

SERFF Tracking Number: ZURC-125424739 State: Arkansas
Filing Company: Zurich American Insurance Company State Tracking Number: EFT \$25
Company Tracking Number: CW PR 26921
TOI: 17.1 Other Liability - Claims Made Only Sub-TOI: 17.1006 Directors & Officers Liability
Product Name: Private Company Directors, Officers & Employees Liability Policy - New Endorsements and Rule
Project Name/Number: CW PR 26921 - Private Company Directors, Officers & Employees Liability Policy - New Endorsements and Rule/CW PR 26921

Filing at a Glance

Company: Zurich American Insurance Company

Product Name: Private Company Directors, Officers & Employees Liability Policy - New Endorsements and Rule
SERFF Tr Num: ZURC-125424739 State: Arkansas

TOI: 17.1 Other Liability - Claims Made Only SERFF Status: Closed State Tr Num: EFT \$25
Sub-TOI: 17.1006 Directors & Officers Liability Co Tr Num: CW PR 26921 State Status: Fees verified and received
Filing Type: Rule Co Status: Not Applicable Reviewer(s): Betty Montesi, Edith Roberts, Brittany Yielding
Author: Patricia Chudik Disposition Date: 01/23/2008
Date Submitted: 01/14/2008 Disposition Status: Accepted For Informational Purposes

Effective Date Requested (New): 02/15/2008

Effective Date Requested (Renewal): 02/15/2008

State Filing Description:

Effective Date (New):

Effective Date (Renewal):

General Information

Project Name: CW PR 26921 - Private Company Directors, Officers & Employees Liability Policy - New Endorsements and Rule Status of Filing in Domicile: Not Filed

Project Number: CW PR 26921

Reference Organization: NA

Reference Title: NA

Filing Status Changed: 01/23/2008

State Status Changed: 01/23/2008

Corresponding Filing Tracking Number:

Filing Description:

Domicile Status Comments:

Reference Number: NA

Advisory Org. Circular: NA

Deemer Date:

The purpose of this filing is to seek approval for a revised rule for use with our Private Company Directors, Officers and Employees Liability Policy. The Private Company program was filed in Arkansas under company number CW GL 14207 effective June 15, 1997. There is no rating impact associated with the implementation of this rule.

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Please see the explanatory memorandum for a complete description of this filing.

We request that this filing becomes effective February 15, 2008, for new and renewal business, or as soon as statutes permit.

Company and Contact

Filing Contact Information

Patricia Chudik, Product Analyst pat.chudik@zurichna.com
 1400 American Lane (847) 605-7714 [Phone]
 Schaumburg, IL 60196-1056 (847) 605-7768[FAX]

Filing Company Information

Zurich American Insurance Company CoCode: 16535 State of Domicile: New York
 1400 American Lane Group Code: 212 Company Type:
 Schaumburg, IL 60102 Group Name: State ID Number:
 (847) 605-6000 ext. [Phone] FEIN Number: 36-4233459

Filing Fees

Fee Required? Yes
 Fee Amount: \$25.00
 Retaliatory? No
 Fee Explanation: Arkansas's fee for an independent rule filing is \$25.00.
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Zurich American Insurance Company	\$25.00	01/14/2008	17478950

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Accepted For Edith Roberts Informational Purposes		01/23/2008	01/23/2008

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Disposition

Disposition Date: 01/23/2008

Effective Date (New):

Effective Date (Renewal):

Status: Accepted For Informational Purposes

Comment: Exempt - deregulation

Rate data does NOT apply to filing.

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Item Type	Item Name	Item Status	Public Access
Supporting Document	Explanatory memorandum and marked copy of changes to rule	Accepted for Informational Purposes	Yes
Rate	Private Company Directors Officers and Employees Liability Insurance Rating Rule	Accepted for Informational Purposes	Yes

SERFF Tracking Number: *ZURC-125424739* *State:* *Arkansas*
Filing Company: *Zurich American Insurance Company* *State Tracking Number:* *EFT \$25*
Company Tracking Number: *CW PR 26921*
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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	Private Company Directors Officers and Employees Liability Insurance Rating Rule	4.B.1	Replacement	Priv Co 97 Form Rule Change.pdf



Zurich American Insurance Company

Private Company Directors, Officers and Employees Liability Insurance
Rating Plan ZIC-PVT-RP-CW-1 Rule Change

Rule 4.B.1) is amended as follows:

4. Premium Computation

B. Directors and Officers Liability Premium:

1) Base Premium

The D&O coverage base premium is predicated on the total assets of the company to be insured according to the following schedule. The minimum D&O premium for any risk is \$2,500.

