

SERFF Tracking Number: BEAZ-125232746 State: Arkansas
Filing Company: Beazley Insurance Company, Inc. State Tracking Number: AR-PC-07-025823
Company Tracking Number: BICI0024-AR (RU)
TOI: 17.0 Other Liability - Claims Made/Occurrence Sub-TOI: 17.0022 Other
Product Name: AFB Technology and Professional Liability Insurance Program
Project Name/Number: /BICI0024

Filing at a Glance

Company: Beazley Insurance Company, Inc.

Product Name: AFB Technology and Professional Liability Insurance Program

TOI: 17.0 Other Liability - Claims Made/Occurrence

Sub-TOI: 17.0022 Other

Filing Type: Rule

SERFF Tr Num: BEAZ-125232746 State: Arkansas

SERFF Status: Closed

State Tr Num: AR-PC-07-025823

Co Tr Num: BICI0024-AR (RU)

State Status:

Co Status:

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

Authors: Nancy Wilson, Renata Wright, Laura Maragnano, Evelyn Perran

Disposition Date: 08/28/2007

Date Submitted: 08/17/2007

Disposition Status: Filed

Effective Date Requested (New): On Approval

Effective Date (New):

Effective Date Requested (Renewal): On Approval

Effective Date (Renewal):

General Information

Project Name:

Project Number: BICI0024

Status of Filing in Domicile: Pending

Domicile Status Comments: Filed simultaneously

Reference Organization: n/a

Reference Number: n/a

Reference Title: n/a

Advisory Org. Circular: n/a

Filing Status Changed: 08/28/2007

State Status Changed: 08/17/2007

Deemer Date:

Corresponding Filing Tracking Number:

Filing Description:

See Cover Letter for complete description of this filing.

Company and Contact

Filing Contact Information

Renata Wright, Sr. Compliance Analyst

renata.wright@beazley.com

SERFF Tracking Number: BEAZ-125232746 State: Arkansas
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Project Name/Number: /BICI0024

30 Batterson Park Road (860) 677-3737 [Phone]
Farmington, CT 06032 (860) 679-0247[FAX]

Filing Company Information

Beazley Insurance Company, Inc.
30 Batterson Park Road

CoCode: 37540
Group Code:

State of Domicile: Connecticut
Company Type: Property and
Casualty

Farmington, CT 06032
(860) 677-3700 ext. [Phone]

Group Name: N/A
FEIN Number: 04-2656602

State ID Number:

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Filing Fees

Fee Required? Yes
Fee Amount: \$25.00
Retaliatory? No
Fee Explanation:
Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Beazley Insurance Company, Inc.	\$0.00	08/17/2007	

CHECK NUMBER	CHECK AMOUNT	CHECK DATE
7650	\$25.00	08/17/2007

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Edith Roberts	08/28/2007	08/28/2007

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	08/22/2007	08/22/2007	Renata Wright	08/23/2007	08/23/2007
Industry Response						

SERFF Tracking Number: BEAZ-125232746 State: Arkansas
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Disposition

Disposition Date: 08/28/2007

Effective Date (New):

Effective Date (Renewal):

Status: Filed

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number: BEAZ-125232746 State: Arkansas
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Item Type	Item Name	Item Status	Public Access
Supporting Document	cover letter	Filed	Yes
Supporting Document	Arkansas Consent Form	Filed	Yes
Rate	Rating Plan	Filed	Yes
Rate (revised)	State Exception Page	Filed	Yes
Rate	State Exception Page	Filed	Yes

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Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 08/22/2007

Submitted Date 08/22/2007

Respond By Date

Dear Renata Wright,

This will acknowledge receipt of the captioned filing.

This filing contains defense within the limits of liability. Please confirm that you will comply with AID Order 2007-033, exempting Technology E & O on limits \$1,000,000 or greater and that this coverage will not be written for limits under that amount and that a signed consent form will be executed by the insured.

Thank you!

Please feel free to contact me if you have questions.

Sincerely,

Edith Roberts

Response Letter

Response Letter Status Submitted to State

Response Letter Date 08/23/2007

Submitted Date 08/23/2007

Dear Edith Roberts,

Comments:

Thank you for your response.

Response 1

Comments: Attached please find revised Arkansas State Exception Page BIC-MT-RP-AR-1 (August 2007) in order to comply with AID Order 2007-033. Also attached is the Arkansas Consent Form for your reference.

