

SERFF Tracking Number: PERR-125321210 State: Arkansas
Filing Company: Westchester Fire Insurance Company State Tracking Number: #101490 \$25
Company Tracking Number: WFIC-AR-DO-07-PR-343-R
TOI: 17.1 Other Liability - Claims Made Only Sub-TOI: 17.1006 Directors & Officers Liability
Product Name: WFIC-AR-DO-07-PR-343-R
Project Name/Number: WFIC-AR-DO-07-PR-343-R/WFIC-AR-DO-07-PR-343-R

Filing at a Glance

Company: Westchester Fire Insurance Company

Product Name: WFIC-AR-DO-07-PR-343-R SERFF Tr Num: PERR-125321210 State: Arkansas
TOI: 17.1 Other Liability - Claims Made Only SERFF Status: Closed State Tr Num: #101490 \$25
Sub-TOI: 17.1006 Directors & Officers Liability Co Tr Num: WFIC-AR-DO-07-PR-343-R State Status: Fees verified and received
Filing Type: Rule Co Status: Reviewer(s): Betty Montesi, Edith Roberts, Brittany Yielding
Authors: Neresia Torres, Olga E. Burciaga Disposition Date: 12/07/2007
Date Submitted: 12/04/2007 Disposition Status: Filed
Effective Date Requested (New): 01/06/2008 Effective Date (New):
Effective Date Requested (Renewal): 01/06/2008 Effective Date (Renewal):
State Filing Description:

General Information

Project Name: WFIC-AR-DO-07-PR-343-R Status of Filing in Domicile: Not Filed
Project Number: WFIC-AR-DO-07-PR-343-R 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: WFIC-AR-DO-07-PR-343-F
Filing Description:

On behalf of Westchester Fire Insurance Company (the "Company"), we are submitting this filing to revise its Directors and Officers Liability Program. The revisions relate solely to the coverage for private companies and not-for-profit companies. In this filing, we are revising the Private Company Management Liability and Not-For-Profit Company Management Liability policies, declaration pages, applications and endorsements. The proposed form changes, submitted under separate cover, serve to update the program to include coverage enhancements currently available in the D&O marketplace for private and not-for-profit companies. There will also be some minor rule changes. There will be

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no rate impact as a result of any of these changes. Please see the enclosed memorandum for further details.

The Company respectfully requests that the proposed rules be implemented for all policies effective January 6, 2008.

Enclosed is authorization for Perr&Knight to submit this filing on behalf of the Company. All correspondence related to this filing should be directed to Perr&Knight. The Company has prepared the rules contained in this filing. If there are any requests for additional information related to items prepared by the Company, we will forward the request immediately to the Company. We will submit the Company's response to your attention as soon as we receive it. Please do not hesitate to contact us with any questions or comments.

Company and Contact

Filing Contact Information

(This filing was made by a third party - perrandknightactuaryconsultants)

Neresa Torres, State Filings Project doi@perrknight.com
 Coordinator
 881 Alma Real Drive (888) 201-5123 [Phone]
 Pacific Palisades, CA 90272 (310) 230-8529[FAX]

Filing Company Information

Westchester Fire Insurance Company	CoCode: 21121	State of Domicile: New York
1133 Avenue of Americas	Group Code: 52	Company Type:
New York, NY 10036	Group Name: ACE INA	State ID Number:
(215) 640-1000 ext. [Phone]	FEIN Number: 13-5481330	

Filing Fees

Fee Required?	Yes
Fee Amount:	\$25.00
Retaliatory?	No
Fee Explanation:	AR charges \$25.00 per rule filing
Per Company:	No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
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Westchester Fire Insurance Company \$0.00 12/04/2007

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CHECK NUMBER	CHECK AMOUNT	CHECK DATE
101490	\$25.00	11/30/2007

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Edith Roberts	12/07/2007	12/07/2007

SERFF Tracking Number: *PERR-125321210* *State:* *Arkansas*
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Disposition

Disposition Date: 12/07/2007

Effective Date (New):

Effective Date (Renewal):

Status: Filed

Comment:

Rate data does NOT apply to filing.

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Rate Information

Rate data does NOT apply to filing.

