

SERFF Tracking Number: ACEH-125733764 State: Arkansas
Filing Company: Westchester Fire Insurance Company State Tracking Number: EFT \$50
Company Tracking Number:
TOI: 17.1 Other Liability - Claims Made Only Sub-TOI: 17.1006 Directors & Officers Liability
Product Name: 08-PR-2007779
Project Name/Number: Directors & Officers Liability Program/08-PR-2007779

Filing at a Glance

Company: Westchester Fire Insurance Company

Product Name: 08-PR-2007779

SERFF Tr Num: ACEH-125733764 State: Arkansas

TOI: 17.1 Other Liability - Claims Made Only

SERFF Status: Closed

State Tr Num: EFT \$50

Sub-TOI: 17.1006 Directors & Officers Liability

Co Tr Num:

State Status: Fees verified and received

Filing Type: Form

Co Status:

Reviewer(s): Betty Montesi, Edith Roberts

Author: Kathy Brumbelow

Disposition Date: 08/06/2008

Date Submitted: 07/18/2008

Disposition Status: Approved

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: Directors & Officers Liability Program

Status of Filing in Domicile:

Project Number: 08-PR-2007779

Domicile Status Comments:

Reference Organization:

Reference Number:

Reference Title:

Advisory Org. Circular:

Filing Status Changed: 08/06/2008

State Status Changed: 08/06/2008

Deemer Date:

Corresponding Filing Tracking Number:

Filing Description:

Westchester Fire Insurance Company is filing additional endorsements for it's Directors and Officers Liability Program. These endorsements relate solely to the coverage for private companies and not-for-profit companies. The program was filed and approved in your state earlier this year. A Filing Memorandum is also enclosed.

Company and Contact

Filing Contact Information

SERFF Tracking Number: ACEH-125733764 State: Arkansas
Filing Company: Westchester Fire Insurance Company State Tracking Number: EFT \$50
Company Tracking Number:
TOI: 17.1 Other Liability - Claims Made Only Sub-TOI: 17.1006 Directors & Officers Liability
Product Name: 08-PR-2007779
Project Name/Number: Directors & Officers Liability Program/08-PR-2007779

Kathy Brumbelow, Senior Regulatory kathy.brumbelow@ace-ina.com
Compliance Specialist
500 Colonial Center Parkway (678) 795-4146 [Phone]
Roswell, GA 30076 (678) 795-4170[FAX]

Filing Company Information

Westchester Fire Insurance Company CoCode: 21121 State of Domicile: New York
1133 Avenue of the Americas Group Code: 626 Company Type:
New York, NY 10036 Group Name: State ID Number:
(215) 640-2324 ext. [Phone] FEIN Number: 13-5481330

SERFF Tracking Number: ACEH-125733764 State: Arkansas
Filing Company: Westchester Fire Insurance Company State Tracking Number: EFT \$50
Company Tracking Number:
TOI: 17.1 Other Liability - Claims Made Only Sub-TOI: 17.1006 Directors & Officers Liability
Product Name: 08-PR-2007779
Project Name/Number: Directors & Officers Liability Program/08-PR-2007779

Filing Fees

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

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Westchester Fire Insurance Company	\$50.00	07/18/2008	21490390

SERFF Tracking Number: ACEH-125733764 State: Arkansas
Filing Company: Westchester Fire Insurance Company State Tracking Number: EFT \$50
Company Tracking Number:
TOI: 17.1 Other Liability - Claims Made Only Sub-TOI: 17.1006 Directors & Officers Liability
Product Name: 08-PR-2007779
Project Name/Number: Directors & Officers Liability Program/08-PR-2007779

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Edith Roberts	08/06/2008	08/06/2008

SERFF Tracking Number: ACEH-125733764 State: Arkansas
Filing Company: Westchester Fire Insurance Company State Tracking Number: EFT \$50
Company Tracking Number:
TOI: 17.1 Other Liability - Claims Made Only Sub-TOI: 17.1006 Directors & Officers Liability
Product Name: 08-PR-2007779
Project Name/Number: Directors & Officers Liability Program/08-PR-2007779

Disposition

Disposition Date: 08/06/2008

Effective Date (New):

Effective Date (Renewal):

Status: Approved

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number: ACEH-125733764 State: Arkansas
 Filing Company: Westchester Fire Insurance Company State Tracking Number: EFT \$50
 Company Tracking Number:
 TOI: 17.1 Other Liability - Claims Made Only Sub-TOI: 17.1006 Directors & Officers Liability
 Product Name: 08-PR-2007779
 Project Name/Number: Directors & Officers Liability Program/08-PR-2007779

Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Supporting Document	Filing Memorandum	Approved	Yes
Form	Debt Collateralization Exclusion	Approved	Yes
Form	Loan, Lease or Extension of Credit Exclusion	Approved	Yes
Form	Designated Loan Exclusion Endorsement	Approved	Yes
Form	Subprime Loan Exclusion Endorsement	Approved	Yes
Form	Loan Repurchase Exclusion	Approved	Yes
Form	EPL Insuring Agreement Amended to Include Wage and Hour Claims, Defense Costs Coverage Only	Approved	Yes
Form	Debt Collateralization Exclusion, Government Sponsored Enterprise Carve-Out	Approved	Yes
Form	Optional Duty to Defend Endorsement (Retention Waiver Clause Deleted)	Approved	Yes
Form	Employed Lawyers Professional Liability	Approved	Yes
Form	Non-Compete Agreement Exclusion	Approved	Yes

SERFF Tracking Number: ACEH-125733764 State: Arkansas
 Filing Company: Westchester Fire Insurance Company State Tracking Number: EFT \$50
 Company Tracking Number:
 TOI: 17.1 Other Liability - Claims Made Only Sub-TOI: 17.1006 Directors & Officers Liability
 Product Name: 08-PR-2007779
 Project Name/Number: Directors & Officers Liability Program/08-PR-2007779

Form Schedule

Review Status	Form Name	Form #	Edition Date	Form Type Action	Action Specific Data	Readability	Attachment
Approved	Debt Collateralization Exclusion	PF-23309	(02/08)	Endorsement/Amendment/Conditions	New	0.00	PF-23309 Debt Collateralization Exclusion (2).pdf
Approved	Loan, Lease or Extension of Credit Exclusion	PF-23310	(02/08)	Endorsement/Amendment/Conditions	New	0.00	PF-23310 Loan Restructure exclusion (2).pdf
Approved	Designated Loan Exclusion Endorsement	PF-23311	(02/08)	Endorsement/Amendment/Conditions	New	0.00	PF-23311 Designated Loan Exclusion (2).pdf
Approved	Subprime Loan Exclusion Endorsement	PF-23312	(02/08)	Endorsement/Amendment/Conditions	New	0.00	PF-23312 Subprime Exclusion (2).pdf
Approved	Loan Repurchase Exclusion	PF-24185	(02/08)	Endorsement/Amendment/Conditions	New	0.00	PF-24185 Loan Repurchase Exclusion (2).pdf
Approved	EPL Insuring Agreement Amended to Include Wage and Hour Claims, Defense Costs Coverage Only	PF-24189	(03/08)	Endorsement/Amendment/Conditions	New	0.00	PF-24189 Wage and Hour Claims Insuring Agreement (2).pdf
Approved	Debt	PF-24190	(03/08)	Endorsement/Amendment/Conditions	New	0.00	PF-24190

<i>SERFF Tracking Number:</i>	<i>ACEH-125733764</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Westchester Fire Insurance Company</i>	<i>State Tracking Number:</i>	<i>EFT \$50</i>
<i>Company Tracking Number:</i>			
<i>TOI:</i>	<i>17.1 Other Liability - Claims Made Only</i>	<i>Sub-TOI:</i>	<i>17.1006 Directors & Officers Liability</i>
<i>Product Name:</i>	<i>08-PR-2007779</i>		
<i>Project Name/Number:</i>	<i>Directors & Officers Liability Program/08-PR-2007779</i>		

	Collateralization		nt/Amendm		Debt
	Exclusion,		ent/Condi		Collateralizat
	Government		ons		ion
	Sponsored				Exclusion -
	Enterprise Carve-				GSE
	Out				Carveout
					(4).pdf
Approved	Optional Duty to	PF-24227 (03/08)	Endorseme New	0.00	PF-24227
	Defend		nt/Amendm		Optional
	Endorsement		ent/Condi		Duty to
	(Retention		ons		Defend
	Waiver Clause				Endorsemen
	Deleted)				t (Retention
					Waiver
					Deleted)
					(2).pdf
Approved	Employed	PF-24279 (07/08)	Endorseme New	0.00	PF-24279
	Lawyers		nt/Amendm		Employed
	Professional		ent/Condi		Lawyers
	Liability		ons		Professional
					Liability
					(2).pdf
Approved	Non-Compete	PF-24280 (07/08)	Endorseme New	0.00	PF-24280
	Agreement		nt/Amendm		Non-
	Exclusion		ent/Condi		Compete
			ons		Agreement
					Exclusion.pd
					f

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Named Insured			Endorsement Number
Policy Symbol	Policy Number	Policy Period	Effective
			to
Issued By (Name of Insurance Company)			

DEBT COLLATERALIZATION EXCLUSION

It is agreed that the section of the **Policy** entitled "Exclusions" is amended by adding the following exclusion, which shall be applicable to any and all Coverage Section(s)/Insuring Agreement(s) in the **Policy**:

- alleging, arising out of, based upon, or attributable to, in whole or in part, directly or indirectly, any investment collateralized by debt, whether or not securitized, including but not limited to Collateralized Debt Obligations (CDO), Collateralized Loan Obligations (CLO), Asset Backed Securities (ABS), Mortgage Backed Securities (MBS), Residential Mortgage Backed Securities (RMBS) or credit default swaps.

