

EXAMPLE PREMIUM CALCULATION FOR TEXAS FORM HO-B
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Policy Information

<u>Coverage</u>	<u>Limits</u>
Coverage A - Dwelling	\$100,000
Coverage B - Contents	\$60,000
Coverage C - Personal Liability	\$300,000
Coverage D - Medical Payments	\$1,000

<u>Deductible</u>	<u>Amount</u>
Deductible No.1 - Wind & Hail	\$250
Deductible No. 2 - Other than Wind & Hail	\$250

<u>Endorsements</u>	<u>Surcharge</u>
HO-101 - Replacement Cost	+5.0%
HO-110 - Increased Jewelry Coverage	\$3,000
HO-330 - Claims Surcharge	+5.0%

<u>Optional Credits</u>	<u>Credit</u>
Central Station Alarm	-12.0%
Senior Citizen	-5.0%

<u>Rating Information</u>	
Construction Type	BV
Protection Class	6
Previous Applicable Key Rate (already halved)	n/a
Territory	9
Flex Percentage	+5.0%
Policy Term	1 year

Basic Premium Calculation

Base Premium (HO Table A)	\$222.000	
Protection/Construction Factor (HO Table B)	x 1.100	
	\$244.200	(round to three decimals)
Amount of Insurance Factor (HO Table C)	x 4.886	(see below)
	\$1,193.161	(round to three decimals)
Rate Capping Factor - If Applicable	x N/A	
Basic Benchmark Premium	\$1,193.161	(round to three decimals)
Flex Percent Factor	x 1.05	
	\$1,252.819	(round to three decimals)

Basic Premium (Rounded)	\$1,253
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Amount of Insurance Factor

Each Additional 1,000 Coverage B Factor (HO Table C)	0.015	
Increased Coverage B from 40,000 to 60,000 (in 000's)	x 20	
	0.300	(round to three decimals)
100,000 Amount of Ins Factor (HO Table C)	+ 4.586	
Amount of Insurance Factor	4.886	

Deductible Adjustments (Deductible Nos. 1 & 2)

Basic Premium		\$1,253.000	
Deductible No. 1 Adjustment Factor	x	0.110	
		\$137.830	(round to three decimals)
Deductible No. 1 Adjustment (Rounded)		\$138	

Basic Premium		\$1,253.000	
Deductible No. 2 Adjustment Factor	x	0.150	
		\$187.950	(round to three decimals)
Deductible No. 2 Adjustment (Rounded)		\$188	

Increased Liability Limits and Medical Payments

Increased Limits Base Premium (Premium Chart No. 28)		\$7.010	
Flex Percent Factor	x	1.05	
		\$7.361	(round to three decimals)
Increased Limits Surcharge (Rounded)		\$7	

Endorsements

HO-101

Basic Premium		\$1,253.000	
Replacement Cost Surcharge Factor	x	0.05	
		\$62.650	(round to three decimals)
Replacement Cost Surcharge (Rounded)		\$63	

HO-110

Increased Jewelry Coverage Amount (in 00's)		25	
Premium per \$100 (Premium Chart No. 6)	x	\$1.000	
		\$25.000	(round to three decimals)
Flex	x	1.05	
		\$26.250	(round to three decimals)
Increased Jewelry Coverage Surcharge (Rounded)		\$26	

Optional Credits

Central Station Alarm

Basic Premium		\$1,253.000	
Central Station Alarm Credit Factor	x	-0.12	
		-\$150.360	(round to three decimals)
Central Station Alarm Credit (Rounded)		-\$150	

Senior Citizen Discount

Basic Premium		\$1,253.000	
Senior Citizen Discount Factor	x	-0.05	
		-\$62.650	(round to three decimals)
Senior Citizen Discount (Rounded)		-\$63	

Final Policy Premium

	<u>Premium Amount</u>
Basic Premium	\$1,253
Deductible No. 1 Adjustment	\$138
Deductible No. 2 Adjustment	\$188
Increased Limits Surcharge	\$7
Endorsements	\$89
Optional Credits	+ -\$213
Total Policy Premium Amount	\$1,462
Claims Surcharge	+ \$73 (see below)
Final Policy Premium Amount	\$1,535

Claims Surcharge Endorsement

	<u>HO-330</u>
Total Policy Premium Amount	\$1,462.000
Claims Surcharge Factor	x 0.05
	\$73.100 (round to three decimals)
Claims Surcharge (Rounded)	\$73

EXAMPLE PREMIUM CALCULATION FOR TEXAS FORM HO-BT (Apartment)

