

SERFF Tracking Number: PERR-125864294 State: Arkansas
 Filing Company: Liberty Insurance Underwriters, Inc. State Tracking Number: #104112 \$100
 Company Tracking Number: LIU-OL-EPL-AR-08-01-R
 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-R/LIU-OL-EPL-AR-08-01-R

Filing at a Glance

Company: Liberty Insurance Underwriters, Inc.

Product Name: Employment Practices Liability SERFF Tr Num: PERR-125864294 State: Arkansas
 TOI: 17.1 Other Liability - Claims Made Only SERFF Status: Closed State Tr Num: #104112 \$100
 Sub-TOI: 17.1010 Employment Practices Co Tr Num: LIU-OL-EPL-AR-08-01- State Status: Fees verified and
 Liability R received
 Filing Type: Rate/Rule Co Status: Reviewer(s): Betty Montesi, Edith
 Roberts
 Authors: Lana Begunova, Olga E. Garcia Disposition Date: 10/24/2008
 Date Submitted: 10/20/2008 Disposition Status: Exempt from
 Review

Effective Date Requested (New): 11/25/2008

Effective Date Requested (Renewal): 11/25/2008

State Filing Description:

General Information

Project Name: LIU-OL-EPL-AR-08-01-R

Project Number: LIU-OL-EPL-AR-08-01-R

Reference Organization: N/A

Reference Title: N/A

Filing Status Changed: 10/24/2008

State Status Changed: 10/24/2008

Corresponding Filing Tracking Number: LIU-OL-EPL-AR-08-01-F

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,

Status of Filing in Domicile: Pending

Domicile Status Comments:

Reference Number: N/A

Advisory Org. Circular: N/A

Deemer Date:

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and claims information from jury awards and published articles relative to Employment Practices law. Please see filing memorandum for further details.

The Company respectfully requests that the proposed rates and rules 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: \$100.00
Retaliatory? No

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Fee Explanation: \$100 per rate/rule filing
Per Company: No

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

CHECK NUMBER	CHECK AMOUNT	CHECK DATE
104112	\$100.00	10/17/2008

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Exempt from Review	Edith Roberts	10/24/2008	10/24/2008

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Disposition

Disposition Date: 10/24/2008
 Effective Date (New):
 Effective Date (Renewal):
 Status: Exempt from Review
 Comment:

Company Name:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Premium:	Maximum % Change (where required):	Minimum % Change (where required):	Overall % Indicated Change:
Liberty Insurance Underwriters, Inc.	0.000%	\$0	0	\$0	0.000%	0.000%	0.000%

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Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Accepted for Informational Purposes	Yes
Supporting Document	Filing Memorandum	Accepted for Informational Purposes	Yes
Supporting Document	Third Party Authorization	Accepted for Informational Purposes	Yes
Rate	Countrywide Rates Rules Manual	Accepted for Informational Purposes	Yes

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Rate Information

Rate data applies to filing.

Filing Method: Prior Approval
Rate Change Type: Neutral
Overall Percentage of Last Rate Revision: Neutral
Effective Date of Last Rate Revision:
Filing Method of Last Filing:

Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Premium:	Maximum % Change (where required):	Minimum % Change (where required):
Liberty Insurance Underwriters, Inc.	0.000%	0.000%	\$0	0	\$0	0.000%	0.000%

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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	Countrywide Rates Rules Manual	LIU-EPL-GR-CW-1 to LIU-EPL-GR-CW-13	New	LIU CW EPL Manual 2008-09 DRAFT - RANGES.pdf



LIBERTY INSURANCE UNDERWRITERS, INC. EMPLOYMENT PRACTICES LIABILITY PROGRAM

COUNTRYWIDE RATES/RULES MANUAL

General Rules – Section I

I. APPLICATION OF MANUAL RULES

- A. This manual provides rules, rates, premiums, and classifications and shall govern the writing of policies for Employment Practices Liability coverage.
- B. The rules, rates, rating plans, and forms filed on behalf of the Company and not in conflict herewith shall govern in all cases not specifically provided for herein.
- C. Any exceptions to these manual rules are contained in the respective Section or State Rate Page.

