

**State:** Pennsylvania **First Filing Company:** Civic Property and Casualty Company, ...  
**TOI/Sub-TOI:** 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations  
**Product Name:** DCH/FACTH/IALH  
**Project Name/Number:** F-16-PA2/F-16-PA3/F-16-PA4 /Rate Revision

## Filing at a Glance

**Companies:** Civic Property and Casualty Company  
 Exact Property and Casualty Company  
 Farmers New Century Insurance Company  
 Neighborhood Spirit Property & Casualty Company  
 Truck Insurance Exchange  
**Product Name:** DCH/FACTH/IALH  
**State:** Pennsylvania  
**TOI:** 04.0 Homeowners  
**Sub-TOI:** 04.0000 Homeowners Sub-TOI Combinations  
**Filing Type:** Rate  
**Date Submitted:** 10/18/2016  
**SERFF Tr Num:** FARM-130767969  
**SERFF Status:** Assigned  
**State Tr Num:**  
**State Status:** Received Review in Progress  
**Co Tr Num:** RTPA020517

**Effective Date Requested (New):**  
**Effective Date:** 02/05/2017  
**Requested (Renewal):**  
**Author(s):** Jeanette Campion, Kathy Thompson, Michael Moore  
**Reviewer(s):** Xiaofeng Lu (primary), Michael McKenney  
**Disposition Date:**  
**Disposition Status:**  
**Effective Date (New):**  
**Effective Date (Renewal):**

State Filing Description:

**State:** Pennsylvania **First Filing Company:** Civic Property and Casualty Company, ...  
**TOI/Sub-TOI:** 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations  
**Product Name:** DCH/FACTH/IALH  
**Project Name/Number:** F-16-PA2/F-16-PA3/F-16-PA4 /Rate Revision

## General Information

Project Name: F-16-PA2/F-16-PA3/F-16-PA4  
Project Number: Rate Revision  
Reference Organization:  
Reference Title:  
Filing Status Changed: 10/18/2016  
State Status Changed: 10/22/2016  
Created By: Jeanette Campion  
Corresponding Filing Tracking Number:

Status of Filing in Domicile:  
Domicile Status Comments:  
Reference Number:  
Advisory Org. Circular:  
  
Deemer Date:  
Submitted By: Jeanette Campion

### Filing Description:

Please refer to our filing memo in Supporting Documentation tab.

## Company and Contact

### Filing Contact Information

Michael Moore,  
6301 Owensmouth Ave.  
Woodland Hills, CA 91367

michael.moore@farmersinsurance.com  
818-965-0662 [Phone]

**State:** Pennsylvania **First Filing Company:** Civic Property and Casualty Company, ...  
**TOI/Sub-TOI:** 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations  
**Product Name:** DCH/FACTH/IALH  
**Project Name/Number:** F-16-PA2/F-16-PA3/F-16-PA4 /Rate Revision

**Filing Company Information**

Civic Property and Casualty Company 6301 Owensmouth Avenue Woodland Hills, CA 91367 (818) 965-0662 ext. [Phone]	CoCode: 10315 Group Code: 69 Group Name: FEIN Number: 95-4528269	State of Domicile: California Company Type: State ID Number:
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Exact Property and Casualty Company 6301 Owensmouth Avenue Woodland Hills, CA 91367 (818) 965-0662 ext. [Phone]	CoCode: 10318 Group Code: 69 Group Name: FEIN Number: 95-4528266	State of Domicile: California Company Type: State ID Number:
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Neighborhood Spirit Property & Casualty Company 6301 Owensmouth Avenue Woodland Hills, CA 91367 (818) 965-0662 ext. [Phone]	CoCode: 10317 Group Code: 69 Group Name: FEIN Number: 95-4528264	State of Domicile: California Company Type: State ID Number:
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Truck Insurance Exchange 6301 Owensmouth Avenue Woodland Hills, CA 91367 (818) 965-0662 ext. [Phone]	CoCode: 21709 Group Code: 69 Group Name: FEIN Number: 95-2575892	State of Domicile: California Company Type: State ID Number:
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Farmers New Century Insurance Company 2245 Sequoia Drive Aurora, IL 60506 (818) 965-0662 ext. [Phone]	CoCode: 10806 Group Code: 69 Group Name: FEIN Number: 36-4165395	State of Domicile: Illinois Company Type: State ID Number:
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**Filing Fees**

Fee Required? No  
 Retaliatory? No  
 Fee Explanation:

**State Specific**

\*Filing Fee Amount: N/A  
 \*Date Filing Fee Mailed: N/A  
 \*Filing Fee Check Number: N/A  
 \*Filing Fee Check Date: N/A  
 \*NAIC Number: 10315 / 10318 / 10806 / 10317 / 21709

**State:** Pennsylvania  
**TOI/Sub-TOI:** 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations  
**Product Name:** DCH/FACTH/IALH  
**Project Name/Number:** F-16-PA2/F-16-PA3/F-16-PA4 /Rate Revision  
**First Filing Company:** Civic Property and Casualty Company, ...

## Rate Information

Rate data applies to filing.

**Filing Method:** Prior Approval  
**Rate Change Type:** Increase  
**Overall Percentage of Last Rate Revision:** 10.500%  
**Effective Date of Last Rate Revision:** 02/03/2016  
**Filing Method of Last Filing:** Prior Approval

## Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
Civic Property and Casualty Company	12.200%	12.100%	\$242,000	1,885	\$2,490,000	12.200%	0.000%
Exact Property and Casualty Company	12.200%	11.800%	\$3,800	24	\$40,000	12.200%	0.000%
Farmers New Century Insurance Company	12.200%	12.100%	\$367,000	3,218	\$3,782,000	12.200%	0.000%
Neighborhood Spirit Property & Casualty Company	12.200%	12.200%	\$104,000	658	\$1,057,000	12.200%	0.000%
Truck Insurance Exchange	12.200%	12.100%	\$152,000	1,110	\$1,458,000	12.100%	0.000%

State: Pennsylvania

First Filing Company: Civic Property and Casualty Company, ...

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

Product Name: DCH/FACTH/IALH

Project Name/Number: F-16-PA2/F-16-PA3/F-16-PA4 /Rate Revision

## Rate/Rule Schedule

Item No.	Schedule Item Status	Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing Number	Attachments
1		Distinct Choice Exhibit		Replacement		Appendix A_DCH.pdf
2		Homeowners Manual Pages	430, 431	Replacement		PAHO0430.pdf PAHO0431.pdf
3		Homeowners Fact Manual Pages	615, 616, 617, 618, 619, 620	Replacement		PAFACT0618.pdf PAFACT0619.pdf PAFACT0620.pdf PAFACT0615.pdf PAFACT0616.pdf PAFACT0617.pdf
4		Homeowners Fact Manual Pages	621, 622, 623, 624	Replacement		PAFACT0621.pdf PAFACT0622.pdf PAFACT0623.pdf PAFACT0624.pdf

Farmers DistinctChoice<sup>sm</sup> Homeowners

Pennsylvania

Truck Insurance Exchange

Effective Date: 2/5/2017

**Base Rates**

<b>Coverage Cd</b>	<b>Amount</b>
Fire	\$223.44
Hurricane	\$3.01
Liability	\$97.32
Other	\$65.07
Theft	\$25.35
Water	\$131.47
Wind	\$165.71

