

**State:** Arkansas **Filing Company:** American Bankers Insurance Company of Florida  
**TOI/Sub-TOI:** 04.0 Homeowners/04.0004 Tenant Homeowners  
**Product Name:** Renters Insurance  
**Project Name/Number:** Renters Insurance/AR05562AI00019

## Filing at a Glance

Company: American Bankers Insurance Company of Florida  
Product Name: Renters Insurance  
State: Arkansas  
TOI: 04.0 Homeowners  
Sub-TOI: 04.0004 Tenant Homeowners  
Filing Type: Rate/Rule  
Date Submitted: 01/30/2013  
SERFF Tr Num: ASPX-G128730931  
SERFF Status: Closed-Filed  
State Tr Num:  
State Status:  
Co Tr Num: AR05562AI00019  
  
Effective Date: 04/01/2013  
Requested (New):  
Effective Date: 05/01/2013  
Requested (Renewal):  
Author(s): SPI AssurantPC  
Reviewer(s): Becky Harrington (primary)  
Disposition Date: 02/20/2013  
Disposition Status: Filed  
Effective Date (New): 04/01/2013  
Effective Date (Renewal): 05/01/2013

State Filing Description:

**State:** Arkansas **Filing Company:** American Bankers Insurance Company of Florida  
**TOI/Sub-TOI:** 04.0 Homeowners/04.0004 Tenant Homeowners  
**Product Name:** Renters Insurance  
**Project Name/Number:** Renters Insurance/AR05562AI00019

## General Information

Project Name: Renters Insurance Status of Filing in Domicile:  
 Project Number: AR05562AI00019 Domicile Status Comments:  
 Reference Organization: Reference Number:  
 Reference Title: Advisory Org. Circular:  
 Filing Status Changed: 02/20/2013  
 State Status Changed: Deemer Date:  
 Created By: SPI AssurantPC Submitted By: SPI AssurantPC  
 Corresponding Filing Tracking Number:

Filing Description:  
January 30, 2012

Arkansas Department of Insurance  
 1200 West Third Street  
 Little Rock, AR 72201-1904

Attention: Property and Casualty Division

Re: AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA  
 NAIC# 0019-10111 FEIN# 59-0593886  
 Line of business: 4.0 Homeowners  
 Renters Insurance Program  
 Company Filing Number: RFN AR05562AI00019  
 SERFF Filing ID: ASPX-G128730931

Rule Filing - for approval  
 RP-AR pages 1 through 7 ed. 01/13 State Exception Pages - Arkansas

Related Filing Document  
 Homeowners Survey Form HPCS

Dear Examiner:

American Bankers Insurance Company of Florida would like to make the following revisions to our Renters Insurance Program in the state of Arkansas. Please refer to the Actuarial Memorandum and Exhibits for more details.

This filing has been submitted in our state of domicile, Florida.

" In the Forms List of State Exception Page RP-AR-1 edition 01/13, we updated the form numbers of the following forms since we are making changes via the companion form filing ASPX-G128873680:

AB4442EC-0612 Scheduled Personal Property Endorsement, AB3430EPC-0812 and AB3432EPC- 0812 Involuntary Unemployment Insurance Endorsements.

**State:** Arkansas **Filing Company:** American Bankers Insurance Company of Florida  
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" The base rates and relativities have been amended.

" Under the Scheduled Personal Property coverage, we are proposing a decrease to the rate for Jewelry from \$2.75 to \$1.65 and the rate for Other Eligible Property from \$2.50 to \$1.65.

" We are introducing Pet Damage coverage providing up to \$500 of coverage for an annual premium of \$20.00.

" The credits for the optional \$250 and \$500 deductibles have been reduced based on our experience to 3% and 9% respectively.

" We are introducing a 15% surcharge on policies that are rented single family homes.

" The Mandatory Insurance Requirement Credit was increased from 10% to 25%.

" We removed the 5% Internet Credit from the program.

" We are introducing a \$15 Policy Fee.

State Exception Pages RP-AR-1 through RP-AR-8 edition 01/13

Our State Exception Pages RP-AR-1 through RP-AR-8 edition 01/13 are attached showing the following changes. These pages replace the RP-AR-1 through RP-AR-6 edition 10/10.

" Updated the form numbers and the instructions for the Scheduled Personal Property coverage regarding unscheduled jewelry.

" Updated the form numbers for the Involuntary Unemployment Insurance Endorsements.

" Changed base rates.

" Added the Pet Damage Instructions.

" Removed the Internet Credit instructions since this is no longer available in Arkansas.

" Added the Type of Dwelling Surcharge and amended the Mandatory Insurance Requirement Credit as well as the rating method instructions by clarifying that they are not applicable to optional coverages, billing fees or policy fees.

" Under the Exceptions to General Rule section:

o Amended the Eligibility criteria to clarify tenants of Manufactured Homes/mobile homes, trailer homes and house trailers are not eligible. Also, no more than two unrelated persons can be insured on one policy.

o Under General Rule 7, the Internet Credit is deleted since this is no longer available in Arkansas.

o Under General Rule 7, added rules for the Mandatory Insurance Requirement Credit.

" Renumbered the items throughout the State Exception Pages.

We are adding the following endorsement and instructions to the State Exception Page RP-AR-6:

Pet Damage Endorsement AB1877EPC-0811

Provides up to \$500 of coverage in excess of the pet deposit and/or security deposit for pet damage at an annual premium of \$20.00.

Copies of the State Exception Pages with the changes tracked are also attached. Our effective dates for implementation are April 1, 2013 for new business and May 1, 2013 for renewal business.

The companion form filing has been submitted under SERFF Filing ID ASPX-G128873680.

**State:** Arkansas **Filing Company:** American Bankers Insurance Company of Florida  
**TOI/Sub-TOI:** 04.0 Homeowners/04.0004 Tenant Homeowners  
**Product Name:** Renters Insurance  
**Project Name/Number:** Renters Insurance/AR05562AI00019

Thank your for your time and attention to this filing. If you have any questions please feel free to contact me at 1-800-852-2244, ext. 33363 or via email at Tanya.Robotham@assurant.com.

Sincerely,

Tanya Robotham  
 Senior Contract Compliance Analyst  
 State Filings Department  
 American Bankers Insurance Company of Florida

cc: RFN ARAI\_R8

## Company and Contact

### Filing Contact Information

Tanya Robotham, Contract Compliance Analyst      Tanya.Robotham@assurant.com  
 11222 Quail Roost Drive      305-253-2244 [Phone] 33363 [Ext]  
 Miami, FL 33157      305-256-7108 [FAX]

### Filing Company Information

American Bankers Insurance Company of Florida	CoCode: 10111	State of Domicile: Florida
11222 Quail Roost Dr	Group Code: 19	Company Type:
Miami, FL 33157	Group Name: Assurant, Inc. Group	State ID Number:
(305) 253-2244 ext. [Phone]	FEIN Number: 59-0593886	

## Filing Fees

Fee Required?      Yes  
 Fee Amount:      \$150.00  
 Retaliatory?      No  
 Fee Explanation:      Rates \$100 + Rules \$50 = \$150  
 Per Company:      No

Company	Amount	Date Processed	Transaction #
American Bankers Insurance Company of Florida	\$150.00	01/30/2013	67036090

**SERFF Tracking #:**

ASPX-G128730931

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

AR05562AI00019

**State:**

Arkansas

**Filing Company:**

American Bankers Insurance Company of Florida

**TOI/Sub-TOI:**

04.0 Homeowners/04.0004 Tenant Homeowners

**Product Name:**

Renters Insurance

**Project Name/Number:**

Renters Insurance/AR05562AI00019

## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Filed	Becky Harrington	02/20/2013	02/20/2013

### Objection Letters and Response Letters

#### Objection Letters

Status	Created By	Created On	Date Submitted
Pending Industry Response	Becky Harrington	02/01/2013	02/01/2013

#### Response Letters

Responded By	Created On	Date Submitted
SPI AssurantPC	02/19/2013	02/19/2013

### Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
commissioner	Reviewer Note	Becky Harrington	02/15/2013	

**State:** Arkansas  
**TOI/Sub-TOI:** 04.0 Homeowners/04.0004 Tenant Homeowners  
**Product Name:** Renters Insurance  
**Project Name/Number:** Renters Insurance/AR05562AI00019

**Filing Company:** American Bankers Insurance Company of Florida

## Disposition

Disposition Date: 02/20/2013

Effective Date (New): 04/01/2013

Effective Date (Renewal): 05/01/2013

Status: Filed

Comment:

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
American Bankers Insurance Company of Florida	51.900%	13.300%	\$31,142	931	\$234,489	61.800%	-3.300%

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Actuarial Exhibits	Filed	Yes
Supporting Document	Cover letter	Filed	Yes
Supporting Document (revised)	HPCS-Homeowners Premium Comparison Survey	Filed	Yes
Supporting Document	HPCS-Homeowners Premium Comparison Survey		Yes
Supporting Document (revised)	Comparison - State Exception Pages	Filed	Yes
Supporting Document	Comparison - State Exception Pages		Yes
Supporting Document	Actuarial Memorandum	Filed	Yes
Supporting Document	Form RF-2 Loss Costs Only (not for workers' compensation)	Filed	Yes
Supporting Document	H-1 Homeowners Abstract	Filed	Yes
Supporting Document (revised)	NAIC loss cost data entry document	Filed	Yes
Supporting Document	NAIC loss cost data entry document		Yes

**SERFF Tracking #:**

ASPX-G128730931

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

AR05562AI00019

**State:**

Arkansas

**Filing Company:**

American Bankers Insurance Company of Florida

**TOI/Sub-TOI:**

04.0 Homeowners/04.0004 Tenant Homeowners

**Product Name:**

Renters Insurance

**Project Name/Number:**

Renters Insurance/AR05562AI00019

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Objection response letter 021913	Filed	Yes
Supporting Document	Exhibit 1 amended 021913, Exhibit 11 - amended 021913, Actuarial Memo - objection response 021913	Filed	Yes
Rate (revised)	State Exception Pages - Arkansas	Filed	Yes
Rate	State Exception Pages - Arkansas		Yes

**State:** Arkansas **Filing Company:** American Bankers Insurance Company of Florida  
**TOI/Sub-TOI:** 04.0 Homeowners/04.0004 Tenant Homeowners  
**Product Name:** Renters Insurance  
**Project Name/Number:** Renters Insurance/AR05562AI00019

## Objection Letter

Objection Letter Status Pending Industry Response  
Objection Letter Date 02/01/2013  
Submitted Date 02/01/2013  
Respond By Date

Dear Tanya Robotham,

### **Introduction:**

*This will acknowledge receipt of the captioned filing.*

### **Objection 1**

*- HPCS-Homeowners Premium Comparison Survey (Supporting Document)*

*Comments: Please complete the company information section of this form.*

### **Objection 2**

*- Actuarial Exhibits (Supporting Document)*

*Comments: Arkansas does not allow the use of catastrophe models (other than earthquake). Please re-calculate the rate indication using actual AR or Countrywide CAT loss information.*

### **Objection 3**

*- NAIC loss cost data entry document (Supporting Document)*

*Comments: This form is equivalent to the RF-1 which is required to be completed with all rate change filings.*

### **Objection 4**

*Comments: The maximum increase of 61.8% appears excessive. Please indicate whether this is the percentage amount represented by the \$10 per month (\$120 annual) amount shown on the chart included in the actuarial memorandum.*

### **Conclusion:**

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

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

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

*Sincerely,  
Becky Harrington*

SERFF Tracking #:

ASPX-G128730931

State Tracking #:

Company Tracking #:

AR05562AI00019

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State:

Arkansas

Filing Company:

American Bankers Insurance Company of Florida

TOI/Sub-TOI:

04.0 Homeowners/04.0004 Tenant Homeowners

Product Name:

Renters Insurance

Project Name/Number:

Renters Insurance/AR05562AI00019

## Response Letter

Response Letter Status	Submitted to State
Response Letter Date	02/19/2013
Submitted Date	02/19/2013

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*Dear Becky Harrington,*

**Introduction:**

*Dear Ms. Harrington:*

*The following is our response to your objection letter dated February 1, 2013.*

**Response 1**

**Comments:**

*The company information section of this form has been completed.*

**Related Objection 1**

*Applies To:*

*- HPCS-Homeowners Premium Comparison Survey (Supporting Document)*

*Comments: Please complete the company information section of this form.*

**Changed Items:**

**SERFF Tracking #:**

ASPX-G128730931

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

AR05562AI00019

**State:**

Arkansas

**Filing Company:**

American Bankers Insurance Company of Florida

**TOI/Sub-TOI:**

04.0 Homeowners/04.0004 Tenant Homeowners

**Product Name:**

Renters Insurance

**Project Name/Number:**

Renters Insurance/AR05562AI00019

**Supporting Document Schedule Item Changes**

Satisfied - Item:

HPCS-Homeowners Premium Comparison Survey

Comments:

Attachment(s):

R8\_TRNFM\_021913\_HO Survey FORM HPCS.PDF

R8\_TRNFM\_021913\_HO Survey FORM HPCS.XLSX

*Previous Version**Satisfied - Item:**HPCS-Homeowners Premium Comparison Survey**Comments:**Attachment(s):**R8\_TRNFM\_013013\_HO Survey FORM HPCS.PDF**R8\_TRNFM\_013013\_HO Survey FORM HPCS.XLSX*

Satisfied - Item:

Objection response letter 021913

Comments:

Attachment(s):

R8\_OBJDOI\_021913.PDF

**State:** Arkansas**Filing Company:**

American Bankers Insurance Company of Florida

**TOI/Sub-TOI:** 04.0 Homeowners/04.0004 Tenant Homeowners**Product Name:** Renters Insurance**Project Name/Number:** Renters Insurance/AR05562AI00019**Supporting Document Schedule Item Changes**

Satisfied - Item: HPCS-Homeowners Premium Comparison Survey

Comments:

Attachment(s):

R8\_TRNFM\_021913\_HO Survey FORM HPCS.PDF

R8\_TRNFM\_021913\_HO Survey FORM HPCS.XLSX

*Previous Version**Satisfied - Item: HPCS-Homeowners Premium Comparison Survey**Comments:**Attachment(s):**R8\_TRNFM\_013013\_HO Survey FORM HPCS.PDF**R8\_TRNFM\_013013\_HO Survey FORM HPCS.XLSX*

Satisfied - Item: Objection response letter 021913

Comments:

Attachment(s):

R8\_OBJDOI\_021913.PDF

*No Form Schedule items changed.**No Rate/Rule Schedule items changed.***Response 2****Comments:**

*We have removed the model losses from the rate indication and have replaced it with actual AR catastrophe experience. The indication was only impacted slightly, changing from 51.9% to 52.4%. The increase in the indication is due to the fact that our Arkansas insureds have had more actual catastrophe losses than is predicted by RiskLink v11. Updating Exhibit 11 with actual catastrophe experience instead of model losses does not shift the indications enough to impact our selections. Updated versions of both Exhibit 1 and Exhibit 11 are included in this submission.*

**Related Objection 2***Applies To:**- Actuarial Exhibits (Supporting Document)*

*Comments: Arkansas does not allow the use of catastrophe models (other than earthquake). Please re-calculate the rate indication using actual AR or Countrywide CAT loss information.*

**State:** Arkansas  
**TOI/Sub-TOI:** 04.0 Homeowners/04.0004 Tenant Homeowners  
**Product Name:** Renters Insurance  
**Project Name/Number:** Renters Insurance/AR05562AI00019

**Filing Company:** American Bankers Insurance Company of Florida

### Changed Items:

#### Supporting Document Schedule Item Changes

Satisfied - Item: Exhibit 1 amended 021913, Exhibit 11 - amended 021913, Actuarial Memo - objection response 021913

Comments:

Attachment(s):

R8\_ACTPKG\_021913\_Exhibit\_1\_updated\_for\_objection\_20130219.PDF  
 R8\_ACTPKG\_021913\_Exhibit\_11\_updated\_for\_objection\_20130219.PDF  
 R8\_ACTPKG\_021913\_ResponseToObjections.PDF

*No Form Schedule items changed.*

*No Rate/Rule Schedule items changed.*

### Response 3

#### Comments:

*A completed version of this form is included in this submission.*

### Related Objection 3

*Applies To:*

*- NAIC loss cost data entry document (Supporting Document)*

*Comments: This form is equivalent to the RF-1 which is required to be completed with all rate change filings.*

### Changed Items:

#### Supporting Document Schedule Item Changes

Satisfied - Item: NAIC loss cost data entry document

Comments:

Attachment(s):

R8\_TRNFM\_021913\_FORM RF-1 Rate Filing Abstract.PDF

#### Previous Version

*Bypassed - Item:* NAIC loss cost data entry document

*Bypass Reason:* N/A - No Loss costs used.

*No Form Schedule items changed.*

*No Rate/Rule Schedule items changed.*

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<b>State:</b>	Arkansas	<b>Filing Company:</b>	American Bankers Insurance Company of Florida
<b>TOI/Sub-TOI:</b>	04.0 Homeowners/04.0004 Tenant Homeowners		
<b>Product Name:</b>	Renters Insurance		
<b>Project Name/Number:</b>	Renters Insurance/AR05562AI00019		

#### **Response 4**

##### **Comments:**

There are only 6 insureds receiving the maximum increase of 61.8%, which corresponds to a monthly written premium impact between \$6.00 and \$7.00 for these insureds when rounded to the nearest whole dollar.

The table in the attached Actuarial Memorandum shows the policy features of the insureds receiving the maximum % rate change and the maximum monthly written premium impact.

#### **Related Objection 4**

Comments: The maximum increase of 61.8% appears excessive. Please indicate whether this is the percentage amount represented by the \$10 per month (\$120 annual) amount shown on the chart included in the actuarial memorandum.

##### **Changed Items:**

- No Supporting Documents changed.
- No Form Schedule items changed.
- No Rate/Rule Schedule items changed.

#### **Response 5**

##### **Comments:**

We are taking this opportunity to make the following minor corrections to the State Exception Pages RP-AR-6 and RP-AR-7:

In the rules for the Type of Dwelling Surcharge and the Mandatory Insurance Requirement Credit, at the end of the first sentence, added: "which includes any applicable deductible credits".

Under the EXCEPTIONS TO THE GENERAL RULES, we had added the Mandatory Insurance Requirement Credit rule twice. We have removed the extra rule.

