

BUCKLEYSANDLER LLP
Ross E. Morrison
1133 Avenue of the Americas, Suite 3100
New York, New York 10036
Telephone: 212.600.2315
Facsimile: 212.600.2405

Counsel for Defendant Balboa Insurance Company

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

_____)	
In re:)	Case No. 12-12020 (MG)
)	
RESIDENTIAL CAPITAL, LLC, et al.,)	Chapter 11
)	
Debtors.)	Jointly Administered
_____)	
)	
AMERICAN RESIDENTIAL EQUITIES,)	
LLC, in its own individual capacity and)	
in its capacity as Trustee under that)	Adv. Case No. 12- 01934 (MG)
certain American Residential Equities,)	
LLC Master Trust Agreement)	
dated August 8, 2005,)	
)	
Plaintiff,)	
)	
v.)	
)	
GMAC MORTGAGE, LLC, as successor)	
by merger to GMAC Mortgage Company,)	
and BALBOA INSURANCE COMPANY,)	
)	
Defendants.)	
_____)	

**DECLARATION OF ROSS E. MORRISON IN SUPPORT OF DEFENDANT BALBOA
INSURANCE COMPANY'S MOTION TO DISMISS THE
FIRST AMENDED ADVERSARY COMPLAINT**



I, Ross E. Morrison, do declare and state as follows:

1. I am counsel with the law firm of BuckleySandler LLP, counsel for Defendant Balboa Insurance Company (“Balboa”) in the above-captioned action. I make this declaration in support of Balboa’s Motion to Dismiss the First Amended Adversary Complaint.

2. Attached hereto as Exhibit 1 is a true and correct copy of the Declaration of Kurt Petersen in Support of the Motion of Defendants Balboa Insurance Company, Meritplan Insurance Company, and Newport Management Corporation’s to Dismiss the Second Amended Complaint, and Exhibit C to that Declaration, which were filed in *Rothstein v. GMAC Mortgage LLC, et al.*, 12 Civ. 3412 (AJN) (S.D.N.Y.), on February 25, 2013 (ECF No. 45-3).

3. Attached hereto as Exhibit 2 is a true and correct copy of Exhibit B to Defendant Balboa Insurance Company’s Motion to Dismiss the Second Amended Class Action Complaint, filed in *Hall v. Bank of America, et al*, No. 12-22700-CIV-FAM (S.D. Fla.), on April 19, 2013 (ECF No. 190-2).

Dated: June 6, 2013
New York, New York

Respectfully submitted,

By: /s/ Ross E. Morrison
Ross E. Morrison
1133 Avenue of the Americas
Suite 3100
New York, New York 10036
Telephone: 212.600.2315
Facsimile: 212.600.2405
rmorrison@bucklesandler.com

EXHIBIT 1

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

CASE NO. 12-CIV-3412-NATHAN

LANDON ROTHSTEIN, JENNIFER DAVIDSON,
ROBERT DAVIDSON, and IHOR KOBRYN,
individually and on behalf of all others similarly situated,

Plaintiffs,

v.

ALLY FINANCIAL, INC. f/k/a GMAC INC., ALLY BANK
f/k/a GMAC BANK, JOHN DOE CORPORATION,
BALBOA INSURANCE COMPANY, MERITPLAN INSURANCE
COMPANY, and NEWPORT MANAGEMENT CORPORATION.

Defendants.

**DECLARATION OF KURT PETERSEN IN SUPPORT OF
DEFENDANTS BALBOA INSURANCE COMPANY, MERITPLAN INSURANCE
COMPANY, AND NEWPORT MANAGEMENT CORPORATION'S
MOTION TO DISMISS THE SECOND AMENDED COMPLAINT**

I, Kurt Petersen, declare:

1. I am Vice President and the Senior Product Manager for Lender Placed Insurance Products at QBE Americas, Inc. performing work for QBE FIRST Insurance Agency Inc. I was previously an employee of Balboa Insurance Company. My responsibilities include managing the lender-placed hazard and REO insurance products, supporting Sales and Account Managers with product knowledge, performing business reviews and trend analysis, and providing support for business proposals. I have worked for Balboa Insurance Company or QBE Americas, Inc. since November 2009.
2. I have personal knowledge of the facts stated herein and, if asked to do so, I could and would competently testify thereto.

3. Meritplan Insurance Company issued the lender-placed Master Policy to GMAC Mortgage, under which the properties of Landon Rothstein and Ihor Kobryn were insured.
4. Meritplan Insurance Company's lender-placed hazard insurance program, the "Risk Based Protection" program, was filed with and approved by the Texas Department of Insurance ("TDI") for use effective August 1, 2004 (Rate Filing FOH_04-1972) with updates approved by the TDI on December 29, 2009 (Rate Filing FOH_09-5923, **attached as Exhibit A**).
5. Meritplan Insurance Company's lender-placed hazard insurance program, the "Risk Based Protection" program, was filed with and approved by the New York Department of Insurance on July 12, 2010 (FOH_10-6261 & FOH_09-5504, **attached as Exhibit B**).
6. Plaintiffs Landon Rothstein and Ihor Kobryn's lender-placed hazard insurance premiums were calculated based on the rates in Meritplan Insurance Company's Residential Property Fire Insurance Risk Based Protection program.
7. Balboa Insurance Company issued the lender-placed Master Policy to GMAC Mortgage under which the property of Jennifer and Robert Davidson was insured.
8. Balboa Insurance Company's lender-placed hazard insurance program, the "Risk Based Protection" program, was approved by New Hampshire Insurance Department on January 12, 2005 (Rate Filing 04-12993) with rating rule revisions approved on August 6, 2007 (Rate Filing FOH_07-5540, **attached as Exhibit C**).
9. Plaintiffs Jennifer and Robert Davidson's lender-placed hazard insurance premiums were calculated based on the rates in Balboa Insurance Company's Residential Property Fire Insurance Risk Based Protection program.

In accordance with 28 U.S.C § 1746, I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed this 22nd day of February, 2013.



Kurt Petersen

EXHIBIT C



RECEIVED

DEC 13 2004

DATE 1/12/05 N.H. INSURANCE DEPARTMENT
EXAMINER [Signature]

NHID# 24813-CLMS-12/10/04

U FORMS

☐ DISAP ☒ ~~MISSING~~

☐ WITHDRAWN ~~EXEMPT/LOSS COSTS~~

☒ APPROVED FOR 1/5/05 RENEWAL

NOTES

Attached are the completed filing exhibits, rates and rules for our new "Risk Based Protection" program which is being filed as a commercial product under Fire and Allied Lines.

This product is different from traditional products designed for this purpose. This program is designed to better relate the premium paid to the individual risk elements of each property to be covered. The "Risk Based Protection" program uses information available as a matter of public record or that is available to the named insured in 89% of the cases. In those few cases where a rating element cannot be determined, a default factor has been selected based on a sampling of 166,000 covered properties in our current insured data base.

We also have developed an Account Rate Modification Plan to enable us to adjust rates based upon the risk characteristics of the lender's loan portfolio or operational results.

The end result of this process is to provide a rating methodology that takes into account both the characteristics of the lenders operations and the individual covered property to arrive at a final rate which more closely ties the premium to the anticipated risk.

Once we had designed this rating methodology we passed 12,373 currently covered properties from our largest volume state in a different Balboa Insurance Group product which is not risk based through our rating model. This resulted in a theoretical reduction of rate or an unchanged rate for 60% of insured properties. These have been shown by previous experience to be the less prone to loss. It also resulted in higher rates for those remaining properties that have been shown by previous experience to be more prone to loss.

We believe that this rating approach is in the best interest of both the citizens of New Hampshire and the lenders who receive coverage under the program.

REC'D JAN 24 2005

cont

Balboa Insurance Company
December 10, 2004
Page 2

We have other programs filed and approved in New Hampshire. They are different from this program because they limit the type of risks that can be covered, which this program does not, and they require less information to be provided at the time coverage is ordered. It is our intention to offer this program to each of our current insureds upon anniversary of their current policy, and to all new potential insureds once we have received your approval. However, this program will coexist with the other existing programs filed in our affiliated carriers, and lenders may have their choice of what program they choose to procure based on the risks they desire to cover and the information they are able to provide.

The requested effective date is January 5, 2005.

Your prompt review and approval of this program will be appreciated. Thank you for your time and consideration.

Sincerely,



Gregory Sevilla
Compliance Coordinator I
Balboa Insurance Company
(800) 854-6115 x7367 8am to 5pm P.S.T.
Fax: (949) 222-8717
gregory_sevilla@balboainsurance.com

Property & Casualty Transmittal Document

1. Reserved for Insurance Dept. Use Only 	2. Insurance Department Use only a. Date the filing is received: b. Analyst: c. Disposition: d. Date of disposition of the filing: e. Effective date of filing: f. State Filing #: g. SERFF Filing #:
---	---


3. Group Name	Group NAIC #
Balboa Insurance Group	1330

4. Company Name(s)	Domicile	NAIC #	FEIN #
Balboa Insurance Company	CA	24813	95-6027860

5. Company Tracking Number	FOH-04-2088
-----------------------------------	-------------

Contact Info of Filer(s) or Corporate Officer(s) [include toll-free number]

6. Name and address	Title	Telephone #s	FAX #	e-mail
Gregory Sevilla	Compliance Coordinator	800-854-6115 x7367	949-222-8717	gregory_sevilla@balboainsurance.com

7. Signature of authorized filer	
8. Please print name of authorized filer	Gregory Sevilla

Filing information (see General Instructions for descriptions of these fields)

9. Type of Insurance (TOI)	Commercial Property
10. Sub-Type of Insurance (Sub-TOI)	Fire & Allied
11. State Specific Product code(s) (if applicable)[See State Specific Requirements]	
12. Company Program Title (Marketing title)	Risk Based Protection Program
13. Filing Type	<input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input checked="" type="checkbox"/> Rates/Rules <input type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description)
14. Effective Date(s) Requested	New: January 5, 2005 Renewal: N/A
15. Reference Filing?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
16. Reference Organization (if applicable)	N/A
17. Reference Organization # & Title	N/A
18. Company's Date of Filing	December 10, 2004
19. Status of filing in domicile	<input type="checkbox"/> Not Filed <input type="checkbox"/> Pending <input checked="" type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

Property & Casualty Transmittal Document—

20.	This filing transmittal is part of Company Tracking #	FOH-04-2088
------------	--	-------------

21.	Filing Description [This area should be similar to the body of a cover letter and is free-form text]
------------	---

This product was developed to provide coverage when it is requested by Mortgage Lenders or Servicers because a borrower has failed to provide insurance to protect the lender's interest in structures. This insurance is to cover real property when it is required by the Mortgage Contract between the lender and the borrower. That agreement does not allow the lender to require a borrower to pay for coverage on items not mortgaged to secure the loan or for coverage that exceeds the coverage required in amount or peril by the mortgage contract. This program is designed so that the lender pays the insurer for all premium and charges back only those parts of the premium which are allowed to be charged to the borrower.

This product is different from traditional products designed for this purpose. This program is designed to better relate the premium paid to the individual risk elements of each property to be covered. The "Risk Based Protection" program uses information available as a matter of public record or that is available to the named insured in 89% of the cases. In those few cases where a rating element cannot be determined, a default factor has been selected based on a sampling of 166,000 covered properties in our current insured data base.

We also have developed an Account Rate Modification Plan to enable us to adjust rates based upon the risk characteristics of the lender's loan portfolio or operational results.

The end result of this process is to provide a rating methodology that takes into account both the characteristics of the lenders operations and the individual covered property to arrive at a final rate which more closely ties the premium to the anticipated risk.

Once we had designed this rating methodology we passed 12,373 currently covered properties from our largest volume state in a different Balboa Insurance Group product which is not risk based through our rating model. This resulted in a theoretical reduction of rate or an unchanged rate for 60% of insured properties. These have been shown by previous experience to be the less prone to loss. It also resulted in higher rates for those remaining properties that have been shown by previous experience to be more prone to loss.

22.	Filing Fees (Filer must provide check # and fee amount if applicable) [If a state requires you to show how you calculated your filing fees, place that calculation below]
------------	---

Check #: N/A
Amount:

Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.

***Refer to the each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)

The State of New Hampshire
Insurance Department
56 Old Suncook Road
Concord NH 03301-7317
(603) 271-2261 Fax (603) 271-7029
TDD Access: Relay NH 1-800-735-2964

Paula T. Rogers
Commissioner

Monica A. Ciolfi
Deputy Commissioner

MICROFICHE FILING REQUIREMENTS
PROPERTY AND CASUALTY DIVISION

Effective July 1, 1993, Microfiche copies of all Property and Casualty insurance filings must be provided to the Commissioner within 60 days following form, rate and rule approval or acknowledgment. You must either forward an acceptable microfiche copy of the filing to the Commissioner or request the Insurance Department to have the microfiche prepared. For specific details see Insurance Regulation Chapter INS 3100.

If you fail to comply with this requirement, the Department will have the microfiche prepared at your company's cost. Action may be initiated should timely payment for these services not be made.

If you wish to have the Department prepare the microfiche, please return this notice. Please attach a copy of the Department's approval notice. You do not need to return another copy of the approved filing.

Attention: Faye E. Grant
State of New Hampshire
Department of Insurance
56 Old Suncook Road
Concord, NH 03301-7317

☒ **YES**, we request the NHID to have the filing microfiched as approved by the NHID.

Send Billing Inquiries To:

Contact Name: Gregory Sevilla
Company Name: Balboa Insurance Co.
Box# / Street: 3349 Michelson Dr, Ste 200
City: Irvine
State: CA Zip Code: 92612
Phone #: 800-854-6115 x7367

If your company will be preparing the microfiche, please give particular attention to the requirements of Insurance Regulation Chapter INS 3101.05, Technical Specifications. Microfiche not meeting the specifications as outlined will be rejected.

RATE/RULE FILING SCHEDULE

(This form must be provided ONLY when making a filing that includes rate-related items such as Rate; Rule; Rate & Rule; Reference; Loss Cost; Loss Cost & Rule or Rate, etc.)

(Do not refer to the body of the filing for the component/exhibit listing.)

1.	This filing transmittal is part of Company Tracking #		FOH-04-2088	
2.	This filing corresponds to form filing number (Company tracking number of form filing, if applicable)		FOH-04-2089	
<input type="checkbox"/> Rate Increase <input type="checkbox"/> Rate Decrease <input type="checkbox"/> Rate Neutral (0%)				
3.	Overall percentage rate impact for this filing		New Program	
4.	Effect of Rate Filing – Written premium change for this program		Unknown	
5.	Effect of Rate Filing – Number of policyholders		Unknown	
6.	Filing Method (Prior Approval, File & Use, Flex Band, etc.)		Use & File	
7.	Rate Change by Company			
	Company Name	Percentage Change	Effect of Rate Filing	
			# of policyholders for this program	Written premium change for this program
	Balboa Insurance Company	N/A	N/A	N/A
8.	Overall percentage of last rate revision		N/A	
9.	Effective Date of last rate revision		N/A	
10.	Filing Method of Last filing (Prior Approval, File & Use, Flex Band, etc.)		N/A	
11.	Exhibit Name/Description /Synopsis	Rule # or Page #	Replacement or Withdrawn?	Previous state filing number, if required by state
01	General Rules & Rates Account Rate Modification Plan	pg. 1-5 Exhibit C	<input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn <input checked="" type="checkbox"/> Neither	
02	Rate Developement	Exhibit A pg. 1-3	<input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn <input checked="" type="checkbox"/> Neither	
03	Catastrophe Loads & Territorial Definitions	Exhibit A-2	<input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn <input checked="" type="checkbox"/> Neither	
04	Rate Distribution and Relatives	Exhibit B	<input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn <input checked="" type="checkbox"/> Neither	
05	Territory Codes	pg 1-2	<input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn <input checked="" type="checkbox"/> Neither	

To be complete, a rate/rule filing must include the following:

1. A completed Rate/Rule Filing Transmittal document (PC RRFS-1) (Do not refer to the body of the filing for the component/exhibit listing.) and,
2. A completed Property & Casualty Transmittal Document (PC TD-1) and,
3. One copy of all rate/rule components/exhibits submitted with the filing, and
4. The appropriate state review requirements, if required, and
5. The appropriate filing fees, if required, and
6. A postage-paid, self-addressed envelope large enough to accommodate the return
7. You should refer to each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)

New Hampshire Retaliatory Fee Summary Page

Company Name on Check (Fee Paid by) Balboa Insurance Company	Date Check Mailed with this Fee Summary Attached
Check Amount	Type of Filing Form
Check Number N/A	Company Filing Number NH FOH_04-2088
Date on Check N/A	Submission/SERFF Tracking Number

Companies Filing	State of Domicile	Company Code	Show Retaliatory Fee Calculation	Fee Total
Balboa Insurance Company	CA	001	No fee required in California	0.00
Total of Retaliatory Fees for this Filing Submission				

For State Use Only

Account		Check Number	
Date		Initials	
Amount		Reviewer	

**BALBOA INSURANCE COMPANY
RISK BASED PROTECTION
General Rules & Rates (NEW HAMPSHIRE)**

1. ELIGIBLE MORTGAGES

- a. Residential First and Second Mortgages
- b. Manufactured Home First Mortgages
- c. Commercial First Mortgages
- d. Mortgages for which Lender is servicing agent

2. ELIGIBLE PROPERTY AND MAXIMUM COVERAGE LIMITS

<u>Eligible Property</u>	<u>Maximum Coverage Limit</u>
Residential Dwellings (Maximum 4 Family Units)	\$5,000,000
Commercial Buildings	\$5,000,000
Manufactured Homes	\$100,000

3. COVERAGE TERM

The coverage term for each eligible mortgage is twelve (12) months. If coverage is written for less than 12 months, the rate will be computed pro rata of the 12 month rate.

4. BASE RATE DEFINITIONS RESIDENTIAL AND MANUFACTURED HOME

- a. Owner Occupied Property
- b. Tenant Occupied Property
- c. Vacant Property

5. COMMERCIAL BASE RATE DEFINITIONS

- a. Occupied
- b. Vacant

6. RISK BASED PROTECTION RATES

(See following table)

**Balboa Insurance Company
New Hampshire
Risk Based Lender's Protection Program**

Risk Based Lender's Protection Rates						
		Residential*			Commercial	
		Owner Occupied	Tenant Occupied	Vacant	Occupied	Vacant
Base Rates per \$100 of Coverage		\$0.67	\$0.80	\$2.04	\$1.10	\$2.21
Deductibles	Occupied	\$500	\$500		\$1,000	
						2% of Insured Value but not less than \$1,000
	Vacant	\$1,000	\$1,000	\$1,000		
					2% of Insured Value but not less than \$5,000	2% of Insured Value but not less than \$5,000
V&MM						
* If occupancy status is unknown, then Base Rate shall be Owner Occupied Rate X 1.074 , rounded to the nearest cent.						
Mobile Home surcharge is 50%.						
Age of Home Factors** Residential Only		Public Protection Construction***			Hurricane Territory Factors****	
Dwelling Age in Years	Factor	Protection Class	Factor		Territory	Factor
0-10	0.750	1 - 3	0.750		A - C	1.000
11-20	0.900	4 - 6	1.000		D	1.013
21-35	1.000	7 - 8	1.300		E	1.022
36-50	1.100	9	1.500			
51+	1.500	10	1.700			
** If age of home is unknown, then use default factor of 1.161						
*** If PPC is unknown, use default factor of 1.176						
**** if Hurricane Territory is unknown, use default factor of 1.001						

Age of Home factor is data provided by the named insured and/or a public database. It represents the actual age of when the insured structure was built.

