

SERFF Tracking Number: TRVE-125401297 State: Arkansas
Filing Company: St. Paul Mercury Insurance State Tracking Number: EFT \$50
Company Tracking Number: 2007-10-0069B
TOI: 17.0 Other Liability - Claims Made/Occurrence Sub-TOI: 17.0006 Directors & Officers Liability
Product Name: Advantage 500M D&O Fidelity Form Filing 2007-10-0069
Project Name/Number: Advantage 500M D&O Fidelity Form Filing 2007-10-0069/2007-10-0069

Filing at a Glance

Company: St. Paul Mercury Insurance

Product Name: Advantage 500M D&O Fidelity Form Filing 2007-10-0069 SERFF Tr Num: TRVE-125401297 State: Arkansas

Form Filing 2007-10-0069

TOI: 17.0 Other Liability - Claims Made/Occurrence SERFF Status: Closed State Tr Num: EFT \$50

Sub-TOI: 17.0006 Directors & Officers Liability

Co Tr Num: 2007-10-0069B State Status: Fees verified and received

Filing Type: Form

Co Status: Reviewer(s): Betty Montesi, Edith Roberts, Brittany Yielding

Authors: Socorro Armstrong, Theresa Lavenburg, Michelle Smith

Cotto, Celina Caez

Date Submitted: 12/26/2007

Disposition Date: 12/27/2007

Effective Date Requested (New): 12/13/2007

Effective Date Requested (Renewal): 12/13/2007

Disposition Status: Approved

Effective Date (New):

Effective Date (Renewal):

State Filing Description:

General Information

Project Name: Advantage 500M D&O Fidelity Form Filing 2007-10-0069 Status of Filing in Domicile:

Project Number: 2007-10-0069

Domicile Status Comments:

Reference Organization:

Reference Number:

Reference Title:

Advisory Org. Circular:

Filing Status Changed: 12/27/2007

State Status Changed: 12/27/2007

Deemer Date:

Corresponding Filing Tracking Number:

Filing Description:

Our Company Filing Number: 2007-10-0069B

Form Name: Travelers Advantage 500M for Public Companies— FP500 ed. 12/07

Form Filing – Liability

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ST. PAUL MERCURY INSURANCE COMPANY 3548-24791

In compliance with the insurance laws and regulations of your state, we respectfully ask the Department to replace form FP500, 11-07 Travelers Advantage 500M for Public Companies and substitute with form FP500, 12-07 Travelers Advantage 500M for Public Companies.

Please refer to the enclosed memorandum which clarifies the purpose of this filing. This memorandum was submitted with filing number 2007-10-0069A however we erroneously submitted the wrong form. We apologize for the inconvenience this has caused.

There is no rating impact.

Company and Contact

Filing Contact Information

Michelle Smith Cotto, Regulatory Analyst MSMITHCO@travelers.com
One Tower Square (860) 277-2345 [Phone]
Hartford, CT 06183 (860) 235-4951[FAX]

Filing Company Information

St. Paul Mercury Insurance CoCode: 24791 State of Domicile: Minnesota
One Tower Square, 2S2B Group Code: 3548 Company Type:
Hartford, CT 06183 Group Name: State ID Number:
(860) 277-4045 ext. [Phone] FEIN Number: 41-0881659

Filing Fees

Fee Required? Yes
Fee Amount: \$50.00
Retaliatory? No
Fee Explanation:
Per Company: No

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COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
St. Paul Mercury Insurance	\$50.00	12/26/2007	17241496

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Edith Roberts	12/27/2007	12/27/2007

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Disposition

Disposition Date: 12/27/2007

Effective Date (New):

Effective Date (Renewal):

Status: Approved

Comment:

Rate data does NOT apply to filing.

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Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Supporting Document	Explanatory Memorandum	Approved	Yes
Form	Travelers Advantage 500M for Public Companies	Approved	Yes

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Form Schedule

Review Status	Form Name	Form #	Edition Date	Form Type Action	Action Specific Data	Readability	Attachment
Approved	Travelers Advantage 500M for Public Companies	FP500 Ed.	12/07	Endorsement/Amendment/Conditions Replaced	Replaced Form #:0.00 FP500 Ed. 11/07 Previous Filing #:		FP500V_1107_3.pdf

The following spaces preceded by an (*) need not be completed if this endorsement or rider and the Bond or Policy have the same inception date.

