

**State:** Indiana**Filing Company:** Farmers Direct Property and Casualty Insurance Company**TOI/Sub-TOI:** 04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations**Product Name:** HOMEOWNERS**Project Name/Number:** A360/

## Table of Contents

### User Usage Agreement

#### Attachments

Usage Agreement

[Usage Agreement.pdf](#)

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<b>State:</b>	Indiana	<b>Filing Company:</b>	Farmers Direct Property and Casualty Insurance Company
<b>TOI/Sub-TOI:</b>	04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations		
<b>Product Name:</b>	HOMEOWNERS		
<b>Project Name/Number:</b>	A360/		

## Filing at a Glance

Company:	Farmers Direct Property and Casualty Insurance Company
Product Name:	HOMEOWNERS
State:	Indiana
TOI:	04.0 Homeowners
Sub-TOI:	04.0000 Homeowners Sub-TOI Combinations
Filing Type:	Rate/Rule
Date Submitted:	06/26/2024
SERFF Tr Num:	FAIG-134150238
SERFF Status:	Closed-Filed
State Tr Num:	EFT OK /
State Status:	Rates OK
Co Tr Num:	IN11HR2072624RR
Effective Date	07/26/2024
Requested (New):	
Effective Date	09/04/2024
Requested (Renewal):	
Author(s):	Dawn Kelly
Reviewer(s):	Erin Robling (primary), Lawrence Steinert, Kristi Ware
Disposition Date:	07/22/2024
Disposition Status:	Filed
Effective Date (New):	
Effective Date (Renewal):	

State:

Indiana

Filing Company:

Farmers Direct Property and Casualty Insurance Company

TOI/Sub-TOI:

04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations

Product Name:

HOMEOWNERS

Project Name/Number:

A360/

General Information

Project Name: A360

Status of Filing in Domicile:

Project Number:

Domicile Status Comments:

Reference Organization:

Reference Number:

Reference Title:

Advisory Org. Circular:

Filing Status Changed: 07/22/2024

Deemer Date:

State Status Changed: 07/18/2024

Submitted By: Dawn Kelly

Created By: Dawn Kelly

Corresponding Filing Tracking Number:

Filing Description:

Please refer to the attached Cover Memo for filing details.

Company and Contact

Filing Contact Information

Dawn Kelly, Personal Lines Contract Specialist

dawn.kelly@farmersinsurance.com

700 Quaker Lane

302-416-8497 [Phone]

Warwick, RI 02887

Filing Company Information

Farmers Direct Property and Casualty Insurance Company

CoCode: 25321

State of Domicile: Rhode Island

700 Quaker Lane

Group Code: 69

Company Type: Property and Casualty

Warwick, RI 02817

Group Name: Farmers

State ID Number:

(401) 524-3343 ext. [Phone]

FEIN Number: 23-1903575

State:

Indiana

Filing Company:

Farmers Direct Property and Casualty Insurance Company

TOI/Sub-TOI:

04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations

Product Name:

HOMEOWNERS

Project Name/Number:

A360/

Filing Fees

State Fees

Fee Required?

No

Retaliatory?

No

Fee Explanation:

Per Company:

Yes

Company	Amount	Date Processed	Transaction #
Farmers Direct Property and Casualty Insurance Company	\$70.00	06/26/2024 04:47 PM	289238296
EFT Total	\$70.00		

State:Indiana

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

Product Name:HOMEOWNERS

Project Name/Number:A360/

Filing Company:Farmers Direct Property and Casualty Insurance Company

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Erin Robling	07/22/2024	07/22/2024

Objection Letters and Response Letters

Objection Letters

Status	Created By	Created On	Date Submitted
Pending Industry Response	Lawrence Steinert	07/12/2024	07/12/2024
Pending Industry Response	Lawrence Steinert	07/05/2024	07/05/2024

Response Letters

Responded By	Created On	Date Submitted
Dawn Kelly	07/18/2024	07/18/2024
Dawn Kelly	07/11/2024	07/11/2024

Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Rates OK	Reviewer Note	Lawrence Steinert	07/18/2024	
EFT Info- RRu	Reviewer Note	Erin Robling	06/27/2024	

State:Indiana

Filing Company:Farmers Direct Property and Casualty Insurance Company

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

Product Name:HOMEOWNERS

Project Name/Number:A360/

Disposition

Disposition Date: 07/22/2024

Effective Date (New):

