

SERFF Tracking Number: CATL-125892402 State: Arkansas
 Filing Company: Catlin Insurance Company, Inc. State Tracking Number: EFT \$100
 Company Tracking Number: 08-OL-PL003-CW-AR-R
 TOI: 17.1 Other Liability - Claims Made Only Sub-TOI: 17.1019 Professional Errors & Omissions Liability
 Product Name: Architects & Engineers Practice Policy
 Project Name/Number: Architects & Engineers Practice Policy/08-OL-PL003-CW-AR-R

Filing at a Glance

Company: Catlin Insurance Company, Inc.

Product Name: Architects & Engineers Practice Policy SERFF Tr Num: CATL-125892402 State: Arkansas
 Policy

TOI: 17.1 Other Liability - Claims Made Only SERFF Status: Closed State Tr Num: EFT \$100
 Sub-TOI: 17.1019 Professional Errors & Omissions Liability Co Tr Num: 08-OL-PL003-CW-AR-R State Status: Fees verified and received
 Filing Type: Rate/Rule Co Status: Reviewer(s): Betty Montesi, Edith Roberts

Author: Diane Lichorobiec Disposition Date: 12/10/2008
 Date Submitted: 11/18/2008 Disposition Status: Filed

Effective Date Requested (New): On Approval

Effective Date Requested (Renewal):

Effective Date (New):

Effective Date (Renewal):

State Filing Description:

General Information

Project Name: Architects & Engineers Practice Policy

Project Number: 08-OL-PL003-CW-AR-R

Status of Filing in Domicile: Authorized

Domicile Status Comments: Filing is exempt in Texas.

Reference Organization: N/A

Reference Number: N/A

Reference Title: N/A

Advisory Org. Circular: N/A

Filing Status Changed: 12/10/2008

State Status Changed: 12/10/2008

Deemer Date:

Corresponding Filing Tracking Number: 08-OL-PL003-CW-AR-R

Filing Description:

The Catlin Insurance Company, Inc. ("Catlin") is filing for a new program for Architects and Engineers Professional Liability. This program contains rates, rating plans, rules and forms.

This is a new product line and filing for our company.

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There is no rating impact to existing insureds as this is a new product for the Catlin companies.

We look forward to your favorable reply.

Company and Contact

Filing Contact Information

Diane Lichorobiec, State Filings Analyst diane.lichorobiec@catlin.com
 1600 Market Street (215) 446-9136 [Phone]
 Philadelphia, PA 19103 (215) 446-9131[FAX]

Filing Company Information

Catlin Insurance Company, Inc. CoCode: 19518 State of Domicile: Texas
 1600 Market Street Group Code: Company Type: Property and Casualty

Suite 1616
 Philadelphia, PA 19103 Group Name: State ID Number:
 (215) 466-9132 ext. [Phone] FEIN Number: 20-4929941

Filing Fees

Fee Required? Yes
 Fee Amount: \$100.00
 Retaliatory? No
 Fee Explanation: 1 independent rate filing @ \$100 per filing
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Catlin Insurance Company, Inc.	\$100.00	11/18/2008	24006716

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Edith Roberts	12/10/2008	12/10/2008

Objection Letters and Response Letters

Objection Letters				Response Letters		
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
Pending Industry Response	Edith Roberts	11/19/2008	11/19/2008	Diane Lichorobiec	11/24/2008	11/24/2008

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Disposition

Disposition Date: 12/10/2008
 Effective Date (New):
 Effective Date (Renewal):
 Status: Filed
 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:
Catlin Insurance Company, 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	Filed	Yes
Supporting Document	NAIC Loss Cost Filing Document for OTHER than Workers' Comp	Filed	Yes
Supporting Document	NAIC loss cost data entry document	Filed	Yes
Supporting Document	Actuarial Support	Filed	Yes
Form	Arkansas Changes	Filed	Yes
Rate	ARCHITECTS AND ENGINEERS PROFESSIONAL LIABILITY RATING PLAN MANUAL	Filed	Yes

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Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 11/19/2008
Submitted Date 11/19/2008
Respond By Date

Dear Diane Lichorobiec,

This will acknowledge receipt of the captioned filing.

The company may not refuse either the basic or optional extended reporting period for these reasons pursuant to AR Code Anno 23-79-306 (1-6).

With reference to I, "Introduction" which states "All coverages and options not contemplated in this plan will be developed on an individual risk basis", while this is permissible, please add a rule that instructs that these risks will be submitted on an Individual Risk rating basis to the Commissioner of Insurance as required by 23 -67-210 and 211.