All other terms and conditions of this **Policy** remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Named Insured			Endorsement Number
Policy Symbol	Policy Number	Policy Period	Effective
			to
Issued By (Name of Insurance Company)			

LOAN, LEASE OR EXTENSION OF CREDIT EXCLUSION

It is agreed that the section of the **Policy** entitled "Exclusions" is amended by adding the following exclusion, which shall be applicable to any and all Coverage Section(s)/Insuring Agreement(s) in the **Policy**:

- alleging, based upon, arising out of, or attributable to, in whole or in part, directly or indirectly, the restructure, repurchase, termination, transfer, repossession or foreclosure of any loan, lease or extension of credit.

All other terms and conditions of this **Policy** remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Named Insured			Endorsement Number
Policy Symbol	Policy Number	Policy Period	Effective Date of Endorsement
Issued By (Name of Insurance Company)			

DESIGNATED LOAN EXCLUSION ENDORSEMENT

It is agreed that the **Policy** is amended as follows:

1. The following exclusion is added to the section of the **Policy** entitled "Exclusions":
 - alleging, based upon, arising out of, attributable to, directly or indirectly resulting from, in consequence of, or in any way involving, in whole or in part, any **Designated Loan(s)**, **Designated Loan Practice(s)**, or **Designated Lending Program(s)** including, without limitation:
 - a. the purchase, re-purchase, sale, extension, grant, origination, processing, pooling, servicing, brokering, commitment, restructuring, termination, transfer, or underwriting of any **Designated Loan(s)**;
 - b. the performance of, or the failure to perform, professional services in connection with any **Designated Loan(s)** or securities collateralized, directly or indirectly, in whole or in part, by, or otherwise resulting from the securitization of, any **Designated Loan(s)**;
 - c. the purchase or sale of, the offer to purchase or sell, the solicitation of any offer to purchase or sell, or the formulation, promotion, or management of any securities collateralized, directly or indirectly, in whole or in part, by, or otherwise resulting from the securitization of, any **Designated Loan(s)**; or
 - d. the purchase or sale of, the offer to purchase or sell, the solicitation of any offer to purchase or sell, or the formulation, promotion, or management of:
 - i. any derivative including, without limitation, a future, forward, option, or swap; or
 - ii. any contractual right or duty,
 if such derivative or contractual right or duty is defined, determined, or calculated by reference to any **Designated Loan(s)** or securities collateralized, directly or indirectly, in whole or in part, by any **Designated Loan(s)**.

2. The following definitions are added to the section of the **Policy** entitled "Definitions":
 - **Alt-A Loan** means a loan extended, granted, originated, or underwritten without a borrower's having to provide, with respect to one or more elements of income (including, without limitation, salary or wages), independent written documentation verifying the borrower's income (including, without limitation, a pay check, pay stub, or wage statement).
 - **Designated Lending Program** means any program involving the regular or targeted acquisition, through origination or purchase, of any **Alt-A Loan(s)**, **Subprime Loan(s)**, or **Teaser Rate Loan(s)** that will be held in portfolio or accumulated for resale.

- **Designated Loan** means any **Alt-A Loan(s)**, **Subprime Loan(s)**, or **Teaser Rate Loan(s)**.
- **Designated Loan Practice** means the purchase, re-purchase, sale, extension, grant, origination, processing, pooling, servicing, brokering, commitment, restructuring, termination, transfer, or underwriting of any **Alt-A Loan(s)**, **Subprime Loan(s)**, or **Teaser Rate Loan(s)**.
- **Subprime Loan** means a loan to a borrower with an impaired, minimal, or weakened credit history including, without limitation, a borrower who, at the time of the origination or purchase of the loan, displayed one of the following characteristics:
 - a. two or more 30-day delinquencies in the last 12 months, or one or more 60-day delinquencies in the last 24 months;
 - b. a judgment, foreclosure, repossession, or charge-off in the last 24 months;
 - c. a bankruptcy in the last five years;
 - d. a Fair, Isaac and Company (FICO) score of 660 or less, or other credit bureau risk or proprietary scores with equivalent default-probability likelihood;
 - e. a debt-service-to-income ratio of 50 percent or greater; or
 - f. any other characteristic that correlates to a high probability of default relative to borrowers with good credit history.
- **Teaser Rate Loan** means an adjustable rate loan with an initial interest rate set lower than the rate that would result from the addition of
 - a. the index rate for such loan in effect at the time of its origination and
 - b. the margin for such loan
 as such index rate and margin are to be calculated in re-setting the interest rate for such loan on a subsequent interest-rate adjustment date.

