

SERFF Tracking Number: SCTT-125479301 State: Arkansas  
Filing Company: Scottsdale Indemnity Company State Tracking Number: EFT \$100  
Company Tracking Number: JD AR03979ICR01  
TOI: 17.1 Other Liability - Claims Made Only Sub-TOI: 17.1006 Directors & Officers Liability  
Product Name: Directors and Officers Liability Program  
Project Name/Number: 3979 Directors and Officers Liability Program/JD AR03979ICR01

## Filing at a Glance

Company: Scottsdale Indemnity Company

Product Name: Directors and Officers Liability Program SERFF Tr Num: SCTT-125479301 State: Arkansas

TOI: 17.1 Other Liability - Claims Made Only SERFF Status: Closed State Tr Num: EFT \$100

Sub-TOI: 17.1006 Directors & Officers Liability Co Tr Num: JD AR03979ICR01 State Status: Fees verified and received

Filing Type: Rate/Rule Co Status: Reviewer(s): Betty Montesi, Edith Roberts, Brittany Yielding

Author: Kristin Abbott

Date Submitted: 02/08/2008

Disposition Date: 02/22/2008

Disposition Status: Exempt from Review

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: 3979 Directors and Officers Liability Program

Status of Filing in Domicile: Pending

Project Number: JD AR03979ICR01

Domicile Status Comments:

Reference Organization: n/a

Reference Number: n/a

Reference Title: n/a

Advisory Org. Circular: n/a

Filing Status Changed: 02/22/2008

Deemer Date:

State Status Changed: 02/22/2008

Corresponding Filing Tracking Number:

Filing Description:

Scottsdale Indemnity Company is filing a new Directors and Officers Liability Insurance program which is intended to provide Directors and Officers Coverage, A-Side Coverage, and A-Side Independent Directors Liability Coverage to publicly traded companies on a claims-made basis. We request that this filing be effective upon approval.

As Scottsdale Indemnity Company does not currently write this coverage and does not yet have the claims experience

SERFF Tracking Number: SCTT-125479301 State: Arkansas  
 Filing Company: Scottsdale Indemnity Company State Tracking Number: EFT \$100  
 Company Tracking Number: JD AR03979ICR01  
 TOI: 17.1 Other Liability - Claims Made Only Sub-TOI: 17.1006 Directors & Officers Liability  
 Product Name: Directors and Officers Liability Program  
 Project Name/Number: 3979 Directors and Officers Liability Program/JD AR03979ICR01

to provide justification for the filing, we have referred to rates and rating factors for similar programs promulgated by AIG, Axis, Hartford, and Old Republic, along with professional judgment and insight into market trends and expectations.

Please refer to the attached Explanatory Memorandum for further explanation.

## 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	02/08/2008	17890098

SERFF Tracking Number: SC TT-125479301 State: Arkansas  
Filing Company: Scottsdale Indemnity Company State Tracking Number: EFT \$100  
Company Tracking Number: JD AR03979ICR01  
TOI: 17.1 Other Liability - Claims Made Only Sub-TOI: 17.1006 Directors & Officers Liability  
Product Name: Directors and Officers Liability Program  
Project Name/Number: 3979 Directors and Officers Liability Program/JD AR03979ICR01

## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Exempt from Review	Edith Roberts	02/22/2008	02/22/2008

SERFF Tracking Number: SC TT-125479301 State: Arkansas  
Filing Company: Scottsdale Indemnity Company State Tracking Number: EFT \$100  
Company Tracking Number: JD AR03979ICR01  
TOI: 17.1 Other Liability - Claims Made Only Sub-TOI: 17.1006 Directors & Officers Liability  
Product Name: Directors and Officers Liability Program  
Project Name/Number: 3979 Directors and Officers Liability Program/JD AR03979ICR01

## Disposition

Disposition Date: 02/22/2008

Effective Date (New):

Effective Date (Renewal):

