

State: Arkansas First Filing Company: State Auto Property and Casualty Insurance Company, ...

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

Product Name: Arkansas Home - Rates and Rules

Project Name/Number: Rates and Rules eff 09-17-12/SAC-HO-RR-2012-0078

Filing at a Glance

Companies: State Auto Property and Casualty Insurance Company
 State Automobile Mutual Insurance Company

Product Name: Arkansas Home - Rates and Rules

State: Arkansas

TOI: 04.0 Homeowners

Sub-TOI: 04.0000 Homeowners Sub-TOI Combinations

Filing Type: Rate/Rule

Date Submitted: 06/18/2012

SERFF Tr Num: STAT-128336592

SERFF Status: Closed-Filed

State Tr Num:

State Status:

Co Tr Num: SAC-HO-RR-2012-0078

Effective Date 09/17/2012

Requested (New):

Effective Date 09/17/2012

Requested (Renewal):

Author(s): Doug Griffith, Amanda Scott

Reviewer(s): Becky Harrington (primary)

Disposition Date: 07/27/2012

Disposition Status: Filed

Effective Date (New): 09/17/2012

Effective Date (Renewal): 09/17/2012

State Filing Description:
 referred to Commissioner 6/20/12; reviewed on 6/29

State: Arkansas **First Filing Company:** State Auto Property and Casualty Insurance Company, ...
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: Arkansas Home - Rates and Rules
Project Name/Number: Rates and Rules eff 09-17-12/SAC-HO-RR-2012-0078

General Information

Project Name: Rates and Rules eff 09-17-12 Status of Filing in Domicile:
 Project Number: SAC-HO-RR-2012-0078 Domicile Status Comments:
 Reference Organization: Reference Number:
 Reference Title: Advisory Org. Circular:
 Filing Status Changed: 07/27/2012
 State Status Changed: 06/29/2012 Deemer Date:
 Created By: Amanda Scott Submitted By: Doug Griffith
 Corresponding Filing Tracking Number:

Filing Description:
 With this filing we are revising our Homeowner Options program, as detailed in the Summary of Proposed Changes.
 We estimate these revisions will result in an overall impact of +15.0%.

Company and Contact

Filing Contact Information

Theresa Brundage, Actuarial Analyst I Theresa.Brundage@StateAuto.com
 518 E. Broad Street 614-917-5141 [Phone]
 Columbus, OH 43215 614-719-0154 [FAX]

Filing Company Information

State Auto Property and Casualty Insurance Company	CoCode: 25127	State of Domicile: Iowa
1300 Woodland Ave	Group Code: 175	Company Type: Property and Casualty
PO Box 66150	Group Name:	State ID Number:
West Des Moines, IA 50265-0150	FEIN Number: 57-6010814	
(614) 464-5000 ext. [Phone]		

State Automobile Mutual Insurance Company	CoCode: 25135	State of Domicile: Ohio
518 E. Broad Street	Group Code: 175	Company Type: Property and Casualty
PO Box 182822	Group Name:	State ID Number:
Columbus, OH 43215	FEIN Number: 31-4316080	
(614) 464-5000 ext. [Phone]		

Filing Fees

Fee Required? Yes
 Fee Amount: \$100.00
 Retaliatory? No
 Fee Explanation:
 Per Company: No

State: Arkansas First Filing Company: State Auto Property and Casualty Insurance Company, ...

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

Product Name: Arkansas Home - Rates and Rules

Project Name/Number: Rates and Rules eff 09-17-12/SAC-HO-RR-2012-0078

Company	Amount	Date Processed	Transaction #
State Auto Property and Casualty Insurance Company	\$100.00	06/18/2012	60208949
State Automobile Mutual Insurance Company	\$0.00	06/18/2012	

State: Arkansas
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: Arkansas Home - Rates and Rules
Project Name/Number: Rates and Rules eff 09-17-12/SAC-HO-RR-2012-0078

First Filing Company: State Auto Property and Casualty Insurance Company, ...

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Becky Harrington	07/27/2012	07/27/2012

Objection Letters and Response Letters

Objection Letters

Status	Created By	Created On	Date Submitted
Pending Industry Response	Becky Harrington	06/29/2012	06/29/2012
No response necessary	Becky Harrington	06/20/2012	06/20/2012
Pending Industry Response	Becky Harrington	06/18/2012	06/18/2012

Response Letters

Responded By	Created On	Date Submitted
Amanda Scott	07/12/2012	07/12/2012
Amanda Scott	07/12/2012	07/12/2012
Doug Griffith	06/19/2012	06/19/2012

Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Disposition	Note To Filer	Becky Harrington	07/25/2012	07/25/2012
Deductibles	Note To Filer	Becky Harrington	06/20/2012	06/20/2012

State: Arkansas
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: Arkansas Home - Rates and Rules
Project Name/Number: Rates and Rules eff 09-17-12/SAC-HO-RR-2012-0078
First Filing Company: State Auto Property and Casualty Insurance Company, ...

Disposition

Disposition Date: 07/27/2012

Effective Date (New): 09/17/2012

Effective Date (Renewal): 09/17/2012

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):
State Auto Property and Casualty Insurance Company	31.100%	10.000%	\$1,184,594	10,999	\$12,062,081	11.200%	-5.200%
State Automobile Mutual Insurance Company	31.100%	10.000%	\$69,334	730	\$699,625	11.200%	-5.200%

Overall Rate Information for Multiple Company Filings

Overall Percentage Rate Indicated For This Filing

31.100%

Overall Percentage Rate Impact For This Filing

10.000%

Effect of Rate Filing-Written Premium Change For This Program

\$1,253,928

Effect of Rate Filing - Number of Policyholders Affected

11,729

State: Arkansas
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: Arkansas Home - Rates and Rules
Project Name/Number: Rates and Rules eff 09-17-12/SAC-HO-RR-2012-0078

First Filing Company: State Auto Property and Casualty Insurance Company, ...

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Form RF-2 Loss Costs Only (not for workers' compensation)		Yes
Supporting Document	H-1 Homeowners Abstract	Filed	Yes
Supporting Document (revised)	HPCS-Homeowners Premium Comparison Survey	Filed	Yes
Supporting Document	HPCS-Homeowners Premium Comparison Survey		Yes
Supporting Document (revised)	NAIC loss cost data entry document	Filed	Yes
Supporting Document	NAIC loss cost data entry document		Yes
Supporting Document (revised)	Summary of Proposed Changes and Actuarial Exhibits	Filed	Yes
Supporting Document	Summary of Proposed Changes and Actuarial Exhibits		Yes
Rate (revised)	Rate Document	Filed	Yes
Rate	Rate Document		Yes
Rate	Revised Manual Pages	Filed	Yes

State: Arkansas **First Filing Company:** State Auto Property and Casualty Insurance Company, ...

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

Product Name: Arkansas Home - Rates and Rules

Project Name/Number: Rates and Rules eff 09-17-12/SAC-HO-RR-2012-0078

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	06/29/2012
Submitted Date	06/29/2012
Respond By Date	

Dear Theresa Brundage,

Introduction:

Objection 1

Comments: The Department fears increasing the minimum deductible amount to \$1,500 may cause an undue hardship for a majority of the states citizens. Please consider maintaining the minimum deductible amount of \$1000 or offering a buy-back.

Objection 2

Comments: The requested increase amount has been reviewed by the Commissioner. Please amend the overall increase to 10%.

Provide revised HPCS forms as necessary.

Conclusion:

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

Effective for all filings made on or after June 1, 2011, Arkansas no longer allows the re-opening of closed filings for corrections, changes in effective dates, scrivener's errors, amendments or substantive changes. Please see the General Instructions for how these events will be handled after the effective date of the change."

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

*Sincerely,
Becky Harrington*

State: Arkansas
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: Arkansas Home - Rates and Rules
Project Name/Number: Rates and Rules eff 09-17-12/SAC-HO-RR-2012-0078

First Filing Company: State Auto Property and Casualty Insurance Company, ...

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	07/12/2012
Submitted Date	07/12/2012

Dear Becky Harrington,

Introduction:

In response to the objection letter received 06-29-12 we have attached our response below.

In addition we wish to change our effective date from 09/13/2012 to 09/17/2012.

Response 1

Comments:

In response to competitors actions in the marketplace, we find it necessary to require a minimum \$1,500 All Peril Deductible for New Business so as to not be selected against in the marketplace. Please note this change applies to new business only.

Related Objection 1

Comments: The Department fears increasing the minimum deductible amount to \$1,500 may cause an undue hardship for a majority of the states citizens. Please consider maintaining the minimum deductible amount of \$1000 or offering a buy-back.

Changed Items:

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

Response 2

Comments:

Please find amended filing pages attached that correspond to an overall increase of 10%. Exhibit VII summarizes the revised impact. Page RD-6 of the Rate Document contains the revised base rates. Page RD-11 of the Rate Document contains the revised Maximum Dollar Credits for increased deductibles. The HPCS forms and RLC forms have been updated as well.

Related Objection 2

Comments: The requested increase amount has been reviewed by the Commissioner. Please amend the overall increase to 10%.

Provide revised HPCS forms as necessary.

State: Arkansas
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: Arkansas Home - Rates and Rules
Project Name/Number: Rates and Rules eff 09-17-12/SAC-HO-RR-2012-0078

First Filing Company: State Auto Property and Casualty Insurance Company, ...

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: HPCS-Homeowners Premium Comparison Survey

Comment: Please note, the rates for HO-4 reflect a \$500 deductible, while the rates for HO-3 reflect a \$1,000 deductible. The discount for the \$1,000 deductible only applies to HO-4.

Satisfied -Name: NAIC loss cost data entry document

Comment:

Satisfied -Name: Summary of Proposed Changes and Actuarial Exhibits

Comment:

No Form Schedule items changed.

Rate/Rule Schedule Item Changes

Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing #
Rate Document	Complete Copy	Replacement	
<i>Previous Version</i>			
<i>Rate Document</i>	<i>Complete Copy</i>	<i>Replacement</i>	

Conclusion:

Please let me know if I can be of further assistance.

Sincerely,

Amanda Scott

State: Arkansas **First Filing Company:** State Auto Property and Casualty Insurance Company, ...

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

Product Name: Arkansas Home - Rates and Rules

Project Name/Number: Rates and Rules eff 09-17-12/SAC-HO-RR-2012-0078

Objection Letter

Objection Letter Status	No response necessary
Objection Letter Date	06/20/2012
Submitted Date	06/20/2012
Respond By Date	

Dear Theresa Brundage,

Introduction:

This will acknowledge receipt of the recent response.

This filing is being referred to the Commissioner for review due to the requested increase amount being greater than 6%. Please do not respond at this time.

Conclusion:

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

Effective for all filings made on or after June 1, 2011, Arkansas no longer allows the re-opening of closed filings for corrections, changes in effective dates, scrivener's errors, amendments or substantive changes. Please see the General Instructions for how these events will be handled after the effective date of the change."

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

Sincerely,

Becky Harrington

State: Arkansas **First Filing Company:** State Auto Property and Casualty Insurance Company, ...
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: Arkansas Home - Rates and Rules
Project Name/Number: Rates and Rules eff 09-17-12/SAC-HO-RR-2012-0078

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	07/12/2012
Submitted Date	07/12/2012

Dear Becky Harrington,

Introduction:

Acknowledged

Response 1

Comments:

Acknowledged

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Acknowledged

Sincerely,

Amanda Scott

State: Arkansas **First Filing Company:** State Auto Property and Casualty Insurance Company, ...

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

Product Name: Arkansas Home - Rates and Rules

Project Name/Number: Rates and Rules eff 09-17-12/SAC-HO-RR-2012-0078

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	06/18/2012
Submitted Date	06/18/2012
Respond By Date	

Dear Theresa Brundage,

Introduction:

This will acknowledge receipt of the captioned filing.

Objection 1

- Summary of Proposed Changes and Actuarial Exhibits (Supporting Document)

Comments: Please provide the impact for insureds regarding the change in the suburban rating rule.

Conclusion:

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

Effective for all filings made on or after June 1, 2011, Arkansas no longer allows the re-opening of closed filings for corrections, changes in effective dates, scrivener's errors, amendments or substantive changes. Please see the General Instructions for how these events will be handled after the effective date of the change."

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

Sincerely,

Becky Harrington

State: Arkansas **First Filing Company:** State Auto Property and Casualty Insurance Company, ...

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

Product Name: Arkansas Home - Rates and Rules

Project Name/Number: Rates and Rules eff 09-17-12/SAC-HO-RR-2012-0078

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	06/19/2012
Submitted Date	06/19/2012

Dear Becky Harrington,

Introduction:

Please see our response below.

Response 1

Comments:

Due to data limitations, we cannot identify policies that are eligible for the removed rule. Therefore, there will be no impact to existing Protected Suburban policies. The amended Protected Suburban rules will be used only to evaluate new business, or when reevaluating existing business that is not currently being rated as Protected Suburban, for potential inclusion in the program.

Related Objection 1

Applies To:

- Summary of Proposed Changes and Actuarial Exhibits (Supporting Document)

Comments: Please provide the impact for insureds regarding the change in the suburban rating rule.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Sincerely,

Theresa Brundage

Sincerely,

Doug Griffith

State: Arkansas **First Filing Company:** State Auto Property and Casualty Insurance Company, ...
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: Arkansas Home - Rates and Rules
Project Name/Number: Rates and Rules eff 09-17-12/SAC-HO-RR-2012-0078

Note To Filer

Created By:

Becky Harrington on 07/25/2012 01:34 PM

Last Edited By:

Becky Harrington

Submitted On:

07/27/2012 08:00 AM

Subject:

Disposition

Comments:

an error is occuring at disposition per the known issue in the lastest SERFF release. I will keep trying. The filing is considered complete, with an effective date of 9/17/12.

State: Arkansas **First Filing Company:** State Auto Property and Casualty Insurance Company, ...

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

Product Name: Arkansas Home - Rates and Rules

Project Name/Number: Rates and Rules eff 09-17-12/SAC-HO-RR-2012-0078

Note To Filer

Created By:

Becky Harrington on 06/20/2012 08:38 AM

Last Edited By:

Becky Harrington

Submitted On:

07/27/2012 08:00 AM

Subject:

Deductibles

Comments:

Increasing the minimum deductible amount to \$1500 is a concern. We would prefer the minimum deductible amount to be no more than \$1000, with options for higher amounts.

The filing is being referred to the Commissioner due to the requested increase being greater than 6%.

I wanted to let you know our concerns regarding the deductibles since a request to revise them will accompany the Commissioner's decision regarding the overall rate increase amount.

Thanks,
Becky

State: Arkansas **First Filing Company:** State Auto Property and Casualty Insurance Company, ...

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

Product Name: Arkansas Home - Rates and Rules

Project Name/Number: Rates and Rules eff 09-17-12/SAC-HO-RR-2012-0078

Post Submission Update Request Processed On 07/16/2012

Status: Allowed

Created By: Amanda Scott

Processed By: Becky Harrington

Comments: per department request overall reduced to 10% from 15%

Company Rate Information:

Company Name:State Auto Property and Casualty Insurance Company

Field Name	Requested Change	Prior Value
Overall % Rate Impact	10.000%	15.000%
Written Premium Change for this Program	\$1184594	\$1763355
Written Premium for this Program	\$12062081	\$11980671
Maximum %Change (where required)	11.200%	16.400%

Company Name:State Automobile Mutual Insurance Company

Field Name	Requested Change	Prior Value
Overall % Rate Impact	10.000%	15.000%
Written Premium Change for this Program	\$69334	\$97166
Written Premium for this Program	\$699625	\$656858
Maximum %Change (where required)	11.200%	16.400%

Overall Rate Information:

Field Name	Requested Change	Prior Value
Overall Percentage Rate Impact For This Filing	10.000%	15.000%

State: Arkansas First Filing Company: State Auto Property and Casualty Insurance Company, ...

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

Product Name: Arkansas Home - Rates and Rules

Project Name/Number: Rates and Rules eff 09-17-12/SAC-HO-RR-2012-0078

Post Submission Update Request Processed On 07/25/2012

Status: Allowed

Created By: Amanda Scott

Processed By: Becky Harrington

Comments:

General Information:

Field Name	Requested Change	Prior Value
Project Name	Rates and Rules eff 09-17-12	Rates and Rules eff 09-13-12
Effective Date Requested (New)	09/17/2012	09/13/2012
Effective Date Requested (Renew)	09/17/2012	09/13/2012

State: Arkansas **First Filing Company:** State Auto Property and Casualty Insurance Company, ...
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: Arkansas Home - Rates and Rules
Project Name/Number: Rates and Rules eff 09-17-12/SAC-HO-RR-2012-0078

Rate Information

Rate data applies to filing.

Filing Method: File & Use
Rate Change Type: Increase
Overall Percentage of Last Rate Revision: 9.700%
Effective Date of Last Rate Revision: 08/28/2011
Filing Method of Last Filing: File & Use

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):
State Auto Property and Casualty Insurance Company	31.100%	10.000%	\$1,184,594	10,999	\$12,062,081	11.200%	-5.200%
State Automobile Mutual Insurance Company	31.100%	10.000%	\$69,334	730	\$699,625	11.200%	-5.200%

Overall Rate Information for Multiple Company Filings

Overall % Rate Indicated: 31.100%
Overall Percentage Rate Impact For This Filing: 10.000%
Effect of Rate Filing - Written Premium Change For This Program: \$1,253,928
Effect of Rate Filing - Number of Policyholders Affected: 11729

SERFF Tracking #:

STAT-128336592

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

SAC-HO-RR-2012-0078

State:

Arkansas

First Filing Company:

State Auto Property and Casualty Insurance Company, ...

TOI/Sub-TOI:

04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations

Product Name:

Arkansas Home - Rates and Rules

Project Name/Number:

Rates and Rules eff 09-17-12/SAC-HO-RR-2012-0078

Rate/Rule Schedule

Item No.	Schedule Item Status	Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing Number	Attachments
1	Filed 07/27/2012	Rate Document	Complete Copy	Replacement		Arkansas Home Rate Document-Eff-09-13-2012.pdf
2	Filed 07/27/2012	Revised Manual Pages	Various	Replacement		Arkansas_Home Revised Manual pages eff 09-2012.pdf

ARKANSAS
HOME OPTIONS BASE RATES AND RELATIVITIES
Effective 9-17-2012

COVERAGE A RATING STEPS

Forms HO-0003 and HO-0005

(round to whole dollar after each intermediate step; truncate after final step)

1. Base Rate
2. Result #1 X Protection/Construction Relativity
3. Result #2 X Policy Size Relativity
4. Result #3 X Form Relativity (HO-0005)
5. Result #4 X Special Loss Settlement Rating Factor
6. Result #5 - Secondary Residence Credit (\$ amount)
7. Result #6 X Number of Family Factor
8. Result #7 X Townhouse/Rowhouse Factor
9. Result #8 X Superior Construction Factor
10. Result #9 X Age of Dwelling Factor OR [1 - Total Utility Update Credit Percentage]
11. Result #10 X Home Purchase Discount Factor (if applicable)
12. Result #11 X Deductible Factor (subject to a dollar maximum credit)
13. Result #12 X Building Code Effectiveness Grading (BCEG) (if applicable)
14. Result #13 X Wind/Hail Exclusion Credit Factor (if applicable)
15. Result #14 X Windstorm Protective Devices Factor (if applicable)
16. Result #15 X Roof Construction Discount Factor
17. Result #16 X ACV Wind/Hail Loss to Roof Factor
18. Result #17 X Loss Experience Rating Factor
19. Result #18 X Financial Stability Rating Factor
20. Result #19 X [1 - Total Protective Device Discount Percentage]
21. Result #20 X Package Factor
22. Result #21 + Package Charge (\$ amount)
23. Result #22 X Auto/Home Discount Factor
24. Result #23 X Prime of Life Discount Factor
25. Result #24 X Advantage/Group Factor (if applicable)
26. Result #25 X Fire Insurance Premium Tax Credit Factor (if applicable)
27. Result #26* X Term Factor
28. Result #27 X Capping Factor

* If Result #26 is less than Minimum Premium, use Minimum Premium.

SECURGARD PLUS RATING STEPS -- FI 264

Forms HO-0003 and HO-0005

(round to whole dollar after each intermediate step; truncate after final step)

The premium developed here is in addition to that developed above for the base Securgard option.

1. Base Rate
2. Result #1 X Protection/Construction Relativity
3. Result #2 X Policy Size Relativity
4. Result #3 X Form Relativity (HO-0005)
5. Result #4 X Financial Stability Rating Factor
6. Result #5 X FI-264 Percentage (subject to a dollar minimum)
7. Result #6 + FI-264 Dollar Charge
8. Result #7 X Advantage/Group Factor (if applicable)
9. Result #8 X Term Factor
10. Result #9 X Capping Factor

ARKANSAS
HOME OPTIONS BASE RATES AND RELATIVITIES
Effective 9-17-2012

COVERAGE C RATING STEPS

Form HO-0004

(round to whole dollar after each intermediate step; truncate after final step)

1. Base Rate
2. Result #1 X Protection/Construction Relativity
3. Result #2 X Policy Size Relativity
4. Result #3 X Form Relativity
5. Result #4 - Secondary Residence Credit (\$ amount)
6. Result #5 X Superior Construction Factor
7. Result #6 X Deductible Factor (subject to a dollar maximum credit)
8. Result #7 X Building Code Effectiveness Grading (BCEG) (if applicable)
9. Result #8 X Wind/Hail Exclusion Credit Factor (if applicable)
10. Result #9 X Windstorm Protective Devices Factor (if applicable)
11. Result #10 X Loss Experience Rating Factor
12. Result #11 X Financial Stability Rating Factor
13. Result #12 X [1 - Total Protective Device Discount Percentage]
14. Result #13 X Package Factor
15. Result #14 + Package Charge (\$ amount)
16. Result #15 X Auto/Home Discount Factor
17. Result #16 X Prime of Life Discount Factor
18. Result #17 X Advantage/Group Factor (if applicable)
19. Result #18* X Term Factor
20. Result #19 X Capping Factor

* If Result #18 is less than Minimum Premium, use Minimum Premium.

COVERAGE C RATING STEPS

Form HO-0006

(round to whole dollar after each intermediate step; truncate after final step)

1. Base Rate
2. Result #1 X Protection/Construction Relativity
3. Result #2 X Policy Size Relativity
4. Result #3 X Form Relativity
5. Result #4 - Secondary Residence Credit (\$ amount)
6. Result #5 X Superior Construction Factor
7. Result #6 X Deductible Factor (subject to a dollar maximum credit)
8. Result #7 X Building Code Effectiveness Grading (BCEG) (if applicable)
9. Result #8 X Wind/Hail Exclusion Credit Factor (if applicable)
10. Result #9 X Windstorm Protective Devices Factor (if applicable)
11. Result #10 X Loss Experience Rating Factor
12. Result #11 X Financial Stability Rating Factor
13. Result #12 X [1 - Total Protective Device Discount Percentage]
14. Result #13 X Package Factor
15. Result #14 + Package Charge (\$ amount)
16. Result #15 X Auto/Home Discount Factor
17. Result #16 X Prime of Life Discount Factor
18. Result #17 X Advantage/Group Factor (if applicable)
19. Result #18 X Fire Insurance Premium Tax Credit Factor (if applicable)
20. Result #19* X Term Factor
21. Result #20 X Capping Factor

* If Result #19 is less than Minimum Premium, use Minimum Premium.

ARKANSAS
HOME OPTIONS BASE RATES AND RELATIVITIES
 Effective 9-17-2012

RATING TERRITORY GROUP

Use the Territory of the insured to assign a Rating Territory Group from this table. This Rating Territory Group will be used to look up the base rate.

Territory	Group								
101	32	167	39	232	39	298	48	350	33
102	32	169	39	233	59	299	39	351	38
103	32	171	39	234	58	300	49	353	36
105	32	172	39	236	39	301	49	354	60
106	32	173	39	237	39	303	39	355	31
107	32	174	39	238	39	304	39	357	38
109	45	176	39	239	39	305	34	359	39
110	39	177	39	240	39	306	39	360	33
112	45	178	39	241	58	307	38	361	38
114	45	179	39	243	39	308	32	362	60
115	45	180	39	244	39	309	44	363	33
116	45	181	39	245	39	310	38	365	34
118	45	182	39	247	40	311	34	366	34
119	45	183	39	248	40	313	60	367	39
120	45	185	39	249	40	314	39	368	34
122	45	186	39	251	40	315	60	369	36
123	39	188	39	252	40	316	36	370	60
125	39	189	39	254	40	317	44	371	38
126	39	190	39	255	40	318	39	372	34
127	45	191	39	257	39	319	34	374	34
128	45	192	39	258	39	320	34	375	38
129	39	194	39	259	39	321	39	376	38
130	39	196	39	260	39	322	39	377	44
131	39	198	39	262	34	323	44	378	31
132	45	200	58	264	49	324	38	380	31
133	32	201	58	265	40	325	39	381	32
134	39	203	39	267	48	326	34	382	34
135	45	205	39	269	49	327	34	383	60
136	45	206	39	271	39	328	34	384	60
137	45	208	58	272	34	329	38	385	34
139	39	209	39	273	34	330	34	386	39
140	45	210	39	274	39	331	36	387	60
141	45	211	39	275	49	332	38	388	34
143	39	213	58	276	49	333	34	389	39
144	39	214	39	278	40	334	36	390	36
146	45	215	39	279	39	335	33	391	39
147	39	216	59	281	39	336	33	393	31
148	45	217	39	282	49	337	33	394	38
149	39	218	39	284	40	338	33	395	60
150	45	219	59	285	48	339	38	396	39
152	39	220	58	286	39	340	34	397	34
154	39	221	59	287	39	341	38	398	34
156	39	222	59	288	48	342	33	399	33
157	39	223	39	289	48	343	34	400	34
158	39	224	39	290	39	344	34	401	38
160	39	226	39	292	40	345	38	403	34
161	39	227	39	293	48	346	44	404	33
162	39	228	58	294	48	347	36	405	44
164	39	230	39	296	40	348	60	406	31
166	39	231	39	297	48	349	34	407	30

ARKANSAS
HOME OPTIONS BASE RATES AND RELATIVITIES
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RATING TERRITORY GROUP

Use the Territory of the insured to assign a Rating Territory Group from this table. This Rating Territory Group will be used to look up the base rate.

Territory	Group								
408	30	468	32	535	45	600	54	658	54
409	30	469	31	537	45	601	54	659	44
410	30	471	30	538	45	602	44	660	44
411	30	473	30	540	44	603	44	661	44
412	30	474	30	541	45	604	44	662	54
413	31	475	30	542	45	605	44	663	44
414	60	476	30	543	45	607	44	664	44
415	39	477	30	544	45	609	44	666	54
416	38	478	30	546	45	610	54	667	44
417	30	479	30	547	38	612	54	669	36
418	34	480	30	548	45	613	54	671	36
419	34	481	30	550	44	614	44	673	36
420	34	483	30	551	44	615	44	675	36
421	39	484	30	552	45	616	44	676	36
422	39	485	30	553	45	617	44	678	36
423	36	486	30	554	44	618	54	680	36
424	36	488	30	555	45	619	44	682	36
425	32	489	30	557	44	620	44	683	36
426	32	490	30	558	45	621	44	684	36
427	38	491	30	559	45	622	54	685	36
428	31	493	30	561	45	623	54	686	36
429	60	495	30	562	44	624	54	687	36
430	60	496	30	563	45	625	44	688	36
432	60	497	30	564	45	626	44	689	36
433	38	499	30	565	45	627	54	690	36
434	36	501	30	566	45	628	44	691	36
435	34	503	30	567	44	629	54	692	36
436	60	505	30	569	45	630	44	693	36
438	60	507	30	570	38	631	54	694	36
440	60	509	45	571	45	632	54	695	36
441	39	511	45	573	45	633	44	696	36
443	32	513	44	574	44	635	44	697	36
444	36	514	45	576	45	637	54	699	36
446	34	515	45	578	45	638	54	700	36
447	34	516	44	579	45	639	54	701	36
449	38	518	44	581	44	641	54	702	36
451	31	519	44	582	38	642	54	703	36
452	36	521	44	584	45	643	54	705	36
453	38	522	45	585	45	644	54	706	36
454	39	523	44	586	44	645	44	707	36
455	32	524	45	587	45	646	44	708	36
456	44	526	38	589	45	647	44	709	36
457	34	527	45	590	44	648	54	711	36
459	33	528	45	591	38	649	54	713	36
461	32	529	45	593	44	650	54	714	36
462	34	530	45	594	44	652	54	715	36
464	60	531	44	595	44	653	44	716	36
465	36	532	44	596	44	654	44	718	36
466	31	533	45	598	44	655	44	719	36
467	33	534	45	599	44	657	36	720	36

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RATING TERRITORY GROUP

Use the Territory of the insured to assign a Rating Territory Group from this table. This Rating Territory Group will be used to look up the base rate.