All other provisions of the **Policy** remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Named Insured			Endorsement Number
Policy Symbol	Policy Number	Policy Period	Effective Date of Endorsement
Issued By (Name of Insurance Company)			

SUBPRIME LOAN EXCLUSION ENDORSEMENT

It is agreed that the **Policy** is amended as follows:

1. The following exclusion is added to the section of the **Policy** entitled "Exclusions":
 - alleging, based upon, arising out of, attributable to, directly or indirectly resulting from, in consequence of, or in any way involving, in whole or in part, any **Subprime Loan(s)**, or **Subprime Lending Program(s)** including, without limitation:
 - a. the purchase, re-purchase, sale, extension, grant, origination, processing, pooling, servicing, brokering, commitment, restructuring, termination, transfer, or underwriting of any **Subprime Loan(s)**;
 - b. the performance of, or the failure to perform, professional services in connection with any **Subprime Loan(s)** or securities collateralized, directly or indirectly, in whole or in part, by, or otherwise resulting from the securitization of, any **Subprime Loan(s)**;
 - c. the purchase or sale of, the offer to purchase or sell, the solicitation of any offer to purchase or sell, or the formulation, promotion, or management of any securities collateralized, directly or indirectly, in whole or in part, by, or otherwise resulting from the securitization of, any **Subprime Loan(s)**; or
 - d. the purchase or sale of, the offer to purchase or sell, the solicitation of any offer to purchase or sell, or the formulation, promotion, or management of:
 - i. any derivative including, without limitation, a future, forward, option, or swap; or
 - ii. any contractual right or duty,if such derivative or contractual right or duty is defined, determined, or calculated by reference to any **Subprime Loan(s)** or securities collateralized, directly or indirectly, in whole or in part, by any **Subprime Loan(s)**.
2. The following definitions are added to the section of the **Policy** entitled "Definitions":
 - **Subprime Lending Program** means any program involving the regular or targeted acquisition, through origination or purchase, of any **Subprime Loan(s)** that will be held in portfolio or accumulated for resale.
 - **Subprime Loan** means a loan to a borrower with an impaired, minimal, or weakened credit history including, without limitation, a borrower who, at the time of the origination or purchase of the loan, displayed one of the following characteristics:

- a. two or more 30-day delinquencies in the last 12 months, or one or more 60-day delinquencies in the last 24 months;
- b. a judgment, foreclosure, repossession, or charge-off in the last 24 months;
- c. a bankruptcy in the last five years;
- d. a Fair, Isaac and Company (FICO) score of 660 or less, or other credit bureau risk or proprietary scores with equivalent default-probability likelihood;
- e. a debt-service-to-income ratio of 50 percent or greater; or
- f. any other characteristic that correlates to a high probability of default relative to borrowers with good credit history.

All other provisions of the **Policy** remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Named Insured			Endorsement Number
Policy Symbol	Policy Number	Policy Period	Effective
			to
Issued By (Name of Insurance Company)			

LOAN REPURCHASE EXCLUSION

It is agreed that the section of the **Policy** entitled "Exclusions" is amended by adding the following exclusion, which shall be applicable to any and all Coverage Section(s)/Insuring Agreement(s) in the **Policy**:

- alleging, based upon, arising out of, or attributable to, in whole or in part, directly or indirectly, any loan repurchase demand, or any **Insured's** actual or alleged obligation under any loan repurchase agreement.

All other terms and conditions of this **Policy** remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Named Insured			Endorsement Number
Policy Symbol	Policy Number	Policy Period	Effective
			to
Issued By (Name of Insurance Company)			

EPL INSURING AGREEMENT AMENDED TO INCLUDE WAGE AND HOUR CLAIMS DEFENSE COSTS COVERAGE ONLY

It is agreed that the **Policy** is amended as follows:

1. Section I, Insuring Agreements, Insuring Agreement B, Employment Practices Liability, is amended by addition of the following:

If Employment Practices Liability coverage is purchased as indicated in Item 3 of the Declarations:

The **Insurer** shall pay on behalf of the **Insureds** all **Defense Costs** for which the **Insureds** become legally obligated to pay by reason of a **Wage and Hour Claim** first made against the **Insureds** during the **Policy Period** or, if elected, the **Extended Reporting Period**, and reported to the **Insurer** pursuant to the terms of this **Policy**, for any **Wrongful Acts** taking place prior to the end of the **Policy Period**. The coverage afforded under this Insuring Agreement is subject to the applicable Limit of Liability stated in Item 3 of the Declarations, except for **Wage and Hour Claims** brought or maintained as **Multiple Plaintiff Claims**. Respecting such **Multiple Plaintiff Claims**, the maximum limit of the **Insurer's** liability for all **Defense Costs** in the aggregate arising from all such **Multiple Plaintiff Claims** shall be \$100,000 (hereinafter known as the **Sub-limit of Liability**). This **Sub-limit of Liability** shall be part of and not in addition to the otherwise applicable aggregate Limit of Liability stated in Item 3 of the Declarations, and will in no way serve to increase such Limit of Liability.

