Filing at a Glance

Company:	Pennsylvania National Mutual Casualty Insurance Company
Product Name:	HO Rate Rule Rev
State:	Pennsylvania
TOI:	04.0 Homeowners
Sub-TOI:	04.0000 Homeowners Sub-TOI Combinations
Filing Type:	Rate/Rule
Date Submitted:	06/13/2013
SERFF Tr Num:	PNPR-129071959
SERFF Status:	Assigned
State Tr Num:	B44671001
State Status:	Received Review in Progress
Co Tr Num:	MK 13-015
Effective Date Requested (New):	10/01/2013
Effective Date Requested (Renewal):	11/01/2013
Author(s):	Michele Kelly
Reviewer(s):	Xiaofeng Lu (PC) (primary), Michael McKenney (PC)
Disposition Date:	
Disposition Status:	
Effective Date (New):	
Effective Date (Renewal):	

State Filing Description:

State: *Pennsylvania* **Filing Company:** *Pennsylvania National Mutual Casualty Insurance Company*

TOI/Sub-TOI: *04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations*
Product Name: *HO Rate Rule Rev*
Project Name/Number: */*

General Information

Project Name:
Project Number:
Reference Organization:
Reference Title:
Filing Status Changed: 06/14/2013
State Status Changed: 06/14/2013
Created By: Michele Kelly
Corresponding Filing Tracking Number:

Status of Filing in Domicile:
Domicile Status Comments:
Reference Number:
Advisory Org. Circular:

Deemer Date:
Submitted By: Michele Kelly

Filing Description:
See cover letter.

Company and Contact

Filing Contact Information

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Filing Company Information

Pennsylvania National Mutual Casualty Insurance Company
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PO Box 2361
Harrisburg, PA 17105-2361
(717) 234-4941 ext. [Phone]

CoCode: 14990
Group Code: 271
Group Name: Penn National Insurance
FEIN Number: 23-0961349

State of Domicile: Pennsylvania
Company Type: P&C
State ID Number: 37

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: 14990

State: *Pennsylvania*
Filing Company: *Pennsylvania National Mutual Casualty Insurance Company*
TOI/Sub-TOI: *04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations*
Product Name: *HO Rate Rule Rev*
Project Name/Number: */*

Rate Information

Rate data applies to filing.

Filing Method:
Rate Change Type: Increase
Overall Percentage of Last Rate Revision: 11.300%
Effective Date of Last Rate Revision: 08/01/2012
Filing Method of Last Filing:

Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
Pennsylvania National Mutual Casualty Insurance Company	8.300%	3.700%	$1,053,000	61,300	$28,450,000	15.300%	-3.500%

State: *Pennsylvania*
Filing Company: *Pennsylvania National Mutual Casualty Insurance Company*
TOI/Sub-TOI: *04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations*
Product Name: *HO Rate Rule Rev*
Project Name/Number: */*

Rate/Rule Schedule

Item No.	Schedule Item Status	Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing Number	Attachments
1		Rating Manual	various	Replacement		PA-HOME.pdf

*RULE 408.
ACTUAL CASH VALUE LOSS SETTLEMENT WINDSTORM OR HAIL LOSSES TO ROOF SURFACING -- ALL FORMS EXCEPT HO 00 04

Paragraphs **C.** is replaced by the following:

A. Premium Determination

1. To develop a premium for this option for Forms HO 00 02, HO 00 03, and HO 00 05, multiply the Adjusted Base Premium for P6 by the lessor of

a. 0.95 or
b. The product of the appropriate Age of Roof factor and 0.95.

2. To develop a premium for this option for Form HO 00 06, multiply the Coverage A Key Premium by a factor of 0.99.

This endorsement is not applicable to HO 00 06 risks with basic Coverage A limit of $5,000.

RULE 409.
REPLACEMENT COST LOSS SETTLEMENT FOR CERTAIN NON-BUILDING STRUCTURES – ALL FORMS EXCEPT HO 00 04 AND HO 00 06

This rule does not apply.

RULE 410.
BUILDING CODE EFFECTIVENESS GRADING

This rule does not apply.

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RULE 521.
WATER BACK UP AND SUMP DISCHARGE OR OVERFLOW

Paragraph B. is replaced by the following:

B. Coverage Option

*The policy may be endorsed to provide such coverage for a limit of liability of $5,000, $10,000, $20,000 or $50,000.

Paragraph **D**. is replaced by the following:

***D. Endorsement**

Use Water Back Up and Sump Discharge Or Overflow – Pennsylvania Endorsement **70-3435** or **70-3466**.

Note: Endorsement **70-3466** is only available for new business policies effective on and after October 1, 2013 and renewal policies effective on and after November 1, 2013.

RULE 522.
LANDLORDS FURNISHINGS

This rule does not apply.

RULE 523.
ASSISTED LIVING CARE COVERAGE

This rule does not apply.

RULE 524.
OTHER MEMBERS OF A NAMED INSURED'S HOUSEHOLD

This rule does not apply.

RULE 525.
MOTORIZED GOLF CART – PHYSICAL LOSS COVERAGE

This rule does not apply.

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INSTALLMENT PAYMENTS

A policy may be paid in full or on an installment basis in accordance with the following rules:

A. For all Payment Plans: The bill date is 21 days prior to the policy effective date. The premium due date is 17 days after the bill date or the policy effective date, whichever is greater.

- A prepaid policy will be paid in full. (No installments)
- Quarterly Billing - The total premium is broken down into 4 installments. The first installment is 25% of the premium followed by three installments of 25% each, due every three months.
- Ten Month Billing - The total premium is broken down into 10 installments. The first installment is 20% of the policy premium followed by nine installments of 8.9% each, due monthly.
- Monthly Billing - The total premium is broken down into 12 installments. The first 11 installments will be 8.335% each and the last installment will be 8.315%, due monthly. This is only available on a Recurring Payment Program basis.

B. Recurring Payment Program: Any payment plan can be set up for recurring payments. After authorization from the insured, we will automatically withdraw the invoiced installment amounts from the insured's checking account.

C. An installment fee of $5.00 will be charged for each installment except the first one. The installment fees will be billed and payable as a part of the premium. Installment fees will not be charged on Recurring Payment Program accounts.

D. **Telephone Payment Option – Vendor Service:** The insured has the option to make payment with a debit card, checking account number, or Credit Card by calling the toll-free automated telephone service at 1-800-766-2245. The vendor service hosting this option charges a convenience fee of $4.95 per transaction.

MULTI-POLICY DISCOUNT – ALL FORMS EXCEPT HO 00 08

The following discount is applicable to the Homeowners Policy when the named insured has an active Pennsylvania National Insurance Company Automobile Policy written through the Voluntary Market.

All Forms Except HO 00 04, HO 00 06 and HO 00 08

*The discount shall be determined by applying a factor of **0.74** to the product of the Key Premium and the Key Factor for each peril in accordance with Rule **301**.

Forms HO 00 04 and HO 00 06

The discount shall be determined by applying a factor of **0.80** to the product of the Key Premium and the Key Factor in accordance with Rule **301**.

*This discount may be applied to the Homeowners Policy at original inception, mid-term or upon renewal.

When an insured's Automobile Policy is cancelled or nonrenewed, the discount will be removed from the Homeowners Policy upon renewal.

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HOMEOWNERS PENNPAC®

This coverage cannot be purchased in combination with any of the following coverages:
Refrigerated Property Coverage Endorsement HO 04 98 or
Personal Injury Endorsement HO 24 82.

This coverage cannot be purchased on any policy where the premium has been reduced using the credit available under paragraph **B.** of Rule 105 Secondary Residence Premises.

When the Homeowners PennPac® Endorsement is provided for the HO 00 08 policy form, the premium is **$15.00**.

Use– Homeowners PennPac® – Pennsylvania Endorsement **70-2933**.

When the Homeowners PennPac® Endorsement is provided for all policy forms except HO 00 08, the premium is **$34.00**.

*Use PennPac® – Pennsylvania Endorsement **70-3234** or **70-3463**.

Note: Endorsement **70-3463** is only available for new business policies effective on and after October 1, 2013 and renewal policies effective on and after November 1, 2013.

HOMEOWNERS PENNPAC® DELUXE – ALL FORMS EXCEPT HO 00 08

This coverage cannot be purchased in combination with any of the following coverages:
Refrigerated Property Coverage Endorsement HO 04 98 or
Personal Injury Endorsement HO 24 82.

