

SERFF Tracking Number: SCTT-125461199 State: Arkansas
 Filing Company: Scottsdale Indemnity Company State Tracking Number: EFT \$100
 Company Tracking Number: AB AR03949ICR01
 TOI: 17.0 Other Liability - Claims Made/Occurrence Sub-TOI: 17.0019 Professional Errors & Omissions Liability
 Product Name: Insurance Agents and Brokers Professional Liability
 Project Name/Number: 3949 Insurance Agents and Brokers Professional Liability/AB AR03949ICR01

Filing at a Glance

Company: Scottsdale Indemnity Company
 Product Name: Insurance Agents and Brokers Professional Liability SERFF Tr Num: SCTT-125461199 State: Arkansas
 TOI: 17.0 Other Liability - Claims Made/Occurrence SERFF Status: Closed State Tr Num: EFT \$100
 Sub-TOI: 17.0019 Professional Errors & Omissions Liability Co Tr Num: AB AR03949ICR01 State Status: Fees verified and received
 Filing Type: Rate/Rule Co Status: Reviewer(s): Betty Montesi, Edith Roberts, Brittany Yielding
 Author: Kristin Abbott Disposition Date: 02/14/2008
 Date Submitted: 01/28/2008 Disposition Status: Filed
 Effective Date Requested (New): On Approval Effective Date (New):
 Effective Date Requested (Renewal): On Approval Effective Date (Renewal):
 State Filing Description:

General Information

Project Name: 3949 Insurance Agents and Brokers Professional Liability Status of Filing in Domicile: Pending
 Project Number: AB AR03949ICR01 Domicile Status Comments:
 Reference Organization: n/a Reference Number: n/a
 Reference Title: n/a Advisory Org. Circular: n/a
 Filing Status Changed: 02/14/2008
 State Status Changed: 02/14/2008 Deemer Date:
 Corresponding Filing Tracking Number:
 Filing Description:
 Scottsdale Indemnity Company is filing a new Insurance Agents and Brokers Professional Liability program which is intended to provide errors and omissions coverage for insurance agents and brokers. We request an effective date concurrent with your Department's approval.

SERFF Tracking Number: SC TT-125461199 State: Arkansas
 Filing Company: Scottsdale Indemnity Company State Tracking Number: EFT \$100
 Company Tracking Number: AB AR03949ICR01
 TOI: 17.0 Other Liability - Claims Made/Occurrence Sub-TOI: 17.0019 Professional Errors & Omissions Liability
 Product Name: Insurance Agents and Brokers Professional Liability
 Project Name/Number: 3949 Insurance Agents and Brokers Professional Liability/AB AR03949ICR01

We have enclosed the manual pages for this program.

The corresponding forms have been submitted as filing number AB AR03949ICF01.

Company and Contact

Filing Contact Information

Kristin Abbott, Filings Analyst II
 PO Box 4110
 Scottsdale, AZ 85261
 abbottk@scottsdaleins.com
 (800) 423-7675 [Phone]

Filing Company Information

Scottsdale Indemnity Company
 PO Box 4110
 Scottsdale, AZ 85261
 (800) 423-7675 ext. [Phone]
 CoCode: 15580
 Group Code: 140
 Group Name:
 FEIN Number: 31-1117969
 State of Domicile: Ohio
 Company Type:
 State ID Number:

Filing Fees

Fee Required? Yes
 Fee Amount: \$100.00
 Retaliatory? No
 Fee Explanation: Rate/Rule Filing - \$100.00
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Scottsdale Indemnity Company	\$100.00	01/28/2008	17700732

SERFF Tracking Number: SCTT-125461199 State: Arkansas
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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Edith Roberts	02/14/2008	02/14/2008

SERFF Tracking Number: *SCTT-125461199* *State:* *Arkansas*
Filing Company: *Scottsdale Indemnity Company* *State Tracking Number:* *EFT \$100*
Company Tracking Number: *AB AR03949ICR01*
TOI: *17.0 Other Liability - Claims Made/Occurrence* *Sub-TOI:* *17.0019 Professional Errors & Omissions*
Liability