This **Policy** shall not afford any coverage for **Loss** arising out of any **Wage and Hour Claim**, or attributable solely to any actual or alleged violation of any **Wage and Hour Law(s)**, other than **Defense Costs** subject to the above **Sub-limit of Liability**.

In the event a **Multiple Plaintiff Claim** alleges any violation(s) of any **Wage and Hour Law(s)**, as well as any covered **Wrongful Employment Practice(s)**, the **Sub-limit of Liability** shall apply to those **Defense Costs** attributable to that portion of the **Multiple Plaintiff Claim** alleging violation(s) of any **Wage and Hour Law(s)**. The applicable Limit of Liability stated in Item 3 of the Declarations shall apply to those **Defense Costs**, and all other **Loss**, attributable to that portion of the **Multiple Plaintiff Claim** alleging covered **Wrongful Employment Practices**.

2. Section III, Exclusions, is amended by deleting Exclusions K and N.2, and the phrase "(iii) the Fair Labor Standards Act (except the Equal Pay Act)" contained in Exclusion B, in their entirety, and by adding the following:

With respect to all Insuring Agreements, the **Insurer** shall not be liable for **Loss** attributable to that portion of any **Claim**:

- alleging, based upon, arising out of, or attributable to any violation of any California state or local **Wage and Hour Law**.

- which is brought or made in California alleging, based upon, arising out of, or attributable to any violation of any **Wage and Hour Law**.
3. Solely for purposes of this endorsement:

Multiple Plaintiff Claim means any **Claim** brought as a class action, whether certified or not; brought by more than one claimant or plaintiff; or brought by one claimant or plaintiff and joined or consolidated with another **Claim(s)** brought by one claimant or plaintiff.

Wage and Hour Claim means any **Claim** solely alleging, based upon, arising out of, or attributable to: (i) any violation of any **Wage and Hour Law**; and/or (ii) improper payroll deductions, unpaid wages or overtime pay for hours actually worked or labor actually performed, or wages earned by or due to the claimant in the course of employment but not paid (including any unpaid salary, hourly pay, on-call time or overtime pay), or any violation of any law, rule or regulation (whether statutory or common law, or otherwise) that governs the same topic or subject.

Wage and Hour Law means: (i) the Fair Labor Standards Act (except the Equal Pay Act), or any rule or regulation promulgated thereunder or any amendment thereto, or any provision of any federal, state, local or foreign statutory law or common law similar to any of the foregoing; and/or (ii) any law, rule or regulation (whether statutory or common law, or otherwise) governing or relating to: (a) the payment of wages, including payment of unpaid salary, hourly pay, on-call time and overtime pay; and/or (b) the classification of employees for purposes of determining employees' eligibility for compensation under such law, rules or regulations.

Wrongful Act means, with respect to the Insuring Agreement contained in this endorsement, any error, misstatement, misleading statement, act, omission, neglect, or breach of duty, actually or allegedly committed or attempted by any **Insured Person** in his or her capacity as such, or any matter claimed against any **Insured Person** solely by reason of his or her serving in such capacity, or by the **Company**.

All other terms and conditions of this **Policy** remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Named Insured			Endorsement Number
Policy Symbol	Policy Number	Policy Period	Effective
			to
Issued By (Name of Insurance Company)			

**DEBT COLLATERALIZATION EXCLUSION
GOVERNMENT SPONSORED ENTERPRISE CARVE-OUT**

It is agreed that the section of the **Policy** entitled "Exclusions" is amended by adding the following exclusion, which shall be applicable to any and all Coverage Section(s)/Insuring Agreement(s) in the **Policy**:

- alleging, arising out of, based upon, or attributable to, in whole or in part, directly or indirectly, any investment collateralized by debt, whether or not securitized, including but not limited to Collateralized Debt Obligations (CDO), Collateralized Loan Obligations (CLO), Asset Backed Securities (ABS), Mortgage Backed Securities (MBS), Residential Mortgage Backed Securities (RMBS) or credit default swaps. However, this exclusion shall not apply to any investments issued by any Government Sponsored Enterprise (GSE).

All other terms and conditions of this **Policy** remain unchanged.

