

SERFF Tracking Number: ZURC-125821446 State: Arkansas
First Filing Company: American Zurich Insurance Company, ... State Tracking Number: EFT \$50
Company Tracking Number: CW OL 27679 (FORM)
TOI: 17.1 Other Liability - Claims Made Only Sub-TOI: 17.1022 Other
Product Name: Abusive Acts Alleged Participant Supplemental Coverage Claims Made
Project Name/Number: /CW OL 27679

Filing at a Glance

Companies: American Zurich Insurance Company, American Guarantee and Liability Insurance Company, Zurich American Insurance Company of Illinois, Zurich American Insurance Company

Product Name: Abusive Acts Alleged SERFF Tr Num: ZURC-125821446 State: Arkansas

Participant Supplemental Coverage – Claims Made

TOI: 17.1 Other Liability - Claims Made Only

SERFF Status: Closed

State Tr Num: EFT \$50

Sub-TOI: 17.1022 Other

Co Tr Num: CW OL 27679 (FORM)

State Status: Fees verified and received

Filing Type: Form

Co Status: Not Applicable

Reviewer(s): Betty Montesi, Edith Roberts

Author: Karen Falbo

Disposition Date: 12/03/2008

Date Submitted: 09/18/2008

Disposition Status: Approved

Effective Date Requested (New): 11/01/2008

Effective Date (New):

Effective Date Requested (Renewal): 11/01/2008

Effective Date (Renewal):

State Filing Description:

General Information

Project Name:

Status of Filing in Domicile: Pending

Project Number: CW OL 27679

Domicile Status Comments: In process of countrywide filing

Reference Organization:

Reference Number:

Reference Title:

Advisory Org. Circular:

Filing Status Changed: 12/03/2008

State Status Changed: 09/25/2008

Deemer Date:

Corresponding Filing Tracking Number:

Filing Description:

We are introducing new endorsements for use with our Abusive Acts Liability Coverage previously approved in your state.

Please refer to the explanatory memorandum for further details.

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Company and Contact

Filing Contact Information

Karen Falbo, Product Analyst karen.falbo@zurichna.com
 1400 American Lane (847) 605-7545 [Phone]
 Schaumburg, IL 60196 (847) 605-7768[FAX]

Filing Company Information

American Zurich Insurance Company	CoCode: 40142	State of Domicile: Illinois
1400 American Lane	Group Code: 212	Company Type:
Schaumburg, IL 60196	Group Name:	State ID Number:
(847) 605-6000 ext. [Phone]	FEIN Number: 36-3141762	

American Guarantee and Liability Insurance Company	CoCode: 26247	State of Domicile: New York
1400 American Lane	Group Code: 212	Company Type:
Schaumburg, IL 60196	Group Name:	State ID Number:
(847) 605-6000 ext. [Phone]	FEIN Number: 36-6071400	

Zurich American Insurance Company of Illinois	CoCode: 27855	State of Domicile: Illinois
1400 American Lane	Group Code: 212	Company Type:
Schaumburg, IL 60196	Group Name:	State ID Number:
(847) 605-6000 ext. [Phone]	FEIN Number: 36-2781080	

Zurich American Insurance Company	CoCode: 16535	State of Domicile: New York
1400 American Lane	Group Code: 212	Company Type:
Schaumburg, IL 60102	Group Name:	State ID Number:
(847) 605-6000 ext. [Phone]	FEIN Number: 36-4233459	

Filing Fees

Fee Required? Yes
 Fee Amount: \$50.00
 Retaliatory? No
 Fee Explanation:

SERFF Tracking Number: *ZURC-125821446* *State:* *Arkansas*
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Per Company: **No**

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COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
American Zurich Insurance Company	\$50.00	09/18/2008	22579787
American Guarantee and Liability Insurance Company	\$0.00	09/18/2008	
Zurich American Insurance Company of Illinois	\$0.00	09/18/2008	
Zurich American Insurance Company	\$0.00	09/18/2008	

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Edith Roberts	12/03/2008	12/03/2008

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	09/30/2008	09/30/2008	Karen Falbo	11/10/2008	11/10/2008
Pending Industry Response	Edith Roberts	09/25/2008	09/25/2008	Karen Falbo	09/26/2008	09/26/2008

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Disposition

Disposition Date: 12/03/2008

Effective Date (New):

Effective Date (Renewal):

Status: Approved

Comment:

Rate data does NOT apply to filing.

