

SERFF Tracking Number: AGNY-125220620 State: Arkansas  
 Filing Company: National Union Fire Insurance Company of Pittsburgh, Pa. State Tracking Number: AR-PC-07-025562  
 Company Tracking Number: AIC-07-EO-08  
 TOI: 17.1 Other Liability - Claims Made Only Sub-TOI: 17.1019 Professional Errors & Omissions Liability  
 Product Name: Miscellaneous Professional Liability  
 Project Name/Number: E&O Miscellaneous Professional Liability/AIC-07-EO-08

## Filing at a Glance

Company: National Union Fire Insurance Company of Pittsburgh, Pa.  
 Product Name: Miscellaneous Professional Liability SERFF Tr Num: AGNY-125220620 State: Arkansas  
 TOI: 17.1 Other Liability - Claims Made Only SERFF Status: Closed State Tr Num: AR-PC-07-025562  
 Sub-TOI: 17.1019 Professional Errors & Omissions Liability Co Tr Num: AIC-07-EO-08 State Status:  
 Filing Type: Rate Co Status: Reviewer(s): Betty Montesi, Edith Roberts, Brittany Yielding  
 Author: Jameka Harris Disposition Date: 11/07/2007  
 Date Submitted: 07/23/2007 Disposition Status: Filed  
 Effective Date Requested (New): 08/23/2007 Effective Date (New):  
 Effective Date Requested (Renewal): 08/23/2007 Effective Date (Renewal):

## General Information

Project Name: E&O Miscellaneous Professional Liability Status of Filing in Domicile: Pending  
 Project Number: AIC-07-EO-08 Domicile Status Comments:  
 Reference Organization: N/A Reference Number: N/A  
 Reference Title: N/A Advisory Org. Circular: N/A  
 Filing Status Changed: 11/07/2007  
 State Status Changed: 07/24/2007 Deemer Date:  
 Corresponding Filing Tracking Number:

### Filing Description:

The National Union Fire Insurance Company of Pittsburgh, Pa has has on file with your Department its Miscellaneous Professional Liability Program. The Company submits for your review and approval, the attached rating plan. The rating plan will be used to rate the endorsements that are being submitted separately.

Please refer to the attached Filing Memorandum to see revisions made to the previous version of the rating plan and the attached actuarial materials for information about the rating plan included in this submission.

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## Company and Contact

### Filing Contact Information

Jameka Harris, Filings Analyst jameka.harris@aig.com  
 175 Water Street, 17th Floor (212) 458-7056 [Phone]  
 New York, NY 10038 (212) 458-7077[FAX]

### Filing Company Information

National Union Fire Insurance Company of Pittsburgh, Pa.	CoCode: 19445	State of Domicile: Pennsylvania
70 Pine Street	Group Code:	Company Type:
New York, NY 10270	Group Name:	State ID Number:
(212) 770-7000 ext. [Phone]	FEIN Number: 25-0687550	
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## Filing Fees

Fee Required?	Yes
Fee Amount:	\$50.00
Retaliatory?	No
Fee Explanation:	Please review Serff TR Num AGNY-125220619 as filing fee is attached.
Per Company:	No

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 Liability  
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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Filed	Edith Roberts	11/07/2007	11/07/2007

### Objection Letters and Response Letters

Objection Letters				Response Letters		
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
Pending	Edith Roberts	09/05/2007	09/05/2007	Jameka Harris	11/01/2007	11/01/2007

Industry Response

SERFF Tracking Number: *AGNY-125220620* State: *Arkansas*  
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## Disposition

Disposition Date: 11/07/2007  
 Effective Date (New):  
 Effective Date (Renewal):  
 Status: Filed  
 Comment:

<b>Company Name:</b>	<b>Overall % Rate Impact:</b>	<b>Written Premium Change for this Program:</b>	<b># of Policy Holders Affected for this Program:</b>	<b>Premium:</b>	<b>Maximum % Change (where required):</b>	<b>Minimum % Change (where required):</b>	<b>Overall % Indicated Change:</b>
National Union Fire Insurance Company of Pittsburgh, Pa.	-4.300%	\$1,618	3	\$37,844	53.400%	0.000%	0.000%

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Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Filed	Yes
Supporting Document	NAIC Loss Cost Filing Document for OTHER than Workers' Comp	Filed	Yes
Supporting Document	NAIC loss cost data entry document	Filed	Yes
Supporting Document	Filing Memorandum	Filed	Yes
Rate	Rating Plan	Filed	Yes
Rate	Actuarial Documents	Filed	Yes
Rate	Exception page (AR)	Filed	Yes

SERFF Tracking Number: *AGNY-125220620* State: *Arkansas*  
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Supporting Document	Filing Memorandum	Filed	Yes
Rate	Rating Plan	Filed	Yes
Rate	Actuarial Documents	Filed	Yes
Rate	Exception page (AR)	Filed	Yes

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## Objection Letter

Objection Letter Status Pending Industry Response  
Objection Letter Date 09/05/2007  
Submitted Date 09/05/2007  
Respond By Date  
Dear Jameka Harris,

This will acknowledge receipt of the captioned filing.

Please make rule that for all categories of rate credits or debits, they will not exceed +/- 50%.

Please feel free to contact me if you have questions.

Sincerely,  
Edith Roberts

## Response Letter

Response Letter Status Submitted to State  
Response Letter Date 11/01/2007  
Submitted Date 11/01/2007

Dear Edith Roberts,

### Comments:

#### Response 1

Comments: Please find attached the Arkansas rate(s) exception page.

We hope this additional information will enable you to continue with a favorable review of our filing.

### Changed Items:

No Supporting Documents changed.

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No Form Schedule items changed.

### Rate/Rule Schedule Item Changes

Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing #
Exception page (AR)		New	

Sincerely,  
Jameka Harris

SERFF Tracking Number: AGNY-125220620 State: Arkansas  
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**Rate Information**

Rate data applies to filing.

**Filing Method:** Prior Approval  
**Rate Change Type:** Decrease  
**Overall Percentage of Last Rate Revision:** 45.400%  
**Effective Date of Last Rate Revision:** 08/21/2001  
**Filing Method of Last Filing:** Prior Approval

**Company Rate Information**

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Premium:	Maximum % Change (where required):	Minimum % Change (where required):
National Union Fire Insurance Company of Pittsburgh, Pa.	0.000%	-4.300%	\$1,618	3	\$37,844	53.400%	0.000%

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## Rate/Rule Schedule

Review Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Attachments Number:
Filed	Exception page (AR)		New	MPL Manual - AR Exceptions.pdf
Filed	Rating Plan		Replacement	AIC-01-PR-05 Rate Manual.pdf 2001 Rating Plan.pdf
Filed	Actuarial Documents		New	ARKANSAS- Miscellaneous Professional Liability- Actuarial Exs-06-19- 2007.pdf Exhibit 1-7.pdf
Filed	Exception page (AR)		New	MPL Manual - AR Exceptions.pdf

**ARKANSAS**

1. The following is added to page MPL-1-4, SCHEDULED RATING:

MAXIMUM OVERALL SCHEDULED RATING MODIFICATION NOT TO EXCEED +/- 50%

The Miscellaneous Professional Liability manual outlines the methodology and format to develop the final premium for risks under consideration. The manual outlines the base premiums, limit and deductible factors, and all other rating considerations for miscellaneous professional liability coverage. The specific criteria and risk modifications are outlined in their respective manual pages.

**MISCELLANEOUS PROFESSIONAL LIABILITY PREMIUM EQUATION**

The following equation is used in the premium calculation:

<b>FINAL PREMIUM</b> =	[BASE PREMIUM x LIMIT/RETENTION FACTOR x SCHEDULED RATING FACTOR x CLAIMS HISTORY FACTOR x PROFESSIONAL EXPERIENCE FACTOR x CONTRACT UTILIZATION FACTOR x ENDORSEMENTS FACTOR x SPECIALTY COVERAGE FACTOR]
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Where:

BASE PREMIUM = (see Manual Page [MPL-1-3 - GoTo](#))

LIMIT/RETENTION FACTOR = (see Manual Page [MPL -1-3a - GoTo](#))

SCHEDULED RATING FACTOR = (see Manual Page [MPL -1-4 - GoTo](#))

CLAIMS HISTORY FACTOR (see Manual Page [MPL -1-5 - GoTo](#))

PROFESSIONAL EXPERIENCE FACTOR = (see Manual Page [MPL -1-6 - GoTo](#))

CONTRACT UTILIZATION FACTOR = (see Manual Page [MPL -1-7 - GoTo](#))

ENDORSEMENTS FACTOR = (see Manual Page [MPL -1-8 - GoTo](#))

SPECIALTY COVERAGE FACTOR = (see Manual Page [MPL -1-9 - GoTo](#))

[Go Back To MPL PREMIUM Equation \(Page MPL-1-1\)](#)

**HAZARD GROUP DETERMINATION**

Select the appropriate hazard group for the applicant based upon the professional services they provide. If the applicant provides more than one type of service, then hazard group rates will be applied pro rata based on revenues to develop a composite hazard rate. For services not specifically listed, the underwriter shall select the class of business most representative of the risk under consideration of the corresponding hazard class.

