



374 Meridian Parke Lane, Suite C  
Greenwood, IN 46142  
Phone: (317) 889-5760 Fax: (309) 807-2301

April 4, 2011

«1»  
«2»  
«3»  
«4»  
«5»

Re: Michigan Basic Property Insurance Association  
Homeowner Rate Calculation Data Based Upon **\$100** Deductible  
**Data Must Be Returned No Later Than July 1, 2011**

Section 2930a of Public Act 145 of 1979 requires Michigan Basic Property Insurance Association (MBPIA) to develop rates based upon the weighted average of the top ten voluntary market insurer groups with the largest premium volume in the State.

In order to conduct the homeowner rate level review, we will need updated rate data based upon your **HO rates in effect as of March 1, 2011** and your **written premium and house year distribution data as of December 31, 2010**.

Pinnacle Actuarial Resources, Inc. (Pinnacle) has been hired by the MBPIA to assist the MBPIA in conducting this data call and developing the resulting rate schedule. A Microsoft® Excel workbook has been prepared for your completion and return to Pinnacle. The Microsoft® Excel workbook can be downloaded from [www.pinnacleactuaries.com](http://www.pinnacleactuaries.com), or by typing the following URL in your web browser: <http://www.pinnacleactuaries.com/MBPIADataCall>. When you go to the page for the download, you will be prompted for a password.

Please note that a sample of this instructional letter may be downloaded from the same location as the workbook.

We must ask that you supply your data in accordance with the attached instructions and work sheet format. If you currently do not record your data exactly as specified, we ask that you modify your information as necessary to accommodate our format. It is also important that no changes be made to any formulas, columns, rows, headings etc. on the work sheets.

The MBPIA also realizes that not all companies provide for the same deductible options. We must however ask that your company provide MBPIA rate level data based upon a \$100 deductible. If a \$100 deductible is not readily available, we ask that you apply any necessary charges or credits to your individual base deductible rate levels so as to provide us with rate tables that would approximate those based upon a \$100 deductible amount, had it been available.

**In 2007 the MBPIA proposed significant modifications to their territorial definitions.** Accordingly, we ask that you note the following:

1. Please submit your data based upon **the proposed MBPIA** territory definitions as shown on the enclosed exhibits (modify your data as necessary to reflect these definitions).
2. Please submit rate level data, based upon Liability/Medical limits of \$100,000/\$1,000.

Starting with the 2006 solicitation we have modified the call to ask for house years and written premium by policy form. We are also requesting your Annual Statement Statutory Page 14 homeowners written premium.

Our records show your Michigan group/company configuration to be as indicated below. We will need data for all companies shown.

**Group Name:** «6»

- a. «7»
- b. «F8»
- c. «F9»
- d. «F10»
- e. «F11»
- f. «F12»

It is not necessary to report rating data related to specialty programs such as a group policy program designed for an affinity group. Please request an exception, indicating the company, a brief description of the specialty program, the 2010 written premium volume represented by the requested exception programs, and the proportion of the excepted premium in relationship to the company's total homeowner premium volume. The request

should be emailed to **John Wade by May 15, 2011** at the address listed below. Acceptance/rejection notification from the MBPIA of the exception request will be made known by June 1, 2011.

It is important that you return your data via email to John Wade at Pinnacle Actuarial Resources at the email address below, no later than **July 1, 2011**. Any technical questions concerning this request or worksheet should also be directed to John Wade via email or at the phone number listed above.

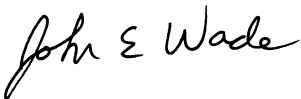
[jwade@pinnacleactuarial.com](mailto:jwade@pinnacleactuarial.com)

**Finally, we ask that you submit a confirmation email to John Wade by April 15, 2011, indicating who from your company will be responding to the data call. Please include their contact information (phone and email).**

Please pass this letter and information on to the appropriate individuals within your Company or Group having data reporting responsibilities for the company or companies listed above.

If you have any other questions, please contact Gregory A. Nakoneczny, Insurance Operations Manager, Michigan Basic at (313) 877-7102, or [gnakoneczny@mbpia.com](mailto:gnakoneczny@mbpia.com).

Sincerely,



John E. Wade, ACAS, MAAA, Senior Consulting Actuary  
Pinnacle Actuarial Resources, Inc.

encl.