**FARMERS NEW CENTURY INSURANCE COMPANY  
HOMEOWNERS PACKAGE RATES  
HOMEOWNERS FORMS**

<b>BASE PREMIUM</b>					
931					
<b>TERRITORIAL FACTORS</b>					
<u>Territory</u>	<u>Factor</u>	<u>Curve</u>	<u>Territory</u>	<u>Factor</u>	<u>Curve</u>
4	2.977	2	51	1.240	2
7	1.747	1	52	1.367	3
8	1.623	1	53	1.251	3
9	1.640	1	54	1.423	2
11	1.640	1	55	1.367	2
13	1.751	1	56	1.274	3
15	1.638	1	61	1.184	3
16	1.657	1	62	1.189	2
21	1.614	1	63	1.176	2
22	1.747	1	65	1.172	2
23	1.640	1	66	1.284	1
30	1.115	1	72	0.970	1
31	1.059	1	81	0.974	2
32	1.010	1	82	1.030	1
33	0.984	1	84	1.301	2
34	1.484	2	89	1.251	3
35	1.176	2	90	1.140	2
36	1.337	2	91	1.115	1
37	1.376	2	92	1.367	2
38	1.350	2	93	1.059	1
39	1.247	2	94	1.423	2
40	1.363	2	95	1.274	3
41	1.358	2	96	0.970	1
42	1.361	2	97	1.243	2
43	1.283	3	98	1.243	2
44	1.278	3	99	1.243	2
46	★1.356	1			
48	★1.256	2			
49	1.283	2			

  

<b>PROTECTION-CONSTRUCTION FACTORS</b>		
<u>Protection Class</u>	<u>Frame</u>	<u>Masonry</u>
1	1.00	0.95
2	1.00	0.95
3	1.00	0.95
4	1.00	0.95
5	1.00	0.95
6	1.00	0.95
7	1.01	0.96
8	1.02	0.97
8A	1.02	0.97
8B & 9	1.22	1.13
10	1.45	1.30

<b>FORM FACTORS</b>			
<u>HO 00 03</u>	<u>HO 00 03 w/HO 00 15</u>		
1.00	1.10		
<b>COVERAGE A AMOUNT OF INSURANCE FACTORS</b>			
<u>(\$000's)</u>	<u>Curve #1</u>	<u>Curve #2</u>	<u>Curve #3</u>
10	0.550	0.540	0.520
25	0.575	0.570	0.550
50	0.610	0.620	0.625
75	0.788	0.795	0.800
100	1.000	1.000	1.000
125	1.220	1.220	1.220
150	1.440	1.440	1.440
175	1.660	1.660	1.683
200	1.880	1.880	1.925
225	2.100	2.118	2.168
250	2.320	2.355	2.410
275	2.540	2.593	2.653
300	2.760	2.830	2.895
325	2.980	3.067	3.137
350	3.200	3.304	3.379
375	3.420	3.541	3.621
400	3.640	3.778	3.863
450	4.080	4.252	4.347
500	4.520	4.726	4.831
550	4.960	5.200	5.315
600	5.400	5.674	5.799
650	5.840	6.148	6.283
700	6.280	6.622	6.767
750	6.720	7.096	7.251
800	7.160	7.570	7.735
850	7.600	8.044	8.219
900	8.040	8.518	8.703
950	8.480	8.992	9.187
1,000	8.920	9.466	9.671
Each Add'l 1,000	0.0088	0.0095	0.0097

  

<b>RATING PLAN RELATIVITY FACTORS</b>			
<u>Ultra Premier</u>	<u>Premier</u>	<u>Preferred</u>	<u>Standard</u>
0.666	0.740	0.850	1.000

  

<b>ALL PERILS DEDUCTIBLE FACTORS</b>		
<u>Deductible Amount</u>	<u>Factor</u>	<u>Maximum Credit</u>
\$100	1.15	N/A
\$100/\$250 Theft	1.10	N/A
\$250	1.00	N/A
\$500	0.88	\$150
\$1,000	0.80	\$350
\$2,500	0.74	\$500

<b>WINDSTORM/HAIL DEDUCTIBLE FACTORS</b>												
<u>All Peril Deductible</u>	<u>Windstorm/Hail Deductible</u>											
	<u>\$500</u>		<u>\$1,000</u>		<u>\$2,500</u>		<u>1%</u>		<u>2%</u>		<u>5%</u>	
	<u>Factor</u>	<u>Max</u>	<u>Factor</u>	<u>Max</u>	<u>Factor</u>	<u>Max</u>	<u>Factor</u>	<u>Max</u>	<u>Factor</u>	<u>Max</u>	<u>Factor</u>	<u>Max</u>
<u>\$100</u>	1.11	N/A	1.09	N/A	1.07	N/A	1.09	N/A	1.07	N/A	1.03	N/A
<u>\$250</u>	0.98	\$30	0.97	\$50	0.94	\$100	0.96	\$75	0.94	\$100	0.91	\$125
<u>\$500</u>	N/A	N/A	0.86	\$200	0.84	\$250	0.85	\$225	0.83	\$275	0.8	\$300
<u>\$1,000</u>	N/A	N/A	N/A	N/A	0.78	\$400	0.79	\$375	0.77	\$425	0.74	\$500
<u>\$2,500</u>	N/A	N/A	N/A	N/A	N/A	N/A	0.73	\$525	0.71	\$550	0.69	\$575

FARMERS INSURANCE EXCHANGE  
 HOMEOWNERS PACKAGE RATES  
 Tenant/Condominium Forms

HOMEOWNERS FORMS						
BASE PREMIUM 118			FORM FACTORS			
			HO 00 04 1.00	HO 00 06 1.13		
<b>TERRITORIAL FACTORS</b>			<b>COVERAGE A AMOUNT OF INSURANCE FACTORS</b>			
<u>Territory</u>	<u>Factor</u>	<u>Curve</u>	<u>Territory</u>	<u>Factor</u>	<u>Curve</u>	<u>(\$000's)</u>
4	3.069	1	51	1.318	1	5
7	1.696	1	52	1.327	1	10
8	1.673	1	53	1.290	1	20
9	1.691	1	54	1.382	1	30
11	1.668	1	55	1.327	1	40
13	1.700	1	56	1.286	1	50
15	1.682	1	61	1.221	1	60
16	1.636	1	62	1.226	1	70
21	1.664	1	63	1.212	1	80
22	1.696	1	65	1.184	1	90
23	1.691	1	66	1.258	1	100
30	1.083	1	72	1.000	1	125
31	1.028	1	81	1.009	1	150
32	1.009	1	82	1.000	1	175
33	1.014	1	84	1.301	1	200
34	1.502	1	89	1.290	1	<b>Each Add'l 1,000</b>
35	1.166	1	90	1.175	1	Add
36	1.378	1	91	1.083	1	0.060
37	1.350	1	92	1.327	1	
38	1.392	1	93	1.028	1	
39	1.286	1	94	1.382	1	
40	1.323	1	95	1.286	1	
41	1.318	1	96	1.000	1	
42	1.341	1	97	1.207	1	
43	1.323	1	98	1.207	1	
44	1.318	1	99	1.207	1	
46	1.332	1				
48	1.295	1				
49	1.263	1				
<b>PROTECTION-CONSTRUCTION FACTORS</b>			<b>RATING PLAN RELATIVITY FACTORS</b>			
<u>Protection Class</u>	<u>Frame</u>	<u>Masonry</u>	<u>Ultra Premier *</u>	<u>Premier *</u>	<u>Preferred</u>	<u>Standard</u>
1	1.00	0.95	0.666	0.740	0.850	1.000
2	1.00	0.95				
3	1.00	0.95				
4	1.00	0.95				
5	1.00	0.95				
6	1.00	0.95				
7	1.05	1.00				
8	1.05	1.00				
8A	1.05	1.00				
8B & 9	1.30	1.15				
10	1.45	1.25				
			<b>ALL PERILS DEDUCTIBLE FACTORS</b>			
	<u>Deductible Amount</u>	<u>Factor</u>	<u>Maximum Credit</u>			
	\$100	1.15	N/A			
	\$100/\$250 Theft	1.10	N/A			
	\$250	1.00	N/A			
	\$500	0.89	\$150			
	\$1,000	0.72	\$350			
	\$2,500	0.65	\$500			

