

2006

NORTH CAROLINA RATE BUREAU

HOMEOWNERS INSURANCE RATE FILING



North Carolina
RATE BUREAU
REINSURANCE FACILITY
INSURANCE GUARANTY ASSOCIATION

December 29, 2006

Honorable James E. Long
Commissioner of Insurance
North Carolina Department of Insurance
P. O. Box 26387
Raleigh, North Carolina 27611

Re: Revision of Homeowners Insurance Rates

Dear Sir:

Enclosed herewith for filing on behalf of all member companies of the North Carolina Rate Bureau are revised premium rates for homeowners insurance subject to the jurisdiction of the Rate Bureau.

The enclosed memoranda and exhibits set forth and explain the calculations which indicate the need for statewide average rate level changes of 32.0% for all homeowners forms; however, since the indications have been capped at 50% on a by territory basis, the filed average rate level change is +21.9% for all forms. In addition, revised windstorm and hail exclusion credits are being filed.

The foregoing changes were calculated based on rates currently in force and reflect consideration duly given to data for the experience period set forth herein. Ratios in the filing relating to expense experience were developed from special calls issued by the Rate Bureau. In preparing this filing, due consideration has been given to the factors specified in G.S. 58-36-10(2).

Information and statistical data required pursuant to G.S. 58-36-15 and 11 NCAC 10.1105 are shown and referenced in Section F. Additionally, the pre-filed testimony of (a) Robert J. Curry, Assistant Vice President and Actuary - Insurance Services Office, Inc.; (b) Shantelle Thomas, Chair, Property Rating Subcommittee; (c) David A. LaLonde, Senior Vice President of AIR Worldwide Corporation; (d) Dr. James Vander Weide, Fuqua School of Business of Duke University; and (e) Dr. David Appel - Director - Milliman-USA are submitted herewith.

The revised rates are to become effective in accordance with the following Rule of Application:

These changes are applicable to all policies becoming effective on or after August 1, 2006.

Your approval of this filing is respectfully requested.

Very truly yours,

F. Timothy Lucas
Personal Lines Manager

FTL:dp

Enclosures

NORTH CAROLINA
HOMEOWNERS INSURANCE
REVISION OF RATES

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NORTH CAROLINA
HOMEOWNERS INSURANCE

SECTION A - SUMMARY OF REVISION

NORTH CAROLINA
HOMEOWNERS INSURANCE
STATEWIDE RATE LEVEL CHANGES

<u>FORM</u>	<u>PREMIUM WEIGHT (A)</u>	<u>INDICATED CHANGE</u>	<u>FILED CHANGE</u>
OWNERS	\$ 1,260,830,894	+ 33.0%	+22.6%
TENANTS	\$ 24,254,620	- 4.6%	-4.6%
CONDO UNIT OWNERS	\$ 11,917,388	+ 1.8%	+1.8%
ALL FORMS	\$ 1,297,002,902	+ 32.0%	+21.9%

(A) Year ended 12/31/2004 aggregate premiums at current level.

NORTH CAROLINA

HOMEOWNERS INSURANCE

STATEWIDE AND TERRITORY RATE LEVEL CHANGES

<u>Territory</u>	<u>Owners</u>	<u>Tenants</u>	<u>Condo Unit Owners</u>
05	+50.0%	+47.9%	+26.9%
06	+50.0%	+47.9%	+26.9%
32	+46.0%	- 2.1%	+ 9.1%
34	+38.2%	+11.6%	+14.0%
36	+ 3.1%	-12.5%	-13.2%
38	+ 2.2%	- 9.3%	- 8.6%
39	+ 0.0%	-15.4%	-23.7%
41	+50.0%	+ 9.1%	+14.6%
42	+50.0%	+25.7%	+32.8%
43	+50.0%	+25.7%	+32.8%
44	+42.3%	+ 8.9%	0.0%
45	+41.3%	- 4.1%	+ 5.1%
46	+26.2%	0.0%	+ 4.9%
47	+31.2%	- 2.1%	0.0%
53	+31.8%	- 6.8%	+15.0%
57	+ 7.6%	-19.5%	-12.5%
60	+ 3.8%	-16.2%	-10.3%
Statewide	+22.6%	-4.6%	+1.8%

NORTH CAROLINA

HOMEOWNERS INSURANCE

CURRENT AND REVISED TERRITORY BASE RATES (A)

<u>Territory</u>	<u>Current</u>			<u>Filed</u>		
	<u>Owners (B)</u>	<u>Tenants (C)</u>	<u>Condo Unit Owners (C)</u>	<u>Owners (B)</u>	<u>Tenants (C)</u>	<u>Condo Unit Owners (C)</u>
05	\$ 1,036	\$ 117	\$ 108	\$ 1,554	\$ 173	\$ 137
06	\$ 1,036	\$ 117	\$ 108	\$ 1,554	\$ 173	\$ 137
32	\$ 398	\$ 47	\$ 44	\$ 581	\$ 46	\$ 48
34	\$ 492	\$ 69	\$ 50	\$ 680	\$ 77	\$ 57
36	\$ 354	\$ 40	\$ 38	\$ 365	\$ 35	\$ 33
38	\$ 358	\$ 43	\$ 35	\$ 366	\$ 39	\$ 32
39	\$ 345	\$ 39	\$ 38	\$ 345	\$ 33	\$ 29
41	\$ 503	\$ 55	\$ 41	\$ 755	\$ 60	\$ 47
42	\$ 647	\$ 74	\$ 67	\$ 971	\$ 93	\$ 89
43	\$ 647	\$ 74	\$ 67	\$ 971	\$ 93	\$ 89
44	\$ 383	\$ 45	\$ 39	\$ 545	\$ 49	\$ 39
45	\$ 465	\$ 49	\$ 39	\$ 657	\$ 47	\$ 41
46	\$ 393	\$ 48	\$ 41	\$ 496	\$ 48	\$ 43
47	\$ 429	\$ 48	\$ 38	\$ 563	\$ 47	\$ 38
53	\$ 390	\$ 44	\$ 40	\$ 514	\$ 41	\$ 46
57	\$ 357	\$ 41	\$ 32	\$ 384	\$ 33	\$ 28
60	\$ 316	\$ 37	\$ 29	\$ 328	\$ 31	\$ 26

(A) Base Class is Protection Class 5, Frame Construction.

(B) Rates are for \$75,000 Coverage A.

(C) Rates are for \$10,000 Coverage C.

NORTH CAROLINA

HOMEOWNERS INSURANCE

DETERMINATION OF RATES TO BE CHARGED INDIVIDUAL INSURERS

The filed base rates by territory are shown on page A-3. These are the filed manual rates for the classification carrying a unity differential. The revised rates for the remaining classifications are determined by applying the established classification rate differentials to the base rates by territory.

NORTH CAROLINA
HOMEOWNERS INSURANCE

SECTION B - MATERIAL TO BE IMPLEMENTED

NORTH CAROLINA
HOMEOWNERS INSURANCE
REVISED RULES

1. Wind exclusion credits are revised to reflect the filed rates. (See page B-2. Information stricken through is deleted, underlined information is new.)

ADDITIONAL RULE(S)

RULE A3.
WINDSTORM OR HAIL EXCLUSION – TERRITORIES 05, 06, 42 AND 43 ONLY

Territories 05 And 06		Territories 42 And 43	
All Forms Except HO 00 04 and HO 00 06	\$ 1323	All Forms Except HO 00 04 and HO 00 06	\$ 767
HO 00 04	98	HO 00 04	59
HO 00 06	91	HO 00 06	54

Table A3. Wind Or Hail Exclusion Credit

NORTH CAROLINA
HOMEOWNERS INSURANCE

SECTION C - SUPPORTING MATERIAL

NORTH CAROLINA

HOMEOWNERS INSURANCE - OWNER FORMS

DETERMINATION OF STATEWIDE RATE LEVEL CHANGE

	(1) Non-Modeled Adjusted Incurred Losses (a)	(2) Non-Modeled Adjusted Excess Losses (b)	(3) Non-Modeled Losses-Excess x Non-Modeled Excess Factor (c)	(4) Modeled Hurricane Losses (d)	(5) Total Losses Including Loss Adjustment Expense [(3)+(4)] * LAE (e)
2000 \$	465,989,871	32,242,276	448,495,013	\$ 138,267,000	\$ 671,842,505
2001	388,565,830	0	401,777,068	148,088,195	629,595,726
2002	540,117,962	0	558,481,973	153,546,718	815,272,851
2003	494,601,647	59,868,454	449,514,122	162,454,724	700,704,329
2004	438,188,910	10,041,988	442,703,917	177,216,278	709,808,623

	(6) Current Cost/ Amount Factor (f)	(7) Earned House Years	(8) Average Trended Loss Cost (5) *(6)*CPF/(7) (g)	(9) Average Rating Factor (h)	(10) Trended Base Class Loss Cost	(11) Weights
2000	0.860	1,630,611	374.18	1.598	234.16	0.10
2001	0.893	1,651,930	359.41	1.656	217.04	0.15
2002	0.925	1,661,209	479.38	1.716	279.36	0.20
2003	0.960	1,696,782	418.64	1.774	235.99	0.25
2004	1.003	1,730,768	434.38	1.846	235.31	0.30

(12) Weighted Trended Base Class Loss Cost(i)	=	241.43
(13) Credibility (8,371,300 House Years)	=	1.00
(14) Fixed Expense per Policy (j)	=	38.02
(15) Loss and Fixed Expense,(12) + (14)	=	279.45
(16) Expected Loss Ratio (k)	=	0.558
(17) Net Base Rate per Policy, (15) / (16)	=	500.54
(18) Anticipated Deviation (l)	=	0.05
(19) Deviation Amount per Policy, (17) / (1.0 - (18)) - (17)	=	26.34
(20) Required Base Rate per Policy, (17) + (19)	=	526.88
(21) Current Base Rate	=	396.07
(22) Ind'd Rate-Level Change, (20) / (21)	=	1.330

NORTH CAROLINA

HOMEOWNERS INSURANCE - TENANT FORM

DETERMINATION OF STATEWIDE RATE LEVEL CHANGE

	(1) Non-Modeled Adjusted Incurred Losses (a)	(2) Modeled Hurricane Losses (d)	(3) Total Losses Including Loss Adjustment Expense [(1)+(2)] * LAE (e)	(4) Current Cost/ Amount Factor (f)		(5) Earned House Years	(6) Average Trended Loss Cost (3) *(4)*CPF/(5) (g)	(7) Average Rating Factor (h)	(8) Trended Base Class Loss Cost	(9) Weights
2000	\$ 10,746,151	\$ 592,973	\$ 13,380,166	0.801		143,726	72.85	3.568	20.42	0.10
2001	9,355,454	597,831	11,744,876	0.830		142,247	66.95	3.611	18.54	0.15
2002	9,309,721	604,947	11,699,308	0.864		139,610	70.74	3.695	19.14	0.20
2003	8,612,824	610,055	10,882,997	0.904		136,129	70.61	3.789	18.64	0.25
2004	7,551,471	650,575	9,678,414	0.956		137,511	65.74	3.887	16.91	0.30

(10) Weighted Trended Base Class Loss Cost(i)	=	18.38
(11) Credibility (699,223 House Years)	=	1.00
(12) Fixed Expense per Policy (j)	=	4.58
(13) Loss and Fixed Expense,(10) + (12)	=	22.96
(14) Expected Loss Ratio (k)	=	0.558
(15) Net Base Rate per Policy, (13) / (14)	=	41.12
(16) Anticipated Deviation (l)	=	0.05
(17) Deviation Amount per Policy, (15) / (1.0 - (16)) - (15)	=	2.16
(18) Required Base Rate per Policy, (15) + (17)	=	43.28
(19) Current Base Rate	=	45.35
(20) Ind'd Rate-Level Change, (18) / (19)	=	0.954

NORTH CAROLINA

HOMEOWNERS INSURANCE - CONDO UNIT OWNER FORM

DETERMINATION OF STATEWIDE RATE LEVEL CHANGE

	(1) Non-Modeled Adjusted <u>Incurred Losses (a)</u>	(2) Modeled Hurricane <u>Losses (d)</u>	(3) Total Losses Including Loss Adjustment Expense <u>[(1)+(2)] * LAE (e)</u>	(4) Current Cost/ <u>Amount Factor (f)</u>
2000	\$ 3,940,121	\$ 362,128	\$ 5,076,654	0.783
2001	4,388,655	380,736	5,627,881	0.821
2002	3,791,066	408,320	4,955,275	0.859
2003	3,944,871	422,106	5,153,033	0.900
2004	4,912,257	447,078	6,324,015	0.949

	(5) <u>Earned House Years</u>	(6) Average Trended Loss Cost <u>(3) *(4)*CPF/(5) (g)</u>	(7) Average Rating <u>Factor (h)</u>	(8) Trended Base Class <u>Loss Cost</u>	(9) <u>Weights</u>
2000	42,856	90.25	5.151	17.52	0.10
2001	44,723	100.52	5.209	19.30	0.15
2002	47,737	86.76	5.345	16.23	0.20
2003	49,848	90.53	5.510	16.43	0.25
2004	51,824	112.68	5.698	19.78	0.30

(10) Weighted Trended Base Class Loss Cost(i)	=	17.93
(11) Credibility (236,988 House Years)	=	1.00
(12) Fixed Expense per Policy (j)	=	4.02
(13) Loss and Fixed Expense,(10) + (12)	=	21.95
(14) Expected Loss Ratio (k)	=	0.558
(15) Net Base Rate per Policy, (13) / (14)	=	39.32
(16) Anticipated Deviation (l)	=	0.05
(17) Deviation Amount per Policy, (15) / (1.0 - (16)) - (15)	=	2.07
(18) Required Base Rate per Policy, (15) + (17)	=	41.39
(19) Current Base Rate	=	40.65
(20) Ind'd Rate-Level Change, (18) / (19)	=	1.018

NORTH CAROLINA

HOMEOWNERS INSURANCE

STATEWIDE RATE REVIEW ACCIDENT YEAR ENDED 12/31/2004

- (a) Incurred losses excluding hurricane have been adjusted by the following loss development factors:

Year Ended	Loss Development Factor
12/31/2000	1.000
12/31/2001	0.998
12/31/2002	0.998
12/31/2003	0.999
12/31/2004	1.017

- (b) Excess Losses are calculated on page D-27.
- (c) The Excess Factor is calculated on page D-26.
- (d) Modelled hurricane losses are calculated by multiplying the modelled hurricane loss cost per \$1000 of coverage developed by AIR Worldwide by total limits insurance years (in thousands of dollars.)
- (e) The trended loss adjustment expenses have been calculated to be 14.5% of the incurred losses for Owner Forms and 18.0% of the incurred losses for Tenant Forms and Condo Unit Owner Forms. These factors are developed on pages D-24-25.
- (f) The development of Current Cost/Amount Factors is shown on page D-16 for Owner Forms, D-18 for Tenant Forms and D-20 for Condo Unit Owner Forms.
- (g) The development of the Composite Projection Factor is shown on page D-16 for Owner Forms, D-18 for Tenant Forms and D-20 for Condo Unit Owner Forms.
- (h) The Average Rating Factor is the ratio of average rate at current manual level and average current base rate.
- (i) The Weighted Trended Base Class Loss Cost is the sum of the products, by year, of the Trended Base Class Loss Costs and the accident year weights.
- (j) The development of Fixed Expense per policy is shown on page D-25.
- (k) The development of the Expected Loss Ratio is shown on page D-23.
- (l) The anticipated deviation of 5% was selected by the North Carolina Rate Bureau.

NORTH CAROLINA
HOMEOWNERS INSURANCE

INDICATED BASE LOSS COST BY TERRITORY - OWNER FORMS

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Non - Hurricane Base Class Loss Cost	Current Base Rate	Five year House Years	Cred- ibility	Weighted Base Loss Cost	Model Loss Cost	Total Loss Cost	Indicated Relativity Terr(7)/ SW(7)	Indicated Statewide Base Loss Cost	Indicated Base Loss Cost Terr(8)/ SW(8) * (9)
Terr.										
05,06	120.36	1036	78,458	1.00	120.36	450.21	570.57	2.667	241.43	643.89
32	181.56	398	514,297	1.00	181.56	43.78	225.34	1.053	241.43	254.23
34	191.07	492	252,028	1.00	191.07	68.66	259.73	1.214	241.43	293.10
36	162.16	354	488,890	1.00	162.16	17.17	179.33	0.838	241.43	202.32
38	161.18	358	551,930	1.00	161.18	20.97	182.15	0.851	241.43	205.46
39	149.85	345	561,137	1.00	149.85	19.62	169.47	0.792	241.43	191.21
41	261.11	503	118,305	1.00	261.11	91.09	352.20	1.646	241.43	397.39
42,43	130.36	647	635,782	1.00	130.36	311.72	442.08	2.066	241.43	498.79
44	172.81	383	94,984	1.00	172.81	33.48	206.29	0.964	241.43	232.74
45	166.23	465	404,456	1.00	166.23	89.71	255.94	1.196	241.43	288.75
46	161.91	393	139,780	1.00	161.91	24.80	186.71	0.873	241.43	210.77
47	163.79	429	651,675	1.00	163.79	50.83	214.62	1.003	241.43	242.15
53	156.21	390	675,808	1.00	156.21	42.84	199.05	0.930	241.43	224.53
57	171.84	357	868,199	1.00	171.84	17.90	189.74	0.887	241.43	214.15
60	150.44	316	2,335,571	1.00	150.44	9.50	159.94	0.748	241.43	180.59
SW	159.80	396.07	8,371,300				213.95	1.000		

NORTH CAROLINA

HOMEOWNERS INSURANCE

INDICATED BASE CLASS RATE AND RATE LEVEL CHANGE BY TERRITORY - OWNER FORMS

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	Indicated Base Class	Trended Fixed Expenses	Variable Expenses	Current Base - Class Rate	Indicated Net Base- Class Rate ((1)+(2)*(4)) / (1.0-(3))	Deviation	Dollar Deviation Per Exposure ((5) / (1.0 - (6)))	Indicated Required Base - Class Rate (5) + (7)	Filed Base - Class Rate	Indicated Rate Level Change (8) / (4)	Filed Rate Level Change (9) / (4)	Five Year Earned Premium
Terr.	Loss Cost	Expenses	Expenses	Rate	Rate	Deviation	- (5)	(5) + (7)	Rate	(8) / (4)	(9) / (4)	Premium
05,06	643.89	0.038	0.6117	1036	1759.61	0.05	92.61	1852	1,554	1.788	1.500	136,478,717
32	254.23	0.093	0.4727	398	552.33	0.05	29.07	581	581	1.460	1.460	363,190,421
34	293.10	0.097	0.4727	492	646.36	0.05	34.02	680	680	1.382	1.382	170,049,153
36	202.32	0.112	0.3027	354	347.01	0.05	18.26	365	365	1.031	1.031	284,513,574
38	205.46	0.103	0.3027	358	347.53	0.05	18.29	366	366	1.022	1.022	351,123,663
39	191.21	0.108	0.3027	345	327.65	0.05	17.24	345	345	1.000	1.000	340,233,679
41	397.39	0.083	0.4727	503	832.81	0.05	43.83	877	755	1.744	1.500	92,852,632
42,43	498.79	0.059	0.6117	647	1382.86	0.05	72.78	1456	971	2.250	1.500	704,599,407
44	232.74	0.105	0.4727	383	517.65	0.05	27.24	545	545	1.423	1.423	59,393,164
45	288.75	0.087	0.4727	465	624.32	0.05	32.86	657	657	1.413	1.413	302,809,170
46	210.77	0.096	0.4727	393	471.26	0.05	24.80	496	496	1.262	1.262	94,755,300
47	242.15	0.093	0.4727	429	534.89	0.05	28.15	563	563	1.312	1.312	460,182,361
53	224.53	0.084	0.4727	390	487.94	0.05	25.68	514	514	1.318	1.318	526,522,475
57	214.15	0.113	0.3027	357	364.97	0.05	19.21	384	384	1.076	1.076	502,092,389
60	180.59	0.116	0.3027	316	311.55	0.05	16.40	328	328	1.038	1.038	1,312,404,535
SW			0.4417							1.330	1.226	5,701,200,640

NORTH CAROLINA

HOMEOWNERS INSURANCE

INDICATED BASE CLASS LOSS COST BY TERRITORY - TENANT FORM

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Non - Hurricane Base Class Loss Cost	Current Base Rate	Five year House Years	Cred- ibility	Weighted Base Loss Cost	Model Loss Cost	Total Loss Cost	Indicated Relativity Terr(7)/ SW(7)	Indicated Statewide Base Loss Cost	Indicated Base Loss Cost Terr(8)/ SW(8) * (9)
05,06	25.10	117	1,957	0.10	43.33	16.56	59.89	3.179	18.38	58.43
32	17.19	47	96,032	1.00	17.19	0.53	17.72	0.941	18.38	17.30
34	37.66	69	22,065	0.50	32.2	1.06	33.26	1.765	18.38	32.44
36	17.76	40	73,015	0.90	17.53	0.18	17.71	0.940	18.38	17.28
38	19.99	43	88,376	1.00	19.99	0.23	20.22	1.073	18.38	19.72
39	17.17	39	37,450	0.70	16.55	0.21	16.76	0.890	18.38	16.36
41	30.73	55	4,881	0.20	23.2	1.83	25.03	1.329	18.38	24.43
42,43	13.26	74	37,581	0.70	17.89	12.60	30.49	1.618	18.38	29.74
44	25.32	45	3,763	0.20	19.02	0.52	19.54	1.037	18.38	19.06
45	15.04	49	33,723	0.60	16.62	1.63	18.25	0.969	18.38	17.81
46	19.7	48	6,613	0.20	18.83	0.35	19.18	1.018	18.38	18.71
47	17.38	48	42,091	0.70	17.75	0.78	18.53	0.984	18.38	18.09
53	15.13	44	75,322	1.00	15.13	0.50	15.63	0.830	18.38	15.26
57	16.77	41	53,072	0.80	16.59	0.22	16.81	0.892	18.38	16.39
60	15.79	37	123,282	1.00	15.79	0.10	15.89	0.843	18.38	15.49
SW	17.58	45.35	699,223				18.84	1.000		

NORTH CAROLINA

HOMEOWNERS INSURANCE

INDICATED BASE CLASS RATE AND RATE LEVEL CHANGE BY TERRITORY - TENANT FORM

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Indicated Base Class	Trended Fixed Expenses	Variable Expenses	Current Base - Class Rate	Indicated Net Base- Class Rate ((1)+(2)+(4)) / (1.0-(3))	Deviation	Dollar Deviation Per Exposure ((5) / (1.0 - (6)))	Indicated Required Base - Class Rate (5) + (7)	Indicated Rate Level Change (8) / (4) (a)	Five Year Earned Premium
Terr.	Loss Cost								
05,06	58.43	0.038	0.6167	117	164.04	0.05	173	1.479	885,343
32	17.30	0.107	0.4917	47	43.93	0.05	46	0.979	15,250,348
34	32.44	0.067	0.4917	69	72.92	0.05	77	1.116	5,591,000
36	17.28	0.118	0.3327	40	32.97	0.05	35	0.875	10,515,194
38	19.72	0.109	0.3327	43	36.58	0.05	39	0.907	13,793,620
39	16.36	0.115	0.3327	39	31.24	0.05	33	0.846	5,554,086
41	24.43	0.085	0.4917	55	57.26	0.05	60	1.091	979,946
42,43	29.74	0.057	0.6167	74	88.59	0.05	93	1.257	11,273,915
44	19.06	0.098	0.4917	45	46.17	0.05	49	1.089	650,486
45	17.81	0.096	0.4917	49	44.29	0.05	47	0.959	5,958,360
46	18.71	0.093	0.4917	48	45.59	0.05	48	1.000	1,208,022
47	18.09	0.094	0.4917	48	44.47	0.05	47	0.979	7,584,585
53	15.26	0.107	0.4917	44	39.28	0.05	41	0.932	11,996,332
57	16.39	0.114	0.3327	41	31.57	0.05	33	0.805	7,909,372
60	15.49	0.114	0.3327	37	29.53	0.05	31	0.838	18,421,957
SW		0.4417						0.954	117,572,566

(a) Filed change equals indicated change

NORTH CAROLINA
HOMEOWNERS INSURANCE

INDICATED BASE CLASS LOSS COST BY TERRITORY - CONDO UNIT OWNER FORM

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Non - Hurricane Base Class Loss Cost	Current Base Rate	Five year House Years	Cred- ibility	Weighted Base Loss Cost	Model Loss Cost	Total Loss Cost	Indicated Relativity Terr(7)/ SW(7)	Indicated Statewide Base Loss Cost	Indicated Base Loss Cost Terr(8)/ SW(8) * (9)
05,06	10.21	108	7,011	0.30	33.58	14.79	48.37	2.605	17.93	46.71
32	20.40	44	21,779	0.60	19.34	0.49	19.83	1.068	17.93	19.15
34	37.07	50	4,079	0.20	23.56	0.95	24.51	1.320	17.93	23.67
36	17.72	38	24,793	0.70	17.01	0.18	17.19	0.926	17.93	16.60
38	16.85	35	53,213	1.00	16.85	0.21	17.06	0.919	17.93	16.48
39	13.88	38	16,786	0.50	14.61	0.21	14.82	0.798	17.93	14.31
41	6.89	41	411	0.00	16.55	2.02	18.57	1.000	17.93	17.93
42,43	13.21	67	19,439	0.60	18.74	11.97	30.71	1.654	17.93	29.66
44	12.53	39	1,087	0.10	15.42	0.49	15.91	0.857	17.93	15.37
45	12.45	39	4,768	0.30	14.76	1.64	16.40	0.883	17.93	15.83
46	21.41	41	677	0.10	17.04	0.35	17.39	0.936	17.93	16.78
47	11.75	38	6,038	0.30	14.26	0.80	15.06	0.811	17.93	14.54
53	19.96	40	18,429	0.60	18.44	0.48	18.92	1.019	17.93	18.27
57	14.33	32	11,524	0.40	13.48	0.22	13.70	0.738	17.93	13.23
60	13.48	29	46,954	0.90	13.3	0.11	13.41	0.722	17.93	12.95
SW	16.41	40.65	236,988				18.57	1.000		

NORTH CAROLINA

HOMEOWNERS INSURANCE

INDICATED BASE CLASS RATE AND RATE LEVEL CHANGE BY TERRITORY - CONDO UNIT OWNERS FORM

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Terr.	Indicated Base Class Loss Cost	Trended Fixed Expenses	Variable Expenses	Current Base - Class Rate	Indicated Net Base- Class Rate ((1)+(2)*(4)) / (1.0-(3))	Deviation	Dollar Deviation Per Exposure ((5) / (1.0- (6)))	Indicated Required Base - Class Rate (5) + (7)	Indicated Rate Level Change (8) / (4) (a)	Five Year Earned Premium
05&06	46.71	0.047	0.6027	108	130.34	0.05	6.86	137	1.269	3,245,396
32	19.15	0.094	0.4917	44	45.81	0.05	2.41	48	1.091	5,047,883
34	23.67	0.080	0.4917	50	54.44	0.05	2.87	57	1.140	1,110,563
36	16.60	0.110	0.3327	38	31.14	0.05	1.64	33	0.868	4,884,636
38	16.48	0.108	0.3327	35	30.36	0.05	1.60	32	0.914	10,649,792
39	14.31	0.109	0.3327	38	27.65	0.05	1.46	29	0.763	3,340,069
41	17.93	0.115	0.4917	41	44.55	0.05	2.34	47	1.146	77,279
42&43	29.66	0.061	0.6027	67	84.94	0.05	4.47	89	1.328	6,873,216
44	15.37	0.093	0.4917	39	37.37	0.05	1.97	39	1.000	253,981
45	15.83	0.105	0.4917	39	39.20	0.05	2.06	41	1.051	982,799
46	16.78	0.095	0.4917	41	40.67	0.05	2.14	43	1.049	154,661
47	14.54	0.102	0.4917	38	36.23	0.05	1.91	38	1.000	1,284,752
53	18.27	0.104	0.4917	40	44.13	0.05	2.32	46	1.150	3,847,057
57	13.23	0.139	0.3327	32	26.49	0.05	1.39	28	0.875	1,806,636
60	12.95	0.121	0.3327	29	24.67	0.05	1.30	26	0.897	8,416,748
SW			0.4417						1.018	51,975,468

(a) Filed change equals indicated change

NORTH CAROLINA
HOMEOWNERS INSURANCE
DERIVATION OF WIND EXCLUSION CREDITS

The filed wind exclusion credits, Page B-2, are based on the pricing methodology contained in Robert Hurley's "Commercial Fire Insurance Ratemaking" contained in the 1973 CAS Proceedings. This method is summarized in the following formula:

$$C = 1.0 - \frac{Ld + F}{(1 - V)R} \quad \text{where,}$$

C = indicated percentage credit

F = provision in indicated rates for fixed expenses (Column (x) divided by Column (y) on pages C-6, 8 and 10)

V = variable expense provision

L = provision in filed rates for losses and loss adjustment expense = $1.0 - V - F$

R = territory risk load factor = $(1 - \text{statewide variable expense loading}) / (1 - V)$. The statewide variable expense loading is 44.17%.

d = percentage of losses remaining after wind losses are excluded

The d values used in this calculation are obtained by the following formula:

$$d = \frac{N}{N + W}, \quad \text{where}$$

N = 5 year non-wind losses

W = X + Y, where

X = 5 year modelled hurricane losses

Y = 5 year non-hurricane wind losses

NORTH CAROLINA
HOMEOWNERS INSURANCE

Derivation of Wind Exclusion Credits

	Owners		Tenant		Condo	
	Territories 05,06	Territories 42,43	Territories 05,06	Territories 42,43	Territories 05,06	Territories 42,43
C	0.846	0.785	0.569	0.609	0.672	0.59
L	0.3673	0.3623	0.3573	0.3383	0.3603	0.3513
d	0.177	0.259	0.601	0.512	0.405	0.521
F	0.021	0.026	0.026	0.045	0.037	0.046
V	0.6117	0.6117	0.6167	0.6167	0.6027	0.6027
R	1.438	1.438	1.457	1.457	1.405	1.405
N	13,297,300	124,467,347	189,398	2,016,203	303,956	1,346,605
X	59,306,079	339,488,524	125,327	1,920,322	444,501	1,228,182
Y	2,557,942	17,512,070	528	4,685	2,838	8,441

The following calculation converts the percentage credit to the dollar basis required by the Homeowners manual.

	Owners Territories 05,06	Tenant Territories 42,43	Condo Territories 05,06	Territories 42,43	Territories 05,06	Territories 42,43
1. Percentage Credit	0.846	0.785	0.569	0.609	0.672	0.59
2. Indicated Base Rate net of deviations	1,759.61	1,382.86	164.04	88.59	130.34	84.94
3. Indicated Base Credit net of deviations (a)	1,489	1,086	93	54	88	50
4. Indicated non-wind Base Rate net of deviations (b)	270.61	296.86	71.04	34.59	42.34	34.94
5. Filed Base Rate	1,554	971	173	93	137	89
6. Deviations	0.05	0.05	0.05	0.05	0.05	0.05
7. Filed Base Rate net of deviations (c)	1476.3	922.45	164.04	88.59	130.34	84.94
8. Average Protection/Construction Factor	1.040	1.162	1.003	1.042	0.983	1.03
9. Average Form Factor	1.002	1.002	1.000	1.000	1.000	1.000
10. Credit net of deviations (d)	1,256.43	728.39	93.28	56.27	86.5	51.5
11. Filed Credit (e)	1,323	767	98	59	91	54

(a) (1) x (2)

(b) (2) - (3)

(c) (5) x [1.0 - (6)] (owners); (2) (Tenant, Condo)

(d) [(7) - (4)] x (8) x (9)

(e) (10) / (1.0 - (6))

NORTH CAROLINA
HOMEOWNERS INSURANCE

SECTION D - EXPLANATORY MATERIAL

NORTH CAROLINA

HOMEOWNERS INSURANCE

EXPLANATORY MEMORANDUM

This memorandum supplements the filing letter and supporting exhibits setting forth a revision of homeowners insurance rates in the State of North Carolina. It is the purpose of this memorandum to describe the source data used and to set forth in detail the insurance ratemaking procedures reflected in the filing. Certain pages in the filing and accompanying material contain a notation "all carriers" or other similar wording. This indicates that the data are combined ISO, ISS, AAIS, and NISS data. Data for certain companies are not included, as noted in Section E.

Premium and Loss Experience

This revision is based upon the combined premium and loss experience of all licensed companies writing homeowners insurance in this State, except as noted in Section E. In order to have this experience available in all detail necessary for rate review and ratemaking in accordance with accepted standards, all such companies are required to file each year their total homeowners insurance experience with the official statistical agents. Experience is recorded pursuant to the officially approved statistical plans and reported by the companies in accordance with instructions issued by the statistical agents under the Official Calls for Experience.

The Commissioner appointed the following statistical agents for the collection of homeowners insurance experience in North Carolina: Insurance Services Office (ISO), Independent Statistical Services, Inc. (ISS), American Association of Insurance Services (AAIS), and National Independent Statistical Service (NISS).

Experience utilized in the filing was collected under the Personal Lines Statistical Plan and the 2005 Official Statistical Programs of ISO, the Statistical Plan for Homeowners Policies, Mobilehome Policies, and Dwelling Policies and the 2005 Statistical Programs of ISS, the Homeowners Statistical Plan developed by AAIS and the 2005 Statistical Programs of the AAIS, the Homeowners Statistical Plan developed by the NISS and the 2005 Statistical Programs of the NISS. In substance, the statistical plans of all statistical agents are similar in North Carolina, and provide for the recording and reporting of the experience in the detail required for ratemaking and in such form that the experience of all companies can be combined.

The filing of experience is accompanied by an affidavit executed by an officer of the statistical agent responsible for and acquainted with the statistical procedures employed for the production of this end product. Further, the licensing of an organization and its appointment as a statistical agent in the various states is predicated upon demonstration by the organization of its ability to perform this function. Moreover, the performance of the statistical agents is reviewed periodically through examination by personnel of state insurance departments under the convention examinations of the National Association of Insurance Commissioners. From time to time such organizations are called upon by Insurance Department examiners to verify, and do verify the data consolidated by them as statistical agents.

NORTH CAROLINA

HOMEOWNERS INSURANCE

EXPLANATORY MEMORANDUM

The insurance companies likewise are subject to a variety of checks and controls. Effective controls are maintained within the company over the activities of company employees connected with the company's statistics. Companies are required by statute to submit directly to the Insurance Department statistical and accounting information to be found in the Annual Statement and the Insurance Expense Exhibit. These documents are scrutinized by experienced Insurance Department personnel throughout the country. The insurance companies are also subject to examination by the Insurance Department, which examinations extend into the statistical records of the companies.

Tabulations of experience reported to Independent Statistical Services, Inc., American Association of Insurance Services, and National Independent Statistical Service are provided to the Insurance Services Office. The Insurance Services Office combines the experience of all statistical agents and develops the analysis included in this filing. This work is performed at the direction of the North Carolina Rate Bureau.

Statewide Rate Level Exhibits

1. Experience

Homeowners insurance experience was compiled on a calendar accident year basis for the years ended December 31, 2004, 2003, 2002, 2001 and 2000. For any twelve-month period, the accident year experience brings together the losses resulting from accidents occurring during that period with the premiums and number of houses "earned" during the same period. Since this filing utilizes a computer model to measure losses attributable to hurricanes, actual hurricane losses have been removed from the ratemaking experience.

2. Average Rating Factors

The earned premiums at present manual rates for the homeowners insurance coverages are calculated by multiplying the number of insured houses earned during the experience period by the rates in effect at the time of review. Earned premiums at present rates are used to determine average rating factors. The average rating factor is the ratio of the average rate (earned premium at manual level divided by corresponding house-years) and the current manual base rate by territory. The average rating factor is used to convert the pure-premiums incurred during the experience period to the base-class level.

3. Losses

Losses compiled for any accident year include paid losses as well as loss reserves. The amounts that will ultimately be required as payments of claims on open cases are carefully determined by the claim departments of the companies, and experience has shown that these determinations are highly accurate in the aggregate. Since, however, there are differences between the total incurred losses so determined and the amounts ultimately paid, the ratemaking procedure provides for a "development" of the incurred losses to a basis which, for all practical purposes, can be considered as the ultimate basis. This development is accomplished as follows:

Each year the experience is compiled for the latest five-years, all valued as of three months after the close of the latest accident year period. Thus, the experience is reported for the latest year as of 15 months, the preceding year as of 27 months, the next preceding year as of 39 months, the third preceding year as of 51 months and the fourth preceding year as of 63 months all measured from the beginning of each accident year respectively.

NORTH CAROLINA

HOMEOWNERS INSURANCE

EXPLANATORY MEMORANDUM

From reports of prior years, similarly aged experience was obtained so that there are available 5 successive reports for the earliest year, 4 successive reports for the next earliest year, 3 successive reports for the middle year and 2 successive reports for the second most recent year.

Homeowners claims generally are settled at and are sufficiently matured as of 63 months, by which time nearly all homeowners incurred losses have been paid. From a comparison of the incurred losses for each year at successive valuation dates, it is determined what the rate of development has been in the past in order to calculate the development of less mature losses. This development is reflected in the incurred losses for the less mature years by the application of loss development factors. In this filing, loss development factors have been calculated based on the statewide experience of companies reporting to ISO and three large writers reporting to the ISS, and are as follows:

<u>Accident Year Ended</u>	<u>Factor to Develop to 63 Months</u>
December 31, 2004	1.017
December 31, 2003	0.999
December 31, 2002	0.998
December 31, 2001	0.998
December 31, 2000	1.000

The derivation of the factors shown above is presented on Page D-8. By applying these factors, the reported incurred losses have been changed to the amounts at which it is believed they will ultimately be settled.

In order to insure stability in rate levels while maintaining adequacy in the event of wide swings in hurricane and other wind losses, an excess wind procedure and a hurricane loss model have been utilized. Hence, violent shifts in rate level (both upward and downward), which might result from reflecting large hurricane and other wind losses only in the year in which they occur will be avoided. The incurred non-modelled excess losses are those losses which result from unusually severe wind activity (other than hurricane). They are removed from the experience used in developing rates. In order to reflect the impact of excess wind losses (that are not related to hurricanes and not accounted for in the hurricane model) on a long-term basis, the non-modelled losses are multiplied by an excess factor of 1.034. The derivation of the excess factor is shown on Page D-26. The modelled losses used in this filing are based on analysis performed by AIR Worldwide on behalf of the North Carolina Rate Bureau. See pages D-29-31 for details.

4. Loss Adjustment Expense

The homeowners loss adjustment expenses are determined as an average percentage of the North Carolina incurred losses for the corresponding five calendar accident years, based on a North Carolina expense call. The high and low years are excluded in the average. See pages D-24-25.

NORTH CAROLINA

HOMEOWNERS INSURANCE

EXPLANATORY MEMORANDUM

5. Credibility Factor Determination

Credibility considerations enter into the Homeowners ratemaking formula in the calculation of statewide rate level indications which depend, in part, on the determination of the weighted statewide trended loss ratio.

The statewide credibility procedure is based on the 'frequency with severity modification' model discussed in "Credibility of the Loss cost" by Mayerson, Bowers and Jones. The full credibility standard is based on a normal distribution with a 90% probability of meeting the test and a 5% maximum departure from the expected value, translated to house year standards. Partial credibility (Z_p) is calculated as follows:

$$Z_p = \sqrt{\text{five year house years} / \text{full credibility standard}} \quad (\text{truncated to the nearest tenth})$$

The full credibility standard is 240,000 house years for the Owners Forms, 285,000 house years for the Tenants Form, and 190,000 house years for the Condo Unit Owner Forms.

6. Loss Trend

Loss Trend for Owners Forms is based on external trend information and loss cost information. The external portion of the trend relies on the Boeckh Residential Index and the Modified Consumer Price Index, which are averaged (weighted 55% and 45%, respectively) and comprise the Current Cost Index. For Forms 4 and 6, in addition to loss cost information, the Modified Consumer Price Index is used.

The loss trending procedure is accomplished in two steps. In the first step Current Cost Factors are applied to each year's losses. The Current Cost Factors are derived from the external indices and, when applied to a given year's losses, translate these losses to a cost level which represents May 15, 2006. In order to trend losses from May 15, 2006 to one year beyond the assumed effective date of March 1, 2007, a Loss Projection Factor is applied. This projection factor is based on the annual change inherent in the latest twelve quarterly points of the Current Cost Index.

In reviewing the loss trends, the annual rates of change in pure-premium during the 2000-2004 experience period are lower than the observed annual changes in the external indices. Therefore, to project losses to a 2004 level, a 0% annual trend was selected for the owners forms and a -2% annual trend was selected for the tenant and condominium-unit owners forms.

Since the external indices necessarily ignore the effect of policy deductibles, a First Dollar procedure to trend from the first dollar of loss is incorporated into the calculation of the Loss Projection Factor.

The procedures described above are displayed on Pages D-9-12, D-14, D-16, D-18, D-20.

NORTH CAROLINA
HOMEOWNERS INSURANCE
EXPLANATORY MEMORANDUM

7. Expense Trend

The average annual change in expenses is based on the All Items Consumer Price Index and the Compensation Cost Index. The expected average annual change in expenses has been selected to be 3.4% based on analysis and review of these data, which are displayed on Pages D-21-22.

8. Premium Trend

The historical average relativities are used to calculate an average annual change. This rate of change, after being adjusted for distorting effects such as the introduction of policies covering newly constructed homes, is used to estimate the average relativity at the point in time corresponding to the mid-point of the latest quarter of the Current Cost Index (5/15/2006). The Current Amount Factor for a given year is calculated as the adjusted ratio of the 5/15/2006 average relativity and the given year's average relativity. In order to calculate the Premium Projection Factor, the adjusted annual rate of change is compounded over the time period between 5/15/2006 and 9/1/2007 (six months beyond the assumed effective date).

9. Trend Periods

The effective date assumed in this filing is March 1, 2007 for new and renewal policies. Given this effective date, the trend periods for premiums, losses and expenses are as follows:

- premiums, and the corresponding average rating factors, are trended from January 1 of the given year to September 1, 2007.
- losses are trended from July 1 of the given year to March 1, 2008
- general expense and other acquisition expense percentages, since they are based on 2002-2004 data, are trended from July 1, 2003 to September 1, 2007
- loss adjustment expense percentages, since they are based on 2000-2004 data, are trended from July 1, 2002 to March 1, 2008

10. Expense Loadings (other than L.A.E.)

These quantities represent the portion of the premium income expended on taxes, reinsurance costs, general expenses, commissions and other acquisition expenses. They are determined from special calls for North Carolina expense experience and reflect the 2002, 2003, and 2004 results as reported by all companies licensed in North Carolina during those years. The breakdown of these expenses is set forth on Page D-23. The provisions for general, other acquisition and loss adjustment expenses are trended in order to reflect the fact that the dollar costs of these expense components do not vary with the premium charged.

The provision for the net cost of reinsurance is 18.4%. See also pre-filed testimony of D. Appel.

NORTH CAROLINA
HOMEOWNERS INSURANCE
EXPLANATORY MEMORANDUM

Determination of Base-Class Loss Costs by Territory

1. Non-Modelled Base-Class Loss Cost

A five-year non-modelled base-class loss cost by territory is derived by dividing five-year territory losses excluding hurricane by the product of the five-year average rating factor and five-year house-years. The territory losses excluding hurricane include a territory wind provision. The calculation of the territory non-hurricane wind provision is described on page D-28.

2. Credibility

The five-year base-class loss cost excluding hurricane is assigned a credibility value based upon the number of house-years underlying this loss cost. The standard for full credibility is 60,000 house years for the Owners Forms, 75,000 house years for Tenants Forms, and 50,000 house years for Condo Unit Owners Forms, with partial credibility equal to

$$\sqrt{\text{five year house years} / \text{full credibility standard}}$$

truncated to the nearest tenth. The complement of credibility is assigned to the statewide five-year base-class loss cost excluding hurricane adjusted by the ratio of the territory's current base rate and the average current base rate for all territories.

3. Five-year Modelled Hurricane Base-Class Loss Cost

The five-year modelled hurricane base-class loss cost is derived by dividing five-year modelled hurricane territory losses by the product of the five-year average rating factor and five-year house-years.

4. Five-year Total Base-Class Loss Cost

The five-year base-class loss cost for total losses is the sum of the five-year credibility weighted base-class loss cost excluding hurricane and the five-year modelled hurricane base-class loss cost.

5. Indicated Relativity for Base-Class Loss Costs

The total loss costs by territory are made to be relative to the state by taking the ratio of the by-territory loss costs and the statewide average loss cost.

6. Indicated Base-Class Loss Costs By Territory

The territory relativities are applied to the statewide base-class loss cost (computed on the statewide indications pages) in order to obtain the indicated base-class loss costs by territory.

HOMEOWNERS INSURANCE

EXPLANATORY MEMORANDUM

Determination of Base Rates by Territory

1. Fixed Expenses By Territory

The statewide provisions for general and other acquisition expenses are adjusted in order to reflect the varying size of the current rates by territory. This is accomplished by multiplying the statewide provisions by the ratio of the current statewide average rate and the current average rate for the given territory.

2. Variable Expenses By Territory

The variable expense loadings include provisions for commissions, taxes, and the cost of reinsurance. The provision for the reinsurance cost expense varies by territory. (See testimony of D. Appel.)

3. Calculation of Indicated Base-Class Rates By Territory

The calculation of the revised rates is based on the following formula:

Revised Rate = [(Base-Class Loss Cost) + (Fixed Expense Provision * Current Rate)] / (1- Variable Expense Provision)

The calculation includes the reflection of the necessary provisions for profit, deviations, and contingencies. In order to reflect the varying risk to hurricane losses, the profit and reinsurance provisions vary by territory. (See testimony of D. Appel.)

Credibility Factor Determination

Credibility considerations enter into the Homeowners ratemaking formula in the calculation of territory rate level indications which depend, in part, on the determination of the individual territory's formula non-hurricane loss cost.

The territory credibility procedure is based on the 'frequency with severity modification' model discussed in "Credibility of the Loss cost" by Mayerson, Bowers and Jones. The full credibility standard is based on a normal distribution with a 90% probability of meeting the test and a 10% maximum departure from the expected value, translated to house year standards. Partial credibility (Z_p) is calculated as follows:

$$Z_p = \sqrt{\text{five year house years} / \text{full credibility standard}} \text{ (truncated to the nearest tenth)}$$

The full credibility standard is 60,000 house years for the Owners Forms, 75,000 house years for the Tenants Form, and 50,000 house years for the Condo Unit Owners Form.

NORTH CAROLINA
HOMEOWNERS INSURANCE

LOSS DEVELOPMENT (All Forms)

Incurred Losses as of:

Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1993	90,624,807	91,633,548	91,223,463	91,562,203	91,437,706
1994	80,112,830	80,498,399	79,624,445	79,582,450	79,183,801
1995	277,868,397	283,033,529	282,501,594	282,244,900	281,224,562
1996	1,209,770,659	1,239,510,947	1,244,728,163	1,248,058,424	1,245,117,779
1997	286,677,807	292,202,209	292,585,694	292,207,162	291,107,908
1998	444,114,788	451,781,313	451,870,585	452,939,399	452,510,430
1999	520,634,373	532,363,313	535,146,609	535,264,926	536,198,596
2000	418,995,070	426,123,159	427,053,171	427,685,732	428,403,707
2001	341,552,073	348,721,903	351,327,515	350,043,389	
2002	446,298,533	456,813,134	458,430,538		
2003	561,000,614	571,950,375			
2004	393,604,508				

Link Ratios:

Accident Year	27:15	39:27	51:39	63:51
1993	1.011	0.996	1.004	0.999
1994	1.005	0.989	0.999	0.995
1995	1.019	0.998	0.999	0.996
1996	1.025	1.004	1.003	0.998
1997	1.019	1.001	0.999	0.996
1998	1.017	1.000	1.002	0.999
1999	1.023	1.005	1.000	1.002
2000	1.017	1.002	1.001	1.002
2001	1.021	1.007	0.996	
2002	1.024	1.004		
2003	1.020			
Average	1.018	1.001	1.000	0.998

Loss Development Factors By Year:

2000	2001	2002	2003	2004
1.000	0.998	0.998	0.999	1.017

NORTH CAROLINA

HOMEOWNERS INSURANCE - OWNERS FORMS

DEVELOPMENT OF CURRENT COST FACTORS (CCF) AND LOSS PROJECTION FACTOR

QUARTER ENDING JUNE 30, 2006

PART A: ESTABLISHMENT OF MONTHLY CURRENT COST INDEX (CCI) WITH:
 45% WEIGHT TO MODIFIED COMSUMER PRICE INDEX (MCPI)
 55% WEIGHT TO BOECKH RESIDENTIAL INDEX (BRI) FOR N.C.
 (MCPI BASE: 1967 = 100 BRI BASE: 1967 = 100)

<u>MO</u>	<u>BRI</u>	<u>MCPI</u> <u>2003</u>	<u>CCI</u>	<u>QCCI</u>	<u>BRI</u>	<u>MCPI</u> <u>2004</u>	<u>CCI</u>	<u>QCCI</u>	<u>BRI</u>	<u>MCPI</u> <u>2005</u>	<u>CCI</u>	<u>QCCI</u>
7	710.3	385.5	564.1		767.5	391.6	598.3		814.7	397.6	627.0	
8	712.8	385.7	565.6		773.4	391.2	601.4		818.4	397.5	629.0	
9	712.3	387.0	565.9	565.2	772.6	393.0	601.8	600.5	818.8	399.3	630.0	628.7
10	714.9	388.0	567.8		777.8	395.5	605.8		821.7	400.8	632.3	
11	735.6	388.0	579.2		785.0	395.1	609.5		834.5	401.3	639.6	
12	735.1	387.3	578.6	575.2	786.0	393.6	609.4	608.2	836.1	400.2	639.9	637.3
<u>MO</u>	<u>BRI</u>	<u>MCPI</u> <u>2004</u>	<u>CCI</u>	<u>QCCI</u>	<u>BRI</u>	<u>MCPI</u> <u>2005</u>	<u>CCI</u>	<u>QCCI</u>	<u>BRI</u>	<u>MCPI</u> <u>2006</u>	<u>CCI</u>	<u>QCCI</u>
1	741.5	387.6	582.2		790.4	394.5	612.2		839.3	400.0	641.6	
2	745.9	390.4	585.9		798.6	396.8	617.8		849.3	402.0	648.0	
3	746.0	393.0	587.2	585.1	799.4	399.1	619.3	616.4	848.2	404.5	648.5	646.0
4	745.7	393.5	587.2		800.2	399.5	619.9		854.0	405.8	652.3	
5	756.4	393.2	593.0		810.7	399.8	625.8		860.0	405.9	655.7	
6	755.9	393.0	592.6	590.9	810.0	398.1	624.6	623.4	862.9	404.5	656.6	654.9

PART B: CALCULATION OF CURRENT COST FACTORS (CCF)

	(1)	(2)	(3)	(4)	(5)	(6)
				CCI Change Relative To 2004 Level	Selected Change Relative To 2004 Level*	Current Cost Factor**
<u>Year</u>	<u>BRI</u>	<u>MCPI</u>	<u>CCI</u>			
2000	629.4	375.0	514.9	1.158	1.000	1.098
2001	645.1	379.8	525.7	1.134	1.000	1.098
2002	668.2	384.1	540.4	1.103	1.000	1.098
2003	704.5	386.6	561.4	1.062	1.000	1.098
2004	762.8	392.6	596.2	1.000	1.000	1.098

* Factor represents a 0% annual trend from 2001 to 2004.

** Column (5) * 654.9 / 596.2

NORTH CAROLINA
HOMEOWNERS INSURANCE - OWNERS FORMS

DEVELOPMENT OF CURRENT COST FACTORS (CCF) AND LOSS PROJECTION FACTOR
QUARTER ENDING JUNE 30, 2006

PART C: COMPUTATION OF LOSS PROJECTION FACTOR

CAL. YEAR	QUARTER ENDING	TIME (2X)	4X ²	AVG. CCI (Y)	Z=LN(Y)	2XZ	FITTED CCI
2003	SEP. 30	-11	121	565.2	6.337	-69.707	568.5
2003	DEC. 31	-9	81	575.2	6.355	-57.195	575.9
2004	MAR. 31	-7	49	585.1	6.372	-44.604	583.4
2004	JUN. 30	-5	25	590.9	6.382	-31.910	591.0
2004	SEP. 30	-3	9	600.5	6.398	-19.194	598.6
2004	DEC. 31	-1	1	608.2	6.411	-6.411	606.4
2005	MAR. 31	1	1	616.4	6.424	6.424	614.3
2005	JUN. 30	3	9	623.4	6.435	19.305	622.3
2005	SEP. 30	5	25	628.7	6.444	32.220	630.3
2005	DEC. 31	7	49	637.3	6.457	45.199	638.5
2006	MAR. 31	9	81	646.0	6.471	58.239	646.8
2006	JUN. 30	11	<u>121</u>	654.9	<u>6.484</u>	<u>71.324</u>	655.2
			572		76.970	3.690	

EQUATIONS:

$$Y = E^{A+BX}$$

$$Z = A+BX$$

$$SZ = NA + BSX$$

$$SXZ = ASX + BSX \quad 143$$

WHERE A = MEAN OF FITTED LINE 0.006577
 B = AVERAGE QUARTERLY INCREMENT
 S = SUMMATION
 N = NUMBER OF OBSERVATIONS

$$2SXZ = 3.690 \text{ OR } SXZ = 1.8450 \quad S4X = 572 \text{ OR } SX = 143$$

A (MEAN OF FITTED LINE) = $76.970/12 = 6.414$
 B (AVG. QUARTERLY INCREMENT) = $1.8450/143 = 0.0129$

QUARTERLY RATE OF CHANGE = $E^{-1} = 0.013$

ANNUAL RATE OF CHANGE = $(E^{0.0129})^4 = 1.053 \text{ OR } 5.3\%$

LOSS PROJECTION FACTOR = $(E^{0.0129})^{21.5/3} = 1.097$

* TO PROJECT LOSSES FROM 5/15/06 TO 3/1/08

NORTH CAROLINA

HOMEOWNERS INSURANCE - TENANT AND CONDO UNIT OWNER FORMS

DEVELOPMENT OF CURRENT COST FACTORS (CCF) AND LOSS PROJECTION FACTOR

QUARTER ENDING JUNE 30, 2006

PART A: ESTABLISHMENT OF MONTHLY CURRENT COST INDEX (CCI) WITH:
MODIFIED CONSUMER PRICE INDEX ONLY (BASE: 1967 = 100)

<u>MO.</u>	<u>MCPI</u> <u>2003</u>	<u>QCCI</u>	<u>MCPI</u> <u>2004</u>	<u>QCCI</u>	<u>MCPI</u> <u>2005</u>	<u>QCCI</u>
07	301.6		302.5		303.4	
08	301.4		301.8		303.4	
09	302.6	301.9	303.5	302.6	305.1	304.0
10	303.4		305.9		306.1	
11	303.1		305.1		305.8	
12	301.6	302.7	303.1	304.7	304.5	305.5
<u>MO.</u>	<u>MCPI</u> <u>2004</u>	<u>QCCI</u>	<u>MCPI</u> <u>2005</u>	<u>QCCI</u>	<u>MCPI</u> <u>2006</u>	<u>QCCI</u>
01	301.3		303.2		303.7	
02	303.4		304.7		304.9	
03	305.7	303.5	306.6	304.8	307.0	305.2
04	305.9		306.8		308.0	
05	305.2		306.8		307.6	
06	304.5	305.2	304.6	306.1	306.0	307.2

PART B: CALCULATION CURRENT COST FACTORS (CCF)

<u>Year</u>	(1) <u>CCI</u>	(2) CCI Change Relative To 2004 <u>Level</u>	(3) Selected Change Relative To 2004 <u>Level*</u>	(4) Current Cost Factor**
2000	306.1	0.993	0.922	0.932
2001	306.2	0.993	0.941	0.951
2002	305.3	0.996	0.960	0.970
2003	303.0	1.003	0.980	0.990
2004	304.0	1.000	1.000	1.011

* Factor represents a -2% annual trend from 2001 to 2004.

** = Column (3) * 307.2 / 304.0

NORTH CAROLINA
HOMEOWNERS INSURANCE - TENANT AND CONDO UNIT OWNER FORMS

DEVELOPMENT OF CURRENT COST FACTORS (CCF) AND LOSS PROJECTION FACTOR
QUARTER ENDING JUNE 30, 2006

PART C: COMPUTATION OF LOSS PROJECTION FACTOR

CAL. YEAR	QUARTER ENDING	TIME (2X)	4X	AVG. CCI (Y)	Z=LN(Y)	2XZ	FITTED CCI
2003	SEP. 30	-11	121	301.9	5.710	-62.810	302.5
2003	DEC. 31	-9	81	302.7	5.713	-51.417	302.8
2004	MAR. 31	-7	49	303.5	5.715	-40.005	303.1
2004	JUN. 30	-5	25	305.2	5.721	-28.605	303.5
2004	SEP. 30	-3	9	302.6	5.712	-17.136	303.8
2004	DEC. 31	-1	1	304.7	5.719	-5.719	304.1
2005	MAR. 31	1	1	304.8	5.720	5.720	304.5
2005	JUN. 30	3	9	306.1	5.724	17.172	304.8
2005	SEP. 30	5	25	304.0	5.717	28.585	305.1
2005	DEC. 31	7	49	305.5	5.722	40.054	305.5
2006	MAR. 31	9	81	305.2	5.721	51.489	305.8
2006	JUN. 30	11	<u>121</u>	307.2	<u>5.727</u>	<u>62.997</u>	306.1
			572		68.621	0.325	

EQUATIONS:

$$Y = E^{A+BX}$$

$$Z = A+BX$$

$$SZ = NA + BSX$$

$$SXZ = ASX + BSX^2$$

WHERE A = MEAN OF FITTED LINE
 B = AVERAGE QUARTERLY INCREMENT
 S = SUMMATION
 N = NUMBER OF OBSERVATIONS

$$2SXZ = 0.325 \text{ OR } SXZ = 0.1625 \quad S4X = 572 \text{ OR } SX = 143$$

$$A \text{ (MEAN OF FITTED LINE)} = 68.621/12 = 5.718$$

$$B \text{ (AVG. QUARTERLY INCREMENT)} = 0.1625/143 = 0.0011$$

$$\text{QUARTERLY RATE OF CHANGE} = E^{0.0011} - 1 = 0.0011$$

$$\text{ANNUAL RATE OF CHANGE} = (E^{0.0011})^4 = 1.004 \text{ OR } 0.4\%$$

$$\text{LOSS PROJECTION FACTOR} = (E^{0.0011})^{21.5/3} = 1.008$$

* TO PROJECT LOSSES FROM 5/15/06 TO 3/1/08

NORTH CAROLINA

HOMEOWNERS INSURANCE

NOTES TO DETERMINATION OF TREND

Modified Consumer Price Index – source: Bureau of Labor Statistics. Weights applied to individual Consumer Price Index components are as follows:

Owners Forms:

48% House Furnishings
20% Medical Care
16% Apparel Commodities
16% Entertainment Commodities

Tenants and Condominium Forms

54% House Furnishings
10% Medical Care
18% Apparel Commodities
18% Entertainment Commodities

NORTH CAROLINA
HOMEOWNERS INSURANCE

ANNUAL PURE-PREMIUM AND SEVERITY RATES OF CHANGE
(Experience Adjusted to a Common Deductible)

Owners Forms

Year	Severity		Pure Premium		Severity		Pure Premium		Severity		Pure Premium		Severity		Pure Premium	
	Ex. Wind, O.P.D.	Ex. Wind, O.P.D.	Ex. Wind	Ex. Wind	Fire	Fire	Theft	Theft	Liability	Liability	O.P.D.	O.P.D.	Water	Water	O.P.D.	O.P.D.
2000	3532	200.38	3230	230.18	5579	113.52	1699	21.75	3816	10	2052	29.8	2628	55.11	2920	20.25
2001	3933	196.04	3676	216.29	6702	108.76	1775	22.31	4324	10.77	2254	20.25	2920	54.21	2913	74.78
2002	4012	224.21	3093	296.21	7046	120.5	1858	20.02	3820	8.91	1805	72	2913	74.78	3819	66.05
2003	4610	199.6	3972	225.56	7109	105.81	1994	18.37	4915	9.37	1923	25.96	3819	66.05	4141	55.46
2004	5865	197.64	5324	216.49	11212	116.81	2113	17.18	4667	8.2	2708	18.84	4141	55.46		
Ann. Change	0.124	-0.001	0.114	-0.008	0.157	0.003	0.057	-0.064	0.055	-0.052	0.04	-0.065	0.125	0.021		

Tenant Form

Year	Severity		Pure Premium		Severity		Pure Premium		Severity		Pure Premium		Severity		Pure Premium	
	Ex. Wind, O.P.D.	Ex. Wind, O.P.D.	Ex. Wind	Ex. Wind	Fire	Fire	Theft	Theft	Liability	Liability	O.P.D.	O.P.D.	Water	Water	O.P.D.	O.P.D.
2000	2529	68.68	2383	74.19	3999	28.16	1728	27.94	4410	6.89	1383	5.52	2390	5.68	2375	4.74
2001	2354	61.36	2289	66.17	3132	17.35	1634	27.35	6640	11.91	1699	4.82	1857	5.12	2745	5.39
2002	2408	56.97	1980	66.05	3498	20.13	1780	24.83	5754	6.89	936	9.09	1857	5.12	3226	4.74
2003	2953	57.69	2703	63.39	4058	19.52	2011	23.27	7951	9.52	1455	5.7	2745	5.39		
2004	3048	50.97	2901	54.82	4993	17.28	2078	22.17	6036	6.78	1768	3.85	3226	4.74		
Ann. Change	0.062	-0.064	0.058	-0.063	0.073	-0.082	0.059	-0.061	0.084	-0.025	0.034	-0.054	0.077	-0.023		

Condo Unit Owners Form

Year	Severity		Pure Premium		Severity		Pure Premium		Severity		Pure Premium		Severity		Pure Premium	
	Ex. Wind, O.P.D.	Ex. Wind, O.P.D.	Ex. Wind	Ex. Wind	Fire	Fire	Theft	Theft	Liability	Liability	O.P.D.	O.P.D.	Water	Water	O.P.D.	O.P.D.
2000	2088	78.93	2110	91.31	3220	20.42	1522	12.83	3348	7.39	2264	12.39	1838	38.29	2693	13.68
2001	2312	82.89	2359	96.57	3929	20.93	1652	13.24	3024	6.14	2693	13.68	2078	42.59	1514	14.08
2002	2129	63.48	1983	77.56	3247	14.31	1443	9.23	1819	2.47	1514	14.08	2122	37.48	1943	9.06
2003	2494	69.06	2415	78.12	3459	15.5	1765	9.05	3770	4.59	1943	9.06	2367	39.92	2752	11.03
2004	3402	83.56	3311	94.58	8250	28.72	1748	9.96	4039	4.63	2752	11.03	2827	40.24		
Ann. Change	0.111	-0.007	0.097	-0.014	0.192	0.039	0.035	-0.085	0.061	-0.115	0.006	-0.062	0.104	0.003		

NORTH CAROLINA
HOMEOWNERS INSURANCE

TREND IN AVERAGE RELATIVITY

Owners Forms

	<u>X</u>	<u>Y*</u>	<u>Z=ln Y</u>	<u>X*Z</u>
2000	-2.000	1.403	0.339	-0.678
2001	-1.000	1.460	0.378	-0.378
2002	0.000	1.515	0.415	0.000
2003	1.000	1.574	0.454	0.454
2004	2.000	1.648	<u>0.500</u>	<u>1.000</u>
			2.086	0.398

$$A \text{ (mean of fitted line) } = (\text{Sum Z})/5 = 2.086 / 5 = 0.417$$

$$B \text{ (average annual increment) } = (\text{Sum X*Z})/10 = 0.398 / 10 = 0.040$$

$$\text{Average Annual Rate of Change} = e^{0.040 - 1} = 0.041$$

Latest Year Relativity trended from 01/01/04 to 05/15/06

$$1.648 * 1.041^{28.5 / 12} = 1.813$$

* Average Policy Amount Relativity

NORTH CAROLINA
HOMEOWNERS INSURANCE

DEVELOPMENT OF CURRENT COST / AMOUNT AND PROJECTION FACTORS

Owners Forms

	(1) Average Rel.	(2) (2) = 1.813 (A) /(1)	(3) Current Amount Factor [(2)-1]*.95+1	(4) Current Cost Factor	(5) Current Cost/ Amount Factor
2000	1.403	1.292	1.277	1.098	0.860
2001	1.460	1.242	1.230	1.098	0.893
2002	1.515	1.197	1.187	1.098	0.925
2003	1.574	1.152	1.144	1.098	0.960
2004	1.648	1.100	1.095	1.098	1.003

(6) Premium Projection Factor $\left(\frac{15.5}{12} \right) 1.039 = 1.051$

(7) Loss Projection Factor = 1.097

(8) Adjustment to Trend from First Dollar of Loss (B) = 1.012

(9) Composite Projection Factor = (7) * (8) / (6) = 1.056

(A) 1.813 is the projected average relativity at 05/15/06

(B) Trend From First Dollar is calculated as follows:

$$1 + \left(\frac{(X-1)Y}{XZ} \right)$$

Where: X = Loss trend (weighted current cost factor * loss projection factor).

Y = Losses eliminated by \$250 deductible.

Z = Five year total adjusted losses.

Premium projection factor reflects trend from 05/15/06 to 09/01/07

NORTH CAROLINA
HOMEOWNERS INSURANCE

TREND IN AVERAGE RELATIVITY

Tenant Form

	<u>X</u>	<u>Y*</u>	<u>Z=ln Y</u>	<u>X*Z</u>
2000	-2.000	2.622	0.964	-1.928
2001	-1.000	2.662	0.979	-0.979
2002	0.000	2.716	0.999	0.000
2003	1.000	2.785	1.024	1.024
2004	2.000	2.883	<u>1.059</u>	<u>2.118</u>
			5.025	0.235

$$A \text{ (mean of fitted line)} = (\text{Sum } Z)/5 = 5.025 / 5 = 1.005$$

$$B \text{ (average annual increment)} = (\text{Sum } X*Z)/10 = 0.235 / 10 = 0.024$$

$$\text{Average Annual Rate of Change} = e^{0.024 - 1} = 0.024$$

Latest Year Relativity trended from 01/01/04 to 05/15/06

$$2.883 * 1.024^{28.5 / 12} = 3.050$$

* Average Policy Amount Relativity

NORTH CAROLINA
HOMEOWNERS INSURANCE

DEVELOPMENT OF CURRENT COST / AMOUNT AND PROJECTION FACTORS

Form 4

	(1) Average Rel.	(2) (2) = 3.050 (A) / (1)	(3) Current Amount Factor <u>[(2)-1]*1.0+1</u>	(4) Current Cost Factor	(5) Current Cost/ Amount Factor
2000	2.622	1.163	1.163	0.932	0.801
2001	2.662	1.146	1.146	0.951	0.830
2002	2.716	1.123	1.123	0.970	0.864
2003	2.785	1.095	1.095	0.990	0.904
2004	2.883	1.058	1.058	1.011	0.956

(6) Premium Projection Factor	(15.5 /12) 1.024	=	1.031
(7) Loss Projection Factor		=	1.008
(8) Adjustment to Trend from First Dollar of Loss (B)		=	0.999
(9) Composite Projection Factor = (7) * (8) / (6)		=	0.977

(A) 3.050 is the projected average relativity at 05/15/06

(B) Trend From First Dollar is calculated as follows:

$$1 + ((X-1) Y / (X Z))$$

Where: X = Loss trend (weighted current cost factor * loss projection factor).

Y = Losses eliminated by \$250 deductible.

Z = Five year total adjusted losses.

Premium projection factor reflects trend from 05/15/06 to 09/01/07

NORTH CAROLINA
HOMEOWNERS INSURANCE
TREND IN AVERAGE RELATIVITY

Condo Unit Owners Form

	<u>X</u>	<u>Y*</u>	<u>Z=ln Y</u>	<u>X*Z</u>
2000	-2.000	3.617	1.286	-2.572
2001	-1.000	3.720	1.314	-1.314
2002	0.000	3.814	1.339	0.000
2003	1.000	3.915	1.365	1.365
2004	2.000	4.042	<u>1.397</u>	<u>2.794</u>
			6.701	0.273

A (mean of fitted line) = (Sum Z)/5 = $6.701 / 5 = 1.340$
 B (average annual increment) = (Sum X*Z)/10 = $0.273 / 10 = 0.027$

Average Annual Rate of Change = $e^{0.027 - 1} = 0.027$

Latest Year Relativity trended from 01/01/04 to 05/15/06
 $4.042 * 1.027^{28.5 / 12} = 4.306$

* Average Policy Amount Relativity

NORTH CAROLINA
HOMEOWNERS INSURANCE

DEVELOPMENT OF CURRENT COST / AMOUNT AND PROJECTION FACTORS

Condo Unit Owners Form

	(1) Average Rel.	(2) 4.306 /(1)	(3) Current Amount Factor [(2)-1]*1.0+1	(4) Current Cost Factor	(5) Current Cost/ Amount Factor
2000	3.617	1.190	1.190	0.932	0.783
2001	3.720	1.158	1.158	0.951	0.821
2002	3.814	1.129	1.129	0.970	0.859
2003	3.915	1.100	1.100	0.990	0.900
2004	4.042	1.065	1.065	1.011	0.949

- (6) Premium Projection Factor (15.5 /12)
1.027 = 1.035
- (7) Loss Projection Factor = 1.008
- (8) Adjustment to Trend from First Dollar of Loss (B) = 0.999
- (9) Composite Projection Factor = (7) * (8) / (6) = 0.973

(A) 4.306 is the projected average relativity at 05/15/06

(B) Trend From First Dollar is calculated as follows:

$$1 + ((X-1) Y / (X Z))$$

Where: X = Loss trend (weighted current cost factor * loss projection factor).

Y = Losses eliminated by \$250 deductible.

Z = Five year total adjusted losses.

Premium projection factor reflects trend from 05/15/06 to 09/01/07

NORTH CAROLINA
 HOMEOWNERS INSURANCE
 DETERMINATION OF TREND FOR EXPENSES

	<u>ALL ITEMS CPI INDEX</u>	<u>COMPENSATION COST INDEX *</u>
Jul-02	180.1	
Aug-02	180.7	167.1
Sep-02	181.0	
Oct-02	181.3	
Nov-02	181.3	167.9
Dec-02	180.9	
Jan-03	181.7	
Feb-03	183.1	172.1
Mar-03	184.2	
Apr-03	183.8	
May-03	183.5	173.9
Jun-03	183.7	
Jul-03	183.9	
Aug-03	184.6	175.1
Sep-03	185.2	
Oct-03	185.0	
Nov-03	184.5	176.2
Dec-03	184.3	
Jan-04	185.2	
Feb-04	186.2	177.8
Mar-04	187.4	
Apr-04	188.0	
May-04	189.1	180.5
Jun-04	189.7	
Jul-04	189.4	
Aug-04	189.5	182.1
Sep-04	189.9	
Oct-04	190.9	
Nov-04	191.0	183.6
Dec-04	190.3	
Jan-05	190.7	
Feb-05	191.8	186.3
Mar-05	193.3	
Apr-05	194.6	
May-05	194.4	188.8
Jun-05	194.5	
Jul-05	195.4	
Aug-05	196.4	189.0
Sep-05	198.8	
Oct-05	199.2	
Nov-05	197.6	190.0
Dec-05	196.8	
Jan-06	198.3	
Feb-06	198.7	191.7
Mar-06	199.8	
Apr-06	201.5	
May-06	202.5	193.0
Jun-06	202.9	

* 2006 values retain June 1989 BLS base. BLS recently switched to December 2005 base.

NORTH CAROLINA
HOMEOWNERS INSURANCE
DETERMINATION OF TREND FOR EXPENSES

	<u>All Items (A)</u>	<u>CCI (B)</u>	<u>Combined (C)</u>
(1) Annual Change in indices based on exponential curve of best fit for the latest 48 points (or 16 quarters)	3.01%	3.98%	3.49%
(2) Annual Change in indices based on exponential curve of best fit for the latest 36 points (or 12 quarters)	3.40%	3.77%	3.59%
(3) Annual Change in indices based on exponential curve of best fit for the latest 24 points (or 8 quarters)	3.71%	3.31%	3.51%
(4) Annual Change in indices based on exponential curve of best fit for the latest 12 points (or 4 quarters)	3.51%	2.91%	3.21%
(5) Average Annual Index (D)			
Year Ended 12/31/2003	183.96	174.33	
Year Ended 6/30/2004	186.09	177.40	
Year Ended 12/31/2004	188.88	181.00	
Year Ended 6/30/2005	191.69	185.20	
Year Ended 12/31/2005	195.29	188.53	195.29
Year Ended 6/30/2006	198.99	190.93	198.99
(6) Current Cost Factor (Latest Index Value Divided by Average Annual Index)			
Year Ended 12/31/2003	1.10	1.11	1.11
Year Ended 6/30/2004	1.09	1.09	1.09
Year Ended 12/31/2004	1.07	1.07	1.07
Year Ended 6/30/2005	1.06	1.04	1.05
Year Ended 12/31/2005	1.04	1.02	1.03
Year Ended 6/30/2006	1.02	1.01	1.02

Notes: (A) All items CPI index (urban). Source: Bureau of Labor Statistics.

(B) Total Compensation Cost Index - Insurance Carriers, Agent Brokers, and Service.
Source: Bureau of Labor Statistics.

(C) Weighted Average determined as .50 (All Items) + .50 (CCI).

(D) Average year ended index for period shown.

NORTH CAROLINA
Homeowners insurance

EXPENSE DATA

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>Average</u>
Commission & Brokerage	143,447,833	155,934,365	173,078,969	
Written Premium	1,009,923,690	1,124,917,876	1,228,985,154	
Ratio:	0.1420	0.1386	0.1408	0.1405
Total Other Acquisitions	76,357,251	86,082,520	79,107,574	
Earned Premium excluding deviations	1,183,658,684	1,295,574,386	1,380,947,208	
Earned Premium at current manual level	1,265,734,287	1,336,507,336	1,411,328,047	
Ratio:	0.0603	0.0644	0.0561	0.0603
General Expense	46,460,385	57,319,707	54,731,487	
Earned Premium excluding deviations	1,183,658,684	1,295,574,386	1,380,947,208	
Earned Premium at current manual level	1,265,734,287	1,336,507,336	1,411,328,047	
Ratio:	0.0367	0.0429	0.0388	0.0395
Taxes, Licenses & Fees	27,389,002	29,370,527	34,874,259	
Written Premium	1,009,923,690	1,124,917,876	1,228,985,154	
Ratio:	0.0271	0.0261	0.0284	0.0272
Commission & Brokerage		0.1405		
Taxes, Licenses & Fees		0.0272		
Underwriting Profit		0.080		
Contingencies		0.010		
Reinsurance Costs		0.184		
Total Variable Expenses, Profit, and Contingencies		0.442		
Expected Loss & Fixed Expense Ratio =	1.000	-	0.442	=
				0.558

NORTH CAROLINA
HOMEOWNERS INSURANCE
EXPENSE EXHIBIT

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>Average</u>
Allocated LAE	6,206,290	6,598,932	8,089,895	7,752,515	10,738,049	
Unallocated LAE	64,912,380	61,569,009	75,007,616	77,565,138	68,716,877	
Total LAE	71,118,670	68,167,941	83,097,511	85,317,653	79,454,926	
Incurred Losses	498,518,668	434,631,670	584,955,292	713,224,150	516,934,235	
Ratio: LAE/I.L.	0.143	0.157	0.142	0.120	0.154	0.143 (A)

(A) A selection of .146 was made by excluding the high and low years (2001 and 2003).

NORTH CAROLINA
HOMEOWNERS INSURANCE

CALCULATION OF TRENDING EXPENSE RATIOS

(1) Factor for trending losses:

Owners:	1.000	(24 / 12)	* (1.098)	* (e)	0.0129 (21.5 / 3)	* 1.012 =	1.219
Tenant:	0.980	(24 / 12)	* (1.011)	* (e)	0.0011 (21.5 / 3)	* 0.999 =	0.978
Condo:	0.980	(24 / 12)	* (1.011)	* (e)	0.0011 (21.5 / 3)	* 0.999 =	0.978

(2) Factor for trending LAE based on Current Expense Index:

All Forms:	1.034	(68 / 12)	=	1.209
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(3) Factor for trending premiums

Owners:	1.144	* 1.039	(15.5 / 12)	=	1.202
Tenant:	1.095	* 1.024	(15.5 / 12)	=	1.129
Condo:	1.100	* 1.039	(15.5 / 12)	=	1.156

(4) Factor for trending GE, OA expenses based on Current Expense Index:

All Forms:	1.034	(50 / 12)	=	1.149
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Owners:

Trended LAE Factor =	1 + (0.146 * 1.209 / 1.219)	=	1.145
Trended GE Ratio =	0.04 * 1.162 / 1.202	=	0.038
Trended OA Ratio =	0.06 * 1.162 / 1.202	=	0.058
Average Current Base Rate		=	396.07
Fixed Expense Per Policy	396.1 * (0.038 + 0.058)	=	38.02

Tenant:

Trended LAE Factor =	1 + (0.146 * 1.209 / 0.978)	=	1.180
Trended GE Ratio =	0.04 * 1.162 / 1.129	=	0.040
Trended OA Ratio =	0.06 * 1.162 / 1.129	=	0.061
Average Current Base Rate		=	45.35
Fixed Expense Per Policy	45.35 * (0.041 + 0.062)	=	4.58

Condo:

Trended LAE Factor =	1 + (0.146 * 1.209 / 0.978)	=	1.180
Trended GE Ratio =	0.04 * 1.162 / 1.156	=	0.039
Trended OA Ratio =	0.06 * 1.162 / 1.156	=	0.060
Average Current Base Rate		=	40.65
Fixed Expense Per Policy	40.65 * (0.040 + 0.061)	=	4.02

HOMEOWNERS INSURANCE
DERIVATION OF EXCESS FACTOR (EXCLUDES HURRICANE LOSSES)

(1)*	(2)**	(3)***	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Reported Wind Losses	Reported Total Losses	Total minus Wind (2) - (1)	Wind / Total minus Wind	Capped Wind Ratio < (5 X med.)	Capped Excess Wind Ratio (5)-Ave(5)	Capped Excess Wind Losses (3) x (6)	Non-Modelled Excess Wind Ratio Above The Cap	Excess Wind Losses Above The Cap (8) X (3)	Total Non- Modelled Excess Wind Losses (7) + (9)
1950	1,388,467	312,200	312,200	0.069	0.069	0	0	0	0
1951	1,422,207	290,780	290,780	0.062	0.062	0	0	0	0
1952	1,440,159	792,365	792,365	0.168	0.168	0.014	11,093	0	11,093
1956	2,297,877	1,928,925	1,928,925	0.256	0.256	0.102	196,750	0	196,750
1957	2,117,102	839,255	839,255	0.121	0.121	0	0	0	0
1961	301,538	2,663,173	2,361,635	0.128	0.128	0	0	0	0
1962	272,921	3,126,852	2,853,931	0.096	0.096	0	0	0	0
1963	694,065	5,638,155	4,944,090	0.140	0.140	0	0	0	0
1964	607,512	6,064,576	5,457,064	0.111	0.111	0	0	0	0
1965	671,048	6,901,947	6,230,899	0.108	0.108	0	0	0	0
1966	719,568	8,005,594	7,286,026	0.099	0.099	0	0	0	0
1967	915,862	8,050,817	7,134,955	0.128	0.128	0	0	0	0
1968	498,227	10,627,905	10,129,678	0.049	0.049	0	0	0	0
1969	563,307	13,143,012	12,579,705	0.045	0.045	0	0	0	0
1970	2,479,513	17,038,702	14,559,189	0.170	0.170	0.016	232,947	0	232,947
1971	2,627,662	21,885,664	19,258,002	0.136	0.136	0	0	0	0
1972	1,260,381	21,914,689	20,654,308	0.061	0.061	0	0	0	0
1973	2,266,976	30,436,168	28,169,192	0.080	0.080	0	0	0	0
1974	9,401,408	43,362,415	33,961,007	0.277	0.277	0.123	4,177,204	0	4,177,204
1975	5,485,456	53,538,527	48,053,071	0.114	0.114	0	0	0	0
1976	2,972,442	52,540,898	49,568,456	0.060	0.060	0	0	0	0
1977	3,476,744	60,315,936	56,839,192	0.061	0.061	0	0	0	0
1978	10,628,669	70,467,546	59,838,877	0.178	0.178	0.024	1,436,133	0	1,436,133
1979	3,105,986	71,072,268	67,966,282	0.046	0.046	0	0	0	0
1980	6,474,397	106,691,350	100,216,953	0.065	0.065	0	0	0	0
1981	4,950,144	109,000,823	104,050,679	0.048	0.048	0	0	0	0
1982	9,654,141	118,487,782	108,833,641	0.089	0.089	0	0	0	0
1983	9,722,115	123,552,849	113,830,734	0.085	0.085	0	0	0	0
1984	21,436,988	140,713,231	119,276,243	0.180	0.180	0.026	3,101,182	0	3,101,182
1985	30,960,043	179,473,338	148,513,295	0.208	0.208	0.054	8,019,718	0	8,019,718
1986	16,262,975	157,609,675	141,346,700	0.115	0.115	0	0	0	0
1987	23,190,753	185,616,181	162,425,428	0.143	0.143	0	0	0	0
1988	66,411,702	243,501,978	177,090,276	0.375	0.375	0.221	39,136,951	0	39,136,951
1989	83,498,398	278,467,229	194,968,831	0.428	0.428	0.274	53,421,460	0	53,421,460
1990	37,671,988	220,252,894	182,580,906	0.206	0.206	0.052	9,494,207	0	9,494,207
1991	18,151,400	219,353,728	201,202,328	0.090	0.090	0	0	0	0
1992	26,654,935	222,532,035	195,877,100	0.136	0.136	0	0	0	0
1993	97,830,965	321,921,890	224,090,925	0.437	0.437	0.283	63,417,732	0	63,417,732
1994	28,862,821	278,066,775	249,203,954	0.116	0.116	0	0	0	0
1995	52,370,482	291,974,195	239,603,713	0.219	0.219	0.065	15,574,241	0	15,574,241
1996	40,901,941	332,747,529	291,845,588	0.140	0.140	0	0	0	0
1997	37,382,138	303,669,980	266,287,842	0.140	0.140	0	0	0	0
1998	120,075,356	394,840,091	274,764,735	0.437	0.437	0.283	77,758,420	0	77,758,420
1999	58,232,430	350,186,938	291,954,508	0.199	0.199	0.045	13,137,953	0	13,137,953
2000	86,652,848	447,040,839	360,387,991	0.240	0.240	0.086	30,993,367	0	30,993,367
2001	29,637,583	372,257,692	342,620,109	0.087	0.087	0	0	0	0
2002	46,646,150	513,295,096	466,648,946	0.100	0.100	0	0	0	0
2003	111,101,271	465,356,119	354,254,848	0.314	0.314	0.16	56,680,776	0	56,680,776
2004	61,682,225	401,640,822	339,958,597	0.181	0.181	0.027	9,178,882	0	9,178,882
Total	1,184,031,286	7,289,209,428	6,113,843,954	7.541	7.541	1.855	385,969,016	0	385,969,016
Average				0.154	0.154	0.038		0	

Average of Column (5) =

0.154

Median Rank (25) = M =

0.128

Median * 5 =

0.640

Excess Factor = $1.0 + [(Ave(6) + Ave(8)) / (1.0 + Avg(5) - Ave(6))]$

1.034

* Dwelling E.C. Premiums for 1950-59.

** Dwelling E.C. Losses for 1950-59.

*** All Dwelling E.C. Losses for 1950-59 are assumed to be Wind Losses.

NORTH CAROLINA

HOMEOWNERS INSURANCE - OWNER FORMS

DEVELOPMENT OF EXCESS LOSSES ON A \$250 DEDUCTIBLE LEVEL

<u>Accident Year Ended</u>	(1) Excess Losses Column (10) (a)	(2) Reported Wind Losses Column (1) (a)	(3) Excess Ratio <u>(1)/(2)</u>
12/31/2000	\$30,993,367	\$86,652,848	0.358
12/31/2001	0	29,637,583	0.000
12/31/2002	0	46,646,150	0.000
12/31/2003	56,680,776	111,101,271	0.510
12/31/2004	9,178,882	61,682,225	0.149

<u>Accident Year Ended</u>	(4) Wind Losses on a \$250 Deductible Level	(5) Excess Losses on a \$250 Deductible Level <u>(3) x (4)</u>
12/31/2000	\$90,062,224	\$32,242,276
12/31/2001	30,773,437	0
12/31/2002	48,812,852	0
12/31/2003	117,389,125	59,868,454
12/31/2004	67,395,895	10,041,988

(a) See the "Derivation of Excess Factor" exhibit (previous page).

NORTH CAROLINA

HOMEOWNERS INSURANCE

METHODOLOGY FOR CALCULATING WIND PROVISIONS BY TERRITORY - OWNER FORMS

In order to develop Wind Provisions by territory*, the statewide provision is distributed using each territory's "expected" wind losses. This procedure is illustrated in the following example. (All hurricane losses accounted for by the model have been removed. Modeled hurricane losses are not included in this procedure):

	(1)	(2)	(3)	(4)
	Long-Term** Ratio of Wind to Non-Wind Losses	Non-Wind Losses for Latest Five Years	"Expected" Wind Losses for Latest Five Years <u>(1) x (2)</u>	"Expected" Wind Distribution <u>(3) ÷ Total (3)</u>
<u>Territory</u>				
A	.250	\$16,000,000	\$4,000,000	.400
B	.200	6,000,000	1,200,000	.120
C	.600	8,000,000	4,800,000	.480
			Total 10,000,000	1.000

	(5)	(6) (7) (8) "Expected" Wind Distribution			(9) (10) (11) Territory Wind Provision		
	Statewide Wind Provision***	Territory A	Territory B	Territory C	Territory A <u>(5) x (6)</u>	Territory B <u>(5) x (7)</u>	Territory C <u>(5) x (8)</u>
<u>Year</u>							
x	\$4,000,000	.400	.120	.480	\$1,600,000	\$480,000	\$1,920,000
x+1	1,000,000	.400	.120	.480	400,000	120,000	480,000
x+2	2,000,000	.400	.120	.480	800,000	240,000	960,000
x+3	3,000,000	.400	.120	.480	1,200,000	360,000	1,440,000
x+4	2,000,000	.400	.120	.480	800,000	240,000	960,000

* In calculating the five-year non-hurricane loss costs by territory shown in Column (1) of page C-5, actual non-modeled wind losses by territory are replaced with the losses arrived at using this procedure.

** Average of yearly ratios of non-modeled wind to non-wind losses based on territory experience for all available years.

*** Statewide Wind Provision = (Non Hurricane Incurred Losses - Excess Losses) x Excess Factor
- (Non Hurricane Losses - Non Hurricane Wind Losses)

NORTH CAROLINA
HOMEOWNERS INSURANCE
MODELED HURRICANE LOSSES

Owner Forms

Territory	AIR Loss Cost Per \$1,000	Estimated 2004 Total Limit Insurance Years(000)(a)	Modeled Hurricane Losses
5	2.4435	\$3,078,551	\$7,522,439
6	3.1250	1,979,897	6,187,179
32	0.2465	36,185,652	8,919,763
34	0.4177	12,864,551	5,373,809
36	0.0968	30,582,283	2,959,685
38	0.1162	41,361,532	4,807,129
39	0.1173	38,825,111	4,553,323
41	0.6514	5,744,795	3,742,096
42	2.3017	19,143,572	44,063,186
43	1.9364	16,736,810	32,408,974
44	0.2322	3,782,576	878,398
45	0.6059	20,445,143	12,387,485
46	0.1760	7,418,923	1,305,730
47	0.3396	37,550,138	12,752,444
53	0.2554	55,803,784	14,251,666
57	0.1108	52,983,819	5,869,430
60	0.0659	140,138,073	9,233,542
Statewide			\$177,216,278

(a) Includes factor of 1.8 to reflect total limits coverage.

NORTH CAROLINA

HOMEOWNERS INSURANCE

MODELED HURRICANE LOSSES

Tenant Forms

Territory	AIR Loss Cost Per \$1,000	Estimated 2004 Total Limit Insurance Years(000)(a)	Modeled Hurricane Losses
5	1.6150	\$8,068	\$13,029
6	1.6781	7,733	12,976
32	0.0535	602,087	32,212
34	0.1030	171,104	17,624
36	0.0178	499,162	8,902
38	0.0225	666,427	14,995
39	0.0208	297,482	6,198
41	0.1925	35,873	6,906
42	1.4909	198,941	296,604
43	1.0711	114,562	122,705
44	0.0548	24,175	1,326
45	0.1690	219,161	37,038
46	0.0375	48,350	1,813
47	0.0805	314,602	25,325
53	0.0510	628,915	32,075
57	0.0213	449,843	9,597
60	0.0109	1,030,546	11,250
Statewide			\$650,575

(a) Includes factor of 1.2 to reflect total limits coverage.

NORTH CAROLINA
HOMEOWNERS INSURANCE
MODELED HURRICANE LOSSES

Condo Unit Owner Forms

Territory	AIR Loss Cost Per \$1,000	Estimated 2004 Total Limit Insurance Years(000)(a)	Modeled Hurricane Losses
5	1.4239	\$33,606	\$47,852
6	1.4060	34,649	48,716
32	0.0428	284,491	12,172
34	0.0879	53,409	4,696
36	0.0151	329,344	4,964
38	0.0179	860,549	15,428
39	0.0183	245,524	4,490
41	0.1685	3,688	621
42	1.1779	184,827	217,713
43	0.9117	61,013	55,627
44	0.0453	2,916	132
45	0.1422	47,079	6,695
46	0.0306	988	30
47	0.0697	72,849	5,079
53	0.0417	302,448	12,616
57	0.0188	177,148	3,328
60	0.0098	707,028	6,919
Statewide			447,078

(a) Includes factor of 1.4 to reflect total limits coverage.

SECTION E
SUPPLEMENTAL MATERIAL

NORTH CAROLINA
HOMEOWNERS INSURANCE

SUPPLEMENTAL MATERIAL

North Carolina G.S. 58-36-15(h) specifies that the following information must be included in all policy form, rule and rate filings filed under Article 12B. 11 NCAC 10.1105 specifies that additional detail be provided under each of these items. These materials are contained on the pages indicated.

<u>Item</u>	<u>Page</u>
1. North Carolina earned premiums at actual and current rate levels; losses and loss adjustment expenses, each on a paid and incurred basis; the loss ratio anticipated at the time rates were promulgated for the experience period.	E-2-345
2. Credibility factor development and application.	E-346
3. Loss development factor derivation and application on both paid and incurred bases and in both dollars and numbers of claims.	E-347-369
4. Trending factor development and application.	E-370
5. Changes in premium base resulting from rating exposure trends.	E-371
6. Limiting factor development and application.	E-372
7. Overhead expense development and application of commission and brokerage, other acquisition expenses, general expenses, taxes, licenses and fees.	E-373-376
8. Percent rate change.	E-377
9. Final proposed rates.	E-378
10. Investment earnings, consisting of investment income and realized plus unrealized capital gains, from loss, loss expense and unearned premium reserves.	E-379-413
11. Identification of applicable statistical plans and programs and a certification of compliance with them.	E-414-421
12. Investment earnings on capital and surplus.	E-422
13. Level of capital and surplus needed to support premium writings without endangering the solvency of member companies.	E-423
14. Additional supplemental information (as per 11 NCAC 10.1105)	E-424-

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA
 REQUIREMENTS FOR A HOMEOWNERS RATE FILING
 AS PER 11 NCAC 10.1105

1. NORTH CAROLINA EARNED PREMIUMS AT THE ACTUAL AND CURRENT RATE LEVEL
- LOSSES AND LOSS ADJUSTMENT EXPENSES, EACH ON PAID AND INCURRED BASES WITHOUT TRENDING OR OTHER MODIFICATION FOR THE EXPERIENCE PERIOD, INCLUDING THE LOSS RATIO ANTICIPATED AT THE TIME THE RATES WERE PROMULGATED FOR THE EXPERIENCE PERIOD
- | | |
|---|-----------|
| Earned premiums at collected and current levels. | E-3 |
| Paid/incurred losses and loss adjustment expense. | E-4 |
| Anticipated loss ratios. | E-5 |
| (a) Companies excluded - rate level, trend, loss development, relativity, and investment income. | E-6 |
| (b) Not applicable to homeowners insurance. | |
| (c) Adjustments to premium, losses, loss adjustment expenses, expenses and exposures. | E-7 |
| (d) Actual earned premiums and calculation of earned premium at present rates. | E-8 |
| (e) Written and earned premiums and market shares for the ten largest writers. | E-9 |
| (f) Composite loss and premium information from each of the latest two annual statements for the 50 largest writers.
Part 2, line 3
Part 3, line 3
Page 15, line 3 | E-10-14 |
| (g) Deviations. | E-15-314 |
| (h) Dividends. | E-315-316 |
| (i) Losses and loss adjustment expenses. | E-317 |
| (j) Not applicable to homeowners insurance. | |
| (k) Excess (catastrophe) and nonexcess (noncatastrophe) losses. | E-318 |
| (l) Losses by cause. | E-319-345 |

NORTH CAROLINA
HOMEOWNERS INSURANCE

EARNED PREMIUMS AT ACTUAL AND CURRENT RATE LEVEL

I. EARNED PREMIUM AT COLLECTED LEVEL

Year	Owners' Forms	Tenants' Form	Condo Unit Form
2000	\$707,244,769	\$23,842,498	\$9,335,571
2001	762,935,238	24,002,495	9,989,300
2002	831,892,441	23,627,081	10,841,526
2003	932,423,170	21,325,057	11,126,745
2004	1,025,363,597	21,204,303	11,878,471

II. EARNED PREMIUM AT CURRENT LEVEL

Year	Owners' Forms	Tenants' Form	Condo Unit Form
2000	\$1,036,311,762	\$23,230,477	\$9,032,958
2001	1,087,430,514	23,299,284	9,523,408
2002	1,128,938,266	23,406,921	10,398,258
2003	1,187,689,204	23,381,264	11,103,456
2004	1,260,830,894	24,254,620	11,917,388

NORTH CAROLINA
HOMEOWNERS INSURANCE

PAID/INCURRED LOSSES AND ALLOCATED LOSS ADJUSTMENT EXPENSE

I. PAID LOSSES

The Rate Bureau is advised by ISO that paid loss and loss adjustment expenses are not available for the experience period of this filing.

II. INCURRED LOSSES (a)

	Owners' Forms	Tenants' Form	Condo Unit Form
2000	\$465,989,871	\$10,746,151	\$3,940,121
2001	388,565,830	9,355,454	4,388,655
2002	540,117,962	9,309,721	3,791,066
2003	658,366,674	8,994,607	4,023,498
2004	482,851,453	7,675,818	4,978,044

- (a) Incurred losses are developed, include actual wind losses and do not include loss adjustment expenses. These expenses are reflected via a factor. For the owners' forms this factor is 14.5%. For the tenant and condo-unit forms this factor is 18.0%. For ISO, ISS, and NISS, these losses are adjusted to the \$250 base deductible. Data reported to the AAIS reflect the reported deductible.

NORTH CAROLINA
HOMEOWNERS INSURANCE

ANTICIPATED LOSS AND LOSS ADJUSTMENT EXPENSE RATIOS

The anticipated loss and LAE ratio included in the 2005 filing was .644 The anticipated loss and LAE ratio included in the 2002 filing was .585.

NORTH CAROLINA
HOMEOWNERS INSURANCE

EXCLUDED COMPANIES

(The marketshares shown are based on 2004 page 15 Homeowners written premium.)

The average policy amount relativities used in the premium trend procedure and the pure premiums and severities used in the selection of the Current Cost Factors are based on the experience of companies reporting to the Insurance Services Office (full statistical plan), the Independent Statistical Service, and the National Insurance Statistical Service. The experience reported to the American Association of Insurance Services and to Insurance Services Office under the Statistical Agent Plan is excluded because it is not available in sufficient detail. Based on 2004 written premium, the ISO (full statistical plan), ISS, and NISS experience represents approximately 99% of the total North Carolina Homeowners market.

The loss development factors used in the calculation of the statewide rate level indications are based on ISO North Carolina experience and on the North Carolina experience of three major companies reporting to the ISS. Based on 2001 written premium, this combined experience represents 84.5% of the total North Carolina Homeowners market. See also the prefiled testimony of R. Curry and S. Thomas.

Loss experience for the following insurers is not included in the filed experience: Alliance Insurance Company, Chubb Insurance, Donegal Insurance, Horace Mann Insurance, Piedmont Insurance, Shelby Insurance, and Winsor Mount Joy Insurance. The experience for Alliance Insurance Company, Horace Mann Insurance, Piedmont Insurance, Shelby Insurance, and Winsor Mount Joy Insurance was not included due to incomplete submissions. The experience for Donegal Insurance was not included because it was not available at the time the filing was being compiled. Experience for Chubb Insurance was not included because sufficient detail was not available. Based on 2004 written premium, data for these companies represents 1.4% of the total North Carolina Homeowners market.

House-years by year are as follows:

	<u>Owners' Forms</u>	<u>Tenant Form</u>	<u>Condo Unit Form</u>
2000	1,630,611	143,726	42,856
2001	1,651,930	142,247	44,723
2002	1,661,209	139,610	47,737
2003	1,696,782	136,129	49,848
2004	1,730,768	137,511	51,824

NORTH CAROLINA
HOMEOWNERS INSURANCE

ADJUSTMENTS TO PREMIUMS, LOSSES, LOSS ADJUSTMENT EXPENSES,
EXPENSES AND EXPOSURES

Adjustments made to premiums, losses, loss adjustment expenses, and expenses are set forth below and in the prefiled testimony of R. Curry, S. Thomas and D. LaLonde.

Losses reported to ISO, ISS, and NISS are adjusted to the \$250 base deductible level by application of loss elimination ratios. These factors are applied on a record-by-record basis and vary by cause of loss and policy form. Losses reported to the AAIS reflect the reported deductible.

Losses were developed to an ultimate basis through the application of loss development factors. The derivation and application of loss development factors is described in the response to 11 NCAC 10.1105(3).

Additionally, due to the volatile nature and the catastrophic potential of hurricane losses, they have been removed from the actual data and replaced with expected hurricane losses produced by a model designed by Applied Insurance Research (AIR).

NORTH CAROLINA
HOMEOWNERS INSURANCE

EARNED PREMIUM AT PRESENT RATES CALCULATION

The adjusted earned premium at present rates for data reported to ISO (excluding Stat Agent Plan data), ISS, and NISS is calculated in the following manner for each individual insured:

Premium = Territory Base Rate x Form Factor x Amount of Insurance Factor x Protection-Construction Factor x Age Of Dwelling Factor x Optional Coverage Factor.

The results are then summed over all territories to generate the statewide adjusted earned premium at present rates used to calculate the average rating factors shown in column (9) of pages C-1, C-2 and C-3.

A sample calculation for a single insured is shown below. This sample insured is in territory 32, Form HO-3 w/15, \$75,000 amount of insurance, protection class 8, masonry construction.

(1) Territory 32 base rate	\$398
(2) Form factor for HO-5	1.30
(3) Amount of insurance factor for \$75,000	1.000
(4) Protection-construction factor for protection class 8, masonry	1.10
(5) Age Of Dwelling Factor	1.000
(6) Optional Coverage Factor	1.000
(7) Adjusted premium at present rates (1)x(2)x(3)x(4)x(5)x(6)	\$569.14

Earned premium at present rates for data reported to the AAIS is calculated by applying "on-level" factors to the reported premiums. The on-level factors are derived using the standard "parallelogram" method which accounts for past approved rate changes and their varying effect by year. Earned premium at present rates for data reported under the Statistical Agent Plan of ISO is derived by applying current-rate adjustment factors (calculated from manual-level premiums using the extension-of-exposure procedure described above) to reported premiums.

EXHIBIT (1) (e)

TOP TEN HOMEOWNERS INSURANCE WRITERS

<u>COMPANY NAME</u>	2004		2004 (a)		2004	
	<u>WRITTEN PREMIUM</u>	<u>MARKET SHARE</u>	<u>WRITTEN PREMIUM</u>	<u>MARKET SHARE</u>	<u>WRITTEN PREMIUM</u>	<u>MARKET SHARE</u>
STATE FARM FIRE & CAS CO	254,736,665	19.03%	241,895,774	18.94%	241,895,774	18.94%
NATIONWIDE MUTUAL FIRE INS CO	212,038,218	15.84%	208,552,116	16.33%	208,552,116	16.33%
N C FARM BUREAU MUTUAL INS CO	173,650,244	12.97%	162,441,429	12.72%	162,441,429	12.72%
ALLSTATE INSURANCE COMPANY	105,314,765	7.87%	107,596,193	8.43%	107,596,193	8.43%
ERIE INSURANCE EXCHANGE	56,594,826	4.23%	51,612,210	4.04%	51,612,210	4.04%
UNITED SERVICES AUTOMOBILE ASSOC	37,307,393	2.79%	34,906,066	2.73%	34,906,066	2.73%
UNITRIN AUTO AND HOME INSURANCE COMPANY	34,834,949	2.60%	28,701,574	2.25%	28,701,574	2.25%
AUTO OWNERS INS CO	25,815,961	1.93%	23,848,613	1.87%	23,848,613	1.87%
ALLSTATE INDEMNITY COMPANY	24,901,867	1.86%	17,202,366	1.35%	17,202,366	1.35%
PEERLESS INSURANCE COMPANY	21,008,362	1.57%	19,664,801	1.54%	19,664,801	1.54%
TOTAL	\$ 946,203,250	70.68%	\$ 896,421,142	70.21%	\$ 896,421,142	70.21%
Grand Total	1,338,700,556		1,276,858,434		1,276,858,434	

(a) Per the 2004 Annual Statement, Page 15, Line 4.0.

**2003 AGGREGATE ANNUAL STATEMENT - NORTH CAROLINA 2004 TOP 50 HOMEOWNERS INSURERS
UNDERWRITING AND INVESTMENT EXHIBIT**

PART 2 - PREMIUMS EARNED

	Net Premiums Written	Unearned Premiums Previous Year	Unearned Premiums Current Year	Net Earned Premiums
1 Fire	1,718,668	759,966	850,530	1,628,104
2 Allied lines	1,148,460	375,795	422,919	1,101,337
3 Farmowners	404,238	161,685	196,763	369,160
4 Homeowners	24,558,076	11,373,873	13,015,208	22,916,741
5 Comm multi peril	8,537,319	3,640,419	4,224,649	7,953,088
6 Mortgage guaranty	0	0	0	0
8 Ocean marine	354,663	164,660	170,855	348,468
9 Inland marine	2,156,092	1,077,328	1,108,928	2,124,493
10 Financial guaranty	-2,377	6,620	1205	3,037
11 Medical malpractice	700,136	237,035	313,798	623,372
12 Earthquake	362,577	180,739	192,490	350,826
13 Group A & H	343,782	32,574	31,042	345,314
14 Credit A & H	553	3,538	1,061	3,030
15 Other A & H	26,266	14,900	16,873	24,293
16 Worker's comp	4,018,928	897,119	1,194,204	3,721,843
17 Other liability	6,632,628	2,671,163	3,378,555	5,925,235
18 Products liability	552,655	198,090	253,019	497,727
19 Auto liability	27,700,965	8,121,084	8,847,228	26,974,821
21 Auto phys. damage	18,636,446	5,649,488	5,943,498	18,342,436
22 Aircraft	49,992	36,125	7,115	79,003
23 Fidelity	274,234	123,501	135,724	262,011
24 Surety	325,871	222,296	244,749	303,418
26 Burglary + theft	31,635	16,130	16,859	30,906
27 Boiler and machinery	189,755	88,350	95,851	182,253
28 Credit	1,860	3,500	1,394	3,966
29 International	3638	975	97	4,515
30 Reinsurance	588,603	70,041	81,517	577,126
31 Miscellaneous	-91,060	273,628	122,917	59,652
32 TOTALS	99,224,600	36,400,621	40,869,045	94,756,175

**2004 AGGREGATE ANNUAL STATEMENT - NORTH CAROLINA 2004 TOP 50 HOMEOWNERS INSURERS
UNDERWRITING AND INVESTMENT EXHIBIT**

PART 2 - PREMIUMS EARNED

	Net Premiums Written	Unearned Premiums Previous Year	Unearned Premiums Current Year	Net Earned Premiums
1 Fire	1,746,684	850,530	903,576	1,693,637
2 Allied lines	1,332,359	422,919	453,653	1,301,625
3 Farmowners	442,574	196,763	216,955	422,382
4 Homeowners	26,851,858	13,015,208	14,338,127	25,528,939
5 Comm multi peril	9,343,231	4,224,649	4,590,510	8,977,370
6 Mortgage guaranty	0	0	0	0
8 Ocean marine	461,194	170,855	190,338	441,639
9 Inland marine	2,226,777	1,108,928	1,128,906	2,206,871
10 Financial guaranty	3,144	1,205	1205	3,144
11 Medical malpractice	712,943	313,800	366,247	660,496
12 Earthquake	381,022	192,490	206,211	367,301
13 Group A & H	369,290	31,042	24,958	375,374
14 Credit A & H	117	1,061	959	219
15 Other A & H	21,361	16,873	18,732	19,503
16 Worker's comp	4,600,522	1,194,204	1,437,695	4,357,030
17 Other liability	7,442,328	3,378,554	3,778,279	7,057,170
18 Products liability	674,009	253,019	318,711	608,316
19 Auto liability	28,977,632	8,847,228	9,341,751	28,483,109
21 Auto phys. damage	19,592,369	5,943,498	6,233,310	19,302,557
22 Aircraft	51,082	7,115	13,369	44,828
23 Fidelity	301,795	135,724	149,167	288,351
24 Surety	400,115	244,749	264,284	380,581
26 Burglary + theft	38,959	16,859	20,378	35,440
27 Boiler and machinery	192,400	95,851	95,056	193,195
28 Credit	19,560	1,394	3,073	17,880
29 International	719	97	83	734
30 Reinsurance	383,014	81,517	63,482	401,049
31 Miscellaneous	68,117	122,917	122,270	68,764
32 TOTALS	106,635,176	40,869,045	44,281,284	103,237,504

2003 AGGREGATE ANNUAL STATEMENT - NORTH CAROLINA 2004 TOP 50 HOMEOWNERS INSURERS
UNDERWRITING AND INVESTMENT EXHIBIT

PART 3A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

	<u>Adjusted or in Process</u>			<u>Incurred But Not Reported</u>			Net Losses		Unpaid Loss Adjustment Expenses
	Direct	Reinsurance Assumed	Deduct Reinsurance Recoverable	Net Losses Excluding IBNR	Direct	Reinsurance Assumed	Reinsurance Ceded	Unpaid Excluding LAE	
1 Fire	298,516	217,303	239,561	276,258	280,153	298,373	268,071	586,712	56,425
2 Allied lines	439,683	199,833	409,273	230,243	522,289	188,091	324,556	616,067	72,579
3 Farmowners	69,463	31,261	27,887	72,838	42,675	22,600	23,998	114,115	30,172
4 Homeowners	3,460,132	1,835,343	1,633,964	3,661,511	2,018,856	1,648,034	1,363,540	5,964,860	1,521,563
5 Comm multi peril	2,946,951	3,171,754	2,997,110	3,121,594	2,257,283	2,778,974	2,159,428	5,998,423	2,293,434
6 Mortgage guaranty	0	0	0	0	0	0	0	0	0
8 Ocean marine	368,517	122,320	386,440	104,396	199,169	66,025	183,764	185,826	25,628
9 Inland marine	341,833	149,668	257,433	234,068	234,227	159,679	125,339	502,635	84,704
10 Financial guaranty	0	0	0	1	865	13177	14040	2	0
11 Medical malpractice	285,384	504,200	378,319	411,265	654,719	427,330	542,434	950,879	252,859
12 Earthquake	24,150	3,500	14,130	13,520	82,514	6,719	52,032	50,721	24,436
13 Group A & H	7,773	175,753	108,650	74,876	31,026	56,409	40,765	121,546	5,646
14 Credit A & H	2,937	237	2,365	809	1,055	0	667	1,198	40
15 Other A & H	3,291	58,619	49,015	12,895	5,506	1,237	864	18,774	1,418
16 Worker's comp	8,446,862	7,196,282	9,745,833	5,897,311	5,455,416	4,363,819	5,620,209	10,096,336	1,365,425
17 Other liability	5,358,966	3,574,025	5,066,175	3,866,816	11,015,702	6,930,850	9,876,838	11,936,530	3,186,196
18 Products liability	1,490,978	810,915	1,077,167	1,224,726	3,123,554	1,767,754	2,723,643	3,392,390	908,916
19 Auto liability	16,335,410	9,645,969	10,372,452	15,608,927	6,900,885	4,647,137	4,607,919	22,549,029	5,026,004
21 Auto phys. damage	515,793	322,485	271,992	566,285	166,083	319,732	349,064	703,037	293,186
22 Aircraft	336,234	345,485	622,198	59,521	188,875	71,353	205,431	114,317	10,422
23 Fidelity	57,063	25,365	26,058	56,370	134,295	51,031	68,178	173,519	31,156
24 Surety	185,901	38,390	103,741	120,550	133,483	57,865	114,816	197,082	31,520
26 Burglary + theft	1,376	2,114	6,240	-2,750	1,454	4,713	793	2,624	591
27 Boiler and machinery	10,194	18,660	6,881	21,972	15,576	38,757	14,084	62,221	6,709
28 Credit	1498	507	1641	364	6,154	5,644	6,236	5,925	369
29 International	0	35,907	4,931	30,977	0	8,621	121	39,476	635
30 Reinsurance	0	1,536,038	658,449	877,589	0	1,501,404	427,511	1,951,483	14,491
31 Miscellaneous	345	9	122	232	15099	23,136	34,970	3,497	3279
32 TOTALS	40,989,251	30,021,941	34,468,028	36,543,164	33,486,911	25,458,462	29,149,311	66,339,225	15,247,801

PART 3A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

	<u>Adjusted or in Process</u>			<u>Incurred But Not Reported</u>				Net Losses Unpaid Excluding LAE	Unpaid Loss Adjustment Expenses
	Direct	Reinsurance Assumed	Deduct Reinsurance Recoverable	Net Losses Excluding IBNR	Direct	Reinsurance Assumed	Reinsurance Ceded		
1 Fire	373,934	254,929	285,790	343,073	311,884	347,304	298,099	704,163	71,770
2 Allied lines	886,649	343,322	690,867	539,104	338,948	731,603	606,876	1,002,779	71,995
3 Farmowners	72,977	28,392	28,727	72,641	46,742	25,030	26,444	117,970	32,181
4 Homeowners	3,749,153	1,850,382	1,834,060	3,765,475	2,092,433	1,459,902	1,339,513	5,978,297	1,645,813
5 Comm multi peril	3,138,566	3,448,922	3,040,688	3,546,799	2,551,476	2,740,086	2,249,544	6,588,817	2,511,522
6 Mortgage guaranty	0	0	0	0	0	0	0	0	0
8 Ocean marine	381,214	126,416	381,243	126,388	174,790	81,456	156,212	226,421	32,041
9 Inland marine	260,896	139,196	174,731	225,361	171,558	145,816	71,781	470,954	110,204
10 Financial guaranty	62	53	115	0	3824	9263	13132	-44	-197
11 Medical malpractice	330,155	491,648	399,072	422,731	897,428	388,955	613,084	1,096,029	227,050
12 Earthquake	9,782	954	6,649	4,086	78,011	9,210	54,613	36,695	18,172
13 Group A & H	7,820	125,759	106,880	26,700	30,769	46,715	31,736	72,448	6,725
14 Credit A & H	555	163	497	221	736	0	431	526	40
15 Other A & H	3,192	37,885	30,350	10,727	5,216	3,077	1175	17,845	1,191
16 Worker's comp	8,668,194	7,244,440	9,576,140	6,336,493	6,212,604	4,887,791	6,268,125	11,168,763	1,513,104
17 Other liability	5,394,392	3,802,721	4,881,632	4,315,482	12,230,363	7,252,747	9,815,400	13,983,192	3,569,307
18 Products liability	1,611,574	818,639	1,103,226	1,326,987	3,446,944	1,843,448	2,941,163	3,676,216	1,130,709
19 Auto liability	16,450,860	9,828,953	10,816,728	15,463,085	7,424,450	5,147,596	4,929,865	23,105,266	5,216,932
21 Auto phys. damage	449,972	337,239	259,474	527,737	165,442	288,982	263,090	719,072	341,754
22 Aircraft	358,472	334,457	633,747	59,182	152,530	63,595	160,643	114,664	11,152
23 Fidelity	87,507	35,237	34,300	88,444	130,921	50,667	54,191	215,841	28,554
24 Surety	171,988	52,824	118,336	106,476	141,669	26,543	116,096	158,592	16,624
26 Burglary + theft	1,268	1,471	5,742	-3,003	2,273	3,154	-1483	3906	585
27 Boiler and machinery	16,898	21,359	9,802	28,455	18,699	29,743	16,508	60,388	6,920
28 Credit	430	-316	351	-237	16,314	8,776	15,761	9,093	613
29 International	0	29,267	4,122	25,145	0	19,345	1483	43,006	767
30 Reinsurance	0	1,555,564	691,555	864,010	0	1,328,854	402,304	1,790,560	17,623
31 Miscellaneous	178	-4	54	120	25154	41,289	53,625	12,938	3463
32 TOTALS	42,426,689	30,909,873	35,114,881	38,221,681	36,671,178	26,980,947	30,499,409	71,374,396	16,586,614

EXHIBIT (1) (f) (iii)

2003 & 2004 NORTH CAROLINA HOMEOWNERS INSURANCE (a)		
	<u>2003</u>	<u>2004</u>
Written Premium	1,147,628,550	1,284,222,804
Earned Premium	1,082,311,544	1,211,797,493
Dividends	5,184,027	5,260,230
Unearned Prem Reserves	596,764,550	669,622,336
Losses Paid	768,383,225	514,642,752
Losses Incurred	726,978,455	528,521,772
Losses Unpaid	195,921,724	209,799,667
Alloc. Adj. Exp. Paid	7,636,778	6,962,576
Alloc. Adj. Exp. Incurred	7,597,144,	9,835,105
Alloc. Adj. Exp. Unpaid	19,645,536	22,502,838
Commissions	159,556,726	181,254,875
Taxes	30,579,088	36,744,412

(a) Top 50 Writers

ACE American Insurance Company:

- New Construction Credit: New home - 10 yrs. Credit varies 20% - 0%.
- Forms 1, 2, 3, 4 & 6: Fixed Dollar Deductible; Credit varies 15% - 40%.
- Personal Property Increased Limit: \$2 per \$1,000 of additional coverage.
- Form 2 & 3: Replacement cost on contents; HO 0490; Factor of 11.5% applies to end of the base premium & includes increased limits to 70% of Coverage A dwelling amount.
- Protective Device Credits: All zones & all protection classes; Credit varies 2% - 15%.
- Rate Deviation: Homeowners - 21%; Tenants - 15%; Condominiums - 20%. Eff. 9-1-99

ACE Fire Underwriters Insurance Company:

- New Construction Credit: New 20%; 1 yr. old - 18%; 2% less credit each added yr.
- Forms 1, 2 & 3: Fixed dollar deductible credits; \$500 - 11%; \$1,000 - 21%; \$2,500 - 34%.
- Form 4: Fixed dollar deductible credits; \$500 - 11%; \$1,000 - 25%; \$2,500 - 40%.
- Forms 1, 2 & 3: Rate for increase in Coverage C: \$1 per \$1,000.
- Forms 1, 2 & 3: Replacement Cost Coverage HO-290; Charge shall be 4% of adjusted base premium. Coverage C must also be increased to 70% of A at \$1 per \$1,000.
- Protective Device Credits: All zones & all protection classes; Credit varies 1% - 15%. Eff. 5-1-92

AIU Insurance Company:

- All Forms: 10%. Eff. 2-1-86

AMEX Assurance Company:

- Form 3: Various downward deviation based on amount of insurance.
- Form 4: Various downward deviation based on amount of insurance.
- Form 6: Various downward deviation based on amount of insurance.
- Downward deviation on protective device credits.
- Downward deviation on deductibles.
- Downward deviation on home & auto credit.
- Downward deviation on replacement cost on contents.
- Form 6: Downward deviation Coverage A increased limits.
- Downward deviation on utilities rating (New Home Discount).
- Form 3: Downward deviation Coverage C increased limits.
- Downward deviation on installment pay plan by electronic funds transfer or payroll deduction.
- No additional charge for refrigerated personal property.
- No charge for townhouse or rowhouse.
- Form 6: 5% deviation. Eff. 9-1-00

AXA Re Property & Casualty Insurance Company:

- Discount on Installment Payment Plan: \$1 - \$2 charge.
- Three or Four Family Dwelling Discount.
- Townhouse or Rowhouse Discount.
- Waterbed Liability waived.
- Base Premium Deviation.
- Forms 2, 3, 4, 6 or 8: Deviation by Amount of Insurance.
- New Home Discount: 0-9 yrs. of age: Credit varies 2%-9%.
- Protective Devices Discount: Credit varies 1%-7%.
- Multi Policy Discount: 5% of the base premium.
- Personal Property Increased Limits Discount: \$2 rate per \$1000.
- Personal Property Replacement Cost Coverage Discount.
- Form 4: Building Additions & Alterations Increased Limits Deviation.
- Personal Property Increased Limits of Liability: Charge varies by additional amount of insurance.
- Rented Personal Property: No charge.
- Form 6: Coverage A - Dwelling Basic & Increased Limits Deviation.
- Forms 3 & 3 Plus: Inflation Guard Discount.
- Watercraft Discount: Up to 50 HP, no charge.
- Business Pursuits Discount.
- Form 3 Plus: Personal Injury Liability: No charge. Eff. 10-18-00

Acceleration National Insurance Company:

- Forms 2 & 3: Loss Free Credit: 2% applies basic policy premium when insured by company for 3 consecutive yrs. without loss.
- Forms 2 & 3: Retired Credit: 2% basic policy premium for policyholders 55 yrs. or older & neither are employed.
- New Home Credit: Age of dwelling 1 yr. - 16% credit; 2% less each yr. to 8th yr. Eff. 6-1-94

Affirmative Insurance Company:

- 21% base deviation for Premier Homeowners Program.
- 11% base deviation for Deluxe Homeowners Program.
- 15% base deviation for Premier Tenant Program.
- 10% base deviation for Deluxe Tenant Program.
- 20% base deviation for Premier Condominium Program.
- 15% base deviation for Deluxe Condominium Program.
- Forms 2 & 3: Deductible credits; \$500-15%; \$1,000-25%; \$2,500-38%.
- Forms 4 & 6: Deductible credits; \$500-15%; \$1,000-25%; \$2,500-40%.
- All Forms, except 4 & 6; New Home Credit; New 20%; 2% less credit each additional yr. to 9th yr.
- All Forms: Protective Device Credits; Credits vary 2%-15%.
- Forms 2 & 3: Replacement Cost on Contents; Surcharge of 7.5%. Cov. increased to 70% of Cov. A at no premium charge.
- All forms, except 4 & 6; Personal Property Increased Limit \$2 charge per \$1,000 of coverage. Eff. 6-1-99

AGRI General Insurance Company:

- Amount of Insurance Deviation: Credits vary 1%-15% by policy amount, territory & county.
- New Home Credit: 20% 1st yr.; 2% less credit each added yr. to 9th yr. Does not apply to Form 8, remodeled or restored homes.
- All Forms, except 4 & 6: Deductible Factors: \$250 ded.-1.00; \$500 ded.-0.91; \$1,000 ded.-0.79; \$2,500 ded.-0.62
- Protective Device Credit: Premium credit for all protection classifications & territories; Credit varies 1%-15%.
- Premium Credit for Exclusion of Farm Employees employed in violation of law; Prem. credit \$1 per policy. Eff. 11-1-97

Agricultural Insurance Company:

- Forms 2 & 3: Loss Free Credit - 5% if no losses have occurred during 3 previous yrs.
- Forms 2 & 3: Coverage C increased limit - \$1 per \$1,000 in lieu of \$2.
- New Home Credits: 0 yr. of age - 20%; 1 yr. - 18%; 2% less each yr. to 9th yr.
- Form HO-6: 25% below HO-4 base premium.
- Forms 2 & 3: Deviation on policy amount relativity by territory.
- Forms 4 & 6: Replacement Cost on Contents - reduce surcharge to 35%.
- Protective Devices Credits: Classes 1-7 - Credits varies 1%-15%; Classes 8 & 9 - Credits varies 1%-8%.
- Credit Card, Fund Transfer Card, Forgery & Counterfeit Money Coverage (HO-53): \$2500 limit - no charge; \$5,000 limit \$1; \$7,500 limit \$3; \$10,000 limit \$4.
- Contents All-Risk Coverage: Form 3w/15; Increased premium will be reduced by 50%.
- Forms 2 & 3: Base rate deviation by territory: Variable credits.
- Multiple policy credit: Forms 2 & 3; 5% credit if auto policy is in force with Great American Group Company.
- Deviation by Protection Class: Forms 2 & 3; Credits varies 0% - 4.0% based on construction & protection class.
- Deductible Credits: Form 2 & 3; \$500-10%; \$1,000-20%; \$2,500-30%.
- Deductible Credits: Form 4 & 6; \$500-10%; \$1,000-23%; \$2,500-37%.
- Policy Amount Relativities Forms 4 & 6: Each additional \$1,000 above \$15,000 amount of Insurance - relativity 0.074.
- Mature 45 Discount: Form 2 & 3: 5% credit when certain criteria is met.
- All Forms: Mass Marketing Deviation; 5% credit for payroll or account deduction basis for employees of corporations or members of credit union association. Eff. 6-18-93

All America Insurance Company:

- Forms 2, 3 & 3w/15: Deviation varies by policy amount public protection class & territory.
- Forms 4 & 6: Deviation by amount of insurance: Credit varies.
- Forms 2, 3 & 3w/15: New Home Credit: Credit varies 2% - 18% for new to 10 yrs. of age.
- Forms 2, 3, 3w/15, & 6: Package Credits whenever the Central Companies carry both Homeowners & Private Passenger Automobile coverages.
- Forms 1, 2 & 3: Personal Property Replacement Cost surcharge factor 1.02.
- Optional Higher Deductibles by territory and deductible amount.
- Installment Payment Plan: \$1 each installment for Electronic Fund Transfer. Eff. 10-1-00

Allegiance Insurance Company:

- Form 3 & Masters Program: Coverage Amount Deviations by territory: Credit varies.
- Protective Device Credits for Protection Classes 1-9: Credits vary 1% - 15%.
- Form 3: 8% credit for all coverage amounts if insured 100% to value with Inflation Guard Endorsement attached.
- Form 3 & Masters Program: Newly Constructed Residences Credit: Age of Home 0 - 10 yrs.: Credits vary 3%-16.5%.
- Rate for Increased Coverage C: \$1 per \$1000.
- Form 3 & Masters Program: Protection Class credits by territory.
- Form 3 & Masters Program: Base rate territorial credits.
- Form 3 & Masters Program: \$3 installment fee on each installment except the initial down payment.
- Form 3 & Masters Program: Deductible Factors Deviation by territory: Minimum for Coverage A, \$100,000.
- All Forms: Auto/Home Discount: Certain criteria apply: Credit varies.
- Masters Program: \$125,000 minimum Coverage A, includes replacement value - personal property & inflation protection coverage at no additional charge.
- Federal Flood Insurance Program: 2% credit if flood insurance policy is placed through us.
- Form 3 & Masters Program: Earthquake Deviation by territory.
- Silverware, Goldware & Pewterware coverage will be \$3 per \$500 of insurance.
- Refrigerated Food Spoilage coverage will be \$5 per policy.
- Additional Residence Premises - Rented to Others (Liability Coverage): Rates vary per coverage amount.
- Private Structures - Rented to Others (Liability Coverage): \$14 for \$100,000/\$1000 & \$18 for \$300,000/\$1000.
Eff. 3-1-00

Allstate Insurance Company:

- Form 6: Deviation of .84% for condominium rates.
- Forms 2 & 3: Deviation by amount of insurance & territory. Credit varies.
- Form 3: Deluxe Plus; Deviation by amount of insurance; Credit varies.
- Forms 2, 3 & 3 Deluxe Plus: Deductible factors; \$100/\$250 theft-1.067; \$500 ded -.910; \$1,000 ded-.790; \$2,500 ded-.620.
- Forms 4 & 6: Deductible factors; \$100/\$250 theft - 1.023; \$500 deductible - .830; \$1,000 deductible - .670.
- Forms 1, 2 & 3: 1.02 surcharge for replacement cost on contents.
- Forms 4 & 6: Replacement Cost Contents surcharge factor 1.33.
- Dwellings in course of construction: Annual premiums are to be calculated using an amount of insurance equal to 55% of expected finished value of dwelling as shown on Declaration page.
- Form 4 & 6: Age 55 & Retired Discount Factor; .75 when certain criteria met.
- Form 3: Deluxe Plus Package available when underwriting guidelines are met.
- Forms 4 & 6: Waterbed Liability Coverage (HO-400); \$5.00 charge per policy.
- Form 2, 3, 3 Deluxe Plus, 4 & 6: Deviation by protective devices. Factors vary.
- Forms 2, 3, 3 Deluxe Plus Package, 4 & 6: 5% home & auto discount when criteria is met.
- Deviation by Policy Form: Variable credits.
- Form 3 Deluxe Plus: Deviation by Protection Class: Variable credits.
- Deviation by age of home: Variable credits.
- Forms 3 Deluxe Plus Package: Guaranteed Replacement Cost provided at no charge.
- Form 4 & 6: Deviation by amount of insurance. Credit varies.
- Installment Payment Plan: \$1 charge each installment payment paid through electronic funds transfer.
- Installment Payment Plan: Payroll deduction option for Allstate Employees (NC); Installment charge waived.
- Windstorm/Hail Deductible: Deductible factors vary.
- Three or four family dwelling deviation.
- The Good Hands People Discount of 5% applicable for members of an approved Group of the Allstate Corporation and its subsidiaries.
- Forms 2, 3 Deluxe and Deluxe Plus Package; -3% for territory 33; remainder of state 0%.
- Forms 4; Base rate; -5% for all territories.
- Residence Rental Coverage: Forms 1, 2 & 3: Charge for endorsement waived. Eff. 6-7-99

AmComp Assurance Corporation:

- Forms 2 & 3: Deductible credits; \$500-9%; \$1,000-17%.
- Forms 2 & 3: Premium credits for alarm systems vary 2% - 15%.
- Age 55 & Retired Discount: 10% credit applies when required criteria is met.
- Forms 2 & 3: New Home Credit; 14%; Homes completed & occupied current calendar yr.; 2% less credit each added yr.
Eff. 12-1-91

American Automobile Insurance Company:

- Forms 2, 3 & 3w/15: New home Credit; 20% current yr. & one yr. preceding current yr. of construction; 2% less credit each added yr. Credit applies to company base premium.
- Protective Device Credits: All Forms & all territories; 1% - 15%. Credit applies to company base premium.
- All Forms except 4 & 6: Deductible credits; \$500 -10%; \$1,000 -20%; \$2,500-30% Credits applies to base premium.
- Forms 2, 3 & 3 w/15: Credits by amount of insurance; Credit for homes with Coverage A value of \$10,000 - \$10,000,000 - 31.0%.
- HO-3 w/15: Multiply the HO-3 key premium by a factor of 1.08 to obtain key premium for HO-3 w/15.
- HO-3, HO-3w/15: Apply 10% surcharge to base premium. HO-4, HO-6: 40% surcharge to Company base premium for replacement cost on contents.
- Form 4 & 6: Deductible credits for Coverage C limits below \$10,000 - \$500 - 10%; \$1,000 - 23%; \$2,500 - 37%. Credits applies to company base premium.
- Forms HE-7, HE-7w/HE-20 & HE-7w/HE-21: Credits for homes with Coverage A value of \$10,000 - \$10,000,000 - 34.0% credit.
- Form 3: 10% deviation on base rates.
- Form 3: Preferred discount; 20% when eligibility requirements are met.
- Form 3: 10% deviation on base rates.
- Form 3: Preferred discount; 20% when eligibility requirements are met.
- Form 3: New home discount; Constructed current calendar yr.- 16%; 1 yr. old - 14%; 2% less credit each yr. thru 7th. yr.
- Forms HO-3, HO-3 w/15, HE-7, HE-7 w/20, HE-7 w/21, HO-6: varied credit percentages based upon territories. Eff. 6-1-99

American Bankers Insurance Company of Florida:

- Retired Discount: 5% if an owner of insured premises or spouse is 55 yrs. of age or older.
- Claim Free Credit: 2% if insured has gone without loss for at least 3 yrs. with American Bankers.
- All Forms: Protective device credits; Preferred - credit varies 0%-13%; Standard - credit varies 1%-15%. Eff. 5-1-92

American Centennial Insurance Company:

- Forms 1, 2, 3, 3 w/15 & 6: 25%. Eff. 9-1-85

American Economy Insurance Company:

- All Forms: Personal Injury (HO-82) included at no charge.
- All Forms, except 4 & 6: New home credit or renovated home credit for homes meeting required criteria; 0-1 yr. - 15%; 2 yrs. - 12%; 3, 4 or 5 yrs. - 10%; 6 or 7 yrs. - 6%; 8-10 yrs. - 4%.
- Forms 2 & 3: Replacement Cost (HO-290) Coverage C is increased to 70% of Coverage A at no extra charge. Charge of 9% (7% in Beach Area) is added to basic premium.
- Forms 4 & 6: Replacement Cost (HO-290); Charge of 30% is added to basic premium.
- Form 3: Replacement or Repair Cost Coverage A (HO-500); No charge.
- Forms 4 & 6: \$100 deductible; Minimum additional charge of \$10 in lieu of \$30.
- Forms 2 & 3: Fixed deductible; \$500 ded. - 9%; \$1,000 ded. - 17%.
- Forms 4 & 6: Fixed deductible credits; \$500 - 10%; \$1,000 - 23%.
- Form 3: XL Coverage rate deviation when eligibility requirements are met.
- One family premium for all Section I & II coverages will apply regardless of number of families.
- Form 2 & 3: Dwelling under construction credit of 20% applies during first yr. when certain requirements are met.
- Form 6: Coverage A increased limits rate; \$2.70 per \$1,000.
- Renewal credit for consecutive yrs. insured with American States Group; 3-5 yrs. - 5%; 6 or more yrs. - 10%.
- Protective Devices: Credit factors vary .98 to .85.
- Forms 3, 4 & 6: Unscheduled jewelry & furs - (HO-65); \$2,500 increased limit - \$33; \$5,000 increased limit - \$60.
- Form 3: XL Coverage Program; \$5,000 limit included in basic premium. To reduce to \$1,000 limit, subtract \$56. To reduce to \$2,500 subtract \$35. Eff. 11-17-97

American Employers Insurance Company:

- All Forms, except 4 & 6: New home credit; 0-1 yr. old - 20%; 2% less credit each added yr. to 10th yr.
- Forms 2 & 3: Personal Property Replacement Cost; Charge to increase Coverage C to 70% of Coverage A; \$1 per \$1,000.
- Additional Limit of Liability for Coverage A. HO 3211. \$5 premium charge.
- Protective Devices Credits: PPC 1-7 - 2%-15%; PPC 8-9 - 1%-15%; Maximum credit of 20% applies.
- Inflation Guard Endorsement (HO-243) at 6% - at no charge.
- Forms 2 & 3: Fixed dollar amt. ded. credits; - \$500-15%; \$1,000-21%; \$2,500-38%.
- Forms 4 & 6: Fixed dollar amount ded. credits; \$500-10%; \$1,000-23%; \$2,500-37%.
- Form 6: Units regularly rented to others (HO-33); Delete \$15.00 charge.

American Employers Insurance Company (con't):

- Form 6: 11.1% credit.
- Form 6: Increased Coverage A limits HO-4 key factor for each additional \$10,000 times .080; times HO-4 key premium. If HO-277 is endorsed on to policy HO-4 key factor for each additional \$10,000 times .080; times HO-4 key premium plus \$1. \$3,000 Coverage A provided at no additional charge.
- Multi-Policy Discount: 5% when insured has automobile policy with Commercial Union.
- 5% discount for insured age 50 or older.
- Form HE-7; HE7w/20 & HE7w/21: Reduced Factors.
- Deviation by amount of insurance for Coverage A \$250,000 - \$500,000. Variable credit.
- Windstorm or Hail Deductible. Eff. 6-1-99

American Fire & Casualty Company:

- Forms 2, 3 & 8: Fixed dollar amount deductible factors; \$500 - .90; \$1000 - .83; \$2500 - .75.
- Forms 4 & 6: Fixed dollar amount deductible factors; \$500 - .90; \$1000 - .77; \$2500 - .63.
- Personal Property Replacement Cost Coverage: Deviation for Forms 4 & 6.
- Deviations by Amount of Insurance.
- Base Rate Deviations for protection classes 1-9 & territories. Variable credit.
- Water Craft Liability Rates : 60% below NCRB for powerboats; 50% below NCRB for sailboats.
- Employees Discount: 15% to qualifying employees insured in the Ohio Casualty Group.
- % Wind or Hail Deductible Deviation: Credits vary. Eff. 10-1-00

American & Foreign Insurance Company:

- Forms 1, 2 & 3: Replacement or repair cost protection - Coverage A dwelling ; \$1 per policy.
- Protection Devices Credits: 2%-15%.
- All Forms, except 4 & 6: Deductible credit factors; \$500 - .89; \$1,000 - .79; \$2,500 - .72.
- Forms 4 & 6: Deductible credit factors; \$500-.89; \$1,000-.77; \$2,500-.63.
- Forms 1, 2 & 3: Personal Property Replacement Cost; Coverage A amount under \$75,000 -10% surcharge; \$75,000 - \$99,999 -7% surcharge; \$100,000 & over-5% surcharge. Charge includes an increase in Coverage C limit 50% - 70% of Coverage A.
- All Forms: 5% preferred customers renewal credit when coverage has been with any of Royal Group for prior 3 yrs. with no losses.
- Discount for Eligible Employees: 20% credit to total homeowners policy premium.
- Form HE-7w/HE-21: 1.25 factor applies to base premium.
- Companion Policy Credit: 5% deviation when auto & homeowners policy is issued in any member of Royal Insurance when certain criteria is met.
- Installment Payment Plan: Policies billed by agent through account current payroll deduction program are not subject to installment to installment fees.
- Installment Payment Plan: \$1 each installment for Electronic Fund Transfer. Eff. 9-1-99

American Home Assurance Company:

- HO-3 Premier Base Class Premium Deviation by territory: Credit varies 0%-21%.
- HO-3 Standard Base Class Premium Deviation by territory: Credit varies 0%-15%.
- HO-4 & HO-6 Base Class Premium Deviation by territory: Credit varies 3%-12%.
- Protection Device Credit for HO-3, HO-4, HO-6, & HO-3 Premier: Credit varies: Max. credit allowed is \$75.
- Optional Deductibles: All forms.
- HO-6 Coverage A Dwelling Increased Limits: Premium charge per \$1000 is \$2.
- 55 or Older & Retired Discount: Apply a factor of .9 to base premium when criteria is met.
- Multi Product Discount: Apply a factor of .9 to base premium when named insured has an auto policy with an American International Company.
- HO-4 & HO-6 Key Factor Deviation by Coverage C: All territories: Credit varies 0%-22%.
- HO-3 Standard & Premier Key Factor Deviation by Coverage A & territory: Credit varies 0%-25%.
- HO-4 & HO-6 Personal Property Replacement Cost Coverage Deviation. Eff. 12-1-99

American Insurance Company:

- Forms 2, 3 & 3w/15: New home credit; 20% current yr. & one yr. preceding current yr. of construction; 2% less credit each added yr.
- Protective Devices Credit; All territories 1% - 15%. Credit applies to company base premium.
- All Forms: Deductible credits; \$500 -10%; \$1,000 -20%; \$2,500 -30%. Credit applies to company base premium.
- HO-3 w/15: Multiply HO-3 key premium by factor of 1.08 to obtain key premium for HO-3 w/15.

American Insurance Company (con't.):

- Form 4 & 6: Deductible credits for Coverage C limit. \$10,000 & above \$500 -10%, \$1,000 - 20%, \$2,500 - 30%. Credit applies to company base premium.
- Discount of Replacement Cost on Contents: Apply surcharge of 10% to HO-3 company base premium for replacement cost on contents. Eff. 6-1-93

American Manufacturers Mutual Insurance Company:

- All Forms: Fixed dollar amount deductibles factors; \$500-.80, \$1000-.74, \$2500-.62.
- Personal Property Replacement Cost; Increase Coverage C at \$1 per \$1000. Add \$10 surcharge.
- Mature Homeowners Credit: 5% applies to base premium when named insured is 55 yrs. of age & an adult is home during the day.
- New Home Credit Discount: 0 - 15+ yrs. of age: Credit varies 0% - 15%.
- Premium Credits for Protective Devices: Waive maximum credit.
- All Forms, except 3w/15: \$100 deductible: Waive minimum premium.
- Form 3: Base rate deviation based on protection class & territory. Credit varies 0%-27%.
- All Forms except 3w/15: \$250 theft deductible/ \$100 deductible all other perils: Waive minimum premium.
- Form 4: Base Rate Deviation -14.5%.
- Form 6: Base Rate Deviation - 24.0%.
- Higher limits for credit cards, fund transfer card, forgery & counterfeit money coverage (KIP only): Limit of \$5000 included at no additional charge: \$7500 + \$1, \$10000 + \$2.
- Outboard Motors & Water Craft (KIP only): Coverage up to & including 50 HP is included at no additional charge.
- Personal Injury (KIP only): Coverage included at no additional charge.
- Seasonal or Secondary Dwelling Discount (KIP only): 5% discount to base premium.
- Blanket Property Limit (KIP only): Replacement cost contents coverage included at no additional charge.
- Form 3: Special Personal Property Coverage: Factor 1.10 applies to base premium.
- Form 6: Special Personal Property Coverage: Factor 1.20 applies to base premium.
- Form 3: Windstorm or Hail Deductible: Change in rating procedure & credits to determine windstorm or hail deductible premium credits.
- Form 4: Building Additions & Alterations Increase: KIP & Monoline: Each addl. \$1000 rate \$10000 Form 4 premium x .08.
- Form 6: Coverage A Dwelling Basic and Increased Limits Special Coverage: Each additional \$10,000 develop premium \$10,000 Form 6 premium x .08 or enter total Coverage A limit on Declaration page.
- Form 4 & 6: Ordinance or Law Increased Amount of Insurance; Each additional \$1,000 of insurance rate \$10,000 Form 4 or Form 6 premium x .08.
- Refrigerated Property: Coverage included at no additional charge with KIP policy.
- Form 3: KIP only: Ordinance or Law Coverage: Include 12.5% at no additional charge. Modify rating factors for additional coverage options.
- Windstorm and Hail Deductibles for Form 3: Blanket Limits deviation (KIP only).
- HE-7W/HE-40 deviation by territory for KIP only: Territory 40 - 1.20, Remainder of State 1.25.
- HE-7W/HE-40 & HE-20 deviation by territory for KIP only: Territory 40 - 1.25, Remainder of State 1.30.
- HE-7W/HE-40 & HE-21 deviation by territory for KIP only: Territory 40 - 1.30, Remainder of State 1.35.
- Deferred Premium Payment Plan: \$1 charge for electronic funds transfer.
- 7% Kemper Network Discount: Certain criteria apply. Eff. 8-21-00

American Modern Home Insurance Company:

- Form 3: Deductible Credits; \$500 Ded. - 10%; \$1,000 - 22%; \$2,500 - 28%.
- Form 3: New Home Credit; Current yr. - 26%; 1st. yr. - 24%; 3% less each yr. to 7th yr.
- Form 3: Multi-policy credit; 5% credit when auto policy written in addition to homeowners policy.
- Protective Device Credits: Credit varies 1% - 10%.
- Amount of Insurance Deviation: Coverage A amount \$10,000 - \$200,000: Credit varies by territory.
- Eliminate charge to increase personal property limits.
- For rates above \$200,000, a factor of .007 applies for each additional \$1,000 of premium. Eff. 6-1-99

American Motorists Insurance Company:

- All Forms: Fixed dollar amount deductibles factors; \$500-.80, \$1000-.74, \$2500-.62.
- Personal Property Replacement Cost; Increase Coverage C at \$1 per \$1000. Add \$10 surcharge.
- Mature Homeowners Credit: 5% applies to base premium when named insured is 55 yrs. of age & an adult is home during the day.
- New Home Credit Discount: 0 - 15+ yrs. of age: Credit varies 0% - 15%.
- Premium Credits for Protective Devices: Waive maximum credit.
- All Forms, except 3w/15: \$100 deductible: Waive minimum premium.

American Motorists Insurance Company (con't.):

- Form 3: Base rate deviation based on protection class & territory. Credit varies 0%-27%.
- All Forms except 3w/15: \$250 theft deductible/ \$100 deductible all other perils: Waive minimum premium.
- Form 4: Base Rate Deviation -14.5%.
- Form 6: Base Rate Deviation - 24.0%.
- Higher limits for credit cards, fund transfer card, forgery & counterfeit money coverage (KIP only): Limit of \$5000 included at no additional charge: \$7500 + \$1, \$10000 + \$2.
- Outboard Motors & Water Craft (KIP only): Coverage up to & including 50 HP is included at no additional charge.
- Personal Injury (KIP only): Coverage included at no additional charge.
- Seasonal or Secondary Dwelling Discount (KIP only): 5% discount to base premium.
- Blanket Property Limit (KIP only): Replacement cost contents coverage included at no additional charge.
- Form 3: Special Personal Property Coverage: Factor 1.10 applies to base premium.
- Form 6: Special Personal Property Coverage: Factor 1.20 applies to base premium.
- Form 3: Windstorm or Hail Deductible: Change in rating procedure & credits to determine windstorm or hail deductible premium credits.
- Form 4: Building Additions & Alterations Increase: KIP & Monoline: Each addl. \$1000 rate \$10000 Form 4 premium x .08.
- Form 6: Coverage A Dwelling Basic and Increased Limits Special Coverage: Each additional \$10,000 develop premium \$10,000 Form 6 premium x .08 or enter total Coverage A limit on Declaration page.
- Form 4 & 6: Ordinance or Law Increased Amount of Insurance; Each additional \$1,000 of insurance rate \$10,000 Form 4 or Form 6 premium x .08.
- Refrigerated Property: Coverage included at no additional charge with KIP policy.
- Form 3: KIP only: Ordinance or Law Coverage: Include 12.5% at no additional charge. Modify rating factors for additional coverage options.
- Additional Amount of Insurance: KIP only: Additional amount of Insurance - 25%-factor .01; 50%-factor 02.
- Windstorm and Hail Deductibles for Form 3: Blanket Limits deviation (KIP only).
- HE-7W/HE-40 deviation by territory for KIP only: Territory 40 - 1.20, Remainder of State 1.25.
- HE-7W/HE-40 & HE-20 deviation by territory for KIP only: Territory 40 - 1.25, Remainder of State 1.30.
- HE-7W/HE-40 & HE-21 deviation by territory for KIP only: Territory 40 - 1.30, Remainder of State 1.35.
- Deferred Premium Payment Plan: \$1 charge for electronic funds transfer.
- 7% Kemper Network Discount: Certain criteria apply. Eff. 8-21-00

American National Fire Insurance Company:

- Form 3: Coverage C increased limit; \$1 per 1,000 in lieu of \$2.
- New Home Credit: Forms 2 & 3; Current yr.- 20%; 1 yr. - 18%; 2 yrs. - 16%; 3 yrs. - 12%; 4 yrs.- 8%; 5 yrs. - 4%.
- Forms 2 & 3: Revised policy amount Relativities by territory.
- Forms 2 & 3: Base rate deviation by territory. Varied credit based on territory & county.
- Forms 2 & 3: Revised Protection/Construction Relativities.
- Form 3: Deductibles \$500 - 10%; \$1,000 - 20%; \$2,500 - 30%.
- Protective Devices Credits; Classes 1-7 credit varies 1%-15%; Classes 8 & 9 credit varies 1%-8%.
- Form 3w/15: Increased premium will be reduced by 50%.
- Credit Card, Fund Transfer Card, Forgery & Counterfeit Money Coverage HO-53: \$2,500 limit; No charge. Eff. 7-20-92

American Professionals Insurance Company:

- Form 2, 3 & 3w/15: Company deviation based on amount of insurance, construction & territory; Credit varies.
- Form 6: Territorial deviation.
- Forms 2, 3, 3w/15: New Home Discount based on age of home. Deviation varies 0% - 14%.
- Forms 1, 2, 3 & 3w/15: Fixed dollar amount deductible credit factors; \$500 - .85; \$1,000 - .79; \$2,500 - .62.
- Forms 1, 2, & 3: Increase in Coverage C; \$1 per \$1,000.
- Protective Devices: All forms; Maximum credit for protective device eliminated. All protection class & all territories. Credit varies 2% - 15%. There is no limit on credit.
- Outboard Motors & Water Craft: Liability rates amended by boat length.
- Form 4 & 6: Fixed dollar amount deductible. Credit factor \$500 - .85; \$1,000 - .77; \$2,500 - .63.
- All Forms, except 4 & 6: Windstorm or Hail Percentage/Factor Deductible deviation.
- Form 6: Coverage A Dwelling Basic & Increased Limits and Special Coverage.
- All Forms, except 4 & 6: Personal Property Replacement (Coverage C) Cost Coverage. 1.05 factor applies to base premium. Form 4 & 6: 1.35 factor. Minimum additional premium deleted.
- Ordinance or Law Coverage deviation factors.
- Three or Four Family Residence Coverage B & C deviation.
- Installment Payment Plan. Initial installment charge waived.
- 5% account credit when named insured has an auto policy with the Highlands Insurance Group Companies. Eff. 6-1-99

American Protection Insurance Company:

- All Forms: Fixed dollar amount deductibles factors; \$500-.80, \$1000-.74, \$2500-.62.
- Personal Property Replacement Cost; Increase Coverage C at \$1 per \$1000. Add \$10 surcharge.
- Mature Homeowners Credit: 5% applies to base premium when named insured is 55 yrs. of age & an adult is home during the day.
- New Home Credit Discount: 0 - 15+ yrs. of age: Credit varies 0% - 15%.
- Premium Credits for Protective Devices: Waive maximum credit.
- All Forms, except 3w/15: \$100 deductible: Waive minimum premium.
- Form 3: Base rate deviation based on protection class & territory. Credit varies 0%-27%.
- All Forms except 3w/15: \$250 theft deductible/ \$100 deductible all other perils: Waive minimum premium.
- Form 4: Base Rate Deviation -14.5%.
- Form 6: Base Rate Deviation - 24.0%.
- Higher limits for credit cards, fund transfer card, forgery & counterfeit money coverage (KIP only): Limit of \$5000 included at no additional charge: \$7500 + \$1, \$10000 + \$2.
- Outboard Motors & Water Craft (KIP only): Coverage up to & including 50 HP is included at no additional charge.
- Personal Injury (KIP only): Coverage included at no additional charge.
- Seasonal or Secondary Dwelling Discount (KIP only): 5% discount to base premium.
- Blanket Property Limit (KIP only): Replacement cost contents coverage included at no additional charge.
- Form 3: Special Personal Property Coverage: Factor 1.10 applies to base premium.
- Form 6: Special Personal Property Coverage: Factor 1.20 applies to base premium.
- Form 3: Windstorm or Hail Deductible: Change in rating procedure & credits to determine windstorm or hail deductible premium credits.
- Form 4: Building Additions & Alterations Increase: KIP & Monoline: Each addl. \$1000 rate \$10000 Form 4 premium x .08.
- Form 6: Coverage A Dwelling Basic and Increased Limits Special Coverage: Each additional \$10,000 develop premium \$10,000 Form 6 premium x .08 or enter total Coverage A limit on Declaration page.
- Form 4 & 6: Ordinance or Law Increased Amount of Insurance; Each additional \$1,000 of insurance rate \$10,000 Form 4 or Form 6 premium x .08.
- Refrigerated Property: Coverage included at no additional charge with KIP policy.
- Form 3: KIP only: Ordinance or Law Coverage: Include 12.5% at no additional charge. Modify rating factors for additional coverage options.
- Windstorm and Hail Deductibles for Form 3: Blanket Limits deviation (KIP only).
- HE-7W/HE-40 deviation by territory for KIP only: Territory 40 - 1.20, Remainder of State 1.25.
- HE-7W/HE-40 & HE-20 deviation by territory for KIP only: Territory 40 - 1.25, Remainder of State 1.30.
- HE-7W/HE-40 & HE-21 deviation by territory for KIP only: Territory 40 - 1.30, Remainder of State 1.35.
- Deferred Premium Payment Plan: \$1 charge for electronic funds transfer.
- 7% Kemper Network Discount: Certain criteria apply. Eff. 8-21-00

American Spirit Insurance Company:

- Form 2 & 3: 5% Loss free credit when criteria is met.
- Form 3: Increase in Coverage C Limit; \$1 per \$1,000.
- Form 2 & 3: New Home Credit; 20% new; 2% less credit each added yr. to 9th yr.
- Form 2 & 3: Revised policy amount Relativities by policy amount & territory. Variable credits.
- Form 4 & 6: Revised Policy amount Relativities based on policy amount of insurance.
- Form 2 & 3: Base rate deviation by territory & county; Variable credit.
- Form 2 & 3: Deductible Credits; \$200,001 & over \$500-15%; \$1,000-21%; \$2,500-30%; 0-\$200,000 \$500 - 15%, \$1,000-21%; \$2,500-38%.
- Form 2 & 3: Revised Protection Class/Construction Type deviation. Variable credit.
- Protective Devices: Class 1-7 credit varies 1%-15%; Classes 8-9 credit varies 1%-8%.
- Form 2 & 3: Contents All Risk Coverage (HO-15) deviation by 50%.
- Credit Card, Forgery & Counterfeit Money Coverage \$2,500 limit-no charge; \$5,000-\$1; \$7,500-\$3; \$10,000-\$4.
- For 4 & 6: Replacement Cost Contents; Add 35% surcharge including additional premium for increase Coverage C limit.
- Form 2 & 3: Multiple Policy Credit; 5% applies to HO non-seasonal & primary dwelling when auto policy in force with Great American Group.
- Form 2 & 3: Mature 45 Discount; 5% credit when certain criteria is met.
- All Forms: Mass Marketing Discount; 5%.
- Forms 2 & 3: Deductible credits and Windstorm or Hail Deducible credits & surcharges.
- Form 6: 25% downward deviation applies to HO-4 base premium all territory except 05 & 06; 14.5% downward deviation applies to HO-4 base premium for territory 05 & 06. Eff. 12-13-96

American States Insurance Company:

- All Forms: Include Personal Injury HO-82 at no charge.
- All Forms, except 4 & 6: New home credit or renovated home credit for homes meeting required criteria; 0-1yr. - 15%; 2 yrs. - 12%; 3, 4 or 5 yrs. - 10%; 6 or 7 yrs. - 6%; 8, 9 or 10 yrs. - 4%.
- Form 2 & 3: Replacement cost (HO-290) Coverage C is increased to 70% of Coverage A at no extra charge: Charge of 9% (7% in Beach Area) is added to basic premium.
- Forms 4 & 6: Replacement cost (HO-290); Charge of 30% is added to basic premium.
- Replacement or Repair Cost Protection Coverage A (HO-500): \$1.00.
- Forms 4 & 6: \$100 deductible; Minimum additional charge \$10 in lieu of \$30.
- One family premiums for all Section I & II coverages will apply regardless of number of families.
- Forms 2 & 3: Dwelling under construction credit of 20% applies during first yr. if certain requirements are met.
- Form 6: Coverage A increased limits; Basic coverage rate per \$1,000 increase \$2.70.
- Renewal credit for consecutive years insured with American States Group: 3-5 yrs. - 5%; 6 or more yrs. - 10%.
- Protective Devices: Credit factors vary .98 to .85.
- Forms 2, 3, 4 & 6: Unscheduled jewelry & furs (HO-65) \$2,500 increased limit - \$33; \$4,000 increased limit - \$60.
- Forms 2, 3 & 8: Fixed deductible credits; \$500 - 9%; \$1,000 - 17%.
- Forms 4 & 6: Fixed deductible credits; \$500 - 10%; \$1,000 - 23%. Eff. 12-12-91

American States Preferred Insurance Company:

- Form 3: Basic premium deviation varies by protection class. Variable credits.
- Form 3: Amount of insurance deviation; All amounts of insurance 13.0% credit.
- Form 3: Surcharges for townhouses & rowhouses are waived.
- Form 3: Homeowners XL Credit; When eligibility & coverage requirements are met. Variable credits.
- Form 3: Deductible credits/charges \$500 - 12%; \$1,000 - 24%.
- The one family premiums for all Section I & Section II coverages shall apply regardless of number of families.
- Form 4: Amount of insurance deviation; \$15,000 - \$30,000 & above. Credit varies 2% - 22%, except for a few specific counties which receive 5% less.
- Form 6: Amount of insurance deviation; \$20,000 - \$30,000 & above. Credit varies 8% - 25%, except for a few specific counties which receive 5% less.
- Forms 4 & 6: Deductible credits/charges; \$500 - 17%; \$1,000 - 30%.
- Alarm systems: Premium credits vary.
- Jewelry & Furs: Forms 3, 4 & 6; \$2,500 limit \$33.00; \$5,000 limit - \$60.00. Form 3 w/XL coverage \$5,000 included in base premium. To reduce to \$2,500 limit subtract \$35. \$1,000 limit subtract \$56.
- Form 3: Replacement Cost (HO-290) Coverage C is increased to 70% of Coverage A at no extra charge; Charge of 9% (7% in Beach area) is added to basic premium.
- Forms 4 & 6: Replacement Cost (HO-290); Charge of 30% is added to basic premium.
- All Forms: Include Personal Injury HO-82 at no charge.
- Form 3: Replacement or Repair Cost Protection Coverage A dwelling HO-500; No charge.
- Form 6: Coverage A increased limits; Basic coverage rate per \$1,000 increase \$2.70.
- Form 3: New home credit; Current yr. - 15%; one yr. preceding current yr. - 12%; 2nd, 3rd & 4th yrs. - 10%; 5th & 6th yrs. - 6%; 7th, 8th & 9th yrs. - 4%.
- Form 3: New dwelling under construction; 20% when certain requirements are met.
- Renewal credit for consecutive yrs. with American States Group; 3-5 yrs. - 5%; 6 or more yrs. - 10%. Eff. 10-30-97

Amerisure Insurance Company:

- All Forms: Minimum additional charge of \$30 for \$100 deductible is waived.
- Mature Homeowners Credit Factor .95 Insured age 55 or older & dwelling is primary.
- Multi Policy Credit: Forms 2, 3 & 6; 15% multi-policy credit when personal auto coverage in force in Amerisure Group.
- New Home Credit Factors: Current year -.80; 1 yr. -.81; 2 yrs. -.82; 3 yrs. -.84; 4 yrs. -.86; 5 yrs. -.88; 6 yrs. -.90; 7 yrs. -.93; 8 yrs. -.96; 9 yrs. -.99.
- Form 3: Deviation by Territory; 0% - 18% credit based on territory, protection class & construction.
- Form 1, 2 & 3: Amount of Insurance Deviation; Coverage A amount \$60,000+-\$199,000 credit varies 0.46% - 9.77%.
- Form 6: Relativity .85. Eff. 10-1-94

AMICA Mutual Insurance Company:

- Forms 2 & 3: New Home Credit; 0-1 yr. old - 20%; 2% less credit each additional yr. up to 10 yrs.
- Form 2 & 3: Repair or Replacement Cost Protection; Factor of 1.06 reduced to 1.00.
- All Forms, except 4 & 6: Fixed dollar amount deductible credits - \$500-11%; \$1,000-21%; \$2,500-30%.
- Forms 4 & 6: Fixed dollar amount deductible credits; \$500-13%; \$1,000-28%; \$2,500-42%.

AMICA Mutual Insurance Company (con't.):

- Reduce increased limits charges for Coverage C all forms to \$1: \$10 charge waived for increased limits up to 75% of Coverage A amount.
- Forms 4 & 6: Rate deviation; 10%.
- Eliminate the additional charge of \$2 for first installment payment plan. \$2 charge for each remaining installments.
- Eliminate the additional charge for each installment payments for members of any AMICA Group.
- 2% credit for 3 or more smoke detectors in all territories for protection classes 1-7.
- Installment Payment Plan: \$2 service charge regardless of number of policies on installment.
- Ordinance or Law: 25% of Coverage A provided without charge. Reduce charges for limits excess of 25% of Cov. A.
- Refrigerated Property: \$10 charge is waived.
- Windstorm Deductible Credits. Eff. 6-1-99

Armed Forces Insurance Exchange:

- Installment Payment Plan: Charge waived.
- Forms 1, 2, 3, 3 w/15 & 8: Base premium deviation based on insurance amount; \$0 - \$181,000 & over credit varies 14% - 25%.
- Form 4: Base premium credit; 16%.
- Form 6: Multiply the HO-4 base premium by factor of .70 when HO 1731 is not part of the policy. Multiply HO-4 base rate by .98 when HO 1731 is part of the policy.
- Protective Device Credits: All protection classes & all territories; Factors vary .98 - .85. Maximum credit waived.
- Forms 2, 3, 3 w/15 & 8: Fixed dollar amount deductible factors; \$500- .85; \$1,000 - .75; \$2,500 - .61.
- Personal property increased limits charge per \$1,000; Forms 1, 2 & 3 - \$.50. Form 3 w/15 - \$.75.
- All Forms, except 4 & 6: New home credit; New - 20%; 2% less credit each additional yr.
- Home Day Care Coverage E: Reduce base premium by 50%.; Coverage F; Premiums reduced by 50%.
- Minimum policy premium waived.
- Wind or Hall Deductible: Credit & surcharge vary.
- Earthquake: Ordinance or Law increased amount of insurance (Does not include basic, only increased amount).
- Sinkhole Collapse Coverage: All Forms except HO-6; Increased amount of coverage (Does not include basic, only increased amount). Eff. 11-1-96

Associated Indemnity Corporation:

- Forms 2, 3 & 3w/15: New home credits; 20% current yr. & one yr. preceding current yr.; 2% less each added yr. Credit applies to company base premium.
- Protective Device Credits: All territories; 1% - 15%; Credit applies to company base premium.
- Forms 1, 2, 3, 3w/15 & deductible credits; \$500-10%; \$1,000-20%; \$2,500-30%. Credit applies to company base premium.
- HO-3w/15 Key Premium: Multiply HO-3 key premium by factor of 1.08.
- Discount of Replacement Cost on Contents: Surcharge of 10% to HO-3 company base premium.
- Form 4 & 6: Deductible credits all territories; Credits for Coverage C \$10,000 & above, \$500-10%, \$1,000-20%, \$2,500-30%. Credit applies to company base premium. Eff. 6-1-93

Associates Insurance Company:

- Forms 1, 2, 3 & 3 w/15: Amount of insurance credit; \$40,000 - 2%; \$45,000 - 4%; \$50,000 - 6%; \$55,000 - 8%; \$60,000 - 11%; \$65,000 - 14%; \$70,000 - 17%; \$75,000 & over 20%.
- Forms 1, 2, 3 & 3 w/15: New home credit; 0-1 yr. - 15%; 2-3 yrs. - 10%; 4 & 5 yrs. - 5%.
- All Forms: Eliminate 5% surcharge for personal property replacement cost (HO 290) endorsement.
- All Forms: Reduced key premiums for protection classes 7 & 8. Eff. 11-1-88

Association Insurance Company:

- Deviation by Cov. A limit \$100,000 & above - 30% credit.
- Forms 1,2 & 3: Replacement Cost Cov. HO-290; Personal property incr. limits charge \$1 per \$1,000; Waive 5% surcharge.
- New Home Credit: Cov-A amount \$100,000 & above; Age of dwelling 0-5 yrs - 15%, 6-10 yrs - 10%, 11-15 yrs - 5%.
- 44% deviation off N.C. Rate Bureau Rates if Cov. A amount is \$100,000 or above for all SAS Institute Inc. Employees. Eff. 1-1-96

Assurance Company of America:

- All Forms, except 4 & 6: Age of dwelling credit; New-20%; 1yr.-18%; 2yrs.-16%; 3yrs-14%; 4yrs-13%; 5yrs.-12%; 6yrs-10%; 7yrs.-8%; 8yrs.-6%; 9yrs.-4%. 10yrs.-2%.
- Forms 4 & 6: Replacement cost on contents; Factor 1.35.

Assurance Company of America (con't.):

- Forms 2 & 3: Charge \$1 per \$1,000 for increase in Coverage C limit.
- Form 4: 15% deviation.
- Form 6: 20% deviation.
- Base Premium Discount: All Forms, except 4 & 6; Factor varies .95 -1.25.
- Forms 2, 3 & 3w/15: Deviation by territories; Variable credits.
- All Forms: Fixed dollar amount deductibles factors; \$500-.85; \$1,000-.75; \$2,500-.70.
- Account Credit: 10% credit when insured has home & auto coverage with Zurich Insurance Cos. when criteria is met.
- Protective Device Credit: Factor varies. Maximum credit of \$75 is waived. Eff. 7-1-98

Auto Owners Insurance Company:

- All Forms: 10% credit on selective optional coverages rated as flat dollar charge per fixed amount of coverage.
- All Forms: Optional deductible charges: \$50 flat-+15% \$100 flat- +10%;\$250 theft deductible-+5%.Min. charges waived.
- All Forms: Protective device credit: 2% applied to premium chart premium for dwellings for each of following heat/smoke detectors, deadbolt locks or fire extinguishers.
- All Forms: Protective devices factors; Protection class 1-7, territories 36-40 apply for all protection classes & territories. Credit varies 1% - 15%.
- Form 3: New Home Credit; New-18%; 1% less credit 1st & 2nd yr.; 2% less credit 3rd - 9th yrs. of age.
- Forms 3 & 6: Mature homeowners credit;12% when at least one named insured is 50 to 54 yrs. of age. 22% credit for age 55 or older. Discount will apply to primary, secondary or seasonal residences.
- Form 3: Townhouse or rowhouse charge; Use same rate per number of families for protection classes 9, 9S & 10 as for protection classes 1-8.
- Loss Assessment: Same rates apply to Form 3 & Form 6 with HO-32 as to all other forms.
- Fire Department Service Charge: Additional amount of insurance; Rate \$4 per \$100.
- All Forms: Credit Card, Fund Transfer Card & Counterfeit Money Coverage: \$1,000 limit no charge; \$2,500-\$2; \$5,000-\$3; \$7,500-\$4; \$10,000-\$5.
- Form 6: Units Regularly Rented to Others: Waiver \$15 manual charge. Apply factor of .25 to premium chart to determine additional premium.
- Building Additions & Alterations at Other Residences; Eliminate \$1- HO-277 is endorsed on policy.
- Form 3: Business Pursuits coverage provided with no charge, except corporal punishment.
- Other Insured Location Occupied by Insured: Section II - 2, 3 & 4 family dwelling rated same as one family dwelling.
- Permitted Incidental Occupancies: Residence premises; No charge for property exposure to business in an other structure.
- Section II Liability: Residence Employees; Bureau charges waived.
- Form 3: Deviation by amount of insurance, territory, construction & protection. Variable credits.
- Form 6: Amount of Insurance Credit; \$10,000 & over 10%.
- Form 4: 10% credit for occupancies of 3 families or more.
- Forms 3, 4 & 6: Personal Injury HO-82 Coverage provided with no charge.
- Forms 3 & 6 Special Personal Property Coverage Deviation: Form 3 10% charge. Min. \$20. Form 6 20% charge.
- Multi-Policy Discount: 5% credit applies to primary, secondary & seasonal residence when named insured has both a private passenger auto policy & homeowners policy written with an Auto-Owners Insurance Group Company.
- Forms 2, 3 & 6: Seasonal Discount: 10% credit applies when owner-occupied dwellings are occupied less than 180 days during calendar yr.
- Additional Residence Rented to Others.
- Section II Liability: Water Craft Deviation.
- Homeowners/Life Multi-Policy Discount 5% credit.
- Additional Limits of Liability for Coverage A, B, C & D. \$7 charge per location. Eff. 6-1-00

Automobile Insurance Company of Hartford, Conn.:

- Protective Device Deviation: Credit varies 1% - 13%.
- Deductible Credits: Varies by amount of deductible.
- Forms 2, 3, 3w15: Personal Property - Increased Limit Coverage C: \$1 per \$1000.
- Refrigerated Personal Property: \$10 charge waived.
- Forms 2, 3, 3w15, 4 & 6: 5% Account Credit.
- Forms 2 & 3: Inflation Guard Premium waived.
- Geico Sponsored Account Discount: 3% credit.
- Forms 3 & 6: 5% Safety Seminar Credit: Certain criteria apply. Eff. 8-20-00

Bankers Standard Insurance Company:

- New Construction Credit: New - 20%; 1 yr. old - 18%; 2% less credit each added yr.
- Forms 1, 2, 3, 4 & 6: Fixed dollar deductible credits; Credit varies 15% - 40%.
- Forms 4 & 6: Fixed dollar deductible credits; \$500 - 11%; \$1,000 - 25%; \$2,500 - 40%.
- Rate for increase in Coverage C; \$2 per \$1,000.
- Forms 1, 2 & 3: Replacement cost coverage HO 0490; Charge shall be 7.5% of adjusted base premium. Coverage C increased to 70% of A at no premium charge.
- Protective Device Credits: All zones & all protection classes; Credit varies 2% - 15%. Eff. 9-1-99

Blue Ridge Insurance Company:

- Forms 1, 2 & 3: Personal Property Replacement Cost Coverage; Apply factor 100 to base premium. Minimum premium deleted.
- All Forms: \$100 deductible or \$250 theft deductible; No minimum additional premium.
- Fixed dollar amount deductible factors: Forms 1, 2, 3 & 8; \$500 - .91; \$1,000 - .83; \$2,500 - .75. Forms 4 & 6 - \$500 - .90; \$1,000 - .77; \$2,500 - .63.
- All Forms, except 4 & 6: \$250 deductible; Multiply base premium by factor of .9625. Eff. 4-1-95

Boston Old Colony Insurance Company:

- Forms 1, 2, 3 & 3 w/15: Personal Property Replacement Cost; Eliminate 5% surcharge. Eliminate \$20 minimum premium.
- Forms 1, 2 & 3: New home credit; Dwellings 0-5 yrs. old - 15%; 6-10 yrs. old - 10%, if requirements are met.
- Forms 1, 2 & 3: 20%, if requirements are met.
- Forms 1, 2, 3 & 3 w/15: Deductible credits; Coverage A - all amounts; \$250-15%; \$500-25%; \$1,000-35%; \$2,500-45%.
- Forms 4 & 6: Coverage C - all amounts; \$250-13%; \$500-28%; \$1,000-42%; \$2,500-53%. Eff. 1-1-86

CGU Insurance Company of New Jersey:

- All Forms, except 4 & 6: New home credit; New -20%; 1 yr. old - 18%; 2 yrs. old - 16%; 3 yrs. old -14%; 4 yrs. old -12%; 5 yrs. old - 10%; 6 yrs. old -10%; 7 yrs. old - 8%; 8 yrs. old - 7%; 9 yrs. old - 6%; 10 yrs.-6%; 11 yrs.-4%; 12 yrs-4%; 13 yrs.-2%; 14 yrs.-2%.
- All Forms, except 4: Account credit; 10% applies to homeowner premium when named insured insures personal automobiles in any of the General Accident Companies.
- All Forms: Protective devices; Credit varies 2% - 15%.
- All Forms: Fixed Dollar Amount Deductible Factors; \$500 - .90; \$1,000 - .77.
- Forms 1, 2, 3 & 3 w/15: Personal property increased limits; \$1 per \$1,000 of insurance.
- Forms 1, 2 & 3: Personal property replacement cost coverage; Waives charge to increase Coverage C limit 50% to 70% of Coverage A limit. Premium for replacement cost coverage developed by applying factor of 1.05 to base premium including any premium adjustment for Coverage C in excess of 70% of Coverage A.
- All Forms, except 4 & 6: Deviation by policy size; Coverage A Amounts. Credit varies 2.1% -18.8%. Eff. 4-15-96

Central Mutual Insurance Company:

- Forms 2, 3 & 3w/15: Deviation by amount of insurance, public protection class & territory: Variable credits.
- Forms 1, 2, 3 & 3 w/15: New Home Credit: Credit varies 2%-18% for homes new to 10 yrs. of age.
- Forms 2, 3, 3 w/15 & 6: 5%-10% Package Credit if company carries private passenger automobile/homeowners coverage based on territory.
- Forms 2 & 3: Personal Property Replacement Cost surcharge factor 1.02.
- Optional Higher Deductibles Deviation.
- Installment Payment Plan: \$1 each installment for Electronic Funds Transfer.
- Forms 4 & 6: Deviation by amount of insurance: Credits vary. Eff. 10-1-00

The Charter Oak Fire Insurance Company:

- Protective Device Deviation: Credits vary 1% - 13%.
- Forms 2, 3 & 3w/15: 5% Account Credit.
- Forms 2, 3 & 3w/15: Personal Property - Increased Limit Coverage C: \$1 per \$1000.
- Forms 2, 3 & 3w/15: Loss Free Credit: 3+ yrs. loss free 5% credit.
- Form 3w/15: 10% Additional premium charge.
- Base Rate Deviation: Credit varies depending on territory.
- Coverage A Relativities based on Coverage A amount & territory.
- Deductible Credits: Credit varies by amount of deductible.

The Charter Oak Fire Insurance Company (con't.):

- Refrigerated Personal Property: \$10 charge waived.
- Forms 2, 3 & 3w15: Final premium adjustment factor of .92.
- Forms 2 & 3: Inflation Guard: Premium charge waived.
- Forms 3: 5% Safety Seminar Credit: Certain criteria apply. Eff. 8-20-00

Cincinnati Indemnity Company:

- Forms 2, 3 & 3w/15: Age of dwelling credit; New - 2 yrs. - 20%; 3-5 yrs. - 15%; 6-8 yrs. - 10%; 9-11 yrs. - 5%.
- Form 6: (Deviation to HO-4) Credit varies based on territory.
- Forms 2, 3 & 3w/15: Deductible credits/surcharges.
- Forms 4, 6 & 6w/HO 1731: Deductible credits/surcharges.
- Forms 2, 3 & 3w/15: Rate \$2 per \$1,000 increased Coverage C above 50% of Coverage A.
- Protective Device credits vary 1% - 12%.
- Credit Card, Fund Transfer Card, Forgery & Counterfeit Money Coverage; \$2,500 limit no charge; \$5,000 limit \$1; \$7,500 limit \$3; \$10,000 limit \$4.
- Forms 4 & 6: Replacement Cost on Contents; Reduce surcharge to 35%.
- Form 6w/HO1731: Condominium Unit Owners; Credit varies based on territory.
- Installment Payment Plan: Delete the \$3 charge for each installment.
- Homeowners Enhancement Deviation. Eff. 6-1-99

The Cincinnati Insurance Company:

- Forms 2, 3 & 3w/15: Age of dwelling credit; New-2 yrs.-20%;3-5 yrs.-15%; 6-8 yrs.-10%; 9-11 yrs.-5%.
- Form 6: (Deviation to HO-4) Credit varies based on territory.
- Forms 2, 3 & 3w/15: Relativity deviation by policy amounts.
- Forms 2, 3 & 3w/15: Base rate credits by territories.
- Forms 4 & 6: Base rate credits by territories.
- Forms 2, 3 & 3w/15: Deductible credit/surcharge.
- Forms 4, 6 & 6w/HO1731: Deductible credits/surcharge.
- Forms 2, 3 & 3w/15: Rate \$2 per \$1,000 for increased Coverage C above 70% of Coverage A.
- Protection Device credits vary 1% - 12%.
- Credit Card Fund Transfer Card, Forgery & Counterfeit Money coverage: \$2,500 limit - no charge; \$5,000 limit \$1; \$7,500 limit \$3; \$10,000 limit \$4.
- Forms 4 & 6: Replacement cost on contents; reduced surcharge to 35%.
- Form 6w/HO 1731: Condominium Unit Owner; Deviation based on territory.
- Installment Payment Plan: Delete the \$3 charge each installment.
- Homeowners Enhancement Deviation. Eff. 6-1-99

Commercial Insurance Company of Newark, New Jersey:

- Forms 1, 2 & 3: 20% credit if criteria is met.
- Forms 1, 2, 3 & 3 w15: Deductible credits; Coverage A all amounts; \$250-15%; \$500-25%; \$1,000-35%; \$2,500-45%.
- Forms 4 & 6: Deductible credits; Coverage C all amounts; \$250-13%; \$500-28%; \$1,000-42%; \$2,500-53%.
- Forms 1, 2, 3 & 3 w/15: Personal property replacement cost; Eliminate 5% surcharge. Eliminate \$20 minimum premium.
- Forms 1, 2 & 3: Age of dwelling credit; 0-5 yrs. - 15%; 6-10 yrs. - 10% if criteria is met.
- Amount of Insurance Deviation; \$50,000 - \$225,000 & above credit varies 9% - 39%. Eff. 12-9-88

Commercial Union Insurance Company:

- Forms 1, 2, 3: Fixed dollar amount deductibles; \$500-15%; \$1,000-21%; \$2,500-38%.
- Forms 4 & 6: \$500-10%; \$1,000-23%; \$2,500-37%.
- All Forms, except 4 & 6: New home discount; 0-1 yr. old - 20%; 2% less credit each added yr. to 10th yr.
- Forms 1, 2, 3 & 3w/15: Repair or replacement cost Coverage A; HO3211 - \$5 premium charge.
- Protective Devices Credits: PPC 1-7 - 2%-15%; PPC 8-9 - 1%-15%: Maximum credit of 20% applies.
- Forms 2 & 3: Personal Property Replacement Cost; Charge to increase Coverage C to 70% of Coverage A; \$1 per \$1,000.
- All Forms, except 4 & 6: Provide Inflation Guard Endorsement at 6% amount of annual increase at no charge.
- Form 6: Units regularly rented to others; Delete \$15 charge.
- Form 6: 11.1% credit.
- Form 6: Increased Coverage A limit: HO-4 Key Factor for each additional \$10,000 - x .080 x HO-4 Key Premium. If HO-0477 is endorsed on to policy; HO-4 Key Factor for each additional \$10,000 x .080; x HO-4 Key Premium plus \$1.
- Multi-Policy Discount: 5% when insured also has voluntary automobile policy with Commercial Union.
- 5% discount for insured age 49 or older.

Commercial Union Insurance Company (con't.):

- Homeowners Enhancement Factors: HE-7 - 1.15; HE -7w/15 - 1.20 & HE-7w/21 - 1.25.
- All Forms, except 4 & 6: Deviation by Coverage A amount of insurance: Credit varies.
- Windstorm or Hail Deductibles. Eff. 6-1-99

Commercial Union Midwest Insurance Company:

- All Forms, except 4 & 6: New Home Discount; 0-1 yr. old -20%;2% less credit each added yr. to 10th yr.
- Forms 2 & 3: Personal Property Replacement Cost; Charge to increase Coverage C to 70% of Coverage A; \$1 per \$1,000.
- Replacement or Repair Cost Protection Coverage A (HO-3211): \$5 premium charge.
- Protective Devices Credits: PPC 1-7 - 2%-15%; PPC 8-9 - 1%-15%; Maximum credit of 20% applies.
- All Forms, except 4 & 6: Provide Inflation Guard endorsement coverage at 6% amount of annual increase at no charge.
- All Forms, except 4 & 6: Fixed Dollar Amount deductibles: \$500-15%;\$1,000-21%;\$2,500-38%.
- Form 3: 15% credit when certain underwriting criteria is met.
- Multi-Policy Discount: 5% when insured has auto policy with Commercial Union.
- 5% discount for insured age 49 or older.
- Deviation to Enhancement Forms HE-7; HE-7w/20 & HE-7w/21: Credits vary.
- Deviation by amount of Coverage A: \$250,000 - \$500,000. Variable credits.
- Windstorm or Hail Deductibles. Eff. 6-1-99

Consolidated American Insurance Company:

- All Forms: 10% downward deviation.
- Forms 1, 2 & 3: New home credit; 16% current calendar yr.; 2% less credit for each yr. preceding current calendar yr.
- Flat Deductible Credits: \$500 - 9%; \$1,000 - 17%; \$2,500 - 25%. All Forms, except forms 4 & 6.
- All Forms: Protective Device Credits; Various combinations ranging 2% - 15%.
- Forms 2, 3, 3w/15 & 6: Account credit; 10% if insured has both his personal auto policy & homeowners policy with any of the Seibels-Bruce Companies.
- Forms 2, 3, 3w/15 & 6: Amount of insurance credit; \$10,000 - \$110,000 - credit varies 0% - 27%.
- All Forms, except 4: 5% Senior Citizens Credit when required criteria is met.
- All Forms, except 4: Credits for consecutive yrs. with Seibels Bruce Insurance Companies 3-5 yrs.-5%;6 or more yrs- 10%.
- Personal Injury Coverage: No charge.
- Forms 3 & 3w/15: Coverage C increased limits charge per \$1,000 - \$1 in lieu of \$2.
- Guaranteed replacement or repair cost for dwelling HO-500: No charge.
- Forms 3 & 3w/15: Windstorm & Hail exclusion in Territory 04; \$75 credit.
- Personal Property Replacement: All Forms; Increase Coverage C limits 50% to 70% of Coverage A at no additional charge. Eff. 8-1-92

Continental Insurance Company:

- All Forms, except 4 & 6: Amount of insurance deviation based on territory. Credits vary.
- Forms 4 & 6: Amount of insurance deviation based on territory. Credits vary.
- Earthquake Rate Deviations.
- Forms 2, 3, 3w/15 & 8: Replacement cost on contents deviation. Factor 1.05 waived.
- Deductible Credits Deviation.
- New Home Discount: 0-5 yrs. -15%; 6-10 yrs. - 10%.
- Gated Community Discount. 10% credit when criteria is met.
- Guaranteed Replacement Cost Coverage. Premium charge \$3.
- Special Coverage Rate Deviation.
- Preferred Rate Deviation (Plan A/B).
- Additional Limits Deviation Coverage F: Deviation - 66.67%.
- Other Insured Location. 1 family - 43%; 2 families - 71%.
- Permitted Incidental Occupancy Med Payments Rate Deviation. Deviation varies 50% - 60%.
- Additional Residence Rented to Others Rate Deviation. 1 family - 88%; 2 families - 84%.
- Business Pursuits Rate Deviation. Credits vary 14% - 40%.
- Permitted Incidental Occupancy Rate Deviation. Residence Premises - 47%; Other Residence - 29%.
- Incidental Farm Rate Deviation. Residence Premises - 48%; Other Residence - 65%.
- 5% credit applies to residence premium, if named insured is also named insured on auto policy with any of the CNA Insurance Companies. Eff. 3-1-00

Eagle American Insurance Company:

- Forms 2 & 3: 5% loss free credit when criteria is met.
- Form 3: Increase in Coverage C limit; \$1 per \$1,000.
- Forms 2 & 3; New home credits: 20% - new; less 2% credit each added yr. up to 9th yr.
- Forms 2 & 3: Revised policy amount relatives by policy amount & territory. Variable credit.
- Forms 2 & 3: Base rate deviation by territory & county. Variable credit.
- Forms 2 & 3: Policy Amount 0-\$2000,000 Deductible credits; \$500 - 15%; \$1,000 - 20%; \$2,500 - 30%; Policy amount \$200,001 & over deductible credits; \$500-15%; \$1,000-21%; \$2,500-30%.
- Forms 2 & 3: Revised protection class/construction deviation.
- Protective Device Credit: Classes 1-7 credit varies 1%-15%; Classes 8-9: Credit varies 1%-8%.
- Forms 2 & 3: Charge for contents all risk coverage deviated by 50%.
- Credit Card, Forgery & Counterfeit Money \$2,500 limit no charge, \$5,000-\$1; \$7,500-\$3; \$10,000-\$4.
- Forms 2 & 3: Multi-Policy Credit; 7% applies HO non-seasonal & primary dwelling when auto policy in force with Great American Group.
- Form 6: 25% downward deviation applies to HO-4 base premium all territory except 05 & 06. 14.5% downward deviation applies to HO-4 base premium for territory 05 & 06.
- Forms 4 & 6: Replacement cost on contents; Reduce surcharge to 35%.
- Forms 4 & 6: Revised policy amount relatives based on amount of insurance.
- Forms 2 & 3: Mature 45 Discount; 5% credit when one of insured is 45 or older & insured is principal residence.
- All Forms: Mass Marketing Deviation; 5% credit for payroll or account deduction basis for employees of corporations or members of credit union association.
- Form 4: Base rate deviation by territory; Credit varies 4.84%-5.26%. Eff. 12-13-96

Electric Insurance Company:

- Forms 2, 3 & 3 w15: Base rate deviation by territory: Credit varies.
- Forms 4 & 6: Base Rate Credit - 11%.
- Forms 1, 2 & 3: Personal Property Replacement Cost(HO-290); Coverage C is automatically increased to 70% of Coverage A. Premium surcharge 1.02 to be applied to base premium including any premium adjustment for Coverage C limits.
- Forms 4 & 6: Personal Property Replacement Cost (HO-290); Premium surcharge 1.25.
- Forms 2 & 3: New Home Credit; 0-1 yr. - 20%; 2% less credit each additional yr.
- Replacement or Repair Cost: Coverage A (HO-500); \$1 charge.
- Protective Device Credits: Higher credits.
- Silverware, Goldware & Pewterware: Additional premium for each \$500 increase \$2, in lieu of \$3.25.
- Firearms: Additional premium for each \$100 increase \$1 in lieu of \$3.
- Forms 2, 3, 4 & 6: Multi-Policy Discount; 10%.
- All Forms, except 4 & 6: Fixed dollar amount ded. factors Cov. A limits: Factors vary for \$500,\$1000,&\$2500 ded.
- Forms 4 & 6: Fixed dollar amount deductible factors: Factors vary.
- Decreased rates for unscheduled jewelry, watches & furs; Limit may be increased to maximum of \$5,000 not to exceed \$1,000 for any one article; \$12 for each \$1,000 increase.
- Additional Wind & Hail Deductible factor of .05. Eff. 8-19-99

EMCASCO Insurance Company:

- Forms 2 & 3: Revised Policy Size Relativities; 27% deviation.
- Optional Section I & II Bureau Rates; 15% credit.
- New Home Credit: 1st preceding calendar yr. 15%; 2nd yr. 12%; 2% less credit each added yr.
- Forms 1, 2 & 3: Personal Property Replacement Cost (HO-290) Coverage C; Waive 5% surcharge.
- Forms 2 & 3: Flat deductible credits; \$500-12%; \$1,000-30%; \$2,500-40%.
- Forms 4 & 6: \$500-15%; \$1,000-32%; \$2,500-45%.
- Company Combination Premium Credit: 15% when homeowners & auto policies are written in one of the EMC Companies.
- Forms 2 & 3: Additional Amount of Insurance; \$5.
- Renovated Dwelling Credit: Variable credits when criteria is met.
- Installment Payment Plan: Charge for installments are waived for Electronic Fund Transfer. Eff. 6-1-99

Employers Mutual Casualty Company:

- Forms 1, 2 & 3: Fixed dollar amount deductible; \$500 - 12%; \$1,000 - 30%; \$2,500 - 40%.
- Forms 4 & 6: Fixed dollar amount deductible; \$500 - 15%; \$1,000 - 32%; \$2,500 - 45%.
- Company Combination Premium Credit: 15% when homeowners & auto policies are written in one of the EMC Companies.
- Forms 2 & 3: Additional amount of insurance; \$5.
- Renovated Dwelling Credit: Variable credits when criteria is met.
- Installment Payment Plan: Charge for installments are waived for Electronic Fund Transfer. Eff. 6-1-99

Erie Insurance Exchange:

- Forms 2, 3, 8, HE-7, HE-7/20 & HE-7/21: Base rate deviation: Variable credits based on zones.
- Forms 2, 3 & 8: Deviation on key factors.
- Forms 4 & 6: Deviation on key factors.
- Forms HE-7, HE-7w/20 & HE-7w/21: Deviation on key factors.
- Secondary Residence: Subtract \$5 for duplication of coverage credit: Waive charge on primary policy for Section II coverage on secondary residence.
- All Forms, except 4 & 6: Waive surcharge for townhouse or rowhouse.
- Forms 2 & 3: Personal Property Replacement Cost: 12% surcharge includes increase in Cov. C to 70% of Cov. A.
- Forms 4 & 6: Personal Property Replacement Cost: 30% surcharge.
- Forms 2, 3, 8 & HE-7: Deductible factors: \$500 - .88; \$1000 - .76; \$2500 - .72.
- Forms 4 & 6: Deductible factors: \$500-.83; \$1000-.69; \$2500-.63.
- Protective Device Credit Deviation: Credit varies 1% -7%, with a maximum credit of \$75.
- New Home Discount: Credits vary 2% - 25% for new to 9 yrs. of age.
- Form 4: Building Addition & Alterations: HO-51 - \$4 per \$1000 increased limits.
- Specified Additional Amount of Insurance for Coverage A only(HO 32): \$1 charge..
- Forms 4 & 6: Loss of Use Increased Limits; \$4 per \$1000.
- All Forms, except HE-7: Increased Special Limits of Liability HO-65, HO-211: Reduced charges.
- Landlord's Furnishings: \$17 for \$1,000 limit regardless of number of units.
- Form 6: Units Rented to Others HO-33: Charge 25% of base premium.
- Outboard Motors & Watercraft Deviation: Outboard, inboard & inboard-outboard less than 50 horsepower-deviation 100%.
- Multi-Policy Discount: 10% credit applies when criteria met.
- Rented Personal Property: No charge.
- Waterbed Liability HO-400: No charge.
- HE-7: Personal Property Increased Limits; \$2 per \$1000.
- Business Pursuits: No charge.
- Refrigerated Property Coverage: Charge waived. Eff. 9-1-00

Farmers Insurance Exchange:

- Base Rate Deviations: Forms 3 & 4: Credits vary 2% - 13% by territory.
- Form Factor Deviations: Forms 3w/15 & 4.
- Plan Relativity Factors: Forms 3, 3w/15, 4, & 6: Premier, Preferred & Standard Plans: Certain criteria apply.
- Amount of Insurance Deviations: All Forms, except 4 & 6: Credit varies 0% - 7%.
- Protection - Construction Factors: All Forms, except 4 & 6.
- New Home Discount: Form 3: Current yr. - .80 factor; add .02 to factor each additional yr. until 7th yr.
- Ordinance or Law Deviation: Forms 2 & 3: Factors Vary.
- Personal Property Replacement Cost Coverage Deviation: Forms 4 & 6.
- Protective Devices Deviation: Credits vary 1% - 10%: Certain criteria apply.
- Deductible Deviations: All Forms , except 4 & 6: Credits vary.
- Wind Storm or Hail Deductible Deviations: All Forms, except 4 & 6.
- Loss Assessment Coverage Deviation: Forms 3 or 6w/HO1732.
- Loss of Use Deviation/Increased Limit: Rate per \$1,000 - \$3.
- Other Structures Increased Limit Deviation: Rate per \$1,000 - \$2.
- Personal Property Increase Limits Deviation: Credits vary.
- Other Insured Location Occupied by Insured: 4 Family Residence - \$27.
- Additional Residence Rented to Others: 4 Family Residence - \$86.
- Permitted Incidental Occupancies - Residence Premises & Other Residences: Deviation applies to Residence Premises.
- Business Pursuits Deviation for \$200,000 limit.
- Age 50 Plus Discount
- Auto/Homeowners Discount: All Forms: Factor of .90: Certain criteria apply.
- Non Smoker Discount: Certain criteria apply. Eff. 12-10-99

Federal Insurance Company:

- Form 3w/15: 17.3% credit.
- Forms 2, 3, 3w/15 & HE-7: 9.5% credit.
- Forms 2, 3, 3w/15 & HE-7: Coverage A amount 400,000 & above; Key Factors vary.
- Forms 2, 3, 3w/15, 4 & 6: Gated Community Credit; 5% for house located in gated community meeting certain criteria.
- Forms 2, 3, 4 & 6: Fixed dollar amount deductible; Credit varies based on amount of Cov. A and amount of deductible.
- Personal Property Increased Limits: Form 2 & 3-\$1 per \$1,000; Form 3w/15-\$1.50 per \$1,000 of coverage.
- Forms 2 & 3: Additional Amount of Insurance Option: 25%-\$1 surcharge; 50%-\$2 surcharge: Premium \$5. Eff. 6-1-99

Federated Mutual Insurance Company:

- Forms 1, 2, 3 & 3w/15: New home credit; 14% dwellings 0-1 yr. old; 2% less credit each added yr.; applies to \$250 deductible basic premium & premium for amended Coverage C limit.
- Forms 1, 2, 3 & 3w/15: Fixed dollar amount deductibles; \$100 +10%; \$500 -10%; \$1,000 -20%; \$2,500 -30%.
- Forms 4 & 6: Fixed dollar amount deductibles; \$100 +10%; \$500-15%; \$1,000-30%; \$2,500-40%.
- Forms 1, 2, 3 & 3w/15: Deviation by policy amount varies 0%-25%.
- Form 4: 10%.
- Form 6: 25%.
- Forms 3 & 3w/15: Special additional credit rule: 10% when eligibility & mandatory coverage requirements are met.
- Multiple Policy Discount: 5% applied to HO Policy when private passenger auto policy & personal umbrella policy are also written by this company.
- Installment Pay Plan: \$5 maximum charge per account for all policies. Eff. 11-15-94

Fidelity & Casualty Company of N.Y.:

- All Forms, except 4 & 6: Amount of Insurance Deviation; Variable Credits.
- Form 4: Amount of Insurance Deviation. Variable Credits.
- Form 6: Amount of Insurance Deviation. Variable Credits.
- Earthquake Deviation.
- Forms 2, 3, 3w/15 & 8: Personal Property Replacement Cost; Eliminate 5% surcharge.
- Deductible Credit Deviation.
- New Home Discount: 0 - 5 yrs. - 15%; 10 yrs. - 10%.
- Gated Community Discount.
- Guaranteed Replacement Cost coverage of buildings & structures at principal residence: \$3.
- Form 6: \$1,000 incr. is .9 times applicable premium each additional \$1,000 column in basic premium chart for Cov. C.
- Preferred Rate Deviation: Deviation varies when requirements are met.
- Additional Limits Coverage F Medical Payments Deviation.
- Other Insureds Location: Variable credits.
- Permitted Incidental Occupancy Medical Payments Rate Deviation.
- Additional Residence Rented to Others Rate Deviation.
- Business Pursuits Rate Deviation.
- Permitted Incidental Occupancy Rate Deviation.
- Incidental Farm Rate Deviation. Eff. 11-1-96

Fidelity & Guaranty Insurance Company:

- Waive additional premium of \$5 or less.
- Deviation of HO-3 Base Rates by territory & policy amount: Credits vary.
- Forms 4 & 6: Personal property replacement coverage; Reduced premium charge.
- Special Package Discount: 5% credit to total residential premium when underwriting criteria is met.
- Form 6: Relativity factor .750 in lieu of .855.
- Employees Discount: 20%.
- Forms 2 & 3: Additional amount of insurance: HO 3211 \$5 premium charge.
- Deductible Credits.
- Increase in Coverage C: Reduced rate per \$1,000.
- Multi-Policy Discount: 10% credit when private passenger auto policy is also purchased with USF&G.
- All Forms, except 4, 6 & 8: New Home Discount; 1 yr.-20%; 2% less credit each added yr. to 9th yr. Eff. 4-15-00

Fidelity & Guaranty Insurance Underwriters:

- Deviation of HO-3 Base Rates by territory & policy amount: Credits vary.
- Forms 4 & 6: Personal Property Replacement Cost Coverage; Factor 1.35.
- Waive additional premium of \$5 or less.
- Special Package Discount: 5% credit applied to total residential insurance premium when underwriting criteria is met.
- Form 6: Form Relativity of .800 in lieu of .855.
- Employees Discount: 20%.
- Forms 2 & 3: Additional amount of insurance: HO 3211 \$5 premium charge.
- Deductible Credits.
- Increase in Coverage C: Reduced rate per \$1,000.
- Multi-Policy Discount: 10% credit when private passenger auto policy is also purchased with USF&G.
- All Forms, except 4, 6 & 8: New Home Discount; 1 yr.-20%, 2% less credit each added yr. To 9th year.
- Forms 2, 3 & 3w/15: Protection Class Deviation. Eff. 4-15-00

Firemans Fund Insurance Company:

- Forms 2, 3 & 3 w/15: New Home Credit; 20% current yr. & one yr. preceding current yr. of construction; 2% less credit each added yr. Credit applies to company base premium.
- Protective Device Credits: All territories 1% - 15%.
- All Forms, except 4 & 6: Deductible Credits; \$500 -10%; \$1,000 -20%; \$2,500 -30%. Credits applies to company base premium.
- HO-3 w/15: Multiply the HO-3 key premium by factor of 1.08 to obtain key premium for HO-3 w/15.
- Replacement Cost on Contents: Apply surcharge of 10% to HO-3 company base premium for replacement cost on contents.
- Forms 4 & 6: Deductible Credits; Credit for Coverage C \$10,000 & above, \$500 -10%, \$1,000 -20% \$2,500 -30%. Credit applies to company base premium. Eff. 6-1-93

Firemans Insurance Company of Newark:

- Forms 1, 2, 3&3 w/15: Personal Property Replacement Cost; Eliminate 5% surcharge. Eliminate \$20 minimum premium.
- Forms 1, 2 & 3: New Home Credit; Dwellings 0-5 yrs. old - 15%; 6-10 yrs. old - 10% if requirements are met.
- Forms 1, 2 & 3: 20% if requirements are met.
- Forms 1, 2, 3 & 3 w/15: Deductible Credits: Coverage A, all amounts; \$250-15%; \$500-25%; \$1,000-35%; \$2,500-45%.
- Forms 4 & 6: Coverage C: All amounts; \$250-13%; \$500-28%; \$1,000-42%; \$2,500-53%. Eff. 1-1-86

Firemen's Insurance Company of Washington D.C.:

- Deluxe Program: Form 3; 5% deviation off base premiums.
- All Forms: Protective Device Credit: Credit varies 2% - 13%.
- All Forms, except 4 & 6: Age of Home Discount; Credit varies 4% - 20% for age of dwelling 0 - 25 yrs. with greatest credit for newest homes.
- All Forms, except 4 & 6: Senior Citizen Discount; Factor of .92 of base premium age 50-54 yrs. Factor .95 age 55 yrs. & older.
- All Forms, except 4 & 6: Renovation Discount 0-15 yrs. factors of .85-.95 applies when underwriting guidelines are met. Credit applies to base premium.
- Renewal Discount: Factor .95 applies to base premium when criteria is met.
- Form 3: Loss Free Credit; 1yr. - 5%; Renewal with 2 yrs. loss free - 10%. Credit applies to base premium.
- All Forms, except 4 & 6: Optional deductible credits applies to base premium. Coverage A limit under \$200,000 - \$500 ded. - .87; \$1,000 - .76; \$2,500 - .73. \$200,00-\$400,000 - \$500 ded - .89; \$1,000 - .80; \$2,500 - .77. Over \$400,000 - \$500 - .92; \$1,000 - 86; \$2,500 - .83. Eff. 10-1-97

First National Insurance Company of America:

- Forms 3 & 4: Base Key Premium by territory deviation.
- Policy Amount by territory Relativities deviation.
- Newer Home Credit: Homes which are less than seven yrs. old receive a credit of 2%-20%, depending on age.
- Forms 3, 4, 6, HE-7 & HE-21: Deductible Deviations.
- All Forms: Renewal Credit: Certain criteria apply.
- All Forms: Account Credit: Certain criteria apply.
- Protective Device Credit: Credit varies 2%-15% with a maximum credit for any combination of \$150.
- Condominium Unit-Owners Coverage A Increased Limits & Special Coverage Deviation.
- All Forms: Business Pursuits (HO 24 71): Charge deleted.
- Increased Limits of Personal Property: Automatic increase to 70% of Coverage A.
- Landlord's Furnishings (HO 32 21): Can be increased to \$5000 with burglary coverage added: \$10 charge per policy.
- Additional Limits of Liability for Coverages A, B, C & D (HO 32 11): \$5 per policy.
- Ordinance or Law Coverage (HO 04 77): Increase to a total of %100 of Coverage A.
- Personal Property Replacement Cost (HO 04 90): Waiver of minimum premium.
- Increase Special Limits-Jewelry (HO 04 65)/Additional Coverage-Unscheduled Jewelry (HO 32 27) Deviation.
- All Forms: Medical Payments/Other Exposures/Higher Limits Deviation.
- Other Insured Locations Occupied by Insured: 2 family house will be charged as a 1 family house.
- Additional Residence Rented to Others (HO 24 70) Deviation.
- Outboard Motor & Watercraft Liability Deviation.
- Enhancement Program Surcharge Deviation.
- Personal Liability/Residence Premises Deviation.
- Special Personal Property Coverage (HO 00 15)/Unit Owners Coverage (HO 1731): Coverage C may be extended to include additional risks of physical loss.
- Installment Payment Charge: \$2 per installment except when paying in full or via electronic funds transfer. Eff. 7-1-00

General Accident Insurance Company of America:

- All Forms, except 4 & 6: Newer Home Credit; Current yr. - 20%; 1 yr. old - 18%; 2 yrs. old - 16%; 3 yrs. old - 14%; 4 yrs. old - 12%; 5 yrs. old - 10%; 6 yrs. -10%; 7 yrs. old - 8%; 8 yrs. old - 7%; 9 yrs. old - 6%; 10yrs.-6%;11yrs.-4%; 12yrs-4%;12yrs.-4%; 13yrs.-2%;14yrs.-2% .
- All Forms: Fixed Dollar Amount Deductible Factors; \$500 - .90; \$1,000 - .77.
- Forms 1, 2, 3 & 3w/15: Personal Property Increased Limits; \$1 per \$1,000 of insurance.
- All Forms, except 4: Account Credit; 10% applies to Homeowners premium when named insured has personal auto coverage in any of the General Accident Company.
- All Forms: Protective Devices Credits vary 2% - 15%; Maximum credit per policy 15%.
- Forms 1, 2 & 3: Replacement Cost on Contents; Waive charge to increase Coverage C from 50% to 70% of Coverage A limit. Premium for replacement cost coverage shall be developed by applying factor of 1.05 to base premium including premium adjustment for Coverage C in excess of 70%. Eff. 4-15-96

General Insurance Company of America:

- Deductible Debit/Credits Deviation.
- Form 3: New Home Credit: Credit varies 2% - 20% to 6th yr.
- Protective Devices Deviation: Credit varies 2%-15% with a maximum credit of \$150.
- All Forms: Business Pursuits (HO 24 71): Delete charge.
- Credit Card Forgery & Counterfeit Money Coverages (HO 04 53): Delete \$1 charge for \$1,000 limit.
- Personal Injury (HO 24 82): Included at no charge.
- Increased Limits of Personal Property: Personal property limit is increased to 70% of Coverage A limit without charge. Further increase limits may be purchased at a charge.
- Increased Special Limits - Jewelry (HO 04 65): When increased special limits of liability are purchased for Jewelry, HO 32 27 will be automatically added with no additional charge.
- All Forms: Medical Payments: Other exposures - Higher limits: Additional charge for higher limits of medical payments will be waived.
- Other Insured Location Occupied by Insured. A two-family house will be charged same as one-family house.
- Additional Residence Rented to Other (HO 24 70): Limit of Liability \$100000 - \$1000000: Premium charge varies.
- Personal Liability - Residence Premises Deviation: Increased Limits: Coverage E base \$300000: Coverage F no charge.
- Outboard Motors & Water Craft: Reduced premiums based on limits, length and horsepower.
- All Forms: Account Credit: 10% credit when new - 2 yrs.: 5% credit when 3+ yrs.: for total policy premium when insured has a Safeco auto policy also..
- Ordinance or Law Coverage (HO 04 77) Deviation for Quality Plus Form, Quality Crest Form & Condominium Form.
- Special Personal Property Coverage HO-00 15 & HO-17 31: Quality Plus Form & Condominium Form- Increase basic premium 8%. Quality Crest Form automatically included.
- Personal Property Replacement Cost (HO 04 90): \$20 minimum charge is waived.
- Base Key Premium by Territory Deviation: Variable Credits.
- Enhancement Program Surcharge: HE7 w/HE21-\$250 deductible-35% surcharge: \$1000 base deductible-8% surcharge.
- Installment Payment Charge: \$2 each installment.
- Policy Amount Relativities Deviation: Variable Credits.
- Renewal Credit: All Forms: 3-5 yrs. - 5%; 6yrs.+ - 10%.
- Landlord's Furnishing (HO 32 21): \$10 premium per policy to increase coverage to total \$5,000 with burglary coverage added.
- Condominium Unit Owners Coverage A Deviation/Increased Limits & Special Coverage: \$2000 of Coverage A provided at no additional charge.
- Additional Limits of Liability for Coverages A, B, C, & D (HO 32 11): 5% charge. Eff. 7-1-00

Glens Falls Insurance Company:

- All forms, except 4 & 6: Amount of Insurance Deviation; Variable credits.
- Form 4: Amount of Insurance Deviation; Variable credits.
- Form 6: Amount of Insurance Deviation. Variable credits.
- Earthquake Rate Deviation.
- Forms 2, 3, 3w/15 & 8: Personal Property Replacement Cost; Eliminate 5% surcharge.
- Deductible Credit Deviation.
- New Home Discount: 0 - 5 yrs. - 15%; 6 - 10 yrs. - 10%.
- Gated Community Discount.
- Guaranteed Replacement Cost coverage of building & structures at principal residence; \$3.
- Form 6: \$1,000 increase is .9 times the applicable premium under each additional \$1,000 column in the basic premium chart for Coverage C.
- Preferred Rate Deviation: Plan A rates deviation of 20%.
- Additional Limits Deviation Coverage F: Medical Payments Deviation.

Glens Falls Insurance Company (con't.):

- Other Insureds Location: Variable credits.
- Permitted Incidental Occupancy Medical Payments Rate Deviation.
- Additional Residence Rented to Others Rate Deviation.
- Business Pursuits Rate Deviation.
- Permitted Incidental Occupancy Rate Deviation.
- Incidental Farm Rate Deviation. Eff. 11-1-96

Globe Indemnity Company:

- Companion Policy Credit Rule: 10% if auto coverage is afforded in any member company of Royal Insurance.
- Forms 2 & 3: Additional Amount of Insurance: \$1 per policy.
- Protective Device Credits: Credit varies 2% - 15%.
- Higher Deductible Factors: All Forms, except 4 & 6: \$500-.89; \$1000-.79; \$2500-.72: Forms 4 & 6 - \$500-.89; \$1000-.77; \$2500-.63.
- Forms 2 & 3: Personal Property (Coverage C) Replacement Cost: Coverage A amount under \$75000 - 10% surcharge; \$75000 - \$99999 - 7% surcharge; \$100000 & over-5% surcharge. Charge includes increase Coverage C limit 50% to 70% of Coverage A.
- Forms 2, 3, 3w/15, HE 7/HE 21 & 6: Optional Coverage Premium Discount; Factor varies based on territory.
- 5% Preferred Customers Renewal Credit: Certain criteria apply.
- Discount for Eligible Employees: 20% credit to total homeowners policy premium.
- Form HE-7w/HE-21: 1.25 factor applies to base premium.
- Installment Payment Plan waived for employees.
- Installment Payment Plan: Policies billed by agent through account current payroll deduction program are not subject to installment fees.
- Installment Payment Plan: \$1 each installment for Electronic Fund Transfer.
- Coverage A Discount determined by amount of insurance and territory: Credit varies 0%-17%.
- Optional Coverage Deviation.
- Group Mass Marketing Discount: 10% applies to all coverages: Certain criteria apply.
- New Home Discount: New to 10 yrs. of age - 2% to 20% deviation. Eff. 9-15-00

Government Employees Insurance Company:

- Forms 1, 2, 3 & 3 w/15: New Home Discount; 10% for dwellings 5 yrs. old or less.
- Homeowners Theft Deterrent Premium Credit Program: Forms 1, 2, 3 & 3 w/15 - 7%; Forms 4 & 6 - 20%.
- Forms 1, 2 & 3: Amount of Insurance Credit; Classes 1-9 - \$10,000-\$200,000 & over. Credit varies 4%-22%.
- Form 6: 10%.
- All Forms: Protective Devices; Variable credits.
- Forms 2, 3, 4 & 6: Retired Discount Credit; 20% when specified criteria are met.
- All Forms: Dual Policy Discount; 10% when specified criteria are met.
- Forms 4 & 6: Key factor +.074 for each additional \$1,000 of coverage.
- Installment Payment Plan: Waive the charge of \$3 first installment if first payment received with application.
- Form 4 & 6: Waterbed Liability Endorsement: No premium charge. Eff. 3-1-95

Grain Dealers Mutual Insurance Company:

- 10% credit when insured has both personal auto & homeowners policy written by Grain Dealers Mutual Ins. Company.
- Forms 2 & 3: New Home Credit; 0-1 yr. - 20%; 2% less each yr. to 10th yr.; 11+yrs. - 0%.
- Forms 2, 3 & 3w/15: 20% to base rates applies to Coverage A amount of more than \$125,000.
- Continuous Policyholder Discount Program: 0-2 yrs.-0%credit; 3-5 yrs.-5%credit; 6+ yrs.-10% credit.
- 10% deviation on base rates for Alamance & Caswell Counties in Territory 35.
- Personal Property Increased Limits Rate Deviation. Eff. 4-1-00

Grangers Mutual Insurance Company:

- Deviation by policy size: Below \$50,000 - 5%; \$50,000-\$99,999 - 15%; over \$99,999 - 25%.
- New Home Discount; 0-5 yrs. - 15%; 6-10 yrs. - 10%. Eff. 1-1-95

Granite State Insurance Company:

- Forms 1, 2, 3, 4, 3w/15 & 6: 20% deviation.
- Replacement or Repair Cost protection Coverage A premium \$1.
- Age of Dwelling Deviation: 0 - 20 yrs. old - 10%.
- Forms 1, 2, 3, 3w/15, 4 & 6: 20%. Eff. 7-1-87

Graphic Arts Mutual Insurance Company:

- Forms 2 & 3: Add'l. Amount of Insurance - Endt. HO 3220 25% factor 1.002; 50% factor 1.003; endt. HO 3211 factor 1.006.
- Forms 1, 2 & 3: Replacement Cost on Contents; Increase Coverage C to 70% of Coverage A for no additional charge. 5% surcharge is to be added to the total base premium.
- Forms 4 & 6: Coverage C increased to 40% at no additional charge.
- Forms 1, 2, 3 & 3w/15: Age of Dwelling Credit; 20% 1 yr. old; less 2% credit each added yr. to 10th yr.
- Account Credit: 10% applies to Homeowners Key Premiums provided insured also has accompanying Personal Auto Policy in Utica Mutual or Graphic Arts Mutual Insurance Company.
- Retirement Credit: 5% when insured has an owners form, is age 55 or older & retired.
- Deadbolt Lock Credit: 3%.
- Smoke Detector Credit: 3%.
- 21.2% deviation for territories 38 & 39. 10% for territories other than 38 & 39.
- 15% deviation for employees of Utica National Insurance Group.
- Homeowners Non-Smokers Discount: 10% discount applies to basic premium.
- 5% deviation for fire fighter training & smoke detectors.
- 5% payroll deduction provided the named insured is employed through an employer in the Company Workplace Insurance Service for Employees (W.I.S.E.) program or is a member of a company approved affinity group.
- HO Extension Package: Certain criteria apply. Eff. 10-1-99

Great American Insurance Company:

- Forms 2 & 3: New Home Credit; 20% current yr. 2% less credit each added yr. up to age 9 yrs.
- Form HO 6: 25% downward deviation applies to HO-4 base premium - all territories except 04. 10% downward deviation applies to HO-4 base premium territory 4.
- Form 3: Increase in Coverage C Limit; \$1.00 per \$1,000.
- Forms 4 & 6: Replacement Cost on Contents; Reduce surcharge to 35%.
- Protective Devices Credits : Classes 1-7 - credits varies 1%-15%; Classes 8 & 9 - credits varies from 1% - 8%.
- Credit Card, Fund Transfer Card, Forgery & Counterfeit Money Coverage (HO-53); \$2,500 limit - no charge, \$5,000 - \$1.00; \$7,500 - \$3.00; \$10,000 - \$4.00.
- Forms 2 & 3: Revised policy amount Relativities by territory.
- Forms 2 & 3: Revised protection/construction Relativities.
- Forms 4 & 6: Policy amount Relativities revised for amounts above \$15,000 - each additional \$1,000 - .074.
- Loss Free Credit: 5% credit applies when criteria is met.
- Contents all risk coverage (HO-15): Premium deviated by 50%.
- Multi-Policy Credit 5% applies HO non-seasonal & primary dwelling when auto policy in force with Great American Group.
- Forms 2 & 3: Base rate deviations by territory: Credit 0.0% - 24.4% based on territory & county.
- Forms 2 & 3: Deductible credits: \$500 - 10%; \$1,000 - 20%; \$2,500 - 30%.
- Forms 2 & 3: Mature 45 Discount: 5% credit when certain criteria is met.
- Forms 4 & 6: Deductible credits: \$500 - 10%; \$1,000 - 23%; \$2,500 - 37%. Eff. 5-7-93

Hanover American Insurance Company:

- Age of Dwelling Credit: All Forms, except 4 & 6: Credit varies 0%-2.4% for Dwellings 1-7 yrs. of age.
- Mature Homeowners Credit: All forms: 5% credit applies when certain criteria is met.
- Premises Alarms & Protective Device Credits: Credit varies 0%-11.5%.
- Deductible Credits: All forms, except 4, 6 & HE-7.
- Deductible Credits: Forms 4 & 6.
- Windstorm & Hail Deductible Credits: All forms, except 4 & 6.
- Personal Property Replacement Cost on Coverage C: All forms, except 4 & 6: Minimum premium of \$20.
- Personal Property Replacement Cost on Coverage C: Forms 4 & 6: Minimum premium of \$25.
- Non-Smoker Discount: All forms: 10% credit.
- 10% Account Credit: All forms.
- Loss of Use-Increased Limits: All forms: Additional charge \$4 per \$1000 increase.
- Condominium Unit Owners-Coverage A Dwelling: Basic & Increased Limits: \$3 per \$1000 increase: 1st \$5000 increase no charge.
- Reduced Watercraft Liability Rates: All forms.

Hanover American Insurance Company (con't.):

- Personal Property , Increased Limits-\$1 per \$1000 increase: All forms, except 4 & 6.
- Special Personal Property: Reduced Charge for Form 3w/15.
- Electronic Funds Transfer Plan Discount: All forms.
- Group Modification Plan Discount: All forms: Credit varies 0%-13.5%.
- Direct Bill Policies: All forms: \$1 per installment.
- Territorial Deviation: Forms 4 & 6: 7% deviation.
- Territorial Deviation: All forms, except 4 & 6: Credit varies 0%-18.1%. Eff. 7-15-00

Hanover Insurance Company:

- Age of Dwelling Credit: All Forms, except 4 & 6: Credit varies 0%-2.4% for Dwellings 1-7 yrs. of age.
- Mature Homeowners Credit: All forms: 5% credit applies when certain criteria is met.
- Premises Alarms & Protective Device Credits: Credit varies 0%-11.5%.
- Deductible Credits: All forms, except 4, 6 & HE-7.
- Deductible Credits: Forms 4 & 6.
- Windstorm & Hail Deductible Credits: All forms, except 4 & 6.
- Personal Property Replacement Cost on Coverage C: All forms, except 4 & 6: Minimum premium of \$20.
- Personal Property Replacement Cost on Coverage C: Forms 4 & 6: Minimum premium of \$25.
- Non-Smoker Discount: All forms: 10% credit.
- 10% Account Credit: All forms.
- Loss of Use-Increased Limits: All forms: Additional charge \$4 per \$1000 increase.
- Condominium Unit Owners-Coverage A Dwelling: Basic & Increased Limits: \$3 per \$1000 increase: 1st \$5000 increase no charge.
- Reduced Watercraft Liability Rates: All forms.
- Personal Property , Increased Limits-\$1 per \$1000 increase: All forms, except 4 & 6.
- Special Personal Property: Reduced Charge for Form 3w/15.
- Electronic Funds Transfer Plan Discount: All forms.
- Group Modification Plan Discount: All forms: Credit varies 0%-13.5%.
- Direct Bill Policies: All forms: \$1 per installment.
- Territorial Deviation: Forms 4 & 6: 7% deviation.
- Territorial Deviation: All forms, except 4 & 6: Credit varies 0%-18.1%. Eff. 7-15-00

Harbor Specialty Insurance Company:

Preferred: Homes 25 yrs. of age or less insured for \$50,000 or more.

- Form 3: Base Rate Deviation by territories; Credit varies 20.2% - 24.3%.
- Form 4: Credits off Key Premiums; 2.0% Alamance County.
- Form 6: Base Rate Deviation by territories; Credit varies 19.4% - 22.0%.
- Form 3: Replacement Cost Protection (HO-500): Charge \$1 in lieu of \$5 when requirements are met.
- Form 3: Protective Devices Credit; Class 1-9, credit varies 2%-15%.
- Form 3: New Home Credit; 0-1 yr. old - 21%; 1% less credit each added yr. thru 8th yr.; 9 yrs. - 12%; 10 yrs. - 10%; 11 yrs. - 8%; 12 yrs. - 6%; 13 yrs. - 4%; 14 & 15 yrs. - 3%. Credit applicable to annual premium.
- Form 3: Personal Property Increased Limits; \$.50 per \$1,000 of insurance.
- Form 3: Deductible Credits; \$500 ded. - 10%; \$1,000 - 20%.
- Forms 3, 4 & 6: 20% deviation for policies written as part of Personal Protection Package Policy.
- Forms 4 & 6: Deductible Credits; \$500 ded. - 10%; \$1,000 ded. - 23%.

Standard: Form HO-3 only - Homes 25 years of age or older and/or insured for less than \$50,000.

- Form 3: Credit off Key Premiums; 13.4% Alamance County; 9.4% territory 34; 8.6% territories 30 & 31; 11.4% territories 4, 32, 33, 36, 37, 38, 39, 40, 41, Lincoln & Rockingham County; 11.4% for remainder of Alamance County & remainder of territories. Form 3: Coverage C increased limit charge \$.50 per \$1,000 of insurance.
- Form 3: Deductible Credits; \$500 - 10%; \$1,000 - 20%.
- Form 3: Protective Credit; Same as for preferred.
- Form 3: New Home Credit; Same as for Preferred.
- Form 3: 20% deviation applies to HO program when written as part of Personal Protector Package Policy. Eff. 3-1-94

Hartford Mutual Insurance Company:

- Forms 1, 2 & 3: New Home Discount; 10% - dwellings 15 yrs. old or less.
- Forms 1, 2, 3 & 8: Fixed dollar amount deductible factors; \$500 - .90; \$1,000 - .83; \$2,500 - .75. \$100 deductible amount - minimum \$30 - maximum \$60.
- Forms 4 & 6: Fixed dollar amount ded. factors; \$500 .90; \$1,000 .77; \$2,500 .63. \$100 ded. amount min. \$30, max. \$60.
- All Forms: Protective devices factors for all territories & all protection classes - factors varies .98 to .85. Eff. 5-1-92

Harleysville-Atlantic Insurance Company:

- Forms 1, 2, 3 & 8: Base rate credits; Coverage A limit \$48,000 & under \$95,000 & over; Credit varies 0.0% -27.5%.
- All Forms: 13%; Optional coverage rates Section I & II.
- Forms 1, 2, 3 & 8: New home discount factor; 1 yr. old or less .80; Discount factor increased by .01 thru 11th yr. - discount factor increased by .02 - 12th thru 15th yr. Eff. 5-1-92

Harleysville Mutual Insurance Company:

- Forms 1, 2, & 3: New Home Discount; 1 yr. old or less 20%; 2-11 yrs. old 1% less credit each added yr.; 12-15 yrs. 2% less credit each added yr.
- All Forms: Fixed dollar amount deductibles: Credits vary by form & deductible amount.
- Forms 1, 2 & 3: Companion Credit Factor .95 when HO policy & private passenger auto policy written in the voluntary market for same policyholder.
- All Forms: Loss Free Discount: 5% applies to primary dwelling when the homeowner has not had a paid loss during the last 3 yrs.
- Forms 1, 2 & 3: Personal Property Replacement Cost Coverage: Increase Coverage C limit to 70% of Coverage A at a \$1 per \$1000 increase. Apply a factor of 1.05 to adjusted base premium incl. any premium adjustment for Coverage C in excess of 70% of Coverage A. Premium per \$1000 for Coverage C in excess of 70% of Coverage A is \$2.
- Forms 4 & 6: Personal Property Replacement Cost: Factor of 1.35 applies.
- Group Mass Marketing Discount: 10% to voluntary policyholders that are members of specific group type organizations. Eff. 5-26-00

Hartford Accident and Indemnity Company:

- Forms 1, 2 & 3: Rate for increase in Coverage C; \$1 per \$1,000 in lieu of \$2.
- Age of Dwelling Credit; 1 yr. of age 20%; 3% less credit each added yr.
- Forms 4 & 6: 10% Limited Access Credit if complex meets the protection requirements.
- All Forms: Protective Devices Premium Credits; Factors vary from .98-.85. For qualifying dwellings, credits may be added together to a maximum credit factor of .80.
- Account Credit Factor: .90 when required criteria is met.
- Mature Retiree Credit Factor: .95 when required criteria is met.
- All Forms, except HO-4 & HO-6: Fixed dollar amount deductible factors; Coverage A up to \$59,999 - \$500 ded. .88; \$1,000 ded. .78; \$2,500 ded. .68; \$60,000 - \$99,999 - \$500 ded. .89; \$1,000 ded. .79; \$2,500 ded. .69; \$100,000-\$200,001 & above - \$500 ded. .90; \$1,000 ded. .80; \$2,500 .70.
- Deviations by Amount of Insurance: Territories & Relativity Curves.
- Deviation applies for Retirement Community Homes if eligibility requirements met with limited access.
- Premium computation for Forms HO-4 & HO-6: Factor of .75 applies.
- Protection Class 9, 9s credit for all territories, except 5, 6, 20, 21, & 43.
- Masonry Construction Credit by product & territory.
- Additional Amounts of Insurance for Forms HO-2 & HO-3. Eff: 6-1-00

Hartford Casualty Insurance Company:

- Age of Dwelling Credit; 1 yr. of age 20%; 3% less credit each added yr.
- Forms 4 & 6: 10% limited access credit if complex meets protection requirements.
- All Forms: Protective Devices Premium Credits: Factors vary .98-.85 for qualifying dwellings: Credits may be added together for a maximum credit factor of .80.
- Forms 1, 2 & 3: Rate for increase in Coverage C; \$1 per \$1,000 in lieu of \$2.
- Deviations by Amount of Insurance, Territories & Relativity Curves.
- Mature Retiree Credit Factor: .95 when required criteria is met.
- Account Credit Factor: .87 when required criteria is met.
- Form 3: 15% credit Retirement Community/Limited access community package when criteria is met.
- Forms 4 & 6: 5% deviation.
- Forms 2, 3, 3w/15 & 8: Deviation on protection class 9 & 9s based on territory.

Hartford Casualty Insurance Company (con't.):

- Forms 2, 3, 3w/15 & 8: Deviation on masonry construction based on territory.
- Forms 2 & 3: Specified additional amount of insurance; 25% - \$1; 50% - \$2; Additional limits of liability for Coverage A, B, C & D- premium charge \$5.
- Territory Deviation. Eff. 6-1-00

Hartford Fire Insurance Company:

- Age of Dwelling Credit; 1 yr. of age 20%; 3% less credit each added yr.
- Forms 4 & 6: 10% limited access credit if complex meets the protection requirements.
- All Forms: Protective devices premium credits; Factors vary from .98-.85 for qualifying dwellings, credits may be added together to maximum credit factor of .80.
- Forms 1, 2 & 3: Rate for increase in Coverage C; \$1 per \$1,000 in lieu of \$2.
- Deviations by Amount of Insurance: Territories & Relativity Curves.
- Account Credit Factor - .87 if insured has personal auto policy written in any of the Hartford Group.
- Mature Retiree Credit Factor - .95 when required criteria is met.
- All Forms, except HO-4 & HO-6 - Fixed dollar amount deductible factors - Coverage A up to \$59,999 - \$500 ded. - .88; \$1,000 ded. - .78; \$2,500 - .68; \$60,000-\$99,999 - .89; \$500 ded. - .89; \$1,000 ded. .79; \$2,500 ded. - .69; \$100,000 - \$200,001 and above - \$500 ded. - .90; \$1,000 ded. - .80; \$2,500 - .70.
- Form 3: Retirement Community/Limited Access Community Package - 15% credit when criteria is met.
- Forms 4 & 6: 5% deviation.
- Forms 2, 3, 3w/15 & 8: Deviation on protection class 9 & 9s based on territory.
- Forms 2, 3, 3w/15 & 8: Deviation on masonry construction based on territory.
- Forms 2 & 3: Additional Amount of Insurance Coverage A only; 25% - \$1.00; 50% - \$2.00. Additional Limit of Liability for Coverage A, B, C, & D - \$3 premium charge.
- Territory Deviation. Eff. 6-1-00

Hartford Insurance Company of Midwest:

- Mature Retirees Credit: 5% credit - when required criteria is met.
- Limited Access Credit: Forms 4 & 6; 10% credit for building or fence, complex that is protected 24 hours a day by uniformed guards that patrol premises.
- Age of Dwelling Credit: 1 yr. of age - 20%; 3% less credit each added yr.
- All Forms: Protective Devices Premium Credits: Factors varies .98 - .85 for qualifying dwellings, credits may be added together to maximum credit factor of .80.
- Forms 2 & 3: Rate for increase in Coverage C; \$1 per \$1,000 in lieu of \$2.
- Deviations by Amount of Insurance: Territories & Relativity Curves.
- Account Credit Factor: .87 when required criteria is met.
- Form 3: 15% credit for Retirement Community/Limited Access Community Package when criteria is met.
- Forms 4 & 6: 10% deviation.
- Forms 2, 3, 3w/15 & 8: Deviation for protection class 9& 9s based on territory.
- Forms 2, 3, 3w/15 & 8: Deviation for masonry construction based on territory.
- Forms 2 & 3: Additional Amount of Insurance Deviation: Specified Additional Amount of Insurance Coverage A; 25% - \$1.00; 50% - \$2.00. Additional Limit of Liability for Coverage A,B,C,& D - \$3 charge.
- Territory Deviation. Eff. 6-1-00

Hartford Underwriters Insurance Company:

- Age of Dwelling Credit: 0-1 yr. of age - 15%; 1% less credit each added yr.
- Forms 2, 3 & 3w/15: Personal Property Replacement Cost HO-290 reduce surcharge to 2% including the additional premium for increased Coverage C limit.
- Forms 4 & 6: 10% Limited Access Credit if complex meets protection requirements.
- All Forms: Protective Devices Premium Credits: Factor varies .98 - .85 for qualifying dwellings, credits may be added together to maximum credit factor of .80.
- Forms 2 & 3: Rate for increase in Coverage C; \$1.00 per \$1,000 in lieu of \$2.00.
- Mature Retiree Credit Factor; .95 when required criteria is met.
- Forms 2 & 3: Amount of insurance deviation based on amount of insurance & territory. Credit varies.
- Forms 4 & 6: Multiply base premium by factor of .70.
- Account Credit Factor: .95 if insured has personal auto policy with same company.
- Renewal Credit: Credit varies 1% - 5%.
- Forms 2 & 3: Specified Additional Amount of Insurance; 25% - \$1; 50% - \$2. Additional Limit of Liability for Coverage A, B, C & D- premium charge \$5. Eff. 6-1-99

Horace Mann Insurance Company:

- Forms ML 2 & 3 & Master Program: Coverage amount & territory deviations: Variable credit.
- Protective Device Credits: Classes 1-9: Credits vary from 1%-15%.
- Forms 1, 2, & 3: 8% credit if insured 100% to value & Inflation Guard Endorsement attached.
- Forms 2 & 3 & Master Program: New Home Credit; 0 or 1 yr. - 20%; 2% less credit each added yr. to 10th yr.
- Increase in Coverage C: \$1 per \$1,000.
- Masters Program: Protection Class Credits; Class 7 frame - 5.0%; class 7 masonry - 3.1%; Class 8 masonry & frame - 5.0%; Class 9 masonry - 7.2%; Class 9 frame - 9.4%.
- Forms 4 & 6: Territorial Base Rate Deviation: Credit varies 9.6%-10.9%.
- Installment Payment Plan: Forms ML-3 & Master Program: Waive initial \$3 installment fee.
- Optional Section II Liability coverage for Water Craft: Variable deviation below manual rates based on boat type, horsepower, length, speed and limits.
- All Forms: Automobile/Home Discount: Variable credits when criteria is met.
- Forms ML 2 & 3 & Master Program: Deductible credits; Variable credits.
- Forms ML 4 & 6: Deductible Credits: Variable credits.
- Forms 4 & 6: Deviation on Replacement Value; 15% charge for policies with \$500 or greater deductible. \$10 minimum premium.
- Forms 4 & 6: Deductible credits.
- Masters Program: Some additional coverage included at no additional charge.
- 2% credit if insured has a Federal Flood Insurance policy placed with Co. through their flood insurance replacement program.
- Downward deviation on earthquake.
- Downward deviation for silverware, goldware & pewterware.
- Downward deviation for refrigerated food spoilage.
- Downward deviation for tenant's improvement.
- Form 6: Downward deviation Coverage A increased limits.
- Downward deviation for additional residence premises rented to others.
- Downward deviation for private structures rented to others. Eff. 3-1-00

Huron Insurance Company:

- Forms 3 & 6: Base rate deviation based on territory: Variable credits.
- Form 3: Policy size relativity deviation based on territory & amount of Coverage A limits: Variable credits.
- Fixed dollar amount deductible factors for all forms, except 4 & 6: \$500 - .88; \$1,000 - .76; \$2,500 - .65.
- Forms 1, 2 & 3: Companion Credit Factor of .95 applies when HO policy & private passenger auto policy written in voluntary market & same policyholder.
- All Forms: Loss Free Discount: 5% applies to primary dwelling when the homeowner has not had a paid loss during last 3 yrs.
- All Forms: Deviation on Personal Property (Coverage C) Replacement Cost Coverage.
- Forms 6: Personal Property Replacement Cost: Factor of 1.35 applies.
- Group Mass Marketing Discount: 10% to voluntary policyholders that are members of specific group type organizations. Eff. 5-26-00

Indemnity Insurance Company of North America:

- New Construction Credit: New - 20%; 2% less credit for each yr. to 9th yr.
- All Forms: Fixed Dollar Deductible: Credit varies 15% - 40%.
- Personal Property Increased Limit: \$2 premium charge per \$1,000 of coverage.
- Forms 2 & 3: Replacement Cost Coverage Personal Property: HO 0490; Factor 10.5% includes increased Coverage C to 70% of Coverage A at no additional premium charge.
- Protective Device Credits: All zones & protection classes: Credit varies 2% - 15%.
- Rated Deviation: Homeowners - 11%; Tenants - 10%; Condominiums - 15%. Eff. 9-1-99

Independent Fire Insurance Company:

- Forms 2 & 3: Base deviations vary by amounts of insurance - \$55,000 - \$120,000 & over; Territory 34 Cumberland County -0% -22.1%; Territories 32, 33, 35 & 41 - 0% to -35.1% deviations vary by amount of insurance. \$50,000 - \$120,000 & over; all other territories 0% - 35.1%. Deviation vary by amounts of insurance \$50,000 - \$120,000 & over.
- Forms 4 & 6: 10% credit applies to optional coverages that are applicable exclusively to Forms 4 & 6.
- All Forms, except 4 & 6: 20% credit applies to optional coverages.
- Forms 2, 3 & Homeowners Plus: Fixed dollar amount deductible credits; \$500-10%; \$1,000 - 17%.
- Forms 4 & 6: Fixed dollar amount deductible; \$500 - 10%; \$1,000 - 23%.

Independent Fire Insurance Company (con't.):

- Homeowners Plus Package: Form 3 Credit for amount of insurance \$50,000-\$69,000 - 10%; \$70,000 - 110,000 - 11%; \$120,000 - \$170,000 - 12%; \$180,000-\$200,000 - 13%, each additional \$10,000 - 0% when special requirements are met.
- Forms 4 & 6: 10%.
- Forms 2, 3 & Homeowners Plus: New home credit - 25% current yr.; 2.5% less credit each added yr.
- Premium credit for alarm systems HO 216: 2-15%.
- All Forms: Manned Security Discount: 10% additional when property is residential area with limited entry & exit points manned by employed uniformed security guards.
- All Forms: 55 & Retired Discount: 10% if one insured is 55 or older & both insured & spouse, if any, are neither gainfully employed or seeking gainful employment. Residence must be principal residence of applicant.
- Earthquake Coverage: Superior construction will be rated same as frame construction.
- Form HO-6: Coverage A increased limits; \$3 for each additional \$1,000.
- Form HO-6: Units regularly rented to others HO-33; Charge 25% of base premium. Eff. 5-1-92

Indiana Lumbermens Mutual Insurance Company:

- Forms 1, 2, 3 & 3 w/15: 15% 0-10 yrs. old; 10% 11-15 yrs. old; 0% 16 yrs. & over. Eff. 9-1-85

Insura Property & Casualty Insurance Company:

- Form 3: Deductible credits; \$500 - 15%; \$1,000 - 25%; \$2,500 - 38%.
- All Forms: Personal property increased limits \$2 per \$1,000.
- Protective Device Credits; Credit varies 2% - 15%.
- Personal Injury (HO-82) included at no charge.
- Personal Property Replacement Cost Coverage; Eliminate 5% surcharge.
- New Home Credit: Current calendar yr. - 20%; 1 yr. preceding current calendar yr. - 18%; each added yr. 2% less credit until 10+ yrs. - 0%.
- Multi-Policy Credit: 10% applies to total HO policy prem. when auto policy is written in the Anthem Casualty Ins. Group.
- Amount of insurance deviation based on territory, protection class & amount of Coverage A: \$70,000-\$200,000 credits varies 8.6% - 21.9%; Each additional \$10,000 credit varies 15% - 30%.
- Forms 2 & 3: Amount of Insurance Deviation; 3% charge of basic premium.
- Base premium deviation by territory. Eff. 6-1-99

Insurance Company of North America:

- Forms 1, 2 & 3: Fixed dollar deductible credits; \$500-11%; \$1,000-21%; \$2,500-34%.
- Form 4: Fixed dollar deductible credits; \$500-11%; \$1,000-25%; \$2,500-40%.
- Forms 1, 2 & 3: Rate for increase in Coverage C; \$1 per \$1,000.
- Forms 1, 2 & 3: Personal property replacement cost coverage HO 290; Charge shall be 4% of adjusted base premium. Coverage C must be increased to 70% of A & \$1 per \$1,000 charge made.
- Protective Device Credits: All zones & all protection classes: Credits vary from 1%-15%. Eff. 5-1-92

Insurance Company of the State of Pennsylvania:

- Form 6: 35%.
- Form 4: 20%.
- Forms 2 & 3: Deductible Credits; \$250 - 15%; \$500 - 25%; \$1,000 - 35%.
- Forms 2, 3, 3w/15 & 6: Age of Dwelling Discount; 0-5 yrs. - 15%; 6-10 yrs. - 10%; 11-20 yrs. - 5%.
- Forms 1, 2, 3, 3 w/15 & 8: 28%.
- Home Buyers Discount: 10% first 3 yrs. ownership; 5% second 3 yrs.
- Forms 1, 2, 3 & 3 w/15: Delete 5% surcharge for replacement cost of contents. Eff. 6-15-88

Integon General Insurance Corporation:

- Delete the surcharge for \$100 deductible.
- Form 6: 10% deviation.
- Deviation by amount of insurance: Coverage A amount \$50,000 - \$250,000 & above based on territory; Credit varies -0% - .340%.
- Deductible Credits: Form 3; Terr. 32, 33, 34-41-\$250 ded., \$500 ded., \$1,000 ded. & \$2,500 ded.: Credits varies .05%-.41%.
- Long-Term Customer Discount: 5-9 yrs. with Co. on HO policy 5%; 10 yrs. or longer with company on HO policy -10%. Eff. 5-1-92

Integon Indemnity Corporation:

- Delete surcharge for \$100 deductible.
- Form 6: 15% deviation.
- Replacement Cost Coverage C: Delete surcharge for replacement cost on contents.
- Deviation by Amount of Insurance: Cov. A amount \$50,000 - \$250,000 & above & based on territory. Variable credit.
- Deductible Credits Form 3; Terr. 32, 33, 34-41 - \$250 ded; \$500 ded. \$1,000 & \$2,500 ded. Credits vary .05%-41%.
- Long Term Customer Discount: 5-9 yrs. renewal with company - 5%; 10 yrs. or longer with Company - 10%. Eff. 5-1-92

International Insurance Company:

- Forms 1, 2, 3 & 3 w/15: Age of dwelling credit; 0-1 yr. - 20%; 2% less credit each added yr.
- Preferred Plan: Deviations for owners forms varying by amount of insurance & territory.
- Forms 1, 2, 3 & 3 w/15: Revise charge for Replacement Cost on Contents for preferred owners forms to \$1 per \$1,000 of increased Coverage C.
- All Forms: Replacement Cost on Contents; Deletion of \$20 min. additional premium.
- Forms 1, 2, 3 & 3 w/15: Higher deductible credit factors; \$500 - .89; \$1,000 - .80; \$2,500 - .67.
- Forms 4 & 6: Higher deductible credit factors; \$500-.83; \$1,000-.67; \$2,500-.54.
- Premises Alarm Systems: Expand the table of credits for Protection Classes 1-7 to include class 8.
- Form 6: 20%. Eff. 3-1-90

Kansas City Fire and Marine Insurance Company:

- All Forms, except 4 & 6: Amount of insurance deviation based on territory. Credits vary.
- Form 4: Amount of insurance deviation based on territory. Credits vary.
- Form 6: Amount of insurance deviation based on territory. Credits vary.
- Earthquake Rate Deviations.
- Forms 2, 3, 3w/15 & 8: Replacement Cost on Contents Deviation. Factor 1.05 waived.
- Deductible Credits Deviation.
- New Home Discount: 0-5 yrs. -15%; 6-10 yrs. - 10%.
- Gated Community Discount: 10% credit when criteria is met.
- Guaranteed Replacement Cost Coverage: Premium charge \$3.
- Special Coverage Rate Deviation.
- Preferred Rate Deviation (Plan A/B).
- Additional Limits Deviation Coverage F: Deviation - 66.67%.
- Other Insured Location. 1 family - 43%; 2 families - 71%.
- Permitted Incidental Occupancy Med Payments Rate Deviation: Credit varies 50% - 60%.
- Additional Residence Rented to Others Rate Deviation. 1 family - 88%; 2 families - 84%.
- Business Pursuits Rate Deviation. Credits vary 14% - 40%.
- Permitted Incidental Occupancy Rate Deviation. Res. Prem - 47%; Other Res. - 29%.
- Incidental Farm Rate Deviation. Res. Prem. - 48%; Other Res. - 65%. Eff. 11-1-96

LMI Insurance Company:

- Forms 2, 3, 3w/15, 6, HE7 & HE7w/20: Deviation by amount of insurance & territory. Credit varies 0.0% - 32.00%.
- Forms 2, 3, 3w/15, HE7, HE7w/20: New home credit; 0-2yrs - 27%; 3-4 yrs - 24%; 5-6 yrs - 19%; 7-8 yrs - 14%; 9-10 yrs - 10%; 11-12 yrs - 7%; 13-14 yrs - 5%; 15-20 yrs - 2%.
- Forms 1, 2, 3 & 3w/15: Deductible factors; \$500 - .85; \$1,000 - .80; \$2,500 - .75.
- Forms 4 & 6: Deductible factors; \$500 - .85; \$1,000 - .77; \$2,500 - .63.
- Forms 1, 2, 3, HE7, & HE7w/20: Increased in Coverage C; \$.50 per \$1,000; 3w/15 \$2 per \$1,000.
- All Forms, except 4 & 6: 5% deviation applies to protection construction relativity for protection classes 1-3.
- All Forms: Protective Devices Credits; Maximum credit deleted.
- Outboard Motors & Water Craft Deviation: Up to 15' - 20%; over 15' to 26' - 25%.
- All Forms, except 4 & 6: Windstorm or Hail Deductible. Variable credit.
- Form 6: Dwelling Basic & Increased Limits & Special Coverage; \$500 - Coverage A no additional charge.
- Form 4 & 6: Personal Property Replacement Cost Coverage: 1.35. Eff. 11-1-96

Liberty Mutual Fire Insurance Company:

- Forms 2 & 3: New home credit & substantially renovated dwelling when criteria is met. New-20%; 1yr.-18%; 2 yrs.-16%; 3rd yr.-14%; 4th yr.-11%; 5th yr.-8%; 6th yr.-5%; 7th yr.-3%; 8th yr.-1%.
- Insurance to Value Credits: 6% for 100% insurance to value & the attachment of Inflation Protection Endorsement HO-318 for dwellings; 3% for 90% to value & attachment of HO-318 for dwellings.
- Forms 1, 2 & 3: Deviation by policy, amount & territory. Credits vary.

Liberty Mutual Fire Insurance Company (con't.):

- Form 4: Deviation by policy amount & territory. Credits vary.
- Form 6: Deviation by policy amount & territory. Credits vary.
- Forms 1, 2 & 3: Fixed dollar amount deductible credits; \$500 - 12%; \$1,000 - 24%; \$2,500 - 28%.
- Forms 4 & 6: Fixed dollar amount deductible credits; \$500 - 17%; \$1,000 - 33%; \$2,500 - 46%.
- All Forms: Various protective device credits; 1%-16%. Credit applies to basic policy premium.
- Forms 1, 2 & 3: Personal property replacement cost; 5% charge with minimum charge of \$20 for all territories.
- Mass Merchandising Program: All Forms; 5% for employees of qualifying employers.
- Form 3: Home Protector Plus Program provides a combination of coverages to dwelling meeting required criteria subject to a charge of 1.10 (\$35 min.prem.), 6% insurance to value credit & 6% protective devices credit.
- Installment Payment Plan: All Forms; Additional \$3. Charge waived for 1st installment payment.
- Installment Payment Plan: Mass Merchandising Policies; All Forms; The add'l. \$3 charge shall not apply to any payment.
- Form 6: Reduced charge to increase Coverage A Dwelling Limit.
- Water Craft Deviation. Eff. 6-1-99

Lititz Mutual Insurance Company:

- Forms 1, 2 & 3: New Home Credit: 15% 0-2 yrs.; 10% 3-5 yrs.; 5% 6-10 years.
- 10% credit to base premium when HO-0490 & HO-3220 are used together. The charge to increase Coverage C to 70% of Coverage A are waived.
- Protection Suburban Plan: Deviation applies to protection class 9 when criteria is met.
- Optional Higher Deductibles Deviation.
- Combined Territory Deviation: Credits vary.
- Base Rate Deviation by Territory: Credit varies .887 to 1.000. Eff. 11-1-99

Lumbermens Mutual Casualty Company:

- Premium Credits for Protective Devices: Certain criteria apply.
- Mature Homeowners Credit: 5% credit applies to base premium if insured is 55 yrs. of age & is home during the day.
- Personal Property (Coverage C) Replacement Cost Coverage Deviation.
- \$100 Deductible: Waive minimum premium.
- \$250 Theft Deductible Factors: Certain criteria apply.
- Fixed Dollar Amount Deductibles.
- Special Personal Property Coverage: Form HO 3 only.
- Special Personal Property Coverage: Form HO 6.
- Windstorm or Hail Deductibles Deviation.
- Building Addition & Alterations Increased Limit: Form 4.
- HO 6 Coverage A Dwelling Basic & Increased Limits Special Coverage Deviation.
- Ordinance or Law Increased Amount of Insurance: Form 4 & 6.
- Deferred Premium Payment Plan Option.
- New Home Discount: 0 - 15+ yrs. of age: Credit varies 0% - 15%.
- 7% Kemper Network Discount: Certain criteria apply. Eff. 8-21-00

Maryland Casualty Company:

- All Forms, except 4 & 6: Age of Dwelling Credit; New-20%; 1 yr.-18%; 2 yrs.-16%; 3 yrs.-14%; 4 yrs.-13%; 5 yrs.-12%; 6 yrs.-10%; 7 yrs.-8%; 8 yrs.-6%; 9 yrs.-4%; 10 yrs.-2%.
- Forms 4 & 6: Replacement Cost on Contents; Factor 1.35.
- Protector Series Program: Reduce homeowners premium by 5%, if insured has auto policy with Maryland Casualty Group.
- Forms 2 & 3: Charge \$1 per \$1,000 for increase in Coverage C limit.
- All Forms: Deductible Credits; \$500 - 15%; \$1,000 - 20%; \$2,500 - 30%.
- Deviation by Territory: Form 2, 3, 3w/15; Credit varies 0% - 14%.
- Base Premium Deviation: All Forms, except 4 & 6; Credit varies.
- Account Credit: 10% credit when insured has home & auto coverage with Zurich Insurance Companies when criteria is met.
- Protective Device Credit: Factors vary. Maximum credit of \$75 is waived. Eff. 7-1-98

Massachusetts Bay Insurance Company:

- Age of Dwelling Credit: All Forms, except 4 & 6: Credit varies 0%-2.4% for Dwellings 1-7 yrs. of age.
- Mature Homeowners Credit: All forms: 5% credit applies when certain criteria is met.
- Premises Alarms & Protective Device Credits: Credit varies 0%-11.5%.
- Deductible Credits: All forms, except 4, 6 & HE-7.