II. POLICY TERMS

Policies may be written for a term of one year, and renewed annually thereafter, or as otherwise specified for the respective coverage.

III. PREMIUM COMPUTATION

- A. Compute the premium at policy inception using the rules, rates, and rating plans in effect at that time. At each renewal, compute the premium using the rules, rates, and rating plans then in effect.
- B. Prorate the premium when a policy is issued for less than a whole year.
- C. Premiums are calculated as specified for the respective coverage. Premium rounding will be done at each step of the computation process in accordance with the Whole Dollar Rule, as opposed to rounding the final premium.

IV. FACTORS OR MULTIPLIERS

Wherever applicable, factors or multipliers are to be applied consecutively and not added together.



LIBERTY INSURANCE UNDERWRITERS, INC. EMPLOYMENT PRACTICES LIABILITY PROGRAM

COUNTRYWIDE RATES/RULES MANUAL

V. POLICY WRITING MINIMUM PREMIUM

The minimum premium shall be \$250.00 per annual or lesser period.

VI. WHOLE DOLLAR RULE

In the event the application of any rating procedure applicable in accordance with this manual where the result is not a whole dollar, each rate and premium shall be adjusted as follows:

- A. any amount involving \$.50 or over shall be rounded to the next highest whole dollar amount; or
- B. any amount involving \$.49 or less shall be rounded down to the next lowest whole dollar amount.

VII. ADDITIONAL PREMIUM CHARGES

- A. Prorate all changes requiring additional premium.
- B. Apply the rates and rules that were in effect at the inception date of this policy period. After computing the additional premium, charge the amount applicable from the effective date of the change, even if the policy inception premium was less than the policy writing minimum premium.
- C. Waive additional premium of \$25.00 or less (\$15.00 in IA & ND; not applicable in KS, NH & WA).

VIII. RETURN PREMIUM

- A. Deletion of any coverage, other than optional coverages, is not permitted unless the entire policy is canceled.
- B. Compute return premium at the rates used to calculate the policy premium at the inception of this policy period.
- C. Compute return premium pro rata and round in accordance with the Whole Dollar Rule when any coverage or exposure is deleted or an amount of insurance is reduced.



LIBERTY INSURANCE UNDERWRITERS, INC. EMPLOYMENT PRACTICES LIABILITY PROGRAM

COUNTRYWIDE RATES/RULES MANUAL

- D. Waive return premium of \$25.00 or less (\$15.00 in IA & ND; not applicable in NH & WA). Grant any return premium due if requested by the insured. The insured will be notified of any available return premium.

IX. POLICY CANCELLATIONS

- A. Any cancellation initiated, other than by the insured, after more than 60 days will be canceled pro-rata.
- B. Cancellation initiated by the insured will be canceled pro-rata less a penalty of 10% (7.5% in AK) unless coverage is concurrently rewritten by the Company, in which case no penalty shall be applied.

X. EXTENDED REPORTING PERIOD

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

XI. INDIVIDUAL RISK SITUATIONS (Not available in CA, MN, SD, TX, and VA)

- A. Refer to Company
 - 1. Rating or classifying
 - Refer to home office for rating or classifying any risk or exposure for which:
 - a. The manual rate or applicable classification is clearly demonstrated to be inappropriate because of a unique or unusual feature of the risk:
Note: To the extent that consent-to-rate procedures apply, they must be followed.
 - b. The coverage to be written is broader than that contained in the standard Policy.
Note: To the extent that consent-to-rate procedures apply, they must be followed.
 - c. There is proof that, for a specific coverage, the named risk is qualified in this state for placement of such insurance with an unauthorized insurer, and the insured agrees to the proposed rate or premium to be charged; or
 - d. The risk develops \$50,000 (\$100,000 in FL or MT) or more annual manual basic limit premium individually or in combination with other products.