**CIVIC PROPERTY AND CASUALTY COMPANY  
NEIGHBORHOOD SPIRIT PROPERTY AND CASUALTY COMPANY  
EXACT PROPERTY AND CASUALTY COMPANY**

**HOMEOWNERS PACKAGE**

**RATING RULES AND RATES**

**BASE CLASS/PREMIUM TABLE - HO 00 03**

Territory	Protection Class	Construction Type	HO 00 03	
37	1-4	M	\$637	
		F	\$700	
	5-6	M	\$637	
		F	\$700	
	7-8	M	\$637	
		F	\$700	
	9	M	\$747	
		F	\$807	
	10	M	\$872	
		F	\$944	
	38	1-4	M	\$588
			F	\$643
5-6		M	\$588	
		F	\$643	
7-8		M	\$588	
		F	\$643	
9		M	\$689	
		F	\$737	
10		M	\$807	
		F	\$867	
39		1-4	M	\$559
			F	\$610
	5-6	M	\$559	
		F	\$610	
	7-8	M	\$559	
		F	\$610	
	9	M	\$654	
		F	\$700	
	10	M	\$766	
		F	\$824	

M = Masonry (includes masonry veneer), F = Frame (includes aluminum or plastic siding over frame)

**CIVIC PROPERTY AND CASUALTY COMPANY  
NEIGHBORHOOD SPIRIT PROPERTY AND CASUALTY COMPANY  
EXACT PROPERTY AND CASUALTY COMPANY**

**HOMEOWNERS PACKAGE**

**RATING RULES AND RATES**

**BASE CLASS/PREMIUM TABLE - HO 00 03**

<b>Territory</b>	<b>Protection Class</b>	<b>Construction Type</b>	<b>HO 00 03</b>	
40	1-4	M	\$598	
		F	\$655	
	5-6	M	\$598	
		F	\$655	
	7-8	M	\$598	
		F	\$655	
	9	M	\$701	
		F	\$753	
	10	M	\$824	
		F	\$884	
	41 & 42	1-4	M	\$451
			F	\$497
5-6		M	\$451	
		F	\$497	
7-8		M	\$451	
		F	\$497	
9		M	\$532	
		F	\$571	
10		M	\$623	
		F	\$671	
43		1-4	M	\$582
			F	\$637
	5-6	M	\$582	
		F	\$637	
	7-8	M	\$582	
		F	\$637	
	9	M	\$681	
		F	\$732	
	10	M	\$800	
		F	\$857	

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**HOMEOWNERS PACKAGE**

**RATING RULES AND RATES**

**BASE CLASS/PREMIUM TABLE - HO 00 03**

Territory	Protection Class	Construction Type	HO 00 03
46	1-4	M	\$578
		F	\$636
	5-6	M	\$578
		F	\$636
	7-8	M	\$578
		F	\$636
	9	M	\$678
		F	\$732
	10	M	\$791
		F	\$857
48	1-4	M	\$539
		F	\$595
	5-6	M	\$539
		F	\$595
	7-8	M	\$539
		F	\$595
	9	M	\$632
		F	\$683
	10	M	\$743
		F	\$801

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**CIVIC PROPERTY AND CASUALTY COMPANY  
NEIGHBORHOOD SPIRIT PROPERTY AND CASUALTY COMPANY  
EXACT PROPERTY AND CASUALTY COMPANY**

**HOMEOWNERS PACKAGE**

**RATING RULES AND RATES**

**BASE CLASS/PREMIUM TABLE - HO 00 03**

<b>Territory</b>	<b>Protection Class</b>	<b>Construction Type</b>	<b>HO 00 03</b>
5	1-4	M	\$549
		F	\$605
	5-6	M	\$549
		F	\$605
	7-8	M	\$549
		F	\$605
	9	M	\$643
		F	\$696
	10	M	\$754
		F	\$817
14	4	M	\$699
		F	\$771
15	1-4	M	\$679
		F	\$744
	5-6	M	\$679
		F	\$744
	7-8	M	\$679
		F	\$744
	9	M	\$799
		F	\$854
	10	M	\$935
		F	\$1,003
21	1-4	M	\$632
		F	\$697
	5-6	M	\$632
		F	\$697
	7-8	M	\$632
		F	\$697
	9	M	\$737
		F	\$801
	10	M	\$865
		F	\$938

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**RATING RULES AND RATES**

**BASE CLASS/PREMIUM TABLE - HO 00 03**

<b>Territory</b>	<b>Protection Class</b>	<b>Construction Type</b>	<b>HO 00 03</b>
22	1-4	M	\$862
		F	\$948
	5-6	M	\$862
		F	\$948
	7-8	M	\$862
		F	\$948
	9	M	\$1,011
		F	\$1,087
	10	M	\$1,184
		F	\$1,278
24	4	M	\$715
		F	\$788
30	1-4	M	\$471
		F	\$518
	5-6	M	\$471
		F	\$518
	7-8	M	\$471
		F	\$518
	9	M	\$554
		F	\$595
	10	M	\$650
		F	\$700
31	1-4	M	\$420
		F	\$459
	5-6	M	\$420
		F	\$459
	7-8	M	\$420
		F	\$459
	9	M	\$496
		F	\$532
	10	M	\$576
		F	\$624

M = Masonry (includes masonry veneer), F = Frame (includes aluminum or plastic siding over frame)

**CIVIC PROPERTY AND CASUALTY COMPANY  
NEIGHBORHOOD SPIRIT PROPERTY AND CASUALTY COMPANY  
EXACT PROPERTY AND CASUALTY COMPANY**

**HOMEOWNERS PACKAGE**

**RATING RULES AND RATES**

**BASE CLASS/PREMIUM TABLE - HO 00 03**

<b>Territory</b>	<b>Protection Class</b>	<b>Construction Type</b>	<b>HO 00 03</b>	
32	1-4	M	\$459	
		F	\$503	
	5-6	M	\$459	
		F	\$503	
	7-8	M	\$459	
		F	\$503	
	9	M	\$541	
		F	\$578	
	10	M	\$628	
		F	\$679	
	33	1-4	M	\$406
			F	\$445
5-6		M	\$406	
		F	\$445	
7-8		M	\$406	
		F	\$445	
9		M	\$479	
		F	\$516	
10		M	\$558	
		F	\$605	
36		1-4	M	\$558
			F	\$610
	5-6	M	\$558	
		F	\$610	
	7-8	M	\$558	
		F	\$610	
	9	M	\$654	
		F	\$700	
	10	M	\$765	
		F	\$821	

M = Masonry (includes masonry veneer), F = Frame (includes aluminum or plastic siding over frame)