Overall Rate Information for Multiple Company Filings

Overall Percentage Rate Indicated For This Filing	0.000%
Overall Percentage Rate Impact For This Filing	0.000%
Effect of Rate Filing-Written Premium Change For This Program	\$0
Effect of Rate Filing - Number of Policyholders Affected	0

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Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Supporting Document	Explanatory	Approved	Yes
Form (revised)	Abusive Act Alleged Participant Coverage	Approved	Yes
Form	Abusive Act Alleged Participant Coverage	Approved	Yes
Form	Prior Criminal Conviction Exclusion	Approved	Yes
Form	Schedule of Insureds	Approved	Yes

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Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 09/30/2008
Submitted Date 09/30/2008
Respond By Date

Dear Karen Falbo,

This will acknowledge receipt of the captioned filing.

Unfortunately, the law refers to all claims-made coverage, whether it be a policy, or sublimit part of policy, or add-on coverage under a policy. If there is no claims made extending reporting period, it would more than likely render this coverage useless during the last few days before termination, should a claim arise shortly thereafter.

Thank you for your understanding.

Please feel free to contact me if you have questions.

Sincerely,

Edith Roberts

Response Letter

Response Letter Status Submitted to State
Response Letter Date 11/10/2008
Submitted Date 11/10/2008

Dear Edith Roberts,

Comments:

Response 1

Comments: Thank you for your patience in awaiting our response.

As you have requested, we have revised form U-GL-1363 to remove the reference to the extended reporting period.

Please see new form U-GL-1363 MU.

Please let us know if you need anything further.

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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
Abusive Act Alleged Participant Coverage	U-GL-1363-A MU	11 08	Endorsement/Amendment/Conditions	New		0	U-GL-1363-A MU_11 08_.pdf
Previous Version							
Abusive Act Alleged Participant Coverage	U-GL-1363-A CW	08 08	Endorsement/Amendment/Conditions	New		0	U-GL-1363-A CW 0808.pdf

No Rate/Rule Schedule items changed.

Sincerely,
Karen Falbo

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Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 09/25/2008

Submitted Date 09/25/2008

Respond By Date

Dear Karen Falbo,

This will acknowledge receipt of the captioned filing.

Please refer to Form U-GL-1363-A CW (08/2008), Page 2 of 4, the section as printed below:

"C. For the purposes of this endorsement, the Special Supplementary Payments Paragraph of Section I – Coverages and Section V – Extended Reporting Period do not apply."

This is a claims made endorsement and you cannot exclude the Extended Reporting Periods. Please amend.

Please feel free to contact me if you have questions.

Sincerely,

Edith Roberts

Response Letter

Response Letter Status Submitted to State

Response Letter Date 09/26/2008

Submitted Date 09/26/2008

Dear Edith Roberts,

Comments:

Response 1

Comments: You noted that our supplemental coverage form deletes the extended reporting period provision of the underlying Abusive Act Liability Coverage Form. We would like to point out that this is only with respect to the alleged participant coverage. In the underlying form, any person who actually or allegedly participated in, directed or knowingly allowed an "abusive act" is specifically excluded from coverage (exclusion 2.g. in U-GL-1251). Our new endorsement, U-GL-1363, extends separate coverage to alleged participants that is otherwise excluded in U-GL-1251. The Named Insured on the underlying policy will still have the option of an Extended Reporting Period for the other claims made

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coverage provided through the underlying Abusive Act Liability Coverage Form, U-GL-1251. They just would not have that option for the very specific coverage for alleged participants added by this supplemental form.