Changed Items:

Supporting Document Schedule Item Changes

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Satisfied -Name: Arkansas Consent Form

Comment:

No Form Schedule items changed.

Rate/Rule Schedule Item Changes

Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing #
State Exception Page	BIC-MT-RP-AR-1	Replacement	
Previous Version			
State Exception Page	BIC-MT-RP-AR-1	Replacement	

Should you have any other questions or concerns, please feel free to contact me. Your assistance is greatly appreciated.

Sincerely,

Evelyn Perran, Laura Maragnano, Nancy Wilson, Renata Wright

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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	Rating Plan	BIC-MT-RP-CW- Replacement 1 to 11		July 2007 AFB Tech Liability Rating Plan.pdf
Filed	State Exception Page	BIC-MT-RP-AR- Replacement 1		AR State Exception Page Aug 2007.pdf

**AFB MEDIA TECHNOLOGY
AND AFB TECHNOLOGY LIABILITY**

RATING PLAN

I. APPLICATION OF MANUAL

- A. The rules contained in these pages will govern the writing of Professional Liability policies for Media & Technology Products and Services Professional Liability.
- B. The rules, rates, rating plans and forms filed on behalf of the Insurer will govern in all cases not specifically provided for by these rules.

II. POLICY TERM

Policies may be written for a term of one year, and renewed annually thereafter.

III. PREMIUM COMPUTATION

- A. Premiums at policy inception will be computed using rules, rates and rating plan in effect at that time.
- B. When a policy is issued for other than a whole year, the premiums will be computed on a pro-rata basis.
- C. Premiums are calculated as specified for the respective coverage. The final premium will be rounded in accordance with the whole dollar rule.

IV. FACTORS OR MULTIPLIERS

Unless otherwise noted, factors or multipliers are to be applied consecutively, as opposed to being added together.

V. POLICY WRITING MINIMUM PREMIUM

The minimum premium will be based upon the applicable rate class specified in section XVI. PREMIUM CALCULATION RULES.

VI. ROUNDING RULE

Based on the final calculated premium, the premium may be additionally adjusted upward or downward within the following ranges:

Rated Premium	Round Up	Round Down
Less than \$8,000	\$150	\$150
\$8,001 - \$25,000	\$250	\$250
\$25,001 - \$50,000	\$450	\$450
\$50,001 - \$100,000	\$750	\$750
\$100,001 - \$250,000	\$1,500	\$1,500
\$250,001 - \$500,000	\$2,500	\$2,500
More than \$500,000	\$5,500	\$5,500

VII. ADDITIONAL PREMIUM CHARGES

- A. All coverage changes or additions involving additional premiums will be pro-rated based upon the effective date of the change.
- B. The rates and rules that were in effect at the inception date of the policy period are to be used in all additional premium calculations. After computing the additional premium, charge the amount applicable from the effective date of the change.
- C. Additional premiums of \$24 or less may be waived. This waiver only applies to charges due on the effective date of change endorsements.

VIII. RETURN PREMIUMS

- A. Deletion of any coverage other than an optional coverage is not permitted unless the entire policy is cancelled.
- B. Return premiums are computed using rates in effect at policy inception.
- C. Return premiums are computed pro rata and rounded to the next higher whole dollar when any coverage or exposure is deleted, or an amount of insurance is reduced.

IX. POLICY CANCELLATIONS

- A. Return premiums for cancellations initiated by the Insurer will be computed on a pro-rata basis, rounded to the next higher whole dollar.
- B. Return premiums for cancellations initiated by the Insured will be computed on a 90% of pro rata basis, rounded to the next higher whole dollar.

X. COVERAGE

Media & Technology Products and Services Professional Liability is provided on a Claims-made and Reported basis and provides coverage for those claims which are the result of wrongful acts occurring on or after the retroactive date and first made and reported to the Insurer while the policy is in force or an extended reporting period applies.

