

SERFF Tracking Number: PERR-125864291 State: Arkansas  
Filing Company: Liberty Insurance Underwriters, Inc. State Tracking Number: #104111 \$50  
Company Tracking Number: LIU-OL-EPL-AR-08-01-F  
TOI: 17.1 Other Liability - Claims Made Only Sub-TOI: 17.1010 Employment Practices Liability  
Product Name: Employment Practices Liability  
Project Name/Number: LIU-OL-EPL-AR-08-01-F /LIU-OL-EPL-AR-08-01-F

## Filing at a Glance

Company: Liberty Insurance Underwriters, Inc.

Product Name: Employment Practices Liability SERFF Tr Num: PERR-125864291 State: Arkansas  
TOI: 17.1 Other Liability - Claims Made Only SERFF Status: Closed State Tr Num: #104111 \$50  
Sub-TOI: 17.1010 Employment Practices Co Tr Num: LIU-OL-EPL-AR-08-01- State Status: Fees verified and  
Liability F received  
Filing Type: Form Co Status: Reviewer(s): Betty Montesi, Edith Roberts  
Authors: Lana Begunova, Olga E. Garcia Disposition Date: 10/28/2008  
Date Submitted: 10/20/2008 Disposition Status: Approved  
Effective Date Requested (New): 11/25/2008 Effective Date (New):  
Effective Date Requested (Renewal): 11/25/2008 Effective Date (Renewal):  
State Filing Description:

## General Information

Project Name: LIU-OL-EPL-AR-08-01-F Status of Filing in Domicile: Pending  
Project Number: LIU-OL-EPL-AR-08-01-F Domicile Status Comments:  
Reference Organization: N/A Reference Number: N/A  
Reference Title: N/A Advisory Org. Circular: N/A  
Filing Status Changed: 10/28/2008  
State Status Changed: 10/28/2008 Deemer Date:  
Corresponding Filing Tracking Number: LIU-OL-EPL-AR-08-01-R  
Filing Description:

On behalf of Liberty Insurance Underwriters, Inc. ("Liberty" or "the Company"), we are filing to introduce an Employment Practices Liability program in your jurisdiction. This program represents a new coverage to be provided by Liberty Insurance Underwriters, Inc. Liberty has not written this business on an admitted base, therefore the Company has no body of statistical data on which to base our rates. Rather, these rates are based on the best judgement of our Underwriting Department, discussing with human resources experts who have specified knowledge for the evolving law, and claims information from jury awards and published articles relative to Employment Practices law. Please see filing

SERFF Tracking Number: PERR-125864291 State: Arkansas  
Filing Company: Liberty Insurance Underwriters, Inc. State Tracking Number: #104111 \$50  
Company Tracking Number: LIU-OL-EPL-AR-08-01-F  
TOI: 17.1 Other Liability - Claims Made Only Sub-TOI: 17.1010 Employment Practices Liability  
Product Name: Employment Practices Liability  
Project Name/Number: LIU-OL-EPL-AR-08-01-F /LIU-OL-EPL-AR-08-01-F

memorandum for further details.

The Company respectfully requests that the proposed forms be implemented for all policies effective on or after November 25, 2008.

Enclosed is authorization for Perr&Knight to submit this filing on behalf of the Company. All correspondence related to this filing should be directed to Perr&Knight. If there are any requests for additional information related to items in this filing, we will forward the request immediately to the Company. We will submit the Company's response to your attention as soon as we receive it.

Please do not hesitate to contact us with any questions or comments.

## Company and Contact

### Filing Contact Information

(This filing was made by a third party - perrandknightactuaryconsultants)

Lana Begunova, State Filings Project doi@perrknight.com

Coordinator

881 Alma Real Dr., Suite 205 (888) 201-5123 [Phone]

Pacific Palisades, CA 90272 (310) 230-8529[FAX]

### Filing Company Information

Liberty Insurance Underwriters, Inc. CoCode: 19917 State of Domicile: New York

55 Water Street Group Code: 111 Company Type:

18th Floor

New York, NY 10041 Group Name: Liberty Mutual Group State ID Number:

(212) 208-4200 ext. [Phone] FEIN Number: 13-4916020

-----

## Filing Fees

Fee Required? Yes  
Fee Amount: \$50.00  
Retaliatory? No  
Fee Explanation: \$50 per form filing

SERFF Tracking Number: PERR-125864291 State: Arkansas  
Filing Company: Liberty Insurance Underwriters, Inc. State Tracking Number: #104111 \$50  
Company Tracking Number: LIU-OL-EPL-AR-08-01-F  
TOI: 17.1 Other Liability - Claims Made Only Sub-TOI: 17.1010 Employment Practices Liability  
Product Name: Employment Practices Liability  
Project Name/Number: LIU-OL-EPL-AR-08-01-F /LIU-OL-EPL-AR-08-01-F  
Per Company: No

SERFF Tracking Number: PERR-125864291 State: Arkansas  
Filing Company: Liberty Insurance Underwriters, Inc. State Tracking Number: #104111 \$50  
Company Tracking Number: LIU-OL-EPL-AR-08-01-F  
TOI: 17.1 Other Liability - Claims Made Only Sub-TOI: 17.1010 Employment Practices Liability  
Product Name: Employment Practices Liability  
Project Name/Number: LIU-OL-EPL-AR-08-01-F /LIU-OL-EPL-AR-08-01-F

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Liberty Insurance Underwriters, Inc.	\$0.00	10/20/2008	

CHECK NUMBER	CHECK AMOUNT	CHECK DATE
104111	\$50.00	10/17/2008

SERFF Tracking Number: PERR-125864291 State: Arkansas  
Filing Company: Liberty Insurance Underwriters, Inc. State Tracking Number: #104111 \$50  
Company Tracking Number: LIU-OL-EPL-AR-08-01-F  
TOI: 17.1 Other Liability - Claims Made Only Sub-TOI: 17.1010 Employment Practices Liability  
Product Name: Employment Practices Liability  
Project Name/Number: LIU-OL-EPL-AR-08-01-F /LIU-OL-EPL-AR-08-01-F

## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Approved	Edith Roberts	10/28/2008	10/28/2008

SERFF Tracking Number: PERR-125864291 State: Arkansas  
Filing Company: Liberty Insurance Underwriters, Inc. State Tracking Number: #104111 \$50  
Company Tracking Number: LIU-OL-EPL-AR-08-01-F  
TOI: 17.1 Other Liability - Claims Made Only Sub-TOI: 17.1010 Employment Practices Liability  
Product Name: Employment Practices Liability  
Project Name/Number: LIU-OL-EPL-AR-08-01-F /LIU-OL-EPL-AR-08-01-F

## Disposition

Disposition Date: 10/28/2008

Effective Date (New):

Effective Date (Renewal):

Status: Approved

Comment: Approval of forms containing defense within the limit of liability is contingent upon compliance with AID Order #96-194 for risks of \$500,000 or greater and the execution of a signed acknowledgment by the insured, in order to comply with the requirements for exemption from defense outside the limit requirement of AR Code Anno. 23-79-307 (5) (A).

Rate data does NOT apply to filing.