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Rate/Rule Schedule

Review Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Attachments Number:
Filed	Company exception Page	Page 1 thru 2	New	Westchester Company Exception page.pdf

Company Exception Page

WESTCHESTER FIRE INSURANCE COMPANY

Private Company Liability Policy
Not-for-Profit Company Liability Policy

I. SECTION I. GENERAL RULES

Rule C. 5 through 8 are replaced with the following:

C. APPLICATIONS

5. Application for Not-For-Profit Company Liability Insurance **PF-22904 (09-07)**
6. Renewal Application for Not-For-Profit Company Liability Insurance **PF-22901 (09/07)**
7. Application for Private Company Liability Insurance **PF-22888 (09-07)**
8. Renewal Application for Private Company Liability Insurance **PF-22890 (09-07)**

Rule G. Policy Writing Minimum Premium does not apply

II. SECTION III. COVERAGE FORMS

Rule A. 5 & 6 are replaced; item A. 7 is added

- A. The eligibility guidelines, rates and rules outlined in this manual apply to the following coverage forms.
 5. Not-For-Profit Company Management Liability Policy -- **PF-22530**
 6. Private Company Management Liability Policy -- **PF-22021**
 7. **FIDUCIARY LIABILITY INSURING AGREEMENT (endorsement) -- PF-22821 (08-07)**

III. DIRECTORS AND OFFICERS LIABILITY RATING PLAN

Step 2. The following additional corporate self insured retention options (less than \$5,000.) are added for Class 1A, 1B or 2 risks:

Per Occurrence Limit	Self Insured Retention					
	\$0	\$500	\$750	\$1,000	\$2,000	\$3,000
\$ 250,000	0.496	0.490	0.486	0.482	0.470	0.461
\$500,000	0.734	0.729	0.724	0.720	0.708	0.699
\$750,000	0.926	0.921	0.916	0.912	0.899	0.890
\$1,000,000	1.093	1.087	1.082	1.078	1.066	1.057
\$2,000,000	1.626	1.620	1.615	1.611	1.599	1.590
\$3,000,000	2.061	2.056	2.051	2.046	2.034	2.025
\$4,000,000	2.444	2.438	2.433	2.429	2.416	2.407
\$5,000,000	2.791	2.786	2.781	2.776	2.764	2.755
\$6,000,000	3.114	3.108	3.103	3.099	3.086	3.077
\$7,000,000	3.416	3.411	3.406	3.402	3.389	3.380
\$ 8,000,000	3.704	3.698	3.693	3.689	3.676	3.667

\$9,000,000	3.978	3.973	3.967	3.963	3.951	3.941
\$10,000,000	4.241	4.236	4.231	4.227	4.214	4.205
\$11,000,000	4.495	4.490	4.485	4.481	4.468	4.459
\$12,000,000	4.741	4.736	4.730	4.726	4.714	4.704
\$13,000,000	4.979	4.974	4.969	4.965	4.952	4.943
\$14,000,000	5.211	5.206	5.201	5.196	5.184	5.174
\$15,000,000	5.437	5.432	5.427	5.422	5.410	5.400
\$16,000,000	5.658	5.652	5.647	5.643	5.630	5.621
\$17,000,000	5.873	5.868	5.863	5.859	5.846	5.837
\$18,000,000	6.085	6.079	6.074	6.070	6.057	6.048
\$19,000,000	6.292	6.286	6.281	6.277	6.264	6.255
\$20,000,000	6.495	6.489	6.484	6.480	6.467	6.458
\$21,000,000	6.695	6.689	6.684	6.680	6.667	6.658
\$22,000,000	6.891	6.885	6.880	6.876	6.863	6.854
\$23,000,000	7.084	7.078	7.073	7.069	7.057	7.047
\$24,000,000	7.274	7.269	7.264	7.259	7.247	7.237
\$25,000,000	7.462	7.456	7.451	7.447	7.434	7.425

IV. FIDUCIARY LIABILITY RATING PLAN

Coverage Form—Attach Endorsement PF-22516 (08-07) Fiduciary Liability Insuring Agreement

Rating Step 3: For asset levels less than 250,000 use the following retentions.

TOTAL ASSETS OF PLANS	INDIVIDUAL	CORPORATE
<\$50,000	\$0	\$0
\$50,001 - \$100,000	\$0	\$1,000
\$100,001 - \$250,000	\$0	\$2,500

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Supporting Document Schedules

		Review Status:	
Satisfied -Name:	Filing Memo & Letter of Authorization	Filed	12/07/2007

Comments:

Attachments:

AR- Memo.pdf

ACE Westchester Authorization Letter.pdf

Westchester Fire Insurance Company

Directors and Officers Liability Program Forms and Rules ONLY Filing Revision

Arkansas Filing Memorandum

Westchester Fire Insurance Company (WFIC) is filing to revise its Directors and Officers Liability Program, filed under the Other Liability annual statement line of business. The revisions relate solely to the coverage for private companies and not-for-profit companies. The Directors and Officers Liability (“D&O”) Program was originally filed for both ACE American Insurance Company (“AAIC”) and WFIC. This revision does not apply to AAIC. Rather, the revision applies only to WFIC. As a result, WFIC and AAIC will ultimately utilize different forms and rules to provide D&O coverage to private and not-for-profit companies. WFIC and AAIC distribute their insurance products through different channels, AAIC through the retail market and WFIC through the wholesale broker market.

