

<i>SERFF Tracking Number:</i>	ARGN-125588226	<i>State:</i>	Arkansas
<i>Filing Company:</i>	Colony Specialty Insurance Company	<i>State Tracking Number:</i>	EFT \$100
<i>Company Tracking Number:</i>	CSIC-PL-AE-AR-R-2008		
<i>TOI:</i>	17.1 Other Liability - Claims Made Only	<i>Sub-TOI:</i>	17.1019 Professional Errors & Omissions Liability
<i>Product Name:</i>	A&E Professional Liability		
<i>Project Name/Number:</i>	CYPRESS - A&E/		

## Filing at a Glance

Company: Colony Specialty Insurance Company

Product Name: A&E Professional Liability	SERFF Tr Num: ARGN-125588226	State: Arkansas
TOI: 17.1 Other Liability - Claims Made Only	SERFF Status: Closed	State Tr Num: EFT \$100
Sub-TOI: 17.1019 Professional Errors & Omissions Liability	Co Tr Num: CSIC-PL-AE-AR-R-2008	State Status: Fees verified and received
Filing Type: Rate/Rule	Co Status:	Reviewer(s): Betty Montesi, Edith Roberts
	Authors: Maggie Welk, Donna Pyle, Disposition Date: 08/08/2008 Ellen Canestrano	
	Date Submitted: 06/18/2008	Disposition Status: Filed
Effective Date Requested (New): 07/19/2008		Effective Date (New):
Effective Date Requested (Renewal): 07/19/2008		Effective Date (Renewal):
State Filing Description:		

## General Information

Project Name: CYPRESS - A&E	Status of Filing in Domicile: Pending
Project Number:	Domicile Status Comments: PENDING IN OHIL
Reference Organization:	Reference Number:
Reference Title:	Advisory Org. Circular:
Filing Status Changed: 08/08/2008	
State Status Changed: 08/08/2008	Deemer Date:
Corresponding Filing Tracking Number:	
Filing Description:	
The Architects & Engineers Professional Liability Insurance Program is a new product offering for Colony Specialty Insurance Company. The program will provide architects and engineers professional liability on a claims-made basis.	

The independent rates included in this filing were determined by examining the rates of other competitors in the market and using underwriting judgment. Base rates are proposed for each state with modifiers for risk factors, limits and

SERFF Tracking Number: ARGN-125588226 State: Arkansas  
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deductible options, claims and loss control techniques. The rates permit the underwriter to review each application on its' individual characteristics and establish an equitable premium. The company will carefully monitor this program to capture statistics and adjust rates accordingly.

We believe the proposed program addresses concerns for rate adequacy while remaining competitive in the marketplace. Furthermore, we do not consider the proposed rate plan to be excessive or unfairly discriminatory.

SEE COMPANION FORMS FILING #CSIC-PL-AE-AR-F-2008

## Company and Contact

### Filing Contact Information

Ellen Canestrano, Regulatory Compliance ecanestano@colonyins.com  
 8720 Stony Point Parkway (804) 560-4547 [Phone]  
 Richmond, VA 23235 (804) 327-3173[FAX]

### Filing Company Information

Colony Specialty Insurance Company CoCode: 36927 State of Domicile: Ohio  
 P.O. Box 85122 Group Code: 36927 Company Type: Insurance  
 Richmond, VA 23235 Group Name: Argonaut Group Compnay  
 (804) 560-2000 ext. [Phone] FEIN Number: 34-1266871 State ID Number:  
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## Filing Fees

Fee Required? Yes  
 Fee Amount: \$100.00  
 Retaliatory? No  
 Fee Explanation: \$100 per rate filing  
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Colony Specialty Insurance Company	\$100.00	06/18/2008	20963741

SERFF Tracking Number: ARGN-125588226 State: Arkansas  
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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Filed	Edith Roberts	08/08/2008	08/08/2008

### Objection Letters and Response Letters

Objection Letters				Response Letters		
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
Pending Industry Response	Edith Roberts	07/10/2008	07/10/2008	Ellen Canestrano	07/18/2008	07/18/2008
Pending Industry Response	Edith Roberts	06/23/2008	06/23/2008	Ellen Canestrano	06/24/2008	06/24/2008

*SERFF Tracking Number:*      *ARGN-125588226*                      *State:*                      *Arkansas*  
*Filing Company:*              *Colony Specialty Insurance Company*              *State Tracking Number:*      *EFT \$100*  
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*Product Name:*              *A&E Professional Liability*  
*Project Name/Number:*      *CYPRESS - A&E/*

## **Disposition**

Disposition Date: 08/08/2008

Effective Date (New):

Effective Date (Renewal):

Status: Filed

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number: ARGN-125588226 State: Arkansas  
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 Product Name: A&E Professional 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
Rate (revised)	ar a&e rate guide 0708	Filed	Yes
Rate	ar a&e rate guide 0708	Filed	Yes

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Product Name: A&E Professional Liability  
Project Name/Number: CYPRESS - A&E/

## Objection Letter

Objection Letter Status Pending Industry Response  
Objection Letter Date 07/10/2008  
Submitted Date 07/10/2008  
Respond By Date

Dear Ellen Canestrano,

This will acknowledge receipt of the captioned filing.