Territory	Group								
722	36	790	36	856	37	925	37	990	37
723	36	791	35	858	35	926	42	991	37
724	36	793	36	859	35	927	41	992	37
725	36	794	36	861	35	928	42	993	35
726	36	796	35	863	35	929	37		
727	36	797	41	865	35	930	42		
729	36	798	35	866	37	931	41		
730	44	799	36	867	35	932	42		
731	36	801	35	869	35	934	41		
733	36	803	41	870	35	936	37		
734	36	804	41	871	35	938	37		
735	36	805	35	873	37	940	47		
736	36	807	41	874	35	941	47		
737	36	809	41	875	35	942	47		
739	36	811	41	877	35	943	47		
741	36	813	42	878	35	944	47		
742	36	814	36	879	35	945	47		
743	36	816	41	881	35	947	47		
745	36	817	35	882	35	949	47		
747	35	819	35	883	35	950	47		
748	35	820	41	885	37	952	47		
750	35	821	41	886	35	953	47		
752	35	823	35	888	37	954	47		
754	35	824	35	890	42	955	47		
755	35	825	35	891	42	957	37		
756	36	826	35	893	42	959	37		
758	41	828	35	894	42	961	37		
760	36	829	35	896	37	962	37		
761	35	831	35	897	37	963	37		
763	36	832	35	899	42	965	37		
765	35	833	35	900	41	967	37		
766	36	834	35	902	37	968	37		
767	35	835	35	903	41	969	37		
768	35	836	35	904	41	970	37		
769	35	838	37	905	41	971	37		
770	35	839	35	906	42	972	37		
771	41	841	35	908	42	973	37		
772	36	842	35	909	41	975	37		
773	41	843	35	910	41	976	37		
775	35	844	35	911	37	978	37		
776	41	846	35	913	42	979	37		
777	35	847	35	914	41	980	37		
778	35	848	35	915	42	981	37		
779	36	849	35	916	42	982	37		
781	35	850	35	917	37	983	37		
782	41	851	35	918	41	984	37		
784	35	852	37	919	42	985	37		
786	41	853	35	921	42	986	37		
787	36	854	37	922	42	987	37		
789	36	855	35	923	42	989	37		

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BASE RATES

Rating Territory Group	Forms 3 & 5	Form 4	Form 6
30	\$1,156	\$177	\$144
31	\$1,198	\$177	\$144
32	\$1,240	\$177	\$144
33	\$1,063	\$177	\$144
34	\$1,131	\$177	\$144
35	\$1,005	\$177	\$144
36	\$1,016	\$177	\$144
37	\$975	\$177	\$144
38	\$1,189	\$177	\$144
39	\$1,300	\$177	\$144
40	\$964	\$177	\$144
41	\$1,158	\$177	\$144
42	\$1,030	\$177	\$144
44	\$1,445	\$177	\$144
45	\$1,405	\$177	\$144
47	\$1,011	\$177	\$144
48	\$1,355	\$177	\$144
49	\$1,207	\$177	\$144
54	\$1,121	\$177	\$144
58	\$1,298	\$177	\$144
59	\$1,293	\$177	\$144
60	\$1,277	\$177	\$144

**ARKANSAS
HOME OPTIONS BASE RATES AND RELATIVITIES
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PROTECTION/CONSTRUCTION RELATIVITIES

Protection Class	Frame			Masonry			Masonry Veneer		
	Forms 3 & 5	Form 4	Form 6	Forms 3 & 5	Form 4	Form 6	Forms 3 & 5	Form 4	Form 6
01	0.91	1.00	1.00	0.83	1.00	1.00	0.87	1.00	1.00
02	0.91	1.00	1.00	0.83	1.00	1.00	0.87	1.00	1.00
03	0.91	1.00	1.00	0.83	1.00	1.00	0.87	1.00	1.00
04	1.00	1.00	1.00	0.91	1.00	1.00	0.95	1.00	1.00
05	1.00	1.10	1.10	0.91	1.10	1.10	0.95	1.10	1.10
06	1.05	1.10	1.10	0.94	1.10	1.10	1.00	1.10	1.10
07	1.22	1.26	1.26	1.07	1.26	1.26	1.07	1.26	1.26
08	1.71	1.26	1.26	1.41	1.26	1.26	1.41	1.26	1.26
8B	2.31	1.65	1.65	1.94	1.65	1.65	1.94	1.65	1.65
09	2.31	1.65	1.65	1.94	1.65	1.65	1.94	1.65	1.65
10	2.95	1.65	1.65	2.59	1.65	1.65	2.59	1.65	1.65
11	1.22	1.26	1.26	1.07	1.26	1.26	1.07	1.26	1.26
12	1.22	1.26	1.26	1.07	1.26	1.26	1.07	1.26	1.26
13	1.22	1.26	1.26	1.07	1.26	1.26	1.07	1.26	1.26
14	1.22	1.26	1.26	1.07	1.26	1.26	1.07	1.26	1.26
15	1.22	1.26	1.26	1.07	1.26	1.26	1.07	1.26	1.26
16	1.22	1.26	1.26	1.07	1.26	1.26	1.07	1.26	1.26
17	1.22	1.26	1.26	1.07	1.26	1.26	1.07	1.26	1.26
18	1.71	1.26	1.26	1.41	1.26	1.26	1.41	1.26	1.26
19	2.31	1.65	1.65	1.94	1.65	1.65	1.94	1.65	1.65

ARKANSAS
HOME OPTIONS BASE RATES AND RELATIVITIES
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POLICY SIZE RELATIVITIES - FORMS HO-0003 & HO-0005

Cov A (000's)	Relativity	Cov A (000's)	Relativity	Cov A (000's)	Relativity
20	0.706	270	2.348	650	5.481
25	0.719	280	2.422	660	5.570
30	0.733	290	2.492	670	5.659
35	0.747	300	2.561	680	5.748
40	0.761	310	2.636	690	5.837
45	0.776	320	2.712	700	5.926
50	0.790	330	2.787	710	6.010
55	0.804	340	2.888	720	6.093
60	0.818	350	2.964	730	6.177
65	0.834	360	3.045	740	6.260
70	0.854	370	3.126	750	6.344
75	0.883	380	3.207	760	6.427
80	0.908	390	3.288	770	6.510
85	0.931	400	3.369	780	6.594
90	0.956	410	3.454	790	6.677
95	0.976	420	3.538	800	6.761
100	1.000	430	3.622	810	6.844
105	1.032	440	3.707	820	6.928
110	1.063	450	3.791	830	7.011
115	1.092	460	3.899	840	7.095
120	1.124	470	3.983	850	7.178
125	1.159	480	4.067	860	7.262
130	1.192	490	4.151	870	7.345
135	1.221	500	4.235	880	7.429
140	1.256	510	4.318	890	7.512
145	1.293	520	4.402	900	7.596
150	1.328	530	4.485	910	7.680
160	1.402	540	4.568	920	7.763
170	1.487	550	4.651	930	7.847
180	1.573	560	4.734	940	7.931
190	1.663	570	4.817	950	8.015
200	1.748	580	4.900	960	8.098
210	1.842	590	4.983	970	8.182
220	1.927	600	5.066	980	8.266
230	2.019	610	5.149	990	8.350
240	2.101	620	5.232	1000	8.433
250	2.179	630	5.315	Addl 10K	0.084
260	2.257	640	5.398		

Interpolation of Premiums for Policy Amounts Not Shown Above

The premium for a policy amount, in excess of the minimum policy amount, not shown above may be obtained by interpolation.

ARKANSAS
HOME OPTIONS BASE RATES AND RELATIVITIES
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POLICY SIZE RELATIVITIES - FORMS HO-0004 & HO-0006

Cov C	Form 4	Form 6	Cov C	Form 4	Form 6
5	0.260	0.260	31	1.019	1.019
6	0.313	0.313	32	1.038	1.038
7	0.365	0.365	33	1.058	1.058
8	0.417	0.417	34	1.076	1.076
9	0.469	0.469	35	1.096	1.096
10	0.521	0.521	36	1.113	1.113
11	0.573	0.573	37	1.129	1.129
12	0.625	0.625	38	1.146	1.146
13	0.651	0.651	39	1.163	1.163
14	0.676	0.676	40	1.181	1.181
15	0.699	0.699	45	1.265	1.265
16	0.724	0.724	50	1.338	1.338
17	0.750	0.750	55	1.416	1.416
18	0.772	0.772	60	1.493	1.493
19	0.794	0.794	65	1.570	1.570
20	0.816	0.816	70	1.647	1.647
21	0.838	0.838	75	1.724	1.724
22	0.857	0.857	80	1.801	1.801
23	0.875	0.875	85	1.878	1.878
24	0.890	0.890	90	1.955	1.955
25	0.908	0.908	95	2.032	2.032
26	0.927	0.927	100	2.109	2.109
27	0.945	0.945	Add 10K	0.154	0.154
28	0.963	0.963			
29	0.982	0.982			
30	1.000	1.000			

Interpolation of Premiums for Policy Amounts Not Shown Above

The premium for a policy amount, in excess of the minimum policy amount, not shown above may be obtained by interpolation.

ARKANSAS
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AGE OF DWELLING FACTORS

Age of Dwelling	Factor	Age of Dwelling	Factor	Age of Dwelling	Factor
0	0.61	34	0.83	68	0.86
1	0.63	35	0.83	69	0.86
2	0.65	36	0.83	70	0.86
3	0.68	37	0.83	71	0.86
4	0.70	38	0.83	72	0.86
5	0.73	39	0.83	73	0.86
6	0.76	40	0.83	74	0.86
7	0.80	41	0.83	75	0.87
8	0.84	42	0.83	76	0.87
9	0.88	43	0.83	77	0.88
10	0.91	44	0.83	78	0.88
11	0.94	45	0.83	79	0.89
12	0.97	46	0.83	80	0.89
13	0.99	47	0.83	81	0.90
14	0.99	48	0.83	82	0.90
15	0.99	49	0.83	83	0.91
16	1.00	50	0.83	84	0.92
17	1.00	51	0.83	85	0.92
18	1.00	52	0.83	86	0.93
19	0.99	53	0.84	87	0.93
20	0.99	54	0.84	88	0.94
21	0.98	55	0.84	89	0.94
22	0.97	56	0.84	90	0.95
23	0.96	57	0.84	91	0.95
24	0.94	58	0.84	92	0.96
25	0.92	59	0.84	93	0.97
26	0.90	60	0.84	94	0.97
27	0.89	61	0.85	95	0.98
28	0.87	62	0.85	96	0.98
29	0.85	63	0.85	97	0.99
30	0.84	64	0.85	98	0.99
31	0.83	65	0.85	99 & Above	1.00
32	0.83	66	0.85		
33	0.83	67	0.86		

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DEDUCTIBLE FACTORS

All Other Perils Deductible	Wind/Hail Deductible	Forms 3 & 5 Factor	Form 4 Factor	Form 6 Factor	Forms 3 & 5 Maximum Dollar Credit	Forms 4 & 6 Maximum Dollar Credit
\$500	N/A*	--	1.09	1.09	--	--
\$500	\$1,000	--	--	1.05	--	--
\$500	\$1,500	--	--	1.04	--	--
\$500	\$2,000	--	--	1.03	--	--
\$500	\$2,500	--	--	1.02	--	--
\$500	\$5,000	--	--	0.99	--	--
\$1,000	N/A*	1.00	1.00	1.00	--	--
\$1,000	\$1,500	0.96	--	0.99	\$72	--
\$1,000	\$2,000	0.92	--	0.98	\$149	--
\$1,000	\$2,500	0.88	--	0.97	\$216	--
\$1,000	\$5,000	0.74	--	0.93	\$531	--
\$1,500	N/A*	0.93	0.96	0.96	\$144	\$130
\$1,500	\$2,000	0.89	--	0.95	\$210	--
\$1,500	\$2,500	0.85	--	0.93	\$288	--
\$1,500	\$5,000	0.71	--	0.90	\$614	--
\$2,000	N/A*	0.86	0.91	0.91	\$293	\$265
\$2,000	\$2,500	0.82	--	0.90	\$360	--
\$2,000	\$5,000	0.68	--	0.88	\$692	--
\$2,500	N/A*	0.79	0.87	0.87	\$437	\$395
\$2,500	\$5,000	0.65	--	0.85	\$752	--
\$5,000	N/A*	0.58	0.76	0.76	\$940	\$850
\$7,500	N/A*	0.48	0.68	0.68	\$1,245	\$1,125

*Wind/Hail Deductible of "N/A" means that it is the same as the All-Other-Perils Deductible.

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LOSS EXPERIENCE RATING FACTORS

Number of Years with State Auto	Number of Chargeable Losses	Forms 3 & 5	Forms 4 & 6	Watercraft
0 - 9	0	1.00	1.00	1.00
	1	1.24	1.15	1.15
	2	1.50	1.40	1.40
	3	3.00	1.40	1.40
	4 or More	5.99	1.40	1.40
10 or More	0	1.00	1.00	1.00
	1	1.05	1.00	1.00
	2	1.33	1.25	1.25
	3	2.33	1.25	1.25
	4 or More	4.33	1.25	1.25

FINANCIAL STABILITY RATING FACTORS

Level	Range	Forms 3 & 5	Forms 4 & 6
A	875 - 997	0.617	0.613
B	850 - 874	0.635	0.652
C	825 - 849	0.654	0.693
D	800 - 824	0.686	0.738
E	775 - 799	0.725	0.774
F	750 - 774	0.771	0.812
G	725 - 749	0.827	0.851
H	700 - 724	0.894	0.903
I	675 - 699	0.953	0.947
J	650 - 674	1.000	1.000
K	625 - 649	1.053	1.035
L	600 - 624	1.115	1.071
M	575 - 599	1.168	1.108
N	550 - 574	1.220	1.147
O	525 - 549	1.278	1.187
P	500 - 524	1.342	1.229
Q	475 - 499	1.405	1.341
R	450 - 474	1.472	1.464
S	425 - 449	1.539	1.552
T	400 - 424	1.602	1.645
U	50 - 399	2.250	2.250
V	No Hit	1.000	1.000
W	No Score	0.725	0.774
X	Unscored	1.000	1.000

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ROOF CONSTRUCTION DISCOUNT FACTORS

Age of Roof	Class Four	Concrete, Slate, or Tile	Other
0	0.886	0.877	0.908
1	0.886	0.877	0.908
2	0.886	0.877	0.908
3	0.900	0.892	0.923
4	0.915	0.906	0.939
5	0.930	0.921	0.954
6	0.944	0.936	0.970
7	0.959	0.951	0.985
8	0.973	0.964	1.000
9	0.973	0.964	1.000
10	0.973	0.964	1.000
11	0.973	0.964	1.000
12	0.973	0.964	1.000
13	0.973	0.964	1.000
14	0.973	0.964	1.000
15	0.973	0.964	1.000
16	0.973	0.964	1.000
17	0.973	0.964	1.000
18	0.973	0.964	1.000
19	0.973	0.964	1.000
20	0.973	0.964	1.000
21	0.973	0.964	1.000
22	0.973	0.964	1.000
23	0.973	0.964	1.000
24	0.973	0.964	1.000
25	0.973	0.964	1.000
26	0.973	0.964	1.000
27	0.973	0.964	1.000
28	0.973	0.964	1.000
29	0.973	0.964	1.000
30 & Above	0.973	0.964	1.000

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FORM RELATIVITIES

Form	Relativity
3	1.00
4	1.00
5	1.06
6	1.00

COMMON CONSTRUCTION LOSS SETTLEMENT / SPECIAL LOSS SETTLEMENT

The Coverage A limit of liability should be multiplied by the following factor before selecting the appropriate policy size relativity from the table that is shown earlier in this document:

Percentage of Replacement Value Selected	Common Construction (FI 248) Factor	Special Loss Settlement (HO 0456) Factor
70%	1.14	1.14
60%	1.33	1.33
50%	1.60	1.60
40%	2.00	2.00
30%	2.67	2.67
20%	4.00	4.00

The premium for the Coverage A limit of liability determined above should be multiplied by the appropriate factor from the tables below:

Percentage of Replacement Value Selected	Common Construction (FI 248) Factor	Special Loss Settlement (HO 0456) Factor
70%	0.89	0.99
60%	0.87	0.97
50%	0.86	0.95
40%	0.84	0.93
30%	0.81	0.90
20%	0.77	0.85

SECONDARY RESIDENCE CREDIT

\$11

NUMBER OF FAMILY FACTORS

Number of Families	Factor
1 or 2	1.00
3	1.50
4	1.55

TOWNHOUSE/ROWHOUSE FACTORS

Total Number of Individual Family Units Within the Fire Division	Protection Class	
	1 - 8	8B, 9, 10, and Protected Suburban
1 and 2	1.00	1.00
3 and 4	1.10	1.15
5 to 8	1.25	0.00
9 and over	0.00	0.00

SUPERIOR CONSTRUCTION FACTOR

0.90

**ARKANSAS
HOME OPTIONS BASE RATES AND RELATIVITIES
Effective 9-17-2012**

HOME PURCHASE DISCOUNT FACTORS

Policy Age	Factor
New Policy	0.95
1st Renewal	0.96
2nd Renewal	0.97
3rd Renewal	0.98
4th Renewal	0.99
5th and Subsequent Renewals	1.00

BUILDING CODE EFFECTIVENESS GRADING

Not applicable for Arkansas.

WIND/HAIL EXCLUSION CREDIT FACTOR

Not applicable for Arkansas.

WINDSTORM PROTECTIVE DEVICES CREDIT FACTOR

Not applicable for Arkansas.

ACTUAL CASH VALUE WIND/HAIL LOSS TO ROOF FACTOR

Not applicable in Arkansas

PROTECTIVE DEVICES

Type Code	Protective Device Description	Discount Percent
I	Central Station Burglary Alarm System	5%
J	Central Fire Alarm System	5%
K	Burglary Alarm System That Alerts the Police Department	3%
M	Fire Alarm System That Alerts the Fire Department	3%
N	Burglary and/or Fire Local Alarm System Including UL Approved Smoke Detector Devices	2%
O	Sprinkler System In All Areas Including Bathrooms, Attics and Attached Structures	13%
Q	Sprinkler System With Sprinklers Totally or Partly Omitted in Bathrooms, Closets, Attics and Attached Structures and With Fire Detectors in All Areas Where the Sprinkler is Omitted	8%

If more than one type of protective device applies, credits should be added together before applying in the rating steps.
Maximum credit allowed is 20%.

ADVANTAGE/GROUP FACTOR

Not applicable for Arkansas.

FIRE INSURANCE PREMIUM TAX CREDIT FACTOR

Not applicable for Arkansas.

**ARKANSAS
HOME OPTIONS BASE RATES AND RELATIVITIES
Effective 9-17-2012**

OPTIONS PACKAGES

Form(s)	Endorsement/Level	Percentage Charge	Dollar Charge
3 or 5	FI - 264 / Securgard Plus	10%	\$20
3 or 5	FI - 270 / Defender Option	11%	\$20
5	FI - 280 / Estates Option	14%	\$75
6	FI - 271 / Defender Option	25%	\$20
6	FI - 281 / Estates Option	50%	\$75
4	FI - 272 / Defender Option	25%	\$20
4	FI - 282 / Estates Option	50%	\$75

The FI - 264 percentage charge is subject to an annual minimum amount of \$15. See separate rating steps for this package.

AUTO/HOME DISCOUNT FACTORS

Forms 3 & 5	Form 4	Form 6	Watercraft
0.80	0.85	0.85	0.85

PRIME OF LIFE DISCOUNT FACTORS

Form	Ages 50 - 54	Ages 55 and Above
3	0.97	0.95
4	0.97	0.95
5	0.97	0.95
6	0.97	0.95

UTILITY UPDATE CREDITS

Years Since Heating and Cooling Update	Years Since Electrical Update	Years Since Plumbing Update	Discount Per Utility
0	0	0	4%
1	1	1	4%
2	2	2	3%
3	3	3	3%
4	4	4	2%
5	5	5	2%
6	6	6	1%
7	7	7	1%
8 and above	8 and above	8 and above	0%

The total Utility Update Credit is the sum of all applicable utility update discount percentages. This credit applies when larger than the Age of Dwelling credit.

MINIMUM PREMIUMS

Form	Minimum Premium
3	\$275
4	\$125
5	\$275
6	\$150

ARKANSAS HOMEOWNER OPTIONS MANUAL

General Rules Section

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ARKANSAS HOMEOWNER OPTIONS MANUAL

General Rules Section

...7. POLICY TERM/PAYMENT OPTIONS

- A. Policy Term—One year
- B. Policies written in the Home Options program are eligible for the following billing methods:
 - 1. Direct Bill Mailed Invoices
 - 2. E-Pay: State Auto's Electronic Funds Transfer to offer automated withdrawals from insured's bank account. Deduction dates will be the policy effective date for dates 1-28. (Exceptions allowed for new business policies issued on netXpress.) For policies effective the 29th, 30th or 31st, the deduction date will be the 1st of the following month. Insured is notified of date and amount of first deduction and thereafter, will receive notification if the deduction amount changes by \$1.00 or more.
 - 3. All policies billed to a mortgage company must use the invoiced "Full Pay" Option;
- C. The billing schedule for a new policy may have fewer installments than the chart below based upon when the policy is issued. The renewal terms will have sufficient time to bill all installments as shown.
- D. Installment Options and Billing Fees

Twelve-Month Policy Term			
Pay Plan Options	Service Charges per Invoice		Installment Schedule
	E-Pay	Invoices	
Full Pay	\$0.00	\$0.00	Full premium due at inception of policy.
Two-Pay	\$0.00	\$5.00	50% of premium due at inception with balance due in 6 months
Four-Pay	\$0.00	\$5.00	25% of premium due at inception with 25% due each 3 months.
Monthly	\$0.00	\$5.00	Premium is divided into equal monthly installments.

- E. Additional Billing Fees may be assessed:
 - 1. NSF (Returned Payment) Fee: \$20.00
 - 2. Late Fee for payments received more than four days after the payment due date: \$10.00.
- F. Payment methods accepted:
 - 1. New business down payments:
 - i. Web Down Pay: online submission of down payment using either bank account or credit/debit card branded with VISA or MasterCard
 - ii. Agency Sweep through netXpress if agency elects to participate in this program.
 - 2. Payment Methods Available for Invoiced Installments:
 - i. Mail check to address shown on invoice on remittance stub.
 - ii. Pay online at www.stateauto.com using either bank account or credit/debit card branded with Pay by phone at 800-444-9950, option 3, using either bank account or credit/debit card branded with VISA or MasterCard.
 - iii. Pay at agent office if agent is participating in Agency Sweep program.
 - iv. VISA or MasterCard.

ARKANSAS HOMEOWNER OPTIONS MANUAL

General Rules Section

8. OTHER INSURANCE

Credit for existing insurance is not permitted.

9. CANCELLATION OR REDUCTIONS 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 either the insured or insurer, the earned premium shall be computed on a pro rata basis as follows:

Refund of Unearned Premium:

1. If the company cancels the policy, the cancellation shall not be effective unless any unearned premium due to the insured is returned to the insured with the notice of cancellation or is delivered or sent by mail to the insured so as to be received by the insured on or before the effective date of cancellation.
2. If the insured cancels the policy, any return premium will be refunded within 30 days following the company's receipt of the request for cancellation.

ARKANSAS HOMEOWNER OPTIONS MANUAL

General Rules Section

...14. PROTECTED SUBURBAN CLASSES

The Protected Suburban Rule may be applied to risks located in class 9 as determined by the Insurance Service Office. The protection class is based on the fire department which is the primary responding department. Back-up or secondary fire departments are not eligible for the Protected Suburban Rule. Refer to the Underwriting Guidelines for Eligibility Requirements.

Protection Class of Primary Responding Fire Department**	Identify on Application as "1" followed by the Primary Responding Fire Department Class	Will be rated as class:
1-4	11-14	7
5	15	7
6	16	7
7	17	7
8	18	8
9	19	9

Dwellings currently classified as protection class 8b, 9 or 10 but located within 1,000 feet of a fire hydrant and within five miles travel distance over paved roads of the primary responding fire department are identified on the application as a class 18 and will be rated as a class 8.

Class 10 dwellings located within five miles driving distance over all-weather roads of the primary fire department are identified on the application as a class 19 and will be rated as class 9.

As of 11/15/2009, PC 10's are no longer eligible for Protected Suburban class.

...15. Reinstatements

Reinstatements, with no lapse in coverage, will be considered on a prior approval basis.

ARKANSAS HOMEOWNER OPTIONS MANUAL

Credits/Discounts/Charges

1. AGE OF DWELLING DISCOUNT

Under the ESTATES, DEFENDER or SECURGARD options, for policy forms HO 0003 or HO 0005 Age of Dwelling premium credits are available.

To determine the correct age: Age of dwelling equals the current year minus the year the home was completed. If both Age of Dwelling and Utility Update Credit apply to the policy, the larger of the two will be applied to the adjusted base premium. In the event both credits are the same, Utility Update Credit will apply.

...2. AUTO/HOME DISCOUNT

This credit is available to insureds that have both a personal lines automobile and homeowner policy written with State Auto Insurance Companies. While the application of this plan is relatively simple, we have outlined below a number of rules and requirements that apply to our various programs.

A. Credit

The credit applies to HO 0003, HO 0004, HO 0005 and HO 0006 risks. The credit amount is applied to the adjusted base premium.

B. Eligibility

All HO 0003, HO 0004, HO 0005 and HO 0006 policies are eligible for the Auto/Home Discount, although there are a number of requirements in addition to our normal underwriting rules:

1. Primary and Secondary residences are eligible to receive the discount.
2. Private passenger autos written under a State Auto National policy will enable eligible homeowners to qualify for the discount.

Note: Any homeowner's policy, except HO 0004 and HO 0006 policies with Coverage C less than \$20,000 will qualify an eligible auto policy for the discount.

ARKANSAS HOMEOWNER OPTIONS MANUAL

Credits/Discounts/Charges

2. AUTO/HOME DISCOUNT (CONT'D)

C. Processing Instructions

1. New Applications

When a homeowner application is submitted that is eligible for the Auto/Home Discount, indicate in the Rating Credits area of the application under "other". Include the policy number of the corresponding auto risk.

2. Agent Issued Policies

Indicate on the daily and accompanying applications, the policy number for the corresponding policy.

EXAMPLE: Homeowner Policy – A/H DISCOUNT AAR X XXX XXX

3. Mid-Term Changes to Existing Policies

The Auto/Home Discount may be added to existing business as of the effective date of supporting coverage.

A change request for each policy, with the corresponding policy number shown, must be submitted.

4. Cancellation of a Policy With Auto/Home Discount

When one of the two policies with a discount applying is canceled, the Homeowner policy will be set up to remove the discount at the next renewal.

5. Declarations Pages

When the Auto/Home Discount credit applies, the annual amount of the credit will be displayed on the declarations page of the policy.

3. ROOF CONSTRUCTION DISCOUNT

Roof Construction Discount

This discount is based on the roof material and the age of the roof. The discount does not apply to HO 0004 and HO 0006 policies.

Categories of roof material include:

- A. Class 4 Roof** - applies to all policies whose roofs are covered with Class 4 Impact Resistant Roofing Materials other than clay, concrete, cement-fiber or slate. Proof must be sent in at the time the discount is applied. Proof would consist of an invoice showing the UL ranking or an inspection (at the insured's expense by a reputable roofing company).
Class 4 Roof – Underwriters Laboratories (UL) ranks roofing material from Class 1 to Class 4 based on its resistance to various sized steel balls being dropped from various heights. Class 4 roofing material meets the UL standard for impact resistance based on a steel ball two inches in diameter being dropped from a height of 20 feet. Class 4 shingles use six fasteners per shingle (in high wind areas), have a 102 mile per hour wind warranty and a 30 to 40 year limited warranty depending on the type of shingle selected.
- B. Tile, Concrete, or Slate Roof** – applies to policies in which the portion of the roof covering the living area of the dwelling is made entirely of clay, concrete, cement-fiber or slate.
- C. All Other** -

ARKANSAS HOMEOWNER OPTIONS MANUAL

Credits/Discounts/Charges

...4. DEDUCTIBLES

A. Deductible Options

The following deductible options are available:

All Forms Flat Deductible
\$500*
\$1,000*
\$1,500
\$2,000
\$2,500
\$5,000
\$7,500

Note The \$500 deductible option is only available on forms HO 0004 and HO 0006. The \$1,000 option will not be available for forms HO 0003 and HO 0005 written on or after September 13th, 2012.

B. Windstorm or Hail Deductibles – FI 187

The following deductible options are available for windstorm or hail for all policy forms except HO 0004:

Wind/Hail Deductible
\$1,000
\$1,500
\$2,000
\$2,500
\$5,000

5. FINANCIAL STABILITY RATING

The level of this discount or surcharge is based on the credit score ranking of the insured.

ARKANSAS HOMEOWNER OPTIONS MANUAL

Credits/Discounts/Charges

6. LOSS EXPERIENCE RATING

The loss experience rating incorporates the number of losses with the length of time the insured has been with the company. A loss experience surcharge will apply to all programs based on a three (3) year experience period.

Threshold Amount (net of deductible)	New Business or Renewal Effective Date
\$500	Written or renewed on or after 08/21/2011
\$1000	Written or renewed before 08/21/2011

Apply the applicable percentage to the rate based on the number of losses the insured has had in the past three years. Surcharges only apply to losses for which any company has incurred costs in excess of \$1,000 and do not apply for catastrophes or weather related losses.

First losses of the following types will not result in a surcharge on policies written on renewed after 03/10/2011: Sinkhole, Riots/Civil commotion, Medical Payments or Mine Subsidence.

Claims submitted under the Prime of Life plan or HomeXtended[®] coverages will not be surcharged regardless of the number of claims.

Watercraft losses that are surcharged will be applied to the watercraft premium.

7. NUMBER OF FAMILY RATING

A separate factor will be applied to the base premium for a 3 or 4 family dwelling.

8. PRIME OF LIFE[®] HOMEOWNERS DISCOUNT

Prime of Life Extra Value Coverages

The Prime of Life Plan affords extra value coverages provided by endorsement FI 199 for insureds **ages 45 and older**. It applies to policy forms HO 0003, HO 0005 and HO 0004 or HO 0006 with Coverage C of \$20,000 or more that qualify for the Auto/Home Discount. Form FI 199 applies.

Prime of Life Discount

A discount is available to the named insureds and/or spouse who are at least **50 years of age or older** and their homeowner policy is part of an Auto/Home Discount account. This discount applies to the HO0003, HO 0004 HO0005 and HO0006 forms that are a part of an Auto/Home Discount account.

A. Credit

This credit is applied to the otherwise applicable annual base premium.

ARKANSAS HOMEOWNER OPTIONS MANUAL

Credits/Discounts/Charges

8. PRIME OF LIFE® HOMEOWNERS DISCOUNT (CONT'D)

B. Eligibility

In order for the Prime of Life Discount to apply, all new homeowners applications must be submitted concurrently with the personal automobile application or the personal automobile policy must concurrently be written with State Auto. No trial applications will be accepted, and the personal auto applications must meet all of our underwriting requirements to qualify for the discounts.

This credit is available for all HO 0003 and HO 0005 forms in all policy options and HO 0004 and HO 0006 policy forms with Coverage C limit of \$20,000 or greater written in any policy option (ESTATES, DEFENDER or SECURGARD).

Primary and Secondary residences are eligible.

NOTE: Any homeowner's policy, except HO 0004 and HO 0006 policies with Coverage C less than \$20,000 will qualify an eligible auto policy for the discount.

C. Processing Instructions

1. New Applications

When homeowner applications are submitted that are eligible for the Prime of Life Homeowner Discount, the discount will be automatically applied to the policy. **PLEASE INDICATE IN THE APPLICANT INFORMATION SECTION OF THE ACORD™ APPLICATION THE DATE OF BIRTH AND SOCIAL SECURITY NUMBER FOR THE NAMED INSURED AND SPOUSE.**

2. Cancellation of a Policy With Prime of Life Discount

When one of the two policies receiving the Prime of Life Discount is canceled, the credit will be automatically removed from the remaining policy at the next renewal date.

3. Declarations Pages

When the Prime of Life Discount credit applies, the percentage will be displayed on the declarations page of the policy.

