

SERFF Tracking Number: CNAC-125314764 State: Arkansas
Filing Company: Continental Casualty Company State Tracking Number: AR-PC-07-026344
Company Tracking Number: 07-R2184
TOI: 17.0 Other Liability - Claims Made/Occurrence Sub-TOI: 17.0006 Directors & Officers Liability
Product Name: Directors & Officers Liability Program
Project Name/Number: /07-R2184

Filing at a Glance

Company: Continental Casualty Company
Product Name: Directors & Officers Liability Program SERFF Tr Num: CNAC-125314764 State: Arkansas
TOI: 17.0 Other Liability - Claims Made/Occurrence SERFF Status: Closed State Tr Num: AR-PC-07-026344
Sub-TOI: 17.0006 Directors & Officers Liability Co Tr Num: 07-R2184 State Status:
Filing Type: Rate Co Status: Reviewer(s): Betty Montesi, Edith Roberts, Brittany Yielding
Author: Robert Alonzo Disposition Date: 10/29/2007
Date Submitted: 10/05/2007 Disposition Status: Exempt from Review
Effective Date Requested (New): 11/15/2007 Effective Date (New):
Effective Date Requested (Renewal): 11/15/2007 Effective Date (Renewal):

General Information

Project Name: Status of Filing in Domicile: Not Filed
Project Number: 07-R2184 Domicile Status Comments:
Reference Organization: Reference Number:
Reference Title: Advisory Org. Circular:
Filing Status Changed: 10/29/2007
State Status Changed: 10/05/2007 Deemer Date:
Corresponding Filing Tracking Number:
Filing Description:
FYI ONLY - EXEMPT

This program provides management liability coverage for individual insured persons, management liability reimbursement coverage for insureds entities, insureds entities securities liability coverage and outside entity executive liability coverage.

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Company and Contact

Filing Contact Information

Robert Alonzo, State Filing Analyst robert.alonzo@cna.com
 40 Wall Street (212) 440-3478 [Phone]
 New York, NY 10005 (212) 440-2877[FAX]

Filing Company Information

Continental Casualty Company CoCode: 20443 State of Domicile: Illinois
 40 Wall Street Group Code: 218 Company Type:
 9th Floor
 New York, NY 10005 Group Name: State ID Number:
 (212) 440-3478 ext. [Phone] FEIN Number: 36-2114545

Filing Fees

Fee Required? Yes
 Fee Amount: \$100.00
 Retaliatory? No
 Fee Explanation:
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Continental Casualty Company	\$0.00	10/05/2007	

CHECK NUMBER	CHECK AMOUNT	CHECK DATE
0000206070	\$100.00	10/02/2007

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Exempt from Review	Edith Roberts	10/29/2007	10/29/2007

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Disposition

Disposition Date: 10/29/2007

Effective Date (New):

Effective Date (Renewal):

Status: Exempt from Review

Comment:

Rate data does NOT apply to filing.

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Item Type	Item Name	Item Status	Public Access
Supporting Document	NAIC FORMS		Yes
Supporting Document	Cover Letter		Yes
Supporting Document	Actuary Memo		Yes
Rate	Guide Rates		Yes

SERFF Tracking Number: CNAC-125314764 *State:* Arkansas
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Rate Information

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Rate/Rule Schedule

Review Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Attachments Number:
	Guide Rates	Pages 1 & 2	New	Guide - Manual Pages Arkansas.pdf

**Continental Casualty Company
Directors & Officers Liability**

BASE PREMIUM

Apply the following base premium, based on the firm's market capitalization and assets. The base premiums represent a primary limit of \$1M for A, B and Entity coverage for a publicly traded company. Premiums may be reduced for privately held firms, and/or for reduced coverage. Ranges for market caps and assets not listed may be derived by interpolation.