This coverage cannot be purchased on any policy where the premium has been reduced using the credit available under paragraph **B.** of Rule 105 Secondary Residence Premises.

When the Homeowners PennPac® Deluxe Endorsement is provided, the premium is **$50.00**.

*Use Homeowners PennPac® Deluxe – Pennsylvania Endorsement **70-3357** or **70-3464**.

Note: Endorsement **70-3464** is only available for new business policies effective on and after October 1, 2013 and renewal policies effective on and after November 1, 2013.

HOMEOWNERS PENNPAC® PLUS – ALL FORMS EXCEPT HO 00 08

This coverage cannot be purchased in combination with any of the following coverages:
Refrigerated Property Coverage Endorsement HO 04 98 or
Personal Injury Endorsement HO 24 82.
Agreed Value Loss Settlement Endorsement 70-3327.

This coverage cannot be purchased on any policy where the premium has been reduced using the credit available under paragraph **B.** of Rule 105 Secondary Residence Premises.

When the Homeowners PennPac® Plus Endorsement is provided, the premium is **$75.00**.

*Use Homeowners PennPac® Plus – Pennsylvania Endorsement **70-3333** or **70-3465**.

Note: Endorsement **70-3465** is only available for new business policies effective on and after October 1, 2013 and renewal policies effective on and after November 1, 2013.

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HOMEOWNERS PREFERRED PACKAGE – FORM HO 00 05 ONLY

The Homeowners Preferred Package includes the following coverage forms and endorsements:

- Form HO 00 05
- *Homeowner Preferred Package Endorsement **70-3436** or **70-3467.**
- Specified Additional Amount of Insurance - 25% option Endorsement **HO 04 20**
- Personal Property Replacement Cost Pennsylvania Endorsement **HO 23 63**

The premium for the Homeowners Preferred Package Endorsement is $100.

*Use Homeowners Preferred Package Endorsement **70-3436 or 70-3467**.

> Note: Endorsement **70-3467** is only available for new business policies effective on and after October 1, 2013 and renewal policies effective on and after November 1, 2013.

This endorsement may only be used in conjunction with the Homeowners Preferred Package.

The premium for each of the other forms and endorsements listed above will be individually calculated as stated in our Rating Manual and state company rates.

The Homeowners Preferred Package shall not apply to the policy until construction has been completed and the dwelling is occupied.

This coverage cannot be purchased on any policy where the premium has been reduced using the credit available under paragraph **B.** of Rule 105 Secondary Residence Premises.

This coverage cannot be purchased in combination with any of the following coverages:

1) Increased Limits on Business Property Endorsement **HO 04 12**
2) Refrigerated Property Coverage Endorsement **HO 04 98**
3) Personal Injury Endorsement **HO 24 82**
4) Identity Fraud Expense Coverage Endorsement **HO 04 55**
5) Agreed Loss Settlement Endorsement **70-3327**

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AGE OF ROOF FACTOR – ALL FORMS EXCEPT HO 00 04, HO 00 06 AND HO 00 08

A. An Age of Roof Factor applies to all dwellings on policy forms **HO 00 02**, **HO 00 03,** or **HO 00 05.** If this factor is less than 1.00, then it shall also be known as an Age of Roof Discount.

B. In order to receive an Age of Roof Factor less than 1.00, the dwelling must be owner occupied.

C. The number of years since construction or renovation for the first policy period during which this factor will apply shall be the greater of one or the year of the policy effective date minus the year of the construction or renovation. One year shall then be added at each subsequent renewal.

D. The Age of Roof Factor shall be computed based upon the year of renovation only if the policyholder has provided proof that the roof has been replaced by a professional roofer. Otherwise, the year of construction shall be used to calculate the Age of Roof Factor.

E. The Age of Roof Factor will be applied to the Base Premium for P6 using the applicable factor found in the state company rates according to the type of roof.

F. This factor may be adjusted as a mid-term endorsement to a qualifying existing Homeowners policy that meets the above criteria. The premium will be calculated on a pro-rata basis.

***G**. Age of roof factor is not applied when Actual Cash Value Loss Settlement Windstorm Or Hail Losses To Roof Surfacing (All Forms Except HO 00 04) Endorsement HO 04 93 is selected.

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1. TERRITORY DEFINITIONS

Rule 1. Territory Definitions is replaced in its entirety by the following:

A. Cities

City of	County of	Code
Allentown	Lehigh	30
Bethlehem	Lehigh and Northampton	30
Erie	Erie	36
Philadelphia	Philadelphia	04
Pittsburgh	Allegheny	34

B. Other Than Cities

County of	Code
Adams	73
Allegheny, Northern	64
(See zip code list on page TERR 2)	
Allegheny, Balance	35
Armstrong	52
Beaver	40
*Bedford, Central	79
(See zip code list on page TERR 2)	
*Bedford, Balance	49
Berks	32
Blair	51
Bradford	52
Bucks	44
(See zip code list on page TERR 2)	
Bucks, Western	61
(See zip code list on page TERR 3)	
Bucks, Eastern	62
(See zip code list on page TERR 3)	
Butler, Southwestern	65
(See zip code list on page TERR 3)	
Butler, Balance	52
Cambria	50
Cameron	53
Carbon	49
Centre	59
Chester, Eastern	46
(See zip code list on page TERR 3)	
Chester, Western	54
(See zip code list on page TERR 3)	

County of	Code
*Chester, Southwestern	32
(See zip code list on page TERR 4)	
Clarion	52
Clearfield	50
Clinton	49
Columbia	49
Crawford	52
Cumberland	73
Dauphin	33
Delaware	47
Elk	53
Erie	37
Fayette	50
Forest	52
Franklin	73
Franklin (zip code 17268)	74
Fulton	49
Greene	50
Huntingdon	49
Indiana	52
Jefferson	52
Juniata	49
Lackawanna	38
Lancaster	32
Lawrence	52
Lebanon	33
Lehigh	31
Luzerne	39
Lycoming	48
McKean	52
Mercer	52
Mifflin	49
Monroe	49
Montgomery	45
(See zip code list on page TERR 4)	
Montgomery	63
(See zip code list on page TERR 4)	
Montour	49
Northampton	31

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1. TERRITORY DEFINITIONS (Continued)

B. Other Than Cities (Continued)

County of	Code
Northumberland	49
Perry	49
Philadelphia	04
Pike	49
Potter	52
*Schuylkill	89
Snyder	49
Somerset	50
Sullivan	52
Susquehanna	52

County of	Code
Tioga	52
Union	49
York	33
Venango	52
Warren	52
Washington	41
Wayne	52
Westmoreland	42
Wyoming	52

Allegheny County, Northern – Territory 64
That portion of the county that falls in the following zip codes:

15015 15086 15101 15143 (Sewickley Heights and Sewickley Hills only)
15044 15090 15127 15237 16046 16066

Allegheny County, Balance – Territory 35
That portion of the county not included in Allegheny County, Northern territory.

***Bedford County, Central – Territory 79**
That portion of the county that falls in the following zip codes:

15521 15533 15535 15539 15550 15554 15559 17211
15522 15534 15537

***Bedford County, Balance – Territory 49**
That portion of the county not included in Bedford County, Central territory.

Bucks County – Territory 44
That portion of the county that falls in the following zip codes:

19007 19021 19054 19056 19058
19020 19030 19055 19057 19059

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1. TERRITORY DEFINITIONS (Continued)

Bucks County, Western – Territory 61
That portion of the county that falls in the following zip codes:

18966	18974	18991	19047	19048	19049	19053	19067
18081	18914	18925	18932	18943	18953	18968	18981
18901	18916	18926	18933	18944	18954	18969	
18902	18919	18927	18934	18946	18955	18970	
18910	18920	18928	18935	18947	18956	18972	

Bucks County, Eastern – Territory 62
That portion of the county that falls in the following zip codes:

18039	18911	18921	18929	18938	18949	18960	18976
18054	18912	18922	18930	18940	18950	18962	18977
18077	18913	18923	18931	18942	18951	18963	18980

Butler County, Southwestern – Territory 65
That portion of the county that falls in the following zip codes:

15044	16046	16066

Butler County, Balance – Territory 52
That portion of the county not included in Butler County, Southwestern territory.

