

SERFF Tracking Number: GCCW-125275825 State: Arkansas
Filing Company: Southern Pilot Insurance Company State Tracking Number: AR-PC-07-026146
Company Tracking Number: 020108 10092R
TOI: 05.0 Commercial Multi-Peril - Liability & Non- Sub-TOI: 05.0002 Businessowners
Liability
Product Name: Businessowners
Project Name/Number: EPLI Endorsement Coverage/020108 10092R

Filing at a Glance

Company: Southern Pilot Insurance Company

Product Name: Businessowners

SERFF Tr Num: GCCW-125275825 State: Arkansas

TOI: 05.0 Commercial Multi-Peril - Liability &
Non-Liability

SERFF Status: Closed

State Tr Num: AR-PC-07-026146

Sub-TOI: 05.0002 Businessowners

Co Tr Num: 020108 10092R

State Status:

Filing Type: Form

Co Status:

Reviewer(s): Betty Montesi,
Llyweyia Rawlins, Brittany Yielding

Author: Sharon Reeve

Disposition Date: 09/26/2007

Date Submitted: 09/20/2007

Disposition Status: Approved

Effective Date Requested (New): 02/01/2008

Effective Date (New): 02/01/2008

Effective Date Requested (Renewal): 02/01/2008

Effective Date (Renewal):

02/01/2008

General Information

Project Name: EPLI Endorsement Coverage

Status of Filing in Domicile:

Project Number: 020108 10092R

Domicile Status Comments:

Reference Organization:

Reference Number:

Reference Title:

Advisory Org. Circular:

Filing Status Changed: 09/26/2007

State Status Changed: 09/20/2007

Deemer Date:

Corresponding Filing Tracking Number:

Filing Description:

Re: Southern Pilot Insurance Company (FEIN# 56-0773056; NAIC# 22861)

Businessowners Employment-Related Practices Liability Coverage

Form Filing

Company Filing # 020108 10092R

Effective Date: 02/01/2008

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Dear Insurance Analyst:

In an effort to address the needs of our policyholders, we have developed an Employment Practices Liability program for small commercial businesses with 15 or fewer employees.

The Employment-Related Practices Liability Coverage will be provided by an endorsement to our currently approved Businessowners Liability Coverage Form BP 00 06 01 97. The proposed coverage is claims-made with defense costs included within policy limits.

Enclosed for your review is Arkansas Employment-Related Practices Liability Coverage Endorsement Form BP 80 04 04 07. The effective date requested for new business and renewal policies is February 1, 2008.

Please approve this filing as submitted, or let me know if I can be of any assistance to you.

Sincerely,

Sharon Reeve
Rate Development Technician
Home Office Commercial Lines
Phone: 608-825-5970
Fax: 608-825-5100

Company and Contact

Filing Contact Information

Sharon Reeve, Rate Development Technician sharon.reeve@generalcasualty.com
One General Drive (608) 825-5970 [Phone]
Sun Prairie, WI 53596 (608) 825-5100[FAX]

Filing Company Information

Southern Pilot Insurance Company CoCode: 22861 State of Domicile: Wisconsin

SERFF Tracking Number: GCCW-125275825 State: Arkansas
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One General Drive Group Code: 796 Company Type: Property &
Sun Prairie, WI 53596 Group Name: Casualty
(608) 837-4440 ext. [Phone] FEIN Number: 56-0773056
State ID Number:

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Filing Fees

Fee Required? Yes
Fee Amount: \$50.00
Retaliatory? No
Fee Explanation: \$50 per Form
Per Company: No

| COMPANY | AMOUNT | DATE PROCESSED | TRANSACTION # |
|----------------------------------|---------|----------------|---------------|
| Southern Pilot Insurance Company | \$50.00 | 09/20/2007 | 15728438 |

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Correspondence Summary

Dispositions

| Status | Created By | Created On | Date Submitted |
|----------|------------------|------------|----------------|
| Approved | Llyweyia Rawlins | 09/26/2007 | 09/26/2007 |

SERFF Tracking Number: GCCW-125275825 *State:* Arkansas
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Disposition Date: 09/26/2007

Effective Date (New): 02/01/2008

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Status: Approved

Comment:

Rate data does NOT apply to filing.