Policy Information

<u>Coverage</u>	<u>Limits</u>
Coverage B - Contents	\$65,000
Coverage C - Personal Liability	\$300,000
Coverage D - Medical Payments	\$1,000

<u>Deductible</u>	<u>Amount</u>
Deductible No.3 - All Perils	\$250

<u>Endorsements</u>	<u>Surcharge</u>
HO-101 - Replacement Cost	+15.0%
HO-110 - Increased Jewelry Coverage	\$3,000
HO-330 - Claims Surcharge	+5.0%

<u>Optional Credits</u>	<u>Credit</u>
Senior Citizen	-5.0%

Other Information

Single Entrance to Building used by more than four families
Not an FR/SFR/Sprinkler Risk

<u>Rating Information</u>	
Construction Type	BV
Protection Class	6
Previous Applicable Key Rate (already halved)	n/a
Territory	9
Flex Percentage	+5.0%
Policy Term	1 year

Basic Premium Calculation

Base Premium (Tenants Table A)	\$54.000	
FR/SFR Factor	x 1.000	
	\$54.000	(round to three decimals)
Protection/Construction Factor (Tenants Table B)	x 1.100	
	\$59.400	(round to three decimals)
Amount of Insurance Factor (Tenants Table C)	x 5.050	(see AOI calculation)
	\$299.970	(round to three decimals)
Rate Capping Factor - If Applicable	x N/A	
	\$299.970	(round to three decimals)
Single Entrance Surcharge (Premium Chart No. 39)	+ \$15.580	
Basic Benchmark Premium	\$315.550	(round to three decimals)
Flex Percent Factor	x 1.05	
	\$331.328	(round to three decimals)

Basic Premium (Rounded)	\$331
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Amount of Insurance Factor

Each Additional 1,000 Coverage B Factor (Tenants Table C)	0.080	
Increased Coverage B from 40,000 to 65,000 (in 000's)	x	<u>25</u>
		2.000 (round to three decimals)
40,000 Amount of Ins Factor (Tenants Table C)	+	<u>3.050</u>
Amount of Insurance Factor for 65,000		5.050

Deductible Adjustments (Deductible No. 3)

Basic Premium		\$331.000
Deductible No. 3 Adjustment Factor	x	<u>0.050</u>
		\$16.550 (round to three decimals)
Deductible No. 3 Adjustment (Rounded)		\$17

Increased Liability Limits and Medical Payments

Increased Limits Base Premium (Premium Chart No. 28)		\$7.010
Flex Percent Factor	x	<u>1.05</u>
		\$7.361 (round to three decimals)
Increased Limits Surcharge (Rounded)		\$7

Endorsements

HO-101

Basic Premium		\$331.000
Replacement Cost Surcharge Factor	x	<u>0.15</u>
		\$49.650 (round to three decimals)
Replacement Cost Surcharge (Rounded)		\$50

HO-110

Increased Jewelry Coverage Amount (in 00's)		25
Premium per \$100 (Premium Chart No. 6)	x	<u>\$1.000</u>
		\$25.000 (round to three decimals)
Flex	x	<u>1.05</u>
		\$26.250 (round to three decimals)
Increased Jewelry Coverage Surcharge (Rounded)		\$26

Optional Credits

Senior Citizen Discount

Basic Premium		\$331.000
Senior Citizen Discount Factor	x	<u>-0.05</u>
		-\$16.550 (round to three decimals)
Senior Citizen Discount (Rounded)		-\$17

Final Policy Premium

	<u>Premium Amount</u>
Basic Premium	\$331
Deductible No. 3 Adjustment	\$17
Increased Limits Surcharge	\$7
Endorsements	\$76
Optional Credits	+ <u>-\$17</u>
Total Policy Premium Amount	\$414
Claims Surcharge	+ <u>\$21</u> (see below)
Final Policy Premium Amount	\$435

Claims Surcharge Endorsement

<u>HO-330</u>	
Total Policy Premium Amount	\$414.000
Claims Surcharge Factor	x <u>0.05</u>
	\$20.700 (round to three decimals)
Claims Surcharge (Rounded)	<u>\$21</u>

EXAMPLE PREMIUM CALCULATION FOR TEXAS DWELLING COVERAGES**Example No. 1**Policy Information

<u>Coverage</u>	<u>Limits</u>
Fire (Dwelling)	\$75,500
Extended Coverage (Dwelling)	\$75,500
Vandalism & Malicious Mischief (Dwelling)	\$75,500

<u>Deductible</u>	<u>Amount</u>
Deductible Adjustment - EC, V&MM	\$250

<u>Surcharges</u>	<u>Surcharge %</u>
Mobile Home Surcharge	+25.0%

<u>Credits</u>	<u>Credit %</u>
Optional Dry Hydrant Credit	-10.0%
Sprinklered Risk Credit	-12.0%
TDP-001 - Wind Exclusion	-91.0%