Chester County, Eastern – Territory 46
That portion of the county that falls in the following zip codes:

19073	19317	19345	19366	19399	19460	19487	19494
19087	19319	19353	19395	19421	19480	19488	19495
19301	19333	19354	19397	19432	19481	19489	19496
19312	19342	19358	19398	19442	19482	19493	

***Chester County, Western – Territory 54**
That portion of the county that falls in the following zip codes:

17527	19330	19346	19352	19367	19375	19383	19465
19310	19335	19347	19355	19369	19376	19390	19470
19311	19341	19348	19357	19371	19380	19425	19475
19316	19343	19350	19360	19372	19381	19457	19520
19318	19344	19351	19365	19374	19382	19464	19543
19320							

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1. TERRITORY DEFINITIONS (Continued)

***Chester County, Southwestern – Territory 32**
That portion of the county that falls in the following zip codes:

19362	19363

Montgomery County – Territory 45
That portion of the county that falls in the following zip codes:

19001	19009	19034	19066	19096	19406	19424	19483
19002	19012	19035	19072	19401	19407	19428	19484
19003	19025	19038	19075	19403	19408	19429	19485
19004	19027	19041	19085	19404	19409	19444	
19006	19031	19046	19095	19405	19422	19462	

Montgomery County – Territory 63
That portion of the county that falls in the following zip codes:

18041	18915	18969	19420	19438	19453	19473	19504
18054	18918	18971	19423	19440	19454	19474	19505
18070	18924	18979	19426	19441	19455	19477	19525
18073	18936	19040	19430	19443	19456	19478	
18074	18957	19044	19435	19446	19464	19486	
18076	18958	19090	19436	19450	19468	19490	
18084	18964	19415	19437	19451	19472	19492	

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515. PERSONAL PROPERTY (Continued)

Cov C Ratio with Personal Property Replacement Cost Form HO 00 08	P1	P2	P3	P4	P5	P6
40%	-0.1057	-0.1057	-0.1057	-0.1057	-0.1057	-0.1057
50%	-0.0705	-0.0705	-0.0705	-0.0705	-0.0705	-0.0705
60%	-0.0352	-0.0352	-0.0352	-0.0352	-0.0352	-0.0352
70%	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

Cov C Ratio without Personal Property Replacement Cost Form HO 00 08	P1	P2	P3	P4	P5	P6
40%	-0.0377	-0.0377	-0.0377	-0.0377	-0.0377	-0.0377
50%	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

B. Increased Limit - Other Residences

3. Rate per $1,000 ..... $ 7

D. Increased Special Limits of Liability

1. Jewelry, Watches & Furs - Rate per $1,000 ..... $18

2. Money - Rate per $100 ..... $ 6

3. Securities – Rate per $100 ..... $ 4

4 Silverware - Rate per $500 ..... $ 2.50

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 - Form **HO 00 08**

1. On-Premises - Rate per $2,000

Territory

*30-33, 36-42, 48, 49, 50-53, 59, 65, 73, 74, 79, 89 ..... $33
44-47, 54, 61-63 ..... $44
34, 35, 64 ..... $47
04 ..... $56

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515. PERSONAL PROPERTY (Continued)

F. Theft Coverage Increase - Form **HO 00 08**

2. Off-Premises

Territory	
*30-33, 36-42, 48, 49, 50-53, 59, 65, 73, 74, 79, 89	$12
44-47, 54, 61-63	$ 9
34, 35, 64	$21
04	$22

517. RENTAL TO OTHERS - THEFT COVERAGE

B. Premium
Rate per policy $15

518. SINKHOLE COLLAPSE COVERAGE

B. Premium Determination
***1.** Rate per $1,000 ..... $ .385

519. SPECIAL COMPUTER COVERAGE

B. Premium
Charge per policy $15

520. LIVESTOCK COLLISION COVERAGE

C. Premium
4. Estimated No. of Head

1-100	$10
101-250	$20
251-500	$30
501-1,000	$40

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RULE 301. BASE PREMIUM COMPUTATION (Continued)

A. All Forms Except HO 00 04 & HO 00 06

Rule 301.A.2. Factor Tables

*Base Rates						
P1	**P2**	**P3**	**P4**	**P5**	**P6**	**P7**
75.3131	195.4530	17.6254	15.8474	168.7628	144.5036	31.5025

*Territory Factors							
Territory	**P1**	**P2**	**P3**	**P4**	**P5**	**P6**	**P7**
04	2.5509	2.7507	3.4942	2.5475	2.5666	2.3493	2.3442
30	0.8708	1.0533	0.9708	0.9067	0.8631	0.9446	0.9680
31	0.9387	0.9517	0.9002	0.9429	0.9273	0.9976	0.9944
32	1.0099	1.0039	0.9750	1.0033	1.0057	1.0072	0.9896
33	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
34	1.3264	1.3984	1.5968	1.3653	1.3297	1.3353	1.3501
35	1.1645	1.1109	1.1916	1.1454	1.1518	1.1108	1.1545
36	1.0928	1.1565	1.3220	1.0968	1.0954	1.0540	1.1806
37	1.2902	1.1667	1.2886	1.2997	1.2917	1.2817	1.3994
38	1.4497	1.2492	1.4462	1.4231	1.4372	1.3577	1.3261
39	1.2509	1.0342	1.2217	1.2150	1.2248	1.1601	1.1698
40	1.1977	1.0347	1.1413	1.1571	1.1834	1.0801	1.3053
41	1.3195	1.1759	1.2907	1.2815	1.3044	1.2290	1.3523
42	1.2095	1.1412	1.1864	1.1912	1.1986	1.1684	1.2348
44	1.8297	1.6495	1.7900	1.7823	1.7567	1.6786	1.6378
45	1.7967	1.8385	1.7867	1.9366	1.7810	1.9715	2.3494
46	1.4433	1.3677	1.3320	1.4976	1.4421	1.5193	1.6480
47	1.7324	1.6212	1.7052	1.7417	1.7151	1.7150	1.7579

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RULE 301. BASE PREMIUM COMPUTATION (Continued)

Rule 301.A.2. Factor Tables (Continued)

*Territory Factors (Continued)							
Territory	**P1**	**P2**	**P3**	**P4**	**P5**	**P6**	**P7**
48	1.0801	0.9947	1.1223	1.0973	1.0937	1.0840	1.1675
49	1.1113	0.9468	1.0552	1.0896	1.1093	1.0512	1.0343
50	1.1955	1.0426	1.1978	1.1737	1.1894	1.1138	1.2290
51	1.2446	1.2399	1.3143	1.2410	1.2405	1.2216	1.2265
52	1.1445	0.9415	1.1028	1.1518	1.1712	1.0938	1.1121
53	1.0661	1.1109	1.1590	1.0707	1.0573	1.0696	1.3161
54	1.3606	1.2867	1.1942	1.4320	1.3119	1.4545	1.8400
59	1.0796	0.9872	1.0235	1.0690	1.0650	1.0637	1.1256
61	1.5634	1.4894	1.4500	1.5864	1.5101	1.5780	1.7143
62	1.3014	1.2928	1.1990	1.3472	1.2823	1.3926	1.6283
63	1.2857	1.3727	1.2536	1.3170	1.2412	1.3455	1.4741
64	1.0619	1.1041	1.0295	1.0793	1.0525	1.1095	1.2415
65	1.0930	1.1610	1.0182	1.0362	1.0732	1.1226	1.1530
73	0.9601	0.9389	0.9430	0.9567	0.9695	0.9590	0.9942
74	0.9173	0.8970	0.9010	0.9140	0.9263	0.9162	0.9499
79	1.0557	0.8995	1.0024	1.0351	1.0538	0.9986	0.9826
89	1.1669	0.9941	1.1080	1.1441	1.1648	1.1038	1.0860

Form Factors							
Form	**P1**	**P2**	**P3**	**P4**	**P5**	**P6**	**P7**
HO 00 02	0.9000	0.9000	0.9000	0.9000	0.9000	0.9000	0.9000
HO 00 03	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
HO 00 05	1.1000	1.1000	1.1000	1.1000	1.1000	1.1000	1.1000
HO 00 08	0.9200	0.9200	0.9200	0.9200	0.9200	0.9200	0.9200

*Indicates Change

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RULE 301. BASE PREMIUM COMPUTATION (Continued)

B.1. Form HO 00 04

Rule 301.B.1.(b) Factor Tables

Base Rate
150.0709

Territory Factors	
Territory	**HO 00 04**
4	2.3750
30	1.4167
31	1.4167
32	1.4167
33	1.0000
34	2.0583
35	1.7000
36	1.4500
37	1.7000
38	1.7333
39	1.3833
40	1.1917
41	1.3500
42	1.1917
44	1.9000
45	1.8000
46	1.8000
47	2.0250
48	1.0917
49	1.4167
50	1.2500
51	1.4167
52	1.2500