Status: Exempt from Review

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number: SCTT-125479301 State: Arkansas  
 Filing Company: Scottsdale Indemnity Company State Tracking Number: EFT \$100  
 Company Tracking Number: JD AR03979ICR01  
 TOI: 17.1 Other Liability - Claims Made Only Sub-TOI: 17.1006 Directors & Officers Liability  
 Product Name: Directors and Officers Liability Program  
 Project Name/Number: 3979 Directors and Officers Liability Program/JD AR03979ICR01

Item Type	Item Name	Item Status	Public Access
Supporting Document	Cover Letter	Accepted for Informational Purposes	Yes
Supporting Document	Filing Memorandum	Accepted for Informational Purposes	Yes
Supporting Document	NAIC P & C Transmittal Document	Accepted for Informational Purposes	Yes
Rate	Countrywide Manual Pages	Accepted for Informational Purposes	Yes

*SERFF Tracking Number:*      *SCTT-125479301*                      *State:*                      *Arkansas*  
*Filing Company:*              *Scottsdale Indemnity Company*                      *State Tracking Number:*      *EFT \$100*  
*Company Tracking Number:*      *JD AR03979ICR01*  
*TOI:*                      *17.1 Other Liability - Claims Made Only*                      *Sub-TOI:*                      *17.1006 Directors & Officers Liability*  
*Product Name:*                      *Directors and Officers Liability Program*  
*Project Name/Number:*              *3979 Directors and Officers Liability Program/JD AR03979ICR01*

## **Rate Information**

Rate data does NOT apply to filing.

SERFF Tracking Number: SCTT-125479301 State: Arkansas  
 Filing Company: Scottsdale Indemnity Company State Tracking Number: EFT \$100  
 Company Tracking Number: JD AR03979ICR01  
 TOI: 17.1 Other Liability - Claims Made Only Sub-TOI: 17.1006 Directors & Officers Liability  
 Product Name: Directors and Officers Liability Program  
 Project Name/Number: 3979 Directors and Officers Liability Program/JD AR03979ICR01

## Rate/Rule Schedule

Review Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Attachments Number:
Accepted for Informational Purposes	Countrywide Manual Pages	I-JD-R-CW (1-08)	New	I-JD-R-CW (1-08).pdf

# SCOTTSDALE INDEMNITY COMPANY

## DIRECTORS & OFFICERS LIABILITY

### COUNTRYWIDE

<b>BASE PREMIUM</b>
---------------------

Base Premium = A + B + C

Asset Size (\$millions)		
Greater Than	Less Than	A = Annual Premium per \$1M Limit of Liability
-	1.0	\$1,977
1.0	2.5	\$2,298
2.5	5.0	\$2,817
5.0	10.0	\$3,583
10.0	15.0	\$4,102
15.0	20.0	\$4,448
20.0	25.0	\$4,719
25.0	50.0	\$5,559
50.0	75.0	\$6,301
75.0	100.0	\$6,993
100.0	150.0	\$8,104
150.0	250.0	\$9,389
250.0	500.0	\$11,860
500.0	750.0	\$14,208
750.0	1,000.0	\$16,308
1,000.0	5,000.0	\$21,744
5,000.0	10,000.0	\$26,661
10,000.0	15,000.0	\$29,379
15,000.0	25,000.0	\$32,023
25,000.0	50,000.0	\$37,038
50,000.0	100,000.0	\$46,947
100,000.0	or greater	\$53,124

Revenue Size (\$millions)		
Greater Than	Less Than	B = Annual Premium per \$1M Limit of Liability
-	0.4	\$988
0.4	1.0	\$1,149
1.0	2.0	\$1,408
2.0	4.0	\$1,791
4.0	6.0	\$2,051
6.0	8.0	\$2,224
8.0	10.0	\$2,360
10.0	20.0	\$2,780
20.0	30.0	\$3,150
30.0	40.0	\$3,496
40.0	60.0	\$4,052
60.0	100.0	\$4,695
100.0	200.0	\$5,930
200.0	300.0	\$7,104
300.0	400.0	\$8,154
400.0	2,000.0	\$10,872
2,000.0	4,000.0	\$13,330
4,000.0	6,000.0	\$14,689
6,000.0	10,000.0	\$16,011
10,000.0	20,000.0	\$18,519
20,000.0	40,000.0	\$23,473
40,000.0	or greater	\$26,562