PROFESSIONAL SERVICE	HAZARD GROUP	PROFESSIONAL SERVICE	HAZARD GROUP
Actuary	6	Insurance Agents	5
Acupuncture	5	Interior Designers (non-structural)	2
Advertising Agents	2	Kennel / Pet Instruction	2
Answering Services	1	Landscape Architects	2
Auctioneers	2	Land Surveyor	4
Auditor	6	Lease Broker	4
Bail Bonds	2	Life Agent	5
Barbers	1	Management Consultant	3
Beauticians	1	Managing General Agent	5
Benefit Administrator	3	Manicurists	1
Benefit Plan Consultant	3	Marine Title Agent / Surveyor	4
Broadcasters	2	Marketing Consultants	2
Business Broker	6	Miscellaneous Planners	2
Business Manager	4	Mortgage Broker	3
Cemeteries	2	Nanny Service	3
Charm Schools	1	Notary Public	2
Claim Adjusters	3	Outsourcing	3
Claim Administrators	3	Paging Services	1
Coin/Gem/Art Dealers	2	Paralegal	4
Collection Agency	3	Personal Trainers	1
Composer / Lyricist	3	Photographic Studios	1
Computer Bureau/Consultants	2	Printing (financial)	3
Consultant	4	Printing (non-financial)	2
Contest Manager	4	Private Investigator	3
Cosmetologists	1	Process Servers	2
Court Reporters	1	Property Manager	5
Credit Bureau	3	Public Relations	2
Dating Service	3	Publishers	2
Day Care Center	4	Real Estate Agent (commercial)	6
Driving Instructor	3	Real Estate Agent (residential)	5
Electrolysis	3	Real Estate Appraiser	6
Employee Leasing	3	Real Estate Developer	6

[Go Back To MPL PREMIUM Equation \(Page MPL-1-1\)](#)

[Go Back To MPL PREMIUM Equation \(Page \*\*MPL-1-1\*\*\)](#)

**HAZARD GROUP DETERMINATION (continued)**

Entertainment	2	Recording Studios	2
Equipment Appraiser	4	Relocation Agent	3
Equipment Testing	5	Résumé Services	1
Escort Service	3	Safety Inspector	5
Escrow Agent	4	Social Service Agency	3
Expert Witness	3	Structured Settlement Consultant	3
Farm Manager	3	Syndicator	6
Film Editing	2	Talent Agents	2
Financial Consultant	6	Tanning Salon	5
Fitness Instructors	2	Tax Preparers	2
Foreclosure Agents	4	Temporary Service	3
Foresters	2	Testing Services	2
Franchiser	6	Third Party Administrator	3
Freight Forwarder	5	Ticket Brokers	2
Funeral Directors	2	Title Agents / Abstractors	3
Game Promoter	4	Trainer	4
Graphic Designer	3	Travel Agents	2
Home Health	5	Trustee	3
Hotel Manager	4	Tutors	2
Incentive Plan Promoter	4	Typing Services	2

[Go Back To MPL PREMIUM Equation \(Page \*\*MPL-1-1\*\*\)](#)

[Go Back To MPL PREMIUM Equation \(Page MPL-1-1\)](#)

**BASE PREMIUM**

Calculate the base premium by using the factors in the appropriate hazard column. These factors are multiplied by the revenue tier. The products for each tier are then added together to yield the base premium.

Gross Revenues (in 000's)	Hazard 1	Hazard 2	Hazard 3	Hazard 4	Hazard 5	Hazard 6
Minimum Base Premium	\$1,000	\$1,500	\$2,000	\$2,500	\$3,000	\$5,000
First 250	8.00	10.00	12.00	16.00	32.00	45.00
Next 250	4.00	5.00	8.00	10.00	15.00	20.00
Next 500	2.00	3.00	4.00	6.00	10.00	12.00
Next 2,000	1.00	1.50	1.50	3.00	6.00	8.00
Next 2,000	.90	1.00	1.25	2.00	5.00	6.00
Next 5,000	.60	.90	.90	1.00	3.00	4.00
Next 10,000	.30	.40	.60	.80	2.00	2.50
Next 15,000	.20	.30	.35	.60	1.00	1.50
Next 15,000	.10	.20	.30	.40	.90	1.00
Next 50,000	.09	.10	.15	.20	.40	.80
* Over 100,000 (Risks of this size shall be A-rated)						

**RULES:**

- 1) Trustees – use the Asset Size of the Trust as the rating basis in lieu of Gross Revenues
- 2) Remote cases where gross revenues are not a suitable rating basis – use the most appropriate rating basis in lieu of Gross Revenues for that particular account

[Go Back To MPL PREMIUM Equation \(Page MPL-1-1\)](#)

# MISCELLANEOUS PROFESSIONAL LIABILITY

MPL-1-3a

## LIMIT/RETENTION FACTOR

Retention		Aggregate Limit										
1K		250K	500K	1M	2M	3M	4M	5M	10M	15M	20M	25M
Occurrence Limit	250K	0.500	0.615	0.754	0.919	1.024	1.088	1.135	1.270	1.349	1.391	1.426
	500K		0.756	0.928	1.131	1.260	1.339	1.397	1.563	1.660	1.712	1.754
	1M			1.138	1.388	1.545	1.643	1.714	1.917	2.036	2.100	2.152
	2M				1.692	1.884	2.003	2.089	2.337	2.482	2.560	2.623
	3M					2.098	2.230	2.327	2.602	2.764	2.850	2.921
	4M						2.372	2.474	2.767	2.939	3.031	3.106
	5M							2.581	2.886	3.065	3.162	3.240
	10M								3.228	3.428	3.536	3.624
	15M									3.641	3.755	3.849
	20M										3.873	3.970
	25M											4.068

Retention		Aggregate Limit										
1.5K		250K	500K	1M	2M	3M	4M	5M	10M	15M	20M	25M
Occurrence Limit	250K	0.484	0.597	0.734	0.897	1.000	1.064	1.110	1.245	1.323	1.366	1.401
	500K		0.736	0.905	1.106	1.232	1.312	1.369	1.534	1.632	1.684	1.727
	1M			1.112	1.359	1.515	1.612	1.683	1.886	2.005	2.070	2.123
	2M				1.660	1.850	1.969	2.055	2.303	2.450	2.529	2.593
	3M					2.063	2.195	2.291	2.568	2.731	2.819	2.891
	4M						2.336	2.438	2.733	2.906	3.000	3.077
	5M							2.545	2.853	3.034	3.131	3.212
	10M								3.197	3.400	3.509	3.599
	15M									3.615	3.732	3.827
	20M										3.852	3.951
	25M											4.052

Retention		Aggregate Limit										
2.5K		250K	500K	1M	2M	3M	4M	5M	10M	15M	20M	25M
Occurrence Limit	250K	0.461	0.570	0.703	0.862	0.962	1.026	1.072	1.205	1.284	1.327	1.363
	500K		0.705	0.870	1.066	1.190	1.268	1.325	1.490	1.588	1.641	1.685
	1M			1.072	1.314	1.467	1.564	1.634	1.837	1.958	2.024	2.078
	2M				1.610	1.798	1.916	2.002	2.251	2.399	2.480	2.546
	3M					2.008	2.140	2.236	2.515	2.679	2.770	2.844
	4M						2.280	2.383	2.680	2.855	2.951	3.030
	5M							2.490	2.800	2.983	3.084	3.167
	10M								3.148	3.355	3.468	3.561
	15M									3.575	3.695	3.794
	20M										3.820	3.922
	25M											4.027

Retention		Aggregate Limit										
5K		250K	500K	1M	2M	3M	4M	5M	10M	15M	20M	25M
Occurrence Limit	250K	0.420	0.522	0.648	0.799	0.896	0.957	1.002	1.134	1.212	1.257	1.293
	500K		0.650	0.806	0.994	1.114	1.190	1.246	1.410	1.508	1.563	1.608
	1M			1.000	1.233	1.382	1.476	1.546	1.749	1.871	1.939	1.995
	2M				1.520	1.704	1.820	1.906	2.157	2.307	2.391	2.460
	3M					1.910	2.041	2.137	2.418	2.586	2.680	2.757
	4M						2.180	2.283	2.583	2.762	2.863	2.946
	5M							2.390	2.704	2.892	2.998	3.084
	10M								3.060	3.270	3.390	3.490
	15M									3.500	3.630	3.730
	20M										3.760	3.870
	25M											3.980

# MISCELLANEOUS PROFESSIONAL LIABILITY

MPL-1-3b

## LIMIT/RETENTION FACTOR (continued)

Retention		Aggregate Limit										
10K		250K	500K	1M	2M	3M	4M	5M	10M	15M	20M	25M
Occurrence Limit	250K	0.369	0.463	0.579	0.721	0.812	0.870	0.914	1.043	1.121	1.166	1.203
	500K		0.581	0.727	0.904	1.019	1.092	1.147	1.309	1.407	1.463	1.509
	1M			0.910	1.132	1.275	1.367	1.435	1.638	1.760	1.831	1.889
	2M				1.407	1.586	1.700	1.785	2.037	2.189	2.277	2.349
	3M					1.786	1.915	2.011	2.295	2.466	2.565	2.646
	4M						2.054	2.156	2.460	2.644	2.750	2.837
	5M							2.264	2.583	2.776	2.888	2.979
	10M								2.948	3.166	3.293	3.400
	15M									3.405	3.544	3.651
	20M										3.684	3.802
	25M											3.920

Retention		Aggregate Limit										
15K		250K	500K	1M	2M	3M	4M	5M	10M	15M	20M	25M
Occurrence Limit	250K	0.346	0.437	0.549	0.685	0.774	0.832	0.874	1.002	1.079	1.124	1.161
	500K		0.551	0.692	0.865	0.976	1.049	1.103	1.263	1.361	1.418	1.464
	1M			0.870	1.087	1.227	1.318	1.386	1.588	1.711	1.782	1.841
	2M				1.358	1.533	1.647	1.731	1.984	2.137	2.226	2.299
	3M					1.732	1.860	1.955	2.240	2.413	2.514	2.597
	4M						1.998	2.100	2.406	2.592	2.700	2.789
	5M							2.208	2.530	2.725	2.839	2.932
	10M								2.899	3.120	3.251	3.360
	15M									3.363	3.506	3.617
	20M										3.650	3.771
	25M											3.894