Additional Premium Modifications

Public Housing
 Tenant Occupancy of Dwelling
 Small Mercantile Occupancy of Dwelling
 Not an FR/SFR Risk

Rating Information

Construction Type	BV
Protection Class	10
Previous Applicable Key Rate (already halved)	n/a
Territory	9
Flex Percentage	+5.0%
Policy Term	1 year

Fire Premium Calculation

Base Fire Premium (Dwl Table A)		\$1.370	
Amount of Insurance (in 000's)	x	<u>75.500</u>	
		\$103.435	(round to three decimals)
Low Value Factor (Dwl Table B)	x	<u>1.000</u>	
		\$103.435	(round to three decimals)
Public Housing Credit Factor	x	<u>0.260</u>	
		\$26.893	(round to three decimals)
Rate Capping Factor - If Applicable	x	<u>N/A</u>	
		\$26.893	(round to three decimals)
Tenant Occupancy Surcharge (Premium Chart No. 18)	+	<u>\$2.280</u>	
		\$29.173	(round to three decimals)
Mobile Home Surcharge Factor	x	<u>1.250</u>	
		\$36.466	(round to three decimals)
Small Mercantile Occupancy Surcharge	+	<u>\$102.869</u>	(see small mercantile below)
		\$139.335	(round to three decimals)
Flex Percent Factor	x	<u>1.05</u>	
Normal Fire Premium		\$146.302	(round to three decimals)

Actual Fire Premium (Rounded)

\$146

Small Mercantile Occupancy Surcharge

Small Mercantile Occupancy Charge (Dwl Table A)		\$1.090	
Amount of Insurance (in 000's)	x	<u>75.500</u>	
		\$82.295	(round to three decimals)
Low Value Factor (Dwl Table B)	x	<u>1.000</u>	
		\$82.295	(round to three decimals)
Mobile Home Surcharge	x	<u>1.250</u>	
		\$102.869	(round to three decimals)

Credits to Fire Premium

Optional Dry Hydrant Credit

Actual Fire Premium		\$146.000	
Dry Hydrant Credit Factor	x	<u>-0.10</u>	
		-\$14.600	(round to three decimals)
Dry Hydrant Credit (Rounded)		-\$15	

Sprinklered Risk Credit

Actual Fire Premium		\$146.000	
Sprinklered Risk Credit Factor	x	<u>-0.12</u>	
		-\$17.520	(round to three decimals)
Sprinklered Risk Credit (Rounded)		-\$18	

Extended Coverage Premium Calculation

Base EC Premium (Dwl Chart No. 1A)		\$124.800	(use interpolation)
FR/SFR Factor	x	<u>1.000</u>	
		\$124.800	(round to three decimals)
Dwelling EC Territory Multiplier (Dwl EC Territory Multipliers)	x	<u>1.953</u>	
		\$243.734	(round to three decimals)
Public Housing Credit Factor (EC)	x	<u>0.600</u>	
		\$146.240	(round to three decimals)
Wind Exclusion Endorsement Factor (TDP-001)	x	<u>0.090</u>	
		\$13.162	(round to three decimals)
Mobile Home Surcharge Factor	x	<u>1.250</u>	
		\$16.453	(round to three decimals)
Deductible Adjustment Factor (Ded Adj Schedule)	x	<u>1.250</u>	
		\$20.566	(round to three decimals)
Flex Percent Factor	x	<u>1.05</u>	
		\$21.594	(round to three decimals)

Extended Coverage Premium (Rounded)

\$22

Vandalism & Malicious Mischief Premium Calculation

Base V&MM Premium (V&MM Premium Chart)		\$8.100	(use interpolation)
Mobile Home Surcharge Factor	x	<u>1.250</u>	
		\$10.125	(round to three decimals)
Deductible Adjustment Factor (Ded Adj Schedule)	x	<u>1.250</u>	
		\$12.656	(round to three decimals)
Flex Percent Factor	x	<u>1.05</u>	
		\$13.289	(round to three decimals)

Vandalism & Malicious Mischief Premium (Rounded) \$13

Final Policy Premium

		<u>Premium Amount</u>	
Actual Fire Premium		\$146	
Credits to Fire Premium		-\$33	
Extended Coverage Premium		\$22	
Vandalism & Malicious Mischief Premium	+	<u>\$13</u>	
Total Policy Premium		\$148	
Final Policy Premium Amount		<table border="1"><tr><td>\$148</td></tr></table>	\$148
\$148			