Massachusetts Bay Insurance Company (con't.):

- Deductible Credits: Forms 4 & 6.
- Windstorm & Hail Deductible Credits: All forms, except 4 & 6.
- Personal Property Replacement Cost on Coverage C: All forms, except 4 & 6: Minimum premium of \$20.
- Personal Property Replacement Cost on Coverage C: Forms 4 & 6: Minimum premium of \$25.
- Non-Smoker Discount: All forms: 10% credit.
- 10% Account Credit: All forms.
- Loss of Use-Increased Limits: All forms: Additional charge \$4 per \$1000 increase.
- Condominium Unit Owners-Coverage A Dwelling: Basic & Increased Limits: \$3 per \$1000 increase: 1st \$5000 increase no charge.
- Reduced Watercraft Liability Rates: All forms.
- Personal Property, Increased Limits-\$1 per \$1000 increase: All forms, except 4 & 6.
- Special Personal Property: Reduced Charge for Form 3w/15.
- Electronic Funds Transfer Plan Discount: All forms.
- Group Modification Plan Discount: All forms: Credit varies 0%-13.5%.
- Direct Bill Policies: All forms: \$1 per installment.
- Territorial Deviation: Forms 4 & 6: 7% deviation.
- Territorial Deviation: All forms, except 4 & 6: Credit varies 0%-18.1%. Eff. 7-15-00

Medmarc Casualty Insurance Company:

- New Home Credit: 0-1 yr.-20%; 2 or 3 yrs.-18%; 4 yrs.-15%; 5 yrs.-12%; 6 yrs.-10%; 7 yrs.-9%; 8 yrs.-6%; 9 yrs.-3%; 10 yrs.- 2%.
- Smoke Detectors Discount: 2.0%. Eff. 7-15-90

Merastar Insurance Company:

- 15% credit to the base homeowner premium if insured's automobile is insured with this Company.
- Waive installment charge when certain requirements are met.
- Forms 3 & 8: Deviation by Relativities; Protection classes 1-8; Territories 32-39, 40-43, 5 & 6; Amounts of Insurance \$10,000 - \$200,000. Credit varies 0% - 23.5%.
- Forms 4: Deviation by Relativities; Protection classes 1-8 on amounts of insurance \$19,000 - \$40,000. Credit varies 0% -13.6%. Each additional \$10,000 - 17.5%. HO-6 Multiply the HO-4 Base Premium by a factor of .81.
- Form 3: New Home Credit; Homes completed & occupied during current calendar yr. - 20%; 1 yr. preceding current yr. - 18%; 3% less each yr. to 6th yr.
- Forms 3 & 8: Deductible credits; \$500 - 12%; \$1,000 - 24%.
- Forms 4 & 6: Deductible credits; \$500 - 17%; \$1,000 - 30%.
- Protective Device Credits ; 2% - 15%.
- All Forms: Safe and Sound Discount; 10% credit applies to base premium when certain requirements are met.
- Merastar Maximum Discount: Factor .78 applies to base premium when certain criteria is met.
- Increased Special Limits of Liability: Jewelry, watches & furs; Additional premium \$10 for each \$1,000 increase.
- Forms 3 & 8: Base rate deviation based on territory: Credit varies 2%-6%.
- Forms 4 & 6: 5% base rate deviation based on territory.
- All Forms: Boat Liability Rate Deviation. Up to 61% credit based on length & horsepower. Eff. 6-1-99

Merchants & Business Mens Mutual Insurance Company:

- Forms 1, 2, 3, 4, & 6: 35%.
- Forms 1, 2 & 3: Dwellings 0-10 yrs. - 10%. Eff. 11-1-86

Merrimack Mutual Fire Insurance Company:

- Forms 1, 2 & 3: New Dwelling Credit: 10% - 0-5 yrs.
- Forms 1, 2, 3 & 3 w/15: Fixed dollar amount deductible: Coverage A \$30,000 or higher; \$250-10%; \$500-20%;
- All Forms: 25%. Eff. 12-31-85

Metropolitan Direct P & C Insurance Company:

- Form 3: Based on territory & amount of insurance under Coverage A; Variable credits.
- Form 3: Ultra Credit when criteria is met. Credit varies based on Coverage A & territory.
- Fixed Dollar Deductible Factors: \$100 ded - 1.10, \$500 - .85, \$1,000 - .75; Factor applies to base premium.
- Replacement Protection Coverage A & B; Form-3 Ultra: No charge when risks meets eligibility requirements.
- Forms 3 & 3 Ultra: Personal Property Replacement surcharge - 10% of base premium. Coverage C increased to 70% of Coverage A at no additional cost.

Metropolitan Direct P & C Insurance Company (con't.):

- **New Home Discount:** Current yr.-22%; 1st. yr.- 20%; 2nd. yr. - 17%; 3rd. yr. - 15%; 4th. yr. - 13%. 2% additional credit each yr. to 9th yr.
- **Premium Credit for Alarm Systems:** Credit varies 1% - 15%; Credit applies to base premium.
- **Mature Homeowners Discount:** 10% credit age 55 or older & retired. If married, one spouse must be 55 yrs old & neither employed full time. Credit applies to base premium.
- **Windstorm or Hail Credit:** Forms 3 & 3 Ultra; Variable credits based on protection class & construction for windstorm or hail exclusion HO-194. Credit applies to base premium.
- **Multi-Policy Discount:** 5% discount to total homeowner premium when insured has homeowners & auto insurance with Metropolitan.
- **Mass Merchandising Account Deviation.**
- **Reduced Premium for Additional Coverage Jewelry & Furs.**
- **Claim Free Discount:** 5% when criteria is met. Eff. 1-1-97

Metropolitan Property & Casualty Insurance Company:

- **Forms 2 & 3:** Based on territories & amount of insurance under Coverage A; Variable credits.
- **Form 3: Ultra** credits when criteria is met. Credit varies based on Coverage A amount & territory.
- **Form 6:** Amount of insurance credits; \$22,000 - \$50,000. Credit varies 1% - 10%; each additional \$1,000 - 10%.
- **All Forms, except 4 & 6:** New home discount; Age of dwelling current yr. - 18%; 2% additional credit each yr. to 8th yr. Credit applies to base premium.
- **Replacement Protection Coverage A & B:** Form 3 Ultra; No charge when risk meets eligibility requirements.
- **Forms 2, 3 & 3 Ultra:** Personal Property Replacement Cost surcharge; 10% of basic premium. Coverage C amount increased to 70% of Coverage A at no additional cost.
- **Forms 4 & 6:** Personal Property Replacement Cost surcharge: 25%. Form-6 minimum \$20,000 coverage is required. Credit applies to base premium.
- **Fixed Dollar Deductible Factors :** \$100 ded. - 1.10; \$500 ded. - .85; \$1,000 ded. - .75; Credit applies to base premium.
- **Premium Credits for Alarm Systems:** Credits vary 1% - 15%. Credit applies to base premium.
- **Mature Homeowners Discount:** 10% - age 55 or older & retired. If married one spouse must be age 55 or older & neither employed full time. Not available HO-4. Credit applies to base premium.
- **Mass Merchandising Deviation:** 1% - 10% when a policy is written through Company's special accounts department to member of any employee or affinity group.
- **Windstorm or Hail Credit:** Forms 2, 3, 3-Ultra, 4 & 6; Variable credits based on protection class & construction for windstorm or hail exclusion HO-194. Credit applies to base premium.
- **All Forms, except 4:** Multi-Policy Discount; 5% applies to total homeowner premium when homeowner & auto policies issued with Metropolitan.
- 5% discount for smaller employer groups when criteria is met.
- **Reduced Premium for Additional Coverage Jewelry and Furs.**
- **Forms 4 & 6:** Deviation based on Coverage C. Variable credits.
- **Claim Free Discount:** 5% discount when criteria is met. Eff. 1-1-97

Michigan Mutual Insurance Company:

- **All Forms:** Minimum additional charge of \$30 for \$100 deductible is waived.
- **Multi-Policy Credit:** Forms 2, 3 & 6 - 15% multi-policy credit to all homeowners rates & premiums when automobile policy is written with Amerisure Group.
- **Form 6:** Relativity is .85. Eff. 10-1-94

Millers Insurance Company:

- **Base Rate Deviation:** 10% for all forms: Protection Classes 1-9 & 9S: Territories 32-40.
- **Preferred Homeowner Discount:** Form HO-3: 10% applies to base rate: Criteria must be met.
- **Mature Retiree Credit:** 10% applied to base premium: Certain criteria must be met.
- **Loss Free Renewal Credit:** Must be loss free for previous 12 months under existing Millers Ins. Co. homeowner policy: 1 yr.-3% credit: 2 yrs.-6% credit: 3 yrs.-9% credit.
- **Multi Policy Credit:** Must have an personal Auto and homeowners policy with Millers Ins. Co.: 1 yr.-10%: 2 yr.-5%. Eff. 6-1-00

Montgomery Mutual Insurance Company:

- **Personal Property Increased Limits:** .50 per \$1000 of insurance for Coverage C.
- **Deductible Amount Deviation:** Credit varies 10% - 38%.
- **10% Account Credit** when auto policy is written for the same insured through Montgomery Mutual Insurance Co.

Montgomery Mutual Insurance Company (con't.):

- **New Home Credit: New - 6yrs. Of age: Credit varies 0% - 18%.**
- **Base Rate Deviation by Territory.**
- **Protective Device Credits: Credits vary 2% - 15%.**
- **Base Rate Deviation on HE=7, HE-7w/20 & HE-7w/21.**
- **Replacement or Repair Cost Protection: \$5 per policy when criteria is met.**
- **Water Craft Liability Deviation.**
- **Amount of Coverage A Relativity Curve Deviation: Credit varies 0% - 7.4%. Eff. 10-1-00**

National Ben Franklin Insurance Company:

- **Forms 1, 2, 3 & 3 w/15: Personal Property Replacement Cost; Eliminate 5% surcharge. Eliminate \$20 minimum premium.**
- **Forms 1, 2 & 3: New home credit; Dwellings 0-5 yrs. old - 15%; 6-10 yrs. old - 10%, if requirements are met.**
- **Forms 1, 2 & 3: 20%, if requirements are met.**
- **Forms 1, 2, 3 & 3 w/15: Deductible credits; Coverage A - all amounts; \$250-15%; \$500-25%; \$1,000-35%; \$2,500-45%.**
- **Forms 4 & 6: Coverage C - all amounts; \$250-13%; \$500-28%; \$1,000-42%; \$2,500-53%. Eff. 1-1-86**

National General Insurance Company:

- **All Forms: Protection Device Credits: Variable credits from 2% to 15%.**
- **All Forms, except 4 & 6: Deductible/factors; \$100-1.10 - no minimum or maximum charge; \$500-.90; \$1,000-.80.**
- **Forms 4 & 6: Deductible/factors; \$100/\$250 theft - 1.05. No minimum or maximum charge; \$500-.90; \$1,000-.77.**
- **Form 3: New/Renovated Home Discount; Variable credits based on age of dwelling & type of renovation.**
- **Forms 4 & 6: Thrifty Fifty Discount; 10% credit if insured meets criteria.**
- **Forms 1, 2 & 3: \$5 Photo Credit New Business.**
- **Form 4: Building additions & alterations increased limits \$5 per \$1,000 of insurance.**
- **Form 6: Coverage A Dwelling; Basic & Increased Limits, \$5,000 Coverage A is provided at no additional charge. Charge \$5 per \$1,000 for increased limit up to total of \$15,000.**
- **Forms 4 & 6: Loss of Use; Increased limits \$3 per \$1,000 of additional insurance.**
- **Form 3: Base rate deviation; Rating factor of .80 applies.**
- **Form 6: Base rate deviation; Rating factor of .80 applies.**
- **Installment Payment Plan: Two payment plan - \$2 per installment. Eff. 6-1-99**

National Grange Mutual Insurance Company:

- **Forms 2 & 3: Age of dwelling deviation; 0yr.-2.4%, 1yr.-3.5%, 2yrs.-4.5%, 3yrs.-5.5%, 4yrs.-6.4%, 5yrs.-6.2%, 6yrs.-6.0%, 7yrs.-3.0%.**
- **Forms 2, 3, 6 & 8: 15% Combined Personal Protection Program Account Credit.**
- **Forms 2 & 3: 1.7% - 21.5% Preferred Homeowners or Revitalized Home Credit when underwriting guidelines are met.**
- **Forms 2, 3, 4, 6 & 8: Deductible credits; \$500 - 15%; \$1,000 - 25%. Minimum additional charge of \$30 for \$100 deductible & for \$250 theft deductible does not apply.**
- **Form 6: HO-4 base premium by factor .80 to develop base premium HO-6.**
- **Forms 2, 3, 4, 6 & 8: Protective Device Credit; Credit varies -1% to -2.3%. There is no maximum allowable credit.**
- **Forms 2, 3, 4 & 6: Replacement Cost on Contents; Minimum additional premium of \$20 does not apply.**
- **Forms 2 & 3: Personal Injury (HO-3282); Charge will be deleted when selection of additional coverage is met.**
- **Forms 2 & 3: Water Back-up of Sewers or Drains; Charge will be deleted if selection of additional coverages is met.**
- **Forms 2 & 3: Credit Card, Fund Transfer Card, Forgery, & Counterfeit Money; Charge will be deleted when selection of additional coverages is met.**
- **Forms 2 & 3: Charge for Special Computer Coverage (HO-414) will be deleted when selection of additional coverages is met.**
- **Forms 2 & 3: Personal Property Replacement Cost; 5% charge of base premium; Minimum additional premium waived; no charge to increase Coverage C to 70% of Coverage A.**
- **Forms 2 & 3: Fire Department Service charge to increase limit to \$1,000 will be deleted when selection of additional coverages is met.**
- **Forms 2 & 3: Charge to increase Coverage D to 30% of Coverage A will be deleted when selection of additional coverage is met.**
- **Installment Payment Plan: Multi-policies; \$3 charge first policy; \$1 charge each additional personal lines policy appearing on monthly statement. No service charge if paid via EFT.**
- **Forms 2 & 3: Ordinance or Law: (HO-0477) 15% additional of Coverage A will be 4% of base premium for all insureds when selection of certain coverages is met.**
- **Forms 2 & 3: Refrigerated Property Coverage (HO0498); charge will be deleted when selection of additional coverages is met.**

National Grange Mutual Insurance Company (con't.):

- Forms 2 & 3: Additional Limits of Liability for Coverage A (HO-3220); 6% of base premium when selection of certain coverages is met.
- Forms 2 & 3: Coverage A Relativities for Preferred and Revitalized. Credit varies. Eff. 4-1-00

National Surety Corporation:

- Forms 2, 3 & 3 w/15: New Home Credits; 20% current yr. & one yr. preceding current yr. of construction; 2% less credit each added yr. Credit applies to company base premium.
- Protective Device Credits: All territories, all forms; Credit 1% - 15%. Credit applies to company base premium.

National Surety Corporation (con't.):

- All Forms, except 4 & 6: Deductible Credits; \$500 -10%; \$1,000 -20%; \$2,500 -30%. Credit applies to company base premium. Minimum & maximum premium does not apply to these limits.
- Credit by amount of Insurance Coverage A: \$10,000 - \$10,000,000 - 17% credit.
- HO-3 w/15: Multiply the HO-3 key premium by a factor of 1.08 to obtain key premium for HO-3 w/15.
- Forms 4 & 6: Deductible Credits for Coverage C; \$10,000 & above - \$500 - 10%; \$1,000 - 20%; \$2,500 - 30%. Credits apply to company base premium. Minimum & maximum premium does not apply to these limits.
- HO-3, HO-3w/15: Apply 10% surcharge to base premium. HO-4, HO-6: 40% surcharge to Company base premium for replacement cost on contents.
- Forms HO-3, HO-3 w/15, HE-7, HE-7 w/20, HE-7 w/21, HO-6: Varied credit percentages based upon territories. Eff. 6-1-99

Nationwide Mutual Fire Insurance Company:

- Forms 3 & 3w15: Deviation by amount of insurance & territory.
- Policy Form Deviation: Form 4 - 3.6%; Form 6 - 2.5%.
- Home & Car Discount for all territories, except 5 & 6: Forms 2 & 3: Credit varies 2% - 22%; Form 4: 10%; Form 6 - 5%; Certain criteria apply.
- Protective Device Deviations by territory: Credit varies 0% - 6.6%.
- Personal Property Replacement Cost Coverage by territory: Form 3 - 5.4%; Form 3w15 - 10%.
- Deductible Deviations by form, territory, amount of insurance & deductible option. Eff. 7-15-00

Nationwide Mutual Insurance Company:

- Form 4: 3.6% deviation.
- Home & Car Discount for all territories, except 5 & 6: Forms 2 & 3: Credit varies 2% - 22%; Form 4: 10%; Certain criteria apply.
- Protective Device Deviations by territory: Credit varies 0% - 6.6%.
- Personal Property Replacement Cost Coverage by territory: Form 3 - 5.4%; Form 3w15 - 10%.
- Deductible Deviations by form, territory, amount of insurance & deductible option. Eff. 7-15-00

Netherlands Insurance Company:

Preferred Homes 25 years of age or less insured for \$50,000 or more.

- Forms 3, HE-7, HE-7w/20 & HE-7w/21: Personal Property Increased Limits; \$.50 per \$1,000 of insurance.
- Forms 3, HE-7, HE-7/20 & HE-7/21: Deductible Credits; \$500 ded. - 10%; \$1,000 - 26%; \$2,500 - 38%.
- Forms 4 & 6: Deductible Credits; \$500 ded. - 10%; \$1,000 - 23%.
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: New Home Credit: 0-1 yr. 20% credit; less 2% per yr. thru 9th yr.; 10yrs.-3%; 11 yrs.-2%; 12 yrs.-1%; 13+yrs.-0%.
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: Protective Device Credit; Credit varies 2%-15%.
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: Base deviation by territory; Credit varies 0% - 25.1%.
- Form 4: Base deviation by territory; Credit varies 0.0% - 5.0%.
- Form 6: Base rate deviation by territory; Credit varies 17.5% - 21.8%.
- Forms 3, 4, 6, HE-7, HE-7w/20 & HE-7w/21: 20% deviation for policies written as part of Personal Protector Package Policy.
- Water Craft Deviation of 70%.
- Form HE-7 factor 1.15; HE-7w/20 factor 1.20; HE-7w/21 factor 1.25.
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: Form HO 3211 Replacement or Repair cost protection \$5 charge per policy.
- Form 3: Amount of Coverage: A relativity curve deviation of Coverage A \$100,000 - \$350,000. Credit varies 0.5% - 7.4%.

Netherlands Insurance Company (con't.):

Standard Homes 25 years of age and/or Insured for less than \$50,000.

- Forms 3, HE-7, HE-7w/20 & HE-7w/21: Coverage C Increased Limits charge; \$.50 per \$1,000 of insurance.
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: Deductible Credits; \$500 - 10%; \$1,000 - 26%; \$2,500 - 38%.
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: New Home Credit :0-1 yr. -20%; less 2% per yr. thru 9th yr.; 10yrs.-3%; 11 yrs.-2%; 12 yrs.-1%; 13+yrs.-0%.
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: Protective Device Credit; Credit varies 2% - 15%.
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: Base rate deviation by territory; Credit varies 0% - 14.4%.
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: 20% deviation for policies written as part of the Personal Protector Package Policy.
- Water Craft Deviation of 70%.
- Forms HE-7 factor 1.15; HE-7w/20 factor 1.20; HE-7w/21 factor 1.25.
- Forms 3, HE-7, HE-7w/20 & HE7w/21: Form HO 3211 Replacement or Repair cost protection \$5 charge per policy.
- Forms 3: Amount of Coverage: A relative curve deviation of Coverage A \$100,000 - \$350,000. Credit varies 0.5% - 7.4%. Eff. 6-1-99

New Hampshire Insurance Company and Granite State Insurance Company:

- Forms 1, 2, 3, 3w/15 4 & 6: Age of dwelling credit; 0-20 yrs. - 10%.
- Replacement or Repair Cost prot. Coverage A (HO-500): \$1 per policy. Eff. 7-1-87

New South Insurance Company:

- Deviation by Amount of Insurance: Cov. A amount: \$50,000 - \$250,000 & above based on terr.; Credit varies 0% - .380%.
- Long-term Customer Discount: 5-9 yrs. with Co. on HO policy - 5%; 10 yrs. or longer with Co. on HO policy - 10%.
- Deductible Credits: Territories 32, 33, 34 - 41; \$250 ded., \$500 ded. \$1,000 ded. & \$2,500 ded.; Credits vary .05% - 41%.
- Form 6: 15%.
- Delete surcharge for \$100 deductible.
- Replacement Cost- Coverage C: Delete surcharge for replacement cost on contents. Eff. 5-1-92

New York Central Mutual Fire Insurance Company:

- All Forms: 10% discount on dwellings 30 yrs. old or newer.
- All Forms: 5% discount on homes over 30 yrs. old.
- Forms 2, 3 & 8: Fixed dollar amount deductible factors; \$500 - .90%; \$1,000 - .81%; \$2,500 - .70%.
- Form 6: 10%.
- Forms 1, 2 & 3: Personal Property Replacement Cost; Waive 5% surcharge.
- All Forms: Additional 10% on dwellings 1-5 yrs. old with Coverage A amount \$60,000 & over.
- Forms 2, 3 & 8: All counties, except Beaufort & Catawba; Amount of insurance deviation; \$59,000-\$80,000 & upward: Credit varies 6%-10%. Beaufort & Catawba Counties - \$39,000-\$70,000 & upward: Credit varies 7%-20%. Eff. 5-1-92

Newark Insurance Company:

- Forms 1, 2 & 3: Coverage A Dwelling Replacement or Repair Cost Protection; \$1 per policy.
- Protective Devices Credits vary 2% - 15%.
- Higher Deductible Factors: All Forms, except 4 & 6; \$500 - .89; \$1,000 - .79; \$2,500 - .72. Forms 4 & 6 - \$500 - .89; \$1,000-.77; \$2,500-.63.
- Forms 1, 2 & 3: Personal Property Replacement Cost; Coverage A amount under \$75,000 - 10% surcharge; \$75,000-\$99,999 - 7% surcharge; \$100,000 & over 5% surcharge. Charge includes increase in Coverage C limit 50%-70% of Coverage A.
- All Forms: 5% preferred customers renewal credit when coverage has been with any of Royal Group for prior 3 yrs. with no losses.
- Discount for Eligible Employees: 20% credit to total homeowners policy premium.
- Form HE-7w/HE-21: 1.25 factor applies to base premium.
- Companion Policy Credit: 5% deviation when auto & homeowners policy is issued in any member of Royal Insurance when certain criteria is met.
- Installment Payment Plan: Policies billed by agent through account current payroll deduction program are not subject to installment fees. Eff. 1-1-97

Niagara Fire Insurance Company:

- Forms 1, 2, 3 & 3 w/15: Personal Property Replacement Cost; Eliminate 5% surcharge. Eliminate \$20 minimum premium.
- Forms 1, 2 & 3: New home credit; Dwellings 0-5 yrs. old - 15%; 6-10 yrs. old - 10%, if requirements are met.

Niagara Fire Insurance Company (con't.):

- Forms 1, 2 & 3: 20%, if requirements are met.
- Forms 1, 2, 3 & 3 w/15: Deductible credits; Coverage A - all amounts; \$250-15%; \$500-25%; \$1,000-35%; \$2,500-45%.
- Forms 4 & 6: Coverage C - all amounts; \$250-13%; \$500-28%; \$1,000-42%; \$2,500-53%. Eff. 1-1-86
- Broad & Standard Perils: Primary dwelling \$85,000 or more; coverage written least 170% of replacement cost value; Deviation by amount of insurance \$85,000 & under - 20%; \$88,000 - 21%; \$92,000 - \$95,000-22%; \$99,000 - 23%; \$102,000 - 24%; \$105,000 - 25%; \$109,000 - \$112,000 - 26%; \$116,000 - 27%; \$119,000 - 28%; \$122,000 - 29%; \$126,000 - \$289,000 - 30%; \$306,000 - 28%; \$323,000 - 26%; \$340,000 - 24%; \$357,000 - 22%; \$374,000 & above - 20%. Eff. 11-7-86

Nobel Insurance Company:

- Mature Retirees Credit: 10% when required criteria are met.
- All Forms: 10% base rate deviation for protection class 1-9 & 9s for territories 32-40.
- New Roof Credit: 5% off base premium when eligibility met; Not applicable with new home credit.
- Form 3: 10% credit Preferred Homeowners Program when criteria are met.
- Loss Free Renewal Credit: Applied to renewal date of policy that has been free of losses: 1 yr. - 3%; 2 yrs. - 6%; 3+ more yrs. - 9%.
- Multi-Policy Credit: 10% applies to new business only when applicant has auto with agency representing Nobel & their homeowners coverage is placed with Nobel. 5% credit applies second yr. Eff. 6-1-99

North Carolina Farm Bureau Mutual Insurance Company:

- Forms 2 & 3: Credits vary based on rate structure, amount of insurance, protection class, deductible, territory & construction.
- Forms 2 & 3: Age of dwelling credit; Territories 5 & 6 excluded; 2% credit until 8 or more yrs., then no credit.
- Forms 2, 3, 4, 6 & 8: Deductible credits/charges.
- Form 3: Value Plus Homeowners; Credit varies when criteria is met.
- Water Craft : Deviations varies by speed, length & horsepower of Water Craft.
- Forms 2 & 3: Coverage C increase in limits. \$1 per \$1,000.
- Forms 2 & 3: Replacement cost on contents factor 1.05; Forms 4 & 6: Factor 1.25.
- Forms 4 & 6: 17% downward deviation statewide.
- Form 8: 10% downward deviation statewide.
- Forms 4 & 6: Lower optional ded. dev.; \$250 ded. - 17.0%; \$50 - 10.0%; \$100 - 9.5%; \$100 with \$250 theft - 13.0%.
- Form 8: Lower Optional Deductible Deviation: \$250 ded. - 10.0%; \$50 - 2.5%; \$100 - 1.8%; \$100 with \$250 theft 3.3%.
- Carolina Partner Plus Discount varies by Coverage A amount of insurance when criteria is met. Credit varies.
- Deviation of 50% for additional Residence Rented to Others.
- Other Structures Rented to Others Residence Premises.
- Refrigerated Personal Property: Charge Waived.
- Additional 5% deviation applies to property in specified counties. Eff. 6-1-99

North River Insurance Company:

- Forms 1, 2, 3 & 3 w/15: Age of dwelling credit; 0 - 1 yr. - 20%; 2% less credit each added yr.
- Preferred plan deviation for owners forms: Varying credits based on amount of insurance & territory.
- Forms 1, 2, 3 & 3 w/15: Replacement cost contents for preferred owners forms to \$1 per \$1,000 of increased Cov. C.
- All Forms: Replacement cost on contents; Deletion of \$20 minimum additional premium.
- Forms 1, 2, 3 & 3 w/15: Higher deductible credits factors; \$500 - .89; \$1,000 - .80; \$2,500 - .67.
- Forms 4 & 6: Higher deductible credits factors; \$500 - .83; \$1,000 - .67; \$2,500 - .54.
- Premises Alarm System: Expand table of credits for protection classes 1 - 7 to include class 8.
- Form 6: 20%. Eff. 3-1-90

Northern Assurance Company of America:

- All Forms, except 4 & 6: New Home Credit: 0-1 yr. old - 20%; 2% less credit each yr. to 10th yr.
- Forms 2 & 3: Personal Property Replacement Cost; Charge to increase Coverage C to 70% of Coverage A; \$1 per \$1,000.
- Guaranteed Replacement Cost (HO-3211): \$5 premium charge.
- Protective Devices Credits: PPC 1-7 - 2%-15%; PPC 8-9 - 1%-15%: Maximum credit of 20% applies.
- Inflation Guard Endorsement: 6% - at no charge.
- Forms 1, 2 & 3: Fixed dollar amount ded. credits; \$500 - 15%; \$1,000 - 21%; \$2,500 - 38%.
- Form 3: 23% deviation.
- Multi-Policy Credit: 5% when named insured has voluntary policy with Commercial Union.
- 5% credit when named insured is age 49 or older.

Northern Assurance Company of America (con't.):

- Homeowners Enhancement Program Factors: HE - 7 - 1.15%; HE - 7w/15 - 1.20 & HE - 7w/21 - 1.25.
- All Forms, except 4 & 6: Deviation by Coverage A amount of insurance. Credit varies.
- Windstorm or Hail Deductible. Eff. 6-1-99

Northern Insurance Company of New York:

- Forms 1, 2, 3 & 3w/15: Age of dwelling credit; 0 - 2 yrs. - 25%; 3 yrs. - 23%; 4 yrs. - 21%; 5 yrs. - 18%; 6 yrs. - 15%; 7 yrs. - 12%; 8 - 12 yrs. - 11%; 13 - 15 yrs. - 5%.
- Forms 1, 2, 3 & 3 w/15: Replacement or repair cost protection HO-500; Reduce premium \$5 to \$1.
- Forms 4 & 6: Replacement Cost on Contents; Factor 1.35.
- Forms 1, 2 & 3: Charge \$1 per \$1,000 for increase in Coverage C limits. Eff. 2-15-92

Northwestern National Casualty Company:

- Forms 2, 3, 3w/15, & 6: Company deviation based on territory & Coverage A amount; Credit varies.
- Forms 2, 3 & 3w/15: New Home Discount: New to age 20 yrs. Credit varies 2% - 27%.
- All Forms, except 4 & 5: Deductible Credit/Charges.
- Personal Property Increased Limits for Coverage C. Forms 2 & 3 - \$.50: Form 3w/15 - \$.2.
- Protection Construction Relativity Deviation.
- Protection Devices Credits: Maximum Credit removed.
- Outboard Motors & Water Craft: Liability rates amended by boat length.
- Form 6: Dwelling Basic and Increased Limits and Special Coverage. \$5,000 Coverage A limit named perils basis: No premium charge.
- Personal Property Replacement Cost Coverage: All forms, except 4 & 6 - factor 1.05; Form 4 & 6 - factor 1.35. Minimum premium deleted.
- Ordinance or Law Coverage deviation.
- Three or Four Family Dwellings: Coverage B & C deviation.
- Installment Payment Plan: Initial installment charge waived.
- 5% Account Credit when named insured has an auto policy with the Highlands Insurance Group Companies. Eff. 6-1-99

Ohio Casualty Insurance Company:

- Forms 2, 3 & 8: Fixed dollar amount deductible factors; \$500 - .90; \$1000 - .83; \$2500 - .75.
- Forms 4 & 6: Fixed dollar amount deductible factors; \$500 - .90; \$1000 - .77; \$2500 - .63.
- Personal Property Replacement Cost Coverage: Deviation for Forms 4 & 6.
- Deviations by Amount of Insurance.
- Base Rate Deviations for protection classes 1-9 & territories. Variable credit.
- Water Craft Liability Rates : 60% below NCRB for powerboats; 50% below NCRB for sailboats.
- Employees Discount: 15% to qualifying employees insured in the Ohio Casualty Group.
- % Wind or Hail Deductible Deviation: Credits vary. Eff. 10-1-00

Owners Insurance Company:

- All Forms: 10% credit on selected optional coverages rated as a flat dollar charge per fixed amount of coverage.
- All Forms: Optional Deductible Charges ; \$50 flat +15%; \$100 flat +10%; Minimum charges waived.
- All Forms: Protective Device Credit; 2% applied to Premium Chart premium for dwellings for use of the following - heat/smoke detectors, deadbolt locks or fire extinguishers. Apply each credit separately to chart premium.
- All Forms: Protective Devices Factors: Bureau credit factors under protection class 1-7, territories 36-40 apply for all protection classes & territories.
- Forms 3: New Home Credit: New to 10 yrs. old: Credit varies 18% to 0%.
- Mature Homeowners Credit: 22% when at least one named insured is 55 yrs. of age or older. 12% credit age 50 - 54. This discount applies to primary, secondary or seasonal residences.
- Townhouse or Rowhouse Charge; Use same rate per number of families for protection classes 9, 9S & 10 as for protection classes 1-8.
- Form 6: Coverage A dwelling increased limits & special coverage; Eliminate \$1 add on if HO-277 is endorsed on policy; Special Coverage no additional charge.
- Loss Assessment; Same rates apply to Forms 3 & 6 with HO-32 & HE-7 as to all other forms.
- Fire Department Service Charge: Additional amount of insurance; Rate \$4 per \$100.
- All Forms: Credit Card, Fund Transfer Card, Forgery & Counterfeit Money Coverage (HO-53): \$1,000 limit no charge; \$2,500-\$2.00; \$5,000-\$3.00; \$7,500-\$4.00; \$10,000-\$5.00.
- Landlord's Furnishings: Waiving per unit charge.

Owners Insurance Company (con't.):

- Form 6: Units Regularly Rented to Others; Waive \$15 manual charge. Apply factor of .25 to premium chart to determine additional premium.
- All Forms: Building Additions & Alterations at Other Residences; Eliminate \$1 add on if HO-277 is endorsed on policy.
- Form 3 & HE 7: Business Pursuits: Coverage provided with no charge, except corporal punishment.
- Other Insured Location Occupied By Insured: Section II - 2, 3 & 4 family dwelling rated same as one family dwelling.
- Permitted Incidental Occupancies: Residence premises no charge for property exposure to business in another structure.
- Section II Liability: Residence Employees; Bureau charges waived.
- Form 3: Deviation by amount of insurance, territory, construction & protection classes: Variable credits.
- Form 6: \$10,000 & over 20%; 10% for amounts of insurance less than \$10,000.
- Form 3: Personal Property Replacement Cost; Coverage C limit increased to 70% of Coverage A for no additional charge.
- All Forms: Personal Injury (HO-82) coverage provided with no charge.
- Form 3: Special Personal Property Coverage Deviation; Charge 10%. Minimum premium \$20. Form 6: Charge 20%.
- Multi-Policy Discount: 12% credit applicable to primary, secondary & seasonal residence when the named insured has both a private passenger auto policy & homeowners policy with an Auto-Owners Insurance Group Company.
- Forms 3, 6 & HE 7: 10% credit applies when owner occupied dwelling occupied less than 180 days during calendar yr.
- Additional Residence Rented to Others Deviation.
- Water Craft Section II Liability: Variable rates.
- Homeowners/Life Multi-Policy Discount: 5% credit.
- Form 3: Additional Limits of Liability for Coverage A, B, C & D: \$7 charge per location. Eff. 6-25-00

Pacific Employers Insurance Company:

- Forms 1, 2 & 3: Fixed dollar deductible credits; \$500-11%; \$1,000-21%; \$2,500-34%.
- Form 4: Fixed dollar deductible credits; \$500-11%; \$1,000-25%; \$2,500-40%.
- Rate for increase in Coverage C: \$1 per \$1,000.
- Forms 1, 2 & 3: Replacement Cost Coverage HO-290; Charge shall be 4% of adjusted base premium. Coverage C must also be increased to 70% of Coverage A at \$1 per \$1,000.
- Protection Device Credits: All zones & all protection classes; Credits vary 2%-15%.
- New Home Discount: Credit varies 2% -20% based on age of dwelling. Credit applies to base premium.
- Base Rate Deviation: Homeowners -25%; Tenants -15%; Condominiums -20%. Eff. 2-24-98

Pacific Indemnity Company:

- Forms 2, 3 & 3w/15: New Home Credit; 1st yr.- 18%; 3% less credit each additional yr. for 2nd thru 6th yr.
- Forms 2 & 3: Fixed Dollar Amount Deductible Credits; Coverage A - \$5,000 to over \$250,000; \$500 ded. - Credit varies 10% - 5%; \$1,000 ded. - Credit varies 21% - 14%; \$2,500 ded. - Credit varies 38% - 25%.
- Forms 4 & 6: Fixed dollar amount deductible credits Coverage C; \$4,000 to over \$125,000+ - \$500 ded.: Credit varies 17%-15%; \$1,000 ded.: Credit varies 29%-17%; \$2,500 ded. - Credit varies 39%-29%.
- Forms 4 & 6: 10.0%.
- Form 3w/15: 17.3% discount.
- Forms 2, 3, 3w/15 & HE-7: Coverage A amount 400,000 & above; Key Factors vary.
- Forms 2, 3, 3w/15, 4 & 6: 5% Gated Community Credit when certain criteria is met.
- Forms 2, 3, 3w/15 & HE-7: 21.5%.
- Personal Property Increased Limits: Forms 2 & 3: \$1 per \$1,000 of coverage. Form 3w/15: \$1.50 per \$1,000 of coverage.
- Forms 2 & 3: Additional Amount of Insurance Option: 25%-\$1 surcharge; 50%-\$2 surcharge: Premium \$5. Eff. 6-1-99

Peerless Insurance Company:

Preferred Homes 25 years of age or less insured for \$50,000 or more.

- Forms 3, HE-7, HE-7w/20 & HE7w/21: Personal Property Increased Limits; \$.50 per \$1,000 of insurance.
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: Deductible Credits; \$500 ded. - 10%; \$1,000 ded. - 26%; \$2,500 ded. - 38%.
- Forms 4 & 6: Deductible Credits; \$500 ded. - 10%; \$1,000 ded. - 23%.
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: New Home Credit; 0-1st yr.-20% credit; less 2% per yr. thru 9th; less 1% per yr. thru 12th; 13+ yrs. - 0% credit.
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: Protective Device Credit: Credit varies 2%-15%.
- Forms 3, HE-7, HE-7w/20 & HE7-21: Base Deviation by Territory; Credit varies.
- Form 4: Credit of Key Premium; 5% certain counties.
- Form 6: Base rate deviation by territory: Credit varies 17.5%-21.8%
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: HO-3211 premium charge \$5.
- Forms 3, 4, 6, HE-7, HE-7w/20 & HE-7w/21: 20% deviation for policies written as part of Personal Protector Package Policy.
- Water Craft Deviation of 70%.

Peerless Insurance Company (con't.):

- Base Rate Deviation on HE-7, HE-7w/20 & HE-7w/21: HE-7 factor - 1.15; HE-7w/20 factor - 1.20; HE7w/21 - 1.25.
- Amount of Coverage A Relativity: Deviation varies 0% - 7.4%.

Standard Homes 25 years of age and/or insured for less than \$50,000.

- Forms 3, HE-7, HE-7w/20 & HE-7w/21: Coverage C increased limits charge \$.50 per \$1,000 of insurance.
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: Deductible Credits \$500-10%; \$1,000-26%; \$2,500 - 38%.
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: New Home Credit; Age of home 0-13 yrs.: Credit varies 1% - 20%.
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: Protective Device Credit: Protection classes 1-9: Credit varies 2% - 15%.
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: Base rate deviation by territory: Credit varies 0% - 14.2%.
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: 20% deviation for policies written as part of the Personal Protector Package Policy.
- Water Craft Deviation of 70%.
- Base rate deviation HE-7; HE-7w/20 & HE-7w/21: HE-7 factor - 1.15; HE-7w/20 factor - 1.20 & HE-7w/21 factor - 1.25.
- Forms 3, HE-7, HE-7w/20 & HE7w/21: HO 3211 premium charge \$5.
- Amount of Coverage A Relativity: Deviation varies 0% - 7.4%. Eff. 6-1-99

Penn Mutual Insurance Company:

- Forms ML 1, 2 & 3: Coverage A amount \$50,001-\$60,000 -10%; \$60,001-\$75,000 - 20%; \$75,001-\$200,000 - 30%; \$200,001 & above -20%.
- Form ML 4: 10%.
- Eliminate minimum additional premium charge applicable to \$100 deductible buy-back provision.

Penn Mutual Insurance Company (con't.):

- New Home Credit: 15% dwellings under 20 yrs. of age.
- Protective Device Credit: 3% when dead-bolt locks on all exterior doors. Attach ML-216.
- Replacement Value on Contents: Forms 1, 2, & 3: \$.25 per \$1,000 of Coverage C limit. Form 4: \$1 per \$1,000 of Coverage C limit. No minimum premium required. Attach ML-55.
- Forms ML 1, 2 & 3: Personal Property increased limits \$1 per \$1,000 of insurance. Eff. 1-1-89

Pennsylvania General Insurance Company:

- All Forms, except 4 & 6: New home credit; Current yr. - 20%; 1 yr. old -18%; 2 yrs. old -16%; 3 yrs. old - 14%; 4 yrs. old - 12%; 5 yrs. old - 10%; 6 yrs. old - 10%; 7 yrs. old - 8%; 8 yrs. old - 7%; 9 yrs. old - 6%; 10yrs.-6%;11yrs-4%;12yrs-4%;13yrs-2%; 14yrs-2% .
- All Forms: Fixed dollar amount deductible factors; \$500 - .90; \$1,000 - .77.
- Forms 1, 2, 3 & 3w/15: Personal property increased limits; \$1 per \$1,000 of insurance.
- All Forms, except 4: Account Credit: 10% discount when named insured insures his/her personal auto in any of General Accident Companies.
- Forms 1, 2 & 3: Personal Property Replacement Cost Coverage; Waive charge to increase Coverage C limit from 50% to 70% of Coverage A limit. Premium for Replacement Cost Coverage developed by applying factor of 1.05 to base premium including any premium adjustment for Coverage C in excess of 70% of Coverage A.
- All Forms: Protective Device Credit: Credit Varies 2% - 15%.
- All Forms, except 4 & 6: 8.8% base rate deviation. Eff. 4-15-96

Pennsylvania Lumbermens Mutual Insurance Company:

- Forms 1, 2 & 3: 10% dwellings 5 yrs. old or less; 5% dwellings 6-10 yrs. old.
- All Forms: 10%. Eff. 10-1-85

Pennsylvania National Mutual Casualty Insurance Company:

- Deviation by deductibles.
- New Home Discount: New to 15 yrs. of age: Credit varies 1%-20%.
- Personal Property Increased Limits: Forms 2 & 3 - \$1 per \$1,000 of insurance: Form 3w/15 - \$3 per \$1000 of insurance..
- Account Credit Program: Forms 2, 3, 3w/15, 4, 6 & 6w/1731: Credit factor .90 applies when certain requirements are met.
- Deviation for HO 75: Credits vary 9%-46% based on type, horsepower & length of Water Craft.
- Preferred Program Deviation: Forms 3 & 3w/15: Based on territory & public protection class: Variable credits when criteria is met.
- Protective Device Credits: Applies to insureds who meet eligibility criteria. Credit varies 1% - 25%.
- Deviation on Ordinance or Law Coverage.

Pennsylvania National Mutual Casualty Insurance Company (con't.):

- **Deviation by Amounts of Insurance: Credit varies.**
- **Deviation by Amount of Insurance.**
- **Preferred Advantage Program Deviation: Certain criteria apply. Eff. 9-15-00**

Pharmacists Mutual Insurance Company:

- **10% base rate deviation.**
- **Waiver of premium is amended to \$5.**
- **Installment Payment Plan: Charge varies based on installment plan.**
- **Personal Package Discount: Credit varies 5% - 10% when criteria is met.**
- **New Home Discount: 20% credit current calendar yr.: 1% less credit each added yr. to 10th yr.: 2% less credit 11th yr. - 14th yr.**
- **Automatic Adjustments of Limits: Annual 4% increase at no charge. Eff. 6-1-99**

Phoenix Insurance Company:

- **Base Rate Deviation for Dwelling, Tenants & Condominiums: Credit varies based on territory.**
- **Deductible Credits: Varies by amount of deductible.**
- **Protective Device Deviation: Credit varies 1% - 13%.**
- **Forms 2, 3, 3w15: Personal Property - Increased Limit Coverage C: \$1 per &1000.**
- **Forms 2, 3, & 3w15: 5% Account Credit.**
- **Forms 2, 3, 3w15, 4 & 6: Loss Free Credit: 3+ yrs. loss free 3% credit.**
- **Forms 2, 3, 3w15, 4 & 6: 5% Multi-Line Insurance & Financial Services Institution Employees Credit.**
- **HO- 3w15: 10% Additional premium charge.**
- **Coverage A Relativities Deviation: Credit based on Coverage A amount & territory.**

Phoenix Insurance Company (con't.):

- **Refrigerated Personal Property: \$10 charge waived.**
- **Forms 2 & 3: Inflation Guard: Premium charge waived.**
- **Geico Sponsored Account Discount: 3% credit.**
- **Forms 3 & 6: 5% Safety Seminar Credit: Certain criteria apply. Eff. 8-20-00**

Piedmont Mutual Insurance Company:

- **New Home Discount: Current yr. credit - 16%; 2% less credit each additional yr. to 7th yr.**
- **Value-Plus Homeowner Discount: 5% when certain criteria is met. Eff. 3-1-98**

Providence Washington Insurance Company:

- **Forms 2 & 3: Deviation by territory, Coverage A amount & protection class: Credit varies.**
- **All Forms, except 4 & 6: New Home Credit: 1 to 20 yrs. old: Credit varies 1% to 20%.**
- **All Forms, except 4 & 6: Deductible credits: \$500 - 10%; \$1,000 - 17%; \$2,500 - 25%.**
- **Protective Devices for all protection classes & territories: Credits vary 1%-15%.**
- **Forms 2, 3 & 6: 15% Multiple Policy Credit when Providence Washington writes auto & homeowner.**
- **Waiver of Premium: \$5 or less.**
- **Personal Property Replacement Cost: Minimum charge not applicable. Eff. 4-18-00**

Prudential Property & Casualty Insurance Company:

- **Form 4: Credits for Coverage C: Amounts of Insurance \$5,000 - \$100,000+: Credit varies 2% - 30.1%.**
- **Form 6: Credits for Coverage C: Amounts of insurance \$5,000-\$100,000+: Credit varies 2% - 30.1%.**
- **Forms 3, 3w/15, Premier, 4 & 6: Deductible Credits vary by deductible amount.**
- **Forms HO-3, HO-3w/15, & Premier: Enhanced Dwelling Limit: \$1 per policy.**
- **New Home Credit: Age of Home 0 - 7 yrs. of age: Credit varies 0%-20%.**
- **Form 3 & Premier: Personal Replacement Cost: Apply 4% surcharge to adjusted base premium.**
- **Protective Device Credits: Variable Credits 2%-15%.**
- **Form 3: Premier Package Discount.**
- **Forms 3, 3w/15, Premier & 6: 5% Mature Homeowners Credit.**
- **Forms HO-3 & Premier: Deviation by Coverage A Amount: Credits vary by zones.**
- **10% Companion Life Discount: Certain criteria apply.**
- **Secured Community Credit: Credit applies if primary residence is located in a fully secured or partially secured community. Fully secured - 10%; Partially secured -5%.**

Prudential Property & Casualty Insurance Company (con't.):

- Forms 3, 3w/15 & Premier: Personal Property Increased Limit: \$1 per \$1000 of insurance.
- Electronic Funds Transfer Fee: No charge.
- Increased Limits Jewelry, Watches & Furs: \$14 per \$1000 of Coverage.
- Forms 4 & 6: Personal Property Replacement Cost: Minimum charge of \$20.
- All Forms: Companion Property Discount: 10% credit: Certain criteria apply.
- Deviation by Zone.
- Silverware, Goldware, & Pewterware: \$2.50 per \$500.
- Deviation for 3 & 4 Family Liability Rates.
- Deviation by Liability Coverage.
- Outboard Motors & Water Craft Deviation for Coverage E, Increased Limits: Certain criteria apply.
- Outboard Motors & Water Craft Deviation for Coverage F, Increased Limits: Certain criteria apply.
- Installment Payment Plan: No service charge on 1st payment: \$2 charge for remaining installments.
- Business Property - Increased Limits Deviation: \$10 per \$2500.
- Form 3: Basic Premium Deviation varied by zone. Eff. 9-1-00

Reliance Insurance Company:

- Forms 2 & 3: New Home Credit; 10% dwellings 0-5 yrs.; 9% dwellings 6 yrs.; 2% less credit each yr. up to 10 yrs.
- Forms 1, 2 & 3: Replacement Cost on Contents: Eliminate 5% surcharge.
- Multi-Policy Credit: 10% applies to homeowners premium.
- Reduce installment payment charge from \$2 per policy per installment to \$1.50. Eff. 8-24-90

Reliance National Indemnity Company:

- Forms 1, 2, 3 & 3w/15: Amount of insurance deviation; \$65,000 - \$79,999 - 26%; \$80,000 - \$99,999 - 32%; \$100,000 - \$129,999 - 35%; \$130,000 & over - 40%.
- Forms 2 & 3: New Home Credit: 5 yrs. old or less - 15%; 6 yrs. old or less - 10%; 7 yrs. old or less - 8%; 8 yrs. old or less - 6%; 9 yrs. old or less - 4%; 10 yrs. old or less - 2%.
- Forms 1, 2, 3 & 3 w/15: Fixed Dollar Amount Deductible; Credits - \$500 - 11%; \$1,000 - 21%; \$2,500 - 31%.
- Eliminate 5% surcharge on Replacement Cost on Contents.
- Replacement Cost on Contents: Charge to increase Coverage C is \$1 per \$1,000.
- Multi-Policy Credit: 10% applies to homeowners premium.
- Reduce installment payment charge from \$2 per policy per installment to \$1.50. Eff. 2-8-92

Republic Insurance Company:

- All Forms: Personal Property Replacement Cost Coverage; Minimum additional premium for coverage is deleted.
- All Forms: Protective Devices; Maximum credit allowed is deleted.
- All Forms, except 4 & 6: Fixed dollar amount deductible credits: \$500-9%; \$1,000-17%; \$2,500-25%. Eff. 4-1-95

Royal & SunAlliance Personal Insurance Company:

- Form 3w/15: 25% credit. Eff. 5-11-92

Royal Indemnity Company:

- Companion Policy Credit: 8% if auto coverage is afforded in any member Company of Royal & SunAlliance Insurance.
- Forms 2 & 3: Additional Amounts of Insurance: \$1 per policy.
- Protective Devices: Credits vary 2%-15%.
- Deductible Credits: Credit varies by form & deductible amount.
- Personal Property (Coverage C) Replacement Cost Coverage: Forms 2 & 3- Coverage A amount under 75000 to over 100000 surcharge 5%-10%: This change includes increase of Coverage C limit to 70% of Coverage A. Forms 4 & 6 surcharge 40%.
- Deviation by Forms: Forms 2, 3, & 3w/15- 10%; Form 6- 20%.
- Coverage A Discount based on amount of insurance & territory: Variable credits.
- Apply following factors to all optional coverages, except Personal Articles Floater: Forms 2, 3, 3w/1 5 & HE 7w/21- .95: Form 4 & 6 - .80 based on territory.
- Preferred Customer Renewal Credit: 5% credit: Certain criteria must be met.
- Discount for Eligible Employees: 20% credit to total homeowners policy premium.
- Homeowners Enhancement Program: 1.25 factor applies to base premium.
- Installment Payment Plan: Policies billed by agent through account current payroll deduction program are not subject to installment fees.

Royal Indemnity Company (con't.):

- Installment Payment Plan: \$1 each installment for Electronic Fund Transfer.
- Installment Payment Plan waived for employees.
- HO-4 Preferred Program: Deviation of 1 for territories 5, 6, 42, & 43; Deviation of .80 for remainder of state.
- Group Mass Marketing Discount: 10% applies to all coverages: Certain criteria apply.
- New Home Discount/Age of Dwelling Credit: New to 10 yrs. old - 2% to 20%. Eff. 9-15-00

Royal Insurance Company of America:

- Forms 2 & 3: Additional Amounts of Insurance: Charge \$1 per policy.
- Protective Devices Credits: Credits vary 2% - 15%.
- Higher Deductible Factors: All Forms, except 4 & 6; \$500 - .89; \$1000 - .79; \$2500 - .72. Forms 4 & 6 - \$500 - .89; \$1000 - .77; \$2500 - .63.
- Forms 2 & 3: Personal Property (Coverage C) Replacement Cost: Coverage A Amount under \$75000 - 10% surcharge; \$75000 - \$99999 - 7% surcharge; \$100000 & over - 5% surcharge. Charge includes increase Coverage C limit from 50% - 70% of Coverage A.
- 5% Preferred Customer Renewal Credit: Certain criteria apply.
- Discount for Eligible Employees: 20% credit to total homeowners policy premium.
- Form HE-7w/HE-21: 1.25 factor applies to base premium.
- Companion Policy Credit: 1% deviation when auto & homeowners policy is issued in any member of Royal Insurance when certain criteria is met.
- Installment Payment Plan: Waived for employees.
- Installment Payment Plan: Policies billed by agent through account current payroll are not subject to installment fees.
- Installment Payment Plan: \$1 each installment for Electronic Fund Transfer.
- Group Mass Marketing Discount: 10% applies to all coverages: Certain criteria apply.
- New Home Discount: New to 10 yrs. of age - 2% to 20% deviation. Eff. 9-15-00

Safeco Insurance Company of America:

- New Home Credit: Homes less than 7 yrs. old receive credit of 2% - 20% depending on age.
- Personal Property Replacement Cost: \$20 minimum premium waived.
- Business Pursuits: Endorsement HO-71: Delete charge.
- Credit Card, Fund Transfer Card, Forgery & Counterfeit Money Coverage: Endorsement HO-53: Delete charge for \$1,000 limit.
- Form 6: 20%.
- Protective Devices Credits: Local burglar and/or fire or smoke alarm system - 2%; fire or police station alarm - 5%; central station burglar and/or fire alarm systems - 10%. Automatic Sprinkler System: Credit varies 8% - 15%.
- Increased Limits of Personal Property: 70% increase of Coverage A no charge: Increase limit charges per \$1000 of Coverage A vary depending on deductible selected.
- Condominium Unit-Owners Coverage: \$2,000 Coverage A provided at no additional charge. For additional limits - rate \$4 per \$1,000 for all territories. When higher limits are purchased, Special Coverage (HO-32) will be automatically added at no additional charge.
- Forms 3, 4, 6, HE-7 & HE-21: Deductible Credit/Charges.
- Increased Special Limits Jewelry (HO-65): When increased special limits of liability are purchased for jewelry, HO-267 will automatically be added no additional charge. Premium for limits \$2,000-\$15; \$3,000-\$23; \$4,000-\$30; \$5,000-\$38.
- Personal Injury (HO-82) included with all forms with no additional charge.
- Medical Payment: Other exposures at Higher Limits: Additional charge for higher limits of medical payment will be waived.
- Other Insured Location Occupied by Insured: Two-family house will be charged the same as one family house.
- Additional Residence Rented to Others (HO-2470): Premium charge varies.
- Special Personal Property Coverage (HO-15): Coverage C may be extended to include additional risks of physical loss (with certain exceptions). Special Form 3 & Condominium Form 8. Increased displayed premiums (with full value contents included) 8%.
- Forms 3, 4, 6, HE-7 & HE-21: Base Premium Credit varies based on territories.
- Installment Service Charge: \$2 charge each installment.
- Form 3: Additional Limits of Liability Coverage A, B, C & D. 5% charge applied to base premium per policy.
- Ordinance or Law Deviation: Increase to a total of 100% of Coverage A.
- Forms 3, 4, 6, HE-7 & HE-21: Base Rates & Policy amount Relativities. Credit varies based on territories.
- All Forms: Renewal Credit- 5% credit 3-5 yrs.: 10% credit 6 or more yrs.
- All Forms: Account Credit- 10% credit 0-2 yrs.: 5% credit 3+ yrs.
- Landlord's Furnishings (HO 3221): Coverage may be increased to a total of \$5000 with burglary coverage added, \$10 premium charge per policy.
- Outboard Motor & Water Craft Liability deviation.

Safeco Insurance Company of America (con't.):

- Enhancement Program Surcharge: Credit varies.
- Personal Liability - Residence Premises: Forms HE-7 & HE-21: Limit of \$3000, med pay limit \$10000 at no additional charge. Eff. 7-1-00

Safeco Insurance Co of Pennsylvania Insurance Company:

- Form 3: Preferred Business; 25% off Bureau rates when eligibility guidelines are met.
- Form 3: Standard Business; 5% off Bureau rates when eligibility guidelines are met.
- Form 6: 17% off Bureau rates when eligibility guidelines are met.
- Form 3: Preferred Business; Guaranteed Replacement Cost Coverage A charged waived.
- Form 3: New Home Credit; During calendar yr. - 10%; 1% additional credit each added yr. to 9th yr. Eff. 2-15-95

Safeguard Insurance Company:

- Forms 2 & 3: Additional Amounts of Insurance: \$1 per policy.
- Protective Devices Credit: Credits vary 2%-15%.
- Higher Deductible Factors: All Forms, except 4 & 6: \$500 - .89: \$1000 - .79: \$2500 - .72: Forms 4 & 6: \$500 - .89: \$1000 - .77: \$2500 - .63.
- Personal Property (Coverage C) Replacement Cost Coverage: Forms 2 & 3- Coverage A amount under 75000 to over 100000 surcharge 5%-10%: This change includes increase of Coverage C limit to 70% of Coverage A. Forms 4 & 6 surcharge 40%.
- Preferred Customer Renewal Credit: 5% credit: Certain criteria apply.
- Discount for Eligible Employees: 20% credit to total homeowners premium.
- Homeowners Enhancement Program: 1.25 factor applies to base premium.
- Companion Policy Credit: Standard Policies-1%: Preferred Policies-8%: Super Preferred-10%: Certain criteria apply.
- Installment Payment Plan: Policies billed by agent through account current payroll deduction program are not subject to installment fees.
- Electronic Funds Transfer Deviation: \$1 charge per transfer.
- Coverage A Discount by Amount of Insurance & Territory: Preferred Program: Credit varies 0% - 15%.
- Coverage A Discount by Amount of Insurance & Territory: Super Preferred Program: Credit varies 0% - 17%.
- Preferred Program Deviation by Forms Off Standard Rates.
- Super Preferred Program Deviation by Forms Off Standard Rates.
- Group Mass Marketing Discount
- Company Deviation of 9%.
- New Home Discount/Age of Dwelling Credit: New to 10 yrs. old - 2% to 20% credit. Eff. 9-15-00

St. Paul Fire & Marine Insurance Company:

- Forms 1, 2, 3 & 3 w/15: New Home Discount: Yr. of construction; 0-1 yr. of age - 15%; 2-3 yrs. - 13%; 4-5 yrs. - 11%; 6-7 yrs. - 9%; 8-9 yrs. - 7%; 10-11 yrs. - 5%; 12-15 yrs. - 3%.
- Forms 1, 2, 3 & 3 w/15: Personal Property Replacement Cost; No charge for Coverage C increase from 50% to 70%.
- Forms 4 & 6: 30% surcharge to basic premium (after higher deductible credit) & for attaching HO-50.
- All Forms: Minimum premium \$15 per policy. Eff. 9-23-92

St. Paul Guardian Insurance Company:

- Operation Identification Credit: 5% rate credit on Basic Homeowners Insurance Premium.
- New Home Discount: 0-1 yr.-18%; 2-3 yrs -15%; 4-5 yrs.-10%; 6-7 yrs -8%; 8-9 yrs -7%; 10-11 yrs.-5%; 12-15 yrs.-3%.
- Personal Injury Protection (Form HO-82) provided at no additional charge.
- Forms 3, 3 w/15, 4, 6, HE-7 & HE-7w/HE20: Deductible credits: \$500 - 11%; \$1,000 - 23%; \$2,500 - 37%.
- Form 6: 14.5% off St. Paul Guardian HO-4 rates.
- Form 3: Deviation on policy amount Relativities by territory; Variable credits.
- Form 4: Deviation on base rates by territory; Variable credits.
- Forms 4 & 6: Deviation on policy amount Relativities by territory; Variable credits.
- Form 3: Replacement or repair cost Coverage A (HO-500) provided at no charge.
- Protective Devices Credit & Home Safety Coverage Credits.
- Business Pursuits Section II coverage: All classifications will be rated same as rate shown for clerical employees.
- Water Craft: Same charge applies for lengths over 15 - 26 feet & over 151 horsepower as to lengths up to 15 feet & below 151 horsepower.
- Home Day Care: Rated at Bureau rates for Permitted Incidental Occupancies (HO-42).
- Forms 3, 3w/15, 4 & 6: Personal property replacement cost (HO-290) coverage is provided at no additional charge.
- Homeowners PAK II Credit: Forms 3, 4, 6 & HE-7; 10% when insured qualifies for PAK II Program for territories 32 - 43.

St. Paul Guardian Insurance Company (con't.):

- Base premiums for HE-7 policies: No additional charge.
- Base premium for HE-7w/HE-20 policies: +2.0% above St. Paul Guardian HO-3 rates.
- Base premium for HE-7w/HE-21 policies: +4.0% above St. Paul Guardian HO-3 rates.
- Renewal Credit: Premium credit when insured or spouse has maintained consecutive yrs. of both auto & homeowners coverage with the St. Paul, 3-5 yrs. Credit varies 3%-5%.
- Forms 3 & 3w/15: Personal property increase limits; \$1 per \$1,000 of insurance.
- Installment Payment Plan: \$2 charge each installment unless Electronic Funds Transfer billing option is selected, then no charge.
- Employee Discount: 20% new business; 15% renewals. Eff. 3-1-00

St. Paul Mercury Insurance Company:

- Operation Identification Credit: 5%.
- New Home Discount: 0-1 yr. - 15%; 2-3 yrs. - 13%; 4-5 yrs. - 11%; 6-7yrs. -9%; 8-9 yrs. -7%; 10-11 yrs. -5%; 12-15 yrs. -3%.
- Personal Injury Protection (HO-82) provided at no additional charge.
- Personal Property Replacement Cost (HO-290) coverage is provided at no additional charge.
- Forms 3, 3 w/15, 4 & 6: Deductible credits; \$500 - 11%; \$1,000 - 23%; \$2,500 - 37%.
- HO-6: 15% on Companies HO-4 rates.
- HO-3: Deviation on base rates by territory; Credit varies 15.5% - 37.2%.
- Form 4: Deviation on base rates by territory; Credit varies 16.0% - 29.6%.
- Forms 4 & 6: Deviation on policy amount Relativities by territory; Credit varies 0.1% - 3.1%.
- Form 3: Replacement or repair cost Coverage A (HO-500) provided at no charge.
- Protective Devices Credit & Home Safety Coverage Credits.
- Business Pursuits Section II Coverage: All classifications will be rated same as rate shown for clerical employees.
- Water Craft: Same charge apply for lths. over 15-26 ft. & over 151 horsepower as to lths. up to 15 ft. & below 151 horsepower.
- Home Day Care: Rated at Bureau rates for Permitted Incidental Occupancies (HO-42).
- Installment Payment Plan: \$2 charge each installment. Eff. 3-1-95

Sea Insurance Company of America:

- Form 3w/15: 25% credit. Eff. 5-11-92

Select Insurance Company:

- Forms 1, 2, 3 & 3 w/15: 15%. Eff. 2-8-86

Selective Insurance Company of South Carolina:

- Forms 4 & 6: 25%.
- Forms 1, 2, 3 & 3w/15: Replacement Cost on Personal Property; Delete 5% surcharge.
- Forms 4 & 6: Replacement Cost Personal Property; Annual add'l prem. shall be \$1 per \$1,000 of ins. applied to Cov. C.
- Protective Devices Credit: Factors vary .85 to .98.
- All Forms, except 4 & 6: Fixed dollar amount deductible factors; \$500 - .85; \$1,000 - .80; \$2,500 - .70.
- Amount of Insurance Deviation: \$60,000 - \$140,000: Credit varies 0%-25%.
- Age of Dwelling Credits: New 20%; 1 yr. old 18%; 2% less credit each added yr. through 9th yr. Eff. 5-1-92

Selective Insurance Company of the Southeast:

- Credit for protective devices: Factors vary .85 to .98.
- Forms 1, 2, 3, & 3 w/15: Replacement cost on personal property; Delete 5% surcharge.
- Forms 4 & 6: Charge an annual additional premium of \$1 per \$1,000 of insurance applied to Coverage C. Minimum limit of Coverage is \$12,000.
- All Forms, except HO 4 & HO 6: Fixed dollar amount deductible factors; \$500 - .85; \$1,000 - .80; \$2,500 - .70.
- Amount of Insurance Deviation: \$20,000 - \$75,000; Credits vary 3.0% - 10.0%. Eff. 5-1-92

Sentry Insurance A Mutual Company:

- All Forms, except 4 & 6: Fixed dollar amount deductible; Factors for Coverage A limits: \$500 ded. - .91; \$1,000 ded. - .79; \$2,500 ded. - .62. Eff. 11-1-96

Service Insurance Company:

- Year of Construction Deviation by territory: Credit varies 0% - 20%.
- Deviation for Masonry Construction by protection class: Credit varies.
- Form 3: 10% Base Deviation by territory.
- Claim Free Credit: 5% applied to base premium: Certain criteria apply.
- Mature Homeowner Credit: 5% credit by territory: Certain criteria apply.
- Gated Community Credit: 5% credit by territory: Certain criteria apply.
- Form 3: Increased Limit of Personal Property: \$1 per 1000.
- Windstorm or Hail Deductible Deviation: Credit varies.
- Key Premium Factors Deviation.
- 2% Protective Device Credit for automatic smoke detectors, fire extinguishers & deadbolt locks on all exterior doors.
- 25% Maximum Allowable Credit for specific combined deviations. Eff. 2-1-00

Shelby Insurance Company:

- All Forms: Deductible credits; \$250 ded. - no charge; \$500 ded. - 15%; \$1000 ded. - 25%; \$2500 ded. - 38%.
- Forms 2 & 3: Deductible credits; \$250 ded. - 10%; \$500 ded. - 15%; \$1,000 ded. - 30%; \$2,500 ded. - 35%.
- Forms 4 & 6: Deductible credits; \$250 - 10%; \$500 - 15%; \$1,000 - 30%; \$2,500 - 37%.
- Forms 2 & 3: \$250 theft deductible credit; 1%.
- Forms 4 & 6: \$250 theft deductible credit; 5%.
- Forms 1, 2, 3 & 3 w/15: Coverage C increase limits \$2 per \$1,000.
- Protective Devices: Credit varies 2% - 15%.
- Personal Injury (HO-2482): included at no charge.
- New Home Discount: 20% current calendar yr.; 18% one yr. preceding current calendar yr.; 2% less credit each added yr. until 10+ yrs. then no credit.
- Multi-Policy Discount: 10% applies to total HO policy premium when auto policy is written in the Anthem Casualty Insurance Group.
- Forms 2 & 3: Additional Amount of Insurance; 3% charge of basic premium.
- Base premium deviation by territory. Eff. 6-1-99

South Carolina Insurance Company:

- All Forms: 10% credit off base premium.
- Forms 1, 2 & 3: New home credit; 16% current calendar yr. - 2% less credit for each yr. preceding current calendar yr.
- Flat Deductible Credits: All forms, except 4 & 6; \$500-9%; \$1,000-17%; \$2,500-25%.
- All Forms: Protective Device Credits: Special Fire & Theft Package - 5% credit.
- All Forms: Account credit: 10% applies to HO policy when personal auto coverage or flood coverage is written on primary residence with any of the Seibels Bruce Companies.
- All Forms, except Form 4: 5% Senior Citizens Credit when required criteria is met.
- All Forms: Credits vary based upon renewal criteria.
- Forms 4 & 6: 10% deviation.
- All Forms: Deviation by policy amount of insurance; \$10,000 - \$86,000 & above: Credit varies 0% - 26.4%.
- Guaranteed Replacement Cost: Endorsement HO-500; Building replacement or repair cost protection; \$1 charge.
- Forms 3 & 3w/15: 10% deviation.
- Form 3: Deviation by policy amount of insurance; \$10,000 - \$111,000 & above: Credit varies 0% - 27.0%.
- All Forms: Personal Property Replacement Cost including an increase in contents to 70% of Coverage A provided for no charge.
- Forms 3 & 3w/15: Increase in Coverage C; \$1 per \$1,000.
- Guaranteed Replacement Cost HO-500: Coverage A provided for no charge.
- Forms 3 & 3w/15: Windstorm or Hail Exclusion; Beach territory only; \$75 premium credit.
- Personal Injury Coverage provided for no charge. Eff. 6-1-99

Southern Guaranty Insurance Company:

- Form 3: Deviation by Territorial Relativities.
- Form 4: Deviation by Territorial Relativities.
- Form 6: Deviation by Territorial Relativities.
- Form 3: Amount of Insurance Deviation.
- Form 3: New Home Credit; 1 yr. - 18%; 2% less credit each added yr. to 9th yr.
- All Forms, except 4 & 6: Deductible Credits; \$500 - .91; \$1,000 - .83; \$2,500 - .75.
- Forms 4 & 6: Personal Property (Coverage C) Replacement Cost Coverage; Factor 1.30.
- Reduced charge for Personal Property Increased Limits: Form 3 - \$1; Form 3w/15 - \$2.
- Reduced rates for Outboard & Water Craft Liability.

Southern Guaranty Insurance Company (con't.):

- Forms 3, 4 & 6: Personal Injury Coverage at no charge.
- Form 3: Exceptional Homeowner: 10% credit when criteria is met.
- Protective Devices Credit: Credit varies. Eff. 7-1-95

Southern Heritage Insurance Company:

- Forms 3, 4 & 6: 10% credit for policies written with HE-7, HE-7w/20 or HE-7w/21.
- Form 3: Territory Deviation; Credit varies 2% - 10% & applies when auto & HO policies are issued voluntarily by Southern Heritage Insurance Company in accordance with underwriting practices.
- Form 6: Factor of .675 applies when both auto & HO policies are issued voluntarily with Southern Heritage Insurance Company in accordance with Company underwriting guidelines.
- Optional Deductible Credits: Change in credit for increasing the deductible when named insured has both auto and homeowners written voluntarily by Southern Heritage Insurance Company.
- Combined Protective Device Credits: Credit for combined smoke alarm, deadbolt lock(s) & fire extinguisher(s) applies when auto & HO policies are issued voluntarily by Southern Heritage Insurance Company in accordance with Company underwriting practices. Total average deviation is 1.8%.
- Form 3: Coverage A Dwelling Replacement Cost (HO-500) coverage provided at not additional charge when auto & HO policies are issued voluntarily by Southern Heritage Insurance Company in accordance with Company underwriting practices.
- Form 3: Personal Property Replacement Cost Coverage: Coverage C (HO-290): Charge personal property to be waived when auto & HO policies issued voluntarily by Southern Heritage Insurance Company in accordance with Company underwriting practices.
- Forms 4 & 6: Personal Property Coverage C Replacement Cost Coverage (HO-290) reduction of charge from 40% to 25% (deviation of 37.5%) applies when auto & HO policies are issued voluntarily by Southern Heritage Insurance Company in accordance with Company underwriting practices.
- Inflation Guard Coverage Deviation: HO-243; 2% to no charge for 4% coverage; 3% - 1% for 6% coverage (deviation of 33.3%) 4% - 2% for 8% coverage (deviation of 50%). Average deviation is 66.7% applies when auto & HO policies issued voluntarily by Southern Heritage Insurance Company in accordance with Company underwriting practices.
- Credit for Retirees: 5% for named insured age 55 or older applies when auto & HO policies are issued voluntarily by Southern Heritage Insurance Company in accordance with Company underwriting practices.
- New Home Credit: 20% for homes completed in current calender yr., decreasing 2% each preceding yr. Credit applies when auto & HO policies are issued voluntarily by Southern Heritage Insurance Company in accordance with Company underwriting practices.
- Reduced Boat Liability Rates. Credit varies 4.8%-32.0%. Deviation applies when auto & homeowners policies are issued voluntarily by Southern Insurance Company in accordance with Company underwriting practices.
- Coverage A Amount Relativity Deviation: Based on Coverage A amount when auto & homeowner policies are issued by Southern Heritage Insurance Company in accordance with Company underwriting practices. Eff. 6-1-99

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- Property Limit Amount Relativity Deviation based on policy amount of insurance: Credit varies 2% - 3%.
- Gated Community Discount: 8% credit when criteria is met. Maximum credit \$125.
- New Home Discount: 1 yr. - 20%. 2% less each yr. to 10th yr. Eff. 7-7-97

Southern Pilot Insurance Company:

- Deviation by Coverage A limit: Variable credit.
- Forms 4 & 6: Replacement Cost Coverage; Surcharge 1.30.
- New Home Credit: Age of dwelling current yr. 20%, 2% less credit thru 9th yr.
- Form 3: Deviation by territorial relativities.
- Form 4: Deviation by territorial relativities.
- Form 6: Deviation by territorial relativities.
- All Forms, except 4 & 6: Variable factors based on Coverage A Limit & deductible amounts.
- Forms 4 & 6: Variable factors based on Coverage A Limit & deductible amounts.
- Form 3: Personal Property Increased Limits: \$1 charge; Form 3w/15 - \$2 charge
- Protective Device: Discount varies.
- Reduced Rates for Outboard Motor & Water Craft Liability.
- Forms 3, 4 & 6: Personal Injury Coverage. No premium charge.
- Exceptional Homeowner Credit: 10% credit when criteria is met. Eff. 1-1-97

Standard Fire Insurance Company:

- Base Rate Deviation: Credit varies depending on territory.
- Coverage A Relativities based on Coverage A amount & territory.
- HO-3w15: 10% Additional premium charge.
- Protective Device Deviation: Credit varies 1% - 13%.
- Forms 2, 3 & 3w15: Personal Property - Increased Limit Coverage C: \$1 per \$1,000.
- Forms 2, 3, & 3w15: 5% Account Credit.
- Refrigerated Personal Property: \$10 charge waived.
- Deductible Credits: Varies by amount of deductible.
- Forms 2, 3 & 3w15: Loss Free Credit: 3+ yrs. loss free 5 % credit.
- Forms 2 & 3: Inflation Guard: Premium charge waived.
- Geico Sponsored Account Discount: 3% credit.
- Forms 3: 5% Safety Seminar Credit: Certain criteria apply. Eff. 8-20-00

State Automobile Mutual Insurance Company:

- Forms 4 & 6: Deductibles: \$500 - 17%; \$1,000 - 33%; \$2,500 - 46%.
- Forms 2, 3, 3w/15, 4 & 6: 10% add'l. deviation if Co. carries insured's homeowners & auto liability: Other criteria apply.
- Age of Dwelling Credit: New 20%; 1 yr. - 18%; 2 yrs. - 15%; 3 yrs. - 12%; 4 yrs. -9%; 5 yrs. - 7%; 1% less credit 6th - 8th yrs.
- All Forms: Alarm System Credits; All protection classes & territories; Variable credits.
- Forms 4 & 6: Replacement Cost on Contents; Reduce charge from 40% to 35%.
- HO 500 Replacement or Repair Cost on dwellings granted without charge when certain requirements are met.
- Forms 1, 2, & 3: Coverage C increase; \$1 per \$1,000; Form 3 w/15 - \$2 per \$1,000.
- Forms 1, 2, 3, 3w/15 & 8: Policy Size Credits; Protection classes 1-8; \$51,000 & above - 1%-30%; Protection classes 9 & 10 - \$60,000 & above 1% - 15%.
- Forms 1, 2, 3, 3 w/15 & 8: Deductibles; \$500 - 15%; \$1,000 - 25%; \$2,500 - 31%.
- Defender Package: This package will be rated by applying a 20% credit to base rate for HO-500 coverage & a flat \$25 charge for HO-290 when certain requirements are met.
- Forms 1, 2 & 3: When HO 290 is attached, Coverage C limit is increased to 70% of Coverage A at no additional charge.
- Form 3w/15: Optional at a +10% charge.
- Jewelry Rate - \$9.50 per \$1000. Eff. 9-1-92

State Auto Property & Casualty Insurance Company:

- Forms 3 & 3w/15: Policy size deviation based on Coverage A amount, territories & protection classes. Various credit.
- Forms 4 & 6: Deductibles; \$500 - 17%; \$1000 - 33%; \$2500 - 46%.
- Forms 1, 2, 3, 3w/15 & 8: Deductibles; \$500 - 10%; \$1000 - 25%; \$2500 - 31%.
- 15% additional deviation if Company carries insured's homeowners as well as private passenger auto liability and meets other requirements.
- Defender Program includes Guaranteed Replacement Cost Coverage on dwelling (HO-500) & Replacement Cost on Contents with Coverage C at 70% of Coverage A (HO-290) when certain criteria is met.
- All Forms: Alarm System Credits: Credit varies 2% - 15%; All protection classes & territories.
- Age of Dwelling Deviation: New - 9 yrs.: Credit varies 0% - 20%.
- Forms 4 & 6: Replacement Cost on Contents: Charge 35%.
- Forms 2 & 3: Coverage C Increase: \$1 per \$1000: Form 3w/15 \$2 per \$1000.
- Form 3w/15: Optional at +10% charge.
- Protection Class 9 Rates: 10% Discount for homes within 5 miles of a responding Fire Department & within 1000 feet of fire hydrant.
- Homeowners Prime of Life Discount: All Forms, except 4 & 8: Age 50-54 - 10%; Age 55 & over -15%; Form 6 qualifies if Coverage C is at least \$30000.
- All Forms, except 4 & 6: Windstorm or Hail Deductible. Variable Credits.
- Electronic Funds Transfer: \$1 service fee. Eff. 9-15-00

State Capital Insurance Company:

- All Forms, except 4 & 6: Fixed dollar amount deductibles; \$500 - factor .79; \$1,000 - factor .79; \$2,500 - factor .62.
- Forms 4 & 6: \$500-ded. - factor .85; \$1,000-ded. - factor .77; \$2,500-ded. - factor .63.
- Forms 1, 2, 3, HE-7 & HE-7 w/HE-20: Personal Property Increase Limits; \$.50 per \$1,000; 3 w/15 \$2.00 per \$1,000.
- Forms 2, 3, 3w/15, & 6.: Company deviation based on territory & Coverage A amount; Credit varies.
- Forms 1, 2, 3, 3w/15, HE-7 & HE-7 w/HE-20: New Home Discount 0-2 yrs. - 27%; 3-4 yrs. - 24%; 5-6 yrs. -19%; 7-8 yrs. - 14%; 9-10 yrs. - 10%; 11-12 yrs. - 7%; 13-14 yrs. - 5%; 15-20 yrs. - 2%.
- All Forms: Protective Devices Credits; Maximum credit removed. All protection class & all territory. Credit varies 2% - 15%.

State Capital Insurance Company (con't.):

- Outboard Motors & Water Craft: Liability rates amended by boat length.
- Protection/Construction Relativity Deviation: Applies to all forms, except 4 & 6; 5% deviation applies to protection classes 1 - 3 for both frame & masonry construction.
- All Forms, except 4 & 6: Windstorm or Hall Deductible Deviation. Credit varies based on amount of insurance.
- Forms 1, 2, 3, HE 7 & HE 7w/20: Personal Property Increase limit: \$.50 per \$1,000.
- Form 3w/15: Personal Property Increase Limit. \$2 per \$1,000.
- Form 6: Dwelling Basic and Increased Limits and Special Coverage. Limit \$5,000 - no charge.
- Personal Property Replacement Cost Coverage: All Forms, except 4 & 6 - factor 1.05; Forms 4 & 6 - factor 1.35. Minimum premium deleted.
- Ordinance or Law Coverage deviation by factors.
- Three or Four Family Residence: Coverage B & C deviation.
- Installment Payment Plan: Initial installment charge waived.
- 5% Account Credit when named insured has an auto policy with the Highlands Insurance Group Companies. Eff. 6-1-99

State Farm Fire & Casualty Company:

- Deviation by Territory & Policy Amount of Insurance: Variable credits.
- Forms 4 & 6: Deductible Credits; \$500 - 17%; \$1,000 - 30%.
- Form 3: Surcharges for townhouses/rowhouses in buildings with more than 2 units per fire division do not apply.
- Number of Families Deviation: One family premiums for all Section I & II coverages shall apply regardless of number of families.
- Premium Credits for Alarm Systems: Various combinations ranging from 2% to 15%.
- Unscheduled Jewelry & Furs: 30% credit applies to \$15 rate per \$1,000 for additional coverage.
- Form 3: Replacement Cost on Contents; Coverage C increased to 70% of Coverage A at a rate of \$.85 per \$1,000 of coverage. Charge for replacement cost coverage is 5% of the basic \$250 deductible premium.
- Forms 4 & 6: Replacement Cost on Contents; Apply surcharge of 30% to basic \$250 deductible premium.
- Ordinance or Law Coverage: Following charge applies only to basic premium for Coverage A amount. Percentage of Coverage A Limit 25%-3% premium charge, minimum additional premium \$5; 50% premium charge 8%, minimum additional premium \$10.
- Form 3: New Home Credit; Current calendar yr. - 20%; One year preceding - 18%; 2nd - 15%; 3rd - 12%; 4th - 9%; 5th - 6% & 6th yr - 3%. Dwelling under construction shall be considered completed & occupied during current calendar yr. with Coverage A amount insured 100% of completed dwelling replacement cost. Dwellings renovated are eligible for an Utilities Rating Plan credit; specific requirements.
- Form 4: Deviations by Territory & Amount of Insurance: Variable credits.
- Form 6: Deviations by Territory & Amount of Insurance: Variable credits.
- Rental Condominiums: Apply following charge; \$250 - 25%; \$500 - 21%; \$1000 - 18%; \$2,500 - 16%.
- Form 6: Coverage A Increased Limits & Special Coverage; Basic coverage rate per \$1000 increase \$3.70; Special coverage additional premium waived.
- Form 3: Homeowners Extra Credit; Based on county & amount of insurance; Credits vary when risk meets various eligibility & coverage requirements.
- Homeowners 36 Discount: Consecutive yrs. insured with State Farm; 3-5 yrs. - 5%; 6 or more yrs. - 10%; territories 5 & 6 excluded.
- Form 3: Coverage C Increased Limits: .85 per \$1,000 of increased coverage; Territories 5 & 6 excluded.
- Installment Payment Plan: \$1 charge. Charge waived if monthly installment made by electronic funds transfer.
- Form 3 & Homeowner Extra: Varied deductible credits/charges for Zones 5, 6, 35 (specific counties), 41, 42 & 43.
- Refrigerated Personal Property: Coverage provided at no additional charges.
- Form 3: Additional Amount of Insurance Deviation.
- Form 3: Sinkhole Collapse; \$.35 rate per \$1,000 of Coverage A.
- Form 3, 4 & 6: 2% Credit for Home-Auto Discount for all territories, except 5 & 6.
- Automatic Sprinkler Credit Eff. 6-1-00

State Farm General Insurance Company:

- Forms 1, 2 & 3: Deviation by Amount of Insurance & County; Variable credits.
- Forms 1, 2, & 3 & Homeowner Extra: Deductible credits/charges.
- Forms 4 & 6: Deductible credits/charges.
- Forms 1, 2 & 3: Surcharges for townhouses/rehouses in buildings with more than 2 units per fire division do not apply.
- Number of Families Deviation: One family premiums for all Section I & II coverages shall apply regardless of number of families.
- Premium Credits for Alarm Systems: Various combinations ranging 2% - 15%.
- Unscheduled Jewelry & Furs: 30% credit applies to \$15 rate per \$1,000 for additional coverage.

State Farm General Insurance Company (con't.):

- Form 3 & Homeowner Extra: Replacement Cost on Contents; Increase Coverage C to 70% of Coverage A : .85 per \$1,000 coverage. Replacement cost coverage is 5% of basic \$250 deductible premium.
- Forms 4 & 6: Replacement Cost on Contents; Apply surcharge of 30% to basic \$250 deductible premium.
- Ordinance or Law Coverage: Following charge applies only to basic premium for Coverage A amount. Percentage of Coverage A limit. 25% - 3% premium charge, minimum additional premium \$5; 50% - premium charge 8%; minimum additional premium \$10.
- Forms 1, 2 & 3: New Home Credit; Current calendar yr. - 20%; One yr. preceding - 18%; 2nd - 15%, 3rd - 12%; 4th - 9%, 5th - 6% 6th - 3%. Dwelling under construction shall be considered to be completed & occupied during current calendar yr. with Coverage A insured 100% of completed dwelling replacement cost.
- Form 4: Deviation by Amount of Insurance; \$6,000 - \$29,000 & above: Variable credits 6.4% - 23.2%.
- Homeowners 36 Discount: Consecutive yrs. insured with State Farm 3-5 yrs. - 5%; 6 yrs.+ - 10%.
- Forms 1, 2, & 3: Coverage C Increased Limits; \$.50 per \$1,000 increase coverage.
- Installment Payment Plan: \$1 charge. Charge waived if made by electronic funds transfer.
- Refrigerated Personal Property: Coverage provided at no additional charge.
- Form 3: Sinkhole Collapse; \$0.35 rate per \$1,000 of Coverage A. Eff. 11-1-97

TIG Premier Insurance Company:

- All Forms: Age of Dwelling Credit; 0-3 yrs. old - 21%; 4-6 - 14%; 7-9 - 7%.
- Forms 1, 2 & 3: 38.0%.
- Form 6: 17.5%. Eff. 5-1-92

Teachers Insurance Company:

- Form ML-3 & Masters Program: Amount of insurance deviation based on Coverage A amount & territory; Variable credits.
- Protection Device Credits: Classes 1-9; Credits vary 1% - 15%.
- Form ML-3: 8% credit if insured 100% to value & inflation guard endorsement is attached.
- Form 3 & Masters Program: New Home Credit; Age of dwelling 0-1 yr - 20%; 2% less credit each added yr. to 10th yr.
- Increase in Coverage C \$1 per \$1,000.
- Masters Program: Protection Class; Variable credits 0.0% - 5.0%.
- Form ML-3 & Masters Program: Waive \$3 installment fee on installment pay plan for initial payment.
- Optional Section II Liability Cov.: Reduced rates for Water Craft depending on boat type, hspwr., lth., speed and limits.
- Form 3 & Masters Program: Deductible Credits; Credit varies.
- Form 3 & Master Program: Auto/Home Client Discount; Variable credit when criteria is met.
- Form ML-4: Territorial Deviation: Credit varies.
- ML 4 & 6: Deductible Credits: Credit vary.
- Forms 4 & 6: Deviation on Replacement Value; 15% charge apply for policies with \$500 or greater deductible. \$10 minimum charge will apply to policies with \$500 or greater deductible.
- Master Program: Additional coverages included at no additional premium charge.
- Forms 4 & 6: Coverage Amount Deviation: Variable deviations by coverage amount.
- 2% credit if insured has a Federal Flood Insurance policy placed with Co. or the flood insurance replacement program.
- Downward deviation on earthquake.
- Downward deviation for silverware, goldware & pewterware.
- Downward deviation for refrigerated food spoilage.
- Downward deviation for tenant's improvement.
- Form 6; Downward deviation Coverage A increased limits.
- Downward deviation for additional residence premises rented to others.
- Downward deviation for private structures rented to others. Eff. 3-1-00

Travelers Casualty & Surety Company:

- Base Rate Deviation for Dwellings, Tenants & Condominiums: Credit varies based on territory.
- Form 3w15: 10% additional premium charge.
- Coverage A Relativities based on Coverage A amount & territory.
- Protective Device Deviation: Credits vary 1% - 13%.
- Deductible Credits: Varies by amount of deductible.
- Forms 2, 3, & 3w15: Personal Property - Increased Limit Coverage C: \$1 per \$1000.
- Refrigerated Personal Property: \$10 Charge waived.
- Forms 2, 3, & 3 w15: 5% Account Credit.
- Forms 3 & 6: Association Credit Program: 10% credit applies when certain criteria is met.
- Form 2, 3, 3w15, 4 & 6: Loss Free Credit: 3+ yrs. loss free 3% credit.
- Forms 2, 3, 3w15, 4 & 6: Final Premium Adjustment factor of .92.

Travelers Casualty & Surety Company (con't.):

- **Form 2 & 3: Inflation Guard: Premium charge waived.**
- **Forms 3 & 6: 5% Safety Seminar Credit: Certain criteria apply. Eff. 8-20-00**

Travelers Indemnity Company:

- **Protective Device Deviation: Credit varies 1% - 13%.**
- **Deductible Credits: Varies by amount of deductible.**
- **Forms 2, 3, 3w15: Personal Property - Increased Limit Coverage C: \$1 per \$1000.**
- **Refrigerated Personal Property: \$10 charge waived.**
- **Forms 2, 3, & 3w15: 5% Account Credit.**
- **Forms 2, 3, 3w15, 4 & 6: Final Premium Adjustment Factor of .92.**
- **Forms 2 & 3: Inflation Guard Premium waived.**
- **Forms 3 & 6: 5% Safety Seminar Credit: Certain criteria apply. Eff. 8-20-00**

Travelers Indemnity Company of America:

- **Base Rate Deviation for Dwellings, Tenants & Condominiums: Credit varies depending on territory.**
- **Form 3w/15: 10% Additional premium charge.**
- **Coverage A Relativities based on Coverage A amount & territory.**
- **Deductible Credits: Varies by amount of deductible.**
- **Protection Device Deviation: Credit varies 1%-13%.**
- **Forms 2, 3 & 3w15: Personal Property - Increased Limit Coverage C: \$1 per \$1000.**
- **Forms 2, 3, 3w15, 4 & 6: 5% Account Credit.**
- **Forms 2, 3, 3w15, 4 & 6: Loss Free Credit: 3+ yrs. loss free 3% credit.**
- **Refrigerated Personal Property: \$10 charge waived.**
- **Forms 2, 3, 3w15, 4 & 6: 5% Multi-Line Insurance & Financial Services Institution Employees Credit.**
- **Forms 2, 3, 3w15, 4 & 6: Final Premium Adjustment factor - .85.**
- **Forms 2 & 3: Inflation Guard: Premium charge waived.**
- **Forms 3 & 6: 5% Safety Seminar Credit: Certain criteria apply. Eff. 8-20-00**

Travelers Indemnity Company of Connecticut:

- **Forms 3 & 3w/15: Base rate deviation based on protection class, amount of insurance & territory; Variable credit factors.**
- **Form 3: 12% optional coverage credit.**
- **Forms 3 & 3w15: Deductible credits; \$500-16%; \$1,000-26%; \$2,500-32%.**
- **Protective Device Credits: Variable credits.**
- **Increased Limits Coverage C: Reduce charge to \$2 per \$1,000.**
- **New Home Credit: New - 20%; 1 yr. old - 19%; 2 yrs. 18%; 3 yrs. - 16%; 4 yrs. - 15% - 14%; 6 yrs. - 12%; 7 yrs. - 11%; 8 yrs. - 10%; 9 yrs. - 8%; 10 yrs. - 7%; 11 yrs. - 6%; 12 yrs. - 4%; 13 yrs. - 3%; 14 yrs. - 2%; 15 yrs. - 1%.**
- **Replacement or Repair Cost Protection: Reduce charge to \$1 per policy.**
- **Account Discount: 10% when insured has both auto & homeowners policy.**
- **Forms 3 & 3w/15: Loss Free Credit; 3+ yrs. loss free - 3% credit.**
- **Rate Credit for Multi-Line Insurance & Financial Services Institution Employees Credit: 20% credit. Eff. 11-1-96**

Travelers Indemnity Company of Illinois:

- **Base Rate Deviation: Credit varies based on territory.**
- **New Home Credit: 0 - 15 yrs. old: Credit varies 2% - 20%.**
- **Protective Device Deviation: Credit varies 1% - 15%.**
- **Forms 2, 3 & 3w15, 4 & 6: 10% Account Credit.**
- **Forms 2, 3 & 3w15: Personal Property - Increased Limit Coverage C: \$1 per \$1,000.**
- **Form 3w/15: 10% Additional premium charge.**
- **Forms 2, 3, 3w/15, 4 & 6: Loss Free Credit: 5+ yrs. loss free - 5% credit.**
- **Deductible Credits: Varies by amount of deductible & territory.**
- **Form 3: Homeowners Extra Credit: 15% when criteria is met.**
- **Refrigerated Personal Property. \$10 charge waived.**
- **Forms 3 & 6: Association Credit Program: 10% credit applies when certain criteria is met.**
- **Forms 2 & 3: Inflation Guard premium charge waived. Eff. 5-21-00**

Travelers Personal Security Insurance Company:

- Base rate deviation based on territory. Credit varies.
- Form 3w/15: 10% Additional premium charge.
- Coverage A Relativities based on Coverage A amount & territory.
- Protective Device Deviation: Credit varies 1% - 13%.
- Deductible Credits: Varies by amount of deductible.
- Forms 2, 3, 3w/15: Personal Property - Increased Limit Coverage C: \$1 per \$1000.
- Refrigerated Personal Property: \$10 charge waived.
- Forms 2, 3, & 3w/15: 5% Account Credit.
- Forms 2, 3, & 3w/15: Loss Free Credit: 3+ yrs. loss free 5% credit.
- Forms 2, 3, 3w/15: Final Premium Adjustment factor of .85.
- Forms 2, 3 & 3w/15: Multi-Line Insurance and Financial Services Institution Employees Credit - 5%.
- Forms 2 & 3: Inflation Guard premium charge waived.
- Forms 3 & 6: 5% Safety Seminar Credit: Certain criteria apply. Eff. 8-20-00

Twin City Fire Insurance Company:

- Forms 4 & 6: 10% Limited Access Credit if complex meets protection requirements.
- All Forms: Protective Device Premium Credits; Factor varies .98-.85 for qualifying dwellings. Credits may be added together to maximum credit factor of .80.
- Forms 1, 2 & 3: Rate for Increase in Coverage C; \$1 per \$1,000 in lieu of \$2.
- Account Credit Factor: .87 when required criteria is met.
- Age of Dwelling Credit: 1 yr. of age - 20%; 3% less credit each added yr.
- Mature Retire Credit Factor: .95 when required criteria is met.
- All Forms, except 4 & 6: Fixed dollar amount deductible factors Coverage A - up to \$59,999 - \$500 - .88; \$1,000 - .78; \$2,500 - .68; \$60,000 - \$99,999 - \$500 - .89; \$1,000 - .79; \$2,500 - .69; \$100,000 - \$200,001 & above - \$500 - .90; \$1,000 - .80; \$2,500 - .70.
- Forms 2 & 3: Specified Additional Amount of Insurance; 25% - \$1; 50% - \$2. Additional Limits of Liability for Coverage A, B, C & D: Premium charge \$3.
- Deviations by Amount of Insurance, Territories & Relativity Curves.
- Form 3: Retirement Community/Limited Access Community Package: Specific Eligibility Qualifications.
- Forms 4 & 6: Premium Computation: Factor of 0.82. Eff. 6-1-99

USAA Casualty Insurance Company:

- Form 3: New Home Discount: New - 9 yrs. of age: Credit varies 0% - 20%.
- Forms 3 & 6: Deviation by Territory & County.
- Additional Coverage: Unscheduled Jewelry & Furs: Limit \$2,000 - \$16; limit \$4,000 - \$32. Use Endorsement HO-267.
- Personal Property Deviation: Coverage C limit increased at .50 per \$1000: Coverage C decreased to not less than 40% of Coverage A at .50 per \$1000 credit.
- Extended Billing Plan: Regular Plan - no installment charge: Extended Plan - \$3 installment charge.
- Sinkhole Collapse Coverage: Charge .35 per \$1000 to the Coverage A amount of insurance..
- Forms 3 & 6: Revised territory definition. Eff: 8-1-00

Underwriters Insurance Company:

- Age of Dwelling Discount: Form 3: 0 - 10 yrs. of age: Credit varies 0% - 20%.
- Account Credit Program: 15% discount when insured has coverage for both auto & homeowners policies through UIC.
- Preferred Homeowners Credit: 0% - 23% Credit by territory, protection class, construction type: Other criteria apply.
- Revitalized Home Credit for dwellings 25 yrs. or older if certain criteria is met.
- Deductible Credits: Forms 3, 4, & 6.
- Base Premium Discount for Form 6: A factor of .80 applies.
- Protective Device Credits: All Forms: Credit varies 1% - 15%.
- Replacement Cost on Contents: Forms 3, 4, & 6: Minimum premium does not apply.
- Additional Limits of Liability for Coverages A, B, C, & D: Form 3: 6% credit when certain options are selected.
- Personal Property Replacement Cost: Form 3: 5% of base premium with minimum premium waived when certain options are selected.
- Personal Injury: Form 3: Charge waived if certain coverages and options are selected.
- Water Back-Up of Sewers or Drains: Form 3: Charge waived if certain coverages and options are selected.
- Credit Card, Fund Transfer Card, Forgery & Counterfeit: Form 3: Charge waived if certain coverages and options are selected.
- Special Computer Coverages: Form 3: Charge waived if certain coverages and options are selected.

Underwriters Insurance Company (con't.):

- Coverage C Increased Special Limits of Liability: Form 3: Charge waived if certain coverages and options are selected.
- Fire Department Service Charge: Form 3: Increased to \$1000 in lieu of \$500 if certain coverages and options are selected.
- Form 3: Coverage D Increased to 30% of Coverage A will be deleted if certain coverages & increased limits options are selected.
- Form 3: Coverage A Relativities Deviation.
- Form 3: Ordinance or Law will be 4% of base premium if certain coverages & increased limits options are selected.
- Form 3: The charge for Refrigerated Property Coverage will be deleted if certain coverages & increased limits options are selected. Eff.10-1-99

Unigard Indemnity Company & Unigard Insurance Company:

- Form 3: Credits vary by protection class & Coverage A dwelling amounts; \$40,000 & under to \$1000,000 & over. Credit varies based on territory.
- Form 3: Personal Property Replacement Cost; Delete 5% surcharge.
- Form 6: 16% to be applied to base rate of 10% off Form 4.
- Form 3: Fixed dollar amount deductibles credits; \$500-9%; \$1,000-17%; \$2,500-25%.
- Forms 4 & 6: \$500-10%; \$1,000-23%; \$2,500-37%.
- Form 3: New Home Credit; Current yr. - 20%; 2% less credit each added yr.
- Personal Property Coverage C Increased Limits: Form 3 - \$1; Form 3w/15 - \$2.
- Protection Device Credit: 5% in all territories & protection classes for an installed smoke detector, fire extinguisher & dead bolt locks.
- Reduced rates for Outboard Motors & Water Craft liability.
- Forms 3, 4 & 6: Personal Injury Coverage; HO-82 included at no charge.
- Form 3: Deviation of territorial Relativities: Credit varies 5.0% - 20.0%.
- Form 4: Credit off base rates by territory; Credit varies 3.5% - 10.0%.
- Forms 4 & 6: Personal Property Replacement Cost Coverage; Surcharge reduced from 1.40 to 1.30.
- Forms 4 & 6: Deviation varies by protection class & territory. Eff. 10-3-94

Unigard Security Insurance Company:

- Form 3: Credits vary by protection class, & Coverage A dwelling amounts; Coverage A amount under \$40,000 - \$1000,000 & over. Credit varies 0% - 19% based on territory.
- Form 3: Personal Property Replacement Cost; Delete 5% surcharge.
- Form 6: 19% to be applied to base rate of 10% off Form HO-4.
- Form 3: Fixed Dollar Amount Deductibles Credits; \$500-9%; \$1,000-17%; \$2,500-25%.
- Forms 4 & 6: \$500-10%; \$1,000-23%; \$2,500-37%.
- Form 3: New Home Credit; Current yr. - 20%; 2% less credit each added year.
- Personal Property Coverage C increased limits: Form 3; \$1; Form 3w/15 - \$2.
- Protection Device Credit: 5% in all territories & protection classes for an installed smoke detector, fire extinguisher & dead bolt locks.
- Reduced rates for Outboard Motors & Water Craft liability.
- Forms 3, 4 & 6: Personal Injury Coverage; HO-82 included at no charge.
- Form 3: Deviation of territorial relativities varies 0.0% - 15.8%.
- Form 4: 5% credit off base rates.
- Forms 4 & 6: Personal Property Replacement Cost Coverage; Surcharge reduced from 1.40 to 1.30. Eff. 6-13-94

Union Insurance Company:

- Protective Device Credit: Credit varies 2% - 15%.
- Account Credit: 10%.
- Form 3: New Home/Dwelling Under Construction Discount: Discount based on yr. completed & occupied. Credit varies 3% - 20%.
- Mature Homeowner Credit: 5% if insured is 55 yrs. & an adult is usually home during the day.
- All Forms, except 4 & 6: Replacement cost on contents. \$10 charge plus \$1 per \$1,000 when increasing Coverage C from 50% to 70% of Coverage A.
- Increased Deductible Credits: Forms 3, HE-7, 4 & 6; \$500-20%; \$1,000-26%; \$2,500-30%.
- Form 3 without HO-0015: \$1 per \$1,000.
- Forms 3, 4 & 6: Territorial base rate deviation; Credit varies 5% - 10% based on territory.
- Form 3: Coverage A relativity factor deviation; Relativity factors vary based on Coverage A amount & territory. Eff. 6-1-99

Unisun Insurance Company:

- Forms 1, 2 & 3: New Home Credit; 0 yrs. 21%; 1 yr. 18%; 2 yrs.-15%; 3-10 yrs. 14% 11-12 yrs. -12%; 13 yrs. - 10%;14 yrs. -8%; 15 yrs. -6%; 16-17 yrs. -4%; 18-20 yrs. -2%.
- Forms 1, 2 & 3: Personal Property Replacement Cost Coverage is included at no charge. Attach endorsement HO-290.
- Deviation by policy amount \$10,000-\$300,000: Credit 5%-30%. Each additional \$10,000 - 5%.
- Forms 1, 2, 3 & 3w/15: Flat deductible credits; \$500-10%; \$1,000-21%; \$2,500-33%. Eff. 2-1-96

United Pacific Insurance Company:

- Forms 2 & 3: New Home Credit: 10% dwellings 0-5 yrs. old; 9% dwellings 6 yrs. old; 2% less credit each added yr. up to 10 yrs. old.
- Forms 1, 2, 3 & 3w/15: 15%.
- Multi-Policy Credit: 10% applies to homeowners premium.
- Reduce Installment Payment: Charge from \$2 per policy per installment to \$1.50. Eff. 2-8-92

United Services Automobile Association:

- Form 3: New Home Discount: New - 9 yrs. of age: Credit varies 0% - 20%.
- Forms 3 & 6: Deviation by Territory & County.
- Additional Coverage: Unscheduled Jewelry & Furs: Limit \$2,000 - \$16; limit \$4,000 - \$32. Use Endorsement HO-267.
- Personal Property Deviation: Coverage C limit increased at .50 per \$1000: Coverage C decreased to not less than 40% of Coverage A at .50 per \$1000 credit.
- Extended Billing Plan: Regular Plan - no installment charge: Extended Plan - \$3 installment charge.
- Sinkhole Collapse Coverage: Charge .35 per \$1000 to the Coverage A amount of insurance..
- Forms 3 & 6: Revised territory definition. Eff: 8-1-00

United States Fidelity & Guaranty Company:

- Waive any additional premium of \$5 or less.
- Forms 4 & 6: Personal Property Replacement Cost Coverage; 1.35 factor.
- Increase in Coverage C limits: Forms 1, 2 & 3 - \$1.50 per \$1,000; Form 3w15 - \$2.50 per \$1,000.
- Form 6: Form Relativity Factor .800 in lieu of .855.
- Employee Group Discount: 15%.
- Forms 2 & 3: Additional Amount of Insurance. Premium charge \$5. HO 03211.
- Special Package Discount. 5% when criteria is met.
- Forms 2, 3, 3w/15 & 8: Deductible Credits.
- Multi-Policy Discount: 10% credit when both Residential & P P Auto policies purchased through USF&G Insurance.
- New Home Discount: 1 yr.-20%; 2% less credit to 9th yr.
- Deviation of HO-3 base rates by territory & policy amount: Credits vary. Eff. 4-15-00

United States Fire Insurance Company:

- Forms 1, 2, 3 & 3 w/15: New Home Credit; 0-1 yr. old - 20%; 2% less credit each added yr.
- Forms 1, 2, 3 & 3 w/15: Higher deductible credit factors; \$500-.89; \$1,000-.80; \$2,500-.67.
- Forms 4 & 6: Higher deductible credit factors; \$500 - .83; \$1,000 - .67; \$2,500 - .54
- Premises Alarm System: Expand table of credits for protection classes 1-7 to include class 8.
- All Forms: Replacement Cost on Contents: Deletion of \$20 minimum additional premium. Eff. 3-1-90

United Pacific Insurance Company:

- All Forms, except 4 & 6: Age of Dwelling Credit; New - 20%yrs., 1 yr. - 18%, 2 yrs. - 16%, 3 yrs. - 14%, 4 yrs. - 13%, 5 yrs. - 12%, 6 yrs. - 10%, 7 yrs. - 8%, 8 yrs. - 6%, 9 yrs. - 4%, 10 yrs. - 2%.
- Forms 4 & 6: Replacement Cost on Contents; Factor 1.35.
- Account Credit: 10% credit when insured has home & auto coverage with Zurich Insurance Cos. when criteria is met.
- Forms 2 & 3: Charge \$1 per \$1,000 for increase in Coverage C limit.
- All Forms: Fixed dollar amount deductible factors; \$500-.85; \$1,000-.75; \$2,500-.70.
- Deviation by Territory: Forms 2, 3, 3w/15: Credit varies 0% - 28%.
- Base Premium Deviation: All Forms, except 4 & 6: Credit varies.
- Protective Device Credit: Factors vary. Maximum credit of \$75 is waived.
- Form 4: 15% deviation.
- Form 6: 20% Deviation. Eff. 7-1-98

Utica Mutual Insurance Company:

- Forms 2 & 3: Additional Amount of Insurance: Endorsement HO 3220 - 25% factor 1.002; 50% factor 1.003; Endorsement HO 3211 factor 1.006.
- Forms 1, 2, & 3: Replacement Cost Contents: Increase Coverage C to 70% of Coverage A for no additional charge. 5% surcharge is to be added to total base premium.
- Retirement Credit: 5% when insured has an owners form, is age 55 or older & retired.
- Deadbolt Lock Credit: 3%.
- Smoke Detector Credit: 3%.
- Renovated Home Credit: 10% when homes have been renovated within last 25 yrs. & meets required criteria.
- Personal Lines Account Credit: 10% applies to HO basic premium when auto policy is written with Utica Mutual Insurance Company or Graphic Arts Mutual Insurance Company.
- Mass Merchandising Plan: 15% deviation for members of Utica National Insurance Group.
- Homeowners Non-Smokers Discount: 10% applies to basic premium.
- Forms 4 & 6: Coverage C increased to 40% at no additional charge.
- 5% Deviation for Fire Fighter Training & Smoke Detectors.
- Forms 1, 2, 3 & 3w/15: Age of Dwelling Credit: 20% 1 yr. old; less 2% credit for each added yr. to 10th yr.
- 12.4% deviation for territories 38 & 39.
- 5% payroll deduction provided the name insured is employed through an employer enrolled in the company Workplace Insurance Service for Employees (W.I.S.E.) program or is a member of a company approved affinity group.
- HO Extension Package: Certain criteria apply Eff. 10-1-99

Vermont Mutual Insurance Company:

- All Forms, except 4 & 6: Superior Home Discount; 20% when appropriate qualifications are met.
- Forms 4 & 6: Deductible Credits; \$500-10%; \$1,000-23%; \$2,500-37%.
- Forms 2, 3 & 3w/15 : Deviation based on Coverage A amount, construction & territory. Variable credits.
- Forms 4 & 6: 10% credit applies to base premium.
- Forms 2, 3 & 3w/15: Deductibles/charges.
- Forms 2, 3 & 3w/15: New Home Credit; New - 10 yrs. - 15% credit. Eff. 11-1-96

Vesta Insurance Corporation:

- Inflation Guard Coverage: Premier, Deluxe, Renters & Condos; No charge.
- Loss Assessment Coverage for Earthquake: Premier, Renters & Condos; 5% deductible applies to insured's share of each assessment. Deductible amount not less than \$250 in any one assessment. \$1 per \$1,000.
- Credit card, fund transfer card, forgery & counterfeit money coverage Premier, Deluxe & Renters; Reduced charge.
- Premium Credits for Protective Device: Premier, Deluxe, Renters & Condos: Credit varies 2%-15%.
- Increased Special Limits of Liability Premier, Deluxe, Renters & Condos: Reduced charge for certain class of property.
- Deductible Credits: Credits vary from 15% - 40%.
- Senior Citizen Discount Premier, Deluxe, Renters & Condos: 5% if at least one of the named insured is 55 yrs. or older & is not employed outside the home.
- Supporting Business Discount Premier, Deluxe, Renters & Condos: 2%.
- Base Rate Deviation by Territory; Premier & Deluxe; Variable credits.
- Coverage Amount Reactivities Deviations: Premier & Deluxe; Credits vary based on Coverage A amount.
- Loss Free Credit: Premier, Deluxe, Renters & Condos; 3 yrs. - 5%.
- Personal Property: Coverage C limit may be increased at a rate of \$2 per \$1,000.
- Age of Home Credit: Premier & Deluxe; Credits vary 0%-20%. Eff. 6-1-99

Vigilant Insurance Company:

- Forms 2, 3 & 3w/15: New Home Credit - 1 yr. of age 18%; 3% less credit each additional yr., 2nd - 6th yr.
- Forms 2 & 3: Fixed Dollar Amount Deductibles: Coverage A - \$5,000 to over \$250,000. Credit varies.
- Forms 4 & 6: Fixed dollar amount deductible credits: Coverage C - \$4,000 to over \$125,000. Credit varies.
- Form 3w/15: 17.3% discount applies.
- Forms 4 & 6: 16% credit.
- Forms 2, 3, 3w/15, & HE-7: Coverage A amount 400,000 & above; Key Factors vary. .
- Forms 2, 3, 3w/15, 4 & 6: Gated Community Credit; 5% for house located in a gated community meeting certain criteria.
- Personal Property Increased Limits: Form 2 & 3; \$1 per \$1,000 of coverage. Form 3w/15; \$1.50 per \$1,000 of coverage.
- Forms 2 & 3: 5% Valuable Articles Coverage Credit when criteria is met.
- Forms 2 & 3: Additional Amount of Insurance Option: 25%-\$1 surcharge; 50%-\$2 surcharge: Premium \$5. Eff. 6-1-99

Virginia Mutual Insurance Company:

- Forms 2, 3 & 8: Premium Credit by Amount of Coverage A - \$60,000 - \$130,000 & over and territory. Credit varies 4.7% -30.0%. Credits apply to basic annual premiums.
- Form 4: Premium credit factor .9091.
- Forms 2 & 3: Personal property rate for increase in Coverage C \$1 or \$3 per \$1,000 of coverage: Criteria apply.
- Row and Townhouses surcharge will be waived. Eff. 7-15-99

West American Insurance Company:

- Forms 2, 3 & 8: Fixed dollar amount deductible factors; \$500 - .90; \$1,000 - .83; \$2,500 - .75.
- Forms 4 & 6: Fixed dollar amount deductible; \$500 - .90; \$1,000 - .77; \$2,500 - .63.
- Personal Property Replacement Cost Coverage: Deviation for Forms 4 & 6.
- Deviations by Amount of Insurance.
- Base Rate Deviations by territory & protection classes 1-9: Variable credit.
- Water Craft Liability Rates: 60% below NCRB for powerboats; 50% below NCRB for sailboats.
- 5% FamPak Credit to all Private Passenger Auto insureds who also have Homeowners policy with the Ohio Casualty Group.
- Employee Discount: 20% to qualifying employees insured in the West American Insurance Company; 15% to qualifying employees insured with the FamPak program in the West American Insurance Company.
- % Wind or Hail Deductible Deviation: Credits Vary. Eff. 10-1-00

Westchester Fire Insurance Company:

- Forms 1, 2, 3 & 3 w/15: Age of dwelling credit 0-1 yr. 20%; 2% less credit each added yr.
- Forms 1, 2, 3 & 3 w/15: Higher deductible credit factors; \$500 - .89; \$1,000 - .80; \$2,500 - .67.
- Forms 4 & 6: Higher deductible credit factors; \$500 - .83; \$1,000 - .67; \$2,500 - .54.
- Premises Alarm System: Expand table of credits for protection classes 1-7 to include class 8.
- All Forms: Replacement Cost on Contents: Deletion of \$20 minimum additional premium. Eff. 3-1-90

Windsor Mount Joy Mutual Insurance Company:

- Amount of Insurance Deviation: Forms 1, 2 & 3; Coverage A amount 0-\$77,000; Credit varies 5.1% - 18.4% for homes less than 5 yrs. of age. Eff. 10-1-93

Winterthur International America Insurance Company:

- All Forms: Personal Property Replacement Cost Coverage; Minimum additional premium for coverage is deleted.
- All Forms: Protective Devices: Maximum credit allowed is deleted.
- Forms 1, 2 & 3: Replacement Cost on Contents: Charge \$1 per \$1,000 for additional increase of Coverage C to 70% of Coverage A. Additional premium for this coverage will not apply.
- Deductibles: Deletion of minimum charges.
- Forms 1, 2, 3 & 8: Fixed dollar amount deductible factors; \$500 - .91; \$1,000 - .83; \$2,500 - .75.
- Forms 4 & 6: Fixed dollar amount deductible factors; \$500 - .90; \$1,000 .77; \$2,500 - .63. Eff. 4-1-95

Worldwide Insurance Company:

- Protective Devices Discount: 3% for deadbolt locks on all main doors & fire extinguishers in house.
- Forms 1, 2, 3 & 3w/15: Deductible Credits; \$500 - 12%; \$1,000 - 24%; \$2,500 - 36%.
- Forms 4 & 6: Deductible Credits; \$500 - 17%; \$1,000 - 30%; \$2,500 - 37%.
- Replacement or Repair Cost Protection (HO-500); Waive \$5 charge.
- Forms 4 & 6: 10% deviation.
- Forms 4 & 6: Personal Property (Coverage C) Replacement Cost: 1.30 factor applies. Eff. 1-15-95

HOMEOWNERS

ACE American Insurance Company

- New Construction Credit: New home - 10 yrs. Credit varies 20% - 0%.
- Forms 1, 2, 3, 4 & 6: Fixed Dollar Deductible: Credit varies 15% - 40%.
- Personal Property Increased Limit: \$2 per \$1,000 of additional coverage.
- Form 2 & 3: Replacement cost on contents - HO 0490: Factor of 11.5% applies to end of the base premium & includes increased limits to 70% of Coverage A dwelling amount.
- Protective Device Credits: All zones & all protection classes: Credit varies 2% - 15%.
- Rate Deviation: Homeowners - 21%; Tenants - 15%; Condominiums - 20%. Eff. 9-1-99

ACE Fire Underwriters Insurance Company

- New Construction Credit: New 20%; 1 yr. old - 18%; 2% less credit each added yr.
- Forms 1, 2 & 3: Fixed dollar deductible credits; \$500 - 11%; \$1,000 - 21%; \$2,500 - 34%.
- Form 4: Fixed dollar deductible credits; \$500 - 11%; \$1,000 - 25%; \$2,500 - 40%.
- Forms 1, 2 & 3: Rate for increase in Coverage C: \$1 per \$1,000.
- Forms 1, 2 & 3: Replacement Cost Coverage HO-290; Charge shall be 4% of adjusted base premium. Coverage C must also be increased to 70% of A at \$1 per \$1,000.
- Protective Device Credits: All zones & all protection classes; Credit varies 1% - 15%. Eff. 5-1-92

AIU Insurance Company

- All Forms: 10%. Eff. 2-1-86

AMEX Assurance Company

- Form 3: Various downward deviation based on amount of insurance.
- Form 4: Various downward deviation based on amount of insurance.
- Form 6: Various downward deviation based on amount of insurance.
- Protective Device Credits: Credit varies 2% - 15%.
- Form 3, 4 & 6: Downward deviation on deductibles.
- Home & Auto Credit: Credit varies by form 2% or 5%.
- Replacement Cost on Contents Deviation: Form 3 - 5% of base premium; Forms 4 & 6 - 30% of base premium.
- Form 6: Downward deviation Coverage A Increased Limits.
- Form 3: Downward deviation on utilities rating (New Home Discount): Credit varies 2% - 25% based on age of dwelling.
- Form 3: Downward deviation Coverage C Increased Limits.
- Downward deviation for installment pay plan by electronic funds transfer or payroll deduction.
- No additional charge for Refrigerated Personal Property.
- No charge for townhouse or rowhouse.
- Form 6: 5% deviation.
- Costco Discount: 2% applies to policies for member insureds of Costco. Eff. 3-15-01

AXA Re Property & Casualty Insurance Company

- Discount on Installment Payment Plan: \$1 - \$2 charge.
- Three or Four Family Dwelling Discount.
- Townhouse or Rowhouse Discount.
- Waterbed Liability waived.
- Base Premium Deviation.
- Forms 2, 3, 4, 6 or 8: Deviation by Amount of Insurance.
- New Home Discount: 0-9 yrs. of age: Credit varies 2%-9%.
- Protective Devices Discount: Credit varies 1%-7%.
- Multi Policy Discount: 5% of the base premium.
- Personal Property Increased Limits Discount: \$2 rate per \$1000.
- Personal Property Replacement Cost Coverage Discount.

- Form 4: Building Additions & Alterations Increased Limits Deviation.
- Personal Property Increased Limits of Liability: Charge varies by additional amount of insurance.
- Rented Personal Property: No charge.
- Form 6: Coverage A - Dwelling Basic & Increased Limits Deviation.
- Forms 3 & 3 Plus: Inflation Guard Discount.
- Watercraft Discount: Up to 50 HP, no charge.
- Business Pursuits Discount.
- Form 3 Plus: Personal Injury Liability: No charge. Eff.10-18-00

Acceleration National Insurance Company

- Forms 2 & 3: Loss Free Credit: 2% applies basic policy premium when insured by company for 3 consecutive yrs. without loss.
- Forms 2 & 3: Retired Credit: 2% basic policy premium for policyholders 55 yrs. or older & neither are employed.
- New Home Credit: Age of dwelling 1 yr. - 16% credit; 2% less each yr. to 8th yr. Eff. 6-1-94

Affirmative Insurance Company

- 21% base deviation for Premier Homeowners Program.
- 11% base deviation for Deluxe Homeowners Program.
- 15% base deviation for Premier Tenant Program.
- 10% base deviation for Deluxe Tenant Program.
- 20% base deviation for Premier Condominium Program.
- 15% base deviation for Deluxe Condominium Program.
- Forms 2 & 3: Deductible credits; \$500-15%; \$1000-25%; \$2500-38%.
- Forms 4 & 6: Deductible credits; \$500-15%; \$1000-25%; \$2500-40%.
- All Forms, except 4 & 6: New Home Credit: New 20%; 2% less credit each additional yr. to 9th yr.
- All Forms: Protective Device Credits: Credits vary 2%-15%.
- Forms 2 & 3: Replacement Cost on Contents; Surcharge of 7.5%. Coverage increased to 70% of Coverage A at no premium charge.
- All forms, except 4 & 6; Personal Property Increased Limit \$2 charge per \$1000 of coverage. Eff. 6-1-99

AGRI General Insurance Company

- Amount of Insurance Deviation: Credits vary 1%-15% by policy amount, territory & county.
- New Home Credit: 20% 1st yr.; 2% less credit each added yr. to 9th yr. Does not apply to Form 8, remodeled or restored homes.
- All Forms, except 4 & 6: Deductible Factors: \$250 ded.-1.00; \$500 ded.-0.91; \$1000 ded.-0.79; \$2500 ded.-0.62.
- Protective Device Credit: Premium credit for all protection classifications & territories; Credit varies 1%-15%.
- Premium Credit for Exclusion of Farm Employees employed in violation of law: Credit \$1 per policy. Eff. 11-1-97

All America Insurance Company

- Forms 2, 3 & 3w/15: Deviation varies by policy amount public protection class & territory.
- Forms 4 & 6: Deviation by amount of insurance: Credit varies.
- Forms 2, 3 & 3w/15: New Home Credit: Credit varies 2% - 18% for new to 10 yrs. of age.
- Forms 2, 3, 3w/15, & 6: Package Credits whenever the Central Companies carry both Homeowners & Private Passenger Automobile coverages.
- Forms 2 & 3: Personal Property Replacement Cost surcharge factor 1.02.
- Optional Higher Deductibles by territory and deductible amount.
- Installment Payment Plan: No fee charged for Electronic Fund Transfer.
- Form HO 6: Apply a factor of .25 to the Form 4 premium. Eff. 7-1-01

Allstate Insurance Company

- Form 6: Deviation of .84% for condominium rates.
- Forms 2 & 3: Deviation by amount of insurance & territory. Credit varies.
- Form 3: Deluxe Plus: Deviation by amount of insurance. Credit varies.

- Forms 2, 3 & 3 Deluxe Plus: Deductible factors; \$100/\$250 theft-1.067; \$500 ded. -.910; \$1000 ded.-.790; \$2500 ded- .620.
- Forms 4 & 6: Deductible factors; \$100/\$250 theft - 1.023; \$500 deductible - .830; \$1000 deductible - .670.
- Forms 1, 2 & 3: 1.02 surcharge for replacement cost on contents.
- Forms 4 & 6: Replacement Cost Contents surcharge factor 1.33.
- Dwellings in course of construction: Annual premiums are to be calculated using an amount of insurance equal to 55% of expected finished value of dwelling as shown on Declaration page.
- Form 4 & 6: Age 55 & Retired Discount Factor; .75 when certain criteria met.
- Form 3: Deluxe Plus Package available when underwriting guidelines are met.
- Forms 4 & 6: Waterbed Liability Coverage (HO-400); \$5 charge per policy.
- Form 2, 3, 3 Deluxe Plus, 4 & 6: Deviation by protective devices. Factors vary.
- Forms 2, 3, 3 Deluxe Plus Package, 4 & 6: 5% home & auto discount when criteria is met.
- Deviation by Policy Form: Variable credits.
- Form 3 Deluxe Plus: Deviation by Protection Class: Variable credits.
- Deviation by age of home: Variable credits.
- Forms 3 Deluxe Plus Package: Guaranteed Replacement Cost provided at no charge.
- Form 4 & 6: Deviation by amount of insurance. Credit varies.
- Installment Payment Plan: \$1 charge each installment payment paid through electronic funds transfer.
- Installment Payment Plan: Payroll deduction option for Allstate Employees (NC); Installment charge waived.
- Windstorm/Hail Deductible: Deductible factors vary.
- Three or four family dwelling deviation.
- The Good Hands People Discount of 5% applicable for members of an approved Group of the Allstate Corporation and its subsidiaries.
- Forms 2, 3 Deluxe and Deluxe Plus Package: - 3% for territory 33; remainder of state 0%.
- Forms 4; Base rate; -5% for all territories.
- Residence Rental Coverage: Forms 1, 2 & 3: Charge for endorsement waived. Eff. 6-7-99

AmComp Assurance Corporation

- Forms 2 & 3: Deductible credits; \$500-9%; \$1000-17%.
- Forms 2 & 3: Premium credits for alarm systems vary 2% - 15%.
- Age 55 & Retired Discount: 10% credit applies when required criteria is met.
- Forms 2 & 3: New Home Credit; 14%; Homes completed & occupied current calendar yr.; 2% less credit each added yr. Eff. 12-1-91

American Automobile Insurance Company

- New Home Credit: 0 – 10+ yrs. of age: Credit varies 20% - 2%.
- Protective Device Credits: All forms & all territories: 1% - 15% credit applies to company base premium.
- Deductible Deviation: Credit varies 7% - 38% by deductible amount and Coverage A limit.
- Deductible Deviation: Credit varies 7% - 37% by deductible amount and Coverage C limit.
- Portfolio Credit: 5% credit applies to all homeowners policies when Personal Catastrophe Coverage and Personal Inland Marine Coverage is written with Company.
- Key Premium for HO3 and HO3w/15 Discount.
- Replacement Cost on Contents Deviation.
- Deviations by territories and forms: Credit varies 10% - 30%. Eff. 10-1-01.

American Bankers Insurance Company of Florida

- Retired Discount: 5% if an owner of insured premises or spouse is 55 yrs. of age or older.
- Claim Free Credit: 2% if insured has gone without loss for at least 3 yrs. with American Bankers.
- All Forms: Protective Device Credits: Preferred - credit varies 0%-13%; Standard - credit varies 1%-15%. Eff. 5-1-92

American Centennial Insurance Company

- Forms 1, 2, 3, 3 w/15 & 6: 25%. Eff. 9-1-85

American Economy Insurance Company

- All Forms: Personal Injury (HO-82) included at no charge.
- All Forms, except 4 & 6: New home credit or renovated home credit for homes meeting required criteria; 0-1 yr. - 15%; 2 yrs. - 12%; 3, 4 or 5 yrs. - 10%; 6 or 7 yrs. - 6%; 8-10 yrs. - 4%.
- Forms 2 & 3: Replacement Cost (HO-290) Coverage C is increased to 70% of Coverage A at no extra charge. Charge of 9% (7% in Beach Area) is added to basic premium.
- Forms 4 & 6: Replacement Cost (HO-290); Charge of 30% is added to basic premium.
- Form 3: Replacement or Repair Cost Coverage A (HO-500); No charge.
- Forms 4 & 6: \$100 deductible; Minimum additional charge of \$10 in lieu of \$30.
- Forms 2 & 3: Fixed deductible; \$500 ded. - 9%; \$1000 ded. - 17%.
- Forms 4 & 6: Fixed deductible credits; \$500 - 10%; \$1000 - 23%.
- Form 3: XL Coverage rate deviation when eligibility requirements are met.
- One family premium for all Section I & II coverages will apply regardless of number of families.
- Form 2 & 3: Dwelling under construction credit of 20% applies during first yr. when certain requirements are met.
- Form 6: Coverage A increased limits rate; \$2.70 per \$1000.
- Renewal credit for consecutive yrs. insured with American States Group; 3-5 yrs. - 5%; 6 or more yrs. - 10%.
- Protective Devices: Credit factors vary .98 to .85.
- Forms 3, 4 & 6: Unscheduled jewelry & furs - (HO-65); \$2500 increased limit - \$33; \$5000 increased limit - \$60.
- Form 3: XL Coverage Program; \$5000 limit included in basic premium. To reduce to \$1000 limit, subtract \$56. To reduce to \$2500 subtract \$35. Eff. 11-17-97

American Employers Insurance Company

- All Forms, except 4 & 6: New Home Credit; 0-1 yr. old - 20%; 2% less credit each added yr. to 10th yr.
- Forms 2 & 3: Personal Property Replacement Cost; Charge to increase Coverage C to 70% of Coverage A; \$1 per \$1000.
- Additional Limit of Liability for Coverage A. HO 3211. \$5 premium charge.
- Protective Devices Credits: PPC 1-7 - 2%-15%; PPC 8-9 - 1%-15%; Maximum credit of 20% applies.
- Inflation Guard Endorsement (HO-243) at 6% - at no charge.
- Forms 2 & 3: Fixed dollar amount deductible credits;- \$500-15%; \$1000-21%; \$2500-38%.
- Forms 4 & 6: Fixed dollar amount deductible credits; \$500-10%; \$1000-23%; \$2500-37%.
- Form 6: Units regularly rented to others (HO-33); Delete \$15 charge.
- Form 6: 11.1% credit.
- Form 6: Increased Coverage A limits HO-4 key factor for each additional \$10000 times .080; times HO-4 key premium. If HO-277 is endorsed on to policy HO-4 key factor for each additional \$10000 times .080; times HO-4 key premium plus \$1. \$3000 Coverage A provided at no additional charge.
- Multi-Policy Discount: 5% when insured has automobile policy with Commercial Union.
- 5% discount for insured age 50 or older.
- Form HE-7; HE7w/20 & HE7w/21: Reduced Factors.
- Deviation by amount of insurance for Coverage A \$250,000 - \$500,000. Variable credit.
- Windstorm or Hail Deductible. Eff. 6-1-99

American Fire & Casualty Company

- Forms 2, 3 & 8: Fixed dollar amount deductible factors; \$500 - .90; \$1000 - .83; \$2500 - .75.
- Forms 4 & 6: Fixed dollar amount deductible factors; \$500 - .90; \$1000 - .77; \$2500 - .63.
- Personal Property Replacement Cost Coverage: Deviation for Forms 4 & 6.
- Deviations by Amount of Insurance.
- Base Rate Deviations for protection classes 1-9 & territories. Variable credit.
- Water Craft Liability Rates: 60% below NCRB for powerboats; 50% below NCRB for sailboats.
- Employees Discount: 15% to qualifying employees insured in the Ohio Casualty Group.
- Percentage Wind or Hail Deductible Deviation: Credits vary. Eff. 10-1-00

American & Foreign Insurance Company

- Forms 1, 2 & 3: Replacement or repair cost protection - Coverage A dwelling; \$1 per policy.

- Protection Devices Credits: 2%-15%.
- All Forms, except 4 & 6: Deductible credit factors; \$500 - .89; \$1000 - .79; \$2500 - .72.
- Forms 4 & 6: Deductible credit factors; \$500-.89; \$1000-.77; \$2500-.63.
- Forms 1, 2 & 3: Personal Property Replacement Cost; Coverage A amount under \$75000 -10% surcharge; \$75000 - \$99,999 -7% surcharge; \$100000 & over-5% surcharge: Charge includes an increase in Coverage C limit 50% - 70% of Coverage A.
- All Forms: 5% preferred customers renewal credit when coverage has been with any of Royal Group for prior 3 yrs. with no losses.
- Discount for Eligible Employees: 20% credit to total homeowners policy premium.
- Form HE-7w/HE-21: 1.25 factor applies to base premium.
- Companion Policy Credit: 5% deviation when auto & homeowners policy is issued in any member of Royal Insurance when certain criteria are met.
- Installment Payment Plan: Policies billed by agent through account current payroll deduction program are not subject to installment or installment fees.
- Installment Payment Plan: \$1 each installment for Electronic Fund Transfer. Eff. 9-1-99

American Home Assurance Company

- HO-3 Premier Base Class Premium Deviation by territory: Credit varies 0%-21%.
- HO-3 Standard Base Class Premium Deviation by territory: Credit varies 0%-15%.
- HO-4 & HO-6 Base Class Premium Deviation by territory: Credit varies 3%-12%.
- Protection Device Credit for HO-3, HO-4, HO-6, & HO-3 Premier: Credit varies: Max. credit allowed is \$75.
- Optional Deductibles: All forms.
- HO-6 Coverage A Dwelling Increased Limits: Premium charge per \$1000 is \$2.
- 55 or Older & Retired Discount: Apply a factor of .9 to base premium when criteria is met.
- Multi Product Discount: Apply a factor of .9 to base premium when named insured has an auto policy with an American International Company.
- HO-4 & HO-6 Key Factor Deviation by Coverage C: All territories: Credit varies 0%-22%.
- HO-3 Standard & Premier Key Factor Deviation by Coverage A & territory: Credit varies 0%-25%.
- HO-4 & HO-6 Personal Property Replacement Cost Coverage Deviation. Eff. 12-1-99

American Insurance Company

- Forms 2, 3 & 3w/15: New Home Credit; 20% current yr. & one yr. preceding current yr. of construction; 2% less credit each added yr.
- Protective Devices Credit: All territories 1% - 15%. Credit applies to company base premium.
- All Forms: Deductible credits: \$500 -10%; \$1000 -20%; \$2500 -30%. Credit applies to company base premium.
- HO-3 w/15: Multiply HO-3 key premium by factor of 1.08 to obtain key premium for HO-3 w/15.
- Form 4 & 6: Deductible Credits for Coverage C limit. \$10000 & above \$500 -10%, \$1000 - 20%, \$2500 - 30%. Credit applies to company base premium.
- Discount of Replacement Cost on Contents: Apply surcharge of 10% to HO-3 company base premium for replacement cost on contents. Eff. 6-1-93

American Manufacturers Mutual Insurance Company

- Additional Amounts of Insurance (KIP only) deviation.
- All Forms: Optional Higher Deductibles deviation.
- Personal Property Replacement Cost: Increase Coverage C at \$1 per \$1000. Add \$10 surcharge.
- Mature Homeowners Credit: 5% applies to base premium when named insured is 55 yrs. of age & an adult is home during the day.
- New Home Credit Discount: 0 - 15+ yrs. of age: Credit varies 0% - 20%.
- Premium Credits for Protective Devices.
- All Forms, except 3w/15: \$100 deductible: Waive minimum premium.
- Form 3: Base rate deviation based on protection class & territory. Credit varies 0%-22%.
- All Forms except 3w/15: \$250 theft deductible/ \$100 deductible all other perils: Waive minimum premium.
- Form 4: Base Rate Deviation -14.5%.
- Form 6: Base Rate Deviation - 24%.
- Higher limits for credit cards, fund transfer card, forgery & counterfeit money coverage (KIP only): Limit of \$5000

included at no additional charge: \$7500 + \$1, \$10000 + \$2.

- Outboard Motors & Water Craft (KIP only): Coverage up to & including 50 HP is included at no additional charge.
- Personal Injury (KIP only): Coverage included at no additional charge.
- Seasonal or Secondary Dwelling Discount (KIP only): 5% discount to base premium.
- Blanket Property Limit (KIP only): Replacement cost contents coverage included at no additional charge.
- Form 3: Special Personal Property Coverage: Factor 1.10 applies to base premium.
- Form 6: Special Personal Property Coverage: Factor 1.20 applies to base premium.
- Form 4: Building Additions & Alterations Increase: KIP & Monoline: Each addl. \$1000 rate \$10000 Form 4 premium x .08.
- Form 6: Coverage A Dwelling Basic and Increased Limits Special Coverage: Each additional \$10000 develop premium \$10000 Form 6 premium x .08 or enter total Coverage A limit on Declaration page.
- Form 4 & 6: Ordinance or Law Increased Amount of Insurance: Each additional \$1000 of insurance rate \$10000 Form 4 or Form 6 premium x .08.
- Refrigerated Property: Coverage included at no additional charge with KIP policy.
- Form 3: KIP only: Ordinance or Law Coverage: Include 12.5% at no additional charge. Modify rating factors for additional coverage options.
- Windstorm and Hail Deductibles for Form 3: Blanket Limits deviation (KIP only).
- HE-7W/HE-40 deviation by territory for KIP only: Territory 40 - 1.20, Remainder of State 1.25.
- HE-7W/HE-40 & HE-20 deviation by territory for KIP only: Territory 40 - 1.25, Remainder of State 1.30.
- HE-7W/HE-40 & HE-21 deviation by territory for KIP only: Territory 40 - 1.30, Remainder of State 1.35.
- Deferred Premium Payment Plan: \$1 charge for electronic funds transfer.
- 7% Kemper Network Discount: Certain criteria apply. Eff. 1-22-01

American Modern Home Insurance Company

- Form 3: Deductible Credits; \$500 Ded. - 10%; \$1000 - 22%; \$2500 - 28%.
- Form 3: New Home Credit; Current yr. - 26%; 1st. yr. - 24%; 3% less each yr. to 7th yr.
- Form 3: Multi-policy credit; 5% credit when auto policy written in addition to homeowners policy.
- Protective Device Credits: Credit varies 1% - 10%.
- Amount of Insurance Deviation: Coverage A amount \$10000 - \$200000: Credit varies by territory.
- Eliminate charge to increase personal property limits.
- For rates above \$200000, a factor of .007 applies for each additional \$1000 of premium. Eff. 6-1-99

American Motorists Insurance Company

- All Forms: Optional Higher Deductibles deviation.
- Personal Property Replacement Cost: Increase Coverage C at \$1 per \$1000. Add \$10 surcharge.
- New Home Credit Discount: 0 - 10+ yrs. of age: Credit varies 0% - 20%.
- Premium Credits for Protective Devices.
- All Forms, except 3w/15: \$100 deductible: Waive minimum premium.
- Form 4: Base Rate Deviation 10%.
- Form 6: Base Rate Deviation - 20%.
- Higher limits for credit cards, fund transfer card, forgery & counterfeit money coverage (KIP only): Limit of \$5000 included at no additional charge: \$7500 + \$1, \$10000 + \$2.
- Outboard Motors & Water Craft (KIP only): Coverage up to & including 50 HP is included at no additional charge.
- Personal Injury (KIP only): Coverage included at no additional charge.
- Seasonal or Secondary Dwelling Discount (KIP only): 5% discount to base premium.
- Blanket Property Limit (KIP only): Replacement cost contents coverage included at no additional charge.
- Form 3: Special Personal Property Coverage: Factor 1.10 applies to base premium.
- Form 6: Special Personal Property Coverage: Factor 1.20 applies to base premium.
- Form 4: Building Additions & Alterations Increase: KIP & Monoline: Each addl. \$1000 rate \$10000 Form 4 premium x .08.
- Form 6: Coverage A Dwelling Basic and Increased Limits Special Coverage: Each additional \$10000 develop premium \$10,000 Form 6 premium x .08 or enter total Coverage A limit on Declaration page.
- Form 4 & 6: Ordinance or Law Increased Amount of Insurance: Each additional \$1000 of insurance rate \$10000 Form 4 or Form 6 premium x .08.
- Refrigerated Property: Coverage included at no additional charge with KIP policy.

- Form 3: KIP only: Ordinance or Law Coverage: Include 12.5% at no additional charge. Modify rating factors for additional coverage options.
- Windstorm and Hail Deductibles for Form 3: Blanket Limits deviation (KIP only).
- HE-7W/HE-40 deviation by territory for KIP only: Territory 40 - 1.20, Remainder of State 1.25.
- HE-7W/HE-40 & HE-20 deviation by territory for KIP only: Territory 40 - 1.25, Remainder of State 1.30.
- HE-7W/HE-40 & HE-21 deviation by territory for KIP only: Territory 40 - 1.30, Remainder of State 1.35.
- Deferred Premium Payment Plan: \$1 charge for electronic funds transfer.
- 7% Kemper Network Discount: Certain criteria apply. Eff. 1-22-01

American Professionals Insurance Company

- Form 2, 3 & 3w/15: Company deviation based on amount of insurance, construction & territory: Credit varies.
- Form 6: Territorial deviation.
- Forms 2, 3, 3w/15: New Home Discount based on age of home. Deviation varies 0% - 14%.
- Forms 1, 2, 3 & 3w/15: Fixed dollar amount deductible credit factors; \$500 - .85; \$1000 - .79; \$2500 - .62.
- Forms 1, 2, & 3: Increase in Coverage C; \$1 per \$1000.
- Protective Devices: All forms: Maximum credit for protective device eliminated. All protection class & all territories. Credit varies 2% - 15%. There is no limit on credit.
- Outboard Motors & Water Craft: Liability rates amended by boat length.
- Form 4 & 6: Fixed dollar amount deductible. Credit factor \$500 - .85; \$1000 - .77; \$2500 - .63.
- All Forms, except 4 & 6: Windstorm or Hail Percentage/Factor Deductible deviation.
- Form 6: Coverage A Dwelling Basic & Increased Limits and Special Coverage.
- All Forms, except 4 & 6: Personal Property Replacement (Coverage C) Cost Coverage. 1.05 factor applies to base premium. Form 4 & 6: 1.35 factor: Minimum additional premium deleted.
- Ordinance or Law Coverage deviation factors.
- Three or Four Family Residence Coverage B & C deviation.
- Installment Payment Plan. Initial installment charge waived.
- 5% account credit when named insured has an auto policy with the Highlands Insurance Group Companies. Eff. 6-1-99

American Protection Insurance Company

- All Forms: Optional Higher Deductibles Factors.
- Personal Property Replacement Cost: Increase Coverage C at \$1 per \$1000. Add \$10 surcharge.
- Mature Homeowners Credit: 5% applies to base premium when named insured is 55 yrs. of age & an adult is home during the day.
- New Home Credit Discount: 0 - 10+ yrs. of age: Credit varies 0% - 20%.
- Premium Credits for Protective Devices: Credit varies by protection class & territory.
- All Forms, except 3w/15: \$100 deductible: Waive minimum premium.
- Form 3: Base rate deviation based on protection class & territory. Credit varies 0%-22%.
- All Forms except 3w/15 & 6w/1731: \$250 theft deductible/ \$100 deductible all other perils: Waive minimum premium.
- Form 4: Base Rate Deviation -19%.
- Form 6: Base Rate Deviation - 28%.
- Higher limits for credit cards, fund transfer card, forgery & counterfeit money coverage (KIP only): Limit of \$5000 included at no additional charge: \$7500 + \$1, \$10000 + \$2.
- Outboard Motors & Water Craft (KIP only): Coverage up to & including 50 HP is included at no additional charge.
- Personal Injury (KIP only): Coverage included at no additional charge.
- Additional Amounts of Insurance (KIP only): 25%-.01, 50%-.02.
- Blanket Property Limit (KIP only): Replacement cost contents coverage included at no additional charge.
- Form 3: Special Personal Property Coverage: Factor 1.10 applies to base premium.
- Form 6: Special Personal Property Coverage: Factor 1.20 applies to base premium.
- Form 3: Windstorm or Hail Deductible: Change in rating procedure & credits to determine windstorm or hail deductible premium credits.
- Form 4: Building Additions & Alterations Increase: KIP & Monoline: Each addl. \$1000 rate \$10000 Form 4 premium x .08.
- Form 6: Coverage A Dwelling Basic and Increased Limits Special Coverage: Each additional \$10000 develop

- premium \$10,000 Form 6 premium x .08 or enter total Coverage A limit on Declaration page.
- Form 4 & 6: Ordinance or Law Increased Amount of Insurance: Each additional \$1000 of insurance rate \$10000 Form 4 or Form 6 premium x .08.
- Refrigerated Property: Coverage included at no additional charge with KIP policy.
- Form 3: KIP only: Ordinance or Law Coverage: Include 12.5% at no additional charge. Modify rating factors for additional coverage options.
- Windstorm and Hail Deductibles for Form 3: Blanket Limits deviation (KIP only).
- HE-7W/HE-40 deviation by territory for KIP only: Territory 40 - 1.20, Remainder of State 1.25.
- HE-7W/HE-40 & HE-20 deviation by territory for KIP only: Territory 40 - 1.25, Remainder of State 1.30.
- HE-7W/HE-40 & HE-21 deviation by territory for KIP only: Territory 40 - 1.30, Remainder of State 1.35.
- Deferred Premium Payment Plan: \$1 charge for electronic funds transfer.
- 7% Kemper Network Discount: Certain criteria apply. Eff. 1-22-01

American Spirit Insurance Company

- Form 2 & 3: 5% Loss free credit when criteria is met.
- Form 3: Increase in Coverage C Limit; \$1 per \$1000.
- Form 2 & 3: New Home Credit: 20% new; 2% less credit each added yr. to 9th yr.
- Form 2 & 3: Revised policy amount Relativities by policy amount & territory. Variable credits.
- Form 4 & 6: Revised Policy amount Relativities based on policy amount of insurance.
- Form 2 & 3: Base rate deviation by territory & county: Variable credit.
- Form 2 & 3: Deductible Credits; \$200001 & over \$500-15%; \$1000-21%; \$2500-30%; 0-\$200000 \$500 - 15%, \$1000-21%; \$2500-38%.
- Form 2 & 3: Revised Protection Class/Construction Type deviation. Variable credit.
- Protective Devices: Class 1-7 credit varies 1%-15%; Classes 8-9 credit varies 1%-8%.
- Form 2 & 3: Contents All Risk Coverage (HO-15) deviation by 50%.
- Credit Card, Forgery & Counterfeit Money Coverage \$2500 limit-no charge; \$5000-\$1; \$7500-\$3; \$10000-\$4.
- For 4 & 6: Replacement Cost Contents; Add 35% surcharge including additional premium for increase Coverage C limit.
- Form 2 & 3: Multiple Policy Credit; 5% applies to HO non-seasonal & primary dwelling when auto policy in force with Great American Group.
- Form 2 & 3: Mature 45 Discount; 5% credit when certain criteria is met.
- All Forms: Mass Marketing Discount: 5%.
- Forms 2 & 3: Deductible credits and Windstorm or Hail Deductible credits & surcharges.
- Form 6: 25% downward deviation applies to HO-4 base premium all territory except 5 & 6: 14.5% downward deviation applies to HO-4 base premium for territory 05 & 06. Eff. 12-13-96

American States Insurance Company

- All Forms: Include Personal Injury HO-82 at no charge.
- All Forms, except 4 & 6: New home credit or renovated home credit for homes meeting required criteria; 0-1yr. - 15%; 2 yrs. - 12%; 3, 4 or 5 yrs. - 10%; 6 or 7 yrs. - 6%; 8, 9 or 10 yrs. - 4%.
- Form 2 & 3: Replacement cost (HO-290) Coverage C is increased to 70% of Coverage A at no extra charge: Charge of 9% (7% in Beach Area) is added to basic premium.
- Forms 4 & 6: Replacement cost (HO-290); Charge of 30% is added to basic premium.
- Replacement or Repair Cost Protection Coverage A (HO-500): \$1.
- Forms 4 & 6: \$100 deductible; Minimum additional charge \$10 in lieu of \$30.
- One family premiums for all Section I & II coverages will apply regardless of number of families.
- Forms 2 & 3: Dwelling under construction credit of 20% applies during first yr. if certain requirements are met.
- Form 6: Coverage A increased limits; Basic coverage rate per \$1000 increase \$2.70.
- Renewal credit for consecutive years insured with American States Group: 3-5 yrs. - 5%; 6 or more yrs. - 10%.
- Protective Devices: Credit factors vary .98 to .85.
- Forms 2, 3, 4 & 6: Unscheduled jewelry & furs (HO-65) \$2500 increased limit - \$33; \$4000 increased limit - \$60.
- Forms 2, 3 & 8: Fixed deductible credits; \$500 - 9%; \$1000 - 17%.
- Forms 4 & 6: Fixed deductible credits; \$500 - 10%; \$1000 - 23%. Eff. 12-12-91

American States Preferred Insurance Company

- Form 3: Basic premium deviation varies by protection class. Variable credits.
- Form 3: Amount of insurance deviation: All amounts of insurance 13.0% credit.
- Form 3: Surcharges for townhouses & rowhouses are waived.
- Form 3: Homeowners XL Credit: When eligibility & coverage requirements are met. Variable credits.
- Form 3: Deductible credits/charges \$500 - 12%; \$1000 - 24%.
- The one family premiums for all Section I & Section II coverages shall apply regardless of number of families.
- Form 4: Amount of insurance deviation; \$15000 - \$30000 & above. Credit varies 2% - 22%, except for a few specific counties which receive 5% less.
- Form 6: Amount of insurance deviation; \$20000 - \$30000 & above. Credit varies 8% - 25%, except for a few specific counties which receive 5% less.
- Forms 4 & 6: Deductible credits/charges; \$500 - 17%; \$1000 - 30%.
- Alarm systems: Premium credits vary.
- Jewelry & Furs: Forms 3, 4 & 6; \$2500 limit \$33; \$5000 limit - \$60. Form 3 w/XL coverage \$5000 included in base premium. To reduce to \$2500 limit subtract \$35. \$1000 limit subtract \$56.
- Form 3: Replacement Cost (HO-290) Coverage C is increased to 70% of Coverage A at no extra charge; Charge of 9% (7% in Beach area) is added to basic premium.
- Forms 4 & 6: Replacement Cost (HO-290); Charge of 30% is added to basic premium.
- All Forms: Include Personal Injury HO-82 at no charge.
- Form 3: Replacement or Repair Cost Protection Coverage A dwelling HO-500; No charge.
- Form 6: Coverage A increased limits; Basic coverage rate per \$1000 increase \$2.70.
- Form 3: New Home Credit; Current yr. - 15%; one yr. preceding current yr. - 12%; 2nd, 3rd & 4th yrs. -10%; 5th & 6th yrs. - 6%; 7th, 8th & 9th yrs. - 4%.
- Form 3: New dwelling under construction; 20% when certain requirements are met.
- Renewal credit for consecutive yrs. with American States Group; 3-5 yrs. - 5%; 6 or more yrs. - 10%.
Eff. 10-30-97

Amerisure Insurance Company

- All Forms: Minimum additional charge of \$30 for \$100 deductible is waived.
- Mature Homeowners Credit Factor .95 insured age 55 or older & dwelling is primary.
- Multi Policy Credit: Forms 2, 3 & 6: 15% multi-policy credit when personal auto coverage in force in Amerisure Group.
- New Home Credit Factors: Current year -.80; 1 yr.- .81; 2 yrs. -.82; 3 yrs -.84; 4 yrs. -.86; 5 yrs. -.88; 6 yrs. -.90; 7 yrs. -.93; 8 yrs. -.96; 9 yrs. - .99.
- Form 3: Deviation by Territory: 0% - 18% credit based on territory, protection class & construction.
- Form 1, 2 & 3: Amount of Insurance Deviation; Coverage A amount \$60000+-\$199000 credit varies 0.46% - 9.77%.
- Form 6: Relativity .85. Eff. 10-1-94

Amerisure Mutual Insurance Company

- All Forms: Minimum additional charge of \$30 for \$100 deductible is waived.
- Multi-Policy Credit: Forms 2, 3 & 6 - 15% multi-policy credit to all homeowners rates & premiums when automobile policy is written with Amerisure Group.
- Form 6: Relativity is .85. Eff. 10-1-94

AMICA Mutual Insurance Company

- Forms 2 & 3: New Home Credit; 0-1 yr. old - 20%; 2% less credit each additional yr. up to 10 yrs.
- Form 2 & 3: Repair or Replacement Cost Protection; Factor of 1.06 reduced to 1.00.
- All Forms, except 4 & 6: Fixed dollar amount deductible credits - \$500-11%; \$1000-21%; \$2500-30%.
- Forms 4 & 6: Fixed dollar amount deductible credits; \$500-13%; \$1000-28%; \$2500-42%.
- Reduce increased limits charges for Coverage C all forms to \$1: \$10 charge waived for increased limits up to 75% of Coverage A amount.
- Forms 4 & 6: Rate deviation: 10%.
- Eliminate the additional charge of \$2 for first installment payment plan. \$2 charge for each remaining installments.
- Eliminate the additional charge for each installment payments for members of any AMICA Group.
- 2% credit for 3 or more smoke detectors in all territories for protection classes 1-7.

- Installment Payment Plan: \$2 service charge regardless of number of policies on installment.
- Ordinance or Law: 25% of Coverage A provided without charge. Reduce charges for limits excess of 25% of Coverage A.
- Refrigerated Property: \$10 charge is waived.
- Windstorm Deductible Credits. Eff. 6-1-99

Armed Forces Insurance Exchange

- Installment Payment Plan: Charge waived.
- Forms 1, 2, 3, 3 w/15 & 8: Base premium deviation based on insurance amt.; \$0 - \$181000 & over credit varies 14% - 25%.
- Form 4: Base premium credit: 16%.
- Form 6: Multiply the HO-4 base premium by factor of .70 when HO 1731 is not part of the policy. Multiply HO-4 base rate by .98 when HO 1731 is part of the policy.
- Protective Device Credits: All protection classes & all territories; Factors vary .98 - .85. Maximum credit waived.
- Forms 2, 3, 3 w/15 & 8: Fixed dollar amount deductible factors; \$500- .85; \$1000 - .75; \$2500 - .61.
- Personal Property Increased Limits charge per \$1000; Forms 1, 2 & 3 - \$.50. Form 3w/15 - \$.75.
- All Forms, except 4 & 6: New Home Credit; New - 20%; 2% less credit each additional yr.
- Home Day Care Coverage E: Reduce base premium by 50%; Coverage F; Premiums reduced by 50%.
- Minimum policy premium waived.
- Wind or Hail Deductible: Credit & surcharge vary.
- Earthquake: Ordinance or Law increased amount of insurance (Does not include basic, only increased amount).
- Sinkhole Collapse Coverage: All Forms except HO-6; Increased amount of coverage (Does not include basic, only increased amount). Eff. 9-7-00

Associated Indemnity Corporation

- Forms 2, 3 & 3w/15: New Home Credits; 20% current yr. & one yr. preceding current yr.; 2% less each added yr. Credit applies to company base premium.
- Protective Device Credits: All territories; 1% - 15%; Credit applies to company base premium.
- Forms 1, 2, 3, 3w/15 & deductible credits; \$500-10%; \$1000-20%; \$2500-30%. Credit applies to company base premium.
- HO-3w/15 Key Premium: Multiply HO-3 key premium by factor of 1.08.
- Discount of Replacement Cost on Contents: Surcharge of 10% to HO-3 company base premium.
- Form 4 & 6: Deductible credits all territories; Credits for Coverage C \$10000 & above, \$500-10%, \$1000-20%, \$2500-30%. Credit applies to company base premium. Eff. 6-1-93

Associates Insurance Company

- Forms 1, 2, 3 & 3 w/15: Amount of insurance credit; \$40000 - 2%; \$45000 - 4%; \$50000 - 6%; \$55000 - 8%; \$60000 - 11%; \$65,000 - 14%; \$70000 - 17%; \$75000 & over 20%.
- Forms 1, 2, 3 & 3 w/15: New Home Credit; 0-1 yr. - 15%; 2-3 yrs. - 10%; 4 & 5 yrs. - 5%.
- All Forms: Eliminate 5% surcharge for personal property replacement cost (HO 290) endorsement.
- All Forms: Reduced key premiums for protection classes 7 & 8. Eff. 11-1-88

Association Insurance Company

- Deviation by Coverage A limit \$100000 & above - 30% credit.
- Forms 1, 2 & 3: Replacement Cost Coverage HO-290; Personal property incr. limits charge \$1 per \$1000; Waive 5% surcharge.
- New Home Credit: Coverage A amount \$100000 & above; Age of dwelling 0-5 yrs - 15%, 6-10 yrs - 10%, 11-15 yrs - 5%.
- 44% deviation off N.C. Rate Bureau Rates if Coverage A amount is \$100000 or above for all SAS Institute Inc. Employees. Eff. 1-1-96

Assurance Company of America

- All Forms, except 4 & 6: Age of dwelling credit; New-20%; 1yr.-18%; 2yrs.-16%; 3yrs-14%; 4yrs-13%; 5yrs.-12%;

6yrs.-10%; 7yrs.-8%; 8yrs.-6%; 9yrs.-4%. 10yrs.-2%.

- Forms 4 & 6: Replacement Cost on Contents; Factor 1.35.
- Forms 2 & 3: Charge \$1 per \$1000 for increase in Coverage C limit.
- Form 4: 15% deviation.
- Form 6: 20% deviation.
- Base Premium Discount: All Forms, except 4 & 6; Factor varies .95 -1.25.
- Forms 2, 3 & 3w/15: Deviation by territories: Variable credits.
- All Forms: Fixed dollar amount deductibles factors: \$500-.85; \$1000-.75; \$2500-.70.
- Account Credit: 10% credit when insured has home & auto coverage with Zurich Insurance Cos. when criteria is met.
- Protective Device Credit: Factor varies. Maximum credit of \$75 is waived. Eff. 7-1-98

Auto Owners Insurance Company

- All Forms: 10% credit on selective optional coverages rated as flat dollar charge per fixed amount of coverage.
- All Forms: Optional deductible charges: \$50 flat-+15% \$100 flat- +10%; \$250 theft deductible-+5%.Min. charges waived.
- All Forms: Protective device credit: 2% applied to premium chart premium for dwellings for each of following heat/smoke detectors, deadbolt locks or fire extinguishers.
- All Forms: Protective devices factors: Protection class 1-7, territories 36-40 apply for all protection classes & territories. Credit varies 1% - 15%.
- Form 3: New Home Credit: New-18%; 1% less credit 1st & 2nd yr.; 2% less credit 3rd - 9th yrs. of age.
- Mature Homeowners Credit: 22% for insureds 65 yrs. of age or older: 20% for insureds between the ages of 55 & 64: 10% for insureds between the ages of 50 & 54. Discount will apply to primary, secondary or seasonal residences.
- Form 3: Townhouse or rowhouse charge; Use same rate per number of families for protection classes 9, 9S & 10 as for protection classes 1-8.
- Loss Assessment: Same rates apply to Form 3 & Form 6 with HO-32 as to all other forms.
- Fire Department Service Charge: Additional amount of insurance; Rate \$4 per \$100.
- All Forms: Credit Card, Fund Transfer Card & Counterfeit Money Coverage: \$1000 limit no charge; \$2500-\$2; \$5000-\$3; \$7500-\$4; \$10000-\$5.
- Form 6: Units Regularly Rented to Others: Waiver \$15 manual charge. Apply factor of .25 to premium chart to determine additional premium.
- Building Additions & Alterations at Other Residences; Eliminate \$1 - HO-277 is endorsed on policy.
- Form 3: Business Pursuits coverage provided with no charge, except corporal punishment.
- Other Insured Location Occupied by Insured: Section II - 2, 3 & 4 family dwelling rated same as one family dwelling.
- Permitted Incidental Occupancies: Residence premises; No charge for property exposure to business in an other structure.
- Section II Liability: Residence Employees; Bureau charges waived.
- Form 3: Deviation by amount of insurance, territory, construction & protection. Variable credits.
- Form 6: 5% Amount of Insurance Credit for \$10000 & over.
- Form 4: 10% credit for occupancies of 3 families or more.
- Forms 3, 4 & 6: Personal Injury HO-82 Coverage provided with no charge.
- Forms 3 & 6 Special Personal Property Coverage Deviation: Form 3, 10% charge. Min. \$20. Form 6, 20% charge.
- Multi-Policy Discount: 5% credit applies to primary, secondary & seasonal residence when named insured has both a private passenger auto policy & homeowners policy written with an Auto-Owners Insurance Group Company.
- Forms 2, 3 & 6: Seasonal Discount: 10% credit applies when owner-occupied dwellings are occupied less than 180 days during calendar yr.
- Additional Residence Rented to Others.
- Section II Liability: Water Craft Deviation.
- Homeowners/Life Multi-Policy Discount 5% credit.
- Additional Limits of Liability for Coverage A, B, C & D. \$7 charge per location. Eff. 7-15-01

Automobile Insurance Company of Hartford, Conn.

- Protective Device Deviation: Credit varies 1% - 13%.

- Deductible Credits: Varies by amount of deductible.
- Forms 2, 3, 3w15: Personal Property - Increased Limit Coverage C: \$1 per \$1000.
- Refrigerated Personal Property: \$10 charge waived.
- Forms 2, 3, 3w15, 4 & 6: 5% Account Credit.
- Forms 2 & 3: Inflation Guard Premium waived.
- Geico Sponsored Account Discount: 3% credit.
- Forms 3 & 6: 5% Safety Seminar Credit: Certain criteria apply. Eff. 8-20-00

Balboa Insurance Company

- Age of Dwelling Credit: 0 - 9 yrs. of age: Credit varies 2% - 20%.
- Base Rate Deviation by territory.
- Deductible Factors Deviation: Credit varies.
- Protective Device Credits: Credit varies 2% - 13%: Credits cannot be combined.
- Personal Property Replacement Cost: \$20 minimum premium is deleted. Eff. 2-28-01

Bankers Standard Insurance Company

- New Construction Credit: New - 20%; 1 yr. old - 18%; 2% less credit each added yr.
- Forms 1, 2, 3, 4 & 6: Fixed dollar deductible credits; Credit varies 15% - 40%.
- Forms 4 & 6: Fixed dollar deductible credits; \$500 - 11%; \$1000 - 25%; \$2500 - 40%.
- Rate for increase in Coverage C; \$2 per \$1000.
- Forms 1, 2 & 3: Replacement cost coverage HO 0490; Charge shall be 7.5% of adjusted base premium. Coverage C increased to 70% of A at no premium charge.
- Protective Device Credits: All zones & all protection classes; Credit varies 2% - 15%. Eff. 9-1-99

Blue Ridge Insurance Company

- Forms 1, 2 & 3: Personal Property Replacement Cost Coverage; Apply factor 100 to base premium. Minimum premium deleted.
- All Forms: \$100 deductible or \$250 theft deductible; No minimum additional premium.
- Fixed dollar amount deductible factors: Forms 1, 2, 3 & 8; \$500 - .91; \$1000 - .83; \$2500 - .75. Forms 4 & 6 - \$500 - .90; \$1000 - .77; \$2500 - .63.
- All Forms, except 4 & 6: \$250 deductible; Multiply base premium by factor of .9625. Eff. 4-1-95

Boston Old Colony Insurance Company

- Forms 1, 2, 3 & 3 w/15: Personal Property Replacement Cost; Eliminate 5% surcharge. Eliminate \$20 minimum premium.
- Forms 1, 2 & 3: New Home Credit; Dwellings 0-5 yrs. old - 15%; 6-10 yrs. old - 10%, if requirements are met.
- Forms 1, 2 & 3: 20%, if requirements are met.
- Forms 1, 2, 3 & 3 w/15: Deductible Credits; Coverage A - all amounts; \$250-15%; \$500-25%; \$1000-35%; \$2500-45%.
- Forms 4 & 6: Coverage C - all amounts; \$250-13%; \$500-28%; \$1000-42%; \$2500-53%. Eff. 1-1-86

CGU Insurance Company of New Jersey

- All Forms, except 4 & 6: New Home Credit; New -20%; 1 yr. old - 18%; 2 yrs. old - 16%; 3 yrs. old -14%; 4 yrs. old -12%; 5 yrs. old - 10%; 6 yrs. old -10%; 7 yrs. old - 8%; 8 yrs. old - 7%; 9 yrs. old - 6%; 10 yrs.-6%; 11 yrs.-4%; 12 yrs.-4%; 13 yrs.-2%; 14 yrs.-2%.
- All Forms, except 4: Account credit: 10% applies to homeowner premium when named insured insures personal automobiles in any of the General Accident Companies.
- All Forms: Protective devices: Credit varies 2% - 15%.
- All Forms: Fixed Dollar Amount Deductible Factors; \$500 - .90; \$1000 - .77.
- Forms 1, 2, 3 & 3w/15: Personal Property Increased Limits; \$1 per \$1000 of insurance.
- Forms 1, 2 & 3: Personal Property Replacement Cost coverage; Waives charge to increase Coverage C limit 50% to 70% of Coverage A limit. Premium for replacement cost coverage developed by applying factor of 1.05 to base premium including any premium adjustment for Coverage C in excess of 70% of Coverage A.

- All Forms, except 4 & 6: Deviation by policy size; Coverage A Amounts. Credit varies 2.1% -18.8%. Eff. 4-15-96

Central Mutual Insurance Company

- Forms 2, 3 & 3w/15: Deviation by amount of insurance, public protection class & territory: Variable credits.
- Forms 1, 2, 3 & 3 w/15: New Home Credit: Credit varies 2%-18% for homes new to 10 yrs. of age.
- Forms 2, 3, 3 w/15 & 6: 5%-10% Package Credit if company carries private passenger automobile/homeowners coverage based on territory.
- Forms 2 & 3: Personal Property Replacement Cost surcharge factor 1.02.
- Optional Higher Deductibles Deviation.
- Installment Payment Plan: Charge waived when the insured uses Electronic Funds Transfer.
- Forms 4 & 6: Deviation by amount of insurance: Credits vary. Eff. 7-1-01

The Charter Oak Fire Insurance Company

- Protective Device Deviation: Credits vary 1% - 13%.
- Forms 2, 3 & 3w/15: 5% Account Credit.
- Forms 2, 3 & 3w/15: Personal Property - Increased Limit Coverage C: \$1 per \$1000.
- Forms 2, 3 & 3w/15: Loss Free Credit: 3+ yrs. loss free 5% credit.
- Form 3w/15: 10% Additional premium charge.
- Base Rate Deviation: Credit varies depending on territory.
- Coverage A Relativities based on Coverage A amount & territory.
- Deductible Credits: Credit varies by amount of deductible.
- Refrigerated Personal Property: \$10 charge waived.
- Forms 2, 3 & 3w/15: Final premium adjustment factor of .92.
- Forms 2 & 3: Inflation Guard: Premium charge waived.
- Forms 3: 5% Safety Seminar Credit: Certain criteria apply. Eff. 8-20-00

Cincinnati Indemnity Company

- Forms 2, 3 & 3w/15: Age of dwelling credit; New - 2 yrs. - 20%; 3-5 yrs. - 15%; 6-8 yrs. - 10%; 9-11 yrs. - 5%.
- Form 6: (Deviation to HO-4) Credit varies based on territory.
- Forms 2, 3 & 3w/15: Deductible credits/surcharges.
- Forms 4, 6 & 6w/HO 1731: Deductible credits/surcharges.
- Forms 2, 3 & 3w/15: Rate \$2 per \$1000 increased Coverage C above 50% of Coverage A.
- Protective Device credits vary 1% - 12%.
- Credit Card, Fund Transfer Card, Forgery & Counterfeit Money Coverage; \$2500 limit no charge; \$5000 limit \$1; \$7500 limit \$3; \$10000 limit \$4.
- Forms 4 & 6: Replacement Cost on Contents; Reduce surcharge to 35%.
- Form 6w/HO1731: Condominium Unit Owners; Credit varies based on territory.
- Installment Payment Plan: Delete the \$3 charge for each installment.
- Homeowners Enhancement Deviation. Eff. 6-1-99

The Cincinnati Insurance Company

- Forms 2, 3 & 3w/15: Age of dwelling credit; New-2 yrs.-20%;3-5 yrs.-15%; 6-8 yrs.-10%; 9-11 yrs.-5%.
- Form 6: (Deviation to HO-4) Credit varies based on territory.
- Forms 2, 3 & 3w/15: Relativity deviation by policy amounts.
- Forms 2, 3 & 3w/15: Base rate credits by territories.
- Forms 4 & 6: Base rate credits by territories.
- Forms 2, 3 & 3w/15: Deductible credit/surcharge.
- Forms 4, 6 & 6w/HO1731: Deductible credits/surcharge.
- Forms 2, 3 & 3w/15: Rate \$2 per \$1000 for increased Coverage C above 70% of Coverage A.
- Protection Device credits vary 1% - 12%.
- Credit Card Fund Transfer Card, Forgery & Counterfeit Money coverage: \$2500 limit - no charge; \$5000 limit \$1; \$7500 limit \$3; \$10000 limit \$4.
- Forms 4 & 6: Replacement Cost on Contents; reduced surcharge to 35%.

- Form 6w/HO 1731: Condominium Unit Owner; Deviation based on territory.
- Installment Payment Plan: Delete the \$3 charge each installment.
- Homeowners Enhancement Deviation.
- Watercraft Liability Deviation. Eff. 4-1-01

Commercial Insurance Company of Newark, New Jersey

- Forms 1, 2 & 3: 20% credit if criteria is met.
- Forms 1, 2, 3 & 3 w/15: Deductible credits: Coverage A all amounts; \$250-15%; \$500-25%; \$1000-35%; \$2500-45%.
- Forms 4 & 6: Deductible credits; Coverage C all amounts; \$250-13%; \$500-28%; \$1000-42%; \$2500-53%.
- Forms 1, 2, 3 & 3 w/15: Personal Property Replacement Cost; Eliminate 5% surcharge. Eliminate \$20 minimum premium.
- Forms 1, 2 & 3: Age of dwelling credit; 0-5 yrs. - 15%; 6-10 yrs. - 10% if criteria are met.
- Amount of Insurance Deviation; \$50000 - \$225000 & above credit varies 9% - 39%. Eff. 12-9-88

Commercial Union Insurance Company

- Forms 1, 2, 3: Fixed dollar amount deductibles; \$500-15%; \$1000-21%; \$2500-38%.
- Forms 4 & 6: \$500-10%; \$1000-23%; \$2500-37%.
- All Forms, except 4 & 6: New home discount; 0-1 yr. old - 20%; 2% less credit each added yr. to 10th yr.
- Forms 1, 2, 3 & 3w/15: Repair or replacement cost Coverage A; HO3211 - \$5 premium charge.
- Protective Devices Credits: PPC 1-7 - 2%-15%; PPC 8-9 - 1%-15%: Maximum credit of 20% applies.
- Forms 2 & 3: Personal Property Replacement Cost; Charge to increase Coverage C to 70% of Coverage A; \$1 per \$1000.
- All Forms, except 4 & 6: Provide Inflation Guard Endorsement at 6% amount of annual increase at no charge.
- Form 6: Units regularly rented to others; Delete \$15 charge.
- Form 6: 11.1% credit.
- Form 6: Increased Coverage A limit: HO-4 Key Factor for each additional \$10000 - x .080 x HO-4 Key Premium. If HO-0477 is endorsed on to policy; HO-4 Key Factor for each additional \$10000 x .080; x HO-4 Key Premium plus \$1.
- Multi-Policy Discount: 5% when insured also has voluntary automobile policy with Commercial Union.
- 5% discount for insured age 49 or older.
- Homeowners Enhancement Factors: HE-7 - 1.15; HE -7w/15 - 1.20 & HE-7w/21 - 1.25.
- All Forms, except 4 & 6: Deviation by Coverage A amount of insurance: Credit varies.
- Windstorm or Hail Deductibles. Eff. 6-1-99

Commercial Union Midwest Insurance Company

- All Forms, except 4 & 6: New Home Discount; 0-1 yr. old -20%; 2% less credit each added yr. to 10th yr.
- Forms 2 & 3: Personal Property Replacement Cost; Charge to increase Coverage C to 70% of Coverage A; \$1 per \$1000.
- Replacement or Repair Cost Protection Coverage A (HO-3211): \$5 premium charge.
- Protective Devices Credits: PPC 1-7 - 2%-15%; PPC 8-9 - 1%-15%: Maximum credit of 20% applies.
- All Forms, except 4 & 6: Provide Inflation Guard endorsement coverage at 6% amount of annual increase at no charge.
- All Forms, except 4 & 6: Fixed Dollar Amount deductibles: \$500-15%; \$1000-21%; \$2500-38%.
- Form 3: 15% credit when certain underwriting criteria are met.
- Multi-Policy Discount: 5% when insured has auto policy with Commercial Union.
- 5% discount for insured age 49 or older.
- Deviation to Enhancement Forms HE-7; HE-7w/20 & HE-7w/21: Credits vary.
- Deviation by amount of Coverage A: \$250000 - \$500000. Variable credits.
- Windstorm or Hail Deductibles. Eff. 6-1-99

Consolidated American Insurance Company

- All Forms: 10% downward deviation.
- Forms 1, 2 & 3: New home credit; 16% current calendar yr.; 2% less credit for each yr. preceding current calendar

yr.

- Flat Deductible Credits: \$500 - 9%; \$1000 - 17%; \$2500 - 25%. All Forms, except forms 4 & 6.
- All Forms: Protective Device Credits; Various combinations ranging 2% - 15%.
- Forms 2, 3, 3W/15 & 6: Account credit; 10% if insured has both his personal auto policy & homeowners policy with any of the Seibels-Bruce Companies.
- Forms 2, 3, 3w/15 & 6: Amount of insurance credit; \$10000 - \$110000 - credit varies 0% - 27%.
- All Forms, except 4: 5% Senior Citizens Credit when required criteria is met.
- All Forms, except 4: Credits for consecutive yrs. with Seibels Bruce Insurance Companies 3-5 yrs.-5%;6 or more yrs- 10%.
- Personal Injury Coverage: No charge.
- Forms 3 & 3w/15: Coverage C increased limits charge per \$1000 - \$1 in lieu of \$2.
- Guaranteed replacement or repair cost for dwelling HO-500: No charge.
- Forms 3 & 3w/15: Windstorm & Hail exclusion in Territory 04; \$75 credit.
- Per Prop Replacement: All Forms; Increase Coverage C limits 50% to 70% of Coverage A at no additional charge. Eff. 8-1-92

Continental Insurance Company

- All Forms, except 4 & 6: Amount of insurance deviation based on territory. Credits vary 0% - 15.4%.
- Forms 4 & 6: Amount of insurance deviation based on territory. Credits vary
- Earthquake Rate Deviations.
- Forms 2, 3, 3w/15 & 8: Replacement cost on contents deviation. Factor 1.05 waived.
- Deductible Credits Deviation.
- New Home Discount: 0-5 yrs. -15%; 6-10 yrs. - 10%.
- Gated Community Discount. 10% credit when criteria are met.
- Guaranteed Replacement Cost Coverage. Premium charge \$3.
- Special Coverage Rate Deviation.
- Preferred Rate Deviation: 8% credit applies when criteria are met.
- Additional Limits Deviation Coverage F: Deviation - 66.67%.
- Other Insured Location. 1 family - 43%; 2 families - 71%.
- Permitted Incidental Occupancy Med Payments Rate Deviation. Deviation varies 50% - 60%.
- Additional Residence Rented to Others Rate Deviation. 1 family - 88%; 2 families - 84%.
- Business Pursuits Rate Deviation. Credits vary 14% - 40%.
- Permitted Incidental Occupancy Rate Deviation. Residence Premises - 47%; Other Residence - 29%.
- Incidental Farm Rate Deviation. Residence Premises - 48%; Other Residence - 65%.
- Companion Policy Discount: 10% applies when named insured has an auto policy with any Encompass Insurance Company.
- Superior Construction Discount: 15% credit applies to masonry base premium or apartment unit.
- Protective Device Credits: Credit varies 1% - 9%.
- Automatic Sprinkler System Deviation: Credit of 7% or 13% applies. Eff. 7-3-01

Continental National Indemnity Company

- Form 3: Age of Dwelling Discount: 0 - 9 yrs. of age: Credit varies 2% - 20%.
- Account Credit Program: .85 factor applies when both the homeowner & auto policy is written through CNIC.
- Deductible Credit/Charges Deviation: Credit varies by deductible amount.
- Form 6: .80 factor applied to HO-4 base premium.
- Protective Device Deviation: Credit varies 1% - 15%.
- Forms 3, 4 & 6: Eliminate minimum premium for Replacement Cost Coverage.
- Form 3: Additional Limits of Liability for Coverages A, B, C & D: 6% applies to base premium when certain criteria is met.
- Form 3: Personal Property Replacement Cost will be 5% of base premium, no minimum additional premium & no charge to increase Coverage C when certain criteria is met.
- Form 3: Personal Injury charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Water Back-Up of Sewers or Drains, charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Credit Card, Fund Transfer Card, Forgery & Counterfeit Money, to increase coverage charge will be

- deleted when certain coverages & increased limits options are selected.
- Form 3: Special Computer Coverage, charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Coverage C Increased Special Limits of Liability, charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Fire Department Service charge will be increased to \$1000 when certain coverages & increased limits options are selected.
- Form 3: Increasing Coverage D to 30% of Coverage A, charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Coverage A Relativities Deviation: Credit varies 3.8% - 6.5%.
- Form 3: Ordinance or Law-Increased Amount of Coverage will be 4% of the base premium when certain coverages & increased limits options are selected.
- Form 3: Refrigerated Property Coverage, charge will be deleted when certain coverages & increased limits options are selected. Eff. 1-1-01

Eagle American Insurance Company

- Forms 2 & 3: 5% loss free credit when criteria is met.
- Form 3: Increase in Coverage C limit; \$1 per \$1000.
- Forms 2 & 3; New Home Credits: 20% - new; less 2% credit each added yr. up to 9th yr.
- Forms 2 & 3: Revised policy amount relatives by policy amount & territory. Variable credit.
- Forms 2 & 3: Base rate deviation by territory & county. Variable credit.
- Forms 2 & 3: Policy Amount 0-\$2,000,000 Deductible credits; \$500 - 15%; \$1000 - 20%; \$2500 - 30%; Policy amount \$200001 & over deductible credits; \$500-15%; \$1000-21%; \$2500-30%.
- Forms 2 & 3: Revised protection class/construction deviation.
- Protective Device Credit: Classes 1-7 credit varies 1%-15%; Classes 8-9: Credit varies 1%-8%.
- Forms 2 & 3: Charge for contents all risk coverage deviated by 50%.
- Credit Card, Forgery & Counterfeit Money \$2500 limit no charge, \$5000-\$1; \$7500-\$3; \$10000-\$4.
- Forms 2 & 3: Multi-Policy Credit; 7% applies HO non-seasonal & primary dwelling when auto policy in force with Great American Group.
- Form 6: 25% downward deviation applies to HO-4 base premium all territory except 05 & 06. 14.5% downward deviation applies to HO-4 base premium for territory 05 & 06.
- Forms 4 & 6: Replacement cost on contents; Reduce surcharge to 35%.
- Forms 4 & 6: Revised policy amount relatives based on amount of insurance.
- Forms 2 & 3: Mature 45 Discount; 5% credit when one of insured is 45 or older & insured is principal residence.
- All Forms: Mass Marketing Deviation; 5% credit for payroll or account deduction basis for employees of corporations or members of credit union association.
- Form 4: Base rate deviation by territory; Credit varies 4.84%-5.26%. Eff. 12-13-96

Economy Premier Assurance Company

- Form 3: Base Rate & Policy Amount Relativities by Territory Deviation: Credit varies.
- Form 6: Base premium is calculated with a factor of 14.5% below the HO 4 base rates.
- Form 4: Base rate deviation by territory: Credit varies 2.6% - 10.1%.
- Forms 4 & 6: Policy Amount Relativities by Territory Deviation: Credits of 2.7% - 14%.
- Form HE-7: Contract provided at no additional charge.
- Form HE-7w/HE-20: Base premium is calculated with a factor of 1.02 applied to HO-3 rates.
- Form HE-7w/HE-21: Base premium is calculated with a factor of 1.04 applied to HO-3 rates.
- Forms HE-7, 6 & 4: Homeowners Pak II Credit: 10% credit in territories 32-43 who qualify.
- Pak II Renewal Credit: 3%-5% credit applies to final premium when insured has maintained an auto or homeowners policy written with a Metropolitan Company.
- New Home Discount: 0 - 15 yrs. of age: Credit varies 3% - 18%.
- Personal Injury Protection Liability Deviation: Provided with no additional charge.
- Forms 4 & 6: Personal Property Replacement Cost Coverage: Provided at no additional charge.
- Forms HE-7, 4 & 6: Credits for higher deductibles.
- Premium Credits for Protective Devices: Credits vary 1% - 15%.
- Business Pursuits Deviation.
- Water Craft Deviation: Credits vary by length & horsepower.

- Home Day Care Deviation: Premium charge will be rated at Bureau rates for Permitted Incidental Occupancies.
- Form HE-7: Personal Property Increased Limits: \$1 per \$1000 of insurance.
- Premium Payment Plan Deviation. Eff. 6-1-01

Electric Insurance Company

- Forms 2, 3 & 3 w15: Base rate deviation by territory: Credit varies.
- Forms 4 & 6: Base Rate Credit - 11%.
- Forms 1, 2 & 3: Personal Property Replacement Cost (HO-290); Coverage C is automatically increased to 70% of Coverage A. Premium surcharge 1.02 to be applied to base premium including any premium adjustment for Coverage C limits.
- Forms 4 & 6: Personal Property Replacement Cost (HO-290); Premium surcharge 1.25.
- Forms 2 & 3: New Home Credit; 0 - 10 yrs. of age; Credit varies 2% - 25%.
- Replacement or Repair Cost: Coverage A (HO-500); \$1 charge.
- Protective Device Credits: Credits vary 2% - 15%.
- Silverware, Goldware & Pewterware: Additional premium for each \$500 increase - \$2.
- Firearms: Additional premium for each \$100 increase - \$1.
- Forms 2, 3, 4 & 6: 10% Multi-Policy Discount.
- All Forms, except 4 & 6: Fixed dollar amount deductible factors Coverage A limits: Factors vary for \$500, \$1000, & \$2500 deductible.
- Forms 4 & 6: Fixed dollar amount deductible factors: Factors vary.
- Decreased rates for unscheduled jewelry, watches & furs; Limit may be increased to maximum of \$5000 not to exceed \$1000 for any one article; \$12 for each \$1000 increase.
- Additional Wind & Hail Deductible factor of .05. Eff. 4-30-01

EMCASCO Insurance Company

- Forms 2 & 3: 23% downward base rate deviation.
- Optional Section I & II Bureau Rates; 15% credit.
- New Home Credit: 1st calendar yr. 15%; 2nd yr. 12%; 2% less credit each added yr.
- Forms 2 & 3: Personal Property Replacement Cost Coverage C: Use 1.00 factor; Forms 4 & 6: Use 1.40 factor.
- Forms 2 & 3: Flat deductible credits: \$500-12%; \$1000-30%; \$2500-40%; Forms 4 & 6: \$500-15%; \$1000-32%; \$2500-45%.
- Company Combination Premium Credit: 15% when homeowners & auto policies are written in one of the EMC Companies.
- Forms 2 & 3: Additional Amount of Insurance; \$5 premium per policy.
- Renovated Dwelling Credit: Variable credits when criteria is met.
- Installment Payment Plan: Charge for installments is waived for Electronic Fund Transfer. Eff. 1-15-01

Employers Mutual Casualty Company

- Forms 1, 2 & 3: Fixed dollar amount deductible; \$500 - 12%; \$1000 - 30%; \$2500 - 40%.
- Forms 4 & 6: Fixed dollar amount deductible; \$500 - 15%; \$1000 - 32%; \$2500 - 45%.
- Company Combination Premium Credit: 15% when homeowners & auto policies are written in one of the EMC Companies.
- Forms 2 & 3: Additional amount of insurance; \$5.
- Renovated Dwelling Credit: Variable credits when criteria is met.
- Installment Payment Plan: Charge for installments are waived for Electronic Fund Transfer. Eff. 6-1-99

Erie Insurance Exchange

- Forms 2, 3, 8, HE-7, HE-7/20 & HE-7/21: Key Premium deviations: Variable credits based on zones.
- Forms 2, 3 & 8: Deviation on key factors by amount of insurance.
- Forms 4 & 6: Deviation on key factors by amount of insurance.
- Forms HE-7, HE-7w/20 & HE-7w/21: Deviation on key factors.
- Secondary Residence: Subtract \$5 for duplication of coverage credit: Waive charge on primary policy for Section II coverage on secondary residence.
- All Forms, except 4 & 6: Waive surcharge for townhouse or rowhouse.

- Forms 2 & 3: Personal Property Replacement Cost: 12% surcharge includes increase in Coverage C to 70% of Coverage A.
- Forms 4 & 6: Personal Property Replacement Cost: 30% surcharge.
- Forms 2, 3, 8 & HE-7: Deductible factors: \$500 - .88; \$1000 - .76; \$2500 - .72.
- Forms 4 & 6: Deductible factors: \$500-.83; \$1000-.69; \$2500-.63.
- Protective Device Credit Deviation: Credit varies 1% -7%, with a maximum credit of \$75.
- New Home Discount: Credits vary 2% - 25% for new to 9 yrs. of age.
- Form 4: Building Addition & Alterations: HO-51 - \$4 per \$1000 increased limits.
- Specified Additional Amount of Insurance for Coverage A only(HO 32): \$1 charge..
- Forms 4 & 6: Loss of Use Increased Limits; \$4 per \$1000.
- All Forms, except HE-7: Increased Special Limits of Liability HO-65, HO-211: Reduced charges.
- Landlord's Furnishings: \$17 for \$1000 limit regardless of number of units.
- Form 6: Units Rented to Others HO-33: Charge 25% of base premium.
- Outboard Motors & Watercraft Deviation: Outboard, inboard & inboard-outboard less than 50 horsepower-deviation 100%.
- Multi-Policy Discount: 10% credit applies when criteria met.
- Rented Personal Property: No charge.
- Waterbed Liability HO-400: No charge.
- HE-7: Personal Property Increased Limits; \$2 per \$1000.
- Business Pursuits: No charge.
- Refrigerated Property Coverage: Charge waived. Eff. 9-1-01

Farmers Insurance Exchange

- Base Rate Deviations: Forms 3 & 4: Credits vary 2% - 13% by territory.
- Form Factor Deviations: Forms 3w/15 & 4.
- Plan Relativity Factors: Forms 3, 3w/15, 4, & 6: Premier, Preferred & Standard Plans: Certain criteria apply.
- Amount of Insurance Deviations: All Forms, except 4 & 6: Credit varies 0% - 7%.
- 9 & 9s Protection - Construction Factors Deviation by territory: All Forms, except 4 & 6.
- New Home Discount: Form 3: Current yr. - .80 factor; add .02 to factor each additional yr. until 7th yr.
- Ordinance or Law Deviation: Forms 2 & 3: Factors Vary.
- Personal Property Replacement Cost Coverage Deviation: Forms 4 & 6.
- Protective Devices Deviation: Credits vary 1% - 10%: Certain criteria apply.
- Deductible Deviations: All Forms , except 4 & 6: Credits vary.
- Wind Storm or Hail Deductible Deviations: All Forms, except 4 & 6.
- Loss Assessment Coverage Deviation: Forms 3 or 6w/HO1732.
- Loss of Use Deviation/Increased Limit: Rate per \$1000 - \$3.
- Other Structures Increased Limit Deviation: Rate per \$1000 - \$2.
- Personal Property Increase Limits Deviation: Credits vary.
- Other Insured Location Occupied by Insured: 4 Family Residence - \$27.
- Additional Residence Rented to Others: 4 Family Residence - \$86.
- Permitted Incidental Occupancies - Residence Premises & Other Residences: Deviation applies to Residence Premises.
- Business Pursuits Deviation for \$200,000 limit.
- Age 50 Plus Discount.
- Auto/Homeowners Discount: All Forms: Factor of .90: Certain criteria apply.
- Non Smoker Discount: Certain criteria apply. Eff. 3-16-01

Federal Insurance Company

- Form 3w/15: 17.3% credit.
- Elimination of maximum credit for protective devices.
- Forms 2, 3, 3w/15 & HE-7: Coverage A amount 400,000 & above; Key Factors vary.
- Forms 2, 3, 3w/15, 4 & 6: Gated Community Credit; 5% for house located in gated community meeting certain criteria.
- Forms 2, 3, 4 & 6: Fixed dollar amount deductible; Credit varies based on amount of Coverage A and amount of deductible.

- Personal Property Increased Limits: Form 2 & 3-\$1 per \$1000: Form 3w/15-\$1.50 per \$1000 of coverage.
- Forms 2 & 3: Additional Amount of Insurance Option: 25%-\$1 surcharge: 50%-\$2 surcharge: Premium \$5.
Eff. 1-19-01

Federated Mutual Insurance Company

- Forms 1, 2, 3 & 3w/15: New Home Credit: 14% dwellings 0-1 yr. old; 2% less credit each added yr.; applies to \$250 deductible basic premium & premium for amended Coverage C limit.
- Forms 1, 2, 3 & 3w/15: Fixed dollar amount deductibles; \$100 +10%; \$500 -10%; \$1000 -20%; \$2500 -30%.
- Forms 4 & 6: Fixed dollar amount deductibles; \$100 +10%; \$500-15%; \$1000-30%; \$2500-40%.
- Forms 1, 2, 3 & 3w/15: Deviation by policy amount varies 0%-25%.
- Form 4: 10%.
- Form 6: 25%.
- Forms 3 & 3w/15: Special Additional Credit Rule: 10% when eligibility & mandatory coverage requirements are met.
- Multiple Policy Discount: 5% applied to HO Policy when private passenger auto policy & personal umbrella policy is written by this Company.
- Installment Pay Plan: \$5 maximum charge per account for all policies. Eff. 11-15-94

Fidelity & Casualty Company of NY

- All Forms, except 4 & 6: Amount of Insurance Deviation: Variable Credits.
- Form 4: Amount of Insurance Deviation: Variable Credits.
- Form 6: Amount of Insurance Deviation: Variable Credits.
- Earthquake Deviation.
- Companion Policy Discount: 10% credit applies when named insured has an auto policy with any Encompass Insurance Company.
- Forms 2, 3, 3w/15 & 8: Personal Property Replacement Cost: Eliminate 5% surcharge.
- Deductible Credit Deviation.
- New Home Discount: 0 - 5 yrs. - 15%; 10 yrs. - 10%.
- Gated Community Discount.
- Guaranteed Replacement Cost coverage of buildings & structures at principal residence: \$3.
- Form 6: \$1,000 increase is .9 times applicable premium each additional \$1000 column in basic premium chart for Coverage C.
- Preferred Rate Deviation: Deviation varies when requirements are met.
- Additional Limits Coverage F Medical Payments Deviation.
- Other Insureds Location: Variable credits.
- Permitted Incidental Occupancy Medical Payments Rate Deviation.
- Additional Residence Rented to Others Rate Deviation.
- Business Pursuits Rate Deviation.
- Permitted Incidental Occupancy Rate Deviation.
- Incidental Farm Rate Deviation. Eff. 11-1-96

Fidelity & Guaranty Insurance Company

- Waive additional premium of \$5 or less.
- Deviation of HO-3 Base Rates by territory & policy amount: Credits vary.
- Forms 4 & 6: Personal Property Replacement Coverage: Reduced premium charge.
- Special Package Discount: 5% credit to total residential premium when underwriting criteria is met.
- Form 6: Relativity factor .750 in lieu of .855.
- Employees Discount: 20%.
- Forms 2 & 3: Additional amount of insurance: HO 3211 \$5 premium charge.
- Deductible Credits.
- Increase in Coverage C: Reduced rate per \$1000.
- Multi-Policy Discount: 10% credit when private passenger auto policy is also purchased with USF&G.
- All Forms, except 4, 6 & 8: New Home Discount; 1 yr.-20%; 2% less credit each added yr. to 9th yr. Eff. 4-15-00

Fidelity & Guaranty Insurance Underwriters

- Deviation of HO-3 Base Rates by territory & policy amount: Credits vary.
- Forms 4 & 6: Personal Property Replacement Cost Coverage; Factor 1.35.
- Waive additional premium of \$5 or less.
- Special Package Discount: 5% credit applied to total residential insurance premium when underwriting criteria is met.
- Form 6: Form Relativity of .800 in lieu of .855.
- Employees Discount: 20%.
- Forms 2 & 3: Additional amount of insurance: H0 3211 - \$5 premium charge.
- Deductible Credits.
- Increase in Coverage C: Reduced rate per \$1000.
- Multi-Policy Discount: 10% credit when private passenger auto policy is also purchased with USF&G.
- All Forms, except 4, 6 & 8: New Home Discount; 1 yr.-20%, 2% less credit each added yr. to 9th year.
- Forms 2, 3 & 3w/15: Protection Class Deviation. Eff. 4-15-00

Firemans Fund Insurance Company

- New Home Credit: 0 – 10 yrs. of age: Credit varies 20% - 0%.
- Protective Device Credits: All territories: Credit varies 1% - 15%.
- All Forms, except 4 & 6: Deductible Credits for various Coverage A Limits: Credits vary 7% - 38% by deductible amount.
- HO-3 w/15: Multiply the HO-3 key premium by factor of 1.08 to obtain key premium for HO-3 w/15.
- Replacement Cost on Contents: Apply surcharge of 10% to HO-3 company base premium for replacement cost on contents.
- Forms 4 & 6: Deductible Credits for various Coverage C Limits: Credits vary 7% - 37% by deductible amount.
- Portfolio Credit: 5% applies to all Homeowners policies when Personal Catastrophe Coverage and Inland Marine Coverage is written with Fireman's Fund. Eff. 10-1-01

Firemans Insurance Company of Newark, New Jersey

- Base Rate Deviations by Territory: Forms 2, 3 and 8: Credit varies 25% - 36.6%.
- Base Rate Deviations by Territory: Forms 4 and 6: Credit varies 37.6% - 41.9%.
- Earthquake Coverage Deviation.
- Companion Policy Discount: 10% applies when named insured has an auto policy with any Encompass Insurance Company.
- Gated Community Discount: 10% credit applies when criteria are met.
- New Home Discount: 0 – 10 yrs. of age: Credit varies 10% - 18%.
- Deductible Credits Deviations: Credits vary by Coverage A Limit or deductible amount.
- Additional Limits Deviation for Coverage F.
- Business Pursuits Rate Deviation.
- Incidental Farming Personal Liability Deviation.
- Superior Construction Discount: 15% credit applies to masonry base premium or apartment unit.
- Protective Devices Credit: Credit varies 1% - 9%.
- Automatic Sprinkler Systems Deviation: Credit of 7% or 13%. Eff. 7-3-01

Firemen's Insurance Company of Washington D.C.

- Deluxe Program: Form 3: 5% deviation off base premiums.
- All Forms: Protective Device Credit: Credit varies 2% - 13%.
- All Forms, except 4 & 6: Age of Home Discount: Credit varies 4% - 20% for age of dwelling 0 - 25 yrs. with greatest credit for newest homes.
- All Forms, except 4 & 6: Senior Citizen Discount; Factor of .92 of base premium age 50-54 yrs. Factor .95 age 55 yrs. & older.
- All Forms, except 4 & 6: Renovation Discount 0-15 yrs. factors of .85-.95 applies when underwriting guidelines are met. Credit applies to base premium.
- Renewal Discount: Factor .95 applies to base premium when criteria is met.
- Form 3: Loss Free Credit; 1yr. - 5%; Renewal with 2 yrs. loss free - 10%. Credit applies to base premium.

- All Forms, except 4 & 6: Optional deductible credits applies to base premium. Coverage A limit under \$200,000 - \$500 ded. - .87; \$1000 - .76; \$2500 - .73. \$20000-\$400,000 - \$500 ded - .89; \$1000 - .80; \$2500 - .77. Over \$400,000 - \$500 - .92; \$1000 - 86; \$2500 - .83. Eff. 10-1-97

First National Insurance Company of America

- Forms 3 & 4: Base Key Premium by Territory Deviation.
- Policy Amount by Territory Relativities Deviation.
- Newer Home Credit: Homes which are less than seven yrs. old receive a credit of 2%-20%, depending on age.
- Forms 3, 4, 6, HE-7 & HE-21: Deductible Deviations.
- All Forms: Renewal Credit: Certain criteria apply.
- All Forms: Account Credit: Certain criteria apply.
- Protective Device Credit: Credit varies 2%-15% with a maximum credit for any combination of \$150.
- Condominium Unit-Owners Coverage A Increased Limits & Special Coverage Deviation.
- All Forms: Business Pursuits (HO 24 71): Charge deleted.
- Increased Limits of Personal Property: Automatic increase to 70% of Coverage A.
- Landlord's Furnishings (HO 32 21): Can be increased to \$5000 with burglary coverage added: \$10 charge per policy.
- Additional Limits of Liability for Coverages A, B, C & D (HO 32 11): \$5 per policy.
- Ordinance or Law Coverage (HO 04 77): Increase to a total of %100 of Coverage A.
- Personal Property Replacement Cost (HO 04 90): Waiver of minimum premium.
- Increase Special Limits-Jewelry (HO 04 65)/Additional Coverage-Unscheduled Jewelry (HO 32 27) Deviation.
- All Forms: Medical Payments/Other Exposures/Higher Limits Deviation.
- Other Insured Locations Occupied by Insured: 2 family house will be charged as a 1 family house.
- Additional Residence Rented to Others (HO 24 70) Deviation.
- Outboard Motor & Watercraft Liability Deviation.
- Enhancement Program Surcharge Deviation.
- Personal Liability/Residence Premises Deviation.
- Special Personal Property Coverage (HO 00 15)/Unit Owners Coverage (HO 1731): Coverage C may be extended to include additional risks of physical loss.
- Installment Payment Charge: \$2 per installment except when paying in full or via electronic funds transfer. Eff. 7-5-01

General Accident Insurance Company of America

- All Forms, except 4 & 6: Newer Home Credit; Current yr. - 20%; 1 yr. old - 18%; 2 yrs. old - 16%; 3 yrs. old - 14%; 4 yrs. old - 12%; 5 yrs. old - 10%; 6 yrs.-10%; 7 yrs. old - 8%; 8 yrs. old - 7%; 9 yrs. old - 6%; 10yrs.-6%;11yrs.-4%; 12yrs-4%;12yrs.-4%; 13yrs.-2%;14yrs.-2% .
- All Forms: Fixed Dollar Amount Deductible Factors; \$500 - .90; \$1000 -.77.
- Forms 1, 2, 3 & 3w/15: Personal Property Increased Limits; \$1 per \$1000 of insurance.
- All Forms, except 4: Account Credit; 10% applies to Homeowners premium when named insured has personal auto coverage in any of the General Accident Company.
- All Forms: Protective Devices Credits vary 2% - 15%; Maximum credit per policy 15%.
- Forms 1, 2 & 3: Replacement Cost on Contents; Waive charge to increase Coverage C from 50% to 70% of Coverage A limit. Premium for replacement cost coverage shall be developed by applying factor of 1.05 to base premium including premium adjustment for Coverage C in excess of 70%. Eff. 4-15-96

General Insurance Company of America

- All Forms: Base Key Premiums by Territory Deviation.
- Policy Amount Relativities Deviation: Variable Credits.
- Deductible Debit/Credits Deviation.
- Form 3: New Home Credit: Credit varies 2% - 20% to 6th yr.
- All Forms: Renewal Credit: 3-5 yrs. - 5%; 6yrs.+ - 10%.
- All Forms: Account Credit: 10% credit when new - 2 yrs.: 5% credit when 3+ yrs.: for total policy premium when insured has a Safeco auto policy also.
- Protective Devices Deviation: Credit varies 2%-15% with a maximum credit of \$150.
- All Forms: Business Pursuits (HO 24 71): Delete charge.

- Credit Card Forgery & Counterfeit Money Coverages (HO 04 53): Delete \$1 charge for \$1000 limit.
- Personal Injury (HO 24 82): Included at no charge.
- Increased Limits of Personal Property: Personal property limit is increased to 70% of Coverage A limit without charge. Further increase limits may be purchased at a charge.
- Condominium Unit Owners Coverage A Increased Limits & Special Coverage Deviation.
- Landlord's Furnishing (HO 32 21): \$10 premium per policy to increase coverage to total \$5000 with burglary coverage added.
- Additional Limits of Liability for Coverages A, B, C, & D (HO 32 11): 5% charge.
- Ordinance or Law Coverage (HO 04 77) Deviation for Quality Plus Form, Quality Crest Form & Condominium Form.
- Personal Property Replacement Cost (HO 04 90): \$20 minimum charge is waived.
- Increased Special Limits - Jewelry (HO 04 65): When increased special limits of liability are purchased for jewelry, HO 32 27 will be automatically added with no additional charge.
- All Forms: Medical Payments: Other exposures - Higher limits: Additional charge for higher limits of medical payments will be waived.
- Other Insured Location Occupied by Insured. A two-family house will be charged same as one-family house.
- Additional Residence Rented to Other (HO 24 70): Limit of Liability \$100,000 - \$1,000,000: Premium charge varies.
- Personal Liability - Residence Premises Deviation: Increased Limits: Coverage E base \$300,000: Coverage F no charge.
- Outboard Motors & Water Craft: Reduced premiums based on limits, length and horsepower.
- Enhancement Program Surcharge: HE7 w/HE21-\$250 deductible-35% surcharge: \$1000 base deductible-6.6% surcharge.
- Special Personal Property Coverage HO-OO 15 & HO-17 31: Quality Plus Form & Condominium Form- Increase basic premium 8%. Quality Crest Form automatically included.
- Personal Liability - Residence Premises Deviation.
- Installment Payment Charge: \$2 each installment. Eff. 7-5-01

Glens Falls Insurance Company

- All forms, except 4 & 6: Amount of Insurance Deviation; Variable credits.
- Form 4: Amount of Insurance Deviation: Variable credits.
- Form 6: Amount of Insurance Deviation: Variable credits.
- Earthquake Rate Deviation.
- Forms 2, 3, 3w/15 & 8: Personal Property Replacement Cost; Eliminate 5% surcharge.
- Deductible Credit Deviation.
- New Home Discount: 0 - 5 yrs. - 15%; 6 - 10 yrs. - 10%.
- Gated Community Discount.
- Guaranteed Replacement Cost coverage of building & structures at principal residence - \$3.
- Form 6: \$1000 increase is .9 times the applicable premium under each additional \$1000 column in the basic premium chart for Coverage C.
- Preferred Rate Deviation: Plan A rates deviation of 20%.
- Additional Limits Deviation Coverage F: Medical Payments Deviation.
- Other Insureds Location: Variable credits.
- Permitted Incidental Occupancy Medical Payments Rate Deviation.
- Additional Residence Rented to Others Rate Deviation.
- Business Pursuits Rate Deviation.
- Permitted Incidental Occupancy Rate Deviation.
- Incidental Farm Rate Deviation. Eff. 11-1-96

Globe Indemnity Company

- Companion Policy Credit Rule: 10% if auto coverage is afforded in any member company of Royal Insurance.
- Forms 2 & 3: Additional Amount of Insurance: \$8 per policy.
- Protective Device Credits: Credit varies 2% - 15%.
- Optional Higher Deductible Factors: All Forms, except 4 & 6: \$500-.89; \$1000-.79; \$2500-.72: Forms 4 & 6 - \$500-.89; \$1000-.77; \$2500-.63.

- Forms 2 & 3: Personal Property (Coverage C) Replacement Cost: Coverage A amount under \$100,000 - 11% surcharge; Over \$100,000 - 8% surcharge. Forms 4 & 6: 40% surcharge.
- Forms 2, 3, 3w/15, HE 7/HE 21 & 6: Optional Coverage Premium Discount; Factor varies based on territory.
- 5% Preferred Customer Renewal Credit: Certain criteria apply.
- Discount for Eligible Employees: 20% credit to total homeowners policy premium.
- Form HE-7w/HE-21: 1.25 factor applies to base premium.
- Installment Payment Plan waived for employees.
- Installment Payment Plan: Policies billed by agent through account current payroll deduction program are not subject to installment fees.
- Installment Payment Plan: \$1 each installment for Electronic Fund Transfer.
- Coverage A Discount determined by amount of insurance and territory: Credit varies 0%-17%.
- Group Mass Marketing Discount: 10% applies to all coverages: Certain criteria apply.
- New Home Discount: New to 10 yrs. of age - 2% to 20% deviation. Eff. 3-1-01

Government Employees Insurance Company

- Forms 1, 2, 3 & 3 w/15: New Home Discount: 10% for dwellings 5 yrs. old or less.
- Homeowners Theft Deterrent Premium Credit Program: Forms 1, 2, 3 & 3 w/15 - 7%; Forms 4 & 6 - 20%.
- Forms 1, 2 & 3: Amount of Insurance Credit; Classes 1-9 - \$10,000-\$200,000 & over. Credit varies 4%-22%.
- Form 6: 10%.
- All Forms: Protective Devices: Variable credits.
- Forms 2, 3, 4 & 6: Retired Discount Credit; 20% when specified criteria are met.
- All Forms: Dual Policy Discount: 10% when specified criteria are met.
- Forms 4 & 6: Key factor +.074 for each additional \$1000 of coverage.
- Installment Payment Plan: Waive the charge of \$3 first installment if first payment received with application.
- Form 4 & 6: Waterbed Liability Endorsement: No premium charge. Eff. 3-1-95

Grain Dealers Mutual Insurance Company

- 10% credit when insured has both personal auto & homeowners policy written by Grain Dealers Mutual Ins. Company.
- Forms 2 & 3: New Home Credit: New - 1yr. of age - 25%; 1-2yrs. of age - 20%; 3 yrs. of age - 15%; 4 yrs. of age - 10%; 5 yrs. of age - 5%.
- Forms 2, 3 & 3w/15: 20% to base rates applies to Coverage A amount of more than \$125,000.
- Continuous Policyholder Discount Program: 0-2 yrs.-0%credit: 3-5 yrs.-5%credit: 6-8 yrs.-10% credit: 9+ yrs.-15% credit.
- 10% deviation on base rates for Alamance & Caswell Counties in Territory 35.
- Personal Property Increased Limits Rate Deviation.
- Form 3: 10% Mature Home Credit: Certain criteria must be met. Eff. 1-1-02

Grangers Mutual Insurance Company

- Deviation by policy size: Below \$50,000 - 5%; \$50,000-\$99,999 - 15%; over \$99,999 - 25%.
- New Home Discount; 0-5 yrs. - 15%; 6-10 yrs. - 10%. Eff. 1-1-95

Granite State Insurance Company

- Forms 1, 2, 3, 4, 3w/15 & 6: 20% deviation.
- Replacement or Repair Cost protection Coverage A premium \$1.
- Age of Dwelling Deviation: 0 - 20 yrs. old - 10%.
- Forms 1, 2, 3, 3w/15, 4 & 6: 20%. Eff. 7-1-87

Graphic Arts Mutual Insurance Company

- Forms 1, 2 & 3: Replacement Cost on Contents; Increase Coverage C to 70% of Coverage A for no additional charge. 5% surcharge is to be added to the total base premium.
- Forms 4 & 6: Coverage C increased to 40% at no additional charge.
- Tier Deviation: 5% credit applies to homeowners, personal inland marine, dwelling fire, personal umbrella &

personal auto premiums provided the named insured is employed through an employer in the Company Workplace Insurance Service for Employees (W.I.S.E.) program or is a member of a company approved affinity group.

- 15% deviation for employees of Utica National Insurance Group.
- HO Extension Package: Certain criteria apply. Eff. 6-1-01

Great American Assurance Company

- Forms 2 & 3: Loss Free Credit - 5% if no losses have occurred during 3 previous yrs.
- Forms 2 & 3: Coverage C increased limit - \$1 per \$1000 in lieu of \$2.
- New Home Credits: 0 yr. of age - 20%; 1 yr. - 18%; 2% less each yr. to 9th yr.
- Form HO-6: 25% below HO-4 base premium.
- Forms 2 & 3: Deviation on policy amount relativity by territory.
- Forms 4 & 6: Replacement Cost on Contents - reduce surcharge to 35%.
- Protective Devices Credits: Classes 1-7 - Credits varies 1%- 15%; Classes 8 & 9 - Credit varies 1%-8%.
- Credit Card, Fund Transfer Card, & Forgery & Counterfeit Money Coverage (HO-53): \$2500 limit - no charge; \$5000 limit \$1; \$7500 limit \$3; \$10000 limit \$4.
- Contents All-Risk Coverage: Form 3/w15; Increased premium will be reduced by 50%.
- Forms 2 & 3: Base rate deviation by territory: Variable credits.
- Multiple policy credit: Forms 2 & 3; 5% credit if auto policy is in force with Great American Group Company.
- Deviation by Protection Class: Forms 2 & 3; Credits varies 0% - 4.0% based on construction & protection class.
- Deductible Credits: Form 2 & 3; \$500- 10%; \$1000-20%; \$2500-30%.
- Deductible Credits: Form 4 & 6; \$500-10%; \$1000-23%; \$2500-37%.
- Policy Amount Relativities Forms 4 & 6: Each additional \$1000 above \$15000 amount of insurance - relativity 0.074.
- Mature 45 Discount: Form 2 & 3: 5% credit when certain criteria is met.
- All Forms: Mass Marketing Deviation; 5% credit for payroll or account deduction basis for employees of corporations or members of credit union association. Eff. 6-18-93

Great American Insurance Company

- Forms 2 & 3: New Home Credit: 20% current yr. 2% less credit each added yr. up to age 9 yrs.
- Form HO 6: 25% downward deviation applies to HO-4 base premium - all territories except 04. 10% downward deviation applies to HO-4 base premium territory 4.
- Form 3: Increase in Coverage C Limit; \$1 per \$1000.
- Forms 4 & 6: Replacement Cost on Contents; Reduce surcharge to 35%.
- Protective Devices Credits: Classes 1 - 7 - credits vary 1%-15%; Classes 8 & 9 - credits vary from 1% - 8%.
- Credit Card, Fund Transfer Card, Forgery & Counterfeit Money Coverage (HO-53); \$2,500 limit - no charge, \$5000 - \$1; \$7500 - \$3; \$10,000 - \$4.
- Forms 2 & 3: Revised policy amount Relativities by territory.
- Forms 2 & 3: Revised protection/construction Relativities.
- Forms 4 & 6: Policy amount Relativities revised for amounts above \$15,000 - each additional \$1000 - .074.
- Loss Free Credit: 5% credit applies when criteria is met.
- Contents all risk coverage (HO-15): Premium deviated by 50%.
- Multi-Policy Credit 5% applies HO non-seasonal & primary dwelling when auto policy in force with Great American Group.
- Forms 2 & 3: Base rate deviations by territory: Credit 0% - 24.4% based on territory & county.
- Forms 2 & 3: Deductible credits: \$500 - 10%; \$1000 - 20%; \$2500 - 30%.
- Forms 2 & 3: Mature 45 Discount: 5% credit when certain criteria are met.
- Forms 4 & 6: Deductible credits: \$500 - 10%; \$1000 - 23%; \$2500 - 37%. Eff. 5-7-93

Great American Insurance Company of N.Y.

- Form 3: Coverage C increased limit; \$1 per 1000 in lieu of \$2.
- New Home Credit: Forms 2 & 3; Current yr.- 20%; 1 yr. - 18%; 2 yrs. - 16%; 3 yrs. - 12%; 4 yrs.- 8%; 5 yrs. - 4%.
- Forms 2 & 3: Revised policy amount Relativities by territory.
- Forms 2 & 3: Base rate deviation by territory. Varied credit based on territory & county.
- Forms 2 & 3: Revised Protection/Construction Relativities.

- Form 3: Deductibles \$500 - 10%; \$1000 - 20%; \$2500 - 30%.
- Protective Devices Credits; Classes 1-7 credit varies 1%-15%; Classes 8 & 9 credit varies 1%-8%.
- Form 3w/15: Increased premium will be reduced by 50%.
- Credit Card, Fund Transfer Card, Forgery & Counterfeit Money Coverage HO-53: \$2500 limit; No charge. Eff. 7-20-92

Hanover American Insurance Company

- Age of Dwelling Credit: All Forms, except 4 & 6: Credit varies 0%-2.4% for Dwellings 1-7 yrs. of age.
- Mature Homeowners Credit: All forms: 5% credit applies when certain criteria are met.
- Premises Alarms & Protective Device Credits: Credit varies 0%-11.5%.
- Deductible Credits: All forms, except 4, 6 & HE-7.
- Deductible Credits: Forms 4 & 6.
- Windstorm & Hail Deductible Credits: All forms, except 4 & 6.
- Personal Property Replacement Cost on Coverage C: All forms, except 4 & 6: Minimum premium of \$20.
- Personal Property Replacement Cost on Coverage C: Forms 4 & 6: Minimum premium of \$25.
- Non-Smoker Discount: All forms: 7.5% credit.
- 10% Account Credit: All forms.
- Loss of Use-Increased Limits: All forms: Additional charge \$4 per \$1000 increase.
- Condominium Unit Owners-Coverage A Dwelling: Basic & Increased Limits: \$3 per \$1000 increase: 1st \$5000 increase no charge.
- Reduced Watercraft Liability Rates: All forms.
- Personal Property , Increased Limits-\$1 per \$1000 increase: All forms, except 4 & 6.
- Special Personal Property: Reduced Charge for Form 3w/15.
- Electronic Funds Transfer Plan Discount: All forms.
- Group Modification Plan Discount: All forms: Credit varies 0%-13.5%.
- Direct Bill Policies: All forms: \$1 per installment.
- Territorial Deviation: Form 6: 5% deviation.
- Territorial Deviation: All forms, except 4 & 6: Credit varies 10.5%-25%.
- All Forms except Form 4: Amount of Insurance Relativities Deviation. Eff. 8-1-01

Hanover Insurance Company

- Age of Dwelling Credit: All Forms, except 4 & 6: Credit varies 0%-2.4% for Dwellings 1-7 yrs. of age.
- Mature Homeowners Credit: All forms: 5% credit applies when certain criteria are met.
- Premises Alarms & Protective Device Credits: Credit varies 0%-11.5%.
- Deductible Credits: All forms, except 4, 6 & HE-7.
- Deductible Credits: Forms 4 & 6.
- Windstorm & Hail Deductible Credits: All forms, except 4 & 6.
- Personal Property Replacement Cost on Coverage C: All forms, except 4 & 6: Minimum premium of \$20.
- Personal Property Replacement Cost on Coverage C: Forms 4 & 6: Minimum premium of \$25.
- Non-Smoker Discount: All forms: 7.5% credit.
- 10% Account Credit: All forms.
- Loss of Use-Increased Limits: All forms: Additional charge \$4 per \$1000 increase.
- Condominium Unit Owners-Coverage A Dwelling: Basic & Increased Limits: \$3 per \$1000 increase: 1st \$5000 increase no charge.
- Reduced Watercraft Liability Rates: All forms.
- Personal Property Increased Limits-\$1 per \$1000 increase: All forms, except 4 & 6.
- Special Personal Property: Reduced Charge for Form 3w/15.
- Electronic Funds Transfer Plan Discount: All forms.
- Group Modification Plan Discount: All forms: Credit varies 0%-13.5%.
- Direct Bill Policies: All forms: \$1 per installment.
- Territorial Deviation: All forms, except 4 & 6: Credit varies 0%-10%.
- All Forms: Amount of Insurance Relativities Deviation. Eff. 8-1-01

Harbor Specialty Insurance Company

Preferred: Homes 25 yrs. of age or less insured for \$50,000 or more.

- Form 3: Base Rate Deviation by territories; Credit varies 20.2% - 24.3%.
- Form 4: Credits off Key Premiums; 2% Alamance County.
- Form 6: Base Rate Deviation by territories; Credit varies 19.4% - 22%.
- Form 3: Replacement Cost Protection (HO-500): Charge \$1 in lieu of \$5 when requirements are met.
- Form 3: Protective Devices Credit; Class 1-9, credit varies 2%-15%.
- Form 3: New Home Credit; 0-1 yr. old - 21%; 1% less credit each added yr. thru 8th yr.; 9 yrs. - 12%; 10 yrs. - 10%; 11 yrs. - 8%; 12 yrs. - 6%; 13 yrs. - 4%; 14 & 15 yrs. - 3%. Credit applicable to annual premium.
- Form 3: Personal Property Increased Limits; \$.50 per \$1000 of insurance.
- Form 3: Deductible Credits; \$500 ded. - 10%; \$1000 - 20%.
- Forms 3, 4 & 6: 20% deviation for policies written as part of Personal Protection Package Policy.
- Forms 4 & 6: Deductible Credits; \$500 ded. - 10%; \$1000 ded. - 23%.

Standard: Form HO-3 only - Homes 25 years of age or older and/or insured for less than \$50,000.

- Form 3: Credit off Key Premiums; 13.4% Alamance County; 9.4% territory 34; 8.6% territories 30 & 31; 11.4% territories 4, 32, 33, 36, 37, 38, 39, 40, 41, Lincoln & Rockingham County; 11.4% for remainder of Alamance County & remainder of territories. Form 3: Coverage C increased limit charge \$.50 per \$1000 of insurance.
- Form 3: Deductible Credits; \$500 - 10%; \$1000 - 20%.
- Form 3: Protective Credit; Same as for preferred.
- Form 3: New Home Credit; Same as for Preferred.
- Form 3: 20% deviation applies to HO program when written as part of Personal Protector Package Policy. Eff. 3-1-94

Harford Mutual Insurance Company

- Forms 1, 2 & 3: New Home Discount; 10% - dwellings 15 yrs. old or less.
- Forms 1, 2, 3 & 8: Fixed dollar amount deductible factors; \$500 - .90; \$1000 - .83; \$2500 - .75. \$100 deductible amount - minimum \$30 - maximum \$60.
- Forms 4 & 6: Fixed dollar amount ded. factors; \$500 .90; \$1000 .77; \$2500 .63. \$100 deductible amount min. \$30, max. \$60.
- All Forms: Protective devices factors for all territories & all protection classes - factors varies .98 to .85. Eff. 5-1-92

Harleysville-Atlantic Insurance Company

- Forms 1, 2, 3 & 8: Base rate credits; Coverage A limit \$48,000 & under \$95,000 & over; Credit varies 0.0% - 27.5%.
- All Forms: 13%; Optional coverage rates Section I & II.
- Forms 1, 2, 3 & 8: New Home Discount factor; 1 yr. old or less .80; Discount factor increased by .01 thru 11th yr. - discount factor increased by .02 - 12th thru 15th yr. Eff. 5-1-92

Harleysville Mutual Insurance Company

- Platinum Select Discount: All territories, except 5 & 6: Certain criteria must be met.
- Group Mass Marketing Discount: 10% to voluntary policyholders that are members of specific group type organizations.
- Preferred Client Discount: 5% or 10% credit when certain criteria are met. Eff. 6-15-01

Hartford Accident and Indemnity Company

- Personal Property Increase Limit Deviation: Forms 2 & 3 - \$1 per \$1000 of insurance: Form 3w/15 - \$3 per \$1000.
- Age of Dwelling Credit: 1 yr. of age 20% with a 3% less credit each added yr.
- Forms 4 & 6: 10% Limited Access Credit if complex meets the protection requirements.
- All Forms: Protective Devices Premium Credits: Factors vary from .98-.85 for qualifying dwellings. Credits may be added together to a maximum credit factor of .80.
- Account Credit Deviation: Factors of .90 or .95 apply if insured meets eligibility requirements.

- Mature Retirees Credit: Factor of .95 applies when required criteria is met.
- All Forms: Higher Deductible Deviation: Credits vary by amount of insurance and amount of deductible.
- Deviations by Amount of Insurance: Territories & Relativity Curves.
- All Forms: Higher Deductible Deviation: Credits vary by amount of insurance and amount of deductible.
- Forms 4 & 6: Factor of .75 applies.
- Forms 2 & 3: Additional Amount of Insurance Coverage A only; 25% - \$1; 50% - \$2. Additional Limit of Liability for Coverage A, B, C, & D - \$3 premium charge. Eff. 6-1-01

Hartford Casualty Insurance Company

- Age of Dwelling Credit: 1 yr. of age 20% with 3% less credit each added yr.
- Forms 4 & 6: 10% Limited Access Credit if complex meets protection requirements.
- All Forms: Protective Devices Premium Credits: Factors vary .98-.85 for qualifying dwellings: Credits may be added together for a maximum credit factor of .80.
- Personal Property Increase Limit Deviation: Forms 2 & 3 - \$1 per \$1000 of insurance: Form 3w/15 - \$3 per \$1000.
- Deviations by Amount of Insurance: Territories & Relativity Curves.
- All Forms: Higher Deductible Deviation: Credits vary by amount of insurance and amount of deductible.
- Mature Retirees Credit: Factor of .95 when required criteria is met.
- Account Credit: Factor of .90 applies when required criteria is met.
- Form 3: 15% credit Retirement Community/Limited Access Community Package when criteria are met.
- Forms 4 & 6: 5% deviation.
- Forms 2 & 3: Additional Amount of Insurance Coverage A only; 25% - \$1; 50% - \$2. Additional Limit of Liability for Coverage A, B, C, & D - \$3 premium charge. Eff. 6-1-01

Hartford Fire Insurance Company

- Age of Dwelling Credit: 1 yr. of age 20% with a 3% less credit each added yr.
- Forms 4 & 6: 10% Limited Access Credit if complex meets the protection requirements.
- All Forms: Protective Devices Premium Credits: Factors vary from .85 - .98 for qualifying dwellings: Credits may be added together to a maximum credit factor of .80.
- Personal Property Increase Limit Deviation: Forms 2 & 3 - \$1 per \$1000 of insurance: Form 3w/15 - \$3 per \$1000.
- Deviations by Amount of Insurance: Territories & Relativity Curves.
- Account Credit Deviation: Factors of .90 or .95 apply if insured meets eligibility requirements.
- Mature Retirees Credit: Factor of .95 is applied when required criteria is met.
- All Forms: Higher Deductible Deviation: Credits vary by amount of insurance and amount of deductible.
- All Forms: Higher Deductible Deviation: Credits vary by amount of insurance and amount of deductible.
- Forms 4 & 6: 5% deviation.
- Forms 2 & 3: Additional Amount of Insurance Coverage A only; 25% - \$1; 50% - \$2. Additional Limit of Liability for Coverage A, B, C, & D - \$3 premium charge. Eff. 6-1-01

Hartford Insurance Company of Midwest

- Age of Dwelling Credit: 1 yr. of age 20% with a 3% less credit each added yr.
- Forms 4 & 6: 10% Limited Access Credit if complex meets the protection requirements.
- All Forms: Protective Devices Premium Credits: Factors vary from .85-.98 for qualifying dwellings: Credits may be added together to maximum credit factor of .80.
- Personal Property Increase Limit Deviation: Forms 2 & 3 - \$1 per \$1000 of insurance: Form 3w/15 - \$3 per \$1000.
- Deviations by Amount of Insurance: Territories & Relativity Curves.
- Account Credit Deviation: Factors of .90 or .95 apply if insured meets eligibility requirements.
- Mature Retirees Credit: Factor of .95 is applied when required criteria is met.
- All Forms: Higher Deductible Deviation: Credits vary by amount of insurance and amount of deductible.
- Form 3: Retirement Community/Limited Access Community Package - 15% credit when criteria are met.
- Forms 4 & 6: 10% deviation.
- Forms 2 & 3: Additional Amount of Insurance Coverage A only; 25% - \$1; 50% - \$2. Additional Limit of Liability for Coverage A, B, C, & D - \$3 premium charge. Eff. 6-1-01

Hartford Underwriters Insurance Company

- Age of Dwelling Credit: 0-1 yr. of age - 15%; 1% less credit each added yr.
- Forms 2, 3 & 3w/15: Personal Property Replacement Cost HO-290 reduce surcharge to 2% including the additional premium for increased Coverage C limit.
- Forms 4 & 6: 10% Limited Access Credit if complex meets protection requirements.
- All Forms: Protective Devices Premium Credits: Factor varies .98 - .85 for qualifying dwellings; credits may be added together to maximum credit factor of .80.
- Forms 2 & 3: Rate for increase in Coverage C; \$1 per \$1000 in lieu of \$2.
- Mature Retiree Credit Factor; .95 when required criteria are met.
- Forms 2 & 3: Amount of insurance deviation based on amount of insurance & territory. Credit varies.
- Forms 4 & 6: Multiply base premium by factor of .70.
- Account Credit Factor: .95 if insured has personal auto policy with same Company.
- Renewal Credit: Credit varies 1% - 5%.
- Forms 2 & 3: Specified Additional Amount of Insurance; 25% - \$1; 50% - \$2. Additional Limit of Liability for Coverage A, B, C & D- premium charge \$5. Eff. 1-1-01

Horace Mann Insurance Company

- Form 7-Master Program: Coverage amount & territory deviations: Variable credit.
- Protective Device Credits: Classes 1-9: Credits vary from 1%-15%.
- Forms 1, 2, & 3: 8% credit if insured 100% to value & Inflation Guard Endorsement attached.
- Forms 2 & 3 & Master Program: New Home Credit; 0 or 1 yr. - 20%; 2% less credit each added yr. to 10th yr.
- Increase in Coverage C: \$1 per \$1000.
- Masters Program: Protection Class Credits; Class 7 frame - 5.0%; class 7 masonry - 3.1%; Class 8 masonry & frame - 5.0%; Class 9 masonry - 7.2%; Class 9 frame - 9.4%.
- Forms 4 & 6: Territorial Base Rate Deviation: 8% Credit.
- Installment Payment Plan: Forms ML-3 & Master Program: Waive initial \$3 installment fee.
- Optional Section II Liability coverage for Water Craft: Variable deviation below manual rates based on boat type, horsepower, length, speed and limits.
- All Forms: Automobile/Home Discount: Variable credits when criteria are met.
- Forms ML 2 & 3 & Master Program: Deductible credits: Variable credits.
- Forms ML 4 & 6: Deductible Credits: Variable credits.
- Forms 4 & 6: Deviation on Replacement Value: 15% charge for policies with \$500 or greater deductible. \$10 minimum premium.
- Forms 4 & 6: Deductible credits.
- Masters Program: Some additional coverage included at no additional charge.
- 2% credit if insured has a Federal Flood Insurance policy placed with Company through their flood insurance replacement program.
- Downward deviation on earthquake.
- Downward deviation for silverware, goldware & pewterware.
- Downward deviation for refrigerated food spoilage.
- Downward deviation for tenant's improvement.
- Form 6: Downward deviation Coverage A increased limits.
- Downward deviation for additional residence premises rented to others.
- Downward deviation for private structures rented to others.
- Form 7-Masters Program: 5% Credit Tier Deviation. Eff. 6-1-01

Horace Mann Property & Casualty Insurance Company

- Form 3 & Masters Program: Coverage Amount Deviations by territory: Credit varies.
- Protective Device Credits for Protection Classes 1-9: Credits vary 1% - 15%.
- Form 3: 8% credit for all coverage amounts if insured 100% to value with Inflation Guard Endorsement attached.
- Form 3 & Masters Program: Newly Constructed Residences Credit: Age of Home 0 - 10 yrs.: Credits vary 3%-16.5%.
- Rate for Increased Coverage C: \$1 per \$1000.
- Form 3 & Masters Program: Protection Class credits by territory.
- Form 3 & Masters Program: Base rate territorial credits.
- Form 3 & Masters Program: \$3 installment fee on each installment except the initial down payment.

- Form 3 & Masters Program: Deductible Factors Deviation by territory: Minimum for Coverage A, \$100000.
- All Forms: Auto/Home Discount: Certain criteria apply: Credit varies.
- Masters Program: \$125000 minimum Coverage A, includes replacement value - personal property & inflation protection coverage at no additional charge.
- Federal Flood Insurance Program: 2% credit if flood insurance policy is placed through us.
- Form 3 & Masters Program: Earthquake Deviation by territory.
- Silverware, Goldware & Pewterware coverage will be \$3 per \$500 of insurance.
- Refrigerated Food Spoilage coverage will be \$5 per policy.
- Additional Residence Premises - Rented to Others (Liability Coverage): Rates vary per coverage amount.
- Private Structures - Rented to Others (Liability Coverage): \$14 for \$100000/\$1000 & \$18 for \$300000/\$1000.
- Masters Program: 5% Credit Tier Deviation. Eff. 6-1-01

Huron Insurance Company

- Form 3: Policy size relativity deviation based on territory & amount of Coverage A limits.
- Platinum Select Discount: All territories, except 5 & 6: Certain criteria must be met.
- Group Mass Marketing Discount: 10% to voluntary policyholders that are members of specific group type organizations.
- Preferred Client Discount: 5% or 10% credit when certain criteria are met. Eff. 6-15-01

Indemnity Insurance Company of North America

- New Construction Credit: New - 20%; 2% less credit for each yr. to 9th yr.
- All Forms: Fixed Dollar Deductible: Credit varies 15% - 40%.
- Personal Property Increased Limit: \$2 premium charge per \$1000 of coverage.
- Forms 2 & 3: Replacement Cost Coverage Personal Property: HO 0490; Factor 10.5% includes increased Coverage C to 70% of Coverage A at no additional premium charge.
- Protective Device Credits: All zones & protection classes: Credit varies 2% - 15%.
- Rated Deviation: Homeowners - 11%; Tenants - 10%; Condominiums - 15%. Eff. 9-1-99

Independent Fire Insurance Company

- Forms 2 & 3: Base deviations vary by amounts of insurance - \$55,000 - \$120,000 & over; Territory 34 Cumberland County -0% -22.1%; Territories 32, 33, 35 & 41 - 0% to -35.1% deviations vary by amount of insurance. \$50,000 - \$120,000 & over; all other territories 0% - 35.1%. Deviation vary by amounts of insurance \$50,000 - \$120,000 & over.
- Forms 4 & 6: 10% credit applies to optional coverages that are applicable exclusively to Forms 4 & 6.
- All Forms, except 4 & 6: 20% credit applies to optional coverages.
- Forms 2, 3 & Homeowners Plus: Fixed dollar amount deductible credits; \$500-10%; \$1000 - 17%.
- Forms 4 & 6: Fixed dollar amount deductible; \$500 - 10%; \$1000 - 23%.
- Homeowners Plus Package: Form 3 Credit for amount of insurance \$50,000-\$69,000 - 10%; \$70,000 - 110,000 - 11%; \$120,000 - \$170,000 - 12%; \$180,000 - \$200,000 - 13%, each additional \$10,000 - 0% when special requirement are met.
- Forms 4 & 6: 10%.
- Forms 2, 3 & Homeowners Plus: New home credit - 25% current yr.; 2.5% less credit each added yr.
- Premium credit for alarm systems HO 216: 2-15%.
- All Forms: Manned Security Discount: 10% additional when property is residential area with limited entry & exit points manned by employed uniformed security guards.
- All Forms: 55 & Retired Discount: 10% if one insured is 55 or older & both insured & spouse, if any, are neither gainfully employed or seeking gainful employment. Residence must be principal residence of applicant.
- Earthquake Coverage: Superior construction will be rated same as frame construction.
- Form HO-6: Coverage A increased limits; \$3 for each additional \$1000.
- Form HO-6: Units regularly rented to others HO-33; Charge 25% of base premium. Eff. 5-1-92

Indiana Lumbermens Mutual Insurance Company

- Forms 1, 2, 3 & 3 w/15: 15% 0-10 yrs. old; 10% 11-15 yrs. old; 0% 16 yrs. & over. Eff. 9-1-85

Insura Property & Casualty Insurance Company

- Form 3: Deductible credits; \$500 - 15%; \$1000 - 25%; \$2500 - 38%.
- All Forms: Personal property increased limits \$2 per \$1000.
- Protective Device Credits; Credit varies 2% - 15%.
- Personal Injury (HO-82) included at no charge.
- Personal Property Replacement Cost Coverage; Eliminate 5% surcharge.
- New Home Credit: Current calendar yr. - 20%; 1 yr. preceding current calendar yr. - 18%; each added yr. 2% less credit until 10+ yrs. - 0%.
- Multi-Policy Credit: 10% applies to total HO policy prem. when auto policy is written in the Anthem Casualty Ins. Group.
- Amount of insurance deviation based on territory, protection class & amount of Coverage A: \$70,000-\$200,000 credits varies 8.6% - 21.9%; Each additional \$10,000 credit varies 15% - 30%.
- Forms 2 & 3: Amount of Insurance Deviation; 3% charge of basic premium.
- Base premium deviation by territory. Eff. 6-1-99

Insurance Company of North America

- Forms 1, 2 & 3: Fixed dollar deductible credits; \$500-11%; \$1000-21%; \$2500-34%.
- Form 4: Fixed dollar deductible credits; \$500-11%; \$1000-25%; \$2500-40%.
- Forms 1, 2 & 3: Rate for increase in Coverage C; \$1 per \$1000.
- Forms 1, 2 & 3: Personal Property Replacement Cost coverage HO 290; Charge shall be 4% of adjusted base premium. Coverage C must be increased to 70% of A & \$1 per \$1000 charge made.
- Protective Device Credits: All zones & all protection classes: Credits vary from 1%-15%. Eff. 5-1-92

Insurance Company of the State of Pennsylvania

- Form 6: 35%.
- Form 4: 20%.
- Forms 2 & 3: Deductible Credits; \$250 - 15%; \$500 - 25%; \$1000 - 35%.
- Forms 2, 3, 3w/15 & 6: Age of Dwelling Discount; 0-5 yrs. - 15%; 6-10 yrs. - 10%; 11-20 yrs. - 5%.
- Forms 1, 2, 3, 3 w/15 & 8: 28%.
- Home Buyers Discount: 10% first 3 yrs. ownership; 5% second 3 yrs.
- Forms 1, 2, 3 & 3 w/15: Delete 5% surcharge for replacement cost of contents. Eff. 6-15-88

Insurance Corporation of Hannover

- Form 3: Age of Dwelling Discount: Credit varies 2%-20% for dwellings new- 9 yrs. old.
- Account Credit Program: 15% credit applied when insured has both a voluntary auto policy & a homeowners policy insuring their primary residence.
- Preferred Homeowners Credit: 5%-23% credit by territory & protection class when certain criteria are met.
- Form 6: Apply a factor of .80 to the HO-4 base premium.
- All Forms: Protective Device Credits: Credit varies 1%-15%.
- Forms 3, 4 & 6: Replacement Cost on Contents: Minimum additional premium does not apply.
- Form 3: 6% charge for Additional Limits of Liability for Coverages A, B, C & D when certain coverages & increased limits options are selected.
- Form 3: Personal Property Replacement Cost: Charge 5% of base premium, no minimum additional premium of \$20, & no charge to increase Coverage C to 70% of Coverage A when certain coverages & increased limits options are selected.
- Form 3: Personal Injury: No charge.
- Form 3: Water Back Up of Sewer & Drains with additional coverages.
- Form 3: Credit Card, Fund Transfer Card, & Forgery & Counterfeit Money: No charge to increase coverage when certain coverages & increased limits options are selected.
- Form 3: Special Computer Coverage: No charge when certain coverages & increased limits options are selected.
- Form 3: Coverage C Increased Special Limits of Liability: No charge to increase coverage when certain coverages & increased limits options are selected.
- Form 3: Fire Department Service Charge: No charge to increase coverage when certain coverages & increased limits options are selected.

- Form 3: Coverage D Increased to 30% of Coverage A: No charge to increase coverage when certain coverages & increased limits options are selected.
- Form 3: Coverage A Relativities Deviation.
- Form 3: Ordinance or Law: Charge 4% of base premium to increase coverage by 15% when certain coverages & increased limits options are selected.
- Form 3: Refrigerated Property Coverage: No charge when certain coverages & increased limits options are selected. Eff. 12-19-00

Integon General Insurance Corporation

- Delete the surcharge for \$100 deductible.
- Form 6: 10% deviation.
- Deviation by amount of insurance: Coverage A amount \$50,000 - \$250,000 & above based on territory; Credit varies - 0% - .340%.
- Deductible Credits: Form 3; Terr. 32, 33, 34-41- \$250 ded., \$500 ded., \$1000 ded. & \$2500 ded.: Credits varies .05%- .41%.
- Long-Term Customer Discount: 5-9 yrs. with Co. on HO policy 5%; 10 yrs. or longer with company on HO policy -10%. Eff. 5-1-92

Integon Indemnity Corporation

- Delete surcharge for \$100 deductible.
- Form 6: 15% deviation.
- Replacement Cost Coverage C: Delete surcharge for replacement cost on contents.
- Deviation by Amount of Insurance: Cov. A amount \$50,000 - \$250,000 & above & based on territory. Variable credit.
- Deductible Credits Form 3; Terr. 32, 33, 34-41 - \$250 ded; \$500 ded. \$1000 & \$2500 ded. Credits vary .05%-41%.
- Long Term Customer Discount: 5-9 yrs. renewal with company - 5%; 10 yrs. or longer with Company - 10%. Eff. 5-1-92

International Insurance Company

- Forms 1, 2, 3 & 3 w/15: Age of dwelling credit; 0-1 yr. - 20%; 2% less credit each added yr.
- Preferred Plan: Deviations for owner forms varying by amount of insurance & territory.
- Forms 1, 2, 3 & 3 w/15: Revise charge for Replacement Cost on Contents for preferred owners forms to \$1 per \$1000 of increased Coverage C.
- All Forms: Replacement Cost on Contents; Deletion of \$20 minimum additional premium.
- Forms 1, 2, 3 & 3 w/15: Higher deductible credit factors; \$500 - .89; \$1000 - .80; \$2500 - .67.
- Forms 4 & 6: Higher deductible credit factors; \$500-.83; \$1000-.67; \$2500-.54.
- Premises Alarm Systems: Expand the table of credits for Protection Classes 1-7 to include class 8.
- Form 6: 20%. Eff. 3-1-90

Kansas City Fire and Marine Insurance Company

- All Forms, except 4 & 6: Amount of insurance deviation based on territory. Credits vary 0% - 15.4%.
- Form 4: Amount of insurance deviation based on territory. Credits vary.
- Form 6: Amount of insurance deviation based on territory. Credits vary.
- Earthquake Rate Deviations.
- Forms 2, 3, 3w/15 & 8: Replacement Cost on Contents Deviation. Factor 1.05 waived.
- Deductible Credits Deviation.
- New Home Discount: 0-5 yrs. -15%; 6-10 yrs. - 10%.
- Gated Community Discount: 10% credit when criteria are met.
- Guaranteed Replacement Cost Coverage: Premium charge \$3.
- Special Coverage Rate Deviation.
- Preferred Rate Deviation: 8% credit applies when criteria are met.
- Additional Limits Deviation Coverage F: Deviation - 66.67%.
- Other Insured Location. 1 family - 43%; 2 families - 71%.
- Permitted Incidental Occupancy Med Payments Rate Deviation: Credit varies 50% - 60%.

- Additional Residence Rented to Others Rate Deviation. 1 family - 88%; 2 families - 84%.
- Business Pursuits Rate Deviation. Credits vary 14% - 40%.
- Permitted Incidental Occupancy Rate Deviation. Res. Prem. - 47%; Other Res. - 29%.
- Incidental Farm Rate Deviation. Res. Prem. - 48%; Other Res. - 65%.
- Superior Construction Discount: 15% credit applies to masonry base premium or apartment unit.
- Protective Devices Credit: Credit varies 1% - 9%.
- Automatic Sprinkler Systems Deviation: Credit of 7% or 13%. Eff. 7-3-01

LMI Insurance Company

- Forms 2, 3, 3w/15, 6, HE7 & HE7w/20: Deviation by amount of insurance & territory. Credit varies 0% - 32%.
- Forms 2, 3, 3W/15, HE7, HE7w/20: New home credit; 0-2yrs - 27%; 3-4 yrs - 24%; 5-6 yrs - 19%; 7-8 yrs - 14%; 9-10 yrs - 10%; 11-12 yrs - 7%; 13-14 yrs - 5%; 15-20 yrs - 2%.
- Forms 1, 2, 3 & 3W/15: Deductible factors; \$500 - .85; \$1000 - .80; \$2500 - .75.
- Forms 4 & 6: Deductible factors; \$500 - .85; \$1000 - .77; \$2500 - .63.
- Forms 1, 2, 3, HE7, & HE7w/20: Increased in Coverage C: \$.50 per \$1000; 3w/15 \$2 per \$1000.
- All Forms, except 4 & 6: 5% deviation applies to protection construction relativity for protection classes 1-3.
- All Forms: Protective Devices Credits; Maximum credit deleted.
- Outboard Motors & Water Craft Deviation: Up to 15' - 20%; over 15' to 26' - 25%.
- All Forms, except 4 & 6: Windstorm or Hail Deductible. Variable credit.
- Form 6: Dwelling Basic & Increased Limits & Special Coverage; \$500 - Coverage A no additional charge.
- Form 4 & 6: Personal Property Replacement Cost Coverage: 1.35. Eff. 11-1-96

Liberty Mutual Fire Insurance Company

- All Forms: Personal Property Replacement Cost: 5% charge with minimum charge of \$20 for all territories.
- Mass Merchandising Program: 5% for employees of qualifying employers.
- Forms 2, 3, 3w/15: Insurance to Value Credits: 6% credit for 100% replacement cost & the attachment of Inflation Protection Endorsement HO-318: 3% credit for 90% replacement cost & attachment of HO-318.
- All Forms: Fixed dollar amount deductible credits.
- Forms 2, 3, 4 & 6: Deviation by policy amount & territory. Credits vary.
- Form 3: Home Protector Plus Program provides a combination of coverages to dwelling meeting required criteria subject to a charge of 1.10 (\$35 minimum premium), 6% insurance to value credit & 6% protective devices credit.
- All Forms: Installment Payment Plan: Additional \$3 charge waived for 1st installment payment.
- Form 6: Reduced charge to increase Coverage A Dwelling Limit.
- Water Craft Deviation: Certain criteria apply.
- Forms 2 & 3: New Home Credit & Substantially Renovated Dwelling when criteria is met: 0-8 yrs. of age: 1%-20% credit.
- All Forms: Various Protective Device Credits: 1%-16%. Credit applies to basic policy premium. Eff. 5-14-01

Lititz Mutual Insurance Company

- Forms 1, 2 & 3: New Home Credit: 15% 0-2 yrs.; 10% 3-5 yrs.; 5% 6-10 years.
- 10% credit to base premium when HO-0490 & HO-3220 are used together. The charge to increase Coverage C to 70% of Coverage A is waived.
- Protection Suburban Plan: Deviation applies to protection class 9 when criteria are met.
- Optional Higher Deductibles Deviation.
- Combined Territory Deviation: Credits vary.
- Base Rate Deviation by Territory: Credit varies. Eff. 10-1-01

Lumbermens Mutual Casualty Company

- Premium Credits for Protective Devices: Certain criteria apply.
- Mature Homeowners Credit: 5% credit applies to base premium if insured is 55 yrs. of age & is home during the day.
- Personal Property (Coverage C) Replacement Cost Coverage Deviation.
- \$100 Deductible: Waive minimum premium.
- \$250 Theft Deductible Factors: Certain criteria apply.