Market Capitalization (\$millions)		
Greater Than	Less Than	C = Annual Premium per \$1M Limit of Liability
-	0.70	\$1,977
0.70	1.75	\$2,298
1.75	3.50	\$2,817
3.50	7.00	\$3,583
7.00	10.50	\$4,102
10.50	14.00	\$4,448
14.00	17.50	\$4,719
17.50	35.00	\$5,559
35.00	52.50	\$6,301
52.50	70.00	\$6,993
70.00	105.00	\$8,104
105.00	175.00	\$9,389
175.00	350.00	\$11,860
350.00	525.00	\$14,208
525.00	700.00	\$16,308
700.00	3,500.00	\$21,744
3,500.00	7,000.00	\$26,661
7,000.00	10,500.00	\$29,379
10,500.00	17,500.00	\$32,023
17,500.00	35,000.00	\$37,038
35,000.00	70,000.00	\$46,947
70,000.00	or greater	\$53,124

Base premium reflects  
\$10,000 Self-Insured Retention

# SCOTTSDALE INDEMNITY COMPANY

## DIRECTORS & OFFICERS LIABILITY

### COUNTRYWIDE

#### LIMIT OF LIABILITY/RETENTION FACTORS

Limit(000)	SIR (000)															
	5	10	25	50	75	100	250	500	750	1,000	2,000	3,000	4,000	5,000	6,000	7,000
500	1.004	1.000	0.988	0.970	0.952	0.936	0.857	0.790	0.762	0.736	0.648	0.579	0.524	0.478	0.440	0.407
750	1.406	1.401	1.389	1.369	1.350	1.332	1.245	1.164	1.124	1.086	0.959	0.858	0.777	0.710	0.653	0.605
1,000	1.793	1.789	1.775	1.754	1.734	1.714	1.619	1.526	1.474	1.426	1.260	1.130	1.024	0.936	0.863	0.800
2,000	3.218	3.212	3.196	3.170	3.145	3.122	2.999	2.864	2.772	2.686	2.390	2.154	1.960	1.799	1.663	1.546
3,000	4.478	4.471	4.453	4.423	4.395	4.367	4.224	4.055	3.932	3.816	3.414	3.090	2.823	2.599	2.409	2.245
4,000	5.607	5.600	5.580	5.547	5.516	5.486	5.325	5.130	4.980	4.840	4.350	3.953	3.623	3.345	3.108	2.867
5,000	6.630	6.623	6.601	6.567	6.533	6.500	6.326	6.108	5.937	5.776	5.213	4.753	4.369	4.044	3.730	3.489
6,000	7.566	7.559	7.536	7.499	7.463	7.429	7.243	7.006	6.817	6.639	6.013	5.499	5.068	4.666	4.352	4.111
7,000	8.429	8.421	8.397	8.358	8.321	8.285	8.089	7.836	7.632	7.439	6.759	6.198	5.690	5.288	4.974	4.733
8,000	9.229	9.220	9.196	9.156	9.117	9.079	8.875	8.608	8.391	8.185	7.458	6.820	6.312	5.910	5.596	5.355
9,000	9.974	9.966	9.940	9.899	9.859	9.820	9.608	9.330	9.101	8.884	8.080	7.442	6.934	6.532	6.218	5.942
10,000	10.674	10.665	10.640	10.600	10.560	10.520	10.284	9.985	9.738	9.506	8.702	8.064	7.556	7.154	6.805	6.529
15,000	13.786	13.775	13.750	13.708	13.667	13.626	13.385	13.077	12.822	12.581	11.743	11.070	10.527	10.090	9.708	9.398
20,000	16.723	16.711	16.685	16.643	16.601	16.559	16.313	15.997	15.733	15.484	14.612	13.905	13.329	12.858	12.436	12.087
25,000	19.493	19.478	19.452	19.409	19.366	19.323	19.071	18.745	18.471	18.212	17.301	16.554	15.939	15.429	14.941	14.527
30,000	22.064	22.048	22.021	21.976	21.931	21.887	21.625	21.283	20.993	20.717	19.740	18.929	18.248	17.673	17.106	16.613
35,000	24.308	24.291	24.263	24.216	24.170	24.123	23.850	23.487	23.178	22.882	21.826	20.936	20.176	19.522	18.906	18.363
40,000	26.157	26.140	26.111	26.062	26.014	25.967	25.686	25.311	24.989	24.682	23.576	22.636	21.827	21.123	20.444	19.838
45,000	27.759	27.740	27.711	27.661	27.611	27.562	27.272	26.881	26.543	26.220	25.051	24.048	23.175	22.408	21.718	21.097
50,000	29.043	29.024	28.992	28.939	28.887	28.836	28.555	28.162	27.821	27.494	26.311	25.289	24.393	23.600	22.890	22.250
75,000	34.051	34.030	33.996	33.941	33.887	33.834	33.540	33.124	32.762	32.414	31.144	30.039	29.062	28.189	27.396	26.674
100,000	37.362	37.339	37.304	37.248	37.192	37.138	36.836	36.407	36.032	35.671	34.350	33.194	32.167	31.246	30.411	29.648