LIBERTY INSURANCE UNDERWRITERS, INC. EMPLOYMENT PRACTICES LIABILITY PROGRAM

COUNTRYWIDE RATES/RULES MANUAL

2. Restriction of Coverage

Refer to home office if an insuring agreement providing the insurance contemplated by an applicable classification and rate is endorsed to restrict coverage for hazards not common to all risks within the class. Note: To the extent that consent-to-rate procedures apply, they must be followed.

B. File Maintenance

When a particular risk is modified in accordance with paragraph A., the Company will maintain a complete file, including all details of the factors used in determining the modification and make the file available to state regulators on request.

Note: Rates shall not be inadequate, excessive or unfairly discriminatory.

C. State Exceptions

In AK, an individual risk filing to the Alaska Division of Insurance is required.

In GA, an individual risk filing to the Georgia Office of Insurance and Safety Fire Commissioner is required.

In HI, an individual risk filing to the Hawaii Insurance Division is required.

In IN, an individual risk filing to the Indiana Department of Insurance is required.

In KS, an individual risk filing to the Kansas Insurance Department is required.

In MS, an individual risk filing to the Mississippi Insurance Department is required.

In NC, an individual risk filing to the North Carolina Department of Insurance is required.

In NM, an individual risk filing to the New Mexico Department of Insurance is required.

In NY, an individual risk filing to the New York Insurance Department is required.

In SC, an individual risk filing to the South Carolina Dept. of Insurance is required.

In WV, an individual risk filing to the West Virginia Insurance Commission is required.



LIBERTY INSURANCE UNDERWRITERS, INC. EMPLOYMENT PRACTICES LIABILITY PROGRAM

COUNTRYWIDE RATES/RULES MANUAL

Rates – Section II

Premium Computation:

The annual premium (AP) is determined using the following equation:

$$AP = BPM \times LLM \times RM \times PDM \times CAM \times FSM \times RIF \times IM \times ETRM \times HRPM \times MA \times NYB \times (1 + SR)$$

BPM = base premium modifier as determined in Step 1

LLM = limit of liability modifier as determined in Step 2

RM = retention modifier as determined in Step 3

PDM = punitive damage modifier as determined in Step 4

CAM = claims activity modifier as determined in Step 5

FSM = financial stability modifier as determined in Step 6

RIF = reductions in force modifier as determined in Step 7

IM = industry modifier as determined in Step 8

ETRM = employee turnover rate modifier in Step 9

HRPM = human resource policies modifier as determined in Step 10

MA = merger and acquisitions modifier as determined in Step 11

NYB = number of years in business modifier as determined in Step 12

SR = schedule rating credit/debit in Step 13



**LIBERTY INSURANCE UNDERWRITERS, INC.
EMPLOYMENT PRACTICES LIABILITY PROGRAM**

COUNTRYWIDE RATES/RULES MANUAL

Step 1: EPL Base Premium:

Premium for the first \$1 million of Limit with a \$25,000 retention will be determined on the basis of the number of employees of the insured and its covered affiliates. Part-time employees are counted at 50%, non US employees are counted at 25%.

Step 2: EPL Limits of Liability Modifier:

For higher/lower limit options – see the table below for the Increased Limits Factors (ILF).

Step 3: EPL Retention Modifier

For higher/lower retention options – see the table below for the Decreased Factors (DCF).

ILF/DFC Tables:

50 Employees									
Rates:									
		Retention (in \$000's)							
<u>Limit</u>	<u>25</u>	<u>35</u>	<u>50</u>	<u>75</u>	<u>100</u>	<u>150</u>	<u>200</u>	<u>250</u>	
1,000,000	\$2,500	\$2,366	\$2,165	\$1,837	\$1,528	\$1,392	\$1,260	\$1,124	
2,000,000	\$3,127	\$2,995	\$2,788	\$2,397	\$2,018	\$1,880	\$1,717	\$1,552	
3,000,000	\$3,513	\$3,377	\$3,162	\$2,729	\$2,291	\$2,149	\$2,003	\$1,838	
5,000,000	\$4,020	\$3,883	\$3,660	\$3,184	\$2,694	\$2,554	\$2,404	\$2,226	
Factors:									
		Retention (in \$000's)							
<u>Limit</u>	<u>25</u>	<u>35</u>	<u>50</u>	<u>75</u>	<u>100</u>	<u>150</u>	<u>200</u>	<u>250</u>	
1,000,000	1.00	0.95	0.87	0.73	0.61	0.56	0.50	0.45	
2,000,000	1.25	1.20	1.12	0.96	0.81	0.75	0.69	0.62	
3,000,000	1.41	1.35	1.26	1.09	0.92	0.86	0.80	0.74	
5,000,000	1.61	1.55	1.46	1.27	1.08	1.02	0.96	0.89	



