

State: Arkansas **Filing Company:** Auto-Owners Insurance Company
TOI/Sub-TOI: 01.0 Property/01.0002 Personal Property (Fire and Allied Lines)
Product Name: Arkansas Dwelling Fire
Project Name/Number: Arkansas Dwelling Fire Rate and Rule Change/DWF-AR-01-02/27/2015-01

Filing at a Glance

Company: Auto-Owners Insurance Company
 Product Name: Arkansas Dwelling Fire
 State: Arkansas
 TOI: 01.0 Property
 Sub-TOI: 01.0002 Personal Property (Fire and Allied Lines)
 Filing Type: Rate/Rule
 Date Submitted: 01/13/2015
 SERFF Tr Num: AOIC-129856417
 SERFF Status: Closed-Filed
 State Tr Num:
 State Status:
 Co Tr Num: DWF-AR-01-02/27/2015-01

 Effective Date: 02/27/2015
 Requested (New):
 Effective Date: 04/04/2015
 Requested (Renewal):
 Author(s): Samantha Smith, Vicki Schaefer, Ashley Clark, Miguel Rivera, Tanner Kostelic
 Reviewer(s): Becky Harrington (primary)
 Disposition Date: 01/21/2015
 Disposition Status: Filed
 Effective Date (New): 02/27/2015
 Effective Date (Renewal): 04/04/2015

State Filing Description:

State: Arkansas **Filing Company:** Auto-Owners Insurance Company
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General Information

Project Name: Arkansas Dwelling Fire Rate and Rule Change Status of Filing in Domicile: Not Filed
 Project Number: DWF-AR-01-02/27/2015-01 Domicile Status Comments:
 Reference Organization: Reference Number:
 Reference Title: Advisory Org. Circular:
 Filing Status Changed: 01/21/2015
 State Status Changed: Deemer Date:
 Created By: Tanner Kostelic Submitted By: Samantha Smith
 Corresponding Filing Tracking Number:

Filing Description:

Rate and rule change for Arkansas Dwelling Fire. Please refer to the Explanatory Memorandum for details.

Company and Contact

Filing Contact Information

Samantha Smith, Assistant Manager smith.samantha@aoins.com
 P.O. Box 30660 517-323-1201 [Phone] 5201 [Ext]
 Lansing, MI 48909-8160

Filing Company Information

Auto-Owners Insurance Company	CoCode: 18988	State of Domicile: Michigan
P.O. Box 30660	Group Code: 280	Company Type: PC
Lansing, MI 48909-8160	Group Name: Auto-Owners Ins	State ID Number:
(800) 346-0346 ext. [Phone]	Group	
	FEIN Number: 38-0315280	

Filing Fees

Fee Required? Yes
 Fee Amount: \$100.00
 Retaliatory? No
 Fee Explanation: \$100.00 filing fee for rate/rule filing.
 Per Company: No

Company	Amount	Date Processed	Transaction #
Auto-Owners Insurance Company	\$100.00	01/13/2015	91132951

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Becky Harrington	01/21/2015	01/21/2015

Objection Letters and Response Letters

Objection Letters

Status	Created By	Created On	Date Submitted
Pending Industry Response	Becky Harrington	01/16/2015	01/16/2015

Response Letters

Responded By	Created On	Date Submitted
Tanner Kostelic	01/16/2015	01/16/2015

State: Arkansas **Filing Company:** Auto-Owners Insurance Company
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Disposition

Disposition Date: 01/21/2015
 Effective Date (New): 02/27/2015
 Effective Date (Renewal): 04/04/2015
 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):
Auto-Owners Insurance Company	6.500%	3.400%	\$90,086	2,100	\$2,647,415	26.700%	-20.500%

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Form RF-1 NAIC Loss Cost Data Entry Document--All P&C Lines	Filed	Yes
Supporting Document	HPCS-Homeowners Premium Comparison Survey	Filed	Yes
Supporting Document	NAIC Loss Cost Filing Document for OTHER than Workers' Comp		Yes
Supporting Document (revised)	P&C Actuarial Justification	Filed	Yes
Supporting Document	P&C Actuarial Justification		Yes
Supporting Document	Indication	Filed	Yes
Supporting Document	Histogram	Filed	Yes
Supporting Document	Rate/Rule Schedule Page Changes	Filed	Yes
Supporting Document	Objection Response	Filed	Yes
Rate	Rate Pages	Filed	Yes
Rate	Rule Pages	Filed	Yes

State: Arkansas **Filing Company:** Auto-Owners Insurance Company
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Product Name: Arkansas Dwelling Fire
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Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	01/16/2015
Submitted Date	01/16/2015
Respond By Date	

Dear Samantha Smith,

Introduction:

This will acknowledge receipt of the captioned filing.

Objection 1

- Rate Pages, Please see "Rate/Rule Schedule Page Changes" located in the Supporting Documentation Tab (Rate)
 - Rule Pages, Please see "Rate/Rule Schedule Page Changes" located in the Supporting Documentation Tab (Rate)
- Comments: Please provide the earthquake rate/deductible page.

Objection 2

- Rule Pages, Please see "Rate/Rule Schedule Page Changes" located in the Supporting Documentation Tab (Rate)

Comments: The rate memorandum states the insurance score rating tiers (AOARZ064) were modified to remove the age deviation, however, the page still reflects age segments. Please explain.

Conclusion:

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

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

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

Sincerely,

Becky Harrington

State: Arkansas **Filing Company:** Auto-Owners Insurance Company
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Response Letter

Response Letter Status Submitted to State
 Response Letter Date 01/16/2015
 Submitted Date 01/16/2015

Dear Becky Harrington,

Introduction:

Thank you for your review of our filing. In response to your objection response dated January 16, 2015, we submit the following information.

Response 1

Comments:

Please note the proposed changes to the Earthquake Deductible rule page AOARZ338 are editorial changes. There are no rate or rule proposals associated with this change. We have included the rate page per your request. Please see AOARZ054 in the Objection Response section of the Supporting Documentation tab.

Related Objection 1

Applies To:

- Rule Pages, Please see "Rate/Rule Schedule Page Changes" located in the Supporting Documentation Tab (Rate)
- Rate Pages, Please see "Rate/Rule Schedule Page Changes" located in the Supporting Documentation Tab (Rate)

Comments: Please provide the earthquake rate/deductible page.

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	Objection Response
Comments:	
Attachment(s):	AOARZ054.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 2

Comments:

We have updated the description for the insurance score changes on the AR DF Rate Memorandum to reflect that we are moving towards eliminating the age curve. To mitigate policyholder increases, we are not proposing to completely eliminate the age deviations in one year.

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Related Objection 2

Applies To:

- Rule Pages, Please see "Rate/Rule Schedule Page Changes" located in the Supporting Documentation Tab (Rate)

Comments: The rate memorandum states the insurance score rating tiers (AOARZ064) were modified to remove the age deviation, however, the page still reflects age segments. Please explain.

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	P&C Actuarial Justification
Comments:	
Attachment(s):	AR DF Rule Memorandum.pdf Actuarial Support.pdf AR DF Rate Memorandum.pdf
<i>Previous Version</i>	
Satisfied - Item:	<i>P&C Actuarial Justification</i>
Comments:	
Attachment(s):	<i>AR DF Rule Memorandum.pdf AR DF Rate Memorandum.pdf Actuarial Support.pdf</i>

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

We hope this information will allow you to complete your review of the filing.

Sincerely,

Tanner Kostelic

SERFF Tracking #:

AOIC-129856417

State Tracking #:

Company Tracking #:

DWF-AR-01-02/27/2015-01

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Rate Information

Rate data applies to filing.

Filing Method: File and Use
Rate Change Type: Increase
Overall Percentage of Last Rate Revision: 7.300%
Effective Date of Last Rate Revision: 01/28/2014
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):
Auto-Owners Insurance Company	6.500%	3.400%	\$90,086	2,100	\$2,647,415	26.700%	-20.500%

State: Arkansas**Filing Company:**

Auto-Owners Insurance Company

TOI/Sub-TOI: 01.0 Property/01.0002 Personal Property (Fire and Allied Lines)**Product Name:** Arkansas Dwelling Fire**Project Name/Number:** Arkansas Dwelling Fire Rate and Rule Change/DWF-AR-01-02/27/2015-01

Rate/Rule Schedule

Item No.	Schedule Item Status	Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing Number	Attachments
1	Filed 01/21/2015	Rate Pages	Please see "Rate/Rule Schedule Page Changes" located in the Supporting Documentation Tab	Replacement		Rate Pages.pdf
2	Filed 01/21/2015	Rule Pages	Please see "Rate/Rule Schedule Page Changes" located in the Supporting Documentation Tab	Replacement		Rule Pages.pdf

Auto-Owners

DWELLING FIRE
BASE RATES

ARKANSAS

STANDARD PROGRAM

Occupancy	Base
Building - Owner	1,199.90
Building - Tenant	1,142.76
Contents	191.49
Coverage	Rel
Basic	0.950
Special	1.000

PREMIER PROGRAM

Occupancy	Base
Building - Tenant	971.35
Coverage	Rel
Special	1.000

Edition Date: 02/27/15

DWELLING FIRE
CONSTRUCTION TYPE RELATIVITIES

Construction Type	Relativity
Frame	1.000
Masonry	0.920
Cement Fiber	0.920
Modular	1.167

Construction Type	Rate As
FRAME	FRAME
LOG	FRAME
MASONRY	MASONRY
MODULAR	MODULAR
MOBILE HOME	FRAME
MASONRY VENEER	MASONRY
OTHER	FRAME
FIRE RESISTIVE	MASONRY
SEMI-WIND RESISTIVE	MASONRY
WIND RESISTIVE	MASONRY
CEMENT FIBER	CEMENT FIBER
ASBESTOS SIDING	FRAME

Edition Date: 02/27/15

Auto-Owners

DWELLING FIRE
PROTECTION CLASS RELATIVITIES

ARKANSAS

Protection Class	Relativity
01	1.000
02	1.000
03	1.030
04	1.030
05	1.030
06	1.030
07	1.050
08	1.086
8B	1.445
09	1.445
10	1.600

Edition Date: 02/27/15

Auto-Owners

**DWELLING FIRE
ARKANSAS
RATING PROCEDURE**

- I. Determine the Dwelling base premium by following these steps:
 - A. Utilizing the Protection Class Selection and Construction Definitions, determine the Protection Class and Construction Type relativities.
 - B. Utilizing the Territory Descriptions, determine the Territory relativity.
 - C. Multiply the Protection Class, Construction Type, and Territory relativities and round to three decimals.
 - D. Multiply the result of step C by the Coverage relativity and round to three decimals.
 - E. Multiply the result of step D by the Base Rate and round to two decimals.
 - F. Multiply the result of step E by the building Amount of Insurance relativity and round to the nearest dollar to determine the base premium. If the correct amount of coverage is not shown, interpolation is necessary. Determine the coverage amounts and relativities immediately preceding and following the desired amount. Follow steps 1 through 11.
 1. Record the low Amount of Insurance relativity.
 2. Record the high Amount of Insurance relativity.
 3. Subtract the low coverage amount from the desired coverage.
 4. Subtract the low coverage amount from the high coverage amount.
 5. Divide step 3 by step 4.
 6. Subtract step 1 from step 2
 7. Multiply step 5 by step 6.
 8. Add step 7 to the low Amount of Insurance relativity.
 9. Round step 8 to the nearest thousandth to obtain the Amount of Insurance relativity.
 10. Multiply the result of step E by step 9 and round to the nearest dollar to determine the base premium.
 11. If the coverage amount is greater than what is printed in the charts, use the each additional \$10,000 relativity, interpolating when necessary.
- II. For Standard Program policies follow the same procedure as step I (A through F) to determine the Personal Property base premium. For Premier Program policies calculate base premium for personal property based on the additional amounts rate per \$1,000.
- III. Calculate the premium for coverage of other structures beyond the included limit using the same method as in step I utilizing the each additional rate as shown on the Other Structures page. Include this premium with the Dwelling base premium when applicable discounts and surcharges apply.
- IV. Determine flat dollar, percentage or rate per increment charges and discounts separately for Dwelling and Personal Property (except the Claim Free, Experience Rating, Paid Loss Surcharge, Roof Discount/Surcharge, Cosmetic Damage Exclusion, Insurance Score, Dwelling/Auto Multi-Policy, Dwelling/Life Multi-Policy, Age of Insured, and Paid in Full) applying only appropriate discounts and surcharges to each as follows:
 - A. **Percentage Charges** – Multiply the charge percentage by the appropriate base premium developed in step I and round to the nearest dollar unless otherwise stated in the rate pages.
 - B. **Flat Dollar Charges** – Record each flat dollar charge amount.
 - C. **Percentage Discounts and Flat Dollar Discounts** – Calculate discounts in the same manner as a corresponding charge would be calculated. Sum the discounts and surcharges (excluding the Paid Loss Surcharge, Claim Free, Experience Rating, Dwelling/Auto Multi-Policy, Dwelling/Life-Multi-Policy, Roof Discount/Surcharge, Cosmetic Damage Exclusion, Insurance

Score, Age of Insured, and Paid in Full) for each coverage. Calculate the maximum dollar amount discount by multiplying the maximum discount percentage by the respective base premium. Record the lesser of the total discount and the maximum discount for each.

- D. **Rate per Increment** – Multiply the rate by the amount of coverage desired. Round to the nearest dollar unless otherwise stated on the rate pages. Record each charge amount.
- V. Obtain sub-totals for Dwelling, Condo, Personal Property, Liability, Earthquake, and Burglary by adding steps I, II, and III and the sum of appropriate elements of step IV (A, B, C, and D).
- VI. Apply the Paid Loss Surcharge relativity to each sub-total developed, except Earthquake, from step V and cent round.
- VII. Apply the Claim Free relativity to each sub-total developed, except Earthquake, from step VI and cent round.
- VIII. Apply the Experience Rating relativity to each sub-total developed, except Earthquake, from step VII and cent round.
- IX. Apply the Roof Discount/Surcharge relativity to the Dwelling sub-total developed from step VIII. Round to the nearest cent.
- X. Apply the Cosmetic Damage Exclusion relativity to the Dwelling sub-total developed from step IX. Round to the nearest cent.
- XI. Apply the Dwelling/Life Multi-Policy relativity to each sub-total developed, except Earthquake, from step X. Round to the nearest cent.
- XII. Apply the Dwelling/Auto Multi-Policy relativity to each sub-total developed, except Earthquake, from step XI. Round to the nearest cent.
- XIII. Apply the Insurance Score relativity to each sub-total developed, except Earthquake, from step XII. Round to the nearest cent.
- XIV. Apply the Age of Insured relativity to each sub-total developed, except Earthquake, from step XIII. Round to the nearest cent.
- XV. Add the Foreign Terrorism charge to step XIV if applicable.
- XVI. Add all the premiums developed in step XV and compare the result to the location minimum.
- XVII. Apply the Paid in Full relativity to premium developed from step XVI. Round to the nearest cent to obtain the final premium.

Mid Term Policy Changes:

- A. Follow the applicable steps using rates from the policy effective date for old policy limits. Prorate the result for the remaining policy period to obtain the return premium for the policy change.
- B. Follow the applicable steps using rates from the policy effective date for new policy limits. Prorate the result for the remaining policy period to obtain the additional premium for the policy change.
- C. Determine the difference between the previous two steps.

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Auto-Owners

DWELLING FIRE

ARKANSAS

TERRITORY DESCRIPTION

<u>County (Code)</u>	<u>Territory</u>		<u>County (Code)</u>	<u>Territory</u>
Arkansas (001)	05		Little River (081)	02
Ashley (003)	08		Logan (083)	02
Baxter (005)	02		Lonoke (085)	05
Benton (007)	01		Madison (087)	02
Boone (009)	02		Marion (089)	02
Bradley (011)	08		Miller (091)	08
Calhoun (013)	08		Mississippi (093)	04
Carroll (015)	02		Monroe (095)	08
Chicot (017)	08		Montgomery (097)	07
Clark (019)	02		Nevada (099)	08
Clay (021)	04		Newton (101)	02
Cleburne (023)	03		Ouachita (103)	08
Cleveland (025)	08		Perry (105)	02
Columbia (027)	08		Phillips (107)	08
Conway (029)	02		Pike (109)	02
Craighead (031)	04		Poinsett (111)	04
Crawford (033)	01		Polk (113)	02
Crittenden (035)	04		Pope (115)	02
Cross (037)	04		Prairie (117)	08
Dallas (039)	08		Pulaski (119)	
			Little Rock	06
Desha (041)	08		North Little Rock	06
Drew (043)	08		Remainder	05
Faulkner (045)	05			
Franklin (047)	02		Randolph (121)	04
Fulton (049)	03		St. Francis (123)	04
			Saline (125)	
Garland (051)	07		Village of Hot Springs	07
Grant (053)	05		Remainder	05
Greene (055)	04			
Hempstead (057)	08		Scott (127)	02
Hot Spring (059)	07		Searcy (129)	02
Howard (061)	02		Sebastian (131)	01
Independence (063)	03		Sevier (133)	02
Izard (065)	03		Sharp (135)	03
Jackson (067)	04		Stone (137)	02

Jefferson (069)	05		Union (139)	08
Johnson (071)	02		Van Buren (141)	02
Lafayette (073)	08		Washington (143)	01
Lawrence (075)	04		White (145)	03
Lee (077)	08		Woodruff (147)	04
Lincoln (079)	08		Yell (149)	02

Edition Date: 02/27/15

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DWELLING FIRE
TERRITORY RELATIVITIES

Territory	Relativity
001	0.950
002	1.000
003	1.000
004	1.150
005	1.010
006	1.080
007	0.950
008	1.150

Edition Date: 02/27/15

DWELLING FIRE
LANDLORD LIABILITY RATES

Initial Location - With Personal Injury Coverage

Number of Families	\$25,000	\$50,000	\$100,000	\$300,000	\$500,000	\$1,000,000
1 or 2	\$45	\$50	\$53	\$68	\$83	\$128
3 or 4	\$48	\$57	\$63	\$77	\$91	\$144

Initial Location - Without Personal Injury Coverage

Number of Families	\$25,000	\$50,000	\$100,000	\$300,000	\$500,000	\$1,000,000
1 or 2	\$29	\$31	\$32	\$42	\$51	\$78
3 or 4	\$32	\$39	\$42	\$51	\$59	\$95

Additional Locations - With Personal Injury Coverage

Number of Families	\$25,000	\$50,000	\$100,000	\$300,000	\$500,000	\$1,000,000
1 or 2	\$35	\$39	\$43	\$55	\$63	\$103
3 or 4	\$48	\$57	\$63	\$77	\$91	\$144

Additional Locations - Without Personal Injury Coverage

Number of Families	\$25,000	\$50,000	\$100,000	\$300,000	\$500,000	\$1,000,000
1 or 2	\$19	\$20	\$22	\$29	\$31	\$54
3 or 4	\$32	\$39	\$42	\$51	\$59	\$95

Medical Payments Coverage

Limit	Rate
\$1,000	Included
\$5,000	\$12

DWELLING FIRE
PERSONAL LIABILITY RATES

Initial Location - With Personal Injury Coverage

Number of Families	\$25,000	\$50,000	\$100,000	\$300,000	\$500,000	\$1,000,000
1 or 2	\$48	\$56	\$58	\$75	\$85	\$140
3 or 4	\$58	\$66	\$67	\$85	\$98	\$158

Initial Location - Without Personal Injury Coverage

Number of Families	\$25,000	\$50,000	\$100,000	\$300,000	\$500,000	\$1,000,000
1 or 2	\$41	\$48	\$51	\$67	\$77	\$125
3 or 4	\$51	\$58	\$59	\$77	\$90	\$144

Additional Locations - With Personal Injury Coverage

Number of Families	\$25,000	\$50,000	\$100,000	\$300,000	\$500,000	\$1,000,000
1 or 2	\$26	\$29	\$32	\$40	\$43	\$66
3 or 4	\$40	\$47	\$52	\$62	\$72	\$107

Additional Locations - Without Personal Injury Coverage

Number of Families	\$25,000	\$50,000	\$100,000	\$300,000	\$500,000	\$1,000,000
1 or 2	\$19	\$20	\$22	\$29	\$31	\$54
3 or 4	\$32	\$39	\$42	\$51	\$59	\$95

Medical Payments Coverage

Limit	Rate
\$1,000	Included
\$5,000	\$12

Auto-Owners

DWELLING FIRE
AGE OF CONSTRUCTION RELATIVITIES

ARKANSAS

Age of Dwelling	Relativity
0	0.766
1	0.776
2	0.795
3	0.805
4	0.825
5	0.834
6	0.854
7	0.873
8	0.892
9	0.902
10	0.918
11	0.941
12	0.965
13	0.987
14	1.000
15	1.010
16	1.020
17	1.030
18	1.030
19	1.030
20	1.030
21	1.030
22	1.030
23	1.030
24	1.030
25	1.030
26	1.030
27	1.030
28	1.030
29	1.030
30	1.030
31	1.030
32	1.030
33	1.023
34	1.017
35	1.011
36	1.006
>=37	1.000

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Auto-Owners

DWELLING FIRE
CLAIM FREE RELATIVITIES

ARKANSAS

	Relativity
Claim Free	0.900

Edition Date: 02/27/15

Auto-Owners

DWELLING FIRE
COSMETIC DAMAGE EXCLUSION RELATIVITIES

ARKANSAS

	Relativity
Cosmetic Damage Exclusion	0.940

Edition Date: 02/27/15

Auto-Owners

DWELLING FIRE
EXPERIENCE RATING RELATIVITIES

ARKANSAS

Claim Type	Claim Size	Relativity
	\$500.01 - \$1,500.00	1.000
1 Non-Catastrophic	\$1,500.01 - \$3,000.00	1.030
Non-Weather	\$3,000.01 - \$10,000.00	1.040
	>\$10,000.00	1.050
2 or More Non-Weather Claims not subject to Paid Loss Surcharge		1.050