The Public Protection factor is equivalent to the ISO Protection Class used in rating homeowner/dwelling fire business.

The Territory factor is based on relativity of damage due to covered property being in hurricane territory(s). Attached is the zip code grouping.

Rate calculation for residential property is as follows: Risk Based Protection base rate, as modified by the Account Rate Modification Plan, multiplied by the Age of Home factor; the result is multiplied by the Public Class factor; the result is multiplied by the Territory(s) factor(s) resulting in the final rate. This rate is surcharged 50% for Manufactured Homes.

Example: Owner Occupied $\$0.67 \times \text{Age of Home } 36 (1.100) \times \text{Protection Class } 7 (1.300) \times \text{Territory D } (1.013) = \970 . Manufactured Home rate would be $\$970 \times 1.5 = \$1,455$. Rounding is to the nearest whole cent = $\$1.45$. Should a rating factor change during the term of the coverage, this will be reflected in the rate calculation of the renewal term.

Rate calculation for commercial property is as follows: Risk Based Protection base rate, as modified by the Account Rate Modification Plan, multiplied by the Public Class factor; the result is multiplied by the Territory(s) factors resulting in the final rate.

Example: Vacant $\$2.21 \times \text{Protection Class } 4 (1.000) \times \text{Territory D } (1.013) = \2.238 . Rounding is to the nearest whole cent $\$2.24$.

7. DEDUCTIBLE OPTIONS

<u>Deductible Options – Base Deductible \$500</u>	
<u>Deductible Amount</u>	<u>Rate Credit</u>
\$1,000	5%
\$2,000	12%
\$3,000	18%
\$4,000	22%
\$5,000	26%
Greater of \$2,000 or 2%	13%
Greater of \$1,000 or 1%	5%

Rate credit is based on deductible option chosen. The credit is applied to the calculated rate subject to Rate Modification rule.

8. CANCELLATION PROVISIONS

Cancellations are computed on a pro rata basis. If the borrower provides coverage from another company and such coverage is effective on or before the effective date of our coverage, the cancellation will be flat.

9. ROUNDING

Premiums and premium refunds shall be rounded to the nearest whole dollar. Rates shall be rounded to the nearest whole cent.

10. COVERAGES AND ENDORSEMENTS

A. General Change Endorsement

This endorsement shall be used to amend effective dates, amend names, amend address and amend other miscellaneous changes to the policy.

B. Blanket Vandalism Endorsement (optional)

This endorsement provides coverage on the insured lender's residential and commercial property loans for the perils of Vandalism, Malicious Mischief and Theft of Property when the borrower-furnished policy has been suspended for these perils due to the property being vacant for a period in excess of the time allowed by that policy. The property must be insured at the time of loss for those coverages required by the lender.

The premium charges for this coverage, paid by the lender, are based on the number of loans the lender has that are eligible for coverage. The charges are:

NUMBER OF LOANS	ANNUAL PREMIUM
0 – 20,000	\$2,000
20,001 - 50,000	\$3,000
50,001 - 100,000	\$4,000
100,001 - 200,000	\$5,000
200,001 - 300,000	\$7,500

Over 300,000 loans, the charge is \$7,500 premium plus \$2,500 for each additional 100,000 loans (or increments thereof).

The following deductibles apply:

Dwelling & other structures	\$500
Commercial buildings	\$1,000

Note: Balboa's lender placed Risk Based Protection Policy waives the vacancy exclusion. This optional endorsement covers the other 98% or so of the loans where the borrower has furnished his or her own policy that has vacancy exclusion.

C. Blanket Condominium (Optional)

This endorsement offers the named insured an option of purchasing coverage to protect its insurable interest in the event the Condominium Association fails to purchase or maintain coverage.

The rate for the Blanket Condominium is:

\$0.002083/ \$1,000 MOB (minimum monthly premium \$250)

\$25,000 Limit per loss.

D. Limit of Liability Endorsement (Optional)

This endorsement offers the named insured an option of limiting coverage to its insurable interest. There is no change in rates with this option.

11 Account Rate Modification Plan

See attached worksheet

BALBOA INSURANCE COMPANY

Risk Based Protection Program

State of New Hampshire

Zip Code	Hurricane Territory Code	Zip Code	Hurricane Territory Code	Zip Code	Hurricane Territory Code	Zip Code	Hurricane Territory Code	Zip Code	Hurricane Territory Code
03031	B	03110	B	03268	B	03460	B	03751	B
03032	B	03111	B	03269	B	03461	B	03752	B
03033	B	03215	A	03272	B	03462	B	03753	B
03034	B	03216	B	03273	B	03464	B	03754	B
03036	B	03217	B	03274	A	03465	B	03755	A
03037	B	03218	B	03275	B	03466	B	03756	A
03038	B	03220	B	03276	B	03467	B	03765	A
03040	B	03221	B	03278	B	03468	B	03766	A
03041	B	03222	B	03279	A	03469	B	03768	A
03042	B	03223	A	03280	B	03470	B	03769	A
03043	B	03224	B	03281	B	03561	A	03770	A
03044	B	03225	B	03282	A	03570	A	03771	A
03045	B	03226	B	03284	B	03574	A	03772	B
03046	B	03227	B	03285	A	03575	A	03773	B
03047	B	03229	B	03287	B	03576	A	03774	A
03048	B	03230	B	03289	B	03579	A	03777	A
03049	B	03231	B	03290	B	03580	A	03779	A
03051	B	03232	B	03291	B	03581	A	03780	A
03052	B	03233	B	03293	A	03582	A	03781	A
03053	B	03234	B	03298	B	03583	A	03782	B
03054	B	03235	B	03299	B	03584	A	03784	A
03055	B	03237	B	03301	B	03585	A	03785	A
03057	B	03238	A	03302	B	03587	A	03801	D
03060	B	03240	B	03303	B	03588	A	03802	E
03061	B	03241	B	03304	B	03589	A	03803	D
03062	B	03242	B	03305	B	03590	A	03804	E
03063	B	03243	B	03306	B	03592	A	03805	B
03064	B	03244	B	03307	B	03595	A	03809	B
03070	B	03245	B	03431	B	03597	A	03810	B
03071	B	03246	B	03435	B	03598	A	03811	B
03073	B	03247	B	03440	B	03601	B	03812	B
03076	B	03249	B	03441	B	03602	B	03813	B
03077	B	03251	A	03442	B	03603	B	03814	B
03079	B	03252	B	03443	B	03604	B	03815	B
03082	B	03253	B	03444	B	03605	B	03816	B
03084	B	03254	B	03445	B	03606	B	03817	B
03086	B	03255	B	03446	B	03607	B	03818	B
03087	B	03256	B	03447	B	03608	B	03819	B
03101	B	03257	B	03448	B	03609	B	03820	B
03102	B	03259	B	03449	B	03740	A	03821	B
03103	B	03260	B	03450	B	03741	B	03822	B
03104	B	03261	B	03451	B	03743	B	03824	C
03105	B	03262	A	03452	B	03745	A	03825	B
03106	B	03263	B	03455	B	03746	A	03826	B
03107	B	03264	B	03456	B	03748	B	03827	C
03108	B	03265	B	03457	B	03749	A	03830	B
03109	B	03266	A	03458	B	03750	A	03832	B

BALBOA INSURANCE COMPANY

Risk Based Protection Program

State of New Hampshire

Zip Code	Hurricane Territory Code	Zip Code	Hurricane Territory Code
03833	C	03890	B
03835	B	03894	B
03836	B	03896	B
03837	B	03897	B
03838	B		
03839	B		
03840	D		
03841	B		
03842	E		
03843	E		
03844	D		
03845	B		
03846	B		
03847	B		
03848	C		
03849	B		
03850	B		
03851	B		
03852	B		
03853	B		
03854	E		
03855	B		
03856	B		
03857	C		
03858	B		
03859	C		
03860	B		
03862	E		
03864	B		
03865	B		
03866	B		
03867	B		
03868	B		
03869	B		
03870	E		
03871	C		
03872	B		
03873	B		
03874	E		
03875	B		
03878	B		
03882	B		
03883	B		
03884	B		
03885	C		
03886	B		
03887	B		

**Balboa Insurance Company
Risk Based Protection Program
Account Rate Modification Plan**

The following debits and credits will be applied to the appropriate base rates to recognize special characteristics of the risk not contemplated in our base rates. The maximum modification allowed is + / - 25%. Documentation supporting qualification for scheduled rating will be maintained by this insurer in the records for each policyholder. If a major change occurs in the risk characteristics during the policy term, new debits/credits will be calculated and applied on future coverage requests.

Risk Characteristics	Range of Modification		Lender Rating
	Credit	Debit	
30+ day contractual delinquency rate measured as a % of total active mortgage loans.	-15%	+15%	
Foreclosure loans measured as a % of total active mortgage loans.	-10%	+10%	
Named Insured choice to purchase coverage for the lesser of value of improvements or unpaid principal balance.	-10%	+10%	
Operating Expenses Associated with Lender Placed Program	-15%	+15%	
Loss History for Risk Based Protection Plan	-15%	+15%	
Concentration of exposures in high risk (catastrophe prone) areas.	-15%	+15%	
Average property values.	-15%	+15%	
	TOTAL		
Maximum Debit or Credit to be applied is 25%			
Qualifier - Minimum Size of Account Must Equal \$500,000 Annual W.P. or 50,000 loans			

BALBOA INSURANCE COMPANY

LENDER PLACED HAZARD INSURANCE

Risk Based Protection Program

RATE DEVELOPMENT

New Hampshire

This program is designed to rate Lender Placed Hazard coverage by the insured property's risk characteristics. Balboa Insurance Company has a flat rate program approved in this state. Balboa's program charges a base rate of \$1.00 per \$100 Coverage A amount per year for residential properties with a \$250 deductible for occupied properties. Balboa is expanding the Rules and Rates to include the specified risk characteristics and associated credits and surcharges to calculate the final rate.

1. Rating Factors

The base rate is modified according to each of the following risk characteristics:

A. Territory by Hurricane and by Tornado/Hail Risks. See Exhibit A-2 for details.

<u>Hurricane Territory</u>	<u>Distribution</u>	<u>Relativities</u>
A - C	95.69%	1.000
D	2.28%	1.013
E	2.03%	1.022
Total	100.00%	1.001

B. Public Protection Class. The relativities are developed and filed by Insurance Services Office, Inc.

<u>Protection Class</u>	<u>Distribution</u>	<u>Relativities</u>
1 - 3	16.79%	0.750
4 - 6	38.89%	1.000
7 - 8	4.28%	1.300
9	37.60%	1.500
10	2.44%	1.700
Total	100.00%	1.176

C. Occupancy Type. Relativities are derived from rates for another program that vary by Occupancy Type.

<u>Occupancy Type</u>	<u>Distribution</u>	<u>Relativities</u>	<u>Rate Adjustment Factor</u>
Owner Occupied	87.14%	1.00	0.931
Tenant Occupied	10.20%	1.20	1.117
Vacant	2.67%	3.00	2.793
Total	100.00%	1.074	

BALBOA INSURANCE COMPANY **LENDER PLACED HAZARD INSURANCE** **Risk Based Protection Program**

RATE DEVELOPMENT **New Hampshire**

3. Base Rates

For Residential and Commercial properties, Balboa program base rates are adjusted for deductible changes, occupancy type and age of property.

		Flat Rate Program Deductible	Risk Based Program Deductible if	
			Occupied	Vacant
Residential	Owner Occupied	\$250	\$500	\$1,000
	Tenant Occupied	\$250	\$500	\$1,000
	Vacant	\$500	\$500	\$1,000
Commercial	Occupied	\$1,000		\$1,000
	Vacant	Max(2% of insured value and \$1,000)		No Change

Risk Based Program base rates

	Balboa Flat		Adjustment Factors				Base Annual Rate/\$100
	Annual Rate	Deductible	Hurricane Territory	Protection	Occupancy	Age	
Residential	(a)	(b)	(c)	(d)	(e)	(f)	(g)
Owner Occupied	\$1.00	0.980	1.001	1.176	0.931	1.161	\$0.67
Tenant Occupied	\$1.00	0.980	1.001	1.176	1.117	1.161	\$0.80
Vacant	\$1.00	1.000	1.001	1.176	2.793	1.161	\$2.04
Commercial							
Occupied	\$1.30	1.000	1.001	1.176	1.000	N/A	\$1.10
Vacant	\$2.60	1.000	1.001	1.176	1.000	N/A	\$2.21

Column (g) = (a)*(b)/(c)/(d)*(e)/(f)

For Mobile Home: 50% surcharge

For Condominium: \$0.002083 /\$1,000 monthly outstanding balance

Minimum monthly premium = \$250

For Blanket Vandalism Coverage:

Paid by the lender based on the number of loans that are eligible.

<u>Number of Loans</u>	<u>Annual Premium</u>
0 - 20,000	\$2,000
20,001 - 50,000	\$3,000
50,001 - 100,000	\$4,000
100,001 - 200,000	\$5,000
200,001 - 300,000	\$7,500
300,000 +	

Add \$2,500 for each 100,000 loans or
any fraction in excess of 300,000 loans.

Deductibles: 1. Dwelling & Other Structures	\$500
2. Commercial Building	\$1,000

BALBOA INSURANCE COMPANY LENDER PLACED HAZARD INSURANCE Risk Based Protection Program

Catastrophe Loads and Territorial Definitions

The process for defining the catastrophe load relied upon Balboa's in-force policies, Average Annual Loss estimates from Risk Management Solutions' (RMS's) Risklink 4.32 catastrophe stochastic simulation model. RMS's frequency/severity rates at the postal code level were then used to assign territories. Key steps in the process are described below:

1. Identified the cumulative Lender's Protection Program in force policies from Jan-04 thru April-04,
2. Calculated the average annual loss (AAL) per Risklink 4.3 (see a discussion of stochastic simulation modeling below) for each of the above identified policies,
3. Calculated the AAL per each \$100 dollars of coverage A,
4. Defined territorial boundaries using RMS's frequency/severity rates.
 - a. 'Wind-speed frequency/severity rate' for hurricane risk,
 - b. 'Tornado-hail frequency/severity rate' for tornado and hail risk, and
 - c. These frequency/severity rates are defined at the postal code level and serve as the basic building blocks upon which RMS's Risklink 4.3 model bases catastrophe risk potential and damageability for each peril,
5. Percentile rankings were then used to divide the frequency/severity rates for each peril into 5 manageable territories. For example, the 'high risk' territory was defined at the 95th percentile.
6. The final territorial assignments were determined through an iterative process, which, among other factors, ensured consistent and reasonable cat loads and a smooth transition from 'very high risk' to 'very low risk' territories.

Catastrophe Stochastic Simulation Modeling:

The methodology for loss estimation is based on stochastic simulation techniques designed to create probability distributions of losses from catastrophes. The core component simulates the actual physics of the events themselves (hurricanes, earthquakes and tornado/hail storms), and evolves them in three dimensional space. The damage estimation component of the model superimposes the local intensity of the simulated event onto a database of insured properties. Engineering relationships called damage functions describe the interaction between buildings and the intensity to which they are exposed. Separate damage functions are developed for different construction types and occupancy classes, etc. Finally, insured losses are calculated by applying policy conditions to the total damage estimates.

By repeating this process, the model generates hundreds of thousands of scenario years, i.e. annual probabilities of occurrence, to produce a stochastic catalog representing the complete range of potential annual catastrophe-event activity, including full coverage of extreme, or 'tail', events. This catalog is then aggregated into a single Exceeding Probability distribution, often referred to as a PML curve, which allows the direct determination of expected loss at any desired level of frequency (i.e. probability). From this distribution, the Average Annual Loss is calculated, which serves as the cornerstone of the catastrophe load estimation.

Exhibit B

BALBOA INSURANCE COMPANY **LENDER PLACED HAZARD INSURANCE** **Risk Based Protection Program**

RATE DISTRIBUTION AND RELATIVITIES **New Hampshire**

The base rate is modified according to each of the following risk characteristics:

A. Territory by Hurricane and Tornado/Hail Risks. Distribution is based on Balboa's policy inforce count.

<u>Hurricane</u> <u>Territory</u>	<u>Distribution</u>	<u>Relativities</u>
A - C	95.69%	1.000
D	2.28%	1.013
E	2.03%	1.022
Total	100.00%	1.001

B. Public Protection Class. The distribution is based on ISO experience.

<u>Protection</u> <u>Class</u>	<u>Distribution</u>	<u>Relativities</u>
1 - 3	16.79%	0.750
4 - 6	38.89%	1.000
7 - 8	4.28%	1.300
9	37.60%	1.500
10	2.44%	1.700
Total	100.00%	1.176

C. Occupancy Type. The distribution is based on Balboa experience.

<u>Occupancy Type</u>	<u>Distribution</u>	<u>Relativities</u>
Owner Occupied	87.14%	1.00
Tenant Occupied	10.20%	1.20
Vacant	2.67%	3.00
Total	100.00%	1.074

D. Age of Property. The relativities are developed from analyzing loss ratio by Age of Property of close to \$400 million of earned premium.

<u>Age of</u> <u>Property</u>	<u>Earned</u> <u>Premium</u> (,000)	<u>Distribution</u>	<u>Relativities</u>
0-10	\$29,356	8.8%	0.750
11-20	\$43,396	13.0%	0.900
21-35	\$68,791	20.6%	1.000
36-50	\$76,399	22.9%	1.100
51+	\$115,818	34.7%	1.500
Total	\$333,760	100.0%	1.161



Christine.Wenners@ins.nh.gov
v
12/09/2004 02:20 PM

To Gregory_Sevilla@BalboaInsurance.Com
cc
bcc
Subject Re: NH FOH-04-2088

Hi Greg,

Sorry to take so long to get back to you.
Unfortunately, the whole filing must be resubmitted. All copies, less the TH and Cover Letter (which are sent back), are discarded when rejected.
If there is anything that I can do or if you have any more questions please feel free to contact me.

Sincerely,

Christine

Christine Wenners
P&C Program Assistant
New Hampshire Insurance Department
21 South Fruit ST, STE 14
Concord NH 03301
Telephone: 603-271-2261 X221
Fax: 603-271-1406
Email: christine.wenners@ins.nh.gov

Gregory_Sevilla@BalboaInsurance.Com

12/09/2004 09:38 AM

To Christine.Wenners@ins.nh.gov
cc
Subject NH FOH-04-2088

Christine,
You were kind enough to help me before. I wonder if you could help to find an answer about this filing, or point me in the right direction.

This particular filing is the Rates & Rules for our new Risk Based Protection Program. It was returned to me because I did not give an effective date for it.

As only the cover letter and P&C Transmittal Doc. were returned to me, it

is not clear what I need to resubmit. I don't think that the whole filing has been rejected.

My question is:

Do I need to resubmit the whole filing--manual, rates, and exhibits-- or, simply, a revised cover letter and revised P&C Transmittal Doc

Thanks for any help you can give me.

Sincerely, Greg

Gregory Sevilla
Compliance Coordinator I
Balboa Life & Casualty
(800) 854-6115 x7367
Fax: (949) 222-8717

THE STATE OF NEW HAMPSHIRE
INSURANCE DEPARTMENT

56 OLD SUNCOOK ROAD
CONCORD, NEW HAMPSHIRE 03301-5151

Roger A. Sevigny
Commissioner

REC'D DEC 08 2004
H.S.

Effective 1/1/2004

New Hampshire is enacting

Regulation of Forms and Rates For Property and Casualty Insurance – RSA 412.

This new law replaces current RSA's 412, 413 and 414.