**LIBERTY INSURANCE UNDERWRITERS, INC.
EMPLOYMENT PRACTICES LIABILITY PROGRAM**

COUNTRYWIDE RATES/RULES MANUAL

ILF/DFC Tables (cont.):

100 Employees									
Rates:									
<u>Limit</u>	Retention (in \$000's)								
	<u>25</u>	<u>35</u>	<u>50</u>	<u>75</u>	<u>100</u>	<u>150</u>	<u>200</u>	<u>250</u>	
1,000,000	\$4,000	\$3,784	\$3,459	\$2,931	\$2,433	\$2,214	\$2,000	\$1,782	
2,000,000	\$5,011	\$4,797	\$4,464	\$3,834	\$3,222	\$3,001	\$2,737	\$2,472	
3,000,000	\$5,634	\$5,415	\$5,067	\$4,370	\$3,663	\$3,434	\$3,199	\$2,932	
5,000,000	\$6,450	\$6,230	\$5,871	\$5,103	\$4,314	\$4,086	\$3,845	\$3,558	
Factors:									
<u>Limit</u>	Retention (in \$000's)								
	<u>25</u>	<u>35</u>	<u>50</u>	<u>75</u>	<u>100</u>	<u>150</u>	<u>200</u>	<u>250</u>	
1,000,000	1.00	0.95	0.86	0.73	0.61	0.55	0.50	0.45	
2,000,000	1.25	1.20	1.12	0.96	0.81	0.75	0.68	0.62	
3,000,000	1.41	1.35	1.27	1.09	0.92	0.86	0.80	0.73	
5,000,000	1.61	1.56	1.47	1.28	1.08	1.02	0.96	0.89	

250 Employees									
Rates:									
<u>Limit</u>	Retention (in \$000's)								
	<u>25</u>	<u>35</u>	<u>50</u>	<u>75</u>	<u>100</u>	<u>150</u>	<u>200</u>	<u>250</u>	
1,000,000	\$9,263	\$8,758	\$8,000	\$6,767	\$5,603	\$5,092	\$4,593	\$4,082	
2,000,000	\$11,625	\$11,125	\$10,346	\$8,874	\$7,446	\$6,929	\$6,314	\$5,694	
3,000,000	\$13,078	\$12,566	\$11,754	\$10,126	\$8,477	\$7,942	\$7,391	\$6,769	
5,000,000	\$14,412	\$14,471	\$13,631	\$11,838	\$9,995	\$9,464	\$8,902	\$8,230	
Factors:									
<u>Limit</u>	Retention (in \$000's)								
	<u>25</u>	<u>35</u>	<u>50</u>	<u>75</u>	<u>100</u>	<u>150</u>	<u>200</u>	<u>250</u>	
1,000,000	1.16	1.09	1.00	0.85	0.70	0.64	0.57	0.51	
2,000,000	1.45	1.39	1.29	1.11	0.93	0.87	0.79	0.71	
3,000,000	1.63	1.57	1.47	1.27	1.06	0.99	0.92	0.85	
5,000,000	1.80	1.81	1.70	1.48	1.25	1.18	1.11	1.03	



**LIBERTY INSURANCE UNDERWRITERS, INC.
EMPLOYMENT PRACTICES LIABILITY PROGRAM**

COUNTRYWIDE RATES/RULES MANUAL

ILF/DFC Tables (cont.):