- All Forms: Optional Higher Deductibles deviation.
- Form 3: Special Personal Property Coverage: Apply a factor of 1.10 to base premium.
- Form HO 6: Special Personal Property Coverage: Apply a factor of 1.20 to base premium.
- Form 4: Building Addition & Alterations Increased Limit deviation.
- Form HO 6: Coverage A Dwelling Basic & Increased Limits Special Coverage Deviation.
- Ordinance or Law Increased Amount of Insurance: Form 4 & 6.
- Deferred Premium Payment Plan Option.
- New Home Discount: 0 - 6+ yrs. of age: Credit varies 0% - 18%.
- 7% Kemper Network Discount: Certain criteria apply. Eff. 1-22-01

Maryland Casualty Company

- All Forms, except 4 & 6: Age of Dwelling Credit; New-20%; 1 yr.-18%; 2 yrs.-16%; 3 yrs.-14%; 4 yrs.-13%; 5 yrs.-12%; 6 yrs.-10%; 7 yrs.-8%; 8 yrs.-6%; 9 yrs.-4%; 10 yrs.-2%.
- Forms 4 & 6: Replacement Cost on Contents: Factor 1.35.
- Protector Series Program: Reduce homeowners premium by 5%, if insured has auto policy with Maryland Casualty Group.
- Forms 2 & 3: Charge \$1 per \$1000 for increase in Coverage C limit.
- All Forms: Deductible Credits: \$500 - 15%; \$1000 - 20%; \$2500 - 30%.
- Deviation by Territory: Form 2, 3, 3w/15; Credit varies 0% - 14%.
- Base Premium Deviation: All Forms, except 4 & 6; Credit varies.
- Account Credit: 10% credit when insured has home & auto coverage with Zurich Insurance Companies when criteria is met.
- Protective Device Credit: Factors vary. Maximum credit of \$75 is waived. Eff. 7-1-98

Massachusetts Bay Insurance Company

- Age of Dwelling Credit: All Forms, except 4 & 6: Credit varies 0%-2.4% for Dwellings 1-7 yrs. of age.
- Mature Homeowners Credit: All forms: 5% credit applies when certain criteria are met.
- Premises Alarms & Protective Device Credits: Credit varies 0%-11.5%.
- Deductible Credits: All forms, except 4, 6 & HE-7.
- Deductible Credits: Forms 4 & 6.
- Windstorm & Hail Deductible Credits: All forms, except 4 & 6.
- Personal Property Replacement Cost on Coverage C: All forms, except 4 & 6: Minimum premium of \$20.
- Personal Property Replacement Cost on Coverage C: Forms 4 & 6: Minimum premium of \$25.
- Non-Smoker Discount: All forms: 7.5% credit.
- 10% Account Credit: All forms.
- Loss of Use-Increased Limits: All forms: Additional charge \$4 per \$1000 increase.
- Condominium Unit Owners-Coverage A Dwelling: Basic & Increased Limits: \$3 per \$1000 increase: 1st \$5000 increase no charge.
- Reduced Watercraft Liability Rates: All forms.
- Personal Property, Increased Limits-\$1 per \$1000 increase: All forms, except 4 & 6.
- Special Personal Property: Reduced Charge for Form 3w/15.
- Electronic Funds Transfer Plan Discount: All forms.
- Group Modification Plan Discount: All forms: Credit varies 0%-13.5%.
- Direct Bill Policies: All forms: \$1 per installment.
- Territorial Deviation: Forms 4 & 6: 7% deviation.
- Territorial Deviation: All forms, except 4 & 6: Credit varies 0.5%-15.1%.
- All Forms: Amount of Insurance Relativities deviation. Eff. 8-1-01

Medmarc Casualty Insurance Company

- New Home Credit: 0-1 yr.-20%; 2 or 3 yrs.-18%; 4 yrs.-15%; 5 yrs.-12%; 6 yrs.-10%; 7 yrs.-9%; 8 yrs.-6%; 9 yrs.-3%; 10 yrs.- 2%.
- Smoke Detectors Discount: 2.0%. Eff. 7-15-90

Merastar Insurance Company

- 15% credit to the base homeowner premium if insured's automobile is insured with this Company.
- Waive installment charge when certain requirements are met.
- Forms 3 & 8: Deviation by Relativities; Protection classes 1-8; Territories 32-39, 40-43, 5 & 6; Amounts of insurance \$10,000 - \$200,000. Credit varies 0% - 23.5%.
- Forms 4: Deviation by Relativities; Protection classes 1-8 on amounts of insurance \$19,000 - \$40,000. Credit varies 0% -13.6%. Each additional \$10,000 - 17.5%. HO-6 Multiply the HO-4 Base Premium by a factor of .81.
- Form 3: New Home Credit; Homes completed & occupied during current calendar yr. - 20%; 1 yr. preceding current yr. - 18%; 3% less each yr. to 6th yr.
- Forms 3 & 8: Deductible credits; \$500 - 12%; \$1000 - 24%.
- Forms 4 & 6: Deductible credits; \$500 - 17%; \$1000 - 30%.
- Protective Device Credits; 2% - 15%.
- All Forms: Safe and Sound Discount; 10% credit applies to base premium when certain requirements are met.
- Merastar Maximum Discount: Factor .78 applies to base premium when certain criteria is met.
- Increased Special Limits of Liability: Jewelry, watches & furs; Additional premium \$10 for each \$1000 increase.
- Forms 3 & 8: Base rate deviation based on territory: Credit varies 2%-6%.
- Forms 4 & 6: 5% base rate deviation based on territory.
- All Forms: Boat Liability Rate Deviation: Up to 61% credit based on length & horsepower. Eff. 6-1-99

Merchants & Business Mens Mutual Insurance Company

- Forms 1, 2, 3, 4, & 6: 35%.
- Forms 1, 2 & 3: Dwellings 0-10 yrs. - 10%. Eff. 11-1-86

Merrimack Mutual Fire Insurance Company

- Forms 1, 2 & 3: New Dwelling Credit: 10% - 0-5 yrs.
- Forms 1, 2, 3 & 3 w/15: Fixed dollar amount deductible: Coverage A \$30,000 or higher; \$250-10%; \$500-20%;
- All Forms: 25%. Eff. 12-31-85

Metropolitan Direct Property & Casualty Insurance Company

- Form 3: Based on territory & amount of insurance under Coverage A: Variable credits.
- Form 3 Ultra Credit: Certain criteria must be met. Credit varies based on Coverage A & territory.
- Fixed Dollar Deductible Factors: \$100 ded - 1.10, \$500 - .85, \$1000 - .75; Factor applies to base premium.
- Replacement Protection Coverage A & B; Form-3 Ultra: No charge when risks meets eligibility requirements.
- Forms 3 & 3 Ultra: Personal Property Replacement surcharge - 10% of base premium. Coverage C increased to 70% of Coverage A at no additional cost.
- New Home Discount: Current yr.-22%; 1st. yr.- 20%; 2nd. yr. - 17%; 3rd. yr. - 15%; 4th. yr. - 13%. 2% additional credit each yr. to 9th yr.
- Premium Credit for Alarm Systems: Credit varies 1% - 15%; Credit applies to base premium.
- Mature Homeowners Discount: 5% credit age 55 or older & retired. If married, one spouse must be 55 yrs old & neither employed full time. Credit applies to base premium.
- Windstorm or Hail Credit: Forms 3 & 3 Ultra; Variable credits based on protection class & construction for windstorm or hail exclusion HO-194. Credit applies to base premium.
- Multi-Policy Discount: 10% discount to total homeowner premium when insured has homeowners & auto insurance with Metropolitan.
- Mass Merchandising Account Deviation.
- Reduced Premium for Additional Coverage Jewelry & Furs.
- Claim Free Discount: 5% when criteria are met.
- Increased Ordinance or Law Coverage. Eff. 12-31-00

Metropolitan Property & Casualty Insurance Company

Standard Program

- Forms 2, 3, & 6: Based on territories & amount of insurance under Coverage A: Variable credits.
- Form 3: Ultra credits based on territories & amount of insurance under Coverage A when criteria is met.

- Form 6: Amount of insurance credits: \$22,000 - \$50,000: Credit varies 1% - 10%: Each additional \$1000 - 10%.
- All Forms, except 4 & 6: New Home Discount: Age of dwelling 0 - 9 yrs.: Credit varies 2% - 25%.
- Replacement Plus: Guaranteed Replacement Cost Coverage A & B when certain criteria is met.
- Forms 2, 3 & 3 Ultra: Replacement Cost on Contents: 10% surcharge. Coverage C amount increased to 70% of Coverage A at no additional cost.
- Forms 4 & 6: Replacement Cost on Contents: 25% surcharge. Form-6 minimum \$20000 Coverage C is required. Credit applies to base premium.
- Fixed Dollar Deductible Relativities: \$100 ded. - 1.10; \$500 ded. - .85; \$1000 ded. - .75.
- Premium Credits for Alarm Systems: Credits vary 1% - 15%. Credit applies to base premium.
- Mature Homeowners Discount: 5% credit applies if a person is age 55 or older & retired. If married one spouse must be age 55 or older & neither employed full time. Not available with Form HO-4 & in specified territories.
- Mass Merchandising Account Deviation: 1% - 10% when a policy is written through Company's special accounts department to member of any employee or affinity group.
- Forms 2, 3, 3-Ultra, 4 & 6: Windstorm or Hail Exclusion Credit: Variable credits based on protection class, construction & territory.
- All Forms, except 4 % Specified Territories: Multi-Policy Discount: 10% applies to total homeowner premium when homeowner & auto policies issued with Metropolitan.
- 5% discount for smaller employer groups when criteria is met.
- Reduced Premium for Additional Coverage Jewelry and Furs for Form HO 3/w15.
- Claim Free Discount: 5% discount when criteria are met.
- Increased Ordinance or Law Coverage.

USF&G, F&GIC, & F&GIU Program

- Forms 2, 3 & 6: Rate Deviations by Territory & Coverage A Amount: Credit varies.
- All Forms, except 4: Fixed Dollar Deductible Relativities Deviation.
- Windstorm or Hail Percentage Deductible Relativities Deviation.
- All Forms, except 4 & 6: Replacement Plus-Guaranteed Replacement Cost Coverage on Coverage A & B. Certain criteria apply.
- Forms 2, 3, 4 & 6: Replacement Cost on Contents-Coverage C: Certain criteria apply.
- All Forms, except 4 & 6: New Home Discount: 0-9 yrs. of age: Credit varies 2%-20%.
- Premium Credits for Alarm Systems: Credit varies.
- Mature Homeowners Discount: Certain criteria apply.
- Windstorm or Hail Exclusion Deviation by Form, Territory, Public Protection Class & Construction: Credit varies.
- Multi Policy Discount: 10% applies to basic premium when certain criteria are met.
- Claim Free Discount: Eligibility requirements must be met.
- Increased Ordinance or Law Coverage Deviation.
- Form 3/w15: Additional Coverage for Jewelry & Furs Deviation. Eff. 8-15-01

Millers Insurance Company

- Base Rate Deviation: 10% for all forms: Protection Classes 1-9 & 9S: Territories 32-40.
- Preferred Homeowner Discount: Form HO-3: 10% applies to base rate: Criteria must be met.
- Mature Retiree Credit: 10% applied to base premium: Certain criteria must be met.
- Loss Free Renewal Credit: Must be loss free for previous 12 months under existing Millers Ins. Co. homeowner policy: 1 yr.-3% credit: 2 yrs.-6% credit: 3 yrs.-9% credit.
- Multi Policy Credit: Must have an personal Auto and homeowners policy with Millers Ins. Co.: 1 yr.-10%: 2 yr.-5%.
- New Roof Credit: 5% applies when criteria is met. Eff. 10-13-00

Montgomery Mutual Insurance Company

- Forms 3, HE-7, HE-7w/20 & HE-7w/21: Personal Property Increased Limits: .50 per \$1000 of insurance for Coverage C.
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: Deductible Amount Deviation: Credit varies 10% - 38%.
- 10% Account Credit when auto policy is written for the same insured through Montgomery Mutual Insurance Co.
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: New Home Credit: New - 6 yrs. of age: Credit varies 0% - 20%.
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: Base Rate Deviation by Territory: Credit varies 0% -15.4%
- Form 4: Base Rate Deviation by Territory: Credit varies .7% - 29.6%.

- Protective Device Credits: Credits vary 2% - 15%.
- Base Rate Deviation on HE-7 - 1.15, HE-7w/20 - 1.20 & HE-7w/21 - 1.25.
- Replacement or Repair Cost Protection(HO 3211): \$5 per policy when criteria is met.
- All Forms: 10% Account Credit.
- Water Craft Liability Deviation - 70%.
- Form 3: Amount of Coverage A Relativity Curve Deviation: Credit varies 0% - 7.4%. Eff. 7-15-01

National Ben Franklin Insurance Company

- Forms 1, 2, 3 & 3 w/15: Personal Property Replacement Cost; Eliminate 5% surcharge. Eliminate \$20 minimum premium.
- Forms 1, 2 & 3: New Home Credit; Dwellings 0-5 yrs. old - 15%; 6-10 yrs. old - 10%, if requirements are met.
- Forms 1, 2 & 3: 20%, if requirements are met.
- Forms 1, 2, 3 & 3 w/15: Deductible credits; Coverage A - all amounts; \$250-15%; \$500-25%; \$1000-35%; \$2500-45%.
- Forms 4 & 6: Coverage C - all amounts; \$250-13%; \$500-28%; \$1000-42%; \$2500-53%. Eff. 1-1-86

National General Insurance Company

- All Forms: Protection Device Credits: Variable credits from 2% to 15%.
- All Forms, except 4 & 6: Deductible/factors; \$100-1.10 - no minimum or maximum charge; \$500-.90; \$1000-.80.
- Forms 4 & 6: Deductible/factors; \$100/\$250 theft - 1.05. No minimum or maximum charge; \$500-.90; \$1000-.77.
- Form 3: New/Renovated Home Discount; Variable credits based on age of dwelling & type of renovation.
- Forms 4 & 6: Thrifty Fifty Discount; 10% credit if insured meets criteria.
- Forms 1, 2 & 3: \$5 Photo Credit New Business.
- Form 4: Building additions & alterations increased limits \$5 per \$1000 of insurance.
- Form 6: Coverage A Dwelling; Basic & Increased Limits, \$5000 Coverage A is provided at no additional charge. Charge \$5 per \$1,000 for increased limit up to total of \$15,000.
- Forms 4 & 6: Loss of Use; Increased limits \$3 per \$1000 of additional insurance.
- Form 3: Base rate deviation; Rating factor of .80 applies.
- Form 6: Base rate deviation; Rating factor of .80 applies.
- Installment Payment Plan: Two payment plan - \$2 per installment. Eff. 6-1-99

National Grange Mutual Insurance Company

- Forms 2 & 3: Age of Dwelling Deviation: 0 - 7 yrs. of age: Credit varies 3% - 20%.
- Forms 2, 3, 6 & 8: 15% Combined Personal Protection Program Account Credit.
- Forms 2 & 3: 11.4% - 24.4% Preferred Homeowners or Revitalized Home Credit when underwriting guidelines are met.
- Forms 2, 3, 4, 6 & 8: Deductible credits/charges.
- Form 6: HO-4 base premium by factor .80 to develop base premium HO-6.
- All Forms: Protective Device Credit: Credit varies 1.1% to 2.3%. There is a maximum allowable credit of 15%.
- Forms 2, 3, 4 & 6: Replacement Cost on Contents: Minimum additional premium of \$20 does not apply.
- Forms 2 & 3: Personal Injury (HO-3282); Charge will be deleted when selection of additional coverages are met.
- Forms 2 & 3: Water Back-up of Sewers or Drains (HO 0484): Charge will be deleted if selection of additional coverages is met.
- Forms 2 & 3: Credit Card, Fund Transfer Card, Forgery, & Counterfeit Money (HO 0453): Charge will be deleted when selection of additional coverages is met.
- Forms 2 & 3: Charge for Special Computer Coverage (HO 0414) will be deleted when selection of additional coverages are met.
- Forms 2 & 3: Coverage C Special Limits of Liability: 2% charge of the base premium when certain criteria are met.
- Forms 2 & 3: Fire Department Service charge to increase limit to \$1000 will be deleted when selection of additional coverages is met.
- Forms 2 & 3: Charge to increase Coverage D to 30% of Coverage A will be deleted when selection of additional coverages are met.
- Installment Payment Plan: Multi-policies - \$3 charge first policy; \$1 charge for each additional personal lines policy appearing on monthly statement. No service charge if paid via EFT.
- Forms 2 & 3: Ordinance or Law (HO-0477): 15% additional of Coverage A will be 4% of base premium for all

insureds when selection of certain coverages is met.

- Forms 2 & 3: Refrigerated Property Coverage (HO0498) charge will be deleted when selection of additional coverages are met.
- Forms 2 & 3: Additional Limits of Liability for Coverage A (HO 3220): 6% of base premium when selection of certain coverages is met.
- Forms 2 & 3: Coverage A Relativities for Preferred and Revitalized. Credit varies. Eff. 5-1-01

National Surety Corporation

- New Home Credit: 0 – 10+ yrs. of age: Credit varies 20% - 2%.
- Protective Device Credits: All forms & all territories: 1% - 15% credit applies to company base premium.
- Deductible Deviation: Credit varies 7% - 38% by deductible amount and Coverage A limit.
- Deductible Deviation: Credit varies 7% - 37% by deductible amount and Coverage C limit.
- Portfolio Credit: 5% credit applies to all homeowners policies when Personal Catastrophe Coverage and Personal Inland Marine Coverage is written with Company.
- Key Premium for HO3 and HO3w/15 Discount.
- Replacement Cost on Contents Deviation.
- Deviations by territories and forms: Credit varies 1% - 11%. Eff. 10-1-01

National Union Fire Insurance Company of Pittsburgh

- Territorial Base Rate Deviation.
- Amount of Insurance Relatives Deviation.
- Maximum Credit for Protective Devices waived.
- Higher Deductible Credit: Credit varies by amount of insurance and deductible amount.
- Increased Coverage C Limit Deviation: A factor of 1.25 applies per\$1000 of insurance. Territories 5, 6, 42 & 43 excluded.
- Renovated House Credit: Credit varies .82 - .97 for houses renovated 1 yr. to 6 yrs.
- Gated Community Credit: 5% applies when criteria is met.
- Loss Free/ Persistency Credit: 5% or 10% credit applies when criteria is met. Eff. 10-13-00

Nationwide Mutual Fire Insurance Company

- Forms 3 & 3w15: Deviation by amount of insurance & territory.
- Home & Car Discount for all territories, except 5 & 6: Forms 2 & 3: Credit varies 1% - 17%: Form 6 -Credit varies 0%-14%.
- Protective Device Deviations by territory: Credit varies 0% - 6.6%.
- Personal Property Replacement Cost Coverage by territory: Form 3w15 - 10%.
- Deductible Deviations by form, territory, amount of insurance & deductible option. Eff. 7-15-01

Nationwide Mutual Insurance Company

- Form 4: 3.6% deviation.
- Home & Car Discount for all territories, except 5 & 6: Forms 2 & 3: Credit varies 1% - 17%.
- Protective Device Deviations by territory: Credit varies 0% - 6.6%.
- Personal Property Replacement Cost Coverage by territory: Form 3w15 - 10%.
- Deductible Deviations by form, territory, amount of insurance & deductible option. Eff. 7-15-01

Netherlands Insurance Company

Preferred Homeowners

- Forms 3, HE-7, HE-7w/20 & HE7w/21: Personal Property Increased Limits; \$.50 per \$1000 of insurance.
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: Deductible Credits: \$500 ded. - 10%; \$1000 ded. - 26%; \$2500 ded. - 38%.
- Forms 4 & 6: Deductible Credits: \$500 ded. - 10%; \$1000 ded. - 23%.
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: New Home Credit: 0 - 12 yrs. of age: Credit varies 1% - 20%.
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: Protective Device Credit: Credit varies 2%-15%.

- Forms 3, HE-7, HE-7w/20 & HE7-21: Base Rate Deviation by Territory: Credit varies 0% - 19.3%.
- Form 4: 3% Key Premium Deviation by Territory.
- Form 6: Key Premium Deviation: Credit varies 29.3%-31.6%.
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: HO-3211- Replacement or Repair Cost Protection: Premium charge \$5.
- Forms 3, 4, 6, HE-7, HE-7w/20 & HE-7w/21: 20% deviation for policies written as part of Personal Protector Package Policy.
- Water Craft Deviation of 70%.
- Base Rate Deviation on HE-7, HE-7w/20 & HE-7w/21: HE-7 factor - 1.15; HE-7w/20 factor - 1.20; HE7w/21 - 1.25.
- Amount of Coverage A Relativity: Deviation varies 0% - 7.4%.

Standard Homeowners

- Forms 3, HE-7, HE-7w/20 & HE-7w/21: Personal Property Increased Limits; \$.50 per \$1000 of insurance.
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: Deductible Credits; \$500 ded. - 10%; \$1000 ded. - 26%; \$2500 ded. - 38%.
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: New Home Credit: 0 -12 yrs. of age: Credit varies 1% - 20%.
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: Protective Device Credit: Credit varies 2% - 15%.
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: Base rate deviation by territory: Credit varies 0% - 7.7%.
- Water Craft Deviation of 70%.
- Base Rate Deviation on HE-7, HE-7w/20 & HE-7w/21: HE-7 factor - 1.15; HE-7w/20 factor - 1.20; HE7w/21 - 1.25.
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: 20% deviation for policies written as part of Personal Protector Package Policy.
- Amount of Coverage A Relativity: Deviation varies 0% - 7.4%.
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: HO-3211 - Replacement or Repair Cost Protection: Premium charge \$5. Eff. 7-15-01

New Hampshire Insurance Company

- Forms 1, 2, 3, 3w/15 4 & 6: Age of dwelling credit; 0-20 yrs. - 10%.
- Replacement or Repair Cost prot. Coverage A (HO-500): \$1 per policy. Eff. 7-1-87

New South Insurance Company

- Deviation by Amount of Insurance: Coverage A amount: \$50000 - \$250,000 & above based on territory; Credit varies 0% - .380%.
- Long-term Customer Discount: 5-9 yrs. with Co. on HO policy - 5%; 10 yrs. or longer with Co. on HO policy - 10%.
- Deductible Credits: Territories 32, 33, 34 - 41; \$250 ded., \$500 ded. \$1000 ded. & \$2500 ded.; Credits vary .05% - 41%.
- Form 6: 15%.
- Delete surcharge for \$100 deductible.
- Replacement Cost- Coverage C: Delete surcharge for replacement cost on contents. Eff. 5-1-92

New York Central Mutual Fire Insurance Company

- All Forms: 10% discount on dwellings 30 yrs. old or newer.
- All Forms: 5% discount on homes over 30 yrs. old.
- Forms 2, 3 & 8: Fixed dollar amount deductible factors; \$500 - .90%; \$1000 - .81%; \$2500 - .70%.
- Form 6: 10%.
- Forms 1, 2 & 3: Personal Property Replacement Cost; Waive 5% surcharge.
- All Forms: Additional 10% on dwellings 1-5 yrs. old with Coverage A amount \$60000 & over.
- Forms 2, 3 & 8: All counties, except Beaufort & Catawba; Amount of insurance deviation; \$59000-\$80000 & upward: Credit varies 6%-10%. Beaufort & Catawba Counties - \$39000-\$70,000 & upward: Credit varies 7%-20%. Eff. 5-1-92

Newark Insurance Company

- Forms 1, 2 & 3: Coverage A Dwelling Replacement or Repair Cost Protection; \$1 per policy.
- Protective Devices Credits vary 2% - 15%.

- Higher Deductible Factors: All Forms, except 4 & 6; \$500 - .89; \$1000 - .79; \$2500 - .72. Forms 4 & 6 - \$500 - .89; \$1000-.77; \$2500-.63.
- Forms 1, 2 & 3: Personal Property Replacement Cost; Coverage A amount under \$75000 - 10% surcharge; \$75000-\$99999 - 7% surcharge; \$100,000 & over 5% surcharge. Charge includes increase in Coverage C limit 50%-70% of Coverage A.
- All Forms: 5% preferred customer renewal credit when coverage has been with any of Royal Group for prior 3 yrs. with no losses.
- Discount for Eligible Employees: 20% credit to total homeowners policy premium.
- Form HE-7w/HE-21: 1.25 factor applies to base premium.
- Companion Policy Credit: 5% deviation when auto & homeowners policy is issued in any member of Royal Insurance when certain criteria are met.
- Installment Payment Plan: Policies billed by agent through account current payroll deduction program are not subject to installment fees. Eff. 1-1-97

Niagara Fire Insurance Company

- Broad & Standard Perils: Primary dwelling \$85000 or more; coverage written least 170% of replacement cost value; Deviation by amount of insurance \$85000 & under - 20%; \$88000 - 21%; \$92000 - \$95000-22%; \$99000 - 23%; \$102,000 - 24%; \$105,000 - 25%; \$109,000 - \$112,000 - 26%; \$116,000 - 27%; \$119,000 - 28%; \$122,000 - 29%; \$126,000 - \$289,000 - 30%; \$306,000 - 28%; \$323,000 - 26%; \$340,000 - 24%; \$357,000 - 22%; \$374,000 & above - 20%. Eff. 11-7-86
- Forms 1, 2, 3 & 3 w/15: Personal Property Replacement Cost; Eliminate 5% surcharge. Eliminate \$20 minimum premium.
- Forms 1, 2 & 3: New home credit; Dwellings 0-5 yrs. old - 15%; 6-10 yrs. old - 10%, if requirements are met.
- Forms 1, 2 & 3: 20%, if requirements are met.
- Forms 1, 2, 3 & 3 w/15: Deductible credits; Coverage A - all amounts; \$250-15%; \$500-25%; \$1000-35%; \$2500-45%.
- Forms 4 & 6: Coverage C - all amounts; \$250-13%; \$500-28%; \$1000-42%; \$2500-53%. Eff. 1-1-86

Nobel Insurance Company

- Mature Retirees Credit: 10% when required criteria are met.
- All Forms: 10% base rate deviation for protection class 1-9 & 9s for territories 32-40.
- New Roof Credit: 5% off base premium when eligibility met; Not applicable with new home credit.
- Form 3: 10% credit Preferred Homeowners Program when criteria are met.
- Loss Free Renewal Credit: Applied to renewal date of policy that has been free of losses: 1 yr. - 3%; 2 yrs. - 6%; 3+ more yrs. - 9%.
- Multi-Policy Credit: 10% applies to new business only when applicant has auto with agency representing Nobel & their homeowners coverage is placed with Nobel. 5% credit applies second yr. Eff. 6-1-99

North Carolina Farm Bureau Mutual Insurance Company

- Forms 2 & 3: Credits vary based on rate structure, amount of insurance, protection class, deductible, & territory.
- Forms 2 & 3: Age of dwelling credit; Territories 5 & 6 excluded; 2% credit until 8 or more yrs., then no credit.
- Forms 2, 3, 4, 6 & 8: Deductible credits/charges.
- Form 3: Value Plus Homeowners; Credit varies when criteria is met.
- Water Craft: Deviations varies by speed, length & horsepower of Water Craft.
- Forms 2 & 3: Coverage C increase in limits. \$1 per \$1000.
- Forms 2 & 3: Replacement cost on contents factor 1.05; Forms 4 & 6: Factor 1.25.
- Forms 4 & 6: 30% downward deviation statewide.
- Form 8: 10% downward deviation statewide.
- Carolina Partner Plus Discount varies by Coverage A amount of insurance when criteria is met. Credit varies.
- Deviation for Additional Residence Rented to Others & Other Structures Rented to Others - Residence Premises.
- Other Structures Rented to Others Residence Premises.
- Refrigerated Personal Property: Charge Waived.
- Additional 5% deviation applies to property in specified counties. Eff. 3-1-01

North River Insurance Company

- Forms 1, 2, 3 & 3 w/15: Age of dwelling credit; 0 - 1 yr. - 20%; 2% less credit each added yr.
- Preferred plan deviation for owners forms: Varying credits based on amount of insurance & territory.
- Forms 1, 2, 3 & 3 w/15: Replacement cost contents for preferred owners forms to \$1 per \$1000 of increased Coverage C.
- All Forms: Replacement cost on contents; Deletion of \$20 minimum additional premium.
- Forms 1, 2, 3 & 3 w/15: Higher deductible credits factors; \$500 - .89; \$1000 - .80; \$2500 - .67.
- Forms 4 & 6: Higher deductible credits factors; \$500 - .83; \$1000 - .67; \$2500 - .54.
- Premises Alarm System: Expand table of credits for protection classes 1 - 7 to include class 8.
- Form 6: 20%. Eff. 3-1-90

Northern Assurance Company of America

- All Forms, except 4 & 6: New Home Credit: 0-1 yr. old - 20%; 2% less credit each yr. to 10th yr.
- Forms 2 & 3: Personal Property Replacement Cost; Charge to increase Coverage C to 70% of Coverage A; \$1 per \$1000.
- Guaranteed Replacement Cost (HO-3211): \$5 premium charge.
- Protective Devices Credits: PPC 1-7 - 2%-15%; PPC 8-9 - 1%-15%; Maximum credit of 20% applies.
- Inflation Guard Endorsement: 6% - at no charge.
- Forms 1, 2 & 3: Fixed dollar amount deductible credits; \$500 - 15%; \$1000 - 21%; \$2500 - 38%.
- Form 3: 23% deviation.
- Multi-Policy Credit: 5% when named insured has voluntary policy with Commercial Union.
- 5% credit when named insured is age 49 or older.
- Homeowners Enhancement Program Factors: HE - 7 - 1.15%; HE - 7w/15 - 1.20 & HE - 7w/21 - 1.25.
- All Forms, except 4 & 6: Deviation by Coverage A amount of insurance. Credit varies.
- Windstorm or Hail Deductible. Eff. 6-1-99

Northern Insurance Company of New York

- Forms 1, 2, 3 & 3w/15: Age of dwelling credit; 0 - 2 yrs. - 25%; 3 yrs. - 23%; 4 yrs. - 21%; 5 yrs. - 18%; 6 yrs. - 15%; 7 yrs. - 12%; 8 - 12 yrs. - 11%; 13 - 15 yrs. - 5%.
- Forms 1, 2, 3 & 3 w/15: Replacement or repair cost protection HO-500; Reduce premium \$5 to \$1.
- Forms 4 & 6: Replacement Cost on Contents; Factor 1.35.
- Forms 1, 2 & 3: Charge \$1 per \$1000 for increase in Coverage C limits. Eff. 2-15-92

Northwestern National Casualty

- Forms 2, 3, 3w/15, & 6: Company deviation based on territory & Coverage A amount; Credit varies.
- Forms 2, 3 & 3w/15: New Home Discount: New to age 20 yrs. Credit varies 2% - 27%.
- All Forms, except 4 & 5: Deductible Credit/Charges.
- Personal Property Increased Limits for Coverage C. Forms 2 & 3 - \$.50; Form 3w/15 - \$2.
- Protection Construction Relativity Deviation.
- Protection Devices Credits: Maximum Credit removed.
- Outboard Motors & Water Craft: Liability rates amended by boat length.
- Form 6: Dwelling Basic and Increased Limits and Special Coverage. \$5000 Coverage A limit named perils basis: No premium charge.
- Personal Property Replacement Cost Coverage: All forms, except 4 & 6 - factor 1.05; Form 4 & 6 - factor 1.35. Minimum premium deleted.
- Ordinance or Law Coverage deviation.
- Three or Four Family Dwellings: Coverage B & C deviation.
- Installment Payment Plan: Initial installment charge waived.
- 5% Account Credit when named insured has an auto policy with the Highlands Insurance Group Companies. Eff. 6-1-99

Ohio Casualty Insurance Company

- Forms 2, 3 & 8: Fixed dollar amount deductible factors; \$500 - .90; \$1000 - .83; \$2500 - .75.
- Forms 4 & 6: Fixed dollar amount deductible factors; \$500 - .90; \$1000 - .77; \$2500 - .63.

- Personal Property Replacement Cost Coverage: Deviation for Forms 4 & 6.
- Deviations by Amount of Insurance.
- Base Rate Deviations for protection class 1-9 & territories. Variable credit.
- Water Craft Liability Rates: 60% below NCRB for powerboats; 50% below NCRB for sailboats.
- Employees Discount: 15% to qualifying employees insured in the Ohio Casualty Group.
- Percentage Wind or Hail Deductible Deviation: Credits vary. Eff. 10-1-00

Owners Insurance Company

- All Forms: 10% credit on selected optional coverages rated as a flat dollar charge per fixed amount of coverage.
- All Forms: Optional Deductible Charges; \$50 flat +15%; \$100 flat +10%; Minimum charges waived.
- All Forms: Protective Device Credit; 2% applied to Premium Chart premium for dwellings for use of the following - heat/smoke detectors, deadbolt locks or fire extinguishers. Apply each credit separately to chart premium.
- All Forms: Protective Devices Factors: Bureau credit factors under protection class 1-7, territories 36-40 apply for all protection classes & territories.
- Forms 3 & HE-7: New Home Credit: New to 10 yrs. of age: Credit varies 18% to 0%.
- Mature Homeowners Credit: 22% when at least one named insured is 55 yrs. of age or older. 12% credit age 50 - 54. This discount applies to primary, secondary or seasonal residences.
- Townhouse or Rowhouse Charge; Use same rate per number of families for protection classes 9, 9S & 10 as for protection classes 1-8.
- Form 6: Coverage A dwelling increased limits & special coverage; Eliminate \$1 add on if HO-277 is endorsed on policy; Special Coverage no additional charge.
- Loss Assessment; Same rates apply to Forms 3 & 6 with HO-32 & HE-7 as to all other forms.
- Fire Department Service Charge: Additional amount of insurance; Rate \$4 per \$100.
- All Forms: Credit Card, Fund Transfer Card, Forgery & Counterfeit Money Coverage (HO-53): \$1000 limit no charge; \$2500-\$2; \$5000-\$3; \$7500-\$4; \$10000-\$5.
- Landlord's Furnishings: Waiving per unit charge.
- Form 6: Units Regularly Rented to Others; Waive \$15 manual charge. Apply factor of .25 to premium chart to determine additional premium.
- All Forms: Building Additions & Alterations at Other Residences; Eliminate \$1 add on if HO-277 is endorsed on policy.
- Form 3 & HE 7: Business Pursuits: Coverage provided with no charge, except corporal punishment.
- Other Insured Location Occupied By Insured: Section II - 2, 3 & 4 family dwelling rated same as one family dwelling.
- Permitted Incidental Occupancies: Residence premises no charge for property exposure to business in another structure.
- Section II Liability: Residence Employees; Bureau charges waived.
- Form 3: Deviation by territory, construction & protection classes: Variable credits.
- Form 6: 5% deviation for all amounts of insurance.
- Form 3: Personal Property Replacement Cost; Coverage C limit increased to 70% of Coverage A for no additional charge. There is a 3% charge for Personal Property Replacement Cost with a \$20 minimum charge.
- All Forms: Personal Injury (HO-82) coverage provided with no charge.
- Form 3: Special Personal Property Coverage Deviation; Charge 10%. Minimum premium \$20. Form 6: Charge 20%.
- Multi-Policy Discount: 12% credit applicable to primary, secondary & seasonal residence when the named insured has both a private passenger auto policy & homeowners policy with an Auto-Owners Insurance Group Company.
- Forms 3, 6 & HE 7: 10% credit applies when owner occupied dwelling occupied less than 180 days during calendar yr.
- Additional Residence Rented to Others Deviation.
- Water Craft Section II Liability: Variable rates.
- Homeowners/Life Multi-Policy Discount: 5% credit.
- Form 3: Additional Limits of Liability for Coverage A, B, C & D: \$7 charge per location. Eff. 6-15-01

Pacific Employers Insurance Company

- Forms 1, 2 & 3: Fixed dollar deductible credits; \$500-11%; \$1000-21%; \$2500-34%.
- Form 4: Fixed dollar deductible credits; \$500-11%; \$1000-25%; \$2500-40%.
- Rate for increase in Coverage C: \$1 per \$1000.

- Forms 1, 2 & 3: Replacement Cost Coverage HO-290; Charge shall be 4% of adjusted base premium. Coverage C must also be increased to 70% of Coverage A at \$1 per \$1000.
- Protection Device Credits: All zones & all protection classes; Credits vary 2%-15%.
- New Home Discount: Credit varies 2% -20% based on age of dwelling. Credit applies to base premium.
- Base Rate Deviation: Homeowners -25%; Tenants -15%; Condominiums -20%. Eff. 2-24-98

Pacific Indemnity Company

- Forms 2, 3, 3w/15, & HE7: 13.6% credit.
- Forms 4 & 6: 10% credit.
- Form 3w/15: 17.3% credit.
- Forms 2, 3, 3w/15, & HE7: Various credits for Amounts of Insurance over \$400000 for Coverage A.
- Elimination of maximum credit for protective devices.
- Optional (higher) Deductible Amount Deviation.
- Forms 2 & 3: Additional Amount of Insurance deviation.
- Forms 2 & 3: Personal Property Increased Limit - \$1 per \$1000: Form 3w/15 - \$1.50 per \$1000.
- All Forms: 5% Gated Community Credit when criteria is met. Eff. 1-19-01

Peerless Insurance Company

Preferred Homeowners

- Forms 3, HE-7, HE-7w/20 & HE7w/21: Personal Property Increased Limits: \$.50 per \$1000 of insurance.
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: Deductible Credits: \$500 ded. - 10%; \$1000 ded. - 26%; \$2500 ded. - 38%.
- Forms 4 & 6: Deductible Credits: \$500 ded. - 10%; \$1000 ded. - 23%.
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: New Home Credit: 0 - 12 yrs. of age: Credit varies 1% - 20%.
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: Protective Device Credit: Credit varies 2%-15%.
- Forms 3, HE-7, HE-7w/20 & HE7-21: Base Rate Deviation by Territory: Credit varies 0% - 19.3%.
- Form 4: Credit of Key Premium: 3% certain counties.
- Form 6: Base rate deviation by territory: Credit varies 29.3%-31.6%
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: HO-3211 - Replacement or Repair Cost Protection: Premium charge \$5.
- Forms 3, 4, 6, HE-7, HE-7w/20 & HE-7w/21: 20% deviation for policies written as part of Personal Protector Package Policy.
- Water Craft Deviation of 70%.
- Base Rate Deviation on HE-7, HE-7w/20 & HE-7w/21: HE-7 factor - 1.15; HE-7w/20 factor - 1.20; HE7w/21 - 1.25.
- Amount of Coverage A Relativity: Deviation varies 0% - 7.4%.

Standard Homeowners

- Forms 3, HE-7, HE-7w/20 & HE-7w/21: Personal Property Increased Limits: \$.50 per \$1000 of insurance.
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: Deductible Credits: \$500 ded. - 10%; \$1000 ded. - 26%; \$2500 ded. - 38%.
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: New Home Credit: 0 -12 yrs. of age: Credit varies 1% - 20%.
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: Protective Device Credit: Credit varies 2% - 15%.
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: Base Rate Deviation by Territory: Credit varies 0% - 7.7%.
- Water Craft Deviation of 70%.
- Base Rate Deviation on HE-7, HE-7w/20 & HE-7w/21: HE-7 factor - 1.15; HE-7w/20 factor - 1.20; HE7w/21 - 1.25
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: 20% deviation for policies written as part of Personal Protector Package Policy.
- Amount of Coverage A Relativity: Deviation varies 0% - 7.4%.
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: HO-3211 - Replacement or Repair Cost Protection: Premium charge \$5. Eff. 7-15-01

Penn Mutual Insurance Company

- Forms ML 1, 2 & 3: Coverage A amount \$50001-\$60000 -10%; \$60001-\$75000 - 20%; \$75001-\$200000 - 30%; \$200001 & above -20%.

- Form ML 4: 10%.
- Eliminate minimum additional premium charge applicable to \$100 deductible buy-back provision.
- New Home Credit: 15% dwellings under 20 yrs. of age.
- Protective Device Credit: 3% when dead-bolt locks on all exterior doors. Attach ML-216.
- Replacement Value on Contents: Forms 1, 2, & 3: \$.25 per \$1,000 of Coverage C limit. Form 4: \$1 per \$1000 of Coverage C limit. No minimum premium required. Attach ML-55.
- Forms ML 1, 2 & 3: Personal Property increased limits \$1 per \$1000 of insurance. Eff. 1-1-89

Pennsylvania General Insurance Company

- All Forms, except 4 & 6: New home credit; Current yr. - 20%; 1 yr. old -18%; 2 yrs. old -16%; 3 yrs. old - 14%; 4 yrs. old - 12%; 5 yrs. old - 10%; 6 yrs. old - 10%; 7 yrs. old - 8%; 8 yrs. old - 7%; 9 yrs. old - 6%; 10yrs.-6%; 11yrs-4%;12yrs-4%;13yrs-2%; 14yrs-2% .
- All Forms: Fixed dollar amount deductible factors; \$500 - .90; \$1000 - .77.
- Forms 1, 2, 3 & 3w/15: Personal property increased limits; \$1 per \$1000 of insurance.
- All Forms, except 4: Account Credit: 10% discount when named insured insures his/her personal auto in any of General Accident Companies.
- Forms 1, 2 & 3: Personal Property Replacement Cost Coverage; Waive charge to increase Coverage C limit from 50% to 70% of Coverage A limit. Premium for Replacement Cost Coverage developed by applying factor of 1.05 to base premium including any premium adjustment for Coverage C in excess of 70% of Coverage A.
- All Forms: Protective Device Credit: Credit Varies 2% - 15%.
- All Forms, except 4 & 6: 8.8% base rate deviation. Eff. 4-15-96

Pennsylvania Lumbermens Mutual Insurance Company

- Forms 1, 2 & 3: 10% dwellings 5 yrs. old or less; 5% dwellings 6-10 yrs. old.
- All Forms: 10%. Eff. 10-1-85

Pennsylvania National Mutual Casualty Insurance Company

- Deviation by Deductibles.
- New Home Discount: Forms 2, 3 & 3w/15: New to 15 yrs. of age: Credit varies 1%-20%.
- Personal Property Increased Limits: Forms 2 & 3 - \$1 per \$1000 of insurance: Form 3w/15 - \$3 per \$1000 of insurance.
- Account Credit Program: Forms 2, 3, 3w/15, 4, 6 & 6w/1731: Credit factor .90 applies when certain requirements are met.
- Deviation for Water Craft (HO 24 75): Credits vary 9%-46% based on type, horsepower & length of Water Craft.
- Preferred Program Deviation: Forms 3 & 3w/15: Based on territory & public protection class: Variable credits when criteria is met.
- Protective Device Credits: Applies to insureds that meet eligibility criteria. Credit varies 1% - 25%.
- Deviation on Ordinance or Law Coverage: Forms 2 & 3.
- Deviation by Amounts of Insurance: Credit varies.
- Deviation by Additional Amounts of Insurance: Forms 2 & 3.
- Preferred Advantage Program Deviation: Forms 3 & 3w/15: Certain criteria apply. Eff. 4-16-01

Pharmacists Mutual Insurance Company

- 10% base rate deviation.
- Waiver of premium is amended to \$5.
- Installment Payment Plan: Charge varies based on installment plan.
- Personal Package Discount: Credit varies 5% - 10% when criteria is met.
- New Home Discount: 20% credit current calendar yr.: 1% less credit each added yr. to 10th yr.: 2% less credit 11th yr. - 14th yr.
- Automatic Adjustments of Limits: Annual 4% increase at no charge. Eff. 6-1-99

Phoenix Insurance Company

- Base Rate Deviation for Dwelling, Tenants & Condominiums: Credit varies based on territory.

- Deductible Credits: Varies by amount of deductible.
- Protective Device Deviation: Credit varies 1% - 13%.
- Forms 2, 3, 3w15: Personal Property - Increased Limit Coverage C: \$1 per &1000.
- Forms 2, 3, & 3w15: 5% Account Credit.
- Forms 2, 3, 3w15, 4 & 6: Loss Free Credit: 3+ yrs. loss free 3% credit.
- Forms 2, 3, 3w/15, 4 & 6: 5% Multi-Line Insurance & Financial Services Institution Employees Credit.
- HO- 3w/15: 10% Additional premium charge.
- Coverage A Relativities Deviation: Credit based on Coverage A amount & territory.
- Refrigerated Personal Property: \$10 charge waived.
- Forms 2 & 3: Inflation Guard: Premium charge waived.
- Geico Sponsored Account Discount: 3% credit.
- Forms 3 & 6: 5% Safety Seminar Credit: Certain criteria apply. Eff. 8-20-00

Piedmont Mutual Insurance Company

- New Home Discount: Current yr. credit - 16%; 2% less credit each additional yr. to 7th yr.
- Value-Plus Homeowner Discount: 5% when certain criteria are met. Eff. 3-1-98

Providence Washington Insurance Company

- Forms 2 & 3: Deviation by territory, Coverage A amount & protection class: Credit varies.
- All Forms, except 4 & 6: New Home Credit: 1 to 20 yrs. old: Credit varies 1% to 20%.
- All Forms, except 4 & 6: Deductible credits: \$500 - 10%; \$1000 - 17%; \$2500 - 25%.
- Protective Devices for all protection classes & territories: Credits vary 1%-15%.
- Forms 2, 3 & 6: 15% Multiple Policy Credit when Providence Washington writes auto & homeowner.
- Waiver of Premium: \$5 or less.
- Personal Property Replacement Cost: Minimum charge not applicable. Eff. 4-18-00

Prudential Property & Casualty Insurance Company

- Form 4: Credits for Coverage C: Amounts of Insurance \$5000 - \$100000+: Credit varies 2% - 30.1%.
- Form 6: Credits for Coverage C: Amounts of insurance \$5000-\$100000+: Credit varies 2% - 30.1%.
- Forms 3, 3w/15, Premier, 4 & 6: Deductible Credits vary by deductible amount.
- Forms HO-3, HO-3w/15, & Premier: Enhanced Dwelling Limit: \$1 per policy.
- New Home Credit: Age of Home 0 - 7 yrs. of age: Credit varies 0%-20%.
- Form 3 & Premier: Personal Replacement Cost: Apply 4% surcharge to adjusted base premium.
- Protective Device Credits: Variable Credits 2%-15%.
- Form 3: Premier Package Discount.
- Forms 3, 3w/15, Premier & 6: 5% Mature Homeowners Credit.
- Forms HO-3 & Premier: Deviation by Coverage A Amount: Credits vary by zones.
- 10% Companion Life Discount: Certain criteria apply.
- Secured Community Credit: Credit applies if primary residence is located in a fully secured or partially secured community. Fully secured - 10%; Partially secured -5%.
- Forms 3, 3w/15 & Premier: Personal Property Increased Limit: \$1 per \$1000 of insurance.
- Electronic Funds Transfer Fee: No charge.
- Increased Limits Jewelry, Watches & Furs: \$14 per \$1000 of Coverage.
- Forms 4 & 6: Personal Property Replacement Cost: Minimum charge of \$20.
- All Forms: Companion Property Discount: 10% credit: Certain criteria apply.
- Deviation by Zone.
- Silverware, Goldware, & Pewterware: \$2.50 per \$500.
- Deviation for 3 & 4 Family Liability Rates.
- Deviation by Liability Coverage.
- Outboard Motors & Water Craft Deviation for Coverage E, Increased Limits: Certain criteria apply.
- Outboard Motors & Water Craft Deviation for Coverage F, Increased Limits: Certain criteria apply.
- Installment Payment Plan: No service charge on 1st payment: \$2 charge for remaining installments.
- Business Property - Increased Limits Deviation: \$10 per \$2500.
- Form 3: Basic Premium Deviation varied by zone. Eff. 11-13-00

Reliance Insurance Company

- Forms 2 & 3: New Home Credit; 10% dwellings 0-5 yrs.; 9% dwellings 6 yrs.; 2% less credit each yr. up to 10 yrs.
- Forms 1, 2 & 3: Replacement Cost on Contents: Eliminate 5% surcharge.
- Multi-Policy Credit: 10% applies to homeowners premium.
- Reduce installment payment charge from \$2 per policy per installment to \$1.50. Eff. 8-24-90

Reliance National Indemnity Company

- Forms 1, 2, 3 & 3w/15: Amount of insurance deviation; \$65000 - \$79999 - 26%; \$80000 - \$99999 - 32%; \$100000 - \$129999 - 35%; \$130000 & over - 40%.
- Forms 2 & 3: New Home Credit: 5 yrs. old or less - 15%; 6 yrs. old or less - 10%; 7 yrs. old or less - 8%; 8 yrs. old or less - 6%; 9 yrs. old or less - 4%; 10 yrs. old or less - 2%.
- Forms 1, 2, 3 & 3 w/15: Fixed Dollar Amount Deductible; Credits - \$500 - 11%; \$1000 - 21%; \$2500 - 31%.
- Eliminate 5% surcharge on Replacement Cost on Contents.
- Replacement Cost on Contents: Charge to increase Coverage C is \$1 per \$1000.
- Multi-Policy Credit: 10% applies to homeowners premium.
- Reduce installment payment charge from \$2 per policy per installment to \$1.50. Eff. 2-8-92

Republic Insurance Company

- All Forms: Personal Property Replacement Cost Coverage; Minimum additional premium for coverage is deleted.
- All Forms: Protective Devices; Maximum credit allowed is deleted.
- All Forms, except 4 & 6: Fixed dollar amount deductible credits: \$500-9%; \$1000-17%; \$2500-25%. Eff. 4-1-95

Royal & SunAlliance Personal Insurance Company

- Form 3w/15: 25% credit. Eff. 5-11-92

Royal Indemnity Company

- Companion Policy Credit: 8% if auto coverage is afforded in any member Company of Royal & SunAlliance Insurance.
- Forms 2 & 3: Additional Amounts of Insurance: \$8 per policy.
- Protective Devices: Credits vary 2%-15%.
- Deductible Credits: Credit varies by form & deductible amount.
- Personal Property (Coverage C) Replacement Cost Coverage: Forms 2 & 3 - Coverage A amount under \$100000 - 11% surcharge; \$100000 & over - 8% surcharge; Forms 4 & 6 - 40% surcharge.
- Deviation by Forms: Forms 2, 3, & 3w/15- 10%; Form 6- 20%.
- Coverage A Discount based on amount of insurance & territory: Variable credits.
- Apply following factors to all optional coverages, except Personal Articles Floater: Forms 2, 3, 3w/1 5 & HE 7w/21-.95 excluding territories 5, 6 42 & 43: Form 4 & 6 - .80 excluding territories 5, 6 42 & 43.
- Preferred Customer Renewal Credit: 5% credit: Certain criteria must be met.
- Discount for Eligible Employees: 20% credit to total homeowners policy premium.
- Homeowners Enhancement Program: 1.25 factor applies to base premium.
- Installment Payment Plan: Policies billed by agent through account current payroll deduction program are not subject to installment fees.
- Installment Payment Plan: \$1 each installment for Electronic Fund Transfer.
- Installment Payment Plan waived for employees.
- Group Mass Marketing Discount: 10% applies to all coverages: Certain criteria apply.
- New Home Discount/Age of Dwelling Credit: New to 10 yrs. old - 2% to 20%. Eff. 3-1-01

Royal Insurance Company of America:

- Forms 2 & 3: Additional Amounts of Insurance: Charge \$8 per policy.
- Protective Devices Credits: Credits vary 2% - 15%.
- Deductible Credits: Credit varies by form & deductible amount.

- Personal Property (Coverage C) Replacement Cost Coverage: Forms 2 & 3 - Coverage A amount under \$100000 - 11% surcharge; \$100000 & over - 8% surcharge; Forms 4 & 6 - 40% surcharge.
- 5% Preferred Customer Renewal Credit: Certain criteria apply.
- Discount for Eligible Employees: 20% credit to total homeowners policy premium.
- Form HE-7w/HE-21: 1.25 factor applies to base premium.
- Companion Policy Credit: 1% deviation when auto & homeowners policy is issued in any member of Royal Insurance when certain criteria are met.
- Installment Payment Plan: Waived for employees.
- Installment Payment Plan: Policies billed by agent through account current payroll are not subject to installment fees.
- Installment Payment Plan: \$1 each installment for Electronic Fund Transfer.
- Group Mass Marketing Discount: 10% applies to all coverages: Certain criteria apply.
- New Home Discount: New to 10 yrs. of age - 2% to 20% deviation. Eff. 3-1-01

Safeco Insurance Company of America:

- Forms 3 & 4: Base Key Premium by Territory Deviation.
- Policy Amount Relativities. Credit varies based on Coverage A Amount.
- New Home Credit: 0 to 6 yrs. of age - 0% to 20% credit.
- Deductible Credit/Charges: Credits vary by form.
- All Forms: Renewal Credit- 5% credit 3-5 yrs.: 10% credit 6+ yrs.
- All Forms: Account Credit: 10% credit 0-2 yrs.: 5% credit 3+ yrs.
- Protective Devices Credits: Credits vary 2%-15%.
- Condominium Unit-Owners Coverage A - Increased Limits & Special Coverage Deviation.
- All Forms: Business Pursuits: Endorsement HO-24 71: Delete charge.
- Credit Card, Fund Transfer Card, Forgery & Counterfeit Money Coverage: Endorsement HO-53: Delete charge for \$1000 limit.
- All Forms: Personal Injury (HO-24 82) included with no additional charge.
- Increased Limits of Personal Property: 70% increase of Coverage A no charge: Increase limit charges per \$1000 of Coverage A vary depending on deductible selected.
- Landlord's Furnishings (HO 3221): Coverage may be increased to a total of \$5000 with burglary coverage added, \$10 premium charge per policy.
- Additional Limits of Liability Coverage A, B, C & D: 5% charge applied to base premium per policy.
- Ordinance or Law Deviation: Increase to a total of 100% of Coverage A.
- Personal Property Replacement Cost: \$20 minimum premium waived.
- Increased Special Limits Jewelry (HO-65): When increased special limits of liability are purchased for jewelry, HO-267 will automatically be added no additional charge. Premium for limits \$2000-\$15; \$3000-\$23; \$4000-\$30; \$5000-\$38.
- Medical Payment: Other exposures at Higher Limits: Additional charge for higher limits of medical payment will be waived.
- Additional Residence Rented to Others (HO-2470): Premium charge varies.
- Other Insured Location Occupied by Insured: Two-family house will be charged the same as one family house.
- Outboard Motor & Water Craft Liability deviation.
- Special Personal Property Coverage (HO-15): Coverage C may be extended to include additional risks of physical loss (with certain exceptions). Special Form 3 & Condominium Form 8. Increased displayed premiums (with full value contents included) 8%.
- Installment Service Charge: \$2 charges each installment.
- Enhancement Program Surcharge: Credit varies.
- Personal Liability - Residence Premises: Forms HE-7 & HE-21: Limit of \$3000, med pay limit \$10000 at no additional charge. Eff. 6-5-01

Safeco Insurance Co of Pennsylvania Insurance

- Form 3: Preferred Business; 25% off Bureau rates when eligibility guidelines are met.
- Form 3: Standard Business; 5% off Bureau rates when eligibility guidelines are met.
- Form 6: 17% off Bureau rates when eligibility guidelines are met.
- Form 3: Preferred Business; Guaranteed Replacement Cost Coverage A charged waived.
- Form 3: New Home Credit; During calendar yr. - 10%; 1% additional credit each added yr. to 9th yr. Eff. 2-15-95

Safeguard Insurance Company

- Forms 2 & 3: Additional Amounts of Insurance: \$8 per policy.
- Protective Devices Credit: Credits vary 2%-15%.
- Optional Higher Deductible Factors: All Forms, except 4 & 6: \$500 - .89: \$1000 - .79: \$2500 - .72: Forms 4 & 6: \$500 - .89: \$1000 - .77: \$2500 - .63.
- Forms 2 & 3: Personal Property (Coverage C) Replacement Cost Coverage: Coverage A under \$100000 - 11% surcharge; \$100000 & over 8% surcharge. Forms 4 & 6: 40% surcharge.
- Preferred Customer Renewal Credit: 5% credit: Certain criteria apply.
- Discount for Eligible Employees: 20% credit to total homeowners premium.
- Homeowners Enhancement Program: 1.25 factor applies to base premium.
- Companion Policy Credit: Standard Policies-1%: Preferred Policies-8%: Super Preferred-10%: Certain criteria apply.
- Installment Payment Plan waived for employees.
- Installment Payment Plan: Policies billed by agent through account current payroll deduction program are not subject to installment fees.
- Electronic Funds Transfer Deviation: \$1 charge per transfer.
- Coverage A Discount by Amount of Insurance & Territory: Preferred Program: Credit varies 0% - 15%.
- Coverage A Discount by Amount of Insurance & Territory: Super Preferred Program: Credit varies 0% - 17%.
- Preferred Program Deviation by Forms Off Standard Rates.
- Super Preferred Program Deviation by Forms Off Standard Rates.
- 10% Group Mass Marketing Discount: Certain criteria apply.
- Company Deviation of 9%.
- New Home Discount/Age of Dwelling Credit: New to 10 yrs. old - 2% to 20% credit. Eff. 3-1-01

St. Paul Fire & Marine Insurance Company

- Forms 1, 2, 3 & 3 w/15: New Home Discount: Yr. of construction; 0-1 yr. of age - 15%; 2-3 yrs. - 13%; 4-5 yrs. - 11%; 6-7 yrs. - 9%; 8-9 yrs. - 7%; 10-11 yrs. - 5%; 12-15 yrs. - 3%.
- Forms 1, 2, 3 & 3 w/15: Personal Property Replacement Cost; No charge for Coverage C increase from 50% to 70%.
- Forms 4 & 6: 30% surcharge to basic premium (after higher deductible credit) & for attaching HO-50.
- All Forms: Minimum premium \$15 per policy. Eff. 9-23-92

St. Paul Guardian Insurance Company

- Operation Identification Credit: 5% rate credit on Basic Homeowners Insurance Premium.
- New Home Discount: 0-1 yr.-18%; 2-3 yrs -15%; 4-5 yrs.-10%; 6-7 yrs -8%; 8-9 yrs -7%; 10-11 yrs.-5%; 12-15 yrs.-3%.
- Personal Injury Protection (Form HO-82) provided at no additional charge.
- Forms 3, 3 w/15, 4, 6, HE-7 & HE-7w/HE20: Deductible credits: \$500 - 11%; \$1000 - 23%; \$2500 - 37%.
- Form 6: 14.5% off St. Paul Guardian HO-4 rates.
- Form 3: Deviation on policy amount Relativities by territory; Variable credits.
- Form 4: Deviation on base rates by territory; Variable credits.
- Forms 4 & 6: Deviation on policy amount Relativities by territory; Variable credits.
- Form 3: Replacement or repair cost Coverage A (HO-500) provided at no charge.
- Protective Devices Credit & Home Safety Coverage Credits.
- Business Pursuits Section II coverage: All classifications will be rated same as rate shown for clerical employees.
- Water Craft: Same charge applies for lengths over 15 - 26 feet & over 151 horsepower as to lengths up to 15 feet & below 151 horsepower.
- Home Day Care: Rated at Bureau rates for Permitted Incidental Occupancies (HO-42).
- Forms 3, 3w/15, 4 & 6: Personal property replacement cost (HO-290) coverage is provided at no additional charge.
- Homeowners PAK II Credit: Forms 3, 4, 6 & HE-7; 10% when insured qualifies for PAK II Program for territories 32 - 43.
- Base premiums for HE-7 policies: No additional charge.
- Base premium for HE-7w/HE-20 policies: +2.0% above St. Paul Guardian HO-3 rates.

- Base premium for HE-7w/HE-21 policies: +4.0% above St. Paul Guardian HO-3 rates.
- Renewal Credit: Premium credit when insured or spouse has maintained consecutive yrs. of both auto & homeowners coverage with the St. Paul, 3-5 yrs. Credit varies 3%-5%.
- Forms 3 & 3w/15: Personal property increase limits; \$1 per \$1000 of insurance.
- Installment Payment Plan: \$2 charge each installment unless Electronic Funds Transfer billing option is selected, then no charge.
- Employee Discount: 20% new business: 15% renewals. Eff. 3-1-00

St. Paul Mercury Insurance Company

- Operation Identification Credit: 5%.
- New Home Discount: 0-1 yr. - 15%; 2-3 yrs. - 13%; 4-5 yrs. - 11%; 6-7yrs. -9%; 8-9 yrs. -7%; 10-11 yrs. -5%; 12-15 yrs. -3%.
- Personal Injury Protection (HO-82) provided at no additional charge.
- Personal Property Replacement Cost (HO-290) coverage is provided at no additional charge.
- Forms 3, 3 w/15, 4 & 6: Deductible credits; \$500 - 11%; \$1000 - 23%; \$2500 - 37%.
- HO-6: 15% on Companies HO-4 rates.
- HO-3: Deviation on base rates by territory; Credit varies 15.5% - 37.2%.
- Form 4: Deviation on base rates by territory; Credit varies 16.0% - 29.6%.
- Forms 4 & 6: Deviation on policy amount Relativities by territory; Credit varies 0.1% - 3.1%.
- Form 3: Replacement or repair cost Coverage A (HO-500) provided at no charge.
- Protective Devices Credit & Home Safety Coverage Credits.
- Business Pursuits Section II Coverage: All classifications will be rated same as rate shown for clerical employees.
- Water Craft: Same charge apply for lengths over 15-26 ft. & over 151 horsepower as to lengths up to 15 ft. & below 151 horsepower.
- Home Day Care: Rated at Bureau rates for Permitted Incidental Occupancies (HO-42).
- Installment Payment Plan: \$2 charges each installment. Eff. 3-1-95

Sea Insurance Company of America

- Form 3w/15: 25% credit. Eff. 5-11-92

Select Insurance Company

- Forms 1, 2, 3 & 3 w/15: 15%. Eff. 2-8-86

Selective Insurance Company of South Carolina

- Forms 4 & 6: 25%.
- Forms 1, 2, 3 & 3w/15: Replacement Cost on Personal Property; Delete 5% surcharge.
- Forms 4 & 6: Replacement Cost Personal Property; Annual add'l prem. shall be \$1 per \$1000 of ins. applied to Coverage C.
- Protective Devices Credit: Factors vary .85 to .98.
- All Forms, except 4 & 6: Fixed dollar amount deductible factors; \$500 - .85; \$1000 - .80; \$2500 - .70.
- Amount of Insurance Deviation: \$60000 - \$140000: Credit varies 0%-25%.
- Age of Dwelling Credits: New 20%; 1 yr. old 18%; 2% less credit each added yr. through 9th yr. Eff. 5-1-92

Selective Insurance Company of the Southeast

- Credit for protective devices: Factors vary .85 to .98.
- Forms 1, 2, 3, & 3 w/15: Replacement cost on personal property; Delete 5% surcharge.
- Forms 4 & 6: Charge an annual additional premium of \$1 per \$1000 of insurance applied to Coverage C. Minimum limit of Coverage is \$12000.
- All Forms, except HO 4 & HO 6: Fixed dollar amount deductible factors; \$500 - .85; \$1000 - .80; \$2500 - .70.
- Amount of Insurance Deviation: \$20000 - \$75000; Credits vary 3.0% - 10.0%. Eff. 5-1-92

Sentry Insurance A Mutual Company

- All Forms, except 4 & 6: Fixed dollar amount deductible; Factors for Coverage A limits: \$500 ded. - .91; \$1000 ded. - .79; \$2500 ded. - .62. Eff. 11-1-96

Service Insurance Company

- Year of Construction Deviation by territory: Credit varies 0% - 20%.
- Deviation for Masonry Construction by protection class: Credit varies.
- Form 3: 10% Base Deviation by territory.
- Claim Free Credit: 5% applied to base premium: Certain criteria apply.
- Mature Homeowner Credit: 5% credit by territory: Certain criteria apply.
- Gated Community Credit: 5% credit by territory: Certain criteria apply.
- Form 3: Increased Limit of Personal Property: \$1 per 1000.
- Windstorm or Hail Deductible Deviation: Credit varies.
- Key Premium Factors Deviation.
- 2% Protective Device Credit for automatic smoke detectors, fire extinguishers & deadbolt locks on all exterior doors.
- 25% Maximum Allowable Credit for specific combined deviations.
- Auto Companion Credit: 4% credit when criteria are met.
- Deductible Credit Discounts.
- Percent Windstorm or Hail Deductibles Deviation. Eff. 8-1-01

Shelby Insurance Company

- All Forms: Deductible credits; \$250 ded. - no charge; \$500 ded. - 15%; \$1000 ded. - 25%; \$2500 ded. - 38%.
- Forms 2 & 3: Deductible credits; \$250 ded. - 10%; \$500 ded. - 15%; \$1000 ded. - 30%; \$2500 ded. - 35%.
- Forms 4 & 6: Deductible credits; \$250 - 10%; \$500 - 15%; \$1000 - 30%; \$2500 - 37%.
- Forms 2 & 3: \$250 theft deductible credit; 1%.
- Forms 4 & 6: \$250 theft deductible credit; 5%.
- Forms 1, 2, 3 & 3 w/15: Coverage C increase limits \$2 per \$1000.
- Protective Devices: Credit varies 2% - 15%.
- Personal Injury (HO-2482): Included at no charge.
- New Home Discount: 20% current calendar yr.; 18% one yr. preceding current calendar yr.; 2% less credit each added yr. until 10+ yrs. then no credit.
- Multi-Policy Discount: 10% applies to total HO policy premium when auto policy is written in the Anthem Casualty Insurance Group.
- Forms 2 & 3: Additional Amount of Insurance; 3% charge of basic premium.
- Base premium deviation by territory. Eff. 6-1-99

South Carolina Insurance Company

- All Forms: 10% credit off base premium.
- Forms 1, 2 & 3: New Home Credit; 16% current calendar yr. - 2% less credit for each yr. preceding current calendar yr.
- Flat Deductible Credits: All forms, except 4 & 6; \$500-9%; \$1000-17%; \$2500-25%.
- All Forms: Protective Device Credits: Special Fire & Theft Package - 5% credit.
- All Forms: Account credit: 10% applies to HO policy when personal auto coverage or flood coverage is written on primary residence with any of the Seibels Bruce Companies.
- All Forms, except Form 4: 5% Senior Citizens Credit when required criteria are met.
- All Forms: Credits vary based upon renewal criteria.
- Forms 4 & 6: 10% deviation.
- All Forms: Deviation by policy amount of insurance; \$10000 - \$86000 & above: Credit varies 0% - 26.4%.
- Guaranteed Replacement Cost: Endorsement HO-500; Building replacement or repair cost protection; \$1 charge.
- Forms 3 & 3w/15: 10% deviation.
- Form 3: Deviation by policy amount of insurance; \$10000 - \$111000 & above: Credit varies 0% - 27.0%.
- All Forms: Personal Property Replacement Cost including an increase in contents to 70% of Coverage A provided for no charge.
- Forms 3 & 3w/15: Increase in Coverage C; \$1 per \$1000.

- Guaranteed Replacement Cost HO-500: Coverage A provided for no charge.
- Forms 3 & 3w/15: Windstorm or Hail Exclusion; Beach territory only; \$75 premium credit.
- Personal Injury Coverage provided for no charge. Eff. 6-1-99

Southern Guaranty Insurance Company

- Form 3 & HE-7: Deviation by Territorial Relativities.
- Form 4: Deviation by Territorial Relativities.
- Form 6: Deviation by Territorial Relativities.
- Form 3 & HE-7: Amount of Insurance Deviation.
- Form 3 & HE-7: New Home Credit; 1 yr. - 18%; 2% less credit each added yr. to 9th yr.
- All Forms, except 4 & 6: Deductible Credits; \$500-.91; \$1000-.83; \$2500-.75. Forms 4 & 6: \$500-.90; \$1000-.77; \$2500-.63.
- Forms 4 & 6: Personal Property (Coverage C) Replacement Cost Coverage; Factor 1.30 from 1.40.
- Reduced charge for Personal Property Increased Limits: Form 3 - \$1; Form 3w/15 - \$2.
- Reduced rates for Outboard & Water Craft Liability.
- Forms 3, 4 & 6: Personal Injury Coverage at no charge.
- Form 3 & HE-7: Exceptional Homeowner: 10% credit when criteria are met.
- Protective Devices Credit: Credit varies.
- Multi-Policy Credit: 5% credit applies when insured has personal auto & homeowners with Southern Guaranty Insurance Company. Eff. 1-15-00

Southern Heritage Insurance Company

- Forms 3, 4 & 6: 10% credit for policies written with HE-7, HE-7w/20 or HE-7w/21.
 - Form 3: Territory Deviation; Credit varies 2% - 10% & applies when auto & HO policies are issued voluntary by Southern Heritage Insurance Company in accordance with underwriting practices.
 - Form 6: Factor of .675 applies when both auto & HO policies are issued voluntarily with Southern Heritage Insurance Company in accordance with Company underwriting guidelines.
 - Optional Deductible Credits: Change in credit for increasing the deductible when named insured has both auto and homeowners written voluntary by Southern Heritage Insurance Company.
 - Combined Protective Device Credits: Credit for combined smoke alarm, deadbolt lock(s) & fire extinguisher(s) applies when auto & HO policies are issued voluntary by Southern Heritage Insurance Company in accordance with Company underwriting practices. Total average deviation is 1.8%.
 - Form 3: Coverage A Dwelling Replacement Cost (HO-500) coverage provided at not additional charge when auto & HO policies are issued voluntary by Southern Heritage Insurance Company in accordance with Company underwriting practices.
 - Form 3: Personal Property Replacement Cost Coverage: Coverage C (HO-290): Charge personal property to be waived when auto & HO policies issued voluntary by Southern Heritage Insurance Company in accordance with Company underwriting practices.
 - Forms 4 & 6: Personal Property Coverage C Replacement Cost Coverage (HO-290) reduction of charge from 40% to 25% (deviation of 37.5%) applies when auto & HO policies are issued voluntary by Southern Heritage Insurance Company in accordance with Company underwriting practices.
 - Inflation Guard Coverage Deviation: HO-243; 2% to no charge for 4% coverage; 3% - 1% for 6% coverage (deviation of 33.3%) 4% - 2% for 8% coverage (deviation of 50%). Average deviation is 66.7% applies when auto & HO policies issued voluntary by Southern Heritage Insurance Company in accordance with Company underwriting practices.
 - Credit for Retirees: 5% for named insured age 55 or older applies when auto & HO policies are issued voluntary by Southern Heritage Insurance Company in accordance with Company underwriting practices.
 - New Home Credit: 20% for homes completed in current calendar yr., decreasing 2% each preceding yr. Credit applies when auto & HO policies are issued voluntary by Southern Heritage Insurance Company in accordance with Company underwriting practices.
 - Reduced Boat Liability Rates. Credit varies 4.8%-32.0%. Deviation applies when auto & homeowners policies are issued voluntary by Southern Insurance Company in accordance with Company underwriting practices.
 - Coverage A Amount Relativity Deviation: Based on Coverage A amount when auto & homeowner policies are issued by Southern Heritage Insurance Company in accordance with Company underwriting practices.
- Eff. 6-1-99

Link Plus Only

- Property Limit Amount Relativity Deviation based on policy amount of insurance: Credit varies 2% - 3%.
- Gated Community Discount: 8% credit when criteria are met. Maximum credit \$125.
- New Home Discount: 1 yr. - 20%. 2% less each yr. to 10th yr. Eff. 7-7-97

Southern Pilot Insurance Company

- Form 3 & HE-7: Deviation by Coverage A limit: Variable credit.
- Forms 4 & 6: Replacement Cost Coverage: Surcharge 1.30.
- New Home Credit: Age of dwelling current yr. 20%, 2% less credit thru 9th yr.
- Form 3 & HE-7: Deviation by territorial relativities.
- Form 4: Deviation by territorial relativities.
- Form 6: Deviation by territorial relativities.
- All Forms, except 4 & 6: Variable factors based on Coverage A limit & deductible amounts.
- Forms 4 & 6: Variable factors based on Coverage C limit & deductible amounts.
- Form 3: Personal Property Increased Limits: \$1 charge: Form 3w/15 - \$2 charge
- Protective Device Credits: Credit factors vary .01-.13 with maximum credit of \$75.
- Reduced Rates for Outboard Motor & Water Craft Liability.
- Forms 3, 4 & 6: Personal Injury Coverage. No premium charge.
- Form 3 & HE-7: Exceptional Homeowner Credit: 10% credit when criteria are met.
- Multi Policy Credit: 5% homeowner base rate credit when insured has personal auto coverage with Company. Eff. 6-1-01

Standard Fire Insurance Company

- Base Rate Deviation: Credit varies depending on territory.
- Coverage A Relativities based on Coverage A amount & territory.
- HO-3w/15: 10% additional premium charge.
- Protective Device Deviation: Credit varies 1% - 13%.
- Forms 2, 3 & 3w/15: Personal Property - Increased Limit Coverage C: \$1 per \$1000.
- Forms 2, 3, & 3w/15: 5% Account Credit.
- Refrigerated Personal Property: \$10 charge waived.
- Deductible Credits: Varies by amount of deductible.
- Forms 2, 3 & 3w/15: Loss Free Credit: 3+ yrs. loss free 5 % credit.
- Forms 2 & 3: Inflation Guard: Premium charge waived.
- Geico Sponsored Account Discount: 3% credit.
- Forms 3: 5% Safety Seminar Credit: Certain criteria apply. Eff. 8-20-00

State Automobile Mutual Insurance Company

- Forms 4 & 6: Deductibles: \$500 - 17%; \$1000 - 33%; \$2500 - 46%.
- Forms 2, 3, 3w/15, 4 & 6: 10% additional deviation if Company carries insured's homeowners & auto liability: Other criteria apply.
- Age of Dwelling Credit: New 20%; 1 yr. - 18%; 2 yrs. - 15%; 3 yrs. - 12%; 4 yrs. -9%; 5 yrs. - 7%; 1% less credit 6th - 8th yrs.
- All Forms: Alarm System Credits; All protection classes & territories; Variable credits.
- Forms 4 & 6: Replacement Cost on Contents; Reduce charge from 40% to 35%.
- HO 500 Replacement or Repair Cost on dwellings granted without charge when certain requirements are met.
- Forms 1, 2, & 3: Coverage C increase; \$1 per \$1000; Form 3 w/15 - \$2 per \$1000.
- Forms 1, 2, 3, 3w/15 & 8: Policy Size Credits; Protection classes 1-8; \$51000 & above - 1%-30%; Protection classes 9 & 10 - \$60000 & above 1% - 15%.
- Forms 1, 2, 3, 3 w/15 & 8: Deductibles; \$500 - 15%; \$1000 - 25%; \$2500 - 31%.
- Defender Package: This package will be rated by applying a 20% credit to base rate for HO-500 coverage & a flat \$25 charge for HO-290 when certain requirements are met.
- Forms 1, 2 & 3: When HO 290 is attached; Coverage C limit is increased to 70% of Coverage A at no additional charge.

- Form 3w/15: Optional at a +10% charge.
- Jewelry Rate - \$9.50 per \$1000. Eff. 9-1-92

State Auto Property & Casualty Insurance Company

- Forms 3 & 3w/15: Policy size deviation based on Coverage A amount, territories & protection classes. Various credit.
- Forms 4 & 6: Deductibles; \$500 - 17%; \$1000 - 33%; \$2500 - 46%.
- Forms 1, 2, 3, 3w/15 & 8: Deductibles; \$500 - 10%; \$1000 - 25%; \$2500 - 31%.
- 15% additional deviation if Company carries insured's homeowners as well as private passenger auto liability and meets other requirements.
- Defender Program includes Guaranteed Replacement Cost Coverage on dwelling (HO-500) & Replacement Cost on Contents with Coverage C at 70% of Coverage A (HO-290) when certain criteria is met.
- All Forms: Alarm System Credits: Credit varies 2% - 15%: All protection classes & territories.
- Age of Dwelling Deviation: New - 9 yrs.: Credit varies 0% - 20%.
- Forms 4 & 6: Replacement Cost on Contents: Charge 35%.
- Forms 2 & 3: Coverage C Increase: \$1 per \$1000: Form 3w/15 \$2 per \$1000.
- Form 3w/15: Optional at +10% charge.
- Protection Class 9 Rates: 10% Discount for homes within 5 miles of a responding Fire Department & within 1000 feet of fire hydrant.
- Homeowners Prime of Life Discount: All Forms, except 4 & 8: Age 50-54 - 10%; Age 55 & over -15%: Form 6 qualifies if Coverage C is at least \$30000.
- All Forms, except 4 & 6: Windstorm or Hail Deductible. Variable Credits.
- Electronic Funds Transfer: \$1 service fee. Eff. 9-15-00

State Capital Insurance Company

- All Forms, except 4 & 6: Fixed dollar amount deductibles; \$500 - factor .79; \$1000 - factor .79; \$2500 - factor .62.
- Forms 4 & 6: \$500-ded. - factor .85; \$1000-ded. - factor .77; \$2500-ded. - factor .63.
- Forms 1, 2, 3, HE-7 & HE-7 w/HE-20: Personal Property Increase Limits; \$.50 per \$1000; 3 w/15 \$2 per \$1000.
- Forms 2, 3, 3w/15, & 6,: Company deviation based on territory & Coverage A amount; Credit varies.
- Forms 2, 3, 3w/15, HE-7 & HE-7 w/HE-20: New Home Discount 0-2 yrs. - 27%; 3-4 yrs. - 24%; 5-6 yrs. -19%; 7-8 yrs. - 14%; 9-10 yrs. - 10%; 11-12 yrs. - 7%; 13-14 yrs. - 5%; 15-20 yrs. - 2%.
- All Forms: Protective Devices Credits; Maximum credit removed. All protection class & all territory. Credit varies 2% - 15%.
- Outboard Motors & Water Craft: Liability rates amended by boat length.
- Protection/Construction Relativity Deviation: Applies to all forms, except 4 & 6; 5% deviation applies to protection classes 1 - 3 for both frame & masonry construction.
- All Forms, except 4 & 6: Windstorm or Hail Deductible Deviation. Credit varies based on amount of insurance.
- Forms 1, 2, 3, HE 7 & HE 7w/20: Personal Property increase limit: \$.50 per \$1000.
- Form 3w/15: Personal Property Increase Limit. \$2 per \$1000.
- Form 6: Dwelling Basic and Increased Limits and Special Coverage. Limit \$5000 - no charge.
- Personal Property Replacement Cost Coverage: All Forms, except 4 & 6 - factor 1.05; Forms 4 & 6 - factor 1.35. Minimum premium deleted.
- Ordinance or Law Coverage deviation by factors.
- Three or Four Family Residence: Coverage B & C deviation.
- Installment Payment Plan: Initial installment charge waived.
- 5% Account Credit when named insured has an auto policy with the Highlands Insurance Group Companies. Eff. 6-1-99

State Farm Fire & Casualty

- Deviation by Territory & Policy Amount of Insurance: Variable credits.
- Forms 4 & 6: Deductible Credits; \$500 - 17%; \$1000 - 30%; \$2500 - 37%.
- Surcharges for townhouses/rowhouses in buildings with more than 2 units per fire division do not apply.
- Number of Families Deviation: One family premiums for all Section I & II coverages shall apply regardless of number of families.
- Premium Credits for Alarm Systems: Various combinations ranging from 2% to 15%.

- Unscheduled Jewelry & Furs: 30% credit applies to \$15 rate per \$1000 for additional coverage.
- Form 3: Replacement Cost on Contents; Coverage C increased to 70% of Coverage A at a rate of \$.85 per \$1000 of coverage. Charge for replacement cost coverage is 5% of the basic \$250 deductible premium.
- Forms 4 & 6: Replacement Cost on Contents; Apply surcharge of 30% to basic \$250 deductible premium.
- Ordinance or Law Coverage: Following charge applies only to basic premium for Coverage A amount. Percentage of Coverage A Limit 25%-3% premium charge, minimum additional premium \$5; 50%-8% premium charge, minimum additional premium \$10.
- Form 3: New Home Credit; Current calendar yr. - 20%; One year preceding - 18%; 2nd - 15%; 3rd - 12%; 4th - 9%; 5th - 6% & 6th yr - 3%. Dwelling under construction shall be considered completed & occupied during current calendar yr. with Coverage A amount insured 100% of completed dwelling replacement cost. Dwellings renovated are eligible for an Utilities Rating Plan credit; specific requirements.
- Form 4: Deviations by Territory & Amount of Insurance: Variable credits.
- Form 6: Deviations by Territory & Amount of Insurance: Variable credits.
- Rental Condominiums: Apply following charge; \$250 - 25%; \$500 - 21%; \$1000 - 18%; \$2500 - 16%.
- Form 6: Coverage A Increased limits & Special Coverage; Basic coverage rate per \$1000 increase \$3.70; Special coverage additional premium waived.
- Homeowners 36 Discount: Consecutive yrs. insured with State Farm; 3-5 yrs. - 5%; 6 or more yrs. - 10%; territories 5 & 6 excluded.
- Form 3: Coverage C Increased Limits: .85 per \$1000 of increased coverage; Territories 5 & 6 excluded.
- Installment Payment Plan: \$1 charge. Charge waived if monthly installment made by electronic funds transfer.
- Varied deductible credits/charges for Zones 5, 6, 35 (specific counties), 41, 42 & 43 and remainder.
- Refrigerated Personal Property: Coverage provided at no additional charges.
- Form 3: Sinkhole Collapse; \$.35 rate per \$1000 of Coverage A.
- Form 3, 4 & 6: 2% Credit for Home-Auto Discount for all territories, except 5 & 6.
- 8% or 15% Automatic Sprinkler Credit
- Hurricane Percentage Deductibles: Applies to the \$250 Deductible basic premium. Eff. 6-1-01

TIG Premier Insurance Company

- All Forms: Age of Dwelling Credit; 0-3 yrs. old - 21%; 4-6 - 14%; 7-9 - 7%.
- Forms 1, 2 & 3: 38.0%.
- Form 6: 17.5%. Eff. 5-1-92

Teachers Insurance Company

- Form ML-3 & Masters Program: Amount of insurance deviation based on Coverage A amount & territory: Variable credits.
- Protection Device Credits: Classes 1-9: Credits vary 1% - 15%.
- Form ML-3: 8% credit if insured 100% to value & inflation guard endorsement is attached.
- Form 3 & Masters Program: New Home Credit: 0 - 10 yrs. of age: Credit varies 2% - 20%.
- Increase in Coverage C \$1 per \$1000.
- Masters Program: Protection Class Credits: Credits vary 0% - 5%.
- Form ML-4 & 6: 8% Base Rate Territorial Deviation.
- Form 3 & Masters Program: Deductible Credits: Credit varies.
- Form 3 & Master Program: Auto/Home Client Discount: Variable credit when criteria are met.
- Form ML-3 & Masters Program: Waive \$3 installment fee on installment pay plan for initial payment.
- Form ML 4 & 6: Deductible Credits.
- Forms 4 & 6: Replacement Value Deviation: 15% charge apply for policies with \$500 or greater deductible. \$10 minimum charge will apply to policies with \$500 or greater deductible.
- Master Program: Additional coverages included at no additional premium charge.
- 2% credit if insured has a Federal Flood Insurance policy placed with Co. or the flood insurance replacement program.
- Downward deviation on earthquake.
- Downward deviation for silverware, goldware & pewterware.
- Downward deviation for refrigerated food spoilage. \$5 per policy.
- Downward deviation for tenant's improvement.
- Form 6: Coverage A Increased Limits Deviation: \$3 per \$1000 of insurance.

- Downward deviation for additional residence premises rented to others.
- Downward deviation for private structures rented to others.
- Forms 4 & 6: Coverage Amount Relativities Deviation.
- Masters Program: 5% Deviation by Credit Rating Tier. Eff. 6-1-01

Travelers Casualty & Surety Company

- Base Rate Deviation for Dwellings, Tenants & Condominiums: Credit varies based on territory.
- Form 3w15: 10% additional premium charge.
- Coverage A Relativities based on Coverage A amount & territory.
- Protective Device Deviation: Credits vary 1% - 13%.
- Deductible Credits: Varies by amount of deductible.
- Forms 2, 3, & 3w15: Personal Property - Increased Limit Coverage C: \$1 per \$1000.
- Refrigerated Personal Property: \$10 Charge waived.
- Forms 2, 3, & 3 w15: 5% Account Credit.
- Forms 3 & 6: Association Credit Program: 10% credit applies when certain criteria are met.
- Form 2, 3, 3w15, 4 & 6: Loss Free Credit: 3+ yrs. loss free 3% credit.
- Forms 2, 3, 3w15, 4 & 6: Final Premium Adjustment factor of .92.
- Form 2 & 3: Inflation Guard: Premium charge waived.
- Forms 3 & 6: 5% Safety Seminar Credit: Certain criteria apply. Eff. 8-20-00

Travelers Indemnity Company

- Protective Device Deviation: Credit varies 1% - 13%.
- Deductible Credits: Varies by amount of deductible.
- Forms 2, 3, 3w15: Personal Property - Increased Limit Coverage C: \$1 per \$1000.
- Refrigerated Personal Property: \$10 charge waived.
- Forms 2, 3, & 3w15: 5% Account Credit.
- Forms 2, 3, 3w15, 4 & 6: Final Premium Adjustment Factor of .92.
- Forms 2 & 3: Inflation Guard Premium waived.
- Forms 3 & 6: 5% Safety Seminar Credit: Certain criteria apply. Eff. 8-20-00

Travelers Indemnity Company of America

- Base Rate Deviation for Dwellings, Tenants & Condominiums: Credit varies depending on territory.
- Form 3w15: 10% Additional premium charge.
- Coverage A Relativities based on Coverage A amount & territory.
- Deductible Credits: Varies by amount of deductible.
- Protection Device Deviation: Credit varies 1%-13%.
- Forms 2, 3 & 3w15: Personal Property - Increased Limit Coverage C: \$1 per \$1000.
- Forms 2, 3, 3w15, 4 & 6: 5% Account Credit.
- Forms 2, 3, 3w15, 4 & 6: Loss Free Credit: 3+ yrs. loss free 3% credit.
- Refrigerated Personal Property: \$10 charge waived.
- Forms 2, 3, 3w15, 4 & 6: 5% Multi-Line Insurance & Financial Services Institution Employees Credit.
- Forms 2, 3, 3w15, 4 & 6: Final Premium Adjustment factor - .85.
- Forms 2 & 3: Inflation Guard: Premium charge waived.
- Forms 3 & 6: 5% Safety Seminar Credit: Certain criteria apply. Eff. 8-20-00

Travelers Indemnity Company of Connecticut

- Forms 3 & 3w15: Base rate deviation based on protection class, amount of insurance & territory; Variable credit factors.
- Form 3: 12% optional coverage credit.
- Forms 3 & 3w15: Deductible credits; \$500-16%; \$1000-26%; \$2500-32%.
- Protective Device Credits: Variable credits.
- Increased Limits Coverage C: Reduce charge to \$2 per \$1000.
- New Home Credit: New - 20%; 1 yr. old - 19%; 2 yrs. 18%; 3 yrs. - 16%; 4 yrs. - 15% - 14%; 6 yrs. - 12%; 7 yrs. -

- 11%; 8 yrs. - 10%; 9 yrs. - 8%; 10 yrs. - 7%; 11 yrs. - 6%; 12 yrs. - 4%; 13 yrs. - 3%; 14 yrs. - 2%; 15 yrs. - 1%.
- Replacement or Repair Cost Protection: Reduce charge to \$1 per policy.
- Account Discount: 10% when insured has both auto & homeowners policy.
- Forms 3 & 3w/15: Loss Free Credit; 3+ yrs. loss free - 3% credit.
- Rate Credit for Multi-Line Insurance & Financial Services Institution Employees Credit: 20% credit. Eff. 11-1-96

Travelers Indemnity Company of Illinois

- Base Rate Deviation: Credit varies based on territory.
- New Home Credit: 0 - 15 yrs. old: Credit varies 2% - 20%.
- Protective Device Deviation: Credit varies 1% - 15%.
- Forms 2, 3 & 3w/15, 4 & 6: 10% Account Credit.
- Forms 2, 3 & 3w/15: Personal Property - Increased Limit Coverage C: \$1 per \$1000.
- Form 3w/15: 10% Additional premium charge.
- Forms 2, 3, 3w/15, 4 & 6: Loss Free Credit: 5+ yrs. loss free - 5% credit.
- Deductible Credits: Varies by amount of deductible & territory.
- Form 3: Homeowners Extra Credit: 15% when criteria are met.
- Refrigerated Personal Property. \$10 charge waived.
- Forms 3 & 6: Association Credit Program: 10% credit applies when certain criteria are met.
- Forms 2 & 3: Inflation Guard premium charge waived. Eff. 5-21-00

Travelers Personal Security Insurance Company

- Base rate deviation based on territory. Credit varies.
- Form 3w/15: 10% Additional premium charge.
- Coverage A Relativities based on Coverage A amount & territory.
- Protective Device Deviation: Credit varies 1% - 13%.
- Deductible Credits: Varies by amount of deductible.
- Forms 2, 3, 3w/15: Personal Property - Increased Limit Coverage C: \$1 per \$1000.
- Refrigerated Personal Property: \$10 charge waived.
- Forms 2, 3, & 3w/15: 5% Account Credit.
- Forms 2, 3, & 3w/15: Loss Free Credit: 3+ yrs. loss free 5% credit.
- Forms 2, 3, 3w/15: Final Premium Adjustment factor of .85.
- Forms 2, 3 & 3w/15: Multi-Line Insurance and Financial Services Institution Employees Credit - 5%.
- Forms 2 & 3: Inflation Guard premium charge waived.
- Forms 3 & 6: 5% Safety Seminar Credit: Certain criteria apply. Eff. 8-20-00

Twin City Fire Insurance Company

- Age of Dwelling Credit: 1 yr. of age 20% with a 3% less credit each added yr.
- Forms 4 & 6: 10% Limited Access Credit if complex meets the protection requirements.
- All Forms: Protective Devices Premium Credits: Factors vary from .85-.98 for qualifying dwellings: Credits may be added together to maximum credit factor of .80.
- Personal Property Increase Limit Deviation: Forms 2 & 3 - \$1 per \$1000 of insurance: Form 3w/15 - \$3 per \$1000.
- Deviations by Amount of Insurance: Relativity Curves.
- Account Credit Deviation: Factors of .90 or .95 apply if insured meets eligibility requirements.
- Mature Retirees Credit: Factor of .95 is applied when required criteria is met.
- All Forms: Higher Deductible Deviation: Credits vary by amount of insurance and amount of deductible.
- Form 3: Retirement Community/Limited Access Community Package - 15% credit when criteria are met.
- Forms 4 & 6: Factor of 1.00 applies.
- Forms 2 & 3: Additional Amount of Insurance Coverage A only; 25% - \$1; 50% - \$2. Additional Limit of Liability for Coverage A, B, C, & D - \$3 premium charge. Eff. 6-1-01

USAA Casualty Insurance Company

- Form 3: New Home Discount: New - 9 yrs. of age: Credit varies 0% - 20%.
- Forms 3 & 6: Deviation by Territory & County.

- Additional Coverage: Unscheduled Jewelry & Furs: Limit \$2000 - \$16; limit \$4000 - \$32. Use Endorsement HO-267.
- Personal Property Deviation: Coverage C limit increased at .50 per \$1000: Coverage C decreased to not less than 40% of Coverage A at .50 per \$1000 credit.
- Extended Billing Plan: Regular Plan - no installment charge: Extended Plan - \$3 installment charge.
- Sinkhole Collapse Coverage: Charge .35 per \$1000 to the Coverage A amount of insurance.
- Forms 3 & 6: Revised territory definition. Eff: 12-1-01

Underwriters Insurance Company

- Age of Dwelling Discount: Form 3: 0 - 10 yrs. of age: Credit varies 0% - 20%.
- Account Credit Program: 15% discount when insured has coverage for both auto & homeowners policies through UIC.
- Preferred Homeowners Credit: 0% - 23% Credit by territory, protection class, construction type: Other criteria apply.
- Revitalized Home Credit for dwellings 25 yrs. or older if certain criteria is met.
- Deductible Credits: Forms 3, 4, & 6.
- Base Premium Discount for Form 6: A factor of .80 applies.
- Protective Device Credits: All Forms: Credit varies 1% - 15%.
- Replacement Cost on Contents: Forms 3, 4, & 6: Minimum premium does not apply.
- Additional Limits of Liability for Coverages A, B, C, & D: Form 3: 6% credit when certain options are selected.
- Personal Property Replacement Cost: Form 3: 5% of base premium with minimum premium waived when certain options are selected.
- Personal Injury: Form 3: Charge waived if certain coverages and options are selected.
- Water Back-Up of Sewers or Drains: Form 3: Charge waived if certain coverages and options are selected.
- Credit Card, Fund Transfer Card, Forgery & Counterfeit: Form 3: Charge waived if certain coverages and options are selected.
- Special Computer Coverages: Form 3: Charge waived if certain coverages and options are selected.
- Coverage C Increased Special Limits of Liability: Form 3: Charge waived if certain coverages and options are selected.
- Fire Department Service Charge: Form 3: Increased to \$1000 in lieu of \$500 if certain coverages and options are selected.
- Form 3: Coverage D Increased to 30% of Coverage A will be deleted if certain coverages & increased limits options are selected.
- Form 3: Coverage A Relativities Deviation.
- Form 3: Ordinance or Law will be 4% of base premium if certain coverages & increased limits options are selected.
- Form 3: The charge for Refrigerated Property Coverage will be deleted if certain coverages & increased limits options are selected. Eff.10-1-99

Unigard Indemnity Company & Unigard Insurance Company

- Form 3: Credits vary by protection class & Coverage A dwelling amounts; \$40000 & under to \$1000000 & over. Credit varies based on territory.
- Form 3: Personal Property Replacement Cost; Delete 5% surcharge.
- Form 6: 16% to be applied to base rate of 10% off Form 4.
- Form 3: Fixed dollar amount deductibles credits; \$500-9%; \$1000-17%; \$2500-25%.
- Forms 4 & 6: \$500-10%; \$1000-23%; \$2500-37%.
- Form 3: New Home Credit; Current yr. - 20%; 2% less credit each added yr.
- Personal Property Coverage C Increased Limits: Form 3 - \$1; Form 3w/15 - \$2.
- Protection Device Credit: 5% in all territories & protection classes for an installed smoke detector, fire extinguisher & dead bolt locks.
- Reduced rates for Outboard Motors & Water Craft liability.
- Forms 3, 4 & 6: Personal Injury Coverage; HO-82 included at no charge.
- Form 3: Deviation of territorial Relativities: Credit varies 5.0% - 20.0%.
- Form 4: Credit off base rates by territory; Credit varies 3.5% - 10.0%.
- Forms 4 & 6: Personal Property Replacement Cost Coverage; Surcharge reduced from 1.40 to 1.30.
- Forms 4 & 6: Deviation varies by protection class & territory. Eff. 10-3-94

Unigard Security Insurance Company

- Form 3: Credits vary by protection class, & Coverage A dwelling amounts; Coverage A amount under \$40000 - \$1000000 & over. Credit varies 0% - 19% based on territory.
- Form 3: Personal Property Replacement Cost; Delete 5% surcharge.
- Form 6: 19% to be applied to base rate of 10% off Form HO-4.
- Form 3: Fixed Dollar Amount Deductibles Credits; \$500-9%; \$1000-17%; \$2500-25%.
- Forms 4 & 6: \$500-10%; \$1000-23%; \$2500-37%.
- Form 3: New Home Credit; Current yr. - 20%; 2% less credit each added year.
- Personal Property Coverage C increased limits: Form 3; \$1; Form 3w/15 - \$2.
- Protection Device Credit: 5% in all territories & protection classes for an installed smoke detector, fire extinguisher & dead bolt locks.
- Reduced rates for Outboard Motors & Water Craft liability.
- Forms 3, 4 & 6: Personal Injury Coverage; HO-82 included at no charge.
- Form 3: Deviation of territorial relativities varies 0.0% - 15.8%.
- Form 4: 5% credit off base rates.
- Forms 4 & 6: Personal Property Replacement Cost Coverage; Surcharge reduced from 1.40 to 1.30. Eff. 6-13-94

Union Insurance Company

- Protective Device Credit: Credit varies 2% - 15%.
- All Forms: Account Credit: 10% when auto coverage is written with Union Ins. Co.
- Form 3: New Home/Dwelling Under Construction Discount: Discount based on yr. completed & occupied. Credit varies.
- 3% - 20%.
- Mature Homeowner Credit: 5% if insured is 55 yrs. & an adult is usually home during the day.
- All Forms, except 4 & 6: Replacement cost on contents. \$10 charge plus \$2 per \$1000 when increasing Coverage C from 50% to 70% of Coverage A.
- Increased Deductible Credits: Forms 3, HE-7, 4 & 6; \$500-19%; \$1000-21%.
- Form 3: Coverage A Factor Deviation by amount & territory. Eff. 7-1-01

Unisun Insurance Company

- Forms 1, 2 & 3: New Home Credit; 0 yrs. 21%; 1 yr. 18%; 2 yrs. -15%; 3-10 yrs. 14% 11-12 yrs. -12%; 13 yrs. - 10%; 14 yrs. -8%; 15 yrs. -6%; 16-17 yrs. -4%; 18-20 yrs. -2%.
- Forms 1, 2 & 3: Personal Property Replacement Cost Coverage is included at no charge. Attach endorsement HO-290.
- Deviation by policy amount \$10000-\$300000: Credit 5%-30%. Each additional \$10000 - 5%.
- Forms 1, 2, 3 & 3w/15: Flat deductible credits; \$500-10%; \$1000-21%; \$2500-33%. Eff. 2-1-96

United Pacific Insurance Company

- Forms 2 & 3: New Home Credit: 10% dwellings 0-5 yrs. old; 9% dwellings 6 yrs. old; 2% less credit each added yr. up to 10 yrs. old.
- Forms 1, 2, 3 & 3w/15: 15%.
- Multi-Policy Credit: 10% applies to homeowners premium.
- Reduce Installment Payment: Charge from \$2 per policy per installment to \$1.50. Eff. 2-8-92

United Services Automobile Association

- Form 3: New Home Discount: New - 9 yrs. of age: Credit varies 0% - 20%.
- Forms 3 & 6: Deviation by Territory & County.
- Additional Coverage: Unscheduled Jewelry & Furs: Limit \$2000 - \$16; limit \$4000 - \$32. Use Endorsement HO-267.
- Personal Property Deviation: Coverage C limit increased at .50 per \$1000: Coverage C decreased to not less than 40% of Coverage A at .50 per \$1000 credit.
- Extended Billing Plan: Regular Plan - no installment charge: Extended Plan - \$3 installment charge.

- Sinkhole Collapse Coverage: Charge .35 per \$1000 to the Coverage A amount of insurance..
- Forms 3 & 6: Revised territory definition. Eff: 12-1-01

United States Fidelity & Guaranty Company

- Waive any additional premium of \$5 or less.
- Forms 4 & 6: Personal Property Replacement Cost Coverage; 1.35 factor.
- Increase in Coverage C limits: Forms 1, 2 & 3 - \$1.50 per \$1000; Form 3w15 - \$2.50 per \$1000.
- Form 6: Form Relativity Factor .800 in lieu of .855.
- Employee Group Discount: 15%.
- Forms 2 & 3: Additional Amount of Insurance. Premium charge \$5. HO 03211.
- Special Package Discount. 5% when criteria is met.
- Forms 2, 3, 3w/15 & 8: Deductible Credits.
- Multi-Policy Discount: 10% credit when both Residential & P P Auto policies purchased through USF&G Insurance.
- New Home Discount: 1 yr.-20%; 2% less credit to 9th yr.
- Deviation of HO-3 base rates by territory & policy amount: Credits vary. Eff. 4-15-00

United States Fire Insurance Company

- Forms 1, 2, 3 & 3 w/15: New Home Credit; 0-1 yr. old - 20%; 2% less credit each added yr.
- Forms 1, 2, 3 & 3 w/15: Higher deductible credit factors; \$500-.89; \$1000-.80; \$2500-.67.
- Forms 4 & 6: Higher deductible credit factors; \$500 - .83; \$1000 - .67; \$2500 - .54
- Premises Alarm System: Expand table of credits for protection class 1-7 to include class 8.
- All Forms: Replacement Cost on Contents: Deletion of \$20 minimum additional premium. Eff. 3-1-90

Utica Mutual Insurance Company

- Replacement Cost Contents: Increase Coverage C to 70% of Coverage A for no additional charge. 5% surcharge is to be added to total base premium.
- Mass Merchandising Plan: 15% deviation for members of Utica National Insurance Group.
- Forms 4 & 6: Coverage C increased to 40% at no additional charge.
- HO Extension Package: Certain criteria apply.
- 5% credit applies to homeowners, personal inland marine, dwelling fire, personal umbrella & personal auto premiums provided the named insured is employed through an employer in the Company Workplace Insurance Service for Employees (W.I.S.E.) program or is a member of a company approved affinity group. Eff. 6-1-01

Vermont Mutual Insurance Company

- All Forms, except 4 & 6: Superior Home Discount; 20% when appropriate qualifications are met.
- Forms 4 & 6: Deductible Credits; \$500-10%; \$1000-23%; \$2500-37%.
- Forms 2, 3 & 3w/15 : Deviation based on Coverage A amount, construction & territory. Variable credits.
- Forms 4 & 6: 10% credit applies to base premium.
- Forms 2, 3 & 3w/15: Deductibles/charges.
- Forms 2, 3 & 3w/15: New Home Credit; New - 10 yrs. - 15% credit. Eff. 11-1-96

Vesta Insurance Corporation

- Inflation Guard Coverage: Premier, Deluxe, Renters & Condos; No charge.
- Loss Assessment Coverage for Earthquake: Premier, Renters & Condos; 5% deductible applies to insured's share of each assessment. Deductible amount not less than \$250 in any one assessment. \$1 per \$1000.
- Credit card, fund transfer card, forgery & counterfeit money coverage Premier, Deluxe & Renters; Reduced charge.
- Premium Credits for Protective Device: Premier, Deluxe, Renters & Condos: Credit varies 2%-15%.
- Increased Special Limits of Liability Premier, Deluxe, Renters & Condos: Reduced charge for certain class of property.
- Deductible Credits: Credits vary from 15% - 40%.
- Senior Citizen Discount Premier, Deluxe, Renters & Condos: 5% if at least one of the named insured is 55 yrs. or

older & is not employed outside the home.

- Supporting Business Discount Premier, Deluxe, Renters & Condos: 2%.
- Base Rate Deviation by Territory; Premier & Deluxe; Variable credits.
- Coverage Amount Reactivities Deviations: Premier & Deluxe; Credits vary based on Coverage A amount.
- Loss Free Credit: Premier, Deluxe, Renters & Condos; 3 yrs. - 5%.
- Personal Property: Coverage C limit may be increased at a rate of \$2 per \$1000.
- Age of Home Credit: Premier & Deluxe; Credits vary 0%-20%. Eff. 6-1-99

Vigilant Insurance Company

- Forms 2, 3, 3w/15 & HE-7: 28.5% credit applies to base premium.
- Forms 4 & 6: 16% credit applies to base premium.
- Form 3w/15: 17.3% credit applies to classification table.
- Forms 2, 3, 3w/15 & HE-7: Various credits for Amounts of Insurance over \$400000 for Coverage A.
- Elimination for maximum credit for protective devices.
- Optional (higher) Deductible Amount Deviation.
- Forms 2 & 3: Additional Amount of Insurance deviation.
- Forms 2 & 3: Personal Property Increased Limit - \$1 per \$1000: Form 3w/15 - \$1.50 per \$1000.
- All Forms: Gated Community credit when criteria is met.
- All Forms, except 4 & 6: 5% Valuable Articles Credit. Eff. 1-19-01

Virginia Mutual Insurance Company

- Forms 2, 3 & 8: Premium Credit by Amount of Coverage A - \$60000 - \$130000 & over and territory. Credit varies 4.7% -30.0%. Credits apply to basic annual premiums.
- Form 4: Premium credit factor .9091.
- Forms 2 & 3: Personal property rate for increase in Coverage C \$1 or \$3 per \$1000 of coverage: Criteria apply.
- Row and Townhouses surcharge will be waived. Eff. 7-15-99

West American Insurance Company

- Forms 2, 3 & 8: Fixed dollar amount deductible factors; \$500 - .90; \$1000 - .83; \$2500 - .75.
- Forms 4 & 6: Fixed dollar amount deductible; \$500 - .90; \$1000 - .77; \$2500 - .63.
- Personal Property Replacement Cost Coverage: Deviation for Forms 4 & 6.
- Deviations by Amount of Insurance.
- Base Rate Deviations by territory & protection class 1-9: Variable credit.
- Water Craft Liability Rates: 60% below NCRB for powerboats; 50% below NCRB for sailboats.
- 5% FamPak Credit to all Private Passenger Auto insureds that also have Homeowners policy with the Ohio Casualty Group.
- Employee Discount: 20% to qualifying employees insured in the West American Insurance 15% to qualifying employees insured with the FamPak program in the West American Insurance Company.
- Percentage Wind or Hail Deductible Deviation: Credits Vary. Eff. 10-1-00

Westchester Fire Insurance Company

- Forms 1, 2, 3 & 3 w/15: Age of dwelling credit 0-1 yr. 20%; 2% less credit each added yr.
- Forms 1, 2, 3 & 3 w/15: Higher deductible credit factors; \$500 - .89; \$1000 - .80; \$2500 - .67.
- Forms 4 & 6: Higher deductible credit factors; \$500 - .83; \$1000 - .67; \$2500 - .54.
- Premises Alarm System: Expand table of credits for protection class 1-7 to include class 8.
- All Forms: Replacement Cost on Contents: Deletion of \$20 minimum additional premium. Eff. 3-1-90

Windsor Mount Joy Mutual Insurance Company

- Amount of Insurance Deviation: Forms 1, 2 & 3; Coverage A amount 0-\$77000; Credit varies 5.1% - 18.4% for homes less than 5 yrs. of age. Eff. 10-1-93

Winterthur International America Insurance Company

- All Forms: Personal Property Replacement Cost Coverage; Minimum additional premium for coverage is deleted.
- All Forms: Protective Devices: Maximum credit allowed is deleted.
- Forms 1, 2 & 3: Replacement Cost on Contents: Charge \$1 per \$1000 for additional increase of Coverage C to 70% of Coverage A. Additional premium for this coverage will not apply.
- Deductibles: Deletion of minimum charges.
- Forms 1, 2, 3 & 8: Fixed dollar amount deductible factors; \$500 - .91; \$1000 - .83; \$2500 - .75.
- Forms 4 & 6: Fixed dollar amount deductible factors; \$500 - .90; \$1000 .77; \$2500 - .63. Eff. 4-1-95

Worldwide Insurance Company

- Protective Devices Discount: 3% for deadbolt locks on all main doors & fire extinguishers in house.
- Forms 1, 2, 3 & 3w/15: Deductible Credits; \$500 - 12%; \$1000 - 24%; \$2500 - 36%.
- Forms 4 & 6: Deductible Credits; \$500 - 17%; \$1000 - 30%; \$2500 - 37%.
- Replacement or Repair Cost Protection (HO-500); Waive \$5 charge.
- Forms 4 & 6: 10% deviation.
- Forms 4 & 6: Personal Property (Coverage C) Replacement Cost: 1.30 factor applies. Eff. 1-15-95

HOMEOWNERS

ACE American Insurance Company

- New Construction Credit: New home - 10 yrs. Credit varies 20% - 0%.
- Forms 1, 2, 3, 4 & 6: Fixed Dollar Deductible: Credit varies 15% - 40%.
- Personal Property Increased Limit: \$2 per \$1,000 of additional coverage.
- Form 2 & 3: Replacement cost on contents - HO 0490: Factor of 11.5% applies to end of the base premium & includes increased limits to 70% of Coverage A dwelling amount.
- Protective Device Credits: All zones & all protection classes: Credit varies 2% - 15%.
- Rate Deviation: Homeowners - 21%; Tenants - 15%; Condominiums - 20%. Eff. 9-1-99

ACE Fire Underwriters Insurance Company

- New Construction Credit: New 20%; 1 yr. old - 18%; 2% less credit each added yr.
- Forms 1, 2 & 3: Fixed dollar deductible credits; \$500 - 11%; \$1,000 - 21%; \$2,500 - 34%.
- Form 4: Fixed dollar deductible credits; \$500 - 11%; \$1,000 - 25%; \$2,500 - 40%.
- Forms 1, 2 & 3: Rate for increase in Coverage C: \$1 per \$1,000.
- Forms 1, 2 & 3: Replacement Cost Coverage HO-290; Charge shall be 4% of adjusted base premium. Coverage C must also be increased to 70% of A at \$1 per \$1,000.
- Protective Device Credits: All zones & all protection classes; Credit varies 1% - 15%. Eff. 5-1-92

AIU Insurance Company

- All Forms: 10%. Eff. 2-1-86

AMEX Assurance Company

- Form 3: Various downward deviation based on amount of insurance.
- Form 6: Various downward deviation based on amount of insurance.
- Protective Device Credits: Credit varies 2% - 15%.
- Home & Auto Credit: Credit varies by form 2% or 5%.
- Replacement Cost on Contents Deviation: Form 3 - 5% of base premium; Forms 4 & 6 - 30% of base premium.
- Coverage A Increased Limits downward deviation form HO 06..
- Utilities rating (New Home Discount) Form 3: Downward deviation : Credit varies 2% - 25% based on age of dwelling.
- Form 3: Downward deviation Coverage C Increased Limits.
- Downward deviation for installment pay plan by electronic funds transfer or payroll deduction.
- No additional charge for Refrigerated Personal Property.
- No charge for townhouse or rowhouse.
- Costco Discount: 2% applies to policies for member insureds of Costco.
- HO 3, 4 & 6 base rates vary by territory Eff. 8-15-02

AXA Re Property & Casualty Insurance Company

- Discount on Installment Payment Plan: \$1 - \$2 charge.
- Three or Four Family Dwelling Discount.
- Townhouse or Rowhouse Discount.
- Waterbed Liability waived.
- Base Premium Deviation.
- Forms 2, 3, 4, 6 or 8: Deviation by Amount of Insurance.
- New Home Discount: 0-9 yrs. of age: Credit varies 2%-9%.
- Protective Devices Discount: Credit varies 1%-7%.
- Multi Policy Discount: 5% of the base premium.
- Personal Property Increased Limits Discount: \$2 rate per \$1000.
- Personal Property Replacement Cost Coverage Discount.
- Form 4: Building Additions & Alterations Increased Limits Deviation.

- Personal Property Increased Limits of Liability: Charge varies by additional amount of insurance.
- Rented Personal Property: No charge.
- Form 6: Coverage A - Dwelling Basic & Increased Limits Deviation.
- Forms 3 & 3 Plus: Inflation Guard Discount.
- Watercraft Discount: Up to 50 HP, no charge.
- Business Pursuits Discount.
- Form 3 Plus: Personal Injury Liability: No charge. Eff.10-18-00

Affirmative Insurance Company

- 15% base deviation for Premier Homeowners Program.
- 3% base deviation for Deluxe Homeowners Program.
- 15% base deviation for Premier Tenant Program.
- 10% base deviation for Deluxe Tenant Program.
- 20% base deviation for Premier Condominium Program.
- 15% base deviation for Deluxe Condominium Program.
- Forms 2 & 3: Deductible credits; \$500-15%; \$1000-25%; \$2500-38%.
- Forms 4 & 6: Deductible credits; \$500-15%; \$1000-25%; \$2500-40%.
- All Forms, except 4 & 6: New Home Credit: New 20%; 2% less credit each additional yr. to 9th yr.
- All Forms: Protective Device Credits: Credits vary 2%-15%.
- Forms 2 & 3: Replacement Cost on Contents; Surcharge of 7.5%. Coverage increased to 70% of Coverage A at no premium charge.
- All forms, except 4 & 6; Personal Property Increased Limit \$2 charge per \$1000 of coverage. Eff 02-15-02

AGRI General Insurance Company

- Amount of Insurance Deviation: Credits vary 1%-15% by policy amount, territory & county.
- New Home Credit: 20% 1st yr.; 2% less credit each added yr. to 9th yr. Does not apply to Form 8, remodeled or restored homes.
- All Forms, except 4 & 6: Deductible Factors: \$250 ded.-1.00; \$500 ded.-0.91; \$1000 ded.-0.79; \$2500 ded.-0.62.
- Protective Device Credit: Premium credit for all protection classifications & territories; Credit varies 1%-15%.
- Premium Credit for Exclusion of Farm Employees employed in violation of law: Credit \$1 per policy. Eff. 11-1-97

All America Insurance Company

- Forms 2, 3 & 3w/15: Deviation varies by policy amount public protection class & territory.
- Forms 4 & 6: Deviation by amount of insurance: Credit varies.
- Forms 2, 3 & 3w/15: New Home Credit: Credit varies 2% - 18% for new to 10 yrs. of age.
- Forms 2, 3, 3w/15, & 6: Package Credits whenever the Central Companies carry both Homeowners & Private Passenger Automobile coverages.
- Forms 2 & 3: Personal Property Replacement Cost surcharge factor 1.02.
- Optional Higher Deductibles by territory and deductible amount.
- Installment Payment Plan: No fee charged for Electronic Fund Transfer.
- Form HO 6: Apply a factor of .25 to the Form 4 premium. Eff. 7-1-01

Allstate Insurance Company

- Deviation by amount of insurance. Credit varies.
- Deductible factors Forms 2, 3 & 3 Deluxe Plus; \$100/\$250 theft-1.067; \$500 ded. -.910; \$1000 ded.-.790; \$2500 ded- .620. Forms 4 & 6: Deductible factors; \$100/\$250 theft - 1.023; \$500 ded - .830; \$1000 ded - .670.
- Protective devise discount for broad/deluxe, deluxe plus and renters/condos: discount varies.
- Age 55 & Retired Discount Factor. Credit varies when certain criteria met.
- Personal Property Replacement Cost Deviation subject to certain requirements.
- Age of Home Discount Deviation for HO 2 and HO 3 deluxe and deluxe plus forms.
- Waterbed Liability Deviation HO4 and HO6.
- Dwellings in the course of construction availability for HO 2 and HO 3 deluxe plus forms 55% of expected finished value.

- Home and auto discount deviation HO2 and HO 3 deluxe and deluxe plus and HO 4 and Ho 6 when certain criteria is met.
- Installment payment plan for electronic funds transfer.
- Three or four family dwelling rating structure: does not differentiate between 3 or 4 family dwellings in a town or row house structure.
- Deviation by wind/hail deductible
- Installment payment plan – waived installation charges – payroll deduction option for allstate employees.
- Good hands people discount all forms.
- Residence rental coverage HO 01, HO 02 and HO 03 no charge for coverage. Eff 8-15-02

AmComp Assurance Corporation

- Forms 2 & 3: Deductible credits; \$500-9%; \$1000-17%.
- Forms 2 & 3: Premium credits for alarm systems vary 2% - 15%.
- Age 55 & Retired Discount: 10% credit applies when required criteria is met.
- Forms 2 & 3: New Home Credit; 14%; Homes completed & occupied current calendar yr.; 2% less credit each added yr. Eff. 12-1-91

American Automobile Insurance Company

- Protective Device Credits: All forms & all territories: 1% - 15% credit applies to company base premium.
- Portfolio Credit: 5% credit applies to all homeowners policies when Personal Catastrophe Coverage and Personal Inland Marine Coverage is written with Company.
- Deviations by territories and forms: Credit varies. Eff. 10-1-02.

American Bankers Insurance Company of Florida

- Retired Discount: 5% if an owner of insured premises or spouse is 55 yrs. of age or older.
- Claim Free Credit: 2% if insured has gone without loss for at least 3 yrs. with American Bankers.
- All Forms: Protective Device Credits: Preferred - credit varies 0%-13%; Standard - credit varies 1%-15%. Eff. 5-1-92

American Centennial Insurance Company

- Forms 1, 2, 3, 3 w/15 & 6: 25%. Eff. 9-1-85

American Economy Insurance Company

- All Forms: Personal Injury (HO-82) included at no charge.
- All Forms, except 4 & 6: New home credit or renovated home credit for homes meeting required criteria; 0-1 yr. - 15%; 2 yrs. - 12%; 3, 4 or 5 yrs. - 10%; 6 or 7 yrs. - 6%; 8-10 yrs. - 4%.
- Forms 2 & 3: Replacement Cost (HO-290) Coverage C is increased to 70% of Coverage A at no extra charge. Charge of 9% (7% in Beach Area) is added to basic premium.
- Forms 4 & 6: Replacement Cost (HO-290); Charge of 30% is added to basic premium.
- Form 3: Replacement or Repair Cost Coverage A (HO-500); No charge.
- Forms 4 & 6: \$100 deductible; Minimum additional charge of \$10 in lieu of \$30.
- Forms 2 & 3: Fixed deductible; \$500 ded. - 9%; \$1000 ded. - 17%.
- Forms 4 & 6: Fixed deductible credits; \$500 - 10%; \$1000 - 23%.
- Form 3: XL Coverage rate deviation when eligibility requirements are met.
- One family premium for all Section I & II coverages will apply regardless of number of families.
- Form 2 & 3: Dwelling under construction credit of 20% applies during first yr. when certain requirements are met.
- Form 6: Coverage A increased limits rate; \$2.70 per \$1000.
- Renewal credit for consecutive yrs. insured with American States Group; 3-5 yrs. - 5%; 6 or more yrs. - 10%.
- Protective Devices: Credit factors vary .98 to .85.
- Forms 3, 4 & 6: Unscheduled jewelry & furs - (HO-65); \$2500 increased limit - \$33; \$5000 increased limit - \$60.
- Form 3: XL Coverage Program; \$5000 limit included in basic premium. To reduce to \$1000 limit, subtract \$56. To reduce to \$2500 subtract \$35. Eff. 11-17-97

American Employers Insurance Company

- New Home Credit All Forms, except 4 & 6: 0-1 yr. old - 20%; 2% less credit each added yr. to 10th yr.
- Personal Property Replacement Forms 2 & 3: Cost; Charge to increase Cov C to 70% of Cov A; \$1 per \$1000.
- Additional Limit of Liability for Coverage A. HO 3211. \$5 premium charge.
- Protective Devices Credits: PPC 1-7 - 2%-15%; PPC 8-9 - 1%-15%. Maximum credit of 20% applies.
- Inflation Guard Endorsement (HO-243) at 6% - at no charge.
- Fixed dollar amount deductible credits Forms 2 & 3: -\$500-15%; \$1000-21%; \$2500-38%.
- Fixed dollar amount deductible credits Forms 4 & 6: \$500-10%; \$1000-23%; \$2500-37%.
- Increased Coverage A limits HO-6 \$3000 coverage A at no additional charge. Coverage A limit may be increased.
- Form 6: 6.4% deviation.
- 5% discount for insured age 49 or older.
- Form HE-7; HE7w/20 & HE7w/21: Reduced Factors.
- Deviation by amount of insurance for Coverage A \$250,000 - \$500,000. Variable credit.
- Windstorm or Hail Deductible credit varies by amount of deductible.. Eff. 8-15-02

American Fire & Casualty Company

- Forms 2, 3 & 8: Fixed dollar amount deductible factors; \$500 - .90; \$1000 - .83; \$2500 - .75.
- Forms 4 & 6: Fixed dollar amount deductible factors; \$500 - .90; \$1000 - .77; \$2500 - .63.
- Water Craft Liability Rates: 60% below NCRB for powerboats; 50% below NCRB for sailboats.
- Employees Discount: 15% to qualifying employees insured in the Ohio Casualty Group.
- Percentage Wind or Hail Deductible Deviation: Credits vary. Eff. 8-15-02

American & Foreign Insurance Company

- Forms 1, 2 & 3: Replacement or repair cost protection - Coverage A dwelling; \$1 per policy.
- Protection Devices Credits: 2%-15%.
- All Forms, except 4 & 6: Deductible credit factors; \$500 - .89; \$1000 - .79; \$2500 - .72.
- Forms 4 & 6: Deductible credit factors; \$500-.89; \$1000-.77; \$2500-.63.
- Forms 1, 2 & 3: Personal Property Replacement Cost; Coverage A amount under \$75000 -10% surcharge; \$75000 -\$99,999 -7% surcharge; \$100000 & over-5% surcharge. Charge includes an increase in Coverage C limit 50% - 70% of Coverage A.
- All Forms: 5% preferred customers renewal credit when coverage has been with any of Royal Group for prior 3 yrs. with no losses.
- Discount for Eligible Employees: 20% credit to total homeowners policy premium.
- Form HE-7w/HE-21: 1.25 factor applies to base premium.
- Companion Policy Credit: 5% deviation when auto & homeowners policy is issued in any member of Royal Insurance when certain criteria are met.
- Installment Payment Plan: Policies billed by agent through account current payroll deduction program are not subject to installment or installment fees.
- Installment Payment Plan: \$1 each installment for Electronic Fund Transfer. Eff. 9-1-99

American Home Assurance Company

- HO-3 Premier Base Class Premium Deviation by territory: 5% credit.
- HO-4 & HO-6 Base Class Premium Deviation by territory: Credit varies 3%-12%.
- Protection Device Credit for HO-3, HO-4, HO-6, & HO-3 Premier: Credit varies: Max. credit allowed is \$75.
- Optional Deductibles: All forms.
- HO-6 Coverage A Dwelling Increased Limits: Premium charge per \$1000 is \$2.
- 55 or Older & Retired Discount: Apply a factor of .9 to base premium when criteria is met.
- Multi Product Discount: Apply a factor of .9 to base premium when named insured has an auto policy with an American International Company.
- HO-4 & HO-6 Personal Property Replacement Cost Coverage Deviation.
- Age of Dwelling Discount: New Homes - 10 yrs. Credit varies. Eff. 11-19-01

American Insurance Company

- Forms 2, 3 & 3w/15: New Home Credit; 20% current yr. & one yr. preceding current yr. of construction; 2% less

credit each added yr.

- Protective Devices Credit: All territories 1% - 15%. Credit applies to company base premium.
- All Forms: Deductible credits: \$500 -10%; \$1000 -20%; \$2500 -30%. Credit applies to company base premium.
- HO-3 w/15: Multiply HO-3 key premium by factor of 1.08 to obtain key premium for HO-3 w/15.
- Form 4 & 6: Deductible Credits for Coverage C limit. \$10000 & above \$500 -10%, \$1000 - 20%, \$2500 - 30%. Credit applies to company base premium.
- Discount of Replacement Cost on Contents: Apply surcharge of 10% to HO-3 company base premium for replacement cost on contents. Eff. 6-1-93

American Manufacturers Mutual Insurance Company

- Additional Amounts of Insurance (KIP only) deviation.
- All Forms: Optional Higher Deductibles deviation.
- Personal Property Replacement Cost: Increase Coverage C at \$1 per \$1000. Add \$10 surcharge.
- Mature Homeowners Credit: 5% applies to base premium when named insured is 55 yrs. of age & an adult is home during the day.
- New Home Credit Discount: 0 - 15+ yrs. of age: Credit varies 0% - 20%.
- Premium Credits for Protective Devices.
- All Forms, except 3w/15: \$100 deductible: Waive minimum premium.
- Form 3: Base rate deviation based on protection class & territory. Credit varies 0%-22%.
- All Forms except 3w/15: \$250 theft deductible/ \$100 deductible all other perils: Waive minimum premium.
- Form 4: Base Rate Deviation -7%.
- Form 6: Base Rate Deviation - 12%.
- Higher limits for credit cards, fund transfer card, forgery & counterfeit money coverage (KIP only): Limit of \$5000 included at no additional charge: \$7500 + \$1, \$10000 + \$2.
- Outboard Motors & Water Craft (KIP only): Coverage up to & including 50 HP is included at no additional charge.
- Personal Injury (KIP only): Coverage included at no additional charge.
- Seasonal or Secondary Dwelling Discount (KIP only): 5% discount to base premium.
- Blanket Property Limit (KIP only): Replacement cost contents coverage included at no additional charge.
- Form 3: Special Personal Property Coverage: Factor 1.10 applies to base premium.
- Form 6: Special Personal Property Coverage: Factor 1.20 applies to base premium.
- Form 4: Building Additions & Alterations Increase: KIP & Monoline: Each addl. \$1000 rate \$10000 Form 4 premium x .08.
- Form 6: Coverage A Dwelling Basic and Increased Limits Special Coverage: Each additional \$10000 develop premium \$10000 Form 6 premium x .08 or enter total Coverage A limit on Declaration page.
- Form 4 & 6: Ordinance or Law Increased Amount of Insurance: Each additional \$1000 of insurance rate \$10000 Form 4 or Form 6 premium x .08.
- Refrigerated Property: Coverage included at no additional charge with KIP policy.
- Form 3: KIP only: Ordinance or Law Coverage: Include 12.5% at no additional charge. Modify rating factors for additional coverage options.
- Windstorm and Hail Deductibles for Form 3: Blanket Limits deviation (KIP only).
- HE-7W/HE-40 deviation by territory for KIP only: Territory 40 - 1.20, Remainder of State 1.25.
- HE-7W/HE-40 & HE-20 deviation by territory for KIP only: Territory 40 - 1.25, Remainder of State 1.30.
- HE-7W/HE-40 & HE-21 deviation by territory for KIP only: Territory 40 - 1.30, Remainder of State 1.35.
- Deferred Premium Payment Plan: \$1 charge for electronic funds transfer.
- 5% Kemper Network Discount: Certain criteria apply. Eff. 2-25-02

American Modern Home Insurance Company

- Form 3: Deductible Credits; \$500 Ded. - 10%; \$1000 - 22%; \$2500 - 28%.
- Form 3: New Home Credit; Current yr. - 26%; 1st. yr. - 24%; 3% less each yr. to 7th yr.
- Form 3: Multi-policy credit; 5% credit when auto policy written in addition to homeowners policy.
- Protective Device Credits: Credit varies 1% - 10%.
- Amount of Insurance Deviation: Coverage A amount \$10000 - \$200000: Credit varies by territory.
- Eliminate charge to increase personal property limits.
- For rates above \$200000, a factor of .007 applies for each additional \$1000 of premium. Eff. 6-1-99

American Motorists Insurance Company

- All Forms: Optional Higher Deductibles deviation.
- Personal Property Replacement Cost: Increase Coverage C at \$1 per \$1000. Add \$10 surcharge.
- New Home Credit Discount: 0 - 10+ yrs. of age: Credit varies 0% - 20%.
- Premium Credits for Protective Devices.
- All Forms, except 3w/15: \$100 deductible: Waive minimum premium.
- Form 4: Base Rate Deviation 5%.
- Form 6: Base Rate Deviation - 10%.
- Higher limits for credit cards, fund transfer card, forgery & counterfeit money coverage (KIP only): Limit of \$5000 included at no additional charge: \$7500 + \$1, \$10000 + \$2.
- Outboard Motors & Water Craft (KIP only): Coverage up to & including 50 HP is included at no additional charge.
- Personal Injury (KIP only): Coverage included at no additional charge.
- Seasonal or Secondary Dwelling Discount (KIP only): 5% discount to base premium.
- Blanket Property Limit (KIP only): Replacement cost contents coverage included at no additional charge.
- Form 3: Special Personal Property Coverage: Factor 1.10 applies to base premium.
- Form 6: Special Personal Property Coverage: Factor 1.20 applies to base premium.
- Form 4: Building Additions & Alterations Increase: KIP & Monoline: Each addl. \$1000 rate \$10000 Form 4 premium x .08.
- Form 6: Coverage A Dwelling Basic and Increased Limits Special Coverage: Each additional \$10000 develop premium \$10,000 Form 6 premium x .08 or enter total Coverage A limit on Declaration page.
- Form 4 & 6: Ordinance or Law Increased Amount of Insurance: Each additional \$1000 of insurance rate \$10000 Form 4 or Form 6 premium x .08.
- Refrigerated Property: Coverage included at no additional charge with KIP policy.
- Form 3: KIP only: Ordinance or Law Coverage: Include 12.5% at no additional charge. Modify rating factors for additional coverage options.
- Windstorm and Hail Deductibles for Form 3: Blanket Limits deviation (KIP only).
- HE-7W/HE-40 deviation by territory for KIP only: Territory 40 - 1.20, Remainder of State 1.25.
- HE-7W/HE-40 & HE-20 deviation by territory for KIP only: Territory 40 - 1.25, Remainder of State 1.30.
- HE-7W/HE-40 & HE-21 deviation by territory for KIP only: Territory 40 - 1.30, Remainder of State 1.35.
- Deferred Premium Payment Plan: \$1 charge for electronic funds transfer.
- 5% Kemper Network Discount: Certain criteria apply. Eff. 2-25-02

American Professionals Insurance Company

- Form 2, 3 & 3w/15: Company deviation based on amount of insurance, construction & territory: Credit varies.
- Form 6: Territorial deviation.
- Forms 2, 3, 3w/15: New Home Discount based on age of home. Deviation varies 0% - 14%.
- Forms 1, 2, 3 & 3w/15: Fixed dollar amount deductible credit factors; \$500 - .85; \$1000 - .79; \$2500 - .62.
- Forms 1, 2, & 3: Increase in Coverage C; \$1 per \$1000.
- Protective Devices: All forms: Maximum credit for protective device eliminated. All protection class & all territories. Credit varies 2% - 15%. There is no limit on credit.
- Outboard Motors & Water Craft: Liability rates amended by boat length.
- Form 4 & 6: Fixed dollar amount deductible. Credit factor \$500 - .85; \$1000 - .77; \$2500 - .63.
- All Forms, except 4 & 6: Windstorm or Hail Percentage/Factor Deductible deviation.
- Form 6: Coverage A Dwelling Basic & Increased Limits and Special Coverage.
- All Forms, except 4 & 6: Personal Property Replacement (Coverage C) Cost Coverage. 1.05 factor applies to base premium. Form 4 & 6: 1.35 factor: Minimum additional premium deleted.
- Ordinance or Law Coverage deviation factors.
- Three or Four Family Residence Coverage B & C deviation.
- Installment Payment Plan. Initial installment charge waived.
- 5% account credit when named insured has an auto policy with the Highlands Insurance Group Companies. Eff. 6-1-99

American Protection Insurance Company

- All Forms: Optional Higher Deductibles Factors.

- Personal Property Replacement Cost: Increase Coverage C at \$1 per \$1000. Add \$10 surcharge.
- Mature Homeowners Credit: 5% applies to base premium when named insured is 55 yrs. of age & an adult is home during the day.
- New Home Credit Discount: 0 - 10+ yrs. of age: Credit varies 0% - 20%.
- Premium Credits for Protective Devices: Credit varies by protection class & territory.
- All Forms, except 3w/15: \$100 deductible: Waive minimum premium.
- Form 3: Base rate deviation based on protection class & territory. Credit varies.
- All Forms except 3w/15 & 6w/1731: \$250 theft deductible/ \$100 deductible all other perils: Waive minimum premium.
- Form 4: Base Rate Deviation; Credit varies based on territories.
- Form 6: Base Rate Deviation; Credit varies based on territories.
- Higher limits for credit cards, fund transfer card, forgery & counterfeit money coverage (KIP only): Limit of \$5000 included at no additional charge: \$7500 + \$1, \$10000 + \$2.
- Outboard Motors & Water Craft (KIP only): Coverage up to & including 50 HP is included at no additional charge.
- Personal Injury (KIP only): Coverage included at no additional charge.
- Additional Amounts of Insurance (KIP only): 25%-.01, 50%-.02.
- Blanket Property Limit (KIP only): Replacement cost contents coverage included at no additional charge.
- Form 3: Special Personal Property Coverage: Factor 1.10 applies to base premium.
- Form 6: Special Personal Property Coverage: Factor 1.20 applies to base premium.
- Form 3: Windstorm or Hail Deductible: Change in rating procedure & credits to determine windstorm or hail deductible premium credits.
- Form 4: Building Additions & Alterations Increase: KIP & Monoline: Each addl. \$1000 rate \$10000 Form 4 premium x .08.
- Form 6: Coverage A Dwelling Basic and Increased Limits Special Coverage: Each additional \$10000 develop premium \$10,000 Form 6 premium x .08 or enter total Coverage A limit on Declaration page.
- Form 4 & 6: Ordinance or Law Increased Amount of Insurance: Each additional \$1000 of insurance rate \$10000 Form 4 or Form 6 premium x .08.
- Refrigerated Property: Coverage included at no additional charge with KIP policy.
- Form 3: KIP only: Ordinance or Law Coverage: Include 12.5% at no additional charge. Modify rating factors for additional coverage options.
- Windstorm and Hail Deductibles for Form 3: Blanket Limits deviation (KIP only).
- HE-7W/HE-40 deviation by territory for KIP only: Territory 40 - 1.20, Remainder of State 1.25.
- HE-7W/HE-40 & HE-20 deviation by territory for KIP only: Territory 40 - 1.25, Remainder of State 1.30.
- HE-7W/HE-40 & HE-21 deviation by territory for KIP only: Territory 40 - 1.30, Remainder of State 1.35.
- Deferred Premium Payment Plan: \$1 charge for electronic funds transfer.
- 5% Kemper Network Discount: Certain criteria apply. Eff. 2-25-02

American Reliable Insurance Company

- Loss Free Renewal Credit: Credit applies to any policy that has been loss free for the previous 12 months under an existing American Reliable Insurance Company policy.
- Mature Retiree Credit: If certain criteria are met, a credit of -10% of the Base Premium will be applied.
- New Roof Credit: If the roof has been professionally installed within five years of the inception or renewal date, the premium shall be reduced by 5%. Not to be combined with the Age of Dwelling Credit. Eff 11-6-02

American States Insurance Company

- All Forms: Include Personal Injury HO-82 at no charge.
- All Forms, except 4 & 6: New home credit or renovated home credit for homes meeting required criteria; 0-1yr. - 15%; 2 yrs. - 12%; 3, 4 or 5 yrs. - 10%; 6 or 7 yrs. - 6%; 8, 9 or 10 yrs. - 4%.
- Form 2 & 3: Replacement cost (HO-290) Coverage C is increased to 70% of Coverage A at no extra charge: Charge of 9% (7% in Beach Area) is added to basic premium.
- Forms 4 & 6: Replacement cost (HO-290); Charge of 30% is added to basic premium.
- Replacement or Repair Cost Protection Coverage A (HO-500): \$1.
- Forms 4 & 6: \$100 deductible; Minimum additional charge \$10 in lieu of \$30.

- One family premiums for all Section I & II coverages will apply regardless of number of families.
- Forms 2 & 3: Dwelling under construction credit of 20% applies during first yr. if certain requirements are met.
- Form 6: Coverage A increased limits; Basic coverage rate per \$1000 increase \$2.70.
- Renewal credit for consecutive years insured with American States Group: 3-5 yrs. - 5%; 6 or more yrs. - 10%.
- Protective Devices: Credit factors vary .98 to .85.
- Forms 2, 3, 4 & 6: Unscheduled jewelry & furs (HO-65) \$2500 increased limit - \$33; \$4000 increased limit - \$60.
- Forms 2, 3 & 8: Fixed deductible credits; \$500 - 9%; \$1000 - 17%.
- Forms 4 & 6: Fixed deductible credits; \$500 - 10%; \$1000 - 23%. Eff. 12-12-91

American States Preferred Insurance Company

- Form 3: Basic premium deviation varies by protection class. Variable credits.
- Form 3: Amount of insurance deviation: All amounts of insurance 13.0% credit.
- Form 3: Surcharges for townhouses & rowhouses are waived.
- Form 3: Homeowners XL Credit: When eligibility & coverage requirements are met. Variable credits.
- Form 3: Deductible credits/charges \$500 - 12%; \$1000 - 24%.
- The one family premiums for all Section I & Section II coverages shall apply regardless of number of families.
- Form 4: Amount of insurance deviation; \$15000 - \$30000 & above. Credit varies 2% - 22%, except for a few specific counties which receive 5% less.
- Form 6: Amount of insurance deviation; \$20000 - \$30000 & above. Credit varies 8% - 25%, except for a few specific counties which receive 5% less.
- Forms 4 & 6: Deductible credits/charges; \$500 - 17%; \$1000 - 30%.
- Alarm systems: Premium credits vary.
- Jewelry & Furs: Forms 3, 4 & 6; \$2500 limit \$33; \$5000 limit - \$60. Form 3 w/XL coverage \$5000 included in base premium. To reduce to \$2500 limit subtract \$35. \$1000 limit subtract \$56.
- Form 3: Replacement Cost (HO-290) Coverage C is increased to 70% of Coverage A at no extra charge; Charge of 9% (7% in Beach area) is added to basic premium.
- Forms 4 & 6: Replacement Cost (HO-290); Charge of 30% is added to basic premium.
- All Forms: Include Personal Injury HO-82 at no charge.
- Form 3: Replacement or Repair Cost Protection Coverage A dwelling HO-500; No charge.
- Form 6: Coverage A increased limits; Basic coverage rate per \$1000 increase \$2.70.
- Form 3: New Home Credit; Current yr. - 15%; one yr. preceding current yr. - 12%; 2nd, 3rd & 4th yrs. -10%; 5th & 6th yrs. - 6%; 7th, 8th & 9th yrs. - 4%.
- Form 3: New dwelling under construction; 20% when certain requirements are met.
- Renewal credit for consecutive yrs. with American States Group; 3-5 yrs. - 5%; 6 or more yrs. - 10%. Eff. 10-30-97

Amerisure Insurance Company

- All Forms: Minimum additional charge of \$30 for \$100 deductible is waived.
- Mature Homeowners Credit Factor .95 insured age 55 or older & dwelling is primary.
- Multi Policy Credit: Forms 2, 3 & 6: 15% multi-policy credit when personal auto coverage in force in Amerisure Group.
- New Home Credit Factors: Current year -.80; 1 yr.-.81; 2 yrs. -.82; 3 yrs -.84; 4 yrs. -.86; 5 yrs. -.88; 6 yrs. -.90; 7 yrs. -.93; 8 yrs. -.96; 9 yrs. -.99.
- Form 3: Deviation by Territory: 0% - 18% credit based on territory, protection class & construction.
- Form 1, 2 & 3: Amount of Insurance Deviation; Coverage A amount \$60000+-\$199000 credit varies 0.46% - 9.77%.
- Form 6: Relativity .85. Eff. 10-1-94

Amerisure Mutual Insurance Company

- All Forms: Minimum additional charge of \$30 for \$100 deductible is waived.
- Multi-Policy Credit: Forms 2, 3 & 6 - 15% multi-policy credit to all homeowners rates & premiums when automobile policy is written with Amerisure Group.
- Form 6: Relativity is .85. Eff. 10-1-94

AMICA Mutual Insurance Company

- Forms 2 & 3: New Home Credit; 0-1 yr. old - 20%; 2% less credit each additional yr. up to 10 yrs.
- Form 2 & 3: Repair or Replacement Cost Protection; Factor of 1.06 reduced to 1.00.
- All Forms, except 4 & 6: Fixed dollar amount deductible credits - credit varies.
- Forms 4 & 6: Fixed dollar amount deductible credits; credit varies.
- Reduce increased limits charges for Coverage C all forms to \$1: \$10 charge waived for increased limits up to 75% of Coverage A amount.
- Forms 4: Rate deviation: 10%.
- Eliminate the additional charge of \$2 for first installment payment plan. \$2 charge for each remaining installments.
- Eliminate the additional charge for each installment payments for members of any AMICA Group.
- 2% credit for 3 or more smoke detectors in all territories for protection classes 1-7.
- Installment Payment Plan: \$2 service charge regardless of number of policies on installment.
- Ordinance or Law: 25% of Coverage A provided without charge. Reduce charges for limits excess of 25% of Coverage A.
- Refrigerated Property: \$10 charge is waived.
- Windstorm Deductible Credits. Eff. 8-15-02

Armed Forces Insurance Exchange

- Protective Device Credits: All protection classes & all territories; Factors vary. Maximum credit waived.
- Fixed dollar amount deductible factors credit varies.
- Wind or Hail deductibles credit varies.
- New Home Credit; All Forms, except 4 & 6: New - 20%; 2% less credit each additional yr.
- Earthquake: Ordinance or Law increased amount of insurance (Does not include basic, only increased amount).
- Base class premium discount for form HO 6.
- Base premium deviation based on insurance amt. credit varies all forms except HO 4 and HO 6.
- Minimum policy premium waived.
- Personal Property Increased Limits charge per \$1000; Forms 1, 2 & 3 - \$.50. Form 3w/15 - \$.75.
- Home Day Care Coverage E: Reduce base premium by 50%; Coverage F; Premiums reduced by 50%.
- Other exposures - medical payments to others increase limits credit varies.
- Installment Payment Charge waived
- Wind or Hail Deductible: Credit & surcharge vary.
- Sinkhole Collapse Coverage: All Forms except HO-6; Increased amount of coverage (Does not include basic, only increased amount)
- Hurricane Deductible Factors credit varies. Eff 8-15-02

Associated Indemnity Corporation

- Forms 2, 3 & 3w/15: New Home Credits; 20% current yr. & one yr. preceding current yr.; 2% less each added yr. Credit applies to company base premium.
- Protective Device Credits: All territories; 1% - 15%; Credit applies to company base premium.
- Forms 1, 2, 3, 3w/15 & deductible credits; \$500-10%; \$1000-20%; \$2500-30%. Credit applies to company base premium.
- HO-3w/15 Key Premium: Multiply HO-3 key premium by factor of 1.08.
- Discount of Replacement Cost on Contents: Surcharge of 10% to HO-3 company base premium.
- Form 4 & 6: Deductible credits all territories; Credits for Coverage C \$10000 & above, \$500-10%, \$1000-20%, \$2500-30%. Credit applies to company base premium. Eff. 6-1-93

Associates Insurance Company

- Forms 1, 2, 3 & 3 w/15: Amount of insurance credit; \$40000 - 2%; \$45000 - 4%; \$50000 - 6%; \$55000 - 8%; \$60000 - 11%; \$65,000 - 14%; \$70000 - 17%; \$75000 & over 20%.
- Forms 1, 2, 3 & 3 w/15: New Home Credit; 0-1 yr. - 15%; 2-3 yrs. - 10%; 4 & 5 yrs. - 5%.
- All Forms: Eliminate 5% surcharge for personal property replacement cost (HO 290) endorsement.
- All Forms: Reduced key premiums for protection classes 7 & 8. Eff. 03-05-02

Association Insurance Company

- Deviation by Coverage A limit \$100000 & above - 30% credit.
- Forms 1, 2 & 3: Replacement Cost Coverage HO-290; Personal property incr. limits charge \$1 per \$1000; Waive 5% surcharge.
- New Home Credit: Coverage A amount \$100000 & above; Age of dwelling 0-5 yrs - 15%, 6-10 yrs - 10%, 11-15 yrs - 5%.
- 44% deviation off N.C. Rate Bureau Rates if Coverage A amount is \$100000 or above for all SAS Institute Inc. Employees. Eff. 1-1-96

Assurance Company of America

- All Forms, except 4 & 6: Age of dwelling credit; New-20%; 1yr.-18%; 2yrs.-16%; 3yrs-14%; 4yrs-13%; 5yrs.-12%; 6yrs-10%; 7yrs.-8%; 8yrs.-6%; 9yrs.-4%. 10yrs.-2%.
- Forms 4 & 6: Replacement Cost on Contents; Factor 1.35.
- Forms 2 & 3: Charge \$1 per \$1000 for increase in Coverage C limit.
- Form 4: 15% deviation.
- Form 6: 20% deviation.
- Base Premium Discount: All Forms, except 4 & 6; Factor varies .95 -1.25.
- Forms 2, 3 & 3w/15: Deviation by territories: Variable credits.
- All Forms: Fixed dollar amount deductibles factors: \$500-.85; \$1000-.75; \$2500-.70.
- Account Credit: 10% credit when insured has home & auto coverage with Zurich Insurance Cos. when criteria is met.
- Protective Device Credit: Factor varies. Maximum credit of \$75 is waived. Eff. 7-1-98

Auto Owners Insurance Company

- All Forms: 10% credit on selective optional coverages rated as flat dollar charge per fixed amount of coverage.
- All Forms: Optional deductible charges: \$100flat - +10% - Maximum charge \$60. Min. charges waived.
- All Forms: Protective device credit: 2% applied to premium chart premium for dwellings for each of following heat/smoke detectors, deadbolt locks or fire extinguishers.
- All Forms: Protective devices factors: Credit varies 2% - 15%.
- Form 3: New Home Credit: New-18%; 1% less credit 1st & 2nd yr.; 2% less credit 3rd - 9th yrs. of age.
- Mature Homeowners Credit: 20% for insureds 65 yrs. of age or older: 18% for insureds between the ages of 55 & 64: 8% for insureds between the ages of 50 & 54. Discount will apply to primary, secondary or seasonal residences.
- Form 3: Townhouse or rowhouse charge; Use same rate per number of families for protection classes 9, 9S & 10 as for protection classes 1-8.
- Loss Assessment: Same rates apply to Form 3 & Form 6 with HO-32 as to all other forms.
- Fire Department Service Charge: Additional amount of insurance; Rate \$4 per \$100.
- All Forms: Credit Card, Fund Transfer Card & Counterfeit Money Coverage: \$1000 limit no charge; \$2500-\$2; \$5000-\$3; \$7500-\$4; \$10000-\$5.
- Form 6: Units Regularly Rented to Others: Waiver \$15 manual charge. Apply factor of .25 to premium chart to determine additional premium.
- Building Additions & Alterations at Other Residences; Eliminate \$1 - HO-277 is endorsed on policy.
- Form 3: Business Pursuits coverage provided with no charge, except corporal punishment.
- Other Insured Location Occupied by Insured: Section II - 2, 3 & 4 family dwelling rated same as one family dwelling.
- Permitted Incidental Occupancies: Residence premises; No charge for property exposure to business in an other structure.
- Section II Liability: Residence Employees; Bureau charges waived.
- Form 3: Deviation by amount of insurance, territory, construction & protection. Variable credits.
- Form 6: 5% Amount of Insurance Credit for \$15,000 & over.
- Form 4: 10% credit for occupancies of 3 families or more.
- Forms 3, 4 & 6: Personal Injury HO-82 Coverage provided with no charge.
- Forms 3 & 6 Special Personal Property Coverage Deviation: Form 3, 10% charge. Min. \$20. Form 6, 20% charge.
- Multi-Policy Discount: 10% credit applies to primary, secondary & seasonal residence when named insured has both a private passenger auto policy & homeowners policy written with an Auto-Owners Insurance Group Company.
- Forms 2, 3 & 6: Seasonal Discount: 10% credit applies when owner-occupied dwellings are occupied less than

180 days during calendar yr.

- Additional Residence Rented to Others.
- Section II Liability: Water Craft Deviation.
- Homeowners/Life Multi-Policy Discount 5% credit.
- Additional Limits of Liability for Coverage A, B, C & D. \$7 charge per location. Eff. 8-15-02

Automobile Insurance Company of Hartford, Conn.

- Protective Device Deviation: Credit varies 1% - 13%.
- Deductible Credits: Varies by amount of deductible.
- Forms 2, 3, 3w15: Personal Property - Increased Limit Coverage C: \$1 per \$1000.
- Refrigerated Personal Property: \$10 charge waived.
- Forms 2, 3, 3w15, 4 & 6: 5% Account Credit.
- Forms 2 & 3: Inflation Guard Premium waived.
- Forms 3 & 6: 5% Safety Seminar Credit: Certain criteria apply. Eff. 11-01-02

Balboa Insurance Company

- Age of Dwelling Credit: 0 - 9 yrs. of age: Credit varies 2% - 20%.
- Base Rate Deviation by territory.
- Deductible Factors Deviation: Credit varies.
- Protective Device Credits: Credit varies 2% - 13%: Credits cannot be combined.
- Personal Property Replacement Cost: \$20 minimum premium is deleted. Eff. 2-28-01

Bankers Standard Insurance Company

- New Construction Credit: New - 20%; 1 yr. old - 18%; 2% less credit each added yr.
- Forms 1, 2, 3, 4 & 6: Fixed dollar deductible credits; Credit varies 15% - 40%.
- Forms 4 & 6: Fixed dollar deductible credits; \$500 - 11%; \$1000 - 25%; \$2500 - 40%.
- Rate for increase in Coverage C; \$2 per \$1000.
- Forms 1, 2 & 3: Replacement cost coverage HO 0490; Charge shall be 7.5% of adjusted base premium. Coverage C increased to 70% of A at no premium charge.
- Protective Device Credits: All zones & all protection classes; Credit varies 2% - 15%. Eff. 9-1-99

Blue Ridge Insurance Company

- Forms 1, 2 & 3: Personal Property Replacement Cost Coverage; Apply factor 100 to base premium. Minimum premium deleted.
- All Forms: \$100 deductible or \$250 theft deductible; No minimum additional premium.
- Fixed dollar amount deductible factors: Forms 1, 2, 3 & 8; \$500 - .91; \$1000 - .83; \$2500 - .75. Forms 4 & 6 - \$500 - .90; \$1000 - .77; \$2500 - .63.
- All Forms, except 4 & 6: \$250 deductible; Multiply base premium by factor of .9625. Eff. 4-1-95

Boston Old Colony Insurance Company

- Forms 1, 2, 3 & 3 w/15: Personal Property Replacement Cost; Eliminate 5% surcharge. Eliminate \$20 minimum premium.
- Forms 1, 2 & 3: New Home Credit; Dwellings 0-5 yrs. old - 15%; 6-10 yrs. old - 10%, if requirements are met.
- Forms 1, 2 & 3: 20%, if requirements are met.
- Forms 1, 2, 3 & 3 w/15: Deductible Credits; Coverage A - all amounts; \$250-15%; \$500-25%; \$1000-35%; \$2500-45%.
- Forms 4 & 6: Coverage C - all amounts; \$250-13%; \$500-28%; \$1000-42%; \$2500-53%. Eff. 1-1-86

Camden Fire Insurance Association, The

- All Forms, except 4 & 6: New Home Credit; New -20%; 1 yr. old - 18%; 2 yrs. old - 16%; 3 yrs. old -14%; 4 yrs. old -12%; 5 yrs. old - 10%; 6 yrs. old -10%; 7 yrs. old - 8%; 8 yrs. old - 7%; 9 yrs. old - 6%; 10 yrs.-6%; 11 yrs.-4%; 12 yrs.-4%; 13 yrs.-2%; 14 yrs.-2%.

- All Forms, except 4: Account credit: 10% applies to homeowner premium when named insured insures personal automobiles in any of the General Accident Companies.
- All Forms: Protective devices: Credit varies 2% - 15%.
- All Forms: Fixed Dollar Amount Deductible Factors; \$500 - .90; \$1000 - .77.
- Forms 1, 2, 3 & 3w/15: Personal Property Increased Limits; \$1 per \$1000 of insurance.
- Forms 1, 2 & 3: Personal Property Replacement Cost coverage; Waives charge to increase Coverage C limit 50% to 70% of Coverage A limit. Premium for replacement cost coverage developed by applying factor of 1.05 to base premium including any premium adjustment for Coverage C in excess of 70% of Coverage A.
- All Forms, except 4 & 6: Deviation by policy size; Coverage A Amounts. Credit varies.
- Uniform base rate deviation – all forms except HO 04 and HO 06 10% credit applied when written in the Camden Fire Insurance Association. Eff. 9-13-02

Central Mutual Insurance Company

CENTRAL MUTUAL TIER

- Deviation by amount of insurance, Forms 2, 3 & 3w/15: public protection class & territory: Variable credits.
- Forms 1, 2, 3 & 3 w/15: New Home Credit: Credit varies 1%-20% for homes new to 14 yrs. of age.
- Forms 2, 3, 3 w/15 & 6: 0%-10% Package Credit if company carries private passenger automobile/homeowners coverage based on territory.
- Forms 2 & 3: Personal Property Replacement Cost surcharge factor 1.02.
- Optional Higher Deductibles Deviation credit varies.
- Installment Payment Plan: Charge waived when the insured uses Electronic Funds Transfer.
- Forms 4 & 6: Deviation by amount of insurance: Credits vary.

CENTRAL MUTUAL ADVANTAGE TIER

- Deviation by amount of insurance, Forms 2,3,&3w/15, public protection class & territory: Variable credits.
- Form 6: Deviation by amount of insurance: credits vary.
- Forms 2, 3, & 3w/15 New Home Credit: Credit varies 1%-20% for homes new to 14yrs. of age.
- Forms 2, 3, 3w/15 & 6: 0%-10% Package Credit if company carries private passenger Automobile/homeowners Coverage based on territory.
- Option higher deductibles deviation credit varies..
- Forms 2 & 3: Personal Property Replacement Cost surcharge 1.02.
- Installment Payment Plan: Charge waived when the insured uses Electronic Funds Transfer.
- Forms HE 7 & HE 7w/HE 20: Personal Property Replacement Cost surcharge varies.

CENTRAL MUTUAL BENEFIT TIER

- Installment Payment Plan: Charge waived when the insured uses Electronic Funds Transfer. Eff 08-15-02

The Charter Oak Fire Insurance Company

- Protective Device Deviation: Credits vary.
- Forms 2, 3 & 3w/15: 5% Account Credit.
- Forms 2, 3 & 3w/15: Personal Property - Increased Limit Coverage C: \$1 per \$1000.
- Forms 2, 3 & 3w/15: Loss Free Credit: 3+ yrs. loss free 5% credit.
- Form 3w/15: 10% Additional premium charge.
- Base Rate Deviation: Credit varies depending on territory.
- Coverage A Relativities based on Coverage A amount & territory.
- Deductible Credits: Credit varies by amount of deductible.
- Refrigerated Personal Property: \$10 charge waived.
- Forms 2, 3 & 3w/15: Final premium adjustment factor of .92.
- Forms 2 & 3: Inflation Guard: Premium charge waived.
- Forms 3: 5% Safety Seminar Credit: Certain criteria apply. Eff. 11-01-02

Cincinnati Indemnity Company

- Forms 2, 3 & 3w/15: Age of dwelling credit; New – 9 years, credit varies.
- Forms 2, 3 & 3w/15: Deductible credits/surcharges.

- Forms 4, 6 & 6w/HO 1731: Deductible credits/surcharges.
- Personal Property Increased Limits forms HO 02, HO 03, HO 03w/HO 32 36
- Protective Device Credit – credit varies.
- Credit Card Forgery and Counterfeit Money coverage deviation.
- Replacement Cost Coverage On Contents Forms HO 04 and HO 06 reduce surcharge to 35%.
- Condominium Unit Owners Policy HO 06 with HO 32 35 - factor is 1.40.
- Installment Payment Plan: Delete the \$3 charge for each installment.
- Homeowners Enhancement Deviation. Eff 8-15-02

The Cincinnati Insurance Company

- Age of dwelling credit HO 2, HO 03, HO 03 w/HO 32 36 1-9 yrs credit varies.
- Base Rate Deviations By Territories Credit varies based on territory.
- Deductible credits/surcharges all forms except HO 04 and HO 06.
- Deductible Credits/surcharges form HO 04, HO 06 and HO 06 w/HO 32 35.
- Personal Property Increased Limits Forms HO 02, HO 03 and HO 03 w/ HO 32 36.
- Premium credits for Protective Devices credit varies.
- Credit card forgery and counterfeit money \$2500 limit - no charge; \$5000 limit \$1, \$7500 limit \$3; \$10000 limit \$4.
- Replacement cost coverage on contents forms HO 04 and HO 06 35% surcharge to adjusted base premium.
- Condominium Unit Owners Policy deviation for HO 06w/HO 3235.
- Installment Payment Plan: Delete the \$3 charge each installment.
- Homeowners Enhancement Deviation.
- Optional Rules – Additional Amounts of Insurance, Agreed Value Personal Property.
- Watercraft Liability deviation. Eff 8-15-02

Commercial Insurance Company of Newark, New Jersey

- Forms 1, 2 & 3: 20% credit if criteria is met.
- Forms 1, 2, 3 & 3 w/15: Deductible credits: Coverage A all amounts; \$250-15%; \$500-25%; \$1000-35%; \$2500-45%.
- Forms 4 & 6: Deductible credits; Coverage C all amounts; \$250-13%; \$500-28%; \$1000-42%; \$2500-53%.
- Forms 1, 2, 3 & 3 w/15: Personal Property Replacement Cost; Eliminate 5% surcharge. Eliminate \$20 minimum premium.
- Forms 1, 2 & 3: Age of dwelling credit; 0-5 yrs. - 15%; 6-10 yrs. - 10% if criteria are met.
- Amount of Insurance Deviation; \$50000 - \$225000 & above credit varies 9% - 39%. Eff. 12-9-88

Consolidated American Insurance Company

- All Forms: 10% downward deviation.
- Forms 1, 2 & 3: New home credit; 16% current calendar yr.; 2% less credit for each yr. preceding current calendar yr.
- Flat Deductible Credits: \$500 - 9%; \$1000 - 17%; \$2500 - 25%. All Forms, except forms 4 & 6.
- All Forms: Protective Device Credits; Various combinations ranging 2% - 15%.
- Forms 2, 3, 3w/15 & 6: Account credit; 10% if insured has both his personal auto policy & homeowners policy with any of the Seibels-Bruce Companies.
- Forms 2, 3, 3w/15 & 6: Amount of insurance credit; \$10000 - \$110000 - credit varies 0% - 27%.
- All Forms, except 4: 5% Senior Citizens Credit when required criteria is met.
- All Forms, except 4: Credits for consecutive yrs. with Seibels Bruce Insurance Companies 3-5 yrs.-5%; 6 or more yrs- 10%.
- Personal Injury Coverage: No charge.
- Forms 3 & 3w/15: Coverage C increased limits charge per \$1000 - \$1 in lieu of \$2.
- Guaranteed replacement or repair cost for dwelling HO-500: No charge.
- Forms 3 & 3w/15: Windstorm & Hail exclusion in Territory 04; \$75 credit.
- Per Prop Replacement: All Forms; Increase Coverage C limits 50% to 70% of Coverage A at no additional charge. Eff. 8-1-92

Continental Insurance Company

- All Forms, except 4 & 6: Base Rate Deviations based on territory. Credits vary 0% - 15.6%.
- Forms 4 & 6: Base Rate Deviations based on territory. Credits vary
- Earthquake Rate Deviations.
- Deductible Credits Deviation – based on Coverage A Limit..
- New Home Discount: 1 year – 18%, 1-5 yrs. -15%; 6-10 yrs. - 10%.
- Gated Community Discount. 10% credit when criteria are met.
- Companion Policy Discount: 10% applies when named insured has an auto policy with any Encompass Ins Co.
- Additional Limits Deviation Coverage F: Deviation.
- Business Pursuits Rate Deviation. Credits vary .14% - .33%.
- Incidental Farm Rate Deviation. Residence Premises - 48%; Other Residence - 65%.
- Superior Construction Discount: 15% credit applies to masonry base premium or apartment unit.
- Protective Device Credits: Credit varies 1% - 9%.
- Automatic Sprinkler System Deviation: Credit of 7% or 13% applies.
- Preferred Rate Deviation 5% conditions vary.
- Special Personal Property Coverage HO 00 06 only – deviation 4.3%.. Eff. 8-15-02

Continental National Indemnity Company

- Form 3: Age of Dwelling Discount: 0 - 9 yrs. of age: Credit varies 2% - 20%.
- Account Credit Program: .85 factor applies when both the homeowner & auto policy is written through CNIC.
- Deductible Credit/Charges Deviation: Credit varies by deductible amount.
- Form 6: .80 factor applied to HO-4 base premium.
- Protective Device Deviation: Credit varies 1% - 15%.
- Forms 3, 4 & 6: Eliminate minimum premium for Replacement Cost Coverage.
- Form 3: Additional Limits of Liability for Coverages A, B, C & D: 6% applies to base premium when certain criteria is met.
- Form 3: Personal Property Replacement Cost will be 5% of base premium, no minimum additional premium & no charge to increase Coverage C when certain criteria is met.
- Form 3: Personal Injury charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Water Back-Up of Sewers or Drains, charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Credit Card, Fund Transfer Card, Forgery & Counterfeit Money, to increase coverage charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Special Computer Coverage, charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Coverage C Increased Special Limits of Liability, charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Fire Department Service charge will be increased to \$1000 when certain coverages & increased limits options are selected.
- Form 3: Increasing Coverage D to 30% of Coverage A, charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Coverage A Relativities Deviation: Credit varies 3.8% - 6.5%.
- Form 3: Ordinance or Law-Increased Amount of Coverage will be 4% of the base premium when certain coverages & increased limits options are selected.
- Form 3: Refrigerated Property Coverage, charge will be deleted when certain coverages & increased limits options are selected. Eff. 1-1-01

Economy Premier Assurance Company

- Form 3: Base Rate & Policy Amount Relativities by Territory Deviation: Credit varies.
- Form 6: Base premium is calculated with a factor of 9.1% below the HO 4 base rates.
- Form 4: Base rate deviation by territory: Credit varies
- Forms 4 & 6: Policy Amount Relativities by Territory Deviation: Credits of 2.7% - 14%.
- Form HE-7: Contract provided at no additional charge.
- Form HE-7w/HE-20: Base premium is calculated with a factor of 1.02 applied to HO-3 rates.

- Form HE-7w/HE-21: Base premium is calculated with a factor of 1.04 applied to HO-3 rates.
- Forms HE-7, 6 & 4: Homeowners Pak II Credit: 10% credit in territories 32-43 who qualify.
- Pak II Renewal Credit: 3%-5% credit applies to final premium when insured has maintained an auto or homeowners policy written with a Metropolitan Company.
- New Home Discount: 0 - 15 yrs. of age: Credit varies 3% - 18%.
- Personal Injury Protection Liability Deviation: Provided with no additional charge.
- Forms 4 & 6: Personal Property Replacement Cost Coverage: Provided at no additional charge.
- Forms HE-7, 4 & 6: Credits for higher deductibles.
- Premium Credits for Protective Devices: Credits vary 1% - 15%.
- Business Pursuits Deviation.
- Water Craft Deviation: Credits vary by length & horsepower.
- Home Day Care Deviation: Premium charge will be rated at Bureau rates for Permitted Incidental Occupancies.
- Form HE-7: Personal Property Increased Limits: \$1 per \$1000 of insurance.
- Premium Payment Plan Deviation. Eff. 8-15-02

Electric Insurance Company

- Forms 2, 3 & 3 w15: Base rate deviation by territory: Credit varies.
- Forms 4 & 6: Base Rate Credit - 11%.
- Forms 1, 2 & 3: Personal Property Replacement Cost (HO-290); Coverage C is automatically increased to 70% of Coverage A. Premium surcharge 1.02 to be applied to base premium including any premium adjustment for Coverage C limits.
- Forms 4 & 6: Personal Property Replacement Cost (HO-290); Premium surcharge 1.25.
- Forms 2 & 3: New Home Credit; 0 - 10 yrs. of age; Credit varies 2% - 25%.
- Replacement or Repair Cost: Coverage A (HO-500); \$1 charge.
- Protective Device Credits: Credits vary 2% - 15%.
- Silverware, Goldware & Pewterware: Additional premium for each \$500 increase - \$2.
- Firearms: Additional premium for each \$100 increase - \$1.
- Forms 2, 3, 4 & 6: 10% Multi-Policy Discount.
- All Forms, except 4 & 6: Fixed dollar amount deductible factors Coverage A limits: Factors vary for \$500, \$1000, & \$2500 deductible.
- Forms 4 & 6: Fixed dollar amount deductible factors: Factors vary.
- Decreased rates for unscheduled jewelry, watches & furs; Limit may be increased to maximum of \$5000 not to exceed \$1000 for any one article; \$12 for each \$1000 increase.
- Additional Wind & Hail Deductible factor of .05. Eff. 4-30-01

EMCASCO Insurance Company

- Downward base rate deviation Forms 2 & 3: 15%.
- Optional Section I & II Rates; 15% deviation.
- Personal Property Replacement Cost Coverage C: forms 2 & 3 Use 1.00 factor: Forms 4 & 6: Use 1.40 factor.
- Optional Higher Flat deductible credits: all forms \$500-10%; \$1000-23%; \$2500-37. Windstorm or Hail ded's vary by ded amount for HO 2 & 3.
- Combination Premium Credit: 15% when homeowners & auto policies are written in one of the EMC Companies.
- Additional Amount of Insurance; Forms 2 & 3 \$5 premium per policy.
- Renovated Dwelling Components: Variable credits when criteria is met.
- Electronic Fund Transfer: transaction fee is waived when the electronic funds transfer options is selected. Eff. 8-1-02

Employers Mutual Casualty Company

- Optional Higher Flat deductible credits all forms; \$500 - 10%; \$1000 - 23%; \$2500 - 37%.
- Forms 4 & 6: Fixed dollar amount deductible; \$500 - 15%; \$1000 - 32%; \$2500 - 45%.
- Combination Premium Credit: 15% when homeowners & auto policies are written in one of the EMC Companies.
- : Additional amount of insurance; Forms 2 & 3 \$5 premium per policy.
- Renovated Dwelling Components: Variable credits when criteria is met.
- Electronic Fund Transfer transaction fee is waive when the electronic funds transfer options is selected Eff. 8-1-02

Erie Insurance Exchange

- Forms 2, 3, 8, HE-7, HE-7/20 & HE-7/21: Key Premium deviations: Variable credits based on zones.
- Forms 2, 3 & 8: Deviation on key factors by amount of insurance.
- Forms 4 & 6: Deviation on key factors by amount of insurance.
- Forms HE-7, HE-7w/20 & HE-7w/21: Deviation on key factors.
- Secondary Residence: Subtract \$5 for duplication of coverage credit: Waive charge on primary policy for Section II coverage on secondary residence.
- Waive surcharge for townhouse or rowhouse. All Forms, except 4 & 6:
- Forms 2 & 3: Personal Property Replacement Cost: 12% surcharge includes increase in Coverage C to 70% of Coverage A.
- Forms 4 & 6: Personal Property Replacement Cost: 30% surcharge.
- Forms 2, 3, 8 & HE-7: Deductible factors: \$500 - .88; \$1000 - .76; \$2500 - .72.
- Forms 4 & 6: Deductible factors: \$500-.83; \$1000-.69; \$2500-.63.
- Protective Device Credit Deviation: Credit varies 1% -7%, with a maximum credit of \$75.
- New Home Discount: Credits vary 2% - 25% for new to 9 yrs. of age.
- Form 4: Building Addition & Alterations: HO-51 - \$4 per \$1000 increased limits.
- Specified Additional Amount of Insurance for Coverage A only(HO 32): \$1 charge..
- Forms 4 & 6: Loss of Use Increased Limits; \$4 per \$1000.
- All Forms, except HE-7: Increased Special Limits of Liability HO-65, HO-211: Reduced charges.
- Landlord's Furnishings: \$17 for \$1000 limit regardless of number of units.
- Form 6: Units Rented to Others HO-33: Charge 25% of base premium.
- Outboard Motors & Watercraft Deviation: Outboard, inboard & inboard-outboard less than 50 horsepower-deviation 100%.
- Multi-Policy Discount: 10% credit applies when criteria met.
- Rented Personal Property: No charge.
- Waterbed Liability HO-400: No charge.
- HE-7: Personal Property Increased Limits; \$2 per \$1000.
- Business Pursuits: No charge.
- Refrigerated Property Coverage: Charge waived.
- Premium payment plan service charge – installment payments- \$3 per installment Eff. 8-15-02

Farmers Insurance Exchange

- Base Rate Deviations: Forms 3 & 4: Credits vary 2% - 13% by territory.
- Form Factor Deviations: Forms 3w/15 & 4.
- Plan Relativity Factors: Forms 3, 3w/15, 4, & 6: Premier, Preferred & Standard Plans: Certain criteria apply.
- Amount of Insurance Deviations: All Forms, Credit varies.
- Protection - Construction Factors Deviation by territory: All Forms, except 4 & 6.
- New Home Discount: Form 3: Current yr. - .80 factor; add .02 to factor each additional yr. until 7th yr.
- Ordinance or Law Deviation: Forms 2 & 3: Factors Vary.
- Personal Property Replacement Cost Coverage Deviation: Forms 4 & 6.
- Protective Devices Deviation: Credits vary 1% - 10%: Certain criteria apply.
- Deductible Deviations: All Forms , except 4 & 6: Credits vary.
- Wind Storm or Hail Deductible Deviations: All Forms, except 4 & 6.
- Loss Assessment Coverage Deviation: Forms 3 or 6w/HO1732.
- Loss of Use Deviation/Increased Limit: Rate per \$1000 - \$3.
- Other Structures Increased Limit Deviation: Rate per \$1000 - \$2.
- Personal Property Increase Limits Deviation: Credits vary.
- Other Insured Location Occupied by Insured: 4 Family Residence - \$27.
- Additional Residence Rented to Others: 4 Family Residence - \$86.
- Permitted Incidental Occupancies - Residence Premises & Other Residences: Deviation applies to Residence Premises.
- Business Pursuits Deviation for \$200,000 limit.
- Age 50 Plus Discount.
- Auto/Homeowners Discount: All Forms: Factor of .90: Certain criteria apply.

- Non Smoker Discount: Certain criteria apply.
- Affinity Banking Discounts HO 00 03 and HO 00 06 only. Certain qualifications apply. Credit varies. Eff 8-15-02

Federal Insurance Company

- Elimination of maximum credit for protective devices.
- Forms 2, 3, 3w/15 & HE-7: Coverage A amount 950,000 & above; Key Factors vary.
- Forms 2, 3, 3w/15, 4 & 6: Gated Community Credit; 5% for house located in gated community meeting certain criteria.
- Personal Property Increased Limits: Form 2 & 3-\$1 per \$1000: Form 3w/15-\$1.50 per \$1000 of coverage.
- Forms 2 & 3: Additional Amount of Insurance Option: 25%-\$1 surcharge: 50%-\$2 surcharge: Premium \$5. Eff. 8-15-02

Federated Mutual Insurance Company

- Forms 1, 2, 3 & 3w/15: New Home Credit: 14% dwellings 0-1 yr. old; 2% less credit each added yr.; applies to \$250 deductible basic premium & premium for amended Coverage C limit.
- Forms 1, 2, 3 & 3w/15: Fixed dollar amount deductibles; \$100 +10%; \$500 -10%; \$1000 -20%; \$2500 -30%.
- Forms 4 & 6: Fixed dollar amount deductibles; \$100 +10%; \$500-15%; \$1000-30%; \$2500-40%.
- Forms 1, 2, 3 & 3w/15: Deviation by policy amount varies 0%-25%.
- Form 4: 10%.
- Form 6: 25%.
- Forms 3 & 3w/15: Special Additional Credit Rule: 10% when eligibility & mandatory coverage requirements are met.
- Multiple Policy Discount: 5% applied to HO Policy when private passenger auto policy & personal umbrella policy is written by this Company.
- Installment Pay Plan: \$5 maximum charge per account for all policies. Eff. 11-15-94

Fidelity & Casualty Company of NY

- All Forms, except 4 & 6: Amount of Insurance Deviation: Variable Credits.
- Form 4: Amount of Insurance Deviation: Variable Credits.
- Form 6: Amount of Insurance Deviation: Variable Credits.
- Earthquake Deviation.
- Companion Policy Discount: 10% credit applies when named insured has an auto policy with any Encompass Insurance Company.
- Forms 2, 3, 3w/15 & 8: Personal Property Replacement Cost: Eliminate 5% surcharge.
- Deductible Credit Deviation.
- New Home Discount: 0 - 5 yrs. - 15%; 10 yrs. - 10%.
- Gated Community Discount.
- Guaranteed Replacement Cost coverage of buildings & structures at principal residence: \$3.
- Form 6: \$1,000 increase is .9 times applicable premium each additional \$1000 column in basic premium chart for Coverage C.
- Preferred Rate Deviation: Deviation varies when requirements are met.
- Additional Limits Coverage F Medical Payments Deviation.
- Other Insureds Location: Variable credits.
- Permitted Incidental Occupancy Medical Payments Rate Deviation.
- Additional Residence Rented to Others Rate Deviation.
- Business Pursuits Rate Deviation.
- Permitted Incidental Occupancy Rate Deviation.
- Incidental Farm Rate Deviation. Eff. 11-1-96

Fidelity & Guaranty Insurance Company

- Waive additional premium of \$5 or less.
- Deviation of HO-3 Base Rates by territory & policy amount: Credits vary.
- Forms 4 & 6: Personal Property Replacement Coverage: Reduced premium charge.
- Special Package Discount: 5% credit to total residential premium when underwriting criteria is met.

- Form 6: Relativity factor .750 in lieu of .855.
- Employees Discount: 20%.
- Forms 2 & 3: Additional amount of insurance: HO 3211 \$5 premium charge.
- Deductible Credits.
- Increase in Coverage C: Reduced rate per \$1000.
- Multi-Policy Discount: 10% credit when private passenger auto policy is also purchased with USF&G.
- All Forms, except 4, 6 & 8: New Home Discount; 1 yr.-20%; 2% less credit each added yr. to 9th yr. Eff. 4-15-00

Fidelity & Guaranty Insurance Underwriters

- Deviation of HO-3 Base Rates by territory & policy amount: Credits vary.
- Forms 4 & 6: Personal Property Replacement Cost Coverage; Factor 1.35.
- Waive additional premium of \$5 or less.
- Special Package Discount: 5% credit applied to total residential insurance premium when underwriting criteria is met.
- Form 6: Form Relativity of .800 in lieu of .855.
- Employees Discount: 20%.
- Forms 2 & 3: Additional amount of insurance: HO 3211 - \$5 premium charge.
- Deductible Credits.
- Increase in Coverage C: Reduced rate per \$1000.
- Multi-Policy Discount: 10% credit when private passenger auto policy is also purchased with USF&G.
- All Forms, except 4, 6 & 8: New Home Discount; 1 yr.-20%, 2% less credit each added yr. to 9th year.
- Forms 2, 3 & 3w/15: Protection Class Deviation. Eff. 4-15-00

Firemans Fund Insurance Company

- Protective Device Credits: All territories: Credit varies 1% - 15%.
- Portfolio Credit: 5% applies to all Homeowners policies when Personal Catastrophe Coverage and Inland Marine Coverage is written with Fireman's Fund. Eff. 10-1-02

Firemens Insurance Company of Newark, New Jersey

- Base Rate Deviations by Territory: Forms 2, 3 and 8: Credit varies 25% - 36.7%.
- Base Rate Deviations by Territory: Forms 4 and 6: Credit varies.
- Earthquake Coverage Deviation.
- Companion Policy Discount: 10% applies when named insured has an auto policy with any Encompass Insurance Company.
- Gated Community Discount: 10% credit applies when criteria are met.
- New Home Discount: 0 - 10 yrs. of age: Credit varies 10% - 18%.
- Deductible Credits Deviations: Credits vary by Coverage A Limit or deductible amount.
- Additional Limits Deviation for Coverage F.
- Business Pursuits Rate Deviation.
- Incidental Farming Personal Liability Deviation.
- Superior Construction Discount: 15% credit applies to masonry base premium or apartment unit.
- Protective Devices Credit: Credit varies 1% - 9%.
- Automatic Sprinkler Systems Deviation: Credit of 7% or 13%.
- Special Personal Property Coverage HO 06 only. Eff. 8-15-02

Firemen's Insurance Company of Washington D.C.

- Deluxe Program: Form 3: 5% deviation off base premiums.
- All Forms: Protective Device Credit: Credit varies 2% - 13%.
- All Forms, except 4 & 6: Age of Home Discount: Credit varies 4% - 20% for age of dwelling 0 - 25 yrs. with greatest credit for newest homes.
- All Forms, except 4 & 6: Senior Citizen Discount; Factor of .92 of base premium age 50-54 yrs. Factor .95 age 55 yrs. & older.

- All Forms, except 4 & 6: Renovation Discount 0-15 yrs. factors of .85-.95 applies when underwriting guidelines are met. Credit applies to base premium.
- Renewal Discount: Factor .95 applies to base premium when criteria is met.
- Form 3: Loss Free Credit; 1yr. - 5%; Renewal with 2 yrs. loss free - 10%. Credit applies to base premium.
- All Forms, except 4 & 6: Optional deductible credits applies to base premium. Coverage A limit under \$200,000 - \$500 ded. - .87; \$1000 - .76; \$2500 - .73. \$20000-\$400,000 - \$500 ded - .89; \$1000 - .80; \$2500 - .77. Over \$400,000 - \$500 - .92; \$1000 - .86; \$2500 - .83. Eff. 10-1-97

First National Insurance Company of America

- Deductible Debit/Credits. Credit varies.
- Renewal Credit: all forms Certain criteria apply.
- Account Credit: all forms Certain criteria apply.
- Condominium Unit-Owners Coverage A Increased Limits & Special Coverage Deviation.
- Business Pursuits (HO 24 71):all forms Charge deleted.
- Credit Card, fund transfer card, forgery and counterfeit money coverage (HO 04 53): charge for \$1,000 is deleted.
- Personal Injury (HO 24 82): \$10 charge per policy.
- Landlord's Furnishings (HO 32 21): Can be increased to \$5000 with burglary cov added: \$10 charge per policy.
- Ordinance or Law Coverage (HO 04 77): Increase to a total of %100 of Coverage A.
- Medical Payments/Other Exposures/Higher Limits Deviation: all forms.
- Other Insured Locations Occupied by Insured: 2 family house will be charged as a 1 family house.
- Outboard Motor & Watercraft Liability Deviation.
- Personal Liability/Residence Premises Deviation.
- Special Personal Property Coverage (HO 00 15)/Unit Owners Coverage (HO 1731): Coverage C may be extended to include additional risks of physical loss.
- Installment Payment Charge: \$2 per installment except when paying in full or via electronic funds transfer.
- Eff. 8-15-02

General Insurance Company of America

- Base Key Premiums all forms by Territory Deviation.
- Deductible Debit/Credits Deviation.
- Renewal Credit all forms: 3-5 yrs. - 5%; 6 yrs.+ - 9%.
- Account Credit all forms: 5% credit for total policy premium when insured has a Safeco auto policy also.
- Condominium Unit Owners Coverage A Increased Limits & Special Coverage Deviation.
- Business Pursuits (HO 24 71) all forms: the charge is deleted.
- Credit Card Forgery & Counterfeit Money Coverages (HO 04 53): Delete \$1 charge for \$1000 limit.
- Personal Injury (HO 24 82): \$10 charge per policy.
- Landlord's Furnishing (HO 32 21): \$10 premium per policy to increase coverage to total \$5000 with burglary coverage added.
- Ordinance or Law Cov (HO 04 77) Deviation for Quality Plus Form, Quality Crest Form & Condominium Form.
- Medical Payments: Other exposures - Higher limits all forms: Additional charge for higher limits of medical payments will be waived.
- Additional Residence Rented to Other (HO 24 70): Limit of Liability \$100,000 - \$1,000,000: Premium charge varies.
- Outboard Motors & Water Craft: Reduced premiums based on limits, length and horsepower.
- Personal Liability - Residence Premises Deviation: Increased Limits: Coverage E base \$300,000: Coverage F no charge.
- Special Personal Property Coverage HO-00 15 & HO-17 31: Quality Plus Form & Condominium Form- Increase basic premium 8%. Quality Crest Form automatically included.
- Installment Payment Charge: \$2 each installment. Eff. 8-15-02

Glens Falls Insurance Company

- All forms, except 4 & 6: Amount of Insurance Deviation; Variable credits.
- Form 4: Amount of Insurance Deviation: Variable credits.
- Form 6: Amount of Insurance Deviation: Variable credits.

- Earthquake Rate Deviation.
- Forms 2, 3, 3w/15 & 8: Personal Property Replacement Cost; Eliminate 5% surcharge.
- Deductible Credit Deviation.
- New Home Discount: 0 - 5 yrs. - 15%; 6 - 10 yrs. - 10%.
- Gated Community Discount.
- Guaranteed Replacement Cost coverage of building & structures at principal residence - \$3.
- Form 6: \$1000 increase is .9 times the applicable premium under each additional \$1000 column in the basic premium chart for Coverage C.
- Preferred Rate Deviation: Plan A rates deviation of 20%.
- Additional Limits Deviation Coverage F: Medical Payments Deviation.
- Other Insureds Location: Variable credits.
- Permitted Incidental Occupancy Medical Payments Rate Deviation.
- Additional Residence Rented to Others Rate Deviation.
- Business Pursuits Rate Deviation.
- Permitted Incidental Occupancy Rate Deviation.
- Incidental Farm Rate Deviation. Eff. 11-1-96

Globe Indemnity Company

- Companion Policy Credit Rule: 10% if auto coverage is afforded in any member company of Royal Insurance.
- Forms 2 & 3: Additional Amount of Insurance: \$8 per policy.
- Protective Device Credits: Credit varies 2% - 15%.
- Optional Higher Deductible Factors: All Forms, except 4 & 6: \$500-.89; \$1000-.79; \$2500-.72: Forms 4 & 6 - \$500-.89; \$1000-.77; \$2500-.63.
- Forms 2 & 3: Personal Property (Coverage C) Replacement Cost: Coverage A amount under \$100,000 - 11% surcharge; Over \$100,000 - 8% surcharge. Forms 4 & 6: 40% surcharge.
- Forms 2, 3, 3w/15, HE 7/HE 21 & 6: Optional Coverage Premium Discount; Factor varies based on territory.
- 5% Preferred Customer Renewal Credit: Certain criteria apply.
- Discount for Eligible Employees: 20% credit to total homeowners policy premium.
- Form HE-7w/HE-21: 1.25 factor applies to base premium.
- Installment Payment Plan waived for employees.
- Installment Payment Plan: Policies billed by agent through account current payroll deduction program are not subject to installment fees.
- Installment Payment Plan: \$1 each installment for Electronic Fund Transfer.
- Coverage A Discount determined by amount of insurance and territory: Credit varies 0%-17%.
- Group Mass Marketing Discount: 10% applies to all coverages: Certain criteria apply.
- New Home Discount: New to 10 yrs. of age - 2% to 20% deviation. Eff. 08-15-02

Government Employees Insurance Company

- Forms 1, 2, 3 & 3 w/15: New Home Discount: 10% for dwellings 5 yrs. old or less.
- Homeowners Theft Deterrent Premium Credit Program: Forms 1, 2, 3 & 3 w/15 - 7%; Forms 4 & 6 - 20%.
- Forms 1, 2 & 3: Amount of Insurance Credit; Classes 1-9 - \$10,000-\$200,000 & over. Credit varies 4%-22%.
- Form 6: 10%.
- All Forms: Protective Devices: Variable credits.
- Forms 2, 3, 4 & 6: Retired Discount Credit; 20% when specified criteria are met.
- All Forms: Dual Policy Discount: 10% when specified criteria are met.
- Forms 4 & 6: Key factor +.074 for each additional \$1000 of coverage.
- Installment Payment Plan: Waive the charge of \$3 first installment if first payment received with application.
- Form 4 & 6: Waterbed Liability Endorsement: No premium charge. Eff. 3-1-95

Grain Dealers Mutual Insurance Company

- 10% credit when insured has both personal auto & homeowners policy written by Grain Dealers Mutual Ins. Company.
- Forms 2 & 3: New Home Credit: New - 1yr. of age - 25%; 1-2yrs. of age - 20%; 3 yrs. of age - 15%; 4 yrs. of age - 10%; 5 yrs. of age - 5%.

- Forms 2, 3 & 3w/15: 20% to base rates applies to Coverage A amount of more than \$125,000.
- Continuous Policyholder Discount Program: 0-2 yrs.-0%credit: 3-5 yrs.-5%credit: 6-8 yrs.-10% credit: 9+ yrs.-15% credit.
- 10% deviation on base rates for Alamance & Caswell Counties in Territory 35.
- Personal Property Increased Limits Rate Deviation.
- Form 3:10% Mature Home Credit: Certain criteria must be met. Eff. 1-1-02

Granite State Insurance Company

- Forms 1, 2, 3, 4, 3w/15 & 6: 20% deviation.
- Replacement or Repair Cost protection Coverage A premium \$1.
- Age of Dwelling Deviation: 0 - 20 yrs. old - 10%.
- Forms 1, 2, 3, 3w/15, 4 & 6: 20%. Eff. 7-1-87

Graphic Arts Mutual Insurance Company

- Forms 1, 2 & 3: Replacement Cost on Contents; Increase Coverage C to 70% of Coverage A for no additional charge. 5% surcharge is to be added to the total base premium.
- Forms 4 & 6: Coverage C increased to 40% at no additional charge.
- 15% Territorial Deviation for territories 36, 38, 39, 44, 57, & 60.
- 5% Territorial Deviation for territories other than 36, 38, 39, 44, 57 and 60.
- 15% deviation for employees of Utica National Insurance Group.
- HO Extension Package: Certain criteria apply. Eff. 8-15-02

Hanover American Insurance Company

- Age of Dwelling Credit: All Forms, except 4 & 6: Credit varies for Dwellings 1-7 yrs. of age.
- Mature Homeowners Credit: All forms: 5% credit applies when certain criteria are met.
- Premises Alarms & Protective Device Credits: Credit varies.
- Deductible Credits: All forms, except 4, 6 & HE-7.
- Deductible Credits: Forms 4 & 6.
- Windstorm & Hail Deductible Credits: All forms, except 4 & 6.
- Personal Property Replacement Cost on Coverage C: All forms, except 4 & 6: Minimum premium of \$20.
- Personal Property Replacement Cost on Coverage C: Forms 4 & 6: Minimum premium of \$25.
- Non-Smoker Discount: All forms: 5% credit.
- 7% Account Credit: All forms.
- Loss of Use-Increased Limits: All forms: Additional charge \$4 per \$1000 increase.
- Condominium Unit Owners-Coverage A Dwelling: Basic & Increased Limits: \$3 per \$1000 increase: 1st \$5000 increase no charge.
- Reduced Watercraft Liability Rates: All forms.
- Personal Property , Increased Limits-\$1 per \$1000 increase: All forms, except 4 & 6.
- Special Personal Property: Reduced Charge for Form 3w/15.
- Electronic Funds Transfer Plan Discount: All forms.
- Group Modification Plan Discount: All forms: Credit varies 0%-13.5%.
- Direct Bill Policies: All forms: \$1 per installment.
- Territorial Deviation: Form 6: 5% deviation.
- Territorial Deviation: All forms, except 4 & 6: Credit varies. Eff. 10-15-02

Hanover Insurance Company

- Age of Dwelling Credit: All Forms, except 4 & 6: Credit varies 0%-2.4% for Dwellings 1-7 yrs. of age.
- Mature Homeowners Credit: All forms: 5% credit applies when certain criteria are met.
- Premises Alarms & Protective Device Credits: Credit varies 0%-11.5%.
- Deductible Credits: All forms, except 4, 6 & HE-7.
- Deductible Credits: Forms 4 & 6.
- Windstorm & Hail Deductible Credits: All forms, except 4 & 6.

- Personal Property Replacement Cost on Coverage C: All forms, except 4 & 6: Minimum premium of \$20.
- Personal Property Replacement Cost on Coverage C: Forms 4 & 6: Minimum premium of \$25.
- Non-Smoker Discount: All forms: 7.5% credit.
- 10% Account Credit: All forms.
- Loss of Use-Increased Limits: All forms: Additional charge \$4 per \$1000 increase.
- Condominium Unit Owners-Coverage A Dwelling: Basic & Increased Limits: \$3 per \$1000 increase: 1st \$5000 increase no charge.
- Reduced Watercraft Liability Rates: All forms.
- Personal Property Increased Limits-\$1 per \$1000 increase: All forms, except 4 & 6.
- Special Personal Property: Reduced Charge for Form 3w/15.
- Electronic Funds Transfer Plan Discount: All forms.
- Group Modification Plan Discount: All forms: Credit varies 0%-5%.
- Direct Bill Policies: All forms: \$1 per installment.
- Territorial Deviation: All forms, except 4 & 6: Credit varies 0%-10%.
- All Forms: Amount of Insurance Relativities Deviation. Eff. 08-15-02

Harbor Specialty Insurance Company

Preferred: Homes 25 yrs. of age or less insured for \$50,000 or more.

- Form 3: Base Rate Deviation by territories; Credit varies 20.2% - 24.3%.
- Form 4: Credits off Key Premiums; 2% Alamance County.
- Form 6: Base Rate Deviation by territories; Credit varies 19.4% - 22%.
- Form 3: Replacement Cost Protection (HO-500): Charge \$1 in lieu of \$5 when requirements are met.
- Form 3: Protective Devices Credit; Class 1-9, credit varies 2%-15%.
- Form 3: New Home Credit; 0-1 yr. old - 21%; 1% less credit each added yr. thru 8th yr.; 9 yrs. - 12%; 10 yrs. - 10%; 11 yrs. - 8%; 12 yrs. - 6%; 13 yrs. - 4%; 14 & 15 yrs. - 3%. Credit applicable to annual premium.
- Form 3: Personal Property Increased Limits; \$.50 per \$1000 of insurance.
- Form 3: Deductible Credits; \$500 ded. - 10%; \$1000 - 20%.
- Forms 3, 4 & 6: 20% deviation for policies written as part of Personal Protection Package Policy.
- Forms 4 & 6: Deductible Credits; \$500 ded. - 10%; \$1000 ded. - 23%.

Standard: Form HO-3 only - Homes 25 years of age or older and/or insured for less than \$50,000.

- Form 3: Credit off Key Premiums; 13.4% Alamance County; 9.4% territory 34; 8.6% territories 30 & 31; 11.4% territories 4, 32, 33, 36, 37, 38, 39, 40, 41, Lincoln & Rockingham County; 11.4% for remainder of Alamance County & remainder of territories. Form 3: Coverage C increased limit charge \$.50 per \$1000 of insurance.
- Form 3: Deductible Credits; \$500 - 10%; \$1000 - 20%.
- Form 3: Protective Credit; Same as for preferred.
- Form 3: New Home Credit; Same as for Preferred.
- Form 3: 20% deviation applies to HO program when written as part of Personal Protector Package Policy. Eff. 3-1-94

Harford Mutual Insurance Company

- Forms 1, 2 & 3: New Home Discount; 10% - dwellings 15 yrs. old or less.
- Forms 1, 2, 3 & 8: Fixed dollar amount deductible factors; \$500 - .90; \$1000 - .83; \$2500 - .75. \$100 deductible amount - minimum \$30 - maximum \$60.
- Forms 4 & 6: Fixed dollar amount ded. factors; \$500 .90; \$1000 .77; \$2500 .63. \$100 deductible amount min. \$30, max. \$60.
- All Forms: Protective devices factors for all territories & all protection classes - factors varies .98 to .85. Eff. 5-1-92

Harleysville-Atlantic Insurance Company

- Forms 1, 2, 3 & 8: Base rate credits; Coverage A limit \$48,000 & under \$95,000 & over; Credit varies 0.0% - 27.5%.
- All Forms: 13%; Optional coverage rates Section I & II.

- Forms 1, 2, 3 & 8: New Home Discount factor; 1 yr. old or less .80; Discount factor increased by .01 thru 11th yr. - discount factor increased by .02 - 12th thru 15th yr. Eff. 5-1-92

Harleysville Mutual Insurance Company

- Group Mass Marketing Discount: 10% to voluntary policyholders that are members of specific group type organizations.
- Preferred Client Discount: credit applies when certain criteria are met. Eff. 9-1-02

Harleysville Preferred Insurance Company

- Group Mass Marketing Discount: 10% to voluntary policyholders that are members of specific group type organizations.
- Preferred customer discount – all terr except 05, 06, 41, 42, 43, 81 and 86. The percentage discount is determined by the combination of insurance score rating and characteristics met.
- HE-7 Deviations credit varies. Eff 9-1-02

Hartford Accident and Indemnity Company

- Personal Property Increase Limit Deviation: Forms 2 & 3 - \$1 per \$1000 of insurance; Form 3w/15 - \$3 per \$1000.
- Age of Dwelling Credit: 1 yr. of age 20% with a 3% less credit each added yr.
- Forms 4 & 6: 10% Limited Access Credit if complex meets the protection requirements.
- All Forms: Protective Devices Premium Credits: Factors vary from .98-.85 for qualifying dwellings. Credits may be added together to a maximum credit factor of .80.
- Account Credit Deviation: Factors of .90 or .95 apply if insured meets eligibility requirements.
- Mature Retirees Credit: Factor of .95 applies when required criteria is met.
- All Forms: Higher Deductible Deviation: Credits vary by amount of insurance and amount of deductible.
- Deviations by Amount of Insurance: Territories & Relativity Curves.
- All Forms: Higher Deductible Deviation: Credits vary by amount of insurance and amount of deductible.
- Forms 4 & 6: Factor of .75 applies.
- Forms 2 & 3: Additional Amount of Insurance Coverage A only; 25% - \$1; 50% - \$2. Additional Limit of Liability for Coverage A, B, C, & D - \$3 premium charge. Eff. 6-1-01

Hartford Casualty Insurance Company

- Age of Dwelling Credit: 1 yr. of age 20% with 3% less credit each added yr.
- Forms 4 & 6: 10% Limited Access Credit if complex meets protection requirements.
- All Forms: Protective Devices Premium Credits: Factors vary .98-.85 for qualifying dwellings: Credits may be added together for a maximum credit factor of .80.
- Personal Property Increase Limit Deviation: Forms 2 & 3 - \$1 per \$1000 of insurance; Form 3w/15 - \$3 per \$1000.
- Deviations by Amount of Insurance: Territories & Relativity Curves.
- All Forms: Higher Deductible Deviation: Credits vary by amount of insurance and amount of deductible.
- Mature Retirees Credit: Factor of .95 when required criteria is met.
- Account Credit: Factor of .90 applies when required criteria is met.
- Form 3: 15% credit Retirement Community/Limited Access Community Package when criteria are met.
- Forms 4 & 6: 5% deviation.
- Forms 2 & 3: Additional Amount of Insurance Coverage A only; 25% - \$1; 50% - \$2. Additional Limit of Liability for Coverage A, B, C, & D - \$3 premium charge. Eff. 6-1-01

Hartford Fire Insurance Company

- Age of Dwelling Credit: 1 yr. of age 20% with a 3% less credit each added yr.
- Forms 4 & 6: 10% Limited Access Credit if complex meets the protection requirements.
- All Forms: Protective Devices Premium Credits: Factors vary from .85 - .98 for qualifying dwellings: Credits may be added together to a maximum credit factor of .80.
- Personal Property Increase Limit Deviation: Forms 2 & 3 - \$1 per \$1000 of insurance; Form 3w/15 - \$3 per \$1000.

- Deviations by Amount of Insurance: Territories & Relativity Curves.
- Account Credit Deviation: Factors of .90 or .95 apply if insured meets eligibility requirements.
- Mature Retirees Credit: Factor of .95 is applied when required criteria is met.
- All Forms: Higher Deductible Deviation: Credits vary by amount of insurance and amount of deductible.
- All Forms: Higher Deductible Deviation: Credits vary by amount of insurance and amount of deductible.
- Forms 4 & 6: 5% deviation.
- Forms 2 & 3: Additional Amount of Insurance Coverage A only; 25% - \$1; 50% - \$2. Additional Limit of Liability for Coverage A, B, C, & D - \$3 premium charge. Eff. 6-1-01

Hartford Insurance Company of Midwest

- Age of Dwelling Credit: 1 yr. of age 20% with a 3% less credit each added yr.
- Forms 4 & 6: 10% Limited Access Credit if complex meets the protection requirements.
- All Forms: Protective Devices Premium Credits: Factors vary from .85-.98 for qualifying dwellings: Credits may be added together to maximum credit factor of .80.
- Personal Property Increase Limit Deviation: Forms 2 & 3 - \$1 per \$1000 of insurance: Form 3w/15 - \$3 per \$1000.
- Deviations by Amount of Insurance: Territories & Relativity Curves.
- Account Credit Deviation: Factors of .90 or .95 apply if insured meets eligibility requirements.
- Mature Retirees Credit: Factor of .95 is applied when required criteria is met.
- All Forms: Higher Deductible Deviation: Credits vary by amount of insurance and amount of deductible.
- Form 3: Retirement Community/Limited Access Community Package - 15% credit when criteria are met.
- Forms 4 & 6: 10% deviation.
- Forms 2 & 3: Additional Amount of Insurance Coverage A only; 25% - \$1; 50% - \$2. Additional Limit of Liability for Coverage A, B, C, & D - \$3 premium charge. Eff. 6-1-01

Hartford Underwriters Insurance Company

- Age of Dwelling Credit: 0-1 yr. of age - 15%; 1% less credit each added yr.
- Forms 2, 3 & 3w/15: Personal Property Replacement Cost HO-290 reduce surcharge to 2% including the additional premium for increased Coverage C limit.
- Forms 4 & 6: 10% Limited Access Credit if complex meets protection requirements.
- All Forms: Protective Devices Premium Credits: Factor varies .98 - .85 for qualifying dwellings; credits may be added together to maximum credit factor of .80.
- Forms 2 & 3: Rate for increase in Coverage C; \$1 per \$1000 in lieu of \$2.
- Mature Retiree Credit Factor; .95 when required criteria are met.
- Amount of insurance deviation based on amount of insurance & territory. Credit varies.
- Forms 4 & 6: Multiply base premium by factor of .70.
- Account Credit Factor: .95 if insured has personal auto policy with same company based on territories.
- Renewal Credit: Credit varies 1% - 5%.
- Forms 2 & 3: Specified Additional Amount of Insurance; 25% - \$1; 50% - \$2. Additional Limit of Liability for Coverage A, B, C & D- premium charge \$5. Eff. 2-1-02

Horace Mann Insurance Company

- Coverage amount & territory deviations: Form 7 Masters Program Variable credit.
- Protective Device Credits: Classes 1-9: Credits vary from 1%-15%.
- Forms 1, 2, & 3: 8% credit if insured 100% to value & Inflation Guard Endorsement attached.
- Forms 2 & 3 & Master Program: New Home Credit; 0 or 1 yr. - 20%; 2% less credit each added yr. to 10th yr.
- Increase in Coverage C: \$1 per \$1000.
- Masters Program: Protection Class Credits; Class 7 frame - 5.0%; class 7 masonry - 3.1%; Class 8 masonry & frame - 5.0%; Class 9 masonry - 7.2%; Class 9 frame - 9.4%.
- Forms 4 & 6: Territorial Base Rate Deviation: 8% Credit.
- Installment Payment Plan: Forms ML-3 & Master Program: Waive initial \$3 installment fee.
- Optional Section II Liability coverage for Water Craft: Variable deviation below manual rates based on boat type, horsepower, length, speed and limits.
- All Forms: Automobile/Home Discount: Variable credits when criteria are met.
- Forms ML 2 & 3 & Master Program: Deductible credits: Variable credits.

- Forms ML 4 & 6: Deductible Credits: Variable credits.
- Forms 4 & 6: Deviation on Replacement Value: 15% charge for policies with \$500 or greater deductible. \$10 minimum premium.
- Forms 4 & 6: Deductible credits.
- Masters Program: Some additional coverage included at no additional charge.
- 2% credit if insured has a Federal Flood Insurance policy placed with Company through their flood insurance replacement program.
- Downward deviation on earthquake.
- Downward deviation for silverware, goldware & pewterware.
- Downward deviation for refrigerated food spoilage.
- Downward deviation for tenant's improvement.
- Form 6: Downward deviation Coverage A increased limits.
- Downward deviation for additional residence premises rented to others.
- Downward deviation for private structures rented to others.
- Form 7-Masters Program: Credit Tier Deviation. Eff. 8-15-02

Horace Mann Property & Casualty Insurance Company

- Form 3 & Masters Program: Coverage Amount Deviations by territory: Credit varies.
- Protective Device Credits for Protection Classes 1-9: Credits vary 1% - 15%.
- Form 3: 8% credit for all coverage amounts if insured 100% to value with Inflation Guard Endorsement attached.
- Form 3 & Masters Program: Newly Constructed Residences Credit: Age of Home 0 - 10 yrs.: Credits vary 3%-16.5%.
- Rate for Increased Coverage C: \$1 per \$1000.
- Form 3 & Masters Program: Protection Class credits by territory.
- Form 3 & Masters Program: Base rate territorial credits.
- Form 3 & Masters Program: \$3 installment fee on each installment except the initial down payment.
- Form 3 & Masters Program: Deductible Factors Deviation by territory: Minimum for Coverage A, \$100000.
- All Forms: Auto/Home Discount: Certain criteria apply: Credit varies.
- Masters Program: \$125000 minimum Coverage A, includes replacement value - personal property & inflation protection coverage at no additional charge.
- Federal Flood Insurance Program: 2% credit if flood insurance policy is placed through us.
- Form 3 & Masters Program: Earthquake Deviation by territory.
- Silverware, Goldware & Pewterware coverage will be \$3 per \$500 of insurance.
- Refrigerated Food Spoilage coverage will be \$5 per policy.
- Additional Residence Premises - Rented to Others (Liability Coverage): Rates vary per coverage amount.
- Private Structures - Rented to Others (Liability Coverage): \$14 for \$100000/\$1000 & \$18 for \$300000/\$1000.
- Masters Program: Credit Tier Deviation. Eff. 8-15-02

Indemnity Insurance Company of North America

- New Construction Credit: New - 20%; 2% less credit for each yr. to 9th yr.
- All Forms: Fixed Dollar Deductible: Credit varies 15% - 40%.
- Personal Property Increased Limit: \$2 premium charge per \$1000 of coverage.
- Forms 2 & 3: Replacement Cost Coverage Personal Property: HO 0490; Factor 10.5% includes increased Coverage C to 70% of Coverage A at no additional premium charge.
- Protective Device Credits: All zones & protection classes: Credit varies 2% - 15%.
- Rated Deviation: Homeowners - 11%; Tenants - 10%; Condominiums - 15%. Eff. 9-1-99

Indiana Lumbermens Mutual Insurance Company

- Forms 1, 2, 3 & 3 w/l5: 15% 0-10 yrs. old; 10% 11-15 yrs. old; 0% 16 yrs. & over. Eff. 9-1-85

Insura Property & Casualty Insurance Company

- Form 3: Deductible credits; \$500 - 15%; \$1000 - 25%; \$2500 - 38%.

- All Forms: Personal property increased limits \$2 per \$1000.
- Protective Device Credits; Credit varies 2% - 15%.
- Personal Injury (HO-82) included at no charge.
- Personal Property Replacement Cost Coverage; Eliminate 5% surcharge.
- New Home Credit: Current calendar yr. - 20%; 1 yr. preceding current calendar yr. - 18%; each added yr. 2% less credit until 10+ yrs. - 0%.
- Multi-Policy Credit: 10% applies to total HO policy prem. when auto policy is written in the Anthem Casualty Ins. Group.
- Amount of insurance deviation based on territory, protection class & amount of Coverage A: \$70,000-\$200,000 credits varies 8.6% - 21.9%; Each additional \$10,000 credit varies 15% - 30%.
- Forms 2 & 3: Amount of Insurance Deviation; 3% charge of basic premium.
- Base premium deviation by territory. Eff. 6-1-99

Insurance Company of North America

- Forms 1, 2 & 3: Fixed dollar deductible credits; \$500-11%; \$1000-21%; \$2500-34%.
- Form 4: Fixed dollar deductible credits; \$500-11%; \$1000-25%; \$2500-40%.
- Forms 1, 2 & 3: Rate for increase in Coverage C; \$1 per \$1000.
- Forms 1, 2 & 3: Personal Property Replacement Cost coverage HO 290; Charge shall be 4% of adjusted base premium. Coverage C must be increased to 70% of A & \$1 per \$1000 charge made.
- Protective Device Credits: All zones & all protection classes: Credits vary from 1%-15%. Eff. 5-1-92

Insurance Company of the State of Pennsylvania

- Form 6: 35%.
- Form 4: 20%.
- Forms 2 & 3: Deductible Credits; \$250 - 15%; \$500 - 25%; \$1000 - 35%.
- Forms 2, 3, 3w/15 & 6: Age of Dwelling Discount; 0-5 yrs. - 15%; 6-10 yrs. - 10%; 11-20 yrs. - 5%.
- Forms 1, 2, 3, 3 w/15 & 8: 28%.
- Home Buyers Discount: 10% first 3 yrs. ownership; 5% second 3 yrs.
- Forms 1, 2, 3 & 3 w/15: Delete 5% surcharge for replacement cost of contents. Eff. 6-15-88

Insurance Corporation of Hannover

- Form 3: Age of Dwelling Discount: Credit varies 2%-20% for dwellings new- 9 yrs. old.
- Account Credit Program: 15% credit applied when insured has both a voluntary auto policy & a homeowners policy insuring their primary residence.
- Preferred Homeowners Credit: 5%-23% credit by territory & protection class when certain criteria are met.
- Form 6: Apply a factor of .80 to the HO-4 base premium.
- All Forms: Protective Device Credits: Credit varies 1%-15%.
- Forms 3, 4 & 6: Replacement Cost on Contents: Minimum additional premium does not apply.
- Form 3: 6% charge for Additional Limits of Liability for Coverages A, B, C & D when certain coverages & increased limits options are selected.
- Form 3: Personal Property Replacement Cost: Charge 5% of base premium, no minimum additional premium of \$20, & no charge to increase Coverage C to 70% of Coverage A when certain coverages & increased limits options are selected.
- Form 3: Personal Injury: No charge.
- Form 3: Water Back Up of Sewer & Drains with additional coverages.
- Form 3: Credit Card, Fund Transfer Card, & Forgery & Counterfeit Money: No charge to increase coverage when certain coverages & increased limits options are selected.
- Form 3: Special Computer Coverage: No charge when certain coverages & increased limits options are selected.
- Form 3: Coverage C Increased Special Limits of Liability: No charge to increase coverage when certain coverages & increased limits options are selected.
- Form 3: Fire Department Service Charge: No charge to increase coverage when certain coverages & increased limits options are selected.
- Form 3: Coverage D Increased to 30% of Coverage A: No charge to increase coverage when certain coverages & increased limits options are selected.
- Form 3: Coverage A Relativities Deviation.

- Form 3: Ordinance or Law: Charge 4% of base premium to increase coverage by 15% when certain coverages & increased limits options are selected.
- Form 3: Refrigerated Property Coverage: No charge when certain coverages & increased limits options are selected.
- Loss Free Credit when certain criteria is met. Eff. 2-1-02

Integon General Insurance Corporation

- Delete the surcharge for \$100 deductible.
- Form 6: 10% deviation.
- Deviation by amount of insurance: Coverage A amount \$50,000 - \$250,000 & above based on territory; Credit varies - 0% - .340%.
- Deductible Credits: Form 3; Terr. 32, 33, 34-41- \$250 ded., \$500 ded., \$1000 ded. & \$2500 ded.: Credits varies .05%- .41%.
- Long-Term Customer Discount: 5-9 yrs. with Co. on HO policy 5%; 10 yrs. or longer with company on HO policy -10%. Eff. 5-1-92

Integon Indemnity Corporation

- Delete surcharge for \$100 deductible.
- Form 6: 15% deviation.
- Replacement Cost Coverage C: Delete surcharge for replacement cost on contents.
- Deviation by Amount of Insurance: Cov. A amount \$50,000 - \$250,000 & above & based on territory. Variable credit.
- Deductible Credits Form 3; Terr. 32, 33, 34-41 - \$250 ded; \$500 ded. \$1000 & \$2500 ded. Credits vary .05%-41%.
- Long Term Customer Discount: 5-9 yrs. renewal with company - 5%; 10 yrs. or longer with Company - 10%. Eff. 5-1-92

International Insurance Company

- Forms 1, 2, 3 & 3 w/15: Age of dwelling credit; 0-1 yr. - 20%; 2% less credit each added yr.
- Preferred Plan: Deviations for owner forms varying by amount of insurance & territory.
- Forms 1, 2, 3 & 3 w/15: Revise charge for Replacement Cost on Contents for preferred owners forms to \$1 per \$1000 of increased Coverage C.
- All Forms: Replacement Cost on Contents; Deletion of \$20 minimum additional premium.
- Forms 1, 2, 3 & 3 w/15: Higher deductible credit factors; \$500 - .89; \$1000 - .80; \$2500 - .67.
- Forms 4 & 6: Higher deductible credit factors; \$500-.83; \$1000-.67; \$2500-.54.
- Premises Alarm Systems: Expand the table of credits for Protection Classes 1-7 to include class 8.
- Form 6: 20%. Eff. 3-1-90

Kansas City Fire and Marine Insurance Company

- All Forms, except 4 & 6: Amount of insurance deviation based on territory. Credits vary 0% - 15.6%.
- Form 4: Amount of insurance deviation based on territory. Credits vary.
- Form 6: Amount of insurance deviation based on territory. Credits vary.
- Earthquake Rate Deviations.
- Forms 2, 3, 3w/15 & 8: Replacement Cost on Contents Deviation. Factor 1.05 waived.
- Deductible Credits Deviation.
- New Home Discount: 0-5 yrs. -15%; 6-10 yrs. - 10%.
- Gated Community Discount: 10% credit when criteria are met.
- Guaranteed Replacement Cost Coverage: Premium charge \$3.
- Special Coverage Rate Deviation.
- Preferred Rate Deviation: 8% credit applies when criteria are met.
- Additional Limits Deviation Coverage F: Deviation - 66.67%.
- Other Insured Location. 1 family - 43%; 2 families - 71%.
- Permitted Incidental Occupancy Med Payments Rate Deviation: Credit varies 50% - 60%.
- Additional Residence Rented to Others Rate Deviation. 1 family - 88%; 2 families - 84%.
- Business Pursuits Rate Deviation. Credits vary 14% - 40%.

- Permitted Incidental Occupancy Rate Deviation. Res. Prem. - 47%; Other Res. - 29%.
- Incidental Farm Rate Deviation. Res. Prem. - 48%; Other Res. - 65%.
- Superior Construction Discount: 15% credit applies to masonry base premium or apartment unit.
- Protective Devices Credit: Credit varies 1% - 9%.
- Automatic Sprinkler Systems Deviation: Credit of 7% or 13%.
- Special Personal Property coverage Ho 06 only. Eff. 8-15-02

Liberty Mutual Fire Insurance Company

- Mass Merchandising Program – 5% deviation when certain criteria is met
- Deductible Credits Deductible Amount and percentage of credit/surcharge vary.
- Amount of Insurance Forms HO 1,2, & 3 Deviation by policy amount and territory.
- Amount of Insurance HO 4 & 6 Deviation by policy amount and territory.
- Installment Payment Plan all forms - \$3 each installment except first installment
- Coverage A Dwelling Limit for form HO 6
- Watercraft Deviation by limits of liability
- New Home Credits HO 2 & 3 Credits vary.
- Protective Devices Credits Credits vary .
- Hurricane deductible credits; credit varies by deductible amount. Eff. 9-4-02

Lititz Mutual Insurance Company

- New Home Credit: 15% 0-2 yrs.; 10% 3-5 yrs.; 5% 6-10 years.
- 10% credit to base premium when HO-0490 & HO-3220 are used together. The charge to increase Coverage C to 70% of Coverage A is waived.
- Protection class 9 homes: Deviation applies when criteria are met.
- Optional Higher Deductibles Deviation.
- Combined Territory Deviation: Credits vary.
- Base Rate Deviation by Territory: Credit varies. Eff. 10-1-02

Lumbermens Mutual Casualty Company

- Premium Credits for Protective Devices: Certain criteria apply.
- Mature Homeowners Credit: 5% credit applies to base premium if insured is 55 yrs. of age & is home during the day.
- Personal Property (Coverage C) Replacement Cost Coverage Deviation.
- \$100 Deductible: Waive minimum premium.
- \$250 Theft Deductible Factors: Certain criteria apply.
- All Forms: Optional Higher Deductibles deviation.
- Form 3: Special Personal Property Coverage: Apply a factor of 1.10 to base premium.
- Form HO 6: Special Personal Property Coverage: Apply a factor of 1.20 to base premium.
- Form 4: Building Addition & Alterations Increased Limit deviation.
- Form HO 6: Coverage A Dwelling Basic & Increased Limits Special Coverage Deviation.
- Ordinance or Law Increased Amount of Insurance: Form 4 & 6.
- Deferred Premium Payment Plan Option.
- New Home Discount: 0 - 6+ yrs. of age: Credit varies 0% - 18%.
- 5% Kemper Network Discount: Certain criteria apply. Eff. 2-25-02

Maryland Casualty Company

- All Forms, except 4 & 6: Age of Dwelling Credit; New-20%; 1 yr.-18%; 2 yrs.-16%; 3 yrs.-14%; 4 yrs.-13%; 5 yrs.-12%; 6 yrs.-10%; 7 yrs.-8%; 8 yrs.-6%; 9 yrs.-4%; 10 yrs.-2%.
- Forms 4 & 6: Replacement Cost on Contents: Factor 1:35.
- Protector Series Program: Reduce homeowners premium by 5%, if insured has auto policy with Maryland Casualty Group.
- Forms 2 & 3: Charge \$1 per \$1000 for increase in Coverage C limit.

- All Forms: Deductible Credits: \$500 - 15%; \$1000 - 20%; \$2500 - 30%.
- Deviation by Territory: Form 2, 3, 3w/15; Credit varies 0% - 14%.
- Base Premium Deviation: All Forms, except 4 & 6; Credit varies.
- Account Credit: 10% credit when insured has home & auto coverage with Zurich Insurance Companies when criteria is met.
- Protective Device Credit: Factors vary. Maximum credit of \$75 is waived. Eff. 7-1-98

Massachusetts Bay Insurance Company

- Age of Dwelling Credit: All Forms, except 4 & 6: Credit varies 0%-2.4% for Dwellings 1-7 yrs. of age.
- Mature Homeowners Credit: All forms: 5% credit applies when certain criteria are met.
- Premises Alarms & Protective Device Credits: Credit varies 0%-11.5%.
- Deductible Credits: All forms, except 4, 6 & HE-7.
- Deductible Credits: Forms 4 & 6.
- Windstorm & Hail Deductible Credits: All forms, except 4 & 6.
- Personal Property Replacement Cost on Coverage C: All forms, except 4 & 6: Minimum premium of \$20.
- Personal Property Replacement Cost on Coverage C: Forms 4 & 6: Minimum premium of \$25.
- Non-Smoker Discount: All forms: 5% credit.
- 7% Account Credit: All forms.
- Loss of Use-Increased Limits: All forms: Additional charge \$4 per \$1000 increase.
- Condominium Unit Owners-Coverage A Dwelling: Basic & Increased Limits: \$3 per \$1000 increase: 1st \$5000 increase no charge.
- Reduced Watercraft Liability Rates: All forms.
- Personal Property , Increased Limits-\$1 per \$1000 increase: All forms, except 4 & 6.
- Special Personal Property: Reduced Charge for Form 3w/15.
- Electronic Funds Transfer Plan Discount: All forms.
- Group Modification Plan Discount: All forms: Credit varies 0%-5%.
- Direct Bill Policies: All forms: \$1 per installment.
- Territorial Deviation: Forms 4 & 6: 7% deviation.
- Territorial Deviation: All forms, except 4 & 6: Credit varies.
- All Forms: Amount of Insurance Relativities deviation. Eff 10-15-02

Medmarc Casualty Insurance Company

- New Home Credit: 0-1 yr.-20%; 2 or 3 yrs.-18%; 4 yrs.-15%; 5 yrs.-12%; 6 yrs.-10%; 7 yrs.-9%; 8 yrs.-6%; 9 yrs.-3%; 10 yrs.- 2%.
- Smoke Detectors Discount: 2.0%. Eff. 7-15-90

Merastar Insurance Company

- 15% credit to the base homeowner premium if insured's automobile is insured with this Company.
- Waive installment charge when certain requirements are met.
- Forms 3 & 8: Deviation by Relativities; Protection classes 1-8; Territories 32-39, 40-43, 5 & 6; Amounts of insurance \$10,000 - \$200,000. Credit varies 0% - 23.5%.
- Forms 4: Deviation by Relativities; Protection classes 1-8 on amounts of insurance \$19,000 - \$40,000. Credit varies 0% -13.6%. Each additional \$10,000 - 17.5%. HO-6 Multiply the HO-4 Base Premium by a factor of .81.
- Form 3: New Home Credit; Homes completed & occupied during current calendar yr. - 20%; 1 yr. preceding current yr. - 18%; 3% less each yr. to 6th yr.
- Forms 3 & 8: Deductible credits; \$500 - 12%; \$1000 - 24%.
- Forms 4 & 6: Deductible credits; \$500 - 17%; \$1000 - 30%.
- Protective Device Credits; 2% - 15%.
- All Forms: Safe and Sound Discount; 10% credit applies to base premium when certain requirements are met.
- Merastar Maximum Discount: Factor .78 applies to base premium when certain criteria is met.
- Increased Special Limits of Liability: Jewelry, watches & furs; Additional premium \$10 for each \$1000 increase.
- Forms 3 & 8: Base rate deviation based on territory: Credit varies 7%-12%.
- Forms 4 & 6: 5% base rate deviation based on territory.
- All Forms: Boat Liability Rate Deviation: Up to 61% credit based on length & horsepower. Eff. 8-15-02

Merchants & Business Mens Mutual Insurance Company

- Forms 1, 2, 3, 4, & 6: 35%.
- Forms 1, 2 & 3: Dwellings 0-10 yrs. - 10%. Eff. 11-1-86

Metropolitan Direct Property & Casualty Insurance Company

- Fixed Dollar Deductible Relativities : \$100 ded - 1.10, \$500 - .85, \$1000 - .75; Factor applies to base premium.
- Replacement Plus – Guaranteed Replacement Cost Coverage A & B; certain criteria must be met.
- Replacement Cost on Contents Forms 3 & 3 Ultra: Personal Property Replacement surcharge - 10% of base premium. Coverage C increased to 70% of Coverage A at no additional cost.
- New Home Discount: Credit varies by age of dwelling up to 9th year.
- Premium Credit for Alarm Systems: Credit varies 1% - 15%; Credit applies to base premium.
- Mature Homeowners Discount: 5% credit age 55 or older & retired. If married, one spouse must be 55 yrs old & neither employed full time. Credit applies to base premium. Not in territories 5, 6, 34, 41, 42, 43.
- Windstorm or Hail Exclusion Credit: Forms 3 & 3 Ultra; Variable credits based on protection class & construction. Credit applies to base premium.
- Multi-Policy Discount: 10% discount to total homeowner premium when insured has homeowners & auto insurance with Metropolitan. Not in territory 5, 6, 34, 41, 42, 43.
- Mass Merchandising Account Deviation.
- Additional coverage - Jewelry & Furs premium varies according to additional limit.
- Claim Free Discount: 5% when criteria are met.
- Increased Ordinance or Law Coverage. Eff. 1-31-02

Metropolitan Property & Casualty Insurance Company

Standard Program

- New Home Discount: Age of dwelling 0 - 9 yrs.: Credit varies 2% - 25%. Except ho4 & ho6.
- Replacement Plus: Guaranteed Replacement Cost Coverage A & B when certain criteria is met.
- Forms 2, 3 & 3 Ultra: Replacement Cost on Contents: 10% surcharge. Coverage C amount increased to 70% of Coverage A at no additional cost.
- Forms 4 & 6: Replacement Cost on Contents: 25% surcharge. Form-6 minimum \$20000 Coverage C is required. Credit applies to base premium.
- Fixed Dollar Deductible Relativities: \$100 ded. - 1.10; \$500 ded. - .85; \$1000 ded. - .75.
- Premium Credits for Alarm Systems: Credits vary 1% - 15%. Credit applies to base premium.
- Mature Homeowners Discount: credit applies if a person is age 55 or older & retired. If married one spouse must be age 55 or older & neither employed full time. Not available with Form HO-4 & in specified territories.
- Mass Merchandising Account Deviation: 1% - 10% when a policy is written through Company's special accounts department to member of any employee or affinity group.
- Windstorm or Hail Exclusion Credit: Variable credits based on protection class, construction & territory.
- Multi-Policy Discount: applies to total homeowner premium when homeowner & auto policies issued with Metropolitan. Not with ho 4 or in terr 5, 6, 34, 41, 42, 43.
- Smaller employer groups when criteria is met – 5%.
- Additional Coverage Jewelry and Furs for Form HO 3/w15.
- Claim Free Discount: 5% discount when criteria are met.
- Increased Ordinance or Law Coverage.

USF&G, F&GIC, & F&GIU Program

- Rate Deviations by Territory & Coverage A Amount: Credit varies. Ho02, ho03, ho06
- All Forms, except 4: Fixed Dollar Deductible Relativities Deviation.
- Windstorm or Hail Percentage Deductible Relativities Deviation.
- All Forms, except 4 & 6: Replacement Plus-Guaranteed Replacement Cost Coverage on Coverage A & B. Certain criteria apply.
- Replacement Cost on Contents-Coverage C: forms 2, 3, 4 & 6 Certain criteria apply.
- All Forms, except 4 & 6: New Home Discount: 0-9 yrs. of age: Credit varies 2%-20%.

- Premium Credits for Alarm Systems: Credit varies.
- Mature Homeowners Discount: Certain criteria apply.
- Windstorm or Hail Exclusion Deviation by Form, Territory, Public Protection Class & Construction: Credit varies.
- Multi Policy Discount: applies to basic premium when certain criteria are met.
- Claim Free Discount: Eligibility requirements must be met.
- Increased Ordinance or Law Coverage Deviation.
- Form 3/w15: Additional Coverage for Jewelry & Furs Deviation. Eff. 8-16-02

Millers Insurance Company

- Base Rate Deviation: 10% for all forms: Protection Classes 1-9 & 9S: Territories 32-40.
- Preferred Homeowner Discount: Form HO-3: 10% applies to base rate: Criteria must be met.
- Mature Retiree Credit: 10% applied to base premium: Certain criteria must be met.
- Loss Free Renewal Credit: Must be loss free for previous 12 months under existing Millers Ins. Co. homeowner policy: 1 yr.-3% credit: 2 yrs.-6% credit: 3 yrs.-9% credit.
- Multi Policy Credit: Must have an personal Auto and homeowners policy with Millers Ins. Co.: 1 yr.-10%: 2 yr.-5%.
- New Roof Credit: 5% applies when criteria is met. Eff. 10-13-00

Montgomery Mutual Insurance Company

- Forms 3, HE-7, HE-7w/20 & HE-7w/21: Personal Property Increased Limits: .50 per \$1000 of insurance for Coverage C.
- Deductible Amount Deviation: Forms 3, HE-7, HE-7w/20 & HE-7w/21: Credit varies
- 10% Account Credit when auto policy is written for the same insured through Montgomery Mutual Insurance Co.
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: New Home Credit: New - 6 yrs. of age: Credit varies 0% - 20%.
- Base Rate Deviation by Territory: Forms 3, HE-7, HE-7w/20 & HE-7w/21 Credit varies 0% - 7.1%
- Form 4: Base Rate Deviation by Territory: Credit varies 0% - 14.8%.
- Form 6: Base Rate Deviation by Territory: Credit varies 9.3% - 32%.
- Protective Device Credits: Credits vary 2% - 15%.
- Base Rate Deviation on HE-7 - 1.15, HE-7w/20 - 1.20 & HE-7w/21 - 1.25.
- Replacement or Repair Cost Protection(HO 3211): \$5 per policy when criteria is met.
- All Forms: 10% Account Credit.
- Water Craft Liability Deviation - 70%.
- Form 3: Amount of Coverage A Relativity Curve Deviation: Credit varies 0.6% - 7.4%. Eff. 8-15-02

National Ben Franklin Insurance Company

- Forms 1, 2, 3 & 3 w/15: Personal Property Replacement Cost; Eliminate 5% surcharge. Eliminate \$20 minimum premium.
- Forms 1, 2 & 3: New Home Credit; Dwellings 0-5 yrs. old - 15%; 6-10 yrs. old - 10%, if requirements are met.
- Forms 1, 2 & 3: 20%, if requirements are met.
- Forms 1, 2, 3 & 3 w/15: Deductible credits; Coverage A - all amounts; \$250-15%; \$500-25%; \$1000-35%; \$2500-45%.
- Forms 4 & 6: Coverage C - all amounts; \$250-13%; \$500-28%; \$1000-42%; \$2500-53%. Eff. 1-1-86

National General Insurance Company

- All Forms: Protection Device Credits: Variable credits from 2% to 15%.
- All Forms, except 4 & 6: Deductible/factors; \$100-1.10 - no minimum or maximum charge; \$500-.90; \$1000-.80.
- Forms 4 & 6: Deductible/factors; \$100/\$250 theft - 1.05. No minimum or maximum charge; \$500-.90; \$1000-.77.
- Form 3: New/Renovated Home Discount; Variable credits based on age of dwelling & type of renovation.
- Forms 4 & 6: Thrifty Fifty Discount; 10% credit if insured meets criteria.
- Forms 1, 2 & 3: \$5 Photo Credit New Business.
- Form 4: Building additions & alterations increased limits \$5 per \$1000 of insurance.
- Form 6: Coverage A Dwelling; Basic & Increased Limits, \$5000 Coverage A is provided at no additional charge: Charge \$5 per \$1,000 for increased limit up to total of \$15,000.
- Forms 4 & 6: Loss of Use; Increased limits \$3 per \$1000 of additional insurance.

- Form 3: Base rate deviation; Rating factor of .80 applies.
- Form 6: Base rate deviation; Rating factor of .80 applies.
- Installment Payment Plan: Two payment plan - \$2 per installment. Eff. 6-1-99

National Grange Mutual Insurance Company

- Forms 2 & 3: Age of Dwelling Deviation: 0 - 7 yrs. of age: Credit varies 3% - 20%.
- Forms 2, 3, 6 & 8: 12% Combined Personal Protection Program Account Credit.
- Forms 2 & 3: Preferred Homeowners or Revitalized Home Credit when underwriting guidelines are met: Credit varies.
- Forms 2, 3, 4, 6 & 8: Deductible credits/charges.
- Form 6: HO-4 base premium by factor .80 to develop base premium HO-6.
- All Forms: Protective Device Credit: Credit varies 1.1% to 2.3%. There is a maximum allowable credit of 15%.
- Forms 2, 3, 4 & 6: Replacement Cost on Contents: Minimum additional premium of \$20 does not apply.
- Forms 2 & 3: Personal Injury (HO-3282); Charge will be deleted when selection of additional coverages are met.
- Forms 2 & 3: Water Back-up of Sewers or Drains (HO 0484): Charge will be deleted if selection of additional coverages is met.
- Forms 2 & 3: Credit Card, Fund Transfer Card, Forgery, & Counterfeit Money (HO 0453): Charge will be deleted when selection of additional coverages is met.
- Forms 2 & 3: Charge for Special Computer Coverage (HO 3237) will be deleted when selection of additional coverages are met.
- Forms 2 & 3: Coverage C Special Limits of Liability: 2% charge of the base premium when certain criteria are met.
- Forms 2 & 3: Fire Department Service Charge: the policy limit of \$500 for fire department service charge will be increased to \$1000 with selection of certain additional coverages and increased limits.
- Forms 2 & 3: Charge to increase Coverage D to 30% of Coverage A will be deleted when selection of additional coverages are met.
- Installment Payment Plan: Multi-policies - \$3 charge first policy: \$1 charge for each additional personal lines policy appearing on monthly statement. No service charge if paid via EFT.
- Forms 2 & 3: Ordinance or Law (HO-0477): 15% additional of Coverage A will be 4% of base premium for all insureds when selection of certain coverages is met.
- Forms 2 & 3: Refrigerated Property Coverage (HO0498) charge will be deleted when selection of additional coverages are met.
- Forms 2 & 3: Additional Limits of Liability for Coverage A (HO 3220): 6% of base premium when selection of certain coverages is met.
- Forms 2 & 3: Personal Property Replacement Cost: along with HO 0490 5% of base premium when selection of certain coverages. Eff. 5-1-02

National Surety Corporation

- Protective Device Credits: All forms & all territories: 1% - 15% credit applies to company base premium.
- Portfolio Credit: 5% credit applies to all homeowners policies when Personal Catastrophe Coverage and Personal Inland Marine Coverage is written with Company. Eff 10-01-02

National Union Fire Insurance Company of Pittsburgh

- Territorial Base Rate Deviation.
- Amount of Insurance Relatives Deviation.
- Maximum Credit for Protective Devices waived.
- Higher Deductible Credit: Credit varies by amount of insurance and deductible amount.
- Increased Coverage C Limit Deviation: A factor of 1.25 applies per\$1000 of insurance. Territories 5, 6, 42 & 43 excluded.
- Renovated House Credit: Credit varies .82 - .97 for houses renovated 1 yr. to 6 yrs.
- Gated Community Credit: 5% applies when criteria is met.
- Loss Free/ Persistency Credit: 5% or 10% credit applies when criteria is met. Eff. 10-13-00

Nationwide Mutual Fire Insurance Company

- Forms 3 & 3w15: Deviation by amount of insurance & territory.

- Home & Car Discount for all territories, except 5, 6,41,45,65,69,71,72, &74: Forms 2 & 3: Credit varies 1% - 26%:
- Protective Device Deviations by territory: Credit varies 0% - 6.6%.
- Personal Property Replacement Cost Coverage by territory: Form 3w15 - 10%.
- Deductible Deviations by form, territory, amount of insurance & deductible option.
- Territorial Deviation – forms 2,3,3w/HO 32 36 and 6.
- Safe Home Rating Program – forms 2,3,and 3 with HO 32 36 and 6. Eff. 12-15-02

Nationwide Mutual Insurance Company

- Home & Car Discount for all territories, except 5, 6, 41, 58, 65, 69, 71, 72 & 74: Forms 2 & 3: Credit varies
- Protective Device Deviations by territory: Credit varies 0% - 6.6%.
- Personal Property Replacement Cost Coverage by territory: Form 3w15 - 10%.
- Deductible Deviations by form, territory, amount of insurance & deductible option.
- Territorial Deviation – forms HO-2, 3 and 3 with HO 32 36
- Safe Home Rating Program – forms HO-2,3 and 3 with HO 32 36 credit varies Eff. 12-15-02

Netherlands Insurance Company

Preferred Homeowners

- Personal Property Increased Limits: Forms 3, HE-7, HE-7w/20 & HE7w/21 \$.50 per \$1000 of insurance
- Deductible amounts deviation Credit: Forms 3, 4, 6, HE-7, HE-7w/20 & HE-7w/21 :Credit varies
- New Home Credit: Forms 3, HE-7, HE-7w/20 & HE-7w/21: :Credit varies.
- Protective Device Credit: Forms 3, HE-7, HE-7w/20 & HE-7w/21: Credit varies
- Base Rate Deviation by Territory Forms 3, HE-7, HE-7w/20 & HE7-21:: Credit varies.
- Form 4: 3% Key Premium Deviation by Territory.
- Form 6: Key Premium Deviation: Credit varies 29.3%-31.6%.
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: HO-3211- Replacement or Repair Cost Protection: Premium charge \$5.
- Forms 3, 4, 6, HE-7, HE-7w/20 & HE-7w/21: 15% deviation for policies written as part of Personal Protector Package Policy.
- Water Craft Deviation of 70%.
- Base Rate Deviation on HE-7, HE-7w/20 & HE-7w/21: HE-7 factor - 1.15; HE-7w/20 factor - 1.20; HE7w/21 - 1.25.
- Amount of Coverage A Relativity: Deviation varies .6% - 7.4%.

Standard Homeowners

- Personal Property Increased Limits Forms 3, HE-7, HE-7w/20 & HE-7w/21: ; \$.50 per \$1000 of insurance.
- Deductible Credits; Forms 3, HE-7, HE-7w/20 & HE-7w/21: credit varies.
- New Home Credit: Forms 3, HE-7, HE-7w/20 & HE-7w/21: 0 -12 yrs. of age: Credit varies 0% - 25%.
- Protective Device Credit: Forms 3, HE-7, HE-7w/20 & HE-7w/21: Credit varies 2% - 15%.
- Base rate deviation by territory: Forms 3, HE-7, HE-7w/20 & HE-7w/21 Credit varies
- Base Rate Deviation HO 6 by territory: Deviation varies.
- Base Rate Deviation on HE-7, HE-7w/20 & HE-7w/21: credit varies
- Replacement or Repair Cost Protection: Forms 3, HE-7, HE-7w/20 & HE-7w/21: HO-3211 Premium charge \$5.
- Deviation will apply to HO 3 standard, HE 7 standard HE7w/20 standard, HE 7/ w21 standard for monoline homeowners premiums when they ar written as part fot the Personal Protector Package Policy.
- Water Craft Deviation of 70%.
- Amount of Coverage A Relativity curve: Deviation varies .6% - 7.4%.
- Eff 10-15-02

New Hampshire Insurance Company

- Forms 1, 2, 3, 3w/15 4 & 6: Age of dwelling credit; 0-20 yrs. - 10%.
- Replacement or Repair Cost prot. Coverage A (HO-500): \$1 per policy. Eff. 7-1-87

New South Insurance Company

- Deviation by Amount of Insurance: Coverage A amount: \$50000 - \$250,000 & above based on territory; Credit

varies 0% - .380%.

- Long-term Customer Discount: 5-9 yrs. with Co. on HO policy - 5%; 10 yrs. or longer with Co. on HO policy - 10%.
- Deductible Credits: Territories 32, 33, 34 - 41; \$250 ded., \$500 ded. \$1000 ded. & \$2500 ded.; Credits vary .05% - 41%.
- Form 6: 15%.
- Delete surcharge for \$100 deductible.
- Replacement Cost- Coverage C: Delete surcharge for replacement cost on contents. Eff. 5-1-92

New York Central Mutual Fire Insurance Company

- All Forms: 10% discount on dwellings 30 yrs. old or newer.
- All Forms: 5% discount on homes over 30 yrs. old.
- Forms 2, 3 & 8: Fixed dollar amount deductible factors; \$500 - .90%; \$1000 - .81%; \$2500 - .70%.
- Form 6: 10%.
- Forms 1, 2 & 3: Personal Property Replacement Cost; Waive 5% surcharge.
- All Forms: Additional 10% on dwellings 1-5 yrs. old with Coverage A amount \$60000 & over.
- Forms 2, 3 & 8: All counties, except Beaufort & Catawba; Amount of insurance deviation; \$59000-\$80000 & upward: Credit varies 6%-10%. Beaufort & Catawba Counties - \$39000-\$70,000 & upward: Credit varies 7%-20%. Eff. 5-1-92

Newark Insurance Company

- Forms 1, 2 & 3: Coverage A Dwelling Replacement or Repair Cost Protection; \$1 per policy.
- Protective Devices Credits vary 2% - 15%.
- Higher Deductible Factors: All Forms, except 4 & 6; \$500 - .89; \$1000 - .79; \$2500 - .72. Forms 4 & 6 - \$500 - .89; \$1000-.77; \$2500-.63.
- Forms 1, 2 & 3: Personal Property Replacement Cost; Coverage A amount under \$75000 - 10% surcharge; \$75000-\$99999 - 7% surcharge; \$100,000 & over 5% surcharge. Charge includes increase in Coverage C limit 50%-70% of Coverage A.
- All Forms: 5% preferred customer renewal credit when coverage has been with any of Royal Group for prior 3 yrs. with no losses.
- Discount for Eligible Employees: 20% credit to total homeowners policy premium.
- Form HE-7w/HE-21: 1.25 factor applies to base premium.
- Companion Policy Credit: 5% deviation when auto & homeowners policy is issued in any member of Royal Insurance when certain criteria are met.
- Installment Payment Plan: Policies billed by agent through account current payroll deduction program are not subject to installment fees. Eff. 1-1-97

Niagara Fire Insurance Company

- Broad & Standard Perils: Primary dwelling \$85000 or more; coverage written least 170% of replacement cost value; Deviation by amount of insurance \$85000 & under - 20%; \$88000 - 21%; \$92000 - \$95000-22%; \$99000 - 23%; \$102,000 - 24%; \$105,000 - 25%; \$109,000 - \$112,000 - 26%; \$116,000 - 27%; \$119,000 - 28%; \$122,000 - 29%; \$126,000 - \$289,000 - 30%; \$306,000 - 28%; \$323,000 - 26%; \$340,000 - 24%; \$357,000 - 22%; \$374,000 & above - 20%. Eff. 11-7-86
- Forms 1, 2, 3 & 3 w/15: Personal Property Replacement Cost; Eliminate 5% surcharge. Eliminate \$20 minimum premium.
- Forms 1, 2 & 3: New home credit; Dwellings 0-5 yrs. old - 15%; 6-10 yrs. old - 10%, if requirements are met.
- Forms 1, 2 & 3: 20%, if requirements are met.
- Forms 1, 2, 3 & 3 w/15: Deductible credits; Coverage A - all amounts; \$250-15%; \$500-25%; \$1000-35%; \$2500-45%.
- Forms 4 & 6: Coverage C - all amounts; \$250-13%; \$500-28%; \$1000-42%; \$2500-53%. Eff. 1-1-86

North Carolina Farm Bureau Mutual Insurance Company

- Forms 2 & 3: Credits vary based on rate structure, amount of insurance, protection class, deductible, & territory.
- Forms 2 & 3: Age of dwelling credit; Territories 5 & 6 excluded; 2% credit until 8 or more yrs., then no credit.

- Forms 2, 3, 4, 6 & 8: Deductible credits/charges.
- Form 3: Value Plus Homeowners; Credit varies when criteria is met.
- Water Craft: Deviations varies by speed, length & horsepower of Water Craft.
- Forms 2 & 3: Coverage C increase in limits. \$1 per \$1000.
- Forms 2 & 3: Replacement cost on contents factor 1.05; Forms 4 & 6: Factor 1.25.
- Forms 4 & 6: 30% downward deviation statewide.
- Form 8: 10% downward deviation statewide.
- Carolina Partner Plus Discount varies by Coverage A amount of insurance when criteria is met. Credit varies.
- Deviation for Additional Residence Rented to Others & Other Structures Rented to Others - Residence Premises.
- Other Structures Rented to Others Residence Premises.
- Refrigerated Personal Property: Charge Waived.
- Additional 5% deviation applies to property in specified counties. Eff. 08-15-02

North River Insurance Company

- Forms 1, 2, 3 & 3 w/15: Age of dwelling credit; 0 - 1 yr. - 20%; 2% less credit each added yr.
- Preferred plan deviation for owners forms: Varying credits based on amount of insurance & territory.
- Forms 1, 2, 3 & 3 w/15: Replacement cost contents for preferred owners forms to \$1 per \$1000 of increased Coverage C.
- All Forms: Replacement cost on contents; Deletion of \$20 minimum additional premium.
- Forms 1, 2, 3 & 3 w/15: Higher deductible credits factors; \$500 - .89; \$1000 - .80; \$2500 - .67.
- Forms 4 & 6: Higher deductible credits factors; \$500 - .83; \$1000 - .67; \$2500 - .54.
- Premises Alarm System: Expand table of credits for protection classes 1 - 7 to include class 8.
- Form 6: 20%. Eff. 3-1-90

Northern Assurance Company of America

- All Forms, except 4 & 6: New Home Credit: 0-1 yr. old - 20%; 2% less credit each yr. to 10th yr.
- Forms 2 & 3: Personal Property Replacement Cost; Charge to increase Coverage C to 70% of Coverage A; \$1 per \$1000.
- Guaranteed Replacement Cost (HO-3211): \$5 premium charge.
- Protective Devices Credits: PPC 1-7 - 2%-15%; PPC 8-9 - 1%-15%: Maximum credit of 20% applies.
- Inflation Guard Endorsement: 6% - at no charge.
- Forms 1, 2 & 3: Fixed dollar amount deductible credits; \$500 - 15%; \$1000 - 21%; \$2500 - 38%..
- Homeowners Enhancement Program Factors: HE - 7 - 1.15%; HE - 7w/15 - 1.20 & HE - 7w/21 - 1.25.
- Deviation by Coverage A amount of insurance. All Forms, except 4 & 6: Credit varies.
- Windstorm or Hail Deductible. Eff. 8-15-02

Northern Insurance Company of New York

- Forms 1, 2, 3 & 3w/15: Age of dwelling credit; 0 - 2 yrs. - 25%; 3 yrs. - 23%; 4 yrs. - 21%; 5 yrs. - 18%; 6 yrs. - 15%; 7 yrs. - 12%; 8 - 12 yrs. - 11%; 13 - 15 yrs. - 5%.
- Forms 1, 2, 3 & 3 w/15: Replacement or repair cost protection HO-500; Reduce premium \$5 to \$1.
- Forms 4 & 6: Replacement Cost on Contents; Factor 1.35.
- Forms 1, 2 & 3: Charge \$1 per \$1000 for increase in Coverage C limits. Eff. 2-15-92

Northwestern National Casualty

- Forms 2, 3, 3w/15, & 6: Company deviation based on territory & Coverage A amount; Credit varies.
- Forms 2, 3 & 3w/15: New Home Discount: New to age 20 yrs. Credit varies 2% - 27%.
- All Forms, except 4 & 5: Deductible Credit/Charges.
- Personal Property Increased Limits for Coverage C. Forms 2 & 3 - \$.50: Form 3w/15 - \$.2.
- Protection Construction Relativity Deviation.
- Protection Devices Credits: Maximum Credit removed.
- Outboard Motors & Water Craft: Liability rates amended by boat length.
- Form 6: Dwelling Basic and Increased Limits and Special Coverage. \$5000 Coverage A limit named perils basis: No premium charge.

- Personal Property Replacement Cost Coverage: All forms, except 4 & 6 - factor 1.05; Form 4 & 6 - factor 1.35. Minimum premium deleted.
- Ordinance or Law Coverage deviation.
- Three or Four Family Dwellings: Coverage B & C deviation.
- Installment Payment Plan: Initial installment charge waived.
- 5% Account Credit when named insured has an auto policy with the Highlands Insurance Group Companies. Eff. 6-1-99

Ohio Casualty Insurance Company

- Forms 2, 3 & 8: Fixed dollar amount deductible factors; \$500 - .90; \$1000 - .83; \$2500 - .75.
- Forms 4 & 6: Fixed dollar amount deductible factors; \$500 - .90; \$1000 - .77; \$2500 - .63.
- Water Craft Liability Rates: 60% below NCRB for powerboats; 50% below NCRB for sailboats.
- Employees Discount: 20% to qualifying employees insured in the Ohio Casualty Group.
- Percentage Wind or Hail Deductible Deviation: Credits vary. Eff. 08-15-02

OneBeacon Midwest Insurance Company

- All Forms, except 4 & 6: New Home Discount; 0-1 yr. old -20%; 2% less credit each added yr. to 10th yr.
- Forms 2 & 3: Personal Property Replacement Cost; Charge to increase Coverage C to 70% of Coverage A; \$1 per \$1000.
- Replacement or Repair Cost Protection Coverage A (HO-3211): \$5 premium charge.
- Protective Devices Credits: PPC 1-7 - 2%-15%; PPC 8-9 - 1%-15%; Maximum credit of 20% applies.
- All Forms, except 4 & 6: Provide Inflation Guard endorsement coverage at 6% amount of annual increase at no charge.
- All Forms, except 4 & 6: Fixed Dollar Amount deductibles: \$500-15%; \$1000-21%; \$2500-38%.
- 5% discount for insured age 49 or older.
- Deviation to Enhancement Forms HE-7; HE-7w/20 & HE-7w/21: Credits vary.
- Deviation by amount of Coverage A: \$250000 - \$500000. Variable credits.
- Windstorm or Hail Deductibles. Eff. 8-15-02.

