessary to apply the Fama-French model. The three risk premia are long-term averages beginning with July 1926 data and ending in June of the year shown in the exhibit. Data before July 1926 are not readily available.

¹² Seemingly unrelated regression is an advanced modeling technique discussed in most econometric textbooks. For a standard treatment see Judge, George G., R.C. Hill, W.E. Griffiths, H. Lütkepohl, and T.-C. Lee, *Introduction to the Theory and Practice of Econometrics*, Second Edition, New York, John Wiley & Sons, 1988, chapter 11.

The CRSP data go back only that far, and Ibbotson Associates takes it as the starting point for all its series.

The market risk premium reflects the degree to which the return on a broad base of stocks has exceeded the risk-free return. Since this risk premium compensates investors for systematic portfolio risk, it is based on a weighted portfolio of all the stocks (currently more than 7,000) in the CRSP database, a portfolio that encompasses the New York and American stock exchanges, the NASDAQ, and the over-the-counter market.

The small-stock premium reflects the degree to which the returns for small companies have exceeded the returns for large companies and adjusts the estimated cost of equity capital for the risk factor associated with firm size.

The value-stock premium reflects the degree to which the returns for companies whose book values are large relative to their market values have exceeded the returns for companies whose book values are correspondingly small. It adjusts the estimated cost of equity capital for the risk factor associated with a firm's ratio of book value to market value. Fama and French form, and quarterly rebalance, the small and large portfolios of CRSP stocks according to the median size. For every month since July 1926, they calculate the difference of the return of the large-stock portfolio from that of the small-stock portfolio. The process is similar for the value-stock premium, except that they use only the upper thirty percent and lower thirty percent of stocks, ranked by their book-to-market ratios.

Appendix 1, Exhibit 2 presents the property/casualty insurance industry betas and coefficients necessary to apply the Fama-French model. As previously described, these values are based on CRSP data for thousands of firms, subdivided into twenty-six business segments.

Appendix 1, Exhibit 3 summarizes the market value and book value from Allstate's reported financial statements. Only the two "Log" columns will carry forward into the cost-of-capital calculation. These "Log" values will multiply with the model-estimated gammas, so that the size

and value components of the cost of capital will be tailored to Allstate within the property/casualty insurance segment.

Appendix 1, Exhibit 4, Page 1 summarizes the Fama-French model estimates of the market-risk, size-risk, and value-risk betas. Calculations are shown for the most recent five-year period. Note that nothing unique to Allstate flows into the market-risk beta, but the size-risk and value-risk components are specific to Allstate.

Allstate's methodology utilizes an averaging of the betas in an attempt to increase stability, as the beta values can fluctuate from year to year. A 3-year average is currently used, which also lends a degree of responsiveness to the beta value. However, both the 3- and 5-year averages will be monitored and considered prospectively in order to prevent large fluctuations from year to year.

The return on 28-day Treasury Bills is used to represent the risk-free return. This value, obtained from the Federal Reserve, is the annualized return. Since such Bills mature at the end of the period, they are as free from market-price fluctuation as they are from default.

Appendix 1, Exhibit 4, Page 2 summarizes the final calculation of the Fama-French cost of equity. The cost of equity is equal to the sum of the P/C industry market risk premium, the Allstate size risk premium, the Allstate value risk premium, and the risk-free return.

Estimating the Cost of Equity Capital with the Discounted Cash Flow Model

The Discounted Cash Flow (DCF) model, as the name implies, is based on the concept of discounting future cash flows. The underlying assumption of the model is that the cost of an investment, typically the price of a stock, must equal the present value of the cash flows from the investment. The logic is as follows: investors are willing to pay the current price for a share of stock only if the present value of the expected cash flows arising from the investment is equal to that price. If the present value of the cash flows were greater (less) than the current price, investors would bid the price up (down).

The cash flows arising from the purchase of a share of stock are the dividend payments the investor expects to receive in the future. If the security is expected to be held in perpetuity, then the stock price can be expressed as the sum of the discounted future dividend yields:

$$P_0 = [D_1/(1+k)] + [D_2/(1+k)^2] + [D_3/(1+k)^3] + \dots \quad (1)$$

where P_0 is the price of the stock, D_i is the dividend yield in period i , and k is the investor's implicit discount rate, or cost of capital. If dividends are expected to grow at a constant annual rate, g , in the future, then the dividend in time period i is simply the current dividend, D_0 , times the growth factor $(1+g)^i$. It can be shown, by suitable mathematical manipulation, that this formulation of the DCF model is equivalent to the equation below:

$$k = (D_1 / P_0) + g \quad (2)$$

where D_1/P_0 is the dividend yield expected in the first year and g is the expected growth rate of the dividends. It can also be shown that even if the investor expects to sell the security at some later date, the price at that time will be equal to the present value of the then future dividend flows. Therefore any expected future capital gain will be impounded in the current estimates of future cash flows.

As shown in equation (2) above, calculating cost of capital entails collecting data and developing computational procedures to estimate the two components on the right hand side of the equal sign – the expected first year dividend yield and the expected growth rate in dividends. The first component of the DCF equation, D_1 / P_0 , is the anticipated dividend yield in the coming year. It is the estimated total cash dividends to be declared over the next 12 months divided by the current price of the stock. This value is reported directly in the data source¹³ upon which we rely, and hence requires no specific calculation.

The second component of equation (2) is the growth rate, g . We calculate this value as the average of several different estimates, including historical and forecasted dividend growth rates.