Edition Date: 02/27/15

Auto-Owners

DWELLING FIRE
INSURANCE SCORE RATING TIERS

ARKANSAS

		Age of Scored Insured												
Insurance Score	Tier	24 & under	25 to 29	30 to 34	35 to 39	40 to 44	45 to 49	50 to 54	55 to 59	60 to 64	65 to 69	70 to 74	75 to 79	80 & over
		Factor												
985-997	50	0.608	0.608	0.632	0.655	0.655	0.659	0.684	0.718	0.736	0.746	0.762	0.770	0.789
961-984	49	0.617	0.617	0.641	0.664	0.664	0.669	0.694	0.730	0.747	0.756	0.773	0.783	0.800
937-960	48	0.626	0.626	0.651	0.674	0.674	0.678	0.704	0.740	0.758	0.768	0.784	0.793	0.812
913-936	47	0.635	0.635	0.659	0.683	0.683	0.688	0.715	0.751	0.769	0.778	0.796	0.806	0.824
892-912	46	0.675	0.675	0.675	0.694	0.694	0.698	0.725	0.762	0.781	0.790	0.807	0.816	0.835
876-891	45	0.686	0.696	0.712	0.712	0.712	0.712	0.735	0.772	0.791	0.801	0.819	0.828	0.847
863-875	44	0.699	0.709	0.742	0.742	0.742	0.742	0.742	0.778	0.796	0.806	0.824	0.832	0.850
851-862	43	0.714	0.723	0.771	0.772	0.772	0.772	0.772	0.785	0.801	0.811	0.828	0.836	0.853
840-850	42	0.728	0.737	0.783	0.801	0.801	0.801	0.801	0.801	0.805	0.816	0.832	0.841	0.856
829-839	41	0.742	0.751	0.794	0.816	0.816	0.821	0.835	0.835	0.835	0.835	0.837	0.845	0.859
819-828	40	0.757	0.765	0.805	0.825	0.825	0.830	0.853	0.870	0.870	0.870	0.870	0.870	0.870
811-818	39	0.773	0.780	0.817	0.836	0.836	0.840	0.861	0.891	0.904	0.904	0.904	0.904	0.904
805-810	38	0.789	0.795	0.830	0.845	0.845	0.849	0.868	0.899	0.910	0.914	0.914	0.914	0.914
801-804	37	0.803	0.810	0.841	0.856	0.856	0.860	0.877	0.905	0.916	0.917	0.917	0.917	0.917
797-800	36	0.821	0.826	0.853	0.867	0.867	0.872	0.885	0.911	0.919	0.919	0.919	0.919	0.919
793-796	35	0.837	0.841	0.865	0.878	0.878	0.881	0.894	0.918	0.922	0.922	0.922	0.922	0.922
790-792	34	0.854	0.858	0.878	0.888	0.888	0.891	0.902	0.925	0.925	0.925	0.925	0.925	0.925
786-789	33	0.872	0.875	0.890	0.899	0.899	0.902	0.910	0.928	0.928	0.928	0.928	0.928	0.928
782-785	32	0.888	0.890	0.903	0.909	0.909	0.912	0.919	0.931	0.931	0.931	0.931	0.931	0.931
778-781	31	0.906	0.907	0.916	0.921	0.921	0.924	0.927	0.935	0.935	0.935	0.935	0.935	0.935
775-777	30	0.925	0.925	0.930	0.931	0.931	0.933	0.937	0.938	0.938	0.938	0.938	0.938	0.938
772-774	29	0.943	0.943	0.943	0.943	0.943	0.943	0.943	0.943	0.943	0.943	0.943	0.943	0.943
769-771	28	0.960	0.960	0.960	0.960	0.960	0.962	0.963	0.963	0.963	0.963	0.963	0.963	0.963
765-768	27	0.977	0.977	0.977	0.977	0.977	0.978	0.980	0.985	0.985	0.985	0.985	0.985	0.985
761-764	26	0.993	0.993	0.993	0.993	0.993	0.994	0.998	1.007	1.007	1.007	1.007	1.007	1.007
757-760	25	1.011	1.011	1.011	1.011	1.011	1.013	1.017	1.025	1.025	1.031	1.031	1.031	1.031
752-756	24	1.029	1.029	1.029	1.029	1.029	1.030	1.035	1.042	1.042	1.055	1.055	1.055	1.055
747-751	23	1.047	1.047	1.047	1.047	1.047	1.048	1.054	1.058	1.058	1.080	1.080	1.080	1.080
742-746	22	1.066	1.066	1.066	1.066	1.066	1.066	1.073	1.077	1.077	1.104	1.104	1.104	1.104
736-741	21	1.085	1.085	1.085	1.085	1.085	1.085	1.093	1.094	1.094	1.122	1.130	1.130	1.130
727-735	20	1.104	1.104	1.104	1.104	1.104	1.104	1.113	1.113	1.113	1.142	1.156	1.156	1.156
720-726	19	1.109	1.109	1.109	1.109	1.111	1.114	1.125	1.131	1.137	1.166	1.180	1.180	1.180
713-719	18	1.114	1.114	1.114	1.114	1.117	1.125	1.138	1.148	1.161	1.188	1.203	1.203	1.203
706-712	17	1.119	1.119	1.119	1.119	1.125	1.136	1.150	1.166	1.188	1.211	1.228	1.228	1.228
697-705	16	1.125	1.125	1.125	1.125	1.131	1.147	1.162	1.184	1.213	1.233	1.252	1.252	1.252
684-696	15	1.130	1.130	1.130	1.130	1.138	1.157	1.176	1.202	1.239	1.257	1.275	1.278	1.278
674-683	14	1.135	1.135	1.135	1.135	1.146	1.168	1.189	1.221	1.264	1.281	1.297	1.303	1.303
668-673	13	1.195	1.195	1.195	1.195	1.206	1.230	1.251	1.283	1.324	1.340	1.351	1.351	1.351
662-667	12	1.258	1.258	1.258	1.258	1.271	1.295	1.316	1.347	1.387	1.402	1.402	1.402	1.402
655-661	11	1.325	1.325	1.325	1.325	1.339	1.364	1.386	1.415	1.452	1.455	1.455	1.455	1.455
649-654	10	1.410	1.410	1.410	1.410	1.410	1.436	1.458	1.487	1.509	1.509	1.509	1.509	1.509
643-648	9	1.504	1.504	1.504	1.504	1.504	1.532	1.554	1.581	1.586	1.586	1.586	1.586	1.586
633-642	8	1.603	1.603	1.603	1.603	1.603	1.634	1.656	1.666	1.666	1.666	1.666	1.666	1.666
621-632	7	1.709	1.709	1.709	1.709	1.709	1.742	1.764	1.768	1.768	1.768	1.768	1.768	1.768
608-620	6	1.822	1.822	1.822	1.822	1.822	1.856	1.856	1.856	1.856	1.856	1.856	1.856	1.856
596-607	5	1.930	1.930	1.930	1.930	1.930	1.930	1.930	1.930	1.930	1.930	1.930	1.930	1.930
583-595	4	2.028	2.028	2.028	2.028	2.028	2.028	2.028	2.028	2.028	2.028	2.028	2.028	2.028
571-582	3	2.129	2.129	2.129	2.129	2.129	2.129	2.129	2.129	2.129	2.129	2.129	2.129	2.129
558-570	2	2.238	2.238	2.238	2.238	2.238	2.238	2.238	2.238	2.238	2.238	2.238	2.238	2.238
1-557	1	2.350	2.350	2.350	2.350	2.350	2.350	2.350	2.350	2.350	2.350	2.350	2.350	2.350
		TIER MAPPED TO												
99A	No Hit	26	26	26	26	26	26	26	27	27	27	27	27	27
99B	No Score	26	26	26	26	26	26	26	27	27	27	27	27	27
		FACTOR												
99C	Neutral	0.906	0.907	0.916	0.921	0.921	0.924	0.927	0.935	0.935	0.935	0.935	0.935	0.935
999	Not Scored	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

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Auto-Owners

DWELLING FIRE
INSURANCE SCORE TIER MOVEMENT TABLE

ARKANSAS

Claim History	Tiers below Rated Score on Previous Term	Years Since Policy Issued			
		Fewer than 3 years	3 or more years, but fewer than 6 years	6 or more years, but fewer than 10 years	10 or more years
No claims within 5 years	5-9	0	0	0	0
	10-14	4	0	0	0
	15-19	6	0	0	0
	20-29	8	6	0	0
	30-39	10	8	6	0
	40-49	16	10	8	6
Claims within 5 years are greater than \$0, but do not exceed \$1,500	5-9	2	0	0	0
	10-14	4	0	0	0
	15-19	6	4	0	0
	20-29	8	6	4	0
	30-39	10	8	6	4
	40-49	16	10	8	6
No claims within 3 years or claims within 3 years do not exceed \$1,500, but claims within 5 years exceed \$1,500	5-9	4	0	0	0
	10-14	6	0	0	0
	15-19	8	6	0	0
	20-29	10	8	6	0
	30-39	16	10	8	6
	40-49	20	16	10	8
Total Claims	5-9	6	4	2	0
	10-14	8	6	4	2
	15-19	10	8	6	4
	20-29	16	10	8	6
	30-39	20	16	16	10
	40-49	30	26	20	16
	1				
Claims within 3 years exceed \$1,500	5-9	Actual*	6	6	6
	10-14	Actual	6	6	6
	15-19	Actual	10	6	6
	20-29	Actual	Actual	10	6
	30-39	Actual	Actual	Actual	16
	40-49	Actual	Actual	Actual	Actual
3+	5-9	Actual	Actual	Actual	Actual
	10-14	Actual	Actual	Actual	Actual
	15-19	Actual	Actual	Actual	Actual
	20-29	Actual	Actual	Actual	Actual
	30-39	Actual	Actual	Actual	Actual
	40-49	Actual	Actual	Actual	Actual

* Actual indicates full movement to actual insurance score regardless of term length.

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Auto-Owners

DWELLING FIRE
MAXIMUM DISCOUNT RATES

ARKANSAS

	Rate
Maximum Discount	55%

Edition Date: 02/27/15

Auto-Owners

DWELLING FIRE
PAID LOSS SURCHARGE RELATIVITIES

ARKANSAS

Number of paid losses within 3 years	Continuously insured for 3 or more years with an Auto-Owners Group company and the sum of all paid claims exceeds \$2,500		Continuously insured less than 3 years with an Auto-Owners Group company and the sum of all paid claims exceeds \$1,000	
	If Multi-Policy and 65 or Over	If Not Both	If Multi-Policy and 65 or Over	If Not Both
2	1.570	1.570	1.570	1.570
3	1.900	1.950	1.950	2.000
4 or more	2.250	2.300	2.300	2.750

1. Subtract 1.05 from the applicable relativity above.
2. Multiply by the number of locations relativity below.
3. Add 1.05. This relativity will be applied to each location on the policy.

Number of Locations	Relativity
1	1.000
2	0.500
3+	0.330

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Auto-Owners

DWELLING FIRE
PAYMENT HISTORY RELATIVITIES

ARKANSAS

Number of Non-Pay Cancellation Notices	Relativity
0	0.980
1	0.980
2	1.000
3	1.010
4+	1.020

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Auto-Owners

DWELLING FIRE
ROOF RELATIVITIES

ARKANSAS

Age of Roof	Roof Types									
	Non-Hail Resistive Roofs					Hail Resistive Roofs				
	Asphalt	Other	Metal	Asphalt Extended Life	Wood	Asphalt	Other	Metal	Concrete	Tile
0	0.940	0.940	0.940	0.940	1.150	0.840	0.840	0.840	0.840	0.840
1	0.950	0.950	0.950	0.950	1.150	0.850	0.850	0.850	0.850	0.850
2	0.950	0.950	0.950	0.950	1.150	0.850	0.850	0.850	0.850	0.850
3	0.960	0.960	0.960	0.960	1.150	0.860	0.860	0.860	0.860	0.860
4	0.960	0.960	0.960	0.960	1.150	0.860	0.860	0.860	0.860	0.860
5	0.970	0.970	0.970	0.970	1.150	0.870	0.870	0.870	0.870	0.870
6	0.970	0.970	0.970	0.970	1.150	0.870	0.870	0.870	0.870	0.870
7	0.980	0.980	0.980	0.980	1.150	0.880	0.880	0.880	0.880	0.880
8	0.980	0.980	0.980	0.980	1.150	0.880	0.880	0.880	0.880	0.880
9	0.990	0.990	0.990	0.990	1.150	0.890	0.890	0.890	0.890	0.890
10	1.000	1.000	1.000	1.000	1.150	0.900	0.900	0.900	0.900	0.900
11	1.000	1.000	1.000	1.000	1.150	0.910	0.910	0.910	0.900	0.900
12	1.000	1.000	1.000	1.000	1.150	0.920	0.920	0.920	0.900	0.900
13	1.000	1.000	1.000	1.000	1.150	0.930	0.930	0.930	0.900	0.900
14	1.000	1.000	1.000	1.000	1.150	0.940	0.940	0.940	0.900	0.900
15	1.000	1.000	1.000	1.000	1.150	0.950	0.950	0.950	0.900	0.900
16	1.020	1.020	1.020	1.020	1.170	0.950	0.950	0.950	0.900	0.900
17	1.040	1.040	1.040	1.040	1.190	0.950	0.950	0.950	0.900	0.900
18	1.060	1.060	1.060	1.060	1.210	0.950	0.950	0.950	0.900	0.900
19	1.080	1.080	1.080	1.080	1.230	0.950	0.950	0.950	0.900	0.900
20	1.100	1.100	1.100	1.100	1.250	0.950	0.950	0.950	0.900	0.900
21	1.100	1.100	1.100	1.100	1.250	0.950	0.950	0.950	0.900	0.900
22	1.100	1.100	1.100	1.100	1.250	0.950	0.950	0.950	0.900	0.900
23	1.100	1.100	1.100	1.100	1.250	0.950	0.950	0.950	0.900	0.900
24	1.100	1.100	1.100	1.100	1.250	0.950	0.950	0.950	0.900	0.900
25	1.100	1.100	1.100	1.100	1.250	0.950	0.950	0.950	0.900	0.900
26	1.100	1.100	1.100	1.100	1.250	0.960	0.960	0.950	0.900	0.900
27	1.100	1.100	1.100	1.100	1.250	0.970	0.970	0.950	0.900	0.900
28	1.100	1.100	1.100	1.100	1.250	0.980	0.980	0.950	0.900	0.900
29	1.100	1.100	1.100	1.100	1.250	0.990	0.990	0.950	0.900	0.900
30	1.100	1.100	1.100	1.100	1.250	1.000	1.000	0.950	0.900	0.900
31	1.100	1.100	1.100	1.100	1.250	1.010	1.010	0.950	0.900	0.900
32	1.100	1.100	1.100	1.100	1.250	1.020	1.020	0.950	0.900	0.900
33	1.100	1.100	1.100	1.100	1.250	1.030	1.030	0.950	0.900	0.900
34	1.100	1.100	1.100	1.100	1.250	1.040	1.040	0.950	0.900	0.900
35	1.100	1.100	1.100	1.100	1.250	1.050	1.050	0.950	0.900	0.900
36	1.100	1.100	1.100	1.100	1.250	1.050	1.050	0.950	0.900	0.900
37	1.100	1.100	1.100	1.100	1.250	1.050	1.050	0.950	0.900	0.900
38	1.100	1.100	1.100	1.100	1.250	1.050	1.050	0.950	0.900	0.900
39	1.100	1.100	1.100	1.100	1.250	1.050	1.050	0.950	0.900	0.900
>=40	1.100	1.100	1.100	1.100	1.250	1.050	1.050	0.950	0.900	0.900
Unknown	1.020	1.020	1.020	1.020	1.170	0.950	0.950	0.950	0.900	0.900

Edition Date: 02/27/15

Auto-Owners

DWELLING FIRE
FIRE DEPARTMENT SERVICE CHARGE RATES

ARKANSAS

	Rates per \$100
Fire Department Service	\$4.00

Edition Date: 02/27/15

Auto-Owners	DWELLING FIRE ELIGIBILITY	Arkansas
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Standard Program

The Standard Dwelling Fire program is designed to insure maintained properties not eligible for Homeowners or the Premier Dwelling Fire programs because of occupancy or other aspects of the exposure. It is also used for Builders' Risk policies. Basic Form with an actual cash value settlement option or Special Form with a replacement cost loss settlement option is available. The program is not designed for substandard properties.

Premier Program

The Premier Dwelling Fire program is a preferred program designed for above average 1 to 2 family rental dwellings. Coverage is written on the Special Form and loss settlement for buildings is on a replacement cost basis.

[Age of Construction](#)
[Construction](#)
[Farming Exposures](#)
[Heating System](#)
[Ineligible Characteristics](#)
[Market Value](#)

[Minimum Amounts of Insurance](#)
[Occupancy](#)
[Photographs](#)
[Previous Insurance History](#)
[Protection Class](#)

AGE OF CONSTRUCTION

Premier

Homes must be constructed within the past 30 years.

Homes must be constructed within the past 50 years if a named insured is age 55 or older.

Standard

All considered.

CONSTRUCTION

Premier

Modular homes are eligible

Garages and other outbuildings pertaining to the service of the insured dwelling are eligible.

Dwellings under construction are not eligible.

Condominium units are not eligible.

Mobile homes, manufactured homes or trailers are not eligible.

Non-standard construction homes are not eligible. This includes dwellings of unique construction materials and methodology like geodesic domes, earth rammed, true adobe, straw bale, or others that may be considered unique.

Dwellings constructed with material containing asbestos are not eligible.

Wood shake or wood shingle roofs are not eligible

Standard

Same as Premier.

Garages and other outbuildings may be written separately.

All considered.

All considered.

1 family owner and non-owner occupied mobile homes, manufactured homes or trailers used for dwelling purposes at a fixed location are eligible; must be skirted, unless placed on a continuous foundation.

Same as Premier.

Same as Premier.

Same as Premier.

FARMING EXPOSURES

Premier

Property situated on a farm is eligible for coverage if it is non-owner occupied. Liability coverage is not available.

Standard

Same as Premier.

HEATING SYSTEM**Premier**

Dwellings with solid fuel heating appliances are not eligible.

No space heaters that are not part of the building construction.

Primary dwellings must have an operational heating system which delivers heat directly to all finished areas.

Standard

Solid fuel heating considered. Do not bind unless submitted with a photo of the appliance and a completed survey.

Same as Premier.

Same as Premier.

Mobile homes, manufactured homes or trailers with fireplaces and/or solid fuel heating appliances installed by the manufacturer of the home or designed for and installed to mobile home, manufactured home or trailer specifications are eligible, if located in an approved park. See {{AR DF Definitions}}.

INELIGIBLE CHARACTERISTICS**Premier**

Dwellings with any of these characteristics are ineligible:

1. Adjacent adverse physical hazards.
2. Broken, sagging or unsupported steps or stairs.
3. Gutters, downspouts or chimneys poorly maintained.
4. Unrepaired prior damage.
5. Outdated or worn electrical system.
6. Deteriorating firebox or chimney.
7. Poor plumbing i.e., leaking or exposed to freezing.
8. Poor inside maintenance such as accumulation of trash or careless storage of flammable liquids.
9. Poor outside maintenance such as:
 - a. Roofing sections missing.
 - b. Siding loose or missing.
 - c. Broken windows.
 - d. Accumulation of trash.
 - e. Grounds poorly kept (i.e., long grass, weeds, fences in poor condition).
10. Garages and other outbuildings used to any extent for business purposes.
11. Other conditions which may render the risk ineligible in the Company's opinion.

Standard

Same as Premier.

MARKET VALUE**Premier**

50% or more of Replacement Cost.

Standard

Basic Form

Non-Owner Occupied – All considered.
Owner Occupied – All considered.

Special Form

Non-Owner Occupied – Same Premier.

Owner Occupied – All considered.

MINIMUM AMOUNTS OF INSURANCE**Premier**

Special Form – \$100,000.

100% of Replacement Cost.

OCCUPANCY**Premier**

1 to 2 family non-owner occupied buildings used exclusively for dwelling purposes. No more than 5 roomers and/or boarders.

Non-owner occupied townhouses and row houses with no more than 2 families in each fire division.

Household contents and personal property only when located in a dwelling also insured under the policy.

Non-owner occupied secondary and seasonal dwellings/modular homes are eligible.

Vacant or unoccupied dwellings are not eligible.

Do not bind coverage on dwellings and buildings undergoing significant renovation.

StandardCoverage A – Primary and Secondary Dwellings/Modular Homes

Basic Form – \$40,000

Special Form – \$70,000

Coverage A – Seasonal Dwellings/Modular Homes

Basic Form – \$20,000

Special Form – \$30,000

Coverage A – Mobile Homes/Manufactured Homes/Trailers

Basic Form – \$10,000

Special Form – \$10,000

Coverage H – Condominiums and Other Structures Only Coverage

Basic Form – \$4,000

Special Form – \$8,000

Contents Only – Owner Occupied Only

Basic Form – \$4,000

Special Form – \$4,000

Basic Form – 100% of Actual Cash Value.

Special Form – 100% of Replacement Cost.

Standard

1 to 4 family buildings used exclusively for dwelling purposes (except for certain incidental occupancies). No more than 5 roomers and/or boarders.

Townhouses and row houses where there are no more than 4 families in each fire division.

May write contents only policy for household contents or personal property of the insured, used for personal or acceptable business purposes and usually kept within a dwelling, apartment, outbuilding or other acceptable enclosure.

Owner and non-owner occupied secondary and seasonal dwellings/modular homes are eligible.

Owner and non-owner occupied secondary and seasonal mobile homes, manufactured homes or trailers are eligible.

Do not bind coverage on vacant or unoccupied dwellings.

