

SERFF Tracking Number: CNAC-125279582 State: Arkansas  
Filing Company: Continental Casualty Company State Tracking Number: AR-PC-07-025973  
Company Tracking Number: 07-R2171  
TOI: 17.0 Other Liability - Claims Made/Occurrence Sub-TOI: 17.0010 Employment Practices Liability  
Product Name: Employment Practice Liability Solutions Program #07-2171  
Project Name/Number: /07-2171

## Filing at a Glance

Company: Continental Casualty Company  
Product Name: Employment Practice Liability Solutions Program #07-2171 SERFF Tr Num: CNAC-125279582 State: Arkansas  
TOI: 17.0 Other Liability - Claims Made/Occurrence SERFF Status: Closed State Tr Num: AR-PC-07-025973  
Sub-TOI: 17.0010 Employment Practices Liability Co Tr Num: 07-R2171 State Status:  
Filing Type: Rate Co Status: Reviewer(s): Betty Montesi, Edith Roberts, Brittany Yielding  
Author: Robert Alonzo Disposition Date: 09/07/2007  
Date Submitted: 08/31/2007 Disposition Status: Exempt from Review  
Effective Date Requested (New): 10/15/2007 Effective Date (New):  
Effective Date Requested (Renewal): 10/15/2007 Effective Date (Renewal):

## General Information

Project Name: Status of Filing in Domicile:  
Project Number: 07-2171 Domicile Status Comments:  
Reference Organization: Reference Number:  
Reference Title: Advisory Org. Circular:  
Filing Status Changed: 09/07/2007  
State Status Changed: 08/31/2007 Deemer Date:  
Corresponding Filing Tracking Number:  
Filing Description:  
On behalf of Continental Casualty Company, we hereby submit for your review and approval our Employment Practices Liability Solutions Program. This program provides coverage for claims by employees against their employers and fellow employees arising out of employment practice disputes (for example: claims that allege discrimination, sexual harassment, wrongful termination, and wrongful discipline).

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## Company and Contact

### Filing Contact Information

Robert Alonzo, State Filing Analyst robert.alonzo@cna.com  
 40 Wall Street (212) 440-3478 [Phone]  
 New York, NY 10005 (212) 440-2877[FAX]

### Filing Company Information

Continental Casualty Company CoCode: 20443 State of Domicile: Illinois  
 40 Wall Street Group Code: 218 Company Type:  
 9th Floor  
 New York, NY 10005 Group Name: State ID Number:  
 (212) 440-3478 ext. [Phone] FEIN Number: 36-2114545  
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## Filing Fees

Fee Required? Yes  
 Fee Amount: \$100.00  
 Retaliatory? No  
 Fee Explanation:  
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Continental Casualty Company	\$0.00	08/31/2007	

CHECK NUMBER	CHECK AMOUNT	CHECK DATE
0000200557	\$100.00	08/21/2007

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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Exempt from Review	Edith Roberts	09/07/2007	09/07/2007

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## **Disposition**

Disposition Date: 09/07/2007

Effective Date (New):

Effective Date (Renewal):

Status: Exempt from Review

Comment:

Rate data does NOT apply to filing.

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Item Type	Item Name	Item Status	Public Access
Supporting Document	NAIC Forms	Accepted for Informational Purposes	Yes
Supporting Document	Cover Letter	Accepted for Informational Purposes	Yes
Supporting Document	Actuary memo	Accepted for Informational Purposes	Yes
Rate	Rate Page	Accepted for Informational Purposes	Yes

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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:
Accepted for Informational Purposes	Rate Page	page 1	New	Guide Rate Range Pg.pdf

**Continental Casualty Company  
Employment Practices Liability Solution**

**Premium Range**

The following base premiums contemplate a \$1,000,000 limit with a \$25,000 retention, no coinsurance, and 100% participation.