¹³ Value Line Investment Survey

The dividend growth rates are calculated as the average of five-year and ten-year historical growth rates and analysts forecasts of such growth rates in the future. In recent quarters, Value Line's dividend growth rate projection formula, which uses a three-year average for the "current" dividend, has been abnormally impacted by Allstate's dividend cut in March, 2009. Because of this, a dividend growth rate that reflects Value Line's actual expected growth from today's dividend rate is more reflective of the true projection. This is especially true given that the current dividend rate is used in the determination of the dividend yield in the DCF calculations. In addition, calculation of historical dividend growth rates will be misleading if the dividend cut is not accounted for. Therefore, in the calculation of the dividend growth rate, the dividends prior to the dividend cut have been adjusted to post-cut levels to make the calculations more appropriate. Additional details of these calculations can be found on Appendix 2, Exhibit 3. The average of the historical and projected dividend growth rates¹⁴ and is called the "Growth Forecast."

The dividend growth rate (g), can then be estimated as the growth forecast. Once the dividend growth rate has been calculated, the cost of equity can be calculated using equation (2) above – the sum of the dividend growth rate and the expected first-year dividend yield. Details regarding the calculation of the cost of equity can be found on Appendix 2, Exhibit 1.

Allstate's Cost of Equity Capital Selection

Allstate utilizes both the Fama-French model and the Discounted Cash Flow model to leverage the strengths of each model. A strength of the Fama-French model is its responsiveness to current market conditions; a strength of the Discounted Cash Flow model is its degree of stability in its results. By incorporating the results of both analyses, Allstate can produce an estimated cost of capital that strikes a balance between the more responsive model and the more stable one.

After considering the results from both the Fama-French and Discounted Cash Flow analyses, Allstate selected a cost of capital, as shown on Appendix 3, Exhibit 1, Page 1.

¹⁴ Appendix 2, Exhibit 3: Column (5)

Section 2: Development of the Underwriting Profit Provision

From a Given Cost of Equity

Underwriting profit is defined in *Actuarial Standards of Practice, No. 30* as “Premiums less losses, loss adjustment expenses, underwriting expenses, and policyholder dividends.”¹⁵ Thus, a provision for underwriting profit is a portion of the actuarially developed rate, and is often expressed as a percentage of the rate.¹⁶ The underwriting profit provision is an estimate of future profits; because actual losses and expenses can differ from those expected, the actual realized underwriting profit may not equal the target profit provision.

In the past, development of the underwriting profit provision for insurance companies was a task that involved no underlying theory, but rather constituted the simple task of selecting a round number. From 1921 until the 1960’s, a 5% underwriting profit provision was used for most lines.¹⁷ This approach, however, was not based on financial theory and neglected investment income and income taxes. As pricing techniques have become more sophisticated through the incorporation of financial theory, the development of the underwriting profit provision has become more rigorous and the need for financial soundness more important. Allstate’s method of determining the appropriate underwriting profit provision, which is described in detail in this paper, involves determining the *total* profit needed to meet the demand of investors and then subtracting out the profit received from investment income to arrive at the underwriting profit needed from insurance operations and, ultimately, from the premium collected.

Section 1: *The Fair and Reasonable Return* describes the step-by-step process by which Allstate’s cost of equity was calculated. In order to obtain the needed cost of equity, Allstate must include an appropriate underwriting profit provision in its ratemaking methodology. The development of the appropriate underwriting profit provision is shown below.

¹⁵ *Actuarial Standards of Practice, No. 30*; page 2

¹⁶ *Ibid*; page 2

¹⁷ The notable exception is Workers Compensation, which used a 2.5% profit load (Robbin, 1992)

Appendix 3, Exhibit 1, Page 2 displays the flow of calculations from a given cost of equity to the underwriting profit provision; below is a detailed discussion of each step in the process of calculating an underwriting profit provision based on a given cost of equity. Please see the exhibits attached in Appendix 3 for supporting data used in the calculation of the underwriting profit provision, as catalogued in Appendix 3, Exhibit 1, Page 2.

Detail Supporting the Underwriting Profit Calculations

Step (1): Average Market Value of Equity

As mentioned in Section 1: *The Fair and Reasonable Return*, the cost of equity is a rate of return on the market value of the firm. Therefore, once we have calculated the cost of equity (as described in *The Fair and Reasonable Return*), we must determine the appropriate market value to which this return should be applied.

The market value of a firm, which can be calculated as the sum of a firm's shares of stock multiplied by the price for that stock, is a constantly changing value. Therefore, in order to establish a measure of stability within the pricing calculations, Allstate applies a long-term average of the company's market-to-book ratio to the year-end book value to determine the average market value. In addition, a "market value" for two of Allstate's separate entities – Allstate New Jersey and Allstate Floridian – is imputed using each company's proportion of total corporate book value. Details for these calculations can be found on Appendix 3, Exhibit 2.

Step (2): Cost of Equity (%)

Details of the derivation of the cost of equity can be found in Section 1: *The Fair and Reasonable Return*. A summary of the cost of capital analysis results can be found in Appendix 3, Exhibit 1, Page 1.

Step (3): Cost of Equity (\$)

Given the market value of the firm (Step 1) and the percentage cost of equity (Step 2), we can calculate the dollar value of the cost of equity as the product of Step 1 and Step 2.

Step (4): Dividend Payout Ratio

Appendix 3, Exhibit 3 details the derivation of the dividend payout ratio. In this calculation, stock repurchases are considered with dividends in the total payout. The result of a stock repurchase is to increase the value of each remaining share. Since the market value is unchanged, and the number of shares outstanding has decreased, the value per share increases. Thus, similar to a dividend, the shareholder receives income, despite the fact that total market value and the present value of growth opportunities for the company remain unchanged. The dividend payout ratio is obtained by summing the Total Payout, column (5), and the GAAP Net Income, column (2), and calculating the ratio of these two sums. Because the amount of dividends paid and stock repurchases made in a given year are based on the income earned in the previous year, the GAAP Net Income is lagged by one year in determining the dividend payout ratio. Data starting in 1996 is used to calculate the average, as that is the data available since Allstate became a publicly traded firm in 1995.