ARKANSAS HOMEOWNER OPTIONS MANUAL

Optional Coverages

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Optional Coverages

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Optional Coverages

19. EARTHQUAKE COVERAGE – FI 0454 (CONT'D)

DEFENDER and SECURGARD – HO 0003, HO 0005, HO 0006 and HO 0004									
The premium for each \$1,000 of insurance shall be developed by applying the following factors:									
EQ ZONES:	CONSTRUCTION								PREMIUM BASIS
	FRAME				ALL OTHER				
	2	3	4	5	2	3	4	5	
HO 0003	0.75	0.40	0.40	0.40	1.40	1.00	1.00	1.00	Coverage A Limit
Other Structures*	0.63	0.30	0.30	0.30	0.93	0.67	0.67	0.67	Increased Amount Only
Coverage C Increase	0.63	0.30	0.30	0.30	0.93	0.67	0.67	0.67	Increased Amount Only
Coverage D Increase	0.63	0.30	0.30	0.30	0.93	0.67	0.67	0.67	Increased Amount Only
HO 0005	0.75	0.40	0.40	0.40	1.40	1.00	1.00	1.00	Coverage A Limit
Other Structures *	0.63	0.30	0.30	0.30	0.93	0.67	0.67	0.67	Increased Amount Only
Coverage C Increase	0.63	0.30	0.30	0.30	0.93	0.67	0.67	0.67	Increased Amount Only
Coverage D Increase	0.63	0.30	0.30	0.30	0.93	0.67	0.67	0.67	Increased Amount Only
HO 0006	0.63	0.30	0.30	0.30	0.93	0.67	0.67	0.67	Coverage C Limit
Other Structures	0.63	0.30	0.30	0.30	0.93	0.67	0.67	0.67	Increased Amount Only
Coverage A	0.63	0.30	0.30	0.30	0.93	0.67	0.67	0.67	Coverage A Limit
Coverage D Increase	0.63	0.30	0.30	0.30	0.93	0.67	0.67	0.67	Increased Amount Only
HO 0004	0.63	0.30	0.30	0.30	0.93	0.67	0.67	0.67	Coverage C Limit
Other Structures	0.63	0.30	0.30	0.30	0.93	0.67	0.67	0.67	Increased Amount Only
Coverage D Increase	0.63	0.30	0.30	0.30	0.93	0.67	0.67	0.67	Increased Amount Only

*The charge applies separately for Coverage B increased amount, On Premises Other Structures HO 0448, Off Premises Other Structures HO 0440 and Specific Structures Away From the Residence Premises HO 0492

Premium for Higher Deductibles

Develop the premium as follows:

1. Determine the premium for the Base Deductible
2. Select the credit factor for the percentage deductible desired from the following table
3. Multiply the premium in Step (1) by the Factor selected in Step (2)

Deductible Percentage	Factor	
	Frame	All Other
10%	0.54	0.58
15%	0.47	0.54
20%	0.41	0.50
25%	0.34	0.48

Zone Definitions by County:

- Zone 2 --** Clay, Craighead, Crittenden, Cross, Green, Jackson, Mississippi, Poinsett
- Zone 3 --** Independence, Lawrence, Lee, Monroe, Philips, Randolph, St. Francis, White, Woodruff
- Zone 4 --** Arkansas, Baxter, Cleburne, Conway, Desha, Faulkner, Fulton, Izard, Jefferson, Little River, Lonoke, Marion, Prairie, Pulaski, Searcy, Sebastian, Sharp, Stone, Van Buren
- Zone 5 --** Remainder of state.

ARKANSAS HOMEOWNER OPTIONS MANUAL

Optional Coverages

23. HomeXtended® COVERAGES ENDORSEMENT -- EX199

A. Coverage Eligibility – This package of coverages can be endorsed on any homeowner form (HO0003, HO0004, HO0005, HO0006) and is available to all insureds, except those that qualify for the Prime of Life Plan. If this endorsement is on the policy when the insured becomes eligible for the Prime of Life plan, the endorsement will automatically be removed from the policy and the Prime of Life will be added effective at renewal.

B. Coverage Description – A package of coverages including the following:

1. Coverage for cellular phones;
2. Coverage up to \$500 for a Global Positioning System (GPS) that is owned by an “insured” or “family member” ;
3. Coverage for Rented Golf Cart – Physical Damage up to \$3,000;
4. Computer – Personal Records Coverage up to \$1,500;
5. Personal Property Business Use Coverage up to \$5,000;
6. An additional limit of \$10,000 for identity Fraud Expense ;
7. False Alarm Coverage up to \$1,000;
8. Fire Extinguisher Coverage up to \$250;
9. Personal Property Business Use Coverage up to \$5,000 subject to the;
10. Coverage for added Mortgage & Related Expense coverage paying up to \$1,000 in acquisition costs for title search, appraisal fees and application fees as a result of a total loss to the property and up to \$2,000 per year for the difference in interest rate based on the balance owed on the current primary mortgage at the time of the loss and at the terms of the current primary mortgage;
11. Volunteer Wrongful Acts Liability Coverage up to \$25,000.

C. Rate - \$20 per annual premium.

D. Endorsement – Attach the HomeXtended® Coverages Endorsement, **EX199**.

Note: The EX199 may not be applied to policies that are eligible and receiving the Prime of Life Plan.

24. HOME DAY CARE COVERAGE HO 0497

Eligible Risks

The policy may be endorsed to provide Property and Liability coverage arising from a home day care business for 1 to 3 children (other than the insured’s children) in the dwelling or in an other structure on the residence premises.

Ineligible Risks

If the day care business involves the care of adults or more than three children, it is **not eligible** for coverage.

A. Property Coverage

1. Other Structures

If the home day care business is located in another structure, Coverage B does not apply to that structure unless this coverage is indicated on the HO 0497 endorsement.

If the business is located in an other structure, charge \$5 per \$1,000 of specific insurance on the structure.

2. Contents

The HO 0497 endorsement provides coverage for that property of the permitted business up to the Coverage C limit. However, the HO 0497 does not increase the Coverage C limit. If increased Coverage C limits are desired, refer to the Increased *Limits on Personal Property* section of this manual.

STATE AUTO INSURANCE COMPANIES

OC-13

ARKANSAS HOMEOWNER OPTIONS MANUAL

Optional Coverages

52. SPECIFIED ADDITIONAL AMOUNT OF INSURANCE FOR COVERAGE – A – DWELLING HO 2347 (CONT'D)

- C. Notify us within 90 days of the start of any additions or other physical changes which increase the value of the dwelling or other building structures on the residence premises by 5% or more, and pay any resulting additional premium.
- D. The premium for this 25% or 50% option is computed by:
1. Multiplying the HO 0003 base premium by the appropriate factor corresponding to the limit in the table below.
 2. Apply the applicable Financial Stability Rating Factor.
 3. This amount is subject to an annual minimum premium of \$10 for the 25% option, or \$20 for the 50% option.

Additional Amt.	CHARGES BY PROGRAM			
	SECURGARD	SEC. PLUS	DEFENDER	ESTATES
25%	.03	.03	Included	Included
50%	.06	.06	.03	.03

Note: This form is not valid with the following endorsement: FI 248 Common Construction Loss Settlement, or the HO 0456 Special Loss Settlement ESTATES Endorsements FI 280 and FI 281 and DEFENDER Endorsements FI 270 and FI 271 provide this coverage up to 25% above the Coverage A limits.

53. THEFT OF BUILDING MATERIALS – FI 50

All forms except HO 0004 or HO 0006

Theft coverage for building materials, installed or not installed, may be provided by attaching the Theft of Building Materials Endorsement FI 50 to the policy.

Limit	Premium
\$2,000	\$35
\$5,000	\$80
\$10,000	\$150
\$15,000	\$215
\$20,000	\$275
\$25,000	\$330
\$50,000	\$530

54. UNIT OWNERS COVERAGE A – SPECIAL COVERAGE HO 1732

Unit-Owners Coverage A – Special Coverage – HO 1732

The Property Coverage Section I Perils Insured Against may be broadened for Coverage A to cover additional risks of loss. This changes the loss provisions from a named peril basis to an open peril basis. The additional premium is developed as follows:

1. \$5,000 basic policy limit -- \$6; plus
2. Each additional \$1,000 of Coverage A -- \$1

Note: If the FI 281AR or FI 271AR endorsement is attached to the policy do not attach this endorsement. Coverage is already included in these two forms.

ARKANSAS HOMEOWNER OPTIONS MANUAL

Optional Coverages

58. UNIT OWNERS REGULARLY RENTED TO OTHERS HO 1733 (CONT'D)

- B. The policy may be endorsed to provide such coverage, including theft, subject to the unit being owner occupied at least as often as it is rented to others.
- C. The premium charge is developed by applying a factor of 0.25 to the base HO 0006 premium for the coverage selected, then apply the appropriate Financial Stability Rating Factor. This amount is subject to an annual minimum premium of \$25.
- D. Not available with the HO 0005, HO 0004 or HO 0003 coverage forms.

59. VOLUNTEER WRONGFUL ACTS COVERAGE – FI 260

- A. Under the basic contract, there is no coverage for the insured(s) for volunteer wrongful acts liability for which they become legally responsible.
- B. With the purchase of this endorsement, we will pay on behalf of an "insured" amounts an insured becomes legally responsible to pay because of civil claims made against them for a wrongful act. A wrongful act, in respect to this coverage, means actual or alleged error, misleading statement, act or omission, neglect or breach of duty committed by an "insured" during the policy period in the insureds capacity as a volunteer.
- C. We do not cover volunteer activity of an insured involving an insured's business or an organization for which an insured receives compensation or that requires the insured's professional services.
- D. Our limit of liability for this coverage is limited to \$100,000. This is the most we will pay for all liability arising out of a single wrongful act regardless of the number of insured's.
- E. Refer to the endorsement and contract for exclusions, limitations and conditions of this coverage.
- F. Premium-The premium charge to extend coverage is \$35.
- G. This endorsement is not available with the FI 280AR, FI 281AR or FI 282AR since coverage is already provided in those forms.

...60. WATER BACK UP AND SUMP DISCHARGE OR OVERFLOW FI 0495

- A. The policy forms exclude coverage for loss resulting from water or water-borne material which backs up through sewers or drains or which overflows or is discharged from a sump, sump pump or related equipment.
- B. ...The Homeowner policy may be endorsed to cover the peril of water which backs up through sewers or drains.
 1. Coverage can be added at anytime. A 15 day waiting period exists before coverage becomes effective. If a policy is written as new business and the prior policy afforded Water Back Up, the 15 day waiting period will be waived and coverage will be available from the inception of the State Auto Homeowners policy.
 2. New business or endorsement with one or more water back up or sump occurrences within the past three years should be submitted prior to binding coverage.
 3. Coverage cannot be bound if a flood or flash flood watch or warning is in place.
 4. Coverage for initial request for secondary or seasonal dwellings is limited to a maximum of \$10,000.
 5. A \$500.00 deductible applies to this coverage.

ARKANSAS HOMEOWNER OPTIONS MANUAL

Optional Coverages

...60. WATER BACK UP AND SUMP DISCHARGE OR OVERFLOW FI 0495 (CONT'D)

Amount of Coverage	Premium
\$5,000	\$20
\$10,000	\$30
\$15,000	\$50
\$20,000	\$70
\$25,000	\$90

61. WATERBED LIABILITY FI 181

Coverage may be provided for property damage caused by waterbeds to non-owned property on the residence premises.

Personal Liability (Coverage E)	
Limit	Premium
\$100,000	\$15
\$200,000	\$18
\$300,000	\$20
\$400,000	\$21
\$500,000	\$22
\$1,000,000	\$26

Note: Coverage cannot be added with the FI 280AR, FI 281AR, FI 282AR, FI 270AR, FI 271AR, FI 272AR and FI 264AR forms since coverage is automatically provided.

62. WATERCRAFT

See special Watercraft Section in our manual for liability and physical damage options on all types of watercraft.

CATEGORIES	DESCRIPTION	ANNUAL RATES PER \$1,000
COLLECTIBLES	<p>This class covers various types of collections such as baseball cards, dolls (cloth or ceramic), beer cans, comic books, magazines, cigarette lighters, etc. A valid appraisal or some other reliable evidence of value must accompany the application for insuring each item.</p> <p>Without breakage With breakage</p>	<p>\$25.00 \$30.00</p>
FARM MACHINERY	<p>This class covers scheduled farm machinery including serial number. Unscheduled mobile farm machinery, equipment, tools, accessories and spare parts are limited to \$1,000.</p>	\$7.20
TOOLS	<p>This class covers portable tools, hand tools and similar items not used for business. Scheduling of specific tools is not required.</p>	\$30.00
CELLULAR PHONES	<p>This class covers cellular phones or other portable personal communication devices which allows voice transmission. Does not apply to laptop computers, desk top computers, global positioning systems (GPS) or other similar devices.</p>	\$40.00
HEARING AIDS	<p>Use endorsement FI461 – Scheduled Personal Property.</p>	\$50.00

ARKANSAS HOMEOWNER OPTIONS MANUAL

Watercraft Section

4. OPTIONAL COVERAGES FOR WATERCRAFT (CONT'D)

- The captain/owner/operator is a member of the U.S. Power Squadron or U.S. Coast Guard Auxiliary and has successfully completed courses relating to navigation and seamanship.
- The captain/owner/operator has previous experience navigating beyond the 12 mile limit.
- The craft is equipped with a ship to shore radio, radar and LORAN equipment.
- The craft is equipped with at least twin engines, is rated for ocean use and is at least 20 feet in length.

Attach the applicable increased navigation territory endorsement:

Increased Navigational Limits (within 50 miles) – FI 146 (yachts)

Increased Navigational Limits (within 20 miles) – FI 148 (pleasure boats)

Premium: Pleasure Boats – Flat charge of \$25

Yachts – Flat charge of \$50

- E. ...Broadened Navigational Territory Limits – Bahamas (Yacht Only)** - When a yacht is rated for Territory III, the coverage territory may be extended from 12 statute miles off the US coastline to include the navigable waters to and from the Bahaman Islands provided the trip originates and ends in the Atlantic and Gulf coastal waters.

This coverage may be written only if:

- The captain/owner/operator is a full-time resident of the state/home port where the insured boat is moored.
- The captain/owner/operator is a member of the U.S. Power Squadron or U.S. Coast Guard Auxiliary and has successfully completed courses relating to navigation and seamanship.
- The captain/owner/operator has made at least five previous trips to the Bahamas in the last three (3) years.
- The craft is equipped with a ship to shore radio, radar and LORAN equipment.
- Watercraft is at least 28 feet in length.

Attach the Increased Navigation Limits – Bahamas Endorsement – FI 147

Premium: Flat charge of \$150

- F. Additional Insured - Lesser** - Coverage may be added to protect the interest of the lesser in cases where the insured's watercraft is leased.

Attach the Additional Insured (Watercraft) Endorsement – FI 149

Premium: No charge

- G. Miscellaneous Accessories/Detachable Equipment – Increased Limits (Pleasure Boat Only)** - The basic policy limit of \$500 may be increased. Refer to the policy for a description of coverage. Indicate limit increase on application.

Premium: Add limit increase to hull value and rate accordingly.

- H. Additional Equipment (Yacht Only)** – Coverage may be purchased for furniture and equipment needed for the maintenance and use of the yacht. Combine limit with yacht hull value on application.

Premium: Add limit increase to hull value and rate accordingly.

- I. Auxiliary Watercraft (Yacht Only)** – Physical Damage coverage for an auxiliary watercraft and its motor (as described in the policy) may be provided. A \$250 deductible applies to the auxiliary watercraft. Indicate the limit for the auxiliary watercraft on the application.

Premium: Add to the limit of yacht hull value and rate accordingly.

ARKANSAS HOMEOWNER OPTIONS MANUAL

Watercraft Section

5. CREDITS (CONT'D)

H. Optional Deductibles – The basic premiums are for a \$250 deductible. The following options are available:

Pleasure Boat – (Boat and Miscellaneous Equipment only – Applies to Physical Damage Only)

Yacht -- (Yacht, Equipment and Auxiliary Watercraft only—Applies to Physical Damage Only)

Deductible	Credit/Charge
\$ 100*	+15%
\$ 500	- 15%
\$1,000	- 30%
\$2,500	- 40%
\$5,000	- 50%

Note: \$100 deductible option is only available for outboard motors and boats insured under Forms FI-84 and FI254.

I. Auto/Home Discount – This credit is available for insureds that have both their automobile and homeowners policies written with the State Auto Insurance Companies.

Credit: 15% (applies to physical damage, liability and medical payments premiums)

J. Age of Hull - applies to Physical Damage Premiums. To determine the factor: Age of Hull equals 1 plus the current year minus the Hull Model year.

Age of Hull	Factor
0	0.90
1	0.90
2	0.91
3	0.92
4	0.93
5	0.94
6	0.95
7	0.96
8	0.97
9	0.98
10	0.99
11	1.00
12	1.03
13	1.05
14	1.07
15 or More	1.10

ARKANSAS HOMEOWNER OPTIONS MANUAL

Watercraft Section

9. PHYSICAL DAMAGE RATES – FI 84

The following rates apply to Outboard Motors and Boats (including sailboats) 26 feet or less written subject to form FI 84 – Homeowners Watercraft Physical Damage Endorsement.

Note: This form does not provide liability coverage. Personal Watercraft and watercraft over 26 feet are not eligible for this form of coverage.

PHYSICAL DAMAGE PREMIUMS (Base Premium for \$250 Deductible) Sail Boats 26 Feet or Less

Amount of Insurance	Territories				
	I	II	III	IV	V
\$1,000	\$30.00	\$30.00	\$46.00	\$30.00	\$30.00
Each Add'l \$1,000 – (add)	\$8.00	\$8.00	\$12.00	\$8.00	\$8.00

Subject to a \$25 Annual Minimum Premium

PHYSICAL DAMAGE PREMIUMS (Base Premium for \$250 Deductible) Outboard Boats 26 Feet or Less

Horsepower	Amount of Insurance	Territories				
		I	II	III	IV	V
0-50	\$1,000	\$40.00	\$40.00	\$61.00	\$40.00	\$40.00
	Each Add'l \$1,000 – (add)	\$11.00	\$11.00	\$16.00	\$11.00	\$11.00
51-100	\$1,000	\$48.00	\$48.00	\$73.00	\$48.00	\$48.00
	Each Add'l \$1,000 – (add)	\$13.00	\$13.00	\$19.50	\$13.00	\$13.00
101-150	\$1,000	\$65.00	\$65.00	\$97.00	\$65.00	\$65.00
	Each Add'l \$1,000 – (add)	\$17.00	\$17.00	\$26.00	\$17.00	\$17.00
151-200	\$1,000	\$73.00	\$73.00	\$109.00	\$73.00	\$73.00
	Each Add'l \$1,000 – (add)	\$19.50	\$19.50	\$29.00	\$19.50	\$19.50
201 +	\$1,000	\$77.00	\$77.00	\$115.00	\$77.00	\$77.00
	Each Add'l \$1,000 – (add)	\$20.50	\$20.50	\$30.50	\$20.50	\$20.50

Subject to a \$25 Annual Minimum Premium

...10. WATERCRAFT LIABILITY COVERAGE – FI 2475

Liability coverage is **included** in the policy at no additional charge for the following watercraft.

- Watercraft owned by the insured and powered by one or more outboard motors with 75 or less total horsepower; or, watercraft not owned by an insured and powered by one or more outboard motors regardless of horsepower
- Sailboats with or without auxiliary power less than 26 feet in length owned by or rented to the insured; or,
- Watercraft not owned by the insured with inboard or inboard-outdrive motor power with 50 or less total horsepower or;
- Any watercraft borrowed by the insured

The premium in the state where the insured's residence premises is located shall apply. However, if the insured owns another residence premises in a different state and principally operates the boat from that residence, apply the premium for that state.

Accumulate total horsepower if two or more motors are regularly used together with any single watercraft owned by the insured.

For boats not described in the eligibility list below, coverage is not permitted on the FI2475 endorsement.

ARKANSAS HOMEOWNER OPTIONS MANUAL

Watercraft Section

10. WATERCRAFT LIABILITY COVERAGE – FI 2475 (CONT'D)

A. ...Eligibility (Owned watercraft only)

1. All watercraft, except sailboats, that are 26 feet or less in length with inboard or inboard-outdrive motors.
2. Sailboats with or without auxiliary power 26 feet or over in length.
3. All watercraft 26 feet or less in length with outboard motor power more than 75 total horsepower.

Note: Note that forms FI254, Pleasure Boat endorsement and FI255, Yacht endorsement, provide coverage for damage to your watercraft as well as liability.

B. Liability Premiums For Watercraft (Inboard, Inboard-Outboard and Outboard)

Inboard, Inboard – Outdrive or Outboard Personal Liability – Coverage E					
Liability Limit	Horsepower				
	0-50	51-100	101-150	151-200	201 +
\$100,000	\$27	\$30	\$33	\$36	\$39
\$200,000	\$32	\$35	\$39	\$42	\$46
\$300,000	\$36	\$40	\$44	\$48	\$52
\$400,000	\$39	\$43	\$47	\$51	\$56
\$500,000	\$40	\$45	\$49	\$54	\$58
\$1,000,000	\$47	\$52	\$57	\$62	\$67

...Sailboats – Personal Liability -- Coverage E					
Liability Limit	Length in Feet				
	0-25	26-40	41-50	51-60	61+
\$100,000	Included	\$36	\$61	\$79	\$97
\$200,000	Included	\$42	\$71	\$92	\$113
\$300,000	Included	\$48	\$81	\$105	\$129
\$400,000	Included	\$51	\$87	\$113	\$139
\$500,000	Included	\$54	\$91	\$118	\$145
\$1,000,000	Included	\$62	\$106	\$137	\$168

All Watercraft – Medical Payments – Coverage F	
Limit	Premium
\$1,000	Included
\$2,000	\$5
\$3,000	\$10
\$4,000	\$15
\$5,000	\$20

State: Arkansas **First Filing Company:** State Auto Property and Casualty Insurance Company, ...
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: Arkansas Home - Rates and Rules
Project Name/Number: Rates and Rules eff 09-17-12/SAC-HO-RR-2012-0078

Supporting Document Schedules

		Item Status:	Status Date:
Satisfied - Item:	H-1 Homeowners Abstract	Filed	07/27/2012
Comments:			
Attachment(s):			
AID PC H-1 - SAM.pdf			
AID PC H-1 - SAPC.pdf			

		Item Status:	Status Date:
Satisfied - Item:	HPCS-Homeowners Premium Comparison Survey	Filed	07/27/2012
Comments:	Please note, the rates for HO-4 reflect a \$500 deductible, while the rates for HO-3 reflect a \$1,000 deductible. The discount for the \$1,000 deductible only applies to HO-4.		
Attachment(s):			
HO Survey Form HPCS - SAM.xls			
HO Survey Form HPCS - SAM.pdf			
HO Survey Form HPCS - SAPC.xls			
HO Survey Form HPCS - SAPC.pdf			

		Item Status:	Status Date:
Satisfied - Item:	NAIC loss cost data entry document	Filed	07/27/2012
Comments:			
Attachment(s):			
AR HO PC RLC - SAM.pdf			
AR HO PC RLC - SAPC.pdf			

		Item Status:	Status Date:
Satisfied - Item:	Summary of Proposed Changes and Actuarial Exhibits	Filed	07/27/2012
Comments:			
Attachment(s):			

SERFF Tracking #:

STAT-128336592

State Tracking #:

Company Tracking #:

SAC-HO-RR-2012-0078

State:

Arkansas

First Filing Company:

State Auto Property and Casualty Insurance Company, ...

TOI/Sub-TOI:

04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations

Product Name:

Arkansas Home - Rates and Rules

Project Name/Number:

Rates and Rules eff 09-17-12/SAC-HO-RR-2012-0078

Arkansas Home Summary of Proposed Changes.pdf

Arkansas Home Actuarial Exhibits.pdf

ARKANSAS INSURANCE DEPARTMENT

FORM H-1 HOMEOWNERS ABSTRACT

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

Company Name State Automobile Mutual Insurance Company

NAIC # (including group #) 25135

- 1. If you have had an insurance to value campaign during the experience filing period, describe the campaign and estimate its impact.

State Auto did implement an ITV program countrywide in which we surveyed our customers and inspected a percentage of our insured properties. In AR we found an ITV average needed increase of 18.7%.

- 2. If you use a cost estimator (or some similar method) in order to make sure that dwellings (or contents) are insured at their value, state when this program was started in Arkansas and estimate its impact.

When we entered the state in 1981, we required a square foot estimator with all applications.

We currently use MSB's replacement cost estimator and make it available to our agents.

- 3. If you require a minimum relationship between the amount of insurance to be written and the replacement value of the dwelling (contents) in order to purchase insurance, describe the procedures that are used.

Defender and Estates: 100% Insurance to Replacement Cost
Securgard: As low as 20% Insurance to Replacement Cost by endorsement

- 4. If you use an Inflation Guard form or similar type of coverage, describe the coverage(s) and estimate the impact.

Effective 07/20/10 to 10/20/11 a 3.6% inflation factor applied.

Effective 10/20/11, the inflation factor was revised to 5.5%.

- 5. Specify the percentage given for credit or discounts for the following:

- a. Fire Extinguisher N/A %
b. Burglar Alarm 5.0 %
c. Smoke Alarm 2.0 %
d. Insured who has both homeowners and auto with your company 20.0 %

- e. Deadbolt Locks N/A %
f. Window or Door Locks N/A %
g. Other (specify) %
Sprinkler Systems (All Areas) 13.0 %
Sprinkler Systems (Partial) 8.0 %

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

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

Form	Premium Volume
HO-3 & 5	\$634,872
HO-4	\$13,792
HO-6	\$8,194

8. Do you write homeower risks which have aluminum, steel or vinyl siding? Yes No

9. Is there a surcharge on risks with wood heat? Yes
 If yes, state the surcharge \$50
 Does the surcharge apply to conventional fire places? No
 If yes, state the surcharge N/A

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

Theresa Brundage

Digitally signed by Theresa Brundage
 DN: cn=Theresa Brundage, o=State Auto, ou=Personal,
 email=Theresa.Brundage@StateAuto.com, c=US
 Date: 2012.06.18 07:54:35 -04'00'

Signature

Theresa Brundage

Printed Name

Actuarial Analyst I

Title

614-917-5141

Telephone Number

Theresa.Brundage@StateAuto.com

Email address

ARKANSAS INSURANCE DEPARTMENT

FORM H-1 HOMEOWNERS ABSTRACT

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

Company Name State Auto Property & Casualty Insurance Company

NAIC # (including group #) 25127

- 1. If you have had an insurance to value campaign during the experience filing period, describe the campaign and estimate its impact.

State Auto did implement an ITV program countrywide in which we surveyed our customers and inspected a percentage of our insured properties. In AR we found an ITV average needed increase of 18.7%.

- 2. If you use a cost estimator (or some similar method) in order to make sure that dwellings (or contents) are insured at their value, state when this program was started in Arkansas and estimate its impact.

When we entered the state in 1981, we required a square foot estimator with all applications.

We currently use MSB's replacement cost estimator and make it available to our agents.

- 3. If you require a minimum relationship between the amount of insurance to be written and the replacement value of the dwelling (contents) in order to purchase insurance, describe the procedures that are used.

Defender and Estates: 100% Insurance to Replacement Cost
Securgard: As low as 20% Insurance to Replacement Cost by endorsement

- 4. If you use an Inflation Guard form or similar type of coverage, describe the coverage(s) and estimate the impact.

Effective 07/20/10 to 10/20/11 a 3.6% inflation factor applied.

Effective 10/20/11, the inflation factor was revised to 5.5%.

- 5. Specify the percentage given for credit or discounts for the following:

Table with 2 columns: Item description and Percentage. Items include Fire Extinguisher (N/A), Burglar Alarm (5.0%), Smoke Alarm (2.0%), Insured who has both homeowners and auto with your company (20.0%), Deadbolt Locks (N/A), Window or Door Locks (N/A), Other (specify) (8.0%), and Sprinkler Systems (All Areas) (13.0%) and Sprinkler Systems (Partial) (8.0%).

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

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

Form	Premium Volume
HO-3 & 5	\$11,732,935
HO-4	\$157,103
HO-6	\$90,633

8. Do you write homeower risks which have aluminum, steel or vinyl siding? Yes No

9. Is there a surcharge on risks with wood heat? Yes
 If yes, state the surcharge \$50
 Does the surcharge apply to conventional fire places? No
 If yes, state the surcharge N/A

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

Theresa Brundage Digitally signed by Theresa Brundage
 DN: cn=Theresa Brundage, o=State Auto, ou=Personal, email=Theresa.Brundage@StateAuto.com, c=US
 Date: 2012.06.18 07:53:20 -0400

Signature

Theresa Brundage

Printed Name

Actuarial Analyst I

Title

614-917-5141

Telephone Number

Theresa.Brundage@StateAuto.com

Email address

State: Arkansas **First Filing Company:** State Auto Property and Casualty Insurance Company, ...

