



WORRY FREE INSURANCE COMPANY
123 State Street
Anywhere, MT 12455

February 2, 2011

Filing Number: 1876-192
State: Illinois
Company: Worry Free Insurance Company
Line of Business Name: Homeowners

Proposed Effective Date:
New Business Written: 3/31/2011
Renewals Effective: 6/9/2011

Brief Description of Filing:

With this filing, Worry Free Insurance Company is proposing an update the Age of Home Discount and Renovated Home Discount factors for Homeowners in the state of Illinois. Please refer to the attached filing memorandum for more information about these changes.

The overall rate level impact associated with this change is 0.0%. Base rates were revised to offset the impact of this change. Please refer to the attached rate pages for the updated Base Rate and the new discount factors.

We are targeting implementation for new business written and renewal business processed on or after 3/31/2011.

**WORRY FREE INSURANCE COMPANY
HOMEOWNERS**

AGE OF HOME DISCOUNT

With this filing, Worry Free Insurance Company is revising the Age of Home Discount. The development of the proposed Age of Home Discount was based upon a loss ratio analysis.

The loss ratio relativities between customers with various levels of the Age of Home Discount are shown below. The loss ratio relativities are before the application of the discount.

Age of Home	Incurred Losses*	Premium*	Loss Ratio	Loss Ratio Relativity	Factor Selected
0 - 10 years	109,281	188,416	0.58	0.75	0.75
10 - 15 years	234,019	344,146	0.68	0.88	0.88
15 - 49 years	1,029,387	1,391,064	0.74	0.96	0.96
50+ years	2,381,790	3,093,234	0.77	1.00	1.00

*Illinois Worry Free Insurance Company data, years 2008 to 2009

Based upon these considerations, the fully indicated discounts were selected. Base rates were offset to make this a rate neutral change.

**WORRY FREE INSURANCE COMPANY
HOMEOWNERS**

RENOVATED HOME DISCOUNT

With this filing, Worry Free Insurance Company is revising the Renovated Home Discount. The development of the proposed Renovated Home Discount was based upon a loss ratio analysis.

The loss ratio relativities between customers with various levels of the Renovated Home Discount are shown below. The loss ratio relativities are before the application of the discount.

Age of Renovation**	Incurred Losses*	Premium*	Loss Ratio	Loss Ratio Relativity	Factor Selected
0 - 10 years	223,415	317,351	0.70	0.80	0.80
10 - 15 years	329,109	397,859	0.83	0.94	0.94
15 - 49 years	786,779	912,313	0.86	0.98	0.98
50+ years	1,465,893	1,665,788	0.88	1.00	1.00

*Illinois Worry Free Insurance Company data, years 2008 to 2009

**Only includes policies with renovations

Based upon these considerations, the fully indicated discounts were selected. Base rates were offset to make this a rate neutral change.

PROPERTY & CASUALTY 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, unless allowed by state.)

1.	This filing transmittal is part of Company Tracking #	Filing 1876-192
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2.	This filing corresponds to form filing number (Company tracking number of form filing, if applicable)	
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Rate Increase
 Rate Decrease
 Rate Neutral (0%)

3.	Filing Method (Prior Approval, File & Use, Flex Band, etc.)	Use & File
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4a	Rate Change by Company (As Proposed)						
Company Name	Overall % Indicated Change	Overall % Rate Impact	Written Premium Change for this program	# of policyholders affected for this program	Written premium for this program	Maximum % Change (where required)	Minimum % Change (where required)
Worry Free Insurance Company	0.0%	0.0%	\$0	4,908	\$6,182,177		

4b	Rate Change by Company (As Accepted) For State Use Only						
Company Name	Overall % Indicated Change (when Applicable)	Overall % Rate Impact	Written Premium Change for this program	# of policyholders affected for this program	Written premium for this program	Maximum % Change (where required)	Minimum % Change (where required)

5. Overall Rate Information (Complete for Multiple Company Filings only)			
		COMPANY USE	STATE USE
5a.	Overall percentage rate indication		
5b.	Overall percentage rate impact for this filing		
5c.	Effect of Rate Filing – Written premium change for this program		
5d.	Effect of Rate Filing - Number of policyholders affected		

6.	Overall percentage of last rate revision	0.0%
7.	Effective Date of last rate revision	6/1/2010
8.	Filing Method of Last filing (Prior Approval, File & Use, Flex Band, etc.)	Use and File

Effective March 1, 2007

9.	Rule # or Page # Submitted for Review	Replacement or withdrawn?	Previous state filing number, if required by state
01	Rate page 2a	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
02	Rate page 7a	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	

**WORRY FREE INSURANCE COMPANY
HOMEOWNERS**

SUMMARY OF MANUAL REVISIONS

The following is intended to highlight the revisions made to the current Rate Manual. Details of these revisions have been incorporated into previous filing exhibits.

Rate Pages

- Page 2a – Updated the base rate in rating step 1 to reflect the base rate offset.
- Page 7a – Updated the Age of Home and Renovated Home discount factors.

ILLINOIS
WORRY FREE INSURANCE COMPANY
HOMEOWNERS RATING MANUAL

Rate
Calculation
Step

1 *Homeowners Base Rate:*

Rate: \$1000

2 *Territorial Relativity:*

Territory	Relativity
1	0.689
2	1.126
3	0.882
4	0.977
5	1.052
6	0.773
7	1.201
8	0.855
9	0.841
10	1.501
11	1.074
12	0.931
13	1.302
14	0.722

ILLINOIS
WORRY FREE INSURANCE COMPANY
HOMEOWNERS RATING MANUAL

Rate
Calculation
Step

4 *Claim Free Discount:*

Factor: 0.80

5 *Coverage BC - Building Codes Factor:*

Factor: 1.05

6 *Dwellings in the Course of Construction Factor:*

Factor: 0.70

7 *Age of Home Discount:*

<u>Age of Home</u>	<u>Factor</u>
0-10 years	0.75
10-15 years	0.88
15-49 years	0.96
50+ years	1.00

8 *Renovated Home Discount:*

<u>Age of Renovation</u>	<u>Factor</u>
0-10 years	0.80
10-15 years	0.90
15-49 years	0.98
50+ years	1.00