Step (5): Average Market-to-book Ratio

Appendix 3, Exhibit 4 details the derivation of the average market-to-book ratio. Due to the amount of fluctuation in market-to-book ratios, Allstate uses a long-term average estimate of this ratio.

Step (6): Income Due Shareholders

Recall that the cost of equity is the return on the market value of the firm, which is the return due to the shareholders. Therefore, the dollar value of the cost of equity, shown in Step 3, is the income due to shareholders.

Step (7): Income Needed by Allstate

The amount of income that Allstate must earn in order to pay shareholders is not necessarily equal to the amount of income due to the shareholders. Given Allstate's dividend payout ratio and market-to-book ratio, we can calculate the amount of income that Allstate must earn in order to provide the cost of capital to shareholders.

If a company's market-to-book ratio is greater than one, and its dividend payout ratio is less than 100%, then the amount of income that the firm needs to make is less than the amount due to the shareholders. For example, if the income due to shareholders was \$100, and the company had a market-to-book ratio of 1.50 and a dividend payout ratio of 0.60, then we know that $\$100 = 60\%*X + 40\%*1.50*X$, where X is the income needed by the company. We can rearrange the equation to make it easier to solve for X: $X = \$100/(60\%+40\%*1.50) = \83.33 . Therefore, in this scenario, the company would need to earn \$83.33 in order to provide \$100 to its shareholders.

Similar to this example, because Allstate's market-to-book ratio is greater than one and its dividend payout ratio is less than 100%, the amount of income that Allstate must earn is less than the amount due to the shareholders. In general terms, the equation can be described as follows: $\text{Income Needed by the Company} = \text{Income Due Shareholders}/[\text{Dividend Payout Ratio} - (1 - \text{Dividend Payout Ratio}) * \text{Market-to-book Ratio}]$. This is the formula used to calculate the income needed by Allstate in Step 7.

Step (8): Investment Income on Equity

Allstate earns investment income on its equity capital, which contributes to the income needed by Allstate. The value listed in Step 8 is derived from an investment income forecast produced by Allstate's Investments department. Allstate uses projected values of investment income, rather than historical averages of actual investment income, because it allows for swifter adaptation to changes in Allstate's investment portfolio, as well as evolving market conditions.

The investment income estimate includes investment income and capital gains, both realized and unrealized. In addition, net income from Allstate Financial is included.

Step (9): Operating Income Needed:

"Operating income" is the term that is used to describe the amount of income made by a company through its insurance operations, that is, through its underwriting profits and investment income from policyholder-supplied funds. Operating income does not include investment income on capital.

To derive Allstate's target operating income, one must simply start with the total target income for Allstate (Step 7) and subtract the investment income on equity capital (Step 8). The remaining target income is the operating income.

Step (10): Earned Premium

This value represents the latest calendar year of earned premium from all lines of business. Similar to the estimate of the average market value of equity in Step 1, the earned premium is subdivided for Allstate New Jersey Insurance Group, Castle Key Insurance Group, and the remainder of Allstate Group. Details on this subdivision can be found on Appendix 3, Exhibit 2.

Step (11): Operating Ratio

Operating income can be expressed as a ratio to premium by dividing the operating income (Step 9) by the earned premium (Step 10).

Step (12): Investment Income for Policyholder-supplied Funds

As mentioned above, operating income is equal to the sum of the underwriting profit and the investment income from policyholder-supplied funds (PHSF). Therefore, in order to determine the appropriate target underwriting profit, we must estimate the expected investment income from PHSF.

PHSF are equal to loss and unearned premium reserves, and Allstate estimates the investment income produced by them using an analysis of premium, expense, and loss cash flows. Premiums are collected, expenses are incurred, and losses are paid in different time frames. In most cases, premiums are collected over a short period of time, while expenses and, more notably, losses are paid out over a longer period of time. This difference in cash inflow and outflow allows the insurer to earn investment income on the premium supplied by the policyholder.

A cash-flow analysis is one of the two examples given in Actuarial Standards of Practice, No. 30 as appropriate methods for recognizing investment income from insurance operations (page 4).

This methodology also allows us to differentiate the amount of expected investment income by line of business and by state. Therefore, lines of business and states with longer-tailed losses are estimated to have higher than average investment income, and vice versa.

The discount rate used in the cash flow calculations is based on the investment income rate of return for Allstate's investment portfolio. It is the same rate of return that is used in Step 8: investment income on equity capital.

Details of the investment income on PHSF calculations can be found on Appendix 3, Exhibit 5.

Step (13): After-tax Underwriting Profit Provision

As mentioned in Step 12 above, the amount of underwriting income required from insurance operations can be reduced for the investment gains resulting from the timing of policy cash flows. Thus, the investment gains from PHSF are subtracted from the operating ratio to get the after-tax underwriting profit provision.

Step (14): Tax Rate

Allstate's federal income tax rate on underwriting income is 35%. This step in the calculations is only for the taxation of underwriting income. Taxes paid on investment income were accounted for separately in Steps 8 and 12.

Step (15): Pre-tax Underwriting Profit Provision

In order to receive the appropriate after-tax underwriting income, a pre-tax underwriting profit provision must be targeted. To calculate this, the after-tax underwriting profit provision is divided by one minus the income tax rate. This is the underwriting profit provision used in the development of the rate level indication.