**Table of Important Dates**

<b>12/31/10</b>	<b>Exposure Data as of Valuation Date</b>
<b>03/01/11</b>	<b>Rates as of Valuation Date</b>
<b>04/15/11</b>	<b>Email Confirming Receipt of Data Call</b>
<b>05/15/11</b>	<b>Email Requesting a Reporting Exception</b>
<b>06/01/11</b>	<b>Confirmation of Exception Request</b>
<b>07/01/11</b>	<b>Data Call Response Date</b>

**M.B.P.I.A.  
HOMEOWNER RATE DEVELOPMENT PROGRAM  
WORK SHEET DATA INFORMATION**

**GENERAL**

\* The data call workbook is comprised of nine (9) separate sections on a single file for you to record rate information for each company within your group that writes Homeowners Insurance in Michigan.

\* Please complete all work sheets in their entirety, making sure that you supply us with the requested data in the exact format shown. **Make no changes to formulas, columns, rows, titles, protection classes, etc..**

\* In all instances where your current data is unavailable in the format requested, please convert your data as necessary.

**WORK SHEET INFORMATION**

**Rate Tables** - Please supply us with your rates for Form 2 (\$50,000 Coverage A), Form 4 (one Family - \$10,000 Coverage C) and Form 4 (Five Family - \$10,000 Coverage C). **Please submit only weighted average base rate data based upon the MBPIA territorial definitions (see attached).**

Form 2 Rates - If Form 2 rates are not available, please use Form 3 rates, or Form 5 rates if Form 2 and Form 3 rates are not available, and indicate in your cover letter (email) that Form 3 or Form 5 rates were used. You should also indicate NA for the Form 2 relativity in the Amount Relativities worksheet.

**Deductibles** - All rate table data *must* be based upon a **\$100 deductible**.

**Liability Limits** - Please be sure to calculate this data based upon the following liability/Medical limits; \$100,000/\$1000.

**Territory Definitions** - Attached is a listing of MBPIA territorial definitions, please submit all data based upon these definitions.

**Protection Classes** - All rate table data *must* be based upon MBPIA's Protection Class format as indicated. **Please modify your data as necessary.**

**Relativities** - Please provide a single relativity factor (the weighted average for the State) for each coverage amount indicated for Form 2 and Form 4.

\*The Base Premium for Form 2 is \$50,000 - its corresponding relativity factor must be 1.00.

\*The Base Premium for Form 4 is \$10,000 - its corresponding relativity factor must be 1.00.

\*All relativities must be rounded to two (2) decimal places.

\*If you do not offer a specific coverage amount, please estimate its relativity factor and indicate it in the appropriate space.

\*Indicate the Statewide relative relationship of the Form 2 Basic Premium to your Form 3 or Form 5 Basic Premium. If Form 2 is not available, indicate "N/A".

**Exposure Distribution** - Please provide us with Written House Year and Written Premium distribution data **by policy form by territory** for the period indicated in the cover letter.

**M.B.P.I.A.  
HOMEOWNER RATE DEVELOPMENT PROGRAM  
WORKBOOK INSTRUCTIONS**

**GENERAL**

Please use the downloaded workbook(s) to submit your company data. If you have more than one company, a separate workbook should be submitted for each company. The workbooks(s) are designed to work with Microsoft® Excel versions 95 and subsequent.

There are nine sheets in the workbook to complete with the following information:

- Sheet 1. Company Information
- Sheet 2. Form 2 Masonry - \$50,000 Base Rates
- Sheet 3. Form 2 Frame - \$50,000 Base Rates
- Sheet 4. Form 4 Masonry - \$10,000 One Family Base Rates
- Sheet 5. Form 4 Frame - \$10,000 One Family Base Rates
- Sheet 6. Form 4 Masonry - \$10,000 Five Family Base Rates
- Sheet 7. Form 4 Frame - \$10,000 Five Family Base Rates
- Sheet 8. Amount Relativities
- Sheet 9. House Years / Premium Data

There is a tenth sheet titled “Audit Info” which will list potentially invalid entries in sheets 1-9 after you save your changes in the workbook.