This filing is being returned as it does not comply with NHID revised Procedures and Instructions for the following reason:

- ☐ Rates and/or rating rules have to be filed separately from forms and/or form rules.
- ☐ Rates and/or rating rules for this line of insurance do not have to be filed and are not being reviewed by NHID staff.
- ☒ Effective date required.

For further explanation of this new rating law, please access the Department's website:

www.state.nh.us/insurance

Home Page

Scroll down to Rate/Form – P&C and/or

Scroll down to – NEW – Rating Law effective 1/1/2004



Christine.Wenners@ins.nh.gov
V
11/19/2004 11:38 AM

To Gregory_Sevilla@BalboaInsurance.Com
cc
bcc
Subject Re: Fw: NH FOH-04-2088 & 2089 Status

Gregory,

I am so sorry that I did not get back to you earlier.

...No problem! But, you are right, Meritplan is not a licensed company in NH. If we did receive it, I think that I would have contacted someone at the time but I am not sure what happened. If there is something else that I can do for you please let me know.

Sincerely,
Christine

Christine Wenners
P&C Program Assistant
New Hampshire Insurance Department
21 South Fruit ST, STE 14
Concord NH 03301
Telephone: 603-271-2261 X221
Fax: 603-271-1406
Email: christine.wenners@ins.nh.gov

Gregory_Sevilla@BalboaInsurance.Com

11/18/2004 05:05 PM

To Christine.Wenners@ins.nh.gov
cc
Subject Re: Fw: NH FOH-04-2088 & 2089 Status

Christine,
You are right. Meritplan is not a licensed company in NH. I'll wait for your reply to wipe the egg off our face.

Sincerely,

Gregory Sevilla
Compliance Coordinator I
Balboa Life & Casualty
(800) 854-6115 x7367
Fax: (949) 222-8717

Christine.Wenners
@ins.nh.gov

11/18/2004 01:52
PM

To
Gregory_Sevilla@BalboaInsurance.Com
cc

Subject
Re: Fw: NH FOH-04-2088 & 2089
Status

Gregory,

No problem, I will definitely check on that for you. Off the top of my head though, I am thinking that Meritplan is not a licensed company in NH. I will check on both these things and get back to you first thing tomorrow morning.

Sincerely,
Christine

Christine Wenners
P&C Program Assistant
New Hampshire Insurance Department
21 South Fruit ST, STE 14
Concord NH 03301
Telephone: 603-271-2261 X221
Fax: 603-271-1406
Email: christine.wenners@ins.nh.gov

Gregory_Sevilla@BalboaInsurance.Com

11/18/2004 04:26 PM

To
Christine.Wenners@ins.nh.g
ov
cc

Subject
Re: Fw: NH FOH-04-2088 &
2089 Status

Dear Christine,

Thank you for your response and any help you can give.

Can you check under NAIC # 24821. That is Meritplan Insurance Company's number and the filing was submitted for that company. I did not give that information before. Sorry.

The filing numbers are correct as you sent them. Thanks again.

Sincerely,

Gregory Sevilla
Compliance Coordinator I
Balboa Life & Casualty
(800) 854-6115 x7367
Fax: (949) 222-8717

Christine.Wenners
@ins.nh.gov

11/18/2004 01:24
PM

To
Gregory_Sevilla@BalboaInsurance.Com
cc

Subject
Fw: NH FOH-04-2088 & 2089 Status

Dear Mr. Sevilla,

My name is Christine Wenners. Denise forwarded your e-mail to my attention for a status check, I checked in our database for the file numbers that you had given and could not locate these filings. I searched for filing #FOH-04-2089 and filing #FOH-04-2088 under the cover letter date 8/5/04 NAIC 24813. Please let me know if I am searching under the wrong criteria and I will be happy to check on this again.

Sincerely,
Christine

Christine Wenners
P&C Program Assistant
New Hampshire Insurance Department
21 South Fruit ST, STE 14
Concord NH 03301

Telephone: 603-271-2261 X221
Fax: 603-271-1406
Email: christine.wenners@ins.nh.gov

----- Forwarded by Christine Wenners/InsDeptNH on 11/18/2004 03:57 PM -----

Denise C Lamy/InsDeptNH

11/18/2004 09:29 AM

To
Christine Wenners
cc
Subject
Fw: NH FOH-04-2088 & 2089
Status

----- Forwarded by Denise C Lamy/InsDeptNH on 11/18/2004 09:35 AM -----

Gregory_Sevilla@BalboaInsurance.Com

11/17/2004 03:58 PM

To
denise.lamy@ins.nh.gov
cc
Subject
NH FOH-04-2088 & 2089
Status

Denise:

I hope you might be able to help me. If not, maybe you can direct me to the analysts involved and their contact info.

On August 5, 2004 we mailed the forms (our file #FOH-04-2089), rates and rules (our file #FOH-04-2088) and now we wish to get an update on their status.

Thank you for any help you can give.

Sincerely,

Gregory Sevilla
Compliance Coordinator I
Balboa Life & Casualty
(800) 854-6115 x7367
Fax: (949) 222-8717

SERFF Tracking Number: BALB-125243620 State: New Hampshire
 Filing Company: Balboa Insurance Company State Tracking Number: 24813-CLM5-07-25-2007
 Company Tracking Number: FOH_07-5540
 TOI: 01.0 Property Sub-TOI: 01.0001 Commercial Property (Fire and Allied Lines)
 Product Name: Lender's Protection Program, Real Estate Owned Program and Risk Based Protection Program
 Project Name/Number: Experience & Schedule Rating Rule Revision/FOH_07-5540

Filing at a Glance

Company: Balboa Insurance Company
 Product Name: Lender's Protection Program, Real Estate Owned Program and Risk Based Protection Program
 TOI: 01.0 Property SERFF Status: Closed-Approved State Tr Num: 24813-CLM5-07-25-2007
 Sub-TOI: 01.0001 Commercial Property (Fire and Allied Lines) Co Tr Num: FOH_07-5540 State Status: Approved
 Filing Type: Rule Co Status: Reviewer(s): Deborah Stone
 Author: Alfonso Olanday Disposition Date: 08/06/2007
 Date Submitted: 07/25/2007 Disposition Status: Approved
 Effective Date Requested (New): 10/01/2007 Effective Date (New): 10/01/2007
 Effective Date Requested (Renewal): Effective Date (Renewal):

General Information

Project Name: Experience & Schedule Rating Rule Revision Status of Filing in Domicile:
 Project Number: FOH_07-5540 Domicile Status Comments:
 Reference Organization: N/A Reference Number: N/A
 Reference Title: N/A Advisory Org. Circular: N/A
 Filing Status Changed: 08/06/2007 Company Status Changed:
 State Status Changed: 08/06/2007 Deemer Date:
 Created By: Alfonso Olanday Submitted By: Alfonso Olanday
 Corresponding Filing Tracking Number:
 Filing Description:
 Please see cover letter

Company and Contact

Filing Contact Information

Alfonso Olanday, Operational Risk Specialist alfonso_olanday@balboainsurance.com
 3349 Michelson Drive 949-222-8137 [Phone]
 Suite 200 949-222-8717 [FAX]

SERFF Tracking Number: BALB-125243620 State: New Hampshire
Filing Company: Balboa Insurance Company State Tracking Number: 24813-CLM5-07-25-2007
Company Tracking Number: FOH_07-5540
TOI: 01.0 Property Sub-TOI: 01.0001 Commercial Property (Fire and Allied Lines)
Product Name: Lender's Protection Program, Real Estate Owned Program and Risk Based Protection Program
Project Name/Number: Experience & Schedule Rating Rule Revision/FOH_07-5540

Irvine, CA 92612-8893

Filing Company Information

Balboa Insurance Company	CoCode: 24813	State of Domicile: California
3349 Michelson Drive, Suite 200	Group Code: 1330	Company Type:
Irvine, CA 92612-8893	Group Name: Balboa Insurance Group	State ID Number:
(800) 854-6115 ext. [Phone]	FEIN Number: 95-6027860	

Filing Fees

Fee Required? No
Retaliatory? No
Fee Explanation:
Per Company: Yes

State Specific

Have you viewed and complied with New Hampshire's General Instructions and Filing Requirements (Yes/No)? *Failure to comply will result in a filing rejection and require resubmission.: Yes

SERFF Tracking Number: BALB-125243620 State: New Hampshire
Filing Company: Balboa Insurance Company State Tracking Number: 24813-CLM5-07-25-2007
Company Tracking Number: FOH_07-5540
TOI: 01.0 Property Sub-TOI: 01.0001 Commercial Property (Fire and Allied Lines)
Product Name: Lender's Protection Program, Real Estate Owned Program and Risk Based Protection Program
Project Name/Number: Experience & Schedule Rating Rule Revision/FOH_07-5540

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Deborah Stone	08/06/2007	08/06/2007

SERFF Tracking Number:	BALB-125243620	State:	New Hampshire
Filing Company:	Balboa Insurance Company	State Tracking Number:	24813-CLM5-07-25-2007
Company Tracking Number:	FOH_07-5540		
TOI:	01.0 Property	Sub-TOI:	01.0001 Commercial Property (Fire and Allied Lines)
Product Name:	Lender's Protection Program, Real Estate Owned Program and Risk Based Protection Program		
Project Name/Number:	Experience & Schedule Rating Rule Revision/FOH_07-5540		

Disposition

Disposition Date: 08/06/2007

Effective Date (New): 10/01/2007

Effective Date (Renewal):

Status: Approved

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number: BALB-125243620 State: New Hampshire
 Filing Company: Balboa Insurance Company State Tracking Number: 24813-CLM5-07-25-2007
 Company Tracking Number: FOH_07-5540
 TOI: 01.0 Property Sub-TOI: 01.0001 Commercial Property (Fire and Allied Lines)
 Product Name: Lender's Protection Program, Real Estate Owned Program and Risk Based Protection Program
 Project Name/Number: Experience & Schedule Rating Rule Revision/FOH_07-5540

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Actuarial Memorandum		Yes
Supporting Document	Filing Memorandum		Yes
Supporting Document	New Hampshire Supplemental Experience Exhibit		Yes
Supporting Document	NH Retaliatory Fee Summary Page		Yes
Supporting Document	Package of Actuarial Exhibits and Supporting Data		Yes
Supporting Document	Reference Filing Adoption Form - Loss Cost Filings		Yes
Supporting Document	Who will Microfiche this filing?		Yes
Supporting Document	Cover Letter		Yes
Rate	Rate Modification Procedures		Yes
Rate	Schedule Rating Review Guidelines		Yes
Rate	Schedule Rating Worksheet		Yes
Rate	Experience Rating Worksheet		Yes

SERFF Tracking Number: BALB-125243620 State: New Hampshire
 Filing Company: Balboa Insurance Company State Tracking Number: 24813-CLM5-07-25-2007
 Company Tracking Number: FOH_07-5540
 TOI: 01.0 Property Sub-TOI: 01.0001 Commercial Property (Fire and Allied Lines)
 Product Name: Lender's Protection Program, Real Estate Owned Program and Risk Based Protection Program
 Project Name/Number: Experience & Schedule Rating Rule Revision/FOH_07-5540

Rate/Rule Schedule

Schedule Item Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Attachments Number:
	Rate Modification Procedures	Pages 1 - 3	New	Exhibit 1 - Rate Modification Procedures _New Hampshire_.pdf
	Schedule Rating Review Guidelines	RM-APP-1 (Pages 1 - 3)	New	Exhibit 2 - Schedule Rating Review Guidelines.pdf
	Schedule Rating Worksheet	RM-APP-2	Replacement	1951-CD-14 and 24813-CLM5-12/10/04 Exhibit 3 - Schedule Rating Worksheet.pdf
	Experience Rating Worksheet	RM-APP-3	New	Exhibit 4 - Experience Rating Worksheet.pdf

**BALBOA INSURANCE GROUP (BIG)
LENDER PLACED REAL PROPERTY PROGRAMS**

RATE MODIFICATION PROCEDURES

1. Summary

Every risk, defined as the named insured lender, eligible for rate modification rating shall undergo a schedule rating and experience rating review at least annually in accordance with these procedures.

2. Eligibility

Each insured which pays annual premium of at least **\$5,000** per state must undergo rate modification review pursuant to these procedures. Insureds must have at least three years of credible and justifiable experience to qualify for experience rating.

3. Timing

Rate modification shall occur, subject to applicable state law, upon a substantial change to one or more insured risk characteristic.

4. Records

A copy of each signed and dated Schedule Rating Worksheet will be maintained in the insured's underwriting/master policy file, and shall include a copy of the completed Schedule Rating Review Guidelines and any additional supporting documentation or narrative discussion. Electronic copies of signed worksheets are acceptable for record keeping purposes. Schedule rating records shall be maintained as "underwriting documentation" in accordance with the adopted company record retention schedule and in compliance with applicable state law.

5. Experience Rating

The experience rating modification must be determined using the latest available three years experience for each eligible insured pursuant to the following procedures:

- a. BIG will determine the actual ratio of losses and ALAE for the insured by dividing the aggregate losses and allocated loss adjustment expenses incurred for that insured, wherever written, over the experience rating period by the actual manual premium for the same period.
- b. BIG shall determine the expected ratio of losses and ALAE for the insured using the following formula: $\text{Expected Loss Ratio} = 1 - \text{commissions} - \text{other acquisition} - \text{general expenses} - \text{taxes, licenses and fees} - \text{underwriting profit and contingencies} - \text{reinsurance} - \text{ULAE}$.
- c. The initial experience rating modification factor is determined by dividing the actual ratio for the insured by the expected ratio.

- d. The credible experience rating modification is determined by applying a credibility factor from the following table to the initial experience rating modification debit or credit:

Annual Premium	Credibility Factor
\$5,000 to \$500,000	0.5
\$500,001 to \$1,000,000	0.6
\$1,000,001 to \$1,500,000	0.7
\$1,500,001 to \$2,500,000	0.8
\$2,500,001 to \$5,000,000	0.9
Greater than \$5,000,000	1.00

The credible experience rating modification is determined as follows, rounded to three decimal places:

$$\text{Credible Exp. Rating Factor} = (\text{Initial Exp. Rating Factor} - 1) * \text{Credibility Factor}$$

- e. The final experience rating modification factor is determined by applying any necessary off-balance factor to the credible experience rating factor.

6. Schedule Rating

The BIG representative responsible for schedule rating shall perform the following:

- a. BIG shall perform a preliminary schedule rating review for each insured and in each jurisdiction where the company provides insurance.
 1. If the preliminary schedule rating review is to be performed by an internal authorized company representative, that person shall consult the Schedule Rating Review Guidelines (RM-APP-1) to determine both insured specific rate characteristics and jurisdiction specific rate characteristics.
 2. If the preliminary review is performed by an external authorized BIG representative, such as a general agent, that party shall consult the Schedule Rating Review Guidelines and forward the resulting work product to the company.

The person applying the Schedule Rating Review Guidelines, whether an internal or external authorized BIG representative, shall coordinate the review with the lender to gather relevant information.

- b. Using the results of the Schedule Rating Review Guidelines, BIG, or its authorized designee, must complete a Schedule Rating Worksheet (RM-APP-2) for each insured and for each jurisdiction where that insured is covered. A Schedule Rating Worksheet shall be completed even if the total debit/credit for a particular insured in a particular jurisdiction is 0%.
- c. If insufficient information exists to assess a particular risk characteristic, the lack of information shall be noted on the Schedule Rating Review Guidelines and the default score of 0% shall be entered on the Schedule Rating Worksheet.
- d. The Schedule Rating Review Guidelines must include a written description for the basis of the each risk characteristic score, even scores of 0%, and, if available, the company must attach written documentation supporting each risk characteristic score.

- e. For each insured, the insured specific risk characteristic credits/debits must be identical for each completed Schedule Rating Worksheet; however, the jurisdiction specific characteristics may, but are not required to, vary from state to state for that insured.
- f. Where individual risk characteristics require a deviation from the Schedule Rating Review Guidelines, the authorized BIG representative must obtain documentation supporting the deviation, if available, or provide a narrative description of the basis for the deviation. Any deviation from the Schedule Rating Review Guidelines requires review and approval by the senior product manager and an actuary, which approval will be memorialized on the completed Schedule Rating Review Guidelines.
- g. The authorized BIG representative shall sign and date each completed Schedule Rating Worksheet. Electronic signatures may be used, and BIG may maintain electronic copies of schedule rating materials.

7. Application of Schedule Rating and Experience Rating Factors

The maximum debits/credits for schedule rating, experience rating, and total rate modification for each state are set forth in the Section 8. The total rate modification factor, used to confirm compliance with applicable limits, is determined as follows:

$$\text{Total rate modification factor} = [(1 + \text{Schedule Rating Factor}) * (1 + \text{Experience Rating Factor})] - 1$$

If a factor or a combination of factors exceed the applicable limit(s), the factor or factors shall be adjusted to equal the limit.

All rate modifications apply in a multiplicative fashion, and the modified rate is determined as follows:

$$\text{Modified Rate} = \text{Base rate} * (1 + \text{Total rate modification factor})$$

8. State Specific Requirements/Conditions

The following only apply to the states identified:

New Hampshire

The following limitations apply:

- a) total schedule rating factor may not exceed +/-40%
- b) total rate modification factor may not exceed +/-40%

BALBOA INSURANCE GROUP

Lender Placed Real Property Schedule Rating Review Guidelines

These guidelines set forth the general standards to be used to determine the applicable individual risk premium modification and support the total credits/debits applied to each eligible insured. Where deviation from the general guidelines is warranted, the company representative preparing the Schedule Rating Worksheet shall provide a written description of the basis for the deviation in the space provided and, if applicable, attach documentation supporting the deviation.

1. Tracking Procedures

		Score
Primarily controlled by insurer	-5% to 0%	
Primarily controlled by lender	0% to +5%	

Explanation of Score: _____

_____.

☐ Deviation applies. Amount of deviation _____. Basis for deviation: _____

_____.

2. Rating Agency Grade

Rating		Score
High	-10% to 0%	
Medium	0% to +5%	
Low	+5% to +10%	

Explanation of Score: _____

_____.

☐ Deviation applies. Amount of deviation _____. Basis for deviation: _____

_____.

3. Operating Expenses

Percentage of insurer's expenses which represent commission and other acquisition such as initiating, mailing and ceasing borrower warning letters, insurance placement/cancellation, inbound/outbound customer care calls, system setup/maintenance, etc.

Expense Ratio		Score
< 15%	-15% to -10%	
15% to 25%	-10% to 0%	
> 25%	0% to +15%	

Explanation of Score: _____

_____.

☐ Deviation applies. Amount of deviation _____. Basis for deviation: _____

_____.

4. Quality of Loan Portfolio

		Score
Primarily subprime loans	-15% to 0%	
Primarily prime loans	0% to +15%	

Explanation of Score: _____

_____.

☐ Deviation applies. Amount of deviation _____. Basis for deviation: _____

_____.

5. Average Default Rate

Prime Default Rate:

		Score
< 10%	-10% to 0%	
> 10%	0% to +10%	

Subprime Default Rate:

		Score
< 10%	-10% to 0%	
> 10%	0% to +10%	

Total Score = (% of Prime loans)*(Prime score) + (% of Subprime loans)*(Subprime score) = _____

Explanation of Score: _____

_____.

☐ Deviation applies. Amount of deviation _____. Basis for deviation: _____

_____.

6. Concentration of Exposure in High Risk Areas

Percentage of properties within 5 miles of coastal waters for the following states: AL, DE, FL, GA, HI, LA, MD, MS, NC, NJ, NY, SC, TX, VA.