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Form Schedule

| Review Status | Form Name | Form # | Edition Date | Form Type Action | Action Specific Data | Readability | Attachment |
|---------------|----------------------------------------------------------------------|---------|--------------|--------------------------------------|----------------------|-------------|---------------------|
| Approved | Arkansas Employment-Related Practices Liability Coverage Endorsement | BP 8004 | 0407 | Endorsement/New/Amendment/Conditions | | 0.00 | BP 8004 0407 AR.pdf |

ARKANSAS EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE ENDORSEMENT

**THIS FORM PROVIDES CLAIMS-MADE AND REPORTED COVERAGE.
PLEASE READ THE ENTIRE FORM CAREFULLY.**

For the purposes of the coverage provided by this Employment-Related Practices Liability Coverage Endorsement, **Businessowners Liability Coverage Form, Section A. Coverages** is amended as follows:

A. The following is added to Paragraph A. Coverages:

1. We will pay those sums the insured becomes legally obligated to pay as “damages” resulting from a “wrongful employment practice” to which this insurance applies. We will have the right and duty to defend the insured against any “suit” seeking those “damages”.

However, we will have no duty to defend the insured against any “suit” seeking “damages” because of a “wrongful employment practice” to which this insurance does not apply. We may, at our sole discretion, investigate any incident that may result from a “wrongful employment practice”. We may, with your written consent, settle any “claim” that may result. But:

- a. The amount we will pay for “damages” is limited as described in Paragraph **E. Limits of Insurance**;
- b. The coverage and duty to defend provided by this Endorsement will end when we have used up the applicable Limit of Insurance in the payment of judgments or settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments.

2. This insurance applies to a “wrongful employment practice” only if:
 - a. The “wrongful employment practice” takes place in the “coverage territory”;

- b. The “wrongful employment practice” did not commence before the Retroactive Date, if any, shown in the Declarations or after the end of the policy period; and

- c. A “claim” against any insured for “damages” because of a “wrongful employment practice”, in accordance with Paragraphs **3.** and **4.** below, is first made during the policy period or the Automatic Extended Reporting Period as described in Paragraph **G.**

3. A “claim” will be deemed to have been made at the earlier of the following times:

- a. When notice of such “claim” after being received by any insured is reported to us in writing; or
- b. When a “claim” against an insured is made directly to us in writing.

A “claim” received by the insured during the policy period and reported to us within 60 days after the end of the policy period will be considered to have been reported within the policy period. However, this 60 day grace period does not apply to “claims” that are covered under any subsequent insurance you purchase, or that would be covered but for exhaustion of the amount of insurance applicable to such “claims”.

4. If during the policy period you become aware of a “wrongful employment practice” that may reasonably be expected to give rise to a “claim” against any insured, you must provide notice to us in accordance with the provisions of Paragraph **F., Conditions 3. Duties In The Event Of A “Claim” Or An Incident That May Result In A “Claim”**. If such notice is provided, then any “claim” subsequently made against any insured arising out of that “wrongful employment practice” shall be deemed under this policy to be a “claim” made during the policy period in which the “wrongful employment practice” was first reported to us.

B. Exclusions

For purposes of this Employment-Related Practices Liability Coverage Endorsement, Paragraph **B. Exclusions, 1. Applicable to Business Liability Coverage** of the **Businessowners Liability Coverage Form** is deleted and replaced with the following:

This insurance does not apply to:

1. Bodily Injury

Any liability arising out of "bodily injury".

2. Criminal, Fraudulent Or Malicious Acts

An insured's liability arising out of criminal, fraudulent or malicious acts or omissions by that insured.

This exclusion does not affect our duty to defend, in accordance with Paragraph **A.1.** above, an insured prior to determining, through the appropriate legal processes, that that insured is responsible for a criminal, fraudulent or malicious act or omission.