**OPTIONAL DUTY TO DEFEND ENDORSEMENT
(Retention Waiver Clause Deleted)**

Named Insured			Endorsement Number
Policy Symbol	Policy Number	Policy Period	Effective Date of Endorsement
Issued By (Name of Insurance Company)			to

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

PRIVATE COMPANY MANAGEMENT LIABILITY POLICY

NOT-FOR-PROFIT COMPANY MANAGEMENT LIABILITY POLICY

It is agreed that Section X, Defense and Settlement, is deleted in its entirety and replaced with the following:

X. DEFENSE AND SETTLEMENT

- A. The **Insurer** does not assume any duty to defend under this **Policy**. It shall be the duty of the **Insureds** and not the duty of the **Insurer** to defend any **Claim**. Notwithstanding the foregoing, the **Insureds** shall have the right to tender the defense of the **Claim** to the **Insurer**, which right shall be exercised in writing by the **Named Insured** to the **Insurer** on behalf of all **Insureds** pursuant to the Notice provisions in Section IX of this **Policy**. This right shall terminate if not exercised within 30 days of the date the **Claim** is first made against the **Insured**, pursuant to the Notice provision in Section IX of this **Policy**.

Further, from the date the **Claim** is first made against the **Insureds** to the date when the **Insurer** accepts the tender of the defense of such **Claim**, the **Insureds** shall take no action, or fail to take any required action, that prejudices the rights of the **Insureds** or the **Insurer** with respect to such **Claim**. Provided that the **Insureds** have complied with the foregoing the **Insurer** shall be obligated to assume the defense of the **Claim**, even if such **Claim** is groundless, false or fraudulent. The **Insurer's** right and duty to defend includes, without limitation, the right and duty to select defense counsel. The assumption of the defense of the **Claim** shall be effective upon written confirmation sent thereof by the **Insurer** to the **Insured**.

- B. The **Insurer** shall not be obligated to commence or continue to investigate, defend, pay or settle any **Claim** after the applicable Limit of Liability specified in Item 3 of the Declarations has been exhausted, or after the **Insurer** has deposited the remaining available Limit of Liability with a court of competent jurisdiction. In such case, the **Insurer** shall withdraw from investigation, defense, payment or settlement of such **Claim** and shall tender control of such **Claim** to the **Insured**.
- C. The **Insureds** agree not to settle or offer to settle any **Claim**, incur any **Defense Costs** or otherwise assume any contractual obligation or admit any liability with respect to any **Claim** without the prior written consent of the **Insurer**, which consent shall not be unreasonably withheld. The **Insurer** shall not be liable for any

settlement, **Defense Costs**, assumed obligation or admission to which it has not consented. The **Insureds** shall promptly send to the **Insurer** all settlement demands or offers received by any **Insured** from the claimant(s). However, if the **Insureds** are able to settle all **Claims** which are subject to a single Retention for an aggregate amount, including **Defense Costs**, not exceeding such Retention, the consent of the **Insurer** shall not be required for the settlement of such **Claims**.

- D. In the event the **Insurer** has assumed the defense of a **Claim** pursuant to this section, the **Insureds** shall have the right and shall be given the opportunity to effectively associate with the **Insurer** regarding the defense and negotiation of any settlement of any **Claim**. When it has not assumed the defense of a **Claim** pursuant to this section, the **Insurer** shall have the right and shall be given the opportunity to effectively associate with the **Insureds** regarding the defense and negotiation of any settlement of any **Claim**.
- E. The **Insureds** agree to provide the **Insurer** with all information, assistance and cooperation which the **Insurer** reasonably requests and agree that, in the event of a **Claim**, the **Insureds** will do nothing that shall prejudice the position of the **Insurer** or its potential or actual rights of recovery. The **Insurer** may make any investigation it deems necessary.
- F. When the **Insurer** has not assumed the defense of a **Claim** pursuant to this section, and subject to Section XXV, Allocation, the **Insurer** shall, no later than quarterly, advance on behalf of the **Insureds** covered **Defense Costs** which the **Insureds** have incurred in connection with **Claims** made against them, prior to disposition of such **Claims**. Any advancement of **Defense Costs** shall be subject to the condition that such amounts shall be repaid to the **Insurer** by the **Insureds** severally according to their respective interests if and to the extent the **Insureds** shall not be entitled to coverage for such **Defense Costs** under the terms and conditions of this **Policy**.

All other terms and conditions of this **Policy** remain unchanged.