In summary, there is an extended reporting provision available for the policy as a whole, just not for the abusive act supplemental coverage. In light of this, we hope you will see fit to permit Item C.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Sincerely,
Karen Falbo

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Form Schedule

Review Status	Form Name	Form #	Edition Date	Form Type Action	Action Specific Data	Readability	Attachment
Approved	Abusive Act Alleged Participant Coverage	U-GL-1363-A MU	11 08	Endorsement/Amendment/Conditions	New	0.00	U-GL-1363-A MU_1108_.pdf
Approved	Prior Criminal Conviction Exclusion Deletion	U-GL-1354-A CW	06 08	Endorsement/Amendment/Conditions	New	0.00	U-GL-1354-A CW_06-08_.pdf
Approved	Schedule of Insureds	U-GL-D-1119-B-CW	09 08	Declaration	Replaced Replaced Form #: U-GL-D-1119-A-CW (09/05) Previous Filing #: CW OL 24632	0.00	U-GL-D-1119-B-CW 0908.pdf



Abusive Act Alleged Participant Coverage

THIS ENDORSEMENT PROVIDES CLAIMS MADE COVERAGE. DEFENSE EXPENSES ARE INCLUDED WITHIN THE LIMITS OF INSURANCE SHOWN IN THE SCHEDULE.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the:

Abusive Act Liability Coverage Form

SCHEDULE

Alleged Participant Abusive Act Each Claim Limit: \$ _____
(If no limit information is provided above, the limit is \$100,000.)

Alleged Participant Aggregate Limit: \$ _____
(If no limit information is provided above, the limit is equal to the Alleged Participant Abusive Act Each Claim Limit.)

No Retention applies.

Solely with respect to an "alleged participant", the Schedule above and the following changes apply to the Abusive Act Liability Coverage Form:

A. For the purposes of this endorsement, Paragraph 1., **Insuring Agreement of Section I – Coverages** is replaced by the following:

1. Abusive Act Alleged Participant Coverage

a. We will pay "defense expenses" and "settlements" because of "injury" resulting from an "abusive act" caused by an "alleged participant" to which this insurance applies. We will have the right and duty to defend the "alleged participant" against any "claim" for "injury" resulting from the "abusive act", and we will pay "defense expenses" with respect to any such "claim" we defend. However, we will have no duty to defend the "alleged participant" against any "claim" for "injury" to which this insurance does not apply. We may, at our discretion, settle any "claim" for an "abusive act". But:

(1) The amount we will pay for "defense expenses" and "settlements" on behalf of any "alleged participant" is limited as described in Section **D., Alleged Participant Limits Of Insurance** of this endorsement;

(2) Our right and duty to defend any "alleged participant" ends when we have used up the applicable limit of insurance in the payment of "defense expenses" and "settlements"; and

(3) Any obligation or liability to pay "defense expenses" and "settlements" on behalf of any "alleged participant" ends when any of the following first occurs:

(a) The "alleged participant" is determined to have committed the "abusive act" or is convicted of a criminal offense arising out of an "abusive act" in any criminal proceeding, even if such determination does not constitute a final and appealable judgment;

(b) The "alleged participant" pleads guilty or no contest to a criminal charge or charges arising out of the "abusive act";

- (c) The "alleged participant" admits to his or her personal participation in or condoning of the "abusive act";
- (d) The "alleged participant's" personal participation in or condoning of the "abusive act" is determined to have occurred by a court of competent jurisdiction in a civil action, even if such determination does not constitute a final and appealable judgment; or
- (e) The Alleged Participant Abusive Act Each Claim Limit or the Alleged Participant Aggregate Limit shown in the Schedule above is exhausted.

We have no other obligation or liability to pay "defense expenses" and "settlements".

- b. This insurance applies to "defense expenses" and "settlements" because of "injury" resulting from an "abusive act" only if:
 - (1) The "abusive act" did not occur before the Retroactive Date, if any, shown in the Special Liability Coverage Form Declarations or after the end of the "policy period";
 - (2) A "claim" to pay "defense expenses" and "settlements" because of "injury" resulting from an "abusive act" is first made against you, in accordance with Paragraph c. below, during the "policy period"; and
 - (3) Coverage is not otherwise provided to an "alleged participant" under the Abusive Act Liability Coverage Form.
- c. A "claim" by a person or organization seeking payment for "defense expenses" and "settlements" because of "injury" resulting from an "abusive act" will be deemed to have been made when notice of such "claim" is received by you or by us, whichever comes first.
- B. For the purposes of this endorsement, Exclusion g. of Paragraph 2., **Exclusions of Section I – Coverages** does not apply.
- C. For the purposes of this endorsement, the **Special Supplementary Payments** Paragraph of **Section I – Coverages** does not apply.
- D. For the purposes of this endorsement, **Section III – Limits Of Insurance** is replaced by the following:

SECTION III - ALLEGED PARTICIPANT LIMITS OF INSURANCE

- 1. The Limits of Insurance shown in the Schedule above and the rules below fix the most we will pay regardless of the number of:
 - a. "Claims" made; or
 - b. Persons or organizations making "claims".
- 2. The Alleged Participant Aggregate Limit shown in the Schedule above is the most we will pay under this endorsement for the sum of all "defense expenses" and "settlements" because of "injury" for all "claims" made in each "policy year", regardless of the number of "abusive acts" or "claims".
- 3. Subject to Paragraph 2. above, the Alleged Participant Abusive Act Each Claim Limit shown in the Schedule above is the most we will pay for the sum of all "defense expenses" and "settlements" because of "injury" for any one "claim" resulting from any one "abusive act" caused by one or more "alleged participants".

4. "Claims" based upon or arising out of or in any way involving the same or related "abusive acts", or the same or related series of "abusive acts", shall be deemed to be a single "claim", made at the time the first of those "claims" is made against you.
5. The Limits of Insurance shown in the Schedule above are separate from the Each Claim Limit and Aggregate Limit shown in the Special Liability Coverage Form Declarations. The Each Claim Retention shown in the Special Liability Coverage Form Declarations does not apply.

6. If the same defense counsel is defending:

- a. An "alleged participant(s)" under the terms and conditions of this endorsement; and
- b. An insured(s) (who is not an "alleged participant") under the terms and conditions of the Abusive Act Liability Coverage Form,

payment of "defense expenses" shall be apportioned equally by the number of insureds alleged to have committed an "abusive act" as follows:

- (1) "Defense expenses" as provided under this endorsement with respect to any "alleged participant"; and
- (2) "Defense expenses" as provided under the Abusive Act Liability Coverage Form with respect to any insured (who is not an "alleged participant").

7. "Defense expenses" are included within, and are not in addition to, the Limits of Insurance shown in the Schedule above.

E. For the purposes of this endorsement, the following is added to Paragraph 2., **Notice Of Facts, Circumstances Or Claims of Section IV – Conditions:**

d. In the event of an "abusive act", "injury" or "claim", the "alleged participant":

(1) Agrees in writing to:

- (a) Cooperate with us in the investigation, "settlement" and defense of any "claim";
- (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "claim";
- (c) Notify any other insurer whose coverage is available to the "alleged participant"; and
- (d) Cooperate with us with respect to the coordinating of other applicable insurance available to the "alleged participant"; and

(2) Will provide us with written authorization to:

- (a) Obtain records and other information related to any "claim"; and
- (b) Conduct and control the defense of the "alleged participant" in such "claim".

F. For the purposes of this endorsement, the following definitions are added to **Section V – Definitions:**

"Alleged participant" means any insured "employee" or "volunteer" who allegedly participated in, directed or knowingly allowed any "abusive act".

"Settlement" means an agreed resolution of a disputed "claim" by payment of money. However, "settlement" does not include any payment of civil judgment or award, or any payment of criminal costs, fees, expenses or penalties.

- G.** For the purposes of this endorsement, Paragraph **3.**, "Defense expenses" of **Section VI - Definitions** is replaced by the following:
- 3.** "Defense expenses" means all court costs, fees and expenses; all costs, fees and expenses for all attorneys, witnesses, experts, depositions, reported or recorded statements, summonses, service of process, legal transcripts or testimony, copies of any public records, alternative dispute resolution, investigative services, non-employee adjusters, medical examinations, autopsies, medical cost containment and any other fees, costs or expenses reasonably chargeable to the investigation or defense of a "claim" under this insurance. However, "defense expenses" does not include any costs, fees, expenses or penalties associated with any criminal proceedings or any appeal.

All other terms and conditions of this policy remain unchanged.

Prior Criminal Conviction Exclusion Deletion



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the:
Abusive Act Liability Coverage Form

Exclusion **f.** under Paragraph **2.**, **Exclusions of Section I – Coverages** is deleted in its entirety.

All other terms and conditions of this policy remain unchanged.