3. Contractual Liability

Any "wrongful employment practice" for which the insured is obligated to pay "damages" by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for "damages" that the insured would have in the absence of the contract or agreement.

4. Workers Compensation And Similar Laws

Any obligation of the insured under a workers compensation, disability benefits or unemployment compensation law or any similar law.

5. Violation Of Laws Applicable To Employers

A violation of your responsibilities or duties required by any other federal, state or local statutes, rules or regulations, and any rules or regulations promulgated therefore or amendments thereto, except for the following: Title VII of the Civil Rights Act of 1964 and amendments thereto, the Americans With Disabilities Act, the Age Discrimination in Employment Act, the Equal Pay Act, the Pregnancy Discrimination Act of 1978, the Immigration Reform Control Act of 1986 and the Family and Medical Leave Act of 1993 or any other similar state or local statutes, rules or regulations to the extent that they prescribe responsibilities or duties concerning the same acts or omissions.

However, this insurance does not apply to a "wrongful employment practice" arising out of your failure to comply with any of the accommodations for the disabled required of you by, or any expenses incurred as the result of physical modifications made to accommodate any person pursuant to, the Americans With Disabilities Act, or any amendments thereto, or any similar state or local statutes, rules or regulations to the extent that they prescribe responsibilities or duties concerning the same acts or omissions.

This exclusion does not apply to any "claim" for retaliatory treatment by an insured against any person making a "claim" pursuant to such person's rights under any statutes, rules or regulations.

6. Strikes And Lockouts

Any "wrongful employment practice" committed against any striking or locked-out "employee", or to an "employee" who has been temporarily or permanently replaced due to any labor dispute.

7. Prior Or Pending Litigation

Any "claim" or "suit" against any insured which was pending on, or existed prior to the Retroactive Date shown in the Declarations, or any "claim" or "suit" arising out of the same or substantially the same facts, circumstances or allegations which are the subject of, or the basis for, such "claim" or "suit".

8. Prior Notice

Any "wrongful employment practice" alleged or contained in any "claim" which has been reported, or for which in any circumstance, notice has been given, under any other prior insurance policy providing essentially the same type of coverage.

9. Property Damage

Physical injury to tangible property, including all resulting loss of use of that property.

10. Employment Contracts

Breach of any express contract of employment or any express obligation to make payments in the event of termination of employment.

Issuance of an employee manual or handbook shall not be considered an express contract of employment.

11. Publication of Materials

Oral or written publication of material, if such material:

- a. Was published by or at the direction of any insured with knowledge of its falsity; or
- b. Was first published before the Retroactive Date.

C. Supplementary Payments

For purposes of this Employment-Related Practices Liability Endorsement, Paragraph **A.1.d. Coverage — Extension — Supplementary Payments** of the **Businessowners Liability Coverage Form** is deleted and replaced with the following:

1. We will pay, with respect to any “claim” we investigate or settle, or any “suit” against an insured we defend:
 - a. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable Limit of Insurance, we will not pay any prejudgment interest based on that period of time after the offer.
 - b. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable Limit of Insurance.
 - c. The cost of bonds to appeal a judgment or award in any “claim” we defend. We do not have to furnish these bonds.
 - d. The cost of bonds to release attachments, but only for bond amounts within the amount of insurance available. We do not have to furnish these bonds.
2. These payments will not reduce the Limit of Insurance nor be subject to Paragraph **E.2. Deductible**.