Please amend these two issues for approval.

Thank you!

Please feel free to contact me if you have questions.

Sincerely,
Edith Roberts

Response Letter

Response Letter Status Submitted to State
Response Letter Date 11/24/2008
Submitted Date 11/24/2008

Dear Edith Roberts,

Comments:

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Response 1

Comments: Dear Edith,

Thank you for your letter dated November 19, 2008. In response to your request for additional information, we offer the following:

Objection 1: As requested we have amended our policy to comply with AR Code Anno 23-79-306 (1-6). Please refer to the attached amendatory endorsement, DPAE 117 1108.

We trust that you will find all in order.

Sincerely,
 Diane Lichorobiec

Changed Items:

No Supporting Documents changed.

Form Schedule Item Changes

Form Name	Form Number	Edition Date	Form Type	Action	Action Specific Data	Readability Score	Attach Document
Arkansas Changes	DPAE 117 1108	1108	Endorsement/Amendment/Conditions	New		0	DPAE 117 1108.pdf

No Rate/Rule Schedule items changed.

Sincerely,
 Diane Lichorobiec

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TOI: *17.1 Other Liability - Claims Made Only* *Sub-TOI:* *17.1019 Professional Errors & Omissions Liability*

Product Name: *Architects & Engineers Practice Policy*
Project Name/Number: *Architects & Engineers Practice Policy/08-OL-PL003-CW-AR-R*

Form Schedule

Review Status	Form Name	Form #	Edition Date	Form Type Action	Action Specific Data	Readability	Attachment
Filed	Arkansas Changes	DPAE 117 1108 1108		Endorseme New nt/Amendm ent/Condi tions		0.00	DPAE 117 1108.pdf

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ARKANSAS CHANGES

I. It is hereby agreed that Section IX., **OPTIONAL EXTENSION**, item D is deleted and replaced with the following:

- D. The limit of liability for the **optional extension period** shall be part of the limit of liability of the Company for the **policy period** and no less than the greater of the remaining policy aggregate or 50% of the aggregate at policy inception.

All other terms, conditions and exclusions remain unchanged.

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective: _____ Policy No.: _____ Endorsement No. _____

Insured: _____ Premium: _____

Insurance Company: _____

Authorized Signature: _____

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Rate Information

Rate data applies to filing.

Filing Method: SERFF
Rate Change Type: Neutral
Overall Percentage of Last Rate Revision: 0.000%
Effective Date of Last Rate Revision:
Filing Method of Last Filing: N/A INITIAL 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):
Catlin Insurance Company, 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:
Filed	ARCHITECTS AND ENGINEERS PROFESSIONAL LIABILITY RATING PLAN MANUAL	CICI-AE-1 (11/08)	New	CICI-AE-1.pdf

CATLIN INSURANCE COMPANY, INC.

ARCHITECTS AND ENGINEERS

PROFESSIONAL LIABILITY

RATING PLAN MANUAL

November 2008

CATLIN INSURANCE COMPANY, INC.
RATES, RULES AND RATING METHODOLOGIES

I. INTRODUCTION

This manual provides the rules, rates, premiums and classifications for Architects and Engineers Professional Liability coverage.

All coverages and options not contemplated in this plan will be developed on an individual risk basis.

II. SCOPE OF COVERAGE

- A. This program is designed to provide coverage for the legal liability arising out of the performance of professional services for others.
- B. Coverage is provided on a Claims-Made basis.
- C. Policies may be written for a period of one year or multiple years.

III. GENERAL RULES

A. ELIGIBILITY

- 1. Architectural and Engineering firms meeting underwriting guidelines

B. RATES AND RATING

- 1. All rates are manual rates, unless otherwise noted.
- 2. Rates and rule in the state exception pages supersede the rules contained in this manual.

C. INTERPOLATION

- 1. For limits and deductibles in excess of the rates shown in this manual, use the interpolation method to determine the proper rate.

D. ADDITIONAL PREMIUMS

- 1. Apply the rates and rules in effect on the effective date of the policy or, if the change is made after an anniversary date of the policy, apply the rates and rules in effect on that anniversary date.
- 2. Pro rate additional premium charges.
- 3. Additional premium charges are in addition to any policy minimum premium already charged.
- 4. Waive additional premiums of \$15 or less. The amount waived applies to that portion of the premium due on the effective date of the policy change.