Territory Factors	
Territory	**HO 00 04**
53	1.2500
54	1.8000
59	1.4167
61	1.9000
62	1.9000
63	1.8000
64	1.7000
65	1.2500
73	1.0000
74	1.0000
***79**	1.4167
***89**	1.4167

Protection-Construction Factors		
Protection Class	**Construction (Type)**	
	Frame (F)	**Masonry (M)**
1	1.0000	0.9000
2	1.0000	0.9000
3	1.0000	0.9000
4	1.0000	0.9000
5	1.0000	0.9000
6	1.0000	0.9000
7	1.3000	0.9000
8	1.3000	0.9000
19	NA	NA
9	1.6000	1.3000
10	2.0000	1.5000

*Indicates Change

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RULE 301. BASE PREMIUM COMPUTATION (Continued)

B.1. Form HO 00 06

Rule 301.B.2.(b) Factor Tables

Base Rate
104.1657

Territory Factors	
Territory	**HO 00 06**
4	2.3810
30	1.4167
31	1.4167
32	1.4167
33	1.0000
34	2.0595
35	1.7024
36	1.4524
37	1.7024
38	1.7381
39	1.3810
40	1.1905
41	1.3452
42	1.1905
44	1.9048
45	1.7976
46	1.7976
47	2.0238
48	1.0952
49	1.4167
50	1.2500
51	1.4167
52	1.2500

Territory Factors	
Territory	**HO 00 06**
53	1.2500
54	1.7976
59	1.4167
61	1.9048
62	1.9048
63	1.7976
64	1.7024
65	1.2500
73	1.0000
74	1.0000
***79**	1.4167
***89**	1.4167

Protection-Construction Factors		
Protection Class	**Construction (Type)**	
	Frame (F)	**Masonry (M)**
1	1.0000	0.9000
2	1.0000	0.9000
3	1.0000	0.9000
4	1.0000	0.9000
5	1.0000	0.9000
6	1.0000	0.9000
7	1.3000	0.9000
8	1.3000	0.9000
19	NA	NA
9	1.6000	1.3000
10	2.0000	1.5000

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PENNSYLVANIA NATIONAL MUTUAL CASUALTY INSURANCE COMPANY

PENNSYLVANIA HOMEOWNERS POLICY PROGRAM MANUAL

RATING ALGORITHM APPENDIX

(This is for illustrative purposes and is not all inclusive for all available coverages.)

Pennsylvania Homeowners Rating Algorithm									
STEPS OF THE RATE ORDER	**P1**	**P2**	**P3**	**P4**	**P5**	**P6**	**P7**	**HO0004**	**HO0006**
Base Premium (= Key Premium x Key Factor x Company/Pricing Factor x Multi-Policy Discount x Building Ordinance or Law Coverage Endorsement)									
Key Premium (= Base Rate x Territory Factor x Form Factor x Protection Construction Factor)									
Base Rate	$	$	$	$	$	$	$	$	$
Territory	x	x	x	x	x	x	x	x	x
Form	x	x	x	x	x	x	x		
Protection/Construction	x	x	x	x	x	x	x	x	x
Key Factor	x	x	x	x	x	x		x	x
Company/Pricing Factor	x	x	x	x	x	x	x	x	x
Multi-Policy Discount	x	x	x	x	x	x	x	x	x
Building Ordinance/Law Coverage**	x	x	x	x	x	x			
Special Personal Property Coverage									x
Adjustments to the Base Premiums									
Deductible	x	x	x	x	x	x		x	x
Superior Construction								x	x
Age of Home**	x	x	x	x	x				
Age of Roof**						x			
ACV Loss Settlement Roof Surfacing*						x			
Home Buyer Discount	x	x	x	x	x	x			x
Secondary or Seasonal Dwelling	x	x	x	x	x	x	x		
Townhouse/Rowhouse	x	x	x	x	x	x	x		
Electrical Renovation Discount**		x							
Plumbing Renovation Discount**					x				
Heating Renovation Discount**		x							
Hazardous Conditions Surcharge**							x		
Supplemental Heating Surcharge**		x							
Fire Protective Device Discount		x	x					x	x
Burglar Protective Device Discount				x				x	x
Retired Daytime Occupancy Discount**		x		x	x				
Non-Smoking Discount**		x							
Prior HO Loss History***	x	x	x	x	x	x	x	x	x
Transition Rule	x	x	x	x	x	x	x		
Affinity Group Discount	x	x	x	x	x	x	x	x	x
Adjusted Base Premiums									
Adjusted Base Premiums for P1-P7 are not rounded. They are used to calculate the Additional Premiums Displayed Separately.									
Adjusted Base Premiums for HO 00 04 and HO 00 06 are not rounded. They are used to calculate some of the Additional Premiums Displayed Separately.									
The Transition Factor (if applicable) is calculated using the Adjusted Base Premiums for P1-P7 and/or HO 00 04 and HO 00 06 after all other applicable factors have been applied. EXCEPT the Affinity Group Discount (if applicable).									
The Dwelling Premium for all Forms except HO 00 04 and HO 00 06 is obtained by rounding the sum of the Adjusted Base Premiums for P1-P7.									
The Personal Property Premium for Forms HO 00 04 and HO 00 06 is obtained by rounding the Adjusted Base Premium.									

**Does not apply to Form HO 00 08

***Loss Free Discount does not apply to Form HO 00 08

*Indicates Change

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State: Pennsylvania
Filing Company: Pennsylvania National Mutual Casualty Insurance Company
TOI/Sub-TOI: 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations
Product Name: HO Rate Rule Rev
Project Name/Number: /

Supporting Document Schedules

Bypassed - Item:	Authorization to File (PC)
Bypass Reason:	Not applicable.
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Actuarial Explanatory Memorandum & Supporting Exhibits (PC)
Comments:	
Attachment(s):	FILING13pa.pdf Exhibits.xlsx
Item Status:	
Status Date:	

Satisfied - Item:	Cover letter
Comments:	
Attachment(s):	Rate Rule Cover Letter.pdf
Item Status:	
Status Date:	

State:	Pennsylvania	**Filing Company:**	Pennsylvania National Mutual Casualty Insurance Company
TOI/Sub-TOI:	04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations		
Product Name:	HO Rate Rule Rev		
Project Name/Number:	/		

Attachment Exhibits.xlsx is not a PDF document and cannot be reproduced here.

Calculation of Statewide Indications

The attached exhibits support a rate level adjustment for Pennsylvania National Mutual Casualty Insurance Company's Pennsylvania Homeowners program. The proposed changes result in an overall premium level change of +3.7% on all Owners Forms, less than the +8.1% indicated. The indications are based on fiscal accident years ending September evaluated as of December 31, 2013. The statewide indication is developed on Exhibit 1.

In order to evaluate the rate need, premiums are adjusted from their collected level to the projected level. Collected Earned Premiums are adjusted for all subsequent rate changes to bring them to the current rate level (Earned Premium @ Current Rate Level). In addition to rate level changes, inflation impacts the premium through increases in the coverage A amount. The Premium Trend Factors adjust for past and projected changes in coverage A levels. Projected Earned Premium is the product of Earned Premium @ Current Rate Level and the Premium Trend Factors. The Projected Earned Premium represents the premium on policies written for 12 months following the assumed effective date, without the proposed rate change.

Exhibit 2 shows the derivation of owners' forms premium trend factors. The methodology used to develop these factors may be summarized as follows. The premium trend factors are based on the change in average premium size at current rates levels. The average policy sizes are fit to a least squares exponential curve to derive the annual average change. Trend factors for each experience year are developed with the annual trend and the amount of time between each experience period and the average date of writing for policies effective for the year beginning October 1, 2013.

The development of the Company's projected losses begins with Reported Loss Excluding Catastrophe. These losses are on a fiscal-accident year basis and exclude all catastrophes. In order to project our rate need, these losses must be developed to their ultimate basis, trended to expected future levels, and loaded for expected catastrophe losses.

Exhibit 3 displays the calculation of the loss development factors. Countrywide Penn National Homeowners data is used. Application of the loss development factors to the accident year reported losses estimates the ultimate incurred loss for each accident year.

