

SERFF Tracking Number: CNAC-125857551 State: Arkansas
Filing Company: Continental Casualty Company State Tracking Number: EFT \$100
Company Tracking Number: 08-R2241
TOI: 17.0 Other Liability - Claims Made/Occurrence Sub-TOI: 17.0006 Directors & Officers Liability
Product Name: Directors & Officers Liability Program
Project Name/Number: Directors & Officers Liability Program /08-R2241

Filing at a Glance

Company: Continental Casualty Company
Product Name: Directors & Officers Liability Program SERFF Tr Num: CNAC-125857551 State: Arkansas
TOI: 17.0 Other Liability - Claims Made/Occurrence SERFF Status: Closed State Tr Num: EFT \$100
Sub-TOI: 17.0006 Directors & Officers Liability Co Tr Num: 08-R2241 State Status: Fees verified and received
Filing Type: Rate/Rule Co Status: Reviewer(s): Betty Montesi, Edith Roberts
Author: Robert Alonzo Disposition Date: 11/05/2008
Date Submitted: 10/14/2008 Disposition Status: Filed
Effective Date Requested (New): 11/15/2008 Effective Date (New):
Effective Date Requested (Renewal): 11/15/2008 Effective Date (Renewal):
State Filing Description:

General Information

Project Name: Directors & Officers Liability Program Status of Filing in Domicile:
Project Number: 08-R2241 Domicile Status Comments:
Reference Organization: Reference Number:
Reference Title: Advisory Org. Circular:
Filing Status Changed: 11/05/2008 Deemer Date:
State Status Changed: 10/27/2008
Corresponding Filing Tracking Number:
Filing Description:
On behalf of Continental Casualty Company, we hereby submit for your review and approval the attached Directors and Officers Liability rates for public traded companies. Please note that these rates revise the rates for use with our Management Liability Solutions Program that is currently on file (AR-PC-07-026344) with your department under our file # 07-R2184.

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Company and Contact

Filing Contact Information

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

Filing Company Information

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

Filing Fees

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

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Continental Casualty Company	\$100.00	10/14/2008	23169910

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Edith Roberts	11/05/2008	11/05/2008

Objection Letters and Response Letters

Objection Letters				Response Letters		
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
Pending	Edith Roberts	10/27/2008	10/27/2008	Robert Alonzo	10/28/2008	10/28/2008
Industry Response						

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Disposition

Disposition Date: 11/05/2008

Effective Date (New):

Effective Date (Renewal):

Status: Filed

Comment: Please note that the correct rate percentage is addressed in objection response. (-64.800)

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:
Continental Casualty Company	64.800%	\$-752,183	4	\$1,160,776	-64.800%	-64.800%	-64.800%

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Item Type	Item Name	Item Status	Public Access
Supporting Document	Cover Letter	Filed	Yes
Supporting Document	Actuary memo	Filed	Yes
Supporting Document	Exhibits	Filed	Yes
Rate	Manual pages	Filed	Yes
Rate	Rate/Rule Schedule Form	Filed	Yes

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Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 10/27/2008
Submitted Date 10/27/2008
Respond By Date

Dear Robert Alonzo,

This will acknowledge receipt of the captioned filing.

There is a typo in your filing that needs to be corrected.

Company Rate Information

Overall % Indicated Change: -64.800%

Overall % Rate Impact: "64.800%" (should be -64.800%)

Thanks.

Please feel free to contact me if you have questions.

Sincerely,

Edith Roberts

Response Letter

Response Letter Status Submitted to State
Response Letter Date 10/28/2008
Submitted Date 10/28/2008

Dear Edith Roberts,

Comments:

Response 1

Comments: Dear Ms. Roberts

Yes, there is a typo in your filing that needs to be corrected.

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Company Rate Information

Overall % Indicated Change: -64.800%

Overall % Rate Impact: "64.800%" (should be -64.800%)

Attach please find the Rate/Rule schedule form with the correct information, I cannot change the rate data in SERFF.

If you have any questions, please advise me.

