

SERFF Tracking Number: GNST-125902349 State: Arkansas
Filing Company: General Star National Insurance Company State Tracking Number: EFT \$50
Company Tracking Number: 08-129-3-ACC F
TOI: 17.1 Other Liability - Claims Made Only Sub-TOI: 17.1019 Professional Errors & Omissions Liability
Product Name: Accountants Professional Liability
Project Name/Number: General Star Accountants Professional Liability/08-129-3-ACC F

Filing at a Glance

Company: General Star National Insurance Company

Product Name: Accountants Professional Liability SERFF Tr Num: GNST-125902349 State: Arkansas

TOI: 17.1 Other Liability - Claims Made Only SERFF Status: Closed State Tr Num: EFT \$50
Sub-TOI: 17.1019 Professional Errors & Omissions Liability Co Tr Num: 08-129-3-ACC F State Status: Fees verified and received
Filing Type: Form Co Status: Reviewer(s): Betty Montesi, Edith Roberts
Authors: Patricia Villegas, Ludmila Kandiba, Timothy Wilcox Disposition Date: 12/11/2008
Date Submitted: 11/18/2008 Disposition Status: Approved
Effective Date Requested (New): 01/01/2009 Effective Date (New):
Effective Date Requested (Renewal): 01/01/2009 Effective Date (Renewal):
State Filing Description:

General Information

Project Name: General Star Accountants Professional Liability
Project Number: 08-129-3-ACC F
Reference Organization: NA
Reference Title: NA
Filing Status Changed: 12/11/2008
State Status Changed: 12/11/2008
Corresponding Filing Tracking Number:
Filing Description:

Status of Filing in Domicile: Not Filed
Domicile Status Comments:
Reference Number: NA
Advisory Org. Circular: NA
Deemer Date:

The purpose of this new filing is to supplement our existing filing to provide policyholders with an endorsement that will provide a significant coverage expansion of the policy form's Supplementary Payments. This endorsement will be required to be attached to each policy issued and will be provided to all policyholders free of charge.

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Edith Roberts	12/11/2008	12/11/2008

SERFF Tracking Number: *GNST-125902349* *State:* *Arkansas*
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Disposition

Disposition Date: 12/11/2008

Effective Date (New):

Effective Date (Renewal):

Status: Approved

Comment:

Rate data does NOT apply to filing.

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Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Supporting Document	Filing Memorandum	Approved	Yes
Form	Accountants Professional Liability Additional Coverage Endorsement	Approved	Yes

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Form Schedule

Review Status	Form Name	Form #	Edition Date	Form Type Action	Action Specific Data	Readability	Attachment
Approved	Accountants Professional Liability Additional Coverage Endorsement	GSN-07-AC-901	10/2008	Endorsement/New Amendment/Conditions			GSN-07-AC-901 (10-2008) SuppPay Additions.pdf

GENERAL STAR NATIONAL INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This Endorsement # _____, effective _____ forms a part of Policy # _____
issued to _____ by GENERAL STAR NATIONAL INSURANCE COMPANY

Accountants Professional Liability Additional Coverage Endorsement

ACCOUNTANTS PROFESSIONAL LIABILITY INSURANCE POLICY

<u>Schedule:</u>	<u>Limit Provided per Policy Period</u>
1. Trial, Hearing or Arbitration Proceedings - Clause A	\$500 per Insured /\$10,000 Aggregate
2. Administrative proceedings – Clause B	\$10,000 per Insured
3. Production of Documents – Clause C	Unlimited
4. Privacy and Information Security – Clause D	\$5,000
5. Employee Dishonesty – Clause E	\$5,000
6. Disabled Partner Replacement – Clause F	\$2,500

This endorsement modifies insurance provided under the following:

SECTION VI - SUPPLEMENTARY PAYMENTS is deleted in its entirety and replaced with the following:

The Company will pay, in addition to the applicable limit of liability:

- A. Up to \$500 for loss of earnings to each individual **Insured** for each day or part of a day of such **Insured's** attendance at the Company's request at a trial, hearing or arbitration proceeding involving a **Suit** against an **Insured** for covered **Damages**, but the total amount so payable shall in no event exceed \$10,000 in aggregate for all **Insureds**; and
- B. Up to \$10,000 per **Policy Period** to each individual **Insured** for attorney fees, and other costs, expenses or fees resulting from the investigation or defense of a proceeding before a state licensing board, local accounting board, self-regulatory agency, ethics commission or governmental regulatory body provided that notice of such proceeding, excluding fee disputes, is first received by the **Insured** and reported to the Company during the **Policy Period**, arising out of any act, error, omission or **Personal Injury** in the rendering of or failure to render **Professional Services** by an **Insured**,
- C. Reasonable attorneys fees and other costs, expenses or fees resulting from a subpoena to an **Insured** for documents or testimony arising out of **Professional Services** covered under this policy, provided that:
 1. The subpoena arises out of a lawsuit to which no **Insured** is a party; and
 2. No **Insured** has been engaged to provide advice or testimony in connection with the lawsuit, nor has any **Insured** been engaged to provide such advice or testimony in the past.

Immediately upon any **Insured** becoming aware of any act, error, omission or **Personal Injury** in the rendering of or failure to render **Professional Services** that could reasonably be expected to be the basis of a **Claim**, written notice shall be given by the **Insured**, or its representatives, to the Company, together with the fullest information obtainable.

- D. Up to \$5,000 per **Policy Period** will be provided by the Company toward the **Costs of Third Party Notification**, as required by applicable State or Federal Privacy statutes, due to the loss, disclosure or dissemination of confidential data as a result of an **Insured's** act, error or omission, and for the cost or fees for services of outside consultants or firms retained by the **Named Insured**:
1. to mitigate, prevent, or decrease the possibility of further loss as a result of **Electronic Information Damages**;
 2. to investigate and verify the cause, amount or extent of **Electronic Information Damages**;
 3. to contain, eradicate and recover the loss, disclosure or dissemination of confidential data as a result of **Electronic Information Damages**.

Costs of Third Party Notification and **Electronic Information Damages** must be incurred by the **Named Insured** and reported to the Company during the **Policy Period**; provided further that \$5,000 is the maximum aggregate amount payable for all **Insureds** regardless of the number of incidents of loss, disclosure or dissemination of confidential information or the number of proceedings or **Insureds**.

- E. An amount up to \$5,000 per **Policy Period** will be provided by the Company to pay for direct loss of or damage to the personal property of the **Named Insured** or the personal property of clients, held in an **Insured's** care, custody and control resulting from **Dishonest Acts** committed by any **Employee** acting alone or in collusion with other persons.
- F. An amount up to \$2,500 will be provided by the Company toward any cost incurred to locate, hire and pay to replace a currently employed partner, officer, director, or managing member that, during the **Policy Period**, leaves the **Named Insured** as the result of a **Total Disability**; provided further that \$2,500 is the maximum aggregate amount payable for any such cost incurred regardless of the number of partners, officers, directors or managing members leaving and only applies after a sixty (60) day waiting period from the departure of the affected employee.
- G. The Deductible amount shown in Item 5. of the Declarations Page shall not apply to the supplementary payments under Clauses A. through F. of this Section.