Appendix 1

The Fama-French Three-factor Model

FAMA-FRENCH RISK PREMIA

Annual Avg until December	Market-Risk Premium - ST*	Market-Risk Premium - IT**	Market-Risk Premium - LT***	Small-Stock Premium	Value-Stock Premium
2008	7.67%	6.74%	6.16%	3.55%	5.14%
2009	7.92%	6.97%	6.37%	3.61%	5.01%
2010	8.03%	7.08%	6.46%	3.73%	4.91%
2011	7.94%	6.99%	6.36%	3.61%	4.77%
2012	8.04%	7.09%	6.44%	3.58%	4.81%

All time series commence from 1926.

*Relative to a short-term (28-day) government bond

**Relative to an intermediate-term (5-year) government bond

***Relative to a long-term (20-year) government bond

Source: <http://mba.tuck.dartmouth.edu/pages/faculty/ken.french>

PROPERTY/CASUALTY INDUSTRY SEGMENT
Betas

Risk-free Rate Basis	60 Months Ending December	Market-Risk Beta	Prop/Cas Small-Stock Beta	Prop/Cas Value-Stock Beta	Market-Value Coefficient	Book-to-Market Coefficient
Short-term Bond (28-day)	2008	0.717	1.531	0.215	-0.176	0.246
	2009	0.522	1.582	0.698	-0.209	0.340
	2010	0.650	1.679	0.956	-0.224	0.259
	2011	0.602	1.795	1.184	-0.235	0.166
	2012	0.585	1.380	1.225	-0.193	0.207
Intermediate-term Bond (5-year)	2008	0.721	1.525	0.211	-0.175	0.246
	2009	0.522	1.581	0.696	-0.210	0.340
	2010	0.646	1.677	0.959	-0.224	0.259
	2011	0.600	1.793	1.184	-0.235	0.166
	2012	0.582	1.378	1.227	-0.192	0.206
Long-term Bond (20-year)	2008	0.723	1.523	0.211	-0.175	0.246
	2009	0.523	1.581	0.697	-0.210	0.340
	2010	0.642	1.677	0.963	-0.224	0.259
	2011	0.598	1.793	1.186	-0.236	0.166
	2012	0.580	1.380	1.229	-0.192	0.206

ALLSTATE CORPORATION

NAICS Code 524126

Allstate Compustat Data

(\$ Million)

Estimation Year	Market Value	Book Value	Log Market Value	Log Book-to-Market
2008	17,558	12,641	9.7733	-0.3286
2009	16,116	16,692	9.6876	0.0351
2010	17,157	19,016	9.7502	0.1029
2011	13,852	18,674	9.5362	0.2987
2012	19,353	20,580	9.8706	0.0615

Source: Standard & Poor's/Compustat

ALLSTATE CORPORATION
Betas - Short Term Risk-Free Rate

Market Risk Component:

(1) Period	(2) Prop/Cas Market Beta
2008	0.717
2009	0.522
2010	0.650
2011	0.602
2012	0.585
3-yr Avg	0.612
5-yr Avg	0.615
Selected	0.612

Size Risk Component:

(3) Period	(4) Prop/Cas Size Beta	(5) Market Value Coefficient	(6) Log Market Value	(7)=(4) + (5)*(6) Size Risk Beta
2008	1.531	-0.176	9.7733	-0.189
2009	1.582	-0.209	9.6876	-0.443
2010	1.679	-0.224	9.7502	-0.505
2011	1.795	-0.235	9.5362	-0.446
2012	1.380	-0.193	9.8706	-0.525
3-yr Avg				-0.492
5-yr Avg				-0.422
Selected				-0.492

Value Risk Component:

(8) Period	(9) Prop/Cas Value Beta	(10) Book-to-Mkt Coefficient	(11) Log Book- to-Market	(12)=(9)+(10)*(11) Value Risk Beta
2008	0.215	0.246	-0.3286	0.134
2009	0.698	0.340	0.0351	0.710
2010	0.956	0.259	0.1029	0.983
2011	1.184	0.166	0.2987	1.234
2012	1.225	0.207	0.0615	1.238
3-yr Avg				1.152
5-yr Avg				0.860
Selected				1.152

Note: Each time period is a 60-month period ending December in the year shown.

ALLSTATE CORPORATION
Betas - Intermediate Term Risk-free Rate

Market Risk Component:

(1) Period	(2) Prop/Cas Market Beta
2008	0.721
2009	0.522
2010	0.646
2011	0.600
2012	0.582
3-yr Avg	0.609
5-yr Avg	0.614
Selected	0.609

Size Risk Component:

(3) Period	(4) Prop/Cas Size Beta	(5) Market Value Coefficient	(6) Log Market Value	(7)=(4) + (5)*(6) Size Risk Beta
2008	1.525	-0.175	9.7733	-0.185
2009	1.581	-0.210	9.6876	-0.453
2010	1.677	-0.224	9.7502	-0.507
2011	1.793	-0.235	9.5362	-0.448
2012	1.378	-0.192	9.8706	-0.517
			3-yr Avg	-0.491
			5-yr Avg	-0.422
			Selected	-0.491

Value Risk Component:

(8) Period	(9) Prop/Cas Value Beta	(10) Book-to-Mkt Coefficient	(11) Log Book- to-Market	(12)=(9)+(10)*(11) Value Risk Beta
2008	0.211	0.246	-0.3286	0.130
2009	0.696	0.340	0.0351	0.708
2010	0.959	0.259	0.1029	0.986
2011	1.184	0.166	0.2987	1.234
2012	1.227	0.206	0.0615	1.240
			3-yr Avg	1.153
			5-yr Avg	0.860
			Selected	1.153

Note: Each time period is a 60-month period ending December in the year shown.