EMPLOYED LAWYERS PROFESSIONAL LIABILITY

Named Insured			Endorsement Number
Policy Symbol	Policy Number	Policy Period to	Effective
Issued By (Name of Insurance Company)			

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

PRIVATE COMPANY MANAGEMENT LIABILITY POLICY

It is agreed that:

1. Section I, Insuring Agreements, is amended to add the following:

C. Employed Lawyers Professional Liability (Individual)

The **Insurer** shall pay the **Loss** of the **Employed Lawyer** for which the **Employed Lawyer** is legally obligated to pay by reason of a **Claim** first made against the **Employed Lawyer** and reported to the **Insurer** during the **Policy Period** or, if elected, the **Extended Reporting Period**, for any **Wrongful Acts** taking place prior to the end of the **Policy Period**. Coverage as is afforded under this Insuring Agreement C shall apply only if one or more **Insureds**, other than an **Employed Lawyer**, remain a co-defendant in the **Claim** with the **Employed Lawyer**. However:

1. The **Company** agrees to indemnify the **Employed Lawyer** to the fullest extent permitted by law, taking all steps necessary or advisable in furtherance thereof, including the making in good faith of any application for court approval, the passing of any resolution by the board of directors or shareholders of the **Company**, the amendment of any charter, bylaws, operating agreement or similar documents of the **Company** or the execution of any contract. The **Company** further agrees to advance **Defense Costs** actually and reasonably incurred by any **Employed Lawyer** in defending any threatened, pending or contemplated action, suit or proceeding prior to a final disposition of any such action, suit or proceeding and shall not require any determination or adjudication, interim or final, of the entitlement of the **Employed Lawyer** to indemnification, where permitted by law to do so. The financial ability of any **Employed Lawyer** to make repayment shall not be a prerequisite to the making of such an advance, and the right to receive advancement of **Defense Costs** herein is a contractual right. The agreements contained in this paragraph are binding upon the **Company** and enforceable by the **Insurer** or the **Employed Lawyer**.
2. Coverage as is afforded under this Insuring Agreement C is specifically excess over any other valid lawyers' professional liability insurance, legal malpractice or errors and omissions insurance and shall only drop down and be primary insurance in the event of exhaustion of such other insurance due to losses paid hereunder.

2. Subsection II, Definitions, is amended by adding the following:

- **Continuity Date** means for each **Employed Lawyer** the later of _____ or the first date such person became an **Employed Lawyer** for the **Company**;
- **Employed Lawyer** means any employee of the **Company** who is admitted to practice law and who is employed, or was employed at the time of the alleged **Wrongful Act**, as a lawyer full time for and salaried by the **Company**.

3. Subsection II, Definitions, is amended as follows:

a. Subsection G, **Insured Person**, is amended by adding the following:

Insured Person, solely for purposes of coverage under Insuring Agreement C, means only an **Employed Lawyer**, but only for **Wrongful Acts** in such **Employed Lawyer's** capacity as such.

b. Subsection W, **Wrongful Act**, is amended to add the following:

Wrongful Act, solely for purposes of coverage under Insuring Agreement C, means only any act, error or omission of an **Employed Lawyer** in rendering or failure to render professional legal services for the **Company**, but solely in his or her capacity as such. Provided, however, the term **Wrongful Act** shall not mean any act, error or omission in connection with any activities by such **Employed Lawyer**: (a) which are not related to such **Employed Lawyer's** employment with the **Company**; (b) which are not rendered on the behalf of the **Company** at the **Company's** written request; or (c) which are performed by the **Employed Lawyer** for others for a fee.

4. Section III, Exclusions, is amended to add the following:

- solely for purposes of coverage under Insuring Agreement C, alleging, based upon, arising out of, or attributable to any **Wrongful Act** occurring, in whole or in part, at a time when the **Employed Lawyer** was not employed as a lawyer by the **Company**;
- solely for purposes of coverage under Insuring Agreement C, alleging, based upon, arising out of, or attributable to any **Wrongful Act** if, as of the **Continuity Date**, an **Employed Lawyer** knew or could have reasonably foreseen that any part of such **Wrongful Act** could give rise to a **Claim**;
- solely for purposes of coverage under Insuring Agreement C, alleging, based upon, arising out of, or attributable to any activities by an **Employed Lawyer** for, on behalf of, or as an employee, officer or director of any entity other than the **Company**.

5. Item 3 of the Declarations is amended to add the following:

C. Retention for **Loss** under Insuring Agreement C: \$_____ each **Claim**

6. Section VII, Limits of Liability, is amended to add the following:

Notwithstanding anything in this section to the contrary, the maximum aggregate liability of the **Insurer** for all **Loss** resulting from all **Claims**, combined, covered under Insuring Agreement C, **Employed Lawyers Professional Liability**, shall be \$_____ (hereinafter known as the **Employed Lawyers Sub-limit of Liability**). This **Employed Lawyers Sub-limit of Liability** shall be part of and not in addition to:

- (i) the Aggregate Limit stated in Item 3A of the Declarations in the event a single Aggregate Limit was purchased by the **Named Insured**; or
- (ii) the Aggregate Limit stated in Item 3B applicable to the Management Liability coverage section in the event separate Limits were purchased by the **Named Insured**,

and will in no way serve to increase the **Insurer's** Limit of Liability as therein provided.