Solely for the purposes of this Endorsement, **SECTION VII- EXCLUSIONS**. Item F. is deleted in its entirety and replaced with the following:

- F. Arising out of:
1. **Bodily Injury**, sickness, disease or death of any person; or
 2. Physical injury, damage to or destruction of or loss of use of tangible property other than coverage provided by SECTION VI - SUPPLEMENTARY PAYMENTS, Clause D. and SECTION VI - SUPPLEMENTARY PAYMENTS, Clause E. if applicable;

Solely for the purposes of this Endorsement, **SECTION VII- EXCLUSIONS**. Item I. is deleted in its entirety and replaced with the following:

- I. Based on or arising out of **Professional Services** performed for any entity if at the time of the act, error or omission or **Personal Injury** giving rise to the **Claim**, an **Insured** or such **Insured's** spouse was an officer, director, owner (whole or in-part), partner or manager of such entity. Solely with respect to ownership interests, this exclusion shall not apply to **Professional Services** performed for any entity if at the time of the act, error or omission or **Personal Injury** giving rise to the **Claim**, an **Insured** and such **Insured's** spouse have ownership interests of less than 25% combined equity interest in such entity. This ownership exception shall not apply to attest or consulting **Professional Services** performed for any entity.

Solely for the purposes of this Endorsement, **SECTION VII - EXCLUSIONS**, is amended by the addition of the following exclusions:

- Q. Based on or arising out of malfunction or defect of **Network Communications System**.
- R. Based on or arising out of electrical failure including electrical power interruption, surge, brownout or blackout.
- S. Based on or arising out of interruptions or outages to gas, water, telephone, cable or satellite services furnished by utility companies.
- T. Based on or arising out of any criminal or **Dishonest Act** that any partner, officer, director or managing member of the **Named Insured** commits whether acting alone or in collusion with other persons.
- U. Based on or arising out of any criminal or **Dishonest Act**, the only proof of which as to its existence or amount is:
 1. An inventory computation; or
 2. A profit and loss computation.
- V. Based on or arising out of loss caused by any civil authority, including seizure, confiscation, destruction, or quarantine of property.

Solely for the purposes of this Endorsement, **SECTION VIII - DEFINITIONS**, is amended by the addition of the following definitions:

Costs of Third Party Notification means all costs associated with the notification of current or previous clients or other parties including reasonable applicable and necessary legal fees incurred in connection with such notification.

Electronic Information Damages means damages arising out of the unauthorized and third party:

1. Destruction or addition or deletion of information that was entrusted to an **Insured** by others and that was resident on the **Named Insured's Network Communications System**;
2. Copying or theft of any information resident on **Network Communications System**; or
3. Use or alteration of any software resident on **Network Communications System**.

Network Communications System means any or all of the components, owned and/or controlled by the **Named Insured**, including computers and software, which combine to enable the **Named Insured's** computers to communicate electronically with other computer systems.

Dishonest acts means a dishonest or fraudulent act committed with the apparent intent to cause an **Insured** to sustain loss or damage and to obtain financial benefit for the **Employee** or for any other **Employee**, person, or organization. The financial benefit does not include salaries, commissions, bonuses, fees, profit sharing, or other **Employee** benefits.

Employee means:

- (a) Any natural person:
 - 1. While in the **Named Insured's** service, or for thirty (30) days after termination of service;
 - 2. Compensated by the **Named Insured** directly by salary, wages or commissions; and
 - 3. Over whose services the **Named Insured** has the right to direct and control while performing services for the **Named Insured**;
- (b) Any natural person who is furnished temporarily by the **Named Insured**:
 - 1. To substitute for a permanent **Employee** as defined in Paragraph (a) above, who is on leave;
 - 2. To meet seasonal or short-term work load conditions; or
- (c) Any natural person who is a former employee, director, partner, member, manager, representative or trustee retained as a consultant while performing services for the **Named Insured**;

But Employee does not mean:

- (d) Any agent, broker, commissioned merchant, consignee, independent contractor or representative of the same general character.

Total Disability means that as a result of sickness or injury, which manifests itself during the **Policy Period** and is substantiated by medical documentation, a partner, officer, director, or managing member of the **Named Insured** is permanently prevented from doing the substantial and material acts required for his or her usual duties for the **Named Insured** or at any accountant firm.

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Liability

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Rate Information

Rate data does NOT apply to filing.

