

**AMSHIELD INSURANCE COMPANY  
OREGON HOMEOWNERS  
EXPLANATORY MEMORANDUM**

**Summary**

Base Rates and Companion Policy Discount Factor were revised.

**The overall change in revenue is -11.4% or -\$377,410.**

**Actuarial Analysis**

AmShield Insurance Company proposes a rate decrease for Homeowners. Standard assumptions behind indicated changes suggest a positive need of 11.5%. Those assumptions look back 5 years, over which time earned premiums have increased from \$600,000 to just over \$3 million as AmShield continues to newly establish itself in the Oregon market. The company took multiple significant rate changes over the 5 years (cumulative +27%) in response to poor loss experience and rapidly rising construction costs. Through those changes, growth continued strong but recently we have seen year-over-year homeowners conversion rates drop at year end 2025 (from 86 new policies in 01/2025 to 47 in 01/2026). AmShield believes the decline is a result of more efficient underwriting due to infrastructure and personnel investments combined with over-estimation of needed premiums for specific risk profiles. Loss experience remains not completely credible, but for the company as a whole, it has improved significantly. Business written since 01/01/2024 has performed markedly better (45% Loss Ratio on 4% loss occurrence per policy) than the combined business written before 2024 (80% Loss Ratio on 22% loss occurrence per policy), which is when much of our internal systems changes began taking effect. These effects are only beginning to show in the long-term view embedded in the standard actuarial ratemaking methodology. Stability over the 5 years is obviously missing in the company's short history. With drastic changes in the book of business, expenses are difficult to forecast in the short-term. The indications included provide a view with fixed expenses adjusted to a long-term value based on actuarially selected values. Finally, the adjustment for excess wind/hail losses should reflect the long-term average excess wind/hail losses. For AmShield, the history is only somewhat credible for 5 years, at the most. Lacking this data, ISO factors are used as a proxy. ISO experience is based on statewide results for the industry, where AmShield has not grown enough to have credible volume in all areas of the state at this point. Though this data is the best data available, it certainly introduces error in the estimated rate need. AmShield believes the proposed rate decrease is reasonable given the margin of error inherent in the indicated need methodology.

**Rule Pages**

**HO-459 Companion Policy Discount** – Factor was revised.

**Rate Pages**

**HO-901.A.1 Territorial Base Rates** – Territorial Base Rates By-Peril were revised.

**HO-901.D.1 Age of Construction Factors** – Age of Construction Factors were revised.

**HO-901.F 901.H Peril Factors** – Non-Liability Premium Distribution by Peril rates were revised.