Robert Alonzo

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

Rate/Rule Schedule Item Changes

Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing #
Rate/Rule Schedule Form	page 1	New	

Sincerely,
Robert Alonzo

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Rate Information

Rate data applies to filing.

Filing Method: F/U
Rate Change Type: Decrease
Overall Percentage of Last Rate Revision: -6.400%
Effective Date of Last Rate Revision: 11/15/2007
Filing Method of Last Filing: F/U

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):
Continental Casualty Company	-64.800%	64.800%	-\$752,183	4	\$1,160,776	-64.800%	-64.800%

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Rate/Rule Schedule

Review Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Attachments Number:
Filed	Manual pages	page 1 thru 2	Replacement	AR-PC-07-026344 Guide Manual Pages - Arkansas.pdf
Filed	Rate/Rule Schedule Form	page 1	New	AR PC RRFs-1.pdf

Continental Casualty Company
Directors & Officers Liability
Rate Manual

Base Premium

Determine the base premium from the following tables.

“Size” refers to the maximum of 3-year rolling average market cap adjusted for excluded shareholders, or 10% of Assets. In certain cases, revenue may be substituted for market cap. Base Premiums for combinations not shown will be derived through interpolation or extrapolation.

A/B + Entity

Size (Millions)	Layer: \$5M x \$0M		Layer: \$10M x \$0M	
	Min	Max	Min	Max
50	8,990	373,730	13,906	574,427
100	13,772	572,152	22,017	920,556
500	29,081	1,216,547	48,564	2,085,285
1,000	37,187	1,471,993	62,132	2,549,509
5,000	55,075	1,797,485	90,788	3,134,675

A-Side Only

Size (Millions)	Layer: \$5M x \$0M		Layer: \$10M x \$0M	
	Min	Max	Min	Max
50	1,045	192,175	1,171	220,724
100	1,528	351,950	1,722	469,360
500	3,005	855,687	3,419	1,457,359
1,000	3,567	1,031,132	4,070	1,827,860
5,000	4,706	1,199,339	5,777	2,199,062

A-Side premiums contemplate the company’s debt rating, with higher rated companies generating lower premiums. If a company’s debt rating is unavailable, the corresponding A/B+Entity premium will be adjusted by a factor of 0.6.

Premium Adjustments

Adjust the premium using the following factors to reflect changes in exposure or coverage.

Exchange / Ownership	0.10	to	1.10
Balance Sheet Factor	0.70	to	1.46
Financial Condition	0.90	to	1.10
Years in Business	0.90	to	1.50
Stock Offering	1.00	to	1.25
A/B no Entity	0.70	to	0.95
Difference in Conditions	1.00	to	1.33

Continental Casualty Company
Directors & Officers Liability
Rate Manual

Risk Modification

The premium may be adjusted by the following factors to reflect actual hazards on a particular risk that are different from the usual hazards contemplated in this rating manual. Sound underwriting judgment will be exercised in identifying the unique hazards.

Risk Characteristic	Mod Range
Corporate Governance	-10% to +10%
Legal Proceedings/Claims/Restatements	0% to +50%
Financial Performance	-10% to +10%
Accounting Practices	-10% to +50%
Stock Price Performance	-10% to +50%
Merger/Acquisitions/Divestitures	-10% to +50%
Unique Exposures	-50% to +50%

The total Risk Modification will not exceed +/- 50%.

Final Premium

The final premium will be adjusted for participation, coinsurance, policy term and commission. In no case will the Final Premium be less than \$3,500 per million of coverage adjusted for commission or, for A/B + Entity policies, the corresponding A-Side Premium divided by 0.6.