OneBeacon America Insurance Company

- Forms 1, 2, 3: Fixed dollar amount deductibles; \$500-15%; \$1000-21%; \$2500-38%.
- Forms 4 & 6: \$500-10%; \$1000-23%; \$2500-37%.
- All Forms, except 4 & 6: New home discount; 0-1 yr. old - 20%; 2% less credit each added yr. to 10th yr.
- Forms 1, 2, 3 & 3w/15: Repair or replacement cost Coverage A; HO3211 - \$5 premium charge.
- Protective Devices Credits: PPC 1-7 - 2%-15%; PPC 8-9 - 1%-15%; Maximum credit of 20% applies.
- Forms 2 & 3: Personal Property Replacement Cost; Charge to increase Coverage C to 70% of Coverage A; \$1 per \$1000.
- All Forms, except 4 & 6: Provide Inflation Guard Endorsement at 6% amount of annual increase at no charge.
- Form 6: Units regularly rented to others; Delete \$15 charge.
- Form 6: 11.1% credit.
- Form 6: Coverage A Dwelling Basic and Increased Coverage A limit \$3,000 cov A at no addit charge.
- 5% discount for insured age 49 or older.
- Homeowners Enhancement Factors: HE-7 - 1.15; HE -7w/15 - 1.20 & HE-7w/21 - 1.25.
- All Forms, except 4 & 6: Deviation by Coverage A amount of insurance: Credit varies.
- Windstorm or Hail Deductibles. Eff. 8-15-02

Owners Insurance Company

- All Forms: 10% credit on selected optional coverages rated as a flat dollar charge per fixed amount of coverage.
- All Forms: Optional Deductible Charges; \$50 flat +15%; \$100 flat +10%; Minimum charges waived.
- All Forms: Protective Device Credit; 2% applied to Premium Chart premium for dwellings for use of the following - heat/smoke detectors, deadbolt locks or fire extinguishers. Apply each credit separately to chart premium.
- All Forms: Protective Devices Factors: Bureau credit factors under protection class 1-7, territories 36-40 apply for

all protection classes & territories.

- Forms 3 & HE-7: New Home Credit: New to 10 yrs. of age: Credit varies 18% to 0%.
- Mature Homeowners Credit: 20% when at least one named insured is 65 yrs. of age or older. 18% credit age 55 – 64 and 8% when insureds are between the ages of 50 and 54.. This discount applies to primary, secondary or seasonal residences.
- Townhouse or Rowhouse Charge; Use same rate per number of families for protection classes 9, 9S & 10 as for protection classes 1-8.
- Form 6: Coverage A dwelling increased limits & special coverage; Eliminate \$1 add on if HO-277 is endorsed on policy; Special Coverage no additional charge.
- Loss Assessment; Same rates apply to Forms 3 & 6 with HO-32 & HE-7 as to all other forms.
- Fire Department Service Charge: Additional amount of insurance; Rate \$4 per \$100.
- All Forms: Credit Card, Fund Transfer Card, Forgery & Counterfeit Money Coverage (HO-53): \$1000 limit no charge; \$2500-\$2; \$5000-\$3; \$7500-\$4; \$10000-\$5.
- Landlord's Furnishings: Waiving per unit charge.
- Form 6: Units Regularly Rented to Others; Waive \$15 manual charge. Apply factor of .25 to premium chart to determine additional premium.
- All Forms: Building Additions & Alterations at Other Residences; Eliminate \$1 add on if HO-277 is endorsed on policy.
- Form 3 & HE 7: Business Pursuits: Coverage provided with no charge, except corporal punishment.
- Other Insured Location Occupied By Insured: Section II - 2, 3 & 4 family dwelling rated same as one family dwelling.
- Permitted Incidental Occupancies: Residence premises no charge for property exposure to business in another structure.
- Section II Liability: Residence Employees; Bureau charges waived.
- Form 3: Deviation by territory, construction & protection classes: Variable credits.
- Form 6: 5% deviation for all amounts of insurance.
- Form 3: Personal Property Replacement Cost; Coverage C limit increased to 70% of Coverage A for no additional charge. There is a 5% charge for Personal Property Replacement Cost with a \$20 minimum charge.
- All Forms: Personal Injury (HO-82) coverage provided with no charge.
- Form 3: Special Personal Property Coverage Deviation; Charge 10%. Minimum premium \$20. Form 6: Charge 20%.
- Multi-Policy Discount: 10% credit applicable to primary, secondary & seasonal residence when the named insured has both a private passenger auto policy & homeowners policy with an Auto-Owners Insurance Group Company.
- Forms 3, 6 & HE 7: 10% credit applies when owner occupied dwelling occupied less than 180 days during calendar yr.
- Additional Residence Rented to Others Deviation.
- Water Craft Section II Liability: Variable rates.
- Homeowners/Life Multi-Policy Discount: 5% credit.
- Form 3: Additional Limits of Liability for Coverage A, B, C & D: \$7 charge per location.
- Form 3 and HE-7 – 6% dev for territories 32-34, 36-41, 45-47 and 60-70 and 3% for territories 5, 6, 52 and 53.
- Form 6 - 6%dev for territories 32-34, 36-41, 45-47 and 60-70 and 5% for territories 5, 6, 52, and 53. 0% at amount of insurance \$10,000 and taper to 5% at \$15,000. 5% for all amounts of insurance above \$15,000.
- Eff. 8-15-02

Pacific Employers Insurance Company

- Forms 1, 2 & 3: Fixed dollar deductible credits; \$500-11%; \$1000-21%; \$2500-34%.
- Form 4: Fixed dollar deductible credits; \$500-11%; \$1000-25%; \$2500-40%.
- Rate for increase in Coverage C: \$1 per \$1000.
- Forms 1, 2 & 3: Replacement Cost Coverage HO-290; Charge shall be 4% of adjusted base premium. Coverage C must also be increased to 70% of Coverage A at \$1 per \$1000.
- Protection Device Credits: All zones & all protection classes; Credits vary 2%-15%.
- New Home Discount: Credit varies 2% -20% based on age of dwelling. Credit applies to base premium.
- Base Rate Deviation: Homeowners -25%; Tenants -15%; Condominiums -20%. Eff. 2-24-98

Pacific Indemnity Company

- Forms 4 & 6: 10% credit.

- Forms 2, 3, 3w/15, & HE7: Various credits for Amounts of Insurance over \$950,000 for Coverage A.
- Elimination of maximum credit for protective devices.
- Forms 2 & 3: Additional Amount of Insurance deviation.
- Forms 2 & 3: Personal Property Increased Limit - \$1 per \$1000: Form 3w/15 - \$1.50 per \$1000.
- All Forms: 5% Gated Community Credit when criteria is met. Eff. 8-15-02

Peerless Insurance Company

Preferred Homeowners

- Forms 3, HE-7, HE-7w/20 & HE7w/21: Personal Property Increased Limits: \$.50 per \$1000 of insurance.
- Deductible Credits: Forms 3, HE-7, HE-7w/20 & HE-7w/21 - credits vary.
- Forms 4 & 6: Deductible Credits: \$500 ded. - 10%; \$1000 ded. - 23%.
- New Home Credit: Forms 3, HE-7, HE-7w/20 & HE-7w/21: 0 - 12 yrs. of age: Credit varies 3% - 18%.
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: Protective Device Credit: Credit varies 2%-15%.
- Base Rate Deviation by Territory: Forms 3, HE-7, HE-7w/20 & HE7-21 Credit varies 0% - 17%.
- Form 4: Credit of Key Premium: 3% certain counties.
- Form 6: Base rate deviation by territory: Credit varies 29.3%-31.6%
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: HO-3211 - Replacement or Repair Cost Protection: Premium charge \$5.
- Forms 3, 4, 6, HE-7, HE-7w/20 & HE-7w/21: 15% deviation for policies written as part of Personal Protector Package Policy.
- Water Craft Deviation of 70%.
- Base Rate Deviation on HE-7, HE-7w/20 & HE-7w/21: HE-7 factor - 1.15; HE-7w/20 factor - 1.20; HE7w/21 - 1.25.
- Amount of Coverage A Relativity: Deviation varies 0% - 7.4%.

Standard Homeowners

- Forms 3, HE-7, HE-7w/20 & HE-7w/21: Personal Property Increased Limits: \$.50 per \$1000 of insurance.
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: Deductible Credits: \$500 ded. - 10%; \$1000 ded. - 26%; \$2500 ded. - 38%.
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: New Home Credit: 0 -12 yrs. of age: Credit varies 1% - 20%.
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: Protective Device Credit: Credit varies 2% - 15%.
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: Base Rate Deviation by Territory: Credit varies 0% - 7.7%.
- Water Craft Deviation of 70%.
- Base Rate Deviation on HE-7, HE-7w/20 & HE-7w/21: HE-7 factor - 1.15; HE-7w/20 factor - 1.20; HE7w/21 - 1.25
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: 15% deviation for policies written as part of Personal Protector Package Policy.
- Amount of Coverage A Relativity: Deviation varies 0% - 7.4%.
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: HO-3211 - Replacement or Repair Cost Protection: Premium charge \$5. Eff. 10-15-02

Penn Mutual Insurance Company

- Forms ML 1, 2 & 3: Coverage A amount \$50001-\$60000 -10%; \$60001-\$75000 - 20%; \$75001-\$200000 - 30%; \$200001 & above -20%.
- Form ML 4: 10%.
- Eliminate minimum additional premium charge applicable to \$100 deductible buy-back provision.
- New Home Credit: 15% dwellings under 20 yrs. of age.
- Protective Device Credit: 3% when dead-bolt locks on all exterior doors. Attach ML-216.
- Replacement Value on Contents: Forms 1, 2, & 3: \$.25 per \$1,000 of Coverage C limit. Form 4: \$1 per \$1000 of Coverage C limit. No minimum premium required. Attach ML-55.
- Forms ML 1, 2 & 3: Personal Property increased limits \$1 per \$1000 of insurance. Eff. 1-1-89

Pennsylvania General Insurance Company

- All Forms, except 4 & 6: New home credit; Current yr. - 20%; 1 yr. old -18%; 2 yrs. old -16%; 3 yrs. old - 14%; 4 yrs. old - 12%; 5 yrs. old - 10%; 6 yrs. old - 10%; 7 yrs. old - 8%; 8 yrs. old - 7%; 9 yrs. old - 6%; 10yrs.-6%; 11yrs-4%; 12yrs-4%; 13yrs-2%; 14yrs-2% .

- All Forms: Fixed dollar amount deductible factors; \$500 - .90; \$1000 - .77.
- Forms 1, 2, 3 & 3w/15: Personal property increased limits; \$1 per \$1000 of insurance.
- All Forms, except 4: Account Credit: 10% discount when named insured insures his/her personal auto in any of General Accident Companies.
- Forms 1, 2 & 3: Personal Property Replacement Cost Coverage; Waive charge to increase Coverage C limit from 50% to 70% of Coverage A limit. Premium for Replacement Cost Coverage developed by applying factor of 1.05 to base premium including any premium adjustment for Coverage C in excess of 70% of Coverage A.
- All Forms: Protective Device Credit: Credit Varies 2% - 15%.
- All Forms, except 4 & 6: 8.8% base rate deviation. Eff. 4-15-96

Pennsylvania Lumbermens Mutual Insurance Company

- Forms 1, 2 & 3: 10% dwellings 5 yrs. old or less; 5% dwellings 6-10 yrs. old.
- All Forms: 10%. Eff. 10-1-85

Pennsylvania National Mutual Casualty Insurance Company

- Deviation by Deductibles.
- New Home Discount: Forms 2, 3 & 3w/HO3236: New to 15 yrs. of age: Credit varies 1%-20%.
- Personal Property Increased Limits: Forms 2 & 3 - \$1 per \$1000 of insurance: Form 3w/HO3236 - \$3 per \$1000 of insurance.
- Account Credit Program: Forms 2, 3, 3w/HO3236, 4, 6 & 6w/HO3235: Credit factor .90 applies when certain requirements are met.
- Deviation for Water Craft (HO 24 75): Credits vary 9%-46% based on type, horsepower & length of Water Craft.
- Preferred Program Deviation: Forms 3 & 3w/HO3236: Based on territory & public protection class: Variable credits when criteria is met.
- Protective Device Credits: Applies to insureds that meet eligibility criteria. Credit varies 1% - 25%.
- Deviation on Ordinance or Law Coverage: Forms 2 & 3.
- Deviation by Amounts of Insurance: Credit varies.
- Deviation by Additional Amounts of Insurance: Forms 2 & 3.
- Preferred Advantage Program Deviation: Forms 3 & 3w/HO3236: Certain criteria apply.
- No charge for increasing Coverage A up to \$5,000 on a form HO 00 06 policy
- Eff. 8-15-02

Pharmacists Mutual Insurance Company

- 10% base rate deviation.
- Waiver of premium is amended to \$5.
- Installment Payment Plan: Charge varies based on installment plan.
- Personal Package Discount: Credit varies 5% - 10% when criteria is met.
- New Home Discount: 20% credit current calendar yr.: 1% less credit each added yr. to 10th yr.: 2% less credit 11th yr. - 14th yr.
- Automatic Adjustments of Limits: Annual 4% increase at no charge. Eff. 6-1-99

Phoenix Insurance Company

- Base Rate Deviation for Dwellings Credit varies based on territory.
- Deductible Credits: Varies by amount of deductible.
- Protective Device Deviation: Credit varies 1% - 13%.
- Forms 2, 3, 3w/15: Personal Property - Increased Limit Coverage C: \$1 per \$1000.
- Forms 2, 3, & 3w/15: 5% Account Credit.
- Forms 2, 3, 3w/15, 4 & 6: Loss Free Credit: 3+ yrs. loss free 3% credit.
- Forms 2, 3, 3w/15, 4 & 6: 5% Multi-Line Insurance & Financial Services Institution Employees Credit.
- HO- 3w/15: 10% Additional premium charge.
- Coverage A Relativities Deviation: Credit based on Coverage A amount & territory.
- Refrigerated Personal Property: \$10 charge waived.
- Forms 2 & 3: Inflation Guard: Premium charge waived.
- Forms 3 & 6: 5% Safety Seminar Credit: Certain criteria apply. Eff. 11-01-02

Piedmont Mutual Insurance Company

- New Home Discount: Current yr. credit - 16%; 2% less credit each additional yr. to 7th yr.
- Value-Plus Homeowner Discount: 5% when certain criteria are met. Eff. 3-1-98

Providence Washington Insurance Company

- Forms 2 & 3: Deviation by territory, Coverage A amount & protection class: Credit varies.
- All Forms, except 4 & 6: New Home Credit: 1 to 20 yrs. old: Credit varies 1% to 20%.
- All Forms, except 4 & 6: Deductible credits: \$500 - 10%; \$1000 - 17%; \$2500 - 25%.
- Protective Devices for all protection classes & territories: Credits vary 1%-15%.
- Forms 2, 3 & 6: 15% Multiple Policy Credit when Providence Washington writes auto & homeowner.
- Waiver of Premium: \$5 or less.
- Personal Property Replacement Cost: Minimum charge not applicable. Eff. 4-18-00

Prudential Property & Casualty Insurance Company

- Form 4: Credits for Coverage C: Amounts of Insurance: \$5000 - \$100000+: Credit varies 2% - 30.1%.
- Form 6: Credits for Coverage C: Amounts of insurance \$5000-\$100000+: Credit varies 2% - 30.1%.
- Forms 3, 3w/15, Premier, 4 & 6: Deductible Credits vary by deductible amount.
- Forms HO-3, HO-3w/15, & Premier: Enhanced Dwelling Limit: \$1 per policy.
- New Home Credit: Age of Home 0 - 7 yrs. of age: Credit varies 0%-20%.
- Form 3 & Premier: Personal Replacement Cost: Apply 4% surcharge to adjusted base premium.
- Protective Device Credits: Variable Credits 2%-15%.
- Form 3: Premier Package Discount.
- Forms 3, 3w/15, Premier & 6: 5% Mature Homeowners Credit.
- Forms HO-3 & Premier: Deviation by Coverage A Amount: Credits vary by zones.
- 10% Companion Life Discount: Certain criteria apply.
- Secured Community Credit: Credit applies if primary residence is located in a fully secured or partially secured community. Fully secured - 10%; Partially secured -5%.
- Forms 3, 3w/15 & Premier: Personal Property Increased Limit: \$1 per \$1000 of insurance.
- Electronic Funds Transfer Fee: No charge.
- Increased Limits Jewelry, Watches & Furs: \$14 per \$1000 of Coverage.
- Forms 4 & 6: Personal Property Replacement Cost: Minimum charge of \$20.
- All Forms: Companion Property Discount: 10% credit: Certain criteria apply.
- Deviation by Zone.
- Silverware, Goldware, & Pewterware: \$2.50 per \$500.
- Deviation for 3 & 4 Family Liability Rates.
- Deviation by Liability Coverage.
- Outboard Motors & Water Craft Deviation for Coverage E, Increased Limits: Certain criteria apply.
- Outboard Motors & Water Craft Deviation for Coverage F, Increased Limits: Certain criteria apply.
- Installment Payment Plan: No service charge on 1st payment: \$2 charge for remaining installments.
- Business Property - Increased Limits Deviation: \$10 per \$2500.
- Form 3: Basic Premium Deviation varied by zone. Eff. 11-13-00

Republic Insurance Company

- All Forms: Personal Property Replacement Cost Coverage; Minimum additional premium for coverage is deleted.
- All Forms: Protective Devices; Maximum credit allowed is deleted.
- All Forms, except 4 & 6: Fixed dollar amount deductible credits: \$500-9%; \$1000-17%; \$2500-25%. Eff. 4-1-95

Royal & SunAlliance Personal Insurance Company

- Form 3w/15: 25% credit. Eff. 5-11-92

Royal Indemnity Company

- Companion Policy Credit: 8% if auto coverage is afforded in any member Company of Royal & SunAlliance Insurance.
- Forms 2 & 3: Additional Amounts of Insurance: \$8 per policy.
- Protective Devices: Credits vary 2%-15%.
- Deductible Credits: Credit varies by form & deductible amount.
- Personal Property (Coverage C) Replacement Cost Coverage: Forms 2 & 3 - Coverage A amount under \$100000 - 11% surcharge; \$100000 & over - 8% surcharge: Forms 4 & 6 - 40% surcharge.
- Deviation by Forms: Forms 2, 3, & 3w/15- 10%; Form 6- 20%.
- Coverage A Discount based on amount of insurance & territory: Variable credits.
- Apply following factors to all optional coverages, except Personal Articles Floater: Forms 2, 3, 3w/1 5 & HE 7w/21-.93 excluding territories 5, 6 42 & 43: Form 4 & 6 - .85 excluding territories 5, 6 42 & 43.
- Preferred Customer Renewal Credit: 5% credit: Certain criteria must be met.
- Discount for Eligible Employees: 20% credit to total homeowners policy premium.
- Homeowners Enhancement Program: 1.25 factor applies to base premium.
- Installment Payment Plan: Policies billed by agent through account current payroll deduction program are not subject to installment fees.
- Installment Payment Plan: \$1 each installment for Electronic Fund Transfer.
- Installment Payment Plan waived for employees.
- Group Mass Marketing Discount: 10% applies to all coverages: Certain criteria apply.
- New Home Discount/Age of Dwelling Credit: New to 10 yrs. old - 2% to 20%. Eff. 8-15-02

Royal Insurance Company of America:

- Forms 2 & 3: Additional Amounts of Insurance: Charge \$8 per policy.
- Protective Devices Credits: Credits vary 2% - 15%.
- Deductible Credits: Credit varies by form & deductible amount.
- Personal Property (Coverage C) Replacement Cost Coverage: Forms 2 & 3 - Coverage A amount under \$100000 - 11% surcharge; \$100000 & over - 8% surcharge: Forms 4 & 6 - 40% surcharge.
- 5% Preferred Customer Renewal Credit: Certain criteria apply.
- Discount for Eligible Employees: 20% credit to total homeowners policy premium.
- Form HE-7w/HE-21: 1.25 factor applies to base premium.
- Companion Policy Credit: 1% deviation when auto & homeowners policy is issued in any member of Royal Insurance when certain criteria are met.
- Installment Payment Plan: Waived for employees.
- Installment Payment Plan: Policies billed by agent through account current payroll are not subject to installment fees.
- Installment Payment Plan: \$1 each installment for Electronic Fund Transfer.
- Group Mass Marketing Discount: 10% applies to all coverages: Certain criteria apply.
- New Home Discount: New to 10 yrs. of age - 2% to 20% deviation. Eff. 3-1-01

Safeco Insurance Company of America:

- Deductible Debit/Credits. Credit varies.
- Renewal Credit: all forms Certain criteria apply.
- Account Credit: all forms Certain criteria apply.
- Condominium Unit-Owners Coverage A Increased Limits & Special Coverage Deviation.
- Business Pursuits (HO 24 71):all forms Charge deleted.
- Credit Card, fund transfer card, forgery and counterfeit money coverage (HO 04 53): charge for \$1,000 is deleted.
- Personal Injury (HO 24 82): \$10 charge per policy.
- Landlord's Furnishings (HO 32 21): Can be increased to \$5000 with burglary cov added: \$10 charge per policy.
- Ordinance or Law Coverage (HO 04 77): Increase to a total of %100 of Coverage A.
- Personal Property replacement cost (HO 04 90) waiver of minimum premium.
- Medical Payments/Other Exposures/Higher Limits Deviation: all forms.
- Other Insured Locations Occupied by Insured: 2 family house will be charged as a 1 family house.
- Outboard Motor & Watercraft Liability Deviation.

- Personal Liability/Residence Premises Deviation.
- Special Personal Property Coverage (HO 00 15)/Unit Owners Coverage (HO 1731): Coverage C may be extended to include additional risks of physical loss.
- Installment Payment Charge: \$2 per installment except when paying in full or via electronic funds transfer.
- Market Tier Relativities
- Eff. 12-19-02

Safeco Insurance Co of Pennsylvania Insurance

- Form 3: Preferred Business; 25% off Bureau rates when eligibility guidelines are met.
- Form 3: Standard Business; 5% off Bureau rates when eligibility guidelines are met.
- Form 6: 17% off Bureau rates when eligibility guidelines are met.
- Form 3: Preferred Business; Guaranteed Replacement Cost Coverage A charged waived.
- Form 3: New Home Credit; During calendar yr. - 10%; 1% additional credit each added yr. to 9th yr. Eff. 2-15-95

Safeguard Insurance Company

- Forms 2 & 3: Additional Amounts of Insurance: \$8 per policy.
- Protective Devices Credit: Credits vary 2%-15%.
- Optional Higher Deductible Factors: All Forms, except 4 & 6: \$500 - .89; \$1000 - .79; \$2500 - .72; Forms 4 & 6: \$500 - .89; \$1000 - .77; \$2500 - .63.
- Forms 2 & 3: Personal Property (Coverage C) Replacement Cost Coverage: Coverage A under \$100000 - 11% surcharge; \$100000 & over 8% surcharge. Forms 4 & 6: 40% surcharge.
- Preferred Customer Renewal Credit: 5% credit: Certain criteria apply.
- Discount for Eligible Employees: 20% credit to total homeowners premium.
- Homeowners Enhancement Program: 1.25 factor applies to base premium.
- Companion Policy Credit: Standard Policies-1%; Preferred Policies-8%; Super Preferred-10%; Certain criteria apply.
- Installment Payment Plan waived for employees.
- Installment Payment Plan: Policies billed by agent through account current payroll deduction program are not subject to installment fees.
- Electronic Funds Transfer Deviation: \$1 charge per transfer.
- Coverage A Discount by Amount of Insurance & Territory: Preferred Program: Credit varies 0% - 15%.
- Coverage A Discount by Amount of Insurance & Territory: Super Preferred Program: Credit varies 0% - 17%.
- Preferred Program Deviation by Forms Off Standard Rates - credit varies by territory.
- Super Preferred Program Deviation by Forms Off Standard Rates - Credit varies by territory.
- 10% Group Mass Marketing Discount: Certain criteria apply.
- Company Deviation of 9%.
- New Home Discount/Age of Dwelling Credit: New to 10 yrs. old - 2% to 20% credit. Eff. 08-15-01

St. Paul Fire & Marine Insurance Company

- Forms 1, 2, 3 & 3 w/15: New Home Discount: Yr. of construction; 0-1 yr. of age - 15%; 2-3 yrs. - 13%; 4-5 yrs. - 11%; 6-7 yrs. - 9%; 8-9 yrs. - 7%; 10-11 yrs. - 5%; 12-15 yrs. - 3%.
- Forms 1, 2, 3 & 3 w/15: Personal Property Replacement Cost; No charge for Coverage C increase from 50% to 70%.
- Forms 4 & 6: 30% surcharge to basic premium (after higher deductible credit) & for attaching HO-50.
- All Forms: Minimum premium \$15 per policy. Eff. 9-23-92

St. Paul Guardian Insurance Company

- Operation Identification Credit: 5% rate credit on Basic Homeowners Insurance Premium.
- New Home Discount: 0-1 yr.-18%; 2-3 yrs -15%; 4-5 yrs.-10%; 6-7 yrs -8%; 8-9 yrs -7%; 10-11 yrs.-5%; 12-15 yrs.-3%.
- Personal Injury Protection (Form HO-82) provided at no additional charge.
- Forms 3, 3 w/15, 4, 6, HE-7 & HE-7w/HE20: Deductible credits: \$500 - 11%; \$1000 - 23%; \$2500 - 37%.
- Form 6: 14.5% off St. Paul Guardian HO-4 rates.
- Form 3: Deviation on policy amount Relativities by territory; Variable credits.

- Form 4: Deviation on base rates by territory; Variable credits.
- Forms 4 & 6: Deviation on policy amount Relativities by territory; Variable credits.
- Form 3: Replacement or repair cost Coverage A (HO-500) provided at no charge.
- Protective Devices Credit & Home Safety Coverage Credits.
- Business Pursuits Section II coverage: All classifications will be rated same as rate shown for clerical employees.
- Water Craft: Same charge applies for lengths over 15 - 26 feet & over 151 horsepower as to lengths up to 15 feet & below 151 horsepower.
- Home Day Care: Rated at Bureau rates for Permitted Incidental Occupancies (HO-42).
- Forms 3, 3w/15, 4 & 6: Personal property replacement cost (HO-290) coverage is provided at no additional charge.
- Homeowners PAK II Credit: Forms 3, 4, 6 & HE-7; 10% when insured qualifies for PAK II Program for territories 32 - 43.
- Base premiums for HE-7 policies: No additional charge.
- Base premium for HE-7w/HE-20 policies: +2.0% above St. Paul Guardian HO-3 rates.
- Base premium for HE-7w/HE-21 policies: +4.0% above St. Paul Guardian HO-3 rates.
- Renewal Credit: Premium credit when insured or spouse has maintained consecutive yrs. of both auto & homeowners coverage with the St. Paul, 3-5 yrs. Credit varies 3%-5%.
- Forms 3 & 3w/15: Personal property increase limits; \$1 per \$1000 of insurance.
- Installment Payment Plan: \$2 charge each installment unless Electronic Funds Transfer billing option is selected, then no charge.
- Employee Discount: 20% new business; 15% renewals. Eff. 3-1-00

St. Paul Mercury Insurance Company

- Operation Identification Credit: 5%.
- New Home Discount: 0-1 yr. - 15%; 2-3 yrs. - 13%; 4-5 yrs. - 11%; 6-7 yrs. - 9%; 8-9 yrs. - 7%; 10-11 yrs. - 5%; 12-15 yrs. - 3%.
- Personal Injury Protection (HO-82) provided at no additional charge.
- Personal Property Replacement Cost (HO-290) coverage is provided at no additional charge.
- Forms 3, 3 w/15, 4 & 6: Deductible credits; \$500 - 11%; \$1000 - 23%; \$2500 - 37%.
- HO-6: 15% on Companies HO-4 rates.
- HO-3: Deviation on base rates by territory; Credit varies 15.5% - 37.2%.
- Form 4: Deviation on base rates by territory; Credit varies 16.0% - 29.6%.
- Forms 4 & 6: Deviation on policy amount Relativities by territory; Credit varies 0.1% - 3.1%.
- Form 3: Replacement or repair cost Coverage A (HO-500) provided at no charge.
- Protective Devices Credit & Home Safety Coverage Credits.
- Business Pursuits Section II Coverage: All classifications will be rated same as rate shown for clerical employees.
- Water Craft: Same charge apply for lengths over 15-26 ft. & over 151 horsepower as to lengths up to 15 ft. & below 151 horsepower.
- Home Day Care: Rated at Bureau rates for Permitted Incidental Occupancies (HO-42).
- Installment Payment Plan: \$2 charges each installment. Eff. 3-1-95

Sea Insurance Company of America

- Form 3w/15: 25% credit. Eff. 5-11-92

Seaton Insurance Company

- Form 3: Credits vary by protection class, & Coverage A dwelling amounts; Coverage A amount under \$40000 - \$1000000 & over. Credit varies 0% - 19% based on territory.
- Form 3: Personal Property Replacement Cost; Delete 5% surcharge.
- Form 6: 19% to be applied to base rate of 10% off Form HO-4.
- Form 3: Fixed Dollar Amount Deductibles Credits; \$500-9%; \$1000-17%; \$2500-25%.
- Forms 4 & 6: \$500-10%; \$1000-23%; \$2500-37%.
- Form 3: New Home Credit; Current yr. - 20%; 2% less credit each added year.
- Personal Property Coverage C increased limits: Form 3; \$1; Form 3w/15 - \$2.
- Protection Device Credit: 5% in all territories & protection classes for an installed smoke detector, fire extinguisher

- & dead bolt locks.
- Reduced rates for Outboard Motors & Water Craft liability.
- Forms 3, 4 & 6: Personal Injury Coverage; HO-82 included at no charge.
- Form 3: Deviation of territorial relativities varies 0.0% - 15.8%.
- Form 4: 5% credit off base rates.
- Forms 4 & 6: Personal Property Replacement Cost Coverage; Surcharge reduced from 1.40 to 1.30. Eff. 6-13-94

Select Insurance Company

- Forms 1, 2, 3 & 3 w/15: 15%. Eff. 2-8-86

Selective Insurance Company of South Carolina

- Forms 4 & 6: 25%.
- Forms 1, 2, 3 & 3w/15: Replacement Cost on Personal Property; Delete 5% surcharge.
- Forms 4 & 6: Replacement Cost Personal Property; Annual add'l prem. shall be \$1 per \$1000 of ins. applied to Coverage C.
- Protective Devices Credit: Factors vary .85 to .98.
- All Forms, except 4 & 6: Fixed dollar amount deductible factors; \$500 - .85; \$1000 - .80; \$2500 - .70.
- Amount of Insurance Deviation: \$60000 - \$140000: Credit varies 0%-25%.
- Age of Dwelling Credits: New 20%; 1 yr. old 18%; 2% less credit each added yr. through 9th yr. Eff. 5-1-92

Selective Insurance Company of the Southeast

- Credit for protective devices: Factors vary .85 to .98.
- Forms 1, 2, 3, & 3 w/15: Replacement cost on personal property; Delete 5% surcharge.
- Forms 4 & 6: Charge an annual additional premium of \$1 per \$1000 of insurance applied to Coverage C. Minimum limit of Coverage is \$12000.
- All Forms, except HO 4 & HO 6: Fixed dollar amount deductible factors; \$500 - .85; \$1000 - .80; \$2500 - .70.
- Amount of Insurance Deviation: \$20000 - \$75000; Credits vary 3.0% - 10.0%. Eff. 5-1-92

Sentry Insurance A Mutual Company

- All Forms, except 4 & 6: Fixed dollar amount deductible; Factors for Coverage A limits: \$500 ded. - .91; \$1000 ded. - .79; \$2500 ded. - .62. Eff. 11-1-96

Service Insurance Company

- Year of Construction Deviation by territory: Credit varies 0% - 18%.
- Deviation for Masonry Construction by protection class: Credit varies.
- Form 3: 10% Base Deviation by territory.
- Claim Free Credit: 5% applied to base premium: Not available in terr 5,6,42,43. Certain criteria apply.
- Mature Homeowner Credit: 5% credit by territory: Certain criteria apply.
- Gated Community Credit: 5% credit by territory: Certain criteria apply.
- Form 3: Increased Limit of Personal Property: \$1 per 1000.
- Windstorm or Hail Deductible Deviation: Credit varies.
- Key Premium Factors Deviation.
- 2% Protective Device Credit for automatic smoke detectors, fire extinguishers & deadbolt locks on all exterior doors.
- 25% Maximum Allowable Credit for specific combined deviations.
- Auto Companion Credit: 4% credit when criteria are met.
- Deductible Credit Discounts.
- Percent Windstorm or Hail Deductibles Deviation.
- HO-6 Base Class Premium; Credit varies based on territories.
- HO-6 Protection-Construction factor deviation.
- HO-6 Key Premium Factor Deviation. Eff. 8-15-02

Shelby Insurance Company

- All Forms: Deductible credits; \$250 ded. - no charge; \$500 ded. - 15%; \$1000 ded. - 25%; \$2500 ded. - 38%.
- Forms 2 & 3: Deductible credits; \$250 ded. - 10%; \$500 ded. - 15%; \$1000 ded. - 30%; \$2500 ded. - 35%.
- Forms 4 & 6: Deductible credits; \$250 - 10%; \$500 - 15%; \$1000 - 30%; \$2500 - 37%.
- Forms 2 & 3: \$250 theft deductible credit; 1%.
- Forms 4 & 6: \$250 theft deductible credit; 5%.
- Forms 1, 2, 3 & 3 w/15: Coverage C increase limits \$2 per \$1000.
- Protective Devices: Credit varies 2% - 15%.
- Personal Injury (HO-2482): Included at no charge.
- New Home Discount: 20% current calendar yr.; 18% one yr. preceding current calendar yr.; 2% less credit each added yr. until 10+ yrs. then no credit.
- Multi-Policy Discount: 10% applies to total HO policy premium when auto policy is written in the Anthem Casualty Insurance Group.
- Forms 2 & 3: Additional Amount of Insurance; 3% charge of basic premium.
- Base premium deviation by territory. Eff. 6-1-99

South Carolina Insurance Company

- All Forms: 10% credit off base premium.
- Forms 1, 2 & 3: New Home Credit; 16% current calendar yr. - 2% less credit for each yr. preceding current calendar yr.
- Flat Deductible Credits: All forms, except 4 & 6; \$500-9%; \$1000-17%; \$2500-25%.
- All Forms: Protective Device Credits: Special Fire & Theft Package - 5% credit.
- All Forms: Account credit: 10% applies to HO policy when personal auto coverage or flood coverage is written on primary residence with any of the Seibels Bruce Companies.
- All Forms, except Form 4: 5% Senior Citizens Credit when required criteria are met.
- All Forms: Credits vary based upon renewal criteria.
- Forms 4 & 6: 10% deviation.
- All Forms: Deviation by policy amount of insurance; \$10000 - \$86000 & above: Credit varies 0% - 26.4%.
- Guaranteed Replacement Cost: Endorsement HO-500; Building replacement or repair cost protection; \$1 charge.
- Forms 3 & 3w/15: 10% deviation.
- Form 3: Deviation by policy amount of insurance; \$10000 - \$111000 & above: Credit varies 0% - 27.0%.
- All Forms: Personal Property Replacement Cost including an increase in contents to 70% of Coverage A provided for no charge.
- Forms 3 & 3w/15: Increase in Coverage C; \$1 per \$1000.
- Guaranteed Replacement Cost HO-500: Coverage A provided for no charge.
- Forms 3 & 3w/15: Windstorm or Hail Exclusion; Beach territory only; \$75 premium credit.
- Personal Injury Coverage provided for no charge. Eff. 6-1-99

Southern Guaranty Insurance Company

- Form 3 & HE-7: Deviation by Territorial Relativities.
- Form 4: Deviation by Territorial Relativities.
- Form 6: Deviation by Territorial Relativities.
- Form 3 & HE-7: Amount of Insurance Deviation.
- Form 3 & HE-7: New Home Credit; 1 yr. - 18%; 2% less credit each added yr. to 9th yr.
- All Forms, except 4 & 6: Deductible Credits; \$500-.91; \$1000-.83; \$2500-.75. Forms 4 & 6: \$500-.90; \$1000-.77; \$2500-.63.
- Forms 4 & 6: Personal Property (Coverage C) Replacement Cost Coverage; Factor 1.30 from 1.40.
- Reduced charge for Personal Property Increased Limits: Form 3 - \$1; Form 3w/15 - \$2.
- Reduced rates for Outboard & Water Craft Liability.
- Forms 3, 4 & 6: Personal Injury Coverage at no charge.
- Form 3 & HE-7: Exceptional Homeowner: 10% credit when criteria are met.
- Protective Devices Credit: Credit varies.
- Multi-Policy Credit: 5% credit applies when insured has personal auto & homeowners with Southern Guaranty

Southern Insurance Company of Virginia

- Territory Deviation; for form HO 00 03 Credit varies.
- Optional Deductible Credits: Change in credit for increasing the deductibles based on Coverage A and Coverage C limit.
- Protective Device Credits Combined – credit varies.
- Additional Amounts of Insurance – form HO 02 and HO 03 - HO 32 11 Factor of 1.02
- Personal Property Replacement Cost HO 03 use factor of 1.02.
- Personal Property Replacement Cost HO 04 and HO 06 use factor of 1.35.
- Age of dwelling credit to 9 years – credit varies.
- Outboard Motors and Watercraft reduced rates.
- HE-7 Program – 10% discount for HO 03 written with HE-7 w/20 or HE-7 w/21. eff 8-15-02

Link Plus Only

- Property Limit Amount Relativity Deviation based on policy amount of insurance: Credit varies 2% - 3%.
- Gated Community Discount: 8% credit when criteria are met. Maximum credit \$125.
- New Home Discount: 1 yr. - 20%. 2% less each yr. to 10th yr. Eff. 7-7-97

Southern Pilot Insurance Company

- Deviation by Coverage A limit: Form 3 & HE-7: Variable credit.
- Forms 4 & 6: Replacement Cost Coverage: Surcharge 1.30.
- New Home Credit: Age of dwelling current yr. 20%, 2% less credit thru 9th yr.
- Form 3 & HE-7: Deviation by territorial relativities.
- Form 4: Deviation by territorial relativities.
- Form 6: Deviation by territorial relativities.
- All Forms, except 4 & 6: Variable factors based on Coverage A limit & deductible amounts.
- Forms 4 & 6; Variable factors based on Coverage C limit & deductible amounts.
- Form 3: Personal Property Increased Limits: \$1 charge: Form 3w/15 - \$2 charge
- Protective Device Credits: Credit factors vary .01-.13 with maximum credit of \$75.
- Reduced Rates for Outboard Motor & Water Craft Liability.
- Forms 3, 4 & 6: Personal Injury Coverage. No premium charge.
- Exceptional Homeowner Credit: Form 3 & HE-7: 10% credit when criteria are met.
- Multi Policy Credit: 5% homeowner base rate credit when insured has personal auto coverage with Company. Eff. 08-15-02

Standard Fire Insurance Company

- Base Rate Deviation: Credit varies depending on territory.
- Coverage A Relativities based on Coverage A amount & territory.
- HO-3w15: 10% additional premium charge.
- Protective Device Deviation: Credit varies 1% - 13%.
- Forms 2, 3 & 3w15: Personal Property - Increased Limit Coverage C: \$1 per \$1000.
- Forms 2, 3, & 3w15: 5% Account Credit.
- Refrigerated Personal Property: \$10 charge waived.
- Deductible Credits: Varies by amount of deductible.
- Forms 2, 3 & 3w15: Loss Free Credit: 3+ yrs. loss free 5 % credit.
- Forms 2 & 3: Inflation Guard: Premium charge waived.
- Forms 3: 5% Safety Seminar Credit: Certain criteria apply. Eff. 11-01-02

State Automobile Mutual Insurance Company

- Forms 4 & 6: Deductibles: \$500 - 17%; \$1000 - 33%; \$2500 - 46%.
- Forms 2, 3, 3w/15, 4 & 6: 10% additional deviation if Company carries insured's homeowners & auto liability: Other criteria apply.

- Age of Dwelling Credit: New 20%; 1 yr. - 18%; 2 yrs. - 15%; 3 yrs. - 12%; 4 yrs. -9%; 5 yrs. - 7%; 1% less credit 6th - 8th yrs.
- All Forms: Alarm System Credits; All protection classes & territories; Variable credits.
- Forms 4 & 6: Replacement Cost on Contents; Reduce charge from 40% to 35%.
- HO 500 Replacement or Repair Cost on dwellings granted without charge when certain requirements are met.
- Forms 1, 2, & 3: Coverage C increase; \$1 per \$1000; Form 3 w/15 - \$2 per \$1000.
- Forms 1, 2, 3, 3w/15 & 8: Policy Size Credits; Protection classes 1-8; \$51000 & above - 1%-30%; Protection classes 9 & 10 - \$60000 & above 1% - 15%.
- Forms 1, 2, 3, 3 w/15 & 8: Deductibles; \$500 - 15%; \$1000 - 25%; \$2500 - 31%.
- Defender Package: This package will be rated by applying a 20% credit to base rate for HO-500 coverage & a flat \$25 charge for HO-290 when certain requirements are met.
- Forms 1, 2 & 3: When HO 290 is attached; Coverage C limit is increased to 70% of Coverage A at no additional charge.
- Form 3w/15: Optional at a +10% charge.
- Jewelry Rate - \$9.50 per \$1000. Eff. 9-1-92

State Auto Property & Casualty Insurance Company

- Deductibles; Forms 4 & 6: \$500 - 10%; \$1000 - 23%; \$2500 - 37%.
- Deductibles forms 2, 3 & 3w/15 \$500 - 9%; \$1000 - 21%; \$2500 - 38%.
- Auto/Home deviation - 15% additional deviation if Company carries insured's homeowners as well as private passenger auto liability and meets other requirements.
- Replacement Cost Coverage HO 2 and HO 3 if provided Coverage C is increased to 70% of Coverage A at no additional charge. No charge for RC contents under Home Defender Program.
- Alarm System Credits – all forms: Credit varies 2% - 15%: All protection classes & territories.
- Age of Dwelling Deviation: New - 9 yrs.: Credit varies 0% - 20%.
- Forms 4 & 6: Replacement Cost on Contents: Charge 35%.
- Guaranteed Replacement Cost – forms HO 02 and HO 03 no charge if certain criteria are met.
- Forms 2 & 3: Coverage C Increase: \$1 per \$1000: Form 3w/15 \$2 per \$1000.
- Form 3w/15: Optional at +10% charge.
- Protection Class 9 Rates: 5% Discount for homes within 5 miles of a responding Fire Department & within 1000 feet of fire hydrant.
- Prime of Life Discount: Homeowners All Forms, except 4 & 8: Age 50-54 - 10%; Age 55 & over -15%: Form 6 qualifies if Coverage C is at least \$30,000.
- Windstorm or Hail Deductible. All Forms; except 4 & 6 Variable Credits.
- Electronic Funds Transfer: \$1 service fee. Eff. 8-15-02

State Capital Insurance Company

- All Forms, except 4 & 6: Fixed dollar amount deductibles; \$500 - factor .79; \$1000 - factor .62.
- Forms 4 & 6: \$500-ded. - factor .85; \$1000-ded. - factor .77; \$2500-ded. - factor .63.
- Forms 1, 2, 3, HE-7 & HE-7 w/HE-20: Personal Property Increase Limits; \$.50 per \$1000; 3 w/15 \$2 per \$1000.
- Forms 2, 3, 3w/15, & 6,: Company deviation based on territory & Coverage A amount; Credit varies.
- Forms 2, 3, 3w/15, HE-7 & HE-7 w/HE-20: New Home Discount 0-2 yrs. - 27%; 3-4 yrs. - 24%; 5-6 yrs. -19%; 7-8 yrs. - 14%; 9-10 yrs. - 10%; 11-12 yrs. - 7%; 13-14 yrs. - 5%; 15-20 yrs. - 2%.
- All Forms: Protective Devices Credits; Maximum credit removed. All protection class & all territory. Credit varies 2% - 15%.
- Outboard Motors & Water Craft: Liability rates amended by boat length.
- Protection/Construction Relativity Deviation: Applies to all forms, except 4 & 6; 5% deviation applies to protection classes 1 - 3 for both frame & masonry construction.
- All Forms, except 4 & 6: Windstorm or Hail Deductible Deviation. Credit varies based on amount of insurance.
- Forms 1, 2, 3, HE 7 & HE 7w/20: Personal Property increase limit: \$.50 per \$1000.
- Form 3w/15: Personal Property Increase Limit. \$2 per \$1000.
- Form 6: Dwelling Basic and Increased Limits and Special Coverage. Limit \$5000 - no charge.
- Personal Property Replacement Cost Coverage: All Forms, except 4 & 6 - factor 1.05; Forms 4 & 6 - factor 1.35. Minimum premium deleted.
- Ordinance or Law Coverage deviation by factors.

- Three or Four Family Residence: Coverage B & C deviation.
- Installment Payment Plan: Initial installment charge waived.
- 5% Account Credit when named insured has an auto policy with the Highlands Insurance Group Companies. Eff. 6-1-99

State Farm Fire & Casualty

- Deviation by Territory & Policy Amount of Insurance: Variable credits.
- Forms 4 & 6: Deductible Credits; \$500 - 17%; \$1000 - 30%; \$2500 - 37%.
- Surcharges for townhouses/rowhouses in buildings with more than 2 units per fire division do not apply.
- Number of Families Deviation: One family premiums for all Section I & II coverages shall apply regardless of number of families.
- Premium Credits for Alarm Systems: Various combinations ranging from 2% to 15%.
- Unscheduled Jewelry & Furs: 30% credit applies to \$15 rate per \$1000 for additional coverage.
- Form 3: Replacement Cost on Contents; Coverage C increased to 70% of Coverage A at a rate of \$2.00 per \$1000 of coverage. Charge for replacement cost coverage is 5% of the basic \$250 deductible premium.
- Forms 4 & 6: Replacement Cost on Contents; Apply surcharge of 30% to basic \$250 deductible premium.
- Ordinance or Law Coverage: Following charge applies only to basic premium for Coverage A amount. Percentage of Coverage A Limit 25%-3% premium charge, minimum additional premium \$5; 50%-8% premium charge, minimum additional premium \$10.
- Form 3: New Home Credit; Current calendar yr. - 20%; One year preceding - 18%; 2nd - 15%; 3rd - 12%; 4th - 9%; 5th - 6% & 6th yr - 3%. Dwelling under construction shall be considered completed & occupied during current calendar yr. with Coverage A amount insured 100% of completed dwelling replacement cost. Dwellings renovated are eligible for an Utilities Rating Plan credit; specific requirements.
- Form 4: Deviations by Territory & Amount of Insurance: Variable credits.
- Form 6: Deviations by Territory & Amount of Insurance: Variable credits.
- Rental Condominiums: Apply following charge; \$250 - 25%; \$500 - 21%; \$1000 - 18%; \$2500 - 16%.
- Form 6: Coverage A Increased limits & Special Coverage; Basic coverage rate per \$1000 increase \$3.70; Special coverage additional premium waived.
- Homeowners 36 Discount: Consecutive yrs. insured with State Farm; 3-5 yrs. - 3%; 6 or more yrs. - 6%; territories 5, 6, 12, 42 & 43 excluded.
- Form 3: Coverage C Increased Limits: .85 per \$1000 of increased coverage; Territories 5 & 6 excluded.
- Installment Payment Plan: \$2 charge. if monthly installment made by electronic funds transfer and a monthly bill notice is requested or \$1 per month if no printed notice is requested..
- Varied deductible credits/charges for Zones 5, 6, 35 (specific counties), 41, 42 & 43 and remainder.
- Refrigerated Personal Property: Coverage provided at no additional charges.
- Form 3: Sinkhole Collapse; \$.35 rate per \$1000 of Coverage A.
- Form 3, 4 & 6: 2% Credit for Home-Auto Discount for all territories, except 5 & 6.
- 8% or 15% Automatic Sprinkler Credit
- Hurricane Percentage Deductibles: Applies to the \$250 Deductible basic premium. Eff. 12-1-02

State National Specialty

- Forms 2 & 3: Base deviations vary by amounts of insurance - \$55,000 - \$120,000 & over; Territory 34 Cumberland County -0% -22.1%; Territories 32, 33, 35 & 41 - 0% to -35.1% deviations vary by amount of insurance. \$50,000 - \$120,000 & over; all other territories 0% - 35.1%. Deviation vary by amounts of insurance \$50,000 - \$120,000 & over.
- Forms 4 & 6: 10% credit applies to optional coverages that are applicable exclusively to Forms 4 & 6.
- All Forms, except 4 & 6: 20% credit applies to optional coverages.
- Forms 2, 3 & Homeowners Plus: Fixed dollar amount deductible credits; \$500-10%; \$1000 - 17%.
- Forms 4 & 6: Fixed dollar amount deductible; \$500 - 10%; \$1000 - 23%.
- Homeowners Plus Package: Form 3 Credit for amount of insurance \$50,000-\$69,000 - 10%; \$70,000 - 110,000 - 11%; \$120,000 - \$170,000 - 12%; \$180,000 - \$200,000 - 13%, each additional \$10,000 - 0% when special requirement are met.
- Forms 4 & 6: 10%.
- Forms 2, 3 & Homeowners Plus: New home credit - 25% current yr.; 2.5% less credit each added yr.
- Premium credit for alarm systems HO 216: 2-15%.
- All Forms: Manned Security Discount: 10% additional when property is residential area with limited entry & exit

points manned by employed uniformed security guards.

- All Forms: 55 & Retired Discount: 10% if one insured is 55 or older & both insured & spouse, if any, are neither gainfully employed or seeking gainful employment. Residence must be principal residence of applicant.
- Earthquake Coverage: Superior construction will be rated same as frame construction.
- Form HO-6: Coverage A increased limits; \$3 for each additional \$1000.
- Form HO-6: Units regularly rented to others HO-33; Charge 25% of base premium. Eff. 5-1-92

Stonington Insurance Company

- Mature Retirees Credit: 10% when required criteria are met.
- All Forms: 10% base rate deviation for protection class 1-9 & 9s for territories 32-40.
- New Roof Credit: 5% off base premium when eligibility met; Not applicable with new home credit.
- Form 3: 10% credit Preferred Homeowners Program when criteria are met.
- Loss Free Renewal Credit: Applied to renewal date of policy that has been free of losses: 1 yr. - 3%; 2 yrs. - 6%; 3+ more yrs. - 9%.
- Multi-Policy Credit: 10% applies to new business only when applicant has auto with agency representing Nobel & their homeowners coverage is placed with Nobel. 5% credit applies second yr. Eff. 6-1-99.

TIG Premier Insurance Company

- All Forms: Age of Dwelling Credit; 0-3 yrs. old - 21%; 4-6 - 14%; 7-9 - 7%.
- Forms 1, 2 & 3: 38.0%.
- Form 6: 17.5%. Eff. 5-1-92

Teachers Insurance Company

- Form ML-3 & Masters Program: Amount of insurance deviation based on Coverage A amount & territory: Variable credits.
- Protection Device Credits: Classes 1-9: Credits vary 1% - 15%.
- Form ML-3: 8% credit if insured 100% to value & inflation guard endorsement is attached.
- Form 3 & Masters Program: New Home Credit: 0 - 10 yrs. of age: Credit varies 2% - 20%.
- Increase in Coverage C \$1 per \$1000.
- Masters Program: Protection Class Credits: Credits vary 0% - 5%.
- Form ML-4 & 6: 8% Base Rate Territorial Deviation.
- Form 3 & Masters Program: Deductible Credits: Credit varies.
- Form 3 & Master Program: Auto/Home Client Discount: Variable credit when criteria are met.
- Form ML-3 & Masters Program: Waive \$3 installment fee on installment pay plan for initial payment.
- Form ML 4 & 6: Deductible Credits.
- Forms 4 & 6: Replacement Value Deviation: 15% charge apply for policies with \$500 or greater deductible. \$10 minimum charge will apply to policies with \$500 or greater deductible.
- Master Program: Additional coverages included at no additional premium charge.
- 2% credit if insured has a Federal Flood Insurance policy placed with Co. or the flood insurance replacement program.
- Downward deviation on earthquake.
- Downward deviation for silverware, goldware & pewterware.
- Downward deviation for refrigerated food spoilage. \$5 per policy.
- Downward deviation for tenant's improvement.
- Form 6: Coverage A Increased Limits Deviation: \$3 per \$1000 of insurance.
- Downward deviation for additional residence premises rented to others.
- Downward deviation for private structures rented to others.
- Forms 4 & 6: Coverage Amount Relativities Deviation.
- Masters Program: Deviation by Credit Rating Tier. Eff. 8-15-02

Travelers Casualty & Surety Company

- Base Rate Deviation for Dwellings: Credit varies based on territory.
- Form 3w15: 10% additional premium charge.
- Coverage A Relativities based on Coverage A amount & territory.

- Protective Device Deviation: Credits vary 1% - 13%.
- Deductible Credits: Varies by amount of deductible.
- Forms 2, 3, & 3w15: Personal Property - Increased Limit Coverage C: \$1 per \$1000.
- Refrigerated Personal Property: \$10 Charge waived.
- Forms 2, 3, & 3 w15: 5% Account Credit.
- Forms 3 & 6: Association Credit Program: 10% credit applies when certain criteria are met.
- Form 2, 3, 3w15, 4 & 6: Loss Free Credit: 3+ yrs. loss free 3% credit.
- Forms 2, 3, 3w15, 4 & 6: Final Premium Adjustment factor of .92.
- Form 2 & 3: Inflation Guard: Premium charge waived.
- Forms 3 & 6: 5% Safety Seminar Credit: Certain criteria apply. Eff. 11-01-02

Travelers Indemnity Company

- Protective Device Deviation: Credit varies 1% - 13%.
- Deductible Credits: Varies by amount of deductible.
- Forms 2, 3, 3w15: Personal Property - Increased Limit Coverage C: \$1 per \$1000.
- Refrigerated Personal Property: \$10 charge waived.
- Forms 2, 3, & 3w15: 5% Account Credit.
- Forms 2, 3, 3w15, 4 & 6: Final Premium Adjustment Factor of .92.
- Forms 2 & 3: Inflation Guard Premium waived.
- Forms 3 & 6: 5% Safety Seminar Credit: Certain criteria apply. Eff. 11-01-00

Travelers Indemnity Company of America

- Base Rate Deviation for Dwellings: Credit varies depending on territory.
- Form 3w/15: 10% Additional premium charge.
- Coverage A Relativities based on Coverage A amount & territory.
- Deductible Credits: Varies by amount of deductible.
- Protective Device Deviation: Credit varies 1%-13%.
- Forms 2, 3 & 3w15: Personal Property - Increased Limit Coverage C: \$1 per \$1000.
- Forms 2, 3, 3w15, 4 & 6: 5% Account Credit.
- Forms 2, 3, 3w15, 4 & 6: Loss Free Credit: 3+ yrs. loss free 3% credit.
- Refrigerated Personal Property: \$10 charge waived.
- Forms 2, 3, 3w15, 4 & 6: 5% Multi-Line Insurance & Financial Services Institution Employees Credit.
- Forms 2, 3, 3w15, 4 & 6: Final Premium Adjustment factor - .90.
- Forms 2 & 3: Inflation Guard: Premium charge waived.
- Forms 3 & 6: 5% Safety Seminar Credit: Certain criteria apply. Eff. 11-01-02

Travelers Indemnity Company of Connecticut

- Forms 3 & 3w/15: Base rate deviation based on protection class, amount of insurance & territory; Variable credit factors.
- Form 3: 12% optional coverage credit.
- Forms 3 & 3w15: Deductible credits; \$500-16%; \$1000-26%; \$2500-32%.
- Protective Device Credits: Variable credits.
- Increased Limits Coverage C: Reduce charge to \$2 per \$1000.
- New Home Credit: New - 20%; 1 yr. old - 19%; 2 yrs. 18%; 3 yrs. - 16%; 4 yrs. - 15% - 14%; 6 yrs. - 12%; 7 yrs. - 11%; 8 yrs. - 10%; 9 yrs. - 8%; 10 yrs. - 7%; 11 yrs. - 6%; 12 yrs. - 4%; 13 yrs. - 3%; 14 yrs. - 2%; 15 yrs. - 1%.
- Replacement or Repair Cost Protection: Reduce charge to \$1 per policy.
- Account Discount: 10% when insured has both auto & homeowners policy.
- Forms 3 & 3w/15: Loss Free Credit; 3+ yrs. loss free - 3% credit.
- Rate Credit for Multi-Line Insurance & Financial Services Institution Employees Credit: 20% credit. Eff. 11-1-96

Travelers Indemnity Company of Illinois

- Base Rate Deviation: Credit varies based on territory.
- New Home Credit: 0 - 15 yrs. old: Credit varies 2% - 20%.

- Protective Device Deviation: Credit varies 1% - 15%.
- Forms 2, 3 & 3w15, 4 & 6: 10% Account Credit.
- Forms 2, 3 & 3w15: Personal Property - Increased Limit Coverage C: \$1 per \$1000.
- Form 3w/15: 10% Additional premium charge.
- Forms 2, 3, 3w/15, 4 & 6: Loss Free Credit: 5+ yrs. loss free - 5% credit.
- Deductible Credits: Varies by amount of deductible & territory.
- Form 3: Homeowners Extra Credit: 15% when criteria are met.
- Refrigerated Personal Property. \$10 charge waived.
- Forms 3 & 6: Association Credit Program: 10% credit applies when certain criteria are met.
- Forms 2 & 3: Inflation Guard premium charge waived. Eff. 5-21-00

Travelers Personal Security Insurance Company

- Base rate deviation based on territory. Credit varies.
- Form 3w/15: 10% Additional premium charge.
- Coverage A Relativities based on Coverage A amount & territory.
- Protective Device Deviation: Credit varies 1% - 13%.
- Deductible Credits: Varies by amount of deductible.
- Forms 2, 3, 3w15: Personal Property - Increased Limit Coverage C: \$1 per \$1000.
- Refrigerated Personal Property: \$10 charge waived.
- Forms 2, 3, & 3w15: 5% Account Credit.
- Forms 2, 3, & 3w15: Loss Free Credit: 3+ yrs. loss free 5% credit.
- Forms 2, 3, 3w15: Final Premium Adjustment factor of .90.
- Forms 2, 3 & 3w/15: Multi-Line Insurance and Financial Services Institution Employees Credit - 5%.
- Forms 2 & 3: Inflation Guard premium charge waived.
- Forms 3 & 6: 5% Safety Seminar Credit: Certain criteria apply. Eff. 11-1-02

Twin City Fire Insurance Company

- Age of Dwelling Credit: 1 yr. of age 20% with a 3% less credit each added yr.
- Forms 4 & 6: 10% Limited Access Credit if complex meets the protection requirements.
- All Forms: Protective Devices Premium Credits: Factors vary from .85-.98 for qualifying dwellings: Credits may be added together to maximum credit factor of .80.
- Personal Property Increase Limit Deviation: Forms 2 & 3 - \$1 per \$1000 of insurance: Form 3w/15 - \$3 per \$1000.
- Deviations by Amount of Insurance: Relativity Curves.
- Account Credit Deviation: Factors of .90 or .95 apply if insured meets eligibility requirements.
- Mature Retirees Credit: Factor of .95 is applied when required criteria is met.
- All Forms: Higher Deductible Deviation: Credits vary by amount of insurance and amount of deductible.
- Form 3: Retirement Community/Limited Access Community Package - 15% credit when criteria are met.
- Forms 4 & 6: Factor of 1.00 applies.
- Forms 2 & 3: Additional Amount of Insurance Coverage A only; 25% - \$1; 50% - \$2. Additional Limit of Liability for Coverage A, B, C, & D - \$3 premium charge. Eff. 6-1-01

USAA Casualty Insurance Company

- Form 3: New Home Discount: New - 9 yrs. of age: Credit varies 0% - 20%.
- Forms 3 & 6: Deviation by Territory & County.
- Additional Coverage: Unscheduled Jewelry & Furs: Limit \$2000 - \$16; limit \$4000 - \$32. Use Endorsement HO-267.
- Personal Property Deviation: Coverage C limit increased at .50 per \$1000: Coverage C decreased to not less than 40% of Coverage A at .50 per \$1000 credit.
- Extended Billing Plan: Regular Plan - no installment charge: Extended Plan - \$3 installment charge.
- Sinkhole Collapse Coverage: Charge .35 per \$1000 to the Coverage A amount of insurance.
- Forms 3 & 6: Revised territory definition. Eff. 12-31-02

Underwriters Insurance Company

- Age of Dwelling Discount: Form 3: 0 - 10 yrs. of age: Credit varies 0% - 20%.
- Account Credit Program: 15% discount when insured has coverage for both auto & homeowners policies through UIC.
- Preferred Homeowners Credit: 0% - 23% Credit by territory, protection class, construction type: Other criteria apply.
- Revitalized Home Credit for dwellings 25 yrs. or older if certain criteria is met.
- Deductible Credits: Forms 3, 4, & 6.
- Base Premium Discount for Form 6: A factor of .80 applies.
- Protective Device Credits: All Forms: Credit varies 1% - 15%.
- Replacement Cost on Contents: Forms 3, 4, & 6: Minimum premium does not apply.
- Additional Limits of Liability for Coverages A, B, C, & D: Form 3: 6% credit when certain options are selected.
- Personal Property Replacement Cost: Form 3: 5% of base premium with minimum premium waived when certain options are selected.
- Personal Injury: Form 3: Charge waived if certain coverages and options are selected.
- Water Back-Up of Sewers or Drains: Form 3: Charge waived if certain coverages and options are selected.
- Credit Card, Fund Transfer Card, Forgery & Counterfeit: Form 3: Charge waived if certain coverages and options are selected.
- Special Computer Coverages: Form 3: Charge waived if certain coverages and options are selected.
- Coverage C Increased Special Limits of Liability: Form 3: Charge waived if certain coverages and options are selected.
- Fire Department Service Charge: Form 3: Increased to \$1000 in lieu of \$500 if certain coverages and options are selected.
- Form 3: Coverage D Increased to 30% of Coverage A will be deleted if certain coverages & increased limits options are selected.
- Form 3: Coverage A Relativities Deviation.
- Form 3: Ordinance or Law will be 4% of base premium if certain coverages & increased limits options are selected.
- Form 3: The charge for Refrigerated Property Coverage will be deleted if certain coverages & increased limits options are selected. Eff.10-1-99

Unigard Indemnity Company & Unigard Insurance Company

- Form 3: Credits vary by protection class & Coverage A dwelling amounts; \$40000 & under to \$1000000 & over. Credit varies based on territory.
- Form 3: Personal Property Replacement Cost; Delete 5% surcharge.
- Form 6: 16% to be applied to base rate of 10% off Form 4.
- Form 3: Fixed dollar amount deductibles credits; \$500-9%; \$1000-17%; \$2500-25%.
- Forms 4 & 6: \$500-10%; \$1000-23%; \$2500-37%.
- Form 3: New Home Credit; Current yr. - 20%; 2% less credit each added yr.
- Personal Property Coverage C Increased Limits: Form 3 - \$1; Form 3w/15 - \$2.
- Protection Device Credit: 5% in all territories & protection classes for an installed smoke detector, fire extinguisher & dead bolt locks.
- Reduced rates for Outboard Motors & Water Craft liability.
- Forms 3, 4 & 6: Personal Injury Coverage; HO-82 included at no charge.
- Form 3: Deviation of territorial Relativities: Credit varies 5.0% - 20.0%.
- Form 4: Credit off base rates by territory; Credit varies 3.5% - 10.0%.
- Forms 4 & 6: Personal Property Replacement Cost Coverage; Surcharge reduced from 1.40 to 1.30.
- Forms 4 & 6: Deviation varies by protection class & territory. Eff. 10-3-94

Union Insurance Company

- Protective Device Credit: Credit varies 2% - 15%.
- All Forms: Account Credit: 10% when auto coverage is written with Union Ins. Co.
- Form 3: New Home/Dwelling Under Construction Discount: Discount based on yr. completed & occupied. Credit varies.
- 3% - 20%.
- Mature Homeowner Credit: 5% if insured is 55 yrs. & an adult is usually home during the day.
- All Forms, except 4 & 6: Replacement cost on contents. \$10 charge plus \$2 per \$1000 when increasing Coverage

C from 50% to 70% of Coverage A.

- Increased Deductible Credits: Forms 3, HE-7, 4 & 6; \$500-19%; \$1000-21%.
- Form 3: Coverage A Factor Deviation by amount & territory. Eff. 7-1-01

Unisun Insurance Company

- Forms 1, 2 & 3: New Home Credit; 0 yrs. 21%; 1 yr. 18%; 2 yrs.-15%; 3-10 yrs. 14% 11-12 yrs. -12%; 13 yrs. -10%; 14 yrs. -8%; 15 yrs. -6%; 16-17 yrs. -4%; 18-20 yrs. -2%.
- Forms 1, 2 & 3: Personal Property Replacement Cost Coverage is included at no charge. Attach endorsement HO-290.
- Deviation by policy amount \$10000-\$300000: Credit 5%-30%. Each additional \$10000 - 5%.
- Forms 1, 2, 3 & 3w/15: Flat deductible credits; \$500-10%; \$1000-21%; \$2500-33%. Eff. 2-1-96

United Services Automobile Association

- Form 3: New Home Discount: New - 9 yrs. of age: Credit varies 0% - 20%.
- Forms 3 & 6: Deviation by Territory & County.
- Additional Coverage: Unscheduled Jewelry & Furs: Limit \$2000 - \$16; limit \$4000 - \$32. Use Endorsement HO-267.
- Personal Property Deviation: Coverage C limit increased at .50 per \$1000: Coverage C decreased to not less than 40% of Coverage A at .50 per \$1000 credit.
- Extended Billing Plan: Regular Plan - no installment charge: Extended Plan - \$3 installment charge.
- Sinkhole Collapse Coverage: Charge .35 per \$1000 to the Coverage A amount of insurance..
- Forms 3 & 6: Revised territory definition. Eff. 12-31-02

United States Fidelity & Guaranty Company

- Waive any additional premium of \$5 or less.
- Forms 4 & 6: Personal Property Replacement Cost Coverage; 1.35 factor.
- Increase in Coverage C limits: Forms 1, 2 & 3 - \$1.50 per \$1000; Form 3w15 - \$2.50 per \$1000.
- Form 6: Form Relativity Factor .800 in lieu of .855.
- Employee Group Discount: 15%.
- Forms 2 & 3: Additional Amount of Insurance. Premium charge \$5. HO 03211.
- Special Package Discount. 5% when criteria is met.
- Forms 2, 3, 3w/15 & 8: Deductible Credits.
- Multi-Policy Discount: 10% credit when both Residential & P P Auto policies purchased through USF&G Insurance.
- New Home Discount: 1 yr.-20%; 2% less credit to 9th yr.
- Deviation of HO-3 base rates by territory & policy amount: Credits vary. Eff. 4-15-00

United States Fire Insurance Company

- Forms 1, 2, 3 & 3 w/15: New Home Credit; 0-1 yr. old - 20%; 2% less credit each added yr.
- Forms 1, 2, 3 & 3 w/15: Higher deductible credit factors; \$500-.89; \$1000-.80; \$2500-.67.
- Forms 4 & 6: Higher deductible credit factors; \$500 - .83; \$1000 - .67; \$2500 - .54
- Premises Alarm System: Expand table of credits for protection class 1-7 to include class 8.
- All Forms: Replacement Cost on Contents: Deletion of \$20 minimum additional premium. Eff. 3-1-90

Utica Mutual Insurance Company

- Replacement Cost Contents: Increase Coverage C to 70% of Coverage A for no additional charge. 5% surcharge is to be added to total base premium.
- Mass Merchandising Plan: 15% deviation for members of Utica National Insurance Group.
- HO Extension Package: Certain criteria apply.
- 5% credit applies to homeowners, personal inland marine, dwelling fire, personal umbrella & personal auto premiums provided the named insured is employed through an employer in the Company Workplace Insurance Service for Employees (W.I.S.E.) program or is a member of a company approved affinity group. Eff. 06-01-02

Vesta Insurance Corporation

- Inflation Guard Coverage: Premier, Deluxe, Renters & Condos; No charge.
- Loss Assessment Coverage for Earthquake: Premier, Renters & Condos; 5% deductible applies to insured's share of each assessment. Deductible amount not less than \$250 in any one assessment. \$1 per \$1000.
- Credit card, fund transfer card, forgery & counterfeit money coverage Premier, Deluxe & Renters; Reduced charge.
- Premium Credits for Protective Device: Premier, Deluxe, Renters & Condos: Credit varies 2%-15%.
- Increased Special Limits of Liability Premier, Deluxe, Renters & Condos: Reduced charge for certain class of property.
- Deductible Credits: Credits vary from 15% - 40%.
- Senior Citizen Discount Premier, Deluxe, Renters & Condos: 5% if at least one of the named insured is 55 yrs. or older & is not employed outside the home.
- Supporting Business Discount Premier, Deluxe, Renters & Condos: 2%.
- Base Rate Deviation by Territory; Premier & Deluxe; Variable credits.
- Coverage Amount Reactivities Deviations: Premier & Deluxe; Credits vary based on Coverage A amount.
- Loss Free Credit: Premier, Deluxe, Renters & Condos; 3 yrs. - 5%.
- Personal Property: Coverage C limit may be increased at a rate of \$2 per \$1000.
- Age of Home Credit: Premier & Deluxe; Credits vary 0%-20%. Eff. 6-1-99

Vigilant Insurance Company

- Forms 4 & 6: 16% credit applies to base premium.
- Forms 2, 3, 3w/15 & HE-7: Various credits for Amounts of Insurance over \$950,000 for Coverage A.
- Elimination for maximum credit for protective devices.
- Forms 2 & 3: Personal Property Increased Limit - \$1 per \$1000: Form 3w/15 - \$1.50 per \$1000.
- All Forms: Gated Community credit when criteria is met.
- All Forms, except 4 & 6: 5% Valuable Articles Credit. Eff. 8-15-02

Virginia Mutual Insurance Company

- Forms 2, 3 & 8: Premium Credit by Amount of Coverage A - \$60000 - \$130000 & over and territory. Credit varies 4.7% -30.0%. Credits apply to basic annual premiums.
- Form 4: Premium credit factor .9091.
- Forms 2 & 3: Personal property rate for increase in Coverage C \$1 or \$3 per \$1000 of coverage: Criteria apply.
- Row and Townhouses surcharge will be waived. Eff. 7-15-99

West American Insurance Company

- Forms 2, 3 & 8: Fixed dollar amount deductible factors; \$500 - .90; \$1000 - .83; \$2500 - .75.
- Forms 4 & 6: Fixed dollar amount deductible; \$500 - .90; \$1000 - .77; \$2500 - .63.
- Water Craft Liability Rates: 60% below NCRB for powerboats; 50% below NCRB for sailboats.
- 5% FamPak Credit to all Private Passenger Auto insureds that also have Homeowners policy with the Ohio Casualty Group.
- Employee Discount: 15% to qualifying employees insured in the West American Insurance 15% to qualifying employees insured with the FamPak program in the West American Insurance Company.
- Percentage Wind or Hail Deductible Deviation: Credits Vary. Eff. 08-15-02

Westchester Fire Insurance Company

- Forms 1, 2, 3 & 3 w/15: Age of dwelling credit 0-1 yr. 20%; 2% less credit each added yr.
- Forms 1, 2, 3 & 3 w/15: Higher deductible credit factors; \$500 - .89; \$1000 - .80; \$2500 - .67.
- Forms 4 & 6: Higher deductible credit factors; \$500 - .83; \$1000 - .67; \$2500 - .54.
- Premises Alarm System: Expand table of credits for protection class 1-7 to include class 8.
- All Forms: Replacement Cost on Contents: Deletion of \$20 minimum additional premium. Eff. 3-1-90

Windsor Mount Joy Mutual Insurance Company

- Amount of Insurance Deviation: Forms 1, 2 & 3; Coverage A amount 0-\$77000; Credit varies 5.1% - 18.4% for homes less than 5 yrs. of age. Eff. 10-1-93

Winterthur International America Insurance Company

- All Forms: Personal Property Replacement Cost Coverage; Minimum additional premium for coverage is deleted.
- All Forms: Protective Devices: Maximum credit allowed is deleted.
- Forms 1, 2 & 3: Replacement Cost on Contents: Charge \$1 per \$1000 for additional increase of Coverage C to 70% of Coverage A. Additional premium for this coverage will not apply.
- Deductibles: Deletion of minimum charges.
- Forms 1, 2, 3 & 8: Fixed dollar amount deductible factors; \$500 - .91; \$1000 - .83; \$2500 - .75.
- Forms 4 & 6: Fixed dollar amount deductible factors; \$500 - .90; \$1000 .77; \$2500 - .63. Eff. 4-1-95

Worldwide Insurance Company

- Protective Devices Discount: 3% for deadbolt locks on all main doors & fire extinguishers in house.
- Forms 1, 2, 3 & 3w/15: Deductible Credits; \$500 - 12%; \$1000 - 24%; \$2500 - 36%.
- Forms 4 & 6: Deductible Credits; \$500 - 17%; \$1000 - 30%; \$2500 - 37%.
- Replacement or Repair Cost Protection (HO-500); Waive \$5 charge.
- Forms 4 & 6: 10% deviation.
- Forms 4 & 6: Personal Property (Coverage C) Replacement Cost: 1.30 factor applies. Eff. 1-15-95

HOMEOWNERS

As of 12-15-03

ACE American Insurance Company

- New Construction Credit: New home - 10 yrs. Credit varies 20% - 0%.
- Forms 1, 2, 3, 4 & 6: Fixed Dollar Deductible: Credit varies 15% - 40%.
- Personal Property Increased Limit: \$2 per \$1,000 of additional coverage.
- Form 2 & 3: Replacement cost on contents - HO 0490: Factor of 11.5% applies to end of the base premium & includes increased limits to 70% of Coverage A dwelling amount.
- Protective Device Credits: All zones & all protection classes: Credit varies 2% - 15%.
- Rate Deviation: Homeowners - 21%; Tenants - 15%; Condominiums - 20%. Eff. 9-1-99

ACE Fire Underwriters Insurance Company

- New Construction Credit: New 20%; 1 yr. old - 18%; 2% less credit each added yr.
- Forms 1, 2 & 3: Fixed dollar deductible credits; \$500 - 11%; \$1,000 - 21%; \$2,500 - 34%.
- Form 4: Fixed dollar deductible credits; \$500 - 11%; \$1,000 - 25%; \$2,500 - 40%.
- Forms 1, 2 & 3: Rate for increase in Coverage C: \$1 per \$1,000.
- Forms 1, 2 & 3: Replacement Cost Coverage HO-290; Charge shall be 4% of adjusted base premium. Coverage C must also be increased to 70% of A at \$1 per \$1,000.
- Protective Device Credits: All zones & all protection classes; Credit varies 1% - 15%. Eff. 5-1-92

AIU Insurance Company

- All Forms: 10%. Eff. 2-1-86

AMEX Assurance Company

- Form 3: Various downward deviation based on amount of insurance.
- Form 6: Various downward deviation based on amount of insurance.
- Protective Device Credits: Credit varies 2% - 15%.
- Home & Auto Credit: Credit varies by form 2% or 5%.
- Replacement Cost on Contents Deviation: Form 3 - 5% of base premium: Forms 4 & 6 - 30% of base premium.
- Coverage A Increased Limits downward deviation form HO 06..
- Utilities rating (New Home Discount) Form 3: Downward deviation : Credit varies 2% - 25% based on age of dwelling.
- Form 3: Downward deviation Coverage C Increased Limits.
- Downward deviation for installment pay plan by electronic funds transfer or payroll deduction.
- No additional charge for Refrigerated Personal Property.
- No charge for townhouse or rowhouse.
- Costco Discount: 2% applies to policies for member insureds of Costco.
- HO 3, 4 & 6 base rates vary by territory Eff. 8-15-02

AXA Re Property & Casualty Insurance Company

- Discount on Installment Payment Plan: \$1 - \$2 charge.
- Three or Four Family Dwelling Discount.
- Townhouse or Rowhouse Discount.
- Waterbed Liability waived.
- Base Premium Deviation.
- Forms 2, 3, 4, 6 or 8: Deviation by Amount of Insurance.
- New Home Discount: 0-9 yrs. of age: Credit varies 2%-9%.
- Protective Devices Discount: Credit varies 1%-7%.
- Multi Policy Discount: 5% of the base premium.
- Personal Property Increased Limits Discount: \$2 rate per \$1000.
- Personal Property Replacement Cost Coverage Discount.
- Form 4: Building Additions & Alterations Increased Limits Deviation.

- Personal Property Increased Limits of Liability: Charge varies by additional amount of insurance.
- Rented Personal Property: No charge.
- Form 6: Coverage A - Dwelling Basic & Increased Limits Deviation.
- Forms 3 & 3 Plus: Inflation Guard Discount.
- Watercraft Discount: Up to 50 HP, no charge.
- Business Pursuits Discount.
- Form 3 Plus: Personal Injury Liability: No charge. Eff.10-18-00

Affirmative Insurance Company

- 15% base deviation for Premier Homeowners Program.
- 3% base deviation for Deluxe Homeowners Program.
- 15% base deviation for Premier Tenant Program.
- 10% base deviation for Deluxe Tenant Program.
- 20% base deviation for Premier Condominium Program.
- 15% base deviation for Deluxe Condominium Program.
- Forms 2 & 3: Deductible credits; \$500-15%; \$1000-25%; \$2500-38%.
- Forms 4 & 6: Deductible credits; \$500-15%; \$1000-25%; \$2500-40%.
- All Forms, except 4 & 6: New Home Credit: New 20%; 2% less credit each additional yr. to 9th yr.
- All Forms: Protective Device Credits: Credits vary 2%-15%.
- Forms 2 & 3: Replacement Cost on Contents; Surcharge of 7.5%. Coverage increased to 70% of Coverage A at no premium charge.
- All forms, except 4 & 6; Personal Property Increased Limit \$2 charge per \$1000 of coverage. Eff 02-15-02

AGRI General Insurance Company

- Amount of Insurance Deviation: Credits vary 1%-15% by policy amount, territory & county.
- New Home Credit: 20% 1st yr.; 2% less credit each added yr. to 9th yr. Does not apply to Form 8, remodeled or restored homes.
- All Forms, except 4 & 6: Deductible Factors: \$250 ded.-1.00; \$500 ded.-0.91; \$1000 ded.-0.79; \$2500 ded.-0.62.
- Protective Device Credit: Premium credit for all protection classifications & territories; Credit varies 1%-15%.
- Premium Credit for Exclusion of Farm Employees employed in violation of law: Credit \$1 per policy. Eff. 11-1-97

All America Insurance Company

- Forms 2, 3 & 3w/15: Deviation varies by policy amount public protection class & territory.
- Forms 4 & 6: Deviation by amount of insurance: Credit varies.
- Forms 2, 3 & 3w/15: New Home Credit: Credit varies 2% - 18% for new to 10 yrs. of age.
- Forms 2, 3, 3w/15, & 6: Package Credits whenever the Central Companies carry both Homeowners & Private Passenger Automobile coverages.
- Forms 2 & 3: Personal Property Replacement Cost surcharge factor 1.02.
- Optional Higher Deductibles by territory and deductible amount.
- Installment Payment Plan: No fee charged for Electronic Fund Transfer.
- Form HO 6: Apply a factor of .25 to the Form 4 premium. Eff. 7-1-01

Allstate Indemnity Company

- Claims Rating Deviation – determined by the number of chargeable claims, credits vary.
- Claims Free Discount – 10% discount for no claims for 60 consecutive months.
- New/renovated Home Discount – credit varies.
- Home and Auto Discount Deviation – credit varies.
- The Good Hands People Discount Deviation – 1%
- Zone Deviation - credit varies per zone.
- Eff 12-1-03
- PC065706

Allstate Insurance Company

- Deviation by amount of insurance. Credit varies.
- Deductible factors Forms 2, 3 & 3 Deluxe Plus; \$100/\$250 theft-1.067; \$500 ded. -.910; \$1000 ded.-.790; \$2500 ded- .620. Forms 4 & 6: Deductible factors; \$100/\$250 theft - 1.023; \$500 ded - .830; \$1000 ded - .670.
- Protective device discount for broad/deluxe, deluxe plus and renters/condos: discount varies.
- Age 55 & Retired Discount Factor. Credit varies when certain criteria met.
- Personal Property Replacement Cost Deviation subject to certain requirements.
- Age of Home Discount Deviation for HO 2 and HO 3 deluxe and deluxe plus forms.
- Waterbed Liability Deviation HO4 and HO6.
- Dwellings in the course of construction availability for HO 2 and HO 3 deluxe plus forms 55% of expected finished value.
- Home and auto discount deviation HO2 and HO 3 deluxe and deluxe plus and HO 4 and Ho 6 when certain criteria is met.
- Installment payment plan for electronic funds transfer.
- Three or four family dwelling rating structure: does not differentiate between 3 or 4 family dwellings in a town or row house structure.
- Deviation by wind/hail deductible
- Installment payment plan – waived installation charges – payroll deduction option for allstate employees.
- Good hands people discount all forms.
- Residence rental coverage HO 01, HO 02 and HO 03 no charge for coverage. Eff 8-15-02

AmComp Assurance Corporation

- Forms 2 & 3: Deductible credits; \$500-9%; \$1000-17%.
- Forms 2 & 3: Premium credits for alarm systems vary 2% - 15%.
- Age 55 & Retired Discount: 10% credit applies when required criteria is met.
- Forms 2 & 3: New Home Credit; 14%; Homes completed & occupied current calendar yr.; 2% less credit each added yr. Eff. 12-1-91

American Automobile Insurance Company

- Protective Device Credits: All forms & all territories: 1% - 15% credit applies to company base premium.
- Portfolio Credit: 5% credit applies to all homeowners policies when Personal Catastrophe Coverage and Personal Inland Marine Coverage is written with Company.
- Deviations by territories and forms: Credit varies. Eff. 12-01-03
- PC065125

American Bankers Insurance Company of Florida

- Retired Discount: 5% if an owner of insured premises or spouse is 55 yrs. of age or older.
- Claim Free Credit: 2% if insured has gone without loss for at least 3 yrs. with American Bankers.
- All Forms: Protective Device Credits: Preferred - credit varies 0%-13%; Standard - credit varies 1%-15%. Eff. 5-1-92

American Centennial Insurance Company

- Forms 1, 2, 3, 3 w/15 & 6: 25%. Eff. 9-1-85

American Economy Insurance Company

- All Forms: Personal Injury (HO-82) included at no charge.
- All Forms, except 4 & 6: New home credit or renovated home credit for homes meeting required criteria; 0-1 yr. - 15%; 2 yrs. - 12%; 3, 4 or 5 yrs. - 10%; 6 or 7 yrs. - 6%; 8-10 yrs. - 4%.
- Forms 2 & 3: Replacement Cost (HO-290) Coverage C is increased to 70% of Coverage A at no extra charge. Charge of 9% (7% in Beach Area) is added to basic premium.
- Forms 4 & 6: Replacement Cost (HO-290); Charge of 30% is added to basic premium.
- Form 3: Replacement or Repair Cost Coverage A (HO-500); No charge.

- Forms 4 & 6: \$100 deductible; Minimum additional charge of \$10 in lieu of \$30.
- Forms 2 & 3: Fixed deductible; \$500 ded. - 9%; \$1000 ded. - 17%.
- Forms 4 & 6: Fixed deductible credits; \$500 - 10%; \$1000 - 23%.
- Form 3: XL Coverage rate deviation when eligibility requirements are met.
- One family premium for all Section I & II coverages will apply regardless of number of families.
- Form 2 & 3: Dwelling under construction credit of 20% applies during first yr. when certain requirements are met.
- Form 6: Coverage A increased limits rate; \$2.70 per \$1000.
- Renewal credit for consecutive yrs. insured with American States Group; 3-5 yrs. - 5%; 6 or more yrs. - 10%.
- Protective Devices: Credit factors vary .98 to .85.
- Forms 3, 4 & 6: Unscheduled jewelry & furs - (HO-65); \$2500 increased limit - \$33; \$5000 increased limit - \$60.
- Form 3: XL Coverage Program; \$5000 limit included in basic premium. To reduce to \$1000 limit, subtract \$56. To reduce to \$2500 subtract \$35. Eff. 11-17-97

American Employers Insurance Company

- New Home Credit All Forms, except 4 & 6; 0-1 yr. old - 20%; 2% less credit each added yr. to 10th yr.
- Personal Property Replacement Forms 2 & 3: Cost; Charge to increase Cov C to 70% of Cov A; \$1 per \$1000.
- Additional Limit of Liability for Coverage A. HO 3211. \$5 premium charge.
- Protective Devices Credits: PPC 1-7 - 2%-15%; PPC 8-9 - 1%-15%; Maximum credit of 20% applies.
- Inflation Guard Endorsement (HO-243) at 6% - at no charge.
- Fixed dollar amount deductible credits Forms 2 & 3;- \$500-15%; \$1000-21%; \$2500-38%.
- Fixed dollar amount deductible credits Forms 4 & 6; \$500-10%; \$1000-23%; \$2500-37%.
- Increased Coverage A limits HO-6 \$3000 coverage A at no additional charge. Coverage A limit may be increased.
- Form 6: 6.4% deviation.
- 5% discount for insured age 49 or older.
- Form HE-7; HE7w/20 & HE7w/21: Reduced Factors.
- Deviation by amount of insurance for Coverage A \$250,000 - \$500,000. Variable credit.
- Windstorm or Hail Deductible credit varies by amount of deductible.. Eff. 8-15-02

American Fire & Casualty Company

- Forms 2, 3 & 8: Fixed dollar amount deductible factors; \$500 - .90; \$1000 - .83; \$2500 - .75.
- Forms 4 & 6: Fixed dollar amount deductible factors; \$500 - .90; \$1000 - .77; \$2500 - .63.
- Water Craft Liability Rates: 60% below NCRB for powerboats; 50% below NCRB for sailboats.
- Employees Discount: 15% to qualifying employees insured in the Ohio Casualty Group.
- Percentage Wind or Hail Deductible Deviation: Credits vary. Eff. 8-15-02

American & Foreign Insurance Company

- Forms 1, 2 & 3: Replacement or repair cost protection - Coverage A dwelling; \$1 per policy.
- Protection Devices Credits: 2%-15%.
- All Forms, except 4 & 6: Deductible credit factors; \$500 - .89; \$1000 - .79; \$2500 - .72.
- Forms 4 & 6: Deductible credit factors; \$500-.89; \$1000-.77; \$2500-.63.
- Forms 1, 2 & 3: Personal Property Replacement Cost; Coverage A amount under \$75000 -10% surcharge; \$75000 - \$99,999 -7% surcharge; \$100000 & over-5% surcharge. Charge includes an increase in Coverage C limit 50% - 70% of Coverage A.
- All Forms: 5% preferred customers renewal credit when coverage has been with any of Royal Group for prior 3 yrs. with no losses.
- Discount for Eligible Employees: 20% credit to total homeowners policy premium.
- Form HE-7w/HE-21: 1.25 factor applies to base premium.
- Companion Policy Credit: 5% deviation when auto & homeowners policy is issued in any member of Royal Insurance when certain criteria are met.
- Installment Payment Plan: Policies billed by agent through account current payroll deduction program are not subject to installment or installment fees.
- Installment Payment Plan: \$1 each installment for Electronic Fund Transfer. Eff. 9-1-99

American Home Assurance Company

- HO-3 Premier Base Class Premium Deviation by territory: 5% credit.
- HO-4 & HO-6 Base Class Premium Deviation by territory: Credit varies 3%-12%.
- Protection Device Credit for HO-3, HO-4, HO-6, & HO-3 Premier: Credit varies: Max. credit allowed is \$75.
- Optional Deductibles: All forms.
- HO-6 Coverage A Dwelling Increased Limits: Premium charge per \$1000 is \$2.
- 55 or Older & Retired Discount: Apply a factor of .9 to base premium when criteria is met.
- Multi Product Discount: Apply a factor of .9 to base premium when named insured has an auto policy with an American International Company.
- HO-4 & HO-6 Personal Property Replacement Cost Coverage Deviation.
- Age of Dwelling Discount: New Homes – 10 yrs. Credit varies. Eff. 11-19-01

American Insurance Company

- Forms 2, 3 & 3w/15: New Home Credit; 20% current yr. & one yr. preceding current yr. of construction; 2% less credit each added yr.
- Protective Devices Credit: All territories 1% - 15%. Credit applies to company base premium.
- All Forms: Deductible credits: \$500 -10%; \$1000 -20%; \$2500 -30%. Credit applies to company base premium.
- HO-3 w/15: Multiply HO-3 key premium by factor of 1.08 to obtain key premium for HO-3 w/15.
- Form 4 & 6: Deductible Credits for Coverage C limit. \$10000 & above \$500 -10%, \$1000 - 20%, \$2500 - 30%. Credit applies to company base premium.
- Discount of Replacement Cost on Contents: Apply surcharge of 10% to HO-3 company base premium for replacement cost on contents. Eff. 6-1-93

American Manufacturers Mutual Insurance Company

- Additional Amounts of Insurance (KIP only) deviation.
- All Forms: Optional Higher Deductibles deviation.
- Personal Property Replacement Cost: Increase Coverage C at \$1 per \$1000. Add \$10 surcharge.
- Mature Homeowners Credit: 5% applies to base premium when named insured is 55 yrs. of age & an adult is home during the day.
- New Home Credit Discount: 0 - 15+ yrs. of age: Credit varies 0% - 20%.
- Premium Credits for Protective Devices.
- All Forms, except 3w/15: \$100 deductible: Waive minimum premium.
- Form 3: Base rate deviation based on protection class & territory. Credit varies 0%-22%.
- All Forms except 3w/15: \$250 theft deductible/ \$100 deductible all other perils: Waive minimum premium.
- Form 4: Base Rate Deviation -7%.
- Form 6: Base Rate Deviation - 12%.
- Higher limits for credit cards, fund transfer card, forgery & counterfeit money coverage (KIP only): Limit of \$5000 included at no additional charge: \$7500 + \$1, \$10000 + \$2.
- Outboard Motors & Water Craft (KIP only): Coverage up to & including 50 HP is included at no additional charge.
- Personal Injury (KIP only): Coverage included at no additional charge.
- Seasonal or Secondary Dwelling Discount (KIP only): 5% discount to base premium.
- Blanket Property Limit (KIP only): Replacement cost contents coverage included at no additional charge.
- Form 3: Special Personal Property Coverage: Factor 1.10 applies to base premium.
- Form 6: Special Personal Property Coverage: Factor 1.20 applies to base premium.
- Form 4: Building Additions & Alterations Increase: KIP & Monoline: Each addl. \$1000 rate \$10000 Form 4 premium x .08.
- Form 6: Coverage A Dwelling Basic and Increased Limits Special Coverage: Each additional \$10000 develop premium \$10000 Form 6 premium x .08 or enter total Coverage A limit on Declaration page.
- Form 4 & 6: Ordinance or Law Increased Amount of Insurance: Each additional \$1000 of insurance rate \$10000 Form 4 or Form 6 premium x .08.
- Refrigerated Property: Coverage included at no additional charge with KIP policy.
- Form 3: KIP only: Ordinance or Law Coverage: Include 12.5% at no additional charge. Modify rating factors for additional coverage options.
- Windstorm and Hail Deductibles for Form 3: Blanket Limits deviation (KIP only).
- HE-7W/HE-40 deviation by territory for KIP only: Territory 40 - 1.20, Remainder of State 1.25.
- HE-7W/HE-40 & HE-20 deviation by territory for KIP only: Territory 40 - 1.25, Remainder of State 1.30.

- HE-7W/HE-40 & HE-21 deviation by territory for KIP only: Territory 40 - 1.30, Remainder of State 1.35.
- Deferred Premium Payment Plan: \$1 charge for electronic funds transfer.
- 5% Kemper Network Discount: Certain criteria apply. Eff. 2-25-02

American Modern Home Insurance Company

- Form 3: Deductible Credits; \$500 Ded. - 10%; \$1000 - 22%; \$2500 - 28%.
- Form 3: New Home Credit; Current yr. - 26%; 1st. yr. - 24%; 3% less each yr. to 7th yr.
- Form 3: Multi-policy credit; 5% credit when auto policy written in addition to homeowners policy.
- Protective Device Credits: Credit varies 1% - 10%.
- Amount of Insurance Deviation: Coverage A amount \$10000 - \$200000: Credit varies by territory.
- Eliminate charge to increase personal property limits.
- For rates above \$200000, a factor of .007 applies for each additional \$1000 of premium. Eff. 6-1-99

American Motorists Insurance Company

- All Forms: Optional Higher Deductibles deviation.
- Personal Property Replacement Cost: Increase Coverage C at \$1 per \$1000. Add \$10 surcharge.
- New Home Credit Discount: 0 - 10+ yrs. of age: Credit varies 0% - 20%.
- Premium Credits for Protective Devices.
- All Forms, except 3w/15: \$100 deductible: Waive minimum premium.
- Form 4: Base Rate Deviation 5%.
- Form 6: Base Rate Deviation - 10%.
- Higher limits for credit cards, fund transfer card, forgery & counterfeit money coverage (KIP only): Limit of \$5000 included at no additional charge: \$7500 + \$1, \$10000 + \$2.
- Outboard Motors & Water Craft (KIP only): Coverage up to & including 50 HP is included at no additional charge.
- Personal Injury (KIP only): Coverage included at no additional charge.
- Seasonal or Secondary Dwelling Discount (KIP only): 5% discount to base premium.
- Blanket Property Limit (KIP only): Replacement cost contents coverage included at no additional charge.
- Form 3: Special Personal Property Coverage: Factor 1.10 applies to base premium.
- Form 6: Special Personal Property Coverage: Factor 1.20 applies to base premium.
- Form 4: Building Additions & Alterations Increase: KIP & Monoline: Each addl. \$1000 rate \$10000 Form 4 premium x .08.
- Form 6: Coverage A Dwelling Basic and Increased Limits Special Coverage: Each additional \$10000 develop premium \$10,000 Form 6 premium x .08 or enter total Coverage A limit on Declaration page.
- Form 4 & 6: Ordinance or Law Increased Amount of Insurance: Each additional \$1000 of insurance rate \$10000 Form 4 or Form 6 premium x .08.
- Refrigerated Property: Coverage included at no additional charge with KIP policy.
- Form 3: KIP only: Ordinance or Law Coverage: Include 12.5% at no additional charge. Modify rating factors for additional coverage options.
- Windstorm and Hail Deductibles for Form 3: Blanket Limits deviation (KIP only).
- HE-7W/HE-40 deviation by territory for KIP only: Territory 40 - 1.20, Remainder of State 1.25.
- HE-7W/HE-40 & HE-20 deviation by territory for KIP only: Territory 40 - 1.25, Remainder of State 1.30.
- HE-7W/HE-40 & HE-21 deviation by territory for KIP only: Territory 40 - 1.30, Remainder of State 1.35.
- Deferred Premium Payment Plan: \$1 charge for electronic funds transfer.
- 5% Kemper Network Discount: Certain criteria apply. Eff. 2-25-02

American Professionals Insurance Company

- Form 2, 3 & 3w/15: Company deviation based on amount of insurance, construction & territory: Credit varies.
- Form 6: Territorial deviation.
- Forms 2, 3, 3w/15: New Home Discount based on age of home. Deviation varies 0% - 14%.
- Forms 1, 2, 3 & 3w/15: Fixed dollar amount deductible credit factors; \$500 - .85; \$1000 - .79; \$2500 - .62.
- Forms 1, 2, & 3: Increase in Coverage C; \$1 per \$1000.
- Protective Devices: All forms: Maximum credit for protective device eliminated. All protection class & all territories. Credit varies 2% - 15%. There is no limit on credit.
- Outboard Motors & Water Craft: Liability rates amended by boat length.

- Form 4 & 6: Fixed dollar amount deductible. Credit factor \$500 - .85; \$1000 - .77; \$2500 - .63.
- All Forms, except 4 & 6: Windstorm or Hail Percentage/Factor Deductible deviation.
- Form 6: Coverage A Dwelling Basic & Increased Limits and Special Coverage.
- All Forms, except 4 & 6: Personal Property Replacement (Coverage C) Cost Coverage. 1.05 factor applies to base premium. Form 4 & 6: 1.35 factor: Minimum additional premium deleted.
- Ordinance or Law Coverage deviation factors.
- Three or Four Family Residence Coverage B & C deviation.
- Installment Payment Plan. Initial installment charge waived.
- 5% account credit when named insured has an auto policy with the Highlands Insurance Group Companies. Eff. 6-1-99

American Protection Insurance Company

- All Forms: Optional Higher Deductibles Factors.
- Personal Property Replacement Cost: Increase Coverage C at \$1 per \$1000. Add \$10 surcharge.
- Mature Homeowners Credit: 5% applies to base premium when named insured is 55 yrs. of age & an adult is home during the day.
- New Home Credit Discount: 0 - 10+ yrs. of age: Credit varies 0% - 20%.
- Premium Credits for Protective Devices: Credit varies by protection class & territory.
- All Forms, except 3w/15: \$100 deductible: Waive minimum premium.
- Form 3: Base rate deviation based on protection class & territory. Credit varies.
- All Forms except 3w/15 & 6w/1731: \$250 theft deductible/ \$100 deductible all other perils: Waive minimum premium.
- Form 4: Base Rate Deviation; Credit varies based on territories.
- Form 6: Base Rate Deviation; Credit varies based on territories.
- Higher limits for credit cards, fund transfer card, forgery & counterfeit money coverage (KIP only): Limit of \$5000 included at no additional charge: \$7500 + \$1, \$10000 + \$2.
- Outboard Motors & Water Craft (KIP only): Coverage up to & including 50 HP is included at no additional charge.
- Personal Injury (KIP only): Coverage included at no additional charge.
- Additional Amounts of Insurance (KIP only): 25%-.01, 50%-.02.
- Blanket Property Limit (KIP only): Replacement cost contents coverage included at no additional charge.
- Form 3: Special Personal Property Coverage: Factor 1.10 applies to base premium.
- Form 6: Special Personal Property Coverage: Factor 1.20 applies to base premium.
- Form 3: Windstorm or Hail Deductible: Change in rating procedure & credits to determine windstorm or hail deductible premium credits.
- Form 4: Building Additions & Alterations Increase: KIP & Monoline: Each addl. \$1000 rate \$10000 Form 4 premium x .08.
- Form 6: Coverage A Dwelling Basic and Increased Limits Special Coverage: Each additional \$10000 develop premium \$10,000 Form 6 premium x .08 or enter total Coverage A limit on Declaration page.
- Form 4 & 6: Ordinance or Law Increased Amount of Insurance: Each additional \$1000 of insurance rate \$10000 Form 4 or Form 6 premium x .08.
- Refrigerated Property: Coverage included at no additional charge with KIP policy.
- Form 3: KIP only: Ordinance or Law Coverage: Include 12.5% at no additional charge. Modify rating factors for additional coverage options.
- Windstorm and Hail Deductibles for Form 3: Blanket Limits deviation (KIP only).
- HE-7W/HE-40 deviation by territory for KIP only: Territory 40 - 1.20, Remainder of State 1.25.
- HE-7W/HE-40 & HE-20 deviation by territory for KIP only: Territory 40 - 1.25, Remainder of State 1.30.
- HE-7W/HE-40 & HE-21 deviation by territory for KIP only: Territory 40 - 1.30, Remainder of State 1.35.
- Deferred Premium Payment Plan: \$1 charge for electronic funds transfer.
- 5% Kemper Network Discount: Certain criteria apply. Eff. 2-25-02

American Reliable Insurance Company

- Loss Free Renewal Credit: Credit applies to any policy that has been loss free for the previous 12 months under an existing American Reliable Insurance Company policy.
- Mature Retiree Credit: If certain criteria are met, a credit of -10% of the Base Premium will be applied.
- New Roof Credit: If the roof has been professionally installed within five years of the inception or renewal date, the premium shall be reduced by 5%. Not to be combined with the Age of Dwelling Credit. Eff 11-6-02

American States Insurance Company

- All Forms: Include Personal Injury HO-82 at no charge.
- All Forms, except 4 & 6: New home credit or renovated home credit for homes meeting required criteria; 0-1yr. - 15%; 2 yrs. - 12%; 3, 4 or 5 yrs. - 10%; 6 or 7 yrs. - 6%; 8, 9 or 10 yrs. - 4%.
- Form 2 & 3: Replacement cost (HO-290) Coverage C is increased to 70% of Coverage A at no extra charge; Charge of 9% (7% in Beach Area) is added to basic premium.
- Forms 4 & 6: Replacement cost (HO-290); Charge of 30% is added to basic premium.
- Replacement or Repair Cost Protection Coverage A (HO-500): \$1.
- Forms 4 & 6: \$100 deductible; Minimum additional charge \$10 in lieu of \$30.
- One family premiums for all Section I & II coverages will apply regardless of number of families.
- Forms 2 & 3: Dwelling under construction credit of 20% applies during first yr. if certain requirements are met.
- Form 6: Coverage A increased limits; Basic coverage rate per \$1000 increase \$2.70.
- Renewal credit for consecutive years insured with American States Group: 3-5 yrs. - 5%; 6 or more yrs. - 10%.
- Protective Devices: Credit factors vary .98 to .85.
- Forms 2, 3, 4 & 6: Unscheduled jewelry & furs (HO-65) \$2500 increased limit - \$33; \$4000 increased limit - \$60.
- Forms 2, 3 & 8: Fixed deductible credits; \$500 - 9%; \$1000 - 17%.
- Forms 4 & 6: Fixed deductible credits; \$500 - 10%; \$1000 - 23%. Eff. 12-12-91

American States Preferred Insurance Company

- Form 3: Basic premium deviation varies by protection class. Variable credits.
- Form 3: Amount of insurance deviation: All amounts of insurance 13.0% credit.
- Form 3: Surcharges for townhouses & rowhouses are waived.
- Form 3: Homeowners XL Credit: When eligibility & coverage requirements are met. Variable credits.
- Form 3: Deductible credits/charges \$500 - 12%; \$1000 - 24%.
- The one family premiums for all Section I & Section II coverages shall apply regardless of number of families.
- Form 4: Amount of insurance deviation; \$15000 - \$30000 & above. Credit varies 2% - 22%, except for a few specific counties which receive 5% less.
- Form 6: Amount of insurance deviation; \$20000 - \$30000 & above. Credit varies 8% - 25%, except for a few specific counties which receive 5% less.
- Forms 4 & 6: Deductible credits/charges; \$500 - 17%; \$1000 - 30%.
- Alarm systems: Premium credits vary.
- Jewelry & Furs: Forms 3, 4 & 6; \$2500 limit \$33; \$5000 limit - \$60. Form 3 w/XL coverage \$5000 included in base premium. To reduce to \$2500 limit subtract \$35. \$1000 limit subtract \$56.
- Form 3: Replacement Cost (HO-290) Coverage C is increased to 70% of Coverage A at no extra charge; Charge of 9% (7% in Beach area) is added to basic premium.
- Forms 4 & 6: Replacement Cost (HO-290); Charge of 30% is added to basic premium.
- All Forms: Include Personal Injury HO-82 at no charge.
- Form 3: Replacement or Repair Cost Protection Coverage A dwelling HO-500; No charge.
- Form 6: Coverage A increased limits; Basic coverage rate per \$1000 increase \$2.70.
- Form 3: New Home Credit; Current yr. - 15%; one yr. preceding current yr. - 12%; 2nd, 3rd & 4th yrs. -10%; 5th & 6th yrs. - 6%; 7th, 8th & 9th yrs. - 4%.
- Form 3: New dwelling under construction; 20% when certain requirements are met.
- Renewal credit for consecutive yrs. with American States Group; 3-5 yrs. - 5%; 6 or more yrs. - 10%. Eff. 10-30-97

Amerisure Insurance Company

- All Forms: Minimum additional charge of \$30 for \$100 deductible is waived.
- Mature Homeowners Credit Factor .95 insured age 55 or older & dwelling is primary.
- Multi Policy Credit: Forms 2, 3 & 6: 15% multi-policy credit when personal auto coverage in force in Amerisure Group.
- New Home Credit Factors: Current year -.80; 1 yr. -.81; 2 yrs. -.82; 3 yrs. -.84; 4 yrs. -.86; 5 yrs. -.88; 6 yrs. -.90; 7 yrs. -.93; 8 yrs. -.96; 9 yrs. -.99.

- Form 3: Deviation by Territory: 0% - 18% credit based on territory, protection class & construction.
- Form 1, 2 & 3: Amount of Insurance Deviation; Coverage A amount \$60000+-\$199000 credit varies 0.46% - 9.77%.
- Form 6: Relativity .85. Eff. 10-1-94

Amerisure Mutual Insurance Company

- All Forms: Minimum additional charge of \$30 for \$100 deductible is waived.
- Multi-Policy Credit: Forms 2, 3 & 6 - 15% multi-policy credit to all homeowners rates & premiums when automobile policy is written with Amerisure Group.
- Form 6: Relativity is .85. Eff. 10-1-94

AMICA Mutual Insurance Company

- Forms 2 & 3: New Home Credit; 0-1 yr. old - 20%; 2% less credit each additional yr. up to 10 yrs.
- Form 2 & 3: Repair or Replacement Cost Protection; Factor of 1.06 reduced to 1.00.
- Fixed dollar amount deductible credits -HO 00 02 & HO 00 03 credit varies.
- Forms 4 & 6: Fixed dollar amount deductible credits; credit varies.
- Reduce increased limits charges for Coverage C all forms to \$1: \$10 charge waived for increased limits up to 75% of Coverage A amount.
- Forms 4: Rate deviation: 10%.
- Eliminate the additional charge of \$2 for first installment payment plan. \$2 charge for each remaining installments.
- Eliminate the additional charge for each installment payments for members of any AMICA Group.
- 2% credit for 3 or more smoke detectors in all territories for protection classes 1-7.
- Installment Payment Plan: \$2 service charge regardless of number of policies on installment.
- Ordinance or Law: 25% of Coverage A provided without charge. Reduce charges for limits excess of 25% of Coverage A.
- Refrigerated Property: \$10 charge is waived.
- Windstorm Deductible Credits. Eff. 6-1-03

Armed Forces Insurance Exchange

- Protective Device Credits: All protection classes & all territories; Factors vary. Maximum credit waived.
- Fixed dollar amount deductible factors credit varies.
- Wind or Hail deductibles credit varies.
- New Home Credit; All Forms, except 4 & 6: New - 20%; 2% less credit each additional yr.
- Earthquake: Ordinance or Law increased amount of insurance (Does not include basic, only increased amount).
- Base class premium discount for form HO 6.
- Base premium deviation based on insurance amt. credit varies all forms except HO 4 and HO 6.
- Minimum policy premium waived.
- Personal Property Increased Limits charge per \$1000; Forms 1, 2 & 3 - \$.50. Form 3w/15 - \$.75.
- Home Day Care Coverage E: Reduce base premium by 50%; Coverage F; Premiums reduced by 50%.
- Other exposures - medical payments to others increase limits credit varies.
- Installment Payment Charge waived
- Wind or Hail Deductible: Credit & surcharge vary.
- Sinkhole Collapse Coverage: All Forms except HO-6; Increased amount of coverage (Does not include basic, only increased amount)
- Hurricane Deductible Factors credit varies. Eff 6-1-03

Associated Indemnity Corporation

- Forms 2, 3 & 3w/15: New Home Credits; 20% current yr. & one yr. preceding current yr.; 2% less each added yr. Credit applies to company base premium.
- Protective Device Credits: All territories; 1% - 15%; Credit applies to company base premium.
- Forms 1, 2, 3, 3w/15 & deductible credits; \$500-10%;\$1000-20%;\$2500-30%. Credit applies to company base premium.
- HO-3w/15 Key Premium: Multiply HO-3 key premium by factor of 1.08.
- Discount of Replacement Cost on Contents: Surcharge of 10% to HO-3 company base premium.

- Form 4 & 6: Deductible credits all territories; Credits for Coverage C \$10000 & above, \$500-10%, \$1000-20%, \$2500-30%. Credit applies to company base premium. Eff. 6-1-93

Associates Insurance Company

- Forms 1, 2, 3 & 3 w/15: Amount of insurance credit; \$40000 - 2%; \$45000 - 4%; \$50000 - 6%; \$55000 - 8%; \$60000 - 11%; \$65,000 - 14%; \$70000 - 17%; \$75000 & over 20%.
- Forms 1, 2, 3 & 3 w/15: New Home Credit; 0-1 yr. - 15%; 2-3 yrs. - 10%; 4 & 5 yrs. - 5%.
- All Forms: Eliminate 5% surcharge for personal property replacement cost (HO 290) endorsement.
- All Forms: Reduced key premiums for protection classes 7 & 8. Eff. 03-05-02

Association Insurance Company

- Deviation by Coverage A limit \$100000 & above - 30% credit.
- Forms 1, 2 & 3: Replacement Cost Coverage HO-290; Personal property incr. limits charge \$1 per \$1000; Waive 5% surcharge.
- New Home Credit: Coverage A amount \$100000 & above; Age of dwelling 0-5 yrs - 15%, 6-10 yrs - 10%, 11-15 yrs - 5%.
- 44% deviation off N.C. Rate Bureau Rates if Coverage A amount is \$100000 or above for all SAS Institute Inc. Employees. Eff. 1-1-96

Assurance Company of America

- All Forms, except 4 & 6: Age of dwelling credit; New-20%; 1yr.-18%; 2yrs.-16%; 3yrs-14%; 4yrs-13%; 5yrs.-12%; 6yrs-10%; 7yrs.-8%; 8yrs.-6%; 9yrs.-4%. 10yrs.-2%.
- Forms 4 & 6: Replacement Cost on Contents; Factor 1.35.
- Forms 2 & 3: Charge \$1 per \$1000 for increase in Coverage C limit.
- Form 4: 15% deviation.
- Form 6: 20% deviation.
- Base Premium Discount: All Forms, except 4 & 6; Factor varies .95 -1.25.
- Forms 2, 3 & 3w/15: Deviation by territories: Variable credits.
- All Forms: Fixed dollar amount deductibles factors: \$500-.85; \$1000-.75; \$2500-.70.
- Account Credit: 10% credit when insured has home & auto coverage with Zurich Insurance Cos. when criteria is met.
- Protective Device Credit: Factor varies. Maximum credit of \$75 is waived. Eff. 7-1-98

Auto Owners Insurance Company

- Form HO 00 06 - Deviate 0% at amount of insurance \$10,000 and taper to 5% at \$15,000. Deviate 5% for all amounts of insurance above \$15,000.
- Deductibles 100 flat 10% charge - \$60 max charge.
- Protective Device Credit - 2% - 15% for eligible devices.
- Mature Homeowner Discount - The discount applied is 18% of the total premium for insureds 65 years of age or older and 13% of the total premium for insureds between the ages of 55 and 64.
- Townhouse or rowhouse charge - Charge the same rate for all protection classes, creating a deviation for pc9,9e,9s & 10. Surcharge 1-2 family 1.00, 3+ family 1.10, 5+ 1.25.
- Credit card, fund transfer card, forgery and counterfeit money - Premiums vary for increased limits.
- Form 6: Units Regularly Rented to Others: Waiver \$15 manual charge. Apply factor of .25 to premium chart to determine additional premium.
- Form HO-6 coverage A Dwelling increased Limits and special coverage.
- Loss assessment Rates for Forms HO 3 and HO 6 will be the same as all other forms.
- Building Additions & Alterations at Other Residences; Eliminate \$1 - HO-277 is endorsed on policy.
- Other Insured Location Occupied by Insured Section II - rate 2, 3, and 4 family as one family.
- Section II liability - Residence employees - charges are waived.
- Business Pursuits - No additional cost except Corp Punishment for Form 3 only.
- Personal Injury - No cost to insured.
- Permitted Incidental Occupancies - Residence Premises - No charge for property exposure to business in other structures.

- Special Personal Property Coverage -Provides all risk coverage to Form 3 or Form 6 subject to certain exclusions.
-
- All Forms: 10% credit on selective optional coverages rated as flat dollar charge per fixed amount of coverage.
- All Forms: Optional deductible charges: \$100 flat - +10% - Maximum charge \$60. Min. charges waived.
- All Forms: Protective device credit: 2% applied to premium chart premium for dwellings for each of following heat/smoke detectors, deadbolt locks or fire extinguishers.
- All Forms: Protective devices factors: Credit varies 2% - 15%.
- Form 3: New Home Credit: New-18%; 1% less credit 1st & 2nd yr.; 2% less credit 3rd - 9th yrs. of age.
- Mature Homeowners Credit: 18% for insureds 65 yrs. of age or older: 13% for insureds between the ages of 55 & 64: 0% for insureds between the ages of 50 & 54. Discount will apply to primary, secondary or seasonal residences.
- Form 3: Townhouse or rowhouse charge; Use same rate per number of families for protection classes 9, 9S & 10 as for protection classes 1-8.
- Loss Assessment: Same rates apply to Form 3 & Form 6 with HO-32 as to all other forms.
- Fire Department Service Charge: Additional amount of insurance; Rate \$4 per \$100.
- All Forms: Credit Card, Fund Transfer Card & Counterfeit Money Coverage: \$1000 limit no charge; \$2500-\$2; \$5000-\$3; \$7500-\$4; \$10000-\$5.
- Multi-Policy Discount: 7% credit applies to primary, secondary & seasonal residence when named insured has both a private passenger auto policy & homeowners policy written with an Auto-Owners Insurance Group Company.
- Seasonal Discount - Forms 3 & 6 - certain criteria 5% discount.
- Section II liability watercraft - certain criteria - rates vary.
- Life/Homeowners Multi-Policy Discount 5%.
- Eff. 12-2-03 PC067715

Automobile Insurance Company of Hartford, Conn.

- Protective Device Deviation: Credit varies 1% - 13%.
- Deductible Credits: Varies by amount of deductible.
- Forms 2, 3, 3w15: Personal Property - Increased Limit Coverage C: \$1 per \$1000.
- Refrigerated Personal Property: \$10 charge waived.
- Forms 2, 3, 3w15, 4 & 6: 5% Account Credit.
- Forms 2 & 3: Inflation Guard Premium waived.
- Forms 3 & 6: 5% Safety Seminar Credit: Certain criteria apply. Eff. 11-01-02

Balboa Insurance Company

- Age of Dwelling Credit: 0 - 9 yrs. of age: Credit varies 2% - 20%.
- Base Rate Deviation by territory.
- Deductible Factors Deviation: Credit varies.
- Protective Device Credits: Credit varies 2% - 13%: Credits cannot be combined.
- Personal Property Replacement Cost: \$20 minimum premium is deleted. Eff. 2-28-01

Bankers Standard Insurance Company

- New Construction Credit: New - 20%; 1 yr. old - 18%; 2% less credit each added yr.
- Forms 1, 2, 3, 4 & 6: Fixed dollar deductible credits; Credit varies 15% - 40%.
- Forms 4 & 6: Fixed dollar deductible credits; \$500 - 11%; \$1000 - 25%; \$2500 - 40%.
- Rate for increase in Coverage C; \$2 per \$1000.
- Forms 1, 2 & 3: Replacement cost coverage HO 0490; Charge shall be 7.5% of adjusted base premium. Coverage C increased to 70% of A at no premium charge.
- Protective Device Credits: All zones & all protection classes; Credit varies 2% - 15%. Eff. 9-1-99

Blue Ridge Insurance Company

- Forms 1, 2 & 3: Personal Property Replacement Cost Coverage; Apply factor 100 to base premium. Minimum premium deleted.
- All Forms: \$100 deductible or \$250 theft deductible; No minimum additional premium.
- Fixed dollar amount deductible factors: Forms 1, 2, 3 & 8; \$500 - .91; \$1000 - .83; \$2500 - .75. Forms 4 & 6 - \$500 - .90; \$1000 - .77; \$2500 - .63.
- All Forms, except 4 & 6: \$250 deductible; Multiply base premium by factor of .9625. Eff. 4-1-95

Boston Old Colony Insurance Company

- Forms 1, 2, 3 & 3 w/15: Personal Property Replacement Cost; Eliminate 5% surcharge. Eliminate \$20 minimum premium.
- Forms 1, 2 & 3: New Home Credit; Dwellings 0-5 yrs. old - 15%; 6-10 yrs. old - 10%, if requirements are met.
- Forms 1, 2 & 3: 20%, if requirements are met.
- Forms 1, 2, 3 & 3 w/15: Deductible Credits; Coverage A - all amounts; \$250-15%; \$500-25%; \$1000-35%; \$2500-45%.
- Forms 4 & 6: Coverage C - all amounts; \$250-13%; \$500-28%; \$1000-42%; \$2500-53%. Eff. 1-1-86

Camden Fire Insurance Association, The

- All Forms, except 4 & 6: New Home Credit; New -20%; 1 yr. old - 18%; 2 yrs. old - 16%; 3 yrs. old -14%; 4 yrs. old -12%; 5 yrs. old - 10%; 6 yrs. old -10%; 7 yrs. old - 8%; 8 yrs. old - 7%; 9 yrs. old - 6%; 10 yrs.-6%; 11 yrs.-4%; 12 yrs.-4%; 13 yrs.-2%; 14 yrs.-2%.
- All Forms, except 4: Account credit: 10% applies to homeowner premium when named insured insures personal automobiles in any of the General Accident Companies.
- All Forms: Protective devices: Credit varies 2% - 15%.
- All Forms: Fixed Dollar Amount Deductible Factors; \$500 - .90; \$1000 - .77.
- Forms 1, 2, 3 & 3w/15: Personal Property Increased Limits; \$1 per \$1000 of insurance.
- Forms 1, 2 & 3: Personal Property Replacement Cost coverage; Waives charge to increase Coverage C limit 50% to 70% of Coverage A limit. Premium for replacement cost coverage developed by applying factor of 1.05 to base premium including any premium adjustment for Coverage C in excess of 70% of Coverage A.
- All Forms, except 4 & 6: Deviation by policy size; Coverage A Amounts. Credit varies.
- Uniform base rate deviation – all forms except HO 04 and HO 06 10% credit applied when written in the Camden Fire Insurance Association. Eff. 9-13-02

Central Mutual Insurance Company

CENTRAL PREMIER TIER

- Deviation by amount of insurance, Forms 2,3,&3w/15, public protection class & territory: Variable credits.
- Form 6: Deviation by amount of insurance: credits vary.
- New Home Credit Forms 2, 3, & 3w/15: Credit varies for homes new to 14yrs. of age.
- Package Credit Forms 2, 3, 3w/15 & 6: credit varies if company carries private passenger Automobile/homeowners Coverage based on territory.
- Fixed dollar amount deductibles deviation credit varies..
- Personal Property Replacement Cost Forms 2 & 3: surcharge 1.035.
- Installment Payment Plan: Charge waived when the insured uses Electronic Funds Transfer.
- Forms HE 7 & HE 7w/HE 20: Personal Property Replacement Cost surcharge varies.

CENTRAL MUTUAL TIER

- Deviation by amount of insurance, Forms 2, 3 & 3w/15: public protection class & territory: Variable credits.
- New Home Credit: Forms 1, 2, 3 & 3 w/15: Credit varies for homes new to 14 yrs. of age.
- Package Credit Forms 2, 3, 3 w/15 & 6: credit varies if company carries private passenger automobile/homeowners coverage based on territory.
- Personal Property Replacement Cost Forms 2 & 3: surcharge factor 1.035.
- Optional Higher Deductibles Deviation credit varies.
- Installment Payment Plan: Charge waved when the insured uses Electronic Funds Transfer.
- Forms 4 & 6: Deviation by amount of insurance: Credits vary.

CENTRAL MUTUAL ADVANTAGE TIER

- Deviation by amount of insurance, Forms 2,3,&3w/15, public protection class & territory: Variable credits.
- Form 6: Deviation by amount of insurance: credits vary.
- Forms 2, 3, & 3w/15 New Home Credit: Credit varies for homes new to 14yrs. of age.
- Forms 2, 3, 3w/15 & 6: Package Credit if company carries private passenger Automobile/homeowners Coverage based on territory.
- Option higher deductibles deviation credit varies..
- Forms 2 & 3: Personal Property Replacement Cost surcharge 1.035
- Installment Payment Plan: Charge waived when the insured uses Electronic Funds Transfer.
- Forms HE 7 & HE 7w/HE 20: Personal Property Replacement Cost surcharge varies.

CENTRAL MUTUAL BENEFIT TIER

- Installment Payment Plan: Charge waived when the insured uses Electronic Funds Transfer. Eff 9-1-03 PC062814

The Charter Oak Fire Insurance Company

- Protective Device Deviation: Credits vary.
- Forms 2, 3 & 3w/15: 5% Account Credit.
- Forms 2, 3 & 3w/15: Personal Property - Increased Limit Coverage C: \$1 per \$1000.
- Forms 2, 3 & 3w/15: Loss Free Credit: 3+ yrs. loss free 5% credit.
- Form 3w/15: 10% Additional premium charge.
- Base Rate Deviation: Credit varies depending on territory.
- Coverage A Relativities based on Coverage A amount & territory.
- Deductible Credits: Credit varies by amount of deductible.
- Refrigerated Personal Property: \$10 charge waived.
- Forms 2, 3 & 3w/15: Final premium adjustment factor of .92.
- Forms 2 & 3: Inflation Guard: Premium charge waived.
- Forms 3: 5% Safety Seminar Credit: Certain criteria apply. Eff. 11-01-02

Cincinnati Indemnity Company

- Forms 2, 3 & 3w/15: Age of dwelling credit; New – 9 years, credit varies.
- Forms 2, 3 & 3w/15: Deductible credits/surcharges.
- Forms 4, 6 & 6w/HO 1731: Deductible credits/surcharges.
- Personal Property Increased Limits forms HO 02, HO 03, HO 03w/HO 32 36
- Protective Device Credit – credit varies.
- Credit Card Forgery and Counterfeit Money coverage deviation.
- Replacement Cost Coverage On Contents Forms HO 04 and HO 06 reduce surcharge to 35%.
- Condominium Unit Owners Policy HO 06 with HO 32 35 - factor is 1.40.
- Installment Payment Plan: Delete the \$3 charge for each installment.
- Homeowners Enhancement Deviation. Eff 8-15-02

The Cincinnati Insurance Company

- Age of dwelling credit HO 2, HO 03, HO 03 w/HO 32 36 1-9 yrs credit varies.
- Base Rate Deviations By Territories Credit varies based on territory.
- Deductible credits/surcharges all forms except HO 04 and HO 06.
- Deductible Credits/surcharges form HO 04, HO 06 and HO 06 w/HO 32 35.
- Personal Property Increased Limits Forms HO 02, HO 03 and HO 03 w/ HO 32 36.
- Premium credits for Protective Devices credit varies.
- Credit card forgery and counterfeit money \$2500 limit - no charge; \$5000 limit \$1, \$7500 limit \$3; \$10000 limit \$4.
- Replacement cost coverage on contents forms HO 04 and HO 06 35% surcharge to adjusted base premium.
- Condominium Unit Owners Policy deviation for Ho 06w/HO 3235.
- Installment Payment Plan: Delete the \$3 charge each installment.

- Homeowners Enhancement Deviation.
- Optional Rules – Additional Amounts of Insurance, Agreed Value Personal Property.
- Watercraft Liability deviation. Eff 8-15-02

Commercial Insurance Company of Newark, New Jersey

- Forms 1, 2 & 3: 20% credit if criteria is met.
- Forms 1, 2, 3 & 3 w/15: Deductible credits: Coverage A all amounts; \$250-15%; \$500-25%; \$1000-35%; \$2500-45%.
- Forms 4 & 6: Deductible credits; Coverage C all amounts; \$250-13%; \$500-28%; \$1000-42%; \$2500-53%.
- Forms 1, 2, 3 & 3 w/15: Personal Property Replacement Cost; Eliminate 5% surcharge. Eliminate \$20 minimum premium.
- Forms 1, 2 & 3: Age of dwelling credit; 0-5 yrs. - 15%; 6-10 yrs. - 10% if criteria are met.
- Amount of Insurance Deviation; \$50000 - \$225000 & above credit varies 9% - 39%. Eff. 12-9-88

Consolidated American Insurance Company

- All Forms: 10% downward deviation.
- Forms 1, 2 & 3: New home credit; 16% current calendar yr.; 2% less credit for each yr. preceding current calendar yr.
- Flat Deductible Credits: \$500 - 9%; \$1000 - 17%; \$2500 - 25%. All Forms, except forms 4 & 6.
- All Forms: Protective Device Credits; Various combinations ranging 2% - 15%.
- Forms 2, 3, 3W/15 & 6: Account credit; 10% if insured has both his personal auto policy & homeowners policy with any of the Seibels-Bruce Companies.
- Forms 2, 3, 3w/15 & 6: Amount of insurance credit; \$10000 - \$110000 - credit varies 0% - 27%.
- All Forms, except 4: 5% Senior Citizens Credit when required criteria is met.
- All Forms, except 4: Credits for consecutive yrs. with Seibels Bruce Insurance Companies 3-5 yrs.-5%; 6 or more yrs- 10%.
- Personal Injury Coverage: No charge.
- Forms 3 & 3w/15: Coverage C increased limits charge per \$1000 - \$1 in lieu of \$2.
- Guaranteed replacement or repair cost for dwelling HO-500: No charge.
- Forms 3 & 3w/15: Windstorm & Hail exclusion in Territory 04; \$75 credit.
- Per Prop Replacement: All Forms; Increase Coverage C limits 50% to 70% of Coverage A at no additional charge. Eff. 8-1-92

Continental Insurance Company

- All Forms, except 4 & 6: Base Rate Deviations based on territory. Credits vary 0% - 15.6%.
- Forms 4 & 6: Base Rate Deviations based on territory. Credits vary
- Earthquake Rate Deviations.
- Deductible Credits Deviation – based on Coverage A Limit..
- New Home Discount: 1 year – 18%, 1-5 yrs. -15%; 6-10 yrs. - 10%.
- Gated Community Discount. 10% credit when criteria are met.
- Companion Policy Discount: 10% applies when named insured has an auto policy with any Encompass Ins Co.
- Additional Limits Deviation Coverage F: Deviation.
- Business Pursuits Rate Deviation. Credits vary .14% - .33%.
- Incidental Farm Rate Deviation. Residence Premises - 48%; Other Residence - 65%.
- Superior Construction Discount: 15% credit applies to masonry base premium or apartment unit.
- Protective Device Credits: Credit varies 1% - 9%.
- Automatic Sprinkler System Deviation: Credit of 7% or 13% applies.
- Preferred Rate Deviation 5% conditions vary.
- Special Personal Property Coverage HO 00 06 only – deviation 4.3%.. Eff. 8-15-02

Continental National Indemnity Company

- Form 3: Age of Dwelling Discount: 0 - 9 yrs. of age: Credit varies 2% - 20%.
- Account Credit Program: .85 factor applies when both the homeowner & auto policy is written through CNIC.

- Deductible Credit/Charges Deviation: Credit varies by deductible amount.
- Form 6: .80 factor applied to HO-4 base premium.
- Protective Device Deviation: Credit varies 1% - 15%.
- Forms 3, 4 & 6: Eliminate minimum premium for Replacement Cost Coverage.
- Form 3: Additional Limits of Liability for Coverages A, B, C & D: 6% applies to base premium when certain criteria is met.
- Form 3: Personal Property Replacement Cost will be 5% of base premium, no minimum additional premium & no charge to increase Coverage C when certain criteria is met.
- Form 3: Personal Injury charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Water Back-Up of Sewers or Drains, charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Credit Card, Fund Transfer Card, Forgery & Counterfeit Money, to increase coverage charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Special Computer Coverage, charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Coverage C Increased Special Limits of Liability, charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Fire Department Service charge will be increased to \$1000 when certain coverages & increased limits options are selected.
- Form 3: Increasing Coverage D to 30% of Coverage A, charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Coverage A Relativities Deviation: Credit varies 3.8% - 6.5%.
- Form 3: Ordinance or Law-Increased Amount of Coverage will be 4% of the base premium when certain coverages & increased limits options are selected.
- Form 3: Refrigerated Property Coverage, charge will be deleted when certain coverages & increased limits options are selected. Eff. 1-1-01

Economy Premier Assurance Company

- Form 3: Base Rate & Policy Amount Relativities by Territory Deviation: Credit varies.
- Form 6: Base premium is calculated with a factor of 9.1% below the HO 4 base rates.
- Form 4: Base rate deviation by territory: Credit varies
- Forms 4 & 6: Policy Amount Relativities by Territory Deviation: Credits of 2.7% - 14%.
- Form HE-7: Contract provided at no additional charge.
- Form HE-7w/HE-20: Base premium is calculated with a factor of 1.02 applied to HO-3 rates.
- Form HE-7w/HE-21: Base premium is calculated with a factor of 1.04 applied to HO-3 rates.
- Forms HE-7, 6 & 4: Homeowners Pak II Credit: 10% credit in territories 32-43 who qualify.
- Pak II Renewal Credit: 3%-5% credit applies to final premium when insured has maintained an auto or homeowners policy written with a Metropolitan Company.
- New Home Discount: 0 - 15 yrs. of age: Credit varies 3% - 18%.
- Personal Injury Protection Liability Deviation: Provided with no additional charge.
- Forms 4 & 6: Personal Property Replacement Cost Coverage: Provided at no additional charge.
- Forms HE-7, 4 & 6: Credits for higher deductibles.
- Premium Credits for Protective Devices: Credits vary 1% - 15%.
- Business Pursuits Deviation.
- Water Craft Deviation: Credits vary by length & horsepower.
- Home Day Care Deviation: Premium charge will be rated at Bureau rates for Permitted Incidental Occupancies.
- Form HE-7: Personal Property Increased Limits: \$1 per \$1000 of insurance.
- Premium Payment Plan Deviation. Eff. 8-15-02

Electric Insurance Company

- Base rate deviation by territory: Credit varies. Forms 2, 3 & 3 w15:
- Base Rate Credit - 11%. Forms 4 & 6:
- Reduced Factor Personal Property Replacement Cost form HO-1, HO-2, and HO-3 - 1.02 (Coverage C) is automatically increased to 70% of Coverage A. HO-04 and HO-6 1.25 RC Coverage also applies to articles or classes of property separately described and specifically insured in this policy.

- Protective Device Credits: Credits vary 2% - 15%.
- Deductible Factors Forms HO-4 & HO-6 Credit varies
- Decreased Rates for Unscheduled Jewelry, Watches and Furs.
- Decreased Rates for Silverware, Goldware & Pewterware: Additional premium for each \$500 increase - \$2.
- Decreased Rates for Firearms: Additional premium for each \$100 increase - \$1.
- New Home Credit Forms 2 & 3; 0 - 10 yrs. of age; Credit varies 2% - 25%.
- Multi-Policy Discount.Forms 2, 3, 4 & 6: 10%
- Eff.12-20-03 PC067230

EMCASCO Insurance Company

- Downward base rate deviation Forms 2 & 3: 15%.
- Optional Section I & II Rates; 15% deviation.
- Personal Property Replacement Cost Coverage C:forms 2 & 3 Use 1.00 factor: Forms 4 & 6: Use 1.40 factor.
- Optional Higher Flat deductible credits:all forms \$500-10%; \$1000-23%; \$2500-37. Windstorm or Hail deds vary by ded amount for HO 2 & 3.
- Combination Premium Credit: 15% when homeowners & auto policies are written in one of the EMC Companies.
- Additional Amount of Insurance; Forms 2 & 3 \$5 premium per policy.
- Renovated Dwelling Components: Variable credits when criteria is met.
- Electronic Fund Transfer: transaction fee is waived when the electronic funds transfer options is selected. Eff. 8-1-02

Employers Mutual Casualty Company

- Optional Higher Flat deductible credits all forms; \$500 - 10%; \$1000 - 23%; \$2500 - 37%.
- Forms 4 & 6: Fixed dollar amount deductible; \$500 - 15%; \$1000 - 32%; \$2500 - 45%.
- Combination Premium Credit: 15% when homeowners & auto policies are written in one of the EMC Companies.
- : Additional amount of insurance; Forms 2 & 3 \$5 premium per policy.
- Renovated Dwelling Components: Variable credits when criteria is met.
- Electronic Fund Transfer transaction fee is waive when the electronic funds transfer options is selected Eff. 8-1-02

Erie Insurance Exchange

- Base Rate Deviations Forms HO 00 022, HO 00 03, HO 00 08, HE-7, HE-7/20 & HE-7/21: Key Premium deviations: Variable credits based on zones.
- Amount of Insurance Deviation All Forms except HO 00 04 & HO 00 06; key factors by amount of insurance.
- Multi-Policy Discount: 5% credit applied to the Homeowner adjusted base premium if the Policyholder also has a voluntary private passenger automobile policy with The ERIE Insurance Exchange or ERIE Insurance Company.
- New Home Discount: Credits vary 2% - 18% for new to 9 yrs. of age.
- Deductible Factors - all forms, deviation varies.
- Protective Device Credit Deviation: Credit varies 1% -7%, with a maximum credit of \$75.
- Increased Special Limits of Liability HO 04 65 (all forms except HE-7) Credit varies.
- Personal Property Replacement Cost: HO 00 02 & HO 00 03 The charge for this coverage is 12%, but it includes the increase in CoverageC to 70% of Coverage A at no additional charge. The deviation varies by rating zone. HO 00 04 & HO 00 06 - no deviation. HE-7 - no deviation.
- Secondary Residence Premises - Subtract \$1 for duplication of coverage. Step B is omitted.
- Townhouse or rowhouse charge - waived.
- Units Rented to Others Form HO 00 06 HO 1733 Charge 25% of base premium.
- Outboard Motors & Watercraft Deviation: Outboard, inboard & inboard-outboard less than 50 horsepower- deviation 100%.
- Building Addition & Alterations Increased Coverage C limit - : Form 00 04 HO 0451 - \$4 per \$1000 increased limits.
- Specified Additional Amount of Insurance for Coverage A only(HO 32 20): \$1 charge.
- Rented Personal Property: HO 32 21 No charge.
- Business Pursuits: No charge.
- Waterbed Liability HO 04 00 HO 00 06 No charge.
- Refrigerated Property Coverage: Charge waived.

- Personal Property Increased Limits; HE 7 - \$2 per \$1000.
- Premium payment plan service charge – installment payments- \$3 per installment.
- Eff. 2-1-04 PC067210

Farmers Insurance Exchange

- Base Rate Deviations: Forms 3 & 4: Credits vary 2% - 13% by territory.
- Form Factor Deviations: Forms 3w/15 & 4.
- Plan Relativity Factors: Forms 3, 3w/15, 4, & 6: Premier, Preferred & Standard Plans: Certain criteria apply.
- Amount of Insurance Deviations: All Forms, Credit varies.
- Protection - Construction Factors Deviation by territory: All Forms, except 4 & 6.
- New Home Discount: Form 3: Current yr. - .80 factor; add .02 to factor each additional yr. until 7th yr.
- Ordinance or Law Deviation: Forms 2 & 3: Factors Vary.
- Personal Property Replacement Cost Coverage Deviation: Forms 4 & 6.
- Protective Devices Deviation: Credits vary 1% - 10%: Certain criteria apply.
- Deductible Deviations: All Forms , except 4 & 6: Credits vary.
- Wind Storm or Hail Deductible Deviations: All Forms, except 4 & 6.
- Loss Assessment Coverage Deviation: Forms 3 or 6w/HO1732.
- Loss of Use Deviation/Increased Limit: Rate per \$1000 - \$3.
- Other Structures Increased Limit Deviation: Rate per \$1000 - \$2.
- Personal Property Increase Limits Deviation: Credits vary.
- Other Insured Location Occupied by Insured: 4 Family Residence - \$27.
- Additional Residence Rented to Others: 4 Family Residence - \$86.
- Permitted Incidental Occupancies - Residence Premises & Other Residences: Deviation applies to Residence Premises.
- Business Pursuits Deviation for \$200,000 limit.
- Age 50 Plus Discount.
- Auto/Homeowners Discount: All Forms: Factor of .90: Certain criteria apply.
- Non Smoker Discount: Certain criteria apply.
- Affinity Banking Discounts HO 00 03 and HO 00 06 only. Certain qualifications apply. Credit varies. Eff 8-15-02

Federal Insurance Company

- Elimination of maximum credit for protective devices.
- Forms 2, 3, 3w/15 & HE-7: Coverage A amount 950,000 & above; Key Factors vary.
- Forms 2, 3, 3w/15, 4 & 6: Gated Community Credit; 5% for house located in gated community meeting certain criteria.
- Personal Property Increased Limits: Form 2 & 3-\$1 per \$1000: Form 3w/15-\$1.50 per \$1000 of coverage.
- Forms 2 & 3: Additional Amount of Insurance Option: 25%-\$1 surcharge: 50%-\$2 surcharge: Premium \$5. Eff. 8-15-02

Federated Mutual Insurance Company

- Forms 1, 2, 3 & 3w/15: New Home Credit: 14% dwellings 0-1 yr. old; 2% less credit each added yr.; applies to \$250 deductible basic premium & premium for amended Coverage C limit.
- Forms 1, 2, 3 & 3w/15: Fixed dollar amount deductibles; \$100 +10%; \$500 -10%; \$1000 -20%; \$2500 -30%.
- Forms 4 & 6: Fixed dollar amount deductibles; \$100 +10%; \$500-15%; \$1000-30%; \$2500-40%.
- Forms 1, 2, 3 & 3w/15: Deviation by policy amount varies 0%-25%.
- Form 4: 10%.
- Form 6: 25%.
- Forms 3 & 3w/15: Special Additional Credit Rule: 10% when eligibility & mandatory coverage requirements are met.
- Multiple Policy Discount: 5% applied to HO Policy when private passenger auto policy & personal umbrella policy is written by this Company.
- Installment Pay Plan: \$5 maximum charge per account for all policies. Eff. 11-15-94

Fidelity & Casualty Company of NY

- All Forms, except 4 & 6: Amount of Insurance Deviation: Variable Credits.
- Form 4: Amount of Insurance Deviation: Variable Credits.
- Form 6: Amount of Insurance Deviation: Variable Credits.
- Earthquake Deviation.
- Companion Policy Discount: 10% credit applies when named insured has an auto policy with any Encompass Insurance Company.
- Forms 2, 3, 3w/15 & 8: Personal Property Replacement Cost: Eliminate 5% surcharge.
- Deductible Credit Deviation.
- New Home Discount: 0 - 5 yrs. - 15%; 10 yrs. - 10%.
- Gated Community Discount.
- Guaranteed Replacement Cost coverage of buildings & structures at principal residence: \$3.
- Form 6: \$1,000 increase is .9 times applicable premium each additional \$1000 column in basic premium chart for Coverage C.
- Preferred Rate Deviation: Deviation varies when requirements are met.
- Additional Limits Coverage F Medical Payments Deviation.
- Other Insureds Location: Variable credits.
- Permitted Incidental Occupancy Medical Payments Rate Deviation.
- Additional Residence Rented to Others Rate Deviation.
- Business Pursuits Rate Deviation.
- Permitted Incidental Occupancy Rate Deviation.
- Incidental Farm Rate Deviation. Eff. 11-1-96

Fidelity & Guaranty Insurance Company

- Waive additional premium of \$5 or less.
- Deviation of HO-3 Base Rates by territory & policy amount: Credits vary.
- Forms 4 & 6: Personal Property Replacement Coverage: Reduced premium charge.
- Special Package Discount: 5% credit to total residential premium when underwriting criteria is met.
- Form 6: Relativity factor .750 in lieu of .855.
- Employees Discount: 20%.
- Forms 2 & 3: Additional amount of insurance: HO 3211 \$5 premium charge.
- Deductible Credits.
- Increase in Coverage C: Reduced rate per \$1000.
- Multi-Policy Discount: 10% credit when private passenger auto policy is also purchased with USF&G.
- All Forms, except 4, 6 & 8: New Home Discount; 1 yr.-20%; 2% less credit each added yr. to 9th yr. Eff. 4-15-00

Fidelity & Guaranty Insurance Underwriters

- Deviation of HO-3 Base Rates by territory & policy amount: Credits vary.
- Forms 4 & 6: Personal Property Replacement Cost Coverage; Factor 1.35.
- Waive additional premium of \$5 or less.
- Special Package Discount: 5% credit applied to total residential insurance premium when underwriting criteria is met.
- Form 6: Form Relativity of .800 in lieu of .855.
- Employees Discount: 20%.
- Forms 2 & 3: Additional amount of insurance: H0 3211 - \$5 premium charge.
- Deductible Credits.
- Increase in Coverage C: Reduced rate per \$1000.
- Multi-Policy Discount: 10% credit when private passenger auto policy is also purchased with USF&G.
- All Forms, except 4, 6 & 8: New Home Discount; 1 yr.-20%, 2% less credit each added yr. to 9th year.
- Forms 2, 3 & 3w/15: Protection Class Deviation. Eff. 4-15-00

Firemans Fund Insurance Company

- Protective Device Credits: All territories: Credit varies 1% - 15%.
- Portfolio Credit: 5% applies to all Homeowners policies when Personal Catastrophe Coverage and Inland Marine Coverage is written with Fireman's Fund. Eff. 12-01-03

- PC065121

Firemens Insurance Company of Newark, New Jersey

- Base Rate Deviations by Territory: Forms 2, 3 and 8: Credit varies 25% - 36.7%.
- Base Rate Deviations by Territory: Forms 4 and 6: Credit varies.
- Earthquake Coverage Deviation.
- Companion Policy Discount: 10% applies when named insured has an auto policy with any Encompass Insurance Company.
- Gated Community Discount: 10% credit applies when criteria are met.
- New Home Discount: 0 – 10 yrs. of age: Credit varies 10% - 18%.
- Deductible Credits Deviations: Credits vary by Coverage A Limit or deductible amount.
- Additional Limits Deviation for Coverage F.
- Business Pursuits Rate Deviation.
- Incidental Farming Personal Liability Deviation.
- Superior Construction Discount: 15% credit applies to masonry base premium or apartment unit.
- Protective Devices Credit: Credit varies 1% - 9%.
- Automatic Sprinkler Systems Deviation: Credit of 7% or 13%.
- Special Personal Property Coverage HO 06 only. Eff. 8-15-02

Firemen's Insurance Company of Washington D.C.

- Deluxe Program: Form 3: 5% deviation off base premiums.
- All Forms: Protective Device Credit: Credit varies 2% - 13%.
- All Forms, except 4 & 6: Age of Home Discount: Credit varies 4% - 20% for age of dwelling 0 - 25 yrs. with greatest credit for newest homes.
- All Forms, except 4 & 6: Senior Citizen Discount; Factor of .92 of base premium age 50-54 yrs. Factor .95 age 55 yrs. & older.
- All Forms, except 4 & 6: Renovation Discount 0-15 yrs. factors of .85-.95 applies when underwriting guidelines are met. Credit applies to base premium.
- Renewal Discount: Factor .95 applies to base premium when criteria is met.
- Form 3: Loss Free Credit; 1yr. - 5%; Renewal with 2 yrs. loss free - 10%. Credit applies to base premium.
- All Forms, except 4 & 6: Optional deductible credits applies to base premium. Coverage A limit under \$200,000 - \$500 ded. - .87; \$1000 - .76; \$2500 - .73. \$20000-\$400,000 - \$500 ded - .89; \$1000 - .80; \$2500 - .77. Over \$400,000 - \$500 - .92; \$1000 - .86; \$2500 - .83. Eff. 10-1-97

First Community Insurance Company

- Base Rate deviation by territory
- Amount of Insurance deviation by territory - HO-3.
- Amount of Insurance deviation by territory - HO-4.
- Amount of insurance Deviation by territory - HO-6.
- Protection Class deviation - HO-3, HO-4, HO-6.
- HO-3 Toenhouse/roehouse deviation.
- Deductible Credits deviation - HO-3.
- Hurricane deductible deviation HO-3.
- Windstorm or Hail Deductible deviation HO-3.
- Deductible Creidts deviation - HO-4, HO-6.
- Number of Families deviation.
- Replacement Cost on Contents - HO-4 and HO-6.
- Homeowners Renewal Discount.
- Automatic Sprinkler Discount.
- Ordinance or Law Coverage.
- Employee or subsidiaries discount.

- Home/auto discount.
- Newly acquired home discount.
- Coverage A Increased Limits HO-6.
- Index of First Community Insurance Territories. Eff 11-21-03
- PC065806

First National Insurance Company of America

- Deductible Debit/Credits. Credit varies.
- Renewal Credit: all forms Certain criteria apply.
- Account Credit: all forms Certain criteria apply.
- Condominium Unit-Owners Coverage A Increased Limits & Special Coverage Deviation.
- Business Pursuits (HO 24 71):all forms Charge deleted.
- Credit Card, fund transfer card, forgery and counterfeit money coverage (HO 04 53): charge for \$1,000 is deleted.
- Personal Injury (HO 24 82): \$10 charge per policy.
- Landlord's Furnishings (HO 32 21): Can be increased to \$5000 with burglary cov added: \$10 charge per policy.
- Ordinance or Law Coverage (HO 04 77): Increase to a total of %100 of Coverage A.
- Medical Payments/Other Exposures/Higher Limits Deviation: all forms.
- Other Insured Locations Occupied by Insured: 2 family house will be charged as a 1 family house.
- Outboard Motor & Watercraft Liability Deviation.
- Personal Liability/Residence Premises Deviation.
- Special Personal Property Coverage (HO 00 15)/Unit Owners Coverage (HO 1731): Coverage C may be extended to include additional risks of physical loss.
- Installment Payment Charge: \$2 per installment except when paying in full or via electronic funds transfer.
- Eff. 8-15-02

General Insurance Company of America

- Base Key Premiums all forms by Territory Deviation.
- Deductible Debit/Credits Deviation.
- Renewal Credit all forms: 3-5 yrs. - 5%; 6 yrs.+ - 9%.
- Account Credit all forms: 5% credit for total policy premium when insured has a Safeco auto policy also.
- Condominium Unit Owners Coverage A Increased Limits & Special Coverage Deviation.
- Business Pursuits (HO 24 71) all forms: the charge is deleted.
- Credit Card Forgery & Counterfeit Money Coverages (HO 04 53): Delete \$1 charge for \$1000 limit.
- Personal Injury (HO 24 82): \$10 charge per policy.
- Landlord's Furnishing (HO 32 21): \$10 premium per policy to increase coverage to total \$5000 with burglary coverage added.
- Ordinance or Law Cov (HO 04 77) Deviation for Quality Plus Form, Quality Crest Form & Condominium Form.
- Medical Payments: Other exposures - Higher limits all forms: Additional charge for higher limits of medical payments will be waived.
- Additional Residence Rented to Other (HO 24 70): Limit of Liability \$100,000 - \$1,000,000: Premium charge varies.
- Outboard Motors & Water Craft: Reduced premiums based on limits, length and horsepower.
- Personal Liability - Residence Premises Deviation: Increased Limits: Coverage E base \$300,000: Coverage F no charge.
- Special Personal Property Coverage HO-OO 15 & HO-17 31: Quality Plus Form & Condominium Form- Increase basic premium 8%. Quality Crest Form automatically included.
- Installment Payment Charge: \$2 each installment. Eff. 8-15-02

Glens Falls Insurance Company

- All forms, except 4 & 6: Amount of Insurance Deviation; Variable credits.
- Form 4: Amount of Insurance Deviation: Variable credits.
- Form 6: Amount of Insurance Deviation: Variable credits.

- Earthquake Rate Deviation.
- Forms 2, 3, 3w/15 & 8: Personal Property Replacement Cost; Eliminate 5% surcharge.
- Deductible Credit Deviation.
- New Home Discount: 0 - 5 yrs. - 15%; 6 - 10 yrs. - 10%.
- Gated Community Discount.
- Guaranteed Replacement Cost coverage of building & structures at principal residence - \$3.
- Form 6: \$1000 increase is .9 times the applicable premium under each additional \$1000 column in the basic premium chart for Coverage C.
- Preferred Rate Deviation: Plan A rates deviation of 20%.
- Additional Limits Deviation Coverage F: Medical Payments Deviation.
- Other Insureds Location: Variable credits.
- Permitted Incidental Occupancy Medical Payments Rate Deviation.
- Additional Residence Rented to Others Rate Deviation.
- Business Pursuits Rate Deviation.
- Permitted Incidental Occupancy Rate Deviation.
- Incidental Farm Rate Deviation. Eff. 11-1-96

Globe Indemnity Company

- Additional Amounts of Insurance: Forms HO 00 02 HO 00 03 \$8 per policy.
- Protective Devices: Credits vary 2%-15%.
- Deductible Credits: Credit varies by form & deductible amount.
- Personal Property (Coverage C) Replacement Cost Coverage: Forms 2 & 3 - Coverage A amount under \$100000 - 11% surcharge; \$100000 & over - 8% surcharge; Forms 4 & 6 - 40% surcharge.
- Preferred Customer Renewal Credit: 5% credit: Certain criteria must be met.
- Discount for Eligible Employees: 20% credit to total homeowners policy premium.
- Homeowners Enhancement Program: 1.25 factor applies to base premium.
- Companion Policy Credit: 8% if auto coverage is afforded in any member Company of Royal & SunAlliance Insurance.
- Installment Payment Plan waived for employees.
- Installment Payment Plan: Policies billed by agent through account current payroll deduction program are not subject to installment fees.
- Installment Payment Plan: \$1 each installment for Electronic Fund Transfer.
- Coverage A Discount determined by amount of insurance and territory: Credit varies 0%-17%.
- Deviation by Forms.
- Optional Coverage Deviation.
- Group Mass Marketing Discount: 10% applies to all coverages: Certain criteria apply.
- New Home Discount: New to 10 yrs. of age - 2% to 20% deviation. Eff. 08-15-03

Government Employees Insurance Company

- Forms 1, 2, 3 & 3 w/15: New Home Discount: 10% for dwellings 5 yrs. old or less.
- Homeowners Theft Deterrent Premium Credit Program: Forms 1, 2, 3 & 3 w/15 - 7%; Forms 4 & 6 - 20%.
- Forms 1, 2 & 3: Amount of Insurance Credit; Classes 1-9 - \$10,000-\$200,000 & over. Credit varies 4%-22%.
- Form 6: 10%.
- All Forms: Protective Devices: Variable credits.
- Forms 2, 3, 4 & 6: Retired Discount Credit; 20% when specified criteria are met.
- All Forms: Dual Policy Discount: 10% when specified criteria are met.
- Forms 4 & 6: Key factor +.074 for each additional \$1000 of coverage.
- Installment Payment Plan: Waive the charge of \$3 first installment if first payment received with application.
- Form 4 & 6: Waterbed Liability Endorsement: No premium charge. Eff. 3-1-95

Grain Dealers Mutual Insurance Company

- 10% credit when insured has both personal auto & homeowners policy written by Grain Dealers Mutual Ins. Company.
- Forms 2 & 3: New Home Credit: New - 1yr. of age - 25%; 1-2yrs. of age - 20%; 3 yrs. of age - 15%; 4 yrs. of age -

- 10%: 5 yrs. of age -5%.
- Forms 2, 3 & 3w/15: 20% to base rates applies to Coverage A amount of more than \$125,000.
- Continuous Policyholder Discount Program: 0-2 yrs.-0%credit: 3-5 yrs.-5%credit: 6-8 yrs.-10% credit: 9+ yrs.-15% credit.
- 10% deviation on base rates for Alamance & Caswell Counties in Territory 35.
- Personal Property Increased Limits Rate Deviation.
- Form 3:10% Mature Home Credit: Certain criteria must be met. Eff. 1-1-02

Granite State Insurance Company

- Forms 1, 2, 3, 4, 3w/15 & 6: 20% deviation.
- Replacement or Repair Cost protection Coverage A premium \$1.
- Age of Dwelling Deviation: 0 - 20 yrs. old - 10%.
- Forms 1, 2, 3, 3w/15, 4 & 6: 20%. Eff. 7-1-87

Graphic Arts Mutual Insurance Company

- Forms 1, 2 & 3: Replacement Cost on Contents; Increase Coverage C to 70% of Coverage A for no additional charge. 5% surcharge is to be added to the total base premium.
- Forms 4 & 6: Coverage C increased to 40% at no additional charge.
- 15% Territorial Deviation for territories 36, 38, 39, 44, 57, & 60.
- 5% Territorial Deviation for territories other than 36, 38, 39, 44, 57 and 60.
- 15% deviation for employees of Utica National Insurance Group.
- HO Extension Package: Certain criteria apply. Eff. 8-15-02

Hanover American Insurance Company

- Age of Dwelling Credit: All Forms, except 4 & 6: Credit varies for Dwellings 1-7 yrs. of age.
- Mature Homeowners Credit: All forms: 5% credit applies when certain criteria are met.
- Windstorm & Hail Deductible Credits: All forms, except 4 & 6.
- Personal Property Replacement Cost on Coverage C: All forms, except 4 & 6: Minimum premium of \$20.
- Personal Property Replacement Cost on Coverage C: Forms 4 & 6: Minimum premium of \$25.
- Non-Smoker Discount: All forms: 5% credit.
- 7% Account Credit: All forms.
- Loss of Use-Increased Limits: All forms: Additional charge \$4 per \$1000 increase.
- Condominium Unit Owners-Coverage A Dwelling: Basic & Increased Limits: \$3 per \$1000 increase: 1st \$5000 increase no charge.
- Reduced Watercraft Liability Rates: All forms.
- Personal Property , Increased Limits-\$1 per \$1000 increase: All forms, except 4 & 6.
- Special Personal Property: Reduced Charge for Form 3w/15.
- Electronic Funds Transfer Plan Discount: All forms.
- Group Modification Plan Discount: All forms: Credit varies 0%-13.5%.
- Direct Bill Policies: All forms: \$1 per installment.
- Territorial Deviation: Form 6: 5% deviation.
- Cap on Discounts/credits is applicable to both new and renewal business. Eff. 10-15-03 PC064405

Hanover Insurance Company

- Age of Dwelling Credit: All Forms, except 4 & 6: Credit varies 0%-2.4% for Dwellings 1-7 yrs. of age.
- Mature Homeowners Credit: All forms: 5% credit applies when certain criteria are met.
- Windstorm & Hail Deductible Credits: All forms, except 4 & 6.
- Personal Property Replacement Cost on Coverage C: All forms, except 4 & 6: Minimum premium of \$20.
- Personal Property Replacement Cost on Coverage C: Forms 4 & 6: Minimum premium of \$25.
- Non-Smoker Discount: All forms: 7.5% credit.
- 10% Account Credit: All forms.
- Loss of Use-Increased Limits: All forms: Additional charge \$4 per \$1000 increase.

- Condominium Unit Owners-Coverage A Dwelling: Basic & Increased Limits: \$3 per \$1000 increase: 1st \$5000 increase no charge.
- Reduced Watercraft Liability Rates: All forms.
- Personal Property Increased Limits-\$1 per \$1000 increase: All forms, except 4 & 6.
- Special Personal Property: Reduced Charge for Form 3w/15.
- Electronic Funds Transfer Plan Discount: All forms.
- Group Modification Plan Discount: All forms: Credit varies 0%-5%.
- Direct Bill Policies: All forms: \$1 per installment.
- All Forms: Amount of Insurance Relativities Deviation.
- Cap on Credits/discounts applicable to both new and renewal business.
- Eff. 08-15-02 PC 064403

Harbor Specialty Insurance Company

Preferred: Homes 25 yrs. of age or less insured for \$50,000 or more.

- Form 3: Base Rate Deviation by territories; Credit varies 20.2% - 24.3%.
- Form 4: Credits off Key Premiums; 2% Alamance County.
- Form 6: Base Rate Deviation by territories; Credit varies 19.4% - 22%.
- Form 3: Replacement Cost Protection (HO-500): Charge \$1 in lieu of \$5 when requirements are met.
- Form 3: Protective Devices Credit; Class 1-9, credit varies 2%-15%.
- Form 3: New Home Credit; 0-1 yr. old - 21%; 1% less credit each added yr. thru 8th yr.; 9 yrs. - 12%; 10 yrs. - 10%; 11 yrs. - 8%; 12 yrs. - 6%; 13 yrs. - 4%; 14 & 15 yrs. - 3%. Credit applicable to annual premium.
- Form 3: Personal Property Increased Limits; \$.50 per \$1000 of insurance.
- Form 3: Deductible Credits; \$500 ded. - 10%; \$1000 - 20%.
- Forms 3, 4 & 6: 20% deviation for policies written as part of Personal Protection Package Policy.
- Forms 4 & 6: Deductible Credits; \$500 ded. - 10%; \$1000 ded. - 23%.

Standard: Form HO-3 only - Homes 25 years of age or older and/or insured for less than \$50,000.

- Form 3: Credit off Key Premiums; 13.4% Alamance County; 9.4% territory 34; 8.6% territories 30 & 31; 11.4% territories 4, 32, 33, 36, 37, 38, 39, 40, 41, Lincoln & Rockingham County; 11.4% for remainder of Alamance County & remainder of territories. Form 3: Coverage C increased limit charge \$.50 per \$1000 of insurance.
- Form 3: Deductible Credits; \$500 - 10%; \$1000 - 20%.
- Form 3: Protective Credit; Same as for preferred.
- Form 3: New Home Credit; Same as for Preferred.
- Form 3: 20% deviation applies to HO program when written as part of Personal Protector Package Policy. Eff. 3-1-94

Harford Mutual Insurance Company

- Forms 1, 2 & 3: New Home Discount; 10% - dwellings 15 yrs. old or less.
- Forms 1, 2, 3 & 8: Fixed dollar amount deductible factors; \$500 - .90; \$1000 - .83; \$2500 - .75. \$100 deductible amount - minimum \$30 - maximum \$60.
- Forms 4 & 6: Fixed dollar amount ded. factors; \$500 .90; \$1000 .77; \$2500 .63. \$100 deductible amount min. \$30, max. \$60.
- All Forms: Protective devices factors for all territories & all protection classes - factors varies .98 to .85. Eff. 5-1-92

Harleysville-Atlantic Insurance Company

- Forms 1, 2, 3 & 8: Base rate credits; Coverage A limit \$48,000 & under \$95,000 & over; Credit varies 0.0% - 27.5%.
- All Forms: 13%; Optional coverage rates Section I & II.
- Forms 1, 2, 3 & 8: New Home Discount factor; 1 yr. old or less .80; Discount factor increased by .01 thru 11th yr. - discount factor increased by .02 - 12th thru 15th yr. Eff. 5-1-92

Harleysville Mutual Insurance Company

- Group Mass Marketing Discount: 10% to voluntary policyholders that are members of specific group type organizations.
- Preferred Client Discount: credit applies when certain criteria are met.
- Companion discount – Credit for existing insurance, duplicated by a policy written as a product segment contained in the StarPak at the time of issuance, is allowed for the unexpired period of the existing insurance.
- Eff. 9-1-03 PC062598

Harleysville Preferred Insurance Company

- Group Mass Marketing Discount: 10% to voluntary policyholders that are members of specific group type organizations.
- Preferred customer discount – all terr except 05, 06, 41, 42, 43, 81 and 86. The percentage discount is determined by the combination of insurance score rating and characteristics met.
- HE-7 Deviations credit varies.
- Companion discount – Credit for existing insurance, duplicated by a policy written as a product segment contained in the StarPak at the time of issuance, is allowed for the unexpired period of the existing insurance.
- Eff 9-1-03 PC062597

Hartford Accident and Indemnity Company

- Personal Property Increase Limit Deviation: Forms 2 & 3 - \$1 per \$1000 of insurance: Form 3w/15 - \$3 per \$1000.
- Age of Dwelling Credit: 1 yr. of age 20% with a 3% less credit each added yr.
- Forms 4 & 6: 10% Limited Access Credit if complex meets the protection requirements.
- All Forms: Protective Devices Premium Credits: Factors vary from .98-.85 for qualifying dwellings. Credits may be added together to a maximum credit factor of .80.
- Account Credit Deviation: Factors of .90 or .95 apply if insured meets eligibility requirements.
- Mature Retirees Credit: Factor of .95 applies when required criteria is met.
- All Forms: Higher Deductible Deviation: Credits vary by amount of insurance and amount of deductible.
- Deviations by Amount of Insurance: Territories & Relativity Curves.
- All Forms: Higher Deductible Deviation: Credits vary by amount of insurance and amount of deductible.
- Forms 4 & 6: Factor of .75 applies.
- Forms 2 & 3: Additional Amount of Insurance Coverage A only; 25% - \$1; 50% - \$2. Additional Limit of Liability for Coverage A, B, C, & D - \$3 premium charge. Eff. 6-1-01

Hartford Casualty Insurance Company

- Age of Dwelling Credit: 1 yr. of age 20% with 3% less credit each added yr.
- Forms 4 & 6: 10% Limited Access Credit if complex meets protection requirements.
- All Forms: Protective Devices Premium Credits: Factors vary .98-.85 for qualifying dwellings: Credits may be added together for a maximum credit factor of .80.
- Personal Property Increase Limit Deviation: Forms 2 & 3 - \$1 per \$1000 of insurance: Form 3w/15 - \$3 per \$1000.
- Deviations by Amount of Insurance: Territories & Relativity Curves.
- All Forms: Higher Deductible Deviation: Credits vary by amount of insurance and amount of deductible.
- Mature Retirees Credit: Factor of .95 when required criteria is met.
- Account Credit: Factor of .90 applies when required criteria is met.
- Form 3: 15% credit Retirement Community/Limited Access Community Package when criteria are met.
- Forms 4 & 6: 5% deviation.
- Forms 2 & 3: Additional Amount of Insurance Coverage A only; 25% - \$1; 50% - \$2. Additional Limit of Liability for Coverage A, B, C, & D - \$3 premium charge. Eff. 6-1-01

Hartford Fire Insurance Company

- Age of Dwelling Credit: 1 yr. of age 20% with a 3% less credit each added yr.
- Forms 4 & 6: 10% Limited Access Credit if complex meets the protection requirements.

- All Forms: Protective Devices Premium Credits: Factors vary from .85 - .98 for qualifying dwellings: Credits may be added together to a maximum credit factor of .80.
- Personal Property Increase Limit Deviation: Forms 2 & 3 - \$1 per \$1000 of insurance: Form 3w/15 - \$3 per \$1000.
- Deviations by Amount of Insurance: Territories & Relativity Curves.
- Account Credit Deviation: Factors of .90 or .95 apply if insured meets eligibility requirements.
- Mature Retirees Credit: Factor of .95 is applied when required criteria is met.
- All Forms: Higher Deductible Deviation: Credits vary by amount of insurance and amount of deductible.
- All Forms: Higher Deductible Deviation: Credits vary by amount of insurance and amount of deductible.
- Forms 4 & 6: 5% deviation.
- Forms 2 & 3: Additional Amount of Insurance Coverage A only; 25% - \$1; 50% - \$2. Additional Limit of Liability for Coverage A, B, C, & D - \$3 premium charge. Eff. 6-1-01

Hartford Insurance Company of Midwest

- Age of Dwelling Credit: 1 yr. of age 20% with a 3% less credit each added yr.
- Forms 4 & 6: 10% Limited Access Credit if complex meets the protection requirements.
- All Forms: Protective Devices Premium Credits: Factors vary from .85-.98 for qualifying dwellings: Credits may be added together to maximum credit factor of .80.
- Personal Property Increase Limit Deviation: Forms 2 & 3 - \$1 per \$1000 of insurance: Form 3w/15 - \$3 per \$1000.
- Deviations by Amount of Insurance: Territories & Relativity Curves.
- Account Credit Deviation: Factors of .90 or .95 apply if insured meets eligibility requirements.
- Mature Retirees Credit: Factor of .95 is applied when required criteria is met.
- All Forms: Higher Deductible Deviation: Credits vary by amount of insurance and amount of deductible.
- Form 3: Retirement Community/Limited Access Community Package - 15% credit when criteria are met.
- Forms 4 & 6: 10% deviation.
- Forms 2 & 3: Additional Amount of Insurance Coverage A only; 25% - \$1; 50% - \$2. Additional Limit of Liability for Coverage A, B, C, & D - \$3 premium charge. Eff. 6-1-01

Hartford Underwriters Insurance Company

- Age of Dwelling Credit: 0-1 yr. of age - 15%; 1% less credit each added yr.
- Forms 2, 3 & 3w/15: Personal Property Replacement Cost HO-290 reduce surcharge to 2% including the additional premium for increased Coverage C limit.
- Forms 4 & 6: 10% Limited Access Credit if complex meets protection requirements.
- All Forms: Protective Devices Premium Credits: Factor varies .98 - .85 for qualifying dwellings; credits may be added together to maximum credit factor of .80.
- Forms 2 & 3: Rate for increase in Coverage C; \$1 per \$1000 in lieu of \$2.
- Mature Retiree Credit Factor; .95 when required criteria are met.
- Amount of insurance deviation based on amount of insurance & territory. Credit varies.
- Forms 4 & 6: Multiply base premium by factor of .70.
- Account Credit Factor: .95 if insured has personal auto policy with same company based on territories.
- Renewal Credit: Credit varies 1% - 5%.
- Forms 2 & 3: Specified Additional Amount of Insurance; 25% - \$1; 50% - \$2. Additional Limit of Liability for Coverage A, B, C & D- premium charge \$5. Eff. 2-1-02

Homesite Insurance Company

- Preferred Risk Group 1 Discount 10% when certain criteria are met.
- Preferred Risk Group 2 Discount 10% when certain criteria are met.
- Eff 4-15-03 PC057282

Horace Mann Insurance Company

- Coverage amount & territory deviations: Form 7 Masters Program Variable credit.
- Protective Device Credits: Classes 1-9: Credits vary from 1%-15%.
- Forms 1, 2, & 3: 8% credit if insured 100% to value & Inflation Guard Endorsement attached.

- Forms 2 & 3 & Master Program: New Home Credit; 0 or 1 yr. - 20%; 2% less credit each added yr. to 10th yr.
- Increase in Coverage C: \$1 per \$1000.
- Masters Program: Protection Class Credits; Class 7 frame - 5.0%; class 7 masonry - 3.1%; Class 8 masonry & frame - 5.0%; Class 9 masonry - 7.2%; Class 9 frame - 9.4%.
- Forms 4 & 6: Territorial Base Rate Deviation: 8% Credit.
- Installment Payment Plan: Forms ML-3 & Master Program: Waive initial \$3 installment fee.
- Optional Section II Liability coverage for Water Craft: Variable deviation below manual rates based on boat type, horsepower, length, speed and limits.
- All Forms: Automobile/Home Discount: Variable credits when criteria are met.
- Forms ML 2 & 3 & Master Program: Deductible credits: Variable credits.
- Forms ML 4 & 6: Deductible Credits: Variable credits.
- Forms 4 & 6: Deviation on Replacement Value: 15% charge for policies with \$500 or greater deductible. \$10 minimum premium.
- Forms 4 & 6: Deductible credits.
- Masters Program: Some additional coverage included at no additional charge.
- 2% credit if insured has a Federal Flood Insurance policy placed with Company through their flood insurance replacement program.
- Downward deviation on earthquake.
- Downward deviation for silverware, goldware & pewterware.
- Downward deviation for refrigerated food spoilage.
- Downward deviation for tenant's improvement.
- Form 6: Downward deviation Coverage A increased limits.
- Downward deviation for additional residence premises rented to others.
- Downward deviation for private structures rented to others.
- Form 7-Masters Program: Credit Tier Deviation. Eff. 8-15-02

Horace Mann Property & Casualty Insurance Company

- Form 3 & Masters Program: Coverage Amount Deviations by territory: Credit varies.
- Protective Device Credits for Protection Classes 1-9: Credits vary 1% - 15%.
- Form 3: 8% credit for all coverage amounts if insured 100% to value with Inflation Guard Endorsement attached.
- Form 3 & Masters Program: Newly Constructed Residences Credit: Age of Home 0 - 10 yrs.: Credits vary 3%-16.5%.
- Rate for Increased Coverage C: \$1 per \$1000.
- Form 3 & Masters Program: Protection Class credits by territory.
- Form 3 & Masters Program: Base rate territorial credits.
- Form 3 & Masters Program: \$3 installment fee on each installment except the initial down payment.
- Form 3 & Masters Program: Deductible Factors Deviation by territory: Minimum for Coverage A, \$100000.
- All Forms: Auto/Home Discount: Certain criteria apply: Credit varies.
- Masters Program: \$125000 minimum Coverage A, includes replacement value - personal property & inflation protection coverage at no additional charge.
- Federal Flood Insurance Program: 2% credit if flood insurance policy is placed through us.
- Form 3 & Masters Program: Earthquake Deviation by territory.
- Silverware, Goldware & Pewterware coverage will be \$3 per \$500 of insurance.
- Refrigerated Food Spoilage coverage will be \$5 per policy.
- Additional Residence Premises - Rented to Others (Liability Coverage): Rates vary per coverage amount.
- Private Structures - Rented to Others (Liability Coverage): \$14 for \$100000/\$1000 & \$18 for \$300000/\$1000.
- Masters Program: Credit Tier Deviation. Eff. 8-15-02

Indemnity Insurance Company of North America

- New Construction Credit: New - 20%; 2% less credit for each yr. to 9th yr.
- All Forms: Fixed Dollar Deductible: Credit varies 15% - 40%.
- Personal Property Increased Limit: \$2 premium charge per \$1000 of coverage.
- Forms 2 & 3: Replacement Cost Coverage Personal Property: HO 0490; Factor 10.5% includes increased Coverage C to 70% of Coverage A at no additional premium charge.

- Protective Device Credits: All zones & protection classes: Credit varies 2% - 15%.
- Rated Deviation: Homeowners - 11%; Tenants - 10%; Condominiums - 15%. Eff. 9-1-99

Indiana Lumbermens Mutual Insurance Company

- Forms 1, 2, 3 & 3 w/15: 15% 0-10 yrs. old; 10% 11-15 yrs. old; 0% 16 yrs. & over. Eff. 9-1-85

Insura Property & Casualty Insurance Company

- Form 3: Deductible credits; \$500 - 15%; \$1000 - 25%; \$2500 - 38%.
- All Forms: Personal property increased limits \$2 per \$1000.
- Protective Device Credits; Credit varies 2% - 15%.
- Personal Injury (HO-82) included at no charge.
- Personal Property Replacement Cost Coverage; Eliminate 5% surcharge.
- New Home Credit: Current calendar yr. - 20%; 1 yr. preceding current calendar yr. - 18%; each added yr. 2% less credit until 10+ yrs. - 0%.
- Multi-Policy Credit: 10% applies to total HO policy prem. when auto policy is written in the Anthem Casualty Ins. Group.
- Amount of insurance deviation based on territory, protection class & amount of Coverage A: \$70,000-\$200,000 credits varies 8.6% - 21.9%; Each additional \$10,000 credit varies 15% - 30%.
- Forms 2 & 3: Amount of Insurance Deviation; 3% charge of basic premium.
- Base premium deviation by territory. Eff. 6-1-99

Insurance Company of North America

- Forms 1, 2 & 3: Fixed dollar deductible credits; \$500-11%; \$1000-21%; \$2500-34%.
- Form 4: Fixed dollar deductible credits; \$500-11%; \$1000-25%; \$2500-40%.
- Forms 1, 2 & 3: Rate for increase in Coverage C; \$1 per \$1000.
- Forms 1, 2 & 3: Personal Property Replacement Cost coverage HO 290; Charge shall be 4% of adjusted base premium. Coverage C must be increased to 70% of A & \$1 per \$1000 charge made.
- Protective Device Credits: All zones & all protection classes: Credits vary from 1%-15%. Eff. 5-1-92

Insurance Company of the State of Pennsylvania

- Form 6: 35%.
- Form 4: 20%.
- Forms 2 & 3: Deductible Credits; \$250 - 15%; \$500 - 25%; \$1000 - 35%.
- Forms 2, 3, 3w/15 & 6: Age of Dwelling Discount; 0-5 yrs. - 15%; 6-10 yrs. - 10%; 11-20 yrs. - 5%.
- Forms 1, 2, 3, 3 w/15 & 8: 28%.
- Home Buyers Discount: 10% first 3 yrs. ownership; 5% second 3 yrs.
- Forms 1, 2, 3 & 3 w/15: Delete 5% surcharge for replacement cost of contents. Eff. 6-15-88

Insurance Corporation of Hannover

- Form 3: Age of Dwelling Discount: Credit varies 2%-20% for dwellings new- 9 yrs. old.
- Account Credit Program: 15% credit applied when insured has both a voluntary auto policy & a homeowners policy insuring their primary residence.
- Preferred Homeowners Credit: 5%-23% credit by territory & protection class when certain criteria are met.
- Form 6: Apply a factor of .80 to the HO-4 base premium.
- All Forms: Protective Device Credits: Credit varies 1%-15%.
- Forms 3, 4 & 6: Replacement Cost on Contents: Minimum additional premium does not apply.
- Form 3: 6% charge for Additional Limits of Liability for Coverages A, B, C & D when certain coverages & increased limits options are selected.
- Form 3: Personal Property Replacement Cost: Charge 5% of base premium, no minimum additional premium of \$20, & no charge to increase Coverage C to 70% of Coverage A when certain coverages & increased limits options are selected.
- Form 3: Personal Injury: No charge.

- Form 3: Water Back Up of Sewer & Drains with additional coverages.
- Form 3: Credit Card, Fund Transfer Card, & Forgery & Counterfeit Money: No charge to increase coverage when certain coverages & increased limits options are selected.
- Form 3: Special Computer Coverage: No charge when certain coverages & increased limits options are selected.
- Form 3: Coverage C Increased Special Limits of Liability: No charge to increase coverage when certain coverages & increased limits options are selected.
- Form 3: Fire Department Service Charge: No charge to increase coverage when certain coverages & increased limits options are selected.
- Form 3: Coverage D Increased to 30% of Coverage A: No charge to increase coverage when certain coverages & increased limits options are selected.
- Form 3: Coverage A Relativities Deviation.
- Form 3: Ordinance or Law: Charge 4% of base premium to increase coverage by 15% when certain coverages & increased limits options are selected.
- Form 3: Refrigerated Property Coverage: No charge when certain coverages & increased limits options are selected.
- Loss Free Credit when certain criteria is met. Eff. 2-1-02

Integon General Insurance Corporation

- Delete the surcharge for \$100 deductible.
- Form 6: 10% deviation.
- Deviation by amount of insurance: Coverage A amount \$50,000 - \$250,000 & above based on territory; Credit varies - 0% - .340%.
- Deductible Credits: Form 3; Terr. 32, 33, 34-41- \$250 ded., \$500 ded., \$1000 ded. & \$2500 ded.: Credits varies .05%- .41%.
- Long-Term Customer Discount: 5-9 yrs. with Co. on HO policy 5%; 10 yrs. or longer with company on HO policy -10%. Eff. 5-1-92

Integon Indemnity Corporation

- Delete surcharge for \$100 deductible.
- Form 6: 15% deviation.
- Replacement Cost Coverage C: Delete surcharge for replacement cost on contents.
- Deviation by Amount of Insurance: Cov. A amount \$50,000 - \$250,000 & above & based on territory. Variable credit.
- Deductible Credits Form 3; Terr. 32, 33, 34-41 - \$250 ded; \$500 ded. \$1000 & \$2500 ded. Credits vary .05%-41%.
- Long Term Customer Discount: 5-9 yrs. renewal with company - 5%; 10 yrs. or longer with Company - 10%. Eff. 5-1-92

International Insurance Company

- Forms 1, 2, 3 & 3 w/15: Age of dwelling credit; 0-1 yr. - 20%; 2% less credit each added yr.
- Preferred Plan: Deviations for owner forms varying by amount of insurance & territory.
- Forms 1, 2, 3 & 3 w/15: Revise charge for Replacement Cost on Contents for preferred owners forms to \$1 per \$1000 of increased Coverage C.
- All Forms: Replacement Cost on Contents; Deletion of \$20 minimum additional premium.
- Forms 1, 2, 3 & 3 w/15: Higher deductible credit factors; \$500 - .89; \$1000 - .80; \$2500 - .67.
- Forms 4 & 6: Higher deductible credit factors; \$500-.83; \$1000-.67; \$2500-.54.
- Premises Alarm Systems: Expand the table of credits for Protection Classes 1-7 to include class 8.
- Form 6: 20%. Eff. 3-1-90

Kansas City Fire and Marine Insurance Company

- All Forms, except 4 & 6: Amount of insurance deviation based on territory. Credits vary 0% - 15.6%.
- Form 4: Amount of insurance deviation based on territory. Credits vary.
- Form 6: Amount of insurance deviation based on territory. Credits vary.
- Earthquake Rate Deviations.
- Forms 2, 3, 3w/15 & 8: Replacement Cost on Contents Deviation. Factor 1.05 waived.

- Deductible Credits Deviation.
- New Home Discount: 0-5 yrs. -15%; 6-10 yrs. - 10%.
- Gated Community Discount: 10% credit when criteria are met.
- Guaranteed Replacement Cost Coverage: Premium charge \$3.
- Special Coverage Rate Deviation.
- Preferred Rate Deviation: 8% credit applies when criteria are met.
- Additional Limits Deviation Coverage F: Deviation - 66.67%.
- Other Insured Location. 1 family - 43%; 2 families - 71%.
- Permitted Incidental Occupancy Med Payments Rate Deviation: Credit varies 50% - 60%.
- Additional Residence Rented to Others Rate Deviation. 1 family - 88%; 2 families - 84%.
- Business Pursuits Rate Deviation. Credits vary 14% - 40%.
- Permitted Incidental Occupancy Rate Deviation. Res. Prem. - 47%; Other Res. - 29%.
- Incidental Farm Rate Deviation. Res. Prem. - 48%; Other Res. - 65%.
- Superior Construction Discount: 15% credit applies to masonry base premium or apartment unit.
- Protective Devices Credit: Credit varies 1% - 9%.
- Automatic Sprinkler Systems Deviation: Credit of 7% or 13%.
- Special Personal Property coverage Ho 06 only. Eff. 8-15-02

Liberty Mutual Fire Insurance Company

- Mass Merchandising Program – 5% deviation when certain criteria is met
- Deductible Credits Deductible Amount and percentage of credit/surcharge vary.
- Amount of Insurance Forms HO 1,2, & 3 Deviation by policy amount and territory.
- Amount of Insurance HO 4 & 6 Deviation by policy amount and territory.
- Installment Payment Plan all forms - \$3 each installment except first installment
- Coverage A Dwelling Limit for form HO 6
- Watercraft Deviation by limits of liability
- New Home Credits HO 2 & 3 Credits vary.
- Protective Devices Credits Credits vary .
- Hurricane deductible credits; credit varies by deductible amount. Eff. 9-4-02

Lititz Mutual Insurance Company

- New Home Credit: 15% 0-2 yrs.; 10% 3-5 yrs.; 5% 6-10 years.
- 10% credit to base premium when HO-0490 & HO-3220 are used together. The charge to increase Coverage C to 70% of Coverage A is waived.
- Protection class 9 homes: Deviation applies when criteria are met.
- Optional Higher Deductibles Deviation.
- Combined Territory Deviation: Credits vary.
- Base Rate Deviation by Territory: Credit varies. Eff. 10-1-02

Lumbermens Mutual Casualty Company

- Premium Credits for Protective Devices: Certain criteria apply.
- Mature Homeowners Credit: 5% credit applies to base premium if insured is 55 yrs. of age & is home during the day.
- Personal Property (Coverage C) Replacement Cost Coverage Deviation.
- \$100 Deductible: Waive minimum premium.
- \$250 Theft Deductible Factors: Certain criteria apply.
- All Forms: Optional Higher Deductibles deviation.
- Form 3: Special Personal Property Coverage: Apply a factor of 1.10 to base premium.
- Form HO 6: Special Personal Property Coverage: Apply a factor of 1.20 to base premium.
- Form 4: Building Addition & Alterations Increased Limit deviation.
- Form HO 6: Coverage A Dwelling Basic & Increased Limits Special Coverage Deviation.
- Ordinance or Law Increased Amount of Insurance: Form 4 & 6.
- Deferred Premium Payment Plan Option.

- New Home Discount: 0 - 6+ yrs. of age: Credit varies 0% - 18%.
- 5% Kemper Network Discount: Certain criteria apply. Eff. 2-25-02

Maryland Casualty Company

- All Forms, except 4 & 6: Age of Dwelling Credit; New-20%; 1 yr.-18%; 2 yrs.-16%; 3 yrs.-14%; 4 yrs.-13%; 5 yrs.-12%; 6 yrs.-10%; 7 yrs.-8%; 8 yrs.-6%; 9 yrs.-4%; 10 yrs.-2%.
- Forms 4 & 6: Replacement Cost on Contents: Factor 1.35.
- Protector Series Program: Reduce homeowners premium by 5%, if insured has auto policy with Maryland Casualty Group.
- Forms 2 & 3: Charge \$1 per \$1000 for increase in Coverage C limit.
- All Forms: Deductible Credits: \$500 - 15%; \$1000 - 20%; \$2500 - 30%.
- Deviation by Territory: Form 2, 3, 3w/15; Credit varies 0% - 14%.
- Base Premium Deviation: All Forms, except 4 & 6; Credit varies.
- Account Credit: 10% credit when insured has home & auto coverage with Zurich Insurance Companies when criteria is met.
- Protective Device Credit: Factors vary. Maximum credit of \$75 is waived. Eff. 7-1-98

Massachusetts Bay Insurance Company

- Age of Dwelling Credit: All Forms, except 4 & 6: Credit varies 0%-2.4% for Dwellings 1-7 yrs. of age.
- Mature Homeowners Credit: All forms: 5% credit applies when certain criteria are met.
- Windstorm & Hail Deductible Credits: All forms, except 4 & 6.
- Personal Property Replacement Cost on Coverage C: All forms, except 4 & 6: Minimum premium of \$20.
- Personal Property Replacement Cost on Coverage C: Forms 4 & 6: Minimum premium of \$25.
- Non-Smoker Discount: All forms: 5% credit.
- 7% Account Credit: All forms.
- Loss of Use-Increased Limits: All forms: Additional charge \$4 per \$1000 increase.
- Condominium Unit Owners-Coverage A Dwelling: Basic & Increased Limits: \$3 per \$1000 increase: 1st \$5000 increase no charge.
- Reduced Watercraft Liability Rates: All forms.
- Personal Property, Increased Limits-\$1 per \$1000 increase: All forms, except 4 & 6.
- Special Personal Property: Reduced Charge for Form 3w/15.
- Electronic Funds Transfer Plan Discount: All forms.
- Group Modification Plan Discount: All forms: Credit varies 0%-5%.
- Direct Bill Policies: All forms: \$1 per installment.
- Territorial Deviation: All forms, except 4 & 6: Credit varies.
- All Forms: Amount of Insurance Relativities deviation.
- Cap on discounts/credits is applicable to both new and renewal business. Eff 12-15-03 PC064404

Medmarc Casualty Insurance Company

- New Home Credit: 0-1 yr.-20%; 2 or 3 yrs.-18%; 4 yrs.-15%; 5 yrs.-12%; 6 yrs.-10%; 7 yrs.-9%; 8 yrs.-6%; 9 yrs.-3%; 10 yrs.- 2%.
- Smoke Detectors Discount: 2.0%. Eff. 7-15-90

Merastar Insurance Company

- 15% credit to the base homeowner premium if insured's automobile is insured with this Company.
- Waive installment charge when certain requirements are met.
- Forms 3 & 8: Deviation by Relativities; Protection classes 1-8; Territories 32-39, 40-43, 5 & 6; Amounts of insurance \$10,000 - \$200,000. Credit varies 0% - 23.5%.
- Forms 4: Deviation by Relativities; Protection classes 1-8 on amounts of insurance \$19,000 - \$40,000. Credit varies 0% -13.6%. Each additional \$10,000 - 17.5%. HO-6 Multiply the HO-4 Base Premium by a factor of .81.
- Form 3: New Home Credit; Homes completed & occupied during current calendar yr. - 20%; 1 yr. preceding current yr. - 18%; 3% less each yr. to 6th yr.
- Forms 3 & 8: Deductible credits; \$500 - 12%; \$1000 - 24%.
- Forms 4 & 6: Deductible credits; \$500 - 17%; \$1000 - 30%.

- Protective Device Credits; 2% - 15%.
- All Forms: Safe and Sound Discount; 10% credit applies to base premium when certain requirements are met.
- Merastar Maximum Discount: Factor .78 applies to base premium when certain criteria is met.
- Increased Special Limits of Liability: Jewelry, watches & furs; Additional premium \$10 for each \$1000 increase.
- Forms 3 & 8: Base rate deviation based on territory: Credit varies 7%-12%.
- Forms 4 & 6: 5% base rate deviation based on territory.
- All Forms: Boat Liability Rate Deviation: Up to 61% credit based on length & horsepower. Eff. 8-15-02

Merchants & Business Mens Mutual Insurance Company

- Forms 1, 2, 3, 4, & 6: 35%.
- Forms 1, 2 & 3: Dwellings 0-10 yrs. - 10%. Eff. 11-1-86

Metropolitan Direct Property & Casualty Insurance Company

- Fixed Dollar Deductible Relativities : \$100 ded - 1.10, \$500 - .85, \$1000 - .75; Factor applies to base premium.
- Replacement Plus – Guaranteed Replacement Cost Coverage A & B; certain criteria must be met.
- Replacement Cost on Contents Forms 3 & 3 Ultra: Personal Property Replacement surcharge - 10% of base premium. Coverage C increased to 70% of Coverage A at no additional cost.
- New Home Discount: Credit varies by age of dwelling up to 9th year.
- Premium Credit for Alarm Systems: Credit varies 1% - 15%; Credit applies to base premium.
- Mature Homeowners Discount: 5% credit age 55 or older & retired. If married, one spouse must be 55 yrs old & neither employed full time. Credit applies to base premium. Not in territories 5, 6, 34, 41, 42, 43.
- Windstorm or Hail Exclusion Credit: Forms 3 & 3 Ultra; Variable credits based on protection class & construction. Credit applies to base premium.
- Multi-Policy Discount: 10% discount to total homeowner premium when insured has homeowners & auto insurance with Metropolitan. Not in territory 5, 6, 34, 41, 42, 43.
- Mass Merchandising Account Deviation.
- Additional coverage - Jewelry & Furs premium varies according to additional limit.
- Claim Free Discount: 5% when criteria are met.
- Increased Ordinance or Law Coverage. Eff. 1-31-02

Metropolitan Property & Casualty Insurance Company

Standard Program

- New Home Discount: Age of dwelling 0 - 9 yrs.: Credit varies 2% - 25%. Except ho4 & ho6.
- Replacement Plus: Guaranteed Replacement Cost Coverage A & B when certain criteria is met.
- Forms 2, 3 & 3 Ultra: Replacement Cost on Contents: 10% surcharge. Coverage C amount increased to 70% of Coverage A at no additional cost.
- Forms 4 & 6: Replacement Cost on Contents: 25% surcharge. Form-6 minimum \$20000 Coverage C is required. Credit applies to base premium.
- Fixed Dollar Deductible Relativities: \$100 ded. - 1.10; \$500 ded. - .85; \$1000 ded. - .75.
- Premium Credits for Alarm Systems: Credits vary 1% - 15%. Credit applies to base premium.
- Mature Homeowners Discount: credit applies if a person is age 55 or older & retired. If married one spouse must be age 55 or older & neither employed full time. Not available with Form HO-4 & in specified territories.
- Mass Merchandising Account Deviation: 1% - 10% when a policy is written through Company's special accounts department to member of any employee or affinity group.
- Windstorm or Hail Exclusion Credit: Variable credits based on protection class, construction & territory.
- Multi-Policy Discount: applies to total homeowner premium when homeowner & auto policies issued with Metropolitan. Not with ho 4 or in terr 5, 6, 34, 41, 41, 42, 43.
- Smaller employer groups when criteria is met – 5%..
- Additional Coverage Jewelry and Furs for Form HO 3/w15.
- Claim Free Discount: 5% discount when criteria are met.
- Increased Ordinance or Law Coverage.

USF&G, F&GIC, & F&GIU Program

- Rate Deviations by Territory & Coverage A Amount: Credit varies. Ho02, ho03, ho06
- All Forms, except 4: Fixed Dollar Deductible Relativities Deviation.
- Windstorm or Hail Percentage Deductible Relativities Deviation.
- All Forms, except 4 & 6: Replacement Plus-Guaranteed Replacement Cost Coverage on Coverage A & B. Certain criteria apply.
- Replacement Cost on Contents-Coverage C: forms 2, 3, 4 & 6 Certain criteria apply.
- All Forms, except 4 & 6: New Home Discount: 0-9 yrs. of age: Credit varies 2%-20%.
- Premium Credits for Alarm Systems: Credit varies.
- Mature Homeowners Discount: Certain criteria apply.
- Windstorm or Hail Exclusion Deviation by Form, Territory, Public Protection Class & Construction: Credit varies.
- Multi Policy Discount: applies to basic premium when certain criteria are met.
- Claim Free Discount: Eligibility requirements must be met.
- Increased Ordinance or Law Coverage Deviation.
- Form 3/w15: Additional Coverage for Jewelry & Furs Deviation. Eff. 8-16-02

Millers Insurance Company

- Base Rate Deviation: 10% for all forms: Protection Classes 1-9 & 9S: Territories 32-40.
- Preferred Homeowner Discount: Form HO-3: 10% applies to base rate: Criteria must be met.
- Mature Retiree Credit: 10% applied to base premium: Certain criteria must be met.
- Loss Free Renewal Credit: Must be loss free for previous 12 months under existing Millers Ins. Co. homeowner policy: 1 yr.-3% credit: 2 yrs.-6% credit: 3 yrs.-9% credit.
- Multi Policy Credit: Must have an personal Auto and homeowners policy with Millers Ins. Co.: 1 yr.-10%: 2 yr.-5%.
- New Roof Credit: 5% applies when criteria is met. Eff. 10-13-00

Montgomery Mutual Insurance Company

- Forms 3, HE-7, HE-7w/20 & HE-7w/21: Personal Property Increased Limits: .50 per \$1000 of insurance for Coverage C.
- Deductible Amount Deviation: Forms 3, HE-7, HE-7w/20 & HE-7w/21: Credit varies
- 10% Account Credit when auto policy is written for the same insured through Montgomery Mutual Insurance Co.
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: New Home Credit: New - 6 yrs. of age: Credit varies 0% - 20%.
- Base Rate Deviation by Territory: Forms 3, HE-7, HE-7w/20 & HE-7w/21 Credit varies 0% -7.1%
- Form 4: Base Rate Deviation by Territory: Credit varies 0% - 14.8%.
- Form 6: Base Rate Deviation by Territory: Credit varies 9.3% - 32%.
- Protective Device Credits: Credits vary 2% - 15%.
- Base Rate Deviation on HE-7 - 1.15, HE-7w/20 - 1.20 & HE-7w/21 - 1.25.
- Replacement or Repair Cost Protection(HO 3211): \$5 per policy when criteria is met.
- All Forms: 10% Account Credit.
- Water Craft Liability Deviation - 70%.
- Form 3: Amount of Coverage A Relativity Curve Deviation: Credit varies 0.6% - 7.4%. Eff. 8-15-02

National Ben Franklin Insurance Company

- Forms 1, 2, 3 & 3 w/15: Personal Property Replacement Cost; Eliminate 5% surcharge. Eliminate \$20 minimum premium.
- Forms 1, 2 & 3: New Home Credit; Dwellings 0-5 yrs. old - 15%; 6-10 yrs. old - 10%, if requirements are met.
- Forms 1, 2 & 3: 20%, if requirements are met.
- Forms 1, 2, 3 & 3 w/15: Deductible credits; Coverage A - all amounts; \$250-15%; \$500-25%; \$1000-35%; \$2500-45%.
- Forms 4 & 6: Coverage C - all amounts; \$250-13%; \$500-28%; \$1000-42%; \$2500-53%. Eff. 1-1-86

National General Insurance Company

- All Forms: Protection Device Credits: Variable credits from 2% to 15%.
- All Forms, except 4 & 6: Deductible/factors; \$100-1.10 - no minimum or maximum charge; \$500-.90; \$1000-.80.
- Forms 4 & 6: Deductible/factors; \$100/\$250 theft - 1.05. No minimum or maximum charge; \$500-.90; \$1000-.77.

- Form 3: New/Renovated Home Discount; Variable credits based on age of dwelling & type of renovation.
- Forms 4 & 6: Thrifty Fifty Discount; 10% credit if insured meets criteria.
- Forms 1, 2 & 3: \$5 Photo Credit New Business.
- Form 4: Building additions & alterations increased limits \$5 per \$1000 of insurance.
- Form 6: Coverage A Dwelling; Basic & Increased Limits, \$5000 Coverage A is provided at no additional charge. Charge \$5 per \$1,000 for increased limit up to total of \$15,000.
- Forms 4 & 6: Loss of Use; Increased limits \$3 per \$1000 of additional insurance.
- Form 3: Base rate deviation; Rating factor of .80 applies.
- Form 6: Base rate deviation; Rating factor of .80 applies.
- Installment Payment Plan: Two payment plan - \$2 per installment. Eff. 6-1-99

National Grange Mutual Insurance Company

- Forms 2 & 3: Age of Dwelling Deviation: 0 - 7 yrs. of age: Credit varies 3% - 20%.
- Forms 2, 3, 6 & 8: 12% Combined Personal Protection Program Account Credit.
- Forms 2 & 3: Preferred Homeowners or Revitalized Home Credit when underwriting guidelines are met: Credit varies.
- Forms 2, 3, 4, 6 & 8: Deductible credits/charges.
- Form 6: HO-4 base premium by factor .80 to develop base premium HO-6.
- All Forms: Protective Device Credit: Credit varies 1.1% to 2.3%. There is a maximum allowable credit of 15%.
- Forms 2, 3, 4 & 6: Replacement Cost on Contents: Minimum additional premium of \$20 does not apply.
- Forms 2 & 3: Personal Injury (HO-3282); Charge will be deleted when selection of additional coverages are met.
- Forms 2 & 3: Water Back-up of Sewers or Drains (HO 0484): Charge will be deleted if selection of additional coverages is met.
- Forms 2 & 3: Credit Card, Fund Transfer Card, Forgery, & Counterfeit Money (HO 0453): Charge will be deleted when selection of additional coverages is met.
- Forms 2 & 3: Charge for Special Computer Coverage (HO 3237) will be deleted when selection of additional coverages are met.
- Forms 2 & 3: Coverage C Special Limits of Liability: 2% charge of the base premium when certain criteria are met.
- Forms 2 & 3: Fire Department Service Charge: the policy limit of \$500 for fire department service charge will be increased to \$1000 with selection of certain additional coverages and increased limits.
- Forms 2 & 3: Charge to increase Coverage D to 30% of Coverage A will be deleted when selection of additional coverages are met.
- Installment Payment Plan: Multi-policies - \$3 charge first policy; \$1 charge for each additional personal lines policy appearing on monthly statement. No service charge if paid via EFT.
- Forms 2 & 3: Ordinance or Law (HO-0477): 15% additional of Coverage A will be 4% of base premium for all insureds when selection of certain coverages is met.
- Forms 2 & 3: Refrigerated Property Coverage (HO0498) charge will be deleted when selection of additional coverages are met.
- Forms 2 & 3: Additional Limits of Liability for Coverage A (HO 3220): 6% of base premium when selection of certain coverages is met.
- Forms 2 & 3: Personal Property Replacement Cost: along with HO 0490 5% of base premium when selection of certain coverages. Eff. 5-1-02

National Surety Corporation

- Protective Device Credits: All forms & all territories: 1% - 15% credit applies to company base premium.
- Portfolio Credit: 5% credit applies to all homeowners policies when Personal Catastrophe Coverage and Personal Inland Marine Coverage is written with Company. Eff 12-01-03 PC065123

National Union Fire Insurance Company of Pittsburgh

- Territorial Base Rate Deviation.
- Amount of Insurance Relatives Deviation.
- Maximum Credit for Protective Devices waived.
- Higher Deductible Credit: Credit varies by amount of insurance and deductible amount.
- Increased Coverage C Limit Deviation: A factor of 1.25 applies per\$1000 of insurance. Territories 5, 6, 42 & 43 excluded.

- Renovated House Credit: Credit varies .82 - .97 for houses renovated 1 yr. to 6 yrs.
- Gated Community Credit: 5% applies when criteria is met.
- Loss Free/ Persistency Credit: 5% or 10% credit applies when criteria is met. Eff. 10-13-00

Nationwide Mutual Fire Insurance Company

- Forms 3 & 3w15: Deviation by amount of insurance & territory.
- Home & Car Discount for all territories, except 5, 6,41,45,65,69,71,72, &74: Forms 2 & 3: Credit varies 1% - 26%:
- Protective Device Deviations by territory: Credit varies 0% - 6.6%.
- Personal Property Replacement Cost Coverage by territory: Form 3w15 - 10%.
- Deductible Deviations by form, territory, amount of insurance & deductible option.
- Territorial Deviation – forms 2,3,3w/HO 32 36 and 6.
- Safe Home Rating Program – forms 2,3,and 3 with HO 32 36 and 6.
- Safe Home Rating Program – Form 4 with HO 32 36 and 6. Eff. 2-7-03

Nationwide Mutual Insurance Company

- Home & Car Discount for all territories, except 5, 6, 41, 58, 65, 69, 71, 72 & 74: Forms 2 & 3: Credit varies
- Protective Device Deviations by territory: Credit varies 0% - 6.6%.
- Personal Property Replacement Cost Coverage by territory: Form 3w15 - 10%.
- Deductible Deviations by form, territory, amount of insurance & deductible option.
- Territorial Deviation – forms HO-2, 3 and 3 with HO 32 36
- Safe Home Rating Program – forms HO-2,3 and 3 with HO 32 36 credit varies
- Safe Home Rating Program – Form 4 with HO 32 36 and 6. Eff. 2-7-03

Netherlands Insurance Company

Preferred Homeowners

- Personal Property Increased Limits;. Forms 3, HE-7, HE-7w/20 & HE7w/21 \$.50 per \$1000 of insurance
- Deductible amounts deviation Credit: Forms 3, 4, 6, HE-7, HE-7w/20 & HE-7w/21 :Credit varies
- New Home Credit: Forms 3, HE-7, HE-7w/20 & HE-7w/21: Credit varies.
- Protective Device Credit: Forms 3, HE-7, HE-7w/20 & HE-7w/21: Credit varies
- Base Rate Deviation by Territory Forms 3, HE-7, HE-7w/20 & HE7-21:: Credit varies.
- Form 4: 3% Key Premium Deviation by Territory.
- Form 6: Key Premium Deviation: Credit varies 29.3%-31.6%.
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: HO-3211- Replacement or Repair Cost Protection: Premium charge \$5.
- Forms 3, 4, 6, HE-7, HE-7w/20 & HE-7w/21: 15% deviation for policies written as part of Personal Protector Package Policy.
- Water Craft Deviation of 70%.
- Base Rate Deviation on HE-7, HE-7w/20 & HE-7w/21: HE-7 factor - 1.15; HE-7w/20 factor - 1.20; HE7w/21 - 1.25.
- Amount of Coverage A Relativity: Deviation varies .6% - 7.4%.

Standard Homeowners

- Personal Property Increased Limits Forms 3, HE-7, HE-7w/20 & HE-7w/21: ; \$.50 per \$1000 of insurance.
- Deductible Credits; Forms 3, HE-7, HE-7w/20 & HE-7w/21: credit varies.
- New Home Credit: Forms 3, HE-7, HE-7w/20 & HE-7w/21: 0 -12 yrs. of age: Credit varies 0% - 25%.
- Protective Device Credit: Forms 3, HE-7, HE-7w/20 & HE-7w/21: Credit varies 2% - 15%.
- Base rate deviation by territory: Forms 3, HE-7, HE-7w/20 & HE-7w/21 Credit varies
- Base Rate Deviation HO 6 by territory: Deviation varies.
- Base Rate Deviation on HE-7, HE-7w/20 & HE-7w/21: credit varies
- Replacement or Repair Cost Protection: Forms 3, HE-7, HE-7w/20 & HE-7w/21: HO-3211 Premium charge \$5.
- Deviation will apply to HO 3 standard, HE 7 standard HE7/w20 standard, HE 7/ w21 standard for monoline

homeowners premiums when they are written as part of the Personal Protector Package Policy.

- Water Craft Deviation of 70%.
- Amount of Coverage A Relativity curve: Deviation varies .6% - 7.4%.
- Eff 10-15-02

New Hampshire Insurance Company

- Forms 1, 2, 3, 3w/15 4 & 6: Age of dwelling credit; 0-20 yrs. - 10%.
- Replacement or Repair Cost prot. Coverage A (HO-500): \$1 per policy. Eff. 7-1-87

New South Insurance Company

- Deviation by Amount of Insurance: Coverage A amount: \$50000 - \$250,000 & above based on territory; Credit varies 0% - .380%.
- Long-term Customer Discount: 5-9 yrs. with Co. on HO policy - 5%; 10 yrs. or longer with Co. on HO policy - 10%.
- Deductible Credits: Territories 32, 33, 34 - 41; \$250 ded., \$500 ded. \$1000 ded. & \$2500 ded.; Credits vary .05% - 41%.
- Form 6: 15%.
- Delete surcharge for \$100 deductible.
- Replacement Cost- Coverage C: Delete surcharge for replacement cost on contents. Eff. 5-1-92

New York Central Mutual Fire Insurance Company

- Deviation withdrawn effective December 8, 2003.

Newark Insurance Company

- Withdrawn Eff. 10-24-03

Niagara Fire Insurance Company

- Broad & Standard Perils: Primary dwelling \$85000 or more; coverage written least 170% of replacement cost value; Deviation by amount of insurance \$85000 & under - 20%; \$88000 - 21%; \$92000 - \$95000-22%; \$99000 - 23%; \$102,000 - 24%; \$105,000 - 25%; \$109,000 - \$112,000 - 26%; \$116,000 - 27%; \$119,000 - 28%; \$122,000 - 29%; \$126,000 - \$289,000 - 30%; \$306,000 - 28%; \$323,000 - 26%; \$340,000 - 24%; \$357,000 - 22%; \$374,000 & above - 20%. Eff. 11-7-86
- Forms 1, 2, 3 & 3 w/15: Personal Property Replacement Cost; Eliminate 5% surcharge. Eliminate \$20 minimum premium.
- Forms 1, 2 & 3: New home credit; Dwellings 0-5 yrs. old - 15%; 6-10 yrs. old - 10%, if requirements are met.
- Forms 1, 2 & 3: 20%, if requirements are met.
- Forms 1, 2, 3 & 3 w/15: Deductible credits; Coverage A - all amounts; \$250-15%; \$500-25%; \$1000-35%; \$2500-45%.
- Forms 4 & 6: Coverage C - all amounts; \$250-13%; \$500-28%; \$1000-42%; \$2500-53%. Eff. 1-1-86

North Carolina Farm Bureau Mutual Insurance Company

- Deviation by Amount of Insurance vary based on rate structure, protection class, deductible, & territory. Forms 2 & 3: Credits vary
- Forms 2 & 3: Age of dwelling credit; Territories 5 & 6 excluded; 2% credit until 8 or more yrs., then no credit.
- Forms 2, 3, 4, 6 & 8: Deductible credits/charges.
- Form 3: Value Plus Homeowners; Credit varies when criteria is met.
- Water Craft: Deviations varies by speed, length & horsepower of Water Craft.
- Forms 2 & 3: Coverage C increase in limits. \$1 per \$1000.
- Forms 2 & 3: Replacement cost on contents factor 1.05; Forms 4 & 6: Factor 1.25.
- Forms 4 & 6: 30% downward deviation statewide.
- Form 8: 10% downward deviation statewide.
- Carolina Partner Plus Discount varies by Coverage A amount of insurance when criteria is met. Credit varies.

- Deviation for Additional Residence Rented to Others & Other Structures Rented to Others - Residence Premises.
- Other Structures Rented to Others Residence Premises.
- Refrigerated Personal Property: Charge Waived.
- Additional 5% deviation applies to property in specified counties. Eff. 09-01-03

North River Insurance Company

- Forms 1, 2, 3 & 3 w/15: Age of dwelling credit; 0 - 1 yr. - 20%; 2% less credit each added yr.
- Preferred plan deviation for owners forms: Varying credits based on amount of insurance & territory.
- Forms 1, 2, 3 & 3 w/15: Replacement cost contents for preferred owners forms to \$1 per \$1000 of increased Coverage C.
- All Forms: Replacement cost on contents; Deletion of \$20 minimum additional premium.
- Forms 1, 2, 3 & 3 w/15: Higher deductible credits factors; \$500 - .89; \$1000 - .80; \$2500 - .67.
- Forms 4 & 6: Higher deductible credits factors; \$500 - .83; \$1000 - .67; \$2500 - .54.
- Premises Alarm System: Expand table of credits for protection classes 1 - 7 to include class 8.
- Form 6: 20%. Eff. 3-1-90

Northern Assurance Company of America

- All Forms, except 4 & 6: New Home Credit: 0-1 yr. old - 20%; 2% less credit each yr. to 10th yr.
- Forms 2 & 3: Personal Property Replacement Cost; Charge to increase Coverage C to 70% of Coverage A; \$1 per \$1000.
- Guaranteed Replacement Cost (HO-3211): \$5 premium charge.
- Protective Devices Credits: PPC 1-7 - 2%-15%; PPC 8-9 - 1%-15%: Maximum credit of 20% applies.
- Inflation Guard Endorsement: 6% - at no charge.
- Forms 1, 2 & 3: Fixed dollar amount deductible credits; \$500 - 15%; \$1000 - 21%; \$2500 - 38%..
- Homeowners Enhancement Program Factors: HE - 7 - 1.15%; HE - 7w/15 - 1.20 & HE - 7w/21 - 1.25.
- Deviation by Coverage A amount of insurance. All Forms, except 4 & 6: Credit varies.
- Windstorm or Hail Deductible. Eff. 8-15-02

Northern Insurance Company of New York

- Forms 1, 2, 3 & 3w/15: Age of dwelling credit; 0 - 2 yrs. - 25%; 3 yrs. - 23%; 4 yrs. - 21%; 5 yrs. - 18%; 6 yrs. - 15%; 7 yrs. - 12%; 8 - 12 yrs. - 11%; 13 - 15 yrs. - 5%.
- Forms 1, 2, 3 & 3 w/15: Replacement or repair cost protection HO-500; Reduce premium \$5 to \$1.
- Forms 4 & 6: Replacement Cost on Contents; Factor 1.35.
- Forms 1, 2 & 3: Charge \$1 per \$1000 for increase in Coverage C limits. Eff. 2-15-92

Northwestern National Casualty

- Forms 2, 3, 3w/15, & 6: Company deviation based on territory & Coverage A amount; Credit varies.
- Forms 2, 3 & 3w/15: New Home Discount: New to age 20 yrs. Credit varies 2% - 27%.
- All Forms, except 4 & 5: Deductible Credit/Charges.
- Personal Property Increased Limits for Coverage C. Forms 2 & 3 - \$.50: Form 3w/15 - \$2.
- Protection Construction Relativity Deviation.
- Protection Devices Credits: Maximum Credit removed.
- Outboard Motors & Water Craft: Liability rates amended by boat length.
- Form 6: Dwelling Basic and Increased Limits and Special Coverage. \$5000 Coverage A limit named perils basis: No premium charge.
- Personal Property Replacement Cost Coverage: All forms, except 4 & 6 - factor 1.05; Form 4 & 6 - factor 1.35. Minimum premium deleted.
- Ordinance or Law Coverage deviation.
- Three or Four Family Dwellings: Coverage B & C deviation.
- Installment Payment Plan: Initial installment charge waived.
- 5% Account Credit when named insured has an auto policy with the Highlands Insurance Group Companies. Eff. 6-1-99

Ohio Casualty Insurance Company

- Forms 2, 3 & 8: Fixed dollar amount deductible factors; \$500 - .90; \$1000 - .83; \$2500 - .75.
- Forms 4 & 6: Fixed dollar amount deductible factors; \$500 - .90; \$1000 - .77; \$2500 - .63.
- Water Craft Liability Rates: 60% below NCRB for powerboats; 50% below NCRB for sailboats.
- Employees Discount: 20% to qualifying employees insured in the Ohio Casualty Group.
- Percentage Wind or Hail Deductible Deviation: Credits vary. Eff. 08-15-02

OneBeacon Midwest Insurance Company

- All Forms, except 4 & 6: New Home Discount; 0-1 yr. old -20%; 2% less credit each added yr. to 10th yr.
- Forms 2 & 3: Personal Property Replacement Cost; Charge to increase Coverage C to 70% of Coverage A; \$1 per \$1000.
- Replacement or Repair Cost Protection Coverage A (HO-3211); \$5 premium charge.
- Protective Devices Credits: PPC 1-7 - 2%-15%; PPC 8-9 - 1%-15%; Maximum credit of 20% applies.
- All Forms, except 4 & 6: Provide Inflation Guard endorsement coverage at 6% amount of annual increase at no charge.
- All Forms, except 4 & 6: Fixed Dollar Amount deductibles: \$500-15%; \$1000-21%; \$2500-38%.
- 5% discount for insured age 49 or older.
- Deviation to Enhancement Forms HE-7; HE-7w/20 & HE-7w/21: Credits vary.
- Deviation by amount of Coverage A: \$250000 - \$500000. Variable credits.
- Windstorm or Hail Deductibles. Eff. 8-15-02

OneBeacon America Insurance Company

- Forms 1, 2, 3: Fixed dollar amount deductibles; \$500-15%; \$1000-21%; \$2500-38%.
- Forms 4 & 6: \$500-10%; \$1000-23%; \$2500-37%.
- All Forms, except 4 & 6: New home discount; 0-1 yr. old - 20%; 2% less credit each added yr. to 10th yr.
- Forms 1, 2, 3 & 3w/15: Repair or replacement cost Coverage A; HO3211 - \$5 premium charge.
- Protective Devices Credits: PPC 1-7 - 2%-15%; PPC 8-9 - 1%-15%; Maximum credit of 20% applies.
- Forms 2 & 3: Personal Property Replacement Cost; Charge to increase Coverage C to 70% of Coverage A; \$1 per \$1000.
- All Forms, except 4 & 6: Provide Inflation Guard Endorsement at 6% amount of annual increase at no charge.
- Form 6: Units regularly rented to others; Delete \$15 charge.
- Form 6: 11.1% credit.
- Form 6: Coverage A Dwelling Basic and Increased Coverage A limit \$3,000 cov A at no addit charge.
- 5% discount for insured age 49 or older.
- Homeowners Enhancement Factors: HE-7 - 1.15; HE -7w/15 - 1.20 & HE-7w/21 - 1.25.
- All Forms, except 4 & 6: Deviation by Coverage A amount of insurance: Credit varies.
- Windstorm or Hail Deductibles. Eff. 8-15-02

Owners Insurance Company

- Deductible charge 100 flat - 10%, maximum charge \$60.
- Protective device credit - 2% - 15% credit if certain criteria is met.
- Mature Homeowners credit if certain criteria is met.
- Townhouse or rowhouse charge.
- Credit Card, Fund transfer card, forgery and counterfeit money.
- Form HO 00 06 units regularly rented to others.
- Form HO 00 06 coverage A dwelling increased limits and special coverage.
- Loss assessment coverages - all forms.
- Building Additions and alterations at other residences - all forms.
- Other insured location occupied by insured - sectionII.
- Section II liability - residence employees.
- Business pursuits - coverage provided.

- Personal injury provided at no additional charge.
- Permitted Incidental Occupancies-Residence Premises.
- Special Personal Property coverage.
- Multi-policy discount when auto and homeowners are each written in any Auto-owners Insurance Group Company.
- Seasonal Discount Forms 3, 6 and HE 7.
- Section II liability Watercraft.
- Life/Homeowners Multi-Policy Discount.
- Additional Limits of Liability for Coverages A, B, C and D (form 3).
- Eff 12-2-03 PC067716

Pacific Employers Insurance Company

- Forms 1, 2 & 3: Fixed dollar deductible credits; \$500-11%; \$1000-21%; \$2500-34%.
- Form 4: Fixed dollar deductible credits; \$500-11%; \$1000-25%; \$2500-40%.
- Rate for increase in Coverage C: \$1 per \$1000.
- Forms 1, 2 & 3: Replacement Cost Coverage HO-290; Charge shall be 4% of adjusted base premium. Coverage C must also be increased to 70% of Coverage A at \$1 per \$1000.
- Protection Device Credits: All zones & all protection classes; Credits vary 2%-15%.
- New Home Discount: Credit varies 2% -20% based on age of dwelling. Credit applies to base premium.
- Base Rate Deviation: Homeowners -25%; Tenants -15%; Condominiums -20%. Eff. 2-24-98

Pacific Indemnity Company

- Forms 4 & 6: 10% credit.
- Forms 2, 3, 3w/15, & HE7: Various credits for Amounts of Insurance over \$950,000 for Coverage A.
- Elimination of maximum credit for protective devices.
- Forms 2 & 3: Additional Amount of Insurance deviation.
- Forms 2 & 3: Personal Property Increased Limit - \$1 per \$1000: Form 3w/15 - \$1.50 per \$1000.
- All Forms: 5% Gated Community Credit when criteria is met. Eff. 8-15-02

Peerless Insurance Company

Preferred Homeowners

- Forms 3, HE-7, HE-7w/20 & HE7w/21: Personal Property Increased Limits: \$.50 per \$1000 of insurance.
- Deductible Credits: Forms 3, HE-7, HE-7w/20 & HE-7w/21 - credits vary.
- Forms 4 & 6: Deductible Credits: \$500 ded. - 10%; \$1000 ded. - 23%.
- New Home Credit: Forms 3, HE-7, HE-7w/20 & HE-7w/21: 0 - 12 yrs. of age: Credit varies 3% - 18%.
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: Protective Device Credit: Credit varies 2%-15%.
- Base Rate Deviation by Territory: Forms 3, HE-7, HE-7w/20 & HE7-21 Credit varies 0% - 17%.
- Form 4: Credit of Key Premium: 3% certain counties.
- Form 6: Base rate deviation by territory: Credit varies 29.3%-31.6%
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: HO-3211 - Replacement or Repair Cost Protection: Premium charge \$5.
- Forms 3, 4, 6, HE-7, HE-7w/20 & HE-7w/21: 15% deviation for policies written as part of Personal Protector Package Policy.
- Water Craft Deviation of 70%.
- Base Rate Deviation on HE-7, HE-7w/20 & HE-7w/21: HE-7 factor - 1.15; HE-7w/20 factor - 1.20; HE7w/21 - 1.25.
- Amount of Coverage A Relativity: Deviation varies 0% - 7.4%.
- Insurance Score Deviation

Standard Homeowners

- Forms 3, HE-7, HE-7w/20 & HE-7w/21: Personal Property Increased Limits: \$.50 per \$1000 of insurance.
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: Deductible Credits: \$500 ded. - 10%; \$1000 ded. - 26%; \$2500 ded. - 38%.
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: New Home Credit: 0 -12 yrs. of age: Credit varies 1% - 20%.
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: Protective Device Credit: Credit varies 2% - 15%.

- Forms 3, HE-7, HE-7w/20 & HE-7w/21: Base Rate Deviation by Territory: Credit varies 0% - 7.7%.
- Water Craft Deviation of 70%.
- Base Rate Deviation on HE-7, HE-7w/20 & HE-7w/21: HE-7 factor - 1.15; HE-7w/20 factor - 1.20; HE7w/21 - 1.25
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: 15% deviation for policies written as part of Personal Protector Package Policy.
- Amount of Coverage A Relativity: Deviation varies 0% - 7.4%.
- Insurance Score Deviation.
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: HO-3211 - Replacement or Repair Cost Protection: Premium charge \$5.
- Eff. 01-15-04 PC067069

Penn Mutual Insurance Company - Withdrawn 4-21-03

Pennsylvania General Insurance Company

- All Forms, except 4 & 6: New home credit; Current yr. - 20%; 1 yr. old -18%; 2 yrs. old -16%; 3 yrs. old - 14%; 4 yrs. old - 12%; 5 yrs. old - 10%; 6 yrs. old - 10%; 7 yrs. old - 8%; 8 yrs. old - 7%; 9 yrs. old - 6%; 10yrs.-6%; 11yrs-4%;12yrs-4%;13yrs-2%; 14yrs-2% .
- All Forms: Fixed dollar amount deductible factors; \$500 - .90; \$1000 - .77.
- Forms 1, 2, 3 & 3w/15: Personal property increased limits; \$1 per \$1000 of insurance.
- All Forms, except 4: Account Credit: 10% discount when named insured insures his/her personal auto in any of General Accident Companies.
- Forms 1, 2 & 3: Personal Property Replacement Cost Coverage; Waive charge to increase Coverage C limit from 50% to 70% of Coverage A limit. Premium for Replacement Cost Coverage developed by applying factor of 1.05 to base premium including any premium adjustment for Coverage C in excess of 70% of Coverage A.
- All Forms: Protective Device Credit: Credit Varies 2% - 15%.
- All Forms, except 4 & 6: 8.8% base rate deviation. Eff. 4-15-96

Pennsylvania Lumbermens Mutual Insurance Company

- Forms 1, 2 & 3: 10% dwellings 5 yrs. old or less; 5% dwellings 6-10 yrs. old.
- All Forms: 10%. Eff. 10-1-85

Pennsylvania National Mutual Casualty Insurance Company

- Deviation by Deductibles - various credits.
- New Home Discount: Forms 2, 3 & 3w/HO3236: New to 15 yrs. of age: Credit varies 1%-20%.
- Personal Property Increased Limits: Forms 2 & 3 - \$1 per \$1000 of insurance: Form 3w/HO3236 - \$3 per \$1000 of insurance.
- Account Credit Program: Forms 2, 3, 3w/HO3236, 4, 6 & 6w/HO3235: Credit factor .90 applies when certain requirements are met.
- Deviation for Water Craft (HO 24 75): Credits vary 9%-46% based on type, horsepower & length of Water Craft.
- Preferred Program Deviation: Forms 3 & 3w/HO3236: Based on territory & public protection class: Variable credits when criteria is met.
- Protective Device Credits: Applies to insureds that meet eligibility criteria. Credit varies 1% - 25%.
- Deviation on Ordinance or Law Coverage: Forms 2 & 3.
- Deviation by Amounts of Insurance: Credit varies.
- Deviation by Additional Amounts of Insurance: Forms 2 & 3.
- Preferred Advantage Program Deviation: Forms 3 & 3w/HO3236: Certain criteria apply.
- No charge for increasing Coverage A up to \$5,000 on a form HO 00 06 policy
- Eff 6-1-03

Pharmacists Mutual Insurance Company

- 10% base rate deviation.
- Waiver of premium is amended to \$5.
- Installment Payment Plan: Charge varies based on installment plan.

- Personal Package Discount: Credit varies 5% - 10% when criteria is met.
- New Home Discount: 20% credit current calendar yr.: 1% less credit each added yr. to 10th yr.: 2% less credit 11th yr. - 14th yr.
- Automatic Adjustments of Limits: Annual 4% increase at no charge. Eff. 6-1-99

Phoenix Insurance Company

- Base Rate Deviation for Dwellings Credit varies based on territory.
- Deductible Credits: Varies by amount of deductible.
- Protective Device Deviation: Credit varies 1% - 13%.
- Forms 2, 3, 3w15: Personal Property - Increased Limit Coverage C: \$1 per & 1000.
- Forms 2, 3, & 3w15: 5% Account Credit.
- Forms 2, 3, 3w15, 4 & 6: Loss Free Credit: 3+ yrs. loss free 3% credit.
- Forms 2, 3, 3w/15, 4 & 6: 5% Multi-Line Insurance & Financial Services Institution Employees Credit.
- HO- 3w/15: 10% Additional premium charge.
- Coverage A Relativities Deviation: Credit based on Coverage A amount & territory.
- Refrigerated Personal Property: \$10 charge waived.
- Forms 2 & 3: Inflation Guard: Premium charge waived.
- Forms 3 & 6: 5% Safety Seminar Credit: Certain criteria apply.
- Forms 2, 3, 3w/15 Royal SunAlliance Employee Program Credit. Eff. 10-26-032
- PC066830

Piedmont Mutual Insurance Company

- New Home Discount: Current yr. credit - 16%; 2% less credit each additional yr. to 7th yr.
- Value-Plus Homeowner Discount: 5% when certain criteria are met. Eff. 3-1-98

Providence Washington Insurance Company

- Forms 2 & 3: Deviation by territory, Coverage A amount & protection class: Credit varies.
- All Forms, except 4 & 6: New Home Credit: 1 to 20 yrs. old: Credit varies 1% to 20%.
- All Forms, except 4 & 6: Deductible credits: \$500 - 10%; \$1000 - 17%; \$2500 - 25%.
- Protective Devices for all protection classes & territories: Credits vary 1%-15%.
- Forms 2, 3 & 6: 15% Multiple Policy Credit when Providence Washington writes auto & homeowner.
- Waiver of Premium: \$5 or less.
- Personal Property Replacement Cost: Minimum charge not applicable. Eff. 4-18-00

Prudential Property & Casualty Insurance Company

- New Home Credit: Age of Home 0 - 7 yrs. of age: Credit varies 0%-20%.
- Deductible credits
- Personal Property Replacement Cost: - HO-3 Apply 4% surcharge to adjusted base premium.
- Enhanced Dwelling Limit (EDL) – Form HO-3 \$1.00 per policy.
- Protective Device Credits: Variable Credits 2%-15%.
- Forms 3, 3w/15, Premier & 6: 5% Mature Homeowners Credit.
- Personal Property – Increased Limit Form HO-3: \$1.00 per \$1,000 increase of insurance
- Mature Homeowner Credit – Forms HO-3 and HO-6 5% credit. A premium credit applies if any named insured is age 55 or older as of the effective date of the policy.
- Companion for Life Discount all forms 10% credit.
- Secured Community Credit: Credit applies if primary residence is located in a fully secured or partially secured community. Fully secured - 10%; Partially secured -5%.
- Electronic Funds Transfer Fee: No charge.
- Increased Limits Jewelry, Watches & Furs: \$14 per \$1000 of Coverage.
- Personal Property Replacement Cost: Form HO4 and HO 6 Minimum charge of \$20.
- Silverware, Goldware, & Pewterware: \$2.50 per \$500.
- Deviation for 3 & 4 Family Liability Rates.

- Deviation by Liability Coverage.
- Outboard Motors & Water Craft Deviation for Coverage E, Increased Limits: Certain criteria apply.
- Outboard Motors & Water Craft Deviation for Coverage F, Increased Limits: Certain criteria apply.
- Business Property - Increased Limits Deviation: \$10 per \$2500.
- Eff. 3-14-03

Republic Insurance Company

- All Forms: Personal Property Replacement Cost Coverage; Minimum additional premium for coverage is deleted.
- All Forms: Protective Devices; Maximum credit allowed is deleted.
- All Forms, except 4 & 6: Fixed dollar amount deductible credits: \$500-9%; \$1000-17%; \$2500-25%. Eff. 4-1-95

Royal & SunAlliance Personal Insurance Company

- Form 3w/15: 25% credit. Eff. 5-11-92

Royal Indemnity Company

- Additional Amounts of Insurance: Forms HO 00 02 HO 00 03 \$8 per policy.
- Protective Devices: Credits vary 2%-15%.
- Deductible Credits: Credit varies by form & deductible amount.
- Personal Property (Coverage C) Replacement Cost Coverage: Forms 2 & 3 - Coverage A amount under \$100000 - 11% surcharge; \$100000 & over - 8% surcharge: Forms 4 & 6 - 40% surcharge.
- Preferred Customer Renewal Credit: 5% credit: Certain criteria must be met.
- Discount for Eligible Employees: 20% credit to total homeowners policy premium.
- Homeowners Enhancement Program: 1.25 factor applies to base premium.
- Companion Policy Credit: 8% if auto coverage is afforded in any member Company of Royal & SunAlliance Insurance.
- Installment Payment Plan waived for employees.
- Installment Payment Plan: Policies billed by agent through account current payroll deduction program are not subject to installment fees.
- Installment Payment Plan: \$1 each installment for Electronic Fund Transfer.
- Coverage A Discount based on amount of insurance & territory: Variable credits.
- Apply following factors to all optional coverages, except Personal Articles Floater: Forms 2, 3, 3w/1 5 & HE 7w/21-.93 excluding territories 5, 6 42 & 43: Form 4 & 6 - .85 excluding territories 5, 6 42 & 43.
- Deviation by Forms: Forms 2, 3, & 3w/15- 10%: Form 6- 20%.
- Group Mass Marketing Discount: 10% applies to all coverages: Certain criteria apply.
- New Home Discount/Age of Dwelling Credit: New to 10 yrs. old - 2% to 20%. Eff. 8-15-03

Royal Insurance Company of America:

- Forms 2 & 3: Additional Amounts of Insurance: Charge \$8 per policy.
- Protective Devices Credits: Credits vary 2% - 15%.
- Deductible Credits: Credit varies by form & deductible amount.
- Personal Property (Coverage C) Replacement Cost Coverage: Forms 2 & 3 - Coverage A amount under \$100000 - 11% surcharge; \$100000 & over - 8% surcharge: Forms 4 & 6 - 40% surcharge.
- 5% Preferred Customer Renewal Credit: Certain criteria apply.
- Discount for Eligible Employees: 20% credit to total homeowners policy premium.
- Form HE-7w/HE-21: 1.25 factor applies to base premium.
- Companion Policy Credit: 1% deviation when auto & homeowners policy is issued in any member of Royal Insurance when certain criteria are met.
- Installment Payment Plan: Waived for employees.
- Installment Payment Plan: Policies billed by agent through account current payroll are not subject to installment fees.
- Installment Payment Plan: \$1 each installment for Electronic Fund Transfer.
- Group Mass Marketing Discount: 10% applies to all coverages: Certain criteria apply.
- New Home Discount: New to 10 yrs. of age - 2% to 20% deviation. Eff. 3-1-01

Safeco Insurance Company of America:

- Deductible Debit/Credits. Credit varies.
- Renewal Credit: all forms Certain criteria apply.
- Account Credit: all forms Certain criteria apply.
- Condominium Unit-Owners Coverage A Increased Limits & Special Coverage Deviation.
- Business Pursuits (HO 24 71):all forms Charge deleted.
- Credit Card, fund transfer card, forgery and counterfeit money coverage (HO 04 53): charge for \$1,000 is deleted.
- Personal Injury (HO 24 82): \$10 charge per policy.
- Landlord's Furnishings (HO 32 21): Can be increased to \$5000 with burglary cov added: \$10 charge per policy.
- Ordinance or Law Coverage (HO 04 77): Increase to a total of %100 of Coverage A.
- Personal Property replacement cost (HO 04 90) waiver of minimum premium.
- Medical Payments/Other Exposures/Higher Limits Deviation: all forms.
- Other Insured Locations Occupied by Insured: 2 family house will be charged as a 1 family house.
- Outboard Motor & Watercraft Liability Deviation.
- Personal Liability/Residence Premises Deviation.
- Special Personal Property Coverage (HO 00 15)/Unit Owners Coverage (HO 1731): Coverage C may be extended to include additional risks of physical loss.
- Installment Payment Charge: \$2 per installment except when paying in full or via electronic funds transfer.
- Market Tier Relativities
- Eff. 12-19-02

Safeco Insurance Co of Pennsylvania Insurance

- Form 3: Preferred Business; 25% off Bureau rates when eligibility guidelines are met.
- Form 3: Standard Business; 5% off Bureau rates when eligibility guidelines are met.
- Form 6: 17% off Bureau rates when eligibility guidelines are met.
- Form 3: Preferred Business; Guaranteed Replacement Cost Coverage A charged waived.
- Form 3: New Home Credit; During calendar yr. - 10%; 1% additional credit each added yr. to 9th yr. Eff. 2-15-95

Safeguard Insurance Company

- Additional Amounts of Insurance: Forms HO 00 02 HO 00 03 \$8 per policy.
- Protective Devices: Credits vary 2%-15%.
- Deductible Credits: Credit varies by form & deductible amount.
- Personal Property (Coverage C) Replacement Cost Coverage: Forms 2 & 3 - Coverage A amount under \$100000 - 11% surcharge; \$100000 & over - 8% surcharge: Forms 4 & 6 - 40% surcharge.
- Preferred Customer Renewal Credit: 5% credit: Certain criteria must be met.
- Discount for Eligible Employees: 20% credit to total homeowners policy premium.
- Homeowners Enhancement Program: 1.25 factor applies to base premium.
- Companion Policy Credit: 8% if auto coverage is afforded in any member Company of Royal & SunAlliance Insurance.
- Installment Payment Plan waived for employees.
- Installment Payment Plan: Policies billed by agent through account current payroll deduction program are not subject to installment fees.
- Electronic Funds Transfer Deviation: \$1 charge per transfer.
- Coverage A Discount by Amount of Insurance & Territory: Preferred Program: Credit varies 0% - 15%.
- Coverage A Discount by Amount of Insurance & Territory: Super Preferred Program: Credit varies 0% - 17%.
- Preferred Program Deviation by Forms Off Standard Rates - credit varies by territory.
- Super Preferred Program Deviation by Forms Off Standard Rates - Credit varies by territory.
- 10% Group Mass Marketing Discount: Certain criteria apply.
- Company Deviation of 9%.
- New Home Discount/Age of Dwelling Credit: New to 10 yrs. old - 2% to 20% credit. Eff. 08-15-03

St. Paul Fire & Marine Insurance Company

- Forms 1, 2, 3 & 3 w/15: New Home Discount: Yr. of construction; 0-1 yr. of age - 15%; 2-3 yrs. - 13%; 4-5 yrs. - 11%; 6-7 yrs. - 9%; 8-9 yrs. - 7%; 10-11 yrs. - 5%; 12-15 yrs. - 3%.
- Forms 1, 2, 3 & 3 w/15: Personal Property Replacement Cost; No charge for Coverage C increase from 50% to 70%.
- Forms 4 & 6: 30% surcharge to basic premium (after higher deductible credit) & for attaching HO-50.
- All Forms: Minimum premium \$15 per policy. Eff. 9-23-92

St. Paul Guardian Insurance Company

- Operation Identification Credit: 5% rate credit on Basic Homeowners Insurance Premium.
- New Home Discount: 0-1 yr.-18%; 2-3 yrs -15%; 4-5 yrs.-10%; 6-7 yrs -8%; 8-9 yrs -7%; 10-11 yrs.-5%; 12-15 yrs.-3%.
- Personal Injury Protection (Form HO-82) provided at no additional charge.
- Forms 3, 3 w/15, 4, 6, HE-7 & HE-7w/HE20: Deductible credits: \$500 - 11%; \$1000 - 23%; \$2500 - 37%.
- Form 6: 14.5% off St. Paul Guardian HO-4 rates.
- Form 3: Deviation on policy amount Relativities by territory; Variable credits.
- Form 4: Deviation on base rates by territory; Variable credits.
- Forms 4 & 6: Deviation on policy amount Relativities by territory; Variable credits.
- Form 3: Replacement or repair cost Coverage A (HO-500) provided at no charge.
- Protective Devices Credit & Home Safety Coverage Credits.
- Business Pursuits Section II coverage: All classifications will be rated same as rate shown for clerical employees.
- Water Craft: Same charge applies for lengths over 15 - 26 feet & over 151 horsepower as to lengths up to 15 feet & below 151 horsepower.
- Home Day Care: Rated at Bureau rates for Permitted Incidental Occupancies (HO-42).
- Forms 3, 3w/15, 4 & 6: Personal property replacement cost (HO-290) coverage is provided at no additional charge.
- Homeowners PAK II Credit: Forms 3, 4, 6 & HE-7; 10% when insured qualifies for PAK II Program for territories 32 - 43.
- Base premiums for HE-7 policies: No additional charge.
- Base premium for HE-7w/HE-20 policies: +2.0% above St. Paul Guardian HO-3 rates.
- Base premium for HE-7w/HE-21 policies: +4.0% above St. Paul Guardian HO-3 rates.
- Renewal Credit: Premium credit when insured or spouse has maintained consecutive yrs. of both auto & homeowners coverage with the St. Paul, 3-5 yrs. Credit varies 3%-5%.
- Forms 3 & 3w/15: Personal property increase limits; \$1 per \$1000 of insurance.
- Installment Payment Plan: \$2 charge each installment unless Electronic Funds Transfer billing option is selected, then no charge.
- Employee Discount: 20% new business: 15% renewals. Eff. 3-1-00

St. Paul Mercury Insurance Company

- Operation Identification Credit: 5%.
- New Home Discount: 0-1 yr. - 15%; 2-3 yrs. - 13%; 4-5 yrs. - 11%; 6-7yrs. -9%; 8-9 yrs. -7%; 10-11 yrs. -5%; 12-15 yrs. -3%.
- Personal Injury Protection (HO-82) provided at no additional charge.
- Personal Property Replacement Cost (HO-290) coverage is provided at no additional charge.
- Forms 3, 3 w/15, 4 & 6: Deductible credits; \$500 - 11%; \$1000 - 23%; \$2500 - 37%.
- HO-6: 15% on Companies HO-4 rates.
- HO-3: Deviation on base rates by territory; Credit varies 15.5% - 37.2%.
- Form 4: Deviation on base rates by territory; Credit varies 16.0% - 29.6%.
- Forms 4 & 6: Deviation on policy amount Relativities by territory; Credit varies 0.1% - 3.1%.
- Form 3: Replacement or repair cost Coverage A (HO-500) provided at no charge.
- Protective Devices Credit & Home Safety Coverage Credits.
- Business Pursuits Section II Coverage: All classifications will be rated same as rate shown for clerical employees.
- Water Craft: Same charge apply for lengths over 15-26 ft. & over 151 horsepower as to lengths up to 15 ft. & below 151 horsepower.
- Home Day Care: Rated at Bureau rates for Permitted Incidental Occupancies (HO-42).

- Installment Payment Plan: \$2 charges each installment. Eff. 3-1-95

Sea Insurance Company of America

- Form 3w/15: 25% credit. Eff. 5-11-92

Seaton Insurance Company

- Form 3: Credits vary by protection class, & Coverage A dwelling amounts; Coverage A amount under \$40000 - \$1000000 & over. Credit varies 0% - 19% based on territory.
- Form 3: Personal Property Replacement Cost; Delete 5% surcharge.
- Form 6: 19% to be applied to base rate of 10% off Form HO-4.
- Form 3: Fixed Dollar Amount Deductibles Credits; \$500-9%; \$1000-17%; \$2500-25%.
- Forms 4 & 6: \$500-10%; \$1000-23%; \$2500-37%.
- Form 3: New Home Credit; Current yr. - 20%; 2% less credit each added year.
- Personal Property Coverage C increased limits: Form 3; \$1; Form 3w/15 - \$2.
- Protection Device Credit: 5% in all territories & protection classes for an installed smoke detector, fire extinguisher & dead bolt locks.
- Reduced rates for Outboard Motors & Water Craft liability.
- Forms 3, 4 & 6: Personal Injury Coverage; HO-82 included at no charge.
- Form 3: Deviation of territorial relativities varies 0.0% - 15.8%.
- Form 4: 5% credit off base rates.
- Forms 4 & 6: Personal Property Replacement Cost Coverage; Surcharge reduced from 1.40 to 1.30. Eff. 6-13-94

Select Insurance Company

- Forms 1, 2, 3 & 3 w/15: 15%. Eff. 2-8-86

Selective Insurance Company of South Carolina

- Forms 4 & 6: 25%.
- Forms 1, 2, 3 & 3w/15: Replacement Cost on Personal Property; Delete 5% surcharge.
- Forms 4 & 6: Replacement Cost Personal Property; Annual add'l prem. shall be \$1 per \$1000 of ins. applied to Coverage C.
- Protective Devices Credit: Factors vary .85 to .98.
- All Forms, except 4 & 6: Fixed dollar amount deductible factors; \$500 - .85; \$1000 - .80; \$2500 - .70.
- Amount of Insurance Deviation: \$60000 - \$140000: Credit varies 0%-25%.
- Age of Dwelling Credits: New 20%; 1 yr. old 18%; 2% less credit each added yr. through 9th yr. Eff. 5-1-92

Selective Insurance Company of the Southeast

- Credit for protective devices: Factors vary .85 to .98.
- Forms 1, 2, 3, & 3 w/15: Replacement cost on personal property; Delete 5% surcharge.
- Forms 4 & 6: Charge an annual additional premium of \$1 per \$1000 of insurance applied to Coverage C. Minimum limit of Coverage is \$12000.
- All Forms, except HO 4 & HO 6: Fixed dollar amount deductible factors; \$500 - .85; \$1000 - .80; \$2500 - .70.
- Amount of Insurance Deviation: \$20000 - \$75000; Credits vary 3.0% - 10.0%. Eff. 5-1-92

Sentry Insurance A Mutual Company

- All Forms, except 4 & 6: Fixed dollar amount deductible; Factors for Coverage A limits: \$500 ded. - .91; \$1000 ded. - .79; \$2500 ded. - .62. Eff. 11-1-96

Service Insurance Company

- Year of Construction Deviation by territory: Credit varies 3% - 30%.

- Deviation for Masonry Construction by protection class: Credit varies.
- Form 3: 10% Base Deviation by territory.
- Claim Free Credit: 5% applied to base premium: Not available in terr 5,6,42,43. Certain criteria apply.
- Mature Homeowner Credit: 5% credit by territory: Certain criteria apply.
- Gated Community Credit: 5% credit by territory: Certain criteria apply.
- Form 3: Increased Limit of Personal Property: \$1 per 1000.
- Windstorm or Hail Deductible Deviation: Credit varies.
- Key Premium Factors Deviation.
- 2% Protective Device Credit for automatic smoke detectors, fire extinguishers & deadbolt locks on all exterior doors.
- Maximum Allowable Credit – The maximum allowable credit for newly constructed dwellings, gated community, and claim free combined, is limited to 30%.
- Auto Companion Credit: 4% credit when criteria are met.
- Deductible Credit Discounts.
- Percent Windstorm or Hail Deductibles Deviation.
- HO-6 Base Class Premium; Credit varies based on territories.
- HO-6 Protection-Construction factor deviation.
- HO-6 Key Premium Factor Deviation. Eff. 6-1-03

Shelby Insurance Company

- All Forms: Deductible credits; \$250 ded. - no charge; \$500 ded. - 15%; \$1000 ded. - 25%; \$2500 ded. - 38%.
- Forms 2 & 3: Deductible credits; \$250 ded. - 10%; \$500 ded. - 15%; \$1000 ded. - 30%; \$2500 ded. - 35%.
- Forms 4 & 6: Deductible credits; \$250 - 10%; \$500 - 15%; \$1000 - 30%; \$2500 - 37%.
- Forms 2 & 3: \$250 theft deductible credit; 1%.
- Forms 4 & 6: \$250 theft deductible credit; 5%.
- Forms 1, 2, 3 & 3 w/15: Coverage C increase limits \$2 per \$1000.
- Protective Devices: Credit varies 2% - 15%.
- Personal Injury (HO-2482): Included at no charge.
- New Home Discount: 20% current calendar yr.; 18% one yr. preceding current calendar yr.; 2% less credit each added yr. until 10+ yrs. then no credit.
- Multi-Policy Discount: 10% applies to total HO policy premium when auto policy is written in the Anthem Casualty Insurance Group.
- Forms 2 & 3: Additional Amount of Insurance; 3% charge of basic premium.
- Base premium deviation by territory. Eff. 6-1-99

South Carolina Insurance Company

- All Forms: 10% credit off base premium.
- Forms 1, 2 & 3: New Home Credit; 16% current calendar yr. - 2% less credit for each yr. preceding current calendar yr.
- Flat Deductible Credits: All forms, except 4 & 6; \$500-9%; \$1000-17%; \$2500-25%.
- All Forms: Protective Device Credits: Special Fire & Theft Package - 5% credit.
- All Forms: Account credit: 10% applies to HO policy when personal auto coverage or flood coverage is written on primary residence with any of the Seibels Bruce Companies.
- All Forms, except Form 4: 5% Senior Citizens Credit when required criteria are met.
- All Forms: Credits vary based upon renewal criteria.
- Forms 4 & 6: 10% deviation.
- All Forms: Deviation by policy amount of insurance; \$10000 - \$86000 & above: Credit varies 0% - 26.4%.
- Guaranteed Replacement Cost: Endorsement HO-500; Building replacement or repair cost protection; \$1 charge.
- Forms 3 & 3w/15: 10% deviation.
- Form 3: Deviation by policy amount of insurance; \$10000 - \$111000 & above: Credit varies 0% - 27.0%.
- All Forms: Personal Property Replacement Cost including an increase in contents to 70% of Coverage A provided for no charge.
- Forms 3 & 3w/15: Increase in Coverage C; \$1 per \$1000.
- Guaranteed Replacement Cost HO-500: Coverage A provided for no charge.
- Forms 3 & 3w/15: Windstorm or Hail Exclusion; Beach territory only; \$75 premium credit.