Property Ratio		Score
0% to 10%	0% to 5%	
10% to 25%	5% to 10%	
> 25%	10% to 15%	

Explanation of Score: _____

_____.

☐ Deviation applies. Amount of deviation _____. Basis for deviation: _____

_____.

BALBOA INSURANCE GROUP

Lender Name: _____
 Agent Number: _____
 Lender Number: _____
 Policy Number: _____
 Policy Eff. Date: _____

Effective Date: _____
 State: _____
 Product: _____

**Lender Placed Real Property
 Schedule Rating Worksheet**

The following debits/credits apply to the base rates for the insured and in the state noted above to reflect characteristics of the risk not contemplated in the base rates. Refer to the Rate Modification Procedures for information regarding the maximum modification allowed. The insurer maintains such documentation necessary to support the scheduled rate produced by this worksheet.

Risk Characteristic		Range of Modification		Lender Rating
		Credit	Debit	
Insured Specific	Tracking procedures – quality of insured's procedures to track insurance or quality of insured's vendor used to track insurance.	-5%	+5%	
	Financial strength and portfolio growth.	-10%	+10%	
	Operating expenses associated with lender placed insurance program.	-15%	+15%	
	Quality of Loan Portfolio (i.e. percentage of government loans, percent of conventional loans, age of loans, foreclosure and delinquency rates).	-15%	+15%	
	Average Default Rate – 30 day contractual	-10%	+10%	
Jurisdiction Specific	Concentration of exposure in high risk (catastrophe prone) areas.	0%	+15%	
Total				
The current company Rate Modification Procedures provides state specific limitations and requirements related to the completion of this worksheet.				

Insurance Company Signature _____

Date _____

Printed Name and Title _____

BALBOA INSURANCE GROUP

Lender Name: _____
Agent Number: _____
Lender Number: _____
Policy Number: _____
Policy Eff. Date: _____

Effective Date: _____
State: _____
Product: _____

**Lender Placed Real Property
Experience Rating Worksheet**

The experience rating modification must be determined using the latest available three years experience for each eligible insured. Refer to the Rate Modification Procedures for information regarding the maximum modification allowed. The insurer maintains such documentation necessary to support the experience rate produced by this worksheet.

Step 1: Determine actual ratio of losses and ALAE by dividing the aggregate losses and ALAE incurred for the insured, wherever written, over the experience rating period by the average manual premium for the same period.	
Step 2: Determine the expected ratio of losses and ALAE for the insured using generally accepted actuarial principles.	
Step 3: Determine the initial experience rating modification factor for the insured by dividing the actual ratio (result of Step 1) by the expected ratio (result of Step 2).	
Step 4: Determine the credible experience rating modification by applying a credibility factor to the initial experience rating modification factor (result of Step 3). The credibility factors are found in the Rate Modification Procedures. The credible experience rating modification is determined as follows: Credible Exp. Rating Factor = (Initial Exp. Rating Factor-1) * Credibility Factor	
Step 5: Determine the final experience rating modification factor by applying any necessary off-balance factor to the credible experience rating factor (result from Step 4).	
The current company Rate Modification Procedures provides state specific limitations and requirements related to the completion of this worksheet.	

Insurance Company Signature

Date

Printed Name and Title

SERFF Tracking Number: BALB-125243620 State: New Hampshire
Filing Company: Balboa Insurance Company State Tracking Number: 24813-CLM5-07-25-2007
Company Tracking Number: FOH_07-5540
TOI: 01.0 Property Sub-TOI: 01.0001 Commercial Property (Fire and Allied Lines)
Product Name: Lender's Protection Program, Real Estate Owned Program and Risk Based Protection Program
Project Name/Number: Experience & Schedule Rating Rule Revision/FOH_07-5540

Supporting Document Schedules

	Item Status:	Status Date:
Bypassed - Item: Actuarial Memorandum		
Bypass Reason: This component is not applicable to this filing.		
Comments:		

	Item Status:	Status Date:
Satisfied - Item: Filing Memorandum		
Comments: Please see attached		
Attachment: Filing Memorandum v.3.pdf		

	Item Status:	Status Date:
Bypassed - Item: New Hampshire Supplemental Experience Exhibit		
Bypass Reason: This component is not applicable to this filing.		
Comments:		

	Item Status:	Status Date:
Satisfied - Item: NH Retaliatory Fee Summary Page		
Comments: Please see attached		
Attachment: NH Retaliatory Fee Summary Page.pdf		

	Item Status:	Status Date:
--	--------------	--------------

SERFF Tracking Number: BALB-125243620 State: New Hampshire
 Filing Company: Balboa Insurance Company State Tracking Number: 24813-CLM5-07-25-2007
 Company Tracking Number: FOH_07-5540
 TOI: 01.0 Property Sub-TOI: 01.0001 Commercial Property (Fire and Allied Lines)

Product Name: Lender's Protection Program, Real Estate Owned Program and Risk Based Protection Program

Project Name/Number: Experience & Schedule Rating Rule Revision/FOH_07-5540

Bypassed - Item: Package of Actuarial Exhibits and Supporting Data

Bypass Reason: This component is not applicable to this filing.

Comments:

Item Status: **Status Date:**

Bypassed - Item: Reference Filing Adoption Form - Loss Cost Filings

Bypass Reason: This component is not applicable to this filing.

Comments:

Item Status: **Status Date:**

Satisfied - Item: Who will Microfiche this filing?

Comments:

Please see attached

Attachment:

P&C Microfiche Request Form.pdf

Item Status: **Status Date:**

Satisfied - Item: Cover Letter

Comments:

Please see attached

Attachment:

NH Cover Letter.pdf

BALBOA INSURANCE COMPANY

RULE FILING MEMORANDUM

LENDER PLACED PROGRAMS

NEW HAMPSHIRE

Balboa Insurance Company (“Balboa”) submit this filing to change part of the rules used to rate our Lender Placed Programs in the State of New Hampshire. These programs consist of lender placed hazard insurance which the lender requests for real property held as collateral in the event the borrower does not maintain adequate insurance. This filing represents a re-write of the company rules used to perform rate modification. All other program rules approved for use in New Hampshire remain in place and those rules are not disturbed by this filing.

Currently, Balboa uses a one page worksheet to perform schedule rating in New Hampshire, which was filed and approved by your department on April 26, 1995 for the Lender’s Protection and Real Estate Owned Programs under your Filing ID # 1951-CD-14 (company file number 95-044) and January 5, 2005 for the Risk Based Protection Program per your Filing ID # 24813-CLM5-12/10/04 (company file number FOH_04-2088).

The changes to the company rate modification practices set forth in the attached materials fall into two general categories: 1) changes to adopt more formal rate modification practices to better document company practices and to better ensure rate modification consistency; and 2) changes to introduce experience rating. The rate modification materials, which replace the worksheet referenced above, consist of: 1) rate modification procedures (Exhibit 1); 2) schedule rating review guidelines (Exhibit 2); 3) schedule rating worksheet (Exhibit 3); and (4) experience rating worksheet (Exhibit 4). The underwriter will complete the worksheets for all eligible risks pursuant to the procedures and using the guidelines. The procedures require that the underwriter obtain and maintain necessary documentation to support each specific schedule rating characteristic debit or credit. The experience rating component removes the “loss history” schedule rating characteristic that may have been used under the current program, and instead uses a more formal, structured approach by modifying the rate applicable to each risk based upon the historical performance of that risk as compared to the expectation for that risk excluding catastrophic losses.

The proposed changes apply to all existing Balboa lender placed programs, consisting of the Lender’s Protection, Real Estate Owned and Risk Based Protection.

We are submitting this rule change in multiple jurisdictions and do not plan to implement until we receive approval in all jurisdictions. Anticipated effective date is October 1, 2007.

New Hampshire Retaliatory Fee Summary Page

Company Name on Check (Fee Paid by) N/A	Date Check Mailed with this Fee Summary Attached N/A
Check Amount N/A	Type of Filing Rule
Check Number N/A	Company Filing Number FOH_07-5540
Date on Check N/A	Submission/SERFF Tracking Number BALB-125243620

Retaliatory Filing Fee Calculation

Companies Filing	State of Domicile	Show Retaliatory Fee Calculation	Fee Total
Balboa Insurance Company	CA	None	0.00
<u>If more company filing spaces are needed, click TABLE on tool bar, then Insert Row, here. Your document will now be two pages.</u>			
Total of Retaliatory Fees for this Filing Submission			0.00

For State Use Only

Account		Check Number	
Date		Initials	
Amount		Reviewer	



**The State of New Hampshire
Insurance Department**

21 South Fruit Street, Suite 14
Concord, NH 03301
(603) 271-2261 Fax (603) 271-1406
TDD Access: Relay NH 1-800-735-2964

Roger A. Sevigny
Commissioner

Alex Feldvebel
Deputy Commissioner

MICROFICHE FILING REQUIREMENTS

Microfiche copies of all Insurance Filings, including, but not limited to, copies of all correspondence relating to the filing, objection letters, replies, and supporting actuarial data, must be provided to the Commissioner within 60 days following form, rate and/or rule approval or acknowledgment. You must either forward an acceptable microfiche copy of the filing to the Commissioner or request the Insurance Department to have the microfiche prepared. For specific details see Insurance Regulation Chapter INS 3100.

If you fail to comply with this requirement, the Department will have the microfiche prepared at your company's cost. Action may be initiated should timely payment for these services not be made.

If you wish to have the Department prepare the microfiche, please return this notice with a copy of the Department's approval notice. Do not return your 'approved' filing.

YES, we request the NHID to have
the filing microfiched as approved by
the NHID.

Send Billing Inquiries To:

Contact Name: Al Olanday
Company Name: Balboa Insurance Company
Box # / Street: 3349 Michelson Drive, Suite 200
City: Irvine
State: CA Zip Code: 92612-8893
Phone #: (800) 854-6115 ext. 8137

If your company will be preparing the microfiche, please give particular attention to the requirements of Insurance Regulations Chapter INS 3101.05 – Technical Specifications. Microfiche not meeting the specifications as outlined will be rejected.



July 25, 2007

Department of Insurance
Property & Casualty Division
21 South Fruit Street, Suite # 14
Concord, New Hampshire 03301

Re: Balboa Insurance Company – NAIC # 24813, FEIN # 95-6027860
Lender's Protection, Real Estate Owned and Risk Based Protection Programs
Line of Business: Commercial Fire
Independent Filing – Experience and Schedule Rating Rule Revision
Our File No.: FOH_07-5540

Dear Sir/Madam:

On behalf of the captioned company, we submit for the Department's approval this rule filing intended to amend our existing account rate modification plan which was approved by your Department on April 26, 1995 for Lender's Protection and Real Estate Owned programs and January 5, 2005 for Risk Based Protection program.

The intent of this filing is to implement a uniform rate modification plan which includes an experience rating component. The attached rule filing memorandum provides a more detailed explanation of the changes.

Please find the attached rate modification procedures, new experience rating worksheet (RM-APP-3), schedule rating review guidelines (RM-APP-1) and schedule rating worksheet (RM-APP-2), which replaces our current account rate modification worksheet.

Our state of domicile does not charge filing fee(s) for this type of submission. Thus, no filing fee is applicable on this filing pursuant to your state's filing requirements and regulations.

We respectfully request an effective date of October 1, 2007 for this filing.

Thank you for your attention in this matter and please contact me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Al Olanday'.

Al Olanday
Compliance Specialist
Balboa Insurance Company
Phone: (800) 854-6115 ext. 8137
Fax: (949) 222-8774
Email: alfonso_olanday@balboainsurance.com

Attachments

cc: K. Frech
P. Halloran
K. Ross

EXHIBIT 2

EXHIBIT B



OFFICE OF INSURANCE REGULATION

I-FILE WORKFLOW SYSTEM

Filing Number: 04-12993

Request Type: Entire Filing

Date Received: NOV 16 2004 Date of Action: JAN 28 2005
OFFICE OF INSURANCE REGULATION

November 15, 2004

Bureau of Property and Casualty Forms and Rates
Room 233-A
Larson Building
200 East Gaines Street
Tallahassee, Florida 32399-0330

BALBOA
LIFE & CASUALTY

Re: Balboa Insurance Company- Independent filing- NAIC # 24813 FEIN # 95-602860
Line of Insurance- Commercial Fire & Allied Lines
Risk Based Protection Program -Rates
Our form No: FOH_04-2248

To Whom It May Concern:

Attached are the completed filing exhibits, Forms for our new "Risk Based Protection" program which is being filed as a commercial product under Fire and Allied Lines.

This product was developed to provide coverage when it is requested by Mortgage Lenders or Servicers because a borrower has failed to provide insurance to protect the lender's interest in structures. This insurance is to cover real property when it is required by the Mortgage Contract between the Lender and the borrower. That agreement does not allow the lender to require a borrower to pay for coverage on items not mortgaged to secure the loan or for coverage that exceeds the coverage required in amount or peril by the mortgage contract. This program is designed so that the lender pays the insurer for all premium and charges back to the borrower only those parts of the premium which are allowed to be charged to the borrower.

This product is different from traditional products designed for this purpose. This program is designed to better relate the premium paid to the individual risk elements of each property to be covered. The "Risk Based Protection" program uses information available as a matter of public record or that is available to the named insured in 89% of the cases. In those few cases where a rating element cannot be determined a default factor has been selected based on a sampling of 166,000 covered properties in our current insured data base.

We have developed an Account Rate Modification Plan to enable us to adjust rates based upon the risk characteristics of the lender's loan portfolio or operational results.

The end result of this process is to provide a rating methodology that takes into account both the characteristics of the lenders operations and the individual covered property to arrive at a final rate which more closely ties the premium to the anticipated risk.

Once we had designed this rating methodology we passed 12,373 currently covered properties from our largest volume state in a different Balboa Insurance Company product which is not risk based through our rating model. This resulted in a theoretical reduction of rate or an unchanged rate for 60% of insured properties. These have been shown by previous experience to be the less prone to loss. It also resulted in higher rates for those remaining properties that have been shown by previous experience to be more prone to loss. We believe that this rating approach is in the best interest of both the citizens of Florida and the lenders who receive coverage under the program.

We have other programs filed and approved in Florida. They are differentiated from this program because they limit the type of risks that can be covered, which this program does not, and they require less information to be provided at the time coverage is ordered. It is our intention to offer this program to each

APPROVED

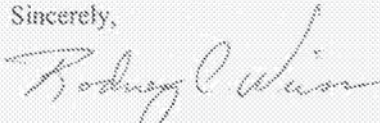
Date Received: NOV 16 2004 Date of Action: JAN 28 2005

OFFICE OF INSURANCE REGULATION

of our current insured's upon anniversary of their current policy, and to all new potential insured's once we have received your approval. However, this program will coexist with the other existing programs filed in our affiliated carriers, and lenders may have their choice of what program they choose to procure based on the risks they desire to cover and the information they are able to provide.

Your prompt review and approval of this program will be appreciated. Thank you for your time and consideration.

Sincerely,



Rodney C. Weiss
Manager, State Filings
Balboa Life and Casualty
Phone: (949) 222-8164
(800) 854-6115 8am to 5 pm P.S.T.
Fax : (949) 222-8717
E-Mail: rod_weiss@balboainsurance.com

BALBOA INSURANCE COMPANY **LENDER PLACED HAZARD INSURANCE** **Risk Based Protection Program**

RATE DEVELOPMENT **Florida**

This program is designed to rate Lender Placed Hazard coverage by the insured property's risk characteristics. Rating Lender Placed Hazard insurance by risk characteristics is new for Balboa Insurance company. Balboa Insurance Company has a flat rate program approved in this state. This program charges a base rate of \$1.89 per \$100 Coverage A amount per year for residential properties with a \$250 deductible for occupied properties. The new program will use the Rules and Rates approved for Balboa as the base and expand the Rules and Rates to include the specified risk characteristics and associated credits and surcharges to calculate the final rate.

1. Rating Factors

The base rate is modified according to each of the following risk characteristics:

A. Territory by Hurricane Risk. See Exhibit A-2 for details.

<u>Hurricane Territory</u>	<u>Distribution</u>	<u>Relativities</u>
A & B	18.90%	1.000
C	22.10%	1.072
D	18.50%	1.262
E	32.57%	1.409
F	7.93%	1.705
Total	100.00%	1.254

B. Public Protection Class. The relativities are developed and filed by Insurance Services Office, Inc.

<u>Protection Class</u>	<u>Distribution</u>	<u>Relativities</u>
1 - 6	96.86%	1.000
7 - 8	2.34%	1.200
9	0.60%	2.000
10	0.21%	3.000
Total	100.00%	1.015

C. Occupancy Type. Relativities are derived from rates for another program that vary by Occupancy Type.

<u>Occupancy Type</u>	<u>Distribution</u>	<u>Relativities</u>	<u>Rate Adjustment Factor</u>
Owner Occupied	87.14%	1.00	0.931
Tenant Occupied	10.20%	1.20	1.117
Vacant	2.67%	3.00	2.793
Total	100.00%	1.074	

BALBOA INSURANCE COMPANY

LENDER PLACED HAZARD INSURANCE

Risk Based Protection Program

RATE DEVELOPMENT

Florida

D. Age of Property. The relativities are developed from analyzing loss ratio by Age of Property of close to \$400 million of earned premiums from properties with identifiable year-built. Because this is a new rating factor that was not required previously, only a portion of the experience contains the Age data. Since the calculation is for relativities, only paid and undeveloped loss data is used.

Age of Property	Earned Premium (,000)	Paid Losses (,000)	Loss Ratio	Indicated Relativities	Selected Relativities
0-10	\$34,795	\$3,348	9.6%	0.331	0.750
11-20	\$51,436	\$10,378	20.2%	0.595	0.900
21-35	\$81,536	\$21,145	25.9%	0.893	1.000
36-50	\$90,552	\$22,205	24.5%	0.844	1.100
51+	\$137,275	\$57,842	42.1%	1.450	1.500
Total	\$395,594	\$114,918		1.000	1.161

The adjustments and relativities are summarized in Exhibit B.

2. Deductibles

This program will offer a base deductible of \$500 for owner occupied properties, an increase from \$100 deductible under the Balboa program. An analysis of recent claims experience indicates a 4% rate credit if the deductible is increased from \$100 to \$500. Optional deductibles may be offered as well. The credits/surcharge for optional deductibles applied to the \$500 base deductible rate are developed as follows:

Deductible	Loss Eliminated \$ (,000)	%	20% Tempered	Selected Credit/ Surcharge	
\$250	(\$3,661)	-3.4%	-2.70%	-3%	A 3% surcharge
\$500					
\$1,000	\$6,914	6.4%	5.10%	5%	
\$2,000	\$17,135	15.8%	12.65%	12%	
\$3,000	\$24,693	22.8%	18.22%	18%	
\$4,000	\$30,659	28.3%	22.63%	22%	
\$5,000	\$35,511	32.8%	26.21%	26%	
Max(1%, 1,000)	\$7,547	7.0%	5.57%	5%	
Max(2%, 2,000)	\$18,589	17.1%	13.72%	13%	
All	\$108,401				

BALBOA INSURANCE COMPANY **LENDER PLACED HAZARD INSURANCE** Risk Based Protection Program

RATE DEVELOPMENT Florida

3. Base Rates

The base rates of this program are developed based on base rates of the flat rate program. For Residential and Commercial properties, Balboa flat rate program base rates are adjusted for deductible changes, occupancy type and age of property.