##### **Changed Items:**

SERFF Tracking #:

ASPX-G128730931

State Tracking #:

Company Tracking #:

AR05562AI00019

State: Arkansas

Filing Company:

American Bankers Insurance Company of Florida

TOI/Sub-TOI: 04.0 Homeowners/04.0004 Tenant Homeowners

Product Name: Renters Insurance

Project Name/Number: Renters Insurance/AR05562AI00019

**Supporting Document Schedule Item Changes**

Satisfied - Item: Comparison - State Exception Pages

Comments:

Attachment(s):

R8\_CMPR\_021913\_RP-AR0113.PDF

*Previous Version**Satisfied - Item: Comparison - State Exception Pages**Comments:**Attachment(s):**R8\_CMPR\_013013\_RP-AR0113.PDF**No Form Schedule items changed.***Rate/Rule Schedule Item Changes**

Item No.	Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing #	Date Submitted
1	State Exception Pages - Arkansas	RP-AR	Replacement		02/19/2013 By: SPI AssurantPC
<i>Previous Version</i>					
1	<i>State Exception Pages - Arkansas</i>	<i>RP-AR</i>	<i>Replacement</i>		<i>01/30/2013 By: SPI AssurantPC</i>

**Conclusion:**

**SERFF Tracking #:**

ASPX-G128730931

**State Tracking #:**

**Company Tracking #:**

AR05562AI00019

---

**State:**

Arkansas

**Filing Company:**

American Bankers Insurance Company of Florida

**TOI/Sub-TOI:**

04.0 Homeowners/04.0004 Tenant Homeowners

**Product Name:**

Renters Insurance

**Project Name/Number:**

Renters Insurance/AR05562AI00019

Thank you for your time and attention to this filing. If you have any questions please feel free to contact me at 1-800-852-2244, ext. 33363 or via email at Tanya.Robotham@assurant.com.

Sincerely,

Tanya Robotham

Senior Contract Compliance Analyst

State Filings Department

American Bankers Insurance Company of Florida

cc: RFN ARAI\_R8

Sincerely,

SPI AssurantPC

SERFF Tracking #:

ASPX-G128730931

State Tracking #:

Company Tracking #:

AR05562AI00019

State: Arkansas  
 TOI/Sub-TOI: 04.0 Homeowners/04.0004 Tenant Homeowners  
 Product Name: Renters Insurance  
 Project Name/Number: Renters Insurance/AR05562AI00019

Filing Company: American Bankers Insurance Company of Florida

### Rate Information

Rate data applies to filing.

Filing Method: Prior Approval  
 Rate Change Type: Increase  
 Overall Percentage of Last Rate Revision: 11.800%  
 Effective Date of Last Rate Revision: 04/01/2011  
 Filing Method of Last Filing: Prior Approval

### Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
American Bankers Insurance Company of Florida	51.900%	13.300%	\$31,142	931	\$234,489	61.800%	-3.300%

**SERFF Tracking #:**

ASPX-G128730931

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

AR05562AI00019

**State:**

Arkansas

**Filing Company:**

American Bankers Insurance Company of Florida

**TOI/Sub-TOI:**

04.0 Homeowners/04.0004 Tenant Homeowners

**Product Name:**

Renters Insurance

**Project Name/Number:**

Renters Insurance/AR05562AI00019

## Rate/Rule Schedule

Item No.	Schedule Item Status	Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing Number	Attachments
1	Filed 02/20/2013	State Exception Pages - Arkansas	RP-AR	Replacement		R8_MSEP_RP-AR0113_amended021913.PDF

**AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA**  
**RENTERS INSURANCE PROGRAM**  
**STATE EXCEPTION PAGE**  
**ARKANSAS**

**FORMS**

<u>Form Number</u>	<u>Description</u>	<u>Page Number</u>
<b>Standard Forms</b>		
AJ8850PC-0307.....	Renters Insurance Policy	
AB4450DC-0509.....	Renters Policy Declarations (manual)	
A2083-0684.....	Computer Declarations	
N1504-1104.....	Consumer Notice	
N8043-0303.....	Notice to Policyholders – New Insureds Only	
N8044-0303.....	Notice to Policyholders – Existing Insureds Only	
<b>Mandatory Endorsements</b>		
AB4536EC-0113.....	Mandatory Amendatory Endorsement – Arkansas	
<b>Optional Endorsements</b>		
AB4442EC-0612.....	Scheduled Personal Property Endorsement.....	4
AB4443EC-1105.....	Change Endorsement	
AB4720EC-0307.....	Personal Property Replacement Cost Endorsement.....	4
AB4721EC-0805.....	Burglary Limitation Endorsement .....	4
AB3430EPC-0812.....	Involuntary Unemployment Insurance Endorsement - Single Coverage.....	5
AB3432EPC-0812.....	Involuntary Unemployment Insurance Endorsement - Joint Coverage.....	5
AB5087EC-0805.....	Water Backup of Sewers or Drains Endorsement .....	5
AJ9854EPC-0708.....	Identity Fraud Expense Coverage Endorsement.....	5
AB1015EPC-0609.....	Animal Liability Exclusion Endorsement.....	5
AB1877EPC-0811.....	Pet Damage Endorsement.....	6
AJ8305EC-0509.....	Continuous Renewal Endorsement .....	6

**AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA**  
**RENTERS INSURANCE PROGRAM**  
**STATE EXCEPTION PAGE**  
**ARKANSAS**

**TERRITORIAL DEFINITIONS**

**Territory 1**

Jefferson  
Pulaski

**Territory 2**

The remainder of the state.

**RATES**

Mandatory Coverages

Section I - Property Protection

Personal Property Coverage - Amount of Insurance as indicated

Loss of Use - 20% of limit on Personal Property Coverage

A \$100 deductible applies to loss from all Section I perils covered under the policy on an occurrence basis.

Section II - Personal Liability Protection

Personal Liability Coverage - \$25,000 each occurrence

Medical Payments to Others Coverage - \$500 each person

Premiums:

<b>Section I</b>			<u><b>Annual Premium</b></u>	
<b>Limit of Liability</b>			<u><b>Territory 1</b></u>	<u><b>Territory 2</b></u>
<b>(includes \$25,000/\$500</b>				
<b>Personal Liability)</b>				
5,000 - 5,999			122	116
6,000 - 6,999			131	125
7,000 - 7,999			141	135
8,000 - 8,999			151	144
9,000 - 9,999			160	153
10,000 - 10,999			170	162
11,000 - 11,999			179	171
12,000 - 12,999			189	181
13,000 - 13,999			199	190
14,000 - 14,999			208	199
15,000 - 15,999			218	208
16,000 - 16,999			227	217
17,000 - 17,999			237	227
18,000 - 18,999			247	236
19,000 - 19,999			256	245
20,000 - 20,999			266	254
21,000 - 21,999			273	261
22,000 - 22,999			279	267
23,000 - 23,999			286	274
24,000 - 24,999			293	280

**AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA**  
**RENTERS INSURANCE PROGRAM**  
**STATE EXCEPTION PAGE**  
**ARKANSAS**

RATES (Continued)

Premiums (Continued):

Section I Limit of Liability (includes \$25,000/\$500 <u>Personal Liability</u> )	<u>Annual Premium</u>	
	<u>Territory 1</u>	<u>Territory 2</u>
25,000 - 25,999	298	285
26,000 - 26,999	304	290
27,000 - 27,999	309	296
28,000 - 28,999	315	301
29,000 - 29,999	320	306
30,000 - 30,999	324	310
31,000 - 31,999	328	314
32,000 - 32,999	333	318
33,000 - 33,999	337	322
34,000 - 34,999	341	326
35,000 - 35,999	345	330
36,000 - 36,999	350	335
37,000 - 37,999	354	339
38,000 - 38,999	358	343
39,000 - 39,999	363	347
40,000 - 40,999	367	351
41,000 - 41,999	371	355
42,000 - 42,999	375	359
43,000 - 43,999	380	363
44,000 - 44,999	384	367
45,000 - 45,999	388	371
46,000 - 46,999	392	375
47,000 - 47,999	397	380
48,000 - 48,999	401	384
49,000 - 49,999	405	388
50,000 - 50,999	409	392
Each Additional \$1,000 or Part Thereof	4.26	4.09

**AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA**  
**RENTERS INSURANCE PROGRAM**  
**STATE EXCEPTION PAGE**  
**ARKANSAS**

**RATES (Continued)**

Optional Coverages

1. Scheduled Personal Property Coverage

A. Scheduled and Unscheduled Jewelry

Annual rate per \$100 or part thereof: \$1.65

Customers can request coverage up to \$5,000 for Unscheduled Jewelry.

B. Other Eligible Property

Annual rate per \$100 or part thereof: \$1.65

Attach Endorsement AB4442EC-0612. This coverage applies to annual term policies only.

2. Personal Property Replacement Cost Coverage

When the Limit of Liability for Section I - Personal Property Coverage is extended to include Replacement Cost Coverage, a charge of 30% will be applied to the premium.

Attach Endorsement AB4720EC-0307.

3. Burglary Coverage Credit

When Section I - Personal Property Coverage is amended to replace theft coverage with burglary, a 10% credit will be applied to the premium.

Attach Endorsement AB4721EC-0805.

4. Increased Limits Personal Liability Coverage

<b>Limits of Liability</b>			
<b><u>Personal Liability</u></b>	<b><u>Medical Payments to Others</u></b>	<b><u>Damage to Property of Others</u></b>	<b><u>Annual Premium</u></b>
\$ 50,000	\$ 500	\$ 500	\$ 9
100,000	500	500	17
300,000	500	500	35

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**RATES (Continued)**

Optional Coverages (Continued)

5. Involuntary Unemployment Insurance Coverage

Maximum # Benefits	Single Coverage Annual Rate (per \$100 of Monthly Benefit Amount)	Joint Coverage Annual Rate (per \$100 of Monthly Benefit Amount)
2	\$15.00	\$30.00
3	\$21.00	\$42.00
6	\$34.20	\$68.40

Maximum Monthly Benefit Amount: \$1,000.

Attach Endorsement AB3430EPC-0812 for Single Coverage.

Attach Endorsement AB3432EPC-0812 for Joint Coverage.

6. Water Backup of Sewers or Drains Endorsement

This endorsement provides \$2,500 of coverage for loss caused by water which backs up through sewers or drains or which overflows from a sump.

A \$250 deductible applies to this coverage.

Annual Premium:\$15

Attach endorsement AB5087EC-0805.

7. Identity Fraud Expense Coverage Endorsement

This Endorsement provides \$15,000 of coverage for expenses incurred by an insured as a result of an identity fraud occurrence discovered during the policy period. The endorsement provides coverage for a maximum of one identity fraud occurrence per policy period.

A \$100 deductible applies to this coverage.

Annual Premium: \$35

Attach Endorsement AJ9854EPC-0708

8. Animal Liability Exclusion Endorsement

This endorsement excludes any liability arising out of the activity of domestic pets or domestic animals owned by the insured or in the insured's care, custody or control. It may be added to the policy once an insured has had an animal liability loss.

Attach Endorsement AB1015EPC-0609

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**RATES (Continued)**

Optional Coverages (Continued)

9. Pet Damage Endorsement

This endorsement provides up to \$500 per policy period for property damage to the residence premises caused by the activity of a pet.

Annual Premium: \$20

Attach Endorsement AB1877EPC-0811. This coverage can only be purchased at the time of new business.

Other Rating Provisions

1. Continuous Renewal Plan or Installment Payment Option.

The premiums for a one, two, three or six-month term under the Continuous Renewal Plan shall be pro rata of the annual premium plus \$2.00 per policy term. Attach Endorsement AJ8305EC-0509 for Continuous Renewal Plan.

Annual Policies billed using an installment plan will assess a \$4.00 charge for each installment billed.

2. Waiver of Premium

When a policy is endorsed subsequent to the inception date, any additional or return premium of \$3.00 or less may be waived.

3. Whole Dollar Premium Rule

All premiums shown on the policy and endorsements shall be rounded to the nearest whole dollar. A premium of fifty cents (\$.50) or more shall be rounded to the next higher whole dollar.

In the event of cancellation by the Company, the return premium may be carried to the next higher whole dollar.

4. Optional \$250 or \$500 Deductible.

A \$250 or \$500 deductible can be selected to apply to loss from all Section I perils covered under the policy on an occurrence basis.

Reduce the base premium by 3% for the \$250 deductible and 9% for the \$500 deductible, then round to the nearest whole dollar.

5. Mandatory Insurance Requirement Credit

For customers whose property management company or landlord requires them to purchase this insurance, a 25% credit will apply to the adjusted base premium, which includes any applicable deductible credits. The Mandatory Insurance Requirement Credit is not applicable to billing fees, policy fees and/or any optional coverages.

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**RATES (Continued)**

Other Rating Provisions (Continued)

6. Policy Fee

A \$15 policy fee will apply to annual term policies only.

7. Type of Dwelling Surcharge

Based on the type of dwelling, the following surcharge will apply to the adjusted base premium, which includes any applicable deductible credits. The Type of Dwelling Surcharge is not applicable to billing fees, policy fees and/or any optional coverages.

<u>Type of Dwelling</u>	<u>Surcharge</u>
Single Family Homes	15%

**EXCEPTIONS TO THE GENERAL RULES**

**General Rule 3. Eligibility, is deleted and replaced by the following:**

**3. Eligibility**

- A. A Renters Policy may be issued only to the tenant (non-owner) or occupant of a dwelling or of any of the following residence types: house, condominium unit, cooperative unit, room or apartment.
- B. No more than two unrelated persons are to be insured on one policy.
- C. A Renters Policy shall not be issued to cover the contents of any manufactured home, mobile home, trailer home or house trailer.

**Under General Rule 7. Credits, the Loss Free Credit is deleted in its entirety.**

**The following is added to General Rule 7. Credits:**

Mandatory Insurance Requirement Credit – A credit will apply to the adjusted base premium for customers if their property management company or landlord requires them to purchase this insurance. Please refer to the Rates section of the State Exception Pages for the applicable credit amount.

**General Rule 11. Cancellation or Reduction in Limits of Liability or Coverages is deleted and replaced by the following:**

**11. Cancellation or Reduction in Limits of Liability or Coverages**

It shall not be permissible to cancel any of the mandatory coverages in the policy unless the entire policy is canceled.

If insurance is canceled or reduced at the request of the Company, the earned premium shall be computed on a pro rata basis.

If insurance is canceled or reduced at the request of the insured during the first year of policy term, the earned premium shall be computed on a pro rata basis. Earned premium for Renters Policies canceled or reduced after the first year shall be computed on a pro rata basis.

SERFF Tracking #:

ASPX-G128730931

State Tracking #:

Company Tracking #:

AR05562A100019

State:

Arkansas

Filing Company:

American Bankers Insurance Company of Florida

TOI/Sub-TOI:

04.0 Homeowners/04.0004 Tenant Homeowners

Product Name:

Renters Insurance

Project Name/Number:

Renters Insurance/AR05562A100019

## Supporting Document Schedules

		Item Status:	Status Date:
Satisfied - Item:	Actuarial Exhibits	Filed	02/20/2013
Comments:			
Attachment(s):			
R8_ACTPKG_013013_Actuarial Exhibits.PDF			
R8_ACTPKG_013013_Actuarial Exhibits.XLSX			

		Item Status:	Status Date:
Satisfied - Item:	Cover letter	Filed	02/20/2013
Comments:			
Attachment(s):			
R8_GENFL_013013.PDF			

		Item Status:	Status Date:
Satisfied - Item:	HPCS-Homeowners Premium Comparison Survey	Filed	02/20/2013
Comments:			
Attachment(s):			
R8_TRNFM_021913_HO Survey FORM HPCS.PDF			
R8_TRNFM_021913_HO Survey FORM HPCS.XLSX			

		Item Status:	Status Date:
Satisfied - Item:	Comparison - State Exception Pages	Filed	02/20/2013
Comments:			
Attachment(s):			
R8_CMPR_021913_RP-AR0113.PDF			

		Item Status:	Status Date:
Satisfied - Item:	Actuarial Memorandum	Filed	02/20/2013

**SERFF Tracking #:**

ASPX-G128730931

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

AR05562AI00019

**State:**

Arkansas

**Filing Company:**

American Bankers Insurance Company of Florida

**TOI/Sub-TOI:**

04.0 Homeowners/04.0004 Tenant Homeowners

**Product Name:**

Renters Insurance

**Project Name/Number:**

Renters Insurance/AR05562AI00019

Comments:

Attachment(s):

R8\_ACTPKG\_013013\_Explanatory Memorandum.PDF

**Item Status:****Status Date:**

Satisfied - Item:

NAIC loss cost data entry document

Filed

02/20/2013

Comments:

Attachment(s):

R8\_TRNFM\_021913\_FORM RF-1 Rate Filing Abstract.PDF

**Item Status:****Status Date:**

Satisfied - Item:

Objection response letter 021913

Filed

02/20/2013

Comments:

Attachment(s):

R8\_OBJDOI\_021913.PDF

**Item Status:****Status Date:**

Satisfied - Item:

Exhibit 1 amended 021913, Exhibit 11 - amended 021913,  
Actuarial Memo - objection response 021913

Filed

02/20/2013

Comments:

Attachment(s):

R8\_ACTPKG\_021913\_Exhibit\_1\_updated\_for\_objection\_20130219.PDF

R8\_ACTPKG\_021913\_Exhibit\_11\_updated\_for\_objection\_20130219.PDF

R8\_ACTPKG\_021913\_ResponseToObjections.PDF

**AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA  
RENTERS INSURANCE PROGRAM  
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**Rate Indication**

Calendar Year	(1)	(2)	(3)	(4)	(5)	(6)		
	Written Premium	Earned Premium	Earned Premium at Current Level	Policy Fee	Premium Trend	Trended Premium		
2007	79,038	68,755	77,165	-	0.940	72,509		
2008	116,311	98,147	109,733	-	0.954	104,729		
2009	127,950	127,343	142,361	-	0.969	138,000		
2010	215,344	171,973	192,254	-	0.985	189,286		
<u>2011</u>	<u>234,489</u>	<u>226,617</u>	<u>243,580</u>	<u>-</u>	<u>1.000</u>	<u>243,580</u>		
Total	773,133	692,835	765,093	-		748,105		