With reference to Rule 7 on page 3 and continuing on to page 4, please refer to AID Order # 94-253, which requires defense outside the limits on all risks for Architects and Engineers for limits \$500,000 or below. Defense within the limits on risks lower than \$500,000 in not allowed. It is allowed for risks with limits over \$500,000 but only with the signed consent form.

Please feel free to contact me if you have questions.

Sincerely,  
Edith Roberts

## Response Letter

Response Letter Status Submitted to State  
Response Letter Date 07/18/2008  
Submitted Date 07/18/2008

Dear Edith Roberts,

### Comments:

#### Response 1

Comments: attached is our revised rate guide w/ amendments bringing us into compliance w/ AID Order#94-253 regarding defense within policy limits.

### Changed Items:

No Supporting Documents changed.

SERFF Tracking Number: ARGN-125588226 State: Arkansas  
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Product Name: A&E Professional Liability  
Project Name/Number: CYPRESS - A&E/

No Form Schedule items changed.

### Rate/Rule Schedule Item Changes

Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing #
ar a&e rate guide 0708	rules 1-14; pages 1-6	New	
<b>Previous Version</b>			
ar a&e rate guide 0708	rules 1-14; pages 1-6	New	

Sincerely,  
Donna Pyle, Ellen Canestrano, Maggie Welk

SERFF Tracking Number: ARGN-125588226 State: Arkansas  
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Product Name: A&E Professional Liability  
Project Name/Number: CYPRESS - A&E/

## Objection Letter

Objection Letter Status Pending Industry Response  
Objection Letter Date 06/23/2008  
Submitted Date 06/23/2008  
Respond By Date

Dear Ellen Canestrano,

This will acknowledge receipt of the captioned filing.

All filings are public information. We cannot accept this filing marked confidential. Please amend.

Please feel free to contact me if you have questions.

Sincerely,

Edith Roberts

## Response Letter

Response Letter Status Submitted to State  
Response Letter Date 06/24/2008  
Submitted Date 06/24/2008

Dear Edith Roberts,

### Comments:

#### Response 1

Comments: Ms. Roberts,

In response to your request to amend the confidentiality of this filing, we hereby request that you change the status of this submission to Public Access, as we are unable to do so from our end. We do realize that all filing information in your state is public information and we apologize for the unintended error in marking this submission confidential.

Thank you.

Ellen Canestrano

### Changed Items:

*SERFF Tracking Number:*      *ARGN-125588226*                      *State:*                      *Arkansas*  
*Filing Company:*              *Colony Specialty Insurance Company*              *State Tracking Number:*      *EFT \$100*  
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*Product Name:*                      *A&E Professional Liability*  
*Project Name/Number:*              *CYPRESS - A&E/*

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Sincerely,  
Donna Pyle, Ellen Canestrano, Maggie Welk

*SERFF Tracking Number:*      *ARGN-125588226*                      *State:*                      *Arkansas*  
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*Product Name:*              *A&E Professional Liability*  
*Project Name/Number:*      *CYPRESS - A&E/*

## **Rate Information**

Rate data does NOT apply to filing.

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## Rate/Rule Schedule

Review Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Attachments Number:
Filed	ar a&e rate guide 0708	rules 1-14; pages 1-6	New	Arkansas Architects & Engineers Rate Guide 0708 _3.pdf



**ARGO GROUP US**

*Get there together*

Colony Specialty Insurance Company

Architects & Engineers Professional  
Liability Program  
Rating Guide

Arkansas

**1. Base Limit Premium**

Rateable billings are defined in the application.

Rates are for base limits of \$100,000 each claim and annual aggregate and a base deductible of \$2,500 per claim. Rates apply per \$100 of total rateable billings. Develop the base premium by selecting a base premium and adding the product of the corresponding incremental rate.