ATTACHED TO AND FORMING PART OF BOND OR POLICY NO. @@@@@@@@@@@@@@@	DATE ENDORSEMENT OR RIDER EXECUTED #####	* EFFECTIVE DATE OF ENDORSEMENT OR RIDER 12:01 A.M. LOCAL TIME AS SPECIFIED IN THE BOND OR POLICY !!!!!!!!!!!!
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* ISSUED TO
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**TRAVELERS ADVANTAGE 500M FOR PUBLIC COMPANIES
FP500 Ed. 12/07**

In consideration of the premium charged it is understood and agreed that this Policy is amended as follows:

1. **Items 3** of the Declarations are amended to add the following:

Item 3. Investigative Costs Coverage Limit of Liability: \$##### Each Policy Period under the Investigative Costs Coverage Insuring Agreement D, which shall be part of and not in addition to the Limit of Liability applicable to all other Insuring Agreements under this Policy.

Note that the Limit of Liability is reduced or exhausted by Investigation Costs

Excess Independent Director Coverage Limit of Liability: \$1,000,000 Each Policy Period under the Excess Independent Director extension, which shall be in addition to and excess of the Limit of Liability applicable to all other Insuring Agreements under this Policy.

2. The following additional Insuring Agreement is added to this Policy:

D. Investigative Costs Coverage

The Insurer shall pay on behalf of the Company Investigative Costs for which the Company becomes legally obligated to pay on account of any Shareholder Derivative Demand first made during the Policy Period or any applicable Discovery Period, for a Wrongful Act taking place before or during the Policy Period.

The Insurer shall not be liable under Insuring Agreements A, B or C for Investigation Costs on account of any Shareholder Derivative Demand.

3. The following is added to this Policy:

The Insurer shall not assert that the portion of any settlement in a Securities Claim alleging a violation of Section 11 or Section 12 of the Securities Act of 1933, including Defense Costs attributable to such allegations, constitutes disgorgement, restitution or other uninsurable loss, unless a judgment or other final adjudication by a court, or a final determination of a regulatory, administrative or other governmental body, establishes that such amount constitutes disgorgement, restitution or other uninsurable loss.

4. Section II. **EXTENSIONS** is amended to add the following:

E. Excess Independent Director Coverage

The Insurer shall pay up to \$1,000,000 on behalf of an Insured Person serving as an Independent Director for Loss for which the Independent Director is not indemnified by the Company and which the Independent Director becomes legally obligated to pay on account of any Claim first made against them, individually or otherwise, during the Policy Period, or if exercised, during the Discovery Period, for a Wrongful Act taking place before or during the Policy Period.

This extension of coverage shall be in addition to and excess of the Limit of Liability set forth in Item 3 of the Declarations, and no Retention Amount shall apply to this extension of coverage. This extension of coverage shall be specifically excess of any valid and collectible other insurance or indemnification available to the Independent

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Director; however, if Loss is not paid by such other insurance or as indemnification, this Policy will pay such Loss on behalf the Insured Person(s), subject to all of its terms, conditions and limitations.

5. Subsection **II. EXTENSIONS, B. Spousal Liability** is replaced with the following:

B. Spousal and Domestic Partner Liability

If a Claim against an Insured Person includes a claim against the Insured Person's lawful spouse or Domestic Partner solely by reason of:

- (i) such spouse's or such Domestic Partner's legal status as a spouse or Domestic Partner, respectively, of the Insured Person; or
- (ii) such spouse's or such Domestic Partner's ownership interest in property which the claimant seeks as recovery for alleged Wrongful Acts of the Insured Person;

all loss which such spouse or such Domestic Partner becomes legally obligated to pay by reason of such Claim shall be treated for purposes of this Policy as Loss which the Insured Person becomes legally obligated to pay on account of the Claim made against the Insured Person. All terms and conditions of this Policy, including the Retention Amount, applicable to Loss incurred by such Insured Person in the Claim shall also apply to such spouse's or Domestic Partner's loss.

The coverage extension afforded by this Subsection II.B does not apply to the extent the Claim alleges any wrongful act or omission by the Insured Person's spouse or Domestic Partner.