Calendar Year	(7)	(8)	(9)	Loss Trend		(12)	(13)
	Non-CAT Incurred Losses	CAT Model Incurred Losses	Loss Adj. Expense Factor	Past-To-Current	Current-To-Future	Modified Losses	Trended Loss Ratio
2007	(54,086)	657	1.158	1.069	1.045	(69,172)	-95.4%
2008	141,211	967	1.158	1.051	1.045	180,832	172.7%
2009	152,779	1,064	1.158	1.034	1.045	192,460	139.5%
2010	288,709	1,791	1.158	1.017	1.045	357,466	188.8%
<u>2011</u>	<u>245,647</u>	<u>1,950</u>	<u>1.158</u>	<u>1.000</u>	<u>1.045</u>	<u>299,677</u>	<u>123.0%</u>
Total	774,260	6,429				961,263	128.5%

(14) 5-Year Loss Ratio	128.5%
(15) Credibility	38.4%
(16) Credibility-Weighted Loss Ratio	83.0%
(17) Permissible Loss & LAE Ratio	54.6%
(18) Indicated Rate Level Change	<b>51.9%</b>
(19) Overall Rate Impact of Proposed Changes	<b>13.3%</b>

**Notes:**

- (5) Exh 4
- (6) = (3) x (5) + (4)
- (8) Risk Link v11, Long-Term with Demand Surge, No Storm Surge
- (9) Exh 2, Col 5, Selected
- (10) Exh 3
- (11) Exh 3
- (12) = [ (7) x (9) x (10) x (11) ] + [ (8) x (9) x (11) ]
- (13) = (12) / (6)
- (14) = (13), five year average
- (15) Exh 9, Line 3
- (16) = [ (14) x (15) + [1 - (15)] x (17) ]
- (17) Exh 5, Line 10
- (18) = [ (16) / (17) - 1 ]

**AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA  
RENTERS INSURANCE PROGRAM  
ARKANSAS**

**Development of Loss Adjustment Expense  
Data in \$000s**

Calendar Year	(1) DCC Expenses Paid	(2) A&O Expenses Incurred	(3) Total LAE	(4) Incurred Losses	(5) LAE Factor
2007	906	4,641	5,547	34,022	1.163
2008	895	7,757	8,652	56,181	1.154
2009	297	9,909	10,206	55,388	1.184
2010	312	9,602	9,914	63,103	1.157
2011	520	15,868	16,388	112,750	1.145
Total & Avg	2,930	47,777	50,707	321,444	1.158
				Selected	<b>1.158</b>

Notes:

- (1) A/S - State Pages - Grand Total, Col 8, Line 4  
(2) A/S - IEE - Part III, Col 11, Line 4  
(3) = (1) + (2)  
(4) A/S - IEE - Part III, Col 7, Line 4  
(5) = 1.0 + (3) / (4)



**AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA  
RENTERS INSURANCE PROGRAM  
ARKANSAS**

**Premium Trend Factor  
Countrywide Data**

Calendar Year	Calendar Quarter	Written Premium	Written Exposure	12 Month Avg Premium	Number of Quarters				
					24	20	16	12	8
2005	1	3,790,913	14,031						
2005	2	4,777,379	19,407						
2005	3	5,867,588	23,976						
2005	4	4,962,164	20,059						
2006	1	5,563,869	21,999	248	232				
2006	2	7,051,208	29,346	246	231				
2006	3	7,516,325	33,040	240	230				
2006	4	5,993,751	27,173	234	229				
2007	1	6,593,430	29,028	229	228	218			
2007	2	8,878,596	39,069	226	227	218			
2007	3	9,901,273	47,011	220	226	218			
2007	4	8,397,464	39,893	218	225	218			
2008	1	8,619,200	39,460	216	224	218	211		
2008	2	11,762,266	54,435	214	224	218	212		
2008	3	13,998,449	66,082	214	223	218	213		
2008	4	10,776,284	51,845	213	222	218	213		
2009	1	10,998,845	51,523	212	221	218	214	210	
2009	2	13,919,598	66,113	211	220	218	214	211	
2009	3	16,124,254	76,604	211	219	217	215	212	
2009	4	12,609,145	60,669	210	218	217	216	214	
2010	1	14,986,580	67,261	213	218	217	216	215	216
2010	2	19,394,523	86,525	217	217	217	217	216	217
2010	3	22,558,622	101,960	220	216	217	218	217	218
2010	4	19,832,903	90,792	222	215	217	218	218	219
2011	1	21,497,348	96,519	222	214	217	219	220	220
2011	2	25,754,881	114,612	222	213	217	220	221	221
2011	3	28,547,690	131,039	221	213	217	220	222	222
2011	4	22,560,005	104,226	220	212	217	221	223	223

Selected No Quarters	Premium Trend
24	-1.5%

No. Quarters	24	20	16	12	8
Trend	-1.5%	-0.1%	1.2%	2.2%	1.7%

Selected Trend -1.5% 0.0%

	Past-To-Current	Current-To-Future	Overall Trend
2007	0.940	1.000	0.940
2008	0.954	1.000	0.954
2009	0.969	1.000	0.969
2010	0.985	1.000	0.985
2011	1.000	1.000	1.000
Data Evaluation Date		12/31/2011	
Assumed Eff Date		3/1/2013	
Avg Written Date		8/31/2013	
Avg Loss Date		3/1/2014	
Latest Experience Period Midpoint		7/1/2011	
Trend-To-Future		2.67	

**AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA  
RENTERS INSURANCE PROGRAM  
ARKANSAS**

**Selection of Permissible Loss & LAE Ratio**

Expense Component	2007		2008		2009		2010		2011		3 Yr Avg	5 Yr Avg	Selected Provision
	\$ (000)	%	\$ (000)	%	\$ (000)	%	\$ (000)	%	\$ (000)	%			
(1) Written Premium	118,067		136,856		144,718		168,480		209,501				
(2) Earned Premium	119,560		137,455		144,803		156,769		195,201				
(3) Commissions & Brokerage Fees (W)	33,858	28.7%	33,294	24.3%	33,673	23.3%	38,771	23.0%	48,772	23.3%	23.2%	24.5%	<b>24.5%</b>
(4) Other Acquisition Expenses (W)	8,503	7.2%	8,419	6.2%	9,520	6.6%	11,457	6.8%	11,004	5.3%	6.2%	6.4%	<b>6.4%</b>
(5) General Expenses (E)	4,119	3.4%	6,634	4.8%	8,510	5.9%	10,178	6.5%	13,121	6.7%	6.4%	5.5%	<b>5.5%</b>
(6) Taxes, Licenses & Fees (W)	2,743	2.3%	3,840	2.8%	4,218	2.9%	4,400	2.6%	4,740	2.3%	2.6%	2.6%	<b>3.0%</b>
(7) Reinsurance Expense													<b>0.0%</b>
(8) Underwriting Profit Provision													<b>6.0%</b>
(9) Total Expenses, Taxes & Profit													<b>45.4%</b>
(10) Permissible Loss Ratio													<b>54.6%</b>

**Notes:**

- (1) Insurance Expense Exhibit, Part III, Col 1, Line 4
- (2) Insurance Expense Exhibit, Part III, Col 3, Line 4
- (3) Insurance Expense Exhibit, Part III, Col 23, Line 4
- (4) Insurance Expense Exhibit, Part III, Col 27, Line 4
- (5) Insurance Expense Exhibit, Part III, Col 29, Line 4
- (6) Insurance Expense Exhibit, Part III, Col 25, Line 4; Selected is Arkansas P&C statutory tax for tax-year ending 12/31/2011
- (7) Reinsurance Expense Specific to Arkansas
- (8) Exh 6, Line 12
- (9) = (1) + (2) + (3) + (4) + (5) + (6) + (7) + (8)
- (10) = 1.0 - (9)

**AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA  
RENTERS INSURANCE PROGRAM  
ARKANSAS**

**Derivation of Underwriting Profit Provision**

(1) Target After-Tax Rate of Return on Surplus		15.0%
(2) Ratio of Written Premium to Surplus		1.76
(3) Expected Investment Income on Reserves as a % of Premium		1.8%
(4) Expected Investment Income on Reserves as a % of Surplus		3.2%
(5) Expected Investment Income on Surplus as a % of Surplus		4.7%
(6) Total Expected Investment Income as a % of Surplus		7.9%
(7) Federal Income Tax on Investment Income as a % of Surplus = (6) x	31.9%	2.5%
(8) After-Tax Investment Income on Surplus		5.4%
(9) Target After-Tax Underwriting Profit as a % of Surplus		9.6%
(10) Target After-Tax Underwriting Profit as a % of Premium		5.4%
(11) Target Pre-Tax Underwriting Profit as a % of Premium		8.4%
(12) Selected Pre-Tax Underwriting Profit as a % of Premium		6.0%

Notes:

- (2) From historical data
- (3) Exh 7, Line G
- (4) = (2) x (3)
- (5) Exh 7, Line E
- (6) = (4) + (5)
- (7) = (6) x 31.9%
- (8) = (6) - (7)
- (9) = (1) - (8)
- (10) = (9) / (2)
- (11) = (10) / ( 1 - 0.35 )

**AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA  
RENTERS INSURANCE PROGRAM  
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**Estimated Investment Earnings on Unearned Premium and Loss Reserves**

A.	Unearned Premium Reserve	
1.	Direct Earned Premium	\$195,201,345
2.	Mean Unearned Premium Reserve	\$92,536,334
3.	Percentage Total of Prepaid Expense	
	a. Commission and Brokerage	24.51%
	b. Taxes, Licenses and Fees	3.00%
	c. 50% of Other Acquisition Expense	3.20%
	d. 50% of General Expense	<u>2.74%</u>
	e. Total	33.45%
4.	Dollar Total of Prepaid Expense	\$30,951,288
5.	Subject to Investment	\$61,585,046
B.	Delayed Remission of Premium	\$16,382,572
C.	Expected Loss and Loss Adjustment Reserve	
1.	Direct Earned Premium (A1)	\$195,201,345
	x (Expected Loss and Loss Adjustment Ratio)	54.6%
2.	Expected Incurred Loss and Loss Adjustment	\$106,612,856
	x (Reserve to Incurred Ratio)	29.01%
3.	Expected Loss and Loss Adjustment Reserve	\$30,926,444
D.	Net Subject to Investment	\$76,128,918
E.	Average Rate of Return on Invested Assets	4.70%
F.	Investment Earnings on Net Subject to Investment	\$3,578,957
G.	Ratio of Investment Earnings to Earned Premium	1.8%

Notes:

- (A) (1) A/S, Exhibit of Premiums & Losses (Page 14), Col 2, Line 4.0  
(2) A/S, Exhibit of Premiums & Losses (Page 14), Col 4, Line 4.0  
(Selected 3 Year Average)
- (3a) Exh 5, Line 3  
(3b) Exh 5, Line 6  
(3c) = 50% x Exh 5, Line 4  
(3d) = 50% x Exh 5, Line 5  
(3e) = (3a) + (3b) + (3c) + (3d)  
(4) = (2) x (3e)  
(5) = (2) - (4)
- (C) (1) = (A1)  
(2) = (C1) x (Exh 5, Line 10)  
(3) = (C2) x (Reserve to Incurred Ratio)
- (D) = (A5) - (B) + (C3)  
(F) = (D) x (E)  
(G) = (F) / (A1)

**AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA  
RENTERS INSURANCE PROGRAM  
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**Standard for Full Credibility**

(1)	Total Paid Losses 2007-2011 (Excluding CAT Losses)	98,352,714
(2)	Total Paid Claims 2007-2011 (Excluding CAT Claims)	37,380
(3)	Average Paid Claim Severity	2,631
(4)	Countrywide Permissible Loss Ratio	54.4%
(5)	Full Credibility Constant - Claims	1,082
(6)	Indicated Full Credibility Constant - Premium	5,232,914
(7)	Selected Full Credibility Constant - Premium	5,200,000

Notes:

(3) = (1) / (2)

(6) = [ (3) x (5) ] / (4)

**AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA  
RENTERS INSURANCE PROGRAM  
ARKANSAS**

**Derivation of Credibility**

(1) Amount of Earned Premium for Full Credibility	\$ 5,200,000
(2) Amount of Earned Premium in Arkansas from 2007-2011:	\$ 765,093
(3) Arkansas Credibility	38.4%

Notes:

- (1) Exh 8, Line 7
- (3)  $=\min[\text{sqrt}[(2) / (1)], 1]$

**AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA  
RENTERS INSURANCE PROGRAM  
ARKANSAS**

**Rate Changes to Base Rates & Relativities**

Amount of Insurance	Territory 1			Territory 2		
	Current Rate	Proposed Rate*	Limit Rate Change	Current Rate	Proposed Rate*	Limit Rate Change
5,000	95	137	44.0%	95	131	38.0%
6,000	106	146	38.1%	106	140	32.4%
7,000	115	156	35.7%	115	150	30.0%
8,000	126	166	31.4%	126	159	26.0%
9,000	136	175	28.8%	136	168	23.5%
10,000	145	185	27.4%	145	177	22.1%
11,000	155	194	25.4%	155	186	20.2%
12,000	164	204	24.4%	164	196	19.2%
13,000	174	214	22.8%	174	205	17.6%
14,000	182	223	22.6%	182	214	17.5%
15,000	192	233	21.3%	192	223	16.2%
16,000	200	242	21.2%	200	232	16.2%
17,000	209	252	20.6%	209	242	15.6%
18,000	218	262	20.0%	218	251	15.0%
19,000	227	271	19.5%	227	260	14.5%
20,000	234	281	20.0%	234	269	15.0%
21,000	242	288	18.8%	242	276	13.9%
22,000	251	294	17.3%	251	282	12.4%
23,000	259	301	16.3%	259	289	11.4%
24,000	266	308	15.8%	266	295	11.0%
25,000	272	313	15.2%	272	300	10.4%
26,000	278	319	14.7%	278	305	9.9%
27,000	284	324	14.1%	284	311	9.4%
28,000	290	330	13.6%	290	316	8.9%
29,000	296	335	13.1%	296	321	8.4%
30,000	302	339	12.3%	302	325	7.6%
31,000	308	343	11.5%	308	329	6.9%
32,000	314	348	10.7%	314	333	6.1%
33,000	320	352	10.0%	320	337	5.4%
34,000	326	356	9.3%	326	341	4.7%
35,000	332	360	8.6%	332	345	4.1%
36,000	338	365	7.9%	338	350	3.4%
37,000	344	369	7.3%	344	354	2.8%
38,000	350	373	6.7%	350	358	2.2%
39,000	356	378	6.1%	356	362	1.6%
40,000	362	382	5.5%	362	366	1.1%
41,000	368	386	4.9%	368	370	0.5%
42,000	374	390	4.4%	374	374	0.0%
43,000	380	395	3.8%	380	378	-0.5%
44,000	386	399	3.3%	386	382	-1.0%
45,000	392	403	2.8%	392	386	-1.4%
46,000	398	407	2.4%	398	390	-1.9%
47,000	404	412	1.9%	404	395	-2.3%
48,000	410	416	1.4%	410	399	-2.8%
49,000	416	420	1.0%	416	403	-3.2%
50,000	422	424	0.6%	422	407	-3.6%

Each Additional Thousand or Part Thereof:

6.00      4.26      6.00      4.09

Relativity Change Rate Impact	-0.5%	-2.4%	<b>-1.7%</b>
Base Rate Change by Territory	20.0%	15.0%	<b>16.8%</b>
Overall Rate Change to Base Rates	19.4%	12.2%	<b>14.8%</b>

\* Includes policy fee of 15.

Base Rate Premium % of Total Premium	<b>92.4%</b>
Relativity Changes Overall Rate Impact	<b>-1.6%</b>

**AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA  
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**Support for Rate Changes to Base Rates in Proposed Territories**

Only data from the base coverages is used in this rate indication exhibit.

Proposed Territory	(1) Calendar Year	(2) Non-CAT Incurred Loss	(3) CAT Model Incurred Loss	(4) LAE Trend	(5) Loss Trend		(6) Modified Incurred Loss	(7) Earned Premium	(8) Premium Trend	(9) On-Level Factor	(10) Trended Earned Premium	(11) Trended Loss Ratio	(12) Paid Claim Count	(13) Credibility	(14) Weighted Loss Ratio	(15) Permissible Loss Ratio	(16) Indicated Rate Change	(17) Selected Rate Change	(18) Territory % Total Premium	
					Past-To-Current	Current-To-Future														
1	2007	9,615	256	1.158	1.069	1.045	12,748	25,484	0.940	1.122	26,875	47.4%	5							
1	2008	45,737	345	1.158	1.051	1.045	58,608	32,942	0.954	1.118	35,152	166.7%	11							
1	2009	64,424	407	1.158	1.034	1.045	81,105	45,558	0.969	1.118	49,371	164.3%	14							
1	2010	136,584	692	1.158	1.017	1.045	168,924	63,732	0.985	1.118	70,148	240.8%	25							
1	2011	89,066	700	1.158	1.000	1.045	108,648	79,766	1.000	1.075	85,737	126.7%	20							
<b>TOTAL</b>		<b>345,426</b>					<b>430,034</b>	<b>247,482</b>			<b>267,282</b>	<b>160.9%</b>	<b>75</b>		<b>26%</b>	<b>83%</b>	<b>55%</b>	<b>51.2%</b>	<b>20.0%</b>	<b>37%</b>
2	2007	(66,828)	402	1.158	1.069	1.045	(85,965)	40,070	0.940	1.122	42,259	-203.4%	10							
2	2008	95,261	622	1.158	1.051	1.045	121,953	59,402	0.954	1.118	63,386	192.4%	13							
2	2009	88,156	657	1.158	1.034	1.045	111,105	73,587	0.969	1.118	79,745	139.3%	14							
2	2010	151,538	1,099	1.158	1.017	1.045	187,819	101,190	0.985	1.118	111,378	168.6%	17							
2	2011	156,084	1,250	1.158	1.000	1.045	190,427	142,281	1.000	1.075	152,931	124.5%	25							
<b>TOTAL</b>		<b>424,211</b>					<b>525,339</b>	<b>416,530</b>			<b>449,698</b>	<b>116.8%</b>	<b>79</b>		<b>27%</b>	<b>71%</b>	<b>55%</b>	<b>30.8%</b>	<b>15.0%</b>	<b>63%</b>

Rate impact to base (20) 16.9%

Base percent of total premium (21) 92.4%

Rate impact (22) 15.6%

Notes:

(3) Exh 1, Col 8 allocated to territory by (8)

(4) Exh 2, Col 5, Selected

(5) Exh 3

(6) Exh 3

(7) = (2) x (4) x (5) x (6) + (3) x (4) x (6)

(8) Data has been adjusted to add effect of proposed Single Family Surcharge and Mandatory Insurance Requirement Credit.

This removes the impact of the single family and mandatory insurance loss ratios from the territorial indications.