# SCOTTSDALE INDEMNITY COMPANY

## DIRECTORS & OFFICERS LIABILITY

### COUNTRYWIDE

SIR  
(000)

Limit(000)	8,000	9,000	10,000	15,000	20,000	25,000	30,000	35,000	40,000	45,000	50,000	60,000	70,000	80,000	90,000	100,000
500	0.379	0.355	0.311	0.294	0.277	0.257	0.224	0.185	0.160	0.129	0.124	0.101	0.085	0.072	0.061	0.053
750	0.564	0.528	0.467	0.440	0.415	0.385	0.337	0.277	0.240	0.193	0.185	0.152	0.127	0.107	0.092	0.080
1,000	0.746	0.699	0.622	0.587	0.554	0.514	0.449	0.370	0.320	0.257	0.246	0.202	0.169	0.143	0.123	0.106
2,000	1.445	1.321	1.244	1.175	1.107	1.028	0.898	0.739	0.641	0.514	0.488	0.400	0.335	0.284	0.244	0.211
3,000	2.067	1.943	1.866	1.762	1.661	1.542	1.347	1.109	0.961	0.771	0.727	0.596	0.499	0.424	0.364	0.315
4,000	2.689	2.565	2.488	2.349	2.214	2.056	1.795	1.479	1.281	1.028	0.961	0.789	0.662	0.562	0.483	0.419
5,000	3.311	3.187	3.110	2.936	2.768	2.570	2.244	1.849	1.602	1.285	1.191	0.980	0.822	0.699	0.601	0.521
6,000	3.933	3.809	3.697	3.490	3.282	3.019	2.614	2.169	1.859	1.532	1.418	1.168	0.980	0.835	0.718	0.622
7,000	4.555	4.396	4.285	4.043	3.796	3.468	2.984	2.489	2.116	1.774	1.641	1.353	1.137	0.968	0.833	0.723
8,000	5.142	4.983	4.872	4.597	4.310	3.917	3.353	2.810	2.373	2.012	1.861	1.536	1.292	1.101	0.948	0.822
9,000	5.729	5.571	5.459	5.151	4.824	4.366	3.723	3.130	2.630	2.246	2.077	1.716	1.444	1.232	1.061	0.921
10,000	6.317	6.158	6.046	5.704	5.338	4.814	4.093	3.450	2.887	2.476	2.291	1.895	1.596	1.362	1.174	1.019
15,000	9.152	8.960	8.814	8.275	7.583	6.663	5.694	4.735	4.078	3.576	3.270	2.717	2.295	1.963	1.695	1.497
20,000	11.801	11.569	11.385	10.519	9.431	8.265	6.980	5.927	5.177	4.556	4.185	3.490	2.957	2.536	2.193	1.956
25,000	14.176	13.879	13.629	12.367	11.033	9.550	8.171	7.026	6.157	5.470	5.007	4.189	3.559	3.056	2.671	2.397
30,000	16.183	15.806	15.478	13.969	12.318	10.741	9.270	8.006	7.072	6.292	5.781	4.852	4.131	3.555	3.130	2.823
35,000	17.883	17.457	17.079	15.254	13.509	11.840	10.250	8.921	7.894	7.066	6.480	5.453	4.652	4.033	3.571	3.233
40,000	19.295	18.806	18.364	16.445	14.609	12.820	11.165	9.742	8.668	7.765	7.143	6.026	5.150	4.491	3.996	3.629
45,000	20.535	20.024	19.556	17.545	15.588	13.735	11.987	10.516	9.367	8.428	7.744	6.547	5.628	4.933	4.407	4.012
50,000	21.670	21.140	20.655	18.525	16.503	14.557	12.760	11.215	10.029	9.029	8.316	7.045	6.087	5.358	4.803	4.383
75,000	26.014	25.406	24.844	22.397	20.062	17.866	15.817	14.071	12.700	11.557	10.714	9.259	8.144	7.279	6.604	6.080
100,000	28.948	28.301	27.700	25.068	22.590	20.264	18.118	16.285	14.832	13.614	12.700	11.118	9.891	8.927	8.165	7.561