SERFF Tracking Number: PERR-125864291 State: Arkansas  
 Filing Company: Liberty Insurance Underwriters, Inc. State Tracking Number: #104111 \$50  
 Company Tracking Number: LIU-OL-EPL-AR-08-01-F  
 TOI: 17.1 Other Liability - Claims Made Only Sub-TOI: 17.1010 Employment Practices Liability  
 Product Name: Employment Practices Liability  
 Project Name/Number: LIU-OL-EPL-AR-08-01-F /LIU-OL-EPL-AR-08-01-F

Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Supporting Document	Filing Memorandum	Approved	Yes
Supporting Document	Third Party Authorization	Approved	Yes
Form	Employment Practices Liberty Policy	Approved	Yes
Form	Employment Practices Liability Policy Declarations	Approved	Yes
Form	Extended Reporting Period Endorsement (If Additional Limit is Not Purchased)	Approved	Yes
Form	Extended Reporting Period Endorsement (if Additional Limit Is Purchased)	Approved	Yes
Form	Arkansas Amendatory Endorsement	Approved	Yes
Form	Insured's Acknowledgement of Defense Cost Endorsement	Approved	Yes

SERFF Tracking Number: PERR-125864291 State: Arkansas  
 Filing Company: Liberty Insurance Underwriters, Inc. State Tracking Number: #104111 \$50  
 Company Tracking Number: LIU-OL-EPL-AR-08-01-F  
 TOI: 17.1 Other Liability - Claims Made Only Sub-TOI: 17.1010 Employment Practices Liability  
 Product Name: Employment Practices Liability  
 Project Name/Number: LIU-OL-EPL-AR-08-01-F /LIU-OL-EPL-AR-08-01-F

## Form Schedule

Review Status	Form Name	Form #	Edition Date	Form Type Action	Action Specific Data	Readability	Attachment
Approved	Employment Practices Liberty Policy	LIUIEPLP 001-0808	08/08	Policy/Coverage Form		0.00	EPL.LIUI.policy8.2008.pdf
Approved	Employment Practices Liability Policy Declarations	LIUIEPLD 001-0808	08/08	Declaration News/Schedule		0.00	EPL.LIUI.Dec pg 8.pdf
Approved	Extended Reporting Period Endorsement (If Additional Limit is Not Purchased)	LIUIEPLP 001-0508	05/08	Endorsement/Amendment/Conditions		0.00	EPLI - ERP ENDORSEMENT.pdf
Approved	Extended Reporting Period Endorsement (if Additional Limit Is Purchased)	LIUIEPLP 002-0508	05/08	Endorsement/Amendment/Conditions		0.00	EPLI - ERP ENDORSEMENT IF ADDITIONAL LIMIT IS PURCHASED.revised.8.11.pdf
Approved	Arkansas Amendatory Endorsement	LIUIEPLP 001-AR-0508	05/08	Endorsement/Amendment/Conditions		0.00	EPLI - AR AMENDATORY.pdf
Approved	Insured's Acknowledgment of Defense Cost Endorsement	LIUIEPLP 002-AR-0508	05/08	Endorsement/Amendment/Conditions		0.00	EPLI - AR Defense Cost Acknowledgment.revised.8.11.pdf



## LIBERTY INSURANCE UNDERWRITERS INC.

(a member of the Liberty Mutual Group)  
175 Berkeley Street, Boston, MA 02117  
Toll-free number: 1-800-677-9163

### EMPLOYMENT PRACTICES LIABILITY POLICY

(**NOTICE:** Words and phrases in **bold**, other than the headings, have a specific meaning and are defined in Section III below.)

**THIS POLICY PROVIDES CLAIMS MADE AND REPORTED COVERAGE. THE COVERAGE IS PROVIDED ON A DEFENSE WITHIN LIMITS BASIS. COSTS INCURRED BY THE INSURER IN DEFENDING CLAIMS WILL REDUCE THE LIMITS OF LIABILITY. VARIOUS PROVISIONS IN THIS POLICY RESTRICT COVERAGE. READ THE ENTIRE POLICY CAREFULLY TO DETERMINE RIGHTS, DUTIES AND WHAT IS AND IS NOT COVERED.**

In reliance upon the truthfulness and accuracy of the statements made in the **Application**, which is attached and made a part of this Policy, and in consideration of, and subject to, the payment of premium when due, the **Parent Organization** agreeing to pay the Retention specified in Item IV. of the Declarations or Item V., if applicable and subject to the terms, conditions, and exclusions of this Policy, the **Insurer** and the **Insureds** agree as follows:

#### I. INSURING AGREEMENTS

- A. The **Insurer** will pay on behalf of the **Insureds** all **Loss** which they shall become legally obligated to pay as a result of a **Claim** first made against an **Insured** for a **Wrongful Act** taking place before or during the **Policy Period**, and reported to the **Insurer** during the **Policy Period**, or **Extended Reporting Period** (if applicable), pursuant to Section VI. of this Policy
- B. Third Party Liability (Elective)

If Third Party Liability coverage is elected and is indicated in Item V. of the Declarations, the **Insurer** will pay on behalf of the **Insureds** all **Loss** that the **Insureds** shall become legally obligated to pay as a result of a **Third Party Claim** first made against the **Insured** for a **Third Party Wrongful Act** taking place before or during the **Policy Period**, and reported to the **Insurer** during the **Policy Period** or **Extended Reporting Period**, (if applicable) pursuant to Section VI. of this Policy.

#### II. COVERAGE EXTENSIONS

- A. Spousal/Domestic Partner Liability

Under this subsection, the term "spouse" shall include any person recognized by any applicable federal, state, local or foreign law as having the same rights as a lawful spouse.

If a **Claim** against an **Insured Person** includes a claim against the **Insured Person's** lawful spouse solely because of:

1. such spouse's status as spouse of the **Insured Person**; or
2. such spouse's ownership interest in property that the claimant seeks as recovery for alleged **Wrongful Acts** or, if Third Party Liability coverage is purchased, **Third Party Wrongful Acts** of the **Insured Person**;

then all **Loss** that such spouse becomes legally obligated to pay on account of such **Claim** shall be treated as **Loss** that the **Insured Person** becomes legally obligated to pay on account of the **Claim** made against the **Insured Person**, only if and to the extent such **Loss** would be covered if incurred by the **Insured Person**. This coverage extension does not apply to any **Claim** alleging a **Wrongful Act** or omission by the **Insured Person's** spouse.

B. Estates and Legal Representatives

In the event of the death, incapacity, or bankruptcy of an **Insured Person**, any **Claim** made against the estate, legal representatives, heirs, or the assigns of such **Insured Person** for a **Wrongful Act** or, if Third Party Liability coverage is elected, **Third Party Wrongful Acts** by such **Insured Person**, shall be deemed to be a **Claim** against such **Insured Person**.

C. Extended Reporting Period

If the **Insurer** or the **Parent Organization** fails or refuses to renew this Policy or if the **Parent Organization** cancels this Policy, any **Insured** shall have the right to an extension of the coverage granted by this Policy for the duration of time set forth in Item VI.B. of the Declarations following the effective date of such cancellation or non-renewal. Such extension of coverage shall apply solely with respect to **Wrongful Acts** and, if Third Party Liability coverage is elected, **Third Party Wrongful Acts** taking place before the effective date of such cancellation or non-renewal and otherwise subject to coverage under this Policy. A written request for this extension, together with payment of the Extended Reporting Period Premium set forth in Item VI.A. of the Declarations, must be made within 30 days after the effective date of cancellation or non-renewal of the Policy. Such Extended Reporting Period Premium shall be deemed fully earned as of such date. This extension shall not apply if this Policy is terminated by the **Insurer** for failure to pay any premium when due.