Current Program			Risk Based Program	
			<u>Deductible If</u>	
			<u>Occupied</u>	<u>Vacant</u>
Residential	Owner Occupied	\$250	\$500	\$1,000
	Tenant Occupied	\$250	\$500	\$1,000
	Vacant	\$500	\$500	\$1,000
Commercial	Occupied	\$1,000		\$1,000
	Vacant	Max(2% of insured value and \$1,000) No Change		

Risk Based Program base rates

	Balboa Flat	Adjustment Factors					Base
	<u>Annual</u>	<u>Deductible</u>	<u>Territory</u>	<u>Protection</u>	<u>Occupancy</u>	<u>Age</u>	<u>Annual</u>
	<u>Rate</u>						<u>Rate/\$100</u>
Residential	(a)	(b)	(c)	(d)	(e)	(f)	(g)
Owner Occupied	\$1.89	0.980	1.254	1.015	0.931	1.161	\$1.17
Tenant Occupied	\$1.89	0.980	1.254	1.015	1.117	1.161	\$1.40
Vacant	\$1.89	1.000	1.254	1.015	2.793	1.161	\$3.57
Commercial							
Occupied	\$2.43	1.000	1.254	1.015	1.000	N/A	\$1.91
Vacant	\$4.86	1.000	1.254	1.015	1.000	N/A	\$3.82

Column (g) = (a)*(b)/(c)/(d)/(e)/(f)

For Mobile Home: 50% surcharge

For Condominium: \$0.003938 /\$1,000 monthly outstanding balance

Minimum monthly premium = \$250

For Blanket Vandalism Coverage:

Paid by lender based on the number of loans that are eligible.

Number of Loans

Annual Premium

0 - 20,000

\$2,000

20,001 - 50,000

\$3,000

50,001 - 100,000

\$4,000

100,001 - 200,000

\$5,000

200,001 - 300,000

\$7,500

300,000 +

Add \$2,500 for each 100,000 loans or
any fraction in excess of 300,000 loans.

Deductibles: 1. Dwelling & Other Structures

\$500

2. Commercial Building

\$1,000

BALBOA INSURANCE COMPANY
LENDER PLACED HAZARD INSURANCE
Risk Based Protection Program

Catastrophe Loads and Territorial Definitions

The process for defining the catastrophe load relied upon Balboa's in-force policies, Average Annual Loss estimates from Risk Management Solutions' (RMS's) Risklink 4.32 catastrophe stochastic simulation model. RMS's frequency/severity rates at the postal code level were then used to assign territories. Key steps in the process are described below:

1. The model used to generate loss costs was RMS's Risklink Version 4.3 SP1a, which was accepted by the Florida Commission on Hurricane Loss Projection Methodology on May 12, 2004. Risklink, Version 4.4 was used in distributing Average Annual Loss, as a proxy for reinsurance costs, to the territorial level since SP1a is not capable of producing the level of detail needed. Version 4.4 results were scaled to equal SP1a results.
2. Identified the cumulative Lender's Protection Program in force policies from Jan-04 thru April-04.
3. Calculated the average annual loss (AAL) per Risklink 4.3 (see a discussion of stochastic simulation modeling below) for each of the above identified policies.
4. Calculated the AAL per each \$100 dollars of coverage A.
5. Defined territorial boundaries using RMS's frequency/severity rates.
 - a. 'Wind-speed frequency/severity rate' for hurricane risk,
 - b. 'Tornado-hail frequency/severity rate' for tornado and hail risk, and
 - c. These frequency/severity rates are defined at the postal code level and serve as the basic building blocks upon which RMS's Risklink 4.3 model bases catastrophe risk potential and damageability for each peril.
6. Percentile rankings were then used to divide the frequency/severity rates for each peril into 5 manageable territories. For example, the 'high risk' territory was defined at the 95th percentile.
7. The final territorial assignments were determined through an iterative process, which, among other factors, ensured consistent and reasonable cat loads and a smooth transition from 'very high risk' to 'very low risk' territories.

Catastrophe Stochastic Simulation Modeling:

The methodology for loss estimation is based on stochastic simulation techniques designed to create probability distributions of losses from catastrophes. The core component simulates the actual physics of the events themselves (hurricanes, earthquakes and tornado/hail storms), and evolves them in three dimensional space. The damage estimation component of the model superimposes the local intensity of the simulated event onto a database of insured properties. Engineering relationships called damage functions describe the interaction between buildings and the intensity to which they are exposed. Separate damage functions are developed for different construction types and occupancy classes, etc. Finally, insured losses are calculated by applying policy conditions to the total damage estimates.

BALBOA INSURANCE COMPANY
LENDER PLACED HAZARD INSURANCE
Risk Based Protection Program

Catastrophe Loads and Territorial Definitions

By repeating this process, the model generates hundreds of thousands of scenario years, i.e. annual probabilities of occurrence, to produce a stochastic catalog representing the complete range of potential annual catastrophe-event activity, including full coverage of extreme, or 'tail', events. This catalog is then aggregated into a single Exceeding Probability distribution, often referred to as a PML curve, which allows the direct determination of expected loss at any desired level of frequency (i.e. probability). From this distribution, the Average Annual Loss is calculated, which serves as the cornerstone of the catastrophe load estimation.

Exhibit B

BALBOA INSURANCE COMPANY **LENDER PLACED HAZARD INSURANCE** **Risk Based Protection Program**

RATE DISTRIBUTION AND RELATIVITIES **Florida**

The base rate is modified according to each of the following risk characteristics:

A. Territory by Hurricane Risk. The distribution is based on Balboa's policy inforce count.

<u>Hurricane Territory</u>	<u>Distribution</u>	<u>Relativities</u>
A & B	18.90%	1.000
C	22.10%	1.072
D	18.50%	1.262
E	32.57%	1.409
F	7.93%	1.705
Total	100.00%	1.254

B. Public Protection Class. The distribution is based on Balboa experience.

<u>Protection Class</u>	<u>Distribution</u>	<u>Relativities</u>
1 - 6	96.86%	1.000
7 - 8	2.34%	1.200
9	0.60%	2.000
10	0.21%	3.000
Total	100.00%	1.015

C. Occupancy Type. The distribution is based on Balboa experience.

<u>Occupancy Type</u>	<u>Distribution</u>	<u>Relativities</u>
Owner Occupied	87.14%	1.00
Tenant Occupied	10.20%	1.20
Vacant	2.67%	3.00
Total	100.00%	1.074

Exhibit B

BALBOA INSURANCE COMPANY
LENDER PLACED HAZARD INSURANCE
Risk Based Protection Program

RATE DISTRIBUTION AND RELATIVITIES
Florida

D. Age of Property. The relativities are developed from analyzing loss ratio by Age of Property of close to \$400 million of earned premium.

<u>Age of Property</u>	<u>Earned Premium (,000)</u>	<u>Distribution</u>	<u>Relativities</u>
0-10	\$34,795	8.8%	0.750
11-20	\$51,436	13.0%	0.900
21-35	\$81,536	20.6%	1.000
36-50	\$90,552	22.9%	1.100
51+	\$137,275	34.7%	1.500
Total	\$395,594	100.0%	1.161

**BALBOA INSURANCE COMPANY
RISK BASED PROTECTION
General Rules & Rates (FLORIDA)**

1. ELIGIBLE MORTGAGES

- a. Residential First and Second Mortgages
- b. Manufactured Home First Mortgages
- c. Commercial First Mortgages
- d. Mortgages for which Lender is servicing agent

2. ELIGIBLE PROPERTY AND MAXIMUM COVERAGE LIMITS

Eligible Property	Maximum Coverage Limit
Residential Dwellings (Maximum 4 Family Units)	\$5,000,000
Commercial Buildings	\$5,000,000
Manufactured Homes	\$100,000

3. COVERAGE TERM

The coverage term for each eligible mortgage is twelve (12) months. If coverage is written for less than 12 months, the rate will be computed pro rata of the 12 month rate.

4. BASE RATE DEFINITIONS RESIDENTIAL AND MANUFACTURED HOME

- a. Owner Occupied Property
- b. Tenant Occupied Property
- c. Vacant Property

5. COMMERCIAL BASE RATE DEFINITIONS

- a. Occupied
- b. Vacant

6. RISK BASED PROTECTION RATES

(See following table)

Balboa Insurance Company
 Florida
 Risk Based Lender's Protection Program

Risk Based Lender's Protection Rates						
Base Rates per \$100 of Coverage		Residential*			Commercial	
		Owner Occupied	Tenant Occupied	Vacant	Occupied	Vacant
		\$1.17	\$1.40	\$3.57	\$1.91	\$3.82
Deductibles	Occupied	\$500	\$500		\$1,000	
	Vacant	\$1,000	\$1,000	\$1,000		2% of Insured Value but not less than \$1,000
	V&MM				2% of Insured Value but not less than \$5,000	2% of Insured Value but not less than \$5,000
* If occupancy status is unknown, then Base Rate shall be Owner Occupied Rate X 1.074, rounded to the nearest cent.						
Mobile Home surcharge is 50%.						
Age of Home Factors** Residential Only		Public Protection Construction***		Hurricane Territory Factors****		
Dwelling Age in Years	Factor	Protection Class	Factor	Territory	Factor	
0-10	0.750	1-6	1.000	A, B	1.000	
11-20	0.900	7-8	1.200	C	1.072	
21-35	1.000	9	2.000	D	1.262	
36-50	1.100	10	3.000	E	1.400	
51+	1.500			F	1.795	
** If age of home is unknown, then use default factor of		1.161				
*** If PPC is unknown, use default factor of		1.015				
**** If Hurricane Territory is unknown, use default factor of		1.254				

Age of Home factor is data provided by the named insured and/or a public database. It represents the actual age of when the insured structure was built.

The Public Protection factor is equivalent to the ISO Protection Class used in rating homeowner/dwelling fire business.

The Territory factor is based on relativity of damage due to covered property being in hurricane territory(s). Attached is the zip code grouping.

Rate calculation for residential property is as follows: Risk Based Protection base rate, as modified by the Account Rate Modification Plan, multiplied by the Age of Home factor; the result is multiplied by the Public Class factor; the result is

multiplied by the Territory(s) factor(s) resulting in the final rate. This rate is surcharged 50% for Manufactured Homes.

Example: Owner Occupied \$1.17 X Age of Home 36 (1.100) X Protection Class 7 (1.200) X Territory D (1.262) = \$1.949. Manufactured Home rate would be \$1.949 X 1.5 = \$2.923. Rounding is to the nearest whole cent = \$2.92. Should a rating factor change during the term of the coverage, this will be reflected in the rate calculation of the renewal term.

Rate calculation for commercial property is as follows: Risk Based Protection base rate, as modified by the Account Rate Modification Plan, multiplied by the Public Class factor; the result is multiplied by the Territory(s) factors resulting in the final rate.

Example: Vacant \$3.82 X Protection Class 4 (1.000) X Territory D (1.262) = \$4.820. Rounding is to the nearest whole cent \$4.82.

7. DEDUCTIBLE OPTIONS

<u>Deductible Options – Base Deductible \$500</u>	
<u>Deductible Amount</u>	<u>Rate Credit</u>
\$1,000	5%
\$2,000	12%
\$3,000	18%
\$4,000	22%
\$5,000	26%
Greater of \$2,000 or 2%	13%
Greater of \$1,000 or 1%	5%

Rate credit is based on deductible option chosen. The credit is applied to the calculated rate subject to Rate Modification rule.

8. CANCELLATION PROVISIONS

Cancellations are computed on a pro rata basis. If the borrower provides coverage from another company and such coverage is effective on or before the effective date of our coverage, the cancellation will be flat.

9. ROUNDING

Premiums and premium refunds shall be rounded to the nearest whole dollar. Rates shall be rounded to the nearest whole cent.

10. COVERAGES AND ENDORSEMENTS

A. General Change Endorsement

This endorsement shall be used to amend effective dates, amend names, amend address and amend other miscellaneous changes to the policy.

B. Blanket Vandalism Endorsement (optional)

This endorsement provides coverage on the insured lender's residential and commercial property loans for the perils of Vandalism, Malicious Mischief and Theft of Property when the borrower-furnished policy has been suspended for these perils due to the property being vacant for a period in excess of the time allowed by that policy. The property must be insured at the time of loss for those coverages required by the lender.

The premium charges for this coverage, paid by the lender, are based on the number of loans the lender has that are eligible for coverage. The charges are:

NUMBER OF LOANS	ANNUAL PREMIUM
0 - 20,000	\$2,000
20,001 - 50,000	\$3,000
50,001 - 100,000	\$4,000
100,001 - 200,000	\$5,000
200,001 - 300,000	\$7,500

Over 300,000 loans, the charge is \$7,500 premium plus \$2,500 for each additional 100,000 loans (or increments thereof).

The following deductibles apply:

Dwelling & other structures	\$500
Commercial buildings	\$1,000

Note: Balboa's lender placed Risk Based Protection Policy waives the vacancy exclusion. This optional endorsement covers the other 98% or so of the loans where the borrower has furnished his or her own policy that has vacancy exclusion.

C. Blanket Condominium (Optional)

This endorsement offers the named insured an option of purchasing coverage to protect its insurable interest in the event the Condominium Association fails to purchase or maintain coverage.

The rate for the Blanket Condominium is:

\$0.003938 / \$1,000 MOB (minimum monthly premium \$250)

\$25,000 Limit per loss.

D. Limit of Liability Endorsement (Optional)

This endorsement offers the named insured an option of limiting coverage to its insurable interest. There is no change in rates with this option.

11 Account Rate Modification Plan

See attached worksheet

Date Received: NOV 16 2004 Date of Action: JAN 28 2005
OFFICE OF INSURANCE REGULATION

MeritPlan Insurance Company
Risk Based Protection Program
Account Rate Modification Plan

The following debits and credits will be applied to the appropriate base rates to recognize special characteristics of the risk not contemplated in our base rates. The maximum modification allowed is + / - 25%. Documentation supporting qualification for scheduled rating will be maintained by this insurer in the records for each policyholder. If a major change occurs in the risk characteristics during the policy term, new debits/credits will be calculated and applied on future coverage requests.

Risk Characteristics	Range of Modification		Lender Rating
	Credit	Debit	
30+ day contractual delinquency rate measured as a % of total active mortgage loans.	-15%	+15%	
Foreclosure loans measured as a % of total active mortgage loans.	-10%	+10%	
Named Insured choice to purchase coverage for the lesser of value of improvements or unpaid principal balance.	-10%	+10%	
Operating Expenses Associated with Lender Placed Program	-15%	+15%	
Loss History for Risk Based Protection Plan	-15%	+15%	
Concentration of exposures in high risk (catastrophe prone) areas.	-15%	+15%	
Average property values.	-15%	+15%	
	TOTAL		
Maximum Debit or Credit to be applied is 25%			
Qualifier - Minimum Size of Account Must Equal \$500,000 Annual W.P. or 50,000 loans			

Risk Based Protection Program
State of Florida

Date Received: NOV 16 2004 Date of Action: JAN 21 2005

OFFICE OF INSURANCE REGULATION

Zip Code	Hurricane Territory Code	Zip Code	Hurricane Territory Code	Zip Code	Hurricane Territory Code	Zip Code	Hurricane Territory Code
32003	A	32087	A	32151	B	32221	A
32004	B	32091	A	32157	B	32222	A
32007	A	32092	B	32158	C	32223	A
32008	B	32094	A	32159	C	32224	A
32009	A	32095	C	32160	B	32225	A
32011	A	32096	A	32164	B	32226	A
32013	A	32097	A	32168	C	32227	C
32024	A	32099	A	32169	D	32228	C
32025	A	32102	B	32170	D	32229	A
32030	A	32105	B	32173	B	32230	A
32033	B	32110	B	32174	B	32231	A
32034	B	32111	C	32175	B	32232	A
32035	B	32112	B	32176	D	32233	B
32038	B	32113	B	32177	A	32234	A
32040	A	32114	B	32178	B	32235	B
32041	A	32115	C	32179	C	32236	A
32042	A	32116	D	32180	B	32237	A
32043	B	32117	B	32181	A	32238	A
32044	A	32118	D	32182	A	32239	A
32046	A	32119	B	32183	C	32240	C
32050	A	32120	A	32185	B	32241	A
32052	A	32121	C	32187	A	32244	A
32053	A	32122	B	32189	B	32245	A
32054	A	32123	B	32190	B	32246	A
32055	A	32124	B	32192	C	32247	A
32056	A	32125	C	32193	B	32250	B
32058	A	32126	D	32195	C	32254	A
32059	A	32127	C	32198	B	32255	A
32060	A	32128	D	32201	A	32256	A
32061	A	32129	C	32202	A	32257	A
32062	A	32130	B	32203	A	32258	A
32063	A	32131	B	32204	A	32259	B
32064	A	32132	C	32205	A	32260	A
32065	A	32133	C	32206	A	32266	B
32066	B	32134	B	32207	A	32267	C
32067	A	32135	D	32208	A	32276	A
32068	A	32136	D	32209	A	32277	A
32071	B	32137	B	32210	A	32290	A
32072	A	32138	B	32211	A	32294	A
32073	A	32139	B	32212	B	32296	A
32079	A	32140	A	32214	B	32297	A
32080	C	32141	C	32215	A	32301	A
32082	C	32142	D	32216	A	32302	A
32083	A	32145	B	32217	A	32303	A
32084	C	32147	A	32218	A	32304	A
32085	C	32148	B	32219	A	32305	C
32086	B	32149	B	32220	A	32306	A

BALBOA INSURANCE COMPANY
Risk Based Protection Program
State of Florida

APPROVED

Date Received: NOV 16 2004 Date of Action: JAN 21 2005

OFFICE OF INSURANCE REGULATION

Zip Code	Hurricane Territory Code	Zip Code	Hurricane Territory Code	Zip Code	Hurricane Territory Code	Zip Code	Hurricane Territory Code
32307	A	32361	A	32454	D	32549	D
32308	A	32362	B	32455	C	32550	D
32309	B	32395	A	32456	D	32559	C
32310	B	32399	A	32457	D	32560	C
32311	B	32401	D	32459	D	32561	D
32312	A	32402	C	32460	B	32562	D
32313	A	32403	D	32461	D	32563	C
32314	A	32404	C	32462	C	32564	C
32315	A	32405	C	32463	C	32565	C
32316	B	32406	C	32464	B	32566	D
32317	A	32407	D	32465	C	32567	B
32318	A	32408	D	32466	C	32568	C
32320	D	32409	D	32501	D	32569	D
32321	C	32410	D	32502	D	32570	C
32322	D	32411	D	32503	D	32571	C
32323	D	32412	C	32504	D	32572	C
32324	A	32413	D	32505	C	32573	C
32326	C	32417	D	32506	C	32574	D
32327	C	32420	C	32507	D	32575	D
32328	D	32421	C	32508	D	32576	C
32329	D	32422	C	32509	C	32577	C
32330	B	32423	A	32511	D	32578	C
32331	A	32424	C	32512	D	32579	D
32332	B	32425	B	32513	D	32580	D
32333	A	32426	B	32514	C	32581	C
32334	B	32427	B	32516	C	32582	C
32335	C	32428	C	32520	D	32583	C
32336	B	32430	C	32521	D	32588	C
32337	B	32431	B	32522	D	32589	C
32340	A	32432	B	32523	C	32590	C
32341	A	32433	C	32524	C	32591	C
32343	B	32434	C	32526	C	32592	C
32344	A	32435	C	32530	C	32593	C
32345	A	32437	C	32531	C	32594	D
32346	D	32438	C	32533	C	32595	D
32347	B	32439	D	32534	C	32596	D
32348	C	32440	A	32535	B	32597	C
32350	A	32442	B	32536	C	32598	D
32351	B	32443	B	32537	C	32601	A
32352	A	32444	C	32538	B	32602	A
32353	A	32445	B	32539	C	32603	A
32355	C	32446	A	32540	D	32604	A
32356	B	32447	B	32541	D	32605	A
32357	B	32448	B	32542	D	32606	A
32358	C	32449	C	32544	D	32607	B
32359	C	32452	B	32547	D	32608	A
32360	B	32453	D	32548	D	32609	A