# SCOTTSDALE INDEMNITY COMPANY

## DIRECTORS & OFFICERS LIABILITY

### COUNTRYWIDE

#### INDIVIDUAL RISK FACTORS

<b>Side A / Difference in Conditions (DIC) Coverage</b>	<b>Debit/Credit Factors</b>
Credit for Side A Only with DIC Coverage	0.45 - 0.65

<b>Independent Directors Liability (IDL)/DIC Coverage</b>	
Credit for IDL Only with DIC Coverage	0.50 - 0.70

<b>Number of Years in Operation</b>	
Less than 3 years	1.05 - 1.25
At least 3 years but no more than 5 years	1.00 - 1.05
More than 5 years	0.85 - 1.00

<b>Significant M&amp;A Activity / Level of M&amp;A Concern</b>	
Activity within 1 year / Very high concern	1.30 - 1.50
Activity within 1-3 years / Material-high concern	1.20 - 1.30
No activity in last 3 years / Low or no concern	0.80 - 1.20

<b>SEC Offering</b>	
Within 1 year	1.00 - 1.55
None within last 12 months	0.90 - 1.30

<b>D&amp;O Litigation</b>	
Within 1 year	1.20 - 1.50
Within 1-5 years	1.00 - 1.50
Within 5-10 years	0.90 - 1.20

<b>Other Litigation</b>	
Potential Cost > 3% of assets	1.20 - 1.30
Potential Cost 1-3% of assets	1.10 - 1.20
Potential Cost <1% of assets	0.80 - 1.10

<b>Coinsurance</b>	
Coinsurance Participation 5% - 50%	0.95 - 0.65

<b>Coinsurance re SEC claims</b>			
Percentage:	0%		1.00
	5%		0.95 - 0.97
	10%		0.90 - 0.94
	15%		0.87 - 0.91
	20%		0.84 - 0.88
	25%		0.81 - 0.85
	30%		0.78 - 0.82
	35%		0.75 - 0.79
	40%		0.72 - 0.76
	45%		0.70 - 0.74
	50%		0.68 - 0.72

**SCOTTSDALE INDEMNITY COMPANY**

**DIRECTORS & OFFICERS LIABILITY**

**COUNTRYWIDE**

**INDIVIDUAL RISK FACTORS**

<b>Industry Risk / Level of Confidence in Industry</b>	<b>Debit/Credit Factors</b>
Very Confident	0.70 - 0.85
Confident	0.85 - 1.00
Comfortable	1.00
Low Concern	1.00 - 1.15
Material Concern	1.15 - 1.35
High Concern	1.35 - 1.75
Very High to Severe Concern	1.75 - 2.25