Retention		Aggregate Limit										
25K		250K	500K	1M	2M	3M	4M	5M	10M	15M	20M	25M
Occurrence Limit	250K	0.323	0.410	0.518	0.650	0.736	0.792	0.834	0.960	1.036	1.081	1.118
	500K		0.520	0.657	0.825	0.934	1.005	1.058	1.217	1.314	1.371	1.418
	1M			0.830	1.042	1.180	1.269	1.337	1.538	1.660	1.732	1.792
	2M				1.308	1.481	1.593	1.678	1.930	2.084	2.175	2.249
	3M					1.677	1.805	1.900	2.186	2.360	2.463	2.547
	4M						1.942	2.044	2.352	2.540	2.650	2.740
	5M							2.152	2.476	2.674	2.790	2.885
	10M								2.849	3.074	3.208	3.320
	15M									3.322	3.468	3.582
	20M										3.616	3.741
	25M											3.867

Retention		Aggregate Limit										
50K		250K	500K	1M	2M	3M	4M	5M	10M	15M	20M	25M
Occurrence Limit	250K	0.278	0.357	0.456	0.579	0.660	0.713	0.753	0.874	0.948	0.993	1.029
	500K		0.459	0.586	0.744	0.848	0.916	0.967	1.123	1.218	1.276	1.323
	1M			0.750	0.952	1.084	1.172	1.237	1.436	1.558	1.631	1.691
	2M				1.208	1.376	1.487	1.570	1.823	1.978	2.070	2.146
	3M					1.568	1.694	1.789	2.076	2.253	2.359	2.445
	4M						1.830	1.932	2.243	2.434	2.548	2.642
	5M							2.041	2.369	2.570	2.691	2.790
	10M								2.750	2.982	3.122	3.239
	15M									3.238	3.392	3.512
	20M										3.549	3.681
	25M											3.814

# MISCELLANEOUS PROFESSIONAL LIABILITY

MPL-1-3c

## LIMIT/RETENTION FACTOR (continued)

Retention		Aggregate Limit										
75K		250K	500K	1M	2M	3M	4M	5M	10M	15M	20M	25M
Occurrence Limit	250K	0.243	0.317	0.410	0.525	0.601	0.652	0.690	0.807	0.879	0.923	0.958
	500K		0.413	0.534	0.684	0.783	0.849	0.899	1.051	1.145	1.201	1.248
	1M			0.690	0.884	1.013	1.098	1.162	1.359	1.480	1.554	1.614
	2M				1.133	1.297	1.407	1.489	1.741	1.897	1.991	2.068
	3M					1.486	1.611	1.705	1.994	2.172	2.280	2.368
	4M						1.746	1.849	2.162	2.355	2.471	2.567
	5M							1.957	2.288	2.493	2.616	2.718
	10M								2.676	2.913	3.058	3.178
	15M									3.175	3.335	3.460
	20M										3.498	3.635
	25M											3.774

Retention		Aggregate Limit										
100K		250K	500K	1M	2M	3M	4M	5M	10M	15M	20M	25M
Occurrence Limit	250K	0.221	0.290	0.379	0.489	0.562	0.611	0.648	0.761	0.831	0.874	0.909
	500K		0.382	0.498	0.643	0.739	0.803	0.852	1.002	1.094	1.150	1.196
	1M			0.650	0.839	0.964	1.048	1.112	1.307	1.427	1.501	1.561
	2M				1.083	1.245	1.353	1.435	1.687	1.842	1.937	2.015
	3M					1.431	1.555	1.650	1.939	2.118	2.227	2.316
	4M						1.690	1.793	2.107	2.301	2.420	2.517
	5M							1.901	2.235	2.441	2.566	2.669
	10M								2.627	2.866	3.015	3.138
	15M									3.133	3.297	3.425
	20M										3.464	3.605
	25M											3.748

Retention		Aggregate Limit										
150K		250K	500K	1M	2M	3M	4M	5M	10M	15M	20M	25M
Occurrence Limit	250K	0.192	0.257	0.339	0.443	0.512	0.558	0.593	0.702	0.769	0.811	0.845
	500K		0.344	0.454	0.592	0.684	0.746	0.793	0.939	1.029	1.084	1.130
	1M			0.600	0.783	0.904	0.986	1.048	1.241	1.360	1.433	1.493
	2M				1.021	1.179	1.286	1.367	1.618	1.773	1.869	1.947
	3M					1.363	1.486	1.580	1.870	2.049	2.160	2.250
	4M						1.620	1.723	2.039	2.234	2.355	2.453
	5M							1.832	2.167	2.375	2.504	2.608
	10M								2.565	2.809	2.961	3.087
	15M									3.081	3.249	3.381
	20M										3.422	3.567
	25M											3.715

# MISCELLANEOUS PROFESSIONAL LIABILITY

MPL-1-3d

## LIMIT/RETENTION FACTOR (continued)

Retention		Aggregate Limit										
250K		250K	500K	1M	2M	3M	4M	5M	10M	15M	20M	25M
Occurrence Limit	250K	0.163	0.223	0.300	0.396	0.460	0.503	0.537	0.640	0.704	0.743	0.776
	500K		0.305	0.410	0.541	0.629	0.688	0.733	0.874	0.961	1.016	1.060
	1M			0.550	0.726	0.844	0.923	0.984	1.173	1.291	1.363	1.423
	2M				0.958	1.114	1.219	1.299	1.549	1.704	1.800	1.878
	3M					1.294	1.417	1.510	1.800	1.980	2.092	2.183
	4M						1.550	1.653	1.970	2.167	2.289	2.389
	5M							1.762	2.100	2.310	2.440	2.547
	10M								2.503	2.751	2.907	3.036
	15M									3.029	3.202	3.337
	20M										3.380	3.529
	25M											3.682

Retention		Aggregate Limit										
500K		250K	500K	1M	2M	3M	4M	5M	10M	15M	20M	25M
Occurrence Limit	250K	0.135	0.190	0.260	0.348	0.407	0.447	0.478	0.574	0.634	0.671	0.702
	500K		0.267	0.365	0.489	0.572	0.629	0.672	0.807	0.891	0.944	0.987
	1M			0.500	0.669	0.783	0.860	0.920	1.105	1.220	1.292	1.351
	2M				0.896	1.048	1.152	1.231	1.479	1.633	1.729	1.808
	3M					1.226	1.347	1.440	1.730	1.910	2.023	2.115
	4M						1.481	1.583	1.901	2.099	2.223	2.324
	5M							1.692	2.032	2.244	2.377	2.485
	10M								2.441	2.693	2.853	2.985
	15M									2.976	3.154	3.293
	20M										3.338	3.491
	25M											3.648

Perform linear interpolation for limits/retention options between those included in tables above. Limits under \$1M may not be available in some jurisdictions

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**SCHEDULED RATING**

Apply the following debits/credits to account for individual risk characteristics:

<b>CREDIT</b>	<b>RATING CONSIDERATION</b>	<b>DEBIT</b>
-25%	Territory of Operations	+ 25%
-25%	Nature of Services	+ 25%
-25%	Use of Subcontractor	+ 25%
-25%	Risk Management Practices	+ 25%
-25%	Financial Condition	+ 25%
<b>MAXIMUM OVERALL SCHEDULED RATING MODIFICATION NOT TO EXCEED STATE MANDATED CAP, IF ANY</b>		

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**CLAIMS HISTORY FACTOR**

The **Claims History Factor** is determined by assigning a rating factor (as described below) reflecting the degree of underwriting concern/confidence with regard to the accounts claim history and based on the considerations below. The ratings reflect the underwriting estimation of potential future claims based on the account’s claim history (frequency and severity).

The following Table is used to determine the Claims History Factor:

Degree of Concern/Confidence regarding Claims History	Rating Factor
Very Confident	0.70 – 0.85 0.80
Confident	0.85 – 1.00 0.90
Comfortable	1.00
Low Concern	1.00 – 1.15 1.10
Material Concern	1.15 – 1.25 1.20
High Concern	1.25 – 1.40 1.35
Very High Concern	1.40 – 1.70 1.55

Considerations:

How many claims are made annually on average? What is the nature of the claims that have been encountered? Do claims normally result in insurance payments? Are there any signs of trends in the account’s claims history? Have corrective measures been implemented to limit the same wrongful acts from occurring again?

What is the largest claim payment experienced by the insured? What is the average claim payment amount? Has the account ever experienced a severely high claim payment for their wrongful acts? Have punitive, exemplary or multiplied damages ever been rewarded as a result of the account’s wrongful acts? Have any class action suits ever been filed against the insured?

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**PROFESSIONAL EXPERIENCE FACTOR**

The **Professional Experience Factor** is determined by assigning a rating factor based on the considerations below. The ratings reflect the degree of underwriting confidence or concern with regard to the experience of the insured in this profession.

The following Table is used to determine the **Professional Experience Factor**:

<b>Degree of Concern/Confidence regarding Professional Experience</b>	<b>Rating Factor</b>
Confident	0.85 – 1.00 <b>0.90</b>
Comfortable	1.00
Low Concern	1.00 – 1.10 <b>1.10</b>
Material Concern	1.10 – 1.20 <b>1.20</b>
High Concern	1.20 – 1.30 <b>1.30</b>
Very High Concern	1.30 – 1.50 <b>1.40</b>

Considerations:

Does the applicant have sufficient experience in this professional services field? What is the experience level of the support staff? Do they have professional license or credentialing in the specific service? Does the applicant engage in training or continuing education of the professional staff?

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**CONTRACT UTILIZATION FACTOR**

The **Contract Utilization Factor** is determined by assigning a rating factor based on the considerations below. The ratings reflect the degree of underwriting confidence or concern with regard to the insured's use of written contracts.