Rate Table				
Rateable Billings		Base Premiums	Incremental Rates	
From	To		Plus	Per \$100 of Rate Table Billings in excess of:
\$1	100,000	1,375	0.00	\$0
100,001	250,000	1,375	1.09 - 2.23	100,000
250,001	500,000	3,505	.70 - 1.44	250,000
500,001	750,000	5,805	.32 - .66	500,000
750,001	1,000,000	6,855	.31 - .63	750,000
1,000,001	1,500,000	7,855	.24 - .51	1,000,000
1,500,001	2,000,000	9,455	.24 - .51	1,500,000
2,000,001	or more	11,055	.24 - .51	2,000,000

**2. Area of Practice and Feasibility Modifications**

The factors below are multiplied by the specific percentage indicated in the application for each Area of Practice. Multiply the result by the Base Premium to determine the Area of Practice debit/credit premium. Debit premiums are added to the base premium. Credit premiums are subtracted from the base premium.

<u>Area of Practice Modification Factors</u>	<u>Debit</u>	<u>Credit</u>
Interior Design/Landscape Architecture		.60
Electrical Engineering		.35
Mechanical Engineering		.15
Architecture, HVAC		0
Structural Engineering	.75	
Civil Engineering - not otherwise classified	.10	
Wastewater Treatment Facilities	.35	
Pipelines	.25	
Municipal Water Treatment/Pumping	.20	
Highway/Roads without bridges	.10	
Street plans, subdivision layout		.20
Site Development		.20
Land and Aerial Surveying, Topography, Mapping		.20
Environmental Impact Statement, Flood Plain Study		.20
Transportation Consultant		.20
Solid Waste/Landfill Siting and Design	.50	
Dams, Bridges, Tunnels, Parking Structures, Foundations	.75	
Feasibility Studies Factor		.75

**3. Prior Acts Coverage**

The base rates are considered full prior acts with the following prior acts factors.

<u>Years</u>	<u>Factor</u>
Mature	1.000
3 years	.975

2 years	.950
1 year	.900
0	.800

**4. Client / Project Debits**

All debits developed in this Rule are additive.

A debit of up to 100% may be applied to appropriately modify premium for the higher exposure areas. This debit will be used for the following categories to recognize the additional frequency or severity:

**Clients:** contractors, financial institutions, governments or real estate developers

**Projects:** airports, arenas, bridges, casinos, dams, extremely large projects, marinas, medical facilities, multi-family dwellings, parking garages, power plants, pre-engineered metal buildings, public housing, schools, sewage or water treatment plants, stadiums, temporary structures, tunnels, unusually large project for a particular firm or any project considered outside the applicant's standard practice

**Other Activities (subcontracted or provided by applicant):** building alteration, construction management, design/build projects, joint ventures, material testing, project management, soil testing or analysis, or any service not customary to design professionals

**Alaska, Hawaii and Foreign Work:** Work performed outside of the 48 continental United States of America

**5. Schedule Modifications**

All credits and debits developed in this Rule are additive.

Risk Characteristics	Credit		Debit
Professional Memberships	25%	to	25%
Business Management	25%	to	25%
Loss Prevention / Control	25%	to	25%
Geographic Location of Projects	25%	to	25%
Maximum Modification	60%		60%

**6. Experience Adjustment**

Adjustment of up to 50% may be applied to reflect the Applicant's loss experience.

**7. Increased Limit Factors**

The following higher policy limits are available.

Limit Per Claim	Limit Aggregate	Increased Limit Factor
\$100,000	\$100,000	1.00
\$100,000	\$200,000	1.09
\$250,000	\$250,000	1.50
\$250,000	\$500,000	1.57
\$500,000	\$500,000	2.00
\$500,000	\$1,000,000	2.20

\$750,000	\$750,000	2.20
\$1,000,000	\$1,000,000	2.35
\$1,000,000	\$2,000,000	2.50
\$2,000,000	\$2,000,000	2.80
\$2,000,000	\$4,000,000	3.05
\$3,000,000	\$3,000,000	3.20
\$4,000,000	\$4,000,000	3.55
\$5,000,000	\$5,000,000	3.85

For limits not shown in the table, refer to Company

If Limits of Liability (Each Claim / Aggregate) below \$1,000,000 / \$1,000,000 are purchased, a Defense Outside Limit Option described in section 9. MUST also be purchased. If the Defense Cost Endorsement described in section 9. is chosen, the claim expense limit provided must be equal to 100% of or exceed the Limits of Liability (Each Claim / Aggregate) purchased in this section.