Product Name: *Insurance Agents and Brokers Professional Liability*
Project Name/Number: *3949 Insurance Agents and Brokers Professional Liability/AB AR03949ICR01*

Disposition

Disposition Date: 02/14/2008

Effective Date (New):

Effective Date (Renewal):

Status: Filed

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number: SCTT-125461199 State: Arkansas
 Filing Company: Scottsdale Indemnity Company State Tracking Number: EFT \$100
 Company Tracking Number: AB AR03949ICR01
 TOI: 17.0 Other Liability - Claims Made/Occurrence Sub-TOI: 17.0019 Professional Errors & Omissions Liability
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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	Cover Letter	Filed	Yes
Rate	Countrywide Manual Pages	Filed	Yes

SERFF Tracking Number: SCTT-125461199 State: Arkansas
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Liability
Product Name: Insurance Agents and Brokers Professional Liability
Project Name/Number: 3949 Insurance Agents and Brokers Professional Liability/AB AR03949ICR01

Rate Information

Rate data does NOT apply to filing.

SERFF Tracking Number: SCTT-125461199 State: Arkansas
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Rate/Rule Schedule

Review Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Attachments Number:
Filed	Countrywide Manual Pages	I-AB-R-CW (9-07)	New	I-AB-R-CW (9-07).pdf

**SCOTTSDALE INDEMNITY COMPANY
INSURANCE AGENTS & BROKERS PROFESSIONAL LIABILITY INSURANCE
PROGRAM
COUNTRYWIDE RATING PLAN**

Outline

- I. Eligible Risks

- II. Calculation of Premium
 - A. Hazard Groups and Base Rates
 - B. Prior Acts Factors
 - C. Increased Limits Factors
 - D. Deductible Credit Factors
 - E. Defense Costs Inside/Outside the Limits Of Liability
 - F. Severity Factors
 - G. Organizational Stability
 - H. Prior Litigation Experience
 - I. Modifications
 - J. Coverage Enhancements/Restrictions
 - K. Whole Dollar Premium Rule

- III. Rate Page
 - A. Hazard Groups
 - B. Base Rates

SCOTTSDALE INDEMNITY COMPANY
INSURANCE AGENTS & BROKERS PROFESSIONAL LIABILITY INSURANCE
PROGRAM
COUNTRYWIDE RATING PLAN

I. Eligible Risks

The Insurance Agents and Brokers Professional Liability Insurance Policy may be issued to:

- a. a property, casualty, surety, life, accident, health or other insurance agent
- b. an insurance broker
- c. an insurance consultant
- d. a company providing insurance services such as: managing general agent, program administrator, general agent, surplus lines broker, wholesale broker, notary, premium financing, claims handling or adjusting, risk management and loss control services

II. Calculation Of Premium

Premiums are calculated using the rating factors and criteria below.

A. Hazard Groups and Base Rates

The hazard groups and base rates displayed on the Rate Page (Section III.) provide for limits of liability of \$1,000,000 per claim and \$1,000,000 aggregate.

B. Prior Acts Factors

<u>Factor</u>	<u>Years of Prior Acts Coverage</u>
0.85	0
0.90	1-2
0.95	3-4
1.00	5 or more

SCOTTSDALE INDEMNITY COMPANY
INSURANCE AGENTS & BROKERS PROFESSIONAL LIABILITY INSURANCE
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COUNTRYWIDE RATING PLAN

C. Increased Limits Factors

Each Wrongful Act Limit (000)	Aggregate Limit (000)									
	100	250	300	500	1,000	2,000	3,000	4,000	5,000	
100	.50	.52	.53	.60	.75	.85	.95	1.05	1.15	
250		.55	.60	.70	.85	.95	1.05	1.15	1.25	
300			.65	.75	.90	1.00	1.10	1.20	1.30	
500				.80	.95	1.05	1.15	1.25	1.35	
1,000					1.00	1.20	1.35	1.50	1.65	
2,000						1.40	1.55	1.65	1.80	
3,000							1.70	1.80	1.90	
4,000								1.95	2.05	
5,000									2.10	