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

Product Name: Arkansas Home - Rates and Rules

Project Name/Number: Rates and Rules eff 09-17-12/SAC-HO-RR-2012-0078

Supporting Document Schedules

NAIC Number: 25135
 Company Name: State Automobile Mutual Insurance Company
 Contact Person: Theresa Brundage
 Telephone No.: 614-917-5141
 Email Address: Theresa.Brundage@Stateauto.com
 Effective Date: 09/17/2012

Homeowners Premium Comparison Survey Form
FORM HP3S - 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	\$643.00	\$706.00	\$650.00	\$714.00	\$926.00	\$1,015.00	\$900.00	\$987.00	\$900.00	\$987.00	\$833.00	\$913.00	\$828.00	\$909.00	\$648.00	\$710.00	\$768.00	\$842.00
	\$120,000	\$796.00	\$874.00	\$806.00	\$884.00	\$1,146.00	\$1,256.00	\$1,114.00	\$1,222.00	\$1,114.00	\$1,222.00	\$1,031.00	\$1,131.00	\$1,025.00	\$1,125.00	\$802.00	\$879.00	\$949.00	\$1,041.00
	\$160,000	\$994.00	\$1,091.00	\$1,005.00	\$1,102.00	\$1,429.00	\$1,567.00	\$1,390.00	\$1,524.00	\$1,390.00	\$1,524.00	\$1,286.00	\$1,410.00	\$1,278.00	\$1,403.00	\$1,000.00	\$1,097.00	\$1,185.00	\$1,299.00
6	\$80,000	\$729.00	\$814.00	\$737.00	\$824.00	\$1,048.00	\$1,170.00	\$1,019.00	\$1,138.00	\$1,019.00	\$1,138.00	\$944.00	\$1,053.00	\$938.00	\$1,048.00	\$734.00	\$819.00	\$869.00	\$971.00
	\$120,000	\$903.00	\$1,008.00	\$912.00	\$1,019.00	\$1,297.00	\$1,449.00	\$1,262.00	\$1,409.00	\$1,262.00	\$1,409.00	\$1,168.00	\$1,304.00	\$1,161.00	\$1,297.00	\$908.00	\$1,015.00	\$1,076.00	\$1,202.00
	\$160,000	\$1,126.00	\$1,257.00	\$1,138.00	\$1,272.00	\$1,618.00	\$1,808.00	\$1,574.00	\$1,758.00	\$1,574.00	\$1,758.00	\$1,456.00	\$1,627.00	\$1,448.00	\$1,618.00	\$1,132.00	\$1,266.00	\$1,342.00	\$1,499.00
9	\$80,000	\$1,505.00	\$1,792.00	\$1,522.00	\$1,811.00	\$2,163.00	\$2,576.00	\$2,104.00	\$2,505.00	\$2,104.00	\$2,505.00	\$1,947.00	\$2,318.00	\$1,935.00	\$2,305.00	\$1,514.00	\$1,802.00	\$1,794.00	\$2,135.00
	\$120,000	\$1,863.00	\$2,219.00	\$1,883.00	\$2,242.00	\$2,678.00	\$3,189.00	\$2,604.00	\$3,102.00	\$2,604.00	\$3,102.00	\$2,410.00	\$2,869.00	\$2,396.00	\$2,853.00	\$1,873.00	\$2,231.00	\$2,220.00	\$2,644.00
	\$160,000	\$2,324.00	\$2,767.00	\$2,349.00	\$2,797.00	\$3,341.00	\$3,978.00	\$3,249.00	\$3,868.00	\$3,249.00	\$3,868.00	\$3,006.00	\$3,579.00	\$2,989.00	\$3,560.00	\$2,337.00	\$2,783.00	\$2,769.00	\$3,297.00

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

Public Protection Class	Property Value	Washington		Baxter		Craighead		St. Francis		Arkansas		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$5,000	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00
	\$15,000	\$135.00	\$135.00	\$135.00	\$135.00	\$135.00	\$135.00	\$135.00	\$135.00	\$135.00	\$135.00	\$135.00	\$135.00	\$135.00	\$135.00	\$135.00	\$135.00	\$135.00	\$135.00
	\$25,000	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00
6	\$5,000	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00
	\$15,000	\$148.00	\$148.00	\$148.00	\$148.00	\$148.00	\$148.00	\$148.00	\$148.00	\$148.00	\$148.00	\$148.00	\$148.00	\$148.00	\$148.00	\$148.00	\$148.00	\$148.00	\$148.00
	\$25,000	\$193.00	\$193.00	\$193.00	\$193.00	\$193.00	\$193.00	\$193.00	\$193.00	\$193.00	\$193.00	\$193.00	\$193.00	\$193.00	\$193.00	\$193.00	\$193.00	\$193.00	\$193.00
9	\$5,000	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00
	\$15,000	\$222.00	\$222.00	\$222.00	\$222.00	\$222.00	\$222.00	\$222.00	\$222.00	\$222.00	\$222.00	\$222.00	\$222.00	\$222.00	\$222.00	\$222.00	\$222.00	\$222.00	\$222.00
	\$25,000	\$289.00	\$289.00	\$289.00	\$289.00	\$289.00	\$289.00	\$289.00	\$289.00	\$289.00	\$289.00	\$289.00	\$289.00	\$289.00	\$289.00	\$289.00	\$289.00	\$289.00	\$289.00

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="0"/> %	Deadbolt Lock	<input type="text" value="0"/> %
Burglar Alarm	<input type="text" value="2"/> %	Window Locks	<input type="text" value="0"/> %
Smoke Alarm	<input type="text" value="2"/> %	\$1,000 Deductible	<input type="text" value="8"/> %
		Other (specify)	<input type="text"/> %
		Maximum Credit Allowed	<input type="text"/> %

EARTHQUAKE INSURANCE

IMPORTANT, homeowners insurance does NOT automatically cover losses from earthquakes. Ask your agent about this cover.
 ARE YOU CURRENTLY WRITING EARTHQUAKE COVERAGE IN ARKANSAS? (yes or no)
 WHAT IS YOUR PERCENTAGE DEDUCTIBLE? %
 Zone: Brick, Frame
 WHAT IS YOUR PRICE PER \$1,000 OF COVERAGE?
 Highest Risk: \$
 Lowest Risk: \$

NAIC Number: 25127
 Company Name: State Auto Property & Casualty Insurance Company
 Contact Person: Theresa Brundage
 Telephone No.: 614-917-5141
 Email Address: Theresa.Brundage@stateauto.com
 Effective Date: 09/17/2012

**Homeowners Premium Comparison Survey Form
 FORM HP3S - 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	\$643.00	\$706.00	\$650.00	\$714.00	\$926.00	\$1,015.00	\$900.00	\$987.00	\$900.00	\$987.00	\$833.00	\$913.00	\$828.00	\$909.00	\$648.00	\$710.00	\$768.00	\$842.00
	\$120,000	\$796.00	\$874.00	\$806.00	\$884.00	\$1,146.00	\$1,256.00	\$1,114.00	\$1,222.00	\$1,114.00	\$1,222.00	\$1,031.00	\$1,131.00	\$1,025.00	\$1,125.00	\$802.00	\$879.00	\$949.00	\$1,041.00
	\$160,000	\$994.00	\$1,091.00	\$1,005.00	\$1,102.00	\$1,429.00	\$1,567.00	\$1,390.00	\$1,524.00	\$1,390.00	\$1,524.00	\$1,286.00	\$1,410.00	\$1,278.00	\$1,403.00	\$1,000.00	\$1,097.00	\$1,185.00	\$1,299.00
6	\$80,000	\$729.00	\$814.00	\$737.00	\$824.00	\$1,048.00	\$1,170.00	\$1,019.00	\$1,138.00	\$1,019.00	\$1,138.00	\$944.00	\$1,053.00	\$938.00	\$1,048.00	\$734.00	\$819.00	\$869.00	\$971.00
	\$120,000	\$903.00	\$1,008.00	\$912.00	\$1,019.00	\$1,297.00	\$1,449.00	\$1,262.00	\$1,409.00	\$1,262.00	\$1,409.00	\$1,168.00	\$1,304.00	\$1,161.00	\$1,297.00	\$908.00	\$1,015.00	\$1,076.00	\$1,202.00
	\$160,000	\$1,126.00	\$1,257.00	\$1,138.00	\$1,272.00	\$1,618.00	\$1,808.00	\$1,574.00	\$1,758.00	\$1,574.00	\$1,758.00	\$1,456.00	\$1,627.00	\$1,448.00	\$1,618.00	\$1,132.00	\$1,266.00	\$1,342.00	\$1,499.00
9	\$80,000	\$1,505.00	\$1,792.00	\$1,522.00	\$1,811.00	\$2,163.00	\$2,576.00	\$2,104.00	\$2,505.00	\$2,104.00	\$2,505.00	\$1,947.00	\$2,318.00	\$1,935.00	\$2,305.00	\$1,514.00	\$1,802.00	\$1,794.00	\$2,135.00
	\$120,000	\$1,863.00	\$2,219.00	\$1,883.00	\$2,242.00	\$2,678.00	\$3,189.00	\$2,604.00	\$3,102.00	\$2,604.00	\$3,102.00	\$2,410.00	\$2,869.00	\$2,396.00	\$2,853.00	\$1,873.00	\$2,231.00	\$2,220.00	\$2,644.00
	\$160,000	\$2,324.00	\$2,767.00	\$2,349.00	\$2,797.00	\$3,341.00	\$3,978.00	\$3,249.00	\$3,868.00	\$3,249.00	\$3,868.00	\$3,006.00	\$3,579.00	\$2,989.00	\$3,560.00	\$2,337.00	\$2,783.00	\$2,769.00	\$3,297.00

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

Public Protection Class	Property Value	Washington		Baxter		Craighead		St. Francis		Arkansas		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$5,000	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00
	\$15,000	\$135.00	\$135.00	\$135.00	\$135.00	\$135.00	\$135.00	\$135.00	\$135.00	\$135.00	\$135.00	\$135.00	\$135.00	\$135.00	\$135.00	\$135.00	\$135.00	\$135.00	\$135.00
	\$25,000	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00
6	\$5,000	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00
	\$15,000	\$148.00	\$148.00	\$148.00	\$148.00	\$148.00	\$148.00	\$148.00	\$148.00	\$148.00	\$148.00	\$148.00	\$148.00	\$148.00	\$148.00	\$148.00	\$148.00	\$148.00	\$148.00
	\$25,000	\$193.00	\$193.00	\$193.00	\$193.00	\$193.00	\$193.00	\$193.00	\$193.00	\$193.00	\$193.00	\$193.00	\$193.00	\$193.00	\$193.00	\$193.00	\$193.00	\$193.00	\$193.00
9	\$5,000	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00
	\$15,000	\$222.00	\$222.00	\$222.00	\$222.00	\$222.00	\$222.00	\$222.00	\$222.00	\$222.00	\$222.00	\$222.00	\$222.00	\$222.00	\$222.00	\$222.00	\$222.00	\$222.00	\$222.00
	\$25,000	\$289.00	\$289.00	\$289.00	\$289.00	\$289.00	\$289.00	\$289.00	\$289.00	\$289.00	\$289.00	\$289.00	\$289.00	\$289.00	\$289.00	\$289.00	\$289.00	\$289.00	\$289.00

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

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

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

HO3 and HO4 only

Fire Extinguisher	0	%	Deadbolt Lock	0	%
Burglar Alarm	2	%	Window Locks	0	%
Smoke Alarm	2	%	\$1,000 Deductible	8	%
			Other (specify)		%
			Maximum Credit Allowed		%

EARTHQUAKE INSURANCE

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

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

WHAT IS YOUR PERCENTAGE DEDUCTIBLE? %

WHAT IS YOUR PRICE PER \$1,000 OF COVERAGE?

Zone	Brick	Frame
Highest Risk	\$ 1.4	\$ 0.75
Lowest Risk	\$ 1	\$ 0.4

NAIC LOSS COST DATA ENTRY DOCUMENT (EFFECTIVE AUG. 16, 2004)

1.	This filing transmittal is part of Company Tracking #	SAC-HO-RR-2012-0078
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2.	If filing is an adoption of an advisory organization loss cost filing, give name of advisory organization and Reference/Item Filing Number	N/A
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Company Name		Company NAIC Number	
3.	A. State Automobile Mutual Insurance Company	B.	25135

Product Coding Matrix Line of Business (i.e., Type of Insurance)		Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)	
4.	A. 04.0 Homeowners	B.	04.0000 Homeowners Sub-TOI

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	FOR LOSS COSTS ONLY				
			(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
Homeowner Options							
Forms HO-3 & HO-5	32.2%	10.4%					
Form HO-4	N/A	-1.7%					
Form HO-6	N/A	0.0%					
TOTAL OVERALL EFFECT	31.1%	10.0%					

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
2005	1295	-2.7%	11/15/05	950	302	31.8%	39.0%
2006	1192	-5.3%	11/15/06	896	384	42.9%	62.8%
2007	1024	-5.2%	11/15/07	830	338	40.7%	57.8%
2008	975	0.0%	11/15/08	769	1225	159.4%	89.1%
2009	861	15.0%	11/15/09	719	967	134.6%	74.0%
2010	843	N/A	N/A	703	428	60.8%	67.0%
2011	762	9.7%	08/28/11	681	549	80.6%	78.2%

Expense Constants	Selected Provisions
A. Total Production Expense	21.4%
B. General Expense	4.9%
C. Taxes, License & Fees	3.0%
D. Underwriting Profit & Contingencies	9.9%
E. Other (explain)	
F. TOTAL	39.2%

8. N/A Apply Lost Cost Factors to Future filings? (Y or N)
9. 11.2% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable):
10. -5.2% Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable):

NAIC LOSS COST DATA ENTRY DOCUMENT (EFFECTIVE AUG. 16, 2004)

1.	This filing transmittal is part of Company Tracking #	SAC-HO-RR-2012-0078
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2.	If filing is an adoption of an advisory organization loss cost filing, give name of advisory organization and Reference/Item Filing Number	N/A
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Company Name		Company NAIC Number	
3.	A. State Auto Property & Casualty Insurance Company	B.	25127

Product Coding Matrix Line of Business (i.e., Type of Insurance)		Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)	
4.	A. 04.0 Homeowners	B.	04.0000 Homeowners Sub-TOI

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	FOR LOSS COSTS ONLY				
			(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
Homeowner Options							
Forms HO-3 & HO-5	32.2%	10.4%					
Form HO-4	N/A	-1.7%					
Form HO-6	N/A	0.0%					
TOTAL OVERALL EFFECT	31.1%	10.0%					

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
2005	8005	-3.2%	11/15/05	6598	4327	65.6%	59.7%
2006	7938	-6.5%	11/15/06	7084	4576	64.6%	61.5%
2007	8229	-5.0%	11/15/07	7349	2781	37.8%	48.6%
2008	10469	0.0%	11/15/08	8269	15736	190.3%	84.1%
2009	11398	15.0%	11/15/09	9926	8807	88.7%	92.6%
2010	11635	N/A	N/A	10995	8548	77.7%	63.4%
2011	11092	9.7%	08/28/2011	11140	10851	97.4%	116.2%

Expense Constants	Selected Provisions
A. Total Production Expense	21.4%
B. General Expense	4.9%
C. Taxes, License & Fees	3.0%
D. Underwriting Profit & Contingencies	9.9%
E. Other (explain)	
F. TOTAL	39.2%

8. N/A Apply Lost Cost Factors to Future filings? (Y or N)
9. 11.2% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable):
10. -5.2% Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable):

Summary of Proposed Changes
Arkansas - Homeowner Options Program
State Automobile Mutual Insurance Company
State Auto Property & Casualty Insurance Company
Page 1 of 2

1. Base Rates:

The Owners' Forms' base rates are adjusted to reach an Owners' Forms rate level impact of 10.4%, uniform across territories, in response to our poor experience as shown in Exhibit I, when combined with the other changes discussed below.

2. Deductibles:

In order to mitigate our exposure to loss, we will increase the minimum all-peril deductible for Forms 3 & 5 from \$1,000 to \$1,500 for new business, and from \$500 to \$1,000 for existing policies. We assume there will be no adequacy impact associated with this change, due to corresponding reductions in premiums and losses.

We are revising the caps on the dollar credit given for choosing higher deductibles for Owners' Forms.

The proposed deductible factors and dollar credit caps for each form can be found on page RD-11 of the Rate Document.

3. Prime of Life:

The Prime of Life discounts and coverages will now be extended to Form 4 Account policies, provided that the Coverage C amount is sufficient to qualify the auto policy for the Auto/Home Discount. Please refer to Page RD-16 of the Rate Document and Pages CD- 4 & CD-5 of the manual for details.

4. Scheduled Personal Property:

We are adding coverage for mysterious disappearance when hearing aids are covered under our Scheduled Personal Property (SPP) endorsement. Because of the significant expansion in coverage, we propose to increase the rate for this coverage from \$30 per \$1,000 to \$50 per \$1,000.

5. Miscellaneous Manual Revisions:

We are revising our manual as outlined in the following table:

Rule Name and Description of Change	New Rule # and New Page #	Old Rule # and Old Page #
General Rules, Table of Contents – Adjusted Rules and Page numbers to reflect changes.		
General Rules, Policy Period/Payment Plan – Revised formatting and wording for clarification.	Rule 7, Page GR-5	Rule 7, Pages GR-5 and GR-6
General Rules, Protected Suburban Classes - Removed note that “If any part of a platted subdivision is within 5 miles, all property in the subdivision shall be considered as being within 5 miles.”, as it no longer applies.	Rule 14, Page GR-9	Rule 14, Page GR-9
General Rules – Added new rule 15, Reinstatements.	Rule 15, Page GR-9	N/A
Credits/Discounts/Charges, Auto/Home Discount – Revised wording to clarify that the credit applies to personal lines policies.	Rule 2, Page CD-1	Rule 2, Page CD-1

Summary of Proposed Changes

Arkansas - Homeowner Options Program
 State Automobile Mutual Insurance Company
 State Auto Property & Casualty Insurance Company
 Page 2 of 2

Rule Name and Description of Change	New Rule # and New Page #	Old Rule # and Old Page #
Credits/Discounts/Charges, Roof Construction Discount – Added sub rule C “All Other” .	Rule 3, Page CD-2	Rule 3, Page CD-2
Credits/Discounts/Charges, Deductibles – Revised note that the \$1,000 deductible option will no longer be available for HO3 and HO5.	Rule 5, Page CD-3	Rule 5, Page CD-3
Credits/Discounts/Charges, Prime of Life Homeowners Discount – Revised rule to include HO0004. Removed note that HO0004 does not qualify for the discount as it no longer applies.	Rule 8, Pages CD-4 and CD-5	Rule 8, Pages CD-4 and CD-5
Optional Coverages, Table of Contents – Adjusted Rules and Page numbers to reflect changes made within this section.		
Optional Coverages, Earthquake Coverage – Revised spelling for Sebastian county in Zone 4.	Rule 19, Page OC-9	Rule 19, Page OC-9
Optional Coverages, HomeXtended Coverages Endorsement – Revised to add registered trademark to HomeXtended Coverages.	Rule 23, Page OC-13	Rule 23, Page OC-13
Optional Coverages, Specified Additional Amount of Insurance for Coverage – A – Dwelling – Revised wording for clarification.	Rule 52, Page OC-33	Rule 52, Page OC-33
Optional Coverages, Water Back Up and Sump Discharge or Overflow – Revised wording for clarification. As a result, the chart with the coverage limits and premiums shifted to the next page.	Rule 60, Pages OC-35 and OC-36	Rule 60, Page OC-35
Scheduled Personal Property – Agreed Value Jewelry – Revised Hearing Aids rate from \$30 per \$1,000 to \$50 per \$1,000.	Page SP-3	Page SP-3
Watercraft Section, Optional Coverages For Watercraft – Revised Broadened Navigational Territory Limits rule for clarification.	Rule 4, Page WS-4	Rule 4, Page WS-4
Watercraft Section, Credits – Revised wording from “insureds who” to “insureds that”, under sub rule I.	Rule 5, Page WS-6	Rule 5, Page WS-6
Watercraft Section, Watercraft Liability Coverage – Revised wording for clarification.	Rule 10, Pages WS-9 and WS-10	Rule 10, Pages WS-9 and WS-10

**State Auto Insurance Companies
Arkansas Homeowners
All Programs
Owners Forms**

Rate Level Indications -- Assumed Effective Date 09/13/2012

Accident Year	(1) Trended Adjusted Earned Premiums	(2) Earned House Years	(3) Trended Adjusted Incurred Loss & LAE	(4) Adjusted Incurred Claims	(5) (3) / (1) Loss & LAE Ratio	(6) Weights
2007	11,950,147	9,232	9,255,576	538	77.5%	0.082
2008	13,132,608	10,266	11,613,435	2,468	88.4%	0.136
2009	15,090,996	12,003	13,102,191	1,890	86.8%	0.212
2010	14,686,670	12,107	13,844,664	1,080	94.3%	0.268
2011	13,545,510	11,364	12,100,915	1,452	89.3%	0.302
	<u>68,405,932</u>	<u>54,972</u>	<u>59,916,781</u>	<u>7,428</u>	<u>87.6%</u>	<u>1.000</u>
(7)	Weighted Experience Loss & LAE Ratio (A)					89.0%
(8)	Expected Hurricane Loss Ratio					0.0%
(9)	Combined Loss & LAE Ratio [(7) + (8)]					89.0%
(10)	Permissible Loss & LAE Ratio (B)					60.8%
(11)	Indicated Rate Level Change Before Credibility					46.4%
(12)	Credibility (C)					0.68
(13)	Complement Loss & LAE Ratio (D)					62.0%
(14)	Credibility Weighted Loss & LAE Ratio (E)					80.4%
(15)	Credibility Weighted Indicated Rate Level Change					32.2%
				Other Acquisition Expense		5.2%
				General Expenses		4.9%
				Commissions Expense		16.2%
				Taxes, Misc. Fees		3.0%
				Profit & Contingencies (F)		9.9%
				<u>Expense Ratio</u>		<u>39.2%</u>

- (A) Excludes Hurricane Losses.
- (B) Permissible Loss Ratio = 1 - Expense Ratio
- (C) Credibility Standard = [Total Column (2)/120,000]^0.5
- (D) Trended Permissible Loss Ratio = Prior Review's PLR x [Loss Proj. Factor / Prem. Proj. Factor]
- (E) Credibility Weighted Loss & LAE Ratio = [Row (12) x Row (9)] + [(1 - Row (12)) x Row (13)]
- (F) Includes Offset For Investment Income

NOTE: \$0 of Hurricane Losses EXCLUDED.

Arkansas Homeowners
Calculation of Current Amount and Premium Projection Factors

Forms 1-3,5

	(1)	(2)	(3)	(4)
	Average Relativity(a)	Relativity To Latest Point(b)	Current Amount Factor(c)	Annual Premium Projection Factor(d)
01/01/2007	1.570	1.270	1.189	1.039
01/01/2008	1.658	1.203	1.142	1.039
01/01/2009	1.740	1.146	1.102	1.039
01/01/2010	1.827	1.091	1.064	1.039
01/01/2011	1.916	1.040	1.028	1.039

Notes:

- (a) Latest two points are projected.
- (b) $1.993 / \text{Column (1)}$, where 1.993 is the projected relativity at 11/15/2011.
- (c) $[\text{Column (2)} - 1] \times 0.70 + 1$.
- (d) $[\text{Avg. Annual Increment} / 5 \text{ Year Average Relativity}] \times 0.70 + 1$.

Year	ISO	Regression Output:
Beginning	Average Relativity	Constant
07/01/2005	1	1.3416
07/01/2006	2	0.0069
07/01/2007	3	0.9982
07/01/2008	4	No. of Observations
07/01/2009	5	Degrees of Freedom
5 Year Average Relativity	1.609	X Coefficient(s)
		Std Err of Coef.

Relativities from ISO Trend Circular: AS-HO-2012-007

Arkansas Homeowners
Forms 1-3,5

Assumed Effective Date: 09/13/2012

Trend Date: 03/14/2013

All Programs

Account Year	Earned Premium On Level	Current Amount Factor	Trended Premium Projection Factor	Adjusted Earned Premium	Earned House Years	Adjusted Weights
2007	9,553,790	1.189	1.052	11,950,147	9,232	0.082
2008	10,931,233	1.142	1.052	13,132,608	10,266	0.136
2009	13,017,290	1.102	1.052	15,090,996	12,003	0.212
2010	13,120,971	1.064	1.052	14,686,670	12,107	0.268
2011	12,525,253	1.028	1.052	13,545,510	11,364	0.302
	59,148,536			68,405,932	54,972	1.000

Annual Premium Projection Factor: 1.039
 Projection Factor Trended From: 11/15/2011
 Projection Factor Trended To: 03/14/2013
 Trended Premium Projection Factor: 1.052

State Auto Insurance Companies
Arkansas Homeowners
All Programs - Owners Forms - Property and Liability Combined

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
				(1)x(2)x(3)				(5)x(6)x(7)	(4)+(8)
	Non-Weather (Losses <100K)				Non-Weather (Losses >=100K)				Non-Weather
	Ultimate	Retrospective	Prospective	Trended	Ultimate	Retrospective	Prospective	Trended	Trended
Year	Incurred Loss	Loss Trend (a)	Loss Trend (b)	Ultimate Incurred Loss	Incurred Loss	Loss Trend (c)	Loss Trend (d)	Ultimate Incurred Loss	Ultimate Incurred Loss
2007	1,212,421	1.314	1.145	1,823,269	607,742	1.314	1.145	913,938	2,737,208
2008	1,769,734	1.227	1.145	2,485,419	1,289,380	1.227	1.145	1,810,809	4,296,228
2009	2,696,720	1.146	1.145	3,538,013	787,598	1.146	1.145	1,033,305	4,571,318
2010	2,143,026	1.071	1.145	2,626,166	2,106,128	1.071	1.145	2,580,950	5,207,116
2011	1,868,290	1.000	1.145	2,138,505	1,661,648	1.000	1.145	1,901,976	4,040,481
	9,690,191			12,611,372	6,452,498			8,240,978	20,852,351

	(10)	(11)	(12)	(13)	(14)	(15)	(16)	
						(10)x(11)x(14)	(12)x(13)x(14)	
	Smoothed Wind/Hail and Winter Losses							
	Wind & Hail		Winter		Earned	Trended	Trended	
	Pure	Prospective	Pure	Prospective	House	Ultimate	Ultimate	
Year	Premium (e)	Loss Trend (f)	Premium (e)	Loss Trend (g)	Years	Wind & Hail Losses	Winter Losses	
2007	530.73	1.142	44.84	1.067	9,232	5,594,032	441,818	
2008	530.73	1.142	44.84	1.067	10,266	6,220,473	491,294	
2009	530.73	1.142	44.84	1.067	12,003	7,273,368	574,452	
2010	530.73	1.142	44.84	1.067	12,107	7,336,361	579,427	
2011	530.73	1.142	44.84	1.067	11,364	6,885,744	543,837	
						33,309,978	2,630,829	

	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)
				(17)x(18)x(19)				(21)x(22)x(23)	(20)+(24)
	Actual Wind/Hail and Winter Losses								
	Wind/Hail			Winter			Weather		
	Ultimate	Retrospective	Prospective	Trended	Ultimate	Retrospective	Prospective	Trended	Trended
Year	Incurred Loss	Loss Trend	Loss Trend	Ultimate Incurred Loss	Incurred Loss	Loss Trend	Loss Trend	Ultimate Incurred Loss	Ultimate Incurred Loss
2007	1,136,647	1.425	1.142	1,849,435	33,252	1.285	1.067	45,602	1,895,036
2008	13,679,050	1.304	1.142	20,366,197	15,258	1.207	1.067	19,650	20,385,846
2009	6,181,500	1.194	1.142	8,424,955	1,651,234	1.134	1.067	1,997,669	10,422,624
2010	4,600,880	1.093	1.142	5,739,254	279,234	1.065	1.067	317,300	6,056,554
2011	8,627,505	1.000	1.142	9,850,098	76,075	1.000	1.067	81,195	9,931,293
	34,225,582			46,229,938	2,055,053			2,461,415	48,691,354

	(26)	(27)	(28)
	(9)+(15)+(16)		
	Total	ULAE	Total
Year	Trended Losses	Factor	Projected Losses
2007	8,773,058	1.055	9,255,576
2008	11,007,995	1.055	11,613,435
2009	12,419,138	1.055	13,102,191
2010	13,122,904	1.055	13,844,664
2011	11,470,062	1.055	12,100,915
	56,793,158		59,916,781

- (a) Retrospective pure premium trend of 7.1% selected using Non-CAT, Non-Wind/Hail, Non-Winter data (to 07/01/2011).
- (b) Prospective pure premium trend of 6.3% selected using Non-CAT, Non-Wind/Hail, Non-Winter data (to 09/13/2013).
- (c) Retrospective pure premium trend of 7.1% selected using Non-CAT, Non-Wind/Hail, Non-Winter data (to 07/01/2011).
- (d) Prospective pure premium trend of 6.3% selected using Non-CAT, Non-Wind/Hail, Non-Winter data (to 09/13/2013).
- (e) Wind/Hail and Winter Loss Frequencies and Severities based on 15 years of State Auto losses trended (to 07/01/2011).
- (f) Prospective Severity Trend of 6.2% per year selected. (to 09/13/2013).
- (g) Prospective Severity Trend of 3.0% per year selected. (to 09/13/2013).

NOTE: The net effect of the Wind and Winter Procedures is a -26.2% change in losses.

STATE AUTO INSURANCE COMPANIES
HOMEOWNERS

ARKANSAS
NON WIND/HAIL LOSSES (EXCLUDING WINTER) - CLAIMS <\$100,000

INCURRED LOSS AND ALAE DEVELOPMENT

YEAR-END	AGE OF DEVELOPMENT								
	15 Months	27 Months	39 Months	51 Months	63 Months	75 Months	87 Months	99 Months	111 Months
Dec. 2003	1,130,609	1,083,134	1,076,510	1,086,864	1,086,864	1,086,864	1,086,864	1,086,864	1,086,864
Dec. 2004	988,077	959,167	958,242	959,096	959,096	959,096	959,096	959,096	959,096
Dec. 2005	983,465	953,296	949,946	949,946	951,115	951,115	951,115		
Dec. 2006	1,146,006	1,125,568	1,125,487	1,121,108	1,121,108	1,121,108			
Dec. 2007	1,239,811	1,199,605	1,199,322	1,189,771	1,189,771				
Dec. 2008	1,727,557	1,646,338	1,701,152	1,685,710					
Dec. 2009	2,611,538	2,684,008	2,639,660						
Dec. 2010	2,128,669	2,040,532							
Dec. 2011	1,821,679								

YEAR-END	AGE - TO - AGE DEVELOPMENT FACTORS								
	15 to 27	27 to 39	39 to 51	51 to 63	63 to 75	75 to 87	87 to 99	99 to 111	TAIL FACTOR
Dec. 2003	0.9580	0.9939	1.0096	1.0000	1.0000	1.0000	1.0000	1.0000	
Dec. 2004	0.9707	0.9990	1.0009	1.0000	1.0000	1.0000	1.0000		
Dec. 2005	0.9693	0.9965	1.0000	1.0012	1.0000	1.0000			
Dec. 2006	0.9822	0.9999	0.9961	1.0000	1.0000				
Dec. 2007	0.9676	0.9998	0.9920	1.0000					
Dec. 2008	0.9530	1.0333	0.9909						
Dec. 2009	1.0278	0.9835							
Dec. 2010	0.9586								
WTD AVG.	0.9779	0.9999	0.9974	1.0002	1.0000	1.0000	1.0000	1.0000	
STR AVG.	0.9734	1.0008	0.9983	1.0002	1.0000	1.0000	1.0000	1.0000	
WTD AVG. 5	0.9822	1.0009	0.9952	1.0002	1.0000	1.0000	1.0000	1.0000	
STR AVG. 5	0.9778	1.0026	0.9960	1.0002	1.0000	1.0000	1.0000	1.0000	
SELECTED CUM	0.9778	1.0026	0.9960	1.0002	1.0000	1.0000	1.0000	1.0000	1.0000
ULT \$ ENDED	1,779,156 2011	2,038,119 2010	2,629,727 2009	1,686,125 2008	1,189,771 2007	1,121,108 2006	951,115 2005	959,096 2004	1,086,864 2003

INCURRED COUNT DEVELOPMENT

YEAR-END	AGE OF DEVELOPMENT								
	15 Months	27 Months	39 Months	51 Months	63 Months	75 Months	87 Months	99 Months	111 Months
Dec. 2003	295	297	297	299	299	299	299	299	299
Dec. 2004	263	264	264	265	265	265	265	265	265
Dec. 2005	266	272	271	271	271	271	271		
Dec. 2006	259	263	263	263	263	263			
Dec. 2007	295	299	300	299	299				
Dec. 2008	382	380	382	383					
Dec. 2009	524	532	536						
Dec. 2010	429	434							
Dec. 2011	373								

YEAR-END	AGE - TO - AGE DEVELOPMENT FACTORS								
	15 to 27	27 to 39	39 to 51	51 to 63	63 to 75	75 to 87	87 to 99	99 to 111	TAIL FACTOR
Dec. 2003	1.0068	1.0000	1.0067	1.0000	1.0000	1.0000	1.0000	1.0000	
Dec. 2004	1.0038	1.0000	1.0038	1.0000	1.0000	1.0000	1.0000		
Dec. 2005	1.0226	0.9963	1.0000	1.0000	1.0000	1.0000			
Dec. 2006	1.0154	1.0000	1.0000	1.0000	1.0000				
Dec. 2007	1.0136	1.0033	0.9967	1.0000					
Dec. 2008	0.9948	1.0053	1.0026						
Dec. 2009	1.0153	1.0075							
Dec. 2010	1.0117								
WTD AVG.	1.0103	1.0026	1.0017	1.0000	1.0000	1.0000	1.0000	1.0000	
STR AVG.	1.0105	1.0018	1.0016	1.0000	1.0000	1.0000	1.0000	1.0000	
WTD AVG. 5	1.0101	1.0034	1.0007	1.0000	1.0000	1.0000	1.0000	1.0000	
STR AVG. 5	1.0101	1.0025	1.0006	1.0000	1.0000	1.0000	1.0000	1.0000	
SELECTED CUM	1.0101	1.0025	1.0006	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
ULT # ENDED	378 2011	435 2010	536 2009	383 2008	299 2007	263 2006	271 2005	265 2004	299 2003

STATE AUTO INSURANCE COMPANIES
HOMEOWNERS

ARKANSAS
NON WIND/HAIL LOSSES (EXCLUDING WINTER)- CLAIMS >=\$100,000

INCURRED LOSS AND ALAE DEVELOPMENT

YEAR-END	AGE OF DEVELOPMENT								
	15 Months	27 Months	39 Months	51 Months	63 Months	75 Months	87 Months	99 Months	111 Months
Dec. 2003	839,773	779,620	766,120	766,120	766,120	766,120	766,120	766,120	766,120
Dec. 2004	832,419	828,002	790,751	790,751	790,751	790,751	790,751	790,751	790,751
Dec. 2005	1,648,668	1,668,534	1,279,640	1,279,640	1,279,640	1,279,640	1,279,640	1,279,640	
Dec. 2006	155,316	152,954	152,954	152,954	152,954	152,954	152,954		
Dec. 2007	521,707	532,742	556,244	580,675	607,742				
Dec. 2008	1,118,504	980,048	980,048	980,048					
Dec. 2009	875,511	773,529	773,529						
Dec. 2010	2,303,595	2,149,748							
Dec. 2011	1,804,748								