D. Who Is An Insured

For purposes of this Employment-Related Practices Liability Coverage Endorsement, Paragraph **C. Who Is An Insured** of the **Businessowners Liability Coverage Form** is deleted and replaced by the following:

1. If you are designated in the Declarations as:
 - a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.

- b. A partnership or joint venture, you are an insured. Your current or former members and your current or former partners and their spouses are also insureds, but only with respect to the conduct of your business.
 - c. A limited liability company, you are an insured. Your current or former members are also insureds but only with respect to the conduct of your business. Your current or former managers are also insureds but only with respect to their duties as your managers.
 - d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your current or former “executive officers” and directors are also insureds but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
 - e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.
2. Your “employees” are also insureds, unless otherwise excluded in this policy.
 3. Your former “employees” are also insureds, unless otherwise excluded in this policy, but only with respect to a “wrongful employment practice” committed while in your employ.
 4. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Endorsement.
 5. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if no other similar insurance applies to that organization. You must notify us of such acquisition or formation as soon as practicable. However, coverage under this provision:
 - a. Is afforded only until the 90th day after you acquire or form the organization, or until the end of the policy period, whichever is earlier; and
 - b. Does not apply to a “wrongful employment practice” committed before you acquired or formed the organization.

- c. You must pay us any additional premium due as a condition precedent to the enforceability of this additional extension of coverage.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

E. Limits of Insurance

For the purposes of this Employment-Related Practices Liability Coverage Endorsement, Paragraph **D. Liability And Medical Expenses Limits of Insurance** in the **Businessowners Liability Coverage Form** is deleted and replaced with the following:

1. Limits of Insurance

- a. The Aggregate Limit shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
 - (1) Insureds;
 - (2) "Claims" made or "suits" brought; or
 - (3) Persons, organizations or government agencies making "claims" or bringing "suits".
- b. The Aggregate Limit is the most we will pay for the sum of all "damages" because of all "wrongful employment practices" to which this insurance applies.
- c. Subject to **b.** above, the Each "Claim" Aggregate stated in the Declarations is the most we will pay, in excess of the deductible for the sum of all "damages" arising out of one "claim", whether such "claim" is brought by one or more claimants.

The Limit of Insurance of this Endorsement applies separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Aggregate Limit.

2. Deductible

- a. We will not pay for our share of "damages" until the amount of "damages" exceeds the Deductible shown in the Declarations. We will then pay the amount of "damages" in excess of the Deductible, up to the Limit of Insurance.

Example No. 1

Deductible: \$5,000

Limit of Insurance: \$50,000

"Damages": \$40,000

The Deductible will be subtracted from the amount of "damages" in calculating the amount payable:

$$\$40,000 - \$5,000 = \$35,000 \text{ Amount Payable}$$

Example No. 2

Deductible: \$5,000

Limit of Insurance: \$50,000

"Damages": \$120,000

The Deductible will be subtracted from the amount of "damages" (120,000 - \$5,000 = \$115,000). Since the amount of the "damages" minus the Deductible exceeds the Limit of Insurance, the policy will pay the full Limit of Insurance (\$50,000).

- b. The Deductible amount shown in the Declarations applies to all "claims" arising out of:
 - (1) The same "wrongful employment practice"; or
 - (2) A series of incidents, circumstances or behaviors which arise from a common cause

regardless of the number of persons, organizations or government agencies making such "claims".
- c. We may pay any part or all of the Deductible amount to effect settlement of any "claim" and, upon notification of the action taken, you shall promptly reimburse us for such part of the Deductible amount as has been paid by us.

F. Conditions

For purposes of this Employment-Related Practices Liability Coverage Endorsement, Paragraph **E. Liability And Medical Expenses General Conditions** in the **Businessowners Liability Coverage Form** is deleted and replaced with the following:

1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Endorsement.

2. Consent To Settle

If we recommend a settlement to you which is acceptable to the claimant, but to which you do not consent, the most we will pay as "damages" in the event of any later settlement or judgment is the amount for which the "claim" could have been settled, to which you did not give consent, less any Deductible.