ALLSTATE CORPORATION
 Betas - Long-term Risk-free Rate

Market Risk Component:

(1) Period	(2) Prop/Cas Market Beta
2008	0.723
2009	0.523
2010	0.642
2011	0.598
2012	0.580
3-yr Avg	0.607
5-yr Avg	0.613
Selected	0.607

Size Risk Component:

(3) Period	(4) Prop/Cas Size Beta	(5) Market Value Coefficient	(6) Log Market Value	(7)=(4) + (5)*(6) Size Risk Beta
2008	1.523	-0.175	9.7733	-0.187
2009	1.581	-0.21	9.6876	-0.453
2010	1.677	-0.224	9.7502	-0.507
2011	1.793	-0.236	9.5362	-0.458
2012	1.380	-0.192	9.8706	-0.515
3-yr Avg				-0.493
5-yr Avg				-0.424
Selected				-0.493

Value Risk Component:

(8) Period	(9) Prop/Cas Value Beta	(10) Book-to-Mkt Coefficient	(11) Log Book- to-Market	(12)=(9)+(10)*(11) Value Risk Beta
2008	0.211	0.246	-0.3286	0.130
2009	0.697	0.340	0.0351	0.709
2010	0.963	0.259	0.1029	0.990
2011	1.186	0.166	0.2987	1.236
2012	1.229	0.206	0.0615	1.242
3-yr Avg				1.156
5-yr Avg				0.861
Selected				1.156

Note: Each time period is a 60-month period ending December in the year shown.

ALLSTATE CORPORATION
Estimated Cost of Equity Capital

Cost of Equity Capital:

	Value (ST)*	Value (IT)**	Value (LT)***	Source
(1) Average Market Risk Premium:	8.04%	7.09%	6.44%	App. 1, Exh. 1
(2) Selected Beta:	0.612	0.609	0.607	App. 1, Exh. 4, Pg. 1-3
(3) P/C Industry Market Risk Premium:	4.92%	4.32%	3.91%	=(1) * (2)
(4) Size Risk Premium:	3.58%	3.58%	3.58%	App. 1, Exh. 1
(5) Selected Size Beta:	-0.492	-0.491	-0.493	App. 1, Exh. 4, Pg. 1-3
(6) Allstate Size Risk Premium:	-1.76%	-1.76%	-1.76%	=(4) * (5)
(7) Value Risk Premium:	4.81%	4.81%	4.81%	App. 1, Exh. 1
(8) Selected Value Beta:	1.152	1.153	1.156	App. 1, Exh. 4, Pg. 1-3
(9) Allstate Value Risk Premium:	5.54%	5.55%	5.56%	=(7) * (8)
(10) Total Risk Premium:	8.70%	8.11%	7.71%	=(3) + (6) + (9)
(11) Risk-free Return:	0.05%	1.05%	2.95%	US Treasury
(12) Fama-French Cost of Equity Capital:	8.75%	9.16%	10.66%	=(10) + (11)

*Relative to a short-term (28-day) government bond, as of June 5, 2013

**Relative to an intermediate-term (5-year) government bond, as of June 5, 2013

***Relative to a long-term (20-year) government bond, as of June 5, 2013

<http://www.treasury.gov/resource-center/data-chart-center/interest-rates/Pages/TextView.aspx?data=billrates>

Appendix 2

The Discounted Cash Flow Model

ALLSTATE CORPORATION
Discounted Cash Flow Analysis
Summary

(1)	(2)	(3)	(4)
Time Period	Estimated Dividend Yield	Growth Forecast	Cost of Equity
2nd Quarter 2013	2.1	7.0	9.1
2nd Quarter 2012	2.7	7.0	9.7
2nd Quarter 2011	2.8	8.5	11.3
2nd Quarter 2010	2.7	8.5	11.2
2nd Quarter 2009	3.1	9.5	12.6
2nd Quarter 2008	3.4	10.8	14.2
2nd Quarter 2007	2.6	11.7	14.3
2nd Quarter 2006	2.6	11.7	14.3
2nd Quarter 2005	2.4	15.2	17.6

Sources (within Appendix 2):

(2): Exhibit 2, Column (2)

(3): Exhibit 3, average of Columns (2)-(4)

(4): Sum of column (2) and column (3)

ALLSTATE CORPORATION
Discounted Cash Flow Analysis
Estimated Dividend Yield

(1)	(2)
Time Period	Estimated Dividend Yield
2nd Quarter 2013	2.1
2nd Quarter 2012	2.7
2nd Quarter 2011	2.8
2nd Quarter 2010	2.7
2nd Quarter 2009	3.1
2nd Quarter 2008	3.4
2nd Quarter 2006	2.6
2nd Quarter 2005	2.4

Sources:

Value Line Investment Surveys, Part 3, The Ratings & Reports

ALLSTATE CORPORATION
Discounted Cash Flow Analysis
Dividends Per Share Experience

(1)	(2)	(3)	(4)	(5)
Time Period	<i>Annual Rate of Change</i>			Average
	Past 10 Years	Past 5 Years	Forecast	
2nd Quarter 2013*	8.5	5.0	7.5	7.0
2nd Quarter 2012*	9.5	6.5	5.0	7.0
2nd Quarter 2011*	10.5	9.5	5.5	8.5
2nd Quarter 2010*	11.5	11.5	2.5	8.5
2nd Quarter 2009*	12.0	13.0	3.5	9.5
2nd Quarter 2008	12.0	12.5	8.0	10.8
2nd Quarter 2007	13.5	12.5	9.0	11.7

Sources:

Value Line Investment Surveys, Part 3, The Ratings & Reports

*Note: the Value-Line numbers for 2009 - 2013 have been adjusted to account for the dividend cut in 2009.