500 Employees								
Rates:		Retention (in \$000's)						
<u>Limit</u>	<u>25</u>	<u>35</u>	<u>50</u>	<u>75</u>	<u>100</u>	<u>150</u>	<u>200</u>	<u>250</u>
1,000,000	\$16,801	\$15,881	\$14,500	\$12,251	\$10,130	\$9,199	\$8,289	\$7,359
2,000,000	\$21,106	\$20,196	\$18,776	\$16,094	\$13,490	\$12,548	\$11,427	\$10,297
3,000,000	\$23,755	\$22,823	\$21,342	\$18,374	\$15,369	\$14,393	\$13,391	\$12,256
5,000,000	\$27,232	\$26,294	\$24,763	\$21,496	\$18,137	\$17,169	\$16,144	\$14,920
Factors:		Retention (in \$000's)						
<u>Limit</u>	<u>25</u>	<u>35</u>	<u>50</u>	<u>75</u>	<u>100</u>	<u>150</u>	<u>200</u>	<u>250</u>
1,000,000	1.16	1.10	1.00	0.84	0.70	0.63	0.57	0.51
2,000,000	1.46	1.39	1.29	1.11	0.93	0.87	0.79	0.71
3,000,000	1.64	1.57	1.47	1.27	1.06	0.99	0.92	0.85
5,000,000	1.88	1.81	1.71	1.48	1.25	1.18	1.11	1.03

1000 Employees								
Rates:		Retention (in \$000's)						
<u>Limit</u>	<u>25</u>	<u>35</u>	<u>50</u>	<u>75</u>	<u>100</u>	<u>150</u>	<u>200</u>	<u>250</u>
1,000,000	\$31,576	\$29,838	\$27,230	\$22,984	\$18,978	\$17,222	\$15,503	\$13,746
2,000,000	\$41,705	\$39,987	\$37,306	\$32,239	\$27,324	\$25,456	\$23,233	\$20,993
3,000,000	\$46,707	\$44,947	\$42,151	\$36,547	\$30,871	\$29,029	\$27,127	\$24,877
5,000,000	\$53,272	\$51,502	\$48,611	\$42,441	\$36,097	\$34,271	\$32,334	\$30,023
Factors:		Retention (in \$000's)						
<u>Limit</u>	<u>25</u>	<u>35</u>	<u>50</u>	<u>75</u>	<u>100</u>	<u>150</u>	<u>200</u>	<u>250</u>
1,000,000	1.66	1.57	1.43	1.21	1.00	0.91	0.82	0.72
2,000,000	2.20	2.11	1.97	1.70	1.44	1.34	1.22	1.11
3,000,000	2.46	2.37	2.22	1.93	1.63	1.53	1.43	1.31
5,000,000	2.81	2.71	2.56	2.24	1.90	1.81	1.70	1.58



**LIBERTY INSURANCE UNDERWRITERS, INC.
EMPLOYMENT PRACTICES LIABILITY PROGRAM**

COUNTRYWIDE RATES/RULES MANUAL

ILF/DFC Tables (cont.):

2,000 Employees								
Rates:								
<u>Limit</u>	<u>Retention (in \$000's)</u>							
	<u>25</u>	<u>35</u>	<u>50</u>	<u>75</u>	<u>100</u>	<u>150</u>	<u>200</u>	<u>250</u>
1,000,000	N/A	N/A	\$44,585	\$37,602	\$31,013	\$28,123	\$25,297	\$22,407
2,000,000	N/A	N/A	\$61,992	\$53,620	\$45,133	\$42,058	\$38,388	\$34,538
3,000,000	N/A	N/A	\$69,961	\$60,744	\$51,257	\$48,076	\$44,807	\$41,106
5,000,000	N/A	N/A	\$80,587	\$70,439	\$60,005	\$57,000	\$53,785	\$49,793
Factors:								
<u>Limit</u>	<u>Retention (in \$000's)</u>							
	<u>25</u>	<u>35</u>	<u>50</u>	<u>75</u>	<u>100</u>	<u>150</u>	<u>200</u>	<u>250</u>
1,000,000	N/A	N/A	1.44	1.21	1.00	0.91	0.82	0.72
2,000,000	N/A	N/A	2.00	1.73	1.46	1.36	1.24	1.11
3,000,000	N/A	N/A	2.26	1.96	1.65	1.55	1.44	1.33
5,000,000	N/A	N/A	2.60	2.27	1.93	1.84	1.73	1.61