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 #	08-R2241
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2.	This filing corresponds to form filing number (Company tracking number of form filing, if applicable)	N/A
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Rate Increase
 Rate Decrease
 Rate Neutral (0%)

3.	Filing Method (Prior Approval, File & Use, Flex Band, etc.)	F/U
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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 program	Written premium for this program	Maximum % Change (where required)	Minimum % Change (where required)
Continental Casualty	-64.8%	-64.8%	-\$752,183	4	1,160,776	-64.8%	-64.8%

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)			
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		COMPANY USE	STATE USE
5a.	Overall percentage rate indication (when applicable)	-64.8%	
5b.	Overall percentage rate impact for this filing	-64.8%	
5c.	Effect of Rate Filing – Written premium change for this program	-\$752,183	
5d.	Effect of Rate Filing – Number of policyholders affected	4	

6.	Overall percentage of last rate revision	0%
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7.	Effective Date of last rate revision	11/15/07
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8.	Filing Method of Last filing (Prior Approval, File & Use, Flex Band, etc.)	F/U
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9.	Rule # or Page # Submitted for Review	Replacement or Withdrawn?	Previous state filing number, if required by state
01	Manual Pages 1-3	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	(AR-PC-07-026344)
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	

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Supporting Document Schedules

Satisfied -Name: Cover Letter	Review Status: Filed	11/05/2008
Comments:		
Attachment: AR 08-R2241 Rates Cover let .pdf		
Satisfied -Name: Actuary memo	Review Status: Filed	11/05/2008
Comments:		
Attachment: Memo - AR.pdf		
Satisfied -Name: Exhibits	Review Status: Filed	11/05/2008
Comments:		
Attachment: Exhibit 1 - AR.pdf		



40 Wall Street – 9th Floor
New York, New York 10005

Robert Alonzo

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

October 14, 2008

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Toll Free 877-269-3277 x 3478
Internet robert.alonzo@cna.com

ARKANSAS INSURANCE DEPARTMENT
PROPERTY & CASUALTY DIVISION
1200 W 3RD ST
LITTLE ROCK AR 72201-1904

RE: CONTINENTAL CASUALTY COMPANY NAIC# 218-20443 FEIN# 36-2114545
**Directors & Officers Liability
Rate Filing
OUR FILE NO.: 08-R2241**

To Whom It May Concern:

On behalf of Continental Casualty Company, we hereby submit for your review and approval the attached Directors and Officers Liability rates for public traded companies. Please note that these rates revise the rates for use with our Management Liability Solutions Program that is currently on file (AR-PC-07-026344) with your department under our file # 07-R2184.

Enclosed please find:

- an actuarial memorandum; and
- revised manual pages

We propose that this filing become applicable to all policies written on or after November 15, 2008, or the earliest date permitted by your state.

Very truly yours,

Sincerely,

Robert Alonzo

Robert Alonzo
State Filing Analyst

CONTINENTAL CASUALTY COMPANY
Directors & Officers Liability
Actuarial Memorandum

Arkansas

Purpose

Continental Casualty Company (CCC) is filing revised Directors & Officers Liability rates for publicly traded companies. We anticipate a premium decrease of 64.8% due to this filing, based on 2007 Arkansas premium of \$1,160,776.

Underwriting Guidelines

Directors & Officers coverage will be offered to publicly traded companies, with CCC serving as the admitted carrier. Coverage will be offered on a primary basis, and on an excess basis provided that any underlying layers of coverage are also written by an admitted carrier.

Rate Determination

Directors & Officers losses are characterized by very low frequency and very high severity. Continental Casualty Company has not generated sufficient loss data to develop rates based on its own experience. The historical exposure, premium, and incurred loss and ALAE data is displayed in Exhibit 1.

In addition, underwriting judgment was used to determine factors that contribute to a rate change. It is expected that underwriters will exercise sound judgment, with full and clear file documentation of the underwriting reasoning used.

**Continental Casualty Insurance Company
Directors & Officers Liability**

Historical Exposure, Premium, & Incurred Loss & ALAE Data

Arkansas

Year	(1) Written Policies	(2) Written Premium	(3) Incurred Loss & ALAE	(4) Actual Loss Ratio
2003	0	0	0	N/A
2004	0	0	4	N/A
2005	0	0	0	N/A
2006	3	474,250	0	0.0%
2007	4	1,160,776	3	0.0%
Total	7	1,635,026	7	0.0%

Notes:

(1), (2), (3) provided by the Company

(4) = (3) / (2)