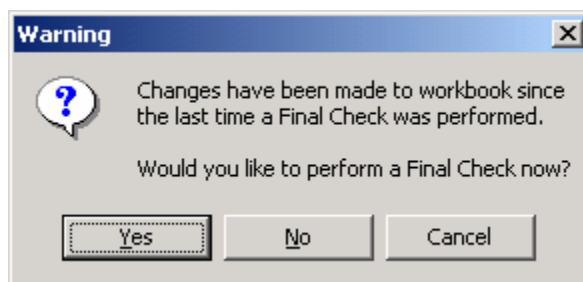
**WORKBOOK INSTRUCTIONS**

Rename the workbook *CO (XXXXX).xls* using Windows Explorer or Excel. *CO* is your company name (abbreviations are fine). *XXXXX* is your company NAIC code. When you first open the workbook, you may get a prompt asking you to enable macros. ***You must enable macros for the workbook to function properly.***

Click on the tab “Company Info” first and enter the appropriate information for your company. You may enter the effective date in MM/DD/YY format and it will convert it into the appropriate format for you.

Next enter the data for sheets 1- 9. When you have finished entering data for a sheet, you may go to the next sheet by selecting its sheet tab at the bottom of the sheet.

When you attempt to close the workbook, you will receive the following prompt:



Choose the Yes button. This will check for invalid data in the workbook for you. If it finds questionable entries, it will record them on the sheet titled “Audit Info.” You should then go back and review these entries for correctness.

M.B.P.I.A.  
HOMEOWNER RATE DEVELOPMENT PROGRAM  
TERRITORIAL DEFINITIONS

**Territory 301**

The following zip codes in Wayne County:

48202, 48203\*, 48205, 48212\*, 48214, 48224, 48226, 48234

\* only portions located within the city of Detroit

**Territory 302**

The following zip codes in Wayne County:

48201, 48207, 48208, 48211\*, 48216, 48223, 48239\*

\* only portions located within the city of Detroit

**Territory 303**

The following zip codes in Wayne County:

48213, 48215, 48227, 48236\*, 48238

\* only portions located within the city of Detroit

**Territory 304**

The following zip codes in Wayne County:

48204, 48209\*, 48228

\* only portions located within the city of Detroit

**Territory 305**

The following zip codes in Wayne County:

48206, 48219, 48221

**Territory 306**

The following zip codes in Wayne County:

48210, 48217

**Territory 307**

The following zip codes in Wayne County:

48235

**Territory 311**

The following zip codes in Wayne County:

48203\*, 48212\*

\* only portions located outside the city of Detroit

**Territory 312**

The following zip code in Wayne County:

48211\*, 48225, 48230, 48239\*

\* only portions located outside the city of Detroit

**Territory 313**

The following zip code in Wayne County:

48236\*

\* only portions located outside the city of Detroit

**Territory 314**

The following zip codes in Wayne County:

48209\*, 48218

\* only portions located outside the city of Detroit

M.B.P.I.A.  
HOMEOWNER RATE DEVELOPMENT PROGRAM  
TERRITORIAL DEFINITIONS

**Territory 315**

The following zip codes in Wayne County:  
48128, 48135, 48185, 48186, 48229

**Territory 316**

The following zip codes in Wayne County:  
48111, 48122, 48126, 48127, 48138, 48150, 48152, 48154, 48167, 48168, 48170, 48174,  
48187, 48188, 48192, 48193, 48240

**Territory 317**

The following zip codes in Wayne County:  
48101, 48120, 48125, 48141, 48146, 48173, 48180, 48195

**Territory 318**

The following zip codes in Wayne County:  
48124, 48134, 48164, 48183, 48184, 48242

**Territory 323**

The following zip codes in Macomb County:  
48015\*, 48088, 48089, 48092  
\* only portions located within the city of Warren

**Territory 324**

The following zip codes in Macomb County:  
48091, 48093

**Territory 331**

The following zip code in Macomb County:  
48036

**Territory 332**

The following zip codes in Macomb County:  
48021, 48035, 48080, 48081

**Territory 333**

The following zip codes in Macomb County:  
48015\*, 48026, 48043, 48045, 48047, 48048, 48051, 48082, 48236, 48312  
\* only portions located outside the city of Warren

**Territory 334**

The following zip codes in Macomb County:  
48044, 48050, 48066, 48313

**Territory 335**

The following zip codes in Macomb County:  
48038, 48042

**Territory 336**

The following zip codes in Macomb County:  
48041, 48062, 48314

M.B.P.I.A.  
HOMEOWNER RATE DEVELOPMENT PROGRAM  
TERRITORIAL DEFINITIONS

**Territory 337**

The following zip code in Macomb County:  
48310

**Territory 338**

The following zip codes in Macomb County:,  
48005, 48065, 48094, 48095, 48096, 48306, 48315, 48316, 48317

**Territory 340**

City of Ann Arbor

**Territory 350**

That portion of Washtenaw County not located in Territory 340.