Mkt Cap, Assets (\$mil)	Minimum	Maximum
1.0 MC, 1.5 A	3,500	22,223
100 MC, 150 A	5,397	62,697
1,000 MC, 1,500 A	14,189	152,950
10,000 MC, 15,000 A	28,439	266,040
100,000 MC, 150,000 A	56,401	402,588
500,000 MC, 750,000 A	92,374	513,397

INDIVIDUAL RISK MODIFICATION

Under the proposed rating plan, premium may be modified to reflect an individual risk's exposure to loss. We will carefully document and maintain detailed records to ensure that the base rates are selected using our guidelines, and that rates are not inadequate, excessive or unfairly discriminatory. The following table outlines the types of individual risk modifiers that may be used by our underwriters.

Risk Characteristic	Mod Range
Corporate Governance	-10% to +10%
Financial Rating	-5% to +15%
Years in Business	-10% to +50%
Stock Offerings	0% to +25%
Legal Proceedings/Claims/Restatements	-5% to +50%
Financial Performance	-10% to +10%
Accounting Practices	-10% to +50%
Stock Price Performance	-10% to +50%
Mergers/Acquisitions/Divestitures	-10% to +50%
Unique Exposures	-50% to +50%

The total risk modification is limited to +/-50%.

FINAL PREMIUM

The final premium will be adjusted for commission, participation and coinsurance, and subject to minimum of \$3,500 per one million of coverage.

**Continental Casualty Company
Directors & Officers Liability**

ADDITIONAL RULE

The Management Liability Solutions Policy is subject to a minimum aggregate limit of \$500,000.

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Supporting Document Schedules

Review Status:
Satisfied -Name: NAIC FORMS 10/05/2007
Comments:
Attachments:
AR PC TD r.pdf
PC RR.pdf

Review Status:
Satisfied -Name: Cover Letter 10/05/2007
Comments:
Attachment:
AR #07-R2184 cover letter.pdf

Review Status:
Satisfied -Name: Actuary Memo 10/05/2007
Comments:
Attachment:
Memo Arkansas.pdf

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:
	New Business
	Renewal Business
	f. State Filing #:
	g. SERFF Filing #:
	h. Subject Codes

3. Group Name	Group NAIC #
CNA	20443

4. Company Name(s)	Domicile	NAIC #	FEIN #	State #
Continental Casualty Company	IL	20443	36-2114545	

5. Company Tracking Number	07-R2184
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Contact Info of Filer(s) or Corporate Officer(s) [include toll-free number]

6.	Name and address	Title	Telephone #s	FAX #	e-mail
	Robert Alonzo 40 Wall Street - 9 th Floor	State Filing Analyst	212-440-3478	212.-440-3478	robert.alonzo@cna.com
	New York, NY 10005				

7.	Signature of authorized filer	<i>Robert Alonzo</i>
8.	Please print name of authorized filer	Robert Alonzo

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

9. Type of Insurance (TOI)	Other Liability
10. Sub-Type of Insurance (Sub-TOI)	
11. State Specific Product code(s) (if applicable)[See State Specific Requirements]	
12. Company Program Title (Marketing title)	Directors & Officers Liability
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: 11/15/2007 Renewal: 11/15/2007
15. Reference Filing?	<input type="checkbox"/> Yes <input type="checkbox"/> No
16. Reference Organization (if applicable)	
17. Reference Organization # & Title	

18. Company's Date of Filing	
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 #	07-R2184
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21. Filing Description [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]
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On behalf of Continental Casualty Company, we hereby submit for your review and approval our Employment Practices Liability Solutions Program. This program provides coverage for claims by employees against their employers and fellow employees arising out of employment practice disputes (for example: claims that allege discrimination, sexual harassment, wrongful termination, and wrongful discipline).