**CIVIC PROPERTY AND CASUALTY COMPANY  
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**HOMEOWNERS PACKAGE**

**RATING RULES AND RATES**

**BASE CLASS/PREMIUM TABLE - HO 00 03**

<b>Territory</b>	<b>Protection Class</b>	<b>Construction Type</b>	<b>HO 00 03</b>	
49	1-4	M	\$560	
		F	\$618	
	5-6	M	\$560	
		F	\$618	
	7-8	M	\$560	
		F	\$618	
	9	M	\$659	
		F	\$711	
	10	M	\$771	
		F	\$835	
	51	1-4	M	\$571
			F	\$628
5-6		M	\$571	
		F	\$628	
7-8		M	\$571	
		F	\$628	
9		M	\$671	
		F	\$725	
10		M	\$782	
		F	\$848	
52		1-4	M	\$844
			F	\$926
	5-6	M	\$844	
		F	\$926	
	7-8	M	\$844	
		F	\$926	
	9	M	\$990	
		F	\$1,066	
	10	M	\$1,159	
		F	\$1,250	

M = Masonry (includes masonry veneer), F = Frame (includes aluminum or plastic siding over frame)

**CIVIC PROPERTY AND CASUALTY COMPANY  
NEIGHBORHOOD SPIRIT PROPERTY AND CASUALTY COMPANY  
EXACT PROPERTY AND CASUALTY COMPANY**

**HOMEOWNERS PACKAGE**

**RATING RULES AND RATES**

**BASE CLASS/PREMIUM TABLE - HO 00 03**

<b>Territory</b>	<b>Protection Class</b>	<b>Construction Type</b>	<b>HO 00 03</b>	
54	1-4	M	\$1,178	
		F	\$1,295	
	5-6	M	\$1,178	
		F	\$1,295	
	7-8	M	\$1,178	
		F	\$1,295	
55	1-4	M	\$614	
		F	\$678	
	5-6	M	\$614	
		F	\$678	
	7-8	M	\$614	
		F	\$678	
	9	M	\$718	
		F	\$779	
	10	M	\$842	
		F	\$911	
	56	1-4	M	\$784
			F	\$864
5-6		M	\$784	
		F	\$864	
7-8		M	\$784	
		F	\$864	
9		M	\$922	
		F	\$993	
10		M	\$1,082	
		F	\$1,166	

M = Masonry (includes masonry veneer), F = Frame (includes aluminum or plastic siding over frame)

**CIVIC PROPERTY AND CASUALTY COMPANY  
NEIGHBORHOOD SPIRIT PROPERTY AND CASUALTY COMPANY  
EXACT PROPERTY AND CASUALTY COMPANY**

**HOMEOWNERS PACKAGE**

**RATING RULES AND RATES**

**BASE CLASS/PREMIUM TABLE - HO 00 03**

<b>Territory</b>	<b>Protection Class</b>	<b>Construction Type</b>	<b>HO 00 03</b>
58	1-4	M	\$708
		F	\$779
	5-6	M	\$708
		F	\$779
	7-8	M	\$708
		F	\$779
	9	M	\$831
		F	\$891
	10	M	\$972
		F	\$1,047
59	1-4	M	\$542
		F	\$600
	5-6	M	\$542
		F	\$600
	7-8	M	\$542
		F	\$600
	9	M	\$637
		F	\$690
	10	M	\$747
		F	\$809
64	1-4	M	\$1,299
		F	\$1,428
	5-6	M	\$1,299
		F	\$1,428
	7-8	M	\$1,299
		F	\$1,428

M = Masonry (includes masonry veneer), F = Frame (includes aluminum or plastic siding over frame)

**CIVIC PROPERTY AND CASUALTY COMPANY  
NEIGHBORHOOD SPIRIT PROPERTY AND CASUALTY COMPANY  
EXACT PROPERTY AND CASUALTY COMPANY**

**HOMEOWNERS PACKAGE**

**RATING RULES AND RATES**

**BASE CLASS/PREMIUM TABLE - HO 00 04**

<b>TERRITORY</b>	<b>PROTECTION CLASS</b>	<b>CONSTRUCTION TYPE</b>	<b>* HO 00 04</b>
05,15, 58, 59	1-8	M	\$72
		F	\$81
	9-10	M	\$91
		F	\$102
14, 24	4	M	\$110
		F	\$121
21, 22, 46, 51, 52, 55, 56	1-8	M	\$81
		F	\$91
	9-10	M	\$98
		F	\$108
30, 31, 32, 33	1-8	M	\$68
		F	\$74
	9-10	M	\$79
		F	\$91
36, 37,38, 39, 40, 41, 42, 43	1-8	M	\$81
		F	\$91
	9-10x	M	\$98
		F	\$108
48, 49	1-8	M	\$54
		F	\$58
	9-10	M	\$64
		F	\$69
54 & 64	1-8	M	\$125
		F	\$137

<b>HO 00 06 Factor</b> 0.936
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M = Masonry (includes masonry veneer), F = Frame (includes aluminum or plastic siding over frame)

**SERFF Tracking #:**

FARM-130767969

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

RTPA020517

**State:**

Pennsylvania

**First Filing Company:**

Civic Property and Casualty Company, ...

**TOI/Sub-TOI:**

04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations

**Product Name:**

DCH/FACTH/IALH

**Project Name/Number:**

F-16-PA2/F-16-PA3/F-16-PA4 /Rate Revision

## Supporting Document Schedules

<b>Bypassed - Item:</b>	Authorization to File (PC)
<b>Bypass Reason:</b>	N/A
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Actuarial Explanatory Memorandum & Supporting Exhibits (PC)
<b>Comments:</b>	
<b>Attachment(s):</b>	Filing Exhibits.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Filing Memo
<b>Comments:</b>	
<b>Attachment(s):</b>	CoverLetter_HO.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

**Pennsylvania Form Indication**

**Farmers New Century Insurance Company, Truck Insurance Exchange  
Civic Property and Casualty Company  
Neighborhood Spirit Property and Casualty Company  
Exact Property and Casualty Company**

**Data from Jul 01, 2011 to Jun 30, 2016  
Proposed Effective Date: February 5, 2017.**

	(1)	(2)	(3) = sq. rt. [(1) / (2)]	(4)	(5)	(6) (2) x (4) + [ 1.0 - (2) ] x (4) Total + (5)	(7) = (6) / (6) Total	(8) = (7) * (1 + -0.122) -1	(9)
<u>Form</u>	<u>Earned Exposures 2012-2016</u>	<u>Exposures For Full Credibility</u>	<u>Credibility Factor</u>	<u>Form Loss Ratio</u>	<u>Form Hurricane Provision</u>	<u>CAT Loaded, Cred Weighted Loss, DCC and A&amp;O Ratio incl. Hurricane Provisor</u>	<u>Relative Change</u>	<u>Final Indicated Change</u>	<u>Selected Change</u>
Distinct Choice	9,235	200,000	21%	71.1%	2.8%	69.5%	0.999	12.1%	12.1%
Special Form	45,940	200,000	48%	66.5%	4.0%	69.2%	1.000	12.2%	12.2%
Renters	1,774	125,000	12%	8.9%	1.3%	60.8%	0.867	-2.7%	0.0%
Condo	1,674	125,000	12%	53.3%	1.8%	66.4%	0.949	6.5%	6.5%
<b>Total</b>				<b>66.9%</b>	<b>3.8%</b>	<b>69.2%</b>	<b>1.000</b>	<b>12.2%</b>	<b>12.1%</b>