Risk Based Protection Program
State of Florida

Date Received: NOV 16 2004 Date of Action: JAN 21 2005

OFFICE OF INSURANCE REGULATION

Zip Code	Hurricane Territory Code	Zip Code	Hurricane Territory Code	Zip Code	Hurricane Territory Code	Zip Code	Hurricane Territory Code
32610	A	32664	B	32722	A	32789	B
32611	A	32665	B	32723	B	32790	B
32612	A	32666	B	32724	B	32791	B
32613	A	32667	B	32725	B	32792	B
32614	A	32668	C	32726	C	32793	B
32615	B	32669	C	32727	C	32794	C
32616	B	32670	B	32728	B	32795	B
32617	C	32671	A	32730	B	32796	C
32618	B	32672	B	32732	C	32798	C
32619	B	32673	C	32733	C	32799	B
32620	B	32674	B	32735	C	32801	B
32621	B	32675	C	32736	C	32802	B
32622	A	32676	C	32738	B	32803	C
32623	C	32678	A	32739	A	32804	B
32625	D	32680	B	32744	B	32805	B
32626	B	32681	B	32745	C	32806	B
32627	A	32683	B	32746	B	32807	B
32628	B	32684	C	32747	B	32808	B
32629	C	32686	B	32750	B	32809	C
32630	C	32687	C	32751	B	32810	B
32631	B	32688	B	32752	B	32811	B
32633	B	32691	C	32753	B	32812	B
32634	C	32692	C	32754	C	32813	C
32635	A	32693	B	32756	C	32814	C
32636	C	32694	A	32757	C	32815	D
32639	C	32696	C	32759	C	32816	B
32640	B	32697	A	32762	B	32817	B
32641	B	32698	C	32763	B	32818	A
32642	C	32701	B	32764	B	32819	C
32643	A	32702	B	32765	B	32820	C
32644	C	32703	B	32766	C	32821	C
32645	C	32704	B	32767	B	32822	C
32646	C	32706	B	32768	C	32823	C
32647	C	32707	B	32771	C	32824	C
32648	D	32708	B	32772	C	32825	B
32649	C	32709	C	32773	B	32826	B
32650	C	32710	B	32774	B	32827	C
32651	C	32712	C	32775	C	32828	C
32652	C	32713	B	32776	C	32829	C
32653	A	32714	B	32777	C	32830	C
32654	B	32715	B	32778	C	32831	C
32655	B	32716	B	32779	B	32832	C
32656	B	32717	B	32780	C	32833	C
32658	A	32718	B	32781	C	32834	B
32661	C	32719	B	32782	D	32835	C
32662	A	32720	B	32783	C	32836	C
32663	C	32721	A	32784	C	32837	B

BALBOA INSURANCE COMPANY

part 2 Page 2 of 7

APPROVED

Risk Based Protection Program
State of FloridaDate Received: NOV 16 2004
Date of Action: JAN 21 2005

OFFICE OF INSURANCE REGULATION

Zip Code	Hurricane Territory Code	Zip Code	Hurricane Territory Code	Zip Code	Hurricane Territory Code	Zip Code	Hurricane Territory Code
32839	B	32931	D	33018	F	33074	E
32853	B	32932	D	33019	F	33075	E
32854	B	32934	C	33020	E	33076	E
32855	B	32935	D	33021	E	33077	E
32856	B	32936	D	33022	E	33081	E
32857	B	32937	D	33023	E	33082	F
32858	B	32940	D	33024	E	33083	E
32859	C	32941	C	33025	E	33084	E
32860	B	32948	D	33026	E	33090	E
32861	B	32949	D	33027	F	33092	E
32862	C	32950	D	33028	F	33093	E
32867	B	32951	E	33029	F	33097	E
32868	A	32952	D	33030	E	33101	F
32869	C	32953	D	33031	E	33102	E
32872	C	32954	C	33032	F	33107	E
32877	C	32955	D	33033	F	33108	E
32878	B	32956	C	33034	F	33109	F
32886	B	32957	D	33035	F	33110	E
32887	C	32958	D	33036	F	33111	F
32889	B	32959	C	33037	F	33112	E
32890	C	32960	D	33039	E	33114	E
32891	B	32961	D	33040	F	33116	E
32892	C	32962	D	33041	F	33119	F
32893	C	32963	E	33042	F	33121	F
32897	B	32964	D	33043	F	33122	E
32898	B	32965	D	33044	F	33124	F
32899	C	32966	D	33045	F	33125	E
32901	D	32967	D	33050	F	33126	E
32902	C	32968	D	33051	F	33127	E
32903	D	32969	D	33052	F	33128	F
32904	C	32970	D	33054	E	33129	F
32905	D	32971	D	33055	E	33130	F
32906	C	32976	D	33056	E	33131	F
32907	C	32978	D	33060	E	33132	F
32908	C	33001	F	33061	E	33133	F
32909	C	33002	E	33062	F	33134	E
32910	C	33004	F	33063	E	33135	E
32911	C	33008	E	33064	E	33136	E
32912	C	33009	F	33065	E	33137	F
32919	C	33010	E	33066	E	33138	F
32920	D	33011	E	33067	E	33139	F
32922	C	33012	E	33068	E	33140	F
32923	D	33013	E	33069	E	33141	F
32924	C	33014	E	33070	F	33142	E
32925	D	33015	E	33071	E	33143	F
32926	C	33016	E	33072	F	33144	E
32927	C	33017	E	33073	E	33145	E

Risk Based Protection Program
State of Florida

Date Received: NOV 16 2004 Date of Action: JAN 21 2005

OFFICE OF INSURANCE REGULATION

Zip Code	Hurricane Territory Code	Zip Code	Hurricane Territory Code	Zip Code	Hurricane Territory Code	Zip Code	Hurricane Territory Code
33146	E	33195	E	33321	E	33419	E
33147	E	33196	F	33322	E	33420	E
33148	F	33197	E	33323	E	33421	E
33149	F	33199	E	33324	E	33422	E
33150	E	33218	E	33325	E	33424	E
33151	E	33220	E	33326	E	33425	E
33152	E	33231	F	33327	F	33426	E
33153	E	33233	F	33328	E	33427	E
33154	F	33234	E	33329	E	33428	E
33155	E	33238	E	33330	E	33429	E
33156	F	33239	F	33331	E	33430	E
33157	F	33242	E	33332	F	33431	F
33158	F	33243	E	33334	E	33432	F
33159	F	33245	E	33335	E	33433	E
33160	F	33247	E	33336	E	33434	E
33161	E	33255	E	33337	E	33435	F
33162	E	33256	E	33338	E	33436	E
33163	F	33257	E	33339	F	33437	E
33164	E	33261	E	33340	E	33438	E
33165	E	33265	E	33345	E	33439	F
33166	E	33266	E	33346	F	33440	E
33167	E	33269	E	33348	F	33441	F
33168	E	33280	F	33349	E	33442	E
33169	E	33283	E	33350	F	33443	E
33170	E	33296	E	33351	E	33444	E
33172	E	33299	E	33355	E	33445	E
33173	E	33300	D	33359	E	33446	E
33174	E	33301	F	33388	E	33447	E
33175	E	33302	E	33394	E	33448	E
33176	E	33303	F	33401	E	33454	E
33177	E	33304	F	33402	F	33455	E
33178	F	33305	F	33403	E	33458	E
33179	E	33306	F	33404	F	33459	E
33180	F	33307	E	33405	F	33460	F
33181	F	33308	F	33406	E	33461	E
33182	F	33309	E	33407	E	33462	F
33183	E	33310	E	33408	F	33463	E
33184	E	33311	E	33409	E	33464	E
33185	F	33312	E	33410	E	33465	F
33186	E	33313	E	33411	E	33466	E
33187	E	33314	E	33412	E	33467	E
33188	E	33315	E	33413	E	33468	E
33189	F	33316	F	33414	E	33469	F
33190	F	33317	E	33415	D	33470	E
33192	E	33318	E	33416	E	33471	E
33193	E	33319	E	33417	E	33474	E
33194	E	33320	E	33418	E	33475	E

Risk Based Protection Program
State of Florida

Date Received: NOV 16 2004 Date of Action: JAN 21 2005

OFFICE OF INSURANCE REGULATION

Zip Code	Hurricane Territory Code	Zip Code	Hurricane Territory Code	Zip Code	Hurricane Territory Code	Zip Code	Hurricane Territory Code
33476	F	33559	D	33623	C	33709	D
33477	F	33563	D	33624	C	33710	D
33478	E	33564	C	33625	C	33711	D
33480	F	33565	C	33626	C	33712	D
33481	E	33566	C	33629	D	33713	C
33482	E	33567	C	33630	C	33714	C
33483	F	33568	C	33631	C	33715	E
33484	E	33569	D	33633	C	33716	D
33486	E	33570	D	33634	C	33728	D
33487	F	33571	D	33635	C	33729	D
33488	E	33572	D	33637	C	33730	C
33491	E	33573	D	33647	C	33731	D
33493	F	33574	C	33650	C	33732	D
33496	E	33576	C	33651	C	33733	C
33497	E	33583	C	33655	C	33734	C
33498	E	33584	C	33660	C	33736	D
33499	F	33585	C	33661	C	33737	D
33503	D	33586	D	33662	C	33738	D
33504	D	33587	C	33663	C	33739	D
33509	C	33592	C	33664	C	33740	D
33510	C	33593	C	33672	C	33741	E
33511	C	33594	C	33673	C	33742	D
33513	C	33595	C	33674	C	33743	D
33514	C	33597	C	33675	C	33744	D
33521	C	33598	D	33677	C	33747	D
33523	C	33601	C	33679	C	33755	D
33524	C	33602	C	33680	C	33756	D
33525	C	33603	C	33681	D	33757	D
33526	C	33604	C	33682	C	33758	C
33527	C	33605	C	33684	C	33759	D
33530	D	33606	D	33685	C	33760	D
33534	D	33607	C	33686	D	33761	C
33537	C	33608	D	33687	C	33762	D
33538	C	33609	C	33688	C	33763	C
33539	C	33610	C	33689	C	33764	D
33540	C	33611	D	33690	D	33765	C
33541	C	33612	C	33694	C	33766	D
33542	D	33613	C	33695	C	33767	D
33543	C	33614	C	33697	C	33769	C
33544	C	33615	C	33701	D	33770	D
33547	D	33616	D	33702	D	33771	C
33548	C	33617	C	33703	D	33772	D
33549	C	33618	C	33704	D	33773	D
33550	C	33619	D	33705	D	33774	D
33553	D	33620	C	33706	D	33775	D
33556	C	33621	D	33707	D	33776	D
33558	D	33622	C	33708	D	33777	D

BALBOA INSURANCE COMPANY

part 2 Page 5 of 7

APPROVED

Risk Based Protection Program
State of FloridaDate Received: NOV 16 2004
Date of Action: JAN 21 2005

OFFICE OF INSURANCE REGULATION

Zip Code	Hurricane Territory Code	Zip Code	Hurricane Territory Code	Zip Code	Hurricane Territory Code	Zip Code	Hurricane Territory Code
33778	D	33853	D	33916	D	33964	E
33779	D	33854	D	33917	D	33965	E
33780	C	33855	D	33918	E	33969	F
33781	C	33856	D	33919	D	33970	D
33782	D	33857	D	33920	D	33971	D
33784	C	33858	C	33921	F	33972	D
33785	D	33859	D	33922	E	33975	E
33786	D	33860	D	33923	E	33980	D
33801	C	33862	D	33924	F	33981	E
33802	C	33863	D	33925	E	33982	D
33803	C	33864	D	33926	E	33983	D
33804	C	33865	D	33927	D	33990	D
33805	C	33867	D	33928	D	33991	D
33806	C	33868	C	33929	E	33993	E
33807	C	33870	D	33930	E	33994	D
33809	C	33871	C	33931	E	33999	D
33810	C	33872	D	33932	F	34101	E
33811	C	33873	D	33933	F	34102	F
33813	C	33875	D	33934	E	34103	E
33815	C	33876	D	33935	E	34104	E
33820	D	33877	D	33936	D	34105	E
33821	D	33880	C	33937	F	34106	E
33823	D	33881	D	33938	D	34107	E
33825	D	33882	C	33939	F	34108	E
33826	D	33883	C	33940	F	34109	E
33827	D	33884	D	33941	F	34110	E
33830	D	33885	C	33942	E	34112	E
33831	D	33888	D	33943	E	34113	F
33834	D	33890	D	33944	E	34114	F
33835	D	33896	D	33945	E	34116	D
33836	D	33897	D	33946	E	34117	E
33837	D	33898	D	33947	D	34119	E
33838	C	33901	D	33948	E	34120	E
33839	D	33902	D	33949	D	34133	E
33840	C	33903	D	33950	E	34134	F
33841	D	33904	D	33951	D	34135	E
33842	D	33905	D	33952	D	34136	E
33843	D	33906	D	33953	D	34137	E
33844	C	33907	D	33954	D	34138	F
33845	D	33908	E	33955	D	34139	E
33846	D	33909	D	33956	F	34140	F
33847	D	33910	D	33957	F	34141	E
33848	C	33911	D	33959	E	34142	E
33849	C	33912	D	33960	D	34143	D
33850	D	33913	E	33961	F	34145	F
33851	C	33914	E	33962	E	34146	F
33852	D	33915	D	33963	E	34201	D

BALBOA INSURANCE COMPANY

part 2 Page 6 of 7

Risk Based Protection Program
State of FloridaDate Received: NOV 16 2004
Date of Action: JAN 21 2005

OFFICE OF INSURANCE REGULATION

Zip Code	Hurricane Territory Code	Zip Code	Hurricane Territory Code	Zip Code	Hurricane Territory Code	Zip Code	Hurricane Territory Code
34202	D	34272	D	34475	C	34641	C
34203	D	34274	D	34476	C	34642	D
34204	D	34275	D	34477	A	34643	D
34205	D	34276	D	34478	A	34644	D
34206	D	34277	D	34479	B	34645	D
34207	D	34278	D	34480	B	34646	D
34208	D	34280	D	34481	C	34647	D
34209	D	34281	D	34482	C	34648	D
34210	E	34282	D	34483	B	34649	C
34211	D	34284	D	34484	C	34652	C
34212	D	34285	D	34487	C	34653	C
34215	E	34286	D	34488	B	34654	C
34216	E	34287	D	34489	B	34655	C
34217	E	34288	D	34491	C	34656	C
34218	E	34292	D	34492	C	34660	D
34219	D	34293	D	34498	C	34661	C
34220	D	34295	D	34601	C	34664	C
34221	D	34420	B	34602	C	34665	C
34222	D	34421	B	34603	C	34666	D
34223	E	34423	C	34604	C	34667	C
34224	E	34428	C	34605	C	34668	C
34228	E	34429	C	34606	C	34669	C
34229	D	34430	C	34607	D	34673	C
34230	D	34431	C	34608	C	34674	C
34231	D	34432	C	34609	C	34677	D
34232	D	34433	C	34610	C	34679	D
34233	D	34434	B	34611	C	34680	C
34234	D	34436	C	34613	C	34681	D
34235	D	34442	C	34614	C	34682	C
34236	D	34445	C	34615	D	34683	D
34237	D	34446	C	34616	D	34684	D
34238	D	34447	C	34617	D	34685	C
34239	D	34448	C	34618	C	34688	C
34240	D	34449	C	34619	D	34689	D
34241	D	34450	C	34620	D	34690	C
34242	D	34451	B	34621	C	34691	D
34243	D	34452	C	34622	D	34696	D
34250	D	34453	C	34623	C	34697	C
34251	D	34460	C	34624	D	34698	D
34260	D	34461	C	34625	C	34705	C
34264	D	34464	B	34629	C	34711	C
34265	D	34465	B	34630	D	34712	D
34266	D	34470	B	34634	D	34713	C
34267	D	34471	A	34635	D	34729	C
34268	D	34472	B	34636	C	34731	C
34269	D	34473	C	34639	C	34734	C
34270	D	34474	B	34640	D	34736	C

BALBOA INSURANCE COMPANY

part 2 5Pg 7 of 7

APPROVED

Risk Based Protection Program
State of FloridaDate Received: Date of Action:
NOV 16 2004 JAN 21 2005
OFFICE OF INSURANCE REGULATION

Zip Code	Hurricane Territory Code	Zip Code	Hurricane Territory Code
34737	C	34973	D
34739	D	34974	D
34740	C	34979	E
34741	C	34981	D
34742	C	34982	D
34743	C	34983	D
34744	C	34984	D
34745	C	34985	D
34746	C	34986	D
34747	C	34987	D
34748	C	34988	D
34749	C	34990	D
34753	C	34991	D
34755	C	34992	D
34756	C	34994	D
34758	C	34995	E
34759	C	34996	E
34760	D	34997	D
34761	C		
34762	C		
34769	C		
34770	C		
34771	C		
34772	C		
34773	C		
34777	C		
34778	C		
34785	C		
34786	C		
34787	C		
34788	C		
34789	C		
34797	C		
34945	D		
34946	D		
34947	D		
34948	D		
34949	E		
34950	D		
34951	D		
34952	D		
34953	D		
34954	E		
34956	D		
34957	E		
34958	D		
34972	D		

Company Details			
Company Name	FEIN	NAIC CC	NAIC GC
BALBOA INSURANCE COMPANY	956027860	24813	1330

Filing Originator Information	
Company E-Mail:	rod_weiss@balboainsurance.com
Contact Name:	Mr. Rodney C Weiss
Contact Title:	Manager, State Filings
Professional Designation:	
Contact E-mail:	rod_weiss@balboainsurance.com
Street Address:	3349 Michelso Drive
Suite/Room #:	200
P.O. Box Mailing Address:	19702 Irvine, CA 92612-8893
Department:	State Filings
City:	Irvine
State:	CA
Zip Code:	92612-8893
Country:	USA
Non US Postal Code:	
Phone Number:	949-222-8164 Ext
Fax Number:	949-222-8717
Toll Free Number:	800-854-6115 Ext
Non US Phone Number:	

Contact Name:

Mr. Rodney C Weiss

Contact Title:

Manager, State Filings

Professional Designation:

Contact E-mail:

rod_weiss@balboainsurance.com

Street Address:

3349 Michelso Drive

Suite/Room #:

200

P.O. Box Mailing Address:

19702 Irvine, CA 92612-8893

Department:

State Filings

City:

Irvine

State:

CA

Zip Code:

92612-8893

Country:

USA

Non US Postal Code:

Phone Number:

949-222-8164 Ext

Fax Number:

949-222-8717

Toll Free Number:

800-854-6115 Ext

Non US Phone Number:

General Information

Company Filing Number

FOH_04-2248

New Business Effective Date

12/15/2004

Renewal Business Effective Date

1/15/2004

Line of Business:

FIRE

Sub Line of Business:

Are you writing new business in Florida for this line of business?

Yes

New Program, New Product, or New Line of Business?

Yes

Amending currently filed forms, rates or rules?

No

If yes, please provide previous DOI File Log Number

Filing Content Information

This is a Rate & Rule filing.

Type of Coverage:

P&C Other

File Usage:

FILE & USE

Rate/Rule Filings

Is this filing being submitted by a Ratings Organization?