If a Defense Outside Limit Option described in section 9. is not purchased, Limits of Liability (Each Claim / Aggregate) of \$1,000,000 / \$1,000,000 or more must be chosen and the Insured must provide a signed Arkansas Consent Form acknowledging their understanding that the policy has limits of liability which may be reduced or completely eliminated by payments for defense costs and claims expenses

## 8. Deductible Factors

The following deductible options are available and are added to the Increased Limits factor developed in Rule 7.

Each Claim Deductible	No Aggregate Applies	1 Time Aggregate Each Claim	2 Time Aggregate Each Claim
1,000	.080	.140	.110
2,500	.000	.060	.020
5,000	-.060	.050	-.010
7,500	-.100	.010	-.060
10,000	-.140	-.040	-.100
12,500	-.170	-.070	-.130
15,000	-.200	-.100	-.160
17,500	-.225	-.130	-.190
20,000	-.250	-.160	-.210
25,000	-.290	-.200	-.250
30,000	-.320	-.240	-.290
40,000	-.380	-.310	-.350
50,000	-.430	-.360	-.400

For deductibles not shown in the table, refer to Company

## 9. Defense Outside Limits Option

The optional Defense Outside Limits endorsements require an additional premium charge. The charge is applied to the deductible/limits factor developed in Rules 7 and 8 for the selected limit.

Indemnity Limit	Supplementary Claim Expenses Endorsement	Defense Cost Endorsement
100 / 100*	N/A	5% to 15%
100 / 200*	N/A	5% to 15%
250 / 250*	N/A	5% to 15%
250 / 500*	N/A	5% to 15%
500 / 500*	N/A	5% to 15%

500 / 1M*	N/A	5% to 15%
750 / 750	15% to 25%	5% to 15%
1M / 1M	5% to 25%	5% to 15%
1M / 2M	5% to 25%	5% to 15%
2M / 2M	5% to 25%	5% to 15%
3M / 3M	5% to 25%	5% to 15%
4M / 4M	5% to 25%	5% to 15%
5M / 5M	5% to 25%	5% to 15%

For limits not shown above, refer to Company

\* If the Defense Cost Endorsement is chosen, the claim expense limit provided must be equal to 100% of or exceed the Limits of Liability (Each Claim / Aggregate) purchased in section 7.

**10. Optional coverages**

**Specific Project Excess Limit of Liability Option**

Premium developed in Rules 1, 2, 3, 4, 5, 6 and 12 is multiplied by the total Project Deductible/Limit factor. Then the policy premium for the firm developed in Rule 9 is subtracted. The result is multiplied by .35. The Total Project Deductible/Limit factor is defined as the primary limit of liability plus the Specific Excess Project of liability, including the appropriate primary policy deductible.

Minimum Premium for the Specific Project Excess Limit of Liability endorsement will be \$750.

If applicable, apply the "After Completion" Factor from the table below.

After Completion Factor	
1 <sup>st</sup> Year after completion	1.00
2 <sup>nd</sup> Year after completion	.50
3 <sup>rd</sup> Year after completion	.20
4 <sup>th</sup> Year after completion	.10

**Expense Sharing Option**

The optional Expense Sharing endorsement requires an additional premium charge which is a percentage of the modified base premium. This percentage is determined by the amount of the policy's deductible, as shown below. The minimum endorsement premium shall be \$250.

Deductible	Percentage of Premium
1,000	3.0%
2,500	5.0%
5,000	7.0%
7,500	8.0%
10,000	9.0%
12,500	9.5%
15,000	10.0%
17,500	10.5%
20,000	11.0%
25,000	12.0%
30,000	Refer to Company
40,000	Refer to Company
50,000	Refer to Company

**First Dollar Defense Option**

The optional First Dollar Defense endorsement requires an additional premium charge which is a percentage of the modified base premium. This percentage is determined by the amount of the policy's deductible, as shown below. The minimum endorsement premium shall be \$300.

Deductible	Percentage of
------------	---------------

	Premium
1,000	3.3%
2,500	5.5%
5,000	7.7%
7,500	8.8%
10,000	9.9%
12,500	10.4%
15,000	11.0%
17,500	11.5%
20,000	12.1%
25,000	13.2%
30,000	Refer to Company
40,000	Refer to Company
50,000	Refer to Company

### 11. Extended Claims Reporting Period Options

Using the rates in effect on the inception date of the terminating policy, compute the premium, using all the appropriate rating factors. For the number of years of prior acts coverage, use the prior acts factor which would apply on the effective date of the terminating policy.

Select the extended claims reporting period factor from the following table, and apply it to the policy premium of the terminating policy.

Extended Reporting Period Length	Reporting Period Factor
One Year	.90
Three Years	2.00
Five Years	2.30

### 12. Continuing Education Adjustment

Adjustment of up to 10% may be applied to reflect the Applicant's dedication to continuing professional education and development.