Full Time Equivalents	Min Premium	Max Premium
Under 50	\$3,500	\$17,657
50 to 100	\$3,500	\$27,372
100 to 500	\$4,731	\$69,730
500 to 1,000	\$12,051	\$115,395
1,000 to 2,500	\$19,943	\$171,276
2,500 to 15,000	\$29,601	\$596,308
15,000 to 25,000	\$103,058	\$839,184
25,000 to 50,000	\$145,033	Refer to Company
Over 50,000	\$214,395	Refer to Company

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## Supporting Document Schedules

<b>Satisfied -Name:</b> NAIC Forms	<b>Review Status:</b> Accepted for Informational Purposes	09/07/2007
<b>Comments:</b>		
<b>Attachments:</b>		
AR PC TD r.pdf		
AR RR.pdf		
<b>Satisfied -Name:</b> Cover Letter	<b>Review Status:</b> Accepted for Informational Purposes	09/07/2007
<b>Comments:</b>		
<b>Attachment:</b>		
AR 07-R2171 EPL R cover let.pdf		
<b>Satisfied -Name:</b> Actuary memo	<b>Review Status:</b> Accepted for Informational Purposes	09/07/2007
<b>Comments:</b>		
<b>Attachment:</b>		
Actuarial Memo.pdf		

## Property & Casualty Transmittal Document

<b>1. Reserved for Insurance Dept. Use Only</b>	<b>2. Insurance Department Use only</b>
	a. Date the filing is received:
	b. Analyst:
	c. Disposition:
	d. Date of disposition of the filing:
	e. Effective date of filing:
	New Business
	Renewal Business
	f. State Filing #:
	g. SERFF Filing #:
	h. Subject Codes

<b>3. Group Name</b>	<b>Group NAIC #</b>
CNA	20443

4. Company Name(s)	Domicile	NAIC #	FEIN #	State #
Continental Casualty Company	IL	20443	36-2114545	

<b>5. Company Tracking Number</b>	<b>07-R2171</b>
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**Contact Info of Filer(s) or Corporate Officer(s)** [include toll-free number]

6.	Name and address	Title	Telephone #s	FAX #	e-mail
	Robert Alonzo 40 Wall Street - 9 <sup>th</sup> Floor	State Filing Analyst	212-440-3478	212.-440-3478	robert.alonzo@cna.com
	New York, NY 10005				

7.	Signature of authorized filer	<i>Robert Alonzo</i>
8.	Please print name of authorized filer	Robert Alonzo

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

<b>9. Type of Insurance (TOI)</b>	Other Liability
<b>10. Sub-Type of Insurance (Sub-TOI)</b>	Professional
<b>11. State Specific Product code(s)</b> (if applicable)[See State Specific Requirements]	
<b>12. Company Program Title</b> (Marketing title)	Employment Practices Liability Solutions
<b>13. Filing Type</b>	<input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input checked="" type="checkbox"/> Rates/Rules <input type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description)
<b>14. Effective Date(s) Requested</b>	New: 10/15/2007                      Renewal: 10/15/2007
<b>15. Reference Filing?</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>16. Reference Organization</b> (if applicable)	
<b>17. Reference Organization # &amp; Title</b>	

<b>18. Company's Date of Filing</b>	
<b>19. Status of filing in domicile</b>	<input type="checkbox"/> Not Filed <input type="checkbox"/> Pending <input checked="" type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

### Property & Casualty Transmittal Document—

<b>20. This filing transmittal is part of Company Tracking #</b>	07-R2171
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<b>21. Filing Description</b> [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]
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On behalf of Continental Casualty Company, we hereby submit for your review and approval our Employment Practices Liability Solutions Program. This program provides coverage for claims by employees against their employers and fellow employees arising out of employment practice disputes (for example: claims that allege discrimination, sexual harassment, wrongful termination, and wrongful discipline).

<b>22. Filing Fees</b> (Filer must provide check # and fee amount if applicable) [If a state requires you to show how you calculated your filing fees, place that calculation below]
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**Check #:** 0000200557  
**Amount:** 100.00

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

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

## RATE/RULE FILING SCHEDULE

(This form must be provided ONLY when making a filing that includes rate-related items such as Rate; Rule; Rate & Rule; Reference; Loss Cost; Loss Cost & Rule or Rate, etc.)

(Do not refer to the body of the filing for the component/exhibit listing, unless allowed by state.)