E. WHOLE DOLLAR PREMIUM

- 1. All premiums shall be adjusted to the nearest whole dollar as follows:
 - a) any amount involving \$.50 or more shall be rounded to the next highest whole dollar amount.
 - b) any amount involving \$.49 or less shall be rounded to the next lowest whole dollar amount

F. RETURN PREMIUMS

- 1. Return premium will be calculated on a pro rata basis in accordance with the Whole Dollar Premium Rule using the rules, rates and rating plan in effect at the inception of this policy when;
 - a) the policy is cancelled at the companies request;
 - b) the policy is cancelled and rewritten in the same Company or a member of a Company group; or
 - c) after the first year of a prepaid policy written for a term of more than one year.
- 2. If pro rata calculation does not apply, compute the return premium at 0.90 of the pro rate unearned premium for the one year period in accordance to the Whole Dollar Premium Rule.

**CATLIN INSURANCE COMPANY, INC.
RATES, RULES AND RATING METHODOLOGIES**

G. FACTORS OR MULTIPLIERS

Factors or multipliers are applied consecutively and not cumulatively.

H. MINIMUM PREMIUM AND PREMIUM PAYMENT PLAN

The minimum policy premium shall be \$1100.

The Company may, at its discretion offer to the Named Insured various premium payment options including monthly, annual and prepayment payment plans.

IV. RATING DEVELOPMENT

A. PREMIUM CALCULATION

In the absence of a State Page addendum, the rates displayed in the Base Rates Table below will be applied to an average of the gross billings from the Insured's three most recent annual accounting periods. The two most recent annual accounting periods will be used for an insured in business for two years. The most recent annual accounting period will be used for an insured in business for only one year. Estimated annual billings will be used for Insureds in business less than one year.

B. BASE RATES

1. Basic rates provide for limits of \$500,000 each wrongful act \$500,000 total limit. A \$5,000 damages and expense deductible applies to each wrongful act.
2. Gross billings include all professional services, but do not include reimbursement income; projects insured elsewhere, abandoned projects, and sales and service taxes.
3. Premium for insureds with gross billings ≤ \$7,500,000 will be rated in accordance with the following;

Billings	Rate per \$1,000 of Billings		
	Minimum Rate	Mid Rate	Maximum Rate
0 - \$80,000	\$43.20	\$48.60	\$54.00
\$80,001 - \$250,000	\$21.60	\$24.30	\$27.00
\$250,001 - \$500,000	\$14.08	\$15.84	\$17.60
\$500,001 - \$1,000,000	\$12.70	\$14.29	\$15.88
\$1,000,001 - \$3,000,000	\$9.11	\$10.52	\$11.39
\$3,000,000 - \$5,000,000	\$6.83	\$7.69	\$8.54
\$5,000,000 - \$7,500,000	\$4.78	\$5.38	\$5.98

C. CLAIMS MADE FACTORS

The Claims-made factor is based on the number of years insured with a claims made policy for this product type.

Claims-Made Step	Factor
Inception	0.75
1	0.80
2	0.87
3	0.93
4	0.97
5+	1.00

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RATES, RULES AND RATING METHODOLOGIES**

D. MINIMUM LIMITS / INCREASED LIMITS FACTORS

1. The minimum limit of liability shall be \$250,000 per claim / \$250,000 aggregate for Policy Term.
2. Multiply the premium by the following factors for limit options;
3. For multiyear policy terms with no annual reinstatement of the aggregate limit, subtract .03 from the following factors

Increased Limit Factors			
	1X Aggregate	2X Aggregate	3X Aggregate
Per Claim Limit	ILF	ILF	ILF
\$250,000	.800	.85	.88
\$500,000	1.000	1.070	1.110
\$750,000	1.150	1.210	1.250
\$1,000,000	1.250	1.310	1.350
\$2,000,000	1.650	1.730	1.800
\$3,000,000	2.05	2.13	2.20

E. DEDUCTIBLE CREDIT FACTORS

Insureds with total annual billings in excess of \$1,000,000 shall carry a deductible. Three deductible types are available depending upon the size, loss history and exposure characteristics of the insured, as follows:

Deductible Type	Description
Straight	Deductible applies to claim expenses and damages.
Shared Expense	Deductible applies to the sum of 20% of claims expense and 100% of damages. Eligibility: Billings: <\$3,000,000 Deductible: <=\$25,000 Loss Ratio: <=60%
Damages Only	Deductible applies to damages only. Eligibility: Billings: <=\$3,000,000 Deductible: <\$25,000 Loss Ratio: <=60% and/or <= 4 claims in 5 years

The Increased Limits Factor shall be reduced by the amount shown below:

Deductible Amount	Deductible Type		
	Straight	Shared Expense	Damages Only
\$2,500	1.10	1.25	1.30
\$5,000	1.00	1.15	1.20
\$7,500	.95	1.12	1.18
\$10,000	.93	1.10	1.15
\$15,000	.90	1.05	1.10
\$20,000	.85	1.00	1.05
\$25,000	.80	.95	1.00

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RATES, RULES AND RATING METHODOLOGIES**

F. DISCIPLINE FACTOR

The base rate applicable is modified to recognize the differences in exposure between the various professional disciplines as well as the relative risk level present within a single discipline, as follows:

Discipline	Factor		
	Low	Medium	High
Geotechnical	1.55	1.80	2.00
Structural Engineer	1.25	1.50	2.00
Architect	.75	1.00	1.25
Environmental Consultant	.75	1.00	1.25
Construction Manager	.50	.75	1.00
Civil Engineer	.60	.80	1.00
Mechanical Engineering	.60	.75	.90
Mechanical/Electrical	.55	.70	.85
Landscape Architecture	.40	.55	.70
Surveyor	.40	.55	.70
Environmental Labs	.40	.50	.60
Forensic Engineer	.25	.40	.55
Electrical Engineering	.45	.60	.75
Interior Designer	.25	.35	.45
Other	Refer to company	Refer to company	Refer to company

The underwriter will consider the following characteristics to determine whether the risk is low, medium or high.

Low	<ul style="list-style-type: none"> • Significant experience in all disciplines and project types • High percentage of projects involving construction phase services • Low percentage of residential projects • High percentage of repeat clients • Excellent financial condition • Low fluctuation of revenues from year to year , • High concentration of business in a few project types • Low staff turnover • Typical projects are small to medium in size
Medium	<ul style="list-style-type: none"> • Average experience in all disciplines and project types • Average percentage of projects involving construction phase services • Average percentage of residential projects • Average percentage of repeat clients • Average financial condition • Average fluctuation of revenues from year to year • Average concentration of business in a few project types • Average staff turnover • Typical projects are medium in size
High	<ul style="list-style-type: none"> • Limited experience in some or all disciplines and project types • Low percentage of projects involving construction phase services • High percentage of residential projects • Low percentage of repeat clients • Poor financial condition • Significant fluctuation of revenues from year to year • Limited concentration of business in a few project types • High staff turnover • Typical projects are large in size

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G. SPECIAL TYPES FACTORS

1. Low Exposure Services

To recognize low exposure services (master planning, feasibility studies, reports, opinions, landscape architecture, surveying, interior design or forensic services) within a professional discipline, the following modifications will apply. This rule does not apply to insureds in the following disciplines: Landscape Architects, Surveyors, Forensic Engineers, Interior Designers or Construction Managers.

Percentage of Low Exposure Services	Credit
10%	0
> 10% ≤ 20%	5%
> 20% ≤ 30%	10%
> 30% ≤ 40%	15%
> 40% ≤ 50%	20%
> 50%	25%

A maximum credit of 10% is allowed for Civil Engineering disciplines performing Surveying services.

2. High Risk Service Area

To recognize high-risk service area (condominiums, residential and schools) within a professional discipline, the following modifications will apply.

Percentage of Condo Services	Debit
1% - 5%	+10%
6% - 10%	+15%
11% - 15%	+20%
> 15%	+25%

Percentage of Residential Services (non-condo)	Debit
1% - 15%	+10%
16% - 30%	+15%
31% - 50%	+20%
> 50%	+25%

Percentage of Schools Services	Debit
1% - 15%	+10%
16% - 30%	+15%
31% - 50%	+20%
> 50%	+25%

**CATLIN INSURANCE COMPANY, INC.
RATES, RULES AND RATING METHODOLOGIES**

H. EXPERIENCE RATING

Debits and credits are shown as maximums.

1. Review claims that incurred within the last five years. Insureds with Gross billings less than or equal to \$500,000 and total incurred losses below \$25,000

Number of Claims	Debit	Credit
0 – 1	0%	15%
2	0%	7%
3	7%	0%
4 or more	15%	0%

Insureds with total incurred losses exceeding \$25,000 will be rated in accordance with the rules in H 3., with maximum applicable credit of 15%.

2. Review claims that incurred within the last five years. Insureds with gross billings greater than \$500,000 and less than or equal to \$1,000,000 and total incurred losses not to exceed \$25,000.

Number of Claims	Debit	Credit
0 – 1	0%	20%
2	0%	10%
3	10%	0%
4 or more	20%	0%

Insureds with total incurred losses exceeding \$25,000 will be rated in accordance with the rules in H 3.