6. Section **III. DEFINITIONS, A. Application, B. Claim, C. Company, J. Loss, and P. Non-Profit Entity** are replaced with the following:

A. Application means all signed applications, for this Policy or any similar policy of which this Policy is a direct or indirect renewal or replacement, within the previous twelve (12) months, including any:

1. attachments and materials submitted therewith or requested therein, and
2. public documents filed by the Company, including any certifications related to the accuracy of such public documents, with the Securities and Exchange Commission, or any similar federal, state provincial, local or other regulatory agency anywhere in the world, on or after the date that is twelve (12) months prior to the effective date of this Policy.

All such applications, attachments and materials are deemed attached to and incorporated into this Policy.

B. Claim means:

1. a written demand, other than a Shareholder Derivative Demand, against any Insured Person or, with respect to Insuring Agreement C, the Company for monetary damages or non-monetary relief,
 2. a civil or arbitration proceeding against any Insured Person or, with respect to Insuring Agreement C, the Company commenced by a service of a complaint, arbitration proceeding or similar pleading,
 3. a criminal proceeding against any Insured Person commenced by a return of an indictment,
 4. formal civil administrative or regulatory proceeding against any Insured Person commenced by the filing of a notice of charges, formal investigative order or similar document, or
 5. a Shareholder Derivative Demand, with respect to Insuring Agreement D only,
- for a Wrongful Act, including any appeal therefrom.

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C. **Company** means, collectively, any organization named in Item 1 of the Declarations and its Subsidiaries including any such organization or Subsidiary as a debtor in possession, as such term is used in Chapter 11 of the United States of America Bankruptcy Code.

J. **Loss** means the amount which the Insured Persons or, with respect to Insuring Agreement C, the Company become legally obligated to pay on account of each Claim and for all Claims in the Policy Period and the Discovery Period, if exercised, made against them for Wrongful Acts for which coverage applies, including, but not limited to, damages, judgments, settlements, pre-judgment and post-judgment interest and Defense Costs. Loss does not include (1) any amount for which the Insureds are absolved from payment, (2) taxes, fines or penalties imposed by law, (3) the multiple portion of any multiplied damage award or punitive or exemplary damages incurred by any Insured unless such damages are insurable under the law of any jurisdiction that is most favorable to the insurability of such damages and has a substantial relationship to the Insureds, the Claim, the Insurer, or this Policy, or (4) matters uninsurable under the law pursuant to which this Policy is construed; provided this definition does not exclude punitive or exemplary damages incurred by the Insureds to the extent such damages are insurable under applicable law.

Loss also means Investigative Costs, with respect to the Insuring Agreement D only.

P. **Non-Profit Entity** means any non-profit corporation, community chest, fund or foundation that is (i) not included in the definition of Company, and (ii) exempt from federal income tax as an organization described in Section 501(c)(3), 501(c)(4) or 501(c)(10) of the Internal Revenue Code of 1986, as amended.

7. The definition of **Defense Costs** in section **III. DEFINITIONS, D**, is amended to add the following:

Defense Costs does not include Investigative Costs.

8. Subpart 1 of the definition of **Wrongful Act** in section **III. DEFINITIONS, S**, is replaced with the following:

1. any error, misstatement, misleading statement, act, omission, neglect, or breach of duty actually or allegedly committed or attempted by any of the Insured Persons in their capacity as such, or in an Outside Position or, with respect to Insuring Agreements C and D, by the Company, or

9. The following are added to Section **III. DEFINITIONS**:

Domestic Partner means any natural person who qualifies as a domestic partner, or party to a civil union, under the provisions of any applicable federal, state, local or foreign law, or under the provisions of any formal program established by the Company.

Independent Director, either in the singular or plural, means an Insured Person who is a "Non-Employee Director" of the Company as such term is defined in Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended; provided, that the term "issuer" as referenced in such Rule shall be deemed to refer to the Company.

Investigative Costs means reasonable costs, charges, fees (including attorney's fees and experts' fees) and expenses (other than regular or overtime wages, salaries or fees of the directors, officers or employees of the Company) incurred by the Company, or its board of directors or any committee of the board of directors, in connection with the investigation or evaluation of any Shareholder Derivative Demand.

Pollution Condition means the actual, alleged or threatened discharge, release, escape, seepage, migration or disposal of Pollutants into or on, or the presence of Pollutants in, real or personal property, water or the atmosphere.

Shareholder Derivative Demand means any written demand brought or maintained by any shareholder on behalf of the Company, upon the board of directors of the Company, to bring a civil proceeding in a court of law against any Insured Person for a Wrongful Act actually or allegedly committed by an Insured Person, but only if such demand is brought and maintained without the solicitation, assistance or active participation of any Insured Person.

