

SERFF Tracking Number: SMPJ-125581191 State: Arkansas
Filing Company: Sompo Japan State Tracking Number: #83211 \$100
Company Tracking Number: 08-BM-9002R
TOI: 27.0 Boiler & Machinery Sub-TOI: 27.0000 Boiler & Machinery
Product Name: Equipment Breakdown
Project Name/Number: TRIPRA Endorsements/08-BM-9002r

Filing at a Glance

Company: Sompo Japan

Product Name: Equipment Breakdown

TOI: 27.0 Boiler & Machinery

Sub-TOI: 27.0000 Boiler & Machinery

Filing Type: Rate/Rule

Effective Date Requested (New): On Approval

Effective Date Requested (Renewal): On Approval

State Filing Description:

SERFF Tr Num: SMPJ-125581191 State: Arkansas

SERFF Status: Closed

Co Tr Num: 08-BM-9002R

Co Status:

Author: Mary Lynn Teel

Date Submitted: 03/26/2008

State Tr Num: #83211 \$100

State Status: Fees verified and received

Reviewer(s): Betty Montesi, Llyweyia Rawlins, Brittany Yielding

Disposition Date: 04/03/2008

Disposition Status: Filed

Effective Date (New): 04/03/2008

Effective Date (Renewal):

04/03/2008

General Information

Project Name: TRIPRA Endorsements

Project Number: 08-BM-9002r

Reference Organization: N/A

Reference Title: N/A

Filing Status Changed: 04/03/2008

State Status Changed: 04/03/2008

Corresponding Filing Tracking Number: 08-BM-9002f

Filing Description:

We submit our independent rating rule for Terrorism Coverage to be used with our Equipment Breakdown program, which is reinsured at 100% by Hartford Steam Boiler Inspection and Insurance Company.

Enclosed please find the Expedited Filing Transmittal Document for Terrorism Risk Insurance Forms and Pricing, our supporting documentation and a copy of rule page SAR-EB-6 for your review.

Status of Filing in Domicile: Pending

Domicile Status Comments: N/A

Reference Number: N/A

Advisory Org. Circular: N/A

Deemer Date:

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Our companion endorsements have been submitted under a separate cover letter.

In accordance with the recent NAIC Model Bulletin for TRIPRA and/or your state bulletin, this filing is submitted under "file and use" guidelines.

We respectfully request your earliest acknowledgment of this submission.

Company and Contact

Filing Contact Information

Mary Lynn Teel, State Filings Analyst mteel@sompo-japan-us.com
 13850 Ballantyne Corporate Place (704) 759-2158 [Phone]
 Charlotte, NC 28277-2711 (704) 759-2542[FAX]

Filing Company Information

Sompo Japan CoCode: 11126 State of Domicile: New York
 2 WFC, 43rd Floor Group Code: 3219 Company Type:
 225 Liberty St
 New York, NY 10281 Group Name: State ID Number:
 (212) 416-1200 ext. [Phone] FEIN Number: 13-2554270

Filing Fees

Fee Required? Yes
 Fee Amount: \$100.00
 Retaliatory? No
 Fee Explanation: \$100.00 rate/rule
 Per Company: No

CHECK NUMBER	CHECK AMOUNT	CHECK DATE
83211	\$100.00	03/11/2008

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Llyweyia Rawlins	04/03/2008	04/03/2008

<i>SERFF Tracking Number:</i>	<i>SMPJ-125581191</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Sompo Japan</i>	<i>State Tracking Number:</i>	<i>#83211 \$100</i>
<i>Company Tracking Number:</i>	<i>08-BM-9002R</i>		
<i>TOI:</i>	<i>27.0 Boiler & Machinery</i>	<i>Sub-TOI:</i>	<i>27.0000 Boiler & Machinery</i>
<i>Product Name:</i>	<i>Equipment Breakdown</i>		
<i>Project Name/Number:</i>	<i>TRIPRA Endorsements/08-BM-9002r</i>		

Disposition

Disposition Date: 04/03/2008

Effective Date (New): 04/03/2008

Effective Date (Renewal): 04/03/2008

Status: Filed

Comment:

This line is exempt from filing rates/rules in compliance with ACA 23-67-206 which states that P&C insurance for commercial risks, excluding workers' compensation, employers' liability and professional liability insurance, including but not limited to, medical malpractice insurance, are exempted from the rate/rules filing and review requirements.

Rate data does NOT apply to filing.