SCHEDULE OF INSUREDS

Administrative Office
 1400 American Ln
 Schaumburg, IL 60196

Policy Number: _____

Insured/Location	Limits of Insurance
1.	<u>Abusive Act Liability</u> Each Claim Limit \$ Aggregate Limit \$ Each Claim Retention \$ Special Supplementary Payment Limit \$ Alleged Participant Each Abusive Act Limit \$ Alleged Participant Aggregate Limit \$ <u>Pastoral Counseling Liability</u> Each Claim Limit \$ Aggregate Limit \$ Each Claim Retention \$
2.	<u>Abusive Act Liability</u> Each Claim Limit \$ Aggregate Limit \$ Each Claim Retention \$ Special Supplementary Payment Limit \$ Alleged Participant Each Abusive Act Limit \$ Alleged Participant Aggregate Limit \$ <u>Pastoral Counseling Liability</u> Each Claim Limit \$ Aggregate Limit \$ Each Claim Retention \$
3.	<u>Abusive Act Liability</u> Each Claim Limit \$ Aggregate Limit \$ Each Claim Retention \$ Special Supplementary Payment Limit \$ Alleged Participant Each Abusive Act Limit \$ Alleged Participant Aggregate Limit \$ <u>Pastoral Counseling Liability</u> Each Claim Limit \$ Aggregate Limit \$ Each Claim Retention \$

Insured/Location	Limits of Insurance
4.	<u>Abusive Act Liability</u> Each Claim Limit \$ Aggregate Limit \$ Each Claim Retention \$ Special Supplementary Payment Limit \$ Alleged Participant Each Abusive Act Limit \$ Alleged Participant Aggregate Limit \$ <u>Pastoral Counseling Liability</u> Each Claim Limit \$ Aggregate Limit \$ Each Claim Retention \$
5.	<u>Abusive Act Liability</u> Each Claim Limit \$ Aggregate Limit \$ Each Claim Retention \$ Special Supplementary Payment Limit \$ Alleged Participant Each Abusive Act Limit \$ Alleged Participant Aggregate Limit \$ <u>Pastoral Counseling Liability</u> Each Claim Limit \$ Aggregate Limit \$ Each Claim Retention \$
6.	<u>Abusive Act Liability</u> Each Claim Limit \$ Aggregate Limit \$ Each Claim Retention \$ Special Supplementary Payment Limit \$ Alleged Participant Each Abusive Act Limit \$ Alleged Participant Aggregate Limit \$ <u>Pastoral Counseling Liability</u> Each Claim Limit \$ Aggregate Limit \$ Each Claim Retention \$

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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 12/03/2008

Comments:

Attachments:

NAIC PC f.pdf

NAIC FFS.pdf

Satisfied -Name: Explanatory **Review Status:** Approved 12/03/2008

Comments:

Attachments:

Explanatory - A.pdf

UGLD1119B marked.pdf

20. This filing transmittal is part of Company Tracking #	CW OL 27679
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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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We are introducing new endorsements for use with our Abusive Acts Liability Coverage previously approved in your state. Please see the explanatory memorandum for further details.

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.)**

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 #		CW OL 27679		
2.	This filing corresponds to rate/rule filing number (Company tracking number of rate/rule filing, if applicable)				
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	Abusive Act Alleged Participant Coverage	U-GL-1363-A CW 08 08	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
02	Prior Criminal Conviction Exclusion Deletion	U-GL-1354-A CW 06 08	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
03	Schedule of Insureds	U-GL-D-1119-B-CW 09 08	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	U-GL-D-1119-A- CW 09 05	
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		
11			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		

Explanatory Memorandum

We are introducing new endorsements and rules for use with our Abusive Acts Liability Coverage previously approved in your state.

New Form and Rule

Abusive Act Alleged Participant Supplemental Coverage, U-GL-1363-A CW

This form is for use with our Abusive Act Liability Coverage Form, Form U-GL-1251 (a claims made form).

This endorsement contemplates a very challenging liability exposure which was specifically excluded in the 1251 form to which it attaches. Due to recent market demand, we have reviewed our position with respect to alleged participants in abusive acts, and have concluded that we can offer this coverage provided that we do it on a defense within limits basis.

This endorsement is available for optional use on Abusive Act Liability policies. It provides coverage for defense and settlements to individual insureds who are alleged participants in an abusive act. This coverage extension provides an Each Abusive Act Limit and an Aggregate Limit for Alleged Participants shown on the endorsement schedule; these limits are separate from the Limits provided in the Abusive Act Liability Coverage Forms. No deductible applies to this endorsement.