Effective Date (Renewal):

Status: Filed

Comment:

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):
Farmers Direct Property and Casualty Insurance Company	23.300%	1.600%	\$203,100	7,332	\$12,693,736	8.400%	-2.700%

Schedule	Schedule Item	Schedule Item Status	Public Access
Rate	INDIANA Farmers Direct Rate pages		Yes
Rate	HOMEOWNERS COVERAGES AND LIMITS		Yes
Rate	LANDLORD HOME COVERAGES AND LIMITS		Yes
Rate	WINDSTORM OR HAIL DEDUCTIBLES		Yes
Rate	ROOF LOSS SETTLEMENT		Yes
Supporting Document	80 Filing Description/Cover Letter/NAIC Transmittal		Yes
Supporting Document	81 Rate Requirements- All Private Passenger Auto and Homeowners Increases/Decreases		Yes
Supporting Document (revised)	82 Actuarial Support		Yes
Supporting Document	82 Actuarial Support		Yes
Supporting Document	82 Actuarial Support		Yes
Supporting Document	OBJECTION REPLY LETTER		Yes
Supporting Document	OBJECTION REP LY 7-18-24		Yes

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<b>State:</b>	Indiana	<b>Filing Company:</b>	Farmers Direct Property and Casualty Insurance Company
<b>TOI/Sub-TOI:</b>	04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations		
<b>Product Name:</b>	HOMEOWNERS		
<b>Project Name/Number:</b>	A360/		

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## Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	07/12/2024
Submitted Date	07/12/2024
Respond By Date	

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Dear Dawn Kelly,

### Introduction:

Hi,

We have additional questions on this filing.

(1)In Exhibit 7, you show your catastrophe adjustment analysis.

(a)We still do not see the math as sound. Consider 1989Q2 as an example. The ratio of cat losses to non-cat losses is about 77%. The trend factor for 35 years at 1% per annum is about 1.42. We see the correct cat to non-cat ratio as 109% ( $= 77\% \times 1.42$ ) and, in a final step at the bottom of the exhibit, the correct cat loading factor would have been 2.09 ( $= 1.09 + \text{unity}$ ). if this had been the only data point used. In your approach, you have added unity to 77%, then multiplied by 1.42, and come up with 2.51. This overstates the needed factor. No other company uses your "plus unity" approach, and in fact your previous filings did not use the "plus unity" approach either. If in fact the non-cat losses are trending at say 3% per year and the cat losses are trending at 4% per year, for a 1% differential, the trend factor for non-cat losses would be 2.81 ( $= 1.03^{35}$ ), the trend factor for cat losses would be 3.95 ( $= 1.04^{35}$ ), and the cat to non-cat ratio would increase to only 109% ( $= 77\% \times 3.95 / 2.81$ ). Please discontinue the "plus unity" approach.

(b)Please add a notation to Exhibit 7 disclosing the 1% annual trend factor used.

(c)Please show the calculations using both a 0% annual trend and a 1% annual trend for informational purposes.

(d)For the 0% annual trend column, please add various trend statistics (e.g., 35 year, 20 year, etc.) for diagnostic purposes to help the reviewer see that the 1% trend is reasonable.

Thanks,

Lawrence Steinert, FCAS  
Actuary  
Indiana Dept. of Insurance  
317-234-6622  
lsteinert@idoi.in.gov

### Conclusion:

Sincerely,  
Lawrence Steinert

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<b>State:</b>	Indiana	<b>Filing Company:</b>	Farmers Direct Property and Casualty Insurance Company
<b>TOI/Sub-TOI:</b>	04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations		
<b>Product Name:</b>	HOMEOWNERS		
<b>Project Name/Number:</b>	A360/		

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## Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	07/05/2024
Submitted Date	07/05/2024
Respond By Date	

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Dear Dawn Kelly,

**Introduction:**

Hi,

We have questions on this filing.

(1)In Exhibit 7, you show your catastrophe adjustment analysis.

(a)Please add column totals and straight averages for each column in the exhibit.

(b)The last column is entitled "Trended CAT Ratio." Please identify in the exhibit the annual trend factor used.

(c)We do not see why a trend factor is needed at all, unless you are assuming that the cats are trending at a different rate than the non-cats. Otherwise, the cat-to-non-cat ratio or total-to-non-cat ratio would be non-inflationary over time. Please address.