All other terms and conditions of this **Policy** remain unchanged.

NON-COMPETE AGREEMENT EXCLUSION

Named Insured			Endorsement Number
Policy Symbol	Policy Number	Policy Period to	Effective Date of Endorsement
Issued By (Name of Insurance Company)			

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

PRIVATE COMPANY MANAGEMENT LIABILITY POLICY

It is agreed that Section III, Exclusions, is amended by adding the following:

The **Insurer** shall not be liable for **Loss** on account of any **Claim**:

- alleging, based upon, arising out of, or attributable to any actual or alleged violation of any oral, written, express, or implied non-compete contract or agreement, whether such contract or agreement is a stand-alone contract or agreement or is contained in a provision or provisions of a larger contract or agreement.

All other terms and conditions of this **Policy** remain unchanged.

SERFF Tracking Number: ACEH-125733764 State: Arkansas
Filing Company: Westchester Fire Insurance Company State Tracking Number: EFT \$50
Company Tracking Number:
TOI: 17.1 Other Liability - Claims Made Only Sub-TOI: 17.1006 Directors & Officers Liability
Product Name: 08-PR-2007779
Project Name/Number: Directors & Officers Liability Program/08-PR-2007779

Rate Information

Rate data does NOT apply to filing.

SERFF Tracking Number: ACEH-125733764 State: Arkansas
Filing Company: Westchester Fire Insurance Company State Tracking Number: EFT \$50
Company Tracking Number:
TOI: 17.1 Other Liability - Claims Made Only Sub-TOI: 17.1006 Directors & Officers Liability
Product Name: 08-PR-2007779
Project Name/Number: Directors & Officers Liability Program/08-PR-2007779

Supporting Document Schedules

Satisfied -Name: Uniform Transmittal Document-
Property & Casualty **Review Status:** Approved 08/06/2008

Comments:

Attachment:

NAIC Filing Transmittal.pdf

Satisfied -Name: Filing Memorandum **Review Status:** Approved 08/06/2008

Comments:

Attachment:

FILING MEMORANDUM.pdf

Property & Casualty Transmittal Document

1. Reserved for Insurance Dept. Use Only	2. Insurance Department Use only a. Date the filing is received: b. Analyst: c. Disposition: d. Date of disposition of the filing: e. Effective date of filing: New Business Renewal Business f. State Filing #: g. SERFF Filing #: h. Subject Codes
---	---

3. Group Name	Group NAIC #

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

5. Company Tracking Number	
-----------------------------------	--

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

6.	Name and address	Title	Telephone #s	FAX #	e-mail

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

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

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

Property & Casualty Transmittal Document—

20.	This filing transmittal is part of Company Tracking #	
------------	--	--

21.	Filing Description [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]
------------	--

22.	Filing Fees (Filer must provide check # and fee amount if applicable) [If a state requires you to show how you calculated your filing fees, place that calculation below]
------------	---

Check #:
Amount:

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

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

PC TD-1 pg 2 of 2

FORM FILING SCHEDULE

(This form must be provided ONLY when making a filing that includes forms)
 (Do not refer to the body of the filing for the forms listing, unless allowed by state.)

1.	This filing transmittal is part of Company Tracking #	
-----------	--	--

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			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
02			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
03			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
04			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
05			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
06			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
07			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
08			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
09			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
10			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		

PC FFS-1

WESTCHESTER FIRE INSURANCE COMPANY
DIRECTORS AND OFFICERS LIABILITY PROGRAM
FILING MEMORANDUM

Westchester Fire Insurance Company is filing additional endorsements for its Directors and Officers Liability Program. These endorsements relate solely to the coverage for private companies and not-for-profit companies. The program was filed and approved in your state earlier this year.

The following additional forms are being filed for use with this program:

PF-23309 (02/08) Debt Collateralization Exclusion

PF-23310 (02/08) Loan, Lease or Extension of Credit Exclusion

PF-23311 (02/08) Designated Loan Exclusion Endorsement

PF-23312 (02/08) Subprime Loan Exclusion Endorsement

PF-24185 (02/08) Loan Repurchase Exclusion

PF-24189 (03/08) EPL Insuring Agreement Amended to Include Wage and Hour Claims, Defense Costs Coverage Only

PF-24190 (03/08) Debt Collateralization Exclusion, Government Sponsored Enterprise Carve-Out

PF-24227 (03/08) Optional Duty to Defend Endorsement (Retention Waiver Clause Deleted)

PF-24279 (07/08) Employed Lawyers Professional Liability

PF-24280 (07/08) Non-Compete Agreement Exclusion