Whistleblower Activity means activity protected under:

1. 18 U.S.C. 1514(a) (whistleblower protection pursuant to Section 806 of the Sarbanes-Oxley Act of 2002), other than the activity of "filing or the causing to be filed" any proceeding as specified under 1514(a)(2) and any other activity specified in 1514(a)(2) that is engaged in on a voluntary basis, or
 2. any similar whistleblower protection provision of any applicable federal, state, local or foreign securities law that affords protection to a natural person, other than the filing, causing to be filed or any other activity similar to the type specified in 18 U.S.C. 1514(a)(2) that is engaged in on a voluntary basis.
10. The preamble to Subsection **IV. EXCLUSIONS, A. Exclusions Applicable to All Insuring Agreements**, is replaced with the following:

The Insurer shall not be liable for Loss on account of any Claim made against any Insured Person, or with respect to Insuring Agreements C or D, the Company:

11. Subsection **IV. EXCLUSIONS, A. Exclusions Applicable to All Insuring Agreements, exclusion 3** is replaced with the following:

3. brought or maintained by or on behalf of the Company or any Insured Person in any capacity except:
 - (a) a Claim that is a derivative action brought or maintained on behalf of the Company by one or more persons who are not Insured Persons and who bring and maintain the Claim without the solicitation, assistance or active participation of the Company or any Insured Person; provided, if any Insured Person engages in any Whistleblower Activity, such activity shall not alone be considered to be with the solicitation, assistance or active participation of the Company or any such Insured Person,
 - (b) a Claim brought or maintained by any Insured Person for any actual or alleged employment-related Wrongful Act,
 - (c) a Claim brought or maintained by any Insured Person for contribution or indemnity, if the Claim directly results from another Claim otherwise covered under this Policy,
 - (d) a Claim brought or maintained by any employee of the Company described in Subsection III.H(2),
 - (e) a Claim in any bankruptcy proceeding by or against the Company, brought or maintained by an court-appointed examiner, receiver, conservator, liquidator, trustee, rehabilitator, or similar official serving in the same legal capacity as a court-appointed examiner, receiver, conservator, liquidator, trustee, rehabilitator of the Company,
 - (f) a Claim brought or maintained by a natural person who was a director or officer of the Company, but who has not served as a director or officer of the Company for at least four years preceding the date the Claim is first made, and who brings and maintains the Claim without the solicitation, assistance or active participation of any natural person who is serving, or was serving, as a director or officer of the Company within such four-year period; or
 - (g) a Claim that is brought or maintained against an Independent Director;

12. Subsection **IV. EXCLUSIONS, A. Exclusions Applicable to All Insuring Agreements, exclusion 7** is replaced with the following:

7. based upon, arising out of, or attributable to any: (1) Pollution Condition; or (2) direction or request that the Company or the Insured Persons test for, monitor, clean up, remove, contain, treat, detoxify or neutralize Pollutants, or any voluntary decision to do so; including without limitation any Securities Claim or any other Claim by or on behalf of the Company, its securities holders or creditors based upon, arising out of, or attributable to the matters described in this exclusion; provided, this exclusion shall not apply to any Loss covered under Insuring Agreement A on account of a shareholder derivative proceeding on behalf of the Company or a Securities Claim.

13. Subsection IV. **EXCLUSIONS, B. Exclusions Applicable to Insuring Agreement A Only**, is replaced with the following:

The Insurer shall not be liable under Insuring Agreement A for Loss, other than Defense Costs, on account of any Claim made against any Insured Person:

1. for an accounting of profits made from the purchase or sale by such Insured Person of securities of the Company within the meaning of Section 16 (b) of the Securities Exchange Act of 1934 or amendments thereto or similar provisions of any federal, state or local statutory law or common law, if a judgment or other final adjudication adverse to the Insured Person establishes that such Insured Person must disgorge or account for such profits;
2. for any deliberately fraudulent act or omission or any willful violation of any statute or regulation if a judgment or other final adjudication adverse to such Insured Person establishes that such Insured Person committed such an act, omission or willful violation, provided that in the event of a judgment or other final adjudication adverse to any Insured Person, such Insured Person will agree to repay the Insurer for such Defense Costs; or
3. based upon, arising out of, or attributable to such Insured Person gaining any personal profit, remuneration or financial advantage to which such Insured Person was not legally entitled if a judgment or other final adjudication adverse to the Insured Person establishes that such Insured Person was not legally entitled to such personal profit, remuneration or financial advantage;

This Subsection IV.B.3 shall not apply to any Securities Claim alleging a violation of Section 11 or Section 12 of the Securities Act of 1933, unless a judgment or other final adjudication by a court, or a final determination of a regulatory, administrative or other governmental body, establishes that such personal profit, remuneration or financial advantage constitutes disgorgement, restitution or other uninsurable loss.