As with the premium trend factors, the loss trend factors are based on Penn National's actual trends. Exhibit 4 illustrates the basis for the derivation of owner's forms loss trend factors. The pure premium (incurred losses/exposures) was calculated by quarter and then plotted on a chart. The countrywide trend factor was obtained by fitting an exponential curve to the data for years 3rd quarter 2005-current and 3rd quarter 2008-current. The average of these two values was selected for loss trend. The chart on Exhibit 4 shows experience from a longer time frame. The accident year loss trend factors are the accumulation of the annual loss trend based on the average loss date of October 1, 2014, the average date of loss for policies written in the year beginning October 1, 2013.

Catastrophe loss levels are erratic and their presence can skew the rate level indications. To prevent this skewing, we have eliminated actual catastrophe losses and replaced them with long-term expectations. Exhibit 5a contains the cat to non-cat reported ratios used to calculate the

1993-2012 cat ratios. The selected factor is applied to the non-catastrophe losses to estimate expected catastrophe losses.

Projected Incurred Loss is the product of the Reported Loss Excluding Catastrophe, the Loss Development Factor, the Loss Trend Factor, and the Catastrophe Loss Loading. The Projected Incurred LAE is the Projected Incurred Loss times the allocated and unallocated loss adjustment expense factors. The LAE factors are the budgeted 2013 ratios of LAE-to-Loss.

The Projected Loss & LAE Ratio is the quotient of the Projected Incurred Loss & LAE to the Projected Earned Premium. The total loss ratio is a simple average of the five accident years.

The Expected Combined Ratio is calculated on Exhibit 6a. The expected combined ratio is calculated to produce a 12.0% return on surplus. Underwriting income as well as investment income on reserves and surplus is considered. The investment return to invested assets is calculated on Exhibit 6b.

The expenses in this filing are split into flat and variable portions to make the indications more accurate. The flat expenses include other acquisition, general expenses, and other taxes. The Expected Loss, LAE, & Flat Expense provision equals the Expected Combined Ratio less commission and premium tax. The statewide Indicated Change equals the Total Projected Loss & LAE Ratio plus the Flat Expense divided by the Expected Loss, LAE, & Flat Expense.

Territory indications and selections are contained on Exhibit 7. Trended and smoothed on-level projected loss ratios form the basis for the indications. The Indicated Relativity Change (Territory Loss Ratio / Statewide Loss Ratio) is credibility weighted with no change to calculate the Credibility Weighted Indicated Relativity Change. Credibility is based on a full credibility standard of 1084 claims. The statewide indication is applied to the Indicated Relativity Change to obtain the Indicated Change. Selected changes are made where indications are significant.

Two new territories are developed from Territory 49 in areas where market relativities differ. Exhibit 7d shows the new territories.

The multi-policy discount is increased in this filing. Exhibit 8 illustrates the calculation of the off-balance.

Any question on the attached may be addressed to the undersigned.

David L. Miller, FCAS, MAAA
Associate Actuary
717-234-4941 x2342

Statewide Rate Level Indication

Pennsylvania Owners Forms

Fiscal Accident Year	Collected Earned Premiums	Earned Prem @ Current Rate Level	Premium Trend Factors	Projected Earned Premium	Earned House Yrs
2008	22,108,835	27,947,122	1.190	33,270,161	41,775
2009	22,699,435	28,588,151	1.159	33,130,688	42,067
2010	23,481,389	29,391,721	1.128	33,161,020	42,532
2011	24,477,360	29,493,401	1.098	32,395,611	42,283
2012	25,638,607	29,396,795	1.069	31,435,456	42,670

Accident Year	Reported Loss Excluding Catastrophe	Loss Development Factor	Loss Trend Factors	Projected Incurred Loss & LAE	Projected Loss & LAE Ratio
2008	12,812,276	0.998	1.408	25,191,027	75.7%
2009	11,496,430	1.000	1.336	21,489,395	64.9%
2010	11,558,778	1.003	1.267	20,561,091	62.0%
2011	12,724,764	1.010	1.202	21,626,018	66.8%
2012	10,316,139	1.036	1.141	17,060,509	54.3%

Expense and Loss Loadings		Calculation of Indicated Change	
LAE-to-Loss Ratios		5-Yr Avg Projected	
Adj Expense	9.2%	Loss & LAE Ratio	64.7%
D&CC	1.0%		
Underwriting Expense Ratio		Projected Flat Expense	9.8%
Commission	20.4%		
Other Acquistion	7.0%	Variable Expense	22.4%
General	2.3%		
Premium Taxes	2.0%	Expected Combined Ratio	91.4%
Other Taxes	0.6%		
		Indicated Change	**8.1%**
Catastrophe Loss Loading	1.269		

Pennsylvania Homeowners: Rate Revision History

Owners Forms

	Form	Percentage	Dollar Impact
2/1/2004	All	3.0%	462,466
5/16/2005	All	2.1%	358,901
1/1/2006	All	-1.4%	(250,007)
1/1/2007	All	1.2%	273,886
5/15/2008	All	0.0%	0
3/15/2009	All	0.0%	0
8/15/2010	All	7.0%	1,810,214
10/21/2011	2	12.2%	118,967
10/21/2011	3	5.9%	1,603,854
10/21/2011	5	1.3%	12,887
10/21/2011	8	5.9%	575
11/1/2012	All	11.0%	3,205,359
Current	All	3.7%	1,163,112

Tenants Forms

		Percentage	Dollar Impact
Current	4,6	0.0%	0

All Forms

		Percentage	Dollar Impact
Current	All	3.6%	1,163,112

Homeowners Insurance - Owners Forms
Calculation of Premium Trend

Average Policy Size		Trend Calculation	
Avg Date of Writing	@ Current Rates	Avg Date of Writing	Trend Factors
7/1/2005	$612		
7/1/2006	$652		
7/1/2007	$690	10/1/2007	1.190
7/1/2008	$709	10/1/2008	1.159
7/1/2009	$721	10/1/2009	1.128
7/1/2010	$734	10/1/2010	1.098
7/1/2011	$743	10/1/2011	1.069
7/1/2012	$747	4/1/2014	1.000
Avg Change	2.7%		

Homeowners Loss Development Exhibit

Fiscal-Acc Year	Countrywide Incurred Losses as of: 15-MONTH	27-MONTH	39-MONTH	51-MONTH	63-MONTH
2006		19,531,764	19,845,108	19,958,769	19,930,133
2007	18,018,845	18,305,436	18,603,516	18,734,591	18,910,386
2008	24,899,051	25,342,634	25,589,556	25,636,958	25,615,076
2009	27,993,647	28,525,774	28,577,336	28,592,201	
2010	29,721,354	30,306,511	30,589,295		
2011	33,324,634	34,527,028			
2012	31,364,120				

	Incremental Ratios: 15-27 MO	27-39 MO	39-51 MO	51-63 MO
4TH PRIOR	1.016	1.016	xxxx	xxxx
3RD PRIOR	1.018	1.016	1.006	xxxx
2ND PRIOR	1.019	1.010	1.007	0.999
1ST PRIOR	1.020	1.002	1.002	1.009
CURRENT	1.036	1.009	1.001	0.999
3-yr AVERAGE	1.025	1.007	1.003	1.002

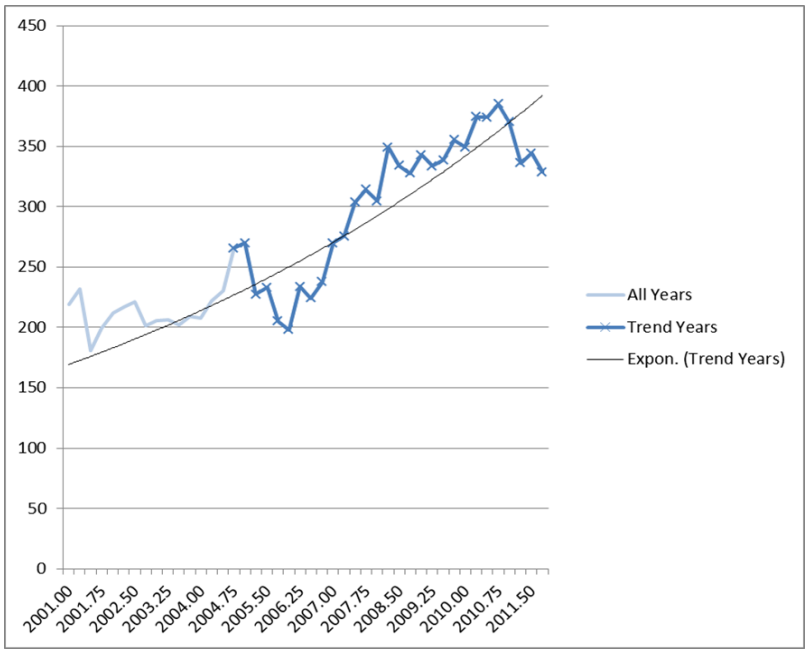
	Age-to-Ultimate Ratios: 15-Ult	27-Ult	39-Ult	51-Ult	63-Ult
AVERAGE	1.036	1.010	1.003	1.000	0.998