5,000 Employees								
Rates:								
<u>Limit</u>	<u>Retention (in \$000's)</u>							
	<u>25</u>	<u>35</u>	<u>50</u>	<u>75</u>	<u>100</u>	<u>150</u>	<u>200</u>	<u>250</u>
1,000,000	N/A	N/A	N/A	\$79,485	\$65,495	\$59,361	\$53,359	\$47,224
2,000,000	N/A	N/A	N/A	\$104,820	\$87,657	\$81,439	\$74,047	\$66,599
3,000,000	N/A	N/A	N/A	\$119,862	\$100,042	\$93,608	\$86,998	\$79,514
5,000,000	N/A	N/A	N/A	\$150,947	\$128,442	\$121,743	\$114,644	\$106,169
Factors:								
<u>Limit</u>	<u>Retention (in \$000's)</u>							
	<u>25</u>	<u>35</u>	<u>50</u>	<u>75</u>	<u>100</u>	<u>150</u>	<u>200</u>	<u>250</u>
1,000,000	N/A	N/A	N/A	1.21	1.00	0.91	0.81	0.72
2,000,000	N/A	N/A	N/A	1.60	1.34	1.24	1.13	1.02
3,000,000	N/A	N/A	N/A	1.83	1.53	1.43	1.33	1.21
5,000,000	N/A	N/A	N/A	2.30	1.96	1.86	1.75	1.62



**LIBERTY INSURANCE UNDERWRITERS, INC.
EMPLOYMENT PRACTICES LIABILITY PROGRAM**

COUNTRYWIDE RATES/RULES MANUAL

Step 4: Punitive Damages Modifier 1.10 - 1.30 (Factor must be 1.00 in OH & UT)

Step 5: Claims Activity Modifier

Claim Activity	Factor
No losses in the past 5 years	0.80 - 0.90
Minimal claims reported but unlikely or no payout expected to reach the retention.	0.90 - 1.00
Material payout anticipated to exceed the retention however overall severity less than policy limits.	1.05 - 1.15
Significant – multiple claims reported and or multiple claims expected with payouts	1.20

Step 6: Financial Stability Modifier

Financial Review	Factor
Positive Income for the past 3 years and total assets exceed total liabilities	0.80 - 0.90
Positive Income for the past 3 years however, the company's total liabilities have slightly increased over the past 3 years	0.90 - 1.00
Negative Income for the past 2 years and the company's total assets exceed their total liabilities	1.05 - 1.10
Negative income for the past 3 years and the company's total liabilities exceed their total assets	1.10 - 1.20

Step 7: Reductions in Force Modifier

Reductions in force	Factor
No layoffs in the past 12 months. No layoffs anticipated in the next 12 months	0.80 - 0.90
Minimal layoffs occurred in the past 12 months however, severance packages were offered, signed release forms were obtained and no claims were filed as a result of the reductions in force.	0.90 - 1.00
Minimal layoffs are expected in the next 12 months however, severance packages will be provided, signed release forms will be obtained, and outside counsel will review all severance packages as well as the company providing an impact analysis prior to conducting these layoffs.	0.95 - 1.05
Significant layoffs occurred in the past 12 months and are expected in the next 12 months.	1.10 - 1.20



**LIBERTY INSURANCE UNDERWRITERS, INC.
EMPLOYMENT PRACTICES LIABILITY PROGRAM**

COUNTRYWIDE RATES/RULES MANUAL

Step 8: Industry Modifier

Category	Factor
Low - Highly regulated, Lower salaries, etc.	0.80 - 0.95
Medium	1.00 - 1.15
High - High Salary, specialist, etc.	1.20 - 1.30