(9) Exh 4

(11) = (8) x (9) x (10)

(12) = (7) / (11)

(14) = min(1, sqrt((13) / 1,082))

(15) = (14) x (12) + [ 1 - (14) ] x (16)

(16) Exh 5, Line 10

(17) = (15) / (16) - 1

(22) = (20) x (21)

**AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA  
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**Support for Change to Scheduled Personal Property Endorsement Rate**

*Countrywide data is used in the indication since there is not enough credible AR experience for this endorsement.*

(1) Calendar Year	(2) Written Premium	(3) Earned Premium	(4) On-Level Factor	(5) Premium Trend Factor	(6) Miscellaneous Fees Allocation	(7) Trended Earned Premium Incl. Misc Fees
2007	124,395	101,326	1.000	1.276	9,308	138,628
2008	171,637	152,599	1.000	1.216	12,409	197,894
2009	176,034	172,767	1.000	1.158	12,399	212,398
2010	224,326	201,089	1.000	1.103	16,901	238,601
2011	319,272	271,606	1.000	1.050	32,426	317,612
Total	1,015,664	899,386			83,444	1,105,134

(8) Calendar Year	(7) Reported Loss & ALAE	(8) Loss Trend		(9) Modified Losses	(10) Trended Loss Ratio
	Up-to-Date	Projected			
2007	62,824	1.000	1.000	62,824	45.3%
2008	56,083	1.000	1.000	56,083	28.3%
2009	55,416	1.000	1.000	55,416	26.1%
2010	14,682	1.000	1.000	14,682	6.2%
2011	102,208	1.000	1.000	102,208	32.2%
Total	291,213			291,213	26.4%

(12) 5-Year Loss Ratio	26.4%
(13) Credibility	21.8%
(14) Permissible Loss Ratio	54.6%
(15) Credibility-Weighted Loss Ratio	48.5%
(16) Indicated Rate Level Change	-11.3%
(17) Current Rate per \$100	2.75 Jewelry 2.50 Other Eligible Property
(18) Indicated Rate per \$100	2.44 Jewelry 2.22 Other Eligible Property
(19) Selected Rate per \$100*	1.65 Jewelry 1.65 Other Eligible Property
(20) AR 2011 Scheduled Personal Property Premium	41 Jewelry - Other Eligible Property
(21) Percent of Total AR Premium	0.02% Jewelry 0.00% Other Eligible Property
(22) Overall Rate Impact	-0.01%

\* Our selected rate is based on the indication in (16) as well as the rate of \$1.75 per \$100 of property offered in North Carolina and Florida by our competitor Universal North America Insurance Company. Due to low data credibility for this endorsement, we cannot rely on the rate indication alone.

Notes:

- (4) Selected a 5% premium trend since there is not enough credible scheduled personal property experience to develop a trend
- (5) Total miscellaneous fees countrywide, allocated to scheduled personal property by written premium
- (6) = (2) x (3) x (4) + (5)
- (8), (9) Selected a 0% loss trend since there is not enough credible scheduled personal property experience to develop a trend
- (10) = (7) x (8) x (9)
- (11) = (10) / (6)
- (12) = (11), weighted average
- (13) Exh 12, Sheet 2, Line 9
- (14) Exh 5, Line 10
- (15) = (12) x (13) + [ 1 - (13) ] x (14)
- (16) = (15) / (14) - 1
- (18) = (17) x [ 1 + (16) ]
- (22) = (18) x [ 1 + (17) ]
- (23) = [ [(19) / (17) - 1] x (21) - Jewelry ] + [ [(19) / (17) - 1] x (21) - Other Property ]

**AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA  
RENTERS INSURANCE PROGRAM  
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**Credibility for Scheduled Personal Property**

*Countrywide data is used in the indication since there is not enough credible AR experience for this endorsement.*

(1) Total Paid Loss & ALAE for Accident Period 2007-2011	287,348
(2) Total Paid Claims for Accident Period 2007-2011	33
(3) Average Paid Claim Severity	8,708
(4) Permissible Loss Ratio	54.6%
(5) Full Credibility Constant - Claims	1,082
(6) Indicated Full Credibility Constant - Premium	20,759,972
(7) Selected Full Credibility Constant - Premium	20,760,000
(8) Earned Premium at Current Level (2007-2011)	982,829
(9) Credibility	<b>21.8%</b>

Notes:

(3) = (1) / (2)

(4) Exh 5, Line 10

(6) = [ (3) x (5) ] / [ 1 - (4) ]

(9) = min( 1, sqrt[ (8) / (7) ] )

**AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA  
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**Deductible Credit Adjustment**

*This exhibit uses countrywide data since there is not credible AR data to derive these credits.*

<u><b>Derivation of \$250 Deductible Credit</b></u>	
(1) Total paid losses based on a \$100 deductible (2006-2010):	54,312,786
(2) Losses eliminated by \$250 deductible (2006-2010):	2,738,220
(3) LER @ \$250 = Loss Elimination Ratio for \$250 Deductible [(2) / (1)]:	5.04%
(4) PLR = Permissible Loss Ratio excluding ALAE	48.5%
(5) VAREXP = Variable Expenses (Commissions, Taxes & Profit)	32.9%
(6) SF = Safety Factor	0.90
(7) Premium credit for \$250 deductible (from \$100 deductible) = LER x PLR x SF / ( 1 - VAREXP) = [(3) x (4) x (6)] / [ 1 - (5) ]	3.3%
(8) Selected premium credit for \$250 deductible (from \$100 deductible):	<b>3.0%</b>
(9) Current premium credit for \$250 deductible (from \$100 deductible):	<b>4.0%</b>
(10) Rate impact for change in premium credit	1.0%

<u><b>Derivation of \$500 Deductible Credit</b></u>	
(1) Total paid losses based on a \$100 deductible (2006-2010):	54,312,786
(2) Losses eliminated by \$500 deductible (2006-2010):	7,282,234
(3) LER @ \$500 = Loss Elimination Ratio for \$250 Deductible [(2) / (1)]:	13.41%
(4) PLR = Permissible Loss Ratio excluding ALAE	48.5%
(5) VAREXP = Variable Expenses (Commissions, Taxes & Profit)	32.9%
(6) SF = Safety Factor	0.90
(7) Premium credit for \$500 deductible (from \$100 deductible) = LER x PLR x SF / ( 1 - VAREXP) = [(3) x (4) x (6)] / [ 1 - (5) ]	8.7%
(8) Selected premium credit for \$500 deductible (from \$100 deductible):	<b>9.0%</b>
(9) Current premium credit for \$500 deductible (from \$100 deductible):	<b>10.0%</b>
(10) Rate impact for change in premium credit	1.1%
(11) Base rate percent of total premium	92.4%
<b>(12) Overall Rate Impact</b>	<b>0.8%</b>

**AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA  
RENTERS INSURANCE PROGRAM  
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**Introduction of Policy Fee**

Policy Fee           **15.00**

*ABIC would like to introduce a \$15.00 policy fee to our Arkansas Renter's Insurance program. In order to add this policy fee we have removed \$15.00 from our proposed base rates at every amount of insurance. The adjusted base rates are shown in the proposed State Exception Page which is submitted with this filing.*

**AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA  
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**Support for Pet Damage Endorsement Rate**

		%
(1) 2011 AR Renter's Insurance Policy Count	931	
(2) Renters with Pets	242	26%
(3) Endorsement Penetration	24	10%
(4) Overall Frequency of Pet Damage	6	25%
(5) Frequency that Exceeds Deposit	1	20%
(6) Average \$ above deposit	250	
(7) Expected Losses	303	
(8) Loss Cost	12.50	
(9) Permissible Loss Ratio	54.6%	
(10) Premium Required per Risk	22.89	
(11) Selected Endorsement Premium	<b>20.00</b>	

Notes:

- (2) = (1) x (2 %)  
*(2%) is from a survey by Trusted Choice, a network of financial and insurance firms, which found that 26% of renters with insurance had pets. This study is available online at:  
<http://www.bradhughesinsurance.com/blog/52-renters-face-liability-risks-too-.html>*
- (3) = (2) x (3 %)
- (4) = (3) x (4 %)
- (5) = (4) x (5 %)
- (6) *The endorsement offers \$500 of coverage, we assume the average claim will be half of the coverage granted.*
- (7) = (5) x (6)
- (8) = (7) / (3)
- (9) Exh 5, Line 10
- (10) = (8) / (9)

**AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA  
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**Support for Single Family Home Surcharge**

*2011 Loss and Premium Data by Type of Dwelling  
Data Excludes Catastrophe Losses*

Dwelling Type	(1) Earned Premium	(2) Written Premium	(3) Incurred Loss	(4) LAE Factor	(5) Loss & ALAE Ratio	(6) Dwelling Type % of Premium
Single Family Home	91,244	98,972	181,392	1.158	198.8%	40.7%
All Other Dwelling Types	132,885	134,941	64,866	1.158	48.8%	59.3%
<b>Total</b>	<b>224,130</b>	<b>233,913</b>	<b>246,258</b>		<b>109.9%</b>	<b>100.0%</b>
						(7) Indicated Single Family Home Surcharge 307.3%
						(8) Current Single Family Home Surcharge 0.0%
						(9) Selected Single Family Home Surcharge <b>15.0%</b>
						(10) Rate Impact to Base Rates 6.1%
						(11) Base Rates % of Total Premium 92.4%
						(12) Overall Rate Impact 5.6%

Notes:

*Calendar year 2011 data is used to determine the indicated single family home surcharge since our system only began capturing type of dwelling during calendar year 2010.*

$$(4) = (3) / (1)$$

$$(6) = [ (4), \text{ Single Family Home } ] / [ (4), \text{ All Other Dwelling Types } ] - 1 + (7)$$

$$(8) = [ [ 1.0 + (8) ] / [ 1.0 + (7) ] - 1.0 ] \times [ (5), \text{ Single Family Home } ]$$

$$(11) = (9) \times (10)$$

**AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA  
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**Support for Mandatory Insurance Requirement Credit**

Only data from the base coverages and increased liability limit coverage is included in this exhibit.

Indication based on Countrywide data since AR data is insufficient to provide support for this credit.

Insurance Mandatory	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)		(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
	Calendar Year	Incurred Loss	LAE Factor	Trending Loss	Premium	Modified Incurred Loss	Earned Premium	On-Level Factor Rate Changes	Current Credit	Earned Premium	Trended Loss Ratio	Trended Loss Ratio	Claim Count	Paid Credibility	Weighted Loss Ratio	Permissible Loss Ratio	Category % Total Premium
No	2007	5,925,569	1.158	1.117	0.940	7,665,531	17,277,215	0.974	1.000	15,817,590	48.5%	1,709					
No	2008	9,424,020	1.158	1.099	0.954	11,990,082	23,528,608	0.997	1.000	22,384,052	53.6%	2,584					
No	2009	12,975,220	1.158	1.081	0.969	16,235,829	27,791,309	1.006	1.000	27,091,940	59.9%	3,541					
No	2010	15,846,830	1.158	1.063	0.985	19,501,854	34,005,626	1.012	1.000	33,889,885	57.5%	4,196					
No	2011	24,404,574	1.158	1.045	1.000	29,537,825	48,978,976	1.007	1.000	49,307,248	59.9%	5,989					
	<b>TOTAL</b>	<b>68,576,211</b>				<b>84,931,120</b>	<b>151,581,735</b>			<b>148,490,715</b>	<b>57.2%</b>	<b>18,019</b>	<b>100%</b>	<b>57%</b>	<b>53%</b>	<b>69%</b>	
Yes	2007	1,738,792	1.158	1.117	0.940	2,249,365	7,153,936	0.974	0.975	6,386,628	35.2%	682					
Yes	2008	2,602,393	1.158	1.099	0.954	3,310,998	9,220,703	0.997	0.974	8,543,188	38.8%	883					
Yes	2009	4,426,920	1.158	1.081	0.969	5,539,383	13,149,736	1.006	0.974	12,485,619	44.4%	1,595					
Yes	2010	5,920,197	1.158	1.063	0.985	7,285,673	17,575,570	1.012	0.982	17,201,175	42.4%	1,960					
Yes	2011	6,508,234	1.158	1.045	1.000	7,877,174	20,539,023	1.007	0.986	20,394,953	38.6%	2,277					
	<b>TOTAL</b>	<b>21,196,537</b>				<b>26,262,593</b>	<b>67,638,968</b>			<b>65,011,562</b>	<b>40.4%</b>	<b>7,397</b>	<b>100%</b>	<b>40%</b>	<b>53%</b>	<b>31%</b>	

Indicated Change to Mandatory Insurance Credit Countrywide	(17)	-29.4%
Current AR Mandatory Insurance Credit	(18)	-10.0%
Selected AR Mandatory Insurance Credit	(19)	-25.0%
Base Rates % of Total Premium	(20)	92.4%
Overall Rate Impact	(21)	-4.8%

Notes:

- (3) Exh 2, Col 5, Selected
- (4) Exh 3
- (5) Exh 4
- (6) = (2) x (3) x (4)
- (7) = (5) / (8)
- (9) Affect of Mandatory Insurance Requirement Credits implemented countrywide
- (10) = (5) x (7) x (8) x (9)
- (11) = (6) / (10)
- (13) = sqrt[ (12) / 1,082 ]
- (14) = (13) x (11) + [ 1 - (13) ] x (15)
- (15) Exh 5, Line 10
- (17) = [ (14), Insurance Mandatory ] / [ (14), Insurance Not Mandatory ] - 1
- (21) = [ (16), Insurance Mandatory ] x [ ( 1 + (19) ) / [ 1 + (18) ] - 1 ] x (20)

**AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA  
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**Property Damage Liability Expansion of Coverage  
Additional Losses Expected with Expansion of Coverage**

2007-2011 Data for Property Damage Liability

Notes:

(1) Claim Count	13
(2) Paid Loss	82,412
(3) Earned Exposure	1,376 (1 policy = 1 exposure unit)
(4) Current Average Number of People Covered Under 1 Policy	3
(5) Permissible L/R	54.6% Exh 5, Line 10

Current

(6) Frequency	0.9% = (1) / (3)
(7) Severity	6,339 = (2) / (1)
(8) Loss Cost	59.91 = (6) x (7)

After Coverage Expansion

(9) Additional Amount of Insureds per Policy	1 Selected
(10) Additional Exposure Units per Policy	459 = (3) x [ (9) / (4) ]
(11) Frequency	1.3% = [ (1) + (10) x (6) ] / (3)
(12) Lost Cost	79.88 = (7) x (11)
(13) Additional Claims Expected	4 = (11) x (3) - (1)
(14) Additional Losses Expected	27,471 = (7) x (13)

**AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA  
RENTERS INSURANCE PROGRAM  
ARKANSAS**

**Property Damage Liability Expansion of Coverage  
*Rate Level Effect of Coverage Expansion***

(1) Total paid losses 2007-2011	845,826
(2) Additional losses paid with coverage expansion (2007-2011)	27,471
(3) Total losses with expanded coverage (2007-2011)	873,296
(4) Percent increase in losses	3.2%
(5) Permissible loss ratio less ratio of ALAE/EP	34.5%
(6) Variable expenses	33.5%
(7) Indicated premium percent increase for coverage expansion	1.7%
(8) Safety factor	1.1
(9) Selected premium percent increase for coverage expansion	1.9%
(10) Realized rate decrease for coverage expansion	-1.7%

Notes:

- (2) Exh 18, Sheet 1, Line 14
- (3) = (1) + (2)
- (4) = (3) / (1) - 1.0
- (5) Exh 5, Line 10 less ratio of ALAE/EP
- (6) Exh 5, Sum of Lines 3, 6, 8
- (7) = [ (4) x (5) ] / [ 1.0 - (6) ]
- (8) Selected
- (9) = (7) x (8)
- (11) = (9) x (10)
- (12) = - [ [ (10) + (11) ] / (10) - 1.0 ]

**AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA  
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**Power Surge Expansion of Coverage  
Additional Losses Expected with Expansion of Coverage**

*Countrywide data is used in this analysis since there is not credible AR data for this coverage*

2009-2011 Data for Power Surge Damages to Electronics\*

(1) Reported Claim Count	187
(2) Percent of Total Reported Claims Not Lightning	98%
(3) Percent of Total Reported Claims Paid	61%
(4) Average Claim Severity	1,574
(5) Percentage of Total Losses Reported	55%
(6) Total Paid Losses With Expanded Coverage	316,706

Notes:

\* *Due to changing trends in claims data, we choose to use the most recent three years of data instead of the most recent five years.*

- (1) Though we do not currently cover damage to electronics caused by power surges (with the exception of if the power surge was caused by lightning), we do keep a record of all claims that are reported.
- (2) Based on a study of 2010 claims. Of the claims reported in (1), this is the percentage that were not due to power surge from on premise lightning, which is already covered (thus, these losses are not considered in the projected losses resulting from expanded coverage).
- (3) Based on a study of 2010 claims. Out of all claims reported as power surge damage to electronics, an estimated 61% would be paid with the coverage expansion. For the claims that were not paid, the reason was either a lack of activity or withdrawal of the claim by the insured.
- (4) Though we do not currently cover damage to electronics caused by power surges (with the exception of if the power surge was caused by lightning), we do keep a record of the replacement cost value claimed by the insured when the claim is reported.
- (5) Per a Trusted Choice survey, 55% of Renters believe their insurance policy covers power surge damage to electronics.  
*Source: Insurance Journal, Survey: 96 Million Households Lack Knowledge on Protecting Electronics*  
<http://www.insurancejournal.com/news/national/2007/11/20/85193.htm>
- (6) = [ (1) x (2) x (3) x (4) ] / (5)

**AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA  
RENTERS INSURANCE PROGRAM  
ARKANSAS**

**Power Surge Expansion of Coverage  
Rate Level Effect of Coverage Expansion**

*Countrywide data is used in this analysis since there is not credible AR data for this coverage*

(1) Total paid losses (2009-2011)	95,458,452
(2) Additional losses paid with coverage expansion (2009-2011)	316,706
(3) Total losses with expanded coverage (2009-2011)	95,775,157
(4) Percent increase in losses	0%
(5) Permissible loss ratio less ratio of ALAE/EP	34.5%
(6) Variable expenses	33.5%
(7) Indicated premium percent increase for coverage expansion	0.2%
(8) Safety factor	1.1
(9) Selected premium percent increase for coverage expansion	0.2%
(10) Rate level effect for coverage expansion	-0.2%

Notes:

- (2) Exh 19, Sheet 1, Line 6
- (3) = (1) + (2)
- (4) = (3) / (1) - 1.0
- (5) Exh 5, Line 10 less ratio of ALAE/EP
- (6) Exh 5, Sum of Lines 3, 6, 8
- (7) = [ (4) x (5) ] / [ 1.0 - (6) ]
- (9) = (7) x (8)
- (10) = 1 / [ 1 + (7) ] - 1

**AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA  
 RENTERS INSURANCE PROGRAM  
 ARKANSAS**

**Determination of Overall Rate Impact**

<b>Change</b>	<b>Rate Impact</b>
(1) Relativity Changes	-1.6%
(2) Base Rates	15.6%
(3) Scheduled Personal Property Endorsement	-0.01%
(4) Deductible Credits	0.8%
(5) Single Family Home Surcharge	5.6%
(6) Mandatory Insurance Credit	-4.8%
(7) Property Damage Liability Expansion	-1.7%
(8) Power Surge Coverage Expansion	-0.2%
(9) Overall Rate Impact	13.3%

**Notes:**

- (1) Exhibit 10 (accounting for % base rate of total premium)
- (2) Exh 11, Sheet 2, Line 22
- (3) Exh 12, Sheet 1, Line 22
- (4) Exh 13, Line 12
- (5) Exh 16, Line 12
- (6) Exh 17, Line 21
- (7) Exh 18, Sheet 2, Line 10
- (8) Exh 19, Sheet 2, Line 10
- (9) = [ 1 + (1) ] x [ 1 + (2) ] x [ 1 + (3) ] x [ 1 + (4) ] x [ 1 + (5) ] x [ 1 + (6) ] x [ 1 + (7) ] x [ 1 + (8) ] - 1



**ASSURANT**

**American Bankers Insurance  
Company of Florida**  
11222 Quail Roost Drive  
Miami, FL 33157-6596  
T 305.253.2244 F 305.252.6987

www.assurant.com

**VIA SERFF**

January 30, 2012

Arkansas Department of Insurance  
1200 West Third Street  
Little Rock, AR 72201-1904

Attention: Property and Casualty Division

Re: **AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA**  
NAIC# 0019-10111 FEIN# 59-0593886  
Line of business: 4.0 Homeowners  
**Renters Insurance Program**  
Company Filing Number: RFN AR05562AI00019  
SERFF Filing ID: ASPX-G128730931

**Rule Filing – for approval**

**RP-AR pages 1 through 7 ed. 01/13** State Exception Pages - Arkansas

**Related Filing Document**

Homeowners Survey Form HPCS

Dear Examiner:

American Bankers Insurance Company of Florida would like to make the following revisions to our Renters Insurance Program in the state of Arkansas. Please refer to the Actuarial Memorandum and Exhibits for more details.