Homeowners Insurance - Owners Forms

Calculation of Loss Trend

Pure Premium by Quarter	
2003.75	209.24
2004.00	207.80
2004.25	221.71
2004.50	230.33
2004.75	265.78
2005.00	269.87
2005.25	227.44
2005.50	233.06
2005.75	205.30
2006.00	198.22
2006.25	233.97
2006.50	224.41
2006.75	237.63
2007.00	270.03
2007.25	275.55
2007.50	303.47
2007.75	314.22
2008.00	304.56
2008.25	349.16
2008.50	334.06
2008.75	327.63
2009.00	342.84
2009.25	333.64
2009.50	338.77
2009.75	355.49
2010.00	349.35
2010.25	374.41
2010.50	374.21
2010.75	385.05
2011.00	370.12
2011.25	336.31
2011.50	344.50
2011.75	328.82
3q05-Present	8.1%
3q08-Present	2.7%
Average	5.4%

Notes: 2003.75 = 12/31/2003 + 3 Quarters = 9/30/2004



Avg Date of Loss	Loss Trend Factors
4/1/08	1.408
4/1/09	1.336
4/1/10	1.267
4/1/11	1.202
4/1/12	1.141
10/1/14	1.000

Development of Non-Hurricane Catastrophe Loading

Accident Year	Reported Losses		Catastrophe Factor
	Excluding Catastrophe	Catastrophe	
1993	4,537,523	591,544	0.130
1994	6,370,563	8,371,003	1.314
1995	5,797,494	298,995	0.052
1996	5,362,455	4,721,393	0.880
1997	5,644,650	355,887	0.063
1998	6,339,570	1,291,858	0.204
1999	4,898,515	1,195,791	0.244
2000	7,117,528	924,775	0.130
2001	10,485,394	133,815	0.013
2002	7,455,988	351,319	0.047
2003	7,635,713	1,878,301	0.246
2004	9,575,903	1,583,261	0.165
2005	9,853,282	166,447	0.017
2006	7,605,554	709,867	0.093
2007	10,609,021	373,514	0.035
2008	12,214,619	56,781	0.005
2009	11,479,071	1,403,726	0.122
2010	12,460,965	7,272,369	0.584
2011	15,501,661	9,918,358	0.640
2012	11,134,462	4,499,112	0.404
20-Yr Avg			0.269
Selected			0.269

LINE: Homeowners

STATE: PA

Expense Provisions and Target Loss Ratios
12% ROS, 1.25 P/S

Commission (incl. Conting.)	20.4%
Other Acquistion	7.0%
General	2.3%
Premium Taxes	2.0%
Other Taxes	0.6%
Total Premium Related Expenses	32.2%
Target Combined Ratio	91.4%
Target Loss & LAE Ratio	59.1%
LAE (% of loss)	10.3%
Unallocated	9.2%
Allocated	1.0%

Target Operating Ratio Exhibit

LINE: **Homeowners**
STATE: **PA**

(1)	**Earned Premium (CW)**	69,172		
(2)	**Unearned Prem. Reserve (CW)**	36,892		
(3)	**Prepaid Expenses**	10,083		
(4)	**Outstanding agent's balances**	7,813		
(5)	**Loss Reserves/Incurred**	0.446		
(6)	**Reserves/Premium**	0.538	(7) **Reserves/Surplus**	0.673
(9)	**P/S allocated to this line**	1.25	(8) **Investment Rate of Return (%)**	3.8
(10)	**Tax Rate on investment**	23.0%	(11) **Target Returned on Surplus (%)**	
(12)	**Tax Rate on u/w profit**	34.0%	12	

		(14) Pre Tax	**(15) After Tax**
(13)	**% Investment Return (as % of surplus)**	6.361	4.895
(16)	**% Excess above target ROS**	-7.105	
(17)	**Excess as % of premium**	-5.684	
(18)	**Minimum U/W gain needed to achieve target ROS**	8.6%	
(19)	**Target Combined Ratio**	91.4%	

Note: See Appendix A for and explanation of the items on this exhibit

CALCULATION OF RATE LEVEL CHANGES BY TERRITORY
PA Owners Forms

TERRITORY	5-Year Projected Premium	5-Year Projected LossRatio	Credibility	Indicated Relativity Change
(04)	1,350,922	47.9%	17.2%	0.70
(30-31)	3,044,998	65.0%	38.2%	0.95
(32)	11,665,184	82.6%	100.0%	1.21
(33,73)	46,221,424	71.0%	37.9%	1.04
(34)	2,924,513	64.1%	61.6%	0.94
(35,64)	6,747,455	80.3%	29.4%	1.18
(36)	1,530,082	47.1%	21.3%	0.69
(37)	995,909	40.9%	27.2%	0.60
(38)	1,802,036	67.9%	41.1%	0.99
(39)	4,104,330	37.5%	55.3%	0.55
(40)	2,964,235	45.3%	38.4%	0.66
(41)	2,489,861	108.8%	39.8%	1.59
(42)	7,149,940	85.3%	41.0%	1.25
(44-45,61-63)	3,976,877	76.1%	19.9%	1.11
(46,54)	884,883	89.1%	18.5%	1.30
(47)	950,722	79.9%	100.0%	1.17
(48,49,59)	29,599,367	64.5%	91.0%	0.94
(50)	13,981,859	59.3%	45.2%	0.87
(51)	5,435,419	77.4%	85.5%	1.13
(52,53,65)	14,481,055	57.5%	77.7%	0.84
Total	162,301,071	68.3%		

TERRITORY	Cred Wtd Indicated Rel Change	Indicated Change	Selected Change
(04)	0.950	1.027	1.048
(30-31)	0.983	1.062	1.021
(32)	1.211	1.309	1.074
(33,73)	1.017	1.099	1.026
(34)	0.964	1.042	1.052
(35,64)	1.054	1.139	1.038
(36)	0.936	1.012	1.045
(37)	0.892	0.964	1.043
(38)	1.000	1.081	1.022
(39)	0.752	0.813	1.035
(40)	0.872	0.943	0.994
(41)	1.238	1.338	1.080
(42)	1.104	1.193	1.084
(44-45,61-63)	1.025	1.108	1.021
(46,54)	1.058	1.144	1.015
(47)	1.172	1.267	1.082
(48,49,59)	0.951	1.028	1.031
(50)	0.942	1.018	1.026
(51)	1.115	1.205	1.075
(52,53,65)	0.878	0.949	1.035
		1.081	1.037