Same as Premier.

PHOTOGRAPHS

Premier

Photograph(s) of dwellings will be ordered by the Company for all new business and added or changed locations.

Standard

Same as Premier.

PREVIOUS INSURANCE HISTORY

Premier

No non-weather* related paid losses in the past 36 months.

Standard

No more than 1 paid non-weather* related loss in the past 36 months. Necessary repairs as a result of a prior paid loss must be completed and/or the condition creating or increasing the likelihood of loss must have been mitigated where possible. All prior loss activity is subject to underwriting review and acceptance.

*Weather losses include damage caused by wind, hail, lightning or the weight of ice and snow.

Same as Premier.

PROTECTION CLASS

Premier

All considered.

Standard

Same as Premier.

Do not bind if the Protection Class is a 9 or 10 and Coverage A is \$1,000,000 or greater.

Same as Premier.

Do not bind for all other Protection Classes if Coverage A is \$1,500,000 or greater.

Same as Premier.

Auto-Owners	DWELLING FIRE GENERAL RULES	Arkansas
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PROTECTION CLASS DETERMINATION

Protection classes will be determined annually using ISO's Community Classification database.

- I. The following procedure will be used for policies being rated at their ISO Community Classification:
 - A. In the event that the database determines that the responding fire department is a subscription fire department and the insured does not have a subscription to that fire department, Protection Class 10 will be assigned.
 - B. In the event that the database produces a split classification, the classification number will be determined as follows:
 1. If the risk address is within 1,000 feet of an approved water source, then the protection class assigned will be the first classification.
 2. Otherwise the risk is assigned the second classification.
 - C. Subsequent renewals will use the most recent protection class determined using ISO's Community Classification database upon each renewal.
- II. The following procedures will be used for policies in existence prior to the conversion to ISO Community Classification database on June 13, 2012 and are not yet being rated at their ISO Community Classification.
 - A. If the database produces a protection class with the same or lower relativity than the protection class used in the prior term, we will use the protection class from the ISO Community Classification database for this renewal. Subsequent renewals will follow the procedure as outlined in Section I.
 - B. If the database produces a protection class 9 or 10, we will use the protection class from the ISO Community Classification database for this renewal. Subsequent renewals will follow the procedure as outlined in Section I.
 - C. If the database produces a protection class with a higher relativity than the protection class used in the prior term, excluding protection classes 9 and 10, we will continue to use the protection class used in the prior term.
 - D. If the information used to develop the protection class is changed, we will use the protection class from the ISO Community Classification database. Subsequent renewals will follow the procedure as outlined in Section I.

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Auto-Owners	DWELLING FIRE GENERAL RULES	Arkansas
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COVERAGE FORMS DESCRIPTIONS

	BASIC FORM {{15003 (AR)}}	SPECIAL FORM {{15004 (AR)}}
Coverage A – Dwelling		
Covered Property	Dwelling including attached structures. Building materials for use with dwelling, building and outdoor equipment used to service the dwelling.	Same as Basic.
Automatic Increases in Limits	Included (Depreciated Consumer Price Index).	Included (Either annualized increase in construction cost or Depreciated Consumer Price Index).
How Losses Are Settled	Actual Cash Value.	Replacement Cost if insured to 80% of Replacement Cost at time of loss, otherwise Actual Cash Value.
Coverage B – Other Structures		
Covered Property	Other structures which are not attached to the dwelling . Building materials for use with other structures.	Same as Basic.
Automatic Coverages	10% of Coverage A as an additional limit.	Same as Basic.
How Losses Are Settled	Same as Coverage A.	Same as Coverage A.
Coverage C – Personal Property		
Covered Property	Personal property owned or used by the insured or family members on the residence premises. 10% of the Coverage C limit for personal property owned or used by the insured anywhere in the world. Property in a newly acquired residence for 30 days. Personal property owned by a guest or resident employee on the residence premises.	Same as Basic.
Automatic Coverage	None	Standard Program – None Premier Program – \$3,000
How Losses Are Settled	Same as Coverage A.	Actual Cash Value.
Coverage D – Loss of Rents		
Exposures Covered	Loss or rents, less charges and expenses which do not continue when the dwelling is not habitable because of an insured peril.	Same as Basic.

Civil Authority Evacuation	Damage caused by an insured peril for up to two weeks.	Same as Basic.
Automatic Coverage	10% of Coverage A as an additional limit. No monthly limitation applies.	Same as Basic.
Coverage E – Additional Living Expenses		
Exposures Covered	Not Available.	Reasonable increases in living expenses when the dwelling is not habitable because of an insured peril.
Civil Authority Evacuation	Not Available.	Damage caused by an insured peril for up to two weeks.
Automatic Coverage	Not Available.	10% of Coverage A as an additional limit.
Perils We Insure Against		
Coverage A – Dwelling and Coverage B – Other Structures	Named perils, subject to exclusions: Fire or Lightning. Windstorm or Hail. Internal Explosion. Riot or Civil Commotion. Aircraft. Vehicles. Smoke. Vandalism or Malicious Mischief. Damage by Burglars.	All perils, subject to exclusions.
Coverage C – Personal Property	Same as Coverage A and Coverage B.	Named perils, subject to exclusions: Fire or Lightning. Windstorm or Hail. Explosion. Riot or Civil Commotion. Aircraft. Vehicles. Smoke. Vandalism or Malicious Mischief. Damage by Burglars. Falling Objects. Weight of Ice, Snow or Sleet. Sudden or Accidental Tearing Apart, Cracking, Burning or Bulging of Heating or Air Conditioning. Accidental Discharge or Overflow of Water or Steam. Freezing. Sudden and Accidental Loss from Artificially Generated Electric Current.
Coverage D – Loss of Rents	Same as Coverage A and Coverage B.	Same as Coverage A and Coverage B.
Coverage E – Additional Living Expenses	Not Available.	Same as Coverage A and Coverage B.

Additional Coverages

Additions and Alterations	10% of Coverage C. Use reduces Coverage C limit.	10% of Coverage C as an additional limit.
Arson Reward	\$1,000 Included.	Same as Basic.
Collapse	Not available.	Included.
Debris Removal	Included.	Same as Basic.
Emergency Removal of Property	30 days	Same as Basic.
Fire Department Charges	\$500 Included.	Same as Basic.
Heating Fuel Damage	Not available.	Included.
Necessary Repairs After Loss	Included.	Same as Basic.
Trees, Shrubs, Plants, Lawns	Not Included.	5% of Coverage A as an additional limit.

Auto-Owners	DWELLING FIRE GENERAL RULES	Arkansas
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DEFINITIONS

A. Approved Park: An approved mobile home park is defined as one meeting all of the following requirements:

1. The park must have a minimum of twenty-five (25) permanent spaces for mobile homes.
2. Each mobile home space must have permanent electrical outlets, water and sewage facilities.
3. There must be a minimum of 15 feet between the main bodies of all mobile homes.
4. All streets must have all-weather surfaces and be wide enough to be accessible by emergency equipment.

B. Construction Types:

Aluminum	A dwelling with exterior walls of combustible construction covered with metal or vinyl types of siding.
Asbestos Siding	A dwelling with exterior walls covering constructed of asbestos fiber materials.
Cement Fiber Board Siding	A dwelling with at least 67% of its exterior walls constructed of combustible construction covered with cement fiber materials is classified as cement fiber.
Fire Resistive	A dwelling with walls, floor, and roof constructed entirely of masonry or fire resistive materials with a Fire Resistance rating of not less than one hour is classified as fire resistive. Fire resistive is considered wind resistive.
Frame	A dwelling with exterior walls of combustible construction, including walls with metal, stucco, or metal lath and plaster on combustible supports is classified as frame.
Log	A dwelling with exterior walls of solid log construction. If exterior walls are log veneer or log siding, the dwelling should be classified as Frame.
Manufactured	Manufactured homes are built and transported on steel chassis that are never removed. Manufactured homes conform only to HUD code, and are not required to meet the same local, state and regional building codes as site-built homes.
Masonry	A dwelling with at least 67% of its exterior walls constructed of brick, concrete, concrete block, adobe, tile, or other masonry materials is classified as masonry.
Masonry Veneer	A dwelling with at least 67% of its walls constructed of combustible construction veneered with masonry materials is classified as masonry veneer.
Mixed Construction	A dwelling shall be classified as frame construction when the wall area of frame construction exceeds 33% of the total wall area.
Modular	Modular homes are built off site in conventional building standards (2X4 construction, asphalt shingles on a pitched roof, etc.). The home is then transported and anchored to continuous foundation on a premises owned by the insured and taxed as real property.

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C. Fire Division: A building separated by space or those parts of a single building divided by an eight-inch masonry party wall piercing or rising to the roof shall be considered separate buildings. Openings in any communicating wall must be protected by a Class A fire door in a masonry wall section.

D. Number of Families/Units: The number of residential dwelling units within a fire division.

E. Occupancy

Primary Occupancy	Owner or non-owner occupied for more than 180 days during the calendar year.
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Seasonal Occupancy	Owner or non-owner occupied for less than 180 days during the calendar year.
Secondary Occupancy	Owner or non-owner occupied for more than 180 days, but less than 365 days during the calendar year.

F. Roof Classifications

Age of Roof	The policy term minus year of roof of the dwelling.
Asphalt Extended Life	Must have a manufacturer's warranty of at least 40 years and may withstand winds of 80 miles per hour or more.
Hail Resistive	Any non-wood material earning an impact rating of Class 3 or 4 per Underwriters Laboratory Standard 2218.
Roof Surfacing	The outermost exterior covering of the roof of the dwelling insured under Coverage A – Dwelling.
Wood Roof	A roof with wood shakes or wood shingles. If the roof of the dwelling is of mixed types, it shall be classified according to the predominant type of roof composition.

MANDATORY COVERAGES, FORMS AND ENDORSEMENTS**A. Adjusted Value – Special Form only**

This endorsement will maintain insurance to value on dwellings by increasing Coverage A (Dwelling) on each policy anniversary using factors or adjustments to account for the increases in regional building costs.

This endorsement is automatically included on all Special Form policies except Builders' Risk and mobile home policies.

"Adjusted Value" appears on the policy Declaration and Form {{15022 (AR)}} is attached.

B. Limitation – Fungi Remediation Cost

These forms limit coverage for remediation costs for ensuing mold losses arising from a covered peril with the following coverage limits:

Company/Program	Coverage Limit
Auto-Owners Standard	\$15,000
Auto-Owners Premier	\$10,000

Not available on mobile homes.

{{15245 (AR)}} attaches to Basic Form policies.

{{15246 (AR)}} attaches to Special Form policies.

C. Mandatory Forms and Endorsements

Certain forms and endorsements are attached to policies to modify the basic policy to comply with state requirements and/or Company program revisions. They are:

1. Amendment of Deductible {{15408 (AR)}} and Windstorm or Hail Deductible {{15405 (AR)}} when applicable
2. Amendment of Exclusions {{15260 (AR)}}
3. Arkansas - Amendatory Endorsement {{15067 (AR)}}
4. Arkansas - Policy Cancellation and Nonrenewal {{15028 (AR)}}
5. How Losses Are Settled Amendatory - Special Form {{15426 (AR)}}
6. Vacancy Amendatory {{15432 (AR)}}

Auto-Owners	DWELLING FIRE ADDITIONAL COVERAGE - LIABILITY	Arkansas
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LANDLORD LIABILITY – Non-Owner Occupied Only

Coverage is available for occurrences of bodily injury or property damage for which the owner of an insured rental dwelling is found liable. If purchased, coverage will also extend automatically to individuals or firms acting in a property management capacity on behalf of the property owner.

Coverage is also available for Personal Injury Liability which includes:

1. libel, slander, or defamation of character;
2. false arrest, detention or imprisonment, or malicious prosecution;
3. invasion of privacy; or
4. wrongful eviction or wrongful entry.

Coverage includes \$1,000 Medical Payments coverage. A revised limit of \$5,000 is available **at an additional charge**.

For rates and limits, please refer to {{AR DF Landlord Liability Rates}}.

"Landlord Liability" and the limit appear on the policy Declarations. "Personal Injury Liability" also appears on the policy Declarations and Form {{15248 (AR)}} is attached if Personal Injury is purchased. Form {{15247 (AR)}} is attached when Personal Injury is not purchased.

Once Landlord Liability has been purchased on the initial location, it may be extended to up to four additional locations. Landlord Liability may only be extended to non-owner occupied dwellings. If extending Landlord Liability, "Additional Described Premises" and the location address appear on the policy Declarations and Form {{15175 (AR)}} is attached.

Auto-Owners	DWELLING FIRE ADDITIONAL COVERAGE - LIABILITY	Arkansas
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PERSONAL LIABILITY – Owner Occupied Only

Includes \$1,000 Medical Payments coverage. A revised limit of \$5,000 is available [at an additional charge](#).

[For rates and limits, please refer to {{AR DF Personal Liability Rates}}.](#)

Includes \$250 Damage to Property of Others Coverage.

Coverage is also available for Personal Injury Liability which includes:

1. libel, slander, or defamation of character;
2. false arrest, detention or imprisonment, or malicious prosecution;
3. invasion of privacy; or
4. wrongful eviction or wrongful entry.

"Personal Liability" and the limit appear on the policy Declarations. "Personal Injury Liability" also appears on the policy Declarations and [{{15248 \(AR\)}}](#) is attached if personal injury is purchased. Form [{{15056 \(AR\)}}](#) is attached when Personal Injury is not purchased.

[Once Personal Liability coverage has been purchased on the initial location, it may be extended to up to four additional locations. Personal Liability may be extended to owner and non-owner occupied locations. If extending Personal Liability coverage, "Additional Insured Premises" and the location address appear on the policy Declarations and Form \[{{15013 \\(AR\\)}}\]\(#\) is attached.](#)

Auto-Owners	DWELLING FIRE PREMIUM ADJUSTMENS	Arkansas
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COSMETIC DAMAGE EXCLUSION

This optional endorsement excludes coverage for cosmetic damage to the metal roof of a dwelling or outbuilding caused directly or indirectly by hail.

Cosmetic damage means chipping, denting, marring, scratching or other superficial damage that affects the physical appearance of the covered structure; however, this damage does not prevent such covered property from its intended function.

For the applicable relativities, refer to {{AR DF Cosmetic Damage Exclusion Relativities}}.

“Cosmetic Damage Exclusion – Dwelling and Other Structures” appears on the policy Declarations. Form {{15417 (AR)}} will apply to Basic and Special Form policies when the Cosmetic Damage Exclusion applies to a dwelling or outbuilding.

Auto-Owners	DWELLING FIRE PREMIUM ADJUSTMENTS	Arkansas
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AGE OF CONSTRUCTION RATING

A rating factor will apply to a location based upon the age of construction. Age of construction is defined as the policy term year minus the year of construction of the dwelling.

For rating factors, please refer to {{AR DF Age of Construction Relativities}}.

"Age of Construction Rating" appears on the policy Declarations.

Note: The factor will not apply to Builders' Risk, vacant dwellings, mobile homes, contents only or condominiums.

Auto-Owners	DWELLING FIRE PREMIUM ADJUSTMENTS	Arkansas
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PAYMENT HISTORY

A rating factor will reflect the policyholder's payment history by taking into consideration the number of notices of cancellation for non-payment of premium that have been sent in the past 36 months. Only non-payment cancellation notices sent after the New Business effective date will be counted.

{{AR DF Payment History Relativities}}

"Payment History Discount" or "Payment History Rating" will appear on the policy Declarations.

Auto-Owners	DWELLING FIRE PREMIUM ADJUSTMENTS	Arkansas
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DEDUCTIBLES

The deductible does not apply to Additional Living Expense or Loss of Rents.

Minimum deductibles are required for new business and endorsements **as follows:**

- Contents only and condominium policies are subject to a minimum \$500 All Perils Deductible.
- All other policies are subject to a minimum \$1,000 All Perils Deductible.

For the deductible options and applicable relativities, refer to {{AR DF Deductible Relativities}}.

The deductible is shown on the policy Declarations **and Form {{15408 (AR)}} is attached.**

Form {{15405 (AR)} is attached when a Wind/Hail Deductible is applied.

Auto-Owners	DWELLING FIRE PREMIUM ADJUSTMENTS	Arkansas
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CLAIM FREE DISCOUNT

Insureds are eligible for the discount when there has been no more than 1 paid loss of \$500 or less in the past 5 years.

For policies existing prior to February 27, 2015, losses directly attributable to an event identified as Catastrophic by the Property Claim Service (PCS) which occur before April 4, 2015 will not be considered in the determination of the discount.

Note: For New Business, if the dwelling is non-owner occupied and a new business venture for the insured, the policy will not be eligible for the Claim Free Discount until the first renewal. If eligible, the discount will automatically apply at renewal.

{{AR DF Claim Free Relativities}}

"Claim Free Discount" will appear on the policy Declarations.

Auto-Owners	DWELLING FIRE PREMIUM ADJUSTMENTS	Arkansas
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MAXIMUM DISCOUNT

The Maximum Discount allowed may not exceed a specified percentage of the base premium. Refer to {{AR DF Rating Procedure}} for discounts not included in the calculation of the maximum discount. When the maximum discount is reached, "Maximum Discount Applies" appears on the policy Declarations.

Refer to {{AR DF Maximum Discount Rates}} for specific rating information.

Auto-Owners	DWELLING FIRE PREMIUM ADJUSTMENTS	Arkansas
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EXPERIENCE RATING

A rating factor may apply to an insured when there has been at least 1 paid non-weather related loss in the past 5 years and the {{AR DF Paid Loss Surcharge}} does not apply.

Paid weather* related losses and losses directly attributable to an event identified as catastrophic by the Property Claim Service (PCS) will not be considered.

{{AR DF Experience Rating Relativities}}

*Weather losses shall include only direct damage caused by wind, hail or lightning, or the weight of ice and snow.

“Experience Rating” will appear on the policy Declarations.

Auto-Owners	DWELLING FIRE PREMIUM ADJUSTMENTS	Arkansas
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INSURANCE SCORE

A rating factor will be applied to the premium based on the Insurance Score and age of a named insured:

- a. The named insured, if an individual; or
- b. The person with primary control, if a business entity.

The Insurance Score is developed from credit related information including: types of accounts, balances, dates opened, and account activity, plus public record items and inquiries initiated by the insured. Refer to {{AR DF Insurance Score Relativities}} for rating factors.

Application of the Insurance Score

1. New Business: The Insurance Score will be applied to all new business.
2. The policy Declarations will show the Insurance Score used in rating the policy. The scores range from X001 to X997. If there is a No Score or Neutral, it will also be shown on the Declarations.
3. The Insurance Score will be ordered annually.
4. Renewal Procedures:
 - a. Each renewal term, the actual Insurance Score will be compared to the Insurance Score used in rating the policy of the previous term.
 - b. If the actual Insurance Score is lower than the Insurance Score used in rating the policy of the previous term, the criteria indicated on the {{AR Dwelling Fire Downtiering}} table will be used to determine the number of tiers the Insurance Score will be reduced for the new term.
 - c. If the actual Insurance Score is higher than the Insurance Score used in rating the policy of the previous term, the actual Insurance Score will be applied without limitation.

The following types of claims will not be used in determining the tier movement: weather losses and losses directly attributable to an event identified as Catastrophic by the Property Claim Service (PCS).

5. The Insurance Score used in rating the policy, including No Score, will apply for the entire policy term except in cases where corrections have been made for errors in the insured's credit history file with the national credit bureaus. A higher score obtained in this process will be applied back to the beginning of the current policy term.
6. A Neutral Insurance Score indicates that the insured's credit report has been influenced negatively by an extraordinary life circumstance such as divorce, death of a spouse or temporary loss of employment. In cases of divorce or death of a spouse, the named insured may use the existing score, their new score or have a Neutral Insurance Score applied, whichever is higher. Once the Neutral Insurance Score is applied to the policy, the Insurance Score will not be re-ordered annually, but will be periodically reviewed by Underwriting to determine if the exemption is still warranted. The Neutral Insurance Score will remain on the policy until the policyholder requests a new score be ordered or Underwriting determines that the exemption is no longer appropriate. All Insurance Scores other than a Neutral Insurance Score will be subject to the above renewal procedures.

Auto-Owners

**DWELLING FIRE
ADDITIONAL COVERAGES – PROPERTY**

Arkansas

EARTHQUAKE

The policy may be extended to cover the peril of earthquake or other earth movement excluding loss caused to any extent by flood or tidal wave. All earthquake shocks that occur within a 168 hour period are considered one earthquake occurrence.

The deductible applies separately to Coverage A – Dwelling, Coverage B – Other Structures and Coverage C – Personal Property.

Zone 2: Clay, Craighead, Crittenden, Cross, Greene, Mississippi, and Poinsett counties

Zone 3: Jackson, Lawrence, Lee, Monroe, Prairie, Randolph, Saint Francis, and Woodruff counties

Zone 4: Boone, Bradley, Calhoun, Clark, Cleveland, Dallas, Drew, Garland, Grant, Hot Spring, Johnson, Marion, Newton, Perry, Pope, Saline, Searcy, and Yell counties

Zone 4A: Arkansas, Cleburne, Desha, Fulton, Independence, Izard, Jefferson, Lincoln, Lonoke, Phillips, Sharp, and White counties

Zone 4B: Baxter, Conway, Faulkner, Pulaski, Stone, and Van Buren counties

Zone 5: Ashley, Benton, Carroll, Chicot, Columbia, Crawford, Franklin, Hempstead, Howard, Lafayette, Little River, Logan, Madison, Miller, Montgomery, Nevada, Ouachita, Pike, Polk, Scott, Sebastian, Sevier, Union, and Washington counties

For Earthquake rates and deductible discounts, please refer to {{AR DF Earthquake Rates}}.

Earthquake coverage is not available on Condominium and Contents-Only policies.