D. Deductible Credit Factors

The policy's deductible applies on a per claim basis. The following factors apply:

Deductible	Applies to Defense Costs	Does not Apply Defense Costs
\$0	1.20	1.20
1,000	1.10	1.15
2,500	1.00	1.10
5,000	0.90	1.00
10,000	0.82	0.90
25,000	0.75	0.80
50,000	0.67	0.72
100,000	0.60	0.65

(Refer to Company for higher Deductible Credit Factors)

SCOTTSDALE INDEMNITY COMPANY
INSURANCE AGENTS & BROKERS PROFESSIONAL LIABILITY INSURANCE
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COUNTRYWIDE RATING PLAN

E. Defense Costs Inside/Outside The Limits Of Liability

	<u>Factor</u>
Defense costs included within policy limits	1.00
Defense costs in addition while limits are below \$1M	1.25
Defense costs in addition while limits are \$1M or higher	1.125

F. Severity Factors

The following table takes into consideration both the severity potential of the account and the degree of litigiousness of the area in which it operates.

<u>Severity Potential</u>	<u>Litigiousness of Area of Operation</u>			
	<u>Low</u>	<u>Medium</u>	<u>High</u>	<u>Severe</u>
Low	.80	.90	1.00	1.10
Average	.90	1.00	1.10	1.20
High	1.05	1.15	1.25	1.35

Definitions for Litigiousness Criteria:

“Low” - operates in a very favorable region including a low propensity of client suits and an excellent legal environment.

“Medium” - operates in a generally favorable region including a low propensity of client suits and a good legal environment.

“High” - operates in an unfavorable region including a propensity for client suits and a poor legal environment.

“Severe” - operates in a very unfavorable region including a high propensity of client suits and a poor legal environment.

**SCOTTSDALE INDEMNITY COMPANY
INSURANCE AGENTS & BROKERS PROFESSIONAL LIABILITY INSURANCE
PROGRAM
COUNTRYWIDE RATING PLAN**

G. Organizational Stability

The following table takes into consideration both the stability of the insured's operations and the level of maturity of the account.

Maturity (Year in Business)	Stability (Level of Change Within the Operation)			
	<u>Low</u>	<u>Medium</u>	<u>High</u>	<u>Severe</u>
0 – 3 years	1.05	1.15	1.25	1.35
3 – 5 years	0.95	1.05	1.15	1.25
5+ years	0.90	1.00	1.10	1.20

Definitions for Stability Criteria:

“Low” - negligible change in size of the operation, with no change in type of operations, no mergers or acquisitions, and long-term staff.

“Medium” - some change in size of operations but generally less than 20%; small changes in mix of business; no significant staff changes.

“High” - significant change in size of operation, generally 25 – 50%, and/or type of operation; mergers/acquisitions have or are likely to take place; key staff changes.

“Severe” - size of operation changing by greater than 50%; significant change in nature of operations; significant merger/acquisition activity and/or major staff changes.

SCOTTSDALE INDEMNITY COMPANY
INSURANCE AGENTS & BROKERS PROFESSIONAL LIABILITY INSURANCE
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COUNTRYWIDE RATING PLAN

H. Prior Litigation Experience

The following table takes into consideration the type, frequency, and severity of claims made against the insured.

<u>Prior Claims</u>	<u>Likely to Repeat</u>	<u>Unlikely to Repeat</u>
Significant	1.85	1.60
Material	1.50	1.25
Minimal	1.20	1.10
None	1.00	1.00

Definitions:

“Significant” - there is a likelihood of an ultimate payment exceeding both the deductible and 10% of the policy limit.

“Material” - reserves established, payment may exceed deductible, but not likely to exceed 10% of the policy limit.

“Minimal” - claims have been reported, reserves may have been established, but there is a low likelihood of a payment.

“None” - no claims reported or reported with no ultimate payments in excess of the deductible.

I. Modifications

Apply one or more of the following. The maximum credit or debit permitted is 25%.