### 13. Policy Minimum Premium

The minimum premium per policy is \$1,400

### 14. Rounding Rule

All premiums shown on the policy and endorsements shall be rounded to the nearest whole dollar. A premium of \$.50 or more shall be rounded to the next higher whole dollar.

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<i>Product Name:</i>	A&E Professional Liability		
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## Supporting Document Schedules

<b>Satisfied -Name:</b>	Uniform Transmittal Document-Property & Casualty	<b>Review Status:</b>	Filed	08/08/2008
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**Comments:**

SEE ATTACHED TRANSMITTAL

**Attachment:**

NAIC Trnsmtl CSIC AE rates AR.pdf

<b>Bypassed -Name:</b>	NAIC Loss Cost Filing Document for OTHER than Workers' Comp	<b>Review Status:</b>	Filed	08/08/2008
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**Bypass Reason:** n/a - no loss costs

**Comments:**

<b>Bypassed -Name:</b>	NAIC loss cost data entry document	<b>Review Status:</b>	Filed	08/08/2008
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**Bypass Reason:** n/a - no loss costs

**Comments:**

## 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 style="width: 100%; border: none;"> <tr> <td style="width: 60%; border: none;">New Business</td> <td style="border: none;"></td> </tr> <tr> <td style="border: none;">Renewal Business</td> <td style="border: none;"></td> </tr> </table> f. State Filing #: g. SERFF Filing #: h. Subject Codes	New Business		Renewal Business	
New Business					
Renewal Business					

<b>3. Group Name</b>	<b>Group NAIC #</b>
Argo Group	0457

4. Company Name(s)	Domicile	NAIC #	FEIN #	State #
Colony Specialty Insurance Company	Ohio	36927	31-1266871	

<b>5. Company Tracking Number</b>	CSIC-PL-AE-AR-R-2008
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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
	Ellen Canestrano 8720 Stony Point Parkway Richmond, VA 23235	Regulatory Compliance Specialist II	804-560-4547	804-327-3173	<a href="mailto:ecanestrano@colonyins.com">ecanestrano@colonyins.com</a>
	7. Signature of authorized filer		<i>Ellen Canestrano</i>		
	8. Please print name of authorized filer		Ellen Canestrano		

**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)	17.1019
11. State Specific Product code(s)(if applicable)[See State Specific Requirements]	
12. Company Program Title (Marketing title)	Accountants E&O rates & rules
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: UPON APPROVAL    Renewal: UPON APPROVAL
15. Reference Filing?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
16. Reference Organization (if applicable)	N/A
17. Reference Organization # & Title	N/A
18. Company's Date of Filing	June 17, 2008
19. Status of filing in domicile	<input type="checkbox"/> Not Filed <input checked="" type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

# Property & Casualty Transmittal Document—

20. This filing transmittal is part of Company Tracking # CSIC-PL-AE-AR-R-2008

**Filing Description:** The Architects & Engineers Professional Liability Insurance Program is a new product offering for Argonaut Insurance Company. The program will provide architects and engineers professional liability on a claims-made basis.

This program is designed to provide coverage for a variety of risks from sole proprietors to larger firms. The policy form is intended to focus on specific coverages needed by the typical architect and engineer meeting the risk criteria profile. We have highlighted below the following features of the coverage provided:

- A broad definition of covered professional services
- Joint venture coverage
- Contractual liability coverage
- Innocent insured protection in the event of fraud

21. We also offer to our insureds the following optional coverages:

- Options for Defense Outside Limit coverage
- First Dollar Defense deductibles that apply to loss only, not claim expenses
- An excess limit of liability for a specific project
- Extended claims reporting period

The independent rates included in this filing were determined by examining the rates of other competitors in the market and using underwriting judgment. Base rates are proposed for each state with modifiers for risk factors, limits and deductible options, claims and loss control techniques. The rates permit the underwriter to review each application on its' individual characteristics and establish an equitable premium. The company will carefully monitor this program to capture statistics and adjust rates accordingly.

We believe the proposed program addresses concerns for rate adequacy while remaining competitive in the marketplace. Furthermore, we do not consider the proposed rate plan to be excessive or unfairly discriminatory.