XI. LIMITS OF LIABILITY

Optional limits of liability are available with this policy. The minimum limit available is \$100,000 each wrongful act and \$100,000 policy aggregate. Higher limits are offered up to a maximum of \$5,000,000 each wrongful act and \$5,000,000 policy aggregate using the Limits Factors shown in the table below:

Limits of Liability (000)	Factor
100/100	.65
300/300	.75
500/500	.85
500/1,000	.90
1,000/1,000	1.00
1,000/3,000	1.15
2,000/2,000	1.45
2,000/4,000	1.50
3,000/3,000	1.75
3,000/5,000	1.85
5,000/5,000	2.25

Note: Interpolation is permitted for Limit Factors not shown on the chart above.

For higher limits (up to \$10,000,000/\$10,000,000), refer to Home Office.

XII. OPTIONAL COVERAGES

- A. Computer Virus, Intellectual Property Infringement and Personal Injury Coverage are provided under the AFB Media Technology coverage form, which may be purchased in consideration of an additional premium charge of 30% of the Base Premium.
- B. Contingent Bodily Injury/Property Damage – A Contingent Bodily Injury and Physical Damage buyback may be purchased in consideration of an additional premium charge as shown in the following table:

Rating Classes	% of Base Premium
1 and 2	5.0%
3 and 4	10.0%
5 and 6	15.0%

- C. First Party Computer Security Insurance Coverage can be purchased under the AFB Media Technology coverage form for an additional premium charge between 10% to 20% of the Base Premium.
- D. Privacy Liability Endorsement Including Notification Costs and Regulatory Defense can be purchased under the AFB Media Technology coverage form for an additional premium charge between 5% to 20% of the Base Premium.

XIII. DEDUCTIBLE

This rating plan credits or debits the applicant's premium based upon whether the Quoted Deductible is above or below a Guideline Deductible. So first, the Guideline Deductible is calculated as follows. The Minimum Policy Deductible is \$2,500.

Calculation of Guideline Deductible:

Guideline Deductible = 0.2% x Gross Revenues, Subject to the Minimum Policy Deductible

Comparison of Guideline Deductible to Quoted Deductible:

Then, the Guideline Deductible as calculated above (subject to Minimum Deductible) is compared to the Quoted Deductible, and the amount of the percentage credit or debit modifier (if any) is calculated as shown below. If calculated Guideline Deductible is less than Minimum Deductible as shown above, use the Minimum Deductible in place of Guideline Deductible in this next step:

Where Quoted Deductible is less than Guideline Deductible	
Ratio of Quoted/Guideline	Modifier
Below 0.10	1.40
0.10	1.36
0.20	1.32
0.30	1.28
0.40	1.24
0.50	1.20
0.60	1.16
0.70	1.12
0.80	1.08
0.90	1.04
1.00	1.00

Where Quoted Deductible is greater than Guideline Deductible	
Ratio of Quoted/Guideline	Modifier
1.10	0.985
1.20	0.970
1.30	0.955
1.40	0.940
1.50	0.925
1.60	0.910
1.70	0.895
1.80	0.880
1.90	0.865
2.00	0.850
2.10	0.835
2.20	0.820
2.30	0.805
2.40	0.790
2.50	0.775
2.60	0.760
2.70	0.745
2.80	0.730
2.90	0.715
3.00 & up	0.700

Interpolation should be used to calculate the modifier for Quoted to Guideline ratios between the values shown in the table above.

XIV. PRIOR ACTS COVERAGE

The policy may be extended to provide Prior Acts coverage to those insureds whose most recent coverage has been claims-made.

The Retroactive Date will be the inception of the Insured's first claims-made policy. This Retroactive Date will be maintained on each successive renewal. When the Insurer agrees to write coverage following a claims-made policy written by another insurance company, the Retroactive Date will be the Insured's first date of claims-made coverage provided that:

- A. There has been no lapse in coverage;
- B. The preceding insurance company is acceptable to the Insurer; and
- C. The Insured certifies in the application for insurance that there are no known incidents that might give rise to a claim.

If the Insured has been covered under a claims-made policy for one or more years immediately preceding the effective date of the policy to be issued, or for reasons acceptable to the Insurer had been uninsured or self-insured and Prior Acts coverage is desired, the following procedure will apply:

- A. Determine the number of consecutive years in which the Insured has been insured under a claims-made policy.
- B. Determine the number of years the Insured has been either uninsured or self-insured.
- C. The sum of the years from A and B will be the "prior year's exposure." Fractional years of 6 months or more will be rounded up to the next higher year. Less than 6 months will be rounded down to the next lowest year.
- D. The Prior Acts factor is determined from the table below:

Claims Made Year	Prior Acts Factor
1 st	.85
2 nd	.90
3 rd	.95
4 th +	1.00

XV. EXTENDED REPORTING PERIOD COVERAGE

Standard Extended Reporting Period length is twelve (12) months. State laws and regulations regarding minimum reporting periods must be followed. Premium for the Extended Reporting Period is "a" rated and made known to the Insured at Policy inception.