	<u>Max Debit/Credit</u>
* Management experience level	+/- 15%
* Financial strength	+/- 10%
* Organizational structure (centralized/decentralized)	+/- 10%
* Education/professional associations	+/- 10%
* Utilization of adequate procedures manual	+/- 15%
* Internal loss prevention	+/- 15%
* Unusual agent to revenue relationship	+/- 15%
* Quality of companies represented	+/- 15%
* Degree of specialization	+/- 15%

J. Whole Dollar Premium Rule

The premium for this program shall be rounded to the nearest whole dollar. A premium involving \$.50 or more shall be rounded to the next higher dollar.

SCOTTSDALE INDEMNITY COMPANY
INSURANCE AGENTS & BROKERS PROFESSIONAL LIABILITY INSURANCE
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COUNTRYWIDE RATING PLAN

III. Rate Page

A. Hazard Groups

Base Rates are assigned to three (3) Hazard Groups, as follows:

Hazard Group I

- predominately uses standard policy forms containing non-negotiable terms and conditions (excluding limits, deductibles and premiums)
- rarely involved with manuscripting or customizing coverages
- low hazard exposures such as standard life/health agents

Hazard Group II

Accounts whose operations include those described in Hazard Group I, but which may also involve more sophisticated operations including, but not limited to:

- administration of a binding authority on behalf of an admitted insurance company for standard (non-individual account negotiated) coverages
- wholesalers or others who deal through other brokers rather than directly with the insured
- third party administrators

Hazard Group III

Accounts that handle more complex or sophisticated clients or operations that may include a significant amount of:

- reinsurance brokering, surety placements, crop or aviation insurance
- income derived from insurance consulting or risk management
- administration of a binding authority for non-standard lines of business or for non-standard policy forms
- business underwritten on behalf of or placed with non-admitted insurers
- significant claims handling or claims settlement authority

SCOTTSDALE INDEMNITY COMPANY
INSURANCE AGENTS & BROKERS PROFESSIONAL LIABILITY INSURANCE
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COUNTRYWIDE RATING PLAN

B. Base Rates

BASE RATES (per \$1,000 of Gross Revenue)

<u>Gross Revs ('000s)</u>	<u>Hazard Group I</u>	<u>Hazard Group II</u>	<u>Hazard Group III</u>
First \$100	\$1,100 flat charge	\$2,200 flat charge	\$3,500 flat charge
Next \$150	6.50	13.40	19.70
Next \$250	3.60	7.40	10.70
Next \$500	3.10	6.40	9.60
Next \$500	2.60	5.40	8.10
Next \$500	2.30	4.75	7.15
Next \$1,000	2.00	4.15	6.20
Next \$2,000	1.70	3.55	5.30
Next \$ 5,000	1.45	3.05	4.50
Next \$ 5,000	1.20	2.50	3.75
Next \$10,000	1.00	2.00	3.00
Excess of \$25,000	0.75	1.50	2.25

SERFF Tracking Number: SCTT-125461199 State: Arkansas
Filing Company: Scottsdale Indemnity Company State Tracking Number: EFT \$100
Company Tracking Number: AB AR03949ICR01
TOI: 17.0 Other Liability - Claims Made/Occurrence Sub-TOI: 17.0019 Professional Errors & Omissions Liability
Product Name: Insurance Agents and Brokers Professional Liability
Project Name/Number: 3949 Insurance Agents and Brokers Professional Liability/AB AR03949ICR01

Supporting Document Schedules

Satisfied -Name: Uniform Transmittal Document-Property & Casualty **Review Status:** Filed 02/14/2008

Comments:

Attachment:

AB AR3949icrpctd.pdf

Bypassed -Name: NAIC Loss Cost Filing Document for OTHER than Workers' Comp **Review Status:** Filed 02/14/2008

Bypass Reason: This is an initial filing for a new program. Our rates are in line with those filed by Liberty International Underwriters.