Calculation of Territory Projected Earned Premium

	On-Level Earned Premium					Projected Earned Premium					
TERRITORY	**2008**	**2009**	**2010**	**2011**	**2012**	**2008**	**2009**	**2010**	**2011**	**2012**	**Total**
(04)	282,478	252,245	238,459	223,459	202,847	336,282	292,326	269,040	245,447	216,915	1,360,009
(30-31)	518,579	528,444	549,032	549,937	572,521	617,352	612,412	619,442	604,052	612,225	3,065,483
(32)	1,964,626	2,011,077	2,086,103	2,141,792	2,214,458	2,338,825	2,330,628	2,353,632	2,352,549	2,368,030	11,743,664
(33,73)	8,265,107	8,230,245	8,268,394	8,281,469	8,163,725	9,839,348	9,537,996	9,328,762	9,096,382	8,729,878	46,532,366
(34)	561,465	541,307	532,688	499,398	466,563	668,406	627,318	601,002	548,539	498,919	2,944,185
(35,64)	1,264,508	1,224,623	1,204,097	1,166,196	1,149,121	1,505,357	1,419,210	1,358,515	1,280,952	1,228,812	6,792,845
(36)	202,984	279,688	304,952	296,131	285,472	241,646	324,129	344,060	325,271	305,269	1,540,375
(37)	143,915	191,703	199,102	188,431	165,997	171,327	222,164	224,635	206,973	177,509	1,002,608
(38)	322,264	326,711	322,067	324,218	310,840	383,646	378,624	363,370	356,122	332,396	1,814,158
(39)	795,205	752,917	737,613	706,045	659,272	946,666	872,553	832,207	775,521	704,992	4,131,939
(40)	549,931	547,213	539,254	514,178	488,290	654,675	634,163	608,410	564,774	522,153	2,984,175
(41)	420,053	433,935	456,260	463,584	448,583	500,060	502,885	514,772	509,202	479,692	2,506,611
(42)	1,261,663	1,265,835	1,274,453	1,292,844	1,282,222	1,501,970	1,466,970	1,437,894	1,420,062	1,371,144	7,198,040
(44-45,61-63)	524,239	555,637	677,520	796,335	1,025,413	624,090	643,925	764,407	874,696	1,096,525	4,003,643
(46,54)	120,626	113,601	137,250	177,485	248,547	143,602	131,652	154,851	194,950	265,784	890,839
(47)	182,516	171,581	168,630	158,283	165,409	217,279	198,844	190,255	173,858	176,880	957,118
(48,49,59)	5,008,964	5,256,312	5,444,310	5,418,052	5,283,821	5,963,013	6,091,518	6,142,507	5,951,199	5,650,253	29,798,490
(50)	2,288,290	2,455,099	2,598,601	2,575,632	2,567,584	2,724,137	2,845,204	2,931,855	2,829,080	2,745,645	14,075,921
(51)	936,026	979,235	1,006,048	975,312	950,570	1,114,310	1,134,831	1,135,067	1,071,284	1,016,491	5,471,984
(52,53,65)	2,333,680	2,470,743	2,646,888	2,744,622	2,745,540	2,778,172	2,863,334	2,986,335	3,014,698	2,935,943	14,578,482

Premium Trend	1.190	1.159	1.128	1.098	1.069

Calculation of Territory Projected Losses

	Non-Cat Reported Loss					Reported @ 10% Coverage A				
TERR	**2008**	**2009**	**2010**	**2011**	**2012**	**2008**	**2009**	**2010**	**2011**	**2012**
(04)	141,291	32,487	28,116	76,123	30,788	77,510	30,715	28,116	66,105	30,788
(30-31)	100,539	417,521	138,541	144,312	150,674	100,539	273,785	138,541	131,366	150,674
(32)	568,341	1,605,178	415,472	767,237	1,120,451	455,478	1,162,018	401,093	639,718	713,574
(33,73)	4,851,183	2,442,300	3,276,877	2,913,660	3,041,453	3,387,226	1,848,452	2,320,294	2,232,942	2,069,672
(34)	125,831	248,544	179,040	175,965	81,405	97,345	203,439	179,040	175,622	81,405
(35,64)	335,990	478,245	697,941	504,922	1,049,102	314,662	342,119	439,380	410,341	382,521
(36)	50,366	114,871	44,055	63,568	28,631	50,366	98,020	44,055	63,568	28,631
(37)	21,105	31,125	24,165	53,414	45,968	21,105	31,125	24,165	53,414	45,968
(38)	89,685	110,681	20,612	227,804	122,396	82,448	65,401	20,612	125,272	101,669
(39)	71,090	103,862	149,782	208,011	594,393	71,090	102,724	135,123	163,458	168,501
(40)	128,011	97,092	264,180	139,477	81,688	119,011	87,574	83,490	105,207	80,577
(41)	140,476	660,667	88,225	584,221	166,397	140,476	189,053	88,225	252,863	151,688
(42)	893,387	315,844	1,138,759	1,035,470	489,902	384,534	156,544	445,044	565,593	403,753
(44-45,61-63)	176,854	384,116	267,848	309,584	535,442	158,983	247,890	240,005	269,607	405,100
(46,54)	65,726	44,283	81,482	88,933	98,435	18,000	44,283	81,482	47,933	98,435
(47)	9,358	72,462	83,874	108,933	16,418	9,358	63,177	78,778	78,120	16,418
(48,49,59)	2,913,027	1,913,177	1,638,212	2,852,879	1,442,741	957,606	913,311	1,044,335	1,518,307	1,190,894
(50)	1,148,334	571,230	1,970,926	1,213,743	366,823	495,966	503,347	682,218	617,576	358,453
(51)	496,442	561,219	312,554	612,399	126,481	137,472	264,315	185,030	262,220	126,481
(52,53,65)	485,239	1,291,525	738,118	644,110	726,548	468,881	535,089	546,748	567,819	512,204

	Adjusted @ 10% Coverage A					Incurred @ 10% Coverage A				
TERR	**2008**	**2009**	**2010**	**2011**	**2012**	**2008**	**2009**	**2010**	**2011**	**2012**
(04)	176,238	33,421	30,593	71,549	39,826	175,885	33,421	30,685	72,265	41,260
(30-31)	114,884	403,599	225,751	186,350	177,215	114,655	403,599	226,428	188,213	183,595
(32)	725,900	1,399,377	546,978	1,444,176	1,347,897	724,448	1,399,377	548,619	1,458,618	1,396,422
(33,73)	4,734,676	2,999,144	3,630,983	3,677,970	3,264,431	4,725,206	2,999,144	3,641,876	3,714,749	3,381,951
(34)	141,428	374,955	245,269	190,252	90,170	141,145	374,955	246,005	192,155	93,416
(35,64)	526,561	563,044	803,645	498,847	659,733	525,508	563,044	806,056	503,835	683,483
(36)	60,010	133,485	75,592	71,665	61,409	59,890	133,485	75,819	72,382	63,619
(37)	25,656	35,869	26,828	62,130	83,938	25,604	35,869	26,908	62,751	86,960
(38)	201,495	79,008	23,468	264,689	119,235	201,092	79,008	23,539	267,336	123,528
(39)	85,692	120,498	193,412	191,520	295,119	85,521	120,498	193,992	193,435	305,743
(40)	172,752	105,605	221,491	148,919	101,779	172,406	105,605	222,155	150,408	105,443
(41)	264,702	457,041	147,955	472,250	172,837	264,172	457,041	148,399	476,973	179,059
(42)	865,635	299,601	720,507	943,923	598,553	863,903	299,601	722,669	953,363	620,101
(44-45,61-63)	200,494	285,088	305,299	399,833	543,435	200,093	285,088	306,215	403,831	562,998
(46,54)	23,187	50,551	190,481	74,841	113,216	23,140	50,551	191,053	75,590	117,292
(47)	10,712	117,757	84,784	201,607	18,439	10,690	117,757	85,038	203,623	19,102
(48,49,59)	2,118,995	1,771,902	1,764,516	3,092,459	2,020,410	2,114,757	1,771,902	1,769,810	3,123,384	2,093,145
(50)	984,218	969,657	1,189,994	991,076	485,031	982,250	969,657	1,193,564	1,000,987	502,492
(51)	261,219	659,930	584,219	662,284	193,967	260,697	659,930	585,972	668,907	200,950
(52,53,65)	833,828	1,270,196	1,071,906	752,228	713,395	832,160	1,270,196	1,075,122	759,750	739,077
				Loss Development Factor		0.998	1.000	1.003	1.010	1.036

	Adjusted Incurred - (Trend, Cat Factor, & LAE)				
TERR	**2008**	**2009**	**2010**	**2011**	**2012**
(04)	346,512	62,471	54,420	121,599	65,863
(30-31)	225,882	754,417	401,572	316,705	293,073
(32)	1,427,237	2,615,748	972,981	2,454,410	2,229,111
(33,73)	9,309,145	5,606,070	6,458,898	6,250,791	5,398,615
(34)	278,070	700,874	436,292	323,338	149,121
(35,64)	1,035,305	1,052,456	1,429,547	847,801	1,091,046
(36)	117,990	249,513	134,465	121,796	101,556
(37)	50,443	67,046	47,722	105,591	138,814
(38)	396,172	147,684	41,746	449,845	197,188
(39)	168,485	225,239	344,046	325,492	488,059
(40,41)	339,658	197,399	393,994	253,091	168,320
(42)	520,447	854,312	263,186	802,600	285,832
(44-45,61-63)	1,701,979	560,020	1,281,659	1,604,219	989,868
(46,54)	394,204	532,893	543,076	679,524	898,715
(47)	45,589	94,492	338,834	127,194	187,233
(48,49,59)	21,061	220,114	150,815	342,636	30,493
(50)	4,166,291	3,312,081	3,138,773	5,255,703	3,341,292
(51)	1,935,134	1,812,505	2,116,797	1,684,356	802,130
(52)	513,600	1,233,557	1,039,226	1,125,567	320,776
(53,65)	1,639,442	2,374,281	1,906,738	1,278,428	1,179,791