Coverage applies only until one of the following occurs:

- The "alleged participant" is convicted of a criminal offense;
- The "alleged participant" pleads guilty or no contest to a criminal charge;
- The "alleged participant" admits to the "abusive act";
- The "alleged participant's" participation is determined to have occurred by a court in a civil action; or
- The limits in the endorsement schedule are exhausted.

This optional use endorsement is attached to policies at the request of the insured for an additional premium. Rates for the use of this endorsement will be calculated for each individual risk on an (a) rate basis. For these (a) rated risks, complete documentation, including the premium for the Named Insured and specific characteristics of the risk supporting the individual risk pricing, will be maintained in the underwriting file. Individual risk (a) rate filing will be made with each state as required.

New Form and Rule

Prior Criminal Conviction Exclusion Deletion, U-GL-1354-A CW

This form is for use with our Abusive Act Liability Coverage Form, Form U-GL-1251 (a claims made form).

Upon review of market practices and our desire to maintain competitive in the marketplace, we have determined that the exclusion deleted by this endorsement is no longer needed.

This form grants an increase in coverage since prior criminal convictions of 'abusive acts' will no longer be included in the exclusions section.

This mandatory endorsement is attached to all instances of the Abusive Act Liability Coverage Form.

There is no premium charge associated with this endorsement.

Revised Form

Schedule of Insureds, U-GL-D-1119-B CW

This schedule replaces previously filed form U-GL-D-1119-A CW. This version has been modified to include lines for items added by form U-GL-1363. Please see the attached redlined comparison.



SCHEDULE OF INSUREDS

Administrative Office
1400 American Ln
Schaumburg, IL 60196



Policy Number: _____

Insured/Location	Limits of Insurance
1.	<u>Abusive Act Liability</u> Each Claim Limit \$ Aggregate Limit \$ Each Claim Retention \$ Special Supplementary Payment Limit \$ <u>Alleged Participant Each Abusive Act Limit</u> \$ _____ <u>Alleged Participant Aggregate Limit</u> \$ _____ <u>Pastoral Counseling Liability</u> Each Claim Limit \$ Aggregate Limit \$ Each Claim Retention \$
2.	<u>Abusive Act Liability</u> Each Claim Limit \$ Aggregate Limit \$ Each Claim Retention \$ Special Supplementary Payment Limit \$ <u>Alleged Participant Each Abusive Act Limit</u> \$ _____ <u>Alleged Participant Aggregate Limit</u> \$ _____ <u>Pastoral Counseling Liability</u> Each Claim Limit \$ Aggregate Limit \$ Each Claim Retention \$
3.	<u>Abusive Act Liability</u> Each Claim Limit \$ Aggregate Limit \$ Each Claim Retention \$ Special Supplementary Payment Limit \$ <u>Alleged Participant Each Abusive Act Limit</u> \$ _____ <u>Alleged Participant Aggregate Limit</u> \$ _____ <u>Pastoral Counseling Liability</u> Each Claim Limit \$ Aggregate Limit \$ Each Claim Retention \$

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Insured/Location	Limits of Insurance
4.	<u>Abusive Act Liability</u> Each Claim Limit \$ Aggregate Limit \$ Each Claim Retention \$ Special Supplementary Payment Limit \$ <u>Alleged Participant Each Abusive Act Limit</u> \$ _____ <u>Alleged Participant Aggregate Limit</u> \$ _____ <u>Pastoral Counseling Liability</u> Each Claim Limit \$ Aggregate Limit \$ Each Claim Retention \$
5.	<u>Abusive Act Liability</u> Each Claim Limit \$ Aggregate Limit \$ Each Claim Retention \$ Special Supplementary Payment Limit \$ <u>Alleged Participant Each Abusive Act Limit</u> \$ _____ <u>Alleged Participant Aggregate Limit</u> \$ _____ <u>Pastoral Counseling Liability</u> Each Claim Limit \$ Aggregate Limit \$ Each Claim Retention \$
6.	<u>Abusive Act Liability</u> Each Claim Limit \$ Aggregate Limit \$ Each Claim Retention \$ Special Supplementary Payment Limit \$ <u>Alleged Participant Each Abusive Act Limit</u> \$ _____ <u>Alleged Participant Aggregate Limit</u> \$ _____ <u>Pastoral Counseling Liability</u> Each Claim Limit \$ Aggregate Limit \$ Each Claim Retention \$