EXAMPLE PREMIUM CALCULATION FOR TEXAS DWELLING COVERAGES

Example No. 2

Policy Information

<u>Coverage</u>	<u>Limits</u>
Fire (Dwelling)	\$75,500
Fire (Personal Property)	\$15,000
Extended Coverage (Dwelling)	\$75,500
Extended Coverage (Personal Property)	\$15,000
Additional Extended Coverage (Personal Property)	\$15,000
Physical Loss Form (Dwelling)	\$75,500

<u>Deductible</u>	<u>Amount</u>
Deductible Adjustment - EC (Dwelling), PLF (Dwelling)	\$250
Deductible Adjustment - EC (Contents), AEC (Contents)	1%

<u>Surcharges</u>	<u>Surcharge %</u>
Mobile Home Surcharge	+25.0%

<u>Credits</u>	<u>Credit %</u>
Optional Dry Hydrant Credit	-10.0%
Sprinklered Risk Credit	-12.0%
TDP-001A - Wind Exclusion	-98.0%

Additional Premium Modifications

Public Housing (Dwelling Only)
 Tenant Occupancy of Dwelling
 Small Mercantile Occupancy of Dwelling
 Not an FR/SFR Risk

Rating Information

Construction Type	BV
Protection Class	10
Previous Applicable Key Rate (already halved)	n/a
Territory	9
Flex Percentage	+5.0%
Policy Term	1 year

Fire Premium Calculation

	<u>Dwelling</u>	<u>Personal Property</u>	
Base Fire Premium (Dwl Table A)	\$1.370	\$1.370	
Amount of Insurance (in 000's)	x 75.500	x 15.000	
	\$103.435	\$20.550	(round to three decimals)
Low Value Factor (Dwl Table B)	x 1.000	x 1.000	
	\$103.435	\$20.550	(round to three decimals)
Public Housing Credit Factor (Dwelling Only)	x 0.260	x 1.000	
	\$26.893	\$20.550	(round to three decimals)
Rate Capping Factor - If Applicable	x N/A	x N/A	
	\$26.893	\$20.550	(round to three decimals)
Tenant Occupancy Surcharge (Premium Chart No. 18)	+ \$2.280	+ \$2.280	

Mobile Home Surcharge Factor	x	<u>\$29.173</u> 1.250	x	<u>\$22.830</u> 1.250	(round to three decimals)
		\$36.466		\$28.538	(round to three decimals)
Small Mercantile Occupancy Surcharge	+	<u>\$102.869</u>	+	<u>\$20.438</u>	(see small mercantile below)
		\$139.335		\$48.976	(round to three decimals)
Flex Percent Factor	x	<u>1.05</u>	x	<u>1.05</u>	
Normal Fire Premium		\$146.302		\$51.425	(round to three decimals)
Actual Fire Premium (Rounded)		\$146		\$51	

Small Mercantile Occupancy Surcharge

		<u>Dwelling</u>		<u>Personal Property</u>	
Small Mercantile Occupancy Charge (Dwl Table A)		\$1.090		\$1.090	
Amount of Insurance (in 000's)	x	<u>75.500</u>	x	<u>15.000</u>	
		\$82.295		\$16.350	(round to three decimals)
Low Value Factor (Dwl Table B)	x	<u>1.000</u>	x	<u>1.000</u>	
		\$82.295		\$16.350	(round to three decimals)
Mobile Home Surcharge	x	<u>1.250</u>	x	<u>1.250</u>	
		\$102.869		\$20.438	(round to three decimals)

Credits to Fire Premium

		<u>Dwelling</u>		<u>Personal Property</u>	
Optional Dry Hydrant Credit					
Actual Fire Premium		\$146.000		\$51.000	
Dry Hydrant Credit Factor	x	<u>-0.10</u>	x	<u>-0.10</u>	
		-\$14.600		-\$5.100	(round to three decimals)
Dry Hydrant Credit (Rounded)		-\$15		-\$5	

		<u>Dwelling</u>		<u>Personal Property</u>	
Sprinklered Risk Credit					
Actual Fire Premium		\$146.000		\$51.000	
Sprinklered Risk Credit Factor	x	<u>-0.12</u>	x	<u>-0.12</u>	
		-\$17.520		-\$6.120	(round to three decimals)
Sprinklered Risk Credit (Rounded)		-\$18		-\$6	