Step 9: Employee Turnover Rate Modifier

Annual Turnover	Factor
< 10%	0.80 - 0.90
10% - 20%	0.90 - 1.00
20% - 40%	1.00 - 1.10
> 40%	1.10 - 1.20

Step 10: Human Resource Policies Modifier

Indicator	Factor
Human Resource Dept. Staffing and Branch Handling	0.80 - 1.10
Employment Practices Policies	0.80 - 1.10
Termination rates	0.80 - 1.10
The company is involved in Diversity and leadership out reach programs through its Diversity Dept.	0.80 - 1.10

Step 11: Merger & Acquisitions Modifier 0.85 - 1.10

Step 12: Numbers of years in Business

Years in Business	Factor
>15 years	0.80 - 0.90
7-15 years	0.90 - 1.00
3-7 years	1.00 - 1.10
<3 years	1.10 - 1.20



**LIBERTY INSURANCE UNDERWRITERS, INC.
EMPLOYMENT PRACTICES LIABILITY PROGRAM**

COUNTRYWIDE RATES/RULES MANUAL

Step 13: Schedule Rating:

Other risk modifications may be applied to the rate subject, however, to a maximum credit or debit as set forth in the State Modification Limits table. Basic limits premium eligibility is \$500 for each state, with the following exceptions: \$2,500 in NY, \$1,000 in WA and FL, and \$6,000 (after modification) in LA. These modifications take into consideration unusual circumstances in the risk categories listed above or characteristics in the following schedule. Underwriters must clearly document specific justifications for credits/debits.

Risk	Description	Range of Modifications
Cooperation	Degree of cooperation with insurer recommendations for the elimination, or modification, of practices that could result in injurious acts.	-10% to +10%
Demographics/ Metro	Geographic dispersion or concentration of employees at multiple locations; diversity of workforce and management; business operations in major metropolitan areas.	-10% to +10%
Experience	The insured's history of employment related practices complaints and known settlements.	-10% to +10%
Internal Controls	Procedures established by the insured to control potential injurious acts. For example, establishment of training programs relating to sexual harassment, civil rights, or lack of such programs.	-10% to +10%
Management	Selection, training, supervision, experience, knowledge and attitudes of managerial and supervisory staff.	-10% to +10%
Salary Structure	Salary structure compared to other insureds in the same or related industry.	-10% to +10%
	Total Debit/Credit %	(subject to max +/- 50%)



**LIBERTY INSURANCE UNDERWRITERS, INC.
EMPLOYMENT PRACTICES LIABILITY PROGRAM**

COUNTRYWIDE RATES/RULES MANUAL

State Modification Limits. The table below shows the maximum available Schedule Rating credit/debits for insureds located in those states.

-15/+15	-25/+25			-40/+25	-40/+40		-50/+50	NA¹
GA	AL	IA	NV	SC	AK	MT	IL	HI
NY ²	AZ	ID	OH		AR	NH	IN	NE
	CA	LA ²	OR		KS	OK	KY	
	CO	MA	PR		MD	PA	NC	
	CT	MI	SD		ME	RI	NM ³	
	DC	MO	UT		MN	TX	TN	
	DE	ND	WA		MS	WV	VA	
	FL	NJ					VT	
							WI	
							WY	

¹ NA = Schedule Rating is not available

² Characteristics capped at +/-10%.

³ Professional liability, contract surety, and D&O coverage not subject to -25/+25 limit, per NMAC 13.8.5.8.F

All limits, retentions, and attachment tables allow for linear interpolation if immediate or higher values are needed.