Deleted: Pastoral Counseling Liability

Deleted: Each Claim

... [2]

Deleted: A

Deleted: 05

SERFF Tracking Number: *ZURC-125821446* *State:* *Arkansas*
First Filing Company: *American Zurich Insurance Company, ...* *State Tracking Number:* *EFT \$50*
Company Tracking Number: *CW OL 27679 (FORM)*
TOI: *17.1 Other Liability - Claims Made Only* *Sub-TOI:* *17.1022 Other*
Product Name: *Abusive Acts Alleged Participant Supplemental Coverage Claims Made*
Project Name/Number: */CW OL 27679*

Superseded Attachments

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

Original Date:	Schedule	Document Name	Replaced Date	Attach Document
No original date	Form	Abusive Act Alleged Participant Coverage	09/18/2008	U-GL-1363-A CW 0808.pdf



Abusive Act Alleged Participant Coverage

THIS ENDORSEMENT PROVIDES CLAIMS MADE COVERAGE. DEFENSE EXPENSES ARE INCLUDED WITHIN THE LIMITS OF INSURANCE SHOWN IN THE SCHEDULE.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the:

Abusive Act Liability Coverage Form

SCHEDULE

Alleged Participant Abusive Act Each Claim Limit: \$ _____
(If no limit information is provided above, the limit is \$100,000.)

Alleged Participant Aggregate Limit: \$ _____
(If no limit information is provided above, the limit is equal to the Alleged Participant Abusive Act Each Claim Limit.)

No Retention applies.

Solely with respect to an "alleged participant", the Schedule above and the following changes apply to the Abusive Act Liability Coverage Form:

A. For the purposes of this endorsement, Paragraph 1., **Insuring Agreement of Section I – Coverages** is replaced by the following:

1. Abusive Act Alleged Participant Coverage

a. We will pay "defense expenses" and "settlements" because of "injury" resulting from an "abusive act" caused by an "alleged participant" to which this insurance applies. We will have the right and duty to defend the "alleged participant" against any "claim" for "injury" resulting from the "abusive act", and we will pay "defense expenses" with respect to any such "claim" we defend. However, we will have no duty to defend the "alleged participant" against any "claim" for "injury" to which this insurance does not apply. We may, at our discretion, settle any "claim" for an "abusive act". But:

(1) The amount we will pay for "defense expenses" and "settlements" on behalf of any "alleged participant" is limited as described in Section **D., Alleged Participant Limits Of Insurance** of this endorsement;

(2) Our right and duty to defend any "alleged participant" ends when we have used up the applicable limit of insurance in the payment of "defense expenses" and "settlements"; and

(3) Any obligation or liability to pay "defense expenses" and "settlements" on behalf of any "alleged participant" ends when any of the following first occurs:

(a) The "alleged participant" is determined to have committed the "abusive act" or is convicted of a criminal offense arising out of an "abusive act" in any criminal proceeding, even if such determination does not constitute a final and appealable judgment;

(b) The "alleged participant" pleads guilty or no contest to a criminal charge or charges arising out of the "abusive act";

- (c) The "alleged participant" admits to his or her personal participation in or condoning of the "abusive act";
- (d) The "alleged participant's" personal participation in or condoning of the "abusive act" is determined to have occurred by a court of competent jurisdiction in a civil action, even if such determination does not constitute a final and appealable judgment; or
- (e) The Alleged Participant Abusive Act Each Claim Limit or the Alleged Participant Aggregate Limit shown in the Schedule above is exhausted.

We have no other obligation or liability to pay "defense expenses" and "settlements".

- b. This insurance applies to "defense expenses" and "settlements" because of "injury" resulting from an "abusive act" only if:
 - (1) The "abusive act" did not occur before the Retroactive Date, if any, shown in the Special Liability Coverage Form Declarations or after the end of the "policy period";
 - (2) A "claim" to pay "defense expenses" and "settlements" because of "injury" resulting from an "abusive act" is first made against you, in accordance with Paragraph c. below, during the "policy period"; and
 - (3) Coverage is not otherwise provided to an "alleged participant" under the Abusive Act Liability Coverage Form.
 - c. A "claim" by a person or organization seeking payment for "defense expenses" and "settlements" because of "injury" resulting from an "abusive act" will be deemed to have been made when notice of such "claim" is received by you or by us, whichever comes first.
- B. For the purposes of this endorsement, Exclusion g. of Paragraph 2., **Exclusions of Section I – Coverages** does not apply.
 - C. For the purposes of this endorsement, the **Special Supplementary Payments** Paragraph of **Section I – Coverages** and **Section V – Extended Reporting Period** do not apply.
 - D. For the purposes of this endorsement, **Section III – Limits Of Insurance** is replaced by the following:

SECTION III - ALLEGED PARTICIPANT LIMITS OF INSURANCE

- 1. The Limits of Insurance shown in the Schedule above and the rules below fix the most we will pay regardless of the number of:
 - a. "Claims" made; or
 - b. Persons or organizations making "claims".
- 2. The Alleged Participant Aggregate Limit shown in the Schedule above is the most we will pay under this endorsement for the sum of all "defense expenses" and "settlements" because of "injury" for all "claims" made in each "policy year", regardless of the number of "abusive acts" or "claims".
- 3. Subject to Paragraph 2. above, the Alleged Participant Abusive Act Each Claim Limit shown in the Schedule above is the most we will pay for the sum of all "defense expenses" and "settlements" because of "injury" for any one "claim" resulting from any one "abusive act" caused by one or more "alleged participants".

4. "Claims" based upon or arising out of or in any way involving the same or related "abusive acts", or the same or related series of "abusive acts", shall be deemed to be a single "claim", made at the time the first of those "claims" is made against you.
5. The Limits of Insurance shown in the Schedule above are separate from the Each Claim Limit and Aggregate Limit shown in the Special Liability Coverage Form Declarations. The Each Claim Retention shown in the Special Liability Coverage Form Declarations does not apply.

6. If the same defense counsel is defending:

- a. An "alleged participant(s)" under the terms and conditions of this endorsement; and
- b. An insured(s) (who is not an "alleged participant") under the terms and conditions of the Abusive Act Liability Coverage Form,

payment of "defense expenses" shall be apportioned equally by the number of insureds alleged to have committed an "abusive act" as follows:

- (1) "Defense expenses" as provided under this endorsement with respect to any "alleged participant"; and
- (2) "Defense expenses" as provided under the Abusive Act Liability Coverage Form with respect to any insured (who is not an "alleged participant").

7. "Defense expenses" are included within, and are not in addition to, the Limits of Insurance shown in the Schedule above.

E. For the purposes of this endorsement, the following is added to Paragraph 2., **Notice Of Facts, Circumstances Or Claims of Section IV – Conditions:**

d. In the event of an "abusive act", "injury" or "claim", the "alleged participant":

(1) Agrees in writing to:

- (a) Cooperate with us in the investigation, "settlement" and defense of any "claim";
- (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "claim";
- (c) Notify any other insurer whose coverage is available to the "alleged participant"; and
- (d) Cooperate with us with respect to the coordinating of other applicable insurance available to the "alleged participant"; and

(2) Will provide us with written authorization to:

- (a) Obtain records and other information related to any "claim"; and
- (b) Conduct and control the defense of the "alleged participant" in such "claim".

F. For the purposes of this endorsement, the following definitions are added to **Section V – Definitions:**

"Alleged participant" means any insured "employee" or "volunteer" who allegedly participated in, directed or knowingly allowed any "abusive act".

"Settlement" means an agreed resolution of a disputed "claim" by payment of money. However, "settlement" does not include any payment of civil judgment or award, or any payment of criminal costs, fees, expenses or penalties.

G. For the purposes of this endorsement, Paragraph **3.**, "Defense expenses" of **Section VI - Definitions** is replaced by the following:

- 3.** "Defense expenses" means all court costs, fees and expenses; all costs, fees and expenses for all attorneys, witnesses, experts, depositions, reported or recorded statements, summonses, service of process, legal transcripts or testimony, copies of any public records, alternative dispute resolution, investigative services, non-employee adjusters, medical examinations, autopsies, medical cost containment and any other fees, costs or expenses reasonably chargeable to the investigation or defense of a "claim" under this insurance. However, "defense expenses" does not include any costs, fees, expenses or penalties associated with any criminal proceedings or any appeal.

All other terms and conditions of this policy remain unchanged.