The following Table is used to determine the **Contract Utilization Factor**:

<b>Degree of Concern/Confidence regarding Contract Utilization</b>	<b>Rating Factor</b>
Confident	0.85 – 1.00 0.90
Comfortable	1.00
Low Concern	1.00 – 1.10 1.10
Material Concern	1.10 – 1.20 1.20
High Concern	1.20 – 1.30 1.30
Very High Concern	1.30 – 1.50 1.40

Considerations:

Does the applicant's contract provide adequate description of all services to be provided? Do contracts contain appropriate exculpatory clauses? Has the contract been drafted and reviewed by counsel? Are contracts used with clients on every engagement? Are the contracts in place before services are performed for the clients?

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**ENDORSEMENTS FACTOR**

The **Endorsements Factor** is determined by assigning a rating factor (as described below) reflecting the degree of underwriting concern/confidence with regard to the effect on coverage resulting from endorsement attachment. An evaluation/risk assessment of all expansive and restrictive endorsements attached is undertaken, and a suitable rating factor is determined by the underwriter.

The following Table is used to determine the Endorsements Factor:

Degree of Concern/Confidence regarding Endorsement coverage changes	Rating Factor
Very Confident	0.70 – 0.85 0.80
Confident	0.85 – 1.00 0.90
Comfortable	1.00
Low Concern	1.00 – 1.15 1.10
Material Concern	1.15 – 1.25 1.20
High Concern	1.25 – 1.40 1.35
Very High Concern	1.40 – 1.70 1.55

Considerations:

How many coverage-expanding endorsements are being attached? How many coverage-restricting endorsements are being attached? Are these endorsements slightly, moderately or extremely expansive/restrictive *in nature*? Are these endorsements slightly, moderately or extremely expansive/restrictive *with respect to this particular risk*? What is the overall effect on coverage in consideration of all expansive/restrictive endorsements attached?

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**SPECIALTY COVERAGE FACTOR****Specialty Coverage Factors:***Prior Acts Coverage:*

Select the appropriate factor based on the extent of the prior acts coverage provided.

<b>Prior Acts Coverage</b>	<b>Prior Acts Coverage Factor</b>
No Prior Acts	1.00
One (1) year or less	1.12
More than one (1) year, but no more than two (2) years	1.20
More than two (2) years, but no more than three (3) years	1.26
More than three (3) years	1.35

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**EXTENDED REPORTING PERIOD PRICING****CANCELLATION OR NONRENEWAL**

<b>Extended Reporting Period</b>	<b>Maximum Percentage of Annual Premium</b>
1 Year	125%
2 Years	175%
3 Years	225%
4 Years	250%
5 Years	275%
6 Years	300%
> 6 Years	325%

The above percentages represent the *maximum* percentages that may be charged for the corresponding time period. The underwriter may exercise discretion, based on applicable underwriting guidelines, to calculate ERP premium based on a percentage less than the maximums scheduled above. To the extent an excess insurance policy of ours follows underlying policy wording that allows for underwriter discretion in calculating ERP premium, the foregoing rate rules will also apply to that excess policy.

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**RATING RULES:****1. MINIMUM PREMIUMS**

SEE BASE PREMIUM SECTION

**2. ROUNDING RULES**

NONE

**3. EXCESS PRICING RULES**

- a. Convert the premium for the layer directly underneath the layer being priced to a "Rate per Million" basis.

**EXAMPLE:**

- American Home/National Union Group is pricing a \$10M x \$10M layer;
- The layer directly underneath is a \$10M layer with a \$250,000 premium;
- The "Rate per Million" for that layer would be **\$25,000 per Million**.

- b. Multiply the calculated "Rate per Million" by a factor of **.60 to .85** to determine the "Rate per Million" for the Excess layer.

- c. Multiply that number by the amount of Millions being provided on the Excess layer.

**EXAMPLE (continued):**

- From a. above, the "Rate per Million" for the layer directly underneath would be **\$25,000 per Million**;
- From b. above, .80 is determined to be an adequate/non-excessive factor;  
 $.80 \times \$25,000 = \$20,000$  Excess layer "Rate per Million"
- American Home/National Union Group is pricing a \$10M x \$10M layer;  
Excess Layer Premium =  $\$20,000 \times 10 = \$200,000$

**EXCEPTIONS TO RULES:**

- 1) **INADEQUATE or EXCESSIVE Pricing for Underlying Layer Premium – NON-CLAIM SITUATION:**

Underlying Layer **BELOW \$100M:**

-Add +5 to -10% to b. above

Underlying Layer **\$100M AND OVER:**

-Add +15 to -10% to b. above

- 2) **INADEQUATE or EXCESSIVE Pricing for Underlying Layer Premium – CLAIM SITUATION:**

Underlying Layer **BELOW \$100M:**

-Add +10 to -15% to b. above

Underlying Layer **\$100M AND OVER:**

-Add +15 to -15% to b. above

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#### **4. UNAVAILABLE RATING FACTOR INFORMATION RULE**

To the extent that the underwriter is not able to obtain sufficient information to allow them to properly assess and evaluate the underwriting risk imposed by any applicable rating factor, the underwriter shall apply a neutral factor for such factor. The corresponding UW file information shall document that sufficient rating information could not be obtained from the insured or other available sources.



MISCELLANEOUS PROFESSIONAL LIABILITY

RATING PLAN

HAZARDS 1 - 6

Step 1: Hazard Group Determination

Select the appropriate hazard group for the applicant based upon the services they provide. If the applicant provides more than one type of service then hazard group rates will be applied pro rata based on revenues to develop a composite hazard rate.

Hazard Group 1

Answering Services  
Barbers  
Beauticians  
Charm School

Cosmetologists  
Court Reporters  
Manicurists  
Paging Service

Personal Trainer  
Photographic Studios  
Resume Service

Hazard Group 2

Advertising Agents  
Auctioneer  
Bail Bonds  
Broadcasters  
Cemetery  
Coin/Gem/Art Dealer  
Computer Bureaus/Consultants

Forester  
Funeral Directors  
Interior Designer (non-structural)  
Kennel/ Pet Instruction  
Landscape Architect  
Marketing Consultant  
Miscellaneous Planner  
Notary Public  
Printing (non-financial)  
Process Servers  
Public Relations

Publishers  
Recording Studio  
Talent Agents  
Tax Preparer  
Testing Service  
Ticket Broker  
Travel Agent  
Tutor  
Typing Service

Entertainment  
Film Editing  
Fitness Instructor

Hazard Group 3

Actuary  
Benefit Administrator  
Benefit Plan Consultant  
Claim Adjusters  
Claim Administrator  
Collection Agency  
Composer/Lyricist  
Credit Bureau  
Dating Service  
Driving Instructor  
Electrolysis

Employment Agents  
Employee Leasing  
Escort Service  
Escrow Agent  
Expert Witness  
Farm Manager  
Graphic Designer  
Management Consultant

Mortgage Broker  
Nanny Service

Outsourcing  
Premium Finance  
Printing (financial)  
Private Investigator  
Relocation Agent  
Social Service Agency  
Structured Settlement Consultant  
Temporary Service  
Third Party Administrator  
Title Agents/Abstractors  
Trustee

Hazard Group 4

Business Manager  
Consultant  
Contest Manager  
Day Care Center  
Equipment Appraiser

Foreclosure Agents  
Game Promoter  
Hotel Manager  
Incentive Plan Promoter

Land Surveyor  
Lease Broker  
Marine Title Agent/Surveyor  
Paralegal  
Trainer

Hazard Group 5

Acupuncture	Insurance Agents	Real Estate Agent (residential)
Equipment Testing	Life Agent	Safety Inspector
Freight Forwarder	Managing General Agent	Tanning Salon
Home Health	Property Manager	

Hazard Group 6

Auditor	Franchiser	Real Estate Developer
Business Broker	Real Estate Agent (commercial)	Syndicator
Financial Consultant	Real Estate Appraiser	Services not listed in Groups 1-5

**Step 2: Base Premium Determination**

Find base premium factor by utilizing the factors in the appropriate hazard column. These factors are multiplied by the revenue tier. The products for each tier are then added together to yield the base premium.

<u>Gross Revenues (in 000's)</u>	<u>Hazard 1</u>	<u>Hazard 2</u>	<u>Hazard 3</u>	<u>Hazard 4</u>	<u>Hazard 5</u>	<u>Hazard 6</u>
Minimum Final Premium	\$1,500	\$1,500	\$2,000	\$3,000	\$6,000	\$10,000
First 250	8.00	10.00	12.00	16.00	32.00	60.00
Next 250	4.00	5.00	8.00	10.00	15.00	20.00
Next 500	2.00	3.00	4.00	6.00	10.00	12.00
Next 2,000	1.00	1.50	1.50	3.00	6.00	8.00
Next 2,000	0.90	1.00	1.25	2.00	5.00	6.00
Next 5,000	0.60	0.90	0.90	1.00	3.00	4.00
Next 10,000	0.30	0.40	0.60	0.80	2.00	2.50
Next 15,000	0.20	0.30	0.35	0.60	1.00	1.50
Next 15,000	0.10	0.20	0.30	0.40	0.90	1.00
Next 50,000	0.09	0.10	0.15	0.20	0.40	0.80
Over 100,000 Refer to Home Office						
<b>Maximum Base Premium</b>	<b>\$60,000</b>	<b>\$70,000</b>	<b>\$100,000</b>	<b>\$200,000</b>	<b>N/A</b>	<b>N/A</b>

**Step 3: Endorsement Modification**

The underwriter should utilize adjustments based upon the net effect of all rate impact endorsements.