YEAR-END	AGE - TO - AGE DEVELOPMENT FACTORS								
	15 to 27	27 to 39	39 to 51	51 to 63	63 to 75	75 to 87	87 to 99	99 to 111	TAIL FACTOR
Dec. 2003	0.9284	0.9827	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
Dec. 2004	0.9947	0.9550	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
Dec. 2005	1.0120	0.7669	1.0000	1.0000	1.0000	1.0000			
Dec. 2006	0.9848	1.0000	1.0000	1.0000	1.0000				
Dec. 2007	1.0212	1.0441	1.0439	1.0466					
Dec. 2008	0.8762	1.0000	1.0000						
Dec. 2009	0.8835	1.0000							
Dec. 2010	0.9332								
WTD AVG.	0.9481	0.9272	1.0054	1.0076	1.0000	1.0000	1.0000	1.0000	
STR AVG.	0.9543	0.9641	1.0073	1.0093	1.0000	1.0000	1.0000	1.0000	
WTD AVG. 5	0.9225	0.9110	1.0065	1.0076	1.0000	1.0000	1.0000	1.0000	
STR AVG. 5	0.9398	0.9622	1.0088	1.0093	1.0000	1.0000	1.0000	1.0000	
SELECTED CUM	0.9398	0.9622	1.0088	1.0093	1.0000	1.0000	1.0000	1.0000	1.0000
ULT \$ ENDED	1,661,648 2011	2,106,128 2010	787,598 2009	989,185 2008	607,742 2007	152,954 2006	1,279,640 2005	790,751 2004	766,120 2003

INCURRED COUNT DEVELOPMENT

YEAR-END	AGE OF DEVELOPMENT								
	15 Months	27 Months	39 Months	51 Months	63 Months	75 Months	87 Months	99 Months	111 Months
Dec. 2003	7	7	7	7	7	7	7	7	7
Dec. 2004	5	5	5	5	5	5	5	5	5
Dec. 2005	3	3	3	3	3	3	3	3	
Dec. 2006	1	1	1	1	1	1	1		
Dec. 2007	1	1	1	1	1	1			
Dec. 2008	3	3	3	3					
Dec. 2009	7	7	7						
Dec. 2010	10	13							
Dec. 2011	8								

YEAR-END	AGE - TO - AGE DEVELOPMENT FACTORS								
	15 to 27	27 to 39	39 to 51	51 to 63	63 to 75	75 to 87	87 to 99	99 to 111	TAIL FACTOR
Dec. 2003	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
Dec. 2004	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
Dec. 2005	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000		
Dec. 2006	1.0000	1.0000	1.0000	1.0000	1.0000				
Dec. 2007	1.0000	1.0000	1.0000	1.0000					
Dec. 2008	1.0000	1.0000	1.0000						
Dec. 2009	1.0000	1.0000							
Dec. 2010	1.3000								
WTD AVG.	1.0811	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
STR AVG.	1.0375	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
WTD AVG. 5	1.1364	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
STR AVG. 5	1.0600	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
SELECTED CUM	1.0600	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
ULT # ENDED	8 2011	13 2010	7 2009	3 2008	1 2007	1 2006	3 2005	5 2004	7 2003

STATE AUTO INSURANCE COMPANIES
HOMEOWNERS

ARKANSAS
LIABILITY LOSSES - CLAIMS <\$100,000

INCURRED LOSS AND ALAE DEVELOPMENT

YEAR-END	AGE OF DEVELOPMENT								
	15 Months	27 Months	39 Months	51 Months	63 Months	75 Months	87 Months	99 Months	111 Months
Dec. 2003	57,365	59,678	87,822	95,784	85,807	85,807	85,807	85,807	85,807
Dec. 2004	29,020	44,020	26,283	26,283	26,283	26,283	26,283	26,283	26,283
Dec. 2005	62,295	71,132	104,814	108,393	108,393	108,393	108,393		
Dec. 2006	101,473	90,107	89,489	89,589	84,589	84,589			
Dec. 2007	24,123	23,873	23,873	23,873	23,873				
Dec. 2008	26,782	34,416	84,762	84,917					
Dec. 2009	94,901	71,368	67,367						
Dec. 2010	85,148	84,359							
Dec. 2011	47,421								

YEAR-END	AGE - TO - AGE DEVELOPMENT FACTORS								
	15 to 27	27 to 39	39 to 51	51 to 63	63 to 75	75 to 87	87 to 99	99 to 111	TAIL FACTOR
Dec. 2003	1.0403	1.4716	1.0907	0.8958	1.0000	1.0000	1.0000	1.0000	
Dec. 2004	1.5169	0.5971	1.0000	1.0000	1.0000	1.0000	1.0000		
Dec. 2005	1.1419	1.4735	1.0342	1.0000	1.0000	1.0000			
Dec. 2006	0.8880	0.9931	1.0011	0.9442	1.0000				
Dec. 2007	0.9896	1.0000	1.0000	1.0000					
Dec. 2008	1.2850	2.4629	1.0018						
Dec. 2009	0.7520	0.9439							
Dec. 2010	0.9907								
WTD AVG.	0.9955	1.2276	1.0283	0.9565	1.0000	1.0000	1.0000	1.0000	
STR AVG.	1.0756	1.2774	1.0213	0.9680	1.0000	1.0000	1.0000	1.0000	
WTD AVG. 5	0.9149	1.2730	1.0116	0.9565	1.0000	1.0000	1.0000	1.0000	
STR AVG. 5	0.9811	1.3747	1.0074	0.9680	1.0000	1.0000	1.0000	1.0000	
SELECTED CUM	1.5115	1.2505	1.0100	1.0378	0.9680	0.9911	0.9893	0.9996	1.0000
ULT \$ ENDED	89,134 2011	104,907 2010	66,992 2009	83,609 2008	22,650 2007	82,902 2006	107,186 2005	26,272 2004	85,807 2003

INCURRED COUNT DEVELOPMENT

YEAR-END	AGE OF DEVELOPMENT								
	15 Months	27 Months	39 Months	51 Months	63 Months	75 Months	87 Months	99 Months	111 Months
Dec. 2003	26	27	29	28	27	27	27	27	27
Dec. 2004	19	22	18	18	18	18	18	18	18
Dec. 2005	19	20	20	19	19	19	19		
Dec. 2006	30	31	27	27	26	26			
Dec. 2007	25	24	24	24	24				
Dec. 2008	24	24	24	24					
Dec. 2009	30	23	22						
Dec. 2010	26	24							
Dec. 2011	25								

YEAR-END	AGE - TO - AGE DEVELOPMENT FACTORS								
	15 to 27	27 to 39	39 to 51	51 to 63	63 to 75	75 to 87	87 to 99	99 to 111	TAIL FACTOR
Dec. 2003	1.0385	1.0741	0.9655	0.9643	1.0000	1.0000	1.0000	1.0000	
Dec. 2004	1.1579	0.8182	1.0000	1.0000	1.0000	1.0000	1.0000		
Dec. 2005	1.0526	1.0000	0.9500	1.0000	1.0000	1.0000			
Dec. 2006	1.0333	0.8710	1.0000	0.9630	1.0000				
Dec. 2007	0.9600	1.0000	1.0000	1.0000					
Dec. 2008	1.0000	1.0000	1.0000						
Dec. 2009	0.7667	0.9565							
Dec. 2010	0.9231								
WTD AVG.	0.9799	0.9591	0.9859	0.9828	1.0000	1.0000	1.0000	1.0000	
STR AVG.	0.9915	0.9600	0.9859	0.9854	1.0000	1.0000	1.0000	1.0000	
WTD AVG. 5	0.9333	0.9590	0.9912	0.9828	1.0000	1.0000	1.0000	1.0000	
STR AVG. 5	0.9366	0.9655	0.9900	0.9854	1.0000	1.0000	1.0000	1.0000	
SELECTED CUM	0.9997	0.9925	0.9884	0.9923	0.9925	0.9985	0.9946	0.9988	1.0000
ULT # ENDED	24 2011	23 2010	21 2009	23 2008	24 2007	26 2006	19 2005	18 2004	27 2003

STATE AUTO INSURANCE COMPANIES
HOMEOWNERS

ARKANSAS
LIABILITY LOSSES - CLAIMS >=\$100,000

INCURRED LOSS AND ALAE DEVELOPMENT

YEAR-END	AGE OF DEVELOPMENT								
	15 Months	27 Months	39 Months	51 Months	63 Months	75 Months	87 Months	99 Months	111 Months
Dec. 2003	0	0	0	0	0	0	0	0	0
Dec. 2004	0	0	0	0	0	0	0	0	0
Dec. 2005	0	0	0	0	0	0	0	0	0
Dec. 2006	102,062	102,062	102,062	102,062	102,062	102,062	102,062		
Dec. 2007	0	0	0	0	0	0			
Dec. 2008	300,000	300,000	300,000	300,000					
Dec. 2009	0	0	0						
Dec. 2010	0	0							
Dec. 2011	0								

YEAR-END	AGE - TO - AGE DEVELOPMENT FACTORS								
	15 to 27	27 to 39	39 to 51	51 to 63	63 to 75	75 to 87	87 to 99	99 to 111	TAIL FACTOR
Dec. 2003									
Dec. 2004									
Dec. 2005									
Dec. 2006	1.0000	1.0000	1.0000	1.0000	1.0000				
Dec. 2007									
Dec. 2008	1.0000	1.0000	1.0000						
Dec. 2009									
Dec. 2010									
WTD AVG.	1.0000	1.0000	1.0000	1.0000	1.0000	#DIV/0!	#DIV/0!	#DIV/0!	
STR AVG.	1.0000	1.0000	1.0000	1.0000	1.0000	#DIV/0!	#DIV/0!	#DIV/0!	
WTD AVG. 5	1.0000	1.0000	1.0000	1.0000	1.0000	#DIV/0!	#DIV/0!	#DIV/0!	
STR AVG. 5	1.0000	1.0000	1.0000	1.0000	1.0000	#DIV/0!	#DIV/0!	#DIV/0!	
SELECTED CUM	0.9817	0.9726	1.0027	1.0106	0.9902	1.0000	1.0000	1.0000	1.0000
ULT \$ ENDED	0 2011	0 2010	0 2009	300,195 2008	0 2007	102,062 2006	0 2005	0 2004	0 2003

INCURRED COUNT DEVELOPMENT

YEAR-END	AGE OF DEVELOPMENT								
	15 Months	27 Months	39 Months	51 Months	63 Months	75 Months	87 Months	99 Months	111 Months
Dec. 2003	0	0	0	0	0	0	0	0	0
Dec. 2004	0	0	0	0	0	0	0	0	0
Dec. 2005	0	0	0	0	0	0	0	0	0
Dec. 2006	2	2	2	2	2	2	2		
Dec. 2007	0	0	0	0	0	0			
Dec. 2008	1	1	1	1	1				
Dec. 2009	0	0	0						
Dec. 2010	0	0							
Dec. 2011	0								

YEAR-END	AGE - TO - AGE DEVELOPMENT FACTORS								
	15 to 27	27 to 39	39 to 51	51 to 63	63 to 75	75 to 87	87 to 99	99 to 111	TAIL FACTOR
Dec. 2003									
Dec. 2004									
Dec. 2005									
Dec. 2006	1.0000	1.0000	1.0000	1.0000	1.0000				
Dec. 2007									
Dec. 2008	1.0000	1.0000	1.0000						
Dec. 2009									
Dec. 2010									
WTD AVG.	1.0000	1.0000	1.0000	1.0000	1.0000	#DIV/0!	#DIV/0!	#DIV/0!	
STR AVG.	1.0000	1.0000	1.0000	1.0000	1.0000	#DIV/0!	#DIV/0!	#DIV/0!	
WTD AVG. 5	1.0000	1.0000	1.0000	1.0000	1.0000	#DIV/0!	#DIV/0!	#DIV/0!	
STR AVG. 5	1.0000	1.0000	1.0000	1.0000	1.0000	#DIV/0!	#DIV/0!	#DIV/0!	
SELECTED CUM	1.0146	0.9070	0.9500	1.0111	0.9868	1.0000	1.0000	1.0000	1.0000
ULT # ENDED	0 2011	0 2010	0 2009	1 2008	0 2007	2 2006	0 2005	0 2004	0 2003

STATE AUTO INSURANCE COMPANIES
HOMEOWNERS

ARKANSAS
WIND/HAIL LOSSES

INCURRED LOSS AND ALAE DEVELOPMENT

YEAR-END	AGE OF DEVELOPMENT									
	15 Months	27 Months	39 Months	51 Months	63 Months	75 Months	87 Months	99 Months	111 Months	
Dec. 2003	827,826	839,220	842,324	842,324	848,896	848,896	848,896	848,896	848,896	848,896
Dec. 2004	1,165,086	1,204,791	1,208,566	1,212,215	1,212,215	1,212,215	1,212,215	1,212,215	1,212,215	
Dec. 2005	2,585,053	2,979,372	3,098,355	3,229,807	3,239,631	3,239,631	3,239,631	3,239,631		
Dec. 2006	3,042,332	3,016,670	3,021,582	3,039,474	3,043,121	3,052,650				
Dec. 2007	1,134,951	1,134,565	1,135,777	1,135,758	1,135,758					
Dec. 2008	14,263,725	13,642,926	13,659,196	13,635,505						
Dec. 2009	6,024,290	6,132,985	6,101,278							
Dec. 2010	4,554,342	4,506,333								
Dec. 2011	8,526,603									

YEAR-END	AGE - TO - AGE DEVELOPMENT FACTORS									TAIL FACTOR
	15 to 27	27 to 39	39 to 51	51 to 63	63 to 75	75 to 87	87 to 99	99 to 111		
Dec. 2003	1.0138	1.0037	1.0000	1.0078	1.0000	1.0000	1.0000	1.0000	1.0000	
Dec. 2004	1.0341	1.0031	1.0030	1.0000	1.0000	1.0000	1.0000	1.0000		
Dec. 2005	1.1525	1.0399	1.0424	1.0030	1.0000	1.0000				
Dec. 2006	0.9916	1.0016	1.0059	1.0012	1.0031					
Dec. 2007	0.9997	1.0011	1.0000	1.0000						
Dec. 2008	0.9565	1.0012	0.9983							
Dec. 2009	1.0180	0.9948								
Dec. 2010	0.9895									
WTD AVG.	0.9958	1.0040	1.0056	1.0021	1.0011	1.0000	1.0000	1.0000		
STR AVG.	1.0194	1.0065	1.0083	1.0024	1.0008	1.0000	1.0000	1.0000		
WTD AVG. 5	0.9798	1.0041	1.0058	1.0021	1.0011	1.0000	1.0000	1.0000		
STR AVG. 5	0.9910	1.0077	1.0099	1.0024	1.0008	1.0000	1.0000	1.0000		
SELECTED CUM	0.9910	1.0077	1.0099	1.0024	1.0008	1.0000	1.0000	1.0000	1.0000	1.0000
UL T \$ ENDED	8,627,505	4,600,880	6,181,500	13,679,050	1,136,647	3,052,650	3,239,631	1,212,215	848,896	42,578,974
	2011	2010	2009	2008	2007	2006	2005	2004	2003 TOTAL	

INCURRED COUNT DEVELOPMENT

YEAR-END	AGE OF DEVELOPMENT									
	15 Months	27 Months	39 Months	51 Months	63 Months	75 Months	87 Months	99 Months	111 Months	
Dec. 2003	223	225	227	227	228	228	228	228	228	228
Dec. 2004	290	291	292	293	293	293	293	293	293	
Dec. 2005	498	582	597	611	615	615	615			
Dec. 2006	592	605	606	610	612	613				
Dec. 2007	206	207	207	207	207					
Dec. 2008	2,016	2,038	2,046	2,046						
Dec. 2009	765	804	804							
Dec. 2010	543	553								
Dec. 2011	987									

YEAR-END	AGE - TO - AGE DEVELOPMENT FACTORS									TAIL FACTOR
	15 to 27	27 to 39	39 to 51	51 to 63	63 to 75	75 to 87	87 to 99	99 to 111		
Dec. 2003	1.0090	1.0089	1.0000	1.0044	1.0000	1.0000	1.0000	1.0000	1.0000	
Dec. 2004	1.0034	1.0034	1.0034	1.0000	1.0000	1.0000	1.0000	1.0000		
Dec. 2005	1.1687	1.0258	1.0235	1.0065	1.0000	1.0000				
Dec. 2006	1.0220	1.0017	1.0066	1.0033	1.0016					
Dec. 2007	1.0049	1.0000	1.0000	1.0000						
Dec. 2008	1.0109	1.0039	1.0000							
Dec. 2009	1.0510	1.0000								
Dec. 2010	1.0184									
WTD AVG.	1.0335	1.0057	1.0048	1.0036	1.0006	1.0000	1.0000	1.0000		
STR AVG.	1.0360	1.0062	1.0056	1.0028	1.0004	1.0000	1.0000	1.0000		
WTD AVG. 5	1.0206	1.0057	1.0051	1.0036	1.0006	1.0000	1.0000	1.0000		
STR AVG. 5	1.0214	1.0063	1.0067	1.0028	1.0004	1.0000	1.0000	1.0000		
SELECTED CUM	1.0214	1.0063	1.0067	1.0028	1.0004	1.0000	1.0000	1.0000	1.0000	1.0000
	1.0381	1.0163	1.0100	1.0033	1.0004	1.0000	1.0000	1.0000	1.0000	1.0000
UL T # ENDED	1,025	562	812	2,053	207	613	615	293	228	6,407
	2011	2010	2009	2008	2007	2006	2005	2004	2003 TOTAL	

STATE AUTO INSURANCE COMPANIES
HOMEOWNERS

ARKANSAS
WINTER LOSSES

INCURRED LOSS AND ALAE DEVELOPMENT

YEAR-END	AGE OF DEVELOPMENT								
	15 Months	27 Months	39 Months	51 Months	63 Months	75 Months	87 Months	99 Months	111 Months
Dec. 2003	20,688	20,688	20,688	20,688	20,688	20,688	20,688	20,688	20,688
Dec. 2004	6,904	6,993	6,993	6,993	6,993	6,993	6,993	6,993	6,993
Dec. 2005	52,762	52,762	52,762	52,762	52,762	52,762	52,762		
Dec. 2006	7,909	2,909	2,909	2,909	2,909	2,909			
Dec. 2007	33,252	33,252	33,252	33,252	33,252				
Dec. 2008	16,037	15,258	15,258	15,258					
Dec. 2009	1,657,259	1,651,234	1,651,234						
Dec. 2010	283,220	279,234							
Dec. 2011	88,429								

YEAR-END	AGE - TO - AGE DEVELOPMENT FACTORS								
	15 to 27	27 to 39	39 to 51	51 to 63	63 to 75	75 to 87	87 to 99	99 to 111	TAIL FACTOR
Dec. 2003	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
Dec. 2004	1.0129	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000		
Dec. 2005	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000			
Dec. 2006	0.3678	1.0000	1.0000	1.0000	1.0000				
Dec. 2007	1.0000	1.0000	1.0000	1.0000					
Dec. 2008	0.9514	1.0000	1.0000						
Dec. 2009	0.9964	1.0000							
Dec. 2010	0.9859								
WTD AVG.	0.9924	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
STR AVG.	0.9143	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
WTD AVG. 5	0.9921	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
STR AVG. 5	0.8603	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	

SELECTED CUM	0.8603	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
ULT \$ ENDED	76,075	279,234	1,651,234	15,258	33,252	2,909	52,762	6,993	20,688	2,138,405	
	2011	2010	2009	2008	2007	2006	2005	2004	2003	TOTAL	

INCURRED COUNT DEVELOPMENT

YEAR-END	AGE OF DEVELOPMENT								
	15 Months	27 Months	39 Months	51 Months	63 Months	75 Months	87 Months	99 Months	111 Months
Dec. 2003	11	11	11	11	11	11	11	11	11
Dec. 2004	4	4	4	4	4	4	4	4	4
Dec. 2005	3	3	3	3	3	3	3	3	
Dec. 2006	3	2	2	2	2	2			
Dec. 2007	7	7	7	7	7				
Dec. 2008	5	5	5	5					
Dec. 2009	512	513	513						
Dec. 2010	47	47							
Dec. 2011	18								

YEAR-END	AGE - TO - AGE DEVELOPMENT FACTORS								
	15 to 27	27 to 39	39 to 51	51 to 63	63 to 75	75 to 87	87 to 99	99 to 111	TAIL FACTOR
Dec. 2003	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
Dec. 2004	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000		
Dec. 2005	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000			
Dec. 2006	0.6667	1.0000	1.0000	1.0000	1.0000				
Dec. 2007	1.0000	1.0000	1.0000	1.0000					
Dec. 2008	1.0000	1.0000	1.0000						
Dec. 2009	1.0020	1.0000							
Dec. 2010	1.0000								
WTD AVG.	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
STR AVG.	0.9586	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
WTD AVG. 5	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
STR AVG. 5	0.9337	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	

SELECTED CUM	0.9337	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
ULT # ENDED	17	47	513	5	7	2	3	4	11	609	
	2011	2010	2009	2008	2007	2006	2005	2004	2003	TOTAL	

**State Auto Insurance Companies
Homeowners - Arkansas
Wind & Hail Incurred Claim Frequency**

	(1)	(2)	(3) (2) / (1)
Accident Year	Earned Exposures	Incurred Claims (a)	Average Frequency
1997	7,511	196	0.026
1998	7,605	228	0.030
1999	7,315	707	0.097
2000	6,794	207	0.030
2001	6,889	177	0.026
2002	7,918	172	0.022
2003	9,184	228	0.025
2004	9,356	293	0.031
2005	9,338	615	0.066
2006	9,252	613	0.066
2007	9,232	207	0.022
2008	10,266	2,046	0.199
2009	12,003	804	0.067
2010	12,107	553	0.046
2011	11,364	987	0.087

Straight Average of Last 15 Years

Time-Weighted Average of Last 15 Years

Selected Frequency

(a) Incurred Losses and Claims evaluated at 03/31/2012

**State Auto Insurance Companies
Homeowners - Arkansas
Wind & Hail Incurred Claim Trended Severity**

Accident Year	(1) Incurred Losses (a)	(2) Incurred Claims (a)	(3) (1) / (2) Average Severity	(4) Original Projected Severity (b)	New Projected Severity (b)
1997	574,127	196	\$2,929	\$10,120	\$10,120
1998	602,667	228	\$2,643	\$8,358	\$8,358
1999	2,467,918	707	\$3,491	\$10,102	\$10,102
2000	618,417	207	\$2,988	\$7,913	\$7,913
2001	523,722	177	\$2,959	\$7,173	\$7,173
2002	475,303	172	\$2,763	\$6,132	\$6,132
2003	848,896	228	\$3,723	\$7,561	\$7,561
2004	1,212,215	293	\$4,137	\$7,690	\$7,690
2005	3,239,631	615	\$5,268	\$8,961	\$8,961
2006	3,052,650	613	\$4,980	\$7,754	\$7,754
2007	1,135,758	207	\$5,487	\$7,819	\$7,819
2008	13,635,505	2,046	\$6,664	\$8,692	\$8,692
2009	6,101,278	804	\$7,589	\$9,059	\$9,059
2010	4,506,333	553	\$8,149	\$8,903	\$8,903
2011	8,526,603	987	\$8,639	\$8,639	\$8,639

(5) Calculated Severity Trend 9.3%
Based on 15 -Point Exponential Regression

(6) Selected Severity Trend **9.3%**

(7) 15 -Year Straight Average Projected Severity \$8,325

(8) Time-Weighted Average Projected Severity \$8,258

(9) Selected Severity **\$8,258**

- (a) Incurred Losses and Claims evaluated at 03/31/2012
- (b) The Selected Severity Trend (6) is used to project losses from the midpoint of each accident year to the midpoint of the last year in the experience period (07/01/2011).

**State Auto Insurance Companies
Homeowners - Arkansas
Winter Incurred Claim Frequency**

	(1)	(2)	(3) (2) / (1)
Accident Year	Earned Exposures	Incurred Claims (a)	Average Frequency
1997	7,511	1	0.000
1998	7,605	10	0.001
1999	7,315	33	0.005
2000	6,794	748	0.110
2001	6,889	24	0.003
2002	7,918	20	0.003
2003	9,184	11	0.001
2004	9,356	4	0.000
2005	9,338	3	0.000
2006	9,252	2	0.000
2007	9,232	7	0.001
2008	10,266	5	0.000
2009	12,003	513	0.043
2010	12,107	47	0.004
2011	11,364	18	0.002

Straight Average of Last 15 Years

Time-Weighted Average of Last 15 Years

Selected Frequency

(a) Incurred Losses and Claims evaluated at 03/31/2012

**State Auto Insurance Companies
Homeowners - Arkansas
Winter Incurred Claim Trended Severity**

Accident Year	(1) Incurred Losses (a)	(2) Incurred Claims (a)	(3) Average Severity (2) / (1)	(4) Original Projected Severity (b)	New Projected Severity (b)
1997	783	1	\$783	\$3,448	\$1,881
1998	10,870	10	\$1,087	\$4,309	\$2,455
1999	93,072	33	\$2,820	\$10,056	\$5,982
2000	2,020,431	748	\$2,701	\$8,662	\$5,381
2001	43,027	24	\$1,793	\$5,172	\$3,355
2002	24,976	20	\$1,249	\$3,240	\$2,195
2003	20,688	11	\$1,881	\$4,389	\$3,105
2004	6,993	4	\$1,748	\$3,670	\$2,711
2005	52,762	3	\$17,587	\$33,208	\$25,614
2006	2,909	2	\$1,454	\$2,470	\$1,990
2007	33,252	7	\$4,750	\$7,257	\$6,104
2008	15,258	5	\$3,052	\$4,193	\$3,683
2009	1,651,234	513	\$3,219	\$3,978	\$3,649
2010	279,234	47	\$5,941	\$6,605	\$6,325
2011	88,429	18	\$4,913	\$4,913	\$4,913

(5) Calculated Severity Trend 11.2%
Based on 15 -Point Exponential Regression

(6) Selected Severity Trend 6.5%
[Selected Trend is the Companywide Trend](#)

(7) 15 -Year Straight Average Projected Severity \$4,738

(8) Time-Weighted Average Projected Severity \$4,697

(9) Selected Severity \$4,697
[Severities from low-frequency years given less weight](#)

- (a) Incurred Losses and Claims evaluated at 03/31/2012
- (b) The Selected Severity Trend (6) is used to project losses from the midpoint of each accident year to the midpoint of the last year in the experience period (07/01/2011).

STATE AUTO INSURANCE COMPANIES

Homeowners Loss and Loss Adjustment Expense

Annual Statement Line 4.0

	2006	2007	2008	2009	2010	2011	Selected
Direct Losses Incurred	157,483,000	132,914,000	244,335,000	227,980,408	225,673,490	351,004,848	
Direct ALAE Incurred	11,770,098	9,384,191	18,422,152	25,124,145	9,054,472	26,705,421	
Direct ULAE Incurred	9,436,026	8,756,826	13,578,642	13,676,076	14,821,440	19,411,824	
ULAE Ratio	1.056	1.062	1.052	1.054	1.063	1.051	1.055

ULAE Ratio =
$$\frac{(\text{Direct Losses Incurred} + \text{Direct ALAE Incurred} + \text{Direct ULAE Incurred})}{(\text{Direct Losses Incurred} + \text{Direct ALAE Incurred})}$$

State Auto Insurance Companies
Homeowners - CustomFit® Home Phase I
Arkansas
Statewide Impacts

Forms	Program	Current Premium	Long Term		
			Proposed Premium	% Impact	\$ Impact
3 & 5	Securgard	1,668,869	1,844,986	10.6%	176,117
	Defender	9,794,330	10,806,811	10.3%	1,012,481
	Estates	671,770	739,848	10.1%	68,078
	Total	12,134,969	13,391,645	10.4%	1,256,676
4	Securgard	34,933	34,347	-1.7%	(586)
	Defender	125,931	123,788	-1.7%	(2,143)
	Estates	4,546	4,527	-0.4%	(19)
	Total	165,410	162,662	-1.7%	(2,748)
6	Securgard	13,657	13,657	0.0%	0
	Defender	69,856	69,856	0.0%	0
	Estates	12,550	12,550	0.0%	0
	Total	96,063	96,063	0.0%	0
Statewide		12,396,442	13,650,370	10.1%	1,253,928
Water Backup		148,600	148,600	0.0%	0
Total Change		12,545,042	13,798,970	10.0%	1,253,928
Earthquake		215,321	215,321	0.0%	0

Assumed Effective Date: 9/17/2012 for All Business

Current Premium is the estimated premium for policies in force 5/30/2012 rated using the rates effective 8/28/2011.

State: Arkansas
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: Arkansas Home - Rates and Rules
Project Name/Number: Rates and Rules eff 09-17-12/SAC-HO-RR-2012-0078

First Filing Company: State Auto Property and Casualty Insurance Company, ...

Superceded 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	Schedule Item Name	Replacement Creation Date	Attached Document(s)
06/18/2012	Supporting Document	Summary of Proposed Changes and Actuarial Exhibits	07/12/2012	Arkansas_Home_Summary of Proposed Changes.pdf (Superceded) Arkansas_Home_Actuarial_Exhibits.pdf (Superceded)
06/18/2012	Rate	Rate Document	07/11/2012	Arkansas_Home_Rate_Document-Eff-09-13-2012.pdf (Superceded)
05/07/2012	Supporting Document	HPCS-Homeowners Premium Comparison Survey	07/12/2012	HO Survey Form HPCS - SAM.xls (Superceded) HO Survey Form HPCS - SAPC.xls (Superceded) HO Survey Form HPCS - SAM.pdf (Superceded) HO Survey Form HPCS - SAPC.pdf (Superceded)
05/07/2012	Supporting Document	NAIC loss cost data entry document	07/12/2012	AR HO PC RLC - SAM.pdf (Superceded) AR HO PC RLC - SAPC.pdf (Superceded)

Summary of Proposed Changes
Arkansas - Homeowner Options Program
State Automobile Mutual Insurance Company
State Auto Property & Casualty Insurance Company
Page 1 of 2

1. Base Rates:

The Owners' Forms' base rates are adjusted to reach an Owners' Forms rate level impact of 15.5%, uniform across territories, in response to our poor experience as shown in Exhibit I, when combined with the other changes discussed below.

2. Deductibles:

In order to mitigate our exposure to loss, we will increase the minimum all-peril deductible for Forms 3 & 5 from \$1,000 to \$1,500 for new business, and from \$500 to \$1,000 for existing policies. We assume there will be no adequacy impact associated with this change, due to corresponding reductions in premiums and losses.

We are revising the caps on the dollar credit given for choosing higher deductibles for Owners' Forms.

The proposed deductible factors and dollar credit caps for each form can be found on page RD-11 of the Rate Document.

3. Prime of Life:

The Prime of Life discounts and coverages will now be extended to Form 4 Account policies, provided that the Coverage C amount is sufficient to qualify the auto policy for the Auto/Home Discount. Please refer to Page RD-16 of the Rate Document and Pages CD- 4 & CD-5 of the manual for details.