This filing has been submitted in our state of domicile, Florida.

- In the Forms List of State Exception Page RP-AR-1 edition 01/13, we updated the form numbers of the following forms since we are making changes via the companion form filing ASPX-G128873680:  
  
AB4442EC-0612 Scheduled Personal Property Endorsement, AB3430EPC-0812 and AB3432EPC-0812 Involuntary Unemployment Insurance Endorsements.
- The base rates and relativities have been amended.
- Under the Scheduled Personal Property coverage, we are proposing a decrease to the rate for Jewelry from \$2.75 to \$1.65 and the rate for Other Eligible Property from \$2.50 to \$1.65.
- We are introducing Pet Damage coverage providing up to \$500 of coverage for an annual premium of \$20.00.
- The credits for the optional \$250 and \$500 deductibles have been reduced based on our experience to 3% and 9% respectively.
- We are introducing a 15% surcharge on policies that are rented single family homes.
- The Mandatory Insurance Requirement Credit was increased from 10% to 25%.
- We removed the 5% Internet Credit from the program.
- We are introducing a \$15 Policy Fee.

**State Exception Pages RP-AR-1 through RP-AR-8 edition 01/13**

Our State Exception Pages RP-AR-1 through RP-AR-8 edition 01/13 are attached showing the following changes. These pages replace the RP-AR-1 through RP-AR-6 edition 10/10.

- Updated the form numbers and the instructions for the Scheduled Personal Property coverage regarding unscheduled jewelry.
- Updated the form numbers for the Involuntary Unemployment Insurance Endorsements.
- Changed base rates.
- Added the Pet Damage Instructions.
- Removed the Internet Credit instructions since this is no longer available in Arkansas.
- Added the Type of Dwelling Surcharge and amended the Mandatory Insurance Requirement Credit as well as the rating method instructions by clarifying that they are not applicable to optional coverages, billing fees or policy fees.
- Under the Exceptions to General Rule section:
  - Amended the Eligibility criteria to clarify tenants of Manufactured Homes/mobile homes, trailer homes and house trailers are not eligible. Also, no more than two unrelated persons can be insured on one policy.
  - Under General Rule 7, the Internet Credit is deleted since this is no longer available in Arkansas.
  - Under General Rule 7, added rules for the Mandatory Insurance Requirement Credit.
- Renumbered the items throughout the State Exception Pages.

We are adding the following endorsement and instructions to the State Exception Page RP-AR-6:

**Pet Damage Endorsement AB1877EPC-0811**

Provides up to \$500 of coverage in excess of the pet deposit and/or security deposit for pet damage at an annual premium of \$20.00.

Copies of the State Exception Pages with the changes tracked are also attached. Our effective dates for implementation are April 1, 2013 for new business and May 1, 2013 for renewal business.

The companion form filing has been submitted under SERFF Filing ID ASPX-G128873680.

Thank your for your time and attention to this filing. If you have any questions please feel free to contact me at 1-800-852-2244, ext. 33363 or via email at Tanya.Robotham@assurant.com.

Sincerely,



Tanya Robotham  
Senior Contract Compliance Analyst  
State Filings Department  
American Bankers Insurance Company of Florida

cc: RFN ARAI\_R8

NAIC Number: 0019-10111  
 Company Name: American Bankers Insurance Company of Florida  
 Contact Person: Tanya Robotham  
 Telephone No.: 800-852-2244 X33363  
 Email Address: tanya.robtham@assurant.com  
 Effective Date: 1-Apr-13

**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	\$121.00	\$121.00	\$121.00	\$121.00	\$121.00	\$121.00	\$121.00	\$121.00	\$121.00	\$121.00	\$121.00	\$121.00	\$121.00	\$121.00	\$121.00	\$121.00	\$126.00	\$126.00
	\$15,000	\$204.00	\$204.00	\$204.00	\$204.00	\$204.00	\$204.00	\$204.00	\$204.00	\$204.00	\$204.00	\$204.00	\$204.00	\$204.00	\$204.00	\$204.00	\$204.00	\$213.00	\$213.00
	\$25,000	\$276.00	\$276.00	\$276.00	\$276.00	\$276.00	\$276.00	\$276.00	\$276.00	\$276.00	\$276.00	\$276.00	\$276.00	\$276.00	\$276.00	\$276.00	\$276.00	\$288.00	\$288.00
6	\$5,000	\$121.00	\$121.00	\$121.00	\$121.00	\$121.00	\$121.00	\$121.00	\$121.00	\$121.00	\$121.00	\$121.00	\$121.00	\$121.00	\$121.00	\$121.00	\$121.00	\$126.00	\$126.00
	\$15,000	\$204.00	\$204.00	\$204.00	\$204.00	\$204.00	\$204.00	\$204.00	\$204.00	\$204.00	\$204.00	\$204.00	\$204.00	\$204.00	\$204.00	\$204.00	\$204.00	\$213.00	\$213.00
	\$25,000	\$276.00	\$276.00	\$276.00	\$276.00	\$276.00	\$276.00	\$276.00	\$276.00	\$276.00	\$276.00	\$276.00	\$276.00	\$276.00	\$276.00	\$276.00	\$276.00	\$288.00	\$288.00
9	\$5,000	\$121.00	\$121.00	\$121.00	\$121.00	\$121.00	\$121.00	\$121.00	\$121.00	\$121.00	\$121.00	\$121.00	\$121.00	\$121.00	\$121.00	\$121.00	\$121.00	\$126.00	\$126.00
	\$15,000	\$204.00	\$204.00	\$204.00	\$204.00	\$204.00	\$204.00	\$204.00	\$204.00	\$204.00	\$204.00	\$204.00	\$204.00	\$204.00	\$204.00	\$204.00	\$204.00	\$213.00	\$213.00
	\$25,000	\$276.00	\$276.00	\$276.00	\$276.00	\$276.00	\$276.00	\$276.00	\$276.00	\$276.00	\$276.00	\$276.00	\$276.00	\$276.00	\$276.00	\$276.00	\$276.00	\$288.00	\$288.00

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

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

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

**HO3 and HO4 only**

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

**EARTHQUAKE INSURANCE**

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

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

Maximum Credit Allowed	N/A	%	Lowest Risk	\$ N/A	\$ N/A
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**AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA**  
**RENTERS INSURANCE PROGRAM**  
**STATE EXCEPTION PAGE**  
**ARKANSAS**

FORMS

Form Number	Description	Page Number
<b>Standard Forms</b>		
AJ8850PC-0307	Renters Insurance Policy	
AB4450DC-0509	Renters Policy Declarations (manual)	
A2083-0684	Computer Declarations	
N1504-1104	Consumer Notice	
N8043-0303	Notice to Policyholders – New Insureds Only	
N8044-0303	Notice to Policyholders – Existing Insureds Only	
<b>Mandatory Endorsements</b>		
AB4536EC- <del>10100113</del>	Mandatory Amendatory Endorsement – Arkansas	
<b>Optional Endorsements</b>		
AB4442EC- <del>05090612</del>	Scheduled Personal Property Endorsement	34
AB4443EC-1105	Change Endorsement	
AB4720EC-0307	Personal Property Replacement Cost Endorsement	34
AB4721EC-0805	Burglary Limitation Endorsement	34
<del>AB3430EPC-0812</del>	<del>Involuntary Unemployment Insurance Endorsement - Single Coverage</del>	<del>5</del>
<del>AB3432EPC-0812</del>	<del>Involuntary Unemployment Insurance Endorsement - Joint Coverage</del>	<del>5</del>
<del>AJ9083EC-0509</del>	<del>Involuntary Unemployment Insurance Endorsement</del>	<del>4</del>
AB5087EC-0805	Water Backup of Sewers or Drains Endorsement	45
AJ9854EPC-0708	Identity Fraud Expense Coverage Endorsement	45
AB1015EPC-0609	Animal Liability Exclusion Endorsement	45
<del>AB1877EPC-0811</del>	<del>Pet Damage Endorsement</del>	<del>6</del>
AJ8305EC-0509	Continuous Renewal Endorsement	56

**AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA**  
**RENTERS INSURANCE PROGRAM**  
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**ARKANSAS**

**TERRITORIAL DEFINITIONS**

**Territory 1**

Jefferson

Pulaski

**Territory 2**

The remainder of the state.

**RATES**

Mandatory Coverages

Section I - Property Protection

Personal Property Coverage - Amount of Insurance as indicated

Loss of Use - 20% of limit on Personal Property Coverage

A \$100 deductible applies to loss from all Section I perils covered under the policy on an occurrence basis.

Section II - Personal Liability Protection

Personal Liability Coverage - \$25,000 each occurrence

Medical Payments to Others Coverage - \$500 each person

Premiums:

<u>Section I</u> <u>Limit of Liability</u> <u>(includes \$25,000/\$500</u> <u>Personal Liability)</u>	<u>Annual Premium</u>	
	<u>Territory 1</u>	<u>Territory 2</u>
5,000 - 5,999	<u>95122</u>	<u>116.95</u>
6,000 - 6,999	<u>106131</u>	<u>125.106</u>
7,000 - 7,999	<u>115141</u>	<u>135.115</u>
8,000 - 8,999	<u>126151</u>	<u>144.126</u>
9,000 - 9,999	<u>136160</u>	<u>153.136</u>
10,000 - 10,999	<u>145170</u>	<u>162.145</u>
11,000 - 11,999	<u>155179</u>	<u>171.155</u>
12,000 - 12,999	<u>164189</u>	<u>181.164</u>
13,000 - 13,999	<u>174199</u>	<u>190.174</u>
14,000 - 14,999	<u>182208</u>	<u>199.182</u>
15,000 - 15,999	<u>192218</u>	<u>208.192</u>
16,000 - 16,999	<u>200227</u>	<u>217.200</u>
17,000 - 17,999	<u>209237</u>	<u>227.209</u>
18,000 - 18,999	<u>218247</u>	<u>236.218</u>
19,000 - 19,999	<u>227256</u>	<u>245.227</u>
20,000 - 20,999	<u>234266</u>	<u>254.234</u>
21,000 - 21,999	<u>242273</u>	<u>261.242</u>
22,000 - 22,999	<u>251279</u>	<u>267.251</u>
23,000 - 23,999	<u>259286</u>	<u>274.259</u>
24,000 - 24,999	<u>266293</u>	<u>280.266</u>

**AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA**  
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RATES (Continued)

Premiums (Continued):

<u>Section I</u> <u>Limit of Liability</u> <u>(includes \$25,000/\$500</u> <u>Personal Liability)</u>	<u>Annual Premium</u>	
	<u>Territory 1</u>	<u>Territory 2</u>
<u>25,000 - 25,999</u>	<u>298</u>	<u>285</u>
<u>26,000 - 26,999</u>	<u>304</u>	<u>290</u>
<u>27,000 - 27,999</u>	<u>309</u>	<u>296</u>
<u>28,000 - 28,999</u>	<u>315</u>	<u>301</u>
<u>29,000 - 29,999</u>	<u>320</u>	<u>306</u>
<u>30,000 - 30,999</u>	<u>324</u>	<u>310</u>
<u>31,000 - 31,999</u>	<u>328</u>	<u>314</u>
<u>32,000 - 32,999</u>	<u>333</u>	<u>318</u>
<u>33,000 - 33,999</u>	<u>337</u>	<u>322</u>
<u>34,000 - 34,999</u>	<u>341</u>	<u>326</u>
<u>35,000 - 35,999</u>	<u>345</u>	<u>330</u>
<u>36,000 - 36,999</u>	<u>350</u>	<u>335</u>
<u>37,000 - 37,999</u>	<u>354</u>	<u>339</u>
<u>38,000 - 38,999</u>	<u>358</u>	<u>343</u>
<u>39,000 - 39,999</u>	<u>363</u>	<u>347</u>
<u>40,000 - 40,999</u>	<u>367</u>	<u>351</u>
<u>41,000 - 41,999</u>	<u>371</u>	<u>355</u>
<u>42,000 - 42,999</u>	<u>375</u>	<u>359</u>
<u>43,000 - 43,999</u>	<u>380</u>	<u>363</u>
<u>44,000 - 44,999</u>	<u>384</u>	<u>367</u>
<u>45,000 - 45,999</u>	<u>388</u>	<u>371</u>
<u>46,000 - 46,999</u>	<u>392</u>	<u>375</u>
<u>47,000 - 47,999</u>	<u>397</u>	<u>380</u>
<u>48,000 - 48,999</u>	<u>401</u>	<u>384</u>
<u>49,000 - 49,999</u>	<u>405</u>	<u>388</u>
<u>50,000 - 50,999</u>	<u>409</u>	<u>392</u>
<u>Each Additional \$1,000</u> <u>or Part Thereof</u>	<u>6,004.26</u>	<u>6,004.09</u>

**AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA**  
**RENTERS INSURANCE PROGRAM**  
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**ARKANSAS**

**RATES (Continued)**

Optional Coverages

1. Scheduled Personal Property Coverage

A. Scheduled and Unscheduled Jewelry

Annual rate per \$100 or part thereof: ~~\$2.75~~1.65

Customers can request coverage up to \$5,000 for Unscheduled Jewelry.

B. Other Eligible Property

Annual rate per \$100 or part thereof: ~~\$2.50~~1.65

Attach Endorsement AB4442EC-~~0509~~0612. This coverage applies to annual term policies only.

2. Personal Property Replacement Cost Coverage

When the Limit of Liability for Section I - Personal Property Coverage is extended to include Replacement Cost Coverage, a charge of 30% will be applied to the premium.

Attach Endorsement AB4720EC-0307.

3. Burglary Coverage Credit

When Section I - Personal Property Coverage is amended to replace theft coverage with burglary, a 10% credit will be applied to the premium.

Attach Endorsement AB4721EC-0805.

4. Increased Limits Personal Liability Coverage

Limits of Liability

<u>Personal Liability</u>	<u>Medical Payments to Others</u>	<u>Damage to Property of Others</u>	<u>Annual Premium</u>
\$ 50,000	\$ 500	\$ 500	\$ 9
100,000	500	500	17
300,000	500	500	35

**AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA**  
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**RATES (Continued)**

Optional Coverages (Continued)

5. Involuntary Unemployment Insurance Coverage

Maximum # Benefits	Single Coverage Annual Rate (per \$100 of Monthly Benefit Amount)	Joint Coverage Annual Rate (per \$100 of Monthly Benefit Amount)
2	\$15.00	\$30.00
3	\$21.00	\$42.00
6	\$34.20	\$68.40

Maximum Monthly Benefit Amount: \$1,000.

~~[Attach Endorsement AB3430EPC-0812 for Single Coverage.](#)~~

~~[Attach Endorsement AB3432EPC-0812 for Joint Coverage.](#)~~

~~[Attach Endorsement AJ9083EC-0509.](#)~~

6. Water Backup of Sewers or Drains Endorsement

This endorsement provides \$2,500 of coverage for loss caused by water which backs up through sewers or drains or which overflows from a sump.

A \$250 deductible applies to this coverage.

Annual Premium:\$15

Attach endorsement AB5087EC-0805.

7. Identity Fraud Expense Coverage Endorsement

This Endorsement provides \$15,000 of coverage for expenses incurred by an insured as a result of an identity fraud occurrence discovered during the policy period. The endorsement provides coverage for a maximum of one identity fraud occurrence per policy period.

A \$100 deductible applies to this coverage.

Annual Premium: \$35

Attach Endorsement AJ9854EPC-0708

8. Animal Liability Exclusion Endorsement

This endorsement excludes any liability arising out of the activity of domestic pets or domestic animals owned by the insured or in the insured's care, custody or control. It ~~should~~ may be added to the policy once an insured has had an animal liability loss.

Attach Endorsement AB1015EPC-0609

**AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA**  
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RATES (Continued)

Optional Coverages (Continued)

9. Pet Damage Endorsement

This endorsement provides up to \$500 per policy period for property damage to the residence premises caused by the activity of a pet.