The extension of coverage for the Extended Reporting Period shall not in any way increase the Limit of Liability set forth in Item III. of the Declarations.

D. **Punitive Damages** Coverage

**Loss** shall include **Punitive Damages** to the extent such damages are insurable under the laws of any state or jurisdiction which has a substantial relationship to the **Insured(s)**, the **Insurer**, this Policy or the **Claim**, provided that such jurisdiction is:

1. where the **Punitive Damages** were awarded or imposed;
2. where the **Wrongful Act**, or if Third Party Liability coverage is elected, **Third Party Wrongful Act** underlying the **Claim** took place;
3. where either the **Insurer** or any **Insured** is incorporated, has its principal place of business or resides; or
4. where this Policy was issued or became effective.

If the **Insured** determines in good faith that **Punitive Damages** in a **Claim** are insurable, the **Insurer** shall not challenge such determination unless required to do so as a matter of public policy.

### III. DEFINITIONS

A. **“Application”** means the written application for this Policy and all attachments and materials submitted in connection with or incorporated in the written application. The **Application** shall be deemed attached and incorporated into this Policy.

B. **“Claim”** means:

1. a written demand against an **Insured** for monetary or non-monetary relief (including any request to toll or waive any statute of limitations);
2. a civil proceeding against an **Insured** for monetary or non-monetary relief which is commenced by the service of a complaint, or similar pleading;
3. an arbitration or other alternative dispute resolution proceeding commenced by the **Insured’s** receipt of a written request or demand for such proceeding;
4. a formal administrative or regulatory proceeding, including without limitation any proceeding by or before the Office of Federal Contract Compliance Program, the Equal Employment Opportunity Commission, commenced by the **Insured’s**

receipt of a notice of charges, or any other similar federal, state or local governmental authority located anywhere in the world;

against any **Insured** for **Wrongful Acts** or, if Third Party Liability coverage is elected, **Third Party Wrongful Acts**, including any appeal from there.

**Claim** shall not mean any labor or grievance proceeding or arbitration that is subject to a collective bargaining agreement.

- C. **“Defense Costs”** means such reasonable and necessary, charges, fees, (including but not limited to attorneys’ fees and experts’ fees) and expenses incurred in defending or investigating a **Claim**, including the costs of mediation, arbitration, or other alternative dispute resolution, and the premium for an appeal, attachment or similar bonds. **Defense Costs** are included within, and are not in addition to, the applicable Limit of Liability set forth at Item III. of the Declarations. The salary or other compensation of any **Insured, Employee** or **Executive Officer** are not **Defense Costs**.
- D. **“Employee”** means any past, present, or future employee whose labor or service is directed and controlled by the **Insured Organization** in the ordinary course of business, including part-time, seasonal, volunteer, interns, prospective and temporary employees as well as individuals employed in a supervisory or managerial position. An individual who is leased to the **Insured Organization** shall be an **Employee**, but only while acting within the scope of their employment for the **Insured Organization**. **Employee** also means any independent contractor who is alleging status as an employee of the **Insured Organization**. Independent contractor organizations are not **Employees**. Employees of Independent contractors are also not **Employees**, except for temporary or leased personnel retained by an **Insured**, or persons claiming to be **Employees**, or persons determined to be joint Employees retained by an **Insured**.
- E. **“Executive Officer”** means the Chairperson, President, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Director of Human Resources, Director of Risk Management, or in house General Counsel of the **Insured Organization**, or the **Insured Organization’s** functional equivalent for any such title.
- F. **“Insurer”** means the insurer shown in the Declarations.
- G. **“Insured(s)”** means the **Insured Organization** and **Insured Persons**.
- H. **“Insured Person(s)”** means a natural persons who has been, now is, or shall become:
1. Duly elected or appointed directors or officers of the **Insured Organization** or with respect to a **Subsidiary** incorporated outside the United States, its functional equivalent;
  2. An **Employee** of the **Insured Organization**.
- I. **“Insured Organization”** means collectively, the **Parent Organization** and any **Subsidiary**, including any such entity operating as a debtor-in-possession.
- J. **“Interrelated Wrongful Acts”** means **Wrongful Acts** that are the same, related or continuous, or **Wrongful Acts** that arise out of, a common nexus of any fact, circumstance, situation, event, transaction, cause or series of causally connected facts, circumstances, situations, events, transactions, or causes.
- K. **“Loss”** means the total amount which the **Insureds** become legally obligated to pay on account of each **Claim**, for damages (including front pay and back pay), judgments, settlements, pre- and post-judgment interest and **Defense Costs** for which an **Insured** becomes legally obligated to pay on account of any **Claim** for a **Wrongful Act**, or if Third Party Liability coverage is elected, **Third Party Wrongful Acts**, subject to where coverage applies. **Loss** also includes liquidated damages awarded under the Age Discrimination in Employment Act (ADEA), Equal Pay Act (EPA), Family Medical Leave Act (FMLA), and **Punitive Damages** pursuant to subsection II.D.

**Loss** shall not include:

1. Civil or criminal fines or penalties imposed by law;
2. Taxes;

3. Any amount for which the **Insureds** are not financially liable or legally obligated to pay;
  4. Employment-related benefits, stock options, perquisites, deferred compensation or any other type of compensation other than salary, wages or bonus compensation;
  5. Any amount which is based upon, arising from, or in consequence of employment reinstatement of the claimant by the **Insureds** or the continued employment of the claimant;
  6. Any amount which constitutes front pay, future damages or other future economic relief or equivalent thereof, if the **Insureds** has the option pursuant to a judgment or other final adjudication but fails to reinstate the claimant as an **Employee**;
  7. Amounts uninsurable under the law pursuant to which this Policy is construed; or
  8. Any amount which constitutes severance payments or which is payable pursuant to any severance, benefit agreement, practice, or employment related policy.
- L. **“Parent Organization”** means the company designated in Item I. of the Declarations.
- M. **“Policy Period”** means the period from the inception date set forth in Item II. of the Declarations to the expiration date set forth in Item II. of the Declarations, or its earlier termination pursuant to Section VII.H.
- N. **“Punitive Damages”** means punitive or exemplary damages or the multiple portions of multiplied damages.
- O. **“Retaliation”** means any retaliatory treatment by an **Insured** relating to or alleged to be in response to any of the following actual, threatened or attempted activities:
1. The disclosure by an **Employee** to a superior or to any governmental agency of any act by an **Insured** which act is alleged to be a violation of any federal, state, local or foreign law, common or statutory, or any rule or regulation promulgated thereunder;
  2. The exercise by an **Employee** of any right that such **Employee** has under law; or
  3. The filing by an **Employee** of any claim under the Federal False Claims Act or any similar federal, state, local or foreign “whistle-blower” law.
- P. **“Subsidiary”** means any entity in which more than fifty percent (50%) of the outstanding securities or voting rights representing the present right to vote for election of directors or equivalent positions are owned, in any combination, by one or more **Insured Organizations**.
- Q. **“Third Party”** means any natural person who is a customer, vendor, service provider or other business invitee of the **Insured Organization**. **Third Party** shall not include any **Employee**.
- R. **“Third Party Claim”** means any **Claim** by or on behalf of a **Third Party** that alleges a **Third Party Wrongful Act**.
- S. **“Third Party Wrongful Act”** means:
1. Discrimination or harassment against a **Third Party**, based upon age, gender, race, color, national origin, religion, creed, marital status, sexual orientation or preference, gender identity or expression, genetic make up testing, pregnancy, HIV or other health status, disability, or other protected status under federal, state or local law.
- T. **“Wrongful Act”** means one or more of the following by an **Insured** in their capacity as such:
1. **Wrongful Termination** of an **Employee**;
  2. **Retaliation** by an **Insured(s)** against an **Employee**;
  3. Employment related misrepresentation against an **Employee** or an applicant for employment with an **Insured Organization**;