“Earthquake” appears on the policy Declarations and Form {{15065 (AR)}} is attached.

Auto-Owners	DWELLING FIRE ADDITIONAL COVERAGES – PROPERTY	Arkansas
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FIRE DEPARTMENT SERVICE CHARGE – Revised Limit

Basic and Special Form policies include \$500 coverage.

Additional limits are available with this endorsement to cover an insured's liability for service charges made by a fire department when called to protect covered property from a peril insured against.

Please see {{AR DF Fire Department Service Charge Rates}} for the applicable charge.

"Fire Department Service Charge Revised Limit" and the total amount of coverage appear on the policy Declarations and Form {{15009 (AR)}} is attached.

Auto-Owners	DWELLING FIRE ADDITIONAL COVERAGES – PROPERTY	Arkansas
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PERSONAL PROPERTY COVERAGE – PREMIER

Premier policies include an automatic \$3,000. Additional amounts available.

Rate per \$1,000: **\$3.29**.

State: Arkansas **Filing Company:** Auto-Owners Insurance Company
TOI/Sub-TOI: 01.0 Property/01.0002 Personal Property (Fire and Allied Lines)
Product Name: Arkansas Dwelling Fire
Project Name/Number: Arkansas Dwelling Fire Rate and Rule Change/DWF-AR-01-02/27/2015-01

Supporting Document Schedules

Satisfied - Item:	Form RF-1 NAIC Loss Cost Data Entry Document--All P&C Lines
Comments:	
Attachment(s):	FORM RF-1 Rate Filing Abstract.pdf
Item Status:	Filed
Status Date:	01/21/2015
Satisfied - Item:	HPCS-Homeowners Premium Comparison Survey
Comments:	
Attachment(s):	2014 HO Survey FORM HPCS.pdf 2014 HO Survey FORM HPCS.xlsx
Item Status:	Filed
Status Date:	01/21/2015
Satisfied - Item:	P&C Actuarial Justification
Comments:	
Attachment(s):	AR DF Rule Memorandum.pdf Actuarial Support.pdf AR DF Rate Memorandum.pdf
Item Status:	Filed
Status Date:	01/21/2015
Satisfied - Item:	Indication
Comments:	
Attachment(s):	AR DF Combined Indication.pdf
Item Status:	Filed
Status Date:	01/21/2015
Satisfied - Item:	Histogram
Comments:	
Attachment(s):	Histogram.pdf
Item Status:	Filed
Status Date:	01/21/2015
Satisfied - Item:	Rate/Rule Schedule Page Changes
Comments:	

SERFF Tracking #:

AOIC-129856417

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

DWF-AR-01-02/27/2015-01

State:

Arkansas

Filing Company:

Auto-Owners Insurance Company

TOI/Sub-TOI:

01.0 Property/01.0002 Personal Property (Fire and Allied Lines)

Product Name:

Arkansas Dwelling Fire

Project Name/Number:

Arkansas Dwelling Fire Rate and Rule Change/DWF-AR-01-02/27/2015-01

Attachment(s):	AR Dwelling Fire Page Changes - Rules.pdf AR Dwelling Fire Page Changes - Rates.pdf
Item Status:	Filed
Status Date:	01/21/2015
Satisfied - Item:	Objection Response
Comments:	
Attachment(s):	AOARZ054.pdf
Item Status:	Filed
Status Date:	01/21/2015

NAIC LOSS COST DATA ENTRY DOCUMENT

1. This filing transmittal is part of Company Tracking #	DWF-AR-01-02/27/2015-01
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2. If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number	N/A
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Company Name	Company NAIC Number
3. A. Auto-Owners Insurance Company	B. 280-18988

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. 01.0 Property	B. 01.0002 Personal Property (Fire and Allied Lines)

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	FOR LOSS COSTS ONLY				
			(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
Property	9.9%	3.8%					
Liability	-73.5%	-5.2%					
TOTAL OVERALL EFFECT		3.4%					

Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
2013	2,181	7.3%	01/28/14	2,386.2	1,184.9	49.7%	45.2%
2012	2,176	0.3%	12/17/12	2,099.2	1,279.7	61.0%	59.5%
2012	2,176	10.0%	11/15/12	2,099.2	1,279.7	61.0%	59.5%
2011	2,191	15.0%	11/15/11	1,777.4	2,499.8	140.6%	100.0%
2010	1,777	9.8%	04/20/10	1,264.1	1,056.4	83.6%	73.1%
2009	1,338	4.6%	04/20/09	852.6	1,182.6	138.7%	84.9%

Expense Constants	Selected Provisions
A. Total Production Expense	22.4
B. General Expense	1.8
C. Taxes, License & Fees	3.2
D. Underwriting Profit & Contingencies	8.1
E. Other (reinsurance)	0.1
F. TOTAL	35.6

8. N Apply Lost Cost Factors to Future filings? (Y or N)
9. 26.7 Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): Territory 2: Baxter, Boone, Carroll, Clark, Conway, Franklin, Howard, Johnson, Little River, Logan, Madison, Marion, Newton, Perry, Pike, Polk, Pope, Scott, Searcy, Sevier, Stone, Van Buren, Yell.
10. -20.5 Estimated Maximum Rate Decrease for any Insured (%). Territory (if applicable): Territory 2: Baxter, Boone, Carroll, Clark, Conway, Franklin, Howard, Johnson, Little River, Logan, Madison, Marion, Newton, Perry, Pike, Polk, Pope, Scott, Searcy, Sevier, Stone, Van Buren, Yell.

NAIC Number: 18988
 Company Name: Auto-Owners Insurance
 Contact Person: Tanner Kostelic
 Telephone No.: (517) 323-1201 ext 6179
 Email Address: kostelic.tanner@aoins.com
 Effective Date: 2/27/2015

**Homeowners Premium Comparison Survey Form
 FORM HPCS - last modified August, 2005**

Submit to: Arkansas Insurance Department
 1200 West Third Street
 Little Rock, AR 72201-1904
 Telephone: 501-371-2800
 Email as an attachment to insurance.pnc@arkansas.gov
 You may also attach to a SERFF filing or submit on a cdr disk

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

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

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

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

Public Protection Class	Property Value	Washington		Baxter		Craighead		St. Francis		Arkansas		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$5,000																		
	\$15,000																		
	\$25,000																		
6	\$5,000																		
	\$15,000																		
	\$25,000																		
9	\$5,000																		
	\$15,000																		
	\$25,000																		

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

Public Protection Class	Dwelling Value	Washington		Baxter		Craighead		St. Francis		Arkansas		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$80,000	\$881.00	\$959.00	\$928.00	\$1,009.00	\$1,067.00	\$1,161.00	\$1,067.00	\$1,161.00	\$937.00	\$1,019.00	\$1,067.00	\$1,161.00	\$1,067.00	\$1,161.00	\$881.00	\$959.00	\$1,002.00	\$1,089.00
	\$120,000	\$1,190.00	\$1,294.00	\$1,253.00	\$1,362.00	\$1,441.00	\$1,567.00	\$1,441.00	\$1,567.00	\$1,265.00	\$1,375.00	\$1,441.00	\$1,567.00	\$1,441.00	\$1,567.00	\$1,190.00	\$1,294.00	\$1,353.00	\$1,470.00
	\$160,000	\$1,513.00	\$1,646.00	\$1,594.00	\$1,731.00	\$1,832.00	\$1,992.00	\$1,832.00	\$1,992.00	\$1,609.00	\$1,748.00	\$1,832.00	\$1,992.00	\$1,832.00	\$1,992.00	\$1,513.00	\$1,646.00	\$1,720.00	\$1,869.00
6	\$80,000	\$881.00	\$959.00	\$928.00	\$1,009.00	\$1,067.00	\$1,161.00	\$1,067.00	\$1,161.00	\$937.00	\$1,019.00	\$1,067.00	\$1,161.00	\$1,067.00	\$1,161.00	\$881.00	\$959.00	\$1,002.00	\$1,089.00
	\$120,000	\$1,190.00	\$1,294.00	\$1,253.00	\$1,362.00	\$1,441.00	\$1,567.00	\$1,441.00	\$1,567.00	\$1,265.00	\$1,375.00	\$1,441.00	\$1,567.00	\$1,441.00	\$1,567.00	\$1,190.00	\$1,294.00	\$1,353.00	\$1,470.00
	\$160,000	\$1,513.00	\$1,646.00	\$1,594.00	\$1,731.00	\$1,832.00	\$1,992.00	\$1,832.00	\$1,992.00	\$1,609.00	\$1,748.00	\$1,832.00	\$1,992.00	\$1,832.00	\$1,992.00	\$1,513.00	\$1,646.00	\$1,720.00	\$1,869.00
9	\$80,000	\$1,237.00	\$1,345.00	\$1,302.00	\$1,415.00	\$1,497.00	\$1,628.00	\$1,497.00	\$1,628.00	\$1,315.00	\$1,429.00	\$1,497.00	\$1,628.00	\$1,497.00	\$1,628.00	\$1,237.00	\$1,345.00	\$1,406.00	\$1,529.00
	\$120,000	\$1,670.00	\$1,815.00	\$1,757.00	\$1,911.00	\$2,022.00	\$2,197.00	\$2,022.00	\$2,197.00	\$1,776.00	\$1,929.00	\$2,022.00	\$2,197.00	\$2,022.00	\$2,197.00	\$1,670.00	\$1,815.00	\$1,899.00	\$2,064.00
	\$160,000	\$2,123.00	\$2,308.00	\$2,234.00	\$2,429.00	\$2,570.00	\$2,794.00	\$2,570.00	\$2,794.00	\$2,258.00	\$2,453.00	\$2,570.00	\$2,794.00	\$2,570.00	\$2,794.00	\$2,123.00	\$2,308.00	\$2,414.00	\$2,624.00

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

HO3 and HO4 only

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

EARTHQUAKE INSURANCE

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

ARE YOU CURRENTLY WRITING EARTHQUAKE COVERAGE IN ARKANSAS?	Yes	(yes or no)
WHAT IS YOUR PERCENTAGE DEDUCTIBLE?	5, 10, 15	%

Zone Brick Frame

			%	WHAT IS YOUR PRICE PER \$1,000 OF COVERAGE?	Highest Risk	\$	2.88	\$	2.04
	Maximum Credit Allowed		%		Lowest Risk	\$	0.5	\$	0.39

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Arkansas Dwelling Fire
Rule Memorandum

Eligibility

Page Name	Page #	Explanation of Change
Eligibility	AOURZ321	Revised the Minimum Amounts of Insurance section.

General Rules

Page Name	Page #	Explanation of Change
Protection Class Determination	AOURZ322	Implemented Section II.
Coverage Form Descriptions	AOURZ323	Editorial changes.
Definitions	AOURZ324	Editorial changes.
Mandatory Coverages, Forms and Endorsements	AOURZ325	Updated with applicable forms.

Liability [Additional] Coverages

Page Name	Page #	Explanation of Change
Landlord Liability	AOURZ326	Revised to include information for liability being extended to additional locations. Removed rates.
Personal Liability	AOURZ327	Revised to include information for liability being extended to additional locations. Removed rates.

Premium Adjustments

Page Name	Page #	Explanation of Change
Cosmetic Damage Exclusion	AOURZ328	Introduced Cosmetic Damage Exclusion.
Age of Construction Rating	AOURZ329	Changed the name from Age of Construction Discount/Surcharge to Age of Construction Rating.
Payment History	AOURZ330	Introduced Payment History Rating.
Deductibles	AOURZ331	Indicated which forms will be applied to specify the application of the deductible.
Claim Free Discount	AOURZ332	Revised to specify what losses will be used for determination of the discount.
Maximum Discount	AOURZ333	Editorial changes.
Experience Rating	AOURZ339	Revised to specify what losses will be used for determination of the discount.
Insurance Score	AOURZ340	Revised to specify what losses will not be used for determination of the Insurance Score.

Property [Additional] Coverages

Page Name	Page #	Explanation of Change
Earthquake	AOURZ338	Revised to remove deductible and zone information.
Fire Department Service Charges - Revised Limit	AOURZ334	Revised to specify the applicable form and remove rates.
Personal Property Coverage	AOURZ344	Modify contents base rates 10.2% for an overall 3.4%.

Obsolete Documents

Page Name	Page #	Explanation of Change
Year of Construction Surcharge		

Actuarial Support
Arkansas Dwelling Fire
Protection Class Relativities

Construction/Protection Class		Present	Proposed PC Curve	Construction Factor	Proposed Combined	GLM Target	% Chg	Rebased Proposed
Frame	1	1.120	1.087	1.000	1.087	1.036	-2.9%	1.000
	2	1.120	1.087		1.087	1.036	-2.9%	1.000
	3	1.120	1.120		1.120	1.067	0.0%	1.030
	4	1.120	1.120		1.120	1.067	0.0%	1.030
	5	1.120	1.120		1.120	1.067	0.0%	1.030
	6	1.120	1.120		1.120	1.067	0.0%	1.030
	7	1.200	1.141		1.141	1.077	-4.9%	1.050
	8	1.270	1.180		1.180	1.077	-7.1%	1.086
	8B	1.790	1.571		1.571	1.239	-12.2%	1.445
	9	1.790	1.571		1.571	1.239	-12.2%	1.445
10	2.030	1.739	1.739	1.363	-14.3%	1.600		
Masonry	1	1.000	1.087	0.920	1.000	1.000	0.0%	1.000
	2	1.000	1.087		1.000	1.000	0.0%	1.000
	3	1.000	1.120		1.030	1.030	3.0%	1.030
	4	1.000	1.120		1.030	1.030	3.0%	1.030
	5	1.000	1.120		1.030	1.030	3.0%	1.030
	6	1.000	1.120		1.030	1.030	3.0%	1.030
	7	1.050	1.141		1.050	1.040	0.0%	1.050
	8	1.120	1.180		1.086	1.040	-3.1%	1.086
	8B	1.490	1.571		1.445	1.196	-3.0%	1.445
	9	1.490	1.571		1.445	1.196	-3.0%	1.445
10	1.760	1.739	1.600	1.316	-9.1%	1.600		
Modular	1	1.240	1.087	1.167	1.269	1.269	2.3%	1.000
	2	1.240	1.087		1.269	1.269	2.3%	1.000
	3	1.240	1.120		1.307	1.308	5.4%	1.030
	4	1.240	1.120		1.307	1.308	5.4%	1.030
	5	1.240	1.120		1.307	1.308	5.4%	1.030
	6	1.240	1.120		1.307	1.308	5.4%	1.030
	7	1.340	1.141		1.332	1.320	-0.6%	1.050
	8	1.410	1.180		1.377	1.320	-2.3%	1.086
	8B	1.990	1.571		1.833	1.518	-7.9%	1.445
	9	1.990	1.571		1.833	1.518	-7.9%	1.445
10	2.250	1.739	2.029	1.670	-9.8%	1.600		
Cement Fiber	1	1.060	1.087	0.920	1.000	1.000	-5.7%	1.000
	2	1.060	1.087		1.000	1.000	-5.7%	1.000
	3	1.060	1.120		1.030	1.030	-2.8%	1.030
	4	1.060	1.120		1.030	1.030	-2.8%	1.030
	5	1.060	1.120		1.030	1.030	-2.8%	1.030
	6	1.060	1.120		1.030	1.030	-2.8%	1.030
	7	1.140	1.141		1.050	1.040	-7.9%	1.050
	8	1.210	1.180		1.086	1.040	-10.3%	1.086
	8B	1.700	1.571		1.445	1.196	-15.0%	1.445
	9	1.700	1.571		1.445	1.196	-15.0%	1.445
10	1.930	1.739	1.600	1.316	-17.1%	1.600		

Actuarial Support
Arkansas Dwelling Fire
Age of Construction Relativities

Age of Dwelling	Present	HO GLM Target	Proposed	% Change
0	0.790	0.717	0.766	-3.0%
1	0.800	0.735	0.776	-3.0%
2	0.820	0.754	0.795	-3.0%
3	0.830	0.772	0.805	-3.0%
4	0.850	0.792	0.825	-2.9%
5	0.860	0.812	0.834	-3.0%
6	0.880	0.832	0.854	-3.0%
7	0.900	0.853	0.873	-3.0%
8	0.920	0.874	0.892	-3.0%
9	0.930	0.896	0.902	-3.0%
10	0.940	0.918	0.918	-2.3%
11	0.950	0.941	0.941	-0.9%
12	0.960	0.965	0.965	0.5%
13	0.970	0.987	0.987	1.8%
14	0.980	1.006	1.000	2.0%
15	1.000	1.022	1.010	1.0%
16	1.000	1.036	1.020	2.0%
17	1.000	1.047	1.030	3.0%
18	1.000	1.056	1.030	3.0%
19	1.000	1.063	1.030	3.0%
20	1.000	1.067	1.030	3.0%
21	1.000	1.070	1.030	3.0%
22	1.000	1.071	1.030	3.0%
23	1.000	1.071	1.030	3.0%
24	1.000	1.069	1.030	3.0%
25	1.000	1.067	1.030	3.0%
26	1.010	1.063	1.030	2.0%
27	1.010	1.058	1.030	2.0%
28	1.010	1.053	1.030	2.0%

Age of Dwelling	Present	HO GLM Target	Proposed	% Change
29	1.010	1.048	1.030	2.0%
30	1.010	1.042	1.030	2.0%
31	1.010	1.036	1.030	2.0%
32	1.010	1.030	1.030	2.0%
33	1.010	1.023	1.023	1.3%
34	1.010	1.017	1.017	0.7%
35	1.010	1.011	1.011	0.1%
36	1.010	1.006	1.006	-0.4%
37	1.010	1.000	1.000	-1.0%
38	1.010	0.996	1.000	-1.0%
39	1.010	0.991	1.000	-1.0%
40	1.010	0.987	1.000	-1.0%
41	1.010	0.987	1.000	-1.0%
42	1.010	0.987	1.000	-1.0%
43	1.010	0.987	1.000	-1.0%
44	1.010	0.987	1.000	-1.0%
45	1.010	0.987	1.000	-1.0%
46	1.020	0.987	1.000	-2.0%
47	1.020	0.987	1.000	-2.0%
48	1.020	0.986	1.000	-2.0%
49	1.020	0.986	1.000	-2.0%
50	1.020	0.986	1.000	-2.0%
51	1.020	0.986	1.000	-2.0%
52	1.020	0.986	1.000	-2.0%
53	1.020	0.986	1.000	-2.0%
54	1.020	0.986	1.000	-2.0%
55	1.020	0.986	1.000	-2.0%
56+	1.030	0.986	1.000	-2.9%

Actuarial Support
Arkansas Dwelling Fire
Claim Free, Experience Rating, and Paid Loss Surcharge Relativities

Claim Free Discount / Experience Rating					
	Prior Claim Size	Present	GLM Target	Proposed	% Chg
Claim Free		0.95	0.89	0.90	-5.3%
1 Weather or Catastrophic > \$500	>\$500	0.98	1.00	1.00	2.0%
1 Non Catastrophic Non-Weather Claim > \$500	>\$500 and ≤\$1,500	0.98	1.00	1.00	2.0%
	>\$1,500 and ≤\$3,000	0.98	1.03	1.03	5.1%
	>\$3,000 and ≤\$10,000	0.98	1.04	1.04	6.1%
	>\$10,000	0.98	1.05	1.05	7.1%
2 or more Non-Weather Claims not subject to Paid Loss Surcharge		1.00	1.05	1.05	5.0%

Paid Loss Surcharge		Non-Weather	Present	GLM Target	Proposed	% Change
Continuously insured for 3+ years with an Auto-Owners Group and sum of all paid claims exceeds \$2,500	Multi-Policy and 65 or over	2	1.40	1.57	1.57	12.1%
		4 or more	2.15	2.25	2.25	4.7%
	If Not Both	2	1.49	1.57	1.57	5.4%
Continuously insured for less than 3 years with an Auto-Owners Group and sum of all paid claims exceeds \$1,000	Multi-Policy and 65 or over	2	1.49	1.57	1.57	5.4%
	If Not Both	2	1.50	1.57	1.57	4.7%