Annual Premium: \$20

Attach Endorsement AB1877EPC-0811. This coverage can only be purchased at the time of new business.

Other Rating Provisions

1. Continuous Renewal Plan or Installment Payment Option.

The premiums for a one, two, three or six-month term under the Continuous Renewal Plan shall be pro rata of the annual premium plus \$2.00 per policy term. Attach Endorsement AJ8305EC-0509 for Continuous Renewal Plan.

Annual Policies billed using an installment plan will assess a \$4.00 charge for each installment billed.

2. Waiver of Premium

When a policy is endorsed subsequent to the inception date, any additional or return premium of \$3.00 or less may be waived.

3. Whole Dollar Premium Rule

All premiums shown on the policy and endorsements shall be rounded to the nearest whole dollar. A premium of fifty cents (\$.50) or more shall be rounded to the next higher whole dollar.

In the event of cancellation by the Company, the return premium may be carried to the next higher whole dollar.

4. Optional \$250 or \$500 Deductible.

A \$250 or \$500 deductible can be selected to apply to loss from all Section I perils covered under the policy on an occurrence basis.

Reduce the base premium by ~~4~~3% for the \$250 deductible and ~~10~~9% for the \$500 deductible, then round to the nearest whole dollar.

~~5. Internet Credit~~

~~For customers who purchase this insurance via the internet, a 5% credit will apply to the total annual premium, excluding any billing fees and policy fees. This applies to new business only.~~

~~6~~5. Mandatory Insurance Requirement Credit

**AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA**  
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**ARKANSAS**

For customers whose property management company or landlord requires them to purchase this insurance, a ~~25~~10% credit will apply to the ~~total annual~~ adjusted base premium, which includes any applicable deductible credits. The Mandatory Insurance Requirement Credit is not applicable to, excluding any billing fees ~~and~~, policy fees and/or any optional coverages.

**AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA**  
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**RATES (Continued)**

**Other Rating Provisions (Continued)**

**6. Policy Fee**

A \$15 policy fee will apply to annual term policies only.

**7. Type of Dwelling Surcharge**

Based on the type of dwelling, the following surcharge will apply to the adjusted base premium, which includes any applicable deductible credits. The Type of Dwelling Surcharge is not applicable to billing fees, policy fees and/or any optional coverages.

<u>Type of Dwelling</u>	<u>Surcharge</u>
<u>Single Family Homes</u>	<u>15%</u>

**EXCEPTIONS TO THE GENERAL RULES**

**General Rule 3. Eligibility, is deleted and replaced by the following:**

**3. Eligibility**

- A. A Renters Policy may be issued only to the tenant (non-owner) or occupant of a dwelling or of any of the following residence types: house, condominium unit, cooperative unit, room or apartment.
- B. No more than two unrelated persons are to be insured on one policy.
- C. A Renters Policy shall not be issued to cover the contents of any manufactured home, mobile home, trailer home or house trailer.

Formatted: Bullets and Numbering

Under General Rule 7. Credits, the Loss Free Credit and Internet Credit are deleted ~~in its entirety.~~

The following is added to General Rule 7. Credits:

Mandatory Insurance Requirement Credit – A credit will apply to the ~~total annual~~ adjusted base premium for customers if their property management company or landlord requires them to purchase this insurance. Please refer to the Rates section of the State Exception Pages for the applicable credit amount.

**General Rule 11. Cancellation or Reduction in Limits of Liability or Coverages is deleted and replaced by the following:**

**11. Cancellation or Reduction in Limits of Liability or Coverages**

It shall not be permissible to cancel any of the mandatory coverages in the policy unless the entire policy is canceled.

If insurance is canceled or reduced at the request of the Company, the earned premium shall be computed on a pro rata basis.

If insurance is canceled or reduced at the request of the insured during the first year of policy term, the earned premium shall be computed on a pro rata basis. Earned premium for Renters Policies canceled or reduced after the first year shall be computed on a pro rata basis.

**AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA**

**RENTERS INSURANCE PROGRAM**

**ARKANSAS**

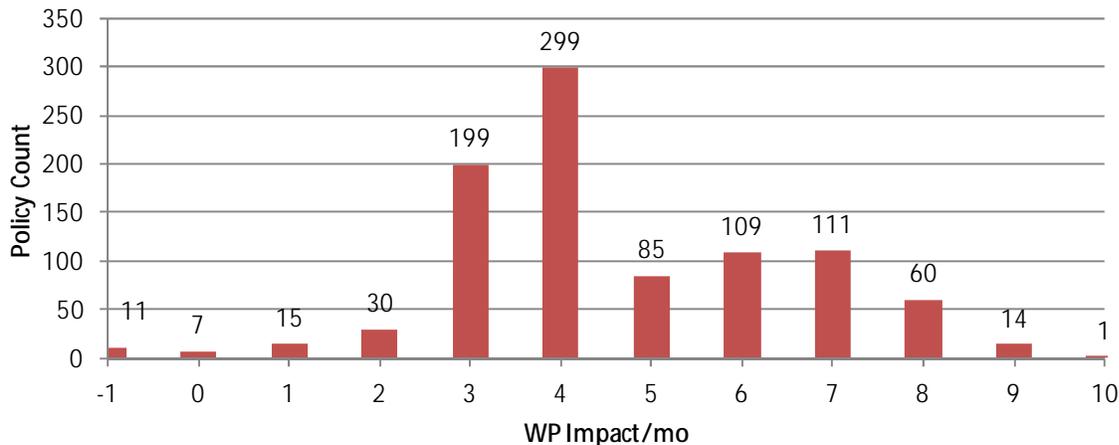
**ACTUARIAL MEMORANDUM**

American Bankers Insurance Company of Florida (“ABIC”) is submitting a rate filing with adjustments to our Renter’s Insurance Program currently filed and approved in Arkansas.

The proposed changes to our program have a rate impact of 13.3%. Based on our Arkansas Renter’s experience the statewide indication calls for an increase of 51.9% (*Exh 1*).

The following chart illustrates monthly written premium increases possible through our proposed changes, and the number of policies receiving each impact:

**Policy Count vs WP Impact/mo per Policy**



As shown in this chart, the written premium increase per month that the majority of our insureds will receive is only \$4. Some insureds will receive less of an impact, and the maximum premium impact per month is only \$10. Only 1 insured is receiving a \$10 per month increase. Note that many of the policies with the higher written premium and rate impacts are not typical Renter’s Insurance policies, but are policies for leased/rented single family homes. The experience for this type of dwelling is significantly worse than our apartment business, and thus a surcharge is applied to the premium.

The statewide loss ratio for this program of 128.5% is significantly higher than the Permissible Loss Ratio (“PLR”) of 54.6%.

**DEVELOPMENT OF RATE INDICATIONS**

**Exhibits 1 – Rate Indication**

Based on the experience data for years 2007 through 2011, the overall rate level indication for the state of Arkansas is 51.9%. In order to derive this indication, earned premiums were adjusted to current rate level and then adjusted for a premium trend. Additionally, ultimate loss experience was trended from the past to current level and then from current level to the prospective period in which the rates will be in effect. These trended losses were multiplied by a loss adjustment expense (“LAE”) factor to account for claim expense costs.

The experience loss ratio was then calculated by dividing the trended losses by the trended on-level premiums. The indicated rate change was then calculated by taking the 5-year credibility-weighted loss ratio (the PLR is

used as the complement of credibility), adding to it the fixed expenses and then dividing by 1.0 minus the variable expenses.

### **Exhibits 2 – Development of Loss Adjustment Expense**

The Loss Adjustment Expense Factor used in the rate indication exhibits was derived from Annual Statement data in this exhibit. The countrywide five year average of 1.158 was selected.

### **Exhibit 3 – Loss Trend**

A two step trending method was used to determine the loss trend, reviewing both frequency and severity. The range of indicated net trends was 0.3% to 6.4% and a factor of 1.7% was selected for both the past-to-current trend and the current-to-future trend. The selected trends were applied in *Exh 1*.

### **Exhibit 4 – Premium Trend**

The past 24 quarters of countrywide earned premium and earned exposures were analyzed by reviewing quarter to quarter changes in average premiums. The range of indicated premium trends was -1.5% to 2.2% and -1.5% was selected for the past-to-current and 0.0% was selected for the current-to-future trend.

### **Exhibit 5 – Selection of Permissible Loss & LAE Ratio**

Five years of expense history (excluding LAE) obtained from the Annual Statement Line 4.0 - Homeowners business is used to derive the PLR or 54.6%. This is used throughout the Actuarial Exhibits.

### **Exhibit 6 – Derivation of Underwriting Profit Provision**

The Target Pre-Tax Underwriting Profit as a percentage of premium supports a load of 8.4%; however, we have selected 6.0% in order to maintain consistency with what we have selected countrywide for this program.

### **Exhibit 7 – Estimated Investment Earnings on Unearned Premium and Loss Reserves**

Support for investment earnings used in the derivation of our Underwriting Profit provision is shown in *Exh 7*. The ratio of Investment Earnings to Earned Premium is 1.8%.

### **Exhibit 8 – Standard for Full Credibility**

Countrywide data and the accepted actuarial standard of 1,082 claims were used to derive the amount of earned premium necessary for full credibility.

### **Exhibit 9 – Derivation of Credibility**

The earned premium credibility standard determined in *Exh 8* is compared to the 5-year earned premium in Arkansas. Based on this analysis, Arkansas data is 38.4% credible.

## **SUPPORT FOR PROPOSED CHANGES TO PROGRAM**

### **Exhibit 10 – Rate Changes to Base Rates & Relativities**

The overall rate change to the base rates by limit, including both the selected base rate changes by territory and the proposed relativity changes is displayed in this exhibit. In order to encourage business at the higher amounts of insurance, we have reduced our relativity curve at the higher amounts of insurance and increased our relativity curve at the lower amounts of insurance. The overall rate impact for the relativity changes is -1.6%.

### **Exhibit 11 – Support for Rate Changes to Base Rates in Proposed Territories**

Indications by territory were calculated using earned premiums that were adjusted for the selected Mandatory Insurance Requirement Credit and the selected Single Family Home surcharge. A 20.0% increase was selected in territory 1 and a 15.0% increase was selected in territory 2. The overall rate impact of the base rate increases is 15.6%.

**Exhibit 12, Sheets 1 & 2 – Support for Change to Scheduled Personal Property Rate**

The Scheduled Personal Property Endorsement provides coverage to scheduled jewelry and other eligible property. Based on a rate indication analysis of countrywide Scheduled Personal Property data as well as a review of competitor rates, we propose the following decrease to our endorsement rates:

Property Type	Rates per \$100 of Property			
	Current	Indicated	Competitor	Proposed
Jewelry	2.75	2.44	1.75	1.65
Other Eligible Property	2.50	2.22	1.75	1.65

The rate impact of these changes is -0.01%.

**Exhibit 13 – Deductible Credit Adjustment**

Based on a review of the losses eliminated countrywide by the deductibles offered under this program, we propose reducing our deductible credits for the \$250 and \$500 deductibles as follows:

<u>Deductible</u>	<u>Current</u>	<u>Indicated</u>	<u>Proposed</u>
\$250	4.0%	3.3%	3.0%
\$500	10.0%	8.7%	9.0%

The rate impact of these changes is 0.8%.

**Exhibit 14 – Introduction of Policy Fee**

ABIC would like to introduce a \$15.00 policy fee in the state. In order to introduce this fee, we have removed \$15.00 from the base rates.

**Exhibit 15 – Support for Pet Damage Endorsement Rate**

ABIC would like to introduce the Pet Damage Endorsement to our Arkansas policyholders. This endorsement will provide up to \$500 of coverage excess of the pet deposit and/or security deposit for pet damage. The annual premium for this endorsement is \$20.00.

**Exhibit 16 – Support for Single Family Home Surcharge**

Based on a comparison of our experience by type of dwelling, we propose introducing a 15.0% single family home surcharge in the state. The indicated single family home surcharge is 307.3%. The rate impact of this proposed surcharge is 5.6%.

**Exhibit 17 – Support for Mandatory Insurance Requirement Credit**

Based on a comparison of our countrywide experience between tenants whose units are mandated to have insurance and those who have insurance voluntarily, we propose introducing a mandatory insurance requirement credit of 25.0%. The indicated mandatory insurance requirement credit is 29.4%. The rate impact of this proposed credit is -4.8%.

**Exhibit 18, Sheets 1 & 2 – Property Damage Liability Expansion of Coverage**

Property Damage Liability covers damages caused by the insureds to the rented property. Currently, Property Damage Liability only applies to the named insureds and resident relatives. We would like to expand Property Damage Liability to additionally cover all residents of the rented residence that are named on the lease agreement. Since we are not increasing our rates due to this expansion of coverage, our policyholders realize a rate decrease of 1.7%.

### **Exhibit 19, Sheets 1 & 2 – Power Surge Expansion of Coverage**

Currently, claims for power surge damage to electronics<sup>1</sup> are not a covered peril under the Renter's Insurance program<sup>2</sup>. In order to become more competitive, we would like to expand our currently offered coverage to include claims for power surge damage to electronics. Since we are not increasing our rates due to this expansion of coverage, our policyholders realize a rate decrease of 0.2%.

### **Exhibit 20 – Determination of Overall Rate Impact**

The overall rate impact of the changes proposed in this filing is 13.3%.

### **Removal of Internet Credit**

ABIC proposes removing the Internet Credit from our State Exception Page. There is no rate or premium impact for this change because this credit only applies to new business and is removed at renewal.

---

<sup>1</sup> This is stated in the policy as loss to a tube, transistor, or similar electronic component from sudden and accidental damage from artificially generated electrical current.

<sup>2</sup> The exception is claims for power surge damage to electronics when the power surge was caused by on-premise lightning, which are currently covered under the Renter's Insurance program.

## NAIC LOSS COST DATA ENTRY DOCUMENT

<b>1.</b>	This filing transmittal is part of Company Tracking #	RFN AR05562AI00020
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<b>2.</b>	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		
<b>3.</b>	<b>A.</b>	<b>American Bankers Insurance Company of Florida</b>	<b>B.</b>	<b>0019-10111</b>

Product Coding Matrix Line of Business (i.e., Type of Insurance)		Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)		
<b>4.</b>	<b>A.</b>	<b>4.0 Homeowners</b>	<b>B.</b>	<b>4.0004 Tenant Homeowners</b>

<b>5.</b>			<b>FOR LOSS COSTS ONLY</b>				
(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
<b>Renter's Insurance</b>	<b>52.4%</b>	<b>13.3%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>TOTAL OVERALL EFFECT</b>	<b>52.4%</b>	<b>13.3%</b>					

<b>6.</b>		5 Year History	Rate Change History				
Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
<b>2007</b>	<b>332</b>	<b>6.0%</b>	<b>4/1/2007</b>	<b>68,755</b>	<b>-54,086</b>	<b>-78.7%</b>	<b>31.9%</b>
<b>2008</b>	<b>479</b>			<b>98,147</b>	<b>141,211</b>	<b>143.9%</b>	<b>38.9%</b>
<b>2009</b>	<b>528</b>			<b>127,343</b>	<b>152,779</b>	<b>120.0%</b>	<b>42.0%</b>
<b>2010</b>	<b>848</b>			<b>171,973</b>	<b>288,709</b>	<b>167.9%</b>	<b>40.2%</b>
<b>2011</b>	<b>931</b>	<b>11.8%</b>	<b>4/1/2011</b>	<b>226,617</b>	<b>256,451</b>	<b>113.2%</b>	<b>42.0%</b>

<b>7.</b>	
Expense Constants	Selected Provisions
A. Total Production Expense	<b>30.9%</b>
B. General Expense	<b>5.5%</b>
C. Taxes, License & Fees	<b>3.0%</b>
D. Underwriting Profit & Contingencies	<b>6.0%</b>
E. Other (explain)	<b>0.0%</b>
<b>F. TOTAL</b>	<b>45.4%</b>

- 8. N/A** Apply Lost Cost Factors to Future filings? (Y or N)
- 9. 61.8%** Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): 1
- 10. -3.3%** Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): 2



ASSURANT

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Company of Florida  
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Miami, FL 33157-6596  
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**VIA SERFF**

February 19, 2012

Becky Harrington  
Arkansas Department of Insurance  
1200 West Third Street  
Little Rock, AR 72201-1904

Re: **AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA**  
NAIC# 0019-10111 FEIN# 59-0593886  
Line of business: 4.0 Homeowners  
**Renters Insurance Program**  
Company Filing Number: RFN AR05562AI00019  
SERFF Filing ID: ASPX-G128730931

**Rule Filing – for approval**

**RP-AR pages 1 through 7 ed. 01/13** State Exception Pages - Arkansas

**Related Filing Document**

Homeowners Survey Form HPCS  
NAIC Loss Cost Data Entry Document

Dear Ms. Harrington:

The following is our response to your objection letter dated February 1, 2013.

**Objection 1**

HPCS – Homeowners Premium Comparison Survey

The company information section of this form has been completed.

**Objections 2, 3 and 4**

These responses are provided in the attached Actuarial Memorandum, Exhibits and the NAIC Loss Cost Date Entry Document.

We are taking this opportunity to make the following minor corrections to the State Exception Pages RP-AR-6 and RP-AR-7:

In the rules for the Type of Dwelling Surcharge and the Mandatory Insurance Requirement Credit, at the end of the first sentence, added: “*which includes any applicable deductible credits*”.

Under the EXCEPTIONS TO THE GENERAL RULES, we had added the Mandatory Insurance Requirement Credit rule twice. We have removed the extra rule.

Thank you for your time and attention to this filing. If you have any questions please feel free to contact me at 1-800-852-2244, ext. 33363 or via email at Tanya.Robotham@assurant.com.