4. Employment related libel, slander, false arrest, humiliation, negligent infliction of emotional distress, defamation or invasion of privacy against an **Employee**;
5. Wrongful failure to employ or promote, wrongful discipline, wrongful deprivation of career opportunity, wrongful demotion or adverse change in terms, conditions or status of employment; wrongful failure to grant tenure, negligent hiring or supervision, negligent training, negligent evaluation or retention, wrongful reference, wrongful failure to provide or enforce corporate policies and procedures related to employment;
6. Employment related sexual or other workplace harassment, including quid pro quo, and hostile work environment;
7. Employment discrimination, including discrimination based upon age, gender, race, color, national origin, religion, creed, marital status, sexual orientation, or preference, gender identity or expression, genetic makeup, or refusal to submit to genetic testing, pregnancy, disability, HIV or other health status, Vietnam Era Veteran or other military status, or other protected status established under federal, state or local law;
8. Violation of the Family Medical Leave Act (FMLA);
9. Violation of an individual's civil rights relating to any of the above.

U. **"Wrongful Termination"** means termination (either actual or constructive) of an employment relationship in a manner which is wrongful or against the law, including breach of an implied agreement.

#### IV. EXCLUSIONS

- A. The **Insurer** shall not be liable to make any payment for **Loss** in connection with any **Claim** against an **Insured**:
1. for bodily injury, sickness, disease, death of any person, or for damage to, destruction of, or loss of use of any tangible property; however, this exclusion shall not apply to emotional distress, mental anguish, or humiliation;
  2. based upon, arising from, or in any way related to any fact, circumstance, or situation which has been the subject of any written notice under any insurance policy of which this Policy is a renewal or replacement or under any other policy.
  3. based upon, arising from, or attributable to any demand, suit, or other proceeding pending against any **Insured** on or prior to the applicable Prior Litigation Date set forth in Item VIII. of the Declarations, or any fact, circumstance or situation underlying or alleged therein;
  4. based upon, arising from, or attributable to any alleged violation of the responsibilities, obligations, or duties imposed by law;
    - a) any state, federal or local law governing workers' compensation, unemployment insurance, social security, disability benefits or similar law; the Employee Retirement Income Security Act of 1974 (except Section 510 thereof); the Occupational Safety and Health Act; the Federal False Claims Act; the Fair Labor Standards Act (except the Equal Pay Act) any other similar state or local law concerning wage and hour practices, including but not limited to any **Claim** for overtime, off-the-clock work, failure to provide rest or meal periods, failure to reimburse expenses, improper classification of employees as exempt or non-exempt, failure to timely pay wages, conversion, unjust enrichment or unfair business practices; provided, however, that this shall not apply to a **Claim** by an **Employee** for **Retaliation** based upon the actual or alleged exercise by an **Employee** of any rights by reason of the foregoing statutes, rules or regulations.
    - b) the Consolidated Omnibus Budget Reconciliation Act of 1985; the Racketeer Influenced and Corrupt Organization Act; the National Labor Relations Acts, Labor Management Relations Act, or any similar state or local law that pertains to the rights of employees with respect to Union, unionizing, or collective activities in the workplace or any obligations of employers with respect to such employee activities; however, this exclusion will not apply to any **Claim** for **Retaliation** with respect to the foregoing.

5. based upon, arising from, or in any way related to any actual or alleged obligation of any **Insured** under any express written contract or agreement; this exclusion shall not apply if and to the extent such obligation would have existed in the absence of the written contract or agreement;
6. for **Loss** attributable to or arising out of a criminal investigation or criminal proceeding brought against any **Insured** in any jurisdiction.

For purposes of determining the applicability of any exclusions, the **Wrongful Act** of any **Insured Person** shall not be imputed to any other **Insured Person**.

B. The **Insurer** shall not be liable for that part of **Loss**, other than **Defense Costs** in connection with any **Claim** against an **Insured**:

1. the cost associated with providing reasonable accommodations required by the Americans with Disabilities Act of 1990, or any amendment thereto, or any similar federal, state or local law;
2. the costs associated with costs of training, re-education, sensitivity or minority development programs or other corporate programs, policy or seminars;
3. based upon, arising from, or attributable to any actual or alleged violation of responsibilities, obligations or duties for the Worker Adjustment and Retraining Notification Act.

## V. LIMITS OF LIABILITY, RETENTIONS AND COINSURANCE

A. Limit of Liability

1. The maximum amount payable by the Insurer for all **Loss** under this Policy shall be the amount set forth in Item III. of the Declarations. **Defense Costs** paid by the **Insurer** are included in and shall reduce the Limit of Liability.
2. All **Claims** arising from the same **Wrongful Act** or **Interrelated Wrongful Acts** shall be deemed one **Claim** and shall be deemed first made on the date the earliest of such **Claims** is first made, regardless of whether such date is before or during the **Policy Period** or Extended Reporting Period, if applicable.
3. **Claims** subject to Insuring Agreement I.B. are subject to the Third Party Liability coverage Sublimit of Liability and Retention specified in Item V. of the Declarations. The sublimit is the maximum aggregate amount that the **Insurer** will pay for all **Loss** from all **Third Party Claims**, and is subject to, part of, and not in addition to, the Limit of Liability in Item III. of the Declarations.

B. Retention

The **Insurer** shall be liable for only that part of **Loss** arising from a **Claim** which is excess of the Retention amount only set forth in Item IV. of the Declarations or Item V., if applicable. The Retention shall be uninsured and shall be paid only by an **Insured**, regardless of the number of claimants, **Claims** made, or **Insureds** against whom a **Claim** is made.

In the event the **Insured Organization** is unable to indemnify or advance costs on behalf of an **Insured Person** due to its financial insolvency, no Retention will apply to such **Claim**

C. Coinsurance Percent

The **Insurer** shall be liable for that portion of **Loss** for each **Claim**, excess of the Retention, specified as the applicable Coinsurance Percent in Item VII. of the Declarations. The **Insurers** liability for **Loss** for each **Claim** shall apply only to that portion of **Loss** in excess of the applicable Coinsurance Percent specified in Item VII. of the Declarations. The **Insurer** shall have no obligation for such Coinsurance Percent.