XVI. PREMIUM CALCULATION RULES

A. Rating Classes. The computer and technology business is grouped into the following Rating Classes for the purpose of establishing relative exposure levels:

Class 1	Basic Limits Minimum Premium: \$500	
	Hardware Reseller	Back-up Services/Archiving
	Packaged Software Reseller	Records Management/Retrieval
	Training and Education	

Class 2	Basic Limits Minimum Premium: \$750	
	LAN/WAN Administration	Graphic Presentation Material
	Hardware/Software Maintenance	Equipment Evaluation & Selection
	Hardware/Software Installation	Internet-Access Provider
	Automation/Word Processing	Administration
	Imaging Services	Prepackaged Software
	Software Consultant	Technology Hardware

Class 3	Basic Limits Minimum Premium: \$1,000	
	Software Database Management	Internet-Content Provider
	System Maintenance	Internet-FTP Site
	Telecommunication Consulting	Internet-Commercial On-Line Svc
	Internet- Design of Web Pages	Internet-Electronic Bulletin Board
	Internet- Search Engine	Site Operations
	Custom Software Developer	Data Processing
	Software Accounting/Financial (Non-Fund Transfer)	Advertising Agencies/Media Consultants

Class 4	Basic Limits Minimum Premium: \$1,500	
	Software-Payroll	
	EDP Audits/Feasibility Studies/Needs Evaluation/Implementation	
	Software/Hardware-Computer Aided Design (Non-structural)	

Class 5	Basic Limits Minimum Premium: \$2,000	
	Computer Security	
	Software/Hardware-Medical Management (Non-diagnostic)	

Class 6	Basic Limits Minimum Premium: \$2,500	
	Software/Hardware-Computer Aided Design (Structural)	
	Software/Hardware-Computer Aided Manufacturing	
	Software/Hardware-Medical Management (Diagnostic)	
	Software-Financial (Fund Transfer)	
	Software/Hardware-Scientific and Technical	
	System Integration	

- B. Rates. The following tables display the Base Rates and Base Rate Adjustments which correspond to the computer and technology Rating Classes:

Base Rates	
Rate Class	Base Rate per \$100 Revenue
1	\$0.25
2	\$0.50
3	\$1.00
4	\$1.50
5	\$1.85
6	\$2.50

Base Rate Adjustment Factors	
Revenue	% Of Base Rate
First \$50,000	None
Next \$200,000	50.0%
Next \$750,000	25.0%
Next \$2,000,000	20.0%
Next \$2,000,000	17.5%
Next \$5,000,000	15.0%
Next \$10,000,000	12.5%
Next \$15,000,000	10.0%
Next \$15,000,000	9.0%
Next \$50,000,000	8.0%
Above \$100,000,000	Refer to Home Office

- C. Longevity Factor. Premiums are modified to reflect the number of years the Insured has been in business.

Years in Business	Factor
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

- D. Experience Rating. Based upon the claim history of the Insured over the preceding five-year period, a debit not to exceed 65% shall be applied to the premium for the first subsequent policy period. The criteria used to determine the application of experience rating is as follows:

1. Number of claims:

Reported Claims	Debit
0 to3	0%
4to6	5%
7to10	15%
10 or more	Not Eligible

2. Loss experience:

Loss Ratio	Debit
70%to80%	10%
81%to90%	15%
90% to 100%	20%
Over 100%	25%

3. Cause of loss:

Causes	Debit
No more than 3 claims with the same or similar cause of loss.	5%to 10%
More than 3 claims with the same or similar cause of loss.	15%

Debits are to be applied on a one-year basis and then reviewed annually for subsequent applicability using the above criteria.