14. Subpart 2 of Subsection IV. **EXCLUSIONS, C. Exclusions Applicable to Insuring Agreement C Only**, is replaced by the following:

2. based upon, arising out of, or attributable to the Company gaining any profit, remuneration or financial advantage to which the Company was not legally entitled if a judgment or other final adjudication adverse to the Company establishes that such Company was not legally entitled to such profit, remuneration or financial advantage; provided this exclusion shall not apply to any Securities Claim alleging a violation of Section 11 or Section 12 of the Securities Act of 1933, unless a judgment or other final adjudication by a court, or a final determination of a regulatory, administrative or other governmental body, establishes that such profit, remuneration or financial advantage constitutes disgorgement, restitution or other uninsurable loss.

15. Subsection V. **GENERAL CONDITIONS AND LIMITATIONS, A. Limit of Liability, Retention and Coinsurance**, is amended to add the following:

The Insurer's maximum liability under Insuring Agreement D for all Investigation Costs on account of all Shareholder Derivative Demands first made during the same Policy Period shall be the Investigative Costs Coverage Limit of Liability set forth in Item 3 of the Declarations as amended by this Endorsement. Such Investigative Costs Coverage Limit of Liability is a sublimit which is part of and not in addition to the Limit of Liability which further limits and does not increase the Insurer's maximum liability under this Policy. No retention shall apply to Loss covered by Insuring Agreement D.

16. Subsection V. **GENERAL CONDITIONS AND LIMITATIONS, C. Notice, paragraph 1**, is replaced with the following:

The Insureds shall, as a condition precedent to their rights under this Policy, give to the Insurer written notice of any Claim made against the Insured Persons or, with respect to Insuring Agreements C and D, the Company, as soon as practicable after the ##### of the Parent Company first learns of such Claim, but in no event later than ninety (90) days after expiration of the Policy Period or, if exercised, during the Discovery Period.

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17. Subsection V. **GENERAL CONDITIONS AND LIMITATIONS, D. Defense and Settlement**, is amended to add the following:

Subject to the Insuring Agreement D, it shall be the duty of the Company, and not the duty of the Insurer, to investigate and evaluate any Shareholder Derivative Demand.

18. Subsection V. **GENERAL CONDITIONS AND LIMITATIONS, D. Defense and Settlement, paragraph 6**, is deleted.

19. Subsection V. **GENERAL CONDITIONS AND LIMITATIONS, G.1, paragraph 2**, is replaced with the following:

If the fair value of all cash, securities, assumed indebtedness and other consideration paid by the Company for any such acquisition or creation is less than 30% of the total assets of all of the Companies as reflected in the Company's most recent financial statements as of the inception of the Policy Period, such organization and its Insured Persons shall automatically be covered under this Policy, but only with respect to Wrongful Acts taking place after such acquisition or creation, unless the Insurer agrees after presentation of a complete application and all appropriate information to provide coverage by endorsement for Wrongful Acts taking place prior to such acquisition or creation.

20. Subsection V. **GENERAL CONDITIONS AND LIMITATIONS, H. Representations and Severability**, is replaced with the following:

1. The Insureds and the Insurer agree that the Insurer will not under any circumstances rescind this Policy with respect to any Insured. All Insureds acknowledge, however, that this Policy was issued in reliance upon the truthfulness and accuracy of the statements and representations in the Application. All Insureds further agree that the statements and representations contained in the Application are true and accurate and the Policy is issued in reliance upon the truth and accuracy thereof.
2. With respect to such statements and representations contained in the Application, no knowledge possessed by one Insured Person shall be imputed to any other Insured Person.
3. It is further agreed, notwithstanding anything to the contrary in this Policy or this Endorsement, that if any statement or representation contained in the Application is untrue or inaccurate and materially affects the acceptance of the risk assumed by the Insurer, then no coverage shall be afforded for any Claim based upon, arising out of, or attributable to the subject matter of any such untrue or inaccurate statement or representation under:
 - (a) Insuring Agreement A, with respect to any Insured Person who knew of the subject matter of such untruthful or inaccurate disclosure, whether or not such Insured Person knew such Application contained such untruthful or inaccurate disclosure,
 - (b) Insuring Agreement B, with respect to the Company to the extent it indemnifies any Insured Person referenced in subpart (a), above, and
 - (c) Insuring Agreements C and D, with respect to the Company if any past or present Executive Officer knew of the subject matter of such untruthful or inaccurate disclosure, whether or not such Executive Officer knew such Application contained such untruthful or inaccurate disclosure.