Sincerely,

Tanya Robotham  
Senior Contract Compliance Analyst  
State Filings Department  
American Bankers Insurance Company of Florida

cc: RFN ARAI\_R8

**American Bankers Insurance Company of Florida  
Renters Insurance Program  
Arkansas**

Exhibit 1

**Rate Indication**

Calendar Year	(1) Written Premium	(2) Earned Premium	(3) Premium at Current Level	(4) Policy Fee	(5) Premium Trend	(6) Trended Premium
2007	79,038	68,755	77,165	-	0.940	72,509
2008	116,311	98,147	109,733	-	0.954	104,729
2009	127,950	127,343	142,361	-	0.969	138,000
2010	215,344	171,973	192,254	-	0.985	189,286
<u>2011</u>	<u>234,489</u>	<u>226,617</u>	<u>243,580</u>	<u>-</u>	<u>1.000</u>	<u>243,580</u>
Total	773,133	692,835	765,093	-		748,105

Calendar Year	(7) Non-CAT Incurred Losses	(8) Actual CAT Incurred Loss	(9) Loss Adj. Expense Factor	(10) Loss Trend		(11) Current-To-Future	(12) Modified Losses	(13) Trended Loss Ratio
				Past-To-Current				
2007	(54,086)	-	1.158	1.069	1.045	(69,967)	-96.5%	
2008	141,211	-	1.158	1.051	1.045	179,662	171.5%	
2009	152,779	-	1.158	1.034	1.045	191,172	138.5%	
2010	288,709	-	1.158	1.017	1.045	355,298	187.7%	
<u>2011</u>	<u>245,647</u>	<u>10,804</u>	<u>1.158</u>	<u>1.000</u>	<u>1.045</u>	<u>310,393</u>	<u>127.4%</u>	
Total	774,260	10,804				966,557	129.2%	

(14) 5-Year Loss Ratio	129.2%
(15) Credibility	38.4%
(16) Credibility-Weighted Loss Ratio	83.2%
(17) Permissible Loss & LAE Ratio	54.6%
(18) Indicated Rate Level Change	<b>52.4%</b>
(19) Overall Rate Impact of Proposed Changes	<b>13.3%</b>

Notes:

- (5) Support provided in Exh 4
- (6) = (3) x (5) + (4)
- (8) Risk Link v11, Long-Term with Demand Surge, No Storm Surge
- (9) Support provided in Exh 2, Col 5, Selected
- (10) Support provided in Exh 3
- (11) Support provided in Exh 3
- (12) = [ (7) + (8) ] x (9) x (10) x (11)
- (13) = (12) / (6)
- (14) = (13), five year average
- (15) Support provided in Exh 9, Line 3
- (16) = [ (14) x (15) ] + [ [1.0 - (15)] x (17) ]
- (17) Support provided in Exh 5, Line 10
- (18) = (16) / (17) - 1.0

American Bankers Insurance Company of Florida  
 Renter's Insurance Program  
 Arkansas

Support for Rate Changes to Base Rates in Proposed Territories

Only data from the base coverages is used in this rate indication exhibit.

Proposed Territory	(1) Calendar Year	(2) Non-CAT Incurred Loss	(3) CAT Model Incurred Loss	(4) LAE Trend	(5) Loss Trend		(7) Modified Incurred Loss	(8) Earned Premium	(9) Premium Trend	(10) On-Level Factor	(11) Trended Earned Premium	(12) Trended Loss Ratio	(13) Paid Claim Count	(14) Credibility	(15) Weighted Loss Ratio	(16) Permissible Loss Ratio	(17) Indicated Rate Change	(18) Selected Rate Change	(19) Territory % Total Premium
					Past-To-Current	Current-To-Future													
1	2007	9,615	-	1.158	1.069	1.045	12,438	25,484	0.940	1.122	26,875	46.3%	5						
1	2008	45,737	-	1.158	1.051	1.045	58,190	32,942	0.954	1.118	35,152	165.5%	11						
1	2009	64,424	-	1.158	1.034	1.045	80,613	45,558	0.969	1.118	49,371	163.3%	14						
1	2010	136,584	-	1.158	1.017	1.045	168,087	63,732	0.985	1.118	70,148	239.6%	25						
1	2011	89,066	4,477	1.158	1.000	1.045	113,220	79,766	1.000	1.075	85,737	132.1%	20						
	TOTAL	345,426					432,548	247,482			267,282	161.8%	75	26%	83%	55%	51.7%	20.0%	37%
2	2007	(66,828)	-	1.158	1.069	1.045	(86,451)	40,070	0.940	1.122	42,259	-204.6%	10						
2	2008	95,261	-	1.158	1.051	1.045	121,200	59,402	0.954	1.118	63,386	191.2%	13						
2	2009	88,156	-	1.158	1.034	1.045	110,309	73,587	0.969	1.118	79,745	138.3%	14						
2	2010	151,538	-	1.158	1.017	1.045	186,490	101,190	0.985	1.118	111,378	167.4%	17						
2	2011	156,084	6,326	1.158	1.000	1.045	196,571	142,281	1.000	1.075	152,931	128.5%	25						
	TOTAL	424,211					528,119	416,530			449,698	117.4%	79	27%	72%	55%	31.1%	15.0%	63%

Rate impact to base (20) 16.9%

Base percent of total premium (21) 92.4%

Rate impact (22) 15.6%

Notes:

(3) Support provided in Exh 1, Col 8 allocated to territory by (8)

(4) Support provided in Exh 2, Col 5, Selected

(5) Support provided in Exh 3

(6) Support provided in Exh 3

(7) = [ (2) x (4) x (5) x (6) ] + [ (3) x (4) x (6) ]

(8) Data has been adjusted to add effect of proposed Single Family Surcharge and Mandatory Insurance Requirement Credit. This removes the impact of the single family and mandatory insurance loss ratios from the territorial indications.

(9) Support provided in Exh 4

(11) = (8) x (9) x (10)

(12) = (7) / (11)

(14) = min(1, sqrt( (13) / 1.082))

(15) = [ (14) x (12) ] + [ [ 1.0 - (14) ] x (16) ]

(16) Support provided in Exh 5, Line 10

(17) = (15) / (16) - 1

(22) = (20) x (21)

**American Bankers Insurance Company of Florida (“ABIC”)  
Renters Insurance Program  
Arkansas**

Objection Response

*Objection 2: Arkansas does not allow the use of catastrophe models (other than earthquake). Please re-calculate the rate indication using actual AR or Countrywide CAT loss information.*

ABIC Response: We have removed the model losses from the rate indication and have replaced it with actual AR catastrophe experience. The indication was only impacted slightly, changing from 51.9% to 52.4%. The increase in the indication is due to the fact that our Arkansas insureds have had more actual catastrophe losses than is predicted by RiskLink v11. Updating Exhibit 11 with actual catastrophe experience instead of model losses does not shift the indications enough to impact our selections. Updated versions of both Exhibit 1 and Exhibit 11 are included in this submission.

*Objection 3: NAIC loss cost data entry document: This form is equivalent to the RF-1 which is required to be completed with all rate change filings.*

ABIC Response: A completed version of this form is included in this submission.

*Objection 4: The maximum increase of 61.8% appears excessive. Please indicate whether this is the percentage amount represented by the \$10 per month (\$120 annual) amount shown on the chart included in the actuarial memorandum.*

ABIC Response: There are only 6 insureds receiving the maximum increase of 61.8%, which corresponds to a monthly written premium impact between \$6.00 and \$7.00 for these insureds when rounded to the nearest whole dollar.

The following table shows the policy features of the insureds receiving the maximum % rate change and the maximum monthly written premium impact:

Proposed Territory	Insurance Mandatory	Type of Dwelling	Contents Coverage		Current WP	Proposed Rate	
			Limit	Deductible		Impact	WP Impact/Mo
1	No	SFH	5000	500	128	61.8%	7.00
1	No	SFH	5000	500	128	61.8%	7.00
1	No	SFH	5000	500	115	61.8%	6.00
1	No	SFH	5000	500	128	61.8%	7.00
1	No	SFH	5000	500	128	61.8%	7.00
1	No	SFH	5000	500	128	61.8%	7.00
1	No	SFH	20000	250	317	36.2%	10.00

**State:** Arkansas  
**TOI/Sub-TOI:** 04.0 Homeowners/04.0004 Tenant Homeowners  
**Product Name:** Renters Insurance  
**Project Name/Number:** Renters Insurance/AR05562AI00019

**Filing Company:** American Bankers Insurance Company of Florida

## 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)
01/30/2013		Supporting Document	NAIC loss cost data entry document	02/19/2013	
01/30/2013		Rate	State Exception Pages - Arkansas	02/19/2013	R8_MSEP_RP-AR0113.PDF (Superseded)
01/30/2013		Supporting Document	HPCS-Homeowners Premium Comparison Survey	02/19/2013	R8_TRNFM_013013_HO Survey FORM HPCS.PDF (Superseded) R8_TRNFM_013013_HO Survey FORM HPCS.XLSX (Superseded)
01/30/2013		Supporting Document	Comparison - State Exception Pages	02/19/2013	R8_CMPR_013013_RP-AR0113.PDF (Superseded)

**AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA**  
**RENTERS INSURANCE PROGRAM**  
**STATE EXCEPTION PAGE**  
**ARKANSAS**

**FORMS**

<u>Form Number</u>	<u>Description</u>	<u>Page Number</u>
<b>Standard Forms</b>		
AJ8850PC-0307.....	Renters Insurance Policy	
AB4450DC-0509 .....	Renters Policy Declarations (manual)	
A2083-0684.....	Computer Declarations	
N1504-1104 .....	Consumer Notice	
N8043-0303 .....	Notice to Policyholders – New Insureds Only	
N8044-0303 .....	Notice to Policyholders – Existing Insureds Only	
<b>Mandatory Endorsements</b>		
AB4536EC-0113.....	Mandatory Amendatory Endorsement – Arkansas	
<b>Optional Endorsements</b>		
AB4442EC-0612.....	Scheduled Personal Property Endorsement.....	4
AB4443EC-1105.....	Change Endorsement	
AB4720EC-0307.....	Personal Property Replacement Cost Endorsement.....	4
AB4721EC-0805.....	Burglary Limitation Endorsement .....	4
AB3430EPC-0812 .....	Involuntary Unemployment Insurance Endorsement - Single Coverage.....	5
AB3432EPC-0812 .....	Involuntary Unemployment Insurance Endorsement - Joint Coverage.....	5
AB5087EC-0805.....	Water Backup of Sewers or Drains Endorsement .....	5
AJ9854EPC-0708.....	Identity Fraud Expense Coverage Endorsement.....	5
AB1015EPC-0609 .....	Animal Liability Exclusion Endorsement .....	5
AB1877EPC-0811 .....	Pet Damage Endorsement.....	6
AJ8305EC-0509 .....	Continuous Renewal Endorsement .....	6

**AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA**  
**RENTERS INSURANCE PROGRAM**  
**STATE EXCEPTION PAGE**  
**ARKANSAS**

**TERRITORIAL DEFINITIONS**

**Territory 1**

Jefferson  
Pulaski

**Territory 2**

The remainder of the state.

**RATES**

Mandatory Coverages

Section I - Property Protection

Personal Property Coverage - Amount of Insurance as indicated

Loss of Use - 20% of limit on Personal Property Coverage

A \$100 deductible applies to loss from all Section I perils covered under the policy on an occurrence basis.

Section II - Personal Liability Protection

Personal Liability Coverage - \$25,000 each occurrence

Medical Payments to Others Coverage - \$500 each person

Premiums:

<b>Section I</b>			<u><b>Annual Premium</b></u>	
<b>Limit of Liability</b>			<u><b>Territory 1</b></u>	<u><b>Territory 2</b></u>
<b>(includes \$25,000/\$500</b>				
<b>Personal Liability)</b>				
5,000 - 5,999			122	116
6,000 - 6,999			131	125
7,000 - 7,999			141	135
8,000 - 8,999			151	144
9,000 - 9,999			160	153
10,000 - 10,999			170	162
11,000 - 11,999			179	171
12,000 - 12,999			189	181
13,000 - 13,999			199	190
14,000 - 14,999			208	199
15,000 - 15,999			218	208
16,000 - 16,999			227	217
17,000 - 17,999			237	227
18,000 - 18,999			247	236
19,000 - 19,999			256	245
20,000 - 20,999			266	254
21,000 - 21,999			273	261
22,000 - 22,999			279	267
23,000 - 23,999			286	274
24,000 - 24,999			293	280

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RATES (Continued)

Premiums (Continued):

Section I Limit of Liability (includes \$25,000/\$500 <u>Personal Liability</u> )	<u>Annual Premium</u>	
	<u>Territory 1</u>	<u>Territory 2</u>
25,000 - 25,999	298	285
26,000 - 26,999	304	290
27,000 - 27,999	309	296
28,000 - 28,999	315	301
29,000 - 29,999	320	306
30,000 - 30,999	324	310
31,000 - 31,999	328	314
32,000 - 32,999	333	318
33,000 - 33,999	337	322
34,000 - 34,999	341	326
35,000 - 35,999	345	330
36,000 - 36,999	350	335
37,000 - 37,999	354	339
38,000 - 38,999	358	343
39,000 - 39,999	363	347
40,000 - 40,999	367	351
41,000 - 41,999	371	355
42,000 - 42,999	375	359
43,000 - 43,999	380	363
44,000 - 44,999	384	367
45,000 - 45,999	388	371
46,000 - 46,999	392	375
47,000 - 47,999	397	380
48,000 - 48,999	401	384
49,000 - 49,999	405	388
50,000 - 50,999	409	392
Each Additional \$1,000 or Part Thereof	4.26	4.09

**AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA**  
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**RATES (Continued)**

Optional Coverages

1. Scheduled Personal Property Coverage

A. Scheduled and Unscheduled Jewelry

Annual rate per \$100 or part thereof: \$1.65

Customers can request coverage up to \$5,000 for Unscheduled Jewelry.

B. Other Eligible Property

Annual rate per \$100 or part thereof: \$1.65

Attach Endorsement AB4442EC-0612. This coverage applies to annual term policies only.

2. Personal Property Replacement Cost Coverage

When the Limit of Liability for Section I - Personal Property Coverage is extended to include Replacement Cost Coverage, a charge of 30% will be applied to the premium.

Attach Endorsement AB4720EC-0307.

3. Burglary Coverage Credit

When Section I - Personal Property Coverage is amended to replace theft coverage with burglary, a 10% credit will be applied to the premium.

Attach Endorsement AB4721EC-0805.

4. Increased Limits Personal Liability Coverage

<b>Limits of Liability</b>			
<b><u>Personal Liability</u></b>	<b><u>Medical Payments to Others</u></b>	<b><u>Damage to Property of Others</u></b>	<b><u>Annual Premium</u></b>
\$ 50,000	\$ 500	\$ 500	\$ 9
100,000	500	500	17
300,000	500	500	35

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**RATES (Continued)**

Optional Coverages (Continued)

5. Involuntary Unemployment Insurance Coverage

Maximum # Benefits	Single Coverage Annual Rate (per \$100 of Monthly Benefit Amount)	Joint Coverage Annual Rate (per \$100 of Monthly Benefit Amount)
2	\$15.00	\$30.00
3	\$21.00	\$42.00
6	\$34.20	\$68.40

Maximum Monthly Benefit Amount: \$1,000.

Attach Endorsement AB3430EPC-0812 for Single Coverage.

Attach Endorsement AB3432EPC-0812 for Joint Coverage.

6. Water Backup of Sewers or Drains Endorsement

This endorsement provides \$2,500 of coverage for loss caused by water which backs up through sewers or drains or which overflows from a sump.

A \$250 deductible applies to this coverage.

Annual Premium:\$15

Attach endorsement AB5087EC-0805.

7. Identity Fraud Expense Coverage Endorsement

This Endorsement provides \$15,000 of coverage for expenses incurred by an insured as a result of an identity fraud occurrence discovered during the policy period. The endorsement provides coverage for a maximum of one identity fraud occurrence per policy period.

A \$100 deductible applies to this coverage.

Annual Premium: \$35

Attach Endorsement AJ9854EPC-0708

8. Animal Liability Exclusion Endorsement

This endorsement excludes any liability arising out of the activity of domestic pets or domestic animals owned by the insured or in the insured's care, custody or control. It may be added to the policy once an insured has had an animal liability loss.

Attach Endorsement AB1015EPC-0609

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**RATES (Continued)**

Optional Coverages (Continued)

9. Pet Damage Endorsement

This endorsement provides up to \$500 per policy period for property damage to the residence premises caused by the activity of a pet.

Annual Premium: \$20

Attach Endorsement AB1877EPC-0811. This coverage can only be purchased at the time of new business.

Other Rating Provisions

1. Continuous Renewal Plan or Installment Payment Option.

The premiums for a one, two, three or six-month term under the Continuous Renewal Plan shall be pro rata of the annual premium plus \$2.00 per policy term. Attach Endorsement AJ8305EC-0509 for Continuous Renewal Plan.

Annual Policies billed using an installment plan will assess a \$4.00 charge for each installment billed.

2. Waiver of Premium

When a policy is endorsed subsequent to the inception date, any additional or return premium of \$3.00 or less may be waived.

3. Whole Dollar Premium Rule

All premiums shown on the policy and endorsements shall be rounded to the nearest whole dollar. A premium of fifty cents (\$.50) or more shall be rounded to the next higher whole dollar.

In the event of cancellation by the Company, the return premium may be carried to the next higher whole dollar.

4. Optional \$250 or \$500 Deductible.

A \$250 or \$500 deductible can be selected to apply to loss from all Section I perils covered under the policy on an occurrence basis.

Reduce the base premium by 3% for the \$250 deductible and 9% for the \$500 deductible, then round to the nearest whole dollar.

5. Mandatory Insurance Requirement Credit

For customers whose property management company or landlord requires them to purchase this insurance, a 25% credit will apply to the adjusted base premium. The Mandatory Insurance Requirement Credit is not applicable to billing fees, policy fees and/or any optional coverages.

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**RATES (Continued)**

Other Rating Provisions (Continued)

6. Policy Fee

A \$15 policy fee will apply to annual term policies only.

7. Type of Dwelling Surcharge

Based on the type of dwelling, the following surcharge will apply to the adjusted base premium, which includes any applicable deductible credits. The Type of Dwelling Surcharge is not applicable to billing fees, policy fees and/or any optional coverages.

<u>Type of Dwelling</u>	<u>Surcharge</u>
Single Family Homes	15%

**EXCEPTIONS TO THE GENERAL RULES**

**General Rule 3. Eligibility, is deleted and replaced by the following:**

**3. Eligibility**

- A. A Renters Policy may be issued only to the tenant (non-owner) or occupant of a dwelling or of any of the following residence types: house, condominium unit, cooperative unit, room or apartment.
- B. No more than two unrelated persons are to be insured on one policy.
- C. A Renters Policy shall not be issued to cover the contents of any manufactured home, mobile home, trailer home or house trailer.

**Under General Rule 7. Credits, the Loss Free Credit is deleted in its entirety.**

**The following is added to General Rule 7. Credits:**

Mandatory Insurance Requirement Credit – A credit will apply to the adjusted base premium for customers if their property management company or landlord requires them to purchase this insurance. Please refer to the Rates section of the State Exception Pages for the applicable credit amount.