One Slightly Restrictive Endorsement	0.97	One Slightly Expansive Endorsement	1.03
Two or more Slightly Restrictive Endorsements	0.95	Two or more Slightly Expansive Endorsements	1.05
One Average Restrictive Endorsement	0.95	One Average Expansive Endorsement	1.05
Two or more Average Restrictive Endorsements	0.92	Two or more Average Expansive Endorsements	1.08
One Extremely Restrictive Endorsement	0.90	One Extremely Expansive Endorsement	1.10
Two or more Extremely Restrictive Endorsements	0.85	Two or more Extremely Expansive Endorsements	1.15

**Step 4: Loss Rating** – For purposes of Loss Rating a “claim” means any claim resulting in any payment by the Insurer.

No Claims in over 10 years	0.65
No Claims in 6 – 10 years	0.75
No Claims in 3 – 5.99 years	0.85
No Claims under 3 years	1.00
1 Claim under 3 years	1.25
2 or more claims under 3 years	1.35
1 Claim 3 – 5 years	1.20
2 or more Claims 3 – 5 years	1.30

**Step 5: Professional Experience – The average years of experience for all professionals.**

Less than 3 years	1.25
3 – 6.99 years	1.10
7 – 9.99 years	1.00
10 – 20 years	0.85
Over 20 years	0.70

**Step 6: Longevity of Operations - Determine the appropriate factor based upon the applicant's years in business.**

Less than 1 year (start-up)	1.10
1 – 2.99 years	1.05
3 – 9.99 years	1.00
10 – 20 years	0.95
Over 20 years	0.85

**Step 7: Use of Written Contract**

<u>Percentage Used</u>	<u>Hazard 1&amp;2</u>	<u>Hazard 3&amp;4</u>	<u>Hazard 5&amp;6</u>
100%	0.90	0.85	0.90
75-99%	0.95	0.90	1.00
50-74%	0.95	1.00	1.15
25-49%	1.00	1.05	1.25
1-24%	1.00	1.10	1.30
0%	1.00	1.15	1.35

**Step 8: Average Revenue Size of Client**

Individual	0.90
Less than \$50 million	0.95
\$50 – \$500 million	1.00
Over \$500 million	1.15

**Step 9: Scheduled Rating Modification**

The underwriter may utilize a scheduled adjustment based upon risk characteristics which are not included in the prior rating steps. No modification shall be made during this step based upon risk characteristics which have been or will be utilized in another rating step. Complete documentation of the exposure associated with this modification must be included in the file. Maximum Net Credit or Debit is +/-25%.

Territory of Operations:	0.85 to 1.25
Nature of Services:	0.75 to 1.25
Use of Subcontractor:	0.80 to 1.20
Risk Management Practices:	0.70 to 1.20
Financial Condition:	0.75 to 1.25

**Step 10: Base Premium Modification**

Multiply the base premium determined in step 2 by all the factors generated by steps 3 - 9.

**Step 11: Prior Acts Factor**

Select the appropriate factor based on the amount of prior acts

No Prior Acts	1.00
One year or less	1.12
More than one year, up to two years	1.20
More than two years, up to three years	1.26
More than three years	1.35

Multiply the prior acts factor by the modified base premium calculated in step 10. The result is the newly modified base premium.

**Step 12: Increased Limit Factor**

Select the appropriate factor based upon the proposed limit and the hazard group. Apply this factor as described in the next step.

<u>Limit of Liability</u>	<u>Hazard 1 &amp; 2</u>	<u>Hazard 3</u>	<u>Hazard 4 &amp; 5</u>	<u>Hazard 6</u>
\$500,000/\$500,000	0.60	0.75	0.85	0.90
\$1,000,000/\$1,000,000	1.00	1.00	1.00	1.00
\$2,000,000/\$2,000,000	1.30	1.60	1.75	<b>1.90</b>
\$3,000,000/\$3,000,000	1.50	1.95	2.20	2.40
\$4,000,000/\$4,000,000	1.64	2.20	2.52	2.75
\$5,000,000/\$5,000,000	1.74	2.35	2.75	3.55
\$10,000,000/\$10,000,000	2.13	2.93	3.66	4.89
\$15,000,000/\$15,000,000	2.44	3.37	4.36	5.88
\$20,000,000/\$20,000,000	2.68	3.70	4.93	6.70
\$25,000,000/\$25,000,000	2.85	3.98	5.40	7.40

**Step 13: Deductible Factor**

Select the appropriate factor based upon the proposed deductible.

<u>Deductible</u>	<u>Factor</u>
\$2,500	-0.35
\$5,000	0.00
\$7,500	0.04
\$10,000	0.08
\$15,000	0.13
\$25,000	0.17
\$50,000	0.21
\$75,000	0.25
\$100,000	0.30
\$150,000	0.40
\$250,000	0.45
\$500,000	0.50

Refer to Home Office for deductibles over \$500,000.

Subtract the deductible factor from the ILF determined in step 12. Multiply the result by the modified base premium determined in step 11. The result is the final premium.

# National Union Fire Insurance Company of Pittsburgh, Pa.

## Miscellaneous Professional Liability

### Explanatory Memorandum

#### ARKANSAS

The National Union Fire Insurance Company of Pittsburgh, Pa. is proposing to revise the rating plan for Miscellaneous Professional Liability based on underwriting judgment to allow for more appropriate pricing. The changes consist of a base rate decrease to hazard group 6, new proposed increased limit/retention factors for all hazard groups, a decrease in the base minimum premium for hazard groups 1, 4, 5 and 6, elimination of the maximum base premium amounts, addition of new rules applicable to trustees, a change in the endorsement, claims history, professional experience and contract utilization rating factors, elimination of the average revenue size of the client and longevity of operations sections, movement of actuaries to hazard group 6, escrow agents professions to hazard group 4 and the elimination of employment agents, premium finance and services not listed professions from hazard groups 3 and 6.

The overall impact due to the base rate decrease and proposed change in increased limit/retention factors has been estimated in exhibit 1A to be -4.27% by re-rating a majority sample of policies using the proposed increased limit/retention factors and base rates. It has been estimated that all other changes to the rate manual will have no rate impact. While a small positive rate need has been calculated on exhibit 1, no rate increase has been proposed due to the judgmental nature of this filing. The rates will be reviewed and monitored on a regular basis to ensure their adequacy.

**Exhibit 1:** ***CALCULATION OF INDICATED RATE LEVEL CHANGE***

Ultimate developed, trended and on-level results are shown for state loss experience for this program. State earned premiums have been adjusted to each state's present rate level by using the standard parallelogram method. Incurred Losses and Lae are trended to one year past the proposed effective date, in order to reflect changes in frequency and severity subsequent to the experience period. The indicated rate level change is based on a comparison of the credibility weighted loss ratio to the expected loss ratio. An offset for investment income is applied to the calculation of the target profit & contingency. The calculation of profit is based on the company's target rate of return of 15%.

**Exhibit 1A:** ***CALCULATION OF THE RATE IMPACT***

A premium weighted average of the proposed changes to the increased limit/ retention factors has been calculated to find the impact for each hazard group. In addition, the computation of the overall base rate decrease due to the proposed base rate change to Hazard Group 6 is shown on exhibit 1A. These changes have then been used to calculate an overall rate impact to the program.

**Exhibit 2:** ***DEVELOPMENT OF REPORTED INCURRED LOSS AND lae TO ULTIMATE***

State calculation of ultimate loss and lae ratios are shown for the most recent five years. Ratios are based on calendar year earned premiums and accident year ultimate loss and lae, including unallocated lae (ex. 7).

**Exhibit 3:** ***INCURRED LOSS AND LOSS ADJUSTMENT EXPENSE DEVELOPMENT***

Accident Year Loss and Allocated Loss Adjustment Expense experience for Miscellaneous Professional Liability is shown as of 3/2007, along with age to age factors and the corresponding age to ultimate development factors (exhibit 4A). These factors are then applied to the state (exhibit 4B) loss experience for Miscellaneous Professional Liability.

**Exhibit 4:** ***TREND ANALYSIS***

Calculation of annual frequency/severity trend is based on the most recent policy year experience for Miscellaneous Professional Liability. The least squares method has been used to measure the average change in frequency and severity. The trend period extends from the midpoint of each accident year to one year beyond the assumed effective date.

**Exhibit 5:** ***EXPENSE PROVISIONS AND DETERMINATION OF EXPECTED LOSS RATIO***

Expense provisions are based on the expenses found in the Company's 2006 Cost Statement. The commission expense is program specific. The expected loss & lae ratio is the complement of the total expenses and profit load. The profit & contingency factor has been calculated based on a target rate of return on equity of 15%.

**Exhibit 6:** ***DETERMINATION OF UNALLOCATED LOSS ADJUSTMENT EXPENSE FACTOR***

The unallocated loss adjustment expense provision is determined using data from the Miscellaneous Professional Liability cost statements for the five most recent years. The factor is expressed as a percentage of total incurred losses and allocated loss adjustment expense.

**Exhibit 7:** ***INVESTMENT INCOME EXHIBITS***

The investment income exhibits are based on American Home/ National Union/ New Hampshire Group's Annual Statement experience and incorporate the Other Liability premium and program expense provisions to determine an indicated investment income offset. The calendar year method was used to determine investment income.

**NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.**  
**MISCELLANEOUS PROFESSIONAL LIABILITY**  
(\$ IN 000'S)  
**DETERMINATION OF RATE LEVEL INDICATION**

Exhibit 1

**ARKANSAS**

	(1)	(2)	(3)=(2)/(1)	(4)	(5)=(3)*(4)	
Accident Year	Total Limits Premium at Present Rates (Note A)	Total Limits Ultimate Loss & LAE (Exhibit 2)	Ultimate Loss & LAE Ratio	Trend Factor (Exhibit 4) (Note B)	Trended Loss & LAE Ratio	Weight
<b>ARKANSAS</b>						
(1) 2002	-200	13	-0.063	1.340	-0.084	
(2) 2003	-64	2	-0.025	1.276	-0.031	
(3) 2004	26	86	3.359	1.216	4.083	0.20
(4) 2005	20	0	0.000	1.158	0.000	0.30
(5) 2006	32	21 (E)	0.667	1.103	0.736	0.50

ARKANSAS

(6) Weighted Average Ultimate Trended Loss and LAE Ratio	1.185
(6a) Credibility Weights (Note C):	0.038
(6b) Credibility Weighted Ultimate Loss & LAE Ratio (Note D):	0.887
(7) Target Loss & LAE Ratio [Exhibit 5]	0.834
(8) Indicated Rate Level Change [ (6b)/7 ] - 1	6.4%
(9) Selected Rate Level Change	-4.3%

NOTES:

- (A) The calculation of premium at present rates is done using the parallelogram method.  
(B) Trend periods extend from the midpoint of each accident year to one year past the assumed effective date. (Exhibit 4).  
(C) The credibility standard is 683 claims for the experience period.  
State Credibility = Square Root(1/683)  
(D) Credibility Weighted Ultimate Loss & LAE Ratio =  
[State(6)\*State(6a) + {1 - State (6a)} \* Trended ELR ]  
(E) Bornheutter-Ferguson Methodology used to develop ultimate loss & lae, i.e.,  
Ultimate Loss & LAE=EPXELRX[1-1/LDF] + reported incurred loss & lae

**Calculation of the Overall Rate Impact**

**Increased Limit Factors/Retention Factor Impact \***

	<b>Gross Written Premium</b>	<b>Premium Impact</b>
<b>Hazard Group 1</b>	1,344,408	48.75%
<b>Hazard Group 2</b>	4,828,802	34.30%
<b>Hazard Group 3</b>	12,480,377	-3.24%
<b>Hazard Group 4</b>	9,340,118	-11.46%
<b>Hazard Group 5</b>	12,346,532	-12.46%
<b>Hazard Group 6</b>	5,525,597	-12.45%
<b>Total</b>	<b>45,865,834</b>	<b>-3.03%</b>

**Base Rate Impact ( Hazard Group 6 Only)**

(1) Hazard Group 6 Gross Written Premium	5,525,597
(2) Hazard 6 revenue between \$0-\$250,000	43,521,176
(3) Current Hazard Group 6 Base rate for \$0-\$250,000 of Revenue (per \$1,000	60
(4) Proposed Hazard Group 6 Base rate for \$0-\$250,000 of Revenue (per \$1,000	45
(5) Premium Impact =(2)*[(4)-(3)]/1000	-652,818
(6) Overall Base Rate Decrease =(5)/(1)	<b>-11.81%</b>

**Total Impact of Base Rate and Limit/Retention Changes**

	<b>Gross Written Premium</b>	<b>Premium Impact</b>			
<b>Hazard Group 1</b>	1,344,408	48.75%			
<b>Hazard Group 2</b>	4,828,802	34.30%			
<b>Hazard Group 3</b>	12,480,377	-3.24%			
<b>Hazard Group 4</b>	9,340,118	-11.46%			
<b>Hazard Group 5</b>	12,346,532	-12.46%			
<b>Hazard Group 6</b>	5,525,597	-22.79%			
<b>Total</b>	<b>45,865,834</b>	<b>-4.27%</b>	96.97%	95.73%	-0.01285

\*Calculation based on re-rating a majority sample of policies using the proposed increased limit/retention factors.

## MISCELLANEOUS PROFESSIONAL LIABILITY

(\$ IN 000'S)

## DETERMINATION OF ULTIMATE LOSS AND LOSS ADJUSTMENT EXPENSE RATIOS

## ARKANSAS

	(1)	(2)	(3)	(4)=(2)*(3)	(5)=(4)/(1)
Accident Year	Total Limits Earned Premium	Total Limits Reported Incurred Loss & ALAE #REF!	Loss Development Factors (Exhibit 3A)	Ultimate Loss & L.A.E. (Incl. 1% Unalloc L.A.E.)	Ultimate Loss & L.A.E. Ratio
ARKANSAS					
2002	-188	12	1.059	13	-0.067
2003	-64	1	1.075	2	-0.025
2004	26	60	1.429	86	3.359
2005	20	0	2.312	0	0.000
2006	32	0	4.819	0	0.000
Total	-175	73		101	-0.576

## MISCELLANEOUS PROFESSIONAL LIABILITY

(\$ in 000'S)

## COUNTRYWIDE

## LIMITS INCURRED LOSSES &amp; LOSS ADJUSTMENT EXPENSE AS OF 3/2007

Accident Year	3	15	27	39	51	63	75	87	99	111
1998	1,076	12,841	13,673	25,187	26,482	33,701	54,953	56,039	57,372	57,542
1999	1,187	15,295	21,412	23,800	23,778	24,023	24,229	24,632	24,641	
2000	2,038	14,184	24,680	40,276	42,637	43,169	42,824	45,012		
2001	1,940	16,095	25,923	34,800	44,768	45,692	46,807			
2002	1,991	15,094	39,092	49,618	72,363	73,274				
2003	1,398	10,923	24,362	39,104	47,040					
2004	859	15,430	32,597	66,702						
2005	1,459	16,047	31,412							
2006	1,067	10,402								
2007	806									

## INCURRED LOSS AND LOSS ADJUSTMENT EXPENSE DEVELOPMENT

Accident Year	3-15	15-27	27-39	39-51	51-63	63-75	75-87	87-99	99-111	111- ULT
1998	11.933	1.065	1.842	1.051	1.273	1.631	1.020	1.024	1.003	
1999	12.884	1.400	1.112	0.999	1.010	1.009	1.017	1.000		
2000	6.960	1.740	1.632	1.059	1.012	0.992	1.051			
2001	8.296	1.611	1.342	1.286	1.021	1.024				
2002	7.579	2.590	1.269	1.458	1.013					
2003	7.813	2.230	1.605	1.203						
2004	17.970	2.113	2.046							
2005	11.000	1.958								
2006	9.747									
Weighted Average	9.705	1.839	1.538	1.208	1.047	1.152	1.030	1.017	1.003	
4 Yr Wtd Average	11.040	2.217	1.560	1.263	1.014	1.152				
3 Yr Wtd Average	12.373	2.084	1.618	1.329	1.015	1.009	1.030			
2 Yr Wtd Average	10.470	2.034	1.858	1.346	1.016	1.009	1.039	1.017		
Selected Age-to-Age		2.084	1.618	1.329	1.015	1.009	1.030	1.017	1.003	
Ultimate Factors		4.819	2.312	1.429	1.075	1.059	1.050	1.020	1.003	1.000

MISCELLANEOUS PROFESSIONAL LIABILITY

(\$ IN 000'S)

ARKANSAS

TOTAL LIMITS INCURRED LOSSES & LOSS ADJUSTMENT EXPENSE AS OF 3/2007

Accident Year	3	15	27	39	51	63	75	87	99	111
1998	0	0	0	0	0	0	0	0	0	0
1999	0	0	0	0	0	0	0	0	0	
2000	0	0	0	0	0	0	0	0		
2001	5	7	2	2	2	2	12			
2002	0	1	2	2	2	12				
2003	0	0	0	0	1					
2004	0	60	60	60						
2005	0	0	0							
2006	0	0								
2007	0									

INCURRED LOSS AND LOSS ADJUSTMENT EXPENSE DEVELOPMENT

Accident Year	3-15	15-27	27-39	39-51	51-63	63-75	75-87	87-99	99-111
1998	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1999	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2000	1.000	1.000	1.000	1.000	1.000	1.000	1.000		
2001	1.318	0.290	1.000	1.000	1.000	6.074			
2002	1.000	2.984	1.164	1.000	5.278				
2003	1.000	1.000	1.000	1.000					
2004	1.000	1.000	1.000						
2005	1.000	1.000							
2006	1.000								
Average ex hi/lo	1.000	1.000	1.000	1.000	1.000	1.000	1.000		
4 Yr Average	1.000	1.496	1.041	1.000	2.070	2.268			
3 Yr Average	1.000	1.000	1.055	1.000	2.426	2.691	1.000		
2 Yr Average	1.000	1.000	1.000	1.000	3.139	3.537	1.000	1.000	

# American Home/National Union/New Hampshire Group

Exhibit 4

Miscellaneous Professional Liability  
Calculation of Annual Trend Factor

Countrywide as of 12/2006

## Total Limits Frequency Trend

(1) Policy Year	(2) Ultimate Closed Claims	(3) Number of Policies	(2)/(3) Closed Claims Per 100 Policies	(4) Exponential Curve of Best Fit
1998	536	1,786	30.02913	30.25317
1999	833	1,956	42.58799	35.77026
2000	785	1,909	41.14637	42.29346
2001	802	1,659	48.35825	50.00627
2002	961	1,737	55.34778	59.12562
2003	1,071	1,877	57.04071	69.90800
2004	1,697	2,311	73.43763	82.65671
2005	1,312	1,013	129.52835	97.73032

Average Annual Change in Claim Frequency [ R Squared = 0.87300996 ] 18.24%

## Total Limits Severity Trend

(1) Policy Year	(2) Ultimate Closed Claims	(3) Ultimate Paid Losses	(3)/(2) Ultimate Paid Losses per Claim	(4) Exponential Curve of Best Fit
1998	536	41,668	77.7	62.3
1999	833	34,837	41.8	55.3
2000	785	27,742	35.3	49.2
2001	802	54,069	67.4	43.7
2002	961	33,308	34.6	38.8
2003	1,071	45,634	42.6	34.5
2004	1,697	50,669	29.9	30.6
2005	1,312	31,844	24.3	27.2