(d)The Trended Cat Ratio inflates the Total/Non-Cat ratio if the Total/Non-Cat ratio is greater than 1.000 but not if it equals 1.000. We do not see the logic here. Consider this mathematically/asymptotically. If hypothetically there were a miniscule cat each quarter, and the Total/Non-Cat ratio were 1.0001 each quarter, all of those ratios would be increased significantly for trend. But if all of those ratios were 1.0000, your logic would leave them unchanged at 1.000. The resulting cat load projection would be much higher with miniscule cats than with no cats. Yet, the correct projected loading factor would still be 1.0001 under the miniscule cat scenario. Please rework the logic so that it is sound.

Thanks,

Lawrence Steinert, FCAS  
Actuary  
Indiana Dept. of Insurance  
317-234-6622  
lsteinert@idoi.in.gov

**Conclusion:**

Sincerely,  
Lawrence Steinert



State:Indiana

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

Product Name:HOMEOWNERS

Project Name/Number:A360/

Filing Company:

Farmers Direct Property and Casualty Insurance Company

Response Letter

Response Letter Status

Submitted to State

Response Letter Date

07/18/2024

Submitted Date

07/18/2024

Dear Erin Robling,

Introduction:

Good morning Erin:

Response 1

Comments:

Please see the attached reply letter and updated Filing Exhibits.

Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Supporting Document Schedule Item Changes	
Satisfied - Item:	82 Actuarial Support
Comments:	
Attachment(s):	IN Filing Exhibits--revised 7-17-24.pdf
Previous Version	
Satisfied - Item:	82 Actuarial Support
Comments:	
Attachment(s):	IN Filing Exhibits--revised 7-11-24.pdf
Previous Version	
Satisfied - Item:	82 Actuarial Support
Comments:	
Attachment(s):	IN Filing Exhibits.pdf

State:Indiana

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

Product Name:HOMEOWNERS

Project Name/Number:A360/

Filing Company:

Farmers Direct Property and Casualty Insurance Company

Supporting Document Schedule Item Changes	
Satisfied - Item:	82 Actuarial Support
Comments:	
Attachment(s):	IN Filing Exhibits--revised 7-17-24.pdf
Previous Version	
Satisfied - Item:	82 Actuarial Support
Comments:	
Attachment(s):	IN Filing Exhibits--revised 7-11-24.pdf
Previous Version	
Satisfied - Item:	82 Actuarial Support
Comments:	
Attachment(s):	IN Filing Exhibits.pdf

Satisfied - Item:	OBJECTION REP LY 7-18-24
Comments:	
Attachment(s):	IN_H_A360_Objection2_Response.pdf

Conclusion:

Please contact us with any additional questions.

Sincerely,

Dawn Kelly

State:Indiana

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

Product Name:HOMEOWNERS

Project Name/Number:A360/

Filing Company:

Farmers Direct Property and Casualty Insurance Company

Response Letter

Response Letter Status

Submitted to State

Response Letter Date

07/11/2024

Submitted Date

07/11/2024

Dear Erin Robling,

**Introduction:**

Good afternoon:

**Response 1**

**Comments:**

Please see the attached reply letter and revised Exhibits.

**Changed Items:**

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Supporting Document Schedule Item Changes	
Satisfied - Item:	82 Actuarial Support
Comments:	
Attachment(s):	IN Filing Exhibits--revised 7-11-24.pdf
Previous Version	
Satisfied - Item:	82 Actuarial Support
Comments:	
Attachment(s):	IN Filing Exhibits.pdf

State:Indiana

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

Product Name:HOMEOWNERS

Project Name/Number:A360/

Filing Company:

Farmers Direct Property and Casualty Insurance Company

Supporting Document Schedule Item Changes	
Satisfied - Item:	82 Actuarial Support
Comments:	
Attachment(s):	IN Filing Exhibits--revised 7-11-24.pdf
Previous Version	
Satisfied - Item:	82 Actuarial Support
Comments:	
Attachment(s):	IN Filing Exhibits.pdf
Satisfied - Item:	OBJECTION REPLY LETTER
Comments:	
Attachment(s):	OBJECTION reply 7-11-24.pdf

Conclusion:

Please contact us with any additional questions.