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 #: SENT VIA SERFF 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.)**

## 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.)

<b>1.</b>	<b>This filing transmittal is part of Company Tracking #</b>	<b>CSIC-PL-AE-AR-R-2008</b>
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<b>2.</b>	<b>This filing corresponds to rate/rule filing number</b> (Company tracking number of rate/rule filing, if applicable)	
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<b>3.</b>	<b>Form Name /Description/Synopsis</b>	<b>Form # Include edition date</b>	<b>Replacement Or withdrawn?</b>	<b>If replacement, give form # it replaces</b>	<b>Previous state filing number, if required by state</b>
01	n/a rate filing only				
02					
03					
04					
05					
06					
07					
08					
09					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					

## RATE/RULE FILING SCHEDULE

(This form must be provided ONLY when making a filing that includes rate-related items such as Rate; Rule; Rate & Rule; Reference; Loss Cost; Loss Cost & Rule or Rate, etc.)

(Do not refer to the body of the filing for the component/exhibit listing, unless allowed by state.)

<b>1.</b>	<b>This filing transmittal is part of Company Tracking #</b>	<b>CSIC-PL-AE-AR-R-2008</b>
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<b>2.</b>	<b>This filing corresponds to form filing number</b> (Company tracking number of form filing, if applicable)	<b>CSIC-PL-AE-AR-F-2008</b>
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Rate Increase     
  Rate Decrease     
  Rate Neutral (0%)

<b>3.</b>	<b>Filing Method (Prior Approval, File &amp; Use, Flex Band, etc.)</b>	<b>N/A – NEW PROGRAM</b>
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<b>4a.</b>	<b>Rate Change by Company (As Proposed)</b>
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Company Name	Overall % Indicated Change (when applicable)	Overall % Rate Impact	Written premium change for this program	# of policyholders affected for this program	Written premium for this program	Maximum % Change (where required)	Minimum % Change (where required)
CSIC	0	0	0	0	0	0	0

<b>4b.</b>	<b>Rate Change by Company (As Accepted) For State Use Only</b>
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Company Name	Overall % Indicated Change (when applicable)	Overall % Rate Impact	Written premium change for this program	# of policyholders affected for this program	Written premium for this program	Maximum % Change	Minimum % Change

<b>5.</b>	<b>Overall Rate Information (Complete for Multiple Company Filings only)</b>	<b>N/A – NOT MULTIPLE CO FILING</b>	
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		COMPANY USE	STATE USE
<b>5a</b>	<b>Overall percentage rate indication (when applicable)</b>	0	
<b>5b</b>	<b>Overall percentage rate impact for this filing</b>	0	
<b>5c</b>	<b>Effect of Rate Filing – Written premium change for this program</b>	0	
<b>5d</b>	<b>Effect of Rate Filing – Number of policyholders affected</b>	0	

<b>6.</b>	<b>Overall percentage of last rate revision</b>	0
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<b>7.</b>	<b>Effective Date of last rate revision</b>	N/A
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<b>8.</b>	<b>Filing Method of Last filing (Prior Approval, File &amp; Use, Flex Band, etc.)</b>	N/A
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9.	Rule # or Page # Submitted for Review	Replacement or withdrawn?	Previous state filing number, if required by state
01	AR Rating Guide 0708 – rules 1-11; pages 1-5	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	N/A – NEW PROGRAM
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	

SERFF Tracking Number: ARGN-125588226 State: Arkansas  
 Filing Company: Colony Specialty Insurance Company State Tracking Number: EFT \$100  
 Company Tracking Number: CSIC-PL-AE-AR-R-2008  
 TOI: 17.1 Other Liability - Claims Made Only Sub-TOI: 17.1019 Professional Errors & Omissions Liability  
 Product Name: A&E Professional Liability  
 Project Name/Number: CYPRESS - A&E/

## Superseded Attachments

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

Original Date:	Schedule	Document Name	Replaced Date	Attach Document
No original date	Rate and Rule	ar a&e rate guide 0708	06/17/2008	Arkansas Architects & Engineers Rate Guide 0708.pdf



# Colony Specialty Insurance Company

## Architects & Engineers Professional Liability Program Rating Guide

### Arkansas

#### 1. Base Limit Premium

Rateable billings are defined in the application.

Rates are for base limits of \$100,000 each claim and annual aggregate and a base deductible of \$2,500 per claim. Rates apply per \$100 of total rateable billings. Develop the base premium by selecting a base premium and adding the product of the corresponding incremental rate.