3. Insureds with Gross Billings greater than \$1,000,000. The loss ratio is calculated by dividing the Insured's total incurred loss (including legal expenses) in excess of any deductibles by the total premium the insured paid.

Loss Ratio	Debit	Credit
0% - 30%	0%	30%
31% - 40%	0%	20%
41% - 50%	0%	10%
51% - 60%	0%	0%
61% - 70%	5%	0%
71% - 80%	10%	0%
81% - 95%	20%	0%
96% -110%	30%	0%
111% -125%	40%	0%
126% - or higher	50%	0%

I. USE OF WRITTEN CONTRACTS

To reflect the reduced exposure associated with the use of written contracts the following debits/credits will be applied:

Written Contracts	Debit	Credit
Used on 100% of projects	0%	5%
Used on greater than 75% less than or equal to 99% of projects	0%	0%
Used on less than or equal to 75% of projects	5%	0%

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J. SEPARATELY INSURED SUB-CONSULTANTS

To reflect the reduced exposure associated with Insureds who hire insured sub-consultants, the following credits will be applied.

% of Fees From Insured Consultants	Debit
0 < 10%	0%
≥ 10% < 25%	5%
≥ 25% < 50%	10%
≥ 50%	15%

K. LEED DESIGN CREDIT

For insureds designing up to 20% or more of their projects in the past three years that meet the U.S. Green Building Council's LEED certification are eligible for up to a 10% credit.

L. LONGEVITY FACTOR

Premiums are modified to reflect the number of years the insured has been insured by us.

Years in Business	Credit
1 to 2	2%
3 to 5	5%
6 to 10	7%
11 to 15	10%
16 or more	15%

M. EDUCATION CREDIT

A 5% credit is given for first year renewal if approved Continuing Education is completed. This increases to 10% for the 2nd year and subsequent renewals.

N. SPECIALIZATION FACTOR

For firms with less than \$7.5 million in weighted fees, a specialization credit is applied if more than 75% of fees are in the same discipline. A credit is also applied if the firm practices in 5 or fewer project areas. The credits are determined as follows:

>75% fees in largest Discipline:		5 or fewer project types:	
Fee Range	Credit	Fee Range	Credit
< 1M	-7.5%	< 1M	-7.5%
1M to 7.5M	-5.0%	1M to 7.5M	-7.5%
>7.5M	0.0%	>7.5M	-5.0%

O. PEER REVIEW PROGRAM

When an insured participates in a qualified Professional Society Peer Review Program, they learn to improve the practice of their profession, the conduct of their business and their risk management skills. After participating in a qualified Peer Review we will make a premium reimbursement equal to the cost of the Peer Review that is certified by the Professional Society, up to \$2,500. The premium reimbursement will be applied to the final premium.

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P. EARNINGS REIMBURSEMENT

Earnings Reimbursement is provided in addition to the normal policy limit and is not subject to the normal policy deductible. The base limit is \$400 per claim, \$10,000 annual. Premium is included in the base rate. Refer all other options to the Company.

Q. GUARANTEED PREMIUM POLICIES

Qualifying insureds may be offered guaranteed premiums for two to three year terms using the fees as described above.

R. SCHEDULE MODIFIERS

Internal loss control and or loss prevention programs maintained within individual risks vary over a wide range. To reflect such differences, the premiums as otherwise determined may be modified based upon the following table to reflect individual risk characteristics. Debits and credits under each category are stated as maximums. Refer to the State Modification Limits Table below for the maximum total Schedule Rating credit/debits for each state.

Individual Risk Characteristics		Debit	Credit
1.	Qualifications of Staff	25%	25%
2.	Attendance at Risk Management Seminars	0%	25%
3.	Foreign Work	25%	25%
4.	Type of Project	25%	25%
5.	Internal Loss Prevention	0%	25%
6.	Type of Client/Project Owner	25%	25%
7.	Contractual Practices	25%	25%
8.	Multi-Year Exposures	25%	25%
9.	Engineer, Procure and Construct	25%	25%
10.	Peer Review	0%	25%

State Modification Limits:

-15/+15	-25/+25		-40/+25	-40/+40	-50/+50	NA
GA	AL	MN	SC	AK	ID	HI
NY	AR	ND		KS	IL	NE ¹
	AZ	NJ		MD	KY	
	CA	NM		ME	NC	
	CO	NV		MO	TN	
	DC	OH		MS	VA	
	DE	OK		MT	WI	
	FL	OR		NH	WV	
	IA	SD		PA	WY	
	IN	UT		RI		
	LA	VT		TX		
	MA	WA				
	MI					

*NA = Schedule Rating is not available; Characteristics capped at 4+10%.