E. Schedule Rating. Premiums may be modified to reflect positive or negative individual risk characteristics that have a bearing on the potential for loss. A basic limits premium eligibility requirement applies in select states as follows: \$2,500 in NY, \$1,000 in WA, \$1,000 in FL (before and after the modification), and \$6,000 (after modification) in LA. The application of schedule rating will be governed by the following rules:

1. All eligible computer and technology risks rated under this plan will be subject to the application of schedule rating factors described below.
2. Each risk will be documented in writing with respect to the credit or debit factors used.
3. The credits or debits used will be based upon evidence that is contained in the file at the time the modification is applied.
4. The premium may be modified in accordance with the following table

Risk Characteristic	Credit	Debit
Key professionals are accredited or certified by recognized organizations or associations.	0% to 10%	
If applicant uses a standardized contract with acceptable hold harmless provisions.	5% (multiplied by the % of time the contract is used, e.g., one provision is worth 4% credit if the contract is used 80% of the time (5 x .8)	
Client is provided with written definition of job.	0% to 5%	0% to 5%

Risk Characteristic	Credit	Debit
System design work is documented and tested.	0% to 5%	0% to 5%
Client "sign-off" required upon completion of project.	0% to 5%	0% to 5%
Financial Condition	0% to 20%	0% to 20%
Acquisitions greater than 20% or revenues the past two years	0%	0% to 15%
One or more contracts greater than 10% of revenues	0%	0% to 15%
Appropriate content review practices – Does an attorney review all content; Are there internal review procedures in place.	0% to 20%	0% to 20%

5. The premium modifications are subject to the maximum credit or debit as set forth in the State Modification Limits table below:

State Modification Limits:

-15/+15	-25/+25		-40/+25	-40/+40	-50/+25	-50/+40	-50/+50	NA₁
NY ₂	AL	MO	MA	AK	VT	GA	ID	HI
	AZ	NJ	SC	AR			IL	NE
	CA	ND	TX	KS			IN	
	CO	OH		ME			KY	
	CT	OK		MD			NM	
	DE	OR		MN			NV	
	DC	PA		MS			NC	
	FL	PR		MT			TN	
	IA	SD		NH			VA	
	LA ₂	UT		RI			WI	
	MI	WA		WV			WY	

NA = Schedule Rating is not available; ²Characteristics capped at +/-10%.

F. Multi-Year Term Policies

The following factors are applied to annual premium for policies with terms running longer than 12 months.

Multi-year/Multiple Annual Aggregates	Factor (applied to annual premium)
Annual Installments (if multiyear, non-prepaid)	1.05
Two Year Prepaid Premium	1.90
Three Year Prepaid Premium	2.85

Multi-year/Single Aggregate Limit	Factor (applied to annual premium)
Two Year Prepaid Premium	1.85
Three Year Prepaid Premium	2.30

XVII. PREMIUM CALCULATION

Premiums are to be calculated in the following manner:

- Step 1 Determine the appropriate rating categories by reviewing the application and referring to Section XVI. Premium Calculation Rules, A. Rating Classes. Select the rating classes which correspond to the covered products and services work performed by the applicant.
- Step 2 Determine the applicable Base Rate by multiplying the percentage of anticipated annual revenue for the next 12-month period by the rates that correspond to the selected Rate Classes. Sum the products of these rates multiplied by their respective percentages to determine the applicable Base Rate. The rates are displayed in Section XVI. Premium Calculation Rates, B. Rates.
- Step 3 Using the Base Rate Adjustment Factors from the table in Section XVI, Premium Calculation Rules, B. Rates, multiply the applicable Base Rate from Step 2 by the total annual revenue for the next twelve-month period to determine the Base Premium.
- Step 4 Compute the additional premium charges from Section XII. Optional Coverages for the AFB Media Technology coverage form and/or Contingent Bodily Injury/Property Damage Endorsement. Add these charges to the modified premium derived in Step 3 to determine the Adjusted Base Premium.
- Step 5 Multiply the Adjusted Base Premium from Step 4 by the Deductible Factor calculated in Section XIII. Deductible.
- Step 6 Multiply the modified premium from Step 5 by the Prior Acts Factor found in Section XIV, Prior Acts, Paragraph D.
- Step 7 Multiply the modified premium from Step 6 by the Longevity Factor found in Section XVI. Premium Calculation Rules, Rule C. Longevity Factor.
- Step 8 Convert the debit calculated in Section XVI. Premium Calculation Rules, Rule D. Experience Rating to a factor by adding 1.00. Multiply the modified premium from Step 7 by this factor.
- Step 9 Convert the debit or credit calculated in Section XVI. Premium Calculation Rules, Rule E. Schedule Rating to a factor by adding 1.00. Multiply the modified premium from Step 8 by this factor to result in the Basic Limits Modified Premium.
- Step 10 Compare the Basic Limits Modified Premium developed in Step 9 to the appropriate Minimum Premium listed in Section XVI. Premium Calculation Rules, Rule A. Rating Classes. If the Basic Limits Modified Premium is less than the Minimum Premium, the Basic Limits Modified Premium is set equal to the Minimum Premium.