**The following is added to General Rule 7. Credits:**

Mandatory Insurance Requirement Credit – A credit will apply to the total annual premium for customers if their property management company or landlord requires them to purchase this insurance. Please refer to the Rates section of the State Exception Pages for the applicable credit amount.

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**EXCEPTIONS TO THE GENERAL RULES (Continued)**

General Rule 11. Cancellation or Reduction in Limits of Liability or Coverages is deleted and replaced by the following:

**11. Cancellation or Reduction in Limits of Liability or Coverages**

It shall not be permissible to cancel any of the mandatory coverages in the policy unless the entire policy is canceled.

If insurance is canceled or reduced at the request of the Company, the earned premium shall be computed on a pro rata basis.

If insurance is canceled or reduced at the request of the insured during the first year of policy term, the earned premium shall be computed on a pro rata basis. Earned premium for Renters Policies canceled or reduced after the first year shall be computed on a pro rata basis.

NAIC Number: \_\_\_\_\_  
 Company Name: American Bankers Insurance Company of Florida  
 Contact Person: \_\_\_\_\_  
 Telephone No.: \_\_\_\_\_  
 Email Address: \_\_\_\_\_  
 Effective Date: \_\_\_\_\_

**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](mailto: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	\$121.00	\$121.00	\$121.00	\$121.00	\$121.00	\$121.00	\$121.00	\$121.00	\$121.00	\$121.00	\$121.00	\$121.00	\$121.00	\$121.00	\$121.00	\$121.00	\$126.00	\$126.00
	\$15,000	\$204.00	\$204.00	\$204.00	\$204.00	\$204.00	\$204.00	\$204.00	\$204.00	\$204.00	\$204.00	\$204.00	\$204.00	\$204.00	\$204.00	\$204.00	\$204.00	\$213.00	\$213.00
	\$25,000	\$276.00	\$276.00	\$276.00	\$276.00	\$276.00	\$276.00	\$276.00	\$276.00	\$276.00	\$276.00	\$276.00	\$276.00	\$276.00	\$276.00	\$276.00	\$276.00	\$288.00	\$288.00
6	\$5,000	\$121.00	\$121.00	\$121.00	\$121.00	\$121.00	\$121.00	\$121.00	\$121.00	\$121.00	\$121.00	\$121.00	\$121.00	\$121.00	\$121.00	\$121.00	\$121.00	\$126.00	\$126.00
	\$15,000	\$204.00	\$204.00	\$204.00	\$204.00	\$204.00	\$204.00	\$204.00	\$204.00	\$204.00	\$204.00	\$204.00	\$204.00	\$204.00	\$204.00	\$204.00	\$204.00	\$213.00	\$213.00
	\$25,000	\$276.00	\$276.00	\$276.00	\$276.00	\$276.00	\$276.00	\$276.00	\$276.00	\$276.00	\$276.00	\$276.00	\$276.00	\$276.00	\$276.00	\$276.00	\$276.00	\$288.00	\$288.00
9	\$5,000	\$121.00	\$121.00	\$121.00	\$121.00	\$121.00	\$121.00	\$121.00	\$121.00	\$121.00	\$121.00	\$121.00	\$121.00	\$121.00	\$121.00	\$121.00	\$121.00	\$126.00	\$126.00
	\$15,000	\$204.00	\$204.00	\$204.00	\$204.00	\$204.00	\$204.00	\$204.00	\$204.00	\$204.00	\$204.00	\$204.00	\$204.00	\$204.00	\$204.00	\$204.00	\$204.00	\$213.00	\$213.00
	\$25,000	\$276.00	\$276.00	\$276.00	\$276.00	\$276.00	\$276.00	\$276.00	\$276.00	\$276.00	\$276.00	\$276.00	\$276.00	\$276.00	\$276.00	\$276.00	\$276.00	\$288.00	\$288.00

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

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

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

**HO3 and HO4 only**

Fire Extinguisher	<input type="text" value="N/A"/>	%	Deadbolt Lock	<input type="text" value="N/A"/>	%
Burglar Alarm	<input type="text" value="N/A"/>	%	Window Locks	<input type="text" value="N/A"/>	%
Smoke Alarm	<input type="text" value="N/A"/>	%	\$1,000 Deductible	<input type="text" value="N/A"/>	%
			Other (specify)	<input type="text" value="N/A"/>	%

**EARTHQUAKE INSURANCE**

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

ARE YOU CURRENTLY WRITING EARTHQUAKE COVERAGE IN ARKANSAS?	<input type="text" value="No"/>	(yes or no)
WHAT IS YOUR PERCENTAGE DEDUCTIBLE?	<input type="text" value="N/A"/>	%
WHAT IS YOUR PRICE PER \$1,000 OF COVERAGE?	Zone Highest Risk	Brick Frame \$ <input type="text" value="N/A"/> \$ <input type="text" value="N/A"/>

Maximum Credit Allowed	N/A	%	Lowest Risk	\$ N/A	\$ N/A
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FORMS

<u>Form Number</u>	<u>Description</u>	<u>Page Number</u>
<b>Standard Forms</b>		
AJ8850PC-0307.....	Renters Insurance Policy	
AB4450DC-0509.....	Renters Policy Declarations (manual)	
A2083-0684.....	Computer Declarations	
N1504-1104.....	Consumer Notice	
N8043-0303.....	Notice to Policyholders – New Insureds Only	
N8044-0303.....	Notice to Policyholders – Existing Insureds Only	
<b>Mandatory Endorsements</b>		
AB4536EC- <del>10100113</del> .....	Mandatory Amendatory Endorsement – Arkansas	
<b>Optional Endorsements</b>		
AB4442EC- <del>05090612</del> .....	Scheduled Personal Property Endorsement.....	<del>34</del>
AB4443EC-1105.....	Change Endorsement	
AB4720EC-0307.....	Personal Property Replacement Cost Endorsement.....	<del>34</del>
AB4721EC-0805.....	Burglary Limitation Endorsement.....	<del>34</del>
<del>AB3430EPC-0812.....</del>	<del>Involuntary Unemployment Insurance Endorsement - Single Coverage.....</del>	<del>5</del>
<del>AB3432EPC-0812.....</del>	<del>Involuntary Unemployment Insurance Endorsement - Joint Coverage.....</del>	<del>5</del>
<del>AJ9083EC-0509.....</del>	<del>Involuntary Unemployment Insurance Endorsement.....</del>	<del>4</del>
AB5087EC-0805.....	Water Backup of Sewers or Drains Endorsement.....	45
AJ9854EPC-0708.....	Identity Fraud Expense Coverage Endorsement.....	45
AB1015EPC-0609.....	Animal Liability Exclusion Endorsement.....	45
<del>AB1877EPC-0811.....</del>	<del>Pet Damage Endorsement.....</del>	<del>6</del>
AJ8305EC-0509.....	Continuous Renewal Endorsement.....	56

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**TERRITORIAL DEFINITIONS**

**Territory 1**

Jefferson

Pulaski

**Territory 2**

The remainder of the state.

**RATES**

Mandatory Coverages

Section I - Property Protection

Personal Property Coverage - Amount of Insurance as indicated

Loss of Use - 20% of limit on Personal Property Coverage

A \$100 deductible applies to loss from all Section I perils covered under the policy on an occurrence basis.

Section II - Personal Liability Protection

Personal Liability Coverage - \$25,000 each occurrence

Medical Payments to Others Coverage - \$500 each person

Premiums:

<u>Section I</u> <u>Limit of Liability</u> <u>(includes \$25,000/\$500</u> <u>Personal Liability)</u>	<u>Annual Premium</u>	
	<u>Territory 1</u>	<u>Territory 2</u>
5,000 - 5,999	<u>95122</u>	<u>116.95</u>
6,000 - 6,999	<u>106131</u>	<u>125.106</u>
7,000 - 7,999	<u>115141</u>	<u>135.115</u>
8,000 - 8,999	<u>126151</u>	<u>144.126</u>
9,000 - 9,999	<u>136160</u>	<u>153.136</u>
10,000 - 10,999	<u>145170</u>	<u>162.145</u>
11,000 - 11,999	<u>155179</u>	<u>171.155</u>
12,000 - 12,999	<u>164189</u>	<u>181.164</u>
13,000 - 13,999	<u>174199</u>	<u>190.174</u>
14,000 - 14,999	<u>182208</u>	<u>199.182</u>
15,000 - 15,999	<u>192218</u>	<u>208.192</u>
16,000 - 16,999	<u>200227</u>	<u>217.200</u>
17,000 - 17,999	<u>209237</u>	<u>227.209</u>
18,000 - 18,999	<u>218247</u>	<u>236.218</u>
19,000 - 19,999	<u>227256</u>	<u>245.227</u>
20,000 - 20,999	<u>234266</u>	<u>254.234</u>
21,000 - 21,999	<u>242273</u>	<u>261.242</u>
22,000 - 22,999	<u>251279</u>	<u>267.251</u>
23,000 - 23,999	<u>259286</u>	<u>274.259</u>
24,000 - 24,999	<u>266293</u>	<u>280.266</u>

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RATES (Continued)

Premiums (Continued):

<u>Section I</u> <u>Limit of Liability</u> <u>(includes \$25,000/\$500</u> <u>Personal Liability)</u>	<u>Annual Premium</u>	
	<u>Territory 1</u>	<u>Territory 2</u>
<u>25,000 - 25,999</u>	<u>298</u>	<u>285</u>
<u>26,000 - 26,999</u>	<u>304</u>	<u>290</u>
<u>27,000 - 27,999</u>	<u>309</u>	<u>296</u>
<u>28,000 - 28,999</u>	<u>315</u>	<u>301</u>
<u>29,000 - 29,999</u>	<u>320</u>	<u>306</u>
<u>30,000 - 30,999</u>	<u>324</u>	<u>310</u>
<u>31,000 - 31,999</u>	<u>328</u>	<u>314</u>
<u>32,000 - 32,999</u>	<u>333</u>	<u>318</u>
<u>33,000 - 33,999</u>	<u>337</u>	<u>322</u>
<u>34,000 - 34,999</u>	<u>341</u>	<u>326</u>
<u>35,000 - 35,999</u>	<u>345</u>	<u>330</u>
<u>36,000 - 36,999</u>	<u>350</u>	<u>335</u>
<u>37,000 - 37,999</u>	<u>354</u>	<u>339</u>
<u>38,000 - 38,999</u>	<u>358</u>	<u>343</u>
<u>39,000 - 39,999</u>	<u>363</u>	<u>347</u>
<u>40,000 - 40,999</u>	<u>367</u>	<u>351</u>
<u>41,000 - 41,999</u>	<u>371</u>	<u>355</u>
<u>42,000 - 42,999</u>	<u>375</u>	<u>359</u>
<u>43,000 - 43,999</u>	<u>380</u>	<u>363</u>
<u>44,000 - 44,999</u>	<u>384</u>	<u>367</u>
<u>45,000 - 45,999</u>	<u>388</u>	<u>371</u>
<u>46,000 - 46,999</u>	<u>392</u>	<u>375</u>
<u>47,000 - 47,999</u>	<u>397</u>	<u>380</u>
<u>48,000 - 48,999</u>	<u>401</u>	<u>384</u>
<u>49,000 - 49,999</u>	<u>405</u>	<u>388</u>
<u>50,000 - 50,999</u>	<u>409</u>	<u>392</u>
<u>Each Additional \$1,000</u> <u>or Part Thereof</u>	<u>6,004.26</u>	<u>6,004.09</u>

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**RATES (Continued)**

Optional Coverages

1. Scheduled Personal Property Coverage

A. Scheduled and Unscheduled Jewelry

Annual rate per \$100 or part thereof: ~~\$2.75~~1.65

Customers can request coverage up to \$5,000 for Unscheduled Jewelry.

B. Other Eligible Property

Annual rate per \$100 or part thereof: ~~\$2.50~~1.65

Attach Endorsement AB4442EC-~~0509~~0612. This coverage applies to annual term policies only.

2. Personal Property Replacement Cost Coverage

When the Limit of Liability for Section I - Personal Property Coverage is extended to include Replacement Cost Coverage, a charge of 30% will be applied to the premium.

Attach Endorsement AB4720EC-0307.

3. Burglary Coverage Credit

When Section I - Personal Property Coverage is amended to replace theft coverage with burglary, a 10% credit will be applied to the premium.

Attach Endorsement AB4721EC-0805.

4. Increased Limits Personal Liability Coverage

Limits of Liability

<u>Personal Liability</u>	<u>Medical Payments to Others</u>	<u>Damage to Property of Others</u>	<u>Annual Premium</u>
\$ 50,000	\$ 500	\$ 500	\$ 9
100,000	500	500	17
300,000	500	500	35

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**RATES (Continued)**

Optional Coverages (Continued)

5. Involuntary Unemployment Insurance Coverage

Maximum # Benefits	Single Coverage Annual Rate (per \$100 of Monthly Benefit Amount)	Joint Coverage Annual Rate (per \$100 of Monthly Benefit Amount)
2	\$15.00	\$30.00
3	\$21.00	\$42.00
6	\$34.20	\$68.40

Maximum Monthly Benefit Amount: \$1,000.

~~[Attach Endorsement AB3430EPC-0812 for Single Coverage.](#)~~

~~[Attach Endorsement AB3432EPC-0812 for Joint Coverage.](#)~~

~~[Attach Endorsement AJ9083EC-0509.](#)~~

6. Water Backup of Sewers or Drains Endorsement

This endorsement provides \$2,500 of coverage for loss caused by water which backs up through sewers or drains or which overflows from a sump.

A \$250 deductible applies to this coverage.

Annual Premium:\$15

Attach endorsement AB5087EC-0805.

7. Identity Fraud Expense Coverage Endorsement

This Endorsement provides \$15,000 of coverage for expenses incurred by an insured as a result of an identity fraud occurrence discovered during the policy period. The endorsement provides coverage for a maximum of one identity fraud occurrence per policy period.

A \$100 deductible applies to this coverage.

Annual Premium: \$35

Attach Endorsement AJ9854EPC-0708

8. Animal Liability Exclusion Endorsement

This endorsement excludes any liability arising out of the activity of domestic pets or domestic animals owned by the insured or in the insured's care, custody or control. It ~~should~~ may be added to the policy once an insured has had an animal liability loss.

Attach Endorsement AB1015EPC-0609

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RATES (Continued)

Optional Coverages (Continued)

9. Pet Damage Endorsement

This endorsement provides up to \$500 per policy period for property damage to the residence premises caused by the activity of a pet.

Annual Premium: \$20

Attach Endorsement AB1877EPC-0811. This coverage can only be purchased at the time of new business.

Other Rating Provisions

1. Continuous Renewal Plan or Installment Payment Option.

The premiums for a one, two, three or six-month term under the Continuous Renewal Plan shall be pro rata of the annual premium plus \$2.00 per policy term. Attach Endorsement AJ8305EC-0509 for Continuous Renewal Plan.

Annual Policies billed using an installment plan will assess a \$4.00 charge for each installment billed.

2. Waiver of Premium

When a policy is endorsed subsequent to the inception date, any additional or return premium of \$3.00 or less may be waived.

3. Whole Dollar Premium Rule

All premiums shown on the policy and endorsements shall be rounded to the nearest whole dollar. A premium of fifty cents (\$.50) or more shall be rounded to the next higher whole dollar.

In the event of cancellation by the Company, the return premium may be carried to the next higher whole dollar.

4. Optional \$250 or \$500 Deductible.

A \$250 or \$500 deductible can be selected to apply to loss from all Section I perils covered under the policy on an occurrence basis.

Reduce the base premium by ~~4~~3% for the \$250 deductible and ~~10~~9% for the \$500 deductible, then round to the nearest whole dollar.

~~5. Internet Credit~~

~~For customers who purchase this insurance via the internet, a 5% credit will apply to the total annual premium, excluding any billing fees and policy fees. This applies to new business only.~~

~~6~~5. Mandatory Insurance Requirement Credit

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For customers whose property management company or landlord requires them to purchase this insurance, a ~~25~~25% credit will apply to the ~~total annual~~ adjusted base premium. The Mandatory Insurance Requirement Credit is not applicable to, excluding any billing fees ~~and~~, policy fees and/or any optional coverages.

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**RATES (Continued)**

**Other Rating Provisions (Continued)**

**6. Policy Fee**

A \$15 policy fee will apply to annual term policies only.

**7. Type of Dwelling Surcharge**

Based on the type of dwelling, the following surcharge will apply to the adjusted base premium, which includes any applicable deductible credits. The Type of Dwelling Surcharge is not applicable to billing fees, policy fees and/or any optional coverages.

<u>Type of Dwelling</u>	<u>Surcharge</u>
<u>Single Family Homes</u>	<u>15%</u>

**EXCEPTIONS TO THE GENERAL RULES**

**General Rule 3. Eligibility, is deleted and replaced by the following:**

**3. Eligibility**

- A. A Renters Policy may be issued only to the tenant (non-owner) or occupant of a dwelling or of any of the following residence types: house, condominium unit, cooperative unit, room or apartment.
- B. No more than two unrelated persons are to be insured on one policy.
- C. A Renters Policy shall not be issued to cover the contents of any manufactured home, mobile home, trailer home or house trailer.

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Under General Rule 7. Credits, the Loss Free Credit is deleted in its entirety.

**The following is added to General Rule 7. Credits:**

Mandatory Insurance Requirement Credit – A credit will apply to the adjusted base premium for customers if their property management company or landlord requires them to purchase this insurance. Please refer to the Rates section of the State Exception Pages for the applicable credit amount.

**The following is added to General Rule 7. Credits:**

Mandatory Insurance Requirement Credit – A credit will apply to the total annual premium for customers if their property management company or landlord requires them to purchase this insurance. Please refer to the Rates section of the State Exception Pages for the applicable credit amount.

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| **EXCEPTIONS TO THE GENERAL RULES (Continued)**

General Rule 11. Cancellation or Reduction in Limits of Liability or Coverages is deleted and replaced by the following:

11. **Cancellation or Reduction in Limits of Liability or Coverages**

It shall not be permissible to cancel any of the mandatory coverages in the policy unless the entire policy is canceled.

If insurance is canceled or reduced at the request of the Company, the earned premium shall be computed on a pro rata basis.

If insurance is canceled or reduced at the request of the insured during the first year of policy term, the earned premium shall be computed on a pro rata basis. Earned premium for Renters Policies canceled or reduced after the first year shall be computed on a pro rata basis.