1	2	3	4	5
Total Assets (millions)	Size of Asset Increment (millions)	Premium Charge per million in Increment	Premium for Increment (column 3 x 3)	Total Premium for Company of Size in Column 1
5	5	500.0	2,500	2,500
10	5	325.0	1,625	4
25	15	200.0	3,000	7,125
50	25	137.5	3,438	10
100	50	45.0	2,250	12,813
200	100	37.5	3,750	16,563
300	100	32.0	3,200	19,763
400	100	27.0	2,700	22,463
500	100	24.5	2,450	24,913
600	100	22.5	2,250	27,163
700	100	20.0	2,000	29,163
800	100	16.5	1,650	30,813
900	100	13.5	1,350	32,163
1,000	100	12.0	1,200	33,363
1,500	500	9.5	4,750	38,113
2,000	500	7.5	3,750	41,863
2,500	500	6.0	3,000	44,863

Example: a company that has \$250 million in total assets would receive the charge for each increment up to \$200 million (aggregate of column 4 up to \$200 million = \$16,563. Then they would receive half of the premium charge for the next increment ($3,200 \times .5 = 1,600$). Thus, the total base premium is $16,563 + 1,600 = 18,163$.

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Supporting Document Schedules

Satisfied -Name: Explanatory memorandum and marked copy of changes to rule
Review Status: Accepted for Informational Purposes 01/23/2008

Comments:

Attachments:

Explanatory Memo for Rule Change.pdf

Marked copy of rule change Priv Co 97 Form Rule Change.pdf



Zurich American Insurance Company

Private Company Directors, Officers and Employees Liability Insurance Explanatory Memorandum and Rule Change

The Private Company Directors, Officers and Employees Liability Policy (the "Policy"), with form numbers U-DO-D-111-A CW for the Declarations, U-DO-111-A CW for the base form and ZIC-PVT-RP-CW-1 for the Rate Plan, was approved for use in 1997 under Filing ID 14207. The Policy provides claims made liability protection for directors and officers for claims arising out of actual or alleged wrongful acts. The policy also provides an option to add Employment Practices Liability coverage in the base form for claims against the covered Insured for wrongful employment practices claims.

Rule 4.B.1 in the Rate Plan states that the base premium is predicated on the total assets of the company to be insured according to the schedule that follows, which indicates that the maximum total assets considered is \$500 million. The Rule states further: "Companies with total assets greater than \$500 million do not qualify for this program."

This purpose of this Rule change is to delete the \$500 million maximum and expand the rate schedule. The Rule change has no premium impact and merely expands the table of insurable total assets to \$2.5 billion, using base premium incremental rating requirements with corresponding pro-rated rates up to \$2.5 billion. Companies with total assets in excess of \$2.5 billion are considered unique risks and are required to be sent to the company for further underwriting. This rule change has no premium impact; it is only an expansion of existing rates.



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1	2	3	4	5
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5	5	500.0	2,500	2,500
10	5	325.0	1,625	4
25	15	200.0	3,000	7,125
50	25	137.5	3,438	10
100	50	45.0	2,250	12,813
200	100	37.5	3,750	16,563
300	100	32.0	3,200	19,763
400	100	27.0	2,700	22,463
500	100	24.5	2,450	24,913
<u>600</u>	<u>100</u>	<u>22.5</u>	<u>2,250</u>	<u>27,163</u>
<u>700</u>	<u>100</u>	<u>20.0</u>	<u>2,000</u>	<u>29,163</u>
<u>800</u>	<u>100</u>	<u>16.5</u>	<u>1,650</u>	<u>30,813</u>
<u>900</u>	<u>100</u>	<u>13.5</u>	<u>1,350</u>	<u>32,163</u>
<u>1,000</u>	<u>100</u>	<u>12.0</u>	<u>1,200</u>	<u>33,363</u>
<u>1,500</u>	<u>500</u>	<u>9.5</u>	<u>4,750</u>	<u>38,113</u>
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<u>2,500</u>	<u>500</u>	<u>6.0</u>	<u>3,000</u>	<u>44,863</u>

Example: a company that has \$250 million in total assets would receive the charge for each increment up to \$200 million (aggregate of column 4 up to \$200 million = \$16,563. Then they would receive half of the premium charge for the next increment ($3,200 \times .5 = 1,600$). Thus, the total base premium is $16,563 + 1,600 = 18,163$.