Appendix 3

Development of the Underwriting Profit Provision
From a Given Cost of Equity

ALLSTATE CORPORATION
Estimated Cost of Equity Capital

Allstate Corporation Cost of Equity Capital Estimates:

	Value	Source
(1) Fama-French Three-factor Model	9.5%	App. 1, Exh. 4, Pg. 2-4*
(2) Discounted Cash Flow Model	9.1%	App. 2, Exh. 1
(3) Selected Cost of Equity Capital	9.5%	Selection

Industry Data - Cost of Equity Capital - SIC Code 633 - Fire, Marine, and Casualty Insurance (41 companies)**

MEDIAN

	2008	2009	2010	2011	2012	Avg
CAPM	10.25	9.44	10.15	9.15	7.71	9.34
CAPM + Size Prem	12.05	11.72	12.82	11.36	10.03	11.60
FF3F	11.72	11.63	9.83	8.74	7.69	9.92
1-Stage DCF	12.29	14.35	11.06	12.06	10.54	12.06
3-Stage DCF	12.00	17.75	17.50	19.48	NMF	16.68

SIC COMPOSITE

	2008	2009	2010	2011	2012	Avg
CAPM	10.70	11.99	11.22	9.86	8.40	10.43
CAPM + Size Prem	11.62	11.99	12.30	9.86	8.40	10.83
FF3F	12.01	11.68	11.02	9.48	8.14	10.47
1-Stage DCF	9.78	10.37	11.27	7.03	8.55	9.40
3-Stage DCF	20.00	3.90	13.58	8.36	NMF	11.46

LARGE COMPOSITE

	2008	2009	2010	2011	2012	Avg
CAPM	10.87	10.48	11.61	9.55	8.01	10.10
CAPM + Size Prem	10.87	10.48	11.61	9.55	8.01	10.10
FF3F	12.33	10.35	11.11	9.03	7.66	10.10
1-Stage DCF	10.00	10.50	9.74	5.49	7.97	8.74
3-Stage DCF	22.50	24.90	11.81	NMF	NMF	19.74

*Average of the short-term, intermediate-term, and long-term results

**Source: Ibbotson Cost of Capital Yearbooks, 2008-2012

ALLSTATE INSURANCE GROUP

Countrywide
Private Passenger Auto

Development of the Underwriting Profit

	Liability	Physical Damage	Total	Source
(1) Average Market Value of Equity:			\$ 24,752	App. 3, Exh. 2
(2) Cost of Equity (%):			9.5%	App. 3, Exh. 1, Pg. 1
(3) Cost of Equity (\$):			\$ 2,351	=(1)*(2)
(4) Dividend Payout Ratio:			0.70	App. 3, Exh. 3
(5) Average Market-to-book Ratio:			1.30	App. 3, Exh. 4
(6) Income Due Shareholders:			\$ 2,351	=(3)
(7) Income Needed by Allstate:			\$ 2,157	=(6)/[(4)+(1-(4))*(5)]
(8) Investment Income on Equity:			\$ 647	IDF*
(9) Operating Income Needed:			\$ 1,510	=(7)-(8)
(10) Earned Premium:			\$ 25,386	App. 3, Exh. 2
(11) Operating Ratio:			5.9%	=(9)/(10)
(12) Investment Income from PHSF**:	1.6%	0.2%	0.9%	App. 3, Exh. 5, Pg. 1
(13) After-tax U/W Profit Provision:	4.3%	5.7%	5.0%	=(11)-(12)
(14) Tax Rate:	35%	35%	35%	FIT***
(15) Pre-tax U/W Income Needed by Allstate:	6.7%	8.8%	7.7%	=(13)/(1-(14))

*Investments Department forecast

**Policyholder-supplied Funds (PHSF) are unearned premium and loss reserves

***This is the federal income tax rate on underwriting profit for Allstate

Dollar values are in millions

ALLSTATE INSURANCE GROUP

Enterprise Valuation

(\$ In Millions)

Entity	GAAP Book Value*	Earned Premium*	Imputed Market Value**
Total Group	20,580	27,794	26,754
Allstate New Jersey Group	727	1,151	945
Castle Key Insurance Group	151	258	196
Canada	663	999	861
Group Less ANJ/CK/Canada	19,040	25,386	24,752

*As of 12/31/12

**Equals GAAP Book Value multiplied by the average market-to-book ratio

ALLSTATE CORPORATION

Dividend Payout Ratio

(1)	(2)	(3)	(4)	(5) = (3)+(4)	(6) = (5)/(2)
Year	Prior Year GAAP Net Income*	Dividends	Stock Repurchases (Net)	Total Payout	Total Payout Ratio
1997	\$2,075	417	1,277	1,694	0.82
1998	\$3,105	450	1,400	1,850	0.60
1999	3,294	482	864	1,346	0.41
2000	2,720	506	1385	1,891	0.70
2001	2,211	547	612	1,159	0.52
2002	1,158	594	383	977	0.84
2003	1,134	648	-48	600	0.53
2004	2,705	779	1111	1,890	0.70
2005	3,181	846	2,203	3,049	0.96
2006	1,765	885	1,516	1,765	**
2007	4,993	901	3,483	4,384	0.88
2008	4,636	897	1,281	2,178	0.47
2009	-1,542	432	-27	405	***
2010	888	433	82	515	0.58
2011	911	436	885	911	**
2012	787	432	713	787	**
Total	35,563	9,253	17,147	24,996	0.70

Source: Allstate Annual Reports

*Dividends and Stock Repurchases for a given year are determined based on the previous year's income. Therefore, GAAP Net Income is lagged by one year so that the appropriate ratio is calculated.