Actuarial Support
Arkansas Dwelling Fire
Insurance Score Relativities

Custom Insurance Score		Policyholder Age												GLM Target
		0 to 24		25 to 29		30 to 34		35 to 39		40 to 44		45 to 49		
		Proposed	% Chg	Proposed	% Chg	Proposed	% Chg	Proposed	% Chg	Proposed	% Chg	Proposed	% Chg	
1-557	1	2.350	9.3%	2.350	8.6%	2.350	7.9%	2.350	7.3%	2.350	5.9%	2.350	3.9%	2.690
558-570	2	2.238	9.3%	2.238	8.6%	2.238	8.0%	2.238	7.3%	2.238	6.0%	2.238	4.0%	2.612
571-582	3	2.129	9.2%	2.129	8.6%	2.129	7.9%	2.129	7.1%	2.129	5.9%	2.129	3.9%	2.537
583-595	4	2.028	9.3%	2.028	8.7%	2.028	8.0%	2.028	7.2%	2.028	5.9%	2.028	3.9%	2.456
596-607	5	1.930	9.3%	1.930	8.5%	1.930	7.9%	1.930	7.2%	1.930	5.9%	1.930	3.9%	2.388
608-620	6	1.822	8.3%	1.822	7.7%	1.822	7.0%	1.822	6.3%	1.822	5.0%	1.856	5.0%	2.347
621-632	7	1.709	8.0%	1.709	7.5%	1.709	6.9%	1.709	6.2%	1.709	5.0%	1.742	5.0%	2.232
633-642	8	1.603	7.7%	1.603	7.2%	1.603	6.7%	1.603	6.2%	1.603	5.0%	1.634	5.0%	2.186
643-648	9	1.504	7.5%	1.504	7.1%	1.504	6.7%	1.504	6.2%	1.504	5.0%	1.532	5.0%	2.125
649-654	10	1.410	7.1%	1.410	6.8%	1.410	6.5%	1.410	6.2%	1.410	5.0%	1.436	5.0%	2.083
655-661	11	1.325	5.8%	1.325	5.6%	1.325	5.3%	1.325	5.0%	1.339	5.0%	1.364	5.0%	2.009
662-667	12	1.258	5.5%	1.258	5.4%	1.258	5.2%	1.258	5.0%	1.271	5.0%	1.295	5.0%	1.960
668-673	13	1.195	5.3%	1.195	5.2%	1.195	5.1%	1.195	5.0%	1.206	5.0%	1.230	5.0%	1.903
674-683	14	1.135	5.0%	1.135	5.0%	1.135	5.0%	1.135	5.0%	1.146	5.0%	1.168	5.0%	1.854
684-696	15	1.130	5.0%	1.130	5.0%	1.130	5.0%	1.130	5.0%	1.138	5.0%	1.157	5.0%	1.732
697-705	16	1.125	5.0%	1.125	5.0%	1.125	5.0%	1.125	5.0%	1.131	5.0%	1.147	5.0%	1.651
706-712	17	1.119	5.0%	1.119	5.0%	1.119	5.0%	1.119	5.0%	1.125	5.0%	1.136	5.0%	1.581
713-719	18	1.114	5.0%	1.114	5.0%	1.114	5.0%	1.114	5.0%	1.117	5.0%	1.125	5.0%	1.527
720-726	19	1.109	5.0%	1.109	5.0%	1.109	5.0%	1.109	5.0%	1.111	5.0%	1.114	5.0%	1.473
727-735	20	1.104	5.0%	1.104	5.0%	1.104	5.0%	1.104	5.0%	1.104	5.0%	1.104	5.0%	1.413
736-741	21	1.085	5.0%	1.085	5.0%	1.085	5.0%	1.085	5.0%	1.085	5.0%	1.085	5.0%	1.337
742-746	22	1.066	5.0%	1.066	5.0%	1.066	5.0%	1.066	5.0%	1.066	5.0%	1.066	5.0%	1.292
747-751	23	1.047	5.0%	1.047	5.0%	1.047	5.0%	1.047	5.0%	1.047	5.0%	1.048	5.0%	1.256
752-756	24	1.029	5.0%	1.029	5.0%	1.029	5.0%	1.029	5.0%	1.029	5.0%	1.030	5.0%	1.220
757-760	25	1.011	5.0%	1.011	5.0%	1.011	5.0%	1.011	5.0%	1.011	5.0%	1.013	5.0%	1.195
761-764	26	0.993	5.0%	0.993	5.0%	0.993	5.0%	0.993	5.0%	0.993	5.0%	0.994	5.0%	1.174
765-768	27	0.977	5.1%	0.977	5.1%	0.977	5.1%	0.977	5.1%	0.977	5.1%	0.978	5.0%	1.151
769-771	28	0.960	5.0%	0.960	5.0%	0.960	5.0%	0.960	5.0%	0.960	5.0%	0.962	5.0%	1.130
772-774	29	0.943	5.0%	0.943	5.0%	0.943	5.0%	0.943	5.0%	0.943	5.0%	0.943	4.8%	1.115
775-777	30	0.925	5.0%	0.925	5.0%	0.930	5.0%	0.931	5.0%	0.931	5.0%	0.933	4.9%	1.090
778-781	31	0.906	5.0%	0.907	5.0%	0.916	5.0%	0.921	5.0%	0.921	5.0%	0.924	5.0%	1.065
782-785	32	0.888	5.0%	0.890	5.0%	0.903	5.0%	0.909	5.0%	0.909	5.0%	0.912	4.9%	1.045
786-789	33	0.872	5.1%	0.875	5.0%	0.890	5.0%	0.899	5.0%	0.899	5.0%	0.902	5.0%	1.024
790-792	34	0.854	5.0%	0.858	5.0%	0.878	5.0%	0.888	5.0%	0.888	5.0%	0.891	4.9%	1.006
793-796	35	0.837	5.0%	0.841	5.0%	0.865	5.0%	0.878	5.0%	0.878	5.0%	0.881	5.0%	0.988
797-800	36	0.821	5.0%	0.826	5.0%	0.853	5.0%	0.867	5.0%	0.867	5.0%	0.872	5.1%	0.969
801-804	37	0.803	5.0%	0.810	5.1%	0.841	5.0%	0.856	5.0%	0.856	5.0%	0.860	5.0%	0.952
805-810	38	0.789	5.1%	0.795	5.0%	0.830	5.1%	0.845	5.0%	0.845	5.0%	0.849	4.9%	0.931
811-818	39	0.773	5.0%	0.780	5.0%	0.817	5.0%	0.836	5.0%	0.836	5.0%	0.840	5.0%	0.904
819-828	40	0.757	5.0%	0.765	4.9%	0.805	5.0%	0.825	5.0%	0.825	5.0%	0.830	5.1%	0.870
829-839	41	0.742	5.0%	0.751	5.0%	0.794	5.0%	0.816	5.0%	0.816	5.0%	0.821	5.0%	0.835
840-850	42	0.728	5.1%	0.737	5.0%	0.783	5.0%	0.801	4.4%	0.801	4.4%	0.801	3.8%	0.801
851-862	43	0.714	5.0%	0.723	4.9%	0.771	5.0%	0.772	1.8%	0.772	1.8%	0.772	1.2%	0.772
863-875	44	0.699	5.0%	0.709	5.0%	0.742	2.5%	0.742	-0.9%	0.742	-0.9%	0.742	-1.7%	0.742
876-891	45	0.686	5.1%	0.696	5.0%	0.712	-0.3%	0.712	-3.8%	0.712	-3.8%	0.712	-4.4%	0.712
892-912	46	0.675	4.8%	0.675	3.4%	0.675	-4.1%	0.694	-4.9%	0.694	-4.9%	0.698	-5.0%	0.675
913-936	47	0.635	0.0%	0.635	-1.6%	0.659	-5.0%	0.683	-5.0%	0.683	-5.0%	0.688	-5.0%	0.611
937-960	48	0.626	0.0%	0.626	-1.4%	0.651	-5.0%	0.674	-4.9%	0.674	-4.9%	0.678	-5.0%	0.593
961-984	49	0.617	0.0%	0.617	-1.6%	0.641	-5.0%	0.664	-5.0%	0.664	-5.0%	0.669	-5.0%	0.576
985-997	50	0.608	0.0%	0.608	-1.6%	0.632	-5.0%	0.655	-4.9%	0.655	-4.9%	0.659	-5.0%	0.559
No Hit		26	-0.4%	26	-0.4%	26	-0.4%	26	-0.4%	26	-0.4%	26	-0.4%	
No Score		26	-0.4%	26	-0.4%	26	-0.4%	26	-0.4%	26	-0.4%	26	-0.4%	
Not Scored		1.000	0.0%	1.000	0.0%	1.000	0.0%	1.000	0.0%	1.000	0.0%	1.000	0.0%	
Neutral		0.906	5.0%	0.907	5.0%	0.916	5.0%	0.921	5.0%	0.921	5.0%	0.924	5.0%	

Actuarial Support
Arkansas Dwelling Fire
Insurance Score Relativities

Custom Insurance Score		Policyholder Age														GLM Target
		50 to 54		55 to 59		60 to 64		65 to 69		70 to 74		75-79		80 +		
		Proposed	% Chg	Proposed	% Chg	Proposed	% Chg	Proposed	% Chg	Proposed	% Chg	Proposed	% Chg	Proposed	% Chg	
1-557	1	2.350	2.7%	2.350	1.5%	2.350	0.3%	2.350	0.0%	2.350	0.0%	2.350	0.0%	2.350	0.0%	2.690
558-570	2	2.238	2.8%	2.238	1.5%	2.238	0.4%	2.238	0.0%	2.238	0.0%	2.238	0.0%	2.238	0.0%	2.612
571-582	3	2.129	2.7%	2.129	1.4%	2.129	0.3%	2.129	0.0%	2.129	0.0%	2.129	0.0%	2.129	0.0%	2.537
583-595	4	2.028	2.7%	2.028	1.5%	2.028	0.3%	2.028	0.0%	2.028	0.0%	2.028	0.0%	2.028	0.0%	2.456
596-607	5	1.930	2.7%	1.930	1.5%	1.930	0.3%	1.930	0.0%	1.930	0.0%	1.930	0.0%	1.930	0.0%	2.388
608-620	6	1.856	3.7%	1.856	2.5%	1.856	1.3%	1.856	1.0%	1.856	1.0%	1.856	1.0%	1.856	1.0%	2.347
621-632	7	1.764	5.0%	1.768	3.8%	1.768	2.3%	1.768	1.8%	1.768	1.7%	1.768	1.3%	1.768	1.0%	2.232
633-642	8	1.656	5.0%	1.666	4.0%	1.666	2.2%	1.666	1.6%	1.666	1.3%	1.666	0.5%	1.666	0.0%	2.186
643-648	9	1.554	5.0%	1.581	5.0%	1.586	3.2%	1.586	2.5%	1.586	2.0%	1.586	0.8%	1.586	0.0%	2.125
649-654	10	1.458	5.0%	1.487	5.0%	1.509	4.1%	1.509	3.3%	1.509	2.7%	1.509	1.1%	1.509	0.0%	2.083
655-661	11	1.386	5.0%	1.415	5.0%	1.452	5.0%	1.455	4.2%	1.455	3.4%	1.455	1.4%	1.455	0.0%	2.009
662-667	12	1.316	5.0%	1.347	5.0%	1.387	5.0%	1.402	5.0%	1.402	4.0%	1.402	1.7%	1.402	0.0%	1.960
668-673	13	1.251	5.0%	1.283	5.0%	1.324	5.0%	1.340	5.0%	1.351	4.7%	1.351	2.0%	1.351	0.0%	1.903
674-683	14	1.189	5.0%	1.221	5.0%	1.264	5.0%	1.281	5.0%	1.297	5.0%	1.303	2.3%	1.303	0.0%	1.854
684-696	15	1.176	5.0%	1.202	5.0%	1.239	5.0%	1.257	5.0%	1.275	5.0%	1.278	2.2%	1.278	0.0%	1.732
697-705	16	1.162	5.0%	1.184	5.0%	1.213	5.0%	1.233	5.0%	1.252	4.8%	1.252	2.0%	1.252	0.0%	1.651
706-712	17	1.150	5.0%	1.166	5.0%	1.188	5.0%	1.211	5.0%	1.228	4.6%	1.228	2.0%	1.228	0.0%	1.581
713-719	18	1.138	5.0%	1.148	5.0%	1.161	5.0%	1.188	5.0%	1.203	4.2%	1.203	1.9%	1.203	0.0%	1.527
720-726	19	1.125	5.0%	1.131	5.0%	1.137	5.0%	1.166	5.0%	1.180	3.9%	1.180	1.8%	1.180	0.0%	1.473
727-735	20	1.113	5.0%	1.113	5.0%	1.113	5.0%	1.142	5.0%	1.156	3.5%	1.156	1.7%	1.156	0.0%	1.413
736-741	21	1.093	5.0%	1.094	5.0%	1.094	5.0%	1.122	5.0%	1.130	3.2%	1.130	1.5%	1.130	0.0%	1.337
742-746	22	1.073	5.0%	1.077	5.0%	1.077	5.0%	1.104	5.0%	1.104	2.7%	1.104	1.3%	1.104	0.0%	1.292
747-751	23	1.054	5.0%	1.058	5.0%	1.058	5.0%	1.080	4.5%	1.080	2.4%	1.080	1.2%	1.080	0.0%	1.256
752-756	24	1.035	5.0%	1.042	5.0%	1.042	5.0%	1.055	3.9%	1.055	1.9%	1.055	1.0%	1.055	0.0%	1.220
757-760	25	1.017	5.0%	1.025	5.0%	1.025	5.0%	1.031	3.3%	1.031	1.6%	1.031	0.8%	1.031	0.0%	1.195
761-764	26	0.998	5.1%	1.007	5.0%	1.007	5.0%	1.007	2.7%	1.007	1.0%	1.007	0.4%	1.007	0.0%	1.174
765-768	27	0.980	5.0%	0.985	4.5%	0.985	4.5%	0.985	2.3%	0.985	0.8%	0.985	0.4%	0.985	0.0%	1.151
769-771	28	0.963	5.0%	0.963	3.7%	0.963	3.7%	0.963	1.6%	0.963	0.3%	0.963	0.2%	0.963	0.0%	1.130
772-774	29	0.943	4.8%	0.943	3.3%	0.943	3.3%	0.943	1.3%	0.943	0.2%	0.943	0.2%	0.943	0.2%	1.115
775-777	30	0.937	5.0%	0.938	3.4%	0.938	3.3%	0.938	1.4%	0.938	0.2%	0.938	0.2%	0.938	0.0%	1.090
778-781	31	0.927	5.0%	0.935	3.8%	0.935	3.5%	0.935	1.7%	0.935	0.4%	0.935	0.3%	0.935	0.0%	1.065
782-785	32	0.919	5.0%	0.931	4.3%	0.931	3.8%	0.931	2.0%	0.931	0.6%	0.931	0.4%	0.931	0.0%	1.045
786-789	33	0.910	5.0%	0.928	4.6%	0.928	4.0%	0.928	2.1%	0.928	0.9%	0.928	0.5%	0.928	0.0%	1.024
790-792	34	0.902	5.0%	0.925	5.0%	0.925	4.3%	0.925	2.4%	0.925	1.1%	0.925	0.7%	0.925	0.0%	1.006
793-796	35	0.894	5.1%	0.918	5.0%	0.922	4.5%	0.922	2.8%	0.922	1.3%	0.922	0.9%	0.922	0.0%	0.988
797-800	36	0.885	5.0%	0.911	5.0%	0.919	4.8%	0.919	3.0%	0.919	1.5%	0.919	1.0%	0.919	0.0%	0.969
801-804	37	0.877	5.0%	0.905	5.0%	0.916	5.0%	0.917	3.5%	0.917	1.8%	0.917	1.2%	0.917	0.0%	0.952
805-810	38	0.868	5.0%	0.899	5.0%	0.910	5.0%	0.914	3.9%	0.914	2.0%	0.914	1.3%	0.914	0.0%	0.931
811-818	39	0.861	5.0%	0.891	4.9%	0.904	4.9%	0.904	3.3%	0.904	1.5%	0.904	0.7%	0.904	-0.7%	0.904
819-828	40	0.853	5.0%	0.870	3.2%	0.870	1.5%	0.870	0.1%	0.870	-1.8%	0.870	-2.6%	0.870	-4.1%	0.870
829-839	41	0.835	3.9%	0.835	-0.2%	0.835	-2.0%	0.835	-3.5%	0.837	-5.0%	0.845	-4.9%	0.859	-5.0%	0.835
840-850	42	0.801	0.5%	0.801	-3.6%	0.805	-5.0%	0.816	-5.0%	0.832	-5.0%	0.841	-5.0%	0.856	-5.0%	0.801
851-862	43	0.772	-2.2%	0.785	-5.0%	0.801	-5.0%	0.811	-5.0%	0.828	-5.0%	0.836	-5.0%	0.853	-5.0%	0.772
863-875	44	0.742	-5.0%	0.778	-5.0%	0.796	-5.0%	0.806	-5.0%	0.824	-5.0%	0.832	-5.0%	0.850	-5.0%	0.742
876-891	45	0.735	-5.0%	0.772	-5.0%	0.791	-5.0%	0.801	-5.0%	0.819	-5.0%	0.828	-5.0%	0.847	-5.0%	0.712
892-912	46	0.725	-5.0%	0.762	-5.0%	0.781	-5.0%	0.790	-5.0%	0.807	-4.9%	0.816	-5.0%	0.835	-5.0%	0.675
913-936	47	0.715	-5.0%	0.751	-4.9%	0.769	-4.9%	0.778	-5.0%	0.796	-5.0%	0.806	-5.0%	0.824	-5.0%	0.611
937-960	48	0.704	-5.0%	0.740	-5.0%	0.758	-5.0%	0.768	-5.0%	0.784	-5.0%	0.793	-5.0%	0.812	-5.0%	0.593
961-984	49	0.694	-5.1%	0.730	-4.9%	0.747	-5.0%	0.756	-5.0%	0.773	-5.0%	0.783	-5.0%	0.800	-5.0%	0.576
985-997	50	0.684	-5.0%	0.718	-5.0%	0.736	-5.0%	0.746	-5.0%	0.762	-5.0%	0.770	-5.1%	0.789	-4.9%	0.559
No Hit		26	1.2%	27	-0.7%	27	-0.7%	27	-1.3%	27	-1.2%	27	0.4%	27	0.0%	
No Score		26	1.2%	27	-0.7%	27	-0.7%	27	-1.3%	27	-1.2%	27	0.4%	27	0.0%	
Not Scored		1.000	0.0%	1.000	0.0%	1.000	0.0%	1.000	0.0%	1.000	0.0%	1.000	0.0%	1.000	0.0%	
Neutral		0.927	5.0%	0.935	3.8%	0.935	3.5%	0.935	1.7%	0.935	0.4%	0.935	0.3%	0.935	0.0%	

3 Year Homeowners Non-Cat Loss Ratio
Ending 06/2014

	Arkansas	Companywide
Tiers 1-20	64%	72%
Tiers 21-25	86%	69%
Tiers 26-30	133%	67%
Tiers 31-35	92%	57%
Tiers 36-40	48%	53%
Tiers 41-50	65%	52%
Total	73%	55%

Pursuant to ACA 23-67-409, we have provided the 3-year Homeowners loss experience. We currently do not have 5 years of experience available.

Actuarial Support
Arkansas Dwelling Fire
Payment History

Number of Non-Pay Cancellation Notices	Relativity	Home GLM Target
0-1	0.980	0.893
2	1.000	1.000
3	1.010	1.071
4+	1.020	1.244

Arkansas Dwelling Fire Rate Memorandum

These proposed changes result in an overall 3.4% change with support of a 6.5% Indicated Change. Please see the AR Dwelling Fire Indications in the supporting documentation tab. We have revised the following:

Base Premium Determination

Page Name	Page #	Explanation of Change
Base Rates	AOARZ055	Modify building and contents base rates 10.2% for an overall 3.4%
Construction Type Relativities	AOARZ071	Introduce relativities. Please refer to page 1 of "Actuarial Support" in the supporting documentation tab.
Protection Class Relativities	AOARZ056	Remove construction type variation and modify relativities. Please refer to page 1 of "Actuarial Support" in the supporting documentation tab.
Rating Procedure	AOARZ057	Modify page for introduction of Construction Type relativities, addition of Cosmetic Damage Exclusion and Payment History. Make additional editorial changes.
Territory Descriptions	AOARZ058	Move Arkansas County from Territory 8 to Territory 5 for marketing reasons.
Territory Relativities	AOARZ059	Modify Territory relativities. Increase the relativity for Territory 5 from 1.00 to 1.01. The 5 year actual loss ratio for Territory 5 ending 06/2014 is 102% compared to 86% for the state. Decrease the relativity for Territory 6 from 1.10 to 1.08. The 5 year actual loss ratio for Territory 6 for the period ending 06/2014 is 72% compared to 86% for the state.

Liability Additional Coverages

Page Name	Page #	Explanation of Change
Landlord Liability Rates	AOARZ069	Remove the rates from the rule page. The rates are not changing.
Personal Liability Rates	AOARZ070	Remove the rates from the rule page. The rates are not changing.

Premium Adjustments

Page Name	Page #	Explanation of Change
Age of Construction Relativities	AOARZ060	Modify relativities. Please refer to page 2 of "Actuarial Support" in the supporting documentation tab.
Claim Free Relativities	AOARZ061	Modify relativities. One claim less than \$500 will be forgiven and remain Claim Free. Please refer to page 3 of "Actuarial Support" in the supporting documentation tab.
Cosmetic Damage Exclusion Relativities	AOARZ062	Introduce an optional Cosmetic Damage Exclusion relativity. This is an optional coverage exclusion we are implementing on a companywide basis. This coverage exclusion is a loss elimination technique to reduce loss exposures. The exclusion will be evaluated and modified as experience data deems appropriate.
Experience Rating Relativities	AOARZ063	Modify Experience Rating to vary by claim amount. Please refer to page 3 of "Actuarial Support" in the supporting documentation tab.
Insurance Score Rating Tiers	AOARZ064	Modify relativities to move towards removing the age deviation in insurance score tiers. Our companywide analysis shows there should not be a distinction between ages in regards to insurance score. Please see pages 4-6 of "Actuarial Support" in the supporting documentation tab.
Insurance Score Tier Movement Table	AOARZ065	Modify the Insurance Score Tier Movement table to move more policies toward their actual insurance score.
Maximum Discount Rates	AOARZ072	Remove the rate from the rule page. The rate is not changing.
Paid Loss Surcharge Relativities	AOARZ066	Modify relativities. Please refer to page 3 of "Actuarial Support" in the supporting documentation tab.
Payment History Rating Relativities	AOARZ067	Introduce Payment History relativities. Please refer to page 6 of "Actuarial Support" in the supporting documentation tab.
Roof Relativities	AOARZ068	Modify relativities. The 5 year actual loss ratio for buildings with a 15+ year old roof is 138% compared to the combined building of 84%.

Property Additional Coverages

Page Name	Page #	Explanation of Change
Fire Department Service Charges Rates	AOARZ073	Remove the rates from the rule page. The rates are not changing.

Auto-Owners Insurance

Dwelling Fire

Arkansas

Determination of Rate Level Indications

Period ending 6/2014

Coverage	1 Year Current Level Earned Premium	Projected Loss Ratio	Permissible Loss Ratio	Indicated Rate Level Change
Property	2,441,944	70.8%	64.4%	9.9%
Liability	103,799	17.2%	64.9%	-73.5%
Total	2,545,743	68.6%	64.4%	6.5%

Losses have been projected to 4/4/2016.