Trend Factor					
	1.408	1.336	1.267	1.202	1.141
Cat Factor					
	1.269	1.269	1.269	1.269	1.269
LAE Factor					
	1.103	1.103	1.103	1.103	1.103

Large Loss Adjustment Calculation
Territory 032

		Non-Cat Reported Loss				
Cause	**Const**	**2008**	**2009**	**2010**	**2011**	**2012**
Fire	F	78,761	733	31,336	92,480	382,981
	M	-	471,139	-	74,720	51,334
Liability	F	25,235	1,000	223	597	-
	M	49,000	-	3,668	1,000	-
Lightning	F	45,921	500	5,127	-	5,178
	M	1,291	771	428	1,301	9,849
Other	F	41,357	42,340	37,582	168,279	174,059
	M	30,602	25,387	17,103	43,205	30,059
Theft	F	5,603	34,627	15,432	13,006	13,470
	M	3,899	13,192	26,104	9,860	4,015
Water/Freezing	F	112,357	159,173	119,259	156,795	254,777
	M	44,374	71,237	73,789	133,866	98,704
Wind/Hail	F	117,764	530,985	60,443	58,248	77,260
	M	12,175	254,093	24,979	13,879	18,766
		Reported @ 10% Coverage A				
Cause	**Const**	**2008**	**2009**	**2010**	**2011**	**2012**
Fire	F	30,967	733	19,391	82,534	80,657
	M	-	35,000	-	74,720	33,800
Liability	F	25,235	1,000	223	597	-
	M	11,000	-	3,668	1,000	-
Lightning	F	45,921	500	5,127	-	5,178
	M	1,291	771	428	1,301	9,849
Other	F	41,357	42,340	37,477	110,990	93,233
	M	30,602	25,387	17,103	39,259	30,059
Theft	F	5,603	34,627	15,432	13,006	13,470
	M	3,899	13,192	26,104	9,860	4,015
Water/Freezing	F	112,357	159,173	116,931	144,207	248,584
	M	44,374	71,237	73,789	96,044	98,704
Wind/Hail	F	90,696	528,173	60,443	52,319	77,260
	M	12,175	249,883	24,979	13,879	18,766
		Adjusted @ 10% Coverage A				
Cause	**Const**	**2008**	**2009**	**2010**	**2011**	**2012**
Fire	F	5.963	5.963	5.963	5.963	5.963
	M	5.230	5.230	5.230	5.230	5.230
Liability	F	3.136	3.136	3.136	3.136	3.136
	M	2.048	2.048	2.048	2.048	2.048
Lightning	F	1.117	1.117	1.117	1.117	1.117
	M	1.267	1.267	1.267	1.267	1.267
Other	F	1.288	1.288	1.288	1.288	1.288
	M	1.217	1.217	1.217	1.217	1.217
Theft	F	1.027	1.027	1.027	1.027	1.027
	M	1.009	1.009	1.009	1.009	1.009
Water/Freezing	F	1.166	1.166	1.166	1.166	1.166
	M	1.088	1.088	1.088	1.088	1.088
Wind/Hail	F	1.041	1.041	1.041	1.041	1.041
	M	1.041	1.041	1.041	1.041	1.041
		Adjusted @ 10% Coverage A				
Cause	**Const**	**2008**	**2009**	**2010**	**2011**	**2012**
Fire	F	184,655	4,372	115,629	492,155	480,959
	M	-	183,054	-	390,795	176,778
Liability	F	79,131	3,136	698	1,874	-
	M	22,532	-	7,513	2,048	-
Lightning	F	51,303	559	5,728	-	5,784
	M	1,636	978	542	1,649	12,483
Other	F	53,275	54,541	48,276	142,973	120,099
	M	37,229	30,885	20,806	47,761	36,569
Theft	F	5,753	35,552	15,844	13,353	13,829
	M	3,933	13,307	26,330	9,946	4,050
Water/Freezing	F	131,059	185,668	136,394	168,211	289,962
	M	48,285	77,516	80,292	104,509	107,404
Wind/Hail	F	94,416	549,837	62,922	54,465	80,428
	M	12,669	260,024	25,993	14,442	19,527

PA Homeowners
Territory Definition Change

	Location	Current Territory	New Territory	Premium	Market Rel	Proposal
Terr 49	Selected Zips	49	79	$100,099	1.06	0.95
	Other	49	49	$3,929,332	1.00	1.00
	Total			$4,029,431		

Selected Zips are 15521, 15522, 15533, 15534, 15535, 15537, 15539, 15550, 15554, 15559, 17211

	Location	Current Territory	New Territory	Premium	Market Rel	Proposal
Terr 49	Schuylkill County	49	89	$542,411	0.96	1.05
	Other	49	49	$3,487,020	1.01	1.00
	Total			$4,029,431		

PA Homeowners
PA Owners Forms Multi-Policy Discount Proposal

Multi-Policy Discount	In-force Prem (Owners Forms)	Current Multi-Policy Dis	Proposed Multi-Policy Dis (All Forms X HO 04 and HO 06)
No	25.1%	1.00	1.000
Yes	74.9%	0.80	0.740
Total	100.0%	0.842	0.795

Off-Balance = 0.944

Two North Second Street
Post Office Box 2361
Harrisburg, PA 17105-2361
717.234.4941 Phone

www.PennNationalInsurance.com

PENN NATIONAL INSURANCE

June 13, 2013

Insurance Commissioner
Bureau of Property and Casualty Insurance
Pennsylvania Insurance Department
1311 Strawberry Square
Harrisburg, PA 17120

Re: Pennsylvania Homeowners Rate and Rule Revision

Dear Commissioner Consedine,

Pennsylvania National Mutual Casualty Insurance Company is filing the following applicable to our Homeowners Program for new business effective October 1, 2013 and renewals effective November 1, 2013:

- We are implementing an overall rate level change of +3.7% on all Owners Forms. This includes changes to our Base Rates and some Territory Factors.

- We are making several territory revisions including 2 new territories "79" and "89". See pages TERR 1 – 4. Please also see pages PN RATE 86 and 87 as we have added the new territories to Rule 515. Personal Property F. Theft Coverage

    - We are creating a new territory "79" for Bedford County, Central, Zip Codes 15522, 15533, 15534, 15535, 15537, 15539, 15550, 15554, 15559, and 17211.

    - The balance of Bedford County will remain in Territory 49.

    - We are pulling Zip Codes 19362 and 19363 out of Chester County Western Territory "54" and Creating a new Territory Definition, Chester County Southwestern which will be assigned to Territory "32".

    - We are assigning a new Territory "89" to Schuylkill County.

- We are implementing Rule 408. Actual Cash Value Loss Settlement Windstorm Or Hail Losses To Roof Surfacing – All Forms Except HO 00 04. See page GR EXC 21. Also, please see page APENDIX 1 where we have added the ACV Roof factor to the Rating Algorithm. We previously filed to withdraw this rule for new business effective June 1, 2011 and renewals effective October 21, 2011. Refer to PA Ins Dept. Filing #B33626001.

- Rule 521. Water Back Up and Sump Discharge Or Overflow has been revised to indicate that a new endorsement will be used when adding coverage for new business effective on and after October 1, 2013 and renewals effective on and after November 1, 2013. Policies that currently have the coverage will continue to use the current endorsement. Se page GR EXC 27.

- Multi-Policy Discount is increased from .80 to .74 for all forms except HO 00 04 and HO 00 06. See page RULE 1.

- Homeowners PennPac, Homeowners PennPac Deluxe, Homeowners PennPac Plus and Homeowners Preferred Package Rules have been revised to indicate that a new endorsement will be used when adding coverage for new business effective on and after October 1, 2013 and renewals effective on and after November 1, 2013. Policies that currently have the coverage will continue to use the current endorsement. See page RULE 2 – 3.

- Age Of Roof Factor is being modified to indicate that the factor is not used when Actual Cash Value Loss Settlement Windstorm Or Hail Losses To Roof Surfacing – (All Forms Except HO 00 04) Endorsement HO 04 93 is selected. See page RULE 13.

We have submitted a forms filing which coincides with these rule changes. Please refer to SERFF Filing ID PNPR-129071967.

Your approval of this submission will be greatly appreciated. If you have any questions, please contact me directly.

Sincerely,

Michele Kelly
Systems Support Analyst
Internal Operations
(800)388-4764 Ext. 2136
FAX: (717)255-6369
mkelly@pnat.com