**While additional payout was provided from equity funds, the dividend payout ratio is concerned with percentage of income paid towards dividends and stock repurchases. Therefore, the payout ratio is capped at 1.00.

***2009 was not included in the total due to the irregularity of the results.

ALLSTATE CORPORATION

Historical Market-to-book Ratios

Years	Allstate
Dec-03	1.47
Dec-04	1.62
Dec-05	1.73
Dec-06	1.85
Dec-07	1.35
Dec-08	1.39
Dec-09	0.97
Dec-10	0.89
Dec-11	0.76
Dec-12	0.93
10-yr Avg:	1.30
Selected:	1.30

Source: MSN Online Reports

<http://investing.money.msn.com/investments/key-ratios?symbol=ALL&page=TenYearSummary>

ENCOMPASS INSURANCE GROUP

Private Passenger Auto

Calculation of Total Coverages Investment Income
From Policy Cash Flow

	Investment Income	Weight*	Source
(1) Liability Coverages	1.6%	49.7%	App. 3, Exh. 5, Pg. 2
(2) Physical Damage Coverages	0.2%	50.3%	App. 3, Exh. 5, Pg. 3
(3) Total Coverages	0.9%	100.0%	Weighted Average

*The weight given to the coverages comes from premium volume

ENCOMPASS INSURANCE GROUP
PRIVATE PASSENGER AUTO - LIABILITY

Countrywide

Calculation of Present Value, as of the Average Earning Date
of a Policy year, of all Income and Outgo @ 1.4%*
force of interest, given an Operating Profit of 5.9%
and twelve-month Policy Terms

<u>Years From Start of Policy Year</u>	<u>Countrywide Cumulative Percent of Losses Paid</u>	<u>Countrywide Yearly Percent of Losses Paid</u>	<u>Time from Start of Policy Year</u>	<u>Discounted ** to avg time of profit @ 1.4%</u>	<u>Discounted Payments</u>
1	14.7%	14.7%	0.68	1.004	14.8%
2	51.3%	36.6%	1.39	0.995	36.4%
3	70.5%	19.2%	2.46	0.980	18.8%
4	82.8%	12.3%	3.46	0.966	11.9%
5	91.2%	8.4%	4.45	0.953	8.0%
6	95.5%	4.3%	5.42	0.940	4.0%
Subsequent	100.0%	4.5%	7.45	0.914	4.1%
Total		100.0%			98.0%
Expected Losses and Loss Expense Ratio					62.8%
Present Value of Loss and Loss Expense Payments					61.5%
General Expense		9.2%	0.75	1.004	9.2%
Other Acquisition		1.5%	0.63	1.005	1.5%
Taxes		3.1%	0.77	1.003	3.1%
Licenses and Fees		0.2%	0.77	1.003	0.2%
Commissions		15.1%	0.58	1.006	15.2%
Debt Provision		1.4%	1.00	1.000	1.4%
Profit Provision		6.7%	1.00	1.000	6.7%
Total Present Value of Outgo					98.8%
Premiums		100.0%	0.71	1.004	100.4%
Difference, Present Value of Income Less Present Value of Outgo					1.6%

*Discount rate from Investments Department forecast

**exp (0.014 x (timing of profit being earned - timing of cash flow))

ENCOMPASS INSURANCE GROUP
PRIVATE PASSENGER AUTO - PHYSICAL DAMAGE

Countrywide

Calculation of Present Value, as of the Average Earning Date
of a Policy year, of all Income and Outgo @ 1.4%*
force of interest, given an Operating Profit of 5.9%
and twelve-month Policy Terms

<u>Years From Start of Policy Year</u>	<u>Countrywide Cumulative Percent of Losses Paid</u>	<u>Countrywide Yearly Percent of Losses Paid</u>	<u>Time from Start of Policy Year</u>	<u>Discounted ** to avg time of profit @ 1.40%</u>	<u>Discounted Payments</u>
1	50.6%	50.6%	0.65	1.005	50.9%
2	100.3%	49.7%	1.16	0.998	49.6%
Subsequent	100.0%	-0.3%	2.31	0.982	-0.3%
Total		100.0%			100.2%
Expected Losses and Loss Expense Ratio					60.6%
Present Value of Loss and Loss Expense Payments					60.7%
General Expense		9.2%	0.75	1.004	9.2%
Other Acquisition		1.5%	0.63	1.005	1.5%
Taxes		3.1%	0.77	1.003	3.1%
Licenses and Fees		0.3%	0.77	1.003	0.3%
Commissions		15.1%	0.58	1.006	15.2%
Debt Provision		1.4%	1.00	1.000	1.4%
Profit Provision		8.8%	1.00	1.000	8.8%
Total Present Value of Outgo					100.2%
Premiums		100.0%	0.71	1.004	100.4%
Difference, Present Value of Income Less Present Value of Outgo					0.2%

*Discount rate from Investments Department forecast

*exp (0.014 x (timing of profit being earned - timing of cash flow))

**Encompass Indemnity Company
Private Passenger Automobile
Arkansas**

Territory-Zip Code Format

101 71601 72057
102 71602 71901 72105 72150
103 71603
104 71630 71643 71654 71662 71674 72166 72379
105 71631 71745
106 71635 71642 71646 71661
107 71638 71652 71658 71660 71671 71675 71677 71742 71766
108 71639
109 71640 71676
110 71644 71678
111 71647
112 71651 71730 71740 71747 71749 71762 71765 71768
113 71653
114 71655 71670
115 71663
116 71665 71725 71748 71941 72084
117 71667
118 71701 71751 71758
119 71720 71763
120 71722 71726
121 71743 71772 71857
122 71744
123 71752 71770
124 71753 71769
125 71764 71858
126 71801 71822 71825 71826 71831 71832 71833 71834 71836 71837 71838 71839 71842 71845 71846 71847 71851 71852 71853 71854 71855 71859 71860 71862 71865 71866
127 71827 71861 71864
128 71828 71835 71943 71952 71958 71959 71971
129 71841
130 71909 71913 71956 71964
131 71921
132 71922 71940
133 71923
134 71929
135 71933 71968 72087
136 71935
137 71937 71944 71973
138 71942
139 71945 71953 71960 71972 72827 72838 72841 72924 72926 72944 72950 72958