Total DF ULAE factors are being applied to losses.

The Loss Trend data is based upon Auto-Owners Insurance Group and Fast Track experience.

Auto-Owners Insurance

Dwelling Fire

Arkansas

Property

Determination of Rate Level Indications for Accident Year Data

	<u>Jun-10</u>	<u>Jun-11</u>	<u>Jun-12</u>	<u>Jun-13</u>	<u>Jun-14</u>
(1) Current Level Trended Premiums	1,475,544	1,944,614	2,422,665	2,428,712	2,441,944
(2) Trended Incurred Losses and ALAE	1,221,093	1,281,854	2,251,939	1,231,323	1,739,620
(3) Projected Loss Ratio (2)/(1)	82.8%	65.9%	93.0%	50.7%	71.2%
(4) Weights	10.0%	15.0%	20.0%	25.0%	30.0%
(5) Weighted Projected Loss Ratio					70.8%
(6) Net Projected Loss Ratio					70.8%
(7) Permissible Loss Ratio					64.4%
(8) Indicated Rate Level Change (6)/(7)					9.9%

Past Rate Changes

<u>New Business</u>	<u>Renewal Business</u>	<u>Percent Change</u>
01/28/2014	03/05/2014	8.0 %
12/17/2012	01/22/2013	0.3 %
11/15/2012	12/21/2012	10.0 %
11/15/2011	12/21/2011	15.0 %
04/20/2010	05/26/2010	9.8 %
02/15/2010	03/23/2010	0.0 %
04/20/2009	05/26/2009	4.6 %
11/15/2007	12/21/2007	1.8 %

Auto-Owners Insurance

Dwelling Fire
Arkansas

Calculation of Premium Trend Factors

	Experience Period	Property	
		Developed	Selected
(1) Current Premium Trend Factor	2010	1.003	1.003
<i>Latest Avg. Written Premium ÷</i>	2011	0.984	0.984
<i>Historic Avg. Earned Premium at</i>	2012	0.992	0.992
<i>current level</i>	2013	0.962	0.962
	2014	0.963	0.963
(2) Calculated Proj Premium Trend		-0.11%	-0.11%
(3) Trend Start Date	2010	7/1/2009	
	2011	7/1/2010	
	2012	7/1/2011	
	2013	7/1/2012	
	2014	7/1/2013	
(4) Trend End Date	2010	10/3/2015	
<i>6 months past renewal date of</i>	2011	10/3/2015	
<i>4/4/2015</i>	2012	10/3/2015	
	2013	10/3/2015	
	2014	10/3/2015	
(6) Years of Trend Extension Proj	2010	1.755	
<i># of Years between the Premium</i>	2011	1.755	
<i>Trends midpoint and (4)</i>	2012	1.755	
<i>1/1/2014</i>	2013	1.755	
	2014	1.755	
(7) Premium Trend Factor	2010	1.002	
<i>(1)*[1+(2)]^(6)</i>	2011	0.982	
	2012	0.990	
	2013	0.960	
	2014	0.961	

Auto-Owners Insurance

Dwelling Fire
Arkansas

Calculation of Current Level Trended Premiums

Part	Year	Earned Premiums	Current Level Factor	Premium Trend Factor	Current Level Trended Premiums
		(1)	(2)	(3)	(4)
Property	2010	\$961,419	1.5324	1.002	\$1,475,544
	2011	\$1,391,400	1.4232	0.982	\$1,944,614
	2012	\$1,822,150	1.3434	0.990	\$2,422,665
	2013	\$2,119,399	1.1931	0.960	\$2,428,712
	2014	\$2,335,866	1.0873	0.961	\$2,441,944

Notes

- (1) Actual Earned Premiums
- (2) Per Parallelogram Method
- (3) See Calculation of Premium Trend Factor
- (4) (1) * (2) * (3)

Auto-Owners Insurance

Dwelling Fire

Arkansas

Property

Ultimate Losses

Property

Experience Period	Losses Less Large and Cats	Cat Losses Smoothed	Large Less Large Cats Smoothed	Final Ultimate Loss	ULAE Acc Year	Final Ultimate Loss With Factor
2010	872,274	213,104	39,025	1,124,403	1.0891	1,224,587
2011	809,049	308,411	56,478	1,173,938	1.0891	1,278,536
2012	1,573,294	403,890	73,963	2,051,147	1.0891	2,233,904
2013	559,634	469,776	86,028	1,115,438	1.0891	1,214,824
2014	954,762	517,757	94,815	1,567,334	1.0891	1,706,983

Arkansas
Dwelling Fire
Auto-Owners Insurance Group
Property
Period Ending 6/2014
All Reviewable Coverages
Loss Development Exhibit

12/23/2014

LOSSES - Losses Less Large and Cats : Incurred

Accident Year	12	24	36	48	60	72	84	96	108	120
7/1/04 - 6/30/05										
7/1/05 - 6/30/06	19,094	9,094	9,094	9,094	9,094	9,094	9,094	9,094	9,094	9,094
7/1/06 - 6/30/07	24,443	24,768	24,768	24,768	24,768	24,768	24,768	24,768	24,768	
7/1/07 - 6/30/08	249,394	237,480	237,480	237,480	237,480	237,480	237,480	237,480		
7/1/08 - 6/30/09	470,735	675,967	682,168	682,168	682,168	682,168				
7/1/09 - 6/30/10	846,552	866,346	867,305	872,274	872,274					
7/1/10 - 6/30/11	785,020	805,303	809,049	809,049						
7/1/11 - 6/30/12	1,598,814	1,571,937	1,571,937							
7/1/12 - 6/30/13	484,361	560,103								
7/1/13 - 6/30/14	848,656									

RATIOS - Standard Method

Accident Year	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
7/1/04 - 6/30/05									
7/1/05 - 6/30/06	0.4763	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
7/1/06 - 6/30/07	1.0133	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000		
7/1/07 - 6/30/08	0.9522	1.0000	1.0000	1.0000	1.0000	1.0000			
7/1/08 - 6/30/09	1.4360	1.0092	1.0000	1.0000	1.0000				
7/1/09 - 6/30/10	1.0234	1.0011	1.0057	1.0000					
7/1/10 - 6/30/11	1.0258	1.0047	1.0000						
7/1/11 - 6/30/12	0.9832	1.0000							
7/1/12 - 6/30/13	1.1564								

AVERAGE RATIOS - Standard Method

Average Type	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
1 Year Average	1.1564	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
2 Year Average	1.0698	1.0023	1.0028	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
3 Year Average	1.0551	1.0019	1.0019	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
4 Year Average	1.0472	1.0038	1.0014	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
5 Year Average	1.1250	1.0030	1.0011	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
6 Year Average	1.0962	1.0025	1.0010	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
7 Year Average	1.0843	1.0021	1.0010	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
8 Year Average	1.0083	1.0021	1.0010	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
9 Year Average	1.0083	1.0021	1.0010	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Middle 3 of 5	1.0685	1.0019	1.0000	1.0000	1.0000	1.0000	1.0000		
Middle 5 of 7	1.0404	1.0012	1.0000	1.0000	1.0000	1.0000	1.0000		
3 Year Volume Weighted	1.0241	1.0015	1.0021	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
5 Year Volume Weighted	1.0703	1.0026	1.0019	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
7 Year Volume Weighted	1.0634	1.0026	1.0019	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
9 Year Volume Weighted	1.0609	1.0026	1.0019	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

SELECTED AND CUSTOM RATIOS - Standard Method

Accident Year	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
Selected Custom	< 1.0135	< 0.9955	< 0.9991	< 0.9996	< 1.0000	< 1.0000	< 1.0000	< 1.0000	< 1.0000
Cumulative	1.0076	0.9942	0.9987	0.9996	1.0000	1.0000	1.0000	1.0000	1.0000
Ratio to Ultimate	0.9924	1.0058	1.0013	1.0004	1.0000	1.0000	1.0000	1.0000	1.0000

Arkansas
Dwelling Fire
Auto-Owners Insurance Group
Property
Period Ending 6/2014
All Reviewable Coverages
Loss Development Exhibit

12/23/2014

LOSSES - Losses Less Large and Cats : Incurred

Accident Year	12	24	36	48	60	72	84	96	108	120
7/1/04 - 6/30/05										
7/1/05 - 6/30/06	19,094	9,094	9,094	9,094	9,094	9,094	9,094	9,094	9,094	9,094
7/1/06 - 6/30/07	24,443	24,768	24,768	24,768	24,768	24,768	24,768	24,768	24,768	
7/1/07 - 6/30/08	249,394	237,480	237,480	237,480	237,480	237,480	237,480	237,480		
7/1/08 - 6/30/09	470,735	675,967	682,168	682,168	682,168	682,168				
7/1/09 - 6/30/10	846,552	866,346	867,305	872,274	872,274					
7/1/10 - 6/30/11	785,020	805,303	809,049	809,049						
7/1/11 - 6/30/12	1,598,814	1,571,937	1,571,937							
7/1/12 - 6/30/13	484,361	560,103								
7/1/13 - 6/30/14	848,656									

RATIOS - Percent Premium Method

Accident Year	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
7/1/04 - 6/30/05									
7/1/05 - 6/30/06	-0.1937	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
7/1/06 - 6/30/07	0.0016	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000		
7/1/07 - 6/30/08	-0.0298	0.0000	0.0000	0.0000	0.0000	0.0000			
7/1/08 - 6/30/09	0.3209	0.0097	0.0000	0.0000	0.0000				
7/1/09 - 6/30/10	0.0206	0.0010	0.0052	0.0000					
7/1/10 - 6/30/11	0.0146	0.0027	0.0000						
7/1/11 - 6/30/12	-0.0147	0.0000							
7/1/12 - 6/30/13	0.0357								

AVERAGE RATIOS - Percent Premium Method

Average Type	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
1 Year Average	0.0357	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
2 Year Average	0.0105	0.0014	0.0026	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
3 Year Average	0.0119	0.0012	0.0017	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
4 Year Average	0.0141	0.0034	0.0013	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
5 Year Average	0.0754	0.0027	0.0010	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
6 Year Average	0.0579	0.0022	0.0009	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
7 Year Average	0.0498	0.0019	0.0009	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
8 Year Average	0.0194	0.0019	0.0009	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
9 Year Average	0.0194	0.0019	0.0009	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Middle 3 of 5	0.0236	0.0012	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Middle 5 of 7	0.0116	0.0007	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
3 Year Volume Weighted	0.0018	0.0009	0.0019	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
5 Year Volume Weighted	0.0415	0.0023	0.0017	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
7 Year Volume Weighted	0.0373	0.0023	0.0017	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
9 Year Volume Weighted	0.0363	0.0023	0.0017	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

SELECTED AND CUSTOM RATIOS - Percent Premium Method

Accident Year	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
Selected Custom	< 0.0063	< -0.0028	< -0.0007	< -0.0006	< 0.0000	< 0.0000	< 0.0000	< 0.0000	< 0.0000
Cumulative	0.0022	-0.0041	-0.0013	-0.0006	0.0000	0.0000	0.0000	0.0000	0.0000

Arkansas
Dwelling Fire
Auto-Owners Insurance Group
Property
Period Ending 6/2014
All Reviewable Coverages
Loss Development Exhibit

12/23/2014

LOSSES - Losses Less Large and Cats : Paid

Accident Year	12	24	36	48	60	72	84	96	108	120
7/1/04 - 6/30/05										
7/1/05 - 6/30/06	9,094	9,094	9,094	9,094	9,094	9,094	9,094	9,094	9,094	9,094
7/1/06 - 6/30/07	22,868	24,768	24,768	24,768	24,768	24,768	24,768	24,768	24,768	
7/1/07 - 6/30/08	213,076	237,480	237,480	237,480	237,480	237,480	237,480	237,480		
7/1/08 - 6/30/09	446,793	672,030	682,168	682,168	682,168	682,168				
7/1/09 - 6/30/10	647,373	866,346	867,305	872,274	872,274					
7/1/10 - 6/30/11	662,816	803,556	809,049	809,049						
7/1/11 - 6/30/12	1,283,895	1,571,937	1,571,937							
7/1/12 - 6/30/13	442,849	551,190								
7/1/13 - 6/30/14	781,373									

RATIOS - Standard Method

Accident Year	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
7/1/04 - 6/30/05									
7/1/05 - 6/30/06	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
7/1/06 - 6/30/07	1.0831	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000		
7/1/07 - 6/30/08	1.1145	1.0000	1.0000	1.0000	1.0000	1.0000			
7/1/08 - 6/30/09	1.5041	1.0151	1.0000	1.0000	1.0000				
7/1/09 - 6/30/10	1.3382	1.0011	1.0057	1.0000					
7/1/10 - 6/30/11	1.2123	1.0068	1.0000						
7/1/11 - 6/30/12	1.2244	1.0000							
7/1/12 - 6/30/13	1.2446								

AVERAGE RATIOS - Standard Method

Average Type	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
1 Year Average	1.2446	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
2 Year Average	1.2345	1.0034	1.0028	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
3 Year Average	1.2271	1.0026	1.0019	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
4 Year Average	1.2549	1.0058	1.0014	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
5 Year Average	1.3047	1.0046	1.0011	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
6 Year Average	1.2730	1.0038	1.0010	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
7 Year Average	1.2459	1.0033	1.0010	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
8 Year Average	1.2152	1.0033	1.0010	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
9 Year Average	1.2152	1.0033	1.0010	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Middle 3 of 5	1.2691	1.0026	1.0000	1.0000	1.0000	1.0000	1.0000		
Middle 5 of 7	1.2268	1.0016	1.0000	1.0000	1.0000	1.0000	1.0000		
3 Year Volume Weighted	1.2248	1.0020	1.0021	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
5 Year Volume Weighted	1.2817	1.0040	1.0019	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
7 Year Volume Weighted	1.2709	1.0040	1.0019	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
9 Year Volume Weighted	1.2702	1.0040	1.0019	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

SELECTED AND CUSTOM RATIOS - Standard Method

Accident Year	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
Selected Custom	< 1.2837	< 1.0111	< 1.0029	< 1.0009	< 1.0000	< 1.0000	< 1.0000	< 1.0000	< 1.0000
Cumulative	1.3029	1.0149	1.0038	1.0009	1.0000	1.0000	1.0000	1.0000	1.0000
Ratio to Ultimate	0.7675	0.9853	0.9962	0.9991	1.0000	1.0000	1.0000	1.0000	1.0000

Arkansas
Dwelling Fire
Auto-Owners Insurance Group
Property
Period Ending 6/2014
All Reviewable Coverages
Loss Development Exhibit

12/23/2014

LOSSES - Losses Less Large and Cats : Paid

Accident Year	12	24	36	48	60	72	84	96	108	120
7/1/04 - 6/30/05										
7/1/05 - 6/30/06	9,094	9,094	9,094	9,094	9,094	9,094	9,094	9,094	9,094	9,094
7/1/06 - 6/30/07	22,868	24,768	24,768	24,768	24,768	24,768	24,768	24,768	24,768	
7/1/07 - 6/30/08	213,076	237,480	237,480	237,480	237,480	237,480	237,480	237,480		
7/1/08 - 6/30/09	446,793	672,030	682,168	682,168	682,168	682,168				
7/1/09 - 6/30/10	647,373	866,346	867,305	872,274	872,274					
7/1/10 - 6/30/11	662,816	803,556	809,049	809,049						
7/1/11 - 6/30/12	1,283,895	1,571,937	1,571,937							
7/1/12 - 6/30/13	442,849	551,190								
7/1/13 - 6/30/14	781,373									

RATIOS - Percent Premium Method

Accident Year	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
7/1/04 - 6/30/05									
7/1/05 - 6/30/06	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
7/1/06 - 6/30/07	0.0091	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000		
7/1/07 - 6/30/08	0.0610	0.0000	0.0000	0.0000	0.0000	0.0000			
7/1/08 - 6/30/09	0.3521	0.0158	0.0000	0.0000	0.0000				
7/1/09 - 6/30/10	0.2278	0.0010	0.0052	0.0000					
7/1/10 - 6/30/11	0.1011	0.0039	0.0000						
7/1/11 - 6/30/12	0.1581	0.0000							
7/1/12 - 6/30/13	0.0511								

AVERAGE RATIOS - Percent Premium Method

Average Type	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
1 Year Average	0.0511	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
2 Year Average	0.1046	0.0020	0.0026	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
3 Year Average	0.1034	0.0016	0.0017	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
4 Year Average	0.1345	0.0052	0.0013	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
5 Year Average	0.1780	0.0041	0.0010	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
6 Year Average	0.1585	0.0035	0.0009	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
7 Year Average	0.1372	0.0030	0.0009	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
8 Year Average	0.1200	0.0030	0.0009	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
9 Year Average	0.1200	0.0030	0.0009	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Middle 3 of 5	0.1623	0.0016	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Middle 5 of 7	0.1198	0.0010	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
3 Year Volume Weighted	0.1225	0.0012	0.0019	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
5 Year Volume Weighted	0.1715	0.0035	0.0017	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
7 Year Volume Weighted	0.1642	0.0035	0.0017	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
9 Year Volume Weighted	0.1638	0.0035	0.0017	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

SELECTED AND CUSTOM RATIOS - Percent Premium Method

Accident Year	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
Selected Custom	< 0.1089	< 0.0058	< 0.0017	< 0.0005	< 0.0000	< 0.0000	< 0.0000	< 0.0000	< 0.0000
Cumulative	0.1169	0.0080	0.0022	0.0005	0.0000	0.0000	0.0000	0.0000	0.0000

Arkansas
Dwelling Fire
Auto-Owners Insurance Group
Property
Period Ending 6/2014
All Reviewable Coverages
Loss Development Exhibit

12/23/2014

LOSSES - Large Less Large Cats : Incurred

Accident Year	12	24	36	48	60	72	84	96	108	120
7/1/04 - 6/30/05										
7/1/05 - 6/30/06	0	0	0	0	0	0	0	0	0	0
7/1/06 - 6/30/07	0	0	0	0	0	0	0	0		
7/1/07 - 6/30/08	0	0	0	0	0	0	0			
7/1/08 - 6/30/09	37,144	37,144	37,144	37,144	37,144	37,144				
7/1/09 - 6/30/10	0	0	0	0	0					
7/1/10 - 6/30/11	28,903	28,903	28,903	28,903						
7/1/11 - 6/30/12	155,438	173,056	173,206							
7/1/12 - 6/30/13	171,191	171,191								
7/1/13 - 6/30/14	0									

RATIOS - Standard Method

Accident Year	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
7/1/04 - 6/30/05									
7/1/05 - 6/30/06									
7/1/06 - 6/30/07									
7/1/07 - 6/30/08									
7/1/08 - 6/30/09	1.0000	1.0000	1.0000	1.0000	1.0000				
7/1/09 - 6/30/10									
7/1/10 - 6/30/11	1.0000	1.0000	1.0000						
7/1/11 - 6/30/12	1.1133	1.0009							
7/1/12 - 6/30/13	1.0000								

AVERAGE RATIOS - Standard Method

Average Type	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
1 Year Average	1.0000	1.0009	1.0000		1.0000				
2 Year Average	1.0566	1.0004	1.0000	1.0000	1.0000				
3 Year Average	1.0378	1.0004	1.0000	1.0000	1.0000				
4 Year Average	1.0378	1.0003	1.0000	1.0000	1.0000				
5 Year Average	1.0283	1.0003	1.0000	1.0000	1.0000				
6 Year Average	1.0283	1.0003	1.0000	1.0000	1.0000				
7 Year Average	1.0283	1.0003	1.0000	1.0000	1.0000				
8 Year Average	1.0283	1.0003	1.0000	1.0000	1.0000				
9 Year Average	1.0283	1.0003	1.0000	1.0000	1.0000				
Middle 3 of 5	1.0000	1.0000	1.0000						
Middle 5 of 7	1.0000	1.0000	1.0000						
3 Year Volume Weighted	1.0495	1.0008	1.0000	1.0000	1.0000				
5 Year Volume Weighted	1.0448	1.0007	1.0000	1.0000	1.0000				
7 Year Volume Weighted	1.0448	1.0007	1.0000	1.0000	1.0000				
9 Year Volume Weighted	1.0448	1.0007	1.0000	1.0000	1.0000				

SELECTED AND CUSTOM RATIOS - Standard Method

Accident Year	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th	
Selected Custom	< 0.9895	< 0.9507	< 1.0086	< 0.9990	< 0.9961	< 1.0000	< 1.0000	< 1.0000	< 1.0000	< 1.0000
Cumulative	0.9442	0.9542	1.0037	0.9951	0.9961	1.0000	1.0000	1.0000	1.0000	1.0000
Ratio to Ultimate	1.0591	1.0480	0.9964	1.0049	1.0039	1.0000	1.0000	1.0000	1.0000	1.0000

Arkansas
 Dwelling Fire
 Auto-Owners Insurance Group
 Property
 Period Ending 6/2014
 All Reviewable Coverages
 Loss Development Exhibit

12/23/2014

LOSSES - Cat Losses : Incurred

Accident Year	12	24	36	48	60	72	84	96	108	120
7/1/04 - 6/30/05										
7/1/05 - 6/30/06	0	0	0	0	0	0	0	0	0	0
7/1/06 - 6/30/07	16,112	48,454	48,454	48,454	48,454	48,454	48,454	48,454	48,454	
7/1/07 - 6/30/08	186,347	200,090	201,034	201,034	201,034	201,034	201,034			
7/1/08 - 6/30/09	393,139	413,797	414,687	414,687	414,687	414,687				
7/1/09 - 6/30/10	37,950	46,545	50,377	50,377	50,377					
7/1/10 - 6/30/11	883,808	999,817	1,010,411	1,010,811						
7/1/11 - 6/30/12	0	0	0							
7/1/12 - 6/30/13	47,624	45,847								
7/1/13 - 6/30/14	368,689									