## VI. DEFENSE COSTS , SETTLEMENT, REPORTING AND NOTICE

A. Defense Costs and Settlements

1. The **Insurer** shall have the right and duty to defend any **Claim** against the **Insureds** to which this Policy applies, even if the allegations in the **Claim** are groundless, false or fraudulent. The **Insurer's** right and duty to defend includes, without limitation, the right and duty to appoint defense counsel. Amounts the **Insurer** pays for **Defense Costs** reduce the Limit of Liability.
2. The **Insurer's** right and duty to defend any **Claim** or to pay any **Loss** shall terminate upon the **Insurer's** payment of the Limit of Liability stated in Item III. of the Declarations. If the **Insurer's** right and duty to defend any **Claim** terminates by reason of payment of the Limit of Liability, the **Insurer** has the right to withdraw from any further defense of any **Claim** by tendering control of said defense to the **Insureds** against whom the **Claim** is made.
3. The **Insureds** shall not incur any **Defense Costs**, admit any liability, assume any obligation, agree to any settlement, or make any settlement offer with respect to any **Claim** without the **Insurer's** prior written consent, which shall not be unreasonably withheld. Notwithstanding the foregoing, the **Insurer's** consent shall not be required with respect to any **Claim** if the total **Loss** (inclusive of **Defense Costs**) arising from such **Claim** is less than sixty percent (60%) of the applicable Retention set forth in Item IV. of the Declarations or Item V., if applicable. The **Insurer** shall not be liable for any settlement, **Defense Costs**, assumed obligation or admission to which it has not consented.
4. If with respect to any settlement offer or demand made in writing for a **Claim** for which the **Insurer** requests that the **Insureds** consent and an **Insured** should withhold such consent then if the total **Loss** incurred on account of such **Claim** is more than what would have been incurred had the **Insureds** consented to such settlement offer or demand, then the Coinsurance Percent applicable to such excess **Loss** shall be increased by adding ten (10) to the percent number shown in Item VII. of the Declarations.
5. If the **Insurer** or the **Insureds** recommend a settlement of a **Claim** which is consented to by the **Insurer** and the **Insureds**, the Retention Amount shall be retroactively reduced by ten percent (10%) if such settlement was agreed to by the **Insureds** within thirty (30) days of the claimants initial monetary demand.
6. The **Insured** shall give to the **Insurer** all information, assistance, and cooperation, including providing all such documents and testimony, as the **Insurer** reasonably may require and, in the event of a **Claim**, and an **Insured** shall do nothing that may prejudice the **Insurer's** position or its potential or actual rights of recovery.

#### B. Reporting and Notice

1. A **Claim** shall be deemed to have first been made when received by an **Insured**.
2. As a condition precedent to any rights under this Policy, the **Insureds** shall give to the **Insurer** as soon as practicable written notice of any **Claim** or **Third Party Claim**, if applicable, first made against any **Insured** during the **Policy Period** or the **Extended Reporting Period** but in no event later than:
  - a) ninety (90) days after the expiration of the **Policy Period**; or
  - b) the expiration of the **Extended Reporting Period** (if purchased).
3. If during the **Policy Period** an **Insured** should become aware of any fact, circumstance or **Wrongful Act** that reasonably may be expected to give rise to a **Claim**, and if such circumstance or **Wrongful Act** is reported to the **Insurer** during the **Policy Period** in writing with particulars as to the nature and date of such circumstance or **Wrongful Act**, the identity of any potential claimant, the identity of any **Insured**, including that of any natural person, involved in such circumstance or **Wrongful Act**, and the manner in which the **Insured** first became aware of such circumstance or **Wrongful Act**, then any **Claim** subsequently arising from such circumstance or **Wrongful Act** shall be deemed under this Policy to be a **Claim** made during the **Policy Period**.
4. Notice of any **Claim**, circumstance, **Wrongful Act** or **Third Party Wrongful Act**, if applicable, first made during the **Policy Period** shall be in writing and given by prepaid express courier, certified mail, email or facsimile to the address show in Item X. of the Declarations.
5. All other notices under any provision of this Policy shall be sent in writing by prepaid express courier, certified mail or facsimile and shall be effective upon receipt thereof by the addressee. Notice to the **Insureds** shall be given to the

**Parent Organization** at the address shown in Item I. of the Declarations. Notice to the **Insurer** shall be given to the appropriate party at the address set forth in Item X. of the Declarations.

## VII. GENERAL CONDITIONS

### A. Representations and Severability respect to Application

1. The **Insureds** represent that the statements and representations contained in the **Application** are true and shall be deemed material to the acceptance of the risk or the hazard assumed by the **Insurer** under this Policy. This Policy is issued in reliance upon the truth of such statements and representations.
2. The **Insureds** agree that if the **Application** contains any material statements or representations that are untrue, this Policy shall be void as to:
  - a) any **Insured Person** who knew the facts that were not truthfully disclosed, provided that such knowledge shall not be imputed to any other **Insured Person**;
  - b) the **Insured Organization**, if any **Executive Officer** knew the facts that were not truthfully disclosed; whether or not such **Insured Person** or **Executive Officer** knew of such untruthful disclosure in the **Application**.

### B. Other Insurance

Unless expressly written to be excess over other applicable insurance, this Policy is intended to provide primary insurance; provided that if any **Loss** arising from any **Claim** made against any **Insured** is also insured under another valid and collectible policy(ies), then this Policy shall share such **Loss** with such other policy(ies) pro rata based on the respective Limits of Liability set forth in the Declarations for this Policy and such other policy(ies).

### C. Changes in Exposure

#### 1. Acquisition of **Parent Organization**

If during the **Policy Period**:

- a) the **Parent Organization** merges into or consolidates with another entity such that the **Parent Organization** is not the surviving entity; or
- b) another entity, organization, or person or group of entities and/or persons acting in concert acquires stock or voting rights that result in ownership or voting control by the other entity(ies) or person(s) of more than fifty (50%) of the outstanding stock representing the present right to vote for the election of directors of the **Parent Organization**, then coverage shall continue until the later of:
  - i. termination of the **Policy Period**, or
  - ii. any subsequent date to which the **Insurer** may agree by endorsement,

but only with respect for **Claims** arising out of **Wrongful Acts** or, if Third Party Liability coverage is elected, **Third Party Wrongful Acts** taking place prior to such merger, consolidation or acquisition. As a condition precedent to any coverage extension pursuant to this subsection, the **Parent Organization** shall give written notice of such merger, consolidation or acquisition to the **Insurer** as soon as practicable, together with such information as the **Insurer** may reasonably require. Any **Claim** made and reported during such coverage extensions shall be deemed to have been made during the **Policy Period** in which such merger, consolidation or acquisition occurred.

#### 2. Acquisition or Creation of Another Organization

If during the **Policy Period** the **Parent Organization**:

- a) Acquires securities or voting rights in another entity or creates another entity that, as a result of such acquisition or creation, becomes a **Subsidiary**, or

- b) Acquires any entity by merger into or consolidation with the **Insured Organization**,

Then such entity and its **Insured Persons** shall be **Insureds** under this Policy but only with respect to **Wrongful Acts**, or if Third Party Liability coverage is elected, **Third Party Wrongful Acts** taking place after such acquisition or creation unless the **Insurer** agrees after presentation of all appropriate information, to provide coverage by endorsement for **Wrongful Acts** or **Third Party Wrongful Acts** by such **Insureds** taking place prior to such acquisition or creation.

If the total number of existing employees of the newly created or acquired **Subsidiary** is greater than twenty percent (20%) of the total number of **Employees** of the **Insured Organizations**, then the **Parent Organization** as a condition precedent to coverage with respect to such new **Insureds**, shall give written notice of such acquisition or creation to the **Insurer** at the address indicated in Item X. of the Declarations as soon as practicable, but no later than ninety (90) days after the effective date of such acquisition or creation, together with such information the **Insurer** may require and shall pay any additional premium required by the **Insurer**.