Sincerely,

Dawn Kelly

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<b>State:</b>	Indiana	<b>Filing Company:</b>	Farmers Direct Property and Casualty Insurance Company
<b>TOI/Sub-TOI:</b>	04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations		
<b>Product Name:</b>	HOMEOWNERS		
<b>Project Name/Number:</b>	A360/		

## Reviewer Note

**Created By:**

Lawrence Steinert on 07/18/2024 11:29 AM

**Last Edited By:**

Erin Robling

**Submitted On:**

07/22/2024 05:55 AM

**Subject:**

Rates OK

**Comments:**

Rates OK

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<b>State:</b>	Indiana	<b>Filing Company:</b>	Farmers Direct Property and Casualty Insurance Company
<b>TOI/Sub-TOI:</b>	04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations		
<b>Product Name:</b>	HOMEOWNERS		
<b>Project Name/Number:</b>	A360/		

## Reviewer Note

**Created By:**

Erin Robling on 06/27/2024 06:33 AM

**Last Edited By:**

Erin Robling

**Submitted On:**

07/22/2024 05:55 AM

**Subject:**

EFT Info- RRu

**Comments:**

rru

State:Indiana

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

Product Name:HOMEOWNERS

Project Name/Number:A360/

Filing Company:Farmers Direct Property and Casualty Insurance Company

Rate Information

Rate data applies to filing.

Filing Method:

Rate Change Type:

Overall Percentage of Last Rate Revision:

Effective Date of Last Rate Revision:

Filing Method of Last Filing:

SERFF Tracking Number of Last Filing:

FILE AND USE

Increase

30.000%

01/20/2024

FILE AND USE

FAIG-133916825

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):
Farmers Direct Property and Casualty Insurance Company	23.300%	1.600%	\$203,100	7,332	\$12,693,736	8.400%	-2.700%

State:Indiana

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

Product Name:HOMEOWNERS

Project Name/Number:A360/

Filing Company:Farmers Direct Property and Casualty Insurance Company

Rate/Rule Schedule

Item No.	Schedule Item Status	Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing Number	Attachments
1		INDIANA Farmers Direct Rate pages	Rate pages 1-27	Replacement		IN Home FDIR (A360) Rate Pages 7-26-24 (changes only).pdf
2		HOMEOWNERS COVERAGES AND LIMITS	Rule page 9	Replacement		Homeowner Coverage & Limits, Rule page 9.pdf
3		LANDLORD HOME COVERAGES AND LIMITS	Rule page 13	Replacement		Landlord Home Coverages & Limits, Rule page 13.pdf
4		WINDSTORM OR HAIL DEDUCTIBLES	Rule page 17	Replacement		WINDSTORM OR HAIL DEDUCTIBLES, Rule page 17.pdf
5		ROOF LOSS SETTLEMENT	Rule page 22	Replacement		Roof Loss Settlement, Rule page 22.pdf



State:	Indiana	Filing Company:	Farmers Direct Property and Casualty Insurance Company
TOI/Sub-TOI:	04.0 Homeowners/04.0000 Homeowners Sub-TOI Combinations		
Product Name:	HOMEOWNERS		
Project Name/Number:	A360/		

## Supporting Document Schedules

Satisfied - Item:	80 Filing Description/Cover Letter/NAIC Transmittal
Comments:	
Attachment(s):	IN_H_A360_CoverMemo_20240904.pdf
Item Status:	
Status Date:	

Satisfied - Item:	81 Rate Requirements- All Private Passenger Auto and Homeowners Increases/Decreases
Comments:	ACK
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	82 Actuarial Support
Comments:	
Attachment(s):	IN Filing Exhibits--revised 7-17-24.pdf
Item Status:	
Status Date:	

Satisfied - Item:	OBJECTION REPLY LETTER
Comments:	
Attachment(s):	OBJECTION reply 7-11-24.pdf
Item Status:	
Status Date:	

Satisfied - Item:	OBJECTION REP LY 7-18-24
Comments:	
Attachment(s):	IN_H_A360_Objection2_Response.pdf
Item Status:	
Status Date:	

State:Indiana

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

Product Name:HOMEOWNERS

Project Name/Number:A360/

Filing Company:Farmers Direct Property and Casualty Insurance Company

Superseded Schedule Items

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

Creation Date	Schedule Item Status	Schedule	Schedule Item Name	Replacement Creation Date	Attached Document(s)
07/11/2024		Supporting Document	82 Actuarial Support	07/18/2024	IN Filing Exhibits--revised 7-11-24.pdf (Superceded)
06/18/2024		Supporting Document	82 Actuarial Support	07/11/2024	IN Filing Exhibits.pdf (Superceded)