RATIOS - Standard Method

Accident Year	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
7/1/04 - 6/30/05									
7/1/05 - 6/30/06									
7/1/06 - 6/30/07	3.0072	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000		
7/1/07 - 6/30/08	1.0738	1.0047	1.0000	1.0000	1.0000	1.0000			
7/1/08 - 6/30/09	1.0525	1.0021	1.0000	1.0000	1.0000				
7/1/09 - 6/30/10	1.2265	1.0823	1.0000	1.0000					
7/1/10 - 6/30/11	1.1313	1.0106	1.0004						
7/1/11 - 6/30/12									
7/1/12 - 6/30/13	0.9627								

AVERAGE RATIOS - Standard Method

Average Type	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
1 Year Average	0.9627		1.0004	1.0000	1.0000	1.0000	1.0000		
2 Year Average	0.9627	1.0106	1.0002	1.0000	1.0000	1.0000	1.0000		
3 Year Average	1.0470	1.0465	1.0001	1.0000	1.0000	1.0000	1.0000		
4 Year Average	1.1068	1.0317	1.0001	1.0000	1.0000	1.0000	1.0000		
5 Year Average	1.0932	1.0249	1.0001	1.0000	1.0000	1.0000	1.0000		
6 Year Average	1.0894	1.0199	1.0001	1.0000	1.0000	1.0000	1.0000		
7 Year Average	1.4090	1.0199	1.0001	1.0000	1.0000	1.0000	1.0000		
8 Year Average	1.4090	1.0199	1.0001	1.0000	1.0000	1.0000	1.0000		
9 Year Average	1.4090	1.0199	1.0001	1.0000	1.0000	1.0000	1.0000		
Middle 3 of 5	1.0488	1.0058	1.0000	1.0000	1.0000	1.0000			
Middle 5 of 7	1.0894	1.0044	1.0000	1.0000	1.0000	1.0000			
3 Year Volume Weighted	1.1227	1.0138	1.0003	1.0000	1.0000	1.0000	1.0000		
5 Year Volume Weighted	1.1053	1.0098	1.0002	1.0000	1.0000	1.0000	1.0000		
7 Year Volume Weighted	1.1211	1.0095	1.0002	1.0000	1.0000	1.0000	1.0000		
9 Year Volume Weighted	1.1211	1.0095	1.0002	1.0000	1.0000	1.0000	1.0000		

SELECTED AND CUSTOM RATIOS - Standard Method

Accident Year	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
Selected Custom	< 1.1673	< 0.9968	< 1.0008	< 1.0005	< 1.0000	< 1.0000	< 1.0000	< 1.0000	< 1.0000
Cumulative	1.1651	0.9981	1.0013	1.0005	1.0000	1.0000	1.0000	1.0000	1.0000
Ratio to Ultimate	0.8583	1.0019	0.9987	0.9995	1.0000	1.0000	1.0000	1.0000	1.0000

Auto-Owners Insurance

Dwelling Fire
Arkansas

Calculation of Loss Trends Frequency

	Experience Period	Property	
		CL	Proj
(1) Calculated Loss Trend		-2.98%	-2.98%
(2) Selected Loss Trend		-2.00%	0.00%
(3) Trend Start Date	2010	1/1/2010	
	2011	1/1/2011	
	2012	1/1/2012	
	2013	1/1/2013	
	2014	1/1/2014	
(4) Trend End Date	2010	4/4/2016	
<i>12 months past renewal date of 4/4/2015</i>	2011	4/4/2016	
	2012	4/4/2016	
	2013	4/4/2016	
	2014	4/4/2016	
(5) Years of Trend Extension CL	2010	4.000	
<i># of Years between (3) and the midpoint of Loss Trends 1/1/2014</i>	2011	3.000	
	2012	2.000	
	2013	1.000	
	2014	0.000	
(6) Years of Trend Extension Proj	2010	2.258	
<i># of Years between (4) and the midpoint of Loss Trends 1/1/2014</i>	2011	2.258	
	2012	2.258	
	2013	2.258	
	2014	2.258	
(7) Loss Trend Factor	2010	0.922	
$((1+(2)_{CL})^{(5)}) * ((1+(2)_{Proj})^{(6)})$	2011	0.941	
	2012	0.960	
	2013	0.980	
	2014	1.000	

Auto-Owners Insurance

Dwelling Fire
Arkansas

Calculation of Loss Trends Average Paid

	Experience Period	Property	
		CL	Proj
(1) Calculated Loss Trend		1.49%	0.84%
(2) Selected Loss Trend		1.49%	0.84%
(3) Trend Start Date	2010	1/1/2010	
	2011	1/1/2011	
	2012	1/1/2012	
	2013	1/1/2013	
	2014	1/1/2014	
(4) Trend End Date	2010	4/4/2016	
<i>12 months past renewal date of 4/4/2015</i>	2011	4/4/2016	
	2012	4/4/2016	
	2013	4/4/2016	
	2014	4/4/2016	
(5) Years of Trend Extension CL	2010	4.000	
<i># of Years between (3) and the midpoint of Loss Trends 1/1/2014</i>	2011	3.000	
	2012	2.000	
	2013	1.000	
	2014	0.000	
(6) Years of Trend Extension Proj	2010	2.258	
<i># of Years between (4) and the midpoint of Loss Trends 1/1/2014</i>	2011	2.258	
	2012	2.258	
	2013	2.258	
	2014	2.258	
(7) Loss Trend Factor	2010	1.081	
$((1+(2)_{CL})^{(5)}) * ((1+(2)_{Proj})^{(6)})$	2011	1.065	
	2012	1.050	
	2013	1.034	
	2014	1.019	

Arkansas
Loss Trends Exhibit
Auto-Owners Insurance Group
Dwelling Fire - Property

LOSS TRENDS
REPORT

Actuarial
12/23/2014

All Reviewable Coverages

Qtr/Yr	Statewide						Fast Track Data Ending 03/2014					
	Written Units	Paid Count	Paid Amount	Freq	Average Paid	Pure Premium	Written Units	Paid Count	Paid Amount	Freq	Average Paid	Pure Premium
09/2009	2,035	62	642,280	30.47	10,359.36	315.66						
12/2009	2,285	83	778,663	36.32	9,381.49	340.71	334,848	23,605	189,443,671	70.49	8,025.57	565.76
03/2010	2,544	84	895,910	33.02	10,665.60	352.14	334,451	23,839	192,207,121	71.28	8,062.72	574.69
06/2010	2,724	100	872,611	36.72	8,726.11	320.40	331,901	23,612	197,132,210	71.14	8,348.81	593.95
09/2010	2,863	114	995,367	39.82	8,731.29	347.70	326,935	21,421	178,114,304	65.52	8,314.94	544.80
12/2010	3,050	105	772,137	34.43	7,353.69	253.20	321,583	20,712	172,768,387	64.41	8,341.46	537.24
03/2011	3,229	106	870,362	32.83	8,210.96	269.55	315,792	20,275	176,574,964	64.20	8,709.00	559.15
06/2011	3,484	99	920,831	28.42	9,301.32	264.31	313,188	21,643	176,208,388	69.11	8,141.59	562.63
09/2011	3,721	91	802,521	24.46	8,818.92	215.69	315,035	22,910	188,039,346	72.72	8,207.74	596.88
12/2011	3,831	117	1,036,236	30.54	8,856.71	270.49	317,351	22,587	192,111,437	71.17	8,505.40	605.36
03/2012	3,892	130	1,223,453	33.40	9,411.17	314.37	320,890	21,709	183,777,995	67.65	8,465.52	572.71
06/2012	3,878	133	1,529,488	34.30	11,499.91	394.44	323,133	19,377	170,947,527	59.97	8,822.19	529.03
09/2012	3,896	128	1,518,038	32.86	11,859.67	389.68	322,253	18,130	161,896,408	56.26	8,929.75	502.39
12/2012	3,887	106	1,534,717	27.27	14,478.46	394.79	321,222	18,101	157,739,119	56.35	8,714.39	491.06
03/2013	3,861	107	1,489,659	27.71	13,922.05	385.78	318,857	19,595	160,217,535	61.45	8,176.45	502.47
06/2013	3,903	107	981,706	27.42	9,174.82	251.55	316,527	19,542	160,084,264	61.74	8,191.81	505.75
09/2013	3,878	109	1,125,201	28.11	10,322.94	290.17	316,364	18,679	155,011,135	59.04	8,298.68	489.98
12/2013	3,858	106	1,040,245	27.48	9,813.63	269.65	315,609	18,131	149,003,931	57.45	8,218.19	472.12
03/2014	3,825	97	802,878	25.36	8,277.09	209.92	316,025	17,198	157,128,234	54.42	9,136.42	497.20
06/2014	3,807	98	889,864	25.74	9,080.24	233.74						

Composition: 12 MTD LAE: ✓ Bad Faith: Cats: Refund Assessment: Large Losses: ✓

Auto-Owners Insurance

Dwelling Fire
Arkansas
Property

Development of the Permissible Loss Ratio

(1)	Commission and Brokerage Expense	15.8%
(2)	Other Acquisitions	6.6%
(3)	General Expenses	1.8%
(4)	Tax, License, and Fees	3.2%
(5)	Reinsurance Expense	0.1%
(6)	Total Expenses <i>(1)+(2)+(3)+(4)+(5)</i>	27.5%
(7)	Profit and Contingency	8.1%
(8)	Permissible Loss Ratio <i>1 - ((6) + (7))</i>	64.4%

**Expense Exhibit - Dwelling Fire
Auto-Owners Insurance Group
Arkansas**

All Reviewable Coverages - Property

<u>Loss Experience</u>	12 MTD Ending 6 / 2010		12 MTD Ending 6 / 2011		12 MTD Ending 6 / 2012		12 MTD Ending 6 / 2013		12 MTD Ending 6 / 2014	
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
Written Premium	1,181,230		1,666,048		1,962,297		2,258,385		2,396,237	
Earned Premium	961,419	100.0	1,391,400	100.0	1,822,150	100.0	2,119,399	100.0	2,335,866	100.0
Incurred Amount	1,075,425	111.9	1,666,863	119.8	1,778,227	97.6	689,288	32.5	1,258,551	53.9
Allocated LAE	88,129	9.2	111,730	8.0	107,399	5.9	-5,292	-0.2	52,417	2.2
Unallocated LAE	66,565	6.9	74,335	5.3	101,202	5.6	109,333	5.2	111,771	4.8
<u>Total Losses</u>	<u>1,230,120</u>	<u>128.0</u>	<u>1,852,929</u>	<u>133.1</u>	<u>1,986,828</u>	<u>109.1</u>	<u>793,328</u>	<u>37.5</u>	<u>1,422,740</u>	<u>60.9</u>

<u>Expenses Incurred</u>										
Commission and Brokerage *	194,900	16.5	252,811	15.2	281,549	14.3	365,068	16.2	399,131	16.7
Other Acquisitions (2)	130,891	13.6	164,910	11.9	228,520	12.5	299,670	14.1	365,117	15.6
General Expenses (2)	36,730	3.8	49,699	3.6	67,712	3.7	85,517	4.0	104,031	4.5
Tax, License, and Fees *	36,572	3.1	52,483	3.2	78,300	4.0	60,621	2.7	75,320	3.1
<u>Total Expenses</u>	<u>399,095</u>	<u>37.0</u>	<u>519,903</u>	<u>33.9</u>	<u>656,081</u>	<u>34.5</u>	<u>810,876</u>	<u>37.0</u>	<u>943,599</u>	<u>39.9</u>
Total Losses and Expenses	1,629,214	165.0	2,372,832	167.0	2,642,909	143.6	1,604,204	74.5	2,366,339	100.8

<u>Loss Experience</u>	3 Year Total		4 Year Total		5 Year Total	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
Written Premium	6,616,920		8,282,968		9,464,198	
Earned Premium	6,277,415	100.0	7,668,815	100.0	8,630,234	100.0
Incurred Amount	3,726,067	59.4	5,392,930	70.3	6,468,356	74.9
Allocated LAE	154,524	2.5	266,254	3.5	354,384	4.1
Unallocated LAE	322,305	5.1	396,641	5.2	463,206	5.4
<u>Total Losses</u>	<u>4,202,896</u>	<u>67.0</u>	<u>6,055,825</u>	<u>79.0</u>	<u>7,285,945</u>	<u>84.4</u>

<u>Expenses Incurred</u>						
Commission and Brokerage *	1,045,748	15.8	1,298,559	15.7	1,493,459	15.8
Other Acquisitions (2)	893,307	14.1	1,058,217	13.6	1,189,109	13.6
General Expenses (2)	257,260	4.1	306,959	4.0	343,689	3.9
Tax, License, and Fees *	214,241	3.2	266,724	3.2	303,296	3.2
<u>Reinsurance Expenses *</u>	<u>2,410,556</u>	<u>37.2</u>	<u>2,930,459</u>	<u>36.5</u>	<u>3,329,553</u>	<u>36.5</u>
Total Expenses	2,410,556	37.2	2,930,459	36.5	3,329,553	36.5
Total Losses and Expenses	6,613,452	104.2	8,986,284	115.5	10,615,499	120.9

* - Ratios Calculated to Written Premium (1)Uses Companywide Info (2)Uses AO Group Info # - Uses Combined Coverage Info

+ - FIGA Excluded @ - Guaranty Fund Expenses Excluded Earthquake Excluded

Auto-Owners Insurance

Dwelling Fire

Arkansas

Liability

Determination of Rate Level Indications for Accident Year Data

	<u>Jun-10</u>	<u>Jun-11</u>	<u>Jun-12</u>	<u>Jun-13</u>	<u>Jun-14</u>
(1) Current Level Trended Premiums	59,811	79,057	96,466	100,491	103,799
(2) Trended Incurred Losses and ALAE	0	10,873	17,559	4,721	35,698
(3) Projected Loss Ratio (2)/(1)	0.0%	13.8%	18.2%	4.7%	34.4%
(4) Weights	10.0%	15.0%	20.0%	25.0%	30.0%
(5) Weighted Projected Loss Ratio					17.2%
(6) Net Projected Loss Ratio					17.2%
(7) Permissible Loss Ratio					64.9%
(8) Indicated Rate Level Change (6)/(7)					-73.5%

Past Rate Changes

<u>New Business</u>	<u>Renewal Business</u>	<u>Percent Change</u>
01/28/2014	03/05/2014	-5.7 %
12/17/2012	01/22/2013	0.3 %
11/15/2012	12/21/2012	-4.1 %
02/15/2010	03/23/2010	0.0 %
11/15/2007	12/20/2007	10.0 %

Auto-Owners Insurance

Dwelling Fire
Arkansas

Calculation of Premium Trend Factors

	Experience Period	Liability	
		Developed	Selected
(1) Current Premium Trend Factor <i>Latest Avg. Written Premium ÷ Historic Avg. Earned Premium at current level</i>	2010	0.865	0.865
	2011	0.925	0.925
	2012	0.951	0.951
	2013	0.985	0.985
	2014	1.012	1.012
(2) Calculated Proj Premium Trend		-3.55%	-3.55%
(3) Trend Start Date	2010	7/1/2009	
	2011	7/1/2010	
	2012	7/1/2011	
	2013	7/1/2012	
	2014	7/1/2013	
(4) Trend End Date <i>6 months past renewal date of 4/4/2015</i>	2010	10/3/2015	
	2011	10/3/2015	
	2012	10/3/2015	
	2013	10/3/2015	
	2014	10/3/2015	
(6) Years of Trend Extension Proj <i># of Years between the Premium Trends midpoint and (4) 1/1/2014</i>	2010	1.755	
	2011	1.755	
	2012	1.755	
	2013	1.755	
	2014	1.755	
(7) Premium Trend Factor <i>(1)*[1+(2)]^(6)</i>	2010	0.812	
	2011	0.868	
	2012	0.893	
	2013	0.924	
	2014	0.949	

Auto-Owners Insurance

Dwelling Fire
Arkansas

Calculation of Current Level Trended Premiums

Part	Year	Earned Premiums	Current Level Factor	Premium Trend Factor	Current Level Trended Premiums
		(1)	(2)	(3)	(4)
Liability	2010	\$81,183	0.9071	0.812	\$59,811
	2011	\$100,445	0.9071	0.868	\$79,057
	2012	\$119,149	0.9071	0.893	\$96,466
	2013	\$119,255	0.9119	0.924	\$100,491
	2014	\$116,122	0.9416	0.949	\$103,799

Notes

- (1) Actual Earned Premiums
- (2) Per Parallelogram Method
- (3) See Calculation of Premium Trend Factor
- (4) (1) * (2) * (3)

Auto-Owners Insurance

Dwelling Fire

Arkansas

Liability

Ultimate Losses

Liability

Experience Period	All Losses	Final Ultimate Loss	ULAE Acc Year	Final Ultimate Loss With Factor
2010	0	0	1.0891	0
2011	9,584	9,584	1.0891	10,438
2012	15,604	15,604	1.0891	16,994
2013	4,230	4,230	1.0891	4,607
2014	32,244	32,244	1.0891	35,117

Arkansas
Dwelling Fire
Auto-Owners Insurance Group
Liability
Period Ending 6/2014
All Reviewable Coverages
Loss Development Exhibit

12/23/2014

LOSSES - All Losses : Incurred

Accident Year	12	24	36	48	60	72	84	96	108	120
7/1/04 - 6/30/05										
7/1/05 - 6/30/06										
7/1/06 - 6/30/07	3,500									
7/1/07 - 6/30/08	20,000									
7/1/08 - 6/30/09	4,162	6,237	4,162	4,162	4,162	4,162				
7/1/09 - 6/30/10										
7/1/10 - 6/30/11	10,000	9,584	9,584	9,584						
7/1/11 - 6/30/12	8,239	14,706	13,379							
7/1/12 - 6/30/13	4,360	1,964								
7/1/13 - 6/30/14	33,156									

RATIOS - Standard Method

Accident Year	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
7/1/04 - 6/30/05									
7/1/05 - 6/30/06									
7/1/06 - 6/30/07									
7/1/07 - 6/30/08									
7/1/08 - 6/30/09	1.4986	0.6673	1.0000	1.0000	1.0000				
7/1/09 - 6/30/10									
7/1/10 - 6/30/11	0.9584	1.0000	1.0000						
7/1/11 - 6/30/12	1.7848	0.9098							
7/1/12 - 6/30/13	0.4505								

AVERAGE RATIOS - Standard Method

Average Type	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
1 Year Average	0.4505	0.9098	1.0000		1.0000				
2 Year Average	1.1176	0.9549	1.0000	1.0000	1.0000				
3 Year Average	1.0646	0.9549	1.0000	1.0000	1.0000				
4 Year Average	1.0646	0.8590	1.0000	1.0000	1.0000				
5 Year Average	1.1731	0.8590	1.0000	1.0000	1.0000				
6 Year Average	1.1731	0.8590	1.0000	1.0000	1.0000				
7 Year Average	1.1731	0.8590	1.0000	1.0000	1.0000				
8 Year Average	1.1731	0.8590	1.0000	1.0000	1.0000				
9 Year Average	1.1731	0.8590	1.0000	1.0000	1.0000				
Middle 3 of 5	0.9692	0.7886	1.0000						
Middle 5 of 7	0.9692	0.7886	1.0000						
3 Year Volume Weighted	1.1617	0.9454	1.0000	1.0000	1.0000				
5 Year Volume Weighted	1.2141	0.8886	1.0000	1.0000	1.0000				
7 Year Volume Weighted	1.2141	0.8886	1.0000	1.0000	1.0000				
9 Year Volume Weighted	1.2141	0.8886	1.0000	1.0000	1.0000				

SELECTED AND CUSTOM RATIOS - Standard Method

Accident Year	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th	
Selected Custom	< 1.7658	< 1.1065	< 1.0017	< 0.9238	< 0.8920	< 0.9877	< 1.0050	< 1.0049	< 1.0022	< 1.0000
Cumulative	1.6123	0.9131	0.8252	0.8238	0.8917	0.9997	1.0121	1.0071	1.0022	1.0000
Ratio to Ultimate	0.6202	1.0952	1.2119	1.2139	1.1214	1.0003	0.9880	0.9929	0.9978	1.0000

Arkansas
Dwelling Fire
Auto-Owners Insurance Group
Liability
Period Ending 6/2014
All Reviewable Coverages
Loss Development Exhibit

12/23/2014

LOSSES - All Losses : Paid

Accident Year	12	24	36	48	60	72	84	96	108	120
7/1/04 - 6/30/05										
7/1/05 - 6/30/06										
7/1/06 - 6/30/07	0									
7/1/07 - 6/30/08	0									
7/1/08 - 6/30/09	4,162	4,162	4,162	4,162	4,162	4,162				
7/1/09 - 6/30/10										
7/1/10 - 6/30/11	0	9,584	9,584	9,584						
7/1/11 - 6/30/12	6,164	12,631	13,379							
7/1/12 - 6/30/13	1,388	1,964								
7/1/13 - 6/30/14	3,156									

RATIOS - Standard Method

Accident Year	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
7/1/04 - 6/30/05									
7/1/05 - 6/30/06									
7/1/06 - 6/30/07									
7/1/07 - 6/30/08									
7/1/08 - 6/30/09	1.0000	1.0000	1.0000	1.0000	1.0000				
7/1/09 - 6/30/10									
7/1/10 - 6/30/11	0.0000	1.0000	1.0000						
7/1/11 - 6/30/12	2.0490	1.0593							
7/1/12 - 6/30/13	1.4151								