- Step 11 Multiply the Basic Limits Modified Premium from Step 10 by the appropriate Limits Factor from Section XI. Limits of Liability. The result is the Final Annual Premium.
- Step 12 Multiply the Final Annual Premium developed in Step 11 by the appropriate Multi-Year Term factor from Section XVI. Premium Calculation Rules, Rule F.

**AFB MEDIA TECHNOLOGY
AND AFB TECHNOLOGY LIABILITY**

**STATE EXCEPTION PAGE
ARKANSAS**

Exceptions to the AFB Media Technology and AFB Technology Liability Rating Plan:

A. Rule **XI. LIMITS OF LIABILITY** is deleted and replaced by the following:

XI. LIMITS OF LIABILITY

Optional limits of liability are available with this policy. The minimum limit available is \$1,000,000 each wrongful act and \$1,000,000 policy aggregate. Higher limits are offered up to a maximum of \$5,000,000 each wrongful act and \$5,000,000 policy aggregate using the Limits Factors shown in the table below:

Limits of Liability (000)	Factor
1,000/1,000	1.00
1,000/3,000	1.15
2,000/2,000	1.45
2,000/4,000	1.50
3,000/3,000	1.75
3,000/5,000	1.85
5,000/5,000	2.25

Note: Interpolation is permitted for Limit Factors not shown on the chart above.

For higher limits (up to \$10,000,000/\$10,000,000), refer to Home Office.

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Filing Company: Beazley Insurance Company, Inc. State Tracking Number: AR-PC-07-025823
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TOI: 17.0 Other Liability - Claims Made/Occurrence Sub-TOI: 17.0022 Other
Product Name: AFB Technology and Professional Liability Insurance Program
Project Name/Number: /BICI0024

Supporting Document Schedules

Satisfied -Name: cover letter **Review Status:** Filed 08/28/2007
Comments:
Attachment:
AR letter (Rules).pdf

Satisfied -Name: Arkansas Consent Form **Review Status:** Filed 08/28/2007
Comments:
Attachment:
Arkansas Consent Form.pdf



BEAZLEY

Beazley Insurance Company, Inc.

30 Batterson Park Road
Farmington, CT 06032

Tel: (860) 677-3700
Fax: (860) 679-0247
www.beazley.com

August 17, 2007

Honorable Julie Benafield Bowman, Commissioner
Arkansas Insurance Department
1200 W 3rd Street
Little Rock, AR 72201-1904

RE: Beazley Insurance Company, Inc.
NAIC: Group Code: 0000
Company Code: 37540
FEIN: 04-2656602
AFB Technology and Professional Liability Insurance Program
Our Filing No.: BICI0024-AR (RU)
Type of Filing: Rule

Dear Commissioner Bowman:

In accordance with the laws of your state, Beazley Insurance Company, Inc. is submitting this Rule filing to add/modify several rules located in our approved Rating Plan applicable to our AFB Technology and Professional Liability Insurance Program. For your information, our original filing of this product was approved by your Department effective May 8, 2006 under our Company Filing Designation Number BICI-TL-AR-01(R).