Extended Coverage Premium Calculation

		<u>Dwelling</u>		<u>Personal Property</u>	
Base EC Premium (Dwl Chart No. 1A)		\$124.800		\$9.000	(use interpolation)
FR/SFR Factor	x	<u>1.000</u>	x	<u>1.000</u>	
		\$124.800		\$9.000	(round to three decimals)
Dwl EC Territory Multiplier (Dwl EC Territory Multipliers)	x	<u>1.953</u>	x	<u>1.924</u>	
		\$243.734		\$17.316	(round to three decimals)
Public Housing Credit Factor (Dwelling Only)	x	<u>0.600</u>	x	<u>1.000</u>	
		\$146.240		\$17.316	(round to three decimals)
Wind Exclusion Endorsement Factor (TDP-001A)	x	<u>0.020</u>	x	<u>0.020</u>	
		\$2.925		\$0.346	(round to three decimals)
Mobile Home Surcharge Factor	x	<u>1.250</u>	x	<u>1.250</u>	

Deductible Adjustment Factor (Ded Adj Schedule)	x	\$3.656 1.250	x	\$0.433 (round to three decimals) 1.000
		\$4.570		\$0.433 (round to three decimals)
Flex Percent Factor	x	1.05	x	1.05
		\$4.799		\$0.455 (round to three decimals)
Extended Coverage Premium (Rounded)		\$5		\$0

Additional Extended Coverage Premium Calculation

Base AEC Premium (AEC Premium Chart)		\$11.000		
AEC Territory Multiplier (AEC Premium Chart)	x	1.337		
		\$14.707 (round to three decimals)		
Mobile Home Surcharge Factor	x	1.250		
		\$18.384 (round to three decimals)		
Deductible Adjustment Factor (Ded Adj Schedule)	x	1.000		
		\$18.384 (round to three decimals)		
Flex Percent Factor	x	1.05		
		\$19.303 (round to three decimals)		
Additional Extended Coverage Premium (Rounded)		\$19		

Physical Loss Form Premium Calculation

Base PLF Premium (All Risk Premium Chart)		\$64.400 (use interpolation)		
PLF Territory Multiplier (All Risk Premium Chart)	x	1.900		
		\$122.360 (round to three decimals)		
Mobile Home Surcharge Factor	x	1.250		
		\$152.950 (round to three decimals)		
Deductible Adjustment Factor (Ded Adj Schedule)	x	1.250		
		\$191.188 (round to three decimals)		
Flex Percent Factor	x	1.05		
		\$200.747 (round to three decimals)		
Physical Loss Form Premium (Rounded)		\$201		

Final Policy Premium

	<u>Premium Amount</u>
Actual Fire Premium (Dwelling)	\$146
Credits to Fire Premium (Dwelling)	-\$33
Actual Fire Premium (Personal Property)	\$51
Credits to Fire Premium (Personal Property)	-\$11
Extended Coverage Premium (Dwelling)	\$5
Extended Coverage Premium (Personal Property)	\$0
Additional Extended Coverage Premium	\$19
Physical Loss Form Premium	+ \$201
Total Policy Premium	\$378
Final Policy Premium Amount	\$378

EXAMPLE OF HO-140 PREMIUM REDUCTION FOR HOMEOWNERS POLICY - NO CAPPING APPLYING

Assumptions: HO-B Brick Veneer Territory 9 Protection Class 6 Previous Key Rate n/a Flex +5%

Coverage A (Dwelling)			\$100,000
Coverage B (Personal Property)			60,000
Deductible Clause 1			250
Deductible Clause 2			250
HO-101 (Replacement Cost)			Attached
Base Premium			\$222,000
Protection/Construction Factor		x	<u>1.100</u>
			\$244,200
Amount of Insurance Factor (with increased Coverage B)		x	<u>4.886</u>
			\$1,193.161
Rate Capping Factor		x	<u>N/A</u>
Basic Benchmark Premium			\$1,193.161
Flex Factor		x	<u>1.05</u>
Basic Premium			\$1,253
Deductible Clause 1 (Excluded)		+	-
Deductible Clause 2 (15% of Basic Premium)		+	188
HO-101 (5% of Basic Premium)		+	<u>63</u>
Total Premium			\$1,504

Basic Premium Reduction

	Dwelling		Personal Property
Dwelling Extended Coverage Premium Chart	\$165.00		\$35.00
Dwelling Extended Coverage Territory Multiplier	x <u>1.953</u>		x <u>1.924</u>
Subtotal	\$322.245		\$67.340
Flex (HO-B Flex)	x <u>1.05</u>		x <u>1.05</u>
Gross Premium	\$338.357		\$70.707
Dwelling and Contents Combined		\$409.064	
HO-140 (Primary Residence) Factor		x <u>0.98</u>	
Indicated Reduction of Basic Premium		\$ 401	
70% of Basic Premium		\$ 877	
Premium Reduction of Basic Premium (min. of previous two lines)		\$ 401	