The Private Company Liability Policy and Not-For-Profit Company Liability Policy provide D&O, Employment Practices Liability (“EPLI”) and Fiduciary Liability coverage. There are separate rates for each of these coverages. We would like to clarify that WFIC currently utilizes and will continue to utilize (subject to the changes filed herein) the 2003 EPLI rating plan submitted under filing number ACE-AR-2003-PR-466-R. A stand-alone EPLI product was introduced for AAIC and WFIC in 2006. In the actuarial memorandum of that filing, it was erroneously stated that the 2006 rates replaced all EPLI rates previously filed for WFIC, which was incorrect.

In this filing, we are revising the Private Company Management Liability and Not-For-Profit Company Management Liability policies, declaration pages, applications and endorsements. The attached forms list details the changes to each form/endorsement. Redlined versions of the main policy forms have also been included.

The proposed form changes serve to update the program to include coverage enhancements currently available in the D&O marketplace for private and not-for-profit companies. A list of the principal form changes introduced in this filing is shown below.

- Fiduciary liability coverage has been removed from the base policy form and will be offered by endorsement. The reason for this change is the form was too long and not all applicants wanted to purchase D&O, EPL and Fiduciary, but most applicants wanted D&O and EPL. The form number for the Fiduciary Endorsement is PF-22516 (08-07).
- Non-rescindable for all coverages
- Section IV-Severability of exclusions – only knowledge possessed by CEO and CFO imputed to Company
- “Application” limited to previous 36 months of submissions and no reference to publicly filed documents
- Section X Defense and settlement –Changed to Insurer has Duty to Defend
- No co-insurance penalty in the event insured withholds consent of settlement
- Retention waiver in the event insureds consent to Settlement Opportunity within 90 days after Claim is reported

- Broad Third Party EPL Coverage – all persons, including clients, customers, vendors, suppliers
- “Claim” includes investigations against entity triggered by written notice
- Conduct Exclusions – final adjudication wording
- Fraud/Crime Exclusion – “deliberately” fraudulent or criminal
- Pollution Exclusion – Non-Indemnifiable Loss/Financial Impairment carve-outs for all Claims
- Insured vs. Insured Exclusion – carve-outs include SOX whistleblowers, claims brought by employees, bankruptcy trustees, former executives (4 years) or foreign executives, and cross-claims/third party claims
- Public Offering Exclusion
- Private Form only: only applies to offerings actually undertaken or consummated (not merely attempted), and exception for all 1933 Securities Act exemptions
- Pending and Prior Litigation Exclusion – an insured must have notice of pending/prior proceeding
- “Subsidiary” includes LLP’s and JV’s
- Auto-Subsidiary threshold – 25% of Named Insured’s total assets; 90-days of coverage for sub’s exceeding 25%
- Outside Entity coverage – specific request or direction (no written request requirement)

The revised policies will continue to be rated according to the rates and rules previously filed in Arkansas, under company filing number ACE-AR-2003-PR-466-R, with some minor rule changes. Specifically, in this filing, we are introducing a Company Exception Page applicable only to WFIC. The Company Exception Page is intended to make the product more competitive for smaller insureds by providing lower deductible options than those included in the original filing.



**ace westchester
specialty group**

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678-795-4170 fax
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www.ace-ina.com

Barbara A. Robinson
Vice President

August 17, 2007

To Whom It May Concern:

Perr & Knight, Inc. is hereby authorized to submit rate, rule and form filings on behalf of Westchester Fire Insurance Company. This authorization includes providing additional information and responding to questions regarding the filings on our behalf as necessary. This authorization is deemed to be in effect until rescinded in writing.

Please direct all correspondence and inquiries related to this filing to Perr & Knight, Inc., at the following address:

State Filings Department
Perr & Knight, Inc.
881 Alma Real Drive, Suite 205
Pacific Palisades, CA 90272
Telephone: (888) 201-5123
Fax: (310) 230-1061

Please contact me at 678-795-4314 if you have any questions regarding this authorization.

Sincerely,

A handwritten signature in cursive script that reads "Barbara A. Robinson".

Barbara A. Robinson
Vice President