#### D. Subrogation

If the Insurer pays any **Loss** under this Policy, the **Insurer** shall be subrogated to the extent of such payment to all rights of recovery thereof, including without limitation, against an **Insured**. The **Insureds** shall execute all papers required and shall do everything that may be necessary to secure and preserve such rights, including the execution of such documents necessary to enable the Insurer effectively to bring suit in the name of the **Insureds**.

#### E. Authorization Clause

The **Insureds** agree that the **Parent Organization** in Item I. of the Declarations shall act on their behalf with respect to coverage issues under this Policy, including without limitation the giving and receiving of notices hereunder, the payment or return of premiums, and the negotiation and acceptance of endorsements.

#### F. Amendment, Assignment and Headings

1. Any amendment to this Policy or assignment of an interest in this Policy, in whole or in part, shall be effective only if made by endorsement to this Policy signed by an authorized representative of the **Insurer**.
2. The headings to the provisions in this Policy, including those found in any endorsements attached hereto, are provided for convenience only and do not affect the construction hereof.

#### G. Territory and Valuation

All premiums, Limits of Liability, Retentions, **Loss** and other amounts under this Policy are expressed and payable in the currency of the United States of America. If judgment is rendered, settlement is denominated or another element of **Loss** under this Policy is stated in a currency other than the United States of America dollars, payment under this Policy shall be made in United States dollars at the rate of exchange published in *The Wall Street Journal* on the date the final judgment is reached, the amount of the settlement is agreed upon or the other element of **Loss** is due respectively.

To the extent legally allowed, coverage under this Policy shall extend to **Claims** made and **Wrongful Acts** and, if Third Party Liability coverage is elected, **Third Party Wrongful Acts** occurring anywhere in the world.

#### H. Termination

This Policy shall terminate at the earliest of the following:

1. upon expiration of the **Policy Period** as set forth in Item II. of the Declarations;
2. twenty (20) days after receipt by the **Parent Organization** of a written notice of termination from the **Insurer** for failure to pay premium when due; or
3. at such other time when the **Parent Organization** cancels this Policy.

The **Insurer** shall refund the unearned premium computed at customary short rates if this Policy is terminated by the **Parent Organization**. Under any other circumstances the refund shall be computed pro rata.

I. No Action Against Insurer

No action shall be taken against the **Insurer** unless, as a condition precedent thereto, there shall have been full compliance with all of the terms of this Policy, or the amount of the **Insureds** obligation to pay shall have been finally determined either by judgment against the **Insureds** after actual trial, or by written agreement of the **Insureds**, the claimant and the Insurer.

No person or organization shall have the right under this Policy to join the **Insurer** as a party to any action against the **Insureds**, nor shall the Insurer be impleaded by the **Insureds** or their legal representatives.



President



Secretary



**Liberty**  
**International**  
**Underwriters™**  
 Member of Liberty Mutual Group

**LIBERTY INSURANCE UNDERWRITERS INC.**

(a member of the Liberty Mutual Group and hereinafter "the Insurer")  
 175 Berkeley Street, Boston, MA 02117  
 Toll-free number: 1-800-677-9163

**EMPLOYMENT PRACTICES LIABILITY POLICY  
 DECLARATIONS**

**THIS POLICY PROVIDES CLAIMS MADE AND REPORTED COVERAGE. THE COVERAGE IS PROVIDED ON A DEFENSE WITHIN THE LIMITS BASIS. COSTS INCURRED BY THE INSURER IN DEFENDING CLAIMS WILL REDUCE THE LIMITS OF LIABILITY. VARIOUS PROVISIONS IN THIS POLICY RESTRICT COVERAGE. READ THE ENTIRE POLICY CAREFULLY TO DETERMINE RIGHTS, DUTIES AND WHAT IS AND IS NOT COVERED.**

Policy No:  
 Renewal Of:

Item I. **PARENT ORGANIZATION:**  
 ADDRESS:

Item II. **POLICY PERIOD:** INCEPTION DATE: \_\_\_\_\_ EXPIRATION DATE: \_\_\_\_\_  
 12:01 A.M., local time at the address of the **Parent Organization** as stated above.

Item III. **LIMIT OF LIABILITY:**  
 Maximum aggregate Limit of Liability for all **Claims** made per **Policy Period** and the Extended Reporting Period, if applicable under all Section 1. Insuring Agreements, including Defense Costs  
 \$

Item IV. **RETENTION:**  
 Each **Claim** \$ (Retention is inclusive of Defense Costs)

Item V. **THIRD PARTY COVERAGE ELECTED**

**Third Party Claim** Coverage Elected:  
 Sublimit of Liability \$  
 Retention \$

Item VI. **EXTENDED REPORTING PERIOD:**  
 Extended Reporting Period ( If Purchased)

A. Additional Premium \_\_\_\_\_  
 B. Duration \_\_\_\_\_

Item VII. **COINSURANCE PERCENT:** %\_\_\_\_\_

Item VIII. PENDING OR PRIOR DATE:

- A. Section I. Insuring Agreement A. \_\_\_\_\_
- B. Section I. Insuring Agreement B. \_\_\_\_\_ ( if elected)

Item IX. CONTINUITY DATE: \_\_\_\_\_

Item X. Notice and reporting:

Notice of **Claims** and Potential **Claims**:

All other notices to be sent to:

Attn: Specialty Casualty Claims  
 Liberty International Underwriters  
 55 Water Street, 18<sup>th</sup> floor  
 New York, NY 10041  
 Facsimile: 212-208-4290  
 Email: LIUEPLClaimsReporting@libertyiu.com

Attn: Employment Practices Liability Dept.  
 Liberty International Underwriters  
 55 Water Street, 18<sup>th</sup> floor  
 New York, NY 10041

Item XI. PREMIUM: \$ \_\_\_\_\_

Item XII. ENDORSEMENTS FORMING PART OF THIS POLICY AT ISSUANCE:

This Declarations page, together with the **Application**, the attached Employment Practices Liability Policy Form, and all endorsements thereto, shall constitute the contract between the **Insurer** and the **Parent Organization**. This Policy is valid only if signed below by a duly authorized representative of the **Insurer**.

\_\_\_\_\_  
Authorized Representative

\_\_\_\_\_  
Date



President



Secretary



**ENDORSEMENT NO.**

This endorsement, effective \_\_\_\_\_ forms part of \_\_\_\_\_

Policy No.: \_\_\_\_\_ issued to \_\_\_\_\_

Issued By: \_\_\_\_\_

---

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**EXTENDED REPORTING PERIOD ENDORSEMENT**

In consideration of, and subject to, the payment of the additional premium set forth in Item VI.A. of the Declarations, this Policy is amended to provide the Extended Reporting Period Coverage offered in Section II.C. of this Policy subject to the following:

Item VI. of the Declarations is deleted in its entirety and replaced with the following:

Item VI. EXTENDED REPORTING PERIOD COVERAGE

A. Additional Premium: \_\_\_\_\_

B. Extended Reporting Period: \_\_\_\_\_ Inception Date: \_\_\_\_\_ Expiration Date: \_\_\_\_\_  
12:01 A.M., local time at the address of the **Parent Organization** as stated above.