SERFF Tracking Number: SMPJ-125581191 *State:* Arkansas
Filing Company: Sompo Japan *State Tracking Number:* #83211 \$100
Company Tracking Number: 08-BM-9002R
TOI: 27.0 Boiler & Machinery *Sub-TOI:* 27.0000 Boiler & Machinery
Product Name: Equipment Breakdown
Project Name/Number: TRIPRA Endorsements/08-BM-9002r

Item Type	Item Name	Item Status	Public Access
Supporting Document	Filing Memorandum	Filed	Yes
Supporting Document	TRIPRA Expedited Filing Form	Filed	Yes
Rate	Manual Page	Filed	Yes

<i>SERFF Tracking Number:</i>	<i>SMPJ-125581191</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Sompo Japan</i>	<i>State Tracking Number:</i>	<i>#83211 \$100</i>
<i>Company Tracking Number:</i>	<i>08-BM-9002R</i>		
<i>TOI:</i>	<i>27.0 Boiler & Machinery</i>	<i>Sub-TOI:</i>	<i>27.0000 Boiler & Machinery</i>
<i>Product Name:</i>	<i>Equipment Breakdown</i>		
<i>Project Name/Number:</i>	<i>TRIPRA Endorsements/08-BM-9002r</i>		

Rate Information

Rate data does NOT apply to filing.

SERFF Tracking Number: SMPJ-125581191 State: Arkansas
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Rate/Rule Schedule

Review Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Attachments Number:
Filed	Manual Page	SAR-EB-6	New	AR Manual Page.pdf

TERRORISM SUPPLEMENT

TERRORISM ENDORSEMENTS

If Certified Acts of Terrorism Coverage is accepted attach:

SEB 02 016 (01-2008 ed.) ~ Certified Terrorism Loss.

**SEB 02 017 (01-2008 ed.) ~ Certified Terrorism Loss Disclosure of Premium
and Federal Share of Insured Losses.**

If Certified Acts of Terrorism Coverage is rejected attach:

SEB 02 018 (01-2008 ed.) ~ Certified Act of Terrorism Exclusion.

TERRORISM LOSSES - PREMIUM DETERMINATION

To determine the additional premium charge for the portion of certified terrorism loss coverage that is retained by the company, multiply the total Equipment Breakdown premium for all exposures in this state, after the application of Risk Modification credits or debits (if any), by the factor below:

Factor if Coverage for Certified Terrorism Loss is Accepted: 0.0125

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Supporting Document Schedules

Satisfied -Name: Filing Memorandum

Review Status:

Filed

04/03/2008

Comments:

Attachments:

Rate-Rule Filing Memorandum.pdf

AAIS Rating Info.pdf

AR AAIS Manual Page.pdf

Satisfied -Name: TRIPRA Expedited Filing Form

Review Status:

Filed

04/03/2008

Comments:

Attachment:

TRIAExpeditedFilingForm RULE.pdf

Sompo Japan Insurance Company of America
Filing Memorandum for Equipment Breakdown Filing for Terrorism Rate/Rule

As a member of the American Association of Insurance Services, Inc. (AAIS), Sompo Japan Insurance Company of America (Sompo) is selecting AAIS's filed Commercial Output Program Terrorism Rating Information factor to determine the additional premium charge for the portion of terrorism loss that is being retained by our company for our Equipment Breakdown Program. We have relied on AAIS's analysis of commercial direct earned premium reported by insurance companies subject to the Terrorism Risk Insurance Act of 2002, as well as their loss estimates, and population density criteria to determine the appropriate factor.

A copy of the AAIS Rating Information for Certified Terrorism Losses from their 2002 filing, as well as the current AAIS state manual page, is attached to support our factor selection.

RATING INFORMATION - CERTIFIED TERRORISM LOSS

For most affected lines of insurance, AAIS is providing state-specific tables of factors that affiliated companies can use to develop premium charges for the retained portion of certified terrorism loss exposure. No rating information is being developed at this time with respect to coverage or exclusions that address non-certified terrorism loss. The following considerations are reflected in the development of the state-specific factors.

- Analysis was based on the approximately \$150 billion of commercial direct earned premium reported by insurance companies subject to the Act. According to the provisions in the Act, the industry deductible would be \$10.5 billion in year one; \$15 billion in year two; and \$22.5 billion in year three. Companies are also responsible for 10% of losses over the deductible, subject to the annual maximum liability established by the Act.
- Several industry sources have concluded that the insured losses for the 9/11 tragedy are between \$30 and \$60 billion. Using the provisions of the Act in Year 2 and total losses of \$45 billion, a possible estimate of the maximum probable loss would be approximately \$18 billion or 12% of the commercial direct earned premium.
- A combination frequency/size of loss adjustment of 1/6 was selected to reflect that smaller losses are more likely to occur and to reflect the likely infrequent nature of terrorist incidents.
- An overall base terrorism surcharge of 2% was developed. This surcharge is considered appropriate for 75 - 100% acceptance of the terrorism coverage by a company's insureds. Modification of the surcharge may be called for if a lower acceptance rate is anticipated.
- Population and population density were used to modify the 2% surcharge by state. For property coverages, the surcharge was modified further for susceptibility to terrorism losses. Susceptibility is a weighted average of state data that includes tourism, transportation, nuclear power plants, and military presence.
- The state-specific surcharges were balanced to produce an overall 2% surcharge countrywide.