- Personal Injury Coverage provided for no charge. Eff. 6-1-99

Southern Guaranty Insurance Company

- Form 3 & HE-7: Deviation by Territorial Relativities.
- Form 4: Deviation by Territorial Relativities.
- Form 6: Deviation by Territorial Relativities.
- Form 3 & HE-7: Amount of Insurance Deviation.
- Form 3 & HE-7: New Home Credit; 1 yr. - 18%; 2% less credit each added yr. to 9th yr.
- All Forms, except 4 & 6: Deductible Credits; \$500-.91; \$1000-.83; \$2500-.75. Forms 4 & 6: \$500-.90; \$1000-.77; \$2500-.63.
- Forms 4 & 6: Personal Property (Coverage C) Replacement Cost Coverage; Factor 1.30 from 1.40.
- Reduced charge for Personal Property Increased Limits: Form 3 - \$1; Form 3w/15 - \$2.
- Reduced rates for Outboard & Water Craft Liability.
- Forms 3, 4 & 6: Personal Injury Coverage at no charge.
- Form 3 & HE-7: Exceptional Homeowner: 10% credit when criteria are met.
- Protective Devices Credit: Credit varies.
- Multi-Policy Credit: 5% credit applies when insured has personal auto & homeowners with Southern Guaranty Insurance Company. Eff. 2-6-01

Southern Insurance Company of Virginia

- Territory Deviation; for form HO 00 03 Credit varies.
- Optional Deductible Credits: Change in credit for increasing the deductibles based on Coverage A and Coverage C limit.
- Protective Device Credits Combined – credit varies.
- Additional Amounts of Insurance – form HO 02 and HO 03 - HO 32 11 Factor of 1.02
- Personal Property Replacement Cost HO 03 use factor of 1.02.
- Personal Property Replacement Cost HO 04 and HO 06 use factor of 1.35.
- Age of dwelling credit – 20% for homes completed in current calendar year, decreasing 2% each preceding year.
- Outboard Motors and Watercraft reduced rates.
- HE-7 Program – 10% discount for HO 03 written with HE-7 w/20 or HE-7 w/21.
- Eff 12-1-03 PC 065261

Link Plus Only

- Property Limit Amount Relativity Deviation based on policy amount of insurance: Credit varies 2% - 3%.
- Gated Community Discount: 8% credit when criteria are met. Maximum credit \$125.
- New Home Discount: 1 yr. - 20%. 2% less each yr. to 10th yr. Eff. 7-7-97

Southern Pilot Insurance Company

- Deviation by Coverage A limit: Form 3 & HE-7: Variable credit.
- Forms 4 & 6: Replacement Cost Coverage: Surcharge 1.30.
- New Home Credit: Age of dwelling current yr. 20%, 2% less credit thru 9th yr.
- Form 3 & HE-7: Deviation by territorial relativities.
- Form 4: Deviation by territorial relativities.
- Form 6: Deviation by territorial relativities.
- All Forms, except 4 & 6: Variable factors based on Coverage A limit & deductible amounts.
- Forms 4 & 6; Variable factors based on Coverage C limit & deductible amounts.
- Form 3: Personal Property Increased Limits: \$1 charge: Form 3w/15 - \$2 charge
- Protective Device Credits: Credit factors vary .01-.13 with maximum credit of \$75.
- Reduced Rates for Outboard Motor & Water Craft Liability.
- Forms 3, 4 & 6: Personal Injury Coverage. No premium charge.
- Exceptional Homeowner Credit: Form 3 & HE-7: 10% credit when criteria are met.
- Multi Policy Credit: 5% homeowner base rate credit when insured has personal auto coverage with Company. Eff. 09-01-03

Standard Fire Insurance Company

- Base Rate Deviation: Credit varies depending on territory.
- Coverage A Relativities based on Coverage A amount & territory.
- HO-3w15: 10% additional premium charge.
- Protective Device Deviation: Credit varies 1% - 13%.
- Forms 2, 3 & 3w15: Personal Property - Increased Limit Coverage C: \$1 per \$1000.
- Forms 2, 3, & 3w15: 5% Account Credit.
- Refrigerated Personal Property: \$10 charge waived.
- Deductible Credits: Varies by amount of deductible.
- Forms 2, 3 & 3w15: Loss Free Credit: 3+ yrs. loss free 5 % credit.
- Forms 2 & 3: Inflation Guard: Premium charge waived.
- Forms 3: 5% Safety Seminar Credit: Certain criteria apply. Eff. 11-01-02

State Automobile Mutual Insurance Company

- Forms 4 & 6: Deductibles: \$500 - 17%; \$1000 - 33%; \$2500 - 46%.
- Forms 2, 3, 3w15, 4 & 6: 10% additional deviation if Company carries insured's homeowners & auto liability: Other criteria apply.
- Age of Dwelling Credit: New 20%; 1 yr. - 18%; 2 yrs. - 15%; 3 yrs. - 12%; 4 yrs. -9%; 5 yrs. - 7%; 1% less credit 6th - 8th yrs.
- All Forms: Alarm System Credits; All protection classes & territories; Variable credits.
- Forms 4 & 6: Replacement Cost on Contents; Reduce charge from 40% to 35%.
- HO 500 Replacement or Repair Cost on dwellings granted without charge when certain requirements are met.
- Forms 1, 2, & 3: Coverage C increase; \$1 per \$1000; Form 3 w/15 - \$2 per \$1000.
- Forms 1, 2, 3, 3w15 & 8: Policy Size Credits; Protection classes 1-8; \$51000 & above - 1%-30%; Protection classes 9 & 10 - \$60000 & above 1% - 15%.
- Forms 1, 2, 3, 3 w/15 & 8: Deductibles; \$500 - 15%; \$1000 - 25%; \$2500 - 31%.
- Defender Package: This package will be rated by applying a 20% credit to base rate for HO-500 coverage & a flat \$25 charge for HO-290 when certain requirements are met.
- Forms 1, 2 & 3: When HO 290 is attached; Coverage C limit is increased to 70% of Coverage A at no additional charge.
- Form 3w15: Optional at a +10% charge.
- Jewelry Rate - \$9.50 per \$1000. Eff. 9-1-92

State Auto Property & Casualty Insurance Company

- Deductibles; Forms 4 & 6: \$500 - 10%; \$1000 - 23%; \$2500 - 37%.
- Deductibles forms 2, 3 & 3w15 \$500 - 9%; \$1000 - 21%; \$2500 - 38%.
- Auto/Home deviation - 15% additional deviation if Company carries insured's homeowners as well as private passenger auto liability and meets other requirements.
- Replacement Cost Coverage HO 2 and HO 3 if provided Coverage C is increased to 70% of Coverage A at no additional charge. No charge for RC contents under Home Defender Program.
- Alarm System Credits – all forms: Credit varies 2% - 15%: All protection classes & territories.
- Age of Dwelling Deviation: New - 9 yrs.: Credit varies 0% - 20%.
- Forms 4 & 6: Replacement Cost on Contents: Charge 35%.
- Guaranteed Replacement Cost – forms HO 02 and HO 03 no charge if certain criteria are met.
- Forms 2 & 3: Coverage C Increase: \$1 per \$1000: Form 3w/15 \$2 per \$1000.
- Form 3w15: Optional at +10% charge.
- Protection Class 9 Rates: 5% Discount for homes within 5 miles of a responding Fire Department & within 1000 feet of fire hydrant.
- Prime of Life Discount: Homeowners All Forms, except 4 & 8: Age 50-54 - 10%; Age 55 & over -15%; Form 6 qualifies if Coverage C is at least \$30,000.
- Windstorm or Hail Deductible. All Forms, except 4 & 6 Variable Credits.
- Electronic Funds Transfer: \$1 service fee. Eff. 8-15-02

State Capital Insurance Company

- All Forms, except 4 & 6: Fixed dollar amount deductibles; \$500 - factor .79; \$1000 - factor .79; \$2500 - factor .62.
- Forms 4 & 6: \$500-ded. - factor .85; \$1000-ded. - factor .77; \$2500-ded. - factor .63.
- Forms 1, 2, 3, HE-7 & HE-7 w/HE-20: Personal Property Increase Limits; \$.50 per \$1000; 3 w/15 \$2 per \$1000.
- Forms 2, 3, 3w/15, & 6;: Company deviation based on territory & Coverage A amount; Credit varies.
- Forms 2, 3, 3w/15, HE-7 & HE-7 w/HE-20: New Home Discount 0-2 yrs. - 27%; 3-4 yrs. - 24%; 5-6 yrs. -19%; 7-8 yrs. - 14%; 9-10 yrs. - 10%; 11-12 yrs. - 7%; 13-14 yrs. - 5%; 15-20 yrs. - 2%.
- All Forms: Protective Devices Credits; Maximum credit removed. All protection class & all territory. Credit varies 2% - 15%.
- Outboard Motors & Water Craft: Liability rates amended by boat length.
- Protection/Construction Relativity Deviation: Applies to all forms, except 4 & 6; 5% deviation applies to protection classes 1 - 3 for both frame & masonry construction.
- All Forms, except 4 & 6: Windstorm or Hail Deductible Deviation. Credit varies based on amount of insurance.
- Forms 1, 2, 3, HE 7 & HE 7w/20: Personal Property increase limit: \$.50 per \$1000.
- Form 3w/15: Personal Property Increase Limit. \$2 per \$1000.
- Form 6: Dwelling Basic and Increased Limits and Special Coverage. Limit \$5000 - no charge.
- Personal Property Replacement Cost Coverage: All Forms, except 4 & 6 - factor 1.05; Forms 4 & 6 - factor 1.35. Minimum premium deleted.
- Ordinance or Law Coverage deviation by factors.
- Three or Four Family Residence: Coverage B & C deviation.
- Installment Payment Plan: Initial installment charge waived.
- 5% Account Credit when named insured has an auto policy with the Highlands Insurance Group Companies. Eff. 6-1-99

State Farm Fire & Casualty

- Deviation by Amount of Insurance and Territory: Variable credits.
- Townhouse/Rowhouse – The charges for Townhouses/Rowhouses in buildings with more than 2 units per fire division do not apply.
- Deductible Credits/Charges – Credit varies per territory.
- Number of Families Deviation: One family premiums for all Section I & II coverages shall apply regardless of number of families.
- Form 4 Deviation by Amount of Insurance and territory – credit varies.
- Form 6 Deviation by Amount of Insurance and territory – credit varies.
- Form 4 and 6 Deductible Credits/Charges Credit varies.
- Premium Credits for Alarm Systems: Various combinations ranging from 2% to 15%.
- Jewelry & Furs unscheduled: 30% credit applies to \$15 rate per \$1000 for additional coverage.
- Replacement Cost on Contents; Forms 4 and 6 Coverage C extended to include the full cost of repair or replacement without deduction for depreciation. The premium is determined by applying a 30% charge to the basic \$250 deductible premium.
- Ordinance or Law Coverage: Following charge applies only to basic premium for Coverage A amount. Percentage of Coverage A Limit 25%-3% premium charge, minimum additional premium \$5; 50%-8% premium charge, minimum additional premium \$10.
- Rental Condominiums: Apply following charge; \$250 - 25%; \$500 - 21%; \$1000 - 18%; \$2500 - 16%.
- Coverage A Increased limits & Special Coverage Form 6; Basic coverage rate per \$1000 increase \$3.70; Special coverage additional premium waived.
- Homeowners 36 Discount: Consecutive yrs. insured with State Farm; 0-2 yrs. 0%; 3-5yrs 0%, 6 or more yrs. - 3%; territories 5, 6, 12, 42 & 43 excluded.
- Installment Payment Plan: \$2 charge. if monthly installment made by electronic funds transfer and a monthly bill notice is requested or \$1 per month if no printed notice is requested..
- Refrigerated Personal Property: Coverage provided at no additional charges.
- Sinkhole Collapse Form 3; \$.35 rate per \$1000 of Coverage A.
- Home-Auto Discount for all territories, except 5 & 6. Policyholders that have a Form 3,4 or 6 policy and a voluntary State Farm auto policy will receive a 2% credit that applies to the Homeowners Program premium.
- Automatic Sprinkler Credit - 15% and 8%.
- Hurricane Percentage Deductibles: Applies to the \$250 Deductible basic premium. Eff. 6-1-03

State National Specialty

- Forms 2 & 3: Base deviations vary by amounts of insurance - \$55,000 - \$120,000 & over; Territory 34 Cumberland County -0% -22.1%; Territories 32, 33, 35 & 41 - 0% to -35.1% deviations vary by amount of insurance. \$50,000 - \$120,000 & over; all other territories 0% - 35.1%. Deviation vary by amounts of insurance \$50,000 - \$120,000 & over.
- Forms 4 & 6: 10% credit applies to optional coverages that are applicable exclusively to Forms 4 & 6.
- All Forms, except 4 & 6: 20% credit applies to optional coverages.
- Forms 2, 3 & Homeowners Plus: Fixed dollar amount deductible credits; \$500-10%; \$1000 - 17%.
- Forms 4 & 6: Fixed dollar amount deductible; \$500 - 10%; \$1000 - 23%.
- Homeowners Plus Package: Form 3 Credit for amount of insurance \$50,000-\$69,000 - 10%; \$70,000 - 110,000 - 11%; \$120,000 - \$170,000 - 12%; \$180,000 - \$200,000 - 13%, each additional \$10,000 - 0% when special requirement are met.
- Forms 4 & 6: 10%.
- Forms 2, 3 & Homeowners Plus: New home credit - 25% current yr.; 2.5% less credit each added yr.
- Premium credit for alarm systems HO 216: 2-15%.
- All Forms: Manned Security Discount: 10% additional when property is residential area with limited entry & exit points manned by employed uniformed security guards.
- All Forms: 55 & Retired Discount: 10% if one insured is 55 or older & both insured & spouse, if any, are neither gainfully employed or seeking gainful employment. Residence must be principal residence of applicant.
- Earthquake Coverage: Superior construction will be rated same as frame construction.
- Form HO-6: Coverage A increased limits; \$3 for each additional \$1000.
- Form HO-6: Units regularly rented to others HO-33; Charge 25% of base premium. Eff. 5-1-92

Stonington Insurance Company

- Mature Retirees Credit: 10% when required criteria are met.
- All Forms: 10% base rate deviation for protection class 1-9 & 9s for territories 32-40.
- New Roof Credit: 5% off base premium when eligibility met; Not applicable with new home credit.
- Form 3: 10% credit Preferred Homeowners Program when criteria are met.
- Loss Free Renewal Credit: Applied to renewal date of policy that has been free of losses: 1 yr. - 3%; 2 yrs. - 6%; 3+ more yrs. - 9%.
- Multi-Policy Credit: 10% applies to new business only when applicant has auto with agency representing Nobel & their homeowners coverage is placed with Nobel. 5% credit applies second yr. Eff. 6-1-99

TIG Premier Insurance Company

- All Forms: Age of Dwelling Credit; 0-3 yrs. old - 21%; 4-6 - 14%; 7-9 - 7%.
- Forms 1, 2 & 3: 38.0%.
- Form 6: 17.5%. Eff. 5-1-92

Teachers Insurance Company

- Form ML-3 & Masters Program: Amount of insurance deviation based on Coverage A amount & territory: Variable credits.
- Protection Device Credits: Classes 1-9: Credits vary 1% - 15%.
- Form ML-3: 8% credit if insured 100% to value & inflation guard endorsement is attached.
- Form 3 & Masters Program: New Home Credit: 0 - 10 yrs. of age: Credit varies 2% - 20%.
- Increase in Coverage C \$1 per \$1000.
- Masters Program: Protection Class Credits: Credits vary 0% - 5%.
- Form ML-4 & 6: 8% Base Rate Territorial Deviation.
- Form 3 & Masters Program: Deductible Credits: Credit varies.
- Form 3 & Master Program: Auto/Home Client Discount: Variable credit when criteria are met.
- Form ML-3 & Masters Program: Waive \$3 installment fee on installment pay plan for initial payment.
- Form ML 4 & 6: Deductible Credits.
- Forms 4 & 6: Replacement Value Deviation: 15% charge apply for policies with \$500 or greater deductible. \$10 minimum charge will apply to policies with \$500 or greater deductible.
- Master Program: Additional coverages included at no additional premium charge.
- 2% credit if insured has a Federal Flood Insurance policy placed with Co. or the flood insurance replacement

program.

- Downward deviation on earthquake.
- Downward deviation for silverware, goldware & pewterware.
- Downward deviation for refrigerated food spoilage. \$5 per policy.
- Downward deviation for tenant's improvement.
- Form 6: Coverage A Increased Limits Deviation: \$3 per \$1000 of insurance.
- Downward deviation for additional residence premises rented to others.
- Downward deviation for private structures rented to others.
- Forms 4 & 6: Coverage Amount Relativities Deviation.
- Masters Program: Deviation by Credit Rating Tier. Eff. 8-15-02

Travelers Casualty & Surety Company

- Base Rate Deviation for Dwellings: Credit varies based on territory.
- Form 3w15: 10% additional premium charge.
- Coverage A Relativities based on Coverage A amount & territory.
- Protective Device Deviation: Credits vary 1% - 13%.
- Deductible Credits: Varies by amount of deductible.
- Forms 2, 3, & 3w15: Personal Property - Increased Limit Coverage C: \$1 per \$1000.
- Refrigerated Personal Property: \$10 Charge waived.
- Forms 2, 3, & 3 w15: 5% Account Credit.
- Forms 3 & 6: Association Credit Program: 10% credit applies when certain criteria are met.
- Form 2, 3, 3w15, 4 & 6: Loss Free Credit: 3+ yrs. loss free 3% credit.
- Forms 2, 3, 3w15, 4 & 6: Final Premium Adjustment factor of .92.
- Form 2 & 3: Inflation Guard: Premium charge waived.
- Forms 3 & 6: 5% Safety Seminar Credit: Certain criteria apply. Eff. 11-01-02

Travelers Indemnity Company

- Protective Device Deviation: Credit varies 1% - 13%.
- Deductible Credits: Varies by amount of deductible.
- Forms 2, 3, 3w15: Personal Property - Increased Limit Coverage C: \$1 per \$1000.
- Refrigerated Personal Property: \$10 charge waived.
- Forms 2, 3, & 3w15: 5% Account Credit.
- Forms 2, 3, 3w15, 4 & 6: Final Premium Adjustment Factor of .92.
- Forms 2 & 3: Inflation Guard Premium waived.
- Forms 3 & 6: 5% Safety Seminar Credit: Certain criteria apply. Eff. 11-01-00

Travelers Indemnity Company of America

- Base Rate Deviation for Dwellings: Credit varies depending on territory.
- Form 3w15: 10% Additional premium charge.
- Coverage A Relativities based on Coverage A amount & territory.
- Deductible Credits: Varies by amount of deductible.
- Protection Device Deviation: Credit varies 1%-13%.
- Forms 2, 3 & 3w15: Personal Property - Increased Limit Coverage C: \$1 per \$1000.
- Forms 2, 3, 3w15, 4 & 6: 5% Account Credit.
- Forms 2, 3, 3w15, 4 & 6: Loss Free Credit: 3+ yrs. loss free 3% credit.
- Refrigerated Personal Property: \$10 charge waived.
- Forms 2, 3, 3w15, 4 & 6: 5% Multi-Line Insurance & Financial Services Institution Employees Credit.
- Forms 2, 3, 3w15, 4 & 6: Final Premium Adjustment factor - .90.
- Forms 2 & 3: Inflation Guard: Premium charge waived.
- Forms 3 & 6: 5% Safety Seminar Credit: Certain criteria apply.
- Forms 2, 3, 3w15, 4, 6 Royal SunAlliance Employee Program Credit. Eff. 10-26-03
- PC066831

Travelers Indemnity Company of Connecticut

- Forms 3 & 3w/15: Base rate deviation based on protection class, amount of insurance & territory; Variable credit factors.
- Form 3: 12% optional coverage credit.
- Forms 3 & 3w/15: Deductible credits; \$500-16%; \$1000-26%; \$2500-32%.
- Protective Device Credits: Variable credits.
- Increased Limits Coverage C: Reduce charge to \$2 per \$1000.
- New Home Credit: New - 20%; 1 yr. old - 19%; 2 yrs. 18%; 3 yrs. - 16%; 4 yrs. - 15% - 14%; 6 yrs. - 12%; 7 yrs. - 11%; 8 yrs. - 10%; 9 yrs. - 8%; 10 yrs. - 7%; 11 yrs. - 6%; 12 yrs. - 4%; 13 yrs. - 3%; 14 yrs. - 2%; 15 yrs. - 1%.
- Replacement or Repair Cost Protection: Reduce charge to \$1 per policy.
- Account Discount: 10% when insured has both auto & homeowners policy.
- Forms 3 & 3w/15: Loss Free Credit; 3+ yrs. loss free - 3% credit.
- Rate Credit for Multi-Line Insurance & Financial Services Institution Employees Credit: 20% credit. Eff. 11-1-96

Travelers Indemnity Company of Illinois

- Base Rate Deviation: Credit varies based on territory.
- New Home Credit: 0 - 15 yrs. old: Credit varies 2% - 20%.
- Protective Device Deviation: Credit varies 1% - 15%.
- Forms 2, 3 & 3w/15, 4 & 6: 10% Account Credit.
- Forms 2, 3 & 3w/15: Personal Property - Increased Limit Coverage C: \$1 per \$1000.
- Form 3w/15: 10% Additional premium charge.
- Forms 2, 3, 3w/15, 4 & 6: Loss Free Credit: 5+ yrs. loss free - 5% credit.
- Deductible Credits: Varies by amount of deductible & territory.
- Form 3: Homeowners Extra Credit: 15% when criteria are met.
- Refrigerated Personal Property. \$10 charge waived.
- Forms 3 & 6: Association Credit Program: 10% credit applies when certain criteria are met.
- Forms 2 & 3: Inflation Guard premium charge waived. Eff. 5-21-00

Travelers Personal Security Insurance Company

- Base rate deviation based on territory. Credit varies.
- Form 3w/15: 10% Additional premium charge.
- Coverage A Relativities based on Coverage A amount & territory.
- Protective Device Deviation: Credit varies 1% - 13%.
- Deductible Credits: Varies by amount of deductible.
- Forms 2, 3, 3w/15: Personal Property - Increased Limit Coverage C: \$1 per \$1000.
- Refrigerated Personal Property: \$10 charge waived.
- Forms 2, 3, & 3w/15: 5% Account Credit.
- Forms 2, 3, & 3w/15: Loss Free Credit: 3+ yrs. loss free 5% credit.
- Forms 2, 3, 3w/15: Final Premium Adjustment factor of .90.
- Forms 2, 3 & 3w/15: Multi-Line Insurance and Financial Services Institution Employees Credit - 5%.
- Forms 2 & 3: Inflation Guard premium charge waived.
- Forms 3 & 6: 5% Safety Seminar Credit: Certain criteria apply.
- Forms 2,3,3w/15 Royal SunAlliance Employee Program Credit. Eff. 10-26-03

Twin City Fire Insurance Company

- Age of Dwelling Credit: 1 yr. of age 20% with a 3% less credit each added yr.
- Forms 4 & 6: 10% Limited Access Credit if complex meets the protection requirements.
- All Forms: Protective Devices Premium Credits: Factors vary from .85-.98 for qualifying dwellings: Credits may be added together to maximum credit factor of .80.
- Personal Property Increase Limit Deviation: Forms 2 & 3 - \$1 per \$1000 of insurance: Form 3w/15 - \$3 per \$1000.
- Deviations by Amount of Insurance: Relativity Curves.
- Account Credit Deviation: Factors of .90 or .95 apply if insured meets eligibility requirements.
- Mature Retirees Credit: Factor of .95 is applied when required criteria is met.
- All Forms: Higher Deductible Deviation: Credits vary by amount of insurance and amount of deductible.

- Form 3: Retirement Community/Limited Access Community Package - 15% credit when criteria are met.
- Forms 4 & 6: Factor of 1.00 applies.
- Forms 2 & 3: Additional Amount of Insurance Coverage A only; 25% - \$1; 50% - \$2. Additional Limit of Liability for Coverage A, B, C, & D - \$3 premium charge. Eff. 6-1-01

USAA Casualty Insurance Company

- Form 3: New Home Discount: New - 9 yrs. of age: Credit varies 0% - 20%.
- Forms 3 & 6: Deviation by Territory & County.
- Additional Coverage: Unscheduled Jewelry & Furs: Limit \$2000 - \$16; limit \$4000 - \$32. Use Endorsement HO-267.
- Personal Property Deviation: Coverage C limit increased at .50 per \$1000: Coverage C decreased to not less than 40% of Coverage A at .50 per \$1000 credit.
- Extended Billing Plan: Regular Plan - no installment charge: Extended Plan - \$3 installment charge.
- Sinkhole Collapse Coverage: Charge .35 per \$1000 to the Coverage A amount of insurance.
- Forms 3 & 6: Revised territory definition. Eff. 2-1-04 PC065531

Underwriters Insurance Company

- Age of Dwelling Discount: Form 3: 0 - 10 yrs. of age: Credit varies 0% - 20%.
- Account Credit Program: 15% discount when insured has coverage for both auto & homeowners policies through UIC.
- Preferred Homeowners Credit: 0% - 23% Credit by territory, protection class, construction type: Other criteria apply.
- Revitalized Home Credit for dwellings 25 yrs. or older if certain criteria is met.
- Deductible Credits: Forms 3, 4, & 6.
- Base Premium Discount for Form 6: A factor of .80 applies.
- Protective Device Credits: All Forms: Credit varies 1% - 15%.
- Replacement Cost on Contents: Forms 3, 4, & 6: Minimum premium does not apply.
- Additional Limits of Liability for Coverages A, B, C, & D: Form 3: 6% credit when certain options are selected.
- Personal Property Replacement Cost: Form 3: 5% of base premium with minimum premium waived when certain options are selected.
- Personal Injury: Form 3: Charge waived if certain coverages and options are selected.
- Water Back-Up of Sewers or Drains: Form 3: Charge waived if certain coverages and options are selected.
- Credit Card, Fund Transfer Card, Forgery & Counterfeit: Form 3: Charge waived if certain coverages and options are selected.
- Special Computer Coverages: Form 3: Charge waived if certain coverages and options are selected.
- Coverage C Increased Special Limits of Liability: Form 3: Charge waived if certain coverages and options are selected.
- Fire Department Service Charge: Form 3: Increased to \$1000 in lieu of \$500 if certain coverages and options are selected.
- Form 3: Coverage D Increased to 30% of Coverage A will be deleted if certain coverages & increased limits options are selected.
- Form 3: Coverage A Relativities Deviation.
- Form 3: Ordinance or Law will be 4% of base premium if certain coverages & increased limits options are selected.
- Form 3: The charge for Refrigerated Property Coverage will be deleted if certain coverages & increased limits options are selected. Eff.10-1-99

Unigard Indemnity Company & Unigard Insurance Company

- Form 3: Credits vary by protection class & Coverage A dwelling amounts; \$40000 & under to \$1000000 & over. Credit varies based on territory.
- Form 3: Personal Property Replacement Cost; Delete 5% surcharge.
- Form 6: 16% to be applied to base rate of 10% off Form 4.
- Form 3: Fixed dollar amount deductibles credits; \$500-9%; \$1000-17%; \$2500-25%.
- Forms 4 & 6: \$500-10%; \$1000-23%; \$2500-37%.
- Form 3: New Home Credit; Current yr. - 20%; 2% less credit each added yr.
- Personal Property Coverage C Increased Limits: Form 3 - \$1; Form 3w/15 - \$2.

- Protection Device Credit: 5% in all territories & protection classes for an installed smoke detector, fire extinguisher & dead bolt locks.
- Reduced rates for Outboard Motors & Water Craft liability.
- Forms 3, 4 & 6: Personal Injury Coverage; HO-82 included at no charge.
- Form 3: Deviation of territorial Relativities: Credit varies 5.0% - 20.0%.
- Form 4: Credit off base rates by territory; Credit varies 3.5% - 10.0%.
- Forms 4 & 6: Personal Property Replacement Cost Coverage; Surcharge reduced from 1.40 to 1.30.
- Forms 4 & 6: Deviation varies by protection class & territory. Eff. 10-3-94

Union Insurance Company

- Protective Device Credit: Credit varies 2% - 15%.
- All Forms: Account Credit: 10% when auto coverage is written with Union Ins. Co.
- Form 3: New Home/Dwelling Under Construction Discount: Discount based on yr. completed & occupied. Credit varies.
- 3% - 20%.
- Mature Homeowner Credit: 5% if insured is 55 yrs. & an adult is usually home during the day.
- All Forms, except 4 & 6: Replacement cost on contents. \$10 charge plus \$2 per \$1000 when increasing Coverage C from 50% to 70% of Coverage A.
- Increased Deductible Credits: Forms 3, HE-7, 4 & 6; \$500-19%; \$1000-21%.
- Form 3: Coverage A Factor Deviation by amount & territory. Eff. 7-1-01

Unisun Insurance Company

- Forms 1, 2 & 3: New Home Credit; 0 yrs. 21%; 1 yr. 18%; 2 yrs.-15%; 3-10 yrs. 14% 11-12 yrs. -12%; 13 yrs. -10%; 14 yrs. -8%; 15 yrs. -6%; 16-17 yrs. -4%; 18-20 yrs. -2%.
- Forms 1, 2 & 3: Personal Property Replacement Cost Coverage is included at no charge. Attach endorsement HO-290.
- Deviation by policy amount \$10000-\$300000: Credit 5%-30%. Each additional \$10000 - 5%.
- Forms 1, 2, 3 & 3w/15: Flat deductible credits; \$500-10%; \$1000-21%; \$2500-33%. Eff. 2-1-96

United Services Automobile Association

- Form 3: New Home Discount: New - 9 yrs. of age: Credit varies 0% - 20%.
- Forms 3 & 6: Deviation by Territory & County.
- Additional Coverage: Unscheduled Jewelry & Furs: Limit \$2000 - \$16; limit \$4000 - \$32. Use Endorsement HO-267.
- Personal Property Deviation: Coverage C limit increased at .50 per \$1000: Coverage C decreased to not less than 40% of Coverage A at .50 per \$1000 credit.
- Extended Billing Plan: Regular Plan - no installment charge: Extended Plan - \$3 installment charge.
- Sinkhole Collapse Coverage: Charge .35 per \$1000 to the Coverage A amount of insurance..
- Forms 3 & 6: Revised territory definition.
- Eff. 2-1-04 PC065284

United States Fidelity & Guaranty Company

- Waive any additional premium of \$5 or less.
- Forms 4 & 6: Personal Property Replacement Cost Coverage; 1.35 factor.
- Increase in Coverage C limits: Forms 1, 2 & 3 - \$1.50 per \$1000; Form 3w15 - \$2.50 per \$1000.
- Form 6: Form Relativity Factor .800 in lieu of .855.
- Employee Group Discount: 15%.
- Forms 2 & 3: Additional Amount of Insurance. Premium charge \$5. HO 03211.
- Special Package Discount. 5% when criteria is met.
- Forms 2, 3, 3w/15 & 8: Deductible Credits.
- Multi-Policy Discount: 10% credit when both Residential & P P Auto policies purchased through USF&G Insurance.
- New Home Discount: 1 yr.-20%; 2% less credit to 9th yr.

- Deviation of HO-3 base rates by territory & policy amount: Credits vary. Eff. 4-15-00

United States Fire Insurance Company

- Forms 1, 2, 3 & 3 w/15: New Home Credit; 0-1 yr. old - 20%; 2% less credit each added yr.
- Forms 1, 2, 3 & 3 w/15: Higher deductible credit factors; \$500-.89; \$1000-.80; \$2500-.67.
- Forms 4 & 6: Higher deductible credit factors; \$500 - .83; \$1000 - .67; \$2500 - .54
- Premises Alarm System: Expand table of credits for protection class 1-7 to include class 8.
- All Forms: Replacement Cost on Contents: Deletion of \$20 minimum additional premium. Eff. 3-1-90

Unitrin Auto and Home Insurance Company

- HO 3 Base Rate Deviation - various credits apply according to Territory and Level.
- HO 4 Base Rate Deviation - various credits apply according to Territory and Level.
- HO 6 Base Rate Deviation - various credits apply according to Territory and Level.
- Mature Homeowners credit - 5% credit to Base Premium if the named insured is 55 years or age and an adult is usually home during the day.
- Protection Devices - Residence Safety Package .97
- New Home Discount - credit applies according to pricing level and territory, credit varies.
- Credit Card, Fund Transfer Card, Forgery and Counterfeit Money - additional premium if higher limits than \$500 are selected.
- Outboard Motors and Watercraft - coverage up to and including 50 HP is included at no additional charge with a Package Plus policy.
- Personal Injury is included at no additional charge with a Package Plus policy.
- Blanket Property Limit Rule - Package Plus Only - One or two family residences HO 00 03 - Replacement Cost Contents Coverage is included without additional charge.
- Special Personal Property Coverage - HO 00 06 - Policy may be endorsed to insure Coverage C against additional risks of phys loss subject to certain exclusions - factor of 1.30.
- Refrigerated Property - no additional charge with a Package Plus policy.
- Ordinance or Law Coverage - HO 00 03 - Package Plus only - certain criteria.
- HE-7 with HE-40 - entire state 1.25.
- HE-7 with HE-40 and HE-20 - entire state 1.30.
- HE-7 with HE-40 and HE-21 entire state 1.40.
- Network Discount - provides HO insurance to individual members of a Network Group - certain criteria apply, 5% discount.
- Deferred Premium Payment Plans - various installment options - \$3 billing charge applies per billing.
- Masonry/Protection Discount - Protection Class 9, 9e, 9s 1.17 Eff 8-25-03.

USAA CASUALTY INSURANCE COMPANY

- New Home Discount.
- Additional Coverage - Jewelry and Furs.
- Personal Property - Coverage C Limit.
- Deviation by Territory/County - Form 6.
- Deviation by Territory/County - Form 3.
- Sinkhole Collapse Coverage.
- Installment Payment waived with electronic billing. Eff 12-31-03
- PC065531

Utica Mutual Insurance Company

- Replacement Cost Contents: Increase Coverage C to 70% of Coverage A for no additional charge. 5% surcharge is to be added to total base premium.
- Mass Merchandising Plan: 15% deviation for members of Utica National Insurance Group.

- HO Extension Package: Certain criteria apply.
- 5% credit applies to homeowners, personal inland marine, dwelling fire, personal umbrella & personal auto premiums provided the named insured is employed through an employer in the Company Workplace Insurance Service for Employees (W.I.S.E.) program or is a member of a company approved affinity group. Eff. 06-01-02

Vesta Insurance Corporation

- Inflation Guard Coverage: Premier, Deluxe, Renters & Condos; No charge.
- Loss Assessment Coverage for Earthquake: Premier, Renters & Condos; 5% deductible applies to insured's share of each assessment. Deductible amount not less than \$250 in any one assessment. \$1 per \$1000.
- Credit card, fund transfer card, forgery & counterfeit money coverage Premier, Deluxe & Renters; Reduced charge.
- Premium Credits for Protective Device: Premier, Deluxe, Renters & Condos: Credit varies 2%-15%.
- Increased Special Limits of Liability Premier, Deluxe, Renters & Condos: Reduced charge for certain class of property.
- Deductible Credits: Credits vary from 15% - 40%.
- Senior Citizen Discount Premier, Deluxe, Renters & Condos: 5% if at least one of the named insured is 55 yrs. or older & is not employed outside the home.
- Supporting Business Discount Premier, Deluxe, Renters & Condos: 2%.
- Base Rate Deviation by Territory; Premier & Deluxe; Variable credits.
- Coverage Amount Reactivities Deviations: Premier & Deluxe; Credits vary based on Coverage A amount.
- Loss Free Credit: Premier, Deluxe, Renters & Condos; 3 yrs. - 5%.
- Personal Property: Coverage C limit may be increased at a rate of \$2 per \$1000.
- Age of Home Credit: Premier & Deluxe; Credits vary 0%-20%. Eff. 6-1-99

Vigilant Insurance Company

- Forms 4 & 6: 16% credit applies to base premium.
- Forms 2, 3, 3w/15 & HE-7: Various credits for Amounts of Insurance over \$950,000 for Coverage A.
- Elimination for maximum credit for protective devices.
- Forms 2 & 3: Personal Property Increased Limit - \$1 per \$1000: Form 3w/15 - \$1.50 per \$1000.
- All Forms: Gated Community credit when criteria is met.
- All Forms, except 4 & 6: 5% Valuable Articles Credit. Eff. 8-15-02

Virginia Mutual Insurance Company

- Premium Credit Factors - Premium Factors are applicable to the base annual premium for the following: Policy Forms 2,3,3 with ML-441 and 8 with coverage a limits of \$125,000 to \$300,000. Credit varies by Territory and Protection Class.
- Premium Credit Factors – Premium Factors are applicable to the base annual premium for the following: Policy Forms 4 and 6, coverage C limits. Credit varies by territory. Eff. 2-1-03

West American Insurance Company

- Forms 2, 3 & 8: Fixed dollar amount deductible factors; \$500 - .90; \$1000 - .83; \$2500 - .75.
- Forms 4 & 6: Fixed dollar amount deductible; \$500 - .90; \$1000 - .77; \$2500 - .63.
- Water Craft Liability Rates: 60% below NCRB for powerboats; 50% below NCRB for sailboats.
- 5% FamPak Credit to all Private Passenger Auto insureds that also have Homeowners policy with the Ohio Casualty Group.
- Employee Discount: 15% to qualifying employees insured in the West American Insurance 15% to qualifying employees insured with the FamPak program in the West American Insurance Company.
- Percentage Wind or Hail Deductible Deviation: Credits Vary. Eff. 08-15-02

Westchester Fire Insurance Company

- Forms 1, 2, 3 & 3 w/15: Age of dwelling credit 0-1 yr. 20%; 2% less credit each added yr.
- Forms 1, 2, 3 & 3 w/15: Higher deductible credit factors; \$500 - .89; \$1000 - .80; \$2500 - .67.
- Forms 4 & 6: Higher deductible credit factors; \$500 - .83; \$1000 - .67; \$2500 - .54.

- Premises Alarm System: Expand table of credits for protection class 1-7 to include class 8.
- All Forms: Replacement Cost on Contents: Deletion of \$20 minimum additional premium. Eff. 3-1-90

Windsor Mount Joy Mutual Insurance Company

- Amount of Insurance Deviation: Forms 1, 2 & 3; Coverage A amount 0-\$77000; Credit varies 5.1% - 18.4% for homes less than 5 yrs. of age. Eff. 10-1-93

Winterthur International America Insurance Company

- All Forms: Personal Property Replacement Cost Coverage; Minimum additional premium for coverage is deleted.
- All Forms: Protective Devices: Maximum credit allowed is deleted.
- Forms 1, 2 & 3: Replacement Cost on Contents: Charge \$1 per \$1000 for additional increase of Coverage C to 70% of Coverage A. Additional premium for this coverage will not apply.
- Deductibles: Deletion of minimum charges.
- Forms 1, 2, 3 & 8: Fixed dollar amount deductible factors; \$500 - .91; \$1000 - .83; \$2500 - .75.
- Forms 4 & 6: Fixed dollar amount deductible factors; \$500 - .90; \$1000 .77; \$2500 - .63. Eff. 4-1-95

Worldwide Insurance Company

- Protective Devices Discount: 3% for deadbolt locks on all main doors & fire extinguishers in house.
- Forms 1, 2, 3 & 3w/15: Deductible Credits; \$500 - 12%; \$1000 - 24%; \$2500 - 36%.
- Forms 4 & 6: Deductible Credits; \$500 - 17%; \$1000 - 30%; \$2500 - 37%.
- Replacement or Repair Cost Protection (HO-500); Waive \$5 charge.
- Forms 4 & 6: 10% deviation.
- Forms 4 & 6: Personal Property (Coverage C) Replacement Cost: 1.30 factor applies. Eff. 1-15-95

HOMEOWNERS

ACE American Insurance Company

- New Construction Credit: New home - 10 yrs. Credit varies 20% - 0%.
- Forms 1, 2, 3, 4 & 6: Fixed Dollar Deductible: Credit varies 15% - 40%.
- Personal Property Increased Limit: \$2 per \$1,000 of additional coverage.
- Form 2 & 3: Replacement cost on contents - HO 0490: Factor of 11.5% applies to end of the base premium & includes increased limits to 70% of Coverage A dwelling amount.
- Protective Device Credits: All zones & all protection classes: Credit varies 2% - 15%.
- Rate Deviation: Homeowners - 21%; Tenants - 15%; Condominiums - 20%. Eff. 9-1-99

ACE Fire Underwriters Insurance Company

- New Construction Credit: New 20%; 1 yr. old - 18%; 2% less credit each added yr.
- Forms 1, 2 & 3: Fixed dollar deductible credits; \$500 - 11%; \$1,000 - 21%; \$2,500 - 34%.
- Form 4: Fixed dollar deductible credits; \$500 - 11%; \$1,000 - 25%; \$2,500 - 40%.
- Forms 1, 2 & 3: Rate for increase in Coverage C: \$1 per \$1,000.
- Forms 1, 2 & 3: Replacement Cost Coverage HO-290; Charge shall be 4% of adjusted base premium. Coverage C must also be increased to 70% of A at \$1 per \$1,000.
- Protective Device Credits: All zones & all protection classes; Credit varies 1% - 15%. Eff. 5-1-92

AIU Insurance Company

- All Forms: 10%. Eff. 2-1-86

AMEX Assurance Company

- Form 3: Various downward deviation based on amount of insurance.
- Form 6: Various downward deviation based on amount of insurance.
- Protective Device Credits: Credit varies 2% - 15%.
- Home & Auto Credit: Credit varies by form 2% or 5%.
- Replacement Cost on Contents Deviation: Form 3 - 5% of base premium: Forms 4 & 6 - 30% of base premium.
- Coverage A Increased Limits downward deviation form HO 06..
- Utilities rating (New Home Discount) Form 3: Downward deviation : Credit varies 2% - 25% based on age of dwelling.
- Form 3: Downward deviation Coverage C Increased Limits.
- Downward deviation for installment pay plan by electronic funds transfer or payroll deduction.
- No additional charge for Refrigerated Personal Property.
- No charge for townhouse or rowhouse.
- Costco Discount: 2% applies to policies for member insureds of Costco.
- HO 3, 4 & 6 base rates vary by territory Eff. 8-15-02

AXA Re Property & Casualty Insurance Company

As of Dec 15, 2004

- Discount on Installment Payment Plan: \$1 - \$2 charge.
- Three or Four Family Dwelling Discount.
- Townhouse or Rowhouse Discount.
- Waterbed Liability waived.
- Base Premium Deviation.
- Forms 2, 3, 4, 6 or 8: Deviation by Amount of Insurance.
- New Home Discount: 0-9 yrs. of age: Credit varies 2%-9%.
- Protective Devices Discount: Credit varies 1%-7%.
- Multi Policy Discount: 5% of the base premium.
- Personal Property Increased Limits Discount: \$2 rate per \$1000.
- Personal Property Replacement Cost Coverage Discount.
- Form 4: Building Additions & Alterations Increased Limits Deviation.
- Personal Property Increased Limits of Liability: Charge varies by additional amount of insurance.
- Rented Personal Property: No charge.
- Form 6: Coverage A - Dwelling Basic & Increased Limits Deviation.
- Forms 3 & 3 Plus: Inflation Guard Discount.
- Watercraft Discount: Up to 50 HP, no charge.
- Business Pursuits Discount.
- Form 3 Plus: Personal Injury Liability: No charge. Eff.10-18-00

Affirmative Insurance Company

- 15% base deviation for Premier Homeowners Program.
- 3% base deviation for Deluxe Homeowners Program.
- 15% base deviation for Premier Tenant Program.
- 10% base deviation for Deluxe Tenant Program.
- 20% base deviation for Premier Condominium Program.
- 15% base deviation for Deluxe Condominium Program.
- Forms 2 & 3: Deductible credits; \$500-15%; \$1000-25%; \$2500-38%.
- Forms 4 & 6: Deductible credits; \$500-15%; \$1000-25%; \$2500-40%.
- All Forms, except 4 & 6: New Home Credit: New 20%; 2% less credit each additional yr. to 9th yr.
- All Forms: Protective Device Credits: Credits vary 2%-15%.
- Forms 2 & 3: Replacement Cost on Contents; Surcharge of 7.5%. Coverage increased to 70% of Coverage A at no premium charge.
- All forms, except 4 & 6; Personal Property Increased Limit \$2 charge per \$1000 of coverage. Eff 02-15-02

AGRI General Insurance Company

- Amount of Insurance Deviation: Credits vary 1%-15% by policy amount, territory & county.
- New Home Credit: 20% 1st yr.; 2% less credit each added yr. to 9th yr. Does not apply to Form 8, remodeled or restored homes.
- All Forms, except 4 & 6: Deductible Factors: \$250 ded.-1.00; \$500 ded.-0.91; \$1000 ded.-0.79; \$2500 ded.-0.62.
- Protective Device Credit: Premium credit for all protection classifications & territories; Credit

varies 1%-15%.

- Premium Credit for Exclusion of Farm Employees employed in violation of law: Credit \$1 per policy. Eff. 11-1-97

All America Insurance Company

Withdrawn

Allstate Indemnity Company

- Claims Rating Deviation – determined by the number of chargeable claims, credits vary.
- Claims Free Discount – 10% discount for no claims for 60 consecutive months.
- New/renovated Home Discount – credit varies.
- Home and Auto Discount Deviation –credit varies.
- The Good Hands People Discount Deviation – 1%
- Zone Deviation - credit varies per zone.
- Eff 12-1-03 PC065706

Allstate Insurance Company

- Deviation by amount of insurance. Credit varies.
- Deductible factors Forms 2, 3 & 3 Deluxe Plus; \$100/\$250 theft-1.067; \$500 ded. -.910; \$1000 ded.-.790; \$2500 ded- .620. Forms 4 & 6: Deductible factors; \$100/\$250 theft - 1.023; \$500 ded - .830; \$1000 ded - .670.
- Protective devise discount for broad/deluxe, deluxe plus and renters/condos: discount varies.
- Age 55 & Retired Discount Factor. Credit varies when certain criteria met.
- Personal Property Replacement Cost Deviation subject to certain requirements.
- Age of Home Discount Deviation for HO 2 and HO 3 deluxe and deluxe plus forms.
- Waterbed Liability Deviation HO4 and HO6.
- Dwellings in the course of construction availability for HO 2 and HO 3 deluxe plus forms 55% of expected finished value.
- Home and auto discount deviation HO2 and HO 3 deluxe and deluxe plus and HO 4 and Ho 6 when certain criteria is met.
- Installment payment plan for electronic funds transfer.
- Three or four family dwelling rating structure: does not defferentiate between 3 or 4 family dwellings in a town or row house structure.
- Deviation by wind/hail deductible
- Installment payment plan – waived installation charges – payroll deduction option for allstate employees.
- Good hands people discount all forms.
- Residence rental coverage HO 01, HO 02 and HO 03 no charge for coverage. Eff 8-15-02

AmComp Assurance Corporation

- Forms 2 & 3: Deductible credits; \$500-9%; \$1000-17%.
- Forms 2 & 3: Premium credits for alarm systems vary 2% - 15%.
- Age 55 & Retired Discount: 10% credit applies when required criteria is met.

As of Dec 15, 2004

- Forms 2 & 3: New Home Credit; 14%; Homes completed & occupied current calendar yr.; 2% less credit each added yr. Eff. 12-1-91

American Automobile Insurance Company

- Protective Device Credits: All forms & all territories: 1% - 15% credit applies to company base premium.
- Portfolio Credit: 5% credit applies to all homeowners policies when Personal Catastrophe Coverage and Personal Inland Marine Coverage is written with Company.
- Deviations by territories and forms: Credit varies. Eff. 12-01-03
- PC065125

American Bankers Insurance Company of Florida

- Retired Discount: 5% if an owner of insured premises or spouse is 55 yrs. of age or older.
- Claim Free Credit: 2% if insured has gone without loss for at least 3 yrs. with American Bankers.
- All Forms: Protective Device Credits: Preferred - credit varies 0%-13%; Standard - credit varies 1%-15%.
Eff. 5-1-92

American Centennial Insurance Company

- Forms 1, 2, 3, 3 w/15 & 6: 25%. Eff. 9-1-85

American Economy Insurance Company

- All Forms: Personal Injury (HO-82) included at no charge.
- All Forms, except 4 & 6: New home credit or renovated home credit for homes meeting required criteria; 0-1 yr. - 15%; 2 yrs. - 12%; 3, 4 or 5 yrs. - 10%; 6 or 7 yrs. - 6%; 8-10 yrs. - 4%.
- Forms 2 & 3: Replacement Cost (HO-290) Coverage C is increased to 70% of Coverage A at no extra charge. Charge of 9% (7% in Beach Area) is added to basic premium.
- Forms 4 & 6: Replacement Cost (HO-290); Charge of 30% is added to basic premium.
- Form 3: Replacement or Repair Cost Coverage A (HO-500); No charge.
- Forms 4 & 6: \$100 deductible; Minimum additional charge of \$10 in lieu of \$30.
- Forms 2 & 3: Fixed deductible; \$500 ded. - 9%; \$1000 ded. - 17%.
- Forms 4 & 6: Fixed deductible credits; \$500 - 10%; \$1000 - 23%.
- Form 3: XL Coverage rate deviation when eligibility requirements are met.
- One family premium for all Section I & II coverages will apply regardless of number of families.
- Form 2 & 3: Dwelling under construction credit of 20% applies during first yr. when certain requirements are met.
- Form 6: Coverage A increased limits rate; \$2.70 per \$1000.
- Renewal credit for consecutive yrs. insured with American States Group; 3-5 yrs. - 5%; 6 or more yrs. - 10%.
- Protective Devices: Credit factors vary .98 to .85.
- Forms 3, 4 & 6: Unscheduled jewelry & furs - (HO-65); \$2500 increased limit - \$33; \$5000

increased limit - \$60.

- Form 3: XL Coverage Program; \$5000 limit included in basic premium. To reduce to \$1000 limit, subtract \$56. To reduce to \$2500 subtract \$35. Eff. 11-17-97

American Employers Insurance Company

- New Home Credit All Forms, except 4 & 6; 0-1 yr. old - 20%; 2% less credit each added yr. to 10th yr.
- Personal Property Replacement Forms 2 & 3: Cost; Charge to increase Cov C to 70% of Cov A; \$1 per \$1000.
- Additional Limit of Liability for Coverage A. HO 3211. \$5 premium charge.
- Protective Devices Credits: PPC 1-7 - 2%-15%; PPC 8-9 - 1%-15%; Maximum credit of 20% applies.
- Inflation Guard Endorsement (HO-243) at 6% - at no charge.
- Fixed dollar amount deductible credits Forms 2 & 3; - \$500-15%; \$1000-21%; \$2500-38%.
- Fixed dollar amount deductible credits Forms 4 & 6; \$500-10%; \$1000-23%; \$2500-37%.
- Increased Coverage A limits HO-6 \$3000 coverage A at no additional charge. Coverage A limit may be increased.
- Form 6: 6.4% deviation.
- 5% discount for insured age 49 or older.
- Form HE-7; HE7w/20 & HE7w/21: Reduced Factors.
- Deviation by amount of insurance for Coverage A \$250,000 - \$500,000. Variable credit.
- Windstorm or Hail Deductible credit varies by amount of deductible.. Eff. 8-15-02

American Fire & Casualty Company

- Forms 2, 3 & 8: Fixed dollar amount deductible factors; \$500 - .90; \$1000 - .83; \$2500 - .75.
- Forms 4 & 6: Fixed dollar amount deductible factors; \$500 - .90; \$1000 - .77; \$2500 - .63.
- Water Craft Liability Rates: 60% below NCRB for powerboats; 50% below NCRB for sailboats.
- Employees Discount: 15% to qualifying employees insured in the Ohio Casualty Group.
- Percentage Wind or Hail Deductible Deviation: Credits vary. Eff. 8-15-02

American & Foreign Insurance Company

- Forms 1, 2 & 3: Replacement or repair cost protection - Coverage A dwelling; \$1 per policy.
- Protection Devices Credits: 2%-15%.
- All Forms, except 4 & 6: Deductible credit factors; \$500 - .89; \$1000 - .79; \$2500 - .72.
- Forms 4 & 6: Deductible credit factors; \$500-.89; \$1000-.77; \$2500-.63.
- Forms 1, 2 & 3: Personal Property Replacement Cost; Coverage A amount under \$75000 -10% surcharge; \$75000 -\$99,999 -7% surcharge; \$100000 & over-5% surcharge. Charge includes an increase in Coverage C limit 50% - 70% of Coverage A.
- All Forms: 5% preferred customers renewal credit when coverage has been with any of Royal Group for prior 3 yrs. with no losses.
- Discount for Eligible Employees: 20% credit to total homeowners policy premium.
- Form HE-7w/HE-21: 1.25 factor applies to base premium.
- Companion Policy Credit: 5% deviation when auto & homeowners policy is issued in any member of Royal Insurance when certain criteria are met.

As of Dec 15, 2004

- Installment Payment Plan: Policies billed by agent through account current payroll deduction program are not subject to installment or installment fees.
- Installment Payment Plan: \$1 each installment for Electronic Fund Transfer. Eff. 9-1-99

American Home Assurance Company

- HO-3 Premier Base Class Premium Deviation by territory: 5% credit.
- HO-4 & HO-6 Base Class Premium Deviation by territory: Credit varies 3%-12%.
- Protection Device Credit for HO-3, HO-4, HO-6, & HO-3 Premier: Credit varies: Max. credit allowed is \$75.
- Optional Deductibles: All forms.
- HO-6 Coverage A Dwelling Increased Limits: Premium charge per \$1000 is \$2.
- 55 or Older & Retired Discount: Apply a factor of .9 to base premium when criteria is met.
- Multi Product Discount: Apply a factor of .9 to base premium when named insured has an auto policy with an American International Company.
- HO-4 & HO-6 Personal Property Replacement Cost Coverage Deviation.
- Age of Dwelling Discount: New Homes – 10 yrs. Credit varies. Eff. 11-19-01

American Insurance Company

- Forms 2, 3 & 3w/15: New Home Credit; 20% current yr. & one yr. preceding current yr. of construction; 2% less credit each added yr.
- Protective Devices Credit: All territories 1% - 15%. Credit applies to company base premium.
- All Forms: Deductible credits: \$500 -10%; \$1000 -20%; \$2500 -30%. Credit applies to company base premium.
- HO-3 w/15: Multiply HO-3 key premium by factor of 1.08 to obtain key premium for HO-3 w/15.
- Form 4 & 6: Deductible Credits for Coverage C limit. \$10000 & above \$500 -10%, \$1000 - 20%, \$2500 - 30%. Credit applies to company base premium.
- Discount of Replacement Cost on Contents: Apply surcharge of 10% to HO-3 company base premium for replacement cost on contents. Eff. 6-1-93

American Manufacturers Mutual Insurance Company

- Additional Amounts of Insurance (KIP only) deviation.
- All Forms: Optional Higher Deductibles deviation.
- Personal Property Replacement Cost: Increase Coverage C at \$1 per \$1000. Add \$10 surcharge.
- Mature Homeowners Credit: 5% applies to base premium when named insured is 55 yrs. of age & an adult is home during the day.
- New Home Credit Discount: 0 - 15+ yrs. of age: Credit varies 0% - 20%.
- Premium Credits for Protective Devices.
- All Forms, except 3w/15: \$100 deductible: Waive minimum premium.
- Form 3: Base rate deviation based on protection class & territory. Credit varies 0%-22%.
- All Forms except 3w/15: \$250 theft deductible/ \$100 deductible all other perils: Waive minimum premium.
- Form 4: Base Rate Deviation -7%.
- Form 6: Base Rate Deviation - 12%.

As of Dec 15, 2004

- Higher limits for credit cards, fund transfer card, forgery & counterfeit money coverage (KIP only): Limit of \$5000 included at no additional charge: \$7500 + \$1, \$10000 + \$2.
- Outboard Motors & Water Craft (KIP only): Coverage up to & including 50 HP is included at no additional charge.
- Personal Injury (KIP only): Coverage included at no additional charge.
- Seasonal or Secondary Dwelling Discount (KIP only): 5% discount to base premium.
- Blanket Property Limit (KIP only): Replacement cost contents coverage included at no additional charge.
- Form 3: Special Personal Property Coverage: Factor 1.10 applies to base premium.
- Form 6: Special Personal Property Coverage: Factor 1.20 applies to base premium.
- Form 4: Building Additions & Alterations Increase: KIP & Monoline: Each addl. \$1000 rate \$10000 Form 4 premium x .08.
- Form 6: Coverage A Dwelling Basic and Increased Limits Special Coverage: Each additional \$10000 develop premium \$10000 Form 6 premium x .08 or enter total Coverage A limit on Declaration page.
- Form 4 & 6: Ordinance or Law Increased Amount of Insurance: Each additional \$1000 of insurance rate \$10000 Form 4 or Form 6 premium x .08.
- Refrigerated Property: Coverage included at no additional charge with KIP policy.
- Form 3: KIP only: Ordinance or Law Coverage: Include 12.5% at no additional charge. Modify rating factors for additional coverage options.
- Windstorm and Hail Deductibles for Form 3: Blanket Limits deviation (KIP only).
- HE-7W/HE-40 deviation by territory for KIP only: Territory 40 - 1.20, Remainder of State 1.25.
- HE-7W/HE-40 & HE-20 deviation by territory for KIP only: Territory 40 - 1.25, Remainder of State 1.30.
- HE-7W/HE-40 & HE-21 deviation by territory for KIP only: Territory 40 - 1.30, Remainder of State 1.35.
- Deferred Premium Payment Plan: \$1 charge for electronic funds transfer.
- 5% Kemper Network Discount: Certain criteria apply. Eff. 2-25-02

American Modern Home Insurance Company

- Form 3: Deductible Credits; \$500 Ded. - 10%; \$1000 - 22%; \$2500 - 28%.
- Form 3: New Home Credit; Current yr. - 26%; 1st. yr. - 24%; 3% less each yr. to 7th yr.
- Form 3: Multi-policy credit; 5% credit when auto policy written in addition to homeowners policy.
- Protective Device Credits: Credit varies 1% - 10%.
- Amount of Insurance Deviation: Coverage A amount \$10000 - \$200000: Credit varies by territory.
- Eliminate charge to increase personal property limits.
- For rates above \$200000, a factor of .007 applies for each additional \$1000 of premium. Eff. 6-1-99

American Motorists Insurance Company

- All Forms: Optional Higher Deductibles deviation.
- Personal Property Replacement Cost: Increase Coverage C at \$1 per \$1000. Add \$10 surcharge.

As of Dec 15, 2004

- New Home Credit Discount: 0 - 10+ yrs. of age: Credit varies 0% - 20%.
- Premium Credits for Protective Devices.
- All Forms, except 3w/15: \$100 deductible: Waive minimum premium.
- Form 4: Base Rate Deviation 5%.
- Form 6: Base Rate Deviation - 10%.
- Higher limits for credit cards, fund transfer card, forgery & counterfeit money coverage (KIP only): Limit of \$5000 included at no additional charge: \$7500 + \$1, \$10000 + \$2.
- Outboard Motors & Water Craft (KIP only): Coverage up to & including 50 HP is included at no additional charge.
- Personal Injury (KIP only): Coverage included at no additional charge.
- Seasonal or Secondary Dwelling Discount (KIP only): 5% discount to base premium.
- Blanket Property Limit (KIP only): Replacement cost contents coverage included at no additional charge.
- Form 3: Special Personal Property Coverage: Factor 1.10 applies to base premium.
- Form 6: Special Personal Property Coverage: Factor 1.20 applies to base premium.
- Form 4: Building Additions & Alterations Increase: KIP & Monoline: Each addl. \$1000 rate \$10000 Form 4 premium x .08.
- Form 6: Coverage A Dwelling Basic and Increased Limits Special Coverage: Each additional \$10000 develop premium \$10,000 Form 6 premium x .08 or enter total Coverage A limit on Declaration page.
- Form 4 & 6: Ordinance or Law Increased Amount of Insurance: Each additional \$1000 of insurance rate \$10000 Form 4 or Form 6 premium x .08.
- Refrigerated Property: Coverage included at no additional charge with KIP policy.
- Form 3: KIP only: Ordinance or Law Coverage: Include 12.5% at no additional charge. Modify rating factors for additional coverage options.
- Windstorm and Hail Deductibles for Form 3: Blanket Limits deviation (KIP only).
- HE-7W/HE-40 deviation by territory for KIP only: Territory 40 - 1.20, Remainder of State 1.25.
- HE-7W/HE-40 & HE-20 deviation by territory for KIP only: Territory 40 - 1.25, Remainder of State 1.30.
- HE-7W/HE-40 & HE-21 deviation by territory for KIP only: Territory 40 - 1.30, Remainder of State 1.35.
- Deferred Premium Payment Plan: \$1 charge for electronic funds transfer.
- 5% Kemper Network Discount: Certain criteria apply. Eff. 2-25-02

American Professionals Insurance Company

- Form 2, 3 & 3w/15: Company deviation based on amount of insurance, construction & territory: Credit varies.
- Form 6: Territorial deviation.
- Forms 2, 3, 3w/15: New Home Discount based on age of home. Deviation varies 0% - 14%.
- Forms 1, 2, 3 & 3w/15: Fixed dollar amount deductible credit factors; \$500 - .85; \$1000 - .79; \$2500 - .62.
- Forms 1, 2, & 3: Increase in Coverage C; \$1 per \$1000.
- Protective Devices: All forms: Maximum credit for protective device eliminated. All protection class & all territories. Credit varies 2% - 15%. There is no limit on credit.
- Outboard Motors & Water Craft: Liability rates amended by boat length.
- Form 4 & 6: Fixed dollar amount deductible. Credit factor \$500 - .85; \$1000 - .77; \$2500 - .63.

As of Dec 15, 2004

- All Forms, except 4 & 6: Windstorm or Hail Percentage/Factor Deductible deviation.
- Form 6: Coverage A Dwelling Basic & Increased Limits and Special Coverage.
- All Forms, except 4 & 6: Personal Property Replacement (Coverage C) Cost Coverage. 1.05 factor applies to base premium. Form 4 & 6: 1.35 factor: Minimum additional premium deleted.
- Ordinance or Law Coverage deviation factors.
- Three or Four Family Residence Coverage B & C deviation.
- Installment Payment Plan. Initial installment charge waived.
- 5% account credit when named insured has an auto policy with the Highlands Insurance Group Companies.
Eff. 6-1-99

American Protection Insurance Company

- All Forms: Optional Higher Deductibles Factors.
- Personal Property Replacement Cost: Increase Coverage C at \$1 per \$1000. Add \$10 surcharge.
- Mature Homeowners Credit: 5% applies to base premium when named insured is 55 yrs. of age & an adult is home during the day.
- New Home Credit Discount: 0 - 10+ yrs. of age: Credit varies 0% - 20%.
- Premium Credits for Protective Devices: Credit varies by protection class & territory.
- All Forms, except 3w/15: \$100 deductible: Waive minimum premium.
- Form 3: Base rate deviation based on protection class & territory. Credit varies.
- All Forms except 3w/15 & 6w/1731: \$250 theft deductible/ \$100 deductible all other perils: Waive minimum premium.
- Form 4: Base Rate Deviation; Credit varies based on territories.
- Form 6: Base Rate Deviation; Credit varies based on territories.
- Higher limits for credit cards, fund transfer card, forgery & counterfeit money coverage (KIP only): Limit of \$5000 included at no additional charge: \$7500 + \$1, \$10000 + \$2.
- Outboard Motors & Water Craft (KIP only): Coverage up to & including 50 HP is included at no additional charge.
- Personal Injury (KIP only): Coverage included at no additional charge.
- Additional Amounts of Insurance (KIP only): 25%-.01, 50%-.02.
- Blanket Property Limit (KIP only): Replacement cost contents coverage included at no additional charge.
- Form 3: Special Personal Property Coverage: Factor 1.10 applies to base premium.
- Form 6: Special Personal Property Coverage: Factor 1.20 applies to base premium.
- Form 3: Windstorm or Hail Deductible: Change in rating procedure & credits to determine windstorm or hail deductible premium credits.
- Form 4: Building Additions & Alterations Increase: KIP & Monoline: Each addl. \$1000 rate \$10000 Form 4 premium x .08.
- Form 6: Coverage A Dwelling Basic and Increased Limits Special Coverage: Each additional \$10000 develop premium \$10,000 Form 6 premium x .08 or enter total Coverage A limit on Declaration page.
- Form 4 & 6: Ordinance or Law Increased Amount of Insurance: Each additional \$1000 of insurance rate \$10000 Form 4 or Form 6 premium x .08.
- Refrigerated Property: Coverage included at no additional charge with KIP policy.
- Form 3: KIP only: Ordinance or Law Coverage: Include 12.5% at no additional charge. Modify

rating factors for additional coverage options.

- Windstorm and Hail Deductibles for Form 3: Blanket Limits deviation (KIP only).
- HE-7W/HE-40 deviation by territory for KIP only: Territory 40 - 1.20, Remainder of State 1.25.
- HE-7W/HE-40 & HE-20 deviation by territory for KIP only: Territory 40 - 1.25, Remainder of State 1.30.
- HE-7W/HE-40 & HE-21 deviation by territory for KIP only: Territory 40 - 1.30, Remainder of State 1.35.
- Deferred Premium Payment Plan: \$1 charge for electronic funds transfer.
- 5% Kemper Network Discount: Certain criteria apply. Eff. 2-25-02

American Reliable Insurance Company

- Loss Free Renewal Credit: Credit applies to any policy that has been loss free for the previous 12 months under an existing American Reliable Insurance Company policy.
- Mature Retiree Credit: If certain criteria are met, a credit of -10% of the Base Premium will be applied.
- New Roof Credit: If the roof has been professionally installed within five years of the inception or renewal date, the premium shall be reduced by 5%. Not to be combined with the Age of Dwelling Credit. Eff 11-6-02

American States Insurance Company

- All Forms: Include Personal Injury HO-82 at no charge.
- All Forms, except 4 & 6: New home credit or renovated home credit for homes meeting required criteria; 0-1yr. - 15%; 2 yrs. - 12%; 3, 4 or 5 yrs. - 10%; 6 or 7 yrs. - 6%; 8, 9 or 10 yrs. - 4%.
- Form 2 & 3: Replacement cost (HO-290) Coverage C is increased to 70% of Coverage A at no extra charge: Charge of 9% (7% in Beach Area) is added to basic premium.
- Forms 4 & 6: Replacement cost (HO-290); Charge of 30% is added to basic premium.
- Replacement or Repair Cost Protection Coverage A (HO-500): \$1.
- Forms 4 & 6: \$100 deductible; Minimum additional charge \$10 in lieu of \$30.
- One family premiums for all Section I & II coverages will apply regardless of number of families.
- Forms 2 & 3: Dwelling under construction credit of 20% applies during first yr. if certain requirements are met.
- Form 6: Coverage A increased limits; Basic coverage rate per \$1000 increase \$2.70.
- Renewal credit for consecutive years insured with American States Group: 3-5 yrs. - 5%; 6 or more yrs. - 10%.
- Protective Devices: Credit factors vary .98 to .85.
- Forms 2, 3, 4 & 6: Unscheduled jewelry & furs (HO-65) \$2500 increased limit - \$33; \$4000 increased limit - \$60.
- Forms 2, 3 & 8: Fixed deductible credits; \$500 - 9%; \$1000 - 17%.
- Forms 4 & 6: Fixed deductible credits; \$500 - 10%; \$1000 - 23%. Eff. 12-12-91

American States Preferred Insurance Company

As of Dec 15, 2004

- Form 3: Basic premium deviation varies by protection class. Variable credits.
 - Form 3: Amount of insurance deviation: All amounts of insurance 13.0% credit.
 - Form 3: Surcharges for townhouses & rowhouses are waived.
 - Form 3: Homeowners XL Credit: When eligibility & coverage requirements are met. Variable credits.
 - Form 3: Deductible credits/charges \$500 - 12%; \$1000 - 24%.
 - The one family premiums for all Section I & Section II coverages shall apply regardless of number of families.
 - Form 4: Amount of insurance deviation; \$15000 - \$30000 & above. Credit varies 2% - 22%, except for a few specific counties which receive 5% less.
 - Form 6: Amount of insurance deviation; \$20000 - \$30000 & above. Credit varies 8% - 25%, except for a few specific counties which receive 5% less.
 - Forms 4 & 6: Deductible credits/charges; \$500 - 17%; \$1000 - 30%.
 - Alarm systems: Premium credits vary.
 - Jewelry & Furs: Forms 3, 4 & 6; \$2500 limit \$33; \$5000 limit - \$60. Form 3 w/XL coverage \$5000 included in base premium. To reduce to \$2500 limit subtract \$35. \$1000 limit subtract \$56.
 - Form 3: Replacement Cost (HO-290) Coverage C is increased to 70% of Coverage A at no extra charge; Charge of 9% (7% in Beach area) is added to basic premium.
 - Forms 4 & 6: Replacement Cost (HO-290); Charge of 30% is added to basic premium.
 - All Forms: Include Personal Injury HO-82 at no charge.
 - Form 3: Replacement or Repair Cost Protection Coverage A dwelling HO-500; No charge.
 - Form 6: Coverage A increased limits; Basic coverage rate per \$1000 increase \$2.70.
 - Form 3: New Home Credit; Current yr. - 15%; one yr. preceding current yr. - 12%; 2nd, 3rd & 4th yrs. -10%; 5th & 6th yrs. - 6%; 7th, 8th & 9th yrs. - 4%.
 - Form 3: New dwelling under construction; 20% when certain requirements are met.
 - Renewal credit for consecutive yrs. with American States Group; 3-5 yrs. - 5%; 6 or more yrs. - 10%.
- Eff. 10-30-97

Amerisure Insurance Company

- All Forms: Minimum additional charge of \$30 for \$100 deductible is waived.
- Mature Homeowners Credit Factor .95 insured age 55 or older & dwelling is primary.
- Multi Policy Credit: Forms 2, 3 & 6: 15% multi-policy credit when personal auto coverage in force in Amerisure Group.
- New Home Credit Factors: Current year -.80; 1 yr.- .81; 2 yrs. -.82; 3 yrs -.84; 4 yrs. -.86; 5 yrs. -.88; 6 yrs. -.90; 7 yrs. -.93; 8 yrs. -.96; 9 yrs. -.99.
- Form 3: Deviation by Territory: 0% - 18% credit based on territory, protection class & construction.
- Form 1, 2 & 3: Amount of Insurance Deviation; Coverage A amount \$60000+-\$199000 credit varies 0.46% - 9.77%.
- Form 6: Relativity .85. Eff. 10-1-94

Amerisure Mutual Insurance Company

- All Forms: Minimum additional charge of \$30 for \$100 deductible is waived.

As of Dec 15, 2004

- Multi-Policy Credit: Forms 2, 3 & 6 - 15% multi-policy credit to all homeowners rates & premiums when automobile policy is written with Amerisure Group.
- Form 6: Relativity is .85. Eff. 10-1-94

AMICA Mutual Insurance Company

- New Home Credit; Forms 2 & 3: credit varies by age.
- Form 2 & 3: Repair or Replacement Cost Protection; For the specified additional amount of insurance for coverage A only the additional amount of insurance at 25% the factor will be 1.00.
- Optional Higher Deductibles - Fixed dollar amount deductible credits - HO 00 02 & HO 00 03 credit varies.
- Personal Property Limits - \$1 per \$1,000 of increased limits for all forms. \$1 charge waived for increased limits from 50% to 70% of Coverage A if the HO 04 90 is not attached to the policy.
- Premium Payment Option - Eliminate the additional charge of \$2 for first installment payment plan. \$2 charge for each remaining installments.
- Eliminate the additional charge for each installment payments for members of any AMICA Group.
- Ordinance or Law: 25% of Coverage A provided without charge. Reduce charges for limits excess of 25% of Coverage A.
- Refrigerated Property: \$10 charge is waived.
- Premium Determination HO 00 04 - rate deviation varies by policy amount.
- Multi-Line Discount - all territories except Terr 5,6,42,43. 2% discount applies to the total homeowner premium if a policyholder has both auto and Homeowners coverage with Amica.
- Eff.9-1-04 PC072760

Armed Forces Insurance Exchange

- Protective Device Credits: All protection classes & all territories; Factors vary. Maximum credit waived.
- Fixed dollar amount deductible factors credit varies.
- Wind or Hail deductibles credit varies.
- New Home Credit; All Forms, except 4 & 6: New - 20%; 2% less credit each additional yr.
- Earthquake: Ordinance or Law increased amount of insurance (Does not include basic, only increased amount).
- Base class premium discount for form HO 6.
- Base premium deviation based on insurance amt. credit varies all forms except HO 4 and HO 6.
- Minimum policy premium waived.
- Personal Property Increased Limits charge per \$1000; Forms 1, 2 & 3 - \$.50. Form 3w/15 - \$.75.
- Home Day Care Coverage E: Reduce base premium by 50%.; Coverage F; Premiums reduced by 50%.
- Other exposures - medical payments to others increase limits credit varies.
- Installment Payment Charge waived
- Wind or Hail Deductible: Credit & surcharge vary.
- Sinkhole Collapse Coverage: All Forms except HO-6; Increased amount of coverage (Does not

include basic, only increased amount)

- Hurricane Deductible Factors credit varies. Eff 6-1-03

Associated Indemnity Corporation

- Forms 2, 3 & 3w/15: New Home Credits; 20% current yr. & one yr. preceding current yr.; 2% less each added yr. Credit applies to company base premium.
- Protective Device Credits: All territories; 1% - 15%; Credit applies to company base premium.
- Forms 1, 2, 3, 3w/15 & deductible credits; \$500-10%;\$1000-20%;\$2500-30%. Credit applies to company base premium.
- HO-3w/15 Key Premium: Multiply HO-3 key premium by factor of 1.08.
- Discount of Replacement Cost on Contents: Surcharge of 10% to HO-3 company base premium.
- Form 4 & 6: Deductible credits all territories; Credits for Coverage C \$10000 & above, \$500-10%,\$1000-20%, \$2500-30%. Credit applies to company base premium. Eff. 6-1-93

Associates Insurance Company

- Forms 1, 2, 3 & 3 w/15: Amount of insurance credit; \$40000 - 2%; \$45000 - 4%; \$50000 - 6%; \$55000 - 8%; \$60000 - 11%; \$65,000 - 14%; \$70000 - 17%; \$75000 & over 20%.
- Forms 1, 2, 3 & 3 w/15: New Home Credit; 0-1 yr. - 15%; 2-3 yrs. - 10%; 4 & 5 yrs. - 5%.
- All Forms: Eliminate 5% surcharge for personal property replacement cost (HO 290) endorsement.
- All Forms: Reduced key premiums for protection classes 7 & 8. Eff. 03-05-02

Association Insurance Company

- Deviation by Coverage A limit \$100000 & above - 30% credit.
- Forms 1, 2 & 3: Replacement Cost Coverage HO-290; Personal property incr. limits charge \$1 per \$1000; Waive 5% surcharge.
- New Home Credit: Coverage A amount \$100000 & above; Age of dwelling 0-5 yrs - 15%, 6-10 yrs - 10%, 11-15 yrs - 5%.
- 44% deviation off N.C. Rate Bureau Rates if Coverage A amount is \$100000 or above for all SAS Institute Inc. Employees. Eff. 1-1-96

Assurance Company of America

- All Forms, except 4 & 6: Age of dwelling credit; New-20%; 1yr.-18%; 2yrs.-16%; 3yrs-14%; 4yrs-13%; 5yrs.-12%; 6yrs-10%; 7yrs.-8%; 8yrs.-6%; 9yrs.-4%. 10yrs.-2%.
- Forms 4 & 6: Replacement Cost on Contents; Factor 1.35.
- Forms 2 & 3: Charge \$1 per \$1000 for increase in Coverage C limit.
- Form 4: 15% deviation.
- Form 6: 20% deviation.
- Base Premium Discount: All Forms, except 4 & 6; Factor varies .95 -1.25.
- Forms 2, 3 & 3w/15: Deviation by territories: Variable credits.
- All Forms: Fixed dollar amount deductibles factors: \$500-.85; \$1000-.75; \$2500-.70.
- Account Credit: 10% credit when insured has home & auto coverage with Zurich Insurance

Cos. when criteria is met.

- Protective Device Credit: Factor varies. Maximum credit of \$75 is waived. Eff. 7-1-98

Automobile Insurance Company of Hartford

- Protective Devices credit varies.
- Deductible Credits - credit varies by coverage limit, form and deductible amount.
- Personal Property - Increased Limit Coverage C - \$1.00 rate per \$1,000.
- Refrigerated Personal Property \$10 charge waived.
- Account Credit 5%.
- Inflation Guard Premium Waived.
- Safety Seminar Credit 5% credit certain criteria apply.
- PC072505 eff 5-28-04

Auto Owners Insurance Company

- Form HO 00 06 - Deviate 0% at amount of insurance \$10,000 and taper to 5% at \$15,000. Deviate 5% for all amounts of insurance above \$15,000.
- Deductibles 100 flat 10% charge - \$60 max charge.
- Protective Device Credit - 2% - 15% for eligible devices.
- Mature Homeowner Discount - The discount applied is 18% of the total premium for insureds 65 years of age or older and 13% of the total premium for insureds between the ages of 55 and 64.
- Townhouse or rowhouse charge - Charge the same rate for all protection classes, creating a deviation for pc9,9e,9s & 10. Surcharge 1-2 family 1.00, 3+ family 1.10, 5+ 1.25.
- Credit card, fund transfer card, forgery and counterfeit money - Premiums vary for increased limits.
- Form 6: Units Regularly Rented to Others: Waiver \$15 manual charge. Apply factor of .25 to premium chart to determine additional premium.
- Form HO-6 coverage A Dwelling increased Limits and special coverage.
- Loss assessment Rates for Forms HO 3 and HO 6 will be the same as all other forms.
- Building Additions & Alterations at Other Residences; Eliminate \$1 - HO-277 is endorsed on policy.
- Other Insured Location Occupied by Insured Section II - rate 2, 3, and 4 family as one family.
- Section II liability - Residence employees - charges are waived.
- Business Pursuits - No additional cost except Corp Punishment for Form 3 only.
- Personal Injury - No cost to insured.
- Permitted Incidental Occupancies - Residence Premises - No charge for property exposure to business in other structures.
- Special Personal Property Coverage - Provides all risk coverage to Form 3 or Form 6 subject to certain exclusions.
- All Forms: 10% credit on selective optional coverages rated as flat dollar charge per fixed amount of coverage.
- All Forms: Optional deductible charges: \$100 flat - +10% - Maximum charge \$60. Min. charges waived.
- All Forms: Protective device credit: 2% applied to premium chart premium for dwellings for

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each of following heat/smoke detectors, deadbolt locks or fire extinguishers.

- All Forms: Protective devices factors: Credit varies 2% - 15%.
- Form 3: New Home Credit: New-18%; 1% less credit 1st & 2nd yr.; 2% less credit 3rd - 9th yrs. of age.
- Mature Homeowners Credit: 18% for insureds 65 yrs. of age or older; 13% for insureds between the ages of 55 & 64; 0% for insureds between the ages of 50 & 54. Discount will apply to primary, secondary or seasonal residences.
- Form 3: Townhouse or rowhouse charge; Use same rate per number of families for protection classes 9, 9S & 10 as for protection classes 1-8.
- Loss Assessment: Same rates apply to Form 3 & Form 6 with HO-32 as to all other forms.
- Fire Department Service Charge: Additional amount of insurance; Rate \$4 per \$100.
- All Forms: Credit Card, Fund Transfer Card & Counterfeit Money Coverage: \$1000 limit no charge; \$2500-\$2; \$5000-\$3; \$7500-\$4; \$10000-\$5.
- Multi-Policy Discount: 7% credit applies to primary, secondary & seasonal residence when named insured has both a private passenger auto policy & homeowners policy written with an Auto-Owners Insurance Group Company.
- Seasonal Discount - Forms 3 & 6 - certain criteria 5% discount.
- Section II liability watercraft - certain criteria - rates vary.
- Life/Homeowners Multi-Policy Discount 5%.
- Eff. 12-2-03 PC067715

Automobile Insurance Company of Hartford, Conn.

- Protective Device Deviation: Credit varies 1% - 13%.
- Deductible Credits: Varies by amount of deductible.
- Forms 2, 3, 3w15: Personal Property - Increased Limit Coverage C: \$1 per \$1000.
- Refrigerated Personal Property: \$10 charge waived.
- Forms 2, 3, 3w15, 4 & 6: 5% Account Credit.
- Forms 2 & 3: Inflation Guard Premium waived.
- Forms 3 & 6: 5% Safety Seminar Credit: Certain criteria apply. Eff. 11-01-02

Balboa Insurance Company

- Age of Dwelling Credit: 0 - 9 yrs. of age: Credit varies 2% - 20%.
- Base Rate Deviation by territory.
- Deductible Factors Deviation: Credit varies.
- Protective Device Credits: Credit varies 2% - 13%: Credits cannot be combined.
- Personal Property Replacement Cost: \$20 minimum premium is deleted. Eff. 2-28-01

Bankers Standard Insurance Company

- New Construction Credit: New - 20%; 1 yr. old - 18%; 2% less credit each added yr.
- Forms 1, 2, 3, 4 & 6: Fixed dollar deductible credits; Credit varies 15% - 40%.
- Forms 4 & 6: Fixed dollar deductible credits; \$500 - 11%; \$1000 - 25%; \$2500 - 40%.
- Rate for increase in Coverage C; \$2 per \$1000.
- Forms 1, 2 & 3: Replacement cost coverage HO 0490; Charge shall be 7.5% of adjusted base premium. Coverage C increased to 70% of A at no premium charge.

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- Protective Device Credits: All zones & all protection classes; Credit varies 2% - 15%. Eff. 9-1-99

Blue Ridge Insurance Company

Withdrawal 2-24-03

Boston Old Colony Insurance Company

- Forms 1, 2, 3 & 3 w/15: Personal Property Replacement Cost; Eliminate 5% surcharge. Eliminate \$20 minimum premium.
- Forms 1, 2 & 3: New Home Credit; Dwellings 0-5 yrs. old - 15%; 6-10 yrs. old - 10%, if requirements are met.
- Forms 1, 2 & 3: 20%, if requirements are met.
- Forms 1, 2, 3 & 3 w/15: Deductible Credits; Coverage A - all amounts; \$250-15%; \$500-25%; \$1000-35%; \$2500-45%.
- Forms 4 & 6: Coverage C - all amounts; \$250-13%; \$500-28%; \$1000-42%; \$2500-53%. Eff. 1-1-86

Camden Fire Insurance Association, The

- All Forms, except 4 & 6: New Home Credit; New -20%; 1 yr. old - 18%; 2 yrs. old - 16%; 3 yrs. old - 14%; 4 yrs. old - 12%; 5 yrs. old - 10%; 6 yrs. old - 10%; 7 yrs. old - 8%; 8 yrs. old - 7%; 9 yrs. old - 6%; 10 yrs. -6%; 11 yrs.-4%; 12 yrs.-4%; 13 yrs.-2%; 14 yrs.-2%.
- All Forms, except 4: Account credit: 10% applies to homeowner premium when named insured insures personal automobiles in any of the General Accident Companies.
- All Forms: Protective devices: Credit varies 2% - 15%.
- All Forms: Fixed Dollar Amount Deductible Factors; \$500 - .90; \$1000 - .77.
- Forms 1, 2, 3 & 3w/15: Personal Property Increased Limits; \$1 per \$1000 of insurance.
- Forms 1, 2 & 3: Personal Property Replacement Cost coverage; Waives charge to increase Coverage C limit 50% to 70% of Coverage A limit. Premium for replacement cost coverage developed by applying factor of 1.05 to base premium including any premium adjustment for Coverage C in excess of 70% of Coverage A.
- All Forms, except 4 & 6: Deviation by policy size; Coverage A Amounts. Credit varies.
- Uniform base rate deviation – all forms except HO 04 and HO 06 10% credit applied when written in the Camden Fire Insurance Association. Eff. 9-13-02

Central Mutual Insurance Company

CENTRAL PREMIER TIER

- Deviation by amount of insurance, Forms 2,3,&3w/15, public protection class & territory: Variable credits.
- New Home Credit for Forms 2,3&3w/15: credits vary.
- Package Credit Forms 2, 3, 3w/15 & 6: credit varies if company carries private passenger Automobile/homeowners Coverage based on territory.
- Fixed dollar amount deductibles deviation credit varies..
- Personal Property Replacement Cost All Forms except 4&6: surcharge 1.035.
- Installment Payment Plan: Charge waived when the insured uses Electronic Funds Transfer.

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- Forms HE 7 & HE 7w/HE 20: Personal Property Replacement Cost surcharge varies.

CENTRAL MUTUAL ADVANTAGE TIER

- Deviation by amount of insurance, Forms 2,3,&3w/15, public protection class & territory: Variable credits.
- Form 6: Deviation by amount of insurance: credits vary.
- Forms 2, 3, & 3w/15 New Home Credit: Credit varies for homes new to 14yrs. of age.
- Forms 2, 3, 3w/15 & 6: Package Credit if company carries private passenger Automobile/homeowners Coverage based on territory.
- Fixed dollar amount deductibles deviation credits vary for all Coverage A limits and Coverage C limits above \$10,000.
- Personal Property Replacement Cost for forms 2,3,3w/15 surcharge 1.035.
- Installment Payment Plan: Charge waived when the insured uses Electronic Funds Transfer.
- Forms HE 7 & HE 7w/HE 20: Personal Property Replacement Cost surcharge varies.

CENTRAL MUTUAL TIER

- Deviation by amount of insurance, Forms 2, 3 & 3w/15: public protection class & territory: Variable credits.
- Deviation by amount of insurance form 6 credit varies.
- New Home Credit: Forms 2, 3 & 3 w/15: Credit varies for homes new to 14 yrs. of age.
- Package Credit Forms 2, 3, 3 w/15 & 6: credit varies if company carries private passenger automobile/homeowners coverage based on territory.
- Fixed Dollar Amount Deductibles Credits vary for all Coverage A limits and Coverage C limits above \$10,000.
- Personal Property Replacement Cost Forms 2 & 3: surcharge factor 1.035.
- Installment Payment Plan: Charge waved when the insured uses Electronic Funds Transfer.
- Forms 4 & 6: Deviation by amount of insurance: Credits vary.
- Forms HE 7 & HE 7w/HE 20: Personal Property Replacement Cost surcharge varies.

CENTRAL MUTUAL BENEFIT TIER

- Installment Payment Plan: Charge waived when the insured uses Electronic Funds Transfer.
- Eff 9-1-03 PC062814

The Charter Oak Fire Insurance Company

- Base Rate Deviation: Credit varies depending on territory.
- Form 3w/15: 10% Additional premium charge.
- Coverage A Relativities based on Coverage A amount & territory.
- Protective Device Deviation: Credits vary.
- Deductible Credits: Credit varies by amount of deductible.
- Personal Property - Increased Limit Covge C: \$1 per \$1000. Forms 2, 3 & 3w15
- Refrigerated Personal Property: \$10 charge waived.

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- Account Credit Forms 2, 3 & 3w15: 5%.
- Loss Free Credit: 3+ yrs. loss free 5% credit Forms 2, 3 & 3w15.
- Final premium adjustment factor of .92Forms 2, 3 & 3w15:.
- Inflation Guard: Premium charge waived.Forms 2 & 3:
- Safety Seminar Credit: Certain criteria apply.Forms 3: 5%
- PC072527 Eff 5-28-04, PC055166 Eff. 11-01-02

Cincinnati Indemnity Company

- New home credit Forms 2, 3 & 3w/32 36; New – 9 years, credit varies.
- Installment Payment Plan: Delete the \$3 charge for each installment.
- Homeowners Enhancement Deviation.
- Eff 4-1-04 PC065697

The Cincinnati Insurance Company

- New home credit HO 2, HO 03, HO 03 w/HO 32 36 1-9 yrs credit varies.
- Base Rate Deviations By Territories Credit varies based on territory.
- Installment Payment Plan: Delete the \$3 charge each installment.
- Homeowners Enhancement Deviation.
- Watercraft Liability deviation. Eff 4-1-04 PC065698

Commercial Insurance Company of Newark, New Jersey

- Forms 1, 2 & 3: 20% credit if criteria is met.
- Forms 1, 2, 3 & 3 w15: Deductible credits: Coverage A all amounts; \$250-15%; \$500-25%; \$1000-35%; \$2500-45%.
- Forms 4 & 6: Deductible credits; Coverage C all amounts; \$250-13%; \$500-28%; \$1000-42%; \$2500-53%.
- Forms 1, 2, 3 & 3 w/15: Personal Property Replacement Cost; Eliminate 5% surcharge. Eliminate \$20 minimum premium.
- Forms 1, 2 & 3: Age of dwelling credit; 0-5 yrs. - 15%; 6-10 yrs. - 10% if criteria are met.
- Amount of Insurance Deviation; \$50000 - \$225000 & above credit varies 9% - 39%. Eff. 12-9-88

Consolidated American Insurance Company

- All Forms: 10% downward deviation.
- Forms 1, 2 & 3: New home credit; 16% current calendar yr.; 2% less credit for each yr. preceding current calendar yr.
- Flat Deductible Credits: \$500 - 9%; \$1000 - 17%; \$2500 - 25%. All Forms, except forms 4 & 6.
- All Forms: Protective Device Credits; Various combinations ranging 2% - 15%.
- Forms 2, 3, 3W/15 & 6: Account credit; 10% if insured has both his personal auto policy & homeowners policy with any of the Seibels-Bruce Companies.

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- Forms 2, 3, 3w/15 & 6: Amount of insurance credit; \$10000 - \$110000 - credit varies 0% - 27%.
- All Forms, except 4: 5% Senior Citizens Credit when required criteria is met.
- All Forms, except 4: Credits for consecutive yrs. with Seibels Bruce Insurance Companies 3-5 yrs.-5%;6 or more yrs- 10%.
- Personal Injury Coverage: No charge.
- Forms 3 & 3w/15: Coverage C increased limits charge per \$1000 - \$1 in lieu of \$2.
- Guaranteed replacement or repair cost for dwelling HO-500: No charge.
- Forms 3 & 3w/15: Windstorm & Hail exclusion in Territory 04; \$75 credit.
- Per Prop Replacement: All Forms; Increase Coverage C limits 50% to 70% of Coverage A at no additional charge. Eff. 8-1-92

Continental Insurance Company

- All Forms, except 4 & 6: Base Rate Deviations based on territory. Credits vary 0% - 15.6%.
- Forms 4 & 6: Base Rate Deviations based on territory. Credits vary
- Earthquake Rate Deviations.
- Deductible Credits Deviation – based on Coverage A Limit..
- New Home Discount: 1 year – 18%, 1-5 yrs. -15%; 6-10 yrs. - 10%.
- Gated Community Discount. 10% credit when criteria are met.
- Companion Policy Discount: 10% applies when named insured has an auto policy with any Encompass Ins Co.
- Additional Limits Deviation Coverage F: Deviation.
- Business Pursuits Rate Deviation. Credits vary .14% - .33%.
- Incidental Farm Rate Deviation. Residence Premises - 48%; Other Residence - 65%.
- Superior Construction Discount: 15% credit applies to masonry base premium or apartment unit.
- Protective Device Credits: Credit varies 1% - 9%.
- Automatic Sprinkler System Deviation: Credit of 7% or 13% applies.
- Preferred Rate Deviation 5% conditions vary.
- Special Personal Property Coverage HO 00 06 only – deviation 4.3%.. Eff. 8-15-02

Continental National Indemnity Company

- Form 3: Age of Dwelling Discount: 0 - 9 yrs. of age: Credit varies 2% - 20%.
- Account Credit Program: .85 factor applies when both the homeowner & auto policy is written through CNIC.
- Deductible Credit/Charges Deviation: Credit varies by deductible amount.
- Form 6: .80 factor applied to HO-4 base premium.
- Protective Device Deviation: Credit varies 1% - 15%.
- Forms 3, 4 & 6: Eliminate minimum premium for Replacement Cost Coverage.
- Form 3: Additional Limits of Liability for Coverages A, B, C & D: 6% applies to base premium when certain criteria is met.
- Form 3: Personal Property Replacement Cost will be 5% of base premium, no minimum additional premium & no charge to increase Coverage C when certain criteria is met.
- Form 3: Personal Injury charge will be deleted when certain coverages & increased limits options are selected.

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- Form 3: Water Back-Up of Sewers or Drains, charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Credit Card, Fund Transfer Card, Forgery & Counterfeit Money, to increase coverage charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Special Computer Coverage, charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Coverage C Increased Special Limits of Liability, charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Fire Department Service charge will be increased to \$1000 when certain coverages & increased limits options are selected.
- Form 3: Increasing Coverage D to 30% of Coverage A, charge will be deleted when certain coverages & increased limits options are selected.
- Form 3: Coverage A Relativities Deviation: Credit varies 3.8% - 6.5%.
- Form 3: Ordinance or Law-Increased Amount of Coverage will be 4% of the base premium when certain coverages & increased limits options are selected.
- Form 3: Refrigerated Property Coverage, charge will be deleted when certain coverages & increased limits options are selected. Eff. 1-1-01

Economy Premier Assurance Company

- Form 3: Base Rate & Policy Amount Relativities by Territory Deviation: Credit varies.
- Form 6: Base premium is calculated with a factor of 9.1% below the HO 4 base rates.
- Form 4: Base rate deviation by territory: Credit varies
- Forms 4 & 6: Policy Amount Relativities by Territory Deviation: Credits of 2.7% - 14%.
- Form HE-7: Contract provided at no additional charge.
- Form HE-7w/HE-20: Base premium is calculated with a factor of 1.02 applied to HO-3 rates.
- Form HE-7w/HE-21: Base premium is calculated with a factor of 1.04 applied to HO-3 rates.
- Forms HE-7, 6 & 4: Homeowners Pak II Credit: 10% credit in territories 32-43 who qualify.
- Pak II Renewal Credit: 3%-5% credit applies to final premium when insured has maintained an auto or homeowners policy written with a Metropolitan Company.
- New Home Discount: 0 - 15 yrs. of age: Credit varies 3% - 18%.
- Personal Injury Protection Liability Deviation: Provided with no additional charge.
- Forms 4 & 6: Personal Property Replacement Cost Coverage: Provided at no additional charge.
- Forms HE-7, 4 & 6: Credits for higher deductibles.
- Premium Credits for Protective Devices: Credits vary 1% - 15%.
- Business Pursuits Deviation.
- Water Craft Deviation: Credits vary by length & horsepower.
- Home Day Care Deviation: Premium charge will be rated at Bureau rates for Permitted Incidental Occupancies.
- Form HE-7: Personal Property Increased Limits: \$1 per \$1000 of insurance.
- Premium Payment Plan Deviation. Eff. 8-15-02

Electric Insurance Company

- Base rate deviation by territory: Credit varies. Forms 2, 3 & 3 w15:

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- Base Rate Credit - 11%. Forms 4 & 6:
- Reduced Factor Personal Property Replacement Cost form HO-1, HO-2, and HO-3 - 1.02 (Coverage C) is automatically increased to 70% of Coverage A. HO-04 and HO-6 1.25 RC Coverage also applies to articles or classes of property separately described and specifically insured in this policy.
- Protective Device Credits: Credits vary 2% - 15%.
- Deductible Factors Forms HO-4 & HO-6 Credit varies
- Decreased Rates for Unscheduled Jewelry, Watches and Furs.
- Decreased Rates for Silverware, Goldware & Pewterware: Additional premium for each \$500 increase - \$2.
- Decreased Rates for Firearms: Additional premium for each \$100 increase - \$1.
- New Home Credit Forms 2 & 3; 0 - 10 yrs. of age; Credit varies 2% - 25%.
- Multi-Policy Discount. Forms 2, 3, 4 & 6: 10%
- Eff. 12-20-03 PC067230

EMCASCO Insurance Company

- Downward base rate deviation Forms 2 & 3: 15%.
- Optional Section I & II Rates; 15% deviation.
- Personal Property Replacement Cost Coverage C: forms 2 & 3 Use 1.00 factor: Forms 4 & 6: Use 1.40 factor.
- Optional Higher Flat deductible credits: all forms \$500-10%; \$1000-23%; \$2500-37. Windstorm or Hail ded's vary by ded amount for HO 2 & 3.
- Combination Premium Credit: 15% when homeowners & auto policies are written in one of the EMC Companies.
- Additional Amount of Insurance; Forms 2 & 3 \$5 premium per policy.
- Renovated Dwelling Components: Variable credits when criteria is met.
- Electronic Fund Transfer: transaction fee is waived when the electronic funds transfer options is selected. Eff. 8-1-02

Employers Mutual Casualty Company

- Optional Higher Flat deductible credits all forms; \$500 - 10%; \$1000 - 23%; \$2500 - 37%.
- Forms 4 & 6: Fixed dollar amount deductible; \$500 - 15%; \$1000 - 32%; \$2500 - 45%.
- Combination Premium Credit: 15% when homeowners & auto policies are written in one of the EMC Companies.
- : Additional amount of insurance; Forms 2 & 3 \$5 premium per policy.
- Renovated Dwelling Components: Variable credits when criteria is met.
- Electronic Fund Transfer transaction fee is waive when the electronic funds transfer options is selected Eff. 8-1-02

Encompass Indemnity Company

- Forms 2, 3, and 8 Base Rate Deviations by Territory, Credit varies by territory
- Form 4 Base Rate Deviation by Territory, Credit varies by territory
- Form 6 Base Rate Deviation by Territory, Credit varies by territory
- Earthquake Coverage - Base rate deviation according to Table, Zone, and Construction.

As of Dec 15, 2004

- Gated Community Discount: A 10% credit will be applied to the premises/property for a residence located in a gated community meeting certain criteria.
- New Home Discount: A residence 10 years of age or less is eligible for a discount, credit varies by age.
- Deductible Credits Discount: Credit varies by coverage limit and deductible amount.
- Additional Limits Deviation, Coverage F
- Business Pursuits Rate Deviation: credit varies.
- Incidental Farming Personal Liability Deviation: credit varies.
- Superior Construction Discount: The premium for a dwelling or apartment unit in a building of superior construction is computed by multiplying the masonry base premium or apartment unit by .85.
- Various Credits for Protective Devices: credit varies by type of alarm.
- Credits for Automatic Sprinkler Systems: credit varies by location/area of sprinkler system.
- Special Personal Property Coverage HO 6 only: endorsement HO 32 35 factor 1.34.
- Companion Policy Discount: 10% discount applies to the residence premium if the named insured is also a named insured on an Auto Policy with any of the Encompass Insurance Companies.
- Preferred Rate Deviation: Preferred rates are available at a 5% reduction from standard rates if the amount of insurance under Coverage A is equal to at least 90% of the Replacement Cost of the Dwelling and the automatic adjustment of limits endorsed is attached.
- Effective 10-1-04 PC075214

Erie Insurance Exchange

- Base Rate Deviations Forms HO 00 022, HO 00 03, HO 00 08, HE-7, HE-7/20 & HE-7/21: Key Premium deviations: Variable credits based on zones.
- Amount of Insurance Deviation All Forms except HO 00 04 & HO 00 06; key factors by amount of insurance.
- Multi-Policy Discount: 5% credit applied to the Homeowner adjusted base premium if the Policyholder also has a voluntary private passenger automobile policy with The ERIE Insurance Exchange or ERIE Insurance Company.
- New Home Discount: Credits vary 2% - 18% for new to 9 yrs. of age.
- Deductible Factors - all forms, deviation varies.
- Protective Device Credit Deviation: Credit varies 1% -7%, with a maximum credit of \$75.
- Increased Special Limits of Liability HO 04 65 (all forms except HE-7) Credit varies.
- Personal Property Replacement Cost: HO 00 02 & HO 00 03 The charge for this coverage is 12%, but it includes the increase in Coverage C to 70% of Coverage A at no additional charge. The deviation varies by rating zone. HO 00 04 & HO 00 06 - no deviation. HE-7 - no deviation.
- Secondary Residence Premises - Subtract \$1 for duplication of coverage. Step B is omitted.
- Townhouse or rowhouse charge - waived.
- Units Rented to Others Form HO 00 06 HO 1733 Charge 25% of base premium.
- Outboard Motors & Watercraft Deviation: Outboard, inboard & inboard-outboard less than 50 horsepower-deviation 100%.
- Building Addition & Alterations Increased Coverage C limit - : Form 00 04 HO 0451 - \$4 per \$1000 increased limits.
- Specified Additional Amount of Insurance for Coverage A only(HO 32 20): \$1 charge.

As of Dec 15, 2004

- Rented Personal Property: HO 32 21 No charge.
- Business Pursuits: No charge.
- Waterbed Liability HO 04 00 HO 00 06 No charge.
- Refrigerated Property Coverage: Charge waived.
- Personal Property Increased Limits; HE 7 - \$2 per \$1000.
- Premium payment plan service charge – installment payments- \$3 per installment.
- Eff. 2-1-04 PC067210

Farmers Insurance Exchange

- Base Rate Deviations: Forms 3 & 4: Credits vary 6% - 11.5% by territory.
- Form Factor Deviations: Forms 3w/15 & 4.
- Plan Relativity Factors: Forms 3, 3w/15, 4, & 6: Premier, Preferred & Standard Plans: Certain criteria apply.
- Amount of Insurance Deviations: All Forms, Credit by territory varies.
- Protection - Construction Factors Deviation by territory: All Forms, except 4 & 6.
- New Home Discount: Form 3: Current yr. - .80 factor; add .02 to factor each additional yr. until 7th yr.
- Ordinance or Law Deviation: Forms 2 & 3: Factors Vary.
- Personal Property Replacement Cost Coverage Deviation: Forms 4 & 6.
- Protective Devices Deviation: Credits vary 1% - 10%: Certain criteria apply.
- Deductible Deviations: All Forms , except 4 & 6: Credits vary.
- Wind Storm or Hail Deductible Deviations: All Forms, except 4 & 6.
- Loss Assessment Coverage Deviation: Forms 3 or 6w/HO1732.
- Loss of Use Deviation/Increased Limit: Rate per \$1000 - \$3.
- Other Structures Increased Limit Deviation: Rate per \$1000 - \$2.
- Personal Property Increase Limits Deviation: Credits vary.
- Other Insured Location Occupied by Insured: 4 Family Residence - \$27.
- Additional Residence Rented to Others: 4 Family Residence - \$86.
- Permitted Incidental Occupancies - Residence Premises & Other Residences: Deviation applies to Residence Premises.
- Business Pursuits Deviation for \$200,000 limit.
- Age 50 Plus Discount.
- Auto/Homeowners Discount: All Forms: Factor of .90: Certain criteria apply.
- Non Smoker Discount: Certain criteria apply.
- Affinity Banking Discounts HO 00 03 and HO 00 06 only. Certain qualifications apply. Credit varies. Eff 12-16-04 PC076113

Federal Insurance Company

- Elimination of maximum credit for protective devices.
- Forms 2, 3, 3w/15 & HE-7: Coverage A amount 950,000 & above; Key Factors vary.
- Forms 2, 3, 3w/15, 4 & 6: Gated Community Credit; 5% for house located in gated community meeting certain criteria.
- Personal Property Increased Limits: Form 2 & 3-\$1 per \$1000: Form 3w/15-\$1.50 per \$1000 of coverage.

As of Dec 15, 2004

- Forms 2 & 3: Additional Amount of Insurance Option: 25%-\$1 surcharge: 50%-\$2 surcharge: Premium \$5.
Eff. 8-15-02

Federated Mutual Insurance Company

- Forms 1, 2, 3 & 3w/15: New Home Credit: 14% dwellings 0-1 yr. old; 2% less credit each added yr.; applies to \$250 deductible basic premium & premium for amended Coverage C limit.
- Forms 1, 2, 3 & 3w/15: Fixed dollar amount deductibles; \$100 +10%; \$500 -10%; \$1000 -20%; \$2500 -30%.
- Forms 4 & 6: Fixed dollar amount deductibles; \$100 +10%; \$500-15%; \$1000-30%; \$2500-40%.
- Forms 1, 2, 3 & 3w/15: Deviation by policy amount varies 0%-25%.
- Form 4: 10%.
- Form 6: 25%.
- Forms 3 & 3w/15: Special Additional Credit Rule: 10% when eligibility & mandatory coverage requirements are met.
- Multiple Policy Discount: 5% applied to HO Policy when private passenger auto policy & personal umbrella policy is written by this Company.
- Installment Pay Plan: \$5 maximum charge per account for all policies. Eff. 11-15-94

Fidelity & Casualty Company of NY

- All Forms, except 4 & 6: Amount of Insurance Deviation: Variable Credits.
- Form 4: Amount of Insurance Deviation: Variable Credits.
- Form 6: Amount of Insurance Deviation: Variable Credits.
- Earthquake Deviation.
- Companion Policy Discount: 10% credit applies when named insured has an auto policy with any Encompass Insurance Company.
- Forms 2, 3, 3w/15 & 8: Personal Property Replacement Cost: Eliminate 5% surcharge.
- Deductible Credit Deviation.
- New Home Discount: 0 - 5 yrs. - 15%; 10 yrs. - 10%.
- Gated Community Discount.
- Guaranteed Replacement Cost coverage of buildings & structures at principal residence: \$3.
- Form 6: \$1,000 increase is .9 times applicable premium each additional \$1000 column in basic premium chart for Coverage C.
- Preferred Rate Deviation: Deviation varies when requirements are met.
- Additional Limits Coverage F Medical Payments Deviation.
- Other Insureds Location: Variable credits.
- Permitted Incidental Occupancy Medical Payments Rate Deviation.
- Additional Residence Rented to Others Rate Deviation.
- Business Pursuits Rate Deviation.
- Permitted Incidental Occupancy Rate Deviation.
- Incidental Farm Rate Deviation. Eff. 11-1-96

Fidelity & Guaranty Insurance Company

As of Dec 15, 2004

- Waive additional premium of \$5 or less.
- Deviation of HO-3 Base Rates by territory & policy amount: Credits vary.
- Forms 4 & 6: Personal Property Replacement Coverage: Reduced premium charge.
- Special Package Discount: 5% credit to total residential premium when underwriting criteria is met.
- Form 6: Relativity factor .750 in lieu of .855.
- Employees Discount: 20%.
- Forms 2 & 3: Additional amount of insurance: HO 3211 \$5 premium charge.
- Deductible Credits.
- Increase in Coverage C: Reduced rate per \$1000.
- Multi-Policy Discount: 10% credit when private passenger auto policy is also purchased with USF&G.
- All Forms, except 4, 6 & 8: New Home Discount; 1 yr.-20%; 2% less credit each added yr. to 9th yr. Eff. 4-15-00

Fidelity & Guaranty Insurance Underwriters

- Deviation of HO-3 Base Rates by territory & policy amount: Credits vary.
- Forms 4 & 6: Personal Property Replacement Cost Coverage; Factor 1.35.
- Waive additional premium of \$5 or less.
- Special Package Discount: 5% credit applied to total residential insurance premium when underwriting criteria is met.
- Form 6: Form Relativity of .800 in lieu of .855.
- Employees Discount: 20%.
- Forms 2 & 3: Additional amount of insurance: HO 3211 - \$5 premium charge.
- Deductible Credits.
- Increase in Coverage C: Reduced rate per \$1000.
- Multi-Policy Discount: 10% credit when private passenger auto policy is also purchased with USF&G.
- All Forms, except 4, 6 & 8: New Home Discount; 1 yr.-20%, 2% less credit each added yr. to 9th year.
- Forms 2, 3 & 3w/15: Protection Class Deviation. Eff. 4-15-00

Firemans Fund Insurance Company

- Protective Device Credits: All territories: Credit varies 1% - 15%.
- Portfolio Credit: 5% applies to all Homeowners policies when Personal Catastrophe Coverage and Inland Marine Coverage is written with Fireman's Fund. Eff. 12-01-03
- PC065121

Firemens Insurance Company of Newark, New Jersey

- Base Rate Deviations by Territory: Forms 2, 3 and 8: Credit varies 25% - 36.7%.
- Base Rate Deviations by Territory: Forms 4 and 6: Credit varies.
- Earthquake Coverage Deviation.
- Companion Policy Discount: 10% applies when named insured has an auto policy with any Encompass Insurance Company.

As of Dec 15, 2004

- Gated Community Discount: 10% credit applies when criteria are met.
- New Home Discount: 0 – 10 yrs. of age: Credit varies 10% - 18%.
- Deductible Credits Deviations: Credits vary by Coverage A Limit or deductible amount.
- Additional Limits Deviation for Coverage F.
- Business Pursuits Rate Deviation.
- Incidental Farming Personal Liability Deviation.
- Superior Construction Discount: 15% credit applies to masonry base premium or apartment unit.
- Protective Devices Credit: Credit varies 1% - 9%.
- Automatic Sprinkler Systems Deviation: Credit of 7% or 13%.
- Special Personal Property Coverage HO 06 only. Eff. 8-15-02

Firemen's Insurance Company of Washington D.C.

- Deluxe Program: Form 3: 5% deviation off base premiums.
- All Forms: Protective Device Credit: Credit varies 2% - 13%.
- All Forms, except 4 & 6: Age of Home Discount: Credit varies 4% - 20% for age of dwelling 0 - 25 yrs. with greatest credit for newest homes.
- All Forms, except 4 & 6: Senior Citizen Discount; Factor of .92 of base premium age 50-54 yrs. Factor .95 age 55 yrs. & older.
- All Forms, except 4 & 6: Renovation Discount 0-15 yrs. factors of .85-.95 applies when underwriting guidelines are met. Credit applies to base premium.
- Renewal Discount: Factor .95 applies to base premium when criteria is met.
- Form 3: Loss Free Credit; 1yr. - 5%; Renewal with 2 yrs. loss free - 10%. Credit applies to base premium.
- All Forms, except 4 & 6: Optional deductible credits applies to base premium. Coverage A limit under \$200,000 - \$500 ded. - .87; \$1000 - .76; \$2500 - .73. \$20000-\$400,000 - \$500 ded - .89; \$1000 - .80; \$2500 - .77. Over \$400,000 - \$500 - .92; \$1000 - 86; \$2500 - .83. Eff. 10-1-97

First Community Insurance Company

- Base Rate deviation by territory
- Amount of Insurance deviation by territory - HO-3.
- Amount of Insurance deviation by territory - HO-4.
- Amount of insurance Deviation by territory - HO-6.
- Protection Class deviation - HO-3, HO-4, HO-6.
- HO-3 Toenhouse/roehouse deviation.
- Deductible Credits deviation - HO-3.
- Hurricane deductible deviation HO-3.
- Windstorm or Hail Deductible deviation HO-3.
- Deductible Creidts deviation - HO-4, HO-6.
- Number of Families deviation.
- Replacement Cost on Contents - HO-4 and HO-6.

- Homeowners Renewal Discount.
- Automatic Sprinkler Discount.
- Ordinance or Law Coverage.
- Employee or subsidiaries discount.
- Home/auto discount.
- Newly acquired home discount.
- Coverage A Increased Limits HO-6.
- Index of First Community Insurance Territories. Eff 11-21-03
- PC065806

First National Insurance Company of America

- Deductible Debit/Credits. Credit varies.
- Renewal Credit: all forms Certain criteria apply.
- Account Credit: all forms Certain criteria apply.
- Condominium Unit-Owners Coverage A Increased Limits & Special Coverage Deviation.
- Business Pursuits (HO 24 71):all forms Charge deleted.
- Credit Card, fund transfer card, forgery and counterfeit money coverage (HO 04 53): charge for \$1,000 is deleted.
- Personal Injury (HO 24 82): \$10 charge per policy.
- Landlord's Furnishings (HO 32 21): Can be increased to \$5000 with burglary cov added: \$10 charge per policy.
- Ordinance or Law Coverage (HO 04 77): Increase to a total of %100 of Coverage A.
- Medical Payments/Other Exposures/Higher Limits Deviation: all forms.
- Other Insured Locations Occupied by Insured: 2 family house will be charged as a 1 family house.
- Outboard Motor & Watercraft Liability Deviation.
- Personal Liability/Residence Premises Deviation.
- Special Personal Property Coverage (HO 00 15)/Unit Owners Coverage (HO 1731): Coverage C may be extended to include additional risks of physical loss.
- Installment Payment Charge: \$2 per installment except when paying in full or via electronic funds transfer.
- Eff. 8-15-02

General Insurance Company of America

- Base Key Premiums all forms by Territory Deviation.
- Deductible Debit/Credits Deviation.
- Renewal Credit all forms: 3-5 yrs. - 5%; 6 yrs.+ - 9%.
- Account Credit all forms: 5% credit for total policy premium when insured has a Safeco auto policy also.
- Condominium Unit Owners Coverage A Increased Limits & Special Coverage Deviation.
- Business Pursuits (HO 24 71) all forms: the charge is deleted.
- Credit Card Forgery & Counterfeit Money Coverages (HO 04 53): Delete \$1 charge for \$1000 limit.

As of Dec 15, 2004

- Personal Injury (HO 24 82): \$10 charge per policy.
- Landlord's Furnishing (HO 32 21): \$10 premium per policy to increase coverage to total \$5000 with burglary coverage added.
- Ordinance or Law Cov (HO 04 77) Deviation for Quality Plus Form, Quality Crest Form & Condominium Form.
- Medical Payments: Other exposures - Higher limits all forms: Additional charge for higher limits of medical payments will be waived.
- Additional Residence Rented to Other (HO 24 70): Limit of Liability \$100,000 - \$1,000,000: Premium charge varies.
- Outboard Motors & Water Craft: Reduced premiums based on limits, length and horsepower.
- Personal Liability - Residence Premises Deviation: Increased Limits: Coverage E base \$300,000: Coverage F no charge.
- Special Personal Property Coverage HO-OO 15 & HO-17 31: Quality Plus Form & Condominium Form- Increase basic premium 8%. Quality Crest Form automatically included.
- Installment Payment Charge: \$2 each installment. Eff. 8-15-02

Glens Falls Insurance Company

- All forms, except 4 & 6: Amount of Insurance Deviation; Variable credits.
- Form 4: Amount of Insurance Deviation: Variable credits.
- Form 6: Amount of Insurance Deviation: Variable credits.
- Earthquake Rate Deviation.
- Forms 2, 3, 3w/15 & 8: Personal Property Replacement Cost; Eliminate 5% surcharge.
- Deductible Credit Deviation.
- New Home Discount: 0 - 5 yrs. - 15%; 6 - 10 yrs. - 10%.
- Gated Community Discount.
- Guaranteed Replacement Cost coverage of building & structures at principal residence - \$3.
- Form 6: \$1000 increase is .9 times the applicable premium under each additional \$1000 column in the basic premium chart for Coverage C.
- Preferred Rate Deviation: Plan A rates deviation of 20%.
- Additional Limits Deviation Coverage F: Medical Payments Deviation.
- Other Insureds Location: Variable credits.
- Permitted Incidental Occupancy Medical Payments Rate Deviation.
- Additional Residence Rented to Others Rate Deviation.
- Business Pursuits Rate Deviation.
- Permitted Incidental Occupancy Rate Deviation.
- Incidental Farm Rate Deviation. Eff. 11-1-96

Globe Indemnity Company

- Additional Amounts of Insurance: Forms HO 00 02 HO 00 03 \$8 per policy.
- Deductible Credits: Credit varies by form & deductible amount.
- Personal Property (Coverage C) Replacement Cost Coverage: Forms 2 & 3 - Coverage A amount under \$100000 - 11% surcharge; \$100000 & over - 8% surcharge: Forms 4 & 6 - 40% surcharge.
- Homeowners Enhancement Program: 1.25 factor applies to base premium.
- Installment Payment Plan: Policies billed by agent through account current payroll deduction

program are not subject to installment fees.

- Deviation by Forms by Territory credits vary.
 - Optional Coverage Deviation.
- Effective 5-15-04 pc069341

Government Employees Insurance Company

- Forms 1, 2, 3 & 3 w/15: New Home Discount: 10% for dwellings 5 yrs. old or less.
- Homeowners Theft Deterrent Premium Credit Program: Forms 1, 2, 3 & 3 w/15 - 7%; Forms 4 & 6 - 20%.
- Forms 1, 2 & 3: Amount of Insurance Credit; Classes 1-9 - \$10,000-\$200,000 & over. Credit varies 4%-22%.
- Form 6: 10%.
- All Forms: Protective Devices: Variable credits.
- Forms 2, 3, 4 & 6: Retired Discount Credit; 20% when specified criteria are met.
- All Forms: Dual Policy Discount: 10% when specified criteria are met.
- Forms 4 & 6: Key factor +.074 for each additional \$1000 of coverage.
- Installment Payment Plan: Waive the charge of \$3 first installment if first payment received with application.
- Form 4 & 6: Waterbed Liability Endorsement: No premium charge. Eff. 3-1-95

Grain Dealers Mutual Insurance Company

- 10% credit when insured has both personal auto & homeowners policy written by Grain Dealers Mutual Ins. Company.
- Forms 2 & 3: New Home Credit: New - 1yr. of age - 25%; 1-2yrs. of age - 20%; 3 yrs. of age - 15%; 4 yrs. of age - 10%; 5 yrs. of age -5%.
- Forms 2, 3 & 3w/15: 20% to base rates applies to Coverage A amount of more than \$125,000.
- Continuous Policyholder Discount Program: 0-2 yrs.-0%credit: 3-5 yrs.-5%credit: 6-8 yrs.-10% credit: 9+ yrs.-15% credit.
- 10% deviation on base rates for Alamance & Caswell Counties in Territory 35.
- Personal Property Increased Limits Rate Deviation.
- Form 3:10% Mature Home Credit: Certain criteria must be met. Eff. 1-1-02

Granite State Insurance Company

- Forms 1, 2, 3, 4, 3w/15 & 6: 20% deviation.
- Replacement or Repair Cost protection Coverage A premium \$1.
- Age of Dwelling Deviation: 0 - 20 yrs. old - 10%.
- Forms 1, 2, 3, 3w/15, 4 & 6: 20%. Eff. 7-1-87

Graphic Arts Mutual Insurance Company

- Forms 1, 2 & 3: Replacement Cost on Contents; Increase Coverage C to 70% of Coverage A for no additional charge. 5% surcharge is to be added to the total base premium.

As of Dec 15, 2004

- Forms 4 & 6: Coverage C increased to 40% at no additional charge.
- 15% Territorial Deviation for territories 36, 38, 39, 44, 57, & 60.
- 5% Territorial Deviation for territories other than 36, 38, 39, 44, 57 and 60.
- 15% deviation for employees of Utica National Insurance Group.
- HO Extension Package: Certain criteria apply. Eff. 8-15-02

Hanover American Insurance Company

- Age of Dwelling Credit: All Forms, except 4 & 6: Credit varies for Dwellings 1-7 yrs. of age.
- Mature Homeowners Credit: All forms: 5% credit applies when certain criteria are met.
- Windstorm & Hail Deductible Credits: All forms, except 4 & 6.
- Personal Property Replacement Cost on Coverage C: All forms, except 4 & 6: Minimum premium of \$20.
- Personal Property Replacement Cost on Coverage C: Forms 4 & 6: Minimum premium of \$25.
- Non-Smoker Discount: All forms: 5% credit.
- 7% Account Credit: All forms.
- Loss of Use-Increased Limits: All forms: Additional charge \$4 per \$1000 increase.
- Condominium Unit Owners-Coverage A Dwelling: Basic & Increased Limits: \$3 per \$1000 increase: 1st \$5000 increase no charge.
- Reduced Watercraft Liability Rates: All forms.
- Personal Property , Increased Limits-\$1 per \$1000 increase: All forms, except 4 & 6.
- Special Personal Property: Reduced Charge for Form 3w/15.
- Electronic Funds Transfer Plan Discount: All forms.
- Group Modification Plan Discount: All forms: Credit varies 0%-13.5%.
- Direct Bill Policies: All forms: \$1 per installment.
- Territorial Deviation: Form 6: 5% deviation.
- Cap on Discounts/credits is applicable to both new and renewal business. Eff. 10-15-03
PC064405

Hanover Insurance Company

- Age of Dwelling Credit: All Forms, except 4 & 6: Credit varies 0%-2.4% for Dwellings 1-7 yrs. of age.
- Mature Homeowners Credit: All forms: 5% credit applies when certain criteria are met.
- Windstorm & Hail Deductible Credits: All forms, except 4 & 6.
- Personal Property Replacement Cost on Coverage C: All forms, except 4 & 6: Minimum premium of \$20.
- Personal Property Replacement Cost on Coverage C: Forms 4 & 6: Minimum premium of \$25.
- Non-Smoker Discount: All forms: 7.5% credit.
- 10% Account Credit: All forms.
- Loss of Use-Increased Limits: All forms: Additional charge \$4 per \$1000 increase.
- Condominium Unit Owners-Coverage A Dwelling: Basic & Increased Limits: \$3 per \$1000 increase: 1st \$5000 increase no charge.
- Reduced Watercraft Liability Rates: All forms.
- Personal Property Increased Limits-\$1 per \$1000 increase: All forms, except 4 & 6.
- Special Personal Property: Reduced Charge for Form 3w/15.
- Electronic Funds Transfer Plan Discount: All forms.

As of Dec 15, 2004

- Group Modification Plan Discount: All forms: Credit varies 0%-5%.
- Direct Bill Policies: All forms: \$1 per installment.
- All Forms: Amount of Insurance Relativities Deviation.
- Cap on Credits/discounts applicable to both new and renewal business.
- Eff. 08-15-02 PC 064403

Harbor Specialty Insurance Company

Preferred: Homes 25 yrs. of age or less insured for \$50,000 or more.

- Form 3: Base Rate Deviation by territories; Credit varies 20.2% - 24.3%.
- Form 4: Credits off Key Premiums; 2% Alamance County.
- Form 6: Base Rate Deviation by territories; Credit varies 19.4% - 22%.
- Form 3: Replacement Cost Protection (HO-500): Charge \$1 in lieu of \$5 when requirements are met.
- Form 3: Protective Devices Credit; Class 1-9, credit varies 2%-15%.
- Form 3: New Home Credit; 0-1 yr. old - 21%; 1% less credit each added yr. thru 8th yr.; 9 yrs. - 12%; 10 yrs. - 10%; 11 yrs. - 8%; 12 yrs. - 6%; 13 yrs. - 4%; 14 & 15 yrs. - 3%. Credit applicable to annual premium.
- Form 3: Personal Property Increased Limits; \$.50 per \$1000 of insurance.
- Form 3: Deductible Credits; \$500 ded. - 10%; \$1000 - 20%.
- Forms 3, 4 & 6: 20% deviation for policies written as part of Personal Protection Package Policy.
- Forms 4 & 6: Deductible Credits; \$500 ded. - 10%; \$1000 ded. - 23%.

Standard: Form HO-3 only - Homes 25 years of age or older and/or insured for less than \$50,000.

- Form 3: Credit off Key Premiums; 13.4% Alamance County; 9.4% territory 34; 8.6% territories 30 & 31; 11.4% territories 4, 32, 33, 36, 37, 38, 39, 40, 41, Lincoln & Rockingham County; 11.4% for remainder of Alamance County & remainder of territories. Form 3: Coverage C increased limit charge \$.50 per \$1000 of insurance.
- Form 3: Deductible Credits; \$500 - 10%; \$1000 - 20%.
- Form 3: Protective Credit; Same as for preferred.
- Form 3: New Home Credit; Same as for Preferred.
- Form 3: 20% deviation applies to HO program when written as part of Personal Protector Package Policy.
Eff. 3-1-94

Harford Mutual Insurance Company

- Forms 1, 2 & 3: New Home Discount; 10% - dwellings 15 yrs. old or less.
- Forms 1, 2, 3 & 8: Fixed dollar amount deductible factors; \$500 - .90; \$1000 - .83; \$2500 - .75. \$100 deductible amount - minimum \$30 - maximum \$60.
- Forms 4 & 6: Fixed dollar amount ded. factors; \$500 .90; \$1000 .77; \$2500 .63. \$100 deductible amount min. \$30, max. \$60.
- All Forms: Protective devices factors for all territories & all protection classes - factors varies .98 to .85.

Eff. 5-1-92

Harleysville-Atlantic Insurance Company

- Forms 1, 2, 3 & 8: Base rate credits; Coverage A limit \$48,000 & under \$95,000 & over; Credit varies 0.0% -27.5%.
- All Forms: 13%; Optional coverage rates Section I & II.
- Forms 1, 2, 3 & 8: New Home Discount factor; 1 yr. old or less .80; Discount factor increased by .01 thru 11th yr. - discount factor increased by .02 - 12th thru 15th yr. Eff. 5-1-92

Harleysville Mutual Insurance Company

- Group Mass Marketing Discount: 10% to voluntary policyholders that are members of specific group type organizations.
- Preferred Client Discount: credit applies when certain criteria are met.
- Companion discount – Credit for existing insurance, duplicated by a policy written as a product segment contained in the StarPak at the time of issuance, is allowed for the unexpired period of the existing insurance.
- Eff. 9-1-03 PC062598

Harleysville Preferred Insurance Company

- Group Mass Marketing Discount: 10% to voluntary policyholders that are members of specific group type organizations.
- Preferred customer discount – all terr except 05, 06, 41, 42, 43, 81 and 86. The percentage discount is determined by the combination of insurance score rating and characteristics met.
- HE-7 Deviations credit varies.
- Companion discount – Credit for existing insurance, duplicated by a policy written as a product segment contained in the StarPak at the time of issuance, is allowed for the unexpired period of the existing insurance.
- Eff 9-1-03 PC062597

Hartford Accident and Indemnity Company

- Mature Retirees Credit: Factor of .98 is applied when required criteria is met.
- Limited Access Credit Forms 4 & 6: 10% if complex meets the protection requirements. Age of Dwelling Credit: 1 yr. of age 20% with a 3% less credit each added yr.
- Account Credit Deviation: Factors of .93 or .97 apply if insured meets eligibility requirements.
- Protective Devices Premium Credits: all forms Factors vary from .87 - .98 for qualifying dwellings: Credits may be added together to a maximum credit factor of .80.
- Personal Property Increase Limit Deviation: Forms 2 & 3 - \$1 per \$1000 of insurance: Form 3w/15 - \$3 per \$1000.
- Deviations by Amount of Insurance: Territories & Relativity Curves.
- Deductible Credit all forms: Credits vary by amount of insurance and amount of deductible.
- Retirement Community/Limited Access Community - 15% credit when a home meets certain qualifications.

As of Dec 15, 2004

- Premium Computation - Forms 4 & 6 - 8% deviation.
- Additional Amount of Insurance Coverage A only; forms 2 & 3 - 25% - \$1; 50% - \$2.
- Eff. 9-1-04 PC072677

Hartford Casualty Insurance Company

- Mature Retirees Credit: Factor of .98 is applied when required criteria is met.
- Limited Access Credit Forms 4 & 6: 10% if complex meets the protection requirements. Age of Dwelling Credit: 1 yr. of age 20% with a 3% less credit each added yr.
- Account Credit Deviation: Factors of .93 or .97 apply if insured meets eligibility requirements.
- Protective Devices Premium Credits: all forms Factors vary from .87 - .98 for qualifying dwellings: Credits may be added together to a maximum credit factor of .80.
- Personal Property Increase Limit Deviation: Forms 2 & 3 - \$1 per \$1000 of insurance: Form 3w/15 - \$3 per \$1000.
- Deviations by Amount of Insurance: Territories & Relativity Curves.
- Deductible Credit all forms: Credits vary by amount of insurance and amount of deductible.
- Retirement Community/Limited Access Community - 15% credit when a home meets certain qualifications.
- Premium Computation - Forms 4 & 6 - 1% deviation.
- Additional Amount of Insurance Coverage A only; forms 2 & 3 - 25% - \$1; 50% - \$2.
- Eff. 9-1-04 PC072678

Hartford Fire Insurance Company

- Mature Retirees Credit: Factor of .98 is applied when required criteria is met.
- Limited Access Credit Forms 4 & 6: 10% if complex meets the protection requirements. Age of Dwelling Credit: 1 yr. of age 20% with a 3% less credit each added yr.
- Account Credit Deviation: Factors of .93 or .97 apply if insured meets eligibility requirements.
- Protective Devices Premium Credits: all forms Factors vary from .87 - .98 for qualifying dwellings: Credits may be added together to a maximum credit factor of .80.
- Personal Property Increase Limit Deviation: Forms 2 & 3 - \$1 per \$1000 of insurance: Form 3w/15 - \$3 per \$1000.
- Deviations by Amount of Insurance: Territories & Relativity Curves.
- Deductible Credit all forms: Credits vary by amount of insurance and amount of deductible.
- Retirement Community/Limited Access Community - 15% credit when a home meets certain qualifications.
- Premium Computation - Forms 4 & 6 - 1% deviation.
- Additional Amount of Insurance Coverage A only; forms 2 & 3 - 25% - \$1; 50% - \$2.
- Eff. 9-1-04 PC072676

Hartford Insurance Company of Midwest

- Age of Dwelling Credit: 1 yr. of age 20% with a 3% less credit each added yr.
- Forms 4 & 6: 10% Limited Access Credit if complex meets the protection requirements.
- All Forms: Protective Devices Premium Credits: Factors vary from .85-.98 for qualifying dwellings: Credits may be added together to maximum credit factor of .80.

As of Dec 15, 2004

- Personal Property Increase Limit Deviation: Forms 2 & 3 - \$1 per \$1000 of insurance: Form 3w/15 - \$3 per \$1000.
- Deviations by Amount of Insurance: Territories & Relativity Curves.
- Account Credit Deviation: Factors of .90 or .95 apply if insured meets eligibility requirements.
- Mature Retirees Credit: Factor of .95 is applied when required criteria is met.
- All Forms: Higher Deductible Deviation: Credits vary by amount of insurance and amount of deductible.
- Form 3: Retirement Community/Limited Access Community Package - 15% credit when criteria are met.
- Forms 4 & 6: 10% deviation.
- Forms 2 & 3: Additional Amount of Insurance Coverage A only; 25% - \$1; 50% - \$2. Additional Limit of Liability for Coverage A, B, C, & D - \$3 premium charge. Eff. 6-1-01

Hartford Underwriters Insurance Company

- Age of Dwelling Credit: 0-1 yr. of age - 15%; 1% less credit each added yr.
- Limited Access Credit if complex meets protection requirements Forms 4 & 6: 10%.
- Protective Devices Premium Credits: All Forms: Factor varies .98 - .85 for qualifying dwellings; credits may be added together to maximum credit factor of .80.
- Personal Property – Paragraph A Increased Limits for Coverage C may be increased.
- Mature Retiree Credit Factor; .95 when required criteria are met.
- Premium Computation – Forms HO 4 and HO 6 Multiply base premium by factor of .70.
- Account Credit Factor: .95 if insured has personal auto policy with same company based on territories.
- Personal Property Replacement Cost (Coverage C) The policy may be endorsed to provide RC Coverage on Cov C. If endorsed, rate as follows:
Forms HO-2, HO 3, and HO 3 with HO 15
Manual charge to increase the cov C limit to 70% of Cov A, add a 2% surcharge to adjusted total base premium including additional premium for the increased Cov C limit.
Forms HO 4 and HO 6
Manual charge to increase the Cov C limit to \$12,000 if limit is less than \$12,000.
Add 40% surcharge to the adjusted total base premium including additional premium for the increased Cov C limit.
- Renewal Credit: Credit varies 1% - 5%.
- Forms 2 & 3: Specified Additional Amount of Insurance; 25% - \$1; 50% - \$2. Additional Limit of Liability for Coverage A, B, C & D- premium charge \$5.
- Minimum limits of liability are not applicable to forms HO2, HO3 or HO8.
- Eff. 12/01/04 PC 076715

Homesite Insurance Company

- Preferred Risk Group 1 Discount 10% when certain criteria are met.
- Preferred Risk Group 2 Discount 10% when certain criteria are met.
- Eff 3/31/03 PC057282

Horace Mann Insurance Company

- Coverage amount & territory deviations: Form 7 Masters Program Variable credit.
- Protective Device Credits: Classes 1-9: Credits vary from 1%-15%.
- Forms 1, 2, & 3: 2% credit if insured 100% to value & Inflation Guard Endorsement attached.
- New Home Credit Forms 2 & 3 & Master Program: 0 or 1 yr. - 20%; 2% less credit each added yr. to 10th yr.
- Territorial Base Rate Deviation: 8% Credit. Forms 4 & 6:
-
- Installment Payment Plan: Forms ML-3, 4, 6 & Master Program: Waive initial \$3 installment fee.
- Deductible Credits Forms ML 2& 3 and masters: Variable credits.
- Auto/Home discount all forms credit varies.
- Deductible Credits for forms ML-4 and 6 credit varies.
- Replacement Cost on contents - 15% charge for policies with \$500 or greater deductible. \$10 minimum premium.
- Masters Program - \$60,000 Minimum coverage A, includes inflation protection coverage at no additional charge; includes Replacement Value-Personal Property; included the following percentages of Coverage A: 10% coverage B, 70% coverage C, and 20% coverage D.
- Federal Flood Insurance Program: 2% credit applies to HO and MH policies if the insured has a federal flood insurance policy placed with us through our flood insurance placement program.
- Downward deviation on earthquake.
- Silverware, Goldware, & Peterware coverage will be \$3.00 per \$500 of insurance.
- Refrigerated Food Spoilage coverage will be \$5.00 per policy.
- Tenant's Improvements Increased Limit - \$4 per \$1000 of insurance.
- Coverage A Increased Limit - \$3 per \$1000 of insurance.
- Additional Residence Premises - Rented to Others (Liability Coverage) - Premium varies.
- Private Structures - Rented to Others (Liability Coverage) - Premium varies.
- Form 7-Masters Program: Credit Tier Deviation. Eff. 5-1-04 PC070010

Horace Mann Property & Casualty Insurance Company

- Amount of Insurance Deviation Form 3 & Masters Program by territory: Credit varies.
- Protective Device Credits for Protection Classes 1-9: Credits vary 1% - 15%.
- 2% credit for form 3 if all coverage amounts insured 100% to value with Inflation Guard Endorsement attached.
- Form 3 & Masters Program: Newly Constructed Residences Credit: Age of Home 0 - 10 yrs.: Credits vary 3%-16.5%.
- Rate for Increased Coverage C: \$1 per \$1000.
- Form 3 & Masters Program: Protection Class credits by territory.
- Form 3 & Masters Program: Base rate territorial credits.
- Form 3 & Masters Program: \$3 installment fee on each installment except the initial down payment.
- Deductible Factors Deviation by territory Form 3 & Masters Program: Minimum for Coverage A, \$100000.
- All Forms: Auto/Home Discount: Certain criteria apply: Credit varies.

As of Dec 15, 2004

- Masters Program: \$125000 minimum Coverage A, includes replacement value - personal property & inflation protection coverage at no additional charge.
- Federal Flood Insurance Program: 2% credit if flood insurance policy is placed through us.
- Earthquake Deviation by territory. Form 3 & Masters Program:
- Silverware, Goldware & Pewterware coverage will be \$3 per \$500 of insurance.
- Refrigerated Food Spoilage coverage will be \$5 per policy.
- Additional Residence Premises - Rented to Others (Liability Coverage): Rates vary per coverage amount.
- Private Structures - Rented to Others (Liability Coverage): \$14 for \$100000/\$1000 & \$18 for \$300000/\$1000.
- Masters Program (form 7) : Credit Tier Deviation. Eff. 5-1-04 PC070011

Indemnity Insurance Company of North America

- New Construction Credit: New - 20%; 2% less credit for each yr. to 9th yr.
- All Forms: Fixed Dollar Deductible: Credit varies 15% - 40%.
- Personal Property Increased Limit: \$2 premium charge per \$1000 of coverage.
- Forms 2 & 3: Replacement Cost Coverage Personal Property: HO 0490; Factor 10.5% includes increased Coverage C to 70% of Coverage A at no additional premium charge.
- Protective Device Credits: All zones & protection classes: Credit varies 2% - 15%.
- Rated Deviation: Homeowners - 11%; Tenants - 10%; Condominiums - 15%. Eff. 9-1-99

Indiana Lumbermens Mutual Insurance Company

- Forms 1, 2, 3 & 3 w/15: 15% 0-10 yrs. old; 10% 11-15 yrs. old; 0% 16 yrs. & over. Eff. 9-1-85

Insura Property & Casualty Insurance Company

- Form 3: Deductible credits; \$500 - 15%; \$1000 - 25%; \$2500 - 38%.
- All Forms: Personal property increased limits \$2 per \$1000.
- Protective Device Credits; Credit varies 2% - 15%.
- Personal Injury (HO-82) included at no charge.
- Personal Property Replacement Cost Coverage; Eliminate 5% surcharge.
- New Home Credit: Current calendar yr. - 20%; 1 yr. preceding current calendar yr. - 18%; each added yr. 2% less credit until 10+ yrs. - 0%.
- Multi-Policy Credit: 10% applies to total HO policy prem. when auto policy is written in the Anthem Casualty Ins. Group.
- Amount of insurance deviation based on territory, protection class & amount of Coverage A: \$70,000-\$200,000 credits varies 8.6% - 21.9%; Each additional \$10,000 credit varies 15% - 30%.
- Forms 2 & 3: Amount of Insurance Deviation; 3% charge of basic premium.
- Base premium deviation by territory. Eff. 6-1-99

Insurance Company of North America

As of Dec 15, 2004

- Forms 1, 2 & 3: Fixed dollar deductible credits; \$500-11%; \$1000-21%; \$2500-34%.
- Form 4: Fixed dollar deductible credits; \$500-11%; \$1000-25%; \$2500-40%.
- Forms 1, 2 & 3: Rate for increase in Coverage C; \$1 per \$1000.
- Forms 1, 2 & 3: Personal Property Replacement Cost coverage HO 290; Charge shall be 4% of adjusted base premium. Coverage C must be increased to 70% of A & \$1 per \$1000 charge made.
- Protective Device Credits: All zones & all protection classes: Credits vary from 1%-15%. Eff. 5-1-92

Insurance Company of the State of Pennsylvania

- Form 6: 35%.
- Form 4: 20%.
- Forms 2 & 3: Deductible Credits; \$250 - 15%; \$500 - 25%; \$1000 - 35%.
- Forms 2, 3, 3w/15 & 6: Age of Dwelling Discount; 0-5 yrs. - 15%; 6-10 yrs. - 10%; 11-20 yrs. - 5%.
- Forms 1, 2, 3, 3 w/15 & 8: 28%.
- Home Buyers Discount: 10% first 3 yrs. ownership; 5% second 3 yrs.
- Forms 1, 2, 3 & 3 w/15: Delete 5% surcharge for replacement cost of contents. Eff. 6-15-88

Insurance Corporation of Hannover

- Form 3: Age of Dwelling Discount: Credit varies 2%-20% for dwellings new- 9 yrs. old.
- Account Credit Program: 15% credit applied when insured has both a voluntary auto policy & a homeowners policy insuring their primary residence.
- Preferred Homeowners Credit: 5%-23% credit by territory & protection class when certain criteria are met.
- Form 6: Apply a factor of .80 to the HO-4 base premium.
- All Forms: Protective Device Credits: Credit varies 1%-15%.
- Forms 3, 4 & 6: Replacement Cost on Contents: Minimum additional premium does not apply.
- Form 3: 6% charge for Additional Limits of Liability for Coverages A, B, C & D when certain coverages & increased limits options are selected.
- Form 3: Personal Property Replacement Cost: Charge 5% of base premium, no minimum additional premium of \$20, & no charge to increase Coverage C to 70% of Coverage A when certain coverages & increased limits options are selected.
- Form 3: Personal Injury: No charge.
- Form 3: Water Back Up of Sewer & Drains with additional coverages.
- Form 3: Credit Card, Fund Transfer Card, & Forgery & Counterfeit Money: No charge to increase coverage when certain coverages & increased limits options are selected.
- Form 3: Special Computer Coverage: No charge when certain coverages & increased limits options are selected.
- Form 3: Coverage C Increased Special Limits of Liability: No charge to increase coverage when certain coverages & increased limits options are selected.
- Form 3: Fire Department Service Charge: No charge to increase coverage when certain coverages & increased limits options are selected.
- Form 3: Coverage D Increased to 30% of Coverage A: No charge to increase coverage when certain coverages & increased limits options are selected.

As of Dec 15, 2004

- Form 3: Coverage A Relativities Deviation.
- Form 3: Ordinance or Law: Charge 4% of base premium to increase coverage by 15% when certain coverages & increased limits options are selected.
- Form 3: Refrigerated Property Coverage: No charge when certain coverages & increased limits options are selected.
- Loss Free Credit when certain criteria is met. Eff. 2-1-02

Integon General Insurance Corporation

- Delete the surcharge for \$100 deductible.
- Form 6: 10% deviation.
- Deviation by amount of insurance: Coverage A amount \$50,000 - \$250,000 & above based on territory; Credit varies - 0% - .340%.
- Deductible Credits: Form 3; Terr. 32, 33, 34-41- \$250 ded., \$500 ded., \$1000 ded. & \$2500 ded.: Credits varies .05%- .41%.
- Long-Term Customer Discount: 5-9 yrs. with Co. on HO policy 5%; 10 yrs. or longer with company on HO policy -10%. Eff. 5-1-92

Integon Indemnity Corporation

- Delete surcharge for \$100 deductible.
- Form 6: 15% deviation.
- Replacement Cost Coverage C: Delete surcharge for replacement cost on contents.
- Deviation by Amount of Insurance: Cov. A amount \$50,000 - \$250,000 & above & based on territory. Variable credit.
- Deductible Credits Form 3; Terr. 32, 33, 34-41 - \$250 ded; \$500 ded. \$1000 & \$2500 ded. Credits vary .05%-41%.
- Long Term Customer Discount: 5-9 yrs. renewal with company - 5%; 10 yrs. or longer with Company - 10%.
Eff. 5-1-92

International Insurance Company

Merged with TIG Insurance Company 12-16-02

Kansas City Fire and Marine Insurance Company

- All Forms, except 4 & 6: Amount of insurance deviation based on territory. Credits vary 0% - 15.6%.
- Form 4: Amount of insurance deviation based on territory. Credits vary.
- Form 6: Amount of insurance deviation based on territory. Credits vary.
- Earthquake Rate Deviations.
- Forms 2, 3, 3w/15 & 8: Replacement Cost on Contents Deviation. Factor 1.05 waived.
- Deductible Credits Deviation.
- New Home Discount: 0-5 yrs. -15%; 6-10 yrs. - 10%.
- Gated Community Discount: 10% credit when criteria are met.
- Guaranteed Replacement Cost Coverage: Premium charge \$3.

As of Dec 15, 2004

- Special Coverage Rate Deviation.
- Preferred Rate Deviation: 8% credit applies when criteria are met.
- Additional Limits Deviation Coverage F: Deviation - 66.67%.
- Other Insured Location. 1 family - 43%; 2 families - 71%.
- Permitted Incidental Occupancy Med Payments Rate Deviation: Credit varies 50% - 60%.
- Additional Residence Rented to Others Rate Deviation. 1 family - 88%; 2 families - 84%.
- Business Pursuits Rate Deviation. Credits vary 14% - 40%.
- Permitted Incidental Occupancy Rate Deviation. Res. Prem. - 47%; Other Res. - 29%.
- Incidental Farm Rate Deviation. Res. Prem. - 48%; Other Res. - 65%.
- Superior Construction Discount: 15% credit applies to masonry base premium or apartment unit.
- Protective Devices Credit: Credit varies 1% - 9%.
- Automatic Sprinkler Systems Deviation: Credit of 7% or 13%.
- Special Personal Property coverage Ho 06 only. Eff. 8-15-02

Liberty Mutual Fire Insurance Company

- Mass Merchandising Program – 5% deviation when certain criteria is met
- Deductible Credits Deductible Amount and percentage of credit/surcharge vary.
- Amount of Insurance Forms HO 1,2, & 3 Deviation by policy amount and territory.
- Amount of Insurance HO 4 & 6 Deviation by policy amount and territory.
- Installment Payment Plan all forms - \$3 each installment except first installment
- Coverage A Dwelling Limit for form HO 6
- Watercraft Deviation by limits of liability
- New Home Credits HO 2 & 3 Credits vary.
- Protective Devices Credits Credits vary .
- Hurricane deductible credits; credit varies by deductible amount. Eff. 5-10-04 pc070198

Lititz Mutual Insurance Company

- New Home Credit: 15% 0-2 yrs.; 10% 3-5 yrs.; 5% 6-10 years.
- 10% credit to base premium when HO-0490 & HO-3220 are used together. The charge to increase Coverage C to 70% of Coverage A is waived.
- Protection class 9 homes: Deviation applies when criteria are met.
- Optional Higher Deductibles Deviation.
- Combined Territory Deviation: Credits vary.
- Base Rate Deviation by Territory: Credit varies. Eff. 10-1-02

LM Personal Insurance Company

- New Home Credit: Age of Home 0 - 7 yrs. of age: Credit varies 0%-20%.
- Deductible credits
- Personal Property Replacement Cost: - HO-3 Apply 4% surcharge to adjusted base premium.
- Enhanced Dwelling Limit (EDL) – Form HO-3 \$1.00 per policy.
- Protective Device Credits: Variable Credits 2%-15%.
- Forms 3, 3w/15, Premier & 6: 5% Mature Homeowners Credit.

As of Dec 15, 2004

- Personal Property – Increased Limit Form HO-3: \$1.00 per \$1,000 increase of insurance
- Mature Homeowner Credit – Forms HO-3 and HO-6 5% credit. A premium credit applies if any named insured is age 55 or older as of the effective date of the policy.
- Companion for Life Discount all forms 10% credit.
- Secured Community Credit: Credit applies if primary residence is located in a fully secured or partially secured community. Fully secured - 10%; Partially secured -5%.
- Electronic Funds Transfer Fee: No charge.
- Increased Limits Jewelry, Watches & Furs: \$14 per \$1000 of Coverage.
- Personal Property Replacement Cost: Form HO4 and HO 6 Minimum charge of \$20.
- Silverware, Goldware, & Pewterware: \$2.50 per \$500.
- Deviation for 3 & 4 Family Liability Rates.
- Deviation by Liability Coverage.
- Outboard Motors & Water Craft Deviation for Coverage E, Increased Limits: Certain criteria apply.
- Outboard Motors & Water Craft Deviation for Coverage F, Increased Limits: Certain criteria apply.
- Business Property - Increased Limits Deviation: \$10 per \$2500.
- Eff. 3-14-03

Lumbermens Mutual Casualty Company

- Premium Credits for Protective Devices: Certain criteria apply.
- Mature Homeowners Credit: 5% credit applies to base premium if insured is 55 yrs. of age & is home during the day.
- Personal Property (Coverage C) Replacement Cost Coverage Deviation.
- \$100 Deductible: Waive minimum premium.
- \$250 Theft Deductible Factors: Certain criteria apply.
- All Forms: Optional Higher Deductibles deviation.
- Form 3: Special Personal Property Coverage: Apply a factor of 1.10 to base premium.
- Form HO 6: Special Personal Property Coverage: Apply a factor of 1.20 to base premium.
- Form 4: Building Addition & Alterations Increased Limit deviation.
- Form HO 6: Coverage A Dwelling Basic & Increased Limits Special Coverage Deviation.
- Ordinance or Law Increased Amount of Insurance: Form 4 & 6.
- Deferred Premium Payment Plan Option.
- New Home Discount: 0 - 6+ yrs. of age: Credit varies 0% - 18%.
- 5% Kemper Network Discount: Certain criteria apply. Eff. 2-25-02

Maryland Casualty Company

- All Forms, except 4 & 6: Age of Dwelling Credit; New-20%; 1 yr.-18%; 2 yrs.-16%; 3 yrs.-14%; 4 yrs.-13%; 5 yrs.-12%; 6 yrs.-10%; 7 yrs.-8%; 8 yrs.-6%; 9 yrs.-4%; 10 yrs.-2%.
- Forms 4 & 6: Replacement Cost on Contents: Factor 1.35.
- Protector Series Program: Reduce homeowners premium by 5%, if insured has auto policy with Maryland Casualty Group.
- Forms 2 & 3: Charge \$1 per \$1000 for increase in Coverage C limit.
- All Forms: Deductible Credits: \$500 - 15%; \$1000 - 20%; \$2500 - 30%.
- Deviation by Territory: Form 2, 3, 3w/15; Credit varies 0% - 14%.

As of Dec 15, 2004

- Base Premium Deviation: All Forms, except 4 & 6; Credit varies.
- Account Credit: 10% credit when insured has home & auto coverage with Zurich Insurance Companies when criteria is met.
- Protective Device Credit: Factors vary. Maximum credit of \$75 is waived. Eff. 7-1-98

Massachusetts Bay Insurance Company

- Age of Dwelling Credit: All Forms, except 4 & 6: Credit varies 0%-2.4% for Dwellings 1-7 yrs. of age.
- Mature Homeowners Credit: All forms: 5% credit applies when certain criteria are met.
- Windstorm & Hail Deductible Credits: All forms, except 4 & 6.
- Personal Property Replacement Cost on Coverage C: All forms, except 4 & 6: Minimum premium of \$20.
- Personal Property Replacement Cost on Coverage C: Forms 4 & 6: Minimum premium of \$25.
- Non-Smoker Discount: All forms: 5% credit.
- 7% Account Credit: All forms.
- Loss of Use-Increased Limits: All forms: Additional charge \$4 per \$1000 increase.
- Condominium Unit Owners-Coverage A Dwelling: Basic & Increased Limits: \$3 per \$1000 increase: 1st \$5000 increase no charge.
- Reduced Watercraft Liability Rates: All forms.
- Personal Property , Increased Limits-\$1 per \$1000 increase: All forms, except 4 & 6.
- Special Personal Property: Reduced Charge for Form 3w/15.
- Electronic Funds Transfer Plan Discount: All forms.
- Group Modification Plan Discount: All forms: Credit varies 0%-5%.
- Direct Bill Policies: All forms: \$1 per installment.
- Territorial Deviation: All forms, except 4 & 6: Credit varies.
- All Forms: Amount of Insurance Relativities deviation.
- Cap on discounts/credits is applicable to both new and renewal business. Eff 12-15-03 PC064404

Medmarc Casualty Insurance Company

- New Home Credit: 0-1 yr.-20%; 2 or 3 yrs.-18%; 4 yrs.-15%; 5 yrs.-12%; 6 yrs.-10%; 7 yrs.-9%; 8 yrs.-6%; 9 yrs.-3%; 10 yrs.- 2%.
- Smoke Detectors Discount: 2.0%. Eff. 7-15-90

Merastar Insurance Company

- New Home Credit; HO 00 03 Homes completed & occupied during current calendar yr. - 20%; 1 yr. preceding current yr. - 18%; 3% less each yr. to 6th yr.
- Safe and Sound Discount: protective device credit 5% certain criteria.
- Auto Home Discount All Forms - 15% credit to the base homeowner premium if insured's automobile is insured with this Company.
- Waiver of installment charge when certain requirements are met.
- Increased Special Limits of Liability: Jewelry, watches & furs; Additional premium \$10 for each \$1000 increase.
- Merastar Maximum Discount: Factor .97 applies to base premium when certain criteria is met.

As of Dec 15, 2004

- Deductible credits; Forms 3 & 8: \$500 - 12%; \$1000 - 24%.
- Deductible credits; Forms 4 & 6: \$500 - 17%; \$1000 - 30%.
- Protective Device Credits; 2% - 15%.
- Boat Liability Rate Deviation: All Forms: credit based on length & horsepower.
- Base rate deviation Forms 3 & 8: based on territory: Credit varies 2%-15%.
- Base rate deviation Forms 4 & 6: 6% based on territory 34
- Account Discount All Forms 10% Discount if the named insured is a member of an employer sponsored account or qualifying affinity group. Eff. 2-1-04 PC068657

Merchants & Business Mens Mutual Insurance Company

- Forms 1, 2, 3, 4, & 6: 35%.
- Forms 1, 2 & 3: Dwellings 0-10 yrs. - 10%. Eff. 11-1-86

Metropolitan Direct Property & Casualty Insurance Company

- Fixed Dollar Deductible Relativities : \$100 ded - 1.10, \$500 - .85, \$1000 - .75; Factor applies to base premium.
- Replacement Plus – Guaranteed Replacement Cost Coverage A & B; certain criteria must be met.
- Replacement Cost on Contents Forms 3 & 3 Ultra: Personal Property Replacement surcharge - 10% of base premium. Coverage C increased to 70% of Coverage A at no additional cost.
- New Home Discount: Credit varies by age of dwelling up to 9th year.
- Premium Credit for Alarm Systems: Credit varies 1% - 15%; Credit applies to base premium.
- Mature Homeowners Discount: 5% credit age 55 or older & retired. If married, one spouse must be 55 yrs old & neither employed full time. Credit applies to base premium. Not in territories 5, 6, 34, 41, 42, 43.
- Windstorm or Hail Exclusion Credit: Forms 3 & 3 Ultra; Variable credits based on protection class & construction. Credit applies to base premium.
- Multi-Policy Discount: 10% discount to total homeowner premium when insured has homeowners & auto insurance with Metropolitan. Not in territory 5, 6, 34, 41, 42, 43.
- Mass Merchandising Account Deviation.
- Additional coverage - Jewelry & Furs premium varies according to additional limit.
- Claim Free Discount: 5% when criteria are met.
- Increased Ordinance or Law Coverage. Eff. 1-31-02

Metropolitan Property & Casualty Insurance Company

Standard Program

- New Home Discount: Age of dwelling 0 - 9 yrs.: Credit varies 2% - 25%. Except ho4 & ho6.
- Replacement Plus: Guaranteed Replacement Cost Coverage A & B when certain criteria is met.
- Forms 2, 3 & 3 Ultra: Replacement Cost on Contents: 10% surcharge. Coverage C amount increased to 70% of Coverage A at no additional cost.
- Forms 4 & 6: Replacement Cost on Contents: 25% surcharge. Form-6 minimum \$20000 Coverage C is required. Credit applies to base premium.

As of Dec 15, 2004

- Fixed Dollar Deductible Relativities: \$100 ded. - 1.10; \$500 ded. - .85; \$1000 ded. - .75.
- Premium Credits for Alarm Systems: Credits vary 1% - 15%. Credit applies to base premium.
- Mature Homeowners Discount: credit applies if a person is age 55 or older & retired. If married one spouse must be age 55 or older & neither employed full time. Not available with Form HO-4 & in specified territories.
- Mass Merchandising Account Deviation: 1% - 10% when a policy is written through Company's special accounts department to member of any employee or affinity group.
- Windstorm or Hail Exclusion Credit: Variable credits based on protection class, construction & territory.
- Multi-Policy Discount: applies to total homeowner premium when homeowner & auto policies issued with Metropolitan. Not with ho 4 or in terr 5, 6, 34, 41, 41, 42, 43.
- Smaller employer groups when criteria is met – 5%..
- Additional Coverage Jewelry and Furs for Form HO 3/w15.
- Claim Free Discount: 5% discount when criteria are met.
- Increased Ordinance or Law Coverage.

USF&G, F&GIC, & F&GIU Program

- Rate Deviations by Territory & Coverage A Amount: Credit varies. Ho02, ho03, ho06
- All Forms, except 4: Fixed Dollar Deductible Relativities Deviation.
- Windstorm or Hail Percentage Deductible Relativities Deviation.
- All Forms, except 4 & 6: Replacement Plus-Guaranteed Replacement Cost Coverage on Coverage A & B. Certain criteria apply.
- Replacement Cost on Contents-Coverage C: forms 2, 3, 4 & 6 Certain criteria apply.
- All Forms, except 4 & 6: New Home Discount: 0-9 yrs. of age: Credit varies 2%-20%.
- Premium Credits for Alarm Systems: Credit varies.
- Mature Homeowners Discount: Certain criteria apply.
- Windstorm or Hail Exclusion Deviation by Form, Territory, Public Protection Class & Construction: Credit varies.
- Multi Policy Discount: applies to basic premium when certain criteria are met.
- Claim Free Discount: Eligibility requirements must be met.
- Increased Ordinance or Law Coverage Deviation.
- Form 3/w15: Additional Coverage for Jewelry & Furs Deviation. Eff. 8-16-02

Millers Insurance Company

Insolvent 3-24-03

Montgomery Mutual Insurance Company

- Forms 3, HE-7, HE-7w/20 & HE-7w/21: Personal Property Increased Limits: .50 per \$1000 of insurance for Coverage C.
- Deductible Amount Deviation: Forms 3, HE-7, HE-7w/20 & HE-7w/21: Credit varies
- 10% Account Credit when auto policy is written for the same insured through Montgomery Mutual Insurance Co.
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: New Home Credit: New - 6 yrs. of age: Credit varies

0% - 20%.

- Base Rate Deviation by Territory: Forms 3, HE-7, HE-7w/20 & HE-7w/21 Credit varies 0% - 7.1%
- Form 4: Base Rate Deviation by Territory: Credit varies 0% - 14.8%.
- Form 6: Base Rate Deviation by Territory: Credit varies 9.3% - 32%.
- Protective Device Credits: Credits vary 2% - 15%.
- Base Rate Deviation on HE-7 - 1.15, HE-7w/20 - 1.20 & HE-7w/21 - 1.25.
- Replacement or Repair Cost Protection(HO 3211): \$5 per policy when criteria is met.
- All Forms: 10% Account Credit.
- Water Craft Liability Deviation - 70%.
- Form 3: Amount of Coverage A Relativity Curve Deviation: Credit varies 0.6% - 7.4%. Eff. 8-15-02

National Ben Franklin Insurance Company

- Forms 1, 2, 3 & 3 w/15: Personal Property Replacement Cost; Eliminate 5% surcharge. Eliminate \$20 minimum premium.
- Forms 1, 2 & 3: New Home Credit; Dwellings 0-5 yrs. old - 15%; 6-10 yrs. old - 10%, if requirements are met.
- Forms 1, 2 & 3: 20%, if requirements are met.
- Forms 1, 2, 3 & 3 w/15: Deductible credits; Coverage A - all amounts; \$250-15%; \$500-25%; \$1000-35%; \$2500-45%.
- Forms 4 & 6: Coverage C - all amounts; \$250-13%; \$500-28%; \$1000-42%; \$2500-53%. Eff. 1-1-86

National General Insurance Company

- All Forms: Protection Device Credits: Variable credits from 2% to 15%.
- All Forms, except 4 & 6: Deductible/factors; \$100-1.10 - no minimum or maximum charge; \$500-.90; \$1000-.80.
- Forms 4 & 6: Deductible/factors; \$100/\$250 theft - 1.05. No minimum or maximum charge; \$500-.90; \$1000-.77.
- Form 3: New/Renovated Home Discount; Variable credits based on age of dwelling & type of renovation.
- Forms 4 & 6: Thrifty Fifty Discount; 10% credit if insured meets criteria.
- Forms 1, 2 & 3: \$5 Photo Credit New Business.
- Form 4: Building additions & alterations increased limits \$5 per \$1000 of insurance.
- Form 6: Coverage A Dwelling; Basic & Increased Limits, \$5000 Coverage A is provided at no additional charge. Charge \$5 per \$1,000 for increased limit up to total of \$15,000.
- Forms 4 & 6: Loss of Use; Increased limits \$3 per \$1000 of additional insurance.
- Form 3: Base rate deviation; Rating factor of .80 applies.
- Form 6: Base rate deviation; Rating factor of .80 applies.
- Installment Payment Plan: Two payment plan - \$2 per installment. Eff. 6-1-99

National Grange Mutual Insurance Company

- Forms 2 & 3: Age of Dwelling Deviation: 0 - 5 yrs. of age: Credit varies 3% - 18%.

As of Dec 15, 2004

- Forms 2, 3, 6 & 8: 6% Combined Personal Protection Program Account Credit.
- Forms 2 & 3: Preferred Homeowners or Revitalized Home Credit when underwriting guidelines are met: Credit varies.
- Forms 2, 3, 4, 6 & 8: Deductible credits/charges, factor varies by ded amount.
- Form 6: HO-4 base premium by factor .80 to develop base premium HO-6.
- All Forms: Protective Device Credit: Credit varies 1.1% to 2.3%. There is a maximum allowable credit of 15%.
- Forms 2, 3, 4 & 6: Replacement Cost on Contents: Minimum additional premium of \$20 does not apply.
- Forms 2 & 3: Personal Injury (HO-3282); Charge will be deleted when selection of additional coverages are met.
- Forms 2 & 3: Water Back-up of Sewers or Drains (HO 0484): Charge will be deleted if selection of additional coverages is met.
- Forms 2 & 3: Credit Card, Fund Transfer Card, Forgery, & Counterfeit Money (HO 0453): Charge will be deleted when selection of additional coverages is met.
- Forms 2 & 3: Charge for Special Computer Coverage (HO 3237) will be deleted when selection of additional coverages are met.
- Forms 2 & 3: Coverage C Special Limits of Liability: 2% charge of the base premium when certain criteria are met.
- Forms 2 & 3: Fire Department Service Charge: the policy limit of \$500 for fire department service charge will be increased to \$1000 with selection of certain additional coverages and increased limits.
- Forms 2 & 3: Charge to increase Coverage D to 30% of Coverage A will be deleted when selection of additional coverages are met.
- Installment Payment Plan: Multi-policies - \$3 charge first policy: \$1 charge for each additional personal lines policy appearing on monthly statement. No service charge if paid via EFT.
- Forms 2 & 3: Ordinance or Law (HO-0477): 15% additional of Coverage A will be 4% of base premium for all insureds when selection of certain coverages is met.
- Forms 2 & 3: Refrigerated Property Coverage (HO0498) charge will be deleted when selection of additional coverages are met.
- Forms 2 & 3: Additional Limits of Liability for Coverage A (HO 3220): 6% of base premium when selection of certain coverages is met.
- Forms 2 & 3: Personal Property Replacement Cost: along with HO 0490 5% of base premium when selection of certain coverages.
- Forms 2 & 3: Insurance Score Rating, Discount factor varies by Insurance Score.
- Eff. 9-1-04 PC 072017

National Specialty Insurance Company

- Forms 2 & 3: Base deviations vary by amounts of insurance - \$55,000 - \$120,000 & over; Territory 34 Cumberland County -0% -22.1%; Territories 32, 33, 35 & 41 - 0% to -35.1% deviations vary by amount of insurance. \$50,000 - \$120,000 & over; all other territories 0% - 35.1%. Deviation vary by amounts of insurance \$50,000 - \$120,000 & over.
- Forms 4 & 6: 10% credit applies to optional coverages that are applicable exclusively to Forms 4 & 6.
- All Forms, except 4 & 6: 20% credit applies to optional coverages.
- Forms 2, 3 & Homeowners Plus: Fixed dollar amount deductible credits; \$500-10%; \$1000 -

17%.

- Forms 4 & 6: Fixed dollar amount deductible; \$500 - 10%; \$1000 - 23%.
- Homeowners Plus Package: Form 3 Credit for amount of insurance \$50,000-\$69,000 - 10%; \$70,000 - 110,000 - 11%; \$120,000 - \$170,000 - 12%; \$180,000 - \$200,000 - 13%, each additional \$10,000 - 0% when special requirements are met.
- Forms 4 & 6: 10%.
- Forms 2, 3 & Homeowners Plus: New home credit - 25% current yr.; 2.5% less credit each added yr.
- Premium credit for alarm systems HO 216: 2-15%.
- All Forms: Manned Security Discount: 10% additional when property is residential area with limited entry & exit points manned by employed uniformed security guards.
- All Forms: 55 & Retired Discount: 10% if one insured is 55 or older & both insured & spouse, if any, are neither gainfully employed or seeking gainful employment. Residence must be principal residence of applicant.
- Earthquake Coverage: Superior construction will be rated same as frame construction.
- Form HO-6: Coverage A increased limits; \$3 for each additional \$1000.
- Form HO-6: Units regularly rented to others HO-33; Charge 25% of base premium. Eff. 5-1-92
- *Name changed from State National Specialty Company effective 3/16/04*

National Surety Corporation

- Protective Device Credits: All forms & all territories: 1% - 15% credit applies to company base premium.
- Portfolio Credit: 5% credit applies to all homeowners policies when Personal Catastrophe Coverage and Personal Inland Marine Coverage is written with Company. Eff 12-01-03 PC065123

National Union Fire Insurance Company of Pittsburgh

- Territorial Base Rate Deviation.
- Amount of Insurance Relatives Deviation.
- Maximum Credit for Protective Devices waived.
- Higher Deductible Credit: Credit varies by amount of insurance and deductible amount.
- Increased Coverage C Limit Deviation: A factor of 1.25 applies per \$1000 of insurance. Territories 5, 6, 42 & 43 excluded.
- Renovated House Credit: Credit varies .82 - .97 for houses renovated 1 yr. to 6 yrs.
- Gated Community Credit: 5% applies when criteria is met.
- Loss Free/ Persistency Credit: 5% or 10% credit applies when criteria is met. Eff. 10-13-00

Nationwide Mutual Fire Insurance Company

- Forms 3 & 3w15: Deviation by amount of insurance & territory.
- Home & Car Discount for all territories, except 5, 6, 41, 45, 65, 69, 71, 72, & 74: Forms 2 & 3: Credit varies 1% - 26%.
- Protective Device Deviations by territory: Credit varies 0% - 6.6%.
- Personal Property Replacement Cost Coverage by territory: Form 3w15 - 10%.

As of Dec 15, 2004

- Deductible Deviations by form, territory, amount of insurance & deductible option.
- Territorial Deviation – forms 2,3,3w/HO 32 36 and 6.
- Safe Home Rating Program – forms 2,3,and 3 with HO 32 36 and 6.
- Safe Home Rating Program – Form 4 with HO 32 36 and 6. Eff. 2-7-03

Nationwide Mutual Insurance Company

- Territory Relativities - Form 4 Deviation Factor for all territories 1.383.
- Safe Home Rating Program – Form 4 varies by number of points accumulated from paid claims in the last 3 years. Eff. 4-23-04 pc070349

Netherlands Insurance Company

Preferred Homeowners

- Personal Property Increased Limits;. Forms 3, HE-7, HE-7w/20 & HE7w/21 \$.50 per \$1000 of insurance
- Deductible amounts deviation Credit: Forms 3, 4, 6, HE-7, HE-7w/20 & HE-7w/21 :Credit varies
- New Home Credit: Forms 3, HE-7, HE-7w/20 & HE-7w/21: Credit varies.
- Protective Device Credit: Forms 3, HE-7, HE-7w/20 & HE-7w/21: Credit varies
- Base Rate Deviation by Territory Forms 3, HE-7, HE-7w/20 & HE7-21:: Credit varies.
- Form 4: 3% Key Premium Deviation by Territory.
- Form 6: Key Premium Deviation: Credit varies 29.3%-31.6%.
- Forms 3, HE-7, HE-7w/20 & HE-7w/21: HO-3211- Replacement or Repair Cost Protection: Premium charge \$5.
- Forms 3, 4, 6, HE-7, HE-7w/20 & HE-7w/21: 15% deviation for policies written as part of Personal Protector Package Policy.
- Water Craft Deviation of 70%.
- Base Rate Deviation on HE-7, HE-7w/20 & HE-7w/21: HE-7 factor - 1.15; HE-7w/20 factor - 1.20; HE7w/21 - 1.25.
- Amount of Coverage A Relativity: Deviation varies .6% - 7.4%.

Standard Homeowners

- Personal Property Increased Limits Forms 3, HE-7, HE-7w/20 & HE-7w/21: ; \$.50 per \$1000 of insurance.
- Deductible Credits; Forms 3, HE-7, HE-7w/20 & HE-7w/21: credit varies.
- New Home Credit: Forms 3, HE-7, HE-7w/20 & HE-7w/21: 0 -12 yrs. of age: Credit varies 0% - 25%.
- Protective Device Credit: Forms 3, HE-7, HE-7w/20 & HE-7w/21: Credit varies 2% - 15%.
- Base rate deviation by territory: Forms 3, HE-7, HE-7w/20 & HE-7w/21 Credit varies
- Base Rate Deviation HO 6 by territory: Deviation varies.
- Base Rate Deviation on HE-7, HE-7w/20 & HE-7w/21: credit varies
- Replacement or Repair Cost Protection: Forms 3, HE-7, HE-7w/20 & HE-7w/21: HO-3211

As of Dec 15, 2004

- Premium charge \$5.
- Deviation will apply to HO 3 standard, HE 7 standard HE7/w20 standard, HE 7/ w21 standard for monoline homeowners premiums when they are written as part of the Personal Protector Package Policy.
- Water Craft Deviation of 70%.
- Amount of Coverage A Relativity curve: Deviation varies .6% - 7.4%.
- Eff 10-15-02

New Hampshire Insurance Company

- Forms 1, 2, 3, 3w/15 4 & 6: Age of dwelling credit; 0-20 yrs. - 10%.
- Replacement or Repair Cost prot. Coverage A (HO-500): \$1 per policy. Eff. 7-1-87

New South Insurance Company

- Deviation by Amount of Insurance: Coverage A amount: \$50000 - \$250,000 & above based on territory; Credit varies 0% - .380%.
- Long-term Customer Discount: 5-9 yrs. with Co. on HO policy - 5%; 10 yrs. or longer with Co. on HO policy - 10%.
- Deductible Credits: Territories 32, 33, 34 - 41; \$250 ded., \$500 ded. \$1000 ded. & \$2500 ded.; Credits vary .05% - 41%.
- Form 6: 15%.
- Delete surcharge for \$100 deductible.
- Replacement Cost- Coverage C: Delete surcharge for replacement cost on contents. Eff. 5-1-92

New York Central Mutual Fire Insurance Company

- Deviation withdrawn effective December 8, 2003.

Newark Insurance Company

- Withdrawn Eff. 10-24-03

Niagara Fire Insurance Company

- Broad & Standard Perils: Primary dwelling \$85000 or more; coverage written least 170% of replacement cost value; Deviation by amount of insurance \$85000 & under - 20%; \$88000 - 21%; \$92000 - \$95000-22%; \$99000 - 23%; \$102,000 - 24%; \$105,000 - 25%; \$109,000 - \$112,000 - 26%; \$116,000 - 27%; \$119,000 - 28%; \$122,000 - 29%; \$126,000 - \$289,000 - 30%; \$306,000 - 28%; \$323,000 - 26%; \$340,000 - 24%; \$357,000 - 22%; \$374,000 & above - 20%. Eff. 11-7-86
- Forms 1, 2, 3 & 3 w/15: Personal Property Replacement Cost; Eliminate 5% surcharge. Eliminate \$20 minimum premium.
- Forms 1, 2 & 3: New home credit; Dwellings 0-5 yrs. old - 15%; 6-10 yrs. old - 10%, if requirements are met.
- Forms 1, 2 & 3: 20%, if requirements are met.
- Forms 1, 2, 3 & 3 w/15: Deductible credits; Coverage A - all amounts; \$250-15%; \$500-25%;

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\$1000-35%; \$2500-45%.

- Forms 4 & 6: Coverage C - all amounts; \$250-13%; \$500-28%; \$1000-42%; \$2500-53%. Eff. 1-1-86

North Carolina Farm Bureau Mutual Insurance Company

- Deviation by Amount of Insurance vary based on rate structure, protection class, deductible, & territory. Forms 2 & 3: Credits vary
- Forms 2 & 3: Age of dwelling credit; Territories 5 & 6 excluded; 2% credit until 8 or more yrs., then no credit.
- Forms 2, 3, 4, 6 & 8: Deductible credits/charges.
- Form 3: Value Plus Homeowners; Credit varies when criteria is met.
- Water Craft: Deviations varies by speed, length & horsepower of Water Craft.
- Forms 2 & 3: Coverage C increase in limits. \$1 per \$1000.
- Forms 2 & 3: Replacement cost on contents factor 1.05; Forms 4 & 6: Factor 1.25.
- Forms 4 & 6: 30% downward deviation statewide.
- Form 8: 10% downward deviation statewide.
- Carolina Partner Plus Discount varies by Coverage A amount of insurance when criteria is met. Credit varies.
- Deviation for Additional Residence Rented to Others & Other Structures Rented to Others - Residence Premises.
- Other Structures Rented to Others Residence Premises.
- Refrigerated Personal Property: Charge Waived.
- Additional 5% deviation applies to property in specified counties. Eff. 09-01-03

North River Insurance Company

- Forms 1, 2, 3 & 3 w/15: Age of dwelling credit; 0 - 1 yr. - 20%; 2% less credit each added yr.
- Preferred plan deviation for owners forms: Varying credits based on amount of insurance & territory.
- Forms 1, 2, 3 & 3 w/15: Replacement cost contents for preferred owners forms to \$1 per \$1000 of increased Coverage C.
- All Forms: Replacement cost on contents; Deletion of \$20 minimum additional premium.
- Forms 1, 2, 3 & 3 w/15: Higher deductible credits factors; \$500 - .89; \$1000 - .80; \$2500 - .67.
- Forms 4 & 6: Higher deductible credits factors; \$500 - .83; \$1000 - .67; \$2500 - .54.
- Premises Alarm System: Expand table of credits for protection classes 1 - 7 to include class 8.
- Form 6: 20%. Eff. 3-1-90

Northern Assurance Company of America

- All Forms, except 4 & 6: New Home Credit: 0-1 yr. old - 20%; 2% less credit each yr. to 10th yr.
- Forms 2 & 3: Personal Property Replacement Cost; Charge to increase Coverage C to 70% of Coverage A; \$1 per \$1000.
- Guaranteed Replacement Cost (HO-3211): \$5 premium charge.

As of Dec 15, 2004

- Protective Devices Credits: PPC 1-7 - 2%-15%; PPC 8-9 - 1%-15%: Maximum credit of 20% applies.
- Inflation Guard Endorsement: 6% - at no charge.
- Forms 1, 2 & 3: Fixed dollar amount deductible credits; \$500 - 15%; \$1000 - 21%; \$2500 - 38%..
- Homeowners Enhancement Program Factors: HE - 7 - 1.15%; HE - 7w/15 - 1.20 & HE - 7w/21 - 1.25.
- Deviation by Coverage A amount of insurance. All Forms, except 4 & 6: Credit varies.
- Windstorm or Hail Deductible. Eff. 8-15-02

Northern Insurance Company of New York

- Forms 1, 2, 3 & 3w/15: Age of dwelling credit; 0 - 2 yrs. - 25%; 3 yrs. - 23%; 4 yrs. - 21%; 5 yrs. - 18%; 6 yrs. - 15%; 7 yrs. - 12%; 8 - 12 yrs. - 11%; 13 - 15 yrs. - 5%.
- Forms 1, 2, 3 & 3 w/15: Replacement or repair cost protection HO-500; Reduce premium \$5 to \$1.
- Forms 4 & 6: Replacement Cost on Contents; Factor 1.35.
- Forms 1, 2 & 3: Charge \$1 per \$1000 for increase in Coverage C limits. Eff. 2-15-92

Northwestern National Casualty

- Forms 2, 3, 3w/15, & 6: Company deviation based on territory & Coverage A amount; Credit varies.
- Forms 2, 3 & 3w/15: New Home Discount: New to age 20 yrs. Credit varies 2% - 27%.
- All Forms, except 4 & 5: Deductible Credit/Charges.
- Personal Property Increased Limits for Coverage C. Forms 2 & 3 - \$.50; Form 3w/15 - \$2.
- Protection Construction Relativity Deviation.
- Protection Devices Credits: Maximum Credit removed.
- Outboard Motors & Water Craft: Liability rates amended by boat length.
- Form 6: Dwelling Basic and Increased Limits and Special Coverage. \$5000 Coverage A limit named perils basis: No premium charge.
- Personal Property Replacement Cost Coverage: All forms, except 4 & 6 - factor 1.05; Form 4 & 6 - factor 1.35. Minimum premium deleted.
- Ordinance or Law Coverage deviation.
- Three or Four Family Dwellings: Coverage B & C deviation.
- Installment Payment Plan: Initial installment charge waived.
- 5% Account Credit when named insured has an auto policy with the Highlands Insurance Group Companies.
Eff. 6-1-99

Ohio Casualty Insurance Company

- Forms 2, 3 & 8: Fixed dollar amount deductible factors; \$500 - .90; \$1000 - .83; \$2500 - .75.
- Forms 4 & 6: Fixed dollar amount deductible factors; \$500 - .90; \$1000 - .77; \$2500 - .63.
- Water Craft Liability Rates: 60% below NCRB for powerboats; 50% below NCRB for sailboats.
- Employees Discount: 20% to qualifying employees insured in the Ohio Casualty Group.
- Percentage Wind or Hail Deductible Deviation: Credits vary. Eff. 08-15-02

OneBeacon Midwest Insurance Company

- All Forms, except 4 & 6: New Home Discount; 0-1 yr. old -20%; 2% less credit each added yr. to 10th yr.
- Forms 2 & 3: Personal Property Replacement Cost; Charge to increase Coverage C to 70% of Coverage A; \$1 per \$1000.
- Replacement or Repair Cost Protection Coverage A (HO-3211): \$5 premium charge.
- Protective Devices Credits: PPC 1-7 - 2%-15%; PPC 8-9 - 1%-15%; Maximum credit of 20% applies.
- All Forms, except 4 & 6: Provide Inflation Guard endorsement coverage at 6% amount of annual increase at no charge.
- All Forms, except 4 & 6: Fixed Dollar Amount deductibles: \$500-15%; \$1000-21%; \$2500-38%.
- 5% discount for insured age 49 or older.
- Deviation to Enhancement Forms HE-7; HE-7w/20 & HE-7w/21: Credits vary.
- Deviation by amount of Coverage A: \$250000 - \$500000. Variable credits.
- Windstorm or Hail Deductibles. Eff. 8-15-02

OneBeacon America Insurance Company

- Forms 1, 2, 3: Fixed dollar amount deductibles; \$500-15%; \$1000-21%; \$2500-38%.
- Forms 4 & 6: \$500-10%; \$1000-23%; \$2500-37%.
- All Forms, except 4 & 6: New home discount; 0-1 yr. old - 20%; 2% less credit each added yr. to 10th yr.
- Forms 1, 2, 3 & 3w/15: Repair or replacement cost Coverage A; HO3211 - \$5 premium charge.
- Protective Devices Credits: PPC 1-7 - 2%-15%; PPC 8-9 - 1%-15%; Maximum credit of 20% applies.
- Forms 2 & 3: Personal Property Replacement Cost; Charge to increase Coverage C to 70% of Coverage A; \$1 per \$1000.
- All Forms, except 4 & 6: Provide Inflation Guard Endorsement at 6% amount of annual increase at no charge.
- Form 6: Units regularly rented to others; Delete \$15 charge.
- Form 6: 11.1% credit.
- Form 6: Coverage A Dwelling Basic and Increased Coverage A limit \$3,000 cov A at no addit charge.
- 5% discount for insured age 49 or older.
- Homeowners Enhancement Factors: HE-7 - 1.15; HE -7w/15 - 1.20 & HE-7w/21 - 1.25.
- All Forms, except 4 & 6: Deviation by Coverage A amount of insurance: Credit varies.
- Windstorm or Hail Deductibles. Eff. 8-15-02

Owners Insurance Company

- Deductible charge 100 flat - 10%, maximum charge \$60.
- Protective device credit - 2% - 15% credit if certain criteria is met.

As of Dec 15, 2004

- Mature Homeowners credit if certain criteria is met.
- Townhouse or rowhouse charge.
- Credit Card, Fund transfer card, forgery and counterfeit money.
- Form HO 00 06 units regularly rented to others.
- Form HO 00 06 coverage A dwelling increased limits and special coverage.
- Loss assessment coverages - all forms.
- Building Additions and alterations at other residences - all forms.
- Other insured location occupied by insured - section II.
- Section II liability - residence employees.
- Business pursuits - coverage provided.
- Personal injury provided at no additional charge.
- Permitted Incidental Occupancies-Residence Premises.
- Special Personal Property coverage.
- Multi-policy discount when auto and homeowners are each written in any Auto-owners Insurance Group Company.
- Seasonal Discount Forms 3, 6 and HE 7.
- Section II liability Watercraft.
- Life/Homeowners Multi-Policy Discount.
- Additional Limits of Liability for Coverages A, B, C and D (form 3).
- Eff 12-2-03 PC067716

Pacific Employers Insurance Company

- Forms 1, 2 & 3: Fixed dollar deductible credits; \$500-11%; \$1000-21%; \$2500-34%.
- Form 4: Fixed dollar deductible credits; \$500-11%; \$1000-25%; \$2500-40%.
- Rate for increase in Coverage C: \$1 per \$1000.
- Forms 1, 2 & 3: Replacement Cost Coverage HO-290; Charge shall be 4% of adjusted base premium. Coverage C must also be increased to 70% of Coverage A at \$1 per \$1000.
- Protection Device Credits: All zones & all protection classes; Credits vary 2%-15%.
- New Home Discount: Credit varies 2% -20% based on age of dwelling. Credit applies to base premium.
- Base Rate Deviation: Homeowners -25%; Tenants -15%; Condominiums -20%. Eff. 2-24-98

Pacific Indemnity Company

- Forms 4 & 6: 10% credit.
- Forms 2, 3, 3w/15, & HE7: Various credits for Amounts of Insurance over \$950,000 for Coverage A.
- Elimination of maximum credit for protective devices.
- Forms 2 & 3: Additional Amount of Insurance deviation.
- Forms 2 & 3: Personal Property Increased Limit - \$1 per \$1000: Form 3w/15 - \$1.50 per \$1000.
- All Forms: 5% Gated Community Credit when criteria is met. Eff. 8-15-02

Peerless Insurance Company

Preferred Homeowners

- Deductible Credits: Forms 3, HE-7, HE-7w/20 & HE-7w/21 - credits vary.
- New Home Credit: Forms 3, HE-7, HE-7w/20 & HE-7w/21: 0 - 12 yrs. of age: Credit varies 3% - 18%.
- Protective Device Credit: Credit varies 2%-15%. Forms 3, HE-7, HE-7w/20 & HE-7w/21.
- Base Rate Deviation by Territory: Forms 3, HE-7, HE-7w/20 & HE-7-21 Credit varies 0% - 12.7%
- Base Rate Deviation on HE-7, HE-7w/20 & HE-7w/21: HE-7 factor - 1.15; HE-7w/20 factor - 1.20; HE7w/21 - 1.25.
- Replacement or Repair Cost Protection: HO 32 11 Premium charge \$5 Forms HO-3, HE-7, HE-7 w/20 & w/21.
- Discount to Premiums on forms HO-3, HE-7, HE-7w/20 & HE-7w/21, Forms 4, 6 : 15% deviation for policies written as part of Personal Protector Package Policy.
- Water Craft Deviation of 70%.
- Amount of Coverage A Relativity: Deviation varies 0% - 7.4%.
- Insurance Score Deviation.
- Installment Payment Plan: Policies billed by the agent through account payroll deduction program are not subject to installment fees. \$2 charge for each installment for Electronic Fund Transfer.

Standard Homeowners

- Deductible Credits: Forms 3, 4, 6 - credits vary.
- New Home Credit: Forms 3, HE-7, HE-7w/20 & HE-7w/21: 0 - 12 yrs. of age: Credit varies 0% - 10%.
- Credits for Alarm System: Credit varies 2%-15%. Forms 3, HE-7, HE-7w/20 & HE-7w/21.
- Base Rate Deviation by Territory: Forms 6.
- Base Rate Deviation on HE-7, HE-7w/20 & HE-7w/21: HE-7 factor - 1.15; HE-7w/20 factor - 1.20; HE7w/21 - 1.25.
- Replacement or Repair Cost Protection: HO 32 11 Premium charge \$5 Forms HO-3, HE-7, HE-7 w/20 & w/21.
- Discount to Premiums on forms HO-3, HE-7, HE-7w/20 & HE-7w/21: 15% deviation for policies written as part of Personal Protector Package Policy.
- Water Craft Deviation of 70%.
- Amount of Coverage A Relativity: Deviation varies 0.6% - 7.4%.
- Insurance Score Deviation.
- Installment Payment Plan: Policies billed by the agent through account payroll deduction program are not subject to installment fees. \$2 charge for each installment for Electronic Fund Transfer.
- Effective 8-1-04 PC070956

Penn Mutual Insurance Company - Withdrawn 4-21-03

Pennsylvania General Insurance Company

- All Forms, except 4 & 6: New home credit; Current yr. - 20%; 1 yr. old -18%; 2 yrs. old -16%; 3 yrs. old - 14%; 4 yrs. old - 12%; 5 yrs. old - 10%; 6 yrs. old - 10%; 7 yrs. old - 8%; 8 yrs. old - 7%; 9 yrs. old - 6%; 10yrs.-6%; 11yrs-4%; 12yrs-4%; 13yrs-2%; 14yrs-2% .
- All Forms: Fixed dollar amount deductible factors; \$500 - .90; \$1000 - .77.
- Forms 1, 2, 3 & 3w/15: Personal property increased limits; \$1 per \$1000 of insurance.
- All Forms, except 4: Account Credit: 10% discount when named insured insures his/her personal auto in any of General Accident Companies.
- Forms 1, 2 & 3: Personal Property Replacement Cost Coverage; Waive charge to increase Coverage C limit from 50% to 70% of Coverage A limit. Premium for Replacement Cost Coverage developed by applying factor of 1.05 to base premium including any premium adjustment for Coverage C in excess of 70% of Coverage A.
- All Forms: Protective Device Credit: Credit Varies 2% - 15%.
- All Forms, except 4 & 6: 8.8% base rate deviation. Eff. 4-15-96

Pennsylvania Lumbermens Mutual Insurance Company

- Forms 1, 2 & 3: 10% dwellings 5 yrs. old or less; 5% dwellings 6-10 yrs. old.
- All Forms: 10%. Eff. 10-1-85

Pennsylvania National Mutual Casualty Insurance Company

- Deviation by Deductibles - various credits..
- New Home Discount: Forms 2, 3 & 3w/HO3236: New to 15 yrs. of age: Credit varies 1%-20%.
- Personal Property Increased Limits: Forms 2 & 3 - \$1 per \$1000 of insurance: Form 3w/HO3236 - \$3 per \$1000 of insurance.
- Account Credit Program: Forms 2, 3, 3w/HO3236, 4, 6 & 6w/HO3235: Credit factor .90 applies when certain requirements are met.
- Deviation for Water Craft (HO 24 75): Credits vary 9%-46% based on type, horsepower & length of Water Craft.
- Preferred Program Deviation: Forms 3 & 3w/HO3236: Based on territory & public protection class: Variable credits when criteria is met.
- Protective Device Credits: Applies to insureds that meet eligibility criteria. Credit varies 1% - 25%.
- Deviation on Ordinance or Law Coverage: Forms 2 & 3.
- Deviation by Amounts of Insurance: Credit varies.
- Deviation by Additional Amounts of Insurance: Forms 2 & 3.
- Preferred Advantage Program Deviation: Forms 3 & 3w/HO3236: Certain criteria apply.
- No charge for increasing Coverage A up to \$5,000 on a form HO 00 06 policy
- Eff 6-1-03

Pharmacists Mutual Insurance Company

- 10% base rate deviation.

As of Dec 15, 2004

- Waiver of premium is amended to \$5.
- Installment Payment Plan: Charge varies based on installment plan.
- Personal Package Discount: Credit varies 5% - 10% when criteria is met.
- New Home Discount: 20% credit current calendar yr.: 1% less credit each added yr. to 10th yr.: 2% less credit 11th yr. - 14th yr.
- Automatic Adjustments of Limits: Annual 4% increase at no charge. Eff. 6-1-99

Phoenix Insurance Company

- Base Rate Deviation for Dwellings Credit varies based on territory.
- HO- 3w/15: 10% Additional premium charge.
- Coverage A Relativities Deviation: Credit based on Coverage A amount & territory.
- Protective Device Deviation: Credit varies 1% - 13%.
- Deductible Credits: Varies by amount of Coverage.
- Personal Property Increased Limit Coverage C: Forms 2, 3, 3w15: -\$1 per &1000.
- Refrigerated Personal Property: \$10 charge waived.
- Account Credit. Forms 2, 3, & 3w15: 5%
- Loss Free Credit Forms 2, 3, 3w15, 4 & 6: 3+ yrs. loss free 3% credit.
- Multi-Line Insurance & Financial Services Institution Employees Credit Forms 2, 3, 3w/15, 4 & 6: 5%.
- Inflation Guard: Forms 2 & 3: Premium charge waived.
- Safety Seminar Credit: Forms 3 & 6: 5% Certain criteria apply.
- Royal SunAlliance Employee Program Credit Forms 2, 3, 3w/15.
- PC072523 eff 5-28-04

Piedmont Mutual Insurance Company

- 7th yr.
- Value-Plus Homeowner Discount: 5% when certain criteria are met. Eff. 3-1-98

Providence Washington Insurance Company

- Forms 2 & 3: Deviation by territory, Coverage A amount & protection class: Credit varies.
- All Forms, except 4 & 6: New Home Credit: 1 to 20 yrs. old: Credit varies 1% to 20%.
- All Forms, except 4 & 6: Deductible credits: \$500 - 10%; \$1000 - 17%; \$2500 - 25%.
- Protective Devices for all protection classes & territories: Credits vary 1%-15%.
- Forms 2, 3 & 6: 15% Multiple Policy Credit when Providence Washington writes auto & homeowner.
- Waiver of Premium: \$5 or less.
- Personal Property Replacement Cost: Minimum charge not applicable. Eff. 4-18-00

Prudential Property & Casualty Insurance Company

Named changed to LM Property & Casualty Insurance Company Effective 4-13-04

Republic Insurance Company

- All Forms: Personal Property Replacement Cost Coverage; Minimum additional premium for coverage is deleted.

As of Dec 15, 2004

- All Forms: Protective Devices; Maximum credit allowed is deleted.
- All Forms, except 4 & 6: Fixed dollar amount deductible credits: \$500-9%; \$1000-17%; \$2500-25%. Eff. 4-1-95

Royal & SunAlliance Personal Insurance Company

- Form 3w/15: 25% credit. Eff. 5-11-92

Royal Indemnity Company

- Additional Amounts of Insurance: Forms HO 00 02 HO 00 03 \$8 per policy.
- Deductible Credits: Credit varies by form & deductible amount.
- Personal Property (Coverage C) Replacement Cost Coverage: Forms 2 & 3 - Coverage A amount under \$100000 - 11% surcharge; \$100000 & over - 8% surcharge; Forms 4 & 6 - 40% surcharge.
- Preferred Customer Renewal Credit: 5% credit: Certain criteria must be met.
- Homeowners Enhancement Program: 1.25 factor applies to base premium.
- Installment Payment Plan: Policies billed by agent through account current payroll deduction program are not subject to installment fees.
- Deviation by Forms: Forms 2, 3, & 3w/15- 10%; Form 6- 20%.
Eff. 5-15-04 pc069340

Royal Insurance Company of America

- Forms 2 & 3: Additional Amounts of Insurance: Charge \$8 per policy.
- Protective Devices Credits: Credits vary 2% - 15%.
- Deductible Credits: Credit varies by form & deductible amount.
- Personal Property (Coverage C) Replacement Cost Coverage: Forms 2 & 3 - Coverage A amount under \$100000 - 11% surcharge; \$100000 & over - 8% surcharge; Forms 4 & 6 - 40% surcharge.
- 5% Preferred Customer Renewal Credit: Certain criteria apply.
- Discount for Eligible Employees: 20% credit to total homeowners policy premium.
- Form HE-7w/HE-21: 1.25 factor applies to base premium.
- Companion Policy Credit: 1% deviation when auto & homeowners policy is issued in any member of Royal Insurance when certain criteria are met.
- Installment Payment Plan: Waived for employees.
- Installment Payment Plan: Policies billed by agent through account current payroll are not subject to installment fees.
- Installment Payment Plan: \$1 each installment for Electronic Fund Transfer.
- Group Mass Marketing Discount: 10% applies to all coverages: Certain criteria apply.
- New Home Discount: New to 10 yrs. of age - 2% to 20% deviation. Eff. 3-1-01

Safeco Insurance Company of America

- Deductible Debit/Credits. Credit varies.
- Renewal Credit: all forms Certain criteria apply.
- Account Credit: all forms Certain criteria apply.

As of Dec 15, 2004

- Condominium Unit-Owners Coverage A Increased Limits & Special Coverage Deviation.
- Business Pursuits (HO 24 71): all forms Charge deleted.
- Credit Card, fund transfer card, forgery and counterfeit money coverage (HO 04 53): charge for \$1,000 is deleted.
- Landlord's Furnishings (HO 32 21): Can be increased to \$5000 with burglary cov added: \$10 charge per policy.
- Ordinance or Law Coverage (HO 04 77): Increase to a total of %100 of Coverage A.
- Medical Payments/Other Exposures/Higher Limits Deviation: all forms.
- Other Insured Locations Occupied by Insured: 2 family house will be charged as a 1 family house.
- Additional Residence rented to others.
- Outboard Motor & Watercraft Liability Deviation.
- Personal Liability/Residence Premises Deviation.
- Special Personal Property Coverage (HO 00 15)/Unit Owners Coverage (HO 1731): Coverage C may be extended to include additional risks of physical loss.
- Market Tier Relativities
- Eff. 04-08-04 PC068607

Safeco Insurance Co of Pennsylvania Insurance

- Form 3: Preferred Business; 25% off Bureau rates when eligibility guidelines are met.
- Form 3: Standard Business; 5% off Bureau rates when eligibility guidelines are met.
- Form 6: 17% off Bureau rates when eligibility guidelines are met.
- Form 3: Preferred Business; Guaranteed Replacement Cost Coverage A charged waived.
- Form 3: New Home Credit; During calendar yr. - 10%; 1% additional credit each added yr. to 9th yr. Eff. 2-15-95

Safeguard Insurance Company

- Additional Amounts of Insurance: Forms HO 00 02 HO 00 03 \$8 per policy.
- Protective Devices: Credits vary 2%-15%.
- Deductible Credits: Credit varies by form & deductible amount.
- Personal Property (Coverage C) Replacement Cost Coverage: Forms 2 & 3 - Coverage A amount under \$100000 - 11% surcharge; \$100000 & over - 8% surcharge: Forms 4 & 6 - 40% surcharge.
- Preferred Customer Renewal Credit: 5% credit: Certain criteria must be met.
- Discount for Eligible Employees: 20% credit to total homeowners policy premium.
- Homeowners Enhancement Program: 1.25 factor applies to base premium.
- Companion Policy Credit: 8% if auto coverage is afforded in any member Company of Royal & SunAlliance Insurance.
- Installment Payment Plan waived for employees.
- Installment Payment Plan: Policies billed by agent through account current payroll deduction program are not subject to installment fees.
- Electronic Funds Transfer Deviation: \$1 charge per transfer.
- Coverage A Discount by Amount of Insurance & Territory: Preferred Program: Credit varies 0% - 15%.
- Coverage A Discount by Amount of Insurance & Territory: Super Preferred Program: Credit

varies 0% - 17%.

- Preferred Program Deviation by Forms Off Standard Rates - credit varies by territory.
- Super Preferred Program Deviation by Forms Off Standard Rates – Credit varies by territory.
- 10% Group Mass Marketing Discount: Certain criteria apply.
- Company Deviation of 9%.
- New Home Discount/Age of Dwelling Credit: New to 10 yrs. old - 2% to 20% credit. Eff. 08-15-03

St. Paul Fire & Marine Insurance Company

- Forms 1, 2, 3 & 3 w/15: New Home Discount: Yr. of construction; 0-1 yr. of age - 15%; 2-3 yrs. - 13%; 4-5 yrs. - 11%; 6-7 yrs. - 9%; 8-9 yrs. - 7%; 10-11 yrs. - 5%; 12-15 yrs. - 3%.
- Forms 1, 2, 3 & 3 w/15: Personal Property Replacement Cost; No charge for Coverage C increase from 50% to 70%.
- Forms 4 & 6: 30% surcharge to basic premium (after higher deductible credit) & for attaching HO-50.
- All Forms: Minimum premium \$15 per policy. Eff. 9-23-92

St. Paul Guardian Insurance Company

- Operation Identification Credit: 5% rate credit on Basic Homeowners Insurance Premium.
- New Home Discount: 0-1 yr.-18%; 2-3 yrs -15%; 4-5 yrs.-10%; 6-7 yrs -8%; 8-9 yrs -7%; 10-11 yrs.-5%; 12-15 yrs.-3%.
- Personal Injury Protection (Form HO-82) provided at no additional charge.
- Forms 3, 3 w/15, 4, 6, HE-7 & HE-7w/HE20: Deductible credits: \$500 - 11%; \$1000 - 23%; \$2500 - 37%.
- Form 6: 14.5% off St. Paul Guardian HO-4 rates.
- Form 3: Deviation on policy amount Relativities by territory; Variable credits.
- Form 4: Deviation on base rates by territory; Variable credits.
- Forms 4 & 6: Deviation on policy amount Relativities by territory; Variable credits.
- Form 3: Replacement or repair cost Coverage A (HO-500) provided at no charge.
- Protective Devices Credit & Home Safety Coverage Credits.
- Business Pursuits Section II coverage: All classifications will be rated same as rate shown for clerical employees.
- Water Craft: Same charge applies for lengths over 15 - 26 feet & over151 horsepower as to lengths up to 15 feet & below 151 horsepower.
- Home Day Care: Rated at Bureau rates for Permitted Incidental Occupancies (HO-42).
- Forms 3, 3w/15, 4 & 6: Personal property replacement cost (HO-290) coverage is provided at no additional charge.
- Homeowners PAK II Credit: Forms 3, 4, 6 & HE-7; 10% when insured qualifies for PAK II Program for territories 32 - 43.
- Base premiums for HE-7 policies: No additional charge.
- Base premium for HE-7w/HE-20 policies: +2.0% above St. Paul Guardian HO-3 rates.
- Base premium for HE-7w/HE-21 policies: +4.0% above St. Paul Guardian HO-3 rates.
- Renewal Credit: Premium credit when insured or spouse has maintained consecutive yrs. of both auto & homeowners coverage with the St. Paul, 3-5 yrs. Credit varies 3%-5%.
- Forms 3 & 3w/15: Personal property increase limits; \$1 per \$1000 of insurance.

As of Dec 15, 2004

- Installment Payment Plan: \$2 charge each installment unless Electronic Funds Transfer billing option is selected, then no charge.
- Employee Discount: 20% new business; 15% renewals. Eff. 3-1-00

St. Paul Mercury Insurance Company

- Operation Identification Credit: 5%.
- New Home Discount: 0-1 yr. - 15%; 2-3 yrs. - 13%; 4-5 yrs. - 11%; 6-7yrs. -9%; 8-9 yrs. -7%; 10-11 yrs. -5%; 12-15 yrs. -3%.
- Personal Injury Protection (HO-82) provided at no additional charge.
- Personal Property Replacement Cost (HO-290) coverage is provided at no additional charge.
- Forms 3, 3 w/15, 4 & 6: Deductible credits; \$500 - 11%; \$1000 - 23%; \$2500 - 37%.
- HO-6: 15% on Companies HO-4 rates.
- HO-3: Deviation on base rates by territory; Credit varies 15.5% - 37.2%.
- Form 4: Deviation on base rates by territory; Credit varies 16.0% - 29.6%.
- Forms 4 & 6: Deviation on policy amount Relativities by territory; Credit varies 0.1% - 3.1%.
- Form 3: Replacement or repair cost Coverage A (HO-500) provided at no charge.
- Protective Devices Credit & Home Safety Coverage Credits.
- Business Pursuits Section II Coverage: All classifications will be rated same as rate shown for clerical employees.
- Water Craft: Same charge apply for lengths over 15-26 ft. & over 151 horsepower as to lengths up to 15 ft. & below 151 horsepower.
- Home Day Care: Rated at Bureau rates for Permitted Incidental Occupancies (HO-42).
- Installment Payment Plan: \$2 charges each installment. Eff. 3-1-95

Sea Insurance Company of America

- Form 3w/15: 25% credit. Eff. 5-11-92

Seaton Insurance Company

- Form 3: Credits vary by protection class, & Coverage A dwelling amounts; Coverage A amount under \$40000 - \$1000000 & & over. Credit varies 0% - 19% based on territory.
- Form 3: Personal Property Replacement Cost; Delete 5% surcharge.
- Form 6: 19% to be applied to base rate of 10% off Form HO-4.
- Form 3: Fixed Dollar Amount Deductibles Credits; \$500-9%; \$1000-17%; \$2500-25%.
- Forms 4 & 6: \$500-10%; \$1000-23%; \$2500-37%.
- Form 3: New Home Credit; Current yr. - 20%; 2% less credit each added year.
- Personal Property Coverage C increased limits: Form 3; \$1; Form 3w/15 - \$2.
- Protection Device Credit: 5% in all territories & protection classes for an installed smoke detector, fire extinguisher & dead bolt locks.
- Reduced rates for Outboard Motors & Water Craft liability.
- Forms 3, 4 & 6: Personal Injury Coverage; HO-82 included at no charge.
- Form 3: Deviation of territorial relativities varies 0.0% - 15.8%.
- Form 4: 5% credit off base rates.
- Forms 4 & 6: Personal Property Replacement Cost Coverage; Surcharge reduced from 1.40 to 1.30.

Eff. 6-13-94

Select Insurance Company

- Forms 1, 2, 3 & 3 w/15: 15%. Eff. 2-8-86

Selective Insurance Company of South Carolina

- Forms 4 & 6: 25%.
- Forms 1, 2, 3 & 3w/15: Replacement Cost on Personal Property; Delete 5% surcharge.
- Forms 4 & 6: Replacement Cost Personal Property; Annual add'l prem. shall be \$1 per \$1000 of ins. applied to Coverage C.
- Protective Devices Credit: Factors vary .85 to .98.
- All Forms, except 4 & 6: Fixed dollar amount deductible factors; \$500 - .85; \$1000 - .80; \$2500 - .70.
- Amount of Insurance Deviation: \$60000 - \$140000: Credit varies 0%-25%.
- Age of Dwelling Credits: New 20%; 1 yr. old 18%; 2% less credit each added yr. through 9th yr. Eff. 5-1-92

Selective Insurance Company of the Southeast

- Credit for protective devices: Factors vary .85 to .98.
- Forms 1, 2, 3, & 3 w/15: Replacement cost on personal property; Delete 5% surcharge.
- Forms 4 & 6: Charge an annual additional premium of \$1 per \$1000 of insurance applied to Coverage C. Minimum limit of Coverage is \$12000.
- All Forms, except HO 4 & HO 6: Fixed dollar amount deductible factors; \$500 - .85; \$1000 - .80; \$2500 - .70.
- Amount of Insurance Deviation: \$20000 - \$75000; Credits vary 3.0% - 10.0%. Eff. 5-1-92

Sentry Insurance A Mutual Company

- All Forms, except 4 & 6: Fixed dollar amount deductible; Factors for Coverage A limits: \$500 ded. - .91; \$1000 ded. - .79; \$2500 ded. - .62. Eff. 11-1-96

Service Insurance Company

- Year of Construction Deviation by territory: Credit varies 3% - 30%.
- Deviation for Masonry Construction by protection class: Credit varies.
- Form 3: 10% Base Deviation by territory.
- Claim Free Credit: 5% applied to base premium: Not available in terr 5,6,42,43. Certain criteria apply.
- Mature Homeowner Credit: 5% credit by territory: Certain criteria apply.
- Gated Community Credit: 5% credit by territory: Certain criteria apply.
- Form 3: Increased Limit of Personal Property: \$1 per 1000.
- Windstorm or Hail Deductible Deviation: Credit varies.
- Key Premium Factors Deviation.

As of Dec 15, 2004

- 2% Protective Device Credit for automatic smoke detectors, fire extinguishers & deadbolt locks on all exterior doors.
- Maximum Allowable Credit – The maximum allowable credit for newly constructed dwellings, gated community, and claim free combined, is limited to 30%.
- Auto Companion Credit: 4% credit when criteria are met.
- Deductible Credit Discounts.
- Percent Windstorm or Hail Deductibles Deviation.
- HO-6 Base Class Premium; Credit varies based on territories.
- HO-6 Protection-Construction factor deviation.
- HO-6 Key Premium Factor Deviation. Eff. 6-1-03

Shelby Insurance Company

- All Forms: Deductible credits; \$250 ded. - no charge; \$500 ded. - 15%; \$1000 ded. - 25%; \$2500 ded. - 38%.
- Forms 2 & 3: Deductible credits; \$250 ded. - 10%; \$500 ded. - 15%; \$1000 ded. - 30%; \$2500 ded. - 35%.
- Forms 4 & 6: Deductible credits; \$250 - 10%; \$500 - 15%; \$1000 - 30%; \$2500 - 37%.
- Forms 2 & 3: \$250 theft deductible credit; 1%.
- Forms 4 & 6: \$250 theft deductible credit; 5%.
- Forms 1, 2, 3 & 3 w/15: Coverage C increase limits \$2 per \$1000.
- Protective Devices: Credit varies 2% - 15%.
- Personal Injury (HO-2482): Included at no charge.
- New Home Discount: 20% current calendar yr.; 18% one yr. preceding current calendar yr.; 2% less credit each added yr. until 10+ yrs. then no credit.
- Multi-Policy Discount: 10% applies to total HO policy premium when auto policy is written in the Anthem Casualty Insurance Group.
- Forms 2 & 3: Additional Amount of Insurance; 3% charge of basic premium.
- Base premium deviation by territory. Eff. 6-1-99

South Carolina Insurance Company

- All Forms: 10% credit off base premium.
- Forms 1, 2 & 3: New Home Credit; 16% current calendar yr. - 2% less credit for each yr. preceding current calendar yr.
- Flat Deductible Credits: All forms, except 4 & 6; \$500-9%; \$1000-17%; \$2500-25%.
- All Forms: Protective Device Credits: Special Fire & Theft Package - 5% credit.
- All Forms: Account credit: 10% applies to HO policy when personal auto coverage or flood coverage is written on primary residence with any of the Seibels Bruce Companies.
- All Forms, except Form 4: 5% Senior Citizens Credit when required criteria are met.
- All Forms: Credits vary based upon renewal criteria.
- Forms 4 & 6: 10% deviation.
- All Forms: Deviation by policy amount of insurance; \$10000 - \$86000 & above: Credit varies 0% - 26.4%.
- Guaranteed Replacement Cost: Endorsement HO-500; Building replacement or repair cost protection; \$1 charge.
- Forms 3 & 3w/15: 10% deviation.

As of Dec 15, 2004

- Form 3: Deviation by policy amount of insurance; \$10000 - \$111000 & above: Credit varies 0% - 27.0%.
- All Forms: Personal Property Replacement Cost including an increase in contents to 70% of Coverage A provided for no charge.
- Forms 3 & 3w/15: Increase in Coverage C; \$1 per \$1000.
- Guaranteed Replacement Cost HO-500: Coverage A provided for no charge.
- Forms 3 & 3w/15: Windstorm or Hail Exclusion; Beach territory only; \$75 premium credit.
- Personal Injury Coverage provided for no charge. Eff. 6-1-99

Southern Guaranty Insurance Company

- Form 3 & HE-7: Deviation by Territorial Relativities.
- Form 4: Deviation by Territorial Relativities.
- Form 6: Deviation by Territorial Relativities.
- Form 3 & HE-7: Amount of Insurance Deviation.
- Form 3 & HE-7: New Home Credit; 1 yr. - 18%; 2% less credit each added yr. to 9th yr.
- All Forms, except 4 & 6: Deductible Credits; \$500-.91; \$1000-.83; \$2500-.75. Forms 4 & 6: \$500-.90; \$1000-.77; \$2500-.63.
- Forms 4 & 6: Personal Property (Coverage C) Replacement Cost Coverage; Factor 1.30 from 1.40.
- Reduced charge for Personal Property Increased Limits: Form 3 - \$1; Form 3w/15 - \$2.
- Reduced rates for Outboard & Water Craft Liability.
- Forms 3, 4 & 6: Personal Injury Coverage at no charge.
- Form 3 & HE-7: Exceptional Homeowner: 10% credit when criteria are met.
- Protective Devices Credit: Credit varies.
- Multi-Policy Credit: 5% credit applies when insured has personal auto & homeowners with Southern Guaranty Insurance Company. Eff. 2-6-01

Southern Insurance Company of Virginia

- Territory Deviation; for form HO 00 03 Credit varies.
- Optional Deductible Credits: Change in credit for increasing the deductibles based on Coverage A limit.
- Protective Device Credits Combined – credit varies.
- Additional Amounts of Insurance – form HO 02 and HO 03 - HO 32 11 Factor of 1.02
- Personal Property Replacement Cost HO 03 use factor of 1.02.
- Personal Property Replacement Cost HO 04 and HO 06 use factor of 1.35.
- Age of dwelling credit – 20% for homes completed in current calendar year, decreasing 2% each preceding year.
- Outboard Motors and Watercraft reduced rates.
- HE-7 Program – 10% discount for HO 03 written with HE-7 w/20 or HE-7 w/21.
- Eff 12-1-03 PC 065261 PC065262

Southern Pilot Insurance Company

- Deviation by Coverage A limit: Form 3 & HE-7: Variable credit.

As of Dec 15, 2004

- Forms 4 & 6: Replacement Cost Coverage: Surcharge 1.30.
- New Home Credit: Age of dwelling current yr. 20%, 2% less credit thru 9th yr.
- Form 3 & HE-7: Deviation by territorial relativities.
- Form 4: Deviation by territorial relativities.
- Form 6: Deviation by territorial relativities.
- All Forms, except 4 & 6: Variable factors based on Coverage A limit & deductible amounts.
- Forms 4 & 6: Variable factors based on Coverage C limit & deductible amounts.
- Form 3: Personal Property Increased Limits: \$1 charge: Form 3w/15 - \$2 charge
- Protective Device Credits: Credit factors vary .01-.13 with maximum credit of \$75.
- Reduced Rates for Outboard Motor & Water Craft Liability.
- Forms 3, 4 & 6: Personal Injury Coverage. No premium charge.
- Exceptional Homeowner Credit: Form 3 & HE-7: 10% credit when criteria are met.
- Multi Policy Credit: 5% homeowner base rate credit when insured has personal auto coverage with Company. Eff. 09-01-03

Standard Fire Insurance Company

- Base Rate Deviation: Credit varies depending on territory.
- Coverage A Relativities based on Coverage A amount & territory.
- HO-3w15: 10% additional premium charge.
- Protective Device Deviation: Credit varies 1% - 13%.
- Deductible Credits varies by deductible amount and coverage Limit.
- Personal Property - Increased Limit Coverage C: \$1 per \$1000. Forms 2, 3 & 3w15:
- Refrigerated Personal Property: \$10 charge waived.
- Account Credit Forms 2, 3, & 3w15: 5%
- Loss Free Credit: 3+ yrs. loss free 5 % credit. Forms 2, 3 & 3w15:
- Inflation Guard: Premium charge waived. Forms 2 & 3:
- Safety Seminar Credit: Certain criteria apply Forms 3: 5%.
- PC072524 Eff. 5-28-04, PC055163 Eff 11-01-02

State Automobile Mutual Insurance Company

- Forms 4 & 6: Deductibles: \$500 - 17%; \$1000 - 33%; \$2500 - 46%.
- Forms 2, 3, 3w/15, 4 & 6: 10% additional deviation if Company carries insured's homeowners & auto liability: Other criteria apply.
- Age of Dwelling Credit: New 20%; 1 yr. - 18%; 2 yrs. - 15%; 3 yrs. - 12%; 4 yrs. -9%; 5 yrs. - 7%; 1% less credit 6th - 8th yrs.
- All Forms: Alarm System Credits; All protection classes & territories; Variable credits.
- Forms 4 & 6: Replacement Cost on Contents; Reduce charge from 40% to 35%.
- HO 500 Replacement or Repair Cost on dwellings granted without charge when certain requirements are met.
- Forms 1, 2, & 3: Coverage C increase; \$1 per \$1000; Form 3 w/15 - \$2 per \$1000.
- Forms 1, 2, 3, 3w/15 & 8: Policy Size Credits; Protection classes 1-8; \$51000 & above - 1%-30%; Protection classes 9 & 10 - \$60000 & above 1% - 15%.
- Forms 1, 2, 3, 3 w/15 & 8: Deductibles; \$500 - 15%; \$1000 - 25%; \$2500 - 31%.
- Defender Package: This package will be rated by applying a 20% credit to base rate for HO-500 coverage & a flat \$25 charge for HO-290 when certain requirements are met.

- Forms 1, 2 & 3: When HO 290 is attached; Coverage C limit is increased to 70% of Coverage A at no additional charge.
- Form 3w/15: Optional at a +10% charge.
- Jewelry Rate - \$9.50 per \$1000. Eff. 9-1-92

State Auto Property & Casualty Insurance Company

- Deductibles; Forms 4 & 6: \$500 - 10%; \$1000 - 23%; \$2500 - 37%.
- Deductibles forms 2, 3 & 3w/15 \$500 - 9%; \$1000 - 21%; \$1500 - 27%; \$2500 - 38%.
- Auto/Home deviation - 10% additional deviation if Company carries insured's homeowners as well as private passenger auto liability and meets other requirements.
- Alarm System Credits – all forms: Credit varies 2% - 15%: All protection classes & territories.
- Age of Dwelling Deviation: New - 9 yrs.: Credit varies 0% - 20%.
- Replacement Cost Coverage HO 2 and HO 3 if provided Coverage C is increased to 70% of Coverage A at no additional charge. No charge for RC contents under Home Defender Program.
- Forms 4 & 6: Replacement Cost on Contents: Charge 35%.
- Guaranteed Replacement Cost – forms HO 02 and HO 03 no charge if certain criteria are met.
- Forms 2 & 3: Coverage C Increase: \$1 per \$1000: Form 3w/15 \$2 per \$1000.
- Form 3w/15: Optional at +10% charge.
- Protection Class 9 Rates: 5% Discount for homes within 5 miles of a responding Fire Department & within 1000 feet of fire hydrant.
- Prime of Life Discount: Homeowners All Forms, except 4 & 8: Age 50-54 - 10%; Age 55 & over -15%: Form 6 qualifies if Coverage C is at least \$30,000.
- Windstorm or Hail Deductible. All Forms, except 4 & 6 Variable Credits.
- Electronic Funds Transfer: \$1 service fee. Eff. 3-1-04 pc070065

State Capital Insurance Company

- All Forms, except 4 & 6: Fixed dollar amount deductibles; \$500 - factor .79; \$1000 - factor .79; \$2500 - factor .62.
- Forms 4 & 6: \$500-ded. - factor .85; \$1000-ded. - factor .77; \$2500-ded. - factor .63.
- Forms 1, 2, 3, HE-7 & HE-7 w/HE-20: Personal Property Increase Limits; \$.50 per \$1000; 3 w/15 \$2 per \$1000.
- Forms 2, 3, 3w/15, & 6,: Company deviation based on territory & Coverage A amount; Credit varies.
- Forms 2, 3, 3w/15, HE-7 & HE-7 w/HE-20: New Home Discount 0-2 yrs. - 27%; 3-4 yrs. - 24%; 5-6 yrs. -19%; 7-8 yrs. - 14%; 9-10 yrs. - 10%; 11-12 yrs. - 7%; 13-14 yrs. - 5%; 15-20 yrs. - 2%.
- All Forms: Protective Devices Credits; Maximum credit removed. All protection class & all territory. Credit varies 2% - 15%.
- Outboard Motors & Water Craft: Liability rates amended by boat length.
- Protection/Construction Relativity Deviation: Applies to all forms, except 4 & 6; 5% deviation applies to protection classes 1 - 3 for both frame & masonry construction.
- All Forms, except 4 & 6: Windstorm or Hail Deductible Deviation. Credit varies based on amount of insurance.

As of Dec 15, 2004

- Forms 1, 2, 3, HE 7 & HE 7w/20: Personal Property increase limit: \$.50 per \$1000.
- Form 3w/15: Personal Property Increase Limit. \$2 per \$1000.
- Form 6: Dwelling Basic and Increased Limits and Special Coverage. Limit \$5000 - no charge.
- Personal Property Replacement Cost Coverage: All Forms, except 4 & 6 - factor 1.05; Forms 4 & 6 - factor 1.35. Minimum premium deleted.
- Ordinance or Law Coverage deviation by factors.
- Three or Four Family Residence: Coverage B & C deviation.
- Installment Payment Plan: Initial installment charge waived.
- 5% Account Credit when named insured has an auto policy with the Highlands Insurance Group Companies.
Eff. 6-1-99

State Farm Fire & Casualty

- Deviation by Amount of Insurance and Territory: Variable credits.
- Townhouse/Rowhouse – The charges for Townhouses/Rowhouses in buildings with more than 2 units per fire division do not apply.
- Deductible Credits/Charges – Credit varies per territory.
- Number of Families Deviation: One family premiums for all Section I & II coverages shall apply regardless of number of families.
- Form 4 Deviation by Amount of Insurance and territory – credit varies.
- Form 6 Deviation by Amount of Insurance and territory – credit varies.
- Form 4 and 6 Deductible Credits/Charges Credit varies.
- Jewelry & Furs unscheduled: 30% credit applies to \$15 rate per \$1000 for additional coverage.
- Replacement Cost on Contents; Forms 4 and 6 Coverage C extended to include the full cost of repair or replacement without deduction for depreciation. The premium is determined by applying a 30% charge to the basic \$250 deductible premium.
- Ordinance or Law Coverage: Following charge applies only to basic premium for Coverage A amount. Percentage of Coverage A Limit 25%-3% premium charge, minimum additional premium \$5; 50%-8% premium charge, minimum additional premium \$10.
- Rental Condominiums: Apply following charge; \$250 - 25%; \$500 - 21%; \$1000 - 18%; \$2500 - 16%.
- Coverage A Increased limits & Special Coverage Form 6; Basic coverage rate per \$1000 increase \$3.70; Special coverage additional premium waived.
- Homeowners 36 Discount: Consecutive yrs. insured with State Farm; 0-2 yrs. 0%; 3-5yrs 0%, 6 or more yrs. - 3%; territories 5, 6, 12, 42 & 43 excluded.
- Installment Payment Plan: \$2 charge. if monthly installment made by electronic funds transfer and a monthly bill notice is requested or \$1 per month if no printed notice is requested..
- Refrigerated Personal Property: Coverage provided at no additional charges.
- Sinkhole Collapse Form 3; \$0.35 rate per \$1000 of Coverage A.
- Home-Auto Discount for all territories, except 5 & 6. Policyholders that have a Form 3,4 or 6 policy and a voluntary State Farm auto policy will receive a 2% credit that applies to the Homeowners Program premium.
- Hurricane Percentage Deductibles: Applies to the \$250 Deductible basic premium. Eff. 5-15-04 pc069129

Stonington Insurance Company

- Mature Retirees Credit: 10% when required criteria are met.
- All Forms: 10% base rate deviation for protection class 1-9 & 9s for territories 32-40.
- New Roof Credit: 5% off base premium when eligibility met; Not applicable with new home credit.
- Form 3: 10% credit Preferred Homeowners Program when criteria are met.
- Loss Free Renewal Credit: Applied to renewal date of policy that has been free of losses: 1 yr. - 3%; 2 yrs. - 6%; 3+ more yrs. - 9%.
- Multi-Policy Credit: 10% applies to new business only when applicant has auto with agency representing Nobel & their homeowners coverage is placed with Nobel. 5% credit applies second yr. Eff. 6-1-99 .

TIG Premier Insurance Company

- All Forms: Age of Dwelling Credit; 0-3 yrs. old - 21%; 4-6 - 14%; 7-9 - 7%.
- Forms 1, 2 & 3: 38.0%.
- Form 6: 17.5%. Eff. 5-1-92

Teachers Insurance Company

- Amount of insurance deviation based on Coverage A amount & territory: Form ML-3 & Masters Program: Variable credits.
- Protection Device Credits: Classes 1-9: Credits vary 1% - 15%.
- 2% credit on Form 3 if insured 100% to value with Inflation Guard Endorsement attached.
- New Home Credit: 0 - 10 yrs. of age: Form 3 & Masters Program: Credit varies 2% - 10%.
- Increase in Coverage C \$1 per \$1000.
- Territorial Deviations for tenant and Condominium Base Rates 8%.
- Waive \$3.00 installment fee on each installment except the initial down payment for Forms 3, 4, 6 and Masters Program.
- Deductible Credits for Form 3 and Masters Program: Ded credit varies.
- Auto/Home Client Discount: Form 3 & Master Program: Variable credit when criteria are met.
- Deductible Credits: Form ML 4 & 6.
- Master Program: Additional coverages included at no additional premium charge.
- 2% credit if insured has a Federal Flood Insurance policy placed with Co. or the flood insurance replacement program.
- Downward deviation on earthquake.
- Downward deviation for silverware, goldware & pewterware.
- Downward deviation for refrigerated food spoilage. \$5 per policy.
- Downward deviation for tenant's improvement - Increased Limits.
- Coverage A Options - Form 6 - \$3 per \$1000 of insurance.
- Additional Residence Premises - Rented to Others.
- Private Structures rented to Others.
- Coverage Amount Deviations for Forms 4 & 6: Deviations vary.
-
- Masters Program: Protection Class Credits: Credits vary 0% - 5%.
- Form ML-4 & 6: 8% Base Rate Territorial Deviation.

As of Dec 15, 2004

- Form ML-3 & Masters Program: Waive \$3 installment fee on installment pay plan for initial payment.
- Forms 4 & 6: Replacement Value Deviation: 15% charge apply for policies with \$500 or greater deductible. \$10 minimum charge will apply to policies with \$500 or greater deductible.
- Masters Program: Deviation by Credit Rating Tier.
- Eff. 5-1-04 PC070012

Travelers Casualty & Surety Company

- Base Rate Deviation for Dwellings: Credit varies based on territory.
- Form 3w15: 10% additional premium charge.
- Coverage A Relativities based on Coverage A amount & territory.
- Protective Device Deviation: Credits vary 1% - 13%.
- Deductible Credits: Varies by amount of deductible.
- Forms 2, 3, & 3w15: Personal Property - Increased Limit Coverage C: \$1 per \$1000.
- Refrigerated Personal Property: \$10 Charge waived.
- Forms 2, 3, & 3 w15: 5% Account Credit.
- Forms 3 & 6: Association Credit Program: 10% credit applies when certain criteria are met.
- Form 2, 3, 3w15, 4 & 6: Loss Free Credit: 3+ yrs. loss free 3% credit.
- Forms 2, 3, 3w15, 4 & 6: Final Premium Adjustment factor of .92.
- Form 2 & 3: Inflation Guard: Premium charge waived.
- Forms 3 & 6: 5% Safety Seminar Credit: Certain criteria apply.
- PC072526 Eff 5-28-04, PC055165 Eff. 11-01-02

Travelers Indemnity Company

- Protective Device Deviation: Credit varies 1% - 13%.
- Deductible Credits: Varies by amount of deductible.
- Forms 2, 3, 3w15: Personal Property - Increased Limit Coverage C: \$1 per \$1000.
- Refrigerated Personal Property: \$10 charge waived.
- Forms 2, 3, & 3w15: 5% Account Credit.
- Forms 2, 3, 3w15, 4 & 6: Final Premium Adjustment Factor of .92.
- Forms 2 & 3: Inflation Guard Premium waived.
- Forms 3 & 6: 5% Safety Seminar Credit: Certain criteria apply.
- PC072525 Eff 5-28-04, PC055164 Eff. 11-01-00

Travelers Indemnity Company of America

- Base Rate Deviation for Dwellings: Credit varies depending on territory.
- Form 3w/15: 10% Additional premium charge.
- Coverage A Relativities based on Coverage A amount & territory.
- Deductible Credits: Varies by amount of deductible and coverage amount.
- Protection Device Deviation: Credit varies 1%-13%.
- Personal Property - Increased Limit Coverage C: Forms 2, 3 & 3w15: \$1 per \$1000.
- Refrigerated Personal Property: \$10 charge waived.
- Account Credit. Forms 2, 3, 3w15, 4 & 6: 5%

As of Dec 15, 2004

- Loss Free Credit: Forms 2, 3, 3w15, 4 & 6: 3+ yrs. loss free 3% credit
- Multi-Line Insurance & Financial Services Institution Employees Credit Forms 2, 3, 3w15, 4 & 6: 5%.
- Final Premium Adjustment factor - .90Forms 2, 3, 3w15, 4 & 6:.
- Inflation Guard: Premium charge waived Forms 2 & 3:.
- Safety Seminar Credit: Certain criteria apply Forms 3 & 6: 5%.
- Royal SunAlliance Employee Program Credit Forms 2, 3, 3w/15, 4, 6
- PC072528 Eff 5-28-04, PC066831 Eff 10-26-03

Travelers Indemnity Company of Connecticut

- Forms 3 & 3w/15: Base rate deviation based on protection class, amount of insurance & territory; Variable credit factors.
- Form 3: 12% optional coverage credit.
- Forms 3 & 3w15: Deductible credits; \$500-16%; \$1000-26%; \$2500-32%.
- Protective Device Credits: Variable credits.
- Increased Limits Coverage C: Reduce charge to \$2 per \$1000.
- New Home Credit: New - 20%; 1 yr. old - 19%; 2 yrs. 18%; 3 yrs. - 16%; 4 yrs. - 15% - 14%; 6 yrs. - 12%; 7 yrs. - 11%; 8 yrs. - 10%; 9 yrs. - 8%; 10 yrs. - 7%; 11 yrs. - 6%; 12 yrs. - 4%; 13 yrs. - 3%; 14 yrs. - 2%; 15 yrs. - 1%.
- Replacement or Repair Cost Protection: Reduce charge to \$1 per policy.
- Account Discount: 10% when insured has both auto & homeowners policy.
- Forms 3 & 3w/15: Loss Free Credit; 3+ yrs. loss free - 3% credit.
- Rate Credit for Multi-Line Insurance & Financial Services Institution Employees Credit: 20% credit. Eff. 11-1-96

Travelers Property Casualty Company of America

- Base Rate Deviation: Credit varies based on territory.
- New Home Credit: 0 - 15 yrs. old: Credit varies 2% - 20%.
- Protective Device Deviation: Credit varies 1% - 15%.
- Forms 2, 3 & 3w15, 4 & 6: 10% Account Credit.
- Forms 2, 3 & 3w15: Personal Property - Increased Limit Coverage C: \$1 per \$1000.
- Form 3w/15: 10% Additional premium charge.
- Forms 2, 3, 3/w15, 4 & 6: Loss Free Credit: 5+ yrs. loss free - 5% credit.
- Deductible Credits: Varies by amount of deductible & territory.
- Form 3: Homeowners Extra Credit: 15% when criteria are met.
- Refrigerated Personal Property. \$10 charge waived.
- Forms 3 & 6: Association Credit Program: 10% credit applies when certain criteria are met.
- Forms 2 & 3: Inflation Guard premium charge waived. Eff. 5-21-00
- Name changed from Travelers Indemnity Company of Illinois Effective 1/1/04

Travelers Personal Security Insurance Company

- Base rate deviation based on territory. Credit varies.
- Form 3w/15: 10% Additional premium charge.
- Coverage A Relativities based on Coverage A amount & territory.

As of Dec 15, 2004

- Protective Device Deviation: Credit varies 1% - 13%.
- Deductible Credits: Varies by amount of deductible.
- Forms 2, 3, 3w15: Personal Property - Increased Limit Coverage C: \$1 per \$1000.
- Refrigerated Personal Property: \$10 charge waived.
- Forms 2, 3, & 3w15: 5% Account Credit.
- Forms 2, 3, & 3w15: Loss Free Credit: 3+ yrs. loss free 5% credit.
- Forms 2, 3, 3w15: Final Premium Adjustment factor of .90.
- Forms 2, 3 & 3w/15: Multi-Line Insurance and Financial Services Institution Employees Credit - 5%.
- Forms 2 & 3: Inflation Guard premium charge waived.
- Forms 3 & 6: 5% Safety Seminar Credit: Certain criteria apply.
- Royal SunAlliance Employee Program Credit. Forms 2,3,3w/15.
- PC072529 Eff 5-28-04, PC066832 Eff. 10-26-03

Twin City Fire Insurance Company

- Age of Dwelling Credit: 1 yr. of age 20% with a 3% less credit each added yr.
- Forms 4 & 6: 10% Limited Access Credit if complex meets the protection requirements.
- All Forms: Protective Devices Premium Credits: Factors vary from .85-.98 for qualifying dwellings: Credits may be added together to maximum credit factor of .80.
- Personal Property Increase Limit Deviation: Forms 2 & 3 - \$1 per \$1000 of insurance: Form 3w/15 - \$3 per \$1000.
- Deviations by Amount of Insurance: Relativity Curves.
- Account Credit Deviation: Factors of .90 or .95 apply if insured meets eligibility requirements.
- Mature Retirees Credit: Factor of .95 is applied when required criteria is met.
- All Forms: Higher Deductible Deviation: Credits vary by amount of insurance and amount of deductible.
- Form 3: Retirement Community/Limited Access Community Package - 15% credit when criteria are met.
- Forms 4 & 6: Factor of 1.00 applies.
- Forms 2 & 3: Additional Amount of Insurance Coverage A only; 25% - \$1; 50% - \$2. Additional Limit of Liability for Coverage A, B, C, & D - \$3 premium charge. Eff. 6-1-01

Underwriters Insurance Company

- Age of Dwelling Discount: Form 3: 0 - 10 yrs. of age: Credit varies 0% - 20%.
- Account Credit Program: 15% discount when insured has coverage for both auto & homeowners policies through UIC.
- Preferred Homeowners Credit: 0% - 23% Credit by territory, protection class, construction type: Other criteria apply.
- Revitalized Home Credit for dwellings 25 yrs. or older if certain criteria is met.
- Deductible Credits: Forms 3, 4, & 6.
- Base Premium Discount for Form 6: A factor of .80 applies.
- Protective Device Credits: All Forms: Credit varies 1% - 15%.
- Replacement Cost on Contents: Forms 3, 4, & 6: Minimum premium does not apply.
- Additional Limits of Liability for Coverages A, B, C, & D: Form 3: 6% credit when certain options are selected.

As of Dec 15, 2004

- Personal Property Replacement Cost: Form 3: 5% of base premium with minimum premium waived when certain options are selected.
- Personal Injury: Form 3: Charge waived if certain coverages and options are selected.
- Water Back-Up of Sewers or Drains: Form 3: Charge waived if certain coverages and options are selected.
- Credit Card, Fund Transfer Card, Forgery & Counterfeit: Form 3: Charge waived if certain coverages and options are selected.
- Special Computer Coverages: Form 3: Charge waived if certain coverages and options are selected.
- Coverage C Increased Special Limits of Liability: Form 3: Charge waived if certain coverages and options are selected.
- Fire Department Service Charge: Form 3: Increased to \$1000 in lieu of \$500 if certain coverages and options are selected.
- Form 3: Coverage D Increased to 30% of Coverage A will be deleted if certain coverages & increased limits options are selected.
- Form 3: Coverage A Relativities Deviation.
- Form 3: Ordinance or Law will be 4% of base premium if certain coverages & increased limits options are selected.
- Form 3: The charge for Refrigerated Property Coverage will be deleted if certain coverages & increased limits options are selected. Eff.10-1-99

Unigard Indemnity Company & Unigard Insurance Company

- Form 3: Credits vary by protection class & Coverage A dwelling amounts; \$40000 & under to \$1000000 & over. Credit varies based on territory.
- Form 3: Personal Property Replacement Cost; Delete 5% surcharge.
- Form 6: 16% to be applied to base rate of 10% off Form 4.
- Form 3: Fixed dollar amount deductibles credits; \$500-9%; \$1000-17%; \$2500-25%.
- Forms 4 & 6: \$500-10%; \$1000-23%; \$2500-37%.
- Form 3: New Home Credit; Current yr. - 20%; 2% less credit each added yr.
- Personal Property Coverage C Increased Limits: Form 3 - \$1; Form 3w/15 - \$2.
- Protection Device Credit: 5% in all territories & protection classes for an installed smoke detector, fire extinguisher & dead bolt locks.
- Reduced rates for Outboard Motors & Water Craft liability.
- Forms 3, 4 & 6: Personal Injury Coverage; HO-82 included at no charge.
- Form 3: Deviation of territorial Relativities: Credit varies 5.0% - 20.0%.
- Form 4: Credit off base rates by territory; Credit varies 3.5% - 10.0%.
- Forms 4 & 6: Personal Property Replacement Cost Coverage; Surcharge reduced from 1.40 to 1.30.
- Forms 4 & 6: Deviation varies by protection class & territory. Eff. 10-3-94

Union Insurance Company

- Protective Device Credit: Credit varies 2% - 15%.
- All Forms: Account Credit: 10% when auto coverage is written with Union Ins. Co.
- Form 3: New Home/Dwelling Under Construction Discount: Discount based on yr. completed & occupied. Credit varies.

As of Dec 15, 2004

- 3% - 20%.
- Mature Homeowner Credit: 5% if insured is 55 yrs. & an adult is usually home during the day.
- All Forms, except 4 & 6: Replacement cost on contents. \$10 charge plus \$2 per \$1000 when increasing Coverage C from 50% to 70% of Coverage A.
- Increased Deductible Credits: Forms 3, HE-7, 4 & 6; \$500-19%; \$1000-21%.
- Form 3: Coverage A Factor Deviation by amount & territory. Eff. 7-1-01

Unisun Insurance Company

- Forms 1, 2 & 3: New Home Credit; 0 yrs. 21%; 1 yr. 18%; 2 yrs.-15%; 3-10 yrs. 14% 11-12 yrs. -12%; 13 yrs. - 10%; 14 yrs. -8%; 15 yrs. -6%; 16-17 yrs. -4%; 18-20 yrs. -2%.
- Forms 1, 2 & 3: Personal Property Replacement Cost Coverage is included at no charge. Attach endorsement H0-290.
- Deviation by policy amount \$10000-\$300000: Credit 5%-30%. Each additional \$10000 - 5%.
- Forms 1, 2, 3 & 3w/15: Flat deductible credits; \$500-10%; \$1000-21%; \$2500-33%. Eff. 2-1-96

United Services Automobile Association

- New Home Discount: Form 3: New - 9 yrs. of age: Credit varies 0% - 20%.
- Additional Coverage: Unscheduled Jewelry & Furs: Limit \$2000 - \$16; limit \$4000 - \$32.
- Personal Property Deviation: Coverage C limit increased at 1.00 per \$1000.
- Deviation by Territory/County Form 3.
- Deviation by Territory/County Form 6.
- Sinkhole Collapse Coverage: Charge .35 per \$1000 to the Coverage A amount of insurance..
- Extended Billing Plan: Regular Plan and Extended Plan - no installment charge.
- Loss free discount: forms 3 and 6 for eligible risks.
- Protective Device Credit - discount varies by type of installation.
- Deductible - Form 3 Owners Form - Deductible Credits by Amount of Insurance.
- Eff: 8-1-04 PC071117

United States Fidelity & Guaranty Company

- Waive any additional premium of \$5 or less.
- Forms 4 & 6: Personal Property Replacement Cost Coverage; 1.35 factor.
- Increase in Coverage C limits: Forms 1, 2 & 3 - \$1.50 per \$1000; Form 3w15 - \$2.50 per \$1000.
- Form 6: Form Relativity Factor .800 in lieu of .855.
- Employee Group Discount: 15%.
- Forms 2 & 3: Additional Amount of Insurance. Premium charge \$5. HO 03211.
- Special Package Discount. 5% when criteria is met.
- Forms 2, 3, 3w/15 & 8: Deductible Credits.
- Multi-Policy Discount: 10% credit when both Residential & P P Auto policies purchased through USF&G Insurance.
- New Home Discount: 1 yr.-20%; 2% less credit to 9th yr.
- Deviation of HO-3 base rates by territory & policy amount: Credits vary. Eff. 4-15-00

United States Fire Insurance Company

- Forms 1, 2, 3 & 3 w/15: New Home Credit; 0-1 yr. old - 20%; 2% less credit each added yr.
- Forms 1, 2, 3 & 3 w/15: Higher deductible credit factors; \$500-.89; \$1000-.80; \$2500-.67.
- Forms 4 & 6: Higher deductible credit factors; \$500 - .83; \$1000 - .67; \$2500 - .54
- Premises Alarm System: Expand table of credits for protection class 1-7 to include class 8.
- All Forms: Replacement Cost on Contents: Deletion of \$20 minimum additional premium. Eff. 3-1-90

Unitrin Auto and Home Insurance Company

- HO 3 Base Rate Deviation - various credits apply according to Territory and Level.
- HO 4 Base Rate Deviation - various credits apply according to Territory and Level.
- HO 6 Base Rate Deviation - various credits apply according to Territory and Level.
- Mature Homeowners credit - 5% credit to Base Premium if the named insured is 55 years or age and an adult is usually home during the day.
- Personal Property (Coverage C) Replacement Cost Coverage; HO 03 and HO 04 & HO 06
- Deductibles - Optional higher deductibles Form HO 03 and HE-7
- Credit Card, Fund Transfer Card, Forgery and Counterfeit Money - additional premium if higher limits than \$500 are selected.
- Outboard Motors and Watercraft - coverage up to and including 50 HP is included at no additional charge with a Package Plus policy.
- Personal Injury is included at no additional charge with a Package Plus policy.
- Blanket Property Limit Rule - Package Plus Only - One or two family residences HO 00 03 - Replacement Cost Contents Coverage is included without additional charge.
- Special Personal Property Coverage - HO 00 06 - Policy may be endorsed to insure Coverage C against additional risks of phys loss subject to certain exclusions - factor of 1.30.
- Refrigerated Property - no additional charge with a Package Plus policy.
- Ordinance or Law Coverage - HO 00 03 - Package Plus only - certain criteria.
- Network Discount - provides HO insurance to individual members of a Network Group - certain criteria apply, 5% discount.
- Package Plus only: Factors vary by type of policy.
- Deferred Premium Payment Plans - various installment options - \$3 billing charge applies per billing.
- New Home Discount - credit applies according to pricing level and territory, credit varies.
- Personal Property Increased Limit - The limit of liability for Coverage C may be increased.
- Price Level Tier descriptions
- Amount of Insurance Factor HO 00 03 (A) - factor varies by amount of insurance.
- Amount of Insurance HO 00 06 - premium is developed based on the additional limit of insurance. The premium for each additional \$1,000 of insurance is \$2.00 per \$1,000.
- Eff 9-27-04 PC076332

USAA CASUALTY INSURANCE COMPANY

- New Home Discount: Form 3: New - 9 yrs. of age: Credit varies 0% - 20%.

As of Dec 15, 2004

- Additional Coverage: Unscheduled Jewelry & Furs: Limit \$2000 - \$16; limit \$4000 - \$32.
- Personal Property Deviation: Coverage C limit increased at 1.00 per \$1000.
- Deviation by Territory/County Form 3.
- Deviation by Territory/County Form 6.
- Sinkhole Collapse Coverage: Charge .35 per \$1000 to the Coverage A amount of insurance..
- Extended Billing Plan: Regular Plan and Extended Plan - no installment charge.
- Loss free discount: forms 3 and 6 for eligible risks.
- Protective Device Credit - discount varies by type of installation.
- Decuctible - Form 3 Owners Form - Deductible Credits by Amount of Insurance.
- Eff: 8-1-04 PC071118

Utica Mutual Insurance Company

- Replacement Cost Contents: Increase Coverage C to 70% of Coverage A for no additional charge. 5% surcharge is to be added to total base premium.
- Mass Merchandising Plan: 15% deviation for members of Utica National Insurance Group.
- HO Extension Package: Certain criteria apply.
- 5% credit applies to homeowners, personal inland marine, dwelling fire, personal umbrella & personal auto premiums provided the named insured is employed through an employer in the Company Workplace Insurance Service for Employees (W.I.S.E.) program or is a member of a company approved affinity group. Eff. 06-01-02

Vesta Insurance Corporation

- Inflation Guard Coverage: Premier, Deluxe, Renters & Condos; No charge.
- Loss Assessment Coverage for Earthquake: Premier, Renters & Condos; 5% deductible applies to insured's share of each assessment. Deductible amount not less than \$250 in any one assessment. \$1 per \$1000.
- Credit card, fund transfer card, forgery & counterfeit money coverage Premier, Deluxe & Renters; Reduced charge.
- Premium Credits for Protective Device: Premier, Deluxe, Renters & Condos: Credit varies 2%-15%.
- Increased Special Limits of Liability Premier, Deluxe, Renters & Condos: Reduced charge for certain class of property.
- Deductible Credits: Credits vary from 15% - 40%.
- Senior Citizen Discount Premier, Deluxe, Renters & Condos: 5% if at least one of the named insured is 55 yrs. or older & is not employed outside the home.
- Supporting Business Discount Premier, Deluxe, Renters & Condos: 2%.
- Base Rate Deviation by Territory; Premier & Deluxe; Variable credits.
- Coverage Amount Reactivities Deviations: Premier & Deluxe; Credits vary based on Coverage A amount.
- Loss Free Credit: Premier, Deluxe, Renters & Condos; 3 yrs. - 5%.
- Personal Property: Coverage C limit may be increased at a rate of \$2 per \$1000.
- Age of Home Credit: Premier & Deluxe; Credits vary 0%-20%. Eff. 6-1-99

Vigilant Insurance Company

- Forms 4 & 6: 16% credit applies to base premium.
- Forms 2, 3, 3w/15 & HE-7: Various credits for Amounts of Insurance over \$950,000 for Coverage A.
- Elimination for maximum credit for protective devices.
- Forms 2 & 3: Personal Property Increased Limit - \$1 per \$1000: Form 3w/15 - \$1.50 per \$1000.
- All Forms: Gated Community credit when criteria is met.
- All Forms, except 4 & 6: 5% Valuable Articles Credit. Eff. 8-15-02

Virginia Mutual Insurance Company

- Premium Credit Factors - Premium Factors are applicable to the base annual premium for the following: Policy Forms 2,3,3 with ML-441 and 8 with coverage a limits of \$125,000 to \$300,000. Credit varies by Territory and Protection Class.
- Premium Credit Factors – Premium Factors are applicable to the base annual premium for the following: Policy Forms 4 and 6, coverage C limits. Credit varies by territory. Eff. 2-1-03

West American Insurance Company

- Forms 2, 3 & 8: Fixed dollar amount deductible factors; \$500 - .90; \$1000 - .83; \$2500 - .75.
- Forms 4 & 6: Fixed dollar amount deductible; \$500 - .90; \$1000 - .77; \$2500 - .63.
- Water Craft Liability Rates: 60% below NCRB for powerboats; 50% below NCRB for sailboats.
- 5% FamPak Credit to all Private Passenger Auto insureds that also have Homeowners policy with the Ohio Casualty Group.
- Employee Discount: 15% to qualifying employees insured in the West American Insurance
15% to qualifying employees insured with the FamPak program in the West American Insurance Company.
- Percentage Wind or Hail Deductible Deviation: Credits Vary. Eff. 08-15-02

Westchester Fire Insurance Company

- Forms 1, 2, 3 & 3 w/15: Age of dwelling credit 0-1 yr. 20%; 2% less credit each added yr.
- Forms 1, 2, 3 & 3 w/15: Higher deductible credit factors; \$500 - .89; \$1000 - .80; \$2500 - .67.
- Forms 4 & 6: Higher deductible credit factors; \$500 - .83; \$1000 - .67; \$2500 - .54.
- Premises Alarm System: Expand table of credits for protection class 1-7 to include class 8.
- All Forms: Replacement Cost on Contents: Deletion of \$20 minimum additional premium. Eff. 3-1-90

Windsor Mount Joy Mutual Insurance Company

- Amount of Insurance Deviation: Forms 1, 2 & 3; Coverage A amount 0-\$77000; Credit varies 5.1% - 18.4% for homes less than 5 yrs. of age. Eff. 10-1-93

Winterthur International America Insurance Company

As of Dec 15, 2004

- All Forms: Personal Property Replacement Cost Coverage; Minimum additional premium for coverage is deleted.
- All Forms: Protective Devices: Maximum credit allowed is deleted.
- Forms 1, 2 & 3: Replacement Cost on Contents: Charge \$1 per \$1000 for additional increase of Coverage C to 70% of Coverage A. Additional premium for this coverage will not apply.
- Deductibles: Deletion of minimum charges.
- Forms 1, 2, 3 & 8: Fixed dollar amount deductible factors; \$500 - .91; \$1000 - .83; \$2500 - .75.
- Forms 4 & 6: Fixed dollar amount deductible factors; \$500 - .90; \$1000 .77; \$2500 - .63. Eff. 4-1-95

Worldwide Insurance Company

- Protective Devices Discount: 3% for deadbolt locks on all main doors & fire extinguishers in house.
- Forms 1, 2, 3 & 3w/15: Deductible Credits; \$500 - 12%; \$1000 - 24%; \$2500 - 36%.
- Forms 4 & 6: Deductible Credits; \$500 - 17%; \$1000 - 30%; \$2500 - 37%.
- Replacement or Repair Cost Protection (HO-500); Waive \$5 charge.
- Forms 4 & 6: 10% deviation.
- Forms 4 & 6: Personal Property (Coverage C) Replacement Cost: 1.30 factor applies. Eff. 1-15-95

EXHIBIT (1) (g) (ii-vi)

Year	<u>Deviations</u>			
	Written Premium Of Companies W/ <u>Deviations</u>	Percentage Of Written Premiums Of Companies W/ <u>Deviations</u> To Total <u>Written Premiums</u>	Amount Of <u>Deviations</u>	Average Percentage Of Deviations For <u>All Companies</u>
2000	1,043,887,881	97.84%	244,328,432	22.90%
2001	1,141,851,610	98.85%	258,378,158	22.37%
2002	1,223,363,071	98.36%	233,780,561	18.79%
* 2003	1,338,923,612	97.59%	247,060,041	18.01%
* 2004	1,382,812,343	95.26%	222,625,975	15.34%

17
14

Source: NCRB Special Call - Homeowners Expense Experience
* 2003 & 2004

we started collecting standard & consent to rate numbers for Homeowners (prior to 2003 the submission included both numbers, company supplied a total not a breakdown) Total WP consist of Standard business adjusted to manual plus consent to rate actual rate (same as in the prior years).