Replacement Cost Reduction

Gross Premium			\$70.707
Replacement Cost Surcharge		x	<u>0.05</u>
Subtotal			3.535
Dwelling and Contents Combined		\$20.453	
HO-140 (Primary Residence) Factor		x <u>0.98</u>	
Indicated Reduction of Replacement Cost Endorsement		\$ 20	
70% of Replacement Cost Endorsement		\$ 44	
Premium Reduction of Repl. Cost Endorsement (min. of previous two lines)		\$ 20	

Homeowners with HO-140 Attached

Basic Premium (Basic Premium - Premium Reduction)			\$852
Deductible Clause 1 (Excluded)		+	-
Deductible Clause 2 (no change)		+	188
HO-101 (Replacement Cost Surcharge - Premium Reduction)		+	<u>43</u>
Total Premium			\$1,083

EXAMPLE OF HO-140 PREMIUM REDUCTION FOR HOMEOWNERS POLICY - CAPPING APPLYING

Assumptions: HO-B Brick Veneer Territory 8 Protection Class 6 Previous Key Rate n/a Flex +5%

Coverage A (Dwelling)		\$250,000
Coverage B (Personal Property)		150,000
Deductible Clause 1		250
Deductible Clause 2		250
HO-101 (Replacement Cost)		Attached
Base Premium		\$116.000
Protection/Construction Factor	x	<u>1.100</u>
		\$127.600
Amount of Insurance Factor (with increased Coverage B)	x	<u>10.320</u>
		\$1,316.832
Rate Capping Factor	x	<u>N/A</u>
Basic Benchmark Premium		\$1,316.832
Flex Factor	x	<u>1.05</u>
Basic Premium		\$1,383
Deductible Clause 1 (Excluded)	+	-
Deductible Clause 2 (26% of Basic Premium)	+	360
HO-101 (5% of Basic Premium)	+	<u>69</u>
Total Premium		\$1,812

Basic Premium Reduction

	<u>Dwelling</u>		<u>Personal Property</u>
Dwelling Extended Coverage Premium Chart	\$412.50		\$88.50
Dwelling Extended Coverage Territory Multiplier	x <u>1.953</u>	x	<u>1.924</u>
Subtotal	\$805.613		\$170.274
Flex (HO-B Flex)	x <u>1.05</u>	x	<u>1.05</u>
Gross Premium	\$845.894		\$178.788
Dwelling and Contents Combined		\$1,024.682	
HO-140 (Primary Residence) Factor		x <u>0.98</u>	
Indicated Reduction of Basic Premium		\$ 1,004	
70% of Basic Premium		\$ 968	
Premium Reduction of Basic Premium (min. of previous two lines)		\$ 968	

Replacement Cost Reduction

Gross Premium		\$845.894		\$178.788
Replacement Cost Surcharge	x	<u>0.05</u>	x	<u>0.05</u>
Subtotal		42.295		8.939
Dwelling and Contents Combined		\$51.234		
HO-140 (Primary Residence) Factor		x <u>0.98</u>		
Indicated Reduction of Replacement Cost Endorsement		\$ 50		
70% of Replacement Cost Endorsement		\$ 48		
Premium Reduction of Repl. Cost Endorsement (min. of previous two lines)		\$ 48		

Homeowners with HO-140 Attached

Basic Premium (Basic Premium - Premium Reduction)		\$415
Deductible Clause 1 (Excluded)	+	-
Deductible Clause 2 (no change)	+	360
HO-101 (Replacement Cost Surcharge - Premium Reduction)	+	<u>21</u>
Total Premium		\$796

**EXAMPLE OF HO-140 PREMIUM REDUCTION FOR HOMEOWNERS POLICY
WITH OPTIONAL LARGE DEDUCTIBLE OF 2.0%**

Assumptions: HO-B Brick Veneer Territory 9 Protection Class 6 Previous Key Rate n/a Flex +5%

Coverage A (Dwelling)		\$100,000
Coverage B (Personal Property)		60,000
Deductible Clause 1		2.0%
Deductible Clause 2		2.0%
HO-101 (Replacement Cost)		Attached
Base Premium		\$222,000
Protection/Construction Factor	x	1.100
		<u>\$244,200</u>
Amount of Insurance Factor (with increased Coverage B)	x	4.886
		<u>\$1,193.161</u>
Rate Capping Factor	x	N/A
Basic Benchmark Premium		<u>\$1,193.161</u>
Flex Factor	x	1.05
Basic Premium		\$1,253
Deductible Clause 1 (Excluded)	+	-
Deductible Clause 2 (11% Credit)	+	(138)
HO-101 (5% of Basic Premium)	+	63
		<u>63</u>
Total Premium		\$1,178