¹ Refer to Nebraska State Exception Page

**CATLIN INSURANCE COMPANY, INC.
RATES, RULES AND RATING METHODOLOGIES**

S. EXTENDED REPORTING PERIOD

If coverage is terminated for any reason other than fraud, material misrepresentation or non-payment of premium and not renewed by the Insured with the Company or any affiliated company, then the Insured will have the option of purchasing an Extension Period. The Extension Period will be written for a period of one, two or three year(s) of the expiring premium or for the period(s) and premium factors as outlined below. This Extension Period will apply to claims first made against the insured and reported after the original policy period but only for covered acts occurring on or after the retroactive date and before the effective date of the cancellation or nonrenewal.

Extended Reporting Period	Premium Charge
12 Months	100% of the last annual policy premium
24 Months	150% of the last annual policy premium
36 Months	185% of the last annual policy premium

T. OPTIONAL COVERAGES

1. RETIREMENT POLICY

A policy may be provided to insureds with acceptable experience who have been continuously insured by this Company for a minimum of three years and who retire or go out of business. The policy will only cover prior acts. Premiums will be calculated as follows.

- a) The premium will be twice the average of the past three years' annual premiums.
- b) A 5% credit will be provided for each year of coverage the insured maintains with this Company subject to a maximum credit of 25% and a minimum premium of \$1,500.

2. SPECIFIC ADDITIONAL PROJECT LIMIT

A specific additional limit may be purchased for a designated contract, project or client. The minimum premium is \$1,000 per \$500,000 limit layer

3. PROJECT INSURANCE

Coverage may be written to apply to a specific project(s). Coverage for specific projects may be specifically drafted to meet the individual requirements of the projects. The policy term for each specific Project shall be individually negotiated and stated on the Declarations or by an endorsement. All project insurance will be referred to Company.

SERFF Tracking Number: CATL-125892402 State: Arkansas
 Filing Company: Catlin Insurance Company, Inc. State Tracking Number: EFT \$100
 Company Tracking Number: 08-OL-PL003-CW-AR-R
 TOI: 17.1 Other Liability - Claims Made Only Sub-TOI: 17.1019 Professional Errors & Omissions Liability
 Product Name: Architects & Engineers Practice Policy
 Project Name/Number: Architects & Engineers Practice Policy/08-OL-PL003-CW-AR-R

Supporting Document Schedules

Satisfied -Name: Uniform Transmittal Document-Property & Casualty **Review Status:** Filed 12/10/2008

Comments:

Attachment:

industry_rates_PCtransDoc - rate-rule.pdf

Bypassed -Name: NAIC Loss Cost Filing Document for OTHER than Workers' Comp **Review Status:** Filed 12/10/2008

Bypass Reason: n/a - this is an independent rate filing

Comments:

Bypassed -Name: NAIC loss cost data entry document **Review Status:** Filed 12/10/2008

Bypass Reason: n/a- this is not a loss cost filing

Comments:

Satisfied -Name: Actuarial Support **Review Status:** Filed 12/10/2008

Comments:

Attachments:

Actuarial Memorandum.pdf

Expense Exh AE PL (DCF) (2).pdf

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 #	
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2.	This filing corresponds to form filing number (Company tracking number of form filing, if applicable)	
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Rate Increase
 Rate Decrease
 Rate Neutral (0%)

3.	Filing Method (Prior Approval, File & Use, Flex Band, etc.)	
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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)

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	Minimum % Change

5. Overall Rate Information (Complete for Multiple Company Filings only)			
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		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	
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7.	Effective Date of last rate revision	
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8.	Filing Method of Last filing (Prior Approval, File & Use, Flex Band, etc.)	
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9.	Rule # or Page # Submitted for Review	Replacement or withdrawn?	Previous state filing number, if required by state
01		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
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	

Catlin Insurance Company, Inc. Architects and Engineers Program

Actuarial Memorandum

With this filing Catlin Insurance Company, Inc. ("Catlin ") is proposing to introduce a new program, Architects and Engineers Professional Liability. Catlin has no available historic data and has relied on a review of our competitors along with the expertise of recently acquired underwriting team.

"Catlin's" proposed rates and rating plan are based on those of St. Paul Fire and Marine Insurance Company ("St. Paul") and Beazley Insurance Company, Inc ("Beazley") and judgment. Catlin has tailored St. Paul's and Beazley program to be more consistent with their other professional liability programs and to meet the changing market. In addition, "Catlin" has incorporated some rating elements from Architects and Engineers programs of other competitors. These enhancements include:

- Broadened experience rating filings for accounts with gross billings in excess of one million.
- Enhanced longevity factors to provide credits for insured who remains in business for period longer than 3 years.
- Introduction of specialization factors to account for those firms that produce a majority of their revenues within the same discipline.