Companies Paying Homeowners Insurance Dividends

2000

UNITED SERVICES AUTOMOBILE ASSOC
Amica Ins Co
Metropolitan Property & Casualty
Affiliated FM Ins Co
Pharmacist Mutual
Armed Forces Ins Co

2001

UNITED SERVICES AUTOMOBILE ASSOC
Amica Ins Co
Metropolitan Property & Casualty
Affiliated FM Ins Co
Pharmacist Mutual

2002

UNITED SERVICES AUTOMOBILE ASSOC
Amica Ins Co
Affiliated FM Ins Co
Pharmacist Mutual

2003

UNITED SERVICES AUTOMOBILE ASSOC
Amica Ins Co
Affiliated FM Ins Co
Pharmacist Mutual

2004

UNITED SERVICES AUTOMOBILE ASSOC
Amica Ins Co
Metropolitan Property & Casualty
Affiliated FM Ins Co

EXHIBIT (1) (h) (ii-vi)

<u>Year</u>	<u>Dividends</u>				
	<u>Written Premium Of Companies W/Dividends</u>	<u>Percentage Of Written Premiums Of Companies W/Dividends To Total Written Premiums</u>	<u>Dividends</u>	<u>Percentage Of Dividends of Companies w/Dividends</u>	<u>Overall Percentage of Dividends</u>
2000	36,696,758	4.06%	3,096,061	8.44%	0.34%
2001	40,598,914	4.16%	3,333,389	8.21%	0.34%
2002	38,109,016	3.53%	3,828,967	10.05%	0.36%
2003	43,195,071	3.55%	5,185,014	12.00%	0.43%
2004	60,638,813	4.53%	5,261,191	8.68%	0.39%

Source: Annual Statements, Page 15

NORTH CAROLINA
HOMEOWNERS INSURANCE

The data required by 11 NCAC 10.1105(1)(i)(i,ii) were not being collected or reported in the experience period. The response to 11 NCAC 10.1105(1), page E-4, provides incurred loss and loss adjustment expense information for property and liability losses. The response to 11 NCAC 10.1105(1)(l) provides incurred data by cause of loss. Additional information concerning loss development is provided in the response to 11 NCAC 10.1105(3). Additional information concerning loss adjustment expenses is provided in the response to 11 NCAC 10.1105(7). Additional information concerning loss trend is provided in Section D and in the prefiled testimony of R. Curry and S. Thomas.

<u>Year</u>	(iii) Applied Loss Development Factor	(iv) Loss Adjustment Expense Percentage	
	2000	1.000	14.34%
2001	.998	15.7	
2002	.998	14.2	
2003	.999	12.0	
2004	1.017	15.4	

<u>Year</u>	(v) Applied Loss Trend Factor Owners' Forms	Applied Loss Trend Factor Tenant Form	Applied Loss Trend Factor Condo Unit Form
	2000	1.219	.939
2001	1.219	.958	.958
2002	1.219	.977	.977
2003	1.219	.997	.997
2004	1.219	1.018	1.018

<u>Year</u>	(vi) Trended Incurred Losses and LAE Owners' Forms	Trended Incurred Losses and LAE Tenant Form	Trended Incurred Losses and LAE Condo Unit Form
	2000	\$818,976,014	\$12,563,976
2001	767,477,190	11,251,591	5,391,510
2002	993,817,605	11,430,224	4,841,304
2003	854,158,576	10,850,348	5,137,574
2004	865,256,712	9,852,626	6,437,848

(vii) This information is given in the response to 11 NCAC 10.1105(1), page E-5.

See prefiled testimony of R. Curry, S. Thomas and D. LaLonde.

NORTH CAROLINA
HOMEOWNERS INSURANCE

CAUSE OF LOSS DATA

Loss experience by cause of loss is provided on the attached Exhibit (1)(1).

North Carolina Homeowners Insurance

Exhibit (1)

Cause-of-Loss Experience (Owners Forms)

	ACCD YEAR	ADJUSTED INCURRED LOSSES	ADJUSTED INCURRED CLAIMS	ADJUSTED LOSS DISTRIB	ADJUSTED LOSS RATIO	LOSS COST /HOUSE	LOSS FREQ /100	Exhibit (1) AVE LOSS
TERRITORY 5,6								
FIRE LIGHTNING AND REMOVAL								
	2000	739,156	203	36.0	0.028	45.46	1.25	3,641
	2001	583,515	166	29.5	0.021	34.72	0.99	3,515
	2002	925,327	134	29.7	0.034	59.15	0.86	6,905
	2003	839,698	85	14.8	0.033	59.43	0.60	9,879
	2004	1,858,255	135	31.5	0.062	120.65	0.88	13,765
	TOTAL	4,945,951	723	26.4	0.036	63.21	0.92	6,841
WIND AND HAIL								
	2000	225,526	101	11.0	0.009	13.87	0.62	2,233
	2001	95,428	41	4.8	0.003	5.68	0.24	2,328
	2002	112,445	60	3.6	0.004	7.19	0.38	1,874
	2003	3,082,797	968	54.3	0.121	218.19	6.85	3,185
	2004	1,869,511	550	31.7	0.062	121.38	3.57	3,399
	TOTAL	5,385,707	1,720	28.7	0.040	68.83	2.20	3,131
WATER DAMAGE AND FREEZING								
	2000	698,928	235	34.0	0.027	42.98	1.45	2,974
	2001	791,693	220	40.0	0.028	47.11	1.31	3,599
	2002	1,172,362	200	37.6	0.043	74.94	1.28	5,862
	2003	1,276,279	242	22.5	0.050	90.33	1.71	5,274
	2004	1,462,132	177	24.8	0.049	94.93	1.15	8,261
	TOTAL	5,401,394	1,074	28.8	0.040	69.03	1.37	5,029
THEFT								
	2000	155,611	103	7.6	0.006	9.57	0.63	1,511
	2001	171,838	106	8.7	0.006	10.22	0.63	1,621
	2002	170,617	94	5.5	0.006	10.91	0.60	1,815
	2003	101,895	49	1.8	0.004	7.21	0.35	2,079
	2004	103,723	50	1.8	0.003	6.73	0.32	2,074
	TOTAL	703,684	402	3.8	0.005	8.99	0.51	1,750
ALL OTHER PD INCLUDING V&MM								
	2000	151,760	94	7.4	0.006	9.33	0.58	1,614
	2001	186,304	101	9.4	0.007	11.09	0.60	1,845
	2002	181,006	85	5.8	0.007	11.57	0.54	2,129
	2003	208,425	221	3.7	0.008	14.75	1.56	943
	2004	295,053	74	5.0	0.010	19.16	0.48	3,987
	TOTAL	1,022,548	575	5.5	0.008	13.07	0.73	1,778
LIABILITY AND MEDICAL PAYMENT								
	2000	84,973	14	4.1	0.003	5.23	0.09	6,070
	2001	152,262	29	7.7	0.005	9.06	0.17	5,250
	2002	557,172	19	17.9	0.021	35.61	0.12	29,325
	2003	172,496	14	3.0	0.007	12.21	0.10	12,321
	2004	318,137	21	5.4	0.011	20.66	0.14	15,149
	TOTAL	1,285,040	97	6.9	0.009	16.42	0.12	13,248
CREDIT CARD								
	2000	0	0	0.0	0.000	0.00	0.00	0
	2001	0	0	0.0	0.000	0.00	0.00	0
	2002	0	0	0.0	0.000	0.00	0.00	0
	2003	0	0	0.0	0.000	0.00	0.00	0
	2004	0	0	0.0	0.000	0.00	0.00	0
	TOTAL	0	0	0.0	0.000	0.00	0.00	0
ALL CAUSES OTHER THAN WIND & HAIL								
	2000	1,830,428	649	89.0	0.070	112.57	3.99	2,820
	2001	1,885,612	622	95.2	0.068	112.20	3.70	3,032
	2002	3,006,484	532	96.4	0.111	192.17	3.40	5,651
	2003	2,598,793	611	45.7	0.102	183.93	4.32	4,253
	2004	4,037,300	457	68.3	0.135	262.13	2.97	8,834
	TOTAL	13,358,617	2,871	71.3	0.098	170.73	3.67	4,653
ALL CAUSES								
	2000	2,055,954	750	100.0	0.079	126.44	4.61	2,741
	2001	1,981,040	663	100.0	0.071	117.88	3.95	2,988
	2002	3,118,929	592	100.0	0.116	199.36	3.78	5,268
	2003	5,681,590	1,579	100.0	0.224	402.12	11.18	3,598
	2004	5,906,811	1,007	100.0	0.197	383.51	6.54	5,866
	TOTAL	18,744,324	4,591	100.0	0.138	239.57	5.87	4,083

North Carolina Homeowners Insurance

Exhibit (1)

Cause-of-Loss Experience (Owners Forms)

	ACCD YEAR	ADJUSTED INCURRED LOSSES	ADJUSTED INCURRED CLAIMS	ADJUSTED LOSS DISTRIB	ADJUSTED LOSS RATIO	LOSS COST /HOUSE	LOSS FREQ /100	AVE LOSS
TERRITORY 5								
FIRE LIGHTNING AND REMOVAL								
	2000	365,803	132	31.4	0.023	37.51	1.35	2,771
	2001	343,565	81	27.6	0.020	34.03	0.80	4,242
	2002	313,455	82	17.5	0.020	34.49	0.90	3,823
	2003	570,681	56	12.3	0.039	71.57	0.70	10,191
	2004	408,065	87	15.7	0.023	45.16	0.96	4,690
	TOTAL	2,001,569	438	17.5	0.025	43.57	0.95	4,570
WIND AND HAIL								
	2000	197,503	88	16.9	0.013	20.25	0.90	2,244
	2001	22,857	16	1.8	0.001	2.26	0.16	1,429
	2002	83,548	45	4.7	0.005	9.19	0.50	1,857
	2003	2,966,873	927	63.8	0.201	372.07	11.63	3,201
	2004	912,699	226	35.0	0.050	101.02	2.50	4,038
	TOTAL	4,183,480	1,302	36.5	0.051	91.06	2.83	3,213
WATER DAMAGE AND FREEZING								
	2000	401,586	161	34.4	0.026	41.18	1.65	2,494
	2001	522,694	148	42.0	0.031	51.77	1.47	3,532
	2002	676,339	132	37.7	0.043	74.43	1.45	5,124
	2003	832,822	172	17.9	0.056	104.44	2.16	4,842
	2004	752,211	104	28.9	0.041	83.26	1.15	7,233
	TOTAL	3,185,652	717	27.8	0.039	69.34	1.56	4,443
THEFT								
	2000	112,625	71	9.7	0.007	11.55	0.73	1,586
	2001	93,597	62	7.5	0.006	9.27	0.61	1,510
	2002	90,763	58	5.1	0.006	9.99	0.64	1,565
	2003	66,463	22	1.4	0.005	8.33	0.28	3,021
	2004	48,403	30	1.9	0.003	5.36	0.33	1,613
	TOTAL	411,851	243	3.6	0.005	8.96	0.53	1,695
ALL OTHER PD INCLUDING V&MM								
	2000	79,402	62	6.8	0.005	8.14	0.64	1,281
	2001	127,948	62	10.3	0.008	12.67	0.61	2,064
	2002	111,588	66	6.2	0.007	12.28	0.73	1,691
	2003	147,329	201	3.2	0.010	18.48	2.52	733
	2004	223,861	51	8.6	0.012	24.78	0.56	4,389
	TOTAL	690,128	442	6.0	0.008	15.02	0.96	1,561
LIABILITY AND MEDICAL PAYMENT								
	2000	9,449	8	0.8	0.001	0.97	0.08	1,181
	2001	132,929	14	10.7	0.008	13.17	0.14	9,495
	2002	517,709	15	28.9	0.033	56.97	0.17	34,514
	2003	67,455	10	1.5	0.005	8.46	0.13	6,746
	2004	258,884	14	9.9	0.014	28.65	0.15	18,492
	TOTAL	986,426	61	8.6	0.012	21.47	0.13	16,171
CREDIT CARD								
	2000	0	0	0.0	0.000	0.00	0.00	0
	2001	0	0	0.0	0.000	0.00	0.00	0
	2002	0	0	0.0	0.000	0.00	0.00	0
	2003	0	0	0.0	0.000	0.00	0.00	0
	2004	0	0	0.0	0.000	0.00	0.00	0
	TOTAL	0	0	0.0	0.000	0.00	0.00	0
ALL CAUSES OTHER THAN WIND & HAIL								
	2000	968,865	434	83.1	0.062	99.36	4.45	2,232
	2001	1,220,733	367	98.2	0.073	120.90	3.63	3,326
	2002	1,709,854	353	95.3	0.108	188.16	3.88	4,844
	2003	1,684,750	461	36.2	0.114	211.28	5.78	3,655
	2004	1,691,424	286	65.0	0.093	187.21	3.17	5,914
	TOTAL	7,275,626	1,901	63.5	0.090	158.36	4.14	3,827
ALL CAUSES								
	2000	1,166,368	522	100.0	0.074	119.62	5.35	2,234
	2001	1,243,590	383	100.0	0.074	123.16	3.79	3,247
	2002	1,793,402	398	100.0	0.113	197.36	4.38	4,506
	2003	4,651,623	1,388	100.0	0.315	583.35	17.41	3,351
	2004	2,604,123	512	100.0	0.144	288.23	5.67	5,086
	TOTAL	11,459,106	3,203	100.0	0.141	249.41	6.97	3,578

North Carolina Homeowners Insurance

Exhibit (1)

Cause-of-Loss Experience (Owners Forms)

	ACCD YEAR	ADJUSTED INCURRED LOSSES	ADJUSTED INCURRED CLAIMS	ADJUSTED LOSS DISTRIB	ADJUSTED LOSS RATIO	LOSS COST /HOUSE	LOSS FREQ /100	AVE LOSS
TERRITORY 6								
FIRE LIGHTNING AND REMOVAL								
	2000	373,353	71	42.0	0.036	57.36	1.09	5,258
	2001	239,950	85	32.5	0.022	35.77	1.27	2,823
	2002	611,872	52	46.2	0.055	93.30	0.79	11,767
	2003	269,017	29	26.1	0.025	43.71	0.47	9,276
	2004	1,450,190	48	43.9	0.123	227.77	0.75	30,212
	TOTAL	2,944,382	285	40.4	0.054	91.16	0.88	10,331
WIND AND HAIL								
	2000	28,023	13	3.2	0.003	4.31	0.20	2,156
	2001	72,571	25	9.8	0.007	10.82	0.37	2,903
	2002	28,897	15	2.2	0.003	4.41	0.23	1,926
	2003	115,924	41	11.3	0.011	18.83	0.67	2,827
	2004	956,812	324	29.0	0.081	150.28	5.09	2,953
	TOTAL	1,202,227	418	16.5	0.022	37.22	1.29	2,876
WATER DAMAGE AND FREEZING								
	2000	297,342	74	33.4	0.029	45.68	1.14	4,018
	2001	268,999	72	36.5	0.024	40.10	1.07	3,736
	2002	496,023	68	37.4	0.045	75.64	1.04	7,294
	2003	443,457	70	43.1	0.042	72.05	1.14	6,335
	2004	709,921	73	21.5	0.060	111.50	1.15	9,725
	TOTAL	2,215,742	357	30.4	0.040	68.60	1.11	6,207
THEFT								
	2000	42,986	32	4.8	0.004	6.60	0.49	1,343
	2001	78,241	44	10.6	0.007	11.66	0.66	1,778
	2002	79,854	36	6.0	0.007	12.18	0.55	2,218
	2003	35,432	27	3.4	0.003	5.76	0.44	1,312
	2004	55,320	20	1.7	0.005	8.69	0.31	2,766
	TOTAL	291,833	159	4.0	0.005	9.04	0.49	1,835
ALL OTHER PD INCLUDING V&MM								
	2000	72,358	32	8.1	0.007	11.12	0.49	2,261
	2001	58,356	39	7.9	0.005	8.70	0.58	1,496
	2002	69,418	19	5.2	0.006	10.59	0.29	3,654
	2003	61,096	20	5.9	0.006	9.93	0.32	3,055
	2004	71,192	23	2.2	0.006	11.18	0.36	3,095
	TOTAL	332,420	133	4.6	0.006	10.29	0.41	2,499
LIABILITY AND MEDICAL PAYMENT								
	2000	75,524	6	8.5	0.007	11.60	0.09	12,587
	2001	19,333	15	2.6	0.002	2.88	0.22	1,289
	2002	39,463	4	3.0	0.004	6.02	0.06	9,866
	2003	105,041	4	10.2	0.010	17.07	0.06	26,260
	2004	59,253	7	1.8	0.005	9.31	0.11	8,465
	TOTAL	298,614	36	4.1	0.005	9.25	0.11	8,295
CREDIT CARD								
	2000	0	0	0.0	0.000	0.00	0.00	0
	2001	0	0	0.0	0.000	0.00	0.00	0
	2002	0	0	0.0	0.000	0.00	0.00	0
	2003	0	0	0.0	0.000	0.00	0.00	0
	2004	0	0	0.0	0.000	0.00	0.00	0
	TOTAL	0	0	0.0	0.000	0.00	0.00	0
ALL CAUSES OTHER THAN WIND & HAIL								
	2000	861,563	215	96.8	0.084	132.36	3.30	4,007
	2001	664,879	255	90.2	0.060	99.10	3.80	2,607
	2002	1,296,630	179	97.8	0.117	197.72	2.73	7,244
	2003	914,043	150	88.7	0.086	148.50	2.44	6,094
	2004	2,345,876	171	71.0	0.198	368.44	2.69	13,719
	TOTAL	6,082,991	970	83.5	0.111	188.34	3.00	6,271
ALL CAUSES								
	2000	889,586	228	100.0	0.086	136.67	3.50	3,902
	2001	737,450	280	100.0	0.067	109.92	4.17	2,634
	2002	1,325,527	194	100.0	0.120	202.12	2.96	6,833
	2003	1,029,967	191	100.0	0.097	167.34	3.10	5,392
	2004	3,302,688	495	100.0	0.279	518.72	7.77	6,672
	TOTAL	7,285,218	1,388	100.0	0.133	225.56	4.30	5,249

North Carolina Homeowners Insurance

Exhibit (1)

Cause-of-Loss Experience (Owners Forms)

	ACCD YEAR	ADJUSTED INCURRED LOSSES	ADJUSTED INCURRED CLAIMS	ADJUSTED LOSS DISTRIB	ADJUSTED LOSS RATIO	LOSS COST /HOUSE	LOSS FREQ /100	AVE LOSS
TERRITORY 32								
FIRE LIGHTNING AND REMOVAL								
	2000	10,443,665	1388	37.8	0.161	104.64	1.39	7,524
	2001	10,203,982	1275	40.7	0.147	99.39	1.24	8,003
	2002	12,092,967	1372	21.8	0.165	116.06	1.32	8,814
	2003	8,032,284	834	30.8	0.106	77.68	0.81	9,631
	2004	10,930,501	637	45.6	0.138	105.62	0.62	17,159
	TOTAL	51,703,399	5506	32.7	0.143	100.68	1.07	9,390
WIND AND HAIL								
	2000	2,479,093	1273	9.0	0.038	24.84	1.28	1,947
	2001	917,832	554	3.7	0.013	8.94	0.54	1,657
	2002	3,560,804	1804	6.4	0.049	34.17	1.73	1,974
	2003	4,873,253	1854	18.7	0.064	47.13	1.79	2,629
	2004	1,124,522	473	4.7	0.014	10.87	0.46	2,377
	TOTAL	12,955,504	5,958	8.2	0.036	25.23	1.16	2,174
WATER DAMAGE AND FREEZING								
	2000	8,208,705	2930	29.7	0.126	82.24	2.94	2,802
	2001	8,273,898	2672	33.0	0.119	80.59	2.60	3,097
	2002	14,906,705	4432	26.9	0.203	143.06	4.25	3,363
	2003	8,130,802	1756	31.2	0.107	78.63	1.70	4,630
	2004	8,126,816	1654	33.9	0.103	78.53	1.60	4,913
	TOTAL	47,646,926	13444	30.1	0.131	92.78	2.62	3,544
THEFT								
	2000	2,445,748	1527	8.9	0.038	24.50	1.53	1,602
	2001	2,541,695	1488	10.1	0.037	24.76	1.45	1,708
	2002	2,302,216	1173	4.2	0.031	22.09	1.13	1,963
	2003	1,838,529	854	7.1	0.024	17.78	0.83	2,153
	2004	1,518,945	720	6.3	0.019	14.68	0.70	2,110
	TOTAL	10,647,133	5762	6.7	0.029	20.73	1.12	1,848
ALL OTHER PD INCLUDING V&MM								
	2000	3,130,407	1375	11.3	0.048	31.36	1.38	2,277
	2001	2,170,944	903	8.7	0.031	21.15	0.88	2,404
	2002	21,601,644	12383	39.0	0.294	207.31	11.88	1,744
	2003	1,965,515	690	7.5	0.026	19.01	0.67	2,849
	2004	1,676,644	490	7.0	0.021	16.20	0.47	3,422
	TOTAL	30,545,154	15841	19.3	0.084	59.48	3.08	1,928
LIABILITY AND MEDICAL PAYMENT								
	2000	883,531	213	3.2	0.014	8.85	0.21	4,148
	2001	930,896	176	3.7	0.013	9.07	0.17	5,289
	2002	924,406	162	1.7	0.013	8.87	0.16	5,706
	2003	1,177,595	143	4.5	0.016	11.39	0.14	8,235
	2004	581,054	115	2.4	0.007	5.61	0.11	5,053
	TOTAL	4,497,482	809	2.8	0.012	8.76	0.16	5,559
CREDIT CARD								
	2000	1,537	2	0.0	0.000	0.02	0.00	769
	2001	9,807	6	0.0	0.000	0.10	0.01	1,635
	2002	22,549	5	0.0	0.000	0.22	0.00	4,510
	2003	24,205	2	0.1	0.000	0.23	0.00	12,103
	2004	3,326	2	0.0	0.000	0.03	0.00	1,663
	TOTAL	61,424	17	0.0	0.000	0.12	0.00	3,613
ALL CAUSES OTHER THAN WIND & HAIL								
	2000	25,113,593	7,435	91.0	0.386	251.61	7.45	3,378
	2001	24,131,222	6,520	96.3	0.347	235.05	6.35	3,701
	2002	51,850,487	19,527	93.6	0.707	497.61	18.74	2,655
	2003	21,168,930	4,279	81.3	0.279	204.73	4.14	4,947
	2004	22,837,286	3,618	95.3	0.289	220.67	3.50	6,312
	TOTAL	145,101,518	41,379	91.8	0.400	282.54	8.06	3,507
ALL CAUSES								
	2000	27,592,686	8,708	100.0	0.424	276.45	8.72	3,169
	2001	25,049,054	7,074	100.0	0.361	243.99	6.89	3,541
	2002	55,411,291	21,331	100.0	0.755	531.79	20.47	2,598
	2003	26,042,183	6,133	100.0	0.344	251.86	5.93	4,246
	2004	23,961,808	4,091	100.0	0.303	231.54	3.95	5,857
	TOTAL	158,057,022	47,337	100.0	0.436	307.76	9.22	3,339

North Carolina Homeowners Insurance

Exhibit (1)

Cause-of-Loss Experience (Owners Forms)

	ACCD YEAR	ADJUSTED INCURRED LOSSES	ADJUSTED INCURRED CLAIMS	ADJUSTED LOSS DISTRIB	ADJUSTED LOSS RATIO	LOSS COST /HOUSE	LOSS FREQ /100	AVE LOSS
TERRITORY 33								
FIRE LIGHTNING AND REMOVAL								
	2000	15,276,994	2238	41.4	0.184	135.00	1.98	6,826
	2001	16,434,585	1927	50.4	0.185	141.13	1.65	8,529
	2002	13,787,270	1800	27.9	0.162	128.19	1.67	7,660
	2003	2,081,495	245	31.4	0.063	51.77	0.61	8,496
	2004	241,479	27	39.3	0.088	81.11	0.91	8,944
	TOTAL	47,821,823	6237	37.9	0.163	125.73	1.64	7,667
WIND AND HAIL								
	2000	5,685,574	2011	15.4	0.068	50.24	1.78	2,827
	2001	1,124,236	600	3.4	0.013	9.65	0.52	1,874
	2002	3,758,121	1639	7.6	0.044	34.94	1.52	2,293
	2003	567,082	271	8.6	0.017	14.10	0.67	2,093
	2004	21,935	6	3.6	0.008	7.37	0.20	3,656
	TOTAL	11,156,948	4,527	8.8	0.038	29.33	1.19	2,465
WATER DAMAGE AND FREEZING								
	2000	8,346,498	2947	22.6	0.101	73.75	2.60	2,832
	2001	9,282,540	2742	28.5	0.104	79.71	2.35	3,385
	2002	13,593,252	4089	27.5	0.160	126.38	3.80	3,324
	2003	2,659,006	598	40.1	0.081	66.14	1.49	4,446
	2004	270,411	49	44.0	0.098	90.83	1.65	5,519
	TOTAL	34,151,707	10425	27.1	0.117	89.79	2.74	3,276
THEFT								
	2000	2,591,212	1373	7.0	0.031	22.90	1.21	1,887
	2001	2,503,333	1308	7.7	0.028	21.50	1.12	1,914
	2002	1,831,218	1052	3.7	0.022	17.03	0.98	1,741
	2003	608,997	292	9.2	0.018	15.15	0.73	2,086
	2004	51,641	26	8.4	0.019	17.35	0.87	1,986
	TOTAL	7,586,401	4051	6.0	0.026	19.95	1.07	1,873
ALL OTHER PD INCLUDING V&MM								
	2000	3,820,579	1436	10.4	0.046	33.76	1.27	2,661
	2001	2,174,161	926	6.7	0.024	18.67	0.80	2,348
	2002	15,505,916	7902	31.4	0.183	144.16	7.35	1,962
	2003	608,928	256	9.2	0.018	15.15	0.64	2,379
	2004	23,963	15	3.9	0.009	8.05	0.50	1,598
	TOTAL	22,133,547	10535	17.6	0.076	58.19	2.77	2,101
LIABILITY AND MEDICAL PAYMENT								
	2000	1,137,421	235	3.1	0.014	10.05	0.21	4,840
	2001	1,008,952	214	3.1	0.011	8.66	0.18	4,715
	2002	862,642	228	1.7	0.010	8.02	0.21	3,784
	2003	102,075	43	1.5	0.003	2.54	0.11	2,374
	2004	5,509	5	0.9	0.002	1.85	0.17	1,102
	TOTAL	3,116,599	725	2.5	0.011	8.19	0.19	4,299
CREDIT CARD								
	2000	2,899	5	0.0	0.000	0.03	0.00	580
	2001	89,158	7	0.3	0.001	0.77	0.01	12,737
	2002	7,996	7	0.0	0.000	0.07	0.01	1,142
	2003	1,894	1	0.0	0.000	0.05	0.00	1,894
	2004	0	0	0.0	0.000	0.00	0.00	0
	TOTAL	101,947	20	0.1	0.000	0.27	0.01	5,097
ALL CAUSES OTHER THAN WIND & HAIL								
	2000	31,175,603	8,234	84.6	0.376	275.49	7.28	3,786
	2001	31,492,729	7,124	96.6	0.354	270.44	6.12	4,421
	2002	45,588,294	15,078	92.4	0.537	423.85	14.02	3,023
	2003	6,062,395	1,435	91.4	0.184	150.79	3.57	4,225
	2004	593,003	122	96.4	0.216	199.19	4.10	4,861
	TOTAL	114,912,024	31,993	91.2	0.393	302.12	8.41	3,592
ALL CAUSES								
	2000	36,861,177	10,245	100.0	0.444	325.73	9.05	3,598
	2001	32,616,965	7,724	100.0	0.367	280.10	6.63	4,223
	2002	49,346,415	16,717	100.0	0.581	458.79	15.54	2,952
	2003	6,629,477	1,706	100.0	0.201	164.89	4.24	3,886
	2004	614,938	128	100.0	0.224	206.56	4.30	4,804
	TOTAL	126,068,972	36,520	100.0	0.431	331.45	9.60	3,452

North Carolina Homeowners Insurance

Exhibit (1)

Cause-of-Loss Experience (Owners Forms)

	ACCD YEAR	ADJUSTED INCURRED LOSSES	ADJUSTED INCURRED CLAIMS	ADJUSTED LOSS DISTRIB	ADJUSTED LOSS RATIO	LOSS COST /HOUSE	LOSS FREQ /100	AVE LOSS
TERRITORY 34								
FIRE LIGHTNING AND REMOVAL								
	2000	6,779,599	1310	51.2	0.213	135.19	2.61	5,175
	2001	8,180,772	1352	56.7	0.256	166.71	2.76	6,051
	2002	5,319,292	1043	41.9	0.164	109.80	2.15	5,100
	2003	5,287,299	1058	41.5	0.154	106.96	2.14	4,997
	2004	6,032,114	595	46.3	0.164	118.69	1.17	10,138
	TOTAL	31,599,076	5358	47.8	0.189	127.46	2.16	5,898
WIND AND HAIL								
	2000	1,867,525	940	14.1	0.059	37.24	1.87	1,987
	2001	1,372,261	916	9.5	0.043	27.96	1.87	1,498
	2002	1,293,888	624	10.2	0.040	26.71	1.29	2,074
	2003	2,339,102	1325	18.4	0.068	47.32	2.68	1,765
	2004	1,982,819	1024	15.2	0.054	39.01	2.01	1,936
	TOTAL	8,855,595	4,829	13.4	0.053	35.72	1.95	1,834
WATER DAMAGE AND FREEZING								
	2000	2,019,873	928	15.2	0.063	40.28	1.85	2,177
	2001	2,048,366	948	14.2	0.064	41.74	1.93	2,161
	2002	3,151,131	1096	24.8	0.097	65.04	2.26	2,875
	2003	2,511,408	751	19.7	0.073	50.80	1.52	3,344
	2004	2,301,517	667	17.7	0.063	45.29	1.31	3,451
	TOTAL	12,032,295	4390	18.2	0.072	48.53	1.77	2,741
THEFT								
	2000	1,583,083	905	11.9	0.050	31.57	1.80	1,749
	2001	1,641,868	857	11.4	0.051	33.46	1.75	1,916
	2002	1,358,288	748	10.7	0.042	28.04	1.54	1,816
	2003	1,222,987	601	9.6	0.036	24.74	1.22	2,035
	2004	1,505,270	622	11.6	0.041	29.62	1.22	2,420
	TOTAL	7,311,496	3733	11.1	0.044	29.49	1.51	1,959
ALL OTHER PD INCLUDING V&MM								
	2000	836,849	517	6.3	0.026	16.69	1.03	1,619
	2001	732,909	411	5.1	0.023	14.94	0.84	1,783
	2002	1,378,943	867	10.9	0.042	28.46	1.79	1,590
	2003	885,828	422	6.9	0.026	17.92	0.85	2,099
	2004	743,530	341	5.7	0.020	14.63	0.67	2,180
	TOTAL	4,578,059	2558	6.9	0.027	18.47	1.03	1,790
LIABILITY AND MEDICAL PAYMENT								
	2000	162,261	65	1.2	0.005	3.24	0.13	2,496
	2001	371,561	87	2.6	0.012	7.57	0.18	4,271
	2002	186,573	90	1.5	0.006	3.85	0.19	2,073
	2003	492,155	62	3.9	0.014	9.96	0.13	7,938
	2004	460,653	62	3.5	0.013	9.06	0.12	7,430
	TOTAL	1,673,203	366	2.5	0.010	6.75	0.15	4,572
CREDIT CARD								
	2000	1,236	2	0.0	0.000	0.02	0.00	618
	2001	82,866	4	0.6	0.003	1.69	0.01	20,717
	2002	14,821	4	0.1	0.000	0.31	0.01	3,705
	2003	7,213	3	0.1	0.000	0.15	0.01	2,404
	2004	2,034	2	0.0	0.000	0.04	0.00	1,017
	TOTAL	108,170	15	0.2	0.001	0.44	0.01	7,211
ALL CAUSES OTHER THAN WIND & HAIL								
	2000	11,382,901	3,727	85.9	0.357	226.99	7.43	3,054
	2001	13,058,342	3,659	90.5	0.408	266.11	7.46	3,569
	2002	11,409,048	3,848	89.8	0.351	235.50	7.94	2,965
	2003	10,406,890	2,897	81.6	0.304	210.53	5.86	3,592
	2004	11,045,118	2,289	84.8	0.300	217.33	4.50	4,825
	TOTAL	57,302,299	16,420	86.6	0.342	231.13	6.62	3,490
ALL CAUSES								
	2000	13,250,426	4,667	100.0	0.416	264.23	9.31	2,839
	2001	14,430,603	4,575	100.0	0.451	294.08	9.32	3,154
	2002	12,702,936	4,472	100.0	0.391	262.20	9.23	2,841
	2003	12,745,992	4,222	100.0	0.372	257.84	8.54	3,019
	2004	13,027,937	3,313	100.0	0.354	256.34	6.52	3,932
	TOTAL	66,157,894	21,249	100.0	0.395	266.85	8.57	3,113

North Carolina Homeowners Insurance

Exhibit (1)

Cause-of-Loss Experience (Owners Forms)

	ACCD YEAR	ADJUSTED INCURRED LOSSES	ADJUSTED INCURRED CLAIMS	ADJUSTED LOSS DISTRIB	ADJUSTED LOSS RATIO	LOSS COST /HOUSE	LOSS FREQ /100	AVE LOSS
TERRITORY 35								
FIRE LIGHTNING AND REMOVAL	2000	34,396,921	6931	39.5	0.198	130.33	2.63	4,963
	2001	30,976,172	5569	52.1	0.170	115.96	2.08	5,562
	2002	33,464,126	5682	45.2	0.198	139.34	2.37	5,889
	2003	7,761,067	980	33.3	0.128	92.85	1.17	7,919
	2004	419,642	10	60.0	0.618	540.08	1.29	41,964
	TOTAL	107,017,928	19172	43.7	0.183	125.08	2.24	5,582
WIND AND HAIL	2000	23,649,542	9182	27.1	0.136	89.61	3.48	2,576
	2001	3,419,585	2036	5.7	0.019	12.80	0.76	1,680
	2002	6,373,157	3269	8.6	0.038	26.54	1.36	1,950
	2003	7,461,665	2803	32.0	0.123	89.27	3.35	2,662
	2004	50,225	20	7.2	0.074	64.64	2.57	2,511
	TOTAL	40,954,174	17,310	16.7	0.070	47.87	2.02	2,366
WATER DAMAGE AND FREEZING	2000	11,570,697	4872	13.3	0.066	43.84	1.85	2,375
	2001	10,922,255	4484	18.4	0.060	40.89	1.68	2,436
	2002	14,516,495	5880	19.6	0.086	60.44	2.45	2,469
	2003	3,922,722	1290	16.8	0.065	46.93	1.54	3,041
	2004	194,733	19	27.8	0.287	250.62	2.45	10,249
	TOTAL	41,126,902	16545	16.8	0.070	48.07	1.93	2,486
THEFT	2000	6,026,020	3578	6.9	0.035	22.83	1.36	1,684
	2001	6,323,553	3705	10.6	0.035	23.67	1.39	1,707
	2002	5,437,875	3070	7.3	0.032	22.64	1.28	1,771
	2003	1,190,729	661	5.1	0.020	14.25	0.79	1,801
	2004	22,866	6	3.3	0.034	29.43	0.77	3,811
	TOTAL	19,001,043	11020	7.8	0.032	22.21	1.29	1,724
ALL OTHER PD INCLUDING V&MM	2000	8,142,837	4195	9.3	0.047	30.85	1.59	1,941
	2001	4,368,750	2278	7.3	0.024	16.36	0.85	1,918
	2002	12,156,910	7483	16.4	0.072	50.62	3.12	1,625
	2003	2,340,478	1183	10.0	0.039	28.00	1.42	1,978
	2004	1,704	4	0.2	0.003	2.19	0.51	426
	TOTAL	27,010,679	15143	11.0	0.046	31.57	1.77	1,784
LIABILITY AND MEDICAL PAYMENT	2000	2,966,184	806	3.4	0.017	11.24	0.31	3,680
	2001	3,454,303	761	5.8	0.019	12.93	0.28	4,539
	2002	2,080,289	661	2.8	0.012	8.66	0.28	3,147
	2003	619,799	131	2.7	0.010	7.42	0.16	4,731
	2004	10,399	1	1.5	0.015	13.38	0.13	10,399
	TOTAL	9,130,974	2360	3.7	0.016	10.67	0.28	3,869
CREDIT CARD	2000	360,710	28	0.4	0.002	1.37	0.01	12,883
	2001	41,880	24	0.1	0.000	0.16	0.01	1,745
	2002	23,851	26	0.0	0.000	0.10	0.01	917
	2003	10,309	9	0.0	0.000	0.12	0.01	1,145
	2004	0	0	0.0	0.000	0.00	0.00	0
	TOTAL	436,750	87	0.2	0.001	0.51	0.01	5,020
ALL CAUSES OTHER THAN WIND & HAIL	2000	63,463,369	20,410	72.9	0.365	240.47	7.73	3,109
	2001	56,086,913	16,821	94.3	0.308	209.97	6.30	3,334
	2002	67,679,546	22,802	91.4	0.401	281.81	9.49	2,968
	2003	15,845,104	4,254	68.0	0.261	189.57	5.09	3,725
	2004	649,344	40	92.8	0.956	835.71	5.15	16,234
	TOTAL	203,724,276	64,327	83.3	0.347	238.12	7.52	3,167
ALL CAUSES	2000	87,112,911	29,592	100.0	0.500	330.07	11.21	2,944
	2001	59,506,498	18,857	100.0	0.327	222.77	7.06	3,156
	2002	74,052,703	26,071	100.0	0.439	308.34	10.86	2,840
	2003	23,306,769	7,057	100.0	0.384	278.84	8.44	3,303
	2004	699,569	60	100.0	1.030	900.35	7.72	11,659
	TOTAL	244,678,450	81,637	100.0	0.417	285.98	9.54	2,997

North Carolina Homeowners Insurance

Exhibit (1)

Cause-of-Loss Experience (Owners Forms)

	ACCD YEAR	ADJUSTED INCURRED LOSSES	ADJUSTED INCURRED CLAIMS	ADJUSTED LOSS DISTRIB	ADJUSTED LOSS RATIO	LOSS COST /HOUSE	LOSS FREQ /100	AVE LOSS
TERRITORY 36								
FIRE LIGHTNING AND REMOVAL								
	2000	8,579,983	1932	22.9	0.161	86.23	1.94	4,441
	2001	8,460,128	1092	35.0	0.150	83.76	1.08	7,747
	2002	12,549,174	1212	40.5	0.219	127.28	1.23	10,354
	2003	7,551,055	976	29.5	0.132	79.88	1.03	7,737
	2004	9,751,028	679	42.3	0.164	103.90	0.72	14,361
	TOTAL	46,891,368	5891	33.2	0.165	96.19	1.21	7,960
WIND AND HAIL								
	2000	16,911,646	5220	45.2	0.316	169.97	5.25	3,240
	2001	3,105,192	1431	12.8	0.055	30.74	1.42	2,170
	2002	2,742,542	1430	8.9	0.048	27.82	1.45	1,918
	2003	2,921,436	1404	11.4	0.051	30.91	1.49	2,081
	2004	3,616,330	1609	15.7	0.061	38.53	1.71	2,248
	TOTAL	29,297,146	11,094	20.7	0.103	60.10	2.28	2,641
WATER DAMAGE AND FREEZING								
	2000	6,157,203	2526	16.5	0.115	61.88	2.54	2,438
	2001	7,142,174	2349	29.6	0.127	70.71	2.33	3,041
	2002	7,681,465	2871	24.8	0.134	77.91	2.91	2,676
	2003	6,937,862	2266	27.1	0.121	73.39	2.40	3,062
	2004	5,702,371	1509	24.7	0.096	60.76	1.61	3,779
	TOTAL	33,621,075	11521	23.8	0.119	68.97	2.36	2,918
THEFT								
	2000	2,148,059	1410	5.7	0.040	21.59	1.42	1,523
	2001	2,534,719	1515	10.5	0.045	25.10	1.50	1,673
	2002	1,946,412	1162	6.3	0.034	19.74	1.18	1,675
	2003	2,017,030	1057	7.9	0.035	21.34	1.12	1,908
	2004	1,721,696	926	7.5	0.029	18.34	0.99	1,859
	TOTAL	10,367,916	6070	7.3	0.037	21.27	1.25	1,708
ALL OTHER PD INCLUDING V&MM								
	2000	3,020,838	1721	8.1	0.057	30.36	1.73	1,755
	2001	2,199,029	964	9.1	0.039	21.77	0.95	2,281
	2002	5,578,384	2947	18.0	0.098	56.58	2.99	1,893
	2003	5,462,818	3044	21.3	0.095	57.79	3.22	1,795
	2004	1,901,965	635	8.2	0.032	20.27	0.68	2,995
	TOTAL	18,163,034	9311	12.9	0.064	37.26	1.91	1,951
LIABILITY AND MEDICAL PAYMENT								
	2000	572,823	233	1.5	0.011	5.76	0.23	2,458
	2001	724,741	215	3.0	0.013	7.18	0.21	3,371
	2002	473,585	183	1.5	0.008	4.80	0.19	2,588
	2003	731,783	173	2.9	0.013	7.74	0.18	4,230
	2004	373,873	103	1.6	0.006	3.98	0.11	3,630
	TOTAL	2,876,805	907	2.0	0.010	5.90	0.19	3,172
CREDIT CARD								
	2000	2,500	2	0.0	0.000	0.03	0.00	1,250
	2001	3,033	5	0.0	0.000	0.03	0.00	607
	2002	13,633	6	0.0	0.000	0.14	0.01	2,272
	2003	7,433	3	0.0	0.000	0.08	0.00	2,478
	2004	7,019	6	0.0	0.000	0.07	0.01	1,170
	TOTAL	33,618	22	0.0	0.000	0.07	0.00	1,528
ALL CAUSES OTHER THAN WIND & HAIL								
	2000	20,481,406	7,824	54.8	0.383	205.85	7.86	2,618
	2001	21,063,824	6,140	87.2	0.374	208.55	6.08	3,431
	2002	28,242,653	8,381	91.1	0.494	286.45	8.50	3,370
	2003	22,707,981	7,519	88.6	0.396	240.22	7.95	3,020
	2004	19,457,952	3,858	84.3	0.328	207.33	4.11	5,044
	TOTAL	111,953,816	33,722	79.3	0.395	229.66	6.92	3,320
ALL CAUSES								
	2000	37,393,052	13,044	100.0	0.700	375.82	13.11	2,867
	2001	24,169,016	7,571	100.0	0.429	239.29	7.50	3,192
	2002	30,985,195	9,811	100.0	0.542	314.27	9.95	3,158
	2003	25,629,417	8,923	100.0	0.447	271.13	9.44	2,872
	2004	23,074,282	5,467	100.0	0.389	245.86	5.83	4,221
	TOTAL	141,250,962	44,816	100.0	0.498	289.76	9.19	3,152

North Carolina Homeowners Insurance

Exhibit (1)

Cause-of-Loss Experience (Owners Forms)

	<u>ACCD YEAR</u>	<u>ADJUSTED INCURRED LOSSES</u>	<u>ADJUSTED INCURRED CLAIMS</u>	<u>ADJUSTED LOSS DISTRIB</u>	<u>ADJUSTED LOSS RATIO</u>	<u>LOSS COST /HOUSE</u>	<u>LOSS FREQ /100</u>	<u>AVE LOSS</u>
TERRITORY 37								
FIRE LIGHTNING AND REMOVAL	2000	16,590,459	3417	40.6	0.214	115.83	2.39	4,855
	2001	13,082,916	2291	43.1	0.161	89.87	1.57	5,711
	2002	17,855,237	2592	39.2	0.239	137.85	2.00	6,889
	2003	6,548,475	535	36.3	0.250	149.23	1.22	12,240
	2004	54,624	3	22.7	0.055	43.42	0.24	18,208
	TOTAL	54,131,711	8838	40.1	0.208	116.80	1.91	6,125
WIND AND HAIL	2000	8,396,030	3590	20.5	0.108	58.62	2.51	2,339
	2001	2,812,202	1445	9.3	0.035	19.32	0.99	1,946
	2002	4,294,088	2021	9.4	0.058	33.15	1.56	2,125
	2003	5,580,325	1608	30.9	0.213	127.17	3.66	3,470
	2004	66,724	18	27.8	0.067	53.04	1.43	3,707
	TOTAL	21,149,369	8,682	15.7	0.081	45.63	1.87	2,436
WATER DAMAGE AND FREEZING	2000	6,603,459	2945	16.1	0.085	46.10	2.06	2,242
	2001	6,550,328	2612	21.6	0.080	45.00	1.79	2,508
	2002	9,926,061	3453	21.8	0.133	76.63	2.67	2,875
	2003	2,791,382	973	15.5	0.107	63.61	2.22	2,869
	2004	92,616	22	38.6	0.093	73.62	1.75	4,210
	TOTAL	25,963,846	10005	19.2	0.100	56.02	2.16	2,595
THEFT	2000	3,437,079	1930	8.4	0.044	24.00	1.35	1,781
	2001	3,300,879	1894	10.9	0.041	22.67	1.30	1,743
	2002	2,460,459	1334	5.4	0.033	19.00	1.03	1,844
	2003	487,643	310	2.7	0.019	11.11	0.71	1,573
	2004	19,222	12	8.0	0.019	15.28	0.95	1,602
	TOTAL	9,705,282	5480	7.2	0.037	20.94	1.18	1,771
ALL OTHER PD INCLUDING V&MM	2000	4,266,874	2058	10.4	0.055	29.79	1.44	2,073
	2001	3,240,790	1382	10.7	0.040	22.26	0.95	2,345
	2002	9,841,218	5670	21.6	0.132	75.98	4.38	1,736
	2003	2,402,598	1340	13.3	0.092	54.75	3.05	1,793
	2004	5,363	9	2.2	0.005	4.26	0.72	596
	TOTAL	19,756,843	10459	14.6	0.076	42.63	2.26	1,889
LIABILITY AND MEDICAL PAYMENT	2000	1,541,584	365	3.8	0.020	10.76	0.25	4,224
	2001	1,371,710	351	4.5	0.017	9.42	0.24	3,908
	2002	1,109,233	350	2.4	0.015	8.56	0.27	3,169
	2003	224,158	81	1.2	0.009	5.11	0.18	2,767
	2004	1,688	3	0.7	0.002	1.34	0.24	563
	TOTAL	4,248,373	1150	3.1	0.016	9.17	0.25	3,694
CREDIT CARD	2000	74,100	12	0.2	0.001	0.52	0.01	6,175
	2001	6,291	11	0.0	0.000	0.04	0.01	572
	2002	23,112	13	0.1	0.000	0.18	0.01	1,778
	2003	0	0	0.0	0.000	0.00	0.00	0
	2004	0	0	0.0	0.000	0.00	0.00	0
	TOTAL	103,503	36	0.1	0.000	0.22	0.01	2,875
ALL CAUSES OTHER THAN WIND & HAIL	2000	32,513,555	10,727	79.5	0.419	227.00	7.49	3,031
	2001	27,552,914	8,541	90.7	0.338	189.27	5.87	3,226
	2002	41,215,320	13,412	90.6	0.553	318.20	10.35	3,073
	2003	12,454,256	3,239	69.1	0.476	283.81	7.38	3,845
	2004	173,513	49	72.2	0.174	137.93	3.90	3,541
	TOTAL	113,909,558	35,968	84.3	0.437	245.77	7.76	3,167
ALL CAUSES	2000	40,909,585	14,317	100.0	0.528	285.62	10.00	2,857
	2001	30,365,116	9,986	100.0	0.373	208.58	6.86	3,041
	2002	45,509,408	15,433	100.0	0.610	351.35	11.91	2,949
	2003	18,034,581	4,847	100.0	0.690	410.98	11.05	3,721
	2004	240,237	67	100.0	0.241	190.97	5.33	3,586
	TOTAL	135,058,927	44,650	100.0	0.518	291.40	9.63	3,025

North Carolina Homeowners Insurance

Exhibit (1)

Cause-of-Loss Experience (Owners Forms)

	ACCD YEAR	ADJUSTED INCURRED LOSSES	ADJUSTED INCURRED CLAIMS	ADJUSTED LOSS DISTRIB	ADJUSTED LOSS RATIO	LOSS COST /HOUSE	LOSS FREQ /100	AVE LOSS
TERRITORY 38								
FIRE LIGHTNING AND REMOVAL								
	2000	11,109,259	1377	36.5	0.179	104.72	1.30	8,068
	2001	7,529,950	837	30.5	0.116	70.86	0.79	8,996
	2002	8,688,843	1201	22.0	0.127	80.60	1.11	7,235
	2003	9,661,480	947	31.3	0.130	85.91	0.84	10,202
	2004	9,737,073	676	31.6	0.121	82.55	0.57	14,404
	TOTAL	46,726,605	5038	29.9	0.133	84.87	0.92	9,275
WIND AND HAIL								
	2000	3,680,515	1846	12.1	0.059	34.69	1.74	1,994
	2001	1,658,318	864	6.7	0.026	15.61	0.81	1,919
	2002	3,640,643	1836	9.2	0.053	33.77	1.70	1,983
	2003	4,813,812	1540	15.6	0.065	42.81	1.37	3,126
	2004	5,724,178	1989	18.6	0.071	48.53	1.69	2,878
	TOTAL	19,517,466	8,075	12.5	0.056	35.45	1.47	2,417
WATER DAMAGE AND FREEZING								
	2000	7,322,991	3127	24.1	0.118	69.03	2.95	2,342
	2001	7,769,278	2862	31.5	0.120	73.12	2.69	2,715
	2002	11,696,367	3554	29.6	0.171	108.50	3.30	3,291
	2003	9,496,704	2534	30.8	0.128	84.45	2.25	3,748
	2004	7,659,519	1886	24.8	0.095	64.94	1.60	4,061
	TOTAL	43,944,859	13963	28.1	0.125	79.82	2.54	3,147
THEFT								
	2000	3,504,776	2012	11.5	0.056	33.04	1.90	1,742
	2001	3,929,474	1907	15.9	0.060	36.98	1.79	2,061
	2002	3,667,501	1797	9.3	0.054	34.02	1.67	2,041
	2003	3,780,924	1716	12.3	0.051	33.62	1.53	2,203
	2004	3,893,198	1774	12.6	0.048	33.01	1.50	2,195
	TOTAL	18,775,873	9206	12.0	0.054	34.10	1.67	2,040
ALL OTHER PD INCLUDING V&MM								
	2000	3,436,562	1654	11.3	0.055	32.40	1.56	2,078
	2001	2,999,252	1130	12.2	0.046	28.23	1.06	2,654
	2002	11,120,998	6462	28.1	0.162	103.17	5.99	1,721
	2003	2,491,593	1124	8.1	0.034	22.16	1.00	2,217
	2004	2,872,910	1030	9.3	0.036	24.36	0.87	2,789
	TOTAL	22,921,315	11400	14.7	0.065	41.63	2.07	2,011
LIABILITY AND MEDICAL PAYMENT								
	2000	1,336,236	222	4.4	0.022	12.60	0.21	6,019
	2001	614,578	182	2.5	0.009	5.78	0.17	3,377
	2002	670,489	181	1.7	0.010	6.22	0.17	3,704
	2003	543,980	134	1.8	0.007	4.84	0.12	4,060
	2004	940,503	151	3.1	0.012	7.97	0.13	6,228
	TOTAL	4,105,786	870	2.6	0.012	7.46	0.16	4,719
CREDIT CARD								
	2000	13,757	7	0.0	0.000	0.13	0.01	1,965
	2001	154,318	10	0.6	0.002	1.45	0.01	15,432
	2002	27,560	5	0.1	0.000	0.26	0.00	5,512
	2003	54,772	5	0.2	0.001	0.49	0.00	10,954
	2004	6,614	6	0.0	0.000	0.06	0.01	1,102
	TOTAL	257,021	33	0.2	0.001	0.47	0.01	7,789
ALL CAUSES OTHER THAN WIND & HAIL								
	2000	26,723,581	8,399	87.9	0.430	251.91	7.92	3,182
	2001	22,996,850	6,928	93.3	0.354	216.42	6.52	3,319
	2002	35,871,758	13,200	90.8	0.524	332.77	12.25	2,718
	2003	26,029,453	6,460	84.4	0.352	231.47	5.74	4,029
	2004	25,109,817	5,523	81.4	0.311	212.89	4.68	4,546
	TOTAL	136,731,459	40,510	87.5	0.390	248.36	7.36	3,375
ALL CAUSES								
	2000	30,404,096	10,245	100.0	0.490	286.61	9.66	2,968
	2001	24,655,168	7,792	100.0	0.379	232.03	7.33	3,164
	2002	39,512,401	15,036	100.0	0.577	366.55	13.95	2,628
	2003	30,843,265	8,000	100.0	0.417	274.27	7.11	3,855
	2004	30,833,995	7,512	100.0	0.382	261.42	6.37	4,105
	TOTAL	156,248,925	48,585	100.0	0.446	283.81	8.82	3,216

Cause-of-Loss Experience (Owners Forms)

	ACCD YEAR	ADJUSTED INCURRED LOSSES	ADJUSTED INCURRED CLAIMS	ADJUSTED LOSS DISTRIB	ADJUSTED LOSS RATIO	LOSS COST /HOUSE	LOSS FREQ /100	AVE LOSS
TERRITORY 39								
FIRE LIGHTNING AND REMOVAL								
	2000	9,502,329	1660	29.9	0.161	90.59	1.58	5,724
	2001	10,809,232	1235	43.1	0.173	101.15	1.16	8,752
	2002	10,641,335	1445	32.5	0.161	97.40	1.32	7,364
	2003	8,987,923	1506	28.8	0.127	79.63	1.33	5,968
	2004	11,652,214	910	38.8	0.152	99.37	0.78	12,805
	TOTAL	51,593,033	6756	34.2	0.154	93.61	1.23	7,637
WIND AND HAIL								
	2000	4,722,000	2524	14.9	0.080	45.02	2.41	1,871
	2001	1,865,646	996	7.4	0.030	17.46	0.93	1,873
	2002	3,504,735	1691	10.7	0.053	32.08	1.55	2,073
	2003	9,619,267	3118	30.9	0.136	85.23	2.76	3,085
	2004	7,070,394	2773	23.6	0.092	60.30	2.36	2,550
	TOTAL	26,782,042	11,102	17.8	0.080	48.59	2.01	2,412
WATER DAMAGE AND FREEZING								
	2000	7,399,099	3137	23.3	0.125	70.54	2.99	2,359
	2001	6,200,458	2290	24.7	0.099	58.02	2.14	2,708
	2002	7,896,366	3046	24.1	0.119	72.28	2.79	2,592
	2003	7,033,319	2070	22.6	0.099	62.32	1.83	3,398
	2004	6,255,471	1654	20.9	0.081	53.35	1.41	3,782
	TOTAL	34,784,713	12197	23.1	0.104	63.12	2.21	2,852
THEFT								
	2000	2,589,564	1529	8.2	0.044	24.69	1.46	1,694
	2001	2,603,449	1437	10.4	0.042	24.36	1.34	1,812
	2002	2,617,355	1321	8.0	0.040	23.96	1.21	1,981
	2003	2,241,965	1082	7.2	0.032	19.86	0.96	2,072
	2004	2,268,809	1032	7.6	0.030	19.35	0.88	2,198
	TOTAL	12,321,142	6401	8.2	0.037	22.36	1.16	1,925
ALL OTHER PD INCLUDING V&MM								
	2000	6,322,049	3141	19.9	0.107	60.27	2.99	2,013
	2001	2,259,957	1001	9.0	0.036	21.15	0.94	2,258
	2002	7,165,263	4360	21.9	0.108	65.58	3.99	1,643
	2003	2,192,545	887	7.0	0.031	19.43	0.79	2,472
	2004	1,972,144	801	6.6	0.026	16.82	0.68	2,462
	TOTAL	19,911,958	10190	13.2	0.059	36.13	1.85	1,954
LIABILITY AND MEDICAL PAYMENT								
	2000	1,168,232	245	3.7	0.020	11.14	0.23	4,768
	2001	1,277,575	247	5.1	0.020	11.96	0.23	5,172
	2002	945,990	224	2.9	0.014	8.66	0.21	4,223
	2003	1,085,204	162	3.5	0.015	9.62	0.14	6,699
	2004	758,434	157	2.5	0.010	6.47	0.13	4,831
	TOTAL	5,235,435	1035	3.5	0.016	9.50	0.19	5,058
CREDIT CARD								
	2000	24,766	16	0.1	0.000	0.24	0.02	1,548
	2001	59,749	20	0.2	0.001	0.56	0.02	2,987
	2002	20,856	17	0.1	0.000	0.19	0.02	1,227
	2003	13,248	7	0.0	0.000	0.12	0.01	1,893
	2004	20,132	11	0.1	0.000	0.17	0.01	1,830
	TOTAL	138,751	71	0.1	0.000	0.25	0.01	1,954
ALL CAUSES OTHER THAN WIND & HAIL								
	2000	27,006,039	9,728	85.1	0.458	257.46	9.27	2,776
	2001	23,210,420	6,230	92.6	0.372	217.21	5.83	3,726
	2002	29,287,165	10,413	89.3	0.443	268.07	9.53	2,813
	2003	21,554,204	5,714	69.1	0.304	190.98	5.06	3,772
	2004	22,927,204	4,565	76.4	0.298	195.52	3.89	5,022
	TOTAL	123,985,032	36,650	82.2	0.370	224.96	6.65	3,383
ALL CAUSES								
	2000	31,728,039	12,252	100.0	0.538	302.48	11.68	2,590
	2001	25,076,066	7,226	100.0	0.402	234.66	6.76	3,470
	2002	32,791,900	12,104	100.0	0.496	300.15	11.08	2,709
	2003	31,173,471	8,832	100.0	0.440	276.20	7.83	3,530
	2004	29,997,598	7,338	100.0	0.390	255.81	6.26	4,088
	TOTAL	150,767,074	47,752	100.0	0.450	273.56	8.66	3,157

North Carolina Homeowners Insurance

Exhibit (1)

Cause-of-Loss Experience (Owners Forms)

	ACCD YEAR	ADJUSTED INCURRED LOSSES	ADJUSTED INCURRED CLAIMS	ADJUSTED LOSS DISTRIB	ADJUSTED LOSS RATIO	LOSS COST /HOUSE	LOSS FREQ /100	AVE LOSS
TERRITORY 40								
FIRE LIGHTNING AND REMOVAL								
	2000	48,809,042	9175	42.4	0.203	105.75	1.99	5,320
	2001	51,861,829	8072	47.2	0.205	111.04	1.73	6,425
	2002	52,357,381	8270	44.8	0.221	124.61	1.97	6,331
	2003	18,945,566	2020	31.9	0.218	128.72	1.37	9,379
	2004	39,957	8	10.1	0.023	19.49	0.39	4,995
	TOTAL	172,013,775	27545	42.8	0.210	114.83	1.84	6,245
WIND AND HAIL								
	2000	17,447,065	8290	15.2	0.073	37.80	1.80	2,105
	2001	12,464,111	6582	11.3	0.049	26.69	1.41	1,894
	2002	13,451,635	6110	11.5	0.057	32.01	1.45	2,202
	2003	20,103,853	6005	33.8	0.231	136.59	4.08	3,348
	2004	141,219	46	35.7	0.081	68.89	2.24	3,070
	TOTAL	63,607,883	27,033	15.8	0.078	42.46	1.80	2,353
WATER DAMAGE AND FREEZING								
	2000	24,737,968	8007	21.5	0.103	53.60	1.73	3,090
	2001	22,223,923	6912	20.2	0.088	47.58	1.48	3,215
	2002	22,463,205	7326	19.2	0.095	53.46	1.74	3,066
	2003	13,285,579	2701	22.3	0.153	90.26	1.84	4,919
	2004	146,644	13	37.1	0.084	71.53	0.63	11,280
	TOTAL	82,857,319	24959	20.6	0.101	55.31	1.67	3,320
THEFT								
	2000	7,856,806	4640	6.8	0.033	17.02	1.01	1,693
	2001	8,123,889	4727	7.4	0.032	17.39	1.01	1,719
	2002	7,073,887	3829	6.1	0.030	16.84	0.91	1,847
	2003	1,926,270	1010	3.2	0.022	13.09	0.69	1,907
	2004	23,093	4	5.8	0.013	11.26	0.20	5,773
	TOTAL	25,003,945	14210	6.2	0.031	16.69	0.95	1,760
ALL OTHER PD INCLUDING V&MM								
	2000	12,476,279	6059	10.8	0.052	27.03	1.31	2,059
	2001	10,414,670	4502	9.5	0.041	22.30	0.96	2,313
	2002	17,461,585	9067	14.9	0.074	41.56	2.16	1,926
	2003	4,113,721	1509	6.9	0.047	27.95	1.03	2,726
	2004	44,636	7	11.3	0.026	21.77	0.34	6,377
	TOTAL	44,510,891	21144	11.1	0.054	29.71	1.41	2,105
LIABILITY AND MEDICAL PAYMENT								
	2000	3,526,483	1340	3.1	0.015	7.64	0.29	2,632
	2001	4,183,005	1265	3.8	0.017	8.96	0.27	3,307
	2002	3,482,074	1092	3.0	0.015	8.29	0.26	3,189
	2003	1,067,940	270	1.8	0.012	7.26	0.18	3,955
	2004	0	0	0.0	0.000	0.00	0.00	0
	TOTAL	12,259,502	3967	3.1	0.015	8.18	0.26	3,090
CREDIT CARD								
	2000	204,068	73	0.2	0.001	0.44	0.02	2,795
	2001	699,535	92	0.6	0.003	1.50	0.02	7,604
	2002	608,293	72	0.5	0.003	1.45	0.02	8,449
	2003	37,684	21	0.1	0.000	0.26	0.01	1,794
	2004	0	0	0.0	0.000	0.00	0.00	0
	TOTAL	1,549,580	258	0.4	0.002	1.03	0.02	6,006
ALL CAUSES OTHER THAN WIND & HAIL								
	2000	97,610,646	29,294	84.8	0.407	211.48	6.35	3,332
	2001	97,506,851	25,570	88.7	0.385	208.77	5.47	3,813
	2002	103,446,425	29,656	88.5	0.437	246.19	7.06	3,488
	2003	39,376,760	7,531	66.2	0.453	267.53	5.12	5,229
	2004	254,330	32	64.3	0.146	124.06	1.56	7,948
	TOTAL	338,195,012	92,083	84.2	0.413	225.76	6.15	3,673
ALL CAUSES								
	2000	115,057,711	37,584	100.0	0.479	249.28	8.14	3,061
	2001	109,970,962	32,152	100.0	0.434	235.46	6.88	3,420
	2002	116,898,060	35,766	100.0	0.494	278.21	8.51	3,268
	2003	59,480,613	13,536	100.0	0.684	404.12	9.20	4,394
	2004	395,549	78	100.0	0.228	192.95	3.80	5,071
	TOTAL	401,802,895	119,116	100.0	0.491	266.22	7.95	3,373

North Carolina Homeowners Insurance

Exhibit (1)

Cause-of-Loss Experience (Owners Forms)

	<u>ACCD YEAR</u>	<u>ADJUSTED INCURRED LOSSES</u>	<u>ADJUSTED INCURRED CLAIMS</u>	<u>ADJUSTED LOSS DISTRIB</u>	<u>ADJUSTED LOSS RATIO</u>	<u>LOSS COST /HOUSE</u>	<u>LOSS FREQ /100</u>	<u>AVE LOSS</u>
TERRITORY 41								
FIRE LIGHTNING AND REMOVAL	2000	6,465,433	662	71.9	0.382	283.32	2.90	9,767
	2001	5,398,154	652	67.3	0.307	233.51	2.82	8,279
	2002	7,125,982	559	69.3	0.400	313.52	2.46	12,748
	2003	5,705,184	481	46.1	0.311	250.92	2.12	11,861
	2004	4,922,848	411	52.0	0.255	213.63	1.78	11,978
	TOTAL	29,617,601	2765	60.3	0.329	258.79	2.42	10,712
WIND AND HAIL	2000	558,944	336	6.2	0.033	24.49	1.47	1,664
	2001	501,986	319	6.3	0.029	21.72	1.38	1,574
	2002	437,216	240	4.3	0.025	19.24	1.06	1,822
	2003	4,512,557	1432	36.5	0.246	198.47	6.30	3,151
	2004	1,811,042	801	19.1	0.094	78.59	3.48	2,261
	TOTAL	7,821,745	3,128	15.9	0.087	68.34	2.73	2,501
WATER DAMAGE AND FREEZING	2000	595,011	308	6.6	0.035	26.07	1.35	1,932
	2001	645,244	296	8.0	0.037	27.91	1.28	2,180
	2002	983,815	395	9.6	0.055	43.28	1.74	2,491
	2003	944,386	300	7.6	0.051	41.54	1.32	3,148
	2004	1,259,151	421	13.3	0.065	54.64	1.83	2,991
	TOTAL	4,427,607	1720	9.0	0.049	38.69	1.50	2,574
THEFT	2000	792,912	435	8.8	0.047	34.75	1.91	1,823
	2001	771,898	456	9.6	0.044	33.39	1.97	1,693
	2002	707,927	397	6.9	0.040	31.15	1.75	1,783
	2003	678,334	364	5.5	0.037	29.83	1.60	1,864
	2004	542,981	287	5.7	0.028	23.56	1.25	1,892
	TOTAL	3,494,052	1939	7.1	0.039	30.53	1.69	1,802
ALL OTHER PD INCLUDING V&MM	2000	376,806	198	4.2	0.022	16.51	0.87	1,903
	2001	282,359	160	3.5	0.016	12.21	0.69	1,765
	2002	616,238	243	6.0	0.035	27.11	1.07	2,536
	2003	349,556	138	2.8	0.019	15.37	0.61	2,533
	2004	689,175	385	7.3	0.036	29.91	1.67	1,790
	TOTAL	2,314,134	1124	4.7	0.026	20.22	0.98	2,059
LIABILITY AND MEDICAL PAYMENT	2000	203,692	60	2.3	0.012	8.93	0.26	3,395
	2001	415,781	41	5.2	0.024	17.99	0.18	10,141
	2002	201,158	45	2.0	0.011	8.85	0.20	4,470
	2003	176,803	52	1.4	0.010	7.78	0.23	3,400
	2004	246,659	91	2.6	0.013	10.70	0.39	2,711
	TOTAL	1,244,093	289	2.5	0.014	10.87	0.25	4,305
CREDIT CARD	2000	3,000	1	0.0	0.000	0.13	0.00	3,000
	2001	3,343	3	0.0	0.000	0.14	0.01	1,114
	2002	204,257	5	2.0	0.011	8.99	0.02	0
	2003	1,449	2	0.0	0.000	0.06	0.01	725
	2004	3,962	5	0.0	0.000	0.17	0.02	792
	TOTAL	216,011	16	0.4	0.002	1.89	0.01	13,501
ALL CAUSES OTHER THAN WIND & HAIL	2000	8,436,854	1,664	93.8	0.499	369.71	7.29	5,070
	2001	7,516,779	1,608	93.7	0.428	325.16	6.96	4,675
	2002	9,839,377	1,644	95.7	0.553	432.90	7.23	5,985
	2003	7,855,712	1,337	63.5	0.428	345.50	5.88	5,876
	2004	7,664,776	1,600	80.9	0.397	332.61	6.94	4,790
	TOTAL	41,313,498	7,853	84.1	0.459	360.98	6.86	5,261
ALL CAUSES	2000	8,995,798	2,000	100.0	0.532	394.21	8.76	4,498
	2001	8,018,765	1,927	100.0	0.456	346.88	8.34	4,161
	2002	10,276,593	1,884	100.0	0.577	452.14	8.29	5,455
	2003	12,368,269	2,769	100.0	0.674	543.97	12.18	4,467
	2004	9,475,818	2,401	100.0	0.491	411.21	10.42	3,947
	TOTAL	49,135,243	10,981	100.0	0.546	429.33	9.59	4,475

North Carolina Homeowners Insurance

Exhibit (1)

Cause-of-Loss Experience (Owners Forms)

	ACCD YEAR	ADJUSTED INCURRED LOSSES	ADJUSTED INCURRED CLAIMS	ADJUSTED LOSS DISTRIB	ADJUSTED LOSS RATIO	LOSS COST /HOUSE	LOSS FREQ /100	AVE LOSS
TERRITORY 42,43								
FIRE LIGHTNING AND REMOVAL								
	2000	14,039,010	2,459	49.6	0.104	109.46	1.92	5,709
	2001	13,773,340	1,980	50.3	0.100	107.37	1.54	6,956
	2002	12,005,627	1,973	48.7	0.088	98.22	1.61	6,085
	2003	11,546,540	1,579	10.7	0.083	94.63	1.29	7,313
	2004	13,392,891	1,641	37.8	0.092	107.19	1.31	8,161
	TOTAL	64,757,408	9,632	29.0	0.144	104.08	1.55	6,723
WIND AND HAIL								
	2000	3,528,359	1,481	12.5	0.026	27.51	1.15	2,382
	2001	1,335,053	691	4.9	0.010	10.41	0.54	1,932
	2002	1,326,311	667	5.4	0.010	10.85	0.55	1,988
	2003	83,071,521	17,693	77.2	0.597	680.81	14.50	4,695
	2004	9,142,924	3,188	25.8	0.063	73.18	2.55	2,868
	TOTAL	98,404,168	23,720	44.1	0.218	158.16	3.81	4,149
WATER DAMAGE AND FREEZING								
	2000	5,043,477	1,789	17.8	0.037	39.32	1.39	2,819
	2001	6,459,068	1,871	23.6	0.047	50.35	1.46	3,452
	2002	5,799,127	1,933	23.5	0.043	47.44	1.58	3,000
	2003	7,574,259	1,960	7.0	0.054	62.07	1.61	3,864
	2004	7,150,817	1,645	20.2	0.049	57.23	1.32	4,347
	TOTAL	32,026,748	9,198	14.3	0.071	51.47	1.48	3,482
THEFT								
	2000	1,874,719	1,155	6.6	0.014	14.62	0.90	1,623
	2001	1,921,089	1,083	7.0	0.014	14.98	0.84	1,774
	2002	1,702,944	976	6.9	0.013	13.93	0.80	1,745
	2003	1,771,965	859	1.6	0.013	14.52	0.70	2,063
	2004	1,611,442	763	4.6	0.011	12.90	0.61	2,112
	TOTAL	8,882,159	4,836	4.0	0.020	14.28	0.78	1,837
ALL OTHER PD INCLUDING V&MM								
	2000	1,984,178	926	7.0	0.015	15.47	0.72	2,143
	2001	1,971,119	880	7.2	0.014	15.37	0.69	2,240
	2002	2,160,839	787	8.8	0.016	17.68	0.64	2,746
	2003	2,623,677	2,934	2.4	0.019	21.50	2.40	894
	2004	2,641,042	731	7.5	0.018	21.14	0.59	3,613
	TOTAL	11,380,855	6,258	5.1	0.025	18.29	1.01	1,819
LIABILITY AND MEDICAL PAYMENT								
	2000	1,806,609	262	6.4	0.013	14.09	0.20	6,895
	2001	1,893,173	300	6.9	0.014	14.76	0.23	6,311
	2002	1,575,461	249	6.4	0.012	12.89	0.20	6,327
	2003	1,030,760	235	1.0	0.007	8.45	0.19	4,386
	2004	1,453,675	216	4.1	0.010	11.63	0.17	6,730
	TOTAL	7,759,678	1,262	3.5	0.017	12.47	0.20	6,149
CREDIT CARD								
	2000	16,627	9	0.1	0.000	0.13	0.01	1,847
	2001	9,959	11	0.0	0.000	0.08	0.01	905
	2002	98,160	7	0.4	0.001	0.80	0.01	14,023
	2003	13,323	3	0.0	0.000	0.11	0.00	4,441
	2004	3,740	4	0.0	0.000	0.03	0.00	935
	TOTAL	141,809	34	0.1	0.000	0.23	0.01	4,171
ALL CAUSES OTHER THAN WIND & HAIL								
	2000	24,764,620	6,600	87.5	0.183	193.09	5.15	3,752
	2001	26,027,748	6,125	95.1	0.188	202.90	4.77	4,249
	2002	23,342,158	5,925	94.6	0.172	190.96	4.85	3,940
	2003	24,560,524	7,570	22.8	0.177	201.29	6.20	3,244
	2004	26,253,607	5,000	74.2	0.180	210.12	4.00	5,251
	TOTAL	124,948,657	31,220	55.9	0.277	200.82	5.02	4,002
ALL CAUSES								
	2000	28,292,979	8,081	100.0	0.209	220.60	6.30	3,501
	2001	27,362,801	6,816	100.0	0.198	213.31	5.31	4,014
	2002	24,668,469	6,592	100.0	0.181	201.81	5.39	3,742
	2003	107,632,045	25,263	100.0	0.774	882.10	20.70	4,260
	2004	35,396,531	8,188	100.0	0.242	283.30	6.55	4,323
	TOTAL	223,352,825	54,940	100.0	0.495	358.98	8.83	4,065

North Carolina Homeowners Insurance

Exhibit (1)

Cause-of-Loss Experience (Owners Forms)

	ACCD YEAR	ADJUSTED INCURRED LOSSES	ADJUSTED INCURRED CLAIMS	ADJUSTED LOSS DISTRIB	ADJUSTED LOSS RATIO	LOSS COST /HOUSE	LOSS FREQ /100	AVE LOSS
TERRITORY 42								
FIRE LIGHTNING AND REMOVAL								
	2000	5,866,309	990	49.3	0.081	88.17	1.49	5,926
	2001	8,479,337	1043	53.3	0.115	127.33	1.57	8,130
	2002	5,763,076	854	47.9	0.081	92.40	1.37	6,748
	2003	5,647,689	693	41.4	0.079	91.71	1.13	8,150
	2004	7,819,866	895	38.2	0.104	120.87	1.38	8,737
	TOTAL	33,576,277	4475	45.4	0.092	104.34	1.39	7,503
WIND AND HAIL								
	2000	509,970	295	4.3	0.007	7.66	0.44	1,729
	2001	470,031	289	3.0	0.006	7.06	0.43	1,626
	2002	388,715	174	3.2	0.005	6.23	0.28	2,234
	2003	3,006,189	1029	22.0	0.042	48.81	1.67	2,921
	2004	6,411,144	2138	31.3	0.085	99.09	3.30	2,999
	TOTAL	10,786,049	3,925	14.6	0.030	33.52	1.22	2,748
WATER DAMAGE AND FREEZING								
	2000	2,552,150	863	21.4	0.035	38.36	1.30	2,957
	2001	3,766,283	985	23.7	0.051	56.56	1.48	3,824
	2002	3,266,155	939	27.1	0.046	52.37	1.51	3,478
	2003	2,952,392	797	21.6	0.041	47.94	1.29	3,704
	2004	3,750,512	820	18.3	0.050	57.97	1.27	4,574
	TOTAL	16,287,492	4404	22.0	0.045	50.62	1.37	3,698
THEFT								
	2000	1,276,674	759	10.7	0.018	19.19	1.14	1,682
	2001	1,326,087	728	8.3	0.018	19.91	1.09	1,822
	2002	1,067,313	583	8.9	0.015	17.11	0.93	1,831
	2003	923,550	465	6.8	0.013	15.00	0.76	1,986
	2004	860,203	450	4.2	0.011	13.30	0.70	1,912
	TOTAL	5,453,827	2985	7.4	0.015	16.95	0.93	1,827
ALL OTHER PD INCLUDING V&MM								
	2000	876,623	435	7.4	0.012	13.17	0.65	2,015
	2001	987,086	438	6.2	0.013	14.82	0.66	2,254
	2002	1,004,810	375	8.4	0.014	16.11	0.60	2,679
	2003	670,963	298	4.9	0.009	10.89	0.48	2,252
	2004	938,701	372	4.6	0.012	14.51	0.57	2,523
	TOTAL	4,478,183	1918	6.1	0.012	13.92	0.60	2,335
LIABILITY AND MEDICAL PAYMENT								
	2000	824,313	132	6.9	0.011	12.39	0.20	6,245
	2001	867,890	133	5.5	0.012	13.03	0.20	6,525
	2002	539,962	116	4.5	0.008	8.66	0.19	4,655
	2003	446,473	93	3.3	0.006	7.25	0.15	4,801
	2004	695,229	99	3.4	0.009	10.75	0.15	7,023
	TOTAL	3,373,867	573	4.6	0.009	10.48	0.18	5,888
CREDIT CARD								
	2000	0	0	0.0	0.000	0.00	0.00	0
	2001	0	0	0.0	0.000	0.00	0.00	0
	2002	998	1	0.0	0.000	0.02	0.00	998
	2003	0	0	0.0	0.000	0.00	0.00	0
	2004	1,935	2	0.0	0.000	0.03	0.00	968
	TOTAL	2,933	3	0.0	0.000	0.01	0.00	978
ALL CAUSES OTHER THAN WIND & HAIL								
	2000	11,396,069	3,179	95.7	0.157	171.27	4.78	3,585
	2001	15,426,683	3,327	97.0	0.209	231.66	5.00	4,637
	2002	11,642,314	2,868	96.8	0.163	186.67	4.60	4,059
	2003	10,641,067	2,346	78.0	0.149	172.79	3.81	4,536
	2004	14,066,446	2,638	68.7	0.186	217.42	4.08	5,332
	TOTAL	63,172,579	14,358	85.4	0.173	196.32	4.46	4,400
ALL CAUSES								
	2000	11,906,039	3,474	100.0	0.164	178.94	5.22	3,427
	2001	15,896,714	3,616	100.0	0.215	238.71	5.43	4,396
	2002	12,031,029	3,042	100.0	0.168	192.90	4.88	3,955
	2003	13,647,256	3,375	100.0	0.191	221.60	5.48	4,044
	2004	20,477,590	4,776	100.0	0.271	316.52	7.38	4,288
	TOTAL	73,958,628	18,283	100.0	0.203	229.84	5.68	4,045

North Carolina Homeowners Insurance

Exhibit (1)

Cause-of-Loss Experience (Owners Forms)

	ACCD YEAR	ADJUSTED INCURRED LOSSES	ADJUSTED INCURRED CLAIMS	ADJUSTED LOSS DISTRIB	ADJUSTED LOSS RATIO	LOSS COST /HOUSE	LOSS FREQ /100	AVE LOSS
TERRITORY43								
FIRE LIGHTNING AND REMOVAL	2000	8,172,701	1469	49.9	0.130	132.42	2.38	5,563
	2001	5,294,003	937	46.2	0.082	85.82	1.52	5,650
	2002	6,242,551	1119	49.4	0.097	104.28	1.87	5,579
	2003	5,898,851	886	6.3	0.087	97.61	1.47	6,658
	2004	5,573,025	746	37.4	0.079	92.50	1.24	7,471
	TOTAL	31,181,131	5157	20.9	0.094	102.59	1.70	6,046
WIND AND HAIL								
	2000	3,018,389	1186	18.4	0.048	48.90	1.92	2,545
	2001	865,022	402	7.5	0.013	14.02	0.65	2,152
	2002	937,596	493	7.4	0.015	15.66	0.82	1,902
	2003	80,065,332	16664	85.2	1.180	1,324.86	27.57	4,805
	2004	2,731,780	1050	18.3	0.039	45.34	1.74	2,602
	TOTAL	87,618,119	19,795	58.6	0.265	288.26	6.51	4,426
WATER DAMAGE AND FREEZING								
	2000	2,491,327	926	15.2	0.040	40.36	1.50	2,690
	2001	2,692,785	886	23.5	0.042	43.65	1.44	3,039
	2002	2,532,972	994	20.0	0.039	42.31	1.66	2,548
	2003	4,621,867	1163	4.9	0.068	76.48	1.92	3,974
	2004	3,400,305	825	22.8	0.048	56.44	1.37	4,122
	TOTAL	15,739,256	4794	10.5	0.048	51.78	1.58	3,283
THEFT								
	2000	598,045	396	3.6	0.010	9.69	0.64	1,510
	2001	595,002	355	5.2	0.009	9.65	0.58	1,676
	2002	635,631	393	5.0	0.010	10.62	0.66	1,617
	2003	848,415	394	0.9	0.013	14.04	0.65	2,153
	2004	751,239	313	5.0	0.011	12.47	0.52	2,400
	TOTAL	3,428,332	1851	2.3	0.010	11.28	0.61	1,852
ALL OTHER PD INCLUDING V&MM								
	2000	1,107,555	491	6.8	0.018	17.94	0.80	2,256
	2001	984,033	442	8.6	0.015	15.95	0.72	2,226
	2002	1,156,029	412	9.1	0.018	19.31	0.69	2,806
	2003	1,952,714	2636	2.1	0.029	32.31	4.36	741
	2004	1,702,341	359	11.4	0.024	28.26	0.60	4,742
	TOTAL	6,902,672	4340	4.6	0.021	22.71	1.43	1,590
LIABILITY AND MEDICAL PAYMENT								
	2000	982,296	130	6.0	0.016	15.92	0.21	7,556
	2001	1,025,283	167	8.9	0.016	16.62	0.27	6,139
	2002	1,035,499	133	8.2	0.016	17.30	0.22	7,786
	2003	584,287	142	0.6	0.009	9.67	0.23	4,115
	2004	758,446	117	5.1	0.011	12.59	0.19	6,482
	TOTAL	4,385,811	689	2.9	0.013	14.43	0.23	6,365
CREDIT CARD								
	2000	16,627	9	0.1	0.000	0.27	0.01	1,847
	2001	9,959	11	0.1	0.000	0.16	0.02	905
	2002	97,162	6	0.8	0.002	1.62	0.01	16,194
	2003	13,323	3	0.0	0.000	0.22	0.00	4,441
	2004	1,805	2	0.0	0.000	0.03	0.00	903
	TOTAL	138,876	31	0.1	0.000	0.46	0.01	4,480
ALL CAUSES OTHER THAN WIND & HAIL								
	2000	13,368,551	3,421	81.6	0.213	216.60	5.54	3,908
	2001	10,601,065	2,798	92.5	0.165	171.86	4.54	3,789
	2002	11,699,844	3,057	92.6	0.181	195.44	5.11	3,827
	2003	13,919,457	5,224	14.8	0.205	230.33	8.64	2,665
	2004	12,187,161	2,362	81.7	0.172	202.28	3.92	5,160
	TOTAL	61,776,078	16,862	41.4	0.187	203.24	5.55	3,664
ALL CAUSES								
	2000	16,386,940	4,607	100.0	0.261	265.50	7.46	3,557
	2001	11,466,087	3,200	100.0	0.179	185.88	5.19	3,583
	2002	12,637,440	3,550	100.0	0.196	211.10	5.93	3,560
	2003	93,984,789	21,888	100.0	1.385	1,555.19	36.22	4,294
	2004	14,918,941	3,412	100.0	0.211	247.63	5.66	4,372
	TOTAL	149,394,197	36,657	100.0	0.453	491.51	12.06	4,075

Cause-of-Loss Experience (Owners Forms)

	ACCD YEAR	ADJUSTED INCURRED LOSSES	ADJUSTED INCURRED CLAIMS	ADJUSTED LOSS DISTRIB	ADJUSTED LOSS RATIO	LOSS COST /HOUSE	LOSS FREQ /100	AVE LOSS
TERRITORY 44								
FIRE LIGHTNING AND REMOVAL								
	2000	0	0	0.0	0.000	0.00	0.00	0
	2001	0	0	0.0	0.000	0.00	0.00	0
	2002	31,008	11	15.4	0.034	19.51	0.69	2,819
	2003	1,578,416	275	18.1	0.255	151.68	2.64	5,740
	2004	3,981,530	220	58.7	0.434	264.73	1.46	18,098
	TOTAL	5,590,954	506	35.6	0.343	206.80	1.87	11,049
WIND AND HAIL								
	2000	0	0	0.0	0.000	0.00	0.00	0
	2001	0	0	0.0	0.000	0.00	0.00	0
	2002	24,192	16	12.0	0.027	15.22	1.01	1,512
	2003	5,647,655	1527	64.9	0.912	542.73	14.67	3,699
	2004	1,395,229	622	20.6	0.152	92.77	4.14	2,243
	TOTAL	7,067,076	2,165	45.0	0.434	261.40	8.01	3,264
WATER DAMAGE AND FREEZING								
	2000	0	0	0.0	0.000	0.00	0.00	0
	2001	0	0	0.0	0.000	0.00	0.00	0
	2002	45,621	33	22.7	0.051	28.71	2.08	1,382
	2003	802,711	172	9.2	0.130	77.14	1.65	4,667
	2004	829,327	180	12.2	0.090	55.14	1.20	4,607
	TOTAL	1,677,659	385	10.7	0.103	62.06	1.42	4,358
THEFT								
	2000	0	0	0.0	0.000	0.00	0.00	0
	2001	0	0	0.0	0.000	0.00	0.00	0
	2002	14,426	5	7.2	0.016	9.08	0.31	2,885
	2003	188,268	98	2.2	0.030	18.09	0.94	1,921
	2004	174,069	99	2.6	0.019	11.57	0.66	1,758
	TOTAL	376,763	202	2.4	0.023	13.94	0.75	1,865
ALL OTHER PD INCLUDING V&MM								
	2000	0	0	0.0	0.000	0.00	0.00	0
	2001	0	0	0.0	0.000	0.00	0.00	0
	2002	81,493	46	40.5	0.090	51.29	2.89	1,772
	2003	202,798	89	2.3	0.033	19.49	0.86	2,279
	2004	337,450	116	5.0	0.037	22.44	0.77	2,909
	TOTAL	621,741	251	4.0	0.038	23.00	0.93	2,477
LIABILITY AND MEDICAL PAYMENT								
	2000	0	0	0.0	0.000	0.00	0.00	0
	2001	0	0	0.0	0.000	0.00	0.00	0
	2002	4,474	3	2.2	0.005	2.82	0.19	1,491
	2003	251,947	29	2.9	0.041	24.21	0.28	8,688
	2004	69,359	35	1.0	0.008	4.61	0.23	1,982
	TOTAL	325,780	67	2.1	0.020	12.05	0.25	4,862
CREDIT CARD								
	2000	0	0	0.0	0.000	0.00	0.00	0
	2001	0	0	0.0	0.000	0.00	0.00	0
	2002	0	0	0.0	0.000	0.00	0.00	0
	2003	34,965	2	0.4	0.006	3.36	0.02	17,483
	2004	0	0	0.0	0.000	0.00	0.00	0
	TOTAL	34,965	2	0.2	0.002	1.29	0.01	17,483
ALL CAUSES OTHER THAN WIND & HAIL								
	2000	0	0	0.0	0.000	0.00	0.00	0
	2001	0	0	0.0	0.000	0.00	0.00	0
	2002	177,022	98	88.0	0.196	111.40	6.17	1,806
	2003	3,059,105	665	35.1	0.494	293.98	6.39	4,600
	2004	5,391,735	650	79.4	0.587	358.49	4.32	8,295
	TOTAL	8,627,862	1,413	55.0	0.530	319.14	5.23	6,106
ALL CAUSES								
	2000	0	0	0.0	0.000	0.00	0.00	0
	2001	0	0	0.0	0.000	0.00	0.00	0
	2002	201,214	114	100.0	0.223	126.63	7.17	1,765
	2003	8,706,760	2,192	100.0	1.405	836.71	21.06	3,972
	2004	6,786,964	1,272	100.0	0.739	451.26	8.46	5,336
	TOTAL	15,694,938	3,578	100.0	0.964	580.54	13.23	4,387

North Carolina Homeowners Insurance

Exhibit (1)

Cause-of-Loss Experience (Owners Forms)

	ACCD YEAR	ADJUSTED INCURRED LOSSES	ADJUSTED INCURRED CLAIMS	ADJUSTED LOSS DISTRIB	ADJUSTED LOSS RATIO	LOSS COST /HOUSE	LOSS FREQ /100	AVE LOSS
TERRITORY 45								
FIRE LIGHTNING AND REMOVAL								
	2000	0	0	0.0	0.000	0.00	0.00	0
	2001	0	0	0.0	0.000	0.00	0.00	0
	2002	677,509	42	59.9	0.114	84.69	0.53	16,131
	2003	7,393,676	1052	13.5	0.181	136.77	1.95	7,028
	2004	9,500,889	993	45.5	0.155	121.44	1.27	9,568
	TOTAL	17,572,074	2087	22.9	0.163	125.25	1.49	8,420
WIND AND HAIL								
	2000	0	0	0.0	0.000	0.00	0.00	0
	2001	0	0	0.0	0.000	0.00	0.00	0
	2002	69,962	49	6.2	0.012	8.75	0.61	1,428
	2003	41,690,289	11413	76.3	1.020	771.20	21.11	3,653
	2004	3,579,383	1624	17.1	0.058	45.75	2.08	2,204
	TOTAL	45,339,634	13,086	59.2	0.420	323.18	9.33	3,465
WATER DAMAGE AND FREEZING								
	2000	0	0	0.0	0.000	0.00	0.00	0
	2001	0	0	0.0	0.000	0.00	0.00	0
	2002	138,609	86	12.2	0.023	17.33	1.08	1,612
	2003	2,739,368	974	5.0	0.067	50.67	1.80	2,812
	2004	3,981,357	1095	19.1	0.065	50.89	1.40	3,636
	TOTAL	6,859,334	2155	9.0	0.063	48.89	1.54	3,183
THEFT								
	2000	0	0	0.0	0.000	0.00	0.00	0
	2001	0	0	0.0	0.000	0.00	0.00	0
	2002	107,326	66	9.5	0.018	13.42	0.83	1,626
	2003	993,361	585	1.8	0.024	18.38	1.08	1,698
	2004	1,408,994	626	6.7	0.023	18.01	0.80	2,251
	TOTAL	2,509,681	1277	3.3	0.023	17.89	0.91	1,965
ALL OTHER PD INCLUDING V&MM								
	2000	0	0	0.0	0.000	0.00	0.00	0
	2001	0	0	0.0	0.000	0.00	0.00	0
	2002	121,656	61	10.8	0.020	15.21	0.76	1,994
	2003	1,395,540	1336	2.6	0.034	25.82	2.47	1,045
	2004	1,291,517	549	6.2	0.021	16.51	0.70	2,352
	TOTAL	2,808,713	1946	3.7	0.026	20.02	1.39	1,443
LIABILITY AND MEDICAL PAYMENT								
	2000	0	0	0.0	0.000	0.00	0.00	0
	2001	0	0	0.0	0.000	0.00	0.00	0
	2002	16,452	15	1.5	0.003	2.06	0.19	1,097
	2003	397,117	114	0.7	0.010	7.35	0.21	3,483
	2004	1,112,111	151	5.3	0.018	14.22	0.19	7,365
	TOTAL	1,525,680	280	2.0	0.014	10.88	0.20	5,449
CREDIT CARD								
	2000	0	0	0.0	0.000	0.00	0.00	0
	2001	0	0	0.0	0.000	0.00	0.00	0
	2002	0	0	0.0	0.000	0.00	0.00	0
	2003	5,398	4	0.0	0.000	0.10	0.01	1,350
	2004	1,123	2	0.0	0.000	0.01	0.00	562
	TOTAL	6,521	6	0.0	0.000	0.05	0.00	1,087
ALL CAUSES OTHER THAN WIND & HAIL								
	2000	0	0	0.0	0.000	0.00	0.00	0
	2001	0	0	0.0	0.000	0.00	0.00	0
	2002	1,061,552	270	93.8	0.178	132.69	3.38	3,932
	2003	12,924,460	4,065	23.7	0.316	239.08	7.52	3,179
	2004	17,295,991	3,416	82.9	0.283	221.08	4.37	5,063
	TOTAL	31,282,003	7,751	40.8	0.290	222.98	5.52	4,036
ALL CAUSES								
	2000	0	0	0.0	0.000	0.00	0.00	0
	2001	0	0	0.0	0.000	0.00	0.00	0
	2002	1,131,514	319	100.0	0.190	141.44	3.99	3,547
	2003	54,614,749	15,478	100.0	1.336	1,010.28	28.63	3,529
	2004	20,875,374	5,040	100.0	0.341	266.84	6.44	4,142
	TOTAL	76,621,637	20,837	100.0	0.709	546.16	14.85	3,677

Cause-of-Loss Experience (Owners Forms)

	ACCD YEAR	ADJUSTED INCURRED LOSSES	ADJUSTED INCURRED CLAIMS	ADJUSTED LOSS DISTRIB	ADJUSTED LOSS RATIO	LOSS COST /HOUSE	LOSS FREQ /100	AVE LOSS
TERRITORY 46								
FIRE LIGHTNING AND REMOVAL	2000	0	0	0.0	0.000	0.00	0.00	0
	2001	0	0	0.0	0.000	0.00	0.00	0
	2002	326,905	26	22.6	0.134	97.82	0.78	12,573
	2003	2,373,751	343	33.2	0.164	122.64	1.77	6,921
	2004	4,923,785	420	63.4	0.230	178.88	1.53	11,723
	TOTAL	7,624,441	789	46.6	0.199	151.81	1.57	9,663
WIND AND HAIL	2000	0	0	0.0	0.000	0.00	0.00	0
	2001	0	0	0.0	0.000	0.00	0.00	0
	2002	71,084	50	4.9	0.029	21.27	1.50	1,422
	2003	2,980,369	1261	41.6	0.206	153.98	6.52	2,363
	2004	953,600	520	12.3	0.044	34.64	1.89	1,834
	TOTAL	4,005,053	1,831	24.5	0.104	79.75	3.65	2,187
WATER DAMAGE AND FREEZING	2000	0	0	0.0	0.000	0.00	0.00	0
	2001	0	0	0.0	0.000	0.00	0.00	0
	2002	349,453	215	24.2	0.143	104.56	6.43	1,625
	2003	745,916	321	10.4	0.051	38.54	1.66	2,324
	2004	873,780	271	11.2	0.041	31.74	0.98	3,224
	TOTAL	1,969,149	807	12.0	0.051	39.21	1.61	2,440
THEFT	2000	0	0	0.0	0.000	0.00	0.00	0
	2001	0	0	0.0	0.000	0.00	0.00	0
	2002	52,872	32	3.7	0.022	15.82	0.96	1,652
	2003	389,119	209	5.4	0.027	20.10	1.08	1,862
	2004	500,562	254	6.4	0.023	18.19	0.92	1,971
	TOTAL	942,553	495	5.8	0.025	18.77	0.99	1,904
ALL OTHER PD INCLUDING V&MM	2000	0	0	0.0	0.000	0.00	0.00	0
	2001	0	0	0.0	0.000	0.00	0.00	0
	2002	617,556	412	42.8	0.253	184.79	12.33	1,499
	2003	552,422	394	7.7	0.038	28.54	2.04	1,402
	2004	289,223	149	3.7	0.013	10.51	0.54	1,941
	TOTAL	1,459,201	955	8.9	0.038	29.05	1.90	1,528
LIABILITY AND MEDICAL PAYMENT	2000	0	0	0.0	0.000	0.00	0.00	0
	2001	0	0	0.0	0.000	0.00	0.00	0
	2002	26,229	8	1.8	0.011	7.85	0.24	3,279
	2003	110,086	52	1.5	0.008	5.69	0.27	2,117
	2004	224,916	69	2.9	0.010	8.17	0.25	3,260
	TOTAL	361,231	129	2.2	0.009	7.19	0.26	2,800
CREDIT CARD	2000	0	0	0.0	0.000	0.00	0.00	0
	2001	0	0	0.0	0.000	0.00	0.00	0
	2002	0	0	0.0	0.000	0.00	0.00	0
	2003	5,783	4	0.1	0.000	0.30	0.02	1,446
	2004	1,527	2	0.0	0.000	0.06	0.01	764
	TOTAL	7,310	6	0.0	0.000	0.15	0.01	1,218
ALL CAUSES OTHER THAN WIND & HAIL	2000	0	0	0.0	0.000	0.00	0.00	0
	2001	0	0	0.0	0.000	0.00	0.00	0
	2002	1,373,015	693	95.1	0.562	410.84	20.74	1,981
	2003	4,177,077	1,323	58.4	0.288	215.81	6.84	3,157
	2004	6,813,793	1,165	87.7	0.318	247.54	4.23	5,849
	TOTAL	12,363,885	3,181	75.5	0.322	246.18	6.33	3,887
ALL CAUSES	2000	0	0	0.0	0.000	0.00	0.00	0
	2001	0	0	0.0	0.000	0.00	0.00	0
	2002	1,444,099	743	100.0	0.591	432.11	22.23	1,944
	2003	7,157,446	2,584	100.0	0.494	369.80	13.35	2,770
	2004	7,767,393	1,685	100.0	0.362	282.18	6.12	4,610
	TOTAL	16,368,938	5,012	100.0	0.426	325.93	9.98	3,266

North Carolina Homeowners Insurance

Exhibit (1)

Cause-of-Loss Experience (Owners Forms)

	<u>ACCD YEAR</u>	<u>ADJUSTED INCURRED LOSSES</u>	<u>ADJUSTED INCURRED CLAIMS</u>	<u>ADJUSTED LOSS DISTRIB</u>	<u>ADJUSTED LOSS RATIO</u>	<u>LOSS COST /HOUSE</u>	<u>LOSS FREQ /100</u>	<u>AVE LOSS</u>
TERRITORY 47								
FIRE LIGHTNING AND REMOVAL								
	2000	0	0	0.0	0.000	0.00	0.00	0
	2001	0	0	0.0	0.000	0.00	0.00	0
	2002	869,666	113	26.0	0.087	62.79	0.82	7,696
	2003	9,615,640	1781	22.7	0.145	104.54	1.94	5,399
	2004	17,191,241	2033	51.1	0.170	126.54	1.50	8,456
	TOTAL	27,676,547	3927	34.9	0.156	114.52	1.62	7,048
WIND AND HAIL								
	2000	0	0	0.0	0.000	0.00	0.00	0
	2001	0	0	0.0	0.000	0.00	0.00	0
	2002	282,541	176	8.4	0.028	20.40	1.27	1,605
	2003	23,536,596	9263	55.6	0.354	255.89	10.07	2,541
	2004	5,540,578	2212	16.5	0.055	40.78	1.63	2,505
	TOTAL	29,359,715	11,651	37.0	0.165	121.48	4.82	2,520
WATER DAMAGE AND FREEZING								
	2000	0	0	0.0	0.000	0.00	0.00	0
	2001	0	0	0.0	0.000	0.00	0.00	0
	2002	836,848	422	25.0	0.084	60.42	3.05	1,983
	2003	4,286,037	1300	10.1	0.064	46.60	1.41	3,297
	2004	5,064,895	1453	15.1	0.050	37.28	1.07	3,486
	TOTAL	10,187,780	3175	12.8	0.057	42.15	1.31	3,209
THEFT								
	2000	0	0	0.0	0.000	0.00	0.00	0
	2001	0	0	0.0	0.000	0.00	0.00	0
	2002	226,091	116	6.8	0.023	16.32	0.84	1,949
	2003	2,078,007	1025	4.9	0.031	22.59	1.11	2,027
	2004	2,363,392	1205	7.0	0.023	17.40	0.89	1,961
	TOTAL	4,667,490	2346	5.9	0.026	19.31	0.97	1,990
ALL OTHER PD INCLUDING V&MM								
	2000	0	0	0.0	0.000	0.00	0.00	0
	2001	0	0	0.0	0.000	0.00	0.00	0
	2002	1,110,767	686	33.2	0.111	80.20	4.95	1,619
	2003	1,460,648	1112	3.4	0.022	15.88	1.21	1,314
	2004	1,979,265	783	5.9	0.020	14.57	0.58	2,528
	TOTAL	4,550,680	2581	5.7	0.026	18.83	1.07	1,763
LIABILITY AND MEDICAL PAYMENT								
	2000	0	0	0.0	0.000	0.00	0.00	0
	2001	0	0	0.0	0.000	0.00	0.00	0
	2002	21,359	15	0.6	0.002	1.54	0.11	1,424
	2003	1,140,913	213	2.7	0.017	12.40	0.23	5,356
	2004	1,406,274	269	4.2	0.014	10.35	0.20	5,228
	TOTAL	2,568,546	497	3.2	0.014	10.63	0.21	5,168
CREDIT CARD								
	2000	0	0	0.0	0.000	0.00	0.00	0
	2001	0	0	0.0	0.000	0.00	0.00	0
	2002	0	0	0.0	0.000	0.00	0.00	0
	2003	246,600	8	0.6	0.004	2.68	0.01	30,825
	2004	87,925	8	0.3	0.001	0.65	0.01	10,991
	TOTAL	334,525	16	0.4	0.002	1.38	0.01	20,908
ALL CAUSES OTHER THAN WIND & HAIL								
	2000	0	0	0.0	0.000	0.00	0.00	0
	2001	0	0	0.0	0.000	0.00	0.00	0
	2002	3,064,731	1,352	91.6	0.308	221.28	9.76	2,267
	2003	18,827,845	5,439	44.4	0.283	204.69	5.91	3,462
	2004	28,092,992	5,751	83.5	0.278	206.79	4.23	4,885
	TOTAL	49,985,568	12,542	63.0	0.282	206.82	5.19	3,985
ALL CAUSES								
	2000	0	0	0.0	0.000	0.00	0.00	0
	2001	0	0	0.0	0.000	0.00	0.00	0
	2002	3,347,272	1,528	100.0	0.336	241.68	11.03	2,191
	2003	42,364,441	14,702	100.0	0.637	460.58	15.98	2,882
	2004	33,633,570	7,963	100.0	0.333	247.58	5.86	4,224
	TOTAL	79,345,283	24,193	100.0	0.447	328.30	10.01	3,280

North Carolina Homeowners Insurance

Exhibit (1)

Cause-of-Loss Experience (Owners Forms)

	ACCD YEAR	ADJUSTED INCURRED LOSSES	ADJUSTED INCURRED CLAIMS	ADJUSTED LOSS DISTRIB	ADJUSTED LOSS RATIO	LOSS COST /HOUSE	LOSS FREQ /100	AVE LOSS
TERRITORY 53								
FIRE LIGHTNING AND REMOVAL	2000	0	0	0.0	0.000	0.00	0.00	0
	2001	0	0	0.0	0.000	0.00	0.00	0
	2002	2,512,492	78	21.1	0.209	160.93	0.50	32,211
	2003	9,928,175	919	36.2	0.126	100.65	0.93	10,803
	2004	11,403,003	1047	41.7	0.093	77.70	0.71	10,891
	TOTAL	23,843,670	2044	35.8	0.112	91.35	0.78	11,665
WIND AND HAIL	2000	0	0	0.0	0.000	0.00	0.00	0
	2001	0	0	0.0	0.000	0.00	0.00	0
	2002	1,452,899	677	12.2	0.121	93.06	4.34	2,146
	2003	5,210,120	2018	19.0	0.066	52.82	2.05	2,582
	2004	1,870,851	753	6.8	0.015	12.75	0.51	2,485
	TOTAL	8,533,870	3,448	12.8	0.040	32.69	1.32	2,475
WATER DAMAGE AND FREEZING	2000	0	0	0.0	0.000	0.00	0.00	0
	2001	0	0	0.0	0.000	0.00	0.00	0
	2002	3,171,781	1196	26.6	0.264	203.16	7.66	2,652
	2003	7,697,084	1461	28.1	0.098	78.03	1.48	5,268
	2004	9,795,105	1899	35.8	0.080	66.74	1.29	5,158
	TOTAL	20,663,970	4556	31.0	0.097	79.17	1.75	4,536
THEFT	2000	0	0	0.0	0.000	0.00	0.00	0
	2001	0	0	0.0	0.000	0.00	0.00	0
	2002	123,285	63	1.0	0.010	7.90	0.40	1,957
	2003	1,400,951	673	5.1	0.018	14.20	0.68	2,082
	2004	1,631,869	849	6.0	0.013	11.12	0.58	1,922
	TOTAL	3,156,105	1585	4.7	0.015	12.09	0.61	1,991
ALL OTHER PD INCLUDING V&MM	2000	0	0	0.0	0.000	0.00	0.00	0
	2001	0	0	0.0	0.000	0.00	0.00	0
	2002	4,444,889	1960	37.3	0.370	284.71	12.55	2,268
	2003	1,773,627	610	6.5	0.023	17.98	0.62	2,908
	2004	1,918,667	561	7.0	0.016	13.07	0.38	3,420
	TOTAL	8,137,183	3131	12.2	0.038	31.17	1.20	2,599
LIABILITY AND MEDICAL PAYMENT	2000	0	0	0.0	0.000	0.00	0.00	0
	2001	0	0	0.0	0.000	0.00	0.00	0
	2002	205,427	19	1.7	0.017	13.16	0.12	10,812
	2003	1,190,166	167	4.3	0.015	12.07	0.17	7,127
	2004	740,510	154	2.7	0.006	5.05	0.10	4,809
	TOTAL	2,136,103	340	3.2	0.010	8.18	0.13	6,283
CREDIT CARD	2000	0	0	0.0	0.000	0.00	0.00	0
	2001	0	0	0.0	0.000	0.00	0.00	0
	2002	0	0	0.0	0.000	0.00	0.00	0
	2003	200,200	1	0.7	0.003	2.03	0.00	200,200
	2004	8,493	4	0.0	0.000	0.06	0.00	2,123
	TOTAL	208,693	5	0.3	0.001	0.80	0.00	41,739
ALL CAUSES OTHER THAN WIND & HAIL	2000	0	0	0.0	0.000	0.00	0.00	0
	2001	0	0	0.0	0.000	0.00	0.00	0
	2002	10,457,874	3,316	87.8	0.872	669.86	21.24	3,154
	2003	22,190,203	3,831	81.0	0.282	224.95	3.88	5,792
	2004	25,497,647	4,514	93.2	0.209	173.73	3.08	5,649
	TOTAL	58,145,724	11,661	87.2	0.273	222.76	4.47	4,986
ALL CAUSES	2000	0	0	0.0	0.000	0.00	0.00	0
	2001	0	0	0.0	0.000	0.00	0.00	0
	2002	11,910,773	3,993	100.0	0.993	762.92	25.58	2,983
	2003	27,400,323	5,849	100.0	0.348	277.77	5.93	4,685
	2004	27,368,498	5,267	100.0	0.224	186.48	3.59	5,196
	TOTAL	66,679,594	15,109	100.0	0.313	255.46	5.79	4,413

North Carolina Homeowners Insurance

Exhibit (1)

Cause-of-Loss Experience (Owners Forms)

	ACCD YEAR	ADJUSTED INCURRED LOSSES	ADJUSTED INCURRED CLAIMS	ADJUSTED LOSS DISTRIB	ADJUSTED LOSS RATIO	LOSS COST /HOUSE	LOSS FREQ /100	AVE LOSS
TERRITORY 57								
FIRE LIGHTNING AND REMOVAL	2000	0	0	0.0	0.000	0.00	0.00	0
	2001	0	0	0.0	0.000	0.00	0.00	0
	2002	2,061,209	116	25.3	0.179	104.04	0.59	17,769
	2003	13,553,872	2100	33.1	0.183	108.14	1.68	6,454
	2004	19,875,227	1692	42.7	0.182	110.58	0.94	11,747
	TOTAL	35,490,308	3908	37.1	0.182	109.24	1.20	9,081
WIND AND HAIL								
	2000	0	0	0.0	0.000	0.00	0.00	0
	2001	0	0	0.0	0.000	0.00	0.00	0
	2002	765,936	436	9.4	0.066	38.66	2.20	1,757
	2003	11,973,267	3825	29.3	0.162	95.53	3.05	3,130
	2004	9,433,661	3932	20.2	0.086	52.49	2.19	2,399
	TOTAL	22,172,864	8,193	23.2	0.114	68.25	2.52	2,706
WATER DAMAGE AND FREEZING								
	2000	0	0	0.0	0.000	0.00	0.00	0
	2001	0	0	0.0	0.000	0.00	0.00	0
	2002	1,762,996	871	21.6	0.153	88.99	4.40	2,024
	2003	8,013,629	2306	19.6	0.108	63.94	1.84	3,475
	2004	9,358,599	2238	20.1	0.086	52.07	1.25	4,182
	TOTAL	19,135,224	5415	20.0	0.098	58.90	1.67	3,534
THEFT								
	2000	0	0	0.0	0.000	0.00	0.00	0
	2001	0	0	0.0	0.000	0.00	0.00	0
	2002	296,873	127	3.6	0.026	14.98	0.64	2,338
	2003	2,497,954	1271	6.1	0.034	19.93	1.01	1,965
	2004	3,081,976	1436	6.6	0.028	17.15	0.80	2,146
	TOTAL	5,876,803	2834	6.1	0.030	18.09	0.87	2,074
ALL OTHER PD INCLUDING V&MM								
	2000	0	0	0.0	0.000	0.00	0.00	0
	2001	0	0	0.0	0.000	0.00	0.00	0
	2002	3,186,869	1859	39.1	0.276	160.86	9.38	1,714
	2003	4,164,828	2066	10.2	0.056	33.23	1.65	2,016
	2004	3,721,944	1110	8.0	0.034	20.71	0.62	3,353
	TOTAL	11,073,641	5035	11.6	0.057	34.09	1.55	2,199
LIABILITY AND MEDICAL PAYMENT								
	2000	0	0	0.0	0.000	0.00	0.00	0
	2001	0	0	0.0	0.000	0.00	0.00	0
	2002	80,191	22	1.0	0.007	4.05	0.11	3,645
	2003	674,259	236	1.6	0.009	5.38	0.19	2,857
	2004	1,102,396	319	2.4	0.010	6.13	0.18	3,456
	TOTAL	1,856,846	577	1.9	0.010	5.72	0.18	3,218
CREDIT CARD								
	2000	0	0	0.0	0.000	0.00	0.00	0
	2001	0	0	0.0	0.000	0.00	0.00	0
	2002	3,743	2	0.0	0.000	0.19	0.01	1,872
	2003	24,342	12	0.1	0.000	0.19	0.01	2,029
	2004	23,691	9	0.1	0.000	0.13	0.01	2,632
	TOTAL	51,776	23	0.1	0.000	0.16	0.01	2,251
ALL CAUSES OTHER THAN WIND & HAIL								
	2000	0	0	0.0	0.000	0.00	0.00	0
	2001	0	0	0.0	0.000	0.00	0.00	0
	2002	7,391,881	2,997	90.6	0.641	373.10	15.13	2,466
	2003	28,928,884	7,991	70.7	0.392	230.81	6.38	3,620
	2004	37,163,833	6,804	79.8	0.341	206.77	3.79	5,462
	TOTAL	73,484,598	17,792	76.8	0.378	226.19	5.48	4,130
ALL CAUSES								
	2000	0	0	0.0	0.000	0.00	0.00	0
	2001	0	0	0.0	0.000	0.00	0.00	0
	2002	8,157,817	3,433	100.0	0.708	411.76	17.33	2,376
	2003	40,902,151	11,816	100.0	0.554	326.35	9.43	3,462
	2004	46,597,494	10,736	100.0	0.427	259.26	5.97	4,340
	TOTAL	95,657,462	25,985	100.0	0.492	294.44	8.00	3,681

North Carolina Homeowners Insurance

Exhibit (1)

Cause-of-Loss Experience (Owners Forms)

	<u>ACCD YEAR</u>	<u>ADJUSTED INCURRED LOSSES</u>	<u>ADJUSTED INCURRED CLAIMS</u>	<u>ADJUSTED LOSS DISTRIB</u>	<u>ADJUSTED LOSS RATIO</u>	<u>LOSS COST /HOUSE</u>	<u>LOSS FREQ /100</u>	<u>AVE LOSS</u>
TERRITORY 60								
FIRE LIGHTNING AND REMOVAL								
	2000	0	0	0.0	0.000	0.00	0.00	0
	2001	0	0	0.0	0.000	0.00	0.00	0
	2002	3,802,877	295	33.2	0.138	79.97	0.62	12,891
	2003	39,606,971	7179	35.5	0.207	121.25	2.20	5,517
	2004	64,423,481	5729	39.7	0.221	134.73	1.20	11,245
	TOTAL	107,833,329	13203	37.8	0.211	126.51	1.55	8,167
WIND AND HAIL								
	2000	0	0	0.0	0.000	0.00	0.00	0
	2001	0	0	0.0	0.000	0.00	0.00	0
	2002	1,308,822	639	11.4	0.047	27.52	1.34	2,048
	2003	35,006,036	11005	31.4	0.183	107.17	3.37	3,181
	2004	52,090,716	16781	32.1	0.178	108.93	3.51	3,104
	TOTAL	88,405,574	28,425	31.0	0.173	103.72	3.33	3,110
WATER DAMAGE AND FREEZING								
	2000	0	0	0.0	0.000	0.00	0.00	0
	2001	0	0	0.0	0.000	0.00	0.00	0
	2002	2,202,380	896	19.2	0.080	46.31	1.88	2,458
	2003	19,631,784	4950	17.6	0.103	60.10	1.52	3,966
	2004	24,590,506	6116	15.2	0.084	51.42	1.28	4,021
	TOTAL	46,424,670	11962	16.3	0.091	54.46	1.40	3,881
THEFT								
	2000	0	0	0.0	0.000	0.00	0.00	0
	2001	0	0	0.0	0.000	0.00	0.00	0
	2002	640,450	264	5.6	0.023	13.47	0.56	2,426
	2003	5,306,846	2688	4.8	0.028	16.25	0.82	1,974
	2004	7,019,759	3254	4.3	0.024	14.68	0.68	2,157
	TOTAL	12,967,055	6206	4.5	0.025	15.21	0.73	2,089
ALL OTHER PD INCLUDING V&MM								
	2000	0	0	0.0	0.000	0.00	0.00	0
	2001	0	0	0.0	0.000	0.00	0.00	0
	2002	3,424,015	1966	29.9	0.124	72.00	4.13	1,742
	2003	8,217,848	3221	7.4	0.043	25.16	0.99	2,551
	2004	9,914,989	4144	6.1	0.034	20.73	0.87	2,393
	TOTAL	21,556,852	9331	7.6	0.042	25.29	1.09	2,310
LIABILITY AND MEDICAL PAYMENT								
	2000	0	0	0.0	0.000	0.00	0.00	0
	2001	0	0	0.0	0.000	0.00	0.00	0
	2002	61,654	69	0.5	0.002	1.30	0.15	894
	2003	3,406,775	732	3.1	0.018	10.43	0.22	4,654
	2004	3,853,099	950	2.4	0.013	8.06	0.20	4,056
	TOTAL	7,321,528	1751	2.6	0.014	8.59	0.21	4,181
CREDIT CARD								
	2000	0	0	0.0	0.000	0.00	0.00	0
	2001	0	0	0.0	0.000	0.00	0.00	0
	2002	16,300	9	0.1	0.001	0.34	0.02	1,811
	2003	383,812	57	0.3	0.002	1.17	0.02	6,734
	2004	227,169	79	0.1	0.001	0.48	0.02	2,876
	TOTAL	627,281	145	0.2	0.001	0.74	0.02	4,326
ALL CAUSES OTHER THAN WIND & HAIL								
	2000	0	0	0.0	0.000	0.00	0.00	0
	2001	0	0	0.0	0.000	0.00	0.00	0
	2002	10,147,676	3,499	88.6	0.368	213.39	7.36	2,900
	2003	76,554,036	18,827	68.6	0.400	234.36	5.76	4,066
	2004	110,029,003	20,272	67.9	0.377	230.10	4.24	5,428
	TOTAL	196,730,715	42,598	69.0	0.385	230.80	5.00	4,618
ALL CAUSES								
	2000	0	0	0.0	0.000	0.00	0.00	0
	2001	0	0	0.0	0.000	0.00	0.00	0
	2002	11,456,498	4,138	100.0	0.415	240.91	8.70	2,769
	2003	111,560,072	29,832	100.0	0.583	341.53	9.13	3,740
	2004	162,119,719	37,053	100.0	0.555	339.03	7.75	4,375
	TOTAL	285,136,289	71,023	100.0	0.558	334.51	8.33	4,015

Cause-of-Loss Experience (Owners Forms)

	<u>ACCD YEAR</u>	<u>ADJUSTED INCURRED LOSSES</u>	<u>ADJUSTED INCURRED CLAIMS</u>	<u>ADJUSTED LOSS DISTRIB</u>	<u>ADJUSTED LOSS RATIO</u>	<u>LOSS COST /HOUSE</u>	<u>LOSS FREQ /100</u>	<u>AVE LOSS</u>
STATEWIDE								
FIRE LIGHTNING AND REMOVAL	2000	182,731,850	32,752	39.8	0.178	113.52	2.03	5,579
	2001	177,294,575	26,448	46.3	0.165	108.75	1.62	6,704
	2002	197,094,227	27,964	37.0	0.177	120.47	1.71	7,048
	2003	176,998,567	24,895	27.1	0.151	105.81	1.49	7,110
	2004	200,331,782	17,866	41.8	0.160	116.80	1.04	11,213
	TOTAL	934,451,001	129,925	37.3	0.166	113.08	1.57	7,192
WIND AND HAIL	2000	89,151,819	36,794	19.4	0.087	55.39	2.29	2,423
	2001	30,671,850	16,475	8.0	0.029	18.81	1.01	1,862
	2002	48,471,021	23,434	9.1	0.044	29.63	1.43	2,068
	2003	274,991,002	80,333	42.2	0.234	164.38	4.80	3,423
	2004	107,485,841	38,941	22.5	0.086	62.67	2.27	2,760
	TOTAL	550,771,533	195,977	22.0	0.098	66.65	2.37	2,810
WATER DAMAGE AND FREEZING	2000	88,703,909	33,751	19.3	0.087	55.11	2.10	2,628
	2001	88,309,225	30,258	23.0	0.082	54.17	1.86	2,919
	2002	122,294,039	41,994	22.9	0.110	74.75	2.57	2,912
	2003	110,480,237	28,925	16.9	0.094	66.04	1.73	3,820
	2004	95,115,767	22,968	19.9	0.076	55.46	1.34	4,141
	TOTAL	504,903,177	157,896	20.1	0.090	61.10	1.91	3,198
THEFT	2000	35,005,589	20,597	7.6	0.034	21.75	1.28	1,700
	2001	36,367,684	20,483	9.5	0.034	22.31	1.26	1,776
	2002	32,738,022	17,626	6.1	0.029	20.01	1.08	1,857
	2003	30,721,774	15,404	4.7	0.026	18.36	0.92	1,994
	2004	29,463,507	13,945	6.2	0.024	17.18	0.81	2,113
	TOTAL	164,296,576	88,055	6.6	0.029	19.88	1.07	1,866
ALL OTHER PD INCLUDING V&MM	2000	47,966,018	23,374	10.4	0.047	29.80	1.45	2,052
	2001	33,000,244	14,638	8.6	0.031	20.24	0.90	2,254
	2002	117,756,189	65,246	22.1	0.106	71.97	3.99	1,805
	2003	43,413,393	22,576	6.7	0.037	25.95	1.35	1,923
	2004	32,321,184	11,934	6.8	0.026	18.84	0.70	2,708
	TOTAL	274,457,028	137,768	10.9	0.049	33.21	1.67	1,992
LIABILITY AND MEDICAL PAYMENT	2000	15,390,029	4,060	3.3	0.015	9.56	0.25	3,791
	2001	16,398,537	3,868	4.3	0.015	10.06	0.24	4,240
	2002	13,484,858	3,635	2.5	0.012	8.24	0.22	3,710
	2003	14,596,011	3,043	2.2	0.012	8.73	0.18	4,797
	2004	13,659,249	2,872	2.9	0.011	7.96	0.17	4,756
	TOTAL	73,528,684	17,478	2.9	0.013	8.90	0.21	4,207
CREDIT CARD	2000	705,200	157	0.2	0.001	0.44	0.01	4,492
	2001	1,159,939	193	0.3	0.001	0.71	0.01	6,010
	2002	1,085,131	178	0.2	0.001	0.66	0.01	6,096
	2003	1,072,630	144	0.2	0.001	0.64	0.01	7,449
	2004	396,755	140	0.1	0.000	0.23	0.01	2,834
	TOTAL	4,419,655	812	0.2	0.001	0.53	0.01	5,443
ALL CAUSES OTHER THAN WIND & HAIL	2000	370,502,595	114,691	80.6	0.362	230.18	7.13	3,230
	2001	352,530,204	95,888	92.0	0.328	216.24	5.88	3,676
	2002	484,452,466	156,643	90.9	0.435	296.10	9.57	3,093
	2003	377,282,612	94,987	57.8	0.321	225.53	5.68	3,972
	2004	371,288,244	69,725	77.5	0.297	216.47	4.07	5,325
	TOTAL	1,956,056,121	531,934	78.0	0.347	236.70	6.44	3,677
ALL CAUSES	2000	459,654,414	151,485	100.0	0.449	285.56	9.41	3,034
	2001	383,202,054	112,363	100.0	0.357	235.06	6.89	3,410
	2002	532,923,487	180,077	100.0	0.479	325.73	11.01	2,959
	2003	652,273,614	175,320	100.0	0.556	389.92	10.48	3,720
	2004	478,774,085	108,666	100.0	0.383	279.14	6.34	4,406
	TOTAL	2,506,827,654	727,911	100.0	0.445	303.34	8.81	3,444

NORTH CAROLINA HOMEOWNERS INSURANCE

Cause-of-Loss Experience (Tenant Form)

	ACCD YEAR	ADJUSTED INCURRED LOSSES	ADJUSTED INCURRED CLAIMS	ADJUSTED LOSS DISTRIB	ADJUSTED LOSS RATIO	LOSS COST /HOUSE	LOSS FREQ /100	AVE LOSS
STATEWIDE FIRE LIGHTNING AND REMOVAL	2000	4,002,952	1,001	37.3	0.181	29.86	0.75	3999
	2001	2,436,216	776	26.1	0.110	18.38	0.59	3139
	2002	2,755,115	792	30.1	0.121	20.45	0.59	3479
	2003	2,625,838	647	29.5	0.110	18.77	0.46	4058
	2004	2,351,868	471	30.8	0.096	16.77	0.34	4993
	TOTAL	14,171,989	3,687	31	0.123	20.80	0.54	3844
WIND AND HAIL	2000	181,381	171	1.7	0.008	1.35	0.13	1061
	2001	43,015	45	0.5	0.002	0.32	0.03	956
	2002	90,050	135	1	0.004	0.67	0.1	687
	2003	377,946	221	4.2	0.016	2.70	0.16	1710
	2004	188,813	109	2.5	0.008	1.35	0.08	1732
	TOTAL	881,205	681	1.9	0.008	1.29	0.1	1294
WATER DAMAGE AND FREEZING	2000	807,779	338	7.5	0.037	6.03	0.25	2390
	2001	665,041	280	7.1	0.030	5.02	0.21	2375
	2002	704,408	379	7.7	0.031	5.23	0.28	1859
	2003	724,565	264	8.1	0.030	5.18	0.19	2745
	2004	645,119	200	8.4	0.026	4.60	0.14	3226
	TOTAL	3,546,912	1,461	7.7	0.031	5.20	0.21	2428
THEFT	2000	3,971,292	2,298	37	0.180	29.62	1.71	1728
	2001	3,841,005	2,349	41.1	0.174	28.97	1.77	1635
	2002	3,420,346	1,922	37.3	0.150	25.39	1.43	1780
	2003	3,129,801	1,556	35.1	0.131	22.37	1.11	2011
	2004	3,017,231	1,452	39.5	0.124	21.51	1.04	2078
	TOTAL	17,379,675	9,577	38	0.151	25.50	1.41	1815
ALL OTHER PD INCLUDING V&MM	2000	784,076	567	7.3	0.035	5.85	0.42	1383
	2001	676,378	398	7.2	0.031	5.10	0.3	1699
	2002	1,249,215	1,335	13.6	0.055	9.27	0.99	936
	2003	766,941	527	8.6	0.032	5.48	0.38	1455
	2004	520,638	295	6.8	0.021	3.71	0.21	1765
	TOTAL	3,997,248	3,122	8.7	0.035	5.87	0.46	1280
LIABILITY AND MEDICAL PAYMENT	2000	916,921	217	8.5	0.041	6.84	0.16	4225
	2001	1,549,734	244	16.6	0.070	11.69	0.18	6351
	2002	880,382	160	9.6	0.039	6.54	0.12	5502
	2003	1,246,308	157	14	0.052	8.91	0.11	7938
	2004	880,514	147	11.5	0.036	6.28	0.1	5990
	TOTAL	5,473,859	925	12	0.047	8.03	0.14	5918
CREDIT CARD	2000	62,125	5	0.6	0.003	0.46	0	12425
	2001	123,447	8	1.3	0.006	0.93	0.01	15431
	2002	66,775	4	0.7	0.003	0.50	0	16694
	2003	33,847	4	0.4	0.001	0.24	0	8462
	2004	42,944	6	0.6	0.002	0.31	0	7157
	TOTAL	329,138	27	0.7	0.003	0.48	0	12190
ALL CAUSES OTHER THAN WIND & HAIL	2000	10,545,145	4,426	98.3	0.477	78.65	3.3	2383
	2001	9,291,821	4,055	99.5	0.420	70.09	3.06	2291
	2002	9,076,241	4,592	99	0.397	67.38	3.41	1977
	2003	8,527,300	3,155	95.8	0.356	60.95	2.26	2703
	2004	7,458,314	2,571	97.5	0.306	53.18	1.83	2901
	TOTAL	44,898,821	18,799	98.1	0.389	65.88	2.76	2388
ALL CAUSES	2000	10,726,526	4,597	100	0.485	80.01	3.43	2333
	2001	9,334,836	4,100	100	0.422	70.42	3.09	2277
	2002	9,166,291	4,727	100	0.401	68.05	3.51	1939
	2003	8,905,246	3,376	100	0.371	63.65	2.41	2638
	2004	7,647,127	2,680	100	0.313	54.52	1.91	2853
	TOTAL	45,780,026	19,480	100	0.397	67.18	2.86	2350

NORTH CAROLINA HOMEOWNERS INSURANCE
Cause-of-Loss Experience (Condo Form)

	ACCD YEAR	ADJUSTED INCURRED LOSSES	ADJUSTED INCURRED CLAIMS	ADJUSTED LOSS DISTRIB	ADJUSTED LOSS RATIO	LOSS COST /HOUSE	LOSS FREQ /100	AVE LOSS
STATEWIDE								
FIRE LIGHTNING AND REMOVAL	2000	869,435	270	22.1	0.097	20.42	0.63	3220
	2001	927,312	236	21.4	0.098	20.93	0.53	3929
	2002	675,400	208	18.3	0.065	14.31	0.44	3247
	2003	764,527	221	19.1	0.069	15.50	0.45	3459
	2004	1,424,470	178	28.6	0.120	27.70	0.35	8003
	TOTAL		4,661,144	1113	22.3	0.090	19.85	0.47
WIND AND HAIL	2000	45,417	44	1.2	0.005	1.07	0.1	1032
	2001	53,909	19	1.2	0.006	1.22	0.04	2837
	2002	34,400	49	0.9	0.003	0.73	0.1	702
	2003	140,194	78	3.5	0.013	2.84	0.16	1797
	2004	165,767	96	3.3	0.014	3.22	0.19	1727
	TOTAL		439,687	286	2.1	0.009	1.87	0.12
WATER DAMAGE AND FREEZING	2000	1,630,487	887	41.4	0.181	38.29	2.08	1838
	2001	1,879,793	907	43.5	0.199	42.42	2.05	2073
	2002	1,769,405	834	47.9	0.171	37.48	1.77	2122
	2003	1,968,135	830	49.3	0.178	39.90	1.68	2371
	2004	2,069,116	732	41.6	0.174	40.24	1.42	2827
	TOTAL		9,316,936	4190	44.5	0.180	39.67	1.78
THEFT	2000	546,345	359	13.9	0.061	12.83	0.84	1522
	2001	586,342	354	13.6	0.062	13.23	0.8	1656
	2002	435,714	302	11.8	0.042	9.23	0.64	1443
	2003	446,594	253	11.2	0.040	9.05	0.51	1765
	2004	512,261	293	10.3	0.043	9.96	0.57	1748
	TOTAL		2,527,256	1561	12.1	0.049	10.76	0.66
ALL OTHER PD INCLUDING V&MM	2000	527,505	233	13.4	0.059	12.39	0.55	2264
	2001	606,001	225	14	0.064	13.68	0.51	2693
	2002	664,765	439	18	0.064	14.08	0.93	1514
	2003	446,948	230	11.2	0.041	9.06	0.47	1943
	2004	566,904	206	11.4	0.048	11.03	0.4	2752
	TOTAL		2,812,123	1333	13.4	0.054	11.97	0.57
LIABILITY AND MEDICAL PAYMENT	2000	309,706	90	7.9	0.034	7.27	0.21	3441
	2001	264,774	84	6.1	0.028	5.98	0.19	3152
	2002	114,956	61	3.1	0.011	2.43	0.13	1885
	2003	219,287	56	5.5	0.020	4.45	0.11	3916
	2004	230,489	54	4.6	0.019	4.48	0.11	4268
	TOTAL		1,139,212	345	5.4	0.022	4.85	0.15
CREDIT CARD	2000	4,982	4	0.1	0.001	0.12	0.01	1246
	2001	7,351	6	0.2	0.001	0.17	0.01	1225
	2002	1,481	3	0	0.000	0.03	0.01	494
	2003	6,894	4	0.2	0.001	0.14	0.01	1724
	2004	7,838	5	0.2	0.001	0.15	0.01	1568
	TOTAL		28,546	22	0.1	0.001	0.12	0.01
ALL CAUSES OTHER THAN WIND & HAIL	2000	3,888,460	1843	98.8	0.432	91.31	4.33	2110
	2001	4,271,573	1812	98.8	0.451	96.40	4.09	2357
	2002	3,661,721	1847	99.1	0.355	77.56	3.91	1983
	2003	3,852,385	1594	96.5	0.349	78.09	3.23	2417
	2004	4,811,078	1468	96.7	0.406	93.57	2.85	3277
	TOTAL		20,485,217	8564	97.9	0.396	87.22	3.65
ALL CAUSES	2000	3,933,877	1887	100	0.437	92.38	4.43	2085
	2001	4,325,482	1831	100	0.457	97.61	4.13	2362
	2002	3,696,121	1896	100	0.358	78.29	4.02	1949
	2003	3,992,579	1672	100	0.362	80.94	3.39	2388
	2004	4,976,845	1564	100	0.420	96.79	3.04	3182
	TOTAL		20,924,904	8850	100	0.405	89.10	3.77

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA
REQUIREMENTS FOR A HOMEOWNERS RATE FILING
AS PER 11 NCAC 10.1105

2. CREDIBILITY FACTOR DEVELOPMENT AND APPLICATION

Credibility considerations enter into the Homeowners ratemaking formula in the calculation of statewide rate level indications which depend, in part, on the determination of the weighted statewide trended loss cost.

The statewide credibility procedure is based on the 'frequency with severity modification' model discussed in "Credibility of the Pure Premium" by Mayerson, Bowers and Jones. The full credibility standard is based on a normal distribution with a 90% probability of meeting the test and a 5% maximum departure from the expected value, translated to house year standards. Partial credibility (Z_p) is calculated as follows:

$$Z_p = \sqrt{\text{five year house years} / \text{full credibility standard}} \text{ (truncated to the nearest tenth)}$$

The full credibility standard is 240,000 house years for the Owners Forms, 285,000 house years for Tenant Form, and 190,000 house years for Condo Unit Form.

To distribute the statewide change by territory, a credibility procedure was used on the non-hurricane loss costs. The credibility standard used was based on the same model as statewide credibility. The full credibility standard is based on a normal distribution with a 90% probability of meeting the test and a 10% maximum departure from the expected value, translated to house years. The full credibility standards are 60,000 for Owners' Forms, 75,000 for Tenant Form and 50,000 for Condo Unit Form. Partial credibility (Z_p) is calculated using the square root rule:

$$Z_p = \sqrt{\text{five year house years} / \text{full credibility standard}} \text{ (truncated to the nearest tenth)}$$

The Rate Bureau has not considered alternative credibility procedures in the last three years.

See Section D and prefiled testimony of R. Curry and S. Thomas.

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA
REQUIREMENTS FOR A HOMEOWNERS RATE FILING
AS PER 11 NCAC 10.1105

3. LOSS DEVELOPMENT FACTOR DERIVATION AND APPLICATION ON BOTH PAID AND INCURRED BASES AND IN BOTH NUMBERS AND DOLLARS OF CLAIMS
- (a) See Section D and prefiled testimony of R. Curry and S. Thomas. The Rate Bureau has not considered alternative loss development methodologies in the past three years.
 - (b) See attached Exhibit (3)(b). The Rate Bureau is advised by ISO that separate loss development information for property and liability losses and estimated premium and exposure data corresponding to each accident year are not available.
 - (c) See attached Exhibit (3)(c). The Rate Bureau is advised by ISO that separate loss development information for property and liability losses and estimated premium and exposure data corresponding to each accident year are not available.
 - (d) See attached Exhibit (3)(d). The Rate Bureau is advised by ISO that separate claim development information for property and liability claims is not available.
 - (e) See attached Exhibit (3)(e). The Rate Bureau is advised by ISO that separate claim development information for property and liability claims is not available.
 - (f) The Rate Bureau is advised by ISO that loss and claim development information is not available by cause of loss.
 - (g) Responses provided in connection with items (3)(g) and (7)(c) are attached as Exhibits (3)(g) and (7)(c).

NORTH CAROLINA
HOMEOWNERS INSURANCE

LOSS DEVELOPMENT

All Forms

ISO-Only Paid Losses

North Carolina Paid Losses as of

<u>Accd.</u> <u>Year</u>	<u>15 Months</u>	<u>27 Months</u>	<u>39 Months</u>	<u>51 Months</u>	<u>63 Months</u>
1993	82,160,450	89,388,526	90,119,659	90,756,456	91,318,837
1994	70,763,663	76,948,420	78,310,642	78,627,461	78,938,331
1995	83,425,673	91,848,381	94,118,474	94,928,882	95,225,370
1996	511,479,025	539,983,356	545,404,799	548,404,334	549,354,536
1997	146,339,706	161,631,132	164,859,111	166,260,655	166,175,411
1998	231,501,703	246,440,613	250,677,217	252,709,592	253,377,979
1999	271,671,208	289,646,941	293,731,254	295,836,278	298,285,187
2000	214,133,784	231,645,266	235,436,528	237,162,685	238,297,812
2001	165,512,392	180,016,235	184,019,183	185,918,954	
2002	217,173,433	235,388,627	238,349,775		
2003	246,637,223	264,049,809			
2004	167,444,661				

North Carolina Link Ratios

	<u>27:15</u>	<u>39:27</u>	<u>51:39</u>	<u>63:51</u>	
1993	1.087975	1.008179	1.007066	1.006197	
1994	1.087400	1.017703	1.004046	1.003954	
1995	1.100961	1.024716	1.008611	1.003123	
1996	1.055729	1.010040	1.005500	1.001733	
1997	1.104493	1.019971	1.008501	0.999487	
1998	1.064530	1.017191	1.008108	1.002645	
1999	1.066167	1.014101	1.007166	1.008278	
2000	1.081778	1.016367	1.007332	1.004786	
2001	1.087630	1.022237	1.010324		
2002	1.083874	1.012580			
2003	1.070600				
Five- Year Average		<u>27:15</u> 1.078010	<u>39:27</u> 1.016321	<u>51:39</u> 1.008274	<u>63:51</u> 1.006532

NORTH CAROLINA
HOMEOWNERS INSURANCE

LOSS DEVELOPMENT

All Forms

ISO-Only Paid Losses

North Carolina Paid Losses as of

Accd. Year	<u>15 Months</u>	<u>27 Months</u>	<u>39 Months</u>	<u>51 Months</u>	<u>63 Months</u>
2000	214,133,784	231,645,266	235,436,528	237,162,685	238,297,812
2001	165,512,392	180,016,235	184,019,183	185,918,954	
2002	217,173,433	235,388,627	238,349,775		
2003	246,637,223	264,049,809			
2004	167,444,661				

North Carolina Link Ratios

	<u>27:15</u>	<u>39:27</u>	<u>51:39</u>	<u>63:51</u>
2000	1.081778	1.016367	1.007332	1.004786
2001	1.087630	1.022237	1.010324	
2002	1.083874	1.012580		
2003	1.070600			

	<u>27:15</u>	<u>39:27</u>	<u>51:39</u>	<u>63:51</u>
Average	1.080971	1.017061	1.008828	1.004786

Loss Development Factors

63 to 63 Months	1.000
51 to 63 Months	1.005
39 to 63 Months	1.014
27 to 63 Months	1.031
15 to 63 Months	1.114

NORTH CAROLINA
HOMEOWNERS INSURANCE

LOSS DEVELOPMENT

All Forms

ISO-Only Incurred Losses

Accd. Year	<u>North Carolina Incurred Losses as of</u>				
	<u>15 Months</u>	<u>27 Months</u>	<u>39 Months</u>	<u>51 Months</u>	<u>63 Months</u>
1993	90,624,807	91,633,548	91,223,463	91,562,203	91,437,706
1994	80,112,830	80,498,399	79,624,445	79,582,450	79,183,801
1995	95,115,350	95,219,139	95,551,750	95,665,506	95,559,829
1996	534,237,544	545,989,238	548,531,428	550,883,309	550,731,364
1997	165,075,811	167,112,419	167,437,651	167,196,958	166,525,114
1998	249,194,513	252,552,381	252,469,752	253,673,551	253,707,799
1999	291,117,883	295,497,797	296,309,144	296,905,136	298,553,885
2000	232,224,036	237,268,530	238,031,067	238,546,253	239,014,857
2001	182,463,226	185,775,268	187,220,656	187,607,421	
2002	236,856,182	241,078,069	241,611,531		
2003	267,328,445	270,959,270			
2004	194,431,794				

North Carolina Link Ratios

	<u>27:15</u>	<u>39:27</u>	<u>51:39</u>	<u>63:51</u>	
1993	1.011131	0.995525	1.003713	0.998640	
1994	1.004813	0.989143	0.999473	0.994991	
1995	1.001091	1.003493	1.001191	0.998895	
1996	1.021997	1.004656	1.004288	0.999724	
1997	1.012337	1.001946	0.998562	0.995982	
1998	1.013475	0.999673	1.004768	1.000135	
1999	1.015045	1.002746	1.002011	1.005553	
2000	1.021723	1.003214	1.002164	1.001964	
2001	1.018152	1.007780	1.002066		
2002	1.017825	1.002213			
2003	1.013582				
Five- Year Average		<u>27:15</u> 1.017265	<u>39:27</u> 1.003988	<u>51:39</u> 1.002080	<u>63:51</u> 1.003759

NORTH CAROLINA
HOMEOWNERS INSURANCE

LOSS DEVELOPMENT

All Forms

ISO-Only Incurred Losses

Accd. Year	<u>North Carolina Incurred Losses as of</u>				
	<u>15 Months</u>	<u>27 Months</u>	<u>39 Months</u>	<u>51 Months</u>	<u>63 Months</u>
2000	232,224,036	237,268,530	238,031,067	238,546,253	239,014,857
2001	182,463,226	185,775,268	187,220,656	187,607,421	
2002	236,856,182	241,078,069	241,611,531		
2003	267,328,445	270,959,270			
2004	194,431,794				

North Carolina Link Ratios

	<u>27:15</u>	<u>39:27</u>	<u>51:39</u>	<u>63:51</u>	
2000	1.021723	1.003214	1.002164	1.001964	
2001	1.018152	1.007780	1.002066		
2002	1.017825	1.002213			
2003	1.013582				
Average		<u>27:15</u> 1.017821	<u>39:27</u> 1.004402	<u>51:39</u> 1.002115	<u>63:51</u> 1.001964

Loss Development Factors

63 to 63 Months	1.000
51 to 63 Months	1.002
39 to 63 Months	1.004
27 to 63 Months	1.009
15 to 63 Months	1.026

NORTH CAROLINA
HOMEOWNERS INSURANCE

CLAIM DEVELOPMENT

All Forms

ISO-Only Paid Claims

North Carolina Paid Claims as of

Accd. <u>Year</u>	<u>15 Months</u>	<u>27 Months</u>	<u>39 Months</u>	<u>51 Months</u>	<u>63 Months</u>
1993	41,673	42,837	42,903	42,980	43,013
1994	34,655	36,056	36,040	36,067	36,118
1995	39,358	40,775	40,763	40,830	40,847
1996	166,892	170,673	171,245	171,475	171,516
1997	61,650	63,998	64,216	64,317	64,319
1998	93,072	95,458	95,927	96,077	96,119
1999	118,274	120,903	121,306	121,460	121,562
2000	87,383	89,698	90,030	90,150	90,192
2001	63,171	64,900	65,068	65,170	
2002	95,952	98,385	98,469		
2003	83,277	84,579			
2004	52,587				

North Carolina Link Ratios

	<u>27:15</u>	<u>39:27</u>	<u>51:39</u>	<u>63:51</u>	
1993	1.027932	1.001541	1.001795	1.000768	
1994	1.040427	0.999556	1.000749	1.001414	
1995	1.036003	0.999706	1.001644	1.000416	
1996	1.022655	1.003351	1.001343	1.000239	
1997	1.038086	1.003406	1.001573	1.000031	
1998	1.025636	1.004913	1.001564	1.000437	
1999	1.022228	1.003333	1.001270	1.000840	
2000	1.026493	1.003701	1.001333	1.000466	
2001	1.027370	1.002589	1.001568		
2002	1.025356	1.000854			
2003	1.015635				
Five- Year Average		<u>27:15</u> 1.023416	<u>39:27</u> 1.002619	<u>51:39</u> 1.001390	<u>63:51</u> 1.000653

NORTH CAROLINA
HOMEOWNERS INSURANCE

CLAIM DEVELOPMENT

All Forms

ISO-Only Paid Claims

North Carolina Paid Claims as of

Accd. <u>Year</u>	<u>15 Months</u>	<u>27 Months</u>	<u>39 Months</u>	<u>51 Months</u>	<u>63 Months</u>
2000	87,383	89,698	90,030	90,150	90,192
2001	63,171	64,900	65,068	65,170	
2002	95,952	98,385	98,469		
2003	83,277	84,579			
2004	52,587				

North Carolina Link Ratios

	<u>27:15</u>	<u>39:27</u>	<u>51:39</u>	<u>63:51</u>	
2000	1.026493	1.003701	1.001333	1.000466	
2001	1.027370	1.002589	1.001568		
2002	1.025356	1.000854			
2003	1.015635				
Average		<u>27:15</u> 1.023714	<u>39:27</u> 1.002381	<u>51:39</u> 1.001451	<u>63:51</u> 1.000466

Claim Development Factors

63 to 63 Months	1.000
51 to 63 Months	1.000
39 to 63 Months	1.002
27 to 63 Months	1.004
15 to 63 Months	1.028

NORTH CAROLINA
HOMEOWNERS INSURANCE

CLAIM DEVELOPMENT

All Forms

ISO-Only Outstanding Claims

North Carolina Outstanding Claims as of

<u>Accd.</u> <u>Year</u>	<u>15 Months</u>	<u>27 Months</u>	<u>39 Months</u>	<u>51 Months</u>	<u>63 Months</u>
1993	994	163	86	47	17
1994	998	254	87	58	22
1995	1,255	197	106	53	25
1996	2,010	376	171	86	51
1997	1,477	251	109	39	26
1998	1,427	278	106	48	19
1999	1,874	352	182	73	49
2000	1,286	279	99	72	36
2001	1,099	261	143	85	
2002	1,640	296	148		
2003	1,054	255			
2004	1,079				

North Carolina Link Ratios

	<u>27:15</u>	<u>39:27</u>	<u>51:39</u>	<u>63:51</u>	
1993	0.163984	0.527607	0.546512	0.361702	
1994	0.254509	0.342520	0.666667	0.379310	
1995	0.156972	0.538071	0.500000	0.471698	
1996	0.187065	0.454787	0.502924	0.593023	
1997	0.169939	0.434263	0.357798	0.666667	
1998	0.194814	0.381295	0.452830	0.395833	
1999	0.187834	0.517045	0.401099	0.671233	
2000	0.216952	0.354839	0.727273	0.500000	
2001	0.237489	0.547893	0.594406		
2002	0.180488	0.500000			
2003	0.241935				
Five- Year Average		<u>27:15</u> 0.212940	<u>39:27</u> 0.479944	<u>51:39</u> 0.574259	<u>63:51</u> 0.585617

NORTH CAROLINA
HOMEOWNERS INSURANCE

CLAIM DEVELOPMENT

All Forms

ISO-Only Outstanding Claims

Accd. Year	<u>North Carolina Outstanding Claims as of</u>				
	<u>15 Months</u>	<u>27 Months</u>	<u>39 Months</u>	<u>51 Months</u>	<u>63 Months</u>
2000	1,286	279	99	72	36
2001	1,099	261	143	85	
2002	1,640	296	148		
2003	1,054	255			
2004	1,079				

North Carolina Link Ratios

	<u>27:15</u>	<u>39:27</u>	<u>51:39</u>	<u>63:51</u>	
2000	0.216952	0.354839	0.727273	0.500000	
2001	0.237489	0.547893	0.594406		
2002	0.180488	0.500000			
2003	0.241935				
Average		<u>27:15</u> 0.219216	<u>39:27</u> 0.467577	<u>51:39</u> 0.660840	<u>63:51</u> 0.500000

Claim Development Factors

63 to 63 Months	1.000
51 to 63 Months	0.500
39 to 63 Months	0.330
27 to 63 Months	0.154
15 to 63 Months	0.034

The Rate Bureau is advised by ISO that loss and claim development information by cause of loss is not available.

Responses provided in connection with items (3)(g) and (7)(c) are enclosed herewith.



Allstate.
You're in good hands.

Shantelle Thomas, FCAS, MAAA
Actuary

April 28, 2006

Tim Lucas
Personal Lines Manager
North Carolina Rate Bureau
5401 Six Forks Road
Raleigh, North Carolina 27609-4435

RE: ALLSTATE INSURANCE COMPANY 008-19232
ALLSTATE INDEMNITY COMPANY 008-19240
Request for Information
Reserve Strengthening and Expense Cutting Activities

Attached is our response to your 4/7/2006 request for information regarding our reserve strengthening and expense cutting activities. The response is applicable to both the Allstate Insurance Company and the Allstate Indemnity Company.

If you have any questions or require any additional information, please feel free to contact me.

Shantelle Thomas

Encl: As stated

E-358

ALLSTATE INSURANCE COMPANY

The areas of loss reserving and expense control are two extremely important aspects of Allstate's total insurance operation. As such, they are continuously reviewed by all levels of management within the company.

CHANGES IN RESERVE POSITION

Allstate claims reserving practices and procedures for property insurance in North Carolina are essentially the same as those in effect for the rest of the country. During the past five years ending December 31, 2001, there has not been any material change in Allstate's philosophy, policies or procedures with respect to property insurance reserving on an individual file basis. This applies to both unpaid loss and unpaid loss adjustment expenses in North Carolina or elsewhere in the country.

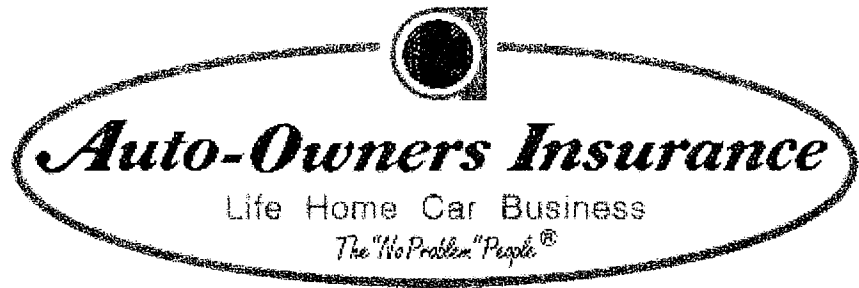
EXPENSE CUTTING ACTIVITIES

Allstate continuously evaluates all aspects of its Insurance Operations with the intention of providing the very best insurance product at the lowest possible price. This process includes an ongoing review of the items that affect the cost of the insurance product. While it is important to be a low cost operator, such lower costs cannot come at the expense of the quality of service that is provided to the customers. Listed below is a summary of a number of such programs that have been initiated during the last five years.

- Computer based training is being used extensively to augment traditional training methods. Such techniques serve to reduce travel and training expenses.
- In the Claims Department, changes have been made to place more settlement authority at local levels and to permit the variations necessary to achieve cost-effective results. As part of this new structure, the company is changing certain aspects of the claim-settlement process and taking advantage of mechanization and other tools that result in the substitution of support staff for professional claims representatives. By changing the mix of employees, the company is reducing costs substantially in the claim settlement process, resulting in additional savings now and in the future. Also, Allstate has initiated "Consolidated Claim" reporting through the National Claim Service Center. The consolidated claims are expected to realize significant performance savings and increase company efficiency. Finally, there have been structural changes in North Carolina, and indeed around the country, to close claims offices. The result of the closing of these claims offices is a reduction of unallocated loss adjustment expenses due to the reduction of staff and elimination of operations expenses incurred at these claim offices. However, the claims offices were closed more to increase efficiency than to cut costs. Allstate wants to make the North Carolina Rate Bureau aware of its actions with the understanding that Allstate does not think that it will have any measurable impact on the ratemaking data submitted by Allstate.

- As part of the technological changes that the company is experiencing, the level of technology used throughout the company is constantly being upgraded. While the initial investment for this equipment was considerable, the improved efficiencies that are resulting from these changes are expected to have a long-term benefit on both quality of service and expenses.

AUTO-OWNERS INSURANCE COMPANY
AUTO-OWNERS LIFE INSURANCE COMPANY
HOME-OWNERS INSURANCE COMPANY
OWNERS INSURANCE COMPANY
PROPERTY-OWNERS INSURANCE COMPANY
SOUTHERN-OWNERS INSURANCE COMPANY



P.O. BOX 30660, LANSING, MICHIGAN 48909-8160 • 517-323-1200
FAX 517-323-8796
WWW.AUTO-OWNERS.COM

May 1, 2006

North Carolina Rate Bureau
P.O. Box 176010
Raleigh, North Carolina 27619-6010

Attn: Ms. Debbie Spence, Support Assistant III

AUTO-OWNERS INSURANCE COMPANY #18988
RE: RESERVE STRENGTHENING AND EXPENSE CUTTING ACTIVITIES

Dear Ms. Spence,

In response to your email dated April 10, 2006, Auto-Owners Insurance Company of Lansing, Michigan submits the following.

The criteria used by our company in North Carolina for establishing case basis reserves for the accident year ending December 31, 2004 have not changed materially from those used over the latest five years.

With regard to expense cutting activities over the last five years, Auto-Owners has made a slight reduction to its commission levels. This does not impact our expected expense levels for the year beginning January 1, 2006, as the change in commissions is taken into account when developing our expected expense levels.

If you have any further questions, please contact Laura Pitcher at (517) 703-2406.

Sincerely,

Cyndi Reed

Cyndi Reed, API, AIM
Manager - Personal Property Actuarial
Auto-Owners Insurance Company
tel: (517) 323-8818
fax: (517) 323-8796
reed.cyndi@aoins.com (email without attachments)
aoactl@aoins.net (email with attachments)

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April 19, 2006

Debbie Spence
Support Assistant III
North Carolina Rate Bureau
P.O. Box 176010
Raleigh NC 27619-6010
Telephone: 919.582.1023
Fax: 919.719.7402

RE: RESERVE STRENGTHENING & EXPENSE CUTTING ACTIVITIES

1. RESERVE STRENGTHENING

The Erie Insurance Group began implementing a claim evaluation software and training program in 2003. These enable adjusters to produce a complete, detailed, and professional dwelling damage estimate in order to establish more accurate case reserves. At this time, we have not seen a material impact from the use of these programs in our case reserves.

2. EXPENSE CUTTING ACTIVITIES

We are not aware of any expense cutting activities over the last five years on homeowners coverages that would materially impact the anticipated expense levels in North Carolina.

Sincerely,

Kevin L. Russell, FCAS MAAA



Liberty Mutual Agency Markets

Cory Johnson
Actuarial Analyst – Personal Lines Pricing
Liberty Mutual Agency Markets
62 Maple Avenue; Mail Stop 107
Keene, NH 03431

Dear Ms. Spence,

Below, please find response to both bullet points in Mr. F. Timothy Lucas's letter dated April 7, 2006.

1. Reserve Strengthening – Peerless Insurance Company

The criteria used by our company in North Carolina to establish case basis reserves for the accident year ended December 31, 2004 have not changed. There have been no material changes in these criteria for the past five years.

2. Expense Cutting Activities – Peerless Insurance Company

Our company has not undertaken any expense cutting activities in the prior five years which would materially impact our anticipated expense levels in North Carolina.

If you need any additional information please feel free to forward those requests to my attention.

All the best,

Cory Johnson – May 1, 2006



On Your Side™

May 1, 2006

Mr. F. Timothy Lucas
Personal Lines Manager
North Carolina Rate Bureau

Re: Insurance Department Regulations

Dear Tim,

This is in response to your request dated April 7, 2006.

The criteria used by Nationwide Mutual Fire Insurance Company for establishing case basis reserves for accident year ended December 31, 2004, have not changed materially from those used over the latest five years.

Nationwide Mutual Fire Insurance Company has not undertaken any expense cutting activities over the last five years on its homeowners coverages that would materially impact anticipated expense levels in North Carolina.

If you need additional information, please do not hesitate to contact me.

Sincerely,

Todd Davis
Product Director
Nationwide Insurance
919-881-3625



**North Carolina
Farm Bureau Insurance Group**

Telephone 919-782-1705 • Post Office Box 27427 • Raleigh, NC 27611

April 10, 2006

RE: North Carolina Farm Bureau Mutual Insurance Company
Insurance Department Regulations
North Carolina Homeowners
Reserve Strengthening
Expense Cutting Activities

Tim:

Our company has not changed its procedures for setting case loss reserves over the last 5 years. We also have not taken on any expense cutting activities that would impact the expense levels in North Carolina.

If I can be of further assistance, let me know.

A handwritten signature in black ink, appearing to read "Roger Batdorff", written over a horizontal line.

Roger Batdorff
Senior Executive, A&R & Fin/Inv

RB/cww

RECEIVED

APR 11 2006

N.C. RATE BUREAU

North Carolina Farm Bureau Mutual Insurance Company, Inc.
Farm Bureau Insurance of N.C., Inc.
Visit Us On The Web At: www.ncfbins.com

E-365

State Farm®
Providing Insurance and Financial Services
Home Office, Bloomington, Illinois 61710



April 28, 2006

North Carolina Rate Bureau
P. O. Box 176010
Raleigh, NC 27619-6010

Corporate Headquarters
One State Farm Plaza, D-4
Bloomington, IL 61710
Fax 309 766 0225

Attn: F. Timothy Lucas
Personal Lines Manager

RE: State Farm Fire and Casualty Company
Regulations Reserve and Expenses

Your letter of April 7, 2006 requested two items required from the largest writers of Homeowners Insurance in North Carolina.

The first item concerned reserves. In response to your question, a table reserve is an initial case reserve amount placed on an opened claim by the claim computer system. Reserve amounts in the computer table are specific by coverage by state. Using an average disposed cost of outstanding claims on a reported years basis, the reserve amounts in the table are developed from an annual analysis of historical claims payment data by the Corporate Loss Reserve Department. The table reserve remains on the open claim coverage until the criteria are met for claims management to change it. A table reserve is changed to a case reserve if partial payments plus table reserve exceeds \$25,000, or total payments are expected to exceed \$25,000 or date of loss is three years or older. A case reserve continues to be claims management's best estimate of the loss payment yet to be made on each coverage.

No changes have been made in these procedures since 1999.

The second item concerned expenses. Consistent with our reply in 2004, State Farm has long recognized that expense control is a key to remaining competitive in the insurance marketplace. It is important to note that expense control does not necessarily imply expense reduction. Attracting and retaining quality personnel and providing top-notch services, many that involve investments in new technologies, may be just as important to a company's competitive position and customer satisfaction as a low price for the insurance product. In the end, it is through customer forces in the marketplace that a balance is stricken between quality of service and price of those services.

It would be virtually impossible to fully describe all "expense cutting activities" (i.e. presorting mail, recycling paper, reorganizing jobs, automating jobs, consolidating jobs, etc.). Expense control is a continuous and evolving function of managing our business.

Because expense control is a continuing effort, we feel that our historical experience is an appropriate basis for determining the expense provisions in your rate calculations and that no special adjustments are necessary.

In an effort to work with you as promptly as possible, please direct any questions to:

Rob Kelley	(309) 766-3592	robert.j.kelley.alwt@statefarm.com
Susan Cleaver	(309) 766-7360	susan.cleaver.cvlg@statefarm.com

Please send paper correspondence to the attention of the State Filings Unit at the address shown above.

Sincerely,



Robert J. Kelley, F.C.A.S., MAAA
Actuary and Assistant Secretary-Treasurer

LP/lc



National Headquarters
 5210 Belfort Road
 Suite 120
 Jacksonville, FL 32256
 Phone: (904)245-5600
 Fax: (904)245-5601

May 1, 2006

North Carolina Rate Bureau
 5401 Six Forks Road
 Raleigh, North Carolina 27609

Re: Reserve Strengthening
 11 N.C.A.C. 10.1104 (3) (i)
 Unitrin Auto and Home

Unitrin Auto and Home has not had any material changes (either strengthening or weakening) to case reserving practices within the last 5 years. Neither have there been material changes to expense activities or service levels during the last 5 years.

A handwritten signature in cursive script that reads "Amy G. Brown".

Sincerely,
 Amy G. Brown
 Regional Product Manager
 Kemper Auto and Home, a Unitrin Company
 904-245-5635
 abrown@kahg.com



9800 Fredericksburg Road
San Antonio, Texas 78288

May 1, 2006

North Carolina Rate Bureau
5401 Six Forks Road
Raleigh, North Carolina 27619-6010

ATTENTION: F. Timothy Lucas
Personal Lines Manager

REGARDING: United Services Automobile Association
USAA Casualty Insurance Company

**Insurance Department Regulations
Reserve Strengthening and Expense Cutting Activities**

Dear Mr. Lucas:

In response to your letter dated April 7, 2006, regarding regulations adopted by the North Carolina Department of Insurance, we are furnishing the following statements with respect to reserve strengthening and expense cutting activities at USAA over the past five years.

RESERVE STRENGTHENING
11 N.C.A.C. 10.1105(3)(g)

USAA Group has not made any material changes in the criteria used to establish case basis reserves or that would impact expenses for Homeowners insurance in North Carolina in the past five years.

EXPENSE CUTTING ACTIVITIES
11 N.C.A.C. 10.1105(7)(c)

USAA Group has not made any material changes in the criteria use to establish case basis reserves or that would impact expenses for Homeowners insurance in North Carolina in the past five years.

To facilitate our timely response, please address requests for future statements to me at:

2100 ATTN Regulatory Compliance G3E E1
USAA
9800 Fredericksburg Road
San Antonio, Texas 78284-8496

Or kathy.blair@usaa.com.

If there are any questions, please contact me by phone at (800) 531-8722, extension 8-2575, or by e-mail to kathy.blair@usaa.com. The facsimile number is (877) 851-6493.

Sincerely,

A handwritten signature in cursive script that reads "Kathy Blair".

KATHY BLAIR, CPCU
Compliance Analyst
Regulatory Compliance

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA
REQUIREMENTS FOR A HOMEOWNERS RATE FILING
AS PER 11 NCAC 10.1105

4. TRENDING FACTOR DEVELOPMENT AND APPLICATION

- (a) See Section D and pre-filed testimony of R. Curry and S. Thomas. The Rate Bureau has not considered alternative loss trend methodologies in the last three years.
- (b) See prefiled testimony of R. Curry and S. Thomas.
- (c) This information, based on companies reporting to ISO, ISS and NISS, is provided in the response to 11 NCAC 10.1105 (1)(1).

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA
REQUIREMENTS FOR A HOMEOWNERS RATE FILING
AS PER 11 NCAC 10.1105

5. CHANGES IN PREMIUM BASE RESULTING FROM RATING EXPOSURE TRENDS

- (a) See Section D and prefiled testimony of R. Curry and S. Thomas. The Rate Bureau has not considered an alternative exposure trend methodology in the last three years.
- (b) The Rate Bureau is advised by ISO that the exposure and premium distributions by policy term are not available for the latest five years. Past analysis for the years 1992-1996 indicated that 100% of the written premium was for a policy term of one year. No significant change in the policy term distribution is expected. (1) x (2) x (3) x (4)

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA
REQUIREMENTS FOR A HOMEOWNERS RATE FILING
AS PER 11 NCAC 10.1105

6. LIMITING FACTOR DEVELOPMENT AND APPLICATION

- (a) No limitations were applied to the losses.
- (b) No limitations were applied to the rate level change by coverage, form, protection class, construction or deductible.
- (c) Limitations were applied to territorial rate changes. For the owners forms, the filed rate level changes reflecting risk load for territories 05,06,41,42, and 43 were capped at +50.0%.
- (d) No other limitations were applied.

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA
REQUIREMENTS FOR A HOMEOWNERS RATE FILING
AS PER 11 NCAC 10.1105

7. OVERHEAD EXPENSE DEVELOPMENT AND APPLICATION OF COMMISSION AND BROKERAGE,
OTHER ACQUISITION EXPENSES, GENERAL EXPENSES, TAXES, LICENSES, AND FEES

(a) Exhibit (7)(a) provides all information relating to expense provisions contained in the filing. The Rate Bureau has not considered an alternative expense methodology in the last three years.

(b) Page D-23 shows earned premium for 2002-2004 and unallocated loss adjustment expense for 2000-2004. The earned premium figures for 2000 and 2001 are as follows:

	2000	2001
Earned Premium	\$1,029,244,159	\$1,106,476,887

(c) See the response to 11 NCAC 10.1105(3)(g).

The following provides a description of the derivation of Homeowners expense provisions. The underlying expense data are provided by the North Carolina Rate Bureau and are displayed on pages D-23-25.

The filed expense provision methodology makes a distinction between those provisions which require trending and those that do not. For example, since commission and brokerage, and taxes, licenses and fees, vary directly with premium, no additional trend is required. In contrast, general expense, other acquisition expense, and loss adjustment expense, do not vary directly with premium and are subject to trend.

The filed provision for commission and brokerage expenses, 14.05% of written premium, and the provision for taxes, licenses, and fees, 2.72% of written premium, are based on the data shown on page D-23 for the latest three years.

Since the general expense and other acquisition expense percentages are relative to earned premiums and the loss adjustment expense percentage is relative to losses, separate trend factors are required for premiums, losses, and expenses.

General Expense and Other Acquisition Expense - Based on the 2002-2004 experience on page D-23, general expense averages 3.95% of earned premium and other acquisition expense averages 6.03% of earned premium. Since these expenses are incurred throughout the twelve-month effective period, both the numerator and denominator of these factors are trended to 9/1/2007 (six months beyond the assumed effective date).

The average date of payment of the 2002-2004 expenses is 7/1/2003. Similarly, the average date of earning of the 2002-2004 premiums is 7/1/2003. Assuming policies are written with an effective period of one year, the average date of writing is therefore six months earlier, or 1/1/2003. The average date of writing of policies under the proposed rates, and the average date of payment of the expenses on these policies, is six months after the assumed effective date of 3/1/07, or 9/1/2007. Therefore, the expenses in the numerator are projected 50.0 months (from 7/1/2003 to 9/1/2007) and the premiums in the denominator are projected 56.0 months (from 1/1/2003 to 9/1/2007).

The trend factor for the expenses represented in the numerator is based on the index displayed on pages D-21-22. This index is constructed by weighting the Compensation Cost Index - Insurance Carriers, Agent Brokers, and Service with the Consumer Price Index. These two sources receive equal weights. Based on these data, an average annual change of 3.4% is selected. This average annual change is projected 50.0 months (from 7/1/2003 to 9/1/2007).

To trend the premiums in the denominator, two multiplicative factors are applied. The first is the 2003 Current Amount Factor shown on page D-16. The second is the Premium Projection Factor shown on page D-16.

Loss Adjustment Expense - Based on the 2000-2004 experience shown on page D-24, loss adjustment expenses (both allocated and unallocated) average 14.6% of incurred losses, after excluding the high- and low-valued years. The average date of loss in these data is 7/1/2002. Both the numerator and denominator are trended 68.0 months, from 7/1/2002 to 3/1/2008 (12 months beyond the assumed effective date of 3/1/2007).

The trend factor used for expenses in the numerator is determined in a similar way as for general and other acquisition expenses. The 3.4% selected average annual change is projected 68.0 months (from 7/1/2002 to 3/1/2008).

To trend the losses in the denominator, quantities that are calculated in the loss trend procedure are used. Several factors are applied. To adjust losses from the 7/1/2002 (average) level to 7/1/2004, the selected annual change (0% in the owners forms; -2% in the tenant and condominium unit forms) is compounded for the corresponding two-year period. To adjust losses from the 7/1/2004 level to the level expected at 5/15/2006, the 2004 Current Cost Factor (page D-9) is applied. To project losses from the 5/15/2006 level to 3/1/2008, the product of the Loss Projection Factor and the Trend from First Dollar of Loss Factor (page D-16 for the Owners Forms; D-18 for the tenant form; D-20 for the Condominium Unit owners form) is applied.

No alternate expense trend methodology has been considered within the last three years.

See the response to item (3)(g).

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA
REQUIREMENTS FOR A HOMEOWNERS RATE FILING
AS PER 11 NCAC 10.1105

8. PERCENT RATE CHANGE

The overall statewide rate change and the rate changes by territory are shown on pages A-1 and A-2.

The proposed rate changes are dependent on the actual implementation date of the new rates, because any such change will affect all of the trending periods used in the filing. Any change in the trending periods will affect all of the losses, fixed expenses, and average rating factors used in the calculation of the rate level indication. The proposed rate changes have been calculated based on an assumed effective date of 3/1/2007. Due to various delays in the preparation of the filing, such an effective date is not attainable and the requested effective date in the filing letter is August 1, 2007. Calculations based on the requested effective date will be provided prior to any hearing on this filing.

If the effective date were to be changed, advance notice of ninety (90) days is required for an orderly implementation of the change in rates. This is the amount of time required to calculate the new rates based on the new effective date, and distribute the necessary information to member companies.

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA
REQUIREMENTS FOR A HOMEOWNERS RATE FILING
AS PER 11 NCAC 10.1105

9. FINAL PROPOSED RATES

The proposed rates are shown in Section A.

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA
REQUIREMENTS FOR A HOMEOWNERS RATE FILING
AS PER 11 NCAC 10.1105

10. INVESTMENT EARNINGS, CONSISTING OF INVESTMENT INCOME AND REALIZED PLUS UNREALIZED CAPITAL GAINS, FROM LOSS, LOSS EXPENSE AND UNEARNED PREMIUM RESERVES

See attached Exhibits (10) (a), (b) and (c) and the pre-filed testimony of R. Curry and D. Appel. The experience provides the best estimate of the future.

NORTH CAROLINA
HOMEOWNERS INSURANCE

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

A. Unearned Premium Reserve

1.	Direct Earned Premium for Accident Year Ended 12/31/04		1,276,859,226
2.	Mean Unearned Premium Reserve (1) x	0.5211	665,371,343
3.	Deduction for Prepaid Expenses		
	Commission and Brokerage		14.08%
	Taxes, Licenses and Fees		2.36%
	1/2 General Expenses		2.34%
	1/2 Other Acquisition		3.38%
	Total		22.16%
4.	(2) x (3)		147,446,290
5.	Net Subject to Investment (2) - (4)		517,925,053

B. Delayed Remission of Premium (Agents' Balances)

1.	Direct Earned Premium (A-1)		1,276,859,226
2.	Average Agents' Balances		0.088
3.	Delayed Remission (1) x (2)		112,363,612

C. Loss Reserve

1.	Direct Earned Premium (A-1)		1,276,859,226
2.	Expected Incurred Losses and Loss Adjustment Expense (1) x	0.5548	708,401,499
3.	Expected Mean Loss Reserves (2) x	0.425	301,070,637

D. Net Subject to Investment (A-5)-(B-3)+(C-3) 706,632,078

E. Average Rate of Return 4.53%

F. Investment Earnings on Net Subject to
Investment (D) x (E) 32,010,433

G. Average Rate of Return as a Percent of Direct
Earned Premium (F) / (A-1) 2.51%

H. Average Rate of Return as a Percent of Direct Earned
Premium after Federal Income Taxes (G) x 0.772 1.94%

NORTH CAROLINA
HOMEOWNERS INSURANCE

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line A-1

Direct earned premiums are the earned premiums for Homeowners insurance in North Carolina from page 15 of the Annual Statement.

Line A-2

The mean unearned premium reserve is determined by multiplying the direct earned premiums in line (1) by the ratio of the mean unearned premium reserve to the collected earned premium for calendar year ended 12/31/04 for all companies writing Homeowners insurance in North Carolina. These data are from page 15 of the Annual Statement.

1. Collected Earned Premium for Calendar Year ended 12/31/04	\$1,276,859,226
2. Unearned Premium Reserve as of 12/31/03	631,706,575
3. Unearned Premium Reserve as of 12/31/04	699,125,408
4. Mean Unearned Premium Reserve 1/2 [(2) + (3)]	665,415,992
5. Ratio (4) ÷ (1)	0.5211

Line A-3

Deduction for prepaid expenses:

Production costs and a large part of the other company expenses in connection with the writing and handling of Homeowners policies, exclusive of claim adjustment expenses, are incurred when the policy is written and before the premium is paid. The deduction for these expenses is determined from data provided by the NCRB for the year ended 12/31/04.

Line B-2

Delayed remission of premium:

This deduction is necessary because of delay in remission and collection of premium to the companies, which amounts to approximately 50-75 days after the effective dates of the policies. Therefore, funds for the unearned premium reserve required during the initial days of all policies must be taken from the company's surplus.

1. Agents' balances for premiums due less than 90 days as a ratio to net written premium (based on data for all companies writing Homeowners insurance in North Carolina)	0.0858
2. Factor to include effect of agents' balances or uncollected premiums overdue for more than 90 days (based on data provided by A. M. Best)	1.03
3. Factor for agents' balances (1) x (2)	0.088

Line C-2

The expected loss and loss adjustment expense ratio reflects the expense provisions for the year ended 12/31/04.

Line C-3

The mean loss reserve is determined by multiplying the incurred losses in line (2) by the North Carolina ratio of the mean loss reserves to the incurred losses in 2004 for Homeowners insurance. This ratio is based on North Carolina companies' Page 15 annual statement data and has been adjusted to include loss adjustment expense reserves.

1. Incurred Losses for Calendar Year 2004	564,832,213
2. Loss Reserves as of 12/31/03	215,086,893
3. Loss Reserves as of 12/31/04	231,943,893
4. Mean Loss Reserve 2004: $1/2 [(2) + (3)]$	223,515,393
5. Ratio (4) + (1)	0.396
6. Ratio of LAE Reserves to Loss Reserves (a)	0.232
7. Ratio of Incurred LAE to Incurred Losses (a)	0.149
8. Loss and LAE Reserve $[(5) \times (1.0 + (6))] / (1.0 + (7))$	0.425

(a) Based on 2004 All-Industry Insurance Expense Exhibit (source: A.M. Best)

Line E

The rate of return is the ratio of net investment income earned to mean cash and invested assets. Net investment income is computed for all companies writing Homeowners insurance in North Carolina as follows:

<u>Year</u>	<u>Net Investment Income Earned</u>	<u>Mean Cash and Invested Assets</u>	<u>Rate of Return</u>
2004	14,621,624,293	322,618,991,385	4.53%

Line H

The average rate of Federal income tax was determined by applying the average tax rate for net investment income and the current tax rate applicable to realized capital gains (or losses) to the rates of return as calculated above.

	<u>Rate of Return</u>	<u>Federal Income Tax Rate</u>
Net Investment Income Earned	4.53%	0.216

The average rate of Federal income tax was determined by applying current tax rates to the distribution of investment income earned for all companies. These data are for 2004 from Best's Aggregates and Averages, Underwriting and Investment Exhibit, Part 1, Column 8.

Bonds	Taxable	21,696,435	0.350
	Non-Taxable	11,340,140	-
	Sub-Total	33,036,575	0.230
Stocks	Taxable (a)	3,285,602	0.105
	Non-Taxable	2,131,399	-
	Sub-Total	5,417,001	0.064
Mortgage Loans		169,603	
Real Estate		1,646,000	
Collateral Loans		981	
Cash/short term investments		1,189,806	
		-	
All Other		3,751,696	
Sub-Total		6,758,086	0.350
Total		45,211,662	0.228
Investment Deductions		4,064,665	0.350
Net Investment Income Earned		41,146,997	0.216

(a) Only 30% of dividend income on stock is subject to the full corporate income tax rate of 35%. The applicable tax rate is thus 10.5% ($.35 \times .3 = 10.5\%$)

NORTH CAROLINA
HOMEOWNERS INSURANCE

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

A. Unearned Premium Reserve

1.	Direct Earned Premium for Accident Year Ended 12/31/03		1,158,572,053
2.	Mean Unearned Premium Reserve (1) x	0.5201	602,573,325
3.	Deduction for Prepaid Expenses		
	Commission and Brokerage		13.86%
	Taxes, Licenses and Fees		2.18%
	1/2 General Expenses		2.68%
	1/2 Other Acquisition		4.02%
	Total		22.74%
4.	(2) x (3)		137,025,174
5.	Net Subject to Investment (2) - (4)		465,548,151

B. Delayed Remission of Premium (Agents' Balances)

1.	Direct Earned Premium (A-1)		1,158,572,053
2.	Average Agents' Balances		0.095
3.	Delayed Remission (1) x (2)		110,064,345

C. Loss Reserve

1.	Direct Earned Premium (A-1)		1,158,572,053
2.	Expected Incurred Losses and Loss Adjustment Expense (1) x	0.5388	624,238,622
3.	Expected Mean Loss Reserves (2) x	0.333	207,871,461

D. Net Subject to Investment (A-5)-(B-3)+(C-3) 563,355,267

E. Average Rate of Return 4.78%

F. Investment Earnings on Net Subject to
Investment (D) x (E) 26,928,382

G. Average Rate of Return as a Percent of Direct
Earned Premium (F) / (A-1) 2.32%

H. Average Rate of Return as a Percent of Direct Earned
Premium after Federal Income Taxes (G) x 0.774 1.80%

NORTH CAROLINA
HOMEOWNERS INSURANCE

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line A-1

Direct earned premiums are the earned premiums for Homeowners insurance in North Carolina from page 15 of the Annual Statement.

Line A-2

The mean unearned premium reserve is determined by multiplying the direct earned premiums in line (1) by the ratio of the mean unearned premium reserve to the collected earned premium for calendar year ended 12/31/03 for all companies writing Homeowners insurance in North Carolina. These data are from page 15 of the Annual Statement.

1. Collected Earned Premium for Calendar Year ended 12/31/03	\$1,158,572,053
2. Unearned Premium Reserve as of 12/31/02	573,326,148
3. Unearned Premium Reserve as of 12/31/03	631,706,575
4. Mean Unearned Premium Reserve $1/2 [(2) + (3)]$	602,516,362
5. Ratio (4) \div (1)	0.5201

Line A-3

Deduction for prepaid expenses:

Production costs and a large part of the other company expenses in connection with the writing and handling of Homeowners policies, exclusive of claim adjustment expenses, are incurred when the policy is written and before the premium is paid. The deduction for these expenses is determined from data provided by the NCRB for the year ended 12/31/03.

Line B-2

Delayed remission of premium:

This deduction is necessary because of delay in remission and collection of premium to the companies, which amounts to approximately 50-75 days after the effective dates of the policies. Therefore, funds for the unearned premium reserve required during the initial days of all policies must be taken from the company's surplus.

1. Agents' balances for premiums due less than 90 days as a ratio to net written premium (based on data for all companies writing Homeowners insurance in North Carolina)	0.0915
2. Factor to include effect of agents' balances or uncollected premiums overdue for more than 90 days (based on data provided by A. M. Best)	1.033
3. Factor for agents' balances (1) \times (2)	0.095

Line C-2

The expected loss and loss adjustment expense ratio reflects the expense provisions for the year ended 12/31/03.

Line C-3

The mean loss reserve is determined by multiplying the incurred losses in line (2) by the North Carolina ratio of the mean loss reserves to the incurred losses in 2003 for Homeowners insurance. This ratio is based on North Carolina companies' Page 15 annual statement data and has been adjusted to include loss adjustment expense reserves.

1. Incurred Losses for Calendar Year 2003	776,431,232
2. Loss Reserves as of 12/31/02	270,561,755
3. Loss Reserves as of 12/31/03	215,086,893
4. Mean Loss Reserve 2003: $1/2 [(2) + (3)]$	242,824,324
5. Ratio (4) ÷ (1)	0.313
6. Ratio of LAE Reserves to Loss Reserves (a)	0.242
7. Ratio of Incurred LAE to Incurred Losses (a)	0.166
8. Loss and LAE Reserve $[(5) \times (1.0 + (6))] / (1.0 + (7))$	0.333

(a) Based on 2003 All-Industry Insurance Expense Exhibit (source: A.M. Best)

Line E

The rate of return is the ratio of net investment income earned to mean cash and invested assets. Net investment income is computed for all companies writing Homeowners insurance in North Carolina as follows:

<u>Year</u>	<u>Net Investment Income Earned</u>	<u>Mean Cash and Invested Assets</u>	<u>Rate of Return</u>
2003	13,072,891,451	273,348,258,632	4.78%

Line H

The average rate of Federal income tax was determined by applying the average tax rate for net investment income and the current tax rate applicable to realized capital gains (or losses) to the rates of return as calculated above.

	<u>Rate of Return</u>	<u>Federal Income Tax Rate</u>
Net Investment Income Earned	4.78%	0.213

The average rate of Federal income tax was determined by applying current tax rates to the distribution of investment income earned for all companies. These data are for 2003 from Best's Aggregates and Averages, Underwriting and Investment Exhibit, Part 1, Column 8.

Bonds	Taxable	21,190,681	0.350
	Non-Taxable	9,918,255	-
	Sub-Total	31,108,936	0.238
Stocks	Taxable (a)	2,864,754	0.105
	Non-Taxable	3,838,458	-
	Sub-Total	6,703,212	0.045
Mortgage Loans		158,612	
Real Estate		1,690,507	
Collateral Loans		438	
Cash/short term investments		1,158,122	
		-	
All Other		3,691,942	
Sub-Total		6,699,621	0.350
Total		44,511,769	0.226
Investment Deductions		4,174,811	0.350
Net Investment Income Earned		40,336,958	0.213

(a) Only 30% of dividend income on stock is subject to the full corporate income tax rate of 35%. The applicable tax rate is thus 10.5% (.35 x .3 = 10.5%)

NORTH CAROLINA
HOMEOWNERS INSURANCE

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

A. Unearned Premium Reserve

1.	Direct Earned Premium for Accident Year Ended 12/31/02		1,013,512,688
2.	Mean Unearned Premium Reserve (1) x	0.5336	540,810,370
3.	Deduction for Prepaid Expenses		
	Commission and Brokerage		14.20%
	Taxes, Licenses and Fees		2.26%
	1/2 General Expenses		2.45%
	1/2 Other Acquisition		4.03%
	Total		22.94%
4.	(2) x (3)		124,061,899
5.	Net Subject to Investment (2) - (4)		416,748,471

B. Delayed Remission of Premium (Agents' Balances)

1.	Direct Earned Premium (A-1)		1,013,512,688
2.	Average Agents' Balances		0.112
3.	Delayed Remission (1) x (2)		113,513,421

C. Loss Reserve

1.	Direct Earned Premium (A-1)		1,013,512,688
2.	Expected Incurred Losses and Loss Adjustment Expense (1) x	0.5396	546,891,446
3.	Expected Mean Loss Reserves (2) x	0.387	211,646,990

D. Net Subject to Investment (A-5)-(B-3)+(C-3) 514,882,040

E. Average Rate of Return 4.51%

F. Investment Earnings on Net Subject to
Investment (D) x (E) 23,221,180

G. Average Rate of Return as a Percent of Direct
Earned Premium (F) / (A-1) 2.29%

H. Average Rate of Return as a Percent of Direct Earned
Premium after Federal Income Taxes (G) x 0.769 1.76%

NORTH CAROLINA
HOMEOWNERS INSURANCE

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line A-1

Direct earned premiums are the earned premiums for Homeowners insurance in North Carolina from page 15 of the Annual Statement.

Line A-2

The mean unearned premium reserve is determined by multiplying the direct earned premiums in line (1) by the ratio of the mean unearned premium reserve to the collected earned premium for calendar year ended 12/31/02 for all companies writing Homeowners insurance in North Carolina. These data are from page 15 of the Annual Statement.

1. Collected Earned Premium for Calendar Year ended 12/31/02	\$1,013,512,688
2. Unearned Premium Reserve as of 12/31/01	508,270,259
3. Unearned Premium Reserve as of 12/31/02	573,326,148
4. Mean Unearned Premium Reserve 1/2 [(2) + (3)]	540,798,204
5. Ratio (4) ÷ (1)	0.5336

Line A-3

Deduction for prepaid expenses:

Production costs and a large part of the other company expenses in connection with the writing and handling of Homeowners policies, exclusive of claim adjustment expenses, are incurred when the policy is written and before the premium is paid. The deduction for these expenses is determined from data provided by the NCRB for the year ended 12/31/02.

Line B-2

Delayed remission of premium:

This deduction is necessary because of delay in remission and collection of premium to the companies, which amounts to approximately 50-75 days after the effective dates of the policies. Therefore, funds for the unearned premium reserve required during the initial days of all policies must be taken from the company's surplus.

1. Agents' balances for premiums due less than 90 days as a ratio to net written premium (based on data for all companies writing Homeowners insurance in North Carolina)	0.109
2. Factor to include effect of agents' balances or uncollected premiums overdue for more than 90 days (based on data provided by A. M. Best)	1.031
3. Factor for agents' balances (1) x (2)	0.112

Line C-2

The expected loss and loss adjustment expense ratio reflects the expense provisions for the year ended 12/31/02.

Line C-3

The mean loss reserve is determined by multiplying the incurred losses in line (2) by the North Carolina ratio of the mean loss reserves to the incurred losses in 2002 for Homeowners insurance. This ratio is based on North Carolina companies' Page 15 annual statement data and has been adjusted to include loss adjustment expense reserves.

1. Incurred Losses for Calendar Year 2002	615,781,446
2. Loss Reserves as of 12/31/01	169,626,576
3. Loss Reserves as of 12/31/02	270,561,755
4. Mean Loss Reserve 2002: 1/2 [(2) + (3)]	220,094,166
5. Ratio (4) ÷ (1)	0.357
6. Ratio of LAE Reserves to Loss Reserves (a)	0.272
7. Ratio of Incurred LAE to Incurred Losses (a)	0.174
8. Loss and LAE Reserve [(5)x(1.0+(6))]/(1.0+(7))]	0.387

(a) Based on 2002 All-Industry Insurance Expense Exhibit (source: A.M. Best)

Line E

The rate of return is the ratio of net investment income earned to mean cash and invested assets. Net investment income is computed for all companies writing Homeowners insurance in North Carolina as follows:

<u>Year</u>	<u>Net Investment Income Earned</u>	<u>Mean Cash and Invested Assets</u>	<u>Rate of Return</u>
2002	11,395,625,437	252,407,988,381	4.51%

Line H

The average rate of Federal income tax was determined by applying the average tax rate for net investment income and the current tax rate applicable to realized capital gains (or losses) to the rates of return as calculated above.

	<u>Rate of Return</u>	<u>Federal Income Tax Rate</u>
Net Investment Income Earned	4.51%	0.218

The average rate of Federal income tax was determined by applying current tax rates to the distribution of investment income earned for all companies. These data are for 2002 from Best's Aggregates and Averages, Underwriting and Investment Exhibit, Part 1, Column 8.

Bonds	Taxable	23,094,226	0.350
	Non-Taxable	9,284,966	-
	Sub-Total	32,379,192	0.250
Stocks	Taxable (a)	2,763,531	0.105
	Non-Taxable	3,977,275	-
	Sub-Total	6,740,806	0.043
Mortgage Loans		178,521	
Real Estate		1,672,965	
Collateral Loans		207	
Cash/short term investments		1,048,332	
		-	
All Other		2,428,821	
Sub-Total		5,328,846	0.350
Total		44,448,844	0.231
Investment Deductions		4,336,105	0.350
Net Investment Income Earned		40,112,739	0.218

(a) Only 30% of dividend income on stock is subject to the full corporate income tax rate of 35%. The applicable tax rate is thus 10.5% ($.35 \times .3 = 10.5\%$)

NORTH CAROLINA
HOMEOWNERS INSURANCE

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

A. Unearned Premium Reserve

1.	Direct Earned Premium for Accident Year Ended 12/31/01		938,607,898
2.	Mean Unearned Premium Reserve (1) x	0.5221	490,047,184
3.	Deduction for Prepaid Expenses		
	Commission and Brokerage		14.38%
	Taxes, Licenses and Fees		2.28%
	1/2 General Expenses		2.56%
	1/2 Other Acquisition		3.84%
	Total		23.06%
4.	(2) x (3)		113,004,881
5.	Net Subject to Investment (2) - (4)		377,042,303

B. Delayed Remission of Premium (Agents' Balances)

1.	Direct Earned Premium (A-1)		938,607,898
2.	Average Agents' Balances		0.136
3.	Delayed Remission (1) x (2)		127,650,674

C. Loss Reserve

1.	Direct Earned Premium (A-1)		938,607,898
2.	Expected Incurred Losses and Loss Adjustment Expense (1) x	0.5395	506,378,961
3.	Expected Mean Loss Reserves (2) x	0.393	199,006,932

D. Net Subject to Investment (A-5)-(B-3)+(C-3) 448,398,561

E. Average Rate of Return 5.54%

F. Investment Earnings on Net Subject to
Investment (D) x (E) 24,841,280

G. Average Rate of Return as a Percent of Direct
Earned Premium (F) / (A-1) 2.65%

H. Average Rate of Return as a Percent of Direct Earned
Premium after Federal Income Taxes (G) x 0.770 2.04%

NORTH CAROLINA
HOMEOWNERS INSURANCE

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line A-1

Direct earned premiums are the earned premiums for Homeowners insurance in North Carolina from page 15 of the Annual Statement.

Line A-2

The mean unearned premium reserve is determined by multiplying the direct earned premiums in line (1) by the ratio of the mean unearned premium reserve to the collected earned premium for calendar year ended 12/31/01 for all companies writing Homeowners insurance in North Carolina. These data are from page 15 of the Annual Statement.

1. Collected Earned Premium for Calendar Year ended 12/31/01	\$938,607,898
2. Unearned Premium Reserve as of 12/31/00	471,820,665
3. Unearned Premium Reserve as of 12/31/01	508,270,259
4. Mean Unearned Premium Reserve $1/2 [(2) + (3)]$	490,045,462
5. Ratio (4) \div (1)	0.5221

Line A-3

Deduction for prepaid expenses:

Production costs and a large part of the other company expenses in connection with the writing and handling of Homeowners policies, exclusive of claim adjustment expenses, are incurred when the policy is written and before the premium is paid. The deduction for these expenses is determined from data provided by the NCRB for the year ended 12/31/01.

Line B-2

Delayed remission of premium:

This deduction is necessary because of delay in remission and collection of premium to the companies, which amounts to approximately 50-75 days after the effective dates of the policies. Therefore, funds for the unearned premium reserve required during the initial days of all policies must be taken from the company's surplus.

1. Agents' balances for premiums due less than 90 days as a ratio to net written premium (based on data for all companies writing Homeowners insurance in North Carolina)	0.1323
2. Factor to include effect of agents' balances or uncollected premiums overdue for more than 90 days (based on data provided by A. M. Best)	1.031
3. Factor for agents' balances (1) \times (2)	0.136

Line C-2

The expected loss and loss adjustment expense ratio reflects the expense provisions for the year ended 12/31/01.

Line C-3

The mean loss reserve is determined by multiplying the incurred losses in line (2) by the North Carolina ratio of the mean loss reserves to the incurred losses in 2001 for Homeowners insurance. This ratio is based on North Carolina companies' Page 15 annual statement data and has been adjusted to include loss adjustment expense reserves.

1. Incurred Losses for Calendar Year 2001	467,635,393
2. Loss Reserves as of 12/31/00	172,331,938
3. Loss Reserves as of 12/31/01	169,626,576
4. Mean Loss Reserve 2001: 1/2 [(2) + (3)]	170,979,257
5. Ratio (4) ÷ (1)	0.366
6. Ratio of LAE Reserves to Loss Reserves (a)	0.243
7. Ratio of Incurred LAE to Incurred Losses (a)	0.158
8. Loss and LAE Reserve [(5)x(1.0+(6))÷(1.0+(7))]	0.393

(a) Based on 2001 All-Industry Insurance Expense Exhibit (source: A.M. Best)

Line E

The rate of return is the ratio of net investment income earned to mean cash and invested assets. Net investment income is computed for all companies writing Homeowners insurance in North Carolina as follows:

<u>Year</u>	<u>Net Investment Income Earned</u>	<u>Mean Cash and Invested Assets</u>	<u>Rate of Return</u>
2001	13,236,878,283	239,016,395,968	5.54%

Line H

The average rate of Federal income tax was determined by applying the average tax rate for net investment income and the current tax rate applicable to realized capital gains (or losses) to the rates of return as calculated above.

	<u>Rate of Return</u>	<u>Federal Income Tax Rate</u>
Net Investment Income Earned	5.54%	0.23

The average rate of Federal income tax was determined by applying current tax rates to the distribution of investment income earned for all companies. These data are for 2001 from Best's Aggregates and Averages, Underwriting and Investment Exhibit, Part 1, Column 8.

Bonds	Taxable	22,302,424	0.350
	Non-Taxable	9,654,683	-
	Sub-Total	31,957,107	0.244
Stocks	Taxable (a)	2,621,526	0.105
	Non-Taxable	1,405,226	-
	Sub-Total	4,026,752	0.068
Mortgage Loans		137,721	
Real Estate		1,649,181	
Collateral Loans		-	
Cash on Deposit		596,201	
Short Term Investments		1,203,685	
All Other		2,418,157	
Sub-Total		6,004,945	0.350
Total		41,988,804	0.242
Investment Deductions		4,253,706	0.350
Net Investment Income Earned		37,735,098	0.230

(a) Only 30% of dividend income on stock is subject to the full corporate income tax rate of 35%. The applicable tax rate is thus 10.5% ($.35 \times .3 = 10.5\%$)

NORTH CAROLINA
HOMEOWNERS INSURANCE

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

A. Unearned Premium Reserve

1.	Direct Earned Premium for Accident Year Ended 12/31/00		865,756,392
2.	Mean Unearned Premium Reserve (1) x	0.5221	452,011,412
3.	Deduction for Prepaid Expenses		
	Commission and Brokerage		14.26%
	Taxes, Licenses and Fees		2.25%
	1/2 General Expenses		2.54%
	1/2 Other Acquisition		3.70%
	Total		22.75%
4.	(2) x (3)		102,832,596
5.	Net Subject to Investment (2) - (4)		349,178,816

B. Delayed Remission of Premium (Agents' Balances)

1.	Direct Earned Premium (A-1)		865,756,392
2.	Average Agents' Balances		0.133
3.	Delayed Remission (1) x (2)		115,145,600

C. Loss Reserve

1.	Direct Earned Premium (A-1)		865,756,392
2.	Expected Incurred Losses and Loss Adjustment Expense (1) x	0.5442	471,144,629
3.	Expected Mean Loss Reserves (2) x	0.356	167,727,488

D. Net Subject to Investment (A-5)-(B-3)+(C-3) 401,760,704

E. Average Rate of Return 6.58%

F. Investment Earnings on Net Subject to
Investment (D) x (E) 26,435,854

G. Average Rate of Return as a Percent of Direct
Earned Premium (F) / (A-1) 3.05%

H. Average Rate of Return as a Percent of Direct Earned
Premium after Federal Income Taxes (G) x 0.769 2.35%

NORTH CAROLINA
HOMEOWNERS INSURANCE

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line A-1

Direct earned premiums are the earned premiums for Homeowners insurance in North Carolina from page 15 of the Annual Statement.

Line A-2

The mean unearned premium reserve is determined by multiplying the direct earned premiums in line (1) by the ratio of the mean unearned premium reserve to the collected earned premium for calendar year ended 12/31/00 for all companies writing Homeowners insurance in North Carolina. These data are from page 15 of the Annual Statement.

1. Collected Earned Premium for Calendar Year ended 12/31/00	\$865,756,392
2. Unearned Premium Reserve as of 12/31/99	432,129,281
3. Unearned Premium Reserve as of 12/31/00	471,820,665
4. Mean Unearned Premium Reserve 1/2 [(2) + (3)]	451,974,973
5. Ratio (4) ÷ (1)	0.5221

Line A-3

Deduction for prepaid expenses:

Production costs and a large part of the other company expenses in connection with the writing and handling of Homeowners policies, exclusive of claim adjustment expenses, are incurred when the policy is written and before the premium is paid. The deduction for these expenses is determined from data provided by the NCRB for the year ended 12/31/00.

Line B-2

Delayed remission of premium:

This deduction is necessary because of delay in remission and collection of premium to the companies, which amounts to approximately 50-75 days after the effective dates of the policies. Therefore, funds for the unearned premium reserve required during the initial days of all policies must be taken from the company's surplus.

1. Agents' balances for premiums due less than 90 days as a ratio to net written premium (based on data for all companies writing Homeowners insurance in North Carolina)	0.1292
2. Factor to include effect of agents' balances or uncollected premiums overdue for more than 90 days (based on data provided by A. M. Best)	1.031
3. Factor for agents' balances (1) x (2)	0.133

Line C-2

The expected loss and loss adjustment expense ratio reflects the expense provisions for the year ended 12/31/00.

Line C-3

The mean loss reserve is determined by multiplying the incurred losses in line (2) by the North Carolina ratio of the mean loss reserves to the incurred losses in 2000 for Homeowners insurance. This ratio is based on North Carolina companies' Page 15 annual statement data and has been adjusted to include loss adjustment expense reserves.

1. Incurred Losses for Calendar Year 2000	534,064,358
2. Loss Reserves as of 12/31/99	178,810,361
3. Loss Reserves as of 12/31/00	172,331,938
4. Mean Loss Reserve 2000: $1/2 [(2) + (3)]$	175,571,149
5. Ratio (4) ÷ (1)	0.329
6. Ratio of LAE Reserves to Loss Reserves (a)	0.255
7. Ratio of Incurred LAE to Incurred Losses (a)	0.160
8. Loss and LAE Reserve $[(5) \times (1.0 + (6))] / (1.0 + (7))$	0.356

(a) Based on 2000 All-Industry Insurance Expense Exhibit (source: A.M. Best)

Line E

The rate of return is the ratio of net investment income earned to mean cash and invested assets. Net investment income is computed for all companies writing Homeowners insurance in North Carolina as follows:

<u>Year</u>	<u>Net Investment Income Earned</u>	<u>Mean Cash and Invested Assets</u>	<u>Rate of Return</u>
2000	14,377,799,636	218,663,905,119	6.58%

Line H

The average rate of Federal income tax was determined by applying the average tax rate for net investment income and the current tax rate applicable to realized capital gains (or losses) to the rates of return as calculated above.

	<u>Rate of Return</u>	<u>Federal Income Tax Rate</u>
Net Investment Income Earned	6.58%	0.231

The average rate of Federal income tax was determined by applying current tax rates to the distribution of investment income earned for all companies. These data are for 2000 from Best's Aggregates and Averages, Underwriting and Investment Exhibit, Part 1, Column 8.

Bonds	Taxable	22,029,009	0.350
	Non-Taxable	10,543,361	-
	Sub-Total	32,572,370	0.237
Stocks	Taxable (a)	2,849,541	0.105
	Non-Taxable	1,326,160	-
	Sub-Total	4,175,701	0.072
Mortgage Loans		261,656	
Real Estate		1,570,896	
Collateral Loans		-	
Cash on Deposit		224,289	
Short Term Investments		2,145,556	
All Other		3,568,273	
Sub-Total		7,770,670	0.350
Total		44,518,741	0.241
Investment Deductions		3,815,818	0.350
Net Investment Income Earned		40,702,923	0.231

(a) Only 30% of dividend income on stock is subject to the full corporate income tax rate of 35%. The applicable tax rate is thus 10.5% ($.35 \times .3 = 10.5\%$)

**NORTH CAROLINA
HOMEOWNERS INSURANCE
AVERAGE NUMBER OF MONTHS FROM ACCIDENT TO CLAIM SETTLEMENT**

(Based on ISO North Carolina experience data for accident years 1997 - 1999)

(1)	(2)	(3)
Average Payment Month	Losses Paid	Portion of Losses Paid
1.5	303,311,592	0.4187
4.5	288,483,352	0.3982
7.5	59,787,319	0.0825
10.5	23,161,664	0.0320
13.5	13,382,477	0.0185
16.5	8,427,976	0.0116
19.5	5,225,238	0.0072
22.5	5,511,322	0.0076
25.5	2,759,446	0.0038
28.5	1,896,970	0.0026
31.5	2,272,374	0.0031
34.5	1,652,375	0.0023
37.5	1,779,851	0.0025
40.5	1,108,740	0.0015
43.5	904,268	0.0012
46.5	591,115	0.0008
49.5	1,748,954	0.0024
52.5	1,726,543	0.0024
55.5	138,653	0.0002
58.5	130,854	0.0002
61.5	60,827	0.0001
64.5	61,696	0.0001
67.5	35,436	0.0000
70.5	217,004	0.0003
73.5	32,625	0.0000
	724,408,671	0.9998

The average number of months to payment from the beginning of the accident year is 5.02, where 5.02 is the sum of (column (1) * column (3))

The average number of months to payment from the average date of accident is 3.52 .

2003 AGGREGATE ANNUAL STATEMENT - NORTH CAROLINA 2004 TOP 50 HOMEOWNERS INSURERS

ASSETS

1 Bonds	131,987,377
2 Stocks	
2.1 Preferred stocks	2,256,010
2.2 Common stocks	47,638,305
3 Mortgage loans on real estate	
3.1 First Liens	799,527
3.2 Other than First Liens	0
4 Real estate	
4.1 Properties occupied by the company	2,115,487
4.2 Other properties	0
5 Cash and Short-term investments	6,600,485
6 Other invested assets	4,209,611
7 Receivable for securities	136,919
8 Aggregate write-ins for invested assets	655,409
9 Subtotals, cash and invested assets	196,553,241
10 Agents balances or uncollected premiums	
10.1 In course of collection	7,776,311
10.2 Booked but deferred and not yet due	13,158,342
10.3 Accrued retrospective premiums	288,616
11 Funds held by or deposited with reinsured companies	483,987
12 Bills receivable, taken for premiums	0
13 Reinsurance recoverable on loss payments	3,015,142
14 Federal income tax recoverable and interest thereon	0
14 A Guaranty funds receivable or on deposit	160,298
15 Electronic data processing equipment	291,624
16 Interest, dividends and real estate income due and accrued	1,834,576
17 Receivable from parent, subsidiaries and affiliates	1,526,293
18 Equities and deposits in pools and associations	0
19 Amounts receivable relating to uninsured A & H plans	0
20 Other assets non-admitted	4840
21 Aggregate write-ins for other than invested assets	3,008,000
22 TOTALS (items 8a through 20)	232,857,515

DETAILS OF WRITE-INS AGGREGATED AT ITEM 20

1 Future investment income on loss reserve	0
2 Other write-ins	3,008,000
6 TOTALS	3,008,000

2004 AGGREGATE ANNUAL STATEMENT - NORTH CAROLINA 2004 TOP 50 HOMEOWNERS INSURERS

ASSETS

1 Bonds	144,637,322
2 Stocks	
2.1 Preferred stocks	2,016,659
2.2 Common stocks	52,404,481
3 Mortgage loans on real estate	
3.1 First Liens	1,267,239
3.2 Other than First Liens	0
4 Real estate	
4.1 Properties occupied by the company	2,161,524
4.2 Other properties	0
5 Cash and Short-term investments	6,124,572
6 Other invested assets	5,504,051
7 Receivable for securities	166,051
8 Aggregate write-ins for invested assets	1,045,391
9 Subtotals, cash and invested assets	215,467,952
10 Agents balances or uncollected premiums	
10.1 In course of collection	7,940,830
10.2 Booked but deferred and not yet due	14,275,604
10.3 Accrued retrospective premiums	247,390
11 Funds held by or deposited with reinsured companies	425,631
12 Bills receivable, taken for premiums	0
13 Reinsurance recoverable on loss payments	2,734,145
14 Federal income tax recoverable and interest thereon	0
14A Guaranty funds receivable or on deposit	183,627
15 Electronic data processing equipment	259,061
16 Interest, dividends and real estate income due and accrued	1,817,601
17 Receivable from parent, subsidiaries and affiliates	1,690,177
18 Equities and deposits in pools and associations	0
19 Amounts receivable relating to uninsured A & H plans	0
20 Other assets non-admitted	0
21 Aggregate write-ins for other than invested assets	3,172,833
22 TOTALS (items 8a through 20)	253,039,952

DETAILS OF WRITE-INS AGGREGATED AT ITEM 20

1 Future investment income on loss reserve	0
2 Other write-ins	3,172,833
6 TOTALS	3,172,833

2003 AGGREGATE ANNUAL STATEMENT - NORTH CAROLINA 2004 TOP 50 HOMEOWNERS INSURERS

LIABILITIES

1 Losses	66,339,226
1A Reinsurance payable on paid loss and loss adjustment expense	2,069,813
2 Loss adjustment expenses	15,247,782
3 Contingent commissions and other similar charges	1,058,381
4 Other expenses	4,857,091
5 Taxes, licenses and fees	1,229,292
6 Federal and foreign income taxes	0
7 Borrowed money	1,642,175
8 Interest	0
9 Unearned premiums	41,206,755
10 Dividends declared and unpaid	
(a) Stockholders	7,253
(b) Policyholders	122,718
11 Funds held by company under reinsurance treaties	5,434,541
12 Amounts withheld or retained by company for account of others	609,027
13 Remittances and items not allocated	631,575
14 Provision for reinsurance	561,750
15 Excess of statutory reserves over statement reserves	0
16 Net adjustments in assets and liabilities for foreign exchange	4,819
17 Drafts outstanding	587,569
18 Payable to parent, subsidiaries and affiliates	960,142
19 Payable for securities	823,210
20 Liability for amounts held under accident and health plans	0
21 Capital notes and interest thereon	0
22 Aggregate write-ins for liabilities	6,544,477
23 Total liabilities	155,425,623
24 Aggregate write-ins for special surplus funds	2,145,125
25A Common capital stock	303,657
25B Preferred capital stock	315,060
25C Aggregate write-ins for other than special surplus funds	5,638
26A Surplus notes	2,804,539
26B Gross paid in and contributed surplus	21,264,163
26C Unassigned funds (surplus)	50,593,876
26D Treasury stock	
(1) common	166
(2) preferred	0
27 Surplus as regards policyholders	77,431,892
28 TOTALS	232,857,515

DETAILS OF WRITE-INS AGGREGATED AT ITEM 22

1 Miscellaneous conditional reserves	34,384
2 Other reinsurance balances	0
3 Loss portfolio transfers	-55,927
4 Discount on loss reserve	0
5 Other write-ins	6,566,019
9 TOTALS	6,544,477

DETAILS OF WRITE-INS AGGREGATED AT ITEM 23C

1 Guaranty funds	0
2 Other write-ins	0
9 TOTALS	5,638

2004 AGGREGATE ANNUAL STATEMENT - NORTH CAROLINA 2004 TOP 50 HOMEOWNERS INSURERS

LIABILITIES

1 Losses	71,374,398
1A Reinsurance payable on paid loss and loss adjustment expense	2,129,881
2 Loss adjustment expenses	16,586,596
3 Contingent commissions and other similar charges	1,354,901
4 Other expenses	5,802,965
5 Taxes, licenses and fees	1,275,461
6 Federal and foreign income taxes	0
7 Borrowed money	1,699,464
8 Interest	0
9 Unearned premiums	44,572,594
10 Dividends declared and unpaid	
(a) Stockholders	7,557
(b) Policyholders	126,161
11 Funds held by company under reinsurance treaties	4,387,619
12 Amounts withheld or retained by company for account of others	596,696
13 Remittances and items not allocated	773,931
14 Provision for reinsurance	620,485
15 Excess of statutory reserves over statement reserves	0
16 Net adjustments in assets and liabilities for foreign exchange	4,129
17 Drafts outstanding	595,050
18 Payable to parent, subsidiaries and affiliates	975,275
19 Payable for securities	615,517
20 Liability for amounts held under accident and health plans	0
21 Capital notes and interest thereon	0
22 Aggregate write-ins for liabilities	6,099,811
23 Total liabilities	165,275,745
4 Aggregate write-ins for special surplus funds	2,170,103
23A Common capital stock	303,657
25B Preferred capital stock	315,060
25C Aggregate write-ins for other than special surplus funds	6,963
26A Surplus notes	2,757,199
26B Gross paid in and contributed surplus	21,809,904
26C Unassigned funds (surplus)	60,401,486
26D Treasury stock	
(1) common	166
(2) preferred	0
27 Surplus as regards policyholders	87,764,207
28 TOTALS	253,039,952

DETAILS OF WRITE-INS AGGREGATED AT ITEM 22

1 Miscellaneous conditional reserves	301,893
2 Other reinsurance balances	0
3 Loss portfolio transfers	-89,199
4 Discount on loss reserve	0
5 Other write-ins	5,887,117
9 TOTALS	6,099,811

DETAILS OF WRITE-INS AGGREGATED AT ITEM 23C

Guaranty funds	0
2 Other write-ins	0
9 TOTALS	6,963

2003 AGGREGATE ANNUAL STATEMENT - NORTH CAROLINA 2004 TOP 50 HOMEOWNERS INSURERS
 UNDERWRITING AND INVESTMENT EXHIBIT

STATEMENT OF INCOME

1	Premiums earned	94,756,080
	Deductions	
2	Losses incurred	56,733,889
3	Loss expenses incurred	11,463,330
4	Other underwriting expenses incurred	25,511,393
5	Aggregate write-ins for underwriting deductions	79,644
6	Total underwriting deductions	93,788,255
7	Net underwriting gain or loss	967,825
8	Net investment income earned	8,491,641
9	Net realized capital gains or losses	1,780,439
9A	Net investment gain or loss	10,272,080
10	Net gain or loss from agents or premium balances charged off	-177,500
11	Finance or service charges not included in premiums	693,739
12	Aggregate write-ins for miscellaneous income	-345,907
13	Total other income	170,331
14	Net income before dividends to policyholders and before federal and foreign income taxes	11,410,236
14A	Dividends to policyholders	744,228
14B	Net income after dividends to policyholders but before federal and foreign income taxes	10,666,008
15	Federal and foreign income taxes incurred	1,722,794
16	Net income	8,943,214
17	Surplus as regards policyholders, December 31 previous year	63,684,718
18	Net income	8,943,214
19	Net unrealized capital gains or losses	4,684,475
20	Change in non-admitted assets	-454,818
21	Change in provision for reinsurance	-19,405
22	Change in foreign exchange adjustment	-7648
23	Change in excess of statutory reserves over statement reserves	0
23A	Change in surplus notes	315,000
24	Capital changes	
	(a) Paid in	-148,400
	(b) Transferred from surplus	0
	(c) Transferred to surplus	0
25	Surplus adjustments	
	(a) Paid in	2,095,315
	(b) Transferred to capital	0
	(c) Transferred from capital	0
26	Net remittances from or to Home Office	0
27	Dividends to stockholders (cash)	-2,817,596
28	Change in treasury stock	0
29	Extraordinary amounts of taxes for prior years	0
30	Aggregate write-ins for gains and losses in surplus	389,015
31	Change in surplus as regards policyholders for the year	13,747,174
32	Surplus as regards policyholders, December 31 current year	77,431,892

DETAILS OF WRITE-INS AGGREGATED AT ITEM 30

1	Miscellaneous operating adjustments	385,309
2	Change in conditional reserves	-156
3	Miscellaneous capital and surplus adjustments	0
11	TOTALS	389,015

2004 AGGREGATE ANNUAL STATEMENT - NORTH CAROLINA 2004 TOP 50 HOMEOWNERS INSURERS
UNDERWRITING AND INVESTMENT EXHIBIT

STATEMENT OF INCOME

1 Premiums earned	103,237,305
Deductions	
2 Losses incurred	56,598,656
3 Loss expenses incurred	11,989,802
4 Other underwriting expenses incurred	27,843,221
5 Aggregate write-ins for underwriting deductions	-89,174
6 Total underwriting deductions	96,342,504
7 Net underwriting gain or loss	6,894,801
8 Net investment income earned	8,928,544
9 Net realized capital gains or losses	1,741,130
9A Net investment gain or loss	10,669,674
10 Net gain or loss from agents or premium balances charged off	-177,319
11 Finance or service charges not included in premiums	729,473
12 Aggregate write-ins for miscellaneous income	-561,916
13 Total other income	-9,762
14 Net income before dividends to policyholders and before federal and foreign income taxes	17,554,713
14A Dividends to policyholders	653,313
14B Net income after dividends to policyholders but before federal and foreign income taxes	16,901,400
15 Federal and foreign income taxes incurred	3,673,066
16 Net income	13,228,334
17 Surplus as regards policyholders, December 31 previous year	77,431,892
18 Net income	13,228,334
19 Net unrealized capital gains or losses	1,473,611
20 Change in non-admitted assets	428,158
21 Change in provision for reinsurance	-58,735
22 Change in foreign exchange adjustment	15,496
23 Change in excess of statutory reserves over statement reserves	0
23A Change in surplus notes	-47,340
24 Capital changes	
(a) Paid in	0
(b) Transferred from surplus	0
(c) Transferred to surplus	0
25 Surplus adjustments	
(a) Paid in	545,741
(b) Transferred to capital	0
(c) Transferred from capital	0
26 Net remittances from or to Home Office	0
27 Dividends to stockholders (cash)	-4,560,383
28 Change in treasury stock	0
29 Extraordinary amounts of taxes for prior years	0
30 Aggregate write-ins for gains and losses in surplus	-84,669
31 Change in surplus as regards policyholders for the year	10,332,315
32 Surplus as regards policyholders, December 31 current year	87,764,207

DETAILS OF WRITE-INS AGGREGATED AT ITEM 30

1 Miscellaneous operating adjustments	-96,317
2 Change in conditional reserves	369
3 Miscellaneous capital and surplus adjustments	0
11 TOTALS	-84,669

3 AGGREGATE ANNUAL STATEMENT - NORTH CAROLINA 2004 TOP 50 HOMEOWNERS INSURERS

PART II - ALLOCATION TO LINES OF BUSINESS NET OF REINSURANCE

Homeowners

1 Net Premiums Written	24,558,076,000
2 Net Premiums Earned	22,916,742,000
3 Dividends to Policyholders	148,641,000
4 Incurred Losses	13,331,988,000
5 Allocated Loss Adjustment Expenses Incurred	461,376,000
6 Unallocated Loss Adjustment Expenses Incurred	1,801,439,000
7 Unpaid Losses	5,964,860,000
8 Allocated Loss Adjustment Expenses Unpaid	790,626,000
9 Unallocated Loss Adjustment Expenses Unpaid	730,938,000
10 Unearned Premium Reserves	13,015,208,000
11 Agents' Balances	4,644,404,000
12 Commission and Brokerage Expense	3,097,999,000
13 Taxes, Licenses and Fees Incurred	619,753,000
14 Other Acquisition, Etc. Expenses Incurred	2,022,979,000
15 General Expenses Incurred	972,694,000
16 Other Income Less Other Expenses	74,674,000
17 Pretax Profit Excluding Investment Gain	534,545,000
18 Investment Gain on Insurance Transactions	735,473,000
19 Profit or Loss Excluding Inv Gain on Capital and Surplus	1,270,017,000
20 Investment Gain on Capital and Surplus	1,008,055,000
21 Total Profit or Loss	2,278,077,000

2004 AGGREGATE ANNUAL STATEMENT - NORTH CAROLINA 2004 TOP 50 HOMEOWNERS INSURERS

PART II - ALLOCATION TO LINES OF BUSINESS NET OF REINSURANCE

Homeowners	
1 Net Premiums Written	26,851,861,000
2 Net Premiums Earned	25,528,936,000
3 Dividends to Policyholders	138,491,000
4 Incurred Losses	12,434,964,000
5 Allocated Loss Adjustment Expenses Incurred	395,934,000
6 Unallocated Loss Adjustment Expenses Incurred	1,841,428,000
7 Unpaid Losses	5,978,298,000
8 Allocated Loss Adjustment Expenses Unpaid	822,537,000
9 Unallocated Loss Adjustment Expenses Unpaid	823,277,000
10 Unearned Premium Reserves	14,338,128,000
11 Agents' Balances	4,920,173,000
12 Commission and Brokerage Expense	3,449,972,000
13 Taxes, Licenses and Fees Incurred	690,275,000
14 Other Acquisition, Etc. Expenses Incurred	2,175,875,000
15 General Expenses Incurred	1,078,395,000
16 Other Income Less Other Expenses	47,571,000
17 Pretax Profit Excluding Investment Gain	3,371,168,000
18 Investment Gain on Insurance Transactions	749,941,000
19 Profit or Loss Excluding Inv Gain on Capital and Surplus	4,121,107,000
20 Investment Gain on Capital and Surplus	1,118,076,000
21 Total Profit or Loss	5,239,189,000

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA
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11. IDENTIFICATION OF APPLICABLE STATISTICAL PLANS AND PROGRAMS AND A CERTIFICATION OF COMPLIANCE WITH THEM
- (a) ISO Personal Lines (Other than Automobile) Statistical Plan
ISO Minimum Personal Lines (Other than Automobile) Statistical Agent Plan
ISO 2004 Call for Homeowners Statistics
ISO 2004 Call for Homeowners Statistical Agent Plan Statistics
ISS Personal Lines Statistical Plans - All Coverages
ISS 2004 Homeowners Call
AAIS Personal Lines Statistical Plan
AAIS 2004 Call for Homeowners Statistics
NISS Statistical Plan - All Coverages - Part IV, North Carolina
NISS 2004 Quarterly Call
NISS 2004 Calendar Year Annual Statement
NISS 2004 Financial Reconciliation Call
Annual Statement for Calendar Year 2004
Insurance Expense Exhibit for Calendar Year 2004
RB Calls for 2004 North Carolina Expense Experience
- (b) The North Carolina Rate Bureau certifies that there is no evidence known to it or, insofar as it is aware following reasonable inquiry, to the statistical agencies involved that the data which were collected under the statistical plans identified in response (11)(a) above and used in the filing are not materially true and accurate representations of the experience of the companies whose data underlie such experience. While the Rate Bureau is aware that the collected data sometimes require corrections or adjustments, the Rate Bureau's review of the data, the data collection process, and the ratemaking process indicates that the aggregate data are reasonable and reliable for ratemaking purposes. See also the prefiled testimony of R. Curry and S. Thomas.
- (c) The attached Exhibit (11)(c) contains general descriptions of the editing procedures used to ensure data were collected in accordance with the applicable statistical plans.

North Carolina Homeowners Insurance Statistical Data

ISO Editing Procedures

1. Upon receipt of the data from each reporting company, checks are made to ensure that each record (i.e., the data reported for each exposure) has valid and readable information. This includes a check that the appropriate alpha-numeric codes have been utilized.
2. The records are then checked to ensure that each of the fields has a valid code in it (e.g., company numbers must be entered as four-digit numerals).
3. Relationship edits which evaluate the interrelationship between codes are then performed. For example, if a record indicates North Carolina, Homeowners, Form 3, checks are made to ascertain that applicable interrelationships are maintained.
4. Distributional edits are performed to make sure that the reporting company has not erred in miscoding its data into a single class, territory, or other rating criteria due to a systems problem or other error.
5. The resulting combined data from all the company records are reconciled with Page 15 Annual Statement data for that company.
6. After all of the ISO data are aggregated, a consolidated review of the data is conducted to determine overall reasonableness and accuracy. In this procedure the data are compared with previous statewide and territory figures. Areas of concern are identified and results are verified by checking back to the source data.

ISS Editing Procedures

The following narrative sets forth a general description of the editing procedures utilized by ISS to review North Carolina statistical data. All North Carolina experience submitted to the ISS by affiliated companies undergoes standard procedures to ensure that the data is reported in accordance with the ISS's approved statistical plans.

ISS's review of the data takes place on two levels: analysis of individual company data and analysis of the aggregate data of all the companies combined. These two separate functions will be treated in that order.

Analysis of Company Data

Analysis of company data includes: completeness checks, editing for valid coding and checking the distribution of data among the various data elements.

1. Completeness Checks (Balancing and Reconciliation):

Balancing and reconciliation procedures are used to determine completeness of reporting. Completeness means that the ISS has received and processed all of the data due to be filed with the ISS. First, totals of each company's processed data are compared to separate transmittal totals supplied by the company. This step ensures that ISS has processed completely the experience included in the company's submission of data and that no errors occur during this processing. As a second check for completeness, the reported statistical data is reconciled to Page 15 totals from the company's Annual Statement. It is a useful procedure in determining completeness because the annual statement represents an independent source of information.

2. Editing of Codes:

Format and Readability

Statistical data reported by affiliated companies must be filed in accordance with ISS's approved statistical plans. This includes the requirement that the data must conform to the specific formats and technical specifications in order for ISS to properly read and process these submissions. The initial edit is a test of each company's submission to ensure it has been reported using the proper record format and that it meets certain technical requirements for the line of insurance being reported. Key fields are tested to ensure that only numeric information has been reported in fields defined as numeric, and that the fields have been reported in the proper position in the record.

Relational Edits

The data items of information filed with the insurance company's experience are reported by using codes defined under ISS's statistical plans. For example, the various types of Policy Forms written on Homeowners policies in North Carolina are defined in the Personal Lines Statistical Plan. Each definition for each data element has a unique code assigned to it which distinguishes it from other definitions. All data items applicable to North Carolina are defined in a similar manner in each of ISS's statistical plans and have codes assigned to properly identify each definition.

All records reported to ISS are subjected to validation of the reported codes. This validation, called editing, is performed to assure that companies are reporting properly defined ISS Statistical Plan codes for North Carolina experience.

The purpose of the edit is to validate the statistical codes reported in each record. This validation is called a Relation Edit. A relational edit verifies that a reported code is valid in combination with one or more related data items. Relational edit tests are accomplished primarily through the use of specific edit tables applicable to each line of insurance.

In most cases, the experience data in the record is used in conjunction with the related codes and compared to an establishment or discontinued date for the code being validated. This ensures that specific codes are not being utilized beyond the range of time during which they are valid.

An example of a relational edit involves territory coding. Many territory code numbers are available under each statistical plan for various states, with various effective dates. However, only codes defined for North Carolina for the specific line being processed are valid in combination with North Carolina reported experience. Further, if a new code is erected, that code will be considered valid only if the date reported in the statistical record is equal or subsequent to the establishment date of the code.

3. Distributional Analysis:

The validation of the codes is not by itself sufficient to assure the credibility of company data. Having assured the reporting of valid codes, the statistical agent must verify that valid entries are indeed reliable. Therefore, the data is also reviewed for reasonable distributions. The primary focus of this review is to establish that the statistical data reported by the company is a credible reflection of the company's experience.

The distribution of company experience by specific data elements such as state, territory, policy form, and construction, for example, for the current reporting period is compared to company profiles of prior periods. In addition, ratios relevant to the line of insurance such as average premium, average loss, volume, loss ratio and loss frequency are compared to industry averages. This historical comparison can highlight changes in the pattern of reporting.

The distributional analysis serves as an additional verification that systematic errors are not introduced during the production of data files submitted to ISS by our affiliated companies. Disproportionate amounts of premiums and/or losses in a particular class or territory, for example, can be detected using this technique.

Validation of Aggregate Data

After the individual company has been reviewed, the data for all reporting companies is compiled to produce aggregate reports. The aggregate data represents the combined experience of many companies. This data is also subjected to similar review procedures. To ensure completeness, run to run control techniques are applied. This involves balancing the totals of the aggregate runs to previously verified control totals. In this manner the aggregate data is monitored to ensure the inclusion of the appropriate company data.

The aggregate data is also reviewed for credibility through distributional analysis similar to that performed on the individual company data. Earned exposures (where applicable) and premiums and incurred losses and claims are used to calculate pure premiums, claim frequencies and claim costs for comparison to past averages. The analysis of the aggregate data centers on determining consistency over time by comparing several years of experience, by coverage and class, or territory, for example. Through the application of these techniques, ISS is able to provide reliable insurance statistical data in North Carolina.

North Carolina Homeowners Insurance Statistical Data

NISS Editing Procedures

- a. Every report received is checked for completeness. Every submission must include (1) an affidavit; (2) a letter of transmittal setting forth company control totals for the data being sent; (3) the data being reported on tape, cartridge, diskette or form to be keyed.
- b. Individual company submissions are balanced to the company letter of transmittal to ensure that all data have been received and processed. After all four quarters of data have been received, the company reports are reconciled to the Annual Statement Page 15 amounts. The NISS Financial Reconciliation identifies any amounts needed to reconcile any differences between the company reported data and Annual Statement amounts.
- c. Every company record submitted to NISS is verified through NISS edit software for its coding accuracy and conformance with NISS record layouts and instructions. NISS edits verify the accuracy of each code for each data element. Where possible, each data element is subjected to a relational edit whereby it will be checked for accuracy in conjunction with another field.
- d. Individual company submissions are also subjected to a series of reasonability tests to determine that the current submission is consistent with previous company submissions, known changes in this line of business and statewide trends. NISS compares current quarter data to the previous quarter. This comparison is performed and analyzed by grouping data.
- e. After all of the NISS data are combined, a review of this consolidated data is also performed. The aggregate data is compared on a year to year basis to again verify its reasonableness, similar to those checks employed on an individual company submission.

North Carolina Homeowners Insurance Statistical Data

AAIS Editing Procedures

The American Association of Insurance Services functions as an official statistical agent in the State of North Carolina for a number of lines of insurance, including Homeowners. In this capacity, it provides for the administration of statistical programs in accordance with approved statistical plans on behalf of the Commissioner of Insurance. These plans, which were filed according to the requirements of the State of North Carolina, serve to insure a high quality of data reliability.

1. All statistical plans constitute permanent calls for data, which is due at AAIS within 60 days following the close of the period covered by the report.
2. Each data submission is accompanied by a transmittal that summarizes the detail data by state. The transmittal provides control totals to balance to the input and output of each step in our collection procedure. Signature of the company official responsible for data collection is required on the transmittal to certify the accuracy and completeness of the data submission.
3. The AAIS data collection procedure consists of several consecutive steps in order to further verify receipt of accurate and complete data from each company and ultimately aggregate the data into the final experience format.
4. The data collection procedure begins with entering the company number, date, type of media, and transmittal control totals for each line of insurance received into a log file. Company number, record counts, lines of insurance, year, quarter, type and number of media are recorded on a processing log and submitted to the computer room.
5. Operations will load the data into the computer and process all lines through a program which verifies certain key fields. The key fields are company number, line of insurance, transaction code and report period (quarter and year). All invalid key fields must be corrected before proceeding to the next step. Once a valid key field report is generated, Operations will copy all valid key field records to the edit file.
6. Upon receipt of the Moved to Edit report, the statistical department will verify that all records were copied from the stored data file to the edit file. All companies are then released by line and report period for editing.
7. The edit program has several functions and reports. They are:
 - a. Data is balanced to transmittal totals.
 - b. Each statistical field is edited to the valid codes in the statistical plan for the line being processed. Many fields are also cross edited. An example is deductible type and amount. All invalid codes are identified with an asterisk to the right of the code.
 - c. Edit reports consist of a listing of invalid records, error summary report, month report, state report and field error detail report. Homeowners has an additional report entitled "Data Consistency Report". This report shows the companies' average premium, pure premium, loss ratio, frequency and severity.

- d. In addition to the edit report, we provide the company a distribution report. As you might expect, this report provides a distribution of the reported data for almost every single field of information captured by the statistical plan. This report is not only provided as a courtesy to the company, but it is always reviewed by AAIS staff to identify any reporting irregularities that wouldn't be caught by the edit program.
 - e. Along with the edit and distribution reports, there are additional review procedures in place to identify procedural reporting errors that may exist (e.g., cancellations and coverage changes). A great deal of time is spent on this item because of its importance to the validity of the reported data.
 - f. Our analysis of a company's data are returned to the company with a customized letter indicating the type of action required. Depending on the severity of errors, companies are requested to make corrections or resubmit data.
8. AAIS provides assistance to all of its affiliated companies to ensure a continued high level of data quality. Statistical coding seminars designed to instruct company coders and respond to questions are scheduled annually. In addition to the seminars, AAIS has developed Statistical Training Manuals for some lines and pre-edit programs for company in-house use. Technical Services staff is available to train company personnel in all aspects of data collection, coding, statistical reporting and data processing.

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA
REQUIREMENTS FOR A HOMEOWNERS RATE FILING
AS PER 11 NCAC 10.1105

12. INVESTMENT EARNINGS ON CAPITAL AND SURPLUS

Given the selected underwriting profit provision contained in the filing, the pro forma statutory return on net worth (equity capital), and the pro-forma statutory return on net worth adjusted to include investment income on capital and surplus, are both shown in the filing and the pre-filed testimony of D. Appel. Also shown therein is the ratio of net worth to surplus of 1.19. Accordingly, for homeowners insurance, the corresponding statutory return on statutory capital and surplus would be 8.29%, and the statutory return on statutory capital and surplus adjusted to include investment income on capital and surplus would be 13.76%. Based on data from A.M. Best's Aggregates and Averages, the 5-year average ratio of net worth to assets is .352. Accordingly, for homeowners insurance, the corresponding statutory return on assets would be 2.40% and the statutory return on assets adjusted to include investment income on capital and surplus would be 3.99%.

See also pre-filed testimony of D. Appel and J. Vander Weide.

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA
 REQUIREMENTS FOR A HOMEOWNERS RATE FILING
 AS PER 11 NCAC 10.1105

13. LEVEL OF CAPITAL AND SURPLUS NEEDED TO SUPPORT PREMIUM WRITINGS WITHOUT ENDANGERING THE SOLVENCY OF MEMBER COMPANIES

(a) The aggregate premium to surplus ratios for the calendar years 1996-2005 for the company groups which have written North Carolina homeowners insurance during that entire period are as follows:

1996	1.40
1997	1.08
1998	0.98
1999	0.98
2000	1.03
2001	1.20
2002	1.42
2003	1.37
2004	1.26
2005	1.20

Note: These data are available from Best's Data Service and Best's Aggregate and Averages.

(b) The experience provides the best estimate of the future. See the prefiled testimony of D. Appel.

(c) The actual premium to surplus ratio for the property and casualty industry on a countrywide basis (based upon the latest A. M. Best data available at this time) is as follows:

(000's omitted)

STATUTORY CAPITAL AND SURPLUS, 2005	425,759,945
STATUTORY CAPITAL AND SURPLUS, 2004	391,294,412
AVERAGE STATUTORY CAPITAL AND SURPLUS (2005)	408,527,105
NET PREMIUMS EARNED (2005)	429,810,273
PREMIUM/SURPLUS RATIO	1.052

The actual level of capital and surplus needed to support premium writings without endangering the solvency of a company is dependent upon (among others) the financial structure and investments unique to each company, the relationship of the company with affiliated companies as a group (and the experience of the affiliated companies), the mix of business of each company, and the conditions of the economy as they affect each company's individual circumstances. The Rate Bureau is advised that the National Association of Insurance Commissioners, as one of several criteria, generally considers that a premium to surplus ratio for an individual company of 3 to 1 warrants close regulatory attention and monitoring with respect to the company's solvency position.

(d) The Rate Bureau has not allocated surplus by state and by line in preparing this filing. The Rate Bureau has treated surplus in this manner because each dollar of surplus is available to cover losses in excess of premium for each and every line.

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA
REQUIREMENTS FOR A HOMEOWNERS RATE FILING
AS PER 11 NCAC 10.1105

14. OTHER INFORMATION REQUIRED BY THE COMMISSIONER.

See attached Exhibit (14)(a) and (14)(c).

See the pre-filed testimony of D. Appel, J. Vander Weide and R. Curry.

Exhibit (14) (b)

Minutes of meetings affecting this filing, which will show attendees and their titles and affiliations, have not been finalized and approved by the respective committees.

With regard to the information requested under Item (14) (c) the Rate Bureau submits the following:

2005 Homeowners Rate Filing

Insurance Services Office:

ISO has advised the Rate Bureau that the ISO assessment is not directly made for specific rate filings and reviews. While the assessment covers all of the basic required services for developing rates and preparing the filing, the assessment is based on North Carolina premium volume multiplied by countrywide assessment factors. These factors are developed by dividing the cost of each insurance line and service by the premium volume of all insurers affiliated with ISO for each representative line and service. During 2003 and 2004, ISO billed the Rate Bureau approximately \$694,929 and \$742,315, respectively, for charges relating to homeowners insurance services, including forms, rules, public protection grading and other services unrelated to this homeowners rate filing.

Young, Moore & Henderson, P.A.:

The firm has billed the Rate Bureau approximately \$228,433 for services rendered directly in connection with the preparation of the 2005 homeowners rate filing.

Milliman USA:

The firm has billed the Rate Bureau approximately \$68,499 for services rendered in connection with the 2005 homeowners rate filing.

AIR Worldwide Corporation:

The firm has provided services for \$27,600 in connection with matters involving the 2005 homeowners rate filing.

Financial Strategy Associates:

The firm has billed the Rate Bureau \$8,063 for services rendered in connection with the 2005 homeowners rate filing.

2006 Homeowners Rate Filing

Insurance Services Office:

ISO has advised the Rate Bureau that the ISO assessment is not directly made for specific rate filings and reviews. While the assessment covers all of the basic required services for developing rates and preparing the filing, the assessment is based on North Carolina premium volume multiplied by countrywide assessment factors. These factors are developed by dividing the cost of each insurance line and service by the premium volume of all insurers affiliated with ISO for each representative line and service. During 2006 to date, ISO billed the Rate Bureau approximately \$1,054,400 for charges relating to homeowners insurance services, including forms, rule, public protection grading and other services unrelated to this homeowners rate filing.

Young, Moore & Henderson, P.A.:

The firm has billed the Rate Bureau approximately \$49,275 for services rendered directly in connection with the preparation of the 2006 homeowners rate filing.

Milliman USA:

The firm has billed the Rate Bureau approximately \$14,636 for services rendered in connection with the 2006 homeowners rate filing.

AIR Worldwide Corporation:

The firm has provided services for \$45,000 in connection with matters involving the 2006 homeowners rate filing.

Financial Strategy Associates:

The firm has billed the Rate Bureau \$4,500 for services rendered in connection with the 2006 homeowners rate filing.

The following changes in methodology from those used in the February 25, 2005 filing have been incorporated into this filing:

- Included aggregate demand surge component of the AIR hurricane model utilized.
- Used AIR "near-term" hurricane model in the derivation of the net cost of reinsurance.
- Underwriting profit provision was conservatively selected such that, even when combined with all sources of investment income, the pro forma return on GAAP equity it generates is not excessive.

See also the prefiled testimony of R. Curry, S. Thomas and D. Appel.

**HOMEOWNERS POLICY PROGRAM MANUAL
TERRITORY PAGES**

NORTH CAROLINA (32)

1. TERRITORY DEFINITIONS – (For all Coverages and Perils Other than Earthquake).

A. Cities

City of	County of	Code
Charlotte	Mecklenburg	38
Durham	Durham	32
Greensboro	Guilford	36
Raleigh	Wake	32
Winston-Salem	Forsyth	36

B. Other Than Cities

County of	Code
Alamance	57
Alexander	60
Alleghany	60
Anson	44
Ashe	60
Avery	60
Beaufort	43
Bertie	45
Bladen	41
Brunswick	42
Buncombe	60
Burke	60
Cabarrus	60
Caldwell	60
Camden	43
Carteret	43
Caswell	46
Catawba	60
Chatham	53
Cherokee	60
Chowan	43
Clay	60
Cleveland	60
Columbus	41
Craven	43
Cumberland	34
Currituck	43
Dare	43
Davidson	57
Davie	60
Duplin	45
Durham	53
Edgecombe	47
Forsyth	57
Franklin	47
Gaston	39
Gates	45
Graham	60
Granville	46
Greene	45
Guilford	57
Halifax	47
Harnett	47
Haywood	60

County of	Code
Henderson	60
Hertford	45
Hoke	47
Hyde	43
Iredell	60
Jackson	60
Johnston	47
Jones	43
Lee	47
Lenoir	45
Lincoln	60
Macon	60
Madison	60
Martin	45
McDowell	60
Mecklenburg	39
Mitchell	60
Montgomery	44
Moore	47
Nash	47
New Hanover	42
Northampton	47
Onslow	42
Orange	53
Pamlico	43
Pasquotank	43
Pender	42
Perquimans	43
Person	46
Pitt	45
Polk	60
Randolph	57
Richmond	44
Robeson	41
Rockingham	60
Rowan	60
Rutherford	60
Sampson	45
Scotland	47
Stanly	60
Stokes	60
Surry	60
Swain	60
Transylvania	60
Tyrrell	43
Union	39
Vance	46
Wake	53
Warren	46
Washington	43
Watauga	60
Wayne	45
Wilkes	60
Wilson	47
Yadkin	57
Yancey	60

Beach Area – Localities south and east of the Inland Waterway from the South Carolina Line to Fort Macon (Beaufort Inlet), thence south and east of Core, Pamlico, Roanoke and Currituck Sounds to the Virginia Line, being those portions of land generally known as the "Outer Banks."

Beach Areas in Carteret, Currituck, Dare and Hyde Counties: 05

Beach areas in Brunswick, New Hanover, Onslow and Pender Counties: 06

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RULE 702.

OTHER EXPOSURES – MEDICAL PAYMENTS TO
OTHERS INCREASED LIMITS

Basic Limit Rule #	Coverage F – Medical Payments	\$2,000	\$3,000	\$4,000	\$5,000
524.	Other Members of an Insured's Household	\$ 1	\$ 2	\$ 3	\$ 4
526.	Residence Held in Trust All Forms Except HO 00 04	1	2	3	4
527.	Student Away From Home	1	2	3	4
602.	Other Insured Locations Occupied By Insured	1	2	3	4
603.	Residence Employees	1	2	3	4
604.	Add'l. Residence Rented to Others	1	2	3	4
605.	Other Structures Rented to Others – Residence Premises	1	2	3	4
607.	Home Day Care Coverage	5	10	15	19
608.	Permitted Incidental Occupancies				
	1. Residence Premises	5	10	15	19
	2. Other Residence	3	6	9	11
609.	Business Pursuits				
	1. Clerical Employees	1	2	3	4
	2. Salesperson, Installation, etc. Included or Excluded	1	2	3	4
	3. Teachers				
	a. Lab, etc.	2	4	6	7
	b. Not otherwise classified	1	2	3	4
	c. Corporal Punishment	Medical Payments Not Available			
611.	Incidental Motorized Land Conveyances	1	2	3	4
612.	Outboard Motors and Watercraft				
	1. Outboard, Inboard or Inboard – Outboard engines or Motors				
	a) Up to 15 feet:				
	Up to 50 hp.	3	6	9	11
	51 to 100 hp.	4	8	12	14
	101 to 150 hp.	6	12	18	21
	151 to 200 hp.	Refer to Company			
	Over 200 hp.	Refer to Company			
	b) Over 15 to 26 feet:				
	Up to 50 hp.	4	8	12	14
	51 to 100 hp.	6	12	18	21
	101 to 150 hp.	8	16	24	28
	151 to 200 hp.	12	24	36	42
	Over 200 hp.	Refer to Company			
	2. Sailboats, with or without auxiliary power				
	26 to 40 feet	3	6	9	11
	Over 40 feet	Refer to Company			
613.	Owned Snowmobile	Not Applicable			
615.	Incidental Farming Personal Liability	1	2	3	4

Table 702. Other Exposures – Medical Payments To
Others Increased Limits

**RULE 608.
PERMITTED INCIDENTAL OCCUPANCIES –
RESIDENCE PREMISES AND OTHER RESIDENCES**

B. Premium

Rate per Residence:

1. Residence Premises – \$17
2. Other Residence – \$17

**RULE 609.
BUSINESS PURSUITS**

B. Premium

Rate per Insured Person:

1. Clerical Employees – \$5
2. Sales person, Collector or Messenger – Installation, demonstration or servicing operation:
Included – \$7
Excluded – \$5
3. Teachers
 - a. Laboratory, athletic, manual or physical training – \$13
 - b. Not otherwise classified – \$6
 - c. Corporal punishment (add to Paragraph 3.a. or 3.b.) – \$5

**RULE 610.
PERSONAL INJURY**

B. Premium

Rate per Policy – \$13

**RULE 611.
INCIDENTAL LOW POWER RECREATIONAL MOTOR
VEHICLES**

B. Premium

Rate per Conveyance – \$15

**RULE 612.
OUTBOARD MOTORS AND WATERCRAFT**

C. Premium

1. Outboard, Inboard, or Inboard-Outdrive Engines or Motors:

Horsepower	Length	
	Up To 15 Feet	Over 15 To 26 Feet
	Rate	Rate
Up to 50*	\$ 41	\$ 64
51 to 100	69	92
101 to 150	98	121
151 to 200	Refer to Company	149
Over 200	Refer to Company	Refer to Company

* Outboard engines or motors of up to 25 horsepower or sailboats less than 26 feet in overall length with or without auxiliary power are covered in the policy form.

Table 612.C.1. Outboard, Inboard, Or Inboard-Outdrive Engines Or Motors

2. Sailboats With or Without Auxiliary Power:

Overall Length/Feet	Rate
26 to 40 feet*	\$ 44
Over 40 feet	Refer to Company

* Outboard engines or motors of up to 25 horsepower or sailboats less than 26 feet in overall length with or without auxiliary power are covered in the policy form.

