

SERFF Tracking Number: CNAB-125364145 State: Arkansas
First Filing Company: Continental Casualty Company , ... State Tracking Number: #? \$100
Company Tracking Number: 07-R3363
TOI: 17.0 Other Liability - Claims Made/Occurrence Sub-TOI: 17.0020 Commercial Umbrella & Excess
Product Name: Commercial Umbrella
Project Name/Number: Umbrella Rating Plan Revision /07-R3363

Filing at a Glance

Companies: Continental Casualty Company , National Fire Insurance Company of Hartford, American Casualty Company of Reading PA, Transportation Insurance Company, Valley Forge Insurance Company

Product Name: Commercial Umbrella SERFF Tr Num: CNAB-125364145 State: Arkansas
TOI: 17.0 Other Liability - Claims SERFF Status: Closed State Tr Num: #? \$100
Made/Occurrence
Sub-TOI: 17.0020 Commercial Umbrella & Co Tr Num: 07-R3363 State Status: Fees verified and
Excess received
Filing Type: Rate Co Status: Reviewer(s): Betty Montesi, Edith
Roberts, Brittany Yielding
Author: Roberta Cooper Disposition Date: 12/07/2007
Date Submitted: 12/02/2007 Disposition Status: Exempt from
Review
Effective Date Requested (New): 02/01/2008 Effective Date (New):
Effective Date Requested (Renewal): 02/01/2008 Effective Date (Renewal):
State Filing Description:

General Information

Project Name: Umbrella Rating Plan Revision Status of Filing in Domicile: Pending
Project Number: 07-R3363 Domicile Status Comments:
Reference Organization: Reference Number:
Reference Title: Advisory Org. Circular:
Filing Status Changed: 12/07/2007
State Status Changed: 12/07/2007 Deemer Date:
Corresponding Filing Tracking Number:
Filing Description:
We are filing to revise our CNA Umbrella Rating Plan. We are revising the rating scheme for the Segment of Small Business Umbrella only. The proposed rate pages replace pages CNA-CU-CW-RP- 1 through 7 .

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Company and Contact

Filing Contact Information

Roberta F. Cooper, State Filing Consultant roberta.cooper@cna.com
 333 S. Wabash (312) 822-4292 [Phone]
 Chicago, IL 60685 (312) 755-2394[FAX]

Filing Company Information

Continental Casualty Company	CoCode: 20443	State of Domicile: Illinois
333 South Wabash	Group Code: 218	Company Type: Property and Casualty
Chicago , IL 60604	Group Name: CNA Insurance Companies	State ID Number:
(312) 822-4292 ext. [Phone]	FEIN Number: 36-2114545	

National Fire Insurance Company of Hartford	CoCode: 20478	State of Domicile: Illinois
333 South Wabash	Group Code: 218	Company Type: Property and Casualty
37th Floor	Group Name: CNA Insurance Companies	State ID Number:
Chicago, IL 60604	FEIN Number: 06-0464510	
(312) 822-4292 ext. [Phone]		

American Casualty Company of Reading PA	CoCode: 20427	State of Domicile: Pennsylvania
333 South Wabash	Group Code: 218	Company Type: Property and Casualty
37th Floor	Group Name: CNA Insurance Companies	State ID Number:
Chicago, IL 60604	FEIN Number: 23-0342560	
(312) 822-4292 ext. [Phone]		

Transportation Insurance Company	CoCode: 20494	State of Domicile: Illinois
333 South Wabash	Group Code: 218	Company Type: Property and Casualty
37th Floor	Group Name: CNA Insurance	State ID Number:
Chicago, IL 60604		

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Companies

(312) 822-4292 ext. [Phone]

FEIN Number: 36-1877247

Valley Forge Insurance Company
333 South Wabash

CoCode: 20508
Group Code: 218

State of Domicile: Pennsylvania
Company Type: Property and
Casualty

37th Floor
Chicago, IL 60604

Group Name: CNA Insurance
Companies

State ID Number:

(312) 822-4292 ext. [Phone]

FEIN Number: 23-1620527

SERFF Tracking Number: CNAB-125364145 State: Arkansas
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Filing Fees

Fee Required? Yes
Fee Amount: \$100.00
Retaliatory? No
Fee Explanation: We are mailing our check in the amount of \$100 to cover the cost of filing fees.
Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Continental Casualty Company	\$0.00	12/02/2007	
National Fire Insurance Company of Hartford	\$0.00	12/02/2007	
American Casualty Company of Reading PA	\$0.00	12/02/2007	
Transportation Insurance Company	\$0.00	12/02/2007	
Valley Forge Insurance Company	\$0.00	12/02/2007	

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Exempt from Review	Edith Roberts	12/07/2007	12/07/2007

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Disposition

Disposition Date: 12/07/2007
 Effective Date (New):
 Effective Date (Renewal):
 Status: Exempt from Review
 Comment:

Company Name:	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):	Overall % Indicated Change:
Continental Casualty Company	-1.800%	\$-44,388	296	\$2,466,019	%	%	-1.500%
National Fire Insurance Company of Hartford	-1.800%	\$-344	6	\$19,104	%	%	-1.500%
American Casualty Company of Reading PA	-1.800%	\$-716	2	\$39,784	%	%	-1.500%
Transportation Insurance Company	-1.800%	\$-9,174	36	\$509,691	%	%	-1.500%
Valley Forge Insurance Company	-1.800%	\$-449	8	\$24,969	%	%	-1.500%

<i>SERFF Tracking Number:</i>	<i>CNAB-125364145</i>	<i>State:</i>	<i>Arkansas</i>
<i>First Filing Company:</i>	<i>Continental Casualty Company , ...</i>	<i>State Tracking Number:</i>	<i>#? \$100</i>
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<i>Project Name/Number:</i>	<i>Umbrella Rating Plan Revision /07-R3363</i>		

Overall Rate Information for Multiple Company Filings

Overall Percentage Rate Indicated For This Filing	-1.500%
Overall Percentage Rate Impact For This Filing	-1.800%
Effect of Rate Filing-Written Premium Change For This Program	\$-55,071
Effect of Rate Filing - Number of Policyholders Affected	348

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Item Type	Item Name	Item Status	Public Access
Supporting Document	Filing Memo	Accepted for Informational Purposes	Yes
Rate	Manual Page # 1	Accepted for Informational Purposes	Yes
Rate	Manual Page # 2	Accepted for Informational Purposes	Yes
Rate	Manual Page # 3	Accepted for Informational Purposes	Yes
Rate	Manual Page # 4	Accepted for Informational Purposes	Yes
Rate	Manual Page # 5	Accepted for Informational Purposes	Yes
Rate	Manual Page # 6	Accepted for Informational Purposes	Yes
Rate	Manual Page # 7	Accepted for Informational Purposes	Yes
Rate	Manual Page # 8	Accepted for Informational Purposes	Yes

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Rate Information

Rate data applies to filing.

Filing Method: File and Use
Rate Change Type: Decrease
Overall Percentage of Last Rate Revision: 0.000%
Effective Date of Last Rate Revision: 10/01/2001
Filing Method of Last Filing: File and Use

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):
Continental Casualty Company	-1.500%	-1.800%	\$-44,388	296	\$2,466,019	%	%
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Rate/Rule Schedule