<b>Discovery(Extended Reporting)</b>	<b>% of Previous Year Premium</b>
1 year	100%
2 years	175% - 200%
3 years	225% - 250%

<b>Miscellaneous Risk Factors</b>	<b>Debit/Credit Factors</b>
Claims litigation history (severity)	0.80 - 1.50
Corporate governance procedures	0.75 - 1.50
Earnings consistency	0.75 - 4.00
Effected by recession	0.80 - 1.50
Environmental issues	0.80 - 1.50
Financial solvency	0.75 - 2.50
Insider trading activity	1.00 - 1.50
Joint ventures/Limited partnerships/Significant subsidiary operations (including special purpose vehicles)	1.00 - 2.50
Labor relations	0.80 - 1.50
Liquidity	0.75 - 2.50
Major customers	0.80 - 1.50
Management experience or stability	0.80 - 1.50
Management ownership	0.80 - 1.25
Other financial factors	0.80 - 1.50
Quality of external board members	0.80 - 1.50
Regulatory exposure/experience	0.90 - 2.00
Stability of workforce	0.80 - 1.50
Stock market sensitivity	0.80 - 1.50
Stock volatility	0.75 - 2.50
Takeover potential	0.80 - 1.50
Terrorism risk discount	0.90 - 1.00
Transaction Event (e.g., bankruptcy, credit downgrade)	1.00 - 2.00

**SCOTTSDALE INDEMNITY COMPANY**

**DIRECTORS & OFFICERS LIABILITY**

**COUNTRYWIDE**

**Terrorism Charge**

In addition to the premiums charged according to the rating plan, an additional charge for terrorism coverage will apply if accepted by the insured.

The charge will range from 1% to 10% of the final premium calculated.

SERFF Tracking Number: SCTT-125479301 State: Arkansas  
Filing Company: Scottsdale Indemnity Company State Tracking Number: EFT \$100  
Company Tracking Number: JD AR03979ICR01  
TOI: 17.1 Other Liability - Claims Made Only Sub-TOI: 17.1006 Directors & Officers Liability  
Product Name: Directors and Officers Liability Program  
Project Name/Number: 3979 Directors and Officers Liability Program/JD AR03979ICR01

## Supporting Document Schedules

**Satisfied -Name:** Cover Letter

**Review Status:**

Accepted for Informational 02/22/2008  
Purposes

**Comments:**

**Attachment:**

JD AR3979icrcvrltr.pdf

**Satisfied -Name:** Filing Memorandum

**Review Status:**

Accepted for Informational 02/22/2008  
Purposes

**Comments:**

**Attachment:**

SIN Filing Memorandum.pdf

**Satisfied -Name:** NAIC P & C Transmittal Document

**Review Status:**

Accepted for Informational 02/22/2008  
Purposes

**Comments:**

**Attachment:**

JD AR3979icrpctd.pdf

---



---

# Scottsdale Indemnity Company

February 8, 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**  
**Directors and Officers Liability Program**  
**Initial Rate/Rule Filing**  
**Company File No.: JD AR03979ICR01**

Dear Commissioner:

Scottsdale Indemnity Company is filing a new Directors and Officers Liability Insurance program which is intended to provide Directors and Officers Coverage, A-Side Coverage, and A-Side Independent Directors Liability Coverage to publicly traded companies on a claims-made basis. We request that this filing be effective upon approval.

As Scottsdale Indemnity Company does not currently write this coverage and does not yet have the claims experience to provide justification for the filing, we have referred to rates and rating factors for similar programs promulgated by AIG, Axis, Hartford, and Old Republic, along with professional judgment and insight into market trends and expectations.

Please refer to the attached Explanatory Memorandum for further explanation.