Average Annual Change in Claim Severity [ R Squared = 0.54185254 ] -11.15%

OVERALL COMBINED TREND [Frequency x Severity] 5.05%

SELECTED OVERALL TREND 5.00%

**NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.  
MISCELLANEOUS PROFESSIONAL LIABILITY**

Exhibit 5

**Derivation of Expected Loss Ratio**

(1) Target rate of return on equity		15.0%
(2) Premium to Surplus Ratio		109.9%
(3) Target rate of return on premium [(1)/(2)]		13.6%
(4) Rate of return on premium		14.0%
(5) Target underwriting profit (loss) [(3)-(4)/.65]		-0.5%
(6) Total Expenses		17.1%
	a. Commissions	9.00%
	b. Other Acquisition	0.15%
	c. General Expenses	6.47%
	d. Taxes, Licenses & Fees	1.50%
<hr/>		
(7) Expected Loss Ratio [1-(6)-(5)]		83.4%

(000's)

## Determination of Unallocated Loss Adjustment Expense Provision

(SOURCE: COMPANY COST STATEMENTS)

ITEM		2003	2004	2005	2006	4-year Average
(1)	Losses Paid	75,654	182,100	105,343	81,693	111,198
(2)	Changes in Unpaid Losses	35,815	-2,489	129,533	71,738	58,649
(3)	Losses Incurred (1) + (2)	111,469	179,611	234,876	153,431	169,847
(4)	Allocated Loss Adjustment Expenses	53,517	57,011	58,124	61,328	57,495
(5)	Total Loss & ALAE (3) + (4)	164,986	236,622	293,000	214,759	227,342
(6)	Unallocated Loss Adjustment Expenses	2,785	2,935	1,631	1,785	2,284
(7)	Unallocated Loss Expense Ratio (6)/(5)	1.7%	1.2%	0.6%	0.8%	1.0%

ESTIMATED INVESTMENT EARNINGS ON UNEARNED  
PREMIUM RESERVES AND ON LOSS RESERVES

(Explanatory Notes)

## OTHER LIABILITY

A. UNEARNED PREMIUM RESERVE

1.	Other Liability Direct Earned Premium for Calendar Year 2006			\$6,787,004
2.	Mean Unearned Premium Reserve [0.644* (1) ] (See Notes p. 2)			4,372,734
3.	Deduction for Prepaid Expenses (See notes p. 2)			
	a) Commission and Brokerage	9.00%		
	b) Taxes, Licenses and Fees	1.50%		
	c) 50% of Other Acquisition Expenses	0.08%		
	d) 50% of General Expenses	3.24%		
	e) Total	13.82%		
4.	Deduction for Federal Taxes Payable (See Notes p. 2)			7.0%
5.	Net Amount Subject to Investment Income [ (2) x (1.000 - (3) - (4) ) ]			3,462,543

B. DELAYED REMISSION OF PREMIUMS (Agents' Balances)

1.	Direct Earned Premium [ (A.1) ]			6,787,004
2.	Average Agents' Balance (See Notes pp. 2-3)			0.159
3.	Delayed Remission [ (1) x (2) ]			1,080,505

C. LOSS RESERVE:

1.	Direct Earned Premium [ (A.1) ]			6,787,004
2.	Expected Incurred Loss and L.A.E. Reserves	@ ELR:	0.834	5,658,132
3.	Expected Mean Loss Reserves [2.626 x (2) ] (See Notes p. 3)			14,861,035

D. SURPLUS

1.	Direct Written Premium			7,277,998
2.	Surplus Subject to Investment [(D.1)/prem to surp]			6,622,382

E. NET AMOUNT SUBJECT TO INVESTMENT: [ (A.5) - (B.3) + (C.3) + (D.2) ] 23,865,454F. AVERAGE RATE OF RETURN ON INVESTED ASSETS (See Notes p. 4) 4.56%G. INVESTMENT EARNINGS ON NET SUBJECT TO INVESTMENT [ (E) x (F) ] 1,088,582H. AVERAGE RATE OF RETURN (As % of Direct Earned Premium) [ (G) / (A.1) ] 16.04%I. AVERAGE RATE OF RETURN (After Federal Income Taxes) [ (H) x 0.871 ] 13.97%

ESTIMATED INVESTMENT EARNINGS ON UNEARNED  
PREMIUM RESERVES AND ON LOSS RESERVES  
(Explanatory Notes)

OTHER LIABILITY

Line A.1

OTHER LIABILITY direct earned premium for calendar year 2006 as provided by American Home/National Union/ New Hampshire Group.

Line A.2

The mean direct unearned premium reserve is determined by multiplying the Other Liability direct earned premium in line (A.1) by the countrywide ratio of the mean direct unearned premium reserve to the direct earned premium for 2006. See below for calculation of this ratio. This ratio is based on data for Other Liability from page 15 of the Annual Statement for American Home/National Union/ New Hampshire Group

	(In 000's)
1. Direct Earned Premium for Calendar Year 2006	\$ 6,787,004
2. Direct Unearned Premium Reserve as of 12/31/05	4,124,981
3. Direct Unearned Premium Reserve as of 12/31/06	4,620,486
4. Mean Direct Unearned Premium Reserve 1/2 [(2) + (3)]	4,372,734
5. Ratio [ (4) / (1) ]	0.644

Line A.3

Deduction for prepaid expenses:

Production costs and a large part of the other company expenses in connection with the writing and handling of the filed insurance coverage exclusive of claim adjustment expenses, are incurred when the policy is written and before the premium is paid. Therefore, the deduction for these expenses is determined by use of the provisions for expenses used in our ratemaking procedure as shown.

Line A.4

Deduction for Federal Taxes Payable:

Taxable percentage of unearned premium reserves (Tax Reform Act of 1986):	20.0%
Corporate Tax Rate:	35.0%
Total Percentage of Unearned Premium Reserve:	7.0%

Line B.2

Delayed remission of premium:

This deduction is necessary because of delay in collection and remission of premiums beyond the effective dates of the policies. Funds for the unearned premium reserve required during the initial days of all policies must be taken from the company's surplus. (continued)

ESTIMATED INVESTMENT EARNINGS ON UNEARNED  
PREMIUM RESERVES AND ON LOSS RESERVES  
(Explanatory Notes)

## OTHER LIABILITY

Line B.2 (continued)

Agents' balances or uncollected premiums for premiums due less than 90 days are calculated as follows:

	<u>(In 000's)</u>
1. Net Earned Premium for Calendar Year 2006	\$ 21,215,096
2. Net Agents' Balances as of 12/31/05	2,422,685
3. Net Agents' Balances as of 12/31/06	2,845,895
4. Mean Agents' Balances $1/2 \times [(2) + (3)]$	2,634,290
5. Ratio $[(4) / (1)]$	0.124

The above percentage must be multiplied by a factor of 1.282 to include the effect of agents' balances or uncollected premiums overdue for more than 90 days. The factor 1.282 is based on 2006 company data.

Final adjusted Agents' Balance: 0.1592

Line C.2

The expected loss and loss adjustment ratio reflects the expense provisions used in the filing.

Line C.3

The expected mean loss reserve is determined by multiplying the expected incurred losses in line (C.2) by the average countrywide ratio of the mean loss and loss adjustment reserves to the incurred losses and loss adjustment expenses in 2004 and 2005 for Other Liability Insurance. This ratio is based on Annual Statement Data.

	<u>(In 000's)</u>
1. Incurred Losses and L.A.E. for Calendar Year 2005	8,025,878
2. Incurred Losses and L.A.E. for Calendar Year 2006	5,304,016
3. Loss Reserves and L.A.E. as of 12/31/04	14,814,181
4. Loss Reserves and L.A.E. as of 12/31/05	18,128,359
5. Loss Reserves and L.A.E. as of 12/31/06	18,465,572
6. Mean Loss Reserve 2005: $1/2 [(3) + (4)]$	16,471,270
7. Mean Loss Reserve 2006: $1/2 [(4) + (5)]$	18,296,965
8. Ratio (6) / (1)	2.052
9. Ratio (7) / (2)	3.450
10. Average Ratio $1/2 [(8) + (9)]$	2.751
11. Loss reserve for American Home/National Union/ New Hampshire Group, selected	2.750
12. Estimated Reserve Discount	12.8%
13. Federal Taxes Payable (% of Reserves): (12) x .35	0.045
14. (11) x [1.0 - (13)]	2.626

ESTIMATED INVESTMENT EARNINGS ON UNEARNED  
PREMIUM RESERVES AND ON LOSS RESERVES  
(Explanatory Notes)

## OTHER LIABILITY

Line E

The rate of return is the ratio of net investment income earned and net realized capital gains (or losses) to mean cash and invested assets (including interest, dividends, and real estate income due and accrued).

<u>Year</u>	Net Investment Income Earned (In 000's)	Mean Cash and Invested Assets (In 000's)	Rate of Return
2005	1,958,547	48,226,323	4.06%
2006	2,207,870	57,914,122	3.81%
Total	4,166,417	106,140,446	3.94%

<u>Year</u>	Realized Capital Gains (or Losses) (In 000's)	Mean Cash and Invested Assets (In 000's)	Rate of Return
1997-2006	2,179,232	348,904,381	0.62%

Total Rate of Return:

Net Investment Income Earned and Net Realized Capital Gains (or Losses)

4.56%

Line H

The average rate of Federal Income Tax was determined by applying the appropriate tax rates to the distribution of investment income earned for 2006 for the American Home/National Union/ New Hampshire Group.