Table 612.C.2. Sailboats With Or Without Auxiliary Power

**RULE 613.
OWNED SNOWMOBILE**

B. Premium

Rate per Snowmobile – Not Applicable

**RULE 615.
INCIDENTAL FARMING PERSONAL LIABILITY**

A. On The Residence Premises

2. Premium

Farming done On The Residence Premises – \$40

B. Away From The Residence Premises

2. Premium

Farming done Away From The Residence Premises – \$60

**RULE 601.
RESIDENCE PREMISES – BASIC AND INCREASED
LIMITS/OTHER EXPOSURES – BASIC LIMITS**

A. Residence Premises

3. Increased Limits

Coverage E – Liability			
1 and 2 Family Premium		3 or 4 Family Premium	
Reduced Coverage E Limit (Credit)			
Limit	Rate	Limit	Rate
\$ 25,000	\$ 11	\$ 25,000	\$ 22
50,000	6	50,000	11
Basic And Increased Coverage E Limit			
Limit	Rate	Limit	Rate
\$ 100,000	–	100,000	–
200,000	\$ 5	200,000	\$ 10
300,000	8	300,000	16
400,000	10	400,000	20
500,000	12	500,000	23
750,000	14	750,000	28
1,000,000	16	1,000,000	32

Table 601.A.3.#1 Coverage E – Liability

Coverage F – Medical Payments	
Limit	Rate
\$ 1,000	–
2,000	\$ 3
3,000	6
4,000	9
5,000	12

Table 601.A.3.#2 Coverage F – Medical Payments

**RULE 602.
OTHER INSURED LOCATION OCCUPIED BY INSURED**

B. Premium

Rate per Residence:

One Family – \$7

Two Family – \$14

Three Family – \$27

Four Family – \$29

**RULE 603.
RESIDENCE EMPLOYEES**

B. Rate per Person in Excess of Two – \$5

**RULE 604.
ADDITIONAL RESIDENCE RENTED TO OTHERS**

B. Premium

Rate per Residence:

One Family – \$32

Two Family – \$51

Three Family – \$86

Four Family – \$93

**RULE 605.
OTHER STRUCTURES RENTED TO OTHERS –
RESIDENCE PREMISES**

B. Premium

Rate per Structure – \$32

**RULE 607.
HOME DAY CARE COVERAGE**

C. Premium

1. Rate per Person:

1 – 3 Persons – \$114

4 – 5 Persons – \$199

RULE 528.
HOME BUSINESS INSURANCE COVERAGE (Cont'd)

(2) Service, Sales and Crafts

Gross Annual Receipts**	Business Visitors Per Week*					
	Services		Sales		Crafts	
	Under 10	10 Or More	Under 10	10 Or More	Under 10	10 Or More
Up to \$50,000	\$ 14.50	\$ 21.75	\$ 6.50	\$ 9.75	\$ 6.50	\$ 9.75
\$50,001 to \$100,000	43.50	65.25	19.50	29.25	19.50	29.25
\$100,001 to \$175,000	79.75	119.63	35.75	53.63	35.75	53.63
\$175,001 to \$250,000	123.25	184.88	55.25	82.88	55.25	82.88

* New Business, use 10 or more classification.
** New Business, use \$50,001 to \$100,000 classification.

Table 528.D.3.a.(2) Service, Sales And Crafts Basic Limits Premium

c. Coverage F – Increased Limits

(2) All home business classifications:

Business Visitors Per Week	All Home Business Classifications Homeowners Increased Limit Of Liability			
	\$2,000	\$3,000	\$4,000	\$5,000
Under 10	\$ 5.00	\$ 10.00	\$ 15.00	\$ 19.00
10 or more	7.00	12.00	18.00	22.00

Table 528.D.3.c.(2) Increased Limit

F. Options

1. Additional Insured

a. Managers Or Lessors Of Premises Leased To An Insured

(2) Premium

Rate per location/per additional insured – \$14

5. Special Coverage – Spoilage Of Perishable Stock

b. Premium

Rate per \$1,000:

(1) Florists – \$2

(2) Other Classes of Business – Refer to Company

6. Valuable Papers And Records Endorsements

Rate per \$1,000:

a. Increased Limits

For Endorsement HO 07 56:

(2) Premium

(a) Named Perils Coverage (HO 00 02, HO 00 03, HO 00 04 and HO 00 06) – \$1

(b) Open Perils Coverage (HO 00 05, HO 00 04 with HO 32 95 and HO 00 06 with HO 32 35) – \$2

b. Special Coverage

For Endorsements (HO 07 56 and HO 32 57):

(2) Premium

(a) First \$2,500:

HO 00 02, HO 00 03, HO 00 04 and HO 00 06 – \$3

HO 00 05, HO 00 04 with HO 32 95 and HO 00 06 with HO 32 35 – \$2

(b) Each additional \$1,000 – all forms – \$2

7. Off-Premises Property Coverage – Increased Limits

b. Premium

Rate per \$2,500:

HO 00 02, HO 00 03, HO 00 04 and HO 00 06 – \$25

HO 00 05, HO 00 04 with HO 32 95 and HO 00 06 with HO 32 35 – \$37

**RULE 527.
STUDENT AWAY FROM HOME (Cont'd)**

- 2. Section II Increased Limits
Add to the basic limit Rate in Paragraph 1.:
 - a. For Coverage E:

Reduced Coverage E Limits (Credit)	
Limit	Rates
\$ 25,000	\$ 17
50,000	9
Basic And Increased Coverage E Limits	
Limit	Rates
\$ 200,000	\$ 8
300,000	12
400,000	15
500,000	18
750,000	21
1,000,000	24

Table 527.C.2.a. Coverage E Limits

- b. For Coverage F:
Refer to Rule 702. for Rates for limits above \$1,000.

**RULE 528.
HOME BUSINESS INSURANCE COVERAGE**

D. Home Business Premium Computation

3. Section II – Business Liability

a. Basic Limits Premium

For Coverages E and F:

(1) Office (Gross Annual Receipts up to \$250,000)

Business Visitors Per Week*	Under 10	10 Or More
	\$ 2.44	\$ 3.66

* New Business, use 10 or more classification

Table 528.D.3.a.(1) Office Basic Limits Premium

RULE 523.
ASSISTED LIVING CARE COVERAGE (Cont'd)

b. Coverage E (Coverage F does not apply to this option.)

Reduced Coverage E Limits (Credit)	
Limit	Rates
\$ 25,000	\$ 6
50,000	3
Basic And Increased Coverage E Limits	
Limit	Rates
\$ 200,000	\$ 3
300,000	4
400,000	5
500,000	6
750,000	7
1,000,000	8

Table 523.C.2.b. Coverage E Limits

RULE 524.
OTHER MEMBERS OF A NAMED INSURED'S HOUSEHOLD

C. Premium

1. Section I and Section II Basic Limits
Rate per person named in the Schedule – \$60
2. Section II Increased Limits
Add to the basic limit Rate in Paragraph 1.:
 - a. For Coverage E:

Reduced Coverage E Limits (Credit)	
Limit	Rates
\$ 25,000	\$ 17
50,000	9
Basic And Increased Coverage E Limits	
Limit	Rates
\$ 200,000	\$ 8
300,000	12
400,000	15
500,000	18
750,000	21
1,000,000	24

Table 524.C.2.a. Coverage E Limits

- b. For Coverage F:
Refer to Rule 702. for Rates for limits above \$1,000

RULE 525.
MOTORIZED GOLF CART – PHYSICAL LOSS COVERAGE

E. Premium

The following charge is the minimum annual premium for each motorized golf cart for any period within a policy year:

- Rate per motorized golf cart **without** collision – \$7
- Rate per motorized golf cart **with** collision – \$12

RULE 526.
RESIDENCE HELD IN TRUST ALL FORMS EXCEPT HO 00 04

F. Premium

For basic limits rates:

1. Trustee

Applies whether or not the trustee resides on the residence premises – \$26

2. Beneficiary And/Or Grantor

a. Beneficiary or grantor named in the endorsement; and

- (1) Trustee resides on the residence premises – \$26
- (2) Trustee does **not** reside on the residence premises – No add'l Charge

b. Beneficiary and grantor named in the endorsement; and

- (1) Trustee resides on the residence premises – \$51
- (2) Trustee does **not** reside on the residence premises – \$26

For increased limits:

For Coverage E:

Refer to Rule 701. for increased limits factors.

For Coverage F:

Refer to Rule 702. for increased limits charges.

RULE 527.
STUDENT AWAY FROM HOME

C. Premium Determination

1. Section I and Section II Basic Limits
Rate per location – \$68

**RULE 515.
PERSONAL PROPERTY**

- A. Increased Limit**
3. Rate Per \$1,000:
HO 00 02 or HO 00 03 – \$2
HO 00 05 – \$3
- B. Increased Limit – Other Residences**
3. Rate Per \$1,000 – \$7
- C. Reduction In Limit**
2. Credit per \$1,000 – \$1
- D. Increased Special Limits Of Liability**
1. Jewelry, Watches and Furs – Rate per \$1,000 – \$18
Increased sub-limit per article:

Rate for \$2,000 – \$9
Rate for \$2,500 – \$18
2. Money Rate per \$100 – \$6
3. Securities – Rate per \$100 – \$4
4. Silverware – Rate per \$500 – \$3.25
5. Firearms – Rate per \$100 – \$3
6. Electronic Apparatus – Rate per \$500 – \$10
- E. Refrigerated Personal Property**
3. Charge per policy – \$10
- F. Theft Coverage Increase – HO 00 08**
3. Premium
- a. On-Premises
Rate per \$2,000 – \$19
- b. Off-Premises
Additional Charge – \$10
- G. Additional Coverage – Jewelry And Furs**
3. Charge per policy – \$7
Rate per \$1,000 – \$15
Increased sub-limit per article:

Rate for \$2,000 – \$7.50
Rate for \$2,500 – \$15
- H. Rented Personal Property**
1. Basic Limit
- c. Premium
Theft (Burglary Peril Added) – Charge per unit – \$3
2. Increased Limits
- c. Rate per \$1,000 per unit:
Including Theft – \$3
Excluding Theft – \$2

**RULE 517.
RENTAL TO OTHERS – EXTENDED THEFT COVERAGE
ALL FORMS EXCEPT HO 00 05, HO 00 04 WITH
HO 32 95 OR HO 00 06 WITH HO 32 35**

- B. Premium**
Rate per policy – \$30

**RULE 518.
SINKHOLE COLLAPSE COVERAGE ALL FORMS
EXCEPT HO 00 04 AND HO 00 06**

- B. Premium Determination**
1. Rate per \$1,000 – \$35

**RULE 519.
SPECIAL COMPUTER COVERAGE ALL FORMS
EXCEPT HO 00 05, HO 00 04 WITH HO 32 95 OR
HO 00 06 WITH HO 32 35**

- B. Premium**
Charge per policy – \$15

**RULE 521.
WATER BACK UP AND SUMP DISCHARGE OR
OVERFLOW**

- C. Premium**
Charge per policy – Up to the policy limits of liability – \$25

**RULE 522.
LANDLORDS FURNISHINGS**

- C. Premium**
Rate per \$500 per unit
1. Forms HO 00 02 and HO 00 03 – \$1
2. Form HO 00 05 – \$2

**RULE 523.
ASSISTED LIVING CARE COVERAGE**

- C. Premium**
1. Section I and Section II Basic Limits
Rate per unit – \$77
2. Increased Limits
Add to the basic limit Rate in Paragraph 1.:
- a. Coverage C – Rate per \$1,000 – \$7

RULE 507.
FORM HO 00 06 COVERAGE A DWELLING BASIC AND INCREASED LIMITS AND SPECIAL COVERAGE HO 00 06

C. Special Coverage

1. Charge per policy for \$1,000 in basic form – \$2
2. Rate for each add'l \$1,000 of Coverage A – \$1

RULE 509.
HOME DAY CARE COVERAGE

D. Premium Computation

1. Section I

- c. Rate per \$1,000 for business in other structure – \$5

RULE 510.
PERMITTED INCIDENTAL OCCUPANCIES RESIDENCE PREMISES

E. Premium Computation

1. Section I

- c. Rate per \$1,000 for business in other structure – \$5

RULE 511.
LOSS ASSESSMENT COVERAGE

A. Residence Premises

3. Premium

All forms except HO 00 03, HO 00 05 or HO 00 06 with HO 32 34

New Amount Of Coverage	
\$ 5,000	\$ 3
10,000	5
Each add'l \$5,000 up to \$50,000	1

Table 511.A.3.#1 Additional Charge

HO 00 03, HO 00 05 or HO 00 06 with HO 32 34

New Amount Of Coverage	
\$ 5,000	\$ 4
10,000	7
Each add'l \$5,000 up to \$50,000	2

Table 511.A.3.#2 Additional Charge

B. Additional Locations

2. Premium

All forms except HO 00 03, HO 00 05 or HO 00 06 with HO 32 34

New Amount Of Coverage	
\$ 1,000	\$ 5
5,000	8
10,000	10
Each add'l \$5,000 up to \$50,000	1

Table 511.B.2.#1 Additional Charge

HO 00 03, HO 00 05 or HO 00 06 with HO 32 34

New Amount Of Coverage	
\$ 1,000	\$ 6
5,000	10
10,000	13
Each add'l \$5,000 up to \$50,000	2

Table 511.B.2.#2 Additional Charge

RULE 512.
LOSS OF USE – INCREASED LIMIT

- B. Rate per \$1,000 – \$4

RULE 514.
OTHER STRUCTURES

A. On-Premises Structures

1. Specific Structure – Increased Limits

a. Premium

Rate per \$1,000 for policies with windstorm or hail coverage – \$4

Territories 05, 06, 42 And 43 Only – Rate per \$1,000 for policies excluding windstorm or hail coverage – \$2

2. Structure On The Residence Premises Rented To Others

a. Premium

(1) Rate per \$1,000 for policies with windstorm or hail coverage – \$5

Territories 05, 06, 42 And 43 Only – Rate per \$1,000 for policies excluding windstorm or hail coverage – \$3

B. Structures Off The Residence Premises

1. Forms HO 00 02, HO 00 03 And HO 00 05

b. Premium

Off premises structures charge per policy – \$15

2. All Forms

a. Premium

(2) Specific structures – Off-Premises Rate per \$1,000 – \$5

**RULE 505.
EARTHQUAKE COVERAGE**

D. Base Premium

Base Deductible -- Rate Per \$1,000				
	Zone	Frame+	Masonry+	Superior
Table A				
All forms except HO 00 04 and HO 00 06	3	\$.54	\$ 1.24	\$.86
	4	.35	1.24	.50
	5	.27	.86	.36
Table B				
Form HO 00 04 or Form HO 00 06 (apply to Coverage C limit) and Higher Coverage C limits for other forms	3	\$.36	\$.95	\$.36
	4	.23	.82	.23
	5	.18	.57	.18
Table C				
Form HO 00 06 (apply to Coverage A limit), Higher Coverage D Limits, Endorsement HO 04 48 and Other Building Options	3	\$.36	\$ 1.05	\$.68
	4	.23	1.05	.39
	5	.18	.57	.27
+If exterior Masonry Veneer is covered, rate as Masonry; if not covered, rate as Frame.				

Table 505.D.#1 Premium For Base Deductible

Zone 3			
Anson	Columbus	Mecklenburg	Scotland
Brunswick	Davie	Montgomery	Stanly
Cabarrus	Gaston	Richmond	Union
Catawba	Iredell	Robeson	
Cleveland	Lincoln	Rowan	

Table 505.D.#2 Earthquake Zone 3

Zone 4			
Alexander	Clay	Macon	Rutherford
Alleghany	Cumberland	Madison	Surry
Ashe	Davidson	McDowell	Swain
Avery	Forsyth	Mitchell	Transylvania
Bladen	Graham	Moore	Watauga
Buncombe	Haywood	New Hanover	Wilkes
Burke	Henderson	Pender	Yadkin
Caldwell	Hoke	Polk	Yancey
Cherokee	Jackson	Randolph	

Table 505.D.#3 Earthquake Zone 4

Zone 5			
Balance of State			

Table 505.D.#4 Earthquake Zone 5

ADDITIONAL RULE(S)

**RULE A2.
INSTALLMENT PAYMENT PLAN**

C. Charge per installment – \$3

**RULE A3.
WINDSTORM OR HAIL EXCLUSION – TERRITORIES 05,
06, 42 AND 43 ONLY**

Territories 05 And 06		Territories 42 And 43	
All Forms Except HO 00 04 and HO 00 06	\$ 847	All Forms Except HO 00 04 and HO 00 06	\$ 417
HO 00 04	51	HO 00 04	37
HO 00 06	73	HO 00 06	35

Table A3. Wind Or Hail Exclusion Credit

**RULE A4.
THEFT COVERAGE – NEWLY CONSTRUCTED
DWELLINGS**

B. Premium
Charge per policy – \$13

**RULE A5.
WATERBED LIABILITY – FORMS HO 00 04 AND
HO 00 06**

B. Premium
Charge per policy – \$14

**RULE A8.
DWELLING UNDER CONSTRUCTION – THEFT
COVERAGE**

B. Premium
Rate per \$1,000 of Coverage A limit – \$1

**RULE 105.
SECONDARY RESIDENCE PREMISES**

B. Premium Adjustment
2. Credit – \$10

**RULE 204.
MULTIPLE COMPANY INSURANCE**

C. Premium
3. Credit – \$10

**RULE 205.
MINIMUM PREMIUM**

D. Minimum Premium – \$50

**RULE 207.
WAIVER OF PREMIUM**

B. Amount that may be waived – \$3 or less

**RULE 403.
PERSONAL PROPERTY (COVERAGE C)
REPLACEMENT COST LOSS SETTLEMENT**

F. Premium Determination
4. Minimum additional charge – \$20

**RULE 404.
PROTECTIVE DEVICES**

C. Premium Development
Maximum credit allowed – \$75

**RULE 406.
DEDUCTIBLES**

B. Optional Deductibles
1. Additional Premium Charge
b. Minimum additional charge – \$30
Maximum additional charge – \$60

**RULE 503.
BUSINESS PROPERTY – INCREASED LIMIT**

A. On-Premises
2. Rate per \$2,500 – \$25

**RULE 504.
CREDIT CARD, ELECTRONIC FUND TRANSFER CARD
OR ACCESS DEVICE, FORGERY & COUNTERFEIT
MONEY**

B. Premium

Limit	
\$ 1,000	\$ 1
2,500	3
5,000	4
7,500	5
10,000+	6
+ For limits in excess of \$10,000, refer to company.	

Table 504.B. Additional Charge

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RULE 614.
FARMERS PERSONAL LIABILITY

Rule 614. does not apply.

RULE 616.
**OPTIONAL PROPERTY REMEDIATION FOR ESCAPED
LIQUID FUEL AND LIMITED LEAD AND ESCAPED
LIQUID FUEL LIABILITY COVERAGES**

Rule 616. does not apply.

PART VII
SECTION II – LIABILITY – OTHER EXPOSURES
INCREASED LIMITS

RULE 701.
OTHER EXPOSURES – PERSONAL LIABILITY
INCREASED OR REDUCED LIMITS

Rule 701. is replaced by the following:

Apply the appropriate factor shown in the following table to the basic limits premium for each exposure.

Limit	Factor
\$25,000	.67
50,000	.83
200,000	1.15
300,000	1.24
400,000	1.30
500,000	1.35
750,000	1.41
1,000,000	1.47

Table 701. Personal Liability Increased Limits

RULE 528.
HOME BUSINESS INSURANCE COVERAGE (Cont'd)

Paragraphs F.5.a. and F.5.c. are replaced by the following:

F. Options**5. Special Coverage – Spoilage Of Perishable Stock****a. Coverage**

Provides special coverage for the perishable stock specifically listed in the Schedule of Endorsement HO 32 55. The limit of liability is also listed in the endorsement.

c. Endorsement

Use Special Coverage – Spoilage Of Perishable Stock Endorsement HO 32 55.

Paragraphs F.6.b.(1)(b) and F.6.b.(3) are replaced by the following:

6. Valuable Papers And Records Endorsements**b. Special Coverage****(1) Coverage**

(b) Special coverage in Forms HO 00 05, HO 00 04 with HO 32 95 and HO 00 06 with HO 32 35;

(3) Endorsement

Use Special Coverage For Valuable Papers And Records Endorsement HO 32 57.

PART VI
SECTION II – LIABILITY – ADDITIONAL COVERAGES
AND INCREASED LIMITS RULES

RULE 601.
RESIDENCE PREMISES – BASIC AND INCREASED
LIMITS/OTHER EXPOSURES – BASIC LIMITS

Paragraph A. is replaced by the following:

A. Residence Premises

1. Basic limits of liability for Coverage E (Personal Liability) and Coverage F (Medical Payments to Others) are \$100,000 and \$1,000, respectively. The premium for these limits is included in the Base Premium.
2. Premium credits are provided for reduced Coverage E limits of \$50,000 and \$25,000. No other limits below \$100,000 are available.
3. Refer to the state rate pages Rule 601. for increased and reduced limits rates.
4. If increased or reduced limits are written, then the same limits must apply to any other exposures covered under the policy, unless otherwise stated.

Paragraphs B.3. and B.4. are replaced by the following:

B. Other Exposures

3. For increased or reduced limits for Other Exposures, refer to Rules 701. and 702.
4. If increased or reduced limits are written, then the same limits must apply to the Residence Premises, unless otherwise stated.

RULE 606.
COMPUTER-RELATED DAMAGE OR INJURY
EXCLUSION AND COVERAGE OPTIONS

Rule 606. does not apply.

RULE 607.
HOME DAY CARE COVERAGE

Paragraphs C.2. and C.3. are replaced by the following:

C. Premium

2. This premium is for an annual aggregate limit of \$100,000 with a Coverage F sub-limit of \$1,000 per-person/per-accident. If other Section II exposures are written for higher or lower dollar limits, use the Coverage E increased or reduced limits factors to adjust the aggregate limit, and the Coverage F charges to raise the Coverage F sub-limit.
3. The premium is for 1 through 3 persons or 4 through 5 persons, other than insureds, receiving day care services. If the day care business involves the care of more than 5 persons, other than insureds, refer to company.

RULE 610.
PERSONAL INJURY

Paragraph C. is replaced by the following:

C. Endorsement

Use Personal Injury Endorsement HO 32 82.

RULE 613.
OWNED SNOWMOBILE

Rule 613. does not apply.

**RULE 515.
PERSONAL PROPERTY (Cont'd)**

3. Endorsement

- a. Rented Personal Property Endorsement HO 32 21 indicates when the Theft option and/or Increased Limits option are selected.
- b. When Increased Limits are selected, the increased limit and the total limit of liability are designated on the endorsement.
- c. The insured may select one option or both.

**RULE 517.
RENTAL TO OTHERS – EXTENDED THEFT COVERAGE
ALL FORMS EXCEPT HO 00 05, HO 00 04 WITH
HO 32 95 OR HO 00 06 WITH HO 32 35**

The title of Rule 517. Rental To Others – Extended Theft Coverage All Forms Except HO 00 05, HO 00 04 With HO 05 24 Or HO 00 06 With HO 17 31 is replaced by the preceding title.

**RULE 519.
SPECIAL COMPUTER COVERAGE ALL FORMS
EXCEPT HO 00 05, HO 00 04 WITH HO 32 95 OR
HO 00 06 WITH HO 32 35**

The title of Rule 519. Special Computer Coverage All Forms Except HO 00 05, HO 00 04 With HO 05 24 Or HO 00 06 With HO 17 31, is replaced by the preceding title and the text is replaced by the following:

A. Coverage Description

The policy may be endorsed to insure computers and related equipment against additional risks of physical loss subject to certain exclusions.

B. Premium

Refer to the state rate pages for additional charge.

C. Endorsement

Use Special Computer Coverage Endorsement HO 32 37.

**RULE 520.
LIVESTOCK COLLISION COVERAGE**

Rule 520. does not apply.

**RULE 521.
WATER BACK UP AND SUMP DISCHARGE OR
OVERFLOW**

Rule 521. is replaced by the following:

A. Coverage Description

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. Coverage Option

The policy may be endorsed to provide such coverage up to the policy limits of liability.

C. Premium

Refer to the state rate pages for the additional charge.

D. Endorsement

Use Water Back Up and Sump Overflow Endorsement HO 04 84.

**RULE 528.
HOME BUSINESS INSURANCE COVERAGE**

Paragraph C.4.b. does not apply.

Table 528.D.2.a. is replaced by the following:

Gross Annual Receipts*	HO 00 02, 3, 5 & 8	HO 00 04	HO 00 06
Up to \$50,000	.11	.46	.49
\$ 50,001 to \$100,000	.16	.69	.73
100,001 to 175,000	.23	.97	1.04
175,001 to 250,000	.31	1.31	1.40
* New business, use \$50,001 to \$100,000 classification			

Table 528.D.2.a. Factors

Paragraph E. is replaced by the following:

E. Endorsement

Use Home Business Insurance Coverage – North Carolina Endorsement HO 32 90.

RULE 508.
FORM HO 00 06 UNITS REGULARLY RENTED TO OTHERS

Paragraph A.2. is replaced by the following:

A. Coverage C And Section II Liability

2. The Coverage C minimum limit of liability may be waived when the value of the insured's personal property in the rented unit is less than \$6,000.

Paragraph B. is replaced by the following:

B. Premium Computation

Multiply the Coverage C Base Premium (less the credit for higher deductibles) by a factor of .25.

RULE 515.
PERSONAL PROPERTY

Paragraph D.1. is replaced by the following:

D. Increased Special Limits Of Liability

1. The Special Limits of Liability in the policy form for the categories of property noted in the following table may be increased to the maximum limits shown:

Special Limits

Personal Property	Limit In Form	Maximum Limit Allowed
1. Jewelry, Watches and Furs	\$ 1,500	\$ 6,500*
2. Money	200	1,000
3. Securities	1,500	3,000
4. Silverware, Goldware and Pewterware	25% of Coverage C	10,000**
5. Firearms	10% of Coverage C	10,000***
6. Electronic Apparatus		
a. In or upon a motor vehicle or motorized land conveyance	1,500	6,000**
b. Not in or upon a motor vehicle that is away from the residence premises and used for business.	1,500	6,000**
* Not exceeding the \$1,500 sub-limit for any one article. However, the \$1,500 sub-limit for any one article may be increased to \$2,500 in increments of \$500.		
** Increase must be in increments of \$500.		
*** Increase must be in increments of \$100.		

Table 515.D.1. Special Limits

Paragraphs D.3. and D.4. are replaced by the following:

3. Use Coverage C Increased Special Limits Of Liability Endorsement HO 32 88 – for all forms except as noted in Paragraph 4.
4. Use Coverage C Increased Special Limits Of Liability Endorsement HO 32 89 for Form HO 00 05, Form HO 00 04 with Special Personal Property Coverage Endorsement HO 32 95 and Form HO 00 06 with Unit-Owners Coverage C Special Coverage Endorsement HO 32 35.

The following is added to Rule 515.:

G. Additional Coverage – Jewelry And Furs

1. The policy may be endorsed to provide an increased limit of liability (up to \$6500) and coverage for additional risks of loss on unscheduled jewelry and furs.
2. The sub-limit payable for theft of any one article is \$1,500 and may be increased to \$2,500 in increments of \$500.
3. Refer to the state rate pages for the additional charge.
4. Use Additional Coverages – Unscheduled Jewelry And Furs Endorsement HO 32 27.
5. If Coverage C Increased Special Limits Of Liability Endorsement HO 32 88 or HO 32 89, is also endorsed on the policy, Item e. of the endorsement (which pertains to jewelry and furs) should be left blank in deference to the limits provided under Additional Coverages Endorsement HO 32 27.

H. Rented Personal Property

1. Basic Limit

a. Landlords Furnishings

Under Forms HO 00 02, HO 00 03 and HO 00 05, the policy automatically provides, at no additional charge, \$2,500 of landlord's furnishings coverage, on a named perils basis, except Theft, for property regularly rented or held for rental in an apartment on the residence premises.

b. Theft (Burglary) Option

Coverage, as noted in Paragraph 1.a., may be extended to include loss resulting from burglary.

c. Premium

Refer to the state rate pages for the charge per unit.

2. Increased Limits

- a. The basic limit noted in Paragraph 1.a. may be increased up to the Coverage C limit of liability.
- b. The increased limit applies to the same perils that apply to the basic limit and may vary by rented unit.
- c. Refer to the state rate pages for the additional charge.

PART V
SECTION I – PROPERTY – ADDITIONAL COVERAGES
AND INCREASED LIMITS RULES

RULE 505.
EARTHQUAKE COVERAGE

Rule 505. is replaced by the following:

A. Earthquake Coverage

The policy may be endorsed to provide coverage against a loss resulting from the peril of Earthquake. This peril shall apply to all Section I Coverages for the same limits provided in the policy. Use Earthquake Endorsement **HO 04 54**.

B. Deductible

The base deductible is 5% of the limit of liability for either Coverage **A** or **C**, whichever is greater and is subject to a \$250 minimum. This deductible may be increased for a premium credit.

In the event of an Earthquake loss to covered property, the dollar amount is deducted from the total of the loss for Coverages **A**, **B** and **C**.

C. Loss Assessment Coverage

The policy may also be endorsed to cover loss assessment resulting from loss by this peril. The limit of liability shall be based on the insured's proportionate interest in the total value of all collectively owned buildings and structures of the corporation or association of property owners. Refer to company for rates.

Use Loss Assessment Coverage For Earthquake Endorsement **HO 04 36** for all forms.

D. Base Premium

Develop the base premium as follows:

1. From the state rate pages:
 - a. Determine if Rate Table A, B, and/or C applies.
 - b. Determine the Earthquake Zone.
 - c. Select the rate according to construction from the Rate Table; and
2. Multiply the rate determined above by the:
 - a. Coverage **A** limit for Forms **HO 00 02**, **HO 00 03** and **HO 00 05**.
 - b. Coverage **C** limit for Form **HO 00 04**.
 - c. Coverage **A** and **C** limits for Form **HO 00 06**.

- d. Coverage **C** and **D** increased limits.
- e. Ordinance or Law total amount of insurance (includes basic and, if applicable, increased amounts).
- f. Other Building or Structure options (e.g. Other Structures – Structures Rented To Others Residence Premises Endorsement **HO 04 40**, Other Structures On The Residence Premises – Increased Limits Endorsement **HO 04 48** and Specific Structures Away From The Residence Premises Endorsement **HO 04 92**; Building Additions And Alterations – Other Residence Endorsement **HO 04 49** and Building Additions And Alterations **HO 04 51**).

E. Premium For Higher Deductibles

Multiply the base premium determined in Paragraph **D**. by the appropriate factor from the following table:

Deductible Percentage	Factor	
	Frame & Superior	Masonry
10%	.89	.95
15%	.78	.89
20%	.67	.84
25%	.56	.79

Table 505.E. Premium For Higher Deductibles

RULE 507.
FORM HO 00 06 COVERAGE A DWELLING BASIC AND INCREASED LIMITS AND SPECIAL COVERAGE – HO 00 06

Paragraph **A**. is replaced by the following:

A. Basic Limits

The policy automatically provides a basic Coverage **A** limit of \$1,000 on a named perils basis. If increased limits are not desired, enter "\$1,000" under Coverage **A** – Dwelling on the Declarations pages.

Paragraph **D**. is replaced by the following:

D. Endorsement

Use Unit-Owners Coverage **A** Special Coverage Endorsement **HO 32 34**.

RULE 406.
DEDUCTIBLES (Cont'd)

1% Hurricane Deductible	
All Other Perils Deductible Amount	Territory – 05, 06, 42, 43
\$ 100	1.06
250	.97
500	.94
1,000	.89
1,500	.85
2,500	.75

Table 406.D.6.#1 1% Hurricane Deductible

2% Hurricane Deductible	
All Other Perils Deductible Amount	Territory – 05, 06, 42, 43
\$ 100	1.03
250	.96
500	.92
1,000	.86
1,500	.81
2,500	.73

Table 406.D.6.#2 2% Hurricane Deductible

5% Hurricane Deductible	
All Other Perils Deductible Amount	Territory – 05, 06, 42, 43
\$ 100	1.01
250	.94
500	.90
1,000	.84
1,500	.79
2,500	.71

Table 406.D.6.#3 5% Hurricane Deductible

RULE 407.
ADDITIONAL AMOUNTS OF INSURANCE – FORMS
HO 00 02, HO 00 03 AND HO 00 05

Paragraphs C.1.b. and C.1.c. are replaced by the following:

C. Options Available

1. Specified Additional Amount Of Insurance For Coverage A Only

- b. The premium for this option is computed by multiplying the Base Premium by the appropriate factor selected from the following table:

Additional Amount Of Insurance Options	Factor
25%	1.02
50%	1.03

Table 407.C.1.b. Additional Amounts Of Insurance Factors

- c. Use Specified Additional Amount Of Insurance For Coverage A Endorsement HO 32 20.

Paragraphs C.2.b. and C.2.c. are replaced by the following:

2. Additional Limits Of Liability For Coverages A, B, C, And D

- b. The premium is computed by multiplying the Base Premium by a factor of 1.06.
- c. Use Additional Limits Of Liability For Coverages A, B, C And D Endorsement HO 32 11.

RULE 408.
ACTUAL CASH VALUE LOSS SETTLEMENT
WINDSTORM OR HAIL LOSSES TO ROOF SURFACING
– ALL FORMS EXCEPT HO 00 04

Rule 408. does not apply.

RULE 410.
BUILDING CODE EFFECTIVENESS GRADING

Rule 410. does not apply.

**RULE 406.
DEDUCTIBLES (Cont'd)**

The following is added to Rule 406.:

D. Hurricane Percentage Deductible – Territories 05, 06, 42 And 43 Only (All Forms Except HO 00 04 And HO 00 06)

1. Deductible Amounts

- a. The Hurricane Percentage Deductible option is used in conjunction with a deductible applicable to All Other Section I Perils.

A percentage amount of 1%, 2% or 5% of the Coverage A limit of liability is available when the dollar amount of the percentage deductible selected exceeds the amount of the deductible applicable to All Other Section I perils.

- b. The Hurricane percentage deductible applies to the total of the windstorm loss that occurs during a hurricane. This deductible applies beginning at the time a hurricane warning is issued for any part of North Carolina by the National Weather Service and ends 24 hours following the termination of the last hurricane warning issued for any part of North Carolina by the National Weather Service.

2. Definition

Hurricane means a storm system that has been declared to be a hurricane by the National Weather Service. The National Weather Service currently uses the Saffir/Simpson Hurricane scale to categorize hurricanes. This scale specifies that a hurricane is a storm that originates in the tropics and results in either a sustained wind speed of at least 74 miles per hour or a storm surge of at least 4 feet above normal.

3. Endorsement

Use Hurricane Percentage Deductible Endorsement **HO 32 24**.

4. Declarations Instructions

Enter on Endorsement **HO 32 24** or the policy declarations, the percentage amount that applies to Hurricane and the dollar amount that applies to All Other Section I Perils. For example:

- Deductible – Section I 250 except 1% of the Coverage A Limit for Windstorm during a Hurricane.
- Deductible – Section I \$100 except 2% of the Coverage A Limit for Windstorm during a Hurricane.

5. Loss By Windstorm That Is A Hurricane

In the event of Hurricane loss to covered property, the dollar amount is deducted from the total of the loss for all coverages.

For Example:

Coverage	Limit Of Liability	Amount Of Loss Before
A	\$ 100,000	\$ 7,500
B	10,000	1,350
C	50,000	3,000
D	20,000	660
		\$ 12,510
		-11,510
		1% Deductible 1,000

Table 406.D.5. Example

6. Deductible Factors

The factors displayed below incorporate the factors for the All Perils Deductibles shown in paragraph **C.1**. Do not use the factors for the All Perils Deductibles when rating a policy with a higher Hurricane deductible.

Additional calculations must be performed to ensure that the premium credit applied for the deductible is not greater than the premium credit that would be applied if the peril of Windstorm or Hail were excluded from the policy.

To determine if an "adjusted deductible credit" or the calculated deductible credit applies, complete each of the following steps:

- Step 1. Multiply the windstorm or hail exclusion credit shown in the state rate pages, under Additional Rule **A3**, Windstorm Or Hail Exclusion – Territories 05, 06, 42 And 43 Only Base Credit, by the Key Factor, for the same amount of insurance used to determine the Base Premium.
- Step 2. Multiply the result determined in Step 1, by .9 to determine the "adjusted deductible credit".
- Step 3. Select the factor for the desired windstorm or hail deductible option from the following tables and subtract that factor from unity (1.00).
- Step 4. Multiply the factor determined in Step 3, by the Base Premium. The result is the windstorm or hail deductible credit.
- Step 5. Compare the results in Steps 2, and 4. If the result in:
 - Step 2, is less than the result in Step 4., to compute the premium, subtract the "adjusted deductible credit" from the Base Premium.
 - Step 2, is greater than or equal to the result in Step 4., multiply the Base Premium by the factor for the desired windstorm or hail deductible option.

**RULE 406.
DEDUCTIBLES (Cont'd)**

(a) Property Not Located In Area Served By NCIUA

To compute the premium for this provision, multiply the Base Premium by the factor selected from the following tables for the deductible amounts desired.

(b) Property Is Located In Area Served By NCIUA

To determine if an "adjusted deductible credit" or the calculated deductible credit applies, complete each of the following steps:

- Step 1. Multiply the windstorm or hail exclusion credit shown in the state rate pages, under Additional Rule A3. Windstorm Or Hail Exclusion – Territories 05, 06, 42 And 43 Only Base Credit, by the Key Factor, for the same amount of insurance used to determine the Base Premium.
- Step 2. Multiply the result determined in Step 1. by .9 to determine the "adjusted deductible credit".
- Step 3. Select the factor for the desired windstorm or hail deductible option from the following tables and subtract that factor from unity (1.00).
- Step 4. Multiply the factor determined in Step 3. by the Base Premium. The result is the windstorm or hail deductible credit.
- Step 5. Compare the results in Steps 2. and 4. If the result in:
 - Step 2. is less than the result in Step 4., to compute the premium, subtract the "adjusted deductible credit" from the Base Premium.
 - Step 2. is greater than or equal to the result in Step 4., multiply the Base Premium by the factor for the desired windstorm or hail deductible option.

\$1,000 Windstorm Or Hail Deductible				
All Other Perils Ded. Amount	Coverage A Limit (Expressed In \$)			
	Up To 59,999	60,000 To 99,999	100,000 To 200,000	200,001 & Over
\$ 100	1.02	1.03	1.05	1.06
250	.95	.95	.97	.98
500	.88	.88	.90	.95

Table 406.C.3.b.(5)#1 \$1,000 Windstorm Or Hail Deductible

\$2,000 Windstorm Or Hail Deductible				
All Other Perils Ded. Amount	Coverage A Limit (Expressed In \$)			
	Up To 59,999	60,000 To 99,999	100,000 To 200,000	200,001 & Over
\$ 100	.98	1.00	1.03	1.04
250	.91	.92	.95	.96
500	.85	.85	.88	.93
1,000	.75	.75	.77	.88
1,500	.70	.70	.72	.84

Table 406.C.3.b.(5)#2 \$2,000 Windstorm Or Hail Deductible

\$5,000 Windstorm Or Hail Deductible				
All Other Perils Ded. Amount	Coverage A Limit (Expressed In \$)			
	Up To 59,999	60,000 To 99,999	100,000 To 200,000	200,001 & Over
\$ 100	.96	.97	1.01	1.02
250	.88	.89	.92	.94
500	.82	.82	.85	.91
1,000	.72	.72	.75	.86
1,500	.67	.67	.70	.82
2,500	.58	.59	.60	.74

Table 406.C.3.b.(5)#3 \$5,000 Windstorm Or Hail Deductible

**RULE 406.
DEDUCTIBLES (Cont'd)**

(a) Property Not Located In Area Served By NCIUA

To compute the premium for this provision, multiply the Base Premium by the factor selected from the following tables for the deductible amounts desired.

(b) Property Is Located in Area Served by NCIUA

To determine if an "adjusted deductible credit" or the calculated deductible credit applies, complete each of the following steps:

- Step 1. Multiply the windstorm or hail exclusion credit shown in the state rate pages, under Additional Rule A3. Windstorm Or Hail Exclusion – Territories 05, 06, 42 And 43 Only Base Credit, by the Key Factor, for the same amount of insurance used to determine the Base Premium.
- Step 2. Multiply the result determined in Step 1. by .9 to determine the "adjusted deductible credit".
- Step 3. Select the factor for the desired windstorm or hail deductible option from the following tables and subtract that factor from unity (1.00).
- Step 4. Multiply the factor determined in Step 3. by the Base Premium. The result is the windstorm or hail deductible credit.
- Step 5. Compare the results in Steps 2. and 4. If the result in:
 - Step 2. is less than the result in Step 4., to compute the premium, subtract the "adjusted deductible credit" from the Base Premium.
 - Step 2. is greater than or equal to the result in Step 4., multiply the Base Premium by the factor for the desired windstorm or hail deductible option.

1% Windstorm Or Hail Deductible				
All Other Perils Ded. Amount	Coverage A Limit (Expressed In \$)			
	Up To 59,999	60,000 To 99,999	100,000 To 200,000	200,001 & Over
\$ 100	1.05	1.04	1.04	1.04
250	.96	.96	.96	.96
500	.89	.89	.89	.93
1,000	–	–	.78	.88
1,500	–	–	.73	.84
2,500	–	–	–	.74

Table 406.C.3.a.(6)#1 1% Windstorm Or Hail Deductible

2% Windstorm Or Hail Deductible				
All Other Perils Ded. Amount	Coverage A Limit (Expressed In \$)			
	Up To 59,999	60,000 To 99,999	100,000 To 200,000	200,001 & Over
\$ 100	1.02	1.02	1.02	1.02
250	.93	.93	.94	.95
500	.86	.86	.87	.91
1,000	.76	.76	.76	.85
1,500	–	.71	.71	.80
2,500	–	–	.60	.72

Table 406.C.3.a.(6)#2 2% Windstorm Or Hail Deductible

5% Windstorm Or Hail Deductible				
All Other Perils Ded. Amount	Coverage A Limit (Expressed In \$)			
	Up To 59,999	60,000 To 99,999	100,000 To 200,000	200,001 & Over
\$ 100	.97	.97	.99	1.00
250	.89	.89	.91	.93
500	.82	.82	.84	.89
1,000	.72	.72	.73	.83
1,500	.67	.67	.68	.78
2,500	.59	.59	.59	.70

Table 406.C.3.a.(6)#3 5% Windstorm Or Hail Deductible

Paragraph C.3.b.(5) is replaced by the following:

b. Higher Fixed-Dollar Deductibles

(5) Deductible Factors

In Territories 05, 06, 42 and 43 only, when the property is located in an area serviced by the NCIUA, additional calculations must be performed to ensure that the premium credit applied to the deductible is not greater than the premium credit that would be applied if the peril of Windstorm or Hail were excluded from the policy.

**RULE 406.
DEDUCTIBLES**

Paragraph B.3. is replaced by the following:

B. Optional Deductibles

3. \$250 Theft Deductible

All forms except HO 00 05, HO 00 04 with Special Personal Property Coverage Endorsement HO 32 95 and HO 00 06 with Unit-Owners Coverage C Special Coverage Endorsement HO 32 35.

a. The theft deductible applies to Coverage C – Personal Property and is available only when:

- (1) A \$100 deductible applies to All Other Perils; or
- (2) A higher deductible applies to the peril of Windstorm or Hail, as described in Paragraph C.3., and a \$100 deductible applies to All Other Perils.

b. When the \$100 deductible applies to All Other Perils, compute the premium by multiplying the Base Premium by a factor of:

- (1) 1.09 for all forms except HO 00 04 and HO 00 06; or
- (2) 1.05 for Forms HO 00 04 or HO 00 06.

c. When a higher Windstorm or Hail and \$100 All Other Perils deductible applies, subtract a factor of .01 from the factors shown in Paragraph C.3.a.(6) or C.3.b.(5) for policies applicable to a higher windstorm or hail deductible.

Paragraph C.1. is replaced by the following:

C. Optional Higher Deductibles

1. All Perils Deductibles

To compute the premium for this deductible type, multiply the Base Premium by the factors selected from the following table:

All Forms Except HO 00 04 And HO 00 06				
Coverage A Limit	Deductible Amounts			
	\$500	\$1000	\$1500	\$2500
Up to \$59,999	.91	.79	.73	.62
\$60,000 to 99,999	.91	.79	.73	.62
100,000 to 200,000	.92	.79	.73	.62
200,001 and Over	.96	.89	.84	.75
HO 00 04				
Coverage C Limit	\$500	\$1000	\$1500	\$2500
Up to \$25,000	.91	.77	N/A	.59
\$25,001 and Over	.93	.84	N/A	.68
HO 00 06				
Coverage C Limit	\$500	\$1000	\$1500	\$2500
Up to \$40,000	.90	.76	N/A	.56
\$40,001 and Over	.92	.81	N/A	.63

Table 406.C.1. All Perils Deductibles Factors

Paragraph C.3.a.(6) is replaced by the following:

3. Windstorm Or Hail Deductibles (All Forms Except HO 00 04 And HO 00 06)

a. Percentage Deductibles

(6) Deductible Factors

In Territories 05, 06, 42 and 43 only, when the property is located in an area serviced by the North Carolina Insurance Underwriting Association (NCIUA), additional calculations must be performed to ensure that the premium credit applied to the deductible is **not** greater than the premium credit that would be applied if the peril of Windstorm or Hail were excluded from the policy.

RULE 404.
PROTECTIVE DEVICES (Cont'd)

3. Detection devices shall be installed throughout all areas of the dwelling as follows:
- a. For fire alarm systems:
 - (1) A smoke detector shall be located in the immediate vicinity of, but outside, the bedrooms; and
 - (2) Heat or smoke detectors shall be provided in all major areas of the house including living room, dining room, bedroom, kitchen, hallway, attics, furnace rooms, utility rooms, basements and attached garages.
 - (3) Heat detectors shall be installed within the strict limitation of their listed spacing (see Item 11. of Table 404.C.).
 - b. For burglar alarm systems:
 - (1) Completely protecting all accessible windows, doors, transoms, skylights, and other openings leading from the premises; or
 - (2) Protecting with contacts only, all movable accessible openings leading from the premises and providing one or more invisible rays or channels of radiation, with the minimum overall length of the rays or radiation equivalent to the longest dimensions of the area or areas to detect movement through the channel; or
 - (3) Protecting with contacts only, all doors leading from the premises and providing a system of invisible radiation to all sections of the enclosed area so as to detect fourstep movement.
 - c. For automatic sprinkler systems:
An approved and properly maintained automatic sprinkler system with sprinklers:
 - (1) In all areas including attics, bathrooms, closets and attached structures; or
 - (2) In all areas except attic, bathroom, closet and attached structure areas that are protected by a fire detector.

C. Premium Development

The premium for a risk having an approved protective device is developed by multiplying the Base Premium (including any premium adjustment to Coverage C limits) by the selected factor from the following table:

Protective Devices Factors

Protective Device	Factor*
1. Central Station Reporting Burglar Alarm	.95
2. Central Station Reporting Fire Alarm	.95
3. Both 1. and 2.	.91
4. Fire Station Connected Fire Alarm	.97
5. Police Station Connected Fire Alarm	.97
6. Both 4. and 5.	.96
7. Local Fire Alarm System	.98
8. Local Burglar Alarm System	.98
9. Both 7. and 8.	.98
10. Automatic Smoke Detectors	.99
11. Automatic Sprinkler System	
a. In all areas including attic, bathroom, closet and attached structure	.87
b. In all areas except attic, bathroom, closet and attached structure areas that are protected by a fire detector	.93
* For Protection Classifications 1-9, 9S	
Note 1 Premium credit shall not be afforded on any additional or optional coverage, except Coverage C revised limits.	
Note 2 Refer to the state rate pages for the maximum credit allowed.	
Note 3 These credits do not apply to multi-family residential properties unless entire building meets the above requirements.	

Table 404.C. Protective Devices Factors

D. Endorsement

Use Premises Alarm Or Fire Protection System Endorsement HO 04 16.

RULE 403.
PERSONAL PROPERTY (COVERAGE C)
REPLACEMENT COST LOSS SETTLEMENT (Cont'd)

F. Premium Determination

Multiply the Base Premium including any premium adjustment for Coverage C limits by a factor of:

1. 1.05 for all forms except HO 00 04 and HO 00 06.
2. 1.40 for Forms HO 00 04 or HO 00 06.
3. The charge for Replacement Cost Coverage should be applied before the credit or charge for optional deductibles.
4. Refer to the state rate pages for the minimum additional premium, including the cost to increase the Coverage C limits.

RULE 404.
PROTECTIVE DEVICES

Rule 404. is replaced by the following:

Approved and properly maintained installations of burglar alarms, fire alarms and automatic sprinklers in the dwelling are to be recognized for a reduced premium in accordance with the following:

A. Definitions**1. Central Station Systems**

- a. A Central Station Fire Alarm System is one in which the operations of circuits and devices are signaled automatically to, recorded in, maintained, and supervised from an approved central station having competent and experienced observers and operators who shall, upon receipt of a signal, take such action as shall be required.
- b. A Central Station Burglar Alarm System is one in which the operations of electrical protection circuits and devices are signaled automatically to, recorded in, maintained, and supervised from a central station having trained operators and guards in attendance at all times. Guards are dispatched to make immediate investigation of unauthorized entry or opening of protected properties from which signals are received.

Combination Central Station and Local Systems beyond the range of central station service may be classified as Local Burglar Alarm Systems.

Central Stations are listed by name and location by Underwriters Laboratories, Inc. in both the UL Burglary Protection Equipment List and UL Fire Protection Equipment List.

2. Fire Or Police Station Connected Systems

- a. Fire Station Connected (Remote Station) Fire Alarm Systems contemplate a system of electrically supervised circuits employing a direct circuit (not house telephone) connection between signaling devices at the protected premises and signal receiving equipment in a remote station, such as a municipal fire alarm headquarters, or fire station.
- b. A Police Station Connected Burglar Alarm System is one in which a Local Alarm System is provided with supplementary transmitting equipment, so that when actuated, a signal is also annunciated at the constantly attended receiver at police headquarters.

3. Local Systems

- a. Local Fire Alarm Systems contemplate supervised systems providing fire alarm signals within the protected premises. These systems are primarily for the protection of life by indicating the necessity of evacuation of the building and secondarily for the protection of property.
- b. A Local Burglar Alarm System is one in which the protective circuits and devices are connected to an enclosed and tamper-protected loud sounding device attached to an outside wall of the building in which the property is situated. Disturbance of the protective devices or unauthorized entry through wired portions of the property automatically causes the sounding device to operate until it is stopped by key control in the possession of the owner or by exhaustion of the power supply or by a timing element set for a definite period of operation.

4. Automatic Sprinkler Systems

An Automatic Sprinkler System contemplates a system in which water is piped to devices called sprinkleheads, that melt with heat and release water to extinguish a fire.

B. Evaluation Of Alarm Systems

The following shall also be considered in evaluating alarm systems for qualification and premium credit:

1. All devices, combination of devices and equipment shall be approved by a recognized independent testing firm for the purposes for which they are intended.
2. All equipment shall be installed in a workmanlike manner by a qualified firm or person.

**PART IV
ADJUSTED BASE PREMIUM COMPUTATION RULES**

**RULE 402.
TOWNHOUSE OR ROW HOUSE – ALL FORMS EXCEPT
HO 00 04 AND HO 00 06**

Rule 402. is replaced by the following:

The premium for an eligible 1, 2, 3 or 4 family dwelling in a town or row house structure is computed by multiplying the Base Premium by the appropriate factor selected from the following table:

Townhouse And Row House Factors

Total No. Of Individual Family Units Within The Fire Division*	Protection Class 9, 9S & Over	
	1-8	Over
1 Or 2 Family Dwelling		
1 & 2	1.00	1.00
3 & 4	1.10	1.15
5 – 8	1.25	1.30
9 & Over	Refer to company	
3 Or 4 Family Dwelling		
5 – 8	1.15	1.20
9 & Over	Refer to company	
* An eligible two family owner-occupied dwelling attached to a one family dwelling but not separated by a fire wall would be considered 3 individual family units within a fire division. An eligible four family dwelling attached to a three family dwelling but not separated by a fire wall would be considered 7 individual family units within a fire division. Four 2 family dwellings not separated by a fire wall would be considered 8 individual family units.		

Table 402. Townhouse And Row House Factors

**RULE 403.
PERSONAL PROPERTY (COVERAGE C)
REPLACEMENT COST LOSS SETTLEMENT**

Rule 403. is replaced by the following:

A. Introduction

The policy provides loss settlement on an Actual Cash Value basis for certain types of property.

B. Loss Settlement Option

The policy may be endorsed to provide loss settlement on a Replacement Cost basis for such property whether insured on a blanket or scheduled basis. If endorsed, the Coverage C limit must be increased:

1. To 70% of Coverage A for all forms except HO 00 04 and HO 00 06.

2. To \$12,000 (if policy limit is less than \$12,000 for Forms HO 00 04 or HO 00 06).

C. Endorsement

Use Personal Property Replacement Cost Endorsement HO 04 90.

D. Scheduled Personal Property

1. When the Scheduled Personal Property Endorsement HO 04 61 is attached to a policy with Endorsement HO 04 90, the following property, if scheduled, will also be subject to repair or replacement cost loss settlement up to the scheduled limit of liability:

- a. Jewelry;
- b. Furs and garments trimmed with fur or consisting principally of fur;
- c. Cameras, projection machines, films and related articles of equipment;
- d. Musical equipment and related articles of equipment;
- e. Silverware, silver-plated ware, goldware, gold-plated ware and pewterware, but excluding pens, pencils, flasks, smoking implements or jewelry; and
- f. Golfer's equipment meaning golf clubs, golf clothing and golf equipment.

2. Since the loss settlement condition in Endorsement HO 04 61 will pay the insured the least of the:

- a. Actual cash value of the property sustaining loss;
- b. The amount for which the property could be repaired or replaced; or
- c. The amount of insurance of the property sustaining loss;

the limit of liability that applies to each scheduled item should be carefully evaluated to ensure that the limit selected by the insured represents the cost to replace the item if lost or damaged beyond repair.

E. Scheduled Personal Property (With Agreed Value Loss Settlement)

When Scheduled Personal Property (With Agreed Value Loss Settlement) Endorsement HO 04 60 is attached to a policy with Endorsement HO 04 90, the property subject to agreed value loss settlement will **not** be subject to repair or replacement cost loss settlement.

RULE 302.
LOSS SETTLEMENT OPTIONS (Cont'd)

d. If Absolute Windstorm Or Hail Exclusion Endorsement **HO 32 94** is also made a part of the policy then develop the Base Premium in accordance with Additional Rule **A3**. Windstorm Or Hail Exclusion – Territories 05, 06, 42 And 43 Only and multiply that Base Premium by the appropriate factor from Table **302.B.3.c.**

4. Endorsement

Use Actual Cash Value Loss Settlement Endorsement **HO 04 81**.

C. Special Loss Settlement – HO 00 02, HO 00 03 And HO 00 05 Only

1. Introduction

The policy provides building loss settlement on a replacement cost basis if, at the time of loss, the amount of insurance on the damaged building represents at least 80% of the full replacement cost of the building immediately before the loss.

2. Coverage Description

This percentage amount may be modified to 50%, 60% or 70% of replacement value without affecting the loss settlement provisions. If this option is selected, the Coverage A limit of liability representing 50%, 60% or 70% of replacement value is to be shown in the policy declarations.

3. Premium Computation

To develop the Base Premium for the Coverage A limit of liability shown in the policy declarations:

a. Multiply the Coverage A limit of liability by the appropriate factor from the following table and round to the nearest \$1,000:

% Of Replacement Value	Factor
50%	1.60
60%	1.33
70%	1.14

Table 302.C.3.a. Factors

b. Develop a Base Premium in accordance with Rule 301. for the amount of insurance computed in preceding Paragraph a. However, if Absolute Windstorm Or Hail Exclusion Endorsement **HO 32 94** is also made a part of the policy then develop the Base Premium in accordance with Additional Rule **A3**. Windstorm Or Hail Exclusion – Territories 05, 06, 42 And 43 Only for the amount of insurance computed in Paragraph a.

c. Multiply the premium determined in preceding Paragraph b. by the appropriate factor from the following table:

% Of Replacement Value	Factor
50%	.96
60%	.97
70%	.98

Table 302.C.3.c. Factors

4. Endorsement

Use Special Loss Settlement Endorsement **HO 04 56**.

RULE 303.
ORDINANCE OR LAW COVERAGE ALL FORMS EXCEPT HO 00 08

Paragraph **B.2.a.** is replaced by the following if Absolute Windstorm Or Hail Exclusion Endorsement **HO 32 94** is also made a part of the policy:

B. Increased Amount Of Coverage

2. Premium Determination

a. Forms HO 00 02, HO 00 03 And HO 00 05

To develop the Base Premium multiply the premium computed in accordance with the Additional Rule **A3**. Windstorm Or Hail Exclusion – Territories 05, 06, 42 And 43 Only by the appropriate factor selected from the following table:

Percentage Of Coverage A		Factors Coverage A Limit	
Increase In Amount	Total Amount	\$60,000 To \$140,000	All Other
15%	25%	1.13	1.05
40%	50%	1.35	1.14
65%	75%	1.51	1.20
90%	100%	1.67	1.27
For each add'l 25% increment, add		.16	.07

Table 303.B.2.a. Factors

RULE 304.
SPECIAL PERSONAL PROPERTY COVERAGE HO 00 04 AND HO 00 06

Paragraph C. is replaced by the following:

C. Endorsement

1. Use Special Personal Property Coverage Endorsement **HO 32 95** for use with Form **HO 00 04** only.
2. Use Unit-Owners Coverage C Special Coverage Endorsement **HO 32 35** for use with Form **HO 00 06** only.

**PART II
SERVICING TYPE RULES**

**RULE 201.
POLICY PERIOD**

Paragraph D. is replaced by the following:

- D. Less than three years on a pro rata basis and may be extended for successive policy periods based upon the premiums, forms and endorsements then in effect for the company.

**PART III
BASE PREMIUM COMPUTATION RULES**

**RULE 302.
LOSS SETTLEMENT OPTIONS**

Rule 302. is replaced by the following:

A. Functional Replacement Cost Loss Settlement – HO 00 02, HO 00 03 And HO 00 05 Only

1. Introduction

The policy provides building loss settlement on a replacement cost basis if, at the time of loss, the amount of insurance on the damaged building represents at least 80% of the full replacement cost of the building immediately before the loss.

2. Coverage Description

The policy may be endorsed to provide building loss settlement exclusively on a functional replacement cost basis if, at the time of loss, the amount of insurance on the damaged building is 80% or more of the functional replacement cost of the building immediately before the loss. Functional Replacement Cost means the amount which it would cost to repair or replace the damaged building with less costly common construction materials and methods which are functionally equivalent to obsolete, antique or custom construction materials and methods.

3. Premium Computation

Develop the Base Premium in accordance with Rule 301. for the amount of insurance selected for this option. However, if Absolute Windstorm Or Hail Exclusion Endorsement HO 32 94 is also made a part of the policy then develop the Base Premium in accordance with Additional Rule A3. Windstorm Or Hail Exclusion – Territories 05, 06, 42 And 43 Only.

4. Endorsement

Use Functional Replacement Cost Loss Settlement – North Carolina Endorsement HO 32 50.

B. Actual Cash Value Loss Settlement – HO 00 02, HO 00 03 And HO 00 05 Only

1. Introduction

The policy provides building loss settlement on a replacement cost basis if, at the time of loss, the amount of insurance on the damaged building represents at least 80% of the full replacement cost of the building immediately before the loss.

2. Coverage Description

The policy may be endorsed to provide building loss settlement exclusively on an actual cash value basis if, on the inception date of the policy, the Coverage A limit of liability selected by the insured is less than 80% of the full replacement cost of the dwelling.

3. Premium Computation

To develop the Base Premium for the Coverage A limit of liability shown in the policy declarations:

- a. Multiply the Coverage A limit of liability by the appropriate factor from the following table and round to the nearest \$1,000:

% Of Replacement Value	Factor
20%	4.00
30%	2.67
40%	2.00
50%	1.60
60%	1.33
70%	1.14

Table 302.B.3.a. Factors

- b. Develop a Base Premium in accordance with Rule 301. for the amount of insurance computed in Paragraph B.3.a.
- c. Multiply the premium determined in Paragraph B.3.b. by the appropriate factor from the following table:

% Of Replacement Value	Factor
20%	.73
30%	.74
40%	.75
50%	.76
60%	.77
70%	.78
80%	.80

Table 302.B.3.c. Factors

**RULE 104.
ELIGIBILITY**

Paragraph G. is replaced by the following:

G. Farm Property

1. A Homeowners Policy shall not be issued to cover any property to which farm forms or rates apply under the rules of the company. In no event shall a policy be issued to provide Section I property damage coverage to any property situated on premises used for farming purposes.
2. Optional Section II liability coverage is available for certain farm liability exposures as specified in Rule 615.

**RULE 106.
PROTECTION CLASSIFICATION INFORMATION**

Rule 106. is replaced by the following:

The Protection Class listings in the Community Mitigation Classification Manual apply to risks insured under Homeowners policies.

- A. The protection class indicated applies in a municipality or classified area where a single class of fire protection is available throughout (8,7,6, etc.).
- B. In a classified area where a single classification is "9E", the classification is determined as follows:

Distance To Fire Station	Class
1. 5 road miles or less	9S
2. Between 5 and 6 road miles	9E

Table 106.B. Two Or More Classifications

- C. In a classified area where two or more classifications are shown (Example: 6/9 or 6/9S), the classification is determined as follows:

Distance To Fire Station	Class
1. 5 road miles or less with hydrant within 1,000 feet	*
2. 5 road miles or less with hydrant beyond 1,000 feet	9 or 9S
3. Over 5 road miles	10
* First protection class (Example: 6/9 ... use Class 6)	

Table 106.C. Two Or More Classifications

- D. In a classified area where two or more classifications are shown and an "E" is designated, (Example: 6/9E), the classification is determined as follows:

Distance To Fire Station	Class
1. 5 road miles or less with hydrant within 1,000 feet	*
2. 5 road miles or less with hydrant beyond 1,000 feet	9S
3. Between 5 and 6 road miles	9E
4. Over 6 road miles	10
* First protection class (Example: 6/9E ... use Class 6)	

Table 106.D. Two Or More Classifications

- E. In a classified area where split classifications are shown where no hydrants are installed (Example: 9/10), or where the hydrant distance does not apply due to an alternate creditable water supply (Example: 7/10), the classification is determined as follows:

1. If the split class is X/10 (Example: 7/10):
 - a. Within 5 road miles of fire station, unless otherwise indicated, use first protection class.
 - b. Over 5 road miles from fire station, use class 10.
2. If the split class is X/9E (Example: 7/9E):
 - a. Within 5 road miles of fire station, unless otherwise indicated, use first protection class.
 - b. Between 5 and 6 road miles of fire station use Class 9E.
 - c. Over 6 road miles from fire station, use class 10.

- F. Rural Fire Protection Districts are areas which have been inspected and for which protection classes are published.

- G. All other properties are Class 10.

**PART I
COVERAGE AND DEFINITION TYPE RULES**

**RULE 101.
LIMITS OF LIABILITY AND COVERAGE
RELATIONSHIPS**

Paragraph A.1. is replaced by the following:

A. Limits

The limits of liability required under the Homeowners policy are as follows:

1. Section I – Property Damage

Coverage A – Dwelling	
HO 00 02, HO 00 03, HO 00 05 or HO 00 08 HO 00 04 or HO 00 06	Refer to Rule 301. in the state classification pages. For HO 00 06 refer to Rule 507.A.
Coverage B – Other Structures	
HO 00 02, HO 00 03, HO 00 05 or HO 00 08	10% of A (One and two family dwelling) 5% of A (Three and four family dwelling)
Coverage C – Personal Property	
HO 00 02, HO 00 03, HO 00 05 or HO 00 08	50% of A (One and two family dwelling) 30% of A (Three family dwelling) 25% of A (Four family dwelling)
HO 00 04 or HO 00 06	Refer to Rule 301. in the state classification pages.
Coverage D – Loss Of Use	
HO 00 02, HO 00 03 or HO 00 05	20% of A
HO 00 04	20% of C
HO 00 06	40% of C
HO 00 08	10% of A

Table 101.A.1. Property Damage Limits

The following is added to Paragraph E.:

Actual Cash Value Loss Settlement Endorsement **HO 04 81** must be used with Form **HO 00 08**. It replaces the Repair Cost or Market Value Loss Settlement Provisions in **HO 00 08** with an Actual Cash Value Loss Settlement Condition.

The following is added to Rule 101.:

F. All Forms

The limit of liability for Coverage E of Section II may be reduced to \$50,000 or \$25,000. Other limits below \$100,000 are not permitted.

**RULE A9.
OPTIONAL INFLATION GUARD ENDORSEMENTS
(Cont'd)**

B. Approved Inflation Cost Indexes

The following Indexes have been approved by the Department of Insurance and may be used with the Inflation Guard Endorsements listed in Paragraph C.

A Company that elects to use one of these indexes must use it exclusively and notify the Rate Bureau of its election.

1. Marshall and Swift Boeckh Residential Cost Index published by the American Appraisal Company, Inc.
2. Composite Construction Cost Index published by the U.S. Department of Commerce.
3. Consumer Price Index published by the U.S. Department of Labor.
4. Marshall and Swift Boeckh Construction Cost Index published by Marshall and Swift Boeckh.
5. RSMMeans CostWorks Valuator Published by RSMMeans.

C. Endorsements

A Company that elects to use one or both of the following endorsements must use it exclusively and notify the Rate Bureau of its election.

1. **Inflation Guard Endorsement HO 32 18**
Use this endorsement with Forms **HO 00 02**, **HO 00 03** and **HO 00 05**.
2. **Inflation Guard Endorsement HO 32 19**
Use this endorsement with Forms **HO 00 04** and **HO 00 06**.

D. Premium

There is **no** additional charge for these optional endorsements.

**RULE A10.
OPTIONAL RATING CHARACTERISTICS**

Companies may use the following optional rating characteristics or any combination of such optional rating characteristics and Bureau filed characteristics to determine rates, as long as applicable legal requirements are satisfied. The resulting premium shall not exceed the premium that would have been determined using the rates, rating plans, classifications, schedules, rules and standards promulgated by the Bureau, except as provided by statute. The rating factor for any combination of the following optional risk characteristics cannot exceed 1.00, unless the resulting premium does not exceed the Bureau premium.

- A. Policy characteristics not otherwise recognized in this manual. Examples include: account or multi-policy credit; tiers; continuity of coverage; coverages purchased; intra-agency transfers; payment history; payment options; prior insurance; and new and renewal status.
- B. Policyholder/Insured personal characteristics not otherwise recognized in this manual. Examples include: Smoker/non-smoker status; credit information; loss history; loss prevention training/education; age; work status; marital status; number of years owned; household composition; and good student/education.
- C. Dwelling characteristics not otherwise recognized in this manual. Examples include: Gated community; retirement community; limited access community; revitalized/renovated home; security, safety or loss deterrent systems or devices; age of home; and construction type and quality.
- D. Affinity group or other group not otherwise recognized in this manual.
- E. Any other rating characteristics or combination of characteristics if filed by a company and approved by the Commissioner.

**RULE A6.
YEAR OF CONSTRUCTION – NEWLY CONSTRUCTED
DWELLINGS – ALL FORMS EXCEPT HO 00 04
AND HO 00 06**

- A. A Dwelling is eligible for a discount depending on the calendar year that the dwelling was completed and first occupied. If the year first occupied is different than the year completed, the later year would apply.
- B. To compute the premium for this provision, multiply the Base Premium by the appropriate credit factor selected from the following table:

Age Of Dwelling (In Years)	Credit
up to 1	.82
1 up to 2	.85
2 up to 3	.88
3 up to 4	.91
4 up to 5	.94
5 up to 6	.97
6 and over	No Credit Applies

Note: A dwelling under construction shall be considered to be completed and occupied during the current calendar year.

Table A6.B. Age Of Dwelling Credits

- C. To develop a premium for this option, multiply the Base Premium by the appropriate credit factor.

**RULE A7.
COMMUNITY MITIGATION CLASSIFICATION MANUAL**

With the renaming of the Public Protection Classification (PPC) Manual all references to the PPC Manual shall be understood to be references to the Community Mitigation Classification Manual.

**RULE A8.
DWELLING UNDER CONSTRUCTION – THEFT
COVERAGE**

A. Coverage Description

The policy may be endorsed to provide theft coverage in or to a dwelling under construction.

B. Premium

Charge the rate shown on the state rate pages. This rate will not be refunded if the endorsement is cancelled.

C. Endorsement

Use Dwelling Under Construction – Theft Coverage Endorsement HO 32 25.

**RULE A9.
OPTIONAL INFLATION GUARD ENDORSEMENTS**

Subject to the provisions noted in Paragraphs B. and C., the inflation guard endorsements referenced in this rule may be used instead of the endorsement noted in General Rule 405.

A. Eligible Forms

The limits of liability for the following forms and coverages may be adjusted, automatically, to respond to inflation as recognized by the indexes named in Paragraph B.:

1. Forms HO 00 02, HO 00 03 and HO 00 05 – Coverages A, B, C and D; and
2. Forms HO 00 04 and HO 00 06 – Coverages C and D.

These limits will be adjusted at the same rate as the change in the Index shown on the Declarations, billing notice or named on the form.

**RULE A3.
WINDSTORM OR HAIL EXCLUSION – TERRITORIES 05,
06, 42 AND 43 ONLY**

- A.** The peril of Windstorm or Hail may be excluded if:
1. The property is located in an area eligible for such coverage from the North Carolina Underwriting Association; and
 2. A Windstorm or Hail Rejection Form is secured and maintained by the company.
- Use Absolute Windstorm Or Hail Exclusion Endorsement **HO 32 94**.
- B.** To compute the Base Premium:
1. Determine the appropriate Key Premium as described in Rule **301**.
 2. Subtract the Windstorm or Hail Exclusion credit shown on the state rate pages from the Key Premium.
 3. Multiply the Key Premium excluding Windstorm or Hail Coverage developed in Step 2. by the Key Factor for the desired limit of liability.
 4. For example:
Form **HO 00 02** Key Premium = \$640
Windstorm or Hail Exclusion Credit = \$427
Key Factor for \$100,000 = 1.109
Step 1. Determine the Key Premium
Key Premium = \$640
Step 2. Subtract Windstorm or Hail Exclusion Credit from Key Premium
\$640 – \$427 = \$213
Step 3. Multiply Key Factor for desired limit by amount in Step 2. \$213 x 1.109 = \$236.22, round to \$236 = Base Premium
- C.** When Endorsement **HO 32 94** is attached to the policy, enter the following on the Declarations page:
"This policy does not provide coverage for the peril of Windstorm or Hail".
- D.** When coverage for other specific structures or other structures rented to others is requested, refer to Rules **514.A.1.a.** and **514.A.2.a.(1)** in the state rate pages for the rates excluding windstorm or hail coverage.

**RULE A4.
THEFT COVERAGE – NEWLY CONSTRUCTED
DWELLINGS**

- A. Coverage Description**
The policy may be endorsed to provide theft coverage in or to a newly constructed, unoccupied dwelling.
- B. Premium**
Charge the rate shown on the state rate pages. This rate will not be refunded if the endorsement is cancelled.
- C. Endorsement**
Use Theft Endorsement – Newly Constructed Unoccupied Dwelling Endorsement **HO 32 26**.

**RULE A5.
WATERBED LIABILITY – FORMS HO 00 04 AND
HO 00 06**

- A. Coverage Description**
The policy may be endorsed to provide coverage for property damage caused by waterbeds to non-owned property on the residence premises.
- B. Premium**
Charge the rate shown on the state rate pages.
- C. Endorsement**
Use Waterbed Liability Endorsement **HO 32 40**.

RULE A1.
SPECIAL STATE REQUIREMENTS

- A. Special Provisions Endorsement HO 32 32**
Use this endorsement with all Homeowners policies.
- B. No Coverage For Home Day Care Business HO 32 96**
This endorsement details the exclusions and restrictions of the policy with respect to a home day care exposure. Use this endorsement with all Homeowners policies.
- C. Windstorm Exterior Paint And Waterproofing Exclusion Endorsement HO 32 86**
Use this endorsement with all Homeowners policies in Territories 05 and 06.
- D. Flood Insurance Notice**

The following special notice must be furnished with each new policy and upon each renewal:

FLOOD INSURANCE NOTICE

The North Carolina Department of Insurance has requested all companies to advise their policyholders that the homeowners policy program does not provide coverage for floods. **You will not have coverage for property damage from floods unless you take steps to purchase a separate policy of flood insurance** at an additional premium from the National Flood Insurance Program, 42 U.S.C. Section 4001, et seq.

This Notice does not expand or increase coverage in any homeowners policy or endorsement. That policy and accompanying endorsements remain subject to all exclusions, limitations and conditions.

If you would like more information about obtaining coverage under the National Flood Insurance Program, please contact your agent or this company.

Notification may be included with other materials sent to the policyholders and may be sent in the manner normally used by the company to notify policyholders of such matters. Notification should contain, at a minimum, the attached language but may contain further information not inconsistent with the attached language at the option of the individual member company.

E. North Carolina Joint Underwriting Association

Section XVI of the Plan of Operation of the Joint Underwriting Association (Fair Plan) sets forth the following as to "Responsibility with Respect to Cancellation or Nonrenewals":

As respects risks eligible under the Plan of Operation, each participating Insurer agrees that with respect to cancellation or nonrenewals initiated by it, it will give to policyholders, except in cases of non-payment of premium, material misrepresentation, or evidence of incendiarism, thirty days to avail themselves of the Plan of Operation and the Insurer shall, in writing, explain to the policyholder the procedures for making application under the Plan of Operation.

F. Company Rates/State Rate Pages

References in the manual to "state company rates" means "state rate pages" in North Carolina.

RULE A2.
INSTALLMENT PAYMENT PLAN

Annual Policy

When a policy is issued on an installment basis, the following rules apply:

- A.** The first installment shall be due on the effective date of the policy and the due date of the last installment shall be no later than one month prior to the policy anniversary date.
- B.** The premium calculated for the first installment payment, exclusive of installment charges, shall not be less than the pro rata charge for the period from the inception date of the policy to the due date of the next installment.
- C.** Refer to the state rate pages for the additional charge that shall be made for each installment.

RULE 301.
BASE PREMIUM COMPUTATION (Cont'd)

B. Form HO 00 04 And HO 00 06

1. Classification Tables

Protection Construction Factors		
Protection Class	Construction*	
	Frame	Masonry
1-6	1.00	.90
7	1.00	.90
8	1.10	.90
9, 9E, 9S	1.50	1.20
10	1.70	1.30

* Masonry Veneer is rated as Masonry. Aluminum or Plastic Siding over Frame is rated as Frame.

Table 301.B.1. Protection Construction Factors

2. Key Factor Table

Cov. C Amt. (In 000)	Factor	Cov. C Amt. (In 000)	Factor
**\$ 1	.37	\$ 21	1.98
** 2	.44	22	2.06
** 3	.51	23	2.14
** 4	.58	24	2.22
** 5	.65	25	2.30
** 6	.72	26	2.38
** 7	.79	27	2.46
** 8	.86	28	2.54
** 9	.93	29	2.62
** 10	1.00	30	2.70
11	1.10	31	2.78
12	1.20	32	2.86
13	1.30	33	2.94
14	1.40	34	3.02
15	1.50	35	3.10
16	1.58	36	3.18
17	1.66	37	3.26
18	1.74	38	3.34
19	1.82	39	3.42
20	1.90	40	3.50
Each Add'l \$1,000			.08
Minimum Limits Of Liability			
**Section I – Property			
HO 00 04 – \$ 6,000			
HO 00 06 – \$ 10,000			
HO 00 06 – \$ 5,000 or less available only for Units Regularly Rented To Others			
Section II – Liability		All Forms	
Personal Liability		\$ 25,000	
Medical Payments to Others		1,000	

Table 301.B.2. Key Factors

**RULE 301.
BASE PREMIUM COMPUTATION**

A. All Forms Except HO 00 04 And HO 00 06

1. Classification Tables

a. One And Two Family

Form Factors	
Form	Factors
HO 00 02	.95
HO 00 03	1.00
HO 00 05	1.30
HO 00 08	1.25

Table 301.A.1.a.#1 Form Factors

Protection Construction Factors		
Protection Class	Construction*	
	Frame	Masonry
1-6	1.00	.95
7	1.25	1.00
8	1.40	1.10
9, 9E, 9S	1.50	1.30
10	1.90	1.60

* Masonry Veneer is rated as Masonry. Aluminum or Plastic Siding over Frame is rated as Frame.

Table 301.A.1.a.#2 Protection Construction Factors

b. Three And Four Family Factor 1.04

2. Key Factor Table

Cov. A Amt. (In 000)	Factor	Cov. A Amt. (In 000)	Factor
**\$ 10	.510	\$ 55	.853
** 12	.526	60	.930
** 14	.542	65	.953
** 16	.558	70	.977
** 18	.574	75	1.000
20	.590	80	1.023
22	.606	85	1.040
24	.622	90	1.050
26	.638	95	1.068
28	.654	100	1.109
30	.670	110	1.195
32	.686	120	1.281
34	.702	130	1.367
36	.718	140	1.453
38	.734	150	1.539
40	.750	160	1.609
42	.766	170	1.679
44	.782	180	1.749
46	.798	190	1.819
48	.814	200	1.889
50	.830		
Each Add'l \$1,000			.0070
Minimum Limits Of Liability			
**Section I -- Property	HO 00 02, 03 & 05	HO 00 08	
Primary Location	\$ 25,000	\$ 15,000	
Secondary Location	\$ 15,000	\$ 10,000	
Section II -- Liability		All Forms	
Personal Liability		\$ 25,000	
Medical Payments to Others		1,000	

Table 301.A.2. Key Factors

**RULE 301.
BASE PREMIUM COMPUTATION**

Base Class Premium Table

TERRITORY	HO 00 03	HO 00 04	HO 00 06
05	1036	117	108
06	1036	117	108
32	398	47	44
34	492	69	50
36	354	40	38
38	358	43	35
39	345	39	38
41	503	55	41
42	647	74	67
43	647	74	67
44	383	45	39
45	465	49	39
46	393	48	41
47	429	48	38
53	390	44	40
57	357	41	32
60	316	37	29

Table 301. Base Class Premium

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**RULE 510.
PERMITTED INCIDENTAL OCCUPANCIES RESIDENCE
PREMISES (Cont'd)**

E. Premium Computation

1. Section I

- a. If the permitted incidental occupancy is located in the dwelling, no additional charge is made.
- b. If the permitted incidental occupancy is located in an other structure, charge the amount per \$1,000 of specific insurance on the structure.
- c. Refer to state company rates for rate to be charged.

2. Section II

Refer to Rule 608. in the state company rates to develop the premium for the increased Coverages E and F exposure.

**RULE 511.
LOSS ASSESSMENT COVERAGE**

A. Residence Premises

1. Coverage Description

The policy automatically provides, under Section I Additional Coverage and Section II Additional Coverage, a limit of \$1,000 each for assessments relating to the residence premises, excluding assessments resulting from the peril of earthquake. (Refer to Rule 505. Earthquake Coverage for the Earthquake rule of application.)

2. Higher Limits

The policy may be endorsed to provide a single additional amount of insurance to be applied to one or more assessments arising out of a single loss covered under:

- a. Either Section I Additional Coverage or Section II Additional Coverage; or
- b. Both Section I and Section II Additional Coverages.

3. Premium

Refer to the state company rates for the additional charge.

B. Additional Locations

1. Coverage Description

- a. The policy may be endorsed to provide loss assessment coverage pertaining to additional locations for the insured's share of loss assessments arising out of a single loss covered as noted in Paragraph A.2.
- b. No more than 2 additional locations can be written in addition to the residence premises.

2. Premium

Refer to the state company rates for the additional rates which apply to each location covered.

C. Endorsement

Use Loss Assessment Coverage Endorsement **HO 04 35**. (Note: This Endorsement does not cover loss to property under Section I caused by Earthquake.)

**RULE 512.
LOSS OF USE – INCREASED LIMIT**

- A. When the limit of liability for Coverage D is increased, charge the rate per \$1,000 of additional insurance.
- B. Refer to state company rates for rate to be charged.

**RULE 513.
ORDINANCE OR LAW INCREASED AMOUNT OF
COVERAGE – HO 00 04 AND HO 00 06**

A. Coverage Increase

1. The basic amount of coverage may be initially increased to 100% of the Form **HO 00 04** Building Additions and Alterations limit or 50% of the Form **HO 00 06** Coverage A limit.
2. The amount may be further increased in 25% increments above those listed in Paragraph 1.

B. Premium Determination

1. The premium for this additional coverage is determined based on the dollar amount of increase, represented by the increased percentage amount selected above the basic limit.
2. The premium for each additional \$1,000 of insurance is developed by multiplying the appropriate Key Factor for "Each Add'l \$1,000" by the appropriate Key Premium.

**RULE 514.
OTHER STRUCTURES**

A. On-Premises Structures

When insurance is written on a specific structure on the residence premises the rates per \$1,000 of insurance shall apply separately to each structure.

1. Specific Structure – Increased Limits

a. Premium

Refer to state company rates.

b. Endorsement

Use Other Structures On The Residence Premises – Increased Limits Endorsement **HO 04 48**.

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**RULE 507.
FORM HO 00 06 COVERAGE A DWELLING BASIC AND
INCREASED LIMITS AND SPECIAL COVERAGE –
HO 00 06 (Cont'd)**

B. Increased Limits

The basic limit may be increased. The premium is developed based on the additional limit of insurance. To develop the premium for each additional \$1,000 of insurance, multiply the **HO 00 06** Key Factor for "Each Add'l \$1,000" by the **HO 00 06** Key Premium.

C. Special Coverage

The Section I Perils Insured Against may be broadened to cover additional risks of loss. The additional premium is developed as shown in the state company rates.

D. Endorsement

Use Unit-Owners Coverage A – Special Coverage Endorsement **HO 17 32**.

**RULE 508.
FORM HO 00 06 UNITS REGULARLY RENTED TO
OTHERS**

A. Coverage C And Section II Liability

1. There is no coverage for Coverage C – Personal Property and Section II Liability when the residence premises is regularly rented or held for rental to others. The policy may be endorsed, however, to provide such coverage, including Theft.
2. The Coverage C minimum limit of liability may be waived when the value of the insured's personal property in the rented unit is less than \$10,000.

B. Premium Computation

Multiply the Coverage C Base Premium (reflecting the credit or surcharge for optional deductibles) by a factor of .25.

C. Endorsement

Use Unit-Owners Rental To Others Endorsement **HO 17 33**.

**RULE 509.
HOME DAY CARE COVERAGE**

A. Coverage Description

Coverage for a home day care business is limited under Section I and excluded under Section II. The policy may be endorsed to provide expanded Section I Coverage and Section II Coverage on a home day care business in the dwelling or in an other structure on the residence premises. Use Home Day Care Coverage Endorsement **HO 04 97** for Sections I and II Coverage.

B. Other Structures

If the home day care business is located in an other structure, Coverage B does not apply to that structure. See Paragraph D. for charge for specific insurance on the structure.

C. Personal Property

The home day care endorsement also covers personal property pertaining to this business within the Coverage C limits stated in the declarations. If increased Coverage C limits are desired, see Rule 515.A.

D. Premium Computation

1. Section I

- a. If the home day care business is located in the dwelling, no additional charge is made.
- b. If the business is located in an other structure, charge the amount per \$1,000 of specific insurance on the structure.
- c. Refer to state company rates for rate to be charged.

2. Section II

Refer to Rule 607. in the state company rates to develop the premium for the increased Coverages E and F exposure.

**RULE 510.
PERMITTED INCIDENTAL OCCUPANCIES RESIDENCE
PREMISES**

A. Coverage Description

Coverage for a permitted incidental occupancy is limited under Section I and excluded under Section II. The policy may be endorsed to provide expanded Section I Coverage and Section II Coverage on a permitted incidental occupancy in the dwelling or in an other structure on the residence premises. Use Permitted Incidental Occupancies (Residence Premises) Endorsement **HO 04 42** for Sections I and II Coverage.

B. Permitted Incidental Occupancies

Examples of such occupancies are Offices, Schools or Studios meaning offices for business or professional purposes, and private schools or studios for music, dance, photography and other instructional purposes.

C. Other Structures

If the permitted incidental occupancy is located in an other structure, Coverage B does not apply to that structure. See Paragraph E. for charge for specific insurance on the structure.

D. Personal Property

The permitted incidental occupancies endorsement also covers personal property pertaining to the permitted incidental occupancy within the Coverage C limits stated in the declarations. If increased Coverage C limits are desired, see Rule 515.A.

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**RULE 505.
EARTHQUAKE COVERAGE (Cont'd)**

C. Loss Assessment Coverage

The policy may also be endorsed to cover loss assessment resulting from loss by this peril. The limit of liability shall be based on the insured's proportionate interest in the total value of all collectively owned buildings and structures of the corporation or association of property owners. Refer to company for rates. Use Loss Assessment Coverage For Earthquake Endorsement **HO 04 36** for all Forms.

D. Base Premium

Develop the base premium as follows:

1. From the state company rates determine whether Construction Table **A**, **B**, and/or **C** applies for the appropriate deductible.
2. Determine the Earthquake territory according to the ZIP code of the residence premises from the State Territory Definitions pages in this Manual.
3. For Forms **HO 00 02**, **HO 00 03** and **HO 00 05**, add the results of the following three steps:
 - a. Multiply the Coverage **A** limit by the rate found in Column **A** of the table;
 - b. If the Coverage **C** limit is increased, multiply the rate found in Column **D** by the amount of the increase; and
 - c. If the Coverage **D** limit is increased, multiply the rate found in Column **F** by the amount of the increase.
4. For Form **HO 00 04**, add the results of the following two steps;
 - a. Multiply the Coverage **C** limit by the rate found in Column **B** of the table and
 - b. If the Coverage **D** limit is increased, multiply the rate found in Column **F** by the amount of the increase.
5. For Form **HO 00 06**, add the results of the following three steps:
 - a. Multiply the Coverage **C** limit by the rate found in Column **C** of the table;
 - b. Multiply the Coverage **A** limit by the rate found in Column **E** of the table; and
 - c. If the Coverage **D** limit is increased, multiply the rate found in Column **F** by the amount of the increase.

6. Building Or Non-Building Structure Items – All Forms:

Multiply the rate in Column **F** of the table by the appropriate limit of liability for Other Building or Structure options. (for example Other Structures – Structures Rented To Others Residence Premises Endorsement **HO 04 40**, Other Structures On The Residence Premises – Increased Limits Endorsement **HO 04 48** and Specific Structures Away From The Residence Premises Endorsement **HO 04 92**; Building Additions And Alterations - Other Residence Endorsement **HO 04 49** and Building Additions And Alterations Increased Limit Form **HO 00 04** Endorsement **HO 04 51**).

7. Ordinance Or Law – Basic And Increased Limit – All Forms:

Multiply the rate determined in Paragraphs **D.3.a.**, **D.4.b.**, **D.5.b.** and/or **D.6.** by the Ordinance or Law total amount of insurance. This includes basic and, if applicable, increased amounts.

E. Premium For Higher Deductibles

Multiply the Earthquake base premium determined in Paragraph **D.** for the 10% deductible by the appropriate factor from the following table:

Deductible Percentage	Factor		
	Frame	Masonry	Superior
15%	.80	.85	.75
20%	.65	.70	.60
25%	.50	.60	.45

Table 505.E. Higher Deductibles Factor

F. Building Code Effectiveness Grading

Refer to Rule **410.** for information which may affect Earthquake rating.

**RULE 506.
FIRE DEPARTMENT SERVICE CHARGE**

The limit of \$500 may be increased subject to the rules and rates of the company.

**RULE 507.
FORM HO 00 06 COVERAGE A DWELLING BASIC AND INCREASED LIMITS AND SPECIAL COVERAGE – HO 00 06**

A. Basic Limits

The policy automatically provides a basic Coverage **A** limit of \$5,000 on a named perils basis. If increased limits are not desired, enter "\$5,000" under Coverage **A** – Dwelling in the Policy Declarations.

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**PART V
SECTION I – PROPERTY – ADDITIONAL COVERAGES
AND INCREASED LIMITS RULES**

**RULE 501.
BUILDING ADDITIONS AND ALTERATIONS AT OTHER
RESIDENCES**

A. Coverage Description

The policy may be endorsed to provide this coverage at residences, other than the residence premises, rented to an insured.

B. Premium Computation

To develop the premium per \$1,000 of insurance, multiply the HO 00 04 Key Factor for "Each Add'l \$1,000" by the HO 00 04 Key Premium.

C. Endorsement

Use Building Additions And Alterations Other Residence Endorsement HO 04 49.

**RULE 502.
BUILDING ADDITIONS AND ALTERATIONS –
INCREASED LIMIT – HO 00 04**

A. Coverage C Increase

The limit of liability of 10% of Coverage C may be increased.

B. Premium Computation

To develop the premium per \$1,000 of insurance, multiply the HO 00 04 Key Factor for "Each Add'l \$1,000" by the HO 00 04 Key Premium.

C. Endorsement

Use Building Additions And Alterations Increased Limit Form HO 00 04 Endorsement HO 04 51.

**RULE 503.
BUSINESS PROPERTY – INCREASED LIMIT**

A. On-Premises

1. The \$2,500 limit of liability for business property on the residence premises may be increased to \$10,000 in increments of \$2,500.
2. Refer to state company rates for each \$2,500 increase.
3. The limit of liability in excess of \$2,500 does not apply to:
 - a. Business property in storage or held as a sample or for sale or delivery after sale.
 - b. Business property pertaining to a business actually conducted on the residence premises.

4. The Property described in Paragraphs 3.a. and 3.b. are covered under the following optional endorsements:

- a. Permitted Incidental Occupancies;
- b. Home Day Care; or
- c. Home Business Insurance Coverage.

B. Off-Premises

When the on-premises limit is increased, the off-premises limit of \$500 is automatically increased, at no additional charge, to an amount that is 20 percent of the total on-premises limit of liability.

C. Endorsement

Use Increased Limits On Business Property Endorsement HO 04 12.

**RULE 504.
CREDIT CARD, ELECTRONIC FUND TRANSFER CARD
OR ACCESS DEVICE, FORGERY AND COUNTERFEIT
MONEY**

A. Coverage Increase

The limit of \$500 may be increased. An additional rate is to be charged.

B. Premium

Refer to state company rates for an additional charge.

C. Endorsement

Use Credit Card, Electronic Fund Transfer Card Or Access Device, Forgery And Counterfeit Money Coverage Increased Limit Endorsement HO 04 53.

**RULE 505.
EARTHQUAKE COVERAGE**

A. Coverage Description

The policy may be endorsed to provide coverage against a loss resulting from the peril of Earthquake. This peril shall apply to all Section I Coverages for the same limits provided in the policy. Use Earthquake Endorsement HO 04 54.

B. Deductible

Deductible percentage amounts of 5%, 10%, 15%, 20% and 25% of the limit of liability are included in this rule.

In the event of an Earthquake loss to covered property, the dollar amount is deducted from the total of the loss for Coverages A, B, and C.

Earthquake rates are displayed for the 5% and 10% deductible in the state company rates. Credit factors for deductible percentage amounts of 15%, 20% and 25% are provided in Paragraph E. Premium for Higher Deductibles of this rule.

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**RULE 410.
BUILDING CODE EFFECTIVENESS GRADING (Cont'd)**

C. Individual Grading

Where buildings have been built in full conformance with the natural hazard mitigation elements of one of the nationally recognized building codes even though the community grade is greater than 1, exception rating procedures may apply.

1. Any building may be classified as Grade 1 for Windstorm/Hail upon certification by a registered or licensed design professional, based on an on-site inspection, that such building is in compliance with one of the three nationally recognized building codes with respect to mitigation of the windstorm or hail hazard. This classification is effective only from the date of the certification.
2. Any building may be classified as Grade 1 for Earthquake upon certification by a registered or licensed design professional, based on an on-site inspection, that such building is in compliance with the earthquake mitigation elements of one of the three nationally recognized building codes. This classification is effective only from the date of the certification.

D. Ungraded Risks

Buildings which do **not** meet the criteria in Paragraph **B.** or **C.** for Grade assignment are rated and coded as ungraded risks. Do **not** classify as Grade 10.

E. Premium Credit Computation

1. Community Grading

a. Windstorm Or Hail

Compute the premium credit as follows:

- (1) Multiply the Base Class Premium by the appropriate factor in Paragraph **E.1.c.(1)** located in the state exceptions; and
- (2) Multiply the result from preceding Paragraph **(1)** by the Key Factor for the desired amount of insurance.

b. Earthquake

When Earthquake Endorsement **HO 04 54** is attached to the policy, multiply the Earthquake Base Premium by the appropriate factor in Paragraph **E.1.c.(2)** located in the state exceptions.

c. Credit Factors

Refer to state exceptions for state specific factors.

2. Individual Grading

For any building classified as Grade 1 based upon certification as set forth in Paragraph **C.**, use the appropriate factor listed under Paragraph **E.1.c.** located in the state exceptions.

**RULES 411. – 500.
RESERVED FOR FUTURE USE**

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**RULE 409.
REPLACEMENT COST LOSS SETTLEMENT FOR
CERTAIN NON-BUILDING STRUCTURES – FORMS
HO 00 02, HO 00 03 AND HO 00 05**

A. Introduction

The policy provides actual cash value loss settlement for non-building structures covered under Coverage B, or specifically scheduled under this policy.

B. Coverage Description

The policy may be endorsed to provide repair or replacement cost loss settlement for the following types of non-building structures only if they are located on the residence premises:

1. Re-inforced masonry walls;
2. Metal or fiberglass fences;
3. Fences made of plastic/resin materials such as polyvinylchloride;
4. Patios, walks (not made of wood or wood products); and
5. Driveways.

C. Premium Computation

The premium is computed by multiplying the Base Premium by a factor of 1.02.

D. Endorsement

Use Replacement Cost Loss Settlement For Certain Non-Building Structures On The Resident Premises Endorsement HO 04 43.

E. Endorsement Exception

This loss settlement condition does not apply to covered property insured under Coverage B – Other Structures Away From The Residence Premises Endorsement HO 04 91 and Specific Structures Away From The Residence Premises Endorsement HO 04 92.

**RULE 410.
BUILDING CODE EFFECTIVENESS GRADING**

This rule does not apply to Mobile or Trailer homes.

A. General Information

1. The Building Code Effectiveness Grading Schedule develops a grade of 1 to 10 for a community based on the adequacy of its building code and the effectiveness of its enforcement of that code. Policies which cover the perils of Windstorm or Hail or Earthquake may be eligible for special rating treatment, subject to the criteria in the following paragraphs. The Building Code Effectiveness Grading factor applies, where applicable, in addition to the Public Protection Classification factors.

2. In some communities, two Building Code Effectiveness Grades may be assigned. One grade will apply to 1 and 2 family dwelling buildings and/or personal property contained in such buildings. The other grade will apply to all other buildings occupied for residential, commercial and/or manufacturing purposes including personal and business property contained therein. The Public Protection Classification Manual will indicate the application of each grade.

3. The Building Code Effectiveness Grades for a community, and their effective dates, are provided in the Public Protection Classification Manual published by Insurance Services Office, Inc.

B. Community Grading

1. The Building Code Effectiveness Grade applies to any building that has an original certificate of occupancy dated the year of the effective date of the community grading, or later. A rating factor has been developed for each community grade.
2. If a community is regraded subsequent to its initial grading, the factor for the revised grade applies to buildings that have an original certificate of occupancy dated the year of the effective date of the revised grading, or later.
3. Where certificates of occupancy are not issued, equivalent documentation acceptable to the company may be used.
4. If, due to an addition or alteration, the original building is changed to comply with the latest building code, the factor for the community grading applicable at the time the reconstruction is completed will apply to such building.
5. The Building Code Effectiveness Grade may apply to Windstorm/Hail or Earthquake, or to both. Specific information is provided in the Public Protection Classification Manual. If the grade in the manual does not apply to one of the perils, the factor should not be applied for that peril.

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**RULE 407.
ADDITIONAL AMOUNTS OF INSURANCE – FORMS
HO 00 02, HO 00 03 AND HO 00 05**

A. Introduction

The policy provides loss settlement for buildings insured under Coverage A or B on a replacement cost basis without deduction for depreciation, if, at the time of loss, the amount of insurance on the damaged building is 80% or more of the replacement cost of the building immediately before the loss.

B. Coverage Description

The policy may be endorsed to provide additional insurance for Coverage A only or for Coverages A, B, C, and D when loss, to property insured under Coverage A – Dwelling, exceeds the limit of liability shown in the policy declarations.

C. Options Available

When either of the following options is selected, the Coverage A limit of liability shall be at least 100% of the full replacement cost of the property insured under Coverage A at policy inception or at the time the endorsement is added to the policy:

1. Specified Additional Amount Of Insurance For Coverage A Only

- a. An additional amount of insurance equal to 25% or 50% of the Coverage A limit of liability may be selected. This additional amount is available when loss to property insured under Coverage A – Dwelling exceeds the Coverage A limit of liability shown in the Declarations.

The additional amount cannot be applied to any other coverage nor does it increase the Coverage A limit.

- b. The premium for this option is computed by multiplying the Base Premium by the appropriate factor selected from the following table:

Additional Amount Options	Factor
25%	1.03
50%	1.06

Table 407.C.1.b. Additional Amounts Of Insurance Factors

- c. Use Specified Additional Amount of Insurance for Coverage A Endorsement HO 04 20.

2. Additional Limits Of Liability For Coverages A, B, C, And D

- a. This option differs from Paragraph C.1., in that the Coverage A limit of liability is increased, after a loss, to the amount necessary to repair or replace the damaged or destroyed property. The limits of liability for Coverages B, C, and D will also be increased by the same percentage applied to the Coverage A limit.

When the loss to such property, exceeds the Coverage A limit, the policy is endorsed, retroactive to the date of loss, to the limit needed to settle the loss.

- b. The premium is computed by multiplying the Base Premium by a factor of 1.15.
- c. Use Additional Limits Liability for Coverages A, B, C, and D Endorsement HO 04 11.

D. Endorsement Exception

Do not use either endorsement when the Special Loss Settlement Endorsement or any other endorsement which modifies the required percentage of replacement value is attached to the policy.

**RULE 408.
ACTUAL CASH VALUE LOSS SETTLEMENT
WINDSTORM OR HAIL LOSSES TO ROOF SURFACING
– ALL FORMS EXCEPT HO 00 04**

A. Introduction

The policy provides settlement for building losses on a repair or replacement cost basis, subject to certain conditions.

B. Coverage Description

The policy may be endorsed to provide loss settlement exclusively on an Actual Cash Value basis for roof surfacing when damage is caused by the peril of Windstorm Or Hail.

C. Premium Determination

To develop a premium for this option, multiply the Base Premium by a factor of .99.

D. Endorsement

Use Actual Cash Value Loss Settlement Windstorm Or Hail Losses To Roof Surfacing (All Forms Except HO 00 04) Endorsement HO 04 93.

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**RULE 406.
DEDUCTIBLES (Cont'd)**

5% Windstorm Or Hail Deductible				
All Other Perils Ded. Amount	Coverage A Limit (Expressed In \$)			
	Up To 59,999	60,000 To 99,999	100,000 To 200,000	200,001 & Over
\$ 100	.97	.97	.99	1.00
250	.89	.89	.91	.93
500	.82	.82	.84	.89
1,000	.72	.72	.73	.83
2,500	.59	.59	.59	.70

Table 406.C.3.a.(6)#3 5% Windstorm Or Hail Deductible

b. Higher Fixed-Dollar Deductibles

(1) Deductible Amounts

This option provides for higher fixed-dollar deductible amounts of \$1,000, \$2,000 and \$5,000 when the dollar amount of the higher fixed-dollar deductible selected exceeds the amount of the deductible applicable to All Other Section I Perils.

(2) Endorsement

An endorsement is not required.

(3) Declarations Instruction

Separately enter, on the policy declarations, the deductible amounts that apply to Windstorm Or Hail and All Other Section I Perils. For example: \$1,000 for Windstorm Or Hail and \$250 for All Other Perils.

(4) Use Of Factors

The factors displayed in Paragraph (5) incorporate the factors for the All Perils Deductibles shown in Paragraphs B.3. and C.1. Do **not** use the factors for the All Perils Deductibles when rating a policy with a higher Windstorm Or Hail deductible.

(5) Deductible Factors

To compute the premium for this provision, multiply the Base Premium by the factor selected from the following tables for the deductible amounts desired:

\$1,000 Windstorm Or Hail Deductible				
All Other Perils Ded. Amount	Coverage A Limit (Expressed In \$)			
	Up To 59,999	60,000 To 99,999	100,000 To 200,000	200,001 & Over
\$ 100	1.02	1.03	1.05	1.06
250	.95	.95	.97	.98
500	.88	.88	.90	.95

Table 406.C.3.b.(5)#1 \$1,000 Windstorm Or Hail Deductible

\$2,000 Windstorm Or Hail Deductible				
All Other Perils Ded. Amount	Coverage A Limit (Expressed In \$)			
	Up To 59,999	60,000 To 99,999	100,000 To 200,000	200,001 & Over
\$ 100	.98	1.00	1.03	1.04
250	.91	.92	.95	.96
500	.85	.85	.88	.93
1,000	.75	.75	.77	.88

Table 406.C.3.b.(5)#2 \$2,000 Windstorm Or Hail Deductible

\$5,000 Windstorm Or Hail Deductible				
All Other Perils Ded. Amount	Coverage A Limit (Expressed In \$)			
	Up To 59,999	60,000 To 99,999	100,000 To 200,000	200,001 & Over
\$ 100	.96	.97	1.01	1.02
250	.88	.89	.92	.94
500	.82	.82	.85	.91
1,000	.72	.72	.75	.86
2,500	.58	.59	.60	.74

Table 406.C.3.b.(5)#3 \$5,000 Windstorm Or Hail Deductible

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**RULE 406.
DEDUCTIBLES (Cont'd)**

3. Windstorm Or Hail Deductibles (All Forms Except HO 00 04 And HO 00 06)

The following deductible options are used in conjunction with the deductible applicable to All Other Section I Perils.

a. Percentage Deductibles

(1) Deductible Amounts

This option provides for higher Windstorm or Hail percentage deductibles of 1%, 2% or 5% of the Coverage A limit of liability when the dollar amount of the percentage deductible selected exceeds the amount of the deductible applicable to All Other Section I Perils.

(2) Endorsement

Use Windstorm Or Hail Percentage Deductible Endorsement **HO 03 12**.

(3) Declarations Instructions

Enter, on the policy declarations, the percentage amount that applies to Windstorm or Hail and the dollar amount that applies to All Other Section I Perils. For example:

- Deductible – Windstorm or Hail 1% of Coverage A limit and \$250 for All Other Perils.
- Deductible – Windstorm or Hail 2% of the Coverage A limit, \$250 for Theft of Personal Property and \$100 for All Other.

(4) Deductible Application

In the event of a Windstorm or Hail loss to covered property, the dollar amount is deducted from the total of the loss for all coverages. For example:

Cov.	Limit Of Liability	1% Ded.	Amount Of Loss	
			Before Ded.	After Ded.
A	\$100,000	\$1,000	\$7,500	–
C	50,000		3,000	–
B	10,000		1,350	–
D	20,000		660	–
			\$12,510	\$11,510

Table 406.C.3.a.(4) Example

(5) Use Of Factors

The factors displayed in Paragraph (6) incorporate the factors for the All Peril Deductibles shown in Paragraphs B.3. and C.1. Do not use the factors for the All Perils Deductibles when rating a policy with a higher Windstorm Or Hail deductible.

(6) Deductible Factors

To compute the premium for this provision, multiply the Base Premium by the factor selected from the following tables for the deductible amounts desired:

1% Windstorm Or Hail Deductible				
All Other Perils Ded. Amount	Coverage A Limit (Expressed In \$)			
	Up To 59,999	60,000 To 99,999	100,000 To 200,000	200,001 & Over
\$ 100	1.05	1.04	1.04	1.04
250	.96	.96	.96	.96
500	.89	.89	.89	.93
1,000	–	–	.78	.88
2,500	–	–	–	.74

Table 406.C.3.a.(6)#1 1% Windstorm Or Hail Deductible

2% Windstorm Or Hail Deductible				
All Other Perils Ded. Amount	Coverage A Limit (Expressed In \$)			
	Up To 59,999	60,000 To 99,999	100,000 To 200,000	200,001 & Over
\$ 100	1.02	1.02	1.02	1.02
250	.93	.93	.94	.95
500	.86	.86	.87	.91
1,000	.76	.76	.76	.85
2,500	–	–	.60	.72

Table 406.C.3.a.(6)#2 2% Windstorm Or Hail Deductible

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**RULE 406.
DEDUCTIBLES (Cont'd)**

- b. When the \$100 deductible applies to All Other Perils, compute the premium by multiplying the Base Premium by a factor of:
- (1) 1.09 for all forms except HO 00 04 and HO 00 06; or
 - (2) 1.05 for Forms HO 00 04 or HO 00 06.
- c. When a higher Windstorm or Hail and \$100 All Other Perils deductible applies, subtract a factor of .01 from the factors shown in Paragraphs C.3.a.(6) or C.3.b.(5).

C. Optional Higher Deductibles

1. All Perils Deductible

To compute the premium for this deductible type, multiply the Base Premium by the factors selected from the following table:

All Forms Except HO 00 04 And HO 00 06			
Coverage A Limit	Deductible Amounts		
	\$500	\$1,000	\$2,500
Up to \$59,999	.91	.79	.62
\$60,000 to 99,999	.91	.79	.62
100,000 to 200,000	.92	.79	.62
200,001 and Over	.96	.89	.75
HO 00 04			
Coverage C Limit	\$500	\$1,000	\$2,500
Up to \$25,000	.91	.77	.59
\$25,001 and over	.93	.84	.68
HO 00 06			
Coverage C Limit	\$500	\$1,000	\$2,500
Up to \$40,000	.90	.76	.56
\$40,001 and over	.92	.81	.63

Table 406.C.1. All Perils Deductibles Factors

2. Theft Deductible (Forms HO 00 04 And HO 00 06 Only)

a. Deductible Amounts

This option provides for higher Theft deductible amounts of \$1,000 and \$2,500 to be used in conjunction with the deductible that applies to All Other Section I Perils.

b. Declarations Instructions

Separately enter, on the policy declaration, the deductible amounts that apply to Theft and All Other Section I Perils.

**c. Deductible Factors
(1) Form HO 00 04**

Theft Deductible		All Other Perils Deductible Amount	Coverage C Limit	
Territory	Amount		Up to \$25,000	\$25,001 and over
City	\$ 1,000	\$ 100	.87	.92
		250	.84	.90
		500	.81	.87
	\$ 2,500	\$ 100	.74	.83
		250	.72	.81
500		.69	.78	
Other Than City	\$ 1,000	\$ 100	.93	.95
		250	.88	.92
		500	.84	.89
	\$ 2,500	\$ 100	.83	.88
		250	.80	.85
500		.75	.82	
	1000	.69	.77	

Table 406.C.2.c.(1) Theft Deductible Factors

(2) City And Other Than City Territories (Form HO 00 04 Only)

Refer to state Territory Pages, Paragraph 2.A. for a listing of City Territories and 2.B. for Other Than City Territories.

(3) Form HO 00 06

Theft Deductible		All Other Perils Deductible Amount	Coverage C Limit	
Amount			Up to \$40,000	\$40,001 and over
\$ 1,000	\$ 100	1.01	1.00	
	250	.95	.96	
	500	.87	.90	
\$ 2,500	\$ 100	.97	.97	
	250	.91	.92	
	500	.83	.86	
	1000	.72	.77	

Table 406.C.2.c.(3) Theft Deductible Factors

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**RULE 404.
PROTECTIVE DEVICES**

A. Approved and properly maintained installations of burglar alarms, fire alarms and automatic sprinklers in the dwelling may be recognized for a reduced premium – computed by multiplying the Base Premium by the selected factors from the following table:

Protective Devices Factors

Type Of Installation*	Factor
Central Station Reporting Burglar Alarm	.95 to 1.00
Central Station Reporting Fire Alarm	.95 to 1.00
Police Station Reporting Burglar Alarm	.97 to 1.00
Fire Department Reporting Fire Alarm	.97 to 1.00
Local Burglar and/or Fire Alarm	.98
Automatic Sprinklers in all areas including attics, bathrooms, closets, attached structures	.87 to 1.00
Automatic Sprinklers in all areas except attic, bathroom, closet and attached structure areas that are protected by a fire detector	.92 to 1.00

* Refer to company for eligibility, types of systems and devices, installations, and available credits.

Table 404.A. Protective Devices Factors

B. Use Premises Alarm Or Fire Protection System Endorsement **HO 04 16**.

**RULE 405.
INFLATION GUARD – ALL FORMS EXCEPT HO 00 04
AND HO 00 06**

A. Coverage Description

The policy may be endorsed to provide annual increases of the Section I Limits of Liability as selected by the insured.

B. Premium Computation

1. The premium is computed by multiplying the Base Premium by the appropriate factor selected from the following table:

Amount Of Annual Increase	Factor
4%	1.02
6%	1.03
8%	1.04
Each Add'l 4% over 8% add:	.02

Table 405.B.1. Inflation Guard Factors

2. The premium for a 3 year policy is 3.2 times the annual policy premium.

C. Endorsement

Use Inflation Guard Endorsement **HO 04 46**.

**RULE 406.
DEDUCTIBLES**

All policies are subject to a deductible that applies to loss from all Section I Perils, except Earthquake. A separate deductible provision applies to Earthquake Coverage as described in Rule 505.

A. Base Deductible

\$250 Deductible.

B. Optional Deductibles

1. Additional Premium Charge

- a. The options in Paragraphs 2. and 3. are subject to a minimum and maximum additional premium charge.
- b. Refer to the state company rates for these charges.

2. \$100 Deductible

To compute the premium for this option, multiply the Base Premium by a factor of 1.10.

3. \$250 Theft Deductible

All forms except **HO 00 05**, **HO 00 04** with Special Personal Property Coverage Endorsement **HO 05 24** and **HO 00 06** with Unit-Owners Coverage C (Special Coverage) Endorsement **HO 17 31**.

- a. The theft deductible applies to Coverage C – Personal Property and is available only when:
 - (1) A \$100 deductible applies to All Other Perils; or
 - (2) A higher deductible applies to the peril of Windstorm or Hail, as described in Paragraph C.3., and a \$100 deductible applies to All Other Perils.

**HOMEOWNERS POLICY PROGRAM MANUAL
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**PART IV
ADJUSTED BASE PREMIUM COMPUTATION RULES**

**RULE 401.
SUPERIOR CONSTRUCTION**

The premium for a dwelling or apartment unit in a building of superior construction is computed by multiplying the masonry Base Premium for a comparable dwelling or apartment unit by a factor of .85.

**RULE 402.
TOWNHOUSE OR ROW HOUSE – ALL FORMS EXCEPT
HO 00 04 And HO 00 06**

The premium for an eligible 1, 2, 3 or 4 family dwelling in a town or row house structure is computed by multiplying the Base Premium by the appropriate factor selected from the following table:

Townhouse And Row House Factors

Total No. Of Individual Family Units Within The Fire Division*	Protection Class	
	1-8	9 & Over
1 Or 2 Family Dwelling		
1 & 2	1.00	1.00
3 & 4	1.10	1.15
5 – 8	1.25	1.30
9 & Over	Refer to company	
3 Or 4 Family Dwelling		
5 – 8	1.15	1.20
9 & Over	Refer to company	

* An eligible two family owner-occupied dwelling attached to a one family dwelling but not separated by a fire wall would be considered 3 individual family units within a fire division. An eligible four family dwelling attached to a three family dwelling but not separated by a fire wall would be considered 7 individual family units within a fire division. Four 2 family dwellings not separated by a fire wall would be considered 8 individual family units.

Table 402. Townhouse And Row House Factors

**RULE 403.
PERSONAL PROPERTY (COVERAGE C)
REPLACEMENT COST LOSS SETTLEMENT**

A. Introduction

The policy provides loss settlement on an Actual Cash Value basis for certain types of property.

B. Loss Settlement Option

The policy may be endorsed to provide loss settlement on a Replacement Cost basis for such property whether insured on a blanket or scheduled basis.

C. Endorsement

Use Personal Property Replacement Cost Endorsement HO 04 90.

D. Scheduled Personal Property

1. When the Scheduled Personal Property Endorsement HO 04 61 is attached to a policy with Endorsement HO 04 90, the following property, if scheduled, will also be subject to repair or replacement cost loss settlement up to the scheduled limit of liability:

- a. Jewelry;
- b. Furs and garments trimmed with fur or consisting principally of fur;
- c. Cameras, projection machines, films and related articles of equipment;
- d. Musical equipment and related articles of equipment;
- e. Silverware, silver-plated ware, goldware, gold-plated ware and pewerware, but excluding pens, pencils, flasks, smoking implements or jewelry; and
- f. Golfer's equipment meaning golf clubs, golf clothing and golf equipment.

2. Since the loss settlement condition in Endorsement HO 04 61 will pay the insured the least of the:

- a. Actual cash value of the property sustaining loss;
- b. The amount for which the property could be repaired or replaced; or
- c. The amount of insurance of the property sustaining loss;

the limit of liability that applies to each scheduled item should be carefully evaluated to ensure that the limit selected by the insured represents the cost to replace the item if lost or damaged beyond repair.

E. Scheduled Personal Property (With Agreed Value Loss Settlement)

When Scheduled Personal Property (With Agreed Value Loss Settlement) Endorsement HO 04 60 is attached to a policy with Endorsement HO 04 90, the property subject to agreed value loss settlement will not be subject to repair or replacement cost loss settlement.

F. Premium Determination

Multiply the Base Premium including any premium adjustment for Coverage C limits by a factor of:

- 1. 1.15 for all forms except HO 00 04 and HO 00 06.
- 2. 1.35 for Forms HO 00 04 or HO 00 06.

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**RULE 303.
ORDINANCE OR LAW COVERAGE ALL FORMS
EXCEPT HO 00 08 (Cont'd)**

2. Premium Determination

a. Forms HO 00 02, HO 00 03 And HO 00 05

To develop the Base Premium multiply the premium computed in accordance with Rule 301. by the appropriate factor selected from the following table:

Percentage Of Coverage A		Factors Coverage A Limit	
Increase In Amount	Total Amount	\$60,000 To \$140,000	All Other
15%	25%	1.13	1.05
40%	50%	1.35	1.14
65%	75%	1.51	1.20
90%	100%	1.67	1.27
For each add'l 25% increment, add		.16	.07

Table 303.B.2.a. Factors

b. Forms HO 00 04 And HO 00 06

See Rule 513. for rating instructions.

3. Endorsement

Use Ordinance Or Law – Increased Amount Of Coverage Endorsement **HO 04 77**.

**RULE 304.
SPECIAL PERSONAL PROPERTY COVERAGE HO 00 04
AND HO 00 06**

A Coverage Description

1. Coverage **C** – Personal Property under Forms **HO 00 04** and **HO 00 06** is insured against perils named in the form. The policy may be endorsed to insure Coverage **C** against additional risks of physical loss subject to certain exclusions.

2. This option may only be used when:

- a. For Form **HO 00 04**, the apartment, dwelling or cooperative unit rented to the insured is not rented or sublet to another; or
- b. For Form **HO 00 06**, the condominium or cooperative unit is owner occupied and not rented to others.

B. Premium Computation

Multiply the Form **HO 00 04** or **HO 00 06** Base Premium developed in accordance with Rule 301. by 1.40.

C. Endorsement

- 1. Use Special Personal Property Coverage Endorsement **HO 05 24** for use with **HO 00 04** only.
- 2. Use Unit-Owners – Coverage **C** – Special Coverage Endorsement **HO 17 31** for use with **HO 00 06** only.

**RULES 305. – 400.
RESERVED FOR FUTURE USE**

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RULE 302.

LOSS SETTLEMENT OPTIONS (Cont'd)

4. Endorsement

Use Functional Replacement Cost Loss Settlement Endorsement HO 05 30.

B. Actual Cash Value Loss Settlement – HO 00 02, HO 00 03 And HO 00 05 Only

1. Introduction

The policy provides building loss settlement on a replacement cost basis if, at the time of loss, the amount of insurance on the damaged building represents at least 80% of the full replacement cost of the building immediately before the loss.

2. Coverage Description

The policy may be endorsed to provide building loss settlement exclusively on an actual cash value basis if, on the inception date of the policy, the Coverage A limit of liability selected by the insured is less than 80% of the full replacement cost of the dwelling.

3. Premium Computation

The premium is computed by multiplying the Base Premium by the appropriate factor from the following table:

Coverage A Limit Of Liability Equals Less Than _____% Of Replacement Value	Factor
80%, but not less than 50%	1.05
Less than 50%	1.10

Table 302.B.3. Factors

4. Endorsement

Use Actual Cash Value Loss Settlement Endorsement HO 04 81.

C. Special Loss Settlement – HO 00 02, HO 00 03 And HO 00 05 Only

1. Introduction

The policy provides building loss settlement on a replacement cost basis if, at the time of loss, the amount of insurance on the damaged building represents at least 80% of the full replacement cost of the building immediately before the loss.

2. Coverage Description

This percentage amount may be modified to 50%, 60% or 70% of replacement value without affecting the loss settlement provisions. If this option is selected, the Coverage A limit of liability representing 50%, 60% or 70% of replacement value is to be shown in the policy declarations.

3. Premium Computation

To develop the Base Premium for the Coverage A limit of liability shown in the policy declarations:

- a. Multiply the Coverage A limit of liability by the appropriate factor from the following table and round to the nearest \$1,000:

% Of Replacement Value	Factor
50%	1.60
60%	1.33
70%	1.14

Table 302.C.3.a. Factors

- b. Develop a Base Premium in accordance with Rule 301. for the amount of insurance computed in preceding Paragraph a.

- c. Multiply the premium determined in preceding Paragraph b. by the appropriate factor from the following table:

% Of Replacement Value	Factor
50%	.96
60%	.97
70%	.98

Table 302.C.3.c. Factors

4. Endorsement

Use Special Loss Settlement Endorsement HO 04 56.

RULE 303.

ORDINANCE OR LAW COVERAGE ALL FORMS EXCEPT HO 00 08

A. Basic Limit

The policy automatically provides up to 10% of the Coverage A limit of liability (or for Form HO 00 04, the Building Additions and Alterations limit) to pay for the increased costs necessary to comply with the enforcement of an ordinance or law.

B. Increased Amount Of Coverage

1. Description

The policy may be endorsed to increase the basic Ordinance or Law Coverage amount, as noted in Paragraph 2. to accommodate the increased costs known or estimated by the insured for materials and labor to repair or replace the damaged property and to demolish the undamaged portion of damaged property and clear the site of resulting debris according to the ordinance or law.

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**PART III
BASE PREMIUM COMPUTATION RULES**

**RULE 301.
BASE PREMIUM COMPUTATION**

The Base Premium is developed by multiplying a Key Premium by a Key Factor and rounding to the nearest whole dollar (\$0.50 or more rounded to the next higher whole dollar).

A. All Forms Except HO 00 04 And HO 00 06

1. One And Two Family Dwelling

- a. From the company Base Class Premium Table, select the **HO 00 03** premium for the territory that applies.
- b. From the Classification Tables in this Manual, select the Form and Protection – Construction Classification Factors that apply.
- c. Multiply the company Base Class Premium by the Form Factor and round to the nearest whole dollar.
- d. Multiply this result by the Protection – Construction Classification Factor and round, again, to the nearest whole dollar to arrive at the Key Premium.
- e. From the Key Factor Table in this Manual, select the Key Factor for the desired limit of liability. If the limit of liability is not shown in the tables, interpolate as illustrated in Paragraph C. of this rule.
- f. Multiply the Key Premium from Paragraph d. by the Key Factor and round to the nearest whole dollar to arrive at the Base Premium.

2. Three And Four Family Dwelling

Multiply the One and Two Family Dwelling Base Premium by the three and four family factor from the Classification Tables in this Manual to arrive at the Base Premium.

B. Form HO 00 04 Or HO 00 06

1. From the company Base Class Premium Table, select the **HO 00 04** or **HO 00 06** premium for the territory that applies.
2. From the Form **HO 00 04** or **HO 00 06** Classification Table in this Manual, select the Protection – Construction Classification Factor that applies.
3. Multiply the company Base Class Premium by the Protection – Construction Classification Factor and round to the nearest whole dollar to arrive at the Key Premium.
4. From the Form **HO 00 04** or **HO 00 06** Key Factor Table in this Manual, select the Key Factor for the desired limit of liability. If the limit of liability is not shown in the tables, interpolate as illustrated in Paragraph C. of this rule.
5. Multiply the Key Premium from Paragraph 3. by the Key Factor and round to the nearest whole dollar to arrive at the Base Premium.

C. Interpolation Example

1. When the desired limit of liability is less than the highest limit shown, interpolate the Key Factors using the nearest limit above and below the desired limit, for example:

a. \$203,000 desired limit; the nearest limits are \$200,000 and \$205,000.

b. For \$200,000 the Key Factor is 2.837; for \$205,000 the Key Factor is 2.937. Figure the difference between the two Key Factors and divide by 5. This provides a factor per \$1,000.

$$\begin{array}{r} 2.937 \\ - 2.837 \\ \hline .100 \div 5 = .02 \end{array}$$

c. Multiply the factor per \$1,000 times 3, and add 2.837; the Key Factor for \$200,000.

$$\begin{array}{r} .02 \\ \times 3 \\ \hline .06 + 2.837 = 2.897 \end{array}$$

d. The result, 2.897, is the Key Factor for this example.

2. The factors shown in the above interpolation example are for illustration only and are not necessarily the factors shown in the Key Factor Table of this Manual.

**RULE 302.
LOSS SETTLEMENT OPTIONS**

A. Functional Replacement Cost Loss Settlement – HO 00 02, HO 00 03 And HO 00 05 Only

1. Introduction

The policy provides building loss settlement on a replacement cost basis if, at the time of loss, the amount of insurance on the damaged building represents at least 80% of the full replacement cost of the building immediately before the loss.

2. Coverage Description

The policy may be endorsed to provide building loss settlement exclusively on a functional replacement cost basis if, at the time of loss, the amount of insurance on the damaged building is 80% or more of the functional replacement cost of the building immediately before the loss. Functional Replacement Cost means the amount which it would cost to repair or replace the damaged building with less costly common construction materials and methods which are functionally equivalent to obsolete, antique or custom construction materials and methods.

3. Premium Computation

Develop the Base Premium in accordance with Rule 301. for the amount of insurance selected for this option.

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**RULE 204.
MULTIPLE COMPANY INSURANCE (Cont'd)**

3. Company B also enters, on its policy declarations, the total limits that apply to Section II Coverages E and F.
4. Premiums shown are for illustration only and are not actual premiums.

Each Company's:	Company A	Company B
Percentage share	50%	50%
Premium for \$100,000 Cov. A	\$ 620	\$ 606
Section II Credit	\$ 18	\$ 18
Net Premium for \$100,000 Cov. A	\$ 602	\$ 588
Net Premium for \$50,000 Cov. A	\$ 301	\$ 294
Premium for:		
Section II Coverage	-	\$ 18
Watercraft Option	-	\$ 36
Each Company's Policy Premium	\$ 301	\$ 348

Table 204.D.4. Example

**RULE 205.
MINIMUM PREMIUM**

- A. For prepaid policies a minimum annual premium shall be charged for each policy.
- B. When policies are written under a premium payment plan, no payment shall be less than the minimum premium for each annual period.
- C. The minimum premium may include all chargeable endorsements or coverages if written at inception of the policy.
- D. Refer to state company rates for the minimum premium.

**RULE 206.
TRANSFER OR ASSIGNMENT**

Subject to the consent of the company, all the rules of this Manual and any necessary adjustment of premium, a policy may be endorsed to effect:

- A. Transfer to another location within the same state; or
- B. Assignment from one insured to another in the event of transfer of title of the dwelling.

**RULE 207.
WAIVER OF PREMIUM**

- A. When a policy is endorsed after the inception date, an amount of additional or return premium may be waived.
- B. Refer to state company rates for premium.

**RULE 208.
WHOLE DOLLAR PREMIUM RULE**

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

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

**RULE 209.
RESTRICTION OF INDIVIDUAL POLICIES**

If a policy would not be issued because of unusual circumstances or exposures, the named insured may request a restriction of the policy provided no reduction in the premium is allowed. Such requests shall be referred to the company.

**RULE 210.
REFER TO COMPANY**

Whenever a risk is rated on a refer to company basis, each company is responsible for complying with regulatory or statutory rate filing requirements.

**RULE 211.
ADDITIONAL INTEREST**

- A. In addition to the mortgagee(s) shown in the Declarations or elsewhere in the policy, other persons or organizations may have an insurable interest in the residence premises. When coverage is not provided to such persons or organizations under Additional Insured Endorsement **HO 04 41** or its equivalent, their interest in the residence premises may be acknowledged by naming them in the endorsement referenced in Paragraph D.
- B. Such persons or organizations are entitled to receive notification if the policy is canceled or nonrenewed by the insurer.
- C. No additional charge is made for use of this endorsement.
- D. Use Additional Interest Residence Premises Endorsement **HO 04 10**.

**RULES 212. - 300.
RESERVED FOR FUTURE USE**

**HOMEOWNERS POLICY PROGRAM MANUAL
GENERAL RULES**

**PART II
SERVICING TYPE RULES**

**RULE 201.
POLICY PERIOD**

The policy may be written for a period of:

- A. One year and may be extended for successive policy periods by extension certificate based upon the premiums, forms and endorsements then in effect for the company.
- B. Three years prepaid at three times the annual premium.
- C. Three years in annual installments. Each annual installment shall be the annual premium then in effect for the company. Use Deferred Premium Payment Endorsement **HO 04 18**.
- D. Less than one year or less than three years on a pro rata basis and may be extended for successive policy periods based upon the premiums, forms and endorsements then in effect for the company.

**RULE 202.
CHANGES OR CANCELLATIONS**

- A. It shall not be permissible to cancel any of the mandatory coverages in the policy unless the entire policy is cancelled.
- B. If insurance is increased, cancelled or reduced, the additional or return premium shall be computed on a pro rata basis, subject to the minimum premium requirement.

**RULE 203.
MANUAL PREMIUM REVISION**

A manual premium revision shall be made in accordance with the following procedures:

- A. The effective date of such revision shall be as announced.
- B. The revision shall apply to any policy or endorsement in the manner outlined in the announcement of the revision.
- C. Unless otherwise provided at the time of the announcement of the premium revision, the revision shall not affect
 1. In-force policy forms, endorsements or premiums, until the policy is renewed, or
 2. In the case of a Deferred Premium Payment Plan, in-force policy premiums, until the anniversary following the effective date of the revision.

**RULE 204.
MULTIPLE COMPANY INSURANCE**

A. Application

1. Section I Property

- a. When the companies agree to do so, insurance under Section I may be divided among two or more companies on a percentage basis.
- b. The same form, Section I endorsements and deductibles must apply to all policies.
- c. All Section I Coverages must be divided.
- d. Scheduled Personal Property Coverages may be divided.

2. Section II Liability

Insurance under Section II shall not be divided among two or more companies.

B. Endorsement

Use Multiple Company Insurance Endorsement **HO 04 78**.

C. Premium

1. Compute the premium for the Total Coverage A limit of liability and additional Section I Coverages, if any, from the manual of each company.
2. Each company subtracts the credit for deleting Section II Coverage from the premium computed as instructed in Paragraph 1.
3. Refer to state company rates for the Section II credit.
4. Allocate to each company their percentage participation of the net total premium under Paragraph 2.
5. The company retaining the Section II Coverages receives, in addition to the percentage share of its premium under Paragraph 4., the amount subtracted from its premium under Paragraph 2. plus any premium for additional Section II limits and exposures.

D. Example

1. The example following Paragraph 4. illustrates two companies equally sharing the Section I Property Coverages and Limits, with one company, Company B, retaining all the Section II Liability Coverages and Limits.
2. Company A and B each enter:
 - a. On their respective policy declarations, the actual limits for Section I Coverages A, B, C and D for which they are responsible; and
 - b. On Multiple Company Insurance Endorsement **HO 00 78**, the total limits that apply to each of the Section I Coverages.

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**RULE 105.
SECONDARY RESIDENCE PREMISES (Cont'd)**

B. Premium Adjustment

When coverage is provided on the initial and secondary residence premises under separate policies in the same company, the following premium adjustments should be made:

1. Reduce the Base Premium for the policy covering the secondary residence by the company credit;
2. Refer to state company rates for credit; and
3. Add the charge for Other Insured Location Occupied by Insured, developed from Rule 602., to the policy covering the initial residence.

**RULE 106.
PROTECTION CLASSIFICATION INFORMATION**

The Protection Class listings in the Public Protection Classification Manual apply to risks insured under Homeowners Program policies.

- A. The protection class indicated applies in a municipality or classified area where a single class of fire protection is available throughout (8, 7, 6, etc.).
- B. In a classified area where two or more classifications are shown (for example, 6/9), the classification is determined as follows:

Distance To Fire Station	Class
1. 5 road miles or less with hydrant within 1,000 feet	*
2. 5 road miles or less with hydrant beyond 1,000 feet	9
3. Over 5 road miles	10

* First protection class (for example, 6/9...use Class 6)

Table 106.B. Two Or More Classifications

- C. All other properties are Class 10.

**RULE 107.
CONSTRUCTION DEFINITIONS**

A. Frame

Exterior wall of wood or other combustible construction, including wood iron-clad, stucco on wood or plaster on combustible supports, or aluminum or plastic siding over frame.

B. Masonry Veneer

Exterior walls of combustible construction veneered with brick or stone.

C. Masonry

Exterior walls constructed of masonry materials such as adobe, brick, concrete, gypsum block, hollow concrete block, stone, tile or similar materials and floors and roof of combustible construction (Disregarding floors resting directly on the ground).

D. Superior Construction

1. Non-Combustible

Exterior walls and floors and roof constructed of, and supported by metal, asbestos, gypsum, or other non-combustible materials.

2. Masonry Non-Combustible

Exterior walls constructed of masonry materials (as described in Paragraph C.) and floors and roof of metal or other non-combustible materials.

3. Fire Resistive

Exterior walls and floors and roof constructed of masonry or other fire resistive materials.

E. Mixed (Masonry/Frame)

A combination of both frame and masonry construction shall be classed as frame when the exterior walls of frame construction (including gables) exceed 33 1/3% of the total exterior wall area; otherwise class as masonry.

**RULE 108.
SEASONAL DWELLING DEFINITION**

A seasonal dwelling is a dwelling with continuous unoccupancy of three or more consecutive months during any one year period.

**RULE 109.
SINGLE AND SEPARATE BUILDINGS DEFINITION**

A. Single Building

All buildings or sections of buildings which are accessible through unprotected openings shall be considered as a single building.

B. Separate Building

1. Buildings which are separated by space shall be considered separate buildings.
2. Buildings or sections of buildings which are separated by:

- a. A 6 inch reinforced concrete or an 8 inch masonry party wall; or
- b. A documented minimum two hour non-combustible wall which has been laboratory tested for independent structural integrity under fire conditions;

which pierces or rises to the underside of the roof and which pierces or extends to the inside of the exterior wall shall be considered separate buildings. Accessibility between buildings with independent walls or through masonry, party walls as described shall be protected by at least a Class A Fire Door installed in a masonry wall section.

**RULES 110. - 200.
RESERVED FOR FUTURE USE**

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**RULE 104.
ELIGIBILITY (Cont'd)**

3. To the occupant of a dwelling under a life estate arrangement when the Coverage A amount is at least 80% of the dwelling's replacement cost. The owner's interest in the building and premises liability may be covered using Additional Insured Endorsement **HO 04 41**; or

4. To cover dwellings in the course of construction provided the policy is issued only in the name of the intended owner-occupant(s) of the dwelling.

5. When two or more apartment units in a 2, 3 or 4 family dwelling are occupied by co-owners, each occupying distinct living quarters with separate entrances. Given these circumstances, a Homeowners Policy providing building coverage may be issued to only one of the co-owner occupants of the dwelling. The policy may be endorsed to cover the interest of the other co-owner(s) in the building and for premises liability. Use Additional Insured Endorsement **HO 04 41**. A separate Homeowners Policy **HO 00 04** may be issued to the co-owner(s) occupying the other apartment(s) in the dwelling.

It is permissible to extend the Homeowners Policy, without additional premium charge, to cover the interest of a non-occupant joint owner in the building and for premises liability. Use Additional Insured Endorsement **HO 04 41**.

B. Form HO 00 04

A Homeowners Policy may be issued to:

1. The tenant(s) (non-owner) of a dwelling or an apartment situated in any building; or
2. The owner-occupant(s) of a dwelling, cooperative unit or of a building containing an apartment not otherwise eligible for a Homeowners Policy under Paragraph A.

provided the residence premises occupied by the insured is used exclusively for residential purposes (except as provided in Paragraph F.). The dwelling or apartment unit may not be occupied by more than one additional family or two boarders or roomers.

C. Form HO 00 06

A Homeowners Policy may be issued to the owner(s) of a condominium or cooperative unit which is used exclusively for residential purposes (except as provided in Paragraphs F. and H.). The unit may not be occupied by more than one additional family or two boarders or roomers.

D. Seasonal Dwelling

Subject to all other sections of this rule, a Homeowners Policy may be issued to cover a seasonal dwelling.

E. Mobile Home, Trailer Home Or House Trailer

A Homeowners Policy:

1. Shall not be issued to cover such structures under Cover ge A – Dwelling, but

2. May be issued to cover personal property in such structures as noted in Paragraph B.

F. Permitted Business Occupancies

Certain business occupancies are permitted, provided:

1. The premises is occupied principally for private residential purposes, and
2. There is no other business occupancy on the premises.

When the business is conducted on the residence premises, refer to Rules **509.** and **510.** for Section I Coverage and Rules **607.** and **608.** for Section II Coverage. When it is conducted from an Other Residence, only Section II Coverage is available. Refer to Rules **607.** and **608.**

G. Farm Property

A Homeowners Policy shall not be issued to cover any property to which farm forms or rates apply under the rules of the company, except as noted in following Paragraphs 1. and 2.:

1. Section I – Property – Livestock Collision

Coverage may be provided for loss due to collision which results in the death of covered livestock owned by an insured and kept either on or away from the residence premises as specified in Rule **520.**

2. Section II – Liability Coverage

Certain farm liability exposures may be covered. Refer to Rules **614.** and **615.**

H. Residence Held in Trust (All Forms Except HO 00 04)

A Homeowners Policy may be issued in the name of a trust and trustee(s) when legal title to a 1 through 4 family dwelling or a condominium unit is held solely by the trust and:

1. The trustee and/or beneficiary or grantor regularly reside in the residence held in trust; and
2. The residence held in trust is used exclusively for residential purposes, except as provided in Paragraph F.

Refer to Rule **526.** for the rule of application.

**RULE 105.
SECONDARY RESIDENCE PREMISES**

A. Application

Homeowners coverage on a secondary residence premises shall be provided under a separate policy. The rules of this Manual apply except that Section II Coverage is not mandatory for the secondary residence policy when the same company insures the initial and secondary residence.

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**RULE 102.
DESCRIPTION OF COVERAGES**

The following is a general description of the coverages provided by the individual Homeowners Policy forms. The policy should be consulted for exact contract conditions.

A. Section I – Property – Perils Insured Against

Perils Insured Against

Perils	HO 00 02	HO 00 03	HO 00 04 And HO 00 06	HO 00 05	HO 00 08
Fire or Lightning	Yes	Yes Cov. C	Yes	No	Yes
Windstorm or Hail, Explosion, Riot or civil commotion, Aircraft, Vehicles or Smoke	Yes	Yes Cov. C	Yes	No	Yes
Vandalism or malicious mischief	Yes	Yes Cov. C	Yes	No	Yes
Theft	Yes	Yes Cov. C	Yes	No	Yes
Volcanic eruption	Yes	Yes Cov. C	Yes	No	Yes
Falling objects, Weight of ice, snow or sleet, Accidental discharge of water or steam, Sudden and accidental tearing apart of a heating system or appliance, Freezing, Sudden accidental damage from electrical current.	Yes	Yes Cov. C	Yes	No	No
Additional risks with certain exceptions (Special Coverage)	No	Yes Cov. A, B and D	No	Yes Cov. A, B, C and D	No

Table 102.A. Perils Insured Against

B. Section II – Liability – All Forms

1. Coverage E – Personal Liability

Covers payment on behalf of any insured for all sums which the insured shall become legally obligated to pay as damages because of bodily injury or property damage arising out of an insured's premises or personal activities.

2. Coverage F – Medical Payments To Others

Covers medical expenses incurred by persons, other than the insured, who sustain bodily injury caused by an accident arising out of an insured's premises or personal activities.

**RULE 103.
MANDATORY COVERAGES**

It is mandatory that insurance be written for all coverages provided under both Sections I and II of the Homeowners Policy.

**RULE 104.
ELIGIBILITY**

A. All Forms Except HO 00 04 And HO 00 06

A Homeowners Policy may be issued:

- To the owner-occupant(s) of a 1, 2, 3 or 4 family dwelling which is used exclusively for private residential purposes (except as provided in Paragraphs F. and H.). A 1 family dwelling may not be occupied by more than one additional family or two roomers or boarders. In a 2, 3 or 4 family dwelling, an individual family unit may not be occupied by more than two families or one family with two roomers or boarders; or
- To the purchaser-occupant(s) who has entered into a long term installment contract for the purchase of the dwelling and who occupies the dwelling ~~with~~ to whom title does not pass from the seller until all the terms of the installment contract have been satisfied. The seller retains title until completion of the payments and in no way acts as a mortgagee. The seller's interest in the building and premises liability may be covered using Additional Insured Endorsement – HO 04 41; or

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**RULE 101.
LIMITS OF LIABILITY AND COVERAGE
RELATIONSHIPS (Cont'd)**

2. Section II – Liability (All Forms)

Coverage E – Personal Liability And Coverage F – Medical Payments*
Refer to Rule 301. in the state classification pages.
* Unless otherwise stated, Coverage E limits apply on an "occurrence" basis; Coverage F limits apply on an "each person" basis.

Table 101.A.2. Liability Limits

B. All Forms

The limit of liability for Coverages C or D of Section I and E or F of Section II may be increased.

C. Form HO 00 02, HO 00 03 Or HO 00 05

Under Coverage B of Section I, an additional amount of insurance may be written on a specific structure.

Under Coverage C of Section I, it is permissible to reduce the limit of liability to an amount not less than 40% of the limit of a one and two family dwelling; 20% of the limit of a three family dwelling; and 15% of the limit of a four family dwelling.

D. Form HO 00 06

The limit of liability for Coverage A of Section I may be increased.

E. Form HO 00 08

1. Section I

The following are the only Section I options available with this form:

- a. \$100 Section Deductible,
- b. Higher Optional Deductibles,
- c. On and Off Premises Theft Coverage Increase,
- d. Actual Cash Value Loss Settlement of Windstorm or Hail Loss to Roof Surfacing, and
- e. Reduced Coverage C Limits.

2. Section II

All options available for Form HO 00 02 are available for Form HO 00 08.

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PART I COVERAGE AND DEFINITION TYPE RULES

RULE 100. INTRODUCTION

A. About The Homeowners Manual

The Homeowners Policy Program provides property and liability coverages, using the forms and endorsements specified in this Manual. This Manual contains the rules and classifications governing the writing of the Homeowners Policy. The rules, rates, forms and endorsements of the company for each coverage shall govern in all cases not specifically provided for in this Manual.

B. Manual Structure

1. Contents

The Manual is divided into two primary sections, multistate general rules and state rules and rates.

2. General Rules

These rules are grouped into the following categories:

- a. Part I – Coverage And Definition Type Rules,
- b. Part II – Servicing Type Rules,
- c. Part III – Base Premium Computation Rules,
- d. Part IV – Adjusted Base Premium Computation Rules,
- e. Part V Section I – Property – Additional Coverages And Increased Limits Rules,
- f. Part VI Section II – Liability – Additional Coverages And Increased Limits Rules, and
- g. Part VII Section II – Liability – Other Exposures Increased Limits Rules.

3. State Rules And Rates

These rules are grouped into the following categories:

- a. Exceptions and Additional Rules,
- b. Special State Requirements,
- c. Territory Definitions,
- d. Base Class Premium Tables,
- e. Classification and Key Factor Tables, and
- f. Rates, Charges and Credits.

Also, where ISO does not publish any state pages containing premiums, rates, charges and credits expressed in dollars and cents, each company using this Manual should furnish its manualholders with the state rate pages containing this information.

4. Form References

The Manual refers to Forms HO 00 02, HO 00 03, HO 00 04, HO 00 05, HO 00 06 and HO 00 08. These Form references are identified as follows:

- a. Homeowners 2 Broad Form HO 00 02,
- b. Homeowners 3 Special Form HO 00 03,
- c. Homeowners 4 Contents Broad Form HO 00 04,
- d. Homeowners 5 Comprehensive Form HO 00 05,
- e. Homeowners 6 Unit-Owners Form HO 00 06 and
- f. Homeowners 8 Modified Coverage Form HO 00 08.

RULE 101. LIMITS OF LIABILITY AND COVERAGE RELATIONSHIPS

A. Limits

The limits of liability required under the Homeowners policy are as follows:

1. Section I – Property Damage

Coverage A – Dwelling	
HO 00 02, HO 00 03, HO 00 05 or HO 00 08 HO 00 04 or HO 00 06	Refer to Rule 301. in the state classification pages. For HO 00 06 refer to Rule 507.A.
Coverage B – Other Structures	
HO 00 02, HO 00 03, HO 00 05 or HO 00 08	10% of A (One and two family dwelling) 5% of A (Three and four family dwelling)
Coverage C – Personal Property	
HO 00 02, HO 00 03, HO 00 05 or HO 00 08	50% of A (One and two family dwelling) 30% of A (Three family dwelling) 25% of A (Four family dwelling)
HO 00 04 or HO 00 06	Refer to Rule 301. in the state classification pages.
Coverage D – Loss Of Use	
HO 00 02, HO 00 03 or HO 00 05	30% of A
HO 00 04	30% of C
HO 00 06	50% of C
HO 00 08	10% of A

Table 101.A.1. Property Damage Limits

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**PREFILED TESTIMONY
OF
ROBERT J. CURRY**

**2006 HOMEOWNERS INSURANCE
RATE FILING BY THE
NORTH CAROLINA RATE BUREAU**

Q. Please state your name and business address.

A. My name is Robert J. Curry. My business address is Insurance Services Office, 545 Washington Boulevard, Jersey City, New Jersey.

Q. By whom are you employed?

A. I am employed by Insurance Services Office ("ISO") and have been employed by ISO since October 8, 1984.

Q. What are your responsibilities at ISO?

A. I am generally responsible for managing and overseeing the operations of the Personal Property Actuarial Division at ISO. The Personal Property Actuarial Division is responsible for ISO's total ratemaking operation as it pertains to personal property insurance, including homeowners, dwelling and inland marine coverages. We are generally responsible for doing analyses that pertain to ratemaking for the personal property coverages including reviewing experience, making filings, analysis of classification plans, etc. ISO is involved in ratemaking for the personal property coverages in general in all of the 50 states plus the District of Columbia and Puerto Rico.

Q. What is your employment background?

A. I have been employed by ISO for over twenty-two years in various actuarial positions. I was hired as an Actuarial Assistant in 1984 in the Data Management and Control area. In 1990, I joined Actuarial Development as an Actuarial Consultant coordinating work on the quarterly Industry Operating Results and several Insurance Issues Series studies. In 1994, I joined Actuarial Government Services as a Regional Actuary. In 1998, I joined the Personal Lines Actuarial Division (PLAD) as a Manager and Associate Actuary. In PLAD, I was responsible for personal auto filings in 25 states and the use of catastrophe models in personal property ratemaking. In 2003 I was appointed

Assistant Vice President and Actuary of the Personal Property Actuarial Division.

Q. What is your background in actuarial science and your educational background?

A. I have a Bachelor of Science degree in mathematics from Cook College at Rutgers University. I am a Fellow of the Casualty Actuarial Society ("CAS") and a member of the American Academy of Actuaries. I am a Chartered Property Casualty Underwriter (CPCU). I have also earned the Associate in Insurance Accounting and Finance (AIAF) and Associate in Regulatory Compliance (ARC) designations. I am currently the chairman of the CAS Predictive Modeling Seminar Committee. I have served on the CAS Examination Committee, CAS Syllabus Committee, CAS Committee on Special Interest Seminars and the CAS Continuing Education Committee. I have also served as a member of the American Academy of Actuaries Committee on Automobile Insurance Issues

Q. Are you familiar with homeowners ratemaking in other states?

A. Yes. As part of my duties at ISO, I am familiar with the data collection and ratemaking procedures in use in states in addition to North Carolina. I am responsible at the present time for either preparing or supervising the preparation of filings for all of the states and the District of Columbia and Puerto Rico.

Q. What work have you performed with respect to the Rate Bureau's 2006 homeowners rate filing in North Carolina?

A. Through ISO I have been involved in the preparation of the 2006 homeowners rate filing for the Rate Bureau in two respects. First, ISO collects rate-related statistical data from a significant number of the companies which write homeowners insurance in North Carolina, as well as the North Carolina Beach Plan which is a residual market mechanism. The Property Casualty Insurers Association of America ("PCI"), the American Association of Insurance Services ("AAIS") and the National Independent Statistical Service ("NISS") are the statistical organizations which collect data from the other companies. The data which they collect are sent to ISO and compiled in the proper format so that they can be reviewed to determine whether rates are adequate or inadequate. Second, ISO provides consulting actuarial services directly to the Rate Bureau.

Under my direction, my staff put together the vast majority of the data and information contained in Exhibit RB-1.

Finally, I have also reviewed the filed rates to determine if they are calculated in accordance with the Casualty Actuarial Society's (CAS) Statement of Principles Regarding Property and Casualty Insurance Ratemaking. In accordance with Actuarial Standard of Practice No. 17 Expert Testimony by Actuaries, I conducted my review in terms of reasonableness rather than solely in terms of whether there is precise agreement on each issue. In addition, I applied the rate standards set forth in North Carolina General Statute 58-36-10, i.e., that rates must be adequate, not excessive and not unfairly discriminatory and that explicit factors must be given due consideration.

The ratemaking experience reflected in Exhibit RB-1 is, in general, supplied by the individual insurance companies. The data are submitted to one of the four statistical organizations (either ISO, AAIS, NISS or ISS). The four statistical organizations subject the data that are reported to them to a series of verification edits and then consolidate the data. ISS, NISS and AAIS then transmit their consolidated data to ISO for a further consolidation with the ISO data, and after that is done ISO produces the hard-copy exhibits of the combined data in a format and detail necessary for ratemaking.

Q. What data are utilized in Exhibit RB-1?

A. With respect to Exhibit RB-1 the supporting data for the rate level changes for homeowners are contained in Section C. Five years of experience are displayed in Section C. The five years are the years ended December 31, 2000 through December 31, 2004.

The loss experience used in the filing is what we call "accident year" experience. I can explain that best by giving you an example. The losses for the accident year ended December 31, 2004 consist of all losses caused by accidents which occurred during the one year period ended December 31, 2004. If an accident occurred December 29, 2003 and resulted in either a loss being paid or a reserve being established after January 1, 2004, that loss would be a part of the accident year losses for the period ended December 31,

2003. The test for breaking losses down into accident years is the date the accident occurred.

Q: What is the reason for using five years of premium and loss data to determine the indicated rate level change?

A: Five years of data are used to balance the stability of the rates with responsiveness to current conditions. The North Carolina statutes allow the Rate Bureau to review five years of experience in its rate level filings. Furthermore, traditional homeowners ratemaking has relied on five years of experience with the weights of .10, .15, .20, .25 and .30 being given to each year respectively as the way to achieve this balance. The accident year weights used by the Bureau are identical to those used by Insurance Services Office in other states in developing their advisory loss costs for homeowners insurance. These weights are generally accepted in all jurisdictions in which these loss costs are submitted.

Q: Mr. Curry, please turn to page C-1 of Exhibit RB-1. Would you explain what that page is.

A: Page C-1 is what we call a statewide rate level calculation for homeowners forms 2, 3, 3w/HO 32 36, 7 and 8 for North Carolina. Page C-1 is a determination of what the actual indicated rate level changes are for policy forms 2, 3, 3w/HO 32 36, 7 and 8 which are the forms commonly referred to as the "owners forms". The data shown are for all business written in the voluntary market.

Q: Referring to column 1 on page C-1, what are "Non-Modeled Adjusted Incurred Losses"?

A. The incurred losses in column 1 are the losses from all causes, except those losses identified as being caused by hurricanes, from insured events which occurred during each of the respective accident years. The figure includes losses which have already been paid, losses which are not yet paid and are represented by outstanding claim reserves, and losses which have been incurred but for which no individual reserve exists because they have not yet been reported.

Q. Have the losses excluding hurricanes as shown in column (1) been adjusted in any way?

A: Yes, there are two adjustments. First, these losses have been adjusted to a \$250 deductible level. The second adjustment results from the use of a loss development factor.

Q. What is the purpose of adjusting the reported losses by applying a loss development factor?

A. As I mentioned a moment ago, the losses in column 1 of page C-1 include losses which are not yet reported. By definition since they are not yet reported we cannot simply take a reported number and add it in. They are included by what is known as an adjustment for IBNR (incurred but not reported) losses. This is accomplished through the use of loss development factors. The losses as they are reported to us cover all accidents which occur during the respective accident years ended December 31. When they are reported to the statistical agent they are evaluated as of March 31 of the next year. As of March 31 some of the losses have already been paid and some have not. Those that have not are represented by loss reserves. The loss reserves, of course, are estimates of what will ultimately be paid on these outstanding claims. Since we want the estimates to be as accurate as possible, we look at history to see how losses have changed, or "developed," in the past from the time they were initially reported to the time they were ultimately paid. For example, if we look back and see that historically there has been a 1% increase in the amount of losses from the time they were initially reported as reserves until the time they were ultimately paid, we would logically assume that the same development pattern will hold true for losses incurred during the year ended December 31, 2004. Accordingly we would make an adjustment by increasing the losses as they are initially reported to us by 1%.

Q. What causes losses to change or develop as you have described?

A. The losses which are paid as of the date of the initial reporting, of course, do not change. As to the reserve portion of the losses, however, changes would typically result from the fact that the ultimate loss payments are more or less than estimated at the time of the initial report. Another factor would be the late reporting of claims. For example, if an accident occurred on December 25 of any given year and for some reason was not timely reported to the company, it might very well be that the losses as initially reported would not include any provision for that particular

claim. By the time of the next year's evaluation, however, the claim would have worked its way into the system and the total loss would include either the paid amount or the reserved amount for that particular claim. This would cause an upward development in the losses as initially reported.

Q. Will you please refer to page D-8 of RB-1 and explain how the loss development factors used in the filing were calculated?

A. Yes. In the top section of that page, the North Carolina incurred losses evaluated as of 15, 27, 39, 51 and 63 months for the accident years for which data are available are shown. In calculating loss development factors, we have used the data of companies reporting to ISO and three large writers reporting to PCI. The first entry for the accident year ended December 31, 2002 is \$446,298,533. This is in the column which is labeled "15 Months." This is the first evaluation of the losses caused by accidents which occurred during the year which ended December 31, 2002. The evaluation was made as of March 31, 2003 -- 15 months after the beginning of the accident year. Twelve months later (March 31, 2004) the losses caused by accidents which occurred during the year ended December 31, 2002 had grown to \$456,813,134. This is the evaluation as of 27 months after the beginning of the accident year. This increase from roughly \$446 million to \$457 million represents a growth in losses, or a positive development, of 2.4% (or 1.024) as shown in the column on that page labeled "27:15." As shown on page D-8, we have looked at the development from 15 months to 27 months for all years. The average development for these years was 1.018, or 1.8%. The selected loss development factor for 15 to 27 months is 1.018 or 1.8%.

Q. Does page D-8 also show development figures for periods later than 27 months?

A. Yes. Studies have shown that for homeowners virtually all losses have been paid by the time of the evaluation at 63 months after the beginning of an accident year. For that reason we also calculate loss development factors for the periods from 27 months to 39 months, 39 months to 51 months and 51 months to 63 months. For example, by the time of the 39 month evaluation the losses for the accident year ended December 31, 2002 had become \$458,430,538. This represents an increase of 1.004 or 0.4%, over the losses for the same accident year evaluated as of 27 months. The average

development over the period 27 months to 39 months for the years for which the data are available was 1.001, or 0.1%.

- Q. Will you explain how the loss development factor used to determine the ultimate payment value of the accident year ended December 31, 2004 losses was determined?
- A. Yes. The loss development factors for each of the applicable periods, as shown on page D-8, are:

<u>Development Period</u>	<u>Factor</u>
15 to 27	1.018
27 to 39	1.001
39 to 51	1.000
51 to 63	.998

If you multiply all of these factors you will get a factor of 1.017 to apply to the year ended December 31, 2004 losses.

- Q: You indicated that losses due to hurricanes have been excluded on Page C-1. Have you excluded them anywhere else in the filing?

A: Yes, they have been excluded in the development of the territory indications and in the calculation of the non-hurricane excess factor.

- Q: How have these losses been identified in order to be excluded from the Derivation of Excess Factor (Excludes Hurricane Losses) exhibit on page D-26?

A: The method to remove the hurricane losses depends on the detail of the available data. For 1950-1965 only statewide data is available; and it is from dwelling policies for the early years. Consequently for a year in which a hurricane occurred, losses from that year are removed from the calculation of the statewide non-hurricane excess factor.

Since territory data are available (in varying detail) for 1966-2004, the calculation of the non-hurricane losses is done at the territory level for this period. After it has been determined that a particular hurricane is accounted for by the AIR hurricane model, the territories affected (territories exposed to windspeeds of 50 MPH or higher) are determined by the use of recorded windspeeds and central

pressures at 6 hour intervals, storm tracks, and wind to non-wind ratios.

For 1966 - 1985, the non-hurricane wind losses for a territory are calculated by replacing the hurricane year wind to non-wind ratio by the average wind to non-wind ratio of the non-hurricane years. Given the revised wind to non-wind ratio for the hurricane year, the reported non-hurricane total losses and the reported non-hurricane wind losses are then "backed into." For the years (1966 - 1982) in which the old territory codes (01-04) were in effect, the average wind to non-wind ratios are based on the non-hurricane years from 1966-1982. For the years (1983-2004) in which the revised territory codes (04, 30-41) were in effect, the average wind to non-wind ratios are based on the non-hurricane years from 1983 to 2004. For the territory codes introduced as part of the 1993 filing, the average wind to non-wind ratios from the predecessor territories have been used.

For 1986-1995, territory losses by month are available for ISO data only. The territory non-hurricane losses for this period are calculated as follows: first the average losses for the month in which the hurricane occurred are calculated based on the non-hurricane years. The average monthly losses are then added to the eleven remaining months of the hurricane year and divided by the hurricane year annual losses resulting in a non-hurricane adjustment factor. This factor is then applied appropriately to either reported losses or adjusted losses by territory for all statistical agents to obtain non-hurricane losses. For severe hurricanes, wind type losses are frequently reported as water losses or all other property damage losses. To accurately estimate the non-hurricane losses, the above non-hurricane factors are calculated for water and all other property damage and then applied to the water losses and the all other property damage losses.

For 1996-2004, based on information from NOAA and other sources, the specific dates on which a given hurricane was active in North Carolina are determined. The loss experience for ISO is then examined by date and cause-of-loss. Wind losses and losses for other weather-related perils, which occurred on these dates, are assumed to be hurricane losses. For ISO data, the percentage of hurricane losses to total losses is calculated. To estimate the hurricane losses for statistical agents other than ISO, the percentage of hurricane losses in the ISO data (relative to the ISO yearly

total) is applied to the total loss amounts for the other statistical agents.

Q: Do you have an opinion as to whether the incurred losses excluding hurricanes shown in column 1 on page C-1 of RB-1 accurately represent the anticipated value of Homeowners owners forms incurred losses excluding actual hurricane losses which resulted from accidents which took place during each of the years ended December 31 in North Carolina?

A: Yes, I do.

Q: What is that opinion?

A: I believe that the losses shown in column 1 do accurately represent the expected ultimate value of those losses excluding actual hurricane losses.

Q: Could you please describe the figures contained in column 4 labeled "Modeled Hurricane Losses" on page C-1?

A: These are the hurricane losses resulting from the model used by AIR Worldwide Inc. (AIR). ISO furnished to AIR North Carolina homeowners insurance data on the 2004 total number of earned house years and earned insurance years by territory. These data are ISO, ISS and NISS data, were compiled by ISO and are correct to the best of my knowledge, information and belief. The pre-filed testimony of David LaLonde discusses the AIR methodology in detail.

Q: How are these losses for each year derived?

A: The AIR model simulates 100,000 years of hurricane losses and develops a mean hurricane loss cost per \$1,000 of coverage by territory. The model's aggregate demand surge accounts for the expected additional cost for supplies and labor if a large hurricane event occurs. To produce the modeled hurricane losses, the Rate Bureau has multiplied the hurricane loss cost per \$1000 of coverage times the amounts of insurance in effect. The calculations of the 2004 modeled hurricane losses are shown on pages D-29-31.

Q. How is the amount of insurance in effect determined?

A. For the purpose of developing the hurricane loss cost for the owners forms, the amount of insurance in effect is determined as the sum of the various internal limits found in a

homeowners policy -- the Coverage A amount (building coverage), the Coverage B amount (other structures), the Coverage C amount (contents) and the Coverage D amount (loss of use). In terms of the buildings coverage amount, the amount of insurance in effect is:

Coverage A	100%
Coverage B	10%
Coverage C	50%
Coverage D	20%
	<hr/>
	180%

Therefore, for the purpose of determining the hurricane loss cost, the amount of insurance in effect is 180% of the Coverage A amount. This is also often referred to as the total sum insured.

- Q: Why was a simulation used to develop the hurricane wind losses?
- A: A simulation was used to develop the hurricane losses because it is a more accurate way of including the exposure than using traditional insurance statistics. Hurricanes are highly variable in frequency, intensity and place of occurrence. The simulation allows for the smoothing out of the hurricane losses as well as better reflecting the potential for losses in a given location. For example, since we are using the losses from five years of data, if a very large hurricane like Fran or Floyd hit a certain part of the state during those years, it would be reflected only in those areas of the state, with little or no loading for other areas of the state. The simulation model produces a more accurate estimate of the loss potential both in terms of territory and dollar value than is possible using any analysis of the insurance data.
- Q: What other adjustments must be made to the losses?
- A: The losses need to be adjusted by trend to reflect the cost levels anticipated to prevail during the period that the proposed rates are expected to be in effect.
- Q: Could you please describe how the loss trend is developed and applied?

A: The loss trend is developed in a two step process. The first step is the development of a current cost factor which brings the losses up to the current cost level. The second step is the development of a loss projection factor based upon an exponential fit of the last twelve quarters of the Current Cost Index and the actual homeowners pure premium trend. The loss projection factor projects the losses from May 15, 2006 (the midpoint of the latest quarter of the external index) to March 1, 2008 the average date of loss for policies which will be written at the proposed rates (i.e. one year beyond the assumed effective date of March 1, 2007).

Q: You mentioned that the loss trend is based on a Current Cost Index. What are the components of the Current Cost Index used for the owners forms?

A: The Current Cost Index is a weighted average of the Modified Consumer Price Index (MCPI) and the Boeckh Residential Index (BRI), with the MCPI receiving 45% weight and the BRI receiving 55% weight. The intent of the weights is to approximate the split between contents type losses and buildings type losses.

Q. How are the weights of 55% to the Boeckh Residential Index and 45% to the Modified Consumer Price Index determined?

A. The weights were based on an examination of losses by cause of loss and apportioning the losses between buildings and contents. For example, if we were to examine the North Carolina homeowners losses (normalized for catastrophe losses) by cause and split them into percentages that correspond to buildings and contents, we would get:

<u>Cause</u>	<u>% of Total</u>	<u>Building %</u>	<u>Contents %</u>
Fire	37.3	75-80	20-25
Wind & Hail	22.0	80-90	10-20
Water Damage & Freezing	20.1	40-45	55-60
Theft	6.6	5-10	90-95
All Other PD	10.9	50	50
Liability	3.1	0	100
		<u>59-65</u>	<u>35-41</u>

Q. What is the Boeckh Residential Index?

A. The Boeckh Residential Index is an index of construction costs compiled by Marshall & Swift/Boeckh. The particular

index used in this filing is based on information compiled specifically for construction costs in North Carolina.

Q: What is the Modified Consumer Price Index composed of?

A: The Modified Consumer Price Index is based on selected components of the Consumer Price Index which correspond to the items that homeowners insurance provides coverage for. The components used and the weight given to them are House Furnishings (48%), Medical Care (20%), Apparel Commodities (16%) and Entertainment Commodities (16%).

Q: Please illustrate what factors would be applied to trend the losses for the year ended December 31, 2004.

A: The losses from the accident year ended December 31, 2004 are first adjusted by the Current Cost Factor for 2004 found on page D-9. The observed annual rate of change in pure premium during the 2000-2004 experience period are lower than the observed annual change in the Current Cost Index. Therefore, to project losses to a 2004 level, a 0% annual trend was selected for the owners forms. The Current Cost Factor for all years is the ratio of the Current Cost Index from the quarter ending June 30, 2006 to the Current Cost Index value for the full year 2004. The Current Cost Factor brings the losses from the cost levels corresponding to an average date of loss of June 30, 2004 to the cost levels corresponding to the midpoint of the latest quarter (May 15, 2006). Since the average date of loss for policies which will be written at the proposed rates is assumed to be March 1, 2008 (one year past the effective date) it is necessary to project the losses from the May 15, 2006 cost level to that assumed effective date. This is accomplished by projecting the losses at the annual rate of change of 5.3% (as determined by an exponential fit of the Current Cost Index) for 21.5 months. This factor is calculated on page D-10.

Q: You mentioned that the actual pure premium trend was considered in the selection of trend factors. How was this data used?

A: The pure premium experience was examined. A pure premium is the ratio of the losses to the number of insured house years. These data were fit to an exponential curve and an annual rate of change was calculated. This rate of change was compared to the annual rate of change of the Current Cost Index. In reviewing the loss trends, the annual rates

of change in pure premium during the 2000-2004 experience period are lower than the observed annual changes in the external indices. Therefore, to project losses to a 2004 level, a 0% annual trend was selected for the owners forms and a -2% annual trend was selected for the tenant and condominium-unit owners form.

Q: Where on page C-1 are these two factors applied?

A: The Current Cost Factor for each year is applied as part of the current cost/current amount factor in column 6. For example, for the year ended December 31, 2004 the current cost/current amount factor of 1.003 is the ratio of the current cost factor of 1.098 (shown on page D-9) and the current amount factor of 1.095 (shown on page D-16). The loss projection factor is combined with the premium projection factor and the trend from first dollar to produce the composite projection factor. This composite projection factor is applied in column 8 in the development of the Trended Base Class Loss Cost in column 10.

Q: You mentioned the trend from first dollar. Could you describe what that is and how it is developed and applied?

A: The index is a first dollar index. All of the losses have been adjusted to a \$250 deductible level. As such, increases in cost as measured by the current cost index would affect losses below the deductible and cause an additional increase as losses below the deductible increase above it. For example, a loss of \$1,000 subject to a \$250 deductible results in a payment of \$750 to the insured. If there is 10% inflation the \$1,000 loss grows to \$1,100. This results in a payment to the insured of \$850, which is a resulting effective inflation of 13.3%, an incremental trend of 3%. The procedure used in the filing accounts for this effect. The procedure in essence converts all the losses to a first dollar basis before the trend factor is applied. To obtain the resulting trended losses, the deductible portion of the trended losses are subtracted out. The trend from first dollar factor as shown on page D-16 is the incremental difference in the trend factor resulting from the application of our procedure. Using our example from before, and the formula for trend from first dollar on page D-16 results in a trend from first dollar factor of $1 + ((.1)(250))/((1.1)(750)) = 1.03$, which matches what was calculated earlier.

Q: Please refer to column 5 of page C-1. With reference to the column headed "Total Losses Including Loss Adjustment Expenses," please tell us what the figure \$709,808,623 represents.

A: These are the losses and loss adjustment expenses associated with claims or accidents that occurred in the accident year ended December 31, 2004. The losses are the sum of the adjusted incurred losses excluding hurricane losses found in Column 1, minus the non-modeled adjusted excess losses in Column 2, all multiplied by the non-modeled excess factor of 1.034 to arrive at the number shown in Column 3 plus the modeled hurricane losses found in Column 4, adjusted by a trended loss adjustment expense factor of 1.145.

Q: How is the trended loss adjustment expense factor of 1.145 developed?

A: Each year the Rate Bureau sends a call to its member companies for expense-related data. These calls showed that loss adjustment expenses for the calendar years December 31, 2000, December 31, 2001, December 31, 2002, December 31, 2003 and December 31, 2004, after dropping the high and low values, averaged 14.6% for the period.

This factor of 14.6% must be adjusted for the change in cost levels of the items that go into loss adjustment expenses. These expenses include items like adjuster's salaries, rents and overhead items related to claims settlement. In essence, these items will vary as general economic trends vary. We adjust the loss adjustment expense factor by taking a ratio of the expense trend to the loss trend.

Q: Could you please explain how the expense trend used to adjust the loss adjustment expense factor is developed?

A: The expense trend used to adjust the loss adjustment expense factor is based on an analysis of the Current Expense Index, which is an index based on a 50/50 weighting of the all items CPI and the compensation cost index for marine, fire and casualty insurance. The data for this index are shown on pages D-21-22. Based on an analysis of these data, an annual rate of change of 3.4% was selected.

Q: Please explain the development and application of the expense projection factor in adjusting the loss adjustment expense factor?

A: The five year (excluding the high and low values) average loss adjustment expense factor of 14.6% reflects an averaging of the five years 2000, 2001, 2002, 2003 and 2004: As such the factor is representative of the time period corresponding to 2002.

The expense projection factor uses the 3.4% annual rate of change based on an exponential curve of the Current Expense Index. Since we have brought our loss adjustment expense ratio up to the cost level corresponding to July 1, 2002, it is necessary to project this cost to the average date of accident for the period which our rates are assumed to be effective, March 1, 2008 (one year beyond our assumed effective date). This calculation is displayed on line (2) on page D-25.

Q: What other adjustments must be made to the loss adjustment expense factor in order to use it?

A: The loss adjustment expense factor is determined as the ratio of loss adjustment expenses to losses. Having adjusted the expense portion of the factor, we need to adjust the denominator of the factor, the portion corresponding to losses, by the loss trend, reflecting both the current cost factor and the loss projection factor.

Q. Could you please describe what is being done in Column 6 on page C-1?

A. In Column 6 the current cost factors and current amount of insurance factors are combined into the current cost/current amount factors. This is done by taking the ratio of the current cost factor to the current amount factor. For example, the current cost/current amount factor of 1.003 for 2004 is the ratio of the 2004 current cost factor of 1.098 to the 2004 current amount factor of 1.095. In combining these steps the losses and average rating factor have been brought to the cost level of May 15, 2006.

Q: Please describe the development of the current amount factor.

A: The current amount factor is calculated by taking the ratio of the average policy size relativity for each year to the

projected policy size relativity as of May 15, 2006. The average policy size relativity is a value which is calculated by taking a weighted average of the policy size relativity curve for each amount of insurance using the exposures for each amount of insurance as weights. In effect then, by taking the ratio of these relativities for each year to the May 15, 2006 value, we are measuring the percentage growth in the premiums at present rates from year to year caused by changes in amount of insurance. These changes in average amount of insurance are not based on a consistent set of insureds, since some of the growth is due to the addition of new homes. For this reason, the percentage change part of the ratio is adjusted by the traditional factor of .95. This adjusted ratio is the current amount of insurance factor and is shown on Column (3) on Page D-16.

Q: How is the current amount factor used in the calculation of the indicated rate level change

A: The current amount factor for each year is the denominator in the current cost/current amount factor for that year shown in column (6) of page C-1. The premium projection factor is the denominator in the composite projection factor used in column (8) of page C-1. The combined effect of these two factors is to adjust our average rating factor to the level for the amount of insurance expected to prevail during the period for which these rates are expected to be in use.

Q. Could you please describe what is being done in Column 8 of page C-1?

A. Column 8 combines all of the elements in Columns 1 to 7. In Column 8, the losses and loss adjustment expenses are trended to the cost level expected to prevail during the period in which the policies written at the proposed rates will be providing coverage (average date of accident of March 1, 2008). The house years are also projected to reflect the anticipated amounts of insurance for business written between March 1, 2007 and February 29, 2008. Column 8 is the equivalent of multiplying the losses by the current cost factor and loss projection factor and the house years by the current amount factor and premium projection factor. Using 2004 as an example:

(1) Losses and Loss Adjustment Expenses	\$709,808,623
(2) Current Cost Factor (D-16, Col. 4)	1.098

(3) Loss Projection Factor (D-16, Line 7)	1.097
(4) Trend from first dollar (D-16, Line 8)	1.012
(5) Trended Losses and Loss Adjustment Expenses (1) x (2) x (3) x (4)	\$865,228,370
(6) Earned House Years	1,730,768
(7) Current Amount Factor (D-16, Col. 3)	1.095
(8) Premium Projection Factor (D-16, Line 6)	1.051
(9) Trended adjusted house years (6) x (7) x (8)	1,991,846
(10) Average Trended Loss Cost (5) ÷ (9)	\$434.39

Note that because of rounding the trended loss cost calculated in this example differs slightly from the trended loss cost in column 8 -- 434.38 -- that is used in the statewide rate calculation.

Q: Please describe the development of the premium projection factor.

A: For each year we have an average policy size relativity which is calculated as a weighted average of each amount of insurance relativity. The premium projection factor is calculated by fitting an exponential curve to the average policy size relativities. This curve is used to develop an annual rate of change for the policy size relativities. In the case of homeowners owners forms the average annual rate of change is 4.1%. In calculating the premium projection factor, we adjust the rate of change by a factor of .95 as discussed earlier. This then provides us with a rate of change of 3.9% for use in developing the premium projection factor. Since the current amount factor has been calculated as the value up to May 15, 2006, the premium projection factor will be calculated as the expected growth from May 15, 2006 to September 1, 2007 (which is six months beyond the assumed effective date of March 1, 2007). This date of September 1, 2007 represents the midpoint of the year in which policies are assumed to be written using the proposed

rates. This results in a premium projection factor of 1.051 which is shown on Page D-16.

Q. Could you please explain column 9 on page C-1?

A. Column 9 is the average rating factor for the policies purchased in each year. The average rating factor is the ratio of the average rate at manual level to the average current base rate. For example, let's assume that the current territory base rate for frame construction with \$75,000 coverage A is \$100, that the rating factor for masonry is 0.9 and that the rating factor to purchase an additional \$25,000 of coverage A is 1.2. Then the average rating factor for a \$100,000 masonry policy is calculated as:

$$(100 * 1.2 * 0.9) / 100 = 1.08$$

This factor is needed to adjust the average trended loss costs in column (8) to a base class level. Since most policyholders do not purchase exactly the base amount of coverage the average trended loss cost is divided by the average rating factor to convert this average trended loss cost into a trended base class loss cost which is shown in column 10.

Q. Could you please explain line 12 on page C-1?

A. Line 12 is the resulting trended loss cost obtained by applying the accident year weights shown in Column 11 to the trended base class loss cost for each year shown in Column 10. This weighted trended base class loss cost is our forecasted base class loss cost for policies written during the one-year period after the proposed assumed effective date of March 1, 2007, if there were no change in rate level.

Q. Could you please explain line 13 on page C-1?

A. Line 13 is the reflection of the credibility of the experience based on the number of house years during the 5 year period. The full credibility standard is based on a procedure considering the frequency of claims and the variability of the size of those claims. The procedure is explained in a CAS Proceedings Paper "Credibility of the Pure Premium" by Mayerson, Jones and Bowers. The full credibility standard is based on a normal distribution with a 90%

probability of the pure premium being within 5% of the expected value. The full credibility standard for the owners forms is 240,000 house years.

Q. Could you please explain what line 14 entitled "Fixed Expense per policy" on page C-1 refers to and what it represents?

A. Line 14 "Fixed Expense per Policy" refers to the dollars of the prospective premium that the general expenses will be on policies written between March 1, 2007 and February 29, 2008. General expenses along with other acquisition expenses constitute the so-called fixed expenses. They are fixed in that they do not vary as a direct function of the premium dollar. For example, employee salaries (other than claims employees) would be among the items classified as either general expenses or other acquisition expenses. Those salaries are fixed in the sense that they do not vary directly as a function of premium. Such things as commissions and premium taxes, on the other hand, are examples of expenses which do rise or fall directly with premium. The number shown on line 14 - \$38.02 - represents the dollars of general expenses trended to the levels anticipated to prevail during the periods from March 1, 2007 to February 29, 2008 (the average date of which is September 1, 2007) and the projected premiums for business written during the same period. This is appropriate because general expenses are generally incurred at the time a policy is written.

Q. Could you explain how the figure \$38.02 was derived?

A. The derivation of the 38.02 is shown on page D-25 in line (4) "Factor for trending GE, OA expenses based on Current Expense Index." It starts out with an untrended general expense ratio of .04 which is based on the rounded average of the 2002, 2003 and 2004 general expense ratios. These are shown on page D-23. The average of these represents the average expense ratio corresponding to 2003. In order to trend these to the cost levels anticipated to prevail between March 1, 2007 and February 29, 2008, we project these by using the Current Expense Index described earlier. This is done by means of a two step process. First the expenses are trended by a factor based on the annual rate of change in the Current Expense Index. This is the factor of 1.149 shown under Section (4) next to the label "All Forms" on page D-25. Since we are dealing with a ratio of expenses to premium we must project the amount of insurance from 2003 levels to the

level anticipated to be in effect on business written between March 1, 2007 and February 29, 2008. This is done by using the current amount factor for 2003 of 1.144 and the premium projection factor of 1.051. The resulting calculation is

$$\frac{.040 \times 1.149}{1.144 \times 1.051} = .038.$$

A similar calculation is done in order to get the trended other acquisition (OA) expenses ratio. The sum of these two fixed expense ratios (.038 and .058) is then multiplied by the average current base rate of 396.07. The result is a statewide fixed expense loading of 38.02.

Q. What does Line 15 "Total Loss & Fixed Expenses" show on page C-1?

A. Line 15 is a combination of the trended base class loss cost and the trended general expense and other acquisition expenses. The figure \$279.45 is the dollar amount that is required to cover the portion of the insurance base rate that covers losses, loss adjustment expenses, general expenses and other acquisition expenses

Q. What does line 16 on page C-1 entitled "Expected Loss Ratio" show?

A. This line takes into account the expenses and other items to which I just referred. If you look at page D-23 of the filing, you can see that the commissions and brokerages round to 14.1% of the premium dollar and taxes, licenses and fees round to 2.7% of the premium dollar. The provision selected for use in this filing for underwriting profit is 8.0%. This filing also contains a 1% margin for contingencies and a 18.4% factor for net cost of reinsurance. All those items add up to 44.2%. These items are what are known as variable expenses. They vary in direct proportion with the premium dollar. You know that out of every dollar of premium, 44.2 cents will have to go to pay for these expenses and you are left with 55.8 cents to pay for losses, loss adjustment expenses and general expenses and other acquisition expenses. The expected loss and fixed expense ratio shows the percentage of the premium dollar you will have available to pay for trended losses, trended loss adjustment expenses and trended general expenses and other acquisition expenses.

- Q. What is the source of the percentage on page D-23 for contingencies?
- A. The 1% contingency factor is a standard factor used across the country and in past Bureau filings. It was selected by the Bureau committees upon recognition of the systematic bias that causes actual underwriting experience to be worse than the provision assumed in the rates. Reasons for this bias are many and include the potential for conflagration and other catastrophic type losses that are not adequately recognized in normal ratemaking, law changes and court interpretations expanding coverage under the policies, regulatory delay in obtaining necessary rate level increases, shortfalls in the residual market and other such factors.
- Q. What is the source of the percentages on page D-23 with respect to commissions and brokerage and taxes, licenses, and fees?
- A. They were calculated from the 2003, 2004 and 2005 North Carolina expense call for 2002, 2003 and 2004 data undertaken by the North Carolina Rate Bureau.
- Q. Would you explain line 17 on page C-1 entitled "Net Base Rate per Policy"?
- A. The Net Base Rate per Policy is calculated by dividing the Loss and Fixed Expenses in line 15 by the Expected Loss Ratio in line 16. This is the net base rate before incorporating the anticipated deviation.
- Q. What is the source of the percentages used on line 18 for anticipated deviations?
- A. As done in past homeowners filings, the Rate Bureau has elected to use a total provision for deviations of 5%. This provision reflects consideration by the Rate Bureau of downward deviations and the upward premium differential due to consent to rate policies and policies in the residual market. This 5% factor corresponds to the magnitude of the amount found by the Commissioner in several previous automobile insurance cases to be the appropriate amount of deviations and dividends to policyholders to anticipate when setting manual rates. However, whereas the Commissioner did not actually include the 5% provision in his rate calculations, the Rate Bureau does explicitly include the 5% provision in the rate calculations in this filing. The

explicit inclusion of deviations in the rate calculations is necessary in order for the target profit to be achieved. Even though this 5% provision for deviations was incorporated into the rates, the Rate Bureau believes that the actual net effect of deviations on premiums, even after being reduced by the rate differential on consent to rate and residual market policies, will be greater than 5%. The selection of the 5% provision is conservative and represents an attempt by the Rate Bureau to reach a compromise on this issue.

- Q. What is the source of the 18.4% provision for net cost of reinsurance?
- A. The source of the 18.4% provision for net cost of reinsurance is an analysis performed for the Rate Bureau by Dr. David Appel. In that analysis he determines the net cost of reinsurance incurred by homeowners insurers in North Carolina because of the need to buy catastrophe reinsurance. The net cost of reinsurance is the expense and profit component of the reinsurance premium paid by homeowners insurers (the loss component is in the direct losses used in the overall rate determination). More details of the analysis are included in Dr. Appel's direct testimony.
- Q. Would you explain line 19 on page C-1 entitled "Deviation Amount per Policy"?
- A. Line 19 is the dollar amount of deviation that needs to be in the final rate to ensure that the selected 5.0% deviation amount is accounted for.
- Q. Would you explain line 20 on page C-1 entitled "Required Base Rate per Policy"?
- A. Line 20 is the required base rate that is needed to ensure that sufficient revenue is collected to cover the losses and expenses that are expected to result from the policies written during the year following the effective date of this filing.
- Q. Would you explain line 21 on page C-1 entitled "Current Base Rate"?
- A. Line 21 is the current base rate for all of the policies written in the most recent year included in the review. This

rate assumes that each policyholder is buying only the base coverage.

- Q. Would you explain line 22 on page C-1 entitled "Indicated Rate Level Change"?
- A. Line 22 is the percentage change in the current rates which will be necessary to make the rates adequate for the cost levels that are expected to prevail in the one year period following the effective date of the filing. It is determined by taking the required base rate per policy on line 20 and dividing it by the current base rate from line 21. This results in an indicated rate level change for the owners forms of 33.0%.
- Q. Does the filing contain a revision of the present territory rate levels?
- A. Yes. In connection with the overall rate level change we have been discussing, new territory rates are displayed; these are shown on page A-3. The Rate Bureau's Governing Committee determined that the territory rate level changes should be capped at a maximum of 50%, without any build back for the revenue lost by the capping. As a result, the new territorial rates for the owners forms were determined such that the overall statewide filed rate level change is reduced from 33.0% to 22.6%.

The development of the indicated relative change by territory is completed in such a way that the overall effect of the territory relativities is to balance to no overall change before application of the statewide rate level change. This is shown in Column 8 of page C-5. In calculating the indicated rate levels by territory, these indicated changes are then multiplied by the overall statewide rate level change.

- Q. Are the calculations for Forms 4 and 6 on pages C-2 and C-3 similar to the calculations you have described for Page C-1?
- A. Yes they are, except that for Forms 4 (tenants) and 6 (condos) there is no long term non-hurricane excess procedure used in determining the statewide rate level change.
- Q. How does this filing reflect the changes in territory definition that the Rate Bureau has implemented?

A. The filing determines the indicated rate level for the new territories by using the all perils other than hurricane experience from the predecessor territories combined with the modeled hurricane losses for the new territories based on the AIR hurricane model.

Q. What other changes does the filing make for homeowners insurance?

A. The filing revises the credit for the Windstorm or Hail Exclusion that is available in Territories 05, 06, 42 and 43.

Q. How is this revised credit calculated?

A. The indicated credit for the exclusion is developed using the following formulas:

The credit as a percentage of premium is:

$$C = 1 - \frac{(Ld + F)}{(1 - V) * R}, \quad \text{where}$$

C = indicated percentage credit

F = provision in proposed rates for fixed expenses

V = provision in proposed rates for variable expenses

L = provision in proposed rates for losses and loss adjustment expenses

R = territory risk load factor

d = percentage of losses remaining after wind losses are excluded

The formula for determining the value of d is:

$$d = \frac{N}{N+W}, \quad \text{where}$$

N = 5 year non-wind losses

W = X+Y, where

X= 5 year modeled hurricane losses; and

Y= 5 year non-hurricane wind losses

The filed credit is determined by first determining the indicated non-wind base class rate by subtracting the indicated wind credit from the indicated base rate, and then subtracting the indicated non-wind base rate from the filed base rate.

The dollar credit net of deviations is determined by the following formula:

$$\begin{array}{l} \text{Dollar} \\ \text{Credit} \\ \text{(Net of} \\ \text{deviations)} \end{array} = \begin{array}{l} \text{Filed Wind} \\ \text{Rate} \end{array} \times \begin{array}{l} \text{Avg. Prot/Const} \\ \text{Relativity} \end{array} \times \begin{array}{l} \text{Average Form} \\ \text{Relativity.} \end{array}$$

The final dollar credit is then determined by applying the same 5% loading for deviations as the base rate.

- Q. Please turn to page A-1 of Exhibit RB-1 and explain what is shown on that page?
- A. Page A-1 of Exhibit RB-1 shows the filed statewide rate level changes.
- Q. What is shown on Page A-2 of Exhibit RB-1?
- A. Page A-2 shows the average rate level change filed for each territory.
- Q. Do you have an opinion as to whether the data utilized and the method of calculating the filed rate level and other changes contained in the filing are sound and actuarially reliable and if so, what is that opinion?
- A. Yes, I have an opinion. In my opinion they are.
- Q. Do you have an opinion satisfactory to yourself as an actuary as to whether the filed rate level changes contained in Exhibit RB-1 are fully justified and, if so, what is that opinion?
- A. In my opinion they are fully justified.

**PREFILED TESTIMONY OF SHANTELE THOMAS
2006 FILING
HOMEOWNERS INSURANCE
NORTH CAROLINA RATE BUREAU**

Q. Please state your name and business address.

A. My name is Shantelle Thomas. My business address is 2775 Sanders Road, Northbrook, IL 60062.

Q. By whom are you employed?

A. I am employed by Allstate Insurance Company and have been so employed since 1996.

Q. What is your educational background?

A. I received a Bachelor of Arts degree in Integrated Science and Mathematics from Northwestern University in Evanston, IL in 1996.

Q. What is your employment background?

A. I was employed by Allstate as an analyst in property insurance pricing upon graduation from Northwestern University in Evanston, IL. From 1996 through July 1999 and from July 2000 to March 2006 I had various actuarial pricing responsibilities for homeowners insurance pricing in various states, including North Carolina. Since March 2006, I have had overall actuarial responsibility for pricing countrywide for Allstate's Specialty Product Lines, which includes Renters, Condo and Dwelling Fire and Extended Coverage insurance.

Q. Are you a member of any professional organizations?

A. Yes. I have been a Fellow of the Casualty Actuarial Society since 2004. I have been on the Examination Committee of the Casualty Actuarial Society since 2004. I have been a member of the American Academy of Actuaries since 2001.

Q. Are you familiar with homeowners insurance ratemaking throughout the country?

A. Yes. With a few exceptions such as North Carolina, Allstate makes its own filings in virtually all of the United States, and I have had responsibility for filings in most states at some point in my career.

Q. Are you familiar with homeowners insurance ratemaking in North Carolina and how it differs from other states?

- A. Yes. As part of my duties at Allstate, property pricing has been one of my responsibilities since 1996. This has included numerous states, including North Carolina. In addition, Allstate chairs the Property Rating Subcommittee (the "Subcommittee") of the North Carolina Rate Bureau (the "Bureau"). Since April, 2006, I have served as Allstate's representative and chaired the Subcommittee.

In North Carolina, unlike other states, companies are not able to independently set rates. Instead, companies rely on the Bureau to establish the maximum rate level. This process adds time, uncertainty, and additional administrative burdens to the process and makes doing business in North Carolina unique.

- Q. Are you familiar with homeowners insurance ratemaking in other states?

- A. Yes. I have had responsibility for filings in most states at some point in my career. In those other states we independently make our rates and do not have to rely on a rating bureau to make needed rate changes to an industry-wide maximum rate.

- Q. What is the function of the Subcommittee?

- A. Generally, the Subcommittee is concerned with ratemaking matters pertaining to the property insurance coverages subject to the Bureau's jurisdiction, including the development of classifications, rules, rates and rating plans.

- Q. What companies were members of the Subcommittee that reviewed the filing?

- A. The current members of the Subcommittee are Allstate Insurance Company, Nationwide Mutual Insurance Company, North Carolina Farm Bureau Mutual Insurance Company, State Farm Mutual Insurance Company, Travelers Property and Casualty Company and USAA. Representatives of these member companies attend the meetings of the Subcommittee and conduct the work of the Subcommittee. Allstate Insurance Company chairs the Subcommittee. All representatives on the Subcommittee are actuaries or have extensive experience in actuarial matters.

- Q. Can you identify Exhibit RB-1?

- A. Yes. This is a large portion of the filing submitted by the Bureau to the Honorable James E. Long, Commissioner of Insurance, with respect to revised homeowners insurance rates in North Carolina.

- Q. Can you identify the document marked Exhibit RB-2 and entitled "Homeowners Policy Program Manual"?

- A. Yes. This exhibit is also part of the filing. It includes the manual of rules, rates and classifications used to write homeowners insurance in North Carolina. This

manual and any approved amendments are on file with the Department. A copy of this manual is maintained at the offices of the Bureau.

Q. Would you describe generally how the Subcommittee was involved in the preparation of this filing?

A. Over the years the Subcommittee has developed the methodologies it has felt were appropriate for ratemaking in North Carolina and has recommended those methodologies to the Bureau's Property Committee and Governing Committee. Generally speaking, the process is as follows. Insurance Services Office ("ISO") consolidates various premium, loss and expense data in the format historically reviewed by the Subcommittee and sends that out to the members. These data include data for business written at or below the Bureau manual rates, business written under consent to rate procedures and business written in the residual market. The North Carolina Rate Bureau assembles expense data and furnishes it to the Subcommittee. In addition, AIR runs its hurricane simulation model to produce estimated hurricane loss costs that are furnished to ISO. Then, the Subcommittee meets by telephone conference and/or in person to consider the data and to formulate its final recommendations to the Property Committee and Governing Committee of the Bureau.

With this review the same procedure was followed. A loss cost methodology was used to determine the rate indication. This is consistent with the last homeowners filing and is similar to the method utilized by the Auto Committee.

Q. Would you describe the basic ratemaking methodology that underlies the filing?

A. The indicated rate change was determined by first projecting the losses and loss adjustment expenses for the policy period that the filed rates are expected to be in effect. The projected loss and loss adjustment expenses are then divided by historical earned house years to produce loss costs. These loss costs are then adjusted to the base class level. The trended base class loss costs are then credibility weighted with the expected base class loss cost. The measure of credibility is based on the number of house years in the experience period used to develop the loss costs, and in this instance, the data for each of the policy forms is considered fully credible.

Then, other anticipated costs associated with policies expected to be in effect, along with provisions for underwriting profit and contingencies, were added to derive the required base rate per policy. The required base rate was compared to the current base rate to determine the indicated rate level change. This comparison of base rates is an actuarially sound method of developing indicated rate changes. In determining each component of the ratemaking formula, the Subcommittee analyzed the data presented to it and considered the recommendations of ISO's actuary, Robert Curry, and economic consultants, Dr. David Appel and Dr. James Vander Weide as well as data from AIR Worldwide.

Q. Did the Subcommittee consider the accuracy of data in its review?

A. Yes. Companies and statistical agents employ extensive procedures to assure the quality of ratemaking data. In addition, the Subcommittee requested the statistical agents to produce exhibits displaying exposure distributions for key factors such as territory, amount of insurance and protection class for the years in the filing for the top 10 companies. Each company was asked to review and evaluate the accuracy of its data as reported to its statistical agent. Companies have confirmed that they have performed these reviews and that to the best of their knowledge their data are correct in all material aspects.

The Subcommittee believes that the data underlying the 2006 rate filing are reliable and appropriate for ratemaking purposes.

Q. How were the premiums used in the rate level calculations in the filing determined?

A. The calculations are based on premiums expected to be produced by current manual rates. The premiums are determined by applying current manual rates to the exposures in effect during the experience period. This is known as the extended exposure method. Earned premiums at present rates are used to determine average rating factors. The average rating factor is the ratio of the average rate (earned premium at manual level divided by corresponding house-years) and the current manual base rate by territory. The average rating factor is used to convert the pure-premiums incurred during the experience period to the base class level.

Q. How were anticipated losses determined?

A. The starting point for losses is accident years 2000-2004 incurred losses evaluated at 63, 51, 39, 27 and 15 months of development respectively. Loss development factors were applied to estimate ultimate settlement amounts. Historical loss development patterns were observed and the selected factors are the average of the prior years for each 12 month link, consistent with past years' practice.

In order to insure stability in rate levels while maintaining adequacy in the event of wide swings in hurricane and other wind losses, an excess wind procedure and a hurricane loss model have been utilized. Hence, violent shifts in rate level (both upward and downward), which might result from reflecting large hurricane and other wind losses only in the year in which they occur will be avoided. The incurred non-modeled excess losses are those losses that result from unusually severe wind activity (other than hurricane). They are removed from the experience used in developing rates. In order to reflect the impact of excess wind losses (that are not related to hurricanes and not accounted for in the hurricane model) on a long-term basis, non-modeled losses are multiplied by an excess

wind factor. A particular year's excess wind losses and the long-term excess wind factors are determined using ISO's standard excess wind procedure. Total excess losses for each year, which are the sum of the capped excess wind and the excess wind losses, are removed from the actual non-modeled losses for the experience period. The long-term excess factor is 1.0 plus the ratio of the long-term average of the excess wind ratios to the sum of 1 plus the long-term average of the capped wind ratio less the long-term average of the capped excess wind ratio.

Expected hurricane losses are derived from the modeled damage ratios provided by AIR Worldwide. The model was run with aggregate demand surge included. This option accounts for the expected additional cost for supplies and labor if a large hurricane event occurs. These damage ratios are provided by territory and represent the expected hurricane loss per thousand dollars of coverage in effect for one year. The damage ratios are multiplied by each year's insurance years to determine the expected hurricane losses by territory for that year. The statewide expected annual hurricane losses are the sum of the territory expected annual losses.

Losses were trended from the midpoint of each experience period to the midpoint of the trend period. As in past years, the Subcommittee reviewed external trend information and pure premium information. The Boeckh Residential Index and the Modified Consumer Price Index are used; these indices are averaged on an appropriately weighted basis and comprise the Current Cost Index.

The loss trending procedure is accomplished in two steps. In the first step Current Cost Factors are applied to each year's losses. The Current Cost Factors are derived from the external indices and, when applied to given year's losses, adjust these losses to a cost level as of May 15, 2006. In order to trend losses from 5/15/06 to the trend date, a Loss Projection Factor is applied. This projection factor is based on the annual change inherent in the latest twelve quarterly points of the Current Cost Index.

In reviewing the loss trends, the annual rates of change in pure-premium during the 2000-2004 experience period are lower than the observed annual changes in the external indices. Therefore, to project losses to a 2004 level, a 0% annual trend was selected for the owners form and a -2% annual trend was selected for the tenant and condominium-unit owners forms.

Since the external indices necessarily ignore the effect of policy deductibles, a first dollar procedure to trend from the first dollar of loss is also incorporated into the calculation of the Loss Projection Factor.

Q. Are you familiar with the procedures used to collect the expense experience?

A. Yes. The Bureau sends a data call to all companies annually. Companies complete the expense call, which includes reporting expense dollars as well as premiums at collected level and adjusted to manual level. The Bureau checks and compiles this information for all companies and sends it to ISO for their use in the rate filing. The Bureau also obtains information appearing in the annual statements and the insurance expense exhibits of the companies. This information is part of the official records maintained at the Department. Data from this information is provided to ISO.

Q. How were the anticipated expense provisions used in the filing determined?

A. Commissions and brokerage, taxes, licenses, and fees are a function of premium, and the ratios for these expenses from the North Carolina special calls for expense experience were used. For general and other acquisition expenses, dollar amounts were determined based on the data collected in the Bureau's special calls for expense experience.

The allocated and unallocated loss adjustment expenses are included with losses by use of a factor derived from the Bureau's calls for expense experience. Experience from calendar years 2000-2004 was used. After removing the highest and lowest value, the average of the remaining three years was used. This was done in order to reduce the fluctuation in the ratio due to the variation in incurred losses from year to year.

The Subcommittee reviewed Current Expense Index trends. Based on the review, the Subcommittee selected a 3.4% trend. This factor was then used to trend expense dollars from the midpoint of the base period to the midpoint of the trend period.

The provision for reinsurance costs reflects the Bureau's projection of reinsurers' expenses and profit as a percentage of homeowners insurance premium that would be required for reinsurance purchased for North Carolina homeowners insurance. The Subcommittee reviewed the analysis performed by Dr. Appel to determine the provision for the net cost of reinsurance in developing the indicated rates and considers this provision to be appropriate. In particular, the Subcommittee recommended the use of AIR's short-term event set as the basis for the determining the provision for reinsurance costs since reinsurers have been using short term event sets to determine their rates. More details of the analysis are included in Dr. Appel's direct testimony.

Q. Did the Subcommittee make a determination of the underwriting profit provision to be used in calculating rates in the filing?

A. Yes. The Subcommittee adopted an extremely conservative position with respect to the selection of an underwriting profit provision. Under the law in North Carolina, the Rate Bureau is entitled to utilize in its rates an underwriting profit

provision such that the anticipated return on insurance operations (the sum of underwriting profit and investment income from insurance operations) is commensurate with the total return expected from industries of comparable risk. In this filing, the selected underwriting profit, when combined with investment income from insurance operations, produces a return on net worth that does not exceed the cost of capital estimates provided by our consultants. However, because of the conservative selections made by the Subcommittee, it is also the case that the underwriting profit, when combined with both investment income from insurance operations and investment income from surplus, produces a return that does not exceed the cost of capital. The 8.0% provision was tested in the profit analysis by Dr. Appel. The range of cost of capital estimates provided by Dr. Vander Weide was found to be reasonable and accepted by the Subcommittee.

An issue related to underwriting profit is the need for the ratemaking methodology to adequately recognize a systematic bias that causes actual underwriting experience to be different from the provision allowed in the rates. Sources of this systematic bias include, but are not limited to, economic variations, changes in the judicial environment, legislative changes, regulatory delay or reduction of rate filings and catastrophic events not sufficiently recognized in the normal ratemaking process including residual market assessments. Note that these events are unpredictable in terms of both when they will occur and what the magnitude will be on the relevant premiums and losses. Note however that what is not unpredictable is the direction of the bias; the bias that these events introduce is always upward in terms of expected loss costs or downward in terms of expected premium. For example, rate filings are virtually never implemented before the assumed effective date or for more than the original requested amount; judicial decisions with regard to contract language almost never restrict coverage beyond what was intended by the Bureau when it filed policy forms, but such decisions often expand it beyond what was contemplated in the rate level.

Thus, estimated premium that does not reflect a provision for these contingencies will always fall short of needed premium. When these premiums are inadequate and underwriting losses are observed, an insurer must borrow from surplus to properly indemnify its policyholders or claimants. The contingency provision is intended to provide for these variations in a stable method over time. The Subcommittee believe that a contingency provision is appropriate and necessary, and has conservatively selected a 1% factor in this filing.

Q. Have dividends to policyholders been considered in the filing?

A. Yes. The ratemaking statutes require consideration of policyholder dividends. Dividends to policyholders are a return of a portion of the premiums paid by the policyholders. Dividends are an additional cost associated with policies written because they are payments anticipated to be made to policyholders as part of the insurance transaction. The ratemaking formula must recognize all costs that are

expected to be associated with the risk transfer, consistent with ratemaking principles. The Subcommittee recognizes the discretionary nature of dividends on an individual company basis. The data shows that the industry, as a whole, pays dividends to policyholders. To ignore dividends would result in rates that would not allow the aggregate industry to realize a fair rate of return. However, since dividends have been small in recent years, a factor of zero was employed in this filing.

Q. Have deviations been considered in the filing?

A. Yes. Deviations have also been recognized as one of the statutory elements required to be considered in North Carolina. Deviations are an up front reduction from the manual rates. Once a deviation is approved by the Department for an individual insurer, that lower rate must be charged until the deviation is changed in accordance with the statutory provisions. Therefore, deviations are an additional cost associated with the policies written because they represent the portion of manual premiums that will not be collected by the aggregate industry. The ratemaking formula must recognize all costs associated with the risk transfer, consistent with ratemaking principles. Deviations in the marketplace are driven by competition. To exclude deviations in the ratemaking process would have both short-run and long-run ramifications. In the short-run, the industry would be denied a fair return because companies would be reluctant to remove deviations due to the effect on their ability to compete for policyholders they have identified as the better risks in the state. In the long-run, companies would be forced to remove deviations in order to compensate for the inadequacy of rates, and some companies may leave the market or may have to change their manner of doing business simply because the rates would be inadequate to allow them to continue providing the same level of service. The end result would be a less competitive market with a narrower range of services, and the impact of the increased rates would be borne primarily by the best risks in the state. Ignoring deviations would not only be counter to sound actuarial principles, but would also have serious negative implications for the competitive market in North Carolina.

The Subcommittee has selected 5% as the deviation level to be recognized in developing the proposed rates. The 5% provision reflects the Subcommittee's consideration of downward deviations, the the upward premium differential due to consent to rate policies and the rate differential charged to risks in the residual market. This 5% provision, which has been employed in past homeowners filings, is less than the historical averages for deviations. It is also based in part on findings made by the Commissioner of Insurance in previous automobile insurance rate cases to the effect that 5% of premium is the appropriate amount of deviations to anticipate when setting manual rates. The Subcommittee recognized that the Commissioner did not actually include a 5% provision for deviations in his ordered rates in those cases, but for the reasons described earlier, it is necessary and appropriate to include an explicit provision of 5% for deviations in developing the proposed rates in this filing. The 5% factor is less than the level of

net deviations, i.e., after reductions for the premium differential on consent to rate and residual market business.

Q. Did the Subcommittee review rate level adequacy by territory?

A. Yes, the Subcommittee reviewed indicated relative changes by territory.

These indicated relative changes suggest to what extent the existing territorial rate relativities need to change in order to more equitably spread the overall rate level. The indicated rate level change for a particular territory is determined by comparing the required base class rate to the current base class rate.

The indicated base class loss cost by territory is determined by calculating the total loss cost by territory and applying the resulting territorial relativity to the indicated statewide base loss cost. A credibility value, based on the number of house years underlying the loss cost, is assigned to each territory. Actual hurricane losses have been removed and replaced by estimated loss costs based on the damage ratios provided by AIR.

The territorial indicated base class loss cost is converted to the required base class rate by performing expense, profit and deviation adjustments at the territorial level similar to those performed at the statewide level.

At the direction of the Subcommittee, Dr. David Appel prepared a risk load analysis that was used to allocate the net cost of reinsurance and the underwriting profit in the rates, based on territorial differences in risk. In this analysis, measures of risk were developed for three "Zones" of North Carolina. These zones are: Zone 1: NCRB Territories 5, 6, 42 and 43; Zone 2: NCRB Territories 32, 34, 41, 44, 45, 46, 47, and 53; Zone 3: NCRB Territories 36, 38, 39, 57, and 60. The measures of risk that were developed by Dr. Appel provide indicated relative levels of return, or profit, necessary for each zone. Conceptually, this methodology reflects the principle that required return is related to risk, and that a varying level of required return should be reflected in the premiums. The statewide impact of the methodology is revenue neutral; the effect is to increase the needed premium on the coast (Zone 1) and decrease the needed premium in the western part of the state (Zone 3) by way of an underwriting profit and reinsurance provision that varies by zone.

The Subcommittee examined various issues relating to hurricane modeling and made refinements with respect to the AIR methodology. First, based on the experience following a number of hurricanes, particularly those in 2004 and 2005, the Subcommittee chose to employ the demand surge component of the AIR model. This component reflects the fact that following significant hurricanes, the net cost of virtually everything paid by insurance rises. This includes lumber, bricks, plywood, labor, shingles, hotel rooms and other such items. In addition to

actual experience, economic theory dealing with supply and demand supports the use of the demand surge component.

The Subcommittee also considered recent advances in the science of hurricane climatology and forecasting, both on a short term basis and on an intermediate term basis. Virtually everyone in the scientific community agrees that the Southeastern United States, including North Carolina, is now in a period of intense hurricane activity and that this intense activity is expected to continue for the next several years for which rates are being made, at a minimum. There are various schools of thought as to why the activity in recent years has been and continues to be more intense than average. Some scientists argue that there is a long term climactic shift resulting from global warming. Under this theory, warming of ocean temperatures will continue to occur and will result in more frequent and more severe hurricanes. Other scientists claim that we are simply in the early stages of the intense portion of a multi-decade long cycle of increased hurricane activity resulting from high sea surface temperatures. Under this theory, the increased intensity of hurricane activity will ultimately subside, as the cycle turns several decades in the future.

The Subcommittee does not currently take a position as to the cause of the current intense period of hurricane activity, but the Subcommittee feels that it is demonstrably true that we are in a period of intense activity and that it is expected to continue at least in the short term. This being the case, the Subcommittee felt that merely employing an average of the last 105 years of hurricane activity (using meteorological data back to 1900) would under-predict the risk of hurricanes over the period when this filing will be effective.

Following discussions with AIR, the Subcommittee instructed AIR to run its model using its five-year, or near term, forecast period. In addition, the Bureau instructed AIR to prepare an analysis in its traditional manner. Losses from the five-year forecast were employed in the reinsurance factor analysis by Dr. Appel, but the traditional AIR data set was employed in the general losses as in past years. The Subcommittee feels that this is a conservative approach.

The use of AIR's five-year forecast by Dr. Appel in his reinsurance analysis reflects the fact that reinsurers now employ short term forecasting of hurricanes to negotiate reinsurance treaties with primary insurers. Recently, the cost of reinsurance has risen sharply based on short term expectation of intense hurricane activity. Such higher reinsurance costs result from reinsurers who engage in short term forecasting of risk. The current period of high reinsurance costs is expected to continue over the period for which rates are being made in this filing.

Q. Do you have an opinion as to whether the rate level changes contained in the filing are fully justified and actuarially sound and reliable?

A. Yes.

Q. What is that opinion?

A. First let me note that I have relied on the accuracy of the data supplied by the statistical agents and the Bureau as reviewed and checked and on the profit analyses performed by Dr. Appel and Professor Vander Weide. With these qualifications, it is my opinion that the rate level changes are fully justified and actuarially sound and reliable.

Due to the magnitude of indicated increases, rate level changes by territory were capped at 50%. The remaining rate need would be implemented in future rate changes. Applying this cap results in a 50% filed increase for territories 5, 6, 41, 42 and 43 for the owners forms. The filed overall change for these forms is 22.6%. There is no impact of the cap on Forms 4 and 6; the filed changes for these forms are the indicated changes.

Q. Does this conclude your prefiled testimony?

A. Yes.

070044-009/669859

PREFILED TESTIMONY of DAVID A. LALONDE

2006 HOMEOWNERS INSURANCE RATE FILING BY THE NORTH CAROLINA
RATE BUREAU

1. Q. What is your name and address?

A. My name is David Lalonde. I live at 1073 Augustus Drive, Burlington, Ontario.

2. Q. What is your occupation?

A. I am Senior Vice President of AIR Worldwide Corporation a corporation in Boston, Massachusetts.

3. Q. What is AIR Worldwide Corporation?

A. AIR Worldwide Corporation is a company that analyzes and models the characteristics and impacts of natural and man-made extreme events such as hurricanes, severe thunderstorms (hail, tornadoes, and straight-line winds), earthquakes, and terrorism to estimate the potential property losses from these hazards.

4. Q. What is your educational background?

A. I have a Bachelors of Mathematics (Honours) in Actuarial Science with Statistics from University of Waterloo and I am a Fellow of the Casualty Actuarial Society.

5. Q. What is your work experience?

A. I was employed at Economical Group from 1985-89 becoming Manager, Actuarial Services; I was employed at Insurance Corporation British Columbia 1989-1993 becoming Chief Actuary; I was employed at Coopers & Lybrand 1993-95 as Director, Casualty Actuarial Risk Management Consulting; and from 1995 to the present I have been employed by AIR Worldwide Corporation and its predecessor company Applied Insurance Research, Inc.

6. Q. Please describe your technical publications and speaking engagements relating to computer models and insurance.

A.

-- In December of 2006, I spoke at the Southwest Actuarial Forum meeting in San Antonio, TX.

-- In November of 2006, I spoke at the Southern Risk and Insurance Association meeting in Hilton Head, SC.

-- In November of 2006, I spoke at CAS Annual Meeting in San Francisco, CA.

- In October of 2006, I spoke at the Society of Insurance Research Annual Meeting in Charleston, SC.
- In June of 2006, I spoke at CPCU Annual Meeting in Nashville, TN.
- In May of 2006, I spoke at CAS Spring Meeting in Fajardo, Puerto Rico.
- In March of 2006, I spoke at CAS Ratemaking Seminar in Salt Lake City, UT.
- In March of 2006, I spoke at the NAIC meeting in Orlando, FL.
- In June of 2005, I spoke at Summer meeting of the Southwest Actuarial Forum in Austin, TX.
- In May of 2005, I spoke at Enterprise Risk Management Symposium in Chicago, IL.
- In April of 2005, I spoke at Watson Wyatt Client Conference in Orlando, FL.
- In March of 2005, I spoke at CAS Ratemaking Seminar in New Orleans, LA.
- In November 2004, I spoke at the Fall Meeting of the CAS in Montreal, PQ.
- In September 2004, I spoke at the Casualty Actuaries in Reinsurance Meeting in New York, NY.
- In May of 2004, I spoke at American Academy of Actuaries Annual Meeting in Washington, DC.
- In April of 2004, I spoke at International Accounting and Statistical Association Annual Meeting in Las Vegas, NV.
- In March of 2004, I spoke at the CAS Ratemaking Seminar in Philadelphia, PA.
- In June 2003, I spoke at the Annual Meeting of the Canadian Institute of Actuaries (CIA) in Victoria, BC.
- In June 2003, I spoke at the Spring Meeting of the Casualty Actuaries of Greater New York in New York, NY.
- In June 2003, I spoke at the Casualty Actuaries in Reinsurance (CARE) Meeting in Philadelphia, PA.
- In May 2003, I spoke at the Spring Meeting of the CAS in Marcos Island, FL.
- In March 2003, I spoke at the CAS Seminar on Ratemaking in San Antonio, TX.
- In February 2003, I spoke at the Windstorm Insurance Network Conference in Orlando, FL.
- In October of 2002, I spoke at the CAS Special Interest Seminar on Catastrophe Risk Management in Atlanta, GA.
- In April of 2002, I spoke at the CAS Special Interest Seminar in Dallas, TX.
- I have co-authored (i) "Aggregation and Correlation of Reinsurance Exposures," CAS Forum, Spring 2003; (ii) "Aggregation and Correlation of Insurance Exposures," CAS Forum, Summer 2003; and (iii) "The Basis Risk of Catastrophic-loss Index Securities," Journal of Financial Economics, 2004, Elsevier, vol. 71(1), Pages 77-111. I was also a contributing author of: "Catastrophe Modeling: A New Approach to Managing Risk," Springer, 2005.

7. Q. Please describe your experience with respect to the issue of computer modeling of windstorms, including tornadoes, hurricanes, hailstorms and other storms.

A. I began modeling insurance risk in 1985; while at ICBC I implemented a Stochastic Planning Model to manage overall corporate risk. I began work on the modeling of natural hazard risk including tornadoes, hurricanes, hailstorms and other, storms in 1995. My work involves review of model components and responsibility for the review of the

Atlantic Tropical Cyclone model by the Florida Commission on Hurricane Loss Projection Methodology.

8. Q. Please describe the companies or organizations for whom you have consulted in connection with the computer modeling of windstorm losses.

A. AIR provides catastrophe risk assessment and management products and services to primary insurance companies, coastal FAIR and Beach plans, reinsurers, intermediaries, involuntary markets, state funds, and other insurance industry organizations. We also provide services to investment banks and investors in catastrophe bonds.

AIR has been directly involved in ratemaking proceedings in the states of Florida and North Carolina.

9. Q. Have these companies and organizations relied upon your hurricane loss computer simulation methodology?

A. Yes.

10. Q. Please explain how these companies and organizations have relied upon your computer simulated hurricane loss estimates?

A. Reinsurers use AIR Software Systems (CATRADER®, CATMAP®/2, CLASIC/2™, CATSTATION™) to estimate expected and potential large losses on the reinsurance treaties of primary ceding companies. Based on these expected loss estimates as well as other underwriting information, reinsurers can develop rates for catastrophe treaties and can decide how much, if any, to participate in catastrophe, aggregate excess or pro rata treaties. AIR Software CATRADER® and CATMAP®/2 also helps reinsurers to estimate the potential losses on their total portfolios of property treaties.

Primary companies use our services and software systems to estimate their windstorm and/or earthquake loss potential. They are also interested in estimating large loss potential, commonly referred to as "probable maximum losses." This information helps them to decide how much catastrophe reinsurance to buy. Particularly after Hurricane Andrew, companies want to make sure that they are not overly exposed to a single catastrophic event. Primary companies are becoming increasingly interested in estimating catastrophe pure premiums and loss costs in various geographical areas.

The coastal FAIR and Beach Plans provide their member companies with the results of our analyses so that they can estimate their potential assessments due to catastrophic events.

Intermediaries use our services to provide catastrophe loss analyses to their primary company clients.

AIR also provides hurricane loss estimation services to the investment community in conjunction with various catastrophe bond offerings that have been issued. Investment bond rating companies use the probabilistic estimates derived from the AIR catastrophe models as the primary basis for assigning catastrophe bond ratings.

11. Q. Have you been asked by the North Carolina Rate Bureau to prepare an analysis based on your models of windstorm loss potential for the state of North Carolina?

A. Yes.

12. Q. What specifically have you prepared for the North Carolina Rate Bureau relating to North Carolina homeowners, tenant, and condominium insurance?

A. We have prepared a report for the North Carolina Rate Bureau based on an analysis using a simulated sample of 100,000 "years" of potential hurricane experience based on a standard view of the hurricane risk. A copy of our report is attached hereto as Exhibit RB-6A.

We have also prepared a report using a simulated sample of 10,000 "years" of potential hurricane experience based on a near-term view of the hurricane risk ("near-term" catalog simulation). The near-term view of hurricane risk incorporates the impact of sea surface temperatures (SSTs) in the North Atlantic on hurricane activity over the next several years. A copy of our report is attached hereto as Exhibit RB-6B.

A simulated "year" in this context represents a hypothetical year of hurricane experience that could happen in the current year. For the North Carolina Rate Bureau we used exposures for 2004, which was then the most recent year available. These large samples of simulated loss experience enabled us to estimate pure hurricane premiums and loss costs as well as the probabilities of losses of various magnitudes.

13. Q. What is meant by the term "pure premiums"?

A. Pure premiums are calculated by dividing the long run average annual aggregate losses by the number of risks, i.e., the house years.

14. Q. What is meant by the term "loss costs"?

A. Loss costs are calculated by dividing the long run average annual aggregate losses by the insurance in force, i.e., the insurance years plus the liabilities for contents and other coverages.

15. Q. When were you asked by the North Carolina Rate Bureau to do your study?

A. Early-2006.

16. Q. Please describe the approach that you used to develop your reports.

A. Our approach is that of a computer simulation model. AIR Worldwide, Inc. (AIR) was the first company to develop probabilistic catastrophe modeling as an alternative to the standard actuarial or "rule of thumb" approaches on which insurance companies had to rely for the estimation of potential catastrophe losses. In 1987, AIR introduced to the insurance industry a modeling methodology based on simulation techniques and mathematical approaches long-accepted in a wide variety of scientific disciplines. Since the inception of this new approach, the AIR hurricane model has undergone a comprehensive process of refinement, enhancement, validation, and review.

Standard actuarial techniques rely on data on past losses to project future losses. But the scarcity of historical loss data resulting from the infrequency of these events makes standard actuarial techniques of loss estimation inappropriate for catastrophe losses. Furthermore, the usefulness of the loss data that does exist is limited because of the constantly changing landscape of insured properties. Property values change, along with the costs of repair and replacement. Building materials and designs change, and new structures may be more or less vulnerable to catastrophe events than were the old ones. New properties continue to be built in areas of high hazard. Therefore, the limited loss information that is available is not suitable for directly estimating future losses

By way of example in North Carolina, if historical insurance loss data were used, the only recent significant hurricane events would be Hugo in 1989, Fran in 1996, Bonnie in 1998, and Floyd in 1999. Hugo entered North Carolina in the Charlotte area and continued through the central and western parts of the state. While Hurricane Fran made direct landfall on the North Carolina coast and did significant damage to coastal exposures, it caused even more damage inland in the Raleigh area. Raleigh incurred more loss than one would normally expect for an inland area because of the significant amount of rain that had fallen in Raleigh just prior to Hurricane Fran. The two weeks of rain prior to Hurricane Fran's arrival left the ground saturated resulting in significantly more damage from uprooted trees than would normally be expected for a storm of its size.

If the data from these storms were the only data used in ratemaking, it could well be the case that rates for the Raleigh and Charlotte areas would be higher than for coastal areas. Such a result would not fairly reflect the relative wind loss vulnerability of the territories in the state.

17. Q. Do you know how many years of homeowners insurance data exist for North Carolina?

A. I am advised that data for homeowners insurance exists only back to approximately 1960.

18. Q. What is your opinion as to whether homeowners insurance data for the period from 1960 to 2004 adequately represents the state's likely exposure to hurricanes.

A. In my opinion, 45 years of insurance data is not sufficient to estimate the true hurricane loss potential in North Carolina. Hurricanes, particularly intense hurricanes, are low frequency events. The absence or presence of even one Category 4 or 5 hurricane (under the Saffir-Simpson scale) can dramatically influence the loss potential calculated over such a short time horizon.

Furthermore, the usefulness of the loss data that does exist is limited because of the constantly changing landscape of insured properties. Property values change, along with the costs of repair and replacement. Building materials and designs change, and new structures may be more or less vulnerable to catastrophe events than were the old ones. New properties continue to be built in areas of high hazard. Therefore, the limited loss information that is available is not suitable for directly estimating future losses.

For these reasons, a better measure of North Carolina's exposure to hurricanes can be gained by using a computer simulation model such as ours, which is based on historical data and meteorological information.

19. Q. What is a computer simulation model?

A. Basically, a computer simulation model is a series of computer programs which describe or model the particular system under study. All of the system's significant variables and interrelationships are included. A high-speed computer then "simulates" the activity of the system and outputs the measures of interest. Our simulation models incorporate random variables. In such simulation models, numbers are generated from the probability distributions of random variables to assign values to the variables for each model simulation. These probability distributions are usually standard statistical distributions selected on the basis of good fits with empirical data. Many simulations or iterations are performed to derive estimates from simulation models. Many simulations are necessary so that the output distribution converges to the true distribution and that model-derived estimates are "stable".

20. Q. Is computer modeling commonly used and relied on in meteorology?

A. Yes. In current operational hurricane forecasting practice, experts in the National Hurricane Center rely heavily on various kinds of computer models. These models range in complexity from simple statistical models to three-dimensional primitive equation models. The statistical and two-dimensional models are maintained by the Tropical Prediction Center (TPC). The three-dimensional models are maintained by the National Centers for Environmental Prediction's (NCEP) Environmental Modeling Center (EMC). More detailed information regarding the forecast NWP models used by NHC can be found at <http://www.nhc.noaa.gov/aboutmodels.html>.

21. Q. How long have computer simulation models been used in insurance?

A. AIR pioneered the probabilistic catastrophe modeling technology that is used today by the world's leading insurers, reinsurers and financial institutions. The AIR hurricane simulation model has been in use by our clients since 1987.

22. Q. How many simulations are typically performed?

A. There is no standard number of simulations that are performed. The required number is a function of the number of random variables and the probability distributions of those variables. The required number also depends on the geographical resolution of the data and the convergence level desired. The number of iterations can, however, be estimated using a formula which is based on the Central Limit Theorem. The Central Limit Theorem states that for a large number of samples, the normal distribution is a good approximation of the mean of the samples. Additionally, model output is tested for convergence by re-calculating the various moments or percentiles of the output distributions after adding more simulations to ensure that the additional simulations do not change significantly the output distributions.

23. Q. How many simulations did you perform for your study as to North Carolina homeowners insurance?

A. We performed two analyses, each with a different number of simulation "years".

One analysis was performed with 100,000 "years" of simulations, based on a standard view of the hurricane risk. This analysis formed the basis of the work performed for the NCRB.

Additionally, we performed an analysis with 10,000 "years" of simulations, based on a near-term view of the hurricane risk.

24. Q. What is the implication of using 100,000 simulated "years" vs. 10,000 simulated "years", and is each an appropriate number of simulations?

A. A 100,000 "year" simulation yields results that are stable and appropriate for base rate-making purposing, where results are drilled down to the relatively high geographical resolution of territory(s).

A 10,000 "year" simulation yields results that are stable and appropriate for use at a lower geographical resolution, such as state(s) or zones.

Our approach was based on the Monte Carlo simulation method which is a generally accepted mathematical technique that has been used extensively in the fields of insurance, operations research, and nuclear physics, among others.

25. Q. In general, what are the uses of Monte Carlo simulation models?

A. One of the first real uses of Monte Carlo simulation as a research tool was for work on the atomic bomb during World War II. With the advent of powerful computers, the uses for this technique expanded. Computer simulation models are particularly useful tools for the analysis of problems that involve solutions that are difficult to obtain analytically.

As one noted authority, Law and Kelton, has stated: "Most complex, real-world systems cannot be accurately described by a mathematical model which can be evaluated analytically. Thus, a simulation is often the only type of investigation possible." The natural hazard loss-producing system is one such system.

26. Q. What is the natural hazard simulation model?

A. The natural hazard simulation model is a model of the natural disaster "system." The primary variables are meteorological in nature. The AIR research team collects the available scientific data pertaining to the meteorological variables critical to the characterization of hurricanes and therefore to the simulation process. These primary model variables include landfall location, central pressure, radius of maximum winds, forward speed, and track direction. Data sources used in the development of the AIR hurricane model include the most complete databases available from various agencies of the National Weather Service, including the National Hurricane Center.

After the rigorous data analysis, AIR researchers develop probability distributions for each of the variables, testing them for goodness-of-fit and robustness. The selection and subsequent refinement of these distributions are based not only on the expert application of statistical techniques, but also on well-established scientific principles and an understanding of how hurricanes behave.

These probability distributions are then used to produce a large catalog of simulated events. By sampling from the various probability distributions, the model generates simulated "years" of event activity. A simulated year in this context represents a hypothetical year of hurricane experience that could happen in the current year. The AIR models allow for the possibility of multiple events occurring within a single year. That is, each simulated year may have no, one, or multiple hurricanes, just as might be observed in an actual year. Many thousands of these scenario years are generated to produce the complete and stable range of potential annual experience of tropical cyclone activity. The pattern and distribution of the simulated years approximates the pattern of historical and future years because their derivation is based on a scientific extrapolation of actual historical data.

Once values for each of the important meteorological characteristics have been stochastically assigned, each simulated storm is propagated along its track. Peak wind speeds and wind duration are estimated for each geographical location affected by the storm. Based on peak winds and duration, damages are estimated at each location for

different types of structures. Finally, policy conditions are applied to estimate the insured losses resulting from each event.

As opposed to purely deterministic simulation models, probabilistic simulation models enable the estimation of the complete probability distribution of losses from hurricanes. Once this probability distribution is estimated, hurricane loss can be derived.

27. Q. What are the meteorological data sources that underlie your model?

A. The following are key data sources that underlie the model.

Source	Years of Data
Monthly Weather Review	1900-present
NWS-23	1900-1976
NMW-38	1900-1984
Neumann, Charles J., "Tropical Cyclones of the North Atlantic Ocean, 1871-1998." NCDC, NOAA*	1871-1998
National Hurricane Center Preliminary Reports for Specific Hurricanes*	1977-2004
Tropical Cyclone Data Tape for the North Atlantic Basin, HURDAT	1886-2004
http://weather.unisys.com/hurricane/index.html	1886-present

* Supplemental data added to report by NHC upon request by AIR.

28. Q. Are all of these sources governmental reports?

A. All are except for the Monthly Weather Review, which is a peer-reviewed journal published by AMS and the Unisys web site which is maintained by Unisys Corporation.

29. Q. Are these sources generally relied upon in the meteorological and insurance communities?

A. Yes.

30. Q. What steps were taken to assure that the meteorological data underlying the model were correctly inputted into the model?

A. When the meteorological and other data are input into the model, we consistently follow the policy of carefully cross-checking and verifying the numbers for accuracy. We continually review our models and their underlying meteorological data to make sure that the data have been input correctly. We also compare our model-generated data with the actual historical data to make sure that there is a close match. For example, we overlay maps of our simulated wind speeds on maps of the actual wind speeds for actual historical events.

31. Q. What is a hurricane?

A. Hurricanes form when warm ocean water evaporates, is further warmed by the sun, and rises to create a high, thick layer of humid air. This rising of warm, dense air creates an area of low pressure, technically known as a depression, near the ocean's surface. Surface winds converge and, due to the earth's Coriolis force, display a clear cyclonic pattern.

The inward rush of peripheral surface winds toward the central area of low pressure, the rise of warm humid air in the center, and the subsequent outflow away from the system at high altitude, combine to create a self-sustaining heat engine. The warmer the water temperature, the faster the air in the center of the system rises. The faster this air rises, the greater will be the difference between the surface air pressures inside and outside the vortex.

Air flows from areas of relative high pressure to relative low pressure. The greater the difference between peripheral and central pressures, the faster the inflow. When wind speeds reach 40 miles per hour, the depression reaches tropical storm status. When wind speeds reach 74 miles per hour, the storm is designated a hurricane or typhoon. The term "super-typhoon" is used for tropical cyclones that reach maximum sustained 1-minute surface winds of at least 130 knots, which is the equivalent of a strong Category 4 or Category 5 hurricane in the Atlantic basin. Note that the terms "hurricane" and "typhoon" are regionally specific names for the same phenomenon. Severe tropical cyclones that occur in the Atlantic and eastern Pacific are referred to as hurricanes, and in the western Pacific as typhoons.

32. Q. What is meant by sustained wind speed?

A. The term sustained wind speed refers to the wind averaged over a given period of time, such as one or ten minutes, or an hour. Generally for the purpose of this testimony as to hurricanes, a one minute sustained wind is used. The speed of shorter period gusts or lulls may be considerably higher or lower than the sustained wind. Surface wind speed is defined as the wind at 33 feet (10 meters) above ground for this purpose.

33. Q. What are the categories of hurricanes?

A. Under the Saffir-Simpson Hurricane Scale, there are five categories of hurricanes. They are categorized according to sustained wind speeds and central pressure as follows:

Saffir-Simpson Hurricane Scale

Category	Wind Speed (mph)	Central Pressure
1	74-95	≥ 980
2	96-110	965-979
3	111-130	945-964
4	131-155	920-944
5	>155	<920

34. Q. How many hurricanes made landfall in the historical experience period?

A. There were one hundred and sixty-three hurricanes making landfall in the U.S. during the sample period (1900-2004). A single hurricane may comprise several landfalls, for example hurricane Donna in 1960 had three landfall points. By landfall point, I mean the latitude and longitude coordinates of the place where the center of the wind circulation of the hurricane crossed from the ocean to land. In addition to landfalling hurricanes, AIR scientists have analyzed historical data on the storm tracks of bypassing events. A bypass is defined as causing hurricane force winds over land.

35. Q. What was the most intense hurricane to directly strike North Carolina during the period 1900-2004?

A. Hazel, a Category 4 hurricane, in 1954 was the most intense hurricane to hit North Carolina during this period from a meteorological standpoint.

36. Q. What are "by-passing" storms and how are they handled?

A. By-passing storms are hurricanes which do not actually make landfall, that is, where the center of the hurricane never actually comes on shore but where winds of hurricane strength, i.e. 74 mph or higher, are recorded on-shore. By-passing storms are modeled like all other hurricanes starting with estimates of the frequency and location of such storms. As is the case with landfalling hurricanes, the frequency and location distributions of by-passing hurricanes have been derived from the historical record and other scientific information.

37. Q. Are there any climatological factors influencing hurricane frequency and intensity in general and with respect to North Carolina in particular?

A. There are a number of climate signals that are correlated with mechanisms within the earth's environment that impact hurricane activity in the Atlantic Basin. These include the Atlantic Multidecadal Oscillation (AMO), the El Nino Southern Oscillation (ENSO), the Quasi-Biennial Oscillation (QBO), and the North Atlantic Oscillation (NAO). The AMO is the oscillation of sea surface temperatures in North Atlantic, which

fluctuates over a period of several decades. The ENSO is the oscillation of sea surface temperatures in Eastern Pacific Ocean, which fluctuates over a period of approximately 2.5 to 7 years. The QBO is the oscillation in wind directions over the tropics in the upper atmosphere, which fluctuates about every 2 years. The NAO is the large scale oscillation in atmospheric pressure in the Atlantic Ocean between the subtropic high and the polar low pressure system, which fluctuates over a period of days, weeks, or months. These factors have different impacts on hurricane activity in the Atlantic basin.

38. Q. How are these factors incorporated into the model?

A. These factors are not explicitly accounted for in AIR's standard 100,000 "year" hurricane catalog. The standard catalog is a catalog that is based on the past 105 years of historical hurricane activity which includes multiple observations of each of these climatological signals and oscillations.

Additionally, AIR has developed a near-term hurricane catalog which incorporates the impact of sea surface temperatures (SSTs) in the North Atlantic on hurricane activity over the next several years.

A correlation has been drawn between SST cycles and hurricane activity in the Atlantic basin. There is an increased probability of hurricane activity during warm cycles, and a decreased probability of hurricane activity during cool cycles. As with many meteorological matters, this correlation is subject to significant uncertainty and continues to be an area of active research.

SSTs have been considered in the generation of the near term hurricane catalog because they vary over the longest time period, specifically multi-decadal periods.

39. Q. Based on this information, what conclusions can be drawn about the probability of hurricane activity in the Atlantic basin in the coming years?

A. We are currently in an SST warm cycle. This condition results in an increased probability of hurricane activity. While other cycles might oscillate to result in an increased or decreased probability of hurricane activity from one season to the next, the SST varies over a longer period of time and thus results in an overall increased probability of hurricane activity in the coming years.

40. Q. Is the AIR modeling methodology a sound and appropriate method of projecting the wind losses used in the filing for homeowners insurance in North Carolina?

A. Yes. AIR's simulation methodology is based on mathematical/statistical models that represent real-world systems. As with all models, these representations are not exact, however simulation methodology is a superior technique for estimating potential hurricane losses. The best approach is to consider the longest period of consistently maintained and reported meteorological data available, which is what AIR's models do.

AIR's standard hurricane catalog incorporates the best and longest period of data available, and analyses performed using this catalog yield the long run average wind loss for the modeled exposure set. AIR's near-term hurricane catalog also incorporates the best and longest period of data available, with modifiers applied to account for the impact of SST on hurricane activity in the near-term. Analyses performed using this catalog yield the average wind losses given the forecasted SSTs in the near-term.

41. Q. How does the hurricane model simulate hurricanes affecting the U.S. and North Carolina?

A. For each simulated year, the model first determines the number of landfalls that occur during that year. If a landfall occurs, the landfall location is generated using a probability distribution for landfall location. Having simulated the location, values for landfall angle, central pressure, radius of maximum wind, and forward speed are generated using probability distributions derived from historical data and meteorological knowledge. As the hurricane moves from its landfall location, the track of the hurricane is simulated using probability distribution derived from historical data and meteorological knowledge. As the hurricane moves from its landfall location, the track of the hurricane is simulated using a Markov procedure with transition probabilities estimated using historical data.

42. Q. How is hurricane frequency modeled?

A. The AIR hurricane model uses a negative binomial distribution to generate the number of landfalling storms per year. Actual historical data from 1900-2004 is compared to the modeled distribution for the entire Gulf and East Coasts. The modeled distribution fits the historical data very closely. The average number of hurricanes per year making landfall in the U.S. is 1.6. The average number of landfalling and bypassing storms is 1.7. We make no other assumptions as to future hurricane activity.

43. Q. How is landfall location modeled?

A. In the AIR hurricane model there are 3,100 possible landfall points at each one nautical mile of smoothed coastline from Texas to Maine. Historical hurricane occurrences since 1900 are used to estimate a smoothed locational frequency distribution. The actual smoothing technique employed was selected because it has been utilized in other climatological studies and because it produces a smoothed distribution that maintains areas of high versus low frequency while smoothing out variations due to limitations on completeness in the historical record.

44. Q. How is hurricane severity modeled?

A. The hurricane model generates values for the severity variables. There are five primary variables which account for hurricane severity. These variables are the

minimum central pressure, the radius of maximum winds; the forward speed, the angle at which the storm enters the coast, and the track of the storm once on shore.

45. Q. What is the central pressure variable?

A. Central pressure is defined as the minimum atmospheric pressure measured in a hurricane. The central pressure distribution is based on the historical database and is determined for each 100 nautical mile coastline segment.

46. Q. What is meant by the radius of maximum winds?

A. The radius of maximum winds is the distance from the center of circulation to the location of maximum wind speeds. The radius distribution is based on the historical database and is determined for each 100 nautical mile segment.

47. Q. What is forward speed?

A. Forward speed is the speed at which a hurricane moves from point to point. The forward speed distribution is based on the historical database and is determined for each 100 nautical mile segment.

48. Q. Does the combination of forward speed and wind speed affect the damage caused by a given hurricane?

A. Yes, this is what is referred to as the asymmetrical effect of hurricane winds. Hurricane winds move in a counter clockwise direction around the eye of the hurricane, which means that winds on the right side of the hurricane are moving with the forward direction of the storm thereby creating a higher effective wind speed at any location on the right side of the hurricane. Conversely, the effective wind speed at any given location on the left side of the storm is reduced by the combined effect of the hurricanes rotational winds moving in the opposite direction from the translational winds.

49. Q. What is the track angle at landfall?

A. Track angle at landfall is the angle between track direction and due north at landfall location.

50. Q. What is the storm track?

A. Storm track is the path the hurricane takes. The procedure that AIR has developed to simulate storm tracks, which is described in more detail under question 56 below, allows the tracks to curve and recurve in the same way and to the same extent that actual historical storms do.

51. Q. Does the location of the hurricane make a difference?

A. Yes. Hurricane intensity as well as frequency vary by location. In general, as latitude increases, average hurricane intensity decreases and we model this effect accordingly. When a hurricane moves over cooler waters, its primary source of energy (latent heat from warm water vapor) is reduced so that the intensity of circulation decreases in the absence of outside forces. For this reason, the parameters of the severity variable probability distributions were estimated separately for each of the 31 100-mile coastal segments using state-of-the-art statistical techniques combined with published scientific information.

52. Q. How does the simulation model generate values for the distribution of hurricane central pressures?

A. The AIR hurricane model utilizes central pressure as the primary hurricane intensity variable. Using the historical data, Weibull distributions are fitted to the data for each of the 31 100-nautical-mile coastal segments as well as for larger regional segments, with the final distribution for each segment being a weighted combination of the two. The Weibull form was selected based on "goodness-of-fit" tests with actual historical data. The use of the Weibull distribution for storm central pressure is documented in the scientific literature.

53. Q. How does the model generate values for the radius of maximum winds?

A. The radius of maximum wind is simulated using a regression model that relates the mean radius to central pressure and latitude. The error term in this model is assumed to follow a Normal distribution. The parameters are estimated using the least squares method and standard diagnostic tests are used to evaluate the adequacy of the fit. The resulting values are bounded based on central pressure to produce a final distribution for the radius.

54. Q. How does the model generate values for forward speed?

A. Probability distributions are estimated for forward speed for each 100 nautical mile segment of coastline with bounds based on the historical record. Separate distributions are estimated for each of the segments because the likely range and probabilities of values within the range for these variables depend upon geographical location, particularly latitude.

55. Q. How does the model generate values for track angle at landfall?

A. Separate distributions for track angle at landfall are estimated for variable length segments of coastline with bounds based on the historical record. The length of each segment is governed by the general orientation of that segment. Standard 100 mile segments cannot be used because the orientation of the coastline might change dramatically within these segments. The corresponding probability distributions are

combined normal distributions with bounds based on the historical record and meteorological expertise.

56. Q. How does the model generate values for storm track?

A. AIR has developed a unique and scientific procedure to simulate storm tracks. Our scientists and engineers have collected and analyzed historical data on the tracks of more than 900 Atlantic tropical cyclones, both landfalling and non-landfalling. Using this data, they have created conditional probability matrices from which the tracks of simulated events are generated. There are 16 primary directional probabilities. Within each of these 16 primary directions there is a continuous probability distribution, resulting in an infinite number of potential track directions. For each of 16 directional probabilities of storm arrival, these matrices specify the probability of a directional change to each of the other 16 directional probabilities. The advantage of this probabilistic approach is that the storm tracks generated for simulated tropical cyclones will closely resemble the curving and recurving tracks that are actually observed. Furthermore, the simulated storm tracks are fully probabilistic, which means that any possible storm track can be generated, not just historical tracks. Other approaches that use either straight-line tracks or historical tracks are not as realistic because future hurricanes will not travel in perfectly straight lines, nor will they follow the exact path of previous hurricanes.

In order to model hurricanes with multiple landfalls, or combination of landfall and bypass, selected storm tracks are joined statistically. The criteria used to select tracks to be joined are consistency in the following storm parameters: central pressure, forward speed and radius of maximum wind. The number of bypasses and landfalls selected to be joined is determined based on the historical record for the region. The tracks are joined using a cubic spline and the storm parameters are interpolated along the joining path to ensure appropriate hurricane behavior. This procedure ensures that multiple landfalling storms, such as triple-landfalling Donna in 1960, which affect more than one area of the U.S. coastline, are accurately reflected in the catalog.

57. Q. How does the model calculate maximum wind speeds?

A. Once values are obtained for all of the severity variables, the maximum sustained wind speed is calculated using generally accepted meteorological formulas. For each simulated event, the AIR hurricane model simulates the storm's movement along its track. A complete time profile of wind speeds is developed for each location affected by the storm, thus capturing the effect of duration of wind on structures as well as peak wind speed. Calculations of local intensity take into account the effects of the asymmetric nature of the hurricane windfield, storm filling over land, surface friction, and relative wind speeds as the distance from the radius of maximum winds increases.

58. Q. You have explained how the model generates values determining the frequency and severity of hurricanes. Now please explain how are insured damages computed?

A. AIR scientists and engineers have developed mathematical functions called damageability relationships, which describe the interaction between buildings, both their structural and nonstructural components as well as their contents, and the local intensity to which they are exposed. Damageability functions have also been developed for estimating time element losses. These functions relate the mean damage level as well as the variability of damage to the measure of storm intensity at each location. Because different structural types will experience different degrees of damage, the damageability relationships vary according to construction materials and occupancy. The AIR model estimates a complete distribution around the mean level of damage for each local intensity and each structural type, and from there constructs an entire family of probability distributions. Losses are calculated by applying the appropriate damage function to the replacement value of the insured property.

The AIR damageability relationships incorporate the results of well-documented engineering studies, tests, and structural calculations. AIR engineers continually survey the engineering literature and consult with other experienced engineers to verify our damage functions, and if necessary, they refine these relationships. AIR also performs post-disaster field surveys and analysis for all U.S. landfalling hurricanes. We have analyzed over \$10 billion of actual claims data from recent hurricanes. Much of the loss data is by zip code, coverage, and construction.

59. Q. Has the model been independently peer reviewed?

A. Yes.

60. Q. By whom?

A. All hurricane characteristics were reviewed by Dr. Walter Lyons in 1986. Dr. Lyons, a Certified Consulting Meteorologist, was contracted by the E.W. Blanch Company to review the AIR hurricane simulation model. There are no unresolved issues.

During 1996 and 1997, Duff & Phelps, Fitch, Moody's and Standard & Poors all reviewed AIR's hurricane model in conjunction with their rating of the USAA catastrophe bond.

The vulnerability functions have been reviewed by Dr. Joseph Minor, P.E. every year since 2001. There are no unresolved issues.

The near-term catalog generation process was reviewed by Dr. Kerry Emanuel and Dr. James Elsner.

61. Q. What type of reviews has been performed?

A. In 1986 Dr. Lyons was asked to independently review and make suggestions as to the hurricane and tornado simulation models and our sources of meteorological information. Dr. Lyons reviewed the meteorological variables and relationships used in the models. In 1986, Dr. Lyons recommended and provided copies of a few additional meteorological papers for our review and made several suggestions for change. For example, he made a suggested correction to our approximation of the air density term in the gradient wind equation. Our original formula could have resulted in up to a 5 percent error in the estimation of peak wind speeds near the center of the storm. This correction was made immediately following Dr. Lyons' recommendation. In 1993 Dr. Lyons again reviewed these models, including how the climatology had been updated to reflect storms since 1986 and validation results based on actual events.

The testing conducted by Duff & Phelps, Fitch, Moody's and Standard & Poors was particularly extensive because the USAA catastrophe bond was the first such bond to be assigned a corporate bond rating by all four agencies, and the probabilistic estimates derived from the AIR hurricane model were the primary bases for the assigned ratings. Over a period of 18 months, AIR staff met with employees and consultants hired by the rating agencies representing many fields, including insurance, statistics, and finance, to explain in detail the AIR hurricane model. In addition, a number of sensitivity analyses and stress tests were performed at the requests of the rating agencies during this year and half period of time. These tests, performed by outside experts whose primary interest is the protection of their investors, confirm the robustness of the AIR model. Moody's wrote, "Moody's did not simply accept AIR's modeling results at face value. Rather, we followed an examination and calibration procedure, aiming to provide Moody's with a high degree of confidence in the reliability and stability of the simulation results." Similarly, "Fitch evaluated the underlying technical integrity of the AIR model on the basis of model specification and model structure." Because of the first-time nature of such a large catastrophe bond issuance, the rating agencies very carefully scrutinized model assumptions, data, and methodology. These rating agencies have continued their scrutiny of the model in the course of several subsequent securitization transactions.

62. Q. What information did you provide the reviewers about your methodology?

A. In 2006 AIR provided Dr. Minor with the 2005 submission of the AIR Hurricane Model to the Florida Commission and documents describing the Commission's process for determining the acceptability of a computer simulation. Dr. Minor had access to the full AIR hurricane modeling team in two days of briefings and discussion. His training and experience as a structural/wind engineer provided for a principal focus on the vulnerability functions in the AIR model.

In the review of the AIR model in 1996 and 1997 by the bond rating companies, access was given to the probability distributions assumed by AIR and the estimation methods employed to fit the parameters of those distributions. Also reviewed were the mathematical functions used in the model to approximate the interactions between simulated storm parameters. For the validation testing and sensitivity analysis, the rating companies reviewed model output under various distributional assumptions.

In 1986 we provided to Dr. Lyons technical documents describing our methodology. For example, the hurricane simulation model technical document describes the model-variables, the estimated probability distributions that we fit to the model variables, the variable interrelationships, such as the formula relating minimum central pressure to maximum wind speed, our filling equations, how we account for the effects of surface terrain on wind speed, and how we estimate storm surge heights at various coastal locations. In 1993 we additionally provided him with copies of our original documentation along with information regarding validation of the hurricane model. Validation information included, for several hurricanes such as Alicia (1983), Elena (1985), Gloria (1985), Kate (1985), Hugo (1989), Bob (1991) and Andrew (1992), a comparison of simulated losses with actual losses.

63. Q. Has your model been reviewed by the Florida Commission on Hurricane Loss Projection Methodology?

A. Yes. The Florida Commission on Hurricane Loss Projection Methodology was established in 1995 with the mission to "assess the effectiveness of various methodologies that have the potential for improving the accuracy of projecting insured Florida losses resulting from hurricanes and to adopt findings regarding the accuracy or reliability of these methodologies for use in residential rate filings." The Commission has established 35 standards that need to be met before a catastrophe model is acceptable for ratemaking purposes in the state of Florida. The AIR hurricane model was the only model approved under the 1996 standards, and it has consistently been approved under the standards of subsequent years. In addition, AIR has been working with insurance departments in other states for the past several years in meeting their informational requirements. Rates based on the AIR models have been filed and approved in an increasing number of states.

64. Q. What sorts of specialists comprise the Florida Commission's professional team?

A. The Florida Commission professional team includes two persons from each of the following professions: actuary, computer scientist, statistician, structural engineer, and meteorologist.

65. Q. Does AIR have a staff meteorologist?

A. Yes, AIR has numerous staff meteorologists. Dr. Peter Dailey, who joined the company in 2001, is the Director of Atmospheric Science at AIR.

66. Q. Have the meteorological components of your model been reviewed?

A. Yes, staff meteorologists have thoroughly reviewed all meteorological components of AIR's hurricane model.

67. Q. Have you validated the models?

A. Yes. AIR scientists and engineers validate the models at every stage of development by comparing model results with actual data from historical events. The simulated event characteristics parallel patterns observed in the historical record and resulting loss estimates correspond closely to actual claims data provided by clients. Internal peer review is a standard operating procedure and is conducted by the AIR professional staff of scientists and engineers, over 20 of whom hold Ph.D. credentials in their area of expertise. AIR models have also undergone extensive external review, beginning with Dr. Walter Lyons' systematic review of the AIR hurricane model in 1986.

68. Q. What are the advantages of computer simulation?

A. There are several advantages of the computer simulation approach. First, it is able to capture the effects on the catastrophe loss distribution of changes over time in population patterns, building codes, amounts insured and construction costs. Second, this estimation procedure provides a complete picture of the probability distribution of losses rather than just estimates of probable maximum losses. As opposed to using actual loss data, this procedure also leads to more stability in the estimated expected annual losses. Simulation models can be tested much more easily than other approaches to catastrophe loss estimation. Additionally, they provide a means to determine the impact of new scientific information and/or developments. And finally, the simulation approach provides a framework for performing sensitivity analyses and "what-if" studies. Disadvantages of the simulation approach include long model development time and potential high development costs. Overall the benefits provided by the model and the value of the model output outweigh the costs. The simulation approach provides much more reliable and consistent loss estimates than traditional approaches to catastrophe risk assessment and management.