21. Section V. **GENERAL CONDITIONS AND LIMITATIONS**, is amended by adding the following:

P. Order of Payments

In the event of Loss arising from a covered Claim for which payment is due under the provisions of this Policy, the Insurer shall:

- (a) first, pay Loss for which coverage is provided under Insuring Agreement A. Directors and Officers Individual Coverage of this Policy; and then

- (b) only after payment of Loss has been made pursuant to subsection (a) above, with respect to whatever remaining amount of the Limit of Liability is available after such payment, at the written request of the chief executive officer of the Company, either pay or withhold payment of such other Loss for which coverage is provided under Insuring Agreement B. Company Indemnification Coverage; and then
- (c) only after payment of Loss has been made pursuant to subsection (a) and subsection (b) above, with respect to whatever remaining amount of the Limit of Liability is available after such payment, at the written request of the chief executive officer of the Company, either pay or withhold payment of such other Loss for which coverage is provided under Insuring Agreement C. Company Securities Claim Liability Coverage or Insuring Agreement D. Investigative Costs Coverage.

In the event the Insurer withholds payment pursuant to subsection (b) or (c) above, then the Insurer shall at such time and in such manner as shall be set forth in written instructions of the chief executive officer of the Company remit such payment to the Company or directly to or on behalf of an Insured Person.

In the event of Financial Impairment of the Company, and Loss arising from a covered Claim for which payment is due under the provisions of this Policy, the Insureds agree:

- (a) to make any request to waive and release any automatic stay or injunction that may apply to the proceeds of this Policy, and
- (b) not to oppose or object to any efforts by the Insurer or any Insured Person to obtain relief from any such stay or injunction.

The Financial Impairment of the Company or any Insured Person does not relieve the Insurer of any of its obligations to prioritize payment of covered Loss under this Policy pursuant to this Section P, Order of Payments.

22. Section V. **GENERAL CONDITIONS AND LIMITATIONS**, is amended by adding the following:

Guaranteed Renewal Clause

- 1. Upon expiration of the Policy Period for this Policy, subject to the terms and conditions of this Endorsement, the Insurer will offer to renew this Policy with reinstated Limits of Liability in the amounts set forth in Item 3 of the Declarations for this Policy unless:
 - (a) during the Policy Period for this Policy: (i) the Parent Company merges into or consolidates with another entity, or the Company sells all or substantially all of its assets to, any person or entity or group of persons or entities acting in concert; (ii) another entity, or person or group of entities or persons acting in concert acquires securities or voting rights which result in ownership or voting control by the other entity(ies) or person(s) of more than 50% of the outstanding securities representing the present right to vote for the election of directors of the Parent Company, or (iii) the Company becomes subject to Financial Impairment;
 - (b) the Insurer has not been provided at least 30 days prior to the expiration of the Policy Period a properly completed renewal application and such other underwriting information requested by the Insurer to renew this Policy;
 - (c) this Policy has been terminated by the Parent Company, or this Policy has been terminated by the Insurer for non-payment of premium as provided in Section V. J of this Policy;
 - (d) there has been a change in law (including insurance regulation) or insurance regulatory action which prevents the Insurer from issuing a renewal policy at the same terms and conditions as this Policy; or
 - (e) the price of any publicly traded equity security issued by the Company decreases by greater than 10% on any one trading day, but only if 1) within the policy period and within 90 days of such a decrease, the price fails to return to the price at the close of the trading day immediately preceding the day on which the decrease occurred; and 2) the Russell 2000 Index did not also decrease in price by over 5% on the same trading day; or

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(f) the Company provides the Insurer with a notice of Claim or a notice of circumstance(s) that could give rise to a Claim.