AVERAGE RATIOS - Standard Method

Average Type	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th
1 Year Average	1.4151	1.0593	1.0000		1.0000				
2 Year Average	1.7320	1.0296	1.0000	1.0000	1.0000				
3 Year Average	1.1547	1.0296	1.0000	1.0000	1.0000				
4 Year Average	1.1547	1.0198	1.0000	1.0000	1.0000				
5 Year Average	1.1160	1.0198	1.0000	1.0000	1.0000				
6 Year Average	1.1160	1.0198	1.0000	1.0000	1.0000				
7 Year Average	1.1160	1.0198	1.0000	1.0000	1.0000				
8 Year Average	1.1160	1.0198	1.0000	1.0000	1.0000				
9 Year Average	1.1160	1.0198	1.0000	1.0000	1.0000				
Middle 3 of 5	0.8050	1.0000	1.0000						
Middle 5 of 7	0.8050	1.0000	1.0000						
3 Year Volume Weighted	1.9325	1.0337	1.0000	1.0000	1.0000				
5 Year Volume Weighted	1.6012	1.0284	1.0000	1.0000	1.0000				
7 Year Volume Weighted	1.6012	1.0284	1.0000	1.0000	1.0000				
9 Year Volume Weighted	1.6012	1.0284	1.0000	1.0000	1.0000				

SELECTED AND CUSTOM RATIOS - Standard Method

Accident Year	1st-2nd	2nd-3rd	3rd-4th	4th-5th	5th-6th	6th-7th	7th-8th	8th-9th	9th-10th	
Selected Custom	< 3.0139	< 1.6128	< 1.3756	< 1.1167	< 1.0505	< 1.0184	< 1.0188	< 1.0020	< 1.0023	< 1.0000
Cumulative	8.1735	2.7119	1.6815	1.2224	1.0946	1.0420	1.0232	1.0043	1.0023	1.0000
Ratio to Ultimate	0.1223	0.3687	0.5947	0.8181	0.9135	0.9597	0.9773	0.9957	0.9977	1.0000

Auto-Owners Insurance

Dwelling Fire
Arkansas

Calculation of Loss Trends Frequency

	Experience Period	Liability	
		CL	Proj
(1) Calculated Loss Trend		-1.29%	-0.04%
(2) Selected Loss Trend		-1.29%	0.00%
(3) Trend Start Date	2010	1/1/2010	
	2011	1/1/2011	
	2012	1/1/2012	
	2013	1/1/2013	
	2014	1/1/2014	
(4) Trend End Date	2010	4/4/2016	
<i>12 months past renewal date of 4/4/2015</i>	2011	4/4/2016	
	2012	4/4/2016	
	2013	4/4/2016	
	2014	4/4/2016	
(5) Years of Trend Extension CL	2010	4.000	
<i># of Years between (3) and the midpoint of Loss Trends 1/1/2014</i>	2011	3.000	
	2012	2.000	
	2013	1.000	
	2014	0.000	
(6) Years of Trend Extension Proj	2010	2.258	
<i># of Years between (4) and the midpoint of Loss Trends 1/1/2014</i>	2011	2.258	
	2012	2.258	
	2013	2.258	
	2014	2.258	
(7) Loss Trend Factor	2010	0.950	
$((1+(2)_{CL})^{(5)}) * ((1+(2)_{Proj})^{(6)})$	2011	0.962	
	2012	0.974	
	2013	0.987	
	2014	1.000	

Auto-Owners Insurance

Dwelling Fire
Arkansas

Calculation of Loss Trends Average Paid

	Experience Period	Liability	
		CL	Proj
(1) Calculated Loss Trend		2.13%	0.73%
(2) Selected Loss Trend		2.13%	0.73%
(3) Trend Start Date	2010	1/1/2010	
	2011	1/1/2011	
	2012	1/1/2012	
	2013	1/1/2013	
	2014	1/1/2014	
(4) Trend End Date	2010	4/4/2016	
<i>12 months past renewal date of 4/4/2015</i>	2011	4/4/2016	
	2012	4/4/2016	
	2013	4/4/2016	
	2014	4/4/2016	
(5) Years of Trend Extension CL	2010	4.000	
<i># of Years between (3) and the midpoint of Loss Trends 1/1/2014</i>	2011	3.000	
	2012	2.000	
	2013	1.000	
	2014	0.000	
(6) Years of Trend Extension Proj	2010	2.258	
<i># of Years between (4) and the midpoint of Loss Trends 1/1/2014</i>	2011	2.258	
	2012	2.258	
	2013	2.258	
	2014	2.258	
(7) Loss Trend Factor	2010	1.106	
$((1+(2)_{CL})^{(5)}) * ((1+(2)_{Proj})^{(6)})$	2011	1.083	
	2012	1.060	
	2013	1.038	
	2014	1.017	

Arkansas
Loss Trends Exhibit
Auto-Owners Insurance Group
Dwelling Fire - Liability

LOSS TRENDS
REPORT

Actuarial
12/23/2014

All Reviewable Coverages

Qtr/Yr	Statewide						Companywide					
	Written Units	Paid Count	Paid Amount	Freq	Average Paid	Pure Premium	Written Units	Paid Count	Paid Amount	Freq	Average Paid	Pure Premium
09/2009	1,342	1	4,162	0.74	4,161.80	3.10	327,669	378	6,555,069	1.15	17,341.45	20.01
12/2009	1,502	0	0	0.00	0.00	0.00	331,211	377	5,913,306	1.14	15,685.16	17.85
03/2010	1,662	0	0	0.00	0.00	0.00	334,425	375	5,916,073	1.12	15,776.20	17.69
06/2010	1,764	0	0	0.00	0.00	0.00	337,435	377	5,615,936	1.12	14,896.38	16.64
09/2010	1,844	0	0	0.00	0.00	0.00	341,088	350	5,398,838	1.03	15,425.25	15.83
12/2010	1,958	0	0	0.00	0.00	0.00	344,958	335	5,356,550	0.97	15,989.70	15.53
03/2011	2,071	0	0	0.00	0.00	0.00	347,477	324	5,524,868	0.93	17,052.06	15.90
06/2011	2,248	0	0	0.00	0.00	0.00	351,467	295	5,304,102	0.84	17,980.01	15.09
09/2011	2,391	0	981	0.00	0.00	0.41	353,394	296	5,331,024	0.84	18,010.22	15.09
12/2011	2,443	1	10,696	0.41	10,695.82	4.38	354,184	289	5,297,465	0.82	18,330.33	14.96
03/2012	2,460	1	12,049	0.41	12,048.76	4.90	353,613	306	5,013,171	0.87	16,382.91	14.18
06/2012	2,424	1	15,749	0.41	15,748.76	6.50	351,710	322	5,857,413	0.92	18,190.72	16.65
09/2012	2,460	1	19,929	0.41	19,928.57	8.10	354,881	311	5,823,975	0.88	18,726.61	16.41
12/2012	2,494	0	11,802	0.00	0.00	4.73	358,638	340	6,696,664	0.95	19,696.07	18.67
03/2013	2,512	1	11,344	0.40	11,344.07	4.52	360,711	314	6,843,903	0.87	21,795.87	18.97
06/2013	2,559	1	7,854	0.39	7,854.07	3.07	361,370	321	5,995,998	0.89	18,679.12	16.59
09/2013	2,565	2	3,442	0.78	1,720.86	1.34	356,879	339	5,802,543	0.95	17,116.65	16.26
12/2013	2,569	3	2,430	1.17	810.11	0.95	351,499	315	5,029,009	0.90	15,965.11	14.31
03/2014	2,541	3	4,691	1.18	1,563.53	1.85	347,751	307	5,062,892	0.88	16,491.51	14.56
06/2014	2,534	3	4,481	1.18	1,493.53	1.77	345,487	298	4,688,981	0.86	15,734.84	13.57

Composition: 12 MTD LAE: ✓ Bad Faith: Cats: Refund Assessment: Large Losses: ✓

Auto-Owners Insurance

Dwelling Fire
Arkansas
Liability

Development of the Permissible Loss Ratio

(1)	Commission and Brokerage Expense	15.5%
(2)	Other Acquisitions	6.6%
(3)	General Expenses	1.8%
(4)	Tax, License, and Fees	3.1%
(5)	Reinsurance Expense	0.0%
(6)	Total Expenses <i>(1)+(2)+(3)+(4)+(5)</i>	27.0%
(7)	Profit and Contingency	8.1%
(8)	Permissible Loss Ratio <i>1 - ((6) + (7))</i>	64.9%

**Expense Exhibit - Dwelling Fire
Auto-Owners Insurance Group
Arkansas**

All Reviewable Coverages - Liability

	12 MTD Ending 6 / 2010		12 MTD Ending 6 / 2011		12 MTD Ending 6 / 2012		12 MTD Ending 6 / 2013		12 MTD Ending 6 / 2014	
	Amount	Ratio								
<u>Loss Experience</u>										
Written Premium	93,183		112,460		118,814		119,515		113,732	
Earned Premium	81,183	100.0	100,445	100.0	119,149	100.0	119,255	100.0	116,122	100.0
Incurred Amount	3,322	4.1	8,320	8.3	663	0.6	1,733	1.5	26,175	22.5
Allocated LAE	2,579	3.2	1,412	1.4	6,429	5.4	3,452	2.9	1,310	1.1
Unallocated LAE	135	0.2	213	0.2	755	0.6	1,008	0.8	34	0.0
<u>Total Losses</u>	<u>6,035</u>	<u>7.5</u>	<u>9,946</u>	<u>9.9</u>	<u>7,847</u>	<u>6.6</u>	<u>6,193</u>	<u>5.2</u>	<u>27,519</u>	<u>23.6</u>
<u>Expenses Incurred</u>										
Commission and Brokerage *	15,165	16.3	16,974	15.1	16,929	14.2	19,307	16.2	18,979	16.7
Other Acquisitions (2)	11,053	13.6	11,905	11.9	14,943	12.5	16,862	14.1	18,151	15.6
General Expenses (2)	3,102	3.8	3,588	3.6	4,428	3.7	4,812	4.0	5,172	4.5
Tax, License, and Fees *	2,874	3.1	3,437	3.1	4,495	3.8	3,057	2.6	3,601	3.2
<u>Total Expenses</u>	<u>32,193</u>	<u>36.8</u>	<u>35,904</u>	<u>33.7</u>	<u>40,794</u>	<u>34.2</u>	<u>44,038</u>	<u>36.9</u>	<u>45,903</u>	<u>40.0</u>
	38,229	44.3	45,849	43.6	48,641	40.8	50,231	42.1	73,421	63.6

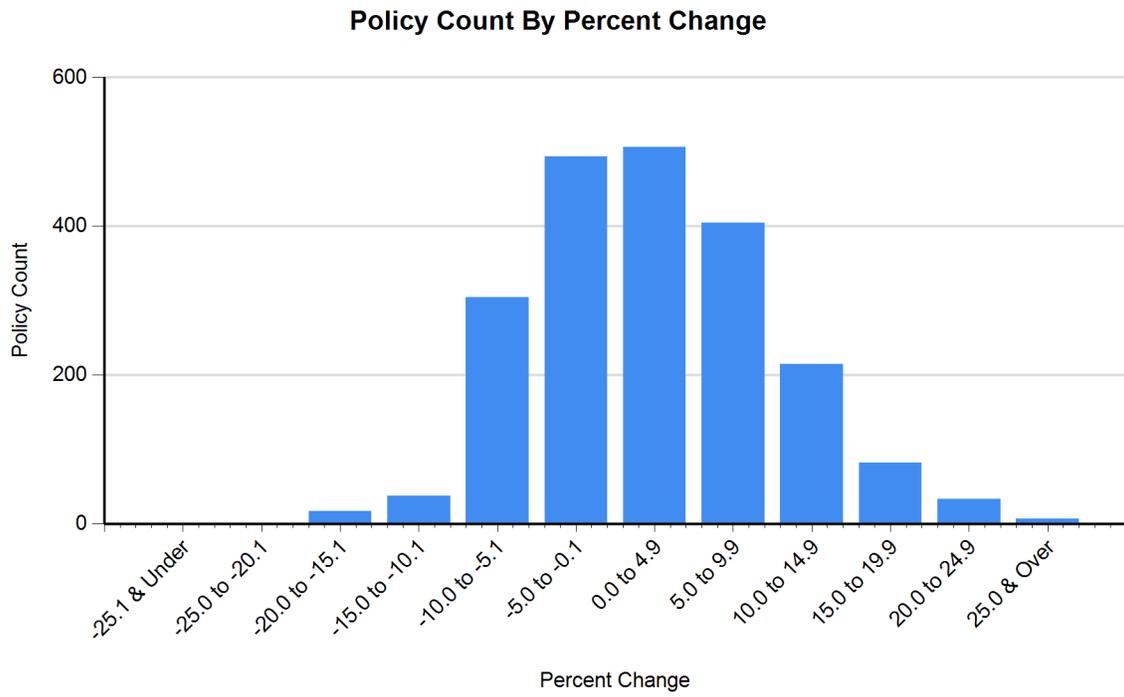
<u>Loss Experience</u>	1 Year Total		3 Year Total		5 Year Total	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
Written Premium	113,732		352,061		557,704	
Earned Premium	116,122	100.0	354,526	100.0	536,154	100.0
Incurred Amount	26,175	22.5	28,571	8.1	40,213	7.5
Allocated LAE	1,310	1.1	11,191	3.2	15,182	2.8
Unallocated LAE	34	0.0	1,797	0.5	2,145	0.4
<u>Total Losses</u>	<u>27,519</u>	<u>23.6</u>	<u>41,559</u>	<u>11.7</u>	<u>57,540</u>	<u>10.7</u>

<u>Expenses Incurred</u>						
Commission and Brokerage *	18,979	16.7	55,215	15.7	87,355	15.7
Other Acquisitions (2)	18,151	15.6	49,956	14.1	72,913	13.6
General Expenses (2)	5,172	4.5	14,411	4.1	21,100	3.9
Tax, License, and Fees *	3,601	3.2	11,153	3.2	17,463	3.1
<u>Reinsurance Expenses *</u>						
Total Expenses	45,903	40.0	130,735	37.1	198,831	36.3
Total Losses and Expenses	73,421	63.6	172,293	48.8	256,371	47.0

* - Ratios Calculated to Written Premium (1)Uses Companywide Info (2)Uses AO Group Info # - Uses Combined Coverage Info

+ - FIGA Excluded @ - Guaranty Fund Expenses Excluded Earthquake Excluded

Arkansas Dwelling Fire Rate Change Histogram



AR Dwelling Fire
Page Changes - Rules

Eligibility

Page Name	New Doc #	Old Doc #
Eligibility	AOURZ321	AOURZ298

General Rules

Page Name	New Doc #	Old Doc #
Protection Class Determination	AOURZ322	AOURZ266
Coverage Form Descriptions	AOURZ323	AOURZ028
Definitions	AOURZ324	AOURZ309
Mandatory Coverages, Forms and Endorsements	AOURZ325	AOURZ299

Liability Additional Coverages

Page Name	New Doc #	Old Doc #
Landlord Liability	AOURZ326	AOURZ148
Personal Liability	AOURZ327	AOURZ149

Premium Adjustments

Page Name	New Doc #	Old Doc #
Cosmetic Damage Exclusion	AOURZ328	-
Age of Construction Rating	AOURZ329	AOURZ275 AOURZ253
Payment History	AOURZ330	-
Deductibles	AOURZ331	AOURZ300
Claim Free Discount	AOURZ332	AOURZ277
Maximum Discount	AOURZ333	AOURZ302
Experience Rating	AOURZ339	AOURZ279
Insurance Score	AOURZ340	AOURZ286

Property Additional Coverages

Page Name	New Doc #	Old Doc #
Earthquake	AOURZ338	AOURZ306
Fire Department Service Charges - Revised Limit	AOURZ334	AOURZ054
Personal Property Coverage	AOURZ344	AOURZ001

Obsolete Documents

Page Name
Year of Construction Surcharge
Liability Extended to Additional Locations

AR Dwelling Fire
Page Changes - Rates

Base Premium Determination

Page Name	New Doc #	Old Doc #
Base Rates	AOARZ055	AOARZ041
Construction Type Relativities	AOARZ071	-
Protection Class Relativities	AOARZ056	AOARZ043
Rating Procedure	AOARZ057	AOARZ044
Territory Descriptions	AOARZ058	AOARZ011
Territory Relativities	AOARZ059	AOARZ045

Liability Additional Coverages

Page Name	New Doc #	Old Doc #
Landlord Liability Rates	AOARZ069	AOURZ148
Personal Liability Rates	AOARZ070	AOURZ149

Premium Adjustments

Page Name	New Doc #	Old Doc #
Age of Construction Relativities	AOARZ060	AOARZ046
Claim Free Relativities	AOARZ061	AOARZ033
Cosmetic Damage Exclusion Relativities	AOARZ062	-
Experience Rating Relativities	AOARZ063	AOARZ035
Insurance Score Rating Tiers	AOARZ064	AOARZ050
Insurance Score Tier Movement Table	AOARZ065	AOARZ040
Maximum Discount Rates	AOARZ072	AOURZ302
Paid Loss Surcharge Relativities	AOARZ066	AOARZ051
Payment History Rating Relativities	AOARZ067	-
Roof Relativities	AOARZ068	AOARZ053

Property Additional Coverages

Page Name	New Doc #	Old Doc #
Fire Department Service Charges Rates	AOARZ073	AOURZ054

Auto-Owners

DWELLING FIRE
 ARKANSAS
 EARTHQUAKE RATES

	Rate Per \$1,000	
	Masonry/Masonry Veneer	Frame/ Cement Fiber Board Siding/ Manufactured
Zone 2	\$2.88	\$2.04
Zone 3	\$2.53	\$1.73
Zone 4A	\$1.65	\$1.32
Zone 4B	\$1.10	\$0.88
Zone 4	\$0.83	\$0.61
Zone 5	\$0.50	\$0.39

*Round each coverage to the nearest whole dollar.

Earthquake Deductible Options	Relativity
5%	1.000
10%	0.900
15%	0.800

Edition Date: 11/15/13

State: Arkansas **Filing Company:** Auto-Owners Insurance Company
TOI/Sub-TOI: 01.0 Property/01.0002 Personal Property (Fire and Allied Lines)
Product Name: Arkansas Dwelling Fire
Project Name/Number: Arkansas Dwelling Fire Rate and Rule Change/DWF-AR-01-02/27/2015-01

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)
12/22/2014		Supporting Document	P&C Actuarial Justification	01/16/2015	AR DF Rule Memorandum.pdf AR DF Rate Memorandum.pdf (Superseded) Actuarial Support.pdf

Arkansas Dwelling Fire Rate Memorandum

These proposed changes result in an overall 3.4% change with support of a 6.5% Indicated Change. Please see the AR Dwelling Fire Indications in the supporting documentation tab. We have revised the following:

Base Premium Determination

Page Name	Page #	Explanation of Change
Base Rates	AOARZ055	Modify building and contents base rates 10.2% for an overall 3.4%
Construction Type Relativities	AOARZ071	Introduce relativities. Please refer to page 1 of "Actuarial Support" in the supporting documentation tab.
Protection Class Relativities	AOARZ056	Remove construction type variation and modify relativities. Please refer to page 1 of "Actuarial Support" in the supporting documentation tab.
Rating Procedure	AOARZ057	Modify page for introduction of Construction Type relativities, addition of Cosmetic Damage Exclusion and Payment History. Make additional editorial changes.
Territory Descriptions	AOARZ058	Move Arkansas County from Territory 8 to Territory 5 for marketing reasons.
Territory Relativities	AOARZ059	Modify Territory relativities. Increase the relativity for Territory 5 from 1.00 to 1.01. The 5 year actual loss ratio for Territory 5 ending 06/2014 is 102% compared to 86% for the state. Decrease the relativity for Territory 6 from 1.10 to 1.08. The 5 year actual loss ratio for Territory 6 for the period ending 06/2014 is 72% compared to 86% for the state.

Liability Additional Coverages

Page Name	Page #	Explanation of Change
Landlord Liability Rates	AOARZ069	Remove the rates from the rule page. The rates are not changing.
Personal Liability Rates	AOARZ070	Remove the rates from the rule page. The rates are not changing.

Premium Adjustments

Page Name	Page #	Explanation of Change
Age of Construction Relativities	AOARZ060	Modify relativities. Please refer to page 2 of "Actuarial Support" in the supporting documentation tab.
Claim Free Relativities	AOARZ061	Modify relativities. One claim less than \$500 will be forgiven and remain Claim Free. Please refer to page 3 of "Actuarial Support" in the supporting documentation tab.
Cosmetic Damage Exclusion Relativities	AOARZ062	Introduce an optional Cosmetic Damage Exclusion relativity. This is an optional coverage exclusion we are implementing on a companywide basis. This coverage exclusion is a loss elimination technique to reduce loss exposures. The exclusion will be evaluated and modified as experience data deems appropriate.
Experience Rating Relativities	AOARZ063	Modify Experience Rating to vary by claim amount. Please refer to page 3 of "Actuarial Support" in the supporting documentation tab.
Insurance Score Rating Tiers	AOARZ064	Modify relativities to remove the age deviation in insurance score tiers. Our companywide analysis shows there should not be a distinction between ages in regards to insurance score. Please see pages 4-6 of "Actuarial Support" in the supporting documentation tab.
Insurance Score Tier Movement Table	AOARZ065	Modify the Insurance Score Tier Movement table to move more policies toward their actual insurance score.
Maximum Discount Rates	AOARZ072	Remove the rate from the rule page. The rate is not changing.
Paid Loss Surcharge Relativities	AOARZ066	Modify relativities. Please refer to page 3 of "Actuarial Support" in the supporting documentation tab.
Payment History Rating Relativities	AOARZ067	Introduce Payment History relativities. Please refer to page 6 of "Actuarial Support" in the supporting documentation tab.
Roof Relativities	AOARZ068	Modify relativities. The 5 year actual loss ratio for buildings with a 15+ year old roof is 138% compared to the combined building of 84%.

Property Additional Coverages

Page Name	Page #	Explanation of Change
Fire Department Service Charges Rates	AOARZ073	Remove the rates from the rule page. The rates are not changing.