We have updated our Rating Plan to incorporate a new rating rule into the plan which is called Multi-Year Term Policies which is now located on Page 9. In addition, we have expanded our Optional Coverages rule to add First Party Computer Security Insurance Coverage and the Privacy Liability Endorsement Including Notification Costs and Regulatory Defense coverage located on Page 3. The endorsements that will be used to support these newly developed rules have been submitted to your Department under our Form Filing No. BICI0024-AR (F). Other additional minor no rate impact rule changes have also been made. A complete summary of all rule changes are as follows:

- Changed the Whole Dollar Rule (VI.) to a Rounding Rule;
- Amended the Return Premiums rule (VIII.) to remove the reference to the Whole Dollar Rule and modified the rule to reflect that the return premium will be rounded to the next higher whole dollar;
- Added a new Interpolation rule at the end of the Limits of Liability (XI.);
- Added item C. and D. to the Optional Coverages rule (XII.) which supports the new premium charges for First Party Computer Security Insurance Coverage and the Privacy Liability Endorsement Including Notification Costs and Regulatory Defense coverage;
- Added a new rule F. under the Premium Calculation Rules (XVI.) called Multi-Year Term Policies;
- Amended Step 11 located under Premium Calculation (XVII.) to read that the result is the Final Annual Premium;
- Added a new Step 12 located under Premium Calculation (XVII.) to address Multi-Year Policies;
- Changed the edition date on all of our Rating Plan pages to a July 2007 date in lieu of an October 2005 date.
- Changed the October 2005 Arkansas State Exception Page (BIC-MT-RP-AR-1) to:
 - (1) Add in a note under the Limits of Liability chart in reference to interpolation;
 - (2) Added in "For higher limits (up to \$10,000,000/\$10,000,000), refer to Home Office appearing after the interpolation note; and
 - (3) Update the edition date of these pages to July 2007.



BEAZLEY

Beazley Insurance Company, Inc.

30 Batterson Park Road
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The following documents are attached as part of this filing:

- Required State Forms (if applicable);
- Updated Rating Plan (BIC-MT-RP-CW 1-11) with a July 2007 edition date; and
- Updated Arkansas State Exception Page (BIC-MT-RP-AR-1) with a July 2007 edition date.

We propose to implement this filing for all policies upon your earliest review and approval. Kindly contact me with any comments/questions or with documentation of the Department's approval of this filing.

Sincerely,

Renata A. Wright
Senior Compliance Analyst
Tel: 866-623-2953 or 860-677-3737
Fax: 860-679-0247
E-Mail: renata.wright@beazley.com
Enclosure

ARKANSAS CONSENT FORM

Effective Date of this Consent Form:<Effective Date>

This Consent Form is attached to and forms a part of Policy Number: <Policy Number>

The Applicant for this Insurance, as the Named Insured should a Policy be issued and acting on behalf of all **Insureds**, understands that this Policy includes **Claims Expenses** within the applicable Limit of Liability and agrees and consents to the following:

1. **Claims Expenses** are part of and not in addition to the Limit of Liability for "Each Claim" and the "Aggregate" Limit of Liability set forth in the Declarations to this Policy; and
2. The payment of **Claims Expenses** will reduce and may completely eliminate the Limit of Liability for "Each Claim" and the "Aggregate" Limit of Liability set forth in the Declarations to this Policy.

This Consent Form is signed below by an officer of the Applicant with authority to act on behalf of the Applicant and all **Insureds** in connection with this Policy.

Applicant:

PRINT APPLICANT'S NAME AS IT APPEARS IN ITEM 1. OF THE APPLICATION AND WILL APPEAR IN ITEM 1. OF THE DECLARATIONS

By: _____
OFFICER'S SIGNATURE

PRINT NAME AND TITLE OF PERSON SIGNING THIS CONSENT FORM

**AFB MEDIA TECHNOLOGY
AND AFB TECHNOLOGY LIABILITY**

**STATE EXCEPTION PAGE
ARKANSAS**

Exceptions to the AFB Media Technology and AFB Technology Liability Rating Plan:

A. Rule **XI. LIMITS OF LIABILITY** is deleted and replaced by the following:

XI. LIMITS OF LIABILITY

Optional limits of liability are available with this policy. The minimum limit available is \$500,000 each wrongful act and \$500,000 policy aggregate. Higher limits are offered up to a maximum of \$5,000,000 each wrongful act and \$5,000,000 policy aggregate using the Limits Factors shown in the table below:

Limits of Liability (000)	Factor
500/500	.85
500/1,000	.90
1,000/1,000	1.00
1,000/3,000	1.15
2,000/2,000	1.45
2,000/4,000	1.50
3,000/3,000	1.75
3,000/5,000	1.85
5,000/5,000	2.25

Note: Interpolation is permitted for Limit Factors not shown on the chart above.

For higher limits (up to \$10,000,000/\$10,000,000), refer to Home Office.