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 #: 0000206070
Amount: 100.00

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.)**

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 #	07-R2184
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2.	This filing corresponds to form filing number (Company tracking number of form filing, if applicable)	07-F2184
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Rate Increase
 Rate Decrease
 Rate Neutral (0%)

3.	Filing Method (Prior Approval, File & Use, Flex Band, etc.)	F/U (EXEMPT) FYI Only
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4a.	Rate Change by Company (As Proposed)						
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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)
CCC	0%	N/A	N/A	N/A	N/A	0%	0%

4b.	Rate Change by Company (As Accepted) For State Use Only						
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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)

Overall Rate Information (Complete for Multiple Company Filings only)			
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		COMPANY USE	STATE USE
5a.	Overall percentage rate indication (when applicable)		
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	New Program
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7.	Effective Date of last rate revision	New Program
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8.	Filing Method of Last filing (Prior Approval, File & Use, Flex Band, etc.)	New Program
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9.	Rule # or Page # Submitted for Review	Replacement or Withdrawn?	Previous state filing number, if required by state
01	Actuary Memo	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
02	Manual Page 1 & 2	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
03		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	



40 Wall Street – 9th Floor
New York, New York 10005

Robert Alonzo

State Filing Analyst
P & C State Filing Unit
CNA Global Specialty Lines

October 3, 2007

Telephone 212-440-3478
Facsimile 212-440-2877
Toll Free 877-269-3277 x 3478
Internet robert.alonzo@cna.com

ARKANSAS INSURANCE DEPARTMENT
PROPERTY & CASUALTY DIVISION
1200 W 3RD ST
LITTLE ROCK AR 72201-1904

RE: CONTINENTAL CASUALTY COMPANY NAIC# 218-20443 FEIN# 36-2114545
Management Liability Solutions Program
Rate Filing
OUR FILE NO.: 07-R2184

To Whom It May Concern:

On behalf of Continental Casualty Company, we hereby submit for your review and approval our Management Liability Solutions Program. This program provides management liability coverage for individual insured persons, management liability reimbursement coverage for insureds entities, insureds entities securities liability coverage and outside entity executive liability coverage.

We will rate this program on a guide (a) rate basis. Enclosed please find actuary memo and manual pages for your review.

The applicable forms are being filed under a separate cover.

We propose that this filing become applicable to all policies written on or after November 15, 2007, or the earliest date permitted by your state.

Very truly yours,

Robert Alonzo

Robert Alonzo
State Filing Analyst

Continental Casualty Company

Directors & Officers Liability Actuarial Memorandum

Purpose

Continental Casualty Company (CCC) is filing its Directors & Officers Liability rates for publicly traded companies. There is no premium impact associated with this filing. No primary D&O premium has been written for public companies in Arkansas on an admitted basis in the last three years.

Underwriting Guidelines

Directors & Officers coverage will be offered to publicly traded companies, with CCC serving as the admitted carrier. Coverage will be offered on a primary basis.

Rate Determination

Directors & Officers losses are characterized by very low frequency and very high severity. Continental Casualty Company has not generated sufficient loss data to develop rates based on its own experience. Our rates were based on analysis of industry-wide losses, using the Stanford Law School's Securities Class Action Clearinghouse database. Supplemental loss data from an outside vendor was also used.

We first determined an overall expected claim frequency and severity, based on the industry data. We then grouped the data by size of company, location, industry type, etc., and the base assumptions were adjusted to reflect the experience of that particular group. For example, we noticed that larger firms' claims tended to be more frequent and more severe, so a single factor was not appropriate for all insureds. When firms were segmented according to market cap size, the average loss per group exhibited a clear upward trend. The adjusted frequency and severity projections are then combined to determine expected loss costs. The loss cost is divided by the permissible loss ratio to determine the base premium at 1M limits of coverage.

It is important to keep in mind that variation among risks is quite large. We have attempted to quantify many of these differences. However, we rely heavily on our underwriters to identify individual risks which pose extra hazards beyond those considered in this rating plan, such as governance structure, financial conditions, etc., and adjust the premium accordingly. It is expected that underwriters will exercise sound judgment, with full and clear file documentation of the underwriting reasoning used.