Review Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Number:	Attachments
Accepted for Informational Purposes	Manual Page # 1	CNA-UMB-CW- RP-1	Replacement	01-R3208	07-R3363 Exception Page 10001.pdf
Accepted for Informational Purposes	Manual Page # 2	CNA-UMB-CW- RP-2	Replacement	01-R3208	07-R3363 Page 20001.pdf
Accepted for Informational Purposes	Manual Page # 3	CNA-UMB-CW- RP-3	Replacement	01-R3208	07-R 3363 Page 30001.pdf
Accepted for Informational Purposes	Manual Page # 4	CNA-UMB-CW- RP-4	Replacement	01-R3208	07-R3363 Page 40001.pdf
Accepted for Informational Purposes	Manual Page # 5	CNA-UMB-CW- RP-5	Replacement	01-R3208	07-R3363 Page 50001.pdf
Accepted for Informational Purposes	Manual Page # 6	CNA-UMB-CW- RP-6	Replacement	01-R3208	07-R3363 Page 60001.pdf
Accepted for Informational Purposes	Manual Page # 7	CNA-UMB-CW- RP-7	Replacement	01-R3208	07-R3363 Page 70001.pdf
Accepted for	Manual Page # 8	CNA-UMB-CW-	New		07-R3363 Page

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Informational
Purposes

RP-8

80001.pdf

COMMERCIAL UMBRELLA RATING PLAN

Countrywide Umbrella Rate Plan (Effective 2/1/2008)

2008 Simplified Umbrella Rating Plan Index

The following is CNA's filed rate plan.

Refer to the Umbrella/Excess Procedure for Underwriting Guidelines

Refer to the State Exception Pages for any State Specific Amendments to the Countrywide Filing.

This Rate Plan is for use by the following CNA Insurance Companies:

- Continental Casualty Company
- National Fire Insurance Company of Hartford, CT
- American Casualty Company of Reading, PA
- Transportation Insurance Company
- Valley Forge Insurance Company

Sections:

- I. Eligibility
- II. Minimum Underlying Limits
- III. Minimum Premiums
- IV. Rating
- V. Excess Rating Factors
- VI. Excess Limits Factors
- VII. Judgement Factors
- VIII. Facultative Reinsurance
- IX. Cancellation
- X. Audits

I. Eligibility

Commercial Umbrella Liability and Excess Liability may be written on any risk subject to the policy minimum premium and minimum underlying limits requirements outlined below.

COMMERCIAL UMBRELLA RATING PLAN

II. Minimum Underlying Limits

The following underlying limits are the minimum limits an underlying (or primary) policy may carry. For risks with greater than average catastrophic exposure, the underwriter may require higher underlying limits.

Coverage	Minimum Underlying Limit
Commercial General Liability	\$1,000,000 Occurrence \$1,000,000 Personal Injury
	\$1,000,000 General Aggregate \$1,000,000 Products Aggregate
Commercial Auto Liability	\$1,000,000 Combined Single Limit
Employers' Liability	\$100,000 Occurrence \$100,000 Employee Disease \$500,000 Policy Disease
Miscellaneous Liability: Liquor Liability	\$1,000,000 Each Common Cause \$1,000,000 Aggregate
Watercraft	\$1,000,000 Occurrence
Aircraft	\$5,000,000 Occurrence
Other	Refer to Company
Professional/E&O Liability	\$1,000,000 Occurrence

NOTE: The above attachments points are filed minimums

Refer to the UMBRELLA/EXCESS PROCEDURE--RISK SELECTION/UNDERLYING LIMITS REQUIREMENTS for underwriting requirements.

COMMERCIAL UMBRELLA RATING PLAN

III. Minimum Premiums

The minimum premiums for each \$1,000,000 of coverage are as follows:

		MINIMUM PREMIUM FOR EACH \$1,000,000 LAYER.	
EXCESS HAZARD GRADE		EXCESS HAZARD GRADE	
Other Commercial		Small Business	
1	\$500	Low	\$400
2	\$500		
3	\$1,000	Medium	\$600
4	\$1,000		
5	\$2,000		
\$	\$2,000	High	\$1,000

Note: Minimum Premiums cannot be modified and are not subject to Judgment or Schedule Rating Factors or the Transition Program.

Definition of Small Business

Manufacturing, max sales \$10,000,000
All other industries, max sales \$20,000,000

IV. Rating

The premium is based upon adequately priced underlying premiums for the primary limits. An Excess Rating Factor is applied to such underlying premium to develop the pricing for the first one million of umbrella/excess limits.