4. Scheduled Personal Property:

We are adding coverage for mysterious disappearance when hearing aids are covered under our Scheduled Personal Property (SPP) endorsement. Because of the significant expansion in coverage, we propose to increase the rate for this coverage from \$30 per \$1,000 to \$50 per \$1,000.

5. Miscellaneous Manual Revisions:

We are revising our manual as outlined in the following table:

Rule Name and Description of Change	New Rule # and New Page #	Old Rule # and Old Page #
General Rules, Table of Contents – Adjusted Rules and Page numbers to reflect changes.		
General Rules, Policy Period/Payment Plan – Revised formatting and wording for clarification.	Rule 7, Page GR-5	Rule 7, Pages GR-5 and GR-6
General Rules, Protected Suburban Classes - Removed note that “If any part of a platted subdivision is within 5 miles, all property in the subdivision shall be considered as being within 5 miles.”, as it no longer applies.	Rule 14, Page GR-9	Rule 14, Page GR-9
General Rules – Added new rule 15, Reinstatements.	Rule 15, Page GR-9	N/A
Credits/Discounts/Charges, Auto/Home Discount – Revised wording to clarify that the credit applies to personal lines policies.	Rule 2, Page CD-1	Rule 2, Page CD-1

Summary of Proposed Changes

Arkansas - Homeowner Options Program
 State Automobile Mutual Insurance Company
 State Auto Property & Casualty Insurance Company
 Page 2 of 2

Rule Name and Description of Change	New Rule # and New Page #	Old Rule # and Old Page #
Credits/Discounts/Charges, Roof Construction Discount – Added sub rule C “All Other” .	Rule 3, Page CD-2	Rule 3, Page CD-2
Credits/Discounts/Charges, Deductibles – Revised note that the \$1,000 deductible option will no longer be available for HO3 and HO5.	Rule 5, Page CD-3	Rule 5, Page CD-3
Credits/Discounts/Charges, Prime of Life Homeowners Discount – Revised rule to include HO0004. Removed note that HO0004 does not qualify for the discount as it no longer applies.	Rule 8, Pages CD-4 and CD-5	Rule 8, Pages CD-4 and CD-5
Optional Coverages, Table of Contents – Adjusted Rules and Page numbers to reflect changes made within this section.		
Optional Coverages, Earthquake Coverage – Revised spelling for Sebastian county in Zone 4.	Rule 19, Page OC-9	Rule 19, Page OC-9
Optional Coverages, HomeXtended Coverages Endorsement – Revised to add registered trademark to HomeXtended Coverages.	Rule 23, Page OC-13	Rule 23, Page OC-13
Optional Coverages, Specified Additional Amount of Insurance for Coverage – A – Dwelling – Revised wording for clarification.	Rule 52, Page OC-33	Rule 52, Page OC-33
Optional Coverages, Water Back Up and Sump Discharge or Overflow – Revised wording for clarification. As a result, the chart with the coverage limits and premiums shifted to the next page.	Rule 60, Pages OC-35 and OC-36	Rule 60, Page OC-35
Scheduled Personal Property – Agreed Value Jewelry – Revised Hearing Aids rate from \$30 per \$1,000 to \$50 per \$1,000.	Page SP-3	Page SP-3
Watercraft Section, Optional Coverages For Watercraft – Revised Broadened Navigational Territory Limits rule for clarification.	Rule 4, Page WS-4	Rule 4, Page WS-4
Watercraft Section, Credits – Revised wording from “insureds who” to “insureds that”, under sub rule I.	Rule 5, Page WS-6	Rule 5, Page WS-6
Watercraft Section, Watercraft Liability Coverage – Revised wording for clarification.	Rule 10, Pages WS-9 and WS-10	Rule 10, Pages WS-9 and WS-10

**State Auto Insurance Companies
Arkansas Homeowners
All Programs
Owners Forms**

Rate Level Indications -- Assumed Effective Date 09/13/2012

Accident Year	(1) Trended Adjusted Earned Premiums	(2) Earned House Years	(3) Trended Adjusted Incurred Loss & LAE	(4) Adjusted Incurred Claims	(5) (3) / (1) Loss & LAE Ratio	(6) Weights
2007	11,950,147	9,232	9,255,576	538	77.5%	0.082
2008	13,132,608	10,266	11,613,435	2,468	88.4%	0.136
2009	15,090,996	12,003	13,102,191	1,890	86.8%	0.212
2010	14,686,670	12,107	13,844,664	1,080	94.3%	0.268
2011	13,545,510	11,364	12,100,915	1,452	89.3%	0.302
	<u>68,405,932</u>	<u>54,972</u>	<u>59,916,781</u>	<u>7,428</u>	<u>87.6%</u>	<u>1.000</u>

(7)	Weighted Experience Loss & LAE Ratio (A)	89.0%
(8)	Expected Hurricane Loss Ratio	0.0%
(9)	Combined Loss & LAE Ratio [(7) + (8)]	89.0%
(10)	Permissible Loss & LAE Ratio (B)	60.8%
(11)	Indicated Rate Level Change Before Credibility	46.4%
(12)	Credibility (C)	0.68
(13)	Complement Loss & LAE Ratio (D)	62.0%
(14)	Credibility Weighted Loss & LAE Ratio (E)	80.4%
(15)	Credibility Weighted Indicated Rate Level Change	32.2%

Other Acquisition Expense	5.2%
General Expenses	4.9%
Commissions Expense	16.2%
Taxes, Misc. Fees	3.0%
Profit & Contingencies (F)	9.9%
<u>Expense Ratio</u>	<u>39.2%</u>

- (A) Excludes Hurricane Losses.
- (B) Permissible Loss Ratio = 1 - Expense Ratio
- (C) Credibility Standard = [Total Column (2)/120,000]^0.5
- (D) Trended Permissible Loss Ratio = Prior Review's PLR x [Loss Proj. Factor / Prem. Proj. Factor]
- (E) Credibility Weighted Loss & LAE Ratio = [Row (12) x Row (9)] + [(1 - Row (12)) x Row (13)]
- (F) Includes Offset For Investment Income

NOTE: \$0 of Hurricane Losses EXCLUDED.

Arkansas Homeowners
Calculation of Current Amount and Premium Projection Factors

Forms 1-3,5

	(1)	(2)	(3)	(4)
	Average Relativity(a)	Relativity To Latest Point(b)	Current Amount Factor(c)	Annual Premium Projection Factor(d)
01/01/2007	1.570	1.270	1.189	1.039
01/01/2008	1.658	1.203	1.142	1.039
01/01/2009	1.740	1.146	1.102	1.039
01/01/2010	1.827	1.091	1.064	1.039
01/01/2011	1.916	1.040	1.028	1.039

Notes:

- (a) Latest two points are projected.
- (b) $1.993 / \text{Column (1)}$, where 1.993 is the projected relativity at 11/15/2011.
- (c) $[\text{Column (2)} - 1] \times 0.70 + 1$.
- (d) $[\text{Avg. Annual Increment} / 5 \text{ Year Average Relativity}] \times 0.70 + 1$.

Year	ISO	Regression Output:
Beginning	Average Relativity	Constant
07/01/2005	1	1.3416
07/01/2006	2	0.0069
07/01/2007	3	0.9982
07/01/2008	4	No. of Observations
07/01/2009	5	Degrees of Freedom
5 Year Average Relativity	1.609	X Coefficient(s)
		Std Err of Coef.

Relativities from ISO Trend Circular: AS-HO-2012-007

Arkansas Homeowners
Forms 1-3,5

Assumed Effective Date: 09/13/2012

Trend Date: 03/14/2013

All Programs

Account Year	Earned Premium On Level	Current Amount Factor	Trended Premium Projection Factor	Adjusted Earned Premium	Earned House Years	Adjusted Weights
2007	9,553,790	1.189	1.052	11,950,147	9,232	0.082
2008	10,931,233	1.142	1.052	13,132,608	10,266	0.136
2009	13,017,290	1.102	1.052	15,090,996	12,003	0.212
2010	13,120,971	1.064	1.052	14,686,670	12,107	0.268
2011	12,525,253	1.028	1.052	13,545,510	11,364	0.302
	59,148,536			68,405,932	54,972	1.000

Annual Premium Projection Factor: 1.039
 Projection Factor Trended From: 11/15/2011
 Projection Factor Trended To: 03/14/2013
 Trended Premium Projection Factor: 1.052

State Auto Insurance Companies
Arkansas Homeowners
All Programs - Owners Forms - Property and Liability Combined

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
				(1)x(2)x(3)				(5)x(6)x(7)	(4)+(8)
	Non-Weather (Losses <100K)				Non-Weather (Losses >=100K)				Non-Weather
	Ultimate	Retrospective	Prospective	Trended	Ultimate	Retrospective	Prospective	Trended	Trended
Year	Incurred Loss	Loss Trend (a)	Loss Trend (b)	Ultimate Incurred Loss	Incurred Loss	Loss Trend (c)	Loss Trend (d)	Ultimate Incurred Loss	Ultimate Incurred Loss
2007	1,212,421	1.314	1.145	1,823,269	607,742	1.314	1.145	913,938	2,737,208
2008	1,769,734	1.227	1.145	2,485,419	1,289,380	1.227	1.145	1,810,809	4,296,228
2009	2,696,720	1.146	1.145	3,538,013	787,598	1.146	1.145	1,033,305	4,571,318
2010	2,143,026	1.071	1.145	2,626,166	2,106,128	1.071	1.145	2,580,950	5,207,116
2011	1,868,290	1.000	1.145	2,138,505	1,661,648	1.000	1.145	1,901,976	4,040,481
	9,690,191			12,611,372	6,452,498			8,240,978	20,852,351

	(10)	(11)	(12)	(13)	(14)	(15)	(16)
	Smoothed Wind/Hail and Winter Losses						
	Wind & Hail		Winter		Earned	Trended	Trended
	Pure	Prospective	Pure	Prospective	House	Ultimate	Ultimate
Year	Premium (e)	Loss Trend (f)	Premium (e)	Loss Trend (g)	Years	Wind & Hail Losses	Winter Losses
2007	530.73	1.142	44.84	1.067	9,232	5,594,032	441,818
2008	530.73	1.142	44.84	1.067	10,266	6,220,473	491,294
2009	530.73	1.142	44.84	1.067	12,003	7,273,368	574,452
2010	530.73	1.142	44.84	1.067	12,107	7,336,361	579,427
2011	530.73	1.142	44.84	1.067	11,364	6,885,744	543,837
						33,309,978	2,630,829

	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)
	Actual Wind/Hail and Winter Losses							(21)x(22)x(23)	(20)+(24)
	Wind/Hail			Winter			Weather		
	Ultimate	Retrospective	Prospective	Trended	Ultimate	Retrospective	Prospective	Trended	Trended
Year	Incurred Loss	Loss Trend	Loss Trend	Ultimate Incurred Loss	Incurred Loss	Loss Trend	Loss Trend	Ultimate Incurred Loss	Ultimate Incurred Loss
2007	1,136,647	1.425	1.142	1,849,435	33,252	1.285	1.067	45,602	1,895,036
2008	13,679,050	1.304	1.142	20,366,197	15,258	1.207	1.067	19,650	20,385,846
2009	6,181,500	1.194	1.142	8,424,955	1,651,234	1.134	1.067	1,997,669	10,422,624
2010	4,600,880	1.093	1.142	5,739,254	279,234	1.065	1.067	317,300	6,056,554
2011	8,627,505	1.000	1.142	9,850,098	76,075	1.000	1.067	81,195	9,931,293
	34,225,582			46,229,938	2,055,053			2,461,415	48,691,354

	(26)	(27)	(28)
	(9)+(15)+(16)		
	Total	ULAE	Total
Year	Trended Losses	Factor	Projected Losses
2007	8,773,058	1.055	9,255,576
2008	11,007,995	1.055	11,613,435
2009	12,419,138	1.055	13,102,191
2010	13,122,904	1.055	13,844,664
2011	11,470,062	1.055	12,100,915
	56,793,158		59,916,781

- (a) Retrospective pure premium trend of 7.1% selected using Non-CAT, Non-Wind/Hail, Non-Winter data (to 07/01/2011).
- (b) Prospective pure premium trend of 6.3% selected using Non-CAT, Non-Wind/Hail, Non-Winter data (to 09/13/2013).
- (c) Retrospective pure premium trend of 7.1% selected using Non-CAT, Non-Wind/Hail, Non-Winter data (to 07/01/2011).
- (d) Prospective pure premium trend of 6.3% selected using Non-CAT, Non-Wind/Hail, Non-Winter data (to 09/13/2013).
- (e) Wind/Hail and Winter Loss Frequencies and Severities based on 15 years of State Auto losses trended (to 07/01/2011).
- (f) Prospective Severity Trend of 6.2% per year selected. (to 09/13/2013).
- (g) Prospective Severity Trend of 3.0% per year selected. (to 09/13/2013).

NOTE: The net effect of the Wind and Winter Procedures is a -26.2% change in losses.

STATE AUTO INSURANCE COMPANIES
HOMEOWNERS

ARKANSAS
NON WIND/HAIL LOSSES (EXCLUDING WINTER) - CLAIMS <\$100,000

INCURRED LOSS AND ALAE DEVELOPMENT

YEAR-END	AGE OF DEVELOPMENT								
	15 Months	27 Months	39 Months	51 Months	63 Months	75 Months	87 Months	99 Months	111 Months
Dec. 2003	1,130,609	1,083,134	1,076,510	1,086,864	1,086,864	1,086,864	1,086,864	1,086,864	1,086,864
Dec. 2004	988,077	959,167	958,242	959,096	959,096	959,096	959,096	959,096	959,096
Dec. 2005	983,465	953,296	949,946	949,946	951,115	951,115	951,115		
Dec. 2006	1,146,006	1,125,568	1,125,487	1,121,108	1,121,108	1,121,108			
Dec. 2007	1,239,811	1,199,605	1,199,322	1,189,771	1,189,771				
Dec. 2008	1,727,557	1,646,338	1,701,152	1,685,710					
Dec. 2009	2,611,538	2,684,008	2,639,660						
Dec. 2010	2,128,669	2,040,532							
Dec. 2011	1,821,679								

YEAR-END	AGE - TO - AGE DEVELOPMENT FACTORS								
	15 to 27	27 to 39	39 to 51	51 to 63	63 to 75	75 to 87	87 to 99	99 to 111	TAIL FACTOR
Dec. 2003	0.9580	0.9939	1.0096	1.0000	1.0000	1.0000	1.0000	1.0000	
Dec. 2004	0.9707	0.9990	1.0009	1.0000	1.0000	1.0000	1.0000		
Dec. 2005	0.9693	0.9965	1.0000	1.0012	1.0000	1.0000			
Dec. 2006	0.9822	0.9999	0.9961	1.0000	1.0000				
Dec. 2007	0.9676	0.9998	0.9920	1.0000					
Dec. 2008	0.9530	1.0333	0.9909						
Dec. 2009	1.0278	0.9835							
Dec. 2010	0.9586								
WTD AVG.	0.9779	0.9999	0.9974	1.0002	1.0000	1.0000	1.0000	1.0000	
STR AVG.	0.9734	1.0008	0.9983	1.0002	1.0000	1.0000	1.0000	1.0000	
WTD AVG. 5	0.9822	1.0009	0.9952	1.0002	1.0000	1.0000	1.0000	1.0000	
STR AVG. 5	0.9778	1.0026	0.9960	1.0002	1.0000	1.0000	1.0000	1.0000	
SELECTED CUM	0.9778	1.0026	0.9960	1.0002	1.0000	1.0000	1.0000	1.0000	1.0000
ULT \$ ENDED	1,779,156 2011	2,038,119 2010	2,629,727 2009	1,686,125 2008	1,189,771 2007	1,121,108 2006	951,115 2005	959,096 2004	1,086,864 2003

INCURRED COUNT DEVELOPMENT

YEAR-END	AGE OF DEVELOPMENT								
	15 Months	27 Months	39 Months	51 Months	63 Months	75 Months	87 Months	99 Months	111 Months
Dec. 2003	295	297	297	299	299	299	299	299	299
Dec. 2004	263	264	264	265	265	265	265	265	265
Dec. 2005	266	272	271	271	271	271	271		
Dec. 2006	259	263	263	263	263	263			
Dec. 2007	295	299	300	299	299				
Dec. 2008	382	380	382	383					
Dec. 2009	524	532	536						
Dec. 2010	429	434							
Dec. 2011	373								

YEAR-END	AGE - TO - AGE DEVELOPMENT FACTORS								
	15 to 27	27 to 39	39 to 51	51 to 63	63 to 75	75 to 87	87 to 99	99 to 111	TAIL FACTOR
Dec. 2003	1.0068	1.0000	1.0067	1.0000	1.0000	1.0000	1.0000	1.0000	
Dec. 2004	1.0038	1.0000	1.0038	1.0000	1.0000	1.0000	1.0000		
Dec. 2005	1.0226	0.9963	1.0000	1.0000	1.0000	1.0000			
Dec. 2006	1.0154	1.0000	1.0000	1.0000	1.0000				
Dec. 2007	1.0136	1.0033	0.9967	1.0000					
Dec. 2008	0.9948	1.0053	1.0026						
Dec. 2009	1.0153	1.0075							
Dec. 2010	1.0117								
WTD AVG.	1.0103	1.0026	1.0017	1.0000	1.0000	1.0000	1.0000	1.0000	
STR AVG.	1.0105	1.0018	1.0016	1.0000	1.0000	1.0000	1.0000	1.0000	
WTD AVG. 5	1.0101	1.0034	1.0007	1.0000	1.0000	1.0000	1.0000	1.0000	
STR AVG. 5	1.0101	1.0025	1.0006	1.0000	1.0000	1.0000	1.0000	1.0000	
SELECTED CUM	1.0101	1.0025	1.0006	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
ULT # ENDED	378 2011	435 2010	536 2009	383 2008	299 2007	263 2006	271 2005	265 2004	299 2003

STATE AUTO INSURANCE COMPANIES
HOMEOWNERS

ARKANSAS
NON WIND/HAIL LOSSES (EXCLUDING WINTER)- CLAIMS >=\$100,000

INCURRED LOSS AND ALAE DEVELOPMENT

YEAR-END	AGE OF DEVELOPMENT								
	15 Months	27 Months	39 Months	51 Months	63 Months	75 Months	87 Months	99 Months	111 Months
Dec. 2003	839,773	779,620	766,120	766,120	766,120	766,120	766,120	766,120	766,120
Dec. 2004	832,419	828,002	790,751	790,751	790,751	790,751	790,751	790,751	790,751
Dec. 2005	1,648,668	1,668,534	1,279,640	1,279,640	1,279,640	1,279,640	1,279,640	1,279,640	
Dec. 2006	155,316	152,954	152,954	152,954	152,954	152,954	152,954		
Dec. 2007	521,707	532,742	556,244	580,675	607,742				
Dec. 2008	1,118,504	980,048	980,048	980,048					
Dec. 2009	875,511	773,529	773,529						
Dec. 2010	2,303,595	2,149,748							
Dec. 2011	1,804,748								

YEAR-END	AGE - TO - AGE DEVELOPMENT FACTORS								
	15 to 27	27 to 39	39 to 51	51 to 63	63 to 75	75 to 87	87 to 99	99 to 111	TAIL FACTOR
Dec. 2003	0.9284	0.9827	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
Dec. 2004	0.9947	0.9550	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
Dec. 2005	1.0120	0.7669	1.0000	1.0000	1.0000	1.0000			
Dec. 2006	0.9848	1.0000	1.0000	1.0000	1.0000				
Dec. 2007	1.0212	1.0441	1.0439	1.0466					
Dec. 2008	0.8762	1.0000	1.0000						
Dec. 2009	0.8835	1.0000							
Dec. 2010	0.9332								
WTD AVG.	0.9481	0.9272	1.0054	1.0076	1.0000	1.0000	1.0000	1.0000	
STR AVG.	0.9543	0.9641	1.0073	1.0093	1.0000	1.0000	1.0000	1.0000	
WTD AVG. 5	0.9225	0.9110	1.0065	1.0076	1.0000	1.0000	1.0000	1.0000	
STR AVG. 5	0.9398	0.9622	1.0088	1.0093	1.0000	1.0000	1.0000	1.0000	
SELECTED CUM	0.9398	0.9622	1.0088	1.0093	1.0000	1.0000	1.0000	1.0000	1.0000
ULT \$ ENDED	1,661,648 2011	2,106,128 2010	787,598 2009	989,185 2008	607,742 2007	152,954 2006	1,279,640 2005	790,751 2004	766,120 2003

INCURRED COUNT DEVELOPMENT

YEAR-END	AGE OF DEVELOPMENT								
	15 Months	27 Months	39 Months	51 Months	63 Months	75 Months	87 Months	99 Months	111 Months
Dec. 2003	7	7	7	7	7	7	7	7	7
Dec. 2004	5	5	5	5	5	5	5	5	5
Dec. 2005	3	3	3	3	3	3	3	3	
Dec. 2006	1	1	1	1	1	1	1		
Dec. 2007	1	1	1	1	1	1			
Dec. 2008	3	3	3	3					
Dec. 2009	7	7	7						
Dec. 2010	10	13							
Dec. 2011	8								

YEAR-END	AGE - TO - AGE DEVELOPMENT FACTORS								
	15 to 27	27 to 39	39 to 51	51 to 63	63 to 75	75 to 87	87 to 99	99 to 111	TAIL FACTOR
Dec. 2003	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
Dec. 2004	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
Dec. 2005	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000		
Dec. 2006	1.0000	1.0000	1.0000	1.0000	1.0000				
Dec. 2007	1.0000	1.0000	1.0000	1.0000					
Dec. 2008	1.0000	1.0000	1.0000						
Dec. 2009	1.0000	1.0000							
Dec. 2010	1.3000								
WTD AVG.	1.0811	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
STR AVG.	1.0375	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
WTD AVG. 5	1.1364	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
STR AVG. 5	1.0600	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
SELECTED CUM	1.0600	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
ULT # ENDED	8 2011	13 2010	7 2009	3 2008	1 2007	1 2006	3 2005	5 2004	7 2003

STATE AUTO INSURANCE COMPANIES
HOMEOWNERS

ARKANSAS
LIABILITY LOSSES - CLAIMS <\$100,000

INCURRED LOSS AND ALAE DEVELOPMENT

YEAR-END	AGE OF DEVELOPMENT								
	15 Months	27 Months	39 Months	51 Months	63 Months	75 Months	87 Months	99 Months	111 Months
Dec. 2003	57,365	59,678	87,822	95,784	85,807	85,807	85,807	85,807	85,807
Dec. 2004	29,020	44,020	26,283	26,283	26,283	26,283	26,283	26,283	26,283
Dec. 2005	62,295	71,132	104,814	108,393	108,393	108,393	108,393		
Dec. 2006	101,473	90,107	89,489	89,589	84,589	84,589			
Dec. 2007	24,123	23,873	23,873	23,873	23,873				
Dec. 2008	26,782	34,416	84,762	84,917					
Dec. 2009	94,901	71,368	67,367						
Dec. 2010	85,148	84,359							
Dec. 2011	47,421								

YEAR-END	AGE - TO - AGE DEVELOPMENT FACTORS								
	15 to 27	27 to 39	39 to 51	51 to 63	63 to 75	75 to 87	87 to 99	99 to 111	TAIL FACTOR
Dec. 2003	1.0403	1.4716	1.0907	0.8958	1.0000	1.0000	1.0000	1.0000	
Dec. 2004	1.5169	0.5971	1.0000	1.0000	1.0000	1.0000	1.0000		
Dec. 2005	1.1419	1.4735	1.0342	1.0000	1.0000	1.0000			
Dec. 2006	0.8880	0.9931	1.0011	0.9442	1.0000				
Dec. 2007	0.9896	1.0000	1.0000	1.0000					
Dec. 2008	1.2850	2.4629	1.0018						
Dec. 2009	0.7520	0.9439							
Dec. 2010	0.9907								
WTD AVG.	0.9955	1.2276	1.0283	0.9565	1.0000	1.0000	1.0000	1.0000	
STR AVG.	1.0756	1.2774	1.0213	0.9680	1.0000	1.0000	1.0000	1.0000	
WTD AVG. 5	0.9149	1.2730	1.0116	0.9565	1.0000	1.0000	1.0000	1.0000	
STR AVG. 5	0.9811	1.3747	1.0074	0.9680	1.0000	1.0000	1.0000	1.0000	
SELECTED CUM	1.5115	1.2505	1.0100	1.0378	0.9680	0.9911	0.9893	0.9996	1.0000
ULT \$ ENDED	89,134 2011	104,907 2010	66,992 2009	83,609 2008	22,650 2007	82,902 2006	107,186 2005	26,272 2004	85,807 2003

INCURRED COUNT DEVELOPMENT

YEAR-END	AGE OF DEVELOPMENT								
	15 Months	27 Months	39 Months	51 Months	63 Months	75 Months	87 Months	99 Months	111 Months
Dec. 2003	26	27	29	28	27	27	27	27	27
Dec. 2004	19	22	18	18	18	18	18	18	18
Dec. 2005	19	20	20	19	19	19	19		
Dec. 2006	30	31	27	27	26	26			
Dec. 2007	25	24	24	24	24				
Dec. 2008	24	24	24	24					
Dec. 2009	30	23	22						
Dec. 2010	26	24							
Dec. 2011	25								

YEAR-END	AGE - TO - AGE DEVELOPMENT FACTORS								
	15 to 27	27 to 39	39 to 51	51 to 63	63 to 75	75 to 87	87 to 99	99 to 111	TAIL FACTOR
Dec. 2003	1.0385	1.0741	0.9655	0.9643	1.0000	1.0000	1.0000	1.0000	
Dec. 2004	1.1579	0.8182	1.0000	1.0000	1.0000	1.0000	1.0000		
Dec. 2005	1.0526	1.0000	0.9500	1.0000	1.0000	1.0000			
Dec. 2006	1.0333	0.8710	1.0000	0.9630	1.0000				
Dec. 2007	0.9600	1.0000	1.0000	1.0000					
Dec. 2008	1.0000	1.0000	1.0000						
Dec. 2009	0.7667	0.9565							
Dec. 2010	0.9231								
WTD AVG.	0.9799	0.9591	0.9859	0.9828	1.0000	1.0000	1.0000	1.0000	
STR AVG.	0.9915	0.9600	0.9859	0.9854	1.0000	1.0000	1.0000	1.0000	
WTD AVG. 5	0.9333	0.9590	0.9912	0.9828	1.0000	1.0000	1.0000	1.0000	
STR AVG. 5	0.9366	0.9655	0.9900	0.9854	1.0000	1.0000	1.0000	1.0000	
SELECTED CUM	0.9997	0.9925	0.9884	0.9923	0.9925	0.9985	0.9946	0.9988	1.0000
ULT # ENDED	24 2011	23 2010	21 2009	23 2008	24 2007	26 2006	19 2005	18 2004	27 2003

STATE AUTO INSURANCE COMPANIES
HOMEOWNERS

ARKANSAS
LIABILITY LOSSES - CLAIMS >=\$100,000

INCURRED LOSS AND ALAE DEVELOPMENT

YEAR-END	AGE OF DEVELOPMENT								
	15 Months	27 Months	39 Months	51 Months	63 Months	75 Months	87 Months	99 Months	111 Months
Dec. 2003	0	0	0	0	0	0	0	0	0
Dec. 2004	0	0	0	0	0	0	0	0	0
Dec. 2005	0	0	0	0	0	0	0	0	0
Dec. 2006	102,062	102,062	102,062	102,062	102,062	102,062	102,062		
Dec. 2007	0	0	0	0	0	0			
Dec. 2008	300,000	300,000	300,000	300,000					
Dec. 2009	0	0	0						
Dec. 2010	0	0							
Dec. 2011	0								

YEAR-END	AGE - TO - AGE DEVELOPMENT FACTORS								
	15 to 27	27 to 39	39 to 51	51 to 63	63 to 75	75 to 87	87 to 99	99 to 111	TAIL FACTOR
Dec. 2003									
Dec. 2004									
Dec. 2005									
Dec. 2006	1.0000	1.0000	1.0000	1.0000	1.0000				
Dec. 2007									
Dec. 2008	1.0000	1.0000	1.0000						
Dec. 2009									
Dec. 2010									
WTD AVG.	1.0000	1.0000	1.0000	1.0000	1.0000	#DIV/0!	#DIV/0!	#DIV/0!	
STR AVG.	1.0000	1.0000	1.0000	1.0000	1.0000	#DIV/0!	#DIV/0!	#DIV/0!	
WTD AVG. 5	1.0000	1.0000	1.0000	1.0000	1.0000	#DIV/0!	#DIV/0!	#DIV/0!	
STR AVG. 5	1.0000	1.0000	1.0000	1.0000	1.0000	#DIV/0!	#DIV/0!	#DIV/0!	
SELECTED CUM	0.9817	0.9726	1.0027	1.0106	0.9902	1.0000	1.0000	1.0000	1.0000
ULT \$ ENDED	0 2011	0 2010	0 2009	300,195 2008	0 2007	102,062 2006	0 2005	0 2004	0 2003

INCURRED COUNT DEVELOPMENT

YEAR-END	AGE OF DEVELOPMENT								
	15 Months	27 Months	39 Months	51 Months	63 Months	75 Months	87 Months	99 Months	111 Months
Dec. 2003	0	0	0	0	0	0	0	0	0
Dec. 2004	0	0	0	0	0	0	0	0	0
Dec. 2005	0	0	0	0	0	0	0	0	0
Dec. 2006	2	2	2	2	2	2	2		
Dec. 2007	0	0	0	0	0	0			
Dec. 2008	1	1	1	1					
Dec. 2009	0	0	0						
Dec. 2010	0	0							
Dec. 2011	0								

YEAR-END	AGE - TO - AGE DEVELOPMENT FACTORS								
	15 to 27	27 to 39	39 to 51	51 to 63	63 to 75	75 to 87	87 to 99	99 to 111	TAIL FACTOR
Dec. 2003									
Dec. 2004									
Dec. 2005									
Dec. 2006	1.0000	1.0000	1.0000	1.0000	1.0000				
Dec. 2007									
Dec. 2008	1.0000	1.0000	1.0000						
Dec. 2009									
Dec. 2010									
WTD AVG.	1.0000	1.0000	1.0000	1.0000	1.0000	#DIV/0!	#DIV/0!	#DIV/0!	
STR AVG.	1.0000	1.0000	1.0000	1.0000	1.0000	#DIV/0!	#DIV/0!	#DIV/0!	
WTD AVG. 5	1.0000	1.0000	1.0000	1.0000	1.0000	#DIV/0!	#DIV/0!	#DIV/0!	
STR AVG. 5	1.0000	1.0000	1.0000	1.0000	1.0000	#DIV/0!	#DIV/0!	#DIV/0!	
SELECTED CUM	1.0146	0.9070	0.9500	1.0111	0.9868	1.0000	1.0000	1.0000	1.0000
ULT # ENDED	0 2011	0 2010	0 2009	1 2008	0 2007	2 2006	0 2005	0 2004	0 2003