## Truck Insurance Exchange Pennsylvania

### Impact by Form & Company (Independent Agents)

Data as of: June 30, 2016

	(1)	(2)
	<u>In-Force Premium</u>	<u>% Change In Premium</u>
<b>Civic Property &amp; Casualty Company</b>		
Distinct Choice	16,858	12.1%
Special Form	2,430,869	12.2%
Renters	5,197	0.0%
Condo	<u>36,775</u>	<u>6.5%</u>
	2,489,698	12.1%
<b>Exact Property &amp; Casualty Company</b>		
Distinct Choice	0	12.1%
Special Form	38,042	12.2%
Renters	998	0.0%
Condo	<u>646</u>	<u>6.5%</u>
	39,686	11.8%
<b>Farmers New Century Insurance Company</b>		
Distinct Choice	0	12.1%
Special Form	3,730,807	12.2%
Renters	24,023	0.0%
Condo	<u>27,591</u>	<u>6.5%</u>
	3,782,420	12.1%
<b>Neighborhood Spirit Property &amp; Casualty Co.</b>		
Distinct Choice	0	12.1%
Special Form	1,052,676	12.2%
Renters	0	0.0%
Condo	<u>4,736</u>	<u>6.5%</u>
	1,057,412	12.2%
<b>Truck Insurance Exchange</b>		
Distinct Choice	1,408,709	12.1%
Special Form	0	12.2%
Renters	0	0.0%
Condo	<u>0</u>	<u>6.5%</u>
	1,408,709	12.1%

Farmers New Century Insurance Company, Truck Insurance Exchange  
 Civic Property and Casualty Company  
 Neighborhood Spirit Property and Casualty Company  
 Exact Property and Casualty Company

Pennsylvania

Line of Business: Homeowners Multiple Peril

Rate Level Indication

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)		
				=(1)*(2)*(3)			=(5)*(6)	=(7)/(4)	=(8)*(CAT Factor from Exhibit 7)			
Fiscal Accident Year Ending in Qtr 2 of	Homeowners Earned Exposures	Homeowners Collected Earned Premium	Homeowners Premium at Current Factor	Homeowners Earned Premium at Current	Premium Trend Factor	Homeowners Trended Premium at Current	Ultimate Incurred Losses	Loss Trend Factor	Homeowners Trended Ultimate Incurred Losses	Projected xCAT Loss Ratio	Expected Total Loss Ratio	Accident Year Weights
2012	15,517	12,117,363	1.3939	16,890,847	1.2780	21,586,612	4,851,492	1.599	7,759,823	35.9%	39.4%	0.20
2013	13,833	10,781,564	1.3903	14,989,653	1.2277	18,402,127	6,315,164	1.481	9,352,707	50.8%	55.7%	0.20
2014	11,852	10,205,822	1.2923	13,188,541	1.1793	15,553,087	6,715,311	1.371	9,208,631	59.2%	64.9%	0.20
2015	9,682	9,819,700	1.1755	11,543,357	1.1328	13,076,616	7,577,571	1.270	9,621,333	73.6%	80.6%	0.20
2016	7,739	9,143,225	1.0763	9,840,991	1.0882	10,708,916	4,079,677	1.176	4,796,310	44.8%	49.1%	0.20
(11)	Weighted Loss Ratio:							57.9%				
(12)	DCC as a percentage of Loss:							1.2%				
(13)	A&O as a percentage of Loss:							14.3%				
(14)	Weighted Loss, DCC and A&O:							66.9%				
(15)	Hurricane Provision:							3.8%				
(16)	Weighted Loss, DCC, A&O, and Hurricane Provision:							70.7%				
(17)	Permissible Loss, DCC, and A&O Ratio:							63.0%				
(18)	Statewide Indicated Change:							<b>12.2%</b>				

**Farmers New Century Insurance Company, Truck Insurance Exchange**  
**Civic Property and Casualty Company**  
**Neighborhood Spirit Property and Casualty Company**  
**Exact Property and Casualty Company**

**Expense Analysis**  
**Pennsylvania**

**Homeowners Multiple Peril**  
(Amounts in Thousands)

Expense Component	2013		2014		2015		Selected	
	Amount	%	Amount	%	Amount	%	%	
Premiums Written, Pennsylvania only	\$10,225	100.0%	\$9,780.83	100.0%	\$9,179	100.0%		
Commissions and Brokerage	\$1,169	11.4%	\$859	8.8%	\$552	6.0%	5.0%	
Taxes, Licenses, & Fees	\$345	3.4%	\$156	1.6%	\$300	3.3%	2.3%	
Premiums Earned, Pennsylvania only	\$10,277	100.0%	\$10,254.33	100.0%	\$9,392	100.0%		
Other Acquisition & General	\$1,468	14.3%	\$1,449	14.1%	\$1,327	14.1%	18.2%	
Other Income less Other Expenses	(\$13)	-0.1%	(\$10)	-0.1%	(\$53)	-0.6%	-0.4%	
Total		29.0%		24.4%		22.9%	25.1%	

**SOURCES**

Premiums Written	Financials underlying Annual Statement Page 14 Line 4 column 1
Commissions and Brokerage	Financials underlying Insurance Expense Exhibit Part III Line 4 column 23
Taxes, Licenses, & Fees	Financials underlying Insurance Expense Exhibit Part III Line 4 column 12
Premiums Earned	Financials underlying Annual Statement Page 14 Line 4 column 2
Other Acquisition & General	Financials underlying Insurance Expense Exhibit Part III Line 4 columns 27 and 29
Other Income less Other Expenses	Financials underlying Insurance Expense Exhibit Part III Line 4 column 31
Adjusting and Other	Financials underlying Insurance Expense Exhibit Part III Line 4 columns 11

**Farmers New Century Insurance Company, Truck Insurance Exchange  
Civic Property and Casualty Company  
Neighborhood Spirit Property and Casualty Company  
Exact Property and Casualty Company**

**Pennsylvania**

**Line of Business: Homeowners Multiple Peril  
Premium Trend**

<b>Calendar</b>		<b>Earned</b>	<b>Earned</b>	<b>Average</b>
<b>Year</b>	<b>Quarter</b>	<b>Pols</b>	<b>Premium @Current</b>	<b>Premium</b>
2010	3	5,967	5,231,632	1,093
2010	4	5,584	5,018,722	1,094
2011	1	4,408	4,815,854	1,093
2011	2	4,241	4,639,307	1,094
2011	3	4,786	4,449,268	1,093
2011	4	4,586	4,274,607	1,089
2012	1	3,814	4,136,308	1,085
2012	2	3,706	4,030,664	1,088
2012	3	4,072	3,907,094	1,084
2012	4	3,925	3,815,256	1,086
2013	1	3,412	3,698,717	1,084
2013	2	3,303	3,568,586	1,080
2013	3	3,605	3,457,694	1,089
2013	4	3,513	3,325,558	1,097
2014	1	2,895	3,239,196	1,119
2014	2	2,750	3,166,093	1,151
2014	3	3,176	3,062,565	1,182
2014	4	3,032	2,987,778	1,208
2015	1	2,370	2,804,768	1,183
2015	2	2,247	2,688,246	1,196
2015	3	2,592	2,622,001	1,245
2015	4	2,473	2,514,876	1,272
2016	1	1,880	2,408,030	1,281
2016	2	1,775	2,296,084	1,294

**Exponential Regression Analysis**

**Average Premium per Policy**

<b>Regression</b>	<b>Trend</b>
12-point	6.6%
20-point	4.1%
24-point	3.0%
Selected	4.1%

Farmers New Century Insurance Company, Truck Insurance Exchange  
Civic Property and Casualty Company  
Neighborhood Spirit Property and Casualty Company  
Exact Property and Casualty Company