**Encompass Indemnity Company
Private Passenger Automobile
Arkansas**

Territory-Zip Code Format

140 71949
141 71950 71962
142 71957
143 71961 71965 71969 71970
144 72001
145 72002 72022
146 72003 72006 72026 72036 72038
147 72004 72012 72017 72024 72032 72041 72047 72052 72058 72064 72066 72072 72073 72102 72111 72127 72134 72136 72137 72143 72157 72170 72173 72175
148 72005
149 72007
150 72010 72081
151 72011
152 72013 72027 72519 72639 72645 72648 72650 72655
153 72014 72101 72320 72335 72341 72346 72348 72360 72368 72376
154 72015 72019 72167
155 72016 72135
156 72020
157 72021
158 72023 72076
159 72025 72853
160 72028 72031 72546
161 72029 72040 72060 72068 72160
162 72030 72051 72080 72141 72629 72679 72837 72843 72845 72846 72847
163 72034 72045 72046 72083 72086 72106 72152 72168 72176
164 72039
165 72042
166 72044 72533 72560 72610 72663 72680
167 72048 72367
168 72055 72133
169 72063 72801 72802 72823
170 72065 72132
171 72067 72153
172 72069
173 72070 72125
174 72079
175 72082 72131 72543
176 72088 72130
177 72103 72210
178 72104

**Encompass Indemnity Company
Private Passenger Automobile
Arkansas**

Territory-Zip Code Format

179 72110
180 72112
181 72113 72114 72116 72117 72118
182 72120
183 72121
184 72122
185 72126
186 72128
187 72129
188 72140 72328 72333 72369
189 72142
190 72156
191 72165
192 72179
193 72201 72204 72205 72207 72227
194 72202
195 72206 72209
196 72211
197 72212
198 72223
199 72301 72326 72327 72364
200 72310 72315 72351 72426 72428 72438 72442 72447
201 72311 72342 72355 72366 72374 72390
202 72313 72331 72332 72339 72373 72384 72396
203 72321 72329 72330 72354 72358 72365 72370 72414 72419
204 72314 72324 72347
205 72338 72386 72394
206 72340
207 72350
208 72372
209 72392
210 72395
211 72401 72417
212 72404
213 72410 72458
214 72411 72479
215 72412 72421 72422 72430 72433 72436 72437 72441 72443 72445 72450 72454 72456 72461 72464 72470 72476
216 72413 72444 72449 72455 72478
217 72415 72434 72457

**Encompass Indemnity Company
Private Passenger Automobile
Arkansas**

Territory-Zip Code Format

218 72416 72465 72472
219 72424 72425 72435 72453
220 72429 72432
221 72440 72466 72556 72561
222 72459
223 72460
224 72467
225 72469 72501 72521 72522 72526 72527 72540 72553 72568 72569 72571 72572 72577 72579
226 72471
227 72473 72524 72562
228 72482 72512 72513 72529 72536 72539 72542 72554 72573 72587
229 72515 72528 72531 72566 72583 72585
230 72517 72520 72565 72576 72578 72584
231 72523 72534 72550 72567
232 72530
233 72532
234 72537 72538 72544 72617 72619 72623 72626 72635 72642 72651 72653 72658 72661
235 72555
236 72564
237 72581
238 72601 72633 72644
239 72611 72624 72638 72675 72682 72685
240 72616 72631 72632 72773 72933 72943 72947
241 72628 72666 72752 72839 72852 72854
242 72634 72668 72669 72687
243 72640 72641 72670 72683 72686 72856
244 72660 72721 72820 72821 72830 72832 72840 72855 72863 72865 72930 72949
245 72662
246 72701 72703 72730 72753
247 72704
248 72712 72714 72715 72719 72722 72736 72739 72747 72768
249 72717 72729 72744 72749 72756 72769
250 72718 72734 72745 72761 72762 72764
251 72727
252 72732
253 72738
254 72740 72760 72776
255 72742
256 72751

**Encompass Indemnity Company
Private Passenger Automobile
Arkansas**

Territory-Zip Code Format

257 72758
258 72774 72959
259 72824 72834
260 72826 72928
261 72828 72833 72860
262 72835 72851
263 72842
264 72857
265 72858
266 72901 72903 72904 72908 72916 72936 72937 72956
267 72921 72923
268 72927
269 72932
270 72934 72935 72946
271 72938
272 72940
273 72941
274 72948
275 72951
276 72952
277 72955

SERFF Tracking #:

ALSE-129351144

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

ER-2415

State:

Arkansas

Filing Company:

Encompass Indemnity Company

TOI/Sub-TOI:

19.0 Personal Auto/19.0001 Private Passenger Auto (PPA)

Product Name:

EI PPA

Project Name/Number:

Edge Auto Rate Factor/1519866

Superseded Schedule Items

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

Creation Date	Schedule Item Status	Schedule	Schedule Item Name	Replacement Creation Date	Attached Document(s)
12/23/2013	Filed 02/25/2014	Supporting Document	APCS-Auto Premium Comparison Survey	02/18/2014	06._APCS_EIND_Survey_Form_ER-2415.xlsx (Superceded) 06._ER-2415_APCS_EIND_Survey_Form.pdf