STATE AUTO INSURANCE COMPANIES
HOMEOWNERS

ARKANSAS
WIND/HAIL LOSSES

INCURRED LOSS AND ALAE DEVELOPMENT

YEAR-END	AGE OF DEVELOPMENT									
	15 Months	27 Months	39 Months	51 Months	63 Months	75 Months	87 Months	99 Months	111 Months	
Dec. 2003	827,826	839,220	842,324	842,324	848,896	848,896	848,896	848,896	848,896	848,896
Dec. 2004	1,165,086	1,204,791	1,208,566	1,212,215	1,212,215	1,212,215	1,212,215	1,212,215	1,212,215	
Dec. 2005	2,585,053	2,979,372	3,098,355	3,229,807	3,239,631	3,239,631	3,239,631	3,239,631		
Dec. 2006	3,042,332	3,016,670	3,021,582	3,039,474	3,043,121	3,052,650				
Dec. 2007	1,134,951	1,134,565	1,135,777	1,135,758	1,135,758					
Dec. 2008	14,263,725	13,642,926	13,659,196	13,635,505						
Dec. 2009	6,024,290	6,132,985	6,101,278							
Dec. 2010	4,554,342	4,506,333								
Dec. 2011	8,526,603									

YEAR-END	AGE - TO - AGE DEVELOPMENT FACTORS									TAIL FACTOR
	15 to 27	27 to 39	39 to 51	51 to 63	63 to 75	75 to 87	87 to 99	99 to 111		
Dec. 2003	1.0138	1.0037	1.0000	1.0078	1.0000	1.0000	1.0000	1.0000	1.0000	
Dec. 2004	1.0341	1.0031	1.0030	1.0000	1.0000	1.0000	1.0000	1.0000		
Dec. 2005	1.1525	1.0399	1.0424	1.0030	1.0000	1.0000				
Dec. 2006	0.9916	1.0016	1.0059	1.0012	1.0031					
Dec. 2007	0.9997	1.0011	1.0000	1.0000						
Dec. 2008	0.9565	1.0012	0.9983							
Dec. 2009	1.0180	0.9948								
Dec. 2010	0.9895									
WTD AVG.	0.9958	1.0040	1.0056	1.0021	1.0011	1.0000	1.0000	1.0000		
STR AVG.	1.0194	1.0065	1.0083	1.0024	1.0008	1.0000	1.0000	1.0000		
WTD AVG. 5	0.9798	1.0041	1.0058	1.0021	1.0011	1.0000	1.0000	1.0000		
STR AVG. 5	0.9910	1.0077	1.0099	1.0024	1.0008	1.0000	1.0000	1.0000		
SELECTED CUM	0.9910	1.0077	1.0099	1.0024	1.0008	1.0000	1.0000	1.0000	1.0000	1.0000
UL T \$ ENDED	8,627,505	4,600,880	6,181,500	13,679,050	1,136,647	3,052,650	3,239,631	1,212,215	848,896	42,578,974
	2011	2010	2009	2008	2007	2006	2005	2004	2003 TOTAL	

INCURRED COUNT DEVELOPMENT

YEAR-END	AGE OF DEVELOPMENT									
	15 Months	27 Months	39 Months	51 Months	63 Months	75 Months	87 Months	99 Months	111 Months	
Dec. 2003	223	225	227	227	228	228	228	228	228	228
Dec. 2004	290	291	292	293	293	293	293	293	293	
Dec. 2005	498	582	597	611	615	615	615			
Dec. 2006	592	605	606	610	612	613				
Dec. 2007	206	207	207	207	207					
Dec. 2008	2,016	2,038	2,046	2,046						
Dec. 2009	765	804	804							
Dec. 2010	543	553								
Dec. 2011	987									

YEAR-END	AGE - TO - AGE DEVELOPMENT FACTORS									TAIL FACTOR
	15 to 27	27 to 39	39 to 51	51 to 63	63 to 75	75 to 87	87 to 99	99 to 111		
Dec. 2003	1.0090	1.0089	1.0000	1.0044	1.0000	1.0000	1.0000	1.0000	1.0000	
Dec. 2004	1.0034	1.0034	1.0034	1.0000	1.0000	1.0000	1.0000	1.0000		
Dec. 2005	1.1687	1.0258	1.0235	1.0065	1.0000	1.0000				
Dec. 2006	1.0220	1.0017	1.0066	1.0033	1.0016					
Dec. 2007	1.0049	1.0000	1.0000	1.0000						
Dec. 2008	1.0109	1.0039	1.0000							
Dec. 2009	1.0510	1.0000								
Dec. 2010	1.0184									
WTD AVG.	1.0335	1.0057	1.0048	1.0036	1.0006	1.0000	1.0000	1.0000		
STR AVG.	1.0360	1.0062	1.0056	1.0028	1.0004	1.0000	1.0000	1.0000		
WTD AVG. 5	1.0206	1.0057	1.0051	1.0036	1.0006	1.0000	1.0000	1.0000		
STR AVG. 5	1.0214	1.0063	1.0067	1.0028	1.0004	1.0000	1.0000	1.0000		
SELECTED CUM	1.0214	1.0063	1.0067	1.0028	1.0004	1.0000	1.0000	1.0000	1.0000	1.0000
	1.0381	1.0163	1.0100	1.0033	1.0004	1.0000	1.0000	1.0000	1.0000	1.0000
UL T # ENDED	1,025	562	812	2,053	207	613	615	293	228	6,407
	2011	2010	2009	2008	2007	2006	2005	2004	2003 TOTAL	

STATE AUTO INSURANCE COMPANIES
HOMEOWNERS

ARKANSAS
WINTER LOSSES

INCURRED LOSS AND ALAE DEVELOPMENT

YEAR-END	AGE OF DEVELOPMENT								
	15 Months	27 Months	39 Months	51 Months	63 Months	75 Months	87 Months	99 Months	111 Months
Dec. 2003	20,688	20,688	20,688	20,688	20,688	20,688	20,688	20,688	20,688
Dec. 2004	6,904	6,993	6,993	6,993	6,993	6,993	6,993	6,993	6,993
Dec. 2005	52,762	52,762	52,762	52,762	52,762	52,762	52,762		
Dec. 2006	7,909	2,909	2,909	2,909	2,909	2,909			
Dec. 2007	33,252	33,252	33,252	33,252	33,252				
Dec. 2008	16,037	15,258	15,258	15,258					
Dec. 2009	1,657,259	1,651,234	1,651,234						
Dec. 2010	283,220	279,234							
Dec. 2011	88,429								

YEAR-END	AGE - TO - AGE DEVELOPMENT FACTORS									TAIL FACTOR
	15 to 27	27 to 39	39 to 51	51 to 63	63 to 75	75 to 87	87 to 99	99 to 111		
Dec. 2003	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
Dec. 2004	1.0129	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000		
Dec. 2005	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000			
Dec. 2006	0.3678	1.0000	1.0000	1.0000	1.0000					
Dec. 2007	1.0000	1.0000	1.0000	1.0000						
Dec. 2008	0.9514	1.0000	1.0000							
Dec. 2009	0.9964	1.0000								
Dec. 2010	0.9859									
WTD AVG.	0.9924	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000		
STR AVG.	0.9143	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000		
WTD AVG. 5	0.9921	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000		
STR AVG. 5	0.8603	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000		

SELECTED CUM	0.8603	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
ULT \$ ENDED	76,075 2011	279,234 2010	1,651,234 2009	15,258 2008	33,252 2007	2,909 2006	52,762 2005	6,993 2004	20,688 2003	2,138,405 TOTAL	

INCURRED COUNT DEVELOPMENT

YEAR-END	AGE OF DEVELOPMENT								
	15 Months	27 Months	39 Months	51 Months	63 Months	75 Months	87 Months	99 Months	111 Months
Dec. 2003	11	11	11	11	11	11	11	11	11
Dec. 2004	4	4	4	4	4	4	4	4	4
Dec. 2005	3	3	3	3	3	3	3	3	3
Dec. 2006	3	2	2	2	2	2			
Dec. 2007	7	7	7	7	7				
Dec. 2008	5	5	5	5					
Dec. 2009	512	513	513						
Dec. 2010	47	47							
Dec. 2011	18								

YEAR-END	AGE - TO - AGE DEVELOPMENT FACTORS									TAIL FACTOR
	15 to 27	27 to 39	39 to 51	51 to 63	63 to 75	75 to 87	87 to 99	99 to 111		
Dec. 2003	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
Dec. 2004	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000		
Dec. 2005	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000			
Dec. 2006	0.6667	1.0000	1.0000	1.0000	1.0000					
Dec. 2007	1.0000	1.0000	1.0000	1.0000						
Dec. 2008	1.0000	1.0000	1.0000							
Dec. 2009	1.0020	1.0000								
Dec. 2010	1.0000									
WTD AVG.	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000		
STR AVG.	0.9586	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000		
WTD AVG. 5	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000		
STR AVG. 5	0.9337	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000		

SELECTED CUM	0.9337	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
ULT # ENDED	17 2011	47 2010	513 2009	5 2008	7 2007	2 2006	3 2005	4 2004	11 2003	609 TOTAL	

**State Auto Insurance Companies
Homeowners - Arkansas
Wind & Hail Incurred Claim Frequency**

	(1)	(2)	(3) (2) / (1)
Accident Year	Earned Exposures	Incurred Claims (a)	Average Frequency
1997	7,511	196	0.026
1998	7,605	228	0.030
1999	7,315	707	0.097
2000	6,794	207	0.030
2001	6,889	177	0.026
2002	7,918	172	0.022
2003	9,184	228	0.025
2004	9,356	293	0.031
2005	9,338	615	0.066
2006	9,252	613	0.066
2007	9,232	207	0.022
2008	10,266	2,046	0.199
2009	12,003	804	0.067
2010	12,107	553	0.046
2011	11,364	987	0.087

Straight Average of Last 15 Years

Time-Weighted Average of Last 15 Years

Selected Frequency

(a) Incurred Losses and Claims evaluated at 03/31/2012

**State Auto Insurance Companies
Homeowners - Arkansas
Wind & Hail Incurred Claim Trended Severity**

Accident Year	(1) Incurred Losses (a)	(2) Incurred Claims (a)	(3) (1) / (2) Average Severity	(4) Original Projected Severity (b)	New Projected Severity (b)
1997	574,127	196	\$2,929	\$10,120	\$10,120
1998	602,667	228	\$2,643	\$8,358	\$8,358
1999	2,467,918	707	\$3,491	\$10,102	\$10,102
2000	618,417	207	\$2,988	\$7,913	\$7,913
2001	523,722	177	\$2,959	\$7,173	\$7,173
2002	475,303	172	\$2,763	\$6,132	\$6,132
2003	848,896	228	\$3,723	\$7,561	\$7,561
2004	1,212,215	293	\$4,137	\$7,690	\$7,690
2005	3,239,631	615	\$5,268	\$8,961	\$8,961
2006	3,052,650	613	\$4,980	\$7,754	\$7,754
2007	1,135,758	207	\$5,487	\$7,819	\$7,819
2008	13,635,505	2,046	\$6,664	\$8,692	\$8,692
2009	6,101,278	804	\$7,589	\$9,059	\$9,059
2010	4,506,333	553	\$8,149	\$8,903	\$8,903
2011	8,526,603	987	\$8,639	\$8,639	\$8,639

(5) Calculated Severity Trend 9.3%
Based on 15 -Point Exponential Regression

(6) Selected Severity Trend **9.3%**

(7) 15 -Year Straight Average Projected Severity \$8,325

(8) Time-Weighted Average Projected Severity \$8,258

(9) Selected Severity **\$8,258**

- (a) Incurred Losses and Claims evaluated at 03/31/2012
- (b) The Selected Severity Trend (6) is used to project losses from the midpoint of each accident year to the midpoint of the last year in the experience period (07/01/2011).

**State Auto Insurance Companies
Homeowners - Arkansas
Winter Incurred Claim Frequency**

	(1)	(2)	(3) (2) / (1)
Accident Year	Earned Exposures	Incurred Claims (a)	Average Frequency
1997	7,511	1	0.000
1998	7,605	10	0.001
1999	7,315	33	0.005
2000	6,794	748	0.110
2001	6,889	24	0.003
2002	7,918	20	0.003
2003	9,184	11	0.001
2004	9,356	4	0.000
2005	9,338	3	0.000
2006	9,252	2	0.000
2007	9,232	7	0.001
2008	10,266	5	0.000
2009	12,003	513	0.043
2010	12,107	47	0.004
2011	11,364	18	0.002

Straight Average of Last 15 Years

Time-Weighted Average of Last 15 Years

Selected Frequency

(a) Incurred Losses and Claims evaluated at 03/31/2012

**State Auto Insurance Companies
Homeowners - Arkansas
Winter Incurred Claim Trended Severity**

Accident Year	(1) Incurred Losses (a)	(2) Incurred Claims (a)	(3) Average Severity (2) / (1)	(4) Original Projected Severity (b)	New Projected Severity (b)
1997	783	1	\$783	\$3,448	\$1,881
1998	10,870	10	\$1,087	\$4,309	\$2,455
1999	93,072	33	\$2,820	\$10,056	\$5,982
2000	2,020,431	748	\$2,701	\$8,662	\$5,381
2001	43,027	24	\$1,793	\$5,172	\$3,355
2002	24,976	20	\$1,249	\$3,240	\$2,195
2003	20,688	11	\$1,881	\$4,389	\$3,105
2004	6,993	4	\$1,748	\$3,670	\$2,711
2005	52,762	3	\$17,587	\$33,208	\$25,614
2006	2,909	2	\$1,454	\$2,470	\$1,990
2007	33,252	7	\$4,750	\$7,257	\$6,104
2008	15,258	5	\$3,052	\$4,193	\$3,683
2009	1,651,234	513	\$3,219	\$3,978	\$3,649
2010	279,234	47	\$5,941	\$6,605	\$6,325
2011	88,429	18	\$4,913	\$4,913	\$4,913

(5) Calculated Severity Trend 11.2%
Based on 15 -Point Exponential Regression

(6) Selected Severity Trend 6.5%
[Selected Trend is the Companywide Trend](#)

(7) 15 -Year Straight Average Projected Severity \$4,738

(8) Time-Weighted Average Projected Severity \$4,697

(9) Selected Severity \$4,697
[Severities from low-frequency years given less weight](#)

- (a) Incurred Losses and Claims evaluated at 03/31/2012
- (b) The Selected Severity Trend (6) is used to project losses from the midpoint of each accident year to the midpoint of the last year in the experience period (07/01/2011).

STATE AUTO INSURANCE COMPANIES

Homeowners Loss and Loss Adjustment Expense

Annual Statement Line 4.0

	2006	2007	2008	2009	2010	2011	Selected
Direct Losses Incurred	157,483,000	132,914,000	244,335,000	227,980,408	225,673,490	351,004,848	
Direct ALAE Incurred	11,770,098	9,384,191	18,422,152	25,124,145	9,054,472	26,705,421	
Direct ULAE Incurred	9,436,026	8,756,826	13,578,642	13,676,076	14,821,440	19,411,824	
ULAE Ratio	1.056	1.062	1.052	1.054	1.063	1.051	1.055

ULAE Ratio =
$$\frac{(\text{Direct Losses Incurred} + \text{Direct ALAE Incurred} + \text{Direct ULAE Incurred})}{(\text{Direct Losses Incurred} + \text{Direct ALAE Incurred})}$$

State Auto Insurance Companies
Homeowners - CustomFit® Home Phase I
Arkansas
Statewide Impacts

Forms	Program	Current Premium	Long Term		
			Proposed Premium	% Impact	\$ Impact
3 & 5	Securgard	1,550,565	1,795,391	15.8%	244,826
	Defender	9,792,296	11,308,638	15.5%	1,516,342
	Estates	671,560	773,661	15.2%	102,101
Total		12,014,421	13,877,690	15.5%	1,863,269
4	Securgard	34,933	34,347	-1.7%	(586)
	Defender	125,931	123,788	-1.7%	(2,143)
	Estates	4,546	4,527	-0.4%	(19)
Total		165,410	162,662	-1.7%	(2,748)
6	Securgard	13,335	13,335	0.0%	0
	Defender	67,112	67,112	0.0%	0
	Estates	11,987	11,987	0.0%	0
Total		92,434	92,434	0.0%	0
Statewide		12,272,265	14,132,786	15.2%	1,860,521
Water Backup		148,600	148,600	0.0%	0
Total Change		12,420,865	14,281,386	15.0%	1,860,521
Earthquake		215,321	215,321	0.0%	0

Assumed Effective Date: 9/13/2012 for All Business

Current Premium is the estimated premium for policies in force 5/30/2012 rated using the rates effective 8/28/2011.

ARKANSAS
HOME OPTIONS BASE RATES AND RELATIVITIES
Effective 9-13-2012

COVERAGE A RATING STEPS

Forms HO-0003 and HO-0005

(round to whole dollar after each intermediate step; truncate after final step)

1. Base Rate
2. Result #1 X Protection/Construction Relativity
3. Result #2 X Policy Size Relativity
4. Result #3 X Form Relativity (HO-0005)
5. Result #4 X Special Loss Settlement Rating Factor
6. Result #5 - Secondary Residence Credit (\$ amount)
7. Result #6 X Number of Family Factor
8. Result #7 X Townhouse/Rowhouse Factor
9. Result #8 X Superior Construction Factor
10. Result #9 X Age of Dwelling Factor OR [1 - Total Utility Update Credit Percentage]
11. Result #10 X Home Purchase Discount Factor (if applicable)
12. Result #11 X Deductible Factor (subject to a dollar maximum credit)
13. Result #12 X Building Code Effectiveness Grading (BCEG) (if applicable)
14. Result #13 X Wind/Hail Exclusion Credit Factor (if applicable)
15. Result #14 X Windstorm Protective Devices Factor (if applicable)
16. Result #15 X Roof Construction Discount Factor
17. Result #16 X ACV Wind/Hail Loss to Roof Factor
18. Result #17 X Loss Experience Rating Factor
19. Result #18 X Financial Stability Rating Factor
20. Result #19 X [1 - Total Protective Device Discount Percentage]
21. Result #20 X Package Factor
22. Result #21 + Package Charge (\$ amount)
23. Result #22 X Auto/Home Discount Factor
24. Result #23 X Prime of Life Discount Factor
25. Result #24 X Advantage/Group Factor (if applicable)
26. Result #25 X Fire Insurance Premium Tax Credit Factor (if applicable)
27. Result #26* X Term Factor
28. Result #27 X Capping Factor

* If Result #26 is less than Minimum Premium, use Minimum Premium.

SECURGARD PLUS RATING STEPS -- FI 264

Forms HO-0003 and HO-0005

(round to whole dollar after each intermediate step; truncate after final step)

The premium developed here is in addition to that developed above for the base Securgard option.

1. Base Rate
2. Result #1 X Protection/Construction Relativity
3. Result #2 X Policy Size Relativity
4. Result #3 X Form Relativity (HO-0005)
5. Result #4 X Financial Stability Rating Factor
6. Result #5 X FI-264 Percentage (subject to a dollar minimum)
7. Result #6 + FI-264 Dollar Charge
8. Result #7 X Advantage/Group Factor (if applicable)
9. Result #8 X Term Factor
10. Result #9 X Capping Factor

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COVERAGE C RATING STEPS

Form HO-0004

(round to whole dollar after each intermediate step; truncate after final step)

1. Base Rate
2. Result #1 X Protection/Construction Relativity
3. Result #2 X Policy Size Relativity
4. Result #3 X Form Relativity
5. Result #4 - Secondary Residence Credit (\$ amount)
6. Result #5 X Superior Construction Factor
7. Result #6 X Deductible Factor (subject to a dollar maximum credit)
8. Result #7 X Building Code Effectiveness Grading (BCEG) (if applicable)
9. Result #8 X Wind/Hail Exclusion Credit Factor (if applicable)
10. Result #9 X Windstorm Protective Devices Factor (if applicable)
11. Result #10 X Loss Experience Rating Factor
12. Result #11 X Financial Stability Rating Factor
13. Result #12 X [1 - Total Protective Device Discount Percentage]
14. Result #13 X Package Factor
15. Result #14 + Package Charge (\$ amount)
16. Result #15 X Auto/Home Discount Factor
17. Result #16 X Prime of Life Discount Factor
18. Result #17 X Advantage/Group Factor (if applicable)
19. Result #18* X Term Factor
20. Result #19 X Capping Factor

* If Result #18 is less than Minimum Premium, use Minimum Premium.

COVERAGE C RATING STEPS

Form HO-0006

(round to whole dollar after each intermediate step; truncate after final step)

1. Base Rate
2. Result #1 X Protection/Construction Relativity
3. Result #2 X Policy Size Relativity
4. Result #3 X Form Relativity
5. Result #4 - Secondary Residence Credit (\$ amount)
6. Result #5 X Superior Construction Factor
7. Result #6 X Deductible Factor (subject to a dollar maximum credit)
8. Result #7 X Building Code Effectiveness Grading (BCEG) (if applicable)
9. Result #8 X Wind/Hail Exclusion Credit Factor (if applicable)
10. Result #9 X Windstorm Protective Devices Factor (if applicable)
11. Result #10 X Loss Experience Rating Factor
12. Result #11 X Financial Stability Rating Factor
13. Result #12 X [1 - Total Protective Device Discount Percentage]
14. Result #13 X Package Factor
15. Result #14 + Package Charge (\$ amount)
16. Result #15 X Auto/Home Discount Factor
17. Result #16 X Prime of Life Discount Factor
18. Result #17 X Advantage/Group Factor (if applicable)
19. Result #18 X Fire Insurance Premium Tax Credit Factor (if applicable)
20. Result #19* X Term Factor
21. Result #20 X Capping Factor

* If Result #19 is less than Minimum Premium, use Minimum Premium.

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RATING TERRITORY GROUP

Use the Territory of the insured to assign a Rating Territory Group from this table. This Rating Territory Group will be used to look up the base rate.

Territory	Group								
101	32	167	39	232	39	298	48	350	33
102	32	169	39	233	59	299	39	351	38
103	32	171	39	234	58	300	49	353	36
105	32	172	39	236	39	301	49	354	60
106	32	173	39	237	39	303	39	355	31
107	32	174	39	238	39	304	39	357	38
109	45	176	39	239	39	305	34	359	39
110	39	177	39	240	39	306	39	360	33
112	45	178	39	241	58	307	38	361	38
114	45	179	39	243	39	308	32	362	60
115	45	180	39	244	39	309	44	363	33
116	45	181	39	245	39	310	38	365	34
118	45	182	39	247	40	311	34	366	34
119	45	183	39	248	40	313	60	367	39
120	45	185	39	249	40	314	39	368	34
122	45	186	39	251	40	315	60	369	36
123	39	188	39	252	40	316	36	370	60
125	39	189	39	254	40	317	44	371	38
126	39	190	39	255	40	318	39	372	34
127	45	191	39	257	39	319	34	374	34
128	45	192	39	258	39	320	34	375	38
129	39	194	39	259	39	321	39	376	38
130	39	196	39	260	39	322	39	377	44
131	39	198	39	262	34	323	44	378	31
132	45	200	58	264	49	324	38	380	31
133	32	201	58	265	40	325	39	381	32
134	39	203	39	267	48	326	34	382	34
135	45	205	39	269	49	327	34	383	60
136	45	206	39	271	39	328	34	384	60
137	45	208	58	272	34	329	38	385	34
139	39	209	39	273	34	330	34	386	39
140	45	210	39	274	39	331	36	387	60
141	45	211	39	275	49	332	38	388	34
143	39	213	58	276	49	333	34	389	39
144	39	214	39	278	40	334	36	390	36
146	45	215	39	279	39	335	33	391	39
147	39	216	59	281	39	336	33	393	31
148	45	217	39	282	49	337	33	394	38
149	39	218	39	284	40	338	33	395	60
150	45	219	59	285	48	339	38	396	39
152	39	220	58	286	39	340	34	397	34
154	39	221	59	287	39	341	38	398	34
156	39	222	59	288	48	342	33	399	33
157	39	223	39	289	48	343	34	400	34
158	39	224	39	290	39	344	34	401	38
160	39	226	39	292	40	345	38	403	34
161	39	227	39	293	48	346	44	404	33
162	39	228	58	294	48	347	36	405	44
164	39	230	39	296	40	348	60	406	31
166	39	231	39	297	48	349	34	407	30

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RATING TERRITORY GROUP

Use the Territory of the insured to assign a Rating Territory Group from this table. This Rating Territory Group will be used to look up the base rate.

Territory	Group								
408	30	468	32	535	45	600	54	658	54
409	30	469	31	537	45	601	54	659	44
410	30	471	30	538	45	602	44	660	44
411	30	473	30	540	44	603	44	661	44
412	30	474	30	541	45	604	44	662	54
413	31	475	30	542	45	605	44	663	44
414	60	476	30	543	45	607	44	664	44
415	39	477	30	544	45	609	44	666	54
416	38	478	30	546	45	610	54	667	44
417	30	479	30	547	38	612	54	669	36
418	34	480	30	548	45	613	54	671	36
419	34	481	30	550	44	614	44	673	36
420	34	483	30	551	44	615	44	675	36
421	39	484	30	552	45	616	44	676	36
422	39	485	30	553	45	617	44	678	36
423	36	486	30	554	44	618	54	680	36
424	36	488	30	555	45	619	44	682	36
425	32	489	30	557	44	620	44	683	36
426	32	490	30	558	45	621	44	684	36
427	38	491	30	559	45	622	54	685	36
428	31	493	30	561	45	623	54	686	36
429	60	495	30	562	44	624	54	687	36
430	60	496	30	563	45	625	44	688	36
432	60	497	30	564	45	626	44	689	36
433	38	499	30	565	45	627	54	690	36
434	36	501	30	566	45	628	44	691	36
435	34	503	30	567	44	629	54	692	36
436	60	505	30	569	45	630	44	693	36
438	60	507	30	570	38	631	54	694	36
440	60	509	45	571	45	632	54	695	36
441	39	511	45	573	45	633	44	696	36
443	32	513	44	574	44	635	44	697	36
444	36	514	45	576	45	637	54	699	36
446	34	515	45	578	45	638	54	700	36
447	34	516	44	579	45	639	54	701	36
449	38	518	44	581	44	641	54	702	36
451	31	519	44	582	38	642	54	703	36
452	36	521	44	584	45	643	54	705	36
453	38	522	45	585	45	644	54	706	36
454	39	523	44	586	44	645	44	707	36
455	32	524	45	587	45	646	44	708	36
456	44	526	38	589	45	647	44	709	36
457	34	527	45	590	44	648	54	711	36
459	33	528	45	591	38	649	54	713	36
461	32	529	45	593	44	650	54	714	36
462	34	530	45	594	44	652	54	715	36
464	60	531	44	595	44	653	44	716	36
465	36	532	44	596	44	654	44	718	36
466	31	533	45	598	44	655	44	719	36
467	33	534	45	599	44	657	36	720	36

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RATING TERRITORY GROUP

Use the Territory of the insured to assign a Rating Territory Group from this table. This Rating Territory Group will be used to look up the base rate.

Territory	Group								
722	36	790	36	856	37	925	37	990	37
723	36	791	35	858	35	926	42	991	37
724	36	793	36	859	35	927	41	992	37
725	36	794	36	861	35	928	42	993	35
726	36	796	35	863	35	929	37		
727	36	797	41	865	35	930	42		
729	36	798	35	866	37	931	41		
730	44	799	36	867	35	932	42		
731	36	801	35	869	35	934	41		
733	36	803	41	870	35	936	37		
734	36	804	41	871	35	938	37		
735	36	805	35	873	37	940	47		
736	36	807	41	874	35	941	47		
737	36	809	41	875	35	942	47		
739	36	811	41	877	35	943	47		
741	36	813	42	878	35	944	47		
742	36	814	36	879	35	945	47		
743	36	816	41	881	35	947	47		
745	36	817	35	882	35	949	47		
747	35	819	35	883	35	950	47		
748	35	820	41	885	37	952	47		
750	35	821	41	886	35	953	47		
752	35	823	35	888	37	954	47		
754	35	824	35	890	42	955	47		
755	35	825	35	891	42	957	37		
756	36	826	35	893	42	959	37		
758	41	828	35	894	42	961	37		
760	36	829	35	896	37	962	37		
761	35	831	35	897	37	963	37		
763	36	832	35	899	42	965	37		
765	35	833	35	900	41	967	37		
766	36	834	35	902	37	968	37		
767	35	835	35	903	41	969	37		
768	35	836	35	904	41	970	37		
769	35	838	37	905	41	971	37		
770	35	839	35	906	42	972	37		
771	41	841	35	908	42	973	37		
772	36	842	35	909	41	975	37		
773	41	843	35	910	41	976	37		
775	35	844	35	911	37	978	37		
776	41	846	35	913	42	979	37		
777	35	847	35	914	41	980	37		
778	35	848	35	915	42	981	37		
779	36	849	35	916	42	982	37		
781	35	850	35	917	37	983	37		
782	41	851	35	918	41	984	37		
784	35	852	37	919	42	985	37		
786	41	853	35	921	42	986	37		
787	36	854	37	922	42	987	37		
789	36	855	35	923	42	989	37		

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BASE RATES

Rating Territory Group	Forms 3 & 5	Form 4	Form 6
30	\$1,212	\$177	\$144
31	\$1,256	\$177	\$144
32	\$1,300	\$177	\$144
33	\$1,114	\$177	\$144
34	\$1,185	\$177	\$144
35	\$1,053	\$177	\$144
36	\$1,064	\$177	\$144
37	\$1,022	\$177	\$144
38	\$1,247	\$177	\$144
39	\$1,362	\$177	\$144
40	\$1,010	\$177	\$144
41	\$1,214	\$177	\$144
42	\$1,080	\$177	\$144
44	\$1,514	\$177	\$144
45	\$1,473	\$177	\$144
47	\$1,060	\$177	\$144
48	\$1,420	\$177	\$144
49	\$1,265	\$177	\$144
54	\$1,175	\$177	\$144
58	\$1,360	\$177	\$144
59	\$1,356	\$177	\$144
60	\$1,338	\$177	\$144

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PROTECTION/CONSTRUCTION RELATIVITIES

Protection Class	Frame			Masonry			Masonry Veneer		
	Forms 3 & 5	Form 4	Form 6	Forms 3 & 5	Form 4	Form 6	Forms 3 & 5	Form 4	Form 6
01	0.91	1.00	1.00	0.83	1.00	1.00	0.87	1.00	1.00
02	0.91	1.00	1.00	0.83	1.00	1.00	0.87	1.00	1.00
03	0.91	1.00	1.00	0.83	1.00	1.00	0.87	1.00	1.00
04	1.00	1.00	1.00	0.91	1.00	1.00	0.95	1.00	1.00
05	1.00	1.10	1.10	0.91	1.10	1.10	0.95	1.10	1.10
06	1.05	1.10	1.10	0.94	1.10	1.10	1.00	1.10	1.10
07	1.22	1.26	1.26	1.07	1.26	1.26	1.07	1.26	1.26
08	1.71	1.26	1.26	1.41	1.26	1.26	1.41	1.26	1.26
8B	2.31	1.65	1.65	1.94	1.65	1.65	1.94	1.65	1.65
09	2.31	1.65	1.65	1.94	1.65	1.65	1.94	1.65	1.65
10	2.95	1.65	1.65	2.59	1.65	1.65	2.59	1.65	1.65
11	1.22	1.26	1.26	1.07	1.26	1.26	1.07	1.26	1.26
12	1.22	1.26	1.26	1.07	1.26	1.26	1.07	1.26	1.26
13	1.22	1.26	1.26	1.07	1.26	1.26	1.07	1.26	1.26
14	1.22	1.26	1.26	1.07	1.26	1.26	1.07	1.26	1.26
15	1.22	1.26	1.26	1.07	1.26	1.26	1.07	1.26	1.26
16	1.22	1.26	1.26	1.07	1.26	1.26	1.07	1.26	1.26
17	1.22	1.26	1.26	1.07	1.26	1.26	1.07	1.26	1.26
18	1.71	1.26	1.26	1.41	1.26	1.26	1.41	1.26	1.26
19	2.31	1.65	1.65	1.94	1.65	1.65	1.94	1.65	1.65

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POLICY SIZE RELATIVITIES - FORMS HO-0003 & HO-0005

Cov A (000's)	Relativity	Cov A (000's)	Relativity	Cov A (000's)	Relativity
20	0.706	270	2.348	650	5.481
25	0.719	280	2.422	660	5.570
30	0.733	290	2.492	670	5.659
35	0.747	300	2.561	680	5.748
40	0.761	310	2.636	690	5.837
45	0.776	320	2.712	700	5.926
50	0.790	330	2.787	710	6.010
55	0.804	340	2.888	720	6.093
60	0.818	350	2.964	730	6.177
65	0.834	360	3.045	740	6.260
70	0.854	370	3.126	750	6.344
75	0.883	380	3.207	760	6.427
80	0.908	390	3.288	770	6.510
85	0.931	400	3.369	780	6.594
90	0.956	410	3.454	790	6.677
95	0.976	420	3.538	800	6.761
100	1.000	430	3.622	810	6.844
105	1.032	440	3.707	820	6.928
110	1.063	450	3.791	830	7.011
115	1.092	460	3.899	840	7.095
120	1.124	470	3.983	850	7.178
125	1.159	480	4.067	860	7.262
130	1.192	490	4.151	870	7.345
135	1.221	500	4.235	880	7.429
140	1.256	510	4.318	890	7.512
145	1.293	520	4.402	900	7.596
150	1.328	530	4.485	910	7.680
160	1.402	540	4.568	920	7.763
170	1.487	550	4.651	930	7.847
180	1.573	560	4.734	940	7.931
190	1.663	570	4.817	950	8.015
200	1.748	580	4.900	960	8.098
210	1.842	590	4.983	970	8.182
220	1.927	600	5.066	980	8.266
230	2.019	610	5.149	990	8.350
240	2.101	620	5.232	1000	8.433
250	2.179	630	5.315	Addl 10K	0.084
260	2.257	640	5.398		

Interpolation of Premiums for Policy Amounts Not Shown Above

The premium for a policy amount, in excess of the minimum policy amount, not shown above may be obtained by interpolation.