☐ Yes ☒ No

Is this Annual Rate Certification in accordance with Section 627.0645, Florida Statutes?

☐ Yes ☒ No

If yes to above, is Certification attached:

☐ Yes ☐ No ☒ N/A

Have you included a listing of all changes in manual pages or rules with supporting information and explanation?

☐ Yes ☒ No

Does this filing result in a significant revision in rates or rating variables? If Yes, explain in filing:

☐ Yes ☒ No

Does this filing result in a significant revision in underwriting rules or guidelines? If Yes, explain in filing:

☐ Yes ☒ No

Does this filing amend any of the following?

☐ Yes ☒ No

(Please mark the appropriate item, if applicable)

☐ Base Rate(s) & Loss Costs

☐ Base Rate(s) Only

☐ Loss Costs Only

Summary of Rate Filing as applicable

Rate Change Request

0

Rate Indicated

0

Earned Premium Volume (all programs affected by this filing)

0

Number of Policies (all programs affected by this filing)

0

Uploaded Documents

Document Type	12-01934-mg Doc 474	0	0
Cover Letter		0	Cover Letter
Explanatory Memorandum		0	Explanatory Memorandum
Miscellaneous		0	Territory Codes

Filing Certification

I certify that I am authorized to make this Forms or Rate/Rule filing on behalf of the company(s) referenced herein. I further certify that the information contained in related transmittals and the filing is true, complete, correct and, to the best of my knowledge, in compliance with all applicable Florida laws and administrative rules including applicable policy readability standards.

Name: Rodney C. Weiss
Title: Manager, State Filings

Case 2:01-cv-01934-mg Document 100-1 Filed 06/06/13 Entered on FLSD Docket 04/14/2013 Page 30 of 56
From: Bill Bodiford
Sent: Wednesday, December 20, 2004 11:09 AM
To: PCFREDMS
Subject: OIR File # 04-12993

-----Original Message-----

From: Tricia_Bachicha@BalboaInsurance.Com [mailto:Tricia_Bachicha@BalboaInsurance.Com]
Sent: Monday, December 20, 2004 6:45 PM
To: Bill Bodiford
Subject: RE: Florida - Balboa Insurance Company - New Program Filing - Risk Based Protection Program - OIR File # 04-12993 - Our Filing # FOH-04-2248

Dear Mr. Bodiford:

I would like to thank you for extending our response time and accepting our response via email. Please let me know if you are unable to open these files.

Thank you again for your time and consideration.

Sincerely,

Tricia L. Bachicha
Compliance Coordinator II, State Filing Department
Balboa Life & Casualty
Toll Free: (800) 854-6115 ext.8197
Fax: (949) 222-8717

"Bill Bodiford" <Bill.Bodiford@fldfs.com>

To Tricia_Bachicha@BalboaInsurance.Com

cc

12/20/2004 10:23 AM

Subject RE: Florida - Balboa Insurance Company - New Program Filing - Risk Based Protection Program - OIR File # 04-12993 - Our Filing # FOH-04-2248

Tricia, you may attach your response to an email.

Thanks,

Bill

-----Original Message-----

From: Tricia_Bachicha@BalboaInsurance.Com [mailto:Tricia_Bachicha@BalboaInsurance.Com]
Sent: Monday, December 20, 2004 12:32 PM
To: Bill Bodiford
Subject: RE: Florida - Balboa Insurance Company - New Program Filing - Risk Based Protection Program - OIR File # 04-12993 - Our Filing # FOH-04-2248

Dear Mr. Bodiford:

We would like to submit our response to your letter dated November 29, 2004, but am coming across a problem.

Because, this filing was initiated on I-file by Rodney Weiss I am unable to access the submission. Is there another way we might be able to respond other than I-file? Possibly through email or maybe through my I-file log in?

Could you please let me know?

I appreciate your assistance in this matter.

Sincerely,

Tricia L. Bachicha
Compliance Coordinator II, State Filing Department
Balboa Life & Casualty
Toll Free: (800) 854-6115 ext.8197
Fax: (949) 222-8717

"Bill Bodiford" <Bill.Bodiford@fldfs.com>

To Tricia_Bachicha@BalboaInsurance.Com

cc

12/13/2004 05:38 AM

Subject RE: Florida - Balboa Insurance Company - New Program Filing - Risk Based Protection Program - OIR File # 04-12993 - Our Filing # FOH-04-2248

That will be fine. I will not it on the file.

-----Original Message-----

From: Tricia_L.Bachicha@balboainsurance.com [mailto:Tricia_L.Bachicha@balboainsurance.com]

Sent: Friday, December 10, 2004 4:01 PM

To: Bill Bodiford

Subject: Florida - Balboa Insurance Company - New Program Filing - Risk Based Protection Program - OIR File # 04-12993 - Our Filing # FOH-04-2248

Dear Mr. Bodiford

This is in reference to your letter dated November 29, 2004, address to Mr. Rodney C. Weiss.

I will be officially taking this filing over from Mr. Weiss. We are currently working on our response to your above mentioned letter. There are a couple of people on our end, that are critical to our response that have been out of the office. In saying that, we would like to respectfully request an extension until 12/20/04.

We apologize for any inconvenience.

Please let me know if this will not be acceptable.

I appreciate your time and consideration.

Sincerely,

Tricia L. Bachicha
Compliance Coordinator II, State Filing Department
Balboa Life & Casualty
Toll Free: (800) 854-6115 ext.8197
Fax: (949) 222-8717



December 20, 2004

Honorable Susan F. Cogswell
Insurance Commissioner
Connecticut Insurance Department
P.O. Box 816
Hartford, Connecticut 06142-0816

Attention: Mr. William T. Bodiford, Actuarial Analyst

Re: Balboa Insurance Company- Independent filing
NAIC # 24813 FEIN # 95-6027860
Line of Insurance - Commercial Fire & Allied Lines
Risk Based Protection Program (New Program) – Rates/Rules
Our File Number: FOH_04-2084
OIR File Number: FCC 04-12993

Dear Mr. Bodiford:

Thank you for your prompt review of the above captioned filing submission. This is in response to your letter dated November 29, 2004. We have addressed your questions in the same order presented in your letter below.

1. Acknowledged. Our newly proposed effective date is January 16, 2005.
2. In order to comply with Rule 69O-170.006 of the Florida Administrative Code, we have included our company name, page number and revision date on each manual page. Attached is our updated manual reflecting these revisions.
3. As required for independent filings, we have included form OIR-B1-595.
4. We apologize for any miscommunication. Actually, all premiums are charged back to the borrower based on the current program.
5. The Risk Based Product has a base deductible of \$500 which meets the requirements for the hurricane deductible. We have further reviewed Section 627.4025,F.S., we respectfully submit that it is inapplicable and does not apply to the product for which our rate application is submitted. . This is a commercial policy in which the named insured is the lending institution who owns or services a group of mortgage loans which have homeowners insurance lapse from time to time. They purchase this product so they can protect their insurable interest in the property securing the mortgage loan. The product is a non-underwritten product. The properties are not inspected by the lenders and Balboa also does not inspect properties either before or after the lender placed insurance is issued.

Since this is in essence a very limited underwritten product, it would not be possible to apply construction loss mitigation, sprinkler, BCEGS credits or mobile home construction standard discounts in determining the premium. We do not believe that the hurricane split in premium is applicable.

5. We have included a map reflecting territories A-F for your review.
6. As requested, we have included questionnaire titled "Catastrophe Model Support".
7. Age of Property Relativities. Support for the development of age of property relativities is on the top of Exhibit A, page 2. The relativities are developed from analyzing loss ratio by age of property of close to \$400 million of earned premiums from properties with identifiable year-built. Because this is a new rating factor that was not required previously, only a portion of the experience contains the Age data.

The relativity for ages 0-10 is 0.750 and for ages 11-20 is 0.900. The increase is 20%. This is much smaller than the 28.6% mentioned in the letter which we cannot reproduce. Newer homes are better built than older homes. Actual experience indicates an increase of close to 100%. The differential has already been dampened. Since lender placed coverage rarely renews and is not intended to be the first option, transition is not a major concern as with voluntary coverage.

8. Public Protection Class and Occupancy Relativities. Public Protection Class relativities are based on ISO Protection-Construction Relativities for Fire Buildings with Frame construction; ISO Circulars LI-DP-1999-152, E-8 and LI-DP-2004-136, E-11. Loss costs may have changed but the Public Protection Class relativities remain the same.

Occupancy relativities are based on rate relativities of a large lender placed program in Balboa Insurance company's state of domicile, California. That program uses occupancy type based rates. Vacant properties tend to have greater loss severity. Under certain conditions, coverage for vacant properties may even be cancelled mid-term; i.e., uninsurable in the voluntary market. Lender placed program takes all comers.

9. Yes, we believe that the Department has all information necessary to make their decision that our rates are not excessive, inadequate or unfairly discriminatory.

We apologize for any confusion and/or incompleteness in our November 16th submission.

We hope this will resolve all outstanding issues and clear the way for approval.

If you have any questions or concerns, please feel free to contact me.

Thank you for your time and consideration.

Sincerely,



Tricia L. Bachicha
Compliance Coordinator II, State Filing Department
Balboa Insurance Company
Phone: (800) 854-6115 ext. 8197
Fax: (949) 222-8717
E-Mail: tricia_bachicha@balboainsurance.com

cc: J. Meadows
P. Friday
K. Petersen

BALBOA INSURANCE COMPANY
RISK BASED PROTECTION
General Rules & Rates (FLORIDA)

APPROVED
Date Received: Date of Action:
NOV 16 2004 JAN 28 2005
OFFICE OF INSURANCE REGULATION

1. ELIGIBLE MORTGAGES
 - a. Residential First and Second Mortgages
 - b. Manufactured Home First Mortgages
 - c. Commercial First Mortgages
 - d. Mortgages for which Lender is servicing agent
2. ELIGIBLE PROPERTY AND MAXIMUM COVERAGE LIMITS

<u>Eligible Property</u>	<u>Maximum Coverage Limit</u>
Residential Dwellings (Maximum 4 Family Units)	\$5,000,000
Commercial Buildings	\$5,000,000
Manufactured Homes	\$100,000

3. COVERAGE TERM

The coverage term for each eligible mortgage is twelve (12) months. If coverage is written for less than 12 months, the rate will be computed pro rata of the 12 month rate.
4. BASE RATE DEFINITIONS RESIDENTIAL AND MANUFACTURED HOME
 - a. Owner Occupied Property
 - b. Tenant Occupied Property
 - c. Vacant Property
5. COMMERCIAL BASE RATE DEFINITIONS
 - a. Occupied
 - b. Vacant
6. RISK BASED PROTECTION RATES

(See following table)

part 3 Pg 10 of 30
BALBOA INSURANCE COMPANY
RISK BASED PROTECTION
General Rules & Rates (FLORIDA)

APPROVED
Date Received: Date of Action:
NOV 16 2004 JAN 28 2005
OFFICE OF INSURANCE REGULATION

Balboa Insurance Company
Florida
Risk Based Lender's Protection Program

Risk Based Lender's Protection Rates						
		Residential*			Commercial	
		Owner Occupied	Tenant Occupied	Vacant	Occupied	Vacant
Base Rates per \$100 of Coverage		\$1.17	\$1.40	\$3.57	\$1.91	\$3.82
Deductibles	Occupied	\$500	\$500		\$1,000	
						2% of Insured Value but not less than \$1,000
	Vacant	\$1,000	\$1,000	\$1,000		
	V&MM				2% of Insured Value but not less than \$5,000	2% of Insured Value but not less than \$5,000
* If occupancy status is unknown, then Base Rate shall be Owner Occupied Rate X 1.074 , rounded to the nearest cent.						
Mobile Home surcharge is 50%.						
Age of Home Factors** Residential Only		Public Protection Construction***		Hurricane Territory Factors****		
Dwelling Age in Years	Factor	Protection Class	Factor	Territory	Factor	
0-10	0.750			A, B	1.000	
11-20	0.900	1-6	1.000	C	1.072	
21-35	1.000	7-8	1.200	D	1.262	
36-50	1.100	9	2.000	E	1.409	
51+	1.500	10	3.000	F	1.705	
** If age of home is unknown, then use default factor of 1.161 *** If PPC is unknown, use default factor of 1.015 **** if Hurricane Territory is unknown, use default factor of 1.254						

Age of Home factor is data provided by the named insured and/or a public database. It represents the actual age of when the insured structure was built.

The Public Protection factor is equivalent to the ISO Protection Class used in rating homeowner/dwelling fire business.

The Territory factor is based on relativity of damage due to covered property being in hurricane territory(s). Attached is the zip code grouping.

part 3 Pg 11 of 30
BALBOA INSURANCE COMPANY
RISK BASED PROTECTION
General Rules & Rates (FLORIDA)

APPROVED
 Date Received: Date of Action:
NOV 16 2004 JAN 28 2005
 OFFICE OF INSURANCE REGULATION

Rate calculation for residential property is as follows: Risk Based Protection base rate, as modified by the Account Rate Modification Plan, multiplied by the Age of Home factor; the result is multiplied by the Public Class factor; the result is multiplied by the Territory(s) factor(s) resulting in the final rate. This rate is surcharged 50% for Manufactured Homes.

Example: Owner Occupied \$1.17 X Age of Home 36 (1.100) X Protection Class 7 (1.200) X Territory D (1.262) = \$1.949. Manufactured Home rate would be \$1.949 X 1.5 = \$2.923. Rounding is to the nearest whole cent = \$2.92. Should a rating factor change during the term of the coverage, this will be reflected in the rate calculation of the renewal term.

Rate calculation for commercial property is as follows: Risk Based Protection base rate, as modified by the Account Rate Modification Plan, multiplied by the Public Class factor; the result is multiplied by the Territory(s) factors resulting in the final rate.

Example: Vacant \$3.82 X Protection Class 4 (1.000) X Territory D (1.262) = \$4.820. Rounding is to the nearest whole cent \$4.82.

7. DEDUCTIBLE OPTIONS

<u>Deductible Options – Base Deductible \$500</u>	
<u>Deductible Amount</u>	<u>Rate Credit</u>
\$1,000	5%
\$2,000	12%
\$3,000	18%
\$4,000	22%
\$5,000	26%
Greater of \$2,000 or 2%	13%
Greater of \$1,000 or 1%	5%

Rate credit is based on deductible option chosen. The credit is applied to the calculated rate subject to Rate Modification rule.

8. CANCELLATION PROVISIONS

Cancellations are computed on a pro rata basis. If the borrower provides coverage from another company and such coverage is effective on or before the effective date of our coverage, the cancellation will be flat.

9. ROUNDING

Premiums and premium refunds shall be rounded to the nearest whole dollar. Rates shall be rounded to the nearest whole cent.

BALBOA INSURANCE COMPANY
RISK BASED PROTECTION
General Rules & Rates (FLORIDA)

APPROVED
Date Received: Date of Action:
NOV 16 2004 JAN 28 2005
OFFICE OF INSURANCE REGULATION

10. COVERAGES AND ENDORSEMENTS

A. General Change Endorsement

This endorsement shall be used to amend effective dates, amend names, amend address and amend other miscellaneous changes to the policy.

B. Blanket Vandalism Endorsement (optional)

This endorsement provides coverage on the insured lender's residential and commercial property loans for the perils of Vandalism, Malicious Mischief and Theft of Property when the borrower-furnished policy has been suspended for these perils due to the property being vacant for a period in excess of the time allowed by that policy. The property must be insured at the time of loss for those coverages required by the lender.

The premium charges for this coverage, paid by the lender, are based on the number of loans the lender has that are eligible for coverage. The charges are:

NUMBER OF LOANS	ANNUAL PREMIUM
0 – 20,000	\$2,000
20,001 - 50,000	\$3,000
50,001 - 100,000	\$4,000
100,001 - 200,000	\$5,000
200,001 - 300,000	\$7,500

Over 300,000 loans, the charge is \$7,500 premium plus \$2,500 for each additional 100,000 loans (or increments thereof).

The following deductibles apply:

Dwelling & other structures	\$500
Commercial buildings	\$1,000

Note: Balboa's lender placed Risk Based Protection Policy waives the vacancy exclusion. This optional endorsement covers the other 98% or so of the loans where the borrower has furnished his or her own policy that has vacancy exclusion.

part 3 Pg 13 of 30
BALBOA INSURANCE COMPANY
RISK BASED PROTECTION
General Rules & Rates (FLORIDA)

APPROVED
Date Received: Date of Action:
NOV 16 2004 JAN 28 2005
OFFICE OF INSURANCE REGULATION

C. Blanket Condominium (Optional)

This endorsement offers the named insured an option of purchasing coverage to protect its insurable interest in the event the Condominium Association fails to purchase or maintain coverage.

The rate for the Blanket Condominium is:

\$0.003938 / \$1,000 MOB (minimum monthly premium \$250)

\$25,000 Limit per loss.

D. Limit of Liability Endorsement (Optional)

This endorsement offers the named insured an option of limiting coverage to its insurable interest. There is no change in rates with this option.

11 Account Rate Modification Plan

See attached worksheet

INTERFISSEM IFIE-- CASROP E MODE SPPOR

- 1 Identify the particular Casro E Model that is used in this filing. This identification must include the name and location of the firm that created the model, the name of the model, and the version number of the model.

The model used to generate loss costs is RMS's RiskLink, Version 4.3, which was accepted by the Florida Commission on Hurricane Loss Projection Methodology in 2003. The firm's name is Risk Management Solutions, Inc., located in Newark, CA.

- 2 In an electronic format, provide the detailed information that you provided to the modeler along with a list of all adjustments made by you prior to inputting the information to the modeler necessary to conform this information to the model's requirements. Be sure to provide a detailed description of each data field. Include any default values that you specified for missing or invalid information. Describe any exposures affected by this filing that were not included in your information to the model. Describe any exposures included in your information to the model that are not a part of this rate filing. Note that if the model has run in-house, you must still provide the detailed information along with a statement of who was responsible for running the model and what controls were in place to ensure that the version of the model provided to you was not altered.

Policy level information was utilized as input into Risklink 4.4 and included the following fields:

- Policy Number, Inception Date, Expiration Date,
- Street Address, City, State, Postal Code,
- Coverage A, B,
- Policy deductible,
- Year Built, Construction type, Construction quality, Designcode

All information described above is captured in Balboa's underwriting systems. Invalid or incomplete data was limited to less than 1% of entire portfolio.

For competitive and proprietary reasons Balboa cannot provide the detailed policy level information in this public filing but will freely provide such information to interested parties under controlled circumstances.

3. In an electronic format, provide the output ranges from the model by policy type in the format specified by the Florida Commission on Hurricane Loss Projection Methodology and the distributions of exposures used as weights.

The output ranges and weights specified by the Florida Commission on Hurricane Loss Projection Methodology and the distributions of exposures were provided to the Florida Commission on Hurricane Loss Projection Methodology for this model with RMS's 2003 submission. Please see "Output Ranges" of the submission.

- ☐ Provide an explanation with appropriate supporting information showing how this output ☐see above☐was included in the rate level indications. Include a list of any and all adjustments made to this output along with appropriate supporting data.

AAL's are totaled by Territory Code. Total AAL is then divided by the corresponding total Coverage A for the loss cost of each Territory. The overall loss cost per \$100 is subtracted from the current flat rate and loss cost per \$100 of each Territory is added back. These are Hurricane risk adjusted Territory rates. Relativities are derived from risk adjusted Territory rates.

Territory A and Territory B rates do not have sufficient separation, therefore, are combined.