A Judgment Factor reflective of individual risk characteristics, relative degree of exposure and controls, may be applied to the total Umbrella premium developed.

The premium charged for the limits in excess of the first million limit shall be determined by applying Excess Limits Factors as described in Section VI, subject to the excess layer minimum premium requirements.

COMMERCIAL UMBRELLA RATING PLAN

V. Excess Rating Factors (Factors can not be modified)

PREMISES/OPERATIONS

The following factors are determined based on the CNA Hazard Grade for GL Premises/Operations:

Minimum U/L LIMIT 1000/1000	HAZARD GRADE					\$
	1	2	3	4	5	
Other	.105	.105	.125	.175	.230	.280
	Low	Medium	High			
Small Business	.105	.125	.175			

PRODUCTS/COMPLETED OPERATIONS

The following factors are determined based on the CNA Hazard Grade for Products/Completed Operations:

Minimum U/L LIMIT 1000/1000	HAZARD GRADE					\$
	1	2	3	4	5	
Other	.150	.150	.200	.275	.330	.430
	Low	Medium	High			
Small Business	.150	.200	.275			

COMMERCIAL UMBRELLA RATING PLAN

AUTO & GARAGE LIABILITY

The following factors are determined based on the CNA Hazard Grades.

Auto & Garage Liability Factors

Minimum

U/L LIMIT 1000/1000	HAZARD GRADE					\$
	1	2	3	4	5	
Other	.100	.125	.150	.175	.190	.300
	Low	Medium	High			
Small Business	.100	.150	.200			

MISCELLANEOUS LIABILITY

Refer to Company

PROFESSIONAL/E&O LIABILITY

Refer to Company

COMMERCIAL UMBRELLA RATING PLAN

VI. Excess Limit Factors (Factors can not be modified)

Increased Limits Factors to \$25,000,000 Umbrella

Umbrella Limit	Hazard Group	
	1-4	5 & \$
\$1,000,000	1.000	1.000
2,000,000	1.350	1.550
3,000,000	1.600	1.900
4,000,000	1.800	2.100
5,000,000	1.850	2.250
6,000,000	1.875	2.325
7,000,000	1.900	2.400
8,000,000	1.925	2.475
9,000,000	1.950	2.550
10,000,000	1.975	2.625
11,000,000	1.990	2.663
12,000,000	2.000	2.700
13,000,000	2.013	2.738
14,000,000	2.025	2.775
15,000,000	2.038	2.813
16,000,000	2.044	2.831
17,000,000	2.050	2.850
18,000,000	2.056	2.869
19,000,000	2.063	2.888
20,000,000	2.069	2.906
21,000,000	2.072	2.916
22,000,000	2.075	2.925
23,000,000	2.078	2.934
24,000,000	2.081	2.944
25,000,000	2.084	2.953

B. Premiums developed based on the above factors are subject to the per million minimum premiums.

COMMERCIAL UMBRELLA RATING PLAN

VII. Judgment Factors

The final Umbrella/Excess premium for the first million limit may be modified in accordance with the following Judgment Factor Table, subject to a maximum modification of +/- 75%, to reflect individual risk characteristics.

Note: These factors are not to be duplicated in the Umbrella pricing if already reflected in the underlying pricing.

TABLE OF JUDGMENT FACTORS				
CREDIT	DEBIT			
Classification/Coverage Peculiarities:				
·	Variance in standard aggregate or in application of aggregate	10%	TO	10%
·	Underlying coverage/limits	10%	TO	10%
·	Other classification/Coverage peculiarities	25%	TO	25%
Catastrophic Exposure				
·	Single person exposure	25%	TO	25%
·	Multiple person exposure	25%	TO	25%
Management:				
·	Management Experience	5%	TO	5%
·	Financial Condition of Risk	5%	TO	5%
Premises:				
·	Condition and care	5%	TO	5%
·	Life Safety	5%	TO	5%
Employees:				
·	Selection, Training, Supervision, Experience	5%	TO	5%
Vehicles and Equipment:				
·	Type, Condition, Maintenance	10%	TO	10%
Safety Program:				
·	Formal Loss Control and Safety Program	5%	TO	5%
·	Employed Safety Director	2%	TO	2%
·	Pollution Control Program	10%	TO	10%
·	Accident Investigation	5%	TO	5%
Quality Control - Products:				
·	Product Testing Procedures	10%	TO	10%
·	Record Keeping	5%	TO	5%
·	Controls on Packaging and Labeling	10%	TO	10%
·	Formal Products Recall Program	15%	TO	15%