Catlin Insurance Company, Inc.

Projected Expenses and Calculation of Permissible Loss Ratio

Architects & Engineers Professional Liability

Expense Item	% of Premium
(1) General	10.0%
(2) Commission/Brokerage	12.5%
(3) Other Acquisition	5.0%
(4) Premium Taxes & Fees	2.5%
(5) Profit after Investment Income (from Sheet 2)	5.6%
(6) Total Expenses	35.6%
(7) Permissible Loss & LAE Ratio = 1.0 - (6)	64.4%
(8) Adjusting & Other Expense as % of Loss & DCC	5.0%
(9) Permissible Loss & DCC Ratio = (7) / (1.0 + (8))	61.4%

Catlin Insurance Company, Inc.

Discounted Cash Flow Model

Architects & Engineers Professional Liability

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
Calendar Year	Premium	Losses and LAE	Acquisition Expenses	General & Other Expenses	Loss & LAE Payment Pattern	Paid Losses & LAE	Undiscounted Outstanding Reserves	Statutory U/W Income	IRS Discount Factor	Discounted Outstanding Reserves	Tax on U/W Inc	Required Surplus	Cash Avail. For Investment	Investment Income	Federal Income Taxes	Net Income	Surplus Released	Total Return	Present Value Factor	Present Value of Return
0												\$50.0					(\$50.0)	(\$50.0)		(\$50.0)
1	\$100.0	\$64.4	\$17.5	\$12.5	5.9%	\$3.8	\$60.6	\$5.6	0.967	\$58.6	\$2.6	\$30.3	\$73.0	\$3.7	\$3.9	\$5.3	\$19.7	\$25.0	0.985	\$24.6
2					13.0%	\$8.4	\$52.3	\$0.0	0.962	\$50.3	(\$0.0)	\$26.1	(\$4.2)	\$2.6	\$0.9	\$1.7	\$4.2	\$5.9	0.957	\$5.6
3					22.8%	\$14.7	\$37.6	\$0.0	0.981	\$36.8	(\$0.4)	\$18.8	(\$7.1)	\$2.1	\$0.3	\$1.8	\$7.3	\$9.2	0.929	\$8.5
4					20.8%	\$13.4	\$24.1	\$0.0	0.981	\$23.7	(\$0.1)	\$12.1	(\$6.7)	\$1.5	\$0.4	\$1.1	\$6.7	\$7.8	0.902	\$7.0
5					11.0%	\$7.1	\$17.1	\$0.0	0.981	\$16.7	(\$0.0)	\$8.5	(\$3.5)	\$1.0	\$0.3	\$0.7	\$3.5	\$4.2	0.875	\$3.7
6					8.5%	\$5.5	\$11.6	\$0.0	0.981	\$11.4	(\$0.0)	\$5.8	(\$2.7)	\$0.7	\$0.2	\$0.5	\$2.7	\$3.2	0.850	\$2.7
7					6.6%	\$4.3	\$7.3	\$0.0	0.981	\$7.2	(\$0.0)	\$3.7	(\$2.1)	\$0.5	\$0.1	\$0.3	\$2.1	\$2.5	0.825	\$2.0
8					2.1%	\$1.3	\$6.0	\$0.0	0.981	\$5.9	(\$0.0)	\$3.0	(\$0.7)	\$0.3	\$0.1	\$0.2	\$0.7	\$0.9	0.801	\$0.7
9					4.1%	\$2.7	\$3.3	\$0.0	0.981	\$3.3	(\$0.0)	\$1.7	(\$1.3)	\$0.2	\$0.1	\$0.2	\$1.3	\$1.5	0.778	\$1.2
10					1.4%	\$0.9	\$2.4	\$0.0	0.981	\$2.4	(\$0.0)	\$1.2	(\$0.5)	\$0.1	\$0.0	\$0.1	\$0.5	\$0.6	0.755	\$0.4
11					1.4%	\$0.9	\$1.5	\$0.0	0.981	\$1.5	(\$0.0)	\$0.7	(\$0.5)	\$0.1	\$0.0	\$0.1	\$0.5	\$0.5	0.733	\$0.4
12					1.4%	\$0.9	\$0.6	\$0.0	0.981	\$0.6	(\$0.0)	\$0.3	(\$0.5)	\$0.1	\$0.0	\$0.0	\$0.5	\$0.5	0.712	\$0.4
13					0.9%	\$0.6	(\$0.0)	\$0.0	0.981	(\$0.0)	(\$0.0)	(\$0.0)	(\$0.3)	\$0.0	\$0.0	\$0.0	\$0.3	\$0.3	0.691	\$0.2
14					0.0%	\$0.0	(\$0.0)	\$0.0	0.981	(\$0.0)	\$0.0	(\$0.0)	\$0.0	(\$0.0)	(\$0.0)	(\$0.0)	\$0.0	(\$0.0)	0.671	(\$0.0)
15					0.0%	\$0.0	(\$0.0)	\$0.0	0.981	(\$0.0)	\$0.0	(\$0.0)	\$0.0	(\$0.0)	(\$0.0)	(\$0.0)	\$0.0	(\$0.0)	0.651	(\$0.0)
16					0.0%	\$0.0	(\$0.0)	\$0.0	0.981	(\$0.0)	\$0.0	(\$0.0)	\$0.0	(\$0.0)	(\$0.0)	(\$0.0)	\$0.0	(\$0.0)	0.632	(\$0.0)
17					0.0%	\$0.0	(\$0.0)	\$0.0	0.981	(\$0.0)	\$0.0	(\$0.0)	\$0.0	(\$0.0)	(\$0.0)	(\$0.0)	\$0.0	(\$0.0)	0.614	(\$0.0)
18					0.0%	\$0.0	(\$0.0)	\$0.0	0.981	(\$0.0)	\$0.0	(\$0.0)	\$0.0	(\$0.0)	(\$0.0)	(\$0.0)	\$0.0	(\$0.0)	0.596	(\$0.0)
19					0.0%	\$0.0	(\$0.0)	\$0.0	0.981	(\$0.0)	\$0.0	(\$0.0)	\$0.0	(\$0.0)	(\$0.0)	(\$0.0)	\$0.0	(\$0.0)	0.579	(\$0.0)
20					0.0%	\$0.0	(\$0.0)	\$0.0	0.981	(\$0.0)	\$0.0	(\$0.0)	\$0.0	(\$0.0)	(\$0.0)	(\$0.0)	\$0.0	(\$0.0)	0.562	(\$0.0)
TOTAL	\$100.0	\$64.4	\$17.5	\$12.5	100.0%	\$64.4		\$5.6			\$2.0			\$12.9	\$6.5	\$12.0	\$0.0	\$12.0		\$7.5