3. Duties In The Event Of A "Claim" Or An Incident That May Result In A "Claim"

a. If a "claim" is received by any insured, you must:

- (1) Immediately record the specifics of the "claim" and the date received; and
- (2) Notify us, in writing, as soon as practicable.

b. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "claim";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation or settlement of the "claim" or defense against the "suit";
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of a "wrongful employment practice" or "damage" to which this insurance may also apply.

c. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense without our written consent.

d. If you have knowledge of a "wrongful employment practice" for which a "claim" has not yet been received you must notify us, in writing, as soon as practicable. Such notice must provide:

- (1) A description of the "wrongful employment practice", including all relevant dates;
- (2) The names of the persons involved in the "wrongful employment practice", including names of the potential claimants;
- (3) Particulars as to the reasons for anticipating a "claim" which may result from such "wrongful employment practice";
- (4) The nature of the alleged or potential "damages" arising from such "wrongful employment practice"; and
- (5) The circumstances by which the insured first became aware of the "wrongful employment practice".

4. Legal Action Against Us

No person or organization has a right under this Endorsement:

- a. To join us as a party or otherwise bring us into a "suit" asking for "damages" from an insured; or
- b. To sue us on this Endorsement unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured obtained after an actual trial; but we will not be liable for "damages" that are not payable under the terms of this Endorsement or that are in excess of the applicable Limit of Insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

We will also not be liable for the insured's share of any payment due because of a settlement or judgment for which the insured is responsible under Paragraph **E. 2. Deductible**.

5. Other Insurance

If other valid and collectible insurance is available to the insured, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when **b.** below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. We will not seek contribution from any other insurance available to you or the involved insured unless the other insurance is specifically designed to provide coverage because of liability arising out of a "wrongful employment practice". Then we will share with that other insurance by the method described below.

b. Excess Insurance

This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis:

- (1) That is effective prior to the beginning of the policy period shown in the Declarations of this insurance; and
- (2) Applies on other than a claims-made basis,

if the other insurance has a policy period which continues after the Retroactive Date shown in the Declarations.

When this insurance is excess, we will have no duty to defend any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (2) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations.

c. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

The method chosen for the handling of other valid insurance will not affect your responsibility to share with us as specified under Paragraph **E.2. Deductible.**

6. Representations

By accepting this policy, you agree that:

- a. The statements in the Application and Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

7. Separation Of Insureds

Except with respect to the Limit of Insurance, and any rights or duties specifically assigned in this Endorsement to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom "claim" is made.

8. Transfer Of Rights Of Recovery Against Others To Us

If the insured has rights to recover all or part of any payment we have made under this policy, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

9. If You Are Permitted To Select Defense Counsel

If, by mutual agreement or court order, the insured is given the right to select defense counsel and the Limit of Insurance has not been used up, the following provisions apply:

- a. We retain the right, at our discretion, to:
 - (1) Settle, approve or disapprove the settlement of any "claim"; and
 - (2) Appeal any judgment, award or ruling at our expense.
- b. You and any other involved insured must:
 - (1) Continue to comply with Paragraph **F.3. Duties In The Event Of A "Claim" Or An Incident That May Result In A "Claim" Condition** as well as the other provisions of this Endorsement; and
 - (2) Direct defense counsel of the insured to:
 - (a) Furnish us with the information we may request to evaluate those "suits" for coverage under this Endorsement; and
 - (b) Cooperate with any counsel we may select to monitor or associate in the defense of those "suits".
- c. If we defend you under a reservation of rights, both your and our counsel will be required to maintain records pertinent to your "defense expenses". These records will be used to determine the allocation of any "defense expenses" for which you may be solely responsible, including defense of an allegation not covered by this insurance.

10. Transfer Of Duties When Limit Of Insurance Is Used Up

- a. If we conclude that, based on "claims" which have been reported to us and to which this insurance may apply, the Limit of Insurance is likely to be used up in the payment of judgments or settlements for "damages" we will notify the first Named Insured, in writing, to that effect.
- b. When the Limit of Insurance has actually been used up in the payment of judgments or settlements for "damages", we will:
 - (1) Notify the first Named Insured in writing, as soon as practicable, that such a limit has actually been used up and that our duty to defend the insured against "suits" seeking "damages" subject to that limit has also ended;