- ☐ Provide copies of the documentation and reports provided to you by the modeler ☐or produced or able to be produced by you if you ran this model in ☐house☐to be used to analyze ☐e loss costs or as supporting documentation for this rate filing.

Model Input: Please see Balboa's response to question 2 above,

Model Output: Average Annual Loss at the policy holder level, aggregated to the Postal Code level.

Model Settings: Distributed mode Exceeding Probability Analysis, no demand surge, no storm surge.

- ☐ Provide a listing of the experts that you relied on concerning those aspects of the model outside your area of expertise.

A list and description of experts relied on were provided to the Florida Commission on Hurricane Loss Projection Methodology for this model with RMS's February, 2003 submission. Please see "Module 2 – Background/Professionalism" of the submission

- ☐ ☐tate the extent to which the model has been reviewed or opined on by experts in the applicable fields, including any ☐nown significant differences of opinion among experts concerning aspects of the model that could be material to your use of the model.

A list and description of experts relied on were provided to the Florida Commission on Hurricane Loss Projection Methodology for this model with RMS's 2003 submission. Differences of opinion among experts are identified and reviewed by these experts and those on the Professional Team.

- ☐ Provide the basic components of the model and your understanding of how such components interrelate within the model.

General and specific descriptions of the components of the model were provided to the Florida Commission on Hurricane Loss Projection Methodology for this model with RMS's 2003 submission. Please see especially Module 1 (I): General Description of the Model and Module 1 (II): Specific Description of the Model.

- ☐ ☐ Explain how the model was tested or validated and the level of independent expert review and testing.

Details of the testing and validation of the model were provided to the Florida Commission on Hurricane Loss Projection Methodology for this model with RMS's 2003 submission. Please see especially "Tests".

Details of independent expert review were provided to the Florida Commission on Hurricane Loss Projection Methodology for this model with RMS's 2003 submission. Please see "Module 2 – Background/Professionalism –Independent Expert Review" of the submission.

- ☐ ☐ ☐ Explain how you determined that the model was appropriate for use in this particular filing.

Balboa encourages the use of the most sophisticated actuarial methods to assure that consumers are charged lawful rates for residential property insurance coverage. Balboa employs actuarial methods, principles, standards, models, or output ranges found by the Commission to be accurate or reliable to determine hurricane loss factors for use in a rate filing. Balboa selected the RMS model for its analytical robustness and efficiency in generating useable output.

- ☐ ☐ ☐ Explain how you examined the model output for reasonableness, considering factors such as the following ☐

- a. ☐ The results derived from alternate models or methods.
- b. How historical observations compare to the results produced by the model.
- c. ☐ The consistency and reasonableness of relationships among various output results.
- d. ☐ The sensitivity of the model output to variations in your input and model assumptions.

Model output was provided to the Florida Commission on Hurricane Loss Projection Methodology for all currently accepted models in 2003 submissions

- ☐ ☐ Provide all available comparison of model results with actual historical observations for your company or group. ☐ These comparisons must be provided by policy type and territory within policy type.

The table below shows actual Florida catastrophe losses experienced by Balboa since 1992. Since catastrophe modeling capabilities have recently been brought in house, no modeled loss estimates exist for events prior to 2004. Modeled loss estimates currently exist for the 2004 Florida hurricanes but would not be comparable to the undeveloped losses shown below for Charley, Frances, Ivan and Jeanne.

Balboa Insurance Group

Lender Protection Program

Catasrophe Losses - Florida

August 1992 through November 2004

<u>Year</u>	<u>Catastrophe</u>	<u>Incurred Losses (thru 11/04)</u>
1992	Andrew	□,□□,□□
1995	Erin	□3□,3□□
1995	Opal	□□,□3□
1997	Danny	3,3□□
1998	Tornado (2/2/98)	□□,□□□
1998	Geroges	□□,□□□
1999	Irene	□□,□□□
2002	Lili	□□,□□□
2004	Charley	3,□□,□□□
2004	Frances	□,□□,□□□
2004	Jeanne	□,□□,□□□
2004	Ivan	□,□3,□□□

- ☐ 3. ☐ State and provide complete support for the credibility that you have assigned to the output of the model by policy type and territory within policy type.

While cat losses have been experienced throughout the existence of the Lender Placed products, Lender Placed coverage behaves in some way like residual market coverage. Only those do not have voluntary coverage will have Lender Placed coverage. Lender Placed coverage also takes all comers. There is no control over the distribution of business. In addition, distribution of business has changed due to population shifts and home construction quality has improved markedly since the early 90's. Past cat loss experience of Lender Placed product is not a good indicator of future cat losses. We feel the cat models, through their large number of simulated events, more appropriately captures the expected loss given our current portfolio of business and should therefore be considered 100% credible.

Bureau of Property & Casualty Forms and Rates

I ev. 3

Case 2:04-cv-01934-mg Document 1-1 Filed 06/06/13 Entered on FLSD Docket 06/06/13 Page 45 of 56
From: Bill Bodiford
Sent: Wednesday, December 22, 2004 3:12 PM
To: PCF Bill
Subject: F I File 3
part 3 Pg 19 of 30

-----Original Message-----

From: Tricia_Bachicha@BalboaInsurance.Com [mailto:Tricia_Bachicha@BalboaInsurance.Com]
Sent: Wednesday, December 22, 2004 3:12 PM
To: Bill Bodiford
Subject: Re: OIR File # 04-12993

Dear Mr. Bodiford:

After reviewing the regulation provided, we feel the Risk Based Program clearly meets the definition of 624.6085.

We appreciate your assistance with this filing. Thank you so much for providing this very useful information to us.

Please let me know if there is anything additional needed.

Sincerely,

Tricia L. Bachicha
Compliance Coordinator II, State Filing Department
Balboa Life & Casualty
Toll Free: (800) 854-6115 ext.8197
Fax: (949) 222-8717

"Bill Bodiford" <Bill.Bodiford@fldfs.com>

12/22/2004 08:46 AM

To: Tricia_Bachicha@BalboaInsurance.Com
cc
Subject: OIR File # 04-12993

Dear Tricia:

I have attached a Florida Statute that seems to exempt you from the residential statutes, i.e., Section 627.4025 & 627.0629. Please take a look at this definition and let us know what your analysis of the attached statute is.

Sincerely,

Bill Bodiford

[attachment "6246085.doc" deleted by Tricia Bachicha/TrackingOps/BalboaInsurance]

Case 2:01-cv-00000-AM Document 1-1 Filed 06/06/13 Entered on FLSD Docket 06/06/13 Page 46 of 56
From: Bill Bodiford
Sent: Friday, January 28, 2005 10:54 AM
To: PCF; M
Subject: F Florida Balboa Insurance Company New Program Filing Risk Based Protection Program I File 3 Our Filing FH
response

-----Original Message-----

From: Tricia_Bachicha@BalboaInsurance.Com [mailto:Tricia_Bachicha@BalboaInsurance.Com]

Sent: Friday, January 28, 2005 10:54 AM

To: Bill Bodiford

Subject: RE: Florida - Balboa Insurance Company - New Program Filing - Risk Based Protection Program - OIR File # 04-12993 - Our Filing # FOH-04-2248 - Response 02

Dear Mr. Bodiford:

Please see the attached file, which is in response to your letter dated January 26, 2005. If you are unable to open this file, please let me know.

We appreciate your time and assistance with this filing. Thank you.

Sincerely,

Tricia L. Bachicha
Compliance Coordinator II, State Filing Department
Balboa Life & Casualty
Toll Free: (800) 854-6115 ext.8197
Fax: (949) 222-8717

APPROVED
Response Letter 02
Date Received: 1/28/05 Rates/Rules
Date of Action: **JAN 28 2005**
OFFICE OF INSURANCE REGULATION



January 28, 2005

Honorable Susan F. Cogswell
Insurance Commissioner
Connecticut Insurance Department
P.O. Box 816
Hartford, Connecticut 06142-0816

Attention: Mr. William T. Bodiford, Actuarial Analyst

Re: Balboa Insurance Company- Independent filing
NAIC # 24813 FEIN # 95-6027860
Line of Insurance - Commercial Fire & Allied Lines
Risk Based Protection Program (New Program) – Rates/Rules
Our File Number: FOH_04-2084
OIR File Number: FCC 04-12993

Dear Mr. Bodiford:

Thank you for your prompt review of the above captioned filing submission and our response dated December 20, 2004. This is in response to your letter dated January 26, 2005. We have addressed your questions in the same order presented in your letter below.

This letter is confirm that we will comply with the request to provide a rate filing, after twelve months of implementation, showing our loss and expense experience, justifying the factors for age of dwelling, deductible, public protection class and hurricane territory. Along with justification for expenses and the 'default factors' listed on page 2 of the rate manual.

Our expected implementation date of this program is May 1, 2005. If this should change we will advise the department of our revised expected implementation date.

If you have any questions or concerns, please feel free to contact me.

Thank you for your time and assistance.

APPROVED
Response Letter 02
Date Received: 1/28/05
Date of Action: **JAN 28 2005**
NOV 16 2004
OFFICE OF INSURANCE REGULATION

Sincerely,



Tricia L. Bachicha
Compliance Coordinator II, State Filing Department
Balboa Insurance Company
Phone: (800) 854-6115 ext. 8197
Fax: (949) 222-8717
E-Mail: tricia_bachicha@balboainsurance.com

cc: J. Meadows
P. Friday
K. Petersen
K. Keh



DEPARTMENT OF FINANCIAL SERVICES
OFFICE OF INSURANCE REGULATION

FINANCIAL SERVICES
COMMISSION

JEB BUSH
GOVERNOR

TOM GALLAGHER
CHIEF FINANCIAL OFFICER

CHARLIE CRIST
ATTORNEY GENERAL

CHARLES BRONSON
COMMISSIONER OF
AGRICULTURE

KEVIN M. MCCARTY
COMMISSIONER

November 29, 2004

Mr. Rodney C. Weiss
Manager, State Filings
Balboa Insurance Company
19702 Irvine, CA 92612-8893
Irvine, CA 92612-8893

RE: Balboa Insurance Company
Fire – Lender Placed
Company File Number: FOH_04-2248
OIR File Number: FCC 04-12993

PLEASE REFER TO THE OIR FILE NUMBER WHEN CORRESPONDING

Dear Mr. Weiss:

We are reviewing the above referenced filing dated 11/15/2004 and received by the office on 11/16/2004. The following information is necessary for us to appropriately review the filing:

1. You stated that this filing is file & use. Pursuant to Section 627.062, F.S., the effective date for a file and use filing must be at least 90 days past the filing date. Please correct the proposed effective date.
2. Rule 69O-170.006, Florida Administrative Code requires the company name, the page number and the revision date to appear on each manual page. Please do this.
3. Form OIR-B1-595 is required for all independent filings. Please upload this form to the filing.
4. You state in your cover letter that you charge back to the borrower only those parts of the premium which are allowed to be charged to the borrower. Please identify those parts of the premium that will not be charged back to the borrower.
5. There are a number of statutory requirements that apply to residential property coverage. These requirements apply to both personal and commercial residential property as defined in Section 627.4025, F.S. There are requirements on hurricane deductibles, windstorm loss mitigation credits, BCEGS, sprinkler credits, mobile home construction standards discounts, and hurricane splits. Most of these requirements are addressed in Section 627.0629, Florida Statutes and Section 627.0629, Florida Statutes. Please address and make provision for these statutory requirements in your rating process.
6. Please provide either a map of the territories or a concise county description of territories A-F so that we can see how they are defined.
7. On I-File, there is a questionnaire titled Catastrophe Model Support. Unfortunately, you cannot access this questionnaire on a commercial filing. The questionnaire is part of the homeowners or personal dwelling I-File. You probably are already familiar with this questionnaire. Please answer

...

BUREAU OF PROPERTY & CASUALTY FORMS & RATES
200 EAST GAINES STREET • TALLAHASSEE, FLORIDA 32399-0330 • (850) 413-3146 • FAX (850) 922-3865

Affirmative Action / Equal Opportunity Employer

Weiss, Rodney
FCC 04-12993
November 18, 2004
Page 2

these questions on your hurricane model. Let me know if you don't know how to access these questions and I will send them to you.

8. Please support the age of property relativities. The 28.6% increase of rates from 10 years old to 11 years old appears is very large. A more gradual transition of age relativities may be warranted.
9. Please support the selection of public protection class relativities and the occupancy type relativities.
10. Does the filing contain all information the company believes necessary for the Office to make a decision that the rates are not excessive, inadequate or unfairly discriminatory? If no, please describe in detail each type of information not included in the filing and an explanation of why it has not been submitted.

Further review of this filing will be suspended pending your response. In order to allow the Office sufficient time to analyze your response, please provide your response by 12/14/2004. If the items raised above are not adequately addressed or if no response is received by the indicated date, the Office may issue a **Notice of Intent** to disapprove the filing in accordance with the provisions of Section 627.062, F.S.

Please respond to this letter by using the "Add to a submitted filing" feature of our I-File system.

Feel free to contact me if you have any questions.

Sincerely,

William T. Bodiford
Actuarial Analyst
BodifordB@dfs.state.fl.us
(850) 413-5352

cc: Sri Ramanujam



DEPARTMENT OF FINANCIAL SERVICES
OFFICE OF INSURANCE REGULATION

KEVIN M. McCARTY
COMMISSIONER

FINANCIAL SERVICES
COMMISSION

JEB BUSH
GOVERNOR

TOM GALLAGHER
CHIEF FINANCIAL OFFICER

CHARLIE CRIST
ATTORNEY GENERAL

CHARLES BRONSON
COMMISSIONER OF
AGRICULTURE

January 26, 2005

Mr. Rodney C. Weiss
Manager, State Filings
Balboa Insurance Company
3349 Michelso Drive
Irvine, CA 92612-8893

RE: Balboa Insurance Company
Fire – Collateral Protection Program
Company File Number: FOH_04-2248
OIR File Number: FCC 04-12993

PLEASE REFER TO THE OIR FILE NUMBER WHEN CORRESPONDING

Dear Mr. Weiss:

The Office of Insurance Regulation is in the process of approving your new collateral protection program filing. However, due to the rating concepts being used in this program, we would like to review this program after twelve months of its implementation.

Please submit a rate filing at that time using your loss and expense experience, justifying the factors for age of dwelling, deductible, public protection class and hurricane territory. Also, please justify the expenses and the 'default factors' listed on Page 2 of the rate manual.

We look forward to receiving confirmation that you will make the filing at the end of the twelve month period. You may provide this confirmation by uploading a letter to the rate filing. In addition, please contact me by phone to confirm that the letter will be provided.

Let me know if I can be of assistance.

Sincerely,

William T. Bodiford
Actuarial Analyst
BodifordB@dfs.state.fl.us
(850) 413-5352

...

BUREAU OF PROPERTY & CASUALTY FORMS & RATES
200 EAST GAINES STREET • TALLAHASSEE, FLORIDA 32399-0330 • (850) 413-3146 • FAX (850) 922-3865

Affirmative Action / Equal Opportunity Employer



DEPARTMENT OF FINANCIAL SERVICES
OFFICE OF INSURANCE REGULATION

FINANCIAL SERVICES
COMMISSION

JEB BUSH
GOVERNOR

TOM GALLAGHER
CHIEF FINANCIAL OFFICER

CHARLIE CRIST
ATTORNEY GENERAL

CHARLES BRONSON
COMMISSIONER OF
AGRICULTURE

KEVIN M. McCARTY
COMMISSIONER

January 28, 2005

Mr. Rodney C. Weiss
Manager, State Filings
Balboa Insurance Company
19702 Irvine, CA 92612-8893
Irvine, CA 92612-8893

RE: Balboa Insurance Company
Fire
Company File Number: FOH_04-2248
OIR File Number: FCC 04-12993

PLEASE REFER TO THE OIR FILE NUMBER WHEN CORRESPONDING

Dear Mr. Weiss:

Attached for your records is a copy of the original cover letter and a set of manual pages stamped "approved" for the above referenced filing.

Our records indicate that this filing is effective 5/1/2005 for new business and 5/1/2005 for renewal business.

Please verify that these pages are the final printed manual pages intended for use with this filing and that the effective dates noted above are correct. **If we do not hear from you within the next 10 days, we will assume that you have received a stamped copy of all manual pages applicable to this filing and that the effective dates are correct.**

Sincerely,

William T. Bodiford
Actuarial Analyst
BodifordB@dfs.state.fl.us
(850) 413-5352

...

BUREAU OF PROPERTY & CASUALTY FORMS & RATES
200 EAST GAINES STREET • TALLAHASSEE, FLORIDA 32399-0330 • (850) 413-3146 • FAX (850) 922-3865

Affirmative Action / Equal Opportunity Employer

To: red.weiss@halboainsurance.com
Case 1:13-cv-00474-Act Filed 06/06/13 Entered 06/06/13 20:45:47 Exhibit 2
12-01934-mg Doc 47-4
From: BodifordB@dfs.state.fl.us
Cc: ramanujams@dfs.state.fl.us
Bcc:
Subject: Florida Office of Insurance Regulation [RE: Filing Number 04-12993]
Attachment(s): 04-12993-Clarification-Letter-radC32D0-.rtf

Dear Mr. Weiss:
See the attached letter.

Sincerely,

William T. Bodiford
Actuarial Analyst
(850) 413-5352

To: red.weiss@halboainsurance.com
Case 1:13-cv-00474-Act Filed 06/06/13 Entered 06/06/13 20:45:47 Exhibit 2
12-01934-mg Doc 47-4
From: BodifordB@dfs.state.fl.us
Cc: swisherj@dfs.state.fl.us
Bcc:
Subject: Florida Office of Insurance Regulation [RE: Filing Number 04-12993]
Attachment(s): 04-12993-Clarificationl-Letter-rad90277-.rtf
part 3 Pg 28 of 30

See the attached letter. Please respond soon. Thanks.

Sincerely,

William T. Bodiford
Actuarial Analyst
(850) 413-5352

To: red.weiss@halboainsurance.com
Case 1:05-cv-00474-Act Filed 06/06/13 Entered 06/06/13 20:45:47 Exhibit 2
12-01934-mg Doc 47-4
From: BodifordB@dfs.state.fl.us
Cc:
Bcc:
Subject: Florida Office of Insurance Regulation [RE: Filing Number 04-12993]
Attachment(s): 04-12993-Approval-Letter-rad60DC3-.rtf
part 3 Pg 29 of 30

Click the link below to view the documents for this filing:
<http://www.fldfs.com/edms/docs.asp?FN=04-12993>

See the attached approval.

Sincerely,

William T. Bodiford
Actuarial Analyst
(850) 413-5352

PROPERTY & CASUALTY RATE FILING REQUEST

Date: December 22, 2004
File Number: 04-12993
Date Received: 11/16/2004
Deemer Date: 2/14/2005

File Usage: FILE & USE
Filing Type: Rates
Filing Description: Dwelling Collateral Protection
Final Disposition & Date:

Line of Business: FIRE
Subline of Business: 0101C
Proposed Effective Date: 12/15/2004 New; 1/15/2004 Renewal
Company Name: Balboa Insurance Company
Group Name: BALBOA LIFE & CASUALTY GRP

STATISTICAL INFORMATION

Company Name	Program	Exposures	THIS FILING			PRIOR FILING		
			Indicated Change	Prop. %	Expense Provision	Final %	LCM	New

Summary/Comments: A new program for lenders that is designed to relate the premium paid to the individual risk elements of each property covered. The rates on this program is based on their current programs as Balboa is a leader in the state for this type of coverage.

WB Analyst
QJ Scully Actuary
Joan K Miller Bureau Chief
per Ken's approval
1-13-05
ad Lick Miller
1-21-05