**Territory 360**

City of Flint

**Territory 370**

That portion of Genesee County not located in Territory 360.

**Territory 380**

City of Grand Rapids

**Territory 390**

That portion of Kent County not located in Territory 380.

**Territory 400**

City of Kalamazoo

**Territory 410**

That portion of Kalamazoo County not located in Territory 400.

**Territory 420**

City of Lansing

**Territory 431**

That portion of Clinton County not located in Territory 420.

**Territory 432**

That portion of Eaton County not located in Territory 420.

**Territory 433**

That portion of Ingham County not located in Territory 420.

**Territory 440**

City of Saginaw

**Territory 450**

That portion of Saginaw County not located in Territory 440.

M.B.P.I.A.  
HOMEOWNER RATE DEVELOPMENT PROGRAM  
TERRITORIAL DEFINITIONS

**Territory 464**

The following zip codes in Oakland County:  
48071, 48083, 48084, 48320

**Territory 465**

The following zip codes in Oakland County:  
48030, 48069, 48323, 48334, 48374, 48375

**Territory 466**

The following zip codes in Oakland County:  
48017, 48033, 48067, 48165, 48167, 48237, 48301, 48322, 48324, 48331, 48335, 48336,  
48341, 48342, 48377, 48381, 48386, 48393

**Territory 467**

The following zip codes in Oakland County:  
48009, 48025, 48034, 48075, 48220, 48302, 48304, 48329, 48357, 48367, 48380, 48390,  
48430, 48439, 48442,

**Territory 468**

The following zip codes in Oakland County:  
48070, 48072, 48073, 48076, 48085, 48098, 48178, 48306, 48307, 48309, 48326, 48327,  
48328, 48340, 48346, 48348, 48350, 48356, 48359, 48360, 48362, 48363, 48370, 48371,  
48382, 48383, 48462

**Territory 470**

Bay County

**Territory 482**

Ottawa County

**Territory 493**

The following zip codes in Jackson County:  
48827, 49203, 49224, 49237, 49241, 49246, 49249, 49250, 49264, 49269, 49277, 49283,  
49284

**Territory 494**

The following zip codes in Jackson County:  
48158, 49201, 49202, 49230, 49233, 49234, 49240, 49251, 49254, 49259, 49272, 49285

**Territory 505**

The following zip codes in Muskegon County:  
49303, 49327, 49412, 49425, 49437, 49444, 49461

**Territory 506**

The following zip codes in Muskegon County:  
49318, 49403, 49404, 49440, 49441, 49442, 49445, 49451, 45457

**Territory 507**

The following zip codes in Muskegon County:  
49415, 49448, 49456

M.B.P.I.A.  
HOMEOWNER RATE DEVELOPMENT PROGRAM  
TERRITORIAL DEFINITIONS

**Territory 511**

Monroe County

**Territory 521**

Counties of Baraga, Dickinson, Gogebic, Houghton, Iron, Keweenaw, Marquette, and Ontonagon

**Territory 522**

Counties of Alger, Delta, Luce, Schoolcraft, and Menominee

**Territory 523**

Mackinac County

**Territory 524**

Chippewa County

**Territory 531**

Counties of Alcona, Alpena, Antrim, Benzie, Charlevoix, Cheboygan, Crawford, Emmet, Grand Traverse, Kalkaska, Leelanau, Missaukee, Montmorency, Ogemaw, Oscoda, Otsego, Presque Isle, Roscommon

**Territory 532**

Counties of Arenac, Clare, Gladwin, Iosco, Lake, Manistee, Mason, Osceola, Wexford

**Territory 541**

Counties of Allegan, Barry, Branch, Calhoun, Hillsdale, Ionia, Lenawee, and St. Joseph

**Territory 542**

Counties of Berrien, Cass, and Van Buren

**Territory 543**

Counties of Lapeer, Sanilac, and St. Clair

**Territory 544**

Counties of Huron, and Tuscola

**Territory 545**

Midland County

**Territory 546**

Shiawassee County

**Territory 547**

Counties of Montcalm, Newaygo, Oceana

**Territory 548**

Counties of Gratiot, Isabella, and Mecosta

**Territory 549**

Livingston County