Basic Premium Reduction

	Dwelling	Personal Property
Dwelling Extended Coverage Premium Chart	\$165.00	\$35.00
Dwelling Extended Coverage Territory Multiplier	x 1.953	x 1.924
	<u>\$322.245</u>	<u>\$67.340</u>
Subtotal		
Flex (HO-B Flex)	x 1.05	x 1.05
Gross Premium	<u>\$338.357</u>	<u>\$70.707</u>
Dwelling and Contents Combined		\$409.064
HO-140 (Primary Residence) Factor	x 0.98	
Indicated Reduction of Basic Premium	\$ 401	
70% of Basic Premium	\$ 877	
Premium Reduction of Basic Premium (min. of previous two lines)	\$ 401	

Replacement Cost Reduction

Gross Premium		\$338.357		\$70.707
Replacement Cost Surcharge	x 0.05		x 0.05	
Subtotal		<u>16.918</u>		<u>3.535</u>
Dwelling and Contents Combined				\$20.453
HO-140 (Primary Residence) Factor	x 0.98			
Indicated Reduction of Replacement Cost Endorsement				\$ 20
70% of Replacement Cost Endorsement				\$ 44
Premium Reduction of Repl. Cost Endorsement (min. of previous two lines)				\$ 20

Homeowners with HO-140 Attached

Basic Premium (Basic Premium - Premium Reduction)		\$852
Deductible Clause 1 (Excluded)	+	-
Deductible Clause 2 (no change)	+	(138)
HO-101 (Replacement Cost Surcharge - Premium Reduction)	+	43
		<u>43</u>
Total Premium		\$757

Using Rating Rules Effective 6/15/2000

EXAMPLE OF HO-140B PREMIUM REDUCTION FOR HO-BT IN A DWELLING

Assumptions: HO-BT Dwelling Brick Veneer Territory 9 Flex -5% Previous Key Rate n/a
Protection Class 6

Coverage B (Personal Property)		\$20,000
Deductible Clause 3		\$100
HO-101 (Replacement Cost)		Attached
Tenant Base Rate		\$38.000
Protection/Construction Factor	x	<u>1.100</u>
		\$41.800
Amount of Insurance Factor	x	<u>1.530</u>
		\$63.954
Rate Capping Factor	x	<u>N/A</u>
Basic Benchmark Premium		\$63.954
Flex	x	<u>0.95</u>
		\$60.756
Basic Premium (Rounded)		\$61
Deductible Clause 3 (18% of Basic Premium)	+	11
HO-101 (15% of Basic Premium)	+	<u>9</u>
Total Premium		\$81

Basic Premium Reduction

Extended Coverage Premium Chart 1B		\$12
Contents Extended Coverage Territory Multiplier	x	<u>1.924</u>
Subtotal		\$23.088
Flex (HO-BT Flex)	x	<u>0.95</u>
Gross Premium		\$21.934
HO-140B (Primary Residence) Factor	x	<u>0.96</u>
Premium Reduction of Homeowners Basic Premium		\$21

Deductible Clause 3 Reduction

Gross Premium		\$21.934
Deductible Adjustment (Dwelling Section)	x	<u>0.08</u>
Subtotal		\$1.755
HO-140B (Primary Residence) Factor	x	<u>0.96</u>
Premium Reduction of Deductible Clause 3		\$2

Replacement Cost Reduction

Gross Premium		\$21.934
Replacement Cost Surcharge (End No. HO-101)	x	<u>0.15</u>
Subtotal		\$3.290
HO-140B (Primary Residence) Factor	x	<u>0.96</u>
Premium Reduction of Replacement Cost		\$3

Homeowners-Tenant with HO-140B Attached

Basic Premium (Basic Premium - Premium Reduction)		\$40
Deductible Clause 3 (Deductible Clause 3 - Premium Reduction)	+	9
HO-101 (Replacement Cost Surcharge - Premium Reduction)	+	<u>6</u>
Total Premium		\$55

EXAMPLE OF HO-140B PREMIUM REDUCTION FOR HO-BT IN AN APARTMENT

Assumptions: HO-BT Apartment Brick Veneer Territory 9 Flex +20% Previous Key Rate n/a
Protection Class 6