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POLICY SIZE RELATIVITIES - FORMS HO-0004 & HO-0006

Cov C	Form 4	Form 6	Cov C	Form 4	Form 6
5	0.260	0.260	31	1.019	1.019
6	0.313	0.313	32	1.038	1.038
7	0.365	0.365	33	1.058	1.058
8	0.417	0.417	34	1.076	1.076
9	0.469	0.469	35	1.096	1.096
10	0.521	0.521	36	1.113	1.113
11	0.573	0.573	37	1.129	1.129
12	0.625	0.625	38	1.146	1.146
13	0.651	0.651	39	1.163	1.163
14	0.676	0.676	40	1.181	1.181
15	0.699	0.699	45	1.265	1.265
16	0.724	0.724	50	1.338	1.338
17	0.750	0.750	55	1.416	1.416
18	0.772	0.772	60	1.493	1.493
19	0.794	0.794	65	1.570	1.570
20	0.816	0.816	70	1.647	1.647
21	0.838	0.838	75	1.724	1.724
22	0.857	0.857	80	1.801	1.801
23	0.875	0.875	85	1.878	1.878
24	0.890	0.890	90	1.955	1.955
25	0.908	0.908	95	2.032	2.032
26	0.927	0.927	100	2.109	2.109
27	0.945	0.945	Add 10K	0.154	0.154
28	0.963	0.963			
29	0.982	0.982			
30	1.000	1.000			

Interpolation of Premiums for Policy Amounts Not Shown Above

The premium for a policy amount, in excess of the minimum policy amount, not shown above may be obtained by interpolation.

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AGE OF DWELLING FACTORS

Age of Dwelling	Factor	Age of Dwelling	Factor	Age of Dwelling	Factor
0	0.61	34	0.83	68	0.86
1	0.63	35	0.83	69	0.86
2	0.65	36	0.83	70	0.86
3	0.68	37	0.83	71	0.86
4	0.70	38	0.83	72	0.86
5	0.73	39	0.83	73	0.86
6	0.76	40	0.83	74	0.86
7	0.80	41	0.83	75	0.87
8	0.84	42	0.83	76	0.87
9	0.88	43	0.83	77	0.88
10	0.91	44	0.83	78	0.88
11	0.94	45	0.83	79	0.89
12	0.97	46	0.83	80	0.89
13	0.99	47	0.83	81	0.90
14	0.99	48	0.83	82	0.90
15	0.99	49	0.83	83	0.91
16	1.00	50	0.83	84	0.92
17	1.00	51	0.83	85	0.92
18	1.00	52	0.83	86	0.93
19	0.99	53	0.84	87	0.93
20	0.99	54	0.84	88	0.94
21	0.98	55	0.84	89	0.94
22	0.97	56	0.84	90	0.95
23	0.96	57	0.84	91	0.95
24	0.94	58	0.84	92	0.96
25	0.92	59	0.84	93	0.97
26	0.90	60	0.84	94	0.97
27	0.89	61	0.85	95	0.98
28	0.87	62	0.85	96	0.98
29	0.85	63	0.85	97	0.99
30	0.84	64	0.85	98	0.99
31	0.83	65	0.85	99 & Above	1.00
32	0.83	66	0.85		
33	0.83	67	0.86		

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DEDUCTIBLE FACTORS

All Other Perils Deductible	Wind/Hail Deductible	Forms 3 & 5 Factor	Form 4 Factor	Form 6 Factor	Forms 3 & 5 Maximum Dollar Credit	Forms 4 & 6 Maximum Dollar Credit
\$500	N/A*	--	1.09	1.09	--	--
\$500	\$1,000	--	--	1.05	--	--
\$500	\$1,500	--	--	1.04	--	--
\$500	\$2,000	--	--	1.03	--	--
\$500	\$2,500	--	--	1.02	--	--
\$500	\$5,000	--	--	0.99	--	--
\$1,000	N/A*	1.00	1.00	1.00	--	--
\$1,000	\$1,500	0.96	--	0.99	\$75	--
\$1,000	\$2,000	0.92	--	0.98	\$157	--
\$1,000	\$2,500	0.88	--	0.97	\$226	--
\$1,000	\$5,000	0.74	--	0.93	\$557	--
\$1,500	N/A*	0.93	0.96	0.96	\$151	\$130
\$1,500	\$2,000	0.89	--	0.95	\$220	--
\$1,500	\$2,500	0.85	--	0.93	\$301	--
\$1,500	\$5,000	0.71	--	0.90	\$644	--
\$2,000	N/A*	0.86	0.91	0.91	\$307	\$265
\$2,000	\$2,500	0.82	--	0.90	\$377	--
\$2,000	\$5,000	0.68	--	0.88	\$725	--
\$2,500	N/A*	0.79	0.87	0.87	\$458	\$395
\$2,500	\$5,000	0.65	--	0.85	\$788	--
\$5,000	N/A*	0.58	0.76	0.76	\$986	\$850
\$7,500	N/A*	0.48	0.68	0.68	\$1,304	\$1,125

*Wind/Hail Deductible of "N/A" means that it is the same as the All-Other-Perils Deductible.

ARKANSAS
HOME OPTIONS BASE RATES AND RELATIVITIES
 Effective 9-13-2012

LOSS EXPERIENCE RATING FACTORS

Number of Years with State Auto	Number of Chargeable Losses	Forms 3 & 5	Forms 4 & 6	Watercraft
0 - 9	0	1.00	1.00	1.00
	1	1.24	1.15	1.15
	2	1.50	1.40	1.40
	3	3.00	1.40	1.40
	4 or More	5.99	1.40	1.40
10 or More	0	1.00	1.00	1.00
	1	1.05	1.00	1.00
	2	1.33	1.25	1.25
	3	2.33	1.25	1.25
	4 or More	4.33	1.25	1.25

FINANCIAL STABILITY RATING FACTORS

Level	Range	Forms 3 & 5	Forms 4 & 6
A	875 - 997	0.617	0.613
B	850 - 874	0.635	0.652
C	825 - 849	0.654	0.693
D	800 - 824	0.686	0.738
E	775 - 799	0.725	0.774
F	750 - 774	0.771	0.812
G	725 - 749	0.827	0.851
H	700 - 724	0.894	0.903
I	675 - 699	0.953	0.947
J	650 - 674	1.000	1.000
K	625 - 649	1.053	1.035
L	600 - 624	1.115	1.071
M	575 - 599	1.168	1.108
N	550 - 574	1.220	1.147
O	525 - 549	1.278	1.187
P	500 - 524	1.342	1.229
Q	475 - 499	1.405	1.341
R	450 - 474	1.472	1.464
S	425 - 449	1.539	1.552
T	400 - 424	1.602	1.645
U	50 - 399	2.250	2.250
V	No Hit	1.000	1.000
W	No Score	0.725	0.774
X	Unscored	1.000	1.000

ARKANSAS
HOME OPTIONS BASE RATES AND RELATIVITIES
 Effective 9-13-2012

ROOF CONSTRUCTION DISCOUNT FACTORS

Age of Roof	Class Four	Concrete, Slate, or Tile	Other
0	0.886	0.877	0.908
1	0.886	0.877	0.908
2	0.886	0.877	0.908
3	0.900	0.892	0.923
4	0.915	0.906	0.939
5	0.930	0.921	0.954
6	0.944	0.936	0.970
7	0.959	0.951	0.985
8	0.973	0.964	1.000
9	0.973	0.964	1.000
10	0.973	0.964	1.000
11	0.973	0.964	1.000
12	0.973	0.964	1.000
13	0.973	0.964	1.000
14	0.973	0.964	1.000
15	0.973	0.964	1.000
16	0.973	0.964	1.000
17	0.973	0.964	1.000
18	0.973	0.964	1.000
19	0.973	0.964	1.000
20	0.973	0.964	1.000
21	0.973	0.964	1.000
22	0.973	0.964	1.000
23	0.973	0.964	1.000
24	0.973	0.964	1.000
25	0.973	0.964	1.000
26	0.973	0.964	1.000
27	0.973	0.964	1.000
28	0.973	0.964	1.000
29	0.973	0.964	1.000
30 & Above	0.973	0.964	1.000

**ARKANSAS
HOME OPTIONS BASE RATES AND RELATIVITIES
Effective 9-13-2012**

FORM RELATIVITIES

Form	Relativity
3	1.00
4	1.00
5	1.06
6	1.00

COMMON CONSTRUCTION LOSS SETTLEMENT / SPECIAL LOSS SETTLEMENT

The Coverage A limit of liability should be multiplied by the following factor before selecting the appropriate policy size relativity from the table that is shown earlier in this document:

Percentage of Replacement Value Selected	Common Construction (FI 248) Factor	Special Loss Settlement (HO 0456) Factor
70%	1.14	1.14
60%	1.33	1.33
50%	1.60	1.60
40%	2.00	2.00
30%	2.67	2.67
20%	4.00	4.00

The premium for the Coverage A limit of liability determined above should be multiplied by the appropriate factor from the tables below:

Percentage of Replacement Value Selected	Common Construction (FI 248) Factor	Special Loss Settlement (HO 0456) Factor
70%	0.89	0.99
60%	0.87	0.97
50%	0.86	0.95
40%	0.84	0.93
30%	0.81	0.90
20%	0.77	0.85

SECONDARY RESIDENCE CREDIT

\$11

NUMBER OF FAMILY FACTORS

Number of Families	Factor
1 or 2	1.00
3	1.50
4	1.55

TOWNHOUSE/ROWHOUSE FACTORS

Total Number of Individual Family Units Within the Fire Division	Protection Class	
	1 - 8	8B, 9, 10, and Protected Suburban
1 and 2	1.00	1.00
3 and 4	1.10	1.15
5 to 8	1.25	0.00
9 and over	0.00	0.00

SUPERIOR CONSTRUCTION FACTOR

0.90

**ARKANSAS
HOME OPTIONS BASE RATES AND RELATIVITIES
Effective 9-13-2012**

HOME PURCHASE DISCOUNT FACTORS

Policy Age	Factor
New Policy	0.95
1st Renewal	0.96
2nd Renewal	0.97
3rd Renewal	0.98
4th Renewal	0.99
5th and Subsequent Renewals	1.00

BUILDING CODE EFFECTIVENESS GRADING

Not applicable for Arkansas.

WIND/HAIL EXCLUSION CREDIT FACTOR

Not applicable for Arkansas.

WINDSTORM PROTECTIVE DEVICES CREDIT FACTOR

Not applicable for Arkansas.

ACTUAL CASH VALUE WIND/HAIL LOSS TO ROOF FACTOR

Not applicable in Arkansas

PROTECTIVE DEVICES

Type Code	Protective Device Description	Discount Percent
I	Central Station Burglary Alarm System	5%
J	Central Fire Alarm System	5%
K	Burglary Alarm System That Alerts the Police Department	3%
M	Fire Alarm System That Alerts the Fire Department	3%
N	Burglary and/or Fire Local Alarm System Including UL Approved Smoke Detector Devices	2%
O	Sprinkler System In All Areas Including Bathrooms, Attics and Attached Structures	13%
Q	Sprinkler System With Sprinklers Totally or Partly Omitted in Bathrooms, Closets, Attics and Attached Structures and With Fire Detectors in All Areas Where the Sprinkler is Omitted	8%

If more than one type of protective device applies, credits should be added together before applying in the rating steps.
Maximum credit allowed is 20%.

ADVANTAGE/GROUP FACTOR

Not applicable for Arkansas.

FIRE INSURANCE PREMIUM TAX CREDIT FACTOR

Not applicable for Arkansas.

**ARKANSAS
HOME OPTIONS BASE RATES AND RELATIVITIES
Effective 9-13-2012**

OPTIONS PACKAGES

Form(s)	Endorsement/Level	Percentage Charge	Dollar Charge
3 or 5	FI - 264 / Securgard Plus	10%	\$20
3 or 5	FI - 270 / Defender Option	11%	\$20
5	FI - 280 / Estates Option	14%	\$75
6	FI - 271 / Defender Option	25%	\$20
6	FI - 281 / Estates Option	50%	\$75
4	FI - 272 / Defender Option	25%	\$20
4	FI - 282 / Estates Option	50%	\$75

The FI - 264 percentage charge is subject to an annual minimum amount of \$15. See separate rating steps for this package.

AUTO/HOME DISCOUNT FACTORS

Forms 3 & 5	Form 4	Form 6	Watercraft
0.80	0.85	0.85	0.85

PRIME OF LIFE DISCOUNT FACTORS

Form	Ages 50 - 54	Ages 55 and Above
3	0.97	0.95
4	0.97	0.95
5	0.97	0.95
6	0.97	0.95

UTILITY UPDATE CREDITS

Years Since Heating and Cooling Update	Years Since Electrical Update	Years Since Plumbing Update	Discount Per Utility
0	0	0	4%
1	1	1	4%
2	2	2	3%
3	3	3	3%
4	4	4	2%
5	5	5	2%
6	6	6	1%
7	7	7	1%
8 and above	8 and above	8 and above	0%

The total Utility Update Credit is the sum of all applicable utility update discount percentages. This credit applies when larger than the Age of Dwelling credit.

MINIMUM PREMIUMS

Form	Minimum Premium
3	\$275
4	\$125
5	\$275
6	\$150

State: Arkansas

First Filing Company: State Auto Property and Casualty Insurance Company, ...

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

Product Name: Arkansas Home - Rates and Rules

Project Name/Number: Rates and Rules eff 09-17-12/SAC-HO-RR-2012-0078

Superseded Schedule Items

NAIC Number: 25135
 Company Name: State Automobile Mutual Insurance Company
 Contact Person: Theresa Brundage
 Telephone No.: 614-917-5141
 Email Address: Theresa.Brundage@Stateauto.com
 Effective Date: 09/13/2012

**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	\$675.00	\$740.00	\$682.00	\$747.00	\$970.00	\$1,063.00	\$944.00	\$1,034.00	\$944.00	\$1,034.00	\$872.00	\$956.00	\$869.00	\$952.00	\$679.00	\$745.00	\$804.00	\$882.00
	\$120,000	\$835.00	\$915.00	\$843.00	\$925.00	\$1,201.00	\$1,317.00	\$1,169.00	\$1,280.00	\$1,169.00	\$1,280.00	\$1,080.00	\$1,184.00	\$1,075.00	\$1,179.00	\$841.00	\$922.00	\$995.00	\$1,092.00
	\$160,000	\$1,041.00	\$1,142.00	\$1,052.00	\$1,153.00	\$1,498.00	\$1,642.00	\$1,458.00	\$1,597.00	\$1,458.00	\$1,597.00	\$1,346.00	\$1,476.00	\$1,340.00	\$1,471.00	\$1,049.00	\$1,150.00	\$1,242.00	\$1,362.00
6	\$80,000	\$764.00	\$853.00	\$772.00	\$862.00	\$1,098.00	\$1,227.00	\$1,069.00	\$1,194.00	\$1,069.00	\$1,194.00	\$988.00	\$1,103.00	\$984.00	\$1,099.00	\$768.00	\$859.00	\$911.00	\$1,018.00
	\$120,000	\$946.00	\$1,057.00	\$955.00	\$1,068.00	\$1,359.00	\$1,519.00	\$1,323.00	\$1,478.00	\$1,323.00	\$1,478.00	\$1,223.00	\$1,366.00	\$1,218.00	\$1,361.00	\$952.00	\$1,063.00	\$1,128.00	\$1,261.00
	\$160,000	\$1,180.00	\$1,318.00	\$1,192.00	\$1,331.00	\$1,696.00	\$1,895.00	\$1,651.00	\$1,844.00	\$1,651.00	\$1,844.00	\$1,526.00	\$1,704.00	\$1,520.00	\$1,697.00	\$1,187.00	\$1,326.00	\$1,408.00	\$1,572.00
9	\$80,000	\$1,577.00	\$1,877.00	\$1,593.00	\$1,897.00	\$2,267.00	\$2,699.00	\$2,206.00	\$2,627.00	\$2,206.00	\$2,627.00	\$2,039.00	\$2,428.00	\$2,031.00	\$2,417.00	\$1,587.00	\$1,890.00	\$1,881.00	\$2,239.00
	\$120,000	\$1,952.00	\$2,324.00	\$1,972.00	\$2,349.00	\$2,806.00	\$3,341.00	\$2,730.00	\$3,251.00	\$2,730.00	\$3,251.00	\$2,525.00	\$3,006.00	\$2,513.00	\$2,992.00	\$1,964.00	\$2,340.00	\$2,328.00	\$2,772.00
	\$160,000	\$2,434.00	\$2,899.00	\$2,460.00	\$2,929.00	\$3,500.00	\$4,168.00	\$3,406.00	\$4,055.00	\$3,406.00	\$4,055.00	\$3,148.00	\$3,749.00	\$3,136.00	\$3,732.00	\$2,451.00	\$2,918.00	\$2,904.00	\$3,457.00

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

Public Protection Class	Property Value	Washington		Baxter		Craighead		St. Francis		Arkansas		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$5,000	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00
	\$15,000	\$135.00	\$135.00	\$135.00	\$135.00	\$135.00	\$135.00	\$135.00	\$135.00	\$135.00	\$135.00	\$135.00	\$135.00	\$135.00	\$135.00	\$135.00	\$135.00	\$135.00	\$135.00
	\$25,000	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00
6	\$5,000	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00
	\$15,000	\$148.00	\$148.00	\$148.00	\$148.00	\$148.00	\$148.00	\$148.00	\$148.00	\$148.00	\$148.00	\$148.00	\$148.00	\$148.00	\$148.00	\$148.00	\$148.00	\$148.00	\$148.00
	\$25,000	\$193.00	\$193.00	\$193.00	\$193.00	\$193.00	\$193.00	\$193.00	\$193.00	\$193.00	\$193.00	\$193.00	\$193.00	\$193.00	\$193.00	\$193.00	\$193.00	\$193.00	\$193.00
9	\$5,000	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00
	\$15,000	\$222.00	\$222.00	\$222.00	\$222.00	\$222.00	\$222.00	\$222.00	\$222.00	\$222.00	\$222.00	\$222.00	\$222.00	\$222.00	\$222.00	\$222.00	\$222.00	\$222.00	\$222.00
	\$25,000	\$289.00	\$289.00	\$289.00	\$289.00	\$289.00	\$289.00	\$289.00	\$289.00	\$289.00	\$289.00	\$289.00	\$289.00	\$289.00	\$289.00	\$289.00	\$289.00	\$289.00	\$289.00

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

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

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

HO3 and HO4 only

Fire Extinguisher	0 %	Deadbolt Lock	0 %
Burglar Alarm	2 %	Window Locks	0 %
Smoke Alarm	2 %	\$1,000 Deductible	8 %
		Other (specify)	
		Maximum Credit Allowed	

EARTHQUAKE INSURANCE

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

ARE YOU CURRENTLY WRITING EARTHQUAKE COVERAGE IN ARKANSAS?	yes (yes or no)	
WHAT IS YOUR PERCENTAGE DEDUCTIBLE?	5 %	
WHAT IS YOUR PRICE PER \$1,000 OF COVERAGE?	Zone	
Highest Risk	Brick \$ 1.4	Frame \$ 0.75
Lowest Risk	Brick \$ 1	Frame \$ 0.4

NAIC Number: 25127
 Company Name: State Auto Property & Casualty Insurance Company
 Contact Person: Theresa Brundage
 Telephone No.: 614-917-5141
 Email Address: Theresa.Brundage@stateauto.com
 Effective Date: 09/13/2012

**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	\$675.00	\$740.00	\$682.00	\$747.00	\$970.00	\$1,063.00	\$944.00	\$1,034.00	\$944.00	\$1,034.00	\$872.00	\$956.00	\$869.00	\$952.00	\$679.00	\$745.00	\$804.00	\$882.00
	\$120,000	\$835.00	\$915.00	\$843.00	\$925.00	\$1,201.00	\$1,317.00	\$1,169.00	\$1,280.00	\$1,169.00	\$1,280.00	\$1,080.00	\$1,184.00	\$1,075.00	\$1,179.00	\$841.00	\$922.00	\$995.00	\$1,092.00
	\$160,000	\$1,041.00	\$1,142.00	\$1,052.00	\$1,153.00	\$1,498.00	\$1,642.00	\$1,458.00	\$1,597.00	\$1,458.00	\$1,597.00	\$1,346.00	\$1,476.00	\$1,340.00	\$1,471.00	\$1,049.00	\$1,150.00	\$1,242.00	\$1,362.00
6	\$80,000	\$764.00	\$853.00	\$772.00	\$862.00	\$1,098.00	\$1,227.00	\$1,069.00	\$1,194.00	\$1,069.00	\$1,194.00	\$988.00	\$1,103.00	\$984.00	\$1,099.00	\$768.00	\$859.00	\$911.00	\$1,018.00
	\$120,000	\$946.00	\$1,057.00	\$955.00	\$1,068.00	\$1,359.00	\$1,519.00	\$1,323.00	\$1,478.00	\$1,323.00	\$1,478.00	\$1,223.00	\$1,366.00	\$1,218.00	\$1,361.00	\$952.00	\$1,063.00	\$1,128.00	\$1,261.00
	\$160,000	\$1,180.00	\$1,318.00	\$1,192.00	\$1,331.00	\$1,696.00	\$1,895.00	\$1,651.00	\$1,844.00	\$1,651.00	\$1,844.00	\$1,526.00	\$1,704.00	\$1,520.00	\$1,697.00	\$1,187.00	\$1,326.00	\$1,408.00	\$1,572.00
9	\$80,000	\$1,577.00	\$1,877.00	\$1,593.00	\$1,897.00	\$2,267.00	\$2,699.00	\$2,206.00	\$2,627.00	\$2,206.00	\$2,627.00	\$2,039.00	\$2,428.00	\$2,031.00	\$2,417.00	\$1,587.00	\$1,890.00	\$1,881.00	\$2,239.00
	\$120,000	\$1,952.00	\$2,324.00	\$1,972.00	\$2,349.00	\$2,806.00	\$3,341.00	\$2,730.00	\$3,251.00	\$2,730.00	\$3,251.00	\$2,525.00	\$3,006.00	\$2,513.00	\$2,992.00	\$1,964.00	\$2,340.00	\$2,328.00	\$2,772.00
	\$160,000	\$2,434.00	\$2,899.00	\$2,460.00	\$2,929.00	\$3,500.00	\$4,168.00	\$3,406.00	\$4,055.00	\$3,406.00	\$4,055.00	\$3,148.00	\$3,749.00	\$3,136.00	\$3,732.00	\$2,451.00	\$2,918.00	\$2,904.00	\$3,457.00

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

Public Protection Class	Property Value	Washington		Baxter		Craighead		St. Francis		Arkansas		Union		Miller		Sebastian		Pulaski	
		Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame	Brick	Frame
3	\$5,000	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00
	\$15,000	\$135.00	\$135.00	\$135.00	\$135.00	\$135.00	\$135.00	\$135.00	\$135.00	\$135.00	\$135.00	\$135.00	\$135.00	\$135.00	\$135.00	\$135.00	\$135.00	\$135.00	\$135.00
	\$25,000	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00
6	\$5,000	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00
	\$15,000	\$148.00	\$148.00	\$148.00	\$148.00	\$148.00	\$148.00	\$148.00	\$148.00	\$148.00	\$148.00	\$148.00	\$148.00	\$148.00	\$148.00	\$148.00	\$148.00	\$148.00	\$148.00
	\$25,000	\$193.00	\$193.00	\$193.00	\$193.00	\$193.00	\$193.00	\$193.00	\$193.00	\$193.00	\$193.00	\$193.00	\$193.00	\$193.00	\$193.00	\$193.00	\$193.00	\$193.00	\$193.00
9	\$5,000	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00
	\$15,000	\$222.00	\$222.00	\$222.00	\$222.00	\$222.00	\$222.00	\$222.00	\$222.00	\$222.00	\$222.00	\$222.00	\$222.00	\$222.00	\$222.00	\$222.00	\$222.00	\$222.00	\$222.00
	\$25,000	\$289.00	\$289.00	\$289.00	\$289.00	\$289.00	\$289.00	\$289.00	\$289.00	\$289.00	\$289.00	\$289.00	\$289.00	\$289.00	\$289.00	\$289.00	\$289.00	\$289.00	\$289.00

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

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

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

HO3 and HO4 only

Fire Extinguisher	0 %	Deadbolt Lock	0 %
Burglar Alarm	2 %	Window Locks	0 %
Smoke Alarm	2 %	\$1,000 Deductible	8 %
		Other (specify)	
		Maximum Credit Allowed	

EARTHQUAKE INSURANCE

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

ARE YOU CURRENTLY WRITING EARTHQUAKE COVERAGE IN ARKANSAS?	yes (yes or no)	
WHAT IS YOUR PERCENTAGE DEDUCTIBLE?	5 %	
WHAT IS YOUR PRICE PER \$1,000 OF COVERAGE?	Zone	
Highest Risk	Brick \$ 1.4	Frame \$ 0.75
Lowest Risk	Brick \$ 1	Frame \$ 0.4

NAIC LOSS COST DATA ENTRY DOCUMENT (EFFECTIVE AUG. 16, 2004)

1.	This filing transmittal is part of Company Tracking #	SAC-HO-RR-2012-0078
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2.	If filing is an adoption of an advisory organization loss cost filing, give name of advisory organization and Reference/Item Filing Number	N/A
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Company Name		Company NAIC Number	
3.	A. State Automobile Mutual Insurance Company	B.	25135

Product Coding Matrix Line of Business (i.e., Type of Insurance)		Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)	
4.	A. 04.0 Homeowners	B.	04.0000 Homeowners Sub-TOI

5.			FOR LOSS COSTS ONLY				
(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
Homeowner Options							
Forms HO-3 & HO-5	32.2%	15.5%					
Form HO-4	N/A	-1.7%					
Form HO-6	N/A	0.0%					
TOTAL OVERALL EFFECT	31.1%	15.0%					

6.		5 Year History		Rate Change History			
Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
2005	1295	-2.7%	11/15/05	950	302	31.8%	39.0%
2006	1192	-5.3%	11/15/06	896	384	42.9%	62.8%
2007	1024	-5.2%	11/15/07	830	338	40.7%	57.8%
2008	975	0.0%	11/15/08	769	1225	159.4%	89.1%
2009	861	15.0%	11/15/09	719	967	134.6%	74.0%
2010	843	N/A	N/A	703	428	60.8%	67.0%
2011	762	9.7%	08/28/11	681	549	80.6%	78.2%

7.	
Expense Constants	Selected Provisions
A. Total Production Expense	21.4%
B. General Expense	4.9%
C. Taxes, License & Fees	3.0%
D. Underwriting Profit & Contingencies	9.9%
E. Other (explain)	
F. TOTAL	39.2%

- 8.** N/A Apply Lost Cost Factors to Future filings? (Y or N)
- 9.** 16.4% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): _____
- 10.** -5.2% Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): _____

NAIC LOSS COST DATA ENTRY DOCUMENT (EFFECTIVE AUG. 16, 2004)

1.	This filing transmittal is part of Company Tracking #	SAC-HO-RR-2012-0078
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2.	If filing is an adoption of an advisory organization loss cost filing, give name of advisory organization and Reference/Item Filing Number	N/A
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Company Name		Company NAIC Number	
3.	A. State Auto Property & Casualty Insurance Company	B.	25127

Product Coding Matrix Line of Business (i.e., Type of Insurance)		Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)	
4.	A. 04.0 Homeowners	B.	04.0000 Homeowners Sub-TOI

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	FOR LOSS COSTS ONLY				
			(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
Homeowner Options							
Forms HO-3 & HO-5	32.2%	15.5%					
Form HO-4	N/A	-1.7%					
Form HO-6	N/A	0.0%					
TOTAL OVERALL EFFECT	31.1%	15.0%					

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
2005	8005	-3.2%	11/15/05	6598	4327	65.6%	59.7%
2006	7938	-6.5%	11/15/06	7084	4576	64.6%	61.5%
2007	8229	-5.0%	11/15/07	7349	2781	37.8%	48.6%
2008	10469	0.0%	11/15/08	8269	15736	190.3%	84.1%
2009	11398	15.0%	11/15/09	9926	8807	88.7%	92.6%
2010	11635	N/A	N/A	10995	8548	77.7%	63.4%
2011	11092	9.7%	08/28/2011	11140	10851	97.4%	116.2%

Expense Constants	Selected Provisions
A. Total Production Expense	21.4%
B. General Expense	4.9%
C. Taxes, License & Fees	3.0%
D. Underwriting Profit & Contingencies	9.9%
E. Other (explain)	
F. TOTAL	39.2%

8. N/A Apply Lost Cost Factors to Future filings? (Y or N)
9. 16.4% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): _____
10. -5.2% Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): _____