**All other terms, conditions and exclusions remain unchanged.**

---

***Employment Practices Liability Amendatory***



**ENDORSEMENT NO.**

This endorsement, effective \_\_\_\_\_ forms part of \_\_\_\_\_

Policy No.: \_\_\_\_\_ issued to \_\_\_\_\_

Issued By: \_\_\_\_\_

---

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**EXTENDED REPORTING PERIOD ENDORSEMENT**

In consideration of, and subject to, the payment of the additional premium set forth in Item VI.A. of the Declarations, this Policy is amended to provide the Extended Reporting Period Coverage offered in Section II.C. of this Policy subject to the following:

Item VI. of the Declarations is deleted in its entirety and replaced with the following:

Item VI. EXTENDED REPORTING PERIOD COVERAGE

- A. Additional Premium: \_\_\_\_\_
- B. Extended Reporting Period: \_\_\_\_\_ Inception Date: \_\_\_\_\_ Expiration Date: \_\_\_\_\_  
12:01 A.M., local time at the address of the **Parent Organization** as stated above.
- C. Limit of Liability: \$ \_\_\_\_\_  
Maximum aggregate Limit of Liability for all **Claims** first made during the Extended Reporting Period.
- D. Third Party Claim Sub-limit of Liability: (If Applicable) \$ \_\_\_\_\_  
Maximum aggregate Limit of Liability for all **Third Party Claims** first made during the Extended Reporting Period.

**All other terms, conditions and exclusions remain unchanged.**

---

***Employment Practices Liability Amendatory***



**ENDORSEMENT NO.**

This endorsement, effective forms part of

Policy No.: issued to

Issued By:

---

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ARKANSAS AMENDATORY ENDORSEMENT**

In consideration of, and subject to, the payment of premium, this Policy is amended as follows:

**I.** Section II.C. of this Policy is deleted in its entirety and replaced with the following:

C. Extended Reporting Period

1. If the **Insurer** or the **Parent Organization** cancel or non-renew this Policy, an Automatic Extended Reporting Period shall be provided at no additional charge to the **Insured** for a duration of sixty (60) days following the effective date of such cancellation or non-renewal.
2. The Limit of Liability for the Automatic Extended Reporting Period shall be subject to, part of, and not in addition to, the Limit of Liability set forth in Item III. of the Declarations.
3. If the **Insurer** or the **Parent Organization** cancel or non-renew this Policy, any **Insured** shall also have the right to an Extended Reporting Period for the duration of time set forth in Item VI.B. of the Declarations.
4. The Limit of Liability for the Extended Reporting Period may be in addition to the Limit of Liability set forth in Item III. of the Declarations.
5. A written request for the Extended Reporting Period, together with the payment of the Extended Reporting Period premium set forth in Item VI.A. of the Declarations, must be made within sixty (60) days after this Policy is cancelled or non-renewed.
6. The Extended Reporting Period premium shall be deemed fully earned as of the date the **Insurer** receives the written request for the Extended Reporting Period.
7. The Automatic Extended Reporting Period and the Extended Reporting Period shall apply solely with respect to **Wrongful Acts** and, if Third Party Liability coverage is elected, **Third Party Wrongful Acts** taking place before the effective date of such cancellation or non-renewal and otherwise subject to coverage under this Policy.

**II.** Section V.A. of this Policy is deleted in its entirety and replaced with the following:

A. Limit of Liability

1. If the Extended Reporting Period is not purchased, the maximum amount payable by the **Insurer** for all **Loss** under this Policy shall be the amount set forth in Item III. of the Declarations. **Defense Costs** are included in and shall reduce the Limit of Liability.
2. If the Extended Reporting Period is purchased, the maximum amount payable by the **Insurer** for all **Loss** under this Policy shall be:

- a) with respect to any **Claim** first made during the **Policy Period**, the amount set forth in Item III. of the Declarations; and
- b) with respect to any **Claim** first made during the Extended Reporting Period, fifty percent (50%) of, or the unexhausted portion of, the amount set forth in Item III. of the Declarations, whichever amount is higher.

In either event, and with respect to such **Claim, Defense Costs** are included in and shall reduce the Limit of Liability.

- 3. All **Claims** arising from the same **Wrongful Act** or **Interrelated Wrongful Acts** shall be deemed one (1) **Claim** and shall be deemed first made on the date the earliest of such **Claim** is first made, regardless of whether such date is before or during the **Policy Period** or during the Extended Reporting Period.
- 4. Subject to Paragraph (1) above, if the Extended Reporting Period is not purchased, the maximum amount payable by the **Insurer** for all **Loss** arising out of all **Third Party Claims** shall be the amount set forth Item V. of the Declarations and titled "Sublimit of Liability". **Defense Costs** are included in and shall reduce the Limit of Liability.
- 5. Subject to Paragraph (1) above, if the Extended Reporting Period is purchased, the maximum amount payable by the **Insurer** for all **Loss** arising out of all **Third Party Claims** shall be:
  - a) with respect to any **Third Party Claim** first made during the **Policy Period**, the amount set forth in Item V. of the Declarations and titled "Sublimit of Liability"; and
  - b) with respect to any **Third Party Claim** first made during the Extended Reporting Period, fifty percent (50%) of, or the unexhausted portion of, the amount set forth in Item V. of the Declarations and titled "Sublimit of Liability", whichever amount is higher.

In either event, and with respect to such **Third Party Claim, Defense Costs** are included in and shall reduce the Limit of Liability.

**IV.** Section VIII. of this Policy is amended to include the following at the end thereof:

However, the foregoing does not apply to any **Claim** brought by an individual against an insolvent or bankrupt **Insured**.

**V.** Section VII. is amended to include the following at the end thereof:

J. Bankruptcy

Bankruptcy or insolvency of any **Insured** will not relieve the **Insurer** of its obligations nor deprive the **Insurer** of its rights and defenses under this Policy.

K. Complaint Contact Information

If any **Insured** has a question or concern regarding a **Claim** made, or a premium charged, under this Policy, such **Insured** may contact the **Insurer** by writing to it at the address, or by calling it at the number, listed below. Such **Insured** also has the right to contact the Arkansas Insurance Department by writing to it at the address, or by calling it at the number, listed below:

**Insurer:**

Presidential Service Team  
 Liberty Mutual Group  
 175 Berkeley St. MS 10B  
 Boston, MA 02116  
 Phone: 617-357-9500 x41015 (Presidential Service Team)  
 Toll-Free 1-800-344-0197 (Presidential Service Team)  
 Fax: 617-574-6628  
 E-mail: [PresidentialSvcTeam@libertymutual.com](mailto:PresidentialSvcTeam@libertymutual.com)

Arkansas Insurance Department

Consumer Services Division  
1200 W. 3<sup>rd</sup> Street  
Little Rock, Arkansas 72201-1904  
Telephone: (501) 371-1600  
Legal Division: (501) 371-2820

**All other terms, conditions and exclusions remain unchanged.**



**ENDORSEMENT NO.**

This endorsement, effective forms part of

Policy No.: issued to

Issued By:

---

**INSURED'S ACKNOWLEDGEMENT OF DEFENSE COSTS ENDORSEMENT**

The undersigned representative of the **Parent Organization** is aware, understands and agrees that the aggregate Limit of Liability for this Policy shall be reduced and may be completely exhausted by **Defense Costs** and, to the extent that the Limit of Liability is thereby exceeded, the **Insurer** shall not be liable for **Defense Costs** or for the amount of any **Loss**.