Coverage B (Personal Property)		\$25,000
Deductible Clause 3		\$100
HO-101 (Replacement Cost)		Attached
Tenant Base Rate		\$54.000
Protection/Construction Factor	x	1.100
		\$59.400
Amount of Insurance Factor	x	1.910
		\$113.454
Rate Capping Factor	x	N/A
Basic Benchmark Premium		\$113.454
Flex	x	1.20
Basic Benchmark Premium		\$136.145
Basic Premium		\$136
Deductible Clause 3 (20% of Basic Premium)	+	27
HO-101 (15% of Basic Premium)	+	20
Total Premium		\$183

Basic Premium Reduction

Extended Coverage Rate Chart (See Note Below)		0.611
50% of Building Rate	x	0.50
Subtotal		0.306
Amount of Coverage / 100	x	250
Subtotal		\$76.500
Flex (HO-BT Flex)	x	1.20
Gross Premium		\$91.800
HO-140B (Primary Residence) Factor	x	0.96
Premium Reduction of Homeowners Basic Premium		\$88

Deductible Clause 3 Reduction

Deductible reduction does not apply to apartments, condominiums or other buildings.

Replacement Cost Reduction

Gross Premium		\$91.800
Replacement Cost Surcharge (End No. HO-101)	x	0.15
Subtotal		\$13.770
HO-140B (Primary Residence) Factor	x	0.96
Premium Reduction of Replacement Cost		\$13

Homeowners-Tenant with HO-140B Attached

Basic Premium (Basic Premium - Premium Reduction)		\$48
Deductible Clause 3	+	27
HO-101 (Replacement Cost Surcharge - Premium Reduction)	+	7
Total Premium		\$82

NOTE:

1. For Apartments and Condominiums:
 - a. If EC construction is other than WR or SWR then use 50% of the building rate (see TWIA Manual General Index). The building rate is found in Rate Table A of the TWIA Manual. Use the 80% coinsurance rate.
 - b. If EC construction is WR or SWR then use the contents rate (see TWIA Manual General Index). The contents rate is found in Rate Table C of the TWIA Manual. Use the 80% coinsurance rate.
2. For Other Buildings:

Determine the rate table to be used from the TWIA General Index.

EXAMPLE OF HO-140 PREMIUM REDUCTION FOR HO-CON

Assumptions: HO-CON-B Condo Brick Veneer Territory 9 Flex -10%
 Previous Key Rate n/a Protection Class 6

Coverage B (Personal Property)		\$50,000
Deductible Clause 3		\$250
HO-101 (Replacement Cost)		Attached
Tenant Base Rate		\$51.000
Protection/Construction Factor	x	1.100
		\$56.100
Amount of Insurance Factor	x	3.850
		\$215.985
Rate Capping Factor	x	NA
Basic Benchmark Premium		\$215.985
Flex	x	0.90
		\$194.387
Basic Premium (Rounded)		\$194
Deductible Clause 3 (5% of Basic Premium)	+	10
HO-101 (15% of Basic Premium)	+	29
Total Premium		\$233

Basic Premium Reduction

Extended Coverage Rate Chart (See Note Below)		0.611
50% of Building Rate	x	0.50
Subtotal		0.306
Amount of Coverage / 100	x	500
Subtotal		\$153.000
Flex (HO-CON-B Flex)	x	0.90
Gross Premium		\$137.700
HO-140 (Primary Residence) Factor	x	0.96

Indicated Reduction of Basic Premium	\$	132
70% of Basic Premium	\$	136
Premium Reduction of Basic Premium (min. of previous two lines)	\$	132

Deductible Clause 3 Reduction

Deductible reduction does not apply to apartments, condominiums or other buildings.

Replacement Cost Reduction

Gross Premium		\$137.700
Replacement Cost Surcharge (End No. HO-101)	x	0.15
Subtotal		\$20.655
HO-140 (Primary Residence) Factor	x	0.96

Indicated Reduction of Basic Premium	\$	20
70% of Basic Premium	\$	20
Premium Reduction of Basic Premium (min. of previous two lines)	\$	20

Homeowners-Condo with HO-140 Attached

Basic Premium (Basic Premium - Premium Reduction)		\$62
Deductible Clause 3	+	10
HO-101 (Replacement Cost Surcharge - Premium Reduction)	+	9
Total Premium		\$81

NOTE:

1. For Apartments and Condominiums:
 - a. If EC construction is other than WR or SWR then use 50% of the building rate (see TWIA Manual General Index). The building rate is found in Rate Table A of the TWIA Manual. Use the 80% coinsurance rate.
 - b. If EC construction is WR or SWR then use the contents rate (see TWIA Manual General Index). The contents rate is found in Rate Table C of the TWIA Manual. Use the 80% coinsurance rate.
2. For Other Buildings:
 - Determine the rate table to be used from the TWIA General Index.