Pennsylvania  
Fiscal Accident Years Ending with Qtr 2 of 2016  
Losses Developed through Qtr 2 of 2016

Homeowners Multiple Peril  
xCAT Incurred Losses

Fiscal Accident Year	<u>As of xx Quarters of Development</u>							
	<u>4</u>	<u>8</u>	<u>12</u>	<u>16</u>	<u>20</u>	<u>24</u>	<u>28</u>	<u>32</u>
2004								14,239,578
2005							12,753,830	12,786,944
2006						10,747,912	10,772,912	10,772,912
2007					8,695,297	8,725,843	8,726,972	8,729,472
2008				6,891,891	6,975,076	6,874,490	6,871,090	6,872,333
2009			9,302,839	9,314,902	9,211,857	9,241,757	9,242,824	9,242,824
2010		12,330,984	12,827,454	12,890,052	12,894,958	12,860,903	12,860,903	
2011	6,658,744	8,468,011	8,696,051	8,686,746	8,703,106	8,700,606		
2012	3,984,319	4,569,845	4,723,368	4,863,379	4,849,699			
2013	5,404,066	6,171,141	6,263,522	6,311,511				
2014	5,961,897	6,412,786	6,610,906					
2015	6,822,367	7,485,602						
2016	3,505,217							
Fiscal Accident Year	<u>Age-to-Age Development Factors</u>							
	<u>4-8</u>	<u>8-12</u>	<u>12-16</u>	<u>16-20</u>	<u>20-24</u>	<u>24-28</u>	<u>28-32</u>	
2005							1.0026	
2006						1.0023	1.0000	
2007					1.0035	1.0001	1.0003	
2008				1.0121	0.9856	0.9995	1.0002	
2009			1.0013	0.9889	1.0032	1.0001	1.0000	
2010		1.0403	1.0049	1.0004	0.9974	1.0000		
2011	1.2717	1.0269	0.9989	1.0019	0.9997			
2012	1.1470	1.0336	1.0296	0.9972				
2013	1.1419	1.0150	1.0077					
2014	1.0756	1.0309						
2015	1.0972							
3-Yr Avg	1.1049	1.0265	1.0121	0.9998	1.0001	0.9999	1.0002	
3-Yr Dollar Wtd	1.1034	1.0259	1.0091	1.0003	0.9998	0.9999	1.0002	
5-Yr Avg	1.1467	1.0293	1.0085	1.0001	0.9979	1.0004	1.0006	
Olympic	1.1287	1.0305	1.0046	0.9998	1.0001	1.0001	1.0002	
								Tail
<b>Selected</b>	<b>1.1498</b>	<b>0.9965</b>	<b>1.0152</b>	<b>1.0002</b>	<b>1.0004</b>	<b>1.0000</b>	<b>0.9999</b>	<b>1.0000</b>
<b>Age-Ult</b>	<b>1.1639</b>	<b>1.0123</b>	<b>1.0158</b>	<b>1.0006</b>	<b>1.0004</b>	<b>1.0000</b>	<b>1.0000</b>	<b>1.0000</b>

Estimated Ultimate Losses

Fiscal Accident Year	Incurred as Qtr 2 2016	Selected Age-Ult Factor	Selected Ultimate Loss
2012	4,849,699	1.000	4,851,492
2013	6,311,511	1.001	6,315,164
2014	6,610,906	1.016	6,715,311
2015	7,485,602	1.012	7,577,571
2016	3,505,217	1.164	4,079,677

**Farmers New Century Insurance Company, Truck Insurance Exchange  
Civic Property and Casualty Company  
Neighborhood Spirit Property and Casualty Company  
Exact Property and Casualty Company**

**Pennsylvania**

**Line of Business: Homeowners Multiple Peril**

**Loss Trend**

**All Peril  
(xCAT)**

<b>Accident</b>		<b>Earned</b>	<b>Ultimate Loss</b>	<b>Pure</b>
<b><u>Year</u></b>	<b><u>Quarter</u></b>	<b><u>Pols</u></b>	<b><u>Untrended</u></b>	<b><u>Premium</u></b>
2010	3	5,967	1,922,731	402
2010	4	5,584	2,562,134	559
2011	1	4,408	1,739,603	395
2011	2	4,241	2,476,093	584
2011	3	4,786	1,612,735	396
2011	4	4,586	1,144,887	292
2012	1	3,814	799,540	210
2012	2	3,706	1,294,331	349
2012	3	4,072	1,286,603	357
2012	4	3,925	1,356,622	386
2013	1	3,412	2,571,205	754
2013	2	3,303	1,100,733	333
2013	3	3,605	1,667,056	525
2013	4	3,513	1,128,638	372
2014	1	2,895	2,469,478	853
2014	2	2,750	1,450,139	527
2014	3	3,176	1,403,424	542
2014	4	3,032	1,145,160	463
2015	1	2,370	1,708,118	721
2015	2	2,247	3,320,870	1478
2015	3	2,592	1,965,593	933
2015	4	2,473	787,388	398
2016	1	1,880	821,428	437
2016	2	1,775	505,267	285

<b><u>Regression</u></b>	<b><u>Pure Premium Trend</u></b>
12-quarter	-5.9%
20-quarter	14.2%
24-quarter	8.0%
Selected	8.0%

**Farmers New Century Insurance Company, Truck Insurance Exchange  
Civic Property and Casualty Company  
Neighborhood Spirit Property and Casualty Company  
Exact Property and Casualty Company**

**Pennsylvania**

**Line of Business: Homeowners Multiple Peril  
Other-Than-Theft-Or-Liability**

**Catastrophe Adjustment**

<u>Accident Year</u>	<u>Accident Quarter</u>	<u>Non-CAT Losses</u>	<u>CAT Losses</u>	<u>Total Losses</u>	<u>Total/ Non-CAT</u>
1998	3	7,016	0	7,016	1.0000
1998	4	20,121	0	20,121	1.0000
1999	1	65,611	25,796	91,407	1.3932
1999	2	155,486	0	155,486	1.0000
1999	3	274,934	6,827	281,760	1.0248
1999	4	336,409	0	336,409	1.0000
2000	1	602,603	51,368	653,971	1.0852
2000	2	491,496	86,891	578,388	1.1768
2000	3	1,383,291	0	1,383,291	1.0000
2000	4	1,028,963	260,012	1,288,975	1.2527
2001	1	1,603,879	0	1,603,879	1.0000
2001	2	1,439,337	130,003	1,569,340	1.0903
2001	3	1,614,434	29,777	1,644,211	1.0184
2001	4	2,030,674	0	2,030,674	1.0000
2002	1	2,475,931	162,129	2,638,060	1.0655
2002	2	3,070,376	374,101	3,444,477	1.1218
2002	3	3,039,381	97,403	3,136,784	1.0320
2002	4	2,895,944	83,617	2,979,561	1.0289
2003	1	4,594,865	1,075,438	5,670,303	1.2341
2003	2	3,142,281	0	3,142,281	1.0000
2003	3	3,700,471	424,382	4,124,853	1.1147
2003	4	3,583,199	627,750	4,210,949	1.1752
2004	1	3,472,157	499,518	3,971,675	1.1439
2004	2	1,683,074	210,852	1,893,926	1.1253
2004	3	3,038,759	290,873	3,329,633	1.0957
2004	4	2,805,519	0	2,805,519	1.0000
2005	1	3,071,256	457,125	3,528,381	1.1488
2005	2	2,373,522	311,498	2,685,020	1.1312
2005	3	2,109,090	0	2,109,090	1.0000
2005	4	2,654,957	252,781	2,907,738	1.0952
2006	1	2,010,319	301,314	2,311,633	1.1499
2006	2	2,160,777	202,895	2,363,671	1.0939
2006	3	1,341,915	195,888	1,537,803	1.1460
2006	4	1,699,925	144,576	1,844,501	1.0850
2007	1	2,150,644	503,290	2,653,934	1.2340
2007	2	1,959,810	425,368	2,385,177	1.2170
2007	3	1,466,079	73,453	1,539,532	1.0501
2007	4	1,268,892	0	1,268,892	1.0000
2008	1	1,591,013	208,521	1,799,533	1.1311
2008	2	1,694,995	245,041	1,940,036	1.1446
2008	3	1,223,873	0	1,223,873	1.0000
2008	4	2,057,913	0	2,057,913	1.0000
2009	1	2,899,304	235,677	3,134,981	1.0813
2009	2	1,556,507	200,173	1,756,680	1.1286
2009	3	2,953,206	0	2,953,206	1.0000
2009	4	2,569,215	0	2,569,215	1.0000
2010	1	4,086,197	993,843	5,080,040	1.2432
2010	2	2,139,106	784,443	2,923,549	1.3667
2010	3	1,819,491	181,558	2,001,049	1.0998