2. Such renewal of this Policy will be for one year and, except for the inception and expiration dates of the Policy Period, at the same terms and conditions as this Policy.
3. Such renewal of this Policy for a second policy term, as provided in 2 above, shall not include this Guaranteed Renewal Clause.
4. In no event shall this Policy be subject to more than one guaranteed renewal, for a total policy term of two years. If this Policy was issued by the Insurer because the Company exercised its right to a guaranteed renewal of a prior policy, then this Policy is not entitled to a further guaranteed renewal.
5. The premium for such renewal of this Policy shall be determined at the sole discretion of the Insurer, provided such premium shall be no greater than !!!!!% of the original annualized premium for this Policy and the fully annualized amount of any additional premiums charged by the Insurer for or during the Policy Period.
6. This right of renewal shall lapse unless written notice of the Insureds election to renew this Policy, together with payment of the renewal premium, is given by the Insureds to the Insurer within ten (10) days following termination of the Policy Period.
7. Nothing in these renewal provisions shall be construed to affect any rights the Insurer has to require an additional premium or an amendment of the provisions of this Policy during the Policy Period because of the acquisition or creation of another organization pursuant to Section V. G of this Policy.
8. The Insureds may decline any renewal offer by the Insurer.

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Nothing herein contained shall be held to vary, alter, waive, or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned Bond or Policy, other than as above stated.

By

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Authorized Representative

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SERFF Tracking Number: TRVE-125401297 State: Arkansas
Filing Company: St. Paul Mercury Insurance State Tracking Number: EFT \$50
Company Tracking Number: 2007-10-0069B
TOI: 17.0 Other Liability - Claims Made/Occurrence Sub-TOI: 17.0006 Directors & Officers Liability
Product Name: Advantage 500M D&O Fidelity Form Filing 2007-10-0069
Project Name/Number: Advantage 500M D&O Fidelity Form Filing 2007-10-0069/2007-10-0069

Rate Information

Rate data does NOT apply to filing.

SERFF Tracking Number: TRVE-125401297 State: Arkansas
Filing Company: St. Paul Mercury Insurance State Tracking Number: EFT \$50
Company Tracking Number: 2007-10-0069B
TOI: 17.0 Other Liability - Claims Made/Occurrence Sub-TOI: 17.0006 Directors & Officers Liability
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Project Name/Number: Advantage 500M D&O Fidelity Form Filing 2007-10-0069/2007-10-0069

Supporting Document Schedules

Bypassed -Name: Uniform Transmittal Document-
Property & Casualty
Bypass Reason: Not Applicable.
Comments:

Review Status:
Approved 12/27/2007

Satisfied -Name: Explanatory Memorandum
Comments:

Attachments:
AR 2007-10-0069A refiles closed & approved.pdf
1-Purpose and Scope of Filing Memorandum.pdf
2007 NAIC Form List.pdf

Review Status:
Approved 12/27/2007



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Hartford, CT 06183

December 26, 2007

Honorable Mike Pickens
Commissioner of Insurance
Arkansas Insurance Department
1200 West Third Street
Little Rock, AR 72201-1904

Our Company Filing Number: 2007-10-0069B
Form Name: Travelers Advantage 500M for Public Companies– FP500 ed. 12/07
Form Filing – Liability

ST. PAUL MERCURY INSURANCE COMPANY 3548-24791

In compliance with the insurance laws and regulations of your state, we respectfully ask the Department to replace form FP500, **11-07** Travelers Advantage 500M for Public Companies and substitute with form FP500, **12-07** Travelers Advantage 500M for Public Companies.

The initial submission of form FP500, **11-07** Travelers Advantage 500M for Public Companies was filed November 13, 2007 and approved by your Department on December 13, 2007 under company filing number 2007-10-0069A .

Please refer to the enclosed memorandum which clarifies the purpose of this filing. This memorandum was submitted with filing number 2007-10-0069A however we erroneously submitted the wrong form. We apologize for the inconvenience this has caused.

There is no rating impact.

Should you have any questions, please feel free to call me at (860) 277-2345.

Regards,

Michelle Smith Cotto

Purpose and Scope of Filing

Change #1: The principal reason for amending the endorsement is to clarify our intent with regard to the Pollution exclusion provision in the endorsement to provide a coverage exception for shareholder derivative proceedings and Security Claims. In the initial filing we addressed this exception by replacing the “based upon, arising out of, or attributable to” preamble with a “for” preamble, however, the provision goes on to state that “Securities Claim or any other Claim” would be included within the parameters of what is excluded. We have subsequently revised this provision to revert back to the “based upon, arising out of or attributable to” preamble as stated in the base policy and specifically state the exceptions made for shareholder derivative proceedings and Security Claims.