- (2) Initiate, and cooperate in, the transfer of control to any appropriate insured, of all "suits" for which the duty to defend has ended for the reason described in Paragraph **b.(1)** above and which are reported to us before that duty to defend ended; and
- (3) Take such steps, as we deem appropriate, to avoid a default in, or continue the defense of, such "suits" until such transfer is completed, provided the appropriate insured is cooperating in completing such transfer.
- c. When **b.(1)** above has occurred, the first Named Insured, and any other insured involved in a "suit" seeking "damages" subject to that limit, must:
 - (1) Cooperate in the transfer of control of "suits"; and
 - (2) Arrange for the defense of such "suit" within such time period as agreed to between the appropriate insured and us. Absent any such agreement, arrangements for the defense of such "suit" must be made as soon as practicable.
- d. We will take no action with respect to defense for any "claim" if such "claim" is reported to us after the applicable Limit of Insurance has been used up. It becomes the responsibility of the first Named Insured, and any other insured involved in such a "claim", to arrange defense for such "claim".
- e. The first Named Insured will reimburse us as soon as practicable for expenses we incur in taking those steps we deem appropriate in accordance with Paragraph **b. (2)** above.
- f. The exhaustion of the applicable Limit of Insurance and the resulting end of our duty to defend will not be affected by our failure to comply with any of the provisions of this Condition.

11. When We Do Not Renew

If we decide not to renew this policy, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal at least 30 days before the end of the policy period, or earlier if required by the state law or regulation controlling the application of this Endorsement.

If notice is mailed, proof of mailing will be sufficient proof of notice.

12. Two or More Policies or Coverage Parts

If there are two or more Policies or Coverage Parts issued by us or an affiliated company that apply to the same allegations or “damages” to which this Endorsement applies, then the aggregate maximum Limit of Insurance under all of the Policies or Coverage Parts shall not exceed the highest applicable Limit of Insurance under any one Policy or Coverage Part. This condition does not apply to any Policy or Coverage Part issued by us or an affiliated company specifically to apply as excess insurance over this Endorsement.

G. Automatic Extended Reporting Period

1. We will provide an Automatic Extended Reporting Period, described below, if:
 - a. This Endorsement is cancelled or not renewed for any reason; or
 - b. We renew or replace this Endorsement with insurance that:
 - (1) Has a Retroactive Date later than the date shown in the Declarations; or
 - (2) Does not apply to “wrongful employment practices” on a claims-made basis.
2. The Automatic Extended Reporting Period, as specified in Paragraph 1.a. above, is provided without charge and lasts for three years.
3. The Automatic Extended Reporting Period starts with the end of the policy period. It does not extend the policy period or change the scope of coverage provided. It applies only to “claims” to which the following applies:
 - a. The “claim” is first made during the Automatic Extended Reporting Period;
 - b. The “wrongful employment practice” occurs before the end of the policy period; and
 - c. The “wrongful employment practice” did not commence before the Retroactive Date, if any.
4. When the Automatic Extended Reporting Period is in effect, we will provide a Supplemental Limit of Insurance for any “claim” first made during the Automatic Extended Reporting Period.

The Supplemental Limit of Insurance will be equal to the Aggregate Limit shown in the Declarations in effect at the end of the policy period and will be the most we will pay for the sum of all “damages” for the total of all “claims” first received and recorded during the Automatic Extended Reporting Period.

Subpart 1.b. of Paragraph E. Limit of Insurance will be amended accordingly.

5. The Automatic Extended Reporting Period does not apply to “claims” that are covered under any subsequent insurance you purchase, or that would be covered but for the exhaustion of the amount of insurance applicable to such “claims”.