**Farmers New Century Insurance Company, Truck Insurance Exchange  
Civic Property and Casualty Company  
Neighborhood Spirit Property and Casualty Company  
Exact Property and Casualty Company**

**Pennsylvania**

**Line of Business: Homeowners Multiple Peril  
Other-Than-Theft-Or-Liability**

**Catastrophe Adjustment**

<b>Accident Year</b>	<b>Accident Quarter</b>	<b>Non-CAT Losses</b>	<b>CAT Losses</b>	<b>Total Losses</b>	<b>Total/ Non-CAT</b>
2010	4	2,382,315	63,449	2,445,763	1.0266
2011	1	1,648,160	609,793	2,257,953	1.3700
2011	2	2,197,457	435,941	2,633,398	1.1984
2011	3	1,300,345	181,064	1,481,409	1.1392
2011	4	1,055,627	91,981	1,147,609	1.0871
2012	1	717,873	0	717,873	1.0000
2012	2	1,088,298	42,180	1,130,478	1.0388
2012	3	1,084,026	268,504	1,352,530	1.2477
2012	4	1,249,071	0	1,249,071	1.0000
2013	1	2,376,881	32,277	2,409,159	1.0136
2013	2	1,034,681	69,295	1,103,976	1.0670
2013	3	1,600,667	40,739	1,641,406	1.0255
2013	4	1,039,559	0	1,039,559	1.0000
2014	1	2,351,534	621,618	2,973,152	1.2643
2014	2	1,094,851	488,681	1,583,532	1.4463
2014	3	1,234,497	36,055	1,270,553	1.0292
2014	4	994,195	0	994,195	1.0000
2015	1	1,422,241	273,011	1,695,252	1.1920
2015	2	2,906,167	208,746	3,114,913	1.0718
2015	3	1,580,376	0	1,580,376	1.0000
2015	4	546,559	0	546,559	1.0000
2016	1	589,960	89,610	679,570	1.1519
2016	2	128,828	22,905	151,734	1.1778

**Dollar Weighted Catastrophe Factor**

**1.1064**

(1) Peril	(2) Catastrophe Factor	(3) Non-CAT Ultimate Loss Fiscal Accident Years 2012-2016
Theft and Liability	1.0000	2,946,345
OTL	1.1064	26,592,871
Total	1.0958	29,539,215

(4) Total Catastrophe Factor 1.0958

**New Century Insurance Company, Truck Insurance E  
Civic Property and Casualty Company  
Neighborhood Spirit Property and Casualty Company  
Exact Property and Casualty Company**

**Pennsylvania**

**Line of Business: Homeowners Multiple Peril  
Other-Than-Theft-Or-Liability**

**Hurricane Provision**

<b>(1) Selected Model Losses</b>	343,280
<b>(2) In Force Premium at Current</b>	9,114,254
<b>(3) Loss Ratio</b>	3.8%
<b>=(1)/(2)</b>	

**Farmers New Century Insurance Company, Truck Insurance Exchange  
Civic Property and Casualty Company  
Neighborhood Spirit Property and Casualty Company  
Exact Property and Casualty Company**

**Pennsylvania  
Homeowners  
Calculation of Hurricane Provision**

**Data assumes policy distribution as of 2016Q2**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
				= (1) x [1.00 + (2) + (3)]	= (4) x 0.2%	=(4) - (5)		= (6) x (7)	≈ (5) + (6)* + (8)*
<u>Form</u>	<u>Modeled AAL</u>	<u>DCC Ratio For Hurricane</u>	<u>A&amp;O Ratio For Hurricane</u>	<u>Hurricane Loss, DCC and A&amp;O</u>	<u>Expected Low Layer Hurricane Losses</u>	<u>Expected High Layer Hurricane Losses</u>	<u>Profit Multiple For High Layer Hurricane Losses</u>	<u>Risk Provision For High Layer Hurricane Losses</u>	<u>Total Hurricane Provision</u>
Distinct Choice	5,065	1.2%	14.3%	5,851	0	5,851	7.963	46,593	41,956
Special Form	36,170	1.2%	14.3%	41,786	0	41,786	7.963	332,745	299,626
Renters	47	1.2%	14.3%	55	0	55	7.963	436	392
Condo	158	1.2%	14.3%	182	0	182	7.963	1,451	1,307
<b>Total Homeowner</b>	<b>41,439</b>	<b>1.2%</b>	<b>14.3%</b>	<b>47,875</b>	<b>0</b>	<b>47,875</b>	<b>7.963</b>	<b>381,226</b>	<b>343,280</b>

**Note:**

1. (\*) adjusted for the capital requirements difference among (5), (6) and (7).

**Farmers Insurance Group**  
**Pennsylvania Hurricane Data As of 2016Q2**  
**All Lines of Business, Excluding Auto Property Damage**  
**RMS RiskLink v15.0 - Historical (long-term) rates with demand surge.**

<b>Probability of Attachment (Percent)</b>	<b>Probability of Exhaustion (Percent)</b>	<b>Modeled Loss Distribution</b>	<b>Selected Profit Multiple</b>
0.0%	0.0%	0.0%	20.30
0.4%	0.0%	38.2%	20.30
1.0%	0.4%	23.4%	6.90
2.0%	1.0%	18.9%	4.60
5.0%	2.0%	17.5%	3.10
10.0%	5.0%	2.0%	2.00
20.0%	10.0%	0.0%	1.10

**Diversification Factor:** 0.736

**Profit Multiple for High Layers:** 7.963

**Farmers Insurance Group**  
**Countrywide**  
**All Lines of Business, Excluding Auto Property Damage**  
**Catastrophe Bond Profit Multiples**

<b>Layer</b>	<b># of CAT Bonds (2000-2016)</b>	<b>Average of Amount (US \$Mil) (2000-2016)</b>	<b>Average of Profit Multiple (2000-2016)-Long Term</b>	<b>Average of Profit Multiple (2007-2016)-Long Term</b>	<b>Median of Profit Multiple (2000-2016)-Long Term</b>	<b>Mean excluding max and min (2000-2016)-Long Term</b>	<b>Selection</b>
0.0%~0.06%	9	205	128.96	187.00	100.50	100.34	20.30
0.06%~0.4%	20	77	23.09	44.69	11.39	20.30	20.30
0.4%~1.0%	90	165	7.02	6.87	6.49	7.13	6.90
1.0%~2.0%	147	118	4.71	4.61	4.19	4.75	4.60
2.0%~5.0%	158	130	3.12	3.12	2.87	3.15	3.10
5.0%~10.0%	63	64	1.97	1.97	1.81	2.01	2.00
10.0%~20.0%	13	72	1.17	1.15	1.16	1.28	1.10