SERFF Tracking Number: PERR-125864294 State: Arkansas
Filing Company: Liberty Insurance Underwriters, Inc. State Tracking Number: #104112 \$100
Company Tracking Number: LIU-OL-EPL-AR-08-01-R
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-R/LIU-OL-EPL-AR-08-01-R

Supporting Document Schedules

Satisfied -Name: Uniform Transmittal Document-Property & Casualty
Review Status: Accepted for Informational Purposes 10/24/2008

Comments:

Attachments:

2007 NAIC PCTD-RR.pdf

2007 NAIC RRFS.pdf

Satisfied -Name: Filing Memorandum
Review Status: Accepted for Informational Purposes 10/24/2008

Comments:

Attachment:

Filing Memo - _All States Except FL_.pdf

Satisfied -Name: Third Party Authorization
Review Status: Accepted for Informational Purposes 10/24/2008

Comments:

Attachment:

PK Filing Authorization for LIUI021508.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: <table border="1" style="width: 100%; border-collapse: collapse; margin-bottom: 5px;"> <tr> <td style="width: 50%; text-align: center;">New Business</td> <td style="width: 50%;"></td> </tr> <tr> <td style="text-align: center;">Renewal Business</td> <td></td> </tr> </table> f. State Filing #: g. SERFF Filing #: h. Subject Codes	New Business		Renewal Business	
New Business					
Renewal Business					

3. Group Name	Group NAIC #
Liberty Mutual Group	0111

4. Company Name(s)	Domicile	NAIC #	FEIN #	State #
Liberty Insurance Underwriters, Inc.	NY	19917	13-4916020	

5. Company Tracking Number	LIU-OL-EPL-AR-08-01-R
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Contact Info of Filer(s) or Corporate Officer(s) [include toll-free number]

6.	Name and address	Title	Telephone #s	FAX #	e-mail
	Lana Begunova 881 Alma Real Drive, Suite 205 Pacific Palisades, CA 90272	Filing Analyst	888.201.5123 x 151	310.230.8529	doi@perrknight.com
7.	Signature of authorized filer		<i>Lana Begunova</i>		
8.	Please print name of authorized filer		Lana Begunova, Filing Analyst		

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

9. Type of Insurance (TOI)	17.1 Other Liability-Claims Made Only
10. Sub-Type of Insurance (Sub-TOI)	17.1022Other
11. State Specific Product code(s) (if applicable)[See State Specific Requirements]	N/A
12. Company Program Title (Marketing title)	Employment Practices Liability
13. Filing Type	<input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input checked="" type="checkbox"/> Rates/Rules <input type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description)
14. Effective Date(s) Requested	New: 11/25/2008 Renewal: 11/25/2008
15. Reference Filing?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
16. Reference Organization (if applicable)	N/A
17. Reference Organization # & Title	N/A
18. Company's Date of Filing	October 20, 2008
19. Status of filing in domicile	<input type="checkbox"/> Not Filed <input checked="" type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

Property & Casualty Transmittal Document—

20. This filing transmittal is part of Company Tracking #	LIU-OL-EPL-AR-08-01-R
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21. Filing Description [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]
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On behalf of 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 rates and rules be implemented for all policies effective on and after November 25, 2008.

22. Filing Fees (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 #: 104112
Amount: \$100.00

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

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

RATE/RULE FILING SCHEDULE

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

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

1.	This filing transmittal is part of Company Tracking #	LIU-OL-EPL-AR-08-01-R
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2.	This filing corresponds to form filing number (Company tracking number of form filing, if applicable)	LIU-OL-EPL-AR-08-01-F
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Rate Increase
 Rate Decrease
 Rate Neutral (0%)

3.	Filing Method (Prior Approval, File & Use, Flex Band, etc.)	Prior Approval
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4a.	Rate Change by Company (As Proposed)
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Company Name	Overall % Indicated Change (when applicable)	Overall % Rate Impact	Written premium change for this program	# of policyholders affected for this	Written premium for this program	Maximum % Change (where required)	Minimum % Change (where required)
Liberty Insurance Underwriters, Inc.	N/A, new program	N/A, new program	N/A, new program	N/A, new program	N/A, new program	N/A, new program	N/A, new program

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

Overall Rate Information (Complete for Multiple Company Filings only)

		COMPANY USE	STATE USE
5a.	Overall percentage rate indication (when applicable)		
5b.	Overall percentage rate impact for this filing		
5c.	Effect of Rate Filing – Written premium change for this program		
5d.	Effect of Rate Filing – Number of policyholders affected		

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

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, flowing style.

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