Former wording:

12. Subsection IV. EXCLUSIONS, A. Exclusions Applicable to All Insuring Agreements, exclusion 7 is replaced with the following:

7. for any: (1) Pollution Condition; or (2) direction or request that the Company or the Insured Persons test for, monitor, clean up, remove, contain, treat, detoxify or neutralize Pollutants, or any voluntary decision to do so; including without limitation any Securities Claim or any other Claim by or on behalf of the Company, its securities holders or creditors based upon, arising out of, or attributable to the matters described in this exclusion.

Revised wording:

12. Subsection IV. EXCLUSIONS, A. Exclusions Applicable to All Insuring Agreements, exclusion 7 is replaced with the following:

7. based upon, arising out of, or attributable to any: (1) Pollution Condition; or (2) direction or request that the Company or the Insured Persons test for, monitor, clean up, remove, contain, treat, detoxify or neutralize Pollutants, or any voluntary decision to do so; including without limitation any Securities Claim or any other Claim by or on behalf of the Company, its securities holders or creditors based upon, arising out of, or attributable to the matters described in this exclusion; provided, this exclusion shall not apply to any Loss covered under Insuring Agreement A on account of a shareholder derivative proceeding on behalf of the Company or a Securities Claim.

Change #2: The definition of “Non-Profit Entity” in #6 of the endorsement has been amended to insert letter (i) and goes on to state “not included in the definition of Company, and” which is part of the base form wording, but was not included in the Advantage 500M endorsement. This does not change our intent, but helps clarify any ambiguity that may arise if there is a comparison made with our base form wording.

Former wording:

P. Non-Profit Entity means any non-profit corporation, community chest, fund or foundation that is exempt from federal income tax as an organization described in Section 501(c)(3), 501(c)(4) or 501(c)(10) of the Internal Revenue Code of 1986, as amended.

Revised wording:

P. Non-Profit Entity means any non-profit corporation, community chest, fund or foundation that is (i) not included in the definition of Company, and (ii) exempt from federal income tax as an organization described in Section 501(c)(3), 501(c)(4) or 501(c)(10) of the Internal Revenue Code of 1986, as amended.

Change #3: Clarification of our intent regarding #22, the guaranteed renewal provision. In #'s 3 and 4, we seek to clarify our intent that such guaranteed renewal is only provided once. Also in #4, the word "guaranteed" has been inserted in front of the word "renewal" to clarify that the policy will not be subject to more than one "guaranteed renewal" and not one "renewal" as it currently suggests.

Former wording:

3. Such renewal of this Policy for a second policy term shall not include the above renewal provisions.

4. In no event shall this Policy be subject to more than one renewal, for a total policy term of two years.

Revised wording:

3. Such renewal of this Policy for a second policy term, as provided in 2 above, shall not include this Guaranteed Renewal Clause.

4. In no event shall this Policy be subject to more than one guaranteed renewal, for a total policy term of two years. If this Policy was issued by the Insurer because the Company exercised its right to a guaranteed renewal of a prior policy, then this Policy is not entitled to a further guaranteed renewal.

Change #4: This change has no material weight nor does it change our intent in any form. Part 1 of the Travelers Advantage 500M endorsement addresses “Item 7. Discovery Period” and was included because it was our intent to provide this targeted market segment with pre-set amounts pertaining to the additional premium and additional period in relation to the Discovery Period addressed in the policy. This change prevents duplicative wording as the additional premium and additional period portion can be addressed on the Declarations page of the policy.

FORM FILING SCHEDULE

(This form must be provided ONLY when making a filing that includes forms)
 (Do not refer to the body of the filing for the forms listing, unless allowed by state.)

1.	This filing transmittal is part of Company Tracking #	2007-10-0069B			
2.	This filing corresponds to rate/rule filing number (Company tracking number of rate/rule filing, if applicable)	N/A			
3.	Form Name /Description/Synopsis	Form # Include edition date	Replacement or Withdrawn?	If replacement, give form # it replaces	Previous state filing number, if required by state
01	Travelers Advantage 500M for Public Companies	FP500 Ed. 12/07	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
02			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
03			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
04			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
05			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
06			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
07			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
08			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
09			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
10			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		