\_\_\_\_\_  
Parent Organization

\_\_\_\_\_  
Parent Organization's Authorized Representative

\_\_\_\_\_  
Date

*SERFF Tracking Number:*      *PERR-125864291*                      *State:*                      *Arkansas*  
*Filing Company:*              *Liberty Insurance Underwriters, Inc.*              *State Tracking Number:*      *#104111 \$50*  
*Company Tracking Number:*      *LIU-OL-EPL-AR-08-01-F*  
*TOI:*                      *17.1 Other Liability - Claims Made Only*              *Sub-TOI:*                      *17.1010 Employment Practices Liability*  
*Product Name:*                      *Employment Practices Liability*  
*Project Name/Number:*              *LIU-OL-EPL-AR-08-01-F /LIU-OL-EPL-AR-08-01-F*

## **Rate Information**

Rate data does NOT apply to filing.

SERFF Tracking Number: PERR-125864291 State: Arkansas  
Filing Company: Liberty Insurance Underwriters, Inc. State Tracking Number: #104111 \$50  
Company Tracking Number: LIU-OL-EPL-AR-08-01-F  
TOI: 17.1 Other Liability - Claims Made Only Sub-TOI: 17.1010 Employment Practices Liability  
Product Name: Employment Practices Liability  
Project Name/Number: LIU-OL-EPL-AR-08-01-F /LIU-OL-EPL-AR-08-01-F

## Supporting Document Schedules

**Satisfied -Name:** Uniform Transmittal Document-  
Property & Casualty **Review Status:** Approved 10/28/2008

**Comments:**

**Attachments:**

2007 NAIC FFS.pdf  
2007 NAIC PCTD-F.pdf

**Satisfied -Name:** Filing Memorandum **Review Status:** Approved 10/28/2008

**Comments:**

**Attachment:**

Fling Memo - \_All States Except FL\_.pdf

**Satisfied -Name:** Third Party Authorization **Review Status:** Approved 10/28/2008

**Comments:**

**Attachment:**

PK Filing Authorization for LIUI021508.pdf

**FORM FILING SCHEDULE**

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

<b>1.</b>	<b>This filing transmittal is part of Company Tracking #</b>		<b>LIU-OL-EPL-AR-08-01-F</b>		
<b>2.</b>	<b>This filing corresponds to rate/rule filing number</b> (Company tracking number of rate/rule filing, if applicable)		<b>LIU-OL-EPL-AR-08-01-R</b>		
<b>3.</b>	<b>Form Name /Description/Synopsis</b>	<b>Form # Include edition date</b>	<b>Replacement or Withdrawn?</b>	<b>If replacement, give form # it replaces</b>	<b>Previous state filing number, if required by state</b>
01	Employment Practices Liberty Policy	LIUIEPLP001-0808	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
02	Employment Practices Liability Policy Declarations	LIUIEPLD001-0808	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
03	Extended Reporting Period Endorsement (If Additional Limit is Not Purchased)	LIUIEPLP001-0508	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
04	Extended Reporting Period Endorsement (if Additional Limit Is Purchased)	LIUIEPLP002-0508	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
05	Arkansas Amendatory Endorsement	LIUIEPLP001-AR- 0508	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
06	Insured's Acknowledgement of Defense Cost Endorsement	LIUIEPLP002-AR- 0508	<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
07			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
08			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
09			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
10			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		



**Property & Casualty Transmittal Document—**

<b>20. This filing transmittal is part of Company Tracking #</b>	LIU-OL-EPL-AR-08-01-F
--	-----------------------

<b>21. Filing Description</b> [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]
--

On behalf of Liberty Insurance Underwriters, Inc. ("Liberty" or "the Company"), we are filing to introduce an Employment Practices Liability program in your jurisdiction. This program represents a new coverage to be provided by Liberty Insurance Underwriters, Inc. The policy provides coverage for claims alleging wrongful termination or treatment, discrimination for protected classes, harassment, and common law violations. The coverage is written on a "claims made and reported basis." The coverage applies only to claims first made against an Insured for Wrongful Acts taking place before or during the policy period and reported to the Insurer during the policy period or extended reporting period. On the Declarations page, we placed a notice advising that the policy is being written with defense costs within the limits of liability.

Liberty has not written this business on an admitted base, therefore the Company has no body of statistical data on which to base our rates. Rather, these rates are based on the best judgement of our Underwriting Department, discussing with human resources experts who have specified knowledge for the evolving law, and claims information from jury awards and published articles relative to Employment Practices law.

The Company respectfully requests that the proposed forms be implemented for all policies effective on and after November 25, 2008.

<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]
---

**Check #:** 104111  
**Amount:** \$50.00

**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.)**

**LIBERTY INSURANCE UNDERWRITERS, INC.**  
**Employment Practices Liability Program**

**Explanatory Memorandum – Rates, Rules, & Forms**

On behalf of Liberty Insurance Underwriters, Inc. (“Liberty” or “the Company”) we are filing to introduce an Employment Practices Liability program in your jurisdiction. This program represents a new coverage to be provided by Liberty Insurance Underwriters, Inc. The policy provides coverage for claims alleging wrongful termination or treatment, discrimination for protected classes, harassment, and common law violations. The coverage is written on a “claims made and reported basis.” The coverage applies only to claims first made against an Insured for Wrongful Acts taking place before or during the policy period and reported to the Insurer during the policy period or extended reporting period. On the Declarations page, we placed a notice advising that the policy is being written with defense costs within the limits of liability.

Liberty has not written this business on an admitted base, therefore the Company has no body of statistical data on which to base our rates. Rather, these rates are based on the best judgement of our Underwriting Department, discussing with human resources experts who have specified knowledge for the evolving law, and claims information from jury awards and published articles relative to Employment Practices law.

If a risks presents unique or unusual hazards or exposures such that the application of normal rating procedures does not a produce a reasonable or equitable premium, and where individual risk rating is permitted by applicable state law, the risk shall be priced applying individual risk criteria. All policies written in such situations must comply with any regulatory requirements and state specific filing procedures. When the company is not required to file an individual risk filing with the insurance department, the company will maintain complete files showing how it determined the rate for the individual risk and will make such files available to the insurance department upon request. Additional details are included in the enclosed rating manual.



February 15, 2008

To Whom It May Concern:

Perr&Knight, Inc. is hereby authorized to submit rate, rule, and form filings on behalf of Liberty Insurance Underwriters, Inc. This authorization includes providing additional information and responding to questions regarding the filings on our behalf as necessary. This authorization is deemed in be in effect until rescinded in writing.

Please direct all correspondences and inquiries related to this filing to Perr&Knight, Inc. at the following address:

State Filings Department  
Perr&Knight, Inc.  
881 Alma Real Drive, Suite 205  
Pacific Palisades, CA 90272  
Tel: (888) 201-5123  
Fax: (310) 230-1061

Please contact me at 212.208.2802 if you have any questions regarding this authorization.

Sincerely,

A handwritten signature in black ink that reads "Theresa M. Morgan". The signature is written in a cursive style with a large, flowing "T" and "M".

Theresa Morgan  
Senior Compliance Officer  
55 Water Street, 18<sup>th</sup> Floor  
New York NY 10041  
212.208.2802  
theresa.morgan@libertyiu.com