Assumptions:

Target Return on Surplus:	15.0%
Premium-to-Surplus Ratio:	2.00
Reserve-to-Surplus Ratio:	2.00
Rate of Return (ROR)	3.0%
Federal Income Tax Rate (FIT)	35.0%

Return % of Surplus 15.0%

Results:

Provision for Loss & LAE:	64.4%	<---- determined iteratively in order to achieve target return on surplus
Provision for Acquisition Expenses:	17.5%	<---- from sheet 1
Provision for General & Other Expenses:	12.5%	<---- from sheet 1
U/W Profit (after FIT, Investment)	5.6%	----> to sheet 1

Amounts reflected in U/W Profit (above):

Federal Income Tax Provision:	6.5% = col (15) / col (1)
Investment Income Provision:	12.9% = col (14) / col (1)

Discounted Cash Flow Model

Explanatory Notes

Column:

- (1) Policy Premium
- (2) Loss & LAE = (1) * (Target Loss & LAE Ratio of 64.4%)
- (3) Acquisition Expense = (1) * (Acquisition Expense Ratio of 17.5%)
- (4) General/Other Expense = (1) * (General/Other Expense Ratio of 12.5%)
- (5) Loss & LAE payment pattern based on AM Best data
- (6) = (2) * (5)
- (7) = (2) - (6)
- (8) = (1) - (3) - (4) - (6) + (7, prior) - (7)
- (9) IRS Bulletin 2008-3
- (10) = (7) * (9)
- (11) = [(1) - (3) - (4) - (6) + (10, prior) - (10)] * (FIT Rate of 35.0%)
- (12) = (7) / (Reserve-to-Surplus Ratio)
- (13) = (1) - (3) - 0.5 * [(4) + (6) + (11)]
- (14) = [(7, prior) + (12, prior) + (13)] * (ROR of 3.0%)
- (15) = (11) + [(14) * (FIT Rate of 35.0%)]
- (16) = (8) + (14) - (15)
- (17) = (12) - (12, prior)
- (18) = (16) + (17)
- (19) Assumes discount rate of 3.0% and payments made in middle of year
- (20) = (18) * (19)