Source: Lane Financial LLC, Annual Securitization Reviews

**Farmers Insurance Group**  
**5-Year Countrywide DCC / A&O**  
**Homeowners Multiple Peril**  
**(\$000s)**

	(1)	(2)	(3) = (2)/(1)	(3)	(6) = (5)/(4)	
	Countrywide ex. CA, TX	Countrywide ex. CA, TX	DCC	Countrywide	Countrywide	
Calendar Year	Incurring Loss	Incurring Loss	Pct	Incurring Loss	Incurring DCC	A&O Pct
2011	1,295,042	13,538	1.0%	2,065,882	320,931	15.5%
2012	1,167,846	17,367	1.5%	2,049,585	330,804	16.1%
2013	1,293,277	13,090	1.0%	2,140,861	292,537	13.7%
2014	1,093,282	9,417	0.9%	1,975,004	273,112	13.8%
2015	993,665	17,105	1.7%	2,070,442	255,735	12.4%
		<b>DCC Average</b>	<b>1.2%</b>		<b>A&amp;O Average</b>	<b>14.3%</b>



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October 18, 2016

Honorable Teresa D. Miller  
Insurance Commissioner  
Pennsylvania Insurance Department  
1326 Strawberry Square  
Harrisburg, PA 17120

**SUBJECT: Homeowners Rate Revision**

<b>Company Name</b>	<b>NAIC #</b>	<b>Group #</b>
Farmers New Century Insurance Company	10806	212
Truck Insurance Exchange	21709	212
Civic Property and Casualty Company	10315	212
Neighborhood Spirit Property and Casualty Company	10317	212
Exact Property and Casualty Company	10318	212

Dear Commissioner Miller:

We respectfully submit for filing revisions to our Homeowners Rates and Rules for the companies noted above, this rate change will only impact the Independent Agent program types of Distinct Choice, Legacy, and FACT. Attached are supporting exhibits for this rate review.

The five-year fiscal-accident-year loss experience brought to current levels and trended, indicates an overall rate change of 12.2%. The selected changes will result in an overall increase of 12.1% or an estimated impact of \$1,060,000.

We are revising base rates for Distinct Choice, HO 00 03, and HO 00 06. The following supporting exhibits will assist in your review of our proposal:

The following supporting exhibits will assist in your review of our proposal:

**Exhibit 1 Indicated and Selected Changes by Policy Form**

A by-form standard loss ratio analysis of Pennsylvania specific data was performed using the data from July 1, 2011 through June 30, 2016. The complement of credibility applied is the Pennsylvania statewide loss ratio. This exhibit includes all Homeowners products.

**Exhibit 2 Calculation of Rate Level Indication**

A rate level indication is calculated on a fiscal-accident-year basis using five years of experience, July 1, 2011 through June 30, 2016, valued as of June 30, 2016.

The indications assume a February 5, 2017 effective date. Current level earned premium is projected to an average date of February 5, 2018, and ultimate incurred losses are projected to an average accident date of February 5, 2018.

The overall indication is determined by comparing the Projected Loss, DCC, and A&O Ratio to the Permissible Loss, DCC, and A&O Ratio.

**Exhibit 3 Expense Exhibit**

This exhibit summarizes underwriting expense for 2013 – 2015 and the expected expense ratio underlying the Permissible Loss, DCC, and A&O Ratio used in our indication for the period that rates will be in effect.

**Exhibit 4 Determination of Premium Trends**

We applied an exponential trend procedure to average premium per policy at current rate levels to estimate the average annual change in premium due primarily to increasing amounts of insurance written, distributional shifts in limits, discounts, etc.

**Exhibit 5 Loss Development Exhibits**

Commonly accepted loss development methods and procedures are used to derive ultimate losses. Consideration is given to the relative strengths and weaknesses of each of the methods. These methods include, but not limited to, the following:

- Incurred Loss Development (Incurred LDF)
- Paid Loss Development (Paid LDF)

**Exhibit 6 Determination of Loss Trends**

Exponential trend analysis is performed on non-catastrophe pure premium data.

**Exhibit 7A Determination of Catastrophe Provision**

This exhibit shows non-catastrophe Other-Than-Liability-Or-Theft losses, catastrophe Other-Than-Liability-Or-Theft losses, and total Other-Than-Liability-Or-Theft losses for 1998Q3 through 2016Q2. Ratios of total to non-catastrophe Other-Than-Liability-Or-Theft losses are calculated for each quarter in the historical period. The selected catastrophe factor for Other-Than-Liability-Or-Theft is the average of these historical ratios. The selected total catastrophe factor is a weighted average of the selected catastrophe factor for Other-Than-Liability-Or-Theft and 1.0000 for Liability and Theft, based on non-catastrophe ultimate losses for the five years of experience, July 1, 2011 through June 30, 2016.

**Exhibit 7B Hurricane Provision**

Two models are used in estimation of the hurricane provision: RMS RiskLink v15.0.1 and AIR v3.0. The selected modeled losses in the attached exhibit are an average of the long-term modeled losses from these two models by policy form.

A risk provision for high layer hurricane losses, defined as losses with a probability of attachment of 20% or less, is estimated based on catastrophe bond profit multiples. The approach is detailed in the presentation “Quantifying Risk Load for Property Catastrophe Exposure- Using Catastrophe Bonds to Infer Risk Premiums, Profit Loads, & Reinsurance Costs” by Paul D. Anderson and Seth A. Goodchild from the 2011 Casualty Actuarial Society Ratemaking and Product Management Seminar (<http://www.casact.org/education/rpm/2011/handouts/rr2-anderson-goodchild.pdf>). A diversification factor is applied to the selected profit multiples to account for the risk diversification benefit within Farmers risk categories. Exhibit 7-b-ii through Exhibit 7-b-iv detail the calculation of the total hurricane provision for the state of Pennsylvania.

The total hurricane provision by form is calculated based on the low layer hurricane losses, high layer hurricane losses, and the risk provision for high layer hurricane losses. This total hurricane provision is then divided by the total in-force premium at current rate levels to produce a hurricane loss ratio.

**Exhibit 8 Defense and Cost Containment Expense (DCC)**

The selected DCC Ratio is a straight average of countrywide incurred DCC to countrywide incurred losses based on five years of experience from 2011 to 2015, excluding California and Texas.

**Adjusting and Other Expense (A&O)**

The selected A&O Ratio is a straight average of countrywide incurred A&O to countrywide incurred losses based on five years of experience from 2011 to 2015.

Also included in this filing are final printed manual pages reflecting the base rate changes.

*Our proposed effective date for this filing is February 5, 2017 for Renewals. Please indicate our reference numbers listed above when replying to this submission.*

If you have any questions on this material or require further information for your analysis, feel free to contact Janessa Szymczyk at [janessa.szymczyk@farmersinsurance.com](mailto:janessa.szymczyk@farmersinsurance.com) or (616) 956-2652.

Sincerely,  
Farmers New Century Insurance Company  
Truck Insurance Exchange  
Civic Property and Casualty Company  
Neighborhood Spirit Property and Casualty Company  
Exact Property and Casualty Company

Janessa Szymczyk  
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Home Product Management