An example of the state-specific table that is part of the Terrorism Losses supplement of rules and rating information follows. Each state table will include the rating factors for the affected AAIS programs on file in the particular state, other than Commercial Umbrella and Farm Umbrella. (A separate section of this Bulletin addresses umbrella programs.)

The rating factors can be used to develop an additional premium charge for the portion of the certified terrorism loss that is being retained by the company. In most states, AAIS will file such tables on a "use and file" or "file and use" basis on behalf of those affiliated companies that have granted us filing authority for rating information. Affiliated companies will be authorized to use the rating information as soon as it is posted to the AAIS Web site. Also refer to the section of this Bulletin entitled "Web Site Postings".

**AMERICAN ASSOCIATION OF INSURANCE SERVICES
SUPPLEMENT TO ARKANSAS MANUALS**

CERTIFIED TERRORISM LOSSES -- RATING INFORMATION

All Programs Except Farm Properties and Personal & Premises Liability -- To determine the additional premium charge for the portion of certified terrorism loss coverage that is retained by the company, multiply the total policy premium for all exposures in this state, after the application of IRPM credits or debits (if any), by the factor shown below for the applicable program.

Program	Factor -- Coverage For Certified Terrorism Loss Accepted
Agricultural Output	.0125
Artisans	.0200
Businessowners	.0125
Commercial Inland Marine (Filed Classes)	.0125
Commercial Liability	.0200
Commercial Output	.0125
Commercial Output - XL	.0125
Commercial Properties	.0125
Contractors & Developers Output	.0125
Glass	.0125

Farm Properties and Personal & Premises Liability Only -- To determine the additional premium charge for the portion of certified terrorism loss coverage that is retained by the company, multiply the total policy premium for all eligible farm exposures in this state, after the application of IRPM credits or debits (if any), by the factor shown below for the applicable program.

Do not include the property or liability premium charged for exposures arising out of dwellings occupied by the insured. Ineligible farm exposures include livestock, poultry, and any other covered animals.

Farm Properties	.0125
Personal & Premises Liability (Farm Only)	.0200

**EXPEDITED FILING TRANSMITTAL DOCUMENT
FOR TERRORISM RISK INSURANCE FORMS AND PRICING**

This page applies to the following state(s) ARKANSAS

Indicate Type of Filing
<input type="checkbox"/> Filing Related to <i>Certified Losses</i>
<input type="checkbox"/> Filing Related to <i>Non-Certified Losses</i>
<input checked="" type="checkbox"/> Filing Applicable to Both Certified and Non-Certified Losses

Department Use only

Company Name(s)	Domicile	NAIC #	FEIN #
Sompo Japan Insurance Company of America	New York	3219-11129	13-2554270

Contact Info for Filer

Name and address of Filer(s)	Telephone #	FAX #	e-mail
Mary Lynn Teel, State Filings Analyst 13850 Ballantyne Corporate Place Suite 200 Charlotte, NC 28277-2711	704-759-2158	704-759-2542	mteel@sompo-japan-us.com

Filing information

Line of Insurance (see attachment)	Equipment Breakdown
Company Program Title (Marketing title) (if applicable)	TRIPRA
Filing Type ** see note below	Independent Rule
This application is used with:	N/A
Effective Date Requested	Earliest date possible
Filing date	03/26/2008
Company Tracking Number	08-BM-9002r
Date filing approved in domiciliary state, if applicable	Pending

	<u>Component/Form Name /Description/Synopsis</u>	<u>Form # or Rate Page Include edition date</u>	<u>Replacement Or withdrawn?</u>	<u>If replacement, give form # or rate page(s) it replaces</u>	<u>Previous State Filing Number, if required by state</u>
01	TRIPRA Rule	SAR-EB-6	<input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn <input checked="" type="checkbox"/> Neither	N/A	N/A
02			<input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn <input type="checkbox"/> Neither		

To be complete, a filing must include the following:

- A completed Expedited Filing Transmittal Document for each insurer or advisory organization.
- One copy of each endorsement, disclosure form or other policy language, unless the insurer has given an advisory organization authorization to file them on its behalf.
- A copy of the rates, rating systems and supporting documentation.
- The appropriate filing fees, if required
- A postage-paid, self-addressed envelope **large enough to accommodate the return.**

The insurer(s) submitting this filing certifies that it:

- Is in compliance with the terms of the Terrorism Risk Insurance Act, as amended, and the laws of this state; and
- Is in compliance with the requirements of the bulletin containing the voluntary expedited filing procedures.

Signature

Print Name: Mary Lynn Teel

Title: State Filings Analyst