We hope you will be in a position to grant favorable consideration to this submission. If you need any 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



A Nationwide® Company

**Scottsdale Indemnity Company**  
**Directors and Officers Liability Program**

**Explanatory Memorandum**  
**Rating Plan**

Our base premiums vary based on a combination of asset size, revenue and market capitalization. We first selected asset based rates by blending the Axis and Hartford Directors and Officers liability rates. After analyzing the relationships in the marketplace between assets, revenues and market capitalization, we developed appropriate rating bands for each. The final base premium is a sum of the premiums for these three components. We feel that the addition of revenue and market capitalization in the determination of base premium provides a better measure of the exposure to Directors and Officers liability than assets alone.

The proposed increased limits and retention factors for this program are based on current AIG public company Directors and Officers liability factors. For combined limits and retentions between \$10 million and \$50 million, we used the AIG factors without modification. The remaining factors are based on a smoothing of the AIG factors.

There are many characteristics that must be analyzed for each risk which will be incorporated into the final policy premium by use of a schedule rating plan. To capture as many of these characteristics as feasible and to allow greater accuracy, we have created a comprehensive plan that combines factors from the AIG, Hartford and Old Republic plans, along with our own professional judgment.

An additional premium for terrorism coverage is included in the rating plan. The charge for this coverage will be a percentage of the final premium calculated.

We will continue to carefully monitor the Directors and Officers Liability market and as our business matures we will adjust the program as appropriate.

## Property & Casualty Transmittal Document

<b>1. Reserved for Insurance Dept. Use Only</b>	<b>2. Insurance Department Use only</b>				
	a. Date the filing is received:				
	b. Analyst:				
	c. Disposition:				
	d. Date of disposition of the filing:				
	e. Effective date of filing:				
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">New Business</td> <td></td> </tr> <tr> <td>Renewal Business</td> <td></td> </tr> </table>	New Business		Renewal Business	
New Business					
Renewal Business					
	f. State Filing #:				
	g. SERFF Filing #:				
	h. Subject Codes				

<b>3. Group Name</b>	<b>Group NAIC #</b>
Nationwide	140

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

<b>5. Company Tracking Number</b>	JD AR03979ICR01
-----------------------------------	-----------------

**Contact Info of Filer(s) or Corporate Officer(s)** [include toll-free number]

6.	Name and address	Title	Telephone #s	FAX #	e-mail
	Bob Sandblom PO Box 4110 Scottsdale, AZ 85261-4110	Senior Filings Analyst	800 423-7675 x3003		sandblr@scottsdaleins.com

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

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

9. Type of Insurance (TOI)	17.1 Other Liability – Claims Made Only
10. Sub-Type of Insurance (Sub-TOI)	17.1006 Directors and Officers Liability
11. State Specific Product code(s)(if applicable)[See State Specific Requirements]	
12. Company Program Title (Marketing title)	Directors and Officers Liability Program
13. Filing Type	<input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input checked="" 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: On Approval    Renewal: On Approval

**Property & Casualty Transmittal Document—**

<b>15.</b>	<b>Reference Filing?</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>16.</b>	<b>Reference Organization</b> (if applicable)	
<b>17.</b>	<b>Reference Organization # &amp; Title</b>	
<b>18.</b>	<b>Company's Date of Filing</b>	February 8, 2008
<b>19.</b>	<b>Status of filing in domicile</b>	<input type="checkbox"/> Not Filed <input checked="" type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

<b>20.</b>	<b>This filing transmittal is part of Company Tracking #</b>	JD AR03979ICR01
------------	--	-----------------

<b>21.</b>	<b>Filing Description</b> [This area should be similar to the body of a cover letter and is free-form text]
------------	---

Scottsdale Indemnity Company is filing a new Directors and Officers Liability Insurance program which is intended to provide Directors and Officers Coverage, A-Side Coverage, and A-Side Independent Directors Liability Coverage to publicly traded companies on a claims-made basis. We request that this filing be effective upon approval.

As Scottsdale Indemnity Company does not currently write this coverage and does not yet have the claims experience to provide justification for the filing, we have referred to rates and rating factors for similar programs promulgated by AIG, Axis, Hartford, and Old Republic, along with professional judgment and insight into market trends and expectations.

Please refer to the attached Explanatory Memorandum for further explanation.

**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 #: 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.)**