Rate Table				
Rateable Billings		Base Premiums	Incremental Rates	
From	To		Plus	Per \$100 of Rate Table Billings in excess of:
\$1	100,000	1,375	0.00	\$0
100,001	250,000	1,375	1.09 - 2.23	100,000
250,001	500,000	3,505	.70 - 1.44	250,000
500,001	750,000	5,805	.32 - .66	500,000
750,001	1,000,000	6,855	.31 - .63	750,000
1,000,001	1,500,000	7,855	.24 - .51	1,000,000
1,500,001	2,000,000	9,455	.24 - .51	1,500,000
2,000,001	or more	11,055	.24 - .51	2,000,000

**2. Area of Practice and Feasibility Modifications**

The factors below are multiplied by the specific percentage indicated in the application for each Area of Practice. Multiply the result by the Base Premium to determine the Area of Practice debit/credit premium. Debit premiums are added to the base premium. Credit premiums are subtracted from the base premium.

<u>Area of Practice Modification Factors</u>	<b>Debit</b>	<b>Credit</b>
Interior Design/Landscape Architecture		.60
Electrical Engineering		.35
Mechanical Engineering		.15
Architecture, HVAC		0
Structural Engineering	.75	
Civil Engineering - not otherwise classified	.10	
Wastewater Treatment Facilities	.35	
Pipelines	.25	
Municipal Water Treatment/Pumping	.20	
Highway/Roads without bridges	.10	
Street plans, subdivision layout		.20
Site Development		.20
Land and Aerial Surveying, Topography, Mapping		.20
Environmental Impact Statement, Flood Plain Study		.20
Transportation Consultant		.20
Solid Waste/Landfill Siting and Design	.50	
Dams, Bridges, Tunnels, Parking Structures, Foundations	.75	
Feasibility Studies Factor		.75

**3. Prior Acts Coverage**

The base rates are considered full prior acts with the following prior acts factors.

<u>Years</u>	<u>Factor</u>
Mature	1.000
3 years	.975
2 years	.950
1 year	.900
0	.800

**4. Client / Project Debits**

All debits developed in this Rule are additive.

A debit of up to 100% may be applied to appropriately modify premium for the higher exposure areas. This debit will be used for the following categories to recognize the additional frequency or severity:

**Clients:** contractors, financial institutions, governments or real estate developers

**Projects:** airports, arenas, bridges, casinos, dams, extremely large projects, marinas, medical facilities, multi-family dwellings, parking garages, power plants, pre-engineered metal buildings, public housing, schools, sewage or water treatment plants, stadiums, temporary structures, tunnels, unusually large project for a particular firm or any project considered outside the applicant's standard practice

**Other Activities (subcontracted or provided by applicant):** building alteration, construction management, design/build projects, joint ventures, material testing, project management, soil testing or analysis, or any service not customary to design professionals

**Alaska, Hawaii and Foreign Work:** Work performed outside of the 48 continental United States of America

**5. Schedule Modifications**

All credits and debits developed in this Rule are additive.

Risk Characteristics	Credit		Debit
Professional Memberships	25%	to	25%
Business Management	25%	to	25%
Loss Prevention / Control	25%	to	25%
Geographic Location of Projects	25%	to	25%
Maximum Modification	60%		60%

**6. Experience Adjustment**

Adjustment of up to 50% may be applied to reflect the Applicant's loss experience.

**7. Increased Limit Factors**

The following higher policy limits are available.

Limit Per Claim	Limit Aggregate	Increased Limit Factor
\$100,000	\$100,000	1.00
\$100,000	\$200,000	1.09
\$250,000	\$250,000	1.50
\$250,000	\$500,000	1.57
\$500,000	\$500,000	2.00
\$500,000	\$1,000,000	2.20
\$750,000	\$750,000	2.20
\$1,000,000	\$1,000,000	2.35

\$1,000,000	\$2,000,000	2.50
\$2,000,000	\$2,000,000	2.80
\$2,000,000	\$4,000,000	3.05
\$3,000,000	\$3,000,000	3.20
\$4,000,000	\$4,000,000	3.55
\$5,000,000	\$5,000,000	3.85

For limits not shown in the table, refer to Company

If a Defense Outside Limit Option described in section 9. is not purchased and Limits of Liability of \$1,000,000 Limit Per Claim / \$1,000,000 Limit Aggregate or more are not chosen, the Insured must provide a signed Arkansas Consent Form acknowledging their understanding that the policy has limits of liability which may be reduced or completely eliminated by payments for defense costs and claims expenses.

### 8. Deductible Factors

The following deductible options are available and are added to the Increased Limits factor developed in Rule 7.