H. Definitions

For purposes of this Employment-Related Practices Liability Coverage Endorsement, **Section F. Liability and Medical Expenses Definitions** in the **Businessowners Liability Coverage Form** is deleted and replaced with the following:

1. “Bodily injury” means physical injury to the body, sickness or disease sustained by a person as the result of direct physical injury to the body, including death resulting directly from any of these at any time. “Bodily injury” does not include mental anguish that results from a “wrongful employment practice”.
2. “Claim” means a “suit” or written demand against the insured for “damages” because of an alleged “wrongful employment practice”. “Claim” includes:
 - a. A written notice to;
 - b. A written charge against; or
 - c. A written demand against the insured made by:
 - (1) A current or former “employee”;
 - (2) An applicant for employment; or
 - (3) The Equal Employment Opportunity Commission or any other federal, state or local administrative or regulatory agency on behalf of such person in items (1) or (2) immediately preceding;advising that it is the intention of such person, or agency to hold the insured responsible for the consequences of a “wrongful employment practice” covered under this Endorsement.“Claim” does not include labor or grievance arbitration subject to a collective bargaining agreement.
3. “Coverage territory” means:
 - a. The United States of America (including its territories or possessions) and Puerto Rico; or

- b. All parts of the world if the insured's responsibility to pay "damages" is determined in a "suit" on the merits brought in the territory described in Paragraph a. above or in a settlement we agree to.
4. "Damages" means compensatory monetary amounts the insured is legally obligated to pay as judgments, awards and settlements to which we have agreed in writing. "Damages" do not include:
- Civil, criminal, administrative or other fines or penalties;
 - Any portion of a judgment or award that represents a multiple of the compensatory amounts (except for multiplied damages awarded pursuant to the Age Discrimination in Employment Act), liquidated damages;
 - Equitable relief, injunctive relief, declarative relief or any other relief or recovery other than monetary amounts; or
 - Judgments or awards deemed uninsurable by law.
5. "Defense expenses" means payments allocated to a specific "claim" we investigate, settle or defend, for its investigation, settlement or defense, including:
- Fees and salaries of attorneys and paralegals we retain.
 - Fees of attorneys the insured retains when, by our mutual agreement or court order (or when required by administrative hearing or proceeding), the insured is given the right to retain defense counsel to defend against a "claim".
 - All other litigation or administrative hearing expenses, including fees or expenses of expert witnesses hired either by us or by the defense attorney retained by an insured.
 - All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the "claim", including actual loss of earnings up to \$250 a day because of time off from work.
 - Costs taxed against the insured in the "suit".
- "Defense expenses" does not include salaries, wages, remuneration, fees or expenses of our "employees" or the insured's "employees" (other than those described in Paragraph d. above) and does not include fees and expenses of independent adjusters we hire.
6. "Employee" means a person:
- employed by you for wages or salary; or
 - who is a current or former member of your board of directors.
- "Employee" includes a "leased worker" and a "temporary worker", but "employee" does not include any independent contractor or any "employees" of any independent contractor while acting within the scope of their employment.
7. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
8. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".
9. "Suit" means a civil proceeding in which "damages" because of a "wrongful employment practice" to which this insurance applies are alleged, including:
- An arbitration proceeding in which such "damages" are claimed and to which the insured must submit or does submit with our consent;
 - Any other alternative dispute resolution proceeding in which such "damages" are claimed and to which the insured submits with our consent; or
 - Any administrative proceeding or hearing conducted by a governmental agency (federal, state or local) having the proper legal authority over the matter in which such "damages" are claimed.
- "Suit" does not include labor or grievance arbitration subject to a collective bargaining agreement.
10. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.
11. "Wrongful employment practices" means any of the following practices directed against any current or former "employee", or applicant for employment by you:

- a. Wrongful demotion or failure to promote a qualified “employee”, negligent “employee” evaluation including the giving of negative or defamatory statements in connection with an “employee” reference or wrongful refusal to employ a qualified applicant for employment;
 - b. Wrongful dismissal, discharge or termination of employment, including retaliation or constructive termination of an “employee”;
 - c. Wrongful denial of training, wrongful deprivation of career opportunity, negligent reassignment or wrongful discipline.
 - d. Negligent hiring or supervision which results in any of the other offenses listed in this definition;
 - e. Retaliatory action against an “employee” because the “employee” has:
 - (1) Declined to perform an illegal or unethical act;
 - (2) Filed a complaint with a governmental authority or a “suit” against you or any other insured in which “damages” are claimed;
 - (3) Testified against you or any other insured at a legal proceeding; or
 - (4) Notified a proper authority of any aspect of your business operation which is illegal;
 - f. Coercing an “employee” to commit an unlawful act or omission within the scope of that person's employment;
 - g. Harassment, discrimination or humiliation as a consequence of race, color, national origin, religion, marital status, medical condition, gender, age, physical appearance, physical or mental impairment, pregnancy, sexual orientation or sexual preference; or
 - h. Oral or written publication of material that slanders, defames or libels an “employee” or violates or invades an “employee’s” right to privacy.
- “Wrongful employment practice” also means harassment, discrimination or humiliation as a consequence of race, color, national origin, religion, marital status, medical condition, gender, age, physical appearance, physical or mental impairment, pregnancy, sexual orientation or sexual preference directed against an independent contractor or volunteer by you.

SERFF Tracking Number: GCCW-125275825 *State:* Arkansas
Filing Company: Southern Pilot Insurance Company *State Tracking Number:* AR-PC-07-026146
Company Tracking Number: 020108 10092R
TOI: 05.0 Commercial Multi-Peril - Liability & Non- *Sub-TOI:* 05.0002 Businessowners
Liability
Product Name: Businessowners
Project Name/Number: EPLI Endorsement Coverage/020108 10092R

Rate Information

Rate data does NOT apply to filing.

SERFF Tracking Number: GCCW-125275825 State: Arkansas
Filing Company: Southern Pilot Insurance Company State Tracking Number: AR-PC-07-026146
Company Tracking Number: 020108 10092R
TOI: 05.0 Commercial Multi-Peril - Liability & Non- Sub-TOI: 05.0002 Businessowners
Liability
Product Name: Businessowners
Project Name/Number: EPLI Endorsement Coverage/020108 10092R

Supporting Document Schedules

Satisfied -Name: Uniform Transmittal Document-
Property & Casualty

Review Status: Approved 09/26/2007

Comments:
Attachment:
P & C Transmittal Form.pdf

Property & Casualty Transmittal Document

| | |
|-------------------------------------------------|-----------------------------------------|
| 1. Reserved for Insurance Dept. Use Only | 2. Insurance Department Use only |
| | 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 |

| | |
|---------------------------------------|---------------------|
| 3. Group Name | Group NAIC # |
| Southern Guaranty insurance Companies | 0796 |

| 4. Company Name(s) | Domicile | NAIC # | FEIN # | State # |
|----------------------------------|----------|--------|------------|---------|
| Southern Pilot Insurance Company | WI | 22861 | 56-0773056 | |
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|-----------------------------------|----------------------|
| 5. Company Tracking Number | 020108 10092R |
|-----------------------------------|----------------------|

Contact Info of Filer(s) or Corporate Officer(s) [include toll-free number]

| 6. | Name and address | Title | Telephone #s | FAX # | e-mail |
|----|------------------|-----------------------------|--------------|--------------|----------------------------------|
| | Sharon Reeve | Rate Development Technician | 608-825-5970 | 608-825-5100 | sharon.reeve@generalcasualty.com |
| | | | | | |

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|----|---------------------------------------|--|
| 7. | Signature of authorized filer | |
| 8. | Please print name of authorized filer | |

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

| | |
|--------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 9. Type of Insurance (TOI) | 05.1 CMP Liability and Non-Liability |
| 10. Sub-Type of Insurance (Sub-TOI) | 05.0000 CMP |
| 11. State Specific Product code(s) (if applicable)[See State Specific Requirements] | |
| 12. Company Program Title (Marketing title) | Businessowners |
| 13. Filing Type | <input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input type="checkbox"/> Rates/Rules <input checked="" type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description) |
| 14. Effective Date(s) Requested | New: 02/01/2008 Renewal: 02/01/2008 |
| 15. Reference Filing? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| 16. Reference Organization (if applicable) | |
| 17. Reference Organization # & Title | |

Effective March 1, 2007

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