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Supporting Document Schedules

Satisfied -Name: Uniform Transmittal Document- Property & Casualty **Review Status:** Approved 12/11/2008

Comments:

Attached here is the Uniform Transmittal Document (P&C).

Attachment:

UTD_Forms.pdf

Satisfied -Name: Filing Memorandum **Review Status:** Approved 12/11/2008

Comments:

Attached here is the Filing Memorandum.

Attachment:

APL Filing Memo November 2008.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 style="width: 100%; border: none;"> <tr> <td style="width: 60%; border: none;">New Business</td> <td style="border: none;"></td> </tr> <tr> <td style="border: none;">Renewal Business</td> <td style="border: none;"></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 #

4. Company Name(s)	Domicile	NAIC #	FEIN #	State #

5. Company Tracking Number	
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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

7. Signature of authorized filer	
8. Please print name of authorized filer	

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

9. Type of Insurance (TOI)	
10. Sub-Type of Insurance (Sub-TOI)	
11. State Specific Product code(s)(if applicable)[See State Specific Requirements]	
12. Company Program Title (Marketing title)	
13. Filing Type	<input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input 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: <input type="text"/> Renewal: <input type="text"/>
15. Reference Filing?	<input type="checkbox"/> Yes <input type="checkbox"/> No
16. Reference Organization (if applicable)	
17. Reference Organization # & Title	
18. Company's Date of Filing	
19. Status of filing in domicile	<input type="checkbox"/> Not Filed <input type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

Property & Casualty Transmittal Document—

20.	This filing transmittal is part of Company Tracking #	
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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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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 #:
Amount:

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.)**

PC TD-1 pg 2 of 2

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.)

1.	This filing transmittal is part of Company Tracking #	
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2.	This filing corresponds to rate/rule filing number (Company tracking number of rate/rule filing, if applicable)	
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3.	Form Name /Description/Synopsis	Form # Include edition date	Replacement Or withdrawn?	If replacement, give form # it replaces	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		
04			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
05			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
06			<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		

PC FFS-1



**ACCOUNTANTS PROFESSIONAL LIABILITY PROGRAM
FOR ACCOUNTANTS INSURANCE PURCHASING GROUP ASSOCIATION**

FILING MEMORANDUM

Endorsement GSN-07-AC-901 (10/2008)

OVERVIEW

General Star National Insurance Company continues to be a stable provider of accountants professional liability insurance since 2003.

The purpose of this new filing is to supplement our existing filing to provide policyholders with an endorsement that will provide a significant coverage expansion of the policy form's Supplementary Payments. This endorsement will be required to be attached to each policy issued and will be provided to all policyholders free of charge.

There will be a total of six (6) Supplementary Payments and an amendment to the Exclusions as set forth below:

1. **Privacy and Information Security** – provides an amount of \$5,000 payable for first party reimbursement to protect firm assets in the event of an incident in which the firm's data is compromised as a result of an unauthorized and third party access or an Insured's act, error or omission.
2. **Employee Dishonesty** – provides an amount of \$5,000 payable for an employee's dishonest acts that result in a loss or damage to personal property of the named insured or clients.
3. **Disabled Partner Replacement** – provides an amount of \$2,500 payable to locate, hire and pay to replace an employed partner that leaves the firm as a result of a total disability.
4. **Production of Documents** – provides an unlimited amount towards fees and costs resulting from a subpoena to an insured for documents or testimony in which the insured was not a party and has not been engaged to provide advice.
5. **Trial, Hearing or Arbitration Proceedings- Clause A** - increases dollar amount from \$250 to \$500 per insured and from \$5,000 to \$10,000 in the aggregate.
6. **Administrative Proceedings- Clause B** - increases dollar amount from \$5,000 to \$10,000 per insured.
7. **Outside Interest Exclusion**- increases allowable equity interest in a client from 10% to 25% except for attest or consulting services.

This filing represents changes that will allow General Star to remain an innovative provider of accountants professional liability insurance and will benefit policyholders with additional protections to their practices.