Comments:

Bypassed -Name: NAIC loss cost data entry document **Review Status:** Filed 02/14/2008

Bypass Reason: This is an initial filing for a new program. Our rates are in line with those filed by Liberty International Underwriters.

Comments:

Satisfied -Name: Cover Letter **Review Status:** Filed 02/14/2008

Comments:

Attachment:

AB AR3949icrcvrltr.pdf

Property & Casualty Transmittal Document (Revised 1/1/06)

1.	Reserved for Insurance Dept. Use Only
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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:	
New Business	
Renewal Business	
f. State Filing #:	
g. SERFF Filing #:	
h. Subject Codes	

3.	Group Name	Group NAIC #
	Nationwide	140

4.	Company Name(s)	Domicile	NAIC #	FEIN #
	Scottsdale Indemnity Company	OH	15580	31-1117969

5.	Company Tracking Number	AB AR03949ICR01
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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
	Kristin Abbott PO Box 4110 Scottsdale, AZ 85261-4110	Filings Analyst I	800 423-7675 x3140	480-368-5820	abbottk@scottsdaleins.com

7.	Signature of authorized filer	Kristin Abbott
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8.	Please print name of authorized filer	Kristin Abbott
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Filing information (see General Instructions for descriptions of these fields)

9.	Type of Insurance (TOI)	17.0 Other Liability – Claims Made/Occurrence
10.	Sub-Type of Insurance (Sub-TOI)	17.0019 Professional Errors & Omissions Liability
11.	State Specific Product code(s) (if applicable)[See State Specific Requirements]	
12.	Company Program Title (Marketing title)	Insurance Agents and Brokers Professional Liability
13.	Filing Type	[] Rate/Loss Cost [] Rules [X] Rates/Rules [] Forms [] Combination Rates/Rules/Forms [] Withdrawal [] Other (give description)
14.	Effective Date(s) Requested	New: Upon Approval Renewal: Upon Approval
15.	Reference Filing?	[] Yes [x] No
16.	Reference Organization (if applicable)	n/a
17.	Reference Organization # & Title	n/a
18.	Company's Date of Filing	January 28, 2008
19.	Status of filing in domicile	[] Not Filed [X] Pending [] Authorized [] Disapproved

Property & Casualty Transmittal Document—

20.	This filing transmittal is part of Company Tracking #	AB AR03949ICR01
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21.	Filing Description [This area should be similar to the body of a cover letter and is free-form text]
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Scottsdale Indemnity Company is filing a new Insurance Agents and Brokers Professional Liability program which is intended to provide errors and omissions coverage for insurance agents and brokers. We request an effective date concurrent with your Department's approval.

We have enclosed the manual pages for this program.

The corresponding forms have been submitted as filing number AB AR03949ICF01.

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]
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Check #: EFT
Amount: \$100.00

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

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



Scottsdale Indemnity Company

January 28, 2008

The Honorable Julia Benafield Bowman
Commissioner
Arkansas Department of Insurance
1200 W. Third Street
Little Rock AR 77201-1904

Re: Scottsdale Indemnity Company
NAIC #140-15580
FEIN # 31-1117969
Insurance Agents and Brokers Professional Liability Program
Initial Rate/Rule Filing
Company File Number: AB AR03949ICR01

Dear Commissioner Bowman:

Scottsdale Indemnity Company is filing a new Insurance Agents and Brokers Professional Liability program which is intended to provide errors and omissions coverage for insurance agents and brokers. We request an effective date concurrent with your Department's approval.

We have enclosed the manual pages for this program.

The corresponding forms have been submitted as filing number AB AR03949ICF01.

We hope you will be in a position to grant favorable consideration to this filing submission, however, should you need further information, please feel free to contact me on the toll free number or e-mail address listed below.

Sincerely,



Kristin Abbott
State Filings Analyst II
abbottk@scottsdaleins.com
(800) 423-7675 x3140
Encl.

P.O. Box 4110 Scottsdale, AZ 85261-4110 8877 N. Gainey Center Dr. Scottsdale, AZ 85258
(480) 365-3003 1-800-423-7675 x3140



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