69. Q. Have your models been updated and refined since they were originally constructed?

A. Yes. The AIR hurricane model was first developed in 1985. Since that time the model has been updated at least once each year. At a minimum, the zip code database is updated each year. For each new zip code centroid, the following data needs to be re-estimated: distance from coastline, elevation, surface terrain, and any other special topographical features. This is a technical update.

Additionally, all of the probability distributions for all of the meteorological variables have been re-estimated to include additional years of actual hurricane experience every two to three years. These updates are not substantive and do not result in major changes to loss estimates.

Damageability relationships are continually reviewed and validated as actual events occur and new loss data is received from our client companies. Usually, changes to loss estimates are not significant.

The updates listed above are ongoing and reflect the efforts of AIR professionals to incorporate the most current data available, particularly those relating to recent hurricane activity. There are other revisions to the model, however, that represent one-time refinements to various model components. These are undertaken when new data becomes available or when the results of new research, which may be conducted either by AIR scientists and engineers or by outside experts, warrant such revision.

70. What were the main model updates in the past 3 years?

A. The main updates to the model from 2003 to 2006 are detailed below:

2003:

- Updated historical storm set to include all landfalling and bypassing hurricanes through 2001
- Incorporation of a new regression model for estimating radius of maximum winds
- Incorporation of higher resolution land use/land cover data for more accurate estimation of local wind speeds (Florida only)
- Increased temporal resolution (time step increased from 1 hour to 30 minutes) for fast moving storms

2004:

- Updated historical storm set to include all landfalling and bypassing hurricanes through 2002
- Incorporation of higher resolution land use/land cover data for all of U.S. Gulf and East Coasts for more accurate estimation of local wind speeds (Florida updated in 2003)
- Implementation of a new component-based methodology for the derivation of commercial damage functions that explicitly account for building height

2005:

- Updated historical storm set to include all landfalling and bypassing hurricanes through 2004
- Implementation of an aggregate demand surge function

2006:

- Refined distribution governing radius of maximum winds to allow for larger radii for intense hurricanes
- Enhanced storm surge model
- Updated wind damage functions to incorporate finding of AIR's analysis of claims data and post-disaster survey findings
- Updated demand surge function that reflects findings from the 2004 and 2005 hurricane seasons; the update produces generally increased loss estimates, particularly for "mega-catastrophes" at high return periods

71. Q. What has been your role as to model development?

A. I have been involved in the model development process, and oversee the process of submitting the model to Florida Commission on Hurricane Loss Prediction Methodology.

72. Q. Did you receive any data from Insurance Services Office on which you relied in preparing your analyses?

A. Yes, we first received an original data set reflecting the 2004 number of earned house years and the 2004 earned insurance years by territory and construction class, for North Carolina, for the homeowners, tenant, and condominium lines of business.

Subsequent to performing analyses of this data, we received a revised data set reflecting the same information with corrections and additions to portions of the data.

73. Q. What use did you make of such data?

A. For each territory the total number of house years and insurance years were calculated for homeowners policies from the original data set by multiplying the percentage of house years and the percentage of insurance years by the total house years and total insurance years, respectively. House years and insurance years were then distributed to the five digit zip codes within each territory using a territory to zip code mapping developed by AIR in conjunction with the NCRB and AIR's proprietary industry exposure database by five digit zip code.

Assumptions were then applied to account for non-primary coverages (appurtenant structures, contents, and time element in the case of the homeowners line of business; building and time element in the case of the condominiums line of business; and time element in the case of the tenants line of business). Assumptions were also applied to account for deductibles.

The data was then analyzed in AIR's CLASIC/2™ software application using the models referenced previously in order to yield loss estimates. These loss estimates were rolled up to the territory level for reporting purposes.

Upon receipt of the updated data set subsequent to performing the analyses, AIR, in consultation with the NCRB and ISO, performed measures to account for data corrections and updates. Specifically, AIR calculated the event losses by territory, line of business, and construction type from the analyses, and multiplied that by the change in exposures to yield updated loss estimates.

74. Q. Are the measures that were performed to account for the data corrections and additions consistent with the underlying analysis?

A. Yes. The modeled loss estimates from the original analyses can be stated as a loss per a given dollar amount of exposure (loss cost). By multiplying this ratio by the new dollar amount of exposure, one can arrive at loss estimate for the new data set which

assumes that the new exposure has the same loss cost as the modeled exposure. This is consistent with the underlying analysis.

75. Q. What are the areas of highest hurricane frequency in North Carolina?

A. The figures very convincingly show that the higher risk areas are the coastal zones. The hurricane is at maximum force in coastal areas just as it crosses over land. As it travels inland, the storm dissipates because of the elimination of its primary energy source (heat and moisture from the sea) and because of surface frictional effects.

76. Q. As between the northern and southern coasts of North Carolina, which one experiences greater hurricane frequency?

A. The highest frequency of hurricanes occurs in a 100-mile segment which includes Cape Lookout, Cape Hatteras, and Pamlico Sound. The coastline in this area juts out into the Atlantic Ocean where it is exposed as storms move up the coastline. The far northern coast towards Virginia suffers relatively few hurricane landfalls because of the westerly orientation of the coastline in this region.

77. Q. Have you examined North Carolina's building code?

A. Yes. In our windstorm simulation models, we assume that the residential buildings built to North Carolina's code will perform better than average with respect to hurricane force winds. One of the major reasons for this assumption is the fact that the code is prescriptive in nature which means that it clearly instructs the builder on what to do to make the structure wind resistive, particularly in the coastal areas. For example, the more common type of building code might simply say to build the structure to withstand 120 mph winds. The North Carolina building code specifically tells the builder in high hazard areas how to space studs, how many hurricane clips to use and where to attach them, etc. We have given maximum credit to the coastal areas of the state, assuming that these buildings are built to code and that the code will be effective. The vulnerability functions are modified to incorporate the effects of building codes in different regions. The AIR modifications have been validated by comparing actual losses with simulated losses for different areas of North Carolina.

78. Q. Are there any changes that you have made to your model for North Carolina?

A. No. The model version and settings used for North Carolina were the same as that accepted by the Florida Commission on Hurricane Loss Projection Methodologies. Although the model can take into consideration the effects of storm surge, and construction modification (individual building characteristics), these components of the model were not employed at the direction of the North Carolina Rate Bureau. The results were provided without demand surge and with occurrence demand surge.

79. Q. What is demand surge and how is it calculated in the model?

A. Demand Surge according to the Actuarial Standards Board is defined as a sudden and usually temporary increase in the cost of materials, services and labor due to the increased demand for them following a catastrophe. Historical evidence from major catastrophic events in past 15 years suggests that after a major event, increased demand for materials and services to repair and rebuild damaged property can put pressure on prices, resulting in temporary inflation. This phenomenon is often referred to as demand surge and it results in increased losses to the insurers.

After Hurricane Andrew in 1992, AIR developed a rudimentary demand surge function to allow companies the capability to assess the potential impact on losses due to demand surge. In order to develop a default demand surge function AIR reviewed several studies on the impact on prices of material and labor after Hurricane Andrew and Northridge Earthquake. It was commonly accepted that the demand surge from a Hurricane Andrew sized event (\$15.5 billion) was 8-12 %.

AIR continues to review the impact that catastrophic events have had on material and labor prices. We have found that Hurricane Hugo, for example, had a significant temporary impact on personal incomes in the construction industry in South Carolina. Analyses performed after the 2004 hurricane season in Florida revealed that demand surge had a significant impact on insured losses. Specifically, empirical data reveals that roof rebuilding costs increased substantially in the period following the hurricane season, and losses resulting from Additional Living Expense (Time Element) coverage were significantly impacted due to the amount of time it took to repair damages from the multiple events.

80. Q. Was demand surge used for the analyses you performed for the NCRB?

A. Yes, demand surge was used for both analyses.

81. Q. What does the demand surge factor depend on and how is it applied?

A. AIR's demand surge function relates the level of demand surge to the amount of industry loss. Each event is assigned a demand surge factor based on the amount of industry loss caused by the given event, as well as by other events that occur close to the given event in both time and space. The factor is then applied to losses from the specific exposure set to calculate the loss with demand surge.

82. Q. Now let me ask you several questions concerning Exhibit RB-6A to your prefiled testimony. What is the significance of the figure from the column called "Estimated Hurricane Loss Cost per 100" from Exhibit LossCosts.NCRB_Terr of Exhibit RB-6A?

A. The figures show the estimated loss costs per \$100 of exposure, including contents and all other coverages.

83. Q. On the page near the beginning of Exhibit RB-6A entitled

"Exposure Information and Assumptions," there is reference to the estimation of zip code distribution using certain information. One such type of information is "the 2004 total earned insurance years by line of business, construction class, and territory." Please explain to what that phrase refers.

A. This phrase refers to the insured values under homeowners policies. The source of this data is ISO.

84. Q. On the same page there is also reference to AIR's "proprietary database of insured residential properties by line of business, construction class, and five-digit zip code." Please explain what is referred to by that phrase.

A. We have developed a database of estimated total insured property values by five digit zip code including estimates for single family homes, tenants, and condominiums. Our estimates of the number of insured single family homes are based primarily on census data. Our estimates of replacement values are based primarily on census, property tax and residential construction cost data. We continually verify our estimated numbers with actual insurance company exposure data.

85. Q. On the same page there is reference to a "five-digit zip code to territory mapping." Please explain what was referred to by that phrase.

A. Since we had to relate our zip code-level data to ISO-supplied territory data, we needed a zip code to territory mapping. The mapping simply shows which zip codes are included in each territory. Note that some zip codes can cross territories. However, in our mapping procedure each zip code is assigned to only one territory. The assignment is based on the territory in which the population centroid of the zip code lies.

86. Q. Beginning on page 6 of your Exhibit RB-6A shows exposure by territory. What is the source of your data on this exhibit?

A. The exposure by territory was provided by ISO.

87. Q. Page 9 of your Exhibit RB-6A show the average annual aggregate losses by territory. What is source of the data on these exhibits?

A. The average annual aggregate loss is the sum of all losses caused by all simulated events, divided by the number of simulation years. It represents the long run average annual hurricane loss potential by territory. As can be seen, the territory with the highest average annual aggregate loss is territory #5. This fact is a function of that territory's population and its exposure to hurricanes.

88. Q. What is the source of the data on page 10 of Exhibit RB-6A?

A. Exhibits Expo.NCRB and AAL.NCRB.

89. Q. What does Exhibit Dist.NCRB of Exhibit RB-6A show?

A. It shows the distribution of exposures and average annual losses by territory. Obviously, coastal territories account for a much higher percentage of losses than exposures because of their vulnerability to hurricanes. For instance, Exhibit Dist.NCRB demonstrates that territory 60 has 26.6% of the statewide insurance in force, but accounts for only 5.2% of total annual hurricane losses. Territory 5, on the other hand, accounts for only 0.6% of insurance in force, but its average annual hurricane loss is 4.3% of the statewide total.

90. Q. What is the source of the data on pages 11-13 of Exhibit RB-6A?

A. Exhibits Expo.NCRB and AAL.NCRB

91. Q. What does Exhibit LossCosts.NCRB of Exhibit RB-6A show?

A. It shows the estimated hurricane pure premiums and loss costs, per \$100 of exposure, by territory for all coverages and broken down by buildings and contents on pages 11-13. As can be seen from these exhibits, loss costs are highest in territories 5, 6, 42 and 43.

92. Q. On page 11 of Exhibit RB-6A, please explain the significance of the number "761.15" for territory 05 in the column entitled "Pure Premium."

A. \$761.15 is the amount, exclusive of expenses and provisions for profit and contingencies, that on average needs to be collected each year to cover the long run hurricane loss potential on homeowners policies in territory 05. This number is based on 2004 values. By comparison, only \$17.77 needs to be collected to cover that same potential in territory 60.

93. Q. Do the explanations set forth above for Exhibit RB-6A also follow for similar pages in Exhibit RB-6B?

A. The explanations follow of the format of the numbers. The loss costs and pure premiums in Exhibit RB-6B reflect those appropriate to the near-term view of risk.

94. Q. Are the numbers used in your model true and accurate to the best of your knowledge, information and belief?

A. Yes. The AIR research team collects the available scientific data pertaining to the meteorological variables critical to the characterization of hurricanes and therefore to the simulation process. Data sources used in the development of the AIR hurricane model include the most complete databases available from various agencies of the National Weather Service, including the National Hurricane Center. All data is cross-verified. If data from different sources conflict, a detailed analysis and the use of expert judgment is applied to prepare the data for modeling purposes. Furthermore, to the extent possible,

we cross-check and verify the numbers that go into our models as well as the numbers that come out of the models. To the best of my knowledge, information and belief, the data that we use are the most reliable and accurate data that is publicly available.

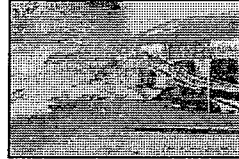
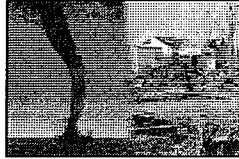
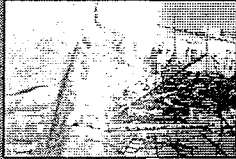
95. Q. Are the Exhibits to your prefiled testimony true and accurate to the best of your knowledge, information and belief?

A. Yes.

96. Q. Do you have an opinion as to whether your model is a reasonable method of projecting the wind losses used in the filing for homeowners insurance in North Carolina, and if so what is that opinion?

A. Yes. It is a reasonable, consistent, and reliable method of doing so. The projected hurricane losses in the filing are reasonable projections of insured hurricane losses on the policy forms reviewed.

Catastrophe Loss Analysis Service Atlantic Tropical Cyclone



Prepared for:
North Carolina Rate Bureau

November 20, 2006

BETTER TECHNOLOGY
BETTER DATA
BETTER DECISIONS



INTRODUCTION

This report contains the results of the Catastrophe Loss Analysis Service (CLAS™) for Homeowners, Tenants and Condominiums policies in the state of North Carolina as requested by the North Carolina Rate Bureau (NCRB). Loss estimates are provided using AIR Worldwide's (AIR) Atlantic Tropical Cyclone model.

The NCRB provided AIR with information that represents the exposures analyzed. AIR reviewed and reformatted the exposure data as necessary and used them as input to the AIR hurricane model, which generated the loss estimates that form the core of this analysis. The AIR model is a system of computer programs that incorporate the fundamental physical characteristics, expressed mathematically, of hurricanes. These characteristics are then overlaid on the geographical distribution of the NCRB's exposures. Building, contents, and time element damage are estimated by applying AIR's proprietary damageability relationships. Finally, insured losses are calculated by applying policy conditions to the total damage estimates.

The AIR model simulated 100,000 years of potential hurricane experience. The results of the model are expressed in terms of probability distributions of event losses. These distributions represent a range of possible losses and the relative likelihood of occurrence of various levels of loss.

All aspects of the AIR hurricane model undergo extensive validation tests. The stochastic model variables have been compared to the actual characteristics of historical hurricanes occurring in North Carolina since 1900. The simulated event characteristics parallel patterns seen in the historical record, and resulting loss estimates correspond closely to actual claims data provided by clients.

The model has also undergone extensive internal and external peer review. Internal peer review is a standard part of AIR's operating process and is conducted by AIR's technical staff of over 100 professionals, over 20 of whom hold Ph.D. credentials in their fields of expertise. The AIR hurricane model has also undergone extensive external review, beginning with Dr. Walter Lyons' systematic review in 1986. Dr. Lyons, a Certified Consulting Meteorologist, was contracted by the E.W. Blanch Company. A further independent review was conducted by engineer Dr. Joseph E. Minor. During 1996 and 1997, Duff & Phelps, Fitch, Moody's and Standard & Poors reviewed all aspects of AIR's hurricane model in conjunction with their rating of the USAA catastrophe bond.

Probably the most extensive peer review of the AIR hurricane model has been conducted by the Florida Commission on Hurricane Loss Projection Methodology (FCHLPM). The FCHLPM was established in 1995 with the mission to "assess the effectiveness of various methodologies that have the potential for improving the accuracy of projecting insured Florida losses resulting from hurricanes and to adopt findings regarding the accuracy or reliability of these methodologies for use in residential rate filings." The Commission has established 48 standards that need to be met before a catastrophe model is acceptable for



ratemaking purposes in the state of Florida. The AIR hurricane model has been reviewed and has met the standards of the Commission annually since 1996.

Catastrophe modeling has become widely used and accepted. AIR was the first organization to have its model approved under the rigorous standards of the Florida Hurricane Commission. AIR's simulation methodology is a robust technique for estimating potential hurricane losses. It is based on mathematical/statistical models that represent real-world systems. As with all models, these representations are not intended to represent specific prior or future events.

The hurricane model used in this report is Atlantic Tropical Cyclone v.8.00.331, CLASIC/2 V8.0.

EXECUTIVE SUMMARY

To estimate the hurricane loss potential for NCRB, AIR simulated 100,000 years of potential hurricanes. The simulation included aggregate demand surge, which is demand surge caused by a given event, as well as by other events that occur close to the given event in both time and space.

The long-term average annual aggregate hurricane loss for the NCRB Homeowners, Tenants and Condominiums policies is \$175.9 million including aggregate demand surge. In the 100,000-year sample, 47,798 hurricanes resulted in losses to North Carolina's insured properties net of deductibles. Given that a hurricane has occurred, the estimated average hurricane loss is \$368 million.

The largest simulated hurricane loss is \$20.0 billion including aggregate demand surge. This loss resulted from a category 5 hurricane with landfall in Brunswick County, North Carolina. Note that higher occurrence losses, that is, losses in excess of \$20.0 billion, are possible. They have, however, a very low probability of occurrence. Nevertheless, it should be understood that the largest simulated hurricane losses do not represent the worst possible scenarios.

Hurricane events of specified probabilities of exceedance and estimated return times appear below.

Annual Maximum Occurrence Loss

Hurricane Occurrence (\$millions)	Estimated Probability of Exceedance	Estimated Average Return Time (years)
277	0.100	10
805	0.050	20
2,047	0.020	50
3,473	0.010	100
5,850	0.004	250
7,731	0.002	500
10,139	0.001	1000

Actual hurricane losses are influenced by a number of characteristics, the most important of which is intensity as measured by wind speed, commonly expressed in terms of Saffir-Simpson (SS) category. Given the same landfall point, storms with higher wind speeds typically result in larger losses than do storms with lower wind speeds. Other characteristics that influence loss amounts include radius of maximum winds, forward speed, and storm track.

Actual losses also depend on the geographical distribution of exposures in relation to the area affected by the storm. That is, a severe hurricane could result in a smaller overall loss than a less severe hurricane if the less severe hurricane strikes an area of higher property value.

EXPOSURE INFORMATION AND ASSUMPTIONS

The NCRB provided exposure information used to generate the loss estimates. The exposure file contained information on number of risks, coverage amounts of insurance and construction class by line of business and by NCRB territory. NCRB requested that AIR allocate territory exposure to ZIP Code. This was completed using AIR's database of industry exposure by ZIP Code using the following information:

- The 2004 total earned insurance years by line of business, construction class, and territory
- AIR's proprietary database of insured residential properties by line of business, construction class, and five-digit ZIP Code
- A five-digit ZIP Code to territory mapping algorithm

The information on house-years and insurance-years by line of business, construction class, and territory was provided by the Insurance Services Office (ISO) and represents the Full Statistical Plan experience of companies reporting to either ISO or the National Association of Independent Insurers. House years and insurance years were then distributed to the five digit ZIP Codes within each territory using a territory to zip mapping developed by AIR in conjunction with the NCRB and AIR's proprietary database of insured residential properties by five digit ZIP Code. This database was developed using U.S. Census data and other information.

An original data set was provided by ISO and analyzed by AIR in order to yield original loss estimates. Subsequent to the initial analysis, ISO provided AIR with an updated data set that contained corrections and additions to portions of the data. In consultation with the NCRB, AIR accounted for the changes to the data by adjusting event losses from the original analysis according to the change to the exposures by territory, construction, and line of business. The updated event losses were then used to yield the loss estimates contained in this report. The exposures contained in this report reflect the updated data.

Consistent in the level of coverage provided by NCRB forms, the insurance years provided by NCRB were increased by 80% for Homeowners, by 20% for Tenants, and by 42% for Condominiums to reflect non-primary coverages.

Exhibit Expo.NCRB shows total insured values, number of risks, and average values by territory.

Exhibit Expo.NCRB

**Insured Value by Territory
North Carolina**

<i>Territory</i>	<i>Homeowners</i>	<i>Tenants</i>	<i>Condo</i>	<i>Total</i>
5				
Value	3,077,195,400	8,068,800	34,294,200	3,119,558,400
Num. Risks	9,036	192	732	9,960
Avg. Value	340,548	42,025	46,850	313,209
Avg. Ded \$	250	250	250	250
6				
Value	1,978,043,400	7,732,800	35,254,000	2,021,030,200
Num. Risks	6,367	200	702	7,269
Avg. Value	310,671	38,664	50,219	278,034
Avg. Ded \$	250	250	250	250
32				
Value	36,156,002,400	600,992,400	288,268,400	37,045,263,200
Num. Risks	103,491	16,850	4,347	124,688
Avg. Value	349,364	35,667	66,314	297,104
Avg. Ded \$	250	250	250	250
34				
Value	12,701,802,600	168,980,400	53,526,200	12,924,309,200
Num. Risks	50,821	4,350	854	56,025
Avg. Value	249,932	38,846	62,677	230,688
Avg. Ded \$	250	250	250	250
36				
Value	30,552,235,200	497,572,800	333,949,200	31,383,757,200
Num. Risks	93,851	12,593	5,106	111,550
Avg. Value	325,540	39,512	65,403	281,343
Avg. Ded \$	250	250	250	250
38				
Value	41,327,949,600	665,406,000	871,827,200	42,865,182,800
Num. Risks	117,949	17,105	12,013	147,067
Avg. Value	350,388	38,901	72,574	291,467
Avg. Ded \$	250	250	250	250
39				
Value	38,331,336,600	292,878,000	243,657,000	38,867,871,600
Num. Risks	117,263	7,216	3,802	128,281
Avg. Value	326,883	40,587	64,087	302,990
Avg. Ded \$	250	250	250	250
41				
Value	5,593,883,400	34,423,200	3,761,000	5,632,067,600
Num. Risks	23,044	945	72	24,061
Avg. Value	242,748	36,427	52,236	234,075
Avg. Ded \$	250	250	250	250

<i>Territory</i>	<i>Homeowners</i>	<i>Tenants</i>	<i>Condo</i>	<i>Total</i>
42				
Value	18,834,150,600	196,370,400	184,414,600	19,214,935,600
Num. Risks	64,697	4,886	3,067	72,650
Avg. Value	291,113	40,190	60,129	264,486
Avg. Ded \$	250	250	250	250
43				
Value	16,598,032,200	113,694,000	61,816,200	16,773,542,400
Num. Risks	60,247	2,848	1,031	64,126
Avg. Value	275,500	39,921	59,958	261,572
Avg. Ded \$	250	250	250	250
44				
Value	3,655,522,800	23,576,400	2,616,000	3,681,715,200
Num. Risks	15,041	600	33	15,674
Avg. Value	243,037	39,294	79,273	234,893
Avg. Ded \$	250	250	250	250
45				
Value	20,124,387,000	216,598,800	47,237,600	20,388,223,400
Num. Risks	78,234	6,238	850	85,322
Avg. Value	257,233	34,722	55,574	238,956
Avg. Ded \$	250	250	250	250
46				
Value	7,320,556,800	47,144,400	971,200	7,368,672,400
Num. Risks	27,526	1,286	15	28,827
Avg. Value	265,951	36,660	64,747	255,617
Avg. Ded \$	250	250	250	250
47				
Value	37,043,287,200	310,142,400	73,471,800	37,426,901,400
Num. Risks	135,852	8,145	1,166	145,163
Avg. Value	272,674	38,078	63,012	257,827
Avg. Ded \$	250	250	250	250
53				
Value	53,936,674,200	620,061,600	299,834,000	54,856,569,800
Num. Risks	146,764	16,412	4,504	167,680
Avg. Value	367,506	37,781	66,571	327,150
Avg. Ded \$	250	250	250	250
57				
Value	51,706,123,200	435,829,200	174,305,600	52,316,258,000
Num. Risks	179,730	11,098	2,891	193,719
Avg. Value	287,688	39,271	60,292	270,063
Avg. Ded \$	250	250	250	250
60				
Value	138,176,740,800	1,021,664,400	706,165,600	139,904,570,800
Num. Risks	478,182	25,186	10,108	513,476
Avg. Value	288,963	40,565	69,862	272,466
Avg. Ded \$	250	250	250	250

<i>Territory</i>	<i>Homeowners</i>	<i>Tenants</i>	<i>Condo</i>	<i>Total</i>
Total				
Value	517,113,923,400	5,261,136,000	3,415,369,800	525,790,429,200
Num. Risks	1,708,095	136,150	51,293	1,895,538
Avg. Value	302,743	38,642	66,585	277,383
Avg. Ded \$	250	250	250	250

* US Dollars

LONG-TERM AVERAGE LOSSES

Exhibit AAL.NCRB shows the long run average annual hurricane loss potential by territory including aggregate demand surge.

Exhibit Dist.NCRB shows North Carolina's distribution of Homeowners, Tenants and Condominiums average annual hurricane losses including aggregate demand surge and total insurance in force by territory. The coastal territories account for much higher shares of loss than exposure due to their vulnerability to the hurricane peril.

Exhibit AAL.NCRB

Average Annual Loss by Territory North Carolina

Territory	Homeowners	Tenants	Condos	Total*
5	7,519,168	13,031	48,830	7,581,030
6	6,181,342	12,976	49,567	6,243,885
32	8,913,647	32,151	12,341	8,958,138
34	5,305,068	17,409	4,705	5,327,182
36	2,956,869	8,845	5,057	2,970,771
38	4,804,218	14,980	15,611	4,834,808
39	4,497,809	6,088	4,454	4,508,351
41	3,643,923	6,628	634	3,651,185
42	43,350,095	292,769	217,228	43,860,092
43	32,140,492	121,781	56,357	32,318,630
44	848,833	1,292	119	850,243
45	12,194,119	36,613	6,716	12,237,447
46	1,288,404	1,767	30	1,290,201
47	12,580,314	24,959	5,124	12,610,397
53	13,774,213	31,622	12,501	13,818,336
57	5,729,456	9,301	3,273	5,742,029
60	9,104,356	11,136	6,917	9,122,408
Total	174,832,324	643,349	449,462	175,925,135

*US Dollars

Exhibit Dist.NCRB

**Distribution of Exposure and Loss by Territory
North Carolina**

Territory	Insured Value*	Percent of Total	Est. Avg. Annual Loss*	Percent of Total
5	3,119,558,400	0.6%	7,581,030	4.3%
6	2,021,030,200	0.4%	6,243,885	3.5%
32	37,045,263,200	7.0%	8,958,138	5.1%
34	12,924,309,200	2.5%	5,327,182	3.0%
36	31,383,757,200	6.0%	2,970,771	1.7%
38	42,865,182,800	8.2%	4,834,808	2.7%
39	38,867,871,600	7.4%	4,508,351	2.6%
41	5,632,067,600	1.1%	3,651,185	2.1%
42	19,214,935,600	3.7%	43,860,092	24.9%
43	16,773,542,400	3.2%	32,318,630	18.4%
44	3,681,715,200	0.7%	850,243	0.5%
45	20,388,223,400	3.9%	12,237,447	7.0%
46	7,368,672,400	1.4%	1,290,201	0.7%
47	37,426,901,400	7.1%	12,610,397	7.2%
53	54,856,569,800	10.4%	13,818,336	7.9%
57	52,316,258,000	10.0%	5,742,029	3.3%
60	139,904,570,800	26.6%	9,122,408	5.2%
Total	525,790,429,200	100%	175,925,135	100%

* US Dollars

ESTIMATED PURE PREMIUMS AND LOSS COSTS

ExhibitLossCosts.NCRB shows the estimated hurricane loss costs and pure premiums by territory. ExhibitLossCostsHO.NCRB, ExhibitLossCostsTent.NCRB and ExhibitLossCostsCondo.NCRB show results for the Homeowners, Tenants and Condominiums exposure separately. Clearly, the coastal territories are most vulnerable to hurricane losses. The estimated loss costs are highest in coastal territories 5 and 6, as well as territories 42 and 43. These territories form part of the eastern tip of North Carolina, an area of relatively high hurricane frequency.

For all exhibits, the estimated loss costs are per \$100 of exposure. The estimated hurricane pure premiums are calculated by dividing the estimated average annual losses by the number of risks. The estimated hurricane pure premiums show the amounts, exclusive of expenses and provisions for profit and contingencies, that need to be collected each year to cover only the long run hurricane loss potential.

Exhibit LossCosts.NCRB

Loss Costs by Territory- All Lines

North Carolina

Territory	Insured Value	Risk Count	Average Annual Loss	Pure Premium	Loss Cost (Per \$100)
5	3,119,558,400	9,960	7,581,030	761.15	0.2430
6	2,021,030,200	7,269	6,243,885	858.97	0.3089
32	37,045,263,200	124,688	8,958,138	71.84	0.0242
34	12,924,309,200	56,025	5,327,182	95.09	0.0412
36	31,383,757,200	111,550	2,970,771	26.63	0.0095
38	42,865,182,800	147,067	4,834,808	32.87	0.0113
39	38,867,871,600	128,281	4,508,351	35.14	0.0116
41	5,632,067,600	24,061	3,651,185	151.75	0.0648
42	19,214,935,600	72,650	43,860,092	603.72	0.2283
43	16,773,542,400	64,126	32,318,630	503.99	0.1927
44	3,681,715,200	15,674	850,243	54.25	0.0231
45	20,388,223,400	85,322	12,237,447	143.43	0.0600
46	7,368,672,400	28,827	1,290,201	44.76	0.0175
47	37,426,901,400	145,163	12,610,397	86.87	0.0337
53	54,856,569,800	167,680	13,818,336	82.41	0.0252
57	52,316,258,000	193,719	5,742,029	29.64	0.0110
60	139,904,570,800	513,476	9,122,408	17.77	0.0065
Total	525,790,429,200	1,895,538	175,925,135	92.81	0.0335

* US Dollars

Exhibit LossCostsHO.NCRB

Loss Costs by Territory – Homeowners

North Carolina

Territory	Insured Value	Risk Count	Average Annual Loss	Pure Premium	Loss Cost (Per \$100)
5	3,077,195,400	9,036	7,519,168	832.13	0.2444
6	1,978,043,400	6,367	6,181,342	970.84	0.3125
32	36,156,002,400	103,491	8,913,647	86.13	0.0247
34	12,701,802,600	50,821	5,305,068	104.39	0.0418
36	30,552,235,200	93,851	2,956,869	31.51	0.0097
38	41,327,949,600	117,949	4,804,218	40.73	0.0116
39	38,331,336,600	117,263	4,497,809	38.36	0.0117
41	5,593,883,400	23,044	3,643,923	158.13	0.0651
42	18,834,150,600	64,697	43,350,095	670.05	0.2302
43	16,598,032,200	60,247	32,140,492	533.48	0.1936
44	3,655,522,800	15,041	848,833	56.43	0.0232
45	20,124,387,000	78,234	12,194,119	155.87	0.0606
46	7,320,556,800	27,526	1,288,404	46.81	0.0176
47	37,043,287,200	135,852	12,580,314	92.60	0.0340
53	53,936,674,200	146,764	13,774,213	93.85	0.0255
57	51,706,123,200	179,730	5,729,456	31.88	0.0111
60	138,176,740,800	478,182	9,104,356	19.04	0.0066
Total	517,113,923,400	1,708,095	174,832,324	102.36	0.0338

* US Dollars

Exhibit LossCostsTent.NCRB

Loss Costs by Territory – Tenants

North Carolina

Territory	Insured Value	Risk Count	Average Annual Loss	Pure Premium	Loss Cost (Per \$100)
5	8,068,800	192	13,031	67.87	0.1615
6	7,732,800	200	12,976	64.88	0.1678
32	600,992,400	16,850	32,151	1.91	0.0053
34	168,980,400	4,350	17,409	4.00	0.0103
36	497,572,800	12,593	8,845	0.70	0.0018
38	665,406,000	17,105	14,980	0.88	0.0023
39	292,878,000	7,216	6,088	0.84	0.0021
41	34,423,200	945	6,628	7.01	0.0193
42	196,370,400	4,886	292,769	59.92	0.1491
43	113,694,000	2,848	121,781	42.76	0.1071
44	23,576,400	600	1,292	2.15	0.0055
45	216,598,800	6,238	36,613	5.87	0.0169
46	47,144,400	1,286	1,767	1.37	0.0037
47	310,142,400	8,145	24,959	3.06	0.0080
53	620,061,600	16,412	31,622	1.93	0.0051
57	435,829,200	11,098	9,301	0.84	0.0021
60	1,021,664,400	25,186	11,136	0.44	0.0011
Total	5,261,136,000	136,150	643,349	4.73	0.0122

* US Dollars

Exhibit LossCostsCondo.NCRB

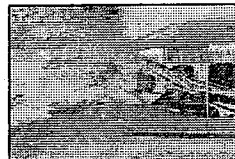
Loss Costs by Territory – Condos

North Carolina

Territory	Insured Value	Risk Count	Average Annual Loss	Pure Premium	Loss Cost (Per \$100)
5	34,294,200	732	48,830	66.71	0.1424
6	35,254,000	702	49,567	70.61	0.1406
32	288,268,400	4,347	12,341	2.84	0.0043
34	53,526,200	854	4,705	5.51	0.0088
36	333,949,200	5,106	5,057	0.99	0.0015
38	871,827,200	12,013	15,611	1.30	0.0018
39	243,657,000	3,802	4,454	1.17	0.0018
41	3,761,000	72	634	8.80	0.0169
42	184,414,600	3,067	217,228	70.83	0.1178
43	61,816,200	1,031	56,357	54.66	0.0912
44	2,616,000	33	119	3.59	0.0045
45	47,237,600	850	6,716	7.90	0.0142
46	971,200	15	30	1.98	0.0031
47	73,471,800	1,166	5,124	4.39	0.0070
53	299,834,000	4,504	12,501	2.78	0.0042
57	174,305,600	2,891	3,273	1.13	0.0019
60	706,165,600	10,108	6,917	0.68	0.0010
Total	3,415,369,800	51,293	449,462	8.76	0.0132

* US Dollars

Catastrophe Loss Analysis Service Atlantic Tropical Cyclone Near-Term Catalog



Prepared for:
North Carolina Rate Bureau

November 20, 2006

BETTER TECHNOLOGY
BETTER DATA
BETTER DECISIONS



INTRODUCTION

This report contains the results of the Catastrophe Loss Analysis Service (CLAS™) for Homeowners, Tenants and Condominiums policies in the state of North Carolina as requested by the North Carolina Rate Bureau (NCRB). Loss estimates are provided using AIR Worldwide's (AIR) Atlantic Tropical Cyclone model and the 10,000-year near-term hurricane catalog.

The NCRB provided AIR with information that represents the exposures analyzed. AIR reviewed and reformatted the exposure data as necessary and used them as input to the AIR hurricane model, which generated the loss estimates that form the core of this analysis. The AIR model is a system of computer programs that incorporate the fundamental physical characteristics, expressed mathematically, of hurricanes. These characteristics are then overlaid on the geographical distribution of the NCRB's exposures. Building, contents, and time element damage are estimated by applying AIR's proprietary damageability relationships. Finally, insured losses are calculated by applying policy conditions to the total damage estimates.

All aspects of the AIR hurricane model undergo extensive validation tests. The stochastic model variables have been compared to the actual characteristics of historical hurricanes occurring in North Carolina since 1900. The simulated event characteristics parallel patterns seen in the historical record, and resulting loss estimates correspond closely to actual claims data provided by clients.

The model has also undergone extensive internal and external peer-review. Internal peer review is a standard part of AIR's operating process and is conducted by AIR's technical staff of over 100 professionals, over 20 of whom hold Ph.D. credentials in their fields of expertise. The AIR hurricane model has also undergone extensive external review, beginning with Dr. Walter Lyons' systematic review in 1986. Dr. Lyons, a Certified Consulting Meteorologist, was contracted by the E.W. Blanch Company. A further independent review was conducted by engineer Dr. Joseph E. Minor. During 1996 and 1997, Duff & Phelps, Fitch, Moody's and Standard & Poors reviewed all aspects of AIR's hurricane model in conjunction with their rating of the USAA catastrophe bond.

Probably the most extensive peer review of the AIR hurricane model has been conducted by the Florida Commission on Hurricane Loss Projection Methodology (FCHLPM). The FCHLPM was established in 1995 with the mission to "assess the effectiveness of various methodologies that have the potential for improving the accuracy of projecting insured Florida losses resulting from hurricanes and to adopt findings regarding the accuracy or reliability of these methodologies for use in residential rate filings." The Commission has established 48 standards that need to be met before a catastrophe model is acceptable for ratemaking purposes in the state of Florida. The AIR hurricane model has been reviewed and has met the standards of the Commission annually since 1996.

Catastrophe modeling has become widely used and accepted. AIR was the first organization to have its model approved under the rigorous standards of the Florida



Hurricane Commission. AIR's simulation methodology is a robust technique for estimating potential hurricane losses. It is based on mathematical/statistical models that represent real-world systems. As with all models, these representations are not intended to represent specific prior or future events.

Catastrophe models combine the latest scientific and engineering knowledge with computer simulation technology to develop probability distributions of long-run potential losses. They are not forecasting tools.

Forecasting hurricane activity on a short term time horizon, such as a year or a few years ahead, is difficult because of the many climatological factors that influence hurricane activity—and landfall activity in particular—in the North Atlantic. There are several important mechanisms within the earth's environment that are reported to affect hurricane activity. These mechanisms are correlated with a variety of climate signals, which are measurements of the natural feedback systems of the earth in its effort to maintain equilibrium. Climate signals are typically presented as a measurement of anomalies.

For example, the energy source of the hurricane "engine" is heat and moisture from the ocean's surface. The warmer the ocean, the more heat energy is available to tropical storms. Scientists have observed that sea surface temperatures (SSTs) in the North Atlantic undergo fluctuations above and below their mean values in phases lasting multiple decades. (Some scientists refer to this fluctuation as the Atlantic Multi-Decadal Oscillation, or AMO.)

Other climate signals include the:

- El Niño Southern Oscillation (ENSO), which measures sea surface temperature anomalies in the Pacific Ocean off the coast of Peru. These SSTs alternate over an approximate three- to eight-year cycle with an opposite cold phase known as "La Niña." Certain researchers have concluded that the presence of El Niño has a mitigating effect on the frequency of hurricane activity in the Atlantic and the opposite effect in the Pacific.
- Quasi-Biennial Oscillation (QBO), a signal tracking the direction of the equatorial winds in the stratosphere. One theory hypothesizes that when these winds blow from west to east, they have a positive impact on hurricane formation. The QBO has an approximate two-year cycle.
- North Atlantic Oscillation (NAO), a pressure pattern between the high pressure system near the Azores and the low pressure system near Iceland. Scientists have observed that the large-scale general circulation associated with the NAO steers North Atlantic tropical cyclones in a characteristic pattern to the west and eventually to the north. Informally known as the "Bermuda High," when it is in a more southwesterly position, hurricanes are more likely to make landfall than when it is further north and east, off the northern African Coast. The location of the Bermuda High can change several times during a single hurricane season.

These last three climate fluctuations have various relatively short periods so it is difficult to use the above signals for estimating hurricane activity over a five year time horizon or longer. On the other hand, some scientists have found the multi-decadal periods of warm and cool phases of SSTs in the North Atlantic to be useful for forecasting SSTs to predict near-term hurricane activity.

Since 1995, SSTs in the North Atlantic have been in a warm phase characterized by elevated SSTs and above-normal hurricane activity. However, there is significant uncertainty associated with quantifying the time horizon and magnitude of this elevated risk and its impact on insured losses.

While recognizing these challenges, AIR has reviewed current scientific research and conducted extensive internal analyses. Based on this research, AIR has developed an alternative catalog of simulated hurricanes ("near-term sensitivity catalog") that incorporates the impact of SST anomalies on hurricane activity over the next several years.

The first step in the development of the near-term sensitivity catalog is forecasting SSTs over a five-year horizon. For short-term forecasts, climate models, such as general circulation models, perform quite well. However, the forecast skill of such models does not extend beyond a few months. Therefore, to project hurricane activity for a multi-year horizon, scientists rely on statistical modeling techniques. AIR used a blend of well-accepted time series models and SST data from NOAA.

Forecasted SSTs were then used as input into a generalized linear model (GLM) to capture the correlation between SST variations and landfall hurricane activity. The GLM model provides a method for computing the regional relationship between climate and hurricane risk. GLM output was used to develop a revised landfall frequency distribution by coastal segment.

The results presented in this report are provided based on the results of AIR's research on the relationship between SSTs and near-term risk. However, the interaction of other shorter-term climate fluctuations, such as those listed above (ENSO, QBO, NAO), can affect the likelihood that hurricanes will make landfall in any given year. This analysis is limited by a number of other additional factors, including but not limited to the following: uncertainty in forecasting SST conditions; uncertainty in translating higher SSTs to increased hurricane frequency; fewer years of data from periods of warm SST conditions compared to more than 100 years of data used in creating the long-term catalog; random events that influence climate (for example, volcanic eruptions) cannot be predicted or accounted for.

The AIR model simulated 10,000 years of potential hurricane experience. The results of the model are expressed in terms of probability distributions of event losses. These distributions represent a range of possible losses and the relative likelihood of occurrence of various levels of loss. The hurricane model used in this report is Atlantic Tropical Cyclone v.8.00.331, CLASIC/2 V8.0.

EXECUTIVE SUMMARY

To estimate the hurricane loss potential for NCRB, AIR simulated 10,000 years of potential hurricanes using AIR Worldwide's near-term hurricane catalog. The simulation included aggregate demand surge, which is demand surge caused by a given event, as well as by other events that occur close to the given event in both time and space.

The long-term average annual aggregate hurricane loss for the NCRB Homeowners, Tenants and Condominiums policies is \$272.5 million including aggregate demand surge. In the 10,000-year sample, 6,488 hurricanes resulted in losses to North Carolina's insured properties net of deductibles. Given that a hurricane has occurred, the estimated average hurricane loss is \$420 million.

The largest simulated hurricane loss is \$17.4 billion including aggregate demand surge. This loss resulted from a category 5 hurricane with landfall in Brunswick County, North Carolina. Note that higher occurrence losses, that is, losses in excess of \$17.4 billion, are possible. They have, however, a very low probability of occurrence. Nevertheless, it should be understood that the largest simulated hurricane losses do not represent the worst possible scenarios.

Hurricane events of specified probabilities of exceedance and estimated return times appear below.

Annual Maximum Occurrence Loss

Hurricane Occurrence (\$millions)	Estimated Probability of Exceedance	Estimated Average Return Time (years)
576	0.100	10
1,325	0.050	20
2,820	0.020	50
4,505	0.010	100
7,089	0.004	250
9,660	0.002	500
11,582	0.001	1000

Actual hurricane losses are influenced by a number of characteristics, the most important of which is intensity as measured by wind speed, commonly expressed in terms of Saffir-Simpson (SS) category. Given the same landfall point, storms with higher wind speeds typically result in larger losses than do storms with lower wind speeds. Other characteristics that influence loss amounts include radius of maximum winds, forward speed, and storm track.

Actual losses also depend on the geographical distribution of exposures in relation to the area affected by the storm. That is, a severe hurricane could result in a smaller overall loss than a less severe hurricane if the less severe hurricane strikes an area of higher property value.

EXPOSURE INFORMATION AND ASSUMPTIONS

The NCRB provided exposure information used to generate the loss estimates. The exposure file contained information on number of risks, coverage amounts of insurance and construction class by line of business and by NCRB territory. NCRB requested that AIR allocate territory exposure to ZIP Code. This was completed using AIR's database of industry exposure by ZIP Code using the following information:

- The 2004 total earned insurance years by line of business, construction class, and territory
- AIR's proprietary database of insured residential properties by line of business, construction class, and five-digit ZIP Code
- A five-digit ZIP Code to territory mapping algorithm

The information on house-years and insurance-years by line of business, construction class, and territory was provided by the Insurance Services Office (ISO) and represents the Full Statistical Plan experience of companies reporting to either ISO or the Property Casualty Insurers Association of America. House years and insurance years were then distributed to the five digit ZIP Codes within each territory using a territory to zip mapping developed by AIR in conjunction with the NCRB and AIR's proprietary database of insured residential properties by five digit ZIP Code. This database was developed using U.S. Census data and other information.

Consistent in the level of coverage provided by NCRB forms, the insurance years provided by NCRB were increased by 80% for Homeowners, by 20% for Tenants, and by 42% for Condominiums to reflect non-primary coverages.

An original data set was provided by ISO and analyzed by AIR in order to yield original loss estimates. Subsequent to the initial analysis, ISO provided AIR with an updated data set that contained corrections and additions to portions of the data. In consultation with the NCRB, AIR accounted for the changes to the data by adjusting event losses from the original analysis according to the change to the exposures by territory, construction, and line of business. The updated event losses were then used to yield the loss estimates contained in this report. The exposures contained in this report reflect the updated data.

Exhibit Expo.NCRB shows total insured values, number of risks, and average values by territory.

Exhibit Expo.NCRB

**Insured Value by Territory
North Carolina**

<i>Territory</i>	<i>Homeowners</i>	<i>Tenants</i>	<i>Condo</i>	<i>Total</i>
5				
Value	3,077,195,400	8,068,800	34,294,200	3,119,558,400
Num. Risks	9,036	192	732	9,960
Avg. Value	340,548	42,025	46,850	313,209
Avg. Ded \$	250	250	250	250
6				
Value	1,978,043,400	7,732,800	35,254,000	2,021,030,200
Num. Risks	6,367	200	702	7,269
Avg. Value	310,671	38,664	50,219	278,034
Avg. Ded \$	250	250	250	250
32				
Value	36,156,002,400	600,992,400	288,268,400	37,045,263,200
Num. Risks	103,491	16,850	4,347	124,688
Avg. Value	349,364	35,667	66,314	297,104
Avg. Ded \$	250	250	250	250
34				
Value	12,701,802,600	168,980,400	53,526,200	12,924,309,200
Num. Risks	50,821	4,350	854	56,025
Avg. Value	249,932	38,846	62,677	230,688
Avg. Ded \$	250	250	250	250
36				
Value	30,552,235,200	497,572,800	333,949,200	31,383,757,200
Num. Risks	93,851	12,593	5,106	111,550
Avg. Value	325,540	39,512	65,403	281,343
Avg. Ded \$	250	250	250	250
38				
Value	41,327,949,600	665,406,000	871,827,200	42,865,182,800
Num. Risks	117,949	17,105	12,013	147,067
Avg. Value	350,388	38,901	72,574	291,467
Avg. Ded \$	250	250	250	250
39				
Value	38,331,336,600	292,878,000	243,657,000	38,867,871,600
Num. Risks	117,263	7,216	3,802	128,281
Avg. Value	326,883	40,587	64,087	302,990
Avg. Ded \$	250	250	250	250
41				
Value	5,593,883,400	34,423,200	3,761,000	5,632,067,600
Num. Risks	23,044	945	72	24,061
Avg. Value	242,748	36,427	52,236	234,075
Avg. Ded \$	250	250	250	250

<i>Territory</i>	<i>Homeowners</i>	<i>Tenants</i>	<i>Condo</i>	<i>Total</i>
42				
Value	18,834,150,600	196,370,400	184,414,600	19,214,935,600
Num. Risks	64,697	4,886	3,067	72,650
Avg. Value	291,113	40,190	60,129	264,486
Avg. Ded \$	250	250	250	250
43				
Value	16,598,032,200	113,694,000	61,816,200	16,773,542,400
Num. Risks	60,247	2,848	1,031	64,126
Avg. Value	275,500	39,921	59,958	261,572
Avg. Ded \$	250	250	250	250
44				
Value	3,655,522,800	23,576,400	2,616,000	3,681,715,200
Num. Risks	15,041	600	33	15,674
Avg. Value	243,037	39,294	79,273	234,893
Avg. Ded \$	250	250	250	250
45				
Value	20,124,387,000	216,598,800	47,237,600	20,388,223,400
Num. Risks	78,234	6,238	850	85,322
Avg. Value	257,233	34,722	55,574	238,956
Avg. Ded \$	250	250	250	250
46				
Value	7,320,556,800	47,144,400	971,200	7,368,672,400
Num. Risks	27,526	1,286	15	28,827
Avg. Value	265,951	36,660	64,747	255,617
Avg. Ded \$	250	250	250	250
47				
Value	37,043,287,200	310,142,400	73,471,800	37,426,901,400
Num. Risks	135,852	8,145	1,166	145,163
Avg. Value	272,674	38,078	63,012	257,827
Avg. Ded \$	250	250	250	250
53				
Value	53,936,674,200	620,061,600	299,834,000	54,856,569,800
Num. Risks	146,764	16,412	4,504	167,680
Avg. Value	367,506	37,781	66,571	327,150
Avg. Ded \$	250	250	250	250
57				
Value	51,706,123,200	435,829,200	174,305,600	52,316,258,000
Num. Risks	179,730	11,098	2,891	193,719
Avg. Value	287,688	39,271	60,292	270,063
Avg. Ded \$	250	250	250	250
60				
Value	138,176,740,800	1,021,664,400	706,165,600	139,904,570,800
Num. Risks	478,182	25,186	10,108	513,476
Avg. Value	288,963	40,565	69,862	272,466
Avg. Ded \$	250	250	250	250

<i>Territory</i>	<i>Homeowners</i>	<i>Tenants</i>	<i>Condo</i>	<i>Total</i>
Total				
Value	517,113,923,400	5,261,136,000	3,415,369,800	525,790,429,200
Num. Risks	1,708,095	136,150	51,293	1,895,538
Avg. Value	302,743	38,642	66,585	277,383
Avg. Ded \$	250	250	250	250

* US Dollars

LONG-TERM AVERAGE LOSSES

Exhibit AAL.NCRB shows the long run average annual hurricane loss potential by territory including aggregate demand surge.

Exhibit Dist.NCRB shows North Carolina's distribution of Homeowners, Tenants and Condominiums average annual hurricane losses including aggregate demand surge and total insurance in force by territory. The coastal territories account for much higher shares of loss than exposure due to their vulnerability to the hurricane peril.

Exhibit AAL.NCRB

Average Annual Loss by Territory North Carolina

Territory	Homeowners	Tenants	Condos	Total*
5	10,939,485	17,949	67,038	11,024,472
6	10,234,218	22,958	88,889	10,346,065
32	14,283,454	51,444	19,780	14,354,678
34	8,550,022	28,306	7,636	8,585,964
36	4,961,615	14,957	8,543	4,985,114
38	8,203,204	26,235	27,220	8,256,659
39	7,683,832	10,588	7,798	7,702,218
41	5,958,847	11,081	1,062	5,970,990
42	66,100,484	449,566	328,886	66,878,936
43	45,319,512	160,889	73,599	45,554,000
44	1,381,275	2,127	195	1,383,597
45	18,553,656	52,925	9,818	18,616,399
46	2,011,804	2,713	46	2,014,563
47	19,922,981	38,872	7,922	19,969,775
53	22,257,355	52,455	20,761	22,330,571
57	9,672,638	16,195	5,680	9,694,513
60	14,775,634	17,714	11,072	14,804,420
Total	270,810,017	976,973	685,945	272,472,935

*US Dollars

Exhibit Dist.NCRB

Distribution of Exposure and Loss by Territory North Carolina

Territory	Insured Value*	Percent of Total	Est. Avg. Annual Loss*	Percent of Total
5	3,119,558,400	0.6%	11,024,472	4.0%
6	2,021,030,200	0.4%	10,346,065	3.8%
32	37,045,263,200	7.0%	14,354,678	5.3%
34	12,924,309,200	2.5%	8,585,964	3.2%
36	31,383,757,200	6.0%	4,985,114	1.8%
38	42,865,182,800	8.2%	8,256,659	3.0%
39	38,867,871,600	7.4%	7,702,218	2.8%
41	5,632,067,600	1.1%	5,970,990	2.2%
42	19,214,935,600	3.7%	66,878,936	24.5%
43	16,773,542,400	3.2%	45,554,000	16.7%
44	3,681,715,200	0.7%	1,383,597	0.5%
45	20,388,223,400	3.9%	18,616,399	6.8%
46	7,368,672,400	1.4%	2,014,563	0.7%
47	37,426,901,400	7.1%	19,969,775	7.3%
53	54,856,569,800	10.4%	22,330,571	8.2%
57	52,316,258,000	10.0%	9,694,513	3.6%
60	139,904,570,800	26.6%	14,804,420	5.4%
Total	525,790,429,200	100%	272,472,935	100%

* US Dollars

ESTIMATED PURE PREMIUMS AND LOSS COSTS

ExhibitLossCosts.NCRB shows the estimated hurricane loss costs and pure premiums by territory. ExhibitLossCostsHO.NCRB, ExhibitLossCostsTent.NCRB and ExhibitLossCostsCondo.NCRB show results for the Homeowners, Tenants and Condominiums exposure separately. Clearly, the coastal territories are most vulnerable to hurricane losses. The estimated loss costs are highest in coastal territories 5 and 6, as well as territories 42 and 43. These territories form part of the eastern tip of North Carolina, an area of relatively high hurricane frequency.

For all exhibits, the estimated loss costs are per \$100 of exposure. The estimated hurricane pure premiums are calculated by dividing the estimated average annual losses by the number of risks. The estimated hurricane pure premiums show the amounts, exclusive of expenses and provisions for profit and contingencies, that need to be collected each year to cover only the long run hurricane loss potential.

Exhibit LossCosts.NCRB

Loss Costs by Territory- All Lines

North Carolina

Territory	Insured Value	Risk Count	Average Annual Loss	Pure Premium	Loss Cost (Per \$100)
5	3,119,558,400	9,960	11,024,472	1,106.87	0.3534
6	2,021,030,200	7,269	10,346,065	1,423.31	0.5119
32	37,045,263,200	124,688	14,354,678	115.12	0.0387
34	12,924,309,200	56,025	8,585,964	153.25	0.0664
36	31,383,757,200	111,550	4,985,114	44.69	0.0159
38	42,865,182,800	147,067	8,256,659	56.14	0.0193
39	38,867,871,600	128,281	7,702,218	60.04	0.0198
41	5,632,067,600	24,061	5,970,990	248.16	0.1060
42	19,214,935,600	72,650	66,878,936	920.56	0.3481
43	16,773,542,400	64,126	45,554,000	710.38	0.2716
44	3,681,715,200	15,674	1,383,597	88.27	0.0376
45	20,388,223,400	85,322	18,616,399	218.19	0.0913
46	7,368,672,400	28,827	2,014,563	69.88	0.0273
47	37,426,901,400	145,163	19,969,775	137.57	0.0534
53	54,856,569,800	167,680	22,330,571	133.17	0.0407
57	52,316,258,000	193,719	9,694,513	50.04	0.0185
60	139,904,570,800	513,476	14,804,420	28.83	0.0106
Total	525,790,429,200	1,895,538	272,472,935	143.74	0.0518

* US Dollars

Exhibit LossCostsHO.NCRB

Loss Costs by Territory – Homeowners

North Carolina

Territory	Insured Value	Risk Count	Average Annual Loss	Pure Premium	Loss Cost (Per \$100)
5	3,077,195,400	9,036	10,939,485	1,210.66	0.3555
6	1,978,043,400	6,367	10,234,218	1,607.38	0.5174
32	36,156,002,400	103,491	14,283,454	138.02	0.0395
34	12,701,802,600	50,821	8,550,022	168.24	0.0673
36	30,552,235,200	93,851	4,961,615	52.87	0.0162
38	41,327,949,600	117,949	8,203,204	69.55	0.0198
39	38,331,336,600	117,263	7,683,832	65.53	0.0200
41	5,593,883,400	23,044	5,958,847	258.59	0.1065
42	18,834,150,600	64,697	66,100,484	1,021.69	0.3510
43	16,598,032,200	60,247	45,319,512	752.23	0.2730
44	3,655,522,800	15,041	1,381,275	91.83	0.0378
45	20,124,387,000	78,234	18,553,656	237.16	0.0922
46	7,320,556,800	27,526	2,011,804	73.09	0.0275
47	37,043,287,200	135,852	19,922,981	146.65	0.0538
53	53,936,674,200	146,764	22,257,355	151.65	0.0413
57	51,706,123,200	179,730	9,672,638	53.82	0.0187
60	138,176,740,800	478,182	14,775,634	30.90	0.0107
Total	517,113,923,400	1,708,095	270,810,017	158.55	0.0524

* US Dollars

Exhibit LossCostsTent.NCRB

Loss Costs by Territory – Tenants

North Carolina

Territory	Insured Value	Risk Count	Average Annual Loss	Pure Premium	Loss Cost (Per \$100)
5	8,068,800	192	17,949	93.48	0.2224
6	7,732,800	200	22,958	114.79	0.2969
32	600,992,400	16,850	51,444	3.05	0.0086
34	168,980,400	4,350	28,306	6.51	0.0168
36	497,572,800	12,593	14,957	1.19	0.0030
38	665,406,000	17,105	26,235	1.53	0.0039
39	292,878,000	7,216	10,588	1.47	0.0036
41	34,423,200	945	11,081	11.73	0.0322
42	196,370,400	4,886	449,566	92.01	0.2289
43	113,694,000	2,848	160,889	56.49	0.1415
44	23,576,400	600	2,127	3.54	0.0090
45	216,598,800	6,238	52,925	8.48	0.0244
46	47,144,400	1,286	2,713	2.11	0.0058
47	310,142,400	8,145	38,872	4.77	0.0125
53	620,061,600	16,412	52,455	3.20	0.0085
57	435,829,200	11,098	16,195	1.46	0.0037
60	1,021,664,400	25,186	17,714	0.70	0.0017
Total	5,261,136,000	136,150	976,973	7.18	0.0186

* US Dollars

Exhibit LossCostsCondo.NCRB

Loss Costs by Territory – Condos

North Carolina

Territory	Insured Value	Risk Count	Average Annual Loss	Pure Premium	Loss Cost (Per \$100)
5	34,294,200	732	67,038	91.58	0.1955
6	35,254,000	702	88,889	126.62	0.2521
32	288,268,400	4,347	19,780	4.55	0.0069
34	53,526,200	854	7,636	8.94	0.0143
36	333,949,200	5,106	8,543	1.67	0.0026
38	871,827,200	12,013	27,220	2.27	0.0031
39	243,657,000	3,802	7,798	2.05	0.0032
41	3,761,000	72	1,062	14.75	0.0282
42	184,414,600	3,067	328,886	107.23	0.1783
43	61,816,200	1,031	73,599	71.39	0.1191
44	2,616,000	33	195	5.92	0.0075
45	47,237,600	850	9,818	11.55	0.0208
46	971,200	15	46	3.04	0.0047
47	73,471,800	1,166	7,922	6.79	0.0108
53	299,834,000	4,504	20,761	4.61	0.0069
57	174,305,600	2,891	5,680	1.96	0.0033
60	706,165,600	10,108	11,072	1.10	0.0016
Total	3,415,369,800	51,293	685,945	13.37	0.0201

* US Dollars

PREFILED TESTIMONY
OF
JAMES H. VANDER WEIDE

2006 HOMEOWNERS INSURANCE RATE FILING
BY THE NORTH CAROLINA RATE BUREAU

Q. WHAT IS YOUR NAME, OCCUPATION, AND BUSINESS ADDRESS?

A. My name is James H. Vander Weide. I am Research Professor of Finance and Economics at the Fuqua School of Business of Duke University. I am also President of Financial Strategy Associates, a firm that provides strategic and financial consulting services to corporate clients. My business address is 3606 Stoneybrook Drive, Durham, North Carolina.

Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND PRIOR ACADEMIC EXPERIENCE.

A. I graduated from Cornell University with a Bachelor's Degree in Economics and then attended Northwestern University where I earned a Ph.D. in Finance. I joined the faculty of the School of Business at Duke University where I was subsequently named Assistant Professor, Associate Professor, and then Professor.

Since joining the faculty I have taught courses in corporate finance, investment management, and management of financial institutions. I have also taught a graduate seminar on the

theory of public utility pricing and lectured in executive development seminars on the cost of capital, financial analysis, capital budgeting, mergers and acquisitions, cash management, short-run financial planning, and competitive strategy.

I have served as Program Director and taught in numerous executive education programs at the Fuqua School of Business, including the Duke Advanced Management Program, the Duke Management Challenge, the Duke Executive Program in Telecommunications, Competitive Strategies in Telecommunications, and the Duke Program for Manager Development for managers from the former Soviet Union. I also teach in tailored programs developed for corporations such as ABB, Accenture, Allstate, AT&T, BellSouth, Progress Energy, Contel, Fisons, GlaxoSmithKline, Lafarge, MidAmerican Energy, Norfolk Southern, The Rank Group, Siemens, TRW, Verizon, and Wolseley PLC.

In addition to my teaching and executive education activities, I have written research papers on such topics as portfolio management, the cost of capital, capital budgeting, the effect of regulation on the performance of public utilities, and cash management. My articles have been published in *American Economic Review*, *Financial Management*,

International Journal of Industrial Organization, Journal of Finance, Journal of Financial and Quantitative Analysis, Journal of Bank Research, Journal of Accounting Research, Journal of Cash Management, Management Science, The Journal of Portfolio Management, Atlantic Economic Journal, Journal of Economics and Business, and Computers and Operations Research. I have written a book titled *Managing Corporate Liquidity: an Introduction to Working Capital Management*, and a chapter for *The Handbook of Modern Finance*, "Financial Management in the Short Run."

Q. HAVE YOU PREVIOUSLY PRESENTED EVIDENCE ON THE COST OF CAPITAL AND OTHER REGULATORY ISSUES?

A. Yes. As an expert on financial and economic theory, I have testified on the cost of capital, competition, risk, incentive regulation, forward-looking economic cost, economic pricing guidelines, depreciation, accounting, valuation, and other financial and economic issues in approximately 370 cases before the U.S. Congress, the Federal Communications Commission, the National Telecommunications and Information Administration, the Federal Energy Regulatory Commission, the Canadian Radio-Television and Telecommunications Commission, the public service commissions of 40 states and the District of Columbia, the insurance commissions of five states, the Iowa

State Board of Tax Review, and the National Association of Securities Dealers. In addition, I have testified as an expert witness in proceedings before the U.S. District Court for the Northern District of California; U.S. District Court for the District of Nebraska; United States District Court for the District of New Hampshire; U.S. District Court for the Eastern District of North Carolina; Superior Court, North Carolina; the U.S. Bankruptcy Court for the Southern District of West Virginia; and the United States District Court for the Eastern District of Michigan.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. I have been asked by the North Carolina Rate Bureau to make an independent appraisal of the aggregate cost of equity capital for the companies writing homeowners insurance in North Carolina and to recommend a rate of return on equity that is fair, that allows those companies to attract and retain capital on reasonable terms, that is commensurate with returns on investments of comparable risk, and that maintains those companies' financial integrity.

Q. WHAT DO YOU MEAN BY THE PHRASE "COST OF EQUITY CAPITAL?"

A. A firm's cost of equity capital is the rate of return expectation that is required in the marketplace on equity investments of comparable risk. If an investor does not

expect to earn a return on an equity investment in a firm that is at least as large as the return the investor could expect to earn on other investments of comparable risk, then the investor will not invest in that firm's shares. Thus, a firm's cost of equity capital is also the rate of return expectation that is required in the marketplace in order to induce equity investors to purchase shares in that firm.

Q. IS THE COST OF EQUITY CAPITAL THE SAME AS THE RETURN ON EQUITY?

A. No. The cost of equity capital is a market-based concept that reflects investors' future expectations, while the return on equity is an accounting concept that measures results of past performance. The return on equity is equal to income available for common equity divided by the book value of common equity.

Q. HAVE YOU FORMED AN OPINION REGARDING THE COST OF EQUITY CAPITAL FOR THE AVERAGE COMPANY WRITING HOMEOWNERS INSURANCE IN NORTH CAROLINA?

A. Yes.

Q. WHAT IS YOUR OPINION IN THAT REGARD?

A. The cost of equity capital for such a company is in the range 11.0 percent to 13.6 percent.

Q. WHAT ECONOMIC PRINCIPLES DID YOU CONSIDER IN ARRIVING AT THAT OPINION?

A. There are two primary economic principles relevant to my appraisal of the cost of equity capital. The first, relating to the demand for capital, states that a firm should continue to invest in its business only so long as the return on its investment is greater than or equal to its cost of capital. In the context of a regulated firm, this principle suggests that the regulatory agency should establish revenue levels which will offer the firm an opportunity to earn a return on its investment that is at least equal to its cost of capital.

The second principle, relating to the supply of capital, states that rational investors are maximizing their total return on capital only if the returns they expect to receive on investments of comparable risk are equal. If these returns are not equal, rational investors will reduce or completely eliminate investments in those activities yielding lower expected returns for a given level of risk and will increase investments in those activities yielding higher expected returns. The second principle implies that regulated firms will be unable to obtain the capital required to expand service on reasonable terms unless they

are able to provide investors returns equal to those expected on investments of comparable risk.

Q. DO THESE ECONOMIC PRINCIPLES APPLY TO THE SETTING OF INSURANCE RATES?

A. Yes. These are general economic principles, which apply to investing in any business activity, including insurance.

Q. HOW DID YOU GO ABOUT DETERMINING THE COST OF EQUITY CAPITAL FOR THE AVERAGE COMPANY WRITING HOMEOWNERS INSURANCE IN NORTH CAROLINA?

A. I used two generally accepted methods to estimate the cost of equity: (i) the Discounted Cash Flow (DCF) Model, and (ii) the Risk Premium Approach.

Q. PLEASE DESCRIBE THE DCF MODEL.

A. The DCF Model suggests that investors value an asset on the basis of the future cash flows they expect to receive from owning the asset. Thus, investors value an investment in a bond because they expect to receive a sequence of semi-annual coupon payments over the life of the bond and a terminal payment equal to the bond's face value at the time the bond matures. Likewise, investors value an investment in a firm's stock because they expect to receive a sequence of

dividend payments and, perhaps, expect to sell the stock at a higher price sometime in the future.

A second fundamental principle of the DCF approach is that investors value a dollar received in the future less than a dollar received today. This is because, if they had the dollar today, they could invest it in an interest earning account and increase their wealth. This principle is called the time value of money.

Applying the two fundamental DCF principles noted above to an investment in a bond suggests that investors should value their investment in the bond on the basis of the present value of the bond's future cash flows. Thus, the price of the bond should be equal to:

Equation 1

$$P_B = \frac{C}{(1+i)} + \frac{C}{(1+i)^2} + \dots + \frac{C+F}{(1+i)^n}$$

where:

- P_B = Bond price;
- C = Cash value of the coupon payment (assumed for notational convenience to occur annually rather than semi-annually);
- F = Face value of the bond;
- i = The rate of interest the investor could earn by investing his money in an alternative bond of equal risk; and
- n = The number of periods before the bond matures.

Applying these same principles to an investment in a firm's stock suggests that the price of the stock should be equal to:

Equation 2

$$P_s = \frac{D_1}{(1+k)} + \frac{D_2}{(1+k)^2} + \dots + \frac{D_n + P_n}{(1+k)^n}$$

where:

P_s	=	Current price of the firm's stock;
$D_1, D_2 \dots D_n$	=	Expected annual dividend per share on the firm's stock;
P_n	=	Price per share of stock at the time the investor expects to sell the stock; and
k	=	Return the investor expects to earn on alternative investments of the same risk, i.e., the investor's required rate of return.

Equation (2) is frequently called the Annual Discounted Cash Flow (DCF) Model of stock valuation.

Q. HOW DO YOU USE THE DCF MODEL TO DETERMINE THE COST OF EQUITY CAPITAL?

A. The "k" in the equation is the cost of equity capital. We make certain simplifying assumptions regarding the other factors in the equation and then mathematically solve for "k."

Q. WHAT ARE THE ASSUMPTIONS YOU MAKE?

A. Most analysts make three simplifying assumptions. First, they assume that dividends are expected to grow at the constant rate ("g") into the indefinite future. Second, they assume that the stock price at time "n" is simply the present value of all dividends expected in periods subsequent to "n." Third, they assume that the investors' required rate of return, "k," exceeds the expected dividend growth rate, "g."

Q. DOES THE ANNUAL DCF MODEL OF STOCK VALUATION PRODUCE APPROPRIATE ESTIMATES OF A FIRM'S COST OF EQUITY CAPITAL?

A. No. The Annual DCF Model of stock valuation produces appropriate estimates of a firm's cost of equity capital only if the firm pays dividends just once a year. Since most firms pay dividends quarterly, the Annual DCF Model produces downwardly biased estimates of the cost of equity. Investors can expect to earn a higher annual effective return on an investment in a firm that pays quarterly dividends than in one which pays the same amount of dollar dividends once at the end of each year. A complete analysis of the implications of the quarterly payment of dividends on the DCF Model is provided in Exhibit RB-10. For the reasons cited there, I employed the Quarterly DCF Model throughout my calculations.

Q. PLEASE DESCRIBE THE QUARTERLY DCF MODEL YOU USED.

A. The Quarterly DCF Model I used is described by Equation 10 on page 11 in Exhibit RB-10. This equation shows that the cost of equity is: the sum of the dividend yield and the growth rate, where the dividend in the dividend yield is the equivalent dividend at the end of the year, and the growth rate is the expected growth in dividends or earnings per share.

Q. HOW DID YOU APPLY THE DCF APPROACH TO OBTAIN THE COST OF EQUITY CAPITAL FOR THE COMPANIES WRITING HOMEOWNERS INSURANCE IN NORTH CAROLINA?

A. I applied the DCF approach to two groups of companies: Value Line's group of property/casualty insurance companies and the S&P 500.

Q. WHY DID YOU APPLY THE DCF APPROACH TO THE S&P 500 AS WELL AS TO VALUE LINE'S PROPERTY/CASUALTY INSURANCE COMPANIES?

A. As I noted previously, the cost of equity is defined as the rate of return investors expect to earn on investments in other companies of comparable risk. I applied the DCF approach to the S&P 500 because they are a large group of companies that, on average, are typically viewed as being comparable in risk to the property/casualty insurance industry. The use of a larger set of comparable risk

companies should provide an accurate estimate of the cost of equity for the companies writing homeowners insurance in North Carolina.

Q. DID YOU INCLUDE ALL THE VALUE LINE PROPERTY/CASUALTY INSURANCE COMPANIES?

A. No. Among the Value Line property/casualty insurance companies, I deleted any firm which had recently lowered its dividend and which had fewer than three five-year earnings forecasts available from I/B/E/S (formerly known as the Institutional Brokers Estimate System, now part of Thomson Financial). The Value Line property/casualty companies I used are shown in Exhibit RB-8.

Q. WHAT CRITERIA DID YOU USE TO SELECT COMPANIES IN THE S&P 500?

A. I included those firms which pay dividends and which have at least three five-year earnings forecasts available from I/B/E/S. I excluded the insurance companies in the S&P 500, as identified by I/B/E/S Thomson Financial, because I had already calculated DCF results for the Value Line property/casualty insurance companies. To be conservative, I also eliminated those companies whose DCF results exceeded the mean by one standard deviation. The S&P 500 companies I used are shown in Exhibit RB-9.

Q. WHY DID YOU ELIMINATE ANY COMPANY WHICH HAD RECENTLY LOWERED ITS DIVIDEND OR WHICH FAILS TO PAY DIVIDENDS?

A. I eliminated those companies because it is difficult to make a reliable estimate of the future dividend growth rate for companies that have recently lowered their dividends or do not pay dividends. If a company has recently lowered its dividend, investors do not know whether the company will again lower its dividend in the future, or whether the company will attempt to increase its dividend back toward its previous level. If a company does not pay a dividend, one cannot mathematically apply the DCF approach.

Q. HOW DID YOU ESTIMATE THE GROWTH COMPONENT OF THE QUARTERLY DCF MODEL?

A. I used the average of analysts' estimates of future earnings per share (EPS) growth reported by I/B/E/S. As part of their research, financial analysts working at Wall Street firms periodically estimate EPS growth for each firm they follow. The EPS forecasts for each firm are then published. The forecasts are used by investors who are contemplating purchasing or selling shares in individual companies.

Q. WHAT IS I/B/E/S?

A. I/B/E/S is a collection of analysts' forecasts for a broad group of companies expressed in terms of a mean forecast and a standard deviation of forecast for each firm. The mean forecast is used by investors as an estimate of future firm performance.

Q. WHY DID YOU USE THE I/B/E/S GROWTH ESTIMATES?

A. The I/B/E/S growth rates (1) are widely circulated in the financial community, (2) include the projections of a large number of reputable financial analysts who develop estimates of future growth, (3) are reported on a timely basis to investors, and (4) are widely used by institutional and other investors. For these reasons, I believe these estimates represent unbiased estimates of investors' expectations of each firm's long-term growth prospects and, accordingly, are incorporated by investors into their return requirements. Consequently, in my opinion, they provide the best available estimate of investors' long-term growth expectations.

Q. WHY DID YOU RELY EXCLUSIVELY ON ANALYSTS' PROJECTIONS OF FUTURE EPS GROWTH IN ESTIMATING THE INVESTORS' EXPECTED GROWTH RATE RATHER THAN LOOKING AT PAST HISTORICAL GROWTH RATES?

A. There is considerable empirical evidence that analysts' forecasts are more highly correlated with stock prices than are firms' historical growth rates, and, thus, that investors actually use these forecasts.

Q. HAVE YOU PERFORMED ANY STUDIES CONCERNING THE USE OF ANALYSTS' FORECASTS AS THE BEST ESTIMATE OF INVESTORS' EXPECTED GROWTH RATE, G?

A. Yes, I prepared a study in conjunction with Willard T. Carleton, Karl Eller Professor of Finance at the University of Arizona, on why analysts' forecasts provide the best estimate of investors' expectations of future long-term growth. This study is described in a paper entitled "Investor Growth Expectations and Stock Prices: the Analysts versus Historical Growth Extrapolation," published in the Spring 1988 edition of *The Journal of Portfolio Management*.

Q. PLEASE SUMMARIZE THE RESULTS OF YOUR STUDY.

A. First, we performed a correlation analysis to identify the historically-oriented growth rates which best described a firm's stock price. Then we did a regression study comparing the historical growth rates with the consensus analysts' forecasts. In every case, the regression equations containing the average of analysts' forecasts statistically

outperformed the regression equations containing the historical growth estimates. These results are consistent with those found by Cragg and Malkiel, the early major research in this area. These results are also consistent with the hypothesis that investors use analysts' forecasts, rather than historically-oriented growth calculations, in making buy and sell decisions. They provide overwhelming evidence that the analysts' forecasts of future growth are superior to historically-oriented growth measures in predicting a firm's stock price.

Q. WHAT PRICE DID YOU USE IN YOUR DCF MODEL?

A. I used a simple average of the monthly high and low stock prices for each firm for the three-month period, January, February, and March 2006. These high and low stock prices were obtained from Thomson Financial.

Q. WHY DID YOU USE THE THREE-MONTH AVERAGE STOCK PRICE, P_0 , IN APPLYING THE DCF METHOD?

A. I used a three-month average stock price in applying the DCF method because stock prices fluctuate daily, while financial analysts' forecasts for a given company are generally changed less frequently, often on a quarterly basis. Thus, to match the stock price with an earnings forecast, it is

appropriate to average stock prices over a three-month period.

Q. PLEASE EXPLAIN YOUR INCLUSION OF FLOTATION COSTS.

A. All firms which have sold securities in the capital markets have incurred some level of flotation costs, including underwriters' commissions, legal fees, printing expense, etc. These costs are paid from the proceeds of the stock sale and must be recovered over the life of the equity issue. Costs vary depending upon the size of the issue, the type of registration method used and other factors, but in general these costs range between four percent and five percent of the proceeds from the issue. In addition to these costs, for large equity issues there is likely to be a decline in price associated with the sale of shares to the public. On average, the decline due to market pressure has been estimated at two percent to three percent.

These cost ranges have been developed and confirmed in a number of generally accepted studies. I believe a combined five percent allowance for flotation costs and market pressure is a conservative estimate that can be used in applying the DCF Model in this proceeding.

Q. PLEASE SUMMARIZE THE RESULTS OF YOUR APPLICATION OF THE DCF METHOD TO THE PROPERTY/CASUALTY INSURANCE COMPANIES AND THE S&P 500.

A. As shown in Exhibits RB-8 and RB-9, the average DCF cost of equity capital for my group of Value Line property/casualty companies is 13.4 percent, and for the S&P 500 companies is 13.6 percent.

Q. WHAT CONCLUSION DO YOU REACH FROM YOUR DCF ANALYSIS ABOUT THE COST OF EQUITY CAPITAL FOR COMPANIES WRITING HOMEOWNERS INSURANCE IN NORTH CAROLINA?

A. On the basis of my DCF analysis, I would conclude that for companies writing homeowners insurance in North Carolina the cost of equity is in the range 13.4 percent to 13.6 percent.

Q. YOU SAID THE SECOND METHOD YOU USED TO ESTIMATE THE COST OF EQUITY CAPITAL FOR COMPANIES WRITING HOMEOWNERS INSURANCE IN NORTH CAROLINA WAS A RISK PREMIUM APPROACH. PLEASE DESCRIBE THAT APPROACH.

A. I performed a study of the comparable returns received by bond and stock investors over the last 80 years. I estimated the returns on stock and bond portfolios, using stock price and dividend yield data on the S&P 500 stock portfolio and bond yield data on Moody's A-rated utility bonds.

My study consisted of analyzing the historically achieved returns on broadly based stock and bond portfolios going

back to 1926. For stocks, I used the S&P 500 stock portfolio and for bonds I used Moody's A-rated utility bonds. The resulting annual returns on the stock and bond portfolios purchased in each year from 1926 through 2005 are shown on Exhibit RB-11. The difference between the stock return and the bond return over that period of time on an arithmetic average basis was 5.1 percentage points.

Q. WHAT CONCLUSIONS DO YOU DRAW FROM YOUR RISK PREMIUM ANALYSES?

A. My own studies, combined with my analysis of other studies, provide strong evidence for the belief that investors today require an equity return of approximately 5.1 percentage points above the expected yield on A-rated long-term debt issues.

Interest rates on Moody's seasoned A-rated utility bonds during the three months January through March 2006 ranged from 5.8 percent to 6.0 percent. On the basis of this information and my knowledge of bond market conditions, I conclude that the long-term yield on A-rated utility bonds is approximately 5.9 percent. Adding a 5.1 percentage point risk premium to the 5.9 percent expected yield on A-rated utility bonds, I obtain an expected return on equity of approximately 11.0 percent.

Q. BASED ON YOUR ANALYSES, WHAT IS YOUR OPINION AS TO THE COST OF CAPITAL FOR THE AVERAGE INSURANCE COMPANY WRITING HOMEOWNERS INSURANCE IN NORTH CAROLINA?

A. Based on my review and studies, I believe that a conservative estimate of the cost of common equity capital for the average insurance company writing homeowners insurance in North Carolina is in the range 11.0 percent to 13.6 percent.

Q. IS THE COST OF EQUITY A FAIR RETURN ON EQUITY?

A. No. The cost of equity is a market-based concept that reflects the return investors expect on the market value of their investment. The fair return on equity is an accounting concept that expresses the accounting rate of return the company earns on the book value of its investment. The cost of equity and the fair return on equity will be equal only when the market value of equity is equal to the book value of equity. Generally, the market value of equity is greater than the book value of equity for both the average firm and the average property/casualty insurer. When the market value of equity is greater than the book value of equity, the fair rate of return on equity must exceed the cost of equity capital for equity investors to have a reasonable expectation of earning their required return on investment.

Q. DID YOU CONVERT YOUR COST OF EQUITY CAPITAL TO A FAIR RETURN ON EQUITY?

A. No. In this proceeding I have not converted my cost of equity capital to the fair return on equity. The data that I previously used to convert my cost of equity to a fair return on equity has not been updated in several years. Given recent experience in the capital markets, I am confident that the fair return on equity would exceed the cost of equity. However, in the absence of data necessary to perform an explicit study, to be conservative, I recommend that my cost of equity estimate also be used as an estimate of the fair return on equity.

SUMMARY OF DISCOUNTED CASH FLOW ANALYSIS FOR
PROPERTY/CASUALTY INSURANCE COMPANIES

Company	d ₀	P ₀	g	k
ACE Limited	0.230	54.362	11.84	13.8%
Allstate Corp.	0.350	53.342	10.44	13.3%
Berkley (W.R.)	0.040	35.916	12.80	13.3%
Chubb Corp.	0.500	96.064	10.92	13.1%
Cincinnati Financial	0.335	44.398	10.33	13.6%
Everest Re Group Ltd.	0.120	97.652	13.33	13.9%
Fidelity National	0.250	37.562	11.40	14.5%
HCC Insurance Hldgs.	0.075	31.973	15.80	16.9%
Old Republic	0.140	21.477	10.33	13.3%
PartnerRe Ltd.	0.400	62.912	12.20	15.1%
PMI Group	0.053	43.042	11.38	11.9%
Progressive (Ohio)	0.030	107.548	9.64	9.8%
RLI Corp.	0.170	53.247	12.33	13.8%
SAFECO Corp.	0.250	53.022	10.44	12.6%
Selective Ins. Group	0.220	54.825	10.40	12.1%
Average				13.4%

Notes:

- d₀ = Latest quarterly dividend per *Value Line*.
- d₁, d₂, d₃, d₄ = Expected next four quarterly dividends.
- P₀ = Average of the monthly high and low stock prices during the three months ending March 2006 per Thomson Financial.
- FC = Flotation costs.
- g = I/B/E/S forecast of future earnings growth March 2006.
- k = Cost of equity using the quarterly version of the DCF Model and a five percent allowance for flotation costs and market pressure (selling costs) as shown by the formula below:

$$k = \frac{d_1(1+k)^{75} + d_2(1+k)^{50} + d_3(1+k)^{25} + d_4}{P_0(1-FC)} + g$$

SUMMARY OF DISCOUNTED CASH FLOW ANALYSIS FOR
S&P 500 COMPANIES

COMPANY	d ₀	P ₀	g	k
3M	1.84	74.47	10.81%	13.7%
ABBOTT LABS.	1.18	42.91	9.05%	12.2%
AETNA	0.02	48.95	15.88%	15.9%
AIR PRDS.& CHEMS.	1.36	62.76	10.36%	12.9%
ALBERTO CULVER	0.46	45.46	11.50%	12.7%
ALBERTSONS	0.76	24.73	7.00%	10.5%
ALCOA	0.60	30.29	10.60%	12.9%
ALTRIA GROUP INCO.	3.20	73.23	8.50%	13.6%
AMBAC FINANCIAL	0.60	77.16	11.25%	12.2%
AMER.STANDARD	0.72	39.15	12.11%	14.3%
AMEREN	2.54	50.72	5.75%	11.4%
AMERICAN EXPRESS	0.48	53.08	12.17%	13.2%
AMERIPRISE FINL.	0.44	43.73	10.59%	11.8%
AMERISOURCEBERGEN	0.10	44.64	13.13%	13.4%
AMSOUTH BANC.	1.04	27.43	7.64%	12.0%
ANADARKO PETROLEUM	0.72	101.06	11.17%	12.0%
ANHEUSER-BUSCH COS.	1.08	42.17	7.61%	10.5%
APACHE	0.40	70.02	11.25%	11.9%
APPLIED MATS.	0.20	19.03	14.85%	16.1%
ARCHER-DANLS.-MIDL.	0.40	30.68	9.00%	10.5%
AT&T	1.33	26.61	7.34%	13.1%
AUTOMATIC DATA PROC.	0.74	45.63	12.44%	14.4%
AVERY DENNISON	1.56	59.31	9.20%	12.3%
AVON PRODUCTS	0.70	29.02	10.86%	13.7%
BALL	0.40	42.06	13.75%	14.9%
BANK OF AMERICA	2.00	44.60	8.67%	13.9%
BANK OF NEW YORK CO.	0.84	33.56	11.07%	14.0%
BARD C R	0.52	65.65	14.33%	15.3%
BAUSCH & LOMB	0.52	68.84	15.67%	16.6%
BAXTER INTL.	0.58	37.90	10.91%	12.7%
BB & T	1.52	40.03	9.14%	13.6%
BEAR STEARNS	1.12	128.45	10.71%	11.7%
BECTON DICKINSON	0.86	63.04	11.93%	13.5%
BEMIS	0.76	30.55	10.67%	13.6%
BIOMET	0.25	36.08	14.69%	15.5%
BLACK & DECKER	1.52	85.86	10.43%	12.5%
BOEING	1.20	72.24	13.16%	15.2%
BRISTOL MYERS SQUIBB	1.12	23.10	6.99%	12.6%
BRUNSWICK	0.60	38.53	11.89%	13.7%
BURL.NTHN.SANTA FE C	0.80	77.57	15.75%	17.0%
CA	0.16	27.91	10.88%	11.6%
CAPITAL ONE FINL.	0.11	85.56	13.35%	13.5%
CARDINAL HEALTH	0.24	72.11	13.05%	13.4%
CARNIVAL	1.00	51.88	14.22%	16.6%
CATERPILLAR	1.00	68.98	11.67%	13.4%
CBS 'B'	0.64	25.36	8.66%	11.6%
CENDANT	0.44	16.74	13.20%	16.4%
CENTERPOINT EN.	0.60	12.79	8.67%	14.1%
CENTEX	0.16	69.24	15.06%	15.3%
CHARLES SCHWAB	0.10	15.94	13.96%	14.7%

COMPANY	d ₀	P ₀	g	k
CHESAPEAKE ENERGY	0.20	31.86	13.25%	14.0%
CINTAS	0.35	41.81	14.29%	15.3%
CIRCUIT CITY STORES	0.07	24.33	15.08%	15.4%
CIT GP.	0.80	53.30	9.40%	11.1%
CITIGROUP	1.96	46.83	10.13%	15.1%
CITIZENS COMMS.	1.00	12.81	4.30%	13.1%
CLEAR CHL.COMMS.	0.75	29.59	11.24%	14.2%
CLOROX	1.16	60.32	10.10%	12.3%
COCA COLA	1.24	41.50	8.43%	11.9%
COLGATE-PALM.	1.28	55.21	10.00%	12.7%
COMERICA	2.36	56.53	7.47%	12.3%
COMPASS BANCSHARES	1.56	49.64	9.59%	13.3%
CONAGRA FOODS	0.72	20.59	6.50%	10.5%
CONSTELLATION EN.	1.51	57.58	12.50%	15.6%
COOPER INDS.	1.48	81.43	11.36%	13.5%
COSTCO WHOLESALE	0.46	51.26	12.75%	13.8%
CVS	0.15	28.42	15.43%	16.1%
DANAHER	0.08	59.11	14.00%	14.2%
DARDEN RESTAURANTS	0.40	40.69	12.20%	13.4%
DEERE	1.56	73.78	8.00%	10.4%
DOLLAR GENERAL	0.20	17.52	14.29%	15.7%
DOMINION RES.	2.76	74.69	10.29%	14.6%
DOW CHEMICALS	1.50	42.64	10.60%	14.8%
DOW JONES & CO	1.00	39.13	13.50%	16.6%
DU PONT E I DE NEMOURS	1.48	41.04	9.90%	14.1%
DUKE ENERGY	1.24	28.32	5.78%	10.7%
EASTMAN CHEMICALS	1.76	50.41	6.67%	10.6%
EATON	1.40	68.14	11.25%	13.7%
EL PASO	0.16	12.80	12.67%	14.2%
ELI LILLY	1.60	56.80	9.91%	13.2%
EMERSON ELECTRIC	1.78	80.44	12.36%	15.0%
ENTERGY	2.16	70.37	8.60%	12.2%
EOG RES.	0.24	75.36	16.42%	16.8%
EQUIFAX	0.16	37.88	10.50%	11.0%
ESTEE LAUDER COS.'A'	0.40	36.64	12.00%	13.3%
EXELON	1.60	55.97	9.63%	13.0%
FAMILY DOLLAR STORES	0.42	25.24	11.96%	13.9%
FANNIE MAE	1.04	54.48	8.76%	11.0%
FEDERATED DEPT.STRS.	1.00	70.39	12.14%	13.8%
FEDERATED INVR.'B'	0.60	38.59	10.97%	12.8%
FEDEX	0.32	105.45	15.55%	15.9%
FIFTH THIRD BANCORP	1.52	38.44	9.20%	13.8%
FIRST DATA	0.24	45.14	12.11%	12.7%
FIRST HORIZON NATIONAL	1.80	39.47	7.75%	13.0%
FLUOR	0.80	82.81	13.10%	14.3%
FORD MOTOR	0.40	8.16	5.50%	11.1%
FORTUNE BRANDS	1.44	78.40	11.40%	13.6%
FPL GROUP	1.50	41.11	6.57%	10.7%
FRANK.RES.	0.48	98.40	13.15%	13.7%
FREDDIE MAC	1.88	65.82	12.80%	16.2%
GAP	0.32	18.07	12.44%	14.6%
GENERAL DYNAMICS	0.92	60.71	9.11%	10.9%
GENERAL ELECTRIC	1.00	33.63	11.39%	14.9%
GENERAL MILLS	1.36	49.10	8.19%	11.4%
GENERAL MOTORS	1.00	21.65	5.40%	10.6%

COMPANY	d ₀	P ₀	g	k
GENWORTH FINANCIAL	0.30	33.08	10.71%	11.8%
GOLDEN WEST FINL.	0.32	69.45	12.74%	13.3%
GOLDMAN SACHS GP.	1.40	141.51	14.66%	15.9%
GOODRICH	0.80	40.94	12.26%	14.6%
GRAINGER W W	0.96	72.65	12.90%	14.5%
GUIDANT	0.40	74.02	13.76%	14.4%
H & R BLOCK	0.50	23.34	11.25%	13.8%
HARLEY-DAVIDSON	0.72	51.64	12.06%	13.7%
HARRAHS ENTM.	1.45	73.51	14.39%	16.8%
HASBRO	0.48	20.83	10.80%	13.5%
HCA	0.68	48.40	11.65%	13.3%
HEALTH MAN.AS.A	0.24	21.67	13.56%	14.9%
HEINZ HJ	1.20	35.90	7.49%	11.3%
HEWLETT-PACKARD	0.32	31.90	12.60%	13.8%
HILTON HOTELS	0.16	24.65	13.71%	14.5%
HOME DEPOT	0.60	41.43	13.33%	15.1%
HONEYWELL INTL.	0.91	39.83	10.78%	13.5%
HUNTINGTON BCSH.	1.00	23.63	7.17%	12.0%
ILLINOIS TOOL WKS.	1.32	88.62	12.80%	14.6%
IMS HEALTH	0.12	24.79	12.59%	13.2%
INGERSOLL-RAND	0.64	41.00	11.68%	13.5%
INTEL	0.40	21.60	14.35%	16.6%
INTERNATIONAL BUS.MACH.	0.80	81.82	10.55%	11.7%
INTL.GAME TECH.	0.50	34.72	14.40%	16.1%
ITT INDUSTRIES	0.44	53.25	12.64%	13.6%
JANUS CAPITAL GP.	0.04	21.32	10.80%	11.0%
JOHNSON & JOHNSON	1.32	59.24	10.80%	13.4%
JOHNSON CONTROLS	1.12	71.51	12.86%	14.7%
JONES APPAREL GROUP	0.48	31.49	9.30%	11.1%
JP MORGAN CHASE & CO.	1.36	40.51	10.01%	13.9%
KELLOGG	1.11	44.12	8.98%	11.9%
KEYCORP	1.38	35.91	7.44%	11.9%
KIMBERLY-CLARK	1.96	58.92	7.31%	11.1%
KINDER MORGAN KANS	3.50	94.23	12.29%	16.7%
KLA TENCOR	0.48	51.79	15.80%	16.9%
KNIGHT-RIDDER	1.48	62.72	8.00%	10.7%
L3 COMMUNICATIONS	0.75	82.22	12.35%	13.4%
LEGGETT&PLATT	0.64	24.12	13.67%	16.9%
LEHMAN BROS.HDG.	0.96	140.19	12.41%	13.2%
LENNAR 'A'	0.64	60.18	13.25%	14.5%
LIMITED BRANDS	0.60	23.46	11.33%	14.4%
LIZ CLAIBORNE	0.22	36.12	11.50%	12.2%
LOCKHEED MARTIN	1.20	70.52	11.04%	13.0%
LOWE'S COMPANIES	0.24	65.75	16.64%	17.1%
M&T BK.	1.80	111.54	10.00%	11.9%
MANOR CARE	0.64	41.12	15.14%	17.0%
MARATHON OIL	1.32	71.57	8.41%	10.5%
MARRIOTT INTL.'A'	0.42	68.16	14.50%	15.2%
MARSHALL & ILSLEY	0.96	43.25	9.80%	12.4%
MASCO	0.88	30.61	12.79%	16.2%
MATTEL	0.50	16.56	9.17%	12.7%
MBIA	1.24	60.07	10.33%	12.7%
MCCORMICK & CO NV.	0.72	32.15	9.34%	11.9%
MCDONALDS	0.67	35.09	8.38%	10.6%
MCGRAW-HILL	0.73	52.84	11.65%	13.3%

COMPANY	d ₀	P ₀	g	k
MCKESSON	0.24	52.92	14.21%	14.8%
MEDTRONIC	0.38	55.27	15.82%	16.7%
MELLON FINL.	0.80	35.56	10.54%	13.2%
MEREDITH	0.64	54.36	11.88%	13.3%
MERRILL LYNCH & CO.	1.00	74.62	12.64%	14.2%
MICROSOFT	0.36	27.29	12.08%	13.6%
MOLEX	0.20	30.73	14.63%	15.4%
MOLSON COORS BREWING 'B'	1.28	64.93	10.97%	13.3%
MONSANTO	0.80	83.24	14.00%	15.2%
MOODYS	0.28	65.88	14.58%	15.1%
MORGAN STANLEY	1.08	60.44	12.47%	14.6%
MOTOROLA	0.16	22.27	12.23%	13.1%
NAT.CITY	1.48	34.86	8.22%	13.1%
NATIONAL SEMICON.	0.12	27.94	13.75%	14.3%
NEW YORK TIMES 'A'	0.66	27.45	8.02%	10.8%
NEWELL RUBBERMAID	0.84	24.52	9.00%	13.0%
NIKE 'B'	1.24	84.98	13.64%	15.4%
NORDSTROM	0.42	39.86	13.63%	14.9%
NORFOLK SOUTHERN	0.64	48.90	14.25%	15.8%
NORTH FORK BANCORP.	1.00	26.56	10.33%	14.8%
NORTHERN TRUST	0.92	52.24	11.77%	13.9%
NORTHROP GRUMMAN	1.04	64.15	12.56%	14.5%
NOVELLUS SYSTEMS	0.15	26.97	15.21%	15.9%
OCCIDENTAL PTL.	1.44	91.18	8.99%	10.8%
OMNICOM GP.	1.00	82.80	11.71%	13.1%
PACCAR	1.00	70.53	13.33%	15.0%
PALL	0.44	28.79	10.00%	11.8%
PARKER-HANNIFIN	0.92	76.47	13.00%	14.4%
PENNEY JC	0.72	57.82	14.62%	16.1%
PEPSI BOTTLING GP.	0.44	29.38	9.24%	11.0%
PEPSICO	1.04	58.45	10.58%	12.7%
PG & E	1.32	38.02	7.65%	11.6%
PINNACLE WEST CAP.	2.00	41.47	6.40%	11.9%
PITNEY-BOWES	1.28	42.78	7.33%	10.8%
PNC FINL.SVS.GP.	2.00	67.01	9.20%	12.7%
PPG INDUSTRIES	1.88	59.96	7.57%	11.2%
PPL	1.10	30.54	8.85%	13.0%
PRAXAIR	1.00	53.71	11.35%	13.5%
PROCTER & GAMBLE	1.24	59.62	10.84%	13.3%
PUB.SER.ENTER.GP.	2.24	67.95	8.50%	12.3%
PULTE HOMES	0.16	39.59	13.19%	13.7%
QUEST DIAGNOSTICS	0.40	51.61	15.20%	16.1%
RADIOSHACK	0.25	20.53	10.40%	11.8%
RAYTHEON 'B'	0.96	42.69	12.97%	15.7%
REGIONS FINL.NEW	1.40	34.50	7.42%	12.1%
REYNOLDS AMERICAN	5.00	103.06	5.80%	11.3%
ROCKWELL AUTOMATION	0.90	67.28	14.81%	16.4%
ROCKWELL COLLINS	0.48	50.07	13.41%	14.6%
ROHM & HAAS	1.16	49.65	10.76%	13.5%
SABRE HDG.	0.40	24.35	10.00%	11.9%
SAFEWAY	0.20	24.18	9.20%	10.2%
SARA LEE	0.79	18.21	6.93%	11.9%
SCRIPPS E W	0.44	48.21	12.29%	13.4%
SEALED AIR	0.60	56.02	11.60%	12.9%
SIGMA ALDRICH	0.84	64.30	8.98%	10.5%

COMPANY	d ₀	P ₀	g	k
SNAP-ON	1.08	38.66	11.67%	15.0%
SOUTHWEST AIRLINES	0.02	16.75	16.82%	17.0%
SPRINT NEXTEL	0.10	24.06	13.40%	13.9%
STANLEY WORKS	1.16	50.00	12.00%	14.8%
STAPLES	0.22	23.85	15.89%	17.0%
STARWOOD HTLS. & RESORTS WWD. PAIRED CERTS. 'B'	0.84	63.41	15.68%	17.3%
STATE STREET	0.76	60.42	12.25%	13.7%
SUNOCO	1.00	83.23	9.42%	10.8%
SUNTRUST BANKS	2.44	72.78	9.17%	13.1%
SUPERVALU	0.65	32.09	8.60%	10.9%
SYMBOL TECHS.	0.02	12.10	16.25%	16.5%
SYNOVUS FINL.	0.78	27.48	12.20%	15.6%
SYSCO	0.68	30.88	13.67%	16.3%
T ROWE PRICE GP.	1.12	75.70	12.23%	14.0%
TARGET	0.40	54.05	14.79%	15.7%
TECO ENERGY	0.76	16.93	5.50%	10.6%
TEKTRONIX	0.24	31.08	12.00%	12.9%
TEXTRON	1.55	85.41	11.20%	13.3%
THE HERSHEY COMPANY	0.98	52.78	10.16%	12.3%
TIFFANY & CO	0.32	37.85	12.54%	13.5%
TIME WARNER	0.20	17.47	11.96%	13.3%
TJX COS.	0.28	24.66	13.18%	14.5%
TRIBUNE	0.72	29.83	7.80%	10.6%
TXU	1.65	50.20	11.43%	15.3%
TYCO INTL.	0.40	26.85	12.75%	14.5%
UNION PACIFIC	1.20	86.35	14.77%	16.5%
UNITED PARCEL SER.	1.52	75.73	13.52%	15.9%
UNITED TECHNOLOGIES	0.88	57.67	10.91%	12.7%
UNITEDHEALTH GP.	0.03	57.81	16.95%	17.0%
US BANCORP	1.32	30.31	9.87%	15.0%
UST	2.28	40.08	6.25%	12.8%
V F	1.16	56.02	9.57%	12.0%
WACHOVIA	2.04	54.86	9.99%	14.4%
WAL MART STORES	0.67	46.13	13.22%	15.0%
WALGREEN	0.26	44.29	15.60%	16.3%
WALT DISNEY	0.27	26.60	13.18%	14.4%
WASHINGTON MUTUAL	2.00	43.18	9.88%	15.3%
WASTE MAN.	0.88	32.67	11.50%	14.7%
WELLS FARGO & CO	2.08	63.29	11.04%	14.9%
WENDY'S INTL.	0.68	58.92	12.05%	13.4%
WRIGLEY WILLIAM JR.	1.28	64.68	10.75%	13.1%
WYETH	1.00	48.12	8.31%	10.7%
YUM! BRANDS	0.46	49.04	11.19%	12.3%
ZIONS BANCORP.	1.44	80.80	10.59%	12.7%
Average				13.6%

Notes: In applying the DCF Model to the S&P 500, I included in the DCF analysis only those companies in the S&P 500 group which pay a dividend, have a positive growth rate, and have at least three analysts' long-term growth estimates. In addition, I excluded all companies classified by Thomson Financial as insurance companies. To be conservative, I also eliminated those companies with DCF results that differed from the mean by one standard deviation. To calculate DCF results for this large sample of companies, I have used the constant growth quarterly DCF model for ease of implementation. This model requires data only on the most recent quarterly dividend, whereas the quarterly DCF model used in analysis of the insurance companies requires the analyst to obtain data on the last four quarterly dividends for each company. The two quarterly DCF models produce approximately the same DCF result.

Notes:

- D₀ = Latest dividend per Thomson Financial.
- P₀ = Average of the monthly high and low stock prices January, February, and March 2006 per Thomson Financial.
- FC = Flotation costs.
- g = I/B/E/S forecast of future earnings growth March 2006.
- k = Cost of equity using the quarterly version of the DCF Model and a five percent allowance for flotation costs and market pressure (selling costs) as shown by the formula below:

$$k = \left[\frac{d_0(1+g)^{\frac{1}{4}}}{P_0(1-FC)} + (1+g)^{\frac{1}{4}} \right]^4 - 1$$

THE QUARTERLY DCF MODEL

The simple DCF Model assumes that a firm pays dividends only at the end of each year. Since firms in fact pay dividends quarterly and investors appreciate the time value of money, the annual version of the DCF Model generally underestimates the value investors are willing to place on the firm's expected future dividend stream. In this appendix, we review two alternative formulations of the DCF Model that allow for the quarterly payment of dividends.

When dividends are assumed to be paid annually, the DCF Model suggests that the current price of the firm's stock is given by the expression:

$$P_0 = \frac{D_1}{(1+k)} + \frac{D_2}{(1+k)^2} + \dots + \frac{D_n + P_n}{(1+k)^n} \quad (1)$$

where

- P_0 = current price per share of the firm's stock,
- D_1, D_2, \dots, D_n = expected annual dividends per share on the firm's stock,
- P_n = price per share of stock at the time investors expect to sell the stock, and
- k = return investors expect to earn on alternative investments of the same risk, i.e., the investors' required rate of return.

Unfortunately, expression (1) is rather difficult to analyze, especially for the purpose of estimating k . Thus, most analysts make a number of simplifying assumptions. First, they assume that dividends are expected to grow at the constant rate g into the indefinite future. Second, they assume that the stock price at time n is simply the present value of all dividends expected in periods subsequent to n . Third, they assume that the investors' required rate of return, k , exceeds the expected dividend growth rate g . Under the above simplifying assumptions, a firm's stock price may be written as the following sum:

$$P_0 = \frac{D_0(1+g)}{(1+k)} + \frac{D_0(1+g)^2}{(1+k)^2} + \frac{D_0(1+g)^3}{(1+k)^3} + \dots, \quad (2)$$

where the three dots indicate that the sum continues indefinitely.

As we shall demonstrate shortly, this sum may be simplified to:

$$P_0 = \frac{D_0(1+g)}{(k-g)}$$

First, however, we need to review the very useful concept of a geometric progression.

Geometric Progression

Consider the sequence of numbers 3, 6, 12, 24,..., where each number after the first is obtained by multiplying the preceding number by the factor 2. Obviously, this sequence of numbers may also be expressed as the sequence 3, 3 x 2, 3 x 2², 3 x 2³, ... This sequence is an example of a geometric progression.

Definition: A geometric progression is a sequence in which each term after the first is obtained by multiplying some fixed number, called the common ratio, by the preceding term.

A general notation for geometric progressions is: a, the first term, r, the common ratio, and n, the number of terms. Using this notation, any geometric progression may be represented by the sequence:

$$a, ar, ar^2, ar^3, \dots, ar^{n-1}.$$

In studying the DCF Model, we will find it useful to have an expression for the sum of n terms of a geometric progression. Call this sum S_n. Then

$$S_n = a + ar + \dots + ar^{n-1} . \tag{3}$$

However, this expression can be simplified by multiplying both sides of equation (3) by r and then subtracting the new equation from the old. Thus,

$$rS_n = ar + ar^2 + ar^3 + \dots + ar^n$$

and

$$S_n - rS_n = a - ar^n \quad ,$$

or

$$(1 - r) S_n = a (1 - r^n) \quad .$$

Solving for S_n , we obtain:

$$S_n = \frac{a(1-r^n)}{(1-r)} \quad (4)$$

as a simple expression for the sum of n terms of a geometric progression. Furthermore, if $|r| < 1$, then S_n is finite, and as n approaches infinity, S_n approaches $a \div (1 - r)$. Thus, for a geometric progression with an infinite number of terms and $|r| < 1$, equation (4) becomes:

$$S = \frac{a}{1-r} \quad (5)$$

Application to DCF Model

Comparing equation (2) with equation (3), we see that the firm's stock price (under the DCF assumption) is the sum of an infinite geometric progression with the first term

$$a = \frac{D_0(1+g)}{(1+k)}$$

and common factor

$$r = \frac{(1+g)}{(1+k)}$$

Applying equation (5) for the sum of such a geometric progression, we obtain

$$S = a \cdot \frac{1}{(1-r)} = \frac{D_0(1+g)}{(1+k)} \cdot \frac{1}{1-\frac{1+g}{1+k}} = \frac{D_0(1+g)}{(1+k)} \cdot \frac{1+k}{k-g} = \frac{D_0(1+g)}{k-g}$$

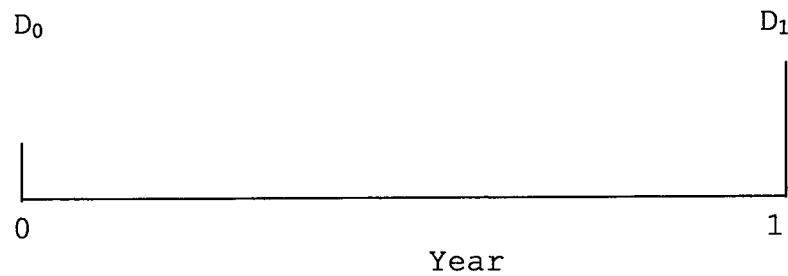
as we suggested earlier.

Quarterly DCF Model

The Annual DCF Model assumes that dividends grow at an annual rate of $g\%$ per year (see Figure 1).

Figure 1

Annual DCF Model

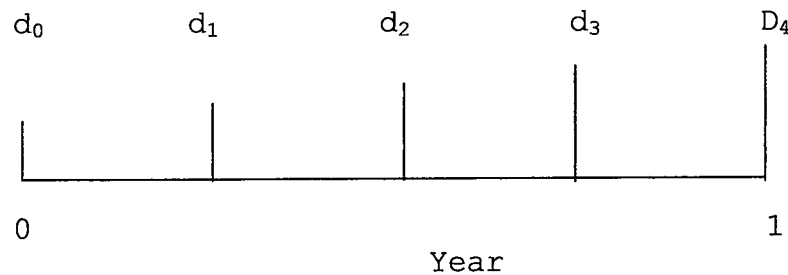


$$D_0 = 4d_0$$

$$D_1 = D_0(1 + g)$$

Figure 2

Quarterly DCF Model (Constant Growth Version)



$$d_1 = d_0(1+g)^{.25}$$

$$d_2 = d_0(1+g)^{.50}$$

$$d_3 = d_0(1+g)^{.75}$$

$$d_4 = d_0(1+g)$$

In the Quarterly DCF Model, it is natural to assume that quarterly dividend payments differ from the preceding quarterly dividend by the factor $(1 + g)^{.25}$, where g is expressed in terms of percent per year and the decimal .25 indicates that the growth has only occurred for one quarter of the year. (See Figure 2.) Using this assumption, along with the assumption of constant growth and $k > g$, we obtain a new expression for the firm's stock price, which takes account of the quarterly payment of dividends. This expression is:

$$P_0 = \frac{d_0(1+g)^{\frac{1}{4}}}{(1+k)^{\frac{1}{4}}} + \frac{d_0(1+g)^{\frac{2}{4}}}{(1+k)^{\frac{2}{4}}} + \frac{d_0(1+g)^{\frac{3}{4}}}{(1+k)^{\frac{3}{4}}} + \dots \quad (6)$$

where d_0 is the last quarterly dividend payment, rather than the last annual dividend payment. (We use a lower case d to remind the reader that this is not the annual dividend.)

Although equation (6) looks formidable at first glance, it too can be greatly simplified using the formula [equation (4)] for the sum of an infinite geometric progression. As the reader can easily verify, equation (6) can be simplified to:

$$P_0 = \frac{d_0(1+g)^{\frac{1}{4}}}{(1+k)^{\frac{1}{4}} - (1+g)^{\frac{1}{4}}} \quad (7)$$

Solving equation (7) for k , we obtain a DCF formula for estimating the cost of equity under the quarterly dividend assumption:

$$k = \left[\frac{d_0(1+g)^{\frac{1}{4}}}{P_0} + (1+g)^{\frac{1}{4}} \right]^4 - 1 \quad (8)$$

An Alternative Quarterly DCF Model

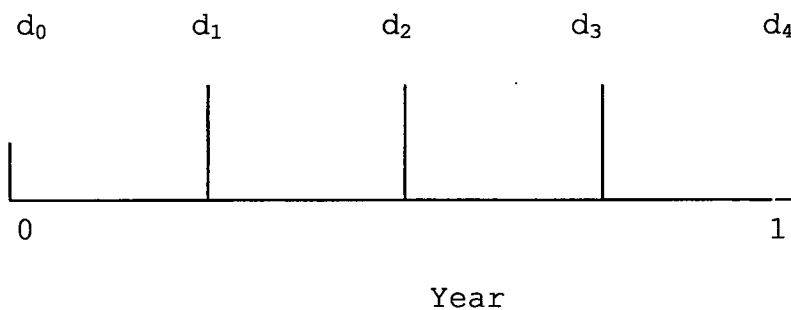
Although the constant growth Quarterly DCF Model [equation (8)] allows for the quarterly timing of dividend payments, it does require the assumption that the firm increases its dividend payments each quarter. Since this assumption is difficult for some analysts to accept, we now discuss a second Quarterly DCF Model that allows for constant quarterly dividend payments within each dividend year.

Assume then that the firm pays dividends quarterly and that each dividend payment is constant for four consecutive quarters. There are four cases to consider, with each case distinguished by varying assumptions about where we are evaluating the firm in relation to the time of its next dividend increase. (See Figure 3.)

Figure 3

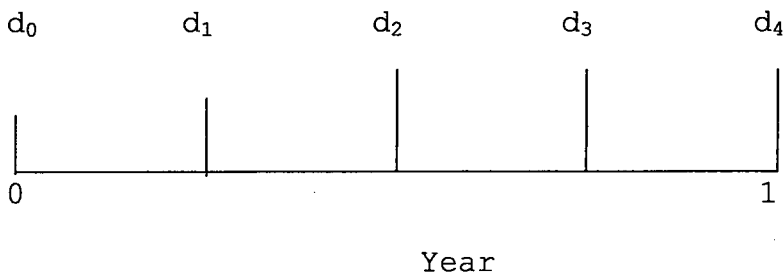
Quarterly DCF Model (Constant Dividend Version)

Case 1



$$d_1 = d_2 = d_3 = d_4 = d_0(1+g)$$

Case 2

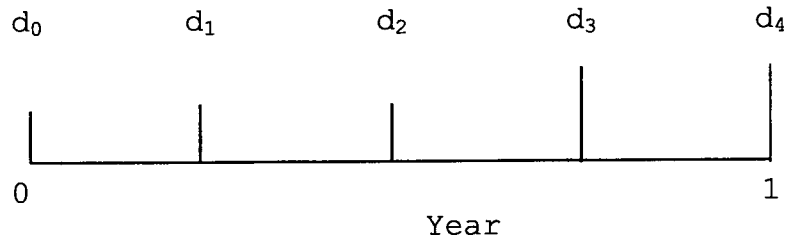


$$d_1 = d_0$$

$$d_2 = d_3 = d_4 = d_0(1+g)$$

Figure 3 (continued)

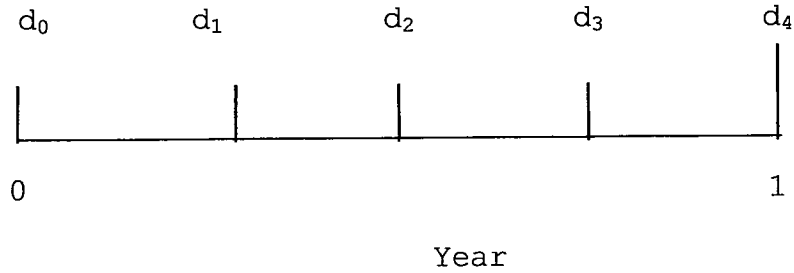
Case 3



$$d_1 = d_2 = d_0$$

$$d_3 = d_4 = d_0(1+g)$$

Case 4



$$d_1 = d_2 = d_3 = d_0$$

$$d_4 = d_0(1+g)$$

If we assume that the investor invests the quarterly dividend in an alternative investment of the same risk, then the amount accumulated by the end of the year will in all cases be given by

$$D_1^* = d_1 (1+k)^{3/4} + d_2 (1+k)^{1/2} + d_3 (1+k)^{1/4} + d_4$$

where d_1 , d_2 , d_3 and d_4 are the four quarterly dividends. Under these new assumptions, the firm's stock price may be expressed by an Annual DCF Model of the form (2), with the exception that

$$D_1^* = d_1 (1+k)^{3/4} + d_2 (1+k)^{1/2} + d_3 (1+k)^{1/4} + d_4 \quad (9)$$

is used in place of $D_0(1+g)$. But, we already know that the Annual DCF Model may be reduced to

$$P_0 = \frac{D_0(1+g)}{k-g}$$

Thus, under the assumptions of the second Quarterly DCF Model, the firm's cost of equity is given by

$$k = \frac{D_1^*}{P_0} + g \quad (10)$$

with D_1^* given by (9).

Although equation (10) looks like the Annual DCF Model, there

are at least two very important practical differences. First, since D_1^* is always greater than $D_0(1+g)$, the estimates of the cost of equity are always larger (and more accurate) in the Quarterly Model (10) than in the Annual Model. Second, since D_1^* depends on k through equation (9), the unknown "k" appears on both sides of (10), and an iterative procedure is required to solve for k .

COMPARATIVE RETURNS ON S&P 500 STOCKS
AND MOODY'S A-RATED UTILITY BONDS 1926-2005

Year	S&P 500 Stock Price	Stock Dividend Yield	Stock Return	A-rated Bond Price	Bond Return
2006	1,278.72	0.0183		75.25	
2005	1,181.41	0.0177	10.01%	74.91	5.80%
2004	1,132.52	0.0162	5.94%	70.87	11.34%
2003	895.84	0.0180	28.22%	62.26	20.27%
2002	1140.21	0.0138	-20.05%	57.44	15.35%
2001	1335.63	0.0116	-13.47%	56.40	8.93%
2000	1425.58	0.0118	-5.13%	52.60	14.82%
1999	1248.77	0.0130	15.46%	63.03	-10.20%
1998	963.35	0.0116	31.25%	62.43	7.38%
1997	766.22	0.0195	27.68%	56.62	17.32%
1996	614.42	0.0231	27.02%	60.91	-0.48%
1995	465.25	0.0287	34.93%	50.22	29.26%
1994	472.99	0.0269	1.05%	60.01	-9.65%
1993	435.23	0.0288	11.56%	53.13	20.48%
1992	416.08	0.0290	7.50%	49.56	15.27%
1991	325.49	0.0382	31.65%	44.84	19.44%
1990	339.97	0.0341	-0.85%	45.60	7.11%
1989	285.41	0.0364	22.76%	43.06	15.18%
1988	250.48	0.0366	17.61%	40.10	17.36%
1987	264.51	0.0317	-2.13%	48.92	-9.84%
1986	208.19	0.0390	30.95%	39.98	32.36%
1985	171.61	0.0451	25.83%	32.57	35.05%
1984	166.39	0.0427	7.41%	31.49	16.12%
1983	144.27	0.0479	20.12%	29.41	20.65%
1982	117.28	0.0595	28.96%	24.48	36.48%
1981	132.97	0.0480	-7.00%	29.37	-3.01%
1980	110.87	0.0541	25.34%	34.69	-3.81%
1979	99.71	0.0533	16.52%	43.91	-11.89%
1978	90.25	0.0532	15.80%	49.09	-2.40%
1977	103.80	0.0399	-9.06%	50.95	4.20%
1976	96.86	0.0380	10.96%	43.91	25.13%
1975	72.56	0.0507	38.56%	41.76	14.75%
1974	96.11	0.0364	-20.86%	52.54	-12.91%
1973	118.40	0.0269	-16.14%	58.51	-3.37%
1972	103.30	0.0296	17.58%	56.47	10.69%
1971	93.49	0.0332	13.81%	53.93	12.13%
1970	90.31	0.0356	7.08%	50.46	14.81%
1969	102.00	0.0306	-8.40%	62.43	-12.76%
1968	95.04	0.0313	10.45%	66.97	-0.81%
1967	84.45	0.0351	16.05%	78.69	-9.81%
1966	93.32	0.0302	-6.48%	86.57	-4.48%
1965	86.12	0.0299	11.35%	91.40	-0.91%
1964	76.45	0.0305	15.70%	92.01	3.68%
1963	65.06	0.0331	20.82%	93.56	2.61%
1962	69.07	0.0297	-2.84%	89.60	8.89%
1961	59.72	0.0328	18.94%	89.74	4.29%
1960	58.03	0.0327	6.18%	84.36	11.13%
1959	55.62	0.0324	7.57%	91.55	-3.49%

COMPARATIVE RETURNS ON S&P 500 STOCKS
AND MOODY'S A-RATED UTILITY BONDS 1926-2005

Year	S&P 500 Stock Price	Stock Dividend Yield	Stock Return	A-rated Bond Price	Bond Return
1958	41.12	0.0448	39.74%	101.22	-5.60%
1957	45.43	0.0431	-5.18%	100.70	4.49%
1956	44.15	0.0424	7.14%	113.00	-7.35%
1955	35.60	0.0438	28.40%	116.77	0.20%
1954	25.46	0.0569	45.52%	112.79	7.07%
1953	26.18	0.0545	2.70%	114.24	2.24%
1952	24.19	0.0582	14.05%	113.41	4.26%
1951	21.21	0.0634	20.39%	123.44	-4.89%
1950	16.88	0.0665	32.30%	125.08	1.89%
1949	15.36	0.0620	16.10%	119.82	7.72%
1948	14.83	0.0571	9.28%	118.50	4.49%
1947	15.21	0.0449	1.99%	126.02	-2.79%
1946	18.02	0.0356	-12.03%	126.74	2.59%
1945	13.49	0.0460	38.18%	119.82	9.11%
1944	11.85	0.0495	18.79%	119.82	3.34%
1943	10.09	0.0554	22.98%	118.50	4.49%
1942	8.93	0.0788	20.87%	117.63	4.14%
1941	10.55	0.0638	-8.98%	116.34	4.55%
1940	12.30	0.0458	-9.65%	112.39	7.08%
1939	12.50	0.0349	1.89%	105.75	10.05%
1938	11.31	0.0784	18.36%	99.83	9.94%
1937	17.59	0.0434	-31.36%	103.18	0.63%
1936	13.76	0.0327	31.10%	96.46	11.12%
1935	9.26	0.0424	52.84%	82.23	22.17%
1934	10.54	0.0336	-8.78%	66.78	29.13%
1933	7.09	0.0542	54.08%	79.55	-11.03%
1932	8.30	0.0822	-6.36%	70.67	18.23%
1931	15.98	0.0550	-42.56%	84.49	-11.63%
1930	21.71	0.0438	-22.01%	81.19	8.99%
1929	24.86	0.0336	-9.31%	83.95	1.48%
1928	17.53	0.0431	46.12%	86.71	1.43%
1927	13.40	0.0502	35.84%	83.28	8.92%
1926	12.65	0.0446	10.39%	80.81	8.01%

Average Return

Common Stocks	11.7%
A-rated Utility Bonds	6.7%
RISK PREMIUM ¹	5.1%

Note: See Page 3 for an explanation of how stock and bond returns are derived and the source of the data presented.

¹Apparent discrepancy due to rounding.

Risk Premium Approach

Source of Data

Stock price and yield information is obtained from Standard & Poor's *Security Index Price Record*. Standard & Poor's derives the stock dividend yield by dividing the aggregate cash dividends (based on the latest known annual rate) by the aggregate market value of the stocks in the group. The bond price information is obtained by calculating the present value of a bond due in 30 years with a \$4.00 coupon and a yield to maturity of a particular year's indicated Moody's A-rated Utility bond yield. The values shown on pages 1 and 2 are the January values of the respective indices.

Calculation of Stock and Bond Returns

Sample calculation of "Stock Return" column:

$$\text{Stock Return (2005)} = \left[\frac{\text{Stock Price (2006)} - \text{Stock Price (2005)} + \text{Dividend (2005)}}{\text{Stock Price (2005)}} \right]$$

where Dividend (2005) = Stock Price (2005) x Stock Div. Yield (2005).

Sample calculation of "Bond Return" column:

$$\text{Bond Return (2005)} = \left[\frac{\text{Bond Price (2006)} - \text{Bond Price (2005)} + \text{Interest (2005)}}{\text{Bond Price (2005)}} \right]$$

where Interest = \$4.00.

**PREFILED TESTIMONY
OF
DAVID APPEL**

**2006 HOMEOWNERS INSURANCE RATE FILING
BY THE NORTH CAROLINA RATE BUREAU**

I. QUALIFICATIONS AND SUMMARY

Q. Please state your name and present business address.

A. My name is David Appel, and my business address is 1 Pennsylvania Plaza, New York, NY.

Q. What is your occupation?

A. I am Director of Economics Consulting and a Principal with the firm of Milliman - USA.

Q. What is Milliman - USA?

A. Milliman - USA (formerly Milliman & Robertson) is one of the nation's largest independently owned firms of actuaries and consultants. The company operates offices in 30 cities in the U.S., and, through our international network, Milliman Global, is affiliated with similar firms in more than 20 countries worldwide. Our U.S. employees number over 1,800 and our clients number in the thousands. They include insurers, self-insured entities, Federal and State Governments, private corporations, non-profit organizations, unions, and many others. I am a Principal with the firm, and I am in charge of its Economics Consulting practice.

Q. Please describe your educational and employment history.

A. A complete statement of my educational, employment and academic credentials is included as Exhibit RB-13 filed with this testimony.

To summarize, I have a B.A. in economics from Brooklyn College, City University of New York, and M.A. and Ph.D. degrees in economics from Rutgers University. Prior to 1980, I was an instructor in economics at Rutgers University. For the following nine years, I was employed by the National Council on Compensation Insurance (NCCI), the nation's largest workers compensation insurance statistical, research and ratemaking organization. I joined NCCI as Research Economist in 1980, and ultimately became Vice President for Research in 1985. In 1989, I joined Milliman, where I founded the economics consulting practice for the firm.

Q. Would you please describe some of your other professional activities?

A. Yes. Throughout my professional career, I have participated in a variety of academic and business activities related to insurance. I have been a member of the Board of Directors of the American Risk and Insurance Association, the leading learned society of insurance academics. I am currently a member of the editorial board of the Journal of Insurance Regulation (the official research publication of the National Association of Insurance Commissioners), as well as the journal Benefits Quarterly. I act as a peer referee for a number of scholarly journals in economics and insurance, and I maintain an active program of research and publication on issues of current interest in insurance economics. In addition, I was, for twelve years, an Adjunct Professor of Economics at Rutgers University.

Q. Have you ever published any papers or books?

A. Yes. In the last ten years I have authored many papers on various aspects of insurance that have been published in refereed books or scholarly journals. In addition, I have published a large number of papers in non-refereed journals as well. I have also co-edited three volumes of research papers dealing with various aspects of workers compensation and property-casualty insurance. My refereed publications are listed in Exhibit RB-13 filed with this testimony.

Q. Are you a member of any professional associations?

A. Yes. I am a member of the American Risk and Insurance Association, the leading association of insurance academicians. I am also an elected fellow of the National Academy of Social Insurance, a member of the panel of neutrals of the American Arbitration Association, and a certified arbitrator and umpire of ARIAS, the world's leading insurance and reinsurance arbitration society.

Q. Have you ever testified in insurance rate regulatory proceedings?

A. Yes. I have testified on many occasions in such proceedings, including several occasions in North Carolina in the past several years. A complete list is contained in Exhibit RB-13 filed with this testimony.

Q. What was the general nature of your testimony in these cases?

A. I have addressed a wide variety of insurance issues during public testimony, including such diverse topics as the impact of economic and demographic factors on insurance costs, the effects of regulation on insurance availability, the use of econometric and statistical models in insurance forecasting, and the use of modern financial theory in developing insurance prices. In North Carolina, my testimony in recent years has focused primarily on matters relating to the cost of capital and the expected returns attributable to insurance operations. In

addition, in property filings, my testimony has addressed issues relating to risk, the net cost of reinsurance, and the required return for bearing catastrophe insurance exposure.

Q. Have you been retained by the North Carolina Rate Bureau as a consultant with respect to the subject of profitability in this rate case?

A. Yes. I have considered the following specific matters in connection with this case:

1. Dr. Vander Weide's estimation of the cost of capital.
2. Whether other factors – notably interest rate sensitivity and the small firm size typical of homeowners insurers in North Carolina – create additional sources of risk which affect insurers' cost of capital.
3. How the expected costs of catastrophe reinsurance should be incorporated into the homeowners insurance rates filed by the Rate Bureau and how those costs should be apportioned to regions within the state proportional to the regional risk of the homeowners insurance.
4. How the profits associated with underwriting homeowners insurance in North Carolina should be apportioned to regions within the state proportional to the regional risk of that insurance.
5. The returns insurers would expect to earn from underwriting homeowners insurance in North Carolina, given that the filed underwriting profit provision is realized.

I have performed various studies and analyses on these matters.

Q. Have you reached any conclusions in regard to these matters?

A. Yes. I will summarize them in bullet form here, and then discuss them each more fully later in the testimony.

1. I have reviewed Dr. Vander Weide's cost of capital estimates, which rely on the two most widely recognized models used for this purpose, and find them to be reasonable. However, Dr. Vander Weide's estimates are based on the implicit assumption that insurers present investors with roughly average risk, relative to all possible investment activities. I believe that investors in the property-casualty insurance industry are subject to an above average degree of risk, and therefore I think it would be prudent to view Dr. Vander Weide's estimates as a conservative estimate of the return to which insurers are entitled.
2. I have considered the impact of two other factors on the risk and required return for insurers – interest rate sensitivity and firm size. As regards interest rate sensitivity, because of the high degree of financial leverage and the substantial share of medium and long term bonds in insurer asset portfolios, insurers are particularly subject to interest rate risk that cannot be diversified away. Based on my previous analyses, I

have found that investors must be compensated for this risk in the form of an additional risk premium above that required for the average security. As regards firm size, I have on many occasions studied the size distribution of insurers in North Carolina and found that the firms providing insurance coverage in the state tend to be smaller than those used in Dr. Vander Weide's cost of capital analysis. Since there is conclusive evidence that, over the long run, smaller firms have earned higher returns, this finding must be considered evidence that investors expect higher returns from small firms.

These analyses provide support for my opinion that Dr. Vander Weide's cost of capital estimates should be viewed as a conservative estimate of the return to which insurers are entitled.

3. I have considered the differential risk associated with underwriting homeowners insurance in different regions within North Carolina, and have concluded that the risk due to catastrophe exposure is substantially greater in and around the coastal regions of the state. I have also considered the high cost of catastrophe reinsurance that is regularly purchased by property casualty insurance companies writing homeowners insurance, and have concluded that a provision must be included in the rates to cover the cost of a typical catastrophe reinsurance program. Furthermore, I believe that it is appropriate to apportion this provision across regions of the state, proportional to the relative risk by region.
4. Even after the benefits of reinsurance are taken into account, the residual risk of writing homeowners insurance in North Carolina may still differ across regions within the state. As a consequence, I believe that it is appropriate to allocate the statewide profit built into homeowners rates across regions, proportional to the relative risk by region after consideration of reinsurance.
5. In order to test the underwriting profit provision selected and filed by the Rate Bureau, I have estimated the operating return insurers would expect to earn from North Carolina homeowners coverage assuming the filed underwriting profit provision is fully earned, and assuming all of the other assumptions embedded in the rate calculations actually materialize. I am aware that North Carolina law provides that insurers are entitled to expect to earn a return equal to the returns of industries of comparable risk, and that in calculating that expected return, investment income from capital and surplus funds is not to be considered. I refer to that operating return as the statutory return. However, as is evident from the attached exhibits, I have estimated insurer pro forma returns both including and excluding expected investment income from capital and surplus. (I refer to the return including investment income on surplus as the total return.) I have done this to demonstrate that if the filed underwriting profits are actually realized, and even if investment income on surplus is considered, insurer returns will not be excessive. Obviously, if returns are not excessive including investment income from capital and surplus, they will be non-excessive excluding such income.

Based on my calculations, the selected underwriting profit provision generates a statutory return on net worth of 7.0% for the homeowners line of business in North Carolina. In addition, the total return on net worth (i.e., including investment income

on surplus) is 11.6%. Since these returns, even those that include investment income on surplus funds, are near the lower bound of Dr. Vander Weide's range for the fair rate of return, I conclude that the underwriting profit provisions are clearly not excessive.

II. COST OF CAPITAL REVIEW

Q. You said your first assignment was to review Dr. Vander Weide's estimate of the cost of capital. Are you familiar with Dr. Vander Weide's approach to estimating the cost of capital in insurance rate cases?

A. Yes. I am aware of the methodology upon which Dr. Vander Weide relies to estimate the cost of capital and have reviewed it on a number of occasions in the course of previous rate cases in North Carolina. Dr. Vander Weide has used the most widely recognized and accepted models for this purpose, namely the Discounted Cash Flow (DCF) model and the risk premium method. These models, when taken together and properly applied to a reasonably selected data set, provide acceptable estimates of the cost of capital for regulated insurers.

Q. What has Dr. Vander Weide concluded with respect to the fair rate of return in this case?

A. Dr. Vander Weide has concluded that the fair rate of return for insurers is in the range of 11.0% - 13.6% on net worth as determined under generally accepted accounting principles (GAAP).

Q. In your opinion, is this an appropriate estimate of the required rate of return?

A. Yes, however as I indicated a moment ago, I believe that Dr. Vander Weide may have been conservative in his calculation of the required rate of return. Dr. Vander Weide has assumed that the property-casualty industry presents investors with average risk. However, based on my studies, I conclude the following:

1. There is evidence that the property casualty industry is considerably above average with respect to the volatility of the returns that it provides to investors. This higher volatility of returns makes the property-casualty industry an investment of above average risk.
2. Since investors require higher returns from smaller firms, and since the firms in Dr. Vander Weide's cost of capital analysis are significantly larger than the average property-casualty insurer in North Carolina, his approach tends to underestimate the true cost of capital for North Carolina homeowners insurers.

III. INTEREST RATE RISK, INSURER SIZE AND THE COST OF CAPITAL

Q. Please turn to the impact of interest rate sensitivity on insurers' risk and required return and describe your analysis.

A. I considered whether there was any reason to believe that the interest rate sensitivity of insurers' asset portfolios contributed to insurer risk. To address this question, I considered both the theoretical and empirical dimensions of the issue. Based on these analyses, I have concluded that the high degree of financial leverage and large share of intermediate and long term bonds in insurer asset portfolios combine to create a significant exposure to interest rate changes. This high degree of interest rate risk causes property-casualty stock returns to have a high degree of volatility, which requires additional compensation above that demanded for the average security.

Q. Why are investors concerned with the volatility of returns to investments in the stocks of property-casualty insurance companies?

A. One of the fundamental principles of financial economics is that investors are generally risk averse -- that is, all else equal, they would prefer stable (rather than volatile) streams of cash returns to their investments. For example, given a choice between receiving a certain \$1,000 per year on an investment of \$10,000, or an equally likely possibility of \$0 or \$2000, most investors would prefer to take the fixed \$1000 per year. Because of this aversion to risk, investors tend to hold diversified investment portfolios, as such portfolios enable the investor to reduce the variability in returns.

Q. Have regulatory authorities recognized the role of risk in determining the fair rate of return for regulated business?

A. Yes. The concept of risk and its relationship to required return is central to the two seminal judicial decisions regarding the fair rate of return for regulated businesses. These decisions were rendered in two cases before the U.S. Supreme Court - Bluefield Waterworks and Hope Natural Gas. In Bluefield, the Court stated:

A public utility is entitled to such rates as will permit it to earn a return on the value of the property which it employs for the convenience of the public equal to that generally being made at the same time and in the same part of the country on investments in other business undertakings which are attended by corresponding risks and uncertainties....

Bluefield Waterworks & Improvement Company v. Public Service Commission of West Virginia, 262 U.S. 679, 692-693 (1923).

In Hope, the Court stated:

From the investor or company point of view, it is important that there be enough revenue not only for operating expenses, but also for the capital costs of the business. These include service on the debt and dividends on the stock. By that standard the return to the equity

owner should be commensurate with the returns on investments in other enterprises having corresponding risks. That return, moreover, should be sufficient to assure confidence in the financial integrity of the enterprise, so as to maintain its credit and to attract capital.

Federal Power Commission v. Hope Natural Gas Co., 320 U.S. 591, 603 (1944).

These decisions indicate a clear recognition of the relationship between risk and required return. Moreover, they emphasize the importance of providing returns which will attract investors. Since investment funds are acquired in capital markets, this leads us to a consideration of the risk and required returns for property-casualty insurance industry stocks.

Q. What is your opinion regarding the riskiness of property-casualty insurance stocks?

A. The property-casualty insurance industry is often viewed as being of average risk, based on estimates of its market risk. However, I have found that property-casualty insurance stocks are subject to a high degree of interest rate risk in addition to market risk. It is this combination of market and interest rate risk that makes insurance stocks riskier than average.

Q. Can you please explain what you mean by market risk?

A. Yes. As I mentioned earlier, investors prefer stability rather than volatility in their investment returns. While virtually all securities have a certain degree of volatility in their expected returns, part of the risk that is associated with that volatility can be eliminated through the process of diversification. The portion of risk that can be eliminated by diversification is termed diversifiable risk.

Market risk is the risk associated with movements in the overall stock market. It is not possible to eliminate this sort of risk by holding a diversified portfolio of stocks, because there are certain economic events which influence the returns on all stocks simultaneously. These are system-wide events that make the stock market move as a whole.

In general, risk that is not diversifiable is known as systematic risk. Systematic risk stems from events that take place on an economy-wide basis. Investors can only diversify away risks that have offsetting factors somewhere else in the economy. For instance, if one company has a bad year due to reasons specific to it alone, it is highly likely that another company will have a good year which will offset the bad performance. That sort of risk is diversifiable. However, events that take place economy-wide without offsetting factors are not diversifiable.

Q. How is market risk measured?

A. A value that is frequently applied for the purpose of measuring market risk is known as beta. Beta measures the sensitivity of an individual security's return (or price) to changes in the returns (or price) of a broad market index. For example, if a security has a beta of 1.5, then a 10% excess return in the stock market as a whole would imply an expected 15% excess

return on that specific security, where excess return is defined as the excess of the security's return over the rate of interest on U.S. Treasury Bills. Such a security would be viewed as having above average market risk because it is more sensitive to the factors that cause fluctuations in the overall stock market.

According to the theory that justifies the use of beta (the Capital Asset Pricing Model), securities with betas equal to one are deemed of average risk, while those with betas greater (less) than one are deemed to be of greater (less) than average risk. Since the value of beta for the property-casualty insurance stocks followed by Value Line is approximately one, this has often led to the conclusion that the property-casualty insurance industry has average risk. However, empirical research has cast considerable doubt on the ability of beta to quantify adequately the risks to which investors are exposed. This has led researchers to consider other factors, such as interest rate risk, in explaining the required returns to investors, particularly when considering the stocks of financial institutions such as insurers.

Q. You have made reference to the term interest rate risk. Can you please define this term?

A. Yes. Interest rate risk refers to the risk that the value of fixed income investments will fluctuate with changes in interest rates. Suppose an investor buys a long term bond for \$10,000 that yields a return of 10% per year, but then interest rates go up to 11% one year later. That specific investor will be unable to earn 11%, because of the previous investment in the lower yielding bond. If the bond is sold at that time, he or she will suffer a loss in value - a capital loss - because other investors must be compensated for purchasing a bond that yields less than current market rates. Consequently, the value of a bond goes down when interest rates go up.

Q. Does this mean that investments in bonds are riskier than investments in equities?

A. No, it just means that there is also risk associated with holding bonds, particularly those with a relatively long term to maturity. Investments in equities are still considerably riskier than investments in long term bonds, as evidenced by the fact that returns to large company stocks have had a much higher mean and standard deviation than returns on long term government bonds over the past 75 year period.

Q. Does interest rate risk affect investments in property-casualty insurance stocks?

A. Yes. Property-casualty insurance companies invest large amounts of funds in bonds issued by both corporations and governmental bodies. (In fact, according to Best's Aggregates and Averages, in 2005 these companies had more than 1.8 times their statutory surplus invested in bonds alone.) The risk that investors face is that when interest rates change, the values of the bonds also change, and hence their investments in property-casualty stocks are subject to interest rate risk. This fact is widely recognized by the financial community.

Since investors cannot diversify away interest rate risk, only the prospect of higher returns will induce them to purchase interest-sensitive stocks. That is, investors must be

compensated for purchasing interest-sensitive stocks because they are increasing their exposure to interest rate risk.

Q. Why is interest rate risk different from market risk?

A. Interest rate risk is a separate source of volatility for insurance stocks. Interest rates often change as a result of changes in expectations of future inflation. These changes primarily affect firms that hold what are called nominal assets and liabilities. Nominal assets and liabilities have cash flows that are fixed in nominal terms (for example, accounts receivable, most contracts, and bonds) and are thus subject to erosion in value due to inflation. On the other hand, the cash flows associated with manufacturing and service operations tend to fluctuate with the price level. Since most non-financial firms hold relatively few nominal assets and liabilities, their stocks are not particularly sensitive to changes in interest rates that are due to changes in expected inflation. Therefore interest rate risk adds additional risk to insurance stocks, above and beyond market risk, that is not diversifiable.

Changes in interest rates that are not associated with changes in expected inflation will affect all stocks. This accounts for the moderate degree of correlation between changes in long term interest rates and returns to common stocks. However, the fact that most stocks are not very sensitive to changes in interest rates that are due to changes in expected inflation means that interest rate risk is not fully captured in measures of market risk.

Q. Is it possible to measure interest rate risk?

A. Yes, and I have conducted a number of studies designed specifically to address this issue during the past several years. For purposes of this testimony, I will refer to the most recent of these studies, which was conducted early in 1999.

Q. Did you update this study for your testimony in this case?

A. No, I did not. I originally performed this analysis in 1995, and subsequently updated it in 1997 and 1999. Although the details of the empirical results were not identical in each case, they differed only very slightly from year to year, and were sufficiently similar that I felt it was unnecessary to update it for this testimony. In my opinion, the results from the 1999 study are perfectly acceptable for the purpose to which they are put in this testimony.

Q. Is a more detailed discussion of these studies available in your testimony in other cases in North Carolina?

A. Yes. In the testimony I submitted with the 2003 auto rate filing, there is a complete discussion of this research and its conclusions.

Q. Can you please briefly summarize the principal conclusions of your work in this area?

A. Yes. Since insurer assets on average have a substantially longer financial duration than insurance liabilities, when interest rates change, the value of insurer equity is subject to potentially wide fluctuation. While the market risk for insurers as measured by beta is roughly average, the degree of interest rate risk to which the industry is exposed is considerably higher than average. Since this risk cannot be entirely diversified away, the overall risk associated with an investment in property/casualty insurance is greater than average. As a consequence, insurers are entitled to a rate of return above that allowed for the average risk investment in the U.S. economy.

Q. Have you also conducted an empirical study of the risks of investing in the property-casualty insurance industry?

A. Yes. I calculated the mean and standard deviation of the returns to investing in the property-casualty insurance industry, and compared them to the same statistics for investments in a portfolio of average risk common stocks (i.e., the S&P 500). In order to do this, I gathered data on prices, dividends, and number of shares outstanding from the December 31, 1998 edition of Compustat Research Insight. This data source contains up to 20 years of historical information on 141 property-casualty insurance stocks; to my knowledge, this is one the largest collections of data on property-casualty insurance companies that has ever been assembled for this purpose. My studies show that the standard deviation of returns to investors in property-casualty insurance stocks was greater than the standard deviation of returns on the S&P 500 while the mean return was higher over the entire period from 1980 to 1998.

These data indicate that insurance stocks are more volatile, and hence riskier, than the average security in the economy. In addition, the higher than average returns for these securities indicate that investors have been compensated for this additional risk.

Q. Why are returns to investing in property-casualty insurance stocks more volatile than investing in the stocks that make up the Standard & Poor's 500?

A. I believe that there are three main reasons for this.

First, the high degree of financial leverage and mismatched durations of assets and liabilities contributes to the volatility of returns to investors in insurance stocks.

Second, the insurance industry is in the business of bearing risk. Individuals and corporations transfer to property-casualty insurers potential liability for a wide range of possible adverse events, ranging from property damage to professional liability. In light of the unforeseen events that can occur, and, in the recent past, actually have occurred, investors in property-casualty insurance stocks are subject to considerable risk.

Finally, insurance is in the unique position of being a highly competitive industry that is also subject to a high degree of regulation. This combination of regulation and competition creates an environment in which insurers are subject not only to the demands of the market but also to the pressures of the political process. There is substantial evidence that regulation

can increase risk for a regulated enterprise, and when that is combined with an aggressively competitive industrial structure, risk is increased.

Q. You said that the combination of regulation and competition increased risk for insurers. Can you describe what you mean?

A. Yes. Traditionally, direct price and rate of return regulation has been imposed on industries known as "public utilities," such as generation and transmission of electric power, distribution of natural gas, provision of local water and sewer service and the like. Because of the nature of the production process, these industries are characterized as "natural monopolies," meaning that it is most efficient for a single producer to provide the service in question. In such circumstances, the state normally grants a monopoly to a single provider and then regulates that firm directly to prevent abuse of monopoly power.

Property-casualty insurance differs dramatically from this model. Rather than a single firm providing service, there are in most states literally hundreds of firms competing in the market, none of which typically have significant market power. (For example, in North Carolina there are more than 80 insurer groups writing homeowners insurance in the state.) These firms compete aggressively to increase market share and attract the best insureds by offering a variety of price and quality combinations that are best tailored to their business objectives. This vigorous competition provides discipline in the marketplace, and, when combined with direct rate of return regulation, the risk for insurers is increased.

I should note that in the past a number of competitively structured industries (such as airlines, trucking, and telecommunications) were subject to regulation, but in recent years there has been a movement to deregulate these activities. This is due in part to the widespread agreement that competition itself is an adequate regulator.

Q. You also said that you considered whether the size distribution of North Carolina insurers should impact the cost of capital in this case. Can you please describe this issue briefly and discuss its implications for this case?

A. Yes. It is a well established fact of empirical finance that small stocks tend to outperform large stocks. Ibbotson Associates, for instance, reports that firms in the tenth decile of stocks listed on the principal U.S. stock exchanges have outperformed the market as a whole by approximately 6.4 percentage points over the period 1926 to 2005, even after accounting for the fact that these firms have above average betas. Therefore an adjustment should be made to the cost of capital to the extent that the property-casualty insurance industry is composed of small stocks.

Q. Have you conducted any studies with respect to the significance of the small stock effect?

A. Yes. As with interest rate risk, I have conducted a number of studies of this issue in previous years, and in each instance I have found that (1) investors have earned higher returns from small stocks than from large stocks, and (2) the insurers in Dr. Vander Weide's cost of capital analysis are among the largest companies in the U.S. economy. The insurers in Dr. Vander

Weide's analysis are larger, on average, than the companies in the property-casualty insurance industry, and they are larger, on average, than the companies writing homeowners insurance in North Carolina.

These facts suggest that the cost of capital for insurers writing homeowners insurance in North Carolina should be higher than for those firms contained in Dr. Vander Weide's cost of capital analysis. This reaffirms my conclusion that the cost of capital that Dr. Vander Weide has presented is conservative.

Q. Without describing in detail the studies you have undertaken in the past, what are your conclusions from the evidence you have reviewed on firm size and investors' required returns?

A. There are two principal findings from my analysis of firm size, rates of return, and cost of capital:

1. There is conclusive evidence that, over the long run, smaller firms have earned higher returns, and this finding must be considered evidence that investors expect higher returns from small firms.
2. The firms in Dr. Vander Weide's cost of capital analysis are among the larger firms in the U.S. economy, and they are significantly larger than the average property-casualty insurer, both nationally and in the North Carolina homeowners insurance market.

In summary, the estimates from Dr. Vander Weide's cost of capital analysis should be viewed as a lower-bound estimate for property-casualty insurers writing North Carolina homeowners insurance.

Q. Can you please summarize your testimony on the cost of capital of the property-casualty insurance industry?

A. Yes. Professor Vander Weide has assumed that the property-casualty insurance industry presents investors with risks comparable to the average investment in equities. My analysis has shown that property-casualty insurance stocks are subject to additional volatility due to interest rate sensitivity, and are relatively small when compared with the broad cross section of publicly traded firms in the U.S. economy. Since these additional risks require compensation in the form of a higher return, I conclude that Professor Vander Weide has been conservative in his calculation of the required rate of return on property-casualty insurance investments.

IV. NET COST OF REINSURANCE & REGIONAL ALLOCATION OF STATEWIDE PROFIT

Q. In your summary, you said you considered how the net cost of reinsurance should be included in homeowners rates in North Carolina, and how the profit in the rates should be allocated proportional to risk. Can you please discuss your evaluation of these issues?

A. Yes. I will briefly outline the problem and then discuss each of the issues separately.

To begin with, homeowners is one of the insurance coverages that is subject to the potential for catastrophic loss. In such lines (earthquake, homeowners, and other property coverages), individual catastrophic events can result in enormous losses, far in excess of what the typical insurer could bear. Thus, for these coverages, insurers routinely purchase reinsurance to manage their exposure to extreme events.

Second, the exposure to catastrophic loss varies substantially by geographic region within North Carolina. It is well known that the coastal counties in the state have a substantially higher probability of hurricane loss than do the interior regions to the west. Since the need for reinsurance is a function of the degree of catastrophe exposure, the cost of reinsurance should reflect such regional differences as exist within the state. Accordingly, in considering the cost of reinsurance in primary rates, I allocate the statewide cost across regions, proportional to risk.

Finally, even after the consideration of reinsurance, substantial differences in risk across regions remain. Therefore, given that the underwriting profit in the rates is intended to compensate the insurer for risk, that profit should also be spread regionally proportional to the risk that remains after the benefits of reinsurance are considered. Similar to the cost of reinsurance, I also allocate the profit in the statewide rates across regions, proportional to the residual risk that remains after the benefits of reinsurance.

Q. As background for your discussion of the cost of reinsurance, can you please explain the difference between direct and net ratemaking?

A. Yes. Typically a primary insurer sells policies to the public, and earns "direct premiums" in exchange for bearing the risk of future losses and expenses. The primary insurer, however, may "reinsure" some its exposure by ceding a portion of the direct premium in exchange for the commitment by the reinsurer to bear a specified portion of future losses and expenses. When an analysis is done including the consideration of reinsurance, it is termed a "net" analysis.

The direct approach to ratemaking depends on calculating a premium that covers the costs of direct losses and expenses and provides a fair rate of return on the capital used to support the insurance transaction. Because everything is done on a direct basis, reinsurance costs are not explicitly considered.¹ However, when the fair rate of return and the amount of capital at risk are determined, these values are based on actual market data. The actual amount of capital insurers hold, and the return required on that capital base, both reflect the effects of reinsurance; if reinsurance were unavailable, primary insurers would have to hold substantially more capital and would be viewed as riskier than they currently are.

¹ Such an approach is arguably reasonable when the underlying losses for the insurance coverage under consideration do not contain the risk of extreme catastrophic events.

The direct ratemaking procedure implicitly considers reinsurance costs, in the sense that it includes an allowance for all losses (both primary and reinsured) and a provision for expenses and profit based on those total losses. However, the manner in which the profit is determined effectively assumes that the reinsured loss layer has the same capitalization and requires the same rate of return as the primary layer, an assumption which is demonstrably untrue. Even if the fair rate of return for reinsurance is no higher than average, we know that reinsurers have significantly higher amounts of surplus relative to premium than primary insurers, particularly for reinsurers that underwrite catastrophe coverage. To the extent that the ratemaking procedure includes only the average return on average capital, it understates the actual cost of insurance.

Q. Is this a problem in ratemaking in lines where reinsurance is prevalent?

A. Yes. So long as markets require reinsurers to carry more capital per unit of exposure than primary insurers, the traditional ratemaking procedure will not properly provide for the true cost of reinsurance. In fact, direct ratemaking provides a rate that is biased downward, because it assumes that the reinsured layer has the same capital costs as the primary layer of coverage. While this bias may be small for certain lines of business, it is large for homeowners insurance in North Carolina, because of the significant catastrophe potential in the state and the large portion of expected homeowners losses that are attributable to hurricanes.

Q. Did you perform any analysis to address this issue?

A. Yes. To address this issue and provide for a rate that will cover all the costs of the insurance transaction (as is required by basic economic and actuarial principles), I employed a procedure to include the "net cost of reinsurance" as an expense in the direct homeowners rates in North Carolina. By net cost of reinsurance, I mean the expense and profit components of the reinsurance rate, since the reinsured loss costs are already included in the losses underlying the direct premium. This procedure is the same as that employed in other states, where insurers make rates using direct losses and expenses, but then add in a provision which covers the cost to the primary insurer of the reinsurer's profit and expense.²

Q. Please describe your analysis.

A. To implement this procedure, I adopted the standard ratemaking assumption used in North Carolina – i.e., that there is a single aggregate company that is the composite of all carriers in the state. I then assumed that company was subject to a catastrophe reinsurance program typical of homeowners insurers in North Carolina, with provisions as follows:

An attachment point equal to twice the annual average hurricane loss. (The attachment point is the loss level at which the reinsurer begins to share in the loss.)

² In Florida and New York, insurers include the net cost of reinsurance for the hurricane peril in property insurance rates. In California, the same is true for the reinsurance costs associated with the earthquake peril.

A limit equal to the one in a hundred year event (the 99th percentile of the statewide aggregate loss distribution from AIR). (The limit is the maximum loss amount upon which the reinsurer will share the costs under the contract.)

A 10% quota share retention in the reinsured layer. (Quota share refers to a provision where the primary insurers share a specified percentage of the reinsured loss).

Given that the expected annual hurricane loss in North Carolina is approximately \$272 million, and the 99th percentile of the hurricane loss distribution (i.e., the one in a hundred year event) is approximately \$4.71 billion, this program implies that the reinsurer will bear 90% of all losses in excess of \$544 million, with a maximum payment of approximately \$3.74 billion (i.e., 90% of \$4.71 billion – \$544 million).

These provisions were based on a review of publicly available information on the reinsurance programs of a number of the largest writers in North Carolina, and discussions with actuaries, risk managers and reinsurance brokers familiar with these types of exposures. However, I should note that these provisions were developed several years ago, and I believe they are relatively conservative in today's environment. That is, in light of recent catastrophe experience, it is my observation that primary insurers will be seeking greater reinsurance protection in the future than may have been typical prior to the last several years. (For example, insurers may elect lower attachment points, higher limits and/or a smaller quota share in the reinsured layers.) If this were the case, the amount of reinsured losses would increase relative to losses retained, and the ultimate cost of providing homeowners coverage in the state would increase.

Q. Can you please describe how you used these provisions to develop the net cost of reinsurance used in the filing?

A. Yes. Given the program described above and the AIR statewide aggregate loss distributions, I determined the amount of losses that would be subject to reinsurance coverage as a share of the total hurricane losses in the state. Based on the estimated reinsured losses, I then developed an estimated "competitive market" reinsurance premium, following a series of steps that are described below. Before describing the individual steps in that process, however, I should note two considerations in connection with the use of the AIR model in this filing.

First, in developing the hurricane loss estimates for use in this filing, AIR ran two separate models, one based on 100,000 iterations of its proprietary model using the full 105 year history of hurricane activity as the basis for projected hurricane activity, and the other based on 10,000 iterations of the model using an alternative event file. This alternative event file, which is called the "near term catalog", reflects the higher frequency and severity of hurricanes that are expected to occur in the near future.

When calculating the base rates for this filing, the NCRB relied upon the AIR model using the full 105 year storm set to estimate the level of hurricane losses to be included in the rates. However, I am aware that reinsurers are currently relying on models, such as the near term catalog, that use substantially higher hurricane frequencies and/or severities to estimate expected losses for property exposures. This reflects the widespread recognition that we are in a phase of increasing activity in the hurricane cycle. Since it is appropriate to rely on the

models actually used in the reinsurance market in setting the price of reinsurance, and later, in allocating that cost to zone, I relied on the AIR model loss estimates using the near term catalog.

Second, I also note that in projecting losses using either model, AIR's estimates reflect the phenomenon of "demand surge." Demand surge refers to the fact that, subsequent to the occurrence of a large natural catastrophe, the prices of labor and materials required to repair or replace damaged property tend to increase, because of the surge in demand for such resources. This is exactly what one would expect given the underlying dynamics of supply and demand; with resources (particularly labor) that are relatively fixed in supply in the short run, a rapid increase in demand is expected to increase prices. This phenomenon has been observed following natural disasters such as Hurricane Andrew, the Northridge earthquake, and the recent Gulf Coast hurricanes. In estimating the damages attributable to catastrophic events, it is appropriate to include all factors that affect the level of expected losses, including, of course, factors that affect the price of the resources required to respond to those events.

Given the reinsurers' estimated hurricane losses, I then calculated the competitive market price of reinsurance as follows:

I loaded the reinsured loss for LAE, using the Incurred Loss/Incurred LAE ratio from the filing.

I assumed that the reinsurer incurred fixed expenses equal to 10% of losses plus LAE.

I assumed the reinsurer set an underwriting profit provision that would yield a return on net worth, after consideration of all investment income, of 13.0%. I determined the reinsurer's net worth such that the reinsurer premium to surplus ratio would be .26, the most recent ratio available for professional reinsurers from Best's Aggregates and Averages.

I believe these assumptions are, in general, quite conservative. Reinsurer expenses exceed the 10% value assumed in the calculations: 10% is an estimate of the overhead costs associated with reinsurance operation, but includes no consideration of acquisition costs. In addition, the reinsurer premium to surplus ratio reflects the capitalization supporting all forms of reinsurance sold by the companies in the "professional reinsurer" segment compiled by A.M Best. However, the amount of surplus required to support catastrophe exposures is greater than that required to support the average reinsurance exposure, hence the premium to surplus ratio that is applicable to catastrophe exposures should be lower than average. If the expense provision was higher, or the premium to surplus ratio was lower, the reinsurer expense and profit load would be higher, leading to a higher estimated rate level.

Having determined the reinsurance premium that a competitive reinsurance market would produce under the assumptions described above, I then subtracted expected losses and LAE from the premium to leave the net cost of reinsurance. This latter amount was then divided by projected direct written premium to determine the expected net cost of reinsurance as a percent of direct premium, which turned out to be 18.42% (comprised of the reinsurance

expense cost of 0.93% and the cost of reinsurer capital of 17.49%). In the next step, that amount was added as an expense in the rates.

Q. Are the results of your calculations shown in an exhibit?

A. Yes. Exhibit RB-14 shows the calculations giving rise to the estimated net cost of reinsurance of 18.42%. This exhibit contains two pages; the first page shows the derivation of the statewide premium, part of which is required to determine the reinsurer's premium. The second page shows the derivation of the reinsurance premium, based on the portion of insured hurricane losses and the reinsurer's capitalization and required return. As can be seen in the second page, the reinsurance premium is 24.09% of statewide direct premium, while the net cost of reinsurance is 18.42% of premium. (The net cost of reinsurance is the total reinsurance premium less the primary insurer's loss and expense recovery, which is in turn equal to the reinsurer's expense cost and the cost of the reinsurer's capital).

Q. In your opinion, it is appropriate to include the net cost of reinsurance in homeowners insurance rates in North Carolina?

A. Yes. Insurers in North Carolina incur a substantial cost for bearing the risk of homeowners insurance in the state. The market cost of bearing that risk (whether the risk is retained by the insurer or transferred to a reinsurer) must be included in the rates. In the analysis described above, I have estimated a competitive market reinsurance premium that reasonably reflects the net cost of reinsurance to the primary insurer. Since this is a legitimate cost of the risk transfer inherent in the purchase of homeowners insurance, it should properly be included in the rates.

Q. You said that the next step was to allocate the cost of reinsurance across regions in the state proportional to risk. Can you please discuss your analysis of this issue?

A. Yes. It is widely agreed that homeowners insurance in North Carolina is subject to substantial catastrophe exposure due to the possibility that hurricanes and other serious windstorms may strike the state. However that catastrophe potential differs significantly from region to region within the state; in coastal counties, for example, the hurricane risk is far higher than it is in the interior mountainous regions to the west. As a consequence, the risk to which insurers and reinsurers are exposed differs across the state as well. Since the need for reinsurance arises from the catastrophe exposure, it seems clear that regional differences in relative risk should be taken into account when determining the allocation of reinsurance costs within the state.

Q. How did you analyze the regional differences in risk and allocate reinsurance costs to region?

A. To address this issue, I developed a general simulation model that calculates regional differences in risk within North Carolina. Based on the model results, costs can be allocated to different territories in proportion to the risk each territory contributes to the state as a whole. I used this model to allocate both the cost of reinsurance as well as the underwriting profit to three different zones in the state. As a general rule, since the risk in the coastal territories is far greater than the risk in the interior, the cost of reinsurance and the required profit in those territories is greater, as a percent of premium, than in the less risky territories.

Q. Can you please describe the model you developed?

A. In broad terms, my approach involved the following steps:

- (1) Determine appropriate measures of risk;
- (2) Build a Monte Carlo simulation model to calculate the risk measures in each territory;
- (3) Allocate statewide total profit proportional to risk.

I describe each of these steps briefly below. However, before outlining the general model, I should note that I did not conduct the analysis at the level of the individual territory, but rather at the "zone" level. That is, I aggregated the territories into three distinct zones for purposes of allocating profit: Zone 1 - coastal (territories 5, 6, 42 and 43); Zone 2 - central (territories 32, 34, 41, 44, 45, 46 and 47); and Zone 3 - mountains (territories 36, 38, 39, 57 and 60).

- (1) **Determine Appropriate Measure of Risk:** To select appropriate risk measures, I reviewed relevant citations from the actuarial and economics literature relating to this issue. Based on this review, I selected three bases for measuring risk: variance of losses, standard deviation of losses and probability of ruin. Each of these has merit, and support in the literature, as a measure of relative risk across the various zones within the state.
- (2) **Build a Simulation Model to Calculate Risk by Zone:** Calculating risk by zone using the measures noted above involves estimating the distribution of annual aggregate losses by zone. To do this, I built a two part simulation model that separately estimates hurricane and non-hurricane losses. For the hurricane loss estimates, Applied Insurance Research (AIR) ran 100,000 iterations of its proprietary model, and provided estimated losses by territory, which were then aggregated to the zone level (rather than the territory level of aggregation used elsewhere in ratemaking). For non-hurricane losses, I built a Monte Carlo simulation model based on ISO data to estimate the annual aggregate loss distribution across all non-hurricane perils. I then summed hurricane and non-hurricane losses from each iteration to derive the distribution of total losses by zone. From this distribution, I was able to calculate the variance and standard deviation of losses, as well as the probability of ruin.

I should note that I applied this model separately to both the reinsurer and the primary insurer, for two distinct purposes. In the case of the reinsurer, my intention was to allocate the net cost of reinsurance – that is, the reinsurance expense cost and the cost of reinsurer capital – to zone proportional to the risk borne by the reinsurer. In the case of the primary insurer, my intention was to allocate the underwriting profit in the rates – that is, the primary insurer's compensation for risk – to zone, proportional to the residual risk retained by the primary insurer after considering the losses ceded to the reinsurer.

- (3) **Allocate Reinsurance Costs and Statewide Profit Proportional to Risk:** For the variance and standard deviation methods of measuring risk, I calculated the values of both variables in each zone, and then took the sum across all the zones as an estimate of the statewide total value. (The assumption that the statewide total variance is the

sum of the individual zone variances is equivalent to assuming that there is zero correlation of losses across zones, and the assumption that the total standard deviation is the sum of the individual zone standard deviations is equivalent to assuming that there is perfect correlation of losses across zones. The actual result is clearly somewhere in between the two.) This was done separately for the reinsurer, based on ceded losses, and for the primary insurer, based on net (retained) losses. Each zone was then allocated a share of the net cost of reinsurance and total profit based on its share of total risk. Under the probability of ruin method, I ranked total losses (hurricane plus non-hurricane) across all iterations from largest to smallest, and found the iteration in which actual losses were equal to the losses that would produce ruin. (i.e., the level of losses that would just exceed the sum of premium net of expenses, plus investment income and surplus).³ I then determined the proportion of those losses attributable to each zone, and allocated reinsurance costs and profit according to those percentages.

As I mentioned earlier, it is important to emphasize that the departure point for the risk based allocation process is the total cost of reinsurance and required profit in the state as a whole. That is, only after these amounts are determined are they then allocated to zone. Thus, there is no additional profit or return resulting from our analysis, and the allocation is independent of the methodology used to determine the cost of reinsurance or the overall profit.

Q. Can you please describe the results of your analysis?

A. The details of the analysis are contained in Exhibit RB-15 attached to this testimony. This exhibit, comprised of three pages, shows the allocation of reinsurance costs and statewide profit to zones depending on the selected allocation method. (The total statewide profit and reinsurance cost was determined in Exhibit RB-14, described above.)

The underwriting profit and contingencies, cost of reinsurer capital and reinsurer expenses for each zone, all as a percentage of premium, based on the three methods just described, are summarized in the table below. Because each of the aforementioned methods has some support in the risk measurement literature, and the results under the various models are reasonably similar, I averaged the per zone total profit and reinsurance cost factors from the three methods. The final values used in the calculations were then selected by the Rate Bureau.

³ I actually used the 50 iterations surrounding the single iteration that just gave rise to ruin, so as to avoid any anomalous results that might occur due to the random nature of the simulation.

Summary: Reinsurance Costs and Profit by Zone

Standard		<u><i>Zone 1</i></u>	<u><i>Zone 2</i></u>	<u><i>Zone 3</i></u>	<u><i>Sum</i></u>
Deviation Method	Underwriting Profit and Contingencies	15.0%	8.0%	1.8%	8.0%
	Reinsurer Profit (Percent)	23.7%	18.0%	11.4%	17.5%
	Reinsurer Expenses (Percent)	1.5%	1.0%	0.4%	0.9%
	Total Profit plus Reinsurance Cost	40.2%	26.9%	13.6%	26.4%
Variance Method	Underwriting Profit and Contingencies	17.5%	6.7%	-1.2%	8.0%
	Reinsurer Profit (Percent)	25.3%	17.8%	8.7%	17.5%
	Reinsurer Expenses (Percent)	1.3%	1.0%	0.5%	0.9%
	Total Profit plus Reinsurance Cost	44.1%	25.5%	8.0%	26.4%
Probability of Ruin Method	Underwriting Profit and Contingencies	10.5%	9.0%	4.5%	8.0%
	Reinsurer Profit (Percent)	27.8%	20.5%	4.3%	17.5%
	Reinsurer Expenses (Percent)	1.5%	0.9%	0.5%	0.9%
	Total Profit plus Reinsurance Cost	39.8%	30.4%	9.3%	26.4%
	Averages	41.4%	27.6%	10.3%	26.4%

Q. Have you recommended regional profit differentials in any other lines of insurance when you have testified in North Carolina?

A. Yes, but only in extended coverage, since the other lines of insurance subject to the jurisdiction of the Rate Bureau are not subject to such extreme regional variation in risk. In the case of homeowners insurance, however, it is important for reasons of equity and economic efficiency to address this question forthrightly.

Q. Does your methodology result in higher overall costs than would have been the case without the allocations?

A. No, it does not; the allocation method itself is simply a manner in which to spread the costs across policyholders consistent with risk. Thus, it does not impose any additional costs on North Carolina policyholders in the aggregate; rather it simply apportions the costs in a manner that is consistent with the risks different policyholders impose.

Q. In your opinion, is it appropriate to allocate statewide profit and reinsurance costs proportional to these measures of risk?

A. Yes. It is both intuitively and empirically obvious that the relative risk of homeowners insurance varies geographically. As such, the cost for bearing that risk should be allocated proportional to the measurement of the risk. The three measures selected for this analysis have broad support in the actuarial and economic literature, and in my opinion are quite reasonable for the purpose to which they are put.

V. PROJECTED RETURN ATTRIBUTABLE TO INSURANCE OPERATIONS

Q. Earlier you said that you had calculated the statutory return insurers would expect from underwriting homeowners insurance in North Carolina. Have you conducted such an analysis?

A. Yes, I have. I developed a model using traditional insurance profitability analyses and have calculated the statutory returns on equity that would be expected to arise assuming that actual underwriting and investment results materialize exactly as projected in this filing. The results are contained in Exhibit RB-16 filed with this testimony.

Q. What do you mean when you use the term pro forma in that exhibit in connection with rate of return?

A. I use this term to indicate that the rate of return presented in these exhibits is based on a series of assumptions regarding such inputs as underwriting profit, investment gain, leverage and the like. If these assumptions actually materialize, then the "pro forma" rates of return calculated in the exhibits will prevail. However, to the extent that these assumptions are not realized, the rate of return will differ from that calculated in the exhibits.

Q. Can you please now describe the components of the model you developed?

A. Yes. The model really consists of a single page that calculates the rate of return on equity attributable to undertaking the insurance activity. It sets forth estimates of income derived from underwriting, installment fees and investment of reserves and estimates of costs, comprised of losses, expenses and taxes. This exhibit is supported by several other exhibits which provide calculations of investment yield rates, tax rates, premium to surplus and net worth to surplus ratios, and installment fee income.

Q. Can you now please describe the principle elements of the rate of return analysis?

A. Yes.

1. Underwriting profit is the difference between earned premiums and projected incurred losses and expenses. This provision was selected by the appropriate committees of the Rate Bureau.

2. Installment fee income is projected based on historical installment revenues, taking into consideration the most recent information on the installment fee program.
3. Taxes are calculated assuming that the regular corporate tax rate applies to statutory underwriting (plus installment fee) income, and that an additional tax liability applies due to the reserve discounting and revenue offset provisions that are applicable to property casualty insurers. Taxes on investment income are calculated assuming that the current statutory tax rates apply to the various classes of investment income earned.
4. Investment gain on the insurance transaction is estimated as the product of an investment yield rate and the investible funds available from loss, loss adjustment expense and unearned premium reserves (i.e., policyholder supplied funds). The investment yield rate is derived as the average of the "embedded yield" and the "current yield," based on the actual portfolios of securities held by insurers. This estimated yield rate includes income from interest, dividends, real estate, and other assets, as well as realized capital gains. The investible funds in this calculation are estimated using the well known ISO State-X model, with one modification as described below.

Q. In previous testimony in North Carolina, you identified certain changes you made to the traditional rate of return analysis that is performed using this model. Did you continue these changes for this year's filing?

A. Yes. I removed the reduction of investible funds by the amount of agents' balances from the ISO State-X calculation. However, it continues to be true that the funds represented by agents' balances are not available for investment by insurers. Therefore, in the rate of return calculation, the investment income from this modified State-X calculation is reduced by the investment income attributable to agents' balances. This calculation recognizes (1) that the majority of agents' balances represent premiums not yet paid by insureds because of installment payment plans, and hence is unavailable for investment and (2) that for the small minority of agents' balances that is premiums collected by agents but not yet remitted to the companies, the investment income on that premium is additional compensation to the agents and a cost to the companies as part of the insurance transaction.

In addition, I adjusted the trended loss, LAE and fixed expense ratios to reflect the proposed rate change. That is to say, I have divided the trended loss and expense ratios at present rates by one plus the proposed rate change to reflect the change in these ratios that occur when rates are changed.

Q. Could you please clarify how the underwriting profit provision contained in the rate filing was determined?

A. Yes. The issue of how the Rate Bureau determines the underwriting profit and contingency factor has routinely arisen in rate hearings in North Carolina over the past several years.

Although it is evident from my exhibits that the Rate Bureau selects an underwriting profit and contingency provision to be included in the rates, there has been lengthy cross examination on this issue in every rate hearing in recent memory. Therefore, to clarify this matter, I will briefly discuss the procedure used by the Rate Bureau to determine the underwriting profit and contingency factor that is included in the proposed rates.

Each year, prior to making its rate filing, the Property Rating Sub-Committee of the Rate Bureau meets to review data and determine values for a number of the important components of the proposed rates. One of these components is the underwriting profit factor. To determine this value, a procedure is followed in which I provide the committee with the estimated returns on equity (both statutory returns as well as returns adjusted to include investment income on surplus) associated with alternative underwriting profit provisions, and the committee then selects a provision that is consistent with the cost of capital that has been developed by Prof. Vander Weide. Thus, the process is best described as one in which I test alternative underwriting profit provisions, and the committee selects a value based on these tests.

Q. How do you know what values of the underwriting profit provision to test?

A. I have been performing this type of analysis on behalf of the NCRB for many years, and I am quite familiar with the dynamics of these models. Therefore, it is relatively easy to know the general range of values around which the underwriting profit is likely to fall. Normally, I will select approximately five or six values of the underwriting profit provision to test, that comprise a range of perhaps two to three percentage points, and the committee typically selects a value within that range. (For example, for this filing, I believe I tested underwriting profit provisions for homeowners in one half percentage point increments ranging from 7.0% to 9.0%, and the committee selected a value of 8.0%.) Of course, if the committee is not satisfied with the range of values I propose, it is relatively straightforward to calculate returns associated with alternative values proposed by the committee.

Q. From what you've said, it appears that the NCRB *selects* an underwriting profit provision, rather than *deriving* such a provision from the cost of capital. Is that correct, and if so, isn't it true that actuarial standards of practice require that the underwriting profit provision be *derived* from an underlying cost of capital?

A. It is correct that the Rate Bureau committee selects an underwriting profit provision and then tests whether that provision results in an expected rate of return on net worth that is consistent with the cost of capital. However, despite what has been suggested in the past by DOI witnesses, it is *not true* that actuarial standards of practice require that an underwriting profit be derived from the cost of capital. In fact, that issue is addressed explicitly in ASOP # 30, entitled "Treatment of Underwriting Profit and Contingency Factors and the Cost of Capital in Property/Casualty Insurance Ratemaking." Section 3.1 of that ASOP states the following:

Estimating the Cost of Capital and the Underwriting Profit Provision
– Property/casualty insurance rates should provide for all expected costs, including an appropriate cost of capital associated with the

specific risk transfer. This cost of capital can be provided for by estimating that cost and translating it into an underwriting profit provision, after taking leverage and investment income into account. Alternatively, the actuary may develop an underwriting profit provision and test that profit provision for consistency with the cost of capital. The actuary may use any appropriate method, as long as such method is consistent with the considerations in this standard.

The procedure utilized by the Rate Bureau is exactly the approach articulated in this section (i.e., "the actuary may develop an underwriting profit provision and test that profit provision for consistency with the cost of capital").

Q. Could you please clarify how you selected your investment yield rate and premium to surplus ratio?

A. Yes. To select the investment yield rate, I was asked by the Rate Bureau to compute the average of what are known as the "embedded" and "current" yields, where each was based on the actual asset portfolios insurers currently hold. There has been a long-standing debate regarding the choice between embedded and current yields in insurance profitability calculations. Since the Commissioner himself adopted an approach of averaging the embedded and current yields in his 1994 automobile decision (and in his decision in the 1996 case, he selected a yield which approximated the yield obtained from this approach), the Rate Bureau has chosen to follow that methodology.

To estimate the embedded yield, I calculated the ratio of 2005 investment income divided by average invested assets and added to that an estimate of the ten year average ratio of realized capital gains to invested assets. The sum of these two is the estimated embedded yield.

To estimate the current yield, I determined the yields available in today's capital markets for the portfolio of securities currently held by the property-casualty insurance industry. I then calculated a weighted average of these yield rates based on the proportion of assets held by the industry in each of the various securities such as stocks, bonds, real estate and the like.

As far as the premium to surplus ratio is concerned, I also relied on information which reflects the actual degree of leverage for insurers writing homeowners insurance in North Carolina. The premium to surplus ratio I used is the ten year (1996-2005) average premium to surplus ratio for the top 30 company groups which wrote homeowners insurance in North Carolina in each of those years.

Q. Can you please provide the results of your calculations regarding the projected rate of return to the insurance transaction if your underlying assumptions are realized?

A. Yes. I estimate that insurers in North Carolina should expect to earn a statutory return on GAAP equity of approximately 7.0%, and a total return on GAAP equity of 11.6%, from underwriting homeowners insurance in the state. While the statutory return is well below the lower bound of Dr. Vander Weide's range for the cost of capital, the total return falls within (albeit at the lower end of) that range.

Q. I understand that the Rate Bureau has incorporated an assumption in its development of the indicated rate change that insurers will provide savings to policyholders (i.e., deviations) in the amount of 5% of premium. What happens to these projected returns if the savings to policyholders are greater than 5%?

A. Assuming losses, expenses and investment results turn out exactly as projected in the filing, and savings to policyholders (either deviations or dividends) are exactly 5% of premium, then the aggregate industry will earn the rate of return projected in my analysis. However, if the savings to policyholders exceed 5%, these projected returns will not be realized by the aggregate industry – in fact, the aggregate returns will be lower than projected in my analysis.

Q. Are there any factors that might impact the realization of these projected returns?

A. Yes. In order for the aggregate industry to achieve the returns projected in these exhibits, every assumption in the model must be realized exactly. However, even if every other projection in the filing is exactly realized, the industry will still not realize these projected returns because the filing does not reflect the current surplus position of the aggregate industry. For the sake of stability in the ratemaking process, the premium to surplus ratios used in my calculations are based on long term historical data. The most recent data show that the aggregate industry writing homeowners insurance in North Carolina has more surplus in relation to premiums than the historical averages used in my calculations. Therefore, even if all other assumptions were realized exactly, the calculated rate of return would overstate the returns the aggregate industry would reasonably expect.

VII. CONCLUSION

Q. Based on the studies you have conducted, have you come to any conclusions regarding the underwriting profit provision that has been filed by the Rate Bureau in this case?

A. Yes. Based on my evaluation of Dr. Vander Weide's cost of capital estimates, my consideration of insurer specific risk characteristics, and my estimation of projected and expected returns, I believe that the filed underwriting profit provision complies with North Carolina law and the return expected to be realized by insurers will not be excessive.

Q. Does this conclude your testimony?

A. Yes, it does.

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PROFESSIONAL EXPERIENCE:

1989 to present	MILLIMAN, INC. Principal & Director - Economics Consulting Responsible for the formation, development and management of a national consulting practice in insurance economics.
1980 to 1989	NATIONAL COUNCIL ON COMPENSATION INSURANCE Economic and Social Research Division
1985 to 1989	Vice President
1983	Assistant Vice President Responsible for all economic and social research of NCCI
1982	Director of Economic and Social Research
1981	Senior Research Economist
1980	Associate Research Economist
1976 to 1997	RUTGERS UNIVERSITY
1981-97	Associate of the Graduate Faculty, Department of Economics, Newark, New Jersey
1981-93	Teach variety of graduate courses including: Microeconomic Theory, Industrial Organization, Public Finance
1978-80	Instructor, Department of Economics, New Brunswick, New Jersey
1976-78	Adjunct Instructor, Department of Economics, Newark, New Jersey

EDUCATION:

1980	Ph.D., Economics, Rutgers University
1976	M.A., Economics, Rutgers University
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PAPERS AND PUBLICATIONS

"Comment on Jaffee and Russell" in Deregulating Property-Liability Insurance, J. David Cummins, Editor, Brookings Institution Press, Washington, DC, 2002

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"The Impact of Lifetime Work on Mortality: Do Unisex Pensions Matter?" (with Richard J. Butler)

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"Framing, Firm Size and Financial Incentives in Workers' Compensation Insurance" (with Richard J. Butler and John D. Worrall)

"Application of NAIC Profitability Models to Long Tailed Lines of Insurance" (with James Gerofsky)

INVITED PRESENTATIONS

Salt Lake City, Utah, March 13, 2006
CAS Ratemaking Seminar
"Including Reinsurance Costs in Primary Insurance Rates"

New Orleans, Louisiana, March 11, 2005
CAS Ratemaking Seminar
"Including Reinsurance Costs in Primary Insurance Rates"

Philadelphia, Pennsylvania, March 11, 2004
CAS Ratemaking Seminar
"The Consideration of Risk Loads and Reinsurance Costs in Primary Insurance Ratemaking"

New York, New York, December 12, 2003
Goldman Sachs Insurance Conference
"Interest Rate Changes and Insurance Underwriting"

San Antonio, Texas, March 28, 2003
CAS Ratemaking Seminar
"The Consideration of Risk Loads and Reinsurance Costs in Primary Insurance Ratemaking"

San Antonio, Texas, March 27, 2003
CAS Ratemaking Seminar
"Rate of Return Models in Insurance Ratemaking"

San Diego, California, May 20, 2002
CAS Annual Meeting
"The Actuary as an Expert Witness"

Tampa, Florida, March 7, 2002
CAS Ratemaking Seminar
"Parameterizing Rate of Return Models in Insurance Ratemaking"

Chicago, Illinois, December 10, 2001
NAIC Meeting
"The Impact of Proposition 103 in California"

Kansas City, Missouri, April 30, 2001
NAIC Meeting
"Personal Lines Regulation"

Las Vegas, Nevada, March 12, 2001
CAS Ratemaking Seminar
"Parameterizing Rate of Return Models in Insurance Ratemaking"

Washington DC, January 18, 2001
Brookings Institution Conference on Insurance Regulation
"Auto Insurance Experience in California"

Bermuda, September 14, 2000
Ace Insurance Worldwide Actuarial Conference
"Rate of Return Models In Property Casualty Insurance Ratemaking"

Orlando, Florida, June 9, 1998
Florida Managed Care Institute Annual Conference
"Issues in Integrated Health Care"

Seattle, Washington, July 21, 1997
CAS Dynamic Financial Analysis Seminar
"Dynamic Financial Analysis of a Workers Compensation Insurer"

Boston, Massachusetts, March 14, 1997
CAS Ratemaking Seminar
"Discounted Cash Flow Models in Insurance Ratemaking"

East Lansing, Michigan, July 15, 1996
National Symposium on Workers Compensation
"Managed Care in Workers Compensation"

New Orleans, Louisiana, March 20, 1996
Global Business Research Seminar: Partnerships Between Insurers and Providers
"Integrating the Data Systems"

Orlando, Florida, November 15, 1995
Global Business Research Seminar: Documenting Savings From Managed Care
"Evaluating Savings From Managed Care"

Orlando, Florida, October 27, 1995
Self Insurance Association of America Annual Meeting
"Managed Care in Workers Compensation: A Magic Act or Humbug?"

San Diego, California, October 16, 1995
Global Business Research Seminar: Documenting Savings From Managed Care
"Technical Issues in Measuring Savings From Managed Care"

Durham, North Carolina, September 6, 1995
North Carolina HMO Association Annual Meeting
"Workers Compensation in North Carolina: Risks and Opportunities for HMO's"

Washington, DC, May 22, 1995
Global Business Research Seminar: Outcomes for Workers' Compensation Managed Care
"Measuring and Reporting the Savings"

Orlando, Florida, April 13, 1995
NCCI Annual Meeting
"Managed Care in Workers Compensation"

Phoenix, Arizona, April 3, 1995
Casualty Actuarial Society Seminar on Profitability
"Rate of Return Models - Selecting the Parameters"

New Orleans, Louisiana, March 16, 1995
Casualty Actuarial Society Ratemaking Seminar
"Discounted Cash Flow Models for Insurance Ratemaking"

Orlando, Florida, March 14, 1995
Standard & Poor's Rating Conference
"Consolidation in the Property/Casualty Insurance Industry"

Minneapolis, Minnesota, October 11, 1994
Casualty Actuarial Society Seminar on Medical Cost Containmentment
"Managed Care and Workers' Compensation"

Toronto, Ontario, August 22, 1994
American Risk and Insurance Association Annual Meeting
"Current Issues in Workers' Compensation"

Boston, Massachusetts, May 17, 1994
Casualty Actuarial Society Annual Meeting
"Standard Of Practice on Profit and Contingency"

Hartford, Connecticut, April 20, 1994
University of Connecticut Blue Cross/Blue Shield Symposium
"24 Hour Coverage - What Will It Involve"

Atlanta, Georgia, March 10, 1994
Casualty Actuarial Society Ratemaking Seminar
"Cash Flow Models for Insurance Ratemaking"

Cambridge, Massachusetts, March 2, 1994
Workers' Compensation Research Institute Health Care Reform Conference
"Early Results of the Florida Pilot Project"

Phoenix, Arizona, November 15, 1993
Casualty Actuarial Society Annual Meeting
"The Use Of Managed Care in Workers' Compensation"

New York, New York, October 20, 1993
Insurance Information Institute/Reinsurance Association of America Research Conference
"The Impact of Health Care Reform on Casualty Insurance"

Somerset, New Jersey, July 13, 1993
National Symposium on Workers' Compensation
"Economic Analysis of Workers' Compensation Issues"

Boston, Massachusetts, June 30, 1993
Institute of Actuaries of Japan Special Meeting
"Health Care Costs in Workers' Compensation"

Dallas, Texas, June 15, 1993
Stirling-Cooke Workers' Compensation Seminar
"Workers' Compensation Medical Costs: Trends, Causes and Solutions"

New York, New York, June 3, 1993
New York Business Group On Health
"The Crisis in Workers' Compensation Health Care"

Mauna Lani Bay, Hawaii, May 3, 1993
Western Association of Insurance Brokers Annual Meeting
"Trends in Insurance Insolvency"

Kingston, Ontario, April 28, 1993
Queen's University Workers' Compensation Conference
"Exposure Bases for Workers' Compensation: Equity vs. Practicality"

Sanibel Island, Florida, March 29, 1993
Workers' Compensation Reinsurance Bureau Annual Meeting
"The Use of Managed Care in Workers' Compensation"

Baltimore, Maryland, March 23, 1993
CAMAR Annual Meeting
"Estimating the Cost of Capital in Insurance Ratemaking"

Philadelphia, Pennsylvania, December 1, 1992
Economic Issues in Workers' Compensation Seminar,
"Rate of Return Regulation in Workers' Compensation"

Seattle, Washington, October 16, 1992
Casualty Actuarial Society Seminar on Profitability
"Risk Based Capital Standards for Property Casualty Insurers"

Washington, DC, August 18, 1992
American Risk and Insurance Association Annual Meeting
"The Crisis in Workers' Compensation"

New York, New York, May 19, 1992
Executive Enterprises Institute Seminar: Winning Approval of Rate and Form Filings
"Determining a Fair Rate of Return for Property/Casualty Insurers"

Palm Beach, Florida, April 23, 1992
NCCI Annual Meeting
"Is the Workers' Compensation Industry Competitive?"

Philadelphia, Pennsylvania, March 20, 1992
University of Pennsylvania/Duncanson & Holt Special Seminar
"Current Issues in Workers' Compensation"

Dallas, Texas, March 12, 1992
Casualty Actuarial Society Ratemaking Seminar
"Profitability Models in Insurance Ratemaking: Estimating the Parameters"

Houston, Texas, December 11, 1991
NCCI/NAIC Commissioners Symposium
"Rate Adequacy: Solvency and Safety Implications"

New York, New York, November 17, 1991
Executive Enterprises Institute Seminar: Winning Approval of Rate and Form Filings
"Determining a Fair Rate of Return for Property/Casualty Insurers"

Philadelphia, Pennsylvania, November 12, 1991
Casualty Actuarial Society Annual Meeting
"The Impact of Medical Costs on Casualty Coverages"

New York, New York, May 17, 1991
Executive Enterprises Institute Seminar: Winning Approval of Rate and Form Filings
"Determining a Fair Rate of Return for Property/Casualty Insurers"

Kiawah Island, South Carolina, April 15 & 16, 1991
Casualty Actuarial Society Seminar on Profitability
"Cost of Capital Estimation: Lessons From Public Utilities"

Chicago, Illinois, March 14, 1991
Casualty Actuarial Society Ratemaking Seminar
"The Use of Profitability Models in Insurance Ratemaking"

Orlando, Florida, October 24, 1990,
Financial Management Association Annual Meeting,
"Current Issues in Insurance Rate Regulation: California Prop. 103 and Pennsylvania Act 6"

New Brunswick, New Jersey, May 18, 1990,
Joint Conference on Workers' Compensation,
"Current State Issues and Benefit Reforms"

Orlando, Florida, May 8, 1990,
National Association of Insurance Commissioners Southeast Zone Raters Conference,
"Loss Cost Rating for Workers' Compensation"

Orlando, Florida, April 3, 1990,
Workers' Compensation Reinsurance Bureau Annual Meeting,
"Medical Costs in Workers' Compensation: Recent Trends in Cost Containment"

Philadelphia, Pennsylvania, March 15, 1990,
CAS Ratemaking Seminar,
"Rate of Return Models in Insurance Regulation: Return on Sales vs. Return on Equity"

Chicago, Illinois, November 10, 1989,
Alliance of American Insurers Research Committee,
"Recent Developments in Rate Regulation: California Proposition 103"

New York, New York, October 5, 1989,
NCCI Legal Trends Seminar,
"Medical Cost Containment in Workers' Compensation"

Philadelphia, Pennsylvania, September 7, 1989,
Workers' Compensation Congress,
"Medical Cost Containment in Workers' Compensation"

Denver, Colorado, August 21, 1989,
American Risk and Insurance Association Annual Meeting,
"Regulatory Survival: Rate Changes in Workers' Compensation" (with Richard J. Butler)

Hilton Head, South Carolina, April 4, 1989,
Workers' Compensation Reinsurance Bureau Annual Meeting,
"Prospects for Workers' Compensation in the 1990's"

Mountain Lakes, New Jersey, March 29, 1989,
St. Clares-Riverside Medical Center,
"Stress in the Workplace"

Dallas, Texas, March 16, 1989,
Casualty Actuarial Society Ratemaking Seminar,
"The Impact of Tax Reform on Insurance Profitability"

New Orleans, Louisiana, December 15, 1988,
NAIC-NCCI Commissioners School,
"A Forecast for Workers' Compensation"

Philadelphia, Pennsylvania, November 17, 1988,
Economic Issues in Workers' Compensation Seminar,
"The Impact of Regulation on the Probability of Insolvency" (with John D. Worrall and David Durbin)

Boston, Massachusetts, November 14, 1988,
American Public Health Association Annual Meeting,
"Stress in the Workplace"

Atlanta, Georgia, September 14, 1988,
Casualty Loss Reserve Seminar,
"Estimating the Cost of Social Inflation in Workers' Compensation"

Reno, Nevada, August 15, 1988,
American Risk and Insurance Association Annual Meeting,
"Benefit Increases in Workers' Compensation"

New York, New York, June 13, 1988,
National Association Of Insurance Commissioners Annual Meeting,
"Alternative Rate of Return Models for Insurance Regulation"

Syracuse, New York, May 5, 1988,
Current Issues in Workers' Compensation Symposium,
"Workers' Compensation Stress Claims"

Hilton Head, South Carolina, April 22, 1988,
Workers' Compensation Reinsurance Bureau Annual Meeting,
"A Forecast for Workers' Compensation Insurers"

Absecon, New Jersey, April 19, 1988,
Pennsylvania Coal Mine Rating Bureau Annual Meeting,
"The Use of Rate of Return Models in Insurance Rate Regulation"

Philadelphia, Pennsylvania, November 17, 1987,
Economic Issues in Workers' Compensation Seminar,
"The Transition to Permanent Disability Status" (with John D. Worrall and David Durbin)

Charlotte, North Carolina, October 20, 1987,
American Insurance Association Government Affairs Conference,
"Prospects for Workers' Compensation in 1988"

Minneapolis, Minnesota, September 29, 1987,
Minnesota Workers' Compensation Reinsurance Association Annual Meeting,
"Economic and Demographic Characteristics of Workers' Compensation Claims"

Airlie, Virginia, July 7, 1987,
National Symposium on Workers' Compensation,
"Forecasting Workers' Compensation Experience"

Santa Clara, California, June 30, 1987,
Symposium on Recent Advances in Ratemaking,
"Econometric Models of Workers' Compensation Losses"

Storrs, Connecticut, May 1, 1987,
University of Connecticut Symposium on Current Issues in Workers' Compensation,
"Current Research in Workers' Compensation"

Philadelphia, Pennsylvania, April 16, 1987,
Wharton School Graduate Seminar Series,
"Impact of Tax Reform on Workers' Compensation Profitability"

Boca Raton, Florida, December 4, 1986,
National Association of Insurance Commissioners/NCCI Commissioners School,
Panel Discussion on Current Issues in Workers' Compensation

Philadelphia, Pennsylvania, November 7, 1985,
Wharton School, University of Pennsylvania, Graduate Seminar Series,
"Litigation in Workers' Compensation"

Vancouver, British Columbia, August 19, 1985,
American Risk and Insurance Association Annual Meeting,
"Earnings Loss and Permanent Disability"

Washington, D.C., April 23, 1985,
Washington Conference on the Economics of Disability,
"Employment Effects of Workers' Compensation Insurance"

Schenectady, New York, January 18, 1985,
Union University Graduate Business Seminar Series,
"The Use of Modern Portfolio Theory in Insurance Regulation"

EXPERT TESTIMONY

Austin, Texas, August 14, 2006
Biennial Title Insurance Rate Hearing

Raleigh, North Carolina, September 28, 2005
Auto Insurance Rate Hearing

Providence, Rhode Island, September 27, 2005
Norcal Medical Malpractice Insurance Rate Hearing

San Francisco, CA, August 23, 2005
Safeco Insurance Company Earthquake Rate Hearing

Boston, Massachusetts, April 15, 2005
Massachusetts Workers Compensation Rate Hearing

Lawrence, Massachusetts, February 14, 2005
Highground, Inc. v. Mazonson

New York, NY, January 21, 2005
NFHA v. Prudential Deposition

Austin, Texas, July 13, 2004
Medical Protective Insurance Company Medical Malpractice Insurance Rate Hearing

Austin, Texas, December 16, 2003
Biennial Title Insurance Rate Hearing

Providence, Rhode Island, November 17, 2003
Norcal Medical Malpractice Insurance Rate Hearing

San Francisco, California, September 16, 2003
Century National Proposition 103 Rollback Hearing

Austin, Texas, September 11, 2003
Farmers Insurance Exchange Homeowner Rate Rollback Hearing

Austin, Texas, September 2, 2003
State Farm Lloyds Homeowners Rate Rollback Hearing

Austin, Texas, May 21, 2003
Farmers Insurance Group Settlement Hearing

Boston, Massachusetts, April 29, 2003
Massachusetts Workers Compensation Rate Hearing

Los Angeles, California, March 12, 2003
SCPIE Medical Malpractice Rate Hearing

Raleigh, North Carolina, July 17, 2002
Auto Insurance Rate Hearing

Tallahassee, Florida, February 25, 2002
NCCI Workers Compensation Insurance Rate Hearing

Austin, Texas, February 5, 2002
Biennial Title Insurance Rate Hearing

Raleigh, North Carolina, September 24, 2001
Auto Insurance Rate Hearing

Boston, Massachusetts, August 14, 2001
Massachusetts Auto Insurance Bureau Rate Hearing

Austin, Texas, March 6, 2001
Texas Auto Benchmark Rate Hearing

Boston, Massachusetts, August 23, 2000
Massachusetts Auto Insurance Bureau Rate Hearing

Austin, Texas, December 7, 1999
Texas Auto Insurance Plan Association Rate Hearing

Raleigh, North Carolina, December 3, 1999
Auto Insurance Rate Hearing

Austin, Texas, November 3, 1999
Biennial Title Insurance Rate Hearing

Austin, Texas, September 8, 1999
Texas Auto Benchmark Rate Hearing

Boston, Massachusetts, August 13, 1999
Massachusetts Auto Insurance Bureau Rate Hearing

Austin, Texas, June 22, 1999
Texas Property Benchmark Rate Hearing

Honolulu, Hawaii, December 16, 1998
NCCI Workers Compensation Insurance Rate Hearing

Richnmond, Virginia, November 15, 1998
NCCI Workers Compensation Insurance Rate Hearing

Boston, Massachusetts, October 9, 1998
Massachusetts Auto Insurance Bureau Rate Hearing

Austin, Texas, May 19, 1998
Texas Auto Insurance Plan Association Rate Hearing

Austin, Texas, April 7, 1998
Auto Insurance Benchmark Rate Hearing

Austin, Texas, February 17, 1998
Property Insurance Benchmark Rate Hearing

Austin, Texas, November 18, 1997
Biennial Title Insurance Rate Hearing

Tallahassee, Florida, September 8, 1997
NCCI Workers Compensation Insurance Rate Hearing

Austin, Texas, April 8, 1997
Texas Auto Insurance Plan Association Rate Hearing

Austin, Texas, March 10, 1997
Auto Insurance Benchmark Rate Hearing

San Francisco, California, March 4, 1997
Insurance Department Hearing on Rating Factors

Raleigh, North Carolina, July 16, 1996
Auto Insurance Rate Hearing

San Francisco, California, March 11, 1996
Century National Proposition 103 Rollback Hearing

Sacramento, California, January 30, 1996
Hartford Steam Boiler Proposition 103 Rollback Hearing

San Francisco, California, January 8, 1996
SAFECO Insurance Company Earthquake Rate Hearing

Austin, Texas, December 21, 1995
Residential Property Insurance Benchmark Rate Hearing

Clearwater, Florida, December 8, 1995
Florida Windstorm Underwriting Association Rate Hearing

Austin, Texas, November 28, 1995
Private Passenger Auto Insurance Benchmark Rate Hearing

Austin, Texas, October 31, 1995
Texas Automobile Insurance Plan Association Rate Hearing

Sacramento, California, April 18, 1995
California Insurance Department Hearing on Auto Insurance Rating Factors

Portland, Maine, April 13, 1995
Workers Compensation Assigned Risk Pool Fresh Start Hearing

San Francisco, California, February 6, 1995
Farmers Insurance Group Earthquake Insurance Rate Hearing

Austin, Texas, January 6, 1995
Special Hearing on Classification Rules for Automobile Insurance

Austin, Texas, December 15, 1994
Residential Property Insurance Benchmark Rate Hearing

Austin, Texas, October 4, 1994
Texas Automobile Insurance Plan Association Rate Hearing

Austin, Texas, September 27, 1994
Private Passenger Auto Insurance Benchmark Rate Hearing

Raleigh, North Carolina, July 19, 1994
Private Passenger Auto Insurance Rate Hearing

San Francisco, California, December 22, 1993
Century National Homeowner's Insurance Rate Hearing

Raleigh, North Carolina, October 13, 1993
Homeowners/Farmowners Insurance Rate Hearing

Tallahassee, Florida, October 4, 1993
Workers' Compensation Insurance Rate Hearing

Boston, Massachusetts, September 9, 1993
Automobile Insurance Rate Hearing

Austin, Texas, March 4, 1993
Residential Property Insurance Benchmark Rate Hearing

Austin, Texas, February 10, 1993
Automobile Insurance Benchmark Rate Hearing

Honolulu, Hawaii, November 18, 1992
Liberty Mutual Insurance Automobile Rate Hearing

Raleigh, North Carolina, November 13, 1992
Workers' Compensation Insurance Rate Hearing

Tallahassee, Florida, October 29, 1992
Workers' Compensation Insurance Rate Hearing

San Francisco, California, October 14, 1992
Workers' Compensation Insurance Rate Hearing

Atlanta, Georgia, September 24, 1992
Workers' Compensation Insurance Rate Hearing

Nashville, Tennessee, May 27, 1992
Workers' Compensation Insurance Rate Hearing

San Francisco, California, May 13, 1992
Workers' Compensation Insurance Rate Hearing

Los Angeles, California, April 10, 1992
Mercury General Proposition 103 Rollback Proceedings

Austin, Texas, January 27, 1992
Texas Automobile Insurance Plan Rate Hearing

Austin, Texas, December 17, 1991
Automobile Insurance Rate Hearing

Raleigh, North Carolina, December 16, 1991
Workers' Compensation Insurance Rate Hearing

San Francisco, California, October 22, 1991
Workers' Compensation Rate Hearing

Los Angeles, California, May 23, 1991,
Proposition 103 RCD-2 Proceedings

San Francisco, California, April 9, 1991
California Workers' Compensation Rate Study Commission

Nashville, Tennessee, March 20, 1991
Workers' Compensation Insurance Rate Hearing

Los Angeles, California, March 12, 1991,
California Workers' Compensation Rate Study Commission

Olympia, Washington, February 26, 1991,
House Financial Institutions/Insurance Committee Hearing on Rules for Insurance Regulatory Legislation

Olympia, Washington, November 27, 1990,
Insurance Department Public Hearing on Proposed Rules for Ratemaking

Harrisburg, Pennsylvania, November 12, 1990,
Allstate Insurance Company Automobile Insurance Rate Hearing

Tallahassee, Florida, November 1, 1990,
Scanlan v. Martinez, et.al., Superior Court of Leon County

San Bruno, California, October 1, 1990,
SAFECO Insurance Group Proposition 103 Rate Rollback Hearing

Austin, Texas, July 23, 1990,
Texas State Board of Insurance Special Hearing on Investment Income in Ratemaking

Harrisburg, Pennsylvania, July 18, 1990,
Pennsylvania National Mutual Insurance Company Automobile Insurance Rate Hearing

Harrisburg, Pennsylvania, June 28, 1990,
Harleysville Mutual Insurance Company Automobile Insurance Rate Hearing

Columbia, South Carolina, March 30, 1990,
Workers' Compensation Insurance Rate Hearing

San Bruno, California, March 19, 1990,
California Proposition 103 Generic Hearing

Denver, Colorado, December 12, 1989,
Workers' Compensation Insurance Rate Hearing

Tampa, Florida, October 23, 1989,
Workers' Compensation Insurance Rate Hearing

Austin, Texas, October 17, 1989,
Workers' Compensation Insurance Rate Hearing

Los Angeles, California, September 25, 1989,
SAFECO Insurance Company of America Proposition 103 Rate Hearing

Austin, Texas, August 29, 1989,
Texas Insurance Advisory Association Property Insurance Rate Hearing

Providence, Rhode Island, April 13, 1989,
Workers' Compensation Insurance Rate Hearing

Augusta, Maine, January 24, 1989,
Workers' Compensation Insurance Rate Hearing

Hartford, Connecticut, November 14, 1988,
Workers' Compensation Insurance Rate Hearing

Tallahassee, Florida, November 3, 1988,
Workers' Compensation Insurance Rate Hearing

Austin, Texas, November 2, 1988,
Workers' Compensation Insurance Rate Hearing

Montgomery, Alabama, June 30, 1988,
Workers' Compensation Insurance Rate Hearing

Augusta, Maine, March 24, 1988,
Workers' Compensation Insurance Rate Hearing

Austin, Texas, October 27, 1987,
Workers' Compensation Insurance Rate Hearing

Tallahassee, Florida, October 9, 1987,
Workers' Compensation Insurance Rate Hearing

Atlanta, Georgia, August 6, 1987,
Workers' Compensation Insurance Rate Hearing

Augusta, Maine, February 24, 1987,
Workers' Compensation Insurance Rate Hearing

Tallahassee, Florida, November 14, 1986,
Workers' Compensation Insurance Rate Hearing

Austin, Texas, November 18, 1986,
Workers' Compensation Insurance Rate Hearing

Augusta, Maine, May 28, 1986,
Workers' Compensation Insurance Rate Hearing

Tallahassee, Florida, December 6, 1985,
Workers' Compensation Insurance Rate Hearing

Oklahoma City, Oklahoma, October 10, 1985,
Workers' Compensation Insurance Rate Hearing

Austin, Texas, July 23, 1985,
Workers' Compensation Insurance Rate Hearing

Austin Texas, June 14, 1985,
Workers' Compensation Insurance Rate Hearing

Tallahassee, Florida, November 18, 1984,
Workers' Compensation Insurance Rate Hearing

Austin, Texas, August 29, 1984,
Workers' Compensation Insurance Rate Hearing

Portland, Oregon, March 6, 1984,
National Association of Insurance Commissioners,
Public Hearing on Investment Income and Insurance Profitability

Tallahassee, Florida, February 25, 1984,
Workers' Compensation Insurance Rate Hearing

Tallahassee, Florida, August 18, 1983,
Workers' Compensation Insurance Rate Hearing

Austin Texas, July 13, 1983,
Workers' Compensation Insurance Rate Hearing

Oklahoma City, Oklahoma, March 6, 1983,
Workers' Compensation Insurance Rate Hearing

Baton Rouge, Louisiana, March 16, 1982,
Louisiana Insurance Commission Public Hearing on Investment Income

Providence, Rhode Island, February 3, 1982,
Workers' Compensation Insurance Rate Hearing

Augusta, Maine, October 1, 1981,
Workers' Compensation Insurance Rate Hearing

NORTH CAROLINA RATING BUREAU
EXHIBIT RB-14, Sheet 1

Underwriting Profit and Contingency Calculation
Statewide Total

	<i>Total</i>
(1) Expected Value of Net Losses	665,389,475
(2) Expected Value of Ceded Losses	87,135,660
(3) Expected Value of All Losses (1)+(2)	752,525,135
(4) Commission and Brokerage	14.05%
(5) Other Acquisition	4.71%
(6) General	3.09%
(7) Taxes Licenses and Fees	2.72%
(8) Reinsurance Expense Cost	0.93%
(9) Cost of Reinsurer Capital	17.49%
(10) Net Profit and Contingencies	8.00%
(11) Loss Adjustment Expense Factor	1.145
(12) Total Indicated Premium $((3) \times (11)) / (1 - \text{Sum}[(4) \text{ to } (10)])$	1,757,269,379
(13) Total Indicated Underwriting Profit (10) x (12)	140,581,550
(14) Investment Income on Reserves as a Percentage of Losses & LAE	5.66%
(15) Total Indicated Investment Income on Reserves (1) x (11) x (14)	43,117,929
(16) Total Profit excluding Investment Income on Surplus (13) + (15)	183,699,479
(17) Premium/Allocated Surplus Ratio	1.19
(18) Total Available Surplus (12)/(17)	1,475,457,078
(19) Available for Allocation (16) + (18)	1,659,156,557

Notes:

1. (1)-(3) From Simulation
2. (4)-(7), (11) from ISO
3. (8), (9) See Exhibit RB-14, Sheet 2
4. (14), (17) Milliman Analysis

NORTH CAROLINA RATING BUREAU
EXHIBIT RB-14, Sheet 2

Calculation of Reinsurance Cost
Statewide Total

	<i>Total</i>
(1) Hurricane Losses	272,472,935
(2) Loss Adjustment Expense Factor	1.145
(3) Hurricane Losses and Loss Expenses (1) x (2)	311,845,274
(4) Percent Reinsured	0.473
(5) Reinsured Losses (3) x (4)	147,373,589
(6) Reinsurance Expense Factor	0.90
(7) Reinsurance Loss+Expenses (5) / (6)	163,748,433
(8) Reinsurance Expense Cost (7)-(5)	16,374,843
(9) Reinsurance Premium to Surplus Ratio	0.26
(10) Reinsurer Underwriting Return Percent of Surplus	15.8%
(11) Reinsurer Underwriting Return Percent of Premium (10) / (9)	61.3%
(12) Reinsurance Premium (7) / (1.000-(11))	423,388,489
(13) Reinsurer Expected Undewriting Profit (12)-(7)	259,640,056
(14) Direct Losses	794,156,263
(15) Direct Losses and LAE (14) x (2)	908,911,843
(16) Direct Variable Expense (Excl Reinsurance)	32.57%
(17) Direct Premium Including Reinsurance Cost ((15) + (13) + (8)) / (1.000-(16))	1,757,269,379
(18) Reinsurance Expense Cost as % of Direct Premium (8) / (17)	0.93%
(19) Cost of Reinsurer Capital as % of Direct Premium	17.49%
(20) Reinsurance Premium as % of Direct Premium (12) / (17)	24.09%

Notes:

- (1), (5) from Simulation
- (2), (16) From Sheet 1
- (4) Assumes 90% hurricane losses are reinsured from 2xmean to 1/100 year event.
- (6) Judgment based on Professional Reinsurers data from Best's
- (9) Milliman Analysis.
- (10) Underwriting return that produces reasonable after-tax return on surplus.
- (14) From Simulation
- (19) =((13)+ (5) - Sheet1(2) x (2)) / (17)

NORTH CAROLINA RATING BUREAU

EXHIBIT RB-15, Sheet 1

Using Standard Deviation to Allocate Profit

	Zone 1	Zone 2	Zone 3	Sum
Allocation of Primary Company Amounts				
(1) Standard Deviation of Net Losses	309,571,249	208,590,146	107,576,957	625,738,352
(2) Allocation Percent [(1) / Sum(1)]	49.5%	33.3%	17.2%	100.0%
(3) Expected Profit to Allocate	90,881,559	61,236,300	31,581,620	183,699,479
(4) Expected Losses	126,826,296	219,777,665	318,785,514	665,389,475
(5) Loss Adjustment Expense Factor	1.145	1.145	1.145	1.145
(6) Expected Losses and Loss Expenses [(4) x (5)]	145,152,696	251,535,537	364,850,021	761,538,254
(7) Expected Investment Income on Policy Reserves Percent	5.7%	5.7%	5.7%	5.7%
(8) Underwriting Profit and Contingencies	82,663,084	46,994,479	10,923,988	140,581,550
(9) Variable Expense Percent	24.57%	24.57%	24.57%	24.57%
Allocation of Reinsurer Amounts				
(10) Standard Deviation of Ceded Losses	283,735,311	221,650,453	150,784,287	656,170,051
(11) Allocation Percent [(10) / Sum(10)]	43.2%	33.8%	23.0%	100.0%
(12) Expected Profit to Allocate	115,879,416	90,523,541	61,581,321	267,984,277
(13) Expected Ceded Losses	42,542,417	30,755,796	13,837,447	87,135,660
(14) Additional Ceded Losses	16,104,752	16,456,653	9,069,723	41,631,128
(15) Loss Adjustment Expense Factor	1.145	1.145	1.145	1.145
(16) Expected Losses and Loss Expenses [(13) + (14)] x (15)]	67,121,685	54,034,648	26,217,256	147,373,589
(17) Expected Investment Income on Policy Reserves Percent	5.7%	5.7%	5.7%	5.7%
(18) Cost of Reinsurer Capital	130,510,907	106,298,764	70,477,211	307,286,882
(19) Reinsurer Expenses	7,994,722	5,779,739	2,600,382	16,374,843
(Total (19) allocated with (16))				
Summary of Expense Provisions				
(20) Indicated Premium [(6) + (8) + (13) x (15) + (18) + (19)] / (1,000 - (9))]	550,193,829	591,022,840	616,052,711	1,757,269,379
(21) Underwriting Profit and Contingencies (Percent)	15.0%	8.0%	1.8%	8.0%
(22) Cost of Reinsurer Capital (Percent)	23.7%	18.0%	11.4%	17.5%
(23) Reinsurer Expenses (Percent)	1.5%	1.0%	0.4%	0.9%
(19) / (20)				

Notes:

- 1 (1), (4), (10), (13), (14) from Simulation.
- 2 Sum(3) from Exh. RB14, Sh. 1 (16); Zone amounts from Sum and Allocation Percentage (2).
- 3 (5), (7), (15), (17) from Exh. RB14, Sh. 1.
- 4 (9) from Exh. RB14, Sh. 1 (4) through (7).
- 5 Sum(12)=Exh. RB14, Sh. 2 (13) + Exh. RB14, Sh. 2 (5)* Exh. RB14, Sh. 1 (14); Zone amounts from Sum and Allocation Percentage (11).
- 6 Sum(19) from Exh. RB14, Sh. 2 (8); Zone amounts from Sum and Allocation based on (16).

NORTH CAROLINA RATING BUREAU

EXHIBIT RB-15, Sheet 2

Using Variance to Allocate Profit

	Zone 1	Zone 2	Zone 3	Sum
Allocation of Primary Company Amounts				
(1) Variance of Net Losses (in billions)	95,834,358	43,509,849	11,572,802	150,917,009
(2) Allocation Percent [(1) / Sum(1)]	63.5%	28.8%	7.7%	100.0%
(3) Expected Profit to Allocate	116,651,674	52,961,138	14,086,667	183,699,479
(4) Expected Losses	126,826,296	219,777,665	318,785,514	665,389,475
(5) Loss Adjustment Expense Factor	1,145	1,145	1,145	1,145
(6) Expected Losses and Loss Expenses [(4) x (5)]	145,152,686	251,535,537	364,850,021	761,538,254
(7) Expected Investment Income on Policy Reserves Percent	5.7%	5.7%	5.7%	5.7%
(8) Underwriting Profit and Contingencies	108,433,198	38,719,318	(6,570,965)	140,581,550
(9) Variable Expense Percent	24.57%	24.57%	24.57%	24.57%
Allocation of Reinsurer Amounts				
(10) Variance of Ceded Losses (in billions)	80,505,727	49,128,923	22,735,901	152,370,551
(11) Allocation Percent [(1) / Sum(1)]	52.8%	32.2%	14.9%	100.0%
(12) Expected Profit to Allocate	141,590,805	86,406,322	39,987,150	267,984,277
(13) Expected Ceded Losses	42,542,417	30,755,796	13,837,447	87,135,660
(14) Additional Ceded Losses	16,104,752	16,456,663	9,069,723	41,631,128
(15) Loss Adjustment Expense Factor	1,145	1,145	1,145	1,145
(16) Expected Losses and Loss Expenses [(13) + (14)] x (15)]	67,121,665	54,034,648	26,217,256	147,373,589
(17) Expected Investment Income on Policy Reserves Percent	5.7%	5.7%	5.7%	5.7%
(18) Cost of Reinsurer Capital	156,222,296	102,181,546	48,883,040	307,286,882
(19) Reinsurer Expenses	7,994,722	5,779,739	2,600,382	16,374,843
(Total (19) allocated with (16))				
Summary of Expense Provisions				
(20) Indicated Premium [(6) + (8) + (13) x (15) + (18) + (19)] / (1,000 - (9))]	618,444,530	574,593,860	564,230,990	1,757,269,379
(21) Underwriting Profit and Contingencies (Percent)	17.5%	6.7%	-1.2%	8.0%
(8) / (20)				
(22) Cost of Reinsurer Capital (Percent)	25.3%	17.8%	8.7%	17.5%
(18) / (20)				
(23) Reinsurer Expenses (Percent)	1.3%	1.0%	0.5%	0.9%
(19) / (20)				

Notes:

- (1), (4), (10), (13), (14) from Simulation.
- Sum(3) from Exh. RB14, Sh. 1 (16); Zone amounts from Sum and Allocation Percentage (2).
- (5), (7), (15), (17) from Exh. RB14, Sh. 1.
- (9) from Exh. RB14, Sh. 1 (4) through (7).
- Sum(12)=Exh. RB14, Sh. 2 (13) + Exh. RB14, Sh. 1 (14); Zone amounts from Sum and Allocation Percentage (11).
- Sum(19) from Exh. RB14, Sh. 2 (8); Zone amounts from (16).

NORTH CAROLINA RATING BUREAU

EXHIBIT RB-15, Sheet 3

Using Losses at Probability of Ruin to Allocate Profit

	Zone 1	Zone 2	Zone 3	Sum
Allocation of Primary Company Amounts				
(1) Net Losses at Probability of Ruin	497,716,555	543,953,982	357,604,392	1,399,274,929
(2) Allocation Percent [(1) / Sum(1)]	35.6%	38.9%	25.6%	100.0%
(3) Expected Profit to Allocate	65,341,178	71,411,315	46,946,986	183,699,479
(4) Expected Losses	126,826,296	219,777,665	318,785,514	665,389,475
(5) Loss Adjustment Expense Factor	1.145	1.145	1.145	1.145
(6) Expected Losses and Loss Expenses [(4) x (5)]	145,152,696	251,535,537	364,850,021	761,538,254
(7) Expected Investment Income on Policy Reserves Percent	5.7%	5.7%	5.7%	5.7%
(8) Underwriting Profit and Contingencies	57,122,702	57,169,494	26,289,354	140,581,550
(9) Variable Expense Percent	24.57%	24.57%	24.57%	24.57%
Allocation of Reinsurer Amounts				
(10) Ceded Losses at Probability of Ruin	1,275,473,571	1,077,667,630	161,084,109	2,514,225,309
(11) Allocation Percent [(10) / Sum(10)]	50.7%	42.9%	6.4%	100.0%
(12) Expected Profit to Allocate	135,949,178	114,865,593	17,169,507	267,984,277
(13) Expected Ceded Losses	42,542,417	30,755,796	13,837,447	87,135,660
(14) Additional Ceded Losses	16,104,752	16,456,653	9,069,723	41,631,128
(15) Loss Adjustment Expense Factor	1.145	1.145	1.145	1.145
(16) Expected Losses and Loss Expenses [(13) + (14)] x (15)]	67,121,685	54,034,648	26,217,256	147,373,589
(17) Expected Investment Income on Policy Reserves Percent	5.7%	5.7%	5.7%	5.7%
(18) Cost of Reinsurer Capital	150,580,669	130,640,817	26,065,397	307,286,882
(19) Reinsurer Expenses	7,994,722	5,779,739	2,600,382	16,374,843
(Total (19) allocated with (16))				
Summary of Expense Provisions				
(20) Indicated Premium [(6) + (8) + (13) x (15) + (18) + (19)] / (1,000 - (9))]	542,941,250	636,783,237	577,544,892	1,757,269,379
(21) Underwriting Profit and Contingencies (Percent)	10.5%	9.0%	4.6%	8.0%
(8) / (20)	27.7%	20.5%	4.5%	17.5%
(18) / (20)	1.5%	0.9%	0.5%	0.9%
(23) Reinsurer Expenses (Percent)				
(19) / (20)				

Notes:

- 1 (1), (4), (10), (13), (14) from Simulation.
- 2 Sum(3) from Exh. RB14, Sh. 1 (16); Zone amounts from Sum and Allocation Percentage (2).
- 3 (5), (7), (15), (17) from Exh. RB14, Sh. 1.
- 4 (9) from Exh. RB14, Sh. 1 (4) through (7).
- 5 Sum(12)=Exh. RB14, Sh. 2 (13) + Exh. RB14, Sh. 2 (5)* Exh. RB14, Sh. 1 (14); Zone amounts from Sum and Allocation Percentage (11).
- 6 Sum(19) from Exh. RB14, Sh. 2 (8); Zone amounts from Sum and Allocation based on (16).

NCRB - PRO FORMA STATUTORY RATE OF RETURN			
HOMEOWNERS INSURANCE			
	Pre-Tax	Tax Liability	Post-Tax
1. Premiums	100.00%		
Loss & Loss Adjustment Expense	49.01%		
Commission & Brokerage	14.05%		
General Expense	3.09%		
Other Acquisition Expense	4.71%		
Taxes, Licenses and Fees	2.72%		
Net Cost of Reinsurance	18.42%		
2. Pro-Forma Underwriting Profit	8.00%		
3. Installment Fee Income	0.57%		
4. Regular tax		3.00%	
5. Additional tax due to TRA		0.20%	
6. Total Return from Underwriting (post-tax)			5.37%
7. Investment Gain on Insurance Transaction	2.78%		
Less Investment Income on Agents Balances	0.57%		
Net Investment Gain on Insurance Transaction	2.21%	0.58%	1.63%
8. Total Return as a % of Premium (post-tax)			6.99%
9. Premium-to-Net Worth Ratio			0.999
10. Total Return as a % of Net Worth (post-tax)			6.99%

Note: Lines (1) to (8) are all expressed as a % of premium.

Assumptions

(a) UW Tax Rate =	35.00%
(b) Inv. Income Tax Rate =	26.32%
(c) Inv. Yield =	5.84%
(d) P/S Ratio =	1.19
(e) NW/S Ratio =	1.19
(f) Installment Fee Income=	0.57% of premium
(g) Additional TRA tax=	0.20% of premium
(h) Net Cost of Reinsurance=	18.42% of premium

NOTES TO EXHIBIT RB-16, Page 1

1. The expense provisions are those used in Exhibit RB-1, as adjusted for the proposed rate change
2. Selected by Rate Bureau.
3. See assumption (f) below.
4. $[(2.)+(3.)] \times (a.)$.
5. See assumption (g) below.
6. $(2.) + (3.) - [(4.) + (5.)]$.
7. Pages 7-13. Investment income on agents' balances equals $0.095 \times 1.031 \times (c)$, where 0.095 is agents' balances for premiums due less than 90 days and 1.031 is the factor to include the effect of agents' balances or uncollected premiums overdue for more than 90 days.
8. $(6.) + (7.)$.
9. $(d.)/(e.)$.
10. $(8.) \times (9.)$.

ASSUMPTIONS

- (a) Internal Revenue Code.
- (b) See RB-16, pp. 11-13; 1-avg post-tax yield/avg pre-tax yield.
- (c) See RB-16, pp. 11-13; average of current and embedded yields.
- (d) See RB-16, p. 14
- (e) See RB-16, p. 15
- (f) See RB-16, p. 3
- (g) See RB-16, pp. 4-6
- (h) See prefiled testimony

**NCRB - PRO FORMA STATUTORY RETURN
ADJUSTED TO INCLUDE INVESTMENT INCOME ON SURPLUS
HOMEOWNERS INSURANCE**

	Pre-Tax	Tax Liability	Post-Tax
1. Premiums	100.00%		
Loss & Loss Adjustment Expense	49.01%		
Commission & Brokerage	14.05%		
General Expense	3.09%		
Other Acquisition Expense	4.71%		
Taxes, Licenses and Fees	2.72%		
Net Cost of Reinsurance	18.42%		
2. Pro-Forma Underwriting Profit	8.00%		
3. Installment Fee Income	0.57%		
4. Regular tax		3.00%	
5. Additional tax due to TRA		0.20%	
6. Total Return from Underwriting (post-tax)			5.37%
7. Investment Gain on Insurance Transaction	2.78%		
Less Investment Income on Agents Balances	0.57%		
Net Investment Gain on Insurance Transaction	2.21%	0.58%	1.63%
8. Investment Gain on Surplus (Including Prepaid Expense Adjustment)	6.26%	1.65%	4.61%
9. Total Return as a % of Premium (post-tax)			11.60%
10. Premium-to-Net Worth Ratio			0.999
11. Total Return as a % of Net Worth (post-tax)			11.59%

Note: Lines (1) to (9) are all expressed as a % of premium.

Assumptions

(a) UW Tax Rate =	35.00%
(b) Inv. Income Tax Rate =	26.32%
(c) Inv. Yield =	5.84%
(d) P/S Ratio =	1.19
(e) NW/S Ratio =	1.19
(f) Installment Fee Income=	0.57%
(g) Additional TRA tax=	0.20%
(h) Net Cost of Reinsurance=	18.42%

NOTES TO EXHIBIT RB-16, Page 1A

1. The expense provisions are those used in Exhibit RB-1, as adjusted for the proposed rate change
2. Selected by Rate Bureau.
3. See assumption (f) below.
4. $[(2.)+(3.)] \times (a.)$.
5. See assumption (g) below.
6. $(2.) + (3.) - [(4.) + (5.)]$.
7. Pages 7-13. Investment income on agents' balances equals $0.095 \times 1.031 \times (c)$, where 0.095 is agents balances for premiums due less than 90 days and 1.031 is the factor to include the effect of agents' balances or uncollected premiums overdue for more than 90 days.
8. $(c.) \times [1/(d.) + (0.4430 \times 0.5211)]$, where 0.4430 is the prepaid expense ratio from page 7 and 0.5211 is the unearned premium reserve to premium ratio from page 7.
9. $(6.) + (7.) + (8.)$.
10. $(d.)/(e.)$.
11. $(9.) \times (10.)$.

ASSUMPTIONS

- (a) Internal Revenue Code.
- (b) See RB-16, pp. 11-13; 1-avg post-tax yield/avg pre-tax yield.
- (c) See RB-16, pp. 11-13; average of current and embedded yields.
- (d) See RB-16, p. 14
- (e) See RB-16, p. 15
- (f) See RB-16, p. 3
- (g) See RB-16, pp. 4-6
- (h) See prefiled testimony

**NORTH CAROLINA
HOMEOWNERS INSURANCE
INSTALLMENT PAYMENT INCOME**

<u>Year</u>	<u>Inst. Charges</u>	Page 15 <u>Written Premium</u>	<u>Inst. Charges as a % of Prem.</u>
2000	4,842,725	896,806,726	0.54%
2001	6,033,595	975,922,641	0.62%
2002	6,025,672	1,077,177,024	0.56%
2003	6,755,739	1,216,831,977	0.56%
2004	7,534,179	1,338,700,556	0.56%
Selected Value			0.57%

Source: ISO.

**NORTH CAROLINA
HOMEOWNERS INSURANCE
CALCULATION OF TAXABLE INCOME**

1 Earned Premium (current year)	100.00%
2 UEPR (current year)	54.75%
3 UEPR (previous year)	52.15%
4 Increase = (2) - (3)	2.61%
5 20% of Increase = Taxable Income	0.52%
6 Tax Liability = (5)x.35	0.18%
7 Unpaid Losses (current year)	11.06%
8 Discounted unpaid losses (current year)	10.11%
9 Unpaid Losses (previous year)	10.53%
10 Discounted unpaid losses (previous year)	9.62%
11 Additional Income	0.05%
12 Tax Liability	0.02%
Other Tax Liabilities	
13 UEP	0.18%
14 Discounting of Loss Reserves	0.02%
15 Total	0.20%

NORTH CAROLINA
HOMEOWNERS INSURANCE
CALCULATION OF TAXABLE INCOME

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
AY Avg Acc Date	AY Pay Pattern	Percent Unpaid	Total Losses	Unpaid Losses	AY at 12/31/05	Discount Factor	Discounted Weight	AY at 12/31/04	Weight	Discount Factor	Discounted Weight
0.5	85.50%	14.50%	49.015	7.1	2005	0.922719	6.6				
1.5	95.70%	4.30%	46.681	2.0	2004	0.898274	1.8	2004	6.7687194	0.922719	6.2
2.5	98.00%	2.00%	44.458	0.9	2003	0.896494	0.8	2003	1.9116909	0.898274	1.7
3.5	99.00%	1.00%	42.341	0.4	2002	0.900503	0.4	2002	0.8468177	0.896494	0.8
4.5	99.40%	0.60%	40.325	0.2	2001	0.871002	0.2	2001	0.4032465	0.900503	0.4
5.5	99.60%	0.40%	38.404	0.2	2000	0.894249	0.1	2000	0.2304266	0.871002	0.2
6.5	99.80%	0.20%	36.576	0.1	1999	0.895320	0.1	1999	0.1463026	0.894249	0.1
7.5	99.80%	0.20%	34.834	0.1	1998	0.913303	0.1	1998	0.0696679	0.895320	0.1
8.5	99.90%	0.10%	33.175	0.0	1997	0.898184	0.0	1997	0.0663504	0.913303	0.1
9.5	99.90%	0.10%	31.595	0.0	1996	0.943059	0.0	1996	0.0315954	0.898184	0.0
10.5	99.90%	0.10%	30.091	0.0	1995	0.962318	0.0	1995	0.0300909	0.943059	0.0
11.5	100.00%	0.00%	28.658	0.0	1994	0.978513	0.0	1994	0.028658	0.962318	0.0
12.5	100.00%	0.00%	27.293	0.0	1993	0.978513	0.0	1993	0	0.978513	0.0
13.5	100.00%	0.00%	25.994	0.0	1992	0.978513	0.0	1992	0	0.978513	0.0
14.5	100.00%	0.00%	24.756	0.0	1991	0.978513	0.0	1991	0	0.978513	0.0
15.5	100.00%	0.00%	23.577	0.0	1990	0.978513	0.0	1990	0	0.978513	0.0
16.5	100.00%	0.00%	22.454	0.0	1989	0.978513	0.0	1989	0	0.978513	0.0
17.5	100.00%	0.00%	21.385	0.0	1988	0.978513	0.0	1988	0	0.978513	0.0
18.5	100.00%	0.00%	20.367	0.0	1987	0.978513	0.0	1987	0	0.978513	0.0
19.5	100.00%	0.00%	19.397	0.0	1986	0.978513	0.0	1986	0	0.978513	0.0
20.5	100.00%	0.00%	18.473	0.0	1985	0.978513	0.0	1985	0	0.978513	0.0
21.5	100.00%	0.00%	17.594	0.0	1984	0.978513	0.0	1984	0	0.978513	0.0
22.5	100.00%	0.00%	16.756	0.0	1983	0.978513	0.0	1983	0	0.978513	0.0
23.5	100.00%	0.00%	15.958	0.0	1982	0.978513	0.0	1982	0	0.978513	0.0
24.5	100.00%	0.00%	15.198	0.0	1981	0.978513	0.0	1981	0	0.978513	0.0
25.5	100.00%	0.00%	14.474	0.0	1980	0.978513	0.0	1980	0	0.978513	0.0
26.5	100.00%	0.00%	13.785	0.0	1979	0.978513	0.0	1979	0	0.978513	0.0
27.5	100.00%	0.00%	13.129	0.0	1978	0.978513	0.0	1978	0	0.978513	0.0
28.5	100.00%	0.00%	12.503	0.0	1977	0.978513	0.0	1977	0	0.978513	0.0
29.5	100.00%	0.00%	11.908	0.0	1976	0.978513	0.0	1976	0	0.978513	0.0
30.5	100.00%	0.00%	11.341	0.0	1975	0.978513	0.0	1975	0	0.978513	0.0
31.5	100.00%	0.00%	10.801	0.0	1974	0.978513	0.0	1974	0	0.978513	0.0
32.5	100.00%	0.00%	10.287	0.0	1973	0.978513	0.0	1973	0	0.978513	0.0
33.5	100.00%	0.00%	9.797	0.0	1972	0.978513	0.0	1972	0	0.978513	0.0
34.5	100.00%	0.00%	9.330	0.0	1971	0.978513	0.0	1971	0	0.978513	0.0
35.5	100.00%	0.00%	8.886	0.0	1970	0.978513	0.0	1970	0	0.978513	0.0
36.5	100.00%	0.00%	8.463	0.0	1969	0.978513	0.0	1969	0	0.978513	0.0
37.5	100.00%	0.00%	8.060	0.0	1968	0.978513	0.0	1968	0	0.978513	0.0
38.5	100.00%	0.00%	7.676	0.0	1967	0.978513	0.0	1967	0	0.978513	0.0
39.5	100.00%	0.00%	7.310	0.0	1966	0.978513	0.0	1966	0	0.978513	0.0
40.5	100.00%	0.00%	6.962	0.0	1965	0.978513	0.0	1965	0	0.978513	0.0
41.5	100.00%	0.00%	6.631	0.0	1964	0.978513	0.0	1964	0	0.978513	0.0
42.5	100.00%	0.00%	6.315	0.0	1963	0.978513	0.0	1963	0	0.978513	0.0
43.5	100.00%	0.00%	6.014	0.0	1962	0.978513	0.0	1962	0	0.978513	0.0
44.5	100.00%	0.00%	5.728	0.0	1961	0.978513	0.0	1961	0	0.978513	0.0
45.5	100.00%	0.00%	5.455	0.0	1960	0.978513	0.0	1960	0	0.978513	0.0
46.5	100.00%	0.00%	5.195	0.0	1959	0.978513	0.0	1959	0	0.978513	0.0
47.5	100.00%	0.00%	4.948	0.0	1958	0.978513	0.0	1958	0	0.978513	0.0
48.5	100.00%	0.00%	4.712	0.0	1957	0.978513	0.0	1957	0	0.978513	0.0
49.5	100.00%	0.00%	4.488	0.0	1956	0.978513	0.0	1956	0	0.978513	0.0
50.5	100.00%	0.00%	4.274	0.0	1955	0.978513	0.0	1955	0	0.978513	0.0
51.5	100.00%	0.00%	4.071	0.0	1954	0.978513	0.0	1954	0	0.978513	0.0
52.5	100.00%	0.00%	3.877	0.0	1953	0.978513	0.0	1953	0	0.978513	0.0
53.5	100.00%	0.00%	3.692	0.0	1952	0.978513	0.0	1952	0	0.978513	0.0
54.5	100.00%	0.00%	3.516	0.0	1951	0.978513	0.0	1951	0	0.978513	0.0
55.5	100.00%	0.00%	3.349	0.0	1950	0.978513	0.0	1950	0	0.978513	0.0
56.5	100.00%	0.00%	3.190	0.0	1949	0.978513	0.0	1949	0	0.978513	0.0
57.5	100.00%	0.00%	3.038	0.0	1948	0.978513	0.0	1948	0	0.978513	0.0
58.5	100.00%	0.00%	2.893	0.0	1947	0.978513	0.0	1947	0	0.978513	0.0
59.5	100.00%	0.00%	2.755	0.0	1946	0.978513	0.0	1946	0	0.978513	0.0
60.5	100.00%	0.00%	2.624	0.0	1945	0.978513	0.0	1945	0	0.978513	0.0
61.5	100.00%	0.00%	2.499	0.0	1944	0.978513	0.0	1944	0	0.978513	0.0
62.5	100.00%	0.00%	2.380	0.0	1943	0.978513	0.0	1943	0	0.978513	0.0
63.5	100.00%	0.00%	2.267	0.0	1942	0.978513	0.0	1942	0	0.978513	0.0
64.5	100.00%	0.00%	2.159	0.0	1941	0.978513	0.0	1941	0	0.978513	0.0
65.5	100.00%	0.00%	2.056	0.0	1940	0.978513	0.0	1940	0	0.978513	0.0
66.5	100.00%		1.958	0.0	1939	0.978513	0.0	1939	0	0.978513	0.0
Sum				11.06	Sum		10.11	Sum			9.62

NOTES TO PAGES 4 AND 5

Page 4

- 1-3 Annual Statement, page 15, for all companies writing homeowners insurance in North Carolina.
- 4 Line (2) - line (3)
- 5 Line (4) x .20.
- 6 Line (5) x .35.
- 7 Unpaid current-year losses at year-end as a percent of premium. Sum of Page 5, Column (5).
- 8 Discounted unpaid current-year losses at year-end as a percent of premium. Sum of Page 5, Column (8).
- 9 Unpaid prior-year losses at year-end as a percent of premium. Sum of Page 5, Column (5) divided by 5% assumed growth rate.
- 10 Discounted unpaid current-year losses at year-end as a percent of premium. Sum of Page 5, Column (12).
- 11 Line (7) - Line (8) - {Line (9) - Line (10)}
- 12 Line (11) x .35
- 13 Line (6)
- 14 Line (12)
- 15 Line (13) + Line (14)

Page 5

- 1 Midpoint of number of years since end of accident period.
- 2 Accident year payout pattern developed from policy year developed losses.
- 3 1 - Column (2)
- 4 Losses, given a 5% historical growth rate.
- 5 Column (3) x Column (4)
- 6 Accident Year at December 31, 2005.
- 7 Discount factor per IRS Regulations.
- 8 Column (5) x Column (7)
- 9 Accident Year at December 31, 2004.
- 10 Column (3), previous period x Column (4), current period
- 11 Discount factor per IRS Regulations.
- 12 Column (10) x Column (11)

**NCRB INVESTMENT INCOME CALCULATION
HOMEOWNERS INSURANCE**

Projected Investment Earnings on Loss, Loss
Adjustment Expense and Unearned Premium Reserves

A. UNEARNED PREMIUM RESERVES

1. Direct Earned Premiums		1,000,000
2. Mean UEPR	52.11%	521,135
3. Deductions for prepaid expenses:		
Commissions & Brokerage	14.05%	
Taxes, Licenses & Fees (5/6)	2.27%	
Other Acquisition (1/2)	2.35%	
General Expense (1/2)	1.54%	
Cost of Reinsurance	24.09%	
Total	44.30%	
4. Deduction for Prepaid Expenses: (2) x (3)		230,884
5. Net UEPR Subject to Inv (2) - (4)		290,251

B. Loss and Loss Expense Reserves

1. Direct Earned Premium		1,000,000
2. Expected Inc L & LAE to Premium Ratio	49.01%	490,149
3. Expected Mean L&LAE Reserve to Inc. L & LAE Ratio	37.90%	185,766

**C. Net PH Funds Subj to Inv
(A5 + B3)**

476,017

D. Average Rate of Return

5.84%

E. Investment Earnings from Net Reserves (C) x (D)

27,799

**F. Average Rate of Return as a Percent of
Direct Earned Premium (E) / (A1)**

2.78%

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line A-1

All calculations are displayed per \$1,000,000 direct earned premiums.

Line A-2

The mean unearned premium reserve is determined by multiplying the direct earned premiums in line (1) by the ratio of the mean unearned premium reserve to the collected earned premium for calendar year ended 12/31/00 for all companies writing homeowners insurance in North Carolina. These data are from page 15 of the Annual Statement.

1. Collected Earned Premium for Calendar Year ended 12/31/04	1,276,859,226
2. Unearned Premium Reserve as of 12/31/04	699,125,408
3. Unearned Premium Reserve as of 12/31/03	631,706,575
4. Mean Unearned Premium Reserve 1/2 [(2) + (3)]	665,415,992
5. Ratio (4) ÷ (1)	52.11%

Line A-3

Deduction for prepaid expenses:

Production costs and a large part of the other company expenses in connection with the writing and handling of homeowners policies, exclusive of claim adjustment expenses, are incurred when the policy is written and before the premium is paid. The deduction for these expenses is determined from data provided by the NCRB.

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line B-2

The expected loss and loss adjustment expense ratio reflects the expense provisions utilized in the filing.

Line B-3

The mean loss reserve is determined by multiplying the incurred losses in line (2) by the North Carolina ratio of mean loss reserves to incurred losses. This ratio is based on North Carolina companies' Page 15 annual statement data and has been adjusted to include loss adjustment expense reserves.

6	Incurred Losses	2000	534,064,358
7	Incurred Losses	2001	467,635,393
8	Incurred Losses	2002	615,781,446
9	Incurred Losses	2003	776,431,232
10	Incurred Losses	2004	564,832,213
11	Loss Reserves	1999	178,810,361
12	Loss Reserves	2000	172,331,938
13	Loss Reserves	2001	169,626,576
14	Loss Reserves	2002	270,561,755
15	Loss Reserves	2003	215,086,893
16	Loss Reserves	2004	231,943,893
17	Mean Loss Reserve	2000	175,571,149
18	Mean Loss Reserve	2001	170,979,257
19	Mean Loss Reserve	2002	220,094,166
20	Mean Loss Reserve	2003	242,824,324
21	Mean Loss Reserve	2004	223,515,393
22	Ratio	2000	32.87%
23	Ratio	2001	36.56%
24	Ratio	2002	35.74%
25	Ratio	2003	31.27%
26	Ratio	2004	39.57%
27	Average Loss Reserve		35.21%
28	Ratio of LAE Reserves to Loss Reserves		0.249
29	Ratio of Incurred LAE to Incurred Losses		0.161
30	Loss and LAE Reserve	$[(27) \times (1.0 + (28)) / (1.0 + (29))]$	0.379

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line E

The average rate of return is calculated as the arithmetic mean of the embedded and current yields. The embedded yield is the sum of two ratios: the most recent ratio of investment income to invested assets (see page 12), plus the ten year average ratio of capital gains to invested assets (see page 13). The current yield is the estimated, currently available rate of return (including income and expected capital gains) on the property/casualty industry investment portfolio (see page 11).

Embedded Yield =	4.62% + 1.24% =	5.85%
Current Yield =		5.82%
Average =		5.84%

PORTFOLIO YIELD AND TAX RATE - CURRENT YIELD				
(1)	(2)	(3)	(4)	(5)
Investable Asset	Percent of Assets	Estimated Prospective Pre-Tax Return	Tax Rate	Estimated Prospective Post-Tax Return
Bonds				
U.S. Govt	12.91%	5.05%	35.00%	3.28%
States & territories	13.74%	3.98%	5.25%	3.78%
Special revenue	22.59%	3.87%	5.25%	3.67%
Public Utilities	1.55%	6.05%	35.00%	3.93%
Industrial	21.08%	5.72%	35.00%	3.71%
Preferred stock	1.03%	6.77%	14.18%	5.81%
Common stock	17.67%	12.80%	32.29%	8.66%
Mortgage Loans	0.26%	6.68%	35.00%	4.34%
Real estate	0.85%	8.76%	35.00%	5.69%
Cash & short-term invs.	8.32%	4.82%	35.00%	3.13%
Rate of Return Pre-Inv Ex	100.00%	6.20%	26.95%	4.53%
Investment Expenses		0.37%	35.00%	0.24%
Portfolio Rate of Return		5.82%	26.44%	4.28%

Sources:

Federal Reserve Statistical Release, H.15(519).

Moody's Credit Perspectives.

Ibbotson Associates, Stocks, Bonds, and Inflation: 2006 Yearbook.

Ibbotson and Siegel, AREUEA Journal, 1984.

Value Line Investment Survey, Selection and Opinion.

A.M. Best's Aggregates & Averages, 2006 edition.

**PORTFOLIO YIELD AND TAX RATE
EMBEDDED YIELD**

	Income	Tax Rate
Bonds		
Taxable	23,254,464	35.00%
Non-Taxable	13,189,050	5.25%
Stocks		
Taxable	3,675,690	14.18%
Non-Taxable	3,597,641	5.25%
Mortgage Loans	194,195	35.00%
Real Estate	1,650,988	35.00%
Contract Loans	2,367	35.00%
Cash / Short Term Inv.	3,006,076	35.00%
All Other	7,530,681	35.00%
Total	56,101,152	24.73%
Inv. Expenses	4,363,521	35.00%
Net Inv. Income	51,737,631	23.86%
Mean Invested Assets	1,120,112,663	
Inv. Inc. Yield Rate	4.62%	23.86%
Capital Gains (10 yr. avg) (% Of Inv. Assets)	1.24%	35.00%
Invest. Yield Rate (pre-tax)	5.85%	26.21%
Invest. Yield Rate (post-tax)	4.32%	

Source: Best's Aggregates and Averages, 2006 Edition, p. 12 (Exhibit of Net Investment Income, Col. 2 (Earned During Year)).
Capital Gains, RB-16, page 13

**CAPITAL GAINS OR LOSSES
AS A PERCENT OF MEAN ASSETS**
(All amounts in thousands of dollars)

Calendar Year	Mean Total Invested Assets	Realized Capital Gains	
		Amount	Percent
1996	682,407,194	9,243,907	1.35%
1997	733,433,983	10,807,929	1.47%
1998	781,421,247	18,019,189	2.31%
1999	797,920,622	13,016,157	1.63%
2000	794,195,460	16,204,649	2.04%
2001	785,530,275	6,630,679	0.84%
2002	815,037,267	2,770,997	0.34%
2003	908,024,056	6,280,196	0.69%
2004	1,018,810,319	9,113,199	0.89%
2005	1,120,112,663	12,194,108	1.09%
Total	8,436,893,083	104,281,010	1.24%

*Mean total invested assets is the average of the current year and prior year values of total invested assets (annual statement page 2, Line 9).

Source: "Best's Aggregates & Averages--Property-Casualty,"
various editions

**NORTH CAROLINA
HOMEOWNERS INSURANCE**

PREMIUM-TO-SURPLUS RATIOS

<u>Year</u>	<u>Homeowners Insurance</u>
2005	1.20
2004	1.26
2003	1.37
2002	1.42
2001	1.20
2000	1.03
1999	0.98
1998	0.98
1997	1.08
1996	1.40
Ten - Year Average	1.19

Notes:

- 1 Data from Best's Data Service
and Best's Aggregates & Averages
- 2 Top 30 groups writing in each year

**NORTH CAROLINA HOMEOWNERS INSURANCE
CALCULATION OF GAAP NET WORTH TO SURPLUS RATIO**

	2001	2002	2003	2004	2005
Policyholder Surplus	289,605,554,159	285,385,631,797	347,020,052,576	391,294,425,276	425,759,944,800
+ Deferred Acquisition Costs	18,331,855,434	21,228,221,405	23,633,976,782	25,336,389,277	26,322,460,773
+ Non-Admitted DTA Provision	12,395,001,383	20,975,201,995	18,945,643,538	19,919,892,745	20,389,557,802
+ Non-admitted Assets (non-tax part)	14,452,932,464	15,273,483,824	16,495,566,662	22,629,830,486	23,050,311,315
+ Provision for Reinsurance	5,471,002,096	6,130,614,136	5,802,642,707	5,971,612,606	5,757,810,700
+ Provision for FASB 115(after-tax)	5,281,971,040	10,573,599,824	11,598,154,936	13,697,026,260	4,664,626,701
- Surplus Notes	(6,648,831,578)	(8,050,443,917)	(9,589,168,207)	(10,569,400,392)	(11,102,999,699)
GAAP-adjusted Net Worth	338,889,484,998	351,516,309,064	413,906,868,994	468,279,776,257	494,841,712,392
Ratio of GAAP Net Worth to Statutory Surplus	1.17	1.23	1.19	1.20	1.16
Five Year Average	1.19				

Source: ISO