Each Claim Deductible	No Aggregate Applies	1 Time Aggregate Each Claim	2 Time Aggregate Each Claim
1,000	.080	.140	.110
2,500	.000	.060	.020
5,000	-.060	.050	-.010
7,500	-.100	.010	-.060
10,000	-.140	-.040	-.100
12,500	-.170	-.070	-.130
15,000	-.200	-.100	-.160
17,500	-.225	-.130	-.190
20,000	-.250	-.160	-.210
25,000	-.290	-.200	-.250
30,000	-.320	-.240	-.290
40,000	-.380	-.310	-.350
50,000	-.430	-.360	-.400

For deductibles not shown in the table, refer to Company

### 9. Defense Outside Limits Option

The optional Defense Outside Limits endorsements require an additional premium charge. The charge is applied to the deductible/limits factor developed in Rules 7 and 8 for the selected limit.

Indemnity Limit	Supplementary Claim Expenses Endorsement	Defense Cost Endorsement
100 / 100	5% to 25%	N/A
100 / 200	5% to 25%	N/A
250 / 250	5% to 25%	N/A
250 / 500	5% to 25%	N/A
500 / 500	5% to 25%	5% to 15%
500 / 1M	5% to 25%	5% to 15%
750 / 750	5% to 25%	5% to 15%
1M / 1M	5% to 25%	5% to 15%
1M / 2M	5% to 25%	5% to 15%
2M / 2M	5% to 25%	5% to 15%
3M / 3M	5% to 25%	5% to 15%

<b>4M / 4M</b>	5% to 25%	5% to 15%
<b>5M / 5M</b>	5% to 25%	5% to 15%

For limits not shown above, refer to Company

## 10. Optional coverages

### Specific Project Excess Limit of Liability Option

Premium developed in Rules 1, 2, 3, 4, 5, 6 and 12 is multiplied by the total Project Deductible/Limit factor. Then the policy premium for the firm developed in Rule 9 is subtracted. The result is multiplied by .35. The Total Project Deductible/Limit factor is defined as the primary limit of liability plus the Specific Excess Project of liability, including the appropriate primary policy deductible.

Minimum Premium for the Specific Project Excess Limit of Liability endorsement will be \$750.

If applicable, apply the "After Completion" Factor from the table below.

<b>After Completion Factor</b>	
<b>1<sup>st</sup> Year after completion</b>	1.00
<b>2<sup>nd</sup> Year after completion</b>	.50
<b>3<sup>rd</sup> Year after completion</b>	.20
<b>4<sup>th</sup> Year after completion</b>	.10

### Expense Sharing Option

The optional Expense Sharing endorsement requires an additional premium charge which is a percentage of the modified base premium. This percentage is determined by the amount of the policy's deductible, as shown below. The minimum endorsement premium shall be \$250.

<b>Deductible</b>	<b>Percentage of Premium</b>
<b>1,000</b>	3.0%
<b>2,500</b>	5.0%
<b>5,000</b>	7.0%
<b>7,500</b>	8.0%
<b>10,000</b>	9.0%
<b>12,500</b>	9.5%
<b>15,000</b>	10.0%
<b>17,500</b>	10.5%
<b>20,000</b>	11.0%
<b>25,000</b>	12.0%
<b>30,000</b>	Refer to Company
<b>40,000</b>	Refer to Company
<b>50,000</b>	Refer to Company

### First Dollar Defense Option

The optional First Dollar Defense endorsement requires an additional premium charge which is a percentage of the modified base premium. This percentage is determined by the amount of the policy's deductible, as shown below. The minimum endorsement premium shall be \$300.

<b>Deductible</b>	<b>Percentage of Premium</b>
<b>1,000</b>	3.3%
<b>2,500</b>	5.5%
<b>5,000</b>	7.7%
<b>7,500</b>	8.8%
<b>10,000</b>	9.9%
<b>12,500</b>	10.4%
<b>15,000</b>	11.0%

17,500	11.5%
20,000	12.1%
25,000	13.2%
30,000	Refer to Company
40,000	Refer to Company
50,000	Refer to Company

### **11. Extended Claims Reporting Period Options**

Using the rates in effect on the inception date of the terminating policy, compute the premium, using all the appropriate rating factors. For the number of years of prior acts coverage, use the prior acts factor which would apply on the effective date of the terminating policy.

Select the extended claims reporting period factor from the following table, and apply it to the policy premium of the terminating policy.

Extended Reporting Period Length	Reporting Period Factor
One Year	.90
Three Years	2.00
Five Years	2.30

### **12. Continuing Education Adjustment**

Adjustment of up to 10% may be applied to reflect the Applicant's dedication to continuing professional education and development.

### **13. Policy Minimum Premium**

The minimum premium per policy is \$1,400

### **14. Rounding Rule**

All premiums shown on the policy and endorsements shall be rounded to the nearest whole dollar. A premium of \$.50 or more shall be rounded to the next higher whole dollar.