COMMERCIAL UMBRELLA RATING PLAN

VIII. Facultative Reinsurance

In the event a risk is to be reinsured on a facultative basis the following rating procedure shall apply:

- A. The applicable rating procedure of this Rate Plan shall apply for the limits of liability or coverages which are not subject to facultative reinsurance.
- B. For limits of liability or coverage obtained by means of facultative reinsurance, the premium shall be the facultative cost for such insurance increased by a charge up to but not exceeding 50%.

IX. Cancellation

- A. Pro Rata Calculation
Compute return premium pro rata and round to the next higher whole dollar when a policy is canceled:
 - 1. At the company's request.
 - 2. Because the insured no longer has a financial or insurable interest in the property or business operation that is the subject of insurance.
 - 3. And written in the same company or group.
 - 4. After the first year for a prepaid policy written for a term of more than one year.
- B. Other Calculations
If paragraph A does not apply compute return premium as follows:
 - 1. Continuous and Annual Premium Payment Policies
Compute return premium at .90 of the pro rata unearned premium for the one year or annual installment period and round to the next higher whole dollar.
 - 2. Prepaid Policies

If canceled during the first year, compute the return premium at .90 of the pro rata unearned premium for the first year, plus the full annual premium for the subsequent years and round to the next higher whole dollar.
- C. Retention of Policy Minimum Premium.
Retain the Policy Minimum Premium when return premium is calculated under Paragraph B. except when a policy is canceled as of the inception date.

*

X. Audits

Policies may be written on either a flat or an adjustable basis. An adjustable basis may be considered for risks:

- A. that experience significant fluctuations in exposure or growth; or
- B. where the underlying premiums may not reflect an accurate exposure base

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Supporting Document Schedules

Satisfied -Name: Filing Memo

Review Status:

Accepted for Informational 12/07/2007
Purposes

Comments:

Attachment:

07-R3363 Filing Memo0001.pdf

**AMERICAN CASUALTY COMPANY OF READING
CONTINENTAL CASUALTY COMPANY
NATIONAL FIRE INSURANCE COMPANY OF HARTFORD
TRANSPORTATION INSURANCE COMPANY
VALLEY FORGE INSURANCE COMPANY**

**CNA INSURANCE COMPANIES
COMMERCIAL UMBRELLA
RULES AND RATES FILING MEMORANDUM**

CNA FILING ID# 07-R3363

This is an update to the CNA Umbrella Rating Plan. The changes are to be effective on policies written on or after February 1, 2008. We are revising the rating scheme for the segment of Small Business Umbrella only. The proposed rate pages replace pages CNA-CU-CW-RP-1-7 approved previously (**CNA Filing # 01-R3208**). Please be advised that only the criteria and factors regarding Small Business in sections III & V of the rate pages are updated. The rating scheme for policies other than Small Business remains unchanged.

As shown in the Actuarial Support Exhibits, the Small Business segment of the Umbrella Program contributed only about 6% of the total premium historically, but enjoyed a very favorable loss experience. These filed changes serve to better price Small Business Umbrella to a fair, profitable, and marketable premium level. We have also updated the definition of Small Business to align with our current internal Primary Small Business (a.k.a. CNA Connect) definition.

The rate impact of the revised plan is estimated to be -16.6% on the Small Business segment. With the expectation of growing the Small Business segment to about 11% of the total book in 2008, the filed rate change is calculated to be -1.8% of the total Umbrella program.