<b>1.</b>	<b>This filing transmittal is part of Company Tracking #</b>	<b>07-R2171</b>
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<b>2.</b>	<b>This filing corresponds to form filing number</b> (Company tracking number of form filing, if applicable)	<b>07-F2171</b>
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Rate Increase     
  Rate Decrease     
  Rate Neutral (0%)

<b>3.</b>	<b>Filing Method (Prior Approval, File &amp; Use, Flex Band, etc.)</b>	
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<b>4a.</b>	<b>Rate Change by Company (As Proposed)</b>
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Company Name	Overall % Indicated Change (when applicable)	Overall % Rate Impact	Written premium change for this program	# of policyholders affected for this program	Written premium for this program	Maximum % Change (where required)	Minimum % Change (where required)
CCC	0%	N/A	N/A	N/A	100,000	0%	0%

<b>4b.</b>	<b>Rate Change by Company (As Accepted) For State Use Only</b>
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Company Name	Overall % Indicated Change (when applicable)	Overall % Rate Impact	Written premium change for this program	# of policyholders affected for this program	Written premium for this program	Maximum % Change (where required)	Minimum % Change (where required)

<b>Overall Rate Information (Complete for Multiple Company Filings only)</b>
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		COMPANY USE	STATE USE
<b>5a.</b>	<b>Overall percentage rate indication (when applicable)</b>		
<b>5b.</b>	<b>Overall percentage rate impact for this filing</b>		
<b>5c.</b>	<b>Effect of Rate Filing – Written premium change for this program</b>		
<b>5d.</b>	<b>Effect of Rate Filing – Number of policyholders affected</b>		

<b>6.</b>	Overall percentage of last rate revision	New Program
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<b>7.</b>	Effective Date of last rate revision	New Program
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<b>8.</b>	Filing Method of Last filing (Prior Approval, File & Use, Flex Band, etc.)	New Program
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9.	Rule # or Page # Submitted for Review	Replacement or Withdrawn?	Previous state filing number, if required by state
01	Actuary Memo	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
02	Manual Page 1	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
03		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	



40 Wall Street – 9<sup>th</sup> Floor  
New York, New York 10005

Robert Alonzo  
State Filing Analyst  
P & C State Filing Unit  
CNA Global Specialty Lines

August 31, 2007

Telephone 212-440-3478  
Facsimile 212-440-2877  
Toll Free 877-269-3277 x 3478  
Internet Robert.alonzo@cna.com

Arkansas Insurance Department  
P&C Division  
1200 W. 3<sup>rd</sup> Street  
Little Rock, AR 72201-1904

RE: CONTINENTAL CASUALTY COMPANY NAIC# 218-20443 FEIN# 36-2114545  
**Employment Practices Liability Solutions Program**  
**Rates Filing**  
**OUR FILE NO. : 07-R2171**

To Whom It May Concern:

On behalf of Continental Casualty Company, we hereby submit for your review and approval our Employment Practices Liability Solutions Program. This program provides coverage for claims by employees against their employers and fellow employees arising out of employment practice disputes (for example: claims that allege discrimination, sexual harassment, wrongful termination, and wrongful discipline).

Enclosed for your review please find:

- Actuary memorandum, along with rate page for this program.

We propose that this filing become applicable to all policies written on or after October 15, 2007, or the earliest date permitted by your state.

Very truly yours,  
*Robert Alonzo*  
State Filing Analyst

# **Continental Casualty Company**

## **Employment Practices Liability Solution Actuarial Memorandum**

### *Purpose*

Continental Casualty Company (CCC) is filing its Employment Practices Liability (EPL) rates for publicly traded companies and selected financial institutions. There is no premium impact associated with this filing. In fact, no primary EPL premium has been written for public companies and financial institutions on an admitted basis in the last three years.

### *Underwriting Guidelines*

Employment Practices Liability coverage will be offered to publicly traded companies and selected financial institutions, with CCC serving as the admitted carrier. Coverage will be offered on a primary basis and on an excess basis provided that any underlying layers of coverage are also written by an admitted carrier.

### *Rate Determination*

EPL losses are characterized by low frequency and high severity. Continental Casualty Company has not generated sufficient loss data to develop rates based on its own experience. Our rates were based on analysis of industry-wide losses, using data from Equal Employment Opportunity Commission (EEOC) and the Jury Verdict Research's Survey, and our E-pack Employee Practices Liability product, which is available to non-financial private companies. Supplemental loss data from an outside vendor was also used.

We noticed that there is no significant difference on the size of claims among the various sizes of firms. A similar analysis was used to determine expected claim frequency. Frequency selection was made by grouping the firms by number of employees, and then modified to reflect the higher incidence of claims per policy (but lower incidence of claims per employee) from larger firms.

The frequency and severity projections are then combined to determine expected loss costs. The expected loss cost is divided by the permissible loss ratio to determine the base premium at 1M limits of coverage.