	Rate of Return	Federal Income Tax Rate
Net Investment Income Earned	3.94%	0.094
Net Realized Capital Gains (or Losses)	0.62%	0.350
Total	4.56%	0.129

1.000 - Federal Income Tax Rate

0.871

ESTIMATED INVESTMENT EARNINGS ON UNEARNED  
PREMIUM RESERVES AND ON LOSS RESERVES  
(Explanatory Notes)

## OTHER LIABILITY

<u>Line H (continued)</u>	<u>Investment Income Earned</u>	<u>Federal Income Tax Rate</u>
<u>Bonds</u>		
Taxable	\$ 208,168	0.350
<u>Non-Taxable</u>	<u>1,338,765</u>	<u>0.026</u>
Total	\$ 1,546,933	(A) 0.070
<u>Stocks</u>		
Taxable	\$ 168,925	0.123
<u>Non-Taxable</u>	<u>266,967</u>	---
Total	\$ 435,892	(B) 0.048
<u>Mortgage Loans and Real Estate</u>		
Mortgage Loans	\$ 0	
Real Estate	0	
Collateral Loans	0	
Cash on Deposit	0	
Short Term Investments	21,719	
<u>All Other</u>	<u>503,234</u>	
Sub-Total	\$ 524,953	0.350
Total	\$ 2,507,777	0.125
Investment Deductions	\$ 299,907	0.350
Net Investment Income Earned	\$ 2,207,870	0.094

(A) Assume 50% of the income on tax-exempt bonds is subject to proration; that is, 15% of that income is taxed at the full corporate income tax rate of 35%. The applicable tax rate is thus 2.6%.  $((.50 \times .15 \times .35) = .026)$

(B) 30% of dividend income is subject to the full corporate income tax rate of 35%. Assume 50% of the dividend income on stocks is subject to proration; that is, 15% of the remaining 70% of dividend income is taxed at a rate of 35%. The applicable tax rate is thus 12%.  $((.30 \times .35) + (.50 \times .70 \times .15 \times .35) = .123)$ .

**ARKANSAS**

1. The following is added to page MPL-1-4, SCHEDULED RATING:

MAXIMUM OVERALL SCHEDULED RATING MODIFICATION NOT TO EXCEED +/- 50%

SERFF Tracking Number: AGNY-125220620 State: Arkansas  
 Filing Company: National Union Fire Insurance Company of Pittsburgh, Pa. State Tracking Number: AR-PC-07-025562  
 Company Tracking Number: AIC-07-EO-08  
 TOI: 17.1 Other Liability - Claims Made Only Sub-TOI: 17.1019 Professional Errors & Omissions Liability  
 Product Name: Miscellaneous Professional Liability  
 Project Name/Number: E&O Miscellaneous Professional Liability/AIC-07-EO-08

## Supporting Document Schedules

**Review Status:**  
**Bypassed -Name:** NAIC Loss Cost Filing Document for OTHER than Workers' Comp Filed 11/07/2007  
**Bypass Reason:** N/A  
**Comments:**

**Review Status:**  
**Bypassed -Name:** NAIC loss cost data entry document Filed 11/07/2007  
**Bypass Reason:** N/A  
**Comments:**

**Review Status:**  
**Satisfied -Name:** Filing Memorandum Filed 11/07/2007  
**Comments:**  
**Attachment:**  
 FILING MEMORANDUM - MPL Manual - 2001 Changes.pdf

**Review Status:**  
**Satisfied -Name:** Uniform Transmittal Document- Property & Casualty Filed 11/07/2007  
**Comments:**  
**Attachment:**  
 07-23-07- PCTD-1-rates.pdf

**Review Status:**  
**Bypassed -Name:** NAIC Loss Cost Filing Document for OTHER than Workers' Comp Filed 11/07/2007  
**Bypass Reason:** N/A  
**Comments:**

SERFF Tracking Number: AGNY-125220620 State: Arkansas  
Filing Company: National Union Fire Insurance Company of Pittsburgh, Pa. State Tracking Number: AR-PC-07-025562  
Company Tracking Number: AIC-07-EO-08  
TOI: 17.1 Other Liability - Claims Made Only Sub-TOI: 17.1019 Professional Errors & Omissions Liability  
Product Name: Miscellaneous Professional Liability  
Project Name/Number: E&O Miscellaneous Professional Liability/AIC-07-EO-08

**Bypassed -Name:** NAIC loss cost data entry document **Review Status:** Filed 11/07/2007  
**Bypass Reason:** N/A  
**Comments:**

**Satisfied -Name:** Filing Memorandum **Review Status:** Filed 11/07/2007  
**Comments:**  
**Attachment:**  
FILING MEMORANDUM - MPL Manual - 2001 Changes.pdf

# MISCELLANEOUS PROFESSIONAL LIABILITY

## *FILING MEMORANDUM*

### *MPL ENDORSEMENTS*

This filing includes 142 new and 8 revised endorsements to be used in conjunction with our MPL policy.

### *MPL MANUAL/RULES*

This filing is for the attached "MPL Manual & Rules".

This filing is a *replacement* of the currently filed MPL rate sheet.

The format of the currently filed rate sheet has been put into a more standardized, numbered "manual page" format (similar to that of ISO). This format will allow us to better maintain the MPL pricing scheme, and to better keep track of any state-specific differences from the "Countrywide" plan (via State Exception pages).

In an effort to be able to price miscellaneous liability accounts more appropriately (thereby promoting premiums that are adequate, not excessive, and non-discriminatory), the approach for certain rating rules have been enhanced. Furthermore, additional rating rules have been added. All of this is briefly summarized below:

- Base Premium calculation formula remains the same.
- The Minimum Base Premium for Hazard Groups 1, 4, 5 and 6 has been *reduced* to allow for more appropriate pricing. All base rate factors remain the same.
- We have *eliminated* the Maximum Base Premium amounts.
- We have added new Rules applicable to Trustees
- We have added CONCERN/CONFIDENCE risk assessments and corresponding factors for ENDORSEMENTS, CLAIMS HISTORY, PROFESSIONAL EXPERIENCE and CONTRACT UTILIZATION to allow for more appropriate pricing.
- The SCHEDULED RATING MODIFICATION section is *standardized* to a +/- 25% for each element with the maximum overall scheduled rating modification, not to exceed any state-mandated cap.

- We have *deleted* the objective factors based on the Average Revenue size of the Client and Longevity of Operations.
- The current Hazard Group determinations remain unchanged, except for the following changes:
  - Actuary – change from Group 3 to Group 6
  - Escrow Agent – change from Group 3 to Group 4
  - Employment Agents – deleted from group 3
  - Premium Finance – deleted from group 3
  - “Services not Listed” – deleted from group 6
- We have added standard RATING RULES addressing Minimum Premiums, Rounding Rules, Excess Pricing Rules and Unavailable Rating Factor Information.
- **The PRIOR ACTS FACTORS, INCREASED LIMITS FACTORS, and DEDUCTIBLE FACTORS are not changing.**

**Property & Casualty Transmittal Document (Revised 1/1/05)****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**

American International Group, Inc.

**Group NAIC #**

012

**4. Company Name(s)**

National Union Fire Insurance Company of Pittsburgh, Pa

**Domicile**

PA

**NAIC #**

19445

**FEIN #**

25-0687550

**5. Company Tracking Number****AIC-07-EO-08****Contact Info of Filer(s) or Corporate Officer(s)** [include toll-free number]

6.	Name and address	Title	Telephone #s	Fax #	e-mail
	Jameka Harris 175 Water Street, 17 <sup>th</sup> Floor New York, NY, 10038	Filings Analyst	(212)458-7056	(212)458-7077	<a href="mailto:jameka.harris@aig.com">jameka.harris@aig.com</a>
7.	Signature of authorized filer				
8.	Please print name of authorized filer		Jameka Harris		

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

9.	<b>Type of Insurance (TOI)</b>	Commercial Other Liability			
10.	<b>Sub-Type of Insurance (Sub-TOI)</b>	17.0019 / Professional Error and Omissions Liability			
11.	<b>State Specific Product code(s)</b> (if applicable)[See State Specific Requirements]				
12.	<b>Company Program Title</b> (Marketing title)	Miscellaneous Professional Liability			
13.	<b>Filing Type Endorsement</b>	<input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input type="checkbox"/> Rates/Rules <input type="checkbox"/> Forms <input checked="" type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other			
14.	<b>Effective Date(s) Requested</b>	New:	September 23, 2007	Renewal:	September 23, 2007
15.	<b>Reference Filing?</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
16.	<b>Reference Organization</b> (if applicable)	N/A			
17.	<b>Reference Organization # &amp; Title</b>	N/A			
18.	<b>Company's Date of Filing</b>	July 23, 2007			
19.	<b>Status of filing in domicile</b>	<input type="checkbox"/> Not Filed <input type="checkbox"/> Pending <input checked="" type="checkbox"/> Authorized <input type="checkbox"/> Disapproved			

## Property & Casualty Transmittal Document---

<b>20.</b>	<b>This filing transmittal is part of Company Tracking #</b>	AIC-07-EO-08
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<b>21.</b>	<b>Filing Description</b> [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]
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The National Union Fire Insurance Company of Pittsburgh, Pa has on file with your Department its Miscellaneous Professional Liability Program. The Company submits for your review and approval, 150 endorsements to be used with its Miscellaneous Professional Liability Policy, Form No. 77011 (4/02).

Please refer to the attached Forms Listing for information about the forms included in this submission.

The endorsements with a premium impact will be rated using the attached rating plan. Please refer to the attached Filing Memorandum to see revisions made to the previous version of the rating plan and the attached actuarial materials for information about the rating plan included in this submission.

<b>22.</b>	<b>Filing Fees</b> (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]
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<b>Check